



### DESTINATION MONEY

The current market cycle catered to and was driven by destination money. The average 2019 resale price for a condo built post 2000 was \$1.6M. Virtually no inventory was added at price points catering to in-place demand.



### CASH WAS KING

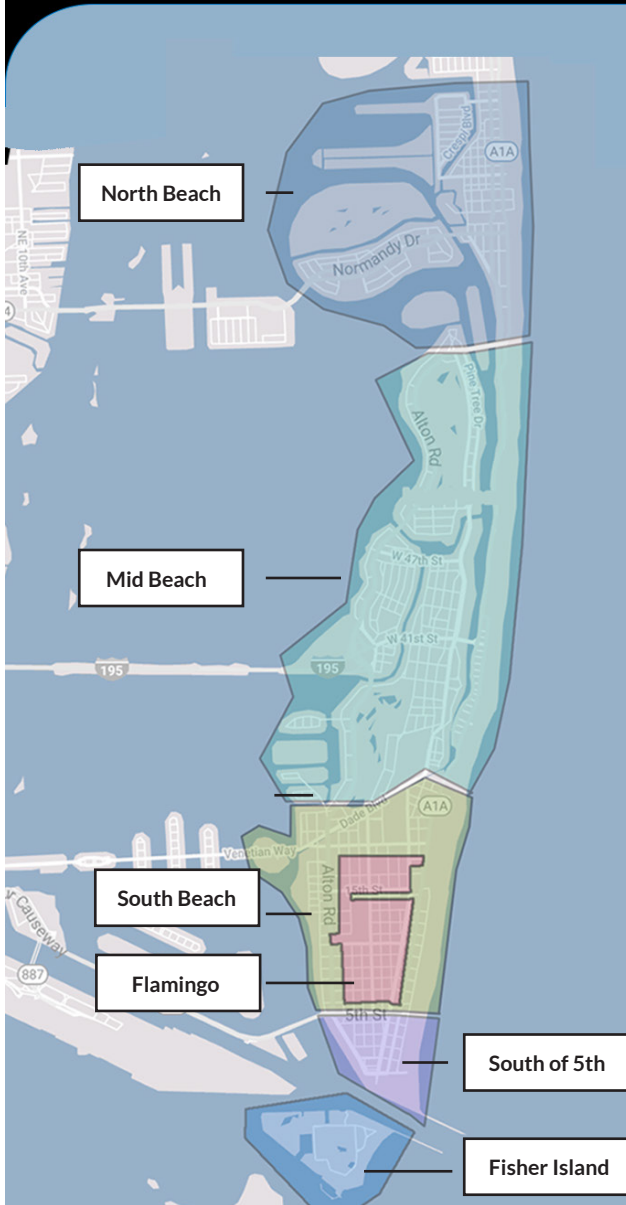
The current market cycle was fueled almost entirely by cash. At transaction volume highs in 2013, 76% of condo sales were cash. 2019 transaction volume was 37% below 2013, and that drop is due entirely to the loss of cash buyers.

### Ana's comments:

The data is clear, Miami Beach spent this last cycle trying to attract destination money. Tourism always caters to destination money, but the city's housing stock has been doing the same. If Miami Beach wants full-time residents, the city needs to get ahead of this data by removing the obstacles standing in the way of price attainable development.

## Miami Beach: condo inventory by neighborhood

\* % indicates market share



### NORTH BEACH

Avg: \$507,743  
Med: \$230,000

ENTIRE MARKET: 17 months  
\$250K - \$499K: 23 months  
\$500K - \$999K: 30 months  
\$1M - \$2.99M: 31 months  
\$3M+: 84 months

# sales: 402 22%  
\$ total: \$203M 15%

### MID BEACH

Avg: \$638,185  
Med: \$440,000

ENTIRE MARKET: 28 months  
\$250K - \$499K: 30 months  
\$500K - \$999K: 35 months  
\$1M - \$2.99M: 33 months  
\$3M+: 89 months

# sales: 408 22%  
\$ total: \$258M 19%

### FISHER ISLAND

Avg: \$5,276,585  
Med: \$2,600,000

ENTIRE MARKET: 35 months  
\$500K - \$999K: 24 months  
\$1M - \$2.99M: 35 months  
\$3M+: 36 months

# sales: 41 2%  
\$ total: \$216M 16%

### SOUTH BEACH

Avg: \$586,753  
Med: \$337,000

ENTIRE MARKET: 25 months  
\$250K - \$499K: 24 months  
\$500K - \$999K: 37 months  
\$1M - \$2.99M: 34 months  
\$3M+: 62 months

# sales: 523 28%  
\$ total: \$302M 23%

### FLAMINGO HISTORIC

Avg: \$209,411  
Med: \$180,000

ENTIRE MARKET: 25 months  
\$250K - \$499K: 36 months  
\$500K - \$999K: 38 months  
\$1M+: 0 sales

# sales: 277 15%  
\$ total: \$57.8M 4.3%

### SOUTH OF 5TH

Avg: \$1,434,924  
Med: \$743,000

ENTIRE MARKET: 26 months  
\$250K - \$499K: 15 months  
\$500K - \$999K: 27 months  
\$1M - \$2.99M: 33 months  
\$3M+: 52 months

# sales: 213 12%  
\$ total: \$305.6M 23%





## MIAMI BEACH

## MAJOR TRENDS

### 1 | This cycle was driven by cash

#### Volume peaked in 2013

##### 2013

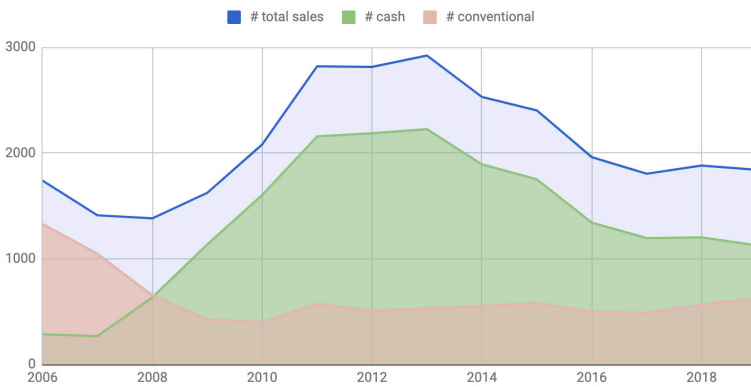
76% of purchase were all cash

Total: 2,226 all-cash sales

##### 2019

61% of purchase were all cash

Total: 1,127 all-cash sales



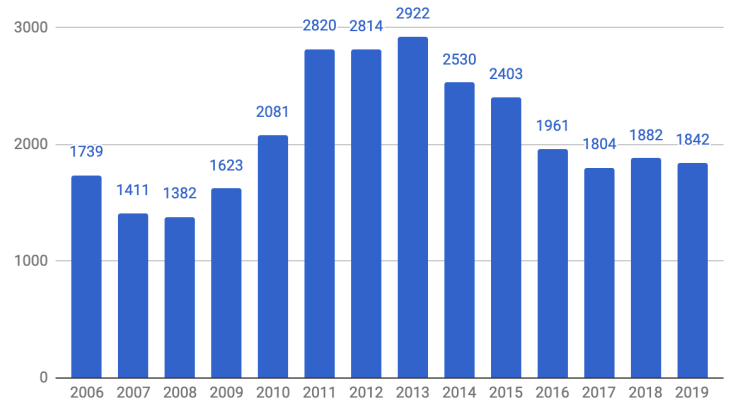
Miami Beach Condos: Cash Sales vs Conventional

### 2 | Overall volume declined along with the loss of cash buyers

#### 2019 vs 2013 sales volume

1,080 fewer total sales than in 2013, 37% drop.

A small increase in conventional sales slowed the overall decline in 2019. The drop in volume is entirely due to the disappearance of cash buyers.



Miami Beach Condos: Annual Sales Volume

### 3 | Months of inventory near highs

#### Months of condo inventory: far past levels seen in the previous cycle

The chart below shows the overall market.

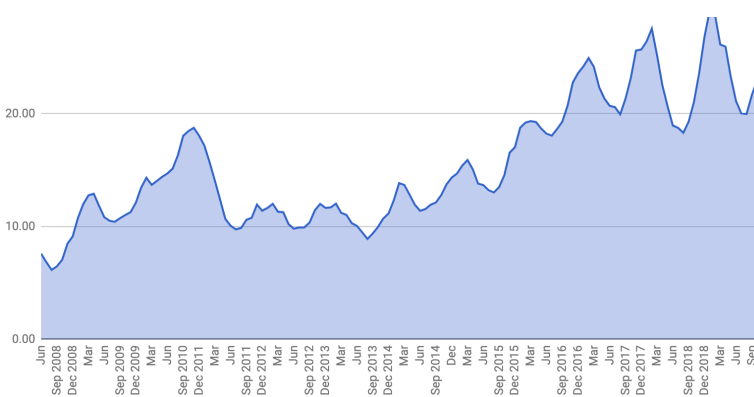
The higher the price, the higher the buildup of inventory. (see p. 6 - 7)

##### Nov 2011 - previous high

19 months of inventory

##### Start of 2020

25 months of inventory



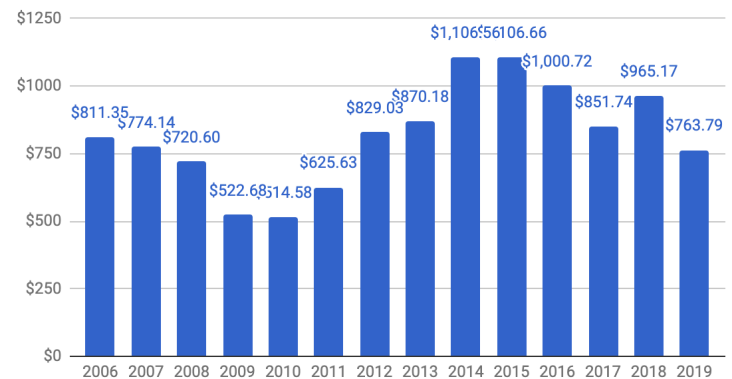
Miami Beach Condos: Months of condo inventory

### 4 | Resale value at existing buildings is trending down

#### Example building: Icon South Beach, 450 Alton Road

31% drop in price-per-square foot since 2014.

New construction sales that are entered in the MLS boost the city's overall prices. Existing buildings have dropped in value, as would be expected from the steep decline in transaction volume.



Icon South Beach: annual averages, price per square foot



## MARKET SIZE

How big are various segments of the Miami Beach condo market?

### SALES BY PRICE RANGE

### Transaction Distribution, 2019 Totals

Miami Beach Condos: sales distribution by price per square foot

**\$2K+** 26 sales | 1.4% of all sales

**\$1K+** 157 sales | 8.5% of all sales

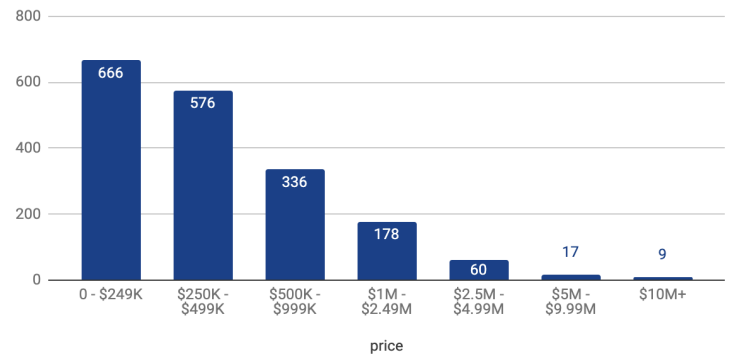
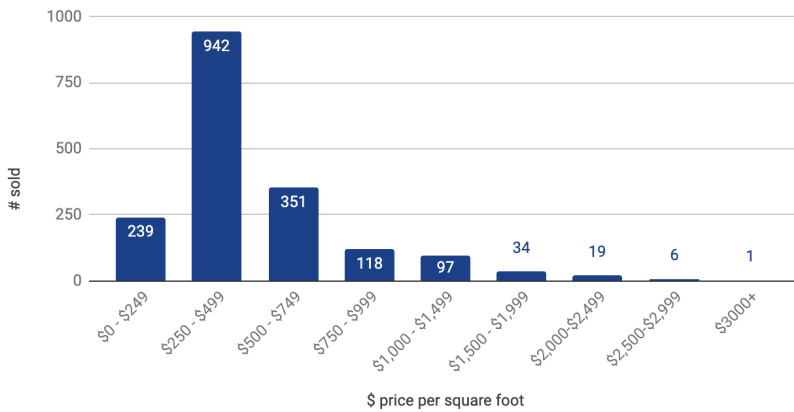
**<\$500** 1,181 sales | 64.1% of all sales

Miami Beach Condos: sales distribution by sale price

**\$5M+** 26 sales | 1.4% of all sales, 4.4% of active listings

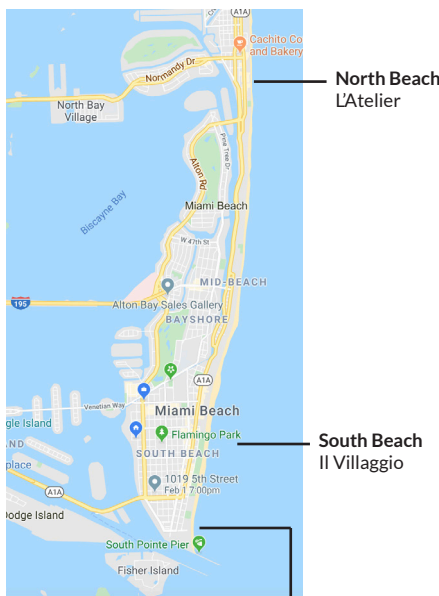
**\$1M+** 262 sales | 14.2% of all sales, 24% of active listings

**<\$500K** 1,242 sales | 67.4% of all sales, 52% of active



## Miami Beach Top 10 Condo Sales 2019 | New construction topped the charts & all sales were waterfront

New construction sales are entered in the MLS and push up city-wide resale averages | All figures are resale data from the Miami MLS.



Property	First Listed	Sale Date	Total DOM	Original \$	Sale \$	Discount
Palazzo Della Luna #6801	new dev	9/5/2019	new dev	\$26.5M	\$22.9M	-13.6%
L'Atelier PH	new dev	2/7/2019	new dev	\$25M	\$21M	-16.0%
Palazzo Del Sol #7095	new dev	8/30/2019	new dev	\$19.7M	\$17.15M	-12.9%
Continuum South 1106/7	12/13/2018	5/29/2019	168	\$16.5M	\$13M	-21.2%
Apogee #1201	8/25/2014*	2/8/2019	1,104	\$14.995M	\$11.3M	-24.6%
Continuum South #3007	12/3/2018	1/4/2019	32	\$11.6M	\$11.2M	-3.4%
Palazzo Della Luna #6812	new dev	9/4/2019	new dev	\$11.5M	\$10.5M	-8.7%
Palazzo Della Luna #6863	new dev	8/1/2019	new dev	\$11.4M	\$10.4M	-8.8%
Murano Portofino #3501	12/6/2018	5/31/2019	95	\$9.9M	\$9.3M	-6.1%
Il Villaggio #1104/5	9/15/2018*	3/15/2019	99	\$10.399M	\$8.75M	-15.9%
<b>Averages:</b>				<b>\$15.7M</b>	<b>\$13.55M</b>	<b>-13.12%</b>

\* Indicates multiple listings

**Fisher Island**  
Palazzo Della Luna & Palazzo Del Sol

**South of 5th**  
Continuum South Apogee Murano Portofino

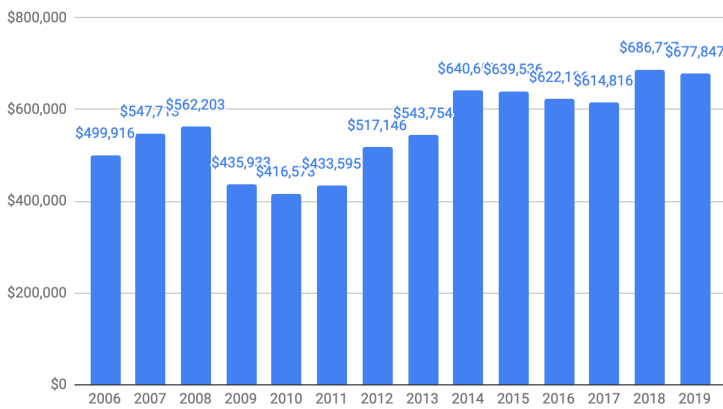


## MIAMI BEACH ANNUAL CONDO RESALE DATA

### AVERAGE PRICE

City-wide average prices are pushed up by new construction sales that are entered in the MLS.

**\$677K:** average sale price, 2020  
**\$562K:** last cycle high, reached in 2008



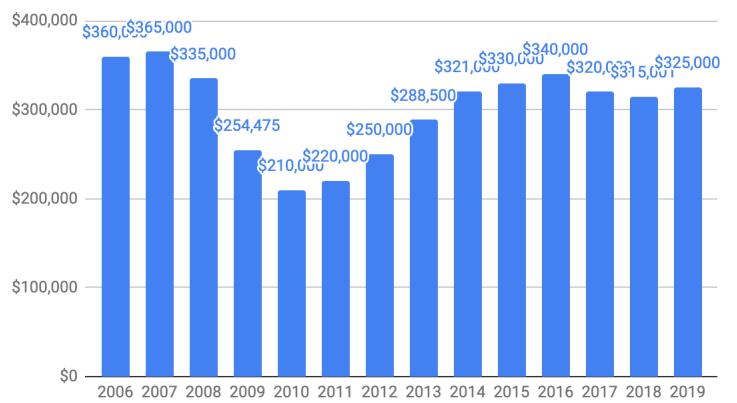
Miami Beach Condos: average annual prices

### MEDIAN PRICE

City-wide median prices never reached old highs.

**\$325K:** median sale price 2020, 11% below previous highs  
**\$365K:** last cycle high, reached in 2007

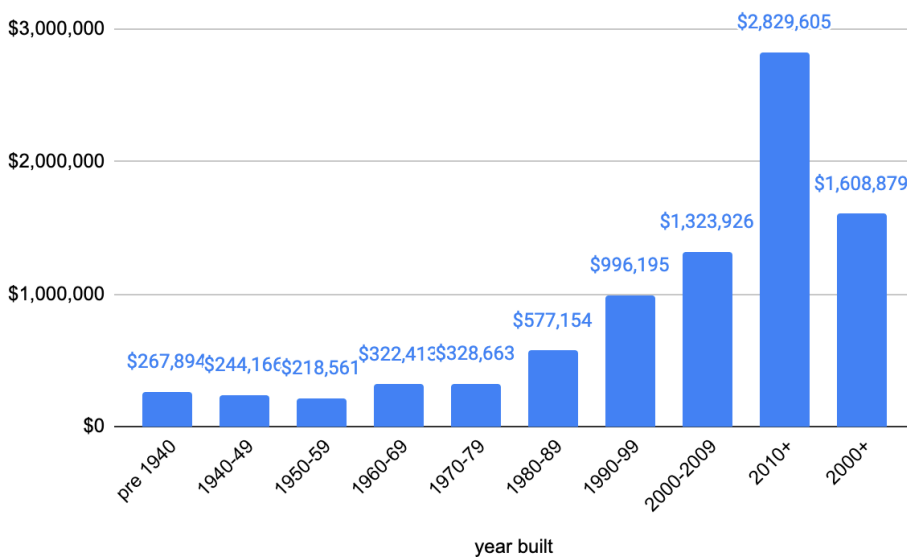
If we adjust for inflation, 2020 closed out 19% below 2007.  
Causes: structural obsolescence of aging Miami Beach housing stock and competition from price-attainable, new construction in Miami.



Miami Beach Condos: median annual prices

### Average 2019 Resale Price by Year Built

Miami Beach 2019 condo resale price, by decade of construction



### New Housing Built For Destination Money

New construction is overwhelmingly very expensive.

The 2019 average resale for a condo built post 2000 was \$1.6M.

Miami Beach does not have new housing stock that is accessible to people who work in the local economy.

Destination money is fickle, and the cash buyers that drove this last cycle have been pulling away (see page 2).

New housing for in-place, local demand is needed.

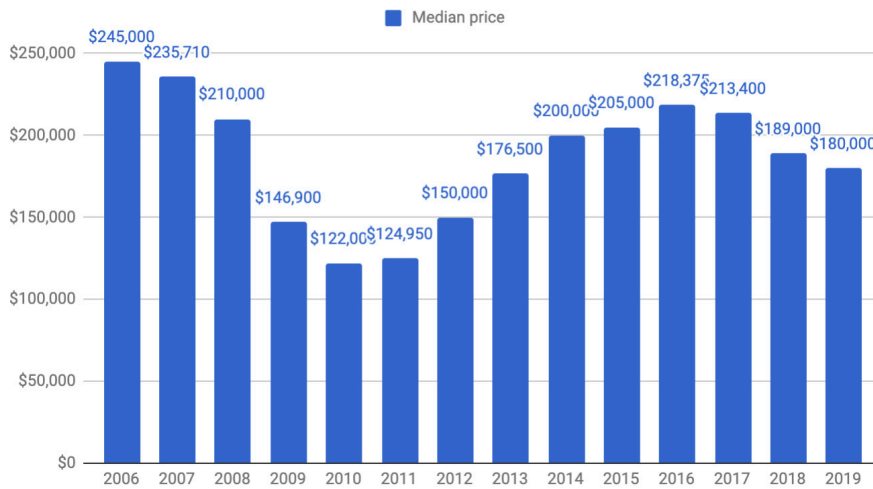
As it stands, the only price attainable housing in Miami Beach is old. Price charts show that the old stock is increasingly undesirable and is unable to compete with new inventory in Miami.



## MIAMI BEACH CITY TRENDS

### Flamingo Historic District Under Performing

Flamingo Historic District Median Annual Condo Prices



2019 vs 2006: 26.5% drop

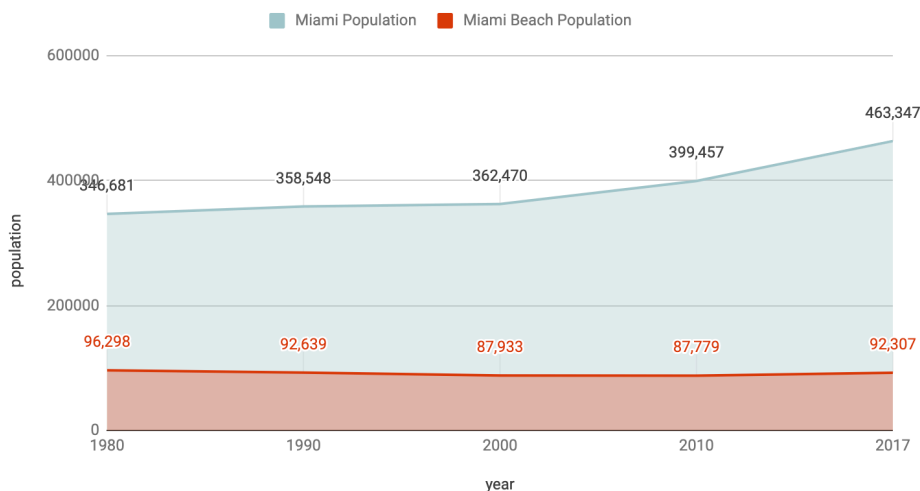
Adjusting for inflation: 42% drop

The historic district is comprised of predominantly older housing stock.

This housing stock is unable to compete with new, price-attainable inventory that is being delivered in Miami.

### Population: Miami Beach vs. Miami

Miami vs. Miami Beach Population: 1980 - 2017



% Population Change, 1980 - 2017

Miami Beach: -4.1%

Miami: + 33.7%

Miami Beach is not participating in the region's population growth.

A big impediment to the city's growth is a lack of price-attainable new housing.

The 2019 average resale price for a condo built post 2000 was \$1.6M. (page 4).



## MIAMI BEACH TRANSACTION VOLUME & INVENTORY

**SUPPLY**

the entire Miami Beach condo market

**DEMAND**

Q4 Volume peaked in 2012

35% increase in supply

36% decrease in sales

Active Listings at end of:

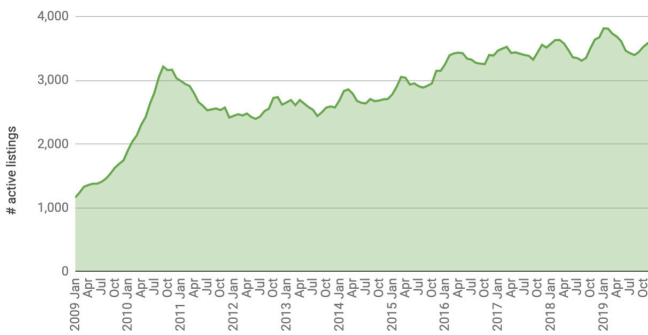
Q4 2012: 2,618

Q4 2012: 3,544

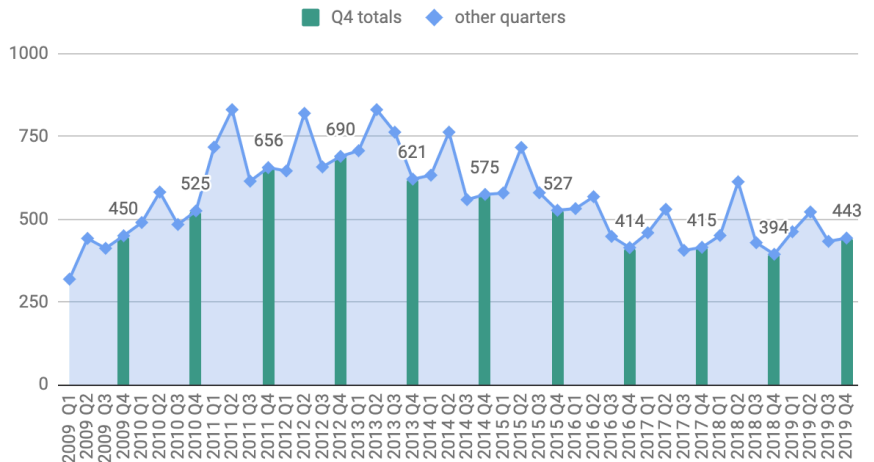
Sales Volume

Q4 2012: 690

Q4 2012: 443



Miami Beach Condos: # active listings charted monthly



Miami Beach Condos: Quarterly Transaction Volume, Q4 Totals Shown

**SUPPLY**

Miami Beach condos \$250K - \$499K

**DEMAND**

Q4 volume peaked in 2013

56% increase in supply

31% decrease in sales

Active Listings at the end of:

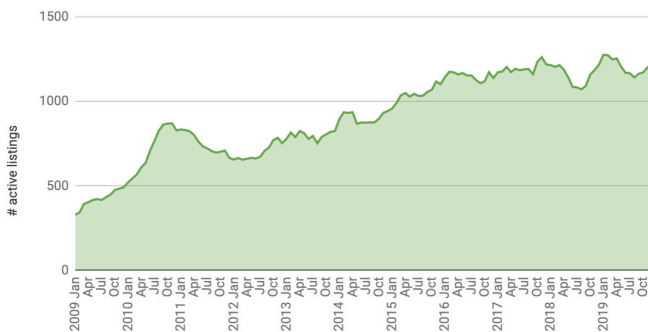
Q4 2013: 753

Q4 2019: 1,171

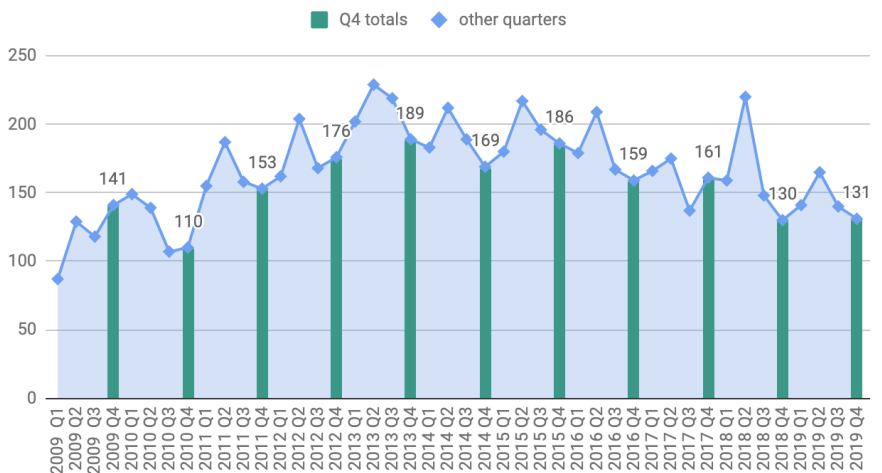
Sales Volume

Q4 2013: 189

Q4 2019: 131



Miami Beach Condos \$250K - \$499K+: # active listings, charted monthly



Miami Beach Condos \$250K - \$499K+: Quarterly Transaction Volume, Q4 Totals Shown





## MIAMI BEACH TRANSACTION VOLUME & INVENTORY

**SUPPLY**

Miami Beach condos \$500K - \$999K

**DEMAND**

Q4 volume peaked in 2013

57% increase in supply

45% decrease in sales

Active Listings at the end of:

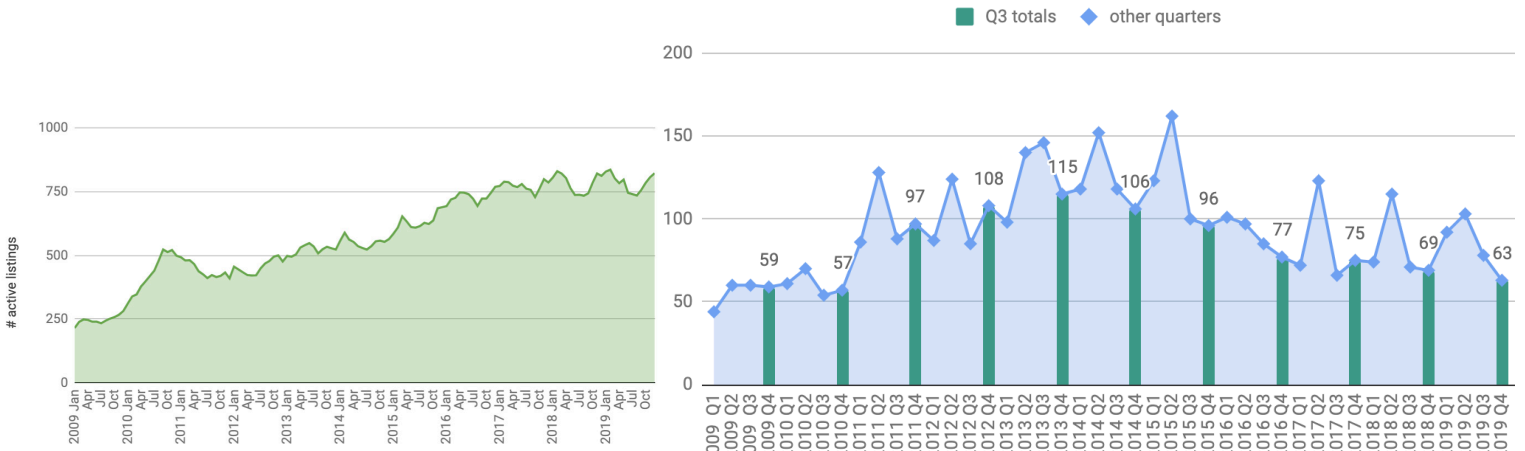
Q4 2013: 523

Q4 2019: 822

Sales Volume

Q4 2013: 115

Q4 2019: 63



Miami Beach Condos \$500K - \$999K: # active listings charted monthly

Miami Beach Condos \$500K - \$999K: Quarterly Transaction Volume, Q4 Totals Shown

**SUPPLY**

Miami Beach condos \$1M+

**DEMAND**

Q4 Volume peaked in 2014

60% increase in supply

8% decrease in sales

Active Listings at the end of:

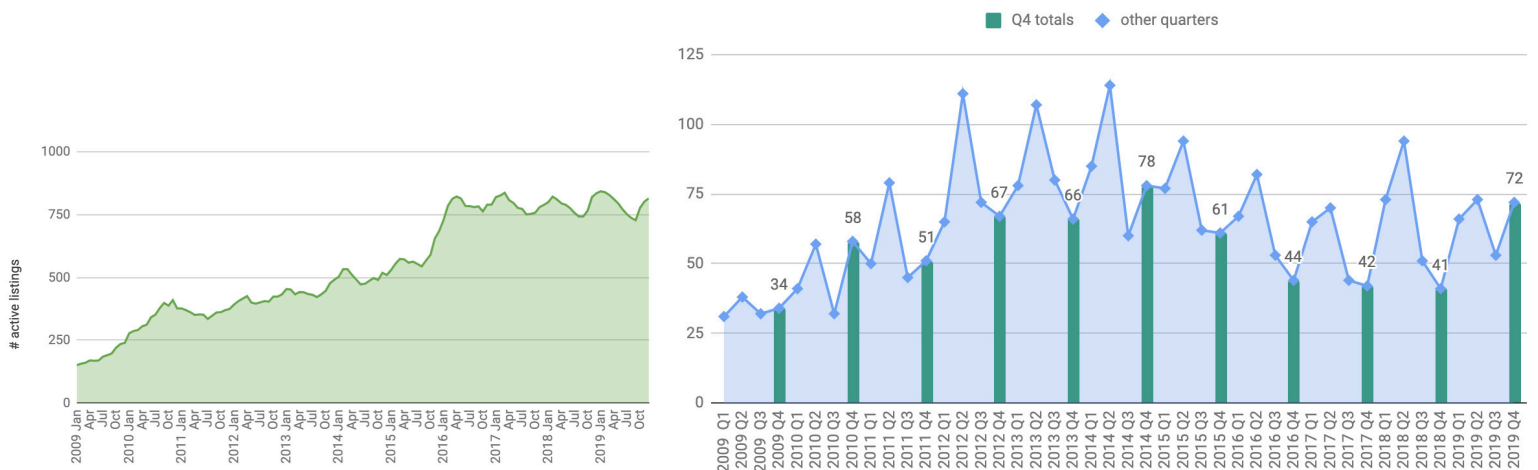
Q4 2014: 510

Q4 2019: 815

Sales Volume

Q4 2014: 78

Q4 2019: 72



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

Miami Beach Condos \$1M+: Quarterly Transaction Volume, Q4 Totals Shown



## 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.

## NEW REPORTS AND MARKET UPDATES

**Website:** <http://analytics.miami>

**Facebook:** <https://www.facebook.com/analytics.miami>

**Instagram:** [https://www.instagram.com/ana\\_analytics/](https://www.instagram.com/ana_analytics/)

**Newsletter signup:** [ana@analytics.miami](mailto:ana@analytics.miami), include "signup" in the subject line.