



“ask the pinkrealtor”
**Hollywood
 Real Estate Q&A**

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Have a question about the real estate market? Ask the Pink Realtor: E-mail Ask@pinkpalm.com

Dear Pink Realtor,

We are long-time residents of Hollywood and have been watching the real estate market closely since “the crash” in 2008. After watching the prices drop, it looks like things are picking up. We own our home and believe this is an excellent time to invest in real estate. We would like to buy soon but do not want to overpay. Is this “the bottom” we keep hearing about?

**Sincerely,
 Looking to Buy Low**

Dear Buy Low,

The good news is that you don’t need to buy at the absolute bottom to do well in real estate. As a matter of fact, experts in all forms of investment — real estate, stocks, commodities, currencies, funds, etc. — agree that even the savviest investors are highly unlikely to pinpoint the exact bottom. As long as you buy an investment well and manage it correctly, you will realize a good return.

With that said, the evidence is mounting that Broward County’s housing market is in the early stages of recovery. Broward was one Florida’s hottest housing markets in March, as sales and prices posted gains for the second consecutive month. Sales of existing homes reached 1,169 last month, up 8 percent from a year earlier, the Florida Realtors said last month.

And, Broward’s median home price inched up 8 percent to \$175,400 from a year ago. Even sales of existing condominiums are on the rise. Broward’s median condo price rose 1 percent. This is impressive given that they have been on a consistent downward tumble since 2008. This all points to a stabilizing housing market. If there ever were a time to buy, this would be it.

Important to note: While the housing market has become increasingly stable, the mortgage market has become more flexible. There are now financing options available for owner-occupants and investors alike that did not exist just one year ago.

Many bank-owned properties will only accept cash offers. With financing still difficult for many buyers, cash deals are driving sales. Naturally, competition for the best deals is fierce. In addition, the number of available homes in the Broward metro area fell by 12.45 percent in February from January, the largest decline in the nation, according to Move, Inc. Broward’s inventory declined by about 2 percent in March. Inventory is especially low in stable communities where there was no new construction during the past three to five years. Still, analysts caution that a large supply of homes nearing foreclosure represents a formidable “shadow inventory.” Banks eventually will

place those homes on the market, hurting prices of nearby properties.

The bottom line, Buy Low, is this: The market is showing signs of stability and potential recovery. Lenders are once again lending. Rent rates are up. This real estate market represents a historically unprecedented opportunity. There are excellent opportunities all around you. Do the proper due diligence and make your move.

Dear Pink Realtor,

I am shopping for my second home in Hollywood. The area is perfect for me, and I am finding very good deals for my dollar. The one thing I am not so sure about is the property taxes. My Realtor said it is easy — just 2 percent of the price. But, a friend of mine said that his condo tax is not 2 percent of what he paid. How do I know for sure?

**Sincerely,
 Curious Canadian,**

**Dear Canadian (no, folks, not a typo. This is “Canadian” in French),
 Bienvenue en Floride!**

Your friend is correct. Property Taxes in Broward County are calculated based on a millage rate of 21.7 mills (or 2.17 percent) of the assessed value. The assessed value is calculated annually. This estimate does not include any non-ad valorem assessments/fees.

When you purchase your home, you will inherit the seller’s exemption status for the current tax year. Review your closing statement, as the seller likely gave you a deduction for the seller’s pro rata share of the current year taxes. Because of that, you will be responsible for payment of the entire tax when it arrives in November. Next year, your home will be reassessed based upon your purchase price (and the sale prices this year of other qualified market sales in your neighborhood). Finally, remember that you will need to file for a homestead exemption on the property for next year, as the seller’s exemptions will automatically be removed at the end of this year.

The Broward County Property Appraiser has a great online tool to help you estimate your future tax in real time at <http://www.bcpa.net/TaxCalc.asp>.

LeCavalier serves as Fund Manager for SISCO Limited Partners, a private equity fund that rehabilitates foreclosed properties and rents them via affordable housing programs in Broward County, is a licensed Real Estate Agent, an Accredited Residential Manager (IREM, ARM) and a Certified Investor Agent Specialist (CIAS).

More Information: www.pinkpalm.com