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Broward home prices up 7 percent; PB County sees 2 percent drop

By Paul Owers

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Broward County home prices increased in August, but sales declined – a mixed bag we might as well get used to, analysts say. advertisement

The countywide median price for existing single-family homes last month was \$290,000, up 7 percent from a year earlier, the Greater Fort Lauderdale Realtors said Monday. The increase was well below 2013 levels but higher than the statewide average of 3.4 percent.

Still, sales fell 7 percent, to 1,295 from 1,389 in August 2013.

In Palm Beach County, the median price of \$270,000 dipped 2 percent from a year ago – the first decline in 27 months. But there were 1,500 sales, 16 percent higher than August 2013.

Market followers insist this isn't the start of another housing free fall. Rather, it's a necessary slowdown to prevent a future bubble, they say.

Mike Larson, an analyst with Weiss Research in Jupiter, said first-time buyers, the foundation of any housing market, are struggling to afford homes because of low and stagnant wages combined with price spikes during the past two years.

“Prices need to cool off so first-time buyers can play catch-up a little bit,” Larson said.

On the condominium side, both counties had sales declines and higher prices. Broward's median condo price was \$120,000, up 2 percent, while Palm Beach County's condo median rose 13 percent to \$132,250.

When the six-year housing meltdown bottomed in late 2011, investors flooded the market, paying cash for fixer-uppers that were resold or rented for robust returns.

That led to lightning-quick offers and bidding wars among buyers. Prices and sales shot up, while the supply of homes diminished, creating another mini-housing boom.

“People were (saying), ‘Here we go again,’” said Jim Heidisch, broker for Campbell & Rosemurgy in Pompano Beach.

But the price increases eventually cut into profits for investors, and many retreated from the market. Higher values also restored hope to thousands of formerly “underwater” mortgage holders, who decided to test the market and list their homes for sale.

At the end of August, there were 7,187 single-family listings in Palm Beach County, up 29 percent from a year ago, according to the Realtor board data. Broward listings rose 44 percent.

Attractive, properly priced homes remain in high demand, and listings in some areas are scarce. But buyers generally don't feel the same urgency, and properties are sitting on the market longer than they did a year ago, agents say.

South Florida agent Michael Citron, who sells in Boca Raton, Parkland and Coral Springs, said he's seeing more price reductions. Sellers are losing some of their power because buyers know they can afford to be more patient.

One of Citron's sellers is negotiating a deal, but the buyer wanted to look at the house a second time before finalizing the contract.

"Before, if you did that, you would never get the house," Citron said. "But the gun is not to their heads like it was last year or the year before when the market was really booming."

Stephen B. McWilliam, head of Florida State Realty Group in Fort Lauderdale, said he isn't concerned that housing isn't as hot as it was.

"You're supposed to have minor ups and downs," he said. "This is what a normal market looks like."

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