



EXTREME DISCONNECT

There is a fundamental supply & demand disconnect in the Miami area luxury condo market. Since Q4 2013, the Miami \$1M+ condo market saw a 178% increase in supply. Demand decreased 18% in the same time frame.



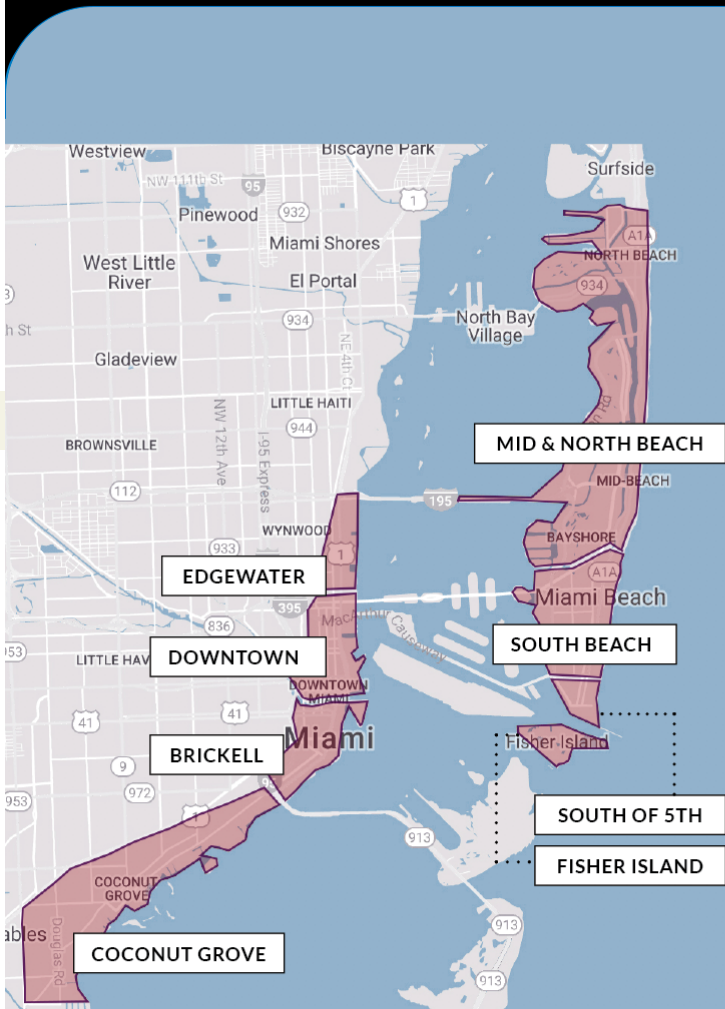
CASH WAS KING

This last cycle was fueled by cash buyers. At 2013 volume highs, Miami Beach was 76% all cash and Miami was 70%. In 2019 those numbers were 61% and 42%. The high % of cash means there is low debt service pressure, which may be why we are seeing listings languish.



Ana's comments: *The Miami area condo market is not a magic unicorn that will defy supply and demand fundamentals. There are fundamental disconnects in this market, and the high percentage of all cash buyers may be delaying the clearing process. This market is vulnerable to an external trigger event.*

Condo Inventory at the start of 2020: Miami & Miami Beach key neighborhoods



MID & NORTH BEACH

\$500K - \$999K: 34 months
\$1M - \$2.99M: 33 months
\$3M+: 89 months
ENTIRE MARKET: 23 months

SOUTH BEACH

\$500K - \$999K: 38 months
\$1M - \$2.99M: 35 months
\$3M+: 62 months
ENTIRE MARKET: 25 months

SOUTH OF 5TH

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

FISHER ISLAND

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

EDGEWATER

\$500K - \$999K: 60 months
\$1M+: 80 months
\$3M+: only 1 sale in 2019
ENTIRE MARKET: 28 months

DOWNTOWN

\$500K - \$999K: 44 months
\$1M+: 77 months
\$3M+: only 3 sale in 2019
ENTIRE MARKET: 26 months

BRICKELL

\$500K - \$999K: 38 months
\$1M - \$2.99M: 57 months
\$3M+: 63 months
ENTIRE MARKET: 26 months

COCONUT GROVE

\$500K - \$999K: 16 months
\$1M+: 29 months
\$3M+: only 3 sales in 2019
ENTIRE MARKET: 15 months

A healthy market has under 10 months of supply





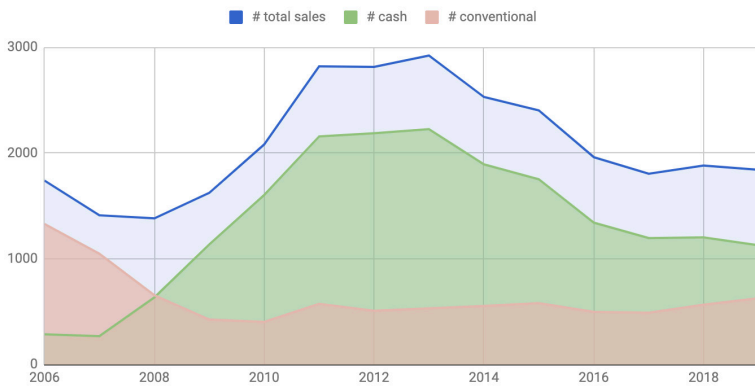
MIAMI BEACH ANNUAL VOLUME

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

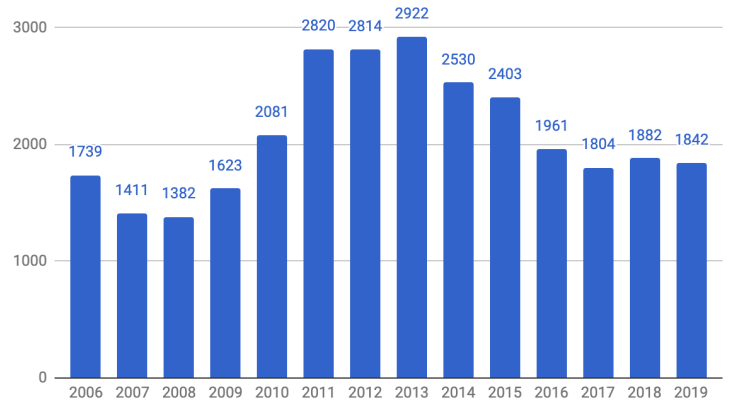


Miami Beach Condos: Cash Sales vs Conventional

Overall volume declined along with the loss of cash buyers

2019 vs 2013 sales volume

1,080 fewer total sales than in 2013, a 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

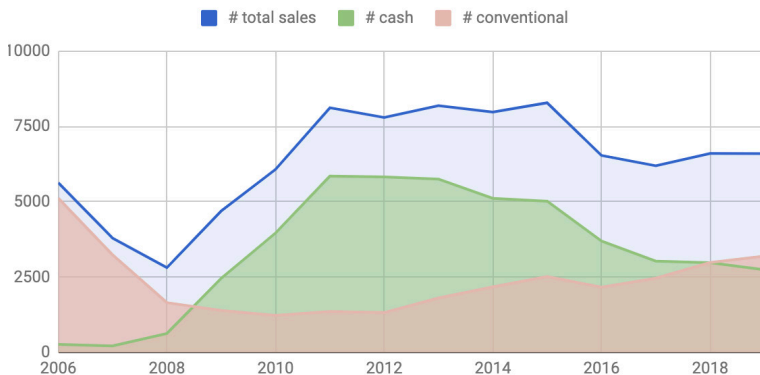
MIAMI ANNUAL VOLUME

THIS CYCLE WAS DRIVEN BY CASH

Volume peaked in 2013

2013
70% of purchase were all cash
Total: 5,751 all-cash sales

2019
42% of purchase were all cash
Total: 2,742 all-cash sales

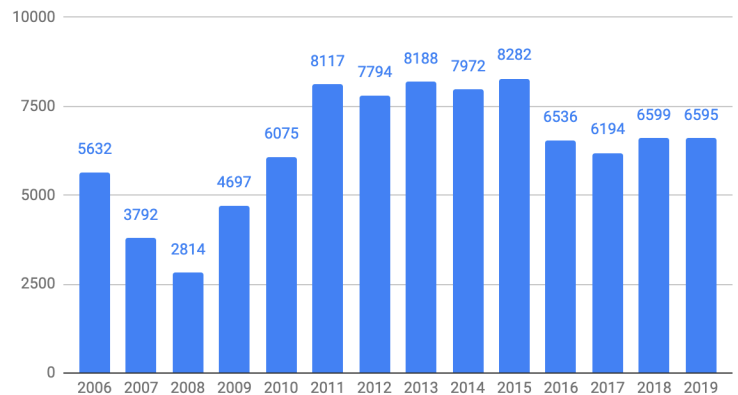


Miami Condos: Cash Sales vs Conventional

Overall volume declined along with the loss of cash buyers

2019 vs 2013 sales volume

1,593 fewer total sales than in 2013, a 19% drop.
An increase in conventional sales slowed the overall decline. Conventional sales volume overtook cash sales in 2018. The drop in volume is entirely due to the disappearance of cash buyers.



Miami Condos: Annual Sales Volume



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:

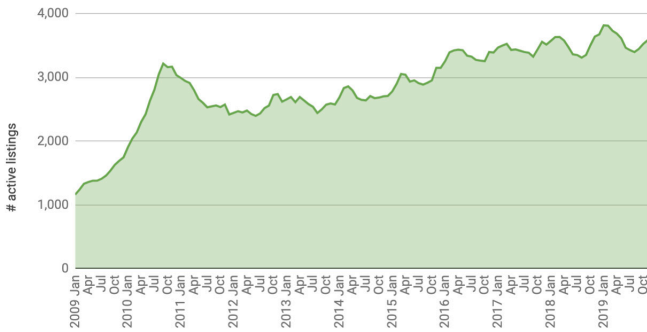
Q4 2012: 2,618

Q4 2019: 3,544

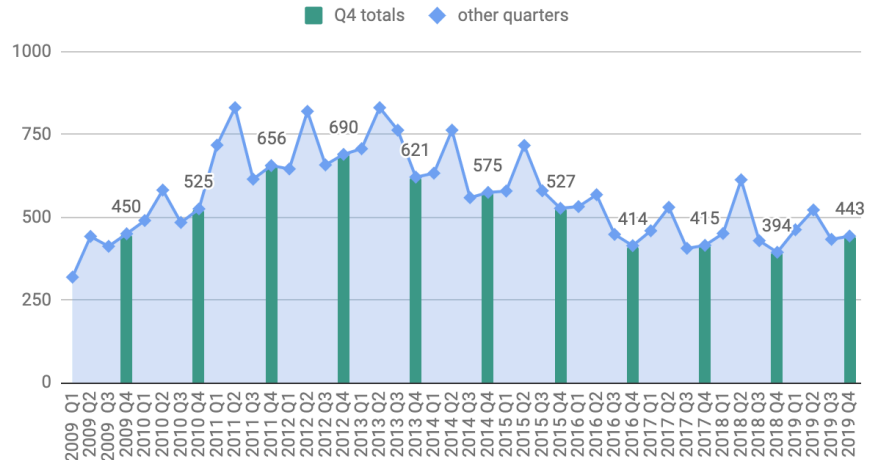
Sales Volume

Q4 2012: 690

Q4 2019: 443



Miami Beach Condos: # active listings charted monthly



Miami Beach Condos: Quarterly Transaction Volume, Q3 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:

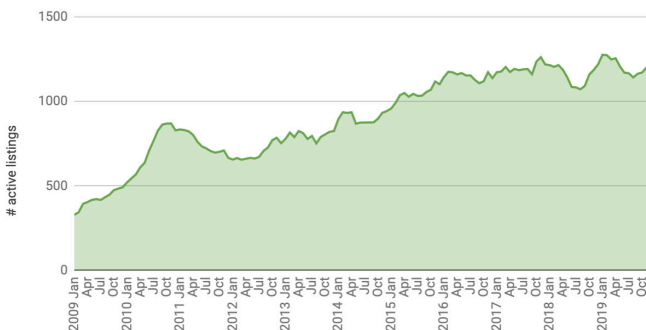
Q4 2013: 753

Q4 2019: 1,171

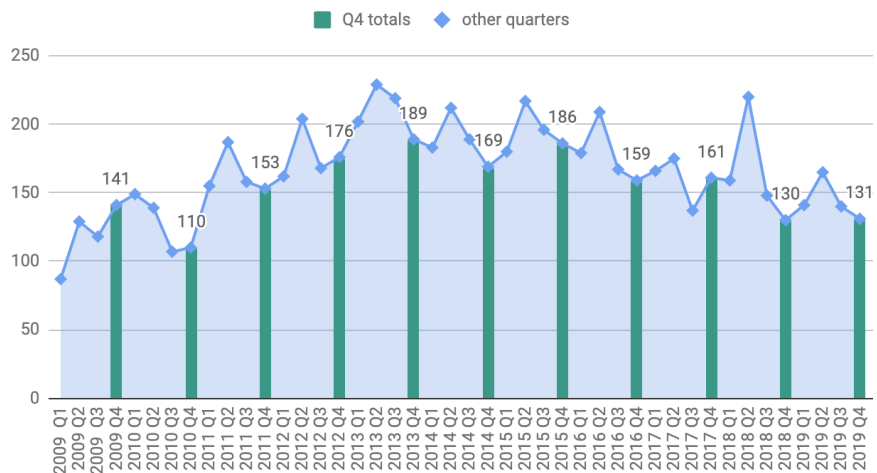
Sales Volume

Q4 2013: 189

Q4 2019: 131



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



Miami Beach Condos \$250K - \$499K +: Quarterly Transaction Volume, Q3 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:

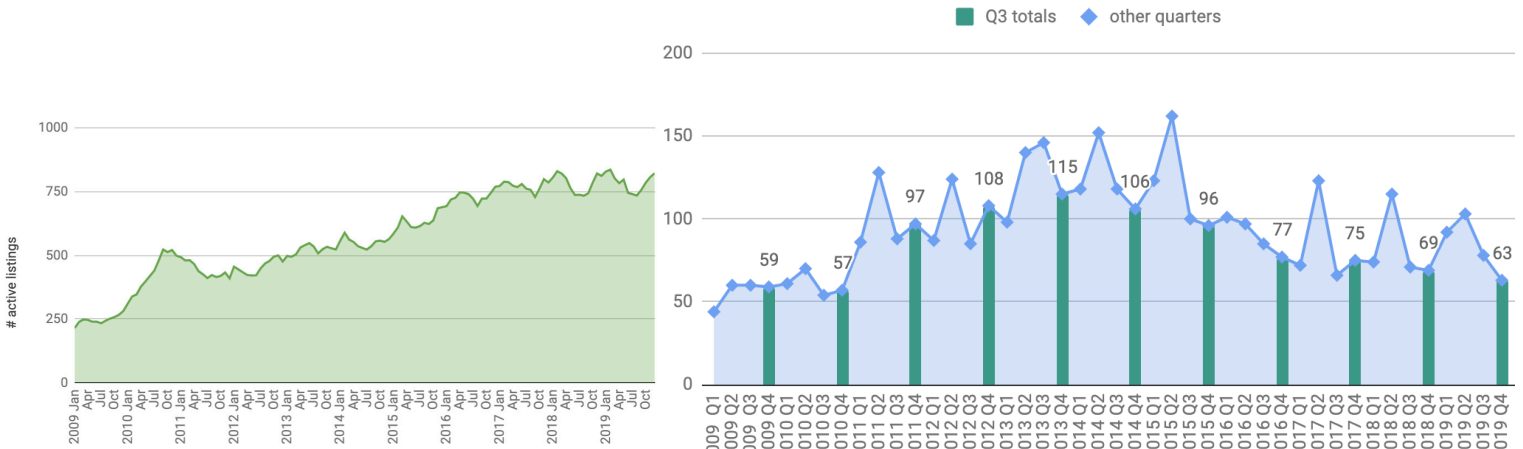
Q4 2013: 523

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:

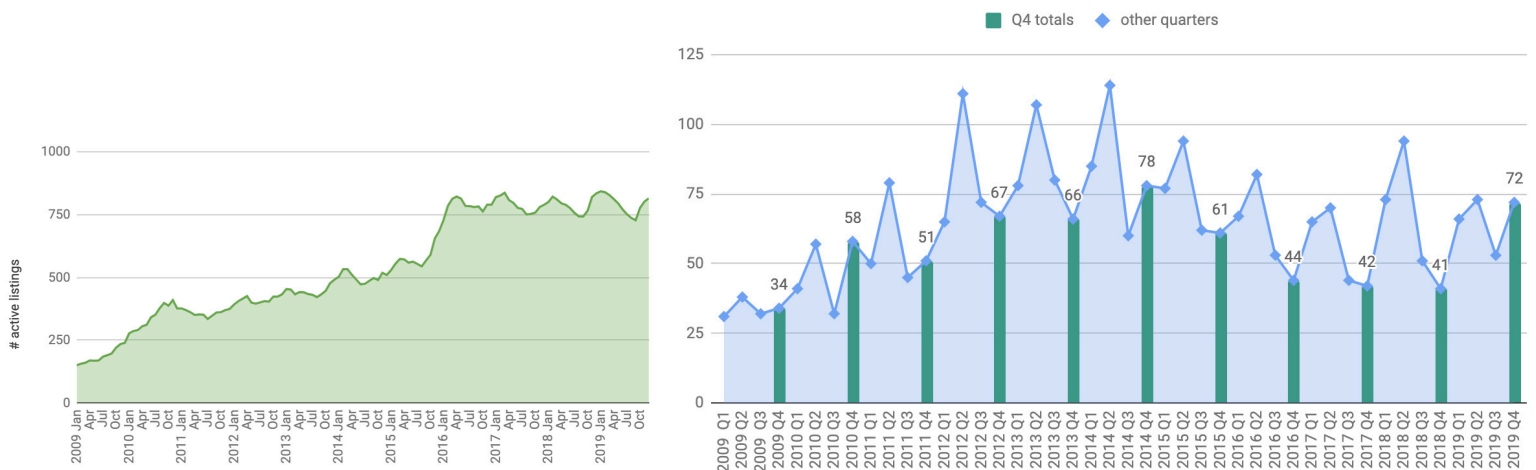
Q4 2014: 510

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



MIAMI

TRANSACTION VOLUME & INVENTORY

57.8% increase in sales

SUPPLY

the entire Miami condo market

DEMAND

Q4 Volume peaked in 2013

8% increase in supply

20% decrease in sales

Active Listings

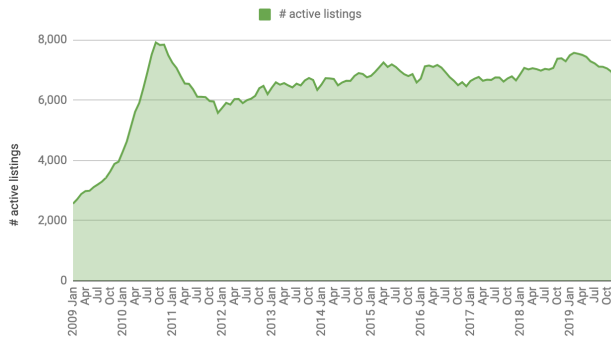
Q4 2013: 6,197

Q4 2019: 6,699

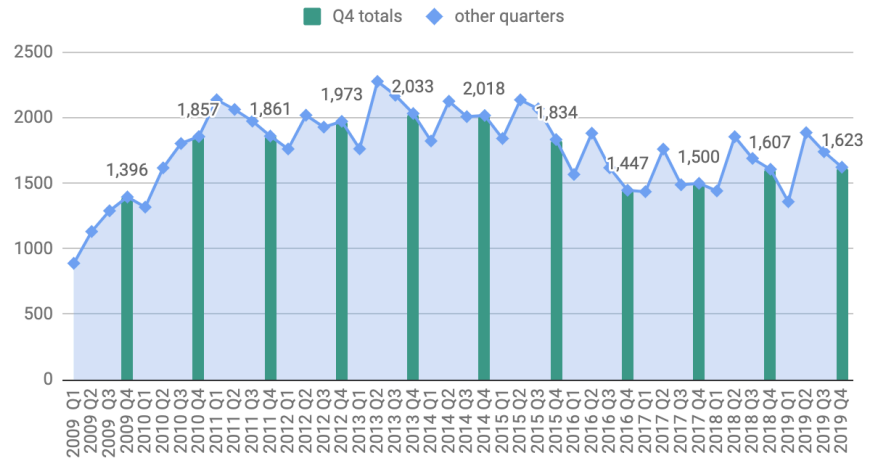
Sales Volume

Q4 2013: 2,033

Q4 2019: 1,623



Miami Condos: # active listings charted monthly



Miami Condos: Quarterly Transaction Volume, Q3 Totals Shown

SUPPLY

Miami condos \$250K - \$499K

DEMAND

Comparing 2013 to 2019

70% increase in supply

52% increase in sales

Active Listings at the end of:

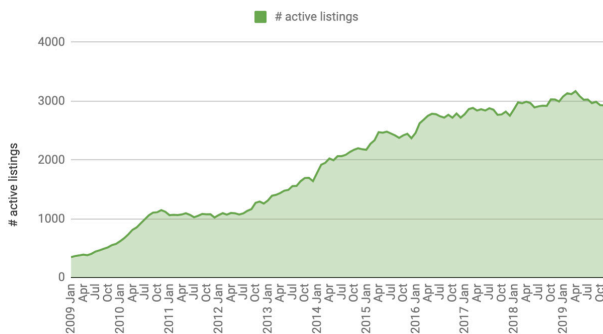
Q4 2013: 1,639

Q4 2019: 2,791

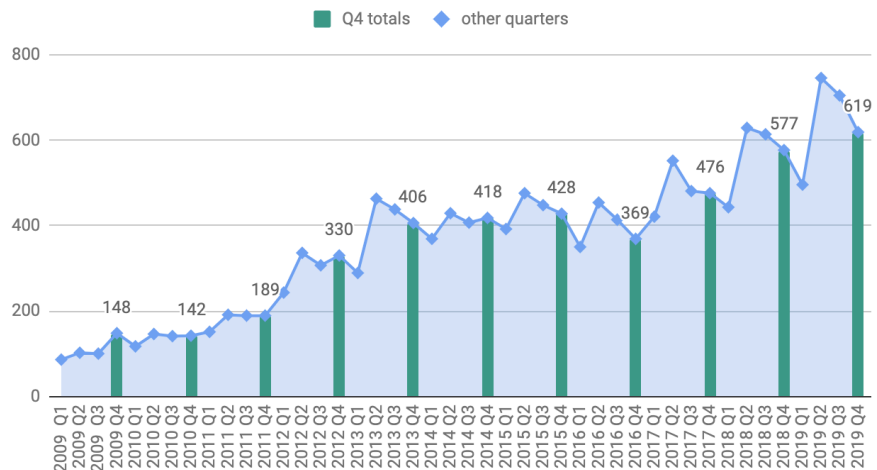
Sales Volume

Q4 2013: 406

Q4 2019: 619



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



Miami Condos \$250K - \$499K+: Quarterly Transaction Volume, Q3 Totals Shown



MIAMI

TRANSACTION VOLUME & INVENTORY

SUPPLY

Miami condos \$500K - \$999K

DEMAND

Q4 volume peaked in 2013

139% increase in supply

9% decrease in sales

Active Listings at the end of:

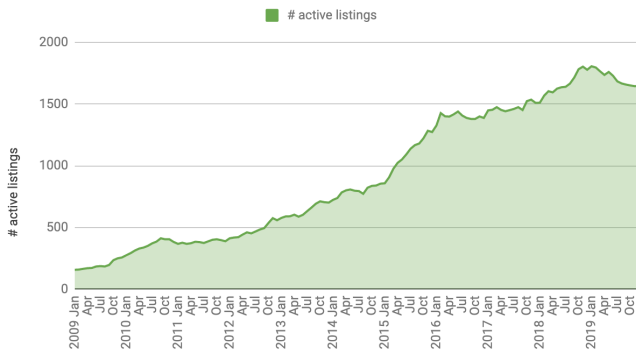
Q4 2013: 693

Q4 2019: 1,659

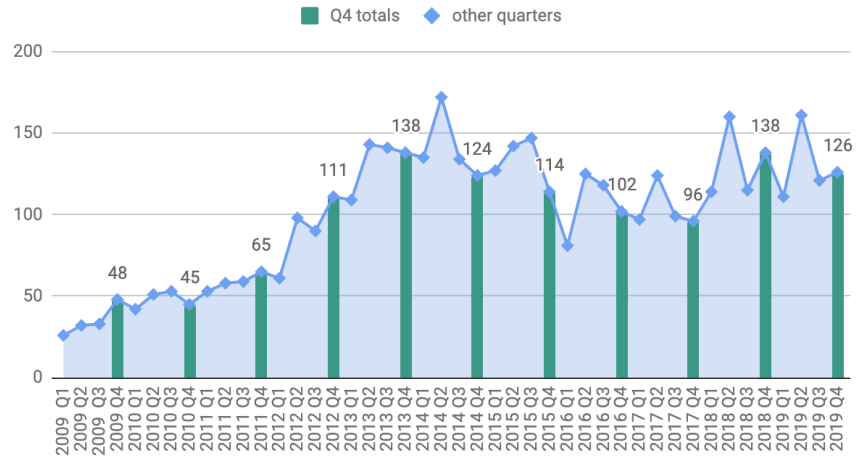
Sales Volume

Q4 2013: 138

Q4 2019: 126



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



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

SUPPLY

Miami condos \$1M+

DEMAND

Q4 volume peaked in 2013

178% increase in supply

18% decrease in sales

Active Listings at the end of:

Q4 2013: 303

Q4 2019: 842

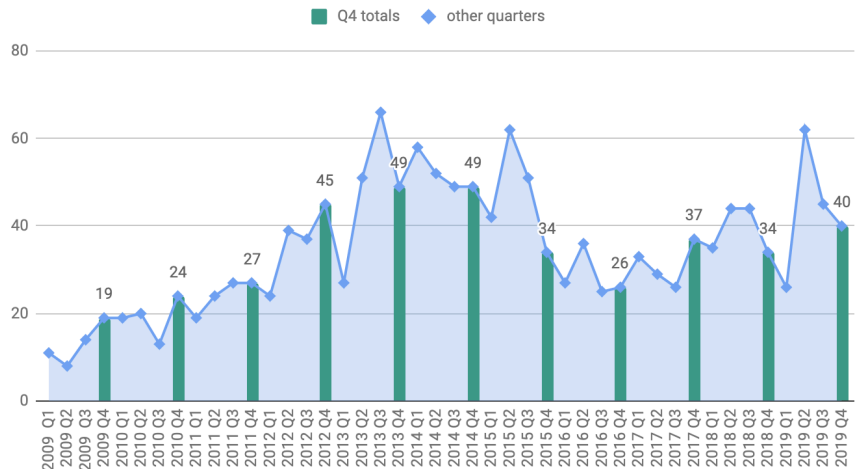
Sales Volume

Q4 2013: 49

Q4 2019: 40



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



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



MARKET SIZE

How big are various segments of the Miami Beach & Miami condo markets?

MIAMI BEACH CONDOS, RESALE MARKET

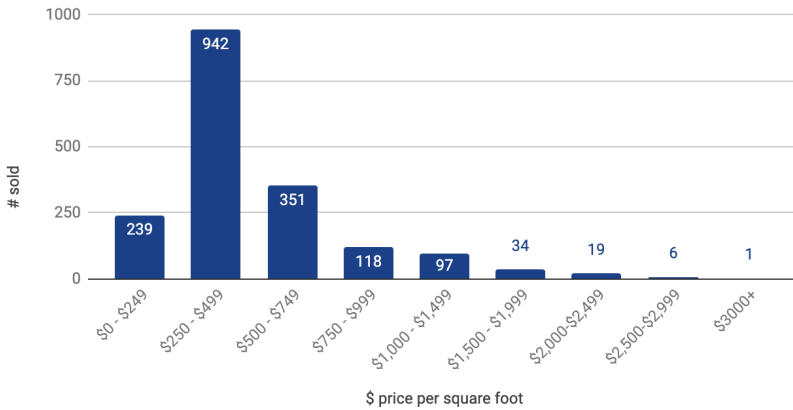
Transaction Distribution, 2019 Totals

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

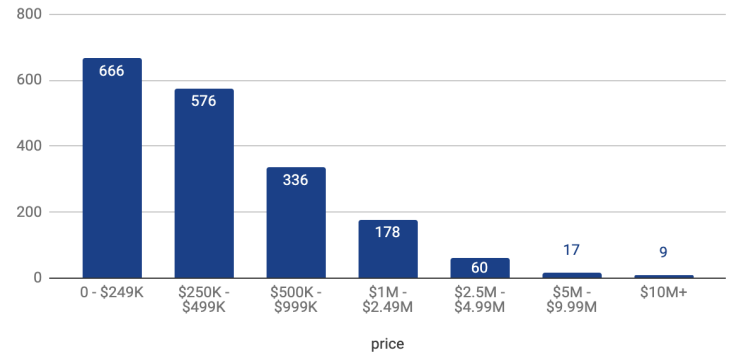


Miami Beach Condos: sales distribution by sale price

\$5M+ 26 sales | 1.4% of all sales, 4.2% of active listings

\$1M+ 264 sales | 14.3% of all sales, 23% of active listings

<\$500K 1,242 sales | 67.4% of all sales, 54% of active listings



MIAMI CONDOS, RESALE MARKET

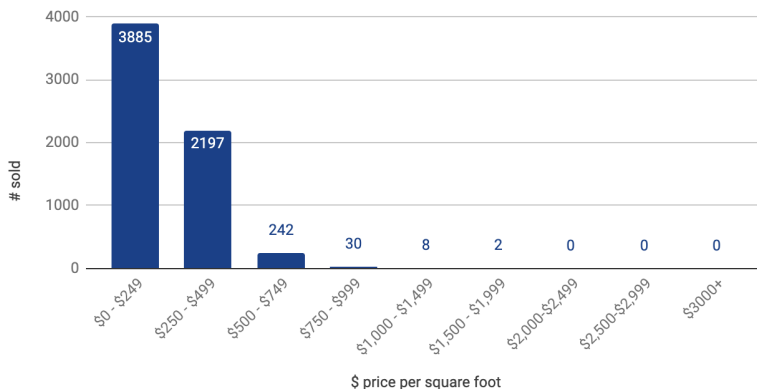
Transaction Distribution, 2019 Totals

Miami Condos: sales distribution by price per square foot

\$2K+ 0 sales | 0% of all sales

\$1K+ 10 sales | 0.15% of all sales

<\$500 6,082 sales | 92.2% of all sales

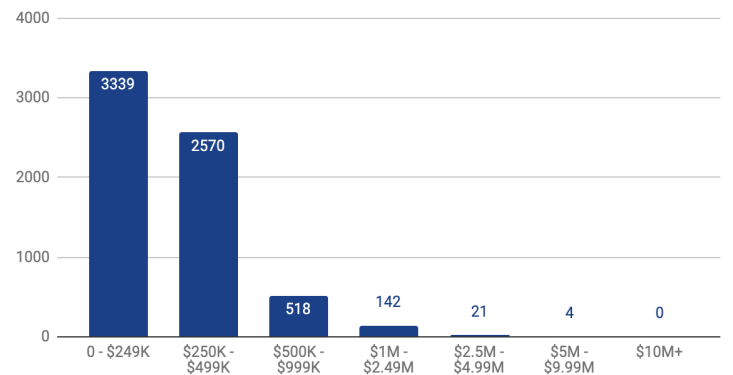


Miami Condos: sales distribution by sale price

\$5M+ 4 sales | 0.06% of all sales, 0.8% of active listings

\$1M+ 167 sales | 2.5% of all sales, 12.5% of active listings

<\$500K 5,909 sales | 89.6% of all sales, 63.2% of active listings





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/

Newsletter signup: ana@analytics.miami, include "signup" in the subject line.