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# The truth about Northeast Florida real estate.



A few reasons Northeast Florida's housing outlook is positive

**1** The June issue of *Florida Trend* reported that "While the day-to-day headlines will continue to focus on the pain in the market, the broader context of Florida's real estate story is somewhat more hopeful. Housing prices have, in many markets, adjusted quickly to more or less 2003 levels. The free fall in prices has given way to the emergence of a slow, 'bumping-along-the-bottom'-type market that will see inventories of for-sale homes shrink back to normal levels over the next couple of years."

**2** There are bargains to be found. According to *Forbes.com*, "Jacksonville didn't go through an obscene speculation boom, making its recovery cycle far less daunting than other Florida spots. Job growth isn't outstanding, about average for the cities we measured, but the foreclosure rate is lower than any of the Florida cities we looked at, making the high inventory rate more likely to improve than get worse."

**3** In the March 26 issue of *Financial News & Daily Record*, Florida economist Hank Fishkind said that although Northeast Florida isn't immune to the recession, "it's non-real-estate-based economy keeps the area more insulated than other parts of the country. The area's banking, insurance and 'back office' industry helps negate some of the real estate slowdown...Jacksonville is still better off than other parts of the state where growth is virtually stagnant...The housing market will be better in 2009 and better still in 2010."

**4** On August 3, *The Florida Times-Union* reported that the first half of 2008 ended with "monthly upticks" in the numbers of new and existing home sales and median prices. "It's a powerful indicator of market momentum that we're starting to move in a (positive) direction," said Ray Rodriguez, owner of the Real Estate Strategy Center of North Florida, Inc. "Time will tell if it's a trend, but it's something good to value for the time being."

**5** Job growth is anticipated in the Jacksonville area. Jacksonville was ranked #26 in *Forbes' 100 Best Cities for Jobs* in 2008.

**6** *The Florida Times-Union* recently reported that area inflation is less than the rest of the country. The paper also reported that giant shipping company, Mitsui O.S.K., will add 1,800 new jobs to Northeast Florida this year with approximately 4,000 spin-off jobs. According to Ron Littlepage, "...those new jobs will help the housing market rebound." Littlepage also reported that another Asian shipping company, Hanjin of Korea, could have another terminal up and running in three years. "That, of course, would mean even more new jobs that would further strengthen Jacksonville's economy."

**7** Unemployment rates – and interest rates – are low. And the good news continues. According to *The Florida Times-Union*, "Deutsche Bank has chosen Jacksonville for a 1,000-employee office, giving the city another high-impact addition to its financial services industry." Jerry Mallot, executive director of Cornerstone – an economic development partnership program of the Jacksonville Chamber of Commerce – "called Deutsche Bank a 'major deal' for Jacksonville...Deutsche Bank will fill out its 1,000-employee hub by the end of 2011 with an average wage of \$49,200."

**8** We have an excellent overall quality of life. In February, *Bizjournals* ranked Jacksonville ninth in its top ten list of the nation's 50 largest metro areas for "least stressful areas." The ranking was based on pollution levels, climate, crime, unemployment rate, finances (including income levels and monthly home payments) and health.

**9** Northeast Florida real estate is more affordable and more competitive than most areas of the state. However, with experts predicting that our local housing market will hit the bottom this year, these great prices aren't going to last indefinitely.

**10** Consumers with good credit can still easily get loans. There are currently great opportunities out there for buyers and, according to the experts, all of these signs are indicating a turnaround.



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## More truths about Northeast Florida's real estate climate

### What you already know...

- National real estate sales were down in 2007.
- Local and national media reports have been quite negative.

### You may be surprised to learn...

- Although sales were significantly down throughout Northeast Florida last year, 2007 was the fourth highest year for area sales for the past two decades.
- The Northeast Florida real estate market is already beginning to stabilize.

### The experts say...

- *Forbes* is high on Jacksonville. The city was ranked eighth in *Forbes.com's 10 Best Cities for Bargain House-hunters* and ninth in its *Best Cities to Buy a Home*. Jacksonville also ranked third in the publication's list of *America's Cleanest Cities* and fourth in its compilation of *America's Best Cities for the Outdoors*.

### About those economic indicators...

- As *The Florida Times-Union* reported, area inflation is less than the rest of the country.
- *Financial News & Daily Record* reports that Jacksonville Mayor John Peyton gives high marks to the port, which

he anticipates will play a vital role in the area economy over the foreseeable future, citing that completion of the Panama Canal Widening project in 2015 will quickly make the Jacksonville port the third largest on the East Coast.

- A recent editorial in the *Jacksonville Business Journal* stated, "Deutsche Bank is not the only European company showing an interest in setting up business in Jacksonville. Prospects talking with the Regional Chamber of Commerce include a major cold storage logistics company, a European container shipping line, two French aerospace manufacturers and two British companies. They could add up to 500 more high-paying jobs to the 1,000 that Deutsche Bank is bringing to the local economy..."

### The experts have spoken and the verdict is in...

- The Northeast Florida real estate market is stabilizing.
- Experts expect Northeast Florida to recover quicker than other areas of the state.
- Our economic indicators support these facts.

### The bottom line...

- While buying or selling may not be the solution for everyone, consumers need to be armed with the facts.
- Current conditions are favorable for buyers with abundant inventory and continuing low interest rates.
- Current conditions won't last indefinitely since research indicates that prices are stabilizing and in some cases increasing.
- Home ownership continues to be a wise investment. According to the National Association of Realtors (NAR), the average return on a five percent down payment over 10 years is usually three to five times greater than stock market returns. NAR also concludes that real estate has delivered the most consistent positive return over any investment over the past 40 years.



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