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Not All Condo Booms Created Equal

A boom is a boom is a boom—except this time around, speculators aren't fueling the **Miami condo boom** like they did during the mid-2000s, Miller Samuel prez **Jonathan Miller** tells us. So there's less likely to be a **bad aftertaste** when things eventually slow down.



Not that the market's slowing down anytime soon. "Only about **four years ago**, the Miami condo market was the poster child for a **collapsed market**," Jonathan says. "Since then, it's **morphed into a luxury brand**. Buyers are still coming." The current boom is still dominated by **cash buyers**—about two-thirds of the sales were cash in 2013, Jonathan explains, and he expects that trend to continue this year. (Benjamin Franklin is getting a workout.) During the **last boom**, people quit their day jobs and became speculators with a **short-term view** of the market. "More of the current pool of buyers have a long-term outlook. They aren't buying to flip, so the expansion is **more sustainable**."



George Miquilena

Douglas Elliman's Q4 South Florida condo reports, which Jonathan prepared, were released today. Some **takeaways**: The median **sales price** for all Miami condos was **up over 14%** since last year, and while the number of sales edged up only 0.4%, **total sales** were still the **highest** for a Q4 in more than seven years, since Douglas Elliman started compiling the reports. **Non-distressed** market share (which leaves out those pesky foreclosures and short sales) rose 8.7 percentage points since last year to 67.2% of the overall market in Q4. 2014 outlook: **more price growth**, but the pace of grow will probably ease as supply comes on line, Jonathan says. "Buyers will continue to come from overseas and the Northeast."



As a submarket, **Miami Beach** will continue to have **special momentum** this year, One Sotheby's **Daniela Bonetti** tells us. "Miami Beach will continue to grow, despite getting increasingly **difficult** for developers to **find land** to build on," she says. Many luxury developments are **moving north** from South Beach, creating new desirable neighborhoods. Daniela reps **Beach House 8**, a beachfront condo development with eight full-floor units in Mid-Beach—that is, one of those developments north of South Beach. (Could be that North is the new South.)



"I've only been to three foreign countries: Canada, LA, and Miami." - *Larry the Cable Guy*. Send ideas and suggestions to dees.stribling@bisnow.com.