

THE REAL DEAL

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WHAT WILL RICK SCOTT MEAN FOR REAL ESTATE?

By Alexander Britell

After a campaign that paid little attention to the housing market, real estate professionals are looking to see what the election of Republican Rick Scott as governor will mean for Tallahassee's ability to bring the state out of a crisis.

Scott follows outgoing Governor Charlie Crist, who lost his bid for the U.S. Senate as an independent to former Florida Speaker of the House Marco Rubio. Crist's real estate record includes signing the Distressed Condo Relief Act, which granted a number of new rights to condo and homeowner associations, along with a provision that removed successive developer liability for bulk buyers.

"I think Crist had a big effect," said Ben Solomon, a partner with the Association Law Group in Miami Beach. "I did support him very affirmatively for the Senate race -- and the governor signed into law the critical condo bill that really gave a huge relief to millions of owners living in HOAs and condos with a bundle of new rights."

The Distressed Condo Relief Act, among other provisions, doubled the amount of assessments lenders must pay when they take title to units in foreclosure, providing a much-needed funding boost for cash-strapped associations.

The Scott campaign did not announce any specific real estate-related plans during the campaign, leading most to take a wait-and-see approach. Scott defeated state chief financial officer Alex Sink, a Democrat, in Tuesday's election.

Solomon said he did not know enough about Scott's real estate agenda to comment, but that Scott would have "big shoes to fill."

"Other than wanting to be pro-business and create jobs, I don't know that [Scott] ever suggested a plan for doing anything with respect to real estate," said Martin Schwartz, a partner at Bilzin Sumberg in Miami. Schwartz also said that other than statutes involving condo and homeowner associations, the real estate market is not affected that much by state regulation.

Scott made his large fortune as a venture capitalist focusing on the health sector.

Condo Vultures founder Peter Zalewski said that while the Republican wave in this election could alter the economy and the housing market on a national basis, Scott's impact might not be particularly notable either way.

"Generally speaking, I don't think Charlie Crist had an impact on the economy, I don't think Lawton Chiles did, although I do think Jeb Bush did. But I'm not expecting anything significant."



Rick Scott

Frank Rollason, a retired assistant city manager for the city of Miami, seemed cautiously optimistic.

"If we can somehow get some light industry going in this state, that will bring jobs and people that need housing. I expect him to try -- I think in a way it'll be kind of refreshing to have somebody there who is not from the system," Rollason said.

At any rate, Zalewski said, the situation has nowhere to go but up.

"If anything, it will either stay the same or improve, regardless of who's running the state. There's not too much worse it can get."