

South Florida home prices take another leap

By Alexandra Navarro Clifton
Sun-Sentinel

**SOUTH FLORIDA
news...**

April 26, 2005, 8:44 AM EDT

Buying a home in South Florida got even more expensive last month.

all day,

Taking advantage of low mortgage rates, buyers continued to flood the market, but they had to scramble to find homes in a shrinking inventory.

**every
way**

Palm Beach County was the second-priciest place in the state -- behind Naples -- to buy a home, as the median price hit \$371,500, a 37 percent jump over last year. In Broward, prices were up 31 percent, to \$332,400. In Miami-Dade County, the median price -- the level at which half the homes are more expensive and half are less expensive -- was \$322,300, a 40 percent increase over last year. The numbers do not include condominiums, townhouses or new construction.

But even as prices continue rising, sales fell in all three counties in March. Miami-Dade County had the highest drop in sales, at 28 percent, from last year. Broward saw a 10 percent decrease, and Palm Beach County had a 7 percent decrease, according to the Florida Association of Realtors.

"We just don't have enough inventory," said Ron Shuffield, president of Esslinger-Wooten-Maxwell Realtors, which has 13 offices in Miami-Dade and Broward counties. "It's the lowest inventory I've seen in my 30 years here."

Sellers are increasingly reluctant to put their homes on the market when they consider how much more they'll pay in taxes on a new home, said Richard Teboul, a Realtor with the Keyes Co. in Fort Lauderdale.

"They know they'll have no problem selling it and they'll get full price or more," Teboul said. "But then where do they go when the taxes make it very expensive to move?"

In Florida, property taxes can rise only 3 percent a year on homesteaded property. But once you move, your taxes will be based on the market price of the new home. That could double or triple a tax bill.

While sellers may be wary of listing their homes, buyers are making multiple offers and often end up losing a string of properties. Buyers are resorting to making offers at or above an owner's list price. And they begin to get desperate because they know a similar property will only cost more next month, said Ann DeFries, president of the Realtor Association of Greater Fort Lauderdale.

DeFries has even written letters of recommendation for some buyers who want to make a good impression on the seller, something she never did a year ago, she said.

"Selling your house is a very emotional process," DeFries said. "They want to know who's purchasing

the home, so I tell them where the buyer is moving from, where they're employed, how many children they have."

Statewide, median home prices were up 28 percent, to \$212,700, and sales were up 6 percent. Florida's median price tops the national price of \$188,200 in February, a 9.4 percent increase from last year. A year ago, the statewide median price was \$165,700. Florida's prices rank toward the top nationwide. By comparison, California's median price was \$471,620; in Massachusetts it was \$340,000; in Maryland, \$254,690; in New York, \$290,000; and in North Carolina, \$193,772.

Low mortgage rates and high demand also helped increase prices and sales of existing homes nationwide.

According to Freddie Mac, the national average rate for a 30-year fixed-rate mortgage was 5.93 percent in March, up from 5.63 percent in February, and up from 5.45 percent in March 2004. Nationally, sales rose 1 percent last month, according to the National Association of Realtors, which also tracks sales of single-family homes, townhouses, condominiums and co-ops.

March sales were the third highest on record and were 4.9 percent higher than last year. National median home prices were up 11.4 percent over last year. The national median price was \$195,000, compared with \$175,000 last year.

Alexandra Navarro Clifton can be reached at anclifton@sun-sentinel.com or 561-243-6529.

Copyright © 2005, [South Florida Sun-Sentinel](#)