

December 2011 Archive

Florida Realtors top 10 stories in 2011

1. Once-in-a-generation time to buy. Who's in?

Most renters want to buy a home: 72 percent consider homeownership a good financial decision, and 64 percent believe the time is right, according to the National Association of Realtors® 2011 Housing Pulse survey. Mortgage rates hit a record low of 3.94 percent this year, homes sold for a fraction of their value five years ago, and excess inventory provided every buyer with a range of options. In some cities, homeownership became cheaper than renting. But job insecurities made buyers nervous to commit. Those who did found it difficult to get financing despite stellar credit scores. As a result, 2011 saw a real estate market with great deals, yet fewer buyers than needed. In 10 years, however, many Americans may look back on 2011 as the best time in a generation to invest in real estate.

2. The economy rebounded, sorta, kinda, a little

The Florida economy remained sluggish as unemployment rates stayed uncomfortably high and home sales stayed uncomfortably low; but, across the board, the state showed signs of recovery, with almost every economic indicator suggesting brighter days ahead. Home sales edged higher most months; selling prices held their own and, in a few cases, median selling prices rose. Floridians' consumer confidence also rose toward the end of the year after bobbing around for most of the summer. Employment followed, and while the state has a long way to go to hit "normal," it reached a 2011 level of "better than last year."

3. Commercial market leaves "dire" for "not as bad"

Florida investors increasingly want to buy office, retail and industrial properties, says Cynthia Shelton, Florida Realtors' 2009 president and a director at Colliers International in Orlando. Vacancy rates, while high, have stabilized, along with rental rates. Core assets (essential to businesses) are selling and lenders – including the life insurance companies – are lending again. Banks are more realistic about prices for distressed properties, and 2012 should see the entry of more commercial tenants. "With modest economic growth and job creation, the fundamentals for commercial real estate should gradually improve in the coming year," adds Lawrence Yun, NAR chief economist.

4. Florida Legislature: We got Amendment 4 and scrapped the cap

Florida Realtors had a number of victories in the 2011 Florida Legislature, but none as important as a constitutional amendment voters will consider in November 2012, and none so hard-fought as a law to "scrap the cap" on Florida's affordable housing trust funds. Amendment 4, if approved by Florida voters, will create a property tax increase cap of 5 percent each year on non-homestead real estate, down from the current 10 percent cap. It will also give some first-time homebuyers a property tax break that decreases over time. In 2012, Florida Realtors will roll out its "Yes on 4" campaign. In the "scrap the cap" victory, the Florida Legislature agreed to allow all doc stamps earmarked for the affordable housing Sadowski Trust Fund to actually go into the fund.

5. Fasten your seatbelts. Property insurance is a bumpy ride.

Lawmakers wrestled with a question that has been around for years: Should property insurance be affordable or available? If affordable, a major storm could bankrupt the state. If widely available, the cost could drive buyers away and hurt current homeowners. Citizens Property Insurance, the state-owned insurer, sits squarely in the middle of the debate since it covers most of the high-risk properties and, should a major storm hit, would force all Floridians to help pay for damages. To attract private insurers to the state and cut down on the number of owners under Citizens, Gov. Scott and lawmakers made changes. Sinkhole coverage became optional and much more expensive. Citizens dropped about 7,500 coastal homes in early December, and policy costs and rules are set to become even stricter in 2012. The uneasy balance between affordable or available insurance shifted a bit closer to the "available" side.

6. Facts at your fingertips: Florida Realtors adds research department

Florida Realtors Industry and Data Analysis Department (IDA) opened for business in June 2011. Designed to provide practical information for association members, Chief Economist Dr. John Tuccillo says the department will help Realtors in Florida deal more effectively with increasingly educated consumers. The services provided by IDA include current analyses of Florida's real estate market and support for Florida Realtors' public policy efforts in Tallahassee. IDA products are available to all members and can be found on the Research page of floridarealtors.org. "Members are free to pull down and use any information provided by IDA," says Tuccillo.

7. HAMP, HARP, TARP do little for at-risk homeowners

Falling home values and risky mortgages caused more Florida owners to face foreclosure. The government created, and modified, a number of programs slated to help owners keep their homes, but most applied only to about half of those in trouble – owners who had mortgages held by Fannie Mae or Freddie Mac. Even then, however the carrots held out by HAMP, HARP, TARP and others didn't entice lenders that feared principal cuts and long-term changes. The issue led to some strategic defaults – foreclosures where investors could afford to pay but walked away as a financial decision – court backups, and a system that allowed some non-paying owners to live in a home for over two years before authorities finally foreclosed. Analysts expect the problem to improve but continue in 2012.

8. Should we slow the recovery to avoid another crisis?

U.S. regulators have conflicting goals: Speed the recovery but, at the same time, take steps to make sure it never happens again. Unfortunately, it hasn't figured out how to do both. While the federal government has tried to spark home sales through a number of programs (see No. 7 above), it has also created obstacles to homeownership by boosting mortgage rules, tightening appraisal standards and restricting the amount homeowners can deduct from federal taxes. A key concern of Realtors heading into 2012 is the qualified residential mortgage (QRM) rule – a minimum standard that mortgage loans must meet before Fannie Mae or Freddie Mac will consider buying them. Some lawmakers have suggested a 20 percent downpayment, a high standard that will force many buyers to wait years before they can afford homeownership. The discussion will continue in 2012.

9. Social networking goes from 'cutting edge' to 'must do'

New technology no longer surprises Realtors, who have been inundated with "cutting edge solutions" that now allow them to post videos, track complete transactions stored in a "cloud," sign contracts without actually signing anything and politely ask their phone to look up information. Social networking was once the realm of early-adopters, and Realtors sold it to clients as "look what I can do for you." Now, Facebook, Twitter, YouTube, Goggle+ (new in 2011) and other social networking sites are standard in the real estate business. If you're a Realtor, you have a Facebook page – it's that simple.

10. 2011 Realtors are different than 2005 Realtors

The skills needed to sell a house have changed. Realtors spend a lot more time talking to banks, trying to find out what's happening with a client's short sale; asking what paperwork they needed to file or re-file; and understanding new laws that oversee what they can do – and can't do – when working with short-sale sellers. Realtors learned to accept disappointment – sales that fell apart at the last minute; appraisals that came in lower than hoped; and clients who wanted a bargain below any reasonable expectations.

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Census: Fla. ranks 3rd among states for population growth estimates

WASHINGTON – Dec. 21, 2011 – Texas gained more people (529,000) than any other state between April 1, 2010, and July 1, 2011, followed by California (438,000), Florida (256,000), Georgia (128,000)

and North Carolina (121,000), according to the latest [U.S. Census Bureau estimates](#) for states and Puerto Rico. Combined, these five states accounted for slightly more than half the nation's total population growth.

"These are the first set of Census Bureau population estimates to be published since the official 2010 Census state population counts were released a year ago," said Census Bureau Director Robert Groves. "Our nation is constantly changing and these estimates provide us with our first measure of how much each state has grown or declined in total population since Census Day 2010."

The United States as a whole saw its population increase by 2.8 million over the 15-month period, to 311.6 million. The U.S. population growth of 0.92 percent between April 1, 2010, and July 1, 2011, was the lowest since the mid-1940s.

"The nation's overall growth rate is now at its lowest point since before the baby boom," Groves said.

California remained the most populous state, with a July 1, 2011, population of 37.7 million. Rounding out the top five states were Texas (25.7 million), New York (19.5 million), Florida (19.1 million) and Illinois (12.9 million).

Among states and equivalents, the District of Columbia experienced the fastest growth between April 1, 2010, and July 1, 2011, as its population climbed 2.7 percent. This marks the first time it led states and equivalents in growth since the early 1940s. D.C. ranked 35th in percent growth between the 2000 and 2010 censuses.

Following D.C. in terms of percent increase between April 1, 2010, and July 1, 2011, were Texas (2.1 percent), Utah (1.9 percent), Alaska (1.8 percent), Colorado (1.7 percent) and North Dakota (1.7 percent). North Dakota was 37th in percent growth between the 2000 and 2010 censuses.

The only three states to lose population between April 1, 2010, and July 1, 2011, were Rhode Island (1,300 or -0.12 percent), Michigan (7,400 or -0.08 percent) and Maine (200 or -0.01 percent).

Nevada, the nation's fastest-growing state between 2000 and 2010, ranked only 27th in population growth between April 1, 2010, and July 1, 2011, increasing by 0.8 percent.

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Fla. ranks high among states in lowering unemployment

TALLAHASSEE, Fla. – Dec. 21, 2011 – Florida had the second best year among all the states in terms of reducing unemployment over the last year, the Bureau of Labor Statistics reported this week.

Florida was behind only New Mexico in lowering its official jobless rate from 11.9 percent in November 2010 to 10 percent last month, the bureau said. New Mexico's jobless rate dropped 2.1 percentage points from 8.6 to 6.5 percent.

Right behind Florida was Michigan, which lowered its rate 1.6 percentage points to 9.8 percent and West Virginia, which saw a 1.7 percentage point drop to 7.9 percent.

Also, the 98,100 jobs that Florida added over the year put the state third in the nation, behind only California and Texas. Still, Florida is just one of eight remaining states with double digit unemployment, though the situation is better than in Nevada, at 13 percent, and California at 11.3 percent. North Dakota has the lowest jobless rate, 3.4 percent.

Gov. Rick Scott talked about the state's success in a radio appearance Wednesday morning. "We've got

to get more jobs in the state, but this has been a great year” the governor said during an interview with WFLA Radio in Tallahassee.

Source: News Service of Florida

Fla.’s existing home, condo sales up in November

ORLANDO, Fla. – Dec. 21, 2011 – Florida’s existing home and existing condo sales continued its positive upswing in November, according to the latest housing data released by Florida Realtors®. Existing home sales increased 11 percent last month with a total of 12,993 homes sold statewide compared to 11,664 homes sold in November 2010, according to Florida Realtors.

“It’s really clear that two things are happening in Florida real estate,” said Florida Realtors Chief Economist Dr. John Tuccillo. “No. 1, sales are moving upward – not by a large increase, but definitely, positively on an upward trend. Second, prices are stabilizing. Now, it doesn’t mean that prices have turned around but they are stabilizing, and that’s vital for the market to gain equilibrium.”

“The more important factor is that sales are increasing and in large part, that’s due to lenders becoming more educated on how to deal with distressed properties more effectively and in a more timely manner – and that’s helping the Florida real estate markets recover.”

Seventeen of Florida’s metropolitan statistical areas (MSAs) reported higher existing home sales in November; 10 MSAs had higher existing condo sales.

The statewide median sales price for existing homes remained relatively flat last month at \$130,100; a year ago, it was \$130,600. According to analysts with the National Association of Realtors® (NAR), sales of foreclosures and other distressed properties continue to downwardly distort the median price because they generally sell at a discount relative to traditional homes. The median is the midpoint; half the homes sold for more, half for less.

The national median sales price for existing single-family homes in October 2011 was \$161,600, down 5.8 percent from the previous year, according to NAR. In California, the October statewide median resales price was \$278,060; in Massachusetts, it was \$275,000; in Maryland, it was \$221,765; and in New York, it was \$215,900.

In Florida’s year-to-year comparison for condos, 5,590 units sold statewide in November, a 2 percent gain over the 5,464 units sold in November 2010. The statewide existing condo median sales price last month was \$86,700; a year earlier, it was \$83,000 for a 4 percent increase. The national median existing condo sales price in October was \$160,300, according to NAR.

“In recent weeks, we’ve seen encouraging reports of jobs growth and improvements in Florida’s economy,” said 2011 Florida Realtors President Patricia Fitzgerald, manager/broker-associate with Illustrated Properties in Hobe Sound and Mariner Sands Country Club in Stuart. “Mortgage rates have remained at record lows and home prices appear to be stabilizing in many local markets across the state – all positive signs for the housing recovery.”

According to Freddie Mac, the interest rate for a 30-year fixed-rate mortgage averaged 3.99 percent in November, down from the 4.30 percent average during the same month a year earlier. Florida Realtors’ sales figures reflect closings, which typically occur 30 to 90 days after sales contracts are written.

Related: NAR: Existing home sales continue to climb in November

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NAR: Outside fix-ups are best investment

WASHINGTON – Dec. 16, 2011 – When it comes to remodeling, exterior replacement projects have routinely rewarded homeowners with more bang for their buck when it comes time to sell a home.

This year is no different, as Realtors® recently rated many exterior improvements as the most valuable home investment projects, part of the “2011-12 Remodeling Cost vs. Value Report.”

“This year’s ‘Remodeling Cost vs. Value Report’ shows the value of putting your home’s best facade forward, so to speak,” said National Association of Realtors President Moe Veissi, broker-owner of Veissi & Associates Inc., in Miami and 2002 Florida Realtors president. “Inexpensive exterior replacement projects are not only crucial to a home’s regular upkeep, but are also expected to recoup close to 70 percent of costs. Specific exterior projects such as siding, and window and door replacements are part of regular home maintenance, so many homeowners are already undertaking them. These projects also do not require expensive materials, and they have the added bonus of instantly adding curb appeal.”

HouseLogic.com, NAR’s consumer website, lists a number of remodeling projects along with the recouped value of the project based on a national average. According to the “Cost vs. Value,” seven of the top 10 are exterior replacement projects. Realtors judged an upscale fiber-cement siding replacement as the project expected to return the most money, with an estimated 78 percent of costs recouped upon resale.

Two additional siding replacement projects were in the top 10, including foam-backed vinyl siding, expected to return 69.6 percent of costs, and upscale vinyl siding, expected to recoup 69.5 percent of costs. Three door replacements were also among the top exterior replacement projects. The steel entry door replacement is the least expensive project in the report, costing little more than \$1,200 on average and expected to recoup 73 percent of costs.

The upscale garage door replacement jumped seven spots to number six this year, primarily due to the average cost of the project declining more than 15 percent nationally. The upscale and midrange garage door replacement projects are expected to return more than 71 percent of costs. One window replacement project – upscale vinyl – rounded out the last exterior replacement project in the top 10, expected to recoup 69.1 percent of costs.

The “2011-12 Remodeling Cost vs. Value Report” compares construction costs with resale values for 35 midrange and upscale remodeling projects comprising additions, remodels and replacements in 80 markets across the country. Data are grouped in nine U.S. regions, following the divisions established by the U.S. Census Bureau. This is the 14th consecutive year that the report, which is produced by Remodeling magazine publisher Hanley Wood, LLC, was completed in cooperation with NAR.

Realtors provided insight into local markets and buyer home preferences within those markets. Overall, Realtors estimated that homeowners would recoup an average of 57.7 percent of their investment in 35 different improvement projects, down from an average of 60 percent last year. Due to a weak economy, high unemployment in the construction industry and the increasing cost of materials, the price of remodeling projects rose, leaving many homeowners hesitant to tackle projects or encouraging them to scale back on their plans.

Three interior remodeling projects are also considered worthwhile investments. A midrange attic bedroom is expected to return 72.5 percent of costs upon resale; of all the projects in the report, it is the least expensive way to add a bedroom and bathroom within a home’s existing footprint. A minor kitchen remodel, expected to return 72.1 percent of costs, is fourth overall, ranking two places higher than last year. Nationally, the average cost for the project is just under \$20,000 and is the least expensive way to give an existing kitchen a complete facelift. A wood deck addition, landing at number seven overall, is expected to recoup 70.1 percent of costs. Improvement projects that are expected to return the least are

a sunroom addition and a home office remodel, both estimated to recoup less than 46 percent of costs.

"Resale value is just one factor among many that homeowners need to take into account when making a decision to remodel," said Veissi. "The desirability and resale value of particular remodeling projects also varies by region and metropolitan area. A Realtor can help homeowners decide what low-cost improvement projects will provide the most upon resale in a particular market."

Most regions followed the national trends; however the Pacific region, consisting of Alaska, Hawaii, California, Oregon and Washington has the highest average cost-value ratio in the country, at 71.3 percent. This is largely because the high cost of remodeling in the region is more than offset by high values at resale. The next best performing regions were West South Central (67.7 percent) and South Atlantic (67.3 percent), mainly due to the low construction costs in the areas and relatively strong resale values.

The regions in which the cost-value ratio is slightly above the national average are New England (60.5 percent), East South Central (59.8 percent) and Mountain (58.5 percent). Three remaining regions performed slightly below the national average. These are the Middle Atlantic (56.8 percent), East North Central (55.3 percent) and West North Central (49.5 percent).

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Fed outlook turns a little healthier

WASHINGTON – Dec. 14, 2011 – Economic reports took a slightly more positive turn Tuesday, with the Federal Reserve modestly upgrading its outlook and an index of small-business optimism reaching its highest level since February.

In a statement after its meeting, the Fed's policymaking committee said the economy "has been expanding moderately" and noted "some improvement" in the labor market.

Early last month, by contrast, the Fed cited "continuing weakness" in the job market. The Labor Department reported that employers added 120,000 jobs last month and unemployment fell to 8.6 percent from 9 percent.

The Fed noted the jobless rate "remains elevated" and the housing sector is still "depressed," though consumer spending is rising. The European debt crisis, meanwhile, continues "to pose significant downside risks" to the outlook.

The central bank took no further action to stimulate a lackluster recovery that has picked up somewhat in recent weeks. However, policymakers said they would continue an initiative announced in September to shift the Fed's portfolio to more longer-term Treasuries by June in an effort to further reduce long-term interest rates.

Policymakers agreed to keep a key short-term interest rate near zero at least through mid-2013. Chicago Fed chief Charles Evans dissented, arguing the Fed should do more to stimulate growth. As early as January, the Fed is expected to announce it will set economic targets that must be reached before interest rates are raised.

Separately, an index of small-business attitudes rose in November for the third-consecutive month, according to the National Federation of Independent Business. "People feel like they're out of intensive care but are still a little sick," says NFIB chief economist Bill Dunkelberg.

Most encouraging: 7 percent more small businesses plan to increase payrolls the next three months than cut them, a jump of 4 percentage points vs. October and the strongest showing in more than three years.

"You're starting to get a little glimmer of something turning," says Diane Swonk, chief economist of Mesirow Financial.

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Study: Watch wording on insurance policies

CHICAGO – Dec. 14, 2011 – Homeowner insurance policies can vary greatly, and if homeowners aren't careful, they may find their claims denied when disaster strikes, according to a study to be published early next year by the University of Chicago Law Review.

While home insurers once used standard policy forms by the Insurance Services Office, now some are coming up with their own policies and a few tweaks in the wording can mean trouble for some homeowners, according to the study. Homeowners should read the fine print and carefully review their policies to examine what's covered and what's not, the study notes. For example, some policies include mold and lead coverage; other policies do not.

According to United Policyholders, here are a few questions homeowners can ask insurance agents when shopping for a homeowner's insurance policy:

- What is the coverage for water damage from sewer or pipe problems?
- What is the coverage for any damage to the foundation – is it completely covered, limited or excluded completely?
- Will items be paid at "replacement value" or "actual cash value"?

Study author Daniel Schwarcz, a University of Minnesota Law School associate professor, told The Wall Street Journal that he urges state insurance departments to post their insurance policies online so they can be reviewed closer by consumer groups and homeowners. In October, Nevada began posting policy forms for its largest home and auto insurers.

Source: "A Home-Insurance Trap?" The Wall Street Journal (Dec. 3, 2011)

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Fla. leads country in mortgage fraud cases

NEW YORK – Dec. 14, 2011 – Florida retained its top ranking in the nation for mortgage fraud litigation through September as millions of dollars in bad boom-time loans continue to be discovered by law enforcement and lenders.

A report released Tuesday by industry publication Mortgage Daily showed that Florida's activity during the third quarter included more than \$144 million in suspect loans that were questioned in court.

Florida has held the lead on the index, which tracks such activity as indictments and guilty pleas in criminal and civil cases, since the first quarter of this year.

California ranked second on the activity index, but with more than \$204 million in allegedly fraudulent loans, it came in first based on dollar amount.

Mortgage Daily founder and publisher Sam Garcia attributed some of today's fraud cases to a review of loans written during the frenzied ascent to the 2008 real estate crash. Investors continue to pressure banks to buy back mortgages that didn't meet underwriting standards or were bogus for other reasons, such as falsification of the borrower's income.

Last year, Bank of America bought back \$2.87 billion in bad mortgages from federal mortgage backers Fannie Mae and Freddie Mac.

The buybacks can cause a domino effect, Garcia said, as larger banks turn to loan originators or smaller companies to hold someone accountable.

"For a long time there just wasn't much prosecution," Garcia said. "Then we were just inundated. People who had committed fraud could no longer cover it up when the market turned bad and it became clear that loans were made that shouldn't have been made."

Nationwide, the mortgage fraud index climbed 16 percent in the third quarter, compared with the same time in 2010, with cases totaling more than \$1.3 billion in questionable loans.

The five states with the worst index ranking were, in order: Florida, California, Minnesota, New York and Texas.

In Florida, the mortgage fraud index was up 45 percent compared with the previous quarter. It was 18 percent higher than in the third quarter of 2010.

Mortgage Daily's report follows a similar study released in September by the federal Financial Crimes Enforcement Network that found Palm Beach County ranked sixth in the nation per capita for suspicious loan activity.

The county previously ranked 31st. That report also attributed the spike in activity to the review of older loans written between 2006 and 2008.

Ken Thomas, a Miami-based independent banking analyst and economist, said mortgage fraud prosecutions will increase as defaulted loans undergo closer scrutiny.

"There is a lot of fraud in South Florida, and we will see heavy enforcement in the future," Thomas said. "It's taking a lot of time to catch up, but there are paper trails for all of this and they will eventually get to most of it."

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Changing reality of Florida real estate

ORLANDO, Fla. – Dec. 12th, 2011 -- Sometimes what people think may be happening and what is actually occurring in the real estate market does not coincide. So let's look at the facts, and hear what some experts in the field have to say about Florida's economy and real estate.

At the recent Florida Realtors' 2012 Real Estate and Economic Forecast Conference, Chief Economist Dr. John Tuccillo stressed the slow but steady upward trends in Florida housing and employment, both of which have been overlooked. With prices at attractive levels, investors are back in the market and the distressed property market has stabilized. International demand has risen over the last year, adding to the positive trends in Florida real estate. Realtor panelist Clark Toole agreed, citing the increases in population and employment as positive drivers for the state's economy.

In Florida and nationwide, restrictions on credit have slowed the real estate market's recovery. While the average credit scores of approved loans under "normal" circumstances are around 720, in 2009 and 2010 the average was around 760. Easing credit conditions to "normal" could increase sales 15-20% higher. Dr. Lawrence Yun, NAR chief economist, shared his belief that there will be a 10% price increase in South

Florida as bargain hunters and foreign buyers boost sales – taking advantage of prices that are too good to pass up.

Even experts outside the industry agree that Florida should have positive growth in 2012. While Florida employment growth has been weak and its recovery sluggish, Mark Vitner, senior economist at Wells Fargo, also had encouraging remarks on the state. He pinpointed tourism and healthcare as leaders in the employment recovery. International visitors to Florida's many vacation destinations have boosted tourism, while concurrently stepping up as investors in the state's housing market. Vitner indicated specific areas in the state where prices have bottomed-out and employment has turned around.

The Florida recovery is a marathon, not a sprint. Although the pace is frustrating at times, this slow and steady improvement is good for Florida. The state is moving in the right direction. Realtors can encourage positive thinking about the real estate market with their clients and back up their case with the facts. The national consumer sentiment number of 67.7 beat last month's 64.1 and the analysts' forecast, showcasing that consumers' attitudes are brighter across the U.S. Consumer sentiment has improved each of the last four months. As perceptions shift to better match reality, sales and your business should change for the better.

-- Erica Cross, research analyst, Florida Realtors

76% of owners still overvalue their home

SEATTLE – Dec. 7, 2011 – HomeGain's fourth-quarter survey of 400 real estate agents and brokers and more than 2,000 homeowners shows an increase in the number of sellers who believe their dwellings are worth more than the listing price recommended by the agent to 76 percent from 73 percent last year.

About 68 percent of buyers consider homes to be overpriced, and 32 percent of these respondents estimate that homes are priced more than 10 percent above actual worth. However, homeowners agree with agents and brokers about the direction of home prices over the next six months, with declines predicted by 42 percent of real estate professionals and 37 percent of homeowners.

The number of agents and brokers anticipating price increases rose to 15 percent from 4 percent in the third quarter; and over the same time span, the number of homeowners expecting gains climbed to 15 percent from 12 percent.

Source: RISMedia (12/06/11) Cook, Steve

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Prices mostly stabilize: Why aren't we talking about it?

NEW YORK – Dec. 7, 2011 – An improving job picture and prices stabilizing for non-distressed homes are all signs that point to a housing recovery taking shape, Barclays Capital analyst Stephen Kim told HousingWire.

"In the absence of government homebuyer incentives, prices for non-distressed home sales have stabilized for almost a year," Kim said. "This is the most important trend in the housing industry right now, and we are amazed at how little attention it has been getting from the media and the street. This stability on the part of non-distressed prices has occurred despite a very high share of distressed activity and continued declines in overall prices."

The key to when the housing recovery will largely take off "depends primarily on when first-time buyers decide it is safe to buy a house," Kim told HousingWire.

Source: "Barclays Analyst Sees Housing Rebound Coming in 2012," HousingWire (Dec. 5, 2011)

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."

A PDF of PowerPoint slides used during the 2012 Real Estate and Economic Forecast Conference is available on the floridarealtors.org research page.

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Good Samaritans stop foreclosures

ATLANTA – Dec. 6, 2011 – A 103-year-old Atlanta woman and her 83-year-old daughter were to be evicted from their home of 53 years last week after the lender foreclosed, but sheriffs and a moving company refused to act. The incident also sparked calls from politicians and others to not evict the centenarian and her daughter.

The incident was one of several in the last few weeks in which good Samaritans prevented what they viewed as wrongful foreclosures. In another recent occurrence, a disabled veteran injured in Afghanistan was to be evicted from his Costa Mesa, Calif., home due to a foreclosure. But the case sparked a wave of donations from the community to prevent the foreclosure.

In yet another instance, a vet was able to get his foreclosure stopped when more than 14,000 signatures from the community protested the foreclosure proceedings against him.

In the Atlanta case, JPMorgan Chase officials said they would work out a deal with the 103-year-old woman and her daughter so that they could remain in the home. They foreclosed on the property in March 2009, but the women continued to live in the home as they fought the foreclosure in courts.

Source: "Senior Won't be Evicted: Bank to Work Out Deal so 103-Year-old, Kin can Stay at Home," The Atlanta Journal-Constitution (Dec. 1, 2011) and "Deputies Refuse to Evict 103-Year-Old From Home," AOL Real Estate (Nov. 30, 2011)

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Older adults make up biggest chunk of population

WASHINGTON – Dec. 6, 2011 – The population is getting older, and adults 65 and older now make up the biggest part of the nation's population in size and percentage, according to newly released data from the U.S. Census Bureau. Older residents now comprise 13 percent of the population, or 40.3 million people.

The older adult population increased by 15.1 percent from 2000 to 2010, while the combined remaining age groups saw 9.7 percent growth.

The states with the highest number of senior residents include Florida, West Virginia, Maine, Pennsylvania and Iowa. The state with the lowest number of seniors is Alaska – 7.7 percent compared to Florida's 17.6 percent. However, Alaska also has the largest growth rate for older populations, according to Census data.

Source: "New Census Data Show Increase in Older Adults," St. Louis Post-Dispatch (Dec. 1, 2011)

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What will new homes look like in 2015?

WASHINGTON – Dec. 6, 2011 – Members of the National Association of Home Builders (NAHB) were asked earlier this year what they anticipate the new home size will be 2015. While the size of new American homes has been shrinking for years, the builders offered some insights into what home features will start to disappear and which will become more popular.

In terms of square footage, the anticipated drop isn't drastic. Currently, single-family homes measure an average of 2,400 square feet, a slight decrease from an average of around 2,521 square feet five years ago. In 2015, industry professionals believe it will drop to around 2,150 square feet.

To make up for less square footage, many new homes won't have living rooms. Of the builders surveyed, 52 percent believe traditional living rooms will be combined into other areas of the home, such as family rooms and kitchens, to form "great rooms." About 30 percent of builders believe the living room will vanish entirely.

Also likely to become less in demand by 2015? Mudrooms, formal dining rooms, skylights, sunrooms, three-season porches, media rooms, butler 's pantries, and homes exceeding four bedrooms and three bathrooms.

However, surveyed builders expect to see more ceiling fans, larger laundry rooms, eat-in kitchens, first-floor master suites with walk-in closets, kitchens with double sinks and recessed lighting. And while two-car garages won't go anywhere, demand will probably sink for three-car garages.

Sixty-eight percent of builders surveyed say that energy-saving technologies and features including low-E windows, energy-efficient appliances and LED lighting will be common, along with other green features, such as engineered wood products, dual-flush toilets and low-flow faucets. Whole-house Energy Star certification is likely to become the norm for new homes in 2015, but LEED certification will not. Green features considered "somewhat likely" to be in new homes include argon windows, tankless water heaters, above-code insulation, and solar photovoltaic and thermal systems.

Says Stephen Melman, director of Economic Services with the NAHB: "Although affordability is driving these decisions, smaller homes are a positive for builders. It allows for more creative design, more amenities, better flow. It's an opportunity to deliver a better home."

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The perfect holiday gift: A downpayment?

NEW YORK – Dec. 5, 2011 – More families may be feeling a little extra generous this holiday season and offer loved ones help with a downpayment on a home.

Coming up with the downpayment has become a major obstacle to homeownership, according to a September survey by Trulia. The survey found that 51 percent of 758 renters surveyed said coming up with the money for a downpayment was preventing them from buying, and 36 percent said qualifying for a mortgage was holding them back.

But with the holiday season approaching, some lucky family members may find a downpayment gift under the Christmas tree.

However, if giving a downpayment gift, givers must remember that "under federal tax law, each individual is permitted to give away money or valuables worth up to \$13,000 to a single recipient in a calendar year," according to an article in The New York Times. "A married couple could jointly bestow up to \$26,000 a year per recipient."

Anything above the maximum annual exemption could be considered a taxable gift and must be reported to the IRS.

Source: "Help With a Down Payment," The New York Times (Dec. 1, 2011)

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Revisions on jobs reports offer good news

WASHINGTON – Dec. 5, 2011 – The Department of Labor's monthly jobs report landed with a thud three months ago. The economy added no jobs in August. None.

That report turned out to be wrong. More than 100,000 jobs were added in August, later estimates showed. And three months later, a positive trend is clear. More than 500,000 jobs have been added in four months, and talk of a double-dip recession has largely disappeared.

"It was heartening to see that we continued to see private-sector job creation, 21 months in a row," says Brian Deese, deputy director of the White House National Economic Council. "But at the same time, the pace of job creation isn't sufficient. We need to increase the pace."

So is the economy finally out of the woods? Not so fast.

The major hurdle still to be surmounted lies in Europe, where government leaders will meet later this week in an effort to firm up a rescue plan for debt-ridden economies. Vice President Biden is in Greece, the epicenter of the crisis; Treasury Secretary Timothy Geithner travels to Germany, France and Italy midweek.

The fear is that a European recession would have a contagious effect on financial markets.

The other immediate hurdle: extending a payroll tax cut for millions of families and unemployment insurance for many of the 13.3 million people still looking for work. President Obama will visit Osawatomie, Kan., on Tuesday to make his latest pitch where Theodore Roosevelt called for "equality of opportunity" in 1910.

Friday's jobs report indicating the nation's jobless rate dropped from 9 percent in October to 8.6 percent in November was a welcome sign. Combined with revisions to earlier monthly reports, it showed a gain of 534,000 jobs in four months and 2.5 million since hitting a low point February 2010, and marked 21 months in a row of private-sector job growth.

Perhaps as significant as November's 120,000-job gain are the recent revisions for earlier months: August from zero to 104,000 new jobs, September from 103,000 to 210,000, and October from 80,000 to 100,000, with one more revision still to come.

"That usually shows there's a little momentum," says Jared Bernstein, until recently Biden's top economic adviser. "And that's why you worry so much about anything that could block that momentum."

The jobs report wasn't all rosy. State and local governments continued to shed jobs, totaling 600,000 since the second half of 2008.

The mismatch between jobs created and the jobless rate decline indicated that some 315,000 people stopped looking for work. If they return, the jobless rate could rise.

Still, Republican economic adviser Douglas Holtz-Eakin sees a silver lining: More people are quitting the workforce than getting laid off.

"That's a good-news story: People are confident enough to quit," he says. "I think the only way we get a double dip is a real serious European meltdown."

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Hurricane season ends, but Irene's effects remain

MIAMI – Dec. 1, 2011 – Say goodbye to the 2011 Atlantic hurricane season, which was a study in contradictions: It spared the usual Southern targets, while Irene paralyzed the Eastern seaboard and devastated parts of the Northeast with deadly flooding.

The season ended Wednesday as the sixth straight year without U.S. landfall of a major hurricane, yet Irene was one of the costliest storms in U.S. history and killed at least 47 people here and at least eight more in the Caribbean and Canada.

Irene was not considered a major hurricane because it did not have winds exceeding 111 mph, or Category 3, when it made landfall in North Carolina on Aug. 27.

"You would think the impacts would be somewhat light, but the damages caused by Irene will be up there in one of the top 30 or so storms," National Hurricane Center Director Bill Read said.

The season produced the third-highest number of tropical storms on record, with 19, but only a slightly higher-than-average number of hurricanes, with six.

Read said low pressure systems on the East coast and high pressure systems over the central U.S. created favorable steering currents that kept the storms mostly churning far out to sea.

Storms won't move into high pressure, clearing the way for an easy storm season for the U.S. Gulf Coast. An exception was Tropical Storm Lee, which formed off the Louisiana coast and drenched much of the eastern U.S.

"It was another very odd year," said Dr. Jeff Masters, Weather Underground's director of meteorology.

The rare combination of near-record ocean temperatures but unusually dry, stable air over the Atlantic was partially responsible for the unusually high count of named storms, Masters said.

Hurricane Ophelia was the strongest storm of the season, at one point strengthening to a Category 4 with 140 mph winds when it was just northeast of Bermuda. Ophelia hit southeastern Newfoundland, Canada, as a tropical storm, but caused little damage.

The last major hurricane to hit the U.S. was Wilma, which cut an unusually large swath of damage across Florida in 2005.

Irene caught many New England residents by surprise in late August, following a rare path as it brushed up the Eastern seaboard from North Carolina, across the Mid-Atlantic and near New York City, where meteorologists said they couldn't ever recall a direct hurricane hit.

Broadway shows were cancelled as New York officials ordered 370,000 people to leave their homes in

low-lying areas and immobilized the nation's biggest subway system. Yet, the city sustained only high winds and heavy rains as a weakened Tropical Storm Irene churned up the coast.

Tropical Storm Irene was by far the most destructive event to hit Vermont in almost a century. Flooding from the storm, which dumped up to 11 inches of rain in some areas, killed six people, damaged or destroyed hundreds of miles of roads, scores of bridges, hundreds of homes and left hundreds of people homeless.

About a dozen communities were cut off by the storm for days, many without electricity or phone service and they had to be supplied by National Guard helicopters.

Three months after the storm, most of the roads and bridges have received at least temporary repairs, though two bridges remain closed. The final repair estimate for the roads could reach \$250 million, which doesn't count damage to private property.

The state of Vermont's office complex in Waterbury was inundated, forcing the relocation of the offices of many of the people who worked there as well as the permanent closing of the State Hospital, forcing mental health officials to farm out patients needing the most intensive care.

More than 7,000 people asked the Federal Emergency Management Agency for assistance.

"(The severe flooding) was beyond what most people expected up there so we still have work to do on how to convey how serious the inland flooding events are from these tropical storms," Read said.

Online: National Hurricane Center.

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