

# MIAMI REPORT

AN IN-DEPTH ANALYSIS OF SOUTH FLORIDA'S NEW CONDOMINIUM MARKET



# PERCEPTION VS. REALITY



Miami Herald Article, 2005

*Examining the Difference Between “Proposed” and “For Sale”  
in the South Florida New Condo Market*

2 0 0 5

PROPOSED

62,000

DOWNTOWN MIAMI  
AND BRICKELL ONLY

ACTUAL  
FOR SALE

17,502

SOLD

2 0 1 4

PROPOSED

38,000

MIAMI-DADE, BROWARD &  
PALM BEACH COUNTY  
EAST OF I-95

ACTUAL  
FOR SALE

16,033

62% SOLD



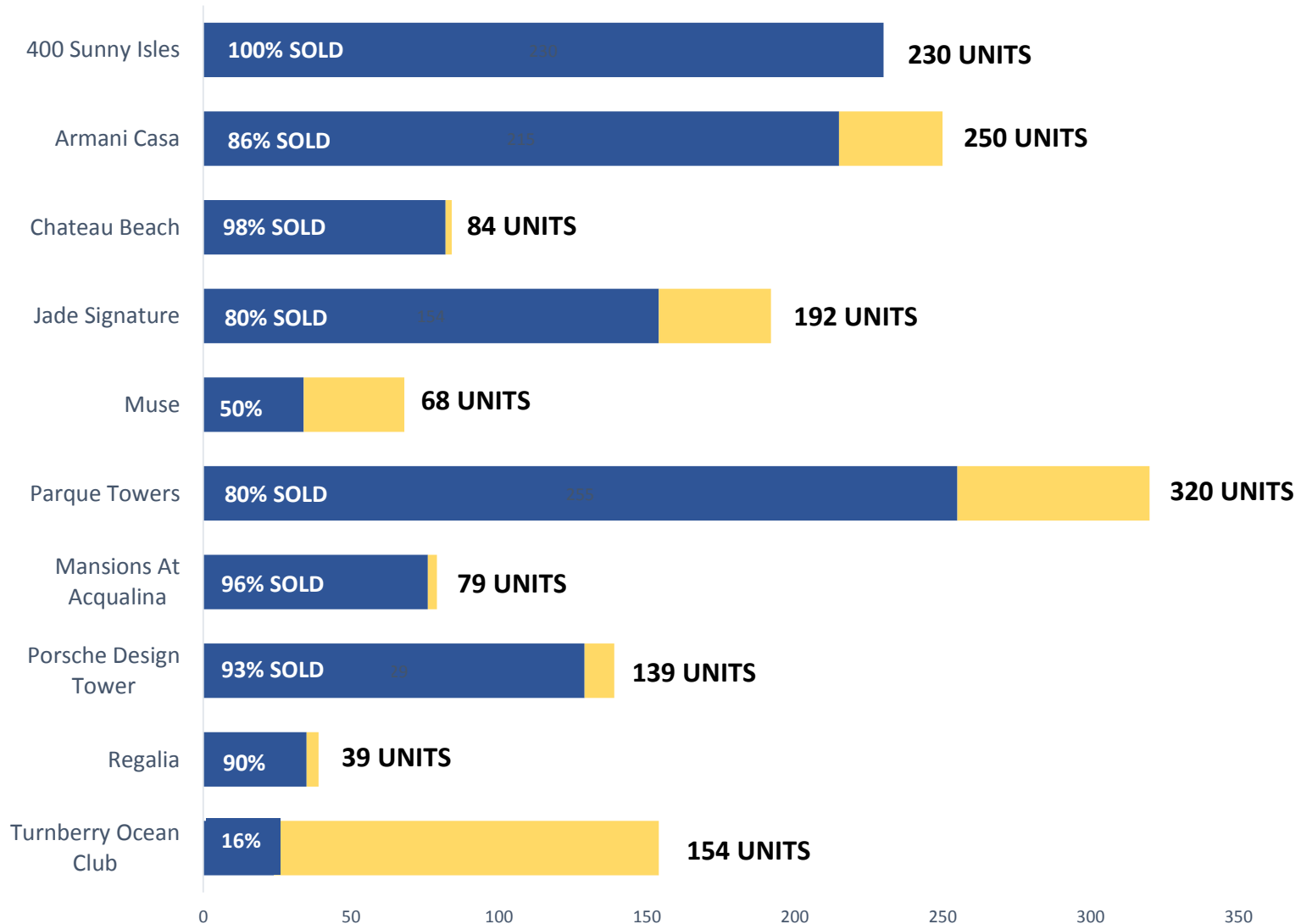
An aerial night photograph of a city skyline, likely Miami, featuring numerous illuminated skyscrapers and buildings. A large, bright green rectangular overlay is positioned in the center of the image, containing the text "NEW CONSTRUCTION" in white, bold, sans-serif capital letters. The city lights reflect on the water in the background, and a bridge is visible spanning the water. The overall scene is vibrant and modern.

# NEW CONSTRUCTION



# SUNNY ISLES

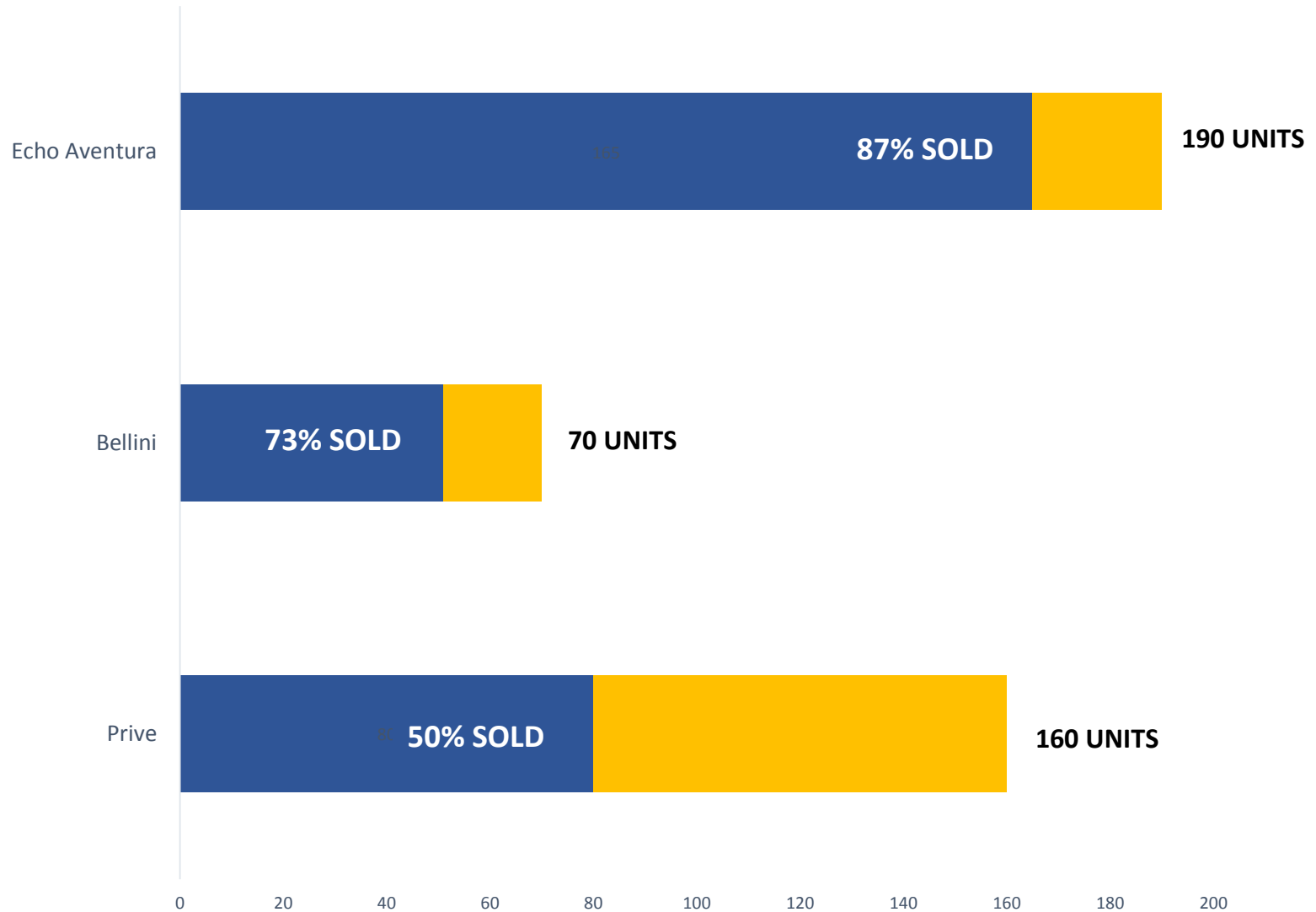
TOTAL NEW CONSTRUCTION CONDO UNITS AVAILABLE FOR SINCE 2012



1,555 UNITS TOTAL • 1,234 UNITS SOLD • 321 UNSOLD  
AVG. ABSORPTION: 530 UNITS ANNUALLY OVER THE LAST 10 YEARS

# AVENTURA

TOTAL NEW CONSTRUCTION CONDO UNITS AVAILABLE FOR SINCE 2012



420 UNITS TOTAL • 296 UNITS SOLD • 124 UNSOLD  
AVG. ABSORPTION: 265 UNITS ANNUALLY OVER THE LAST 10 YEARS



echo  
A V E N T U R A

ONLY **25** OUT OF **190** REMAIN  
From \$2.2 MIL



OCCUPANCY MAY 2015

# 2014 NEW CONSTRUCTION CONDO OVERVIEW

## SOUTH FLORIDA CONDOMINIUM ANALYSIS EAST OF INTERSTATE 95

SUB-MARKETS	TOTAL UNITS	TOTAL SOLD	PERCENT % SOLD	TOTAL UNSOLD
Brickell	5,608	3,815	68%	1,793
Biscayne Corridor	5,198	2,590	50%	2,608
The Beaches	2,970	2,228	75%	747
Aventura	420	274	65%	146
North Miami/ Key Biscayne/ Coconut Grove	1,314	941	72%	373
Fort Lauderdale	523	152	29%	371
.....				
<b>Totals</b>	<b>16,033</b>	<b>10,000</b>	<b>62%</b>	<b>6,033</b>



# New Construction Summary

Total New Construction Condo Units to be built, sold and currently available for sale in Brickell, Biscayne Corridor (Downtown Miami, Edgewater, Wynwood, Midtown & Design District), the Beaches (South Beach, Miami Beach, Surfside, Bal Harbour, Sunny Isles, Hallandale, Hollywood) Aventura, North Miami beach, Coconut Grove & Key Biscayne Since Jan. 2012.

- **PROJECT UNITS TOTAL**
- **DEVELOPER UNITS SOLD**
- **DEVELOPER UNITS UNSOLD**

**16,033**

Total

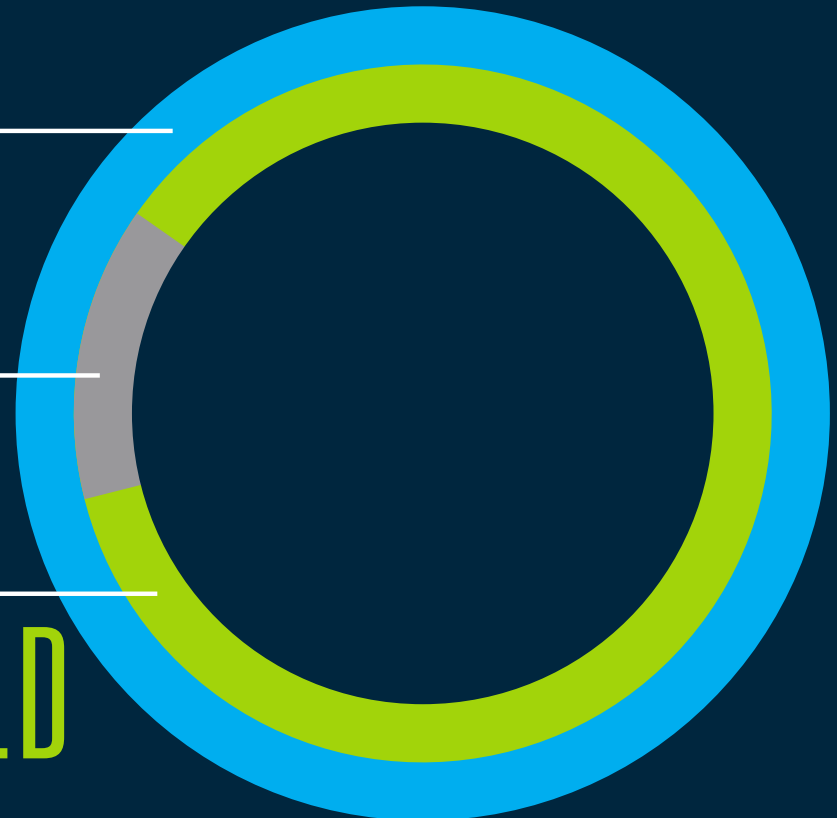
**6,003**

Unsold

**10,000**

**62% SOLD**

AS OF OCT 2014

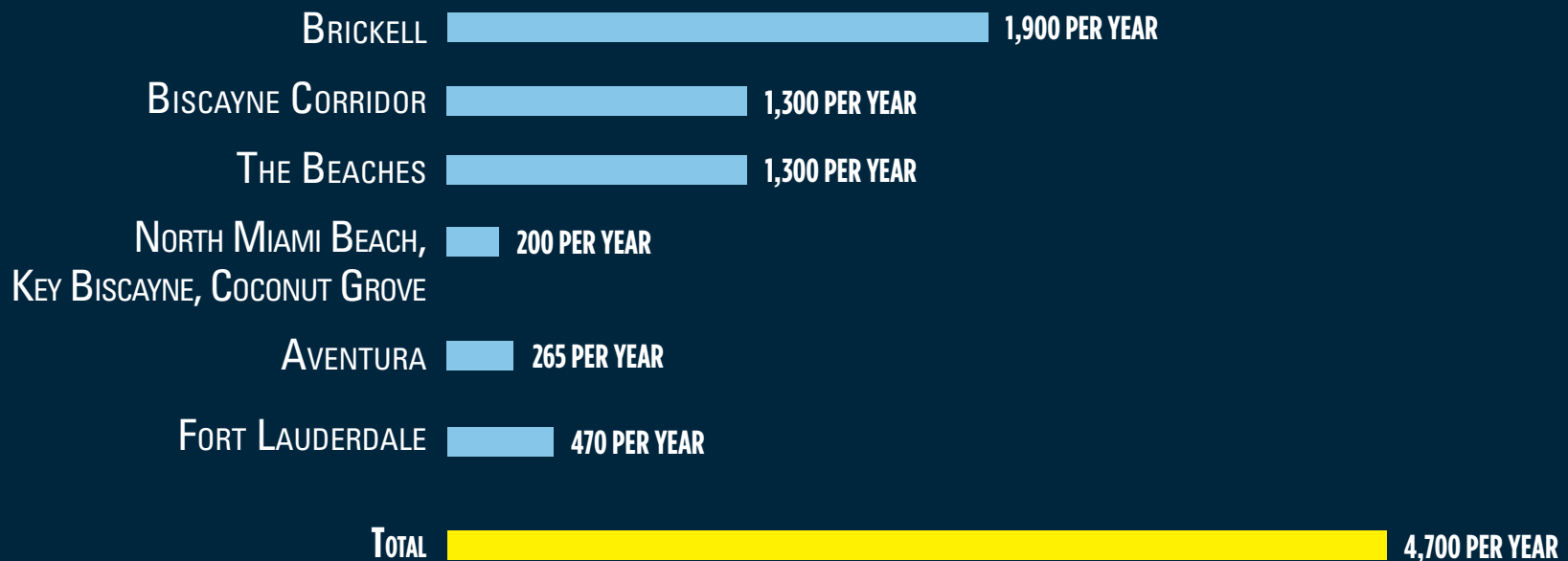


# 10 Year Annual Absorption Analysis

## FOR CONDOS BUILT FROM 2004 - 2014

Submarkets consist of Brickell, Biscayne Corridor (Downtown Miami, Edgewater, Midtown & Design District), The Beaches, (South Beach, Miami Beach, Surfside, Bal Harbour, Sunny Isles, Hallandale & Hollywood Beach), Fort Lauderdale, Aventura, North Miami Beach, Coconut Grove & Key Biscayne.

### ■ AVERAGE YEARLY CONDO INVENTORY ABSORPTION FROM 2004-2014





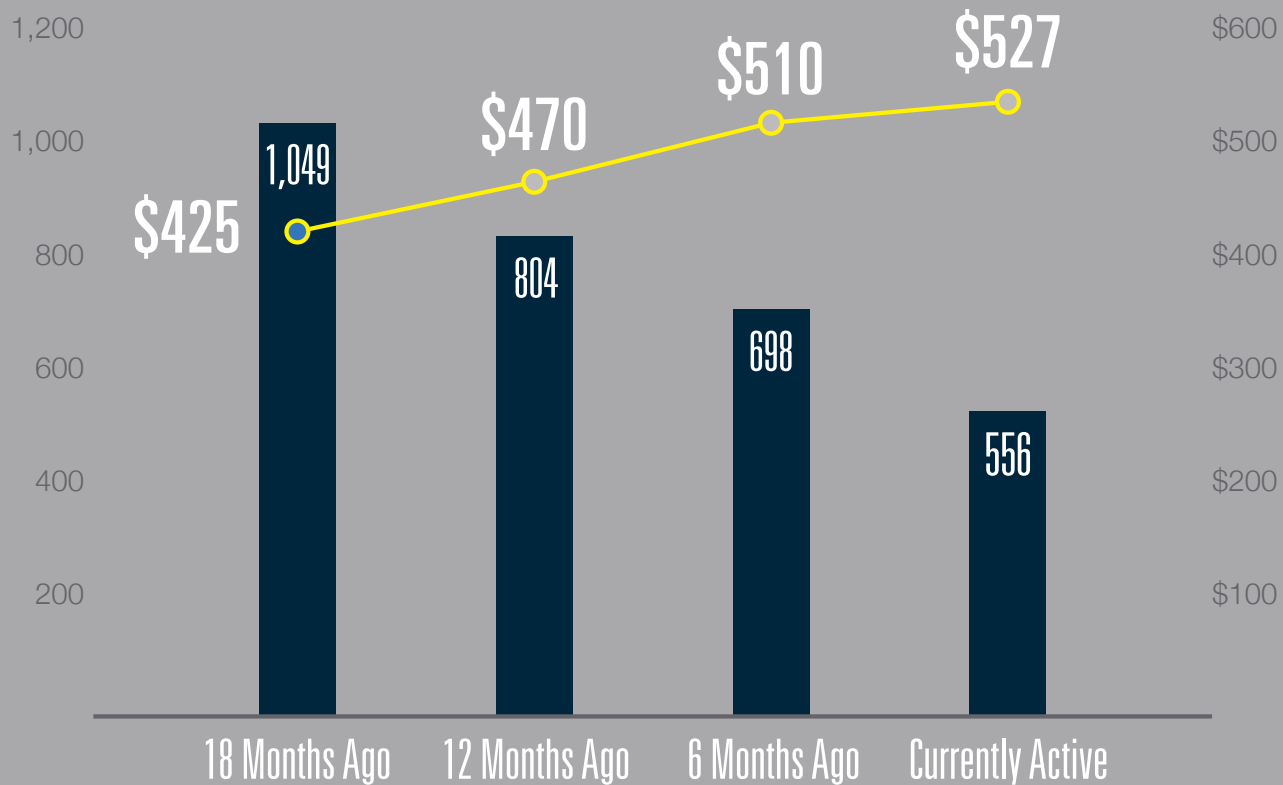


MLS-RESALE  
INVENTORY

# Brickell

New Condos built Since 2006 & Available for Sale 18 months Ago, 12 Months ago, 6 Months Ago, and Currently Active

■ ACTIVE LISTING    ○ PRICE PSF



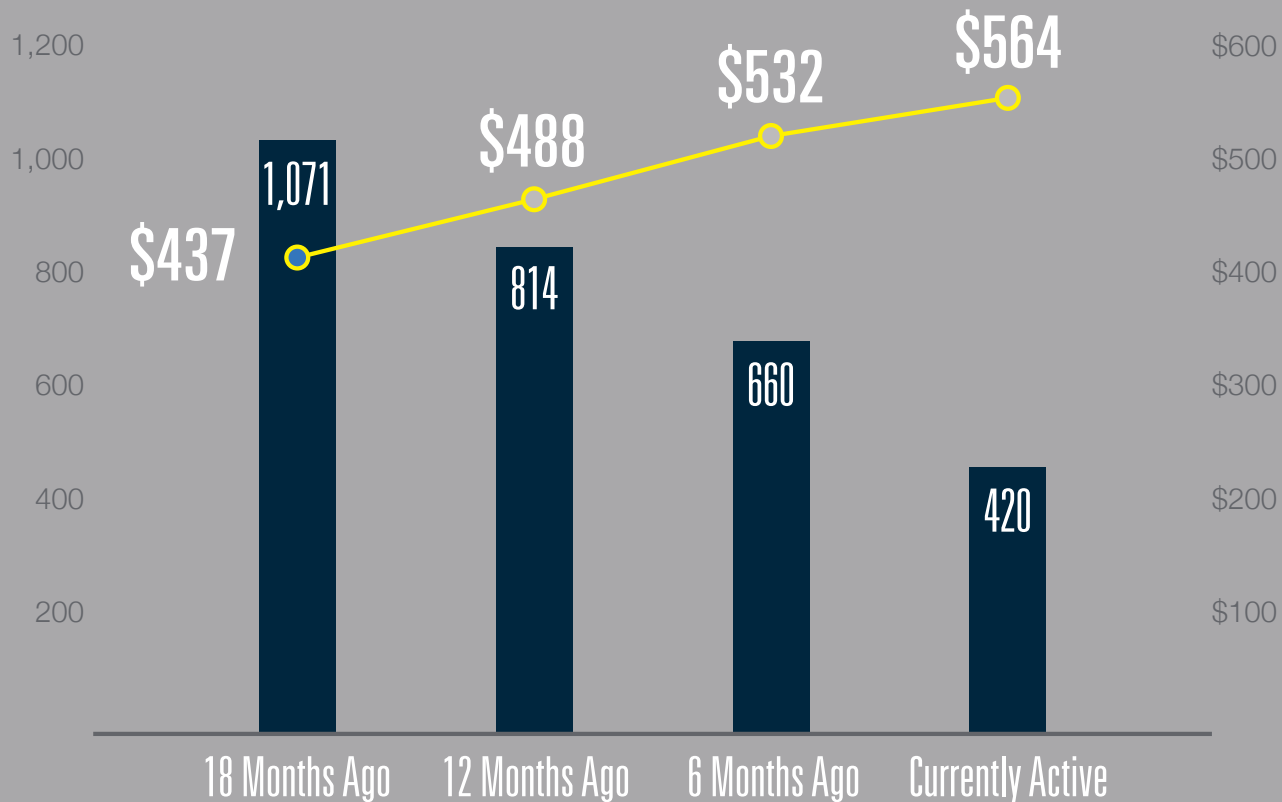
Source: Multiple Listing Service

# Biscayne Corridor

CONSIST OF **DOWNTOWN MIAMI, EDGEWATER, MIDTOWN & THE DESIGN DISTRICT**

New Condos built Since 2006 & Available for Sale 18 months Ago, 12 Months ago, 6 Months Ago, and Currently Active

■ **ACTIVE LISTING**    ○ **PRICE PSF**



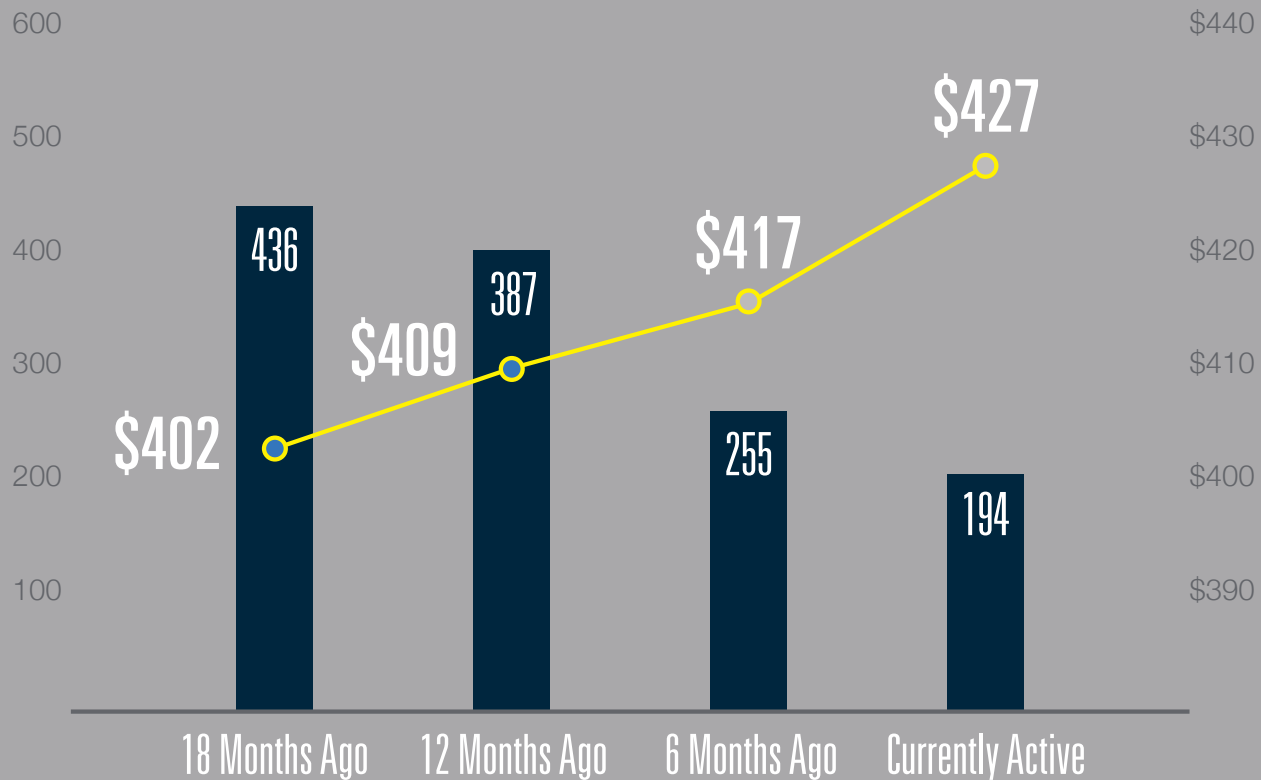
Source: Multiple Listing Service



# Aventura

New Condos built Since 2006 & Available for Sale 18 months Ago, 12 Months ago, 6 Months Ago, and Currently Active

■ ACTIVE LISTING    ○ PRICE PSF



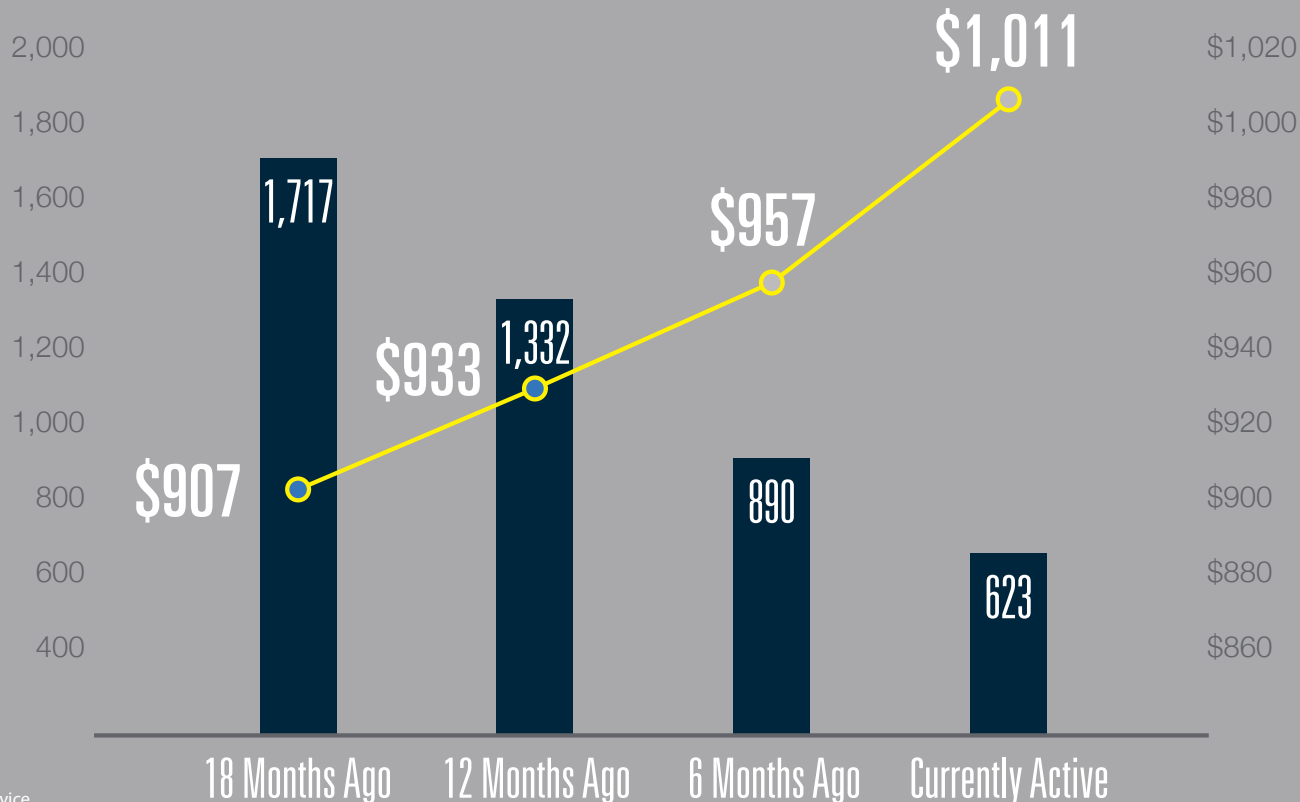
Source: Multiple Listing Service

# The Beaches

CONSIST OF SOUTH BEACH, MIAMI BEACH, SURFSIDE, BAL HARBOUR, SUNNY ISLES, HALLANDALE & HOLLYWOOD BEACH

New Condos built Since 2006 & Available for Sale 18 months Ago, 12 Months ago, 6 Months Ago, and Currently Active

■ ACTIVE LISTING    ● PRICE PSF

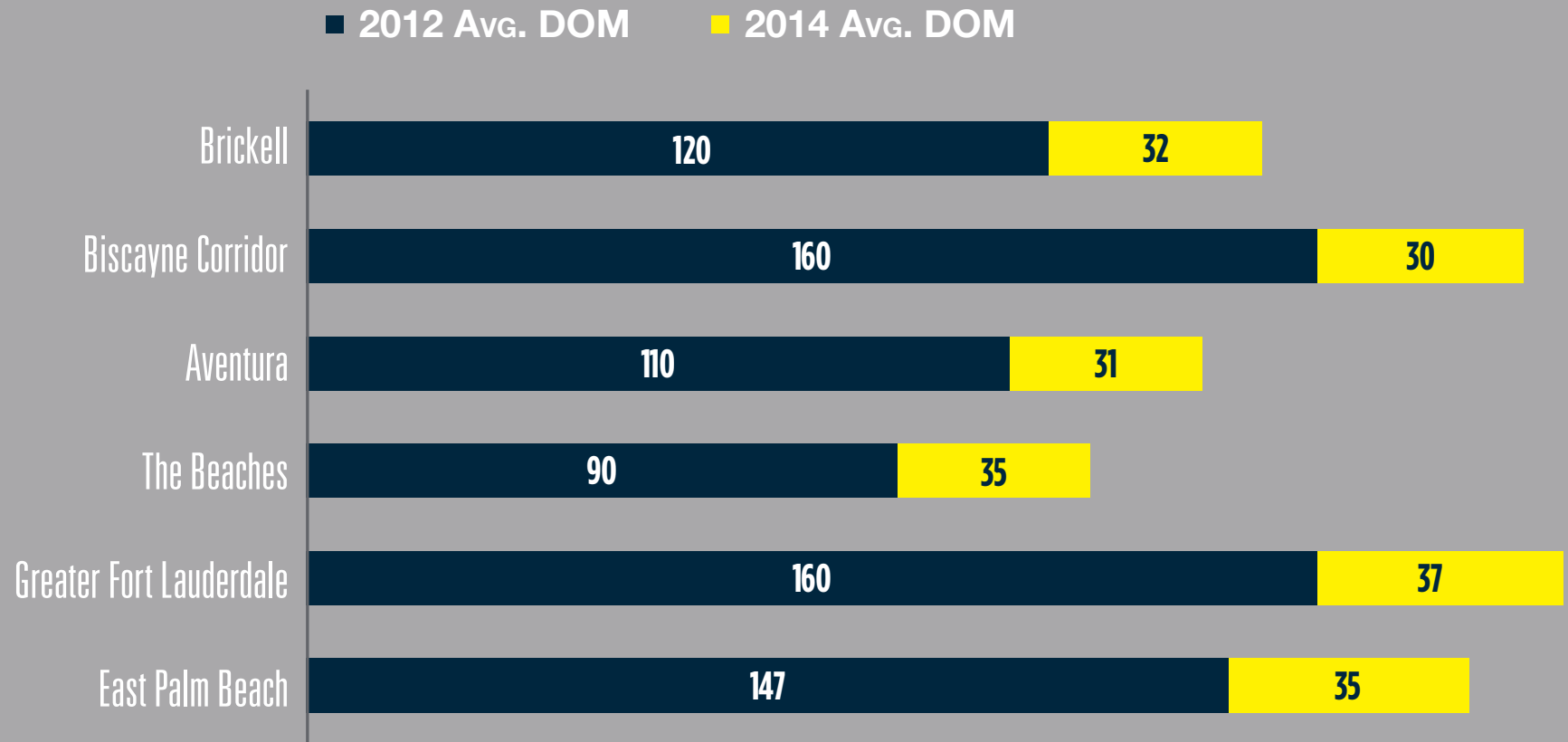


Source: Multiple Listing Service

# Days on the Market (DOM)

2012 vs 2014 MLS Analysis for Closed Sales in condos built since 2006

New Condos built Since 2006 & Available for Sale 18 months Ago, 12 Months ago, 6 Months Ago, and Currently Active



Source: Multiple Listing Service



An aerial photograph of the Miami skyline, featuring numerous high-rise buildings and a body of water in the foreground. A large, semi-transparent blue rectangle is overlaid on the center of the image, containing the text 'RENTAL TRENDS'.

## RENTAL TRENDS

**“Miami vacancy rates are still currently the third lowest in the nation.”**

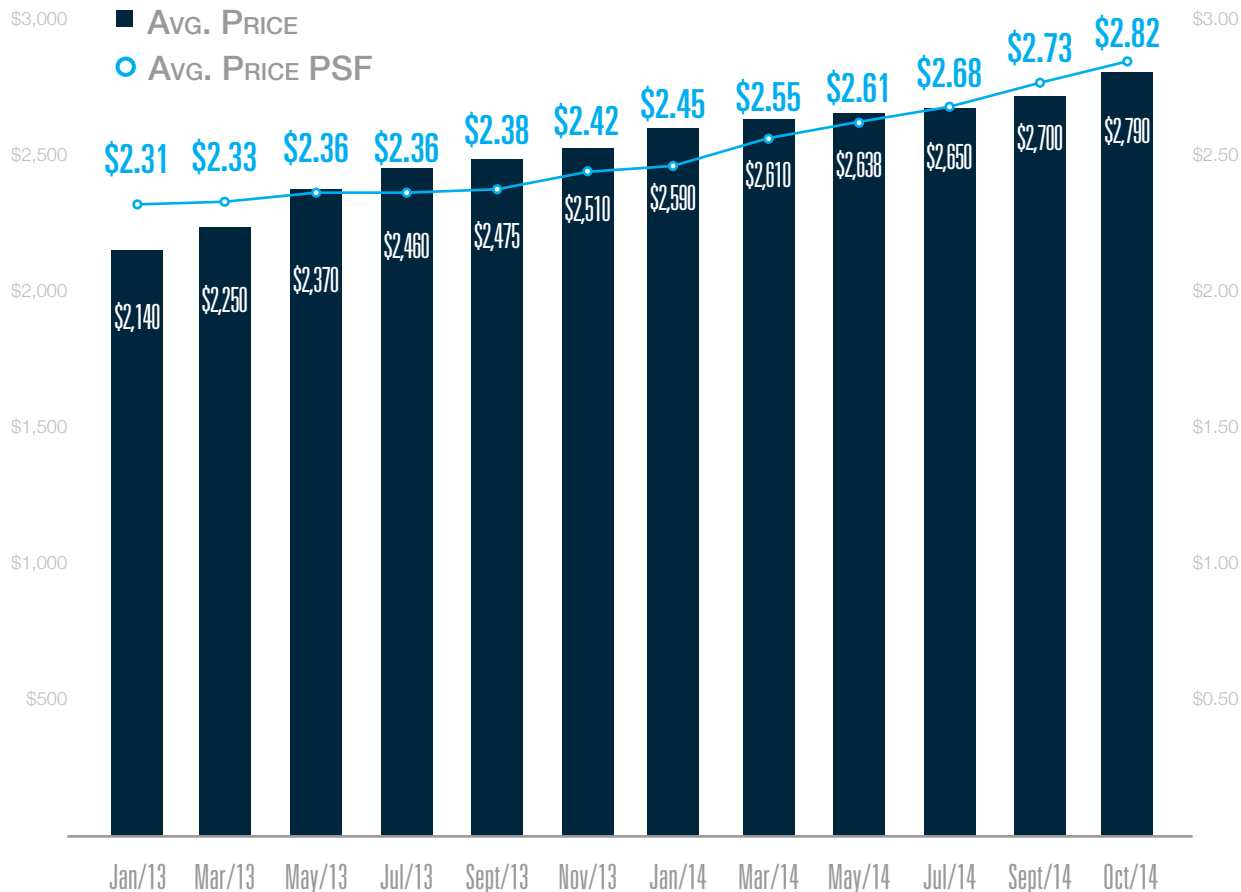
**SOURCE: MARCUS & MILLICHAP, 2014**

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# Brickell

JAN 2013 - OCT 2014

New Construction Condos Built since 2006



2006 Vacancy Rate  
**18% VACANCY**  
**82% OCCUPANCY**

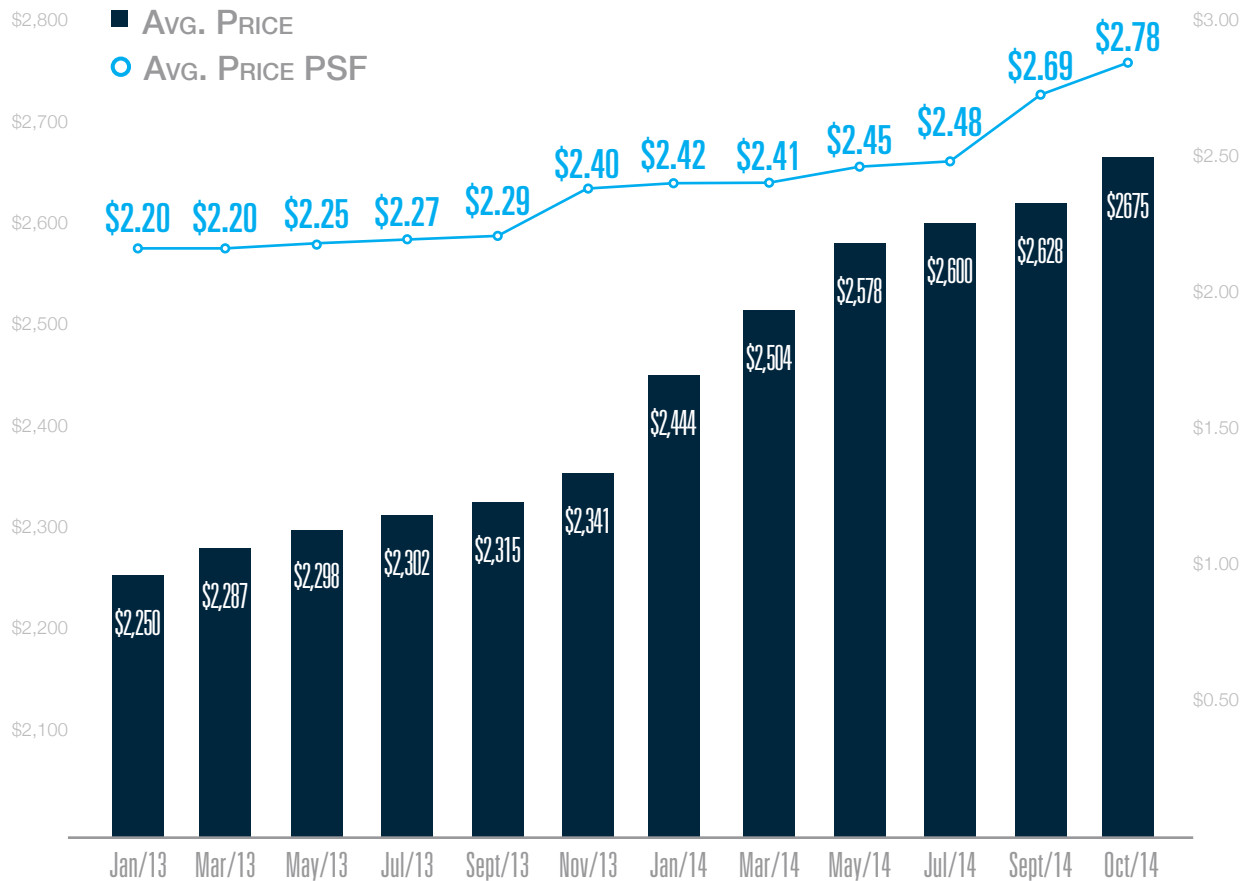
2010 Vacancy Rate  
**9% VACANCY**  
**91% OCCUPANCY**

2014 Vacancy Rate  
**1% VACANCY**  
**99% OCCUPANCY**

# Biscayne Corridor

JAN 2013 - OCT 2014

Consist of Wynwood, Design District, Edgewater, Midtown & Downtown Miami



2006 Vacancy Rate  
**13% VACANCY**  
**87% OCCUPANCY**

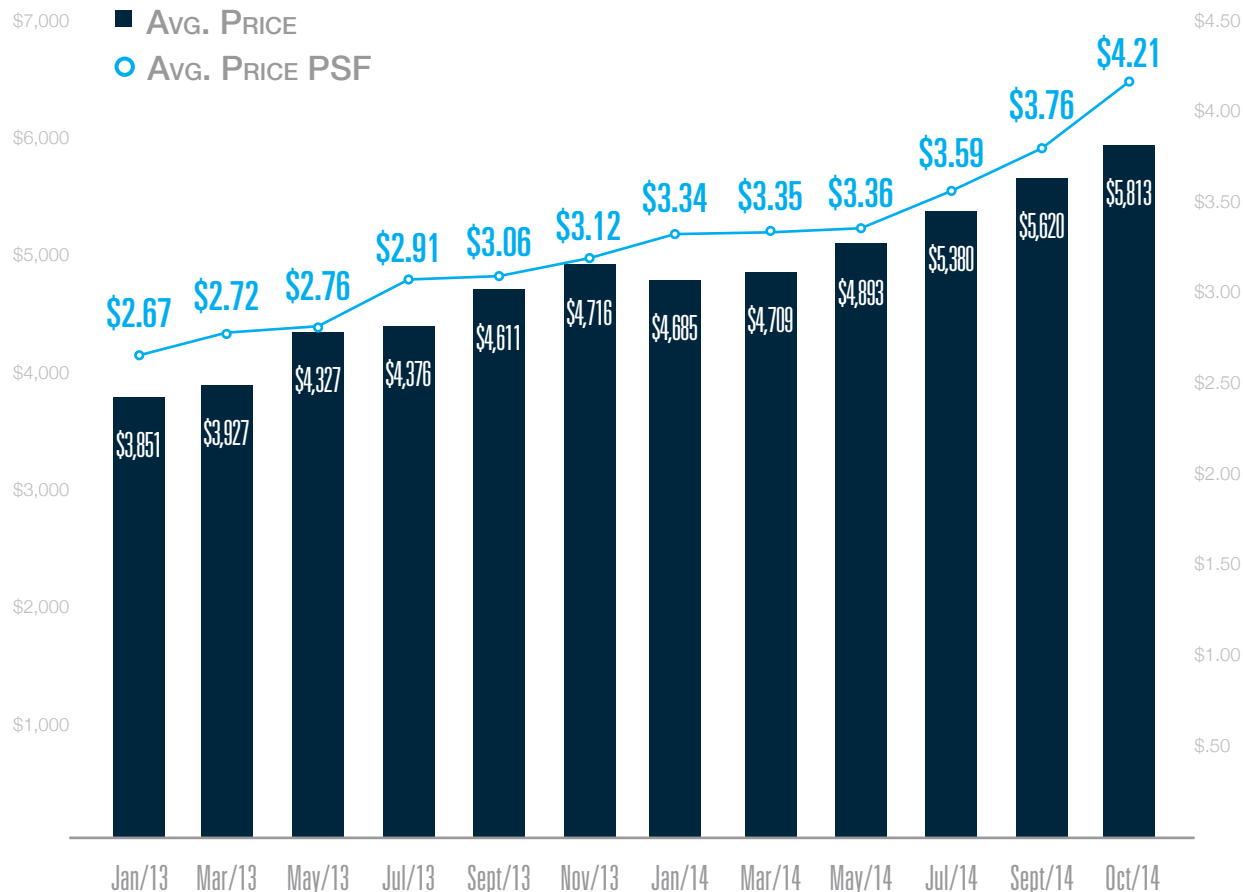
2010 Vacancy Rate  
**10% VACANCY**  
**90% OCCUPANCY**

2014 Vacancy Rate  
**3% VACANCY**  
**97% OCCUPANCY**

# Aventura

JAN 2013 - OCT 2014

New Construction Condos Built since 2006



2006 Vacancy Rate  
**1% VACANCY**  
**99% OCCUPANCY**

2010 Vacancy Rate  
**1% VACANCY**  
**99% OCCUPANCY**

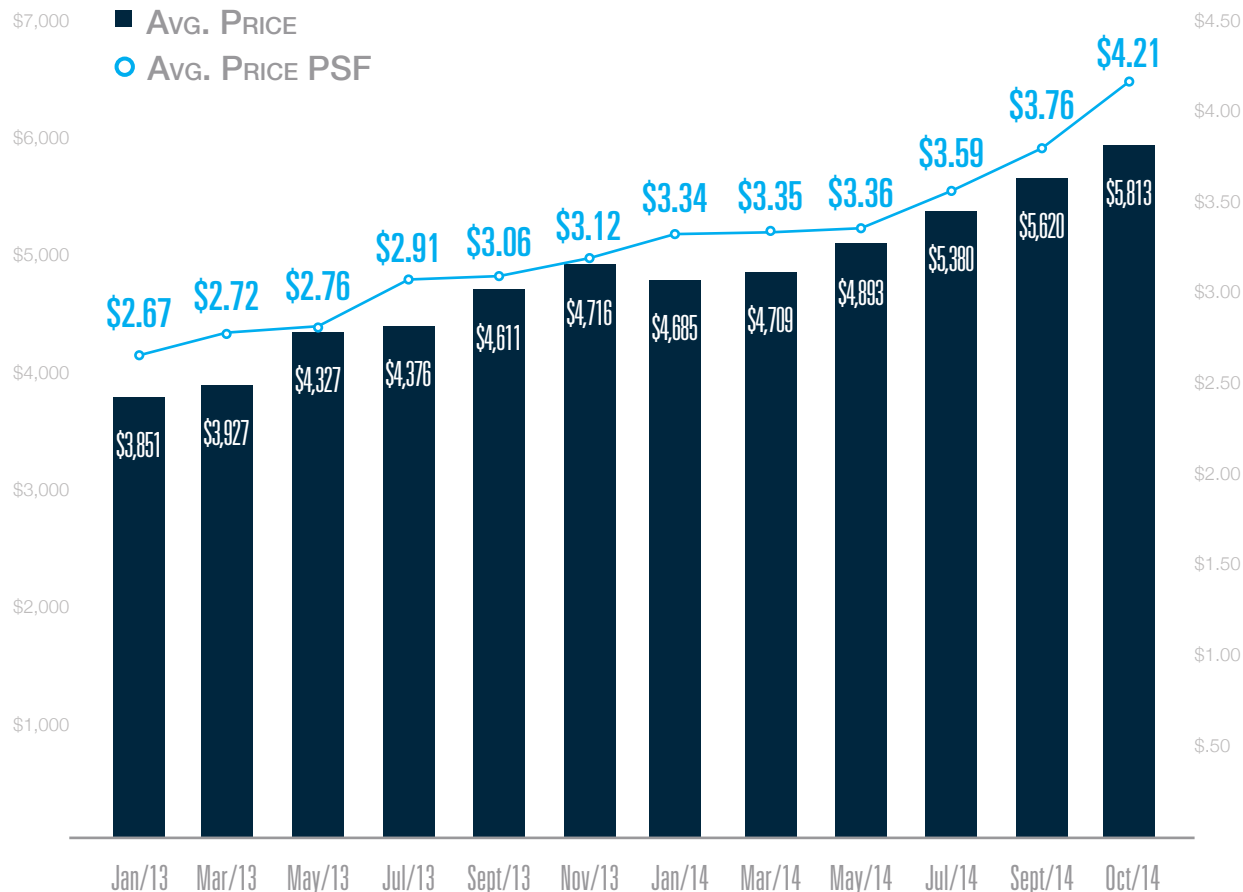
2014 Vacancy Rate  
**1% VACANCY**  
**99% OCCUPANCY**



# The Beaches

JAN 2013 - OCT 2014

Consist of South Beach, Miami Beach, Surfside, Bal Harbour, Sunny Isles, Hallandale & Hollywood Beach New Construction Condos Built since 2006



2006 Vacancy Rate  
**20% VACANCY**  
**80% OCCUPANCY**

2010 Vacancy Rate  
**14% VACANCY**  
**86% OCCUPANCY**

2014 Vacancy Rate  
**2% VACANT**  
**98% OCCUPANCY**

# The Cities that matter to UHNWI's - Global Survey

MOST IMPORTANT NOW

**7. Miami**  
**\$800 psf**

2. New York  
\$4,000 psf  
*(NYC / Manhattan)*

10. Paris  
\$4,400 psf

1. London  
\$6,000 psf

6. Shanghai  
\$2,000 psf

9. Beijing  
\$1,500 psf

8. Dubai  
\$2,500 psf

4. Hong Kong  
\$4,500 psf

3. Singapore  
\$1,500 psf

5. Geneva  
\$3,000 psf

## TOP 5 CITIES NORTH AMERICA

1. New York
2. Miami
3. Washington, D.C.
4. San Francisco
5. Toronto



# WALL STREET OF THE SOUTH

**“Miami is the second most popular banking hub in the U.S. after New York City. Currently home to over 60 international banks and nearly 100 alternative investment companies...”**

\*Miami Downtown Development Authority (DDA)

**“Downtown Miami is home to the second largest concentration of international banks that manage **\$26 billion worth of international bank assets and finances \$54 billion worth of trade.**”**

**The Miami Herald**

August, 2014



# United States Population Growth

A great source of demand for South Florida real estate both now and in the future is the ever-increasing population of the state. In the last one hundred years, **Florida's population ranking in the U.S. has gone from 33rd to 4th.** By 2015, Florida is projected to become third in population – **overtaking New York.**

## U.S. POPULATION GROWTH

 = 10 MIL



\*Est. Projection




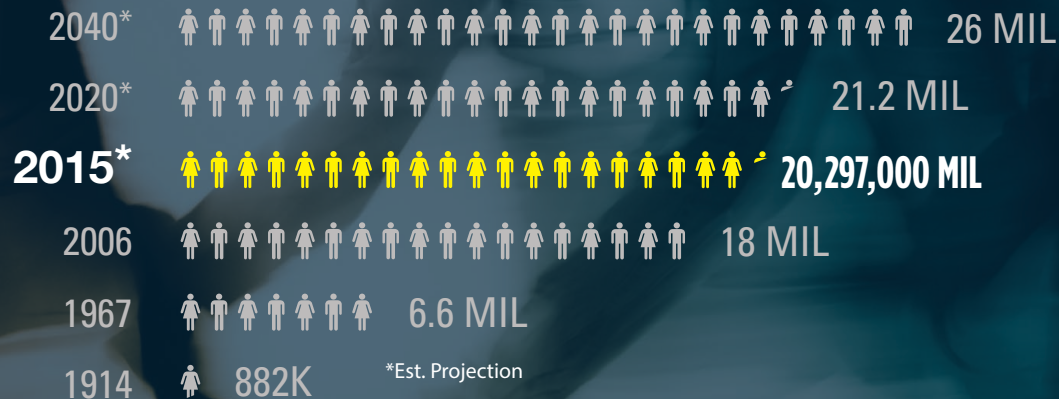
# Florida Population Growth

## State Population Growth

1914	1967	2006	2015*	2020*	2040*
1. NEW YORK	1. NEW YORK	1. CALIFORNIA	1. CALIFORNIA	1. CALIFORNIA	1. CALIFORNIA
5. TEXAS	2. CALIFORNIA	2. TEXAS	2. TEXAS	2. TEXAS	2. TEXAS
12. CALIFORNIA	6. TEXAS	3. NEW YORK	<b>3. FLORIDA</b>	<b>3. FLORIDA</b>	<b>3. FLORIDA</b>
<b>33. FLORIDA</b>	<b>15. FLORIDA</b>	<b>4. FLORIDA</b>	4. NEW YORK	4. NEW YORK	4. NEW YORK

## UNITED STATES POPULATION GROWTH

 = 1 MIL



The background of the image features a night-time view of the Chicago skyline, with numerous skyscrapers illuminated against a dark, cloudy sky. In the foreground, there are vibrant, multi-colored light trails in shades of red, orange, yellow, and purple, which appear to be moving in a circular pattern across the lower half of the frame. A solid purple rectangle is positioned in the center, containing the text "INTERNATIONAL MARKET REPORT" in white, bold, sans-serif capital letters.

# INTERNATIONAL MARKET REPORT



A map of South America and Central America, with the landmasses colored in a solid purple. The map shows the outlines of the continents and the surrounding oceans. Several white dots are placed on the map to indicate the locations of ISG offices. In the legend, a yellow square icon with a black cross inside is used to represent the office locations. The text is in a clean, sans-serif font.

## South America

In response to the continually growing demand for South Florida Real Estate from our neighbors in South America, ISG has offices in most of South America's major cities.

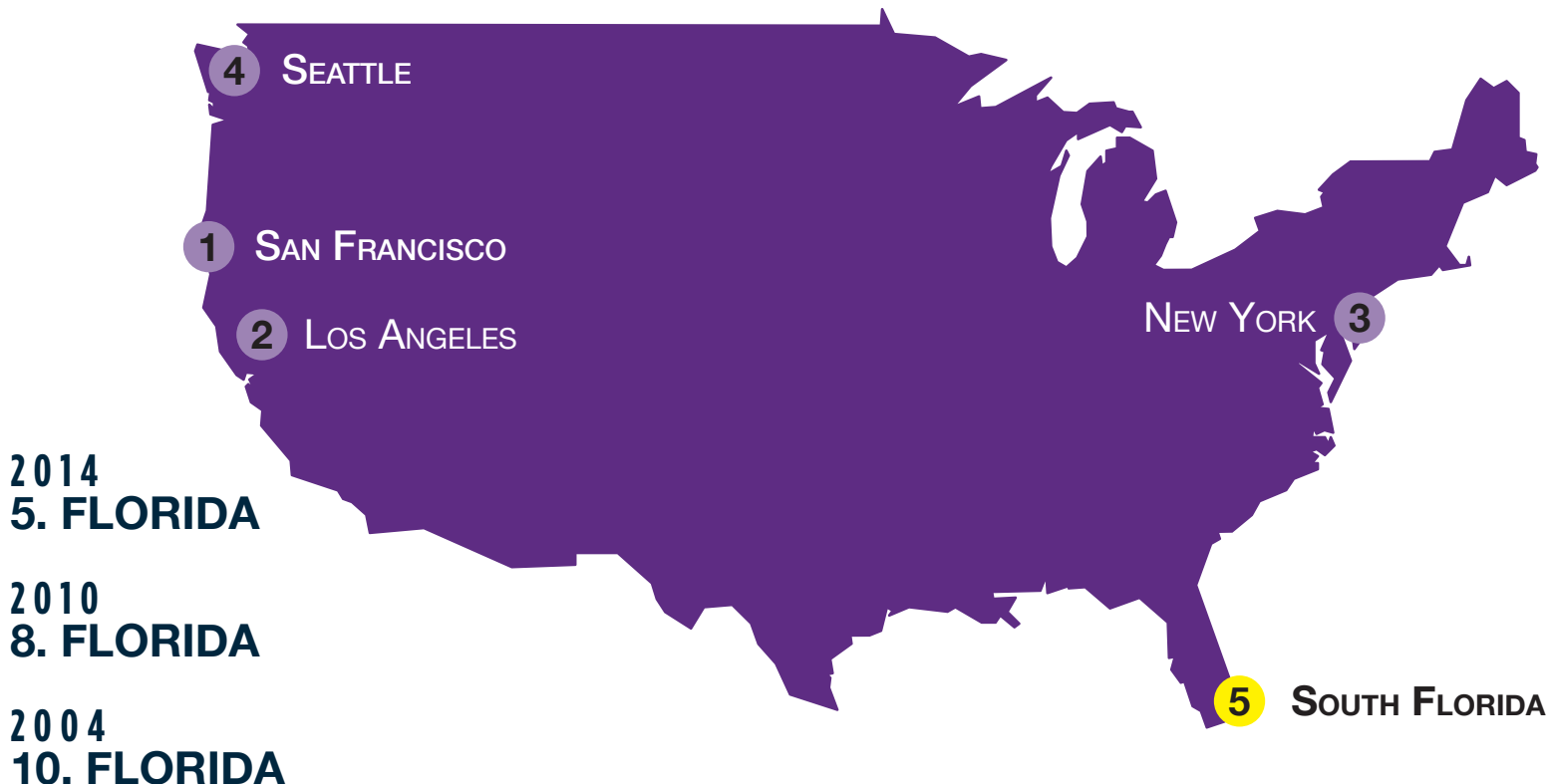
-  São Paulo
-  Rio
-  Buenos Aires
-  Bogotá
-  Caracas

# China

A new market is emerging for South Florida real estate - China. According to the National Association of Realtors, China has become the largest real estate buyer in the US overall, and those buyers are now beginning to shift their focus

## ASIAN CAPITAL INTO U.S. MULTIFAMILY

..... 2014 TOP 5 METROS .....





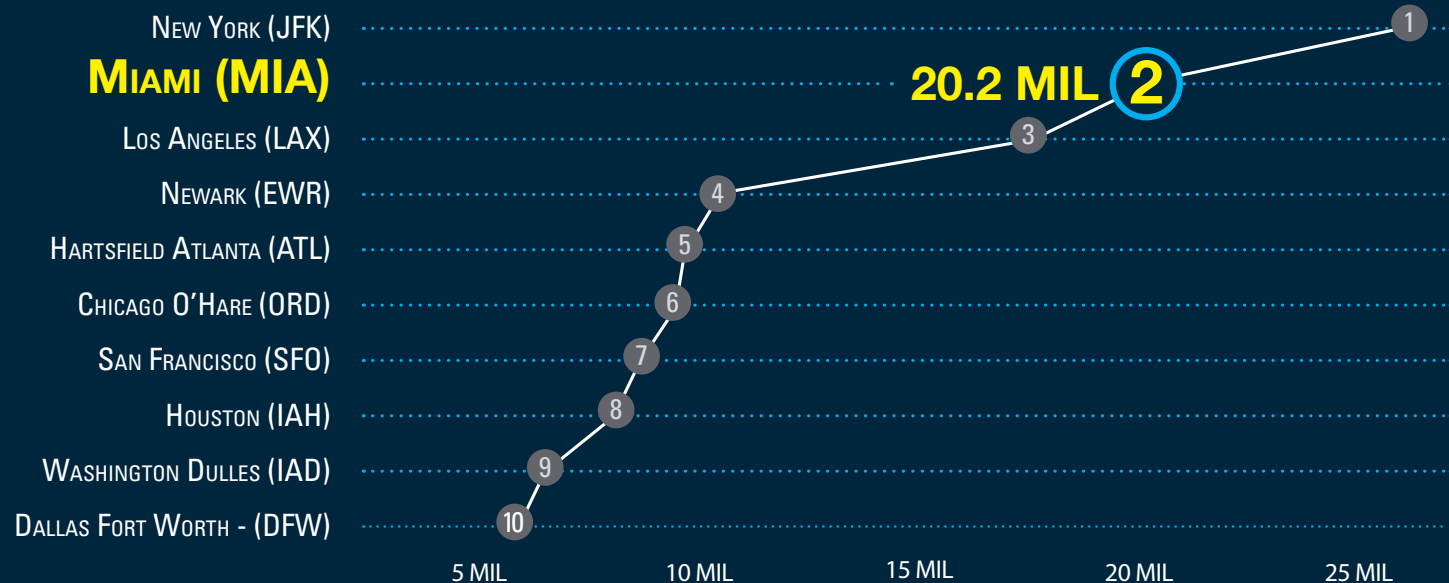


**TRANSPORTATION**

# AIR

Miami International Airport (MIA) is one of the fastest growing airport hubs in the world. Last year (2013), MIA set a new all-time record for annual passenger traffic with 40.5 million passengers, an increase of 3% over 2012. Of the total passengers that traveled through MIA, 50% were international, which is one of the highest international to domestic passenger percentages of any US airport.

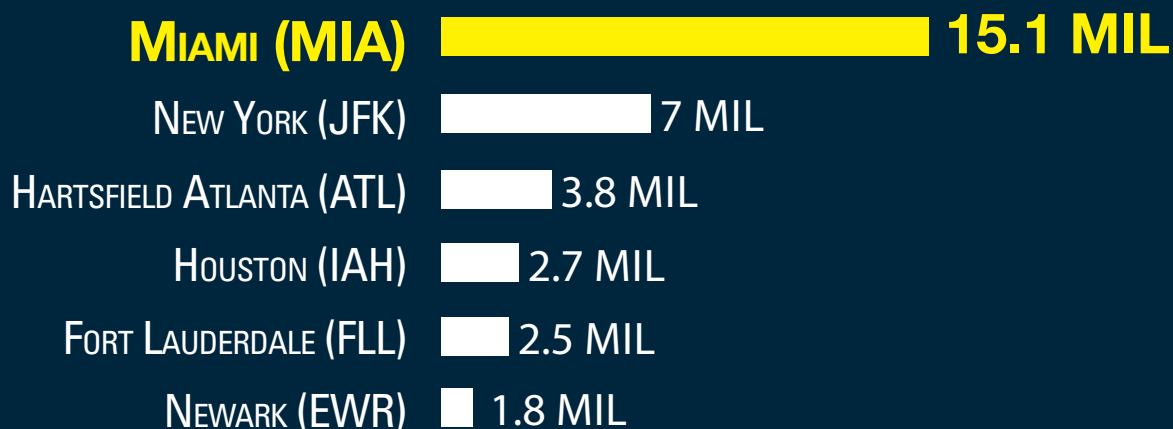
## RANKING OF MAJOR US AIRPORTS - 2014 INTERNATIONAL PASSENGERS



Source: Miami International Airport  
Gateway to Miami, to Florida & to the Americas 2014-2015 Report.  
Miami-Dade Aviation Department

## AIR | Continued

### 2014 TOTAL PASSENGERS TO/FROM LATIN AMERICA & CARIBBEAN By U.S. GATEWAY



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**2014 WEEKLY TO/FROM LATIN  
AMERICAN/CARIBBEAN FLIGHTS: 1,120**

# LAND

All Aboard Florida is a high quality, express intercity passenger rail that will connect Miami to Fort Lauderdale to West Palm Beach to Orlando.



**ALL ABOARD FLORIDA**

**\$6 Billion**

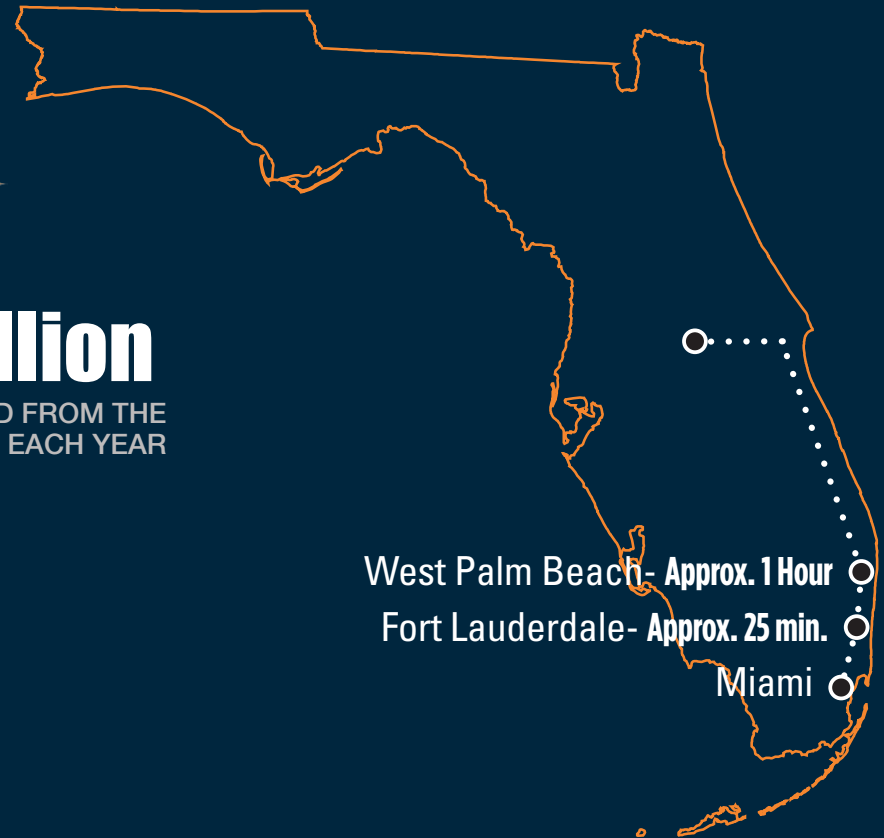
IN DIRECT ECONOMIC IMPACT  
TO FLORIDA'S ECONOMY OVER  
THE NEXT 8 YEARS

**3 Million**

VEHICLES REMOVED FROM THE  
ROADS EACH YEAR

**Over 10,000 Jobs**

ON AVERAGE PER YEAR THROUGH  
THE RAIL LINE CONSTRUCTION  
(FALL 2014-FALL 2015)



West Palm Beach- Approx. 1 Hour

Fort Lauderdale- Approx. 25 min.

Miami



## Sea

### PANAMA CANAL / PORT OF MIAMI

**The \$5.25 billion Panama Canal Expansion is now 80% complete.** The expansion will allow the passage of bigger vessels – called Post-Panamax, which will double the canal's capacity and change the face of global marine transit. In response to this major event, **PortMiami began their own \$1.3 billion expansion – positioning itself to be the first port of call for the post-Panamax ships.**

## COMMERCE EXPANSION TRACKING FORECAST

Florida East Coast Railway (FECR) \$50 Million  
in upgrades to the 351 miles of track from  
Miami to Jacksonville

**COMPLETED**

Port Tunnel opens for traffic

**COMPLETED**

Government cut dredging

**SCHEDULED 2015**

Panama Canal Expansion Completion

**SCHEDULED SUMMER 2016**

Source: Miami Today, Panama Canal Authority

**CULTURAL &  
ECONOMIC  
GROWTH**

# Art | Basel | Miami Beach

The world's premier international art show, Art Basel, a four day event displays an estimated \$3 billion

**4 DAYS**

**\$500 MIL**

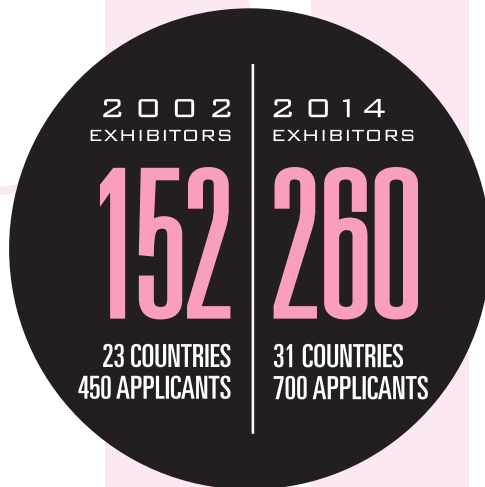
Estimated  
**ECONOMIC IMPACT**

Source: nbcmiami.com, 2013

**VISITORS**

Each Year

Source: artbasel.com, 2014





# ENTERTAINMENT

Miami's entertainment offerings are some of the best in the world. From theater to music to sports to film, the current options are limitless, and the evolution of this exciting industry is boundless.

**Adrienne Arsht Center**  
FOR THE PERFORMING ARTS OF MIAMI-DADE COUNTY

“SECOND  
ONLY TO THE  
LINCOLN CENTER”

Travel and Leisure.com, Nov. 2011



20th Century Fox just announced plans to build a  
theme park near Zoo Miami







*film*

“Miami offers a seasoned film community and experienced crew, the locations here are like no other in the country, and the Hollywood community is very aware of the assets Florida offers.”

Chris Cooney, EUE Screen Gems COO  
Miami Today, March 2014

\$2 Billion

FILM & ENTERTAINMENT INDUSTRY  
ANNUAL ECONOMIC IMPACT ON  
SOUTH FLORIDA

3,000

LOCAL FILM &  
ENTERTAINMENT COMPANIES

Sources: MiamiWalkoffFame.com

# FASHION

“Miami Beach International Fashion Week has become the largest latin american and international fashion festival in the United States”.

Source: Elite Traveler

Mega-designer Tommy Hilfiger recently named Miami his new home and will be working on a large-scale design project here.

Source: cnn.com, 2014



Mercedes-Benz  
FashionWeek



# SILICON SOUTH

**Dice**

## DON'T MESS WITH TECH

2014 Highest % Growth and Most New Positions Added in the Tech Industry

August 4, 2014 | Shravan Goli

1. TEXAS .....	5.99%	6. NEW YORK .....	3.08%
2. <b>FLORIDA</b> .....	<b>5.64%</b>	7. MASSACHUSETTS .....	2.91%
3. NORTH CAROLINA .....	3.80%	8. NEW JERSEY .....	2.84%
4. OREGON .....	3.57%	9. MICHIGAN .....	2.72%
5. WASHINGTON .....	3.53%	10. MISSOURI .....	2.10%



Microsoft

## MICROSOFT PICKS MIAMI FOR 1ST US INNOVATION CENTER

- Bringing Microsoft in is part of the broader goal of “bringing the world to Miami.”

May 30, 2014 | Arian Campo-Flores



## WOULD YOU BELIEVE IT? MIAMI HAS A REAL TECH SCENE NOW

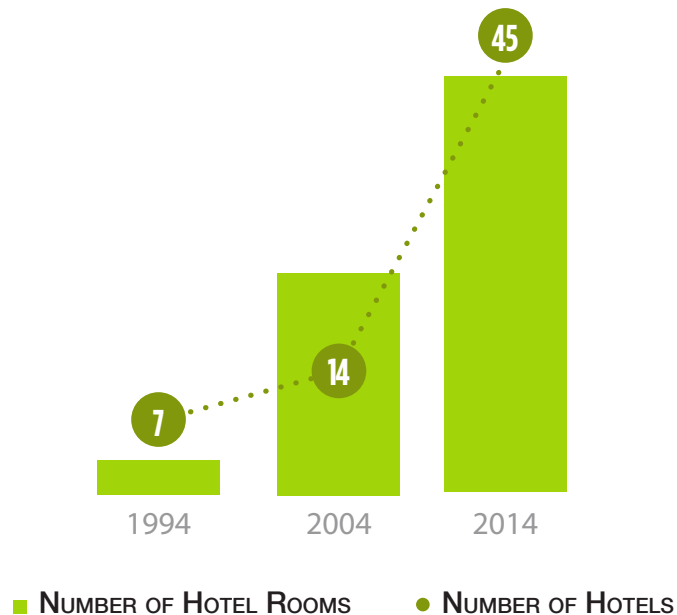
Tech companies flock to Miami to reach Latin America.

May 30, 2014 | Arian Campo-Flores

# HOTELS

## 5-Star Hotel Analysis over the Past 20 Years

South Florida Hotels Located East of Interstate 95



Source: GREATER MIAMI CONVENTION & VISITORS BUREAU

## Sampling of South Florida's 5-Star Hotels



# 2,500 MORE HOTEL ROOMS DUE IN MIAMI IN 2015

Greater Miami Convention & Visitors Bureau



# Landscape of the Future

## Skyrise Miami

- \$430 MIL Project

## East Flagler Street Redevelopment

- \$13 MIL Project

## Grand Pedestrian Promenade Biscayne Blvd.

- \$24 MIL





# Doral

Nationally Ranked #2  
"25 Best Cities in the  
United States to  
Live Well"

**Forbes**

MAY, 2009

"Doral is a great place to live and work...  
with every school in the city – public,  
private, charter – rated A"

NATHAN KOGON - DIRECTOR OF THE CITY'S PLANNING & ZONING DEPARTMENT  
MIAMI TODAY, FEBRUARY, 2014

Downtown  
Miami  
20 Min.

Brickell  
22 Min.



Downtown Doral

Miami  
International  
Airport  
10 Min.

Doral  
Design  
District

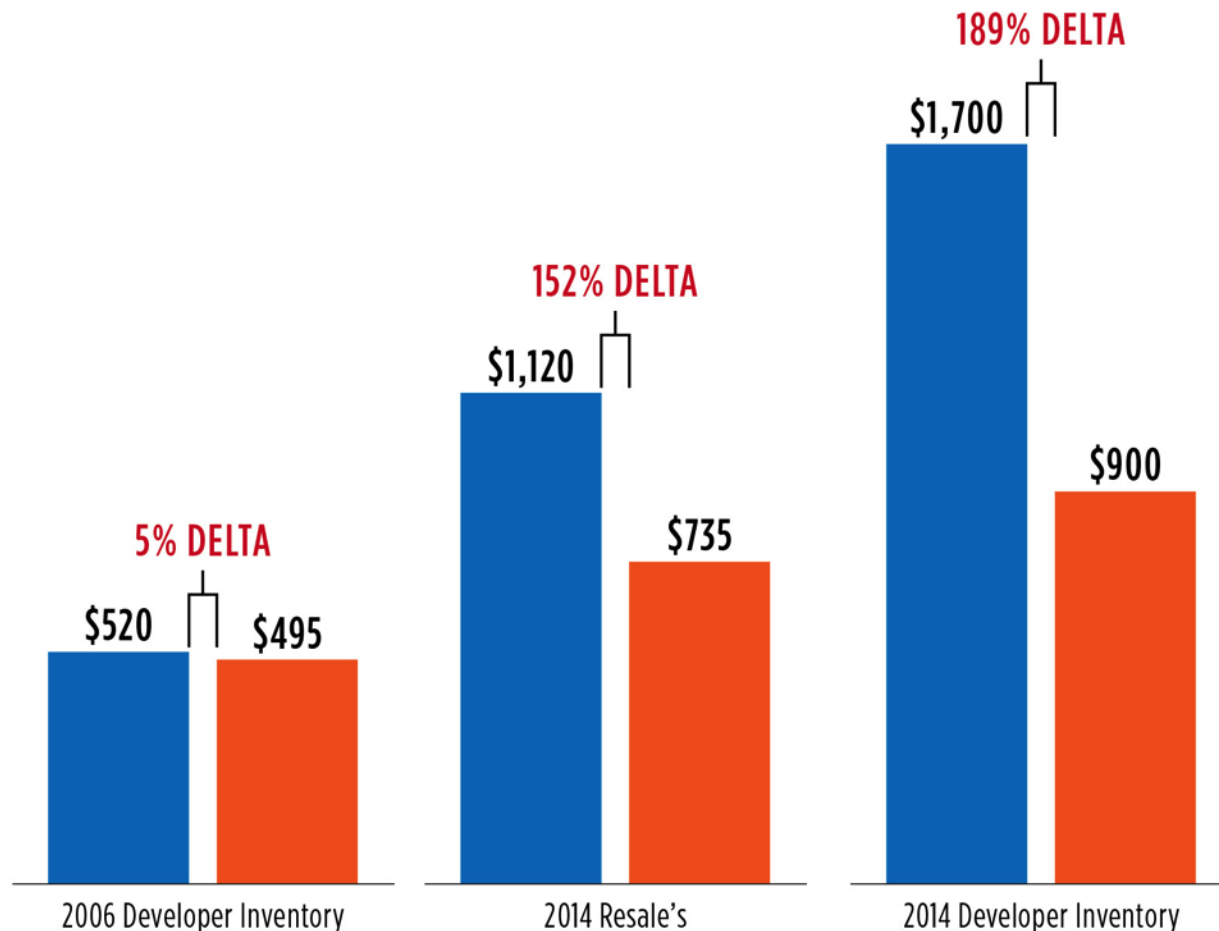
Trump National Doral  
Blue Monster Course



# EAST FORT LAUDERDALE VS. SUNNY ISLES

EAST FORT LAUDERDALE AND SUNNY ISLES PRICE COMPARISON FOR OCEANFRONT  
CONDOS BUILT SINCE 2005

■ Sunny Isles Price PSF      ● Fort Lauderdale Price PSF



New Construction  
Condos Released  
Since 2012:

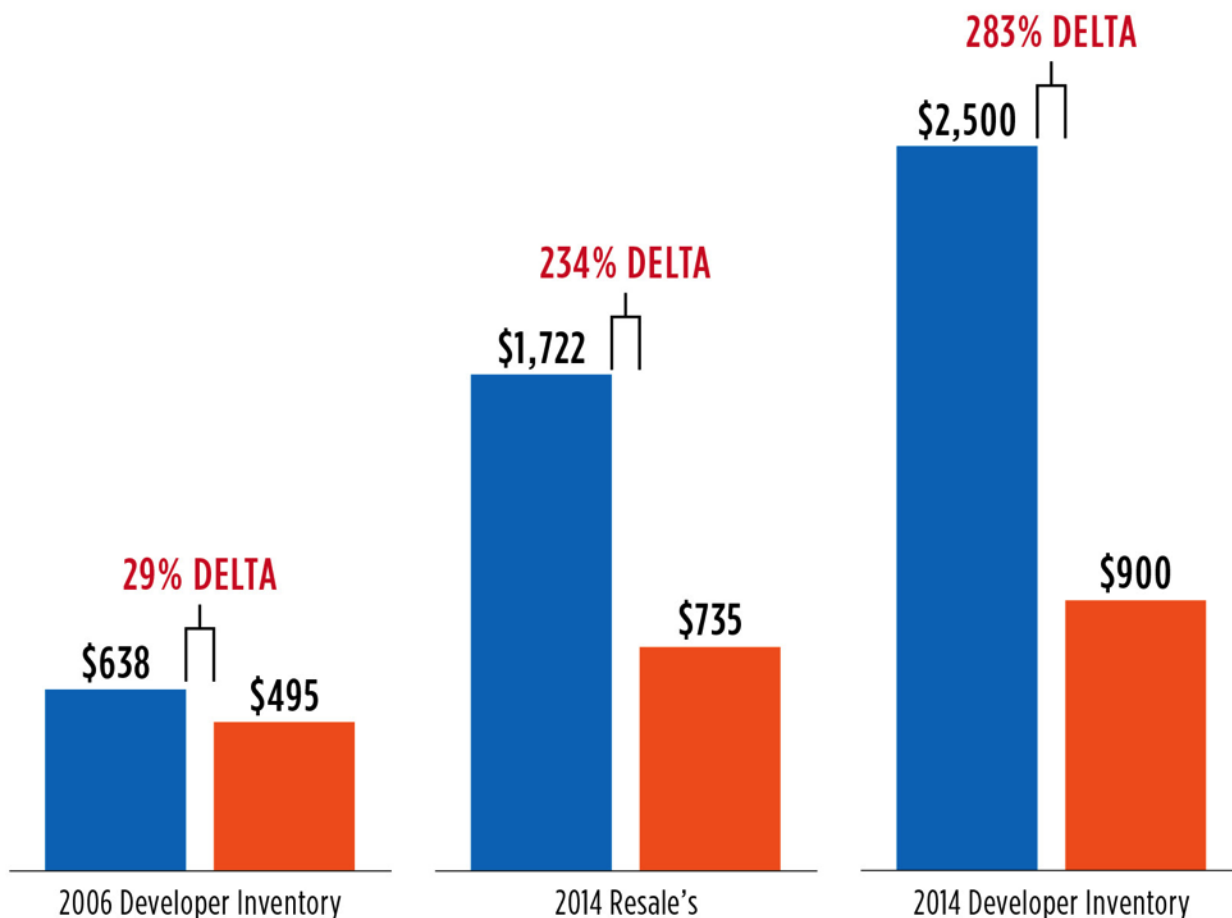
1,555 Units Total  
1,210 Units Sold  
345 Units Unsold

Avg. Absorption:  
530 Units Annually  
Over the Last 10 Years

# EAST FORT LAUDERDALE VS. MIAMI BEACH

EAST FORT LAUDERDALE AND MIAMI BEACH PRICE COMPARISON FOR OCEANFRONT CONDOS BUILT SINCE 2005

■ Miami Beach Price PSF    ● Fort Lauderdale Price PSF



New Construction  
Condos Released  
Since 2012:

430 Units Total  
351 Units Sold  
79 Units Unsold

Avg. Absorption:

550 Units Annually  
Over the Last 10 Years



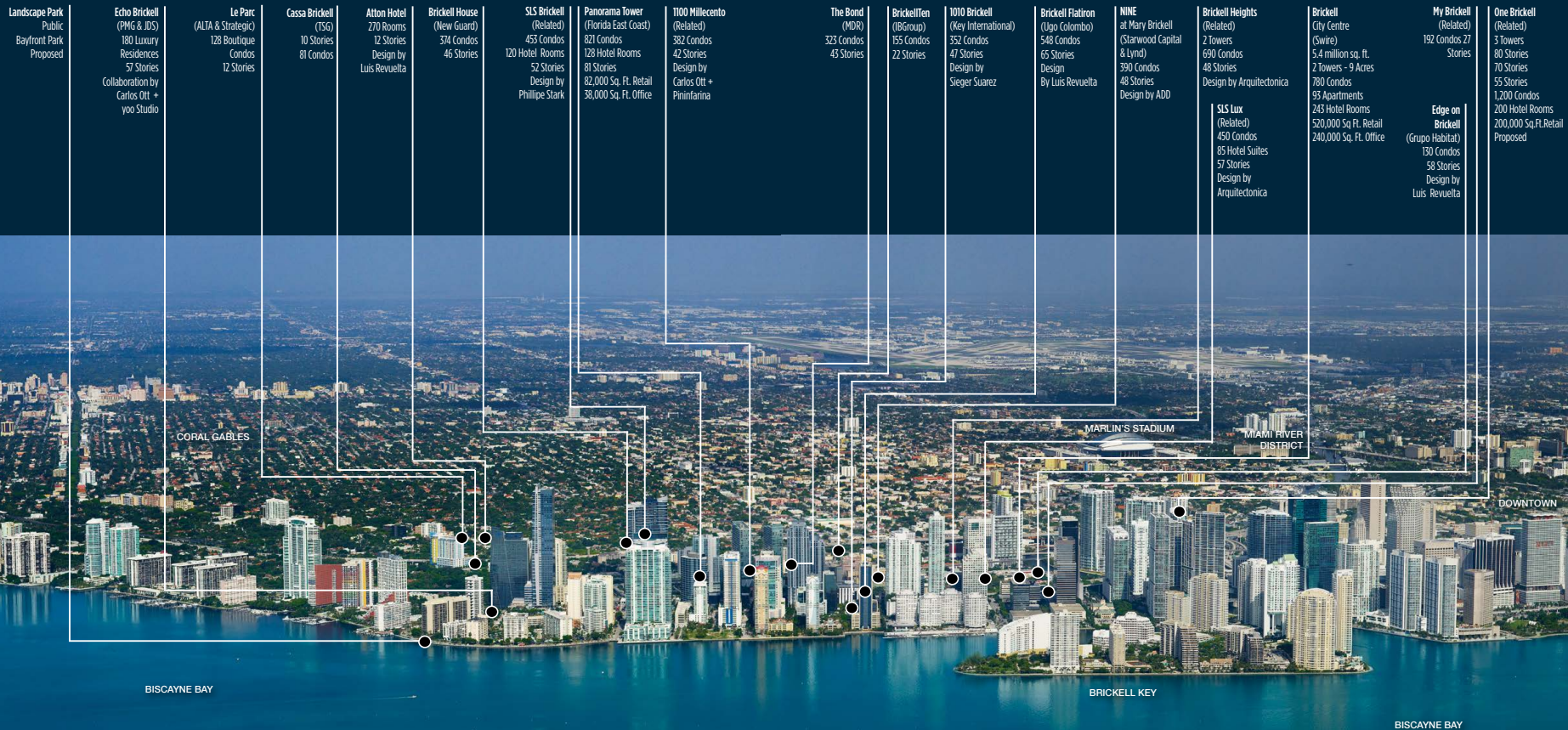
The image shows three large, tiered sculptures made of blue and white rectangular blocks, arranged in a row. They are set against a white building with large windows and palm trees. In the foreground, there are green bushes. A flagpole with a flag is visible in the background. The text "COMING SOON" is overlaid in white, with a white square highlighting the letter "G".

COMING SOON



# Brickell 2020

## BRICKELL: \$6 BILLION IN NEW DEVELOPMENT



\*AMOUNTS ARE AN ESTIMATE



ISG WORLD

DECEMBER 2014

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AN IN-DEPTH ANALYSIS OF SOUTH FLORIDA'S NEW CONDOMINIUM MARKET

