

March 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.

The below chart is data from the past 90 days for **Condominiums**, ending 2/29/08. 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. Old</u>
\$0 - \$199,999	627	32	160	25.52%	5.10%	210	7%	1 vs. 31
\$200,000 - \$249,999	450	20	127	28.22%	4.44%	128	7%	0 vs. 20
\$250,000 - \$299,999	510	27	163	31.96%	5.29%	117	10%	1 vs. 26
\$300,000 - \$349,999	371	14	98	26.42%	3.77%	132	9%	4 vs. 10
\$350,000 - \$399,999	420	23	93	22.14%	5.48%	169	10%	6 vs. 17
\$400,000 - \$499,999	567	20	113	19.93%	3.53%	104	8%	8 vs. 12
\$500,000 - \$599,999	460	15	103	22.39%	3.26%	153	10%	8 vs. 7
\$600,000 - \$699,999	343	8	73	21.28%	2.33%	111	7%	5 vs. 3
\$700,000 - \$799,999	238	9	53	22.27%	3.78%	314	7%	7 vs. 2
\$800,000 - \$899,999	185	7	44	23.78%	3.78%	196	7%	7 vs. 0
\$900,000 - \$1,179,999	194	6	49	25.26%	3.09%	133	11%	4 vs. 2
\$1,180,000 - \$1,399,999	173	10	38	21.97%	5.78%	151	13%	10 vs. 0
\$1,400,000 - \$1,799,999	165	8	25	15.15%	4.85%	168	7%	8 vs. 0
\$1,800,000 - \$2,199,999	96	5	18	18.75%	5.21%	386	9%	5 vs. 0
\$2,200,000 - \$2,699,999	91	5	18	19.78%	5.49%	199	9%	5 vs. 0
\$2,700,000 - \$3,199,999	52	6	11	21.15%	11.54%	269	13%	5 vs. 1
\$3,200,000 - \$3,999,999	46	1	11	23.91%	2.17%	128	30%	1 vs. 0
\$4,000,000 - \$4,999,999	49	1	8	16.33%	2.04%	352	15%	1 vs. 0
\$5,000,000 +	70	3	10	14.29%	4.29%	71	15%	2 vs. 1
Totals:	5107	220	1215	23.79%	4.31%	184	11%	88 vs. 132

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	12	2	2	16.67%	16.67%	9	-4%	1946
\$400,000 - \$499,999	25	2	4	16.00%	8.00%	64	9%	1953
\$500,000 - \$649,999	56	5	14	25.00%	8.93%	100	10%	1949
\$650,000 - \$799,999	61	2	15	24.59%	3.28%	38	15%	1948
\$800,000 - \$999,999	60	4	16	26.67%	6.67%	49	-2%	1944
\$1,000,000 - \$1,299,999	81	1	11	13.58%	1.23%	566	16%	1957
\$1,300,000 - \$1,599,999	70	3	13	18.57%	4.29%	239	6%	1946
\$1,600,000 - \$1,999,999	60	2	9	15.00%	3.33%	210	10%	1939
\$2,000,000 - \$2,999,999	70	2	9	12.86%	2.86%	213	9%	1944
\$3,000,000 - \$3,999,999	35	1	4	11.43%	2.86%	170	14%	1947
\$4,000,000 - \$4,999,999	27	0	2	7.41%	0.00%	n/a	n/a	n/a
\$5,000,000 - \$5,999,999	16	0	2	12.50%	0.00%	n/a	n/a	n/a
\$6,000,000 - \$6,999,999	14	0	0	0.00%	0.00%	n/a	n/a	n/a
\$7,000,000 - \$9,999,999	17	0	2	11.76%	0.00%	n/a	n/a	n/a
\$10,000,000 +	22	1	2	9.09%	4.55%	1	20%	2001
<u>Totals:</u>	626	25	105	16.77%	3.99%	151	9%	1952

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

PROPERTY TAXES & INSURANCE: The portability part of the newly passed property tax amendment has caused some confusion, so the link below has numerous resources on this very important issue. For other specific details, and 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 this affects you; please see the below link that will take you to the Florida Association of Realtors Legislative Center that will help to explain the numerous moving parts concerning both issues: <http://www.floridarealtors.org/LegislativeCenter/TopInitiatives/index.cfm>.

HOTEL REVENUES SEE GAINS DESPITE ECONOMIC SLOWDOWN: South Florida hotels in Miami-Dade and Broward Counties reported gains in January. Broward County saw room revenue grow 6 percent due to modest gains in both occupancy and room rates. Miami-Dade hotels did better with room revenue up 10 percent on a 4 percent gain in occupancy and a 5 percent rate increase. The numbers from Smith Travel Research bolster the theory that South Florida's popularity as a vacation destination and its appeal to foreign visitors will give the region a buffer from the economic slowdown. -- Source: The Miami Herald 2/22/08

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. I thought this month in celebration of earning my Certified International Property Specialist designation, with a simple example I would illustrate this important point that I have purposely chose to focus on in the 1st three newsletters of 2008:

- A \$500,000 home or condominium would cost 329,195 Euros, just under a 34% discount
- The same \$500,000 home or condominium would cost 251,470 UK Pounds, just under a 50% discount
- The same \$500,000 home or condominium would cost 493,650 Canadian Dollars, just under a 2% discount
- Should the dollar weaken further, then the profit would increase by that amount when the property is sold and converted back to Euros, Pounds, or Canadian Dollars. Of course the reverse could be true, so the exchange rate is an important aspect to consider for foreign buyers of US property. If a foreigner was to buy and their currency should continue to strengthen against the dollar and they bought at a good price and the property appreciates, their return could exponentially increase and they would make an excellent profit. Please feel free to call me so we can discuss this in further detail, it truly is a great time for International buyers. This is true for both residential and commercial real estate, of which I practice both.

These rates were converted using the following website around 6:00 pm EST on 2/29/08, they are subject to constant fluctuations: <http://www.xe.com/ucc/convert.cgi>

INTEREST RATES: 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>

NEW BASEBALL STADIUM FOR THE MARLINS: The Miami-Dade County Commission Chamber voted on 2/21/08 to approve a 37,000 seat, retractable roof stadium to be built on the Little Havana site of the Orange Bowl. The cost is estimated to be \$619M, which will include a parking garage with 6,000 spaces. It is expected that the new stadium will be ready by Opening Day 2011. The two-time World Series champion Florida Marlins, will be renamed the Miami Marlins and this stadium will keep baseball in South Florida. The stadium is also part of what is being called Miami's 'Megaplan', which includes a tunnel to the Port of Miami and a streetcar system. It is an ambitious plan to improve Downtown Miami. -- Source: The Miami Herald 2/22/08

That is all for this month's newsletter. 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.

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 throughout the world.

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