



## **Florida county tries to recover from real estate crash**

Broward County home prices have fallen by nearly half in five years. But the area could be recovering.

**HOST:** In Florida, half of all homeowners are underwater on their mortgages. But now, a glimmer of hope. Broward County saw the biggest year-over-year jump in median home prices in five years.

From station WLRN in Miami, Kenny Malone filed this report.

**John Lucka:** What we have here, this is a typical three-bedroom, two-bath.

**Kenny Malone:** This is sound of me, standing with realtor John Lucka in front of a home he sold in February.

**Malone:** So I was thinking, if there were going to be a movie preview for this, it would go like this...

Lucka's been selling in Broward since the '70s. It's been so bad lately, I figured he deserved a little over-dramatization for this particular sale.

**Malone:** In a single family home, with three bedrooms.

**Lucka:** John Lucka does it again.

To understand, you need to know just how bad things got for Broward real estate. From the peak five years ago, home prices have fallen by half. Florida just received federal money for a program called the "Hardest Hit Fund." Broward led the state in applications.

Terri Bersach, a local leader with the realtor board of directors, told me asking how the real estate crash affected Broward County:

**Terri Bersach:** Is like asking how Hurricane Andrew may have affected everyone in South Florida.

Which is to say: yeah, some neighborhoods weren't hit as hard. But -- it's a hurricane.

So in that context, John Lucka's sale was heroic. Lucka told the owners to not expect anything above \$260,000, if even that. Much to his surprise, the home got \$265,000.

**Lucka:** It's good to have happy customers and to see also that there's a little bit of movement in the market.

**Bill Hardin:** The best phrase would be a squeeze play.

Bill Hardin is the director of real estate studies at Florida International University. He says the 'movement' in Broward actually comes from restriction. In the past few months, there has been a sort of freeze on foreclosure processing. Several major law firms are under investigation for how they handle the paperwork in foreclosures. Hardin says that forced lenders to double-cross their t's and triple-dot their i's before putting distressed property back on the market.

**Hardin:** It takes now over 600 days from start to finish of that process.

And so, inventory has dropped, prices have kicked up.

**Brad Hunter:** So yeah, at first it looks like everything is copasetic.

Brad Hunter is head of national consulting for the realty tracking group MetroStudy.

**Hunter:** But then there's of course, the elephant in the middle of the room and that is shadow supply.

There's still loads of foreclosure properties stuck in the pipeline. So the question for realtors is: will that come as a trickle or a tsunami and flood the market?

In Broward County, I'm Kenny Malone for Marketplace.