

# TORCANA

PRESS RELEASE JUNE 2011

## INVESTING IN FLORIDA?

### ARE YOU AWARE OF THE RECENT CHANGES IN THE PROPERTY MARKET?



#### PHOTO CAPTION

"Waterside at Coquina Key", St Petersburg offers apartments ranging from £33,750 for a 1 bed 1 bath apartment all the way up to £275,000 for a huge 3 bed 3 bath townhouse. All the properties have water views; and are located either by the sea, lake or by the wide, serene waterways. You can wake up to stunning views every morning and even watch dolphins swim and pelicans feed. Of great appeal are the boat slips that allow residents quick and easy access out into Tampa Bay and the Gulf of Mexico.

Prices range from circa £33,750 to £275,000

Gross rental returns range from £467 to £1246 per month depending on the size of the unit and time of the year. Currently discounts up to 70% are available.

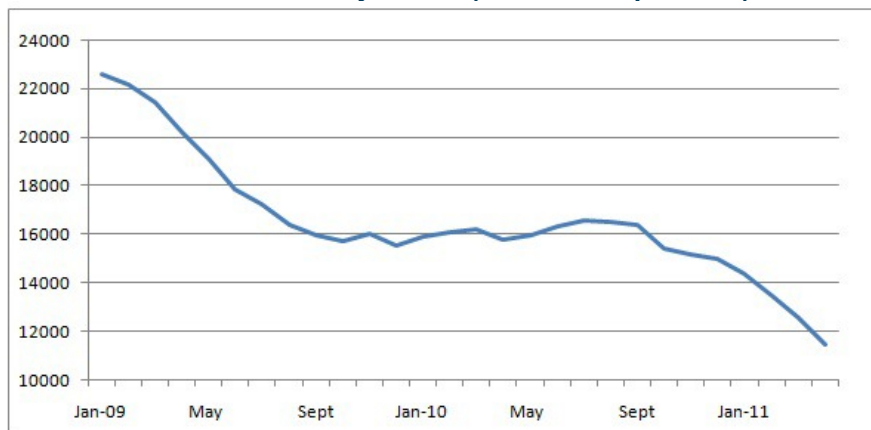
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“There are plenty of investors keen to purchase homes in the USA since the world recession, as the figures stack up very well indeed” says Colin Murphy, MD of Torcana, specialists in the US property market. “However, in recent months it has become harder, particularly in the Tampa and Orlando regions of Florida, to secure the quality properties in superior locations that are essential for long term capital growth and rental return.

The difficulty in securing top quality property at the right price is best illustrated by looking at the net numbers of properties available to purchase in Orlando over the past three years. These figures include short sales and foreclosures as well as regular market properties.”

**Orlando Inventory Levels (Jan 2009 - April 2011)**

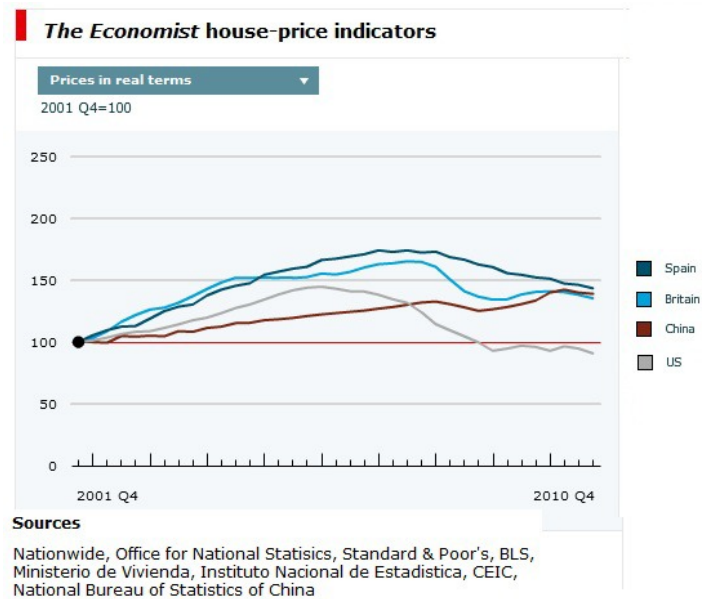


An example of the difficulties in securing property suitable for investors can be seen at Sanctuary at Bay Hill, a premium up market community which Torcana barely got around to launching before the homes were effectively snapped up by an investor group.

Continues Colin, “I, personally, have visited three Orlando communities in the past two weeks, none of which would survive a site visit from an experienced investor. Poor quality construction, terrible maintenance, bad locations and unrealistic prices were all in evidence. This is why “buyer beware” is important. There are some magnificent opportunities but you really do need to take time to visit personally or choose an established agent (with a verifiable track record) who has done the work for you before you commit”.

### USA - Prices fell faster and have recovered faster

The market crash in 2006-2007 resulted in the dramatic falls in property prices among many industrialised nations, but as the graph below illustrates, prices in the USA have both fallen further and stabilised for longer than other major nations.



Property needs to be considered above all at micro levels - you need to know the individual neighborhoods very well. However some important nationwide trends include:

- The ratio of house prices to rents is now well below its pre bubble level
- Vacancies are at a three year low
- Analysts expect rents to rise by 4% this year and next (*The Economist*)
- New foreclosures were 18% lower in Q1 2011 than Q1 2010
- The US economy added 600,000 new jobs between Feb-April and 1.3m new jobs in past 12 months. That is the rough equivalent of the UK adding 120,000 new jobs in 3 months.
- In Q1 2011, for the first time in 4 years, more mortgage borrowers caught up with their payments than fell further behind.

## WHY INVEST IN FLORIDA?

“I’ve said many times and I strongly believe that no other location in the western hemisphere can match Florida's unique combination of a strategic geographic position, strong knowledge base, state-of-the-art infrastructure, entrepreneurial spirit, and concentration of corporate, financial and tourist resources” adds Colin.

“This is a diverse, wealthy and resilient economy with a very safe and secure legal system that has been protecting foreign buyers for decades. The availability of a high quality of life, lots of space, great schools, universities and employment opportunities has encouraged wave after wave of professional workers to relocate here permanently”

### Florida & Orlando trends

- 17% more condos were sold throughout Florida in April 2011 compared to April 2010
- Foreclosure levels fell for seven months in a row between Oct 2010 - Apr 2011
- Existing home sales have increased in six of the past eight months - a clear sign of recovery
- The median sales price in April 2011 was \$140,300, a 4.3% increase from March 2011
- Florida’s population grew by 17.6% between 2000-2010. Only Texas and California grew faster.
- The number of monthly completed contracts is actually higher now than during the boom
- In Q1 2011, Orlando did not feature in the top 20 cities for new foreclosures for the first time in almost four years

Summing up, Florida is a superb place in which to invest however there is a continuing demand and a falling supply of quality properties and clients should be acutely aware before committing to purchase. There are magnificent bargains in certain locations, with some superior developments running at 28% of the original prices. These gems are becoming much more difficult to find however.

Currently available through Torcana :

“Waterside at Coquina Key”, St Petersburg.



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### **EDITOR'S NOTES**

*Colin Murphy, MD, Torcana, is a well known industry commentator with over 10 years experience in the property market and worked throughout Europe until 2008 when he founded Torcana, a successful Investment Consultancy.*

*Colin has been appointed as an official judge for the OPP 2011 Awards.*

*Colin Murphy is available to answer investment/property questions, do radio/TV interviews etc. Colin has appeared in a number of major national newspapers and specialised magazines in the UK and Ireland and is a regular contributor to Buy Association.*

*Currently deals in investment properties in Florida and renewable energy investments throughout Europe.*

### **PRESS**

**For further information, quotes, interviews, property details and high res. photos please contact Nightingales PR 01825 744091**

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