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What's up with Central Florida Real Estate? Surprise: Jobs!, *Real Estate Notes*, No. 4, March 2012.

Geoffrey K. Turnbull, Professor and the Jim-Heistand-NAIOP Eminent Scholar Chair in Real Estate, University of Central Florida

The bursting of the housing price bubble in 2007 was the trigger for the subsequent financial crisis and recession, so it should not be surprising that real estate jobs took a proportionally bigger hit from the downturn than did jobs in other industries. This has certainly been the case for the nation as a whole. The table below reports private sector job gains and losses over 2000-2010, the last year being the most recent for which complete data is available from the U.S. Bureau of the Census. A comparison of U.S. job gains/losses in real estate (reported in the second column) with changes in total private employment (reported in the last column), shows relatively greater job losses in real estate than other industries. The percentage loss of real estate jobs in the economy ranges from 0.6% in 2007 up to 4.2% in 2009 before improving to a loss of only 0.1% in 2010. Over the same period, total private employment rose 0.8% in 2007 before declining 2.3% and 4.2% in 2008 and 2009, respectively. Total job growth returned at the national level in 2010, with an increase of 1% during the year.

Table. Annual percentage changes in private sector employment for Orlando-Kissimmee-Sanford MSA and U.S.

Year	Real Estate Employment *		Total Private Employment **	
	MSA	U .S .	MSA	U .S .
2001	-3.1 %	1.2 %	7.8 %	-1.4 %
2002	12.2	2.0	-4.7	-0.2
2003	8.1	1.7	2.3	-0.2
2004	3.1	2.3	11.6	1.9
2005	12.1	3.9	4.3	1.8
2006	9.5	1.3	11.4	1.6
2007	0.3	-0.6	-3.4	0.8
2008	0.3	-2.8	-1.5	-2.4
2009	1.1	-4.2	-8.6	-4.2
2010	2.6	-0.1	5.8	1.0

Notes:

*The Census Bureau definition of the real estate industry (NAICS 531) includes renting or leasing property, assisting buyers or sellers, managing properties, and conducting appraisals or providing “other real estate related services.” The industry definition also includes REITs primarily involved in leasing property. The industry definition does not include building construction or preparing land for development, activities that are instead included in the construction industry (NAICS 236 and 237).

**Includes private agricultural and forestry employment.

It would also seem reasonable to expect to find similar job loss patterns in the parts of the country hit particularly hard by the housing market collapse. Quite surprisingly, though, the Orlando metropolitan area experience does not fit the mold. The statistics reported in the table clearly show that the bursting housing price bubble and the recession that followed have taken a greater toll on metropolitan area total private employment (third column) than for the U.S. as a whole (fourth column); Orlando metropolitan area total private employment fell by 3.4%, 1.5% and 8.6% in 2007, 2008, and 2009, respectively while U.S. total employment continued to rise 0.8% in 2007 and fell 2.3% and 4.2% in 2008 and 2009. But the table also clearly shows that real estate employment in the Orlando region (first column in the table) actually increased each year from 2007 to 2010. Admittedly, the job growth in Orlando real estate proceeded at a glacial pace of only 0.3% during 2007 and 2008 before accelerating to 1.1% growth in 2009 and 2.6% in 2010. But even the modest gains in 2007 and 2008 contrast sharply with both the more rapid loss of real estate jobs in the U.S. and of all private sector jobs in the Orlando metropolitan area over the same years.

Real estate has been an important part of the central Florida economy for a long time. And while the collapse of the overheated housing market played a key role triggering the national economic downturn that followed, it nonetheless turns out that—at least for the Orlando metropolitan area—real estate has been a stabilizing influence on employment during these exceptionally turbulent times.

About the author: Geoffrey K. Turnbull is currently Professor and the Jim Heistand-NAIOP Eminent Scholar Chair in Real Estate at UCF. Previous academic appointments include Professor of Economics at Georgia State University and Professor of Economics and the C. J. Brown Distinguished Professor of Real Estate at Louisiana State University. His current research on real property markets focuses on housing and real estate brokerage, property rights issues in developed and developing countries, and the effects of taxation and regulation on urban land use and real estate markets. He has published extensively on these and related topics. Dr. Turnbull serves on the editorial boards of the *Journal of Real Estate Finance and Economics*, *Journal of Housing Economics*, and *Review of Regional Studies* and is a co-editor of the *Journal of Housing Research*.

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