



FLOW OF MONEY AT RECORD HIGH

Almost twice as much money was spent on condos & SFH in the city of Miami during 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 steadily fall throughout 2021, reaching all time lows across property types and across price points. Aggregate city-wide inventory fell a staggering 50% versus the same time period in 2019.

Ana's comments: *Miami's record shattering year 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 21st century world.*

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

City of Miami: \$ Spent on Condos & SFH



2021
DOLLARS SPENT
\$10.2B
+\$5.0B
+96%

2019
\$5.2B spent
2021
\$10.2B spent

City of Miami: active listings



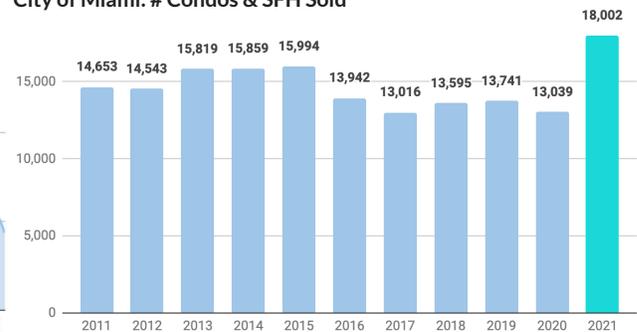
SUPPLY

↓ -50%

December 2019
8,749 active listings

December 2021
4,357 active listings

City of Miami: # Condos & SFH Sold



PROPERTIES SOLD

↑ +31%

2019
13,741 properties sold

2022
18,002 properties sold



City of Miami \$1M+

ALL CASH DEALS AT HIGHS

Over half of \$1M+ residential transactions in 2021 were all cash. A staggering 64% of \$1M+ condos were all cash.

DAYS TO SELL AT LOWS

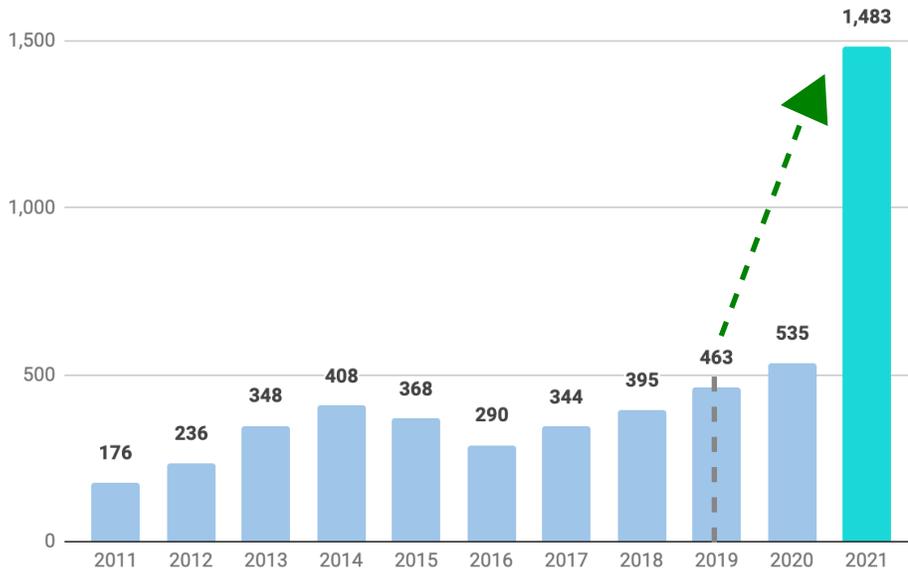
Median days to sell a \$1M+ property in the city of Miami fell 66% versus the same time period in 2019.

Ana's comments: Demand for \$1M+ properties in the city of Miami has skyrocketed, up 220% versus 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.

53%

2021 ALL CASH DEALS

City of Miami: \$1M+ Sales Volume



DEMAND

+220%

2019
463 properties sold

2021
1,483 properties sold

+1,020 \$1M+ properties sold

City of Miami: \$1M+ active listings



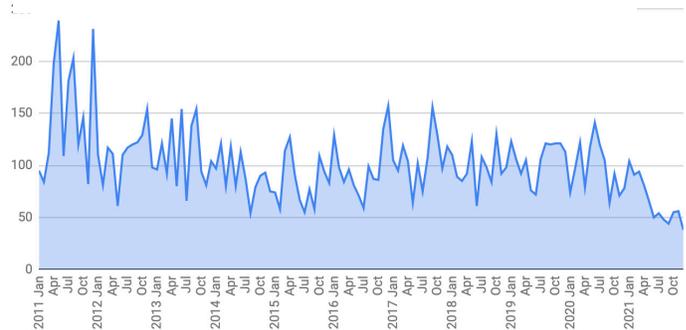
SUPPLY

-22%

December 2019
1,155 active listings

December 2021
898 active listings

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



MEDIAN DAYS TO SELL

-66%

December 2019
113 days to sell

December 2021
38 days to sell



City of Miami | resale prices at all time highs

MIAMI CONDOS

2021

Average sale price: \$462,298

2019

Average sale price: \$315,957

+46%

2021

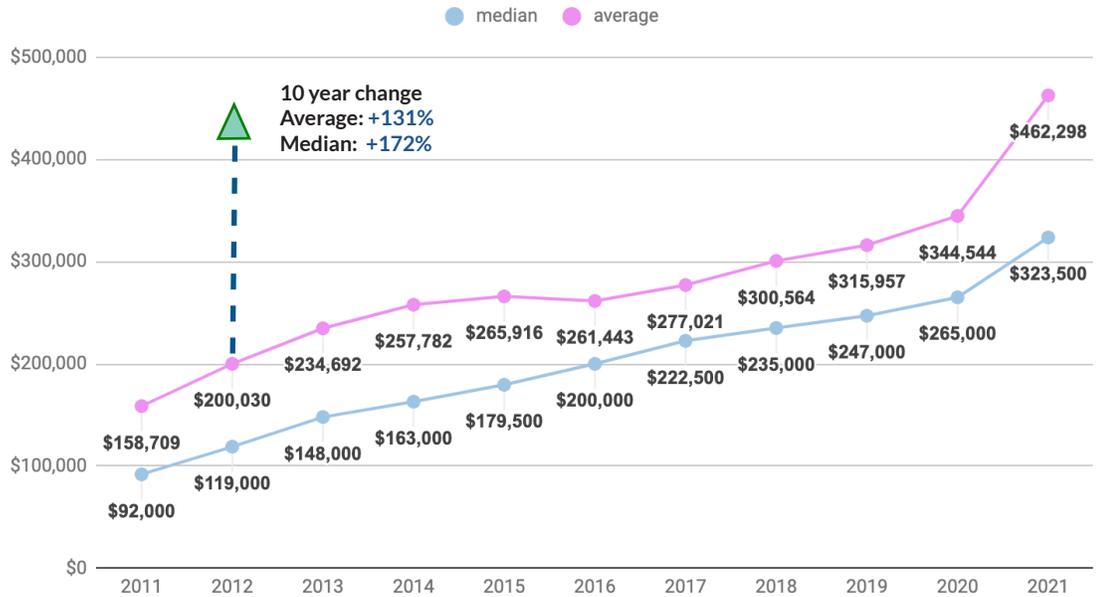
Median sale price: \$323,500

2019

Median sale price: \$247,000

+31%

Median & Average Sale Price



MIAMI SFH

2021

Average sale price: \$717,514

2019

Average sale price: \$442,206

+62%

2021

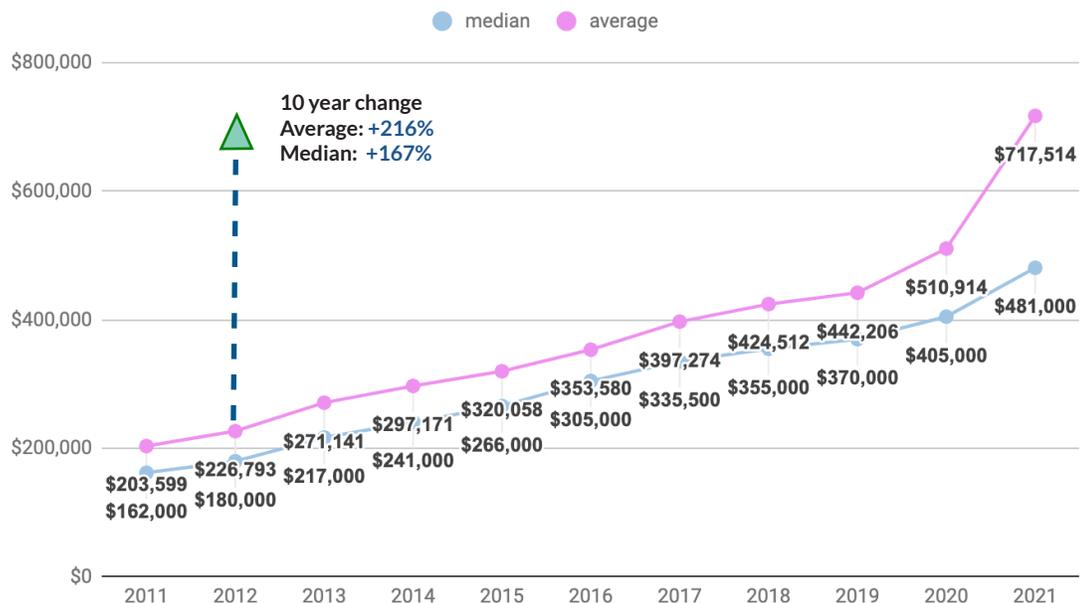
Median sale price: \$481,000

2019

Median sale price: \$370,000

+30%

Median & Average Sale Price





City of Miami | Condos

\$1M+ market segment

26% decrease in SUPPLY



DEMAND 282% increase in sales

64% 2021 ALL CASH DEALS

Active Listings

Dec 2019: 741
Dec 2021: 549

Sales Volume

2019: 175
2021: 688

Miami Condos: # Active Listings \$1M+



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

Miami Condos: \$1M+ Sales Volume



Miami Condos \$1M+: Annual Transaction Volume

sub \$1M market segment

57% decrease in SUPPLY



DEMAND 51% increase in sales

39% 2021 ALL CASH DEALS

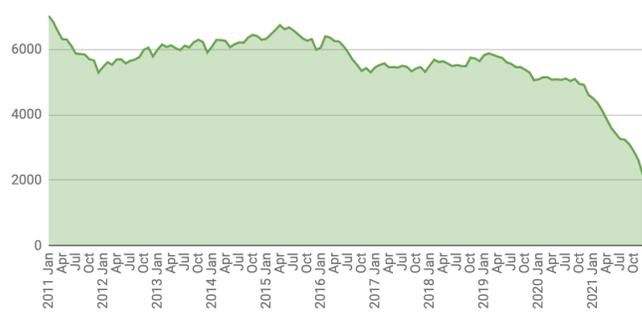
Active Listings

Dec 2019: 5,057
Dec 2021: 2,163

Sales Volume

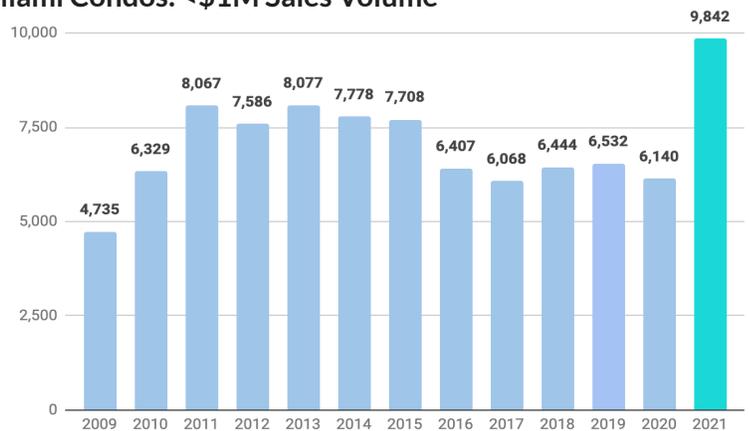
2019: 6,532
2021: 9,824

Miami Condos: # Active Listings <\$1M



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

Miami Condos: <\$1M Sales Volume



Miami Condos <\$1M: Annual Transaction Volume



City of Miami | SFH

\$1M+ market segment

16% decrease in SUPPLY



DEMAND 183% increase in sales

44% 2021 ALL CASH DEALS

Active Listings

2019: 414
2021: 349

Sales Volume

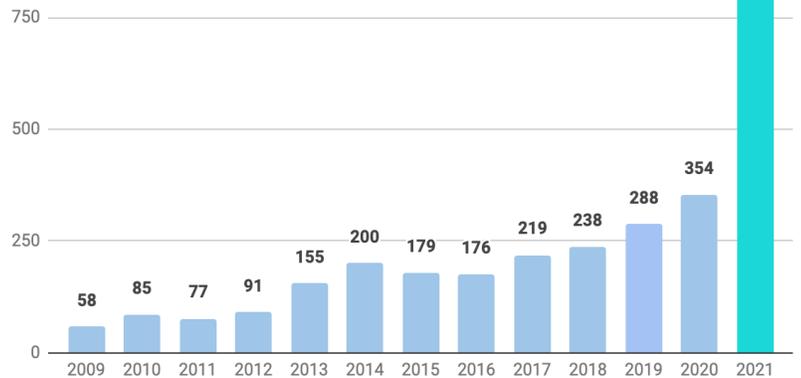
2019: 288
2021: 815

Miami SFH: # Active Listings \$1M+



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

Miami SFH: \$1M+ Sales Volume



Miami SFH \$1M+: Annual Transaction Volume

sub \$1M market segment

49% decrease in SUPPLY



DEMAND is flat

19% 2021 ALL CASH DEALS

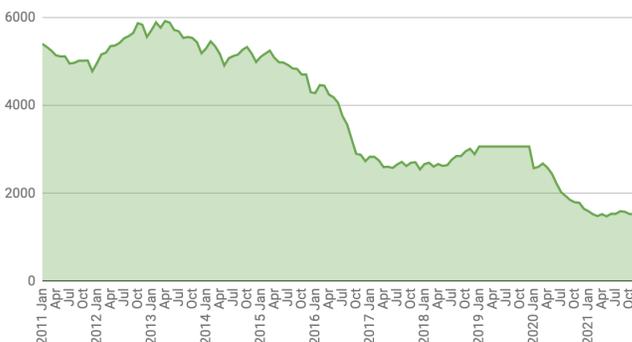
Active Listings

Dec 2019: 2,538
Dec 2021: 1,299

Sales Volume

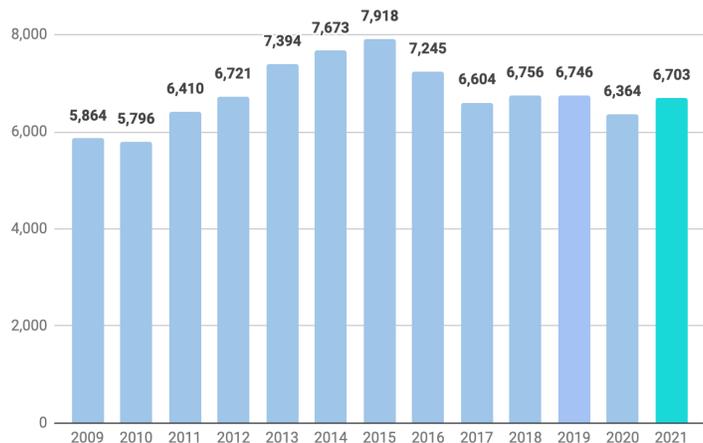
2019: 6,746
2021: 6,703

Miami SFH: # Active Listings <\$1M



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

Miami Condos: <\$1M+ Sales Volume



Miami SFH <\$1M: Annual Transaction Volume



CONCLUSIONS

Miami's record shattering year is the new normal.

Flight of capital and the Great Pandemic Migration have just begun.

The Pandemic was a full-stop event that allowed for the formation of new, internet-based habits. Meanwhile, the wealth gap widened & increasingly incompatible belief systems became even more so. Alternate realities emerged around the country, and recent census reports show NY & CA each losing 400,000+ residents as people vote with their feet. The shift has just begun, and Miami is emerging as a capital of the 21st century world. The city is ready: quality of life, safety, taxes, the best airport in America, a business friendly environment, etc...

The forces driving this dispersion of capital are bigger than Covid and the momentum cycle has just begun. If just 10% of people change how they live & work, at scale that effect is enormous.

Capital, both the intellectual and financial, 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 reimagined 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.

Forecast

Momentum is a real force and history moves in cycles. It is important to recognize the current upswing and to align with it. Barring natural disasters of epic proportion or some black swan event, the direction of the shift underway should remain. We have thus far been living in a world built in the 20th century, a new 21st century world is now emerging. South Florida and Miami have all the ingredients in place to be on the receiving end of the shift. The South Florida real estate market is resetting to reflect this new status. A secular bear market accompanied by a change in interest rates and liquidity crunch would of course have a dampening effect on the real estate market, however the long term cycle has many forces behind it and will likely remain strong in South Florida.



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.

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