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Home sales still on the rise in Lee County

Median price remains below half what it was

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May sales of existing single-family homes in Lee County continued at a near-record pace while prices spiked up, according to statistics released Tuesday by the Florida Association of Realtors.

The median price rose to \$88,500, up 3.5 percent or \$3,000 from April's \$85,500. But prices remained less than half what they were after the precipitous drop of the past year — the median was \$212,400 in May 2008.

Some area agents expect the median price to continue rising as more mid- to high-end homes come on the market.

There were 1,417 existing houses sold with the assistance of a Realtor — down from April's record 1,468 but up sharply from the 823 sold in May 2008, according to the association.

In most of those homes the seller was under financial pressure to sell relatively quickly.

A breakdown for the Florida association's statistics wasn't available, but the Realtor Association of Greater Fort Myers and the Beach showed 62 percent were sold by lenders that had taken the house back in foreclosure and then resold it.

Another 14 percent were "short sales" in which the lender agreed to reduce its mortgage so a house could be sold for a lower price.

In a separate report also released Tuesday, the National Association of Realtors said U.S. home sales rose 2.4 percent last month to a seasonally adjusted annual rate of 4.77 million, from a downwardly revised pace of 4.66 million in April.

John McWilliams, a real estate broker with McWilliams Buckley & Associates in Fort Myers, said the increase in Lee County prices may have come because rock-bottom prices for low-end homes in Cape Coral and Lehigh Acres have spurred bidding wars for those homes. "The word is out that we're on sale."

Real estate agent Brett Ellis of Re/Max Realty Group in Fort Myers said the market may be near a turning point, with fewer low-end homes being put on the market by lenders that took them back in foreclosure.

Sales of that type of property have fueled a boom in home sales since early this year, but Ellis said, "I think you're going to see fewer foreclosures in the bottom end of the market" as the supply of foreclosed houses starts to run dry.

In their place, he said, expect to see more mid- and upper-range houses that are starting to come onto the market as lenders get increasing numbers of them back in foreclosure.

Mid- and high-price homes are still falling in value and as that continues, Ellis said, "There'll be more sales and those sales will pull the median up" because even those reduced prices will be higher than the inexpensive ones that make up the bulk of the market now.

Especially hard hit, McWilliams said, are houses on sale for \$250,000 to \$400,000 because "The buyer pool is not there. That's just not a do-able price range for so many Lee County jobs."

Nationally, about one in three homes sold last month was a foreclosure or distressed sale, dragging down the median price to \$173,000 — 16.8 percent below a year ago. Falling prices coupled with new rules for property appraisers have caused many transactions to fall apart or be delayed.

One bright spot, however, was that the number of unsold homes on the market at the end of May fell 3.5 percent to nearly 3.8 million. That's a 9.6 month supply at the current sales pace, compared with about six months in a normal market.

— The Associated Press also contributed to this report.
