

**RECENTLY SOLD HOMES | G5**

View latest home transactions broken down by ZIP code.

**CREATIVE SPACE | G2**

Designers are turning shipping containers into living space.

**COMMERCIAL PROPERTY | G4**

Company pays \$855,000 for office/showroom in Punta Gorda.

# Real Estate

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## REAL ESTATE VOICES

Community Life:

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### A way to limit number of investor-rental units

Changes to the declaration of condominium may be best way to limit rental rights **G6**

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### Job growth to reveal market's bottom

When we stop losing jobs, we'll stop gains in foreclosures, and boost market **G7**

## REAL ESTATE BRIEFS

## Homeowners want more bang for buck

### People are making cost-effective upgrades

McClatchy News Service

**CHICAGO** — Fewer homeowners may be starting complete kitchen remodels, but they're still replacing countertops and refacing cabinets.

They're also investing in improvements to make their homes more energy-efficient, according to a recent home

remodeling and repair report by ServiceMagic.com. Others are splurging on hot tubs and home theaters after realizing that they may be in their homes for some years to come — and want to make them as comfortable as possible.

"People are not going bigger and better, but improving what they have more cost effectively," said Craig Smith, CEO of ServiceMagic, a Web site that connects homeowners to pre-screened contractors. For

instance, instead of buying new furniture, they're repairing what they have. Or they're deep cleaning the carpet in lieu of replacing it.

All for good reason: Money is tight, lending standards strict and in a sluggish housing market you might not recoup as much of your remodeling investment at resale.

Home improvement spending is expected to decline 12 percent in 2009, according to Harvard University's Joint Center for

Housing Studies. Lower financing costs may be starting to stabilize the downturn in existing home sales, but "they have not been enough to offset rising unemployment and falling consumer confidence and encourage homeowners to undertake major home improvement projects," said Kermit Baker, director of the Remodeling Futures Program at the Joint Center, in a news release.

See **REMODEL G2**

### \$750,000: HOW MUCH HOME CAN YOU GET?



# Job growth will reveal when market has hit bottom

Values may start to come back in '11

Scrooge is now cool. It's a discount world today. Just about everyone is looking to do things more cheaply.

Frugal spending habits have dramatically changed business models across the country. Restaurants seem to be ground zero on this new frontier catering to us misers. Menus are changing to be more affordable. Bar menus are expanding to offer more low-priced choices.

Even the world's most expensive restaurants are at the forefront of this change. Celebrated Chef



Alain Ducasse's "Benoit" restaurant in New York City now offers deviled eggs for \$1 each in his bar. How can McDonald's or the local VFW possibly compete? I bet it's a darn fine deviled egg, too.

Real estate is in the same boat as restaurants. Buyers want the deal of the century. Sellers are shopping for generic antacids in bulk. What a world we live in. Roughly half of the closed real estate transactions in the U.S. this year have been

foreclosures or short sales. The popping of our housing bubble started this downward spiral of real estate values and turned our economy upside down. The continued loss of jobs is sustaining this downward spiral of real estate values as foreclosures continue on their evil pace.

When will it end? When will we hit bottom?

Answer: Real estate values will stabilize when foreclosures slow and cease to dominate our real estate market. Forget about real estate values going up anytime soon. We just look forward to stopping the bleeding followed by a long, lazy peri-

od of stabilization as we get used to these new price levels.

The key indicator now is jobs. When we stop losing jobs, we will stop gaining foreclosures. In 2008, 29 percent of all foreclosures were caused by people losing their jobs, according to Economy.com. Its economists expect 60 percent of all foreclosures to be caused by loss of jobs in 2009. Recent reports of continued job losses across the country do not give one that warm, fuzzy feeling of confidence that we all seek. According to Fishkind & Associates, Lee County lost 2,400 jobs in 2007, lost 11,000 jobs in 2008 and projects a loss of

8,500 jobs in 2009.

## THE GOOD NEWS

Florida economist Hank Fishkind projects positive growth of 660 jobs in 2010 and positive growth of 4,600 jobs in the year 2011. If these job projections prove close to correct, our real estate values will continue to spiral downward at a slightly slower pace through 2009 with a stabilization (or "bottom") in 2010.

Lee County real estate values would then start to grow again at an ever-so-cautious pace in 2011. Lee County has the dubious honor of having one of the highest rates of fore-

closures in the country. Therefore, we are a bellwether for the rest of the country.

The quicker we turn the corner, the quicker the rest of the country will turn the corner in front of us. Many eyes are watching us for the slightest signs of recovery. The first good signs in Lee County will be a slowing of job losses and a slowing of foreclosures. A good sign in New York City will be seeing the \$1 deviled egg come off the bar menu at Benoit.

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