

Current real estate market worse than '80s, forum told

By [JEFF OSTROWSKI](#)

Palm Beach Post Staff Writer

Wednesday, October 10, 2007

WEST PALM BEACH — The housing market in Palm Beach County and the Treasure Coast has turned "brutal" and is getting worse, a veteran mortgage broker said Tuesday.

The stark outlook came from William Davis, president of Private Funding Specialists Inc. in Palm Beach Gardens and past president of the Palm Beach County chapter of the Florida Association of Mortgage Brokers.

"I've seen some tough times, but I've never seen anything like this," Davis told members of the Economic Forum of Palm Beach County.

Davis, a Palm Beach County native who has been a banker and mortgage broker for 37 years, said this slowdown has proven more painful than even the crunch of the early 1980s, when mortgage rates topped 18 percent.

He blamed a combination of factors. A speculative bubble that peaked in late 2005 artificially inflated prices. The subprime mortgage meltdown of recent months has made it tougher for borrowers to land loans. And homes remain priced above what the typical family can afford.

The result, Davis said, is a downturn that's likely to deepen in 2008. He noted a glut of homes for sale.

"It'll make you sicker than West Palm water if I tell you how many homes are for sale," Davis said.

There were 33,708 houses and condos listed for sale in Palm Beach County in August, according to Illustrated Properties Real Estate's analysis of Multiple Listing Service data. Illustrated Properties President Chappy Adams didn't attend Davis' speech but agreed with his conclusions.

"It's pretty bad," Adams said. "We've got a 40-month supply of homes, which has got to be an all-time high. For the foreseeable future, prices are going to keep coming down a bit."

So long as the supply of homes for sale outpaces demand from buyers, Davis said, the region's housing doldrums will continue.

"It'll take a long time to chew through this inventory," Davis said. "It's brutal."