

Advertising 'not a short sale' pays big dividends long run

By LAURA STACE

A new study by a Florida International University professor indicates that identifying a property as "not a short sale" on the Multiple Listing Service and in advertising materials provides great benefit in terms of sales price and time on the market.

"When brokers go the extra step to label their listing as not being a short sale, those listings are associated with significant price premiums and shorter marketing times suggesting the existence of a stigma attached to short sales," wrote Ken Johnson, faculty director of the Master's of Science in International Real Estate and editor of the Journal of Housing Research, in *The Short Sale Stigma*.

When a property is identified as "not a short sale," Dr. Johnson said it sells at a premium relative to other homes offered for regular sale that aren't identified as such.

You get a boost in price on average identifying that a property is not a short sale, he said.

The paper provides evidence supporting anecdotes of buyers requesting brokers to not show them any short sale listings.

The paper states, "This re-

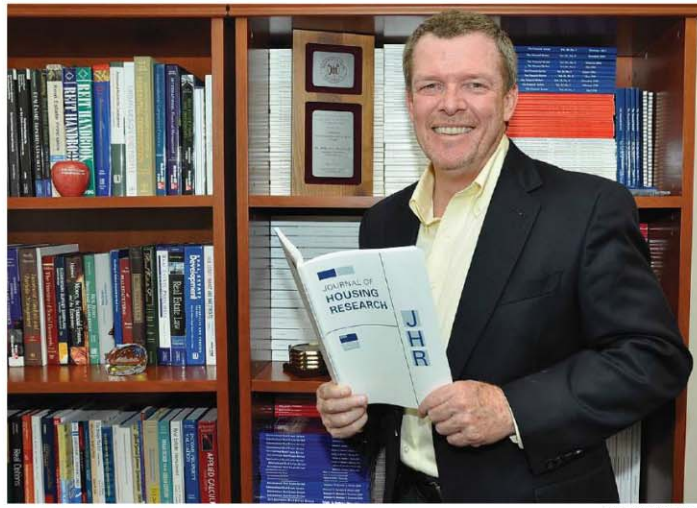


Photo by Maxine Usdan

Properties advertised as not short sales sell at a premium relative to other homes, says Ken Johnson.

quest usually emanates from either their own experience or that of a friend or family member while trying to buy a property through a short sale."

"The buyers complain that the bidding can be overly competitive and drive up the price too much, that the lender takes too long to respond to offers and that once an offer has been

accepted a closing date can still be three to six months away."

Dr. Johnson, who partnered with Kimberly Goodwin from the University of Southern Mississippi for the project, said they studied 5,000 transactions in the Boca Raton area.

The paper indicates the final data included 2,123 sold prop-

erties and 2,877 unsold properties. Data was gathered from Oct. 1, 2010, to Jan. 31, 2012.

As for the impact of the information, he said, "We believe it extends to all markets to a great extent."

"What does that mean to the local populace? You should probably start telling everybody right up front that you are not

are not a short sale," Dr. Johnson said.

However, he said, "You can't say, 'I'm not a short sale' when in fact you are a short sale."

The paper states, "Many lenders, particularly in areas with high foreclosure rates, have increasingly agreed to short sales."

"Yet, as short sales have become more common, buyers in these areas have also become more knowledgeable about the difficult and lengthy process of actually purchasing a home as a short sale."

The paper's conclusion outlines that findings from the research are applicable to lenders who are involved in the short sale process as well as policymakers who are concerned with ultimately clearing the market of distressed properties and clearing the way for the recovery of the housing market.

The paper suggests that brokers and those selling their own homes should indicate where possible if their property is not a short sale.

The article is under peer review. When approved, Dr. Johnson said publications the authors might approach include Real Estate Economics, the Journal of Real Estate Finance and Economics and the Journal of Real Estate Research.

Miami Shores market finally turned around

By MEISHA PERRIN

The Village of Miami Shores is well-known for its comfortable homes and for providing what some call the "suburban answer" to working in downtown Miami.

But during the recession, the area, like many in Florida, went through some turmoil that has finally turned around for the village in recent times, according to Rita Steinfeld-Regev, broker-associate for Optimar International Realty.

"The village essence and ambiance," she said, "attracts an eclectic array of buyers," essence that she said includes luxury waterfront properties, the popular South Florida 1920s Mediterranean Revival, restoration hobbyists, commuter condo dwellers and some investors.

"Despite a recent article in The New York Times that cites that Miami is headed for another downturn, prices are up an average of 20%," she said, "and as in many South Florida neighborhoods, inventory is down."

And the Miami Shores numbers are indicative of an upturn too, according to Ms. Steinfeld-Regev.

In 2011, 154 homes were sold and the median asking price was \$334,000, according to the Multiple Listing Service, and the median sale price was \$310,000.

In 2012, however, the median sale went up to \$397,156.

As for luxury home sales, in 2009, according to the Multiple



Photo by Maxine Usdan

Miami Shores prices rose on average 20%, says Rita Steinfeld-Regev.

Listing Service, there were none, in 2010 there was one and in 2011, six homes sold for more than \$1 million.

Meanwhile, 2013 already has seven closed home sales, according to the service, which Ms. Steinfeld-Regev said doesn't include direct sales between seller and buyer.

Plus, the Miami Shores local government is encouraging real estate growth by incentivizing contractors and home owners through the YGreene Energy Fund that finances commercial and residential property owners for renewable energy, wind protection and energy efficiency improvements.

The area is part of the largest and only Property Assessed Clean Energy district in the US, with a collective of municipalities that also includes Cutler Bay, the villages of Palmetto Bay and Pinecrest, and cities of South Miami, Coral Gables and Miami—otherwise known as the Green Corridor.

They are joining hands to try to reduce South Florida's carbon footprint in partnership with YGreene Energy Fund of Florida, a provider of energy upgrade programs, to help interested home and business owners upgrade properties to make them more economic and environmentally friendly.

Author sees guide aiding Brickell, downtown buys

By LAURA STACE

A roadmap to successfully entering the residential real estate market in Brickell and downtown will soon be available for savvy investors.

An Investor's Guide on Miami Real Estate Brickell and Downtown Miami 2013 will include information from the Downtown Development Authority, the Multiple Listing Service and the tax roll, in addition to an interpretation and analysis of the market by David Siddons, a top producing realtor with EWM/Christie's.

Mr. Siddons who, along with his team, is authoring the study, said it would serve as a "Bible" for those wishing to invest in the popular areas.

The report will feature in-depth profiles of the neighborhoods and their socio-economic factors, a breakdown of the population, price per square foot figures, rental market analysis and more vital information that investors could use to make informed decisions, he said.

Last year Mr. Siddons, who is also known as a real estate investment analyst, said his *Brickell's Best Condos* report gained international attention, with investors from around the globe contacting him after they had viewed the publication online.

Mr. Siddons is a member of EWM's Chairman's Club, Diamond level (which puts him in the top 1/2 of 1% of realtors



David Siddons authored the guide. nationwide for production levels).

He credits his success to "providing clients with sound financial advice, rather than just selling them a piece of property."

"Smart timing and recognizing the right opportunity has enabled me to sell clients property last year at great returns," Mr. Siddons said.

"One client is set to make over a 40% profit on his investment in just one year and another client we managed to 'flip' his investment and net a 15% profit in just three months."

There are still areas and opportunities to buy in Miami to make a sound investment, he said, buyers just have to recognize them.

The report is due out by mid-March.

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