

Leading U. S. economists: Fla.'s housing market bouncing back

ORLANDO, Fla. – Dec. 7, 2011 – Despite national and global headwinds, Florida's real estate market is entering 2012 on an upward trend, according to three leading U.S. economists.

“Our state is in a mini-recovery,” said Florida Realtors® Chief Economist Dr. John Tuccillo at the state association's 2012 Real Estate and Economic Forecast Conference in Orlando. “Sales are trending up, listing inventories are falling, the supply of lender-related properties has stabilized, and we are seeing multiple offers on homes in some local markets.”

In fact, Florida homes today may be undervalued, Tuccillo added. “That may seem like a drastic statement,” he said. “But a buyer who plans to own the home for five to seven years can get some great bargains today.”

Mark Vitner, senior economist at Wells Fargo in Charlotte, N.C., said the U.S. economy will continue to face significant challenges, particularly financial concerns related to the European debt crisis. But he expects the U.S. economic recovery will continue next year, making it easier for Midwesterners, for example, to buy Florida homes.

“Florida's economy is recovering, with tourism and healthcare leading the way,” Vitner said. “International tourism has been particularly strong in Miami and Orlando.”

Looking around the state, Vitner said Jacksonville's unemployment rate has dropped and home prices are stabilizing. In Orlando, prices have not yet reached bottom, he said, but the winter tourism season should help the regional economy. Tampa and Southwest Florida have seen solid job growth, with little new home construction.

South Florida's economy is growing thanks to trade relationships with Latin America and the Caribbean, while in the Panhandle, Fort Walton Beach is outperforming Panama City and Pensacola, according to Vitner.

Dr. Lawrence Yun, chief economist for the National Association of Realtors®, said many Florida markets are showing sharp drops in inventories of homes for sale – a sign that demand is picking up and prices are stabilizing. “That's a major change from just a year ago,” he said. “Buyers have stepped back into the Florida market.”

Noting the state's powerful appeal to international buyers, Yun said he was particularly optimistic about the outlook for South Florida. “Don't be surprised to see a gain in home prices in the Miami and Naples markets in the next 18 months,” he said. “From there, the recovery is likely to roll northward to Central Florida and then North Florida.”

Tuccillo noted that foreclosed and distressed properties will remain a significant part of the Florida market in 2012, but lenders are feeding these properties into the market at a gradual pace rather than pushing them out all at once.

The event also featured a panel of Florida real estate professionals, who discussed the 2012

outlook for several sectors of the state's real estate market from a practitioner's point of view. Panelists were Clark Toole, president and COO, Coldwell Banker Residential Real Estate Inc. in Florida, discussing residential real estate; Cynthia Shelton, 2009 president of Florida Realtors and a director at Colliers International in Orlando, discussing the commercial market; and Dean Saunders, accredited land consultant and broker-owner of Coldwell Banker Commercial Saunders Real Estate in Lakeland, covering the market for land and undeveloped property.

Florida Realtors real estate and economic summit was webcast to 32 local association or satellite sites around Florida. "Turnout was high for our statewide event," said 2011 Florida Realtors President Patricia Fitzgerald, manager/broker-associate with Illustrated Properties in Hobe Sound and Mariner Sands Country Club in Stuart. "We hope to hold more of these forums on a regular basis – sharing knowledge of market trends is a powerful way for our Realtor members to connect with buyers and sellers."