### HomeFinder Search listings for new construction, existing homes, lots and raw land.

**CREATIVE SPACE | G2** 

Designers are turning shipping

containers into living space.

**BECENTLY SOLD HOMES | G5** View latest home transactions broken down by ZIP code.

# **Real Estate**

#### SUNDAY, MAY 31, 2009

### **REAL ESTATE** VOICES



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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



### Job growth to reveal market's bottom

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

REAL ESTATE DDIECC

## 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, nects homeowners to preaccording to a recent home screened contractors. For

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 con-

remodeling and repair report by instance, instead of buying new Housing Studies. Lower financfurniture, 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.

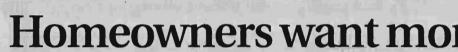
Home improvement spending is expected to decline 12 percent in 2009, according to Harvard University's Joint Center for

ing 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.

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See **REMODEL** G2





**COMMERCIAL PROPERTY** G4 Company pays \$855,000 for office/showroom in Punta Gorda.

# Job growth will reveal when market has hit bottom

foreclosures or short sales.

The popping of our hous-

ing bubble started this

downward spiral of real

our economy upside

estate values and turned

down. The continued loss

of jobs is sustaining this

downward spiral of real

estate values as foreclo-

sures continue on their

will we hit bottom?

ues will stabilize when

foreclosures slow and

estate market. Forget

about real estate values

going up anytime soon.

We just look forward to

stopping the bleeding fol-

lowed by a long, lazy peri-

When will it end? When

Answer: Real estate val-

cease to dominate our real

evil pace.

# 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

#### Commercial Connection: MARK ALEXANDER

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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 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-socautious pace in 2011. Lee County has the dubious honor of having one of the highest rates of foreclosures in the country. Therefore, we are a bellwether for the rest of the country. The quicker we turn the corner, the quicker the rest

\*\*\* THE NEWS-PRESS, REAL ESTATE, SUNDAY, MAY 31, 2009 | G7

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.

— Mark Alexander, CCIM, is senior medical office adviser at Sperry Van Ness in Fort Myers. Contact him at 826-4174 or marka@svn.com.