



SOME HOMEBUYERS STEPPING UP AS PRICES DROP

Paul Owers Sun-Sentinel

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Buying a South Florida home is in vogue again as prices continue to crater. So who's snagging all these bargains?

First-time buyers are stepping forward, overjoyed at the idea of finally being able to afford places of their own. Retirees paying all cash also are getting into the game, yanking their money out of the volatile stock market and putting it back into real estate. Even investors are returning to the closing table. They're not flipping properties for quick profits anymore. Instead, they plan to live in the homes or rent them out, at least until the market recovers.

Joe Galinskie is due to close any day on a condo in Boca Raton, but he's not stopping there. He wants to buy a dozen properties over the next year or so, with plans to rent them. "This is the first time in [a while] that you can buy something and have it pay for itself," said Galinskie, 35, a stock trader who lives west of Boca Raton. "I'm looking towards the appreciation long-term."

A typical used home in Broward and Palm Beach counties now sells for less than \$295,000, a price not seen here since spring 2004, according to the most recent data from the Florida Association of Realtors. Distressed properties fetch far less than that as desperate sellers and lenders slash prices to make quick sales.

Many existing condominium units, meanwhile, are going for under \$140,000, nearly 40 percent less than two years ago. Age-restricted communities such as Kings Point and Century Village are seeing growing interest in one-bedroom condos selling for less than \$50,000, real estate agents say.

It's no wonder that once-skittish buyers are jumping back into the housing market, creating a sales surge for the first time in four years.

"People are starting to say, 'Wow. How much lower can prices really go?'" said Brad Hunter, a housing analyst in West Palm Beach. "It's pretty clear right now that people have a buy-and-hold strategy."

In July, August and September, sales of existing homes rose each month by as much as 52 percent in Broward and 11 percent in Palm Beach County from a year ago, the Realtors group said. Condo sales also have been brisk over the same period.

Properties in the \$100,000 to \$250,000 range appear to be the most popular among buyers, agents say.

Despite the recent sales rise, the housing market is expected to remain soft into 2009 because of the slow economy and the large supply of homes for sale that will continue to drive down prices.



Credit started tightening during the summer of 2007, but lenders have become even more conservative after the financial implosion on Wall Street in September and October. Florida's rising unemployment also is a major concern for prospective homebuyers.

On Monday, the state Realtors association will release October's existing home sales and prices, which reflect deals that were agreed to over the summer, before the financial meltdown.

Some agents are worried the November and December figures could plunge. "Those could be really scary," said John Mike, past president of the Realtors Association of the Palm Beaches. "People are nervous to make a move because they're concerned that their job is not going to be there."

Rebecca DiLenge's only concern was in not buying. She and two roommates were renting an apartment in Pembroke Pines for \$1,700 a month. But with home prices falling, DiLenge figured she could buy a home for as much as she was paying in rent.

Like other young professionals looking to buy their first homes, DiLenge scoured the market for foreclosures. Most of the properties were in poor condition, but she was drawn to a two-bedroom condo in Weston listed for \$165,000. She got it for \$129,000.

"Ideally, I wanted to wait a little longer before I decided to buy a home," said DiLenge, 25, a personal vacation planner for Carnival Cruise Lines. "But with prices so low now, it would have been foolish."

Falling prices also are attracting people who don't need mortgages. At the 225-unit Midtown at the Gardens condo development in Palm Beach Gardens, roughly eight of 10 buyers aren't interested in financing, said Uri Vaknin, a representative for the developer, Ram Realty Services.

Since July, Midtown has closed four all-cash sales, and another four are scheduled to close in November.

Midtown prices essentially are half of what they were when construction began in late 2005. A two-bedroom condo then was priced at about \$400,000; today, it's selling in the low \$200,000 range.

Cash buyers may be able to negotiate 10 to 15 percent off the sale price because the closings are quick and easy, Vaknin said.

"When you've got cash sitting in the stock market or in a mutual fund that's losing money, it makes sense to liquidate," he said. "People view real estate as a safe harbor for their cash." Frank Ginder and his wife, Susan Bleda, are semi-retired owners of a furniture and interior design business with three grown children. The couple paid \$170,000 for a one-bedroom Midtown condo originally priced at \$279,900.



Ginder and Bleda, who rent out their home in Wellington, planned to get a mortgage for the condo, but their California lender, IndyMac, failed this summer. Faced with the prospect of losing the Midtown deal or paying cash, Ginder and Bleda chose the latter.

"To me, this couldn't be a better time to buy real estate, if you believe in an area and the product and the builder," Ginder said. "Real estate has always been a good long-term investment."

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