

## SW Florida home prices soaring

Lee, Collier lead state in increase

By **DICK HOGAN**, [dhogan@news-press.com](mailto:dhogan@news-press.com)

Published by [news-press.com](http://news-press.com) on March 26, 2004

A big jump in Lee County's existing home sale prices — and an even bigger one in Collier's — gave Southwest Florida the No. 1 and 2 spots in the state's red-hot real estate market last month.

Prices of home resales assisted by Realtors soared in Southwest Florida last month as an improving economy and the area's allure to visitors continued to drive values up — and also made it difficult for the less affluent to buy a house.

Sales and prices rose across the country and especially in Florida, but even in the Sunshine State the local figures were startling: the median price up 42 percent to \$389,000 in Collier County and up 31 percent to \$170,700 in Lee County during the past 12 months, according to figures released by the Florida Association of Realtors on Thursday.

That gave the two counties the top rankings in the state for appreciation of the median home sale: 50 percent higher and 50 percent lower.

"I think there's certainly a high demand for people to come here relative to other parts of the state," said Denny Grimes, a real estate agent with VIP Realty in Fort Myers.

Overall prices are steadily increasing but aren't as dramatic as the resale figures would indicate, he said. "When you see a median sales increase, it doesn't mean prices have increased that much, it means people's preferences have bent upward. Values are creeping up but at manageable levels."

Also, he said, "There's just a whole lot of positive economic feelings" compared to this time last year when the stock market hadn't yet caught fire and the Iraq war still was raging.

The first three weeks of this month, he said, 884 houses went under contract compared to 661 a year ago.

One of those recent sales was to Glen Boulanger, 44, an electrician for Doyle Electric Services who works at Lee Memorial HealthPark in south Fort Myers.

Boulanger, who moved here with his girlfriend recently from Maine, is closing next week on a three-bedroom, two-bath, 1,500-square-foot house near Veterans Parkway in Cape Coral for \$150,000.

"Before I moved down here, I looked all around the state and this was the place we liked the most," he said. "Lucky for us the housing is not out of reach. It was important to get something quick because of the interest rates, though. I didn't want to watch them keep going up."

As to price, he said, "I didn't find the house prices that shocking; they were very comparable."

Boulanger said he's optimistic about being able to move up the housing ladder. "Eventually my goal is to work up so I can be on a canal. I think it's doable."

### WHAT IT'LL BUY

Here's what the median resale price of a single-family home will typically buy in Southwest Florida:

- Lee County: \$170,700 buys a non-waterfront lot in Cape Coral with a 2,000-square-foot house, three or four bedrooms, two baths and possibly a pool if it's in a less desirable area.
- Collier County: \$389,000 buys a non-waterfront, 2,500-square-foot house with three bedrooms, a den, 2.5 baths and a pool.

**SOURCES:** Denny Grimes, VIP Realty, and Todd Kendall, Premier Properties of Southwest Florida

Another recent home buyer is Dana Gregory, 50, who's retiring with his wife, four parrots and two dogs after 30 years working for the Pedigree pet food company in Columbus, Ohio.

"We found what we wanted," he said: a brand-new four-bedroom house on a canal in the Four-Mile Cove area of Cape Coral.

Getting what he wanted at an affordable price was a little tricky, he said. "We really wanted on water, and that restricted us."

In Collier County, the huge increase in price was a result of "the lack of availability of homes in the lower price ranges, which is the result of the increasing expense of land," said Todd Kendall, president of Naples-based Premier Properties of Southwest Florida.

Inexpensive homes are not being built in the Naples area because the land alone would be too expensive, he said. "You can't buy a lot for less than \$200,000 a unit and that would be multi-family."

Kendall is working with JED Development on a project called Andalucia, a development off Pine Ridge Road. "We'll have entry level prices of \$350,000 and we'll be the least expensive new single-family pricing in Naples."

On the other end of the economic spectrum are people just barely able to afford any house.

"I am worried about the person making \$30,000 a year who cannot buy a home for \$750 a month because \$750 is what they can afford to pay," said Bob Shellman, president of private, nonprofit, North Fort Myers-based Homes For All, which provides affordable-housing assistance to people with low income.

Lee County's median household income was \$43,277, according to the U.S. Census Bureau.

People of modest means who try to pay more than they should often get into trouble later, Shellman said. "They'll say, 'I'll cut out having lunch on Fridays with the boys so therefore I can pay \$850 a month.' Then somewhere down the line you're in trouble."

But for those who can afford to buy, February was a good month across the country, with U.S. sales of previously owned homes rising 2 percent in February after mortgage rates declined from the month before, according to an industry report.

Resales climbed to a 6.12 million annual rate last month from 6 million in January, the National Association of Realtors said in Washington. The pace of house purchases has held at or exceeded 6 million for eight months straight.

The decline in mortgage rates last month to almost the lowest ever has spurred home buying, which has helped underpin economic growth the past two years. Freddie Mac, the No. 2 purchaser of home loans, predicted last week that this year will be a fourth straight for record sales of new and existing houses combined.

"It's going to be another really strong year in 2004," said Jacob Stepan, chief operating officer for New York City-based Cendant Corp.'s Century 21 Real Estate Corp. unit. "With the interest rates as low as they are, it's allowing people to buy houses that they weren't able to in the past. The entire economy is on the rebound, and real estate is a key component of that."

The Realtors association will "probably revise our forecast upward again" from the current projection that resales will ease this year to 5.9 million from the 2003 record 6.1 million, said David Lereah, the group's chief economist. "It's clear to me we have a very favorable backdrop for housing," he said.

The median selling price in February nationwide was \$168,100, 5.7 percent higher than in February 2003. That compares with a year-over-year gain of 5.3 percent in January and as much as 11.8 percent in July.

The average 30-year fixed mortgage rate eased to 5.64 percent in February from 5.74 percent the month before, according to Freddie Mac. The rate was 5.4 percent this week.

With borrowing costs declining, more Americans are planning to buy a house. An index of home buying plans in the next six months rose to 3.4 percent last month from 3.3 percent in January, according to the New York-based Conference Board.

— Bloomberg News contributed to this report.

[Back to Local & State](#)

Return to story: [http://news-press.com/news/local\\_state/040326homes.html](http://news-press.com/news/local_state/040326homes.html)