



\$1M+ SALES AT RECORD HIGHS

Transaction volume above \$1M continued to set records. Q2 2022 had 21% more sales than Q2 2021. Notably, June 2022 set records with 20% YOY growth past \$1M. While sales volume is falling across the country, Miami \$1M+ continues to grow and was 54% all cash in Q2 2022.

<\$1M SALES FALL TO PRE COVID LEVELS

Sub \$1M sales took a dive in Q2 2022. The drop in sales volume accelerated into June, with the month recording 32% fewer sales than June 2021. While sales volume is at pre-Covid levels, inventory remains down more than 50% and median days to sell is at lows. The market has a floor.

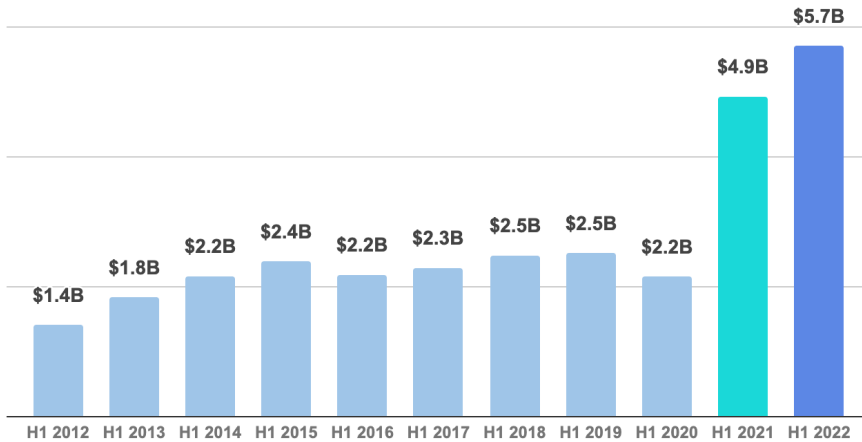
Ana's comments: *Wealth and talent continues to move to Miami, as \$1M+ transaction volume continues to set records. However, polarization and the emergence of two distinct market segments is becoming apparent. The sub \$1M market saw a 32% drop in transaction volume YOY in June. It is my opinion that Miami has just begun to emerge as a capital of the new, post-internet world. While the flow of money and talent has just begun, we need to keep an eye on the realities of America's growing wealth gap.*

Note on methodology

2022 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



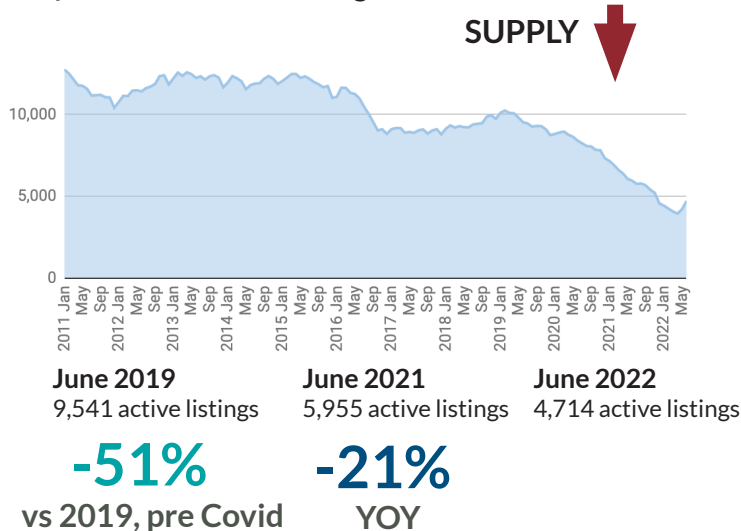
H1 2022 DOLLARS SPENT

\$5.7B

+128%
vs 2019, pre Covid

+16%
YOY

City of Miami: active listings, Condos & SFH



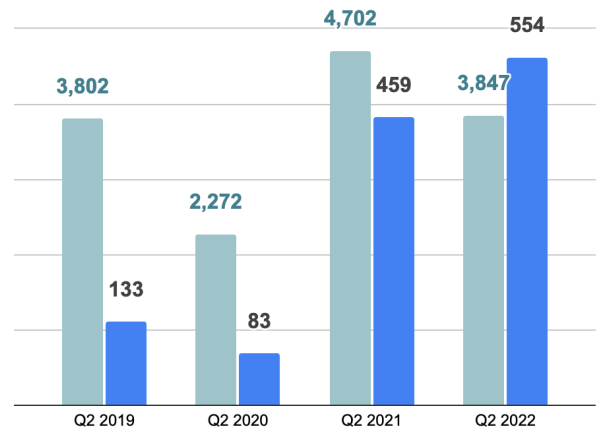
DEMAND Performance Divide, above & below \$1M

Q2 < \$1M sales

FLAT vs 2019, pre Covid
-19% YOY

Q2 > \$1M sales

+317% vs 2019, pre Covid
+21% YOY





City of Miami \$1M+

TRANSACTION VOLUME RECORDS

Despite recession fears, Q2 2022 saw a 21% YOY increase of \$1M+ sales.

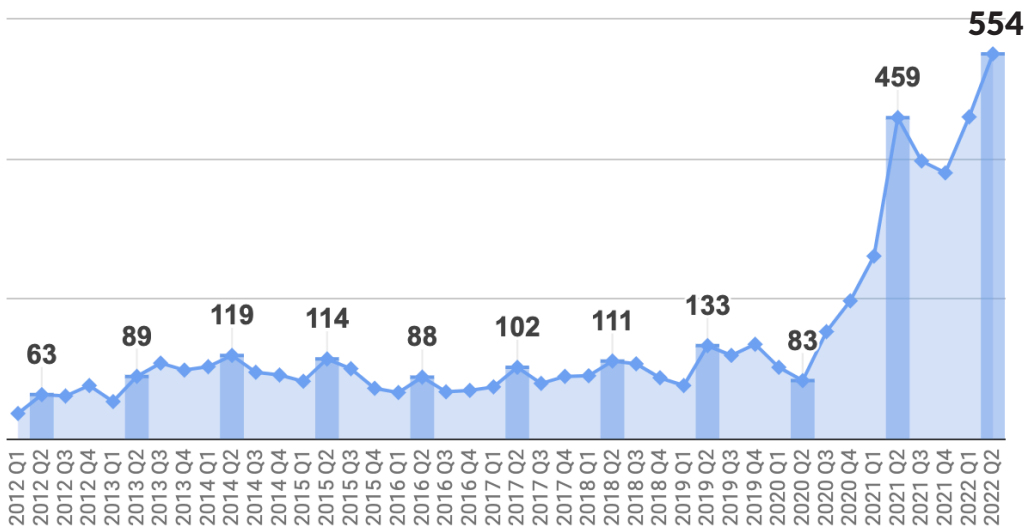
DAYS TO SELL

Median days to sell continues to hover at around all time lows, as does months of inventory (otherwise known as the absorption rate).

Ana's comments: Given recession fears, recent corrections in risk assets and overall talk of a real estate market slow down, the growth of the Miami \$1M+ market is remarkable. The final month of the quarter saw a 20% YOY increase. We are seeing inventory levels tick up a little, which is a good thing. The \$1m+ market will likely settle around these now normalized transaction volume and price levels.

54%
Q2 2022 ALL CASH DEALS

City of Miami: \$1M+ Q2 Sales Volume



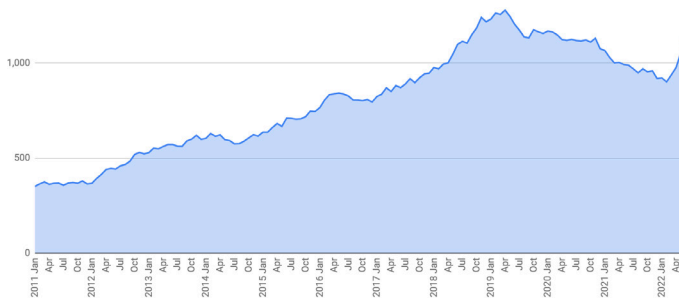
Q2 2022
\$1M+ Properties Sold

554
+390%
vs 2019, pre Covid

+21%
YOY

5
months of inventory

City of Miami: \$1M+ active listings charted monthly



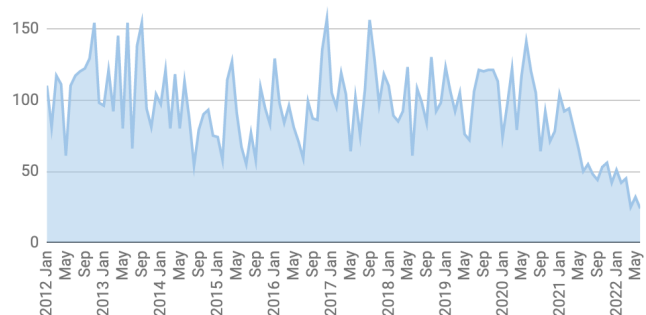
SUPPLY

↓ -2%

June 2019
1,205 active listings

June 2022
1,182 active listings

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



MEDIAN DAYS TO SELL

↓ -66%

June 2019
72 days to sell

June 2022
24 days to sell



City of Miami <\$1M

TRANSACTION VOLUME

Volume dropped 17% YOY and is currently at pre Covid levels.

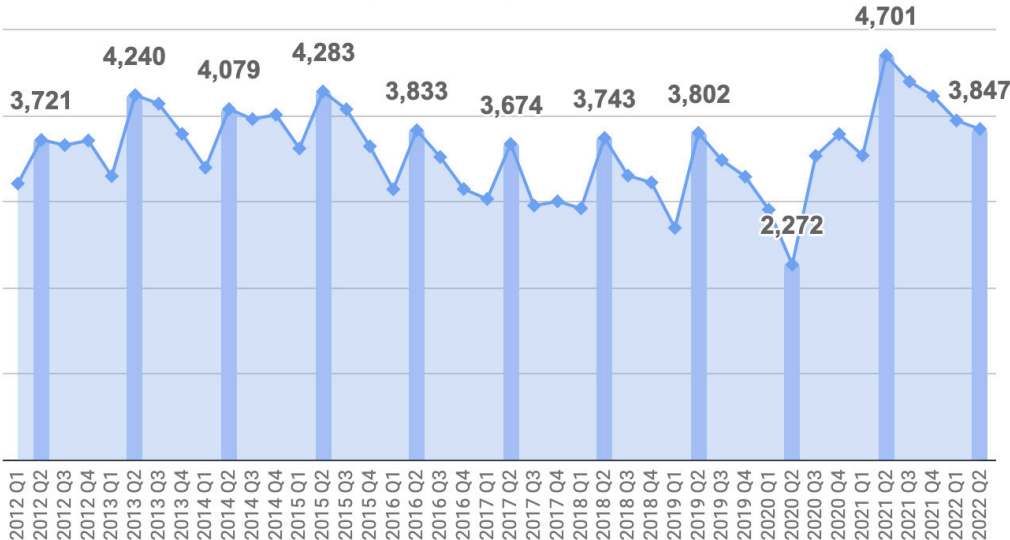
DAYS TO SELL

Median days to sell continues to hover at around all time lows, as does months of inventory (otherwise known as the absorption rate).

Ana's comments: While sales volume below \$1M has dropped to pre Covid levels, inventory is 57% lower and we have only 3 months of inventory. The drop in sales volume is likely a product both of economic factors and lack of inventory. Median days to sell remaining at lows and 46% of sales being all cash give this market a floor.

39%
Q2 2022 ALL CASH DEALS

City of Miami: <\$1M Q2 Sales Volume



Q2 2022
<\$1M Properties Sold

3,847

+1%

vs 2019, pre Covid

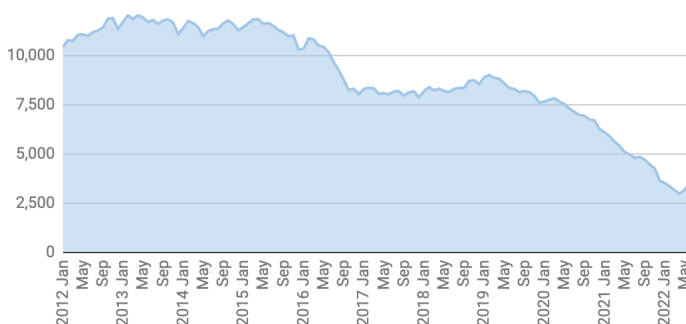
-18%

YOY

3

months of inventory

City of Miami: <\$1M active listings charted monthly



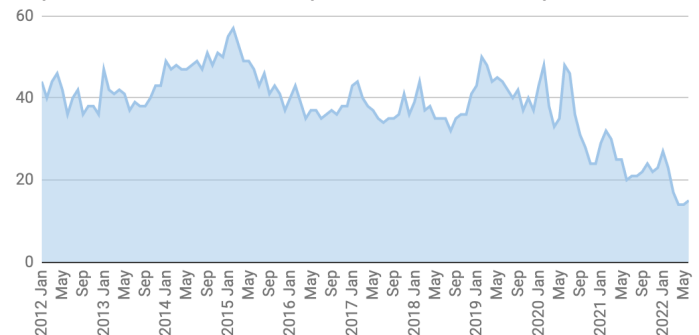
SUPPLY

↓ -57%

June 2019
8,337 active listings

June 2022
3,545 active listings

City of Miami: <\$1M median days to sell charted monthly



MEDIAN DAYS TO SELL

↓ -66%

June 2019
44 days to sell

June 2022
15 days to sell



City of Miami | resale prices at all time highs

MIAMI CONDOS

Q2 2022 Median

sale price: \$415,000

Q2 2019 Median

sale price: \$253,000

+64% **+30%**

vs 2019, pre Covid

YOY

Q2 2022 Average

sale price: \$587,842

Q2 2019 Average

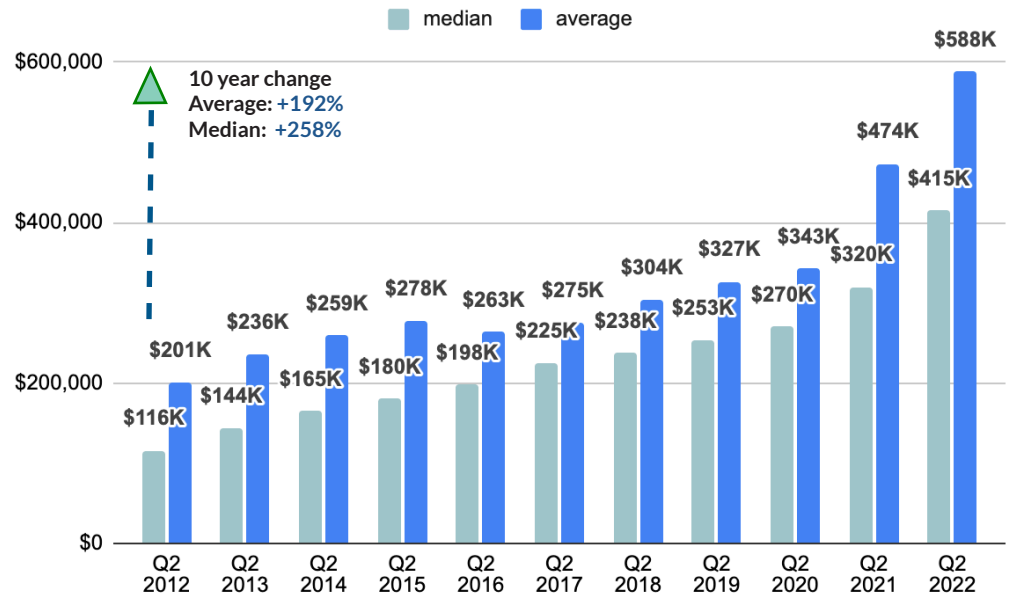
sale price: \$326,640

+80% **+24%**

vs 2019, pre Covid

YOY

Median & Average Sale Price



MIAMI SFH

Q2 2022 Median

sale price: \$572,750

Q2 2019 Median

sale price: \$370,000

+55% **+19%**

vs 2019, pre Covid

YOY

Q2 2022 Average

sale price: \$783,203

Q2 2019 Average

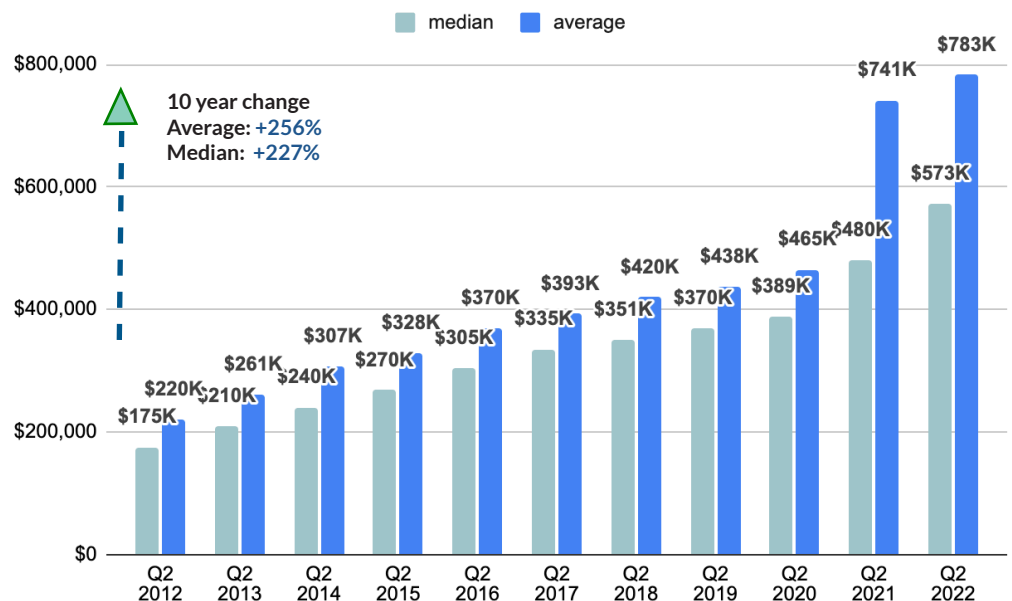
sale price: \$437,557

+79% **+6%**

vs 2019, pre Covid

YOY

Median & Average Sale Price





City of Miami | Condos, Q2 2022

\$1M+ market segment

Active Listings

June 2019: 746

June 2021: 609

June 2022: 614

SUPPLY

18% decrease

vs. June 2019, pre Covid

flat

vs. June 2021, YOY

DEMAND

373% increase

vs. Q2 2019, pre Covid

34% increase

vs. Q2 2021, YOY

63% Q2 2022 ALL CASH DEALS

Sales Volume

Q2 2019: 62

Q2 2021: 218

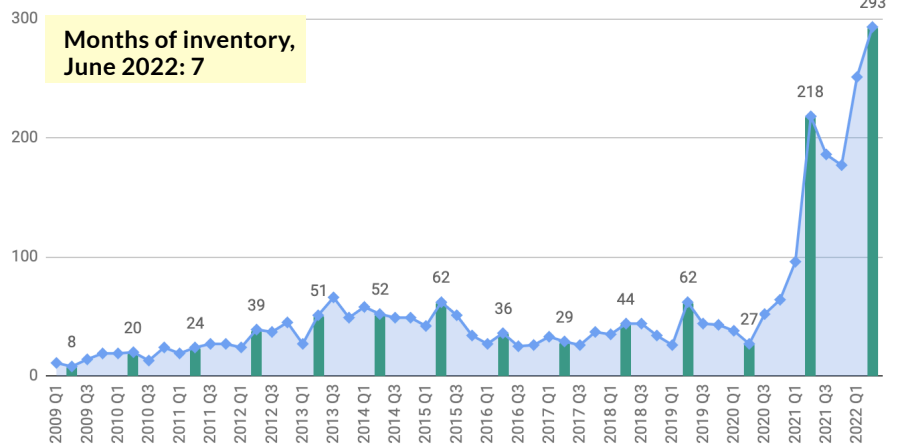
Q2 2022: 293

Miami Condos: # Active Listings \$1M+



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

Miami Condos: \$1M+ Quarterly Sales Volume



Miami Condos \$1M+: Quarterly Transaction Volume

sub \$1M market segment

Active Listings

June 2019: 5,597

June 2021: 3,430

June 2022: 2,061

SUPPLY

63% decrease

vs. June 2019, pre Covid

40% decrease

vs. June 2021, YOY

DEMAND

28% increase

vs. Q2 2019, pre Covid

16% decrease

vs. Q2 2021, YOY

47% Q2 2022 ALL CASH DEALS

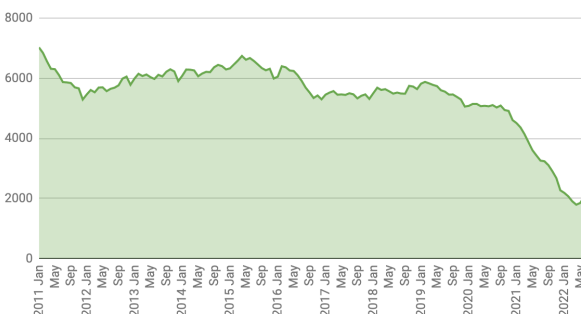
Sales Volume

Q2 2019: 1,833

Q2 2021: 2,801

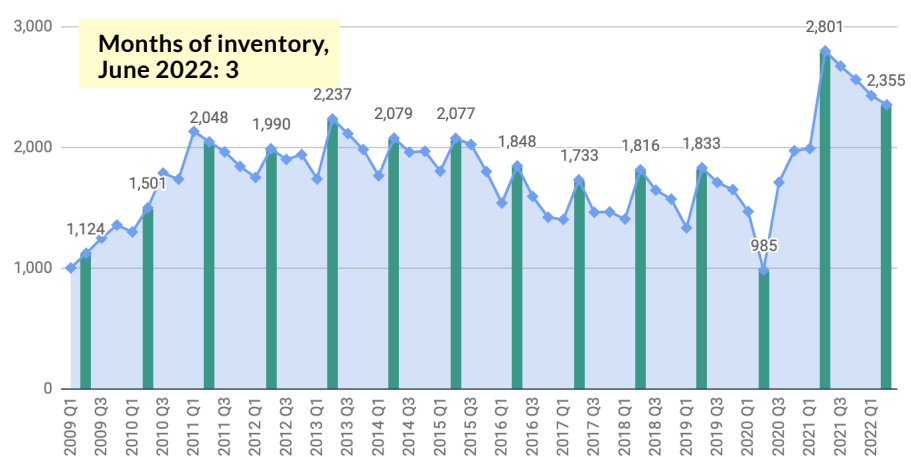
Q2 2022: 2,355

Miami Condos: # Active Listings <\$1M



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

Miami Condos: <\$1M Sales Volume



Miami Condos <\$1M: Quarterly Transaction Volume



City of Miami | SFH, Q2 2022

\$1M+ market segment

Active Listings

June 2019: 459
June 2021: 379
June 2022: 567

SUPPLY

24% increase
vs. June 2019, pre Covid

50% increase
vs. June 2021, YOY

DEMAND

268% increase
vs. Q1 2019, pre Covid

8% increase
vs. Q1 2021, YOY

44% Q2 2022 ALL CASH DEALS

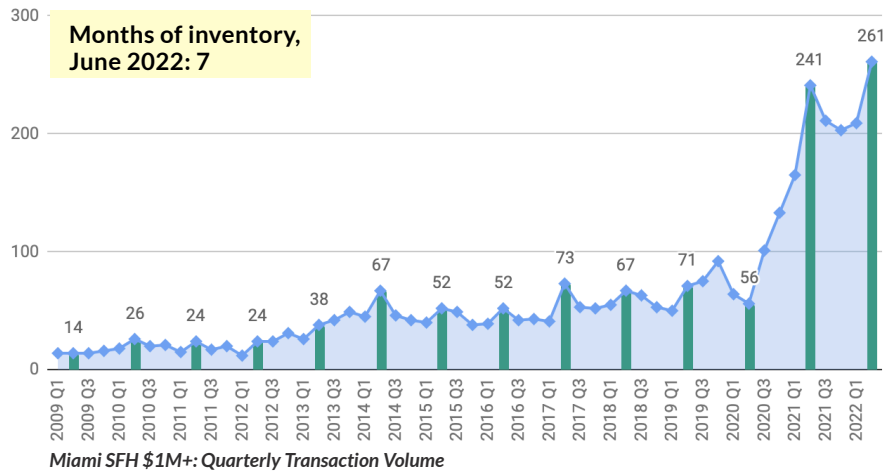
Sales Volume

Q2 2019: 71
Q2 2021: 241
Q2 2022: 261

Miami SFH: # Active Listings \$1M+



Miami SFH: \$1M+ Quarterly Sales Volume



sub \$1M market segment

Active Listings

June 2019: 2,740
June 2021: 1,536
June 2022: 1,480

SUPPLY

46% decrease
vs. June 2019, pre Covid

4% decrease
vs. June 2021, YOY

DEMAND

25% decrease
vs. Q2 2019, pre Covid

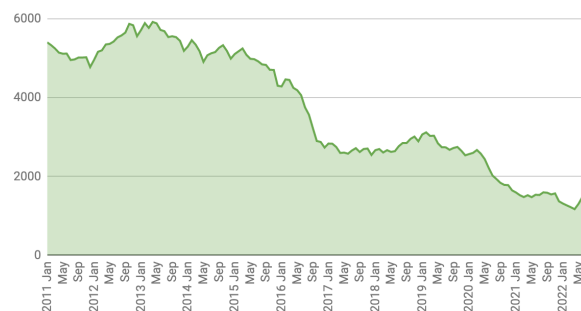
22% decrease
vs. Q2 2021, YOY

25% Q2 2022 ALL CASH DEALS

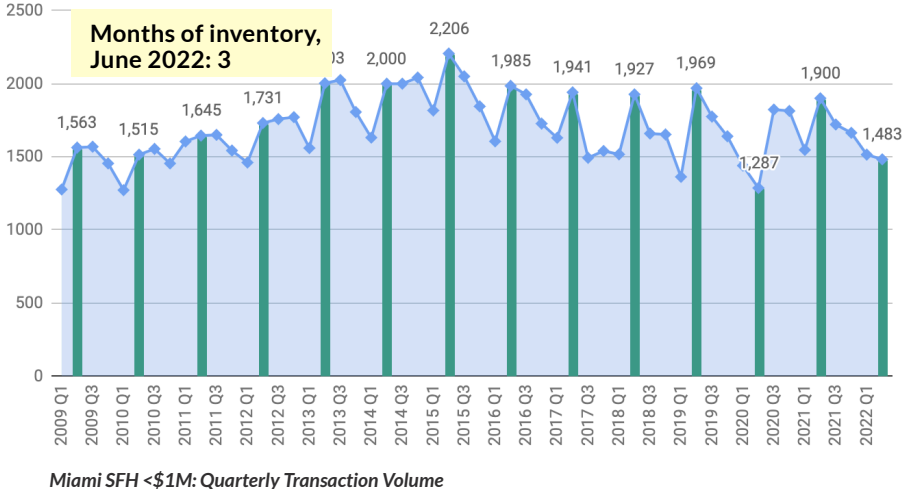
Sales Volume

Q2 2019: 1,969
Q2 2021: 1,900
Q2 2022: 1,483

Miami SFH: # Active Listings <\$1M



MiamiSFH: <\$1M Sales Volume





CONCLUSIONS

Miami's record shattering year 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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