

## [Zillow Study of First Quarter 2011: Real Estate Values Fall - What Does It Mean to Florida Real Estate?](#)

Posted on May 10, 2011 by [Rosa Schechter](#)

The first quarter of 2011 research has been tallied, and real estate studies are being released to let us all know just where we stand nationally - and especially here in the Florida real estate market.

In particular, the May 2011 findings of Seattle-based Zillow, Inc. are making national news, and the results are grim. Zillow operates a real estate research web site ([Zillow.com](#)) which is well respected in the industry, and the latest Zillow market findings are being analyzed this week. It's not looking good.

Zillow's findings can be read in their entirety at the Zillow blog in a post entitled "[No Respite From Housing Recession in First Quarter](#)," written by Stan Humphries. According to Zillow:

*Because of the strong depreciation in the first quarter, we've revised our forecast for the total home value decline nationally in 2011 to 7-9 percent (previously 5-7 percent) and our forecast of the bottom from late 2011 to 2012 at the earliest. As always, our expectation post-bottom (where we define the bottom as the end of consistent monthly depreciation) is for a long period of below-normal real estate appreciation during which time we work out the remaining overhang of excess housing supply.*

Other industry leaders are in tandem with Zillow's findings. [Morgan Stanley and RealtyTrac Inc., both forecast a dismal 2011](#) - a year that may be the worst yet for Florida real estate.

The *Miami Herald*, in covering the Zillow study, reports that while home sales here in Florida are doing much better than the national average, the bad news for South Florida, in particular, is that fair market [value of South Florida homes are still in trouble and getting worse: they continue to drop](#). In fact, the *Herald* reports that South Florida values have dropped to the prices last seen in 2002 -- and that homes in places like Miami-Dade and Broward are worth less than half (55.4%) what they went for five years ago (2006).

### **Good news? Yes, Florida, there is some.**

Other studies are revealing that parts of Florida are seeing rising prices despite the national doom and gloom. According to the *U.S. News and World Report*, some Florida communities are among nine cities in the study that are not experiencing dropping prices.

While Zillow shows nationally that home values fell 3% in the first quarter of 2011 (the biggest drop in one quarter in three years), 9 of the 132 cities in the Zillow study went against the grain here. Among them are two Florida cities: [Fort Myers and Sarasota](#).

In Fort Myers, the first quarter of 2011 saw a rise in fair market value of real estate by 2.40% (the highest in the study) and Sarasota broke even. No rise, no fall.

If you're living or doing business in the Fort Myers area, the Zillow findings may not be so bad after all. And, no matter where you are in Florida, you may be a target for those looking for a good real estate deal.

As the [Palm Beach Post reports](#), all this gloom and doom is attracting lots of investors - including lots of international buyers - who have ready cash to put on the table for these properties.