

Spotlight: Florida

BY DARRICK MENEKEN



FLORIDA HOUSING PRICES EXPERIENCED THE NATION'S THIRD-WORST DECLINE — 44.4 PERCENT — AMONG STATES FROM THEIR PEAK IN SEPTEMBER 2006 THROUGH THIS PAST JANUARY, ACCORDING TO CORELOGIC. AND A GLUT OF DISTRESSED PROPERTIES COULD DEPRESS PRICES FOR YEARS TO COME.

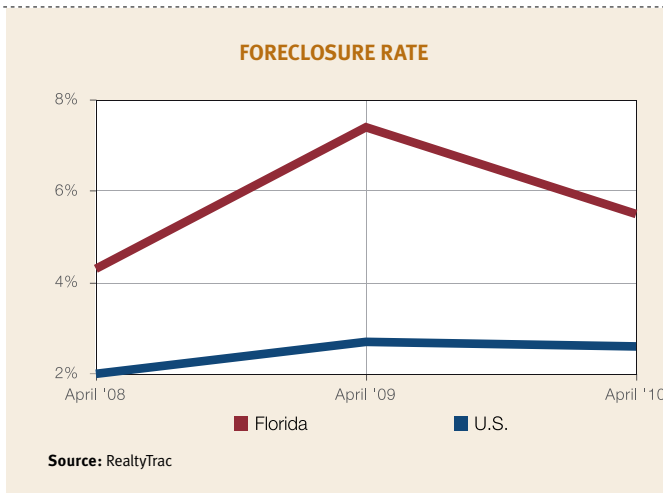
In the first quarter of this year, the Sunshine State posted the sixth-worst overall delinquency rate (11.3 percent) and the fourth-worst 90-plus-day delinquency rate (6.6 percent) of all states, according to the Mortgage Bankers Association. Widespread foreclosures persist, and state leaders hope \$418 million of emergency federal funding offers relief.

The money is expected to create the Florida Hardest-Hit Fund (sctsm.in/FLHard), most of which would focus on averting foreclosures for 7,500 to 12,500 at-risk homeowners facing unemployment, divorce, disability and other circumstances “beyond their control.” As of press time, the U.S. Treasury Department was reviewing the proposal.

If the plan is approved, some Florida homeowners could receive as much as nine months' worth of mortgage payments, which mortgage-holders must match. The fund also would provide legal and downpayment assistance, and monetary disbursements could begin before the end of the year, according to the Florida Housing Finance Corp.

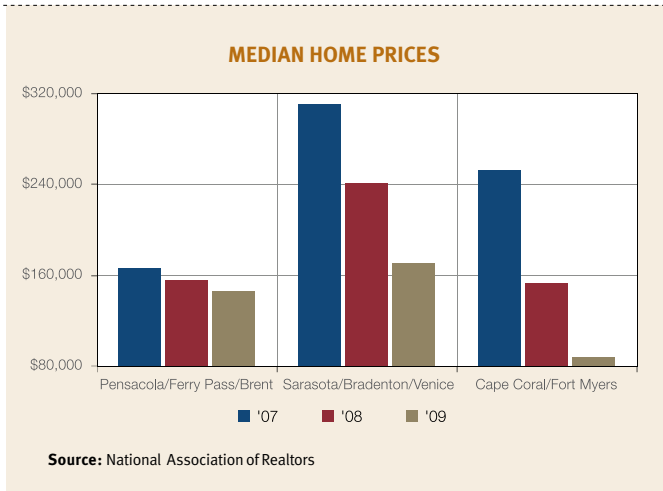
Foreclosures

Florida ranked third among states in overall foreclosure activity this past April, logging one filing per 182 housing units — compared to one filing per 387 housing units nationwide — according to RealtyTrac. The state's 25-percent decline in foreclosure activity from April '09 to this past April far outpaced a 2-percent slowdown nationally.



Home Sales

Median prices for single-family homes increased in only two Florida metropolitan areas from first quarter '09 to the same period this year, according to the National Association of Realtors. Sarasota/Bradenton/Venice saw an increase of 8 percent following the area's 45.2-percent decrease from '07's numbers to '09's. Only Cape Coral/Fort Myers prices sank more — 65.3 percent — from '07 to '09. Home prices in the Pensacola/Ferry Pass/Brent area increased 2.6 percent from first-quarter '09 to this past first quarter and dipped only 12 percent from '07 to '09.



Loan Modifications

Florida accounted for 12.3 percent of active trial and permanent modifications under the Home Affordable Modification Program (HAMP) through the first quarter of this year, according to the Treasury Department. Three in-state metropolitan areas ranked among the most-active for HAMP modifications: Miami/Fort Lauderdale/Pompano Beach, 4.7 percent of all HAMP activity; Orlando/Kissimmee, 2 percent; and Tampa/St. Petersburg/Clearwater, 1.6 percent.

Only California has more HAMP modifications than Florida.

3 Regions to Watch

MIAMI/MIAMI BEACH



Condominium prices in these waterfront cities and nearby Fort Lauderdale dropped 11.3 percent from the first quarter of 2009 to this year, the National Association of Realtors reported. Relaxed Fannie Mae and Freddie Mac restrictions, however, opened more than 35,000 Miami-area units to conventional financing since the beginning of this year.

CAPE CORAL/FORT MYERS



On average, homeowners carrying negative equity in this area along Florida's southwestern coast won't see their homes out-value their mortgages' payoff amount until 2020, compared to 2016 for the rest of the U.S., according to a CoreLogic study. Cape Coral/Fort Myers was the nation's fourth-worst foreclosure market this past April, according to RealtyTrac.

TALLAHASSEE



This city's median home price of \$154,400 in the first quarter of this year is just 14-percent less than its '07 full-year median, according to the Realtors association. The metropolitan area's unadjusted unemployment rate of 8.7 percent this past March compared favorably to the state's 12-percent rate.



WHAT THE LOCALS SAY

“When you look at the number of open foreclosure files, real estate-owned properties held by banks and banks' already bulging nonperforming-loan portfolios, it's an incredible amount of property yet to hit the market. It will have the net effect of placing downward price-drivers on the marketplace for at least a couple more years.”

— JACK MCCABE, INDEPENDENT HOUSING ANALYST AND CEO, MCCABE RESEARCH & CONSULTING

Sources: CoreLogic, Florida Housing Finance Corp., Florida Realtors, The Miami Herald, Mortgage Bankers Association, Mortgage Banking, National Association of Realtors, RealtyTrac, Sarasota Herald-Tribune, South Florida Business Journal, U.S. Bureau of Labor Statistics, U.S. Treasury Department, The Weather Channel

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