November 15, 2007 -- MIAMI'S once-sizzling real estate market has certainly cooled off, but perhaps not by as much as predicted. In a city oozing with the vested interests of owners, renters, potential buyers, investors, brokers and developers, it's difficult to get an honest assessment of the market. Brokers and developers want to sell, so most play the "Florida-has-sun-and-sand-and-thus-is-immune-to-the-real-estate-bubble" card. Would-be buyers want a deal, so they're hoping media sensationalism coupled with reality - a lot of new product - will bring prices crumbling down to pre-2000 levels. The truth seems to lie somewhere in the middle.

"I think that you'll see prices coming down to the 2004 level, but not much below that," says Dr. William Hardin, a real-estate professor at Miami's Florida International University. "We're going to have to forget 2006 and part of 2005. I would try to make a transaction at 2004 or 2005 price points - they would be a good starting point for negotiations."

While you won't find the volume of 2003-era bargains some were expecting, and you might have to compromise on location, there are still situations in which it could make sense to buy in Miami now.

**UPSIDE DOWNTOWN**

Karla San Emeterio, a 28-year-old teacher, bought a 582-square-foot studio this past August for just $149,000, or about $250 a square foot, at Loft 4, a 440-unit building in downtown Miami.

This price point is quite an aberration even for downtown Miami, which has more affordable condos than what you'll find in South Beach. Smaller studio apartments in nearby new buildings such as One Miami or 50 Biscayne are on the market with asking prices in the mid $200,000s.

Although Loft 4 won't have on-site parking and won't be finished until 2010, San Emeterio, a first-time homebuyer, knew a good deal when she saw one. "This type of thing wasn't advertised very much at first," she explains. "I felt like it was very word-of-mouth, and you almost had to really look for [great deals] like this. And, of course, give up certain things, like parking."

Developed by the Related Group of Florida, Loft 4 is an affordably priced project geared toward - but not selling exclusively to - Miami's middle-income workforce. Although there were no governmental requirements or units specifically set aside for this demographic, Oscar Rodriguez, head of the Related Group of Florida's Attainable Housing Division, says the developer used marketing and pre-launch buying opportunities to target such buyers. And while the lowest-priced Loft 4 units are gone, you can still snag a condo here for $190,900.

San Emeterio was required to put down just 5 percent when she signed the contract; she'll pay another 5 percent at groundbreaking. She's hoping her credit score will be good enough to get zero-percent-down financing at closing.

"I know the market is bad ... but, I mean, how much more is it really going to go down?" she says. "Am I
ever going to get a better deal than $150,000 in the heart of Miami? Sure, now may not be the best time to buy, but you can't let a good opportunity pass you by."