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Home Sales Continue to Cool

Sarasota-Bradenton leads the state with 44 percent decline

By Michael Pollick

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The slowdown in residential real estate sales took a firm hold on the region and state during the first quarter.

Sales of existing single-family homes dropped 44 percent during the quarter in the Sarasota-Bradenton market, while those sales dropped 22 percent in the Charlotte County-North Port market.

The decrease in the Sarasota-Bradenton market -- from 3,210 homes to 1,800 in the most recent quarter -- was the largest in terms of a percentage in the state.

The second-biggest was in Naples, a market often likened to Sarasota-Bradenton, where the total number of homes dropped 36 percent from 1,358, the Florida Association of Realtors reported.

The slowdown registered across the state, with 45,864 homes changing hands during the first three months of 2006. That was a 20 percent drop from the pace of 57,532 homes during the same quarter last year.

It was par for the course nationally.

"Sales of existing single-family homes in Florida behaved like much of the U.S. across the 2006 first quarter," said Dr. David Scott, executive director of the Dr. Phillips Institute for the Study of American Business Activity and professor of finance at the University of Central Florida.

"The stress points on unit sales come from two key sources: One, rising inventories of dwellings for sale and two, rising mortgage rates," Scott added. "On the latter, conventional mortgage rates closed the 2006 initial quarter at 6.35 percent and are trending up."

Within some pricey resort enclaves, the sales trend, if anything, was even more brutal.

For the year-to-date through mid-May 2006, Anna Maria Island saw 27 single family home deals close.

That was down 65 percent from a year ago, said Mike Norman of Mike Norman Realty, based on Holmes Beach. Condo sales fared even worse, down 81 percent from a year ago to 15 sales.

But values seem to be continuing to hold on, though far off the growth pace of the last several quarters.

The median sales price for the quarter in the Sarasota-Bradenton market was \$331,100, up 12 percent from the same quarter in 2005. In the Charlotte County-North Port market the median was \$225,900, up 14 percent from the same time last year.

The median value statewide was \$248,000, a 20 percent increase from the \$206,700 median during the first quarter of 2005.

"This year we have just continued to see the average sales price go up, but when we look at the figures for last month, they are not continuing to rise," said Sue Louis, who oversees 19 Coldwell Banker offices in Sarasota and Manatee counties as regional vice president.

Across the state, other big sales drops occurred in Melbourne-Titusville-Palm Bay with 33 percent decrease; West Palm Beach-Boca Raton, with 32 percent; Fort Lauderdale, with 31 percent; Daytona Beach, with 26 percent; and Panama City, with 25 percent.

Only three markets saw an increase in market activity during the first quarter.

The biggest was in Tallahassee with an 11 percent jump in sales. Both Jacksonville and Ocala saw a 5 percent rise in sales.

All the state's markets continued to post increases in sales, ranging from a 43 percent increase to \$172,400 in Lakeland-Winter Haven down to an 8 percent increase in Boca Raton and Naples.

Other big value jumps occurred in Gainesville (32 percent); Ocala (32 percent); Daytona Beach (28 percent); and Tampa-St. Petersburg-Clearwater (26 percent).

Some markets that don't seem to have enjoyed the full measure of the last several years booming market seemed to pick up some steam in the first quarter.

Gainesville kept its sales decline at a moderate 13 percent.

"Gainesville is university driven, so we have a pretty stable economy," said Donna Pitts, a broker at ERA Trend Realty in Gainesville. "In other times when other communities in the state have been weak, Gainesville has remained strong."

The price of an existing single-family home in Gainesville was \$211,100 in the first quarter, still a moderate price when compared to those in coastal communities such as Sarasota-Bradenton, where the median is now \$331,100.

"I think North Florida is pretty well insulated from some of these downturns," said J. Parrish, executive vice president at Coldwell Banker M.M. Parrish Realtors in Gainesville "At the same time we don't see these huge upswings."

Condominiums, a new statistic that the Realtors association has been providing for the last several months, also registered some big drops in the market malaise.

Existing condo sales were down 42 percent, from 1,372 to 800 in the most recent quarter, in the Sarasota-Bradenton market. In Charlotte County-North Port, sales dropped a huge 91 percent, from 197 condos to only 17.

The biggest drop in the state was in Melbourne-Titusville-Palm Bay at 62 percent, from 529 to 203 condo units.

Other big drops in the state occurred in Fort Walton Beach (50 percent); Daytona Beach (49 percent); Naples (48 percent); and Fort Myers-Cape Coral (47 percent).

Statewide, there were 15,386 condo units sold during the first quarter, down 22 percent from 19,657 in the first quarter of last year.

Like in single-family homes, condominiums were still showing some appreciation in price, with the largest gain occurring in Charlotte County-North Port, with a gain of 52 percent. It is difficult to read too much into that figure because of the small number of units that sold during the quarter.

Other big price gains occurred in Fort Myers-Cape Coral, with a 43 percent jump to \$327,500; Lakeland-Winter Haven, with a 39 percent jump to \$107,500; and West Palm Beach-Boca Raton, with a 29 percent spike to \$220,200.