

March 2010 Newsletter

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Designations and Certifications are explained at the end of the newsletter
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Hello from South Florida,

Below are brief summaries on key issues that have an effect on South Florida Real Estate, followed by the target market specific data. [Click here for graphs](#) of the data to help analyze trends in the market place. Please make note of the trends and data points as this will be key in timing the purchase or sale of a property to your benefit. Also, it is more important than ever that you understand the incentives that might end up being the deciding factor for those whom have been thinking about buying for quite some time.

PLAN COULD BRING LIFE TO CONDO SALES: In a bid to jump-start sluggish Florida condo sales, Fannie Mae has launched a special project to identify stable, established condominium projects in the state where it is willing to lend. The government-sponsored corporation that buys or backs mortgages recently unveiled a list of 51, now grown to over 70, projects in Miami-Dade County that already have gotten “special approval,” signaling to mortgage bankers that Fannie Mae will accept loans made on condo units at those locations. More condo projects in South Florida and across the state are being added to the list in an ongoing basis. -- Source: The Miami Herald 1/8/10

(I KEPT A SMALL PORTION OF THIS SECTION FROM LAST MONTH BECAUSE IT IS SO IMPORTANT WITH REGARDS TO REAL ESTATE! PLEASE [CONTACT ME](#) SO I CAN EXPLAIN FURTHER AND KEEP YOU UPDATED ON THIS EVOLVING LIST SO YOU CAN BE ONE OF THE FIRST TO GET A MORTGAGE IN THESE BUILDINGS WHERE FINANCING HAS BEEN SO DIFFICULT IN RECENT PAST).

FLORIDA EXISTING HOME SALES RISE DRAMATICALLY: Florida’s existing home sales rose in January, marking 17 months that sales activity has increased in the year-to-year comparison, according to the latest housing data released by Florida Realtors. Existing home sales increased 24 percent last month with a total of 10,465 homes sold statewide compared to 8,444 homes sold in January 2009, according to Florida Realtors. January’s statewide sales of existing condos rose 81 percent compared to the previous year’s sales figure. Sixteen of Florida’s metropolitan statistical areas (MSAs) reported increased existing home sales in January; all MSAs had higher condo sales. A majority of the state’s MSAs have reported increased sales for 19 consecutive months.

--Source: Florida Realtors® 2/26/10

AN ECONOMIC ENGINE FOR SOUTH FLORIDA: Despite the international economic downturn, the Port of Miami and Miami International Airport – key drivers of the South Florida economy – reported 2009 results that were down but still relatively good compared to other parts of the United States. Speaking at the annual State-of-the-Ports briefing on 2/10/10 in Miami, Bill Johnson, director of the Port of Miami, pointed out Miami was “the busiest cruise ship port in the world” with more than 4.1 million passengers in 2009. Container movement through Miami was down 2.6 percent, a figure considerably better than ports such as Long Beach (down 20 percent), Los Angeles (off 10 percent) and Port Everglades (down more than 19 percent), the port director said. Johnson also stressed that Miami, already the No. 1 container port in Florida, is “on the cusp of a transformation” as it invests more than \$1 billion in infrastructure improvements to prepare for new cargo business after the Panama Canal expansion is completed in 2014, driving an anticipated shift in trade from Pacific to Atlantic ports.

In that year, the Panama Canal is expected to complete an expansion that will allow the world's largest container ships to pass through the canal. Asian exporters now send cargo destined for the U.S. East Coast, to West Coast ports, where it is then sent by rail and truck to markets in the East. After 2014, Asian exporters plan to send cargo through the canal to points on the U.S. East Coast. "The Panama Canal expansion will be a game changer," Johnson said, "and we are the first U.S. port in the Atlantic after the canal." The port is moving ahead with three fundamental improvements:

- Working with the U.S. Corps of Engineers, Miami will dredge the cargo harbor to a 50 foot depth to accommodate larger container ships. This is scheduled to be finished in 2014 and will make Miami one of only three East Coast ports capable of handling the world's largest cargo vessels.
- Construction is expected to begin next year on the long delayed tunnel that will pass under Biscayne Bay and connect the port with I-395 and I-95, Johnson said.
- The port is building a distribution network in cooperation with strategic partners such as Florida East Coast Railroad and is making investments in terminal yards, gantry cranes, gate complexes and roads.

Jose Abreu, Miami International Airport's director, noted that the airport handled 33.9 million passengers last year, down only a half percentage point from 2008. "MIA was one of the few U.S. airports to maintain stable passenger traffic in 2009." MIA also made some significant gains in 2009, Abreu noted. More than 15.9 million international passengers passed through the airport last year. Miami moved to second place in top U.S. international gateways, pushing Los Angeles International (15.1 million international passengers) into third place. JFK International remained in first place with more than 21.8 million international passengers. MIA handled 69.5 percent of Florida's international travelers, compared to 13 percent in Fort Lauderdale and 11.8 percent in Orlando.

Abreu, discussing the progress of more than \$6 billion in investments at MIA, told the audience that phase one improvements in the North Terminal were opened in November, and predicted that work on the terminal will be completed in the fall of 2011. This year, the airport is planning to re-open 16 gates in the former Concourse A, open 9 new gates and a regional commuter facility for American Eagle and begin operations of the Skytrain people mover. The MIA mover, which will be capable of transporting more than 3,000 people per hour, is scheduled for completion at the end of 2011 and a new rental car center is expected to open in two months. At the end of last year, American Airlines began new or additional service to more than 40 domestic and international destinations. This year AA has committed to 20 or more flights in June and is studying the possibility of adding another 20 flights in November. Five international airlines are also scheduling new passenger flights to Miami this year, Abreu said.

--Source: The Miami Herald 2/11/10

MIAMI INTERNATIONAL AIRPORT'S RANKING AMONG U.S. AIRPORTS FOR 2008	MIAMI INTERNATIONAL AIRPORT'S RANKING AMONG AIRPORTS WORLDWIDE
1 ST – International air freight	10 th – International air freight
3 rd – International passengers	31 st – International passengers
3 rd – Total air freight	10 th – Total air freight
3 rd – Total cargo (freight plus mail)	11 th – Total cargo (freight plus mail)
15 th – Total passengers	29 th – Total passengers and total operations
21 st – Total operations	--Source: Miami International Airport

With the strong fundamentals of an underlying economy poised with continued growth in the International World, opportunities will continue to present themselves, please contact me should you want to seriously discuss in more detail [distressed sales of multiple units](#). This market presents unique opportunities that very well may never be seen

again in one's lifetime. Please let me help you take advantage of this situation. I have many strategic relationships with the decision makers regarding distressed projects.

GROWTH PULLING ECONOMY OUT OF RECESSION: The U.S. economy grew by a better-than-expected 5.7 percent annual rate during the final quarter of 2009, the Commerce Department reported on 1/29/10. The surprisingly strong number followed a 2.2 percent growth rate in the 3rd quarter of 2009. The combined half-year record strongly suggests that the deep U.S. recession is over, though the economy remains hobbled.

A steep increase in exports helped boost growth last quarter. The shipment of goods overseas rose 18.1 percent, far outpacing a 10.5 percent rise in imports. Net exports added 0.5 percentage point to the GDP. "Exports, which are mainly manufactured products, increased at an annual rate of 28 percent in the fourth quarter. This export rise...was both the fastest and largest contribution to GDP growth in 30 years," said David Huether, chief economist for the National Association of Manufacturers. In the Miami Customs District, which includes seaports and airports between Fort Pierce and Key West, the fourth quarter was marked by continued growth in exports. "The two highest months for exports for the year were October and November," said Ken Roberts, president of WorldCity, a company that publishes information about international trade in South Florida.

Exports totaled \$4.6 billion in October and \$4.5 billion in November, up from \$4.1 billion in September and sub-\$4 billion totals in the previous eight months. Although figures for December were not yet available, Roberts expected exports to top \$4 billion. "Miami's trade community is a very export-driven market, and because of that Miami has suffered far less than other customs districts throughout the country," Roberts noted. The Miami Customs District, which ranks eighth in the nation in exports, has led the nation in trade surpluses for much of the last decade.

The fourth-quarter growth improved on a horrid 2009 annual number. For the year overall, the U.S. economy contracted by 2.4 percent. That was the worst full-year performance since 1946. Last year's contraction also was on top of another year of virtually no growth, 0.4 percent in 2008. The Performance of GDP components are as follows:

- Real personal consumptions, increased 2 percent
- Real non-residential fixed investment, increased 2.9 percent
- Real exports of goods and services, increased 18.1 percent
- Real federal government consumption and investment, increased 0.1 percent

--Source: The Miami Herald 1/30/10

Last month I touched on the increasing popularity of short sales. PLEASE NOTE, on the subject of short sales, I have vast experience representing both buyers and sellers of these extremely complicated transactions. Please call or [email me](#) today so I can help you alleviate this burden in the most beneficial way to you as a seller. Or, if you are a buyer, we can further discuss the best strategy for using short sales in your purchase process. I have my Certified [Distressed Property Expert](#) designation, and I invite you to review this organization, which will prove the knowledge and experience this fine group of Professionals have when it comes to short sales.

QUICK HEADLINES:

- A plan commissioned by a Coral Gables developer of a new luxury residential condominium complex in Sunny Isles Beach, calls for an elevated park with shops, restaurants and an aquarium run by the owner of the Miami Seaquarium, including a 350-car underground parking garage. The aquarium would give Sunny Isles Beach a needed tourist attraction and open as early as 2013. An elevated walkway over Collins Avenue would connect the park to the beach. --Source: The Miami Herald 2/20/10

- On 2/20/10, a worldwide Haiti-focused PechaKucha – the Japanese phrase translates roughly to “chit-chat” – was streamed in real time across the world from some 200-plus cities, including Miami Beach in order to raise money for Haiti earthquake reconstruction. In each city, live audiences donated money to Architecture for Humanity to build schools, clinics and community centers in Haiti. PechaKucha Night, a showcase for young designers devised by a pair of Tokyo-based architects in 2003, has become a global phenomenon, with a YouTube-like website and tens of thousands of participants in far flung locales from Kampala to Bali, Paris, New York and, yes, Miami Beach. --Source: The Miami Herald 2/19/10
- The new Florida Marlins stadium, scheduled to open in 2012, is shooting to become the first LEED-certified stadium with a retractable roof in the country. LEED stands for ‘Leadership in Energy & Environmental Design’, you can find more details on the various certification levels at www.usgbc.org --Source: The Miami Herald 1/20/10
- Town officials celebrate the groundbreaking ceremony of Surfside’s community center and aquatic facility. The new center will include a conference room, snack bar and grill, locker facilities and restrooms, an activity room, a first aid station, a recreation pool, a plunge pool and slide and a Jacuzzi spa. It is expected to be completed by December. – Source: The Miami Herald 1/31/10

****DON’T FORGET** BUYER TAX CREDIT EXTENDED AND OPEN TO MORE BUYERS:** The tax credit for \$8,000 that does not need to be repaid, is for those purchasing a principal residence on or after 1/1/09 and was recently extended to signing a purchase agreement by April 30 of 2010 and closing by June 30 of 2010. Buyers who have owned their current homes at least 5 years would be eligible for tax credits of up to \$6,500. First-time home buyers – or anyone who hasn’t owned a home in the last 3 years – would still get up to \$8,000. There are income limits and other guidelines, of which the below website will help you better understand. Or you can contact your accountant for more specific details.

-- Source: <http://www.federalhousingtaxcredit.com>

The below chart is data from the past 90 days for **Condominiums**, ending 2/28/10. 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	983	164	249	25.33%	16.68%	126	6%	10 vs. 154
\$200,000 - \$249,999	255	28	78	30.59%	10.98%	141	6%	5 vs. 23
\$250,000 - \$299,999	277	34	87	31.41%	12.27%	117	8%	8 vs. 26
\$300,000 - \$349,999	191	24	39	20.42%	12.57%	151	9%	8 vs. 16
\$350,000 - \$399,999	261	37	61	23.37%	14.18%	134	7%	15 vs. 22
\$400,000 - \$499,999	282	28	78	27.66%	9.93%	147	7%	17 vs. 11
\$500,000 - \$599,999	249	16	61	24.50%	6.43%	167	7%	12 vs. 4
\$600,000 - \$699,999	166	16	37	22.29%	9.64%	293	12%	11 vs. 5
\$700,000 - \$799,999	122	12	22	18.03%	9.84%	182	7%	8 vs. 4
\$800,000 - \$899,999	86	8	16	18.60%	9.30%	159	4%	7 vs. 1
\$900,000 - \$1,179,999	152	9	30	19.74%	5.92%	155	6%	9 vs. 0
\$1,180,000 - \$1,399,999	99	12	22	22.22%	12.12%	207	15%	12 vs. 0
\$1,400,000 - \$1,799,999	97	13	21	21.65%	13.40%	273	17%	12 vs. 1
\$1,800,000 - \$2,199,999	65	4	17	26.15%	6.15%	169	19%	4 vs. 0
\$2,200,000 - \$2,699,999	80	6	10	12.50%	7.50%	87	15%	6 vs. 0

\$2,700,000 - \$3,199,999	42	1	5	11.90%	2.38%	692	32%	0 vs. 1
\$3,200,000 - \$3,999,999	51	3	6	11.76%	5.88%	280	11%	3 vs. 0
\$4,000,000 - \$4,999,999	42	1	7	16.67%	2.38%	4	20%	1 vs. 0
\$5,000,000 +	60	2	12	20.00%	3.33%	443	9%	2 vs. 0
Totals:	3560	418	858	24.10%	11.74%	207	12%	150 vs. 268

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	30	16	10	33.33%	53.33%	87	8%	1946
\$400,000 - \$499,999	21	5	6	28.57%	23.81%	86	4%	1940
\$500,000 - \$649,999	41	5	10	24.39%	12.20%	89	6%	1940
\$650,000 - \$799,999	42	2	8	19.05%	4.76%	203	+2%	1951
\$800,000 - \$999,999	43	3	6	13.95%	6.98%	87	16%	1954
\$1,000,000 - \$1,299,999	35	7	11	31.43%	20.00%	319	13%	1954
\$1,300,000 - \$1,599,999	32	1	13	40.63%	3.13%	75	44%	1953
\$1,600,000 - \$1,999,999	42	3	9	21.43%	7.14%	273	16%	1960
\$2,000,000 - \$2,999,999	70	3	7	10.00%	4.29%	164	12%	1963
\$3,000,000 - \$3,999,999	32	2	5	15.63%	6.25%	145	24%	1963
\$4,000,000 - \$4,999,999	20	1	2	10.00%	5.00%	112	25%	1954
\$5,000,000 - \$5,999,999	14	2	3	21.43%	14.29%	977	16%	1968
\$6,000,000 - \$6,999,999	12	1	0	0.00%	8.33%	351	14%	1957
\$7,000,000 - \$9,999,999	17	0	3	17.65%	0.00%	n/a	n/a	n/a
\$10,000,000 +	30	1	4	13.33%	3.33%	222	30%	1939
Totals:	481	52	97	20.17%	10.81%	228	16%	1953

Don't forget 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>

If you are a bargain hunter looking for distressed properties, please [contact me](#) so that I may setup an automatic short sale or foreclosure search notification for you. I have found that the best deals usually go the quickest, and to be proactive in your distressed property search is the best way to go about finding a bargain. In the course of continually researching and familiarizing myself with the inventory of the very localized market in which I practice, along with the banking relationships I have cultivated, I have been able to do a lot of the research and legwork recognizing the best potential values in my target markets, or in some instances in other specific buildings or locations where there is excellent value for the product. Please understand that this service I provide adds significant value to the process, and only contact me if you are serious about buying and planning to be loyal. Please don't hesitate to [contact me](#) directly for any such information.

[PLEASE CLICK HERE FOR THE 2009 PROFILE OF INTERNATIONAL HOME BUYERS IN FLORIDA](#)

[PLEASE CLICK HERE FOR A RETIREMENT VISA STUDY FROM APRIL 2009](#): Please [email me](#) for contact information of an Immigration Attorney that specializes in various types of Visa programs.

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 link that will take you to the Florida Association of Realtors Legislative Center, which will help to explain the numerous moving parts concerning these issues:

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

INTEREST RATES & RELATED NEWS: Rates continue to remain unchanged and at historic lows, after the most recent FOMC meeting. It is important to note that different types of loans are 'pegged' to different rates, so please make sure to stay in touch with your mortgage broker or banker to keep up to date on interest rates, as this can directly affect many Real Estate related decisions. In addition to the lowered rate when securing a mortgage to buy property, another common question you will see with rates near historic lows is whether or not it is a good idea to refinance. This discussion might be a good one to have with a reputable mortgage broker or your banker and see if this would make sense financially. Or feel free to visit my website and the [Mortgage Center](#) for more helpful information. This is the website to the Federal Reserve's Monetary Policy section: <http://federalreserve.gov/monetarypolicy/default.htm>

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/>

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.

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 the 3 following simple quotes:

"If you're coasting, you're either losing momentum or else you're headed downhill." - Joan Welsh

"One day your life will flash before your eyes. Make sure it's worth watching." - Source Unknown

"If the table moves, move with it." - Sakaue

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.D.P.E. – Certified Distressed Property Expert, member of Distressed Property Institute; Designation shows education and experience in the continually evolving and complicated short sale and foreclosure markets.

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.

R.E.O.S. – Real Estate Owned Specialist, shows extensive experience and knowledge in the distressed property class known as REO, also known as foreclosures or bank owned properties.

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