



# Condo buyers may shun older buildings after Surfside collapse

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The collapse of the Champlain condo building in Surfside could reverberate through the real estate market in South Florida for months to come, real estate experts say.

The red-hot condo market could cool as buyers might hesitate to buy in older buildings, worried that the buildings have put off maintenance and that mammoth repair bills could be coming, brokers say.

Sellers, meanwhile, might discover they can't find buyers as quickly as they'd hoped — and can't get the price they were looking for. Over time, their investments in their condos could shrink.

“I can see property values falling in buildings until they renovate them to put them into a safe structure, not just something that is cosmetically nice to look at,” said Bobbi Ocean, executive vice president at Galleria International Realty in Fort Lauderdale.

The Champlain South Tower collapsed June 24 after numerous engineering reports had warned of concrete deterioration and \$9 million in needed repairs. The exact cause could take years to determine, but cities across South Florida are scrambling to ensure their buildings are safe.

It's too early to say whether condo buyers are setting their sights elsewhere, but experts say fear could douse a condo market that had been boiling.

As of May, condos had reached their highest sales prices since 2012, according to data from RedFin, a national real estate brokerage. The median sale price for a condo in Palm Beach County was \$225,000 in May, compared with \$180,000 in Broward and \$325,000 in Miami-Dade.

Real estate experts say the condo market could slide for six months or so before stabilizing.

“All things being equal, condos could take longer to sell than they would otherwise. There’s a lower likelihood of successfully marketing your property, and we could see a short-term price effect,” said Florida Atlantic University real estate economist Ken H. Johnson.

Newer buildings should remain in demand, experts say, but buyers may be skeptical of older condos, knowing that many have deferred maintenance and now will try to catch up.

“Condo associations that were typically waiting will be doing [repairs] faster, and costs are rising. I think we are going to see even more costs,” said Adam Mopsick of Amicon, a general contracting and construction management firm in Miami.

Shelby Morgan, a Realtor at Galleria International Realty, said none of his clients have yet backed out of contracts to buy condos. But, “any older condo is going to be looked at very hard,” he said. “In the older buildings, people will probably be more hesitant to buy.”

Less certain is whether condo shoppers will opt for single-family homes, which are generally more expensive and in historically short supply. For

the same reason, condo owners may not look to flee, even knowing they could face large assessments for repairs.

“Condos have always been popular, especially ones on the ocean,” said **Bonnie Heatzig**, executive director of luxury sales at Douglas Elliman in Boca Raton. “But now, buyers will place greater emphasis on maintenance and past engineering reports for older buildings as part of the due diligence process.”

Mathew Cicero, with South Florida Condominium Management in Miami, doesn't expect the condo market to bottom out. Prices should remain stable, he predicted. They'll just grow more slowly.