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Staging Your Home In A Down Economy

Suggestion: "Curb appeal is critical," says Simpson. "A fresh coat of paint using neutral colors, plus neat landscaping, will go a long way."



(NAPSI)--It's a tough time to try to sell a house, but Realtors say there are inexpensive ways to stage your home that might make for a faster sale. In fact, the U.S. Department of Housing and Urban Development reports that a staged home will sell at a higher price than an unstaged home. And a recent survey by the Real Estate Staging Association reports that staged homes sell much faster than unstaged homes.

Home staging is the act of preparing your home and its contents for sale, with a special emphasis on presentation and appearance.

According to Realtor.com, the first thing you want to do is clear out the clutter. If your house holds too much furniture, your closets are overflowing, your kitchen and bathrooms are crowded or you have family photos and knickknacks collecting dust, it's time to pack them up. You also might consider donating unused items to charity or even selling them at a tag sale or on eBay for some fast cash.

"This is also a good time to take a close look at your closets," says HGTV and CedarSafe home improvement expert Pat Simpson. "A cedar-lined closet in the foyer, master bedroom or secondary closet will create a great look and provide a relaxing, cedar scent that will make a positive first impression."

Cedar planks or panels will also protect the items you store away. They'll prevent silverfish and moths from damaging your expensive wardrobe or even from eating books or important papers. They work with any closet organization system, or even metal or cedar shelving. It'll cost a few hundred dollars to line a closet during a weekend project.

Learn more at cedarsafeclosets.com.

While the cedar will provide a fresh scent, Realtors say be sure to bathe your pets and deodorize their living areas, shampoo your carpets, clean your drapes and always empty trash cans and recycling bins.

Visit cedarsafeclosets.com for more information.

A cedar-lined closet will make a positive first impression.

Compliments; Tampa Tribune, February 22, 2009

The Upside of Florida Real Estate: 15 Market Positives

Let's take a look at some of the opportunities and positive indicators for the future of Florida's real estate market.

1. Great prices. Statewide, home prices have fallen about 20 percent in the past year. FAR statistics show the existing-home median sales price was \$185,400 in the third quarter of 2008, compared with \$233,200 in third quarter 2007. By the way, those numbers are still significantly higher than in the early years of the decade. In 2003, the third-quarter sales price was \$163,700, which reflects an increase of about 13.3 percent over the five-year period. (The median is a typical market price where half the homes sold for more, half for less.)
2. The time is right. Home sales volumes are rising again – a signal that the market recovery may be underway. In third quarter 2008, statewide sales of existing single-family homes were up 5 percent compared to the same period last year, according to FAR statistics.
3. High inventory levels. Conditions are ideal for buyers to find their dream home. Inventory is plentiful in all price ranges. But as sales volumes increase, inventory levels are likely to shrink. That reality translates into this advice for buyers: Don't wait too long.
4. Low mortgage rates. Mortgage rates are still at the lowest levels since the 1960s. Lower rates multiply a buyer's financial power. Even half a percent can make a sizeable difference. For example, on a \$200,000 home, half of 1 percent could save the homeowner about \$815 a year. Buyers can get more home for the money, which is a perfect scenario for families looking to upsize.
5. Incentives to buy. Federal, state and local housing programs can help buyers make that big purchase. The U.S. Housing and Economic Recovery Act of 2008 includes a \$7,500 tax credit for first-time buyers on a home purchased between April 9, 2008, and July 1, 2009. President Obama's 2009 economic stimulus

package promises to enable programs that will assist homeowners. Talk to a local mortgage lender about state and federal incentive programs.

6. A long-term-growth state. Long-term economic and demographic trends continue to favor Florida. By 2010, economists forecast that Florida will be the third-most-populated state in the country. Florida has been one of the 10-fastest-growing states in the U.S. for each of the past seven decades, and often the state has been in the top four, according to Census data. Population growth will continue to provide a foundation for other economic development, such as new jobs and growing incomes. All of these trends are positive indicators for real estate growth.

7. A migration magnet. Even with a slowdown in economic growth nationally, projections call for Florida's population to return to more normal growth levels of about 317,000 a year between 2010 and 2020, similar to the 1980s and 1990s, said Stan Smith, director of the University of Florida's Bureau of Economic and Business Research. That's a lot of new buyers coming into the market.

8. A favored retirement destination. Over the long term, Florida stands to benefit from the migration of the aging Baby Boomer generation, roughly 80 million strong. Demographic studies show that the Sunshine State's mild climate and outdoor amenities continue to make Florida a favorite retirement destination.

9. A diverse economy. Florida's economy, like that of the rest of the nation, is impacted by the recession. Some business sectors, though, appear promising for the Florida economy. The healthcare and technology sectors are quickly becoming an important economic force in South and Central Florida. The Milken Institute/Greenstreet Real Estate Partners ranked five Florida communities on its "Best Performing Cities Index 2008," which ranks U.S. metropolitan areas by how well they are creating and sustaining jobs and economic growth. Florida's business climate ranked fourth among executives and sixth overall on "Site Selection" magazine's 2008 Top State Business Climate rankings.

10. Investment outlook. Every quarter, the University of Florida's Bergstrom Center for Real Estate Studies conducts a survey of industry executives, market research economists, real estate scholars and other experts. In the fourth quarter 2008 survey, the investment outlook for various types of Florida properties declined from the third quarter of 2008, although it is noted that the investment outlook remains higher than it was at times in 2006 and 2007. "We have 40 pages of comments from our respondents, and although the dominant theme is the disruption of financing, perhaps the second theme, as one person put it, is people being on the sidelines with full pads and helmets just waiting to jump back in," said director Dr. Wayne Archer, when referencing the 2008 third quarter results.

11. Homeownership has value. Realtors believe – and research supports that belief – that homeownership provides a variety of tangible and intangible benefits to the community and homeowners. Studies show that home equity is still the largest single source of household wealth.

12. Greater sense of well-being. Owning a home leads to increased personal well-being. Research shows that people who own their own homes tend to show higher levels of personal self-esteem and life satisfaction, which in turn helps to make homeowners and their children more productive members of society.

13. Beneficial for kids. Studies show that children raised in homes owned by their families are more likely to stay in school and more likely to graduate high school. They're also shown to have a higher lifetime annual income.

14. Community involvement. People who own homes have a strong financial stake in what happens to their community and tend to become more involved in community and civic affairs. Studies show that homeowners also interact more with their neighbors and communities. Compared to renters, homeowners join up to 41 percent more civic and/or nonprofessional organizations, such as the PTA or Scouts; vote in local elections 15 percent more often; enhance their neighborhoods with gardens 12 percent more often; attend church about 10 percent more often; and have a 3 percent greater chance of being interested in public affairs.

15. An unsurpassed lifestyle. Finally, let's not forget the things that brought people to Florida in the first place, and will continue to attract them – beautiful beaches, fabulous weather and a friendly business climate, with no state income tax. It's no wonder that Florida's combination of temperate climate, outstanding recreational amenities and economic opportunity has consistently put Florida in the top three of Harris Poll's "Most Desirable Places to Live" survey.

Courtesy: Florida Association of Realtors, February 2009

Florida Property Taxes Down in Each of Last 2 Years

TALLAHASSEE, Fla. (AP) – Feb. 11, 2009 – A pair of tax-relief measures passed in the last two years have helped reduce property taxes for Floridians after three decades of steady increases, according to reports presented Tuesday in the state Senate.

Senate and Department of Revenue staffers told the Senate Finance and Tax Committee that non-school property tax collections dropped 2.1 percent in 2007 after the Legislature ordered a tax rate rollback. Then they dropped 3.8 percent in 2008 after voters approved a tax-cutting constitutional amendment.

Those decreases come after 32 years of average annual increases of 10 percent. School property taxes are exempt from parts of the tax-relief measures, but they are also dropping because of declining property values across the state. That's expected to cut school revenues by up to \$1 billion in the next budget year, which begins July 1, unless lawmakers increase local school tax rates or find state dollars to replace that money.

Sen. Thad Altman, the committee's chairman, said he was satisfied that non-school taxes have dropped but Florida's property tax structure remains unfair. That's due mainly to the Save Our Homes Amendment adopted in 1992. It gives tax breaks to owners of primary homes but shifts the burden to other taxpayers including recent homebuyers, businesses and owners of second and vacation homes.

Primary homeowners "who happened to buy when the market was high are paying relatively high taxes and those who bought when the market was low many, many years ago ... are paying much less," said Altman, R-Melbourne. "We haven't really solved the heart of the problem."

Altman said it's unlikely lawmakers will solve it this year, either, because that would require amending the Florida Constitution. It would take a three-fourths vote in each chamber to call a special election to amend the constitution this year but only a three-fifths vote to put an amendment on the 2010 general election ballot.

"We need to be deliberate when we amend the constitution," Altman said. "I don't think you're going to see a big rush to get constitutional amendments on the ballot this year because we're going to have another year of deliberation." One provision of the tax-cutting amendment voters approved in January 2009 has not panned out as expected due to the state's housing slump and national credit crunch. It allows homeowners to take part of their Save Our Homes benefits with them when they move.

This "portability" measure had been forecast to cut taxable values by \$11.6 billion last year, but the actual figure was only \$3.4 billion with just 42,647 homeowners taking advantage of it.

An extra \$25,000 exemption for primary homes on non-school taxes in addition to an existing \$25,000 exemption on all taxes cut taxable values by \$92 billion. That's slightly more than predicted.

A new \$25,000 exemption on the tax paid by businesses for equipment, furniture and other tangible personal property cut \$7.9 billion in property value, about \$3 billion less than forecast.



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When Will Prices Bottom Out?

NEW YORK – Feb. 10, 2009 – Housing prices will hit bottom in the fourth quarter of 2009, predicts Moody's Economy.com in a new report.

"Despite the darkening national economic outlook and the weak conditions in the

housing market, some positive signs give hope that a bottom in the housing market is coming into view," the report says.

On average, home prices will decline 36 percent from the peak in the first quarter of 2006, the report says.

By the end of the housing downturn, nearly 62 percent of the nation's 381 metropolitan areas will have experienced double-digit-percent declines in house prices, peak-to-trough, says the report.

The declines will exceed 20 percent in about 100 metro areas, according to the report, and the recovery will be "lackluster."

"A number of uncertainties in both the housing and economic outlooks remain, and the risks tilt to the downside," says Moody's Economy.com Chief Economist, Mark Zandi.

Source: The Wall Street Journal, James R. Hagerty (02/06/2009)

Can Florida's Little Guys Replace State Farm?

TALLAHASSEE, Fla. – Feb. 5, 2009 – What State Farm sees as a burden, other Florida insurers view as an opportunity.

As word spreads that the state's largest private-sector property insurer intends to drop its 1.2 million policyholders within the next two or three years, other companies are already angling to attract State Farm refugees.

Those companies are far smaller and less well-known than State Farm but say they have competitive prices, financial stability and local knowledge of the market in their favor.

"Many are 'tried and tested,' having been through the storms of 2004 and 2005, and understand the dynamic Florida homeowners-insurance market," said former state deputy insurance commissioner Lisa Miller, now a consultant for financial-services companies, including some small insurers.

State Farm Florida Insurance Co. announced Jan. 27 that it no longer will provide liability or damage coverage for homes, condos, commercial properties, personal goods or boats because of regulators' refusal to approve higher premiums.

Without more money from policyholders, the company said, it would be unable to pay claims by 2011 and could face insolvency. It said it will continue selling auto, life and health-related insurance.

Some State Farm property-insurance customers already are looking for alternatives, other insurers say.

"I think some consumers are upset," said Robert Ritchie, chief executive officer of American Integrity Group, a Tampa insurer that says it has been getting calls from State Farm customers and could take on as many as 50,000 new policyholders.

Pre-screened customers

State Farm's policyholders are especially desirable to these smaller insurers because they constitute a customer base already screened and selected by one of the nation's biggest companies.

"It's well underwritten, it's spread around the state, and State Farm has been

shedding some of its higher-risk areas," said Locke Burt, CEO of Security First Insurance, which hopes to pick up about 50,000 State Farm policyholders. Security First already has created a replacement-coverage program especially for State Farm customers. Burt said many could expect lower premiums with his Volusia County company, which started offering policies in 2005.

Another company, Edison Insurance, has put a special message for State Farm policyholders on its Web site. CEO David Howard said the St. Petersburg insurer is offering policies that cost about the same as those sold by State Farm Florida. "Based upon our growth pattern, we could pick up about 20,000 to 30,000 [policies]," he said.

Orlando-based Olympus Insurance Co. is not doing anything special to attract State Farm customers, but it could pick up as many as 150,000 policies – "assuming that we could get a proper distribution geographically" to manage exposure in high-risk coastal areas, Olympus President William Lowry said. Although not nearly as well-known as industry giants like State Farm, Allstate and Nationwide, companies such as Olympus say they know the state well and are ready to take on a larger customer base in the nation's most hurricane-prone state.

"We're the people that live here in Florida, the people that are still your neighbors," said Burt, whose company is based in Ormond Beach.

State Farm Florida, with headquarters in Winter Haven, is a unit of State Farm Mutual Automobile Insurance Co. of Bloomington, Ill.

Money in till needed

A company seeking to sell property insurance in Florida must prove to the state Office of Insurance Regulation that it has enough money to pay its claims following a disaster such as a major hurricane. The state's financial requirements usually begin at \$5 million, or 10 percent of a company's liabilities, but then rise based on the number of policies the company issues.

Jim Graganella, CEO of Tallahassee-based Capitol Preferred Insurance Co. and Southern Fidelity Insurance Co., said the two companies combined could take on about 100,000 State Farm customers, which would double the companies' client base. Graganella said the insurers are changing their Web sites to welcome State Farm customers.

State regulators have 90 days in which to review State Farm's request to withdraw its property coverage in Florida. The company then has to give customers six months' notice of cancellation.

"We are in some uncharted waters, both in the economy and what's happening with State Farm," Graganella said.

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