

## Florida home prices to increase 10 percent by end of year 2012

by Kim Miller

The chief economist of the National Association of Realtors said this morning he predicts Florida existing home prices to jump 10 percent by the end of 2012 as inventories decrease and investors battle for what remains of income-producing properties.

Lawrence Yun, who is speaking at the International Economic Forum of the Americas, Palm Beach Strategic Forum, was optimistic that real estate in hard hit states, such as Florida, Nevada and Arizona has largely hit bottom and are on the way back up.

“Compared to other parts of the country, the Florida market, particularly the South Florida market, is recovering very rapidly from over supply to a shortage of inventory,” Yun said to a group of about 100 people attending a conference on the overall health of the real estate market. “That clearly implies we will begin to see some modest turnaround.”

At least one report released today appears to support Yun’s prediction. Realtors.com said the median list price for a Palm Beach County home was up 15 percent in March to \$225,000 compared to the same time last year. Nationally, the median list price was up 5.5 percent during the same time period.

The forum, held at the Palm Beach County Convention Center, includes a variety of speakers today on sustainable energy, economic, social and political changes in Latin America, the economic impact of new trade routes, and real estate.

Yun’s sales price prediction will be good news to Florida home sellers, but likely questioned by market watchers who foresee the foreclosure shadow inventory crashing any nascent recovery.

But Yun maintained the shadow inventory is also receding with fewer mortgages going bad.

“We’d welcome some of those foreclosures to come on the market,” said Summer Greene, president of Florida Realtors. “When you put a foreclosure on the market you have two, three and four offers coming in.”

One statement no one would argue with is Yun’s observation that “America has suffered through one of the wildest housing cycles that anyone can remember.”

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