



DAVID SIDDONS  
GROUP



"Miami's #1  
Real Estate Analyst"

# MIAMI LUXURY REAL ESTATE MARKET REPORT 2018

**EWM**  
REALTY INTERNATIONAL  
A Berkshire Hathaway Affiliate  
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# Welcome to our 2018 Luxury Report

This year we have revamped the report in more ways than ever before. We have made it extremely easy to navigate your way through every neighborhood and for those who don't have time to read, I have even made short, 5 minutes videos explaining the luxury movements within each neighborhood! So lets dive in...

What I have always found interesting with the luxury residential market is that it truly operates in a completely different capacity to normal 'standard' real estate market conditions. This, I always feel, is largely due to the fact that the same rules that apply to normal buyers (constraints, motivations and market forces) do not apply to luxury buyers. It is important not to extrapolate data from normal market reports to the luxury end of the market. If some is good, more must be better? No, not necessarily! There is a tipping point once you enter the luxury market. Luxury buyers calculate property values in a very different way to normal buyers, and micro and macro factors that drive normal buyers' decisions do not affect the luxury buyer or seller in the same way. As I say: 'Ford does not worry about Ferrari and Ferrari doesn't worry about Ford'. Now this is not to say that there are factors that don't affect us all, but there are indicators that vary and

it is important to recognize these. What we classify as luxury within this report are properties over \$3M (Apart from Brickell where the threshold is \$2M). This really though is the tip of the iceberg, and many will consider real luxury to kick in at \$5m upwards. Because the number and velocity of luxury sales is so much less than in the normal markets, it can be easy to misread or miscalculate how and where this market is moving. Will it get better? Is it stagnant? Is it about to experience a sudden jump or will it take a sudden drop? What has been so important in understanding this market is not just looking at a bunch of spreadsheets and extrapolating what we know within the normal market, but really dealing and listening to luxury buyers and sellers, and understanding what motivates them.

[CLICK TO READ MORE](#)



## David Siddons

David Siddons is a top producing Miami real estate agent who has helped dozens of families relocate. David is known as a market analyst and the publisher of Miami's most anticipated real estate investment guides.

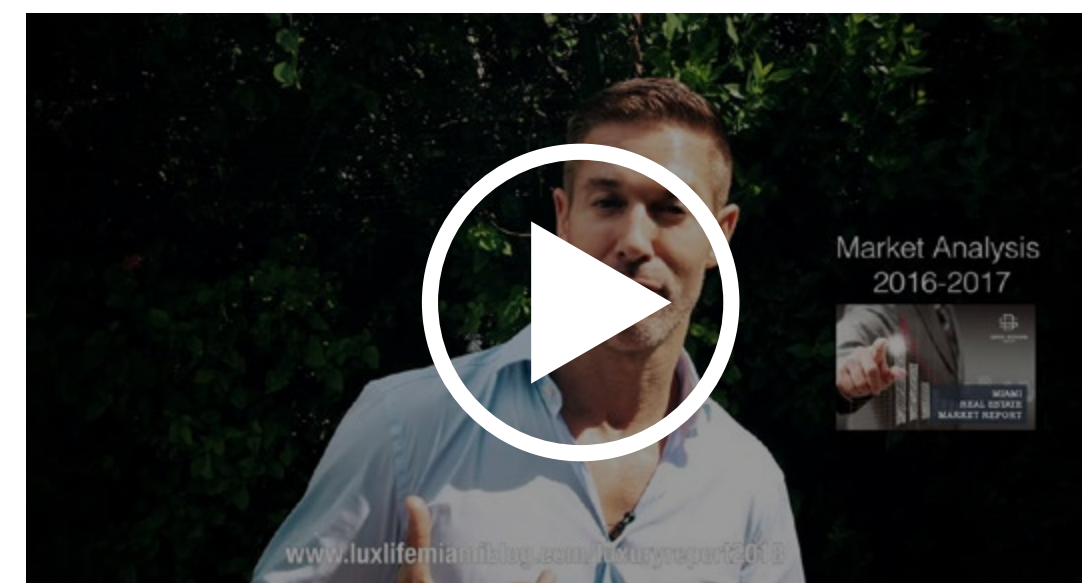
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**ABOUT THE DAVID SIDDONS GROUP**

## The Miami Luxury Real Estate Guide 2018

Are you short in time and want to know the highlights of this report?

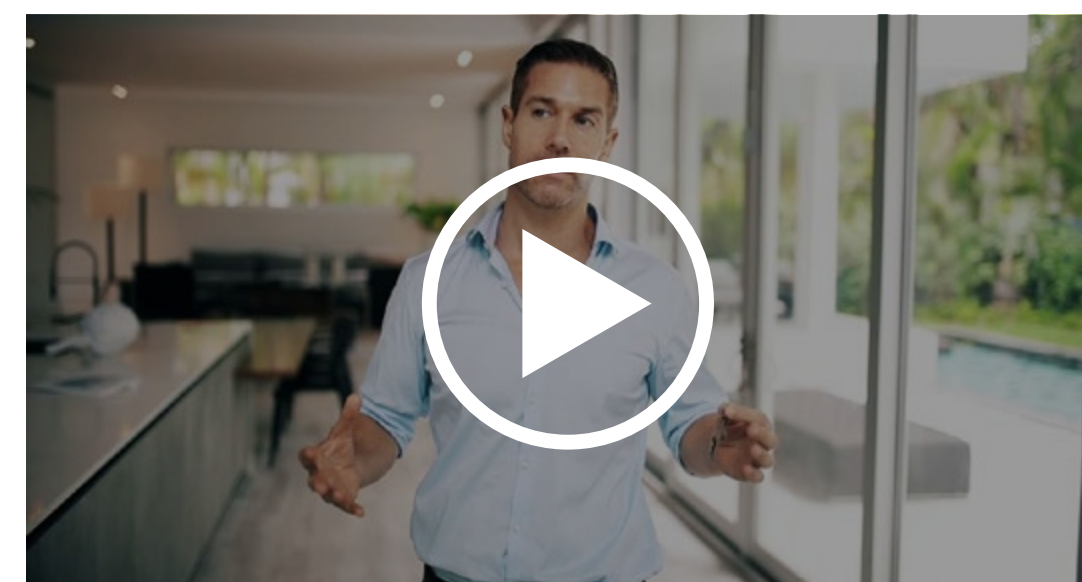
Watch these short videos.



Introduction to our 2018 Miami Luxury Real Estate Report



The 2018 Luxury Miami Real Estate Report: Miami Beach

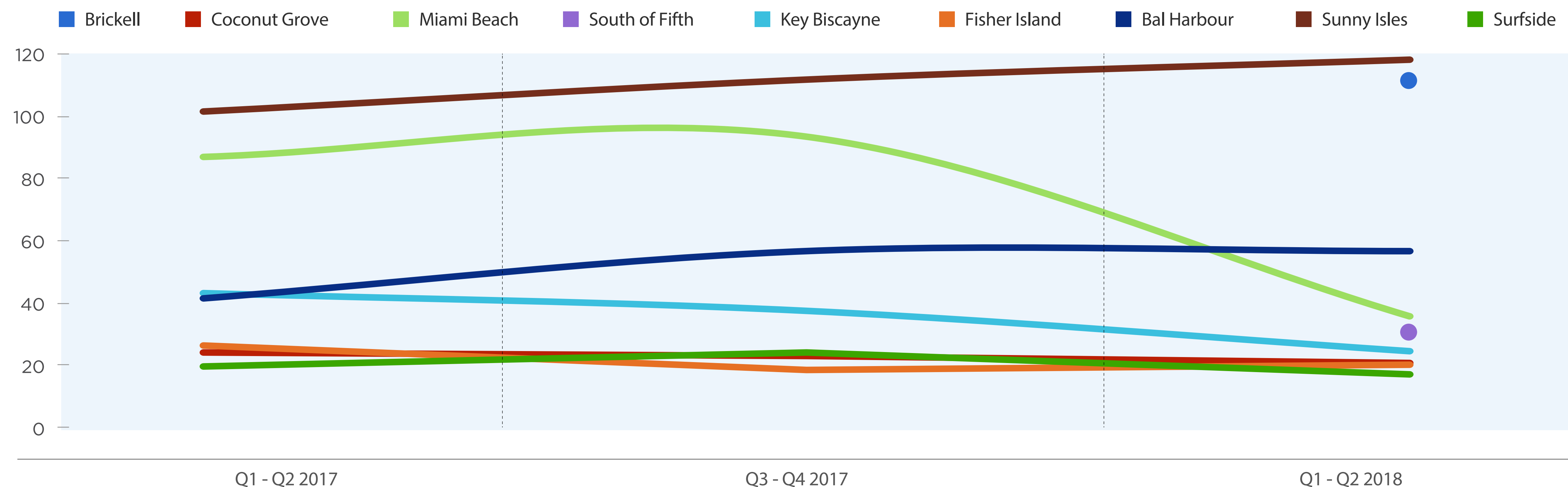


The 2018 Luxury Miami Real Estate: Coconut Grove, Coral Gables and Pinecrest



The 2018 Luxury Miami Real Estate Report: Brickell and Downtown Miami





## THE MONTHS OF INVENTORY FOR MIAMI LUXURY CONDOS

	Q1 - Q2 2017	Q3 - Q4 2017	Q1 - Q2 2018
Brickell			112
Coconut Grove	24	23	20
Miami Beach	87	93	36
South of Fifth			30
Key Biscayne	43	37	24
Fisher Island	27	18	20
Bal Harbour	41	57	57
Sunny Isles	101	112	118
Surfside	20	24	17

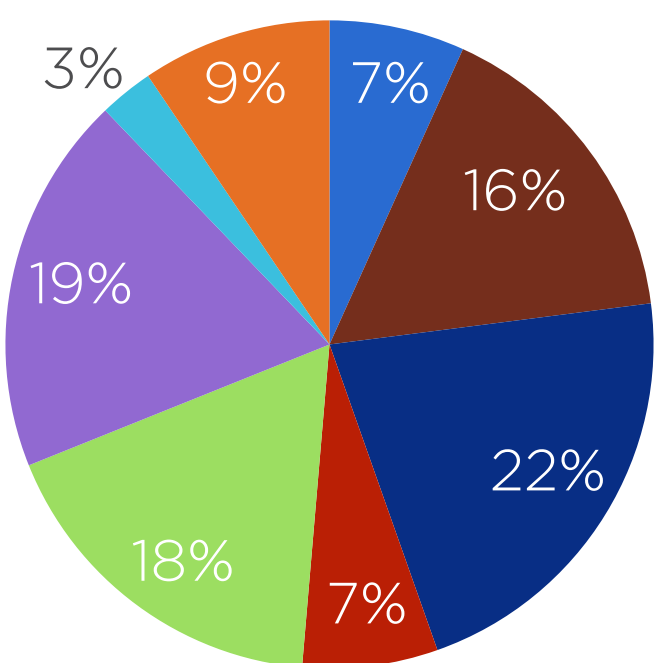
## % OF CHANGE BETWEEN

	First Half of 2017 and Second Half 2017	2nd Half 2017 and First Half 2018
Brickell	n/a	n/a
Coconut Grove	-6%	-10%
Miami Beach	8%	-62%
South of Fifth	n/a	n/a
Key Biscayne	-13%	-35%
Fisher Island	-31%	11%
Bal Harbour	37%	0%
Sunny Isles	10%	6%
Surfside	22%	-29%

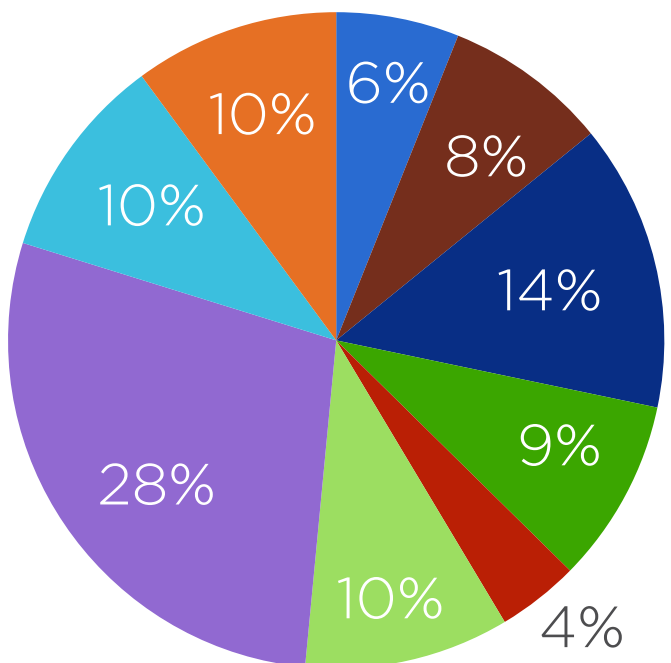
Within the luxury market, our analysis tells us that inventory levels of around 12-18 months indicate a neutral market (This is 6 - 9 months in the normal market or the sub \$2m market). Inventory of 18+ months indicates a buyers market and it is not uncommon to see this in the luxury market.

As you can see Surfside, Coconut Grove, Fisher Island and maybe even South of Fifth are now showing not exactly low but lower or more manageable, absorbable levels of luxury condo inventory. Markets such as Sunny Isles and Bal Harbor are displaying extremely high amounts of inventory which is well in excess of what the market can currently absorb resulting in prices that will continue to correct aggressively.

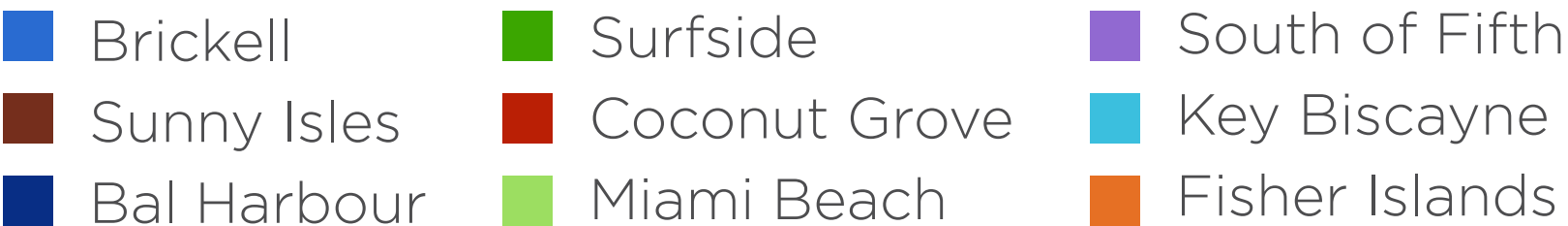
## CONDO SALES 2017

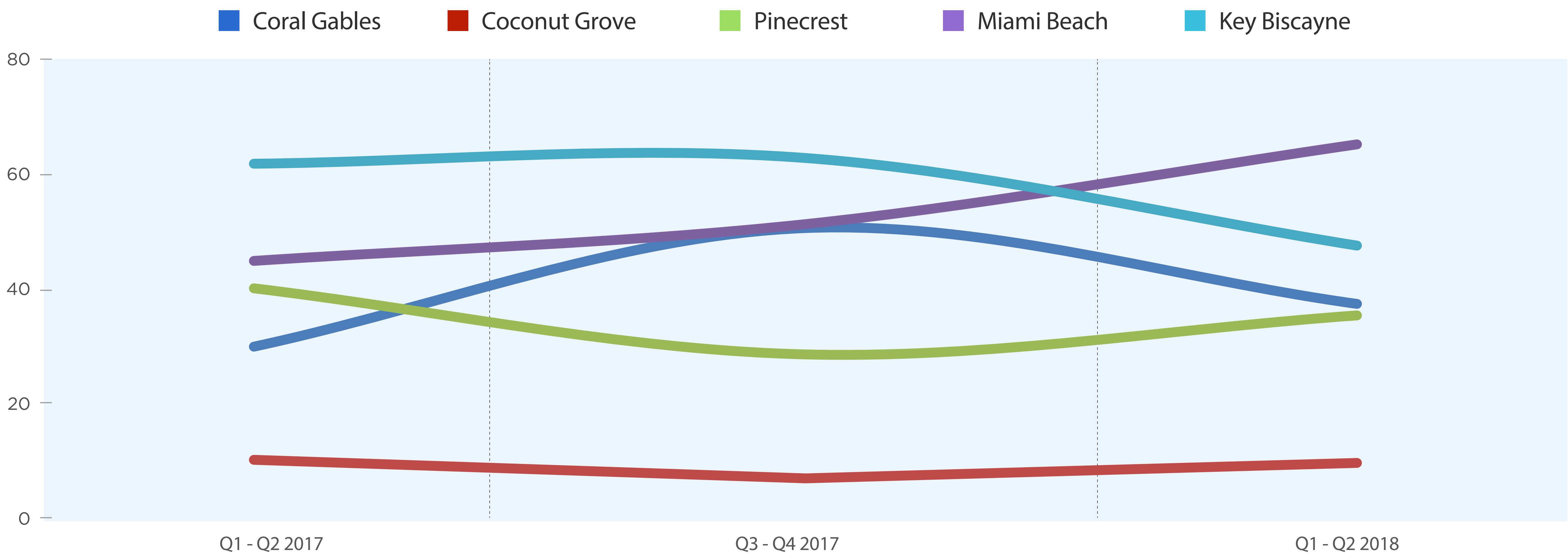


## CONDO SALES 2018



This pie chart indicates where the movement is taking place. Less market share combined with a high level of inventory is where we can forecast the most severe price corrections.

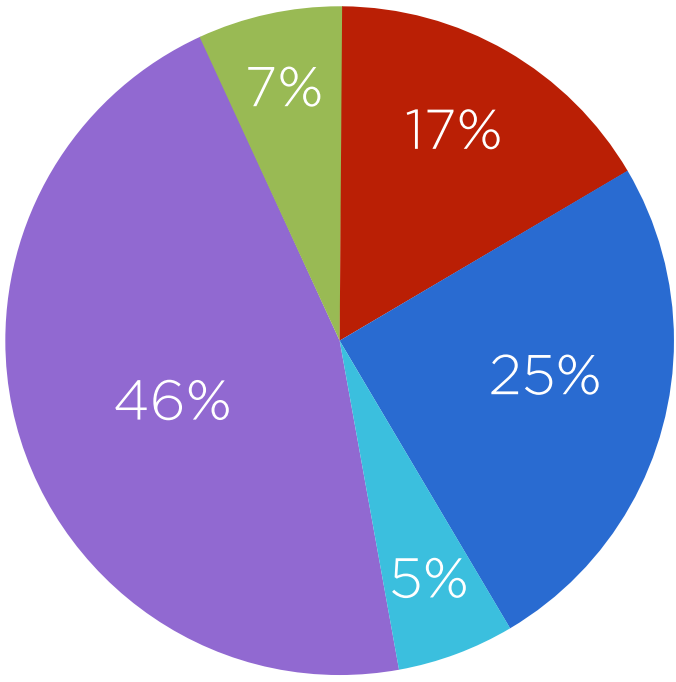




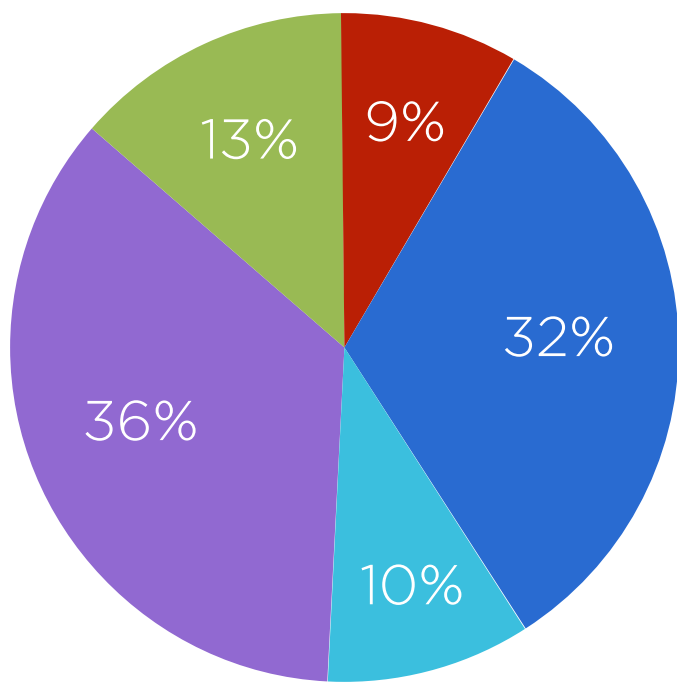
THE MONTHS OF INVENTORY FOR MIAMI LUXURY HOMES			
	Q1 - Q2 2017	Q3 - Q4 2017	Q1 - Q2 2018
Coral Gables	31	52	38
Coconut Grove	11	8	11
Pinecrest	41	30	37
Miami Beach	46	52	66
Key Biscayne	63	64	48

% OF CHANGE BETWEEN	
First Half of 2017 and Second Half 2017	2nd Half 2017 and First Half 2018
67%	-26%
-29%	29%
-28%	23%
14%	26%
2%	-24%

HOMES SALES 2017



HOMES SALES 2018



The months of inventory is one of the most accurate indicators for future price changes. Page 3 explains where a buyer's or a seller's market occurs in the spectrum of months of inventory, and the same calculation applies to Homes as it does to condos.

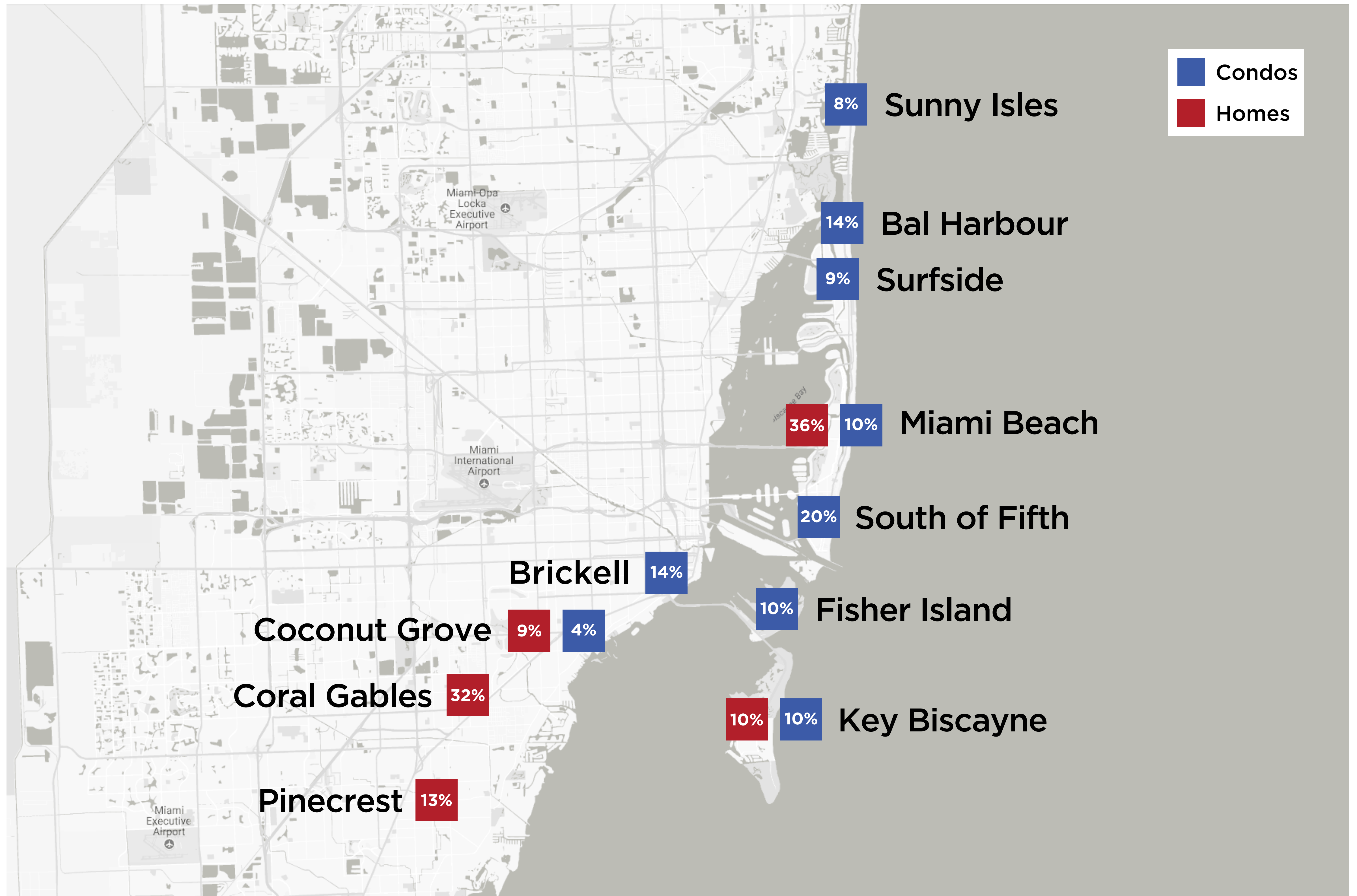
Coconut Grove's luxury market is experiencing a sellers market (under 12), with more demand than supply of luxury homes. Pinecrest and the Gables show slightly elevated numbers which was to be expected as the market is still relatively soft. The Miami Beach and Key Biscayne markets are running with the highest inventory and will continue to experience price corrections moving through 2018. Coral Gables and Key Biscayne, although high, are at least showing signs of movement in the right direction, as inventory is getting absorbed with correcting prices. Pinecrest and Miami Beach are showing inventory levels that should cause concern for some sellers as they seem to be just moving up in the wrong direction

This pie chart indicates where the movement is taking place. Miami Beach seems to have lost a big chunk of its market share while Coral Gables has increased its share. The Grove has also seen less movement than in 2017. Less market share combined with a high level of inventory is where we can forecast the most severe price corrections





# Distribution of Sales per Neighborhood (2018)



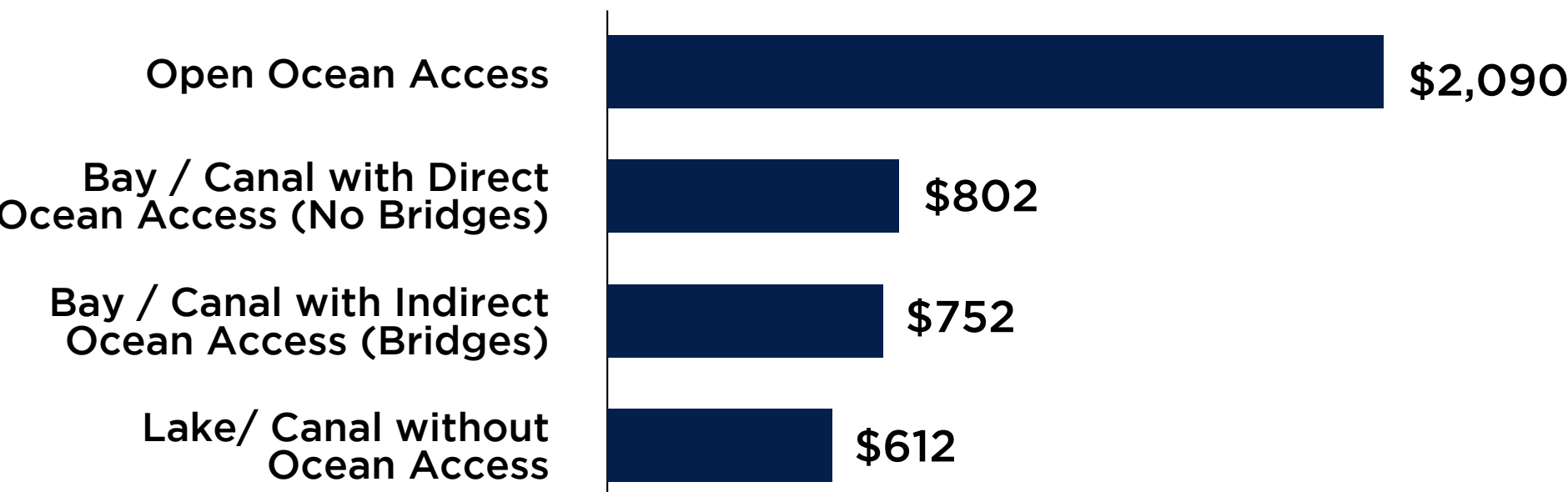




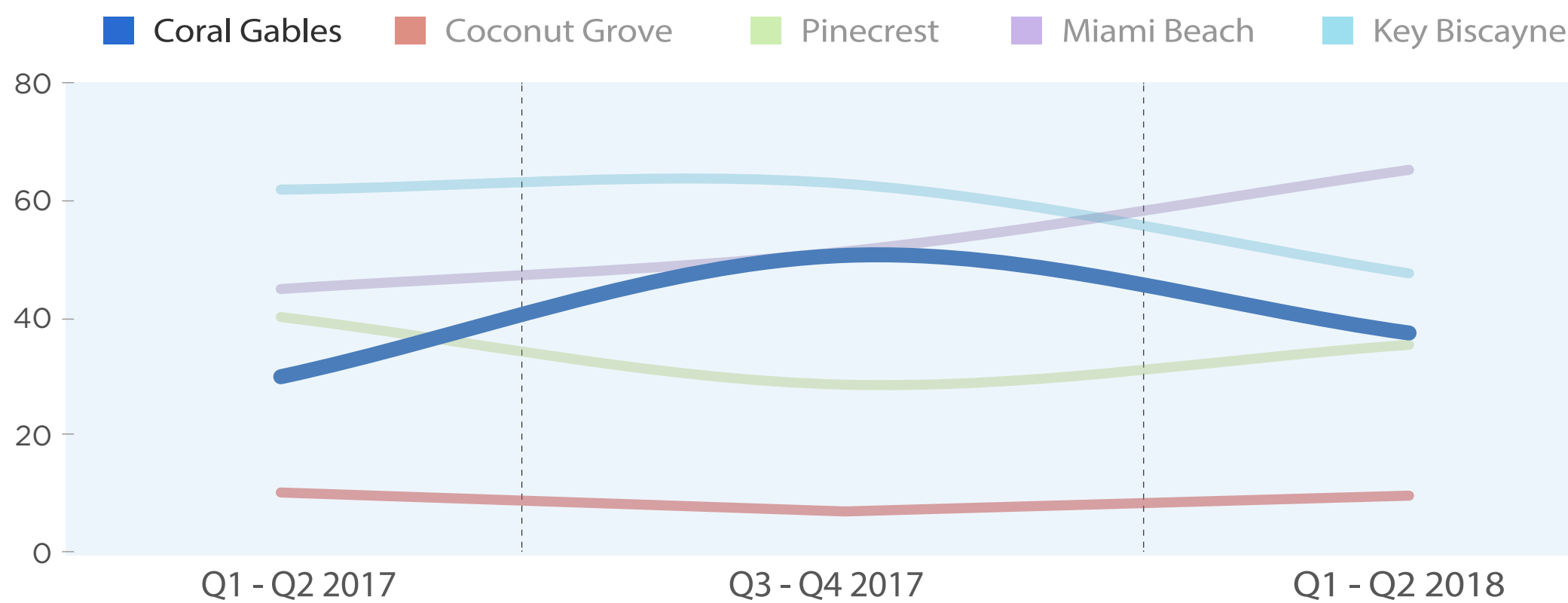
## 800 Parma Ave \$3,500,000 For sale by the David Siddons Group

One of a kind one-level home with 5,839 adjusted sqft in one of Coral Gables' most desired areas. This spacious and bright home is located on a large 26,250 SF corner lot. This exquisite home is gated and walled and comes with a 2-car garage, heated & salt water pool, kids play area, summer kitchen with bbq and fridge and about 1,000 sqft of covered terrace! Click [here](#) for more information

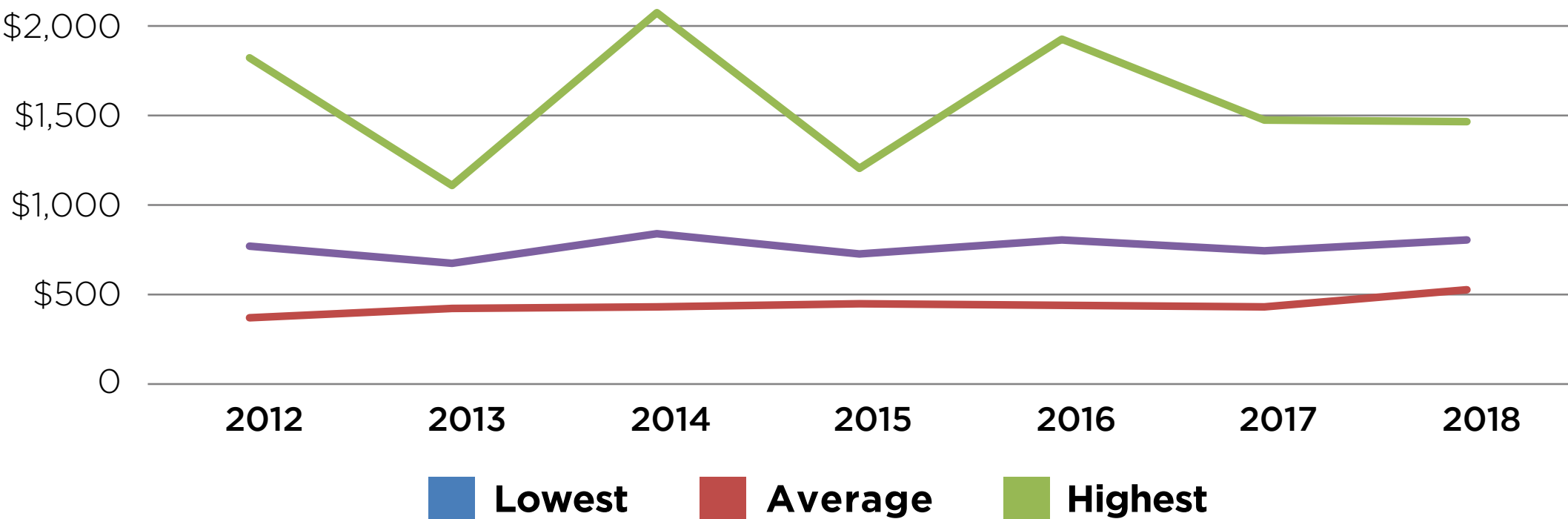
### Prices per SF per Type of Waterfront Lot



### The Months of Inventory

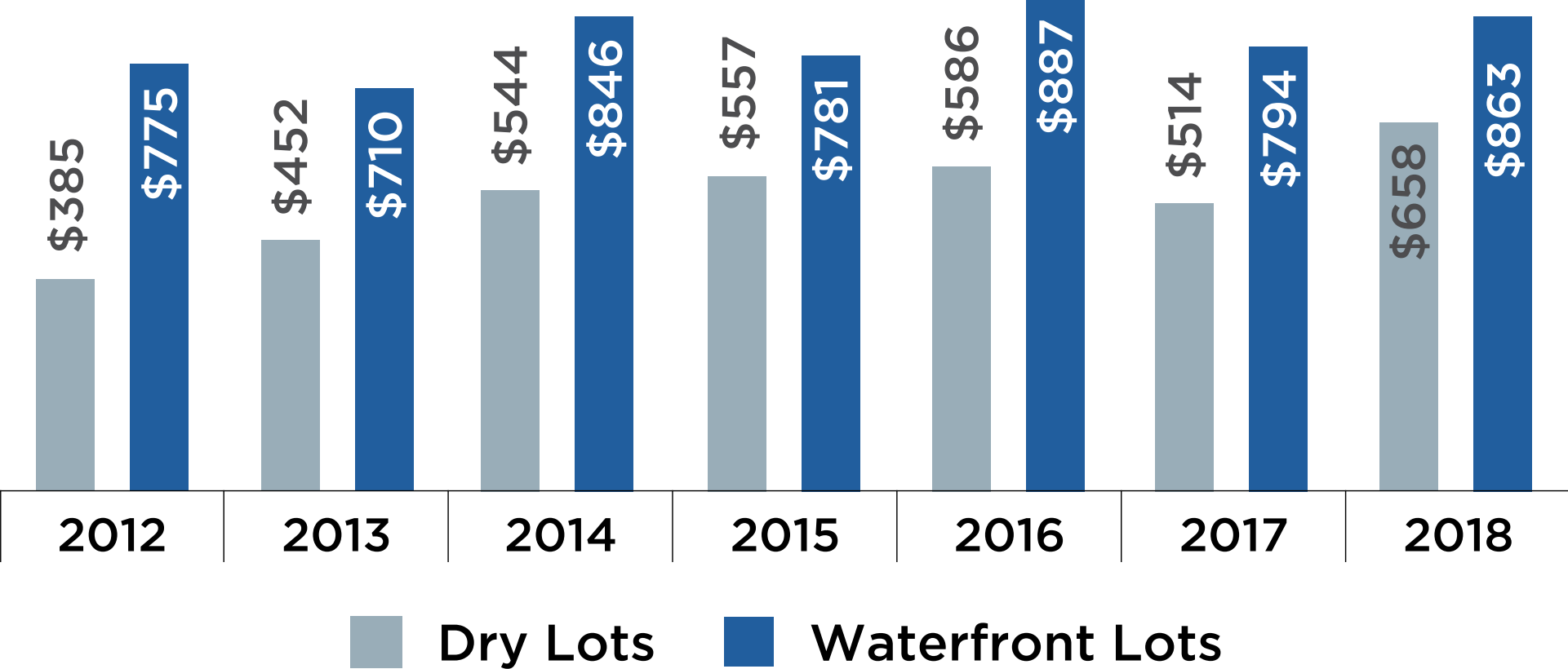


### The Lowest, Average and Highest Sales Prices per SF



Sales Price per SF	2012	2013	2014	2015	2016	2017	2018
Lowest	\$356	\$412	\$413	\$437	\$422	\$417	\$510
Average	\$754	\$657	\$818	\$712	\$787	\$727	\$784
Highest	\$1,796	\$1,091	\$2,041	\$1,182	\$1,900	\$1,452	\$1,440

### Average Sales Prices per SF for Homes on Dry Lots Vs Homes on Waterfront Lots





Despite a volatile Miami real estate market with rapid price increases followed by price corrections, the Coral Gables market has been quite stable. We did not experience inflated prices in the Gables, which has resulted in zero to none price corrections in recent years. As can be seen from the average prices per SF, we are seeing a steady, yet increasing line. Luxury properties tend to appreciate less fast than properties in lower price ranges. The lowest prices per SF seem to be following the lead of the average prices per SF. We see an increase over the years, but it is not a steep line. The highest prices paid are very volatile, as one sale of a property located on the open bay can lift the average sales price considerably from one year to the other. In a market with increasingly price conscious buyers, we see that the Gables luxury market is still showing signs of a bullish market.

Arguably more important than the prices per SF are the months of inventory. The months of inventory show the supply/demand relationship of a market, which is the best prediction for the future. In the luxury market 12 to 18 months of inventory is a balanced market, while less than 12 months is a sellers market in which we see more demand than supply.

The months of inventory for Coral Gables provide for a rather bullish outlook. In the last months we have seen a decreasing inventory with an average of 40 months in the first 6 months of 2018. This is not a sellers market, but also not a very high number of inventory in the ultra-luxury market. Comparing to other luxury home markets in Miami, the Gables shows one of the lowest numbers, lower than Pinecrest, the Beach and Key Biscayne, yet higher than Coconut Grove.

Looking at historical data for the Gables we see that in times of the last recession the Gables was seeing levels of inventory above 100 months. In the last 5 years the inventory has remained quite stable.

## Waterfront Properties in Coral Gables

Within the price range of \$3M+ we see that most of the sales in the Gables are located on a waterfront lot. In the previous chart we depict the difference between luxury home prices on a dry lot vs those homes on a waterfront lot. Waterfront homes sell for around \$200 to \$300 per SF more than dry lot homes. The type of waterfront the property is located on also influences the price, see chart on the previous page.

## Buying Land in Coral Gables

Many buyers prefer to build their own dream home and are looking for a lot in Coral Gables. In 2017 and the first quarter of 2018 we saw lots being sold between \$36 per SF up till \$150 per SF. This translates into prices from \$900K to \$7.5M. Waterfront lots with ocean access sold on average for \$139 per SF, while a lot in the lakefront and gated community of Hammock Lakes sold for \$98 per SF. Non waterfront lots sold on average for \$61 per SF. Those who are looking to build east of the US1 are looking at lots that sell on average for \$106 per SF, while west of the US1 we see lots being sold for \$69 per SF. The David Siddons Group offers many blogs on building your own property. Being married to an architect and interior designer, I have undergone numerous remodeling and extension projects while I have guided numerous of my buyers in the process of home building (many of them intended to be an end-user, but ended up not being able to resist the offers). As I acquired an eye for the process and for the different ranges of finishes, I am better equipped than any agent to guide you into the construction or remodeling process. I have learned about the pitfalls, the city's regulations and of course I know a thing or two about what buyers are looking for.



## ADVICE FOR BUYERS

With a soft luxury Market, Coral Gables buyers should be conscious of ensuring they pay 'true value' and not get caught up in artificial value or 'wow' elements we sometimes see in luxury properties that on the surface give the impression of luxury (Reference the 'McDonalds Effect' I mention in the Grove / Gables video). The luxury market is rather more tricky to value out because the 'perceived' quality of luxury across high-end homes can vary enormously and is often very subjective. It is also very hard to clearly quantify when running CMA's (Comparative market analysis reports). With this in mind it is important to recognize quality materials used (For example the use of 12 ft doors compared to 10ft doors or high quality flooring as opposed to budget material) which can have a dramatic effect on the end result and end value.

Coral Gables like many neighborhoods has seen a significant number of newly constructed properties in 2017/2018 - some have been done well, some not so well. In the luxury market it is often harder to find appropriate comparable homes, so use an agent who has experience. How much room is there to negotiate? Between the original listing price and the sales price we see a 14% gap while the final listing price and the sales price shows a 9% discrepancy. For a \$3M home, that is a \$300K difference.

If you are buying with the greatest appreciation in mind then the bottom \$ per sqft end of the luxury market is showing solid and steady growth over the last 5 years. In laymen terms, this is essentially homes with big sqft'ages and these often sit on generous sized lots, which may be primed for renovation or updates (Reference my own personal journey through a Coral Gables Renovation). Alternatively, 'investor' sensitive buyers may look to buy land on 'dry lots' (we can see land values have risen substantially from 2012 to 2018, as much as 50%). Waterfront land has not increased at the same rate, which may be due to the fact that it was already considered high value and had hit the 'value' ceiling.



## ADVICE FOR SELLERS

With a very robust amount of inventory, sellers of Coral Gables luxury properties must be a little bearish. In order to sell, one must honor true market prices and not try to add subjective value created from any 'one off' personal opinions or needs. There are buyers, but today's buyers are more educated and less eager to pull the trigger. Unless added value can be truly quantified, it won't translate - this is especially true when dealing with classical style homes with ornate architecture, which may now be considered dated. So price your property well the first time around. Another challenge we often see is that sellers will compare their house to another home in the surrounding block which has sold at a higher than average price and give value by association, although that home may be renovated or even new.

If the question is to sell now or sell next year? It is worth appreciating (as per the previous table) that the luxury market tends to oscillate in the highest \$ per sqft level but remain stable in the mid range, and even though inventory seems to be heading in the right direction, we don't anticipate that it will bring us into a 'sellers market' yet nor even in 2019. Conclusion: you are not likely to be better off by waiting until next year to sell rather than selling now.



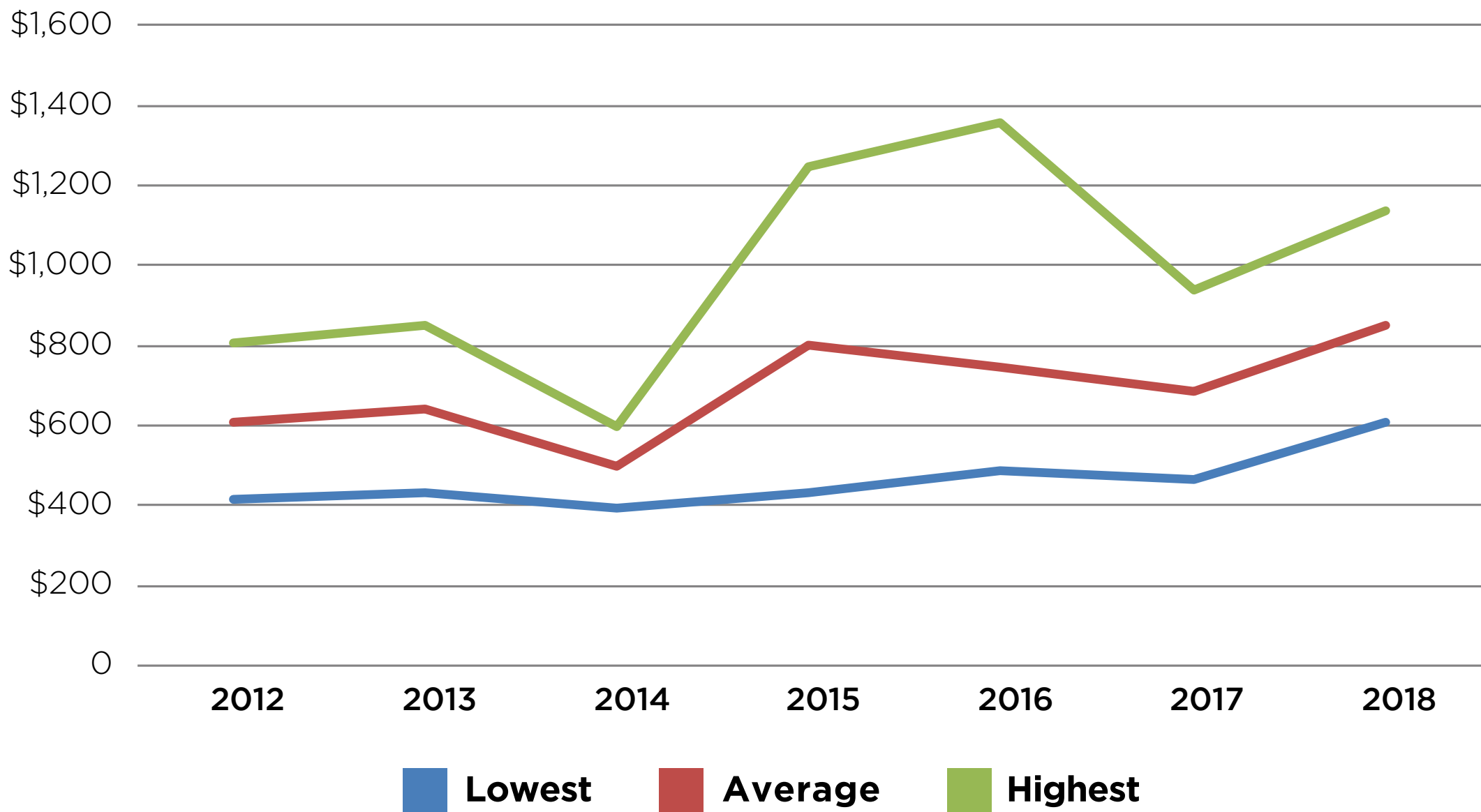


**2679 SW 22nd Ave. \$3,199,900**

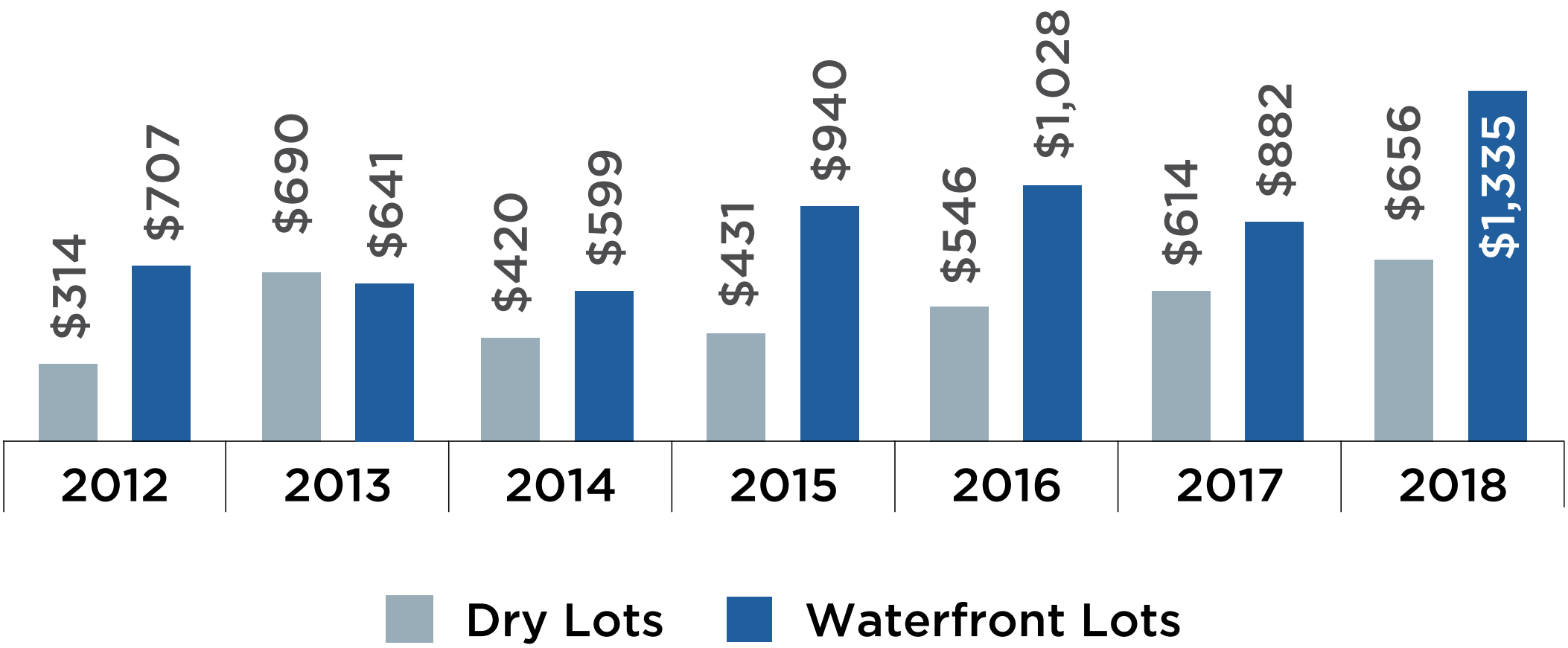
**For sale by the David Siddons Group**

*This superb 5700 sqft new build home is indicative of the new level of luxury homes that have been becoming a more typical feature in the Coconut Grove luxury home market. Click [here](#) for more information.*

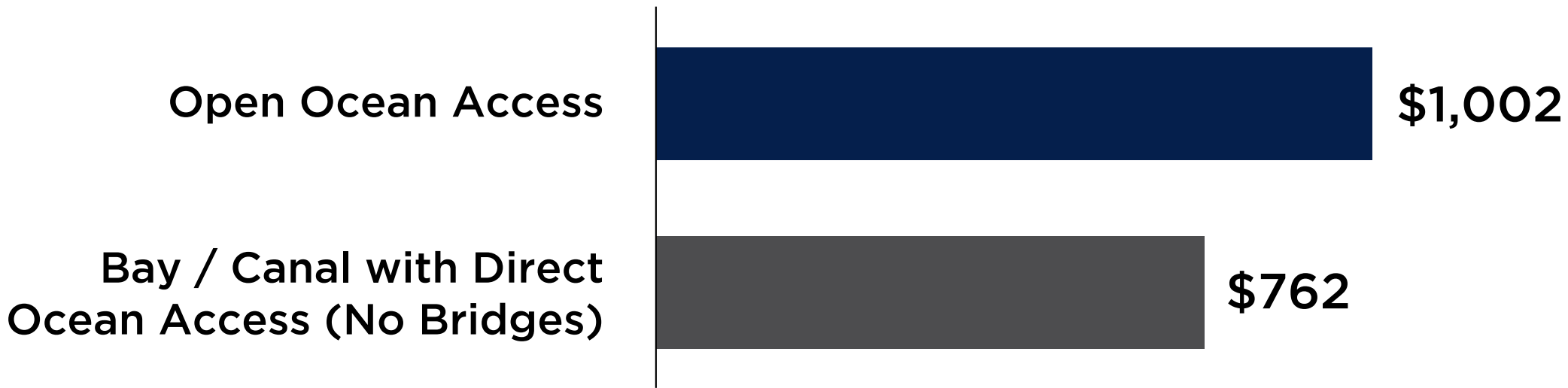
**The Lowest, Average and Highest Sales Prices per SF**



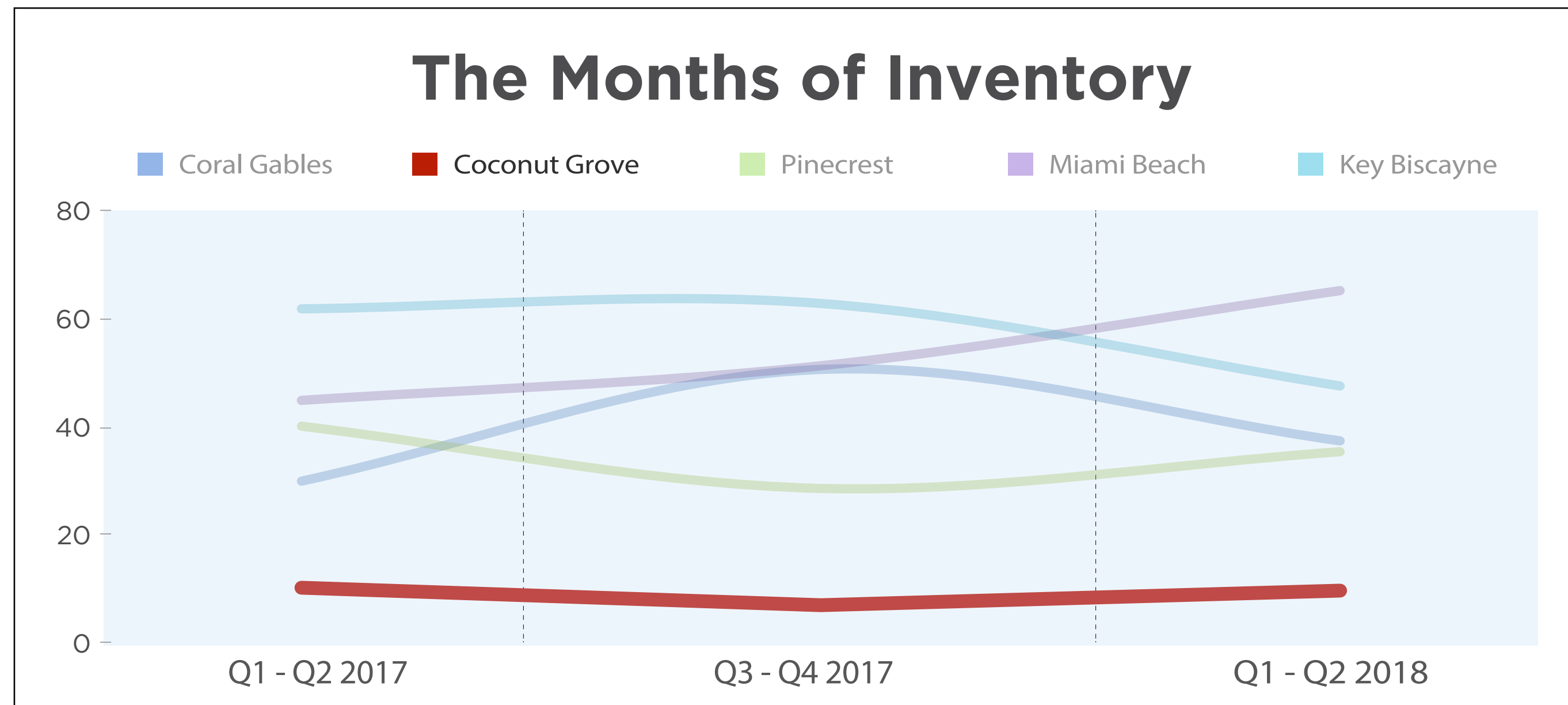
**Average Sales Prices per SF for Homes on Dry Lots Vs Homes on Waterfront Lots**



**Prices per SF per Type of Waterfront Lot**







Luxury homes in Coconut Grove have seen a considerable surge in value over the last few years. As the Wall Street Journal expressed very well in a 2016 article, the Grove has seen a metamorphosis from Birckenstocks to Billionaires. The bohemian town has seen a large influx of wealthy families who love the Grove for its safety, central location and great schools. Attracted by the ideally situated waterfront homes as well as boutique gated communities located within walking distance to Coconut Grove's town center, demand for Coconut Grove luxury homes surged in recent years. Home values in this primary market were also boosted, because many dated homes were rebuilt into contemporary mansions.

Essential to predict future values are the months of inventory. The above graph shows the months of inventory for Coconut Grove luxury homes. The market shows signs of a neutral (Between 12 and 18 months) to a seller's market. (Below 12 months). This means the demand is higher than the supply or in equilibrium, an extremely bullish sign for a luxury market.

### Waterfront Homes in Coconut Grove

Waterfront homes sell for roughly \$300 per SF more than homes on dry lots. Waterfront homes in the Grove are either located on the bay, or provide direct access to the open bay without bridges. Many of Coconut Grove's waterfront homes are also located in a gated community.

### Coconut Grove land for sale

Coconut Grove lots sell between \$850,000 and \$2,650,000 or if you look at prices per SF a range between \$42 per SF and \$116 per SF. Dry lots sold on average for \$80 per SF while one waterfront lot sold for \$104 per SF (sold for \$2,650,000). For the sale of a land we do not see any difference in average prices between those located in a gated community or those located on a public street. Neither do we see a difference in price for those that already have a structure built on them versus those that are completely empty.

Lots in the Grove are quite scarce. We recently listed a lot in the North Grove on Emathla Street, which was under contract within 10 days. There were more than 10 really serious inquiries for the lot.



## ADVICE FOR BUYERS

There is a solid demand for Coconut Grove luxury homes. Prices of luxury properties are rising and with limited space to build new homes, we are very bullish on this market. The Grove has the strongest stats of any neighborhood for luxury homes and regardless of low, mid or high range the stats reflect that prices are on the increase.

With that said, the Grove is a relatively small market and it is important to recognize that there are far fewer luxury homes in the Grove than in the Gables, so the choices are limited. Buyers may also want to consider: Gables, South Miami and Ponce Davis if they cannot find what they want in the Grove.

My personal experience has been, and still is, that there is a small amount of construction underway for new luxury homes in the Grove but with city plans for 'zoning changes' being currently put in place we could find that sizable luxury (5000 sqft+) homes, particularly on dry lots, will become somewhat of a rarity in this neighborhood.

If you can get hold of a sizable lot (12,000+) and wish to build a luxury home (5500 sqft+) you probably want to do this now, because you may not be able to in a year from now. Land value is on the rise for both dry and wet lots and so building is definitely worth considering if you can.



## ADVICE FOR SELLERS

It is a good market to be a seller in the Grove, compared to other neighborhoods, but this still comes with a caveat! With limited supply and high demand many properties can sell fast after being listed - if they are very 'positively' unique (unique with added value as opposed to being unique for unique's sake) and of a very high quality (\$3- 4m range is ideal). It needs to be said however that despite the demand, current buyers are less eager to pay top dollar, unless they see a clear justification. Remember as well that luxury buyers will also consider Gables, South Miami, Ponce Davis and even North Pinecrest when buying a luxury home because these neighborhoods often provide a similar or equal quality of life. So price right and remember that the velocity of sales in the luxury market is much slower than the normal market. There is a relatively small amount of luxury homes for sale BUT also a relatively small number of buyers. It is very typical for luxury homes to take 6 months or more to sell.

Even though months of inventory is low compared to other neighborhoods, it is still in excess of being a sellers market. It is also important to recognize that expensive homes do not trade hands every day and extremely expensive homes (\$6m+) are notoriously hard to move. Unless they are waterfront, these tend to suffer from being the 'most expensive home on the block'. We have seen only 1 home sell over \$6m in the last year on a dry and 2 over \$6m on the water. In short: Respect the market's ceiling!



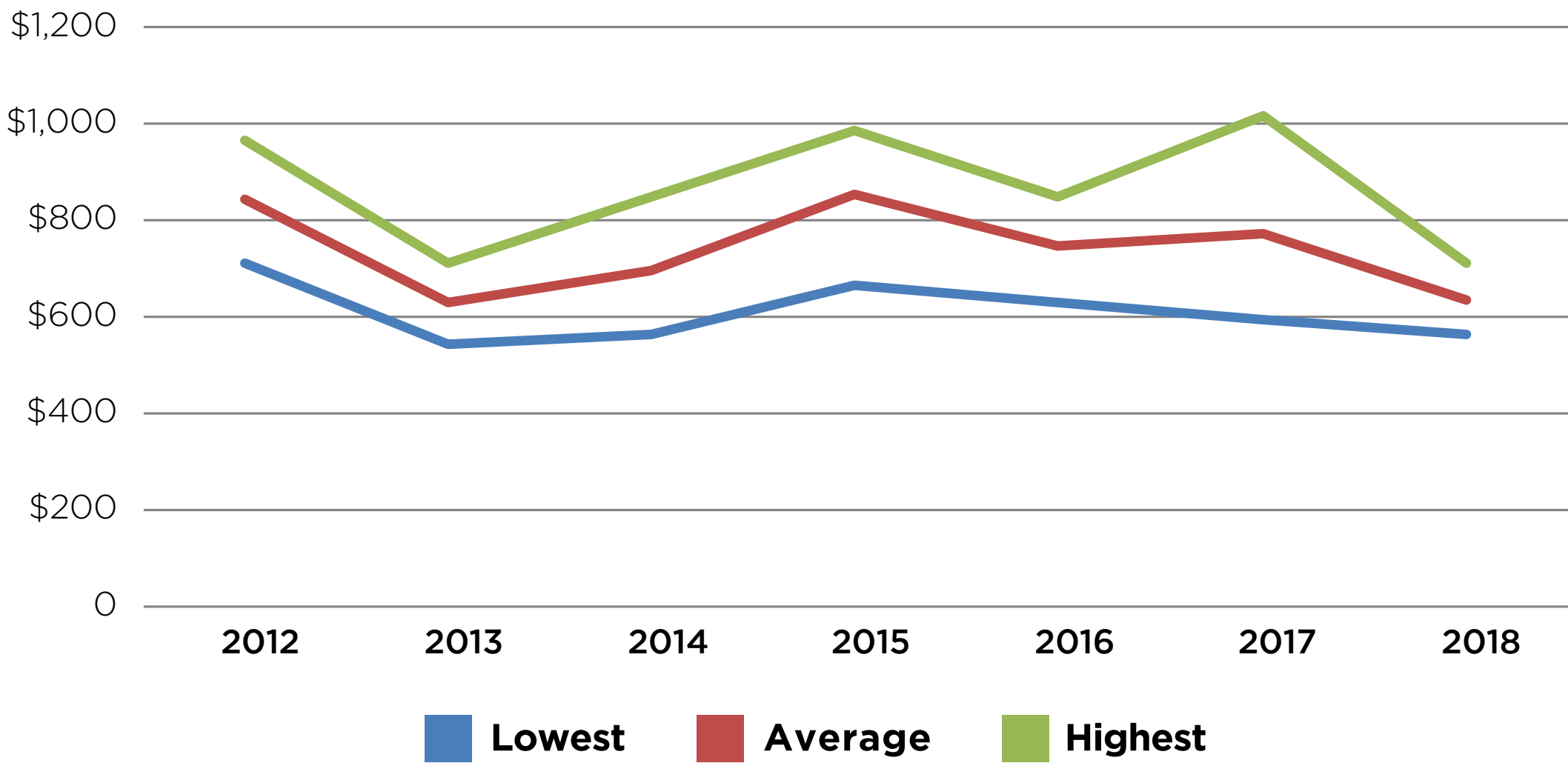


Grovenor House #2001 Sold for: \$3,850,000

The David Siddons Group Represented buyer and seller.

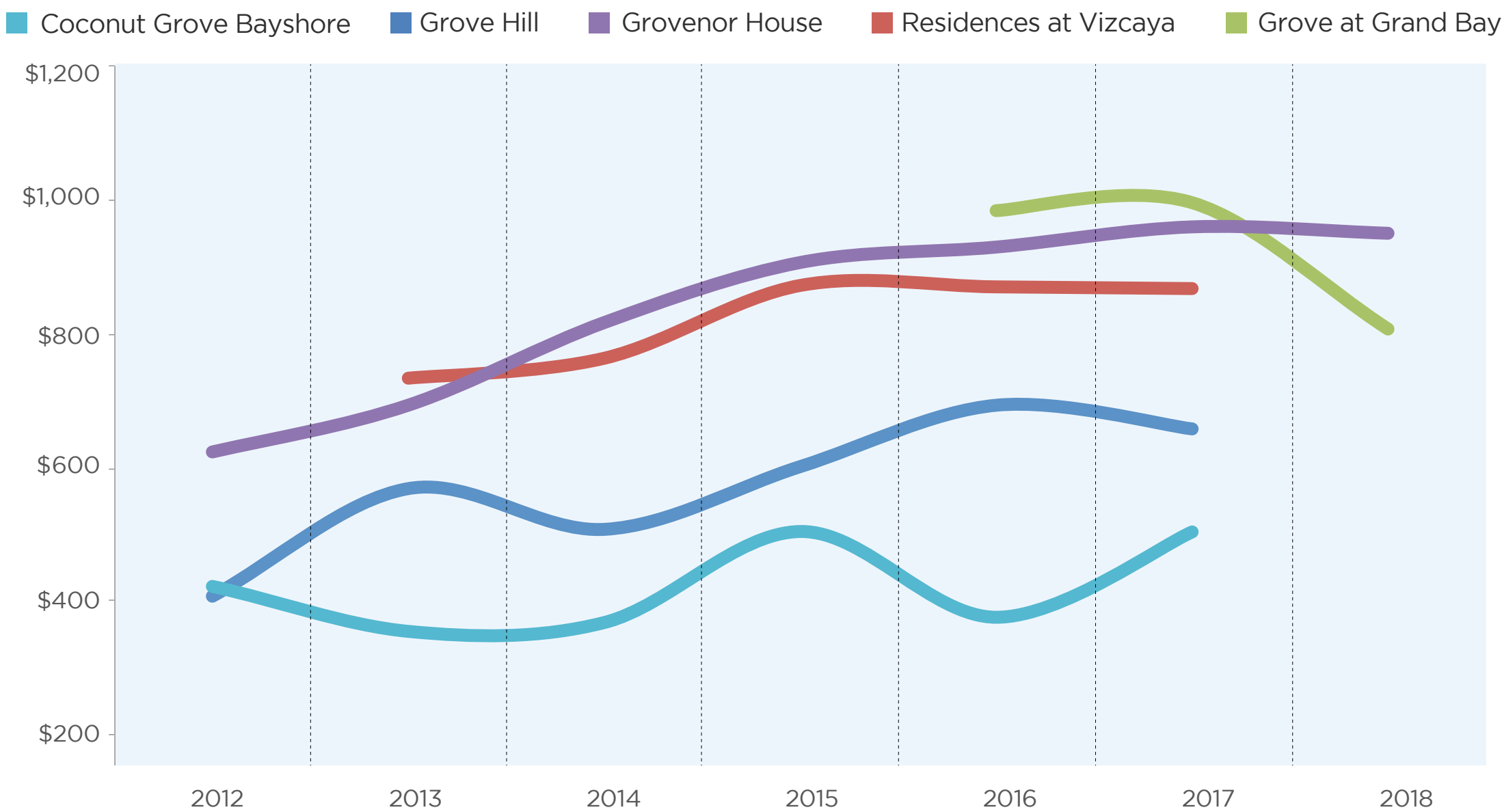
The Coconut Grove Condo Market continues to mature as we see the emergence of the new Park Grove Condo arriving summer 2018. Along with a new array of luxury restaurants and shops, condos like Grovenor House are gaining new found momentum.

The Lowest, Average and Highest Sales Prices per SF

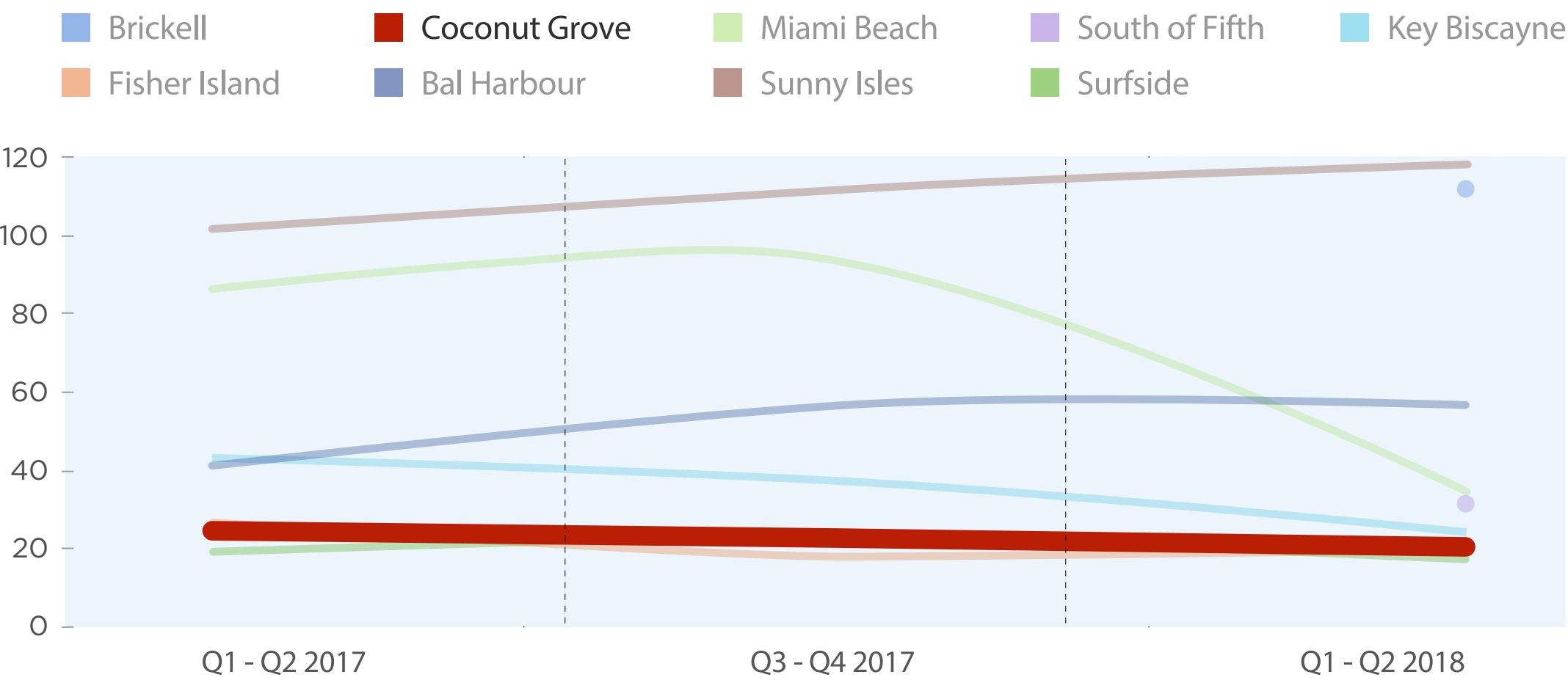


Sales Price per SF	2012	2013	2014	2015	2016	2017	2018
Lowest	\$915	\$756	\$774	\$871	\$835	\$802	\$772
Average	\$1,036	\$837	\$898	\$1,047	\$948	\$970	\$843
Highest	\$1,156	\$915	\$1,044	\$1,171	\$1,043	\$1,202	\$914

Average Sales Price per SF



The Months of Inventory





The Coconut Grove condo market is unique in its kind. This niche market, which is currently developing a long-awaited luxury market, performed very well over the last few years. The Grove's luxury market mainly consists of brand new condos and resale condos such as Grovenor House and Grove at Grand Bay. Newcomers include Park Grove, the Fairchild, and The Markers on Grove Isle.

There has been much demand for Coconut Grove luxury condo living and a very limited supply. In the last few years, the supply side of the market has finally been responding to this gap. The Grove condo market has not seen the same volatile movement we have seen in other markets. The market has been growing very steadily with a slightly slower 2016. In recent years the resale market has also 'suffered' from the sales of new constructions. Buyers of luxury condos in the Grove now have a better offering of ultra luxury condos and therefore the sales of the more dated condos cooled down. We still saw great prices being achieved at Grovenor House (where I sold a unit for one of the highest prices per SF) and the Residences at Vizcaya. Nonetheless, we cannot deny that newcomers like Park Grove swept many buyers of their feet and became a preferred project.

2018 shows just 6 sales of condos over \$3m and 3 pending sales in the Grove. 5 of these are in Grove at Grand Bay, 1 in Grovenor House, 1 in the Gables Club, 1 at the Cloisters and 1 at Park Grove. 2 of these 9 were sold by the David Siddons Group.

There is strong demand for good luxury product in Coconut Grove, but it is important to recognize that some buildings perform better than others. Grove at Grand Bay has not performed as well as Grovenor House, yet Park Grove performs the best by far. For specific reasoning on what is the best and why, you can read my blog report: '[Best Condos in Miami](#)' or even the specific '[Best Condos in Coconut Grove](#)'. I explain the intricate dynamic of each of these buildings and what potentially makes one better than the other.

Taking a wider perspective of the luxury condo market in Miami: As a whole, Coconut Grove performs way better than any other condo neighborhood - inventory is lower and prices are generally far more competitive than in other neighborhoods (equal finished product on Miami Beach will often run to double the price of what the Grove asks). With that said, statistically we are coming off the peak of the market, which was over a year ago (see the \$ per sqft averages). On the positive side, there is limited supply (only a small strip of waterfront land exists for condos in the Grove). Inventory is in the lower 20s, which means it is a light buyers market (unique for the luxury segment), and is unlikely to move much above that. The big question that hinges for the luxury market in the Grove is going to be the success of the new player in the neighborhood 'Park Grove', which opened this year. For details on this project, please read [my blogs](#) or watch [my detailed videos](#) on this new luxury project.



## ADVICE FOR BUYERS

For the long term, I am bullish on the Coconut Grove luxury condo market. I am rarely bullish for condo markets on the long term, because they tend to oscillate even over a decade due to Miami's historical love affair with extreme high levels of condo construction. With a legitimate demand (\*Buyers in this market tend to be less speculative / investor based and more primary driven) and with the scope of limited inventory for the future caused by limited available 'Condo' zoned land in the Grove, we see a great potential in this market for asset appreciation.

The Grove provides for unparalleled, yet understated luxury for around \$1000 per sqft. If you are looking for a true waterfront luxury condo in a 'primary' not touristic Miami neighborhood, then you will find it hard to find comparable values elsewhere (equal product in Key Biscayne will cost \$1600 - \$2000 per sqft, while Miami Beach will set you back \$1800 - \$2000 per sqft or even more).

I have been a 'Grovite' for the best part of a decade, so please contact me today to discuss the best Coconut Grove luxury condos in fine detail. There are some tips and guidance I also have for buyers of pre construction condos!



## ADVICE FOR SELLERS

If you own a luxury Coconut Grove condo and you want to sell it, the time could be now. For those with resale units, the market is becoming more competitive. Park Grove is now closing units in Tower 2 and 3 so if you are holding a unit in Grovenor or Grove at Grand Bay, be prepared for an influx of new competition. The numbers reflect that we came off the peak of the market towards the end of 2015 (see the table), an influx of sales in Grove at Grand Bay pushed the high \$ per sqft achieved up in 2017 and then in 2018 sales numbers from this condo started to soften the market again. We may see a bump up again in 2018 created by Park Grove resales but for those owners outside of this condo, expect to see a slightly softer market. In short, do not expect to achieve better \$ per sqft figures than we saw in 2017 or even 2016.

\* Primary markets are markets in which buyers are mostly end-users. You will see less homes for rent or to "Flip". These are generally more stable markets than secondary markets which are heavily investment based

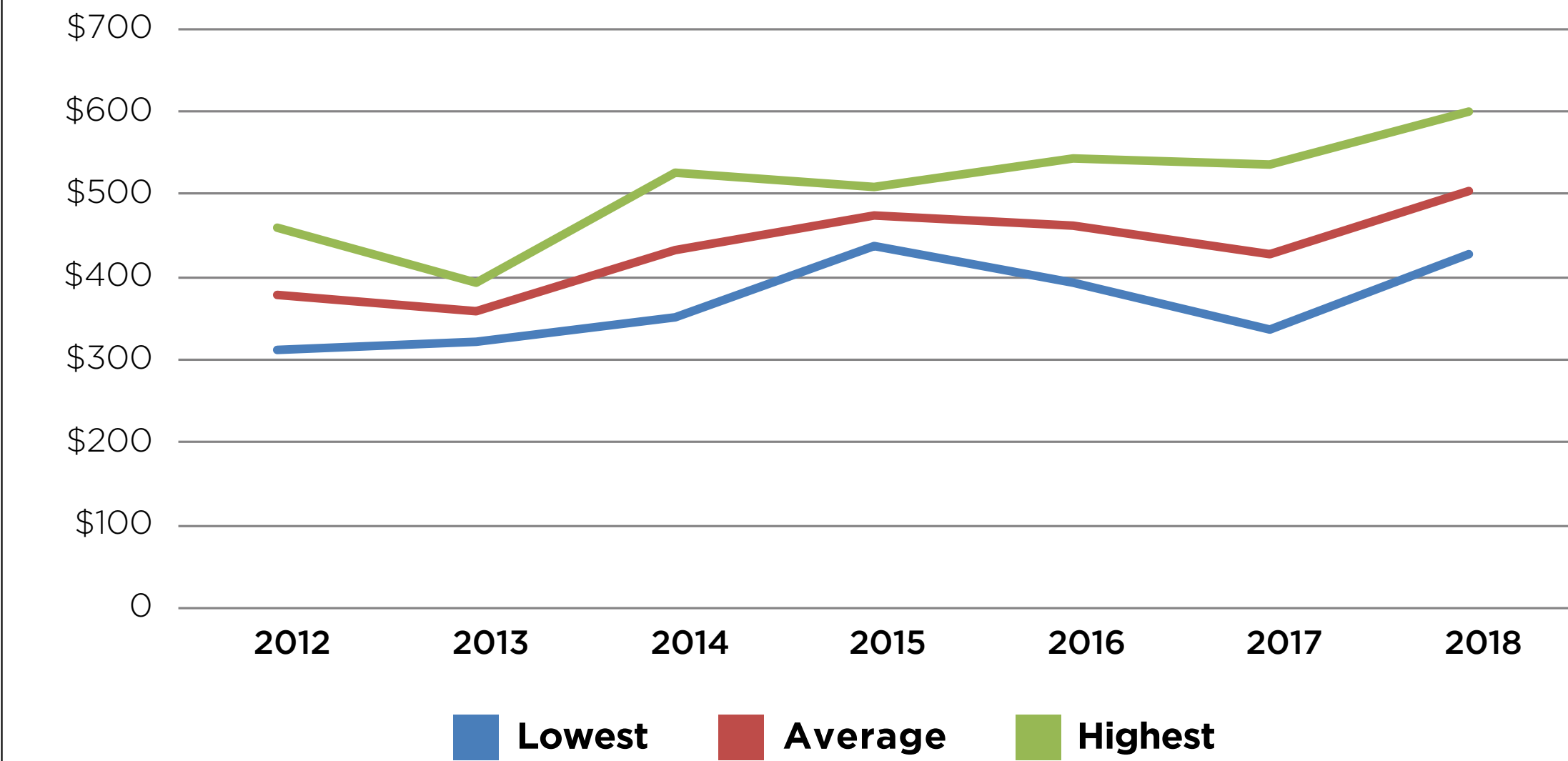




6200 Montgomery Dr. \$2,149,000

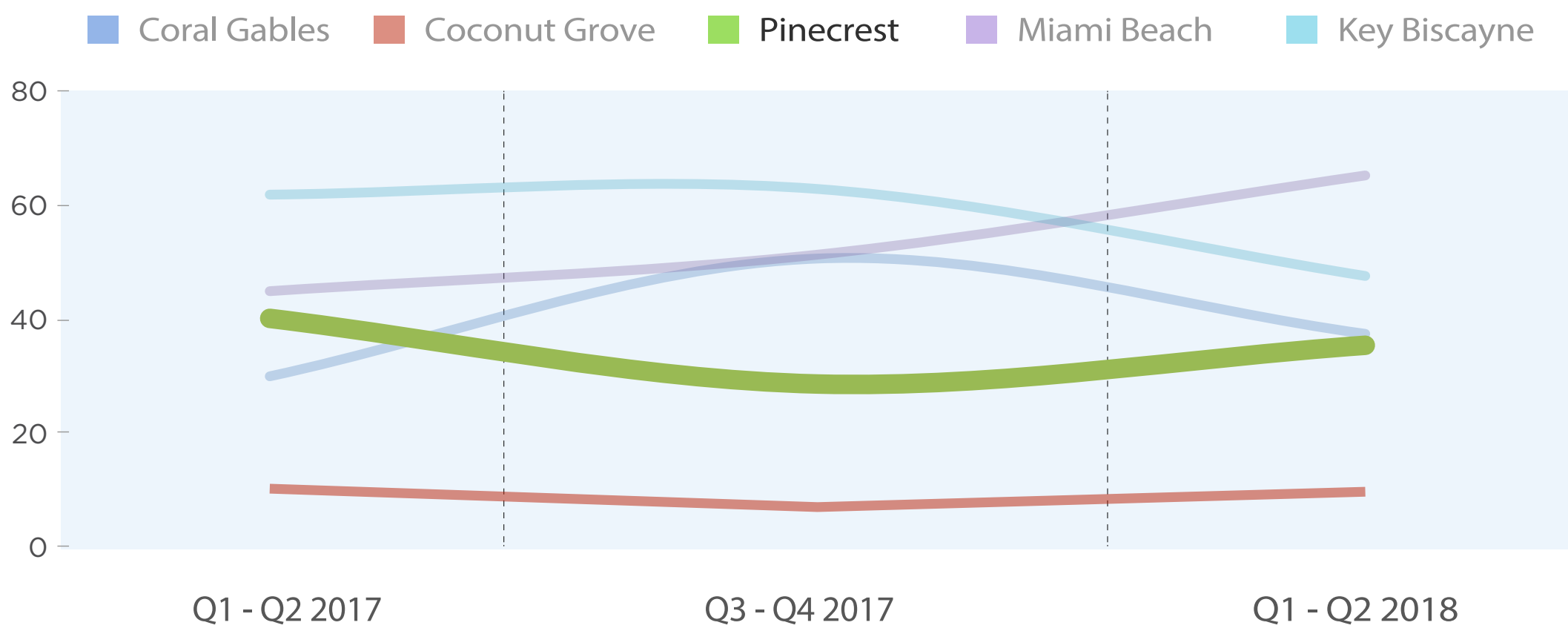
2-acre land that can be subdivided into two seperate one-acre lots. Buyers can enjoy three investment opportunities: 1. Renovate the current structure, 2. Build a large home on the 2 acres or 3. Build two smaller homes on each 1 acre of land. Click [here](#) for more information.

The Lowest, Average and Highest Sales Prices per SF



Sales Price per SF	2012	2013	2014	2015	2016	2017	2018
Lowest	\$315	\$324	\$354	\$437	\$395	\$338	\$428
Average	\$378	\$360	\$433	\$473	\$462	\$428	\$502
Highest	\$458	\$394	\$524	\$507	\$541	\$535	\$597

The Months of Inventory





Even though the Pinecrest luxury market displays a rather over-saturated level of inventory (around 40 months) it has performed fairly well in terms of achieved prices in the low, mid and high-end this year. The 'general' Pinecrest market was one of the fastest appreciating luxury markets in all of Miami up to 2015. The mid and low range \$ per sqft homes took a dip from mid 2015 to 2017, but for 2018 they seem to have bounced back well, which comes as somewhat of a surprise to many. The present \$ per sqft sales of very high-end finished luxury homes has increased and this is in part due to a sizable number of newly constructed 'smart' modern properties getting sold and breaking records with finishes and quality.

One phenomena that I have encountered that may explain the dip of the mid and low range luxury homes in 2016 and 2017 was the introduction of more luxurious homes being built and sold in locations just north of Pinecrest in the neighborhoods of: Ponce Davis, High Pines and South Coral Gables that stole some of the would-be luxury buyers away, as their mid and low \$ per sqft range homes started to look tired and less desirable than their counterparts.

To understand the luxury market in Pinecrest is to understand its unique characteristics and the needs of the demographic who buy there. The most notable characteristic is that Pinecrest has the greatest number of large property lots. It is not unusual to find one acre lots and in many cases more. Land is also far more readily available here and with greater land you will find the bigger homes (6000 Sqft++).

With an average family size of 3.7 (last Census december 2017) the pull to schools like 'Gulliver Academy' and 'Palmer Trinity', this neighborhood will always attract a certain type of family buyer - generally a family with older children. It is not uncommon to see families migrate south once the kids reach entrance level to Gulliver or Palmer in the attempt to shorten the school commute from North Coral Gables or Coconut Grove.

Another revealing dynamic in our study of Pinecrest is that in 2018 we have now seen 25 sales over \$3m (as of July). Only 8 of these were homes built prior to the year 2000. 1 Was a land sale, 5 were completely remodeled AND architecturally ahead of their time and the other 2 sold at a very low dollar per sqft (below \$350 per sqft). A close look at what properties are for sale at the time of this report we have 75 on the market. Out of these, 18 were built prior to the year 2000 and most of them have either experienced price reductions or have been on the market for a longer than average time. The message is clear; Older homes in Pinecrest have trouble moving, unless aggressively priced.

We believe a reason for this phenomenon is that many buyers are not looking anymore for those extreme large 'formal' homes which now not only look dated outside (mediterranean is not desirable -transitional modern is), but the internal flow of these homes is also different. As mentioned before, the lifestyle choices have changed and buyers don't value luxury homes the same way they did 15 years ago. Floor plans from the early 2000's are just not appealing anymore. High tech smart homes are a must, as is the open floorpan concept. Compartmentalized, very formal is definitely out (no need for a formal dining room, home theatre room, formal living - these become wasted space and a burden to maintain). Buyers still do appreciate large lots, but function over form is key and we expect the desire for streamlined open style homes to just increase into the next few years.

## Land Value

Pinecrest lands sold between \$500K and \$1.5M. The highest price per SF was \$36. Approximately 20 lots sold in the last 15 months. There are currently 25 lots for sale in Pinecrest.

With inventory levels around 40 or 50 months, it means that under current market conditions it would take around 3 to 4 years to absorb all this supply. This is normally a sign that the market is likely to see more price adjustments. One other element worth mentioning is that construction costs are higher today than ever before so end users (not developers) are acting with more caution.



## ADVICE FOR BUYERS

For those looking to invest in Pinecrest we would recommend you focus on the newer homes but make sure you focus on quality not quantity. As someone who works in the new construction market and has extensive experience with new build, particularly custom homes, I can help you recognize the important details (or lack of) in new construction. There is a nice cushion of room for negotiations and you can pick up some quality new style homes / refurbed homes in the 500's/\$600's per sqft, while the \$700's per sqft will get something spectacular in the special Pinecrest communities like Hammock Oaks / Lakes neighborhood.



## ADVICE FOR SELLERS

Price your property right in this highly competitive market. Today's buyers are very price sensitive and we are seeing a lot of properties for sale across the different neighboring markets; Grove, South Miami and Gables. With the market in their favor, overpriced properties or older properties are overlooked and often on the market for a long period of time. Good quality homes that are well priced are still selling but it's all about listing it right the first time. Buyers won't care what you put into the home (especially if you've owned for a long period of time and your home is one of the pre 2000's properties) there is strong competition from new custom homes and this won't be going away.



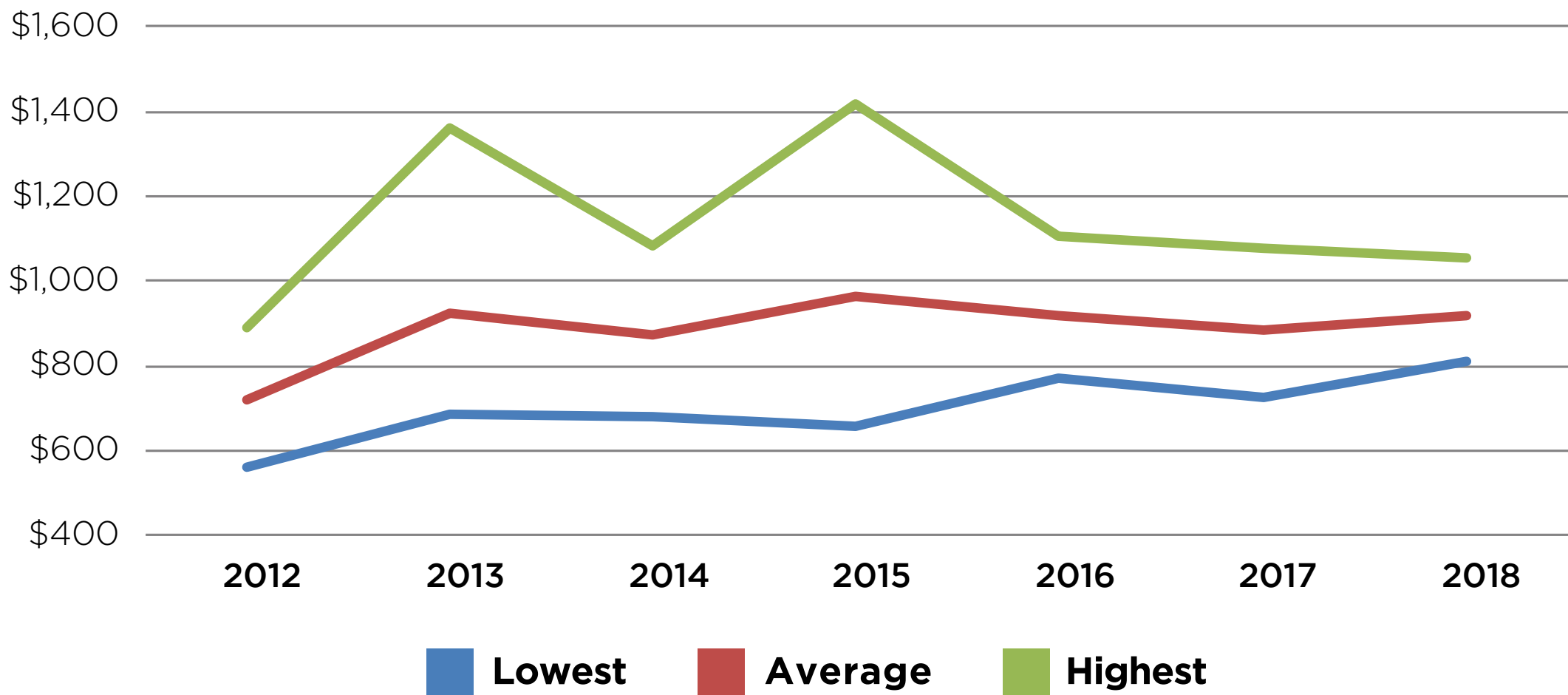


## 901 Brickell Key Blvd. Ph 3703 \$3,095,000

Listed by the David Siddons Group

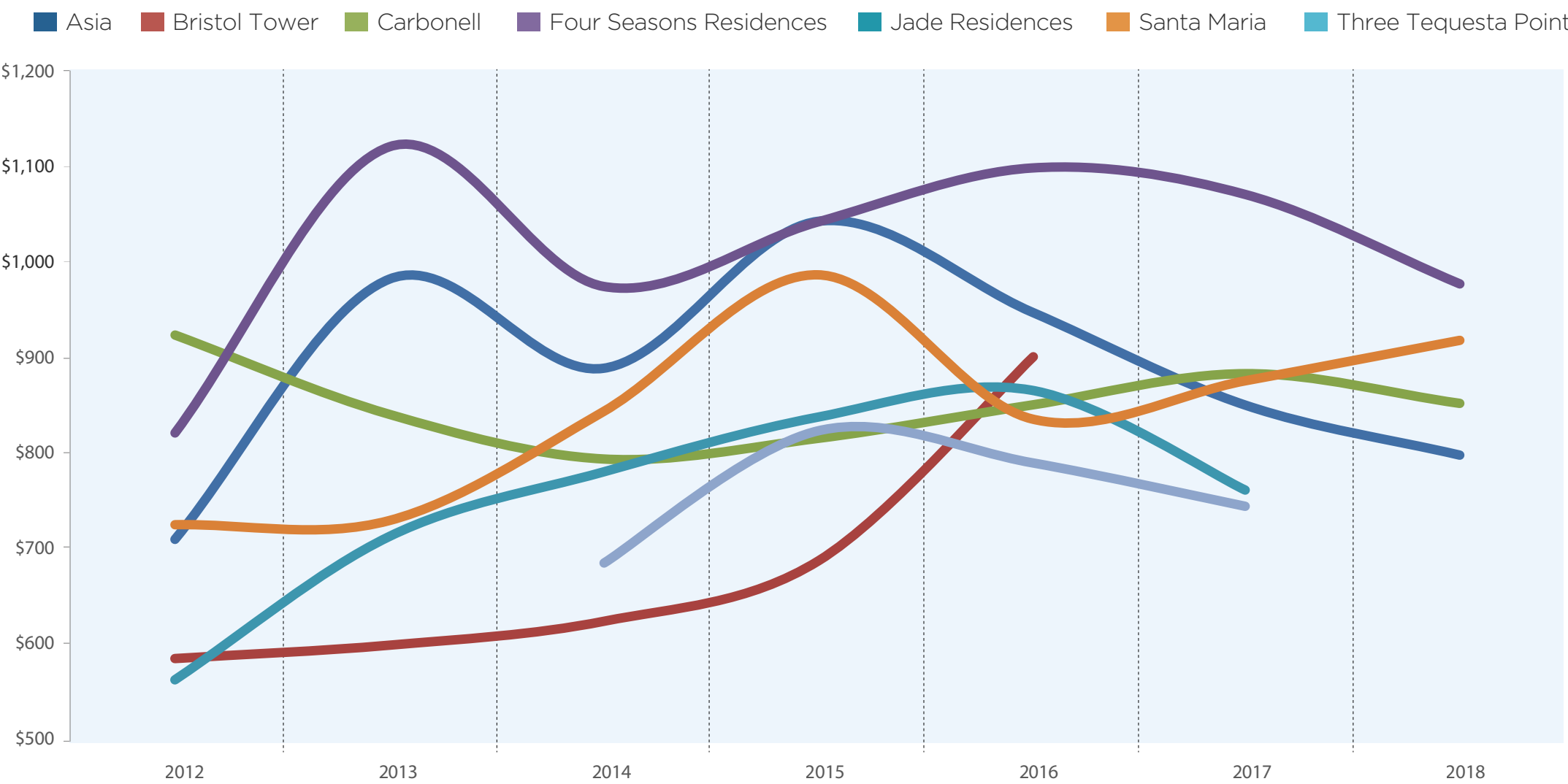
One of the best luxury condos at this moment in a well established building on Brickell Key. PH 3703 offers 2,951 SF of interior SF and a private rooftop terrace of 1,750SF. Click [here](#) for more information.

### The Lowest, Average and Highest Sales Prices per SF

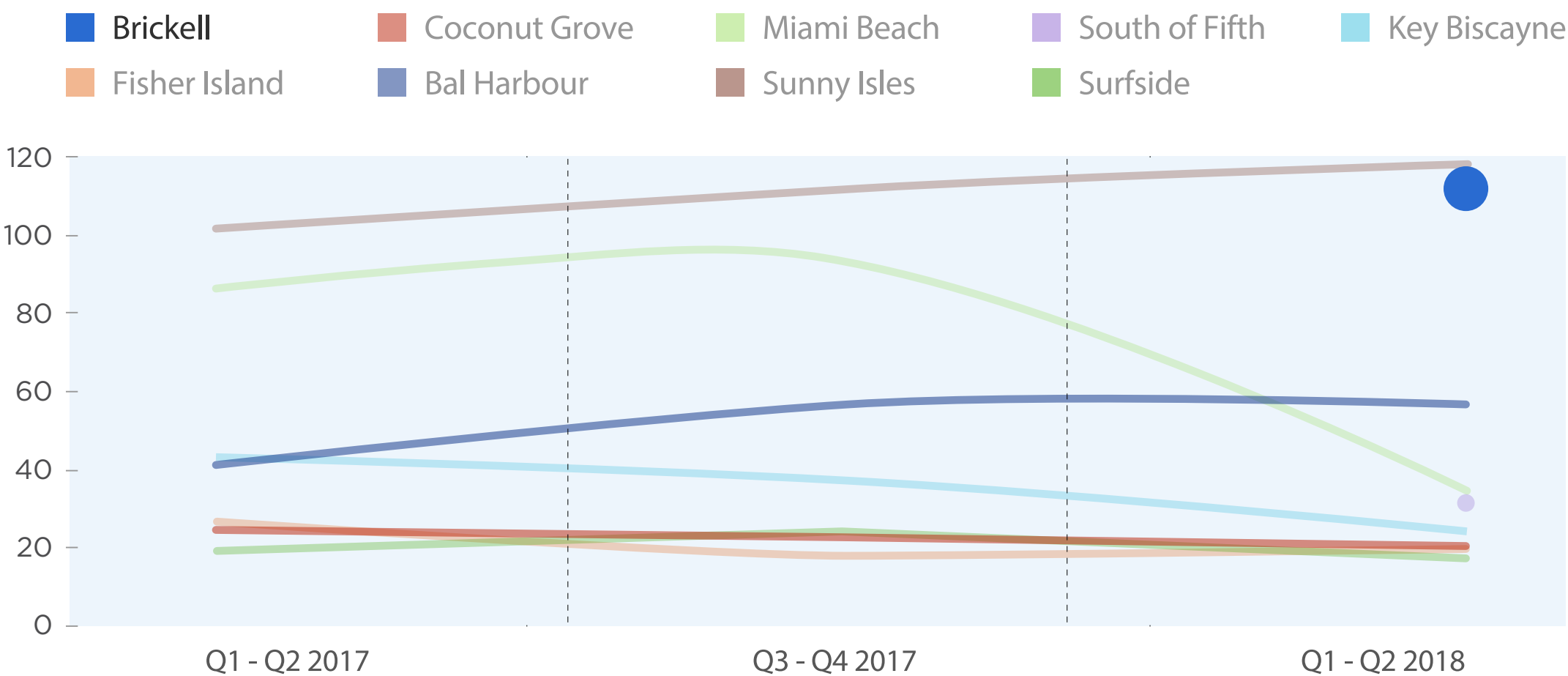


Sales Price per SF	2012	2013	2014	2015	2016	2017	2018
Lowest	\$571	\$691	\$683	\$664	\$771	\$731	\$813
Average	\$722	\$923	\$870	\$961	\$915	\$886	\$916
Highest	\$888	\$1,344	\$1,075	\$1,400	\$1,097	\$1,071	\$1,051

### Average Sales Price per SF



### The Months of Inventory





Confidence in the general Brickell market has taken a downturn with the oversupply of GENERAL market product, between \$600k and \$1m (so much new product from buildings like SLS, Bond, Brickell Heights, 1010, Rise and Reach), which has resulted in an unsurprising correction. Although the luxury market in Brickell is actually very small - only 100 units currently available for sale over \$2m - the psychological well-being has been poisoned as sellers and buyers widely communicate that we are in troubled water. This has reached the ears of the luxury buyer and the effect has created a widespread softening.

On the upside; statistically speaking the 'established' luxury market is far better positioned than the general market (limited supply, low numbers of renters, primary owners) so long term it will fare better. We meet many buyers that would like to invest in Brickell, but they are hesitant to pull the trigger, because the general confidence is gone and there is little movement. With that said, there is not that much true luxury condo product in Brickell and if you can position yourself to buy a unit (particularly a penthouse) in one of the truly and legitimate established luxury buildings like Carbonell, Tequesta 2/3, Asia or Santa Maria with a unobstructed (never to be compromised) view of the water, you will watch as Brickell continues to grow around you in the future - this is a long term play.

The peak in the general Brickell real estate market happened around August 2015. Condos were sold for very high prices per SqFt and pushed as luxury in the pre-construction market (I won't name names on paper, but a phone call will allow me to tell you who these are!). Many of Brickell's buyers bought what they were sold as 'luxury product'. They needed to get the money out of their home countries for economic or socio-political reasons. The necessity to move their funds quickly resulted in a lack of scrutiny. Many of these buyers ended up with a new product that was not only less than luxury, but also populated mostly with tenants and investors, which pulled down the level of perceived quality even more.

In 2016 we experienced a market slow-down while many sellers were riding off the back of the 2015 pre-construction buying frenzy. They as yet had not modified their asking prices. In 2017 many of the new pre-construction condos hit the resell market and we started to see a massive oversupply. In the last two years an average of 1 luxury condo sold per month while today we see close to 100 luxury condos being listed. Under current market conditions it would take almost 8 years to absorb this inventory.

Today we are waiting for the next wave of Brickell luxury condos to be released, which will be [Brickell Flatiron](#), [Una Residences](#) and the [Aston Martin Residences](#). They will need to be able to compete in and under the \$1,000 per sqft market, in order to not lose buyers to other neighborhoods' luxury product. In the last few years many buyers looking for true luxury in Brickell, ended up buying in the Grove. This will be the ultimate test to see what kind of NEW ultra-luxury product Brickell really has to offer AND whether we have enough demand to absorb it. If these products are true cutting-edge luxury condos with high-end features and finishes then it might not be affected by the over-supply of the current market. It will open up a new Brickell market, which many luxury buyers have been waiting for and a level of legitimate luxury, which has been for the most part absent from this busy neighborhood.

Socially the Brickell area has certainly changed a lot in the last two years, it now has more high-end 'luxury' oriented restaurants, shops and services built to cater to the luxury market. This it was lacking for a long period of time. I think the demand is present for luxury product and the rest of the pieces to the puzzle are in place we just need to see if they will deliver. We have been promised luxury before, but these products were lacking the truly high-end finishes such as deep balconies or high ceilings that product elsewhere provided. If the new condos can compete with products in the Grove and the Beach, I foresee there is a good number of buyers waiting in the wings.



## ADVICE FOR BUYERS

This might be a good moment to get a good price for a Brickell luxury condo.

Focus on condos that offer unique features like deep terraces, ocean views, corner units and high ceilings. Penthouses in established luxury condos are the way to go! Eternally unobstructed waterfacing units are key and there is only a small number of units like this, so let us help you hunt them out.

If you are looking for a pre-construction condo like [UNA](#) or the [Aston Martin Residences](#), please give me a call. I am an independent agent and I have visited both projects quite a number of times to provide you with useful feedback and advice on the best units. I can also bring into play neighboring buildings that should be factored as part of the purchase equation.

What's interesting is that the low price per sqft point for luxury condos is still rising, which might suggest that getting a very large unit in a very good building could lend itself to a renovation or update and will carry through good gains for the future.



## ADVICE FOR SELLERS

We expect the general Brickell condo market to correct by about another 15-20% to allow for full market absorption. I

believe there are buyers for Brickell luxury condos if you price it right. The area is offering many services and an improved lifestyle. Pricing your unit right will attract the right kind of buyer. This is not the market to try and get 2015 numbers. You also need a realtor who can market your unit throughout the entire nation and around the world's most prominent cities. Marketing a luxury unit to just a Miami clientele is not cutting it anymore these days. If you are an investor, I suggest you let go of your Brickell product and buy another product in another area where rental prices are higher and your property will appreciate.



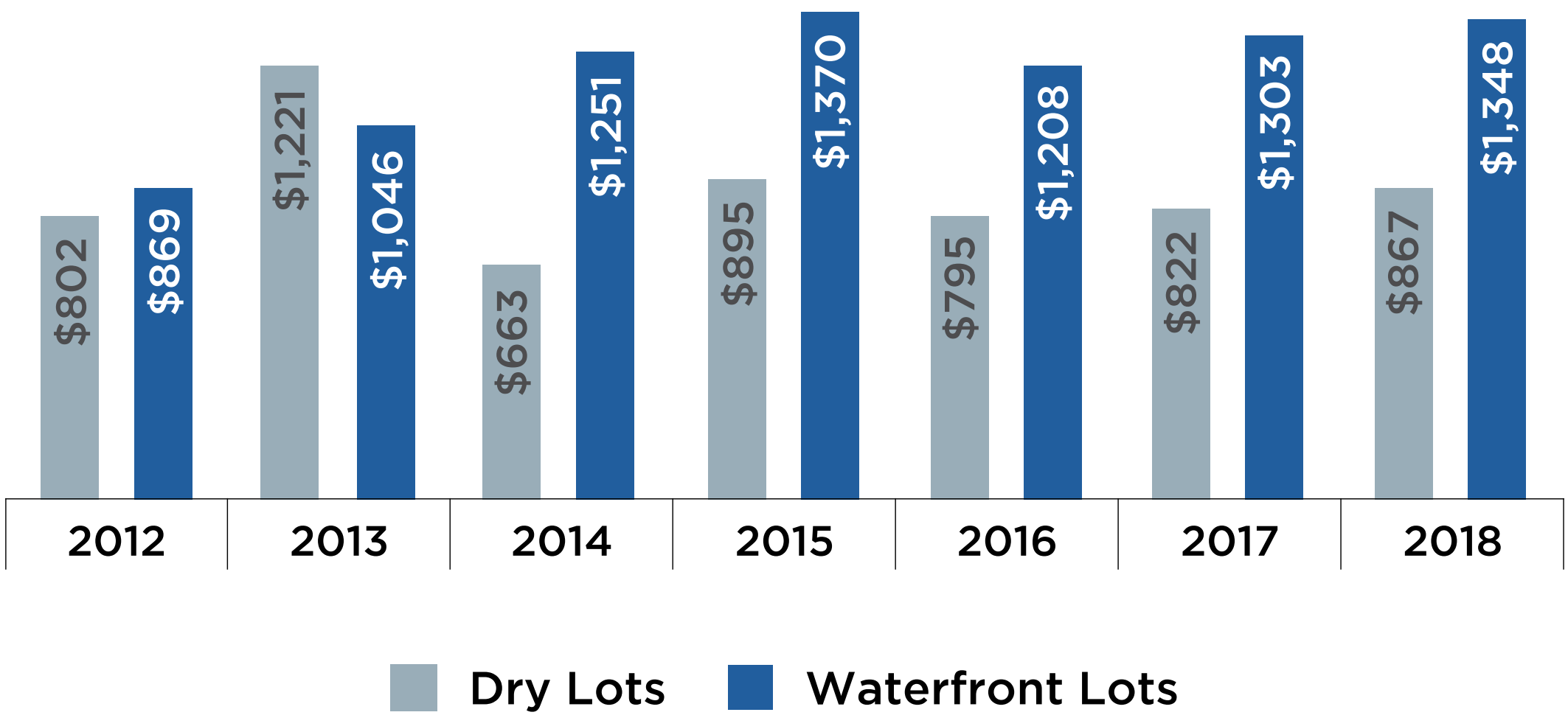


## 4357 Nautilus Dr \$3,500,000

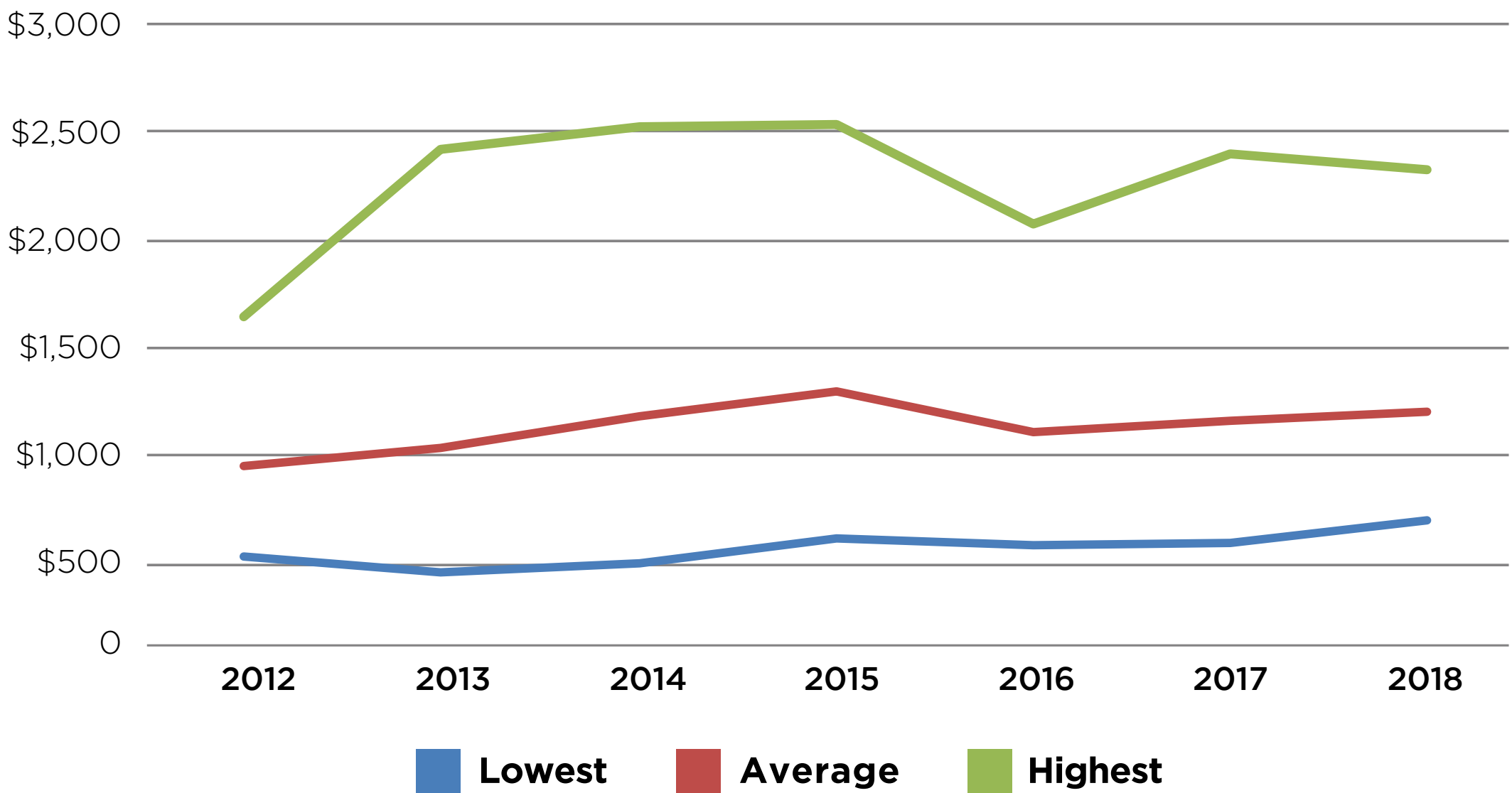
For Sale by the David Siddons Group

*This brand new 6 bedroom home is everything you could want in the perfect 'Miami Beach' family home. The home is a new construction from 2017 with the highest of upgrades and comes with brand new furniture of the highest quality! Click [here](#) for more information*

### Average Sales Prices per SF for Homes on Dry Lots Vs Homes on Waterfront Lots

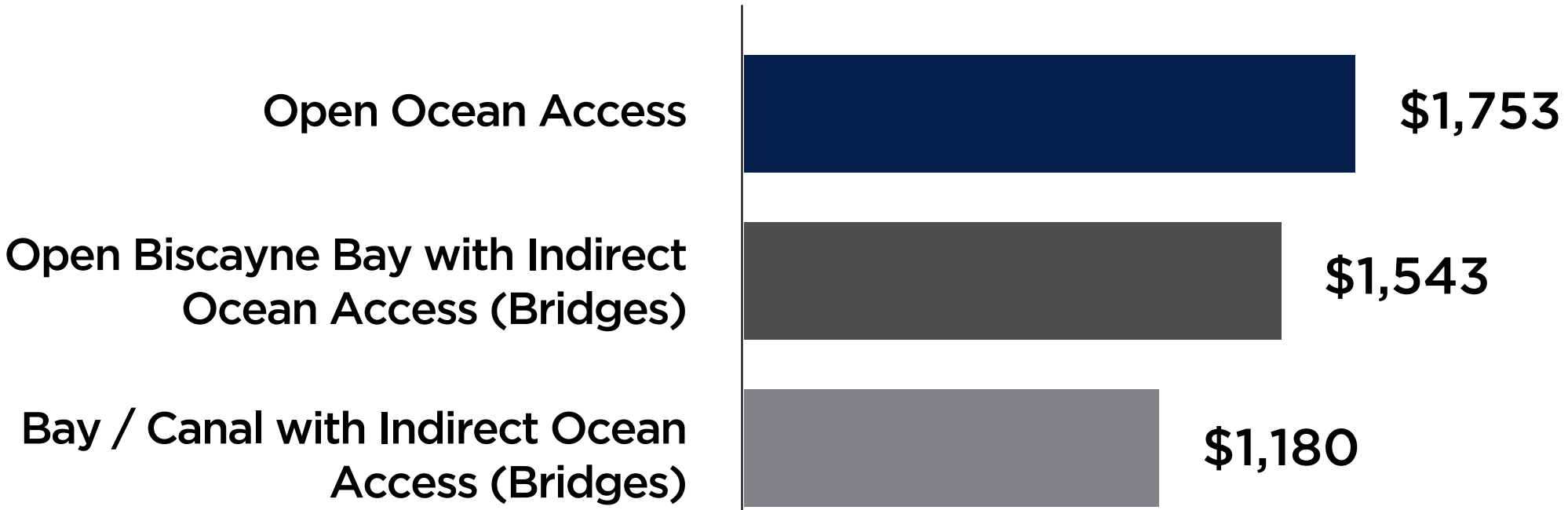


### The Lowest, Average and Highest Sales Prices per SF

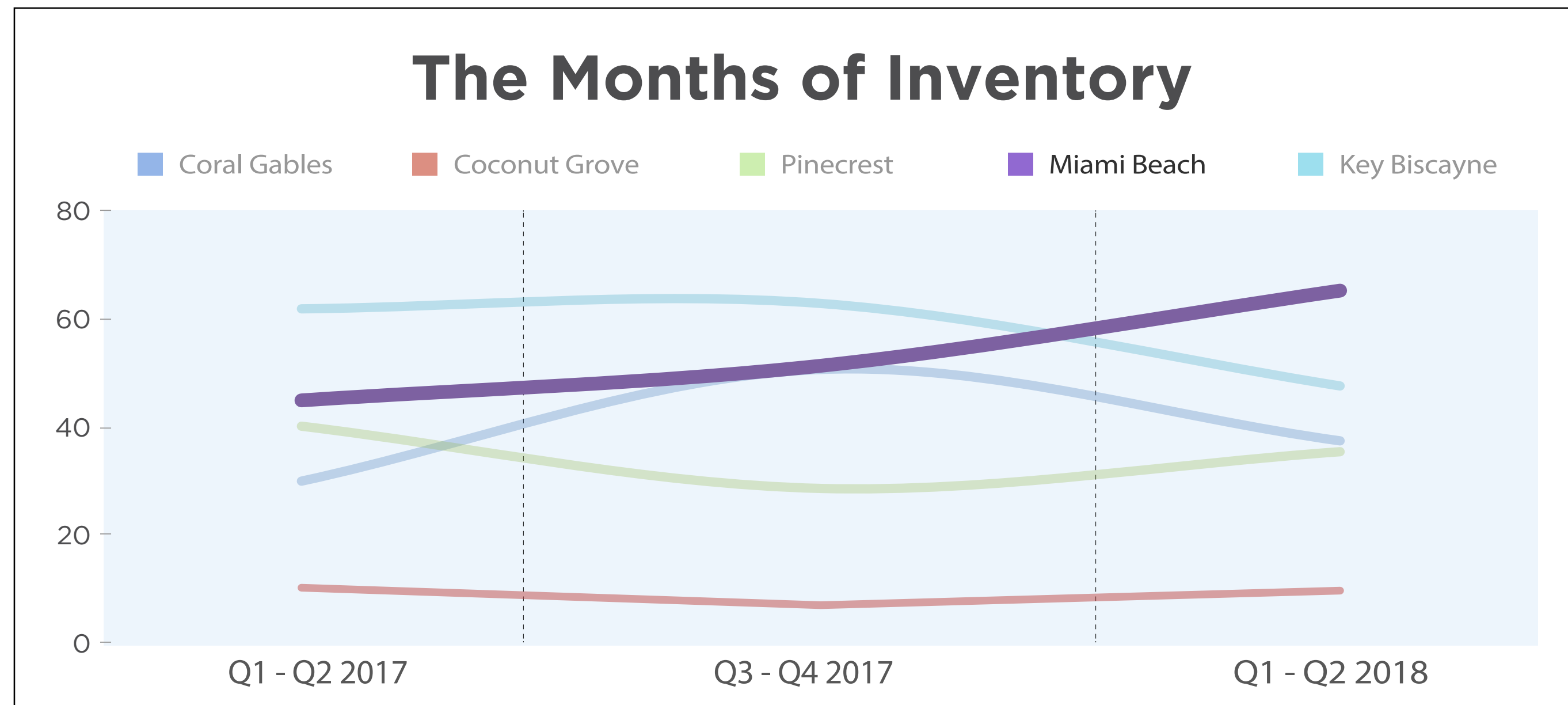


Sales Price per SF	2012	2013	2014	2015	2016	2017	2018
Lowest	\$551	\$481	\$522	\$637	\$606	\$617	\$717
Average	\$965	\$1,052	\$1,191	\$1,309	\$1,119	\$1,171	\$1,211
Highest	\$1,648	\$2,406	\$2,519	\$2,523	\$2,072	\$2,386	\$2,320

### Prices per SF per Type of Waterfront Lot







Miami Beach inventory continues to rise and more options than ever before are out there. With an improved price per sqft off the 2016/1017 numbers, but with a large supply of inventory, now seems like a good time to make aggressive offers and get a good deal!

Miami Beach luxury homes saw their prices peak in August 2015 followed by an increase in inventory and much needed price corrections on a solid number of expensive homes that were overpriced and sat outside the parameters of the market. Today's buyers are more price conscious and do not want to pay over-market prices. The properties that are priced at a premium have trouble selling, and sellers are noticing now that buyers are less eager to pull the trigger with so much inventory available, which makes for a more apprehensive buyers market.

The Miami Beach luxury single family market certainly makes up the largest percentage of sales across Miami at 36%. This is however down from last year when it accounted for 46% of sales of all Miami Luxury sales (the increase in Coral Gables luxury homes took some of the majority of this market share difference). With all that said and done there are a lot of options. Over \$3m+ you will find 110 options, this is covering the area from 17th and Collins all the way up to North Beach, which starts at 71st and Collins (this does not include Venetian Island properties).

As of the beginning of July there are 37 homes that are priced between \$3m - \$5m, 36 homes priced between \$5m and \$10m and 37 homes over \$10m. This makes for a freakishly balanced spread across the luxury sector! Not top heavy or bottom heavy but spread evenly.

The properties priced at the lower or mid range per SF, are seeing a slight upward trajectory with accelerated sales. This year we are seeing more \$10M+ properties under pending sales than last year. This is not because of any particular new capital injection, but merely because sellers are finally selling at the numbers that are right for the market. Good product sells as long as it is priced right, but lets not forget that 60 months of inventory is a solid 3 times that of what a balanced market would typically display. Once the price corrects with some of the speculative luxury product, we will see much more product move and inventory will be absorbed as there feels to be no lack of buyers waiting in the wings.



## ADVICE FOR BUYERS

Luxury home prices on Miami Beach have for the greater part come back to a more realistic level. Having said that, some sellers are still not quite realistic, and negotiations should be aggressively pursued. With a good amount of inventory, there are solid choices and more newly constructed or renovated homes than ever before and some real legitimate quality constructions.

As a luxury property specialist who has guided many clients into purchasing brand new homes and the husband of a renown architect and interior designer, I have an eye for distinguishing between the good, the bad and the ugly. If you are looking to purchase a brand new home, please contact me today to make sure you are not paying top dollar for photogenic properties with basic finishes.



## ADVICE FOR SELLERS

With a lot of inventory and hesitant buyers, you will have to price your property at market value. Do not try to get the prices of 2015, because your home will be sitting on the market for a long period of time. As mentioned before, there are buyers on the Beach, but they want to buy at market price and do not want to pay the record prices we saw in '15. The market is currently seeing price corrections and sellers will need to accept this in case they want to sell. It is also essential to have a realtor with national and international outreach. Sellers need a realtor who puts their luxury home under the eyes of investors or buyers from the high-tax states (this is the category of buyers who are increasingly looking into Miami properties and will be playing a significant role in driving the market through the rest of 2018/2019) and other main metropolitan areas around the globe.

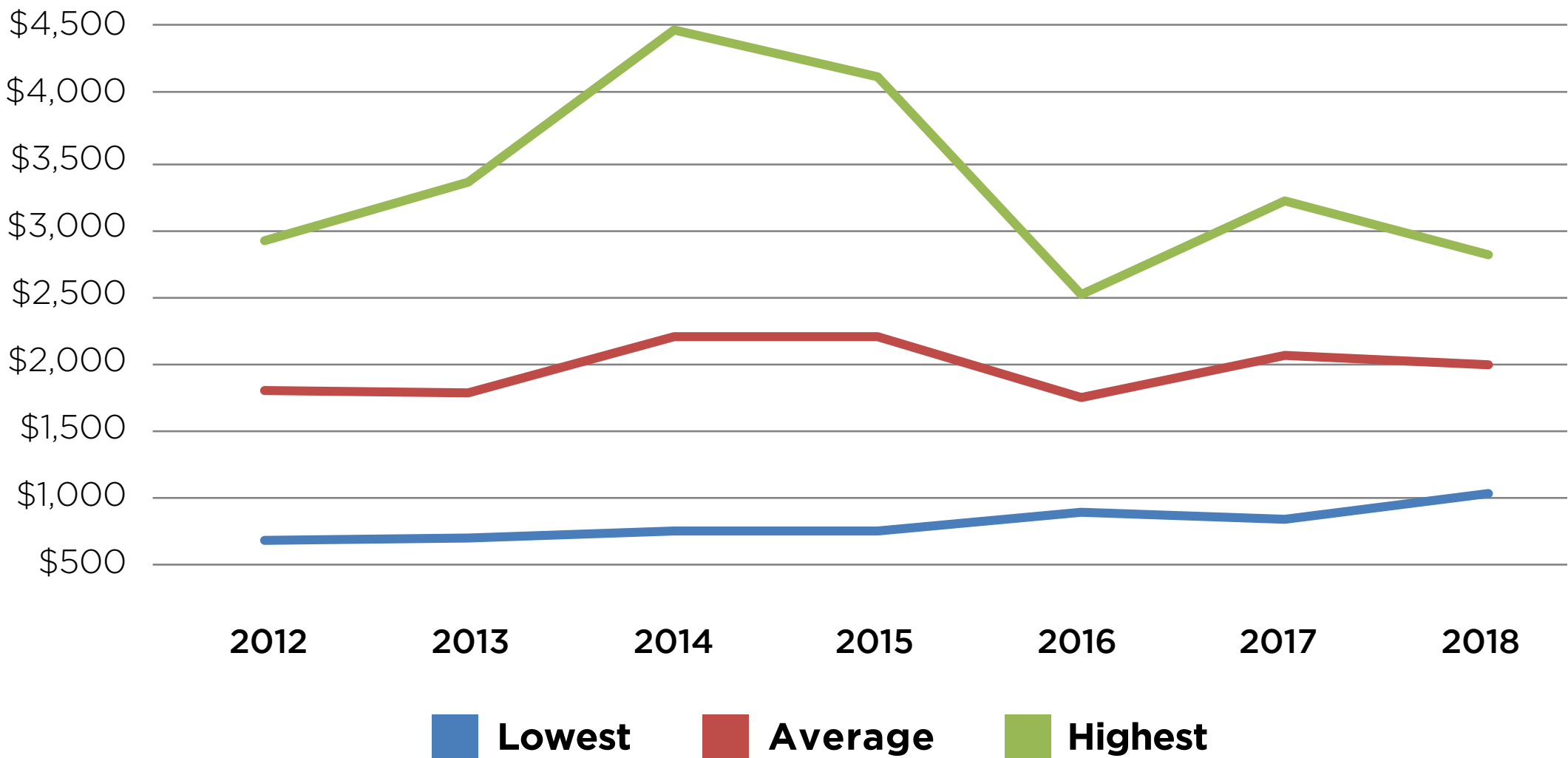




## Renzo Piano's 87 Park.

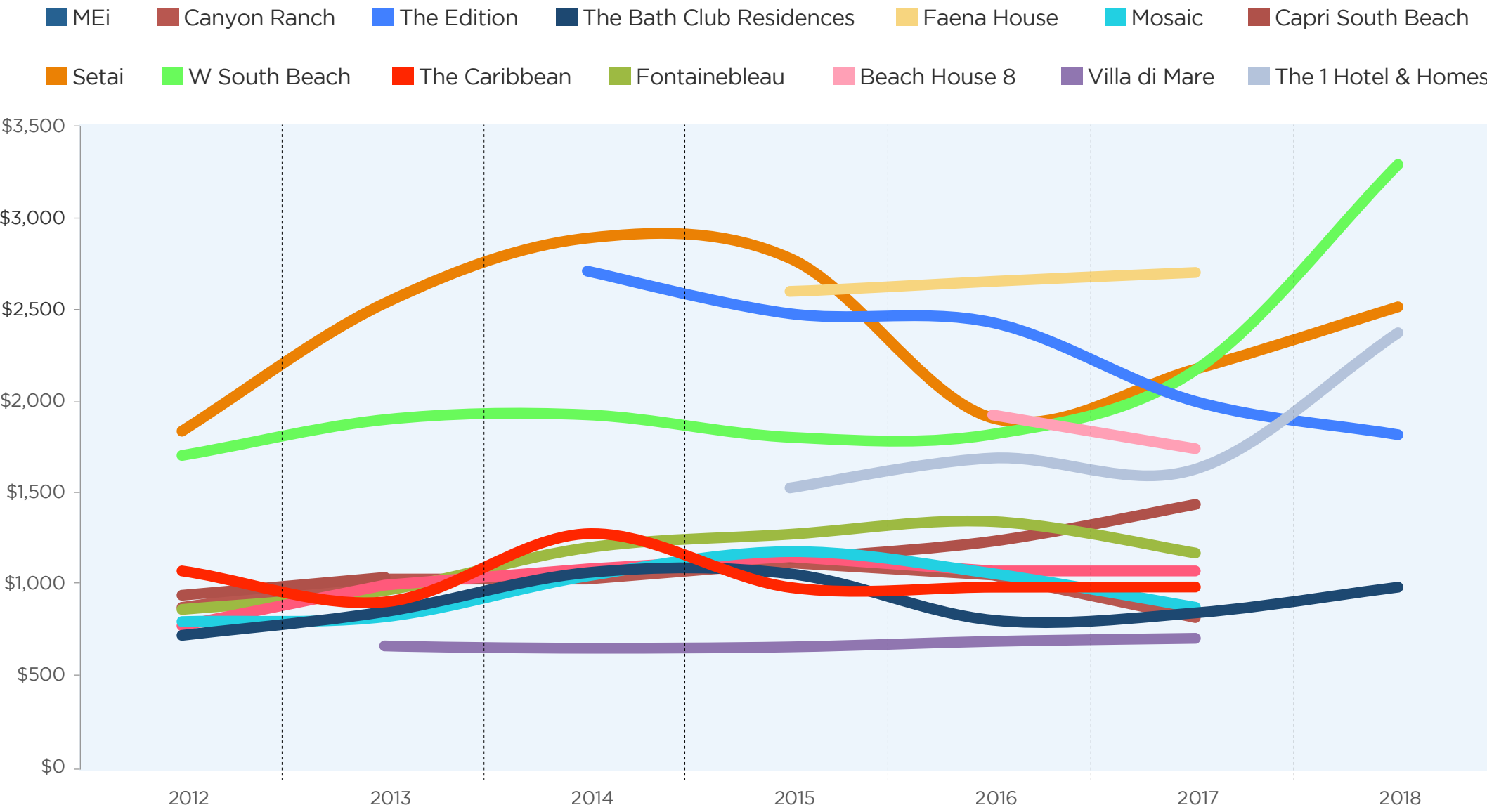
Considered the best new Condo for Surfside if not Miami Beach. Call David Siddons Group for Prices.

## The Lowest, Average and Highest Sales Prices per SF

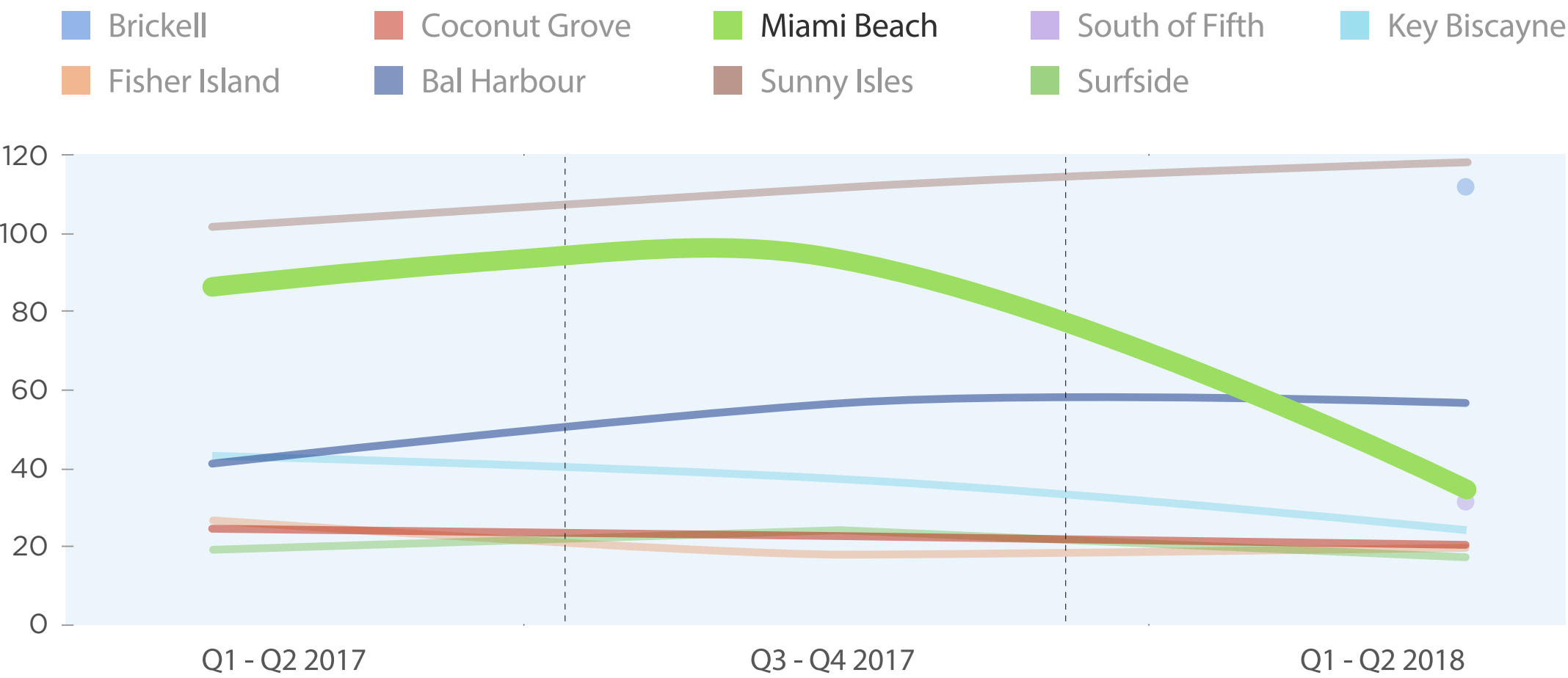


Sales Price per SF	2012	2013	2014	2015	2016	2017	2018
Lowest	\$708	\$724	\$784	\$787	\$913	\$867	\$1,052
Average	\$1,806	\$1,797	\$2,214	\$2,203	\$1,770	\$2,066	\$2,003
Highest	\$2,908	\$3,341	\$4,470	\$4,127	\$2,522	\$3,210	\$2,818

## Average Sales Price per SF



## The Months of Inventory





The Miami Beach condo market saw a considerable correction in 2016, one year after the condo prices peaked. The properties priced at the highest price per SF saw the biggest decline while the lowest and average priced properties seem to have experienced just a small correction.

Like in many other markets, the newest wave of condos offered a mix of good product as well as condos that were disappointing to say the least. Many developers sold luxury condos merely based on 'location' and flashy gimmicks. In the end we saw what we call the "McDonalds effect". They promise a perfect end-product, but what you get is a burger with features that are less than perfect. Some of the new products saw their price take a dive almost immediately, while others are performing quite well. In the resale market we noticed the piggyback mentality of sellers. The arrival of some ultra-luxury condos inflated the market prices and condos that had little to no luxury to offer, piggybacked on the sales prices of neighboring luxury condos. Overconfident sellers sold condos to buyers that did not do their proper research and had a "followers" mentality. Instead of looking at the condo they bought into, buyers looked at the overall market.

Although we saw a sharp decline in inventory in 2018, mainly due to an increased amount of sales, inventory is still elevated. I don't think the high inventory of the Miami Beach luxury condos is due to the lack of demand. There is still a good number of buyers for the Beach, but prices need to come down. We still see movement within the good-quality condos and condos that are well priced. We think the market is currently seeing a price correction that was necessary after a few years of seeing extreme record prices.

**If you want my personal opinion on which condos to avoid and which ones to focus on, please contact me on +1.305.508.0899**

Special Note: If you are looking for luxury condos on the Beach you might want to look at Surfside. This little niche just north of Miami Beach offers high-end luxury condos such as 87 Park (Still located on Miami Beach), Fendi Residences and the Surfclub Four Seasons. This area is ideal for those who want to live close to the Beach, yet prefer more privacy and tranquility.



## ADVICE FOR BUYERS

If you are looking for a Miami Beach property, do not look at the market prices but rather at the prices within the condo, preferably the prices in the specific line. Start your research on micro-level. Especially in the ultra-luxury end of the market people find it hard to compare prices, as these condos are extremely scarce and unique. Always use my guide as a measuring tool as to when you might be overpaying. Aim for waterfront condos, corner units, high ceilings or other unique features that sets your unit apart in a very competitive market.



## ADVICE FOR SELLERS

Stop thinking of the market and start looking at your unit. Is your unit worth to follow the market prices? Buyers are overly price conscious and if your unit does not have the best finishes or unique features, today's buyers won't pay top dollar. We still see high prices per SF being paid in some of the condos. This means that a good quality unit priced correctly is still very much in demand by its buyers. Sellers however need to be aware that the market has changed and buyers have an advantage in today's market. Again, there is demand for Miami Beach luxury condos, but trying to get record prices will not bring any traction to your unit.

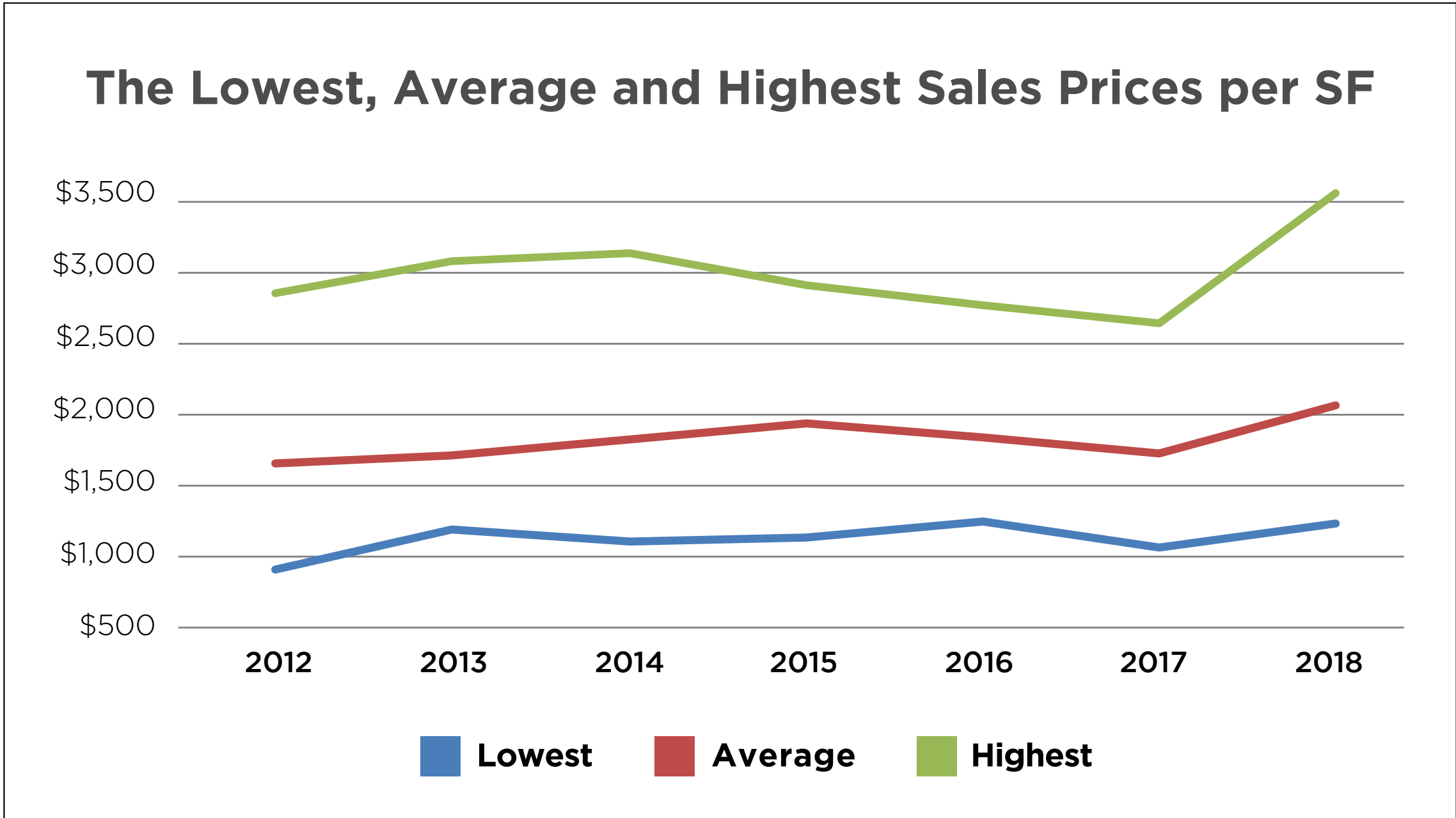




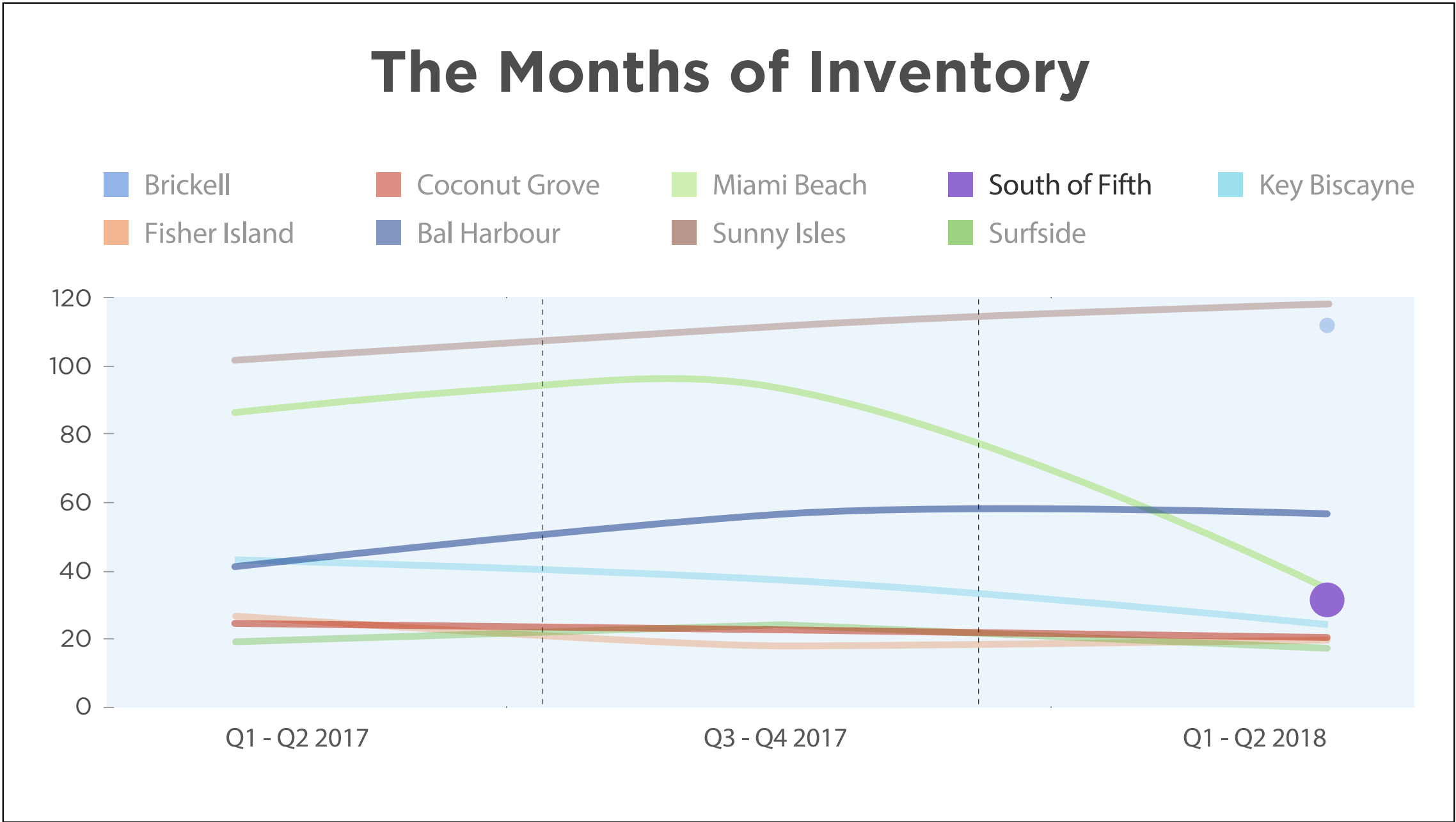
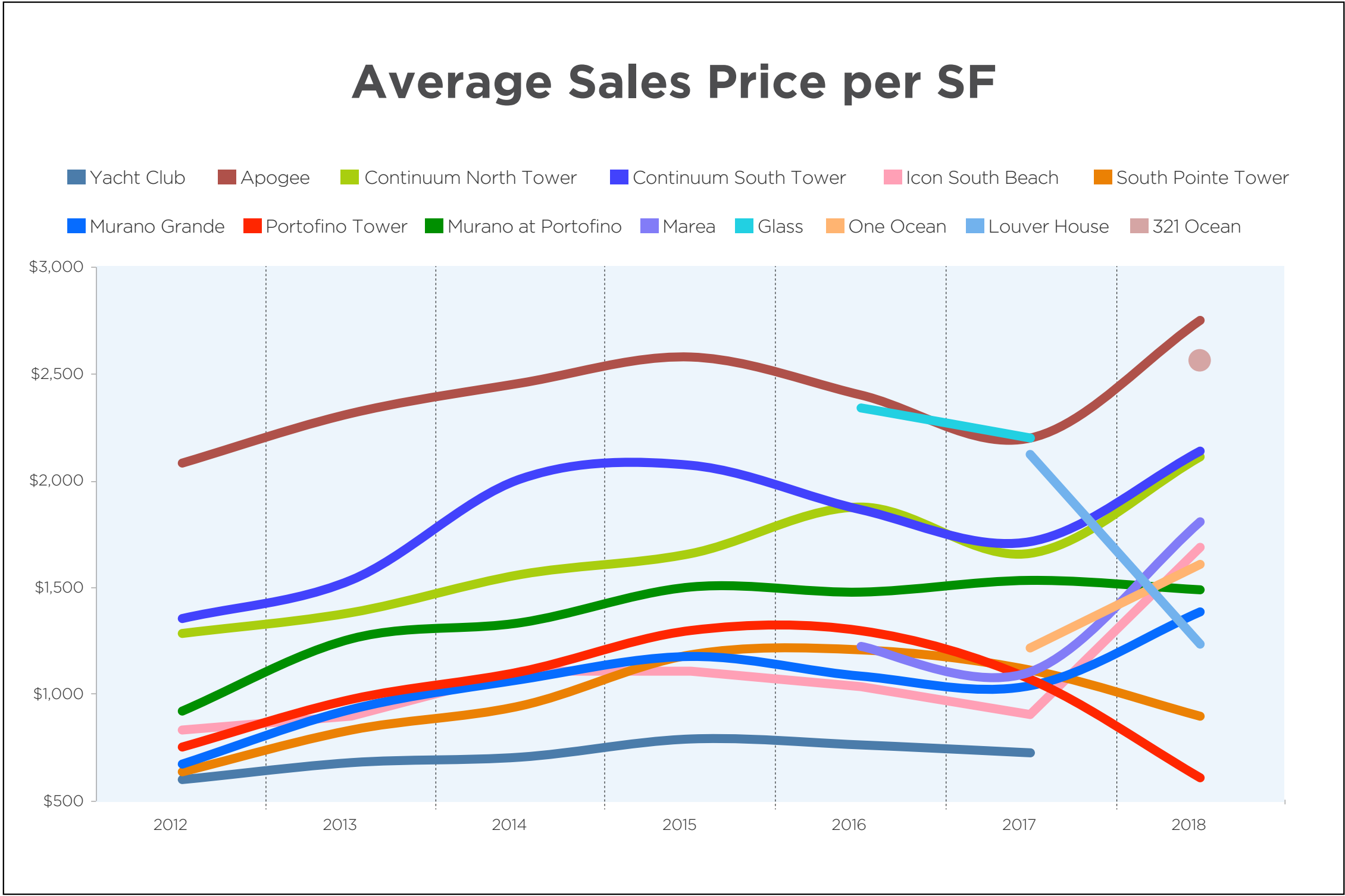
Murano Portofino 2802 - \$5,245,000

Pocket Deal by David Siddons Group

South of Fifth sees the most movement for the luxury end of the Beach Condo Market. Continuum and Apogee lead the pack in number of sales.



Sales Price per SF	2012	2013	2014	2015	2016	2017	2018
Lowest	\$953	\$1,233	\$1,144	\$1,174	\$1,282	\$1,112	\$1,276
Average	\$1,682	\$1,738	\$1,854	\$1,961	\$1,863	\$1,757	\$2,091
Highest	\$2,850	\$3,071	\$3,134	\$2,908	\$2,780	\$2,647	\$3,544





South of Fifth has seen an extreme price surge in recent years. Prices increased considerably until they reached their peak in the summer of 2015. After 2015, we started seeing price corrections in South of Fifth. The most striking in this market however was the arrival of brand new, expensive properties such as One Ocean and Marea. These buildings were sold at record prices, yet they do not offer unobstructed water views and are therefore harder to sell once the market softens. This is what happened with many of these newcomers. The product didn't offer ocean views and people seem less impressed with the end-product than anticipated.

Condos such as Icon saw a decline in price as they simply cannot compete with luxury buildings elsewhere on the Beach, while they were asking for top dollar. While some condo neighborhoods suffered a price correction in price caused by oversupply, the SOFI market suffered decline caused by over confidence. Many sellers were inexperienced second home owners, who were not plugged into the market movements and lacked the sophisticated knowledge of locals. They were also in some cases led by inexperienced agents who allowed the ego to rule. This resulted in what I like to call "Selling by Association". Because your condo is neighboring a \$2,000 per SF condo, it does not mean you can ask for that price. An analogy is parking your old car next to a new Ferrari and deciding to sell it at the same price, because your parked aside to each other.

When it comes to condos, it's not JUST about location. In the condo market the land value does not come into play as much as in the single-family home market. Meaning that if you are surrounded by two ultra-luxury condos, your condo's value does not rise at the same rate. This strategy however was followed by many sellers, leaving their units on the market for a prolonged period of time.

Finally, South of Fifth also experienced a fair amount of local migration. Residents discovered alternative, and often better, options either further up the beach into areas such as Surfside where new condos like Fendi were attracting attention or into primary markets such as Coconut Grove where you get more value for your dollar and where we saw the introduction of new condos such as Park Grove.

As we work through 2018 we have seen 33 sales over \$3m, this represents just over a 50% increase from last year's 17 sales for the same period of time. The sales are ranging from \$3m to the most expensive sale to date this year; a penthouse unit at 321 Ocean for \$26m, which also topped out the highest \$ per sqft achieved in the condo market at \$3819 per sqft!

The most popular condo is Continuum that has delivered 13 sales of the 33. That's over 1/3rd of the sales coming from just one condo. Last year there were only 6 sales for the same period, so an increase of around 100% in absorption. We know Continuum well. So much so that we have dedicated a website just to this one condo: [www.Continuumexpert.com](http://www.Continuumexpert.com). Apogee condo makes up 5 sales within the top 10 most expensive, which makes it clearly the most popular ultra luxury condo for SOFI. The cheapest deal at \$7.5m and the most expensive came in at \$14.5m.

We are currently seeing an inventory of around 30 months, which is much better than the Miami Beach average. After some years of price corrections, South of Fifth is definitively experiencing a stronger 2018 with 50% more transactions than the year before (We see an increased amount of traction, increased sales prices per SF and falling inventory). In short, we are bullish on this unique niche market. We think the market has absorbed the inventory it was left with after the market experienced its peak and buyers' confidence is back.



## ADVICE FOR BUYERS

If you are looking to buy a luxury beachfront condo then you should definitely take SOFI seriously for quality of life and a wise spend of your hard earned dollar. When investing in South of Fifth, we advise to invest in a good quality unit that offers unique features - as per the main section Apogee and Continuum come top of the food chain for desirability. Also consider 321 Ocean and Ocean house. Keep focus, where possible, to high ceilings and large balconies. Expect to pay well over \$2000 per sqft in this neighborhood for luxury waterfront condos. Please contact me today for my personal opinion of the different South of Fifth condos for sale.



## ADVICE FOR SELLERS

Stop thinking of the SOFI market as the only market potential buyers of your unit will consider. Appreciate that there are new neighborhoods that offer luxury condos that will now become a serious consideration. Look at your unit subjectively and appreciate the finishes. Is your unit updated as much as other units? Especially in Continuum where we have seen a solid number of renovated units available. Buyers are very conscious about finishing costs and if your unit does not have the best finishes or unique features, today's buyers won't pay top dollar. We still see high prices per SF being paid in some of the condos, and demand is definitely there. If you tried selling in 2016/2017 and had trouble, you should certainly find it a little easier now.



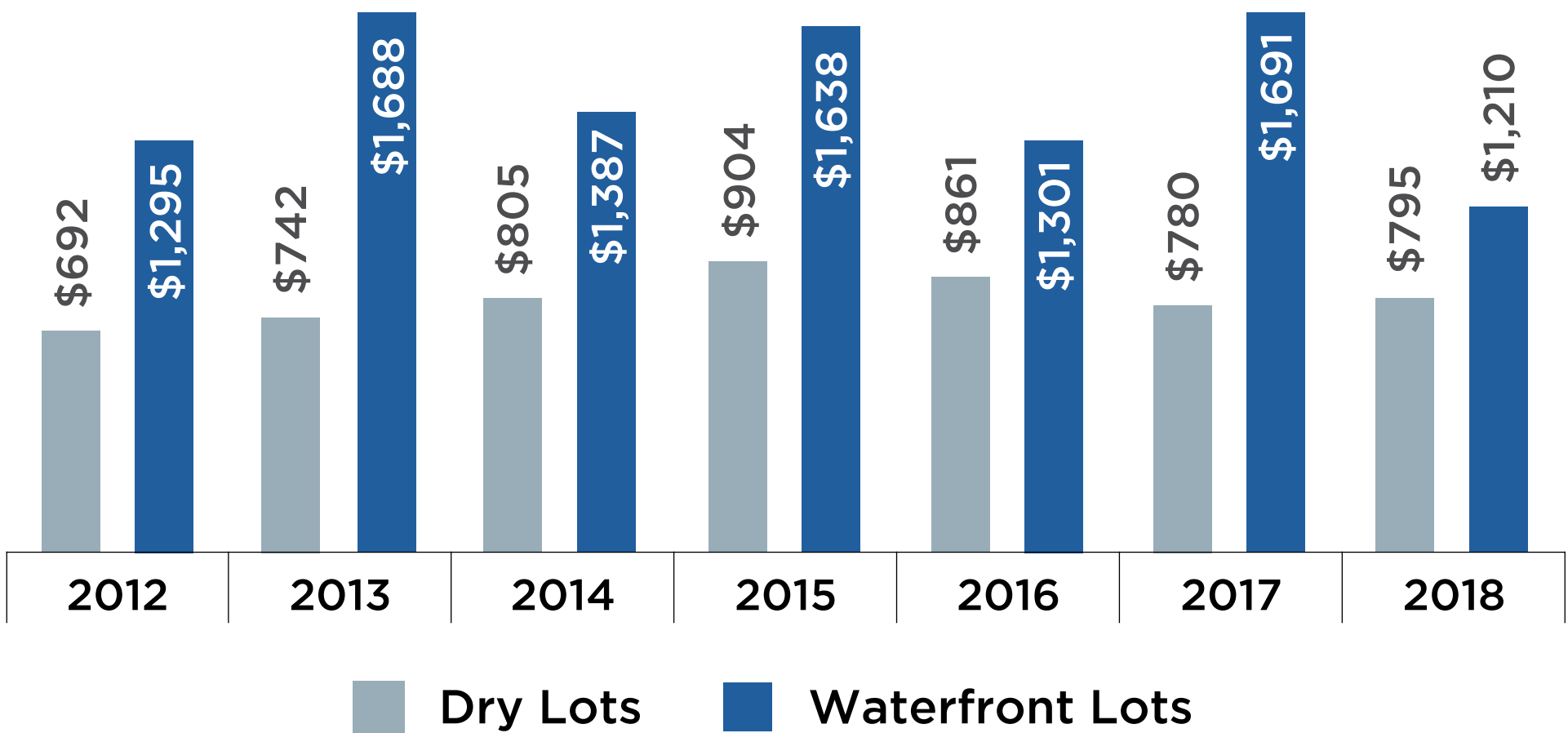


## 260 Cape Florida Dr. Listed for \$13,900,000

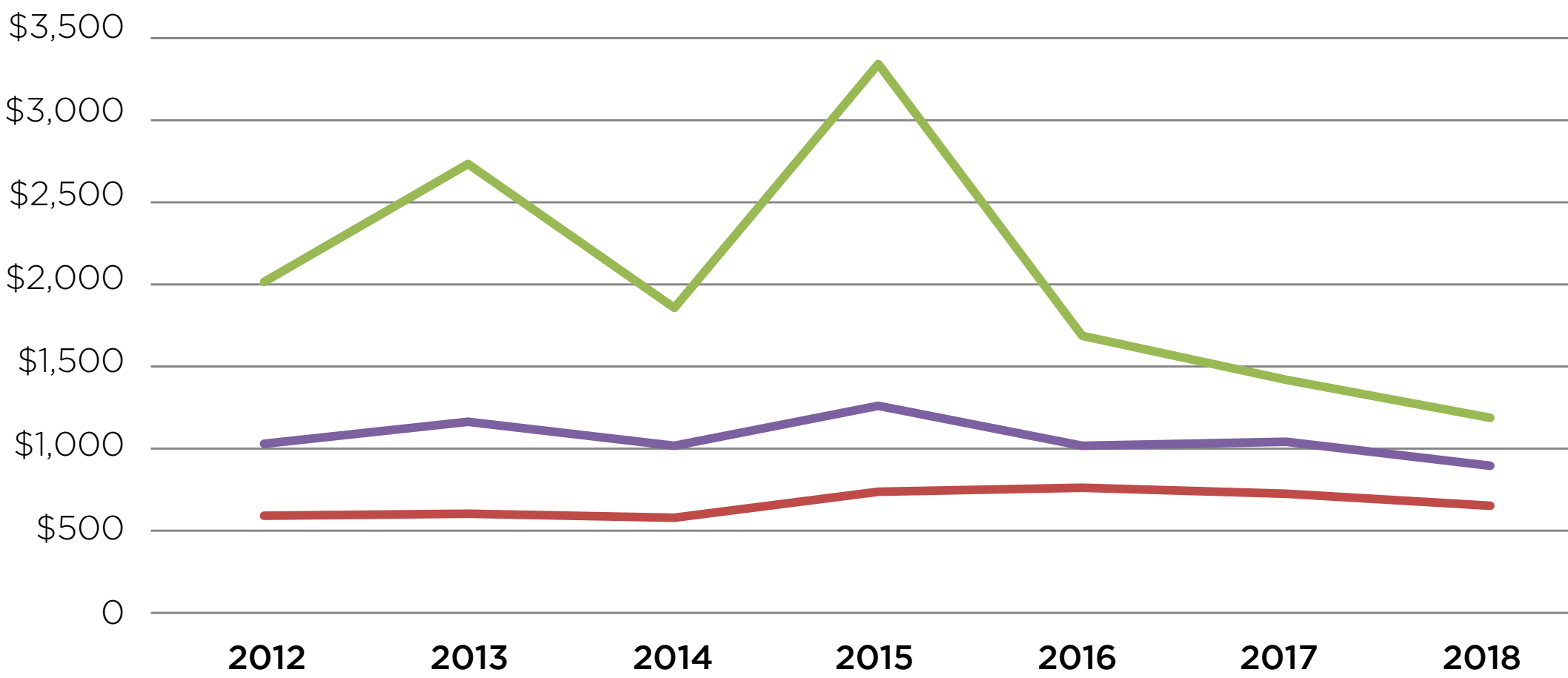
Sold for \$12M or \$663.31 per SF

Key Biscayne luxury homes are experiencing a bearish market. Buyers are seeing more value in other areas such as the Grove or the Gables

### Average Sales Prices per SF for Homes on Dry Lots Vs Homes on Waterfront Lots



### The Lowest, Average and Highest Sales Prices per SF

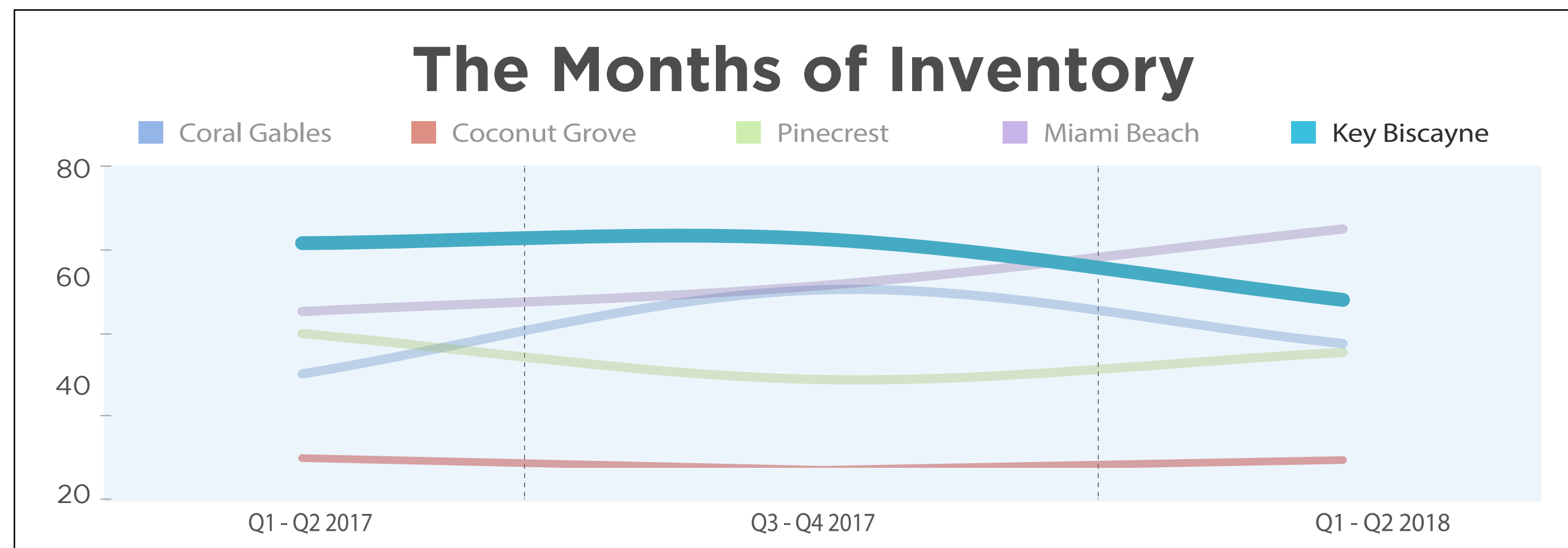


Sales Price per SF	2012	2013	2014	2015	2016	2017	2018
Lowest	\$593	\$611	\$584	\$743	\$766	\$725	\$657
Average	\$1,028	\$1,162	\$1,021	\$1,259	\$1,016	\$1,041	\$899
Highest	\$2,002	\$2,717	\$1,851	\$3,315	\$1,677	\$1,419	\$1,191

### Prices per SF per Type of Waterfront Lot







Key Biscayne luxury homes are experiencing a definitely soft market with around 50 months of inventory - not as soft as last years 60 months but still very soft. There have been just 11 sales (2 pending) so far this year, from between 1st Jan - 1st August 2018. Coming from an inventory of 64 active listings between \$3m and \$50m as of 1st Aug. The greatest majority (7/11) of these have been just around \$3m. If we compare this to the same period last year we saw just 5 sales and 2 pending.

We recorded a slight decrease in average prices per SF, after several years of limited market movement. The lowest priced luxury properties (per SF) are seeing an increase in value while the highest priced properties per SF are seeing a sharp decline since 2015. Buyers are not paying the same top dollar per SF anymore, like they used to and the excess inventory and slow sales is definitely taking its toll.

In the last few years, buyers invested in small Key Biscayne lots for massive prices per SF. Even though those lots were priced much lower in other parts of Miami, people paid the premium prices and the market spiraled almost out of control. As this market sees a lot of demand from countries that are experiencing currency difficulties, many of the buyers were drawn out of the market at the latest record prices. The Key Biscayne market offers many newer built homes that sit on a small (dry) lot and are priced between \$3M and \$5M. Many buyers think this is just not worth it anymore. One speculative reason for the investments made into Key Biscayne single family real estate that took the market out of sync was caused by an immigration 'green card' law the required certain foreign national green card holders to have to spend \$450k in the local economy in order to keep their cards. The obvious and easiest solution was to spend it on their real estate and so money went on renovation improvements or new builds. Key Biscayne has long been popular with this specific category of home buyers.

Where did the buyers go is one often asked question? The answer: other luxury markets such as the Grove are now seeing more demand because they offer more value for your dollar while also offering access to top schools and are an excellent alternative at a lower cost location. When showing Key Biscayne to my buyers looking in the \$3M+ market, they comment that they just don't find the value and prefer a bigger property elsewhere in Miami. These buyers (many of which are HNWI that are relocating to Miami) are now more drawn towards the main land such as the Grove, the Gables and Pinecrest, which offer a better alternative.

I have even spoken to Key Biscayne sellers who are looking to leave the island in search for more value. They are now looking at more contemporary homes on large lots in Coral Gables and the Grove. With around 4 years of inventory we do not expect the market to recover soon. This market needs massive price corrections in order to draw back its buyers and to be able to compete with Coral Gables and Coconut Grove. When we are looking at the ultra-high end market of \$10M+ homes we are seeing an entirely different situation. As this market is so limited and specific, this is a case-by-case situation. These homes are mostly located along Mashta Dr or Harbor Dr, both streets offers lots with unobstructed ocean views and are therefore rare in its kind. This kind of product is hard to find in Miami with Coral Gables only offering 42 of these lots located in Tahiti Beach and Gables Estates.

## Land Sales

Key Biscayne saw one dry lot sale in 2017 and Q1 2018. This lot sold for \$170 per SF or \$1,275,000.

There are currently 6 lots for sale ranging from \$220 per SF to \$530 per SF or from \$1,650,000 to \$7,95M. Waterfront lots start at \$325 per SF or \$5,8M



## ADVICE FOR BUYERS

If your looking for a Key Biscayne home we make sure to negotiate hard, provide quality analysis and make sure you obtain a well-built property. The reason we mention that is that many developers build spec homes in the area that show very well in pictures, but are not that well done in reality or worse a home owner who over improves their home but does not add true quality to the equasion. Some are also listed for prices that do not represent a fair price in today's market. Also make sure you pay market prices and also compare your chosen property to likewise homes in other prime markets such as the Grove or the Gables. The David Siddons Group has helped various Key Biscayne clients find the right place to call home.



## ADVICE FOR SELLERS

The market has softened and we are seeing a high inventory of luxury homes. If you want to sell you should price your property at market value. Do not try to sell at prices that are over market value because your property will be on the market for a very long period of time. The Key Biscayne market sees a limited number of buyers these days as other luxury markets have emerged that offer brand new homes on larger lots for a lower price per SF. Selling your Key Biscayne home should be done by an agent with a great eye for marketing and national as well as international outreach. There are still plenty of buyers looking at Miami real estate, but with an increased number of options one needs to act faster than the next seller. Make sure you chose the agent with the 'best marketing' and the ability to expose your home to the right buying audience, because in the end nothing else matters!



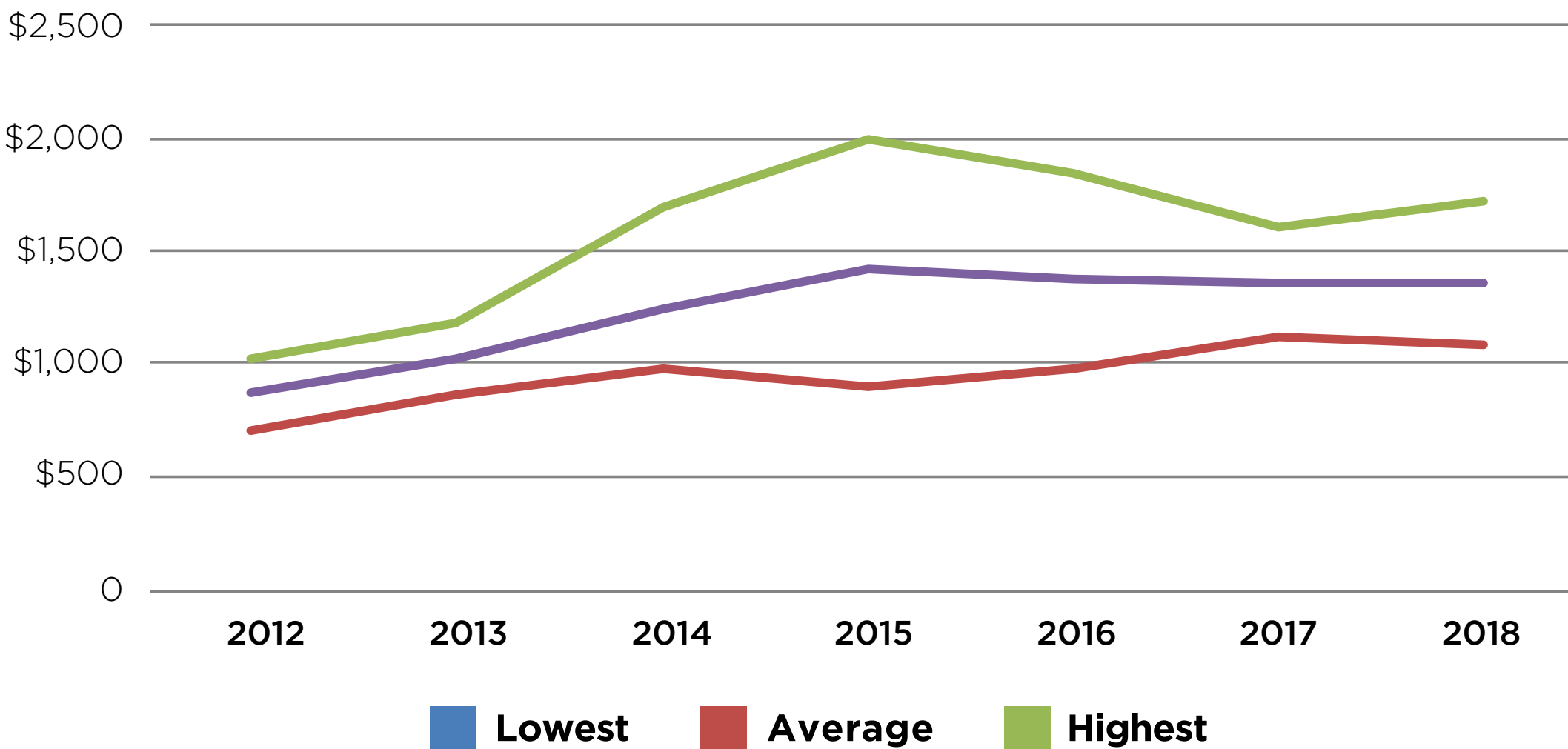


## Grand Bay 502 - Listed For \$4,500,000

Listed by the David Siddons Group

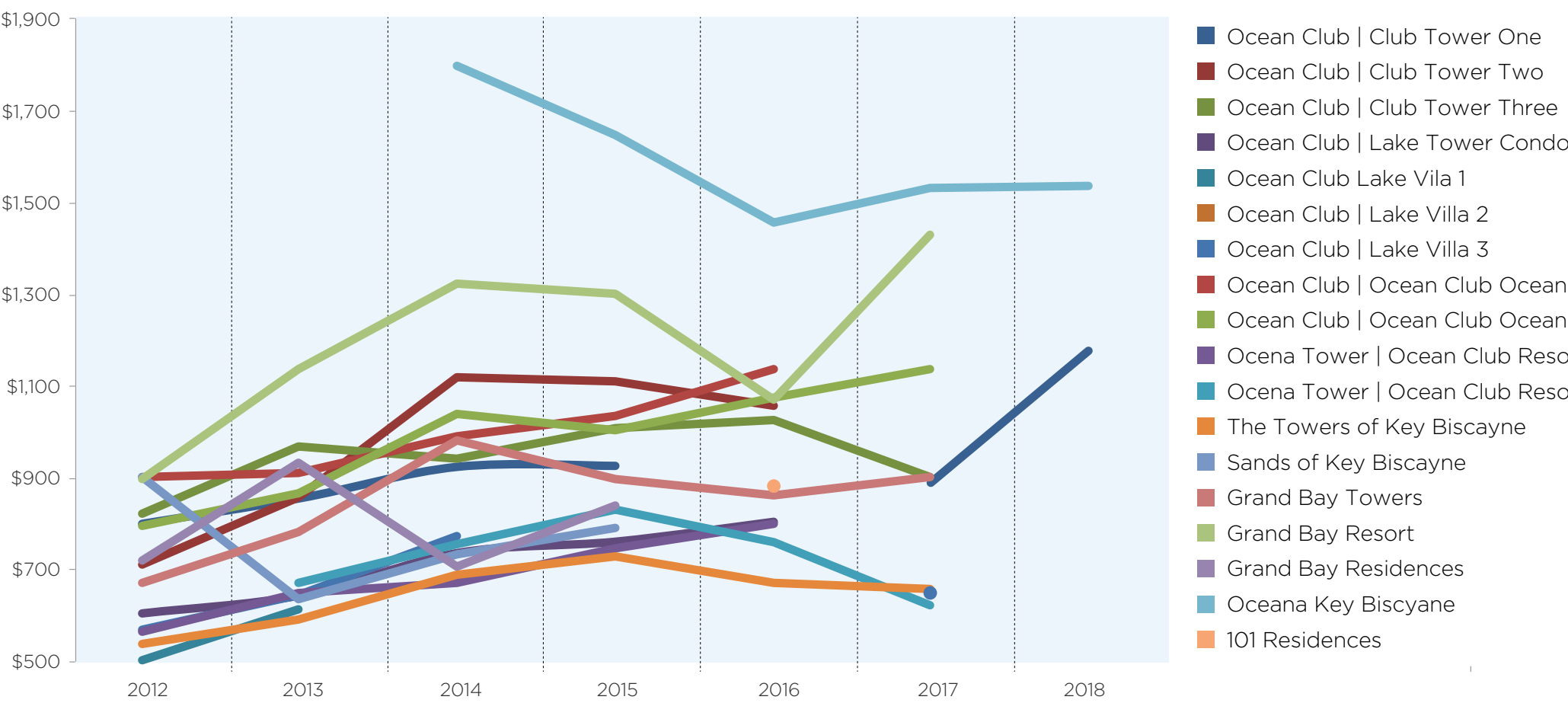
A slower market for 2018, but again a realization of corrections and some big price drops on big ticket condo deals.

## The Lowest, Average and Highest Sales Prices per SF

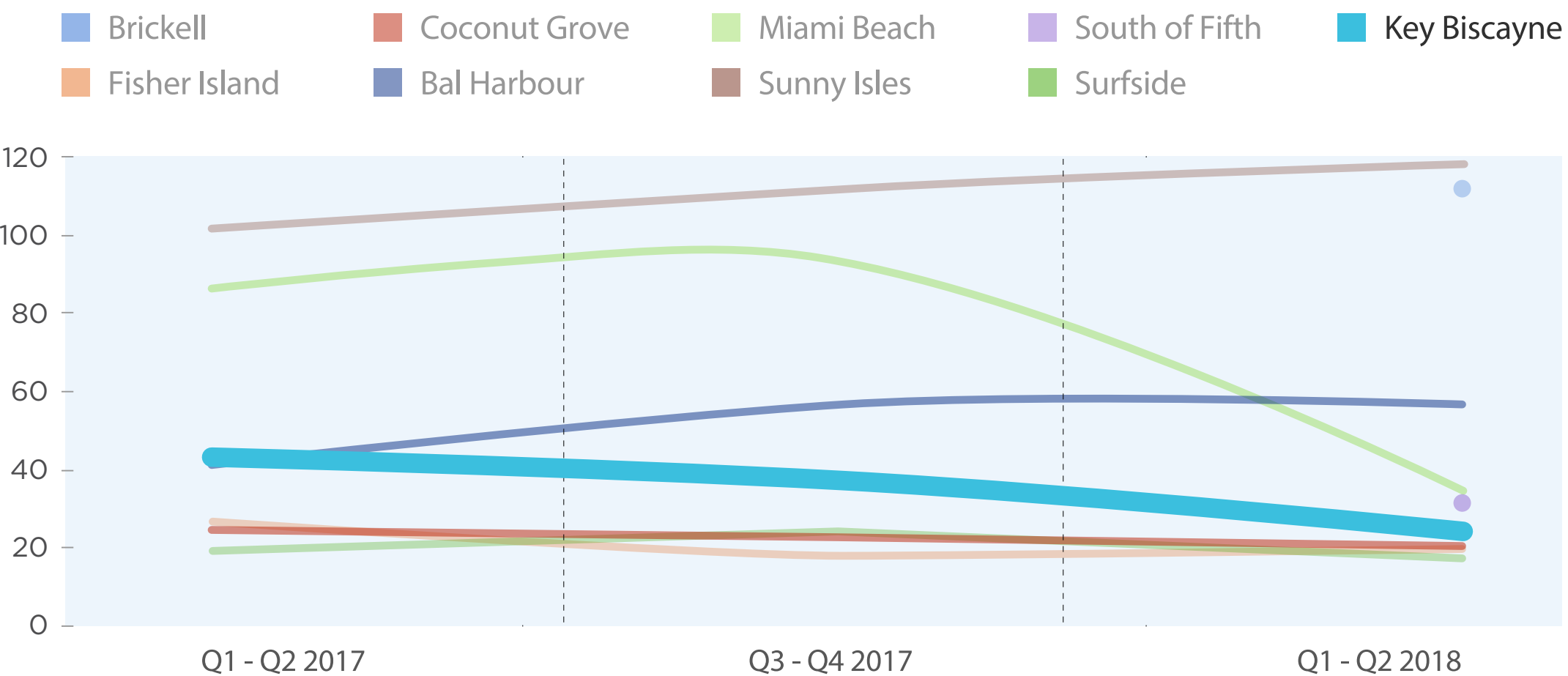


Sales Price per SF	2012	2013	2014	2015	2016	2017	2018
Lowest	\$732	\$891	\$1,004	\$922	\$1,000	\$1,139	\$1,105
Average	\$900	\$1,047	\$1,261	\$1,429	\$1,389	\$1,375	\$1,371
Highest	\$1,043	\$1,196	\$1,700	\$1,993	\$1,844	\$1,611	\$1,726

## Average Sales Price per SF



## The Months of Inventory





Key Biscayne currently has 24 months of inventory. In quantity terms as of August 1st 2018 we have 30 condo properties listed for sale above \$3m. 50% of the luxury market (15 of these) are priced between \$3m and \$5m. Only 2 units of the 30 are priced over \$10m. Since Jan 1st 2018 to present we have seen 13 sales of which 7 have come from one luxury building - Oceana, which was built 2017 and is truly dominating the sales of luxury units on the island. The other sales come in the buildings of Ocean Club and Grand Bay.

Key Biscayne has a rather limited range of options in the luxury condo market. In the last 14 years only one new luxury condo was built, which is Oceana Key Biscayne, which as mentioned above dominates the luxury sales market for 2018, yet this is still selling on average at \$1,600 per sqft which is well below other 'beach front' luxury condo available in Miami.

After the 2015 peak we saw a steep decline in the average \$ per sqft Key Biscayne prices of luxury condos selling over \$3m. This also occurred in the highest \$ per sqft buildings which were considered 'ultra luxury'. Key Biscayne condos have been asking a very high \$ per sqft price in buildings that were essentially old compared to other condos in Miami selling at a similar \$ per sqft. As a result the buyers were just not seeing the value added benefit of being on the Key and pulled back. These condos don't have extreme large balconies, high ceilings or any other features, which are highly valued by buyers these days and readily available in other neighborhoods. Only Oceana has been able to pull in the higher end buyers willing to pay in excess of \$1500 per sqft. For buildings like Ocean Club and Grand Bay we are now seeing deals comfortably under \$1000 per sqft which for 'Beachfront' living very enticing compared to Miami Beach, notably South of Fifth where the same product would be 50% more expensive.



## ADVICE FOR BUYERS

With such highly motivated sellers asking around \$1000 per sqft for direct ocean facing, very large beach front condo units (such as 502 Grand Bay) This is the time to pick up a deal, as the market is soft but with limited inventory and space its just a matter of time before it bounces back.

If you are looking at the island to invest, I suggest you give me a call to discuss areas that are currently seeing higher rental values and appreciations.



## ADVICE FOR SELLERS

If you are an owner in Oceana Key Biscayne, obviously please call me! We continually get requests for quality units. If you are a seller of a unit in an older building like Ocean Club or Grand Bay and you need to get your unit moved in the next 6 months then get aggressive, very aggressive. If you are looking to sell, price your unit right and look for a realtor who knows how to reach the right bracket of buyers from around the globe to sell your unit. Marketing is everything and knowing how to present your unit to buyers with the potential for renovations or improvements could be the key to getting it sold - this could come in the form of staging with modern furniture or providing designer rendering with 'build out budgets' to secure confidence in the buyer and close the deal. Call me for further details.

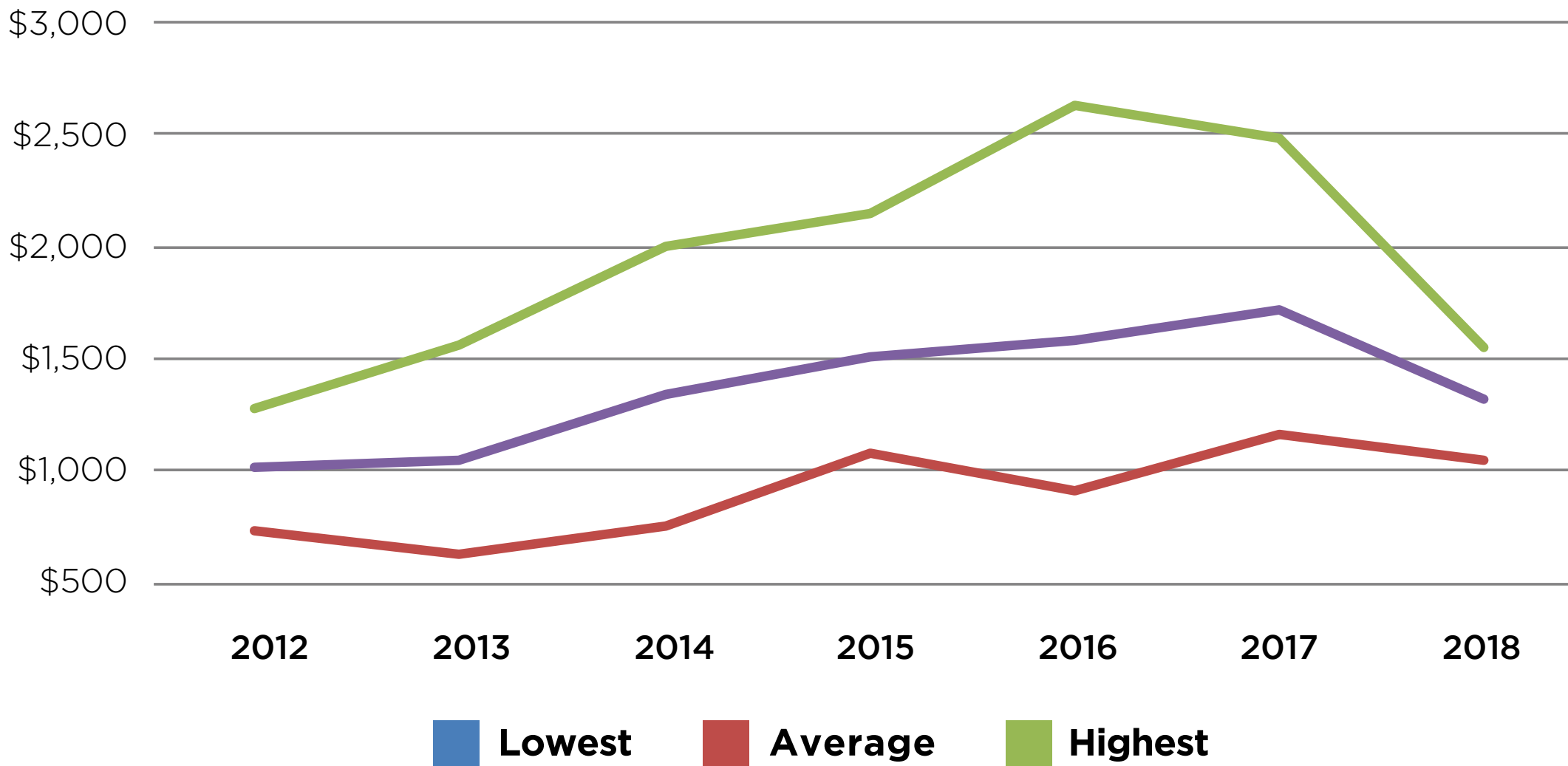




## Palazzo Del Sol Fisher Islands most expensive Condo.

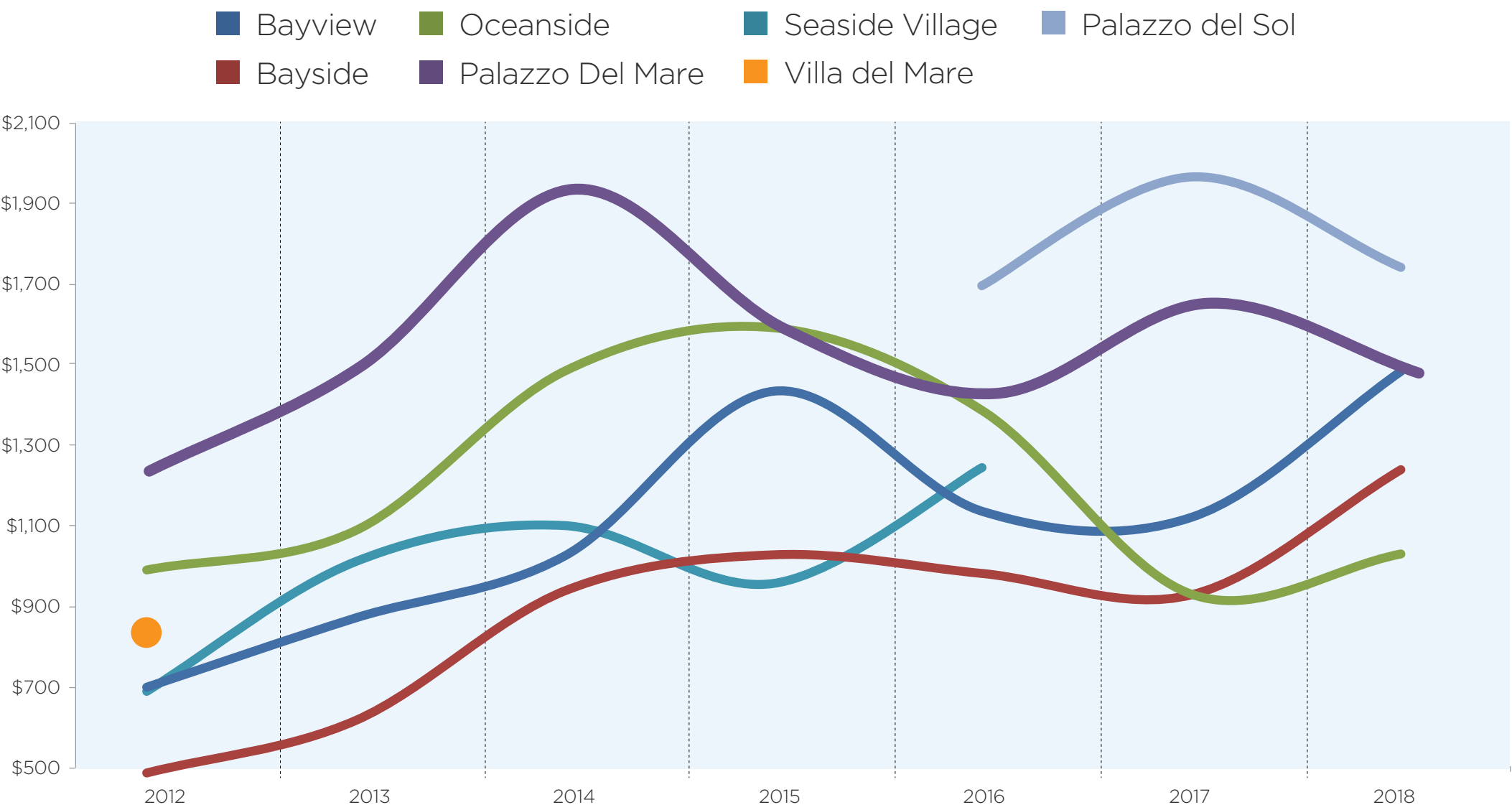
Asking as much as \$3,000 per sqft but actually closing at \$2,000 from historical data.

### The Lowest, Average and Highest Sales Prices per SF

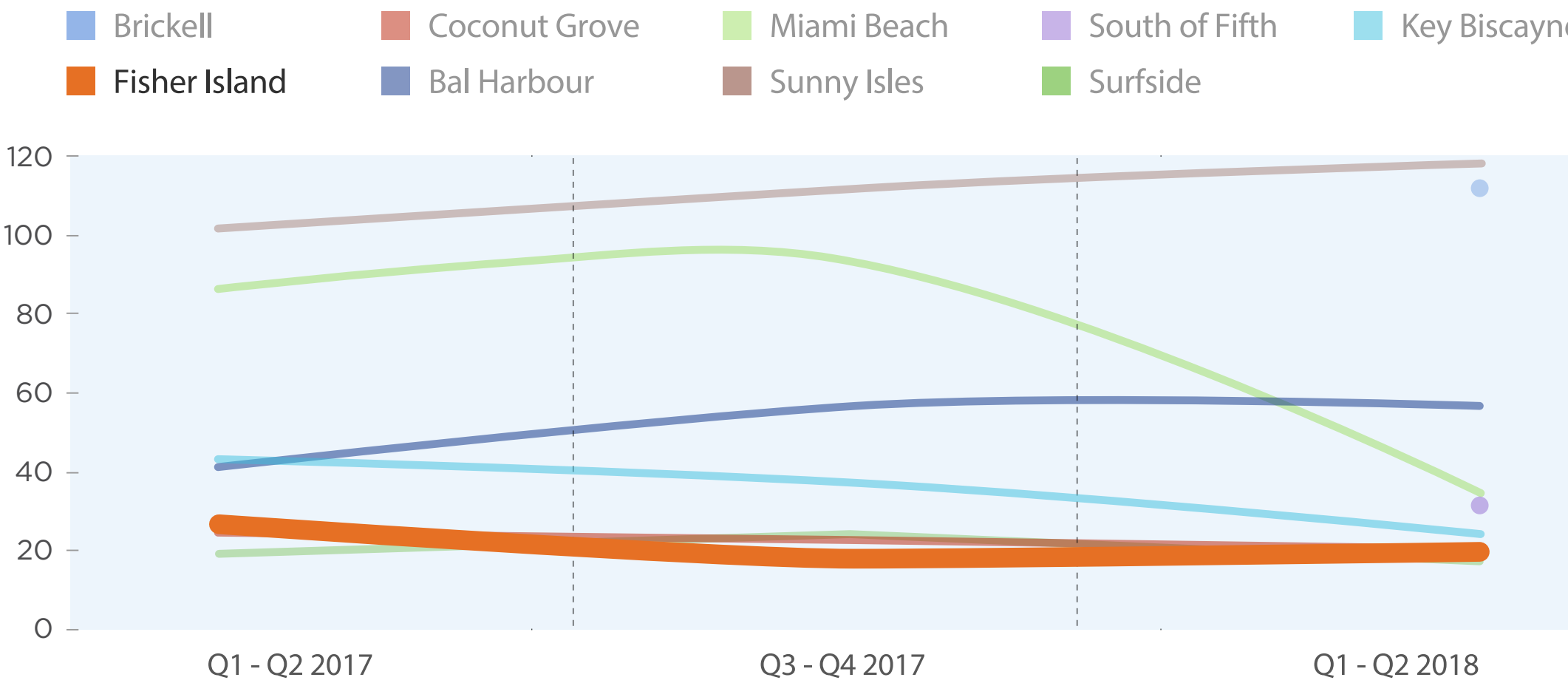


Sales Price per SF	2012	2013	2014	2015	2016	2017	2018
Lowest	\$752	\$641	\$765	\$1,091	\$922	\$1,174	\$1,053
Average	\$1,027	\$1,056	\$1,351	\$1,509	\$1,580	\$1,724	\$1,325
Highest	\$1,286	\$1,566	\$2,002	\$2,144	\$2,619	\$2,475	\$1,556

### Average Sales Price per SF



### The Months of Inventory





Fisher Island, the richest zip code in the US, is a unique market with almost only luxury properties. For such a small geographical space it has an inaudible number of luxury properties - there are currently 50 properties for sale over \$3m! Since Jan 1st this year to August 1st we have seen 12 sales and there are a further 7 pending deals all over \$3m. Interestingly enough the newest buildings don't necessarily dominate the condo sales at the top, there is a spread of older buildings that obtain very high sales priced units.

Inventory currently sits at 20 months which along with Coconut Grove and the very small neighborhood of Surfside on Miami Beach is the equal second lowest of all the Luxury condo markets and the closest to what we may consider 'supply demand equilibrium' i.e. neither a buyer nor sellers market'. This market also has seen price increases in the last few years mainly because of the sales of brand new luxury towers like Palazzo del Sol and Palazzo della Luna which set new standards. These two luxury condos are said (and I agree as I have seen the units) to be one of the best condos in all of Miami for those with a focus of developer delivered units with the very best finishes.

The Fisher Island market sees little competition from the wider Miami market. This island community is so unique due to its extremely private nature (you can only get there by ferry) that it does not encounter an cannabilization from other Miami neighborhoods. Its definitely a second home location with only around 20% of the residents staying on the island year around. These unit owners value privacy and anonymity above anything else. Even though this is not a primary real estate market, the market sees limited turn-over and those who buy here, buy to have a private retreat for their families to enjoy.

One trend worth mentioning that we are seeing today (specifically for investors) is that prices in the lower-end of the market have dropped (Properties between \$1M and \$3M) and with the new values these condos are very appealing to investors. They come in, buy them for attractive prices per sqft and remodel the units into much higher values.



## ADVICE FOR BUYERS

We are bullish on the Fisher Island condo market. The island offers limited space to build and there is enough demand from the market to live in America's most millionaire-dense zip code. Remodeling a lower-end unit into a luxury, high-end residence is what we are seeing as a successful trend these days, and is something you might want to consider (We have first hand experience on this with [Design Solutions](#) an experienced interior design group who have very successfully completed a number of Fisher Island condos). If you are looking to purchase a Fisher Island condo please contact me today for insider information about the best condos and to pay the right price.



## ADVICE FOR SELLERS

Fisher Islands market is pretty well balanced. Even with 50 units currently for sale in the luxury sector of fisher Island (over \$3m) there is typically going to be enough demand for your condo, which means that pricing and marketing your property right will bring a buyer but you need to work with an agent who can reach the right demographic buyer who likes the island. One category worth considering is marketing to the 'Ocean Reef' buyers market as this is quite interchangeable with Fisher Island. It is also not necessarily a good idea to chose an agent who only 'specializes, works and lives on Fisher Island' as this is limiting your reach dramatically. Look for the agent with a wider more holistic marketing strategy that reaches beyond the island. Please check out our [marketing techniques here](#) as they could prove very useful.

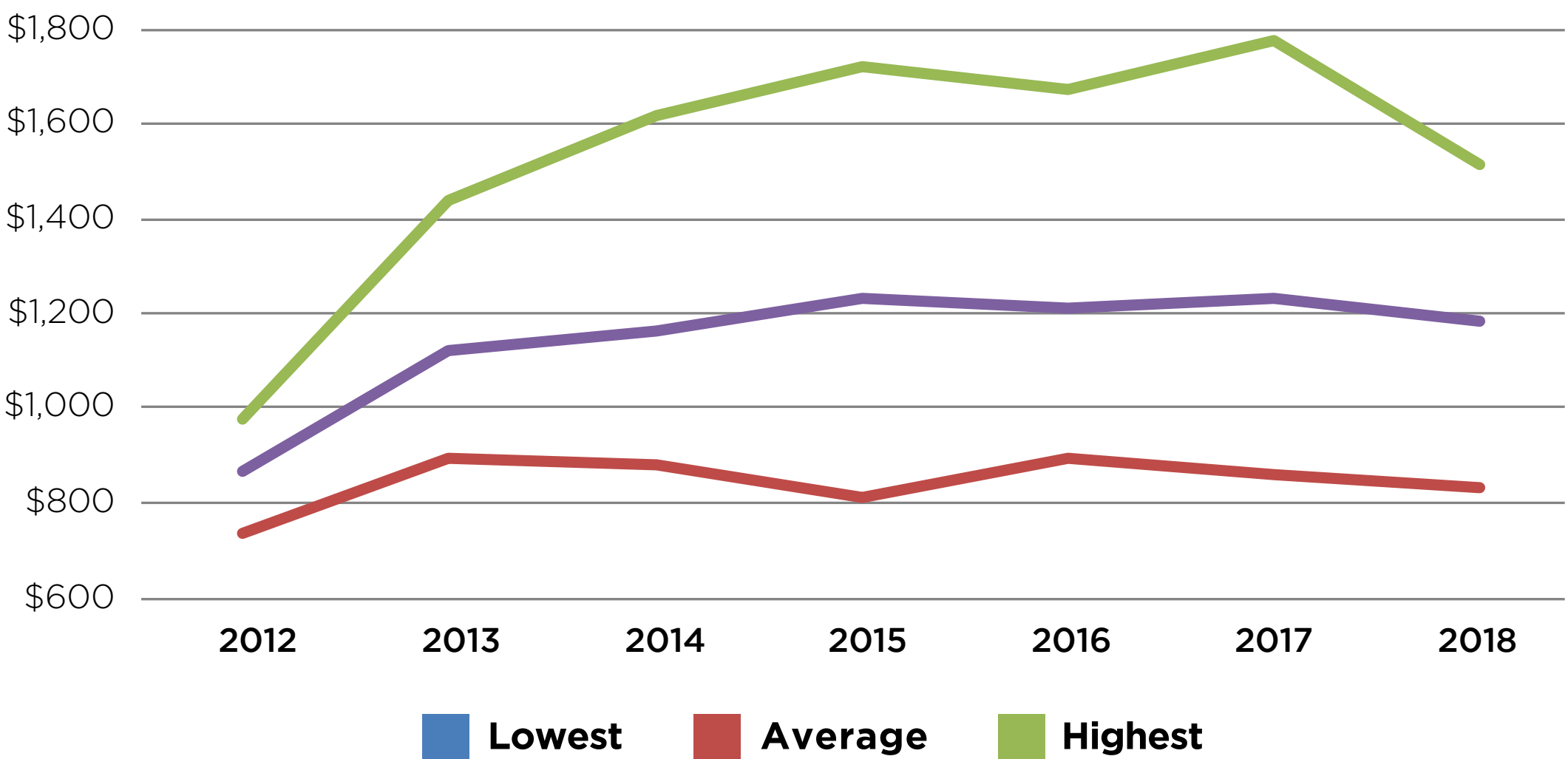




## Fendi Chateau

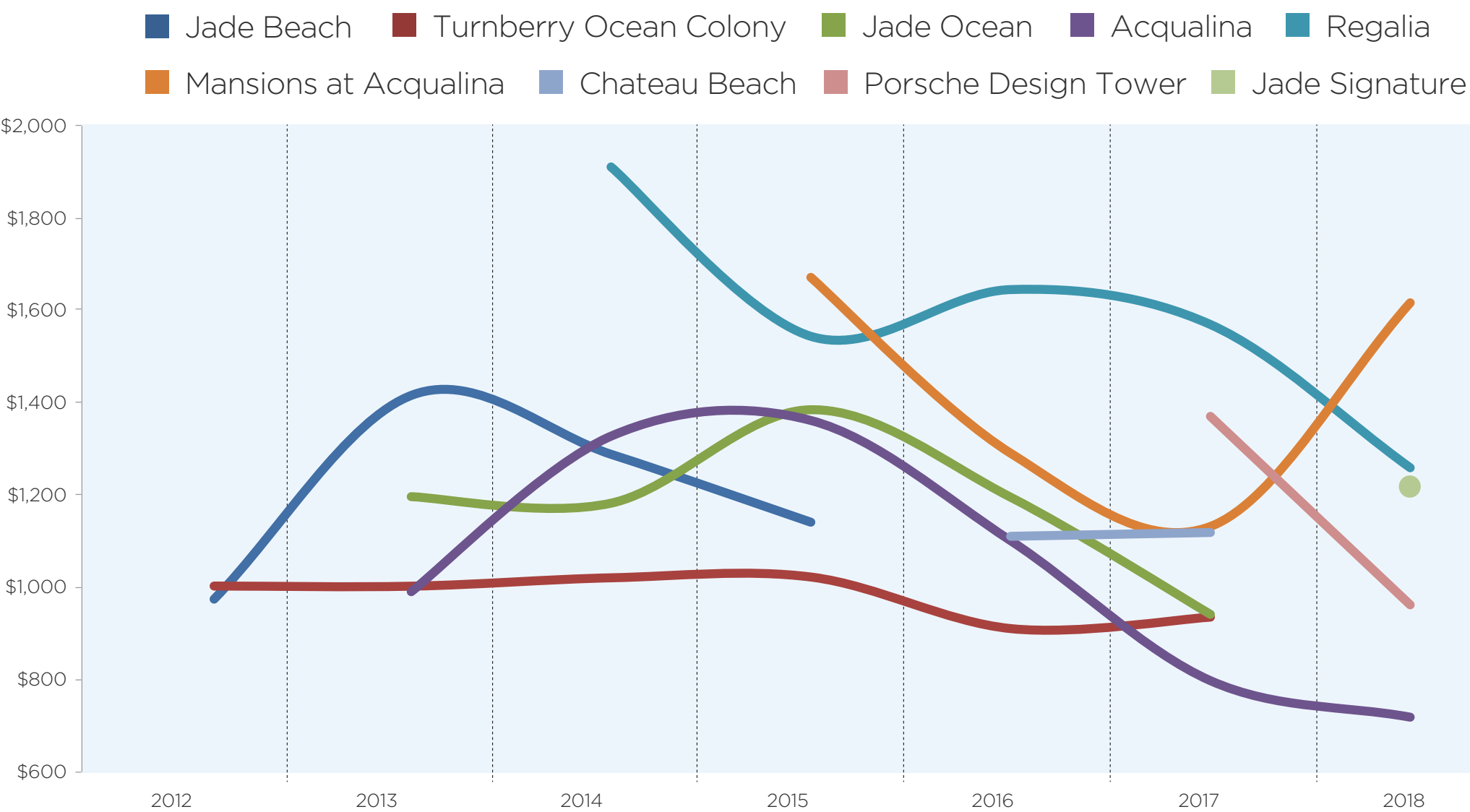
*If you are looking for luxury condos near Sunny Isles you might want to look at Surfside. Fendi Chateau is one of the new luxury condos in Surfside that delivered what it promised*

## The Lowest, Average and Highest Sales Prices per SF

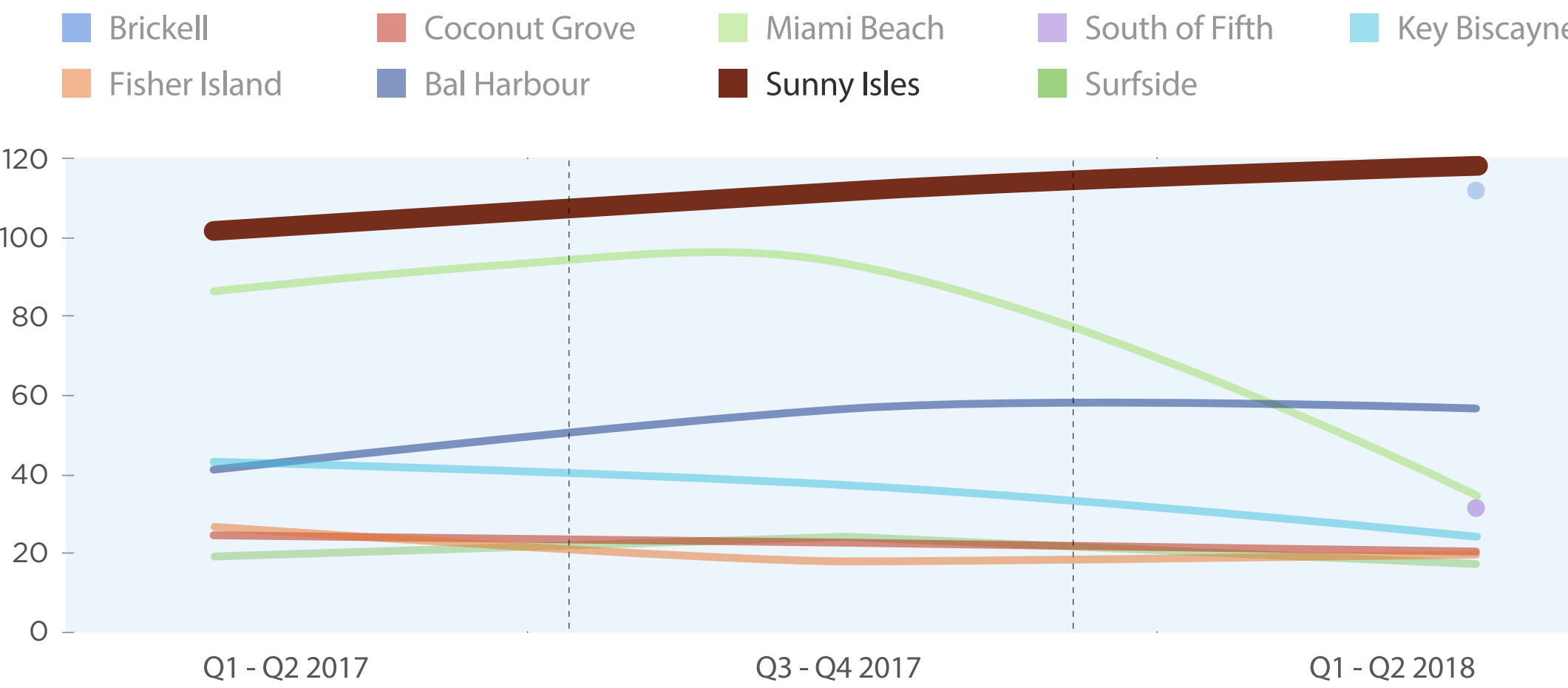


Sales Price per SF	2012	2013	2014	2015	2016	2017	2018
Lowest	\$736	\$889	\$876	\$806	\$890	\$856	\$827
Average	\$861	\$1,115	\$1,162	\$1,228	\$1,205	\$1,229	\$1,180
Highest	\$977	\$1,438	\$1,613	\$1,715	\$1,667	\$1,775	\$1,514

## Average Sales Price per SF



## The Months of Inventory





The Sunny Isles Beach luxury market has been soft for sales through 2018. Just 9 sales so far this year over \$3m and 2 pending up to August 1st 2018. Mansions of Aqualina and Porsche are the main two condos that feature multiple times in this list. There are no doubt a few others that may have sold in some of the remaining developer inventory for new condos in Sunny Isles. This is still a very small number considering as of 1st August there was a pool of 185 condo units available priced at \$3m or more. Breaking this down: 88 are priced between \$3m - \$5m. 78 are priced \$5m - \$10m and 19 over \$10m.

This market is typically made up of investors and second homeowners and to a much lesser extent end-users who occupy these condos as a primary residence. We have continuously and repetitively continued to tell our clients that these non-primary neighborhood markets are more sensitive to market corrections than neighborhoods where the majority of home owners live all year round. You will often find me referencing 3 different market types and their typical economic behaviour: 'investor' (the least robust), second home markets (the middle ground) and primary markets (the most robust)'.

One of the main reasons for this market's slowdown is that in the last condo boom many luxury condos in Sunny Isles were overhyped and were sold on what many consider over exaggerated, under delivered promises and features. 'The sky is the limit's is the mentality that was pitched in terms of stylistic and cutting edge condo construction. The pitch was strong and huge amounts were spent by developer on attracting international buyers. Buyers were displaying a "followers" mentality and following other high end buyers into the market with little question and the prices saw a rapid increase.

When these projects were finally delivered they were disappointing to many. Owners also expected to flip these units for elevated prices and therefore listed them right after they were delivered. The problem with this market is also that the demographic that was heavily buying into this market suddenly experienced currency or economic problems in their home countries, which resulted in a drop in demand from their side. With many new products and a limited base of buyers, inventory rapidly escalated. We saw properties reselling for \$4M while they were originally purchased for \$5,9M. That is a massive price drop and very revealing for the state of the market.

For more information or my personal (uncensored) opinion about the different Sunny Isles Beach condos, please contact me personally at 305.508.0899.



## ADVICE FOR BUYERS

If you are buying to make it your primary home, a second home owner, or an investor and really have an interest in the Sunny Isles market then I suggest you let us help you shop the market. There is a massive amount of inventory and without a doubt there are deals to be done with considerable discounted properties coming from very motivated sellers. Buyers must be careful though as there are a number of Condos being pushed as great investments with huge upsides and a level or unrivaled quality but this is just not necessarily true and buyers need to know which Condos are fragile economically. I don't like to give my specific opinions of Condos in reports (particularly the ones to avoid) so please call me in person to discuss.



## ADVICE FOR SELLERS

Inventory in Sunny Isles Beach is rocketing. With more than 100 months of inventory it will take the market about 8 years to absorb the current supply. On the demand side we see very little movement as properties are overpriced and not what they were expected to be. Waiting longer to sell will not make a big difference. In order to sell your property you have to price it at or slightly below market value. Many less educated owners still do not see that they need to lower their price, so owners who move quickly will have an advantage. For those who need to 1031 exchange or keep there money in Miami real estate for other reasons, use the money you get from your Sunny Isles Condo sale to put into other markets where you might be able to recoup any losses - mid to low price range (\$1m - \$1.5m) primary single family home markets like Coconut Grove or Coral Gables where property values are still and gradually going up.

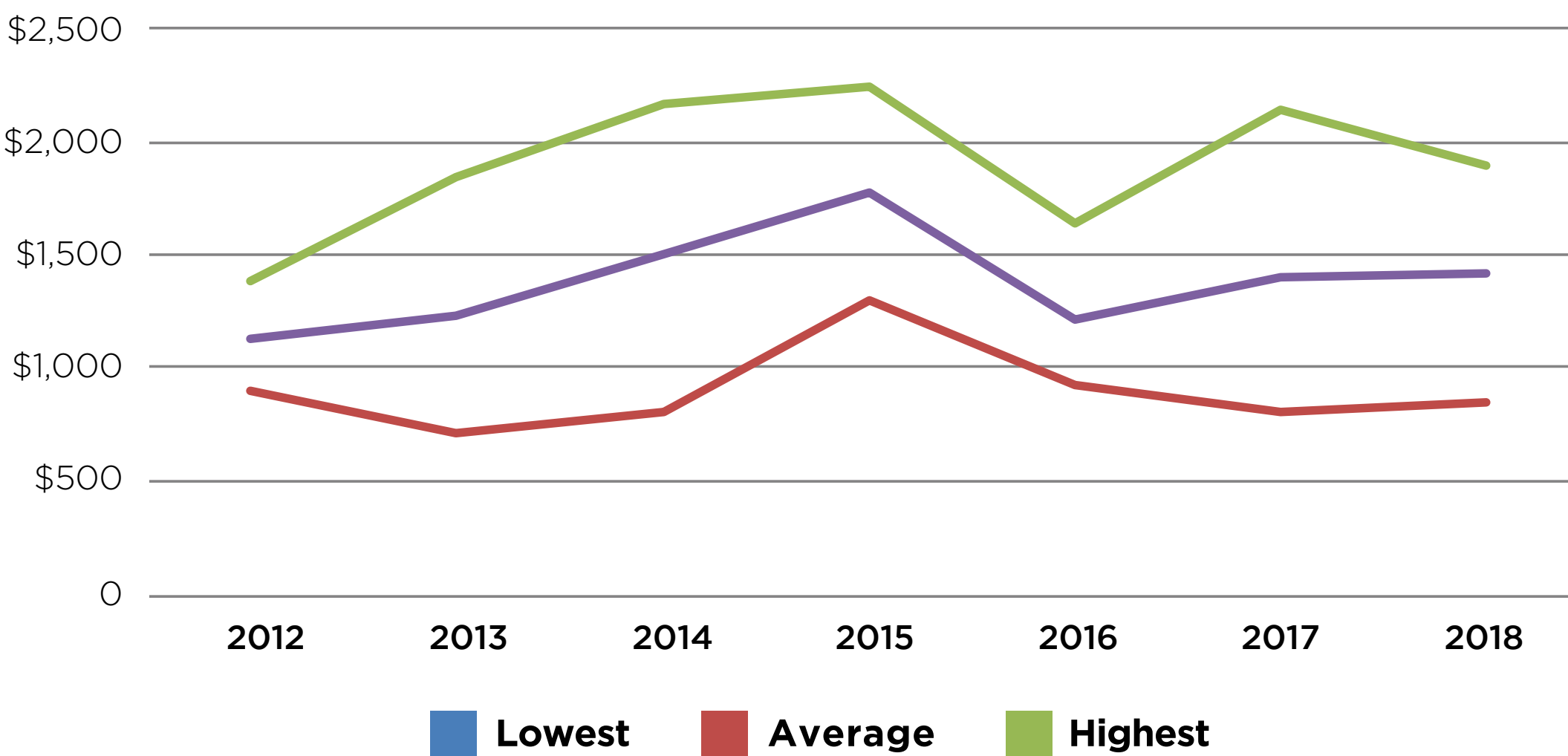




## Oceana 1701S

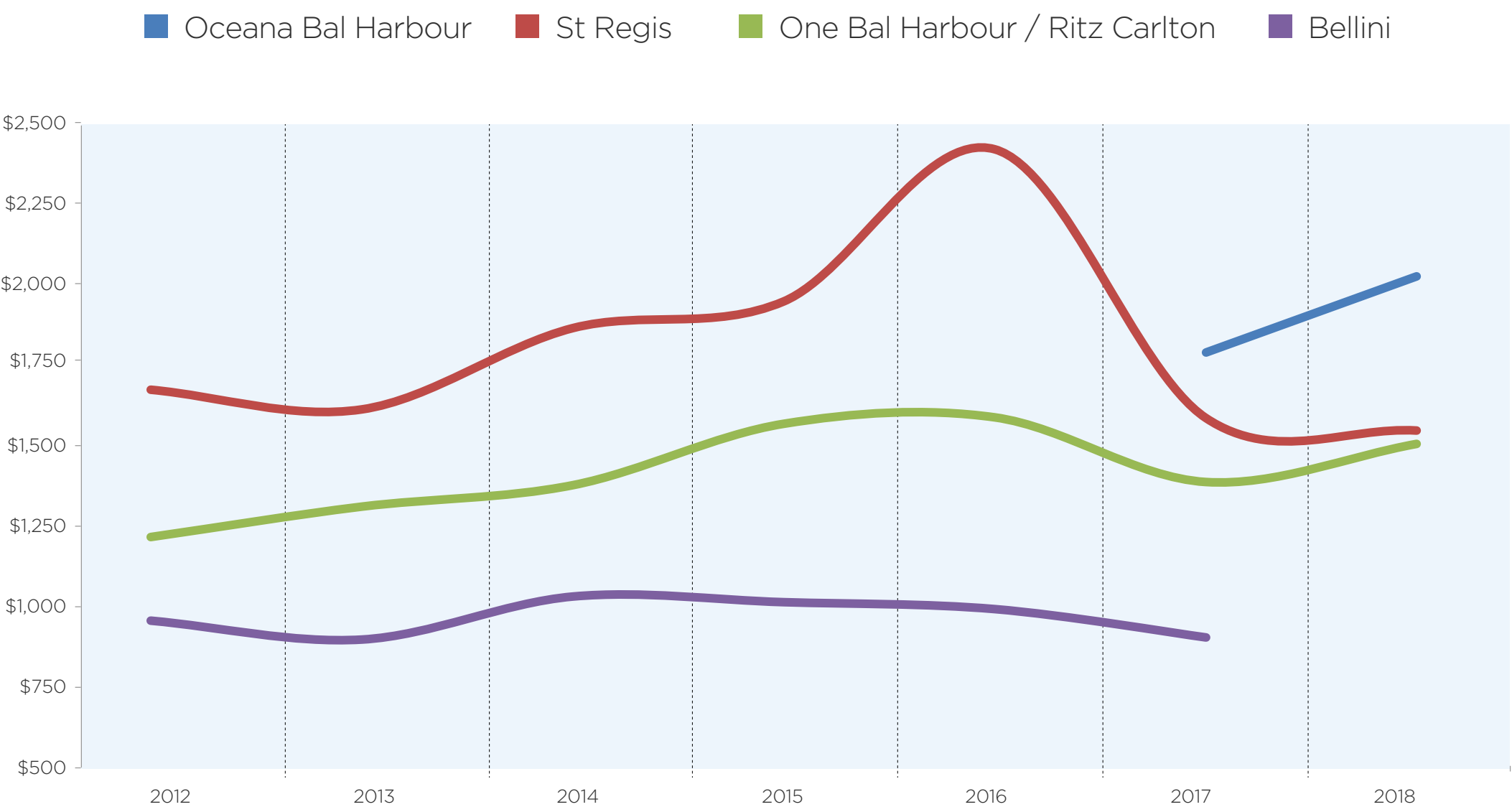
Oceana is the newest of Bal Harbours luxury condos.  
Pocket deal by the David Siddons Group. Call for the price.

## The Lowest, Average and Highest Sales Prices per SF

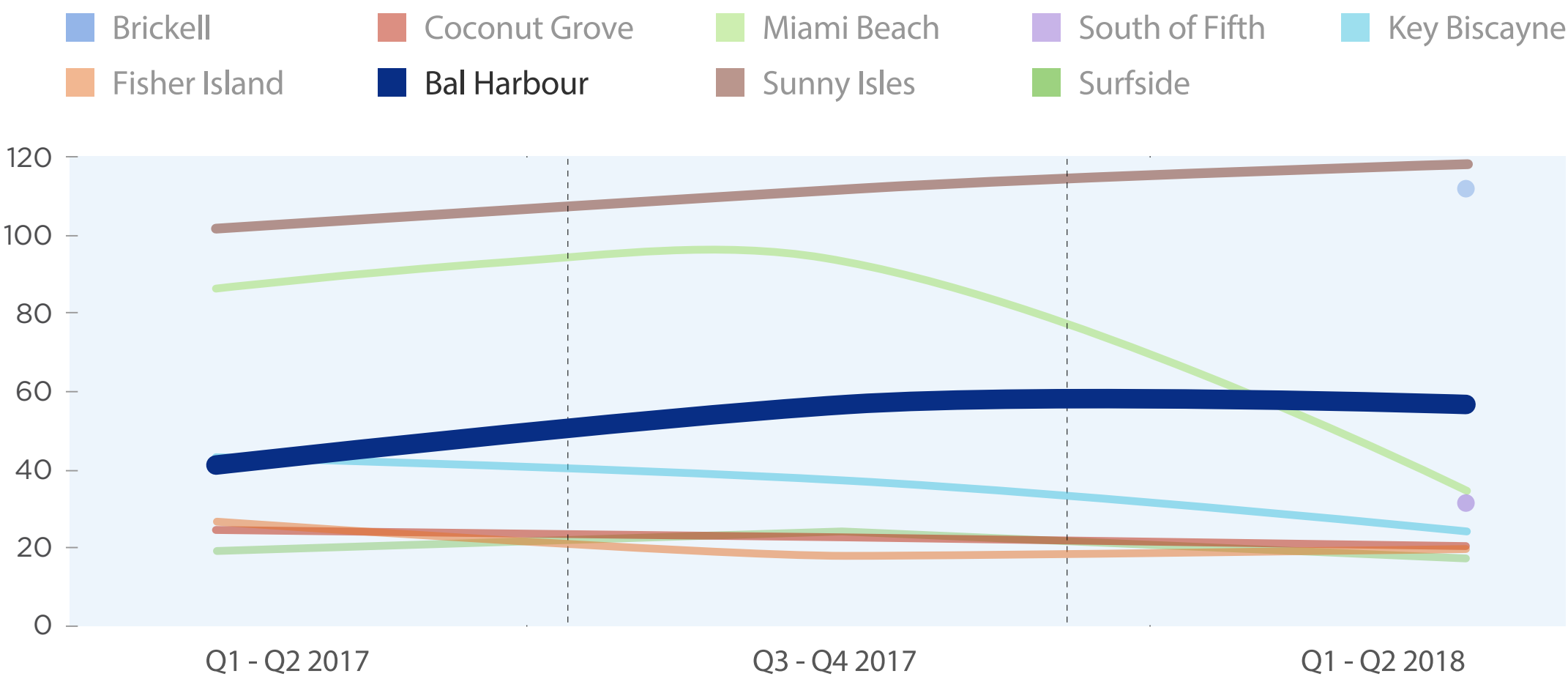


Sales Price per SF	2012	2013	2014	2015	2016	2017	2018
Lowest	\$937	\$746	\$835	\$1,340	\$956	\$834	\$884
Average	\$1,168	\$1,269	\$1,548	\$1,820	\$1,249	\$1,445	\$1,458
Highest	\$1,426	\$1,885	\$2,214	\$2,293	\$1,686	\$2,188	\$1,942

## Average Sales Price per SF



## The Months of Inventory





When discussing the Bal Harbour luxury market it is essential to know that there are only a handful of luxury condos available in this neighborhood (far fewer than we see in other neighborhoods like Miami Beach, South Beach or Sunny Isles). The luxury condos are: St Regis, One Bal Harbour, Bellini and Oceana. With that said it is important to say that this small neighborhood works in conjunction with other sections of the beach and buyers generally won't discriminate their buying behavior from one part of Miami Beach to the next, most notably from Surfside which is 1/4 mile to the south.

Understanding this neighborhood's buyer and seller behavior is best understood by the demographic profile. Bal Harbour has always been strongly supported by foreign investors who bought luxury condos as a second or third 'vacation home'. Many of these investors come from countries that currently have challenged economies and currencies, which in turn may have potentially caused a softening in 2017.

Oceana Bal Harbour is the newest addition to the neighborhood but there are limited sales (less than 3 units are sold) so we have to be careful not to make sweeping assumptions.

Much like Sunny Isles, Bal Harbour as mentioned is not a primary market. Many people buy in Bal Harbour for their second home and this has become a legitimate problem in an overheated market. Signs of an overheated market (high levels of inventory and high asking prices, which result in long periods on the market) combined with a soft rental market (high levels of rental inventory) typically result in more immediate and aggressive downward behavior compared to primary markets (where the majority of homes are a primary residence). Contact me for my personal and unfiltered opinion about the different condos in Bal Harbour.



## ADVICE FOR BUYERS

Bal Harbor is not an investment play neighborhood right now, it is more a second home play, which you chose because you like the area. You might also consider neighboring Surfside. This is fast emerged as a new luxury area for Miami Beach with luxury condos such as Eighty Seven Park (Still Miami Beach but very very close) and Fendi, which has justifiably delivered some record breaking sales. Statistically, we have seen 15 sales over \$3m in the neighborhood of Bal Harbour. Expect to pay between \$1500-\$2000 per sqft for one of the top 2 Bal Harbor condos: St Regis or Oceana or economize with Bellini at just under \$1000 per sqft. Definitely consider: Fendi and 87 Park.



## ADVICE FOR SELLERS

The Bal Harbour market is seeing less demand than before. As mentioned before, other Miami areas have emerged that are now offering a superb lifestyle and high-end condos. If you want to sell your Bal Harbour luxury condo, you have to sell at an attractive market price. As you can see most luxury condos have seen a loss in value after the 2015 peak. Also make sure you have an agent with national and international outreach. Marketing your unit only to a Miami-base of realtors and buyers will not do the job anymore, especially when you are dealing with a particularly broad base of potential buyers.