

Florida cities are worst in nation as housing prices drop more than 6 percent

Miami, Tampa lead nation in declines; local Realtors say Orlando fares better

Anika Myers Palm, Sentinel staff writer
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Bad news for Floridians who want to sell their houses:

Two Florida cities showed the largest declines in home prices in October as home prices fell nationwide for the 10th consecutive month, according to a major index of home prices.

Metro Miami home prices dropped 12.4 percent in October 2007 compared with October 2006, while prices in Tampa dropped 11.8 percent compared with the same period a year earlier, according to the Standard & Poor's Case-Shiller Home Price Index.

Home prices in 20 major U.S. metropolitan areas fell 6.1 percent in October — the 23rd consecutive month of decelerating returns.

Orlando is not included in the Case-Shiller index, but according to data compiled by the Orlando Regional Realtor Association, the median resale price of a house in the core Orlando market was down 7.4 percent in October from a year earlier, and down 6 percent in November from the same period a year earlier.

"No matter how you look at these data, it is obvious that the current state of the single-family housing market remains grim," Robert Shiller, one of the creators of

the index, said in a statement.

Only Charlotte, N.C.; Portland, Ore.; and Seattle still were experiencing positive annual growth rates through October. After Miami and Tampa, the cities with the worst results were Detroit (down 11.2 percent) and San Diego (down 11.1 percent).

The previous record decline was in April 1991, when prices dropped 6.3 percent.

More than half of the 20 areas in the Case-Shiller index showed year-over-year declines, and home prices in all 20 fell in October compared with September. The Case-Shiller index also has a value-weighted index of 10 metro areas that showed a 6.7 percent decline.

"The general sense around the industry is that we are all holding on by our fingernails," said Ritch Workman, owner of Melbourne-based Workman Mortgage and president of the Florida Association of Mortgage Brokers.

But there's a silver lining to the falling prices.

"The thing I think everybody is really encouraged with is that we've had about five months in a row of level inventory [in Orlando]," said Gary Balanoff, broker-owner of ReMax Select and a spokesman for the Orlando Regional Realtors Association.

About 26,000 homes are on the market in the

Orlando area now, compared with about 25,900 in June, he said. Falling prices have meant that the area's affordability index — the number of people making the median income who can afford the median-priced home — has risen.

In November, the Orlando Regional Realtor Association reported a median Orlando-area housing price of \$235,000, 6 percent below prices in November 2006. Statewide, the median sales price was \$222,100 in November, compared with \$242,700 in the same period in 2006.

"Remember, in '05 and '06, it was cheaper to build a house than it was to buy [an] existing home," said Workman. "That has been reversed. It has gotten to be more expensive to build a home, and that's one indicator that prices are back in line."

Workman also predicts that Florida prices will hit bottom and begin to recover long before the rest of the country — especially if there's a bad winter in northern states and retirees from those states begin to look favorably at Florida again.

"The more snow that falls in New York, the faster we return," said Workman.

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Rubio: Budget shortfall can be taken care of in early March

Posted by Gary Fineout at 11:19 AM on December 20, 2007

House Speaker Marco Rubio has said that lawmakers cannot afford to wait too much longer before dealing with Florida's budget shortfall, but in a clarification of remarks made on Wednesday, he says it

should be done by the first week of March, not March 1.

That means legislators would be asked to approve at least \$1 billion worth of budget cuts during the first week of the regular 2008 session — which starts March 4 — and would not require an actual special session in order to finalize the cuts. Gov. Charlie

Crist said Wednesday that he did not think legislators needed to hold a special session in order to balance the budget.

But if legislators plan to slash spending during the first week of March it will require that they hold committee meetings in February to decide which agencies and programs will need to be cut.

TALLAHASSEE DEMOCRAT

House, Senate face \$2.4B budget shortage

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By Bill Cotterell

FLORIDA CAPITAL BUREAU POLITICAL EDITOR

Faced with a \$2.4 billion shortage, House and Senate money managers have warned Florida lawmakers that election-year goodies will be in critically short supply during the coming legislative session.

"The cupboard is not just bare," Rep. Dan Gelber, D-Miami Beach, said Wednesday. "The cupboard is gone."

Community budget-issue requests seek money for such things as building a four-lane road, building a water-treatment project, putting a new roof on a community center or other hometown project that the state funds in thousands of line-items every year. Slipping little plums into the budget for senators or representatives helps presiding officers and appropriations chieftains get the budget passed in May. Bringing home a trophy or two helps get members re-elected in November.

In the year ahead the outlook is bleak.

Sen. Lisa Carlton, R-Osprey, who chairs the Senate Fiscal Policy and Calendar Committee, signed a joint memo with Rep. Ray Sansom, chairman of the House Policy and Budget Committee, late last month. It told all members to get their requests in between Dec. 14 and Jan. 4. But they cautioned them against optimism.

"While this is being done as a courtesy to provide an opportunity for you to respond to valid constituent needs in your community, we wanted to make sure that you maintain realistic funding expectations, given the current revenue situation," Carlton and Sansom wrote.

Sansom, who is in line to be speaker of the House in the 2009-10 sessions, predicted members will put politics aside.

"We'll get a budget," he said. "I believe all 120 members of the House know they have a responsibility to do what is best for all of Florida."

Sen. Burt Saunders, R-Naples, said he is telling constituents in Lee and Collier Counties that "the odds are very, very slim that we'll have any money at all for local projects.

"It's pretty clear that we have extremely limited funds," said Saunders. "This is probably one of the worst budget years ever."

Sen. Al Lawson, D-Tallahassee, who has been in the House or Senate since 1982, said there will always be "member projects." He's seen dire warnings before, Lawson said, but members with sufficient muscle get what their districts need.

He said the window for applications will make it hard for members to contact constituent organizations, coordinate with adjoining counties or neighboring delegations, and decide which projects to seek in the session.

"When the gavels go down, there are hundreds of millions of dollars to spend," Lawson said. "I never get too excited about them telling me this, but what I'm concerned about is that they'll take care of the Republicans because there's an election year coming up."

Lawson is in line to be Senate minority leader next November and is trying to expand the Democrats' 14-member caucus in the Senate.

"I don't want to see every available dollar going down to South Florida, which is what usually happens," said Lawson. "There needs to be some fairness in doing what we have to do."

Rep. Dave Murzin, R-Pensacola, said he's telling local governments and organizations seeking help that he will go to bat for them, expecting to strike out. Murzin said he and Rep. Clay Ford, R-Gulf Breeze, will seek funding for the Main Street Wastewater Treatment Facility in Pensacola, damaged by Hurricane Ivan, and

for a water project in Little Sabine Bay on Pensacola Beach.

He said there are some little road projects that counties or towns would like the state to fund, but legislators really can't justify in tough times.

"If I can't ask for it with a straight face, I've got no business putting in for it," Murzin said. "There will be community budget requests submitted with the understanding that there is no money to fund them, but politically it is better to at least ask for them."

The state's Revenue Estimating Conference last month reduced its 2008-09 projections by \$2.4 billion. The Legislature cut \$1.1 billion in a special session earlier this year and the regular session, starting in March, will have \$1 billion less to work with for the year starting on July 1.

"Unlike previous budget years which benefited from significant non-recurring balances for individual member priorities, these revenues will also be severely limited and will need to be directed toward essential statewide programs," said the Sansom-Carlton memo.

That's what worries Gelber, who is the Democratic minority leader in the House and a candidate for the Senate next year. He said meeting basic needs in education, health care and other state services will be hard enough, without funding member projects.

"It's really the core services of the state that I'm worried about," Gelber said. "Whether some member gets enough for his community center or water project is fine, but to me it really matters what we'll be doing to the core services that people count upon."

State Rep. Don Brown, R-DeFuniak Springs, said members have known for a long time that they were in for an uncommonly lean budget year. Not having special favors to spread around might make it a little harder for the leadership to grease passage of various bills, Brown said, but members know the score.