Home-price index at lowest point since 2006

WASHINGTON (AP) – May 31, 2011 – An index of home prices in the United States' major metro areas has sunk to its lowest level since the housing bubble burst in late 2006.

Prices fell from February to March in 18 of the metro areas tracked by the Standard & Poor's/Case-Shiller 20-city index. And prices in a dozen markets have reached their lowest points since the housing crisis began. Prices in March rose only in the Seattle and Washington, D.C., metro areas.

A record number of foreclosures are forcing home prices down, and they are expected to keep falling through this year.

The 12 cities now at their lowest levels in nearly four years are: Atlanta, Charlotte, Chicago, Cleveland, Detroit, Las Vegas, Miami, Minneapolis, New York, Phoenix, Portland (Oregon), and Tampa.

Hurricane season is only six days away

GAINESVILLE, Fla. – May 26, 2011 – Hurricane season is only days away, and a University of Florida researcher says that planning is important for everyone, but especially for older adults or their caretakers.

Hurricane season begins June 1 and preparations can take a little longer and require a bit more attention to detail for older adults and their caregivers, says UF's Linda Bobroff, a family, youth and community sciences professor who helped update a disaster preparation guide.

The guide, called Disaster Planning Tips for Older Adults, is for anyone planning for disaster, but it includes special recommendations that apply to older adults.

For example, the guide notes that everyone in hurricane-prone areas needs, ideally, a two-week supply of drinking water – one gallon per person, per day, and more if you have pets. But because older adults become dehydrated more easily, it's a good idea to store more water than recommended. It also suggests that planners make sure the jugs aren't too heavy, and a sanitized two-liter plastic soda bottle might be a better option than gallon jugs. Caps should be easily removed by someone with arthritis.

Everyone needs a three- to five-day nonperishable food supply, the guide says, but for older adults, dietary needs such as low sodium or high fiber foods should be considered. Smaller cans of food that can be eaten at one meal or as a snack are helpful, because older adults are more vulnerable to food-borne illness. And make sure you have a manual can opener.

It's vital for families to talk about disaster scenarios before they happen, Bobroff says. If a family has already decided what to do in an emergency, it can save precious time that would otherwise be spent debating whether or not to go and haggling over what to bring.

"You have to talk about it," she says. "Just knowing that if the roof blows off, or if we start to get flooded, we're leaving – having the plan already mapped out helps."

Carolyn Wilken, a UF associate professor emeritus, and Emily Minton, program coordinator for UF's Elder Nutrition and Food Safety Program, also contributed to the update.

For more information on preparing for disasters, visit the Extension Disaster Education Network (EDEN).

Housing affordability rises to record level

WASHINGTON – May 25, 2011 – Nationwide housing affordability during the first quarter of 2011 rose to its highest level in the more than 20 years it has been measured, according to National Association of Home Builders/Wells Fargo Housing Opportunity Index (HOI) data released today.

The HOI indicated that 74.6 percent of all new and existing homes sold in the first quarter of 2011 were affordable to families earning the national median income of $64,400. This eclipsed the previous high of 73.9 percent set during the fourth quarter of 2010 and marked the ninth consecutive quarter that the index has been above 70 percent. Until 2009, the HOI rarely topped 65 percent and never reached 70 percent.

"With interest rates remaining at historically low levels, today's report indicates that homeownership is within reach of more households than it has been for more than two decades," said Bob Nielsen, chairman of the National Association of Home Builders (NAHB) and a home builder from Reno, Nev. "While this is good news for consumers, homebuyers and builders continue to confront extremely tight credit conditions, and this remains a significant obstacle to many potential home sales."

Syracuse, N.Y., was the most affordable major housing market in the country during the first quarter of the year. In Syracuse, 94.5 percent of all homes sold were affordable to households earning the area's median family income of $64,300.

Also ranking near the top of the most affordable major metro housing markets were Youngstown-Warren-Boardman, Ohio-Pa.; Indianapolis-Carmel, Ind.; Warren-Troy-Farmington Hills, Mich.; and Toledo, Ohio.

Among smaller housing markets, the most affordable was Kokomo, Ind., where 98.6 percent of homes sold during the first quarter of 2011 were affordable to families earning a median income of $61,400. Other smaller housing markets near the top of the index included Monroe, Mich.; Cumberland, Md.-W.Va.; Elkhart-Goshen, Ind.; and Springfield, Ohio.

New York-White Plains-Wayne, N.Y.-N.J., led the nation as the least affordable major housing market during the first quarter of 2011. In New York, 24.1 percent of all homes sold during the quarter were affordable to those earning the area's median income of $65,600. This marks the 12th consecutive quarter that the New York metropolitan division has held this position.

Other major metro areas near the bottom of the affordability index included San Francisco-San Mateo-Redwood City, Calif.; Los Angeles-Long Beach-Glendale, Calif.; Honolulu; and Santa Ana-Anaheim-Irvine, Calif., respectively.

San Luis Obispo-Paso Robles, Calif., where 47.6 percent of the homes were affordable to families earning the median income of $72,500, was the least affordable of the smaller metro housing markets in the country during the first quarter. Other small metro areas ranking near the bottom included Santa Cruz-Watsonville, Calif.; Laredo, Texas; Ocean City, N.J; and Santa Barbara-Santa Maria-Goleta, Calif.

High gas prices trigger changes in buyer behavior

WASHINGTON – May 25, 2011 – The rise in gas prices is influencing buyer decisions as they shop for a new home, causing more buyers to make short commutes and home offices a top priority, according to a new Coldwell Banker survey of more than 1,000 of its real estate professionals about buyer trends.

Seventy-five percent of the real estate professionals surveyed say the spike in gas prices is influencing their clients' decisions on where to live. What's more, if gas prices continue to increase, 93 percent predict that even more buyers will choose to live somewhere closer to their work.

Gas prices are topping $4 a gallon and higher, and are up about 30 percent over last year, which is starting to put a dent in many Americans' pocketbooks.

More real estate professionals also report that the rise in gas prices is prompting more buyers to look for homes that allow them to work from home, with 77 percent of those surveyed saying that more buyers want a home office compared to five years ago.

Gas prices also seem to be spiking a renewed interest in urban living. More than half of real estate professionals surveyed say they see more buyers targeting homes in urban areas compared to five years ago, citing shorter commute times, being able to walk to more places, and being near public transportation as the most likely reasons for the urban-area migration.

More buyers also choose homes closer to shops and services due to the increase in gas prices, according to the survey.

Source: "Coldwell Banker Real Estate Survey Finds Spike in Gas Prices Is Impacting Where Home Buyers Choose to Live," MarketWire (May 18, 2011) and "In Consumer Behavior, Signs of Gas Price Pinch," The New York Times (May 17, 2011)

Scott signs property insurance re-write

TALLAHASSEE, Fla. – May 18, 2011 – A sweeping measure aimed at reducing costs to property insurers and liability for taxpayers was signed into law Tuesday by Gov. Rick Scott, who said it was a significant first step in restoring the private insurance market in Florida.

Equally important, Scott said the measure (SB 408) will help lower the number of Florida coastal residents now insured by the state-backed Citizens Property Insurance Corp., the state's largest property insurer with 1.3 million policies, by making it easier for private companies to compete.

"We've got to recruit other companies, other insurance companies," Scott said Tuesday in an interview with the News Service. "We've got to make sure Citizens goes back to being the insurance company of last resort."

Among its changes, the bill allows insurance companies to charge more for policies that pay replacement costs upfront while offering discounts to policyholders who opt to get reimbursed for lost items as they are replaced.

A major provision places more restrictions on sinkhole coverage. The law makes it easier for insurers to challenge claims and shortens to two years the window in which policyholders can file claims.

"This bill focuses on addressing cost drivers in the system and will yield long-term benefits for Florida by stabilizing the property insurance market and attracting new capital investment to our state," said Kevin McCarty, Florida's insurance commissioner, who supported similar changes that were vetoed last year by then Gov. Charlie Crist.

Less enthused, however, were critics of insurers, led by Sen. Mike Fasano, R-New Port Richey, who said the changes left many policyholders at risk of losing private insurance altogether and being forced to go into Citizens – the opposite of one of the bill's intended effects.

"Unfortunately, what happens next is that every homeowner, every condo owner, every mobile homeowner, and every small business owner will be paying higher premiums to private insurers and will see their rates go up in the next 18 months," Fasano said in an interview.

Scott's decision drew immediate praise from the Senate sponsor, business groups and the industry as a whole.

"(The bill) closes loopholes that invite fraudulent claims by restricting misleading advertising and misleading solicitations," said Richter, R-Naples, sponsor of the bill. "It also attacks cost drivers in an effort to responsibly lower insurance premiums. With hurricane season quickly approaching, this legislation is critical to ensure a solvent industry that policyholders can rely on."

The insurance industry lobbied the issue hard. State Farm, Florida's second largest property insurer behind state-backed Citizens Property Insurance Corp, spent at least $150,000 for the quarter to press its case to lawmakers. FCCI, a regional commercial insurer, spent more than $250,000 in lobbying fees.

Business groups including the Florida Chamber of Commerce and Associated Industries of Florida lauded the signing Tuesday, calling the measure a good first step.

"We should not be requiring all Floridians, including businesses, charities, homeowners, churches and automobile policyholders to pay hurricane taxes," said Jose Gonzales, of AIF. "We should not be subsidizing million-dollar beach homes on Florida's coast and we should not be going into every hurricane season hoping for a miracle."

Fasano, however, said he hopes to return to the issue when lawmakers return next year after policyholders feel the effects.

"Gov. Scott ran on a platform of no new taxes or fees," Fasano said. "The law pretty much ensures that we will see a rise in fees, a tax if you will, on all rate payers."

Source: News Service of Florida, Michael Peltier

Economy, affordability to drive home sales growth

WASHINGTON – May 16, 2011 – Home sales are on track to outperform last year, even though the market doesn't have the benefit of the homebuyer tax credit, NAR Chief Economist Lawrence Yun told a packed room on Thursday during the Residential Economic Update at the 2011 Realtors® Midyear Legislative Meetings.

Yun credits sustained economic growth, the slowly recovering jobs picture and historically high affordability conditions. Although unemployment remains high at about 9 percent, the country is seeing steady job growth. More than 100,000 jobs are being created a month, and the U.S. could see 1.5 million net new jobs this year, Yun said.

Frank Nothaft, chief economist for secondary mortgage market company Freddie Mac, said he expects a bit more robust job growth that Yun – closer to 2 million – but both economists said the unemployment rate will remain high despite the new jobs because of the size of the hole that needs to be filled. More than 8 million jobs were lost during the 2008-09 recession, and new entrants to the labor force, such as recent college graduates, add another 2 million to the hole.

Both Yun and Nothaft predict home sales a little higher than 5 million, which would improve upon last year even though 2010 had the artificial stimulus of the tax credit.

Historically high affordability is one of the key drivers of the improved sales performance. NAR's affordability index is at its highest level ever, at nearly 170, which means households earning the national median income have 170 percent of the income needed to buy a home at the national median price.

Behind the affordable conditions are low interest rates, which today are below 5 percent, and home prices that are rising in some areas (like booming North Dakota), will remain quite a bit below their peak during the housing boom. The high number of distressed homes (those in which the value is below the amount of equity the owners have in them) is one of the main reasons values are struggling to get off the bottom.

Yun said that overly strict lending standards are holding back more robust sales: 2010 mortgage originations have a lower serious delinquency rate than those originated in 2002, when serious delinquencies were barely above 1 percent. And 2011 is shaping up to be another stellar year in delinquency rates because lenders still require extraordinarily high credit scores and other hurdles to obtaining financing.

"If lenders would just go back to the normal standards that were in place prior to the boom years, sales might be 20 percent higher," Yun said.

Although he's seeing no signs of lenders opening up on lending yet, Yun said conditions are in place for lenders to start easing up. They're sitting on plenty of money, and they could be reaching the point at which they can earn more revenues at reasonable risk levels by making home loans than by doing other things with their money. "I'm not seeing that yet, but that is a potential upside," he said.

In some ways, the heroes of housing today are the all-cash buyers. They're 40 percent of the market now, so they're helping to drive sales despite the tight availability of financing. Yun thinks all-cash buyers are investors who either can't get financing or think they can get a better return on their cash by putting it into real estate than they can in savings instruments or stocks, particularly given the rock-bottom process of so many houses. He also thinks some empty-nest baby boomers might be acting as the lender for their children, buying a home for them on an all-cash basis and taking back a note. "I'm seeing this anecdotally. I don't know if it's a trend," he said.

Yun's forecast: The U.S. economy will grow about 2.5 percent this year, with between 1.5 and 2 million new jobs added to the economy. Home sales will reach about 5.1 million, up 7-10 percent from last year, with home values staying virtually unchanged.

Nothaft had a largely similar forecast.

Source: Robert Freedman, Realtor® Magazine

In tougher new mortgage reality, preparation is key

WASHINGTON – May 16, 2011 – All you needed was a pulse. In the not-so-distant past, that's practically all it took to qualify for a mortgage. Now an exhaustive array of paperwork awaits potential borrowers.

Call it the new mortgage reality. Lenders that got burned when the housing market collapsed are taking extra steps to protect themselves and are requiring more financial documents than ever.

But these tougher requirements don't mean getting a mortgage has to be too stressful, as long as you're prepared.

Here are five ways to cut down on the hassles and help you anticipate the records you may need:

1. Start by requesting your free credit report.

You won't receive a copy of your credit score, but it's important to review a report from the three credit reporting agencies: Experian, TransUnion and Equifax. Make sure the information on each is correct.

If you have any late payments or recent inquiries on your report, prepare to explain the circumstances to a lender in writing. You'll have to settle any open collections, tax liens or judgments before you close the mortgage.

"There is such a thing as not enough credit," says John Stearns, a broker at American Fidelity Mortgage in Wisconsin. He says some borrowers only have one credit card and no other credit accounts such as car loans, cell phone bills or student loans. Ideally, lenders like to see borrowers manage at least three accounts to show they can handle credit responsibly.

2. Organize all your financial documents.

Lenders will ask for at least two months' worth of pay stubs and bank statements. Pull out 2009 and 2010 federal tax returns, W-2's and 401(k) statements.

If you receive alimony or child support, request up-to-date records from the court, which can take up to 90 days.

Make sure your name, address and account numbers are correct on all statements. If you recently changed your name because of marriage or divorce, make sure the update is reflected on all financial documents and that they match your identification cards. The same guidelines apply for your address if you recently moved.

3. Keep your finances simple for at least two months.

"Don't do anything funny with your money, or it could cost you,' " says Pava Leyrer, president of Heritage National Mortgage in Michigan.

That means don't make any out-of-the-ordinary deposits into your checking account, whether it's gift money, cash from selling a car or payments from giving piano lessons. If you do, make sure to have receipts and copies of checks to give to the lender to show the source of the funds.

One of Leyrer's recent borrowers had to write a letter to a lender explaining that a $55 bank deposit was birthday money from grandma. Another had to prove that paintings she sold at a yard sale would sell for a similar amount on eBay or Craigslist.

Another pitfall: paying off a large debt ahead of applying for a mortgage. A lender will want to know where that big sum of money came from.

Lastly, don't overdraw your checking account for at least two months. Even if you have overdraft protection, the lender will think you have cash flow problems.

4. Document your downpayment.

That means if you received a large amount from an inheritance, request the documents from the estate trustee to prove you rightfully were given the money. A downpayment that taps money from a money market fund or other account requires a statement showing the transfer into your checking account. A 401(k) loan also must be documented.

If you receive all or part of the downpayment as a gift from a relative, you'll be asked to produce a letter that outlines your relationship to the gift giver, the address of the property, the amount of the gift, where the giver got the funds, and a statement that the gift is not a loan.

A good rule of thumb: Any money going toward the downpayment should be in your account at least two weeks before closing, including paychecks and bonuses.

5. Show a stable work history for the past two years.

Coming out of a recession, many borrowers might need to explain any employment gaps in writing. Also, those who took temp jobs or switched careers to deal with the hard times may have to field questions from the lender and may want to wait an additional year to apply. Another red flag for lenders: a wage cut or a change in compensation from, say a salaried position to one where you earn commissions.

NAR forecast: Rise in housing activity

WASHINGTON – May 13, 2011 – Home sales are expected to stay on an uptrend through 2012, although the performance will be uneven with mortgage constraints weighing on the market, according to experts at a residential real estate forum today at the Realtors® Midyear Legislative Meetings & Trade Expo here.

"If we just hold at the first-quarter sales pace of 5.1 million, sales this year would rise 4 percent, but the remainder of the year looks better," says Lawrence Yun, NAR chief economist. "We expect 5.3 million existing-home sales this year, up from 4.9 million in 2010, with additional gains in 2012 to about 5.6 million – that's a sustainable level given the size of our population."

Mortgage interest rates should rise gradually to 5.5 percent by the end of the year and average 6.0 percent in 2012 – still relatively affordable by historic standards.

"A huge volume of cash sales, supported by the recovery in the stock market, show that smart money is chasing real estate. This implies that there could be a sizeable pent-up demand if mortgages become more readily accessible for qualified buyers," Yun said. "The problem isn't with interest rates, but with the continuation of unnecessarily tight credit standards that are keeping many creditworthy buyers from getting a loan despite extraordinarily low default rates over the past two years."

Yun said that if credit requirements returned to normal, safe standards, home sales would be 15 to 20 percent higher. He added that some parents are buying homes with cash for their children, and offering them loans, which provide better returns than bank accounts or CDs.

Yun projects the Gross Domestic Product to grow 2.5 percent this year and 2.7 percent in 2012, adding 1.5 million to 2 million jobs yearly over the next two years. The unemployment rate should decline to 8.8 percent by the end of 2011 and average 8.6 percent next year, returning to a normal level of 6 percent around 2015.

Housing starts are forecast to rise but remain below long-term trends, reaching 603,000 in 2011, up from 595,000 last year, and to continue growing to 908,000 in 2012. New-home sales are seen at a record low 320,000 this year, rising to 487,000 in 2012. "A recovery in new homes will be slow because of the extra price discount in the existing home market," Yun noted. In March, the typical new single-family home cost $53,300 more than an existing home.

Inflation appears to be relatively modest for now, with the Consumer Price Index rising 2.9 percent this year. "We'll be closely watching the impact of fuel costs on consumer spending and inflation – that would slow economic growth, job creation and home sales," Yun said.

Apartment rents are trending up, and are likely to rise at faster rates as vacancies decline. Following the correction in home prices, it has now become more affordable to buy in most of the country. "Twice as many renters had enough income to buy a home in 2010 in comparison with 2005, so we have a much larger pool of financially qualified renters," Yun said. "Rising rents and excellent housing affordability conditions will encourage potential buyers who've been on the sidelines."

Yun expects the median existing-home price to remain near $170,000 over the next two years, which would mark four consecutive years of essentially no meaningful price change.
Frank Nothaft, chief economist at Freddie Mac, holds similar views on the outlook. "Economic activity will accelerate this year – there will be no double dip in the economy," he said. Nothaft is more optimistic on job growth, expecting 2.0 million to 2.5 million jobs created in 2011 with unemployment dropping to 8.4 percent by the end of the year.
Nothaft expects the 30-year fixed-rate mortgage to trend up to 5.25 percent by the end of the year, and for home sales to rise 5 percent. "National home price indices are close to a bottom and prices are likely to bottom sometime this year," he said.
Refinancing activity in 2011 will be only half of what it was last year. "As a result, banks may become more willing to lend to homebuyers," Nothaft said.

Listing data not from MLS has more errors

NEW YORK – May 11, 2011 – Listing data that doesn't come directly from multiple listing service (MLS) data is more likely to have inaccurate price and status information, according to research by Trulia.
Trulia found that third-party syndicators of listing data that didn't come directly from an MLS posted a 21.3 percent error rate regarding the listing's price or status. Trulia says the problem is that real estate professionals submit the data to these syndication sites but often fail to return to the site to update the listing when information changes, which causes a "significant increase of disparate data sources resulting in less accurate data online," according to Trulia.
Meanwhile, third-party re-syndicators of MLS data had a 10.2 percent error rate, direct feeds from brokers posted a 5.6 percent error rate, and direct feeds from franchises had a 3.9 percent error rate, according to Trulia.
Trulia's white paper was based on an analysis of more than 430,000 listings between Feb. 15 and April 15 to uncover discrepancies in listing data.
Source: "Trulia: Higher Error Rate in Non-MLS Sources of Real Estate Listing Data," Inman News (May 9, 2011)

Slow economic recovery blamed on housing

WASHINGTON – May 10, 2011 – While the employment picture continues to gradually improve, the economy is not recovering at the pace some experts had hoped for, and some are pointing fingers at the housing market for the slow recovery.
Federal Reserve Chairman Ben Bernanke says the economy is recovering at a "moderate pace" but that a high number of foreclosures and homeowners who are "underwater" on their mortgages continues to drag down housing prices and the economy.
"Declines in the values of homes and stocks sharply reduced the wealth of many Americans during the crisis," Bernanke says. "Three-fifths or more of families across all income groups reported a decline in wealth between 2007 and 2009, and the typical household lost nearly one-fifth of its wealth, regardless of income group.
"Moreover, one in eight of the households ... started the crisis with zero or negative net worth and thus had scant resources to fall back on to maintain their standard of living during bouts of unemployment."
However, there are signs the outlook is starting to improve. The construction industry in April increased employment by 9,000, which is its first monthly increase in years and may be a sign that the sector is finally in recovery mode. Overall, unemployment continues to decline, which will help more households start to feel more financially secure. However, long-term unemployment remains historically high, particularly among the young, minorities, and those with less education.
Source: "Real Estate Outlook: Bernanke on Housing," Realty Times (May 9, 2011)

Florida population: Census summary 2010

WASHINGTON – May 10, 2011 – Florida continues to grow. According to the 2010 Census, Florida's population was 18,801,310 on April 1, 2010, an increase of 2,818,486 since April 1, 2000.
The 2000-2010 period was the fourth consecutive decade to see the Florida population grow by more than 2.8 million residents. Florida's numeric population increase during the past decade was the third largest of any state, trailing only Texas and California. Its percent increase (17.6 percent) was the eighth largest in the nation.

County trends

Only Monroe and Pinellas counties saw a population decline over the decade, while 65 of Florida's 67 counties logged an increase. Monroe lost 6,499 residents while Pinellas declined by 4,953.
Twenty-four of Florida's 67 counties grew by more than 20 percent, and 52 beat the national growth rate of 9.7 percent.
Four counties grew by more than 50 percent – Flagler, Sumter, Osceola and St. Johns – while another eight – St. Lucie, Lake, Lee, Walton, Clay, Pasco, Wakulla and Hernando – grew by 30-50 percent.
Growth has no clear geographic border, and Florida's rapidly expanding counties can be found throughout the state, on both coasts and in the interior.
Only six counties grew by less than 5 percent since 2000: Hardee, Gadsden, Madison, Escambia, Monroe and Pinellas.
More than half of the state's total population growth occurred in eight counties. In terms of numeric population growth, the largest increases occurred in counties located in central and south Florida.
Orange, Miami-Dade, Hillsborough, Palm Beach and Lee each grew by more than 150,000 residents during the decade. Three other counties – Broward, Pasco, and Polk – grew by more than 100,000.
In contrast, thirty counties grew by less than 10,000 residents during the decade.

City trends

Florida is highly urbanized. More than 94 percent of Florida's population lived in metropolitan areas in 2010, and the state's population growth over the decade was slightly faster in metro areas.
Approximately 55 percent of Florida's residents currently live in incorporated cities and towns, compared to less than 50 percent in 2000.
Cities and towns show much more variation in population growth rates than counties do. Of the 411 incorporated places in Florida, 16 more than doubled in size between 2000 and 2010; 24 grew by 50-100 percent; 63 grew by 25-50 percent; 165 grew by less than 25 percent; four had no population change; and 130 lost population.
Nine new cities and towns were established during the decade and one (Cedar Grove) lost its official status as an incorporated place.

Florida's existing home, condo sales rise in 1Q 2011

ORLANDO, Fla. – May 10, 2011 – Florida's existing home and existing condo sales rose in first quarter 2011 compared to the same period a year earlier, according to the latest housing statistics from Florida Realtors®. Existing home sales increased 13 percent in 1Q 2011 with a total of 44,531 homes sold statewide; during the same period the year before, a total of 39,406 homes changed hands according to Florida Realtors. Statewide sales of existing condos in the first quarter rose 29 percent compared to the year-ago sales figure.

The statewide existing-home median sales price was $123,600 for the three-month period; in 1Q 2010, it was $131,100 for a decrease of 6 percent. Seventeen of Florida's metropolitan statistical areas (MSAs) reported increased sales of existing homes in 1Q 2011 compared to the same three-month-period a year earlier, while 18 of the MSAs showed gains in condo sales, according to Florida Realtors.

Looking at Florida's housing sector in the first quarter of 2011, Dr. Sean Snaith, director of the University of Central Florida's Institute for Economic Competitiveness, pointed out that the recovery is gaining strength. "Florida Realtors' first quarter report shows sales picking up significant momentum after decelerating in the fourth quarter of last year, though prices are continuing to slip," Snaith said. "The labor market recovery is just starting to blossom – once it is in full bloom it will provide some needed curb appeal for Florida's struggling housing market by creating a new pool of qualified buyers and preventing other homeowners from falling victim to foreclosure.

"Distressed properties are proving to be an ongoing complication in the healing process of Florida's housing market," he added. "The foreclosure moratorium and Florida's overburdened court system have slowed the process of handling foreclosures. Until these properties can move through this process, complete recovery will be difficult to attain."

In the year-to-year quarterly comparison for existing condo sales, 23,375 units sold statewide in the first quarter compared to 18,170 units in 1Q 2010 for a 29 percent increase. The statewide existing-condo median sales price was $80,700 in 1Q 2011; a year earlier, it was $96,100 for a decrease of 16 percent. 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, according to the National Association of Realtors® (NAR). The median is a typical market price where half the homes sold for more, half for less.

Low mortgage rates continued to be available during the first quarter of the year. According to Freddie Mac, the national commitment rate for a 30-year conventional fixed-rate mortgage averaged 4.85 percent in 1Q 2011; one year earlier, it averaged 5.0 percent.

Florida has second-most 'good neighbors'

WASHINGTON – May 9, 2011 – Perhaps some states are more neighborly than others; or perhaps some states apply for the National Association of Realtors®' Good Neighbor Awards more than others. In either case, California and Florida have tallied the most Good Neighbors with 14 and 11, respectively, in the 11 years since the program started in 2000.

The Good Neighbor Awards recognize Realtors who have made a difference in their communities through volunteer work. In 2011, five winners will receive $10,000 grants for their charities and $2,000 gift cards from Lowe's. Five honorable mentions will also receive $2,500 grants and $1,000 gift cards.

NAR says that 18 states – Alabama, Alaska, Connecticut, Delaware, Iowa, Kansas, Maine, Mississippi, Montana, Nebraska, New Hampshire, North Dakota, Oklahoma, South Carolina, South Dakota, Vermont, Wisconsin and Wyoming – have not had any Good Neighbor Award recipients.

The deadline to nominate good neighbors for the 2011 contest is May 20. For more information, visit NAR's site at: www.Realtor.org/gna.

Number of past Good Neighbor Award winners by state

Alabama: 0
Alaska: 0
Arizona: 6
Arkansas: 1
California: 14
Colorado: 3
Connecticut: 0
Delaware: 0
Florida: 11
Georgia: 6
Hawaii: 1
Idaho: 1

Illinois: 3
Indiana: 1
Iowa: 0
Kansas: 0
Kentucky: 1
Louisiana: 1
Maine: 0
Maryland: 3
Massachusetts: 5
Michigan: 3
Minnesota: 3
Mississippi: 0
Missouri: 2
Montana: 0
Nebraska: 0
Nevada: 1
New Hampshire: 0
New Jersey: 3
New Mexico: 1
New York: 1
North Carolina: 4
North Dakota: 0
Ohio: 2
Oklahoma: 0
Oregon: 3
Pennsylvania: 3
Rhode Island: 3
South Carolina: 0
South Dakota: 0
Tennessee: 3
Texas: 4
Utah: 2
Vermont: 0
Virginia: 8
West Virginia: 1
Washington, D.C.: 1
Wisconsin: 0
Wyoming: 0

Hurricane storm surge threatens Fla. cities

SANTA ANA, Calif. – May 3, 2011 – CoreLogic released a report today detailing potential exposure to storm surge property damage in 10 major U.S. city areas. The 2011 CoreLogic Storm Surge Report finds that many properties located outside FEMA flood zones are at risk for storm surge damage.

In a hurricane, high winds and low pressure cause water to build up inside the storm. When the hurricane passes onto land, water rushes in, and can do significant damage beyond that caused by high winds and rain. The study identified three Florida city areas in which storm surge is a major threat: Miami-Dade, Jacksonville and Tampa.

"The local flood zones defined by FEMA in high-risk coastal regions provide a great deal of exposure data for homes in the path of flood waters, but understanding the additional layer of risk posed by a storm surge is critical for homeowners, emergency response teams, insurance companies and many others to plan and prepare for natural catastrophes," says Dr. Howard Botts, executive vice president and director of database development for CoreLogic Spatial Solutions. "As the report shows, in many cases, homes exposed to potential storm-surge inundation are located outside of designated flood zones, and those homeowners need to be aware of their vulnerability to severe damage and property losses."

The study looked at hurricane probabilities, geographic features offshore, population density and population. Projected exposure to storm surge damage for the 10 geographies is:

• Long Island, N.Y. - $99 billion
• Miami-Dade, Fla. - $44.9 billion
• Virginia Beach, Va. - $44.6 billion
• New Orleans, La. - $39 billion
• Tampa, Fla. - $27 billion
• Houston, Texas - $20 billion
• Jacksonville, Fla. - $19.6 billion
• Charleston, S.C. - $17.7 billion
• Corpus Christi, Texas - $4.7 billion
• Mobile, Ala. - $3 billion

The majority of homes at risk for storm surge damage are located outside FEMA-defined flood zones.

"It's a common misconception for homeowners to think that if they live outside of a FEMA flood zone they are safe from hurricane-driven storm surge flooding, when in reality their property is vulnerable to the most destructive natural flooding catastrophes that can occur alongside a tropical storm," says Botts.

CoreLogic offers a full copy of the storm report online at: http://www.corelogic.com/Products/hazard-analytics.aspx.

Homebuyers shun 'fixer-uppers'

NEW YORK – May 3, 2011 – About 87 percent of first-time homebuyers prefer a move-in ready property, according to a Coldwell Banker survey, which has real estate agents encouraging sellers to spruce up their homes before putting them on the market.

"It seems buyers will pay a premium, engage in a bidding war and even overpay just to avoid buying a 'project' house," explains Beth Freed of Ridgewood, N.J.-based Terrie O'Connor Realtors.

Sellers who take the time to make cosmetic repairs, eliminate clutter, and address maintenance and safety issues will sell their homes faster and for more money. Removing excess furniture, clearing the floors and depersonalizing the space will make rooms look larger and help buyers imagine themselves living there.

Agents might even help sellers declutter and stage, noting that those who refuse to do so will have to reduce their price expectations.

Less-than-perfect homes, however, could be a low-priced opportunity to buyers willing to overlook minor imperfections – homes that need "some love," according to Tom Mikalouskas, a RE/MAX agent in Montvale, N.J.

"I tell my buyers to look for the best bones or the best bang for your buck," Mikalouskas says. "Basically, if you are able to get the worst home in a great neighborhood, you can only improve on your investment.

You simply have to focus on potential in a down market like this."

Source: RISMedia (05/02/11) Lynn, Kathleen

4 tips for working with the pros on curb appeal

CHICAGO – May 2, 2011 – Landscaping can be pricey, but it can make a big difference in creating curb appeal that attracts buyers to the door.

"The condition of your lawn has a big effect on the look and value of your home, whether you have a complicated landscaping plan with water features and/or an expanse of grass and flowers," Angie Hicks, founder of service-ratings site Angie's List, told the Chicago Tribune.

If working with a landscaping pro to boost your seller's curb appeal, here are some tips to getting more for your money.

▪ **Schedule consultations.** Contact several landscaping pros to arrange appointments for them to visit the property, recommend what needs to be done and give you options. (For people to contact, check sites such as Yelp.com or Kudzu.com.) Use these pros as consultants explaining what the property needs. For smaller tasks, such as mowing, raking or weeding, you could try to find a local teenager willing to offer a good deal, suggests Robert Krughoff, president of Consumers' Checkbook.

▪ **Get several price bids.** Request estimates on what you want done from at least three companies – you may find big price differences. Krughoff cites an example of a tree-removal job that could cost from $1,935 to $6,300 depending on the company. As for lawn care, Consumers' Checkbook found companies quoting ranges from $229 to $805.

And just because a company is pricier don't assume you'll get better results. Krughoff says the Consumers' Checkbook found no correlation between price and quality in lawn care and tree services.

▪ **Watch for add-ons.** Krughoff says don't be quick to say "yes" whenever a landscaper or lawn service recommends various fertilizers, sprayings and treatment. Make sure there's a compelling case on why it's necessary.

▪ **Don't pay until the job is done.** If possible, pay nothing until the job is completed so that you have more leverage ensuring the job is done to your satisfaction. However, some companies may require a deposit. If so, pay with a credit card, experts suggest. By using a credit card, you'll be able to dispute the charge with the credit card company if the service was incomplete or not done adequately.

Source: "Trimming Landscaping Costs," Chicago Tribune (April 24, 2011)

Protect now with flood insurance

WASHINGTON – May 2, 2011 – Hurricane season starts in one month. Since flood insurance typically comes with a 30-day waiting period to become effective, it's time to sign up.

Federal Emergency Management Agency (FEMA) officials urge U.S. residents to prepare their homes and businesses for the heightened flood risks associated with hurricanes and tropical storms.

Hurricanes caused eight of the top 10 most expensive declared disasters, but many U.S. residents still lack insurance protection against flood damage, causing them to absorb financial losses or seek limited funding from other sources to rebuild or repair after a storm.

"The spring months have already brought significant flood events to many states in the U.S.," says Ed Connor, assistant administrator for FEMA's Federal Insurance and Mitigation Administration. "Because most homeowners insurance does not cover flood damage, the time to get properly protected is now."

More than 85 insurance companies in nearly 21,000 participating communities nationwide offer flood insurance. Most everyone – renters, business owners, and homeowners – can purchase flood insurance. The average flood insurance policy costs around $600 a year; in moderate- to low-risk areas, homeowners can purchase low-cost Preferred Risk Policies (PRPs) starting at $129 a year.

FEMA offers more flood insurance on a dedicated website, www.FloodSmart.gov. Homeowners can also call directly to(800) 427-2419.