

Sellers' options now: Cut, trim, slash, slice

PALM BEACH COUNTY, Fla. – April 10, 2008 – After unsuccessfully trying to sell his spacious spread west of Boynton Beach for the past six months, Art Espanet decided he had little choice but to cut his price.

Discouraged by the lack of interest from buyers, Espanet dropped his listing price from \$832,000 to \$795,000. It's not exactly a fire sale, Espanet acknowledges, but he considers \$795,000 for a 1.8-acre property that includes a 3,800-square-foot home and a four-car garage a fair price.

And the retired carpenter considers a \$37,000 discount to his first price a big chunk of change.

"That's a lot of money to me," Espanet said.

With the region's housing slump 2 years old, real estate agents are beginning to urge homeowners to cut their prices, and sellers like Espanet are heeding their advice.

Espanet is one of two dozen sellers represented by Century 21 Tenace Realty who have agreed to lower prices as part of a marketing blitz that includes longer-than-usual open houses. The price cuts range from Espanet's modest 4 percent drop to as much as 25 percent, said Henry Kaplan, a sales manager at Century 21 Tenace.

Illustrated Properties Real Estate likewise plans a red-tag sale of recently cut properties, President Chappy Adams said.

When the once-scorching housing market in Palm Beach County and the Treasure Coast began to cool in early 2006, real estate experts described a standoff between stubborn sellers and patient buyers, with both expecting the market to turn in their favor.

Now, though, it's clearly a buyer's market. From their peak in 2005, home prices have fallen nearly 20 percent in Palm Beach County and more than 30 percent on the Treasure Coast, according to the Florida Association of Realtors.

"We've coached our owners that they can't look back," Kaplan said. "The only thing that sells a home is price. This is a market where you've got to put your best price forward." Even industry cheerleaders have begun to make dire pronouncements. The National Association of Home Builders recently said the housing market is "facing its greatest crisis since the Great Depression." Other brokers likewise are urging sellers to come to terms with a weak housing market.

"In today's market, we are in a price war and a beauty contest," said Richard Bass, who owns Keller Williams Realty offices in Boca Raton and Boynton Beach. "The seller has to be the best-priced house out there, and they have to be the best-looking house out there." In hard-hit St. Lucie County, sellers are competing with a flood of foreclosures that lenders are selling at big discounts, said Scott Wingfield, president of the Realtors Association of St. Lucie County.

"There's still a lot of properties that are priced rather high," Wingfield said. "But due to the number of foreclosures in our area, sellers who have a need to sell really have no choice but to lower their prices."

Copyright © 2008 The Palm Beach Post, Fla., Jeff Ostrowski. Distributed by McClatchy-Tribune Information Services.

Related Topics: Seller services

Questions, comments or suggestions on this article? Have a news tip? Send a letter to the editor to: Newseditor@floridarealtors.org.