



Decline in South Florida homes for sale giving sellers an edge

South Florida home sellers are enjoying more power than they've had in several years: There are fewer houses for sale and buyers are hungrier.

"I was surprised — nicely surprised," said Renata Wozniak, who had four decent offers within a week of putting her four-bedroom home in Deerfield Beach on the market this spring. "I thought it would maybe take a month or two."

Particularly hot are homes not in some stage of foreclosure. Those tend to sell within a few days, at or near the asking price, real estate agents say.

But even homes that are in the foreclosure process are selling fast because there are relatively few of them, agents say. Foreclosure homes have flooded the market since 2007, but buyers are gradually exhausting the stock. Lenders so far have been slow to release new properties for sale, although some analysts fear a looming reversal if foreclosures pick up momentum again.

Also contributing to the falling numbers of available homes: Owners staying put and not paying mortgages, daring lenders to foreclose, brokers say.

"We're back to a seller's market," said Chip Rowand, an agent in Weston for the Keyes Co.

Wozniak, a 38-year-old restaurant manager, spent \$45,000 refurbishing her home in The Cove neighborhood after buying it for \$165,000 this year. She replaced the roof, fixed the pool, added landscaping and installed wood cabinets and granite countertops in the kitchen.

The home sold three weeks ago for \$290,000 — just \$9,000 less than she was asking.

At the end of May, Broward County had 12,544 homes and condominiums for sale, down 45 percent from the same period two years ago, according to an analysis by the Keyes Co., a real estate firm.

Palm Beach County had 21,683 listings, representing a 28 percent decrease from May 2009.

Sellers are faring better in some pockets of the region than others. Weston, one of the most desirable areas of South Florida, has just 320 single family homes for sale, according to Keyes. But Boynton Beach, with roughly the same population, has more than three times as many listings.

During the housing downturn, a glut of homes and condos for sale helped drive down prices by 60 percent or more. Some sellers believe the recovering market means prices of all homes are increasing, but that's wrong, said Bill Richardson, president of the Realtors Association of the Palm Beaches.

"Buyers are still buying at bargain-basement prices," he said. "The market has stabilized, but we're not out of the woods yet."

Still, homeowners have closed more sales in Broward and Palm Beach counties in each of the first four months of 2011 than they did in the same months of 2010, according to the Florida Realtors, a trade group. The figures exclude newly built homes.

In March and April, sales exceeded 1,000 in both counties. The Realtors group is due to release May figures on Tuesday.

"For so long, it's been drummed into buyers' heads that we're having a fire sale in South Florida," said Judy Trudel, an agent for Balistreri Realty in Broward and Palm Beach counties. "They've listened and they're buying."

That demand, coupled with banks' reluctance to inundate the market with foreclosed homes, has caused inventory to fall. And that means competition among buyers has heated up.

Some buyers that need a loan to afford a home are frustrated as investors swoop in with cash, higher offers, or both.

Luciano Contreras has been searching for a three-bedroom home in Pembroke Pines, Davie or Hollywood. He's made three offers since January with no success, getting out-bid each time.

Contreras, 41, said he's getting desperate. He needs to move soon because he's renting a home that's in foreclosure.

"It's crazy," he said. "It's definitely not a buyer's market."

Some homes that might otherwise be for sale have been kept off the market because lenders suspended foreclosures last fall as they searched for possible paperwork errors amid the "robo-signer" controversy.

Banks are likely to move those stalled cases through the court system soon. And some analysts expect that lenders eventually will release foreclosed homes for sale in big numbers, and that so-called shadow inventory will give buyers the edge once again.

"We don't know how much is out there," said **Ken H. Johnson**, a finance professor at Florida International University. "But regardless of its size, as long as the perception is there, it will slow down the buying process."

But there's good news for demand, Richardson said: Prices remain low, and South Florida is a global destination.

That point was made clear to him on a recent vacation to the Greek islands, when he noticed that merchants had signs in their windows referencing Delray Beach and Boca Raton.

"It was the most amazing thing," Richardson said. "There is worldwide recognition that people want to buy in South Florida and that this is the time to do it."