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December report and 2005 wrap-up

Annual Home Sales Again Reach Record-Level High

(January 24, 2006 – Orlando, FL) Orlando's Realtors® sold 29,995 existing homes in 2005, yet again topping the previous year by 3,907 homes (15 percent) and setting a 13th consecutive record for annual sales. For the month of December, a total of 2,477 existing homes changed hands through members of the Orlando Regional Realtor® Association, an increase of 13.4 percent over December 2004.

The median home price in December 2005 actually dropped 4 percent to \$239,900 from November's median of \$249,900, but it was 27.7 percent greater than December 2004. In addition, the 2005 average median price of \$231,000 is a healthy 35 percent higher than 2004's median price.

Orlando's inventory of existing homes on the market continued its rise in December, albeit by only 4 percent (243 homes). Inventory continues to be at its greatest level since 1995 and early 1996, but with 1,100 people moving to Central Florida every day — a trend that is projected to continue for the next 10 years — there is no fear of a home price bubble burst in Orlando, says ORRA President Beverly Pindling, ABR, CRS, GRI, LTG, PMN. "We had a shortage of inventory in 2005, which induced a buying frenzy and created rapid price increases. The increase in inventory we're seeing now has helped stabilize the balance between supply and demand."

The attractiveness of Central Florida to the large number of baby boomers now buying retirement and vacation second homes and to foreign homebuyers will further ensure demand and existing values in 2006, adds Pindling.

Interest rates in December hovered around the 6.10 percent mark. According to National Association of Realtors® real-estate economists, home sales will not begin to be negatively impacted in a significant way until mortgage rates rise above 7 percent; most credible forecasts predict that mortgage rates in the Orlando area will hover around 7 percent through the end of 2006. Interest rates in 2005 ranged from a low of 5.12 percent in May to a high of 6.10 percent in December.

The total sales volume produced by Orlando Realtors® (dollars spent on housing) for 2005 was \$8.4 billion.

In the MSA, the sales volume for last year was: Orange County, \$5,372,323,353 (compared to \$3,594,109,888 in 2004); Seminole County, \$2,050,701,939 (\$1,478,269,368 in 2004); Osceola County, \$1,448,676,418 (\$867,852,153 in 2004); and Lake County, \$1,323,528,448 (\$931,484,967 in 2004).

Sales in the Orlando MSA (Lake, Orange, Osceola, and Seminole counties) increased by 13.1 percent in December 2005 over December 2004 with a total of 3,136 homes sold. The year-end tally for the

total number of homes sold in the Orlando MSA during 2005 is 37,453, which is an increase of 13 percent over 2004.

Osceola County again posted the greatest percentage increase in the number of homes sold in December 2005 compared to December 2004 (20.9 percent), and the county also posted the greatest year-end increase (23.8 percent more homes were sold in 2005 than in 2004) with a total of 5,846 home sales.

Of the four counties, Orange had the greatest number of homes sold in December 2005 (1,626), which is up 18.9 percent from December 2004 (1,368). A total of 18,779 homes were sold in Orange County during 2005, a 16.3 percent increase over 2004.

Seminole County saw a jump of 16.9 percent in the number of existing homes sold during December 2005 over December 2004 (621 to 531). Overall, 7,038 homes were sold in Seminole County during 2005, which equals a 5.8 percent increase over the number of homes sold in 2004.

Finally, Lake County saw a drop of 14.8 percent in the number of existing homes sold in December of this year compared to December of last year. However, the county recorded a 3.1 percent increase in the overall number of homes sold in 2005 over 2004 (5,790 to 5,616 respectively).

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