

Miami/South Florida Market Talking Points – COVID-19

March 27, 2020

- While the impact of COVID-19 on Miami/South Florida real estate market is difficult to predict, the solid foundation of the housing market going into the current situation should minimize the impact, particularly if the duration is short.
- Economic and real estate market fundamentals are very strong and very different than what they were going into the last recession.
- We have record low delinquencies, no subprime mortgage crisis, strong demand/low supply, low interest rates, strong population growth, demand from foreign buyers and tax refugees from tax burdened states, high consumer confidence, very strong job market, etc. These factors will lessen the impact.
- Miami/South Florida recovered from the last recession faster and stronger than experts predicted and faster and stronger than most other markets in the U.S. and abroad.
- South Florida, while having a strong tourism industry, also has a diversified economy, offering no state income tax and one of the best environments to start a business.
- Prices have increased consistently since 2011, and we still have housing shortages, record low housing starts in the majority of price ranges. We've even seen a recent surge in demand in the luxury sector.
- Miami offers less expensive properties than most other major metropolitan areas in the U.S. and in the world - and will continue to attract buyers, investors and businesses from the U.S. and worldwide.
- In South Florida, it is still less expensive to buy than to rent (20-25% less depending on the type of loan and downpayment).
- We are optimistic the impact of COVID-19 should be brief and that those who have been impacted by job losses or salary cuts will get relief from the governmental stimulus package. Therefore, once the quarantine is lifted, most consumers should be able to move forward in a similar financial reality, with great demand for goods and services.
- Our market is strong and resilient and will continue to attract business entities and buyers from other states and countries. We will overcome this challenge like we have every challenge before, emerging stronger and better. We are optimistic that the current situation, especially if people heed instructions from government and health authorities, will be brief and will have minimal impact on South Florida real estate.

- There will be huge potential for growth and significant pent-up demand. And the market should come back stronger than before this challenge.

Here is a link (<http://www.miamirealtors.com/news/news/releases/2020/03/20/miami-home-sales-increase-again-in-february-2020>) to our latest statistical news release (March 20, 2020).

Also this interview with Lawrence Yun, NAR chief economist, offers a very sound and positive perspective . . . <https://www.youtube.com/watch?v=CMeQhwAnvPI>