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Miami Real Estate Sets Single-Family Home Sales Record in June

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Note: The MIAMI Association of REALTORS® and the Southeast Florida Multiple Listing Service are the sources for statistics reported by the National Association of Realtors and Florida Realtors.

MIAMI – The Miami real estate market recorded its highest number of single-family home sales of any month in history in June and is on pace to set another all-time annual sales record, according to a new report by the 36,000-member MIAMI Association of REALTORS® (MIAMI) and the local Multiple Listing Service (MLS) system. The Miami market registered 1,390 single-family home sales in June, beating its previous record of 1,317 in June 2005.

A total of 7,100 single-family homes were sold in Miami in the first six months of 2015, an 8.5-percent increase from the 6,543 properties sold in the first half of 2014. Single-family home sales are on pace to reach 14,600 transactions for all of 2015. The annual Miami record is 13,521 sales, established last year.

Miami's existing condominium market, which saw a 4.5 percent year-over-year increase in transactions in June, is also on pace for a banner year despite a rise in pre-construction condo sales. A total of 8,153 existing condos were sold in Miami in the first six months of 2015, which puts the market on pace for 16,030 transactions for all of 2015. That would rank as the third-most sales in Miami history behind the 16,409 sales in 2014 and the 17,142 closings in 2013.

"The Miami real estate market continued its upward trend with a strong June," said Christopher Zoller, a 27-year Miami-based Realtor and the 2015 Residential President of the MIAMI Association of REALTORS. "Not only did sales increase year-over-year for both single-family homes and existing condominiums, but median sales prices also rose. An improving jobs market, historic low mortgages rates, and Miami's reputation as a world-class global city continue to attract domestic and international home buyers who want to live, work, and play in one of America's most dynamic areas."

Miami Residential Real Estate Sales Rise

Single-family home transactions jumped 8.6 percent year-over-year in June 2015, from 1,280 to 1,390. Existing condominium sales increased 4.5 percent, from 1,443 to 1,508. Combined, Miami-Dade County residential real estate sales rose 6.4 percent to 2,898 last month compared to 2,723 a year ago.

Access to mortgage loans for existing condominium buyers remains limited. The lack of Federal Housing Administration loans for a large number of existing Miami condominium buildings is preventing further

market strengthening. Of the 8,523 condominium buildings in Miami-Dade and Broward Counties, only 29 are approved for FHA loans, according to statistics released earlier this year from the Florida Department of Business and Professional Regulation and FHA. Just .0034 percent of local condo buildings are approved for FHA loans. The U.S. average is 30 percent.

“The MIAMI Association of REALTORS continues to work on various initiatives to increase the number of Federal Housing Association loans approved for our existing condo buyers,” said Danielle Blake, MIAMI’s Senior Vice President of Government Affairs & Housing.

Median Prices Register Growth

Single-family home prices, which again increased in June, remain at affordable 2004 levels despite four years of consistent year-over-year increases. Condo prices also increased in June 2015, marking 48 months of growth in the last 49 months. The median sale price for single-family homes rose 14.9 percent, up to \$280,000 in June 2015 from \$243,700 in June 2014. The median sale price for condominiums increased 7.9 percent in June to \$205,000 from \$190,000 a year ago.

Despite the increase in median prices, Miami’s residential properties remain more affordable than other world-class global cities, according to the National Association of Realtors 2015 Profile of Home Buying Activity of International Clients. NAR analyzed the cost of a 120-square meter condo in a number of foreign cities based on prices reported in the Global Property Guide and compared the prices against the median price of a condo in several major U.S. cities. A 120-square meter condo in Miami-Fort Lauderdale-Miami Beach cost \$149,900 on average, according to NAR. The price for the same condo in London (\$960,840), Hong Kong (\$776,280), and New York (\$1.6 million) were at least five times higher.

Miami Real Estate Continues Selling Close to List Price

Miami single-family homes and condominiums continue to sell close to asking price, reflecting a strong consumer demand. The median number of days on the market for Miami single-family homes increased 4.9 percent to 43 days in June 2015 from 41 days in June 2014. The average percent of original list price received was 95.1 percent, a decrease of 0.2 percent from a year earlier.

The median number of days on the market for condominiums sold in June 2015 was 59 days, a decrease of 3.3 percent from 61 days in June 2014. The average percent of original list price received was 93.4 percent, a 1.2 percent decrease.

National and State statistics

Nationally, sales of existing single-family homes, townhomes, condominiums, and co-ops increased 3.2 percent to a seasonally adjusted annual rate of 5.49 million in June from a downwardly revised 5.32 million in May, according to the National Association of Realtors. Sales are now at their highest pace since February 2007 (5.79 million), have increased year-over-year for nine consecutive months and are 9.6 percent above a year ago (5.01 million).

Statewide, closed sales of existing single-family homes statewide totaled 27,729 last month, up 19.6 percent over June 2014, according to Florida Realtors. Florida’s condominium market saw a 14.6 percent year-over-year increase with a total of 10,991 sales in June 2015.

The national median existing-home price for all housing types in June was \$236,400, which is 6.5 percent above June 2014 and surpasses the peak median sales price set in July 2006 (\$230,400). June's price increase also marks the 40th consecutive month of year-over-year gains.

The statewide median sales price for single-family existing homes last month was \$203,500, up 10 percent from the previous year, according to Florida Realtors. The statewide median price for townhouse-condo properties in June was \$152,076, up 7.9 percent over the year-ago figure

Miami's Cash Buyers Represent More than Twice the National Average

Cash deals represented 50.4 percent of Miami's total closed sales in June 2015, more than double the national average. Just 24 percent of all national housing sales are made in cash, according to NAR. Cash transactions represented 57.5 percent of total Miami deals in June 2014. Miami's high percentage of cash sales continues to reflect South Florida's historic ability to attract international home buyers, who tend to purchase properties in all cash.

Condominiums comprise a large portion of Miami's cash purchases as 64.4 percent of condo closings were made in cash in June compared to 35.3 percent of single-family home sales.

Short Sales Continue to Decline in Miami

Distressed property transactions declined in Miami due to fewer short sales and foreclosures. In June 2015, only 26.7 percent of all closed residential sales in Miami were distressed, including REO (bank-owned properties) and short sales, compared to 33.4 percent in June 2014.

Short sales and REOs accounted for 5.5 percent and 21.2 percent, respectively, of total Miami sales in June. Short sale transactions decreased 35.9 percent year-over-year while REOs decreased 7.3 percent. Nationally, distressed sales were 8 percent of sales in June, down from 11 percent a year ago.

Active Condo Listings on the Rise

Seller confidence continues to result in more properties being listed in Miami. Active listings at the end of June increased 3.8 percent year-over-year, from 17,089 to 17,740. Active listings remain about 60 percent below 2008 levels when sales bottomed. Inventory of single-family homes decreased 6.0 percent from 6,122 active listings last year to 5,754 last month. Condominium inventory increased 9.3 percent to 11,986 from 10,967 listings during the same period in 2014.

At the current sales pace, there is a 4.9-month supply of Miami single-family homes, a decrease of 11.4 percent from 5.5 months in June 2014. There is a 8.9-month supply of condominium inventory, up from 7.8 months in June 2014, an increase of 14.2 percent. A balanced market between buyers and sellers offers between six and nine months supply of inventory.

New listings of Miami single-family homes increased 6.1 percent from 2,036 in June of last year to 2,161 last month. New listings of condominiums increased 5.0 percent to 2,815 last month, compared to 2,682 during the same time period in 2014.

Nationally, total housing inventory at the end of June increased 0.9 percent to 2.30 million existing homes available for sale, and is 0.4 percent higher than a year ago (2.29 million).).

New Construction Market Update

Strong sales in the preconstruction condominium Miami market east of Interstate 95 continue to reflect significant demand for new properties, according to the latest available New Construction Market Status Report released by Cranespotters.com and MIAMI in May 2015.

In the four years since 2011, 12 towers with 313 floors and 1,977 units have been completed in Miami-Dade County east of I-95 as of May 2015, according to Cranespotter.com and MIAMI. There are 75 towers with 1,644 floors and 9,399 units under construction in Miami east of I-95. About 71 towers with 1,731 floors and 11,130 units are planned, but have not begun development. There are also 57 towers with 1,472 floors and 9,024 units that have been proposed in Miami east of I-95.

Overall in Miami-Dade County, developers have announced 215 towers with 5,160 floors and 31,530 units since 2011. Of the above projects in Miami-Dade:

- 103 projects with 119 towers comprising 17,199 units are currently selling.
- 71 percent of units have been sold.
- The mean minimum price per square foot of these units is \$949, compared to \$952 last month.

Access June 2015 Miami-Dade Statistical Reports: SFMarketIntel.com

Note: Statistics in this news release may vary depending on reporting dates. MIAMI reports exact statistics directly from its MLS system.

About the MIAMI Association of REALTORS®

The MIAMI Association of REALTORS® was chartered by the National Association of Realtors in 1920 and is celebrating 95 years of service to Realtors, the buying and selling public, and the communities in South Florida. Comprised of five organizations, the Residential Association, the Realtors Commercial Alliance, the Broward County Board of Governors, the YPN Council and the award-winning International Council, it represents more than 36,000 real estate professionals in all aspects of real estate sales, marketing, and brokerage. It is the largest local Realtor association in the U.S., and has official partnerships with more than 125 international organizations worldwide. MIAMI's official website is www.miamire.com.

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