

**MARKET NEWS**  
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# REAL ESTATE

WEEK OF JUNE 14-20, 2007

A GUIDE TO THE GREATER FORT MYERS REAL ESTATE INDUSTRY

## Housing market dips; upturn expected

### Expert: home sales should get better by year's end

SPECIAL TO FLORIDA WEEKLY

A national real estate trade group said that it expects sales of existing homes in the U.S. to drop 4.6 percent. Earlier predictions pegged the decline at about 2.2 percent.

However, the good news is; a gradual upturn will become more pronounced by the end of the year, according to the latest forecast by the National Association of Realtors. Southwest Florida's real estate market has been struggling since 2006 following unprecedented growth in the early years of this century.

Lawrence Yun, NAR senior economist, said the market is relatively soft. "Overall housing levels are historically strong, but sales remain sluggish compared to the recent boom," he said. "Home sales will probably fluctuate in a narrow range in the short run, but gradually trend upward with improving activity by the end of the year. It's important to keep in mind that all real estate is local, and many markets

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are expected to have higher sales and strengthening prices during the second

half of this year."

Existing-home sales are projected to total 6.18 million in 2007 and 6.41 million next year, in contrast with 6.48 million in 2006. New-home sales are forecast at 860,000 this year and 901,000 in 2008, down from 1.05 million last year. Housing starts are likely to total 1.43 million units in 2007 and 1.49 million next year, below the 1.80 million recorded in 2006.

The national median existing-home price should ease by 1.3 percent to \$219,100 in 2007 before rising 1.7 percent next year. The median new-home price will probably fall 2.3 percent to \$240,800 this year, and then grow by 2.6 percent in 2008.

"We continue to experience a temporary distortion in comparing median existing-home prices," Yun said. "Because the sales volume has shifted from many high-cost areas to moderately priced markets, we're not getting a true apples-to-apples comparison. When you look at other measures, such as this week's price index from Freddie Mac which is based on repeat sales, overall home prices are rising slowly."

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investment is an added benefit to their shelter expense. If so, that investment generally will build a nice nest egg over time, especially if they use a traditional mortgage instrument that reduces debt," Yun said.

The 30-year fixed-rate mortgage is likely to increase to 6.6 percent in the third quarter and then hover at that level through 2008.

"Because of reductions in home sales and new home construction, the economy will expand at a subpar pace in 2007," Yun said. "As housing market conditions improve going into 2008, the economy will reach back to its growth potential next year." Growth in the U.S. gross domestic product is estimated at 2.0 percent this year, lower than the 3.3 percent growth in 2006. Yun forecasts GDP to grow 3.0 percent in 2008.

The unemployment rate is projected to average 4.6 percent in 2007, unchanged from last year. Inflation, as measured by the Consumer Price Index, is expected to decline to 2.5 percent this year, down from 3.2 percent in 2006. Inflation-adjusted disposable personal income is likely rise 2.8 percent this year, compared with a 2.6 percent increase in 2006. ■

## High-rise under construction



COURTESY RENDERING

Artist's rendering of the Moraya Bay Beach Tower just under construction in North Naples. Units in the condominium begin at just over \$3 million.

Construction has commenced on the Moraya Bay Beach Tower, an 11-story beachfront luxury high-rise on Vanderbilt Beach in North Naples developed by Signature Communities, Inc.

Glenn Griffin, the vice president of sales and marketing for Signature Communities, said construction of the Moraya Bay Beach Tower is expected to take approximately two years. When completed, the Beach Tower will consist of 72 luxury condominium residences in

nine residential stories over two parking and amenities levels. Eight floor plans will be offered, all of which will be three-bedrooms/three-and-a-half bath designs ranging from approximately 4,000 to 4,500 square feet of living area. Prices start at \$3.275 million. Information about the Moraya Bay Beach Tower is available at the information and sales center, 465 Bluebill Ave., one block west of Vanderbilt Drive. ■

## \$6 million model home underway

Harwick Homes' newest custom single-family model home, The Pavia, will showcase the lake and nature preserve views of its homesite in the Bonita Bay Group's Mediterra project. The five-bedroom, five-and-one-half-bath home, now under construction in Mediterra's Bello Lago neighborhood, is expected to be completed next summer.

Mediterra is the 1,697-acre master-planned community in North Naples.

The single-story Pavia will offer 5,887 square feet of air-conditioned living space and 9,041 total square feet, including an entry portico, covered lanai, private patios off two guest rooms, and one- and two-car garages serviced by a side-loading motor court.

The model will feature interior design by Collins & DuPont Interior Design and is expected to be priced at \$6 million, fully furnished. ■



COURTESY RENDERING

The Pavia, a \$6-million model home, is being built in Mediterra, Bonita Bay Group's master-planned community in North Naples.