

Miami-Dade on Pace for Second Biggest Sales Year Ever



Highest Total Sales Years in Miami History

1. 39,394 2021	6. 27,846 2012
2. Projected 2022	7. 27,436 2019
3. 30,041 2013	8. 26,812 2011
4. 29,930 2014	9. 26,796 2018
5. 29,795 2015	10. 26,768 2016

Note: These are existing home sales. New construction sales not included. | Source: MIAMI Association of Realtors (MIAMI) and the MLS

MIAMI — Miami-Dade County real estate has already posted the 6th best total home sales year ever and it has two more months to add to its total with the market projected to end 2022 as the second-biggest sales year ever, according to October 2022 statistics from the [MIAMI Association of Realtors \(MIAMI\)](#) and the Multiple Listing Service (MLS) system.

“Mortgage rates have fluctuated from 3% to 7% this year, and through it all, the resilient Miami real estate market is still on pace for the second biggest sales year ever,” MIAMI Chairman of the Board Fernando Arencibia Jr. said. “Market metrics show Miami real estate continuing to inch its way toward equilibrium. Total active listings and months of supply are slowly rising and close-price to asking-price ratios show there’s some room to negotiate — which means more options for buyers. New listings have yet to increase in a manner that is statistically significant however as we look to 2023 the potential for stability in mortgage rates may yield more inventory in a shifting market.”

The average 30-year fixed rate mortgage rate fell sharply to 6.61% for the week of November 17, the largest weekly drop in 41 years. This week’s sharp drop came on the heels of October data on

consumer and producer prices that showed inflation has peaked.

“Mortgage rates are likely to stay below 7% for the rest of 2022 and to stay below 7.5% in 2023,” MIAMI REALTORS® Chief Economist Gay Cororaton said. “The plateauing of interest rate increases in 2023 should breathe life into the housing market and as buyers adjust their expectation to the ‘new’ normal of a 7%. Housing and commercial real estate conditions remain favorable in the South Florida market due to relatively affordable home prices and a business-friendly environment.”

Miami Projected to Post Second-Biggest Sales Year Ever

The Miami-Dade County real estate market has already sold 28,057 total homes sales (or 92 transactions per day) through October 2022, putting it on pace to be the second-best year ever for total annual sales behind historic 2021.

In comparison to a record October 2021, Miami October 2022 sales decreased 30.6% year-over-year, from 2,978 to 2,067, because of high mortgage rates and low inventory.

Single-family home sales decreased 23.9% year-over-year, from 1,161 in record-breaking October 2021 to 884 in October 2022, due to lack of inventory and rising mortgage rates. Miami existing condo sales decreased 34.9% year-over-year, from 1,817 record-breaking October 2021 to 1,183 in October 2022, due to lack of inventory and rising mortgage rates.

The Fed, which has made multiple hikes to the fed funds rate, is intent on slowing 40-year high inflation. While the Fed doesn't set mortgage rates, it affects them through its conduct of monetary policy. MIAMI REALTORS® Chief Economist Gay Cororaton anticipates a 50-basis point increase in the federal funds rate in the Fed's December meeting, followed by smaller rate hikes in

the first quarter of 2023 and possibly a pause in the second half of the year as the Fed assesses the effect of the rising mortgage rates on the economy.

October 2022 marks the eighth consecutive month of 5% or higher mortgage rates. According to Freddie Mac, the average commitment rate for a 30-year, conventional, fixed-rate mortgage was 6.90% in October, up from 6.11% in September. The average commitment rate across all of 2021 was 2.96%.

Miami Real Estate's Strong Market Fundamentals

- Global companies continue relocating to Miami, such as Citadel, a multinational hedge fund that manages \$57 billion in assets and is developing a \$1 billion Miami office tower with plans to have 1,500 employees in 10 years.
- Demand from homebuyers from high-tax, high-density states remain high as Florida driver license swaps are up double digits for relocating Californians and New Yorkers.
- The Miami-Fort Lauderdale-West Palm Beach metro area has the 6th-lowest unemployment rate (2.3%) in the nation. This is lower than the unemployment rate of 2.5% in Florida and 3.5% rate nationally.
- Miami prices keep rising (nearly 11 years of consecutive price appreciation) and homes keep selling fast (30 days on average).
- Global buyers, who because of pandemic protocols haven't been able to purchase as they are accustomed to in recent years, are returning in mass to the No. 1 destination for global homebuyers. This month, Miami was ranked as the [1 destination in the world for foreign investment by Financial Times](#).
- Miami's percentage of cash buyers (38.1%) is significantly higher than the national average (26%). Nearly 60% of Miami-Dade luxury buyers pay all-cash.
- Distressed sales are statistically insignificant, reflecting a healthy market.

- Demographic shifts (Millennials reaching prime home-buying age and surging senior/retiree population growth)
- High percentage of workforce working remotely favors the Miami market, where many have relocated to live, work and play because of our lifestyle, weather and more.

South Florida: A Bargain in Comparison to Other Global Cities & U.S. Metros

The South Florida market remains more affordable compared to other major metropolises, and this has tended to attract businesses to the South Florida market. The median single-family home price was lower in Miami-Dade County (\$575,000) compared to major markets like San Francisco (\$1.3 million), Los Angeles (\$893,200), New York -Jersey City (\$627,400), Boston (\$608,900), Denver (\$666,600) and Washington DC (\$581,300).

Miami-Fort Lauderdale-West Palm Beach's price per square meter is \$3,170, far below at least 30 global cities and 13+ U.S. Metros including markets such as Hong Kong (\$28,570), New York City (\$17,191), San Francisco-Oakland-Hayward, CA (\$8,250), Madrid, Spain (\$6,173), Los Angeles-Long Beach-Glendale, CA (\$4,740) and Seattle-Tacoma-Bellevue, WA (\$4,460), according to [National Association of REALTORS Profile of International Transactions in U.S. Residential Real Estate 2022](#).

Miami-Dade County single-family home median prices increased 17.3% year-over-year in October 2022, increasing from \$490,000 to \$575,000. Miami single-family median prices have risen for 131 consecutive months (10.9 years), the longest running-streak on record. Existing condo median prices increased 18.9% year-over-year, from \$326,790 to \$388,531. Condo median prices have increased in 132 of the last 137 months.

While median prices have increased nationally so has house-buying power because of a long-run decline in rates before March 2022 and the slow, but steady growth of household income. West

Palm Beach (No. 5) and Miami (No. 6) ranked among the Top-10 U.S. metros where homebuyer income grew the most during the pandemic via [Redfin report](#).

Home prices are determined by supply and demand. Lower supply and higher demand create higher prices. Inventory for Miami single-family homes (3.7 months) and condos (3.8 months) are low. Also, one of the supports for home prices is rents and rents are rising strongly.

Locally, the greater share of Miami luxury sales is also part of the reason for the large year-over-year increase in median prices.

Miami Total Active Listings Rise for First Time Since August 2019

Total active listings at the end of October 2022 increased 2.2% year-over-year, from 10,570 to 10,799.

Inventory of single-family homes increased 41.9% year-over-year in October 2022 from 2,918 active listings last year to 4,142 last month. Condominium inventory decreased 13% year-over-year to 6,657 from 7,652 listings during the same period in 2021.

New listings of Miami single-family homes decreased 13.9% to 1,348 from 1,566. New listings of condominiums decreased 24.5%, from 2,429 to 1,833.

Months' supply of inventory for single-family homes increased 68.2% to 3.7 months year-over-year, which indicates a seller's market. Inventory for existing condominiums decreased 5% to 3.8 months, which also indicates a seller's market. A balanced market between buyers and sellers offers between six- and nine-months supply.

Nationally, total housing inventory at the end of October was 1.22 million units, which was down 0.8% from both September and one year ago (1.23 million). Unsold inventory sits at a 3.3-month supply at the current sales pace, up from 3.1 months in September and 2.4 months in October 2021.

Miami Real Estate Posts \$232.5 Million Local Economic Impact in October 2022

Every time a home is sold it impacts the economy: income generated from real estate industries (commissions, fees and moving expenses), expenditures related to home purchase (furniture and remodeling expenses), multiplier of housing related expenditures (income earned as a result of a home sale is re-circulated into the economy) and new construction (additional home sales induce added home production).

The total economic impact of a typical Florida home sale is \$112,500, according to NAR. Miami-Dade County sold 2,067 homes in October 2022 and had a local economic impact of \$232.5 million.

Miami total dollar volume totaled \$1.6 billion in October 2022. Single-family home dollar volume decreased 13.1% year-over-year, from \$1 billion to \$870 million. Condo dollar volume decreased 21.9% year-over-year, from \$957 million to \$748 million.

Miami Distressed Sales Remain Low, Reflecting Healthy Market

Total Miami distressed sales decreased 28.9% in October 2022, from 45 to 32. Short sales and REOs accounted for 0.4% and 1.1% year-over-year, respectively, of total Miami sales in October 2022. Short sale transactions decreased 52.6% year-over-year while REOs decreased 11.5%.

Only 1.5% of all closed residential sales in Miami were distressed last month, including REO (bank-owned properties) and short sales, compared to 1.5% in October 2021. In 2009, distressed sales comprised 70% of Miami sales.

Miami's percentage of distressed sales are on par with the national figure. Nationally, distressed sales represented approximately 1% of sales in October, identical to October 2021.

Miami's Percentage of Sales Continue to Outpace the Nation, State

In Florida, closed sales of single-family homes statewide totaled 20,837 in October 2022, down 24.6% year-over-year, while existing condo-townhouse sales totaled 8,356, down 26.9%. Closed sales may occur from 30- to 90-plus days after sales contracts are written.

Nationally, total existing-home sales transactions decreased 5.9% from September to a seasonally adjusted annual rate of 4.43 million in October. Year-over-year, sales dropped by 28.4% (down from 6.19 million in October 2021).

The statewide median sales price for single-family existing homes was \$401,990, up 12% from the previous year, according to data from Florida Realtors Research Department in partnership with local Realtor boards/associations. Last month's statewide median price for condo-townhouse units was \$310,000, up 19.2% over the year-ago figure. The median is the midpoint; half the homes sold for more, half for less.

Nationally, the median existing-home price for all housing types in October was \$379,100, a gain of 6.6% from October 2021 (\$355,700), as prices rose in all regions. This marks 128 consecutive months of year-over-year increases, the longest-running streak on record.

Miami Real Estate Attracting Multiple Bids, Buyers Going Over-List Price

The median percent of original list price received for single-family homes was 96% in October 2022, down 2.7% from 98.7% last year. The median percent of original list price received for existing condominiums was 96.9%, down 0.4% from 97.3% last year.

The median number of days between listing and contract dates for Miami single-family home sales was 30 days, up from 22 days last year. The median time to sale for single-family homes was 75 days, an 8.7% increase from 69 days last year.

The median number of days between the listing date and contract date for condos was 31 days, down 8.8% from 34 days. The median number of days to sale for condos was 71 days, a 10.1% decrease from 79 days.

Miami Cash Sales 46.5% More than National Figure in October 2022

Cash sales represented 38.1% of Miami closed sales in October 2022, compared to 37% in October 2021. About 26% of U.S. home sales are made in cash, according to the latest NAR statistics.

Cash buyers are not deterred by rising rates. The high percentage of cash buyers reflects Miami's top position as the preeminent American real estate market for foreign buyers, who tend to purchase with all cash as well as some moving from more expensive U.S. markets who can buy more with their profits from real estate sales.

Cash sales accounted for 48.4% of all Miami existing condo sales and 24.4% of single-family transactions.

To access October 2022 Miami-Dade Statistical Reports, visit <http://www.SFMarketIntel.com>

Note: Statistics in this news release may vary depending on reporting dates. MIAMI reports exact statistics directly from its MLS system.

About the MIAMI Association of Realtors®

The MIAMI Association of Realtors (MIAMI) was chartered by the National Association of Realtors in 1920 and is celebrating 102 years of service to Realtors, the buying and selling public, and the communities in South Florida. Comprised of six organizations: MIAMI RESIDENTIAL, MIAMI COMMERCIAL; BROWARD-MIAMI, a division of MIAMI Realtors; JTHS-MIAMI, a division of MIAMI Realtors in the Jupiter-Tequesta-Hobe Sound area; MIAMI YPN, our Young Professionals Network Council; and the award-winning MIAMI Global Council. MIAMI REALTORS represents nearly 60,000 total real estate professionals in all aspects of real estate sales, marketing, and brokerage. It is the largest local Realtor association in the U.S. and has official partnerships with 242 international organizations worldwide. MIAMI REALTORS® has launched its new YPN Global and will host the first-ever [YPN Global Congress](#) on Feb. 12-15, 2023, in Dubai. MIAMI has been selected to host the prestigious [FIABCI World Congress](#) on June 5-9, 2023. MIAMI's official website is www.MiamiRealtors.com

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