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Housing Prices Slip a Bit: Sales Slowing

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Local median housing prices fell slightly from the fourth quarter of 2005 to this year's first quarter, according to two reports issued Monday.

The median-price figures for Brevard County tend to mirror the overall national picture, where there was slippage from last year's fourth quarter and this year's first quarter.

The median sales price is the point at which half the homes sell for more, half for less.

Watching the real estate market lately has provided some anxious moments for homeowners and homebuyers.

Homeowners, up until late last year, could count on hefty gains in appreciation, while many potential homebuyers could not afford to purchase a home, or signed risky loans to get financing.

With home prices moderating and inventories more plentiful, the advantage appears to be switching to buyers, instead of sellers.

- The Florida Association of Realtors reported a 5.1 percent drop in median home prices, to \$222,400 in the first quarter of 2006, from \$234,400 in the fourth quarter of 2005.

- The National Association of Realtors reported a 0.7 percent drop in median home prices in Brevard, to \$208,000 in the first quarter of 2006, from \$209,500 in the fourth quarter of 2005. Year-over-year, Brevard's median home resale price rose 13.0 percent from \$184,100 in the first quarter of 2005, ranking Brevard 48th out of the 150 communities ranked by the National Association of Realtors for price appreciation during that time period.

The two Realtors' groups use different methodology in collecting data, with the national group using a sampling of data, and the Florida group using reported sales by local Realtors.

Misty Morrison of Homes and Loans Realty of Melbourne, who is helping sell a home in Viera, recently reduced the asking price by \$25,000 to \$254,900.

"Obviously, you have to be competitive to be able to sell it," Morrison said.

Others agree.

"We are finally coming out of denial, and beginning to acknowledge that tough times are ahead," said Manuel Iraola, chief executive officer of Miami-based Homekeys.net, a real estate consultant group. "No one wants the bubble to burst, but the market is showing signs of fatigue, and the balance of power is shifting to the buyers."

In Brevard, the Florida Association of Realtors reported that single-family home sales in this year's first quarter plunged 33 percent to 1,302, down from 1,941 from the first quarter of 2005.

Brevard condominium sales dropped 62 percent, to 203 in the first quarter, down from 539 from the first quarter of 2005, according to the Florida Association of Realtors.

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

Scott said "stress points" are being caused by rising inventories and an increase in mortgage rates.

David Lereah, chief economist for the National Association of Realtors, said the nation's housing market is responding to the growing inventory.

"With the supply of homes picking up very nicely in many areas of the country, pressure is coming off of home prices," Lereah said. "By the time we report second-quarter data, I expect most areas will be returning to normal rates of price growth in the single-digit range."