

Miami's Real Estate Market is so strong that Homes are selling for Near-Asking Price

The local real estate market is in good shape, according to a report by the Miami Association of Realtors. January and February saw an increase in the sale of condominiums, single family homes and luxury properties valued at \$1 million or more. Buyers are starting to explore options like North East Florida.

St. Augustine, March 7th 2018 - Sales of residential properties in Miami-Dade rose by 5.1%, from 1,731 to 1,820, from January 2017 to January 2018. That represented \$791.3 million in sales in the first month of 2018, \$89 million more than in January 2017. The number does not include multimillion-dollar properties.

Miami properties sold for pretty close to asking price. Another good sign: Homes are selling quickly. On average, a single-family home goes under contract 47 days after it is listed for sale, compared to 61 days last year. Closing the deals took an average of 98 days, a sharp drop from January 2017, when it took an average of 113 days.

Selling an apartment takes a little bit more time, 123 days. But the average wait for a contract is 75 days, 10 days less than what it took last year.

The shortage of properties on sale partially determines the prices and speed of the sales. In January 2017, 6,590 single family homes were for sale, compared to 6,255 this January.



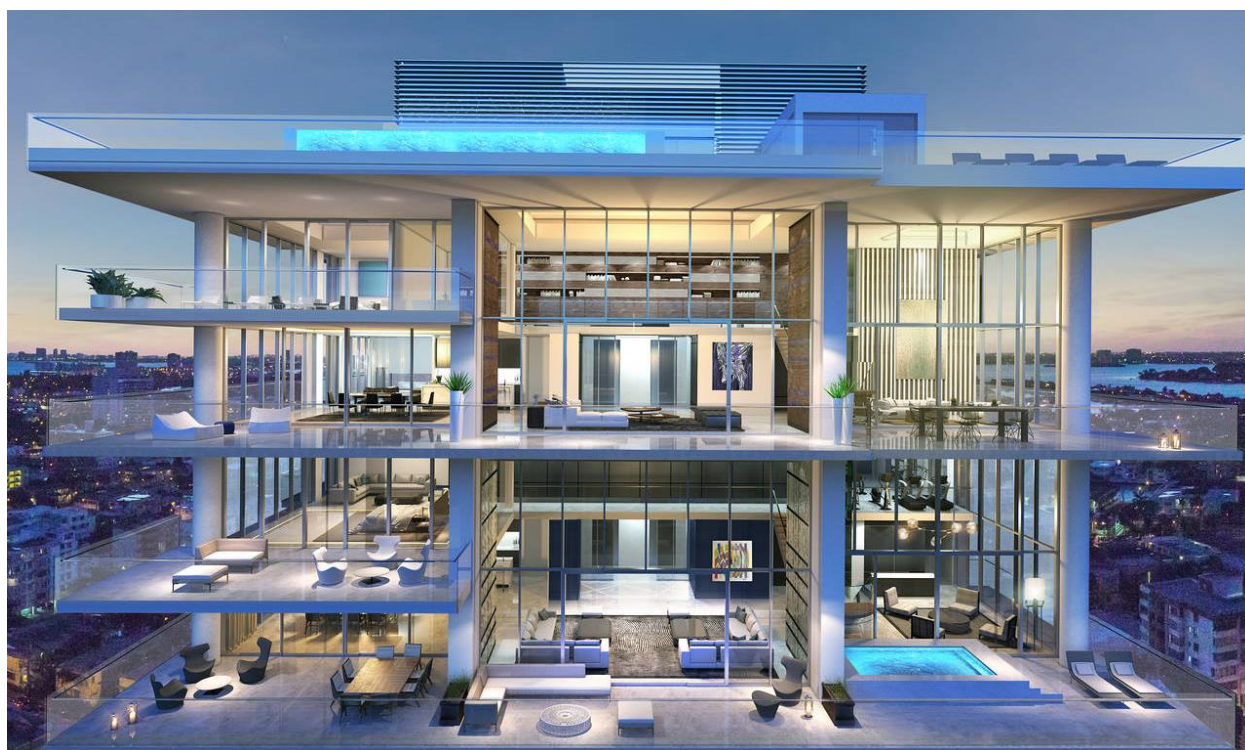
The inventory has been dropping for more than five months, confirming that the market is favorable to those who want to sell their properties. But there's a 14-month inventory of apartments, indicating that the market is favorable to buyers. A balanced market is supposed to have an inventory of six to nine months.

The biggest obstacle for the sale of condominiums is the difficulty in obtaining financing. Out of the 9,307 condo buildings or complexes in Miami-Dade and Broward, only 12 are approved to receive financing from the Federal Housing Administration. That's a type of loan for first-time home buyers, which allows them to put down 5 percent or less as down payment.

This sounds like good news, but for those who don't already own a home it's not. The average price of a single family home rose by \$20,000 and reached \$330,000, compared to \$240,500 for the national average. Prices have risen for 74 months straight. Condominiums did not fall behind and now sell for an average of \$230,000.

The Miami Association of Realtors obtains its data from the Multiple Listing Service (MLS), a computerized system that lists properties for sale.

The sale of homes fell at the national and state levels, but in Florida, the sale of condos rose 5.9% compared to January 2017. Only 9.9% of the sales in January involved properties in trouble, including bank-owned and short sale properties. Those kinds of properties accounted for 12.7% of the sales last year — and 70% in 2009. Nationally, those kinds of sales are lower than in Miami at just 5%, 2% less than last year.



Cash is king in Miami-Dade's real estate market, with 42.2% of all sales involving no mortgages. That's almost double the national figure of 22%. On the good side, that's a drop from last year, when 43.4% of sales were in cash.

Those numbers show that South Florida attracts many foreign buyers. Most of the condo sales are in cash because banks do not approve financing for those kinds of buildings.

Also affecting the Miami real estate market is the fact that many residents of northern states are moving to Florida to cut down on their costs of living.

Federal tax reform, which was signed into law on Dec. 22, sets a deductions cap for income, sales and property taxes at \$10,000. The new cap is leading more residents of states with high property values and state income tax to purchase properties in states such as Florida, which has no state income tax.

XCELLENCE Realty Inc. is headquartered in Miami and has its fingers on the pulse. One observation,... the single-family home market in South East Florida behaves in a completely different way than the condo market.

There has been a steady increase over the last few years and the necessary corrections have taken place already for the most part. It is just in the ultra-luxury market that more demanding buyers slowing things down. Buyers are not paying top-dollar anymore for properties that are not finished perfectly or otherwise justify the high Dollar amount per square foot.

There is high demand for real estate from out-of-state buyers, especially driven by the influx of North Eastern buyers from the US. Realtors are receiving a lot of requests from (mainly) New Yorkers looking for a second home in Miami or even a first home as they are relocating to the South.

However, there is an interest in new areas. Buyers are started looking into new and relatively affordable areas (compared to Miami prices) that offer great real estate options such as North East Florida. That constitutes great possibilities for the First Coast region.

Michael Turwitt has long represented buyers and sellers in the purchase of fine properties and high value assets. Specialized in extraordinary quality homes and luxury property, Michael Turwitt enables clients to successfully navigate the complex North East Florida – First Coast Real Estate Market. For more information, visit www.turwitt.com

Michael J. Turwitt
Real Estate Specialist - Realtor®
SL3405392



Point of Contact Ponte Vedra:
822 A1A North, Suite 310
Ponte Vedra Beach, FL 32082 – USA
Tel. +1-904-770-6180 (Mob. Direct)

Point of Contact St. Augustine (Main Address):
111 Forest Oaks Drive
St. Augustine, FL 32086 – USA
Tel. +1-904-770-6180 (Mob. Direct)

Brokerage Headquarters:
XCELLENCE REALTY, INC.
10481 N Kendall Dr., #D-203
Miami, FL 33176 – USA
CQ1027019