Economic Development & International Trade

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Robert D. Cruz, PhD, Chief Economist

MIAMI-DADE COUNTY HOUSING MARKET REPORT

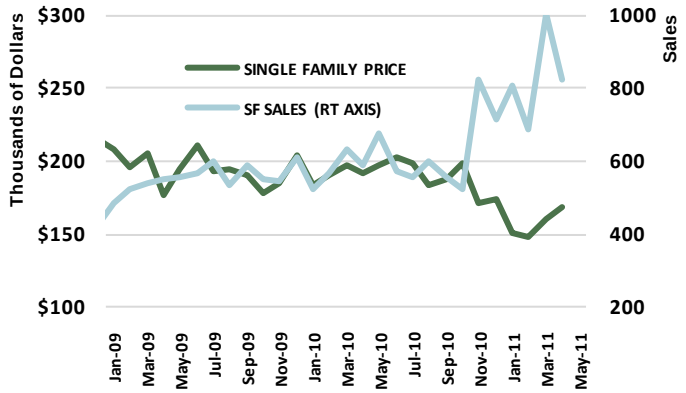
Home Sales and Pricing: Existing **single-family home sales in May fell 1.4% from April but remained 20% higher than one year ago.** There were 815 sales in May compared to 827 in April and 678 in May of last year. Year-to-date, existing single-family home sales have averaged 828 per month compared to 540 average monthly sales from 2006 to 2010. Existing **condo sales in May dropped 7% from April but remained 46% higher than in May of 2010.** Sales reached 1,198 in May compared to 1,289 in April and just 820 sales last May. The volume of condo sales has averaged nearly 1,300 per month from January through May compared to 615 sales per month from 2006 to 2010.

The number of sales of existing homes and condos has demonstrated consistent gains for six months, and the last three months could be a signal that prices may be stabilizing. **The median price of an existing single-family home stood at $180,200 in May, 7% higher than April, but still 8% below the median price last May.** This represents three consecutive monthly gains in median price, and a 22% gain since the low point in February. **The median sale price of an existing condo in May was $124,300, 7% higher than April and just 1% below May of 2010.** Median condo sales prices have risen in each of the past four months, and are up 36% from their low point in January.

FHFA Index: According to the Federal Housing Finance Agency housing price index for Miami-Dade County, **the value of a typical existing single-family home fell by 6.8% in the first quarter of 2011 compared to the first quarter of last year**. The index reached a new low of 158.8. Also setting a new low in the first quarter were Broward at 152.7 (−4.8% year-over-year), Palm Beach at 146.8 (−6.2% year-over-year) and the state index at 143.3 (−8.2% year-over-year).

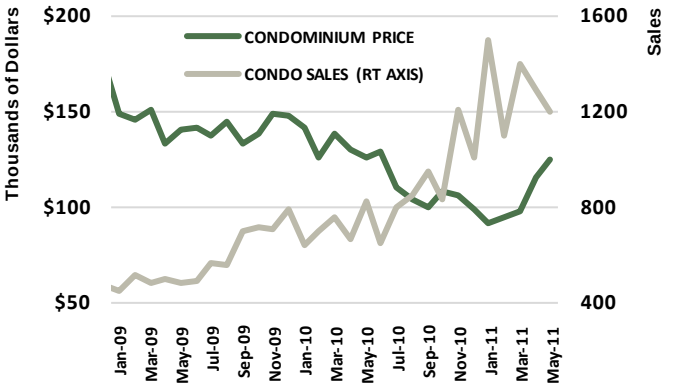
Case Shiller: The Case-Shiller price index for existing homes in the **Miami-Fort Lauderdale-Palm Beach metropolitan area** was slightly higher in March, but virtually flat for the last three months. The national trend in this index, however, experienced the 9th straight monthly decline in prices of existing homes sold. Houses in lowest price tier of the tri-county area, however, increased by 1.4% compared to February, and homes in the highest price tier increased 0.9%. Home prices in the middle tier, however, declined by 0.8%. **Compared to March 2010 the aggregate index declined by 6%, with prices for the bottom tier down by 10.7%, down by 6.8% in the middle tier, and down by 4.4% in the highest tier.** From December to March the overall index is down by 2.0% in the tri-county area.

SF Homes Sold Through Realtors:
Median Price & Seasonally Adj. Sales



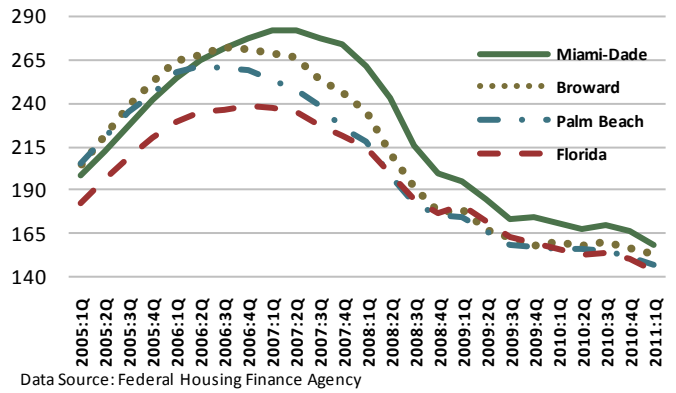
Data Source: Florida Realtors

Condos Sold Through Realtors:
Median Price & Seasonally Adj. Sales



Data Source: Florida Realtors

FHFA Housing Price Index
1st Quarter 2000 = 100



Data Source: Federal Housing Finance Agency

Miami-Dade County Housing Market Report

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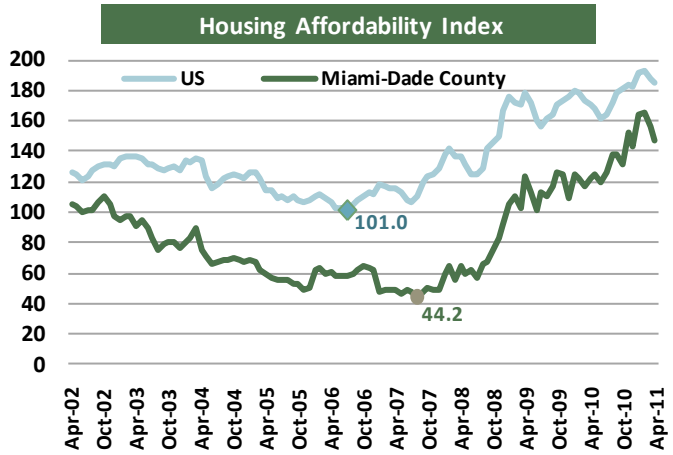
Multifamily Rental Market: The rental apartment market has started to show signs of improvement even as vacancy rates remain high. PPR, a commercial real estate consulting firm, reports **apartment vacancy rates in Miami-Dade at 9.2% in the 1st quarter of 2011, but down slightly from a year earlier**. REIS (real estate consultants) reports a much lower vacancy rate than PPR, but a rate that is also historically high and only slightly improved from 2010. Several factors are likely to work against a significant decline in vacancy rates for at least the next 12 months. The large volume of sales of previously foreclosed condominiums keep adding to the supply of units for rent. Employment growth, although positive, is not yet sufficient to encourage a reduction in average household size that would increase the pace of household formation and increase the market demand for rental units.

Despite high vacancy rate, average rents have been rising since the first quarter of 2010. **Rents from the first quarter of 2010 through the first quarter of 2011 increased within the range of 1.1% to 2.8%, according to REIS and PPR, respectively**. While rents appear to be rising modestly, PPR reports that the number of units granting rent concessions has been declining, and the value of those concessions are falling as well.

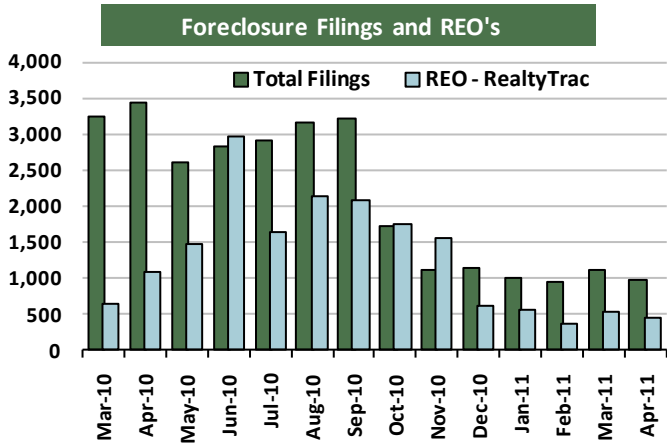
Affordability: The April housing affordability index (HAI) for Miami-Dade County dropped by 6% from March due to higher home prices, but is up 21% from April of last year. (A decrease in the index signals less affordability.) **The April index stood at 147.** (A value above 100 means that the typical family can spend less than 25% of their income on mortgage payments and still afford the typical home.) The national HAI for April stood at 188, down approximately 1.5% from March, but 8.5% higher than in April of last year.

Foreclosure Activity: Year-to-date there has been **4,037 foreclosure filings** in Miami-Dade (967 in April alone). Foreclosure filings are on pace to reach 12,000 for 2011, which would represent **the fewest since 2006**. Foreclosure filings peaked in 2009 at 64,000, and by last year, they had fallen to 34,000. REO foreclosures have followed suit with **1,900 foreclosures year-to-date** and on pace to reach about 5,700 for the year. This number is down from over 17,000 in 2010 and over 9,200 in 2009. Even though the recent decline in foreclosure activity is due largely to a slowdown in processing foreclosure suits and other related factors (the average time from delinquency to foreclosure exceeds 585 days in South Florida), the dramatic and consistent decline in activity suggests that a measure of stability is returning to the Miami-Dade County housing market.

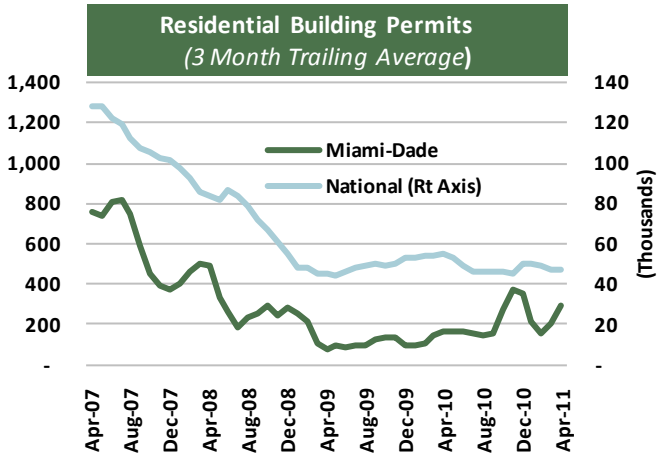
Building Permits: Residential units authorized by building permit in the county increased to **357 units permitted after seasonal adjustment** in April (385 before adjustment). The Census Bureau reports that 1,135 units have been authorized by permits year-to-date. The trend in permitting activity continues to be positive in Miami-Dade, even as the number of units continues to be well below the unsustainable levels during the boom period. Census reported 3,200 residential units authorized by permit for all 2010, and two thirds of those were in multifamily structures with 5 or more units.



Data Source: National Association of Realtors; OEDIT



Data Sources: Miami-Dade Clerk of Courts, RealtyTrac.

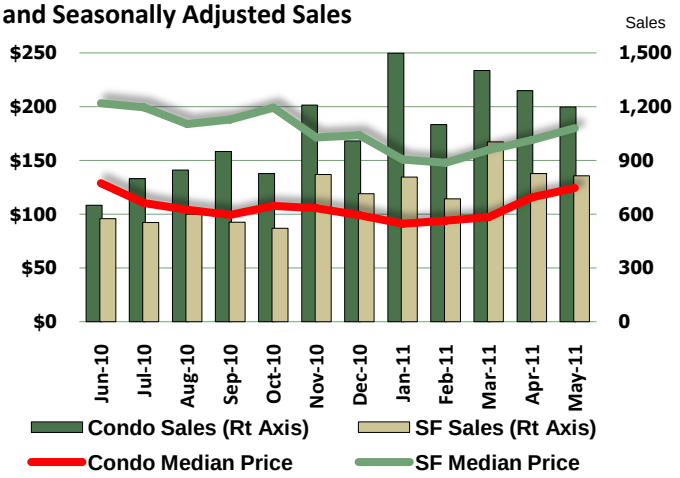


Data Source: US Census Bureau

Miami-Dade County Housing Market

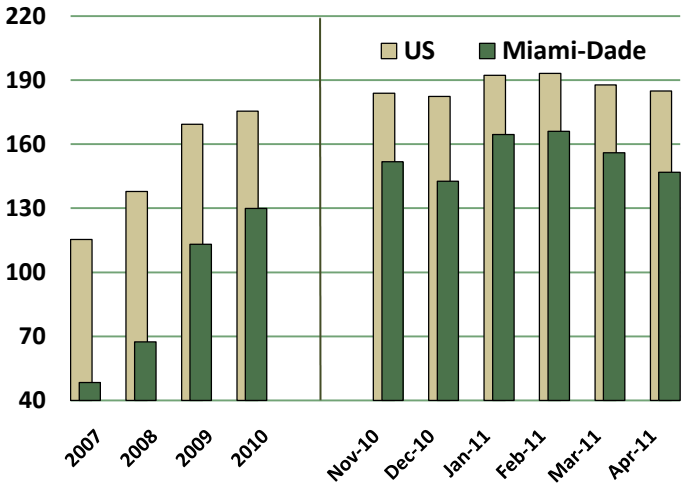
MIAMI-DADE COUNTY

Existing Home Sales: Median Price ($ in '000s) and Seasonally Adjusted Sales



Data Source: Florida Realtors

Housing Affordability Index*



Miami-Dade Existing Home Sales

	May-11	% Chg from Apr-11	% Chg from May-10
Single Family Sales	815	-1.4%	20.4%
Med. Sales Price	$180,200	6.5%	-8.4%
Condo Sales	1,198	-7.1%	46.1%
Med. Sales Price	$124,300	7.4%	-1.4%

Data Source: Florida Realtors

Housing Affordability* (based on Single Family Home Sales)

	Apr-11 (p)	% Chg from Mar-11 (r)	% Chg from Apr-10
Miami-Dade County			
Affordability Index	146.8	-5.9%	20.6%
US			
Affordability Index	184.9	-1.5%	8.5%

Data Source: National Association of Realtors; OEDIT.

* The index is a ratio of monthly median income over the P & I payment on a 30 yr fixed rate mortgage. A higher index means more affordable.

Housing Price Indices & Comparisons (2000=100)

Case-Shiller*	Mar-11	% Chg from Feb-11	% Chg from Mar-10
Miami MSA			
Low Tier	119.2	1.4%	-10.7%
Middle Tier	134.4	-0.8%	-6.8%
High Tier	143.0	0.9%	-4.4%
Aggregate Index	**139.0**	**0.3%**	**-6.0%**
US 20 City Composite Index	141.2	-0.2%	-3.5%
Federal Housing Finance Agency**	**2011:1Q**	**% Chg from 2010:4Q**	**% Chg from 2010:1Q**
Miami HPI	158.8	-4.8%	-6.8%
Broward HPI	152.7	-2.5%	-4.8%
Florida HPI	143.3	-4.3%	-8.2%

** Existing homes paired sales, seasonally adjusted.*

*** All transactions quarterly index, not seasonally adjusted.*

Data Source: Standard & Poors; Federal Housing Finance Agency

30-Year Fixed Mortgage Rates

	Jun-11	May-11	Chg from Jun-10
Miami-Dade	4.89	4.93	-0.45
US	4.82	4.97	-0.35

Data Source: HSH Associates, Inc.

Building Permits (Units)

	Apr-11	% Chg from Mar-11	% Chg from Apr-10
Miami-Dade County			
3 Mo. Trailing Avg	294	44.3%	74.8%
US			
Units (000s)	47.6	1.4%	-13.4%

Data Source: US Census Bureau.

Note: All numbers are seasonally adjusted unless otherwise indicated.

Miami-Dade Foreclosures & Filings (Not seasonally adjusted)

	Apr-11	% Chg from Mar-11	% Chg from Apr-10
REO Foreclosures	448	-18.1%	-59.3%
Lis Pendens	967	-12.7%	-72.0%

Data Sources: Miami-Dade Clerk of Courts, RealtyTrac.

For additional information visit our website at:
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