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TAMPA BAY Business Journal

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Tampa to see housing market recovery by 2010, economist says

Tampa Bay Business Journal - by [Michael Hinman](#) Staff writer

The Tampa housing market isn't expecting to rebound this year as population declines and struggling employment numbers continue to be coupled with excess inventory.

But 2010 could be the year when many clouds surrounding the housing market lift, said economist Hank Fishkind in his annual Attorneys' Title Insurance Fund real estate forecast. "Both the national and Florida economies are mired in the worst recession since the Great Depression," Fishkind said when he released the report Tuesday.

Recovery on the national level isn't expected to begin until the end of this year, Fishkind said. "Locally, however, recovery will take longer, as there is always a lag between changing national economic conditions and local improvements," he said.

"It will take time for people in the Midwest and Northeast, which are the main sources of Florida's population growth, to recognize and act on changing economic conditions," Fishkind said. "As a result, Florida is unlikely to experience expanded migration until the middle of 2010 at best."

Population growth in Hillsborough County slowed from 33,000 new residents in 2006 to just 9,000 last year, Fishkind said. Employment shrank by 10,000 jobs in the county during 2008, compared to a 16,000-position growth in 2005.

Housing starts dropped from a peak of more than 14,000 in 2006 to less than 4,000 in 2008. While starts are expected to tick up slightly in 2009, Fishkind said it's not likely there will be much of a rebound until 2010 and 2011 when starts are projected to climb above 6,000.

Single-family home sales bottomed in 2008 with 9,495 units changing hands, Fishkind said, predicting that the average price will remain below \$250,000 through 2010, before beginning a new climb in 2011. Condominium closings also will rise beginning in 2010 with the average price climbing from \$157,000 in 2008 to \$275,000 by 2012, Fishkind said.

The average price for existing single-family homes in Pasco County dropped 41 percent from \$280,100 in 2005 to \$166,500 last year. While they won't reach 2005 highs, prices are expected to inch back up to just under \$200,000 by 2011, Fishkind said.

It's not looking as optimistic in Pinellas County, however, where drops in both population and employment

over the last two years are taking their toll. Housing sales will remain slow there through 2012, although average prices are expected to climb from \$244,000 to just over \$275,000 by 2012.

Pasco will see a slight bump in new single-family home sales in 2009, but that county will continue to see drops after that through 2012, Fishkind said. Average prices of new homes in Hernando, Hillsborough, Pasco and Pinellas counties are expected to step up only slightly over the next three years.

After 5,700 new condos were sold in 2006 in Hillsborough, only 329 are expected to sell by 2012, Fishkind said. Pinellas will continue to see a significant drop in new condo sales over the next four years with average prices remaining flat.

Going into 2008, Fishkind had projected that 320,600 units would close in Florida, but the year ended with just fewer than 226,000 changing hands, he said. There had been an expectation to see a bump of up to 13 percent in market performance for both new and existing single-family homes, but the economic downturn and the credit crunch actually resulted in a drop of 22 percent in existing home sales and 41 percent of new home sales across the state.

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