



August home sales up from July But numbers dip 25 percent from year ago

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Has Lee County's real estate market bottomed out?

Statistics released Tuesday show prices and sales levels in August were higher than sales the previous month, but lower than they were a year ago.

In Lee County, the median price of a single-family home sold with the assistance of a Realtor dropped 5 percent to \$250,800 from \$264,100 in August 2006. Sales were down 25 percent to 520 from 691 in August 2006, according to the Florida Association of Realtors.

But in July, the median price was up 2 percent from \$246,100. The number of sales also was up 22 percent from July's 426.

Prices and sales generally have been falling in Lee County since the all-time high of \$322,300 set in December 2005.

Brett Ellis, a real estate agent with RE/MAX Realty Group in Fort Myers, said that even though the inventory of unsold homes in Lee County has stayed at about 15,000 in recent months, it's a good sign both prices and sales increased in August.

"I think sellers over the last two years have come down in price so much they've come down to the level where the buyers are," Ellis.

Meanwhile, a separate report by the National Association of Realtors said the U.S. housing market has been battered by the steepest downturn in 16 years. The situation was exacerbated in August by turmoil in credit markets, reflecting new worries about rising defaults in subprime mortgages.

In Lee County, Dan and Mary Mahoney are trying to sell their Cypress Lakes Estates house on their own — and in today's real estate slump they need all the help they can get.

So after about eight weeks with little interest, they sent out letters last weekend to the roughly 375 people in their south Fort Myers neighborhood offering a \$1,000 referral fee to anyone who sends over a prospect who ends up buying the four-bedroom, two-bath house for which they're asking \$329,000 — marked down from \$399,000.

"I thought, 'These are the folks that really like it here, they understand the value of the neighborhood. They might have parents, co-workers who are looking for a house.' So I thought, 'Let's give 'em some motivation,'" said Dan Mahoney, 48, who's in the process of relocating with his wife and five children to his hometown of Northumberland in central Pennsylvania.

His strategy seems to be working, Mahoney said: Neighbors are already sending over people.

In Charlotte County, the median price fell 11 percent in August to \$186,500 from \$210,400 and the number of sales was down 19 percent from 274 to 223.

Figures for Collier County weren't available because the Naples Area Board of Realtors does not allow the state association to publish the board's statistics. However, the Naples sales are included in the statewide figures.

Statewide, the median price fell 6 percent, from \$246,800 to \$231,900 and the number of sales fell 26 percent from 15,252 to 11,279.

Nationally, sales of existing homes fell for a sixth straight month in August, pushing activity to the lowest point in five years, according to the national association.

Sales of existing single-family homes dropped by 4.3 percent in August, compared with July. Sales at a seasonally adjusted annual rate dropped to 5.5 million units, the slowest pace since August 2002, according to the report.

The median price of an existing home — the point where half sold for more and half for less — edged up slightly in August to \$224,500, an increase of 0.2 percent from August 2006. It marked the first year-over-year price increase after a record 12 straight months of declining prices.

A separate report on housing prices in 20 large cities done by Case-Shiller show prices dropping a sharp 3.9 percent in July compared with July 2006. Economists said that report was probably a better reflection of the downward pressure on prices that is being exerted by record high inventory levels.

"Another month of falling sales and rising inventories tells us the housing market is still a basket case," said Joel Naroff, chief economist at Naroff Economic Advisors Inc. "It is going to take a long time to work off that imbalance and undoubtedly prices will have to fall a whole lot further."

— The Associated Press also contributed to this report.