

the great debate

IS ORLANDO STILL THE BEST INVESTMENT AREA?

With unprecedented growth in the past few years, investing there still offers the best value for money. Andrew Bartlett

Real estate experts are divided over whether Orlando is still the best investment area. Lesley Dolby fights Orlando's case, while Andrew Bartlett



YES: LESLEY

If you haven't heard about the 'housing bubble', you must have been hiding under a rock. The media cites rising property prices throughout the US, much of which is undergoing a much-needed 'correction'.

We may be in a cycle of market saturation and oversupply of new builds in some areas, but many factors make Orlando a safer investment than most other places. The National Association of Realtors have scrutinised the Orlando market, revealing that we have very little chance of the bubble bursting here.

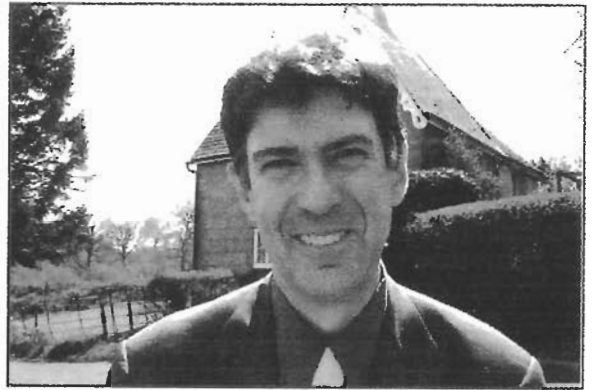
Orlando is still considered one of the world's most popular tourist destinations, where there will always be a market for both international and American renters. The region is also a favourite for Baby Boomers buying second homes. Compared to most European or American areas, property prices are still reasonable and we are seeing an influx of buyers from other markets. Orlando is creating higher-paid employment, especially in the technology industry. The city ranks second nationally in terms of population growth, expected to continue to rise more than 23 per cent per year.

All this creates demand which ensures that prices will not fall or stagnate. Even if investors don't fancy the short-term rental market, new residents from other states means a constant supply of long-term tenants.

So, Orlando's cost of living is low and our weather is mostly great (apart from the odd hurricane – hey, if you haven't seen how wacky the weather is everywhere now, you must still be under that rock!). House prices are still reasonable and we're still number one!

“ Orlando property prices are still reasonable and we are seeing an influx of buyers from other markets ”

“ Areas monopolised by the rental market and surrounded by empty houses in transient neighbourhoods are not going to sell easily ”



NO: ANDREW BARTLETT

The trend of viewing Florida as synonymous with Orlando is ending as visitors, initially attracted by the theme parks, move on. Sunshine remains all-important, but having 'been there and done Orlando' many are seeking a wider range of experiences.

Although Orlando is a good investment location for capital growth, there have been higher gains in other areas: waterfront property with limited supply and increasing demand, particularly from retirees. Coastal areas like Sarasota, Naples and Boca Raton continue to enjoy excellent investment; Fort Myers recorded year on year median price growth above 50 per cent.

The number of British buyers over the past couple of years in the Orlando area, and rapidly increasing apartment resorts beg the question: where will all the additional renters come from? Americans take short holidays and conference delegates prefer hotels, so the market for holidaymakers visiting Orlando is increasingly competitive. Compare the amount of Orlando rental properties on the web; areas on the Gulf and Atlantic coasts have far fewer rental properties and appeal to both European and American markets, so offer higher rental rates and more weeks of bookings.

When you want to sell, property desirability is critical. Areas around Kissimmee, monopolised by the rental market and surrounded by empty houses in very transient neighbourhoods, are not going to sell easily to the American homebuyer if the British become less interested. Gulf and Atlantic resorts retain demand from both American and international buyers.

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