

August 2008 Newsletter

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Designations and Certifications are explained at the end of the newsletter

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Greetings from South Florida,

I hope this email finds you well and looking forward to comparing this month's data with last month's data to spot trends and decide for yourself the status of the local Real Estate market, of which I work within 24/7. You are receiving this because we have been in touch about Real Estate here in the South Florida area, most likely property at the Beach. As you read the newsletter from month to month it will contain data that will help you to analyze market conditions. In addition, it is an unobtrusive way to stay in touch with you regarding my Real Estate Consulting Services.

I have a new feature on my website, and just wanted to make everyone aware. It is a satellite search that has many cool features. It can be difficult to get the hang of, but once you do, there are a lot of things you can do with this cutting edge technology. So if you are interested, please check it out:

<http://www.miamipropertiesandparadise.com/professional18.shtml>

The below chart is data from the past 90 days for **Condominiums**, ending 7/31/08. The data is taken from South East Florida's Multiple Listing Service (MLS) for the cities and townships of Miami Beach (South Beach, Mid Beach, & North Beach), Surfside, Bal Harbour, Bay Harbor Islands, and Fisher Island. The paragraph below the data will explain in more detail what is included in this analysis. Please don't hesitate to pose any questions you may have, or simply give me a call or send me an email to discuss Real Estate in general. This data will help to analyze market conditions from month to month.

<u>Price Range</u>	<u>Active</u>	<u>Closed</u>	<u>Listings Expired</u>	<u>% Listing Expired</u>	<u>% Sold</u>	<u>Avg DOM</u>	<u>Average Discount</u>	<u>New vs Resale</u>
\$0 - \$199,999	820	78	167	20.37%	9.51%	119	8%	4 vs. 74
\$200,000 - \$249,999	417	33	127	30.46%	7.91%	169	7%	0 vs. 33
\$250,000 - \$299,999	483	32	122	25.26%	6.63%	191	9%	5 vs. 27
\$300,000 - \$349,999	341	33	73	21.41%	9.68%	132	8%	12 vs. 21
\$350,000 - \$399,999	423	34	95	22.46%	8.04%	109	7%	13 vs. 21
\$400,000 - \$499,999	498	41	112	22.49%	8.23%	154	9%	18 vs. 23
\$500,000 - \$599,999	358	28	89	24.86%	7.82%	192	9%	18 vs. 10
\$600,000 - \$699,999	286	23	68	23.78%	8.04%	146	10%	17 vs. 6
\$700,000 - \$799,999	181	18	52	28.73%	9.94%	182	10%	12 vs. 6
\$800,000 - \$899,999	127	10	36	28.35%	7.87%	112	8%	8 vs. 2
\$900,000 - \$1,179,999	168	12	52	30.95%	7.14%	153	13%	10 vs. 2
\$1,180,000 - \$1,399,999	131	20	28	21.37%	15.27%	185	13%	19 vs. 1
\$1,400,000 - \$1,799,999	144	24	39	27.08%	16.67%	176	10%	23 vs. 1
\$1,800,000 - \$2,199,999	80	7	13	16.25%	8.75%	152	10%	7 vs. 0
\$2,200,000 - \$2,699,999	89	6	14	15.73%	6.74%	79	9%	6 vs. 0
\$2,700,000 - \$3,199,999	41	9	10	24.39%	21.95%	172	12%	8 vs. 1
\$3,200,000 - \$3,999,999	53	6	3	5.66%	11.32%	149	12%	6 vs. 0
\$4,000,000 - \$4,999,999	45	5	9	20.00%	11.11%	103	11%	5 vs. 0
\$5,000,000 +	78	4	11	14.10%	5.13%	112	9%	3 vs. 1
<u>Totals:</u>	4763	423	1120	23.51%	8.88%	147	10%	194 vs. 229

As you can see, I have broken the data into price ranges, and then you can see the amount of **Active** condos for sale, how many Real Buyers **Closed** on a condo for sale, how many of those listing agreements **Expired** unsold, then further calculated what **percent** of the Active condos for sale **Expired** and **Sold**. Then I calculated the Average Days on Market

(Avg DOM), which is the amount of days it took the condos that sold to obtain a Real Buyer. Then I show the **Average Discount**, which is the percentage the Listed Price was discounted to the Actual Sale Price for all Closed Sales. The last column is for Closed Sales that were **newer construction**, which I considered to be anything built after 1995, **versus older buildings** built before 1995. I track this data for Condominiums and Single Family Homes separately due to their differences. I also track the data for the more luxurious buildings of South Beach, please feel free to email or call for that data.

The next set of data below is the same information for **Single Family Homes**. The one difference is that the last column is the **Average Age** of the homes Sold.

<u>Price Range</u>	<u>Active</u>	<u>Closed</u>	<u>Listings Expired</u>	<u>% Listing Expired</u>	<u>% Sold</u>	<u>Avg DOM</u>	<u>Average Discount</u>	<u>Average Age</u>
\$0 - \$399,999	18	0	5	27.78%	0.00%	n/a	n/a	n/a
\$400,000 - \$499,999	35	3	6	17.14%	8.57%	108	15%	1947
\$500,000 - \$649,999	52	2	21	40.38%	3.85%	307	5%	1951
\$650,000 - \$799,999	50	5	14	28.00%	10.00%	60	11%	1947
\$800,000 - \$999,999	68	3	15	22.06%	4.41%	197	14%	1933
\$1,000,000 - \$1,299,999	52	7	18	34.62%	13.46%	117	23%	1942
\$1,300,000 - \$1,599,999	53	3	15	28.30%	5.66%	263	18%	1966
\$1,600,000 - \$1,999,999	58	2	10	17.24%	3.45%	368	15%	1955
\$2,000,000 - \$2,999,999	59	5	7	11.86%	8.47%	127	7%	1945
\$3,000,000 - \$3,999,999	41	4	3	7.32%	9.76%	263	14%	1949
\$4,000,000 - \$4,999,999	28	1	4	14.29%	3.57%	8	0%	1949
\$5,000,000 - \$5,999,999	16	1	0	0.00%	6.25%	34	0%	2002
\$6,000,000 - \$6,999,999	9	3	2	22.22%	33.33%	317	16%	1965
\$7,000,000 - \$9,999,999	18	2	1	5.56%	11.11%	369	21%	2001
\$10,000,000 +	22	0	0	0.00%	0.00%	n/a	n/a	n/a
Totals:	579	41	121	20.90%	7.08%	195	12%	1958

I now invite you to look at the overall data I have been collecting and determine for yourself what trends, etc. you see; please click here to take you to some graphs that should prove to be very insightful:

<http://www.miamipropertiesandparadise.com/professional11.shtml>

Below are very brief summaries on key issues that have a direct affect on South Florida Real Estate:

PROPERTY TAXES & INSURANCE: As a property owner or potential property owner, I urge you to keep up to date on the various progress, legislation, and proposed legislation in order to help you better understand how these important issues affect you; please see the below links that will take you to the Florida Association of Realtors Legislative Center and the Miami Herald Property Tax forum, both of which will help to explain the numerous moving parts concerning both issues:

<http://www.floridarealtors.org/LegislativeCenter/TopInitiatives/index.cfm>

http://www.miamiherald.com/news/legislature/property_tax/index.html

MARKET RECOVERY PICKING ITS SPOTS: Commute length, level of investor interest and diminished desirability are a few reasons home sales in some neighborhoods are sinking, while other areas are stabilizing in the housing downturn. Monthly statistics from the Florida Association of Realtors show buyers are easing back into the market, but they aren't doing so everywhere. Widely cited regional numbers, although a useful gauge, cannot diagnose the vastly different communities that make up South Florida's real estate market. Overall, sales of existing homes were up for the third consecutive month in May, a positive sign. There has also been a sharp increase in all-cash deals, especially from investors. European and out-of-state investors may be primarily behind the early uptick in sales regionally, especially in perennially attractive markets like Miami Beach. Indeed, that city saw more sales in May than almost any other area in

Miami-Dade. To illustrate the vast difference in various communities, look at the median price compared to last year: Miami-Dade and Broward counties dropped roughly 20 percent; within the counties you see Weston down 30 percent, Miami Springs down 8 percent and Miami Beach virtually flat at \$376,000. – Source: The Miami Herald 7/10/08

QUICK HEADLINES:

- The new beach walk nearing completion in North Beach is a very welcome amenity. Judging from the amount of use, the beach walk is a huge success and it's not even finished. --Source: The Miami Herald 6/29/08
- Florida Governor Crist embarks with staff and dozens of corporate executives on an 11-day European trade mission in the hope of striking business deals to help Florida's economy. --Source: The Miami Herald 7/11/08
- Visit <http://www.listclassaction.com/> to learn more about terms of a national class-action settlement; you may qualify for six to nine months of daily monitoring of your credit file plus unrestricted access to your credit report and score. --Source: The Miami Herald 6/29/08
- On 7/14/08, The Fed adopted new rules to protect homebuyers from shady mortgage-lending practices. -- Source: The Miami Herald 7/15/08

REMAKING THE FONTAINEBLEAU: The Fontainebleau's main building, designed by the famed architect Morris Lapidus, has been closed since 2006 as part of \$500 million in renovations on the oceanfront site. That, combined with the construction of two condo-hotel towers, will bring upgrades to about \$1 billion, a hotel spokesman said. The new owners want to reposition the hotel as a hip and stylish destination with enough five-star trappings to justify a 70 percent rate hike. They're also hoping to launch a new global vacation brand on the Miami Beach oceanfront. Construction workers are at work on the 30th story of a second Fontainebleau in Las Vegas, and a third is planned for Dubai. Meanwhile, Miami Beach team experts are looking at everything from how to fold towels and napkins and the end of the toilet paper roll to questions on what to place drinks on; and expect some of the procedures will become doctrine chain-wide. The executives must craft a new look for the hotel, balanced with its storied past, in order to compete with the region's roster of luxury hotels. -- Source: The Miami Herald 7/09/08

INTERNATIONAL APPEAL: With the weak dollar and falling prices, combined with the sound fundamentals Beach property has, numerous International 2nd home buyers and investors are increasingly finding amazing deals. Property in Miami Beach (South Beach), Bal Harbour, Surfside, Bay Harbor Islands, and Fisher Island has not seen the disproportionate growth in supply with respect to demand that Miami has. It is vital that buyer's understand that Miami is a separate city than that of the ones listed above. The fundamentals on the Beach are solid with growing foreign and domestic demand, premiere location, upside income and appreciation potential, and the stability with regards to property rights that other tropical destinations cannot guarantee. International and Domestic buyers are able to find amazing deals on properties they can rent out to generate some income, and/or use as a second home or primary residence, and are holders of the property. Savvy buyers are taking advantage of the negative media blitz focused on the entire state of Florida and the city of Miami, realizing Miami Beach is a separate Real Estate Market with its own very sound fundamentals. I kept this section from last month's newsletter because it is such an important part of this market, and truly distinguishes it from so many others in the United States. My attendance to the International Real Estate Congress of which I touched on in last month's newsletter, only reaffirms this section which I continue to stress just how important the International Market place is to the local market in which I practice. Please feel free to call or email if you would like to further discuss this event or any similar issues. Also, feel free to revert back to my write up of the International Real Estate Congress held at The Biltmore in Coral Gables in June. For more details on the event: <http://www.miamipropertiesandparadise.com/professional15.shtml>

Exchange rates play a vital role in Real Estate related decisions for foreign buyers or sellers, a good source to track currency exchange rates is: <http://www.xe.com/ucc/>

INTEREST RATES & RELATED NEWS: Please make sure to stay in touch with your mortgage broker or bank to keep up to date on interest rates, as this can directly affect many Real Estate related decisions. This is the website to the Federal Reserve's Monetary Policy section: <http://federalreserve.gov/monetarypolicy/default.htm>

SOUTH FLORIDA HOTELS WEATHER SUMMER DOWNTURN: Vacationers keep heading to South Florida amid economic worries. Bargains and a weak dollar are helping to lure them in. With about half of its tourists arriving by car, Broward sees gas prices as a top threat for its hotel industry. But Miami-Dade considers itself more insulated from fuel costs, since more than 90 percent of overnight visitors travel by air. About 11 percent of those hail from Europe. "We're seeing a lot of European business on the books," said Douglas Carillo, marketing chief for Tecton Hospitality, which manages six Miami Beach hotels. "I think what helps Miami versus other markets is it's such an international destination." Firm numbers on hotel performance won't be available for weeks, but figures from Smith Travel Research already suggest a trend: Broward hotels saw room rates dip 1.4 percent through May, while rates grew 1.8 percent in Miami-Dade. -- Source: The Miami Herald 7/08/08; Smith Travel Research

That is all for this month's newsletter and I welcome suggestions, feedback, and of course I am here if you or anyone you know is thinking of buying or selling property here in South Florida. If you wish to further discuss any of the above issues in more detail, or any other Real Estate related topics, please don't hesitate to call or email. I would like to leave you with 2 quotes I feel are more relevant than ever, both by Investor and Philanthropist Warren Buffet:

"Price is what you pay. Value is what you get"

"Be fearful when others are greedy. Be greedy when others are fearful"

DESIGNATIONS AND CERTIFICATIONS:

These Designations and Certifications were specifically chosen by me to give my effort, time, and money, as well as meeting the required experience because I feel that this shows my dedication to continually learning and evolving as a Real Estate Consultant. Plus, the market that I practice in is a natural one to achieve such designations to separate myself from the other professionals within my field. Keep in mind these not only prove education but also transactional experience in order to obtain the designations and certifications.

Realtor® - Membership in the largest professional association known as the National Association of Realtors or N.A.R.

C.I.P.S. – Certified International Property Specialist, member of CIPS network; Designation shows education and transactional experience in the International Arena of Real Estate.

C.L.H.M.S. – Certified Luxury Home Marketing Specialist, member of Million Dollar Guild; Designation shows education and transactional experience in the top tier level within my market, Million Dollar Guild is the highest level of membership with proven experience in numerous \$1M+ transactions.

GREEN Certified – also known as GREP-GL, Green Certified Real Estate Professional – Green Leadership; Certification shows education and leadership within the Green Real Estate Industry.

T.R.C. – Transnational Referral Certification; Certification shows education in researching Real Estate throughout the world and allows me to refer and to be referred from 28 International Real Estate Organizations in the Global marketplace.

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