

## Home sales in S. Fla. buck trend

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Posted: 07/02/2010 0:01

Thanks to the ongoing appetite of international and cash buyers, South Florida's real estate market was shielded from a national drop-off in sales.

Because those buyers were not eligible for a tax credit, their desire for real estate didn't taper off after the benefit expired at the end of April, like it did for others who rushed to get in on the deal.

It's true that in the two months since the tax credit expired, pending sales in Miami-Dade and Broward have fallen 2.6 percent, according to the Realtor Association of Greater Miami and the Beaches.

But that decrease is relatively mild when compared with the swift drop-off in sales that took place nationally after the federal subsidy expired. The first post-tax-credit pending sales numbers, released Thursday, show a 15.9 percent decrease in pending sales in May, figures from the National Association of Realtors show. Year-over-year, pending sales plunged 30 percent.

In June, potential homebuyers in Miami-Dade County signed 10,366 sales contracts -- an increase of 53 percent when compared to the same month last year, but a 1 percent decrease from May, according to figures released Thursday by the Realtor Association of Greater Miami and the Beaches. In Broward, pending sales were up 28.7 percent since June 2009 but down 2.7 percent for the month to 8,031.

Helen Jeanne Nicastrì, a Realtor and president of the Miami-based Master Brokers Forum, said interest from Mexican, Brazilian and European buyers has helped her move luxury properties in recent months.

"That's what I'm seeing -- strong international buyers coming into the marketplace," said Nicastrì, who has a \$12.9 million deal pending with an international buyer. "They're attracted to the U.S. for our prices, as this one of the states in the nation that has been affected most. Our prices are amazing."

South Florida sales also have managed to hold because of depressed prices, low interest rates and a pool of buyers that includes bulk investors and cash-wielding foreigners, said Jack McCabe, CEO of McCabe Research & Consulting.

“We have a buyers pool that encompasses all four points on the compass, while many other markets rely only on U.S. buyers,” he said.

The figures were released one day after Congress passed a bill that would give homebuyers an extra three months to close on a home and still qualify for a tax credit of up to \$8,000. Many buyers who went to contract on homes before the April 30 deadline were unable to close on the purchase before June 30, the original cutoff date for closing. The measure, which President Barack Obama is expected to sign, would extend that cutoff date to Sept. 30, though no new contracts would qualify.

Locally, condominium sales were stronger than single-family homes sales, with large increases year-over-year and slight decreases for the month. In Miami-Dade, 5,876 contracts were signed, up 76.4 percent since May 2009 -- but down 0.64 percent since April 2010.

In Broward, the 4,429 pending condo sales in June represent an increase of 56 percent for the year, but a decrease of 2.3 percent for the month.

Though the tax credits are gone, low prices helped keep buyers interested. Condo prices remain far below their peak, with May median sales prices standing at \$81,500 in Broward and \$126,100 in Miami-Dade, where prices dropped another 10 percent from May 2009.

Single-family home prices are up slightly, rising to \$196,700 in Miami-Dade, and \$216,400 in Broward in May. Those prices are up 1 percent and 18 percent, respectively, since May 2009.

In Miami-Dade, pending sales of single-family homes increased 31 percent in June from the previous year, to 4,490, but dropped 1.15 percent from May.

In Broward, June pending sales of single-family homes rose 20.6 percent year-over-year, but dropped 2.7 percent month-over-month. Broward buyers signed 3,602 contracts in June, down from 3,719 in May.

Though the month-to-month decreases were less than some market-watchers had feared, the local market is certainly not out of

the woods.

A large backlog of foreclosure properties making their way through the system, high unemployment and condo prices that continue to slide all threaten to prolong the road to recovery. For the past four weeks, the number of homes and condos on the market has been increasing, the first monthly rise in nearly two years, according to analysis by real estate consultancy Condo Vultures.

A continued increase in inventory over the next few weeks could signal a ``double dip" in housing prices, said Peter Zalewski, a principal at the Bal Harbour firm.

And the local labor market, which is crucial for demand, continues to struggle in South Florida, with a local unemployment rate significantly higher than the national average.

Miami-Dade's seasonally adjusted unemployment rate rose to 12.4 percent in May, while Broward's rate dropped slightly to 9.8 percent. Nationally, unemployment has hovered around 9.7 percent for the past few months.

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