

Talking Real Estate

Sellers are Starting to Reflect Reality

Ilyce Glink
Contributing Columnist

Buyers were the only ones cheering recently when the National Association of Realtors announced that existing homes sales fell 4.1% in July.

That decline was deeper than expected, and drove home sales to the lowest annualized rate since January 2004. The inventory of unsold homes on the market rose to 3.86 million units, the highest level since the spring of 1993.

In other words, if no additional homes were on the market, it would take 7.3 months to sell out the current inventory.

Higher interest rates aren't helping. According to Freddie Mac, the national average commitment rate for a 30-year conventional fixed-rate mortgage was 6.76% in July, up from 6.68% in June. A year ago, the interest rate on a 30-year mortgage was just 5.7%.

A 1% rise in the interest rate cuts affordability substantially, particularly for first-time buyers.

"Many potential home buyers have been on the sidelines, some 'kicking the tires,' but mostly waiting for sellers to compromise on prices and terms," said David Lereah, NAR's chief economist.

As a result, home prices appear to be dropping in many parts of the country.

"Now, sellers in many areas of the country are pricing to reflect current market realities," Lereah added.

New homebuilders aren't faring any better than existing home sellers.

"Housing demand has been weakening as affordability has deteriorated and investors and speculators have pulled out of the market, and builders are adjusting their production levels accordingly," said David Seiders, chief economist for the National Association of Home Builders.

According to the NAHB, new construction housing starts fell 2.5% in July. Toll Brothers, a company that builds expensive homes in moderately-sized subdivisions, announced this month that sales had dropped by nearly 50%. Other large

publicly-traded homebuilders have also seen their sales nosedive.

To compensate, Seiders said builders have begun offering free upgrades and extras and even lowering the price of some properties in order to make them more appealing to buyers.

Home sellers in slower markets have begun to offer perks and extras, such as free cars, trips, and cash to entice buyers.

Which gives buyers some leverage when it comes to negotiating for a house. Before making an offer:

- Take a good look at the complete inventory of homes for sale in your neighborhood of choice. Although you don't want to look too far above the maximum amount you want to spend, you might ask your agent to show you homes that are more expensive but have been on the market quite a while.

- Find a seller who's ready to deal: A seller who's had property listed for six months, and who is paying two mortgages, might be more ready to make a

deal than one who's just listed a home. If the two homes are about equal, make an offer for the home where the owner is desperate about selling.

- Don't be afraid to make a lower initial bid. When operating in a hot seller's market, a low initial bid can be a big turnoff. Today, however, many sellers are happy to get any offer because it means they can at least start the negotiation process. While some sellers can still be offended by a super-low initial bid, most will come back with at least some counter-offer, which gives you a valuable clue about what price they hope to get for their property.

- Understand that some sellers simply won't take less than their asking price, even if their home has been on the market for two years.

- Keep your cool. Don't show anyone, not even your agent, how excited you are about the possibility of owning a particular home. Keep your emotions under control, because that will give you the most leverage in closing a deal.

Harris, from Page 1A

As far as losing more than one campaign manager, she seems cold and determined where others might worry. She takes it personally when you ask her about her staff.

"We got rid of people who didn't have our views," Harris says simply.

End of story.

When asked whether the Republican Party is making up with her, she answers just as emphatically.

"The Republican Party is the people who vote for me," Harris said, her voice buoyant with the idea of ignoring the very people who are at the command stations of the Republican Party.

End of story.

Over and over again, Harris emphasizes that it is the people whom she serves and taking care of their needs that is what makes her run for office again and again

— to do their will.

She speaks with an almost religious fervor as she describes the issues she has fought for and battled for as she was a state senator and then as a congresswoman for the U.S. House of Representatives.

"Go back and look at the 2004 race," Harris challenges. It is about values and doing what is right, not popular."

The foundation of her campaign is developing the federal markets through trade, revitalizing our economy, providing retirement security, protecting our children, ensuring seniors can afford prescription drugs through Medicare, providing housing, honoring our veterans, bringing liberty in Iraq, and supporting homeland security and the war on terrorists by cutting off the flow of money that finances terrorist activities.

Harris says she plans to use a grassroots style of campaigning during the next 60 days before the Nov. 7 general

election.

election.

She talks about giving 10 speeches a day sometimes, standing on street corners waving her sign, and continuing her efforts to engage people in conversation, especially Democrats or Independents.

Harris is going after Democratic incumbent Bill Nelson as if her life political life depends on it, and maybe it does. By Thursday, she was giving four-minute

speeches where she is sure to let Florida residents know that he "squandered" his time fighting for the rights of his constituency on the hill.

"Nelson likes to make it about personalities, about clothes," Harris said. "It's such gender bashing!"

And, when it all comes down to it, Harris tells it like she thinks it is.

"Florida deserves better than Nelson."

Town, from Page 1A

Flowers Shopping Center on Bay Isles Parkway.

This would involve an application amendment approval by the Town commission.

"Equal justice under law," Hamilton Rice, attorney for Dead River Properties, said to the board pleading his cause that day. "That is what we are asking for this morning."

Rice pointed out to the planning board that in 1996, Town Plaza I was 100% leased out. For the last two years, he said there was only 88.3% occupancy.

"We do not view this process as an adversarial procedure," Rice had said to the board. "We want, like you, to accomplish the very best to best serve the Key and the public by attracting the right kind of business to Longboat Key."

Mary Mulligan, asset manager for Dead River, backed up Rice and said if they could have the application amended it would be good for them and for the city.

The Town has been trying to revitalize and support existing commercial development in the community for the past several years, according to Daigle.

"The climate on the island was different in 1987," Daigle pointed out to the Board at that June 26 meeting. She then proceeded to read part of ordinance 87-30, which is the current land use docu-

ment governing Town Plaza I.

In that ordinance, Daigle pointed out, land use provisions were drawn up so that "it would not be attractive to mainland shoppers."

Board member Walter Hackett agreed with Daigle that day, and said that he was concerned about how the rest of the world looked at Longboat Key, what their perception might be.

"We need to be perceived as a friendly community," Hackett said.

Currently, the permitted land uses allow a supermarket, specialty food store, drug store, package liquor store without a lounge, a news stand and tobacco store, apparel stores, barber and beauty salon, dry cleaning, miscellaneous repair such as shoes, restaurants with dancing but no floor show permitted, florist, service station limited to minor repairs, bank and bank branch, books and cards, cameras, art gallery, hardware, sporting goods, travel agency, antiques, sandwich and cheese shop, real estate office, and a dance and exercise studio with no membership structure allowed.

If the amendment is added to the ordinance and passed by the commission, a dance and exercise studio with a membership structure would be allowed as well as an insurance office, branch bank, jewelry, packaging and mail delivery, video and hobby stores would be allowed in the Town Plaza I shopping center.

The Colony Restaurants

Experience the Culinary Innovations
of The Colony's New Executive Chef,
Parker Lee, as He Adds His Flair to the
Traditional Colony Classics

JOIN US ON THE BEACHFRONT AT
THE COLONY DINING ROOM FOR

- NEW, INNOVATIVE MENU ITEMS
- NIGHTLY DINING SPECIALS
- IMPECCABLE COLONY SERVICE
- ONE OF THE NATION'S TOP WINE LISTS
- THE MOST SPECTACULAR SUNSET ON THE GULF

CHOOSE FROM AL FRESCO DINING
ON THE PATIO OR IN THE
MONKEY ROOM AS WE CELEBRATE
LA DOLCE VITA WITH
OUR 2 FOR \$35
ITALIAN CLASSICS!

PAIR TWO ITEMS FOR THE
PERFECT DINING DUET

- NORTHERN ITALIAN BOLOGNESE
- GRILLED SHRIMP LINGUINI
- PAN-SEARED VEAL MARSALA
- HALIBUT CAPRESE

SUNSET HAPPY HOUR
DAILY STARTING AT 4:00

AT THE COLONY BEACH & TENNIS RESORT
1620 GULF OF MEXICO DRIVE · LONGBOAT KEY
941.383.5558 · COLONYBEACHRESORT.COM
NON RESORT GUESTS ALWAYS WELCOME!

