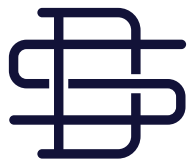


2019 / 2020 MIAMI REAL ESTATE FORECAST



David Siddons
"Miami's #1
Real Estate Analyst"



**DAVID SIDDONS
GROUP**

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Dear readers!

Welcome to the 2019 Miami Real Estate Forecast. I hope you enjoy reading this as much as we enjoyed piecing it together. It is a labor of love that took over 3 solid months to prepare and went through several revisions and updates before being published.

Forecasting any market is incredibly difficult and many experts will tell you that forecasting more than 3-6 months ahead in a general real estate market is nearly impossible. Our reports however are not general, but hyper focused on local communities and neighborhoods then further divided by different price brackets. Our forecasting also comes with the twist of combining balanced and 'grass roots' social narrative with well researched and key analytics. Thirdly we focused on probability, not cast iron certainty, by way of the 'Economics Health Indicator', that give a very accurate and immediately understandable reading on the robustness of the market. But I will come back to that in a second!

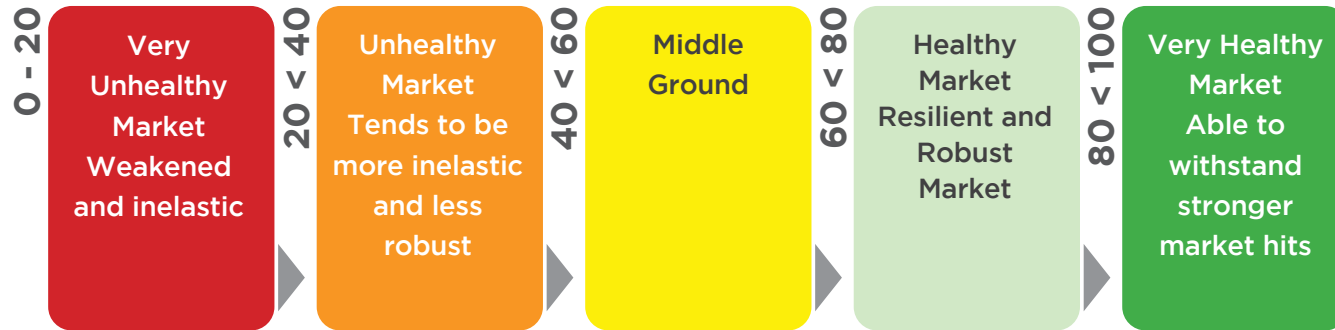
My team writes blogs on a weekly basis while simultaneously being on the ground handling buyers and sellers every day, leading to great insights and market information. All too often the 'brokerage house' reports give arbitrary information that does not tell you which way to act. It's written by researchers and not agents, and that's the route of the problem; it is unable to read the patterns and behaviors, because it does not know the people directly, so it has trouble recognizing their patterns of behavior.

THIS IS A TOTALLY DIFFERENT KIND OF REPORT. We provide advice for both buyers and sellers and of course in addition to this have provided you with 6 key forecast bullet points (or more) per neighborhood making it easier to get a sense of the behavioral and psychological landscape. Cross reference this with the tables of information and numbers and you are going to gain clarity on where we are in the economics cycle, what to do and when to do it. Further layer this by staying up to date with our weekly blogs on the site: www.luxlifemiamiblog.com and you have a solid blue print for the year ahead.

The **Economics Health Indicator** was a brainchild idea of mine created from the need to simplify (without diluting) the explanative processes holding together a neighborhood's performance. Buying and selling comes with risk, and what I discovered was that if I combined key indicators together and balanced them precisely I could tell how healthy or sick a particular market was. In short I was able to build a better scoreboard to read the market with. As the Warren Buffet saying goes: *"If you cannot read the score board, you won't know the score and if you don't know the score you cannot tell the difference between the winners and the losers!"*.

Much in the same way your doctor or performance coach can asses your health: blood pressure for stress, blood test for immunity, body fat levels and diet for metabolism, heart rate and Vo2 max for aerobic fitness so we learned how to asses the health of the neighborhood. Is your neighborhood fit or is it sick and about to go into 'Economic Cardiac arrest' with values dropping like a stone?

These are a few of the indicators we use:



Months of inventory

The No.1 and most heavily weighted indicator in the overall equation to measuring the local economic real estate health. Think of this like your metabolism and the effects of overeating. If you burn off what you eat, you obviously won't get obese and won't suffer related health issues of obesity. The condo market recently got bloated with the over production of condos in places like Brickell and Edgewater. This resulted in excess supply above what the market could absorb (digest), which in turn slowed down the market considerably and caused prices to drop.

Homesteaded properties to non-homesteaded properties or Rental to Ownership Ratio

When markets are primary they are typically inhabited by owners who live in the area all year round. When the wider economic markets move down, these owners are less likely to change their lifestyle and suddenly sell. Their lives are structured around their homes (schools, friends, work etc) and they are more likely to weather the economic storm before unsettling their families. In short, they are more immune to negative economic change. Investors and second home owners on the other hand will view their properties as assets or liabilities and if the economy shows negative behavior they are more likely to simply sell and move to a better investment class. This is akin to our immune system. Primary markets have a much better immunity to negative market change than rental or secondary markets.

Price per SqFt values off baseline

When we track an economic cycle we can see previous performance including previous lows within a market. Naturally markets move up over long periods of time; inflation, population growth and improved construction ensures a gradual rise of property values over several decades, but with correct analysis we can get close to predicting the baseline values where it's unlikely values will drop below. If buyers in a downmarket can track back to previous lows in the last economic cycle they can rest assured if they buy at this level they will be buying at the cheapest possible point. This could be considered the baseline heart rate.

A final note...

You won't see us ever talk in general terms. Miami is a city of variety and you are going to see a huge variance of performance across the various neighborhoods and price sectors. We cover both condos and single family homes across 10 different neighborhoods each with 5 different price sectors; That's a total of nearly 60 different markets! The housing markets you will see are performing to various degrees of success. Compare this to the condo market and you will see some stark differences even within the same neighborhood! You will also notice that a number of markets are not scoring high, but one thing we can be pretty sure of is that Miami is a highly desirable place to live and it always bounces back. It's often said that more money can be made in a down market than an up market. In 2019, in particular for the condo markets, we will see wise investors or buyers 'vulturing' incredible deal at 30% or even 40% below original listing price. Make no mistake though, just because some markets are down does not mean you should ignore them, especially as they reach a baseline price that could represent the bottom of the market.

Please enjoy the report and remember this is an opener to a more detailed conversation around your particular wants and needs, so once you have read this, pick up the phone and call me for a one on one chat!

Single Family Homes

Neighborhood	\$500K - \$999,999	\$1M - \$1,449,999	\$1.5M - \$1,999,999	\$2M - \$2,999,999	\$3M +	Average Neighborhood
Coconut Grove	70	70	70	65	63	68
Coral Gables	66	64	55	53	45	57
Pinecrest	70	63	49	55	40	55
Key Biscayne	n/a	66	53	51	35	51
Miami Beach	63	56	53	39	44	51

Condos

Neighborhood	\$500K - \$999,999	\$1M - \$1,449,999	\$1.5M - \$1,999,999	\$2M - \$2,999,999	\$3M +	Average Neighborhood
Key Biscayne	44	42	38	38	38	40
Sunny Isles Beach	28	22	23	20	18	22
South of Fifth	48	39	44	35	43	42
Bal Harbour	34	43	40	30	21	34
Miami Beach	35	28	33	27	24	29
Fisher Island		61		63	39	54
Coconut Grove	64	63	63	56	41	57
	\$350K - \$499,999	\$500K - \$749,999	\$750K - \$999,999	\$1M - \$1,999,999	\$2M +	Average Neighborhood
Brickell	39	39	32	30	24	33
Edgewater / Downtown Miami Condos	39	35	23	27	25	30

Coral Gables Homes

- Families will continue to make the Gables a primary buying choice over all other Miami neighborhoods (especially relocating families) and it will remain one of the best performing single-family markets for 2019.
- Sadly, the market will not be immune to the fact that we are at the end of the economic cycle. In general we won't see much in the way of appreciating average property values and markets will probably remain stable and stay just above inflation - apart from the Sub \$1m market which could still see some increases.
- The lower and mid sections of the markets are strong and will remain strong throughout 2019. The higher end will however soften.
- In the \$2M - \$3M range we do not have an excess in inventory, but buyers are more hesitant to make decisions so this market may appear soft. Expect a bigger margin of negotiation as differences in asking price per sqft to sales price per sqft is well over that of 2018, the end result is days on the market will likely increase.
- In the high-end (\$3M+) market we will see some softening and you can expect some solid negotiating power. This market will not be appreciating.
- The best time to sell will be between March and June/July.
- Interest rate changes mid year will potentially slow down home purchases, particularly for the buyers in the market of \$1.5M - \$2M. \$1.5M and below won't be affected much because there is such a lack of inventory.

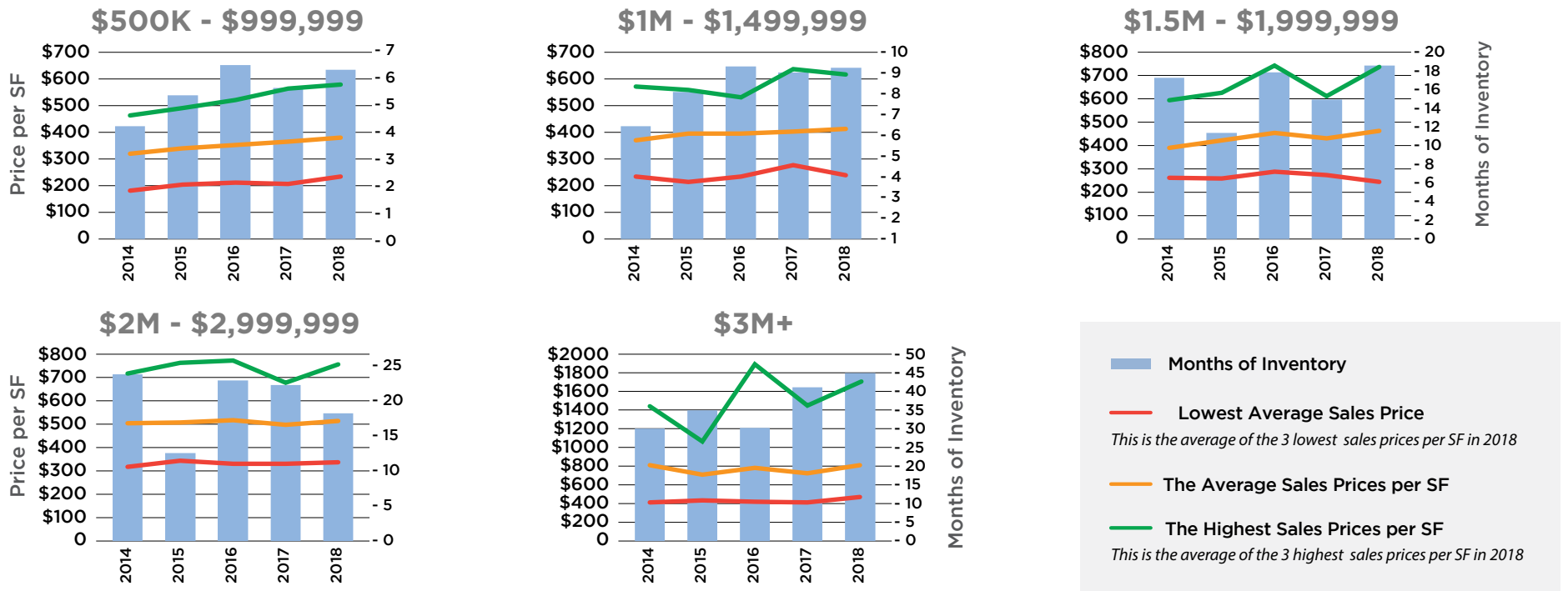
ECONOMIC
HEALTH SCORE

57

Sales Data

	\$500K - \$999,999					\$1M - \$1,499,999					\$1.5M - \$1,999,999					\$2M - \$2,999,999M					\$3M+				
	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change
Registered Sales Transactions	235	250	↑	207	↓	100	85	↓	87	↑	48	47	↓	50	↑	36	37	↑	39	↑	43	29	↓	35	↑
Average Sales Prices per SF	\$356	\$367	↑	\$384	↑	\$398	\$407	↑	\$418	↑	\$456	\$432	↓	\$465	↑	\$518	\$498	↓	\$514	↑	\$785	\$727	↓	\$810	↑
Difference between Listings & Sales Prices	-4.2%	-4.4%	↑	-4.7%	↑	-6.0%	-7.3%	↑	-5.7%	↓	-6.3%	-7.3%	↑	-8.0%	↑	-7.3%	-7.5%	↑	-8.5%	↑	-7.7%	-8.8%	↑	-9.5%	↑
Current Listings	-	-	-	98	-	-	-	-	69	-	-	-	-	52	-	-	-	-	58	-	-	-	-	107	-
Average Price per SF of current listings	-	-	-	\$397	-	-	-	-	\$462	-	-	-	-	\$520	-	-	-	-	\$594	-	-	-	-	\$1,078	-
Number of Pending Sales	-	-	-	31	-	-	-	-	9	-	-	-	-	4	-	-	-	-	3	-	-	-	-	6	-

Price per SF and Inventory in Months



Economic Health Score

\$500K- \$999,999	\$1M - \$1,449,999	\$1.5M- \$1,999,999	\$2M - \$2,999,999	\$3M+	Average Neighborhood
66	64	55	53	45	57

Advice for Buyers

We will see better deals this year for Coral Gables waterfront homes. This might be a good moment to find value in this market. The general market is stable, but the luxury-end of the market seems to be leveling off and we will see more discounts in this market.

Despite this, you should not expect to get the same deals in the Gables as in other markets. Recognize that this is a primary and very strong market; so offering 30-40% below original asking price won't bring you any luck (unlike the Condo market where it could).

Acknowledge case-by-case scenarios: Old Spanish homes or more dated large estate homes will be more negotiable (as they are fast losing favor with many buyers) than the brand new or well renovated properties of which there still seems to be a shortage of supply. We are going to see far fewer newer homes on the market this year, so recognize that very well finished, or fully renovated homes in prime locations are still going to command a top dollar and receive due focus.

Advice for Sellers

If you are a seller **bring your property to market now**, as this is the prime moment to sell. Older homes including Mediterranean and Spanish-Style homes are harder to sell. Recognize that the homes with more dated finishes are harder to sell because many relocating buyers are too inexperienced to get into a Reno project, in comparison to the newer more 'turn key' homes on the market, which are ready to go and provide certainty.

A strong focus should be on relocating families from the North East of the US as the tax implications are driving the largest number of these buyers into our market. We know how to target this category of buyers very effectively so call me for advice in this specific area - **Also see our relocation guide and videos.**

The luxury end of the market is soft (over \$3m). Keep this in mind when selling your home. Homes in gated communities seem to be faring better with more sales compared to sales outside of gated communities, so recognize the level of negotiations that are happening within the market - it's higher than you may think. Again, call me for specifics on that.

Do not get caught up in pricing your home according to other active listings. There is a lot of overpriced active listings out on the market right now.

Coconut Grove Homes

- We expect a continued stable, if not strong, sub \$1M market. It will remain increasingly difficult to buy into this market, as there is VERY VERY limited supply.
- The sub \$2M market will remain stable assuming we avoid extreme interest rate spikes and/or sizeable national or global economic movements.
- The \$2M - \$3M home market will soften as it will in all other markets, but less so. The very luxury market of \$3M+ homes will experience a slow down as well, which is atypical in other markets apart from waterfront, which is extremely limited.
- There will be continued lack of new product within the Coconut Grove market. This market is very dry up till \$3M.
- Higher construction costs and zoning law tightening will further slow the construction of new homes.
- We won't see any record breaking sales this year, although we will still see some very strong sales due to the unique nature of this primary market with highly desired homes.
- We will see a lack of rental product for single-family homes. The rental market is seeing a low inventory due to Airbnb rentals and increased demand for rentals by buyers who cannot find their dream home and decide to rent for a year.
- We will continue to see the Grove and the Gables as the best performing market for homes in 2019. They will continue to outperform other market also in the luxury market.

ECONOMIC
HEALTH SCORE

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Sales Data

	\$500K - \$999,999					\$1M - \$1,499,999					\$1.5M - \$1,999,999					\$2M - \$2,999,999M					\$3M+				
	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change
Registered Sales Transactions	82	59	↓	59	-	36	37	↑	37	-	13	26	↑	22	↓	19	22	↑	24	↑	12	16	↑	14	↓
Average Sales Prices per SF	\$426	\$415	↓	\$438	↑	\$434	\$437	↑	\$459	↑	\$446	\$473	↑	\$497	↑	\$510	\$540	↑	\$535	↓	\$785	\$685	↓	\$843	↑
Difference between Listings & Sales Prices	-4.8%	-4.6%	↓	-5.8%	↓	-8.5%	-7.6%	↓	-6.4%	↓	-7.3%	-7.2%	↓	-7.8%	↑	-7.2%	-7.9%	↑	-6.6%	↓	-12.3	-10.6	↓	-10.8	↑
Current Listings	-	-	-	44	-	-	-	-	33	-	-	-	-	41	-	-	-	-	47	-	-	-	-	26	-
Average Price per SF of current listings	-	-	-	\$482	-	-	-	-	\$506	-	-	-	-	\$517	-	-	-	-	\$619	-	-	-	-	\$1,007	-
Number of Pending Sales	-	-	-	7	-	-	-	-	4	-	-	-	-	5	-	-	-	-	2	-	-	-	-	1	-

Price per SF and Inventory in Months



Economic Health Score

\$500K- \$999,999	\$1M - \$1,449,999	\$1.5M- \$1,999,999	\$2M - \$2,999,999	\$3M+	Average Neighborhood
70	70	70	65	63	68

Advice for Buyers

The sub \$1M and \$1.5M market has a definitive lack of product. If you are looking for anything under \$1M and nothing really 'turnkey' expect a renovation project or again move your focus to the cheaper sections of Coral Gables. Call me for the specifics of what those areas are

Brand new homes or larger homes over 4,500 SqFt are in scarcer supply and due to higher construction costs and zoning laws this will only become more challenging to find. Most of the inventory sits between \$1.5M and \$2.5M with just a small amount over \$3M. I do keep a solid book of 'off market' properties, so please call me for details of those.

The higher end of the market (\$2M+) will experience some softening, which will present better opportunities for buyers.

Advice for Sellers

Homes over \$1.5M will sit longer on the market or go unsold, if sellers are not aggressive or right on point with their pricing. Older homes and homes in need of updates will also turn off potential buyers and will end up sitting on the market for a much long period of time if not priced close to the true market 'sales price'. Poorly or incomplete finished spec homes will suffer as well due to the more discerning and careful buyers we are seeing in 2019.

A strong focus should be on relocating families from the North East of the US as the tax implications are driving the largest number of these buyers into our market. We know how to target this category of buyers well, so call me for advice in this specific area.

Don't expect to bring your property to market and sell within 2 weeks. Buyers are more hesitant than they were last year due to a number of national economic and political uncertainties. Even though this is one of the strongest markets, we will see more hesitation and cautious acting buyers, who won't run in at full price. Do not ask for more than 3% to 5% above market value to ensure your home does not sit on the market for months. The good news is that there is a good amount of liquidity out there and the buyers are present.

We next the luxury market to tread water for the next 12-16 months but the lack of supply should ensure no serious downturns.

Also see our [relocation guide and videos](#).

Coconut Grove Condos

- Through 2019, the Grove \$2M+ resale condo market will continue to be soft. Grovenor House and Grove at Grand Bay will make up the majority of sales for the year.
- Park Grove is seeing the most amount of product movement and more deals will happen in Tower 1. The very high-end condos in the second tower will see some corrections as it will experience competition from the soon to be delivered One Park Grove.
- Park Grove Tower 1 (One Park Grove) will continue to gain favor and dominate the luxury spot as the best luxury condo in Coconut Grove.
- There will be a tight supply of lower-end construction condos in the Grove.
- There will be a continued short supply of high quality, new townhomes in Coconut Grove.
- I predict the Grove will re-strengthen before any other neighborhood. Especially in light of the urban and retail development of Cocowalk in 2020.
- Park Grove Tower 1 and Fairchild will be finished by the end of 2019/ spring 2020 which will set a new ceiling in terms of high value Condos in Coconut Grove.

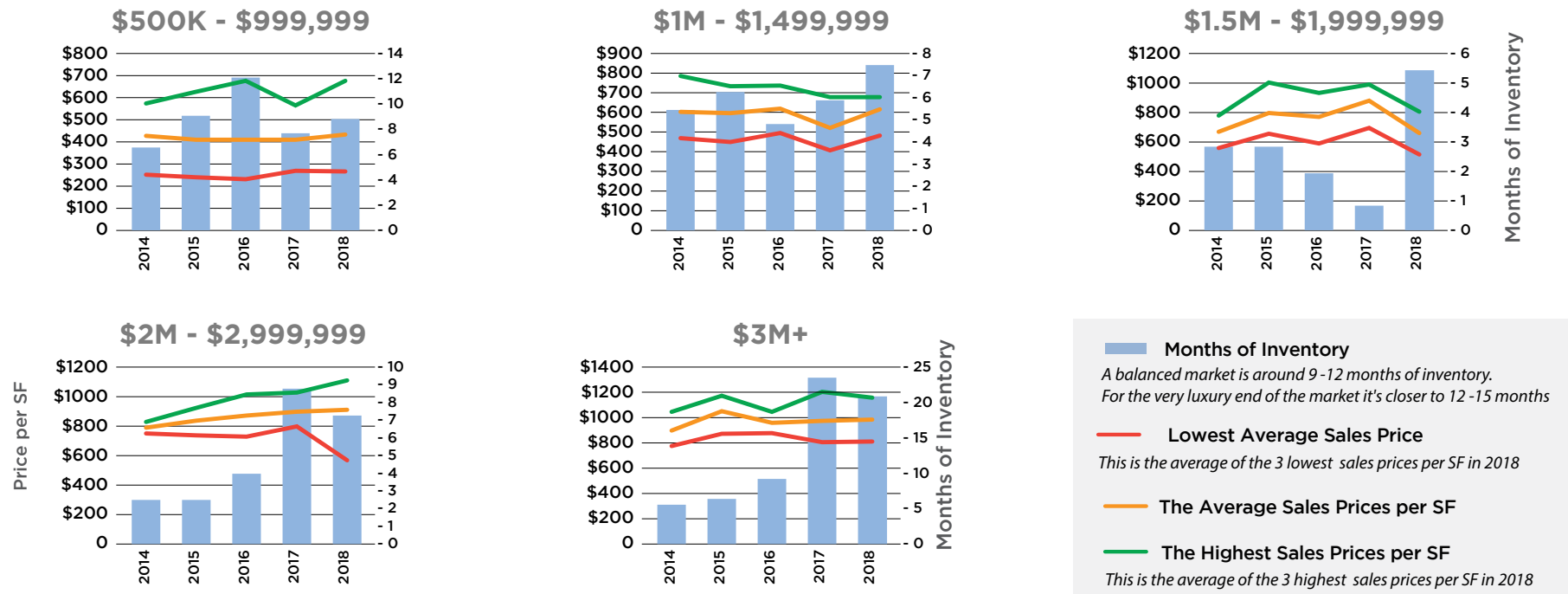
**ECONOMIC
HEALTH SCORE**

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Sales Data

	\$500K - \$999,999					\$1M - \$1,499,999					\$1.5M - \$1,999,999					\$2M - \$2,999,999M					\$3M+				
	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change
Registered Sales Transactions	49	43	↓	51	↑	10	16	↑	11	↓	9	3	↓	6	↑	2	3	↑	12	↑	5	11	↑	6	↓
Average Sales Prices per SF	\$409	\$413	-	\$439	↑	\$621	\$541	↓	\$641	↑	\$764	\$876	↑	\$656	↓	\$877	\$902	↑	\$917	↑	\$958	\$970	↑	\$981	↑
Difference between Listings & Sales Prices	-4.6%	-6.0%	↑	-5.2%	↓	-5.5%	-7.5%	↑	-8.2%	↑	-2.9%	-5.1%	↑	-9.6%	↑	-1.0%	-5.4%	↑	-10.2%	↑	-10.2%	-12.5%	↑	-9.2%	↓
Current Listings	-	-	-	79	-	-	-	-	34	-	-	-	-	20	-	-	-	-	14	-	-	-	-	48	-
Average Price per SF of current listings	-	-	-	\$525	-	-	-	-	\$712	-	-	-	-	\$889	-	-	-	-	\$994	-	-	-	-	\$1,228	-
Number of Pending Sales	-	-	-	6	-	-	-	-	4	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-

Price per SF and Inventory in Months



Economic Health Score

\$500K- \$999,999	\$1M - \$1,449,999	\$1.5M- \$1,999,999	\$2M - \$2,999,999	\$3M+	Average Neighborhood
64	63	63	56	41	57

Advice for Buyers

This is the time to make offers, you will be surprised. Of course this isn't a market like Brickell or the urban core, but more favorable opportunities exist than in the last years. This doesn't apply to the more luxurious condos at **Park Grove** (Specifically One Park Grove). This is a unique and stand-alone product. Other opportunities exist in older condos like **Grovenor House** or the Gables Club (officially in the Gables, but just steps from the Grove). **Grove at Grand Bay** is also an option, but in reality there is limited supply in this market.

We have enormous experience and have sold in every one of the top 3 buildings in Coconut Grove: **Grovenor House**, Grove at Grand Bay and Park Grove Tower 1 and 2. We have also sold and know **Arbor** which is the best Condo for those on a budget under \$1.5M in the Grove.

Advice for Sellers

Be prepared to see longer days on the market if you don't price your condo aggressively. One should also not expect to achieve the same dollar per SqFt as last year. Instead, you will see a little softening of the market and last years' numbers are going to be too hard to emulate.

If you are in **Park Grove** Tower 2 recognize the prices in Tower 1 and do not try and compete directly with this category. Make sure to finish your unit appropriately, as 'turn key' product sells much much faster than raw or sparsely finished product. Once Park Grove Tower 1 sells out attention will turn back to Tower 2.

If you are an owner in **Grovenor House**, please call me: 305 508 0899. There is limited supply of larger units available in this condo and it is still desirable and comes in at a much lower price point than the new buildings. We have sold 2 out of the 3 of the last 4/5 bedroom units for sale in the building.

Pinecrest Homes

- With interest rates and mortgage costs going up we predict the lower-end of the market to grow continuously. We also saw an increased demand for homes below \$1M by the end of 2018 as prices in Pinecrest are low compared to other desired areas like the Grove and the Gables, yet quality of life is high.
- The Pinecrest luxury market of \$3M+ will see a correction as this market is oversupplied with 45 months of inventory. In combination with rising interest rates and mortgage costs, corrections are even more likely. Next year might be a great moment for buyers to get some great deals from distressed sellers.
- We predict that the new construction in Pinecrest, specially the high-end properties will experience a price correction. Supply of new homes is high with the majority of them priced above current market prices.
- We anticipate a rise in rental prices in 2019. 4 Bedroom homes with a pool are very desired and the demand is higher than the supply.
- If you want to be successful at selling your Pinecrest Home you list in the months between March and June. As many families choose to live in Pinecrest for its proximity to excellent schools, the house hunting season starts in March. This is the month when school admissions are communicated and decisions are made. Do not wait until after summer to list your Pinecrest home.
- We recognize the unique nature of gated communities in Pinecrest like Gables by the Sea, Cutler Bay Estates, Devon Wood as well as quiet Cul De Sac Streets which have a small community style feel.

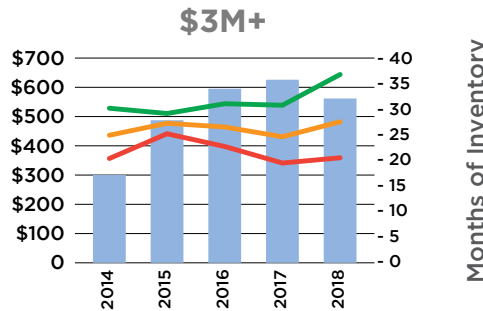
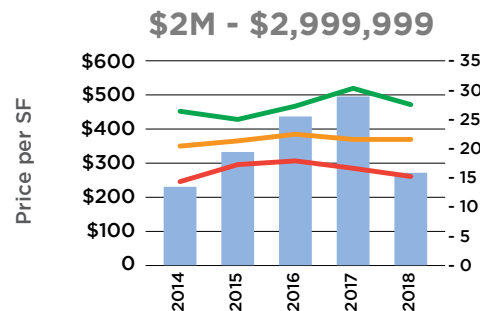
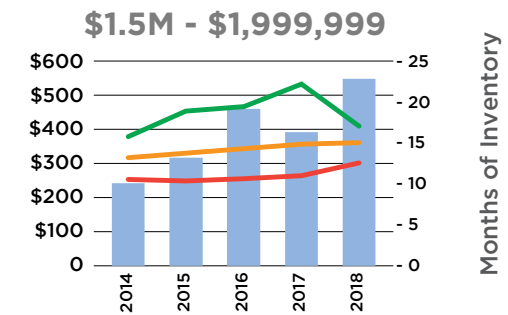
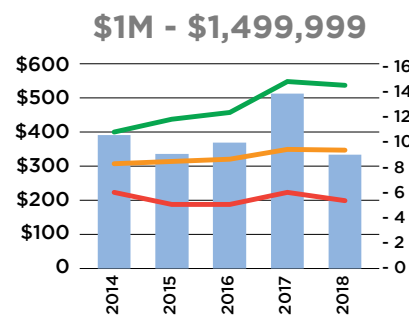
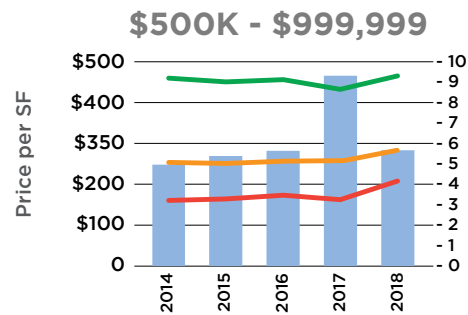
**ECONOMIC
HEALTH SCORE**

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Sales Data

	\$500K - \$999,999					\$1M - \$1,499,999					\$1.5M - \$1,999,999					\$2M - \$2,999,999M					\$3M+				
	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change
Registered Sales Transactions	97	101	↑	90	↓	70	57	↓	60	↑	22	22	-	14	↓	26	27	↑	35	↑	11	15	↑	22	↑
Average Sales Prices per SF	\$282	\$281	-	\$312	↑	\$318	\$347	↑	\$345	-	\$343	\$357	↑	\$360	-	\$387	\$371	↓	\$371	-	\$462	\$428	↓	\$478	↑
Difference between Listings & Sales Prices	5,0%	-4,9%	↓	-4,7%	↓	-6,0%	-6,7%	↑	-7,1%	↓	-7,99%	-8,8%	↑	-4,5%	↓	-7,3%	-7,4%	↑	-7,2%	↓	-4,39%	-7,8%	↑	-7,3%	↓
Current Listings	-	-	-	42	-	-	-	-	40	-	-	-	-	33	-	-	-	-	39	-	-	-	-	49	-
Average Price per SF of current listings	-	-	-	\$377	-	-	-	-	\$392	-	-	-	-	\$413	-	-	-	-	\$423	-	-	-	-	\$573	-
Number of Pending Sales	-	-	-	11	-	-	-	-	6	-	-	-	-	3	-	-	-	-	4	-	-	-	-	2	-

Price per SF and Inventory in Months



Months of Inventory
 A balanced market is around 9-12 months of inventory.
 For the very luxury end of the market it's closer to 12-15 months

Lowest Average Sales Price
 This is the average of the 3 lowest sales prices per SF in 2018

The Average Sales Prices per SF

The Highest Sales Prices per SF
 This is the average of the 3 highest sales prices per SF in 2018

Economic Health Score

\$500K- \$999,999	\$1M - \$1,449,999	\$1.5M- \$1,999,999	\$2M - \$2,999,999	\$3M+	Average Neighborhood
70	63	49	55	40	55

Advice for Buyers

Pinecrest is home to some of the most prestigious private schools in Miami Dade; Gulliver and Palmer Trinity to name just two. The values in this neighborhood and negotiating power make this a great time to get (if that's what you need) a considerable sized property (5,500 sqft+), on a considerable sized lots (30,000 sqft+) much bigger than you will find in Coral Gables or South Miami. The sales prices per sqft in the early part of 2019 came in well under \$400 per sqft. Forget the asking price and recognize the over-supply of product and the over-ambitious prices per sqft of many homes in the \$2-3M range.

The high-end of the market is especially soft and with high inventory there is an abundance of choice. This is a great moment for buyers to come in and make lower offers and see big discounts. This goes for older as well as brand new construction homes. Recognize however that this is still a primary and strong market so offering much below market will not be recommended.

When you are looking for a brand new home, please recognize the level of finishes. Developers all too often cut corners with spec homes making it easy to overpay for a new construction home.

For buyers of homes around the \$1M dollar, this remains a challenging market. If you see a good quality home here, you need to act fast. This is the entry level in a desired market with limited inventory.

Advice for Sellers

Do not wait to put your house for sale till after the summer. The Pinecrest real estate market is typically busiest at the beginning of the year and you will have better chances to sell to families that are searching in the area because of the schools. The best time to market your property is between March and June/July.

Price your property right even in this strong area. Buyers are more hesitant due to uncertainties and fishing above market price will result in your property sitting on the market for a very long period. This is especially true for the luxury home market, which has softened and will continue to be soft in 2019.

Recognize the preferences of modern day buyers when selling and price accordingly. Very large homes with fragmented floor plans and many rooms are harder to sell than modern, functional homes, even when they are priced very well.

Once again recognize the incredible effect of the relocating families who are looking in this market, and work with agents like us who specifically target and market to the relocating families from abroad and the North East as well as those migrating south from the Grove and Gables in search of more land and better value. Our targeted data mining allows us to target the right audience and talk in the language they respond best to. It is reports like this one that are picked up by relocating families from around the US looking for better education and guidance.

Brickell Condos

- We expect the entire market to experience continued downward pressure on property values.
- Correctional drops of 20% - 30% of original sale prices are possible. In some cases we will even return to 2013 price levels.
- Buildings that will depreciate the most are the new products that finished in the last 2 to 3 years that have very generic and standard finishes (many of them range in size between 1,300 and 1,500 SF). The larger units will be less affected.
- The area that will be best protected is Brickell Key, which is the most robust market.
- High floor, large and direct waterfacing units as well as Penthouses will remain to fare better and keep better levels of immunity than the rest of the pack.
- The rental market will continue to grow as rental rates remain stable and in some cases will drop. With softening prices on the rental market we will see continued appeal for the rental market.

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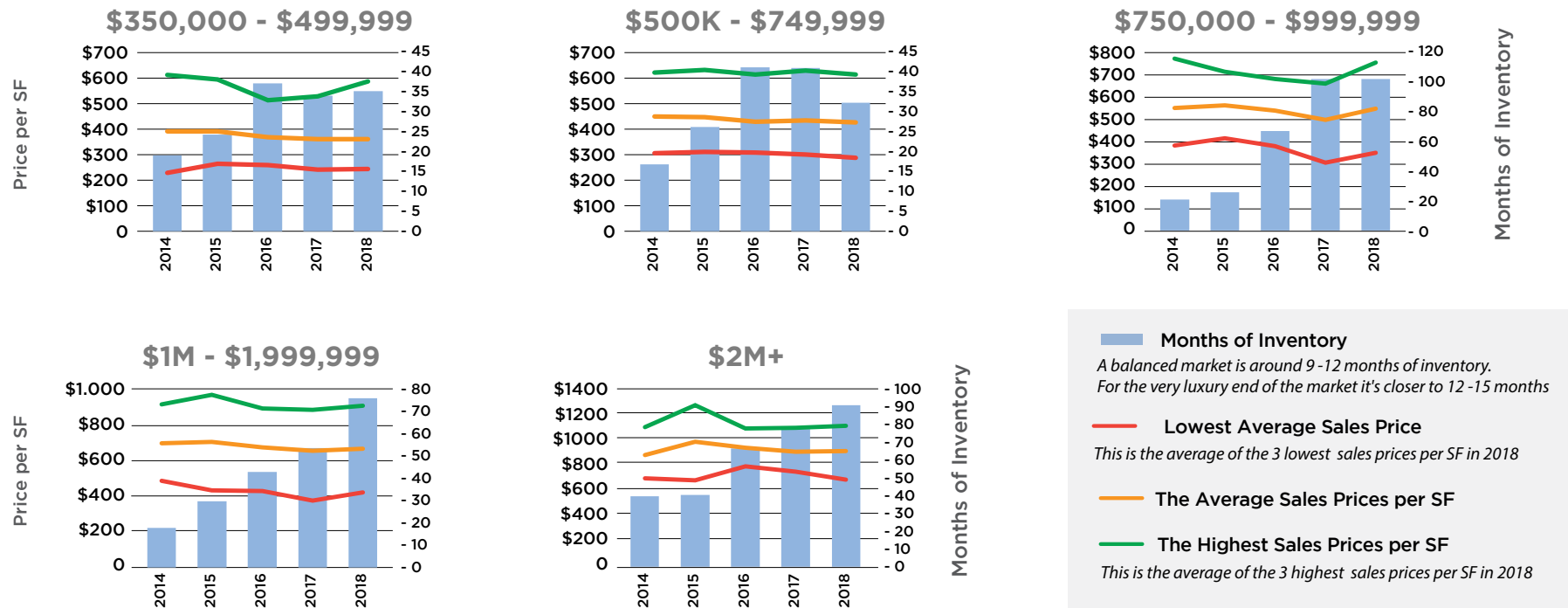
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Sales Data

	\$350,000 - \$499,999					\$500,000 - \$749,999					\$750K- \$999,999					\$1M - \$1,999,999					\$2M+				
	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change
Registered Sales Transactions	219	248	↑	203	↓	125	142	↑	143	↑	34	44	↑	56	↑	45	46	↑	43	↑	12	10	↓	12	↑
Average Sales Prices per SF	\$372	\$365	↓	\$365	-	\$429	\$433	↑	\$426	↓	\$530	\$489	↓	\$538	↑	\$645	\$625	↓	\$638	↑	\$915	\$886	↓	\$890	↑
Difference between Listings & Sales Prices	-4.6%	-5.7%	↑	-6.3%	↑	-5.1%	-6.1%	↑	-5.7%	↓	-6.2%	-7.7%	↑	-7.0%	↓	-8.1%	-9.3%	↑	-9.2%	↓	-8.9%	-5.2%	↓	-10.1%	↑
Current Listings	-	-	-	585	-	-	-	-	477	-	-	-	-	270	-	-	-	-	275	-	-	-	-	98	-
Average Price per SF of current listings	-	-	-	\$447	-	-	-	-	\$543	-	-	-	-	\$621	-	-	-	-	\$754	-	-	-	-	\$1,231	-
Number of Pending Sales	-	-	-	27	-	-	-	-	12	-	-	-	-	5	-	-	-	-	4	-	-	-	-	1	-

Price per SF and Inventory in Months



Economic Health Score

\$350K- \$499,999	\$500K - \$749,999	\$750K - \$999,999	\$1M - \$1,999,999	\$2M+	Average Neighborhood
39	39	32	30	24	33

Advice for Buyers

The best deals are to be had in the \$500K - \$700K market. This is the price range of the most generic Brickell products. If you are an investor in this price range you will be able to pick up some excellent properties at heavily discounted prices. This will be a long- term play though, meaning you need to keep the condo until the next real estate cycle, in order to generate a good profit. Focus on sellers from countries with deflated economies as these sellers can be particularly receptive to lower than average offers on account of currency fluctuations. We have techniques to recognize these sellers, so please call for more specifics.

Other good opportunities exist within the market of (mainly) large, luxury units with water views. A good lesson to be learned by Warren Buffett: *“Be fearful when others are greedy and greedy when others are fearful”*. This is the time to be bold and make low offers as we experience highly motivated sellers willing to take significant discount on their properties. Do not expect big discounts in the sub \$400K market, as this is the entry level in the Brickell market.

Brickell buyers may also consider opportunities that exist in Downtown and Edgewater. These areas offer better, more exaggerated opportunities in some cases.

Very little REAL luxury product exists in the Brickell market. There is **Four Seasons**, **Santa Maria**, **Asia** and **Carbonell**, but these are now somewhat dated. Best turn your attention to Key Biscayne or more likely Coconut Grove for luxury product over \$3M. There has been attempts at luxury in the form of **Echo** and **Una**, but these we feel have missed the mark. Potential interest could focus buyers on **Flatiron**, but its entry into the market comes at a particularly difficult time. Call me for more specifics on this market and consider reading our previous Brickell Reports.

Advice for Sellers

If you are a seller who bought a new condo in the 2015/2016 peak, do not expect to be able to come out of this at the same price that you bought for. If you are on the fence on whether to sell or not, be aware that if you decide to keep, you will need to hold it for potentially 2-3 years or more to come out better. Recognize that break-even calculations are not truly break-even due to lost investment opportunity and inflation. If you do sell and need to keep real estate assets, move your money into the primary residential markets (Eg Coral Gables, Coconut Grove, Pinecrest).

Miami Beach Homes

- We will see more movements in the ultra-luxury end (\$5M+) of the market, because of heavy discounts. Expect to see many properties to be sold at 20%-30% below original listing /asking price.
- Miami Beach is experiencing somewhat of an identity crisis. While before Miami was purely known for “The Beach”, our city has created more luxurious neighborhoods over time and has become more diverse. Brickell and Wynwood / Design District are now offering better shopping and restaurants. Many buyers for 2019 are relocating families or High Net Worth individuals from high tax states. These families are looking for a high quality of life with great schools and flock into Coral Gables and Coconut Grove.
- The overall market will see a continuous drop in dollar per SF as the market is oversupplied and still priced a little too high to appeal to some buyers.
- Sellers need to be more aggressive in order to sell their properties. Although many have realized in the last few years, we still see many homes that are priced well above market price and sit on the market for a long period of time.
- The single-family market between \$2M and \$5M is very bloated. In order to absorb this inventory, we expect great price reductions and many good deals to be done.
- We will see more aggressive land sales in Miami Beach. With elevated construction costs, homebuilders will need better deals on land. A \$10M land will now need to sell for \$7.5M or \$8M to make it attractive for builders and to take the heat out of the market.
- With this said, at the very high end of the market (above \$5M) we have already seen 20 sales in the first quarter of 2019, so the ultra-luxury of the market end seems much better protected.

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Sales Data

	\$500K - \$999,999					\$1M - \$1,499,999					\$1.5M - \$1,999,999					\$2M - \$2,999,999M					\$3M+				
	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change
Registered Sales Transactions	47	67	↑	43	↑	40	51	↑	57	↑	27	23	↓	26	↑	28	28	-	18	↓	58	53	↓	54	↑
Average Sales Prices per SF	\$390	\$353	↓	\$395	↑	\$522	\$506	↓	\$512	↑	\$581	\$552	↓	\$615	↑	\$675	\$721	↑	\$713	↓	\$1,140	\$1,161	↑	\$1,263	↑
Difference between Listings & Sales Prices	-7.3%	-9%	↑	-10.4%	↑	-9.2%	-10.8%	↑	-8.2%	↓	-9.8%	-8%	↓	-9.5%	↑	-11.5%	-9.9%	↓	-9.4%	↓	-10.9%	-12.9%	↑	-9.5%	↓
Current Listings	-	-	-	48	-	-	-	-	52	-	-	-	-	57	-	-	-	-	70	-	-	-	-	183	-
Average Price per SF of current listings	-	-	-	\$429	-	-	-	-	\$551	-	-	-	-	\$687	-	-	-	-	\$769	-	-	-	-	\$1,595	-
Number of Pending Sales	-	-	-	7	-	-	-	-	5	-	-	-	-	-	-	-	-	-	3	-	-	-	-	7	-

Price per SF and Inventory in Months



Economic Health Score

\$500K- \$999,999	\$1M - \$1,449,999	\$1.5M- \$1,999,999	\$2M - \$2,999,999	\$3M+	Average Neighborhood
63	56	53	39	44	51

Advice for Buyers

While shopping around, realize that many properties are overpriced, but also recognize that some properties are priced at market level. Although some homes need to be discounted, you cannot discount all properties. We will be able to guide you correctly according to each product.

Recognize the different elevations that exist between older Miami Beach homes and brand new homes. The future values and insurance premiums on these homes could be significant.

Our expertise in waterfront homes on Miami Beach and Venetian Islands is also extremely strong so let us help in guiding you. There are a number of very subtle, but essential details when buying waterfront - ranging from the importance of East facing homes to the level of water traffic in and around some islands that can have a significant impact on your privacy.

Advice for Sellers

As with other markets, be conscious about prices being in line with market prices to sell. You need to price your property aggressively. Buyers are more hesitant, and more likely to come and make low offers. In case you overprice your single family home, be prepared for low offers.

Additionally recognize the huge impact of the North Eastern buyer and the relocation 'Tax saving' buyer on the Miami Market for 2019 and make sure to engage with an agent like ourselves who are able to reach this audience. If you are curious check out [our relocation guide](#) and blogs to see how we reach out to this market and how we serve it.

Miami Beach Condos

- We expect the condo hotel market to keep dominating the market below \$1M. In 2018, 25% of sales happened in this sub-market. That portion of the market will still be in high demand on the beach as the buyers are either pure investors or oftentimes end-users who value the opportunity to rent out their condo while not in Miami.
- We expect buyers to prefer South of Fifth to the rest of Miami Beach within the high-end of the condo market (\$3M - \$5M). The South of Fifth market is showing a much lower inventory level (2.5 years) compared to the rest of Miami Beach (6 years).
- The luxury condo market (especially waterfront) is becoming more affordable and is displaying far more realistic asking price per SF compared to 2018 and 2019.
- Several newly built boutique buildings are now on the resale market. The resale price per SqFt is not justifying the high price paid to the developer and offer some great deals for buyers.
- Within the luxury condo market (\$5M+) expect a continued amount of increased attention to fall on Mid Beach and Surfside with the introduction of '**57 Ocean**' which sits on 57th and Collins. Other attention will fall on **87 Park** and **Fendi** in Surfside.
- Expect to see far more realistic asking prices compared to 2017/2018 for ultra-luxury resale condos such as **Faena House** and the **Edition**, which were previously overvalued.

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Sales Data

	\$500K - \$999,999					\$1M - \$1,499,999					\$1.5M - \$1,999,999					\$2M - \$2,999,999M					\$3M+				
	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change
Registered Sales Transactions	287	271	↓	238	↓	65	71	↑	68	↓	38	36	↓	25	↓	25	13	↓	19	↑	17	18	↑	16	↓
Average Sales Prices per SF	\$633	\$574	↓	\$582	↑	\$886	\$851	↓	\$865	↑	\$1,072	\$1,009	↓	\$982	↑	\$1,352	\$1,518	↑	\$1,390	↓	\$1,825	\$2,129	↑	\$2,183	↑
Difference between Listings & Sales Prices	-6,4%	-6,0%	↓	-5,9%	↓	-9,0%	-10,6%	↑	-10,0%	↓	-8,8%	-9,9%	↑	-8,9%	↓	-11,0%	-8,9%	↓	-9,6%	↑	-5,9%	-12,1%	↑	-11,5%	↓
Current Listings	-	-	-	627	-	-	-	-	173	-	-	-	-	80	-	-	-	-	66	-	-	-	-	111	-
Average Price per SF of current listings	-	-	-	\$644	-	-	-	-	\$968	-	-	-	-	\$1,179	-	-	-	-	\$1,396	-	-	-	-	\$2,032	-
Number of Pending Sales	-	-	-	17	-	-	-	-	3	-	-	-	-	3	-	-	-	-	2	-	-	-	-	13	-

Price per SF and Inventory in Months



Economic Health Score

\$500K- \$999,999	\$1M - \$1,449,999	\$1.5M- \$1,999,999	\$2M - \$2,999,999	\$3M+	Average Neighborhood
35	28	33	27	24	29

Advice for Buyers

The high levels of inventory provide a very favorable situation for any buyer looking for a solid base of options to buy on the Miami Beach market. We suggest entering the market below market price at any price level as this is still an adjusting market.

It is recommended to avoid the heavily 'touristic' sections of the beach (5th to 35th) in favor of more residential sections - unless you are looking for an investment property or short term pied a Terre.

On the higher end of the market we recommend you stay away from condo hotel projects and focus on sizable well renovation condos with direct water views in established buildings which have well run associations: **Bath Club** is a good example. Our preferred choices mainly sit in Surfside and North Miami Beach but look out for **57 Ocean** and **Monad Terrace** making appearances in the luxury market. As always please call us for unfiltered and precisely analytical advice.

Interesting opportunity in the new **Ritz Carlton** condo located on N Meridian Ave, which is offering high level finish and waterfront surrounded in a single family environment, starting from around \$1000 per Sqft.

Advice for Sellers

If you own a Miami Beach condo below \$1M (unless its a legitimately strong income generating property) list your property at a realistic value or keep it rented for the next couple of years, as the demand for that product is much lower. Know how the short-term regulations for rent are now also much tighter and Airbnb is being more outlawed across the beach.

In the high-end of the market, weigh up the costs of carrying pure investments and second homes and recognize that your market could in general continue to correct for the next 24 months. Alternatively if you do not want to sell, be ready to ride this downward turn through to 2021 before we see significant upswing in value.

For legitimate and motivated sellers let us guide you on not just your building's sales figures, but the holistic market figures and the competition that exists across other buildings.

Recognize that when we provide you with months of inventory over the summer months the numbers might appear more favorable than they actually are, as many sellers simply take off their units from the market in the summer and then put them back in autumn.

As with all the other markets recognize the power of the domestic buyer and make sure to use an agent who can focus on this group of buyer. Foreign investor activity is slower for 2019, but domestic purchases are most definitely up.

South of Fifth Condos

- The months of inventory show that the neighborhood will keep moving its inventory and South of Fifth will keep its crown of best performing neighborhood on the beach.
- Below \$1M, the market will be fueled by investors buying income generating units (35% of the sales in 2018), while the rest of the product for sale will see consistent price adjustments.
- We expect buyers to prefer South of Fifth to the rest of Miami Beach within the high-end of the condo market (\$3M - \$5M). The South of Fifth market is showing a much lower inventory level (2.5 years) compared to the rest of Miami Beach (6 years). South of Fifth is also considered a relocation heaven.
- We expect the market of \$3M and above to continue selling at discounted prices. Although the high-end of the market has seen some top sales in 2018 showing increased buyers' confidence, 70% of the inventory is sitting on the market between 6 and 30 months, which will have an impact on the average price per SqFt.
- New construction will adjust prices even more with just a handful of closed sales
- South of Fifth's buyers will keep coming from high tax states and Europe as the beach life is extremely appealing to many relocating families (Please read our [2019 Miami relocation guide](#)).

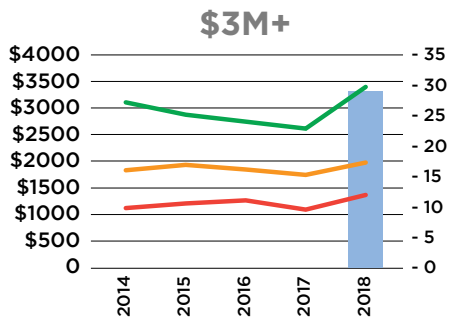
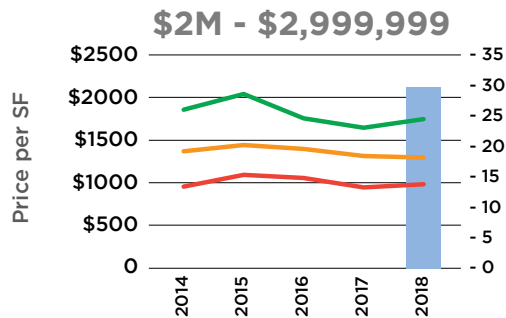
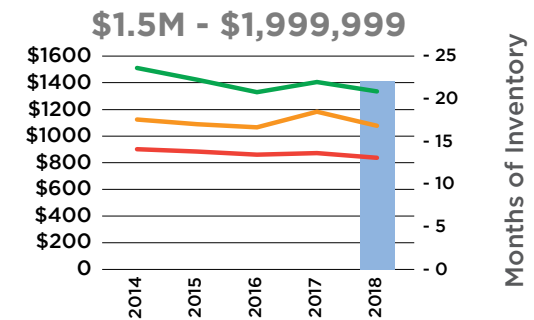
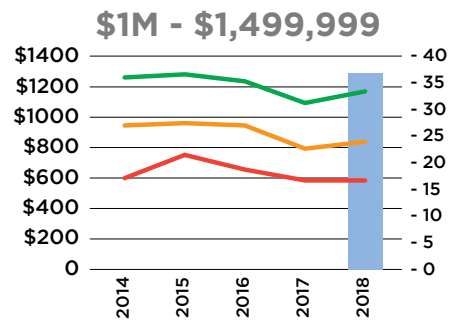
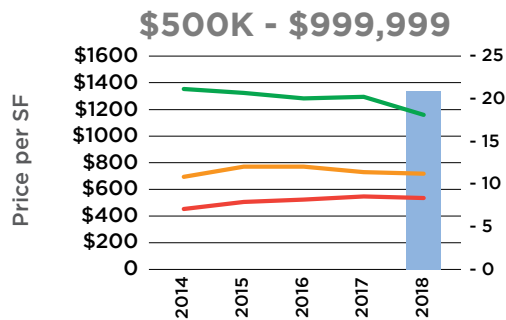
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HEALTH SCORE

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Sales Data

	\$500K - \$999,999					\$1M - \$1,499,999					\$1.5M - \$1,999,999					\$2M - \$2,999,999M					\$3M+				
	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change
Registered Sales Transactions	55	60	↑	50	↓	23	12	↓	14	↑	13	16	↑	12	↓	24	20	↓	16	↓	30	24	↓	38	↑
Average Sales Prices per SF	\$765	\$727	↓	\$710	↓	\$948	\$791	↓	\$838	↑	\$1,065	\$1,182	↑	\$1,074	↓	\$1,383	\$1,308	↓	\$1,287	↓	\$1,863	\$1,765	↓	\$1,994	↑
Difference between Listings & Sales Prices	-4,8%	-5,4%	↑	-6,4%	↑	-7,0%	-13,1%	↑	-8,2%	↑	-8,6%	-7,6%	↓	-9,3%	↑	-8,6%	-9,8%	↑	-10,6%	↑	-10,9%	-10,6%	↓	-10,1%	↓
Current Listings	-	-	-	94	-	-	-	-	47	-	-	-	-	24	-	-	-	-	43	-	-	-	-	101	-
Average Price per SF of current listings	-	-	-	\$764	-	-	-	-	\$950	-	-	-	-	\$1,144	-	-	-	-	\$1,372	-	-	-	-	\$2,218	-
Number of Pending Sales	-	-	-	1	-	-	-	-	3	-	-	-	-	1	-	-	-	-	3	-	-	-	-	1	-

Price per SF and Inventory in Months



Months of Inventory
 A balanced market is around 9-12 months of inventory.
 For the very luxury end of the market it's closer to 12-15 months

Lowest Average Sales Price
 This is the average of the 3 lowest sales prices per SF in 2018

The Average Sales Prices per SF

The Highest Sales Prices per SF
 This is the average of the 3 highest sales prices per SF in 2018

Economic Health Score

\$500K- \$999,999	\$1M - \$1,449,999	\$1.5M- \$1,999,999	\$2M - \$2,999,999	\$3M+	Average Neighborhood
48	39	44	35	43	42

Advice for Buyers

With much more product available, make sure to get the best advice on where the market is headed in your specific price bracket so you don't find yourself overpaying. Below the \$1M you can go home with great deals if you do not need a high ROI, but look more at asset appreciation in the long run. When buying a short-term rental unit make sure to calculate your ROI carefully as there is less negotiation involved in that sector. When it comes to properties above \$1M, prices will see a softening compared to 2018, which was marked by a stronger buyer confidence.

For the luxury condo buyer, focus on the top selling product of South of Fifth, which is still [Continuum](#). For specifics on this visit our [Continuum Website](#). The other top buildings for this neighborhood are [Murano at Portofino](#), which is undergoing a renovation, [Apogee](#), which is still the most expensive condo in South of Fifth and [Glass](#), which is the newest and most luxurious boutique condo in South of Fifth. Expect to pay between \$1,500 - \$2,000 per sqft for the best product in this ultra luxury neighborhood.

If you do not find exactly what you are looking for in South of Fifth do consider the growing Surfside neighborhood with condos such as [Fendi](#), [87 Park](#) and [Surf Club Four Seasons](#) providing some prestigious luxury alternatives. Also [Palazzo Del Sol](#) and [Palazzo della Luna](#) on Fisher Island, which offer high luxury finishes with total privacy and private beaches.

Advice for Sellers

Watch for market adjustments on a monthly basis, as this is a fast adjusting market.

Anybody pulling the trigger in 2019 will be looking for a deal and the smart sellers will be the ones seeing further as the following 24 months do not promise any acceleration.

We have custom sites for specific condos such as [Continuum](#), so please call us if you have a unit in the project and are considering selling. Our ability to reach and resonate with New Yorkers and other NE 'Tax motivated' buyers is exceptional, and we are constantly engaging with that audience through reports such as this, which educates and lays the foundations for a buying relationship based off providing better education than other agents can provide. Please call me if we can help: 305 508 0899.

Fisher Island Condos

- Fisher Island will remain one of the most expensive real estate markets in the USA and the wealthiest zip code in the USA.
- Sales have slowed down in the last months (Sales in the last 6 months was 50% slower than in the first 6 months of the year). Especially in the upper end of the market we have experienced this, which is a reflection of the total Miami market and the economy. We have seen however some hefty \$17M dollar sales, indicating the ultra-wealthy are still attracted to the island.
- Prices have slightly softened over 2018. With a limited number of sales, and many new listings (21% of current inventory entered the market in January) inventory will increase and it will be harder for the market to gain strength.
- We have seen some pretty heavy discounts on the island and we expect to see more of these as we head through 2019.
- There are some very good deals to be had at entry level price on the island (below \$2M). At this price level there are opportunities to buy 2,000 SF units overlooking the water that can be bought at a very attractive price (\$1,000 or less per SF). This would not have been possible in 2017/2018.
- Good deals to be had at the lower end of the market, renovating a dated unit makes the most financial sense, but be aware of the lengthy renovation period it will take to complete. This is caused by the strict working hours allowed for contract workers to perform work on the island.
- **Palazzo del Sol** and **Palazzo della Luna** will still reach some high dollar values and will remain as one of the top and highest priced condos in Miami.

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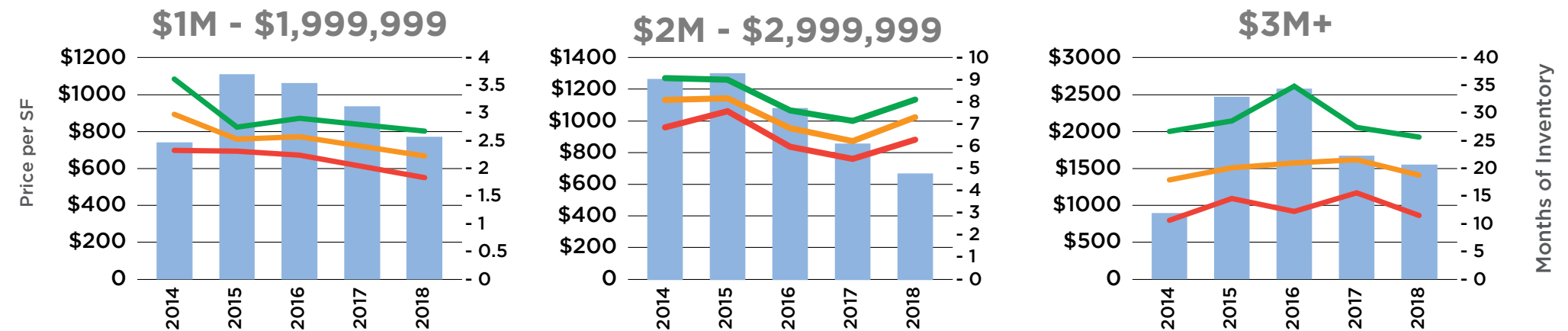
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Sales Data

	\$1M - \$1,999,999					\$2M - \$2,999,999					\$3M+				
	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change
Registered Sales Transactions	5	1	↓	8	↑	4	9	↑	6	↓	26	14	↓	19	↑
Average Sales Prices per SF	\$781	-	-	\$676	-	\$956	\$877	↓	\$1,013	↑	\$1,580	\$1,616	↑	\$1,410	↓
Difference between Listings & Sales Prices	-11,2%	-	-	-17,0%	-	-8,4%	-15,6%	↑	-14,8%	↓	-10,6%	-9,4%	↓	-12,1%	↑
Current Listings	-	-	-	61	-	-	-	-	17	-	-	-	-	61	-
Average Price per SF of current listings	-	-	-	\$945	-	-	-	-	\$1,093	-	-	-	-	\$1,812	-
Number of Pending Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-

Price per SF and Inventory in Months



Months of Inventory

A balanced market is around 9 - 12 months of inventory. For the very luxury end of the market it's closer to 12 - 15 months

Lowest Average Sales Price

This is the average of the 3 lowest sales prices per SF in 2018

The Average Sales Prices per SF

The Highest Sales Prices per SF

This is the average of the 3 highest sales prices per SF in 2018

Economic Health Score

\$500K- \$999,999	\$1M - \$1,449,999	\$1.5M- \$1,999,999	\$2M - \$2,999,999	\$3M+	Average Neighborhood
	61	63	39	54	

Advice for Buyers

The prices on the island are now more heavily discounted compared to 2018 and we can recognize some really good opportunities that come in comparable, and in many cases, under equal units found in South of Fifth.

As mentioned before, the market below \$2M offers some really good opportunities. 2018, Saw a 3 bedroom with 2,700 SF selling for \$1.5M. These units will need some renovating, but they are great water facing deals to be had at a price of less than \$1,000 per SF. Again do not expect renovations to take 6 months as the extremely strict contractor's work rules greatly limit hours of operation. For experience in this area consider interior designer groups like **Design Solutions** who have great experience on the island.

Palazzo del Sol and **Palazzo della Luna** are ultra exclusive condos, which we rank as one of the top 10 condos in Miami. They provide total privacy with a truly incredible array of services and island amenities: Tennis, Private Beaches, private restaurants, Golf, A high level private school and more. For details visit our site and reach our full analysis when we visited the projects in early March 2019. Call me for more details.

Advice for Sellers

If you own a unit that needs renovations, appreciate the fact that you have a less bullish market. People need to come more out of pocket to renovate, spend a greater amount of time to complete the work. So if your unit is not very well done, you have to be competitive. Recognize that there isn't a huge number of sales in the higher end of the market, so selling does take longer.

New Yorkers and NE Buyers have long purchased in Fisher Island. Notably we have seen an upswing of buyers in the new projects also from these areas.

Sunny Isles Condos

- Big price drops across the board and continued reductions for 2019. Inventory is growing at an accelerated rate. So prices will continue to drop.
- Strengthening foreign currencies in previous buyer's home countries will allow for more heavily discounted sales.
- Great opportunities to buy very new high luxury product at 50% off its original asking price like Porsche!
- Sellers will need to become more realistic or face properties stagnating on the market for 24-36 months.
- We could see the 'second home market' re-activated with some strengthening South American economies. Sunny Isles is the preferred city due to its proximity to FL airport. (Preferred over MIA).
- Most buoyant market is the \$1-\$2M market, which offers less room for negotiations. This trend will continue through 2019.

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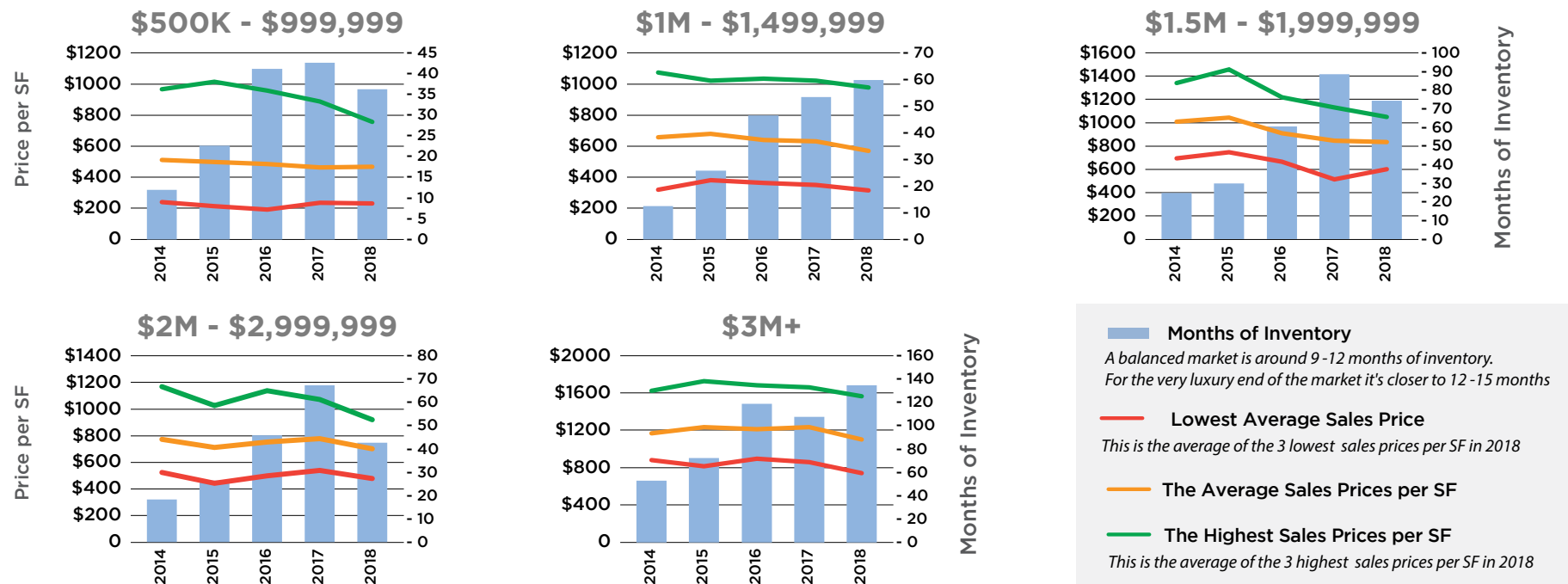
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Sales Data

	\$500K - \$999,999					\$1M - \$1,499,999					\$1.5M - \$1,999,999					\$2M - \$2,999,999M					\$3M+				
	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change
Registered Sales Transactions	95	111	↑	108	↓	66	62	↓	56	↓	32	25	↓	37	↑	31	22	↓	22	-	11	20	↑	15	↓
Average Sales Prices per SF	\$485	\$464	↓	\$468	-	\$635	\$629	-	\$568	↓	\$754	\$779	↑	\$706	↓	\$914	\$850	↓	\$838	↓	\$1,205	\$1,226	↑	\$1,095	↓
Difference between Listings & Sales Prices	-6.6%	-7.8%	↑	-6.5%	↓	-9.8%	-9.1%	↓	-9.9%	↑	-7.1%	-7.9%	↑	-10.3%	↑	-9.8%-11.7%	↑	-11.8%	↑	-9.1%	-12.2%	↑	-14.5%	↑	
Current Listings	-	-	-	408	-	-	-	-	211	-	-	-	-	128	-	-	-	-	130	-	-	-	-	199	-
Average Price per SF of current listings	-	-	-	\$396	-	-	-	-	\$702	-	-	-	-	\$806	-	-	-	-	\$1,030	-	-	-	-	\$1,508	-
Number of Pending Sales	-	-	-	13	-	-	-	-	4	-	-	-	-	1	-	-	-	-	3	-	-	-	-	4	-

Price per SF and Inventory in Months



Economic Health Score

\$500K- \$999,999	\$1M - \$1,449,999	\$1.5M- \$1,999,999	\$2M - \$2,999,999	\$3M+	Average Neighborhood
28	22	23	20	18	22

Advice for Buyers

Two big new products will enter the market in 2019: [Turnberry Ocean Club](#) and [Armani Casa](#). The Estates at Acqualina are slated for 2020. Make sure to consult us and to not drink the developer's cool aid! For resale opportunities, recognize the huge opportunity for very new product being heavily discounted through the resale market. Again, recognize that the best analysis is on a case-by-case basis; so be sure to call us to get granular analysis for better decision-making. For specific information on the changing Sunny Isles neighborhood and condo specificity don't forget to read our Sunny Isles Blogs page.

Appreciate the pecking order of the best condos in Sunny Isles and read our Sunny Isles Blog ['The best 5 Condos in Sunny Isles'](#).

We have already seen some incredible deals on waterfront condos in 2019. [Chateau Beach](#) sold 2 units at \$700 per sqft, fully finished by designers with direct ocean views. These deals would have been impossible to get a couple of years ago and are example of how affordable the neighborhood has become in light of the current market changes. With so much new oceanfront product priced well under \$1,000 per sqft, it could become a great time to get a 'firesale' deal.

Advice for Sellers

Appreciate that you will need to be aggressive in order to sell. If you don't mind holding your unit, because you don't want to take the hit, be prepared to hold it for another 24-36 months and recognize the lost capital opportunity by freezing the sizable liquidity held in your unit. We advise all owners to speak to their financial advisor and assess the potential returns in other markets. For specific information on the Sunny Isles neighborhood and Sunny Isles condos don't forget to read our [Sunny Isles Blogs page](#).

Recognize your condo tower and unit in the pecking order across the market. It is best to ignore asking prices and focus on sales numbers as your best point of reference. Once again check out our Sunny Isles blogs, which detail the pecking order of condos in Sunny Isles and the prices they are currently achieving.

The Sunny Isles Market has to be dealt with, with the stock market in mind. The "Contrarian Approach", used by so many successful investors in the real estate and the stock market, is the driving force in the market now.

Buyers and sellers need to be aware that Sunny Isles will always have pristine beaches and has "A" graded public schools, which strengthen the market in future cycles. It is a great moment to buy and/or sell to upgrade your unit in Sunny Isles. There are [many closed sales](#) that will show you exactly what your money can buy in Sunny Isles and how buying good products at low market prices will always bullet proof your investment.

Bal Harbour Condos and Surfside

- The luxury condo market (\$5M+) and high-end condo market (\$3-\$5M) will continue to be exclusively dominated by **Fendi**, **Oceana** and **St Regis**. We will continue to see excess supply (5 years) of this product, but potentially faster absorption as listing prices get heavily reduced and sales prices continue to be discounted.
- With sales prices per SqFt in the newer buildings of **Fendi**, **Oceana** and **St Regis** ranging from \$1,300 to \$2,000 for a fully finished, renovated unit this boutique neighborhood will continue to provide superior value to South of Fifth, in buildings that are arguably some of the best on the beach.
- Due to currency swings for many foreign owners of units in this neighborhood we expect to see some of the very best deals and most heavily discounted deals on the beach to come out of this market in 2019.
- Condos in the \$1M-\$3M range still show an excess supply of inventory with 22-30 months, but it is faring a little better than Miami Beach at around 40 months of inventory.
- The finalized development of **87 Park** (Just on block from Surfside), an ultra -luxury Renzo Piano designed boutique condo, will bring further positive impact to this neighborhood as the park is invested in and improved and more retail (such as the new gym by Tracey Anderson) materializes.
- Because a small number of luxury homes exist in this neighborhood we see positivity, especially with the introduction of 4 brand new homes entering this housing market, including a \$25M new-built, we expect to see some record sales.

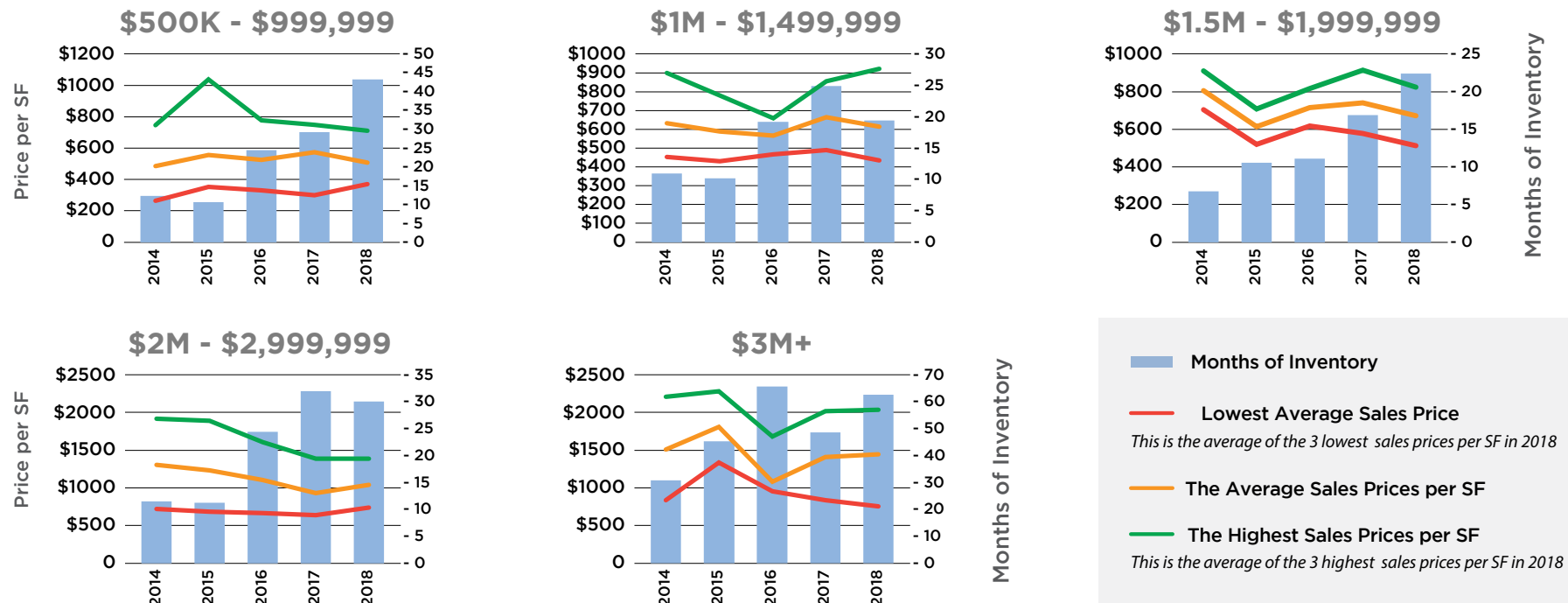
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Sales Data

	\$500K - \$999,999					\$1M - \$1,499,999					\$1.5M - \$1,999,999					\$2M - \$2,999,999M					\$3M+				
	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change
Registered Sales Transactions	29	30	↑	19	↓	9	9	-	17	↑	9	9	-	5	↓	11	15	↑	13	↓	8	28	↑	16	↓
Average Sales Prices per SF	\$522	\$549	↑	\$505	↓	\$565	\$654	↓	\$613	↓	\$722	\$747	↑	\$677	↓	\$1,106	\$937	↓	\$1,046	↑	\$1,081	\$1,412	↑	\$1,448	↑
Difference between Listings & Sales Prices	-6.5%	-7.7%	↑	-9.5%	↑	-11.7%	-9.6%	↓	-11.9%	↑	-10.7%	-10.1%	↓	-11.4%	↑	-12.3%	-8.3%	↓	-9.3%	↑	-9.4%	-11.3%	↑	-11.8%	↑
Current Listings	-	-	-	72	-	-	-	-	25	-	-	-	-	26	-	-	-	-	41	-	-	-	-	85	-
Average Price per SF of current listings	-	-	-	\$650	-	-	-	-	\$728	-	-	-	-	\$874	-	-	-	-	\$1,292	-	-	-	-	\$1,902	-
Number of Pending Sales	-	-	-	5	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-

Price per SF and Inventory in Months



Economic Health Score

\$500K- \$999,999	\$1M - \$1,449,999	\$1.5M- \$1,999,999	\$2M - \$2,999,999	\$3M+	Average Neighborhood
34	43	40	30	21	34

Advice for Buyers

The lower-end of the condo market is far more buoyant than the luxury-end. With sales comfortably coming in under \$1,000 per SqFt, Bal Harbour remains a more popular location, as you can buy into a newer building at a much lower price per SqFt than you can on the beach. The compromise is not being directly on the sand. The high-end of the condo market presents great opportunity for heavily discounted deals, even beyond original sales prices for some units as some sellers will be willing to take the loss. Raw units are particularly vulnerable to vulture deals as they sit on the market for the longest period. Certainly this will give the greatest future financial upside.

Advice for Sellers

As with the rest of the condo markets, sellers will have to be very aggressive. The epidemic of oversupply of condos across Miami Beach means that only the most competitively priced condos will stand a chance of selling. Do not expect to command the same price as 2016, 2017 or even 2018. If you are going to hold out for a stronger market be prepared for at least a 24-36 month hold.

Key Biscayne Homes

- With lower inventory levels (One of the lowest in Miami) and after the necessary price reductions, the Key Biscayne market is getting closer to stability. Although the market is not completely stable yet, we could gain stability towards the end of 2019.
- Key Biscayne is still a pull for a lot of families, because of the excellent public school system. We predict that the Key Biscayne market will be supported by relocating families from inside and outside of the US and local migration of buyers.
- The extreme price gap with the Gables and the Grove is now more bridged. Key Biscayne homes are still slightly higher priced than counterparts in Coconut Grove and Coral Gables, but with the excellent public school the area may keep its competitive advantage, allowing for a higher price per SF.
- We have noticed that construction has slowed down and will remain slow in 2019.
- The majority of new product being built on the island is over \$4M. Although there is a low level of inventory of new product (Homes built in the last couple of years), there were only 3 sales.
- We are experiencing a very slow luxury market with only 5 sales over \$5M and 37 home for sale. This market will continue to be really slow. Although this high-end market is slow, those homes that are correctly priced will sell within 2% or 3% of asking price. Do not be afraid to 'price right the first time'.

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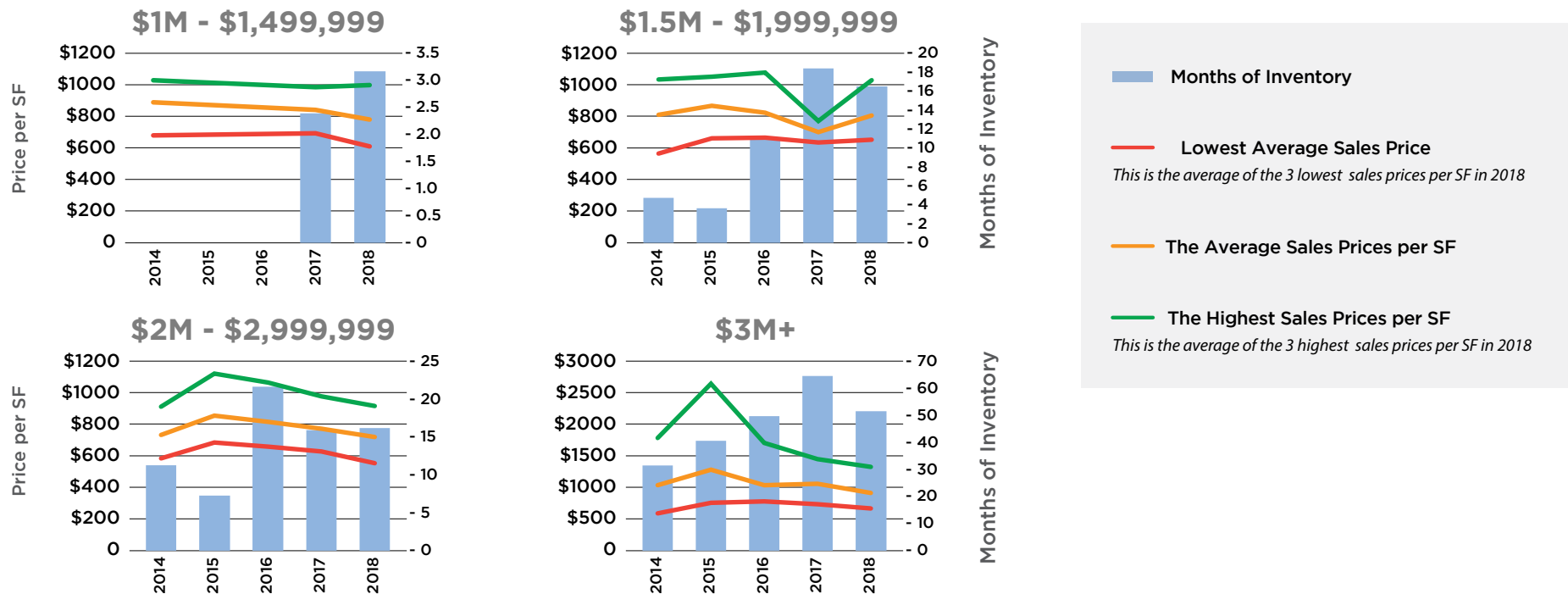
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Sales Data

	\$1M - \$1,499,999					\$1.5M - \$1,999,999					\$2M - \$2,999,999					\$3M+				
	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change
Registered Sales Transactions	8	8	-	12	↑	8	5	↓	6	↑	10	13	↑	21	↑	17	7	↓	14	↑
Average Sales Prices per SF	-	\$843	↑	\$785	↓	\$876	\$700	↓	\$802	↑	\$819	\$776	↓	\$724	↓	\$1,016	\$1,041	↑	\$902	↓
Difference between Listings & Sales Prices	-4.1%	-10%	↑	-10.2%	↑	-4.1%	-4.3%	↑	-8.8%	↑	-9.2%	-8.1%	↓	-7.5%	↓	-8.3%	-9.4%	↑	-10.9%	↑
Current Listings	-	-	-	5	-	-	-	-	21	-	-	-	-	26	-	-	-	-	70	-
Average Price per SF of current listings	-	-	-	\$880	-	-	-	-	\$863	-	-	-	-	\$830	-	-	-	-	\$1,372	-
Number of Pending Sales	-	-	-	1	-	-	-	-	-	-	-	-	-	2	-	-	-	-	-	-

Price per SF and Inventory in Months



Economic Health Score

\$500K- \$999,999	\$1M - \$1,449,999	\$1.5M- \$1,999,999	\$2M - \$2,999,999	\$3M+	Average Neighborhood
n/a	66	53	51	35	51

Advice for Buyers

Key Biscayne homes are about a \$100 per SqFt more expensive than a home in Coral Gables/Coconut Grove. In Key Biscayne the lots are smaller, but you can enjoy a high quality of life and if you have kids, they can attend the very high rated public school on the island, which in some cases offsets the higher real estate costs. If you are a buyer with a \$3M budget, please know there are discounts to be get and there is opportunity between \$2M and \$3M to get a newer home, while in the last years this wasn't possible.

If you are moving into the Miami area check our

[**Miami Relocation Guide.**](#)

Advice for Sellers

If you have a newer home, on the higher end of the market, you probably have a tough time selling it, as we haven't seen many sales and this submarket is slow. The few homes for sale are asking around \$1,300-\$1,600 per SqFt. Always keep in mind that a correctly priced home will sell. Don't assume buyers will offer 25% less, they will do that only when you price your property too high, these properties will simply not move.

The low end of the market (Below \$2M) offers 16 months of inventory, the market will be stagnant without much appreciation. Sellers in this range need to be aware of this and price accordingly.

Key Biscayne Condos

- The luxury market is slowing down, with only 2 sales in the last 180 days over \$3M. Although prices remained stable, we expect some rather significant price drops given the conditions of the market.
- We still got some very overpriced product on the market, which won't move if prices won't adapt. With many listings and almost no sales, this market will not sustain over 2019 if prices do not come down.
- Prices are back to 2013 price levels and sellers need to be careful and price their units more aggressively to avoid slipping further down to 2010/2011 prices.
- Key Biscayne's most luxurious condo "**Oceana**" is offered at the same dollar per SF price as **Oceana in Bal Harbour**. **Oceana in Bal Harbour** is considered more superior and is now offered at the same price per SF. So when looking for an oceanfront condo on Key Biscayne you might also consider some areas on the beach, which are now competitively priced.
- The market up till \$1M is a balanced market. We see product trade in the \$300/\$400 per SF range. If you have a budget up till \$1M and you want water views then Key Biscayne will continue to offer some great value for your dollar if you do not mind investing in an older building.

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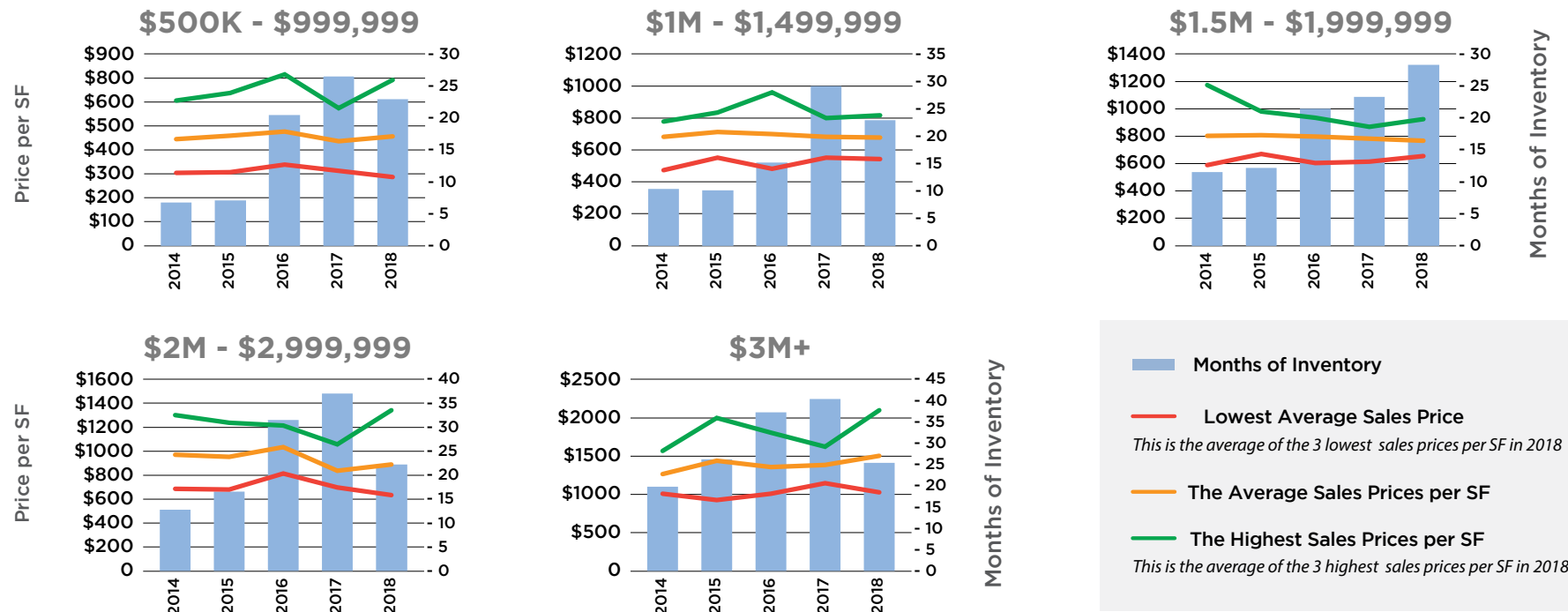
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Sales Data

	\$500K - \$999,999					\$1M - \$1,499,999					\$1.5M - \$1,999,999					\$2M - \$2,999,999M					\$3M+				
	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change
Registered Sales Transactions	72	60	↓	72	↑	24	19	↓	31	↑	12	16	↑	10	↓	12	9	↓	20	↑	10	6	↓	13	↑
Average Sales Prices per SF	\$543	\$496	↓	\$518	↑	\$705	\$685	↓	\$680		\$801	\$784	↓	\$767	↓	\$1,044	\$845	↓	\$898	↑	\$1,352	\$1,375	↑	\$1,495	↑
Difference between Listings & Sales Prices	-4.5%	-5.3%	↑	-5.7%	↑	-5.0%	-7.5%	↑	-8.6%	↑	-7.2%	-6.9%	↓	-6.5%	↓	-8.7%	-10.3%	↑	-8.6%	↓	-7.5%	-6.1	↓	-12.1%	↑
Current Listings	-	-	-	96	-	-	-	-	54	-	-	-	-	34	-	-	-	-	35	-	-	-	-	31	-
Average Price per SF of current listings	-	-	-	\$524	-	-	-	-	\$682	-	-	-	-	\$810	-	-	-	-	\$925	-	-	-	-	\$1,368	-
Number of Pending Sales	-	-	-	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	-	-	-	-	-

Price per SF and Inventory in Months



Economic Health Score

\$500K- \$999,999	\$1M - \$1,449,999	\$1.5M- \$1,999,999	\$2M - \$2,999,999	\$3M+	Average Neighborhood
44	42	38	38	38	40

Advice for Buyers

If you want to be on the sand for less than \$1M, this area gives you great value. You might have to redo a unit, but where else can you find a great deal right on the sand for that budget? If you are looking at the more high-end products like Oceana or Ocean Club, please note that many of these units are still overpriced and that for the budget of **Oceana Key Biscayne** you might also consider high-end condos on the beach like **Fendi**, **Oceana Bal Harbour** or **Continuum**. If you are looking at Ocean club, this condo should trade below \$1,000 per SF. Make sure you do not overpay.

Advice for Sellers

If you own a large unit at Oceana or Ocean Club it is not very likely you will sell if you do not adapt your price to market levels. We have only seen 2 sales in the last 6 months in the \$3M+ market. These units were incredibly well finished! With low demand, your unit either needs to be finished to perfection or reduced in price in order to move.

The \$1M- 3M market saw it sales dropping in 2018. The last half a year has been extremely slow and absorption halved in the latter half of 2018 with an even slower start in 2019. Units that are currently pending seem to be very well finished. This sub-market is also characterized by slow traction and little movement, which indicates prices will need to correct in order to increase movement.

Downtown and Edgewater

- We expect the entire market to experience continued downward pressure on property values.
- Some of the best deals for direct waterfacing units in the urban core will exist in this market.
- Some of the brand new projects (Eg **Paraiso**, **Icon Bay**, and **Biscayne Beach**) can be bought on the resale market for heavily discounted prices (Almost \$400 per SF and less). This is almost impossible in Brickell.
- Be aware that some of the new condos did not live up to buyer's expectations. Compare condo finishes before making a decision or contact us for more insights.
- The amount of inventory spiked by 23% since January 1 2019, which means we can even have more downward pressure on the prices. If you want a larger or a penthouse unit and you want to get a good deal, this is the time! You will find a lot of product, but don't forget: The bigger the asset the bigger the liability.
- The \$500K - \$1M dollar range is selling in the \$300/\$400 per SqFt range. You will even be able to buy under \$400 per SF at condos like **Marquis** or **Marina Blue**, which is a good price.
- Many sellers are happy to receive offers, so this is the time to test how low they are willing to go with their price.

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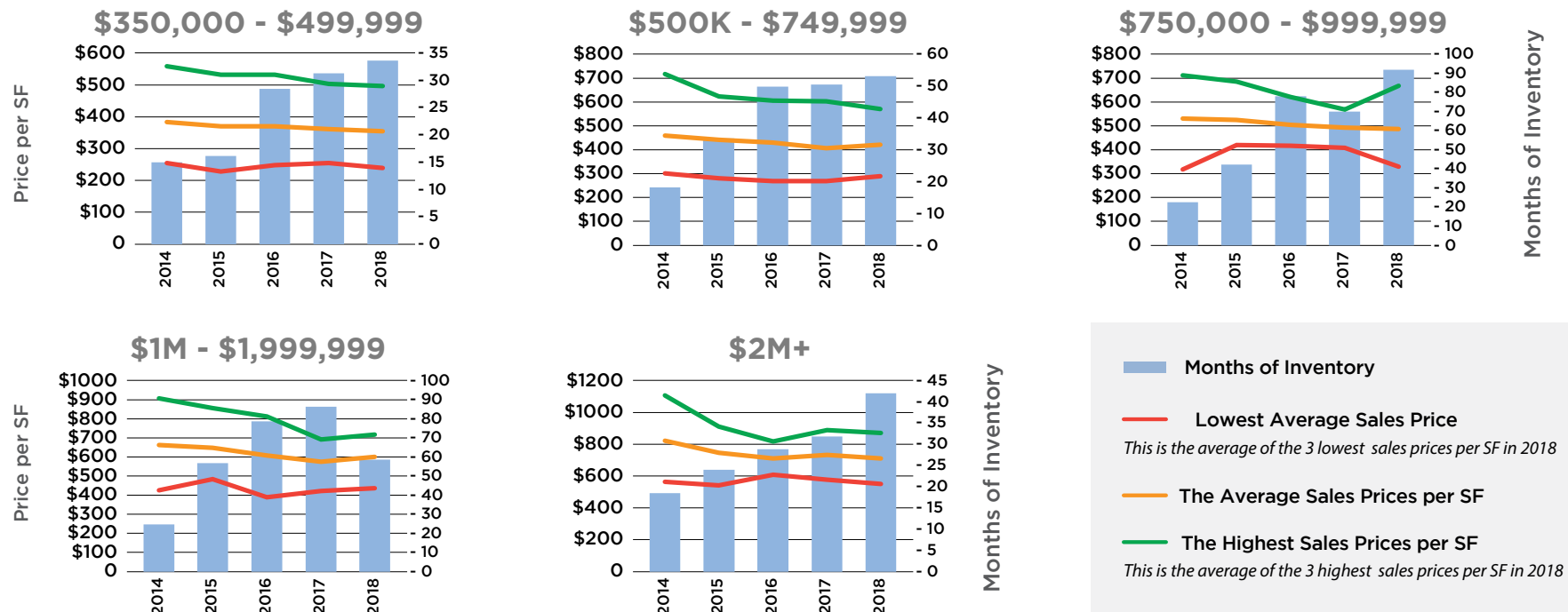
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Sales Data

	\$350,000 - \$499,999					\$500K - \$749,999					\$750,000 - \$999,999					\$1M - \$1,999,999					\$2M+				
	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change	2016	2017	Change	2018	Change
Registered Sales Transactions	197	176	↓	155	↓	120	102	↓	85	↓	26	20	↓	28	↑	20	15	↓	31	↑	4	5	↑	6	↑
Average Sales Prices per SF	\$367	\$359	↓	\$352	↓	\$429	\$406	↓	\$420	↑	\$505	\$491	↓	\$485	↓	\$607	\$576	↓	\$599	↑	\$700	\$719	↑	\$699	↓
Difference between Listings & Sales Prices	-4.5%	-5.2%	↑	-5.7%	↑	-4.8%	-5.9%	↑	-5.8%	↓	-6.4%	-8.6%	↑	-7.4%	↓	-9.7%	-8.9%	↓	-9.5%	↑	-6.6%	-11.3%	↑	-12.7%	↑
Current Listings	-	-	-	442	-	-	-	-	400	-	-	-	-	217	-	-	-	-	196	-	-	-	-	56	-
Average Price per SF of current listings	-	-	-	\$407	-	-	-	-	\$498	-	-	-	-	\$626	-	-	-	-	\$738	-	-	-	-	\$1,000	-
Number of Pending Sales	-	-	-	10	-	-	-	-	12	-	-	-	-	1	-	-	-	-	3	-	-	-	-	1	-

Price per SF and Inventory in Months



Economic Health Score

\$350,000 - \$499,999	\$500K - \$749,000	\$750,000 - \$999,999	\$1M - \$1,999,999	\$2M+	Average Neighborhood
39	35	23	27	25	30

Advice for Buyers

If you want to live in a condo in the urban core area this is where you are going to get the best deals. Here you will be able to buy at the lowest dollar per SF, with possibilities to buy in the low \$400 per SF. You can now get a 2-bedroom unit under \$500K at newer condos such as **Biscayne Beach**, **Paraiso** or **Centro** (For less than \$450 per SF). Buyers can expect to pay significantly less than what many have paid to developers.

In the last few months of 2018, the amount of inventory spiked with on average 25% (The \$500K market even saw a massive 63% spike), which means we expect further downward pressure on the prices. This is the time to get a good deal from an owner who needs to sell!

If you have a \$2M budget you really have 20 properties available, mostly at One Paraiso and Biscayne Beach. There are lots of Penthouse units for sale that might accept a significant discount on the asking price, because inventory is extremely high.

When looking at pre-construction deals in the downtown market be very cautious as reselling it later might be hard and would require discount prices. At this moment it is hard to see value in the Downtown corridor when we see so many resale units that are new and selling at heavily discounted prices. So unless you get a heavily discounted pre-construction deal at one of the new projects you are better off with a discounted resale deal in Brickell.

Advice for Sellers

After such a large scale of condos being constructed in the last couple of years there is a definitive oversupply of product in this market. 23% Of Inventory came on the market since January 1, 2019 leading to even more downward pressure on the prices. Anyone selling needs to be aggressive in order to move the condo. Condo values need to go down in order for inventory to get absorbed.

Be prepared that the market is going to get worst before it gets better. If you decide to hold on to your unit, you will have to keep it for at least another 3 years to see value. If you refuse to sell your unit for less than you bought it for from the developer then selling will be very hard.