

New developments turn to lotteries as demand for property soars



BOYNTON BEACH, Fla. (CBS12) — Gates communities and new developments are using a lottery-based system to sell homes as they hit the market.

GL Homes is a luxury homebuilder with properties across Florida. In Boynton Beach Valencia Grand, held its first lottery back in March.

"The developer will randomly choose buyers out of a lottery based system and those buyers have a first chance to pick out their home site," said

Bonnie Heatzig, Executive Director of Luxury Sales at Douglas Elliman

Prospective buyers will give a refundable deposit of between \$5,000 to \$10,000 to enter a housing lottery, if they are selected that money turns into their deposit, and those who did not win get a refund or their money can be placed into the next lottery.

Heatzig says this process could help stop bidding wars from getting out of hand.

"It eliminates one buyer from bidding against the other because once you are selected its between you and the developer," said **Heatzig**.

The practice is becoming more popular especially in areas like Boynton Beach and Boca Raton.

"About 50 percent of builders are moving to a lottery-based platform but it's more than just a lottery, there is bidding, and reservations too," said Jeff Lichtenstein, the President of Echo Fine Properties.

Lichtenstein says buyers have to make quick decisions.

Its very much like the soup nazi, you know, no soup for you," said Lichtenstein. "You take what they have and you move on."