



Condo Sales Up in US Despite Volatility in Housing Market

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Steve Mort | Miami, Florida

Sales of condominiums in the United States are rising, despite ongoing volatility in the nation's housing market. Real estate industry leaders say condo sales rose more than 30 percent over the past year ending in May. A surge in purchases in Miami is being led by overseas investors.

Scores of condominium buildings dot the skyline of Miami. Many of these towers were built before the US housing market faltered, and sat empty as credit dried up. But the National Association of Realtors reports international buyers are now driving a recovery.

Angel and Santiago Herrera are brothers from Venezuela. In March, they bought 39 condos in this Miami high-rise, taking advantage of rock-bottom prices. They are now banking on values beginning to pick up.

"Everyone knows that real estate in the United States is at a point that we can't see it going any further down. So that's why we invest over here because it's most likely to go up than down," said Agel Herrera.

The Herreras have already resold 18 condos to buyers from Venezuela, Ecuador and Argentina for a profit. They plan to rent out the remaining units until prices recover. In Florida, condo values have tumbled 13 percent since last year, while sales have risen 40 percent. The Herreras' real estate agent, Jenny Huertas, estimates foreign buyers now account for 60 percent of Miami condo sales.

"We've been approached by more than 450 funds from all over the world looking for discounted, bulk product in this market," said Huertas.

Sales figures show the majority of international buyers, attracted by a favorable exchange rate, purchase properties in the United States in cash.

At this condo development in Orlando, Florida, foreign buyers own the vast majority of units.

Broker Alec String says his sales reflect a trend in international investment in U.S. real estate which totaled \$66 billion in the last year.

"We've had 34 closings in the last two and a half months, and 80 percent of them have been international investors," said String.

But James Fetgatter from the Association of Foreign Investors in Real Estate says overseas buyers face problems. He says banks sometimes delay putting repossessed homes on the market resulting in insufficient cheap properties to meet demand.

"The biggest complaint that our members have about investing in the U.S. today is that they can't find bargains," he said. "They can't find property available at a price they want to pay."

But Fetgatter says foreign investors remain optimistic about the U.S. real estate market.

And Angel and Santiago Herrera are pushing ahead with their plans. They are now working on a deal to buy as many as 60 additional condos in Miami which they plan to market to other overseas buyers.

<http://www1.voanews.com/english/news/usa/Condo-Sales-Up-in-US-Despite-Volatility-in-Housing-Market-98604619.html>