

Florida dominates list of most overvalued housing markets

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Florida metros make up six of the 10 most overvalued housing markets in the nation, according to the latest report from researchers at Florida Atlantic University and Florida International University.

Cape Coral-Fort Myers ranks No. 1, with buyers paying 62.29% more than they should, based on the sales history in that market. The other Florida markets in the top 10 are: No. 2 Deltona (a 55.51% premium); No. 4. Palm Bay-Melbourne (54.55%); No. 6 Tampa (53.54%); No. 7 Lakeland (51.99%); and No. 10 North Port-Bradenton (48.41%).

The only other metros in the top 10 are: No. 3 Atlanta (54.88%); No. 5 Charlotte (54.04%); No. 8 Boise, Idaho (50.83%); and No. 9 Las Vegas (48.71%).

The full rankings with interactive graphics can be found [here](#).

The researchers rank the 100 largest metro areas using publicly available data from online real estate portal Zillow or other providers. The data, which extends from January 1996 through the end of last month, includes [single-family homes](#), townhomes, condominiums and co-ops.

The first ranking, in August 2021, had no Florida metros listed in the top 10.

"It used to be that you didn't need a big salary to afford a home in the Sunshine State, but those days are over because this has become a market mostly for move-up buyers and empty nesters," said Ken H. Johnson, Ph.D., a real estate economist in FAU's College of Business. "Florida's relatively low incomes should make housing affordability a key issue for a long time."

Prospective buyers in Florida hoping the market cools off are unlikely to see [prices](#) plummet as they did from 2006 to 2012, said Eli Beracha, Ph.D., of FIU's Hollo School of Real Estate.

"We don't expect [home prices](#) to fall sharply because our high rents serve to support current prices," Beracha said. "Florida is a very difficult

market to break into now unless you have a professional wage or the proceeds from a home sale in another state."

Markets with increasing population and severe shortages of homes for sale will see fewer [negative impacts](#) on prices, while other areas with stagnant or declining populations and more homes on the market could face significant price declines, the researchers said.

The researchers' ranking doesn't consider how expensive a [market](#) traditionally is. High-cost areas such as New York and San Francisco are among the least overvalued because homes in those metros are selling relatively close to where they should be, based on historical trends.

More information: Top 100 U.S. Housing Markets:
[business.fau.edu/executive-edu ... ng-top-100/index.php](https://business.fau.edu/executive-edu...ng-top-100/index.php)

Provided by Florida Atlantic University

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