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Like No Other***

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Buying, Selling, Maintenance Fees and Renting

BUYING

Closing Costs

Normally closing costs range from 1.2 to 3.5 percent of the total sales price. Closing costs can include but are not limited to: title insurance, title search, attorney's fees, escrow fees, notary fees, wire fees, courier fees, home inspection, recording fees, document preparation, appraisal fees, endorsement fees, transfer fees, property tax, and flood insurance and home owners insurance (as required).

Financing

In the current market, most U.S. lenders typically require a 50 - 60 percent down payment for foreign buyers to obtain a mortgage loan. At 50 percent down, mortgage rates become more attractive and terms may be better (i.e. reduced documentation, reduced costs and easier underwriting).

Property Taxes

In Miami-Dade County total property taxes usually range from 1.8 to 2.7 percent of the property's assessed value, but this varies by municipality and other factors.

Currency Exchange & International Payment of Mortgage

Trading and transfer fees can be quite high when using a bank or mortgage lender. Use of a foreign exchange and international payment specialist will ensure you receive the best rates possible and that your payments arrive when and where you need them.

SELLING

Capital Gains Taxes for Sellers

Capital Gains Taxes only apply when you sell and are covered by FIRPTA (Foreign Investment in Real Property Tax Act), which authorizes the U.S. government/Internal Revenue Service (IRS) to apply a withholding income tax on nonresident aliens and foreign corporations that sell US real property interests. When a person or corporation purchases

a U.S. real property interest from non-resident aliens or a foreign corporation, they are required to withhold 10 percent of the amount realized, but there are some exceptions, such as a property used as a personal residence with a purchase price that does not exceed \$300,000 USD. Sellers are required to file IRS Form 8288, which a tax advisor can file, prior to putting the property on the market. Tax specialists speaking a variety of languages and possessing vast experience and expertise are readily available.

OWNING

Condo or Homeowner Association (HOA) Maintenance Fees

When considering maintenance fees, it is important to remember that U.S. condominiums and HOAs typically offer many more services than those in other countries. South Florida properties offer many more amenities than in most other U.S. locations, including pools, exercise rooms, tennis courts, parking garages, security and more. These amenities all become assets as well as benefits during ownership and at sales time. Condominium or HOA fees can include many or all of the following and vary depending on the amenities offered, age of the property, and number of owners sharing the costs: insurance, common area electricity, water sewer, trash removal, pool service, gym maintenance/equipment, repairs/maintenance – building, plumbing, grounds, and pool, pest control, parking and/or valet services, package services, room service, concierge, room service availability, bellman service, onsite restaurants, and shops.

Special Assessments

If funds are not available for large maintenance items (i.e. roof, air conditioning) or for updating and improving the property, then cost may be assessed in addition to the regular condominium and HOA fees, to all owners based on their percentage of ownership.

The Miami and South Florida real estate markets have seen vast changes over the last few years, including a record-setting real estate boom followed by a necessary market correction and now an evident recovery.

International Impact

The strength of international buyers in the local market has remained strong despite the various shifts. Foreign buyers, who represent approximately 60 percent of all local sales, have played a major role in the current strengthening and stabilization of the South Florida real estate market and continue to take advantage of the current market opportunities, favorable currency exchange rates, and the most affordable world-class, coastal real estate in the world.

Sales Surge

The number of existing home sales has increased since August 2008, inventory levels continue to drop, and prices continue to have stabilized in the South Florida market, which has not seen such a long period of continuous and high percentage increases in over a decade. Despite the expiration of the homebuyer tax credit, the local market continues to outperform other U.S. markets. U.S. buyers continue to take advantage historically low interest rates, record affordability and a wide selection of properties to choose from.

Prices Stabilize

While median and average sales prices had fallen slightly due to short sales and foreclosures, they have now stabilized, and are even rising in some cities and local areas month-to-month and year-over-year. The number of pending sales, an indication of future sales, also continues to rise.

Distressed Properties

Foreclosures, short sales, and REOs (bank owned properties) constitute approximately two-thirds of all real estate sales in Miami and the surrounding areas. Locally there is a higher occurrence of distressed properties because of a higher exposure to subprime loans during the real estate boom of the last decade. The market share of distressed properties, which are more prominent in some areas of the county, in Miami has remained about the same throughout the last year.

Great Time to Buy

Some of the things that have not changed in Miami are the natural attributes that have attracted migrating U.S. residents, vacation and second home buyers, immigrants, and investors for over a century:

- Strategic location between Latin America and Europe
- International culture and a multilingual network of services and environment not seen anywhere else in the U.S
- Envious world-class lifestyle, including beautiful beaches, entertainment, shopping, restaurants, and corporate headquarters
- Perfect year-around weather for outdoor sports and relaxation

These are characteristics that will not change regardless of market performance – and help strengthen the local economy and real estate market even during a recession. Miami is expected to outperform other U.S. markets now and in the future. The rapid absorption of existing and new construction housing inventory points to evident demand.

Something for Everyone

Miami offers real estate for all types of buyers – whether new residents, vacation/second home buyers, international buyers, or investors. All price points, locations, and property types are covered!

There are currently 31,713 residences on the market in Greater Miami and 25,325 in the Ft. Lauderdale area.

Miami and Ft. Lauderdale Real Estate Sales - 2009 and 2010
Single Family Home Sales

	Number of Sales			Median Sales Price		
	2010	2009	Change	2010	2009	Change
Miami	7,997	8,816	-9%	\$206,200	\$205,700	0%
Ft. Lauderdale	7,308	6,685	9%	\$189,400	\$195,300	-3%
Condo/Apartments						
	Number of Sales			Median Sales Price		
	2010	2009	Change	2010	2009	Change
Miami	9,778	6,854	43%	\$116,900	\$142,500	18%
Ft. Lauderdale	10,773	9,894	9%	\$73,400	\$82,600	-11%



Miami Residential Market Update

The U.S. real estate market can be described as one of contrasts in 2010. Many consumers took advantage of record affordability, favorable market conditions and rare incentives when purchasing new homes while the economy and job market continued to face challenges.

The South Florida real estate market also exhibited contrasts last year, particularly by outperforming the national market and other markets throughout the country even after the expiration of a homebuyer tax credit in April. The local market strengthened considerably compared to mid-2008, when sales began to increase and inventory levels to drop. This trend has continued into 2011, as we have seen further strengthening since the beginning of the year.

Rising Sales

Overall home sales increased locally throughout the last year and were much stronger than the two previous years. Compared to single-family homes, there was a higher number of condominium sales resulting from increased demand from buyers and investors.

Stabilizing Prices

After more than a year of increased sales, single-family home prices have achieved stabilization based primarily on location. While condominium sales have continued to surge, condominium prices are expected to take longer to stabilize. Still, short sales and foreclosures are impacting the values of all property types, which are expected to rebound as excess distressed inventory continues to be absorbed.

Distressed Properties

In October, several mortgage servicers (banks) halted sales of Real Estate Owned (REO) properties to review the accuracy of information provided in documents filed during the foreclosure process. As a top market for distressed properties, the halting temporarily impacted local sales, which have now resumed and are performing well.

Market Data and Statistics

Here's a look at the total number of closed existing home sales in Miami-Dade County, including days on the market and price analysis.

Total Sales

Total closed sales of condominiums spiked 29 percent, from 11,439 in 2009 to 14,756 in 2010. Total single-family home sales increased one percent from 10,386 in 2009 to 10,480 last year.

Days on the Market

The average total number of days a single-family listing stayed on the market before it goes under contract decreased 10.4 percent, from 111.39 days to 99.79. Properties that went under contract in less than 30 days represented 40.2 percent of total sales in 2010 compared to 32.1 in 2009.

For condominiums, the average total number of days on the market decreased 10.89 percent from 125.49 in 2010 to 114.6 in 2009. Condominiums that went under contract in less than 30 days represented 35.1 percent of total sales in 2010 compared to 30.71 in 2009.

Price Analysis

In 2010, 40 percent, or 4,228 out of 10,480 single-family home sales, were \$149,999 or less compared to 38.8 percent in 2009. In the high-end market, the total number of single-family home sales that sold for over \$1 million increased 15 percent. The number of single-family homes that sold for more than \$500,000 increased from 10.2 percent in 2009 to 11.4 percent in 2010. Of total condominium sales, 3.3 percent sold for more than \$1 million.

The average sales price for total single-family homes increased five percent, from \$286,644 in 2009 to \$301,020 in 2010. The median sales price decreased slightly from \$176,000 in 2009 to \$175,000 in 2010.

The average and median sales prices for condominiums dropped eight percent, from \$241,226 to 221,330, and 16.3 percent, from \$135,000 to \$113,000, respectively.

Distressed properties continue to have an impact on median and average sales prices for both single-family homes and condominiums especially in some areas of the county.

Distressed Properties Provides Buyer Opportunities

The current Miami real estate market offers properties at some of the best prices seen in eight years. Distressed properties – short sales and foreclosures – provide buyers the opportunity to purchase properties at heavily discounted prices.

The same property that sold for \$500,000 in 2006 may now be selling for 35 percent less at an asking price \$325,000. European buyers obtain an even greater discount due to currency exchange rates. European buyers could purchase the same property for about 228.000 Euros or £199,000 British Pound.

Heavily discounted bank owned foreclosure listings, REOs (real estate owned) are offered well below current market values, thus generating multiple offers and being bought up quickly.

Miami-Dade County Distressed Properties on the Market:

	Single-Family	Condos	Total	% Change from 2010
Total Listings	7,433	12,655	20,088	-19%
REO	521	600	1,121	4%
Short Sales	2,472	3,795	6,267	-31%

Go to MIAMIMLSOnline.com to search for distressed property listings in 19 languages.

Why Is an REO such a great Opportunity for Buyers?

Banks and other lenders are not in the business of being landlords and are not interested in managing and paying expenses on these REO properties. This means they want to get rid of these properties as quickly as possible, resulting in great opportunities for consumers to buy them at below market value prices. Another big plus to consider with REOs is that most lenders are willing to finance the purchase of REOs for qualified buyers.

What Determines the Discounted Price?

Like regular properties for sale, the price for REOs is mainly determined by: Condition of the Property, Location, and Comparable Sales and Values.

Pros and Cons of REOs

Typically buyers of REO properties have to be less concerned with clouds on the title, back taxes, or other last minute, closing surprises, as the lender almost always takes care of them before closing. By the same token, REO properties are traditionally sold “as is”, meaning the lender who owns the property

does not or will not repair damages or correct code violations that may exist. Still in today’s real estate environment where lenders want to dispose of properties as quickly as possible, more and more lenders are willing to compromise on the “as is” purchase of an REO . . . have your agent ask for these concessions as part of your offer.

Pros and Cons of Short Sales

A short sale is a difficult process for both sellers and buyers. Most people are not aware of all of the details the process entails. Buyers should make sure to consult professionals who have a history of success with short sales. Lenders are notorious for taking a long time to approve short sales. If a property has liens, second mortgages or a home equity line of credit, each applicable party has to be consulted for approval, which can take up a considerable amount of time further prolonging the process. The successful transaction also depends on a good offer from a good buyer.

Resources for International Buyers

Go to http://www.miamire.com/international_buyers

Global Listing Exchange and 19-Language Property Search

This landmark service gives consumers easy access to property listings in 19 languages for all MIAMI members and to the listings of all the agents in their entire global network on the members' webpages. Consumers worldwide can search for properties, for South Florida and other global markets.

International Market Research

Enhance your knowledge of market trends and information with national, state, and local studies on international buyers. MIAMI cooperated with the National Association of Realtors (NAR) to produce a NEW international study on the South Florida area to provide powerful statistics on one of the top areas in the U.S. for foreign buying real estate activity. Go to <http://www.miamire.com/international/international-resources> to download all three studies – national, Florida, MIAMI/South Florida.

Investing in South Florida

Enterprise Florida provides information on the advantages and incentives in relocating or investing in the state of Florida, including 10 Reasons to Relocate or Expand to Florida, International Business Facts about Florida, Florida Innovations, Incentives for Investment in Florida, Florida Tax Advantages and Targeted Sector Strategy.

Why Miami

The Beacon Council provides Miami facts and figures as they relate to business investment and promotion in Miami and the local area including: Miami's Top Rankings, Targeted Industries, Success Stories, Site Selection, Permitting Assistance, Incentives and Financing.

Miami: See it like a Native

The Greater Miami Convention and Visitors Bureau Offers valuable information for Miami residents and visitors alike. Access a local Calendar of Events, Determine Where To Stay and What To Do, Find Restaurants and Make Reservations, and See Miami Live & Alive. Go to <http://www.miamiandbeaches.com/index.asp>.

Buy MIAMI's "Foreign Investors Guide"

This powerful resource features articles by attorneys on immigration and visas for real estate investors, forms of ownership, financing, and starting a business in the U.S. Most articles are available in English, Spanish, French, Russian, Portuguese, Italian, and German. Purchase the entire Guide in all seven languages or purchase and download sections in specific languages – go to <http://www.miamire.com/products/63/foreign-investors-guide>.

And more...

Rentals

How do I buy a property...and rent it out all or part of the time?

1. Find a MIAMI REALTOR®
2. Using a MIAMI Realtor costs you nothing to find your property – sales commissions are paid by the sellers as a part of the closing statement.
3. Hire a MIAMI member company to rent your property – and even to manage it beyond the rental. MIAMI has many firms that specialize in property management – and offer services such as: Marketing your property for rent or lease; Finding, screening and selecting tenants; Collecting all deposits and first and last month's rents. Property Management services can also include services such as collecting rents, Arranging and overseeing maintenance, Getting bids, scheduling and overseeing property improvements, Dealing with renters on behalf of owner, Maximizing occupancy, Maximizing rental income, Positioning your property in the local market, Responding to property issues and emergencies

Note: Rental Agents and Property Managers may be paid by any of the following: a percentage of rental payments, flat service fees or on a menu of options and services for fees.

Miami Ranked 1st for International Buyers

The Miami area has ranked first in the U.S. for international buying activity consistently over the last few years. The South Florida area continues to be a hot spot unlike any other in the U. S. for international buyers. In 2010, Florida was again ranked the top state in the U.S. for foreign buyers. In fact, about 60 percent of existing home sales and 90 percent of new construction transactions in South Florida are made by buyers from around the world, most of which are paying cash.

Percentage of REALTORS® Working with International Clients

Due to Miami's real estate market prominence among foreign buyers, the MIAMI Association of Realtors (MIAMI) partnered with NAR to conduct a study similar to the one they do nationally which detailed information about foreign buyers in the Miami area. As expected, an overwhelming percentage of Realtors in the Miami area work with foreign clients. Seventy-four percent of those surveyed said they worked with international clients in the past year. For the purpose of the study, an international client is defined as non-U.S. resident purchasing U.S. property or, alternatively, a recent immigrant. A majority of these clients were foreign clients versus recent immigrants

Countries of Client Origins

Venezuela ranked as the top country of origin for international buyers in the Miami area during the past year at 28%, Canada – 10%, Brazil – 9%,

Argentina – 8%, Columbia – 7%, France – 6%, Mexico – 5%. 27% were from a wide variety of over 80 countries.

Price Distribution of Foreign Purchases

Purchases were pretty evenly distributed among all price ranges for international buyers in the Miami area, but the highest percentage distribution fell within the \$300,000 to \$400,000 price range. Twenty percent of purchases were priced at \$500,000 or more, while 56 percent of purchases were priced at \$300,000 or less. The median sales price of all purchases was \$272,700, while the mean sales price was \$376,800.

Types of Property Purchased

Most international buyers - 72 percent - in the Miami area purchased a condominium, townhome or apartment. Detached single-family homes represented 21 percent of purchases, and commercial properties represented 7 percent of purchases in the past 12 months.

Retail and Multi-Family Lead Commercial Recovery in South Florida

The outlook is bright for commercial and investment real estate in South Florida, as continued recovery is expected throughout 2011. Low vacancy rates and increased demand have paved the way for a stronger South Florida market, where commercial transactions represent seven percent of sales to international buyers.

In the fourth quarter of last year, retail, office, industrial and multi-family vacancy rates in Miami were all below the national average. In particular, the retail and multi-family sectors outperformed most major markets in the nation.

Miami Tops Most Multi-Family Markets in U.S.

Miami had a four (4) percent multi-family vacancy rate, the second lowest rate in the U.S. of the 53 major markets tracked by NAR, in the 4th quarter.

Retail Bright Spot

Retail in Miami is also headlining the turnaround. With a vacancy rate of 8.3 percent in the third quarter, it is nearly five percent below the national average. The lack of new development and existence of planned projects will also contribute to lower availability as demand increases.

Top 20 Reasons to Visit & Buy in Miami

- 1. Affordable Real Estate** – The local market offers record affordability, amenities, & seller incentives; 50% more affordable in the last five years; weak U.S. dollar gives greater discounts for foreign buyers
- 2. Top Market for Int'l Buyers** – Florida is the top state in the U.S. & Miami is the top market for int'l buyers; & is expected to outperform other U.S. markets long into the future
- 3. Envious Weather** – The only major “subtropical” city in continental U.S.; average temperature 75 °F / 23 °C
- 4. Beautiful Beaches** – Greater Miami has 84 miles of Atlantic Ocean coastline & 67 square miles of inland waterways & more than 15 miles of world-famous beaches
- 5. Water Sports & Activities** – Enjoy snorkeling, sailing, boating, kayaking, swimming, diving & other water sports all year around
- 6. Exciting Lifestyle for All** – young adults, families, baby boomers, retirees, celebrities, & visitors - museums, performing arts venues, art galleries, professional sports, & amazing places to shop
- 7. Fabulous Nightlife** – Ocean Drive & more - top restaurants, night clubs, bars, world famous hotspots
- 8. Restaurants** – In Miami you can savor worldwide cuisine unlike in any other city in the U.S.
- 9. Entertainment Industry** – Major fashion center, top modeling agencies in the world, Fashion Week & more than 2,400 motion picture & video businesses
- 10. Commercial & Investment Real Estate** – Vacancy rates for all commercial sectors in Miami are below the national average; retail & multi-family are outperforming most major markets in the U.S
- 11. “Gateway to the Americas”** – Strategic location between Latin America & Europe; “Capital of the Americas” - perfect for business or pleasure
- 12. The Most Int'l City in the U. S.** – nearly 50% of population is foreign born & speak over 100 languages
- 13. Global Business Center** – for business, finance, commerce, media, entertainment, arts & international trade; no state income tax; home to nearly 1,200 multinational companies from 56 nations; more than 100 international consulates, trade offices & bi-national chambers of commerce
- 14. Hotels** – ranks fifth in US in occupancy after New York, Oahu Island, San Francisco, & Boston
- 15. Top Tourist Destination** – 12.6 million overnight guests – with 6 million of them int'l visitors
- 16. World Aviation Hub** – 3rd in the U.S. with 33.5 million passengers a year; Over 80 airlines to 120 destinations – top freight airport in the U.S. with 1.8 million tons - \$19 billion in business revenue/year
- 17. Port of Miami** – “Cruise Capital of the World” with more than 4 million passengers a year; Also serves 240 seaports; 9 million tons of sea cargo; top markets: China, Italy, Hong Kong, Honduras & Brazil
- 18. Educational Institutions** – 4th largest U. S. school district; 5 colleges & universities; 3 law schools
- 19. Hospitals** – 33 hospitals; Jackson Memorial is one of the top 25 hospitals in the U. S. & Miami Children’s Hospital is rated the top pediatric hospital in the country
- 20. Top Rankings**
 - Miami has the largest concentration of international banks in the U.S.
 - Miami’s skyline ranks third in the U.S. behind New York City & Chicago & 18th in the world (Almanac of Architecture & Design.)
 - Miami is the only major city in the United States bordered by two national parks, Everglades National Park on the West, & Biscayne National Park on the East.

It's great to live, work & play in Miami!

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