

**Dr. P. Phillips Institute  
for Research and Education in Real Estate**

**Real Estate Appreciation in Single-Family Homes in Central Florida: December 2011 Update,**  
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This report summarizes updates of quarterly and annual single-family house prices for Central Florida metropolitan areas. The Federal Housing Finance Agency (FHFA) house price index matches repeated sales of the same properties over time in order to keep construction quality constant. The index is based on houses with conforming mortgages financed or refinanced by Fannie Mae and Freddie Mac, which omits the approximately 20% of mortgages that fall into the jumbo category above the conforming loan limits. It also omits cash sales of houses.

The FHFA house price indices for the Orlando metropolitan area and Brevard and Volusia counties indicate year-over-year third quarter declines of -10.85%, -8.02%, and -10.29% respectively. Prices from second to third quarter of 2011 actually rose very slightly for Orlando and Brevard, 0.63% and 0.57% respectively. While Volusia fell by a relatively modest -1.35%; overall this indicates pricing may be reaching a bottom in the Central Florida region.

Home affordability is cited as a potential cause of the stabilization of prices. Mortgage rates have been around and even below 4% making loan payments very affordable to those who qualify. In fact, according to the ACCRA Cost of Living Index, Orlando's housing cost rated 80.1 compared to national average of 100. Orlando's housing cost index had been as high as 115.6 in the fourth quarter of 2005.

To download the complete report summarized here, please use the following address:

[http://mbacf.org/pdf/2011/Central\\_FL\\_RE\\_Appreciation\\_DEC\\_2011\\_Update.pdf](http://mbacf.org/pdf/2011/Central_FL_RE_Appreciation_DEC_2011_Update.pdf)

**About the author:** Professor Stanley D. Smith has an extensive background in real estate finance with publications in the leading professional journals *Mortgage Banking*, *The Appraisal Journal*, *Real Estate Appraiser and Analyst*, *Property Tax Journal*, *Assessment Digest*, *American Banker*, *Journal of Retail Banking*, *Magazine of Bank Administration*, *Federal Home Loan Bank Board Journal*, and *Credit Union Executive* and major academic journals *Real Estate Economics*, *Journal of Real Estate Finance and Economics*, *Journal of Real Estate Research*, *Housing Finance Review*, *Urban Studies*, and *Journal of Financial and Quantitative Analysis*. He has also served on the editorial boards for *Real Estate Economics* and *Financial Services Review*.

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