

Florida Developers Building Apartment Complexes: Federal Reserve's Bernanke's New Plan to Help Banks Is Not Good News for Them

January 05, 2012 by [Rosa Schechter](#)

The beginning of 2012 is bringing lots of different forecasts relating to economic recovery in South Florida, and most of us agree that a sustainable recovery can only come after a turn around in the housing industry. Now, there are those who are proposing creative ways to boost housing and get things moving forward.

Like [Federal Reserve Chairman Ben Bernanke](#).

This week, Bernanke released his Big Idea for Housing: let banks move lots of those Real Estate Owned properties sitting on their books after foreclosures have been completed into an income-producing column on their books: rental properties.

[Read Bernanke's white paper here.](#)

It was sent yesterday to the Senate's Committee on Banking, Housing and Urban Affairs and it's [spreading like wildfire among news analysts](#) and industry leaders. Some are calling Bernanke's idea a "[game changer](#)."

Banks are sitting on a tremendous number of homes and paying the expense of their maintenance: why not rent them out and get some money coming in? Sounds great to a lot of people. And for many segments of our industry, this may provide an answer, but it is not positive news for everyone. If banks begin to throw their inventory of homes into the rental market, there may be adverse effects to others in the real estate and construction industries.

In Florida, Renting is Looking Good - for the Construction Industry

The [Fiscal Times reports](#) that real estate developers are already forecasting an increased popularity in renting as opposed to home ownership. Projects in development in Florida and elsewhere for multi-family dwellings are booming in today's bad economy: they are being built at three times the rate of single family homes.

Here in South Florida, apartments are especially popular in real estate development circles. As the Fiscal Times notes, we're already aware of development of [around 4000 rentals in Fort Lauderdale, Hollywood, and Plantation](#) alone.

It's not good news for those interested in planning and building these new multi-family homes to hear that banks are about to put "For Rent" signs all across the community in front of single family homes. With the right rent, many families will opt for those homes instead of renting an apartment.

Mr.. Bernanke's "Game Changer" may not be great news for everyone in South Florida after all.