

The
Miami
Herald

2019

Herald Real Estate Survey



FIRM BACKGROUND



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WORLD BANK GROUP





PROJECT DESCRIPTION

A survey of the Miami-Dade County Real Estate market from the perspective of the top industry experts and professionals.



PROJECT OVERVIEW

- Miami-Dade's real estate market has historically been a significant driver of the local economy whose impact cannot be understated. This project was conceived as a deep dive into the 'State of Real Estate' from the perspective of real estate professionals throughout Miami-Dade County.
- Our approach was to capture the perspective of 100 of the Top Brokers/Agents and industry experts in Miami-Dade County to gain their insights into the county-wide market. The interviews were anonymous, providing a forum through which industry professionals could speak freely and candidly about what they were seeing both positive and negative.
- The Miami Herald is the traditional community conversation starter and as such we believed was the natural partner for this type of project. The results of the survey research will be the focus of a feature story in the Business Monday section of the Miami Herald.
- First begun in 2015, this is the fifth annual iteration of the Miami-Dade residential real estate study.



METHODOLOGY

SAMPLE	100 in-depth, executive interviews with 'industry leaders' in the Miami-Dade County Residential Real Estate Market
DATES OF INTERVIEWS	April 1 st , 2019 – May 1 st , 2019
LANGUAGE OF INTERVIEWS	English and Spanish



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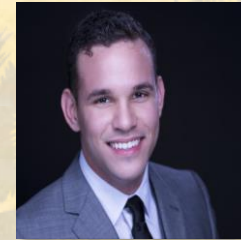
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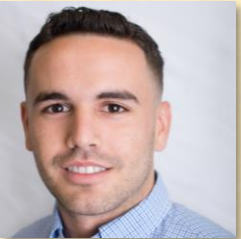
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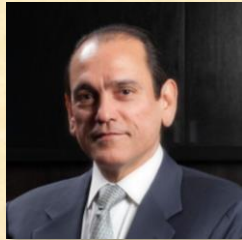
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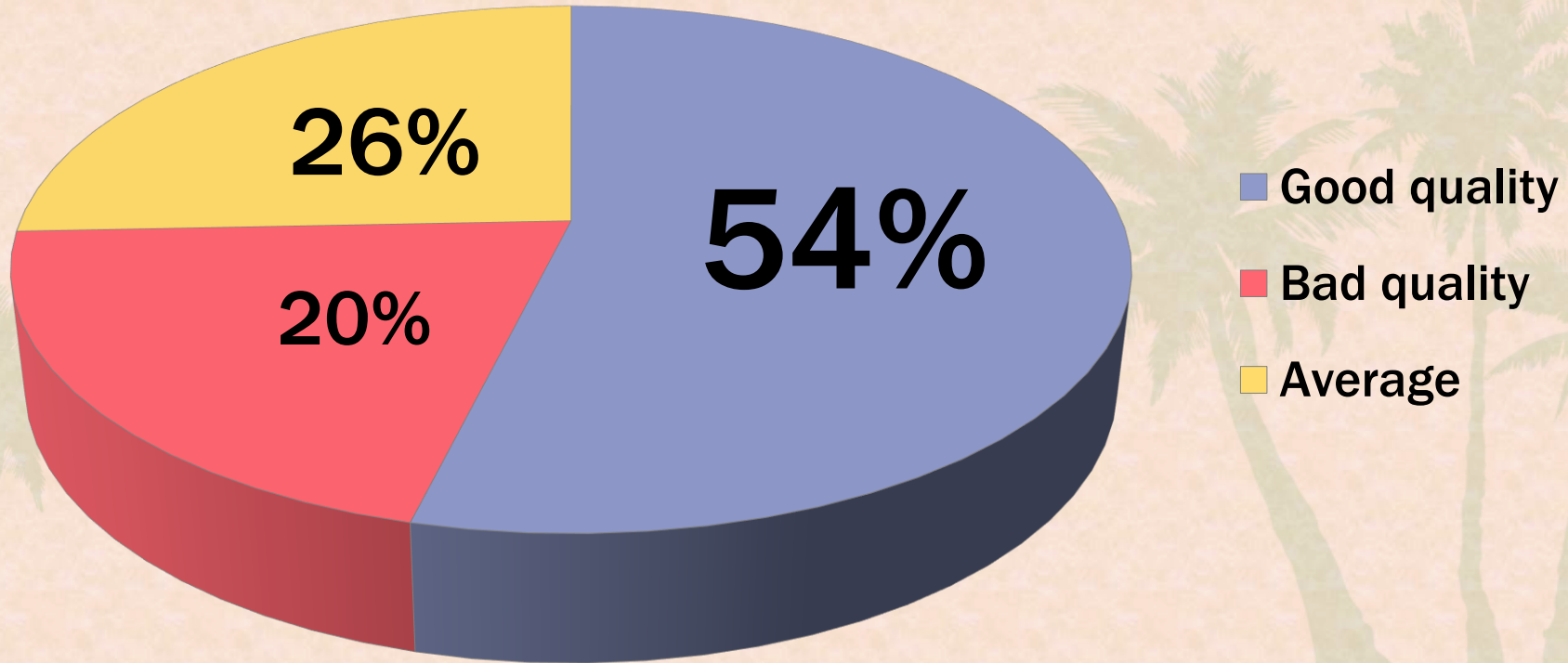


CURRENT STATE OF THE REAL ESTATE MARKET

Under \$1 million



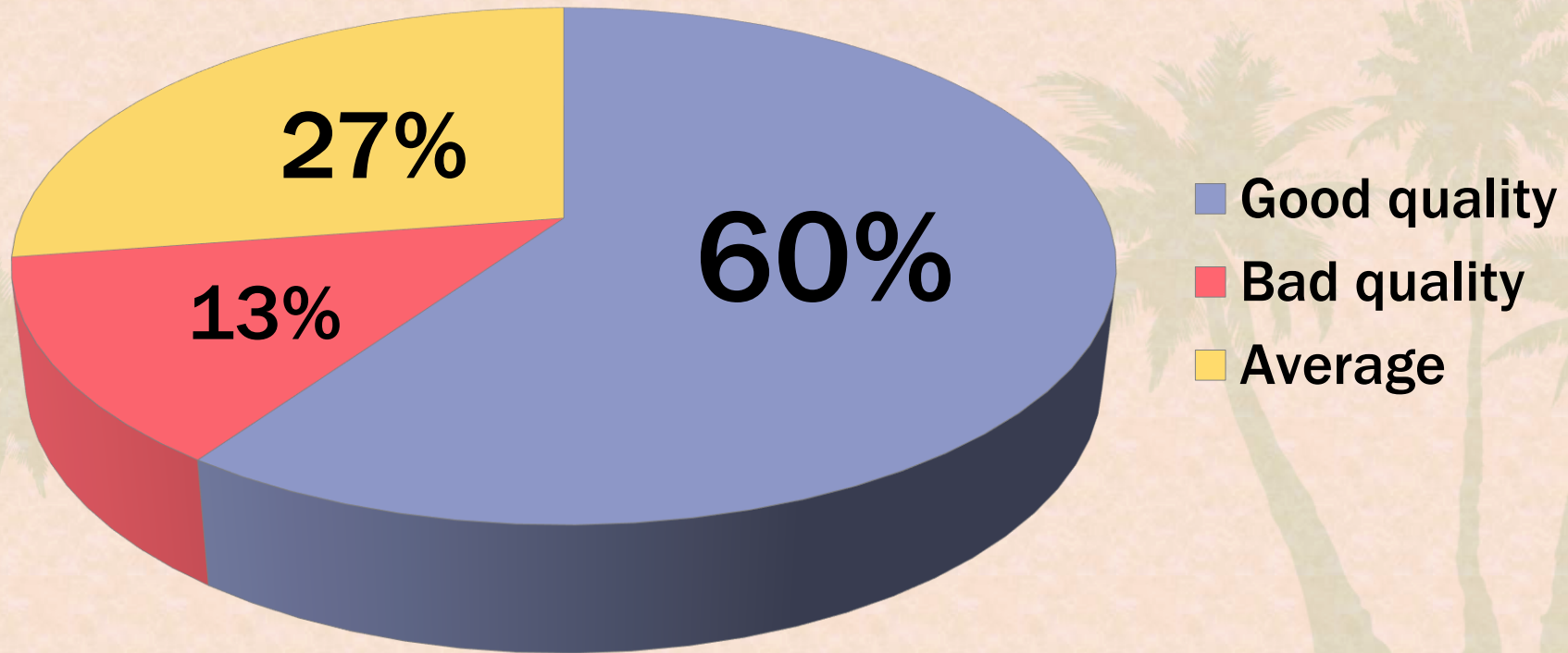
Thinking about your area of specialization, what is your opinion of the current market inventory in terms of quality?



Over \$1 million



Thinking about your area of specialization, what is your opinion of the current market inventory in terms of quality?



Representative Quotes



Thinking about your area of specialization, what is your opinion of the current market inventory in terms of quality?

“Good quality, good opportunity for investments.” – Developer (North Dade)

“For \$1 million and over, first class properties are less than other cities. New York is 4-times Miami prices for similar quality.” – Broker (Brickell)

“Quality continues to improve to meet demand with luxury product” – Agent (All of Miami)

“A lot investors have flipped houses, not good practical bones of structure.” – Agent (North Dade)

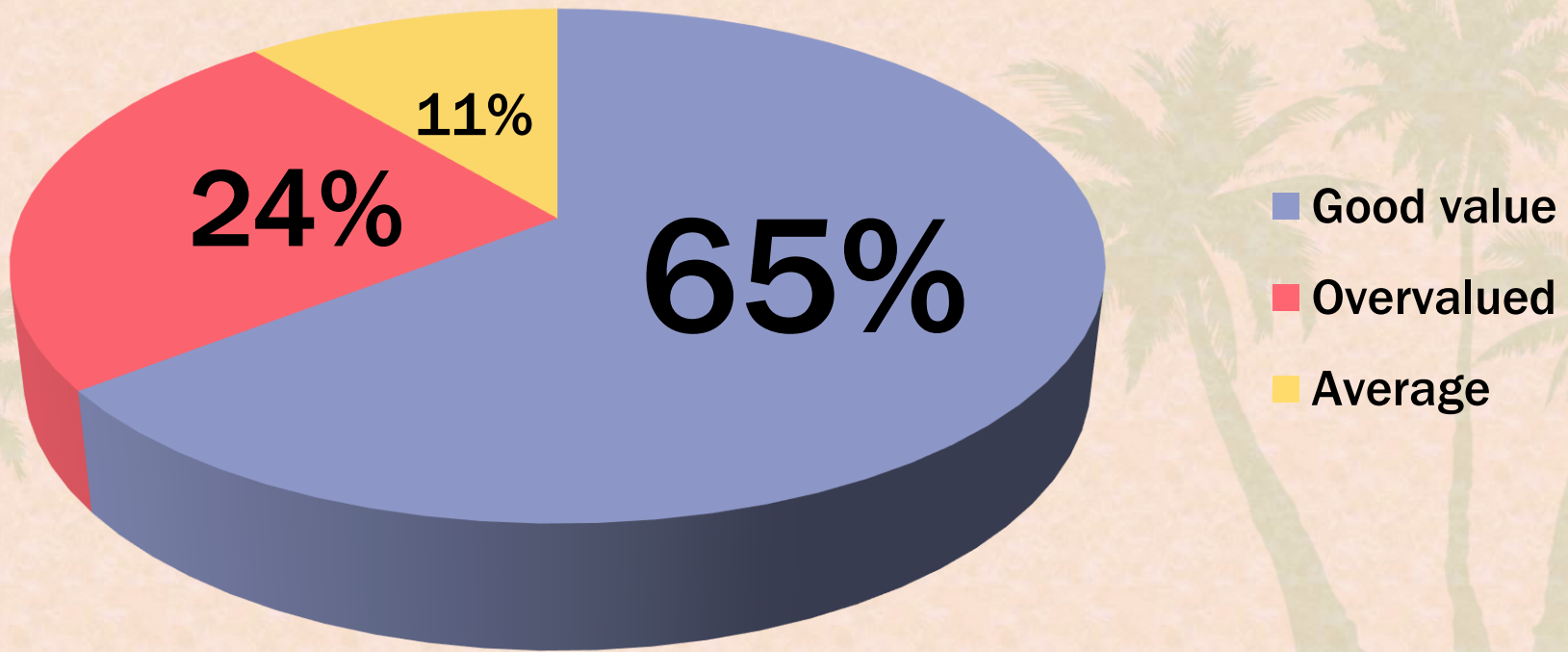
“Generally high quality for the price.” - Broker (South Miami)

“Over saturated in Sunny Isles Beach, however prices have been going down, now is the best time to buy.” - Industry Expert (Miami Beach)

Under \$1 million



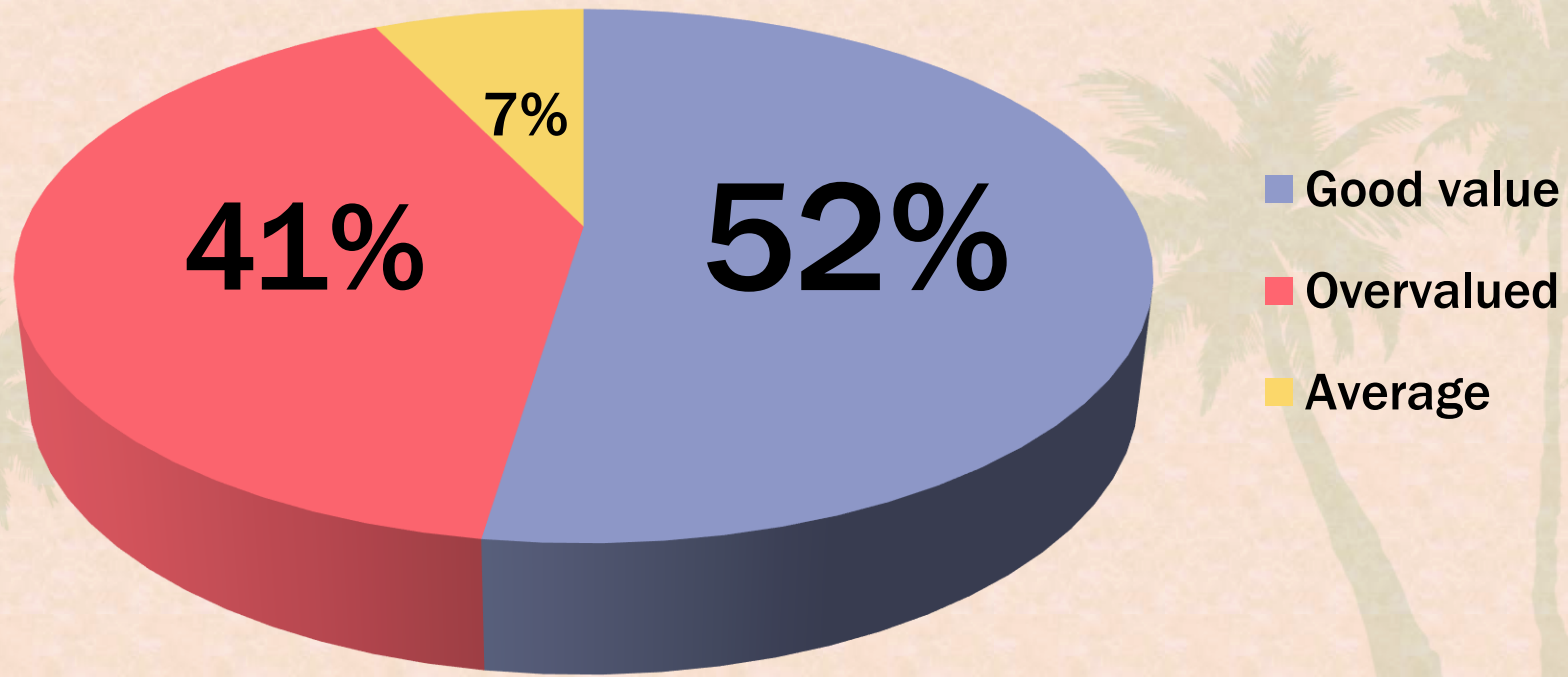
Thinking about your area of specialization, what is your opinion of the current market inventory in terms of value?



Over \$1 million



Thinking about your area of specialization, what is your opinion of the current market inventory in terms of value?



Representative Quotes



Thinking about your area of specialization, what is your opinion of the current market inventory in terms of value?

"Good value compared to other major cities." – Broker (Coral Gables)

"Values are a bit higher than what they're actually worth." – Agent (Miami Lakes)

"For properties under \$1 million its difficult, median incomes are insufficient. For properties \$1 million and over, Miami delivers the best value." – Agent (All of Miami)

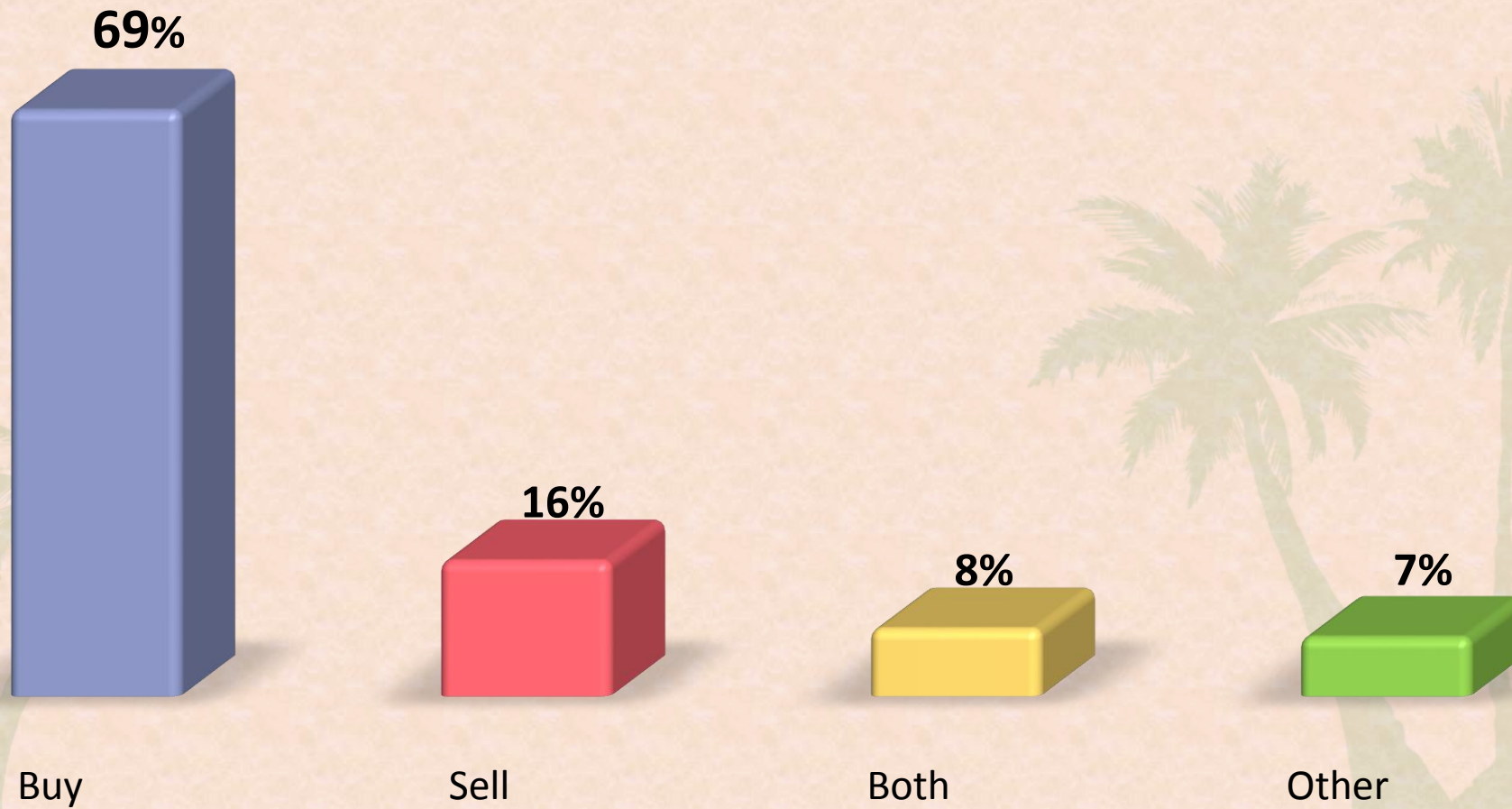
"Correction of prices in the near future will see more decrease before stabilization." – Agent (Coral Gables)

"It's a case by case basis, for under \$1 million with no underpriced steals; it's either reasonably priced or overpriced." - Broker (Bal Harbour)

*"Not much inventory in homes, there is an undersupply, and not enough buyers in condos, oversupply."
- Developer (Miami Beach)*

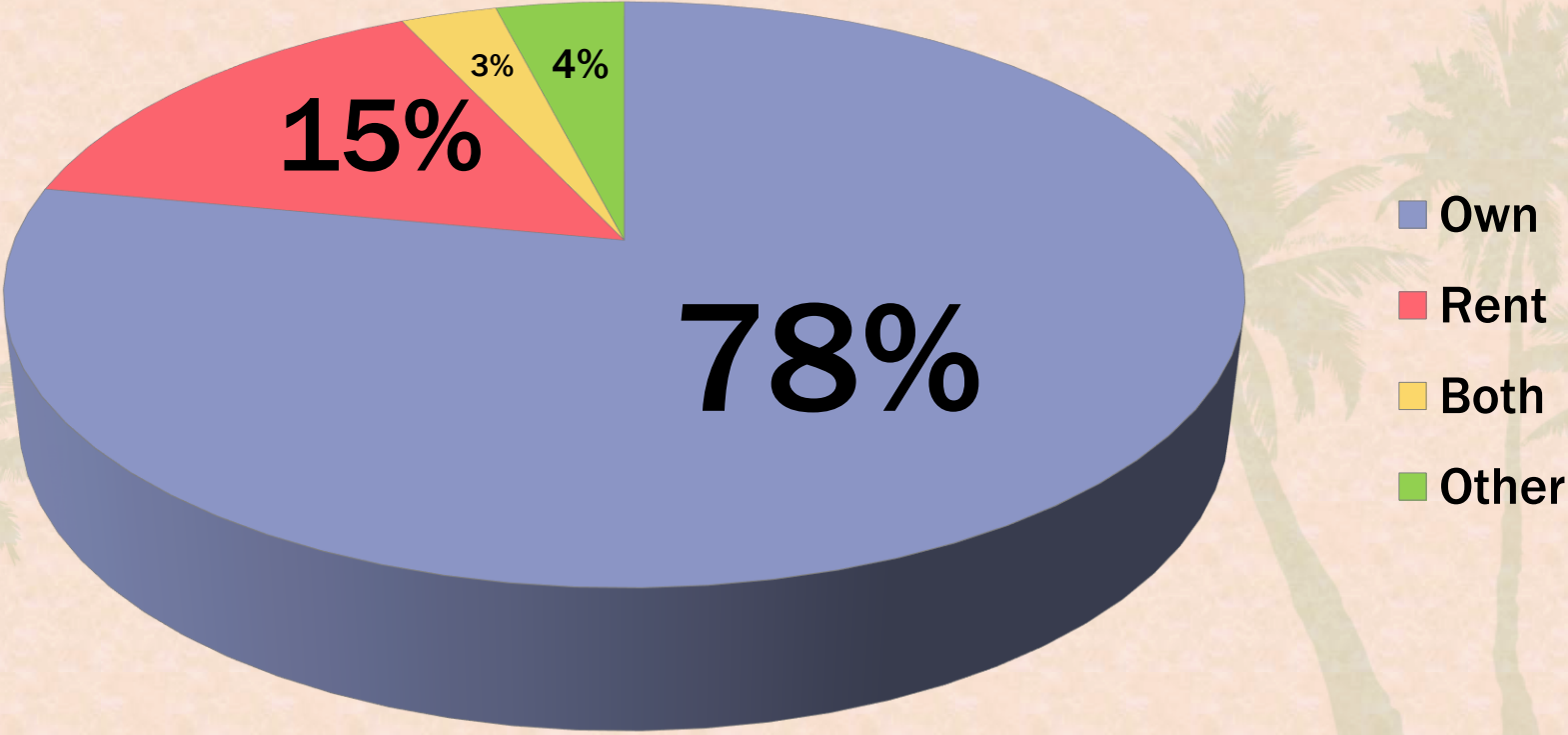


Is now the time to buy or sell?





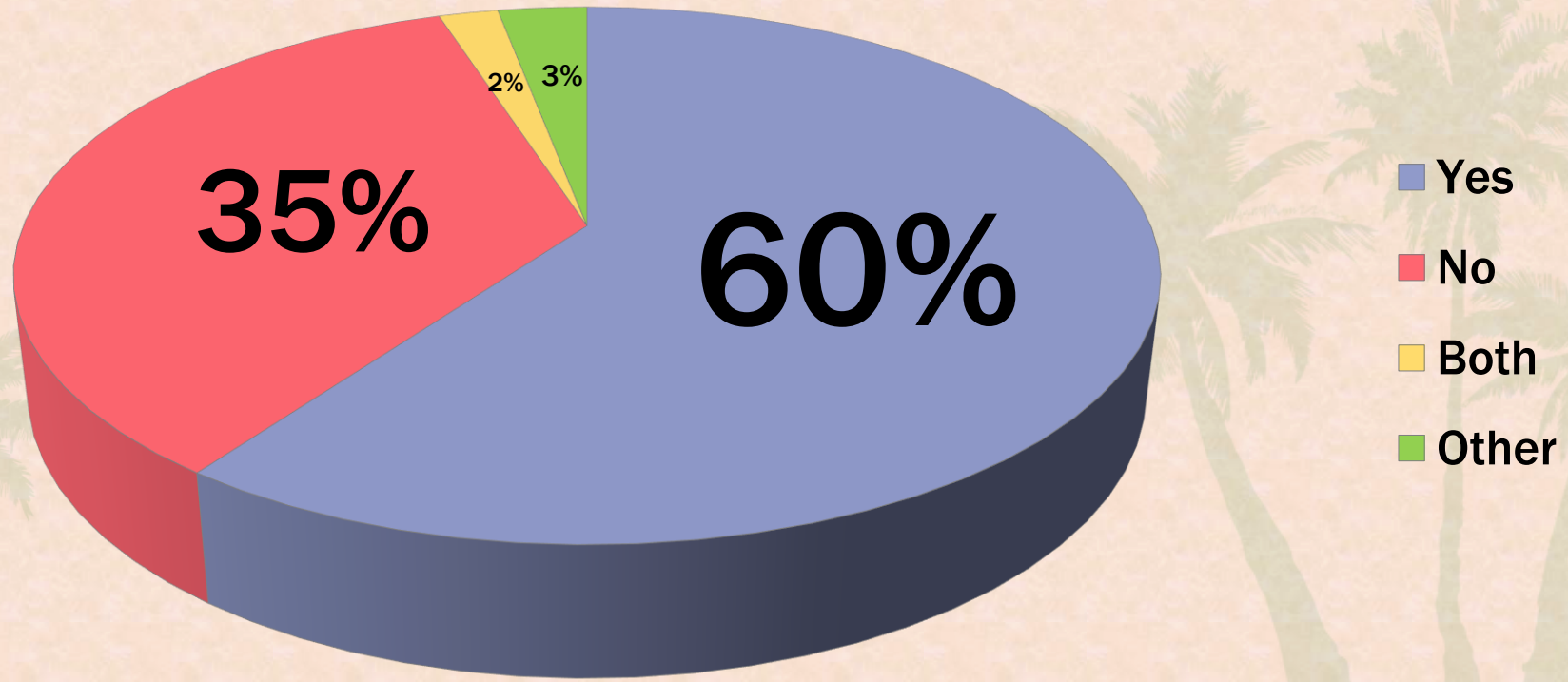
Is now the time to rent or own?



- Own
- Rent
- Both
- Other



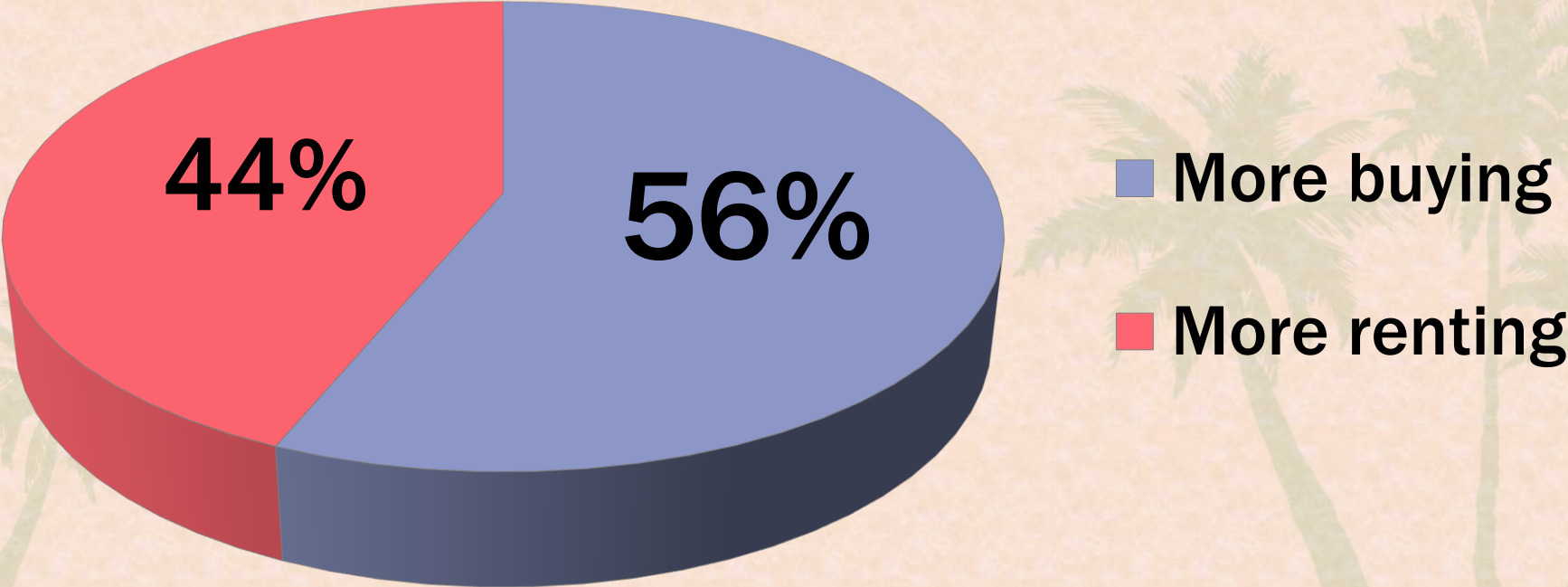
Are you seeing a shift in interest in buying vs. renting?





If so, in which direction?

Asked to only of those that said "yes" to a shift in interest

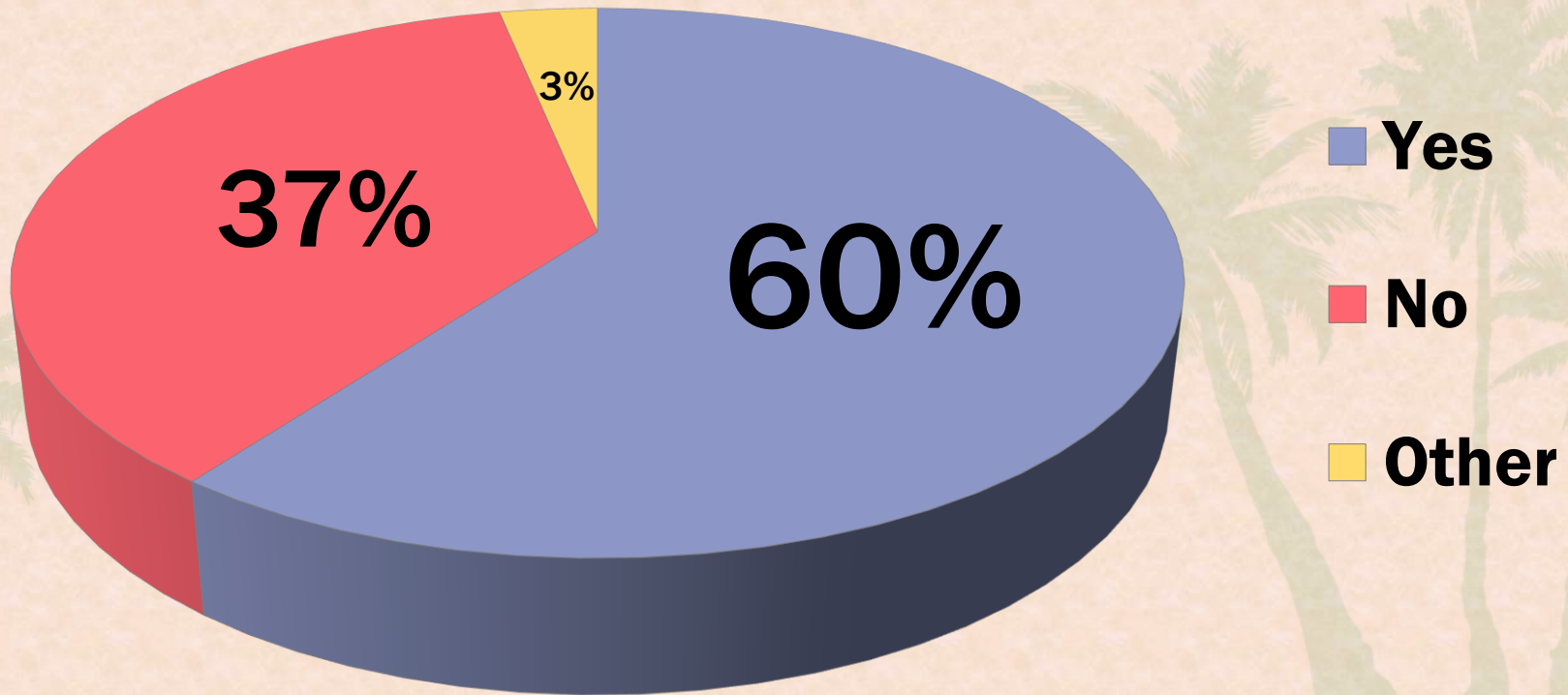


■ More buying

■ More renting



Recent rental developments have included amenities such as concierge services, workout facilities, business centers, and recreational facilities. Do you believe the inclusion of these amenities in rental facilities have resulted in more people preferring renting over buying?





What is the hottest area in Miami-Dade right now, for renters?



2019 Results:	1. Brickell	2. Downtown	3. Miami Beach/Edgewater
2018 Results:	1. Brickell	2. Downtown	3. Midtown



What is the hottest area in Miami-Dade right now, for buyers?



2019 Results:

1. Miami Beach

2. Kendall

3. Coral Gables

2018 Results:

1. Coral Gables

2. Miami Beach

3. Coconut Grove



What is the most overvalued neighborhood?



2019 Results:	1. Miami Beach	2. Brickell	3. Coral Gables
2018 Results:	1. Miami Beach	2. Brickell	3. Sunny Isles Beach



What is the most undervalued neighborhood?



2019 Results:	1. North Miami	2. Little Havana	3. Homestead
2018 Results:	1. Homestead	2. Miami Shores	3. North Miami



What is the best neighborhood for young professionals?



2019 Results:	1. Brickell	2. Downtown	3. Coral Gables
2018 Results:	1. Brickell	2. Downtown	3. Midtown



What is the best neighborhood for families with children?



2019 Results:	1. Coral Gables	2. Pinecrest	3. Miami Shores
2018 Results:	1. Coral Gables	2. Pinecrest	3. Doral



What is the best neighborhood for retirees?



2019 Results:	1. Miami Beach	2. Not in Dade	3. Coral Gables
2018 Results:	1. Miami Beach	2. Coral Gables	3. Aventura



If you were in the market for a single family home where would you buy right now?



2019 Results:

1. Coral Gables

2. Miami Beach

3. Miami Lakes

2018 Results:

1. Coral Gables

2. Coconut Grove

3. Miami Beach



If you were in the market to buy a condo, where would you buy right now?



2019 Results:	1. Brickell	2. Miami Beach	3. Edgewater
2018 Results:	1. Brickell	2. Miami Beach	3. Coral Gables

Representative Quotes



If you were in the market to buy a condo, where would you buy right now?

"Depends on age, Brickell." - Industry Expert (Miami Beach)

"Edgewater has the best values." - Real Estate Agent (All of Dade County)

"Depending on budget, Bal Harbour." - Real Estate Broker (Northern Miami Dade)

"Along coastline." - Real Estate Agent (Coconut Grove)

"Miami Beach has a lot of good condo opportunities." - Broker (Miami Beach)

"Buy in Brickell." - Developer (Bal Harbour)



If you were in the market to rent an apartment,
where would you rent right now?



2019 Results:
2018 Results:

1. Brickell
1. Brickell

2. Miami Beach
2. Miami Beach

3. Edgewater
3. Coral Gables



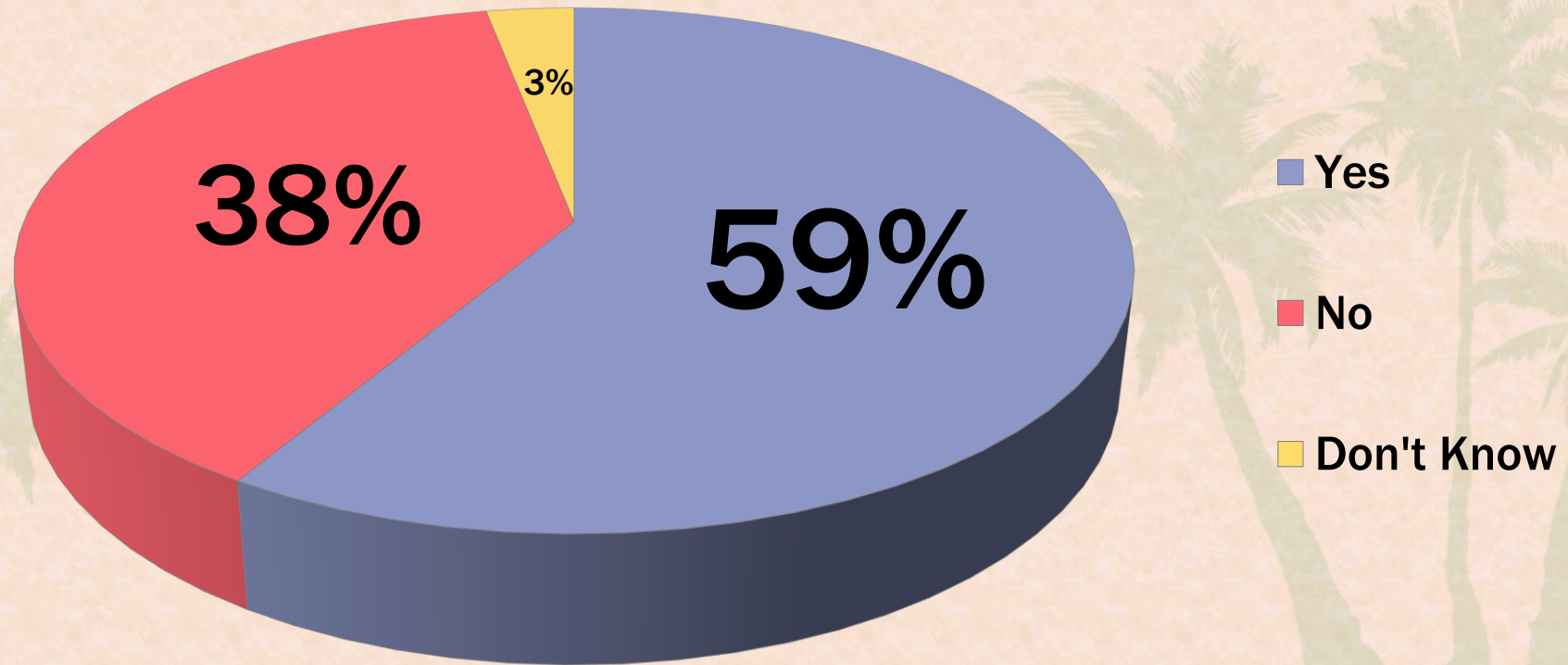
What areas would you avoid buying in altogether?



2019 Results:	1. Brickell	2. Miami Beach	3. Homestead
2018 Results:	1. Brickell	2. Miami Beach	3. Downtown

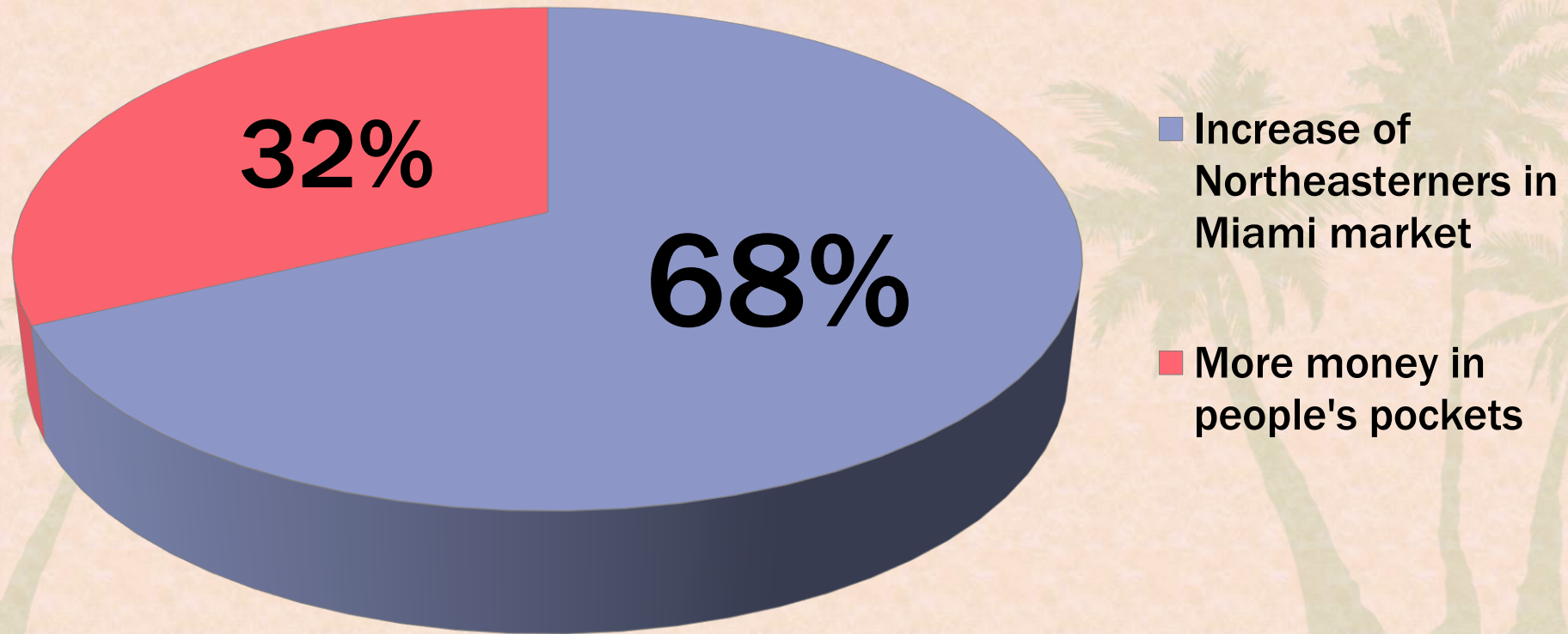


Do you think the Trump administration's tax reform is influencing the Miami-Dade residential market?





How is the Trump administration's tax reform influencing the Miami-Dade residential market?



Representative Quotes



Do you think the Trump administration's tax reform is influencing the Miami-Dade residential market?

*"Yes, there is an increase of buyers from high tax states such as New York, Chicago and New Jersey."
- Real Estate Agent (Miami Beach)*

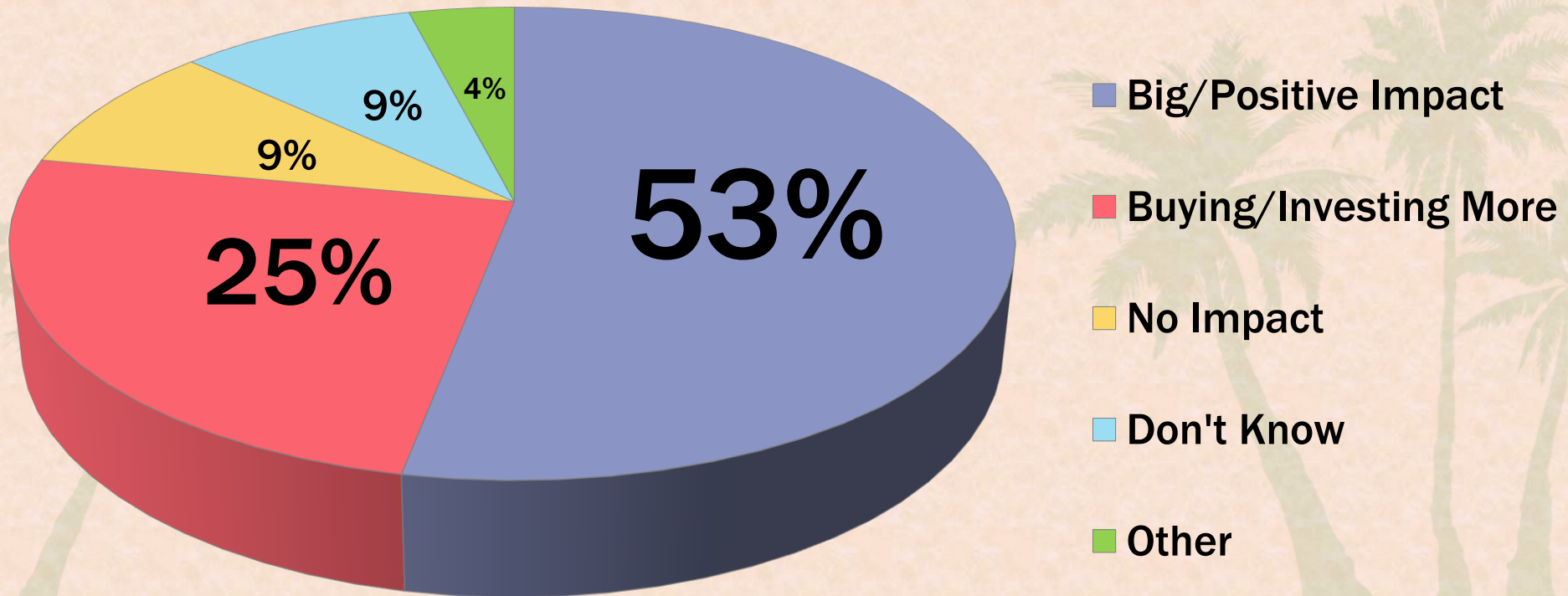
"Big developers moving into opportunity zones that have vacant land and their idea is not to create affordable housing but to create a profit, they don't keep in mind who they are building for. Overpriced and only benefits developers not the community." - Real Estate Agent (All of Miami-Dade)

"Yes, people are coming down to Miami-Dade from up north due to less regional taxes and the cap on property tax." - Government Official (Miami Beach)

*"The tax cuts have led to an influx of buyers from mostly Northeastern states and California."
- Broker (All of Miami-Dade)*



Historically the single largest source of domestic buyers of Miami real estate are from the state of New York. Knowing that, how would you describe the impact New Yorkers have on the local market?

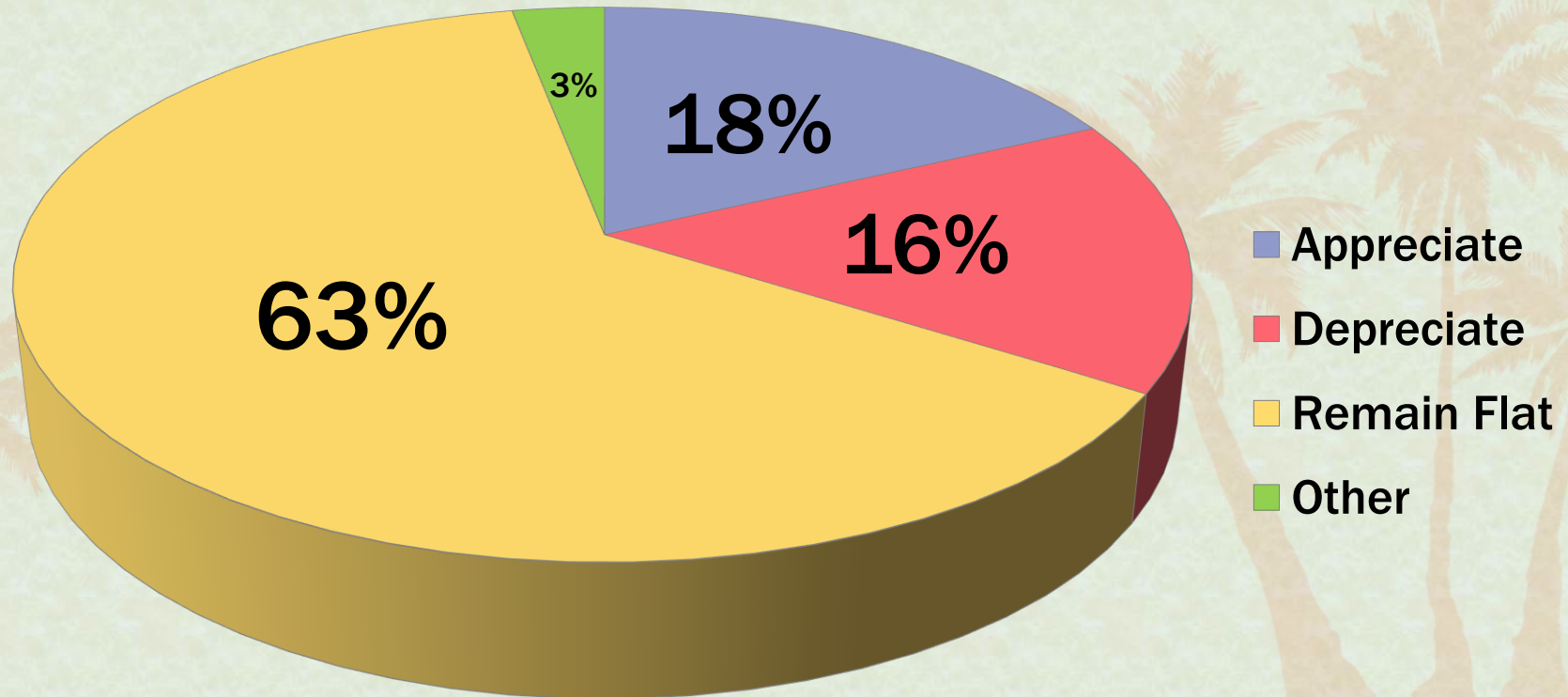




FUTURE OF THE REAL ESTATE MARKET



Generally speaking, over the next twelve months do you expect residential home values in Miami-Dade County to appreciate, depreciate or remain flat?

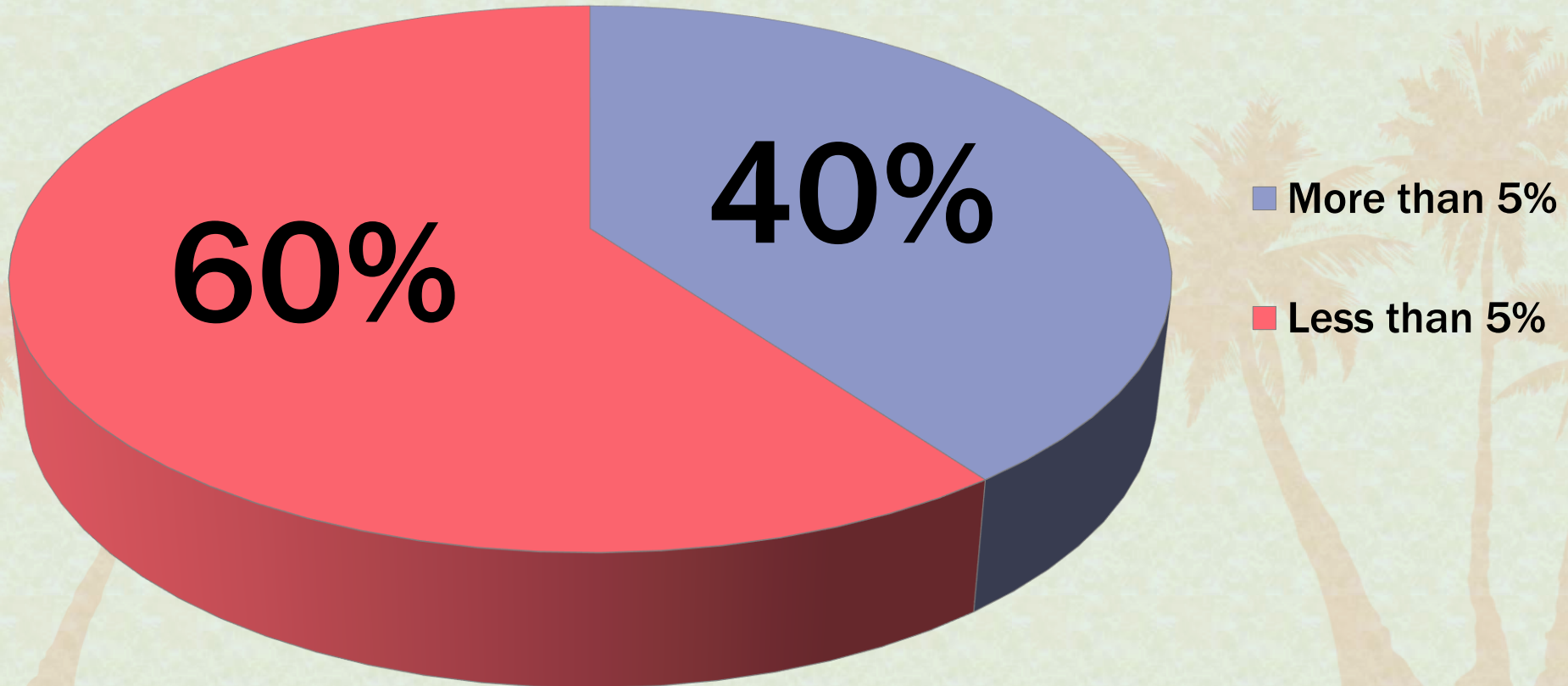


Appreciate



If appreciate or depreciate, by how much?

Asked only of those that said residential home values would appreciate

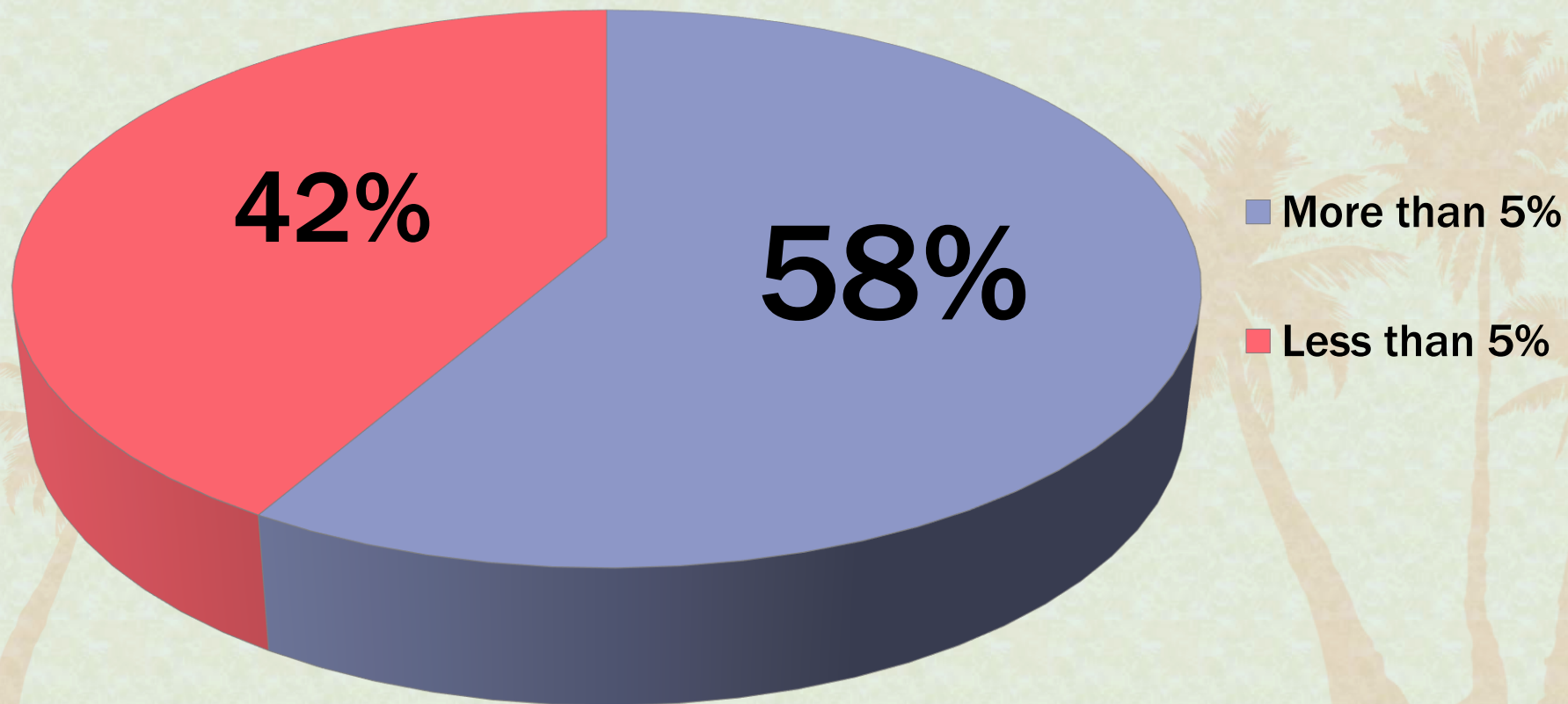


Depreciate



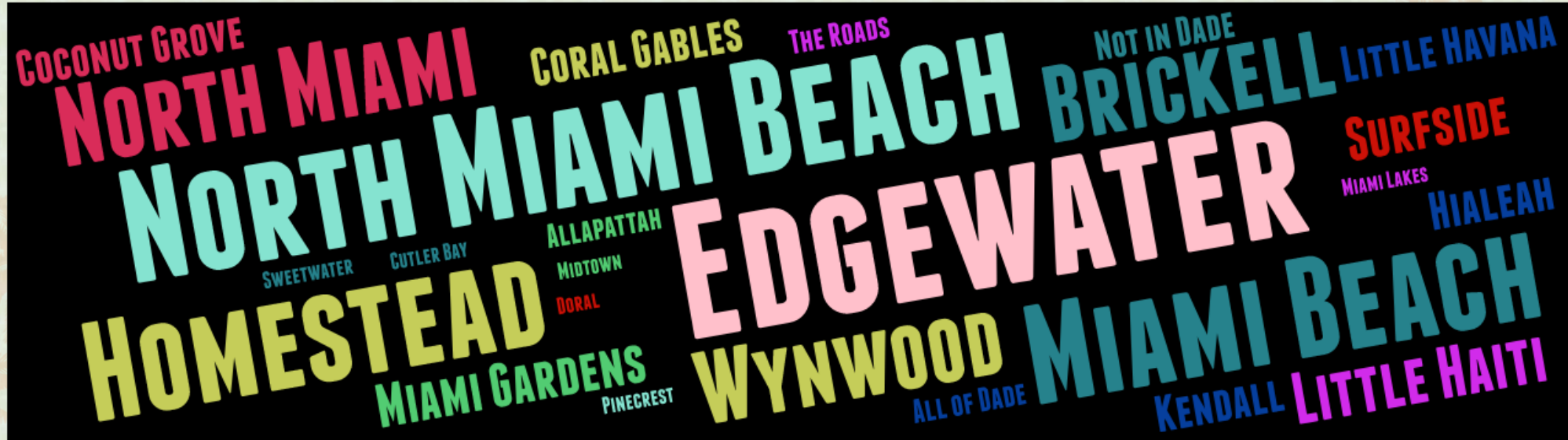
If appreciate or depreciate, by how much?

Asked only of those that said residential home values would depreciate





If you were advising an investor or homeowner looking to make a good return on investment 5 years down the road, where is the next emerging market, area or neighborhood where you would advise them to buy today?



2019 Results:	1. Edgewater	2. North Miami Beach	3. Homestead
2018 Results:	1. Design District	2. Upper East Side	3. Little Havana

Representative Quotes



If you were advising an investor or homeowner looking to make a good return on investment 5 years down the road, where is the next emerging market, area or neighborhood where you would advise them to buy today?

"Edgewater will continue growing, still opportunities in Brickell/Downtown. More office space development continues to drive interest in Downtown." - Industry Expert (Miami Beach)

"North Miami Beach has a lot of potential. " - Real Estate Agent (All of Miami-Dade County)

*"Anywhere inside Miami-Dade is good. You can always use property as a rental."
- Real Estate Broker (Doral)*

*"The Edgewater and Downtown areas are especially good for positive investment right now."
- Real Estate Broker (Hialeah)*

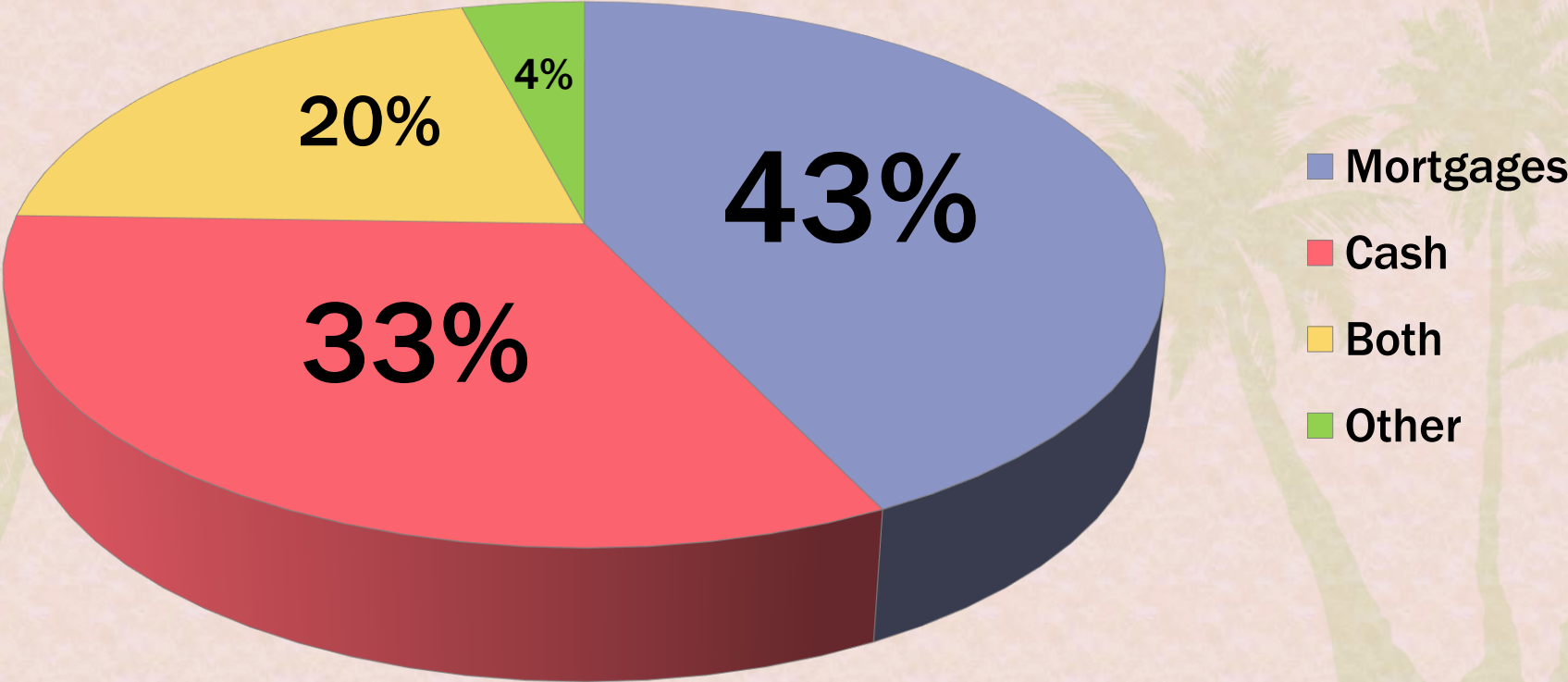
"Nowhere prices will drop." - Real Estate Broker (North Miami)



GENERAL QUESTIONS

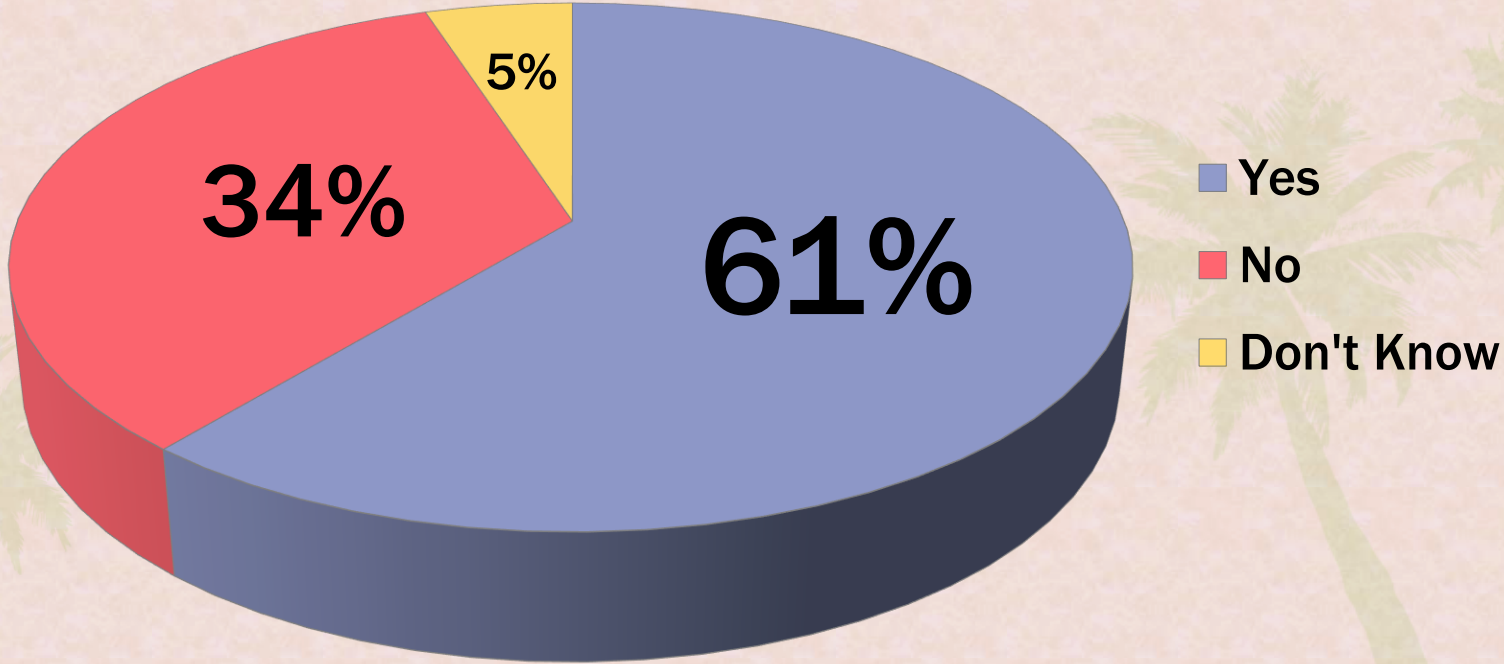


How are most of your clients financing their purchases?





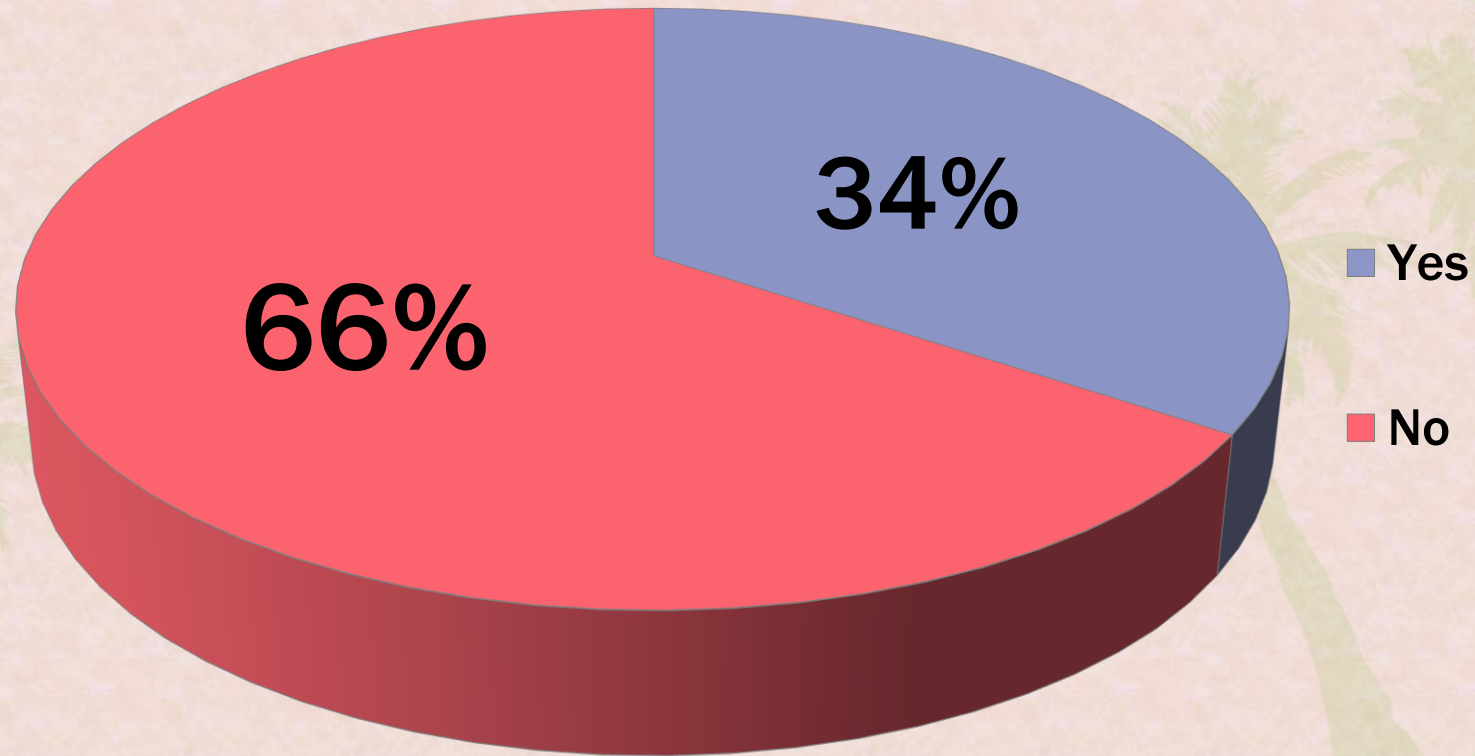
Are you concerned about the potential impact of global climate change and sea level rise on the local market?



2017 Results: 59% - Yes 40% - No 1% - Don't Know

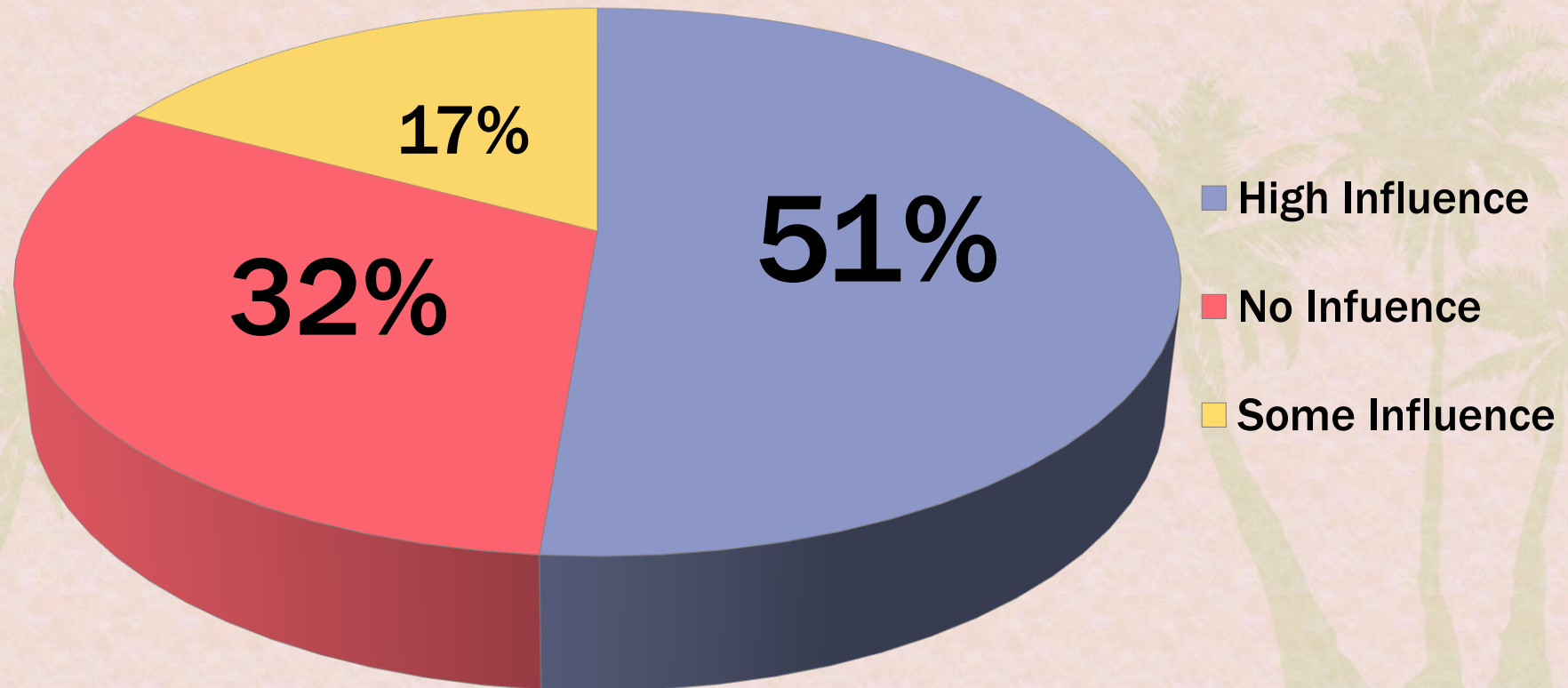


Have your clients mentioned this as an issue?





How do factors such as property taxes and windstorm insurance influence buyer decisions in Miami-Dade County?



Representative Quotes



How do factors such as property taxes and windstorm insurance influence buyer decisions in Miami-Dade County?

*"It does influence negatively because of the high costs paid; it impacts living expenses."
- Construction Firm Developer (All of Dade)*

"People have to expect a big increase, tax softens ability for people to buy something because it gets too expensive." - Real Estate Broker (Kendall)

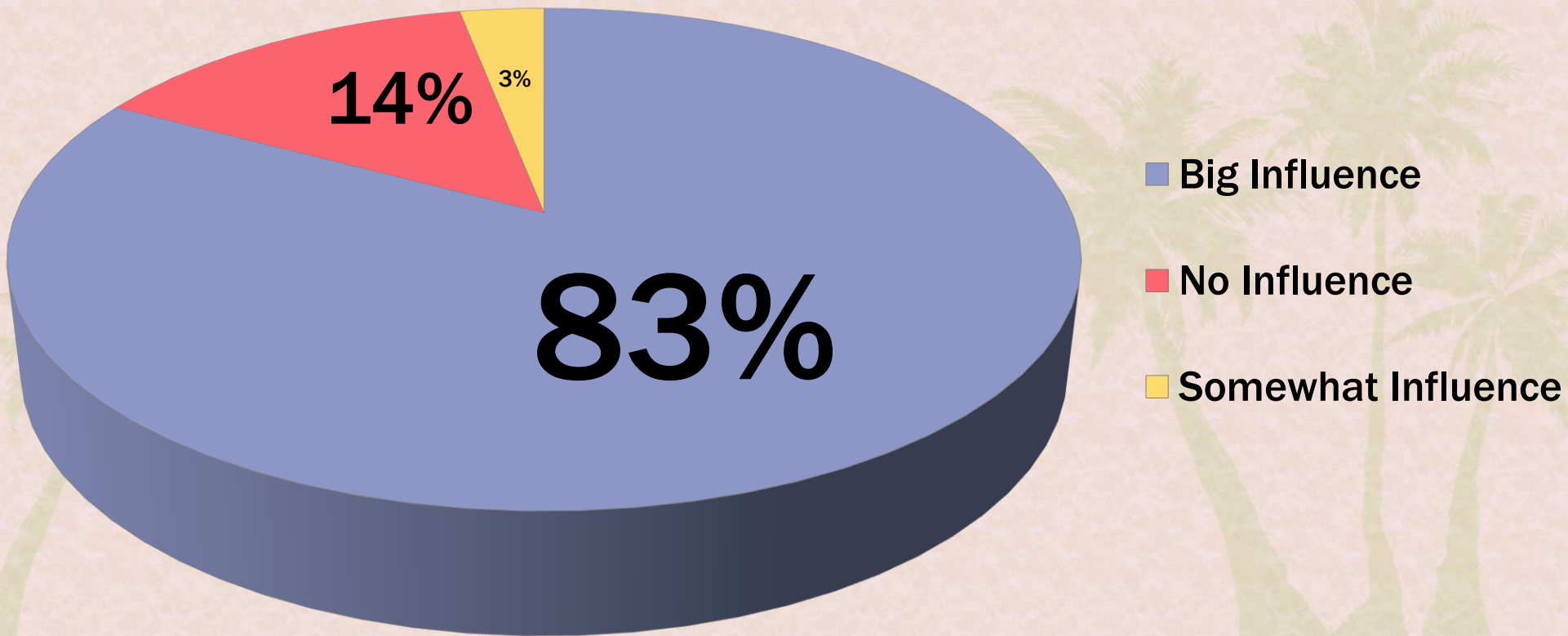
"Tax is a huge factor in decision, some are unfamiliar with it." - Real Estate Agent (Coral Gables)

"Tax on property is too high. The hefty amount is creating problems. Sometimes you can afford mortgage but not after adding taxes." - Real Estate Agent (Kendall)

"Very much, Miami is very expensive, some people can barely afford it and if you increase their expenses by 400/500 dollars it makes a difference!" - Industry Expert (Bal Harbour)



In your opinion, how does traffic congestion influence decisions regarding real estate in Miami-Dade County?



Representative Quotes



In your opinion, how does traffic congestion influence decisions regarding real estate in Miami-Dade County?

"Big issue, too much commute time." - Industry Expert (Miami Beach)

"Yes, people want to live close to where they work." - Real Estate Agent (All of Miami-Dade County)

*"It does, people want to be in neighborhoods that are closer to beaches, downtown and schools."
- Real Estate Agent (All of Miami-Dade County)*

"People are now moving towards areas located near public transportation (specifically trains: the metro, tri rail, bright line). - Real Estate Agent (All of Miami-Dade County)

"Heavy Influence on 70% of clients. People are looking for live, work, and play in the same area." - Real Estate Agent (All of Miami-Dade County)

"Forcing people to look at traffic pattern to make a purchase decision." - Real Estate Broker (Edgewater)



If you were selling your own home, and you couldn't use your own company who is the one brokerage that you would hire?

BERKSHIRE
HATHAWAY | EWM Realty
HomeServices

 Douglas
Elliman



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