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Downtown Miami condo sales, prices up

The downtown Miami condo market continues to rebound, amid strong sales and higher prices, according to a study done for DDA.



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Downtown Miami sparkles Thursday, October 20, 2011, viewed from the 34th floor sales center of Vizcayne, an 849-unit condominium.

MARSHA HALPER / MIAMI HERALD STAFF

The average price of a downtown Miami condo unit rose 9.1 percent to \$404,927 in the second quarter from \$371,205 a year earlier, according to a new report.

The study by Focus Real Estate Advisors and Goodkin Consulting for the Miami Downtown Development Authority was brimming with bullish data on the rebounding downtown housing market, where the volume of sales jumped 24 percent in the first half of this year to 2,072 units from 1,671 during the first half of 2011.

The report said the sales data reflect strong demand for the limited remaining inventory of new units in major buildings, citing several projects: Mint, Infinity on Brickell, Axis, Vizcayne and Paramount Bay.

As inventory becomes increasingly scarce, we're seeing the traditional case of grab it before it's gone, said Craig A. Werley, president of Coral Gables-based Focus.

The average price per square foot for new and resold condo units in the downtown area rose about 7 percent to \$338 in the second quarter from \$315 a year earlier.

The study defines greater downtown Miami as Brickell, the central business and arts and entertainment districts, Overtown and Wynwood/Edgewater.

Rental rates on downtown condos also keep marching higher: For contracts inked in the second quarter, the average monthly rent was \$2,130, up 4.4 percent from the year-ago quarter, according to the study. High occupancy rates at condos and rental apartments are continuing to hold discounts at historic lows, it added.

After the bubble burst a few years ago, prognosticators said the huge inventory of new condo units flooding the market would spell an abundance of supply for a decade. But most of that inventory has been snapped up by cash-rich investors, primarily foreigners, who have turned many of the units into rentals.

Downtown Miami has been morphing from an after-dark ghost town to a lively scene with restaurants and bars bustling with residents and visitors.

According to the DDA report, the number of new condos that remain unsold fell to below 2,900 units by June 30, down more than 30 percent from a year ago. At the second-quarter pace of 155 new units absorbed each month, the remaining inventory will be gone in about 18 months, the study said.

The report cited an active pipeline of nine new residential projects with about 4,100 units in the greater downtown area in some stage of planning, proposal or construction, plus various others under consideration.

There is definitely the sense and perception that the value potential is going to be up long term for Miami and downtown in particular, Werley said

Read more here: <http://www.miamiherald.com/2012/08/02/2928193/downtown-miami-condo-sales-prices.html#storylink=cpy>