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Orlando's affordability index leaps to 100 percent as median sales price and inventory decline

(January 10, 2008 – Orlando, FL) A decrease in the median sales price has spurred the area's housing affordability index to reach 100 percent, which along with a reduction in inventory by nearly 2,000 homes indicates a swing toward stabilization of Orlando's current buyer-favoring housing market.

The median sales price of a single-family home in the Orlando area in December 2007 dropped in one month by \$11,000 to \$223,900, reports the Orlando Regional Realtor® Association. The median sales price for December 2007 is 10.44 percent below that of December 2006 (\$250,000), and **the year-end median home sales price (\$245,000) is 1.21 percent below 2006 (\$248,000).**

The decrease in the median home price to \$223,900 means that the area's affordability index has improved tremendously – in December 2007 the index jumped to 100.3 percent. (An affordability index of 99 percent means that buyers earning the state-reported median income are 1 percent short of the income necessary to purchase a median-priced home.) Buyers who earn the reported median income of \$51,335 can qualify to purchase one of 6,936 homes in Orange and Seminole counties currently listed in the local multiple listing service (MLS) for \$230,617 or less.

The first time homebuyer affordability index climbed in December as well, to 71.4.

The number of sales in the Orlando area declined by 48.33 percent in December 2007 compared to December of last year (1,005 to 1,945), and the number of sales that took place in December 2007 also decreased over the number of sales that occurred in November 2007 (1,029, which is revised from 963 as reported last month). **Total year-end sales for 2007 (16, 673) were down by 39.50 percent over 2006 (27,559).**

The area's average interest rate was 5.93 percent in December 2007 — which represents a continuing downward trend since a high of 6.60 percent in August.

Homes of all types spent an average of 116 days on the market before being sold in December 2007; and the average home sold for 92.52 percent of its original asking price. In November, those numbers were 114 and 93.77 percent, respectively.

The majority of single-family homes (183) that changed hands in December 2007 were sold for between \$200,000 and \$250,000, **a trend that was evident throughout 2007 (3,006 of the 13,181 single family homes that were sold in 2007 fell into this price category).** Another 105 homes were sold in December 2007 for between \$250,000 and \$300,000. Two hundred fifty-five homes sold for less than \$200,000 in December, and 262 sold for more than \$300,000. On the far ends of the scale, 22 homes were sold for \$1 million or more while only three homes sold for less than \$50,000. **By year's end, 354 homes in the Orlando area sold for more than \$1 million.**

Inventory

There are currently 24,298 homes available for purchase through the MLS. Inventory decreased by 1,874 homes in December 2007, which means that 1,874 fewer homes entered the market than left the market. November 2007 saw a decrease (of 158) homes, while October 2007 saw an increase of 20. Compared to last year, the December 2007 inventory level (24,298) is 24.4 percent higher than it was in December 2006 (19,537).

The inventory level reflects a 24.18-month supply at the current pace of sales.

There are 18,328 single-family homes currently listed in the MLS. Most (6,673) are listed in the \$200,000 - \$300,000 price range. Condos currently make up 3,887 offerings in the MLS, while duplexes/town homes/villas make up the remaining 2,083. Most condos (559) are priced at \$200,000 to \$250,000; most duplexes/town homes/villas (521) also fall into the \$200,000 - \$250,000 range.

Condos and Town homes/Duplexes/Villas

The sales of condos in the Orlando area declined by 77.0 percent in December: A total of 84 condos changed hands in December 2007 compared to 361 in December 2006. In a month-to-month comparison, December 2007 condo sales (84) decreased by 27.6 percent from November 2007 (116). **Year-end condo sales are down by 58.0 percent (2,101 condos were sold in all of 2007 compared to 5,003 in 2006).**

Thirteen condos (13) that changed hands in December 2007 were sold for between \$120,000 and \$140,000; followed by another 13 condos that were sold for between \$160,000 and \$180,000. **At year's end, the majority of condos (342) had sold in the \$140,000 to \$160,000 range.**

Orlando homebuyers purchased 116 duplexes, town homes, and villas in December 2007, which is a 30.9 percent decline over December 2006 when 168 of these alternative housing types were purchased. Duplex, town home, and villa sales in December 2007 were up by 30.3 percent compared to the number of sales that took place in November 2007 (89). **Overall, duplex, town home, and villa sales were down in 2007 (1,391) by 39.0 percent (2,264 sales in 2006).**

The majority (32) of duplexes, town homes, and villas sold in December 2007 fell into the \$200,000 to 250,000 category. **That pattern was consistent throughout the entire year, which saw the majority (403) of duplexes, town homes, and villas sold within the \$200,000 to \$250,000 range.**

MSA Numbers

Sales of existing homes within the Orlando MSA (Lake, Orange, Osceola, and Seminole counties) in December were down by 42.1 percent when compared to December of last year. Throughout the entire MSA, 1,213 homes were sold in December 2007 compared with 2,096 in December 2006. **By year's end, 19,976 homes were sold in the Orlando MSA while 33,106 homes were sold by year's end last year (a 39.7 percent decline).**

Seminole County's December 2007 sales dropped 40.0 percent below that of December 2006 (281 to 468), while Orange County fell 49.4 percent (541 to 1,069). Lake County saw a 27.5 percent decline in the number of sales in December 2007 compared to December 2006 (221 to 305), and Osceola County experienced a 33.1 percent drop (170 to 254).

Each county's year-end sales comparisons are as follows:

**Lake: 31.3 percent below 2006 (3,139 homes sold in 2007 compared to 4,571 in 2006);
Orange: 41.6 percent below 2006 (9,847 homes sold in 2007 compared to 16,848 in 2006);
Osceola: 45.6 percent below 2006 (2,702 homes sold in 2007 compared to 4,966 in 2006); and
Seminole: 36.2 percent below 2006 (4,288 homes sold in 2007 compared to 6,721 in 2006).**

For detailed statistical reports, please visit www.orlandorealtor.com and click on Housing Statistics on the top menu bar. This representation is based in whole or in part on data supplied by the Orlando Regional Realtor® Association or its Multiple Listing Service (MLS). Neither the Association nor its MLS guarantees or is in any way responsible for its accuracy. Data maintained by the Association or its MLS may not reflect all real estate activity in the market. Due to late closings, an adjustment is necessary to record those closings posted after our reporting date.

ORRA Realtor® sales, referred to as the core market, represent all sales by members of the Orlando Regional Realtor® Association, not necessarily those sales strictly in Orange and Seminole counties. Note that statistics released each month may be revised in the future as new data is received.

Orlando MSA numbers reflect sales of homes located in Orange, Seminole, Osceola, and Lake counties by members of any Realtor® association, not just members of ORRA.

Statistics on the sales of area homes that are sold without the assistance of a Realtor® are available in the [Real Estate Index](#), a report produced jointly by ORRA and the Real Estate Attorney's Fund.