



Sales, prices of single-family homes in Lee fall Median price of condos fall by a third compared to last year

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Prices and the number of sales of existing single-family homes in Lee County fell in July, according to a report issued today by the Florida Association of Realtors.

The median price of a home sold with the help of a Realtor fell 7 percent to \$246,100 from \$264,600 a year earlier while the number of sales fell 39 percent from 694 to 426.

For condominiums, the median price — half higher and half lower — fell 33 percent from \$346,300 to \$230,400 while the number of sales fell 28 percent from 179 to 129.

In Charlotte County, the price for existing homes fell 21 percent from \$226,200 to \$179,600 and the number of sales was down 35 percent from 286 to 185. The price for a Charlotte condominium fell 21 percent from \$164,400 to \$130,000 while the number of sales was down 70 percent from 40 to 12.

Figures for Collier County were not available because the Naples Area Board of Realtors does not provide its information to the Florida association.

In a separate report also issued today, the National Association of Realtors reported that sales of existing homes dropped for a fifth straight month in July, falling to the slowest pace in nearly five years, while home prices fell for a record 12th consecutive month.

The national association reported that sales of existing homes dipped by 0.2 percent last month to a seasonally adjusted annual rate of 5.75 million units.

The median price of a home sold last month slid to \$230,200, down by 0.6 percent from the median price a year ago. It marked the 12th consecutive month that home prices have declined, a record stretch.

The deep slump in housing, combined with recent severe turmoil in financial markets, has raised worries about a possible recession. But many economists believe the Federal Reserve will ward off a full-blown downturn by reducing a key short-term interest rate should financial market conditions fail to stabilize.

The steep slump in housing has trimmed overall growth for the past year and recently the economy has been shaken by spillover effects in financial markets. Rising defaults in subprime mortgages have triggered a serious credit crunch as investors have worried that hedge funds and other big investors in securities backed by subprime loans could suffer

serious losses.

The 0.2 percent drop in July sales, compared with activity in June, marked the fifth straight monthly decline and left sales 9 percent below the level of a year ago. The sales pace was the slowest since November 2002.

By region of the country, sales fell by 2.2 percent in the Midwest and were unchanged in the South. Sales rose by 1.8 percent in the West and 1 percent in the Northeast.

The increase in the Northeast, which also saw the median home price increase, was seen as possibly hopeful sign that the worst of the housing downturn may be ending.

“The rise in sales and prices in the Northeast region on a fairly consistent basis in recent months is promising because this was the first region that underwent sales and price weakness after the boom,” said Lawrence Yun, senior economist for the Realtors. “Now, it appears that it will be the first region to climb back, indicating that other regions could follow a similar path.”

However, many analysts believe it could be months before housing stabilizes because of the threat that rising delinquencies could dump further homes onto an already glutted market.

The inventory of unsold homes rose by 5.1 percent at the end of July to a record of 4.59 million units.

— The Associated Press also contributed to this report