

OWN THE MIAMI STORY

**We Are In a Period of Rapid Change
& Divergence**

**Increasingly Disparate Realities Are Going
To Coexist in Our Country**

Objectives Of This Presentation and How We Own The Miami Story

- 1. Understand what is driving our cycles:**

**We have concurrent positive & negative momentum cycles.
Positive in Miami and negative within our feeder jurisdictions.**

- 2. Where is the market action?
Present market updates that dispel main stream misinformation.**
- 3. Macro Points that support our #LongMiami thesis**

**I want everyone in this room to be able to confidently explain
why this all is just the beginning of Miami's ascension.**

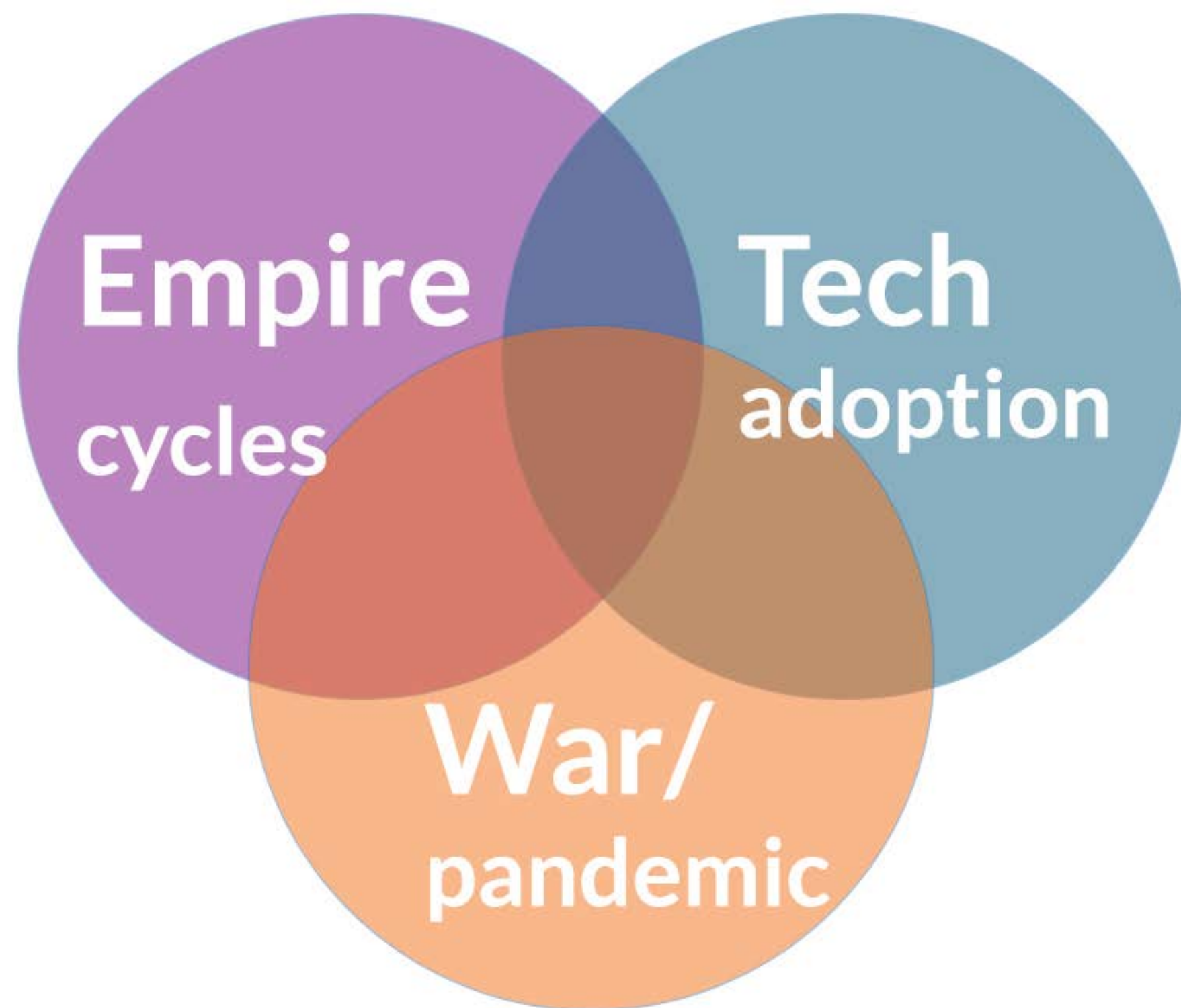
REMEMBER:

History never goes backwards

&

Change is our only constant

Why does change accelerate at certain time?

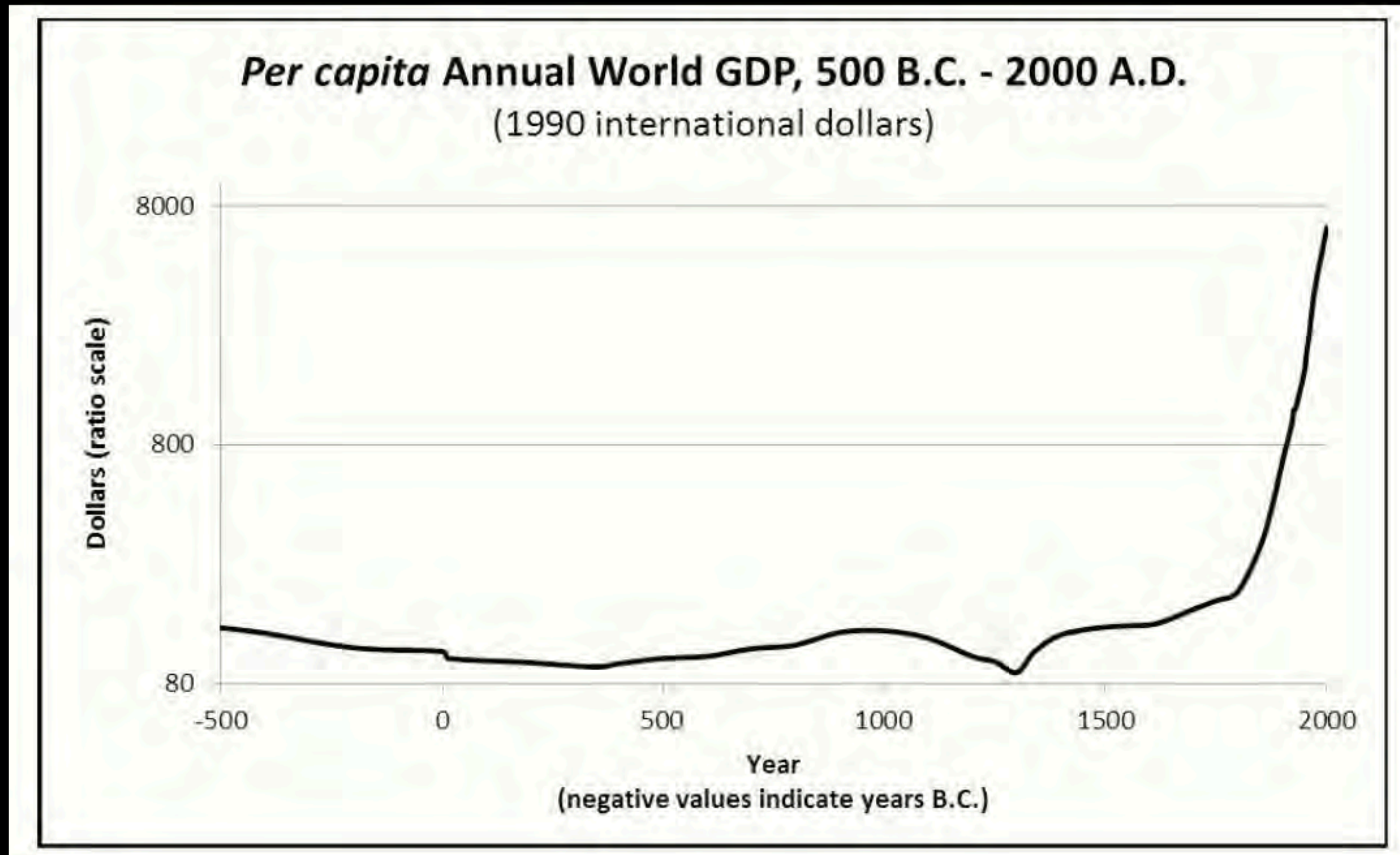


We have the confluence of:

1. Monetary & fiscal policy at extremes + societal polarization
2. Life / work reshaping around a new technology
3. A pandemic that created a full-stop event, allowing for the formation of new habits

**Human nature is our constant,
with innovation acting as fuel**

**History = Change =
the cyclical aggregate of human herding behavior**



1. What is Driving Our Cycle:

**Taxes Have Consequences
and Feed Momentum Cycles
& Herding Behavior**

Jeff Bezos Plans Miami Move for Family, Work...and It Might Help Tax-Wise, Too

The move back to his childhood home brings emotions, potentially lower state taxes and fellow billionaires



Taxes Have Consequences

Washington's wealth tax, in its latest proposal, imposes a 1 percent tax on tradeable net worth above \$250 million.

It was estimated that the wealth tax would raise about \$3.2 billion a year.

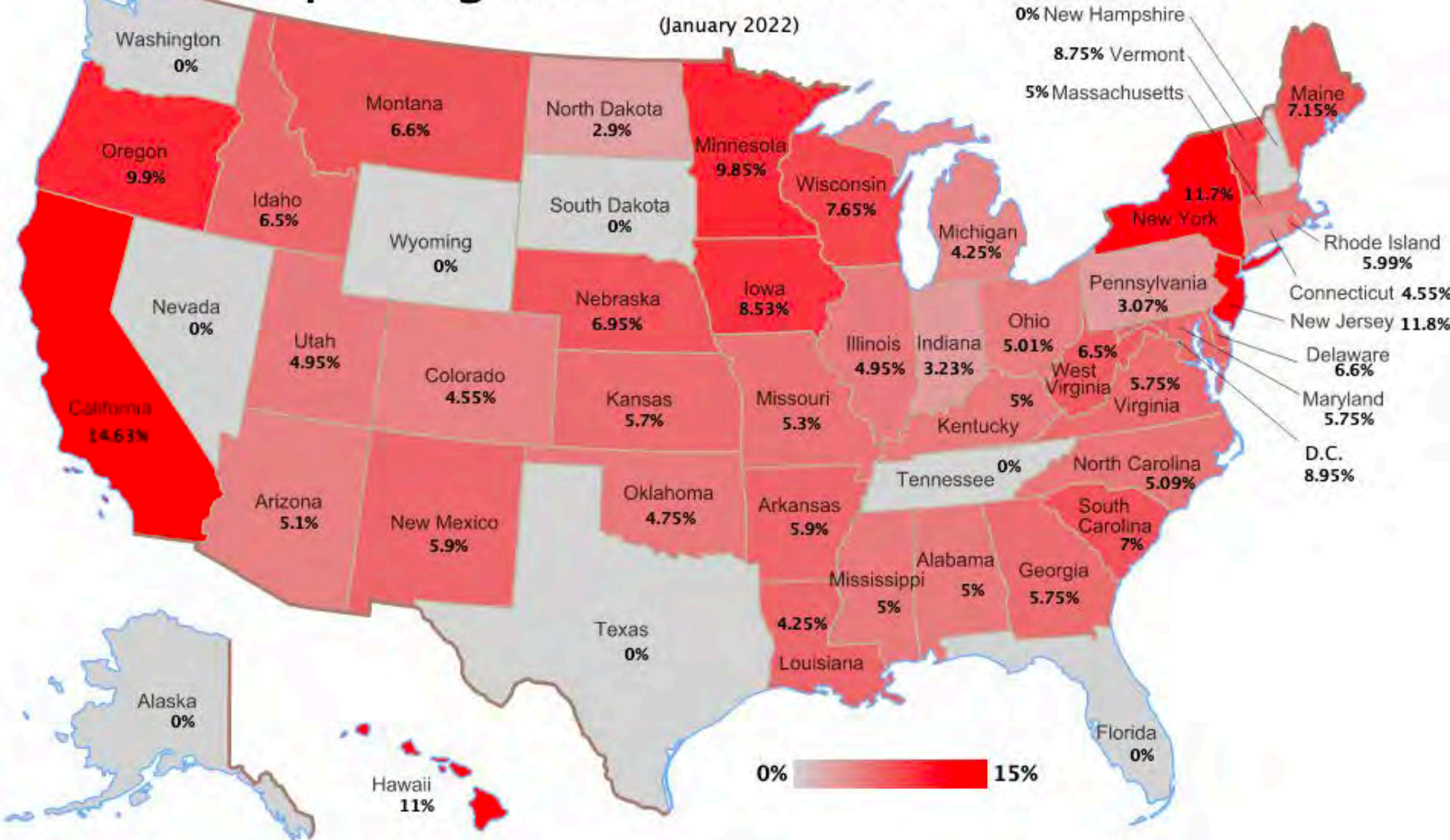
Bezos would have been on the hook for 45%, or \$1.44B

THE PATTERN IS CLEAR

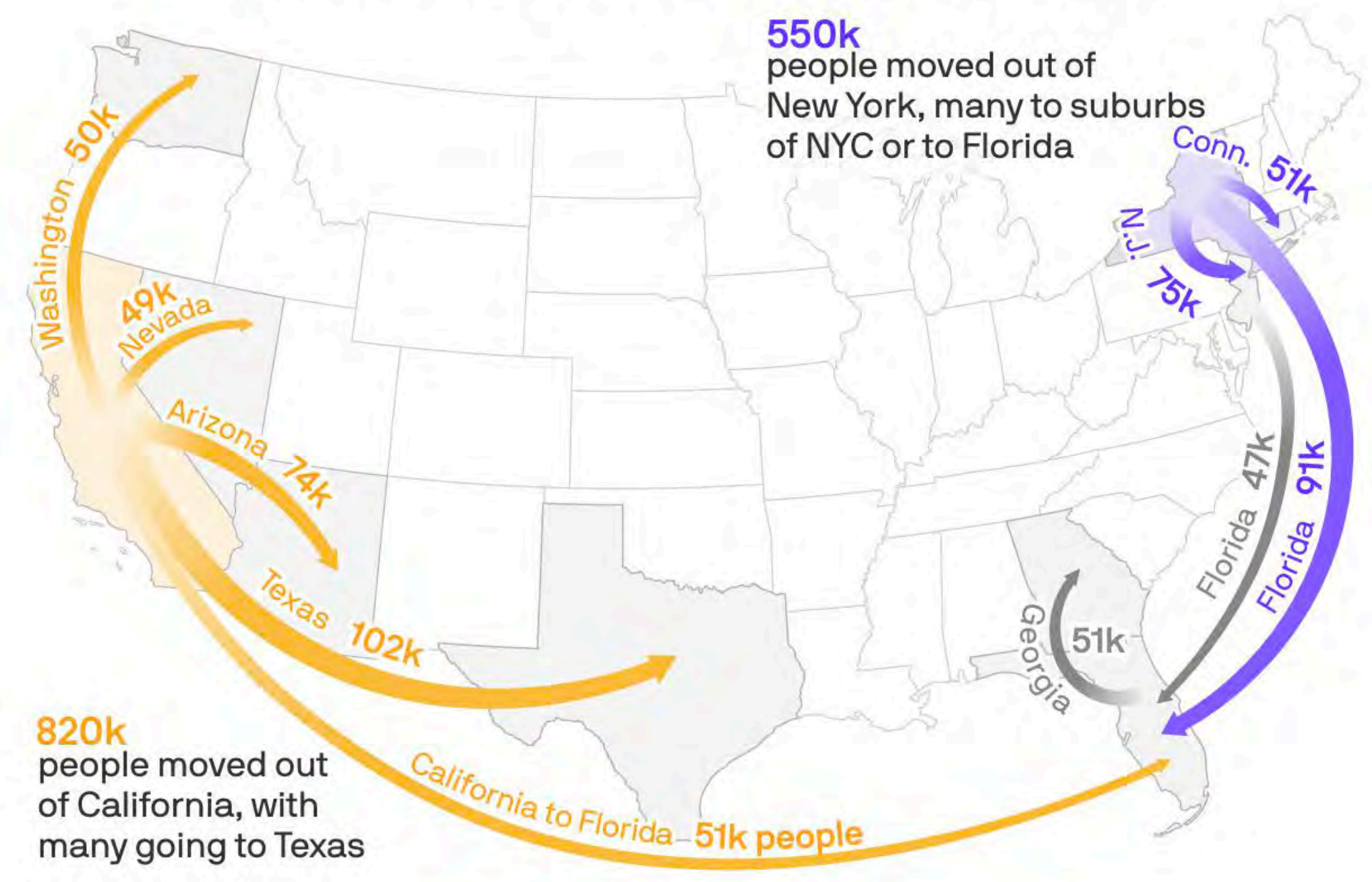
High tax, liberal states are losing population and tax base.

Top Marginal State Income Tax Rates

(January 2022)



Top ten moves between states, 2022



Florida was the fastest growing state in 2022

Top 10 States in Percent Growth: 2021 to 2022

Rank	Geographic Area	April 1, 2020 (Estimates Base)	July 1, 2021	July 1, 2022	Percent Growth
1	Florida	21,538,226	21,828,069	22,244,823	1.9%
2	Idaho	1,839,092	1,904,314	1,939,033	1.8%
3	South Carolina	5,118,429	5,193,266	5,282,634	1.7%
4	Texas	29,145,428	29,558,864	30,029,572	1.6%
5	South Dakota	886,677	896,164	909,824	1.5%
6	Montana	1,084,197	1,106,227	1,122,867	1.5%
7	Delaware	989,957	1,004,807	1,018,396	1.4%
8	Arizona	7,151,507	7,264,877	7,359,197	1.3%
9	North Carolina	10,439,414	10,565,885	10,698,973	1.3%
10	Utah	3,271,614	3,339,113	3,380,800	1.2%

Americans Fled High-Tax States in 2022

New York and New Jersey are among the places losing the most people

State	Net Domestic Migration	Year-Over-Year Change
California	-343,230	-0.3%
New York	-299,557	-0.9
Illinois	-141,656	-0.8
New Jersey	-64,231	-0.1
Massachusetts	-57,292	-0.1

Source: National Association of Realtors

Note: Net domestic migration refers to the number of people moving in and out of an area

Americans Flocked to Low-Tax States in 2022

Florida and Texas are among the places gaining the most people

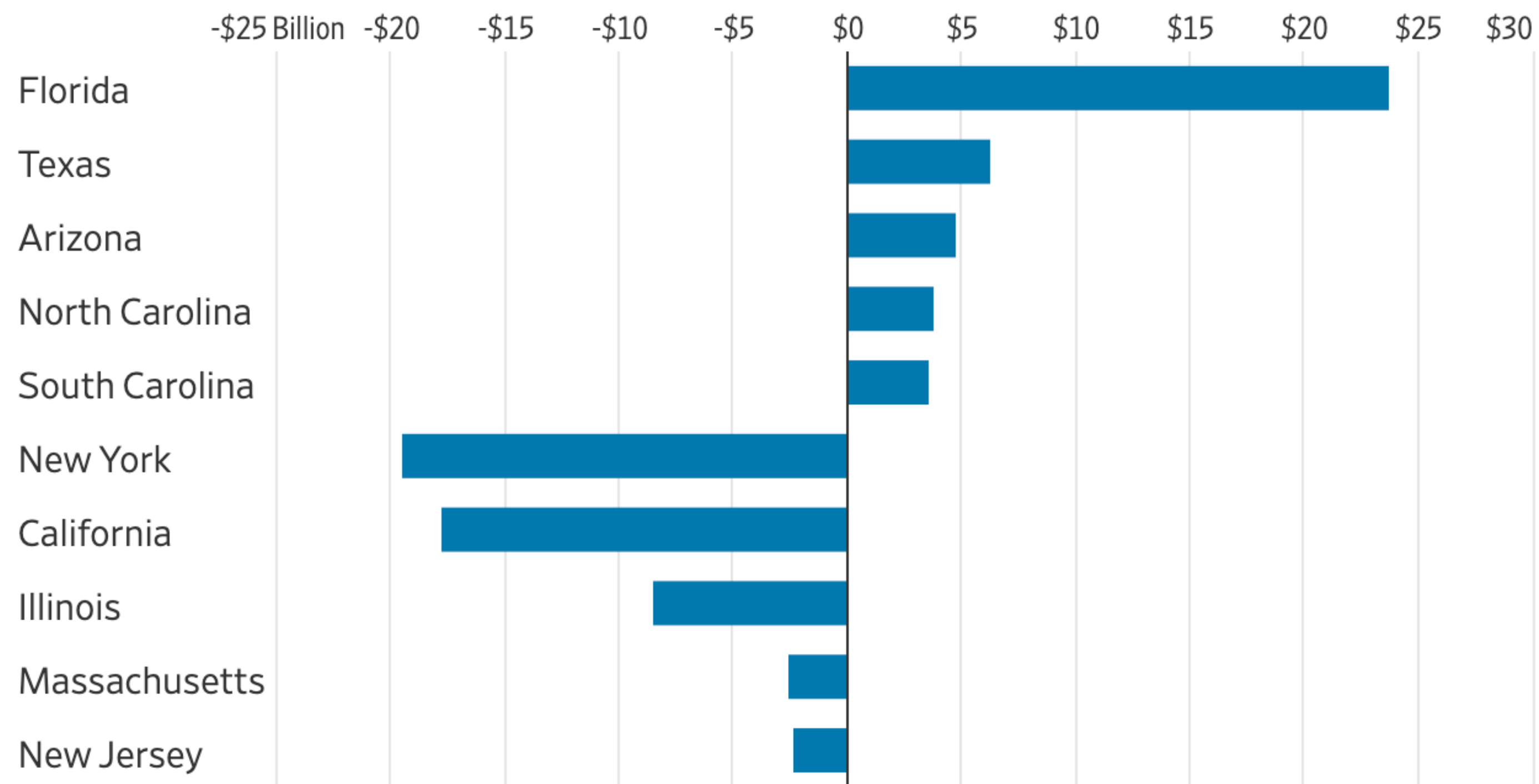
State	Net Domestic Migration	Year-Over-Year Change
Florida	318,855	+1.9%
Texas	230,961	+1.6
North Carolina	99,796	+1.3
South Carolina	84,030	+1.7
Tennessee	81,646	+1.2

Source: National Association of Realtors

Note: Net domestic migration refers to the number of people moving in and out of an area

Domestic Wealth Migration, 2020

States with the Largest Net Gains/Losses of Adjusted Gross Income from Migration, in Billions



Source: IRS

IRS Data: \$200K+ earners are on the move

According to the IRS, in 2020 households earning more than \$200K

accounted for 7% of total interstate moves, yet represented 41% of all mover's income.

IRS Data: Florida top destination for households earning \$200K+

In 2020, Florida gained 4x the number of households earning \$200K than the number two state, Texas.

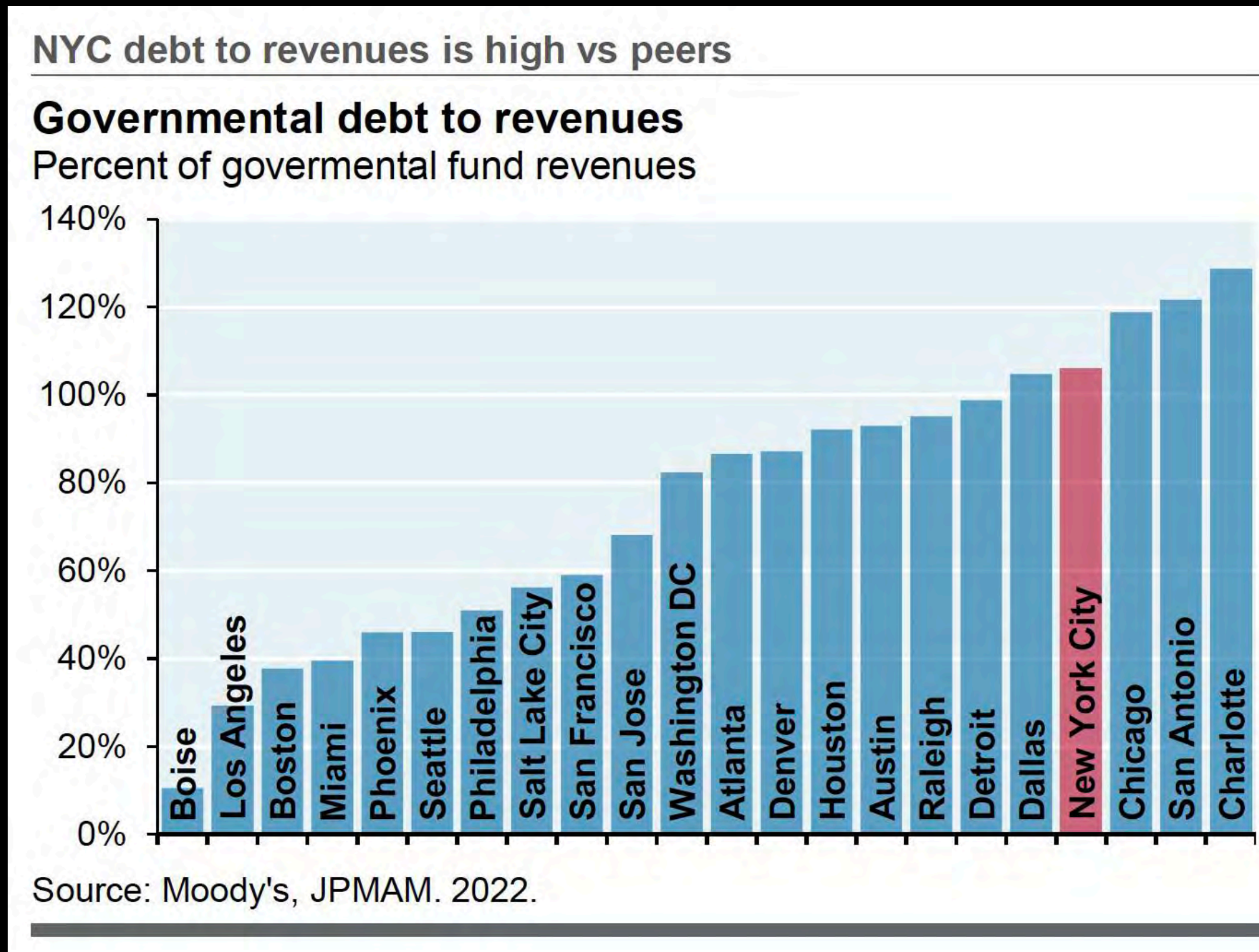
Florida—20,263

Texas—5,356

Arizona—5,268

The biggest losers of \$200K+ earning households were: New York, California & Illinois.

The average salary of a New York filer moving to Miami Dade in 2020 was \$671K. The total was 8,841 filers.



Average salary of the 3,644 filers from Manhattan moving to Miami Dade in 2020: \$1.2M.

This is money walking.

Remember, the economic center of gravity in the nation has just shifted (for the first time) away from the Washington - NYC - Boston corridor.

Momentum cycles are real, and this one has just begun. 💰🌴🚀

The income of the top 1% accounts for over 40% of total taxes levied.

Similarly in California, the top 1% of tax payers account for almost half of tax levied.

Losing high value tax payers decimates a tax base and budget.

In July 2023, it was reported that NY tax revenue dropped by nearly \$7 billion in the initial quarter of the state's fiscal year

Politicians in our feeder jurisdictions will only feed the negative momentum

As they pander to the growing % that does not pay in to the system.

This will occur via various forms of wealth taxation.

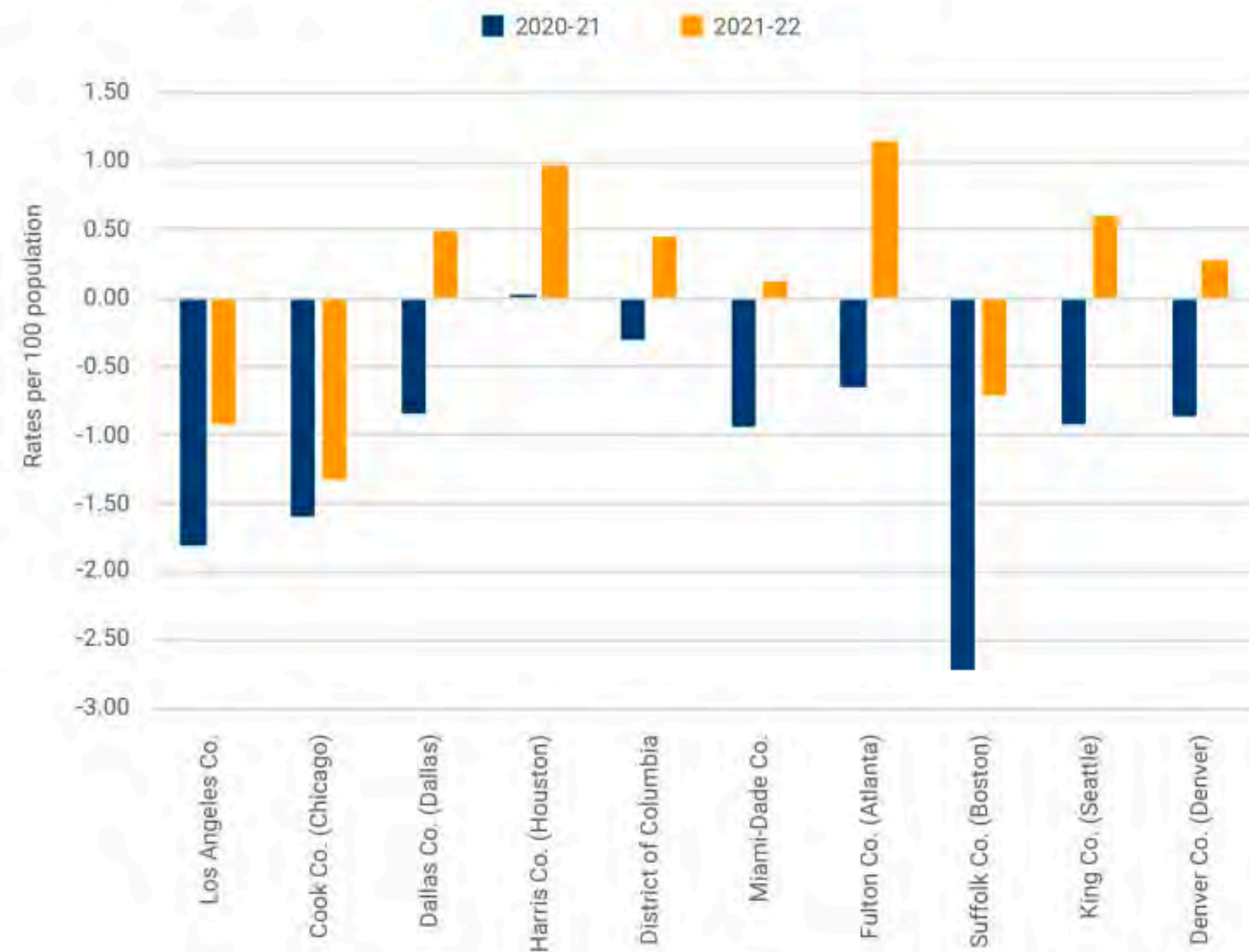
You Know Our Feeder Jurisdictions Are Getting Jealous When
We Get Wall Street Journal Headlines Like This:
“Miami Sees Its First Population Drop in Decades”

Source Data From The Brookings Institute

FIGURE 4

Annual growth rates 2020-2021 and 2021-2022

Selected urban core counties of major metropolitan areas



Source: William H. Frey analysis of US Census Bureau population estimates released March 30, 2023

FIGURE 7

Annual growth rates 2020-2021 and 2021-2022

Selected major metropolitan areas



Source: William H. Frey analysis of US Census Bureau population estimates released March 30, 2023

I dug deep into the Brookings Institute report and the main points are as follows:

-> Of the 38 counties tracked (with populations over 500K), all but 4 had negative population growth during peak Covid 2020 - 2021. Miami was hardly unique.

-> Post Covid, 11 counties went back to positive population growth. Miami Dade was one of them, LA county was not.

-> On a city level, Miami followed the same pattern and went back to positive growth in 2021-2022. NYC did not.

**2. Market updates that dispel main stream
misinformation & quantify South Florida's emergence
as an epicenter of wealth & talent**

**It Is Important To Recognize That We Have
Two Markets and That A New Normal Being Set
Past \$1K / Square Foot**

New Normal Being Set Past \$1K / Square Foot

It is important to recognize that the market is not a monolith. The vast majority of transactions are at lower price points. When we look at the overall percentage drop in sales volume, the action (or lack thereof) at lower price points obfuscates what is happening at higher price points.

Insight from the Data:

Isolating for price-per-square foot shows clearly that entire new market segments have emerged post Covid. The incoming wealth and talent migration is consuming new, expensive product. And while we have an overall drop in transaction volume, these segments are still many times higher than they were pre Covid.

The data shows that the higher up you go in price per square foot, the more we are outperforming pre Covid realities.

Miami is the only US city that had positive growth for premiere properties.

The Knight Frank Prime Global Cities Index Q2 2023

Ranked by annual % change

Rank/City		12-month % change	6-month % change	3-month % change
1	Dubai	48.8%	19.0%	11.6%
2	Tokyo	26.2%	9.1%	18.1%
3	Manila	19.9%	22.1%	16.6%
4	Miami	7.5%	-0.4%	1.2%
5	Shanghai	6.7%	3.7%	0.4%
6	Mumbai	5.2 %	1.3%	1.1%
7	Madrid	5.1%	2.6%	2.4%
8	Nairobi	4.7%	2.1%	0.1%
9	Lisbon	4.7%	2.3%	1.4%
10	Bangkok	4.6%	1.2%	1.9%

Miami Dade County SFH & Condos

Q3 Sales Volume: \$1K - \$1.9K /SF & \$2K+ / SF

SFH, # of sales \$1K - \$1.9K /SF **60% CASH**

Q3 2023: 81
Q3 2019: 15 **440% | Q3 2023 vs Q3 2019**

SFH, # of sales \$2K+ /SF **86% CASH**

Q3 2023: 21
Q3 2019: 4 **425% | Q3 2023 vs Q3 2019**

Condos # of sales \$1K - \$1.9K /SF **76% CASH**

Q3 2023: 143
Q3 2019: 50 **186% | Q3 2023 vs Q3 2019**

Condos, # of sales \$2K+ /SF **88% CASH**

Q3 2023: 34
Q3 2019: 6 **467% | Q3 2023 vs Q3 2019**

Miami Dade County SFH Q3 Sales Volume



Miami Dade County Condos Q3 Sales Volume



Tri County SFH & Condos

Q3 Sales Volume: \$1K - \$1.9K /SF & \$2K+

SFH, # of sales \$1K - \$1.9K /SF **75% CASH**

Q3 2023: 185
Q3 2019: 40 362% | Q3 2023 vs Q3 2019

SFH, # of sales \$2K+ /SF **85% CASH**

Q3 2023: 40
Q3 2019: 7 471% | Q3 2023 vs Q3 2019

Condos # of sales \$1K - \$1.9K /SF **80% CASH**

Q3 2023: 241
Q3 2019: 85 183% | Q3 2023 vs Q3 2019

Condos, # of sales \$2K+ /SF **86% CASH**

Q3 2023: 43
Q3 2019: 11 290% | Q3 2023 vs Q3 2019

Tri County SFH Q3 Sales Volume



Tri County Condos Q3 Sales Volume



Dispelling The Myth That We Are Overvalued

- * All of our market segments have tighter supply & demand fundamentals now vs. pre Covid
- * All segments besides those under \$500K have higher quarterly transaction volume now vs. pre Covid

Miami Dade SFH Supply & Demand: 0 - \$499K

SFH 0 - \$499K # of sales

Q3 2023:	771	
Q3 2022:	1,156	-33% Q3 2023 vs Q3 2022
Q3 2019:	2,805	-73% Q3 2023 vs Q3 2019

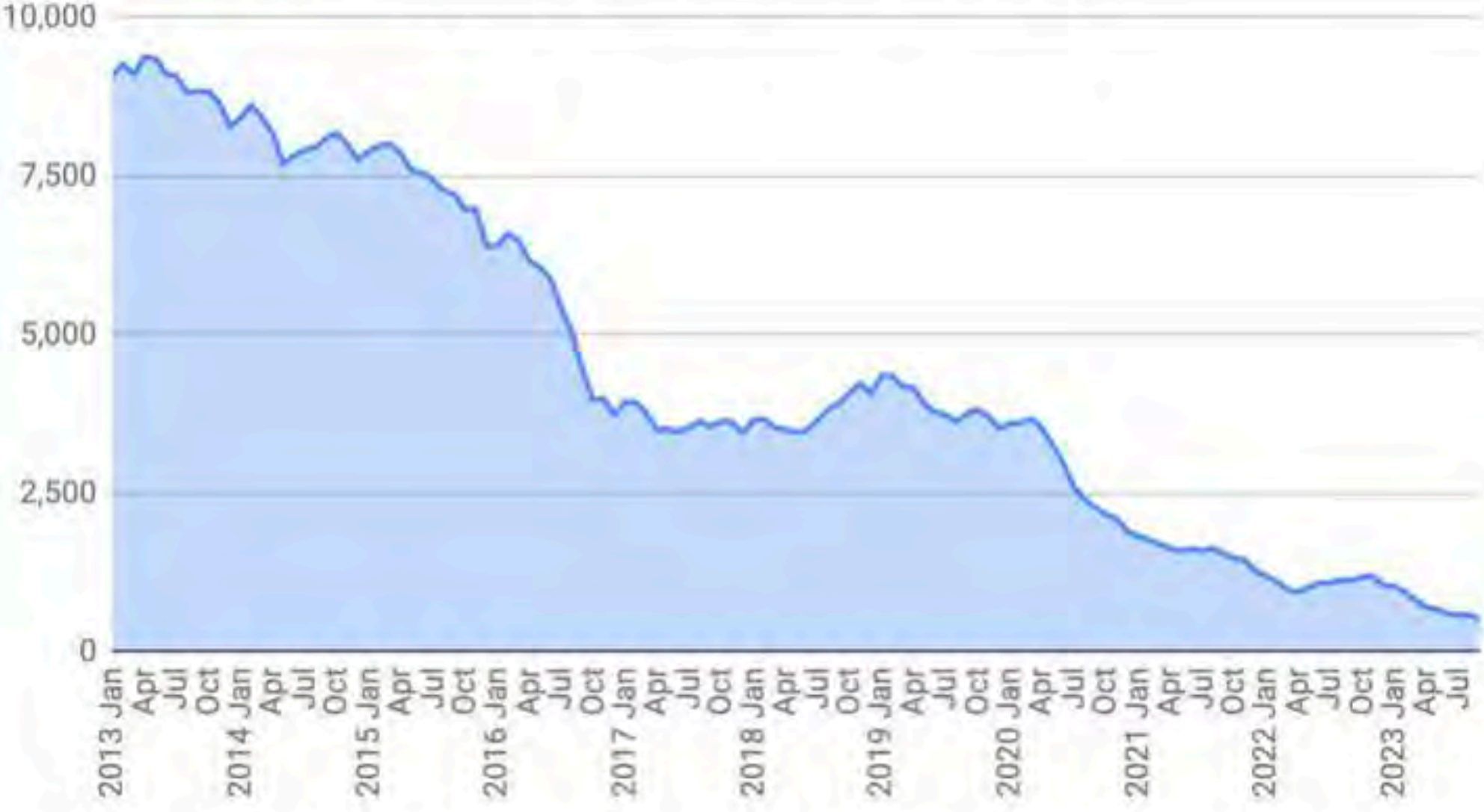
SFH 0 - \$499K, active listings

Sept 2023:	504	
Jan 2023:	1,038	-51% Sept 2023 vs Jan 2023
Sept 2022:	1,128	-55% Sept 2023 vs Sept 2022
Sept 2019:	3,760	-87% Sept 2023 vs Sept 2019

Miami Dade County SFH, 0-\$499K



Miami Dade County SFH, 0-\$499K active listings



Miami Dade SFH Supply & Demand: \$500K - \$999K

SFH \$500K - \$999K # of sales

Q3 2023:	1,498	
Q3 2022:	1,359	+10% Q3 2023 vs Q3 2022
Q3 2019:	682	+120% Q3 2023 vs Q3 2019

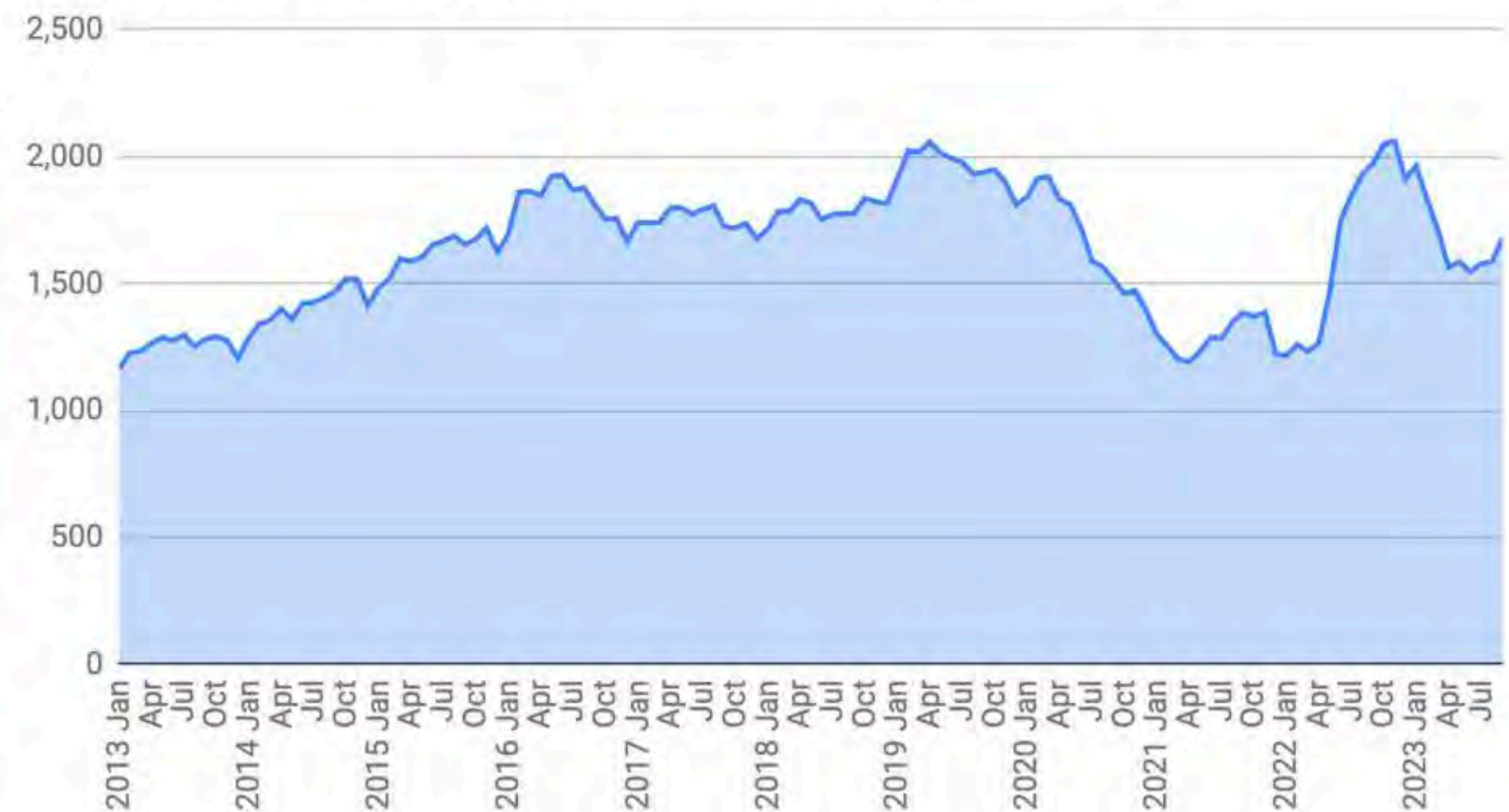
SFH \$500K - \$999K, active listings

Sept 2023:	1,678	
Jan 2023:	1,962	-14% Sept 2023 vs Jan 2023
Sept 2022:	1,973	-15% Sept 2023 vs Sept 2022
Sept 2019:	1,937	-13% Sept 2023 vs Sept 2019

Miami Dade County SFH, 500K -\$999K



Miami Dade County SFH, \$500 - \$999K active listings



Miami Dade SFH Supply & Demand: \$1M - \$2.49M

SFH \$1M - \$2.49M # of sales

Q3 2023:	436	
Q3 2022:	398	+10% Q3 2023 vs Q3 2022
Q3 2019:	221	+97% Q3 2023 vs Q3 2019

SFH \$1M - \$2.49M, active listings

Sept 2023:	956	
Jan 2023:	968	1% Sept 2023 vs Jan 2023
Sept 2022:	923	4% Sept 2023 vs Sept 2022
Sept 2019:	1,061	-10% Sept 2023 vs Sept 2019

Miami Dade County SFH, \$1M-\$2.49M



Miami Dade County SFH, \$1M-\$2.49M active listings



Miami Dade SFH Supply & Demand: \$5M - \$9.99M

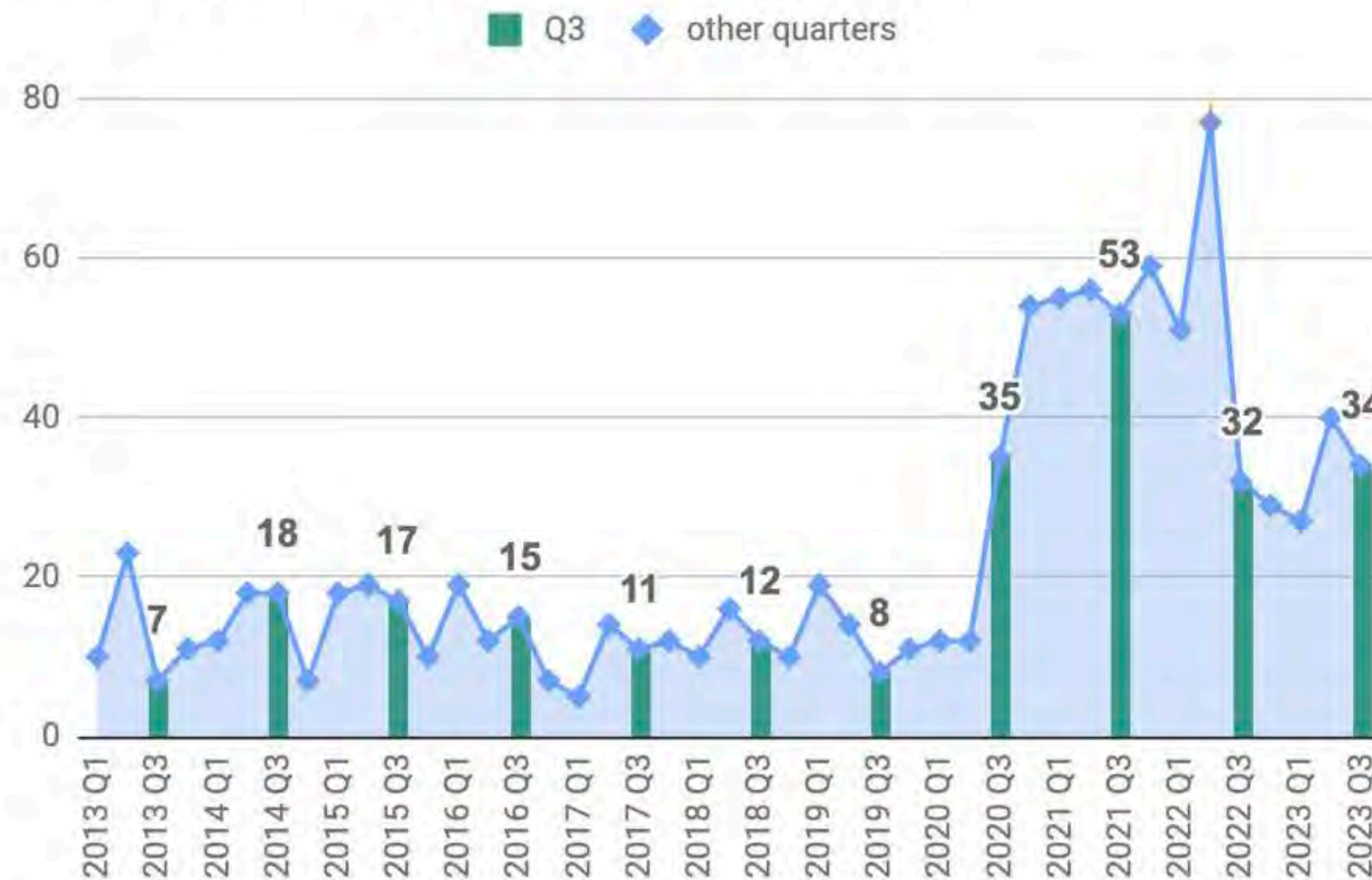
SFH \$5M - \$9.99M # of sales

Q3 2023:	34	
Q3 2022:	32	+6% Q3 2023 vs Q3 2022
Q3 2019:	8	+325% Q3 2023 vs Q3 2019

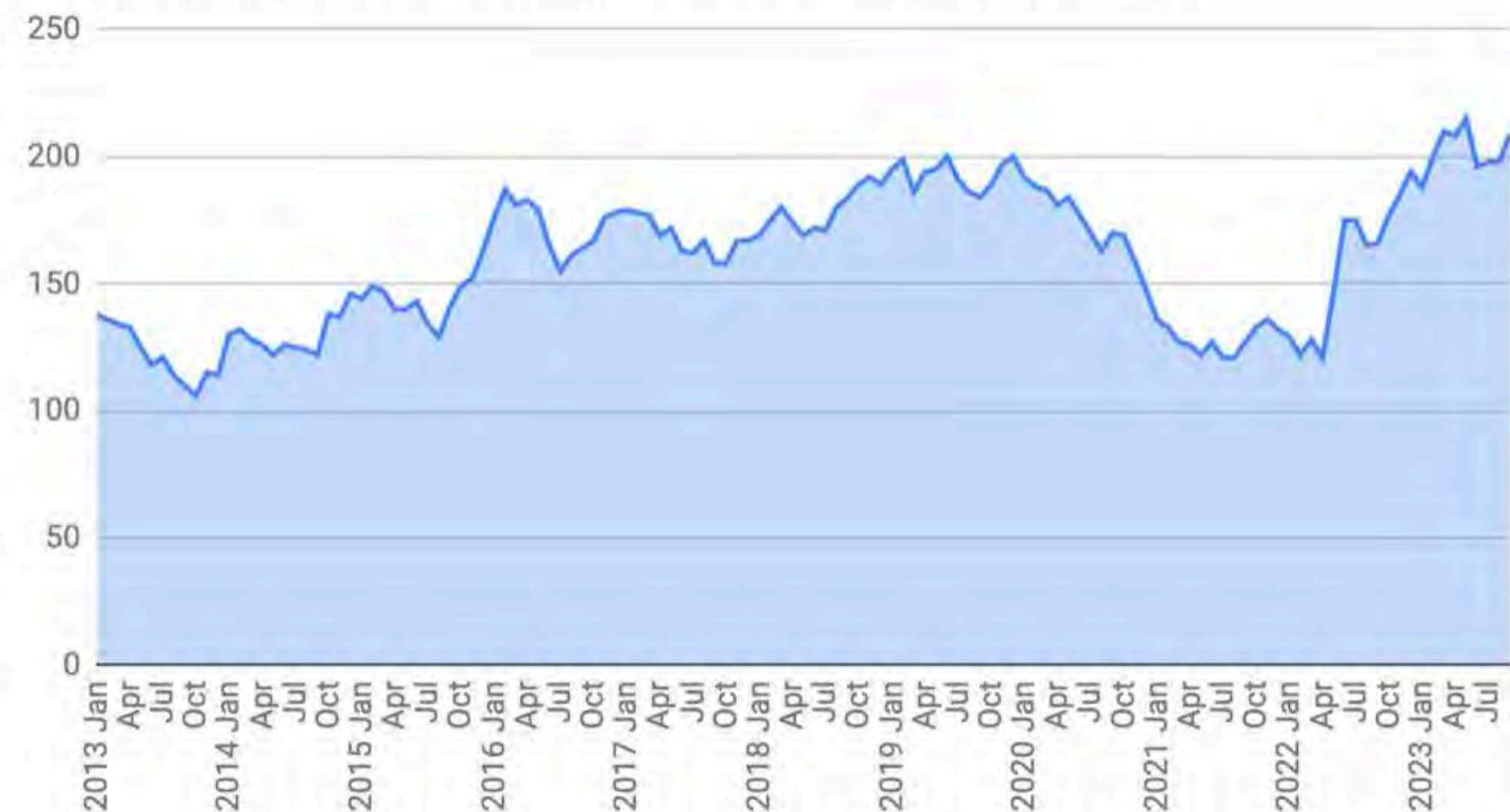
SFH \$5M - \$9.99M, active listings

Sept 2023:	209	
Jan 2023:	188	+11% Sept 2023 vs Jan 2023
Sept 2022:	166	+26% Sept 2023 vs Sept 2022
Sept 2019:	184	+11% Sept 2023 vs Sept 2019

Miami Dade County SFH, \$5M-\$9.9M



Miami Dade County SFH, \$5M-\$9.9M active listings



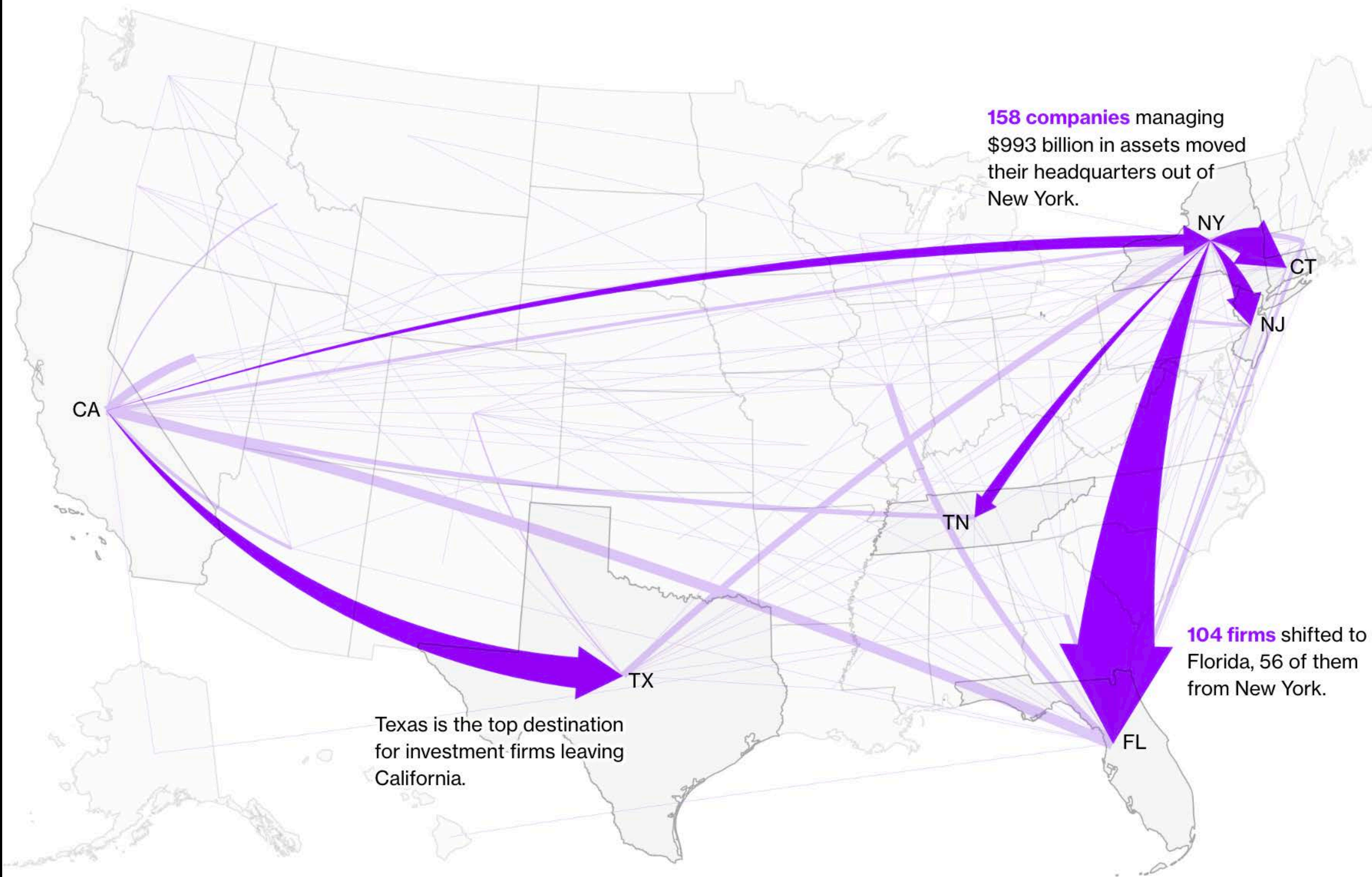
Miami Dade SFH : Breakdown of Transaction Volume

	# sales Q3 2023	Year-Over-Year		Versus 2019	
< \$500K	771	-33%	1,156	-73%	2,805
\$500K - \$999K	1,498	10%	1,359	120%	682
\$1M - \$2.49M	436	10%	398	97%	221
\$2.5M - \$4.9M	101	-14%	117	98%	51
\$5M - \$9.99M	34	6%	32	325%	8
\$10M+	22	57%	14	83%	12

3. #LongMiami & South Florida

Investment Firms Are Moving to the Sun Belt

Headquarters relocations from Q1 2020 through Q1 2023



AUM MIGRATION

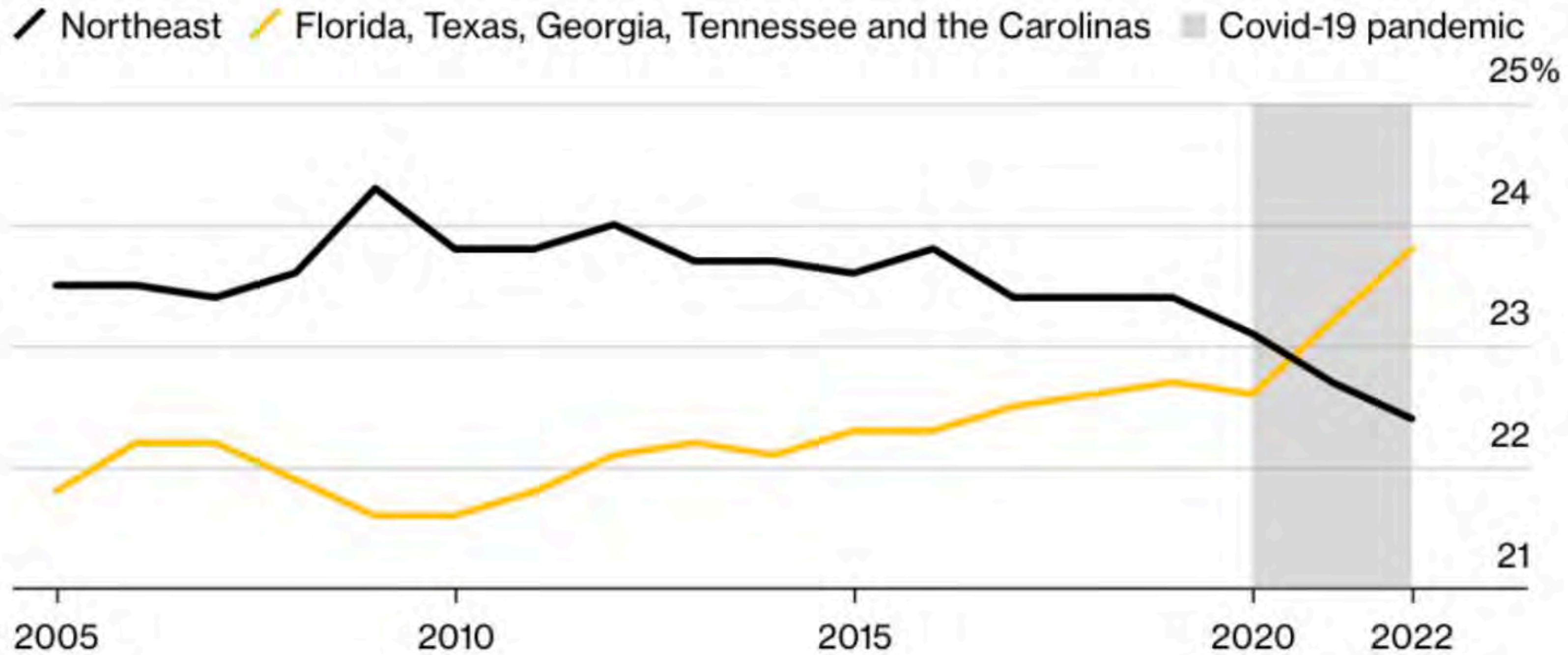
- * From Q1 2020 through Q1 2023
- * Both CA and NY lost close to \$1 Trillion in assets, according to corporate filings.
- * And how remarkable is this:
"Connecticut, the hedge fund hub that's long appealed to firms wanting to stay close to New York without being in the city, has now fallen behind Florida in assets under management."
- * The ramifications are staggering, both the negative and the positive.

*

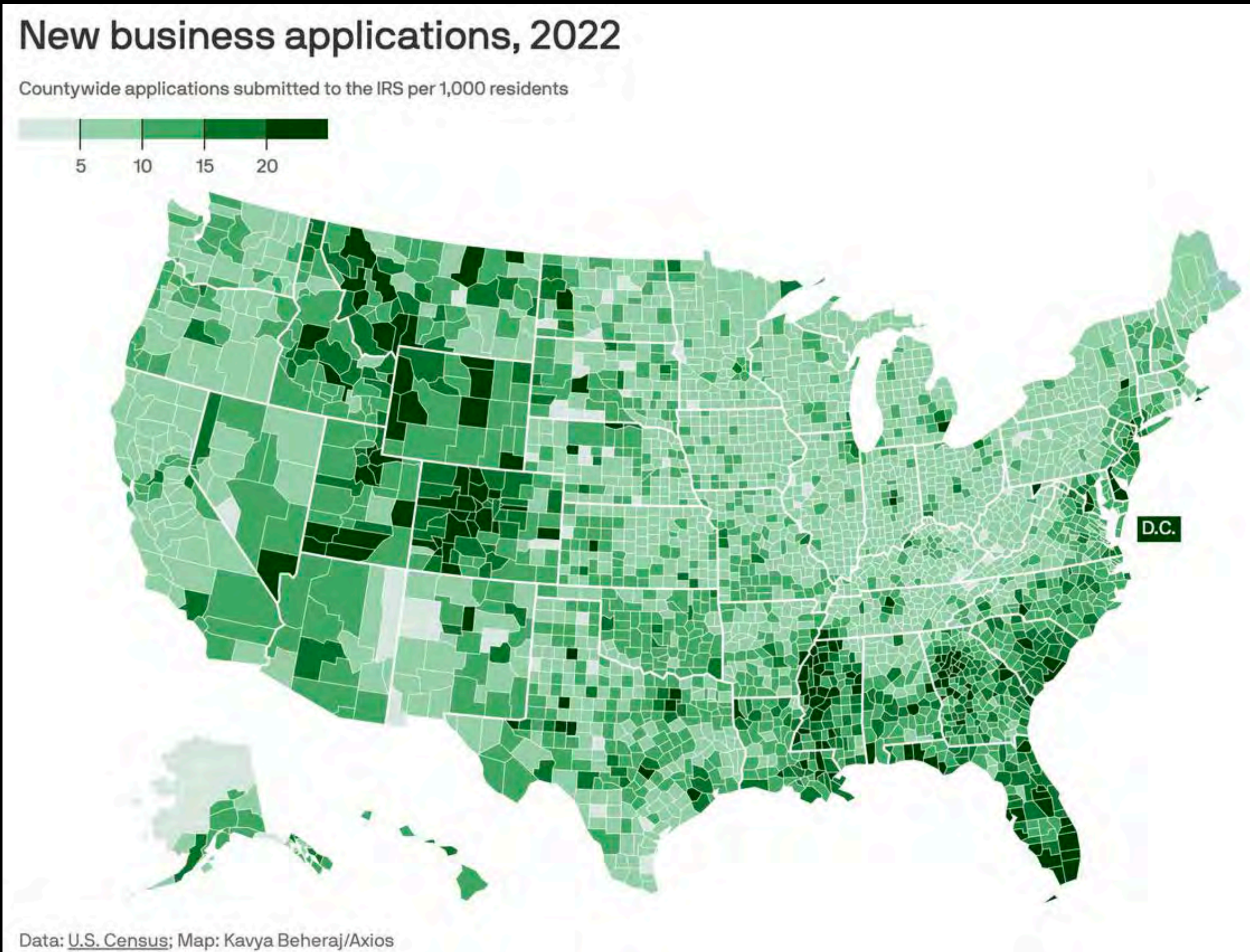
Shift in Economic Center of Gravity & How This Benefits Florida

US South Economic Power on the Rise

Six fast-growing Southern states saw their aggregated share of national GDP soar above New York and the rest of the Northeast during the pandemic



Miami & South East Leading Nation in New Business Applications



* Miami leads the nation in new business applications per 1,000 residents

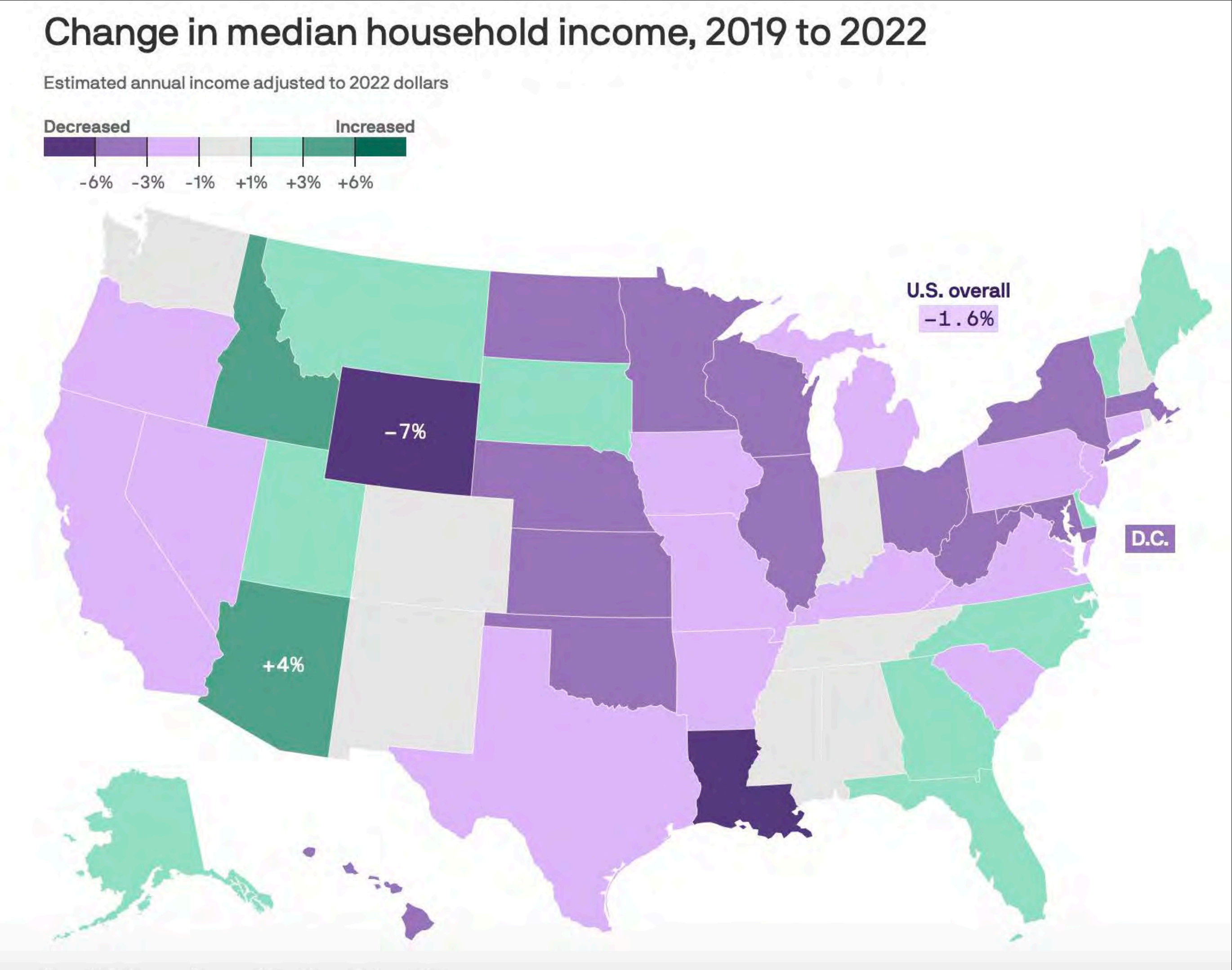
* In 2022, Miami had 40.9 new business applications per 1,000 residents

* Second place in 2022 went to Atlanta, with 31.3 applications per 1,000 residents, and third place went to Orlando with 28.7

* Nationwide, 5 Million new business applications were filed in 2022, coming out to 15.1 per every resident

Data compiled by [Axios.com](#), using Census and IRS data

South Floridians Got Richer Between 2019 and 2022



Miami is growing faster than any other startup hubs in a new ranking release by Stripe.

“Miami’s growth has indeed been quite striking in our data: detected breakout companies are up by 89% in 2021/2022 as compared to 2016/2017”

Miami also now ranks higher than Austin as one of Stripe’s top startup hubs in the US.

In the US, only the Bay Area, New York, and Los Angeles now rank higher than Miami as a startup hub.

The only startup hub worldwide that grew faster than Miami over the past five years was Tokyo, according to the ranking.

HIGH NET WORTH YOUNG PEOPLE

Where the Young and Rich Are Moving

States are ranked based on the net inflow of tax returns for people aged 26 to 35 making \$200,000 or more in adjusted gross income.

Rank	State	Inflow	Outflow	Net Migration
1	Florida	3,391	1,216	2,175
2	Texas	4,048	2,139	1,909
3	New Jersey	3,311	2,263	1,048
4	Colorado	1,681	927	754
5	North Carolina	1,476	755	721
6	Connecticut	1,404	744	660
7	Washington	2,660	2,196	464
8	Tennessee	868	427	441
9	Arizona	832	511	321
10	South Carolina	601	283	318
11	Georgia	1,087	815	272
12	Utah	495	277	218

* Florida and Texas gain the most young high earners, while New York and California lose the most.

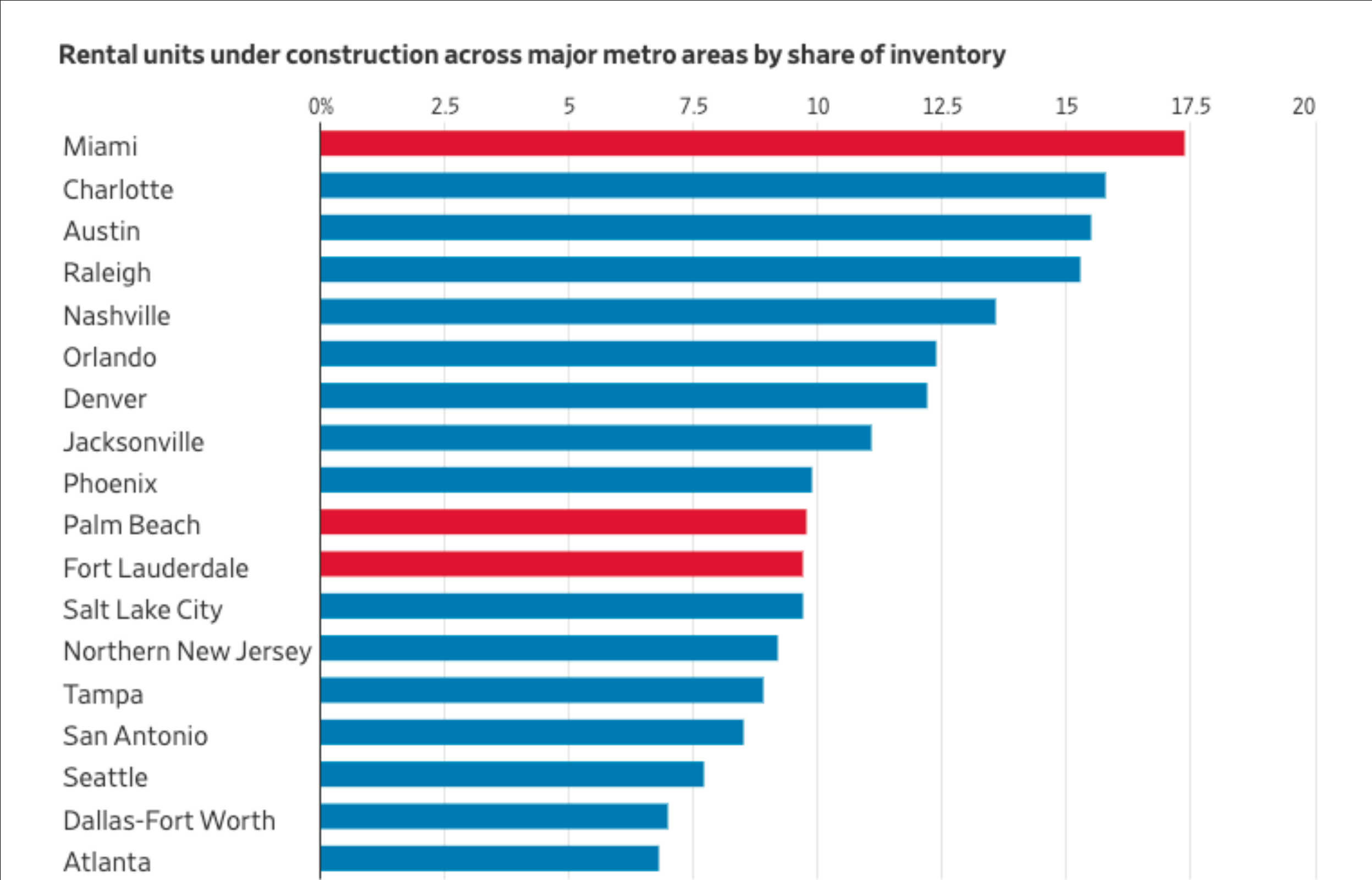
* Florida gained a total of 2,175 high earners aged 26 to 35 after accounting for both inflows and outflows, while Texas gained a net 1,909.

* Despite the losses, New York (-5,062) and California (-4,495) still have the highest count of young high earners of any state by a wide margin.

source: IRS Data for 2021

NEW PRODUCT CONSTRUCTION

Miami has new units under construction that represent the equivalent of 17.5% of the TOTAL inventory



Source: CoStar



* 2023 data is an estimate and subject to change

Chart: RentCafe • Source: Yardi Matrix • [Get the data](#) • Created with [Datawrapper](#)

NEW PRODUCT CONSTRUCTION

Construction Activity Remains Elevated Across South Florida



Note: Includes markets with 75,000+ units inventory. Labels show Under Construction in Thousand Units.
 Source: CoStar, July 2023

Florida Overtakes New York as Second-Biggest US Housing Market

Top 10 Most Valuable States

Florida now boasts the second-most-valuable real estate in the nation

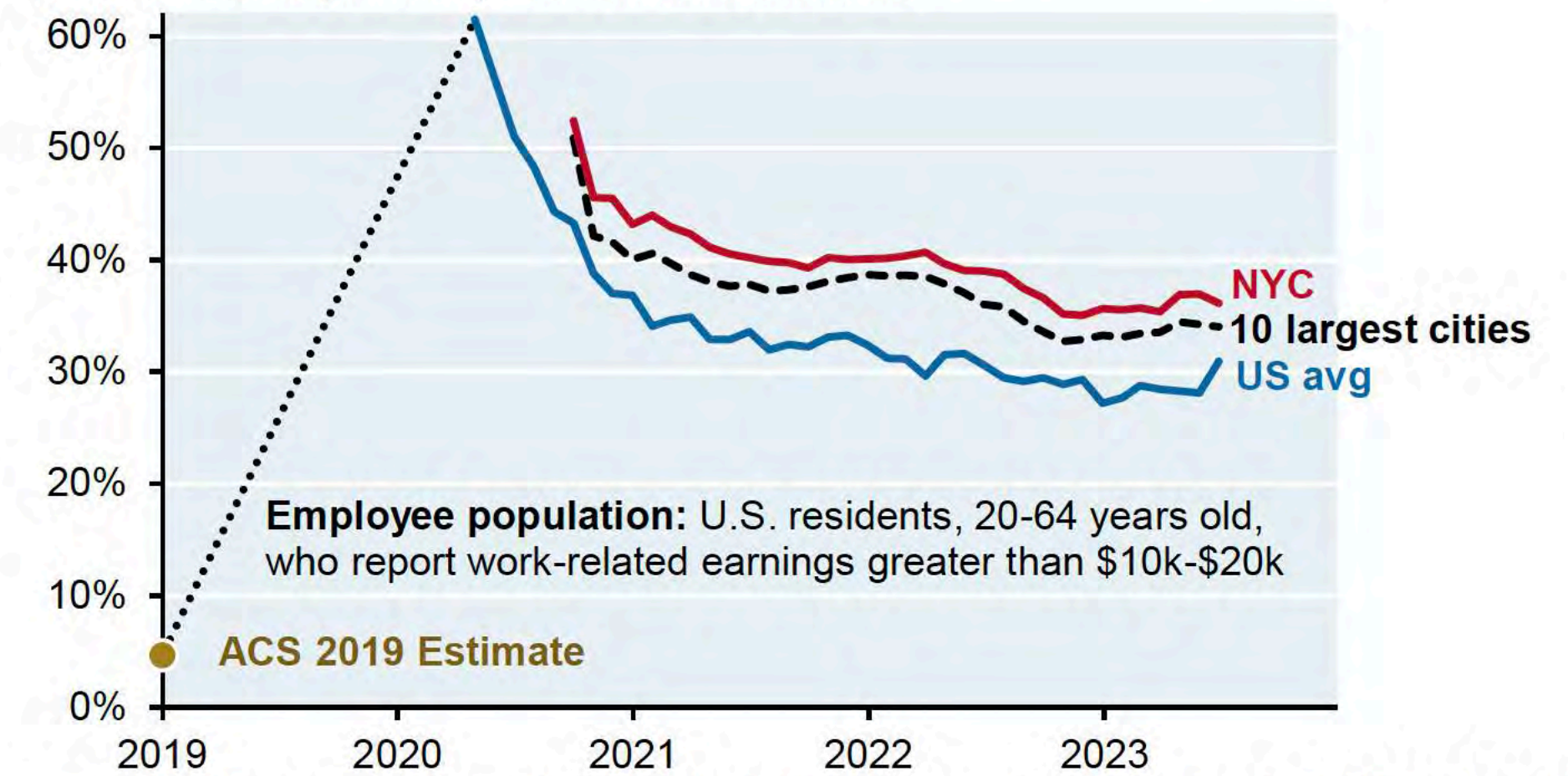
State	Housing Value	Change Since June 2022
California	\$10,175B	-3.3%
Florida	3,846	4.3
New York	3,690	-0.2
Texas	3,390	1.5
New Jersey	1,848	13.1
Massachusetts	1,734	4.1
Washington	1,706	-3.9
Pennsylvania	1,567	6.0
North Carolina	1,417	3.9
Virginia	1,383	6.0

Source: Zillow

Bloombera

Pandemic permanently increased remote work nationally

Percent of full paid days worked from home



Source: "Why working from home will stick", Barrero, Bloom and Davis, NBER. July 2023.

**Think of Covid as a
grand accelerator of trends:
There is a shift in focus away from pre-internet,
20th century epicenters**

We have been living in a post WWII, post Bretton Woods
World, 20th century world.

The pandemic is accelerated us into the future that is built
around the internet.

**Momentum Cycles Are Very Real &
Politicians Are Not Incentivized To Care**

**Our feeder jurisdictions are in the
Early stages of negative momentum cycles.**

**We are in the early stages of a
tremendous positive momentum cycles.**

CONCLUSION & FUTURE PREDICTION: FOLLOW THE MONEY TO MIAMI

We are in the early stages of a major shift.

Positive momentum is building in South Florida, while negative momentum is building in our feeder jurisdictions.

The wealth & talent migration has just begun as work / life continues to reshape around the internet & post Covid realities.

It behooves one to align with the wealth & talent that will continue to flow to Miami.

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