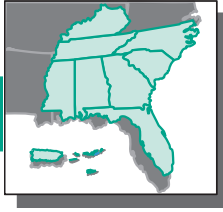


Housing Market Profile

Southeast/Caribbean • HUD Region IV



Miami-Miami Beach-Kendall, Florida

The Miami-Miami Beach-Kendall Metropolitan Division on the southeast coast of Florida is coterminous with Miami-Dade County. As an international vacation destination, Miami-Dade County attracted an estimated 13.2 million visitors in 2011, increasing from 12.6 million in 2010, according to the Sustainability, Planning and Economic Enhancement Department (SPEED) of Miami-Dade County. As of April 1, 2012, the population of Miami-Dade County, the most populous county in the state, was estimated at 2.6 million, an average annual increase of 44,300, or 1.8 percent, since April 1, 2010, up from an average increase of 19,350, or 0.8 percent, annually from 2006 through 2009.

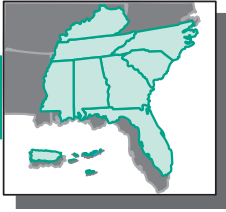
Nonfarm payroll jobs in the county have increased since 2010, reversing significant annual job losses during the previous 3 years. During the 12 months ending February 2012, nonfarm payrolls increased by 22,600 jobs, or 2.3 percent, compared with an increase of 4,300 jobs, or 0.4 percent, during the 12 months ending February 2011. The trade sector, the largest employment sector in the county, had the greatest gain during the 12 months ending February 2012, adding 7,800 jobs, a 4.1-percent increase, as international trade in South Florida hit a record high during the past year. According to SPEED, trade through the Miami Customs District reached more than \$112.8 billion in 2011, an 18-percent increase from 2010. The education and health services sector had the second greatest growth, adding 7,400 jobs, a 4.6-percent gain from the previous 12-month period. Baptist Health South Florida, the largest employer in the county, with 14,550 employees, opened West Kendall Baptist Hospital in the spring of 2011, adding approximately 1,000 jobs. Other leading employers include the University of Miami and Publix Super Markets, with 13,800 and 12,000 employees, respectively.

Several sectors lost jobs during the past 12 months. Budget cuts continued to affect the government sector, in which payrolls declined by 2,500 jobs, or 1.7 percent, during the past 12 months. The local government subsector accounted for most of this loss, declining by 1,800 jobs, or 1.6 percent. The construction subsector lost 1,600 jobs, or 5 percent, as housing market conditions remained soft, and the information sector declined by 100 jobs, or 0.7 percent.

Sales housing market conditions in Miami-Dade County are currently soft. Home sales increased during the past year because large numbers of international buyers continue to purchase in the county. According to Miami REALTORS®, during the 12 months ending March 2012, 10,000 existing single-family homes sold compared with 8,025 homes sold during the previous 12 months, a 25-percent increase. Increased sales and a decreased supply of homes for sale caused home sales prices to increase. The inventory of residential listings in the county declined 34 percent, from 18,900 in March 2011 to 12,400 in March 2012. The median price was \$175,000 in February 2012, up 18 percent from \$147,900 in February 2011. Existing condominium sales also increased during the past 12 months, to 15,050 units, up 45 percent from the previous 12-month period. The county continued to lead the state in foreclosures during the past year. According to LPS Applied Analytics, in February 2012, approximately 71,250 home loans were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned), making up 24.7 percent of home loans, down from 26.6 percent in February 2011. Although improving, this rate is significantly higher than the 17.4-percent state rate and more than three times the 7.6-percent national rate. According to CoreLogic®, during the 12 months ending February 2012, new single-family home sales totaled 2,700 homes, down by 50 homes, or 2 percent, from the previous 12-month period. The median price in February 2012 was \$262,000, down 21 percent from February 2011.

Homebuilding activity, as measured by the number of single-family permits issued, increased during the past year. Based on preliminary data, during the 12 months ending February 2012, permits were issued for 1,125 homes, an increase of 170 homes, or 17 percent, from the previous 12 months. Single-family homebuilding peaked in 2005, when 9,925 homes were permitted. From 2005 through 2009, permitting levels declined significantly each year, reaching a decade low of 620 homes in 2009. Homebuilding activity finally began to increase in 2010, when 940 homes were permitted. Mirage at Oasis, currently under construction in Homestead, consists of 100 single-family homes, ranging in price from \$180,000 to \$250,000, with an expected completion date of May 2012.

Overall rental housing market conditions in Miami-Dade County are soft, although conditions in the apartment market are tight compared with balanced conditions a year ago. According to Reis, Inc., during the first quarter of 2012, the apartment vacancy rate was 4.4 percent, down from 5.6 percent during the previous year. The



average asking rent was \$1,105, up nearly 2 percent from the first quarter of 2011. Tighter lending restrictions have increased rental demand in the area. Conditions in the South Beach/Miami Bayshore submarket, which has the largest apartment inventory in Miami-Dade County, with approximately 15,700 units, are currently tight. As of the fourth quarter of 2011, the most recent data available, the apartment vacancy rate was 3.4 percent compared with the 3.7-percent rate of a year ago. The tight market reflects a decrease in multifamily construction in the submarket; no new apartment developments have been completed in the submarket since 2005. During the fourth quarter of 2011, the average asking rent in the submarket was \$1,515, down more than 1 percent from the fourth quarter of 2010 because net absorption slowed.

Multifamily construction, as measured by the number of units permitted, slowed during the past 12 months as the area recovers from the economic downturn and struggling housing market. Based on preliminary data, during the 12 months ending February 2012, approximately 1,925

units were permitted compared with 2,225 units permitted during the previous 12-month period, a 13-percent decline. Multifamily construction averaged 4,750 units annually from 2006 through 2010 after peaking in 2005, when 16,200 units were permitted. Condominiums accounted for approximately 85 percent of the units permitted during the peak year. Condominiums now account for nearly 20 percent of multifamily permits. The 96-unit 23 Biscayne Bay is currently under construction in downtown Miami. The project will consist of 91 one-, two-, and three-bedroom condominiums and 5 townhomes, with prices starting at \$160,000 for a one-bedroom condominium. All of the units, which are scheduled to open in July 2012, are already sold. Seven condominium projects are currently planned for downtown Miami. The Residences at Lakehouse, a 270-unit apartment complex under construction in Miami Lakes, will consist of one-, two-, and three-bedroom units and include 26 townhomes. The first units are expected to become available in May 2012, with final construction expected to be complete in December 2012.