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Real Estate And Economic Conditions In Florida: A Look At Some Key Counties

Jorge Salazar-Carrillo

Department of Economics, Florida International University, salazar@fiu.edu

Daniel O. Murgo

Department of Economics, Florida International University, dmurgo@fiu.edu

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REAL ESTATE AND ECONOMIC CONDITIONS IN FLORIDA:

A Look at Some Key Counties

By: Dr. Jorge Salazar-Carrillo and Daniel O. Murgo, MA

April 2008

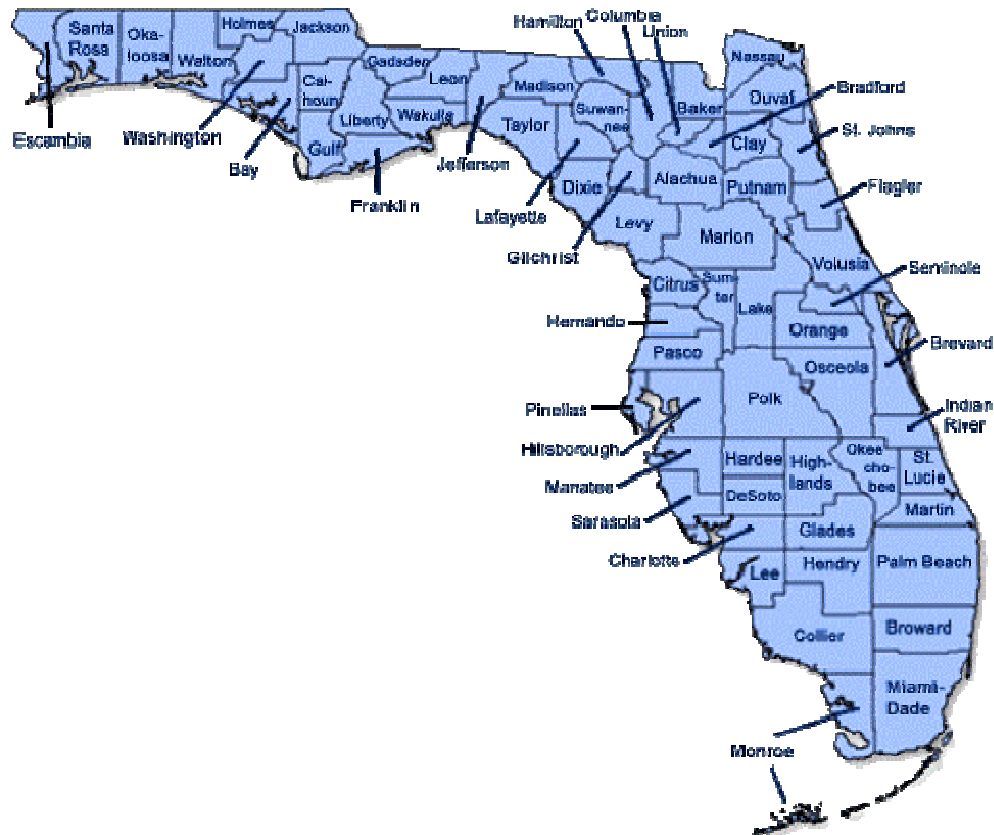


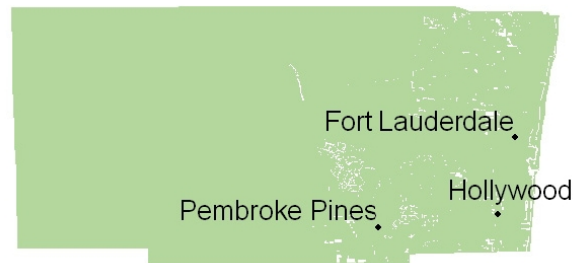
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BROWARD COUNTY



ECONOMICS

Demographics

Broward County, located in Southeastern Florida, is the second most populous county in the state. Its major cities include Fort Lauderdale and Hollywood. The 2006 population estimate is calculated at 1,787,636 residents, according to the Census Bureau. The population grew 10.1% from April 2000 through July 1, 2006. That number, however, is lower than the population growth for the state of Florida, which was 13.2%. Whites, including Hispanics, represent 65.3% of Broward residents. Blacks account for 24.7% of the population. Hispanics of all races are the third largest ethnic group with 22.8% of the population¹.

Income Statistics

As of 2006, Broward County had a median household income of \$50,499 (in 2006 inflation-adjusted dollars). The median family income was \$60,965 and the per capita income was \$27,474². Last data available tells us that the weekly average wage for the third quarter of 2006 was \$754³. Assuming a 52-week calendar year a typical Broward worker would earn \$39,208 per annum.

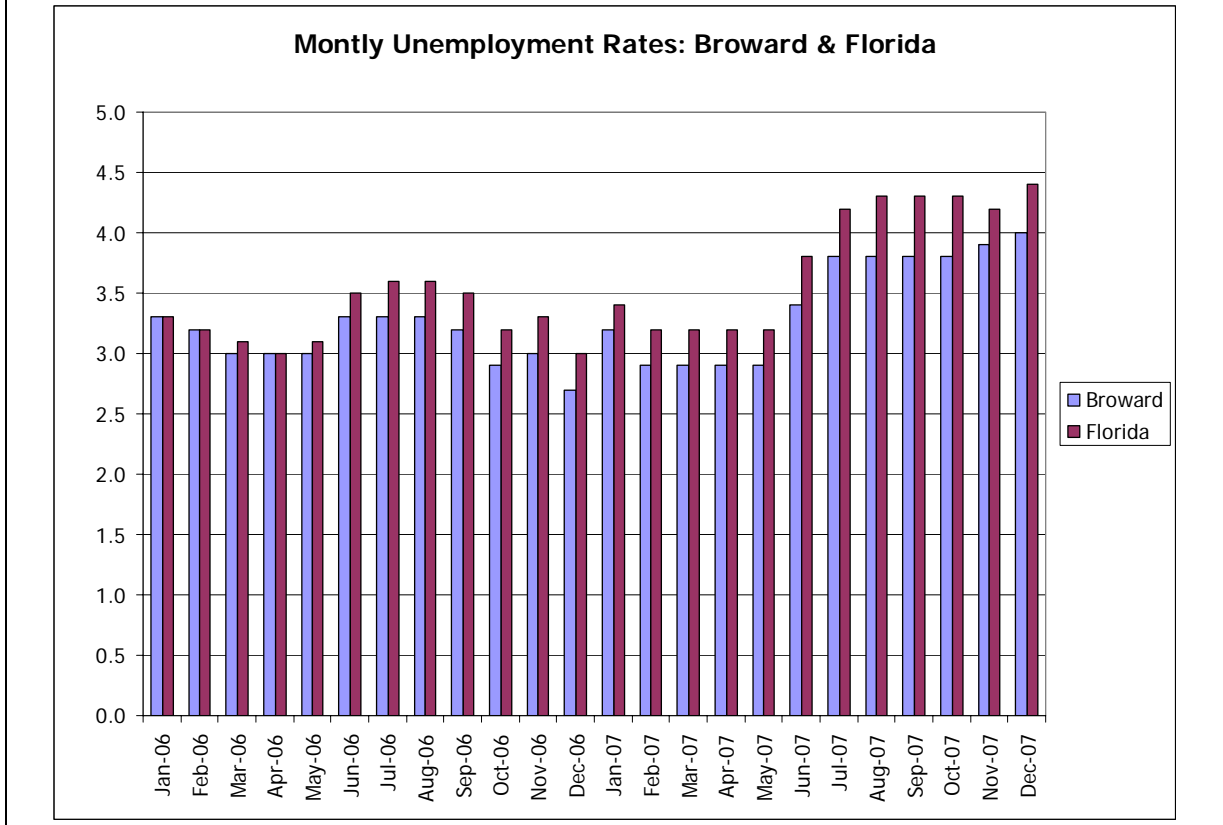
Broward has a robust labor market—shown in Figure 1 below—as measured by its unemployment rates. These county rates have been outpacing State figures. In actuality, 2003 was the last year that Broward's average unemployment rate was higher than the State's rate. During the second half of 2007 the unemployment rate increased from an average of 3% per to an average of 3.9%.

¹ U.S. Census Bureau: American Fact Finder.

² U.S. Census Bureau: American Fact Finder.

³ U.S. Department of Labor, Bureau of Labor Statistics: Average Weekly Wage in Florida: Third Quarter 2006

Figure 1: Broward County and Florida Monthly Unemployment Rates⁴



REAL ESTATE

Single-Family Existing Homes

Realtor sales of existing homes and condominiums describe the market well since they account for approximately 75% of all home purchases nationwide. The single-family existing homes market in Broward is similar to much of the state. An average drop in prices of only 2% is associated with an average decrease in sales of 27% in 2007. This tells us that the number of units demanded is very sensitive to changes in prices. Besides, the fact that both prices and quantities are falling suggests a retraction in demand. The biggest drop in prices was in December 2007 (10% relative to December 2006) accompanied by a decrease in the number of units sold of 33% (Table 1). The biggest drop in the number of units sold was in September with 44% together with a drop of 7% in prices.

⁴ Bureau of Labor Statistics. (www.labor.gov) and Florida Agency for Workforce Innovation.

Table 1 - Realtor Sales and Median Sales Prices: Broward⁵
(Single-Family, Existing Homes)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-06	552	-36	370500	19	Jan-07	458	-17	364500	-2
Feb-06	622	-25	360800	13	Feb-07	498	-20	362200	0
Mar-06	804	-32	368100	11	Mar-07	601	-25	372400	1
Apr-06	694	-37	360600	5	Apr-07	580	-16	363800	1
May-06	862	-19	379800	3	May-07	574	-33	367700	-3
Jun-06	861	-34	377400	0	Jun-07	674	-22	382000	1
Jul-06	721	-30	380400	-1	Jul-07	559	-22	373700	-2
Aug-06	702	-27	362800	-6	Aug-07	538	-23	368800	2
Sep-06	741	-24	370300	-2	Sep-07	401	-46	345200	-7
Oct-06	591	5	349400	-5	Oct-07	428	-28	354000	1
Nov-06	605	-23	362000	-7	Nov-07	401	-34	348100	-4
Dec-06	618	-7	367600	0	Dec-07	415	-33	329800	-10

Existing Condominiums

The figures on existing condominiums paint an even dimmer picture of real estate market conditions in Broward (Table 2). The average decrease in prices in 2007 relative to the previous year was 11%. Unit sales dropped 27%. The biggest drop in price registered in October 2007 with 24% and the biggest drop in units sold occurred in September with 39%. The explanation is the same as in the case of single-family homes.

Table 2 - Realtor Sales and Median Sales Prices: Broward⁶
(Existing Condominiums)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-06	753	-21	211500	31	Jan-07	556	-26	199200	-6
Feb-06	740	-27	216800	32	Feb-07	562	-24	194800	-10
Mar-06	982	-30	202600	9	Mar-07	663	-32	195500	-4
Apr-06	873	-37	214200	17	Apr-07	683	-22	197800	-8
May-06	929	-30	212300	9	May-07	655	-29	202600	-5
Jun-06	910	-31	212300	5	Jun-07	595	-35	194100	-9
Jul-06	696	-39	209100	4	Jul-07	562	-19	187200	-10
Aug-06	704	-33	204300	1	Aug-07	551	-22	178800	-12
Sep-06	647	-46	205800	1	Sep-07	397	-39	174600	-15
Oct-06	580	-21	210100	8	Oct-07	424	-27	159300	-24
Nov-06	560	-38	199700	0	Nov-07	430	-23	166700	-17
Dec-06	622	-27	199700	1	Dec-07	455	-27	171800	-14

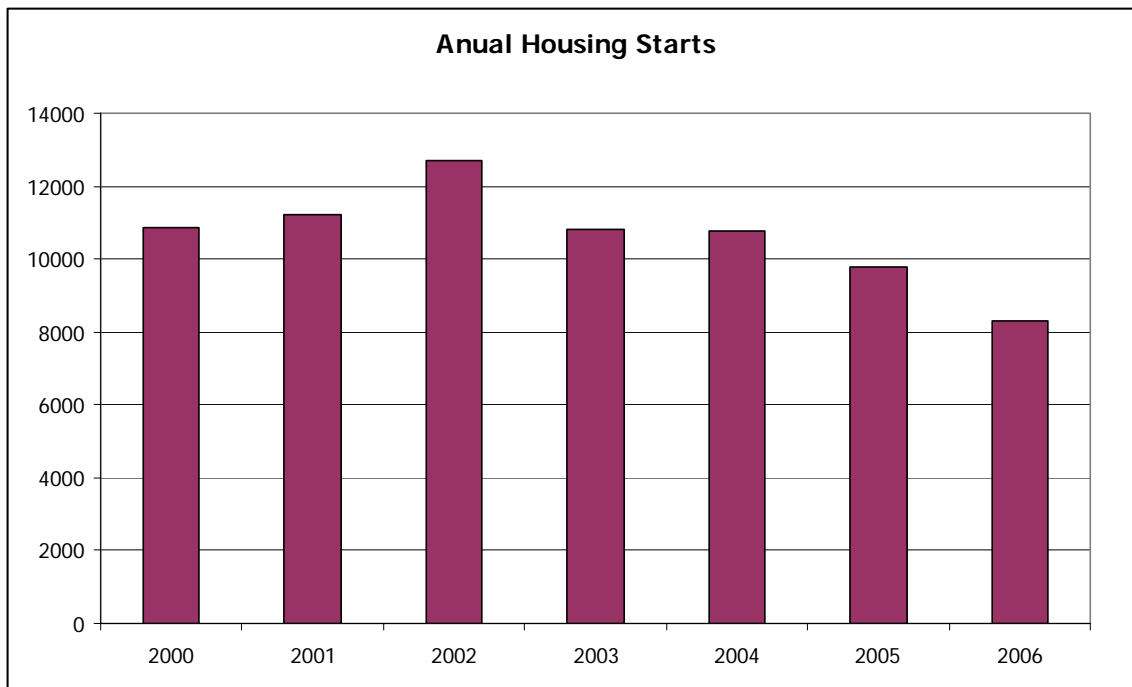
⁵ Florida Association of Realtors. (<http://media.living.net/statistics/statisticsfull.htm>)

⁶ Ibid.

New Homes

Broward has reached a critical point where it has basically run out of land to build on. The county has gone west as far as possible. In order to keep growing, condominiums are being built on the eastern edge of the county while new construction of single family homes will be built on what little remains of the western side. Yearly declines for both housing starts and permits—Figure 2 and Table 3—corroborate this story. However, in Table 4 we see that the number of units built and their associated costs have remained steady for most of 2007, save for peaks in May and October.

Figure 2 – Housing Starts for Broward County⁷



⁷ Florida Legislature, Office of Economic and Demographic Research. (<http://EDR.state.fl.us>)

Table 3 - Building Permits and Construction Costs for Broward⁸

Year	Buildings	Units	Construction Cost
2000	9,362	11,970	1,486,624,200
2001	8,476	10,761	1,381,461,200
2002	6,003	12,028	1,576,728,127
2003	4,133	8,218	1,118,885,875
2004	5,021	8,709	1,065,926,206
2005	3,826	6,951	1,106,812,826
2006	3,740	6,716	988,266,436
2007	1,957	4,150	652,218,636

Figure 3 - Construction for Yearly Building Permits in Broward County⁹



⁸ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

⁹ Ibid.

Table 4 – 2007 Building Permits, Units and Construction Costs for Broward County¹⁰

Month/Year	Buildings	Units	Construction Cost
Jan-07	171	302	44,158,428
Feb-07	207	402	56,570,100
Mar-07	231	434	61,472,270
Apr-07	197	466	55,310,722
May-07	200	455	178,424,608
Jun-07	247	366	45,553,442
Jul-07	174	239	34,439,384
Aug-07	134	205	30,163,347
Sep-07	104	148	20,688,816
Oct-07	101	500	54,702,645
Nov-07	73	185	25,508,512
Dec-07	103	216	26,358,771
Total	1,942	3,918	633,351,045

¹⁰ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

COLLIER COUNTY



ECONOMICS

Demographics

Collier County is located in Southwestern Florida. Its most notable cities include Naples and Marco Island. The population estimate for 2007 is 333,858 residents, according to the Census Bureau. The population grew 32.8% from 2000 to 2007, almost doubling the population growth of the state of Florida (16.9%) in the same period. Whites of all origins represent 83.7% of Collier residents according to 2006 estimates. Blacks account for 5.5% of the population. Hispanics of all races represent 25.2% of the population¹¹.

Income Statistics

As of 2006, Collier County had a median household income of \$55,888 (in 2006 inflation-adjusted dollars). The median family income was \$66,054 and the per capita income was \$34,650¹². Last data available tells us that the weekly average wage for the third quarter of 2006 was \$721¹³. Assuming a 52-week calendar year a typical Collier worker would earn \$37,492 per annum.

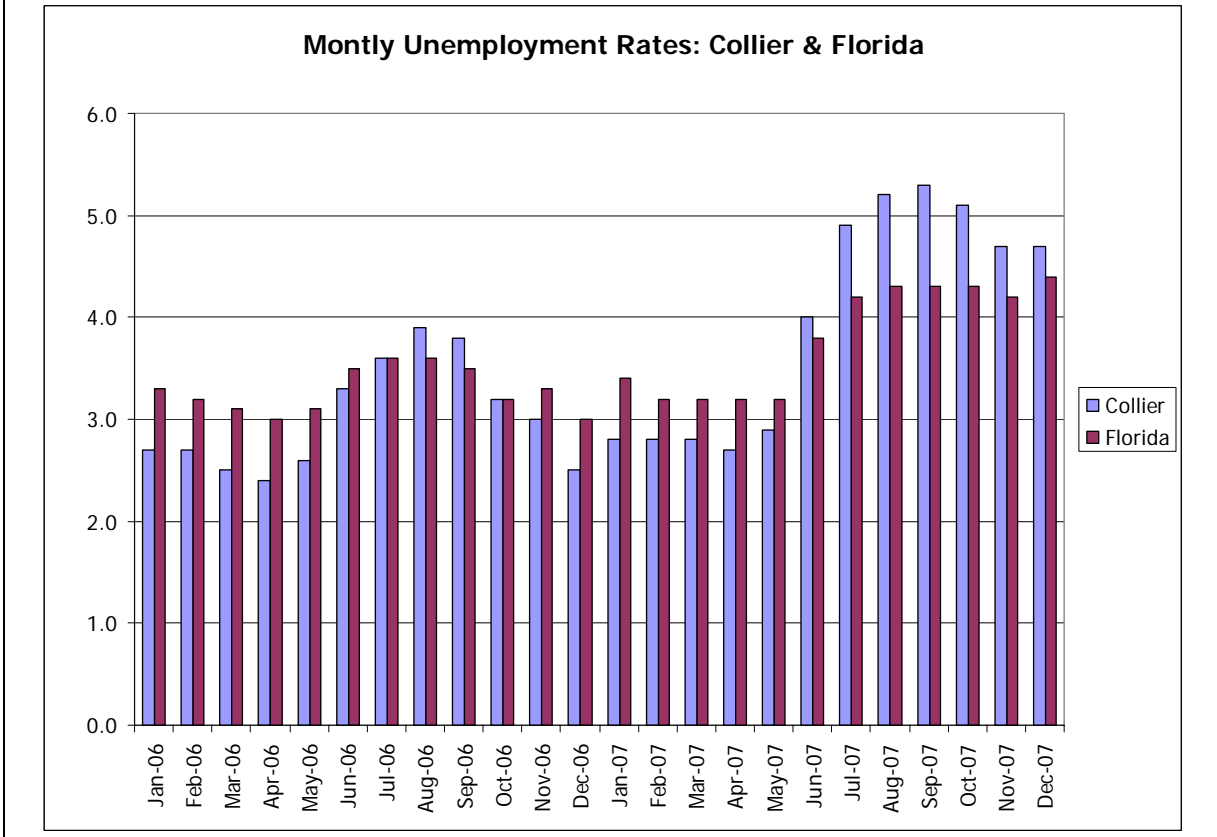
Collier has a robust labor market—shown in Figure 4 below—as measured by its unemployment rates. These county rates have been below State figures for most of 2006 and the first half of 2007, the exception being August and September of 2006. During the second half of 2007 the unemployment rate increased from an average of 3% for the period January 2006-June 2007 to an average of 5.0% in the last semester of 2007 affectively outpacing the State figures by 0.8%.

¹¹ U.S. Census Bureau: American Fact Finder.

¹² U.S. Census Bureau: American Fact Finder.

¹³ U.S. Department of Labor, Bureau of Labor Statistics: Average Weekly Wage in Florida: Third Quarter 2006

Figure 4: Collier County and Florida Monthly Unemployment Rates¹⁴



REAL ESTATE

Single-Family Existing Homes

Realtor sales of existing homes and condominiums describe the market well since they account for approximately 75% of all home purchases nationwide. The single-family existing homes market in Collier shows singular characteristic. In other counties, specially the large ones, relatively modest changes in prices are associated with big changes in the number of units sold. In this case changes in prices and quantities are closer. An average decrease in prices of 2% in 2006 is associated with an average reduction of 8% in the same period. The number of units demanded is sensitive to changes in prices, but not as much as in counties like Miami-Dade or Broward. Besides, the fact that both prices and quantities are falling suggests a retraction in demand. The biggest drop in prices was in September 2007 (16% relative to December 2006) accompanied by a decrease in the number of units sold of 36% (Table 5). The biggest drop in the number of units sold was in March 2007 with 47% together with a drop of 3% in prices.

¹⁴ Bureau of Labor Statistics. (www.labor.gov) and Florida Agency for Workforce Innovation.

Table 5 - Realtor Sales and Median Sales Prices: Collier^{15,16}
(Single-Family, Existing Homes)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-06	264	-31	511400	3	Jan-07	N/A	N/A	N/A	N/A
Feb-06	22		531300		Feb-07	17	-23	529200	0
Mar-06	49		537200		Mar-07	26	-47	518800	-3
Apr-06	N/A	N/A	N/A	N/A	Apr-07	N/A	N/A	N/A	N/A
May-06	29		531000		May-07	37	28	536200	1
Jun-06	35		535200		Jun-07	43	23	530600	-1
Jul-06	26		527800		Jul-07	26	0	540900	2
Aug-06	32		530400		Aug-07	35	9	507900	-4
Sep-06	25		537500		Sep-07	16	-36	450000	-16
Oct-06	26		523500		Oct-07	27	4	450000	-14
Nov-06	N/A	N/A	N/A	N/A	Apr-07	N/A	N/A	N/A	N/A
Dec-06	31		532600		Dec-07	23	-26	517900	-3

Existing Condominiums

The figures on existing condominiums paint an even dimmer picture of real estate market conditions in Collier (Table 6). The average decrease in prices in 2007 relative to the previous year was 9%. Unit sales dropped 25%. The biggest drop in price registered in June 2007 with 31% and the biggest drop in units sold occurred in May with 89%. The limited availability of data, however, restricts the scope of the analysis.

Table 6 - Realtor Sales and Median Sales Prices: Collier¹⁷
(Existing Condominiums)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-06	275	-41	404700	12	Jan-07	N/A	N/A	N/A	N/A
Feb-06	42		485700		Feb-07	28	-33	500000	3
Mar-06	49		505800		Mar-07	41	-16	502400	-1
Apr-06	N/A	N/A	N/A	N/A	Apr-07	N/A	N/A	N/A	N/A
May-06	53		375000		May-07	6	-89	350000	-7
Jun-06	57		508100		Jun-07	9	-84	350000	-31
Jul-06	29		343800		Jul-07	39	34	475000	38
Aug-06	43		395000		Aug-07	28	-35	316700	-20
Sep-06	31		458300		Sep-07	23	-26	350000	-24
Oct-06	27		483300		Oct-07	25	-7	375000	-22
Nov-06	N/A	N/A	N/A	N/A	Apr-07	N/A	N/A	N/A	N/A
Dec-06	22		400000		Dec-07	28	27	337500	-16

¹⁵ Florida Association of Realtors. (<http://media.living.net/statistics/statisticsfull.htm>)

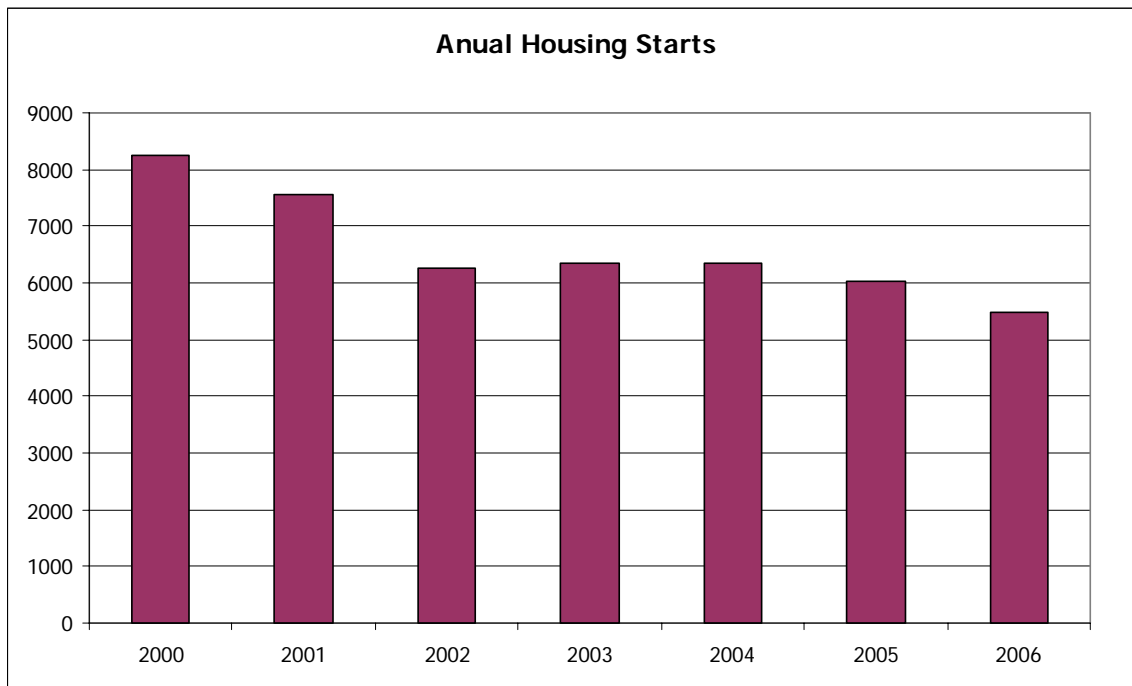
¹⁶ Data from the Marco Island Association of Realtors only. Naples Area data not included.

¹⁷ Ibid.

New Homes

New construction in Collier County has been coming down for a while now. Housing starts have been declining in Collier County since the end of 2000, when it had 8,255 starts. Monthly figures for building permits and construction costs during 2007 show a further drop in construction.

Figure 5 – Housing Starts for Collier County¹⁸



¹⁸ Florida Legislature, Office of Economic and Demographic Research. (<http://EDR.state.fl.us>)

Table 7 - Building Permits and Construction Costs for Collier County¹⁹

Year	Buildings	Units	Construction Cost
2000	4,502	7,970	1,188,311,382
2001	4,427	8,158	1,093,849,788
2002	4,605	7,282	1,113,548,021
2003	3,700	5,820	977,444,600
2004	4,551	6,921	1,487,543,161
2005	4,390	6,622	1,655,668,851
2006	3,163	4,788	1,228,774,215
2007	1,196	2,093	647,868,740

Figure 6 - Construction for Yearly Building Permits in Collier County²⁰



¹⁹ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

²⁰ Ibid.

Table 8 – 2007 Building Permits, Units and Construction Costs for Collier County²¹

Month/Year	Buildings	Units	Construction Cost
Jan-07	115	194	45,828,843
Feb-07	166	195	48,281,688
Mar-07	105	253	65,478,730
Apr-07	155	342	139,534,004
May-07	108	210	58,100,784
Jun-07	138	196	50,528,000
Jul-07	108	114	35,615,420
Aug-07	71	200	86,645,870
Sep-07	59	70	30,830,680
Oct-07	48	48	20,186,106
Nov-07	25	229	58,902,727
Dec-07	76	126	32,957,615

²¹ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

HILLSBOROUGH COUNTY



ECONOMICS

Demographics

Hillsborough County is located in the central portion of the western coast of Florida. It is the fourth most populous county in the state. Its most important city is Tampa. The 2007 population estimate is calculated at 1,192,861 residents, according to the Census Bureau. The population grew 19.4% from April 2000 through July 1, 2007. This number is higher than the population growth for the state of Florida, which was 16.9%. Whites, including Hispanics, represent 74.4% of Hillsborough residents. Blacks account for 15.7% of the population. Hispanics of all races are the second largest ethnic group with 22.1% of the population²².

Income Statistics

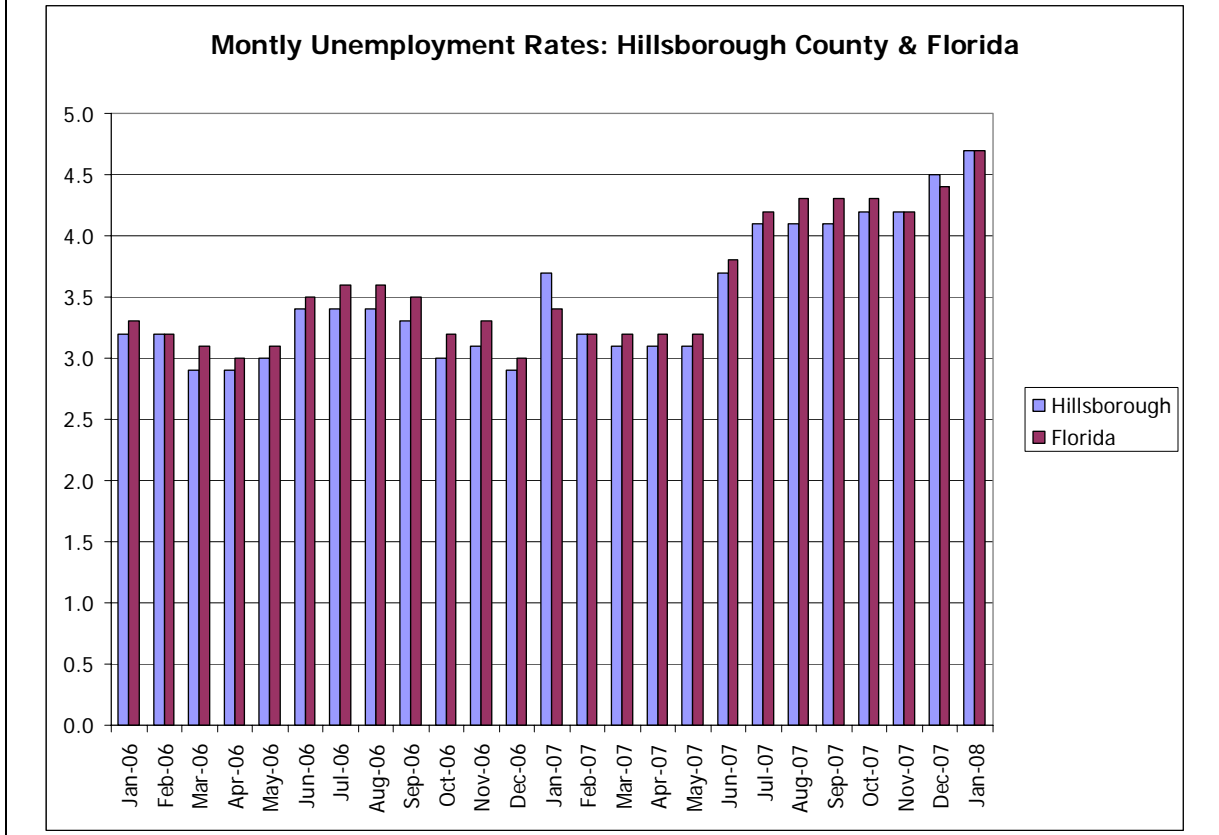
As of 2007, Hillsborough County had a median household income of \$46,766 (in 2006 inflation-adjusted dollars). The median family income was \$55,695 and the per capita income was \$25,944²³.

Hillsborough has a robust labor market—shown in Figure 7 below—as measured by its unemployment rates. The county rates have been, in general, slightly below State figures. During the second half of 2007 and January of 2008 the unemployment rate increased from an average of 3.2% to an average of 4.3% following the national trend.

²² U.S. Census Bureau: American Fact Finder.

²³ U.S. Census Bureau: American Fact Finder.

Figure 7: Hillsborough County and Florida Monthly Unemployment Rates²⁴



REAL ESTATE

Single-Family Existing Homes

Realtor sales of existing homes and condominiums describe the market well since they account for approximately 75% of all home purchases nationwide. The single-family existing homes market in Hillsborough is similar to much of the state. An average drop in prices of only 8% is associated with an average decrease in sales of 34% in 2007 and 2008. This tells us that the number of units demanded is very sensitive to changes in prices. Besides, the fact that both prices and quantities are falling suggests a retraction in demand. The biggest drop in prices was in November 2007 (15% relative to November 2006) accompanied by a decrease in the number of units sold of 30% (Table 9). The biggest drop in the number of units sold was in May with 42% together with a drop of 8% in prices.

²⁴ Bureau of Labor Statistics. (www.labor.gov) and Florida Agency for Workforce Innovation.

Table 9 - Realtor Sales and Median Sales Prices: Hillsborough County²⁵
(Single-Family, Existing Homes)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-06	3014	0	216000	25	Jan-07	1768	-41	214900	-1
Feb-06	2957	-22	216700	24	Feb-07	2001	-32	213300	-2
Mar-06	4006	-19	218600	22	Mar-07	2502	-38	209700	-4
Apr-06	3480	-32	221600	21	Apr-07	2257	-35	209700	-5
May-06	3891	-29	226300	15	May-07	2241	-42	209300	-8
Jun-06	3751	-28	234900	13	Jun-07	2428	-35	220900	-6
Jul-06	2871	-39	232200	7	Jul-07	2068	-28	215600	-7
Aug-06	3029	-37	232400	8	Aug-07	2154	-29	214100	-8
Sep-06	2803	-37	222100	3	Sep-07	1691	-40	200700	-10
Oct-06	2419	-35	225800	0	Oct-07	1700	-30	209000	-7
Nov-06	2362	-38	223400	0	Nov-07	1644	-30	189100	-15
Dec-06	2607	-37	226800	2	Dec-07	1761	-32	194200	-14
					Jan-08	1235	-30	187100	-13

Existing Condominiums

The figures on existing condominiums paint a similar picture of real estate market conditions in Hillsborough (Table 10). The average decrease in prices in 2007 and January 2008 relative to the previous year was 1%. Unit sales dropped 27%. The biggest drop in price registered in May 2007 with 7% and the biggest drop in units sold occurred in January 2007 with 49%. The explanation is the same as in the case of single-family homes.

Table 10 - Realtor Sales and Median Sales Prices: Hillsborough County²⁶
(Existing Condominiums)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-06	740	8	184300	19	Jan-07	379	-49	183200	-1
Feb-06	726	-10	177000	21	Feb-07	411	-43	171200	-3
Mar-06	968	-10	172300	7	Mar-07	500	-48	164100	-5
Apr-06	904	-38	174700	12	Apr-07	549	-39	170400	-2
May-06	819	-35	178400	14	May-07	610	-26	166000	-7
Jun-06	697	-47	171900	3	Jun-07	654	-6	165900	-3
Jul-06	569	-52	167700	-1	Jul-07	543	-5	172100	3
Aug-06	774	-41	171600	4	Aug-07	553	-29	173900	1
Sep-06	576	-46	155100	-10	Sep-07	411	-29	159000	3
Oct-06	545	-51	159900	-19	Oct-07	454	-17	173300	8
Nov-06	474	-38	154100	-14	Nov-07	380	-20	156800	2
Dec-06	731	-31	183200	1	Dec-07	488	-33	181700	-1
					Jan-08	333	-12	159500	-13

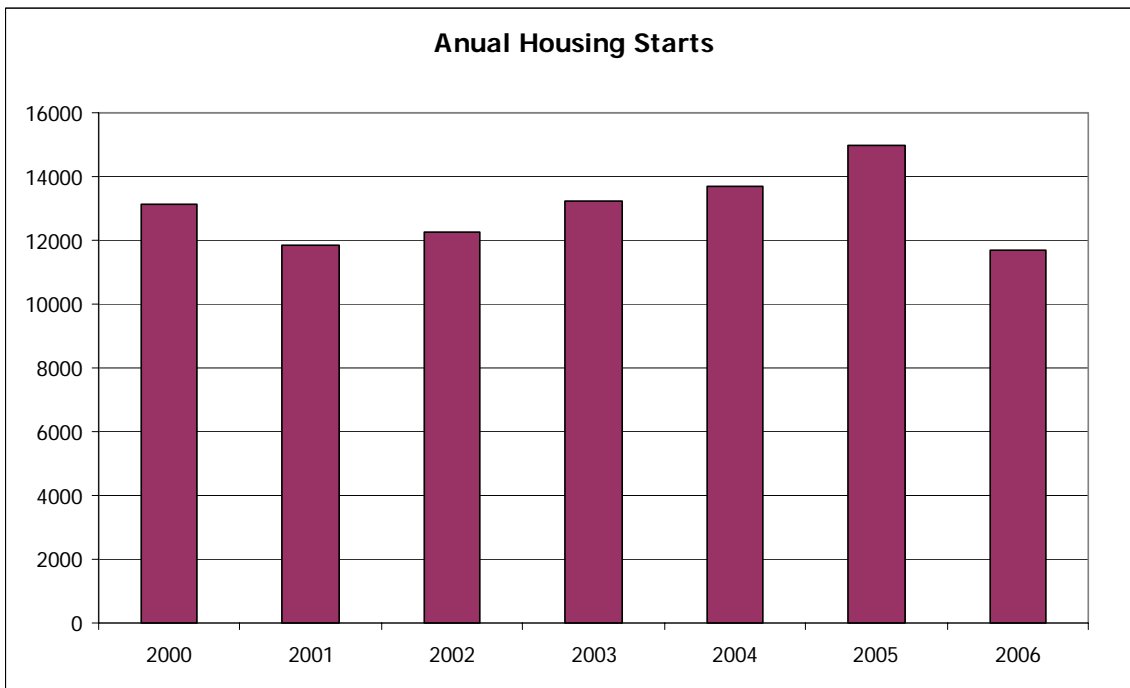
²⁵ Florida Association of Realtors. (<http://media.living.net/statistics/statisticsfull.htm>)

²⁶ Ibid.

New Homes

Housing starts in Hillsborough County grew steadily over the six years covering 2000-2005. Figure 8 and Table 11 help to illustrate the growth pattern. The growth in housing starts ranges between 10 and 15 percent. Annual construction costs are positively correlated with housing starts. This positive trend reversed abruptly in 2006. Housing starts declined 22% in 2006 relative to the previous year. This trend is expected to continue throughout 2007 and 2008 with new starts falling by another 45% or more. This would be the lowest number in a decade. It is important to note that this pattern of several years of positive growth followed by a sudden and staggering drop is not unique to Hillsborough County. Rather we see it in almost every county of the state of Florida.

Figure 8 – Housing Starts for Hillsborough County²⁷

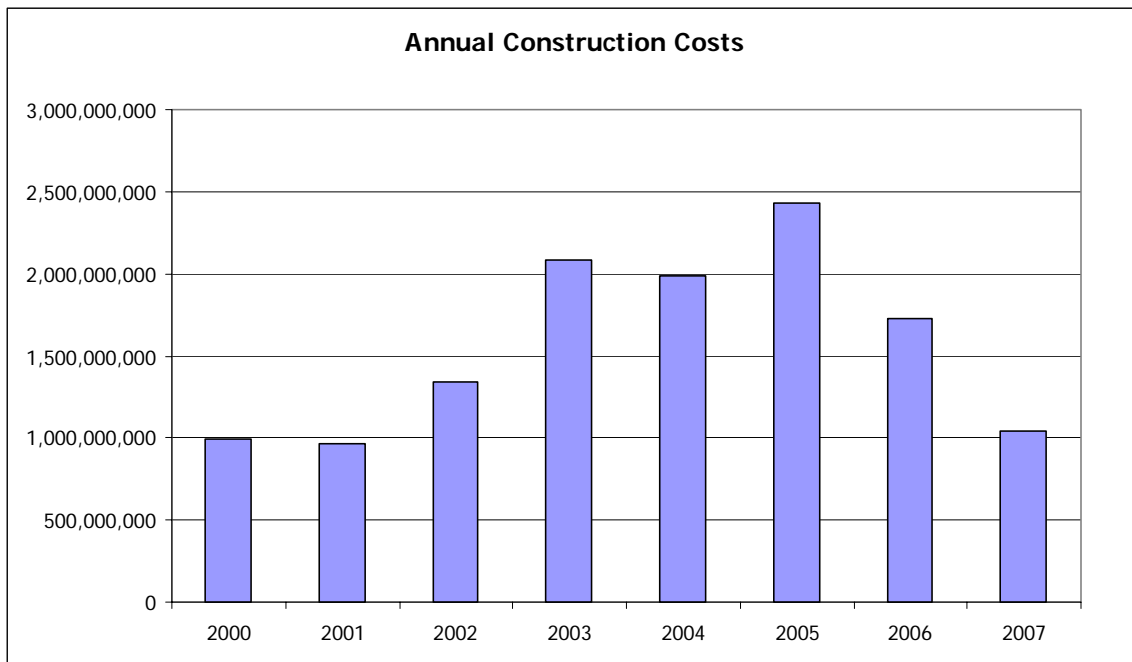


²⁷ Florida Legislature, Office of Economic and Demographic Research. (<http://EDR.state.fl.us>)

Table 11 - Building Permits and Construction Costs for Hillsborough County²⁸

Year	Buildings	Units	Construction Cost
2000	7,697	11,656	995,236,371
2001	8,833	10,971	968,749,286
2002	9,759	13,581	1,340,962,373
2003	10,753	16,110	2,083,063,112
2004	11,496	13,713	1,990,981,688
2005	12,676	15,827	2,430,624,583
2006	8,916	11,454	1,723,724,944
2007	4,638	7,398	1,042,894,910

Figure 9 - Construction for Yearly Building Permits in Hillsborough County²⁹



²⁸ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

²⁹ Ibid.

Table 12 – 2007 Building Permits, Units and Construction Costs for Hillsborough County³⁰

Month/Year	Buildings	Units	Construction Cost
Jan-07	427	701	87,700,334
Feb-07	356	387	67,742,597
Mar-07	483	1,119	134,722,265
Apr-07	354	382	60,931,738
May-07	574	760	121,430,175
Jun-07	452	668	100,142,329
Jul-07	417	420	69,730,693
Aug-07	376	673	102,629,250
Sep-07	410	431	66,914,702
Oct-07	270	677	85,208,154
Nov-07	291	541	66,518,683
Dec-07	228	639	79,223,990
Jan-08	400	400	59,355,551

³⁰ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

LEE COUNTY



ECONOMICS

Demographics

Lee County is located in Southwestern Florida, directly to the north of Collier County. Its major cities include Cape Coral and Fort Myers. The population estimate for 2007 is 615,741 residents, according to the Census Bureau, which makes it the 8th most populous county of Florida. The population grew 39.7% from 2000 to 2007, more than doubling the population growth of the state of Florida (16.9%) in the same period. Whites of all origins represent 84.6% of Lee residents according to 2006 estimates. Blacks account for 7.3% of the population. Hispanics of all races represent 16.1% of the population³¹.

Income Statistics

As of 2006, Lee County had a median household income of \$48,553 (in 2006 inflation-adjusted dollars). The median family income was \$57,429 and the per capita income was \$29,069³². Last data available tells us that the weekly average wage for 2007 was \$708.40³³. Assuming a 52-week calendar year a typical Lee worker would earn \$36,837 per annum.

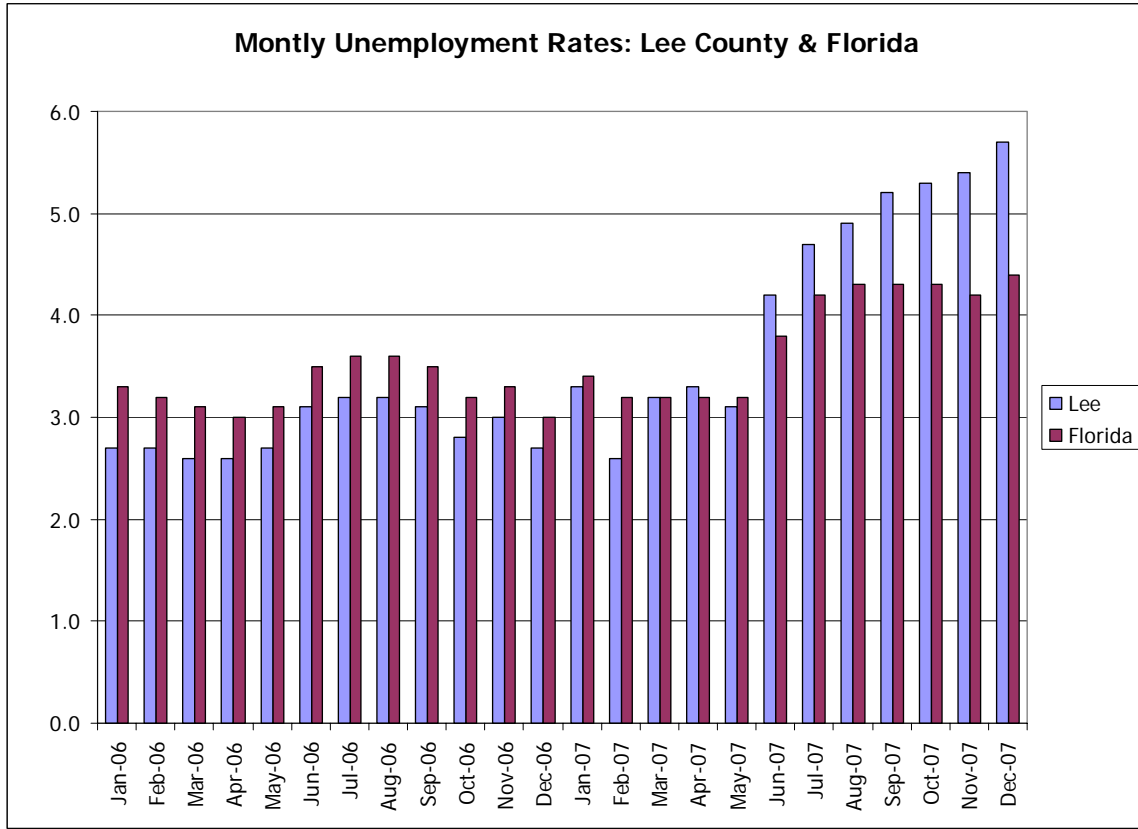
Lee has a robust labor market—shown in Figure 10 below—as measured by its unemployment rates. These county rates have been below State figures for 2006 and up until March of 2007. From April 2007 the unemployment rate increased from an average of 2.9% for the period January 2006-March 2007 to an average of 4.6% for the period April-December of 2007 outpacing the State figures by 0.4%.

³¹ U.S. Census Bureau: American FactFinder.

³² U.S. Census Bureau: American FactFinder.

³³ U.S. Department of Labor, Bureau of Labor Statistics: Florida Occupational Employment and Wages.

Figure 10: Lee County and Florida Monthly Unemployment Rates³⁴



REAL ESTATE

Single-Family Existing Homes

Realtor sales of existing homes and condominiums describe the market well since they account for approximately 75% of all home purchases nationwide. The single-family existing homes market in Lee shows singular characteristic. In other counties, specially the large ones, relatively modest changes in prices are associated with big changes in the number of units sold. In this case changes in prices and quantities are closer. An average decrease in prices of 7% in 2007 is associated with an average reduction of 37% in the same period. The number of units demanded is sensitive to changes in prices, but not as much as in counties like Miami-Dade or Broward. Besides, the fact that both prices and quantities are falling suggests a retraction in demand. The biggest drop in prices was in December 2007 (18%) accompanied by a decrease in the number of units sold of 28% (Table 13), both relative to the same month of the previous year. The biggest drop in the number of units sold was in May 2007 with 42% together with a drop of 2% in prices.

³⁴ Bureau of Labor Statistics. (www.labor.gov) and Florida Agency for Workforce Innovation.

Table 13 - Realtor Sales and Median Sales Prices: Lee County^{35,36}
(Single-Family, Existing Homes)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-06	751	-9	287200	31	Jan-07	492	-34	266900	-7
Feb-06	682	-9	280300	22	Feb-07	423	-38	256100	-9
Mar-06	955	-29	281300	12	Mar-07	636	-33	268000	-5
Apr-06	916	-28	280500	7	Apr-07	573	-37	283200	1
May-06	993	-24	286500	5	May-07	575	-42	281500	-2
Jun-06	891	-31	268000	-5	Jun-07	558	-37	253900	-5
Jul-06	694	-32	264600	-8	Jul-07	426	-39	246100	-7
Aug-06	691	-29	264100	-7	Aug-07	520	-25	250800	-5
Sep-06	693	-36	261400	-9	Sep-07	327	-53	231600	-11
Oct-06	630	36	249800	-44	Oct-07	405	-36	239300	-4
Nov-06	637	-21	258600	-12	Nov-07	N/A	N/A	N/A	N/A
Dec-06	604	-45	263700	-19	Dec-07	432	-28	215200	-18

Existing Condominiums

The figures on existing condominiums paint an even dimmer picture of real estate market conditions in Lee County (Table 14). The average decrease in prices in 2007 relative to the previous year was 7%. Unit sold dropped 37%. The biggest drop in price registered in July 2007 with 33% and the biggest drop in units sold occurred in January with 40%.

Table 14 - Realtor Sales and Median Sales Prices: Lee County³⁷
(Existing Condominiums)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-06	229	-40	313800	40	Jan-07	138	-40	285000	-9
Feb-06	195	-44	356600	52	Feb-07	149	-24	247600	-31
Mar-06	272	-53	318900	39	Mar-07	221	-19	250800	-21
Apr-06	259	-59	322500	20	Apr-07	223	-14	244100	-24
May-06	250	-60	320800	12	May-07	194	-22	226500	-29
Jun-06	183	-66	269100	-7	Jun-07	194	6	254800	-5
Jul-06	179	-50	346300	35	Jul-07	129	-28	230400	-33
Aug-06	100	-64	237500	-15	Aug-07	96	-4	218800	-8
Sep-06	168	-52	231500	-3	Sep-07	102	-39	224000	-3
Oct-06	145	76	270700	-18	Oct-07	105	-28	195800	-28
Nov-06	119	-8	245000	-14	Nov-07	N/A	N/A	N/A	N/A
Dec-06	161	27	256300	-16	Dec-07	145	-10	192200	-25

³⁵ Florida Association of Realtors. (<http://media.living.net/statistics/statisticsfull.htm>)

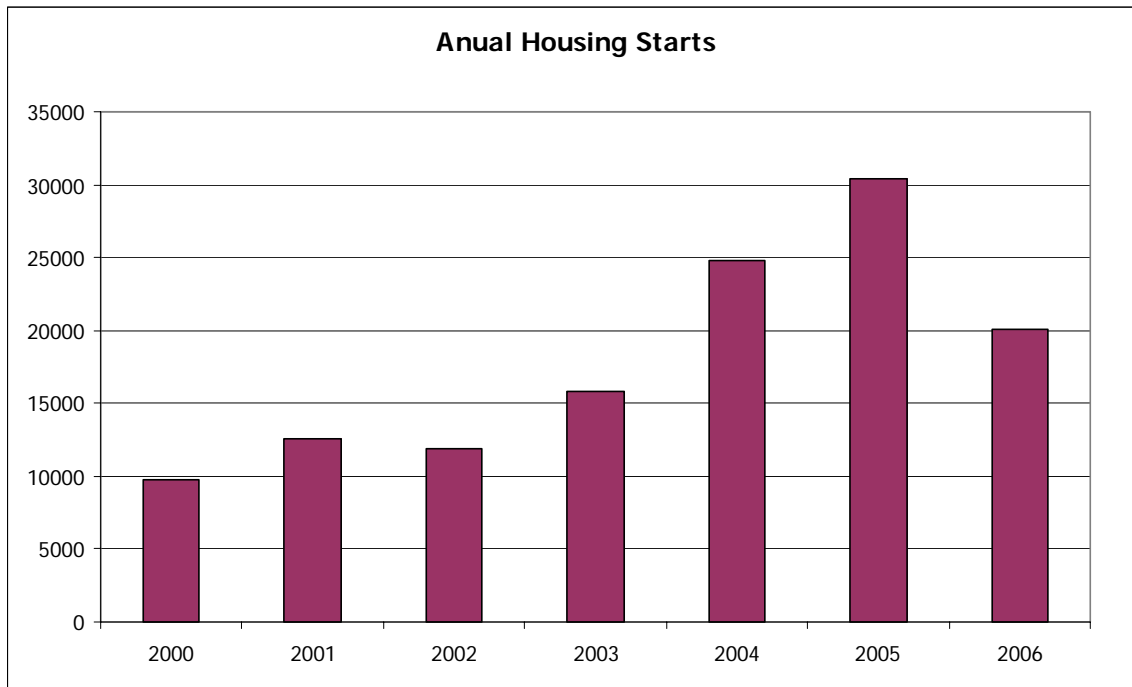
³⁶ Data from the Cape Coral Association of Realtors is not available for October 2007.

³⁷ Ibid.

New Homes

New constructions in Lee County have steadily increased since 2000. They reached their peak in 2005. Housing starts have begun their decline in Lee County in 2006. Monthly figures for building permits and construction costs during 2007 show a further drop in construction.

Figure 11 – Housing Starts for Lee County³⁸

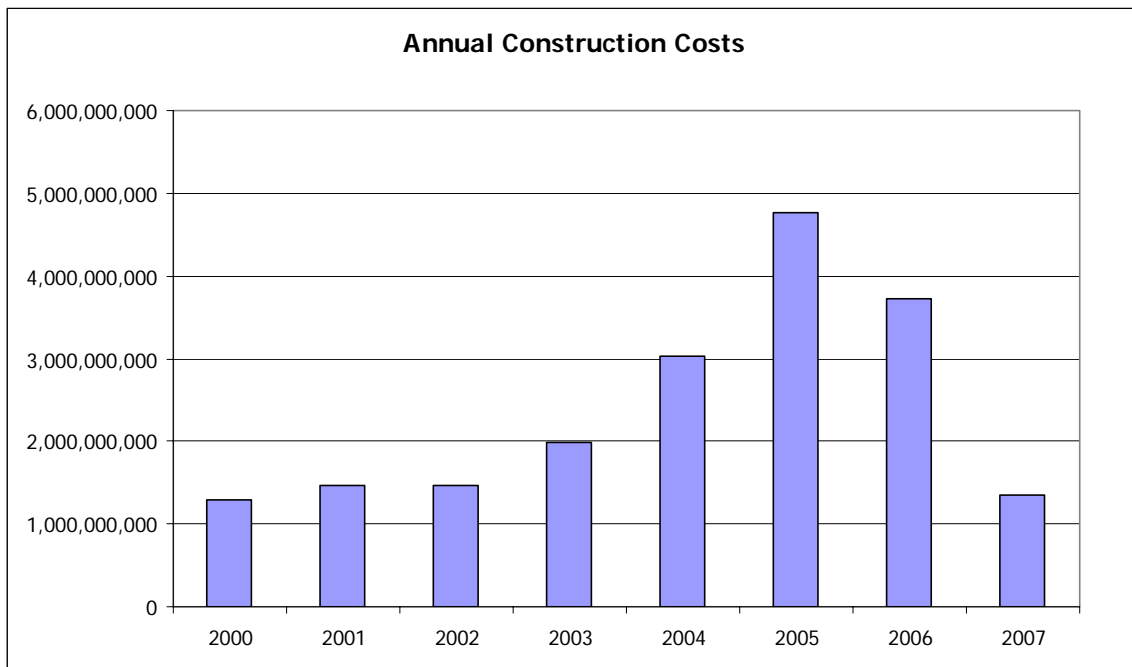


³⁸ Florida Legislature, Office of Economic and Demographic Research. (<http://EDR.state.fl.us>)

Table 15 - Building Permits and Construction Costs for Lee County³⁹

Year	Buildings	Units	Construction Cost
2000	5,714	9,120	1,283,813,422
2001	7,182	10,959	1,464,768,414
2002	7,849	11,146	1,459,694,947
2003	10,702	15,675	1,994,694,871
2004	15,826	20,395	3,035,890,088
2005	22,814	29,330	4,762,930,051
2006	15,091	18,746	3,732,955,446
2007	4,491	5,906	1,354,439,164

Figure 12 – Construction Costs for Yearly Building Permits in Lee County⁴⁰



³⁹ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

⁴⁰ Ibid.

Table 16 – 2007 Building Permits, Units and Construction Costs for Lee County⁴¹

Month/Year	Buildings	Units	Construction Cost
Jan-07	556	705	141,819,841
Feb-07	543	684	135,342,701
Mar-07	728	1,172	228,949,867
Apr-07	535	593	119,923,964
May-07	505	573	134,228,845
Jun-07	764	1,086	260,575,572
Jul-07	207	219	57,111,849
Aug-07	199	308	49,501,063
Sep-07	148	149	42,073,200
Oct-07	143	240	130,837,474
Nov-07	99	108	29,404,973
Dec-07	64	69	24,669,815

⁴¹ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

MARTIN COUNTY



ECONOMICS

Demographics

Martin County is located in the Atlantic coast of Florida, in between St. Lucie and Palm Beach counties. It has an estimated population of only 143,737 residents as of 2007. Population growth between 2000 and 2007 was only 13.4%, below the growth of the State of Florida as a whole in the same period (16.9%). This county is not racially or ethnically diverse. Whites of all origins represent 88.4% of the population, blacks or African-Americans represent 6.2% and Hispanics of all races represent 9.4% of the population⁴².

Income Statistics

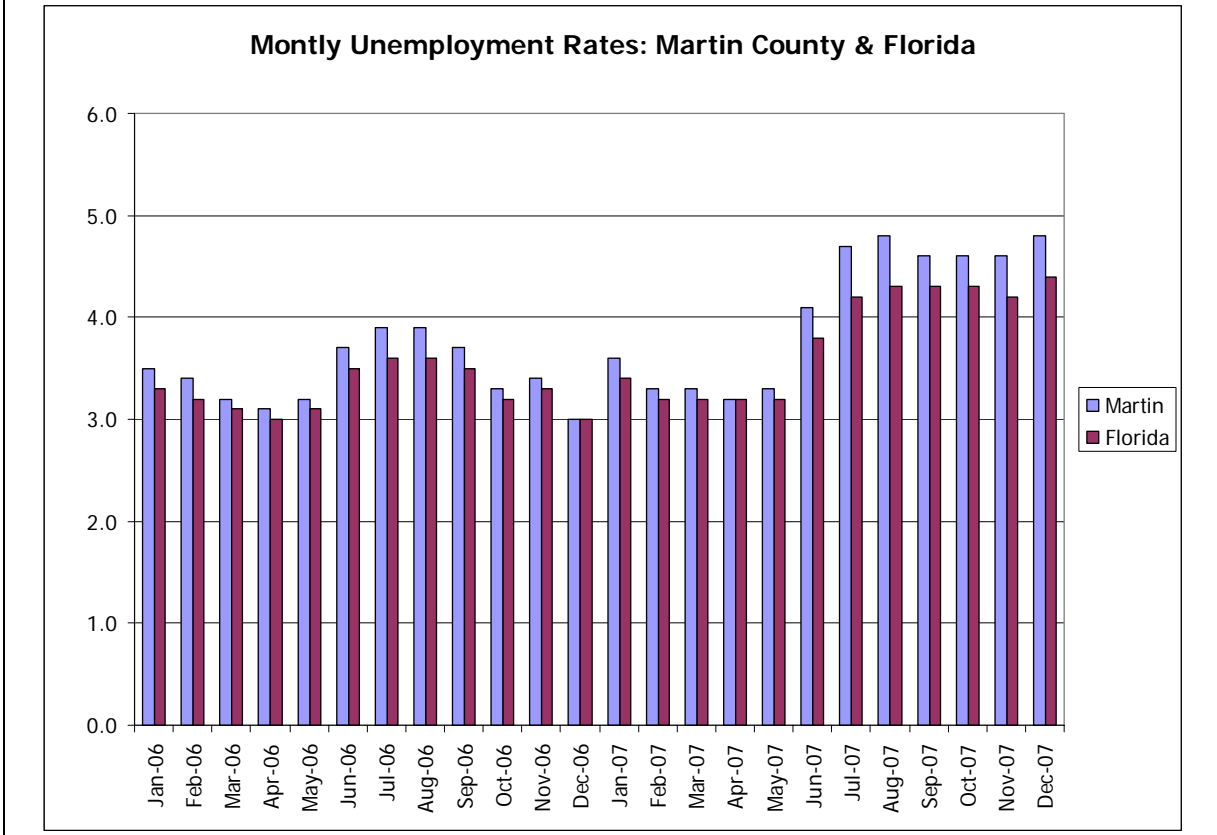
As of 2006, Martin County had a median household income of \$50,939 (in 2006 inflation-adjusted dollars). The median family income was \$68,275 and the per capita income was \$34,669⁴³. Per capita income was higher than other comparable counties.

Martin County consistently shows higher unemployment rates than the State of Florida (Figure 13). However, the difference was never higher than 0.3% up until June 2007. The second part of 2007 shows higher average unemployment rates of 4.7% outpacing the State figures by 0.4%.

⁴² U.S. Census Bureau: American FactFinder.

⁴³ U.S. Census Bureau: American FactFinder.

Figure 13: Martin County and Florida Monthly Unemployment Rates⁴⁴



REAL ESTATE

Single-Family Existing Homes

At present time there are no data available on “single family existing homes’ for Martin County. Data for this county is mixed in with the data for the St. Lucie County Metropolitan Statistical Area.

Existing Condominiums

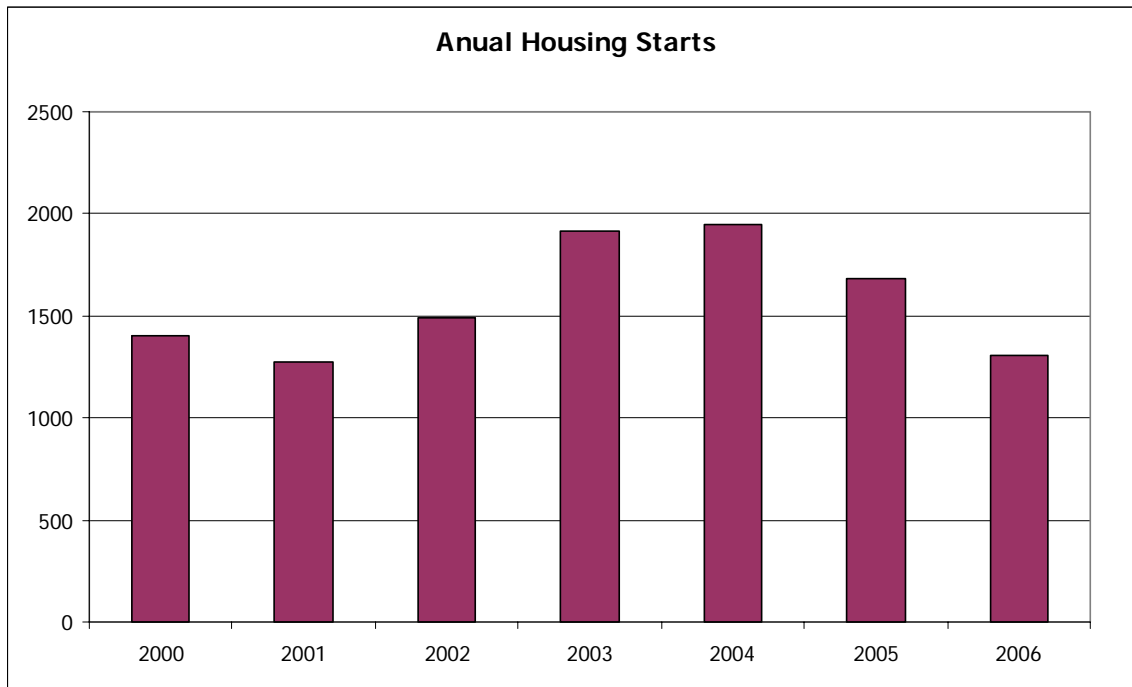
At present time there are no data available on “single family existing homes’ for Martin County. Data for this county is mixed in with the data for the St. Lucie County Metropolitan Statistical Area.

⁴⁴ Bureau of Labor Statistics. (www.labor.gov) and Florida Agency for Workforce Innovation.

New Homes

New constructions in Martin County have steadily increased since 2000. They reached their peak in 2004. Housing starts have begun their decline in Martin County in 2005. Monthly figures for building permits and construction costs during 2007 show a further drop in construction.

Figure 14 – Housing Starts for Martin County⁴⁵

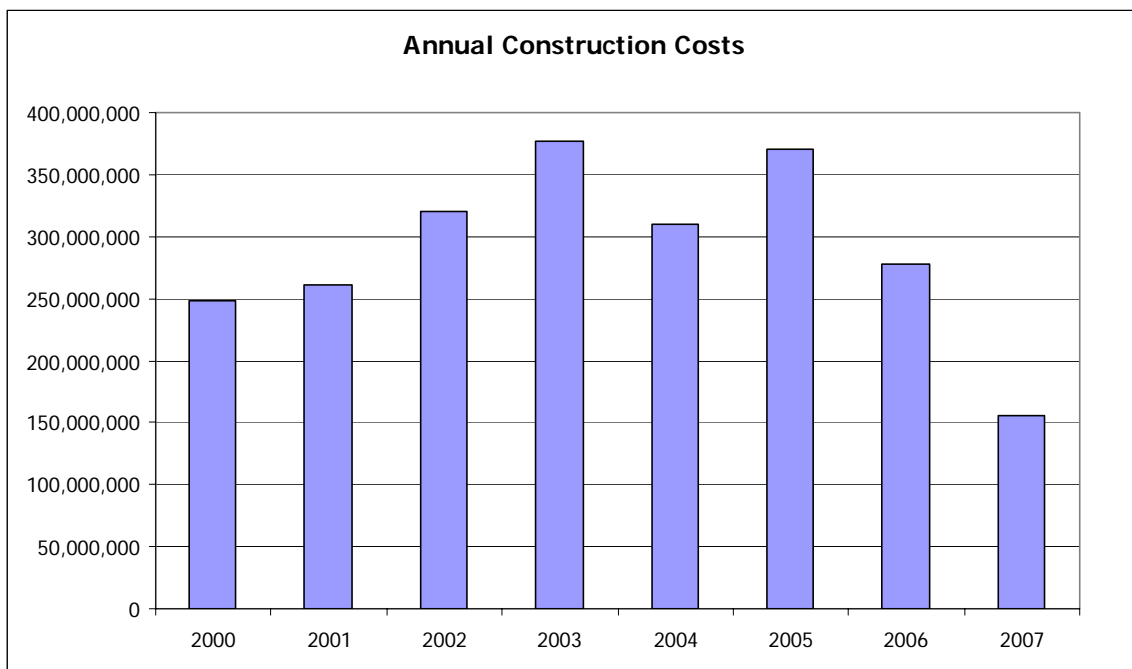


⁴⁵ Florida Legislature, Office of Economic and Demographic Research. (<http://EDR.state.fl.us>)

Table 17 - Building Permits and Construction Costs for Martin County⁴⁶

Year	Buildings	Units	Construction Cost
2000	1,072	1,384	248,290,473
2001	972	1,306	260,565,683
2002	1,458	1,477	320,340,750
2003	1,443	2,006	377,023,340
2004	1,287	1,459	309,466,164
2005	1,235	2,006	370,366,198
2006	941	964	278,218,779
2007	391	427	154,988,618

Figure 15 – Construction Costs for Yearly Building Permits in Martin County⁴⁷



⁴⁶ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

⁴⁷ Ibid.

Table 18 – 2007 Building Permits, Units and Construction Costs for Martin County⁴⁸

Month/Year	Buildings	Units	Construction Cost
Jan-07	43	43	15,730,804
Feb-07	30	30	11,282,445
Mar-07	39	39	12,798,294
Apr-07	18	18	7,058,114
May-07	37	64	19,227,467
Jun-07	31	36	17,324,419
Jul-07	57	58	16,113,805
Aug-07	55	55	15,707,000
Sep-07	21	21	11,559,056
Oct-07	22	22	9,583,023
Nov-07	16	19	8,302,227
Dec-07	22	22	10,301,964

⁴⁸ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

MIAMI-DADE COUNTY



ECONOMICS

Demographics⁴⁹

Miami-Dade County, located in Southeastern Florida, is the most populous county in the state. Its major cities include Miami, Miami Beach, Coral Gables and Hialeah. The population estimate for 2007 was 2,462,292 residents⁵⁰. The population growth between 2000 and 2007 was 9.3% versus 16.9% for the state as a whole. Population growth from July 2005 to July 2006 was 1% (1.8% for the state of Florida). Hispanics of all races accounted for 61.3%⁵¹ of the population in 2006; 19.6% were Black or African American, and 18.1% were white non-Hispanic.

Income Statistics

Median Household Income in 2006 was \$41,237, Median Family Income \$46,731 and per Capita Income \$21,716. These figures are, on average, 20% and 14% lower than the corresponding national and state values.

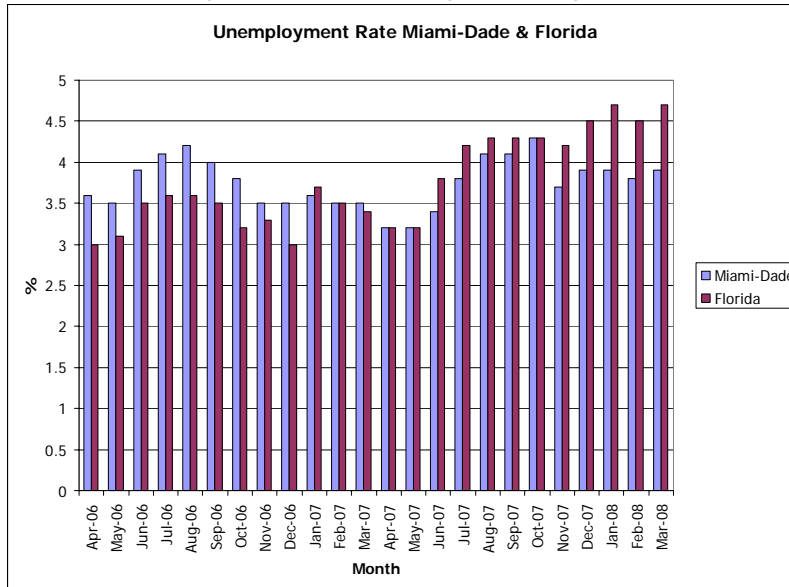
Miami-Dade has a robust labor market as measured by its unemployment rates (Figure 1). While rates were higher than national and state rates during 2006, they have been consistently lower during 2007 and 2008.

⁴⁹ U.S. Census Bureau: State and County Quickfacts. www.census.gov

⁵⁰ U.S. Census Bureau. State and County Quickfacts. www.census.gov

⁵¹ Miami-Dade County Social and Economic Development Council, An Overview of the Socio-Economic Condition of Miami-Dade County, May 2007, page 3.

Figure 1: Miami-Dade County and Florida Monthly Unemployment Rates⁵²



REAL ESTATE

Single-Family Existing Homes

Realtor sales of existing homes and condominiums tell much of the story since they account for approximately 75% of all home purchases nationwide. Statistics for March 2008 (Table 1) show a decline in the number of units sold of 32.5% relative to the same month of the previous year. The monthly average in 2007 dropped 56% relative to the previous year. Prices only dropped 12% between in the same period.

Realtor Sales and Median Sales Prices: Miami-Dade County⁵³
(Single-Family, Existing Homes)

Month/Year	Realtor Sales (Units)	% Change	Median Sales Price	% Change	Month/Year	Realtor Sales (Units)	% Change	Median Sales Price	% Change
Apr-06	843	-31	\$374,500	12	Apr-07	531	-37	\$382,300	2
May-06	875	-26	\$379,700	7	May-07	494	-44	\$401,100	6
Jun-06	884	-33	\$378,000	4	Jun-07	469	-47	\$371,600	-2
Jul-06	673	-38	\$382,200	5	Jul-07	505	-25	\$377,400	-1
Aug-06	695	-37	\$378,800	6	Aug-07	385	-45	\$392,900	4
Sep-06	769	-12	\$371,700	0	Sep-07	360	-53	\$372,300	-2
Oct-06	544	6	\$356,000	-3	Oct-07	367	-33	\$354,800	0
Nov-06	645	-8	\$372,400	-2	Nov-07	263	-59	\$359,300	-4
Dec-06	639	-4	\$380,100	1	Dec-07	336	-47	\$362,500	-5
Jan-07	528	-9	\$395,900	5	Jan-08	276	-48	\$336,800	-15
Feb-07	417	-31	\$381,400	3	Feb-08	244	-41	\$306,100	-20
Mar-07	634	-33	\$382,600	0	Mar-08	276	-56	\$337,900	-12

⁵² Bureau of Labor Statistics. www.labor.gov.

⁵³ Florida Association of Realtors. (<http://media.living.net/statistics/statisticsfull.htm>)

Existing Condominiums

Figures show a drop in units sold of 47% for March 2008 relative to the same month of the previous year. Prices also declined an 11%.

Realtor Sales and Median Sales Prices: Miami-Dade County⁵⁴
(Existing Condominiums)

Month/Year	Realtor Sales (Units)	% Change	Median Sales Price	% Change	Month/Year	Realtor Sales (Units)	% Change	Median Sales Price	% Change
Apr-06	1031	-25	\$251,000	-2	Apr-07	722	-30	\$268,000	7
May-06	1101	-9	\$250,900	8	May-07	599	-46	\$272,000	8
Jun-06	1058	-31	\$257,600	3	Jun-07	509	-52	\$275,500	7
Jul-06	837	-12	\$252,000	-11	Jul-07	509	-39	\$285,800	13
Aug-06	761	-30	\$249,800	-3	Aug-07	426	-44	\$262,000	5
Sep-06	666	-40	\$270,800	1	Sep-07	355	-47	\$275,000	2
Oct-06	508	-6	\$250,000	-4	Oct-07	436	-14	\$266,300	7
Nov-06	627	-34	\$257,400	-6	Nov-07	297	-53	\$264,700	3
Dec-06	559	-36	\$294,400	15	Dec-07	308	-45	\$263,500	-10
Jan-07	555	-27	\$256,400	-1	Jan-08	298	-46	\$284,000	11
Feb-07	432	-44	\$279,500	5	Feb-08	235	-46	\$293,300	5
Mar-07	624	-45	\$295,100	18	Mar-08	333	-47	\$263,900	-11

New Homes

The construction of new homes doesn't show a promising outlook. The number of buildings and the number of units have declined since 2000. Construction costs exhibit a similar behavior as depicted in Figure 2 and Table 3. The projection of the year 2007 shows a continuous downward trend.

Table 3 – Yearly building Permits and Construction Costs for Miami-Dade County^{55,56}

Month/Year	Buildings	Units	Construction Cost
2000	9,362	11,970	1,486,624,200
2001	8,476	10,761	1,381,461,200
2002	6,003	12,028	1,576,728,127
2003	4,133	8,218	1,118,885,875
2004	5,021	8,709	1,065,926,206
2005	3,826	6,951	1,106,812,826
2006	3,740	6,716	988,266,436
2007*	2,006	4,039	662,173,390

⁵⁴ Florida Association of Realtors. (<http://media.living.net/statistics/statisticsfull.htm>)

⁵⁵ U.S Census Bureau: Monthly New Privately-Owned Residential Building Permits.

⁵⁶ 2007 Projections are based on average monthly figures for the period Jan-Nov 2007.

Figure 2: Housing Starts for Miami-Dade County⁵⁷

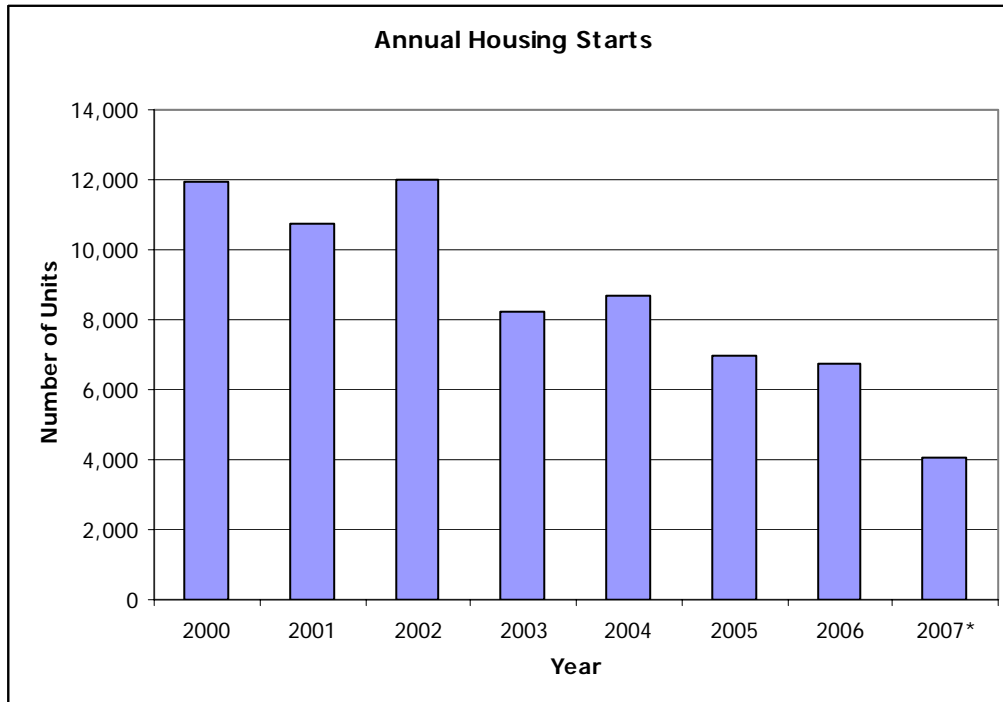


Table 4: Building Permits, Units and Construction Costs for Miami-Dade⁵⁸

Month/Year	Buildings	Units	Construction Cost
Jan-07	171	302	44,158,428
Feb-07	207	402	56,570,100
Mar-07	231	434	61,472,270
Apr-07	197	466	55,310,722
May-07	200	455	178,424,608
Jun-07	247	366	45,553,442
Jul-07	174	239	34,439,384
Aug-07	134	205	30,163,347
Sep-07	104	148	20,688,816
Oct-07	101	500	54,702,645
Nov-07	73	185	25,508,512
Dec-07	169	385	53,541,249
Jan-08	204	342	55,758,202
Feb-08	150	809	82,746,851
Mar-08	123	542	81,754,453

⁵⁷ Florida Legislature, Office of Economic and Demographic Research. (<http://EDR.state.fl.us>)

⁵⁸ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

MONROE COUNTY



ECONOMICS

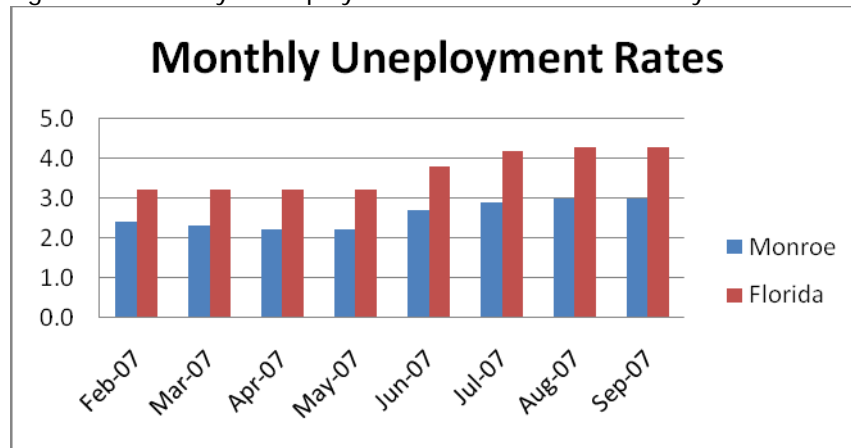
Demographics

Located in southwestern Florida, Monroe County encompasses the keys (such as Key West, Marathon and Islamorada) as well as the everglades. In 2006, the population of Monroe County was estimated to have been at 80,510 residents. This number represents a 1.2% increase from 2000 levels (up from 79,589 residents). The county is predominantly White, with 75.1% of its population claiming to be of white, non-Hispanic origin. The second primary ethnic group is Hispanics (17.7%).

Income Statistics

As recorded using 2005 dollars, the median household income for the typical household in Monroe County was \$52,069. Similarly the median family income was \$63,172, and per capita income was measured at \$36,564. All of these figures are comparable to other Florida counties. The good news about unemployment figures in Monroe County is that they remain below the state averages; however, unemployment has grown from 2.2% back in May to a 3.0% in September. Florida has gone from 3.2% in May to 4.3% in September.

Figure 16: Monthly Unemployment Rates in Monroe County and Florida⁵⁹



⁵⁹ Agency for Workforce Innovation: Local Area Unemployment Statistics, May 2007.

REAL ESTATE

Single-Family Existing Homes

Data not available.

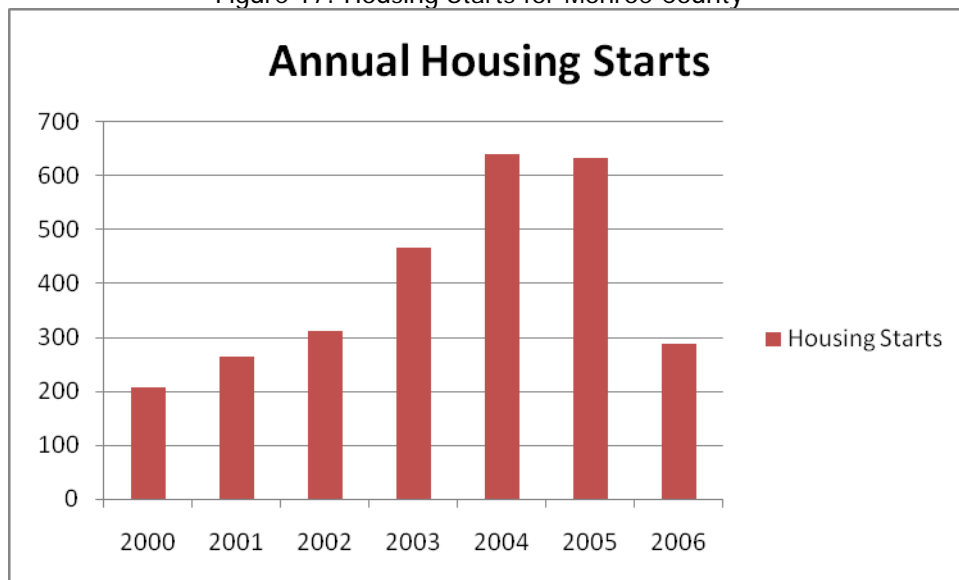
Existing Condominiums

Data not available.

New Homes

Housing starts in Monroe County were growing at a good rate, right up until 2006 when it took a 70% drop. This is the lowest these numbers have been in years. It is important to note that this pattern in the new home construction market (several years of positive growth, followed by a sudden and staggering drop in 2006) is not unique to Monroe County. Rather we see this in almost every county in Florida. A drop in housing starts should also occur in 2007. And we should not be surprised to see a drop in construction cost in 2007 as well, as fewer units are being built.

Figure 17: Housing Starts for Monroe County⁶⁰

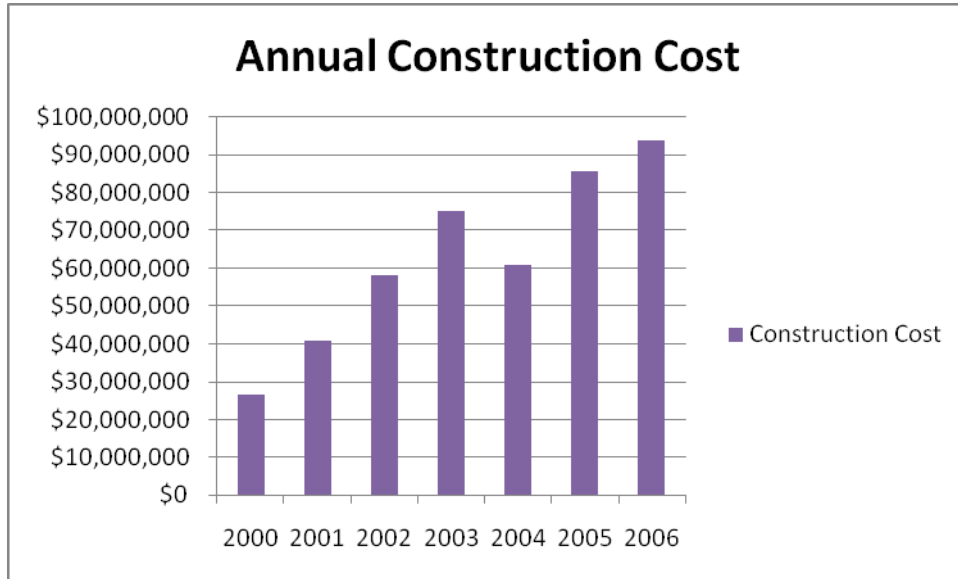


⁶⁰ Office of Economic and Demographic Research: Monroe County.

Table 19: Yearly Building Permits and Constructions costs for Monroe County⁶¹

Year	Buildings	Units	Construction Cost
2000	198	203	\$26,657,586
2001	231	232	\$40,921,924
2002	241	335	\$58,152,524
2003	281	430	\$75,122,292
2004	378	383	\$60,801,785
2005	515	538	\$85,845,889
2006	436	457	\$93,785,066

Figure 18: Construction Costs for Yearly Building Permits in Monroe County⁶²



⁶¹ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

⁶² Ibid.

ORANGE COUNTY



ECONOMICS

Demographics

The state's fifth most populous county, Orange County is home to Orlando. The county had an estimated population of 1,105,603 in 2007. Population grew faster in Orange than in the state. Between 2000 and 2007 the growth rate was 23.3% in the county versus 16.9% in the state. Growth from the previous year was 2.4% for Orange versus 1.8 for Florida. Orange County has a very racially diverse population: 63% of its residents are White of all origins, 20% are Black or African-American and 24.3% of the population⁶³ is Hispanic or Latino of any race.

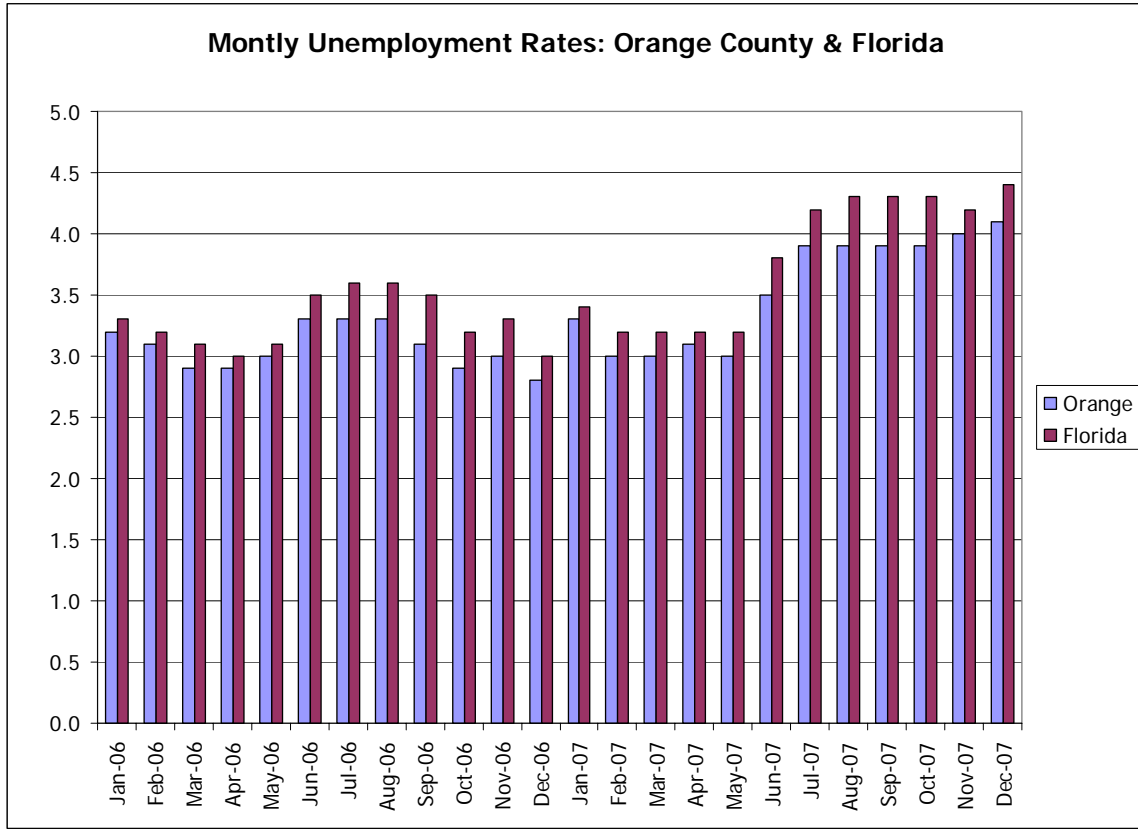
Income Statistics

Orange County had a median household income of \$48,986 (in 2006 inflation-adjusted dollars) in 2006. The median family income was \$56,498 and the per capita income was \$25,239⁶⁴. Orange has a robust labor market—shown in Figure 19 below—as measured by its unemployment rates. Unemployment rates for Orange were consistently below state rates throughout 2006 and 2007. The average unemployment rate has increase however from an average of 3.1% for the period January 2006-June 2007 to an average of 4% for the second half of 2007.

⁶³ U.S. Census Bureau: American FactFinder.

⁶⁴ U.S. Census Bureau: American FactFinder.

Figure 19: Orange County and Florida Monthly Unemployment Rates⁶⁵



REAL ESTATE

Single-Family Existing Homes

Realtor sales of existing homes and condominiums describe the market well since they account for approximately 75% of all home purchases nationwide. The single-family existing homes market in Orange exhibits the same behavior as other large counties. Relatively modest changes in prices are associated with big changes in the number of units sold. An average decrease in prices of 5% in 2007 is associated with an average reduction of 35% in the number of units sold in the same period. The number of units demanded is very sensitive to changes in prices such as in counties like Miami-Dade or Broward. The fact that both prices and quantities are falling suggests a retraction in demand. The biggest drop in prices was in December 2007 (13%) accompanied by a decrease in the number of units sold of 37% (Table 20), both relative to the same month of the previous year. The biggest drop in the number of units sold was in September 2007 with 48% together with a drop of 12% in prices.

⁶⁵ Bureau of Labor Statistics. (www.labor.gov) and Florida Agency for Workforce Innovation.

Table 20 - Realtor Sales and Median Sales Prices: Orange County^{66,67}
(Single-Family, Existing Homes)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-06	2116	-6	254100	35	Jan-07	1385	-35	259900	2
Feb-06	2210	-16	257200	36	Feb-07	1529	-31	263500	2
Mar-06	2768	-21	259700	32	Mar-07	1822	-34	250100	-4
Apr-06	2491	-26	263100	34	Apr-07	1609	-35	250300	-5
May-06	2898	-21	267000	22	May-07	1729	-40	252700	-5
Jun-06	2800	-21	266300	10	Jun-07	1595	-43	258100	-3
Jul-06	2281	-27	266800	8	Jul-07	1484	-35	258000	-3
Aug-06	2221	-35	261000	5	Aug-07	1472	-34	249300	-4
Sep-06	2015	-35	265000	6	Sep-07	1049	-48	233800	-12
Oct-06	1917	-29	267100	5	Oct-07	1227	-36	238500	-11
Nov-06	1705	-36	263600	4	Apr-07	1108	-35	239000	-9
Dec-06	1790	-34	260800	2	Dec-07	1134	-37	226100	-13

Existing Condominiums

The figures on existing condominiums paint an even dimmer picture of real estate market conditions in Orange County (Table 21). The average decrease in prices in 2007 relative to the previous year was 5%. Unit sold dropped 56%. The biggest drop in price registered in November 2007 with 18% and the biggest drop in units sold occurred in December 2007 with 66%.

Table 21 - Realtor Sales and Median Sales Prices: Orange County⁶⁸
(Existing Condominiums)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-06	439	137	185100	42	Jan-07	247	-44	166900	-10
Feb-06	432	95	164400	27	Feb-07	225	-48	170300	4
Mar-06	630	124	159600	18	Mar-07	259	-59	163500	2
Apr-06	486	61	166100	10	Apr-07	207	-57	154500	-7
May-06	468	10	163300	1	May-07	177	-62	155600	-5
Jun-06	502	12	161600	-4	Jun-07	188	-63	156900	-3
Jul-06	408	15	169600	-4	Jul-07	179	-56	147700	-13
Aug-06	344	-40	167500	-8	Aug-07	164	-52	156500	-7
Sep-06	366	-38	163400	-17	Sep-07	131	-64	163000	0
Oct-06	262	-39	163800	-13	Oct-07	131	-50	160400	-2
Nov-06	276	-41	171800	-6	Apr-07	125	-55	140600	-18
Dec-06	320	-42	163600	-5	Dec-07	108	-66	152300	-7

⁶⁶ Florida Association of Realtors. (<http://media.living.net/statistics/statisticsfull.htm>)

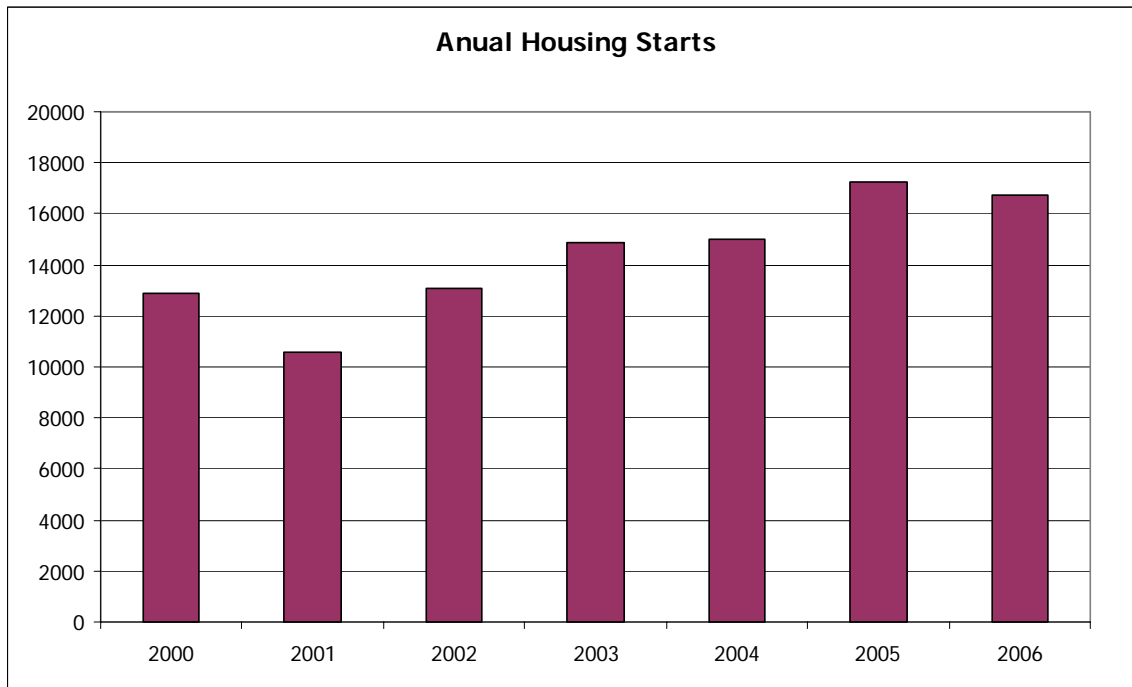
⁶⁷ Data from the Cape Coral Association of Realtors is not available for October 2007.

⁶⁸ Ibid.

New Homes

New constructions in Orange County have steadily increased since 2000. They reached their peak in 2005. Housing starts have begun their decline in Orange County in 2006. Monthly figures for building permits and construction costs during 2007 show a further drop in construction.

Figure 20 – Housing Starts for Orange County⁶⁹

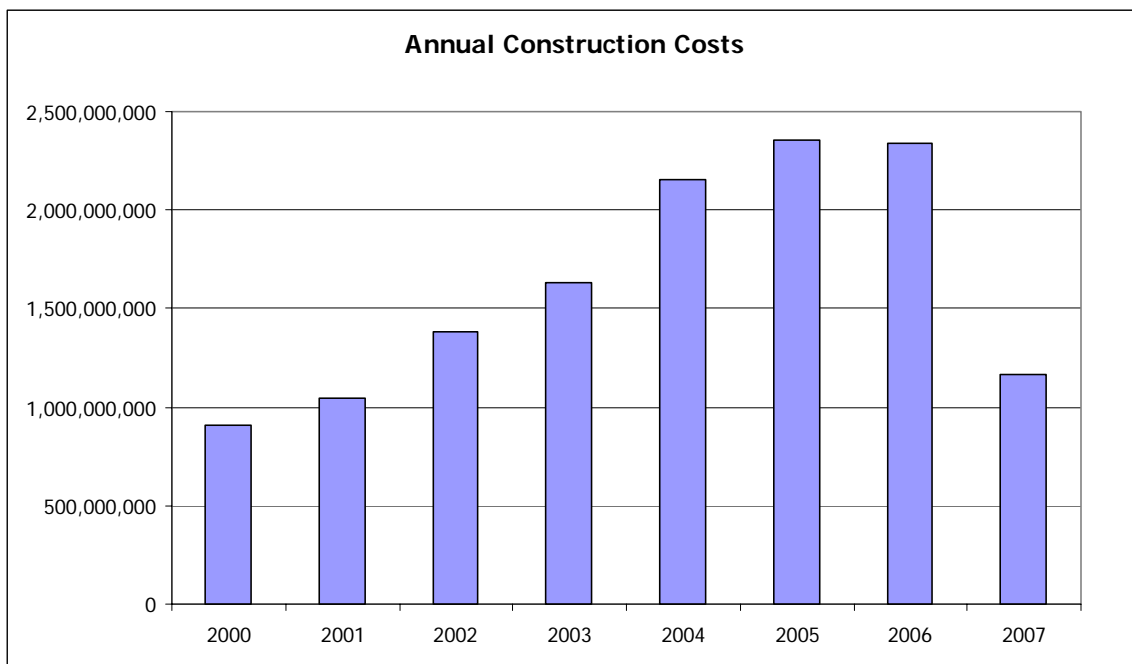


⁶⁹ Florida Legislature, Office of Economic and Demographic Research. (<http://EDR.state.fl.us>)

Table 22 - Building Permits and Construction Costs for Orange County⁷⁰

Year	Buildings	Units	Construction Cost
2000	6,474	10,239	907,845,193
2001	7,585	10,738	1,046,780,937
2002	8,442	13,667	1,380,381,743
2003	10,210	13,950	1,631,140,360
2004	11,925	14,628	2,154,997,634
2005	11,303	17,220	2,357,377,351
2006	9,817	14,146	2,341,793,658
2007	4,275	8,160	1,166,637,063

Figure 21 – Construction Costs for Yearly Building Permits in Orange County⁷¹



⁷⁰ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

⁷¹ Ibid.

Table 23 – 2007 Building Permits, Units and Construction Costs for Orange County⁷²

Month/Year	Buildings	Units	Construction Cost
Jan-07	366	477	80,578,693
Feb-07	368	582	81,143,577
Mar-07	565	1,185	157,962,563
Apr-07	485	1,260	150,776,947
May-07	514	733	121,179,785
Jun-07	461	557	95,680,503
Jul-07	362	867	122,824,513
Aug-07	393	840	123,893,615
Sep-07	206	308	51,409,014
Oct-07	212	659	84,000,840
Nov-07	164	172	36,168,827
Dec-07	179	520	61,018,186

⁷² U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

PALM BEACH COUNTY



ECONOMICS

Demographics

Palm Beach County is home to the cities of Boca Raton, Boynton Beach, and West Palm Beach. It is the third most populous county in Florida behind Miami-Dade and Broward. The estimated population in 2007 was 1,295,033 persons which represent an increase of 14.5% since 2000, lower than the state rate. Whites of all origins represent 73.9% of the population while 12.4% are Black or African-American. Hispanic or Latinos of any race account for 16.7% of the population⁷³.

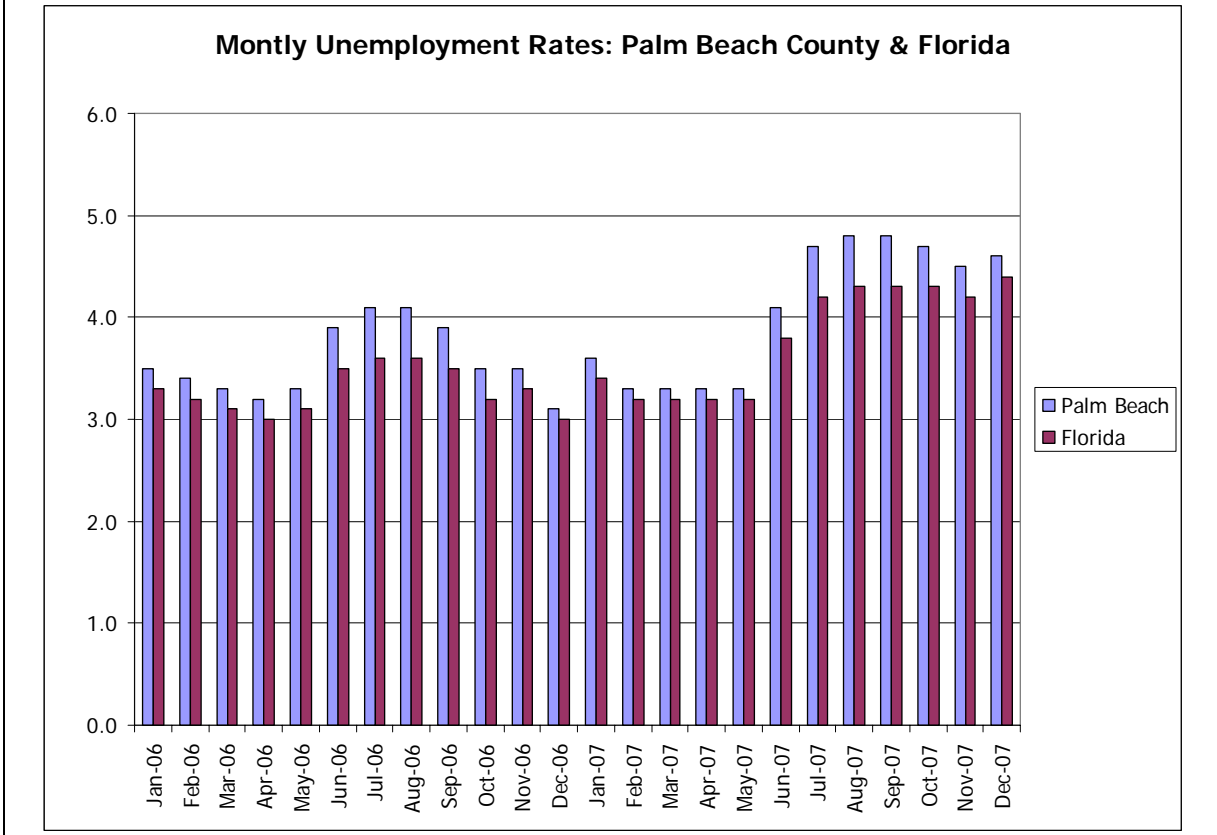
Income Statistics

Palm Beach County had a median household income of \$51,677 (in 2006 inflation-adjusted dollars) in 2006. The median family income was \$62,603 and the per capita income was \$30,497⁷⁴. Figure 21 shows labor market conditions in Palm Beach County. Unemployment rates were consistently above state rates throughout 2006 and 2007. The average unemployment rate has increase however from an average of 3.5% for the period January 2006-June 2007 to an average of 4.7% for the second half of 2007, 0.4% higher than the State's rates.

⁷³ U.S. Census Bureau: American FactFinder.

⁷⁴ U.S. Census Bureau: American FactFinder.

Figure 21: Palm Beach County and Florida Monthly Unemployment Rates⁷⁵



REAL ESTATE

Single-Family Existing Homes

Realtor sales of existing homes and condominiums describe the market well since they account for approximately 75% of all home purchases nationwide. The single-family existing homes market in Palm Beach exhibits the same behavior as other large counties. Relatively modest changes in prices are associated with big changes in the number of units sold. An average decrease in prices of 4% in 2007 is associated with an average reduction of 19% in the number of units sold in the same period. The number of units demanded is very sensitive to changes in prices but not a much as in counties like Miami-Dade or Broward. The fact that both prices and quantities are falling suggests a retraction in demand. The biggest drop in prices was in December 2007 (8%) accompanied by a decrease in the number of units sold of 23% (Table 24), both relative to the same month of the previous year. The biggest drop in the number of units sold was in September 2007 with 27% together with a drop of 5% in prices.

⁷⁵ Bureau of Labor Statistics. (www.labor.gov) and Florida Agency for Workforce Innovation.

Table 24 - Realtor Sales and Median Sales Prices: Palm Beach County^{76,77}
(Single-Family, Existing Homes)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-06	586	-39	393700	9	Jan-07	496	-15	388000	-1
Feb-06	707	-22	391000	11	Feb-07	560	-21	374300	-4
Mar-06	929	-33	393700	6	Mar-07	725	-22	375100	-5
Apr-06	804	-43	386500	4	Apr-07	665	-17	376300	-3
May-06	982	-26	391000	0	May-07	741	-25	387800	-1
Jun-06	947	-39	405500	0	Jun-07	764	-19	377900	-7
Jul-06	714	-44	390100	0	Jul-07	605	-15	372200	-5
Aug-06	655	-50	386000	-6	Aug-07	568	-13	366200	-5
Sep-06	566	-53	365500	-9	Sep-07	471	-17	355300	-3
Oct-06	618	-2	365600	-12	Oct-07	450	-27	348300	-5
Nov-06	525	-45	370400	-12	Apr-07	459	-13	345700	-7
Dec-06	607	-18	368200	-10	Dec-07	467	-23	337900	-8

Existing Condominiums

The figures on existing condominiums are more eclectic (Table 25). The average decrease in prices in 2007 relative to the previous year was 11%. Unit sold dropped 8%, but months of severe drops (September '07, 29%) mix with months of increase in the number of units sold (April '07, 20%). The biggest drop in price registered in December 2007 with 8% and the biggest drop in units sold occurred in September 2007 with 29%.

Table 25 - Realtor Sales and Median Sales Prices: Palm Beach County⁷⁸
(Existing Condominiums)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-06	409	-32	209100	31	Jan-07	381	-7	213100	2
Feb-06	535	-14	220800	31	Feb-07	462	-14	209600	-5
Mar-06	706	-24	224600	25	Mar-07	650	-8	211800	-6
Apr-06	522	-50	222300	14	Apr-07	646	24	218400	-2
May-06	552	-40	218900	10	May-07	613	11	217400	-1
Jun-06	512	-41	208100	0	Jun-07	529	3	201500	-3
Jul-06	509	-28	231300	18	Jul-07	440	-14	178200	-23
Aug-06	515	-33	220300	18	Aug-07	435	-16	209000	-5
Sep-06	504	-31	220500	13	Sep-07	360	-29	180000	-18
Oct-06	447	12	225500	4	Oct-07	392	-12	158900	-30
Nov-06	420	-23	219800	8	Apr-07	347	-17	177400	-19
Dec-06	508	24	215700	2	Dec-07	419	-18	161400	-25

⁷⁶ Florida Association of Realtors. (<http://media.living.net/statistics/statisticsfull.htm>)

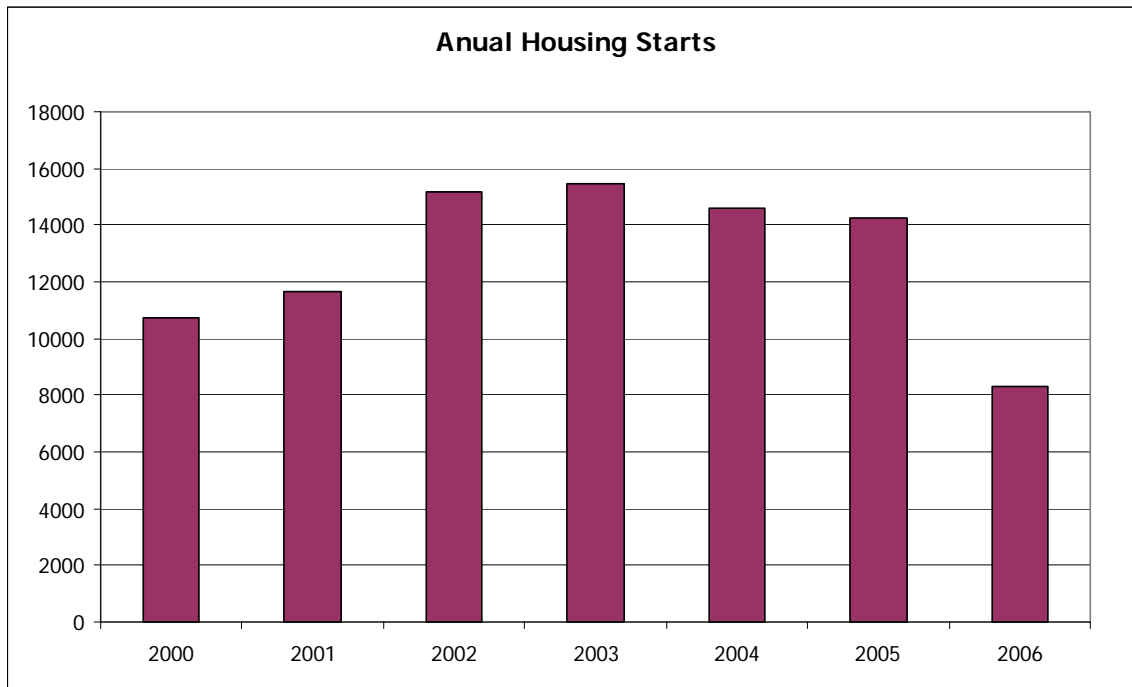
⁷⁷ Data from the Cape Coral Association of Realtors is not available for October 2007.

⁷⁸ Ibid.

New Homes

New constructions in Palm Beach County have steadily increased since 2000. They reached their peak in 2003. Housing starts have begun their decline in 2004. Annual figures for building permits and construction costs show a similar drop in construction. Monthly figures for 2007 however show a rebound starting in October.

Figure 22 – Housing Starts for Palm Beach County⁷⁹

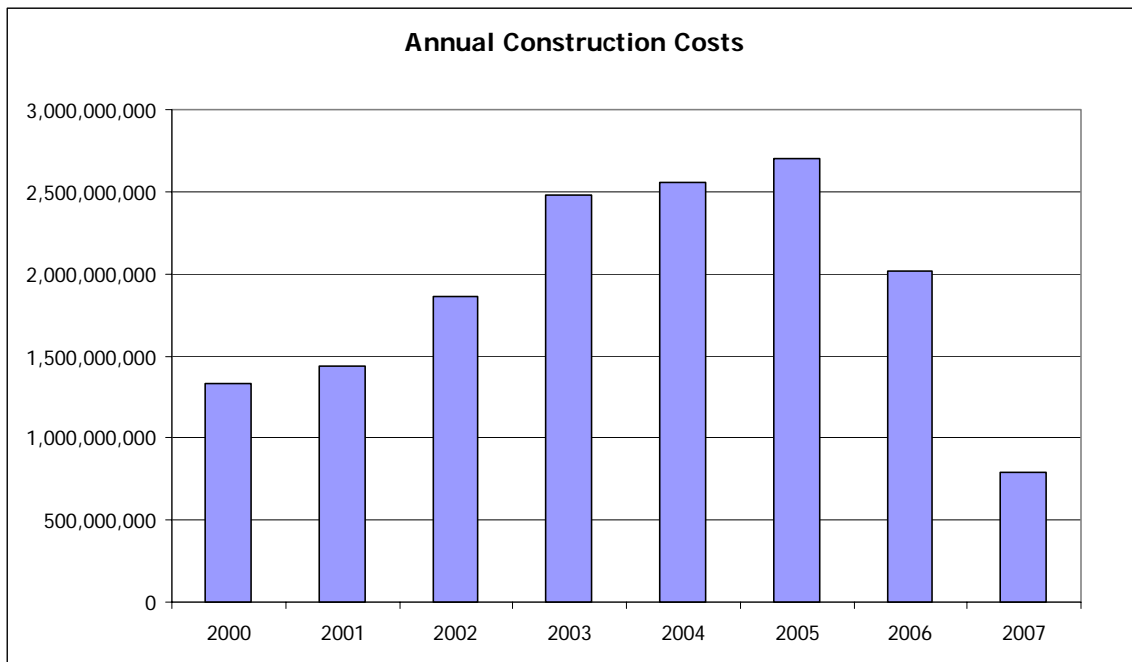


⁷⁹ Florida Legislature, Office of Economic and Demographic Research. (<http://EDR.state.fl.us>)

Table 26 - Building Permits and Construction Costs for Palm Beach County⁸⁰

Year	Buildings	Units	Construction Cost
2000	7,016	10,504	1,331,562,915
2001	7,722	10,775	1,440,204,486
2002	9,707	12,960	1,865,551,157
2003	11,150	15,844	2,481,609,070
2004	10,581	14,519	2,553,192,784
2005	8,960	12,491	2,702,573,590
2006	4,874	8,377	2,016,999,525
2007	2,031	2,938	790,337,386

Figure 23 – Construction Costs for Yearly Building Permits in Palm Beach County⁸¹



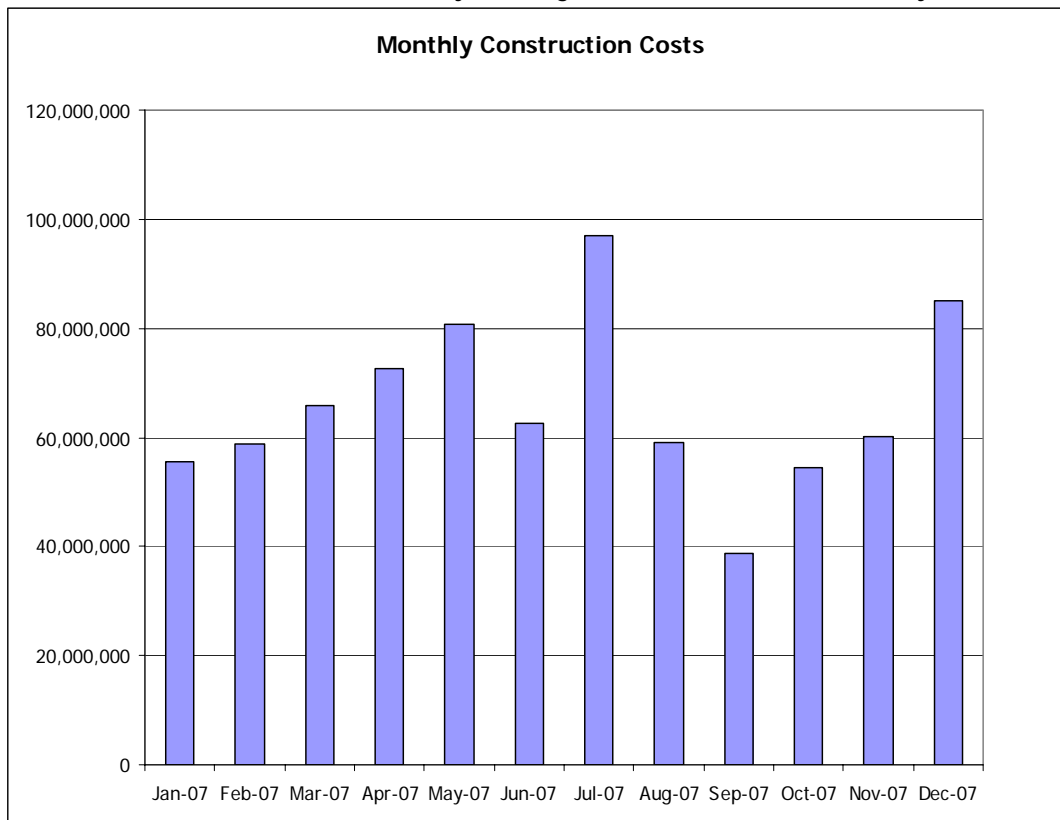
⁸⁰ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

⁸¹ Ibid.

Table 27 – 2007 Building Permits, Units and Construction Costs for Palm Beach County⁸²

Month/Year	Buildings	Units	Construction Cost
Jan-07	73	193	55,520,293
Feb-07	172	251	58,829,448
Mar-07	201	251	65,931,168
Apr-07	191	231	72,674,560
May-07	180	348	80,620,813
Jun-07	183	228	62,513,897
Jul-07	255	350	96,955,504
Aug-07	207	273	59,145,445
Sep-07	141	207	38,646,364
Oct-07	130	156	54,429,567
Nov-07	156	204	60,117,867
Dec-07	142	246	84,952,460

Figure 24 – Construction Costs for Monthly Building Permits in Palm Beach County⁸³



⁸² U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

⁸³ Ibid.

PINELLAS COUNTY



ECONOMICS

Demographics

Pinellas County is located on Central Florida's West Coast. It is the home of 5.1% of Florida's residents making it the sixth most populous county in the state. Pinellas County is home to the cities of St. Petersburg, Largo and Clearwater. The estimated population in 2007 was 944,199 residents. The growth rate from 2000 is a meager 2.5%, well below the State rate of 16.9% for the same period. Whites, including Hispanics, represent 84.3% of Pinellas population. Blacks account for 9.7% of the population. Hispanics of all races represent only 6.7% of the population⁸⁴.

Income Statistics

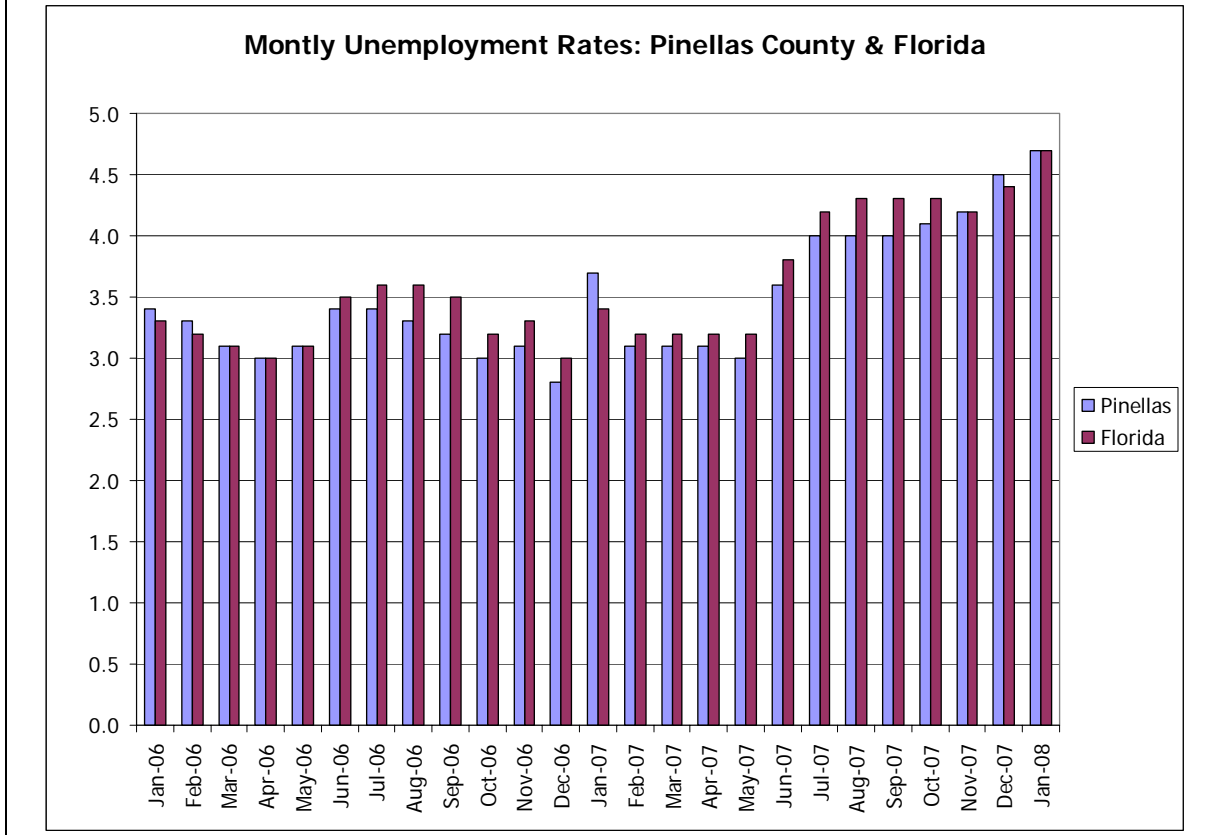
As of 2007, Pinellas County had a median household income of \$41,945 (in 2006 inflation-adjusted dollars). The median family income was \$55,031 and the per capita income was \$26,860⁸⁵.

Pinellas has a robust labor market—shown in Figure 25 below—as measured by its unemployment rates. The county rates have been, in general, slightly below State figures. During the second half of 2007 and January of 2008 the unemployment rate increased from an average of 3.2% to an average of 4.2% following the national trend.

⁸⁴ U.S. Census Bureau: American Fact Finder.

⁸⁵ U.S. Census Bureau: American Fact Finder.

Figure 25: Pinellas County and Florida Monthly Unemployment Rates⁸⁶



REAL ESTATE

Single-Family Existing Homes

These figures are reported at the source with those of Hillsborough County in the Tampa Metropolitan Statistical Area.

Existing Condominiums

These figures are reported at the source with those of Hillsborough County in the Tampa Metropolitan Statistical Area.

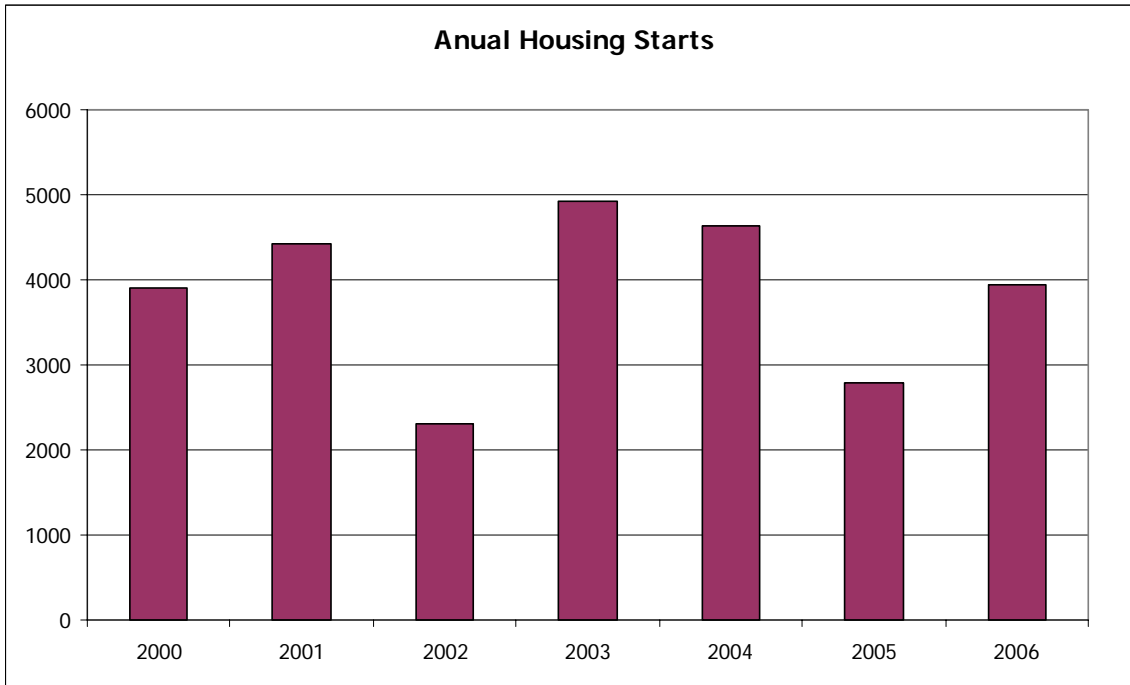
New Homes

Housing starts in Pinellas County do not show a clear trend of what has occurred in the market for new homes. While most counties exhibit a positive trend up to 2005 and

⁸⁶ Bureau of Labor Statistics. (www.labor.gov) and Florida Agency for Workforce Innovation.

then a sharp decline, the figures for Pinellas show erratic behavior and numbers for 2006 higher than those of 2005. Annual construction costs show a pattern more consistent with the general trend. Figure 26 and Table 28 help to illustrate these different growth patterns. Building permits were 36% down in 2006 and an additional 48% in 2007, both relative to the previous year.

Figure 26 – Housing Starts for Pinellas County⁸⁷

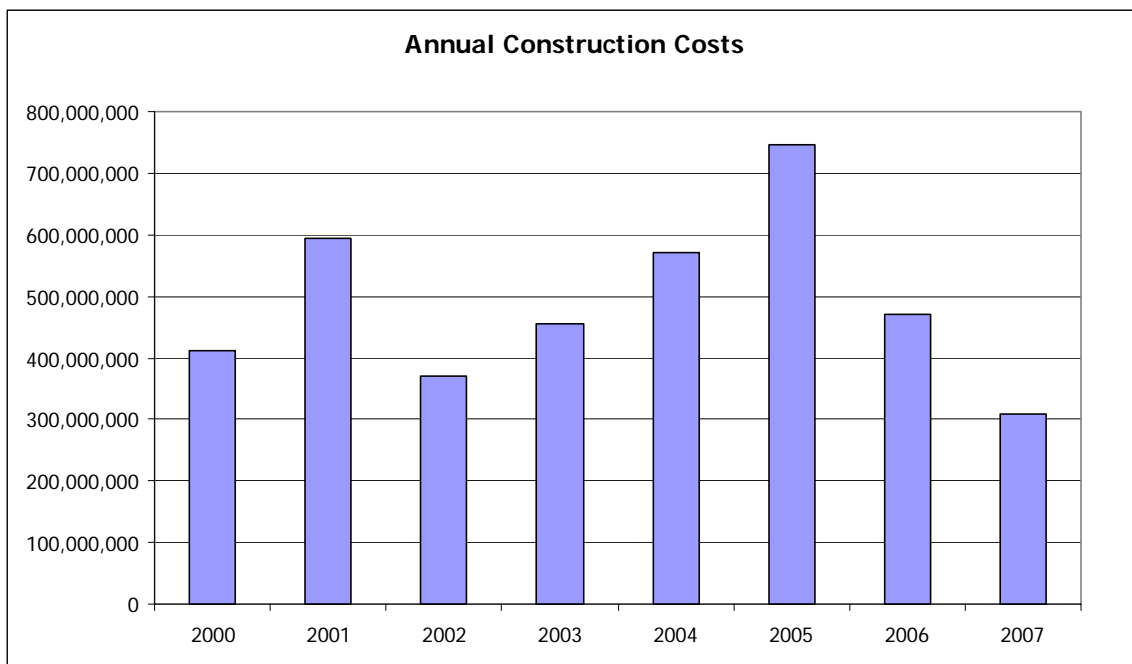


⁸⁷ Florida Legislature, Office of Economic and Demographic Research. (<http://EDR.state.fl.us>)

Table 28 - Building Permits and Construction Costs for Pinellas⁸⁸

Year	Buildings	Units	Construction Cost
2000	1,870	2,776	410,941,371
2001	2,233	4,405	594,242,253
2002	1,696	2,336	369,255,592
2003	1,802	3,543	455,614,479
2004	2,321	3,569	571,103,499
2005	2,823	3,871	747,009,261
2006	1,808	2,180	471,088,197
2007	642	1,135	309,344,548

Figure 27 - Construction for Yearly Building Permits in Pinellas County⁸⁹



⁸⁸ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

⁸⁹ Ibid.

Table 29 – 2007/2008 Building Permits, Units and Construction Costs for Pinellas County⁹⁰

Month/Year	Buildings	Units	Construction Cost
Jan-07	71	78	23,231,353
Feb-07	69	69	21,135,235
Mar-07	67	83	31,355,604
Apr-07	61	347	75,764,305
May-07	57	64	14,052,847
Jun-07	37	51	17,831,229
Jul-07	47	50	16,192,577
Aug-07	57	73	20,236,963
Sep-07	40	166	46,349,970
Oct-07	52	52	15,558,230
Nov-07	34	43	11,081,668
Dec-07	50	59	16,554,567
Jan-08	45	45	18,868,283

⁹⁰ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

ST. LUCIE COUNTY



ECONOMICS

Demographics

St. Lucie is in the east cost of Florida in a region known as Treasure Coast. Its main cities are Port St. Lucie, Fort Pierce and St. Lucie Village. The estimated population in 2007 was 271,961 inhabitants. The population growth between 2000 and 2007 was 41.1%, almost two and a half times the rate of the state of Florida (16.9%). Whites of all races represent 76.8% of the population⁹¹. Blacks or African-Americans represent 16.7% and Hispanic or Latinos of any race 14.1%.

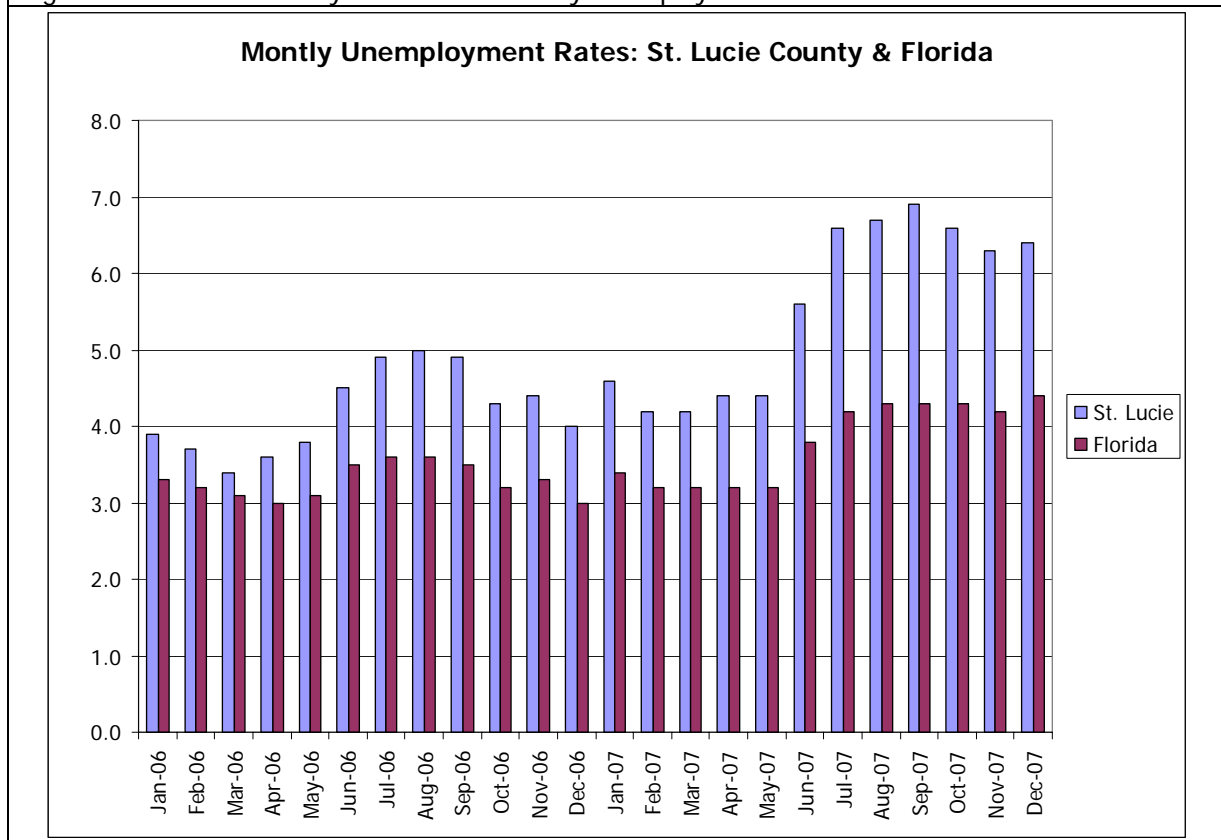
Income Statistics

St. Lucie County had a median household income of \$44,974 (in 2006 inflation-adjusted dollars) in 2006. The median family income was \$52,467 and the per capita income was \$23,008⁹². These figures are lower than those of the state. St. Lucie does not have a robust labor market as other counties of Florida (Figure 28). Unemployment rates for St. Lucie were consistently above state rates throughout 2006 and 2007, an average of 1% for the period January 2006-June 2007 and 2.3% for the rest of 2007. Like in other counties and the state the average unemployment rate has increase from an average of 4.3% for the period January 2006-June 2007 to an average of 6.6% for the second half of 2007.

⁹¹ U.S. Census Bureau: American FactFinder.

⁹² U.S. Census Bureau: American FactFinder.

Figure 28: St. Lucie County and Florida Monthly Unemployment Rates⁹³



REAL ESTATE

Single-Family Existing Homes

Realtor sales of existing homes and condominiums describe the market well since they account for approximately 75% of all home purchases nationwide. The single-family existing homes market in St. Lucie shows big changes in prices are associated with even bigger changes in the number of units sold. An average decrease in prices of 12% in 2007 is coupled with an average reduction of 31% in the number of units sold in the same period. The fact that both prices and quantities are falling suggests a retraction in demand. The biggest drop in prices was in December 2007 (18%) accompanied by a decrease in the number of units sold of 25% (Table 30), both relative to the same month of the previous year. The biggest drop in the number of units sold was in March, April and October 2007 with 41% together with a drop of 7, 4 and 17% in prices respectively.

⁹³ Bureau of Labor Statistics. (www.labor.gov) and Florida Agency for Workforce Innovation.

Table 30 - Realtor Sales and Median Sales Prices: St. Lucie County^{94,95}
(Single-Family, Existing Homes)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-06	343	-23	261500	14	Jan-07	252	-27	241000	-8
Feb-06	401	6	262100	17	Feb-07	252	-37	239000	-9
Mar-06	573	-19	258000	10	Mar-07	338	-41	239700	-7
Apr-06	491	-28	253200	4	Apr-07	290	-41	242600	-4
May-06	519	-22	252300	0	May-07	315	-39	228500	-9
Jun-06	513	-33	257500	-1	Jun-07	316	-38	237100	-8
Jul-06	400	-39	259000	-2	Jul-07	371	-7	231300	-11
Aug-06	387	-48	251900	-6	Aug-07	287	-26	214200	-15
Sep-06	336	-46	244300	-9	Sep-07	258	-23	202000	-17
Oct-06	367	10	242400	-8	Oct-07	218	-41	201000	-17
Nov-06	305	-34	247600	-5	Apr-07	230	-25	206300	-17
Dec-06	330	-27	240000	-9	Dec-07	249	-25	196800	-18

Existing Condominiums

The figures on existing condominiums in St. Lucie County (Table 31) show smaller changes on average but more volatility. The average decrease in prices in 2007 relative to the previous year was only 4% but is a combination of increases and decreases in prices. The same is true for the number of units sold. They dropped 3%. The biggest drop in price registered in August 2007 with 21% and the biggest drop in units sold occurred also in August 2007 with 36%.

Table 31 - Realtor Sales and Median Sales Prices: St. Lucie County⁹⁶
(Existing Condominiums)

Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price	Month/Year	Realtor Sales (Units)	% Change in Sales	Median Sales Price	% Change in Price
Jan-06	62	-40	211500	27	Jan-07	51	-18	225000	6
Feb-06	61	-38	218100	1	Feb-07	60	-2	186700	-14
Mar-06	87	-34	186300	-1	Mar-07	87	0	202300	9
Apr-06	71	-51	179100	-1	Apr-07	83	17	163800	-9
May-06	85	-17	202100	-2	May-07	118	39	220800	9
Jun-06	63	-50	230400	14	Jun-07	65	3	229500	0
Jul-06	59	-37	188300	4	Jul-07	48	-19	166700	-11
Aug-06	84	-26	226700	15	Aug-07	54	-36	180000	-21
Sep-06	51	-45	221900	5	Sep-07	50	-2	225000	1
Oct-06	53	-31	225000	10	Oct-07	46	-13	225000	0
Nov-06	53	-2	174000	0	Apr-07	68	28	185000	6
Dec-06	78	34	192000	-11	Dec-07	52	-33	153300	-20

⁹⁴ Florida Association of Realtors. (<http://media.living.net/statistics/statisticsfull.htm>)

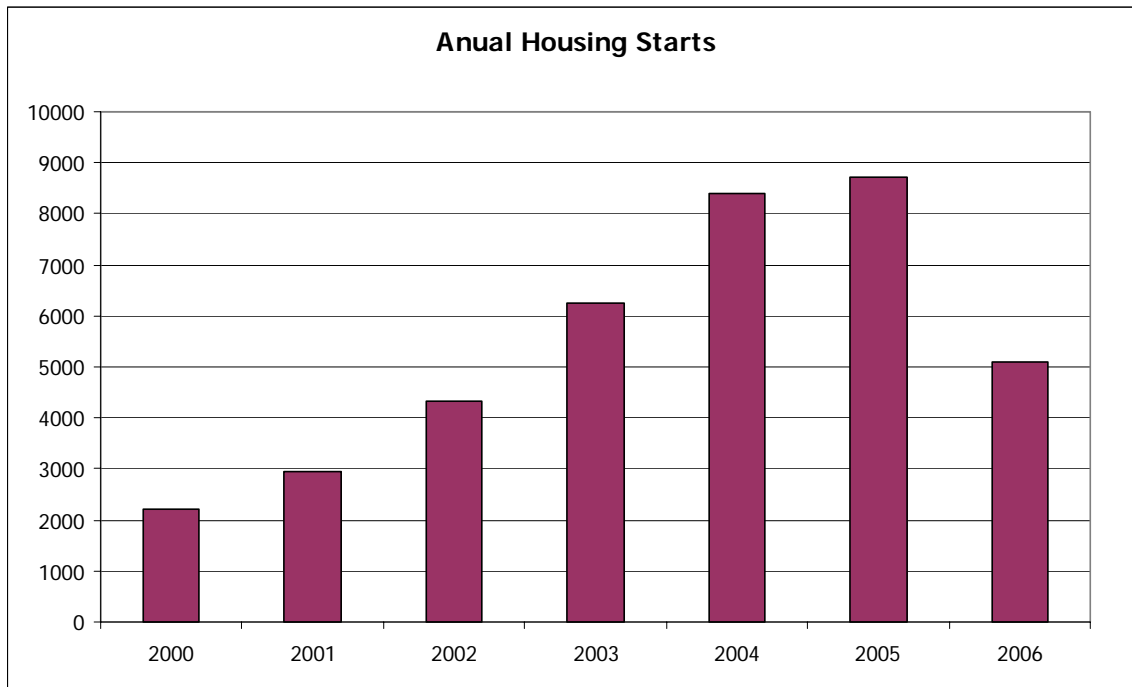
⁹⁵ Data from the Cape Coral Association of Realtors is not available for October 2007.

⁹⁶ Ibid.

New Homes

New constructions in St. Lucie County have steadily increased since 2000. They reached their peak in 2005. Housing starts have begun their decline in St. Lucie County in 2006. Monthly figures for building permits and construction costs during 2007 show a further drop in construction.

Figure 29 – Housing Starts for Sr. Lucie County⁹⁷

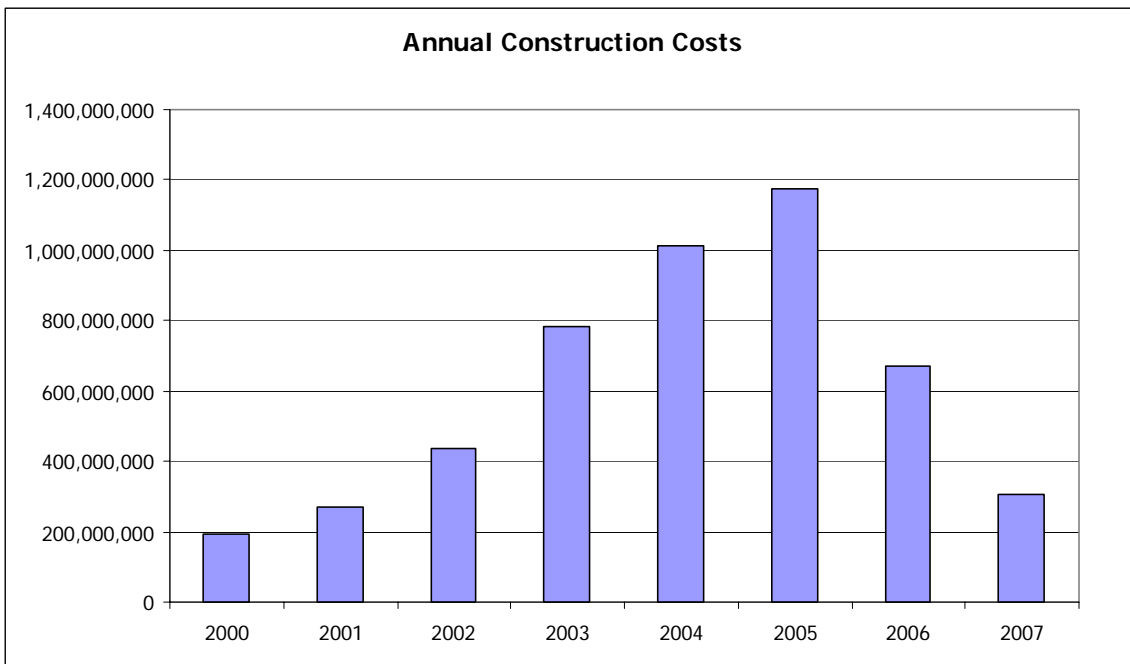


⁹⁷ Florida Legislature, Office of Economic and Demographic Research. (<http://EDR.state.fl.us>)

Table 32 - Building Permits and Construction Costs for St. Lucie County⁹⁸

Year	Buildings	Units	Construction Cost
2000	1,752	2,093	193,996,935
2001	2,201	2,770	271,359,820
2002	3,391	4,555	436,757,882
2003	6,902	7,684	782,331,748
2004	7,739	9,097	1,011,950,385
2005	8,095	8,776	1,175,738,322
2006	4,713	5,364	670,852,479
2007	1,723	2,042	307,356,243

Figure 30 – Construction Costs for Yearly Building Permits in St. Lucie County⁹⁹



⁹⁸ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

⁹⁹ Ibid.

Table 33 – 2007 Building Permits, Units and Construction Costs for St. Lucie County¹⁰⁰

Month/Year	Buildings	Units	Construction Cost
Jan-07	178	258	43,570,217
Feb-07	112	172	22,237,578
Mar-07	202	232	35,520,457
Apr-07	212	231	33,337,004
May-07	196	228	26,222,029
Jun-07	197	197	29,998,051
Jul-07	128	149	25,268,378
Aug-07	112	131	21,047,929
Sep-07	88	88	15,969,723
Oct-07	91	105	18,219,944
Nov-07	125	150	19,252,225
Dec-07	82	101	16,712,708

¹⁰⁰ U.S. Census Bureau: Monthly New Privately-Owned Residential Building Permits.

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