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Year-end housing sales end in the black; month-to-month median price increases 6 percent

(January 12, 2011 – Orlando, FL) Members of the Orlando Regional REALTOR® Association closed just 1.74 percent fewer homes in December of this year (2,368) than last (2,410), keeping year-to-date Orlando area sales in the black at 19.57 percent above 2009.

“In the first half of the year, the extended \$8,000 first-time homebuyer tax credit and expanded \$6,500 tax credit for repeat buyers helped encourage sales,” reviews ORRA Chairman of the Board Mike McGraw, McGraw Real Estate Services, PL. “Orlando’s homebuyers in 2010 also benefited from historic affordability levels, record low mortgage rates, and an inventory chock full of moderately priced homes.”

The 8,363 sales under contract and awaiting closing at the end of December are 2.45 percent above December 2009, which recorded 8,163 pending sales. There were 8,998 pending sales in November 2010.

Newly filed contracts —like pending sales an indicator of future sales activity — reached 3,196 in December 2010, a 7.1 percent increase over the 2,984 newly filed contracts in December 2009.

The median sales price of all homes sold in the Orlando area increased to \$106,000 in December from the \$105,000 median price that had held steady since September. According to ORRA the current median price is 6.11 percent above than the \$99,900 median price recorded in August 2010 (the year’s lowest) and is 11.67 percent below the median price of \$120,000 recorded in December 2009.

The median price for “normal” existing homes – i.e., those that are neither a short sale nor a foreclosure – sold in December is \$160,000. The median price for bank-owned sales is \$75,000 and the median price for short sales is \$100,000. The lower median prices of bank-owned and short sales, which accounted for 68.71 percent of all sales in December, exerts a downward influence on the overall median price (\$106,000).

The Orlando affordability index decreased to 246.73 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 \$53,447 can qualify to purchase one of 11,729 homes in Orange and Seminole counties currently listed in the local multiple listing service for \$261,532 or less.

First-time homebuyer affordability in December decreased to 175.45 percent. First-time buyers who earn the reported median income of \$36,344 can qualify to purchase one of 8,450 homes in Orange and Seminole counties currently listed in the local multiple listing service for \$158,083 or less.

Homes of all types spent an average of 96 days on the market before coming under contract in December 2010, and the average home sold for 94.40 percent of its listing price. In December 2009 those numbers were 89 and 93.95 percent, respectively. The area’s average interest rate increased in December to 4.92 percent.

Inventory

There are currently 14,993 homes available for purchase through the MLS. Inventory decreased by 199 homes (1.31 percent) from November 2010, which means that 199 more homes exited the market than entered the market. The December 2010 inventory level is 3.58 percent lower than it was in December 2009 (15,549). The current pace of sales translates into 6.33 months of supply; December 2009 recorded 6.45 months of supply.

There are 11,919 single-family homes currently listed in the MLS, a number that is 4.13 percent more than the 11,466 single-family homes listed in December of last year. Condos currently make up 1,814 offerings in the MLS, while duplexes/town homes/villas make up the remaining 1,260.

Condos and Town Homes/Duplexes/Villas

Sales of condos in the Orlando area increased by 7.74 percent in December 2010 when compared to December of 2009 and increased by 24.55 percent compared to November of 2010.

As we've seen all year long, the most (254) condos in a single price category that changed hands in December 2010 were yet again in the \$1 - \$50,000 price range. This year-long trend accounted for 54.32 percent of all condo sales in 2010.

Orlando homebuyers purchased 224 duplexes, town homes, and villas in December 2010, which is a 6.16 percent increase from December 2009 when 211 of these alternative housing types were purchased.

MSA Numbers

Sales of existing homes within the entire Orlando MSA (Lake, Orange, Osceola, and Seminole counties) in December were down by 2.05 percent when compared to December of last year. Throughout the MSA, 2,910 homes were sold in December 2010 compared with 2,971 in December 2009.

Each county's December-to-December sales comparisons are as follows:

- Lake: 5.51 percent below 2009 (360 homes sold in 2010 compared to 381 in 2009);
- Orange: 5.21 percent below 2009 (1,527 homes sold in 2010 compared to 1,611 in 2009);
- Osceola: 3.40 below 2009 (511 homes sold in 2010 compared to 511 in 2009); and
- Seminole: 13.78 percent above 2009 (512 sold in 2010 compared to 450 in 2009).

2010 Year-end Recap

- Sales in 2010 were up by 19.57 percent over 2009. A total of 28,602 homes were sold in 2010 compared to 23,921 the previous year.
- From a year-long perspective, the 2010 cumulative median price fell 16.23 percent to \$108,900 compared 2009's \$130,000.
- Throughout 2010, the majority (10.25 percent) of single-family homes that changed hands each month were sold for less than \$50,000. About 8 percent of all single-family home sales in 2009 were in the \$50,000 or less price range.
- Condo sales increased 49.34 percent in 2010, with 6,532 condos sold in all of 2010 compared to 4,374 sold in 2009 and 1,454 sold in 2008. An enormous majority (3,548 or 54.32 percent) of sold condos fell into the \$50,000 or below category. For the entire year, duplex, townhome, and villa sales were up 28.52 percent.
- By year's end in 2010, 35,021 homes were sold in the Orlando MSA while 30,377 homes had been sold by year's end in 2009 (a 15.29 percent increase).

Each county's 2010 year-end sales comparisons are as follows:

- Lake: 2.19 percent above 2009 (4,199 homes sold in 2010 compared to 4,109 in 2009);
- Orange: 16.29 percent above 2009 (18,823 homes sold in 2010 compared to 16,186 in 2009);

- Osceola: 11.13 percent above 2009 (6,311 homes sold in 2010 compared to 5,679 in 2009); and
- Seminole: 29.18 percent above 2009 (5,688 sold in 2010 compared to 4,403 in 2009).

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.