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Florida home prices bottomed earlier than previously thought, according to one study

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A new home sales measure says Florida prices hit a soft bottom in 2009, years earlier than what some experts have declared as the low point for real estate.

The measure, similar to the respected national Standard & Poor's/Case-Shiller price index, was created by Florida Realtors Chief Economist John Tuccillo to be a more accurate reflection of sale prices in the state.

Tuccillo said he was surprised that the index pointed to 2009 as a bottom, but said that was also a time when investors began eyeing Florida for real estate deals.

"Since then we've been sort of rocking along on a bumpy road," said Tuccillo, who developed the index over about a year's time. "It's essentially been flat, but in this context flat is probably good news after the large run-up and drop."

According to the index, Florida sales prices increased 152 percent from January 2000 to the peak of the market in November 2006. They fell 43 percent from the peak to mid-2009.

Realtors have long complained that the current method of reporting monthly median home sales prices doesn't offer a true measure of increasing and decreasing values. The median, which means half of homes sold above the price and half below, can be greatly influenced if a large number of either distressed properties or luxury homes sell in one month.

A report on August's sales of existing homes will be released today using the median price measure.

Florida's new index is considered a "repeat sales index." It combines Florida Department of Revenue data with prices of the same individual properties sold over time. The index is expected to be released quarterly but because of a lag in some statewide data, the first index runs only through August 2011.

Like Case-Shiller, the Florida home price index measures sales as compared with January 2000 when the index was set at 100. Case-Shiller's Florida data include Tampa and South Florida, which combines Palm Beach, Broward and Miami-Dade counties.

National Association of Realtors spokesman Walter Moloney said he's not aware of another state that has its own price index. California releases an "affordability index" that measures the percentage of all households that can afford to purchase a single-family home, but its sale prices are reported as a median.

While the public may prefer a median sales price that reports an actual dollar figure over an index, the index is considered more accurate.

Still, Palm Beach County Realtors said a statewide index doesn't always reflect regional specifics.

Kevin Kent, a broker-associate with Platinum Properties, which has offices in Jupiter, Juno Beach and Stuart, said South Florida's home sale prices probably hit a bottom later than 2009.

"When you step back and look at the entire state, that's probably accurate," Kent said. "But when you break it down into pockets and certain areas that were hit the hardest, the numbers wouldn't be the same."

In April, analysts at the online real estate database Zillow said South Florida sale prices hit bottom at the end of 2011. Case-Shiller's index shows a bottom in Palm Beach, Broward and Miami-Dade counties in April 2011, but that prices had stabilized some before that.

Florida International University real estate professor Ken H. Johnson agrees that 2011 marked the bottom.

"Back in November, I thought it was pretty clear we had bottomed and housing was as affordable as it's been in 40 years," he said. "I said that was the turn, and we've not seen prices go down."