

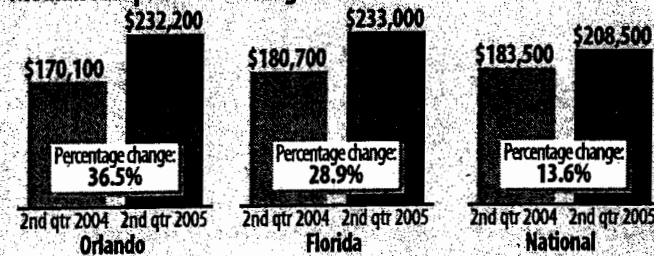
## Orlando's home prices 4th hottest in nation

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### HOUSING PRICES STILL SIZZLING

The median home price in Orlando continues to climb with a 36.5% increase over the same time last year, compared with a 13.6% increase nationally.

#### Median sale prices of existing homes



SOURCES: National Association of Realtors, Florida Association of Realtors

ORLANDO SENTINEL

Orlando was the nation's fourth-hottest housing market during the second quarter of the year, as home prices across the country surged at their fastest pace in 25 years.

Six of the 10 hottest housing markets are in Florida, according to the National Association of Realtors, which recorded the largest jump in the median single-family home price nationwide — 13.6 percent, to \$208,500 — since 1979.

Home values in the Orlando metro area continued to rise at a blistering pace during the same April-June period, to \$232,200, up 36.5 percent from \$170,100 a year earlier.

In June, the last month of the quarter, Orlando's median hit \$240,000, according to the Orlando Regional Realtor Association.

For now, at least, the healthy gains are giving some industry experts reason to question the idea that a housing bubble is about to burst.

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Mark Eller, broker/owner of Amerivest Realty of Central Florida in Winter Park, said he has seen some slight slow-down, though "it's still a very hot market."

Still, inventory is increasing and some houses are taking a little longer to sell, Eller said.

The same trend has been noted nationally, with inventories increasing slightly — from 4.1 months' to 4.3 months' worth of homes on the market in June.

But that's still not enough to scare economists.

"The continuing shortages of housing inventory are driv-

### TOP 10 MARKETS

#### Year-over-year gain in median home price during the 2nd quarter of 2005:

- Phoenix-Mesa-Scottsdale, Ariz.: 47.0%
- Cape Coral-Fort Myers: 45.2%
- Palm Bay-Melbourne-Titusville: 40.0%
- Orlando: 36.5%
- Sarasota-Bradenton-Venice: 34.3%
- Reno-Sparks, Nev.: 32.1%
- Miami-Fort Lauderdale-Miami Beach: 31.7%
- Deltona-Daytona Beach-Ormond Beach: 31.2%
- Durham, N.C.: 30.9%
- Tucson, Ariz.: 30.0%

SOURCE: National Association of Realtors

## Florida claims 6 spots in top 10 home markets

ing the price gains," said David Lereah, chief economist for the association. "There is no evidence of bubbles popping."

Indeed, the association's survey of 149 metro areas found that nearly half had double-digit increases. And sales are happening at a record pace, with 42 states reporting year-over-year increases in sales from the second quarter of 2004.

Besides Orlando, five other state markets were in the nation's top 10.

The Cape Coral-Fort Myers metro area was second in the nation, with a gain of 45.2 percent; Palm Bay-Melbourne-Titusville in Brevard County was third at 40 percent.

The hot appreciation rate in Brevard County didn't surprise Rickey Richardson, a sales agent with Apollo Realty Inc. in Cocoa Beach. "This market is hot," he said. If a house is priced right, "it sells immediately," he said. Richardson said properties in the most desirable areas are still prompting bidding wars.

The nation's top performer was the Phoenix metro area,

where homes gained 47 percent over the year.

But not everyone enjoyed robust growth.

Kalamazoo, Mich., posted the largest price decline, dropping 3.5 percent to a median of \$122,600. Youngstown, Ohio, was second with a 2.7 percent drop.

The nation's housing boom has been fueled by interest rates hovering at historic lows. The average U.S. rate for a 30-year fixed mortgage was 5.72 percent in the second quarter, according to Freddie Mac, a national home-loan buyer.

Rates have been edging higher in recent weeks, but housing experts say the market won't lose steam until rates near 7 percent, something most experts don't predict will happen until late next year.

Dave Scott, an economist at the University of Central Florida, said the market should remain strong as long as the economy is growing and borrowing costs are low.

Orlando, he said, benefits from having the best job growth in the state.

"The economy is healthy," he said. A sharp decline in housing activity locally and nationally would require a "major economic disruption," Scott said.

Doug Duncan, chief economist for the Mortgage Bankers Association of America, said housing activity and price declines are always tied to job losses.

"That's what triggers problems for housing," he said.

The Denver market, which has lost thousands of telecom jobs, recently has seen its housing market cool sharply.

There is anecdotal evidence of slight cooling in other national markets such as San Diego and Washington, D.C.

David Berson, chief economist for Fannie Mae, the nation's largest home-loan buyer, said this week he thinks the market is peaking. If that's the case, it will be reflected in data in months to come.