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August 17, 2005

## Resale prices No. 3 in U.S.

### Brevard homes up 40 percent in 2nd quarter

BY WAYNE T. PRICE  
and SCOTT BLAKE

Brevard County has the third-hottest housing market in the nation, based on skyrocketing home values, the National Association of Realtors reported.

Only the Phoenix-Mesa area in Arizona and the Cape Coral-Fort Myers area in Southwest Florida saw bigger jumps in home resale prices in the April through June quarter.

Median home resale prices in Brevard shot up 40 percent in the second quarter, compared with the same quarter a year ago.

Double-digit gains -- which were unheard of locally until a few years ago -- have buyers and sellers wondering when the housing market will cool off.

"Your guess is as good as mine," said Kathy Starkey, a Realtor with ERA Showcase Properties on Merritt Island and president of the Space Coast Area Association of Realtors. "People keep saying that prices might drop, but when that's going to happen, I don't know. I wish I had a crystal ball."

Satellite Beach resident Scottwood Ivers, who buys and sells houses for a living, thinks the local housing market started to cool down in the past few weeks.

### The Top 5

The top housing markets in the second quarter:

1. Phoenix-Mesa-Scottsdale, Ariz.: 47 percent
  2. Cape Coral-Fort Myers: 45.2 percent
  3. **Brevard County: 40 percent**
  4. Orlando: 36.5 percent
  5. Sarasota-Bradenton-Venice: 34.3 percent
- **National Association of Realtors**

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About two years ago, he bought a three-bedroom, two-bathroom house in Satellite Beach for \$135,000, and spent about \$20,000 on renovations. About two weeks ago, he put the house up for sale for \$315,000. So far, he's gotten no offers at that price.

"A year ago, that would have been sold in a week," he said. "The market seems to have peaked. People are only going to pay so much."

The median sales price of an existing single-family home in Brevard was \$204,000 in the last quarter -- a 40 percent gain from a year earlier, according to the Chicago-based National Association of Realtors.

The numbers from the Orlando-based Florida Association of Realtors are different. That group found sales prices for existing single-family homes in Brevard was \$227,900 during the same period, also up 40 percent. The median is the price at which half the homes sell for more and half sell for less.

The different price statistics stem from differences in the sales data samples used by the two organizations, said Kevin Thorpe, an economist with the National Association of Realtors.

Despite the gains, home prices in Brevard in the second quarter were slightly below the national median price of \$208,500.

The Phoenix area led the nation with a 47 percent gain to \$243,400 in the second quarter. Cape Coral-Fort Myers was second with a 45.2 percent increase to \$266,800.

Orlando, Sarasota-Bradenton, and Miami-Fort Lauderdale saw price increases ranging from 31 percent to 36 percent.

David Scott, an economist at the University of Central Florida, said low mortgage rates are sustaining the price increases. When interest rates rise to a certain point, housing prices will slow down, he said.

Another factor that should cool the market is the growing disparity between property values and wages, Scott said.

One way people are affording homes is through what Scott called "mortgage financing innovations," such as interest-only loans. Such loans call for the buyer to pay only interest for the first several years.

"Eventually, they will have to pay the piper," Scott said.

**Contact Price at 242-3658 or [wprice@flatoday.net](mailto:wprice@flatoday.net)**

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