

This home in hurricane-battered Florida just hit the market for \$260K — while still smoldering from a fire. Listing says it's being sold at 'lot value' and 'ideal' for renovators

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There are figurative fire sales, and then there are literal fire sales. In an unusual and eye-catching real estate listing, a home in hurricane-ravaged St. Petersburg, Florida, has hit the market for \$260,000 – still smoldering from a fire when the [listing](#) targeting renovators and property investors, the home is being sold "at lot value," indicating its appeal lies in the land rather than the structure. It's not clear what caused the fire; the listing says the smoky photo of the home was taken before the recent storms, which have battered Florida with extreme winds and torrential rain, leaving billions of dollars in widespread damage in its wake.

Instead of repairing or rebuilding, the owner chose to dump the property for more than \$60,000 below the home's 2020 sales price. The listing may seem shocking, but it's part of a broader trend in the volatile Florida real estate market as hurricanes continue to roil both home prices and insurance costs.

Homeowner options after disaster

For homeowners who were already considering selling, the destruction of their property presents a rough dilemma. They essentially have three main options:

- Sell at lot value: Just as with this \$260,000 listing, homeowners can put their property on the market "as is," focusing on the land's value to attract investors or developers willing to rebuild from the ground up. As of mid-October, the listing shows the property is already under contract but backup offers are being accepted. (In 2003, [a Tennessee mansion whose Zillow listing](#) featured a photo of firefighters battling a roof fire was sold within a week.)
- Repair and rebuild: Some homeowners choose to repair the damage and sell a property once it's restored. But hurricane repairs are expensive and time-consuming, especially if the home suffered structural damage. Additionally, Florida's skyrocketing insurance premiums complicates this decision as they make both rebuilding and resale potentially more expensive.

- Take an insurance payout: If the homeowner's insurance covers hurricane damage, they may opt to take the payout and walk away. This option may offer less than the property's potential sale value, but it spares the owner from the headaches of rebuilding and dealing with ongoing insurance costs.

- **Stormy impacts on Florida market**

Aggressive waterfront development has long exposed Florida to costly hurricanes, but recent severe storms are increasing the financial toll on homeowners. Moody's says insured losses from Helene and Milton are expected to top \$35 billion.

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Even before the storms, Floridians paid four times the national average for home insurance, per CNN. Insurers are either raising rates sharply or pulling out of the market entirely, leading Florida's state-backed insurer, Citizens Property Insurance, to become the largest in the state with 1.3 million policies in force as of last month. These rising costs will likely deter some buyers, even as prices for damaged properties drop. *

The paradox seems cruel: Escalating repair and insurance costs are making some properties in high-risk areas affordable, but the appeal of a lower price tag may come with significant long-term risks. Buyers looking at storm-damaged homes need to carefully consider potential renovation costs, insurance challenges, and the possibility of future hurricanes.

Still worth buying a hurricane-damaged property?

While storm-damaged homes are likely to attract adventurous investors and renovators, buyers should weigh the potential for financial risk. Purchasing such a property can mean tempting fate with ongoing repairs, expensive insurance and future storms. On the other hand, prepared investors can sometimes find hidden value, especially as rising demand and limited inventory drive up prices in less vulnerable areas.

The Florida housing market, shaped by climate risk, remains highly dynamic. For homeowners looking to sell in the aftermath of a storm, as well as for buyers considering damaged properties, understanding the risks and rewards is crucial. The decision to buy or sell should factor in the total cost of ownership, including potential future insurance spikes and repair costs, balanced against the value of the land itself.