

# October sales in Sarasota market continue strong pace; tax credit extension may be boost

Strong property sales in the Sarasota market in October 2009 continued to provide ample evidence of a market in recovery, with overall sales more than 57 percent higher than October 2008. Total sales stood at 574 in October, compared to 364 total sales in October 2008. The breakdown was 419 single family homes and 155 condos sold last month.

The upward trend during the traditionally slower season could be a prelude to a busy fall and winter for local Realtors®. The overall economic recovery from a two-year recession appears to be the primary reason behind the sales spurt, along with the national \$8,000 tax credit for first-time homebuyers. That tax credit was extended, and expanded to include many other homebuyers on Nov. 6, so the home buying sales rush could easily continue through the season and into the first quarter of 2010.

The median sale price for condominiums also surged during October to \$220,000, up 35 percent from last month, but down 36 percent from a year ago. The median sale price for single family homes continued a downward trend, now at \$151,000, about 8 percent below last month's figure of \$165,000, and down 12 percent from October 2008. The continuing high number of bank-owned property sales and short sales, which accounted for almost half of the single-family home sales and a third of the condo sales in October, remained the biggest factor in the overall price weakness.

In October 2009, bank-owned sales accounted for 22.4 percent of the overall sales, while short sales represented 23 percent of all sales. The median price of REO (bank-owned) sales was around \$89,000, and for short sales was \$150,000. For normal arm's length sales the median sale price was \$230,000, or almost double the figure for the distressed properties.

"The federal action to extend and expand the homebuyer tax credit should be a tremendous boost to our industry and the national economy as a whole," said Bill Geller, 2009



SAR President. "The Florida economy and the Sarasota area in particular depend to a large extent on the health of the real estate industry. The tax credit is just the kind of program we all need to relieve the market of the distressed properties that are keeping our median sale price artificially low. We can see the clear and dramatic differential between the median sale price of bank-owned properties and short sales versus the median sale price of normal arm's length sales. Once these foreclosed and distressed properties are bought up, we should see a return to a healthy, vibrant local market, with normal home price appreciation."

Pending sales have now exceeded the 800 level for eight out of 10 months in 2009, after lingering in the 400 to 500 per month range

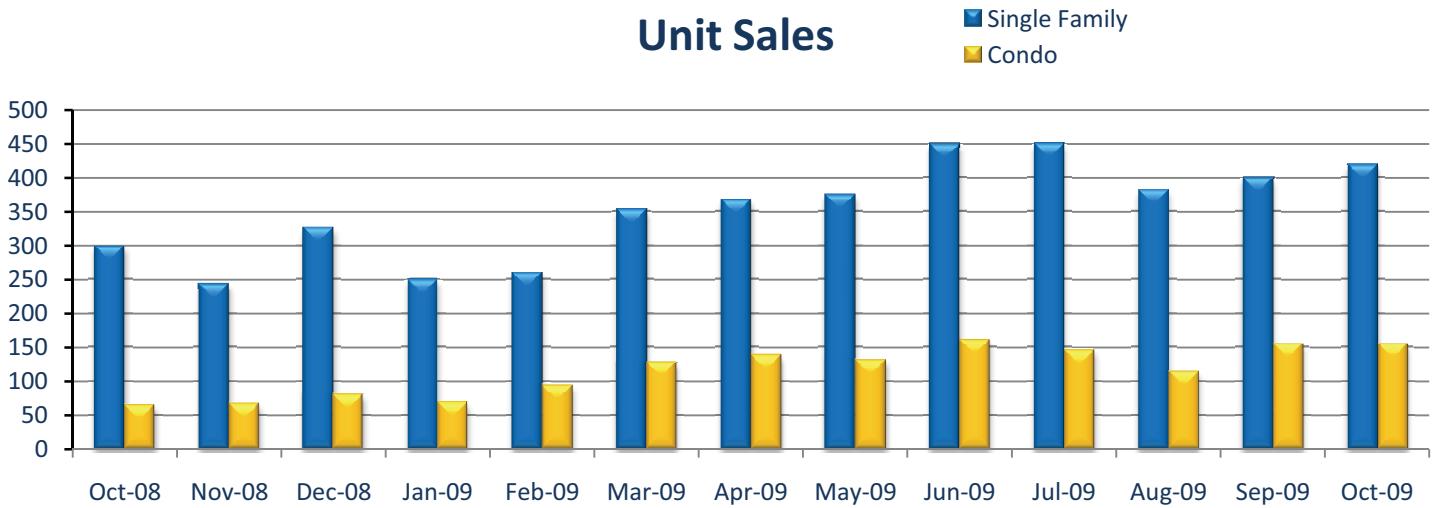
for much of the previous two years. The statistic is a strong indicator for the next two or three months of sales, when many of these pending sales will become closed sales. Pending sales, which hit 839 after dropping to 799 last month, are sales where an offer has been accepted during the month, but the sale has not yet closed. Even though some pending sales never close, pending sales are an indicator of current buyer activity.

Most of the statistics continue to point to a market in the initial stages of recovery. Inventory levels continued to decline and are now at the lowest point since the boom ended – a good sign for a market in recovery. There are now only 3,895 active single family listings and 2,331 active condo listings, the lowest figures since late summer of 2005 and earlier when the boom first started.

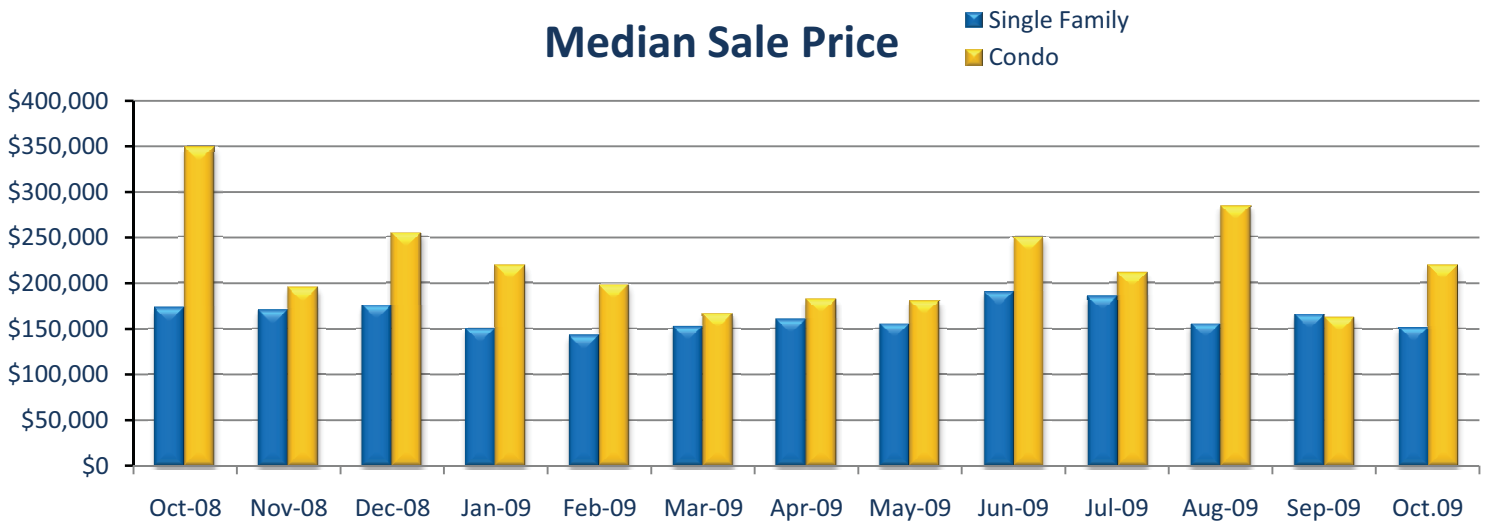
The "months of inventory" – the number of months it would take to sell all the available properties at the current sales rate – was down for both single family and condos. The figure is 9.3 months for single family and 15 months for condos. A figure of 6 months is considered to be a market in equilibrium between buyers and sellers.

# Sarasota MLS<sup>SM</sup> Statistics October 2009

## Unit Sales



## Median Sale Price



## Single Family

|                             | #Active | #Sold | %Sold | Average DOM | Median Sale Prices | Median Last 12 Months | Months Inventory | Pending Reported | %Pending | # New Listings | # Off Market |
|-----------------------------|---------|-------|-------|-------------|--------------------|-----------------------|------------------|------------------|----------|----------------|--------------|
| <b>This Month</b>           | 3895    | 419   | 10.8  | 186         | \$151,000          | \$160,000             | 9.3              | 601              | 15.4     | 805            | 212          |
| <b>This Month Last Year</b> | 6435    | 299   | 4.6   | 163         | \$172,450          | \$245,000             | 21.5             | 457              | 7.1      | 962            | 382          |
| <b>Last Month</b>           | 3915    | 399   | 10.2  | 174         | \$165,000          | \$165,000             | 9.8              | 614              | 15.7     | 778            | 193          |
| <b>YTD</b>                  | -       | 3999  | -     | 179         | \$160,000          | -                     | -                | 7060             | -        | 7475           | -            |

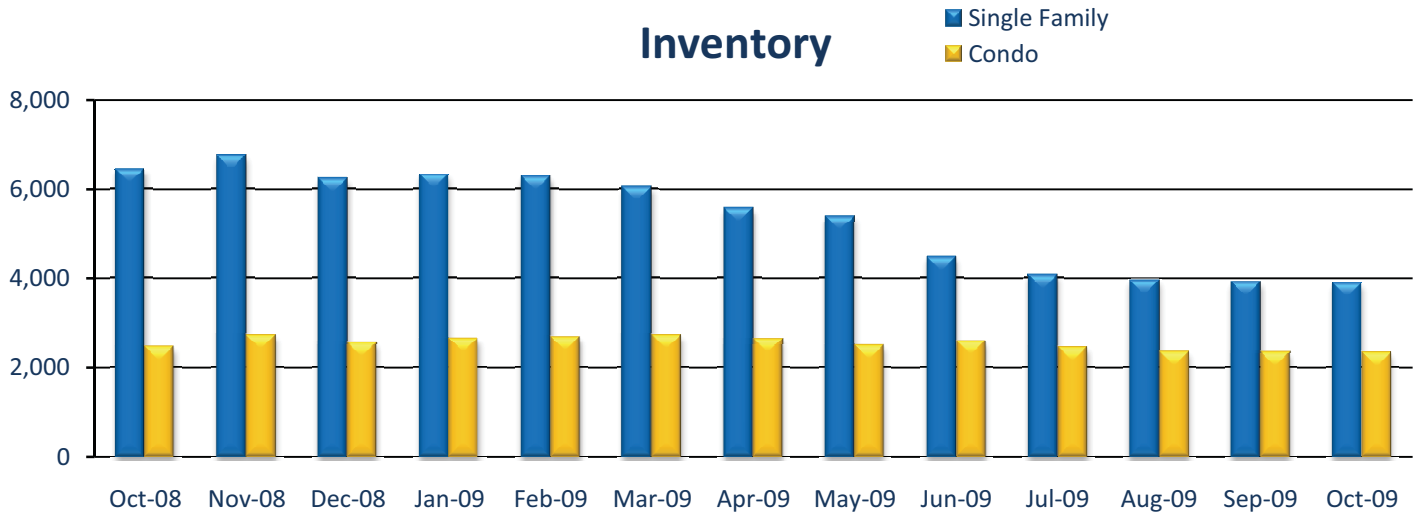
## Single Family – Sale Price Vs. List Price % Rates

|      | Jan  | Feb  | Mar  | Apr  | May  | Jun  | Jul  | Aug  | Sept | Oct  | Nov  | Dec  |
|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 2008 | 92.0 | 92.0 | 93.2 | 93.3 | 92.0 | 93.0 | 93.0 | 92.0 | 93.1 | 93.1 | 92.0 | 93.0 |
| 2009 | 93.0 | 93.1 | 92.5 | 92.4 | 93.2 | 93.8 | 93.2 | 93.6 | 94.2 | 94.4 | -    | -    |

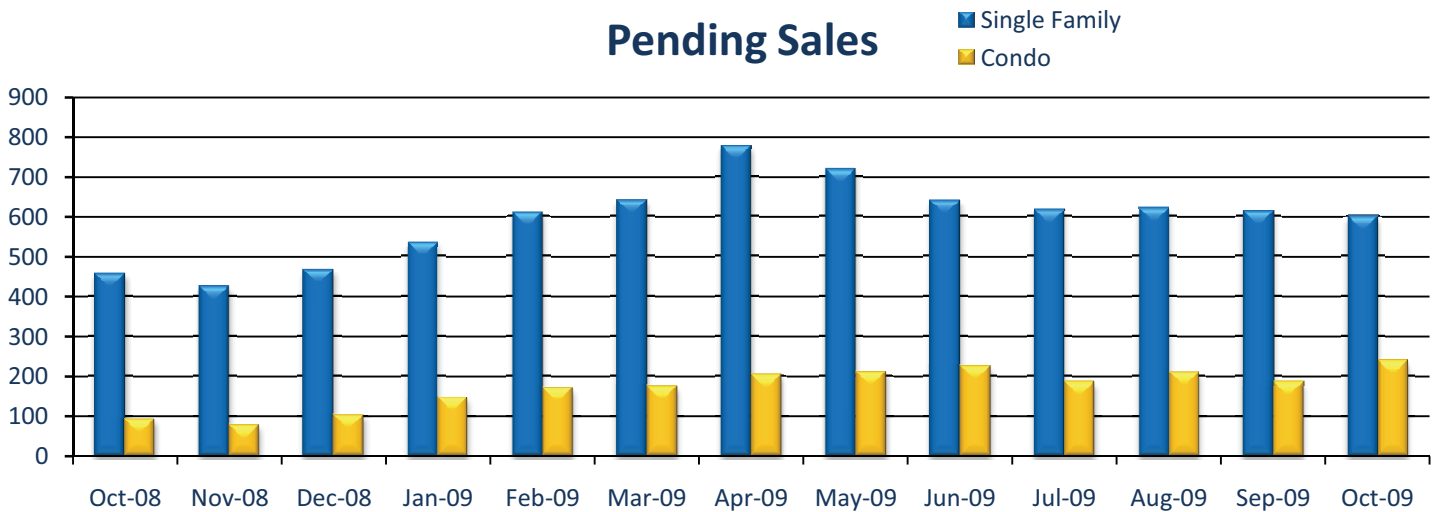
Statistics were compiled on properties listed in the MLS by members of the Sarasota Association of Realtors® as of November 10th, including some listings in Manatee, Englewood, Venice, and other areas. Single-family statistics are tabulated using property styles of single-family and villa. Condo statistics include condo, co-op, and townhouse.

# Sarasota MLS<sup>SM</sup> Statistics October 2009

## Inventory



## Pending Sales



## Condo

|                             | #Active | #Sold | %Sold | Average DOM | Median Sale Prices | Median Last 12 Months | Months of Inventory | Pending Reported | %Pending | # New Listings | # Off Market |
|-----------------------------|---------|-------|-------|-------------|--------------------|-----------------------|---------------------|------------------|----------|----------------|--------------|
| <b>This Month</b>           | 2331    | 155   | 6.6   | 250         | \$220,000          | \$199,450             | 15.0                | 238              | 10.2     | 331            | 235          |
| <b>This Month Last Year</b> | 2457    | 65    | 4.5   | 215         | \$349,000          | \$320,000             | 22.4                | 92               | 6.3      | 329            | 503          |
| <b>Last Month</b>           | 2337    | 155   | 6.6   | 208         | \$162,500          | \$200,000             | 15.1                | 185              | 7.9      | 266            | 217          |
| <b>YTD</b>                  | -       | 1392  | -     | 208         | \$196,322          | -                     | -                   | 1836             | -        | 3167           | -            |

## Condo – Sale Price Vs. List Price % Rates

|      | Jan  | Feb  | Mar  | Apr  | May  | Jun  | Jul  | Aug  | Sept | Oct  | Nov  | Dec  |
|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 2008 | 91.0 | 91.1 | 91.0 | 91.0 | 92.0 | 92.0 | 93.0 | 90.0 | 90.0 | 91.0 | 91.0 | 91.0 |
| 2009 | 91.0 | 90.2 | 90.4 | 92.2 | 90.1 | 91.4 | 92.1 | 92.4 | 91.5 | 92.4 | -    | -    |

Median sales price is the middle value, where half of the homes sold for more, and half sold for less. Listings sold were closed transactions during the month. Pending sales are sales where an offer has been accepted during the month, but the sale has not yet closed. Even though some pending sales never close, pending sales are an indicator of current buyer activity. DOM indicates the average number of days that sold properties were on the market before a contract was executed.