

FOUR BANK FRAUD DEFENDANTS PLEAD GUILTY, 2C

INSURER ORDERED TO CUT RATES

BUSINESS

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Market reflects slowdown

*REAL ESTATE, FROM 1C

released Wednesday by the Florida Association of Realtors did little to change that. In general, sales remain way down. Yet prices are flat, frustrating buyers who want to break into the market. In fact, demand is still strong for certain less expensive projects, suggesting that price is an issue.

Sales for condos dropped 46 percent in Broward and 40 percent in Miami-Dade compared to September last year. They also went down from a month earlier, by 12 percent in Miami-Dade and 8 percent in Broward.

For houses, sales were down 12 percent for Miami-Dade and 24 percent for Broward from a year ago. But the picture was brighter when compared to August: Sales were up 10 percent in Miami-Dade and 5 percent in Broward.

With the market sluggish, the backlog of homes and condos for sale in both counties grew in September to 62,000 — about 1,800 more than in

August, and almost triple the inventory from a year ago.

"It's a welcome relief from the frenzied 12-hour work days," said Kevin Tomlinson, a real estate broker with Esslinger Wooten Maxwell. "I'm still working very hard, but business is one-fifth of what it used to be. There are brokers that don't have anything to do."

STEADY PRICES

Meanwhile, prices held steady. Home prices in both Miami-Dade and Broward were flat to mildly down compared to last year, but up 2 percent from August. Condo prices were up slightly from last year and 8 percent from last month in Miami-Dade, while staying flat in Broward.

Some economists say sales will not go up until prices come down. But so far, both buyers and sellers are waiting it out.

The September median price of a house was \$371,700 in Miami-Dade and \$370,300 in Broward. For condos it was \$270,800 in Miami-Dade and \$205,800 in Broward. The

median is the point at which half are more and half are less.

The Florida Association of Realtors does not track home sales in the Florida Keys.

POCKETS OF STRENGTH

There remain pockets of strength, such as lower-priced homes and ultra-luxury homes. A proposed downtown Miami condo by the Related Group called Loft 3 with one-bedroom unit prices starting at \$159,000 enjoyed brisk sales this week. And Realtor Elena Bluntzer reported selling a Fisher Island condo earlier this year for \$9.2 million.

Like South Florida's, the national housing market is also struggling to find its bearings. Across the country, existing-home sales declined for the sixth-straight month.

The reasons for the stubborn slowdown in South Florida include prices beyond the reach of many buyers, the exit of many investors and speculators, a rise in property insurance and the specter of higher property taxes on new purchases.

Yet the underlying framework is strong. Mortgage rates remain attractive, unemployment is low and long-term demand should remain strong because of a growing population, international demand and baby boomers retiring or buying second homes.

Economists disagree on how long the downturn will last. NAR chief economist David Lereah has proclaimed that "the worst is behind us." But Yale economist Robert Shiller predicted last week at a conference in Miami that the slowdown could last years.

The cooling market is already prompting some people to look outside real estate for a living. In 2005, there were 94,734 applications to Florida's Department of Business and Professional Regulation for a real estate sales license. To date this year, the number has dropped to 52,789.

Mitchell said she may return to selling homes someday, but probably not for a while.