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REAL ESTATE

Home sales, prices keep on soaring



Single-family homes and condominiums are selling quickly in Miami-Dade and Broward amid strong demand and a tight inventory of properties for sale. JUSTIN SULLIVAN/FILE PHOTO

JULY'S SIZZLING HOME SALES

	Year-over-year percentage change	Median price	Sales volume	Inventory listed for sale
Miami-Dade single-family home	+25.7%	+27.3%	+0.6%	
Miami-Dade condo	+33.3%	+13.4%	+13.5%	
Broward single-family home	+27.9%	+12.9%	(-10.3%)	
Broward condo	+29.2%	+12.6%	(-7.1%)	

Source: Miami Association of Realtors and Greater Fort Lauderdale Association of Realtors

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South Florida's home market keeps on sizzling.

Sales volume is as hot as the boom time of 2005, although the median prices are still far lower. More single-family homes were sold in July in Miami-Dade County than at any time since the peak of the boom. Prices, while improving, are still lagging 35 percent behind.

What's driving the market? Supply — there isn't much — and demand — a lot of buyers are racing against rising mortgage interest rates.

The median price of a single-family home in Miami-Dade soared 25.7 percent in July to \$230,000 from \$183,000 a year earlier, the Miami Association of Realtors said. Single-family home sales in Miami-Dade jumped 27.3 percent in July to 1,227 closings from 964 a year earlier. That marked the highest sales volume since 2005, when the median price was \$351,200.

Miami-Dade, ground zero during the housing meltdown, has chalked up 20 consecutive months of price increases in both single-family homes and condominiums.

"A sense of urgency is coming from interest rates going up," said Lisa Dority, a real estate agent with RE/MAX Advance Realty II in Miami. **"Some folks are nervous and don't know how high interest rates will go."** In July, Miami-Dade single-family home sales rose 4.9 percent from June, when the median price was the same: \$230,000.

Lawrence Yun, chief economist for the National Association of Realtors, warned Wednesday that the impetus from rising rates will only go so far. "The initial rise in interest rates provided strong incentive for closing deals. However, further rate increases will diminish the pool of eligible buyers," Yun said in a statement.

The average rate on a 30-year, fixed-rate mortgage is 4.74 percent, up more than a full percentage point from 3.61 percent in early May, according to HSH.com, a Riverdale, N.J., mortgage-information firm.

For Miami-Dade condos, the median price climbed 33.3 percent in July to \$180,000 from \$135,000 a year earlier, Miami Realtors said.

Miami-Dade condo sales rose 13.4 percent in July to 1,538 closings from 1,356 a year earlier, as listings rose 13.5 percent to 8,458 units from 7,451 units a year earlier. Miami-Dade had a six-month supply of condos for sale in July, up from 5.6 months a year earlier and a 5.8-month supply in June.

In Broward, the housing market similarly continued posting dramatic gains. The median price of a single-family home jumped 27.9 percent to \$275,000 in July from \$215,000 a year earlier, according to the Greater Fort Lauderdale Realtors.

Sales of single-family homes in Broward rose 12.9 percent to 1,475 closings in July from 1,307 a year earlier. Single-family sales rose 8.7 percent in July from June, when 1,356 sales were closed.

The median price of a Broward condo rose 29.2 percent in July to \$108,500 from \$84,000 a year earlier. Broward condo sales rose 12.6 percent in July, to 1,525 closings from 1,354 a year earlier and were flat with June's 1,355 closings.

The inventory of single-family homes for sale fell 10.3 percent in July to 4,297, while condo listings declined 7.1 percent to 5,985.

Broward had just a 3.5-month supply of single-family homes listed for sale in July, or 3.5 times the volume of transactions closed that month. That was down from a 4.3-month supply a year earlier. Broward had a 4.3-month supply of condos in July, compared with 4.8 months of supply last year.

Market watchers consider six months of inventory to be a balanced market between buyers and sellers. When inventory is less than that, sellers call the shots and prices typically rise at a fast clip.

"The declining amount of inventory of single-family homes, condominiums and townhouses available for sale in Broward County, coupled with existing homeowners receiving a larger percentage of their asking price and the dramatically fewer days on market compared to last year, continues to put upward pressure on prices," Charles Bonfiglio, president of the Greater Fort Lauderdale Realtors, said in a statement.

"This means that we are still in a healthy, growth market where sellers are continuing to receive at or near their asking prices."

Single-family homes in Broward fetched 96.4 percent of their original listing price in July, up from 92.8 percent a year earlier; Broward condos sold at an average of 95.4 percent of the original listing price, up from 94.4 percent a year earlier, the Realtors group said.

With strong buyer demand and a limited supply, single-family homes in Broward sold at a median rate of 36 days in July, down from 38 days a year earlier, while Broward condos went under contract at a median of 25 days, down from 42 days a year earlier.

Bette Abrams, a real estate agent with Coldwell Banker in Coral Springs, listed a three-bedroom, two-bath house in Davie on a recent Friday for \$239,000 and had a contract for it by that Sunday at "slightly more than the full price," she said.

"The demand is there," Abrams said. The biggest obstacle to deals, according to her and many other agents, is appraisals coming in low. "I've seen so many deals fall apart because of low appraisals. They haven't kept up with the prices ... The appraisals are difficult, I have to say."

"Lenders are slowly floating more product on to the market because buyer demand is so strong," said Peter Zalewski, a founder and principal of Condo Vultures, which closely tracks South Florida's condominium market, and CVR Realty, a brokerage.

The median condo price in July was down 3 percent from \$185,500 in June, but condo sales volume rose 2.6 percent month to month.

Miami-Dade single-family homes sold at a median pace of 35 days in July, down from 42 days a year earlier, the Miami Realtors said.

Miami-Dade condo sales were up 2.6 percent in July from June's level of 1,499 closings and the median price of a condo was down 3 percent from \$185,500 in June. The median days a Miami-Dade condo was on the market was 45 days, up from 42 days in July 2012.

Ron Shuffield, president of EWM Realty International in Coral Gables, said the increase in inventory of condos reflects, in part, "sellers who have been holding off and waiting for prices to go up and have now decided it's an appropriate time," as well as more bank-owned properties coming on the market.

"It's welcome news for Realtors. We could use more inventory to sell," Shuffield said.

"It also could help to temper some of these price increases we've been seeing."