

Hurricanes impact Florida's September home sales, but median price rises 23%

ORLANDO, Fla. -- Oct. 25, 2004 -- Three hurricanes -- Frances, Ivan and Jeanne -- carved a path across Florida in September and like many businesses across the state, the real estate industry felt the impact. Statewide, sales of single-family existing homes totaled 14,803, a 23 percent drop compared to the previous September, according to the Florida Association of Realtors (FAR). Since most insurers do not write homeowners' policies when a hurricane threatens, many buyers repeatedly were unable to obtain coverage, which delayed closings.

The hurricanes directly affected local Realtor boards/associations, real estate firms and Multiple Listing Services in many areas across Florida, which in turn impacted the collection of data for the month. In the wake of the storms, resales activity also was affected when lenders postponed closings for property re-inspections or repairs.

"Clearly, the closed business statistics declined based on communications, insurance and re-inspection problems created by the hurricanes," says 2004 FAR President Russell Grooms. "It will be interesting to find out how written production during this period was affected by the storms. This will be demonstrated by closed business in October through December.

"By all indications, the sales and listings of real estate during October are virtually back to normal -- way ahead of what would have been predicted based on the disruption of activities. People still want to enjoy the benefits of living and working in the Sunshine State, such as our beautiful beaches, internationally-known tourist attractions, diverse business opportunities and family-friendly lifestyle."

Still, the statewide median sales price rose 23 percent to \$194,700; a year ago, it was \$158,900. In September 1999, the statewide median sales price for single-family existing homes was \$108,600, resulting in an increase of about 79 percent over the five-year period, FAR records show.

Interest rates for a 30-year fixed-rate mortgage averaged 5.75 percent in September, a significant drop from the average rate of 6.15 percent a year ago. FAR's sales figures reflect closings, which typically occur 30 to 90 days after sales contracts are written.

Among the state's larger markets, the Jacksonville metropolitan statistical area (MSA) reported 1,051 homes changing hands in September compared to 1,097 homes sold a year ago for only a 4 percent decline. However, the area's median sales price rose 12 percent to \$162,800; a year ago it was \$145,500.

Andre Boutte, president of the Northeast Florida Association of Realtors and director of training for Watson Realty Corp., says that while the Jacksonville area was spared the full wrath of the hurricanes that hit the state in September, people and businesses still were affected by the storms.

"Real estate brokerages and other businesses shut down for a couple of days in preparation for the hurricanes, we couldn't show homes and there were closing delays because insurers stopped writing homeowners' policies," he says. "We experienced a little hiccup in sales because of the hurricanes, but we don't foresee a long-term trend. There is a lot of growth here and the housing market will continue to reflect that growth."

Another larger MSA, Tampa-St. Petersburg-Clearwater, also reported its home sales last month were impacted by the storms, with a total of 3,429 homes sold for an 11 percent drop compared to last year's total of 3,847 homes sold. But the market's median sales price climbed 18 percent to \$168,400.

Tallahassee, one of the state's smaller MSAs, posted a 3 percent gain in home sales in September, with 307 homes sold compared to 299 homes a year ago. The market's median sales price rose 6 percent to \$156,500 last month; a year ago, it was \$147,800.

"Mortgage rates are still low, which continues to attract buyers, and we have a strong market with a very tight inventory of available homes for sale," says Penny Herman, president of the Tallahassee Board of Realtors and broker-owner of Penny Herman Realty. "We're seeing a lot of people who choose to retire to the Tallahassee area to take advantage of educational opportunities and cultural activities."

Among the state's smaller MSAs, Naples also reported higher resales activity last month, with a total of 333 homes changing hands compared to 294 homes sold last year for a 13 percent gain. The market's median sales price rose 36 percent to \$338,200.

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