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South Florida home prices rose again in March

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South Florida home prices continued a brisk march higher in March as eager buyers chased a dwindling supply of homes for sale, in most cases paying near the full asking price.

The median price of a single-family home in Miami-Dade County soared 25.1 percent to \$225,000 in March from \$179,850 a year earlier, the Miami Association of Realtors said.

The median price of a Miami-Dade condo jumped 19.3 percent year over year, to \$167,000 from \$140,000.

In Broward County, the median price of an existing single-family home rose 26.3 percent to \$242,500 in March from \$192,000 a year earlier, according to the Greater Fort Lauderdale Realtors.

The median price for townhouses and condos in Broward jumped 27.3 percent in March to \$95,000 from \$75,000 a year earlier.

Nevertheless, in Broward, as in Dade, prices remain sharply lower than their pre-recession peaks.

Miami-Dade, which was among the hardest-hit spots in the nation during the housing meltdown, has posted 16 consecutive months of price gains in both single-family homes and condominiums. Even with the rebound, the median prices in Miami-Dade are roughly at 2003 levels, well below the 2006 peak of \$374,000 for a single-family home and \$253,000 for a condo, according to EWM Realty International.

"It's crazy out there, crazy," said Liza E. Mendez, a broker and owner of Pedro Realty International in Hialeah, who recently listed a three-bedroom, three-bathroom townhouse in Miami Lakes for sale and drew 15 showings and four offers the first day. One of two cash offers prevailed over those planning on mortgage financing.

That's a common theme. Would-be homebuyers consistently get shut out by those wielding cash.

"The Miami real estate market is experiencing comprehensive strengthening fueled by robust demand and limited supply," said Natascha Tello, chairman of the Miami Realtors' group. As a result, prices for a wide variety of homes — from bungalow to megamansion, suburban townhouse to urban flat — are leaping.

Even with a slim inventory, the number of Miami-Dade single-family home sales rose 6.1 percent

to 1,022 closings in March from 963 a year ago. Condo closings in Miami-Dade were up 0.5 percent, essentially flat, with 1,458 closings in March compared with 1,451 a year ago.

Sales of single-family homes in Broward increased 2 percent to 1,199 closings during March from 1,175 a year earlier, the Greater Fort Lauderdale Realtors said. The increase in sales came despite a 24.5 percent plunge in the inventory of available single-family homes on the market in Broward in March compared with March 2012.

But with the inventory of Broward townhomes and condos for sale falling 8.9 percent year over year, the volume of sales dipped 2.9 percent in March from 1,499 closings from 1,544 a year earlier.

Judith Church Baker, managing broker of Prudential Florida Realty in Fort Lauderdale, said multiple offers on homes are increasingly common, and that cash is king.

“It’s challenging for people who are trying to get property with financing,” she said. “Buyers with [plans to take out] mortgages are fighting with buyers paying cash.”

Typically, sellers take a cash offer over one that entails financing — even if it is lower. That’s because lending standards remain strict, and appraisals often don’t keep pace with rising market prices.

Many Realtors, including Ron Shuffield, president of EWM Realty International in Coral Gables, say they would prefer a more gradual rise in prices to allow for income levels and other factors to keep pace.

“I don’t want to spook anyone here. Over my career, I would much rather see a steadier increase in the 7 percent to 10 percent [annual] range for a long period rather than a burst of increases over a shorter period,” he said.

Still, Shuffield stressed that the large percentage gains are from very low prices that overcorrected in the crash, and that the market still has plenty of room to keep rising.

“Now is the time to jump in and buy,” he said. “Interest rates are at their lowest in a lifetime. There is credit available, and properties are still selling at below replacement costs.”

With strong demand and limited inventory, homes are selling fast. In Broward, single-family homes were on the market an average of just 30 days before being snapped up, compared with 46 days last year. Condos and townhomes sold, on average, in 44 days, down from 46 days in March 2012.

In March, Broward had just a 3.5-month of supply of existing single-family homes, a measure of the absorption rate, compared with 5.2 months a year earlier. The inventory of Broward condos and townhouses fell to a 4.4-month supply, down from 5 months in March 2012, Greater Fort Lauderdale Realtors said.

Miami-Dade had a 5.1-month supply of existing single-family homes in March, down from 6.3 months a year earlier. For condos, Miami-Dade had a 5.9-month supply in March, down from 6.3 months a year ago.

A six-month supply is generally considered a balanced market between buyers and sellers.

Amid the tight inventory and strong demand, homes fetched closer to their asking prices. Broward sellers got 95.6 percent of the listing price for single-family homes in March, up from 91 percent a year earlier. Condos went for 93.7 percent of asking price, up 2.7 percentage points from a year earlier.

In Miami-Dade, single-family homes went for 95.3 percent of the asking price, up from 92.5 percent in March 2012; condos sold at 96.6 percent of asking price in March, compared with 95.1 percent a year earlier.

South Florida's housing revival comes amid a national rebound. The national median existing-home price rose 11.8 percent year over year.

The increase in March was the strongest since November 2005, when it was 12.9 percent year over year, according to the National Association of Realtors. Nationally, existing-home sales were up 10.3 percent in March from a year earlier.

Across Florida, the median prices of an existing single-family home rose 15.2 percent year over year; for condos, it was 15.9 percent.

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