

Have Hurricanes Had An Effect On The Housing Market In The Sarasota/Bradenton Area?

First of all, I want to state the obvious and say YES hurricanes affect housing numbers. However, has it hurt the market? There are many reasons why over 1000 people every day make Florida their new home. Ask yourself why you are here; are you a native, a snowbird, a transplant or a work relocation? Regardless of why you're here or how you got here there is one commonality in all of us, we love this place!

So, let's look at the numbers behind all of the "media hype". The experts have reported a decline as high as 30%, while other so-called experts say there is less than a 5% dip. Where do these numbers come from and why do they vary? The old joke is, "The only two jobs you can have and be wrong 80% of the time is a meteorologist and an economist!"

By now you might be able to guess where this article is going. Listening to an economist give numbers about the state of Florida's housing market is like trying to decide whether or not to go to the beach by listing to a national weather forecast from New York. It is true that the market experienced a slowdown, but not for the reasons you might think. There are many moving pieces in a real estate transaction including, but not limited to, mortgage, title insurance, escrow agents, homeowners insurance, home inspectors, pest inspectors, surveyors, brokerages and not least of which buyers and sellers.

The reason for the slow down in sales can be attributed mainly to the availability of providers needed to transact the sale and the logjam created by everyone shutting down business for a week while the storm decides where it is going to go. While a "typical" transaction may take 30-45 days from contract to closing, a hurricane may delay the process by 30-60 days. In the business this is called "force majeure."

This not only delays the time it takes to close the transaction it forces a "blip" in the otherwise upward trend we have experienced for the last couple years.

Personally, I have surveyed hundreds of homeowners using social media and asked, "Does the threat of a hurricane discourage you from buying a home in Florida?" Over 80% responded "NO", while 10% answered "somewhat" and the remainder said yes. Many commented openly that tornados, earthquakes and floods were more of a concern than hurricanes.

You see most Floridians understand there is a price for paradise and with lifestyle or quality of life being number 1 or 2 for Florida home buyers the risk is worth the reward. Technology plays a big roll in forecasting the path and intensity of a storm and provides us much earlier warnings and allows us to make decisions sometimes weeks in advance compared to a siren or a knock on the door telling us to evacuate immediately.

The desire to live in paradise where the sun sinks into the blue abyss every night, the oceans and bays provide natures stress relief, warm winters help the aging bones and a favorable economy and tax structure continue to make Florida more desirable every day. Florida is open for business and will continue to grow and rebuild stronger than ever and we all will be better for it.

Barry Grooms is the 2017 Treasurer for Florida REALTORS, Florida's largest trade organization topping over 167,000 members with an annual budget of 19 millions dollars. He is slated to be Vice President of Florida REALTORS in 2018. His achievements include International Broker/Manager of the year for one of the world's largest real estate franchises. He is a student of public policy, legislative issues, finance and economics related to the real estate industry and frequently is a presenter at industry conferences and international events.



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