

This house costs how much? That can't be right.

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The price for this home in Fort Lauderdale was cut by \$100,000 to \$799,000. (Amy Beth Bennett / South Florida Sun Sentinel)

Some home sellers are getting greedy in the scorching housing market, and it's backfiring on them.

Many are setting their prices too high, trying to squeeze out every dollar from buyers who are willing to pay well over the asking price, often with cash. A growing percentage of sellers quickly learn that they'll have to get real.

Some 9.4% of homes on the market in August had reduced prices, up from 8.6% in July, according to Zillow, an online listing service. In May and

June, price cuts stood at 7.8% and 7.7% respectively, indicating the overeagerness has spread.

A few examples:

- A seller wanted to try the market and listed a four-bedroom, 2.5-bathroom home in Delray Beach for \$698,000. The seller ultimately cut the price to \$648,800, and it sold a day later.
- A four-bedroom, two-bathroom home in Coral Springs, 2,483 square feet, was listed for \$639,000 and sat on the market for almost a month before the owners cut the price to \$599,000.
- A three-bedroom, two-bathroom home in Fort Lauderdale, offering 1,700 square feet, was listed for \$1.3 million in late August before getting a \$100,000 price cut.
- Also in Fort Lauderdale, a two-bedroom, two-bathroom condo was listed for \$525,000 even though the agent recommended it be listed at \$499,000. The price was recently cut to \$510,000, and it's still on the market.

“Many of the price cuts are a result of sellers getting overconfident in this market and asking for too much,” said Eli Beracha, professor of real estate at Florida International University. “Price cuts are not happening now for housing that are priced fairly and show well.”

On occasion, price cuts can work in a seller's favor because they widen the pool of prospective buyers, who then might be willing to bid up the property in order to get it, said real estate broker Patty DaSilva with Green Realty Properties in Cooper City.

But widespread price cuts also can be bad for the overall market, as they cause buyers to be wary of trying to buy and they might back away, said Whitney J Dutton, real estate adviser with the Dutton Group in Fort Lauderdale.

“When you make price reductions to get them back to the property, they wonder what’s wrong with it. Why doesn’t anyone else want it?” he said.

A home that is priced correctly will move fast, said Gene Whiddon, real estate agent with Better Homes and Gardens Real Estate in Fort Lauderdale. He recently listed a two-bedroom, two-bathroom condo in Fort Lauderdale and got three offers for full price in only two days.

The increasing number of price drops doesn’t mean [the market is getting cheaper](#), agents say. It just means the overpriced homes are being reduced to a healthier level, said Adam Docktor, a real estate agent with Compass in Fort Lauderdale.

The market in general [is still hot](#). The median price in Palm Beach County was \$480,000 in August, up 20% from last year. It was \$495,000 in Broward County, up 19%, and \$500,000 in Miami-Dade, a 20% increase. Real estate agents call the high prices a “make-me-move” price. Sellers want to see how much money they can make rather than moving out of pure necessity, Dutton said.

Almost 25% of sellers put their homes on the market just to see how much profit they can make, according to a survey from realtor.com. Almost 30% said they were going to ask for more than their home was worth.

“For sellers, finding that highest possible strike price through small price adjustments is sometimes more appealing so they don’t leave money on the table that they may have otherwise been able to capture,” said **Bonnie Heatzig**, executive director of luxury sales at Douglas Elliman in Boca Raton.

If a home has sat on the market for more than two weeks — with no significant maintenance issues — that’s usually a big indicator that it’s priced too high, said real estate broker Patty DaSilva with Green Realty Properties in Cooper City.

“Buyers know when something is overpriced,” she said.