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## Home values improve in SW Fla.

### Still overpriced, houses are a better buy than last year, according to survey

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Southwest Florida's homes are still overpriced — but they're a far better buy than they were a year ago, according to a national survey released this week.

Homes in Lee County, now the

95th most overpriced of 330 markets nationwide, were overvalued by 23.3 percent in the second quarter of 2007, compared to 38.8 percent a year earlier, according to the report by Global Insight/National City Corp.

In the same time period, prices in the area fell from a median sin-

gle-family-home price of \$298,700 to \$230,000.

The report uses a formula based on home prices, interest rates, household incomes, population densities and other factors to determine statistically normal house values.

The Naples area was still overpriced by 49.5 percent at \$376,000,

making it the 17th most overvalued market in the country. But that's still a big improvement from a year earlier, when it was ranked eighth: overpriced by 65.5 percent at \$393,600.

Charlotte County, in 54th place, was over by 32.6 percent with a median home price of \$193,900, improved from 56 percent over at

\$212,400.

The most overpriced market in the country is Madera, Calif., at 70.9 percent and \$311,400. At the other end of the spectrum is Dallas, undervalued 24.4 percent at \$137,000.

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■ Searchable database: Check on recently sold homes in Lee County

### HOMES VALUE

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Southwest Florida's numbers are cause for optimism, said Jamie Pirrello, president of Fort Myers-based Vision Homes USA.

"I actually felt, 'Wow, maybe we're finally approaching close to bottom,'" he said. "Clearly the amount we're overvalued has definitely decreased."

Prices are coming back to what people can actually afford to pay, he said.

"One of the reasons that things get overvalued is that they get out of alignment with incomes," Pirrello said. "If you look back a couple years, incomes haven't kept up with massive increases in price."

There's room for optimism, he said, noting that the price of land and home construction costs have been falling lately.

In Collier County, the improvement in pricing probably has more to do with an increase in the amount of homes for sale in the under-\$500,000 sector, said Spencer Haynes, a real estate agent with John R. Wood Realty and president of the Naples Board of Realtors.

"There has been a price correction, he acknowledged, but "besides that is a lot of the property has been in a more affordable range and guess what? The part of the market being sold has affected that survey and very positively."

It's hard for the survey to accurately reflect the Naples market, Haynes said, because it's

a resort area "where a majority are second homes, a great majority don't live here full time."

As for the future, Pirrello said any recovery of the market in Lee County will depend on reducing the inventory of 23,551 houses and condos that are for sale through Realtors here according to research by Ivy Zelman of Zelman & Associates.

That inventory is down 7 percent from six months ago, according to Zelman's research — the only one of the top 50 markets to show a reduction: San Jose, Calif., up 81 percent. was the worst off.

"At least maybe we are getting to bottom first," Pirrello said. "I have to have a little hope that the bottom is here."

### Overvalued homes

Here are the 10 most overvalued housing markets in the country, along with some Southwest Florida cities. The number indicates the percentage overpriced the median single-family home is. Some 330 housing markets were surveyed.

RANK	HOUSING MARKET	AMMOUNT OVERVALUED
1	Madera, Calif.	70.9%
2	Merced, Calif.	69.4%
3	Bend, Ore.	68%
4	Atlantic City, N.J.	63.8%
5	Prescott, Ariz.	61.4%
6	Miami	58.4%
7	Riverside/San Bernardino, Calif.	55.4%
7	Flagstaff, Ariz.	55.4%
9	St. George, Utah	53.5%
10	Medford, Ore.	52.3%
17	Naples	49.5%
54	Punta Gorda	32.6%
56	Sarasota	31.9%
95	Fort Myers/Cape Coral	23.3%

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