



### FLOW OF MONEY AT RECORD HIGH

Almost twice as much money was spent on condos & SFH in the city of Miami during the first three quarters of 2021 versus pre-Covid levels in 2019. Sales volume rose only 31% for the same period, indicating that the surge is driven by demand for higher priced properties.

### INVENTORY AT RECORD LOW

Inventory continued to fall into Q3, reaching all time lows across property types and across price points. Aggregate city-wide inventory fell a staggering 42% versus the same time period in 2019.

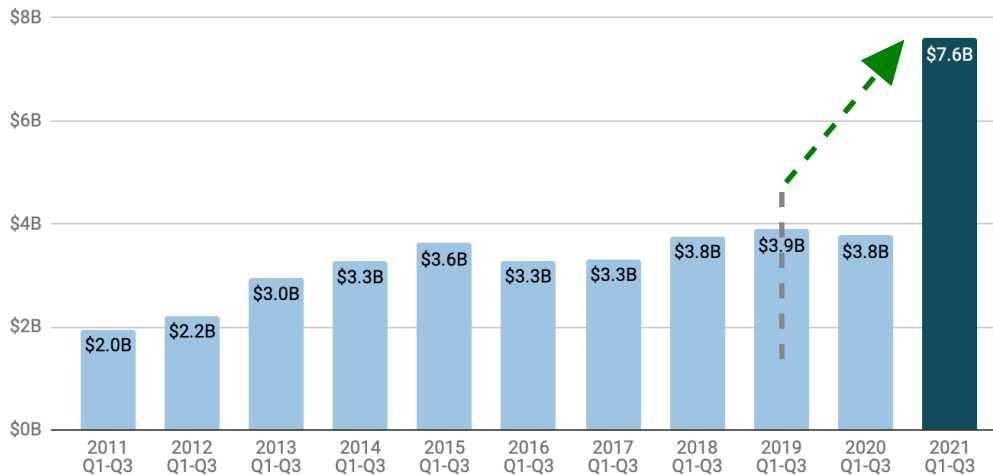
### Ana's comments: Miami's monster quarter is the new normal, as the flight of capital continues.

The forces driving this dispersion of capital are bigger than Covid and the momentum cycle has just begun. The Pandemic was a full-stop event, allowing for the formation of new habits. If just 10% of people change how they live & work, at scale that effect is enormous. History never goes backwards, and Miami is emerging as a capital of the new, more multipolar world.

#### Note on methodology

Q3 2021 is compared throughout this report to Q3 2019. Q3 2019 is the most recent pre-Covid year & is representative of the pre-Covid market.

### City of Miami: \$ spent on condos & SFH, Jan - Sep



### Q1-Q3 DOLLARS SPENT

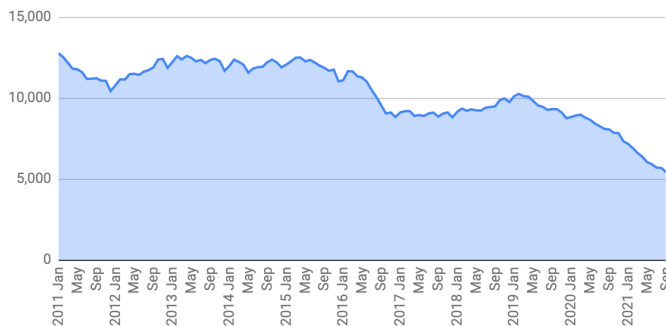
# \$7.6B

# +\$3.7B +95%

Q1 - Q3 2019  
\$3.9B spent

Q1 - Q3 2021  
\$7.6B spent

### City of Miami: active listings



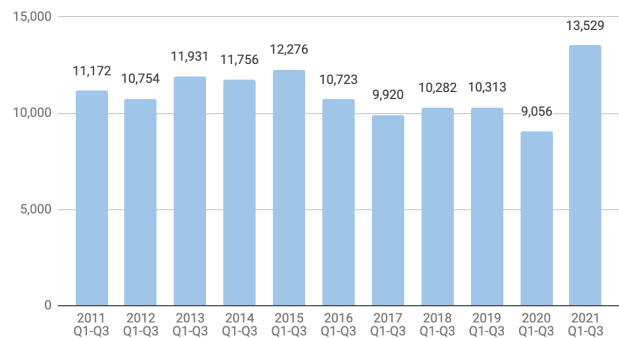
### SUPPLY

# ↓ -42%

September 2019  
9,313 active listings

September 2021  
5,419 active listings

### City of Miami: # of condos & SFH sold, Jan - Sep



### PROPERTIES SOLD

# ↑ +31%

Q1 - Q3 2019  
10,313 properties sold

Q1 - Q3 2021  
13,529 properties sold



# City of Miami \$1M+



## ALL CASH DEALS AT HIGHS

Over half of \$1M+ residential transactions in Q3 were all cash. A staggering 66% of \$1M+ condos were all cash.



## DAYS TO SELL AT LOWS

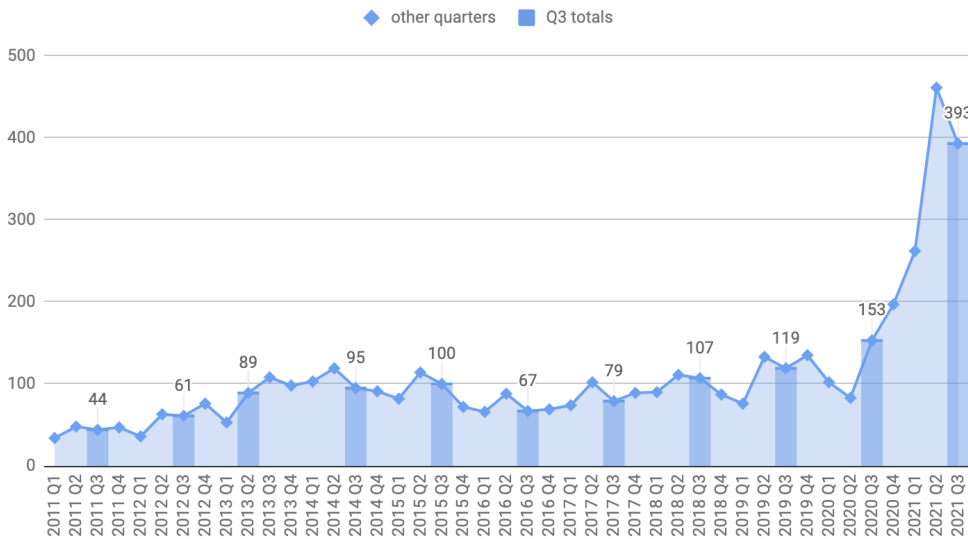
Median days to sell a \$1M+ property in the city of Miami fell 68% versus the same time period in 2019.

**Ana's comments:** Demand for \$1M+ properties in the city of Miami has skyrocketed, up 230% versus Q3 2019. It is important to note that supply has fallen only 16% because there was tremendous over supply pre-Covid. Supply is being absorbed fast and heavily all-cash, but it is still possible to find a reasonable deal, especially in the condo market which had been in over supply.

# 54%

Q3 ALL CASH DEALS

### City of Miami: \$1M+ Sales Volume by Quarter



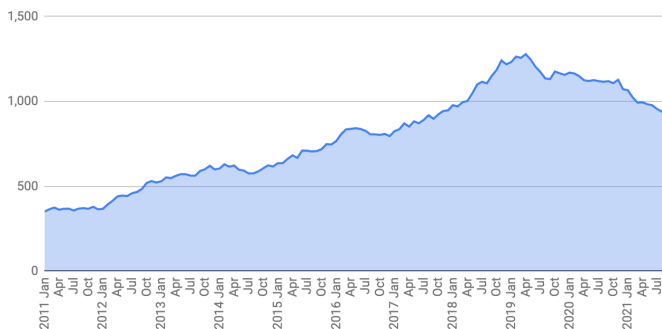
## DEMAND

# +230%

Q3 2019  
119 properties sold

Q3 2021  
393 properties sold

### City of Miami: \$1M+ active listings



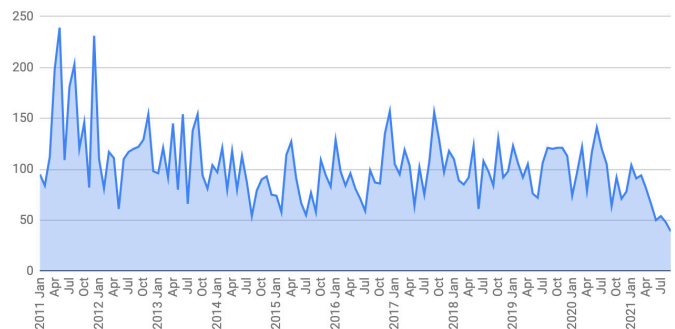
## SUPPLY

# -16%

September 2019  
1,131 active listings

September 2021  
951 active listings

### City of Miami: \$1M+ median days to sell



## MEDIAN DAYS TO SELL

# -68%

September 2019  
120 days to sell

September 2021  
39 days to sell



# City of Miami | Condos

\$1M+ market segment

14% decrease in SUPPLY



DEMAND 316% increase in sales

66%

Q3 ALL CASH DEALS

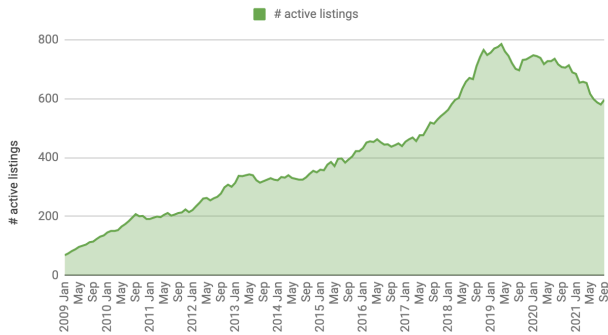
### Active Listings

Sep 2019: 696  
Sep 2021: 596

### Sales Volume

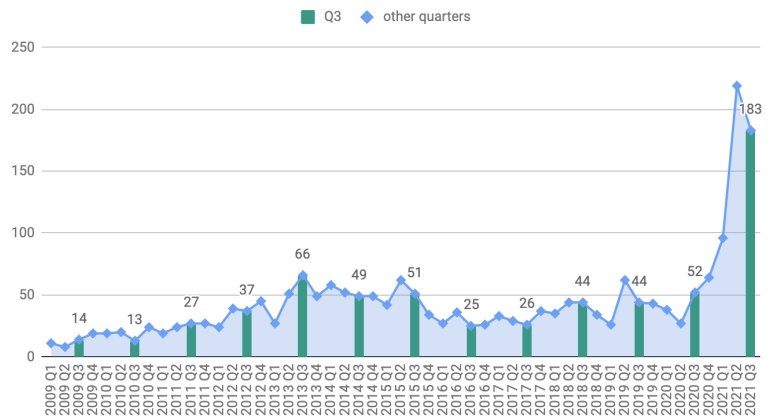
Q3 2019: 44  
Q3 2021: 183

### Miami Condos: # Active Listings \$1M+



Miami Condos \$1M+: # active listings charted monthly

### Miami Condos: \$1M+ Sales Volume by Quarter



Miami Condos \$1M+: Quarterly Transaction Volume, Q3 Totals Shown

sub \$1M market segment

46% decrease in SUPPLY



DEMAND 51% increase in sales

41%

Q3 ALL CASH DEALS

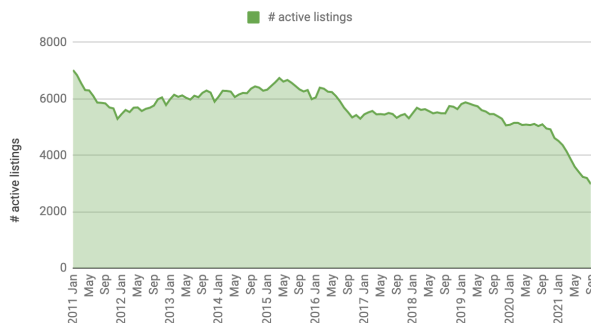
### Active Listings

Sep 2019: 5,459  
Sep 2021: 2,975

### Sales Volume

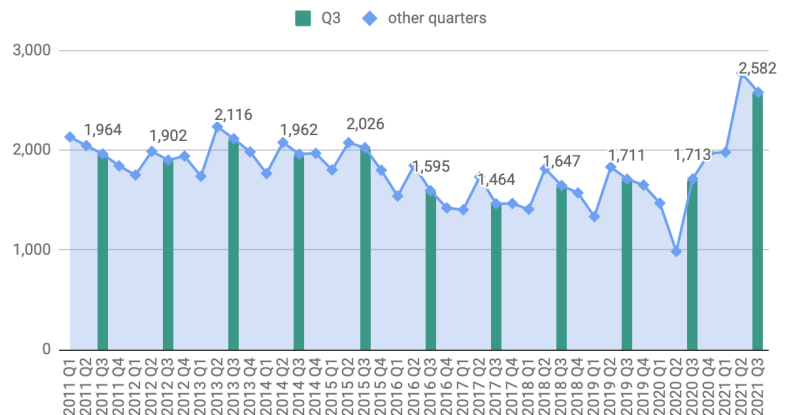
Q3 2019: 1,711  
Q3 2021: 2,582

### Miami Condos: # Active Listings <\$1M



Miami Condos <\$1M: # active listings charted monthly

### Miami Condos: <\$1M+ Sales Volume by Quarter



Miami Condos <\$1M: Quarterly Transaction Volume, Q3 Totals Shown



## City of Miami | SFH

**\$1M+ market segment**

19% decrease in SUPPLY

DEMAND 181% increase in sales

43%

Q3 ALL CASH DEALS

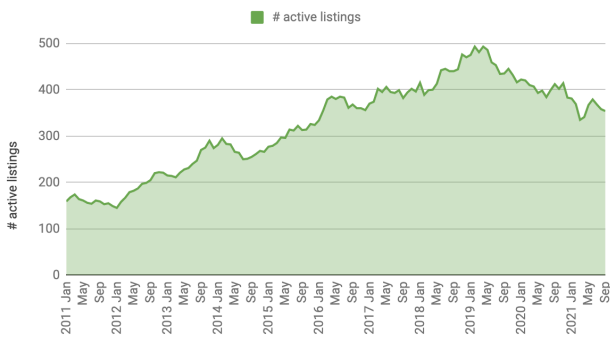
### Active Listings

Sep 2019: 435  
Sep 2021: 354

### Sales Volume

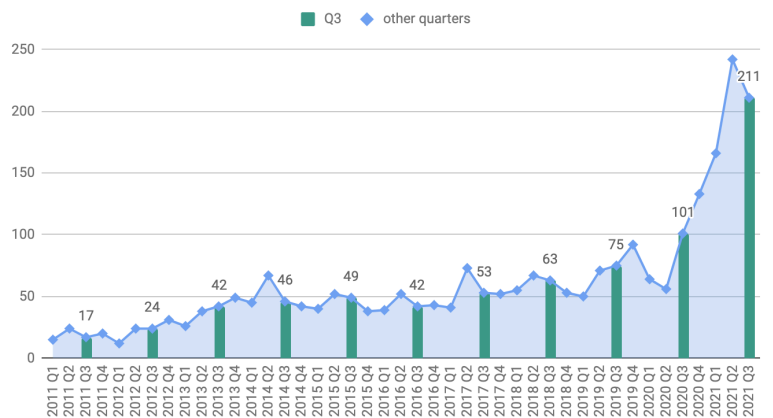
Q3 2019: 75  
Q3 2021: 211

### Miami SFH: # Active Listings \$1M+



Miami SFH \$1M+: # active listings charted monthly

### Miami SFH: \$1M+ Sales Volume by Quarter



Miami SFH \$1M+: Quarterly Transaction Volume, Q3 Totals Shown

**sub \$1M market segment**

45% decrease in SUPPLY

DEMAND 7% decrease in sales

21%

Q3 ALL CASH DEALS

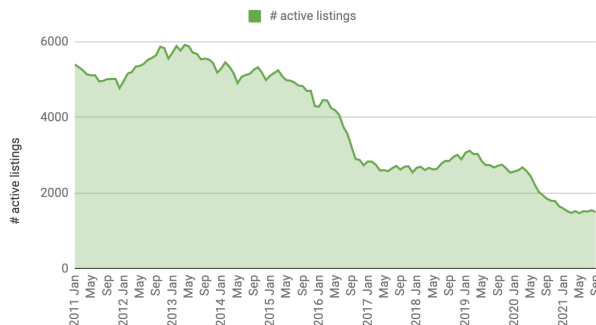
### Active Listings

Sep 2019: 2,723  
Sep 2021: 1,494

### Sales Volume

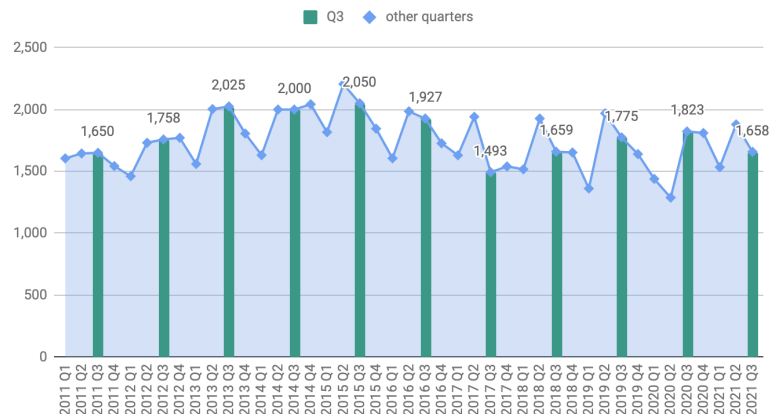
Q3 2019: 1,775  
Q3 2021: 1,658

### Miami SFH: # Active Listings <\$1M



Miami SFH <\$1M: # active listings charted monthly

### Miami Condos: <\$1M+ Sales Volume by Quarter



Miami SFH <\$1M: Quarterly Transaction Volume, Q3 Totals Shown



# City of Miami | median resale prices at all time

## MIAMI CONDOS, MEDIAN PRICE

## Transaction Distribution, through Q3 2019

2021 Sept

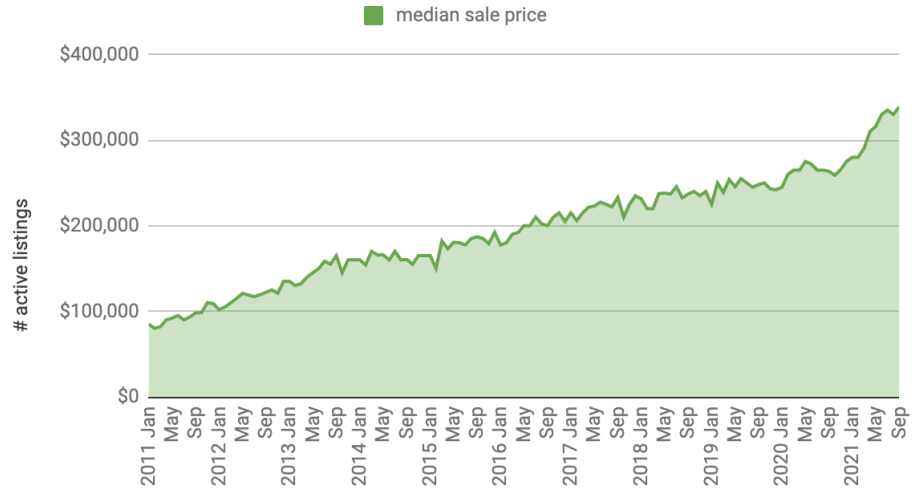
Median sale price: \$338,750

2019 Sept

Median sale price: \$248,000

↑ +37%

### Miami Condos: median sale price



## MIAMI SFH, MEDIAN PRICE

## Transaction Distribution, through Q3 2019

2021 Sept

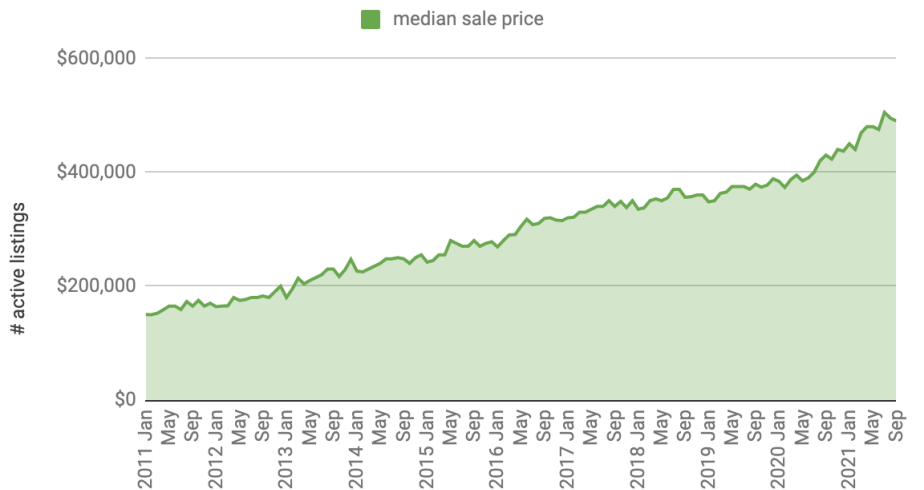
Median sale price: \$490,000

2019 Sept

Median sale price: \$379,000

↑ +29%

### Miami SFH: median sale price





# CONCLUSIONS

## **Miami's monster quarter is the new normal, as the flight of capital continues.**

The forces driving this dispersion of capital are bigger than Covid and the momentum cycle has just begun. The Pandemic was a full-stop event, allowing for the formation of new habits. If just 10% of people change how they live & work, at scale that effect is enormous. History never goes backwards, and Miami is emerging as a capital of the new, more multipolar world.

Capital, both the intellectual kind and the money kind, has just begun to flow out of jurisdictions perceived as hostile and into those perceived as more amenable to various types of freedom. Momentum cycles are real, and South Florida is in the early days of positive surge. Feeder jurisdictions are meanwhile entrenched in negative momentum cycles.

### **Logic behind this assertion:**

#### **1. The inevitability of change**

Think about how different the world looked 100 years ago, or even just 50 years ago. Our cell phones would have been magic. It is therefore not unreasonable to think that life 50 years from now would stretch our current imaginations.

A major shift tends to happen every 80-100 years, and it is usually precipitated by war. By many metrics, Covid has created war-time economies and is acting as a world-war-level catalyst of change.

Having said that, cities do not simply disappear. It is a bit dramatic (and incorrect) to say that cities like NYC will die. Cities don't die, focus simply shifts. Before NYC, London was the capital of the western world. And before London, it was Amsterdam. A shift in focus is currently underway, and I believe a new more multipolar reality is emerging. South Florida is emerging as one of those new polarities.

#### **2. For those who can, life is being reimaged around the capabilities of the internet**

Until Covid, we were living in what was essentially a post WWII, 20th century world. The internet came at the very end of the 20th century, and was incorporated bit-by-bit into existing infrastructure (homes, offices, schools etc... ).

Covid was a full-stop event for many people. Habits were broken for long enough to allow for the formation of new ones.



# CONCLUSIONS

### 3. Covid accelerated trends, two key trends that will keep sending capital to South Florida & Miami:

-> the wealth gap

Monetary policies enacted by central banks during Covid have in many ways accelerated the wealth gap. Large wealth gaps are destabilizing forces and will continue to create tensions in the United States.

-> increasingly incompatible belief systems and the geographic polarization of the nation

The United States was already polarized pre-Covid, and now we can add the handling of Covid to the list of incompatible belief systems.

People will continue to vote with their feet, for monetary and quality of life reasons. South Florida will continue to benefit.

### 4. Monetary & fiscal policy will continue to fuel instability at scale

Very low interest rates, held for a long period of time, are a root cause of many of the tensions and behaviors we see around us. Greenspan crossed the too-big-to-fail Rubicon. Monetary policy has never looked back and we are now fully entrenched.

### 5. Miami is well positioned to be a capital of the new, post-Covid world

-> Taxes: the city benefits from being in the state of Florida

-> Airport: the city has one of the best international airports in the world

-> Forward looking: the city has a Mayor that is putting forth a compelling vision of the future

-> Positive momentum: the city is attracting new businesses and people with capital, meanwhile the city's feeder jurisdictions are increasingly hostile to the same entities

-> Quality of life: the city is relatively safe and has an extremely healthy and pleasant climate

-> Freedom: for those that agree with how the state of Florida is handling Covid, the city of Miami and the state are perceived as places of freedom.

Things change quickly. The city of Detroit had the highest per-capita income in the United States in 1960. Momentum is a real force and it is important to recognize the current upswing and to align with it.



## OUTCOME AGNOSTIC, DATA DRIVEN REPORTS

The Analytics Miami reports are independent research, not paid for by brokerages. The reports are unbiased towards any outcome and are presented without hype. We believe in letting the data and the charts speak for themselves.

## UNDERSTANDING THE WHOLE MARKET CYCLE

Understanding where we are in the current market cycle is a key factor to consider when making investment decisions. All markets move in cycles and have directionality; nothing goes up forever and nothing goes down forever. Reporting quarter-over-quarter is not enough to reveal the prevailing trend. Analytics Miami reports show at least 10 years of data, thus shedding light on market directionality.

## NEW REPORTS AND MARKET UPDATES

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