



Sales Volume At High Prices / SF

The wealth and talent migration is seen when we chart sales past various price-per-square-foot thresholds. The condo market past \$2K/SF had a record year, almost 5X higher than pre Covid, and was 82% cash. Whole new market segments are emerging, and they are a reflection of incoming appetites.



Inventory & Volume Below \$1M

Inventory below \$1M remains almost 60% below pre Covid realities. While below 2021 highs, sales volume is still up for the year versus pre Covid in 2019. Interest rates add friction, but the combo of low inventory and 50% cash buyers provides a floor.

Miami Dade Condo Market MATRIX Heading Into 2023

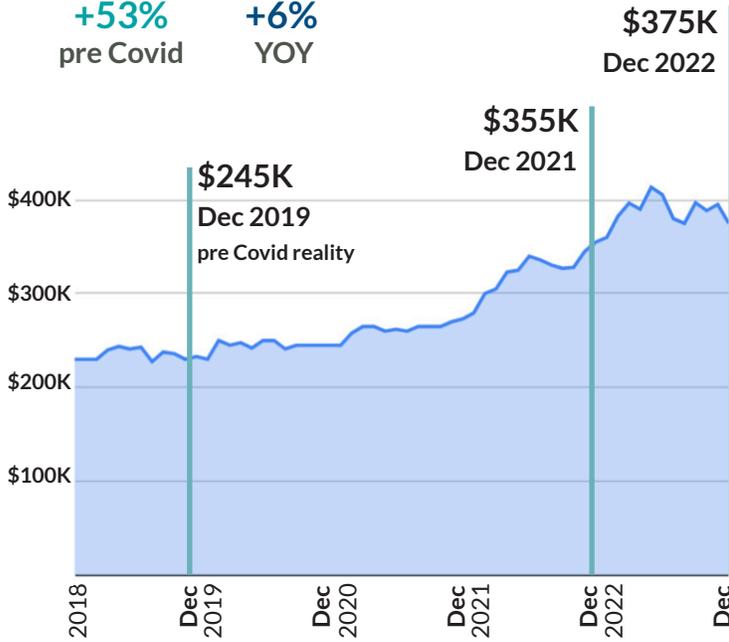
Cash Buyers, 2022

<\$1M: 50%

>\$1M: 67%

Median Condo Price

+53% pre Covid
+6% YOY



Annual Data Condos

Sales Volume by price / square foot

\$1K - \$1.9K/SF

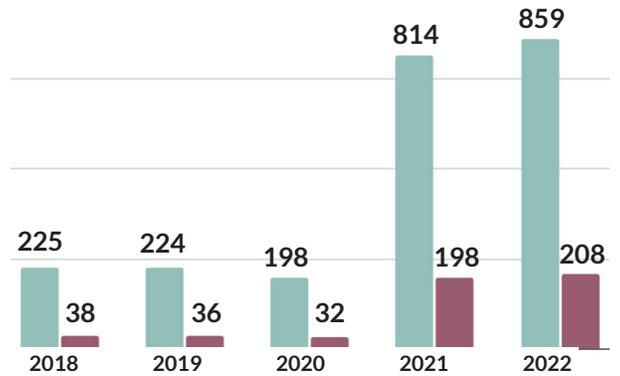
71% CASH IN 2022

+283 vs 2019, pre Covid
+6% YOY

\$2K+ / SF

82% CASH IN 2022

+478% vs 2019, pre Covid
+5% YOY



Active Condo Listings

<\$1M

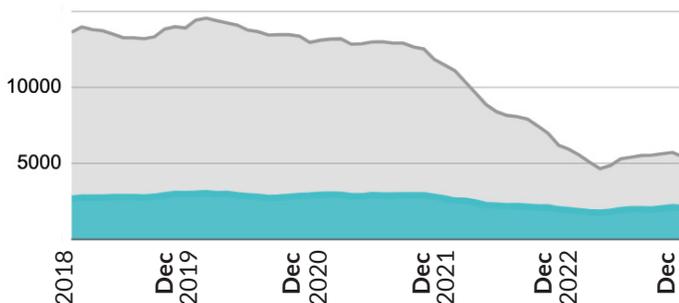
-58% vs 2019, pre Covid

-12% YOY

>\$1M

-28% vs 2019, pre Covid

+5% YOY



Annual Condo Sales Volume, below & above \$1M

<\$1M

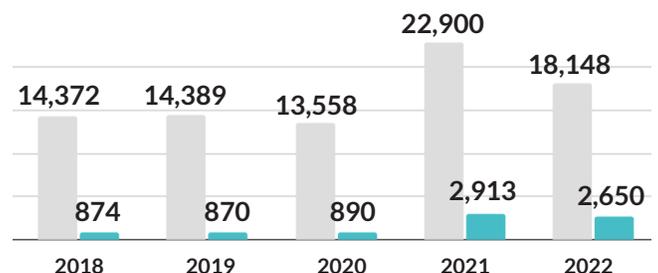
+26% vs 2019, pre Covid

-21% YOY

>\$1M

+205% vs 2019, pre Covid

-9% YOY





Sales Volume At High Prices / SF

The wealth and talent migration is seen when we chart sales past various price-per-square-foot thresholds. The SFH market is seeing almost 7x growth past \$2K/SF versus pre Covid realities, and \$1M+ is 51% cash.

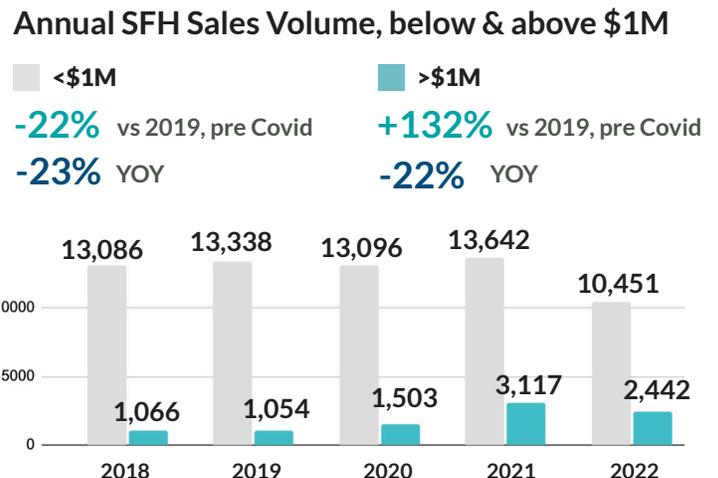
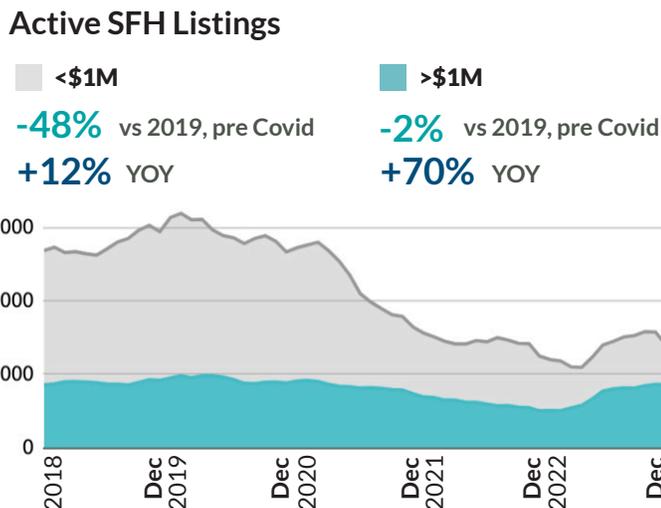
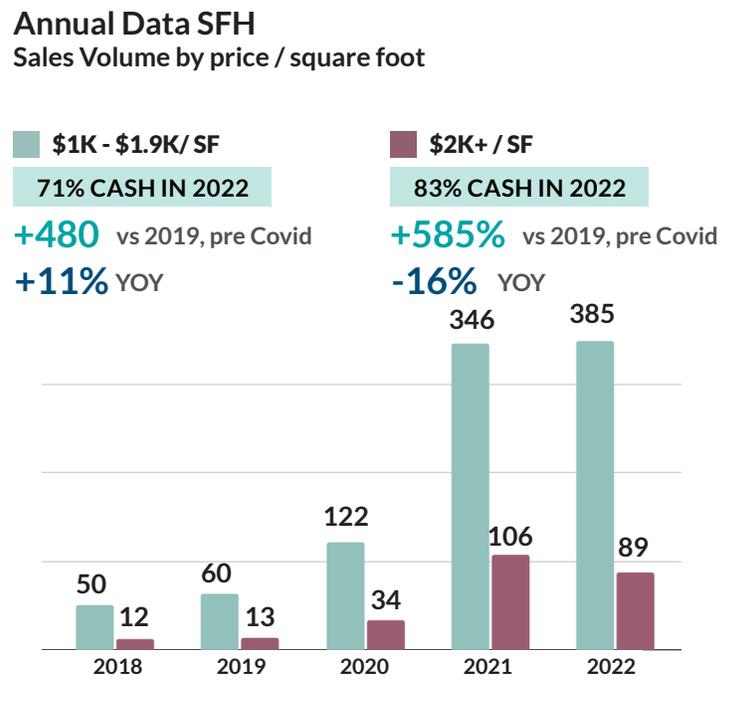
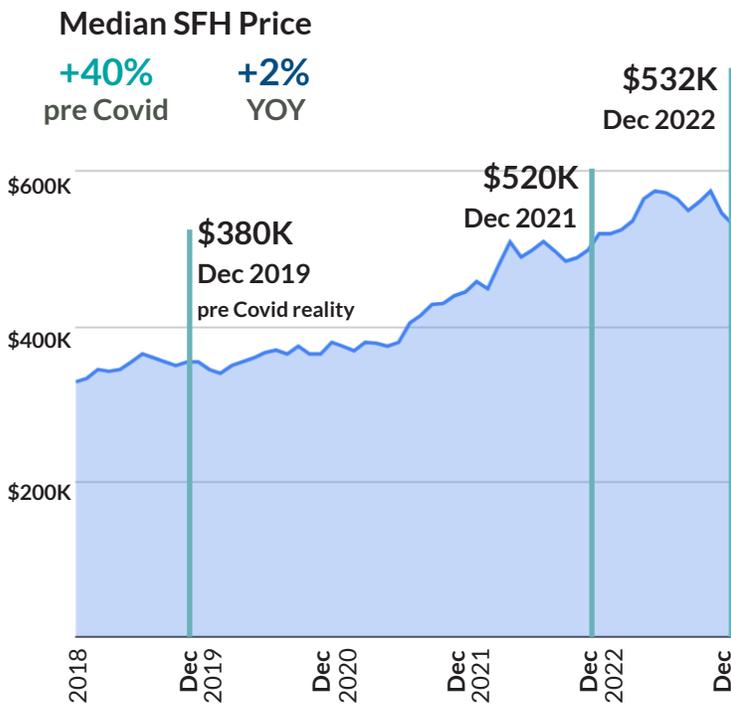


Inventory & Volume Below \$1M

Inventory below \$1M ended the year 48% below pre Covid realities. Sales volume sub \$1M stayed relatively flat immediately post Covid, but is seeing a significant drop this year. A 40% increase in median pricing since 2019 and higher interest rates will be putting the breaks on transaction volume.

Miami Dade Single Family Home Market MATRIX Heading Into 2023

Cash Buyers, 2022
<\$1M: 50%
>\$1M: 51%





Miami Dade County | annual resale prices

MIAMI DADE CONDOS

2022 Median

sale price: \$390,000

2019 Median

sale price: \$245,000

+59% **+19%**

vs 2019, pre Covid YOY

2022 Average

sale price: \$676,000

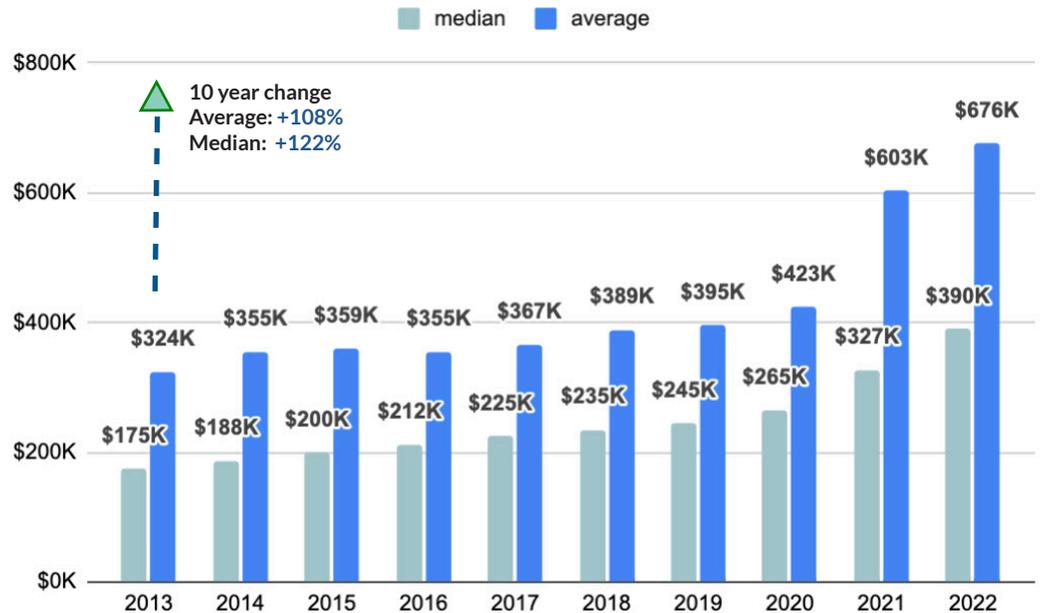
2019 Average

sale price: \$395,000

+71% **+12%**

vs 2019, pre Covid YOY

Median & Average Sale Price



MIAMI DADE SFH

2022 Median

sale price: \$550,000

2019 Median

sale price: \$220,000

+52% **+12%**

vs 2019, pre Covid YOY

2022 Average

sale price: \$984,000

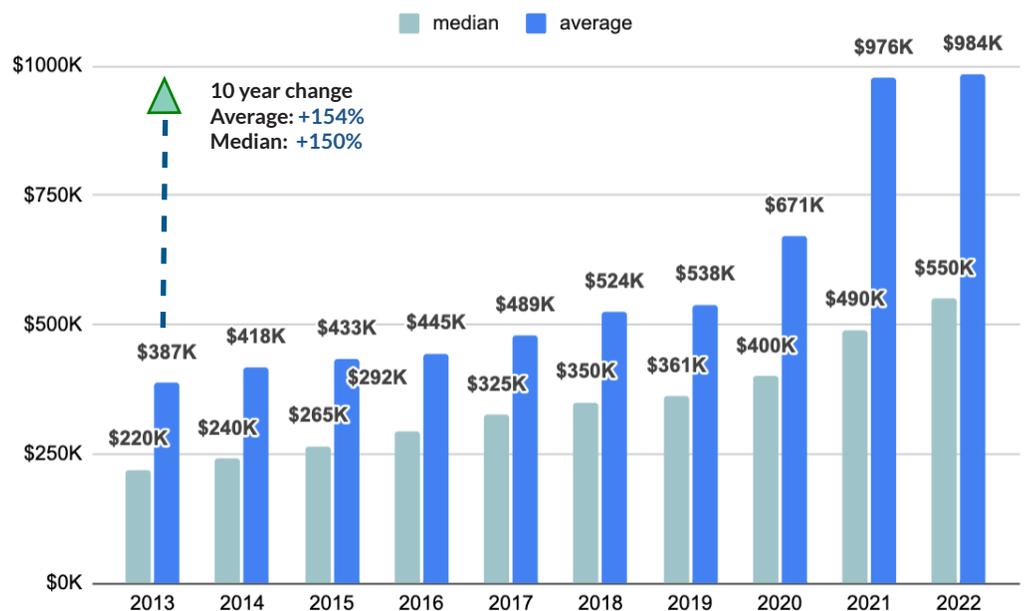
2019 Average

sale price: \$538,000

+83% **flat**

vs 2019, pre Covid YOY

Median & Average Sale Price





Miami Dade County | Condos Q4 2022

\$1M+ market segment

SUPPLY

DEMAND

28% decrease
vs. Dec 2019, pre Covid

82% increase
vs. Q4 2019, pre Covid

5% decrease
vs. Dec 2021, YOY

42% decrease
vs. Q4 2021, YOY

69% Q4 2022 ALL CASH DEALS

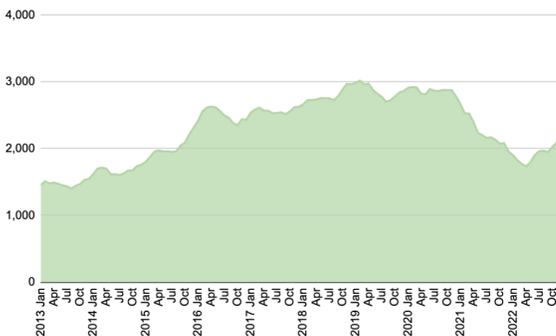
Active Listings

Dec 2019: 2,861
Dec 2021: 1,954
Dec 2022: 2,059

Sales Volume

Q4 2019: 216
Q4 2021: 684
Q4 2022: 394

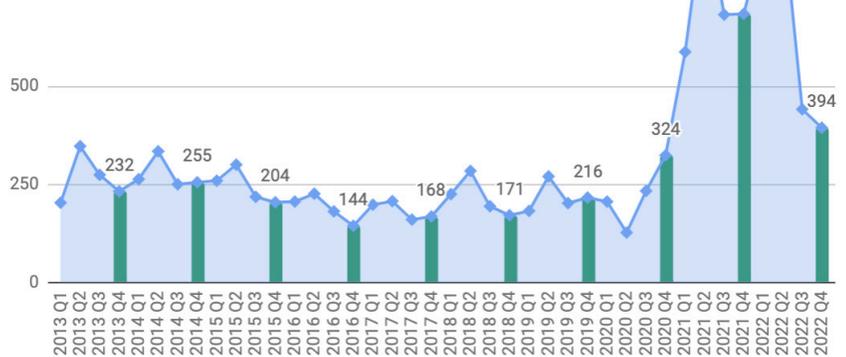
Miami Dade Condos: # Active Listings \$1M+



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

Miami Dade Condos: \$1M+ Quarterly Sales Volume

Months of Inventory
December 2022: 19



Miami Dade Condos \$1M+: Quarterly Transaction Volume

sub \$1M market segment

SUPPLY

DEMAND

58% decrease
vs. Dec 2019, pre Covid

15% decrease
vs. Q4 2019, pre Covid

12% decrease
vs. Dec 2021, YOY

46% decrease
vs. Q4 2021, YOY

50% Q4 2022 ALL CASH DEALS

Active Listings

Dec 2019: 12,950
Dec 2021: 6,179
Dec 2022: 5,414

Sales Volume

Q4 2019: 3,610
Q4 2021: 5,633
Q4 2022: 3,057

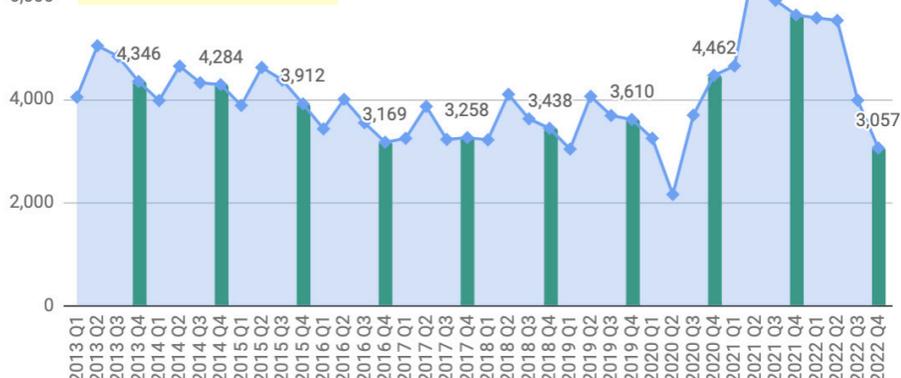
Miami Dade Condos: # Active Listings <\$1M



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

Miami Dade Condos: <\$1M Sales Volume

Months of Inventory
December 2022: 6



Miami Dade Condos <\$1M: Quarterly Transaction Volume



Miami Dade County | SFH Q4 2022

\$1M+ market segment

SUPPLY

DEMAND

2% decrease
vs. Dec 2019, pre Covid

56% increase
vs. Q4 2019, pre Covid

71% increase
vs. Dec 2021, YOY

40% decrease
vs. Q4 2021, YOY

43% Q4 2022 ALL CASH DEALS

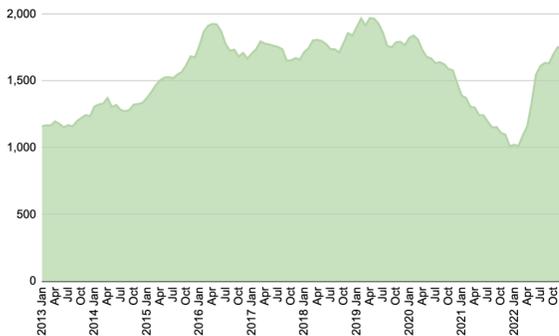
Active Listings

Dec 2019: 1,767
Dec 2021: 1,011
Dec 2022: 1,727

Sales Volume

Q4 2019: 265
Q4 2021: 688
Q4 2022: 413

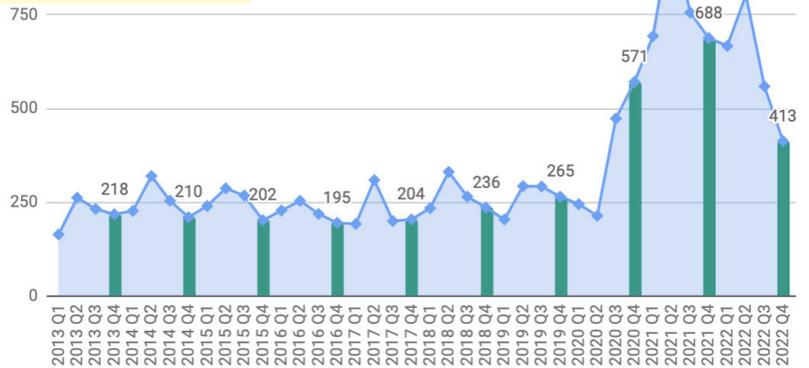
Miami Dade SFH: # Active Listings \$1M+



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

Miami Dade SFH: \$1M+ Quarterly Sales Volume

Months of Inventory
December 2022: 15



Miami Dade SFH \$1M+: Quarterly Transaction Volume

sub \$1M market segment

SUPPLY

DEMAND

47% decrease
vs. Dec 2019, pre Covid

39% decrease
vs. Q4 2019, pre Covid

12% increase
vs. Dec 2021, YOY

38% decrease
vs. Q4 2021, YOY

50% Q4 2022 ALL CASH DEALS

Active Listings

Dec 2019: 5,329
Dec 2021: 2,500
Dec 2022: 2,805

Sales Volume

Q4 2019: 3,202
Q4 2021: 3,233
Q4 2022: 2,006

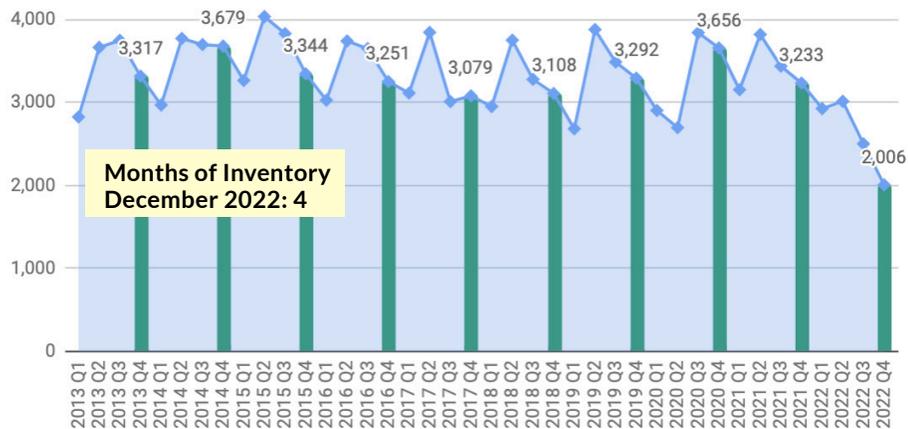
Miami Dade SFH: # Active Listings <\$1M



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

Miami Dade SFH: <\$1M Sales Volume

Months of Inventory
December 2022: 4



Miami Dade SFH <\$1M: Quarterly Transaction Volume



CONCLUSIONS

The momentum that is pushing wealth and capital to South Florida is still in its early stages.

No one has a crystal ball, but I believe we can all accept that change is our constant. It is inevitable.

As different as life was 100 years ago, why would the next 100 years see anything less radical?

It is important to recognize that our work and life habits had thus far been pre internet anachronisms, carried over because people are creatures of habit. Our pre Covid capitals of commerce were all established in the 20th century, post WWII and before the internet.

Human ingenuity always flows somewhere, and never stays focused in the same place forever.

We are in the early days of a tremendous migration of wealth and talent, and a shift in focus away from pre-internet habits and epicenters.

Also important to note is that many people are now moving based on perceptions of freedom and their ability to pursue their version of the American dream.

A shift in focus is underway. Before New York was considered the capital of the world, we had London as the point of focus. And before London, it was Amsterdam. And so on. Nothing lasts forever. Let's recall that in 1960 Detroit had the highest per capita income in the United States.

In the United States, this shift is also aligned with an acceleration of polarization within the country. The handling of Covid has accelerated wealth gap and belief system polarization. We have increasingly divergent belief systems and increasingly disparate realities coexisting in the country.

Data now shows that people are increasingly moving in accordance with their belief systems. Many people are no longer held as captive as they once were by their states and cities. And as it happens, the most states that had the highest lockdowns also have the highest taxes.

When we drill down into the South Florida residential sales data, we see exactly where the largest percentage gains are versus pre Covid. And thus we see the appetites of the incoming buyers.

As an example, the Miami Dade condo market is seeing 6x growth past \$2K / SF. We are essentially seeing the formation of new market segments, and they are a reflection of what is incoming.

2018 2019 2020 2021 2022



CONCLUSIONS

Market below \$1M

Higher interest rates and recessionary pressure will likely continue to dampen transaction volume below \$1M.

The lack of inventory, high homeowner equity rates and higher interest rate loans on new purchases will put a floor on the sub \$1M SFH market.

Market above \$1M and at high prices per square foot

The segments of the market catering to wealth and talent migration are going to settle in around new, much higher post-Covid levels. These segments have seen the highest percentage gains. In some cases, whole new market segments have been created.

Drilling down to price-per-square foot, 2022 was actually a record setting year for transactions past \$2K / square foot. And that segment was over 80% all cash. The continued strength of the top echelon of luxury, which is almost always new product, is highly analogous to the record 2022 sales posted by car companies such as Rolls Royce.

Two key trends that will keep sending capital to South Florida & Miami:

1. the growing wealth gap, which will fuel belief system polarization
2. flight of capital from high tax to low tax jurisdictions

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2018 2019 2020 2021 2022



CONCLUSIONS

Datapoints lending support to the wealth & talent migration thesis

IRS Data: \$200K+ earners are on the move

According to the IRS, in 2020 households earning more than \$200K accounted for 7% of total interstate moves, yet represented 41% of all mover's income.

IRS Data: Low Tax States Enjoying Net Migration Gains

20 of the 25 lowest tax states enjoyed net gains of migration.

Also according to the IRS, 8 of the 9 states without income tax were recipients of high-earner net migration.

IRS Data: Florida top destination for households earning \$200K+

In 2022, Florida gained 4x the number of households earning \$200K than the number two state, Texas.

Florida—20,263

Texas—5,356

Arizona—5,268

The biggest losers of \$200K+ earning households were:

New York, California & Illinois.

IRS Data: Changes In Tax Base

Florida finished 2020 with \$23.7B of new taxable income. In second place was Texas (\$6.3 billion) and third Arizona (\$4.8 billion)

The biggest losers of taxable income were New York (-\$19.5 billion), California (-\$17.8 billion) and Illinois (-\$8.5 billion).

2021 Census Data

Florida is now the third most populous state, behind California and Texas. NYC dropped to below 20M.

California - 39,237,836

Texas - 29,527,941

Florida - 21,781,128

New York dropped below 20 million, going from 20,154,933 to 19,835,913.

NY License Data

61,728 New Yorkers changed to a Florida license in 2021

2022 is on pace to exceed that amount.



CONCLUSIONS

MIA Airport Data

As of December 2022, Miami International is on track to surpass 50 Million passengers for the first time in one year. The airport is operating at higher volume than pre Covid.

Looking at airline seat capacity, MIA was the fastest growing large US airport in 2022 versus 2019.

In 2021, MIA became the busiest US gateway for international passengers and ranked 11th in the world.

IMPORTANT TO KEEP IN MIND, pertains to momentum that drives cycles:

The top 1% of earners in NYC files gross income in excess of \$804K. Data from 2019 shows that the income of the top 1% accounts for 41% of total tax levied.

Similarly in California, the top 1% of tax payers account for almost half of tax levied.

California has a "Mansion Tax" coming into effect April 1, 2022.

Tax Migration Chart

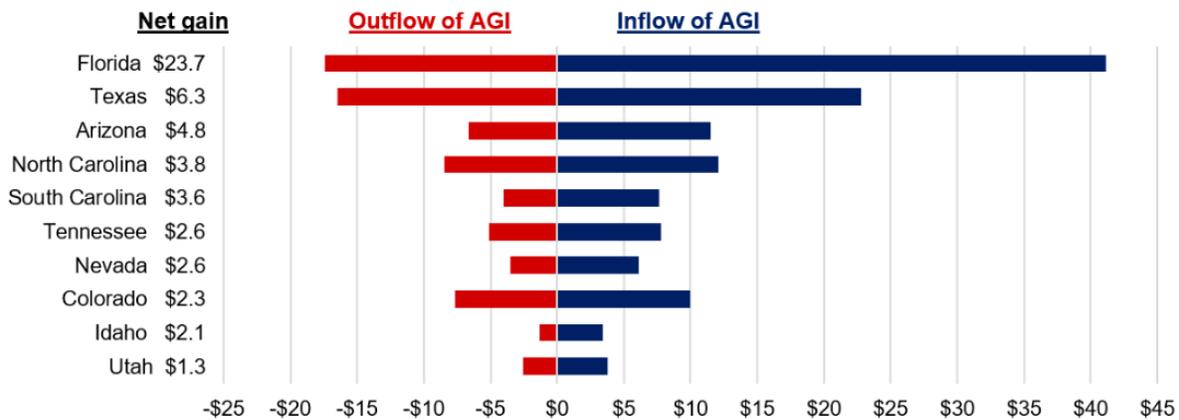


CONCLUSIONS

Tax Migration Charts

Biggest winners of domestic wealth migration, 2020

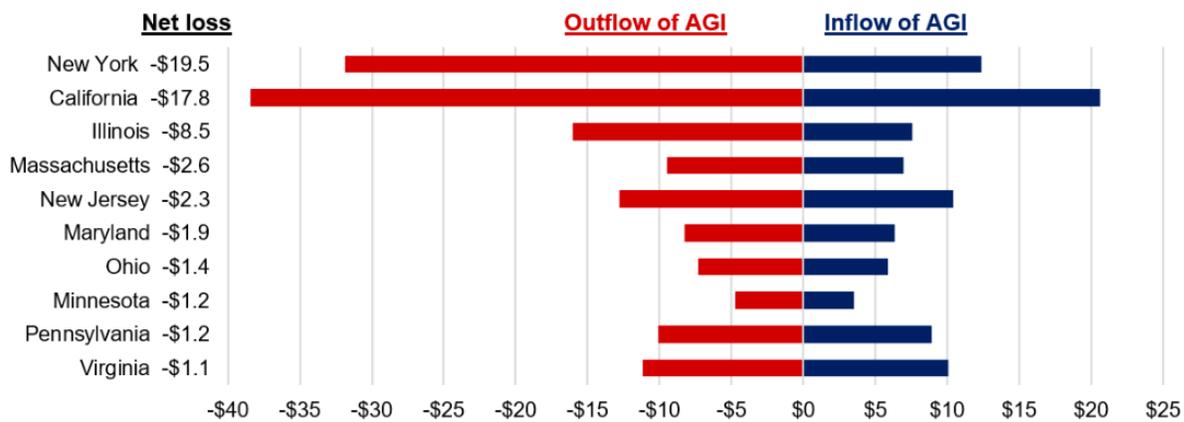
Ten states with largest net gain of Adjusted Gross Income (AGI) due to domestic migration (in billions)



Source: IRS - SOI migration data

Biggest losers of domestic wealth migration, 2020

Ten states with largest net loss of Adjusted Gross Income (AGI) due to domestic migration (in billions)



Source: IRS - SOI migration data



CONCLUSIONS

Logic behind this assertions:

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 happens 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.

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.



CONCLUSIONS

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.

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 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.

2018 2019 2020 2021 2022



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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