

MIAMI-DADE COUNTY HOUSING MARKET REPORT

Home Sales: September sales of existing Miami-Dade single-family homes dropped off slightly from August after adjusting for the typical seasonality in the numbers. September saw 840 sales, 4% less than August but still 46% above last September. The long run trend remains positive even though there remains a large inventory of homes still at some point in the foreclosure process. The increase in sales continues to come at the expense of price as the median price declined to \$176,600 in September, 2% less than August and more than 6% down from last September.

Sales in the Miami-Dade existing condo market increased from August to September by 14.5% after seasonal adjustment to nearly 1,420 sales. This number is 58% above last September. The long run trend in condo sales remains positive as analysts point to significant activity in the market by foreign investors, especially South Americans. The activity, however, is not enough to push up prices as the median sales price for a Miami-Dade condo dipped 2% from August but remains up nearly 17% from last September.

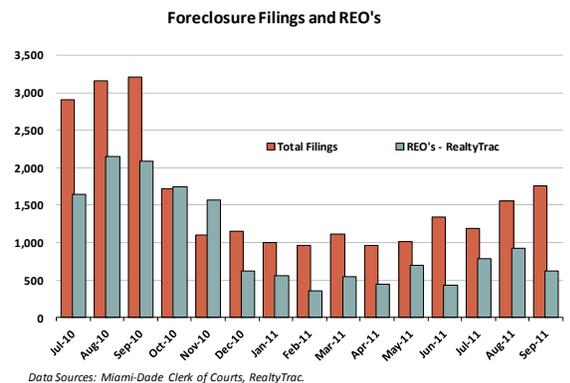
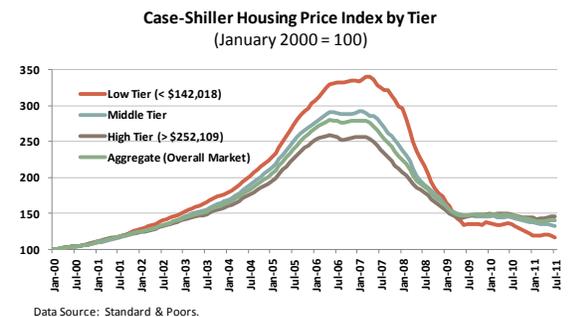
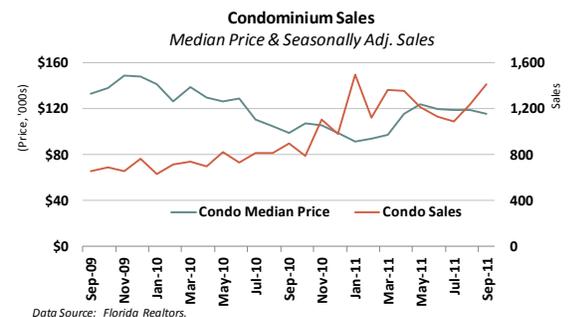
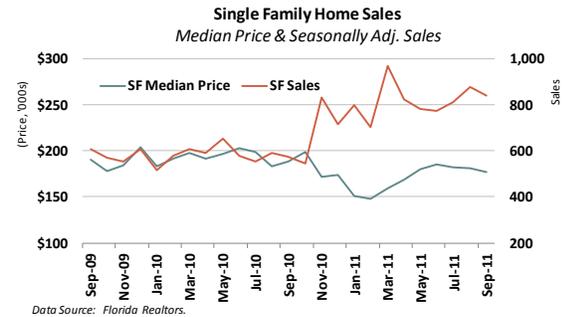
Home Price Indices: The S&P Case-Shiller Housing Price Index provides information on individual price segments or tiers of the single-family housing market. The price index for the Miami-Fort Lauderdale Metropolitan Statistical Area dropped slightly to 139.6 in August (Jan 2000 = 100) nearly unchanged from July and off 5% from August of 2010. There is, however, significant variation within the price tiers of the region reflecting a consumer preference for the higher end of the market.

The index for the lowest tier of the market (homes valued at less than \$142,000 in August) fell to 116.4, essentially unchanged from July but off 12% from August of last year. The index value in August represents a 66% drop from previous peak set in March 2007.

Single-family home prices in the highest tier (homes valued at \$252,000 or more) in August, down 1% from July and off only 2% from last August. Home prices in this tier reached its previous peak in May of 2006. Since the peak, housing prices fell to their lowest levels in February when the index fell to 45% below the 2006 peak value. Prices for this highest tier have edged slightly higher (about 2%) from their February low.

The August index for the middle price tier (homes valued in the range of \$142,000 to \$252,000) slipped to 132, barely below July's level (-0.6%) and off 8% from a year ago. The middle tier's peak occurred in February 2007, and since then prices in the middle tier have dropped 55%.

Foreclosures: Preliminary foreclosure filings reported by the Miami-Dade Clerk of Courts increased for the second month in a row to 1,762 filings in September. This represents 45% fewer filings than last year. The trend for the second and third quarters has been upward; however, the same increase occurred last year followed by a significant drop in filings in the fourth quarter. It is, therefore, too soon to tell if this represents an increase in filings as financial institutions resolve regulatory and paperwork issues as some analysts believe, or whether it is a seasonal fluctuation.



Robert D. Cruz, PhD, Chief Economist
Robert Hesler, Sr. Economic Analyst

REO foreclosures (the final step in the foreclosure process) as reported by RealtyTrac, Inc. decreased in September to 625 cases, a 33% decrease from August, and a 70% decrease from last September. REO foreclosures in Miami-Dade follow the trend of the initial filings with approximately a one year lag. It is therefore likely that foreclosures will increase modestly over the next 12 months.

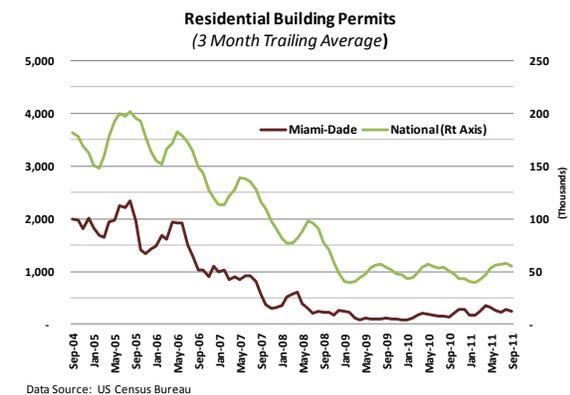
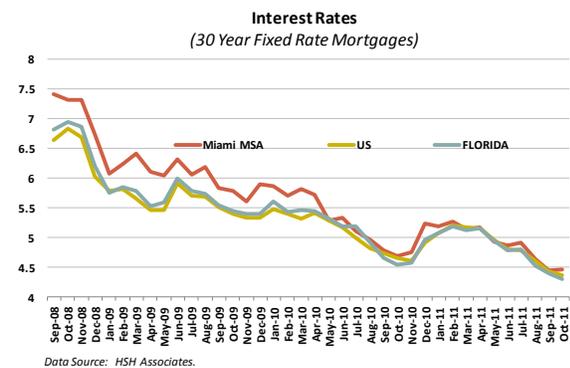
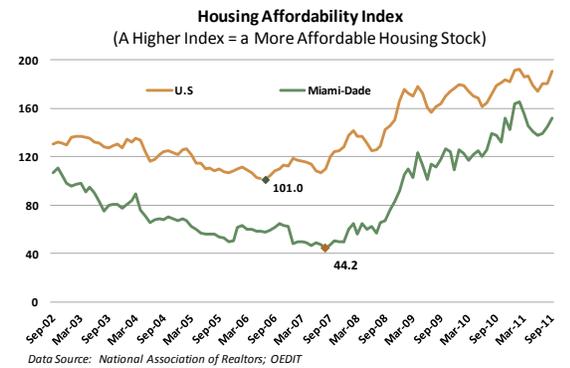
Housing Affordability: The National Association of Realtors September index of housing affordability for the US increased by about 6% from August to 191. The index measures the ability of the typical American family to purchase the typical single-family home sold. A higher index value represents greater affordability, and an index equal to 100 would mean that the typical family has exactly enough income to qualify for conventional mortgage financing to purchase a home at the median price. A higher index indicates that the typical family could spend a lower share of their income on the mortgage payments. At the very peak of the housing bubble, July 2006, the national index had dropped to 101, meaning that the typical U.S. family could barely afford the typical house. As home values and interest rates have plunged since, the index has grown by 90%.

During the peak of the housing bubble in Miami-Dade the index had plunged all the way to 44 as of August 2007, meaning the typical Miami-Dade family only had 44% of the income necessary to qualify for a conventional mortgage to buy the median valued single-family home. The high price of single-family homes in Miami-Dade from the middle of 2003 through September of 2007 gave rise to the large number of non-conventional loan financing. Since then, the affordability index for Miami-Dade County had grown to 152, although qualifying for a mortgage loan remains difficult for most would-be buyers.

Mortgage Rates: The interest rate in Miami-Dade for a 30-year fixed rate mortgage (FRM) averaged 4.5% in October, essentially unchanged from September. This rate hit its housing bubble maximum in August of 2008 at 7.6%, and the current rate represents a 41% decrease since that time. Nationally the rate on a 30-year FRM dropped to 4.4% in October, down 38% from the peak rate of 7% in August of 2008. The Florida rate on 30-year FRM also peaked in August of 2008 at 7.1%. The current rate of 4.3% is a 40% drop from that point.

Building Permits: Residential building activity in Miami-Dade remains very slow. The three-month average of units authorized by permits dropped to 243 units in September. This represents a 13% decrease from the August average, but a 79% increase from September of last year. Year-to-date there has been an average of 86 single family units permitted in the county per month, nearly double the same period in 2009 and roughly the same as 2010. At the other end, buildings with five or more units, there was an average of 160 units permitted per month, triple the number from 2009 and more than double the number from last year, though the totals still remain quite low compared to the peak years.

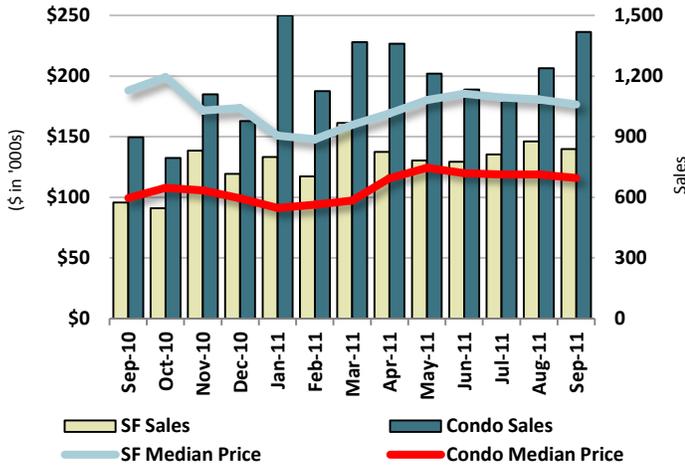
Nationally there was an average of 55,000 residential building permits issued per month for the three months up to September, according to the most recent data. This is 6% below the August average and 9% higher than last August. The total average value of the permits issued nationally declined by 5% from August to \$9.2 billion in September. The average value increased year-over-year by 10%.



Miami-Dade County Housing Market

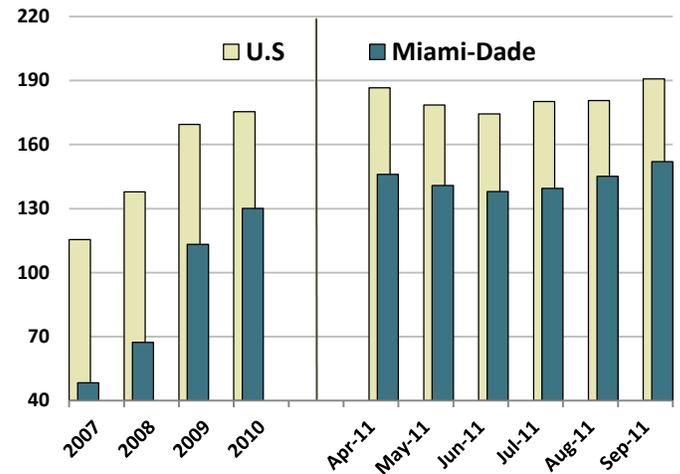


Existing Homes Sales: Seasonally Adjusted Sales and Median Price



Data Source: Florida Realtors.

Housing Affordability Index*



Data Source: National Association of Realtors, OEDIT.

Miami-Dade Existing Home Sales

	Sep-11	% Chg from Aug-11	% Chg from Sep-10
Single Family Sales	840	-4.2%	46.1%
Med. Sales Price	\$176,600	-2.4%	-6.1%
Condo Sales	1,418	14.5%	58.1%
Med. Sales Price	\$116,000	-2.4%	16.7%

Data Source: Florida Realtors

Housing Affordability* (based on Single Family Home Sales)

	Sep-11 (p)	% Chg from Aug-11 (r)	% Chg from Sep-10
Miami-Dade County			
Affordability Index	151.9	4.7%	10.1%
US			
Affordability Index	190.8	5.6%	6.6%

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*	Aug-11	% Chg from Jul-11	% Chg from Aug-10
Miami MSA			
Low Tier	116.3	-0.4%	-12.1%
Middle Tier	132.0	-0.6%	-7.8%
High Tier	144.4	-1.1%	-2.0%
Aggregate Index	139.6	-0.6%	-4.6%
US 20 City Composite Index	140.6	0.0%	-3.9%
Federal Housing Finance Agency**	2011:2Q	% Chg from 2011:1Q	% Chg from 2010:2Q
Miami HPI	154.4	-2.6%	-7.8%
Broward HPI	145.2	-4.1%	-8.0%
Florida HPI	138.1	-3.3%	-8.9%

* 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

	Oct-11	Sep-11	Chg from Oct-10
Miami-Dade	4.46	4.45	-0.22
US	4.36	4.43	-0.30

Data Source: HSH Associates, Inc.

Building Permits (Units)

	Sep-11	% Chg from Aug-11	% Chg from Sep-10
Miami-Dade County			
3 Mo. Trailing Avg	243	-13.1%	79.4%
US			
Units (000s)	51.8	-14.9%	10.0%

Data Source: US Census Bureau.

Note: All numbers are seasonally adjusted unless otherwise indicated.

Miami-Dade Foreclosures & Filings (Not seasonally adjusted)

	Sep-11	% Chg from Aug-11	% Chg from Sep-10
REO Foreclosures	625	-32.8%	-70.0%
Lis Pendens	1,762	13.0%	-45.0%

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

For additional information visit our website at:

<http://www.miamidade.gov/oedit/economic.asp>

Dr. Robert D. Cruz, Chief Economist (305) 375-1879

Mr. Robert Hesler, Sr. Economic Analyst (305) 375-4811

Released Nov 2011