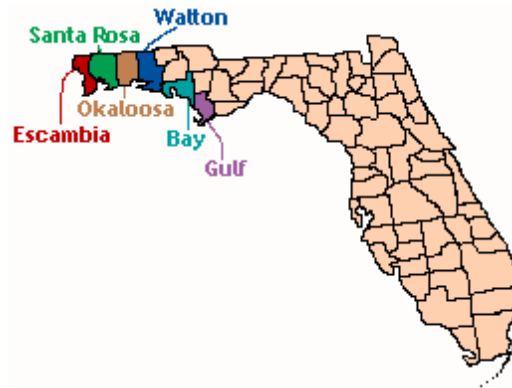


## Investing in the Florida Panhandle - Why it's a good investment

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1) The Florida Panhandle is located in Northwest Florida and is known as the "Forgotten Coast". **Florida real estate investments** are now booming along the Forgotten Coast due largely to "The St Joe Company" which manufactured paper for many years and is the largest landholder in Florida with approximately 825,000 acres of land at 12/2004. St Joes land holdings are concentrated primarily in Northwest Florida and more than 300,000 acres of it is located within ten miles of the Gulf of Mexico. In 2003, St Joe shut down it's paper plant and started developing much of those acres of trees along the beautiful [Emerald Coast of Florida](#) into luxury master planned waterfront and golf communities such as [Watercolor](#), [Watersound](#), [Rivercamps](#) and affordable hometowns such as Palmetto Trace and The Hammocks.

To further drive the growth of the area, St Joe has donated 20,556 acres for the proposed relocation of the *Panama City-Bay County International Airport* which will be located between Hwys 77 & 79 in Panama City. St Joe has also sold 93 acres to one of the nation's largest retail developers for **Pier Park**, a huge beachside shopping, amusement and entertainment complex, in *Panama City Beach*. News of the transaction raised Northwest Florida's profile to new heights.

With a 2004 net income of \$90.1 million, St Joe is a major driving force in the development of the Florida Panhandle. "Our success can only partially be measured in the value we have created thus far" said Peter Rummell, chairman and CEO of JOE.. "We won't be able to calculate its full measure for years. JOE owns enough high-quality developable land to create value for decades". The following table represents St Joe land use entitlements in Northwest Florida in various stages of approval:

Project	County	Total Project Acres	Maximum Project Units
CampCreek Golf Cottages	Walton	10	50
Cutter Ridge	Franklin	10	24
East Lake Powell	Bay	181	360
Hawks Landing	Bay	88	167
Palmetto Trace	Bay	138	480
Pier Park (Residential)	Bay	10	125
RiverCamps on Crooked Creek	Bay	1,500	450
RiverCamps on Sandy Creek	Bay	6,000	600
The Hammocks	Bay	143	457
WaterColor	Walton	499	1,140
WaterSound Beach	Walton	256	499
WaterSound Phase I	Walton	506	487
WaterSound West Beach	Walton	62	197
WaterMill	Gulf	94	120
WaveCrest	Bay	7	95
West Bay DSAP Phase I	Bay	4,234	685
WindMark Beach	Gulf	2,080	1,662
Total <sup>(5)</sup>		<b>15,818</b>	<b>7,598</b>

2. Florida has one of the nation's strongest economies in the country, as well as significant demographic and geographic advantages. The region's biggest growth catalysts are St. Joe Co. developments, influx of retirees, tourism and military-defense spending.

a) Now aged between 38 and 56 years, the baby boomers comprise almost one-third of the nation's population and are expected to have a hugh impact on Florida's inmigration and housing demand. While they start thinking retirement, younger boomers (late thirties to early fifties) start thinking **investing in resort real estate** as a second home. This second-then-retirement home cycle should continue for decades as the boomers continue to move through their retirement decades. Note: The biggest bulge in the birth rate was in the mid-1950s. These people are now in their mid-50's and are just beginning to enter this cycle in significant numbers. With numerous new developments under way along the Gulf coast and moderate housing prices by Florida standards, the Florida Panhandle is positioned to become an increasingly important player in the second-home marketplace. b) The emerging generation of baby boomer retirees, with their growing emphasis on lifestyle, community, and interdependence will totally transform the nation's housing market. Traditionally, empty nesters tend to downsize their housing and migrate to warmer climates in coastal communities to enjoy their golden years. The new urbanistic communities developing along the Panhandle offer all of this plus the ability to work and play where you live, deemphasizing the need for vehicles to a population who wish to remain independent in spite of declining mobility and health. c) Interstate 10, the state's longest east-west connector, runs through the entirety of the Florida Panhandle. Due to it's proximity to gulf coast and southeast neighbors such as Texas, Louisiana, Tennessee, Alabama and Georgia and it's pristine waters and white sand beaches, the Destin/Panama City Beach area is the second most driven-to vacation destination in Florida.

d) The Panhandle tourism growth in particular has sharply outpaced state and national gains — with numbers for every county from Escambia through Walton up by more than 10% last year. New communities are beginning to push inland. “You’re seeing huge residential developments planned for Freeport — the first we’ve seen off the coast,” says Tom Powell, executive director of the Walton County Economic Development Council.

3. New construction is not the only **real estate investment opportunity** in the Florida Panhandle. With annual population growth along the Emerald Coast far exceeding the state average, restrictions on new development and growth management regulations act to constrain growth of new housing, making the existing inventory more valuable and pricing it higher. Housing appreciation has been unprecedented in

County	2004 Population	Ave. Annual Growth 2000-2004
<b>Bay</b>	<b>157,810</b>	<b>1.57%</b>
Calhoun	13,277	0.44%
Escambia	298,694	0.37%
Franklin	11,570	1.12%
Gulf	13,842	0.86%
Holmes	19,453	1.20%
Jackson	47,478	0.38%
Liberty	7,337	1.21%
<b>Okaloosa</b>	<b>182,694</b>	<b>1.68%</b>
<b>Santa Rosa</b>	<b>135,797</b>	<b>3.46%</b>
<b>Walton</b>	<b>46,217</b>	<b>3.15%</b>
Washington	21,979	1.15%
<b>Florida - State</b>	<b>17,239,646</b>	<b>1.80%</b>

Florida Trend magazine's 2005 industry outlook for residential **real estate investing** sees the Florida real estate market as hot, hot, hot. The magazine notes that speculative buying could create localized problems in areas of the state, but there appears to be little danger of a housing slowdown in 2005, barring a huge jump in interest rates or a catastrophic terrorist incident.

- The proposed International airport in Panama CityRetiring Baby Boomers In-migration predictions significantly higher than the state average 3 deep-water ports, 2 of which are designated international trade zonesRestrictions on new DevelopmentMaster planned waterfront resort communities
- St Joe, St Joe, St Joe

**Florida real estate investment** is poised to remain strong and **real estate investing** in the Florida Panhandle is being propelled by some major players. If you haven't taken the plunge into **real estate investing**, you're not too late. If you are a seasoned **real estate investor**, you would be wise to look to northwest Florida for continuing growth and appreciation.

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