



## Housing inventory swings from a market glut to scarcity

By MARILYN BOWDEN

Miami-Dade's housing inventory, swelled by the convergence of the last construction boom with the economic downturn, has shrunk to scarcity in just four years.

"The standing inventory developed during the past boom is substantially gone," said Philip Spiegelman, founder and chair of International Sales Group. "There's no particular product type or particular market with any kind of oversupply at all. There are under 1,000 units left in the downtown core, and even less so in Miami Beach.

"The resale market is so tight that realtors are having trouble getting any listings, and those they do get don't sit on the market very long. Balance is returning to the marketplace."

Countywide, the supply of single-family homes has dropped 74%, from a high of 17,000 in July 2008 to 4,417 today – or from a four-year supply to four months, said Ron Shuffield, president of EWM Realtors. Six to nine months of inventory is considered ideal. EWM's findings are based on the multiple listings service, or MLS, which lists resales of existing properties.

The condo inventory is vanishing equally quickly, Mr. Shuffield said. "In May 2008 we had 24,900 units for sale," he said. "Now, we have 6,851 – a 72% drop in the past 4 years." Four years ago, there was a 62-month supply of condos; now, it's down to five months.

Mike Pappas, CEO & president of The Keyes Co., said a lot of that oversupply has been

absorbed over the past two years.

"In two years," he said, "there's been a 55% drop in condo inventory in Miami-Dade. The flip side of that is the rise in the median asking price – from \$159,000 two years ago to \$250,000 today, or an increase of 57%."

Over the same period, he said, the median asking price for single-family homes went from \$205,000 to \$249,000.

"We haven't seen as much price increase in single-family homes as in condos," Mr. Pappas said, "because there's more distressed inventory. The condo market had a higher distressed factor, but it's being cleansed at a higher rate."

Prices "bumped along the bottom" from the spring of 2009 until March 2011, when they hit their lowest point, Mr. Shuffield said.

After a peak of \$400,000 in May 2007, he said, the median price for a single-family home

sank to \$153,000 in March 2011. It's now \$192,000.

For condos, the peak median price of \$275,000 was reached in January 2008; by March 2011, it had slipped to \$95,000. It's now \$155,000.

Distressed properties also represent a disproportionate percentage of sales. Mr. Shuffield said. Twenty-seven percent of all single-family home inventory is distressed, he said. These properties account for 48% of sales.

One the condo side, he said, 15% of the inventory is distressed, but 45% of sales are of distressed properties.

"Most distressed sales are in the lower price ranges and less desirable markets," Mr. Shuffield said. "Areas that were good before the economic storm are still the better areas. For example, in Brickell, only 6% of listings and 27% of sales are distressed, and that inventory is rapidly evaporating."

Values in Brickell have increased 10% since Swire's massive CitiCentre project was announced, he said.

The lower end of the market remains the busiest. Homes in the under-\$100,000 range account for 11% of inventory and 19% of sales, Mr. Shuffield said; those under \$300,000 represent 46% of inventory and 71% of sales.

There are now 829 condos for sale for less than \$100,000, he said, which is 12% of inventory, and 34% of sales; condos in the under-\$300,000 category make up 45% of inventory and 76% of sales.

"What's hot are the lowest and highest price ranges," Mr. Pappas said. "Because it had fewer distressed properties, the \$1million-plus category had held prices better than others."

Sales of single-family homes valued at over \$1 million reached a low of an average 31 a month in 2009, Mr. Shuffield said, and since then

have been increasing – an average 36 a month in 2010, 45 a month in '11 and 50 a month so far in '12.

Condos in the same stratosphere also bottomed out at 31 a month in 2009, but climbed to 39 a month in 2010, 50 a month in '11 and 67 a month this year.

Mr. Shuffield pointed out that if rentals are factored in, market activity is even stronger.

"Sales for the past three months averaged 2,400 a month," he said, "but rentals averaged 2,788 a month. So that's 5,188 transactions, 46% of them sales and 54% rentals – and rental supply is down to two months."

Mr. Pappas said he expects banks to put more distressed properties on the market in 2013, "but they will have no significant impact on the market because inventory is so low. Real estate is much stronger than the perception in the market."

### Housing Market's Turnabout

Inventory			'9/12 vs. 9/11	'9/12 vs. 9/11	Peak Inventory	'9/12 vs. 5/08	'9/12 vs. 5/08
	Sept. 2012	Sept. 2011	Variance	Percent change	'May 2008	Variance	Percent change
Condos	6,851	9,129	-2,278	-25%	24,900	-18,049	-72%
Single-family homes	4,417	5,813	-1,396	-24%	17,000	-12,583	-74%

  

Median Price			'9/12 vs. 9/11	'9/12 vs. 9/11
	Sept. 2012	Sept. 2011	Variance	Percent change
Condos	\$ 155,000	\$ 115,000	\$ 40,000	+35%
Single-family homes	\$ 192,000	\$ 175,000	\$ 17,000	+10%

Source: EWM Realtors

## 182 condos lingering on market get international makeovers

By LOU ORTIZ

With units just across the busy Biscayne Boulevard from Biscayne Bay, the Vizcayne is casting a new lure to hook high-end international and local clients – interior designs tailored to make prospective buyers feel at home.

On Nov. 15, Vizcayne will display its International Designer Showcase to real estate brokers and the public, featuring two-bedroom model condominium units decorated by interior designers from the US, Brazil, Venezuela, Colombia and Spain.

Officials said the designers represent the nationalities of those buying units at the 49-story twin towers at 244 Biscayne Blvd and 253 NE Second St. in downtown Miami.

"Individual cultures come with individual tastes," said Philip Spiegelman, principal of the International Sales Group LLC, which is handling the sales of the remaining condominium

units at the once-troubled development. "We want to appeal across all tastes and cultures."

The showcase is a way of keeping "my prospects in the building as long as possible and closing more sales," he said. "Flight [international] capital loves Miami condos, hard assets that they can put their money in."

The 849-unit Vizcayne was completed in 2008 on the site of the former Everglades Hotel, which was demolished in 2003. The development also consists of 58,000 square feet of retail space.

The project was developed as Everglades on the Bay by Cabi Downtown LLC, owned by Mexican investors. The owners filed for Chapter 11 bankruptcy protection for the project in August 2009. Rockwell Capital and

two partner firms purchased the unsold 670 units out of bankruptcy in October 2010 and in February 2011 rebranded the project as Vizcayne.

Mr. Spiegelman said 182 condos remain: 100 two-bedroom, two-bath units and 82 one-bedroom units and lofts. Prices range from more than \$300,000 for the smaller units and from \$500,000 to more than \$700,000 for the two-bedrooms.

With the new marketing effort, Mr. Spiegelman said his firm hopes to sell the remaining units by the third quarter of 2013.

One designer who hopes to make that possible is Carlos Polo, who grew up in Colombia and found his way to Miami after also studying design in Mexico and Italy.

"Every designer has his roots in his style, which makes it different from other people," said Mr. Polo, who has been a designer 28 years. "It's a specific style. I am Colombian, so some

of my design comes from my roots in Colombia."

Mr. Polo said he designed the model in a mixed minimalist and contemporary style, highlighting architectural details with lighting, along with black and silver accents against backdrops of whites and grays in the condo.

"I was trying for something simple," he said. "The focal point of the apartment is the spectacular view."

Other designers involved in the showcase are:

■ Miami-based interior design firm Forato Design Group and Saccaro Furniture Store. Carlos Forato is originally from Brazil and Saccaro is a furniture manufacturer in Brazil.

■ Maria Jose De Caires-Murphy with Azul y Co., who has Venezuelan roots.

■ Javier Martin, founder and principal designer of Baltus in Spain.

■ Interiors by Steven G. represents North America.



Philip Spiegelman