

When the Dow is still 1,000 points below its 52-week high, when you're lucky to find a 5-year CD paying a paltry 4 percent interest, be glad that you own a house in Florida.

And if you don't own a house, consider this: As a rising asset in a weak market, housing is rapidly separating the haves from the have-nots.

The average single-family house in Florida appreciated a very healthy 10.18 percent from March 31, 2002, to March 31, 2003. Florida ranked No. 5 in house price appreciation during that period among the 50 states and the District of Columbia. So says the Office of Federal Housing Enterprise Oversight, part of the Department of Housing and Urban Development.

This is good news in such unfriendly investment times, Floridians. If your 401(k) was big into stocks, it's still comatose since the markets began to be pummeled in 2000. If you've gone conservative into bonds or bank CDs, you're looking at modest single-digit returns - before taxes.

For that March-to-March period, Florida trailed only Rhode Island, D.C., California and New Jersey in housing appreciation. Florida trounced such laggard states as Nebraska and Utah, where house prices essentially stalled, offering only modest annual increases of 2.23 percent and 1.98 percent, respectively.

For Floridians, such strong housing numbers beg the question: If you're seriously thinking about purchasing a home, why not act sooner rather than later? Mortgage rates are at levels not seen in 40 years. And housing appreciation, while very likely to slow in the coming years, still means a Florida home today is almost sure to increase in market value a year from now.

Before we get too giddy, let's look at the bigger and longer pictures:

Florida's housing appreciation looks better in the short term than the long term. The state ranked No. 5 in appreciation in the past year, but since 1980 Florida house prices have increased only 169.9 percent.

That sounds like a lot, but Florida ranked 24th among the states and D.C. for that period. (Massachusetts house prices grew the most, by a whopping 463 percent, since 1980. And Oklahoma house prices appreciated the least, just 67.5 percent, since 1980).

Overall, the rise in house prices has slowed sharply over the last year, increasing by the smallest amount in five years during the first three months of 2003. Average U.S. home prices increased 6.48 percent in the past year, from the first quarter of 2002 through the first quarter of 2003. But for the last quarter of that year, national price appreciation slowed to 0.94 percent.

"The trend over the previous three quarters reveals continued gradual deceleration," the Office of Federal Housing Enterprise Oversight said.

Let's drill down a bit more and see how the housing in the Tampa Bay metropolitan area fared compared with other metro areas.

Among the 20 "hottest" metro markets nationwide in housing appreciation in the past year, the top five were all in California, with No. 1 Reading (south of Yosemite National Park) gaining 16.4 percent. Four of the top 20 were in Florida, but Tampa Bay was not among them. Fort Pierce-Port St. Lucie, north of the West Palm Beach area, ranked

highest among Florida locations at No. 9 with an annual appreciation of 14.6 percent. The other three are Miami at No. 14 (13.5 percent), Fort Lauderdale at No. 16 (13.4 percent) and West Palm Beach-Boca Raton at No. 20 (12.9 percent).

A majority of the biggest and most recent price increases occurred on the outskirts of large metro areas, places where people have relocated to find more affordable housing.

The Tampa Bay metro market ranked a respectable 51st among 220 metro areas, with a 9.2 percent price appreciation in the past year, but only a 1.6 percent gain in the quarter ending March 31.

In the past five years, Tampa Bay housing prices have climbed an average of 48.2 percent. That's not bad, given housing's natural advantages (tax deductions - and you get to live in your asset) and the roller-coaster ride of the stock markets during the same period.

Just be happy you did not recently buy a home in such places as San Jose, Calif., Colorado's Boulder-Longmont area or Salem, Ore. They were some of the 12 metro areas where prices fell in the first quarter of 2003.

Some of Florida's other metro areas showed some solid appreciation in the past year. They were led by Punta Gorda and the Melbourne-Titusville-Palm Bay area, each with a one-year gain of 11.8 percent; Sarasota-Bradenton, 11.4 percent; Naples, 9.9 percent; Panama City, 8.8 percent; and Orlando and Tallahassee, each 7.9 percent.

Among others were: Jacksonville, 7.7 percent; Ocala, 7.6 percent; Lakeland-Winter Haven, 6.5 percent; Gainesville, 5.8 percent; Pensacola, 5.1 percent; and Fort Walton Beach, 3.6 percent.

The bulk of the nation's 20 lowest-ranked metro markets in housing appreciation were in Indiana, Illinois, Wisconsin, Kansas and Utah. Ranked 220th and dead last? Kokomo, an industrial city in northern Indiana, saw its housing prices rise a mere 0.98 percent.

On Tuesday, the National Association of Realtors said it now expects prices of existing homes to rise 5.5 percent in 2003, to a national median of \$166,900, while the median new-home price should grow by 3 percent to \$193,200.

Appreciation is slowing, but there's still time in Florida to get aboard the housing train.