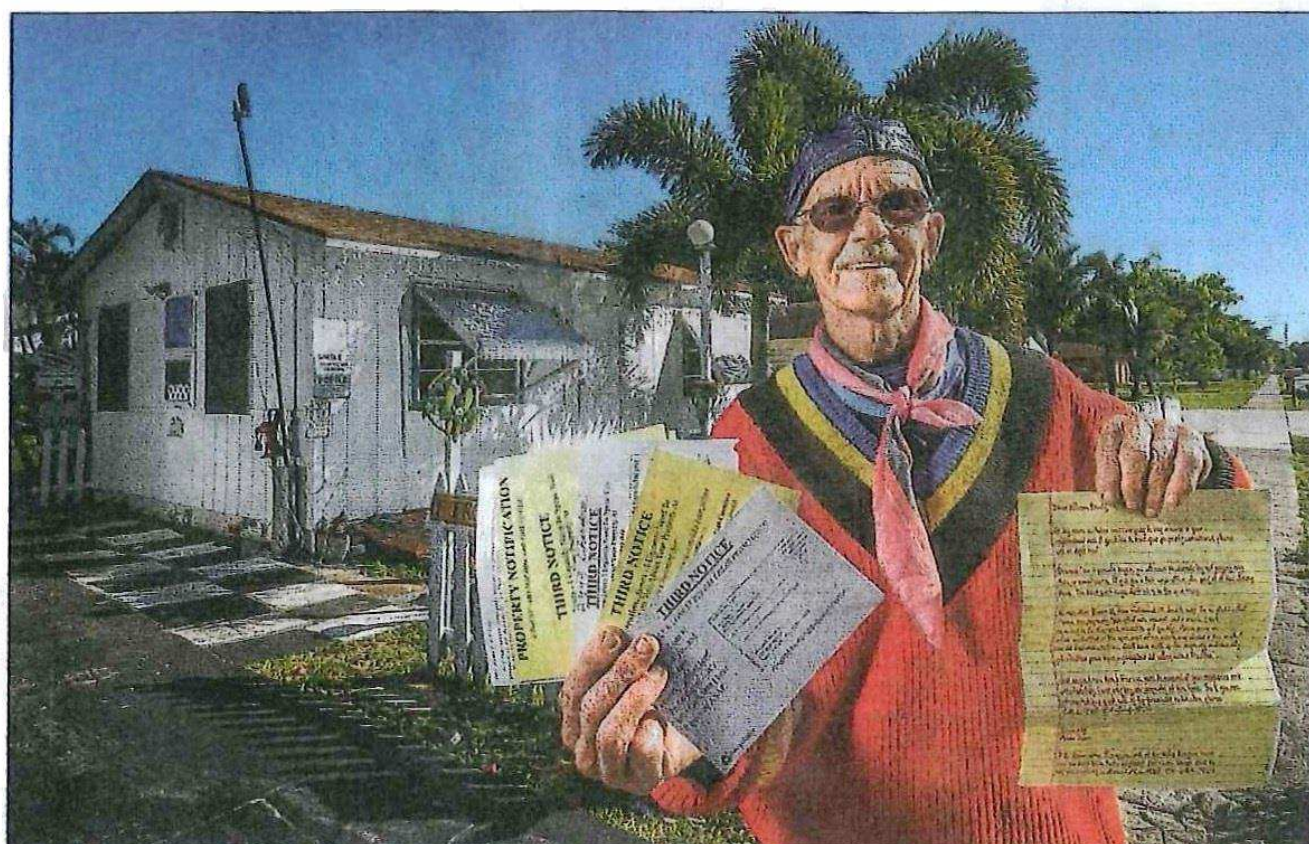


Run-up raises question: What's my house worth?



James Williams started getting mail solicitations from investors wanting to buy his home in unincorporated Palm Beach County's Westgate neighborhood about a year ago. He wonders if that means the value of the property he paid \$35,000 for in 2003 is going up. THOMAS CORDY / THE PALM BEACH POST

Investors are showing interest in an older neighborhood near West Palm. Some fear they prey on owner ignorance.

By Kimberly Miller
Palm Beach Post Staff Writer

The postcards marked urgent and "third notice" began arriving about a year ago, heralding what? James Williams didn't know.

They invaded the 76-year-old's mailbox weekly. "How much longer before I hear from you!?!?" one card shouted. "I've done all I can to reach you," another pleads.

While the formats vary, including handwritten letters that upon closer inspection are computer generated, the message is the same: someone desperately wants to buy

his home, which isn't for sale.

"What's up with everyone wanting this property?" asked Williams, who sees no reason why his 700-square-foot, one-bedroom, wood-frame rental home in Westgate would be real estate's deal of the century.

Three years after Palm Beach County's housing market hit rock bottom, the notes could be a harbinger of great things to come, a signal that investors see a grand future in impecunious Westgate.

Or, the cheery yellow cards and falsely sentimental

Mail continued on A6

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Mail

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tal “handwritten” notes could portend something more sinister.

With the market rebounding so quickly off the bottom, homeowners may have no idea what their property is worth. Investors, mailing out random solicitations, could hope to buy at 2011 prices, banking on an ignorance of values that have skyrocketed the past two years.

“They send these things out in the hundreds, to anybody,” said veteran Palm Beach County Realtor Douglas Rill, who owns Century 21 America’s Choice. “Don’t sell just because you’re getting a load of postcards in the mail.”

That’s what Williams wants to know. The chatty Palm Beach County native, who attributes his gregarious nature to “too much coffee,” bought the small home on Cherokee Avenue in 2003 for \$35,000. The Palm Beach County Property Appraiser has its total market value listed at \$39,000, while JP Morgan Chase’s online home value estimator tops it out at \$88,920.

The 33409 ZIP code, which includes Westgate, saw values plunge 70 percent from the peak in 2006 to 2011’s bottom. As of early last year, they were up nearly 50 percent from their low point.

In December, Zillow measured a 17 percent annual home value gain for the 33409 ZIP and put the median home value in Westgate at \$95,000.

Williams, a flip-phone carrying former employee of Southern Bell, said he has no emotional tie to the home, although it was once owned by his father. He rents it out, earning \$600 every month from a tenant who is never late with payments, he said.

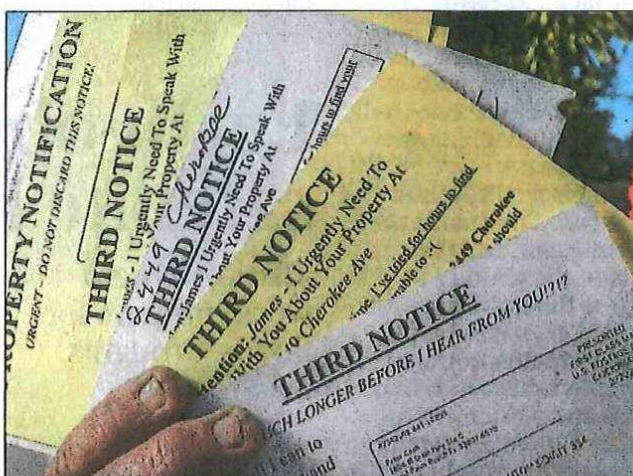
“I’m willing to sell for

Investors compete for Westgate property

Westgate, an unincorporated community in Palm Beach County, has struggled with poverty and crime, but investor interest may buoy efforts for improvement.



LINDA SCOTT / STAFF



The 33409 ZIP code, which includes Westgate, saw home values plunge 70 percent from 2006 to 2011. Early last year they were up nearly 50 percent, which may be why investors are sending solicitations. THOMAS CORDY / THE PALM BEACH POST

the right price,” Williams said. “But if it’s going to make some money over the next 20 years, I don’t know.”

Thuy Shutt, assistant director of the Westgate/Belvedere Homes Community Redevelopment Area, would like to think the interest in Williams’ home is a sign of the progress the 9,000-resident neighborhood has made in the past several years.

Dirt roads have been paved. Flood waters drain. A dry rainwater retention area has been transformed into a lake and preserve. The eighth annual Rooney’s 5K run will be conducted in the community in April.

Lots are spacious and there are no homeowners association dues.

“We’re realistic. Not everyone can have an Atlantic Avenue or a Clematis Street,” said Shutt. “But I think we are an undiscovered gem.”

Realtor Michael Horan agrees. He’s representing the seller of a 930-square-foot home on Wabasso Drive with a sales price of \$89,300. Within 10 minutes of him listing the home, he said investors were calling with cash offers.

“The area is close to everywhere and there are homes still available for under \$100,000,” Horan said. “That little pocket right there is being

scooped up because the prices are so low. Little by little, the area is coming back.”

But crime and poverty are still concerns. In January, a woman was carjacked at 4 p.m. on a Sunday by an armed man when she stopped at the intersection of Wabasso Drive and Saginaw Avenue.

“Forty years ago we were saying Westgate was going to get better, and some day it will, just not now,” Rill said. “It’s not the new El Cid.”

One of the letters Williams received was from investor Craig Martinez of Now Home Buyers. He buys mailing lists that target properties with equity or no mortgage and that are owned by other investors.

His business model is fix and flip, or fix and rent. For every 1,000 mailers Martinez sends out, he’ll get between 24 to 40 calls and close one or two sales. Martinez buys with cash and pitches a cheaper closing with no Realtor commissions.

Still, he said sellers shouldn’t expect to make a windfall profit.

“These are savvy people, they understand they have to discount it a little bit,” Martinez said.

Rill worries that an unwary seller will get hooked by a mailer and sell too low. Williams shares the concern.

Across the street from Williams’ Cherokee Avenue house is a 1.6-acre empty lot zoned for commercial development. Shutt said the plan for the property is a mixed-use building with commercial on the bottom and residential on top.

A Realtor friend of Williams told him to be the last to sell.

“I don’t know this stuff. I’m a telephone man,” Williams said. “I can get you a dial tone. But this? I don’t know.”

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