

Miami Market Trends

Q3 2017



OJEDALAZAR

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CITY OF MIAMI | RESIDENTIAL MARKET

For the third quarter of 2017 Miami is still in a Buyer's Market. Even though there were more properties for sale (single family homes and condos) at 7,990, there were much less sold for this quarter than the same quarter last year, **20%** less year over year. It took 5 days longer on average to sell properties this quarter than last year's however the average sold price per Sqft. went up **15.1%** from \$194.07 in 2016 to \$223.37 this year. The average sold price in Q3 of 2016 was \$309,000 compared to \$345,000 this quarter which is an **11.7%** increase. The median sold price went up **8.7%** which is a good sign for the overall market as it is appreciating. However the months of inventory went up **42.4%** and the absorption rate went down **23.2%** which is not a good sign for Q4 or 2018. With 9.7 months of inventory, Miami will remain in a Buyer's Market for a while to come. To bring it down to a healthy level of inventory between 3 and 6 months, the absorption rate will have to go up and it is currently at **11.3%**. Following the 6 month trend, it is my opinion that we will continue in a Buyer's Market throughout the remainder of the year.

Mario Ojeda | Managing Broker



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	Curtnt vs. Prev Month			Curtnt vs. Same Mth 1 Yr Ago			Curtnt vs. Same Qtr 1 Yr Ago			TODAY STATS		
	Sep. 17	Aug. 17	% Change	Sep. 17	Sep. 16	% Change	Jul. 17 to Sep. 17	Jul. 16 to Sep. 16	% Change	11/1/17	10/1/17	% Change
										11/8/17	10/8/17	
For Sale	7990	8145	-1.9%	7990	7903	1.1%	7990	7903	1.1%	8657	8010	8.1%
Sold	568	1114	-49%	568	1106	-48.6%	2748	3437	-20%	129	223	-42.2%
Pended	670	1302	-48.5%	670	1157	-42.1%	3071	3509	-12.5%	292	264	10.6%

It is a Buyer's Market!

Property Sales (Sold)

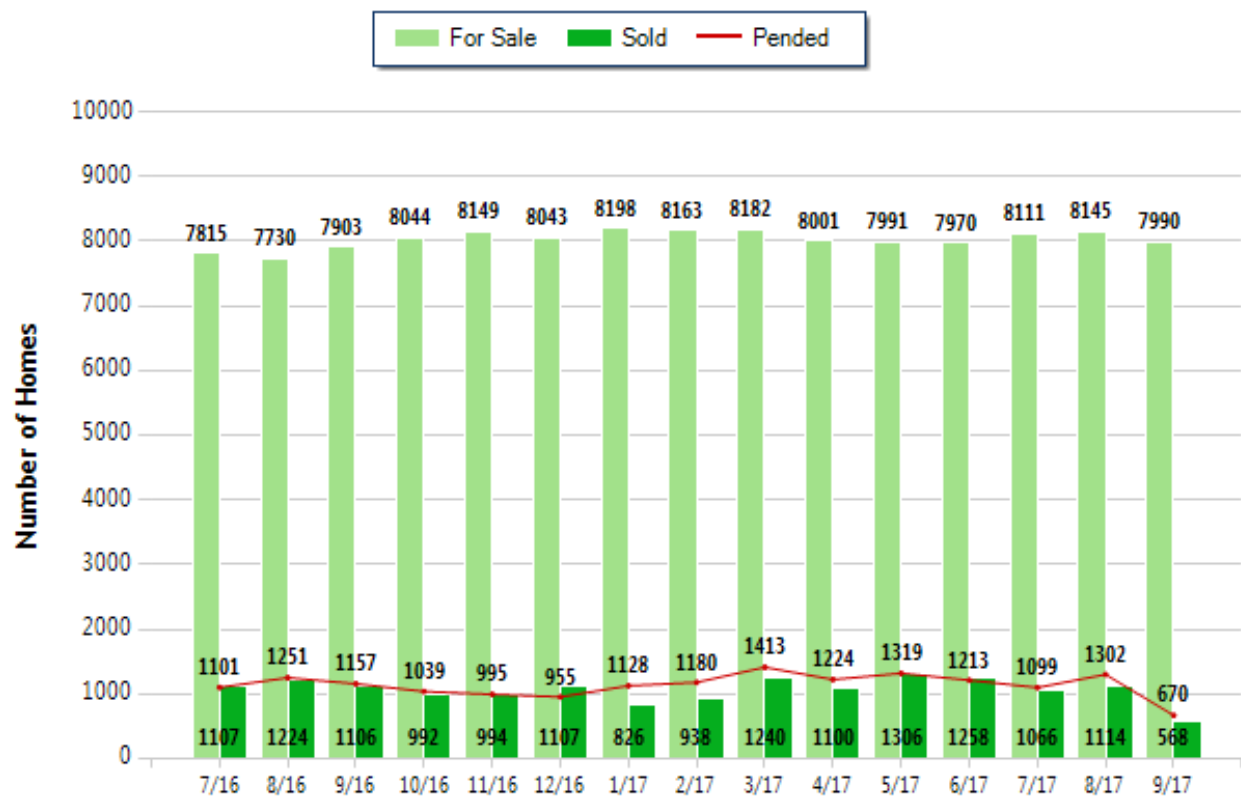
September property sales were 568, down **48.6%** from 1106 in September of 2016 and **49%** lower than the 1114 sales last month. They were down **20%** in Q3 vs. the same quarter last year.

Current Inventory (For Sale)

Versus last year, the total number of properties available this month and for Q3 is higher by 87 units, up **1.1%**. This year's bigger inventory means that buyers who waited to buy may have bigger selection to choose from. The number of current inventory is down **1.9%** compared to the previous month.

Property Under Contract (Pended)

There was a decrease of **48.5%** in the pended properties in September, with 670 properties versus 1302 last month. This month's pended property sales were **42.1%** lower than at this time last year. Properties pending sale for Q3 this year dropped by **12.5%**.



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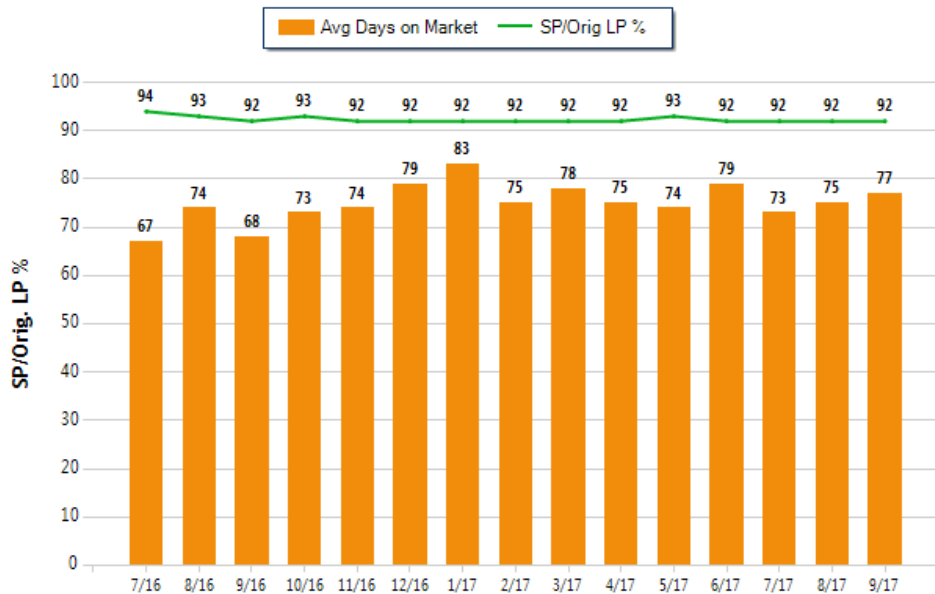


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Days on Market	77	75	▲ 2.7%	77	68	▲ 13.2%	75	70	▲ 7.1%	82	80	▲ 2.5%
Sold/Orig LP Diff. %	92	92	0%	92	92	0%	92	93	▼ -1.1%	91	92	▼ -1.1%
Avg. Sq. Ft. Price (Sold)	227	219	▲ 3.7%	227	197	▲ 15.2%	223.37	194.07	▲ 15.1%	219	232	▼ -5.6%

The Days on Market Shows Neutral Trend*

The average Days on Market (DOM) shows how many days the average property is on the market before it sells. An upward trend in DOM tends to indicate a move towards more of a Buyer's market, a downward trend indicates a move towards more of a Seller's market.

The DOM for September 2017 was 77, up **2.7%** from 75 days last month and up **13.2%** from 68 days in September of last year. The DOM for Q3 was an average of 75 which is higher by **7.1%** than last year's quarter.

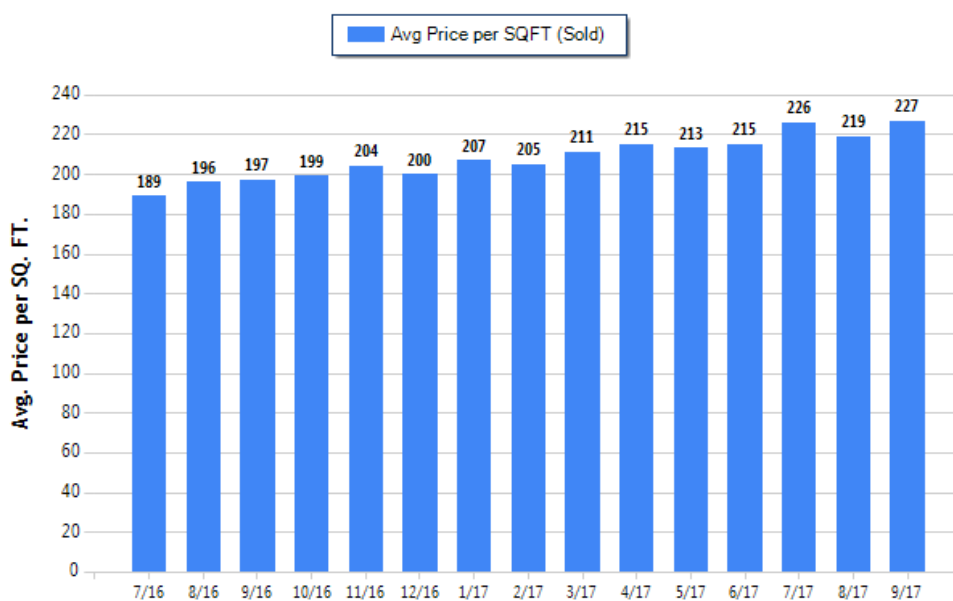


The Sold/Original List Price Ratio Remains Steady

The Sold Price vs. Original List Price reveals the average amount that sellers are agreeing to come down from their original list price. The lower the ratio is below 100% the more of a Buyer's market exists, a ratio at or above 100% indicates more of a Seller's market. This month Sold Price vs. Original List Price of 92% is the same as last month and the same as in September of last year. For Q3 of this year the ratio went down **1.1%** to 92 from 93 for last year's quarter.

* Based on 6 month trend – Upward/Downward/Neutral
 ** Based on 6 month trend – Rising/Falling/Remains Steady

The Average Sold Price per Square Footage is Depreciating*



The Average Sold Price per Square Footage is a great indicator for the direction of property values. Since Median Sold Price and Average Sold Price can be impacted by the 'mix' of high or low end properties in the market, the Average Sold Price per Square Footage is a more normalized indicator on the direction of property values. The September 2017 Average Sold Price per Square Footage of \$227 was up **3.7%** from \$219 last month and up **15.2%** from \$197 in September of last year. For Q3 it was higher by **15.1%** than last year's quarter.

* Based on 6 month trend – Appreciating/Depreciating/Neutral



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	Sep. 17	Sep. 17		Sep. 17	Sep. 17		Sep. 17	Sep. 16		11/8/17	10/8/17	
Average Active Price	645	659	-2.1%	645	626	3%	650	622	4.5%	636	639	0.5%
Average Sold Price	340	338	0.6%	340	316	7.6%	345	309	11.7%	371	357	3.9%
Price Median	294	290	1.4%	294	265	10.9%	288	265	8.7%	304	290	4.8%

The Average For Sale Price is Neutral*

The Average For Sale Price in September was \$645,000, up **3%** from \$626,000 in September of 2016 and down **2.1%** from \$659,000 last month. It has appreciated **4.5%** since the same quarter last year.

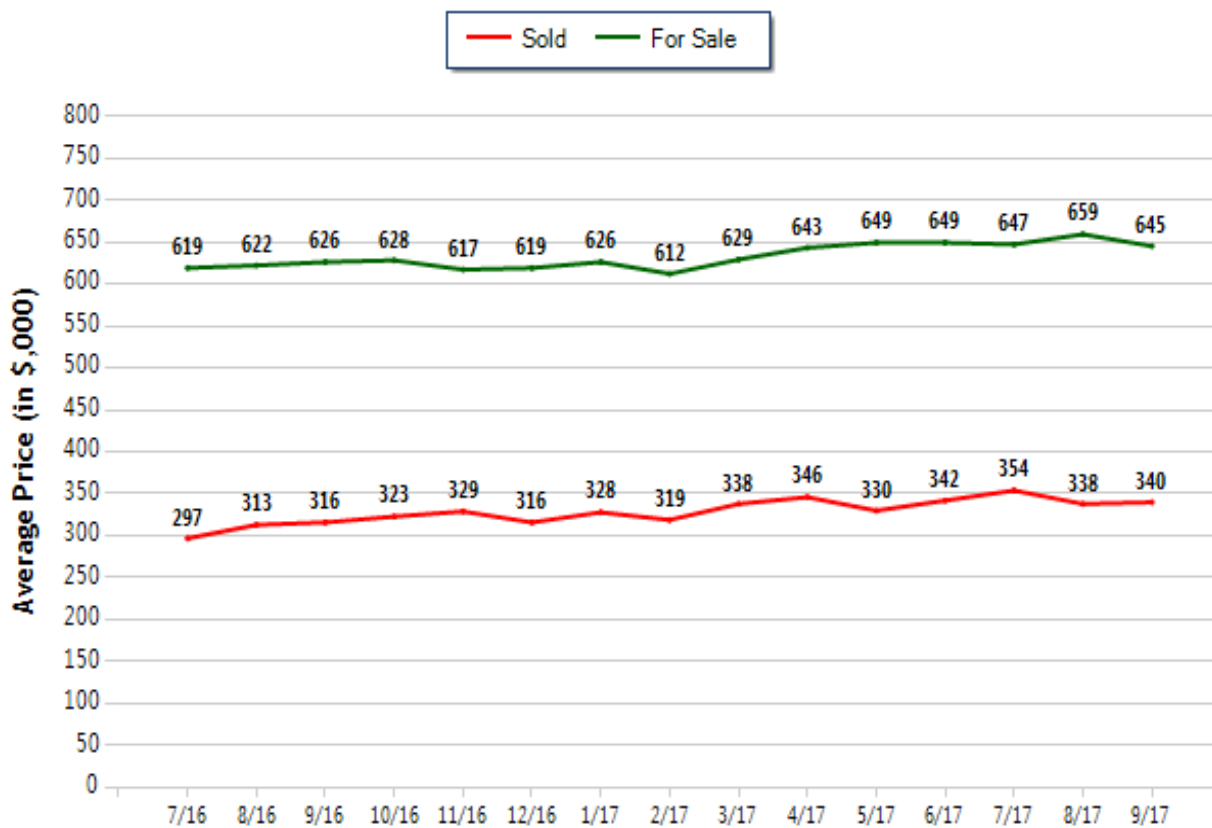
The Average Sold Price is Neutral*

The Average Sold Price in September was \$340,000, up **7.6%** from \$316,000 in September of 2016 and up **0.6%** from \$338,000 last month. The Average Sold Price is appreciating this quarter by **11.7%** compared to last year's quarter.

The Median Sold Price is Appreciating*

The Median Sold Price in September was \$294,000, up **10.9%** from \$265,000 in September of 2016 and up **1.4%** from \$290,000 last month. It is also up **8.7%** for Q3 this year vs. last year's quarter.

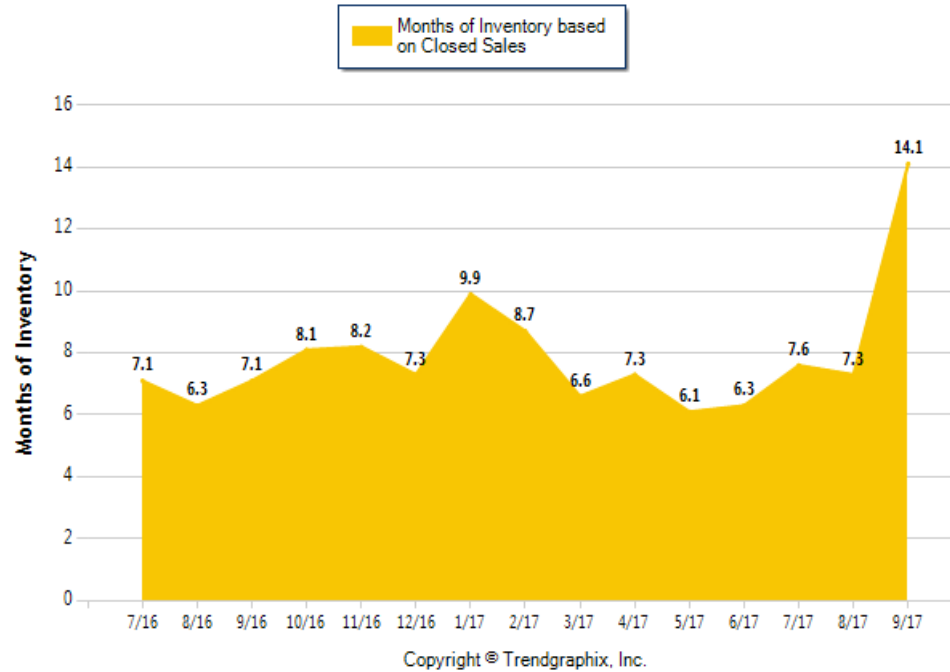
* Based on 6 month trend – Appreciating/Depreciating/Neutral



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	Months of Inventory (Closed Sales)	14.1	7.3	93%	14.1	7.1	98%	9.7	6.8	42.4%	67.1	35.9
Absorption Rate (Closed Sales) %	7.1	13.7	-48.3%	7.1	14	-49.3%	11.3	14.7	-23.2%	1.5	2.8	-46.7%



It is a Buyer's Market*

A comparatively lower Months of Inventory is more beneficial for sellers while a higher months of inventory is better for buyers.

*Buyer's market: more than 6 months of inventory
Seller's market: less than 3 months of inventory
Neutral market: 3 – 6 months of inventory

Months of Inventory based on Closed Sales

The September 2017 Months of Inventory based on Closed Sales of 14.1 was increased by **98%** compared to last year and up **93%** compared to last month. Compared to last quarter, it has increased by more than **42%** which confirms a Buyer's Market for this quarter.

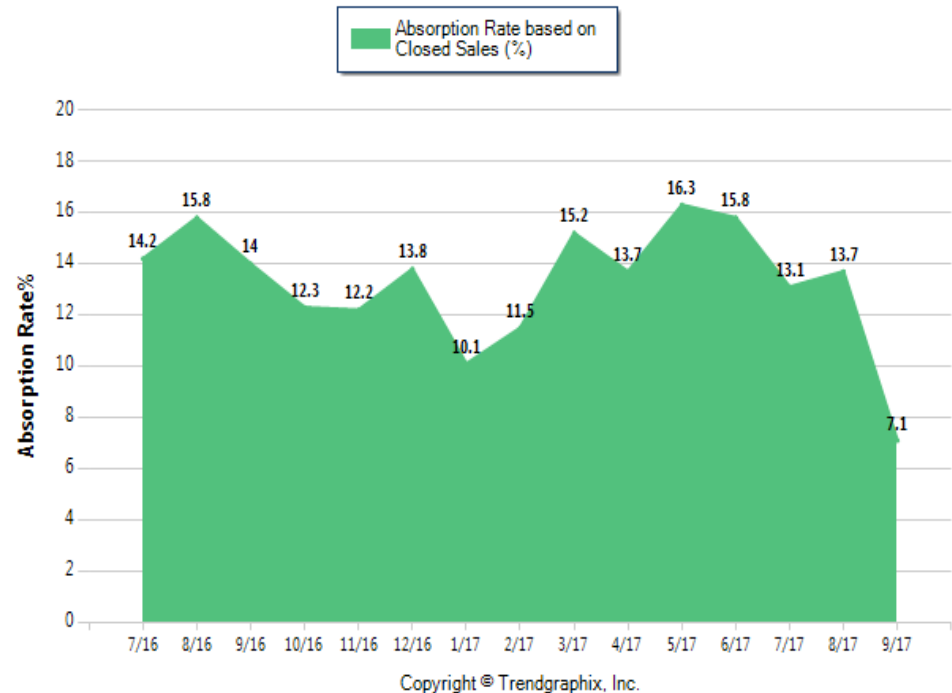
It is a Buyer's Market*

Absorption Rate measures the inverse of Months of Inventory and represents how much of the current active listings (as a percentage) are being absorbed each month.

Absorption Rate based on Closed Sales

The September 2017 Absorption Rate based on Closed Sales of 7.1 was decreased by **49.3%** compared to last year and down **48.3%** compared to last month. Compared to last quarter, it has decreased by more than **23%** which confirms a Buyer's Market for this quarter.

*Buyer's market: 16.67% and below
Seller's market: 33.33% and above
Neutral market: 16.67% - 33.33%





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