

Miami & Miami Beach Today

BY MARIO OJEDA
PHOTOS BY KIKO RICOTE

Miami is famous for its beaches, night life and its champion basketball team the Miami Heat. But in the last five years the Magic City has become famous for its culture, sporting events, dining, shopping and over all lifestyle. World class events such as Art Basel and Ultra Music Festival have put Miami on the cultural map. Sporting events such as the Sony Masters Tennis Tournament and the American Airlines arena with the Miami Heat have made Miami a sports mecca. Performing arts centers such as the Adrienne Arscht Center and the New World Symphony building are considered among the best and most architecturally relevant in the nation. Dining venues such as Red Steak House, Prime 112, Azul, Joe's Stone Crabs and Casa Tua among others have made Miami into a foodies paradise. Bal Harbour Shopping Mall is considered one of the most high end malls in the world and it is the highest grossing mall per sqft. in the nation. Miami has quickly become



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a world class metropolis and its skyline is starting to rival those of its older and larger cousins to the north and north west. The real estate boom of the early 2000s and the current building boom are redefining Miami as a modern city with some of the most luxurious and expensive condominium buildings in the nation. The exclusive South of Fifth area of South Beach is home to some of the most expensive and exclusive condos south of Manhattan. New buildings in downtown Miami are being designed by renowned architects and designers rivaling the best condominiums in the world. Celebrities, royalty and the “who’s who” of the rich and famous around the globe own real estate in Miami and a lot of them are calling it their home.

Real estate prices are still low in comparison to other sought after locations world wide making it very accessible to many. The result has been a clear example of supply and demand over the past two and a half years, inventory has dwindled and as a result prices have steadily climbed. This has fueled another construction boom and the market shows no signs of stopping. Although prices have gone up significantly over the past few years, there is still more growth potential as we still in many areas have not reached the 2005-2007 all time highs of the first boom. Miami and Miami Beach are still a sound investment for those wanting the ultimate lifestyle but not to pay the ultimate price. The housing crash which started towards the end of 2007 and



was in full swing in 2008 lasted for almost 4 years nationwide and as a whole it is now slowly recovering. But the market in Miami and niche markets like Miami Beach have seen a much faster recovery and have been growing at an impressive rate since 2011. Strong economies such as those of Brazil and Canada have fueled this recovery with buyers purchasing properties by the bundle. Economic instability in South America and Europe is also fueling this new real estate boom. People with means in such countries look to Miami as a haven where they can safely keep their money invested in real estate for the long term. Others view Miami and Miami Beach as the ultimate vacation destination and purchase property as a second home.

If you haven't been to Miami or to its beautiful beaches, now is a better than ever time to visit. And who knows, maybe the city will work its magic on you!

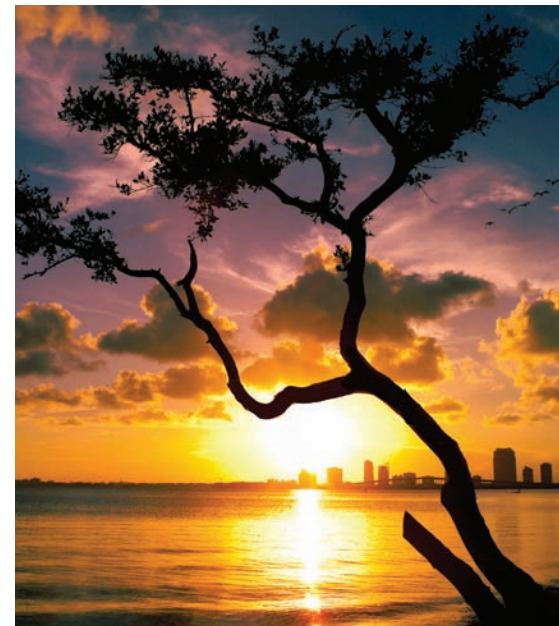
MIAMI MARKET REPORT

In the last quarter of 2012, we saw condo home prices climb to a median price high of \$484,000 when inventory was at its lowest of approximately 1,650 condos on the market. After a drastic uptick in November 2012, prices dropped to a median of \$457,000 and then seem to have plateaued at the end of the calendar year, with just over 2,080 condos on the market. In the first quarter of 2013 we see prices starting to go up again as there has been a slight dip in the available inventory, fluctuating the median price upwards. With the continued decrease of inventory to a low of approx. 1,983 units, we see the inverse relationship with prices, which have risen to \$474,000 during the 3rd quarter. Inventory has begun to slowly rise, thus stabilizing the median list price to a seasonal adjusted \$464,000. We also see a much less volatile price trend in the condo market, with a steady move up to increasing prices throughout the year.

A leading indicator of the real estate market is the number of homes taking a



price reduction, expressed in a % of the inventory. This indicator will also support the strength of the increasing median price. Starting in September of 2012 we saw 29.8% of the inventory was taking price reduction and still not sold, the national average was 38%. We've had a hot year for housing. Demand is high and inventory low. Price reductions as of second quarter 2013 are at 28% nationally and 25.5% locally. Pent up demand has consumers buying homes more aggressively than sellers expected. Due to the low inventory in 2013 prices have continued to rise and therefore the price reduction on inventory reached its lowest of 6% in May. However we see inventory slowly but surely increase in the 3rd quarter and the price reduction going up to around a 6.4% around the month of August. ■



Mario Ojeda, P.A. is a Top Producing Realtor and the Executive Vice President for Engel & Völkers Miami. He has been a real estate professional since 2004 and specializes in Residential and Investment Property transactions. He is a member of the Institute for Luxury Home Marketing and holds the coveted designation of CLHMS, Certified Luxury Home Marketing Specialist. Although he mostly does residential real estate he is proficient in commercial real estate as well and has the ACP or Accredited Commercial Professional designation. In 2006, while employed with Carson Realty Group, he was chosen to be the Director of Sales for the firm's flagship luxury building project City24, where he managed sales and marketing until 2008. In 2009, he was elected as Vice President of the Board of Directors of 360 Condominium and held that post for 3 years. He has earned a reputation for excellence and being a true professional who cares about his clients and their needs.