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Posted on Fri, Jun. 24, 2005

REAL ESTATE

## S. Fla. home prices keep rising

As existing single-family home prices rose even higher in May, overall home sales posted a sharp decline in

Broward County.

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South Florida single-family home prices, which have surged to record levels in recent years and prompted fears of a heavily inflated market, climbed to new heights in May.

Prices for existing single-family homes in both Miami-Dade and Broward counties soared 34 percent compared with the same month a year ago, according to numbers released Thursday by the Florida Association of Realtors.

The median price of a single-family home is now \$367,000 in Broward and \$354,900 in Miami-Dade.

Both of those prices represent more than a 6 percent increase since April. And since May 2000, the median price of a single-family home in Florida has doubled, the Florida Realtor group reported.

From April to May this year, the median in Dade rose \$21,300; in Broward, \$23,000.

"These prices are crazy," said real estate broker Phil Keagy, vice chairman of the Master Brokers Forum in Broward. "Is it sustainable? It is a question that no one can seem to answer. We thought three months ago we had it nailed, and it keeps going up."

Nationally, existing single-family homes sold at the second-fastest pace in history. The median home price across the country shot up to \$207,000, the National Association of Realtors reported. The median is the price at which half the homes sell for more and half for less.

Low interest rates are fueling the lofty prices. Buyers are also taking advantage of financing mechanisms such as interest-only mortgages to buy properties they might not otherwise afford.

The volume of homes sold in Miami-Dade and Broward, meanwhile, was a mixed bag. Home sales in Broward dropped 21 percent in May compared with the same period a year ago; Miami-Dade sales were up 4 percent, the first rise in 11 months.

Many observers contend the lackluster sales figures are not due to softened demand. "The buyers have not diminished," said Helen Jeanne Nicastrì of Coldwell Banker in Coral Gables. "The buyers are just having to deal with the fact the choices available are not like it used to be."

Some first-time and upgrade buyers are getting priced out of the single-family housing market. And some would-be sellers are staying put because a move would mean a much fatter tax bill.

"Taxes are now as important as the purchase price," said Ann DeFries, president of the Realtors Association of Greater Fort Lauderdale.

Because assessments can only climb 3 percent a year for existing homeowners under Florida law, a change in ownership can double or even triple the property tax bill.

But not everyone contends the property tax conundrum is slowing single-family home sales. Orlando economist Hank Fishkind, who tracks South Florida real estate, said he thinks the slowing sales amid rising prices are symptomatic of a peaking market.

"It symbolizes the top of the market because it is impossible to continue having rapid price increases when demand is slowing," said Fishkind, who added he is not persuaded by the tax argument because home prices have appreciated so much.

He predicts a decline in South Florida condo prices, but doesn't believe single-family home prices will fall.

In Florida, home sales rose 7 percent; prices, 27 percent.

Rising prices worry Armando Diaz, who owns Ocean View International Realty in North Miami.

"What about the schoolteacher who has only been teaching for two years?" he said. ``These are very decent, hardworking people. Where are they going to buy?"

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