Evidence Presented By the Key West Association of Realtors Regarding the City of Key West's Proposed Rental Ordinance

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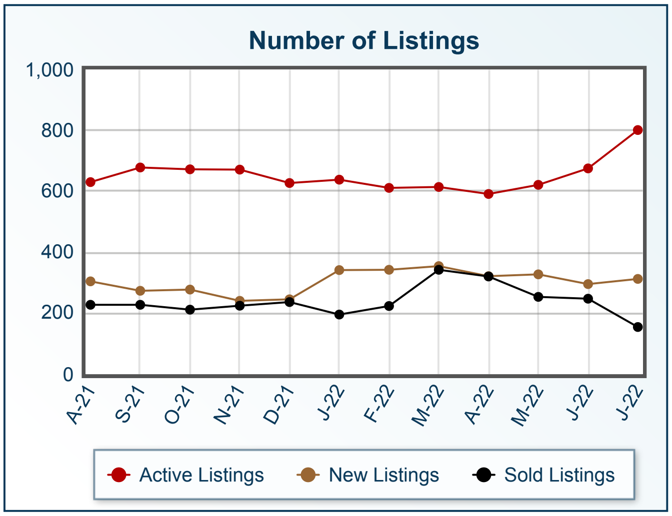
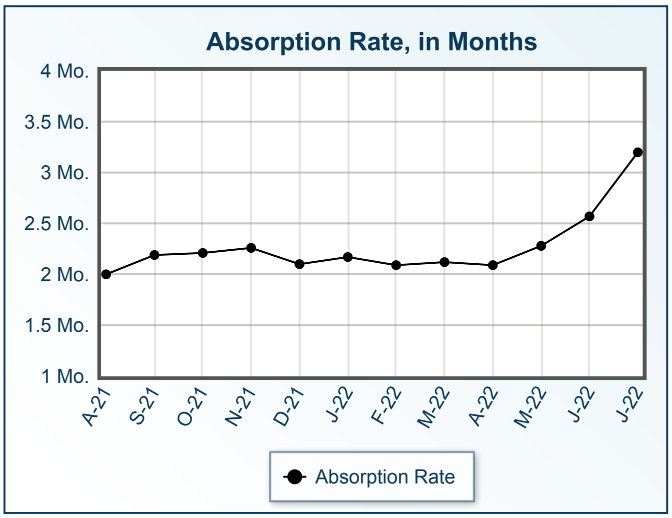
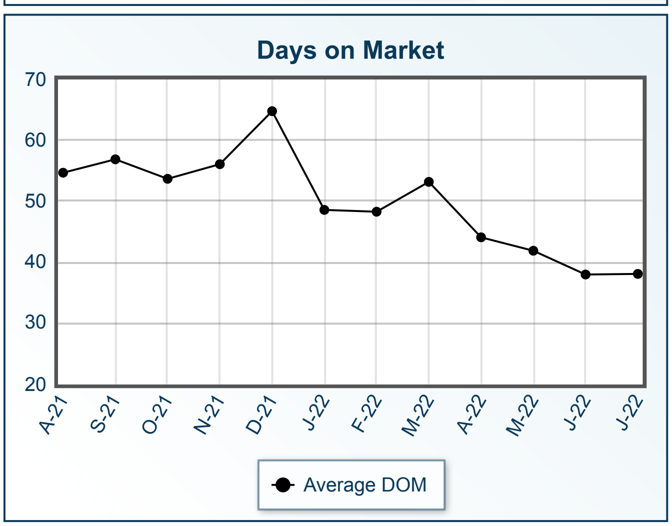
Market Summary

Residential, July 2022







The 2022 Florida Statutes

166.041 Procedures for adoption of ordinances and resolutions.—

(1) As used in this section, the following words and terms shall have the following meanings unless some other meaning is plainly indicated:

(a) "Ordinance" means an official legislative action of a governing body, which action is a regulation of a general and permanent nature and enforceable as a local law.

(b) "Resolution" means an expression of a governing body concerning matters of administration, an expression of a temporary character, or a provision for the disposition of a particular item of the administrative business of the governing body.

(2) Each ordinance or resolution shall be introduced in writing and shall embrace but one subject and matters properly connected therewith. The subject shall be clearly stated in the title. No ordinance shall be revised or amended by reference to its title only. Ordinances to revise or amend shall set out in full the revised or amended act or section or subsection or paragraph of a section or subsection.

(3)(a) Except as provided in paragraph (c), a proposed ordinance may be read by title, or in full, on at least 2 separate days and shall, at least 10 days prior to adoption, be noticed once in a newspaper of general circulation in the municipality. The notice of proposed enactment shall state the date, time, and place of the meeting; the title or titles of proposed ordinances; and the place or places within the municipality where such proposed ordinances may be inspected by the public. The notice shall also advise that interested parties may appear at the meeting and be heard with respect to the proposed ordinance.

(b) The governing body of a municipality may, by a two-thirds vote, enact an emergency ordinance without complying with the requirements of paragraph (a) of this subsection. However, no emergency ordinance or resolution shall be enacted which establishes or amends the actual zoning map designation of a parcel or parcels of land or that changes the actual list of permitted, conditional, or prohibited uses within a zoning category. Emergency enactment procedures for land use plans adopted pursuant to part II of chapter 163 shall be pursuant to that part.

(c) Ordinances initiated by other than the municipality that change the actual zoning map designation of a parcel or parcels of land shall be enacted pursuant to paragraph (a). Ordinances that change the actual list of permitted, conditional, or prohibited uses within a zoning category, or ordinances initiated by the municipality that change the actual zoning map designation of a parcel or parcels of land shall be enacted pursuant to the following procedure:

1. In cases in which the proposed ordinance changes the actual zoning map designation for a parcel or parcels of land involving less than 10 contiguous acres, the governing body shall direct the clerk of the governing body to notify by mail each real property owner whose land the municipality will redesignate by enactment of the ordinance and whose address is known by reference to the latest ad valorem tax records. The notice shall state the substance of the proposed ordinance as it affects that property owner and shall set a time and place for one or more public hearings on such ordinance. Such notice shall be given at least 30 days prior to the date set for the public hearing, and a copy of the notice shall be kept available for public inspection during the regular business hours of the office of the clerk of the governing body. The governing body shall hold a public hearing on the proposed ordinance and may, upon the conclusion of the hearing, immediately adopt the ordinance.

2. In cases in which the proposed ordinance changes the actual list of permitted, conditional, or prohibited uses within a zoning category, or changes the actual zoning map designation of a parcel or parcels of land involving 10 contiguous acres or more, the governing body shall provide for public notice and hearings as follows:

a. The local governing body shall hold two advertised public hearings on the proposed ordinance. At least one hearing shall be held after 5 p.m. on a weekday, unless the local governing body, by a majority plus one vote, elects to conduct that hearing at another time of day. The first public hearing shall be held at least 7 days after the day that the first advertisement is published. The second hearing shall be held at least 10 days after the first hearing and shall be advertised at least 5 days prior to the public hearing.

b. If published in the print edition of a newspaper, the required advertisements shall be no less than 2 columns wide by 10 inches long in a standard size or a tabloid size newspaper, and the headline in the advertisement shall be in a type no smaller than 18 point. The advertisement shall not be placed in that portion of the newspaper where legal notices and classified advertisements appear. The advertisement shall be placed in a newspaper in the municipality and of general interest and readership in the municipality pursuant to chapter 50. It is the legislative intent that, whenever possible, the advertisement appear in a newspaper that is published at least weekly unless the only newspaper in the municipality is published less than weekly. The advertisement shall be in substantially the following form:

NOTICE OF (TYPE OF) CHANGE

The _(name of local governmental unit)_ proposes to adopt the following ordinance: _(title of the ordinance)_.
A public hearing on the ordinance will be held on _(date and time)_ at _(meeting place)_.

Except for amendments which change the actual list of permitted, conditional, or prohibited uses within a zoning category, the advertisement shall contain a geographic location map which clearly indicates the area covered by the proposed ordinance. The map shall include major street names as a means of identification of the general area. If published in the print edition of the newspaper, the map must also be part of any online notice made pursuant to s. 50.0211.

c. In lieu of publishing the advertisement set out in this paragraph, the municipality may mail a notice to each person owning real property within the area covered by the ordinance. Such notice shall clearly explain the proposed ordinance and shall notify the person of the time, place, and location of any public hearing on the proposed ordinance.

(4) A majority of the members of the governing body shall constitute a quorum. An affirmative vote of a majority of a quorum present is necessary to enact any ordinance or adopt any resolution; except that two-thirds of the membership of the board is required to enact an emergency ordinance. On final passage, the vote of each member of the governing body voting shall be entered on the official record of the meeting. All ordinances or resolutions passed by the governing body shall become effective 10 days after passage or as otherwise provided therein.

(5) Every ordinance or resolution shall, upon its final passage, be recorded in a book kept for that purpose and shall be signed by the presiding officer and the clerk of the governing body.

(6) The procedure as set forth herein shall constitute a uniform method for the adoption and enactment of municipal ordinances and resolutions and shall be taken as cumulative to other methods now provided by law for adoption and enactment of municipal ordinances and resolutions. By future ordinance or charter amendment, a municipality may specify additional requirements for the adoption or enactment of ordinances or resolutions or prescribe procedures in greater detail than contained herein. However, a municipality shall not have the power or authority to lessen or reduce the requirements of this section or other requirements as provided by general law.

(7) Five years after the adoption of any ordinance or resolution adopted after the effective date of this act, no cause of action shall be commenced as to the validity of an ordinance or resolution based on the failure to strictly adhere to the provisions contained in this section. After 5 years, substantial compliance with the provisions contained in this section shall be a defense to an action to invalidate an ordinance or resolution for failure to comply with the provisions contained in this section. Without limitation, the common law doctrines of laches and

waiver are valid defenses to any action challenging the validity of an ordinance or resolution based on failure to strictly adhere to the provisions contained in this section. Standing to initiate a challenge to the adoption of an ordinance or resolution based on a failure to strictly adhere to the provisions contained in this section shall be limited to a person who was entitled to actual or constructive notice at the time the ordinance or resolution was adopted. Nothing herein shall be construed to affect the standing requirements under part II of chapter 163.

(8) The notice procedures required by this section are established as minimum notice procedures.

History.—s. 1, ch. 73-129; s. 2, ch. 76-155; s. 2, ch. 77-331; s. 1, ch. 83-240; s. 1, ch. 83-301; s. 2, ch. 95-198; s. 5, ch. 95-310; s. 5, ch. 2012-212; s. 15, ch. 2021-17.

The 2022 Florida Statutes

120.52 Definitions.—As used in this act:

(1) "Agency" means the following officers or governmental entities if acting pursuant to powers other than those derived from the constitution:

(a) The Governor; each state officer and state department, and each departmental unit described in s. 20.04; the Board of Governors of the State University System; the Commission on Ethics; the Fish and Wildlife Conservation Commission; a regional water supply authority; a regional planning agency; a multicounty special district, but only if a majority of its governing board is comprised of nonelected persons; educational units; and each entity described in chapters 163, 373, 380, and 582 and s. 186.504.

(b) Each officer and governmental entity in the state having statewide jurisdiction or jurisdiction in more than one county.

(c) Each officer and governmental entity in the state having jurisdiction in one county or less than one county, to the extent they are expressly made subject to this chapter by general or special law or existing judicial decisions.

This definition does not include a municipality or legal entity created solely by a municipality; a legal entity or agency created in whole or in part pursuant to part II of chapter 361; a metropolitan planning organization created pursuant to s. 339.175; a separate legal or administrative entity created pursuant to s. 339.175 of which a metropolitan planning organization is a member; an expressway authority pursuant to chapter 348 or any transportation authority or commission under chapter 343 or chapter 349; or a legal or administrative entity created by an interlocal agreement pursuant to s. 163.01(7), unless any party to such agreement is otherwise an agency as defined in this subsection.

(2) "Agency action" means the whole or part of a rule or order, or the equivalent, or the denial of a petition to adopt a rule or issue an order. The term also includes any denial of a request made under s. 120.54(7).

(3) "Agency head" means the person or collegial body in a department or other governmental unit statutorily responsible for final agency action. An agency head appointed by and serving at the pleasure of an appointing authority remains subject to the direction and supervision of the appointing authority, but actions taken by the agency head as authorized by statute are official acts.

(4) "Committee" means the Administrative Procedures Committee.

(5) "Division" means the Division of Administrative Hearings. Any document filed with the division by a party represented by an attorney shall be filed by electronic means through the division's website. Any document filed with the division by a party not represented by an attorney shall, whenever possible, be filed by electronic means through the division's website.

(6) "Educational unit" means a local school district, a community college district, the Florida School for the Deaf and the Blind, or a state university when the university is acting pursuant to statutory authority derived from the Legislature.

(7) "Final order" means a written final decision which results from a proceeding under s. 120.56, s. 120.565, s. 120.569, s. 120.57, s. 120.573, or s. 120.574 which is not a rule, and which is not excepted from the definition of a

rule, and which has been filed with the agency clerk, and includes final agency actions which are affirmative, negative, injunctive, or declaratory in form. A final order includes all materials explicitly adopted in it. The clerk shall indicate the date of filing on the order.

(8) "Invalid exercise of delegated legislative authority" means action that goes beyond the powers, functions, and duties delegated by the Legislature. A proposed or existing rule is an invalid exercise of delegated legislative authority if any one of the following applies:

(a) The agency has materially failed to follow the applicable rulemaking procedures or requirements set forth in this chapter;

(b) The agency has exceeded its grant of rulemaking authority, citation to which is required by s. 120.54(3)(a)1.;

(c) The rule enlarges, modifies, or contravenes the specific provisions of law implemented, citation to which is required by s. 120.54(3)(a)1.;

(d) The rule is vague, fails to establish adequate standards for agency decisions, or vests unbridled discretion in the agency;

(e) The rule is arbitrary or capricious. A rule is arbitrary if it is not supported by logic or the necessary facts; a rule is capricious if it is adopted without thought or reason or is irrational; or

(f) The rule imposes regulatory costs on the regulated person, county, or city which could be reduced by the adoption of less costly alternatives that substantially accomplish the statutory objectives.

A grant of rulemaking authority is necessary but not sufficient to allow an agency to adopt a rule; a specific law to be implemented is also required. An agency may adopt only rules that implement or interpret the specific powers and duties granted by the enabling statute. No agency shall have authority to adopt a rule only because it is reasonably related to the purpose of the enabling legislation and is not arbitrary and capricious or is within the agency's class of powers and duties, nor shall an agency have the authority to implement statutory provisions setting forth general legislative intent or policy. Statutory language granting rulemaking authority or generally describing the powers and functions of an agency shall be construed to extend no further than implementing or interpreting the specific powers and duties conferred by the enabling statute.

(9) "Law implemented" means the language of the enabling statute being carried out or interpreted by an agency through rulemaking.

(10) "License" means a franchise, permit, certification, registration, charter, or similar form of authorization required by law, but it does not include a license required primarily for revenue purposes when issuance of the license is merely a ministerial act.

(11) "Licensing" means the agency process respecting the issuance, denial, renewal, revocation, suspension, annulment, withdrawal, or amendment of a license or imposition of terms for the exercise of a license.

(12) "Official reporter" means the publication in which an agency publishes final orders, the index to final orders, and the list of final orders which are listed rather than published.

(13) "Party" means:

(a) Specifically named persons whose substantial interests are being determined in the proceeding.

(b) Any other person who, as a matter of constitutional right, provision of statute, or provision of agency regulation, is entitled to participate in whole or in part in the proceeding, or whose substantial interests will be affected by proposed agency action, and who makes an appearance as a party.

(c) Any other person, including an agency staff member, allowed by the agency to intervene or participate in the proceeding as a party. An agency may by rule authorize limited forms of participation in agency proceedings for persons who are not eligible to become parties.

(d) Any county representative, agency, department, or unit funded and authorized by state statute or county ordinance to represent the interests of the consumers of a county, when the proceeding involves the substantial interests of a significant number of residents of the county and the board of county commissioners has, by resolution, authorized the representative, agency, department, or unit to represent the class of interested persons.

The authorizing resolution shall apply to a specific proceeding and to appeals and ancillary proceedings thereto, and it shall not be required to state the names of the persons whose interests are to be represented.

The term “party” does not include a member government of a regional water supply authority or a governmental or quasi-judicial board or commission established by local ordinance or special or general law where the governing membership of such board or commission is shared with, in whole or in part, or appointed by a member government of a regional water supply authority in proceedings under s. 120.569, s. 120.57, or s. 120.68, to the extent that an interlocal agreement under ss. 163.01 and 373.713 exists in which the member government has agreed that its substantial interests are not affected by the proceedings or that it is to be bound by alternative dispute resolution in lieu of participating in the proceedings. This exclusion applies only to those particular types of disputes or controversies, if any, identified in an interlocal agreement.

(14) “Person” means any person described in s. 1.01, any unit of government in or outside the state, and any agency described in subsection (1).

(15) “Recommended order” means the official recommendation of an administrative law judge assigned by the division or of any other duly authorized presiding officer, other than an agency head or member of an agency head, for the final disposition of a proceeding under ss. 120.569 and 120.57.

(16) “Rule” means each agency statement of general applicability that implements, interprets, or prescribes law or policy or describes the procedure or practice requirements of an agency and includes any form which imposes any requirement or solicits any information not specifically required by statute or by an existing rule. The term also includes the amendment or repeal of a rule. The term does not include:

(a) Internal management memoranda which do not affect either the private interests of any person or any plan or procedure important to the public and which have no application outside the agency issuing the memorandum.

(b) Legal memoranda or opinions issued to an agency by the Attorney General or agency legal opinions prior to their use in connection with an agency action.

(c) The preparation or modification of:

1. Agency budgets.

2. Statements, memoranda, or instructions to state agencies issued by the Chief Financial Officer or Comptroller as chief fiscal officer of the state and relating or pertaining to claims for payment submitted by state agencies to the Chief Financial Officer or Comptroller.

3. Contractual provisions reached as a result of collective bargaining.

4. Memoranda issued by the Executive Office of the Governor relating to information resources management.

(17) “Rulemaking authority” means statutory language that explicitly authorizes or requires an agency to adopt, develop, establish, or otherwise create any statement coming within the definition of the term “rule.”

(18) “Small city” means any municipality that has an unincarcerated population of 10,000 or less according to the most recent decennial census.

(19) “Small county” means any county that has an unincarcerated population of 75,000 or less according to the most recent decennial census.

(20) “Unadopted rule” means an agency statement that meets the definition of the term “rule,” but that has not been adopted pursuant to the requirements of s. 120.54.

(21) “Variance” means a decision by an agency to grant a modification to all or part of the literal requirements of an agency rule to a person who is subject to the rule. Any variance shall conform to the standards for variances outlined in this chapter and in the uniform rules adopted pursuant to s. 120.54(5).

(22) “Waiver” means a decision by an agency not to apply all or part of a rule to a person who is subject to the rule. Any waiver shall conform to the standards for waivers outlined in this chapter and in the uniform rules adopted pursuant to s. 120.54(5).

History.—s. 1, ch. 74-310; s. 1, ch. 75-191; s. 1, ch. 76-131; s. 1, ch. 77-174; s. 12, ch. 77-290; s. 2, ch. 77-453; s. 1, ch. 78-28; s. 1, ch. 78-425; s. 1, ch. 79-20; s. 55, ch. 79-40; s. 1, ch. 79-299; s. 2, ch. 81-119; s. 1, ch. 81-180; s. 7, ch. 82-180; s. 1, ch. 83-78; s. 2, ch. 83-273; s. 10, ch. 84-170; s. 15, ch. 85-80; s. 1, ch. 85-168; s. 2, ch. 87-385; s. 1, ch. 88-367; s. 1, ch. 89-147; s. 1, ch. 91-46; s. 9, ch. 92-166; s. 50, ch. 92-279; s. 55, ch. 92-326; s. 3, ch. 96-159; s. 1, ch. 97-176; s. 2, ch. 97-286; s. 1, ch. 98-402; s. 64, ch. 99-245; s. 2, ch. 99-379; s. 895, ch. 2002-387; s. 1, ch. 2003-94; s. 138, ch. 2003-261; s. 7, ch. 2003-286; s. 3, ch. 2007-196; s. 13, ch. 2007-217; s. 2, ch.

2008-104; s. 1, ch. 2009-85; s. 1, ch. 2009-187; s. 10, ch. 2010-5; s. 2, ch. 2010-205; s. 7, ch. 2011-208; s. 8, ch. 2012-116; s. 14, ch. 2013-173.

The Florida Senate

2018 Florida Statutes

Title XXXIII REGULATION OF TRADE, COMMERCE, INVESTMENTS, AND SOLICITATIONS	Chapter 509 LODGING AND FOOD SERVICE ESTABLISHMENTS; MEMBERSHIP CAMPGROUNDS **Entire Chapter**	**SECTION 032** **Duties.**

509.032 Duties.—

(1) GENERAL.—The division shall carry out all of the provisions of this chapter and all other applicable laws and rules relating to the inspection or regulation of public lodging establishments and public food service establishments for the purpose of safeguarding the public health, safety, and welfare. The division shall be responsible for ascertaining that an operator licensed under this chapter does not engage in any misleading advertising or unethical practices.

(2) INSPECTION OF PREMISES.—

(a) The division has jurisdiction and is responsible for all inspections required by this chapter. The division is responsible for quality assurance. The division shall inspect each licensed public lodging establishment at least biannually, except for transient and nontransient apartments, which shall be inspected at least annually. Each establishment licensed by the division shall be inspected at such other times as the division determines is necessary to ensure the public's health, safety, and welfare. The division shall adopt by rule a risk-based inspection frequency for each licensed public food service establishment. The rule must require at least one, but not more than four, routine inspections that must be performed annually, and may include guidelines that consider the inspection and compliance history of a public food service establishment, the type of food and food preparation, and the type of service. The division shall reassess the inspection frequency of all licensed public food service establishments at least annually. Public lodging units classified as vacation rentals or timeshare projects are not subject to this requirement but shall be made available to the division upon request. If, during the inspection of a public lodging establishment classified for renting to transient or nontransient tenants, an inspector identifies vulnerable adults who appear to be victims of neglect, as defined in s. 415.102, or, in the case of a building that is not equipped with automatic sprinkler systems, tenants or clients who may be unable to self-preserve in an emergency, the division shall convene meetings with the following agencies as appropriate to the individual situation: the Department of Health, the Department of Elderly Affairs, the area agency on aging, the local fire marshal, the landlord and affected tenants and clients, and other relevant organizations, to develop a plan that improves the prospects for safety of affected residents and, if necessary, identifies alternative living arrangements such as facilities licensed under part II of chapter 400 or under chapter 429.

(b) For purposes of performing required inspections and the enforcement of this chapter, the division has the right of entry and access to public lodging establishments and public food service establishments at any reasonable time.

(c) Public food service establishment inspections shall be conducted to enforce provisions of this part and to educate, inform, and promote cooperation between the division and the establishment.

(d) The division shall adopt and enforce sanitation rules consistent with law to ensure the protection of the public from food-borne illness in those establishments licensed under this chapter. These rules shall provide the standards and requirements for obtaining, storing, preparing, processing, serving, or displaying food in public food service establishments, approving public food service establishment facility plans, conducting necessary public food service establishment inspections for compliance with sanitation regulations, cooperating and coordinating with the Department of Health in epidemiological investigations, and initiating enforcement actions, and for other such responsibilities deemed necessary by the division. The division may not establish by rule any regulation governing the design, construction, erection, alteration, modification, repair, or demolition of any public lodging or public food service establishment. It is the intent of the Legislature to preempt that function to the Florida Building Commission and the State Fire Marshal through adoption and maintenance of the Florida Building Code and the Florida Fire

Prevention Code. The division shall provide technical assistance to the commission in updating the construction standards of the Florida Building Code which govern public lodging and public food service establishments. Further, the division shall enforce the provisions of the Florida Building Code which apply to public lodging and public food service establishments in conducting any inspections authorized by this part. The division, or its agent, shall notify the local firesafety authority or the State Fire Marshal of any readily observable violation of a rule adopted under chapter 633 which relates to public lodging establishments or public food establishments, and the identification of such violation does not require any firesafety inspection certification.

(e)1. Relating to facility plan approvals, the division may establish, by rule, fees for conducting plan reviews and may grant variances from construction standards in hardship cases, which variances may be less restrictive than the provisions specified in this section or the rules adopted under this section. A variance may not be granted pursuant to this section until the division is satisfied that:

a. The variance shall not adversely affect the health of the public.

b. No reasonable alternative to the required construction exists.

c. The hardship was not caused intentionally by the action of the applicant.

2. The division's advisory council shall review applications for variances and recommend agency action. The division shall make arrangements to expedite emergency requests for variances, to ensure that such requests are acted upon within 30 days of receipt.

3. The division shall establish, by rule, a fee for the cost of the variance process. Such fee shall not exceed $150 for routine variance requests and $300 for emergency variance requests.

(f) In conducting inspections of establishments licensed under this chapter, the division shall determine if each coin-operated amusement machine that is operated on the premises of a licensed establishment is properly registered with the Department of Revenue. Each month the division shall report to the Department of Revenue the sales tax registration number of the operator of any licensed establishment that has on location a coin-operated amusement machine and that does not have an identifying certificate conspicuously displayed as required by s. 212.05(1)(h).

(g) In inspecting public food service establishments, the department shall notify each inspected establishment of the availability of the food-recovery brochure developed under s. 595.420.

(3) SANITARY STANDARDS; EMERGENCIES; TEMPORARY FOOD SERVICE EVENTS.—The division shall:

(a) Prescribe sanitary standards which shall be enforced in public food service establishments.

(b) Inspect public lodging establishments and public food service establishments whenever necessary to respond to an emergency or epidemiological condition.

(c) Administer a public notification process for temporary food service events and distribute educational materials that address safe food storage, preparation, and service procedures.

1. Sponsors of temporary food service events shall notify the division not less than 3 days before the scheduled event of the type of food service proposed, the time and location of the event, a complete list of food service vendors participating in the event, the number of individual food service facilities each vendor will operate at the event, and the identification number of each food service vendor's current license as a public food service establishment or temporary food service event licensee. Notification may be completed orally, by telephone, in person, or in writing. A public food service establishment or food service vendor may not use this notification process to circumvent the license requirements of this chapter.

2. The division shall keep a record of all notifications received for proposed temporary food service events and shall provide appropriate educational materials to the event sponsors and notify the event sponsors of the availability of the food-recovery brochure developed under s. 595.420.

3.a. Unless excluded under s. 509.013(5)(b), a public food service establishment or other food service vendor must obtain one of the following classes of license from the division: an individual license, for a fee of no more than $105, for each temporary food service event in which it participates; or an annual license, for a fee of no more than $1,000, that entitles the licensee to participate in an unlimited number of food service events during the license period. The division shall establish license fees, by rule, and may limit the number of food service facilities a licensee may operate at a particular temporary food service event under a single license.

b. Public food service establishments holding current licenses from the division may operate under the regulations of such a license at temporary food service events.

(4) STOP-SALE ORDERS.—The division may stop the sale, and supervise the proper destruction, of any food or food product when the director or the director's designee determines that such food or food product represents a threat to the public safety or welfare. If the operator of a public food service establishment licensed under this chapter has received official notification from a health authority that a food or food product from that establishment has potentially contributed to any instance or outbreak of food-borne illness, the food or food product must be maintained in safe storage in the establishment until the responsible health authority has examined, sampled, seized, or requested destruction of the food or food product.

(5) REPORTS REQUIRED.—The division shall submit annually to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the chairs of the legislative appropriations committees a report, which shall state, but need not be limited to, the total number of active public lodging and public food service licenses in the state, the total number of inspections of these establishments conducted by the division to ensure the enforcement of sanitary standards, the total number of inspections conducted in response to emergency or epidemiological conditions, the number of violations of each sanitary standard, the total number of inspections conducted to meet the statutorily required number of inspections, and any recommendations for improved inspection procedures. The division shall also keep accurate account of all expenses arising out of the performance of its duties and all fees collected under this chapter. The report shall be submitted by September 30 following the end of the fiscal year.

(6) RULEMAKING AUTHORITY.—The division shall adopt such rules as are necessary to carry out the provisions of this chapter.

(7) PREEMPTION AUTHORITY.—

(a) The regulation of public lodging establishments and public food service establishments, including, but not limited to, sanitation standards, inspections, training and testing of personnel, and matters related to the nutritional content and marketing of foods offered in such establishments, is preempted to the state. This paragraph does not preempt the authority of a local government or local enforcement district to conduct inspections of public lodging and public food service establishments for compliance with the Florida Building Code and the Florida Fire Prevention Code, pursuant to ss. 553.80 and 633.206.

(b) A local law, ordinance, or regulation may not prohibit vacation rentals or regulate the duration or frequency of rental of vacation rentals. This paragraph does not apply to any local law, ordinance, or regulation adopted on or before June 1, 2011.

(c) Paragraph (b) does not apply to any local law, ordinance, or regulation exclusively relating to property valuation as a criterion for vacation rental if the local law, ordinance, or regulation is required to be approved by the state land planning agency pursuant to an area of critical state concern designation.

History.—ss. 1, 2, 9, ch. 6952, 1915; RGS 212, 213, 2130; s. 2, ch. 9264, 1923; CGL 245, 246, 3359; ss. 3, 4, ch. 16042, 1933; CGL 1936 Supp. 245, 246; s. 9, ch. 26945, 1951; s. 1, ch. 28129, 1953; ss. 1, 8, ch. 29821, 1955; s. 1, ch. 57-389; s. 1, ch. 63-420; ss. 12, 16, 35, ch. 69-106; s. 2, ch. 73-325; s. 135, ch. 73-333; s. 3, ch. 76-168; s. 1, ch. 77-457; ss. 2, 39, 42, ch. 79-240; ss. 1, 3, 4, ch. 81-161; ss. 2, 3, ch. 81-318; ss. 3, 51, 52, ch. 90-339; s. 2, ch. 91-40; s. 4, ch. 91-429; s. 22, ch. 92-180; s. 2, ch. 93-53; s. 35, ch. 93-216; s. 19, ch. 94-314; s. 4, ch. 95-416; s. 137, ch. 95-418; s. 3, ch. 96-384; s. 1165, ch. 97-103; s. 1, ch. 98-275; s. 4, ch. 98-283; s. 246, ch. 99-8; s. 47, ch. 2000-141; s. 47, ch. 2000-154; s. 109, ch. 2000-349; s. 34, ch. 2001-186; s. 3, ch. 2001-372; s. 11, ch. 2002-48; s. 1, ch. 2002-299; s. 96, ch. 2006-197; s. 2, ch. 2008-55; s. 3, ch. 2008-134; s. 2, ch. 2011-119; s. 76, ch. 2012-96; s. 1, ch. 2013-147; s. 146, ch. 2013-183; s. 1, ch. 2014-71; s. 2, ch. 2014-133; s. 48, ch. 2014-150; s. 66, ch. 2015-2; s. 1, ch. 2015-143; s. 2, ch. 2016-86.

Note.—Former ss. 509.03, 509.04, 511.11.

The Florida Senate

2012 Florida Statutes

Title XXXIII REGULATION OF TRADE, COMMERCE, INVESTMENTS, AND SOLICITATIONS	Chapter 509 LODGING AND FOOD SERVICE ESTABLISHMENTS; MEMBERSHIP CAMPGROUNDS **Entire Chapter**	**SECTION 013** **Definitions.**

509.013 Definitions.—As used in this chapter, the term:

(1) "Division" means the Division of Hotels and Restaurants of the Department of Business and Professional Regulation.

(2) "Operator" means the owner, licensee, proprietor, lessee, manager, assistant manager, or appointed agent of a public lodging establishment or public food service establishment.

(3) "Guest" means any patron, customer, tenant, lodger, boarder, or occupant of a public lodging establishment or public food service establishment.

(4)(a) "Public lodging establishment" includes a transient public lodging establishment as defined in subparagraph 1. and a nontransient public lodging establishment as defined in subparagraph 2.

1. "Transient public lodging establishment" means any unit, group of units, dwelling, building, or group of buildings within a single complex of buildings which is rented to guests more than three times in a calendar year for periods of less than 30 days or 1 calendar month, whichever is less, or which is advertised or held out to the public as a place regularly rented to guests.

2. "Nontransient public lodging establishment" means any unit, group of units, dwelling, building, or group of buildings within a single complex of buildings which is rented to guests for periods of at least 30 days or 1 calendar month, whichever is less, or which is advertised or held out to the public as a place regularly rented to guests for periods of at least 30 days or 1 calendar month.

License classifications of public lodging establishments, and the definitions therefor, are set out in s. 509.242. For the purpose of licensure, the term does not include condominium common elements as defined in s. 718.103.

(b) The following are excluded from the definitions in paragraph (a):

1. Any dormitory or other living or sleeping facility maintained by a public or private school, college, or university for the use of students, faculty, or visitors.

2. Any facility certified or licensed and regulated by the Agency for Health Care Administration or the Department of Children and Family Services or other similar place regulated under s. 381.0072.

3. Any place renting four rental units or less, unless the rental units are advertised or held out to the public to be places that are regularly rented to transients.

4. Any unit or group of units in a condominium, cooperative, or timeshare plan and any individually or collectively owned one-family, two-family, three-family, or four-family dwelling house or dwelling unit that is rented for periods of at least 30 days or 1 calendar month, whichever is less, and that is not advertised or held out to the public as a place regularly rented for periods of less than 1 calendar month, provided that no more than four rental units within a single complex of buildings are available for rent.

5. Any migrant labor camp or residential migrant housing permitted by the Department of Health under ss. 381.008-381.00895.

6. Any establishment inspected by the Department of Health and regulated by chapter 513.

7. Any nonprofit organization that operates a facility providing housing only to patients, patients' families, and patients' caregivers and not to the general public.

8. Any apartment building inspected by the United States Department of Housing and Urban Development or other entity acting on the department's behalf that is designated primarily as housing for persons at least 62 years of age. The division may require the operator of the apartment building to attest in writing that such building meets the criteria provided in this subparagraph. The division may adopt rules to implement this requirement.

9. Any roominghouse, boardinghouse, or other living or sleeping facility that may not be classified as a hotel, motel, vacation rental, nontransient apartment, bed and breakfast inn, or transient apartment under s. 509.242.

(5)(a) "Public food service establishment" means any building, vehicle, place, or structure, or any room or division in a building, vehicle, place, or structure where food is prepared, served, or sold for immediate consumption on or in the vicinity of the premises; called for or taken out by customers; or prepared prior to being delivered to another location for consumption.

(b) The following are excluded from the definition in paragraph (a):

1. Any place maintained and operated by a public or private school, college, or university:

a. For the use of students and faculty; or

b. Temporarily to serve such events as fairs, carnivals, and athletic contests.

2. Any eating place maintained and operated by a church or a religious, nonprofit fraternal, or nonprofit civic organization:

a. For the use of members and associates; or

b. Temporarily to serve such events as fairs, carnivals, or athletic contests.

3. Any eating place located on an airplane, train, bus, or watercraft which is a common carrier.

4. Any eating place maintained by a facility certified or licensed and regulated by the Agency for Health Care Administration or the Department of Children and Family Services or other similar place that is regulated under s. 381.0072.

5. Any place of business issued a permit or inspected by the Department of Agriculture and Consumer Services under s. 500.12.

6. Any place of business where the food available for consumption is limited to ice, beverages with or without garnishment, popcorn, or prepackaged items sold without additions or preparation.

7. Any theater, if the primary use is as a theater and if patron service is limited to food items customarily served to the admittees of theaters.

8. Any vending machine that dispenses any food or beverages other than potentially hazardous foods, as defined by division rule.

9. Any vending machine that dispenses potentially hazardous food and which is located in a facility regulated under s. 381.0072.

10. Any research and development test kitchen limited to the use of employees and which is not open to the general public.

(6) "Director" means the Director of the Division of Hotels and Restaurants of the Department of Business and Professional Regulation.

(7) "Single complex of buildings" means all buildings or structures that are owned, managed, controlled, or operated under one business name and are situated on the same tract or plot of land that is not separated by a public street or highway.

(8) "Temporary food service event" means any event of 30 days or less in duration where food is prepared, served, or sold to the general public.

(9) "Theme park or entertainment complex" means a complex comprised of at least 25 contiguous acres owned and controlled by the same business entity and which contains permanent exhibitions and a variety of recreational activities and has a minimum of 1 million visitors annually.

(10) "Third-party provider" means, for purposes of s. 509.049, any provider of an approved food safety training program that provides training or such a training program to a public food service establishment that is not under common ownership or control with the provider.

(11) "Transient establishment" means any public lodging establishment that is rented or leased to guests by an operator whose intention is that such guests' occupancy will be temporary.

(12) “Transient occupancy” means occupancy when it is the intention of the parties that the occupancy will be temporary. There is a rebuttable presumption that, when the dwelling unit occupied is not the sole residence of the guest, the occupancy is transient.

(13) “Transient” means a guest in transient occupancy.

(14) “Nontransient establishment” means any public lodging establishment that is rented or leased to guests by an operator whose intention is that the dwelling unit occupied will be the sole residence of the guest.

(15) “Nontransient occupancy” means occupancy when it is the intention of the parties that the occupancy will not be temporary. There is a rebuttable presumption that, when the dwelling unit occupied is the sole residence of the guest, the occupancy is nontransient.

(16) “Nontransient” means a guest in nontransient occupancy.

History.—s. 1, ch. 73-325; s. 3, ch. 76-168; s. 1, ch. 77-457; ss. 1, 39, 42, ch. 79-240; ss. 3, 4, ch. 81-161; ss. 2, 3, ch. 81-318; s. 2, ch. 83-241; s. 3, ch. 87-117; s. 31, ch. 88-90; s. 2, ch. 88-275; ss. 2, 51, 52, ch. 90-339; s. 1, ch. 91-40; s. 4, ch. 91-429; s. 21, ch. 92-180; s. 1, ch. 93-53; s. 14, ch. 93-133; s. 36, ch. 94-180; s. 202, ch. 94-218; s. 42, ch. 95-210; s. 3, ch. 95-314; s. 2, ch. 96-384; s. 245, ch. 99-8; s. 7, ch. 2004-292; s. 1, ch. 2008-55; s. 25, ch. 2010-161; s. 1, ch. 2011-119; s. 1, ch. 2012-165.

The Florida Senate

2018 Florida Statutes

Title XXXIII REGULATION OF TRADE, COMMERCE, INVESTMENTS, AND SOLICITATIONS	Chapter 509 LODGING AND FOOD SERVICE ESTABLISHMENTS; MEMBERSHIP CAMPGROUNDS **Entire Chapter**	**SECTION 242** **Public lodging establishments; classifications.**

509.242 Public lodging establishments; classifications.—

(1) A public lodging establishment shall be classified as a hotel, motel, nontransient apartment, transient apartment, bed and breakfast inn, timeshare project, or vacation rental if the establishment satisfies the following criteria:

(a) *Hotel.*—A hotel is any public lodging establishment containing sleeping room accommodations for 25 or more guests and providing the services generally provided by a hotel and recognized as a hotel in the community in which it is situated or by the industry.

(b) *Motel.*—A motel is any public lodging establishment which offers rental units with an exit to the outside of each rental unit, daily or weekly rates, offstreet parking for each unit, a central office on the property with specified hours of operation, a bathroom or connecting bathroom for each rental unit, and at least six rental units, and which is recognized as a motel in the community in which it is situated or by the industry.

(c) *Vacation rental.*—A vacation rental is any unit or group of units in a condominium or cooperative or any individually or collectively owned single-family, two-family, three-family, or four-family house or dwelling unit that is also a transient public lodging establishment but that is not a timeshare project.

(d) *Nontransient apartment.*—A nontransient apartment is a building or complex of buildings in which 75 percent or more of the units are available for rent to nontransient tenants.

(e) *Transient apartment.*—A transient apartment is a building or complex of buildings in which more than 25 percent of the units are advertised or held out to the public as available for transient occupancy.

(f) *Bed and breakfast inn.*—A bed and breakfast inn is a family home structure, with no more than 15 sleeping rooms, which has been modified to serve as a transient public lodging establishment, which provides the accommodation and meal services generally offered by a bed and breakfast inn, and which is recognized as a bed and breakfast inn in the community in which it is situated or by the hospitality industry.

(g) *Timeshare project.*—A timeshare project is a timeshare property, as defined in chapter 721, that is located in this state and that is also a transient public lodging establishment.

(2) If 25 percent or more of the units in any public lodging establishment fall within a classification different from the classification under which the establishment is licensed, such establishment shall obtain a separate license for the classification representing the 25 percent or more units which differ from the classification under which the establishment is licensed.

(3) A public lodging establishment may advertise or display signs which advertise a specific classification, if it has received a license which is applicable to the specific classification and it fulfills the requirements of that classification.

History.—s. 2, ch. 57-824; s. 2, ch. 61-81; ss. 16, 35, ch. 69-106; s. 3, ch. 76-168; s. 1, ch. 77-457; ss. 19, 39, 42, ch. 79-240; ss. 3, 4, ch. 81-161; ss. 2, 3, ch. 81-318; ss. 26, 51, 52, ch. 90-339; s. 11, ch. 91-40; s. 4, ch. 91-429; s. 9, ch. 93-53; s. 12, ch. 96-384; s. 7, ch. 2008-55; s. 5, ch. 2011-119; s. 2, ch. 2012-165; s. 5, ch. 2014-133.

Florida Attorney General
Advisory Legal Opinion

Number: AGO 2016-12
Date: October 5, 2016
Subject: Municipalities – Vacation Rentals – Preemption – Zoning

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Mr. Kerry L. Ezrol, City Attorney
Ms. Farah L. Nerette, Assistant City Attorney
Goren Cherof Doody & Ezrol P.A.
3099 East Commercial Boulevard, Suite 200
Fort Lauderdale, Florida 33308

RE: MUNICIPALITIES – VACATION RENTALS – PREEMPTION – ZONING – whether the city could limit vacation rentals through a proposed ordinance (1) imposing distance separation requirements or (2) limiting the percentage or number of vacation rentals, in light of the preemption language regarding vacation rentals in s. 509.032(7), Fla. Stat.

Dear Mr. Ezrol and Ms. Nerette:

On behalf of the City Commission of the City of Wilton Manors, you have asked for an opinion on the following question:

Does section 509.032(7), Florida Statutes, prohibit the city from: (A) Implementing distance separation requirements between vacation rentals; or (B) Limiting the percentage or number of vacation rentals on city streets or in city neighborhoods?

In sum:

Section 509.032(7)(b), Florida Statutes, allows some regulation of vacation rentals, but prevents local government from enacting a law, ordinance, or regulation that prohibits vacation rentals. Therefore, the city may not impose spacing or proportional regulations that would have the effect of preventing eligible housing as defined in section 509.242, Florida Statutes, from being used as a vacation rental.

You state that Wilton Manors is considering enacting a zoning ordinance that would set distance separation requirements between vacation rentals or would limit the percentage or number of vacation rentals on city streets or in city neighborhoods. You represent that the ordinance would implement various health, safety, and welfare goals, such as reducing vehicle traffic; reducing the need for additional parking; reducing noise detrimental to surrounding residential uses; reducing the need for additional police, fire, emergency services, utilities, and neighborhood watch programs; and maintaining the residential character of neighborhoods. Although municipalities are permitted to enact zoning ordinances to accomplish such legitimate goals, an ordinance may not conflict with a controlling provision of state law.[1] You believe that the proposed ordinance would not forbid vacation rentals and thus would not run afoul of section 509.032(7)(b), Florida Statutes, which states that a local government may not enact an ordinance that "prohibit[s] vacation rentals." You have not provided this office with the language of your proposed ordinance (nor would this office interpret such an ordinance if you had), thus, my comments must be general in nature.

To answer your question, it is necessary to review the Legislature's treatment of preemption in relation to vacation rentals in section 509.032, Florida Statutes.[2] Part I of Chapter 509, Florida Statutes, contains laws affecting public lodging and public food service establishments. In 1993, the Legislature amended section 509.032, Florida Statutes, adding paragraph (7) to preempt all regulation of public lodging[3] and public food service establishments to the state. The provision stated, in pertinent part: "The regulation and inspection of public lodging establishments and public food service establishments … are preempted to the state."[4]

In 2011, the Legislature combined two types of public lodgings – "resort condominiums" and "resort dwellings" – under the new term "vacation rentals," and added a provision to specifically address an issue regarding vacation-rental regulation. According to the final staff analysis:

"The regulation of public lodging establishments is preempted to the state. Local governments can conduct inspections of public lodging establishments for compliance with the Florida Building Code and the Florida Fire Prevention Code.[5] However, some local governments have been prohibiting or restricting transient resort condominiums and dwellings by ordinance."[6]

To address this issue, the Legislature added a new provision, (7)(b), which stated:

"(b) A local law, ordinance, or regulation may not restrict the use of vacation rentals, prohibit vacation rentals, or regulate vacation rentals based solely on their classification, use, or occupancy. This paragraph does not apply to any local law, ordinance, or regulation adopted on or before June 1, 2011."[7]

In 2014, the Legislature amended paragraph (7)(b), "revising the permitted scope of local laws, ordinances, and regulations regarding vacation rentals."[8] The provision now allows limited new regulation subject to the following limitations:

"(b) A local law, ordinance, or regulation may not prohibit vacation rentals or regulate the duration or frequency of rental of vacation rentals. This paragraph does not apply to any local law, ordinance, or regulation adopted on or before June 1, 2011."

The final staff analysis for the legislation stated: "The bill removes the total preemption to the state for the regulation of vacation rentals, and permits local governments to regulate vacation rentals, provided those regulations do not prohibit vacation rentals or restrict the duration or frequency of vacation rentals."[9]

That same year, the City of Wilton Manors asked this office whether the 2014 amendment permitted the city to use zoning ordinances to regulate the location of vacation rentals. In Attorney General Opinion 2014-09, this office concluded:

"[W]hile a local government may regulate vacation rentals, it may not enact a local law, ordinance, or regulation which would operate to prohibit vacation rentals. *To the extent a zoning ordinance addresses vacation rentals in an attempt to prohibit them in a particular area where residences are* *otherwise allowed*, it would appear that a local government would have exceeded the regulatory authority granted in section 509.032(7)(b), Florida Statutes." (e.s.)

Section 509.242(1)(c), Florida Statutes, defines "vacation rental" as "any unit or group of units in a condominium or cooperative or any individually or collectively owned single-family, two-family, three-family, or four-family house or dwelling unit that is also a transient public lodging establishment but that is not a timeshare project." Section 509.013(4)(a)1., Florida Statutes, defines "transient public lodging establishment" as "any unit, group of units, dwelling, building, or group of buildings within a single complex of buildings which is rented to guests more than three times in a calendar year for periods of less than 30 days or 1 calendar month, whichever is less, or which is advertised or held out to the public as a place regularly rented to guests."

It appears from these definitions that any unit, group of units, or house as enumerated in section 509.242(1)(c), Florida Statutes, is eligible to be used as a transient public lodging establishment and, hence, a vacation rental. There are no statutory provisions that impose restrictions against owners from offering eligible housing as vacation rentals. Nor have you identified any municipal law, ordinance, or regulation enacted prior to the grandfathering date in the statute, June 1, 2011, that restricted any such housing from being offered as a vacation rental in Wilton Manors.[10] An ordinance requiring certain distances between vacation rentals or limiting their numbers in areas within the city could result in a prohibition against using eligible units as vacation rentals when other existing units have already satisfied the spacing or percentage formulae. Although the proposed ordinance would not absolutely forbid vacation rentals in the City of Wilton Manors, a distance separation requirement and a numerical or percentage limitation have the express purpose of prohibiting units above a certain threshold from being used as vacation rentals, which is contrary to section 509.032(7)(b) , Florida Statutes.[11] When there is any doubt as to whether a municipal ordinance may impair the operation of a statute, the doubt must be resolved in favor of the statute and against the ordinance.[12]

In *Moore v. Thompson*,[13] the Florida Supreme Court discussed the propriety of legislation that prohibited a class of businesses from operating, in the guise of regulating it. A blue law made it unlawful for businesses to sell motor vehicles on Sunday and legal holidays. Although the Court acknowledged that the Legislature had clear statutory authority to regulate automobile dealerships, this law exceeded such authority.

"While the act is one purporting to regulate this particular business, it is much more than a regulation. Chapter 318, 319 and 320, Florida Statutes, F.S.A., are illustrations of regulations of a particular industry while the object of this act is—not to regulate—but to prohibit such business on designated days.

The power to regulate does not encompass the power to prohibit."[14] (e.s.)

The Court concluded that the state had failed to provide a valid and substantial reason to single out automobile dealerships, and ruled that the law was unconstitutional. The Court cited an earlier case involving legislation in 1938 requiring all persons conducting auctions to post a bond of $2,000.00 and pay a license tax of $1,000.00 every fifteen days, regardless of the character or amount of the sale.[15] The Court had concluded in that case that the law was improper because the unreasonably high fees made it prohibitive rather than regulative. "Such an imposition amounts to a prohibition of large numbers from engaging in a legitimate business and is beyond all the necessities for the legislation."[16] Similarly, the proposed Wilton Manors ordinance might prohibit certain vacation rentals, when section 509.032(7) only permits local governments to regulate them.

The two circuit court orders you provided to this office do not support the proposed Wilton Manors ordinance. In one case, the Flagler County Circuit Court was asked to consider an ordinance prescribing the documentation that must be provided to the county for short-term vacation rentals, and a maximum occupancy limit for all vacation rentals.[17] In the other, the Manatee County Circuit Court considered an ordinance setting a maximum occupancy limit for each vacation rental unit in the City of Ana Maria.[18] The court in each case determined that the ordinance at issue did not prohibit vacation rentals or regulate their duration or frequency in violation of section 509.032(7)(b), Florida Statutes. Those ordinances are distinguishable from what Wilton Manors proposes, because they merely added regulatory requirements for existing and new vacation rentals and did not limit the number of vacation rentals that would be allowed in a geographic area.

Indeed, in the final staff analysis of the 2014 legislation, the section entitled "Effect of the Bill" stated:

"The bill permits local governments to create regulation that distinguishes vacation rentals from other residential property. In the past [prior to June 1, 2011], local government regulations have included noise, parking, registration, and signage requirements for vacation rentals."[19]

These matters and those addressed in the circuit court cases you cited are the kinds of regulations that are now permitted under the 2014 amendment to paragraph (7)(b) as exceptions to state preemption.

Accordingly, to the extent that the ordinance you are considering could have the effect of prohibiting a statutorily eligible housing unit from being used as a vacation rental, it is my opinion that the City of Wilton Manors would be exceeding the regulatory authority granted in section 509.032(7)(b), Florida Statutes.

Sincerely,

Pam Bondi
Attorney General

PB/tebg

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[1] *See City of Hollywood v. Mulligan*, 934 So. 2d 1238, 1246-47 (Fla. 2006); *City of Casselberry v. Orange County Police Benevolent Ass'n*, 482 So. 2d 336, 340 (Fla. 1986).

[2] *See Massey v. David*, 979 So. 2d 931, 942 (Fla. 2008) (legislative history can be an "invaluable tool" in determining the meaning of statutory language); *Kasischke v. State*, 991, So. 2d 803, 810 (Fla. 2008) (although staff analyses do not determine legislative intent, they provide "one touchstone of the collective legislative will").

[3] Public lodging establishments included hotels, motels, resort condominiums, nontransient and

transient apartments, rooming houses, resort dwellings, and bed and breakfast inns. Section 509.242, Fla. Stat. (2010).

[4] Section 2, Ch. 93-53, Laws of Fla.

[5] The Legislature had amended s. 509.032, Fla. Stat., in 2000, and added to paragraph (7): "This subsection does not preempt the authority of a local government or local enforcement district to conduct inspections of public lodging and public food service establishments for compliance with the Florida Building Code and the Florida Fire Prevention Code, pursuant to ss. 553.80 and 633.022." Section 47, Ch. 2000-141, Laws of Fla.

[6] House of Representatives Final Bill Analysis, CS/CS/CS/HB 883, dated June 28, 2011.

[7] *See* s. 2, Ch. 2011-119, Laws of Fla.

[8] *See* Preamble, Ch. 2014-71, Laws of Fla.

[9] House of Representatives Final Bill Analysis, Local & Federal Affairs Committee, CS/HB 307, dated June 19, 2014.

[10] *See* Inf. Op. to County Attorney Albert J. Hadeed, Flagler County, dated October 22, 2013 (concluding under the plain language of s. 509.242(1)(c) that a single-family house could be used as a vacation rental, subject to regulation by the state, when there were no zoning ordinances in effect prior to June 1, 2011, that would have prevented such use).

[11] The definitions of "prohibit" in Black's Law Dictionary (10th ed. 2014), are: "1. To forbid by law[,]" and, "2. To prevent, preclude, or severely hinder."

[12] *See Metropolitan Dade County v. Chase Federal Housing Corp.*, 737 So. 2d 494, 504 (Fla. 1999).

[13] 126 So. 2d 543 (Fla. 1960).

[14] *Id.* at 550.

[15] *Id.* at 551 (citing *State ex rel. James v. Gerell*, 188 So. 812 (Fla. 1938).

[16] *Gerell*, 188 So. at 814.

[17] *30 Cinnamon Beach Way, LLC v. Flagler County*, 2015-CA-167 (Fla. 7th Cir. Ct. June 1, 2015), *aff'd*, 183 So. 3d 373 (Fla. 5th DCA 2016) (per curiam).

[18] *Fla. Gulf Coast Vacation Homes, LLC v. City of Anna Maria*, 2016-CA-629 (Fla. 12th Cir. Ct. April 11, 2016).

[19] *See supra* n. 9.

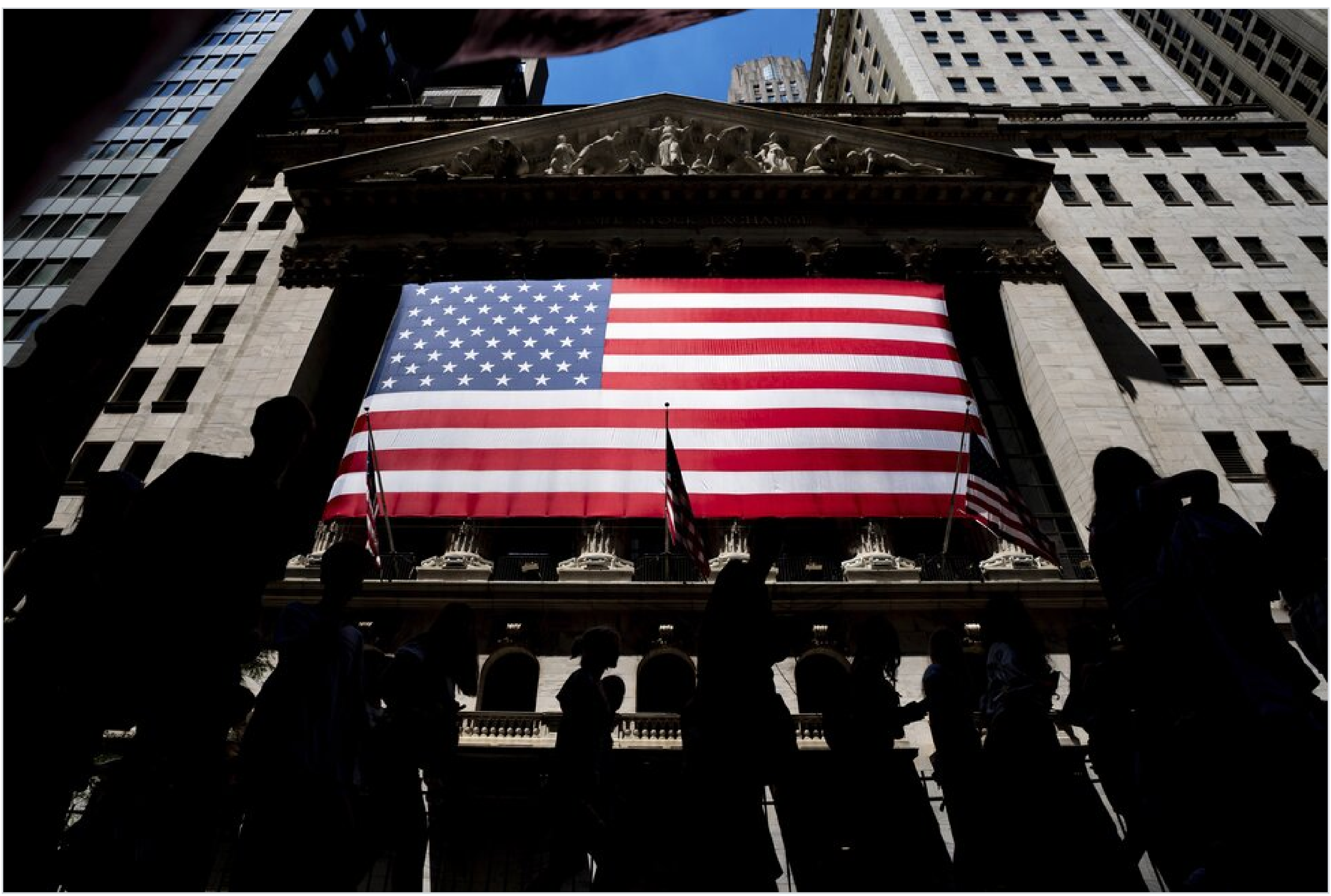
U.S. News & World Report NEWS

Dow Dives as Recession Fears Mount, Euro Slumps

Talk of a global recession dominates markets on the first day of the second half of 2022.

By Tim Smart

July 5, 2022



People walk past the New York Stock Exchange, June 29, 2022, in New York. (JULIA NIKHINSON/AP)

Markets entered the second half of the year Tuesday with an opening sell-off that saw the Dow Jones Industrial Average shed more than 500 points by mid-morning.

[**READ:** Europe Sees Record Inflation in June]

That dashed hopes that the rally at the end of last week might signal a turn in investors' fortunes following a first half that had market benchmarks suffering their worst returns in decades.

Adding fuel to the fire was news out of Europe that the euro has slid to a 20-year low against the dollar, almost reaching parity as global traders seek the safe haven of the U.S. currency.

Meanwhile, bonds have been backing off their recent higher yields, an ominous sign that the market is pricing in a recession. After breaching the 3% mark recently, the 10-year Treasury was yielding about 2.8% while the international oil benchmark Brent crude fell despite concerns of possible supply constraints.

The downbeat news reflects an increasing drumbeat of warnings of recession. Economists at Nomura now forecast a slew of recessions across the industrialized world, with the U.S., Europe, Australia, Canada and Japan all suffering as central banks raise interest rates to combat rampant inflation.

“Increasing signs that the world economy is entering a synchronized growth slowdown, meaning countries can no longer rely on a rebound in exports for growth, have also prompted us to forecast multiple recessions,” they wrote.

For the U.S., Nomura expects the downturn to be mild but long. But Europe is likely to fare worse, exacerbated by high energy prices and supply issues as a result of Russia’s war with Ukraine.

Domestically, much will depend on how aggressive the Federal Reserve is in cutting interest rates. The Fed began its pivot to tighter monetary policy in May, then took the unusual step of hiking rates by 75 basis points at its June meeting. Analysts are divided on whether the Fed will raise rates by the same amount this month or choose to increase its overnight lending rate by 50 basis points instead.

[**READ:** Fed's Favored Inflation Gauge Falls Slightly in May]

Ominously, the Federal Reserve Bank of Atlanta's GDPNow estimate of quarterly economic growth was reduced last week to a decline of 2.1% for the second quarter. While the measure is not an official Fed forecast, it follows the official government reading of a 1.6% drop in economic growth in the first quarter.

"The GDPNow model estimate for real GDP growth (seasonally adjusted annual rate) in the second quarter of 2022 is -2.1 percent on July 1, down from -1.0 percent on June 30," the Atlanta bank said on Friday.

Although many cite the two quarters of negative growth as a recession, the actual definition from the National Bureau of Economic Research is a little more nuanced, considering that a downturn in the labor market is often a requisite for an official declaration.

On Friday, the government will report the monthly jobs number for June, with estimates for an increase of about 250,000 or 275,000 jobs added. But that would still be a drop from the 390,000 for May.

Tags: Dow Jones & Co., stock market, recession, economy, global economy

SPEND

'Ugly' inflation numbers make a recession more likely in 2022, economist says

Published Wed, Jul 20 2022•9:51 AM EDT

Mike Winters
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US Federal Reserve Chair Jerome Powell speaks during a news conference at the Federal Reserve Building in Washington, DC, June 15, 2022. OLIVIER DOULIERY / Getty

As inflation continues to increase, so does the probability of a recession, according to several recent economic forecasts. That means more layoffs, fewer jobs and higher interest rates may soon be on the horizon.

The median probability of a recession over the next 12 months is 47.5%, up from 30% in June, according to a Bloomberg survey of economists completed last week.

Recessions are officially declared by the National Bureau of Economic Research, which defines them as “a significant decline in economic activity that is spread across the economy and that lasts more than a few months.”

A big reason a recession looks imminent is because of inflation, which is showing few signs of slowing down. Last week’s consumer price index (CPI) report revealed year-over-year inflation reaching 9.1%, the highest rate since 1981.

Banks, including Citigroup, Deloitte and PNC Financial Services, previously predicted a slowdown in 2023, but recent forecasts say a recession could occur in 2022 or earlier in 2023 than formerly expected.

Last week, Bank of America followed an earlier forecast by Japanese investment bank Nomura, predicting a “mild” recession in the remaining months of 2022. The outlook is a revision of earlier forecasts that only predicted slowing economic growth.

Similarly, Wells Fargo has changed its outlook from an economic “soft landing” to a “mild recession” in the first quarter of 2023.

A key factor in that revised outlook is May and June inflation data from various sources, including the monthly CPI report, says Jay Bryson, Wells Fargo’s chief economist. He calls June’s CPI numbers “ugly,” adding that inflation “is becoming more entrenched and more widespread.”

For consumers, “it’s eroding real disposable income.”

In fact, decreased consumer spending is another sign of a looming recession. Wells Fargo’s forecast predicts that by September there will be “outright declines” in consumer spending as more people dip into their savings to cover the growing costs of goods and services.

“Consumers have held the line pretty well in terms of spending,” Bryson says. “But they’ve brought down their savings rates and they’ve increased credit card debt. Those things aren’t sustainable in the long run.”

With persistent inflation comes interest rate hikes, which the Federal Reserve is all but certain to do when it meets at the end of the month. The only question is whether it will be a 0.75% interest rate hike — which most forecasts expect — or a 1% interest rate hike, which Atlanta Fed President Raphael Bostic says is “in play.”

Rate hikes can decrease inflation by making it more expensive for businesses and consumers to borrow money. But this also discourages demand for goods and services, which can stunt economic growth.

For consumers, higher interest rates means extra costs on adjustable-rate debt like loans and credit cards, higher car financing costs and potentially higher mortgage costs. A 1% hike would make these increases even more stark than a lesser increase.

“We have to control inflation,” says economist Aleksandar Tomic, an associate dean at Boston College. It’s especially necessary since wage growth is currently outpaced by the rate of inflation.

“The trillion-dollar question is whether we will be able to do that without tanking the economy,” he says.

Don’t miss:* *Here’s how much money it takes to be considered wealthy in 12 major U.S. cities

BREAKING INVESTING

Housing Market Collapse 'Deepening, Fast': New Home Sales Crater Again As Experts Worry Downturn Could Spark Recession

Jonathan Ponciano Forbes Staff

Jul 26, 2022, 11:17am EDT

Updated Jul 26, 2022, 02:39pm EDT

TOPLINE New home sales unexpectedly plunged much more than economists projected in June, according to data released Tuesday, adding to signs that the housing market is abruptly unraveling pandemic-era gains as experts start to worry the downturn could spill over into the broader economy—potentially even triggering a recession.

Amid plunging demand, the median sales price of new homes fell to $402,400 last month from $449,000 ... [+] GETTY

KEY FACTS

- About 590,000 new single-family houses were sold last month on a seasonally adjusted annual basis, plunging 8% below the May rate of 642,000 and falling sharply below analyst projections of 660,000, the Census Department reported on Tuesday.

- Plunging demand has started to hit prices hard: The median sales price of new homes plunged to $402,400 last month from $449,000 in May—the lowest level since June 2021 after a record high $457,000 in April.

- Meanwhile, the number of new houses for sale jumped by 17,000 to an estimated 457,000—reflecting about eight months of current sales, or the biggest glut since late 2010, notes Pantheon Macro chief economist Ian Shepherdson, blaming the plunging demand for a recent surge in inventories.

- “The housing slump is deepening, fast,” says Shepherdson, noting new home sales fell at a 61% annualized rate in the second quarter and adding the sustained plunge in mortgage applications over the past few months means the latest reading “will not be the bottom.”

- Illustrating the housing market’s gloomy outlook, Atlanta home construction company PulteGroup on Tuesday reported new orders in the second quarter fell 23% from last year as higher mortgage rates, reduced affordability and lower consumer confidence contributed to lower demand and resulted in an increased number of previous buyers canceling their contracts.

- The data comes only a week after the National Association of Home Builders revealed home builder confidence plunged to a two-year low in July as high inflation and supply chain constraints prompted many builders to halt construction on homes.

KEY BACKGROUND

Home buying demand skyrocketed during the pandemic as interest rates collapsed and an influx of Americans started working from home. However, the Federal Reserve's interest rate hikes have quickly spurred a reversal since March, and some experts worry about the broader economic implications. In a note to clients last week, Bank of America economist Michael Gapen downgraded his economic forecast as a result of the steeper-than-expected housing market decline, saying gross domestic product likely shrank 1.5% last quarter.

CRUCIAL QUOTE

"The sellers' market of the early spring became a buyers' market more or less overnight, as large numbers of potential purchasers had their spending power dramatically reduced—or were pushed out of the market altogether—by the surge in mortgage rates," says Shepherdson.

TANGENT

Mortgage rates, which have risen to about 6% since the Fed started raising rates, were about 2.5 percentage points higher in June than they were one year prior, reducing home-buying power by $123,500 when keeping household income constant, estimates First Financial chief economist Mark Fleming.

CHIEF CRITIC

"For the last seven straight months it has been going down, and this is a huge drop," NAHB CEO Jerry Howard said on Fox News last week. "I think all it says is, 'Somebody do something or we're going to go into a recession.'"

FURTHER READING

Housing Market 'Meltdown' Intensifies: Home Builders Halt Construction As Confidence Plunges To Two-Year Low *(Forbes)*

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Jonathan Ponciano

I'm a senior reporter at Forbes focusing on markets and finance. I graduated from the University of North Carolina at Chapel Hill, where I double-majored in business... **Read More**

https://www.wsj.com/articles/apartment-rents-begin-tapering-off-after-record-growth-11659301974

REAL ESTATE

Renters Finally See Market Starting to Cool After Record Growth

Rents are still rising at a historically fast pace but there are signs of softening

By Will Parker Follow

Updated Aug. 1, 2022 12:42 pm ET

After more than a year of record run-ups in apartment rents, growth is starting to cool off, a trend that could help housing affordability and ease the rise in overall inflation, according to several market measures.

Nationally, average apartment rents rose 9.4% in the second quarter of 2022 compared with the same quarter in 2021, according to data firm CoStar Group. While that is high by historical standards, it is down from the more than 11% annual increases seen the previous two quarters, CoStar said.

The growth decline also comes at the time of year when the rental market is typically at its strongest. The slowing of the growth rate in the second quarter is "a really ominous sign," said Jay Lybik, national director of multifamily analytics at CoStar. "It's retreating quickly."

CoStar projects that rent growth will continue to slow in the coming months, finishing the year 6.2% higher than last year. The firm is projecting a 4.9% increase for 2023.

The rental markets that are slowing fastest include many of the cities that saw some of the country's fastest-growing rents during the pandemic, such as Phoenix, Las Vegas and Tampa, Fla. In Phoenix, asking rent grew 10.1% in the second quarter compared with a year earlier, according to CoStar, down from the 18.4% annual increase in the first quarter of this year and the 21.3% rise in the fourth quarter of 2021. In Palm Beach, Fla., top-tier rents have actually fallen below their 2021 high point of $2,704 a month.

Other measures of rental demand show apartment hunters may be starting to pull back from the market. The U.S. apartment vacancy rate increased for the first time in 14 months this June, according to real-estate software firm RealPage, rising to 3.7% compared with 3.5% one year earlier.

Apartment absorption, a metric that measures demand, is also slowing, according to CoStar. The total number of leased apartments increased by 72,000 in the second quarter compared with 266,000 in the second quarter of 2021, CoStar said.

Rental markets often begin moderating when prices become so high that they discourage people from forming new households by, say, moving away from their parents or roommates, analysts say. In many markets, rent growth has exceeded the rise in incomes, said Piper Sandler analysts in a note last month.

"We believe there will be increasing resistance to absolute rent levels, especially in the coastal urban markets where rents are setting new records," the note said.

Other analysts point to a record volume of apartment construction, which could help keep a lid on rents by saturating markets with more supply over the next year.

The shortage of affordable rental housing intensified for at least two decades before the pandemic, according to a June report from Harvard University's Joint Center for Housing Studies. Between 2001 and 2019, rents rose 16% while renter incomes rose only 5%, both figures adjusted for inflation, the report said.

Rental housing affordability worsened in the first year of the pandemic, with the share of American renters who pay 30% or more of their income on rent rising 2.6 percentage points, the report said. Nearly half of renters now fall into that category.

Housing accounts for about one-third of inflation. The consumer-price index reached an annual rate of 9.1% in June, the highest rate in more than 40 years, the Labor Department said. Average hourly earnings meanwhile, rose 5.1% in June compared with the same month last year.

The run-up in rental prices has occurred alongside an even more pronounced increase in home-sale prices, which are now also beginning to slightly decelerate.

A softening also is being seen in single-family home rentals, which like apartments have had record rent growth. May was the first month since January of 2021 that annual rent growth for single-family homes didn't increase over the rate of the previous month, according to housing data firm CoreLogic.

Write to Will Parker at will.parker@wsj.com

Appeared in the August 2, 2022, print edition as 'Apartment Rent Increases Taper Off'.

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MONDAY, AUGUST 8, 2022

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8/8/2022 3:00:00 PM Share This Episode

How Much Are Mortgage Rates Affecting Home Prices?

Mortgage rates ticked down to 4.99% last week but are still two full percentage points higher than a year ago, giving home buyers more leverage. Wall Street Journal personal-finance reporter Veronica Dagher joins WSJ Your Money Briefing host J.R. Whalen to explain how the cooling housing market is causing sellers to revisit their playbook.

00:00 / 05:29 1x

FULL TRANSCRIPT

This transcript was prepared by a transcription service. This version may not be in its final form and may be updated.

J.R. Whalen: For the past two years, many home sellers capitalized on low mortgage rates, which brought buyers out in droves. It was common for a seller to get more than they even asked for. But for some homeowners who waited to sell, rising interest rates in just the past few months have left them worried they waited too long. Making a sale is no longer as easy as just posting a listing. I'm J.R. Whalen from The Wall Street Journal, and joining me is WSJ personal finance reporter, Veronica Dagher. Veronica, thanks for being with us.

Veronica Dagher: Thanks for having me, J.R.

J.R. Whalen: So, you know, Veronica, the changing economy and mortgage rates that have trended higher since the start of the year, they sort of chipped away at the market that has benefited sellers for much of the past two years. How is that affecting home prices?

Veronica Dagher: So prices overall are rising. They're expected to continue to rise overall sort of nationally, but we are seeing these increased pockets of weakness, especially if your home has been on the market for a while. We have the statistic that shows homes that have been on the market for three months or longer are reducing their prices by about 11% from the list price. We're also seeing that one in seven homes on the market had a price reduction in June, according to realtor.com. And that's nearly double the rate of one in 13 homes a year ago. So it's still a seller's market, but that is pretty quickly starting to shift.

J.R. Whalen: Now in the first part of this year as well as last year, we heard stories about home sellers getting multiple offers, many even getting above their asking price. What are sellers experiencing now and how have they had to change their game plan?

Veronica Dagher: Yeah. So those bidding wars that you heard about, those offers over ask that you just mentioned, yeah, that's kind of a thing about the past right now. That's not really happening for a lot of sellers in many markets. And so these homeowners are having to come to grips with the reality that they may not get the same price that their neighbor did just a few months ago. And some sellers aren't taking that very well. They're frustrated, they're confused, they're disappointed. And some people are actually coming to the place where they're just happy to get any offers on their home. So as more homeowners are cutting their prices, they're having to make a bunch of difficult decisions at all at once. They could need to cut their prices once or even several times. Eventually the seller may need to accept less than they feel that their home is worth or you got to choose to take it off the market and try again when conditions improve. Another option is always renting it as well, that comes with its own risks. And what's interesting is those incentives that you heard before the pandemic are coming back. So for example, some sellers are throwing in furniture or extended or flexible move-in dates, or they're also even throwing in things like sound systems for the house or drapes just to incentivize a buyer to purchase their home. I just want to be clear though, overall, the housing market is still very solid. There's been price reductions, but the amount of those price reductions is still far less than was typical in the period of 2017 to 2019 when the rate was one out of every four or five homes was seeing a price cut. We're not there yet.

J.R. Whalen: Okay. But if someone does feel the need to drop the price of their house, what factors do real estate experts say should go into that?

Veronica Dagher: There's a couple things to consider. So average price reduction should be around eight to 10% and homeowners, they usually arrive at their list price with the help of their agent, of course and by looking at comparable homes sold in their neighborhood within the prior six months. Traditionally that's how it was done. Right now though, you need to look at what's being sold in the last month because that's going to give you a much more accurate representation of what's happening in the market given mortgage rates today and buyer sentiment today. If you need to drop the price and you haven't received any offers within the first two weeks, you need to act quickly; drop that price very soon. And when you do drop the price, try to just do it once. It's much better to make one large price drop than to do several small ones. Buyers want to see a noticeable difference and you want to attract people searching in a different price range when you actually do drop that price.

J.R. Whalen: But you know, Veronica mortgage rates have trended lower just in the past couple of weeks, okay, but they can still turn on a dime if they follow a volatile economy. And so we can talk about best practices for sellers, but it seems like there really isn't a rubber stamp formula for them to follow.

Veronica Dagher: Yeah. So mortgage rates are much higher, and so that means buyers have less buying power. It's pricier for them to buy. They have less money in their budgets to spend on your home, and so they're going to have to be more willing to walk away from a home that they're interested in just because they don't have the money for it. If they can't get approved for the mortgage, they're not going to be able to buy your house. And so that's another reason you have to be a little bit more flexible than you were even in March as a seller, because there's not as many buyers going to be able to afford your home.

J.R. Whalen: All right. That's Wall Street Journal personal finance reporter, Veronica Dagher. Veronica. Thanks for being with us.

Veronica Dagher: Thanks for having me, J.R.

J.R. Whalen: And I'm J.R. Whalen. To hear more personal finance stores from The Wall Street Journal, ask your Google assistant to play WSJ Your Money Briefing podcast.

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MARKETSPERSONAL FINANCE

Home Sellers Cut Prices as Housing Market Cools

How higher mortgage rates—and frustration—are changing the playbook for sellers

By Veronica Dagher Follow

Aug. 5, 2022 5:30 am ET

There are a lot of unhappy people in the housing market right now. Among the most miserable are sellers realizing they have listed their properties too late.

For much of the country, real estate had been on a tear since the start of the pandemic. Home prices are up about 44% over the past two years, according to Redfin.

But prices have cooled lately and many homeowners are coming to grips with the reality that they may not get the same prices their neighbors did. Roughly one in seven homes on the market had a price reduction in June, according to Realtor.com. That is nearly double the rate of one in 13 homes a year ago.

As more homeowners weigh cutting prices, they face several difficult decisions at once. They could need to cut prices once or even several times. Eventually, the seller may need to accept less than they feel their home is worth or choose to take it off the market and try again when conditions improve.

Real-estate agents, meanwhile, are dusting off the old playbook for handling price reductions.

Jennie Jackson, 33 years old, listed her three-bedroom Las Vegas home for $465,000 earlier this summer. In March, her neighbor sold a comparable home for about $485,000, she said.

Over the course of about 35 days, she cut the price three times. She recently accepted an offer for about $405,000.

“I thought this may be the highest offer I’ll get so let me get out while the going is good,” said Ms. Jackson.

Overall, the housing market remains solid. While there have been price reductions, the amount is still far less than was typical from 2017 to 2019, when the rate was one home out of every four or five.

But there have been weakening signs as mortgage rates have risen and inventory stays on the market longer. Homes that have been on the market for three months or longer are reducing prices by around 11% from the list price, according to the National Association of Realtors.

"The days of bidding wars and homes selling for tens of thousands of dollars over asking are over," said Daryl Fairweather, chief economist at Redfin.

Despite the average rate on a 30-year fixed mortgage dropping back below 5% this week, the increases this year priced many potential buyers out of the market, slowing the pace of sales and causing more inventory to sit, said Lawrence Yun, chief economist at NAR.

Benjamin Dixon, a real-estate agent in New York City, said several sellers he is working with would have sold their apartments in a matter of days if they listed earlier in the year. Now, some owners are considering a price cut, others are considering delisting until the fall and yet others have decided to rent out their homes to capitalize on the hot rental market, he said.

Renting though comes with its own challenges for sellers.

"Trying to sell a home with a tenant isn't optimal for showings and becoming a landlord isn't much fun," said Mr. Dixon.

Homeowners usually arrive at a list price with the help of their agents, by looking at comparable homes sold in their neighborhood within the prior six months. The price is likely to reflect a home's age, size, features, improvements and condition, as well as location. But higher rates have made those comparisons somewhat less useful, said George Ratiu, manager of economic research for Realtor.com.

With rates pushing the monthly mortgage payment for a typical home 60% higher than a year ago, many buyers are unable to come up with the funds to purchase a home, Mr. Ratiu said. As a result, the sales of previously owned homes fell for a fifth straight month, dropping 5.4% in June to an annualized rate of 5.12 million, according to NAR.

For those looking to sell their home, Ms. Fairweather said to talk to your agent about what comparable homes in your area sold for a month ago and price about 5% below that. Sellers are better off pricing conservatively out of the gate to get one good offer than to price too high and be forced to lower the list price further than they would like, she said.

Drop the price if you haven't received any offers within the first two weeks, she said. You only want to drop the list price once if you can, so it is better to make one larger drop than several small ones, said Ms. Fairweather.

The average price reduction should be between an 8% to 10% decrease, said Vanessa Famulener, president of HomeLight Homes. Buyers want to be able to see a noticeable difference, and you want to attract people searching in a different price range, she said.

Buyer incentives that were unnecessary a few months ago are now becoming more commonplace again and are helping some sellers avoid steeper price cuts, real-estate agents said.

Ross Ponder, a real-estate agent in Austin, Texas, said more sellers are now offering to pay a part of buyers' closing costs and are proposing flexible move-in dates. Some owners are offering an increased buyers' agent fee to motivate agents to drum up more offers.

More sellers are throwing in items including furniture, sound systems and even drapes to stand out, said Amy Schinco, a real-estate agent in Omaha, Neb.

"The market has definitely changed," she said.

Write to Veronica Dagher at Veronica.Dagher@wsj.com

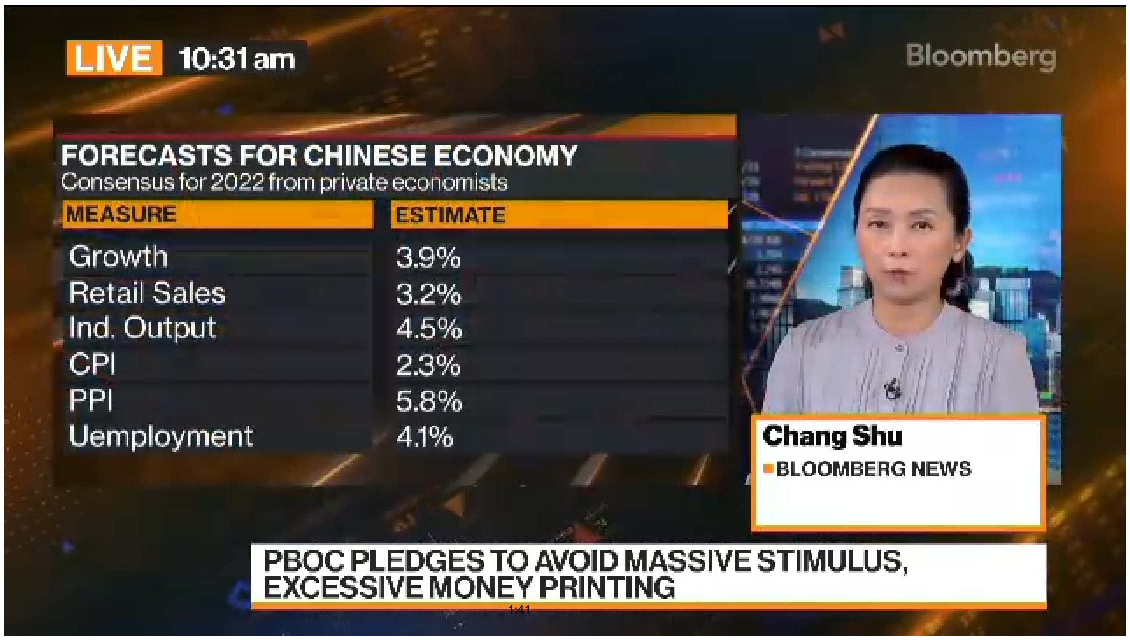
Appeared in the August 8, 2022, print edition as 'Home Sellers Worry They Missed Wave'.

Markets

Economics

US Inflation Runs Cooler Than Forecast, Easing Pressure on Fed

- Consumer prices rose 8.5% from year ago, easing from June high
- Drop in gas prices drove much of July miss; food still rising



US Inflation Cools More Than Forecast as Gasoline Price Drops

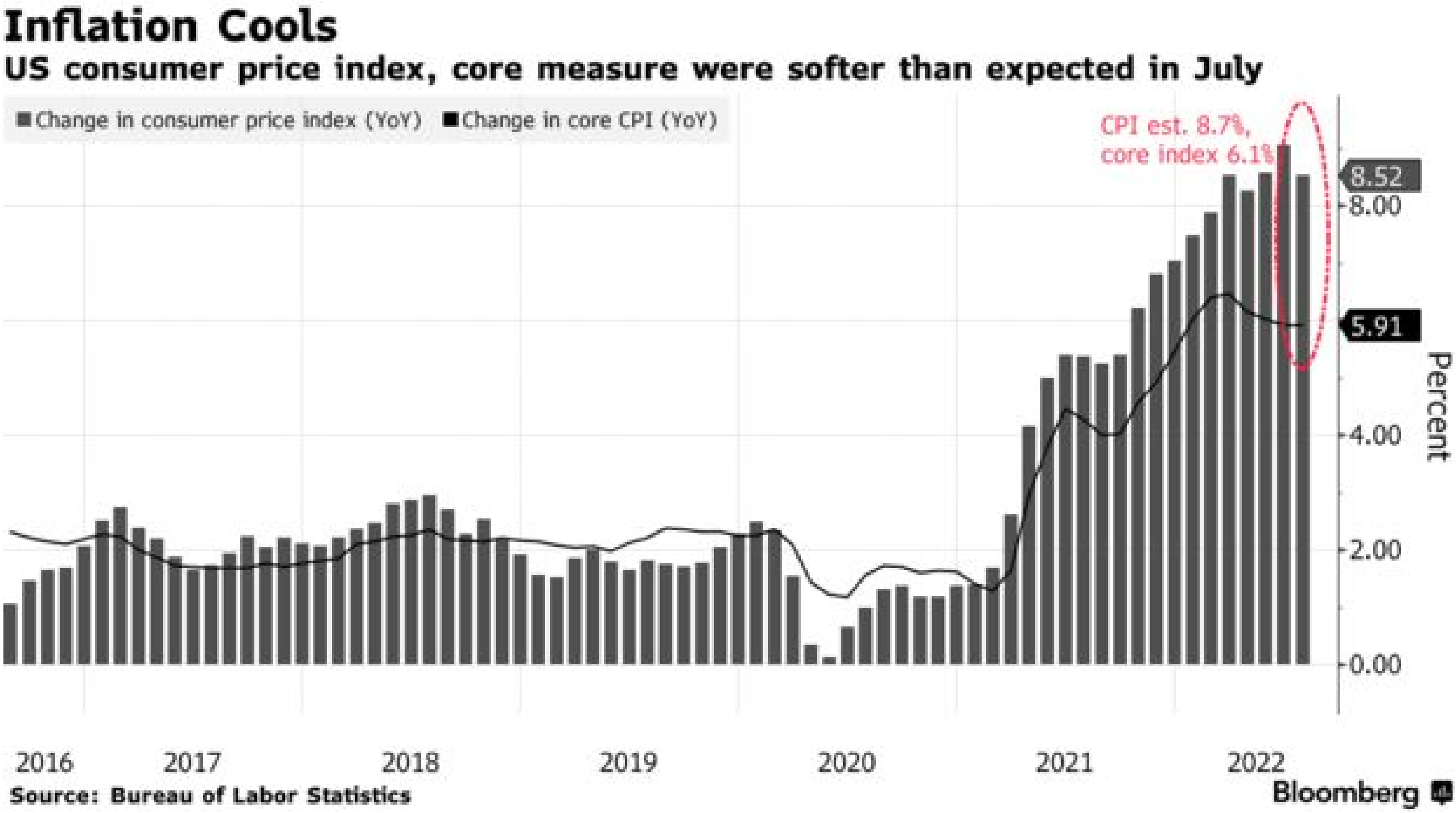
By Olivia Rockeman

August 10, 2022 at 8:32 AM EDT *Updated on August 10, 2022 at 10:30 AM EDT*

US inflation decelerated in July by more than expected, reflecting lower energy prices, which may take some pressure off the Federal Reserve to continue aggressively hiking interest rates.

The consumer price index increased 8.5% from a year earlier, cooling from the 9.1% June advance that was the largest in four decades, Labor Department data showed Wednesday. Prices were unchanged from the prior month. A decline in gasoline offset increases in food and shelter costs.

So-called core CPI, which strips out the more volatile food and energy components, rose 0.3% from June and 5.9% from a year ago. The core and overall measures came in below forecast.



The data may give the Fed some breathing room, and the cooling in gas prices, as well as used cars, offers respite to consumers. But annual inflation remains high at more than 8% and food costs continue to rise, providing little relief for President Joe Biden and the Democrats ahead of midterm elections.

Bloomberg Radio
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0:00 / 8:25

LISTEN: Bloomberg's Vince Cignarella discusses the July CPI report with Paul Sweeney and Matt Miller on Bloomberg Radio

Cost of Living

While a drop in gasoline prices is good news for Americans, their cost of living is still painfully high, forcing many to load up on credit cards and drain savings. After data last week showed still-robust labor demand and firmer wage growth, a further deceleration in inflation could take some of the urgency off the Fed to extend outsize interest-rate hikes.

Treasury yields slid across the curve while the S&P 500 was higher and the dollar plunged. Traders now see a 50-basis-point rate increase next month as more likely, rather than 75.

"This is a necessary print for the Fed, but it's not sufficient," Michael Pond, head of inflation market strategy at Barclays Plc said on Bloomberg TV. "We need to see a lot more."

Fed officials have said they want to see months of evidence that prices are cooling, especially in the core gauge. They'll have another round of monthly CPI and jobs reports before their next policy meeting on Sept. 20-21.

Read More: Cooler Inflation Takes Fed's Rate-Hike Size 'Down to the Wire'

Gasoline prices fell 7.7% in July, the most since April 2020, after rising 11.2% a month earlier. Utility prices fell 3.6% from June, the most since May 2009.

Food costs, however, climbed 10.9% from a year ago, the most since 1979. Used car prices decreased.

> **What Bloomberg Economics Says...**
>
> "With rents still pushing higher and elevated wages beginning to seep into services inflation, we expect this pause to be short-lived. Core CPI could approach 7% in the coming months -- despite our assumption of moderation in goods prices."
>
> --Anna Wong and Andrew Husby, economists
>
> To read the full note, click here

Shelter costs -- which are the biggest services' component and make up about a third of the overall CPI index -- rose 0.5% from June and 5.7% from last year, the most since 1991. That reflected a 0.7% jump in rent of primary of residence. Hotels, meanwhile, fell 3.2%.

Elsewhere in leisure, airfares dropped 7.8% from the prior month, the most in nearly a year.

While prices are showing signs of moderating, there are several factors that risk keeping inflation high. Housing costs are a big one, as well as unexpected supply shocks. And wages are still climbing at a historically fast pace, concerning some economists of a so-called wage-price spiral.

However, those gains aren't keeping up with inflation. A separate report showed real average hourly earnings fell 3% in July from a year earlier, dropping every month since April 2021.

“We’re seeing a stronger labor market, where jobs are booming and Americans are working, and we’re seeing some signs that inflation may be beginning to moderate,” Biden said after the report. He cautioned, “we could face additional headwinds in the months ahead,” citing the war in Europe, supply-chain delays and pandemic-related disruptions in Asia.

The impact of inflation on wages has started to dent spending, with the pace of personal consumption growth decelerating between the first and second quarters.

That said, consumer expectations for US inflation declined sharply in the latest survey by the New York Fed, suggesting Americans have some confidence that prices will come off the boil in the next one to five years.

– With assistance by Kristy Scheuble, Reade Pickert, Liz McCormick, Ana Monteiro, Maria Paula Mijares Torres, Lisa Abramowicz, Tom Keene, and Jordan Fabian

(Adds Biden reaction)

FloridaRealtors® (/)
The Voice for Real Estate® in Florida

NEWS & MEDIA

AUGUST 10, 2022

More Listings Gives RE Market Time to Breathe

By Kimberly Miller

Buyers, sellers and Realtors feel less pressure as bidding wars decline, listings remain on the market more than a week, and open houses no longer generate waiting lines.

WEST PALM BEACH, Fla. – A lusty real estate market that saw cutthroat bidding wars jack up prices by tens of thousands of dollars swiftly deflated this summer with 30% of single-family homes for sale in Palm Beach County slashing listing prices in June.

That's the highest percent of price drops countywide since at least 2013 when the national brokerage firm Redfin began tracking the measure of market health. It's also up from a low of 10% of homes that cut their rates in February of this year.

Realtors confirmed the breakneck days of 40-plus attendees jostling into open houses and multiple blind offers waned in the face of higher mortgage interest rates, record-high inflation, an ailing stock market, a potential recession and a summer travel season free of pandemic restrictions.

"It's our first time to exhale in two years," said Lisa Wilkinson, a senior director of luxury sales for Douglas Elliman. "We may not have 30 showings the first day, but we will still achieve a seller's goal. It will just be in a more controlled manner."

And it may be a difficult conversation to have with sellers who watched neighbors during the pandemic spending spree get gluttonous prices for their homes.

Keyes Company Realtor John Sholar is representing a seller in the popular Flamingo Park historic district in West Palm Beach who listed his home at $1.55 million. The owner was hoping to get close to the $1.9 million listing price that was on the house next door. After a few weeks with no offers, Sholar texted his client to explain that the market was changing and that it may be time to lower the price. The seller was hesitant to agree.

"I said 'do you want to sell your house or not?' " Sholar said. "It took a day or two for him to get back with me. He had to digest it."

Sholar's listing at 833 Biscayne Drive is now at $1.295 million. The home next door was down to $1.49 million in June. In July, it was listed for rent at $10,500-a-month, according to Realtor.com.

The dearth of homes for sale in Palm Beach County also led to increased prices, but supply began to creep up in June with a 77% hike over the previous year. Still, there were just 2.3 months' worth of homes for sale. A balanced market is considered 5.5 months, according to the Broward, Palm Beaches and St. Lucie Realtors Group.

"Right now, there are more must-sellers than there are must-buyers but we're not in a buyers' market yet," said Jeff Lichtenstein, president of Echo Fine Properties.

Echo's agents are going through their listings now to make sure they are priced for the current environment. That includes knowing what people are searching for online. For example, it's more likely someone would look for a home in the $250,000 price range than something priced precisely at $268,000.

Lichtenstein said he goes through a checklist of questions before lowering the price on a house. Those include how long has it been on the market, are the furnishings and décor attractive, how accessible were the showings, and what do the closets look like?

"You can't have a peach hanger and a green hanger and a wire hanger. You need to coordinate, and you probably need to get rid of half of the stuff," he said about making a closet more appealing.

In Palm Beach County, Jupiter had the highest percent of homes for sale that dropped their prices in June at about 44%. That's up from a pandemic-era low of 10.7% in June 2021.

West Palm Beach had 28% of homes for sale drop prices, up from a low of 8.5% in February. Other June priced drops included 31% of Boynton Beach's listings, Wellington's 29%, Boca Raton's 32% and Delray Beach's 30%.

Statewide, 34.5% of active listings in June had price drops.

Realtor Cibie Cahur said the housing frenzy of the past year meant managing open houses like a bouncer manning the red velvet rope at a bar. At an open house in Abacoa, the seller required buyers to take their shoes off. The pile of shoes was so large that two people left wearing the wrong shoes. They were the same style, but different sizes. At another open house in Lake Worth, where the home was listed for $225,000 and needed a complete renovation, she got 21 offers including 11 cash buyers.

"It was incredible," said Cahur, who is with the Cahur Group at Keller Williams Realty. "But I'm not seeing that kind of activity right now."

A recent report from Redfin found the percent of homes for sale in June that saw multiple bids dipped below 50% for the first time since May 2020. The height of the bidding wars nationally was in January of this year when nearly 70% of homes nationwide were selling amid multiple offers.

Tampa had the lowest bidding-war rate nationwide in June at 28.9%. The Miami market, which includes Palm Beach, Broward and Miami-Dade counties was the only other Florida area in the top 10 for the lowest percentage of bidding wars in June at 45.9%.

Providence, Rhode Island, had the highest percentage of sales that faced competition at 77.6%.

"Florida has always had a more volatile housing market," said Redfin Chief Economist Daryl Fairweather. "The fall is a bit dramatic because you are coming from such high heights."

But there are still hot spots in Florida, including the luxury market.

In the Town of Palm Beach, just 11% of homes for sale had price drops in June. That's up from a pandemic low of 3.6% in August 2021. Because high-end sales are often cash deals, they have been less likely to succumb to interest rate increases.

"I've seen it steady through the summer," said Margit Brandt, senior real estate advisory at Premier Estate Properties, who specializes in multi-million-dollar homes. "Buyers are still coming to Florida. They are moving their businesses here, their families here, and they are moving here full time."

Brandt acknowledged full time for her high-end clients may mean 10 months in Florida with summers in cooler climes.

https://www.wsj.com/articles/fed-likely-to-want-further-evidence-of-inflation-slowdown-11660153057

ECONOMYU.S. ECONOMY

Fed Likely to Want Further Evidence of Inflation Slowdown

Easing in price pressures last month followed reports of stronger-than-expected wage growth, complicating rate-setting outlook

By Nick Timiraos Follow

Updated Aug. 10, 2022 5:49 pm ET

A slowdown in inflation last month, following recent indications of a robust labor market, complicates the Federal Reserve's decision on how much to raise interest rates next month.

Data on inflation and economic activity are likely to guide whether central bank officials lift their benchmark federal-funds rate by a half-percentage point or three-quarters of a point at their Sept. 20-21 policy meeting. They have said they want to see evidence that price pressures and economic growth are cooling before they moderate their pace of rate increases.

Wednesday's inflation report keeps the Fed's door open to a half-point rate increase in September if subsequent data confirm price pressures are easing. But a 0.75-point rise remains possible after recent reports of accelerating growth in jobs and wages point to significant income gains that could sustain stronger spending and higher prices.

Declines in prices of energy, airfares, and used cars last month offered the first sign of inflation relief since the spring after broad price gains in May and June alarmed central-bank officials.

The Labor Department said Wednesday its consumer-price index was flat in July from June and rose 8.5% from a year earlier, slower than the 9.1% annual increase in June.

Core prices, which exclude volatile food and energy categories, increased 0.3% from June, much cooler than their 0.7% rise in June from May. The core CPI rose 5.9% in July from a year earlier, the same annual pace as in June.

The Fed raised rates by 0.75 percentage point at its July meeting, following a similar increase in June, which was the largest since 1994.

At a July 27 news conference, Fed Chairman Jerome Powell said another 0.75-point rate rise could be on the table at the September meeting but would "depend on the data we get between now and then."

He has said the central bank needs to see convincing evidence that monthly inflation figures are declining before dialing back interest-rate increases to more-traditional quarter-point increments, especially after officials felt burned by a slowdown in price readings last summer that proved temporary. They will see one more monthly CPI report before their September meeting.

Inflation diminished last summer "and then turned right around and went back up," Mr. Powell said at a June news conference. "So I think we're going to be careful about declaring victory."

Minneapolis Fed President Neel Kashkari said Wednesday he still anticipated that the central bank would need to raise its benchmark rate by another 1.5 percentage points this year and to around 4.4% next year. "This is just the first hint that maybe inflation is starting to move in the right direction, but it doesn't change my path," he said at a panel hosted by the Aspen Economic Strategy Group in Colorado.

Some Fed officials have suggested the central bank might lift rates by a half-percentage point in September, and financial-market participants have run with the idea that the central bank would soon moderate its rate increases. That depends on a slowdown in economic activity, especially hiring. Two labor market reports since the Fed's July 26-27 meeting offered no such signal.

“We’ve tightened monetary policy quite a lot, very quickly,” Chicago Fed President Charles Evans said Wednesday during remarks in Des Moines, Iowa. He said he expected the central bank to raise rates for the rest of this year and into 2023 to ensure inflation returns over time to the Fed’s 2% target.

Mr. Evans told reporters last week that he anticipated that the central bank would raise rates by a half-percentage point in September before slowing to quarter-point increases in November and December. He thought the Fed would need to raise rates by another half point early next year.

Employers added 528,000 jobs in July, and the unemployment rate fell to 3.5% from 3.6% during the previous four months, the Labor Department said last week. Wage growth was stronger than economists anticipated in July and was also revised higher in June.

A separate Labor Department report on employee compensation released July 29 that is widely watched inside the Fed showed brisk growth in wages and other labor costs.

On Wednesday, Mr. Evans said he didn’t think last week’s hiring figures indicated that inflationary pressures would require the central bank to raise rates more aggressively.

The U.S. economy shrank for a second quarter in a row during the April-to-June period, the Commerce Department reported last month, as the housing market slowed under rising interest rates and high inflation took steam out of business and consumer spending.

Last week’s hiring reading “puts into even sharper relief the difference between the labor market signal and the [gross domestic product] signal,” said St. Louis Fed President James Bullard in an interview Monday. Business owners and other executives are still scrambling for workers, he said. “We’ve got a long ways to go on the labor market,” Mr. Bullard said.

Mr. Bullard said that while Fed officials have been expecting inflation to diminish, “We’re going to need tangible evidence and widespread evidence of disinflation occurring before we can be really confident.”

Mr. Bullard has said he supports raising rates by a cumulative 1.5 percentage points at the Fed’s three remaining meetings this year, and he said he continued to favor the central bank’s approach of “front-loading” rate increases—approving larger rises at the start of the process rather than spreading smaller increases out over a longer period. Another 0.75-point increase in September “would certainly be on the table,” he said, but then added, “The good news is I don’t have to make that decision today.”

REAL ESTATE

26

US housing market price correction to hit 'coast to coast,' economist warns

By Thomas Barrabi

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Number of US home listings surge at record rate as market cools

The scorching pandemic-era US housing market is on the verge of a "coast to coast" price correction as the Federal Reserve hikes interest rates, a prominent economist warned this week.

Mark Zandi, chief economist at Moody's Analytics, said his firm expects home prices to sink in key competitive markets that are the most "juiced" or overvalued. The projected price drops coincide with a massive surge in mortgage loan rates that have sapped the buying power of prospective homeowners.

The downturn will likely impact the cities of Phoenix and Tucson in Arizona as well as North and South Carolina and parts of Florida, according to the firm's analysis. One key city set to be affected is Boise, Idaho, which Moody's has identified as "the most overvalued market in the country."

Zandi warned of the looming correction in the real estate market while speaking at a bipartisan housing policy summit in Washington, DC, according to Bloomberg.

Cheap mortgage rates, a lack of housing inventory and surging interest during COVID-19 lockdowns drove a steep spike in home prices over the last few years — a trend that is expected to slow as the Fed tightens policy and mortgages approach 6%.

Mortgage rates are approaching 6% for the first time in years.

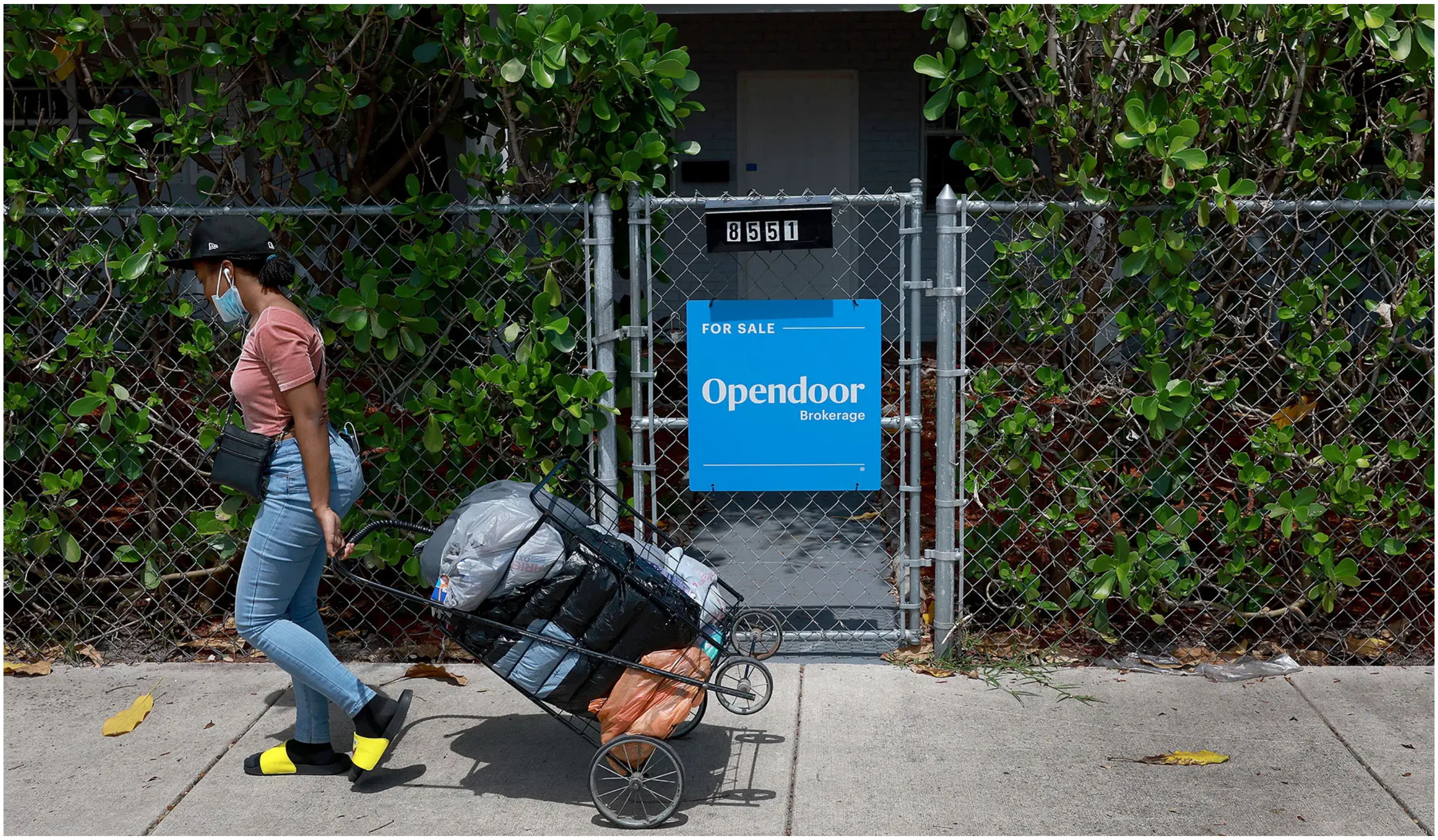
Getty Images

While the Fed’s benchmark interest rate does not have a direct impact on mortgages, all forms of credit and borrowing are becoming more expensive on the expectation of tightened fiscal conditions. The central bank is sharply increasing rates in an effort to combat inflation that has reached its highest level in decades.

Rising interest rates “have already caused the housing market to slow down,” Lending Tree senior economist Jacob Channel told The Post.

“Fewer people are getting mortgages, homes are sitting on the market for longer and some sellers are cutting prices,” Channel said.

“With that said, we’re coming off a period of time through 2020 and 2021 where the housing



Some key markets are expected to experience a housing slowdown.

Getty Images

The 30-year fixed-loan mortgage rate hit 5.81% this week, up from just 3.02% the same week one year ago, according to Freddie Mac data.

As mortgage rates rise, demand for loan applications among prospective buyers or homeowners looking to refinance has hit a 22-year low.

So far, the rising rates have yet to show a major impact on prices.

The National Association of Realtors said the median existing-home sales price was $407,600 in May, up 14.8% from one year ago. However, existing home sales declined by 3.4% for the month — a sign of abating demand.

Fed Chair Jerome Powell recently acknowledged the need for a “reset” in the housing market.

Christopher Sadowski

A drop in housing prices would align with the Fed’s plan to bring down prices. Shortly after the Fed hiked its benchmark interest rate by three-quarters of a percentage point for the first time since 1994, Fed Chair Jerome Powell acknowledged the rapid changes in the housing market.

“I’d say if you are a homebuyer, somebody or a young person looking to buy a home, you need a bit of a reset,” Powell said. “We need to get back to a place where supply and demand are back together and where inflation is down low again, and mortgage rates are low again.”