

▪ **Location**
Miami-Dade, Florida

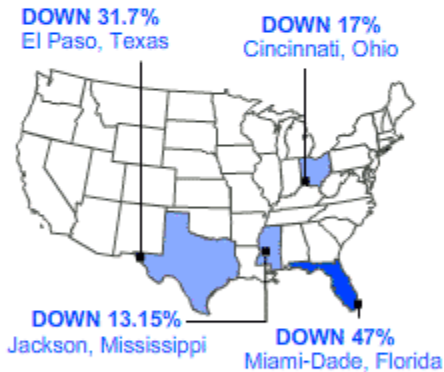
▪ **Monthly sales volume**

DOWN 47% Miami-Dade area
 DOWN 9% Florida
 DOWN 16.1% in the USA



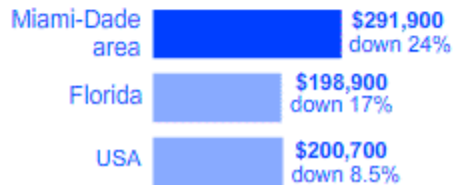
▪ **Comparing sales volume**

The four most recent cities in USA TODAY's Close to Home series and their one year change in monthly sales volume when originally published:



▪ **Median home price**

Change from one year ago:



Sources: Florida Association of Realtors, National Association of Realtors

Miami: Impact of speculation, overdevelopment still being felt

By Christine Dugas, USA TODAY
How low can it go?

Home sales in Miami, one of the areas that led the nation's real estate boom, remain in a free fall. So far this year, sales and prices are well below their 2007 levels.

Miami real estate agents prefer to compare 2008 with 2003, two years before the boom peaked, rather than with 2007. That comparison, they say, provides a better reflection of the current market.

"If we look at 2003, before the huge spurt in sales happened, we would see that the numbers are not far off," says Kimberly Kirschner, chairman of the Realtor Association of Greater Miami and the Beaches. "Are we in a bad market or a good market? That's relative."

Yet, even seen in the most favorable light, the Miami area is still suffering from the rampant speculation that triggered overdevelopment and galloping home prices, followed by a collapse of the mortgage market. What followed was a surge of foreclosures and short sales, in which owners, with a lender's agreement, sell a home for less than the value of the mortgage and thereby avoid foreclosure.

In the sprawling and diverse Miami market, not every area is faring the same. Beachfront sections and neighborhoods near job centers, Kirschner says, are performing better. But in the west side of the metro area, where speculation and overbuilding were feverish, homes are not in much demand.

"I've been in this business for 24 years, and I've never seen anything like this," says Juana Gonzalez, president of Northwestern Dade Association of Realtors, which represents mainly blue-collar and midprice areas. "Prices were going up and up and up. Now, the chicken has come home to roost."

It's unclear, she says, how soon the market will bottom out. But with prices sinking, homes are starting to become more affordable for buyers waiting on the sidelines. Kirschner says she's starting to see more foreign investors coming back into the market.

First-time buyers are also starting to poke around. In the past few weeks, Gonzalez says, she sold a home in foreclosure to a young couple and a home in an estate sale to another young couple.

"They couldn't have been able to buy a home if prices had kept on going up," she says. So despite the collapse in the market, "There is a silver lining."

Median-price home



This two story house, built in 2004, is on the market.

Price: \$291,375

Bedrooms: 3

Bathrooms: 2 full baths, 1 half bath.

Size: 1,952 square feet

Features: Two-car garage, 5,000-square-foot yard, access to community clubhouse.

Courtesy of JB Goodwin