



10 best cities to buy a rental property

29comments

Orlando, Fla. #5

5 of 11

Average home price (2011): \$165,200
Projected home price (2014): \$166,200
Gross rent (2011): \$980
Projected gross rent (2014): \$1,148



The real estate market in Orlando -- home

TAMPA = #7

to Disney and a slew of other theme parks -- has been anything but magical lately. Prices have plummeted 43% since 2006, according to Local Market Monitor.

Winzer projects little in the way home price gains **Orlando** over the next three years. Rents, on the other hand, are expected to climb by a healthy 17% clip, he said.

The area's ties to tourism should help as the economic recovery gains traction, he said. Visitors keep coming to the theme parks here, despite the lukewarm national job picture. If employment ever heats up, the area will attract even more visitors and that means more jobs for local residents.

He expects that real estate investors will net about 3% above the national average.

Central Florida growth

Greatest projected growth, 2010-2040

Rank	County	Population change
1	Orange	669,544
2	Miami-Dade	653,765
3	Hillsborough	607,474
4	Lee	467,846
5	Palm Beach	465,866
8	Osceola	257,815
12	Lake	223,648
18	Seminole	141,082
22	Volusia	113,707

SOURCE: University of Florida Bureau of Business and Economic Research

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Orange poised to lead state's growth for next 30 years

By Jeff Kunerth
STAFF WRITER

Emptiness is what people see today when they drive through the monogrammed iron gates of Lake Drawdy Reserve in east Orange County. There are paved cul-de-sacs, lakefront lots and fancy frosted-glass streetlights. But nobody lives there.

Thirty years from now, they will likely see 28 upscale homes occupied by young families, residents from abroad, refugees from coast-

al counties, in-migrants from other states and well-to-do retirees.

"It's going to have a lot of young families who can stay here for the balance of their lives," said Peter Gardner, vice president of Condev Homes, the subdivision's builder. "Orlando is still a very young city compared to Tampa, Miami and Jacksonville. It's one of the few areas that continues to grow."

Orange County is expected to lead the state in growth for

the next 30 years, adding nearly 670,000 residents by 2040, according to the latest projections from the University of Florida.

The new projections are the first based on the 2010 census. They show Orange County outpacing Miami-Dade and Hillsborough counties, while Osceola County is predicted to add more people than Broward County.

"The expectation is that eventually we will get out of this recession and things will return more to normal," said Stan Smith, director of the Bureau of Economic and Business Research at the University of Florida.

To Orange County, normal means about a third of its growth will come from the natural increase of more people being born than dying. Central Florida's population has always been relatively young compared with that of the state, where only 18 percent of population growth comes from births

over deaths. Some of this is because of the area's tourism-based jobs, which attract young people, and its growing Hispanic population, which tends to have larger families, Smith said.

Those two forces also are at work in the county expected to have the second-largest population increase: Miami-Dade. Natural increase will fuel 60 percent of the growth in that South Florida county, expected to add 654,000 residents by 2040.

"It's part of Miami-Dade being a Hispanic county with a relatively younger age structure," Smith said.

Immigration also plays an important role in Miami-Dade's growth, with a substantial number of its new residents arriving from abroad, Smith said. With 2.5 million people, Miami-Dade will rank only 43rd among the state's 67 counties in terms of its growth rate, despite adding more than a half-million people in the next 30 years.

Pinellas may shrink

On the opposite end is Pinellas County, which is expected to lose population during the next three decades because its retirement-age population produces more deaths than its young people create babies.

In Central Florida, Lake County — home to the retirement megadevelopment The Villages — is the only county that relies solely on new residents for its growth.

In Broward County, population growth has been slowing for a number of years, while Osceola has been one of the fastest-growing counties in the state. Osceola —

with about a seventh of Broward's 1.7 million residents — has plenty of land for development, while Broward has the second-highest population density in the state behind Pinellas, Smith said.

Orange County also will benefit in the future from the continual movement of the state's population from coastal areas into interior counties, said University of Central Florida economist Sean Snaith.

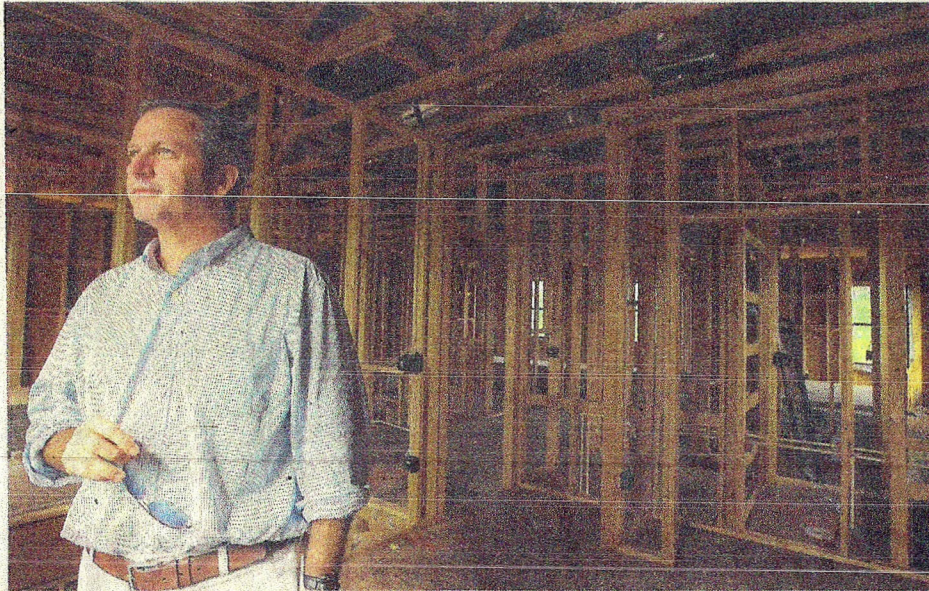
Florida, in recent decades, has begun to mirror California, where the expense of living in Los Angeles and San Francisco spurred growth inland, Snaith said.

"As the cost of living in the coastal areas becomes more expensive, that squeezes population growth toward lower cost-of-living areas," he said.

Lee County may soar

In South Florida, less expensive Lee County, home to Fort Myers, is projected to increase by 468,000 residents in the next three decades — ahead of Palm Beach County — as the sixth-fastest-growing county in the state.

Snaith said the Orlando area also will benefit from the diversification of its economy spurred by the creation of the Medical City concentration of hospitals, health care and research facilities around Lake Nona. The approval of SunRail also will create construction jobs and encourage development along the commuter-rail line. UCF also is emerging as a center of growth with its research and large enrollment, Snaith said.



PHOTOS BY RICARDO RAMÍREZ BUXEDA/STAFF PHOTOGRAPHER

Peter Gardner, vice president of Condev Homes, shows houses being built this month at Lake Drawdy Reserve subdivision in east Orange: "It's going to have a lot of young families."



Eventually, Lake Drawdy Reserve may have 28 upscale homes.

Both Smith and Snaith caution that, although Orange County will lead the state in growth, it won't be the kind of high growth the region, and the state, experi-

enced in previous decades. The overall aging of America will reduce mobility, as older people tend to move less often than younger people, and the birthrates also

will decline. Competition from other states for retirees and workers will further cut into Florida's growth.

"Between 1970 and 2010, we averaged 280,000 to 320,000 more people a year," Smith said. "We're projecting that we will be down to 213,000 people a year between 2035 and 2040."

A slower rate of growth should be coupled with a greater effort to create a more condensed urban area that relies less on the automobile, said Phil Laurien, executive director of the East Central Florida Regional Planning Council.

"It should be more compact. It should be more urban. It should be less low-density, auto-dependent sprawl," Laurien said. "It should be building up as

Central Florida growth

Fastest-growing counties, 2010-2040

Rank	County	Population change
1	Flagler	125.1%
2	Sumter	121.7%
3	St. Johns	98.7%
4	Osceola	96.3%
5	St. Lucie	83.8%
7	Lake	75.3%
14	Orange	58.4%
34	Seminole	33.4%
49	Volusia	23%

Projected Central Florida growth by decade

Orange

2010	1.1M
2020	1.4M
2030	1.6M
2040	1.8M

Seminole

2010	422,718
2020	472,200
2030	522,300
2040	563,800

SOURCE: University of Florida Bureau of Business and Economic Research

Lake

2010	297,052
2020	374,400
2030	452,800
2040	520,700

Osceola

2010	268,685
2020	357,800
2030	448,000
2040	527,500

Volusia

2010	494,593
2020	535,700
2030	576,100
2040	608,300

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opposed to building out."

When he looks into the future, Laurien fears what the builders of Lake Drawdy Reserve and the other unfinished subdivisions along Lake Pickett Road envision for the future: more houses on large lots farther from the urban core.

"The failure of the large developments on the edge was the first thing we saw with the recession and \$4-a-gallon gas," he said. "We

should be warned against more far-flung, auto-dependent, low-density, residence-only subdivisions."

The recession stalled the sprawl, but the sound of the housing market beginning to rebound is the dull thud of sod being dropped on the bare earth of the first house being built in Lake Drawdy Reserve.

jkunerth@tribune.com
407-420-5392