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## Lee County home market takes step up

### Median price in Lee up 6 percent in May; sales increase by 2 percent

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Sales edged up and prices reversed a downward spiral that's been going on since October for existing homes in Lee County, according to statistics released Thursday.

The median price of a single-family home sold with the assistance of a Realtor in May was \$212,400, up 6 percent from April's \$200,300, according to the report issued by the Florida Association of Realtors.

Meanwhile, the number of houses sold rose 2 percent from 809 to 823.

Nationally, resales increased 2 percent to a 4.99 million annual rate, but the median price dropped to \$208,600 from \$222,700 in May 2007.

Sales have been rising in recent months because lower prices are drawing more buyers, said real estate agent Brett Ellis of Remax Realty Group in Fort Myers.

As to the bump in prices in May, he said: "The increase in sales started at introductory-level homes and now we're getting a lot more offers in the \$300,000 to \$400,000 range."

That has had the effect of pushing up the median price, he said.

Will that trend continue?

"My gut tells me it will, but I don't know that for sure," Ellis said.

So far, at least, the bottom end of the market's been driving the boom in sales, said Charles Richardson, regional senior vice president of Coldwell Banker Residential Real Estate, Southwest Florida.

"There's been a substantial number of price reductions over the last couple years, and now you see great affordability in the market," he said. "The price reductions that took place led us into a healthier market."

Even with the increasing number of sales, he said, "It's still a very strong buyer's market from a point of view of being able to negotiate aggressively with sellers."

Thursday's sunny numbers come on the heels of a long decline in prices. The median price reached its all-time high of \$322,300 in December 2005.

Compared to May 2007, the price was down 25 percent from \$281,500, but the number of sales was up 43 percent from 575.

Condominium prices also were up in May with a median \$205,900 - 5 percent more than April's \$195,500. The number of condos purchased fell, however, from 351 to 257.

Wendy King and Steve Kimball of Cape Coral are trying to sell the two-bedroom, two-bath

canalfront condo they own on Tudor Drive for \$299,000. They paid \$340,000 in November 2005.

With direct access to the Gulf of Mexico, King said, "it's a fantastic location and that's a little less than what we paid for it three years ago when the market was great. We get very little traffic and maybe we're asking too much, but we're not in the position to lose \$30,000, \$40,000."

Statewide, the number of houses sold dropped 5 percent to 12,175 from 12,882 a year earlier while the median price dropped 15 percent from \$239,000 to \$203,300 in the same period.

Nationally, resales increased 2 percent to a 4.99 million annual rate, higher than forecast, from a 4.89 million pace in April, the National Association of Realtors said today in Washington. The median price dropped 6.3 percent from May last year.

Compared with a year earlier, sales were down 16 percent in May.

The median price dropped to \$208,600 last month from \$222,700 in May 2007.

That was the fifth largest year-over-year price decline for records that go back to 1999. Many analysts think housing prices need to stop falling or start rising for the ailing housing market to regain its health.

Fallout from the housing crisis continued to be a big drag on first-quarter growth. Builders slashed spending on housing projects by 24.6 percent on an annualized basis. That wasn't as bad, though, as the 25.2 percent cut made in the fourth quarter, the most in 26 years.

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