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Median price edges up for the month; closings and pendings soar for the year

(January 20, 2010 – Orlando, FL) Members of the Orlando Regional REALTOR® Association closed 51.83 percent more homes in December of this year than last, bringing year-to-date Orlando area sales to 59.31 percent above 2008. In addition, pending sales (homes with purchase contracts but awaiting completion of the closing process) finished out the year a whopping 81.08 percent above 2008.

ORRA Chairman of the Board Kathleen Gallagher McIver, RE/MAX Town & Country Realty, expects another notable gain in sales activity as home buyers respond to the recently extended and expanded tax credit. "In addition," she explains, "The fact that pending home sales are so comfortably above year-ago levels shows the market has gained sufficient momentum on its own. We expect yet another surge in the spring as more homebuyers take advantage of affordable housing conditions before the tax credit expires."

There were 2,194 closings in December, just about double the number of those that took place in December 2008 (1,455). Of those December sales, 67.37 percent of the homes were either bank-owned (961) or short sales (517). The remaining (716) "normal" sales made up 32.63 percent.

There is currently more than double the number of pending sales (8,163) than in December of last year (3,265). A total of 2,984 sales contracts were newly filed in the month of December, which is a jump of 59.49 percent compared to December 2008 (1,871).

The median price of all existing homes combined sold in December 2009 increased 1.63 percent to \$125,000 from the \$123,000 recorded in November 2009. December 2009's median price is a decrease of 25.37 percent compared to December 2008's median of \$167,500.

The \$125,000 median price encompasses all types of sales situations and home types; the tremendous number of bank-owned and short sales — plus all those very low-priced condo sales — drives the overall median price down. The median price for "normal" sales is \$179,950 (a 1.5 percent increase from previous month). The median price for bank-owned sales is \$82,000 (down 1.50 percent from last month's \$83,250), and the median price for short sales is \$134,600 (up 10.33 percent from last month's \$122,000).

The Orlando affordability index decreased about five percentage points to 204.07 percent in December. (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 \$52,763 can qualify to purchase one of 8,753 homes in Orange and Seminole counties currently listed in the local multiple listing service for \$255,086 or less.

First-time homebuyer affordability in December decreased approximately three percent points to 145.12 percent. First-time buyers who earn the reported median income of \$35,879 can qualify to purchase one of 5,593 homes in Orange and Seminole counties currently listed in the local multiple listing service for \$154,185 or less.

Homes of all types spent an average of 91 days on the market before coming under contract in December 2009, and the average home sold for 93.72 percent of its listing price. In December 2008 those numbers were 107 and 92.83 percent, respectively. The area's average interest rate increased in December to 5.03 percent.

Inventory

There are currently 15,549 homes available for purchase through the MLS. Inventory decreased by 453 homes from November 2009, which means that 453 more homes left the market than entered the market. Compared to last year, the December 2009 inventory level is 30.97 percent lower than it was in December 2008 (22,524).

The inventory level's 7.09-month supply for December is slightly above the November level, which was 6.87 (October's 6.79 level was lowest since July 2006). Increased sales activity has led inventory months-of-supply to decline by 67.08 percent since January 2009, when months of supply clocked in at 21.54.

There are 11,446 single-family homes currently listed in the MLS, a number that is 4,974 (30.29 percent) less than in December of last year. As usual, most homes (1,311) are listed in the \$200,000 - \$250,000 price range. Condos currently make up 2,759 offerings in the MLS, while duplexes/town homes/villas make up the remaining 1,344. Most condos by far (746) are priced below \$50,000; the majority of duplexes/town homes/villas (168) 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 163.87 percent in December when compared to December of last year, and increased by 1.49 percent when compared to the previous month. A total of 409 condos changed hands in December of this year compared to 155 in December 2008.

The most (208) condos in a single price category that changed hands were yet again in the \$1 - \$50,000 price range; condos selling for less than \$50,000 make up 49.04 percent of all condo sales this year. Eleven condos sold for more than \$250,000 in December.

Orlando homebuyers purchased 181 duplexes, town homes, and villas in December 2009, which is a 34.07 percent increase from December 2008 when 135 of these alternative housing types were purchased. The majority (32) of duplexes, town homes, and villas sold in December 2009 fell into the \$100,000 - \$120,000 price category. Eighteen duplexes, town homes, and villas sold for less than \$50,000 in November, which brings the total number of those sold for less than \$50,000 this year to 191.

MSA Numbers

Sales of existing homes within the entire Orlando MSA (Lake, Orange, Osceola, and Seminole counties) in December were up by 51.83 percent when compared to December of last year. Throughout the MSA, 2,736 homes were sold in December 2009 compared with 1,802 in December 2008.

2009 Year-end Recap

*Sales in 2009 were up by 59.31 percent over 2008. A total of 23,705 homes were sold in 2009 compared to 14,880 the previous year.

*From a year-long perspective, the 2009 cumulative median price fell 35.00 percent to \$130,000 compared 2008's \$200,000.

*Throughout 2009, the majority (12.51 percent) of single-family homes that changed hands each month were sold in the \$200,000 - \$250,000 price range. About 8 percent of all single-family home sales in 2009 were in the \$50,000 or less price range.

*Condo sales jumped 197.87 percent in 2009, with 4,331 condos sold in all of 2009 compared to 1,454 sold in all of 2008. The huge majority (2,124 or 50.86 percent) of sold condos fell into the \$50,000 or below category. For the entire year, duplex, townhome, and villa sales were up 61.97 percent.

*By year's end in 2009, 30,142 homes were sold in the Orlando MSA while 18,131 homes had been sold by year's end in 2008 (a 66.25 percent increase). For comparison, the MSA's 2008 year-to-date sales were 10.37 percent below the 2007 year-to-date tally.

Each county's 2009 year-end sales comparisons are as follows:

*Lake: 36.91 percent above 2008 (4,091 homes sold in 2009 compared to 2,988 in 2008);

*Orange: 80.11 percent above 2008 (16,093 homes sold in 2009 compared to 8,935 in 2008);

*Osceola: 97.99 percent above 2008 (5,623 homes sold in 2009 compared to 2,840 in 2008); and

*Seminole: 28.71 percent above 2008 (4,335 sold in 2009 compared to 3,368 in 2008).

For detailed statistical reports, please visit www.orrealtor.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.