

About 5,500 residences could arrive in downtown Miami

By Oscar Pedro Musibay

Greater downtown Miami has 20 new condo projects that are under construction, will soon break ground or have units that are actively being marketed for sale.

This new wave of development could add more than 5,500 new units to the market, with about two-thirds already approved, under construction or with units for sale today, according to a Focus Real Estate Advisors, which produced a report for the Miami Downtown Development Authority.

For example, developer Alan Ojeda told the Business Journal recently that he, landowner MDR Toledo and Coastal Construction hoped to break ground in September on The Bond, a 323-unit condo project planned for 1080 Brickell Ave. The Bond, which is currently being marketed for sale, would be the first condominium to break ground on Brickell Avenue since the last residential real estate cycle.

As of December 31, more than 90 percent of the 23,000 condominium units constructed from 2003-2012, the last residential boom cycle, have sold. That means the unsold inventory is at 1,500 units. Occupancy of the existing inventory is at 97 percent, while four years ago the inventory was half full. Additionally, more than half of condo occupants are renters in units sold to investors and those still in the hands of developers/building owners.

That demand is pushing up property values, according to the Miami-Dade Tax Appraiser, which has recorded a 6.4 percent year-over-year increase in asset value. Since 2009, the average unit sales price has grown by 21 percent.

"Downtown Miami is now a 24-7 urban center recognized internationally for its cultural institutions, quality of life and global businesses," said Marc Sarnoff, City of Miami District 2 commissioner and chairman of the Miami DDA, in a news release. "The real estate market is reflective of downtown's status, attracting buyers, tourists and residents from countries across the globe who have helped usher in the next development cycle."

Key findings of the Greater Downtown Miami Real Estate Market Annual Summary Report:

- The average unit sales price in the first quarter of 2013 including existing and new condominiums was up more than 21 percent to \$425,498 from the first quarter 2010 average of \$351,078.
- Per square foot prices were up 14 percent in the first quarter on a year-over-year basis.

"Downtown Miami's condo boom has been a catalyst for the entire region, putting it back on the map as a thriving real estate market," said Miami Downtown Development Authority Executive Director Alyce Robertson, in a statement. "International buyers snatched up almost all the existing condo product from the last cycle, signaling demand for new product faster than we ever expected. This growth is fueling Miami's emergence as a true urban metropolis and global city offering far more than just sand and surf."



The Bond at 1080 Brickell is marketing units for sale. The building, which would be the first to rise on Brickell Avenue since the last residential cycle, would add 323 condo units to the downtown Miami inventory.