

Miami real estate market forges ahead with sales and prices, latest data shows

By Ray Clancy on October 24, 2011



Residential sales continue to increase in Miami

Sales of residential property in Miami, Florida, are continuing to rise as the area records sales activity and leads the real estate recovery.

Sales of existing single family homes in the Miami Metropolitan Statistical Area (MSA) rose 46% in September, figures from the member Miami Association of show.

Sales of existing condominiums increased 58 and statewide sales increased 10%. Nationally, sales of existing single family homes, townhomes, condominiums, and co-ops declined 3% from the previous month and but were 11.3% above September 2010, according to the National Association of Realtors (NAR).

'We continue to experience record sales activity coupled with rising median and average sales prices in the Miami real estate market,' said Jack Levine, chairman of the Board of the Miami Association of Realtors.

'At the current sales pace, the local market is expected to reach 29,000 transactions this year, which would set a sales record and would surpass the sales volume during the height of the boom in 2005,' he added.

International buyers are adding to the number of cash sales. The percentage of cash transactions rose to 63%, up 1% compared to the previous month. Cash sales accounted for 42% of single family and 76% of condominium sales. Nearly 90% of international buyers in Florida purchase properties all cash while nationally, all cash sales accounted for 30% of transactions.

In September, the median sales price for condominiums rose for the second consecutive month. The effect of short sales and foreclosures on the median and average sales prices for both single family homes and condominiums has lessened particularly in some areas of the county.

In September, 59% of all closed residential sales in Miami-Dade County were distressed, including REOs (bank-owned properties) and short sales, compared to 69% in September 2010 and 56% the previous month.

The median sales price of condominiums in September increased a significant 17% to \$116,000. The median sales price of single family homes decreased 6% to \$176,600 from a year earlier.

'There is great demand from international and domestic buyers and investors for South Florida REOs,' said Miami Association of Realtors president Ralph De Martino.

'Based on the current robust level of sales activity, it is expected that regardless of any shadow inventory, distressed properties pending foreclosure or short sales or REOs yet to be listed for sale, that may come on the market, there is insufficient supply to satisfy demand,' he added.



Statewide median sales prices increased 1% to \$133,900 for single family homes and 7% to \$87,200 for condominiums. The national median existing home price for all housing types was \$165,400 in September, down 3.5% from September 2010.

The average sales prices for single family homes in Miami-Dade County increased 29.8% from \$264,602 in September 2010 to \$343,497 in September 2011. The average sales price for condominiums increased 13% from \$187,185 in September 2010 to \$211,455 last month.

The inventory of residential listings in Miami-Dade County has dropped 38% from 24,888 to 15,264 active listings, in the last year. Compared to the previous month, the total inventory of homes dropped 15 from 15,405. Since August 2008, existing housing inventory has decreased more than 65%, down from 43,100.

Total housing inventory nationally fell 2% to 3.48 million at the end of September compared to the previous month.