



\$1M+ SALES ARE STRONG

Sales volume past \$1M remains almost 3x pre-Covid levels. Tri-county, sales dipped 5% YOY while all cash purchasing held strong at 64%. This market segment is positioned to keep benefitting from the reshaping of America that is underway.

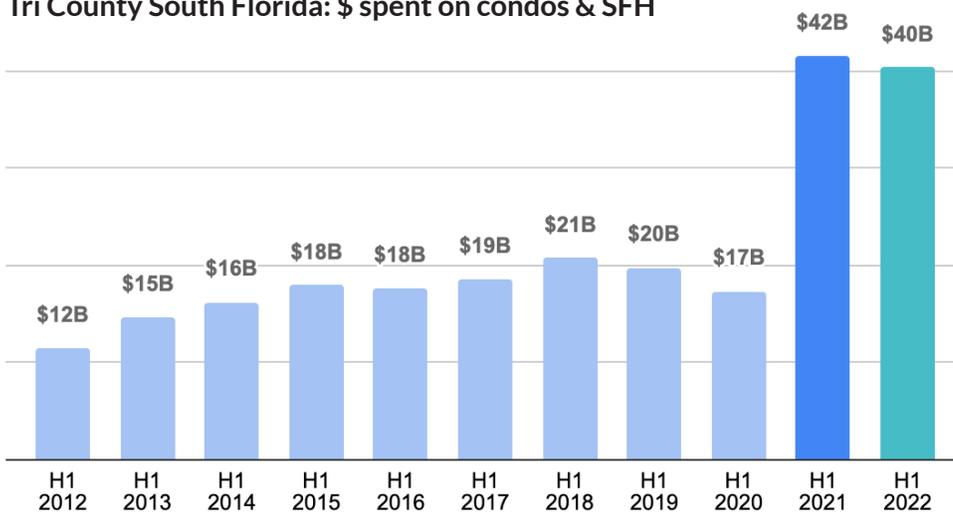
<\$1M SALES FALL TO PRE COVID

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 60% and median days to sell is at lows. The market has a floor.

Ana's comments: South Florida's cash tsunami and the Great Pandemic Migration are reshaping America. 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 South Florida is positioned to keep receiving capital, intellectual & monetary.

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.

Tri County South Florida: \$ spent on condos & SFH



H1 2022 DOLLARS SPENT

\$40B

+100%
vs 2019, pre Covid

-5%
YOY

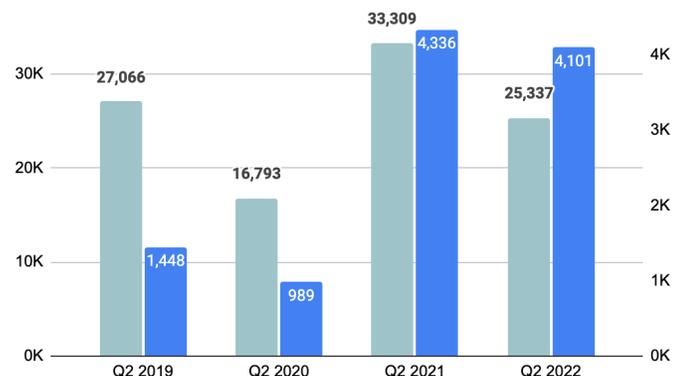
Tri County: # active listings

SUPPLY



DEMAND Performance Divide, above & below \$1M

■ Q2 < \$1M sales: **-6%** vs 2019, pre Covid, **-24%** YOY
■ Q2 > \$1M sales: **+183%** vs 2019, pre Covid, **-5%** YOY





Tri County \$1M+



ALL CASH DEALS AT HIGHS

A staggering 64% of \$1M+ transactions in South Florida were all cash in Q3 2021.



DAYS TO SELL AT LOWS

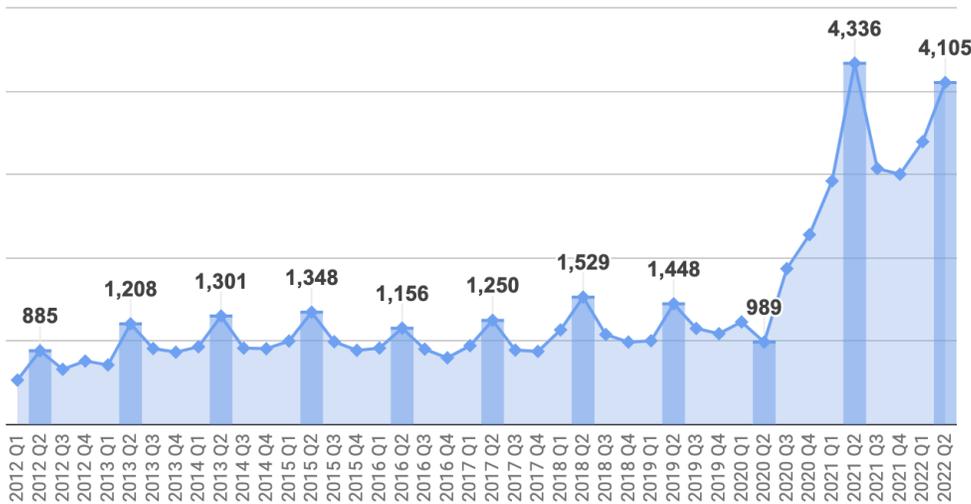
Median days to sell a \$1M+ property in South Florida fell 81% versus the same time period in 2019.

Ana's comments: Demand for \$1M+ properties in South Florida is holding strong. We are seeing inventory levels rise 10% YOY, which is a good thing. The \$1m+ market will likely settle around these now normalized transaction volume and price levels.

64%

Q2 2022 ALL CASH DEALS

Tri County South Florida: \$1M+ Sales Volume, condos & SFH



Q2 2022
\$1M+ Properties Sold

4,101

+183%

vs 2019, pre Covid

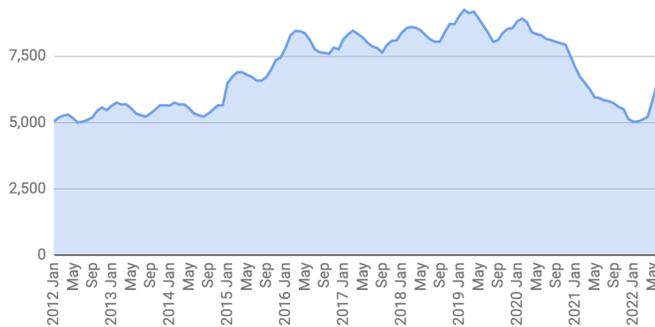
-5%

YOY

5

months of inventory

Tri County South Florida: \$1M+ active listings



June 2019

8,642 active listings

-23%

vs 2019, pre Covid

June 2021

5,910 active listings

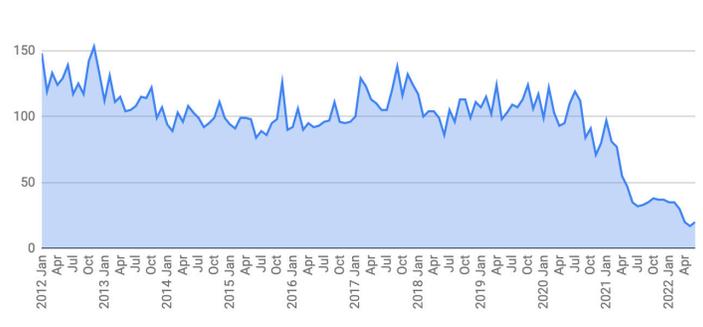
+10%

YOY

June 2022

6,506 active listings

Tri County South Florida: \$1M+ median days to sell



June 2019

103 days to sell

-81%

vs 2019, pre Covid

June 2021

35 days to sell

-43%

YOY

June 2022

20 days to sell



Tri County <\$1M

TRANSACTION VOLUME

Volume dropped 2% YOY and is currently slightly below pre Covid levels.

DAYS TO SELL AT LOWS

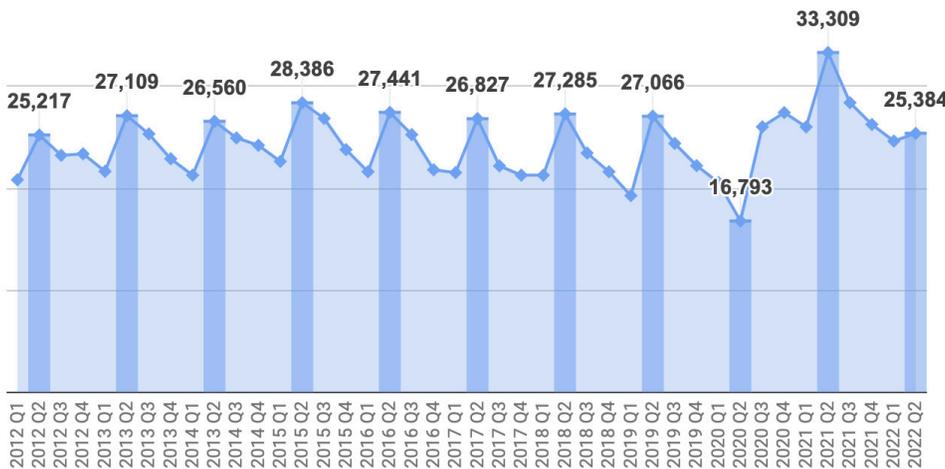
Median days to sell continues to hover at around all time lows, as does months of inventory (otherwise known as the absorption rate).

Ana's comments: While sales volume below \$1M has dropped to pre Covid levels, inventory is 60% lower and we have only 2 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.

46%

Q2 2022 ALL CASH DEALS

Tri County South Florida: <\$1M Sales Volume, condos & SFH



Q2 2022 <\$1M Properties Sold

25,384

-6%

vs 2019, pre Covid

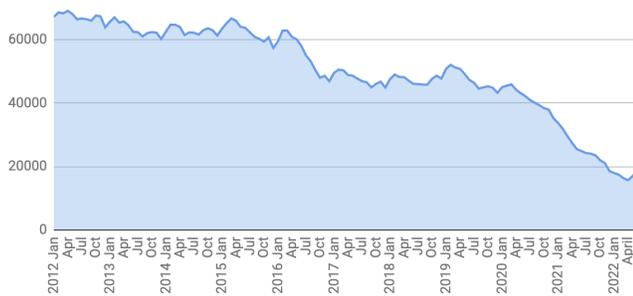
-24%

YOY

2

months of inventory

Tri County South Florida: <\$1M active listings



June 2019

47,241 active listings

-60%

vs 2019, pre Covid

June 2021

24,864 active listings

-24%

YOY

June 2022

18,939 active listings

Tri County South Florida: <\$1M median days to sell



June 2019

39 days to sell

-72%

vs 2019, pre Covid

June 2021

16 days to sell

-31%

YOY

June 2022

11 days to sell



Tri County | Condos, Q2 2022

\$1M+ market segment

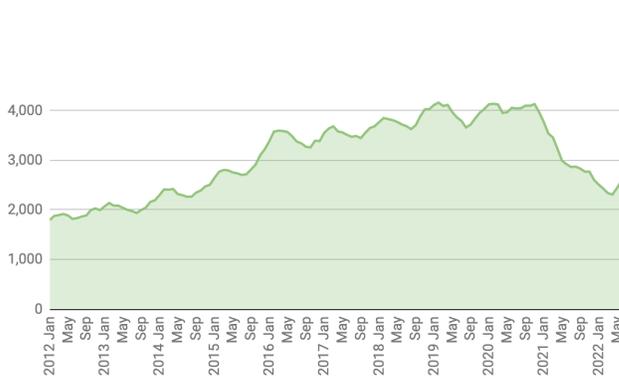
Active Listings
June 2019: 3,863
June 2021: 4,054
June 2022: 2,587

SUPPLY	DEMAND
33% decrease vs. June 2019, pre Covid	210% increase vs. Q2 2019, pre Covid
36% decrease vs. June 2021, YOY	8% decrease vs. Q2 2021, YOY

72% Q2 2022 ALL CASH

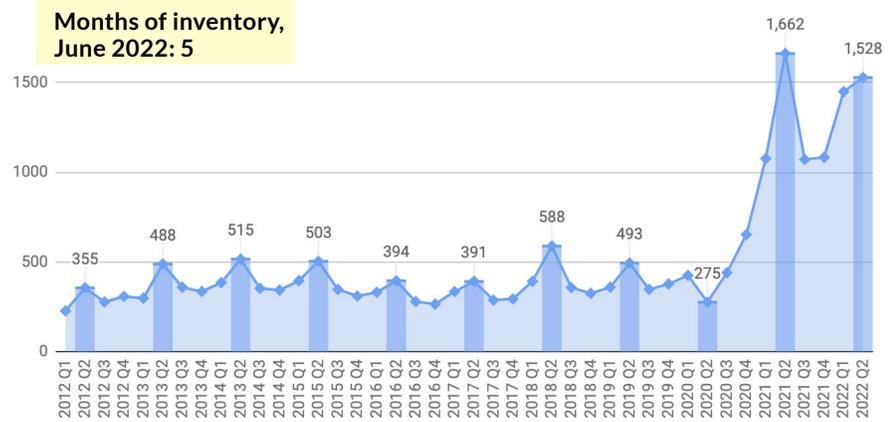
Sales Volume
Q2 2019: 493
Q2 2021: 1,662
Q2 2022: 1,528

Tri County Condos: # Active Listings \$1M+



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

Tri County Condos: \$1M+ Quarterly Sales Volume



Tri County Condos \$1M+: Quarterly Transaction Volume

sub \$1M market segment

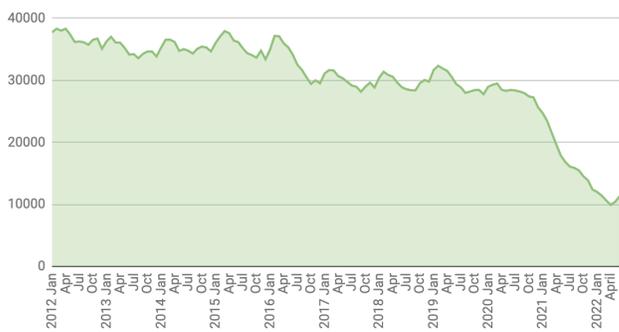
Active Listings
June 2019: 29,387
June 2021: 16,829
June 2022: 11,350

SUPPLY	DEMAND
61% decrease vs. June 2019, pre Covid	12% increase vs. Q2 2019, pre Covid
33% decrease vs. June 2021, YOY	23% decrease vs. Q2 2021, YOY

57% Q2 2022 ALL CASH DEALS

Sales Volume
Q2 2019: 13,846
Q2 2021: 19,951
Q2 2022: 15,461

Tri County Condos: # Active Listings <\$1M



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

Tri County Condos: <\$1M Sales Volume



Tri County Condos <\$1M: Quarterly Transaction Volume



Tri County | SFH, Q2 2022

\$1M+ market segment

SUPPLY

DEMAND

58% Q2 2022 ALL CASH

18% decrease
vs. June 2019, pre Covid

170% increase
vs. Q2 2019, pre Covid

31% increase
vs. June 2021, YOY

4% decrease
vs. Q2 2021, YOY

Active Listings

June 2019: 4,779
June 2021: 2,992
June 2022: 3,919

Sales Volume

Q2 2019: 955
Q2 2021: 2,674
Q2 2022: 2,574

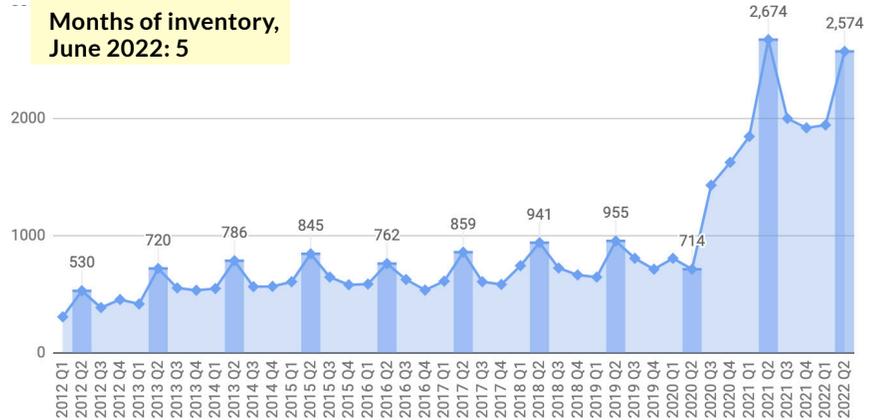
Tri County SFH: # Active Listings \$1M+



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

Tri County SFH: \$1M+ Quarterly Sales Volume

Months of inventory, June 2022: 5



Tri County SFH \$1M+: Quarterly Transaction Volume

sub \$1M market segment

SUPPLY

DEMAND

30% Q2 2022 ALL CASH DEALS

57% decrease
vs. June 2019, pre Covid

25% decrease
vs. Q2 2019, pre Covid

6% decrease
vs. June 2021, YOY

26% decrease
vs. Q2 2021, YOY

Active Listings

June 2019: 17,854
June 2021: 8,035
June 2022: 7,593

Sales Volume

Q2 2019: 13,220
Q2 2021: 13,358
Q2 2022: 9,897

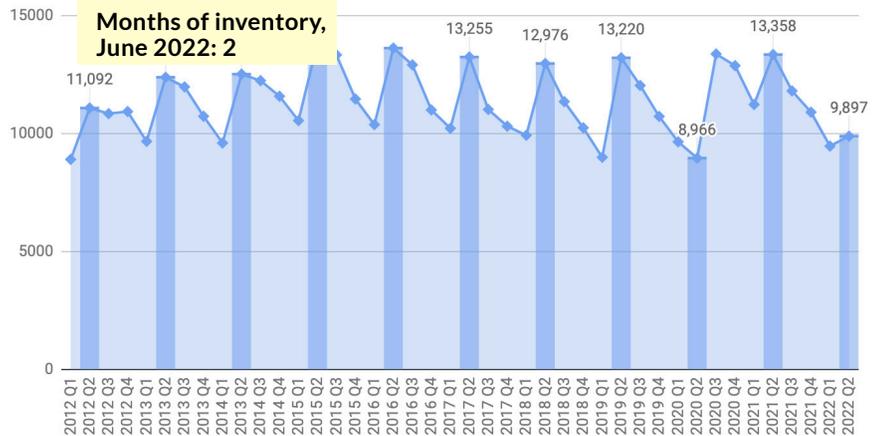
Tri County SFH: # Active Listings <\$1M



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

Tri County SFH: <\$1M Sales Volume

Months of inventory, June 2022: 2



Tri County SFH <\$1M: Quarterly Transaction Volume



CONCLUSIONS

The Great Pandemic Migration is reshaping America and South Florida is emerging as a destination for capital, both financial and intellectual.

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 South Florida is positioned to keep receiving capital, intellectual & monetary.

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. As different as 2000 was from 1900, 2011 will likely represent even more of a drastic leap.

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 . South Florida is well positioned to be an epicenter of the emerging, more multipolar 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 region has champions putting a strong message that the future here is bright

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

-> Quality of life: weather and safety have strong positive perception

-> Freedom: for those that agree with how the state of Florida is handling Covid, the region 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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