



Relief for homebuyers: More sellers are putting their homes on the market

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David Lyons

People desperately shopping for homes in South Florida may finally have some luck. Evidence is emerging that sellers who have hibernated for months are ready to list their houses.

Over the next six months, enough of them are expected to add to the thinning number of homes for sale that buyers could have broader choices, according to analysts, brokers and home search sites.

Among the encouraging signs:

- The number of new South Florida listings for March of this year stood at 19,667, up from 17,484 in March 2020, the month the coronavirus pandemic slam-dunked the economy, said Mike Pappas, president and CEO of The Keyes Cos.
- In Broward County, the number of listings by the Redfin brokerage rose to more than 800 as of April 1 from the 525 the same day last year.
- In a national survey taken by realtor.com, 10% of homeowners said they planned to sell in the next 12 months, while 76% of potential sellers have taken steps to list their properties.

In a survey released Monday, realtor.com concluded that an “improving landscape” awaits first-time buyers who have been frustrated by soaring prices, as well as homeowners who are looking to “trade up” for better digs.

“I think it’s beginning to happen,” Pappas said, “We think by the summer or definitely by the fall most people should be over the fear of COVID and open up more properties that they wanted to sell.”

Many sellers have been holding off listing properties for a variety of reasons,



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including a fear of opening their homes to people who might be carrying the virus. Others were simply riding the wave of higher prices, not wanting to leave money on the table. In many instances, their patience has been rewarded in the form of bidding wars, cash offers and an influx of out-of-town buyers.

"In the high-end market, some people now are considering selling their houses and listing because it's gotten to the point where there is enough money to decide to sell," said Miami real estate lawyer Mark Meland of the Meland Budwick law firm.

"They may take some chips off the table," he said. "Is it enough to satiate the demand? I don't know."

The tight supply has helped drive sales of homes in communities under construction.

CC Homes is building 45, low seven-figure luxury homes in Southwest Ranches. Only five are left, said chief operating officer Andres Miyares.

"Supply remains very tight," he said. "We started selling in the fall of last year. We're very pleased with the results so far."

Much of the allure is the town's status as a haven for race and show horses and horses for recreational riding. Most of the buyers are "almost exclusively locals" who know the area well. Another development the company is building in concert with Lennar in Miramar is 85% sold out, Miyares said.

George Ritiu, senior economist at realtor.com, said the growing distribution of COVID vaccinations should give sellers of existing homes more confidence that the time to list isn't far off.

"More supply should tame down this incredibly hot price appreciation we have seen for the last eight months," he said in a telephone interview. "We should basically see a much, much healthier market from May through August."

He said his firm's survey also found 58% of the sellers surveyed expected to let go of their homes at prices that are below \$350,000, "which is precisely where first-time



buyers are frustrated."

Another 28% said they would sell at between \$500,000 and \$750,000, which is a "sweet spot for trade-up buyers."

"It will go a long way to solve this Catch-22 where they want to put their home on the market and they can't find a replacement," Ritiu said.

An overvalued market

Those scenarios could serve as safety valves for a market believed by local analysts to be dramatically overvalued.

In Southeast Florida, homes have been selling for an average of roughly 13% more than they should, according to a report released last week by real estate economist Ken H. Johnson, at Florida Atlantic University in Boca Raton, and Eli Beracha, a professor at Florida International University's Hollo School of Real Estate in Miami.

Based on an analysis of 25 years, they concluded in a report released last week that properties in Palm Beach, Broward and Miami-Dade counties were overvalued by 12.54% in April, an increase of more than 1% from 11.52% in March.

"While still far below the 65% overpricing achieved at the peak of the historic housing collapse of 2007, the size of the month-to-month jump is a concern," they said in a statement.

"Prices are clearly accelerating at a pace that could become worrisome," they said. "While the reacceleration of prices is extending the current boom, it could cause issues in the local housing market, especially if interest rates should rise because higher rates tend to suppress the demand for housing ownership and therefore housing prices."

Read more:

<https://www.sun-sentinel.com/real-estate/fl-bz-more-home-sellers-ss-prem-20210427-tjgzfmyxtbgvrk6233q5q5ty6u-story.html>