

Sarasota ASSOCIATION OF REALTORS

For Immediate Release

Sarasota Association of Realtors

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Sarasota market continues to stabilize after boom years

Sales figures year-to-date for homes and condominiums in the Sarasota MLS are close to the market totals experienced in 2006 – declining only a modest 6 percent through the first eight months of 2007 compared to the same period in 2006.

In total, 4,460 closings were reported through the end of August 2007, compared to 4,747 closings through August 2006. These numbers are reminiscent of the market in 2000, when a total of 4,051 closings were reported, and 2001, when there were 4,732 closings through Aug. 31. However, home and condominium prices have increased dramatically during the past seven years.

Pending sales remained above 450 for the month of August, indicating the winter months will likely not see the kind of drop in sales experienced in the later months of 2006.

Pending sales climbed by 164 percent from August 2006, when only 170 pendings were reported. This provides a strong indication that the market will not see the stall in sales that occurred during the end of 2006. The higher number of pending sales will likely mean sales activity will remain higher during the next 30 to 60 days.

Condominium prices were up year-to-date, with the median sale price through the end of August at \$365,000, compared to only \$310,000 for the same period in 2006. This marks a 17.7 percent increase. The median price was only \$292,925 for the first eight months of 2005, often cited as a period within the boom years.

The median sale price of a home was \$310,000 year-to-date through August 2007, compared to \$350,000 for the first eight months of 2006, for an 11.4 percent decline.

The Sarasota-Bradenton MSA, only three other MSAs in the state experienced better August 2007 to August 2006 comparative numbers for single family home sales, and only three reported better numbers for comparative condo sales.

“I am still convinced that we have weathered this adjustment period in sales volume and prices very well, particularly compared to the rest of the state,” said Joe Hembree, 2007 SAR President. “We continue to go through a period of adjustment in the Sarasota market, and there has been some depreciation in both the number of sales and the median price. But we are emerging from the downturn faster and stronger than other markets in

the state and nation, and I see no reason to believe we will not continue to see growing strength.”

With an eye toward the bigger picture, and discounting the historically abnormal years of 2003-2005, we have seen a return to the normal market experienced as recently as 2001 and 2002, Hembree noted.

Dr. Lawrence Yun, Senior Economist with the National Association of Realtors® indicated in an address at Lakewood Ranch Golf & Country Club on Sept. 14 that he believes there has been a negative spate of news concerning foreclosures, hurricanes, property taxes and insurance increases. This has left potential home buyers with the impression that the bottom of the real estate cycle has not been hit, which he believes is an untrue analysis. In fact, the quarterly figures compiled by FAR and NAR indicate that prices in the local market appear to have bottomed out in the fourth quarter of 2006, and have risen since that time.

“They have jobs, their income is rising, but they are saying, ‘I’m going to step back,’” Yun said of the potential home buyers.

But Yun noted July’s median price of houses sold in the Sarasota-Bradenton MSA was roughly \$277,000, a bargain for the beaches, sunshine, golf, fishing and general location that the region offers. Yun said this means real estate agents need to tell the true story of Florida.

Regarding the hurricane scare, only six Category 3 or greater storms landed on Florida’s mainland from 1950 to 2003, although eight touched down between 2004 and 2005. “The chances of that happening again are low,” Yun said of the disastrous two-year period.

Yun predicted the Florida housing market will recover from the current malaise, get stronger in 2008 and will be booming again by 2010, once people again realize that Florida’s assets are unique.

Home and condominium sales declined in August 2007 to a total of 430 sales, as local families began to settle into the school year and plan ahead for the holidays. However, this figure is still 21.1 percent higher than the low point in the recent local market, reached in December 2006, when only 355 sales closed.

Sales have escalated since then, and have remained stronger throughout 2007.

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