

Dreaming of a Florida Condo?

The Gulf Coast today represents the best market for buyers since at least 1999

By Brian Patton, CCIM

THE FLORIDA PANHANDLE IS one of the most popular vacation destinations in the U.S. for metro Atlantans. If you love the sugar-white sands of these beaches and have dreamed of one day owning a condominium there, now could be your opportunity of a lifetime.

Thanks to the real estate slump, condo prices all along the Florida Gulf Coast have plunged over the past couple of years. Nowhere is this more evident than in Panama City Beach. “There couldn’t be a better time than now to buy a condo here,” says Gene Ursprung of Sterling Realty, LLC in Panama City Beach. “The condo market here has changed significantly with the real estate adjustments we’ve had over the past 16 to 24 months.”

I’m speaking with Gene on the balcony of a 2,700-square-foot condo overlooking the gorgeous white sands and blue-green waters of the Gulf of Mexico. He says it’s currently listed for sale at \$699,000, fully furnished, which is about 60 percent less than the unit would have sold for two years ago.

White Sands and Blue-Green Waters Come Cheaper

“Condo prices here are down considerably—they’re now in the \$200-\$225 per square foot range,” adds Carl Allen with Counts Realty Group in Panama City. “Two years ago, you couldn’t touch a condo here for under \$400 a square foot. The last time we saw prices like this was before the pre-construction boom of 2003. So prices have been set back six or seven years.”

Low prices are the good news for potential buyers, but financing is the potential snag. “Lenders have retracted significantly,” says Ursprung. He says 30-year fixed-rate

Photo courtesy of Panama City Beach Convention and Visitors Bureau

mortgages with low down payments are no longer an option for condos purchased in Florida as second homes. Instead, buyers are looking at short-term (two to five years) adjustable rate and interest-only loans with 25-30 percent down payments. And a credit score of 720 is the minimum borrowers will need to qualify for a mortgage, he adds.

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Cash Is King

In this environment, cash buyers are sitting pretty. “As always, cash is king; this is true now more than it has ever been,” Ursprung stresses.

Another good reason to buy in this area now is the new retail and shopping developments and major infrastructure improvements taking place here. Pier Park, for example, will be a 1-million-square-foot shopping and entertainment complex on Panama City Beach when it’s finished—phase one opened in 2007. Trolleys take you up and down the Panama City Beach strip for \$1.25.

In addition, roads and utilities are being upgraded, and new sidewalks and walking and jogging paths are being built. Perhaps most importantly, Bay County International Airport will open next May, the first new international airport to open in the U.S. since Denver International. “This will bring more international tourists and potential buyers to the area,” says Ursprung.

Ursprung says the Gulf Coast today represents the best market for buyers since at least 1999. “If you missed the boat before, come back down and give the area another try.”

Brian Patton, founder and CEO of Capital Realty Advisors, LLC is a commercial real estate broker, author and lecturer. He can be reached via his website at www.capitallistings.com. For helpful video tips on buying or managing beach condos, visit www.RealEstateTipsandAdvice.com and enter “condos” in the search box.

In 2006, Conde Nast Traveler ranked Panama City Beach as one of America’s Most Beautiful Beaches. The Northwest Florida destination also enjoys recognition as a Top U.S. Beach from USA Today, The Travel Channel, Southern Living, Dr. Beach and the Clean Beaches Council.