



THE MOULTON REAL ESTATE REPORT MAY 2011 FOR SARASOTA, FLORIDA

As I have reported here over the last few months, the overall available inventory of homes has been steadily declining. We currently have just under six months of overall inventory based on the May closings activity, a good sign that the marketplace is maintaining a positive and stable course. This is the first time in a long while that Sarasota has gotten under the magical threshold. The overall inventory is approximately 500 properties lower than the end of April and 21% better than year-end 2010, or 1,233 less listed properties. Six months of inventory is established as the benchmark for a “neutral market”! A recent “Metrostudy” report, the leading provider of market research for more than 35 years, says that our market ranks at the top of those that “posted the largest decreases in our finished/vacant inventory” year-over-year.

In the month of May 2011, a total of 781 properties sold vs. 746 in the same month in prior year. There are 676 pending sales in May, which is similar to the pending sales from May 2010. As a result of the past month’s closings activity, there is just a 4.7 month inventory for properties listed under \$500,000 – the market that has had the most activity in the last several months. The supply is lower than the 5.5 months documented in April, 7 months at the beginning of the year and 11 months at the beginning of 2010. In the segment between \$500,000 and \$1,000,000, there is currently a 10 month inventory, down from 16 months at the end of April and certainly an improvement from the 19 months at the end of 2010. For inventory over \$1,000,000, there is 28 months of inventory, equal to the months inventory the end of 2010. The months of available inventory does vary on a month to month basis based on that month’s closed sales.

Unfortunately, sellers continue to be faced with the challenge of having to be competitive with the heavy inventory of distressed sales listings and the fear of a glut of product entering the market as the supply of foreclosure units works its way through the system. Distressed sales, which are either a bank owned property or a short sale, are definitely affecting pricing locally and will continue to do so. The majority of these are in the under \$1,000,000 list price. Of the 4500 active listings in our market, approximately 22% are distressed sales. The luxury market clearly has the advantage with only 23 or 4% of the active listings being distressed property listings in the over \$1,000,000 group. Of the properties sold year to date, 52% were distressed sales - almost 1550 properties of the approximately 3558 properties sold. 44% of the sales under \$1,000,000 and just 4% of the sales over \$1,000,000 were distressed sales. There is evidence, provided by Moody’s Analytics, that the distressed trend is on the verge of subsiding, but when that will happen consistently is still uncertain. Other experts claim that in markets such as the luxury end, where foreclosures and distressed sales are minimal, it is expected that pricing will begin gaining.

The following statistical data is provided through the Multiple Listing Service (MLS) of the Sarasota Association of Realtors. The table summarizes what happened in each price segment. The Sold (Closed), Pending and Listings columns are sales and listings for the month of the report, and the Pending and Listed are the current totals of each in the MLS system. The Sold YTD column is the total sales for 2011 and 2010 Year-to-Date. The Listed YE '10 (Year-End) column shows the listing inventory at the end of 2010.

	Sold May '11	Sold YTD '11	Sold YTD '10	Sold 2010	Sold 2009	Pending May	Pending Total	Listed May	Listed Total	Listed YE '10
Houses										
under \$250k	302	1454	1433	3288	3055	295	933	209	956	1408
\$250k - \$500k	108	438	443	1032	958	105	254	117	646	802
\$500k - \$750k	30	122	112	267	273	22	55	34	257	302
\$750k - \$1m	14	59	56	112	87	14	38	15	182	233
\$1m - \$1.5m	10	40	40	79	68	5	16	14	166	186
\$1.5m - \$2m	3	16	18	32	44	4	6	4	92	98
\$2m - \$3m	4	16	12	29	29	2	6	9	89	106
\$3m & above	4	10	9	14	16	7	8	7	111	112
Totals	475	2155	2123	4853	4530	454	1316	409	2499	3247
Condos										
under \$250k	187	876	766	1699	1431	156	443	122	902	1254
\$250k - \$500k	71	276	143	507	474	42	86	65	629	696
\$500k - \$750k	24	72	97	184	163	9	27	16	216	227
\$750k - \$1m	8	27	43	68	65	5	10	8	108	124
\$1m - \$1.5m	7	29	26	50	43	6	8	7	72	85
\$1.5m - \$2m	4	13	12	17	21	2	5	3	30	47
\$2m - \$3m	5	9	11	19	16	1	6	4	42	47
\$3m & above	0	1	4	2	5	1	1	1	20	24
Totals	306	1303	1102	2546	2218	222	586	226	2019	2504
Grand Totals	781	3458	3225	7399	6748	676	1902	635	4518	5751