

South Florida Ranks No. 6 On List Of Buyers' Markets In The U.S.

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Despite a shortage of single-family homes and climbing prices, South Florida scored high marks among U.S. markets where buyers have the best success negotiating on price.

The Miami-Fort Lauderdale metro area snagged spot No. 6 — just below New York City — on Zillow's list of top buyers' markets, according to the research company's January 2016 real estate report, which assesses home inventories and prices.

Zillow economist Svenja Gudell said rankings are based on a pure metric of negotiating power, not affordability or value. Zillow looks at how long properties have been on the market and how many price cuts owners have made in efforts to sell. In other words, the longer a house sits on the market and the more price-slashing occurs, the more negotiating power prospective buyers have.

"It doesn't necessarily mean it's a great market and there's a ton to choose from, but what they have to choose from, [buyers] have the ability to negotiate," she explained.

In the Miami metro area, houses are on the market for an average of 105 days and sell for 15.5 percent less than original list price, according to Zillow. In Hallandale, a particularly strong buyers' market by Zillow metrics, houses sit on the market for an average of 133 days and sell for almost 20 percent less than original list price. These numbers contrast with a report released Wednesday by the Miami Association of Realtors, which said that 93.3 percent of condos and 95 percent of single-family homes sold at list prices in January 2016.

"These are a lot of older homes owned by older people whose kids are long gone, so they're selling, or their kids are selling because the parents have passed on," said Douglas Elliman Realtor Jeff Morr. "They're old, they're outdated."

Without the sparkly appeal of brand-new digs, these homes stew for longer and sellers get antsy, Morr explained.

Or maybe it's something else.

"Maybe you get to an age and you don't care. Whether they get 800 or 750, it doesn't matter," he said. "They're not looking to buy Gucci and Prada anymore. There's going to be some wiggle room."