

# SW Florida home sales surge in April

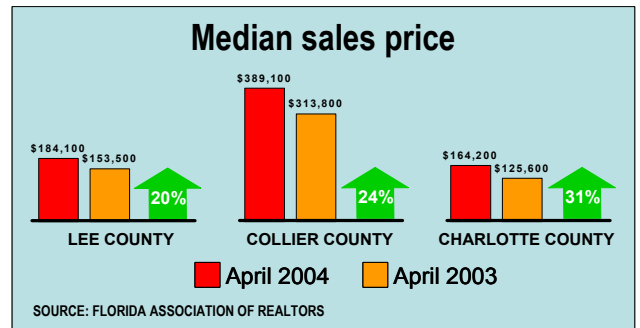
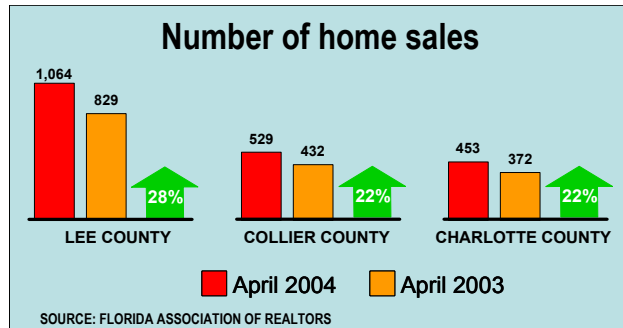
## Threat of higher interest rates prompts buying spree

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### Existing home sales, prices up across region

Both number of homes sold and median sales prices have increased since this time a year ago.



Sales and prices of existing homes soared in April in Southwest Florida despite rising interest rates as people snapped up homes before they become even pricier.

In Lee County, existing home sales were up 28 percent over the same month a year ago.

“People are just hopping off the fence in huge numbers,” said Denny Grimes, a real estate agent with VIP Realty in Fort Myers.

Nationally, sales of previously owned houses also sizzled, rising in April by 2.5 percent to a 6.64 million annual rate, the second highest on record, the National Association of Realtors reported Tuesday.

Locally, prices and numbers of homes sold increased as well. Lee County’s Realtor-assisted sales rose 28 percent to 1,064 single-family houses compared to a year earlier.

One recent home buyer was Dina McFalls of Doylestown, Pa., who with husband James bought a condominium in the renovated Earnhardt Building in downtown Fort Myers on April 15.

They plan to move to Fort Myers in about five years and felt now was the time, she said. “If we wait much longer we may have trouble getting into the market at a reasonable price.”

In fact, McFalls said, they pushed up the date of their closing by 60 days from when they originally planned to do it to lock in a better rate.

That logic was in evidence throughout the market as homebuyers in all price ranges jumped into action when mortgage rates nudged up in April, said Tammy Kitchen, executive vice president of Cape Coral-based Riverside Bank.

Kitchen said the bank’s average mortgage is about \$220,000.

“People were getting off the fence,” Kitchen said. “They were looking at the rates and deciding that 6 or 6.5 percent is not so bad because it looks as if the rates are going up.”

Gordon Despot, a Naples-based loan officer with Chase Manhattan Mortgage Co., said “people are saying if they need to do it, then do it now” and he’s seeing a lot of mortgages for both houses and condos — many of them second homes.

For the rest of the year, he predicts that “rates are going to remain pretty much where they are” except that there may be a brief dip in the summer or just before the November election.

Meanwhile, consumers planning to buy a home shouldn’t get in such a rush that they snap up a loan that doesn’t exactly fit just to lock in a lower rate, Kitchen said.

Potential buyers should ask themselves what their plans and expectations are for the home, she said. For example, do they plan to stay in the home for a long time or is a move just a few years away? Do they want to build equity in a home quickly, or do they want to keep their monthly payment as low as possible?

“They need to find a lender that has a program that suits their needs, because they are out there,” Kitchen said.

Rates have been going up at a good clip. Thirty-year mortgages last month averaged 5.83 percent, up from 5.45 percent in March, according to Freddie Mac, the second-biggest purchaser of U.S. mortgages. They reached an eight-month high of 6.34 percent earlier this month, Freddie Mac said.

Meanwhile, housing inventory levels rose 9.4 percent to 2.57 million units last month, the highest since August 1990, the association said. The supply of existing homes for sale rose to 4.6 months’ worth in April, up from 4.4 months in March.

“I wouldn’t say inventories are a yellow flag yet,” said David Lereah, the Realtors association’s chief economist, at a press conference. “If rates continue to rise sales will slow somewhat, but they’ll slow to very healthy levels.”

Lee County’s inventories were down in all price ranges with less than five months’ worth of houses for everything less than \$400,000, Grimes said. Above five months is considered a sign of a buyer’s market.

Accelerating economic growth has led to speculation that the Federal Reserve will raise interest rates in June to head off inflation. The Washington-based Mortgage Bankers Association said homebuyers will borrow a record \$406 billion this quarter as they try to lock in mortgages before further rate increases.

Fannie Mae, the largest U.S. mortgage financier, last week pared its 2004 forecast for home-loan volume by 11 percent as a strengthening economy and a pickup in inflation pushed fixed rates to the highest level of the year last week.

— *The News-Press staff writer Tim Engstrom and Bloomberg News contributed to this report*

*Here’s how to look up the sales history and assessed value of your home and those of your neighbors in Lee County:*

- **Web site:** [www.leepa.org](http://www.leepa.org) (Lee County Property Appraiser’s Office)
- **What to do:** Click on Property Data Search in the left-hand column. Then click “I Agree” for the disclaimer and click on “Real Property Search.” This will give you a page that lets you look up property by address or owner. Once you are in the page for a particular address you can virtually “walk” up and down the street by clicking on “Next Lower Parcel Number” or “Next Higher Parcel Number.”