



Contact:
Laura Haag, Vice President of
Communications and Marketing
Orlando Regional REALTOR® Association
407.513.7272 or laurah@orlrealtor.com

Homes sales rise as affordability improves

(January 12, 2009 – Orlando, FL) Orlando's housing market for the fourth month experienced a month-over-month increase in the number of home sales as buyers responded to improved affordability, according to statistics released by the Orlando Regional Realtor® Association.

"Lower interest rates and more affordable prices are attracting buyers who have been sitting on the fence about the decision to buy," said ORRA President Les Simmonds, broker of L.G. Simmonds Real Estate Corp.

Members of ORRA were involved in the sale of 21.28 percent more homes in December of this year than last: 1,305 to 1,076. The current number of pending sales (homes that are under contract to purchase but are awaiting completion of the transaction process) dropped slightly from last month, from 3,326 to 3,265. For the past nine months, the number of homes under contract has increased month-over-month, with 109.42 percent more homes under contract in December 2008 than compared to December 2007 (1,559).

December 2008's median sales price of \$169,900 is a 2.35 percent increase over November's median sale price of \$166,000; however it is 24.49 percent below the December 2007 median sales price of \$225,000. "With approximately 40 percent of the transactions involving foreclosures or short sales, the median price is being pulled down by homes sold at discounted prices," explained Simmonds.

First-time homebuyers still have the best conditions since March 2004 to purchase a home in the Orlando area, as the first-time homebuyers affordability index in December pushed up to 101.09 percent. In addition, inventory of houses on the market is stocked with more than 6,961 homes in the average first time buyer's price range of \$145,987 or less.

Even with the increase in median price, the area's affordability index in December continued its upward march to a record 142.16 percent. (An affordability index of 99 percent means that buyers earning the state-reported median income are 1 percent short of the income necessary to purchase a median-priced home. Conversely, an affordability index that is over 100 means that median-income earners make more than is necessary to qualify for a median-priced home.) Buyers who earn the reported median income of \$51,962 can qualify to purchase one of 11,806 homes in Orange and Seminole counties currently listed in the local multiple listing service (MLS) for \$241,523 or less.

The area's average interest rate was 5.40 percent in December 2008, down from 6.00 in November and the lowest for the entire year.

Homes of all types spent an average of 109 days on the market before being sold in December 2008, and the average home sold for 92.69 percent of its listing price (a decrease from November 2008's 92.74 percent). In December 2007 those numbers were 113 and 92.75 percent, respectively.

The majority of single-family homes (182) that changed hands in December 2008 were sold in the \$200,000 - \$250,000 price range. On the far ends of the scale, 15 homes were sold for \$1 million or more in December while 43 homes sold for less than \$50,000 (a price category that saw an increased number of sales nearly every month in 2008).

Inventory

There are currently 22,524 homes available for purchase through the MLS. Inventory decreased by 1,884 homes from November, which means that 1,884 more homes left the market (either through sales or expired listings) than entered the market. Compared to last year, the December 2008 inventory level is 7.30 percent lower than it was in December 2007 (24,298).

The December 2008 inventory level reflects a 17.26-month supply at the current pace of sales, a nice drop from the 21.99-month supply recorded in November. By year's end, inventory months-of-supply had declined 23.60 percent since December 2007.

There are 16,420 single-family homes currently listed in the MLS, a number that is 1,908 (10.41 percent) less than this time last year. As usual, most (2,445) are listed in the \$200,000 - \$250,000 price range. Condos currently make up 4,136 offerings in the MLS, while duplexes/town homes/villas make up the remaining 1,968. Most condos (413) are priced at \$100,000 - \$120,000. The majority of duplexes/town homes/villas (293) are listed in the \$120,000 - \$140,000 price category.

Condos and Town Homes/Duplexes/Villas

The sales of condos in the Orlando area increased by 42.71 percent: A total of 137 condos changed hands in December of 2008 compared to 96 in December 2007.

In December, the most (31) condos in a single price category that changed hands were in the \$1 - \$50,000 price category, yet again the greatest number of sales in the lowest price category for the year. Another 21 condos sold for \$50,000 - \$60,000; altogether, 93 of the 137 condos that sold in December did so for less than \$100,000.

Orlando homebuyers purchased 117 duplexes, town homes, and villas in December 2008, which is a 6.40 percent decrease from December 2007 when 125 of these alternative housing types were purchased. The majority (26) of duplexes, town homes, and villas sold in December 2008 fell into the \$160,000 - \$180,000 price category.

MSA Numbers

Sales of existing homes within the Orlando MSA (Lake, Orange, Osceola, and Seminole counties) in December were up by 27.56 percent when compared to December of last year. Throughout the entire MSA, 1,643 homes were sold in December 2008 compared with 1,288 in December 2007.

Seminole County's December 2008 sales decreased 9.06 percent over that of December 2007 (271 to 298), while Orange County's sales increased 42.34 percent (827 to 581). Lake County saw a 8.73 percent improvement in the number of sales in December 2008 compared to December 2007 (249 to 229), and Osceola County experienced its second-highest percentage increase of the year: 64.44 percent (296 to 180).

2008 Recap

Sales in 2008 were down by 11.97 percent over 2007. A total of 14,740 homes were sold in 2008 compared to 16,744 the previous year.

From a year-long perspective, the 2008 cumulative median price fell 18.27 percent to \$200,000 over 2007's \$245,000.

Throughout 2008, the majority of single-family homes that changed hands each month were sold in the \$200,000 - \$250,000 price range. In total, 20.79 percent (2,504) of all single-family home sales fell into that price range.

Condo sales fell 32.04 percent, with 1,436 condos sold in all of 2008 compared to 2,113 sold in all of 2007. The majority (200 or 13.93 percent) of sold condos fell into the \$100,000 - \$120,000 category. For the entire year, duplex, town home, and villa sales were down 10.00 percent.

By year's end in 2008, 17,972 homes were sold in the Orlando MSA while 20,051 homes were sold by year's end in 2007 (a 10.37 percent decline). For comparison, the MSA's 2007 year-to-date sales were 39.7 percent below the 2006 year-to-date tally.

Each county's year-end sales comparisons are as follows:

Lake: 5.43 percent below 2007 (2,976 homes sold to date in 2008 compared to 3,147 in 2007);
Orange: 10.60 percent below 2007 (8,839 homes sold to date in 2008 compared to 9,887 in 2007);
Osceola: 3.58 percent above 2007 (2,809 homes sold to date in 2008 compared to 2,712 in 2007); and
Seminole: 22.23 percent below 2007 (3,348 sold to date in 2008 compared to 4,305 in 2007).

For detailed statistical reports, please visit www.orlrealtor.com and click on Housing Statistics on the top menu bar. This representation is based in whole or in part on data supplied by the Orlando Regional Realtor® Association or its Multiple Listing Service (MLS). Neither the Association nor its MLS guarantees or is in any way responsible for its accuracy. Data maintained by the Association or its MLS may not reflect all real estate activity in the market. Due to late closings, an adjustment is necessary to record those closings posted after our reporting date.

ORRA Realtor® sales, referred to as the core market, represent all sales by members of the Orlando Regional Realtor® Association, not necessarily those sales strictly in Orange and Seminole counties. Note that statistics released each month may be revised in the future as new data is received.

Orlando MSA numbers reflect sales of homes located in Orange, Seminole, Osceola, and Lake counties by members of any Realtor® association, not just members of ORRA.

Statistics on the sales of area homes that are sold without the assistance of a Realtor® are available in the [Real Estate Index](#), a report produced jointly by ORRA and the Real Estate Attorney's Fund.