



\$1M+ TRANSACTIONS ON FIRE

Transaction volume above \$1M was up 411% in 2021 versus pre Covid levels in 2019. The first four months of 2022 are on pace to reach 2021 levels. A new class of product has emerged as Pompano Beach has started to transact past \$1M.

INVENTORY AT RECORD LOW & FALLING

Inventory continued to steadily fall throughout Q1 2022, Aggregate city-wide inventory fell a staggering 69% versus the same time period in 2019. Sub \$1M condos & SFH inventory fell 71% and 70% respectively.

Ana's comments: The flight of capital and talent continued into Q1 2022, with no sign of abatement.

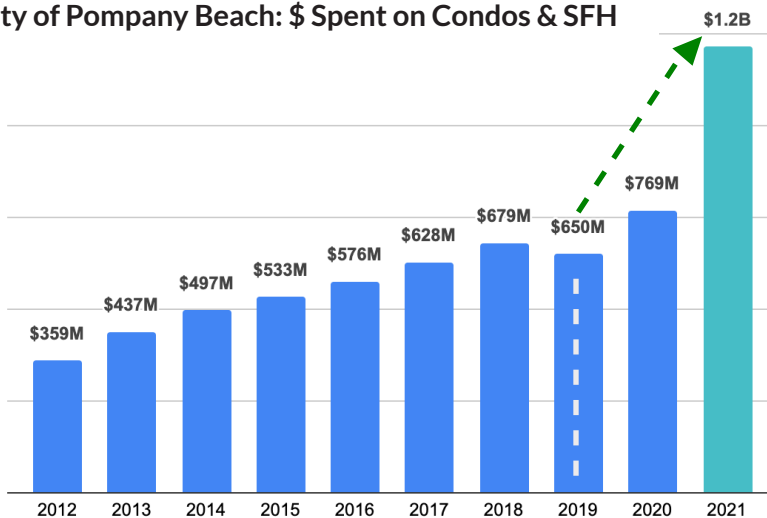
A major shift in focus is underway. The forces driving this dispersion of capital are bigger than Covid and the momentum cycle has just begun. The Pandemic was a full-stop event, allowing for the formation of new habits. If just 10% of people change how they live & work, at scale that effect is enormous. History never goes backwards, and South Florida is emerging as a capital of the new, more multipolar 21st century world.

Note on methodology

Q1 2022 is compared throughout this report to Q1 2019.

2019 is the most recent pre-Covid year & is representative of the pre-Covid market.

City of Pompano Beach: \$ Spent on Condos & SFH



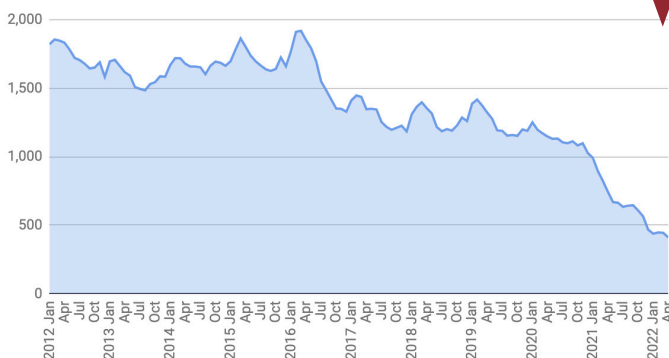
2021
DOLLARS SPENT

\$1.2B

+87%
vs 2019, pre Covid

+58%
YOY

Pompano: active listings, Condos & SFH



April 2019
1,322 active listings

April 2021
744 active listings

April 2022
412 active listings

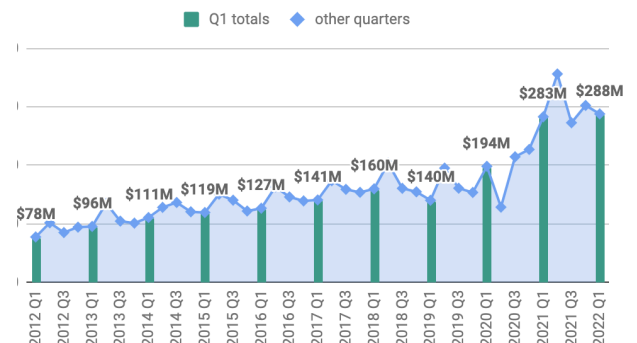
-69%
vs 2019, pre Covid

-45%
YOY

SUPPLY

DEMAND

Pompano Beach Q1 sales volume: # Condos & SFH



Q1 2019
\$140M spent

Q1 2021
\$283M spent

Q1 2022
\$288M spent

+106%
vs 2019, pre Covid

+1.8%
YOY



Pompano Beach \$1M+

Ana's comments: Demand for \$1M+ properties in the city of Pompano Beach has emerged. Sales volume was up 5x in 2021 versus 2019 while dollar volume was up 6x. The country is experiencing a shift in focus as pre-internet, 20th century epicenters dissipate. Cities in South Florida are emerging as new destinations for capital and talent. This reality is reflected in the Q1 numbers and sales trends.

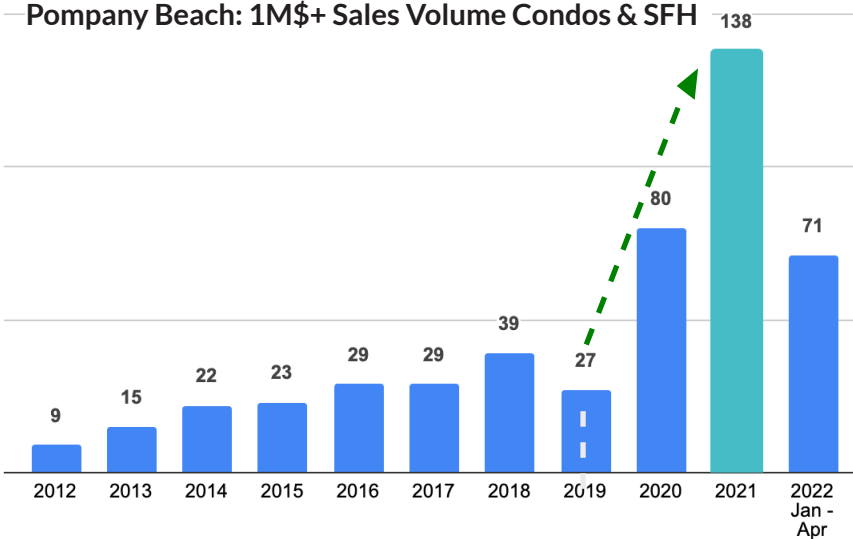
TRANSACTION VOLUME RECORDS

5x as many \$1M+ properties sold in 2021 versus the pre Covid levels of 2019.

55%

2022 Jan - Apr ALL CASH DEALS

Pompano Beach: 1M\$+ Sales Volume Condos & SFH



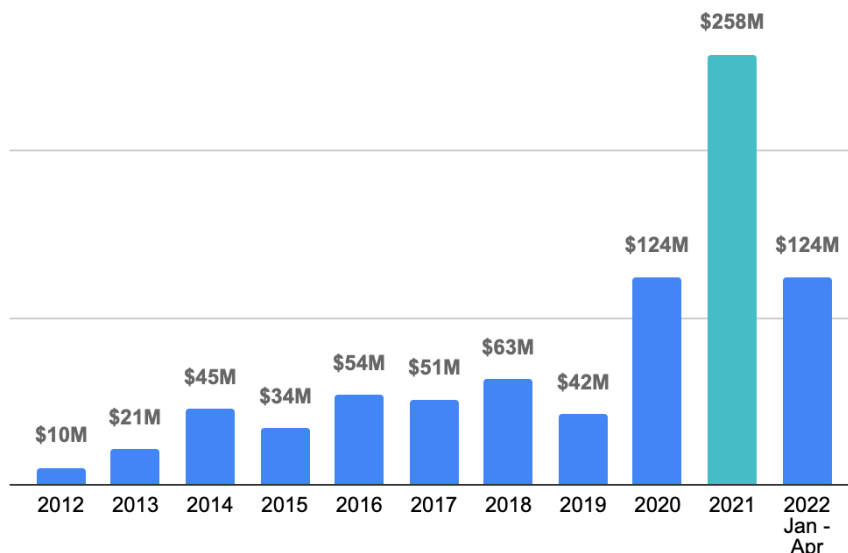
2021
\$1M+ Units Sold

138

+411%
vs 2019, pre Covid

+73%
YOY

Pompano Beach: 1M\$+ Dollar Volume Condos & SFH



2021
\$1M+ Dollar Volume

\$258M

+514%
vs 2019, pre Covid

+108%
YOY



Pompano Beach | resale prices at all time highs

POMPANO CONDOS

2022 Jan - Apr

Average sale price: \$333,222

2019

Average sale price: \$233,523

+43% **+15%**

vs 2019, pre Covid YOY

2022 Jan - Apr

Median sale price: \$264,500

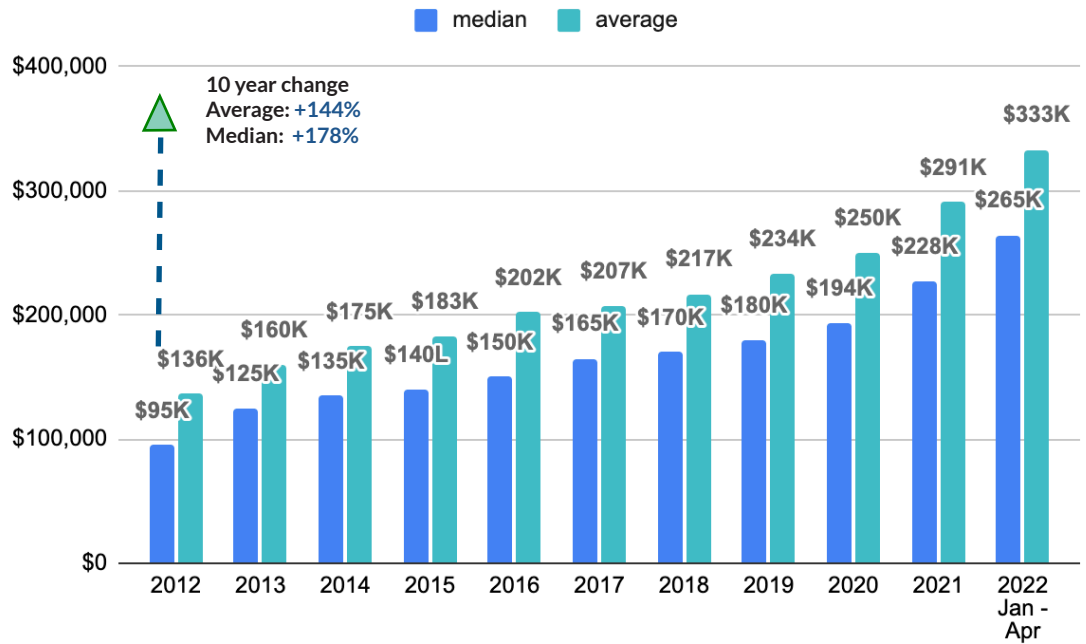
2019

Median sale price: \$180,000

+47% **+16%**

vs 2019, pre Covid YOY

Median & Average Sale Price



POMPANO SFH

2022 Jan - Apr

Average sale price: \$692,826

2019

Average sale price: \$352,403

+97% **+18%**

vs 2019, pre Covid YOY

2022 Jan - Apr

Median sale price: \$415,000

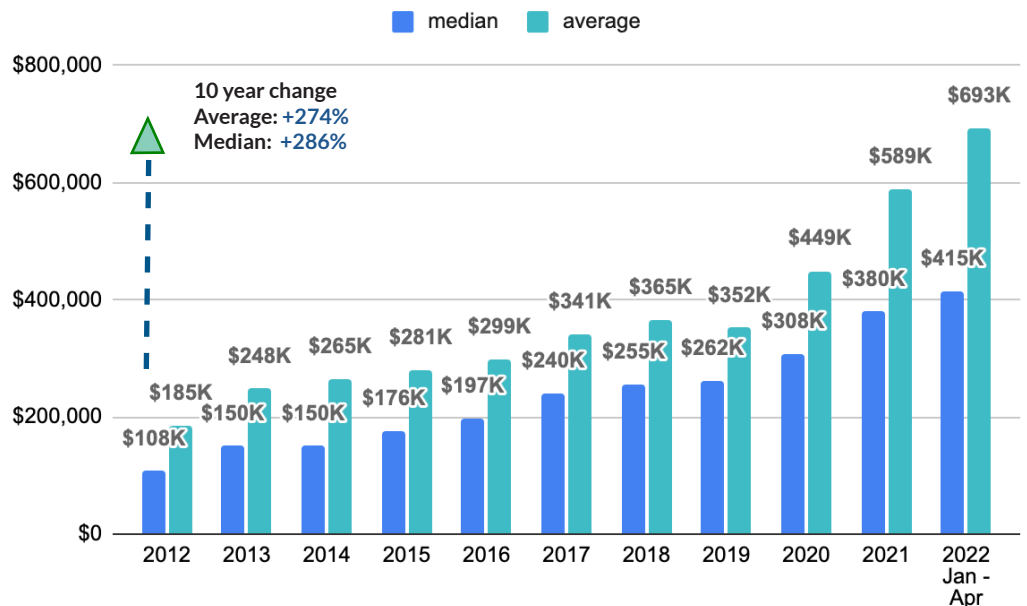
2019

Median sale price: \$262,000

+58% **+9%**

vs 2019, pre Covid YOY

Median & Average Sale Price





Pompano Beach | Condos, Q1 2022

\$1M+ market segment

Active Listings

March 2019: 24
March 2021: 25
March 2022: 19

SUPPLY

21% decrease
vs. March 2019, pre Covid

24% decrease
vs. March 2021, YOY

DEMAND

0 --> 8 sales
vs. Q1 2019, pre Covid

167% increase
vs. Q1 2021, YOY

75% 2022 JAN - APR ALL CASH

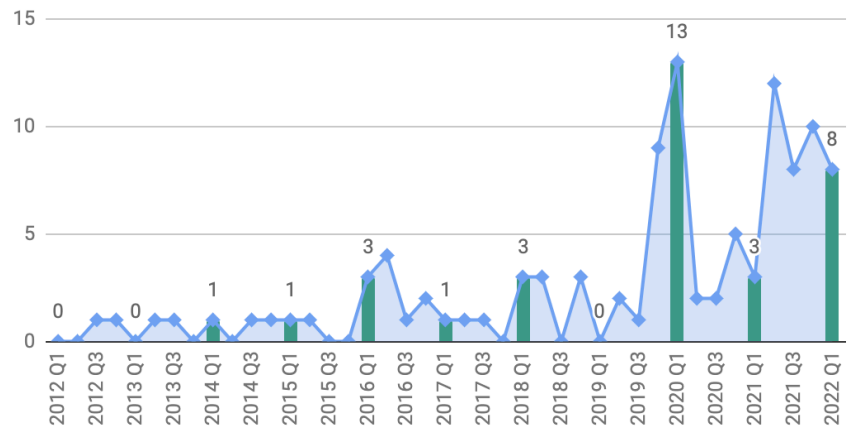
Sales Volume

Q1 2019: 0
Q1 2021: 3
Q1 2022: 8

Pompano Condos: # Active Listings \$1M+



Pompano Condos: \$1M+ Q1 Sales Volume



sub \$1M market segment

Active Listings

March 2019: 928
March 2021: 580
March 2022: 267

SUPPLY

71% decrease
vs. March 2019, pre Covid

54% decrease
vs. March 2021, YOY

DEMAND

31% increase
vs. Q1 2019, pre Covid

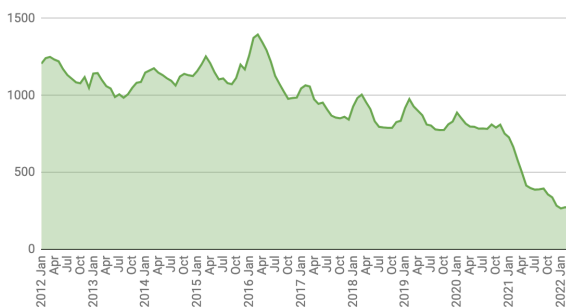
-14% decrease
vs. Q1 2021, YOY

59% 2022 JAN - APR ALL CASH

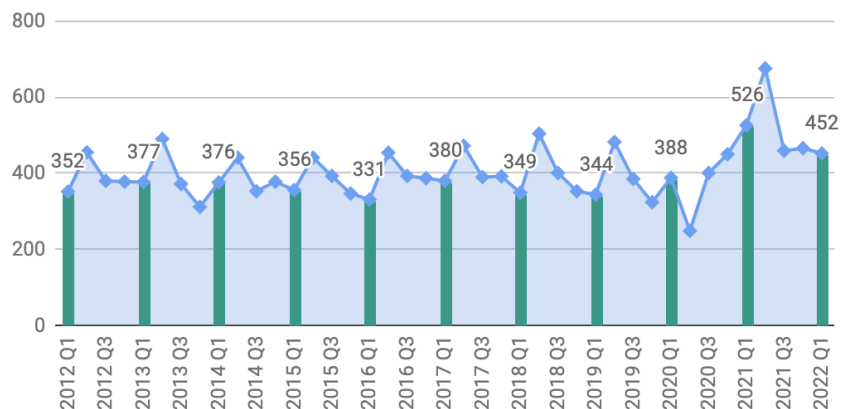
Sales Volume

Q1 2019: 344
Q1 2021: 526
Q1 2022: 452

Pompano Condos: # Active Listings <\$1M



Pompano Condos: <\$1M Q1 Sales Volume





Pompano Beach | SFH, Q1 2022

\$1M+ market segment

Active Listings

March 2019: 39
March 2021: 41
March 2022: 45

SUPPLY

15% increase
vs. March 2019, pre Covid

10% increase
vs. March 2021, YOY

DEMAND

580% increase
vs. Q1 2019, pre Covid

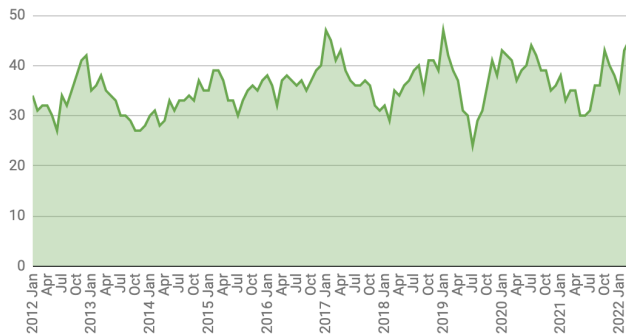
55% increase
vs. Q1 2021, YOY

51% Q1 2022 ALL CASH DEALS

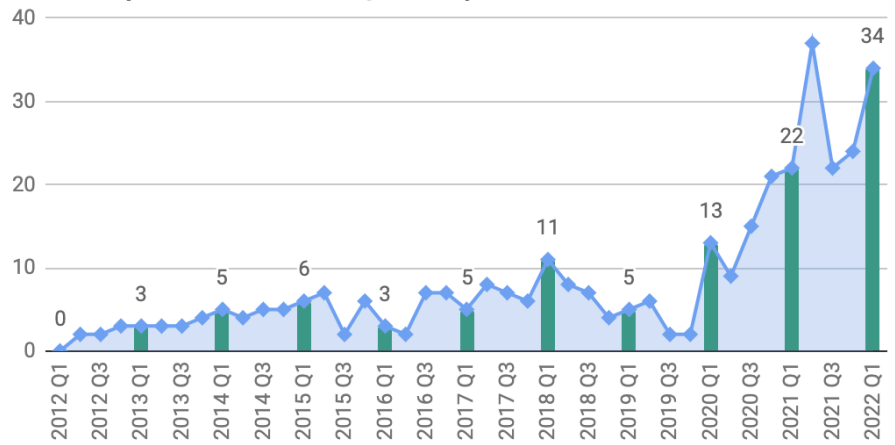
Sales Volume

Q1 2019: 5
Q1 2021: 22
Q1 2022: 34

Pompano SFH: # Active Listings \$1M+



Pompano SFH: \$1M+ Quarterly Sales Volume



sub \$1M market segment

Active Listings

March 2019: 382
March 2021: 183
March 2022: 114

SUPPLY

70% decrease
vs. March 2019, pre Covid

38% decrease
vs. March 2021, YOY

DEMAND

flat
vs. Q1 2019, pre Covid

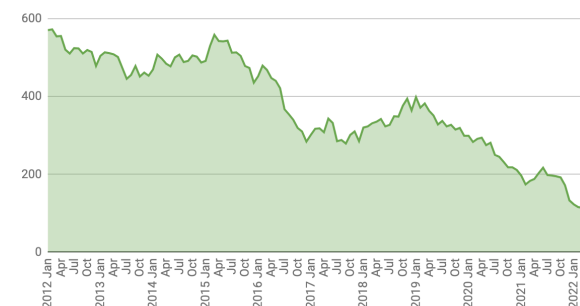
20% decrease
vs. Q1 2021, YOY

35% Q1 2022 ALL CASH DEALS

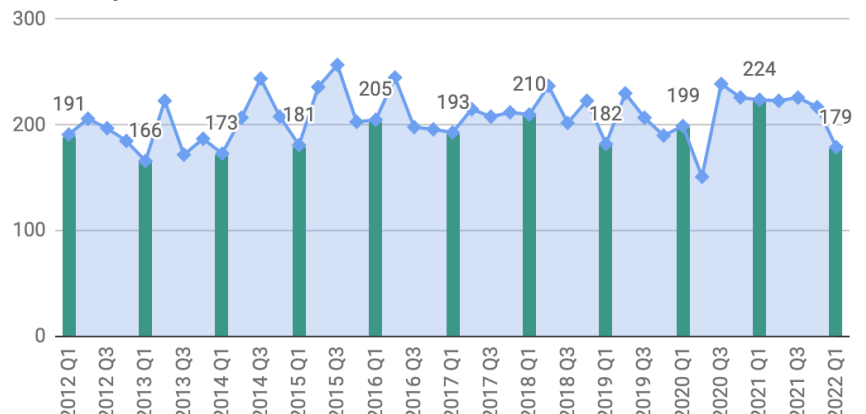
Sales Volume

Q1 2019: 182
Q1 2021: 224
Q1 2022: 179

Pompano SFH: # Active Listings <\$1M



Pompano SFH: <\$1M Sales Volume





CONCLUSIONS

South Florida's record shattering 2021 is the new normal.

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

A major shift in focus is underway.

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

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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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