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2019

REAL ESTATE OUTLOOK / MIAMI-DADE & BROWARD COUNTIES
RESIDENTIAL MARKETS

INSIGHT

2019 REAL ESTATE MARKET OUTLOOK

PRESIDENT & CEO, EWM REALTY INTERNATIONAL | RON SHUFFIELD
SENIOR VICE PRESIDENT & GENERAL SALES MANAGER, EWM REALTY INTERNATIONAL | SHERRIE PORTER
SENIOR VICE PRESIDENT, BUSINESS DEVELOPMENT, EWM REALTY INTERNATIONAL | PATRICK O'CONNELL

EDITORIAL

KREPS DEMARIA PR & MARKETING | ISRAEL KREPS
KREPS DEMARIA PR & MARKETING | CAROLINE UNDERWOOD

RESEARCH

CHIEF FINANCIAL OFFICER, EWM REALTY INTERNATIONAL | HENA M. AGUIRRE, CPA
FINANCIAL ANALYST, EWM REALTY INTERNATIONAL | SANJA SHANK, MBA
TRENDGRAPHIX, INC.

DESIGN

VICE PRESIDENT, MARKETING, EWM REALTY INTERNATIONAL | LEE CASEY, MBA



PRICING IS STILL *PARAMOUNT.*

'Someone will surely pay whatever I'm asking' became an unconscious real estate strategy for many home sellers over time, especially within the luxury segment of the market. The Internet has completely removed this philosophy of simply offering your home or condo for sale at a high price in hopes that someone will overpay. Buyers today have multiple sources of real-time comparable data -- literally at their fingertips! It's still okay to leave some 'negotiation room' in pricing real estate, but today's savvy sellers have recognized that better-priced properties generally sell faster, and often at higher prices, than ones which are significantly overpriced.

But, even with immediate access to on-the-spot data, the ability to announce a changing market's direction will generally take more than just a financial quarter or two to predict what lies ahead. And even then... it's necessary for the reader to have access to a professional who can contrast the raw data against other realities affecting buyer and seller decisions. It's always easier looking back than looking forward through a sometimes cloudy financial landscape, especially when that landscape has many filters: global political instabilities, trade policy uncertainties, weakened international currencies, confusing immigration policies, future home mortgage interest rate questions, revised U.S. personal income tax policies, election cycle slowdowns, added focus on cash purchases by foreign buyers... and on and on.

In spite of a myriad of external factors affecting the market, which South Floridians have kept an eye on for over half a century, the primary takeaway from our observation of buyers in the marketplace over the past 36 months is very clear: The pent-up demand for our South Florida housing is probably the greatest in our history. As Florida's population continues to grow with almost 900 'net' new residents per day, South Florida is a magnet for newcomers from all across the world—but the one key takeaway from buyers (new & existing) which dominates like no other is 'Right Pricing'.

Right Pricing is a phrase that we began to coin in early 2016, as it became clearly apparent that the number of motivated buyers was increasing significantly, especially in the luxury segment. While we are having more and more discussion with buyers anxious to purchase homes & condos in South Florida, each of these potential buyers is keenly focused on his or her opinion of perceived value, and reticent to spending time making offers for properties that are perceived to be exceedingly overpriced.

The proof of this statement lies in the fact that during 2018 (much the same during 2017), our research showed that the average final sale price of a Miami-Dade home or condo in excess of \$1 million sold at 84% of the property's original asking price. In comparison, the average sold price of a luxury property four years earlier in 2014, sold for 91% of its original asking price. We expect an active discussion surrounding the question of, "What is the proper asking price?", to continue throughout 2019 and into 2020, especially for Miami-Dade condominiums priced at \$1 million and higher. Inventories at this price level are at all-time highs -- with over 3,000 units actively for sale at the beginning of 2019.

If 'Right Pricing' is the focus for the million-dollar-plus segment, then 'Affordability' continues to be the topic in the lower-priced markets. The \$300,000-and-under single-family home market, which still accounts for 34% of all single family home sales in Miami-Dade and 33% in Broward, has less than four months of supply (6-9 months of supply is considered a 'healthy market'). Miami-Dade and Broward condos priced under \$300,000 have less than seven and five months, respectively, of remaining supply—also comfortably within the healthy market range.

On the next two pages you'll find a few of the many trends that we have addressed in this report, as we once again look to our proprietary platforms and internal research team to provide you with information that is both important and compelling about South Florida's residential real estate market.



SOUTH

MIAMI. FORT LAUDERDALE. PALM BEACH.

Interesting elements of this year's research include:

- Inventories of \$1 million+ single-family homes & condos for sale in Miami-Dade County on Dec 31, 2018 had risen to the highest number in history (4,925 properties -- up 11% over the same period in 2017, while the number of combined \$1M+ sales (1,898 properties) were up 18%, the highest number of annual sales since 2015. The 2018 median price for a single-family home or condo valued in excess of \$1 million fell 4% over the prior year.
- Supplies of \$1 million+ Miami-Dade properties at the end of 2018 reflected 24 months' supply for single-family homes and 57 months' supply for condominiums (based upon 4th quarter 2018 sales). The optimum supply for properties priced in excess of \$1M+ ranges between 12 and 18 months. The supply numbers going into 2019 point to many opportunities for prudent buyers and 'right-priced' sellers of luxury properties across Miami-Dade County.
- Broward County inventories of \$1 million+ single-family homes & condos rose in 2018 to the largest inventory since 2008 (1,477 properties, representing an 8% increase over 2017). Sales of \$1M+ homes & condos in Broward County during 2018 set an all-time record of 971 luxury sales, reflecting a 23% increase over 2017 sales. The 2018 median price for a single-family home valued in excess of \$1 million declined 9% over the prior year, while the median price of a \$1M+ condo rose by 17%.
- We believe that there are a significant number of luxury buyers on the sidelines waiting for asking prices to adjust to levels they deem 'right priced'. Correct pricing of these luxury properties in 2019 will be critical to increasing the velocity of sales. In the case of Miami-Dade condos priced in excess of \$1 million, where the backlog of inventory is sitting at just shy of 5 years, price is the primary motivator that will stimulate sales. Buyers are currently combing our luxury condo buildings throughout Miami-Dade & Broward looking for value and offering cash contracts to purchase.
- Increases in mortgage interest rates in 2018 had a slight negative impact on sales under \$1 million, which will continue to impact the number of lower-priced homes and condos. It is important to note that a 1% increase in a homebuyer's interest rate will erode their borrowing power by almost 11%.
- A snapshot of Miami-Dade County prices over the last eight years reveals that the median price of a single-family home during the 2010-2018 period more than doubled (increase of 109%), from \$170,000 in Q4 2010, to \$355,000 as of Q4 2018. The median price of a Miami-Dade County condominium was \$101,000 in Q4 2010, and had risen to \$235,000 in Q4 2018 -- an increase of 133%. The median price of a Broward single-family home during Q4 2018 was \$358,000, up 82% over the median price of \$196,333 in Q4 2010, and the median price of a Broward condo for the same period was up 130%, from \$70,333 to \$162,000.



LIVE. WORK. PLAY.

FLORIDA

Transportation, South Florida's biggest overall challenge, saw a literal 'bright' spot with the opening of Brightline in the summer of 2018. The receptivity has been excellent and that will certainly help the county-to-county flow of traffic, although we clearly have a long way to go towards solving the in-county issues, especially west-to-east flows in Miami-Dade.

Latin American economies are very important to our overall real estate market. Brazil and Argentina, two key economies to South Florida, have at least stemmed the negative and we will hopefully continue to see improvement, which will further positively impact our residential real estate market.

In addition to robust interest from the northeastern U.S. corridors, which are actively responding to Florida's favorable double-climates (Fahrenheit and no income taxes), we also expect to continue experiencing growth from the Midwest and other markets more traditionally associated with Southwest Florida. These second- and primary-home buyers began to have a positive impact on the Southeast Florida market during 2017 and are continuing to show strong interest today.

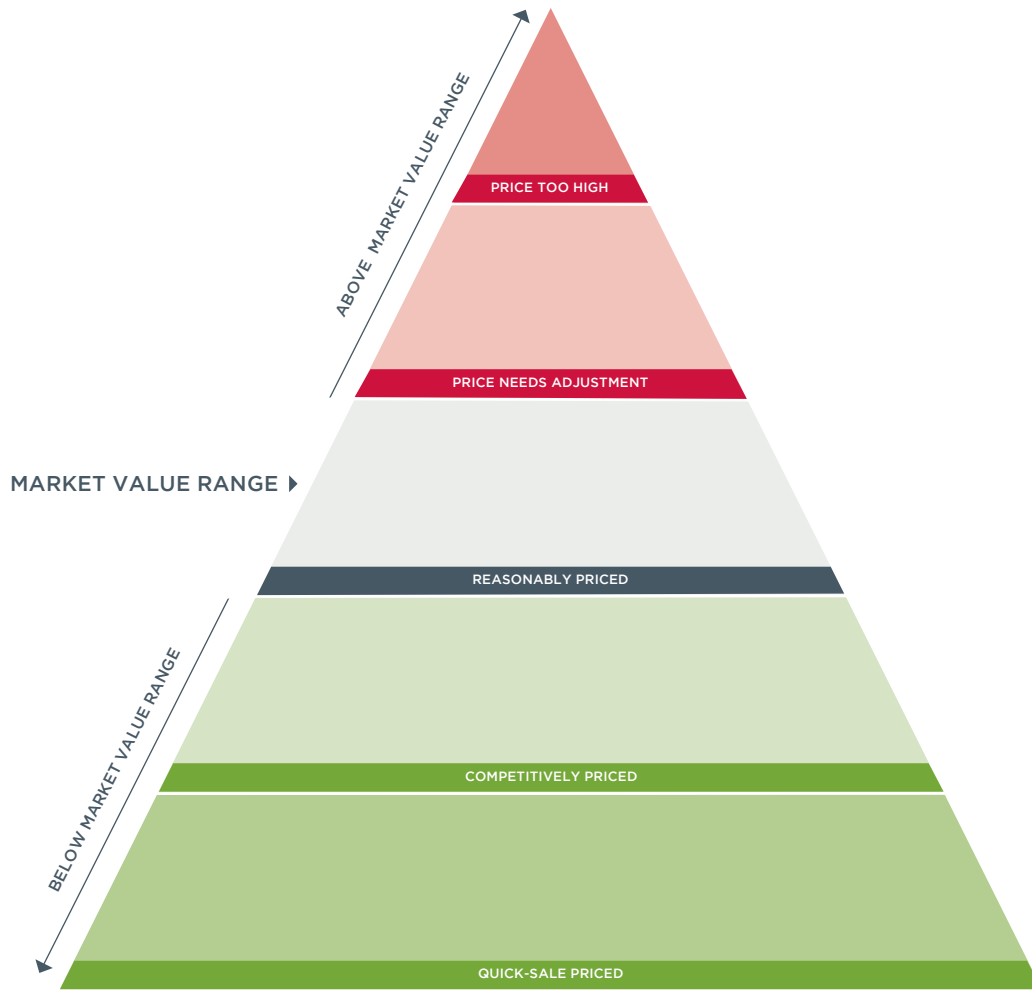
As a whole, all second-home markets in the U.S. have been challenged over these past three years by an assorted number of economic and governmental challenges across the globe. While South Florida has not been immune from these challenges, we believe that we're on a steady path toward re-balancing our luxury inventory, provided that our current sellers of luxury homes & condos are realistic about 'Right Pricing.' In the low to moderate price ranges, we will continue to monitor interest rates and explore more affordable options for our entry-level buyers. This year could be headlined as 'All of South Florida Benefits from Right Pricing in 2019.'

We are all very fortunate to live and work in South Florida. Our rise over these past 35 years to join the league of other world-class cities has been both phenomenal and exciting to watch. There will always be ups & downs in the market and ebbing & flowing of global economies, but at the end of the day, South Florida's strategic geographical location and the diversity of our people are two very powerful strengths. The best is yet to come!

Sincerely,



Ron Shuffield
President & CEO
EWM Realty International



PRICING DIRECTLY IMPACTS HOW MANY BUYERS WILL CONSIDER YOUR PROPERTY

RIGHT-PRICING

ALIGN LISTING PRICES WITH THE MARKET

If the TV show 'The Price is Right' were to be modified for today's residential real estate market, specifically the million dollar-plus residential real estate market, it would be called 'The Price MUST Be Right.'

Why? Because our research shows that listings that are inappropriately priced – those outside of the Market Value Range in the adjacent chart – are for the most part, being completely ignored.

It is from this ongoing phenomenon that our company began to coin the phrase 'Right Pricing.' Over 2018, we had numerous instances where an individual had their home or condo listed for an extended period of time, choosing to purposely 'overprice' from the Market Value Range, and generating little traction.

The correlation between right pricing and sales is undeniable.

As an example of this phenomenon, take a listing with a true market value of \$2 million. As per our Pricing Pyramid, we estimate that the property, when "appropriately" priced, will receive a 60% visibility rate among buyers who are motivated to purchase in that price range.

Increase the asking price to \$3 million in order to test the market (the hope for someone that will overpay), and you reduce the percentage of potential buyers viewing the listing to only 30%. If you decide to really go fishing, as many have, and price this listing at \$3.5 million, your window of prospects shrinks to 10%.

Conversely, lower the asking price of that \$2 million residence just a little, to \$1.9 million, and the average percentage of potential buyers viewing the listing increases to 75%. Go even lower, to \$1.8 million, and we estimate that 90% of buyers motivated at this price range will view your listing.

The message to sellers is clear – 'right pricing' is the key to selling. There are plenty of buyers in the million-dollar plus marketplace, they are just waiting for the right price.

MIAMI BEACH

An aerial photograph of Miami Beach, Florida, showing a dense urban landscape with numerous high-rise buildings and a prominent waterfront development. The foreground features a large, landscaped area with a winding path, greenery, and a circular structure. The background shows the city extending to the water's edge, with a large body of water and a distant skyline. The overall scene is bathed in a warm, golden light, suggesting late afternoon or early morning.

*KEY FACTS &
FIGURES*

MIAMI-DADE COUNTY

- In 2018, Miami-Dade's overall inventory of condominiums increased 4.6% over the same period in 2017
- In single-family homes, inventory of available homes increased by 14.4% year over year, with under \$1M inventory increasing by 15.7% and over \$1M increasing by 11.1%.
- While the 2018 under \$1M single family home inventory increased by 670 units from December 2017, months of inventory (MOI) remained in the healthy range, going from 4.4 MOI to 5.2 MOI. Overall single family home inventory at the end of 2018 was at 6.6 months, remaining in the ideal range of 6-9 months.
- During 2018, 34% of all single-family home sales in Miami-Dade in the \$300,000 and under market, were down from 41% the prior year. The reason for the decline is simply due to a lack of single-family home inventory at this price-point.
- Condominium inventory in the million dollar and under price point remained at 12.0 months at the end of 2018, slightly higher than the industry standard of nine months of available inventory, but still very manageable compared to the 57 MOI in the million-dollar-plus condominium market.
- The December 2018 inventory of \$1M+ markets once again is record breaking, with 3,092 condominiums in that price point of the end of the year. This is up from 2,771 available at the end of 2017. This amounts to 57 MOI. To put into perspective, at the peak of the recession, inventory was 1,899 in March of 2007. That means that we have worked through the inventory in that cycle, and are now dealing with over-supply of condominiums in this price point during the current cycle.
- While a snapshot of over \$1 million-dollar condominiums in Miami-Dade reveals an 11.6% increase in inventory from December 2017 to December 2018 - 2,771 units to 3,092 units, the positive news is that over \$1 million-dollar condominium sales increased 18.7% from 718 sales in 2017 to 852 sales in 2018.
- Market-wide, combined single-family and condominium inventory in Miami-Dade from December 2017 to December 2018 went up 7% -- meanwhile sales market-wide were also up 3%, an improvement over last year's 3% decline.
- Months of available inventory in the overall single-family home market were at 6.6 months as of December 2018, and 14.2 months in the overall condominium market:
 - A preferable range of available inventory for a market is 6-9 months; so, single-family homes are within that range, but condominiums are much higher -- a number that becomes increasingly disparate at the higher-end segment of the condominium market.
- In the \$1 million and under single-family home market, 2018 saw an increase in inventory of 15.7% over 2017. Sales decreased 1.2% year over year and 2.6% quarter over quarter.
- In the \$1 million and under condominium market, inventory increased 3.1%, while sales increased 4.4% year-over-year and 2.7% Q4 2018 v Q4 2017.
- The \$1 million-and-over single-family home market inventory increased 11.1% year over year, from 2017 to 2018, while sales increased 16.8% year over year and 15.0% quarter over quarter.
 - The window for total months of available inventory is 9-12 months for higher-end properties, versus 6-9 months for the overall market.
- The \$1 million-and-over condominium market, while still dealing with high inventory challenges, saw the year-over-year sales increase by 18.7% from 2017 to 2018, and the last quarter sales keeping steady with 163 units sold in Q4 2018 vs. 166 units sold in Q4 2017.
- Compared to prior years, there is less downward economic pressure in countries such as Brazil, Argentina and Russia, where the landscape at the beginning of 2018 is more positive than at the beginning of 2017. Brazil is working to put its troubled political climate behind, similar to Argentina, whose new president has generated economic momentum in the country. Additionally, Miami-Dade has seen an increase in buyers from the Northeast corridor of the United States.

NEW RIVER IN FORT LAUDERDALE

*KEY FACTS &
FIGURES*

BROWARD COUNTY

- In Broward County, total inventory of single family homes and condominiums was up 12% from December 2017 to December 2018, and sales were up 1% year over year and flat Q4 2018 compared to Q4 2017.
- Total single family homes inventory increase of 19.6% and condos inventory increase of 7.2% are an indication of a slight inventory buildup, but MOI still remain in the desired range – at 4.7 months for single family homes and 6.1 months for condos.
- In Broward County, the \$300,000 and under 4th quarter market dominated the total volume of condominium inventory and sales, with this price point representing 63% of all inventory, and a striking 82% of total sales.
- The magnitude of single family home market in this price point is not as pronounced, with 22% of all inventory represented in this category and 33% of all sales.
- In the million dollar-plus market for Broward from December 2017 to December 2018, single family home inventory increased by 9.2% and sales increased 14.2%. The increase in sales for the 4th quarter was even more pronounced at 22.1%, but this can mostly be attributed to the impact of hurricane Irma in September 2017.
- In the million dollar-plus market for Broward, condominium inventory in this price point increased 6.4%, and sales jumped 50.3% year over year. Even prior to the negative effect of hurricane Irma in the 4th quarter, Jan-Aug 2017 condo sales totaled 142 units while Jan-Aug 2018 totaled 210 units, an increase of 47.9%.
- The months of available inventory in the overall single-family home market was at 4.7 months as of December 2018, and 6.1 months in the overall condominium market for the same time period.
- Across the board, the supply of single family homes in Broward towards the lower end price points, like Miami-Dade County, is being absorbed quickly.
- A Q4 2017 v Q4 2018 comparison of single family homes of \$300,000 and under, shows a decrease in sales of 16.1%, attributable to negligent supply in this price point, with only 3.2 months of inventory.
- Almost as significant as in Miami-Dade (16.8% growth), single family homes in the \$1 million and over market saw an increase in sales of 14.2% comparing 2017 v 2018, with months of inventory at 18.6 months of supply, a bit toward the high side.
- There is substantial inventory of single family homes in the \$3 million and over market (40 months) and \$5 million and over market (143 months of supply).
- In the condominium market, overall inventory levels edged up slightly in Broward County, from 5.8 months at the end of 2017 to 6.1 months at the end of 2018.
- Available inventory of condominiums in Broward, as in Miami-Dade, dramatically shift from the lower-end priced residences to the higher end. Q4 2017 v Q4 2018 comparisons show that available monthly inventory levels in the \$100,000 and under price point are at 4.1 months; 4.6 months in \$300,000 and under; 11.0 months in the \$300,000 to \$599,000 price point; 22.0 months in the \$600,000 to \$999,000 price point; 21.5 months in the \$1 million and over price point; 48 months in \$3 million and over; and \$5 million and over, condos are hardly selling (no sales in 2017 and only 2 units sold in 2018).
- Short sales and overall distressed sales inventories continued to decrease in both Broward and Miami-Dade



THE SOUTH FLORIDA BRAND

THE WORLD'S GAZE IS FIXED ON PARADISE

Within South Florida, the emergence of the region as a brand, especially the name recognition of 'Miami' on a global scale, has, according to recent media reports, continued to expand. The Greater Miami area's economic output of more than \$300 billion makes it one of the largest economic regions in the world, comparable to major capitals such as Hong Kong, according to a study from the FIU-Miami Creative City Initiative. The reputation of Miami as one of the world's most recognizable brands continues to create further awareness of our real estate offerings in our entire region, including Fort Lauderdale and Palm Beach.

Fueling this phenomenon is the ever-growing synergies between Southeast Florida and New York. These synergies are well-documented, and have been for decades, but our "connection" with all-things New York continues to be at the forefront of marketing real estate. This is particularly true as the new tax laws begin to impact consumers, and the value of Florida residency becomes an increasingly more compelling option.

For EWM Realty International, this connection is magnified through our parent company, Berkshire Hathaway, which has heavily invested in New York real estate brokerages. Recent acquisitions of major New York companies, such as Houlihan Lawrence, over the past few years exponentially increases our reach into New York City and beyond, with extremely strong ties to areas such as Washington, D.C. (through Long & Foster Companies). These symbiotic connections with the HomeServices of America family of companies, each of which is just as interested in pursuing opportunities in South Florida, is a major component of how we co-market our equally desirable regions.

MEDIAN PRICES

JUST NOW APPROACHING PRE-RECESSION LEVELS

In spite of all the tremendous growth in South Florida's residential real estate market since the Great Recession, we are – surprisingly – still not at pre-recession levels for median prices. In Miami-Dade, the Q4 median price of a single-family home was \$374,000 in 2006, and \$355,000 in Q4 2018. This reflects steady growth from a low in Q4 2010 of \$170,000, but still not at pre-recession levels. The median price of a Miami-Dade County condominium at the end of Q4 2018 was \$235,000, while the median price at the end of Q4 2007 was \$260,000. The lowest median price since the recession was \$101,000 at the end of Q4 2010.

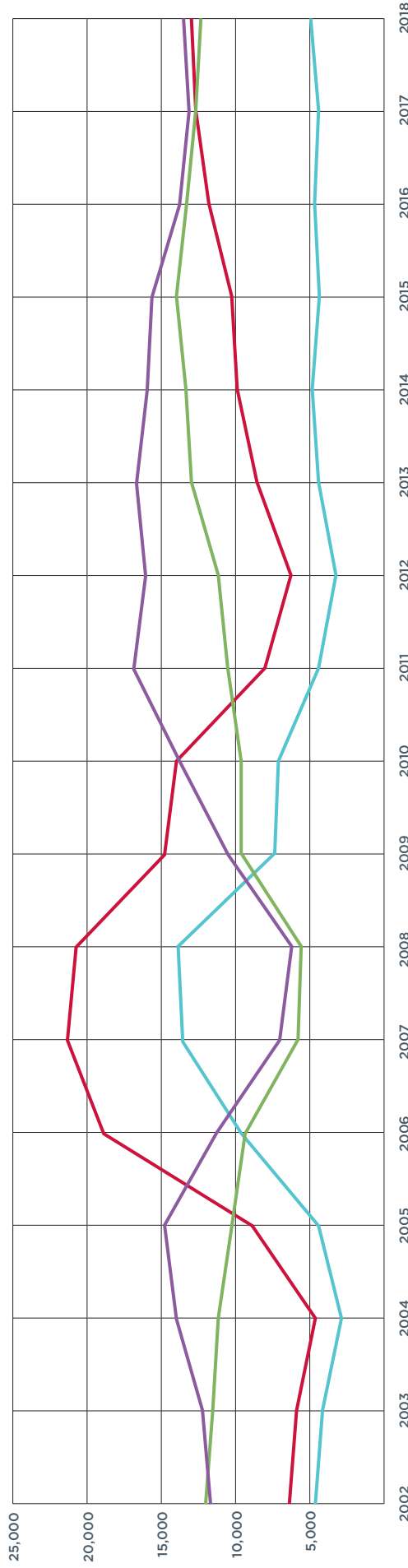
In Broward County, the median price of a single-family home was also still below pre-recession levels, from \$385,000 in Q4 of 2005 to \$358,000 in Q4 of 2018, from a low of \$193,000 in Q4 of 2011. In condominiums, median prices in Broward are lagging behind pre-recession levels. The median price for a Broward condominium was \$205,000 for Q4 2006, and \$162,000 for Q4 2018, from a low of \$70,000 during Q4 2010.



MIAMI-DADE COUNTY

UNDER \$1 MILLION

SINGLE-FAMILY HOME AND CONDOMINIUM INVENTORY & SALES 2002 THRU 2018



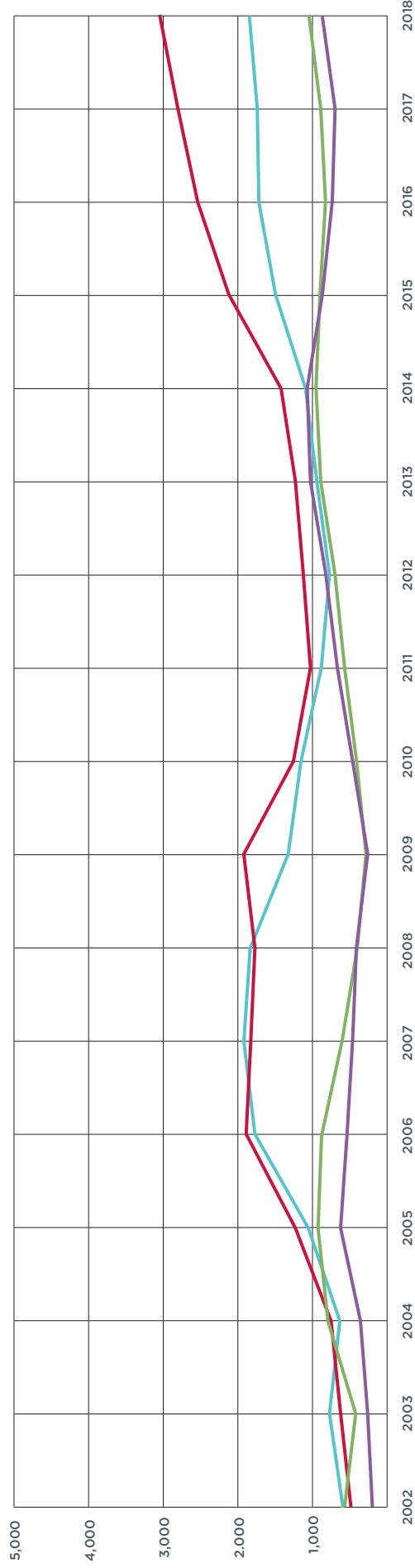
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Single-Family Homes For Sale on 12/31	5,134	4,826	3,505	5,489	11,109	14,819	14,988	8,278	8,156	5,474	4,334	5,194	5,814	5,667	6,135	5,917	6,770
Condos For Sale on 12/31	6,475	6,260	5,259	9,643	19,875	23,517	22,637	16,169	15,117	8,651	7,175	9,338	11,253	12,464	14,490	15,354	16,065
Total For Sale (Single-Family & Condo)	11,609	11,086	8,764	15,132	30,984	38,336	37,625	24,447	23,273	14,125	11,509	14,532	17,067	18,131	20,625	21,271	22,835
Annual Increase (Decrease)	-5%	-5%	-21%	73%	105%	24%	-2%	-35%	-5%	-39%	-19%	26%	17%	6%	14%	3%	7%
Single-Family Homes Sold Annually	12,678	12,534	12,481	11,156	9,886	6,401	6,058	9,714	9,902	11,301	12,035	13,613	14,104	14,557	13,826	13,385	13,387
Condos Sold Annually	12,204	12,872	13,897	15,260	11,932	7,592	6,731	10,681	14,161	17,533	17,510	18,332	17,475	16,934	14,328	13,889	14,606
Total Units Sold (Single-Family & Condo)	24,882	25,406	26,378	26,416	21,818	13,993	12,789	20,395	24,063	28,834	29,545	31,945	31,579	31,491	28,154	27,274	27,992
Annual Increase (Decrease)	2%	4%	4%	0%	-17%	-36%	-9%	59%	18%	20%	2%	8%	-1%	0%	-11%	-3%	3%
Single-Family Sales % of Total Sales	51%	49%	47%	42%	45%	46%	47%	48%	41%	39%	41%	43%	45%	46%	49%	49%	48%
Condo Sales % of Total Sales	49%	51%	53%	58%	55%	54%	53%	52%	59%	61%	59%	57%	55%	54%	51%	51%	52%
Single-Family Median Sold Price (4th Qtr)	\$189,000	\$231,000	\$287,000	\$367,000	\$374,000	\$348,000	\$223,000	\$181,000	\$170,000	\$172,000	\$195,000	\$230,000	\$248,000	\$270,000	\$307,000	\$335,000	\$355,000
Annual Increase (Decrease)	22%	24%	24%	28%	2%	-7%	-36%	-19%	-6%	1%	13%	18%	8%	9%	14%	9%	6%
Condo Median Sold Price (4th Qtr)	\$133,000	\$152,000	\$206,000	\$256,000	\$253,000	\$260,000	\$168,000	\$137,000	\$101,000	\$122,000	\$155,000	\$175,000	\$189,000	\$200,000	\$211,000	\$230,000	\$235,000
Annual Increase (Decrease)	14%	36%	36%	24%	-1%	3%	-35%	-18%	-26%	21%	27%	13%	8%	6%	6%	9%	2%
Single-Family # Months Supply on 12/31	4.9	4.6	3.4	5.9	13.5	27.8	29.7	10.2	9.9	5.8	4.3	4.7	4.8	5.1	5.6	5.6	6.6
Condos # Months Supply on 12/31	6.4	5.8	4.5	7.6	20.0	37.2	40.4	18.2	12.8	5.9	6.4	6.4	7.9	9.5	13.6	13.9	14.2

Source: Southeast Florida Regional MLS
Note: 2015 - 2018 Months of Supply were calculated using For Sale units on 12/31 and the average of last 3 months of units Sold.

MIAMI-DADE COUNTY

OVER \$1 MILLION

SINGLE-FAMILY HOME AND CONDOMINIUM INVENTORY & SALES 2002 THRU 2018



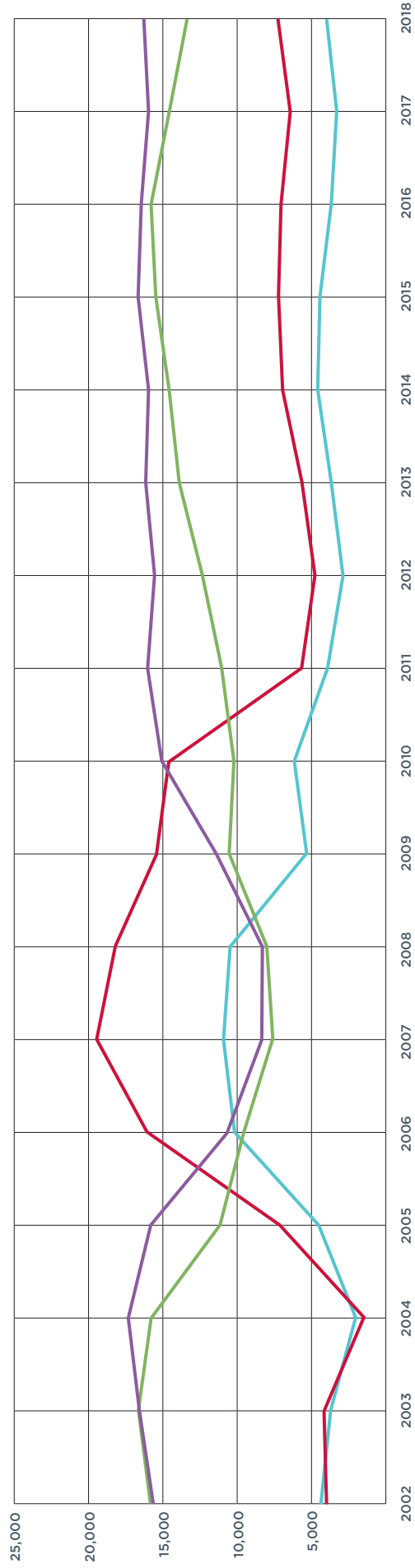
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Single-Family > \$1 Mill For Sale on 12/31	656	721	657	1,068	1,612	1,734	1,666	1,337	1,179	960	904	998	1,081	1,454	1,673	1,650	1,833
Condos > \$1 Mill For Sale on 12/31	526	574	739	1,226	1,849	1,790	1,762	1,380	1,259	1,032	1,125	1,212	1,454	2,142	2,549	2,771	3,092
Total For Sale (Single-Family & Condo)	1,182	1,295	1,396	2,294	3,461	3,524	3,428	2,717	2,438	1,992	2,029	2,210	2,535	3,596	4,222	4,421	4,925
Annual Increase (Decrease)	N/A	10%	8%	64%	51%	2%	-3%	-21%	-10%	-18%	2%	9%	15%	42%	17%	5%	11%
Single-Family Homes > \$1 Mill Sold Annually	366	392	663	835	736	564	395	369	436	534	649	862	994	980	884	895	1,045
Condos > \$1 Mill Sold Annually	154	236	375	663	585	492	451	369	466	600	832	1,021	1,082	951	743	718	852
Total Units Sold (Single-Family & Condo)	520	628	1,038	1,498	1,321	1,056	846	738	902	1,134	1,481	1,883	2,076	1,931	1,627	1,613	1,898
Annual Increase (Decrease)	N/A	21%	65%	44%	-12%	-20%	-20%	-13%	22%	26%	31%	27%	10%	-7%	-16%	-1%	18%
Single-Family Sales as % of Total Sales	70%	62%	64%	56%	56%	53%	47%	50%	48%	47%	44%	46%	48%	51%	54%	55%	55%
Condo Sales as % of Total Sales	30%	38%	36%	44%	44%	47%	53%	50%	52%	53%	56%	54%	52%	49%	46%	45%	45%
Single-Family Median Price (4th Qtr)	\$1,372,333	\$1,555,333	\$1,521,000	\$1,475,000	\$1,389,333	\$1,620,667	\$1,533,333	\$1,711,000	\$1,533,333	\$1,615,000	\$1,749,000	\$1,515,000	\$1,600,000	\$1,748,000	\$1,550,000	\$1,637,000	\$1,575,000
Annual Increase (Decrease)	N/A	13%	-2%	-3%	-6%	17%	-5%	12%	-10%	5%	8%	-13%	6%	9%	-11%	6%	-4%
Condo Median Price (4th Qtr)	\$1,483,333	\$1,549,333	\$1,324,000	\$1,483,333	\$1,545,333	\$1,667,000	\$1,437,667	\$1,334,667	\$1,566,667	\$1,663,000	\$1,500,000	\$1,460,000	\$1,563,000	\$1,550,000	\$1,600,000	\$1,549,000	\$1,480,000
Annual Increase (Decrease)	N/A	4%	-15%	12%	4%	8%	-14%	-7%	17%	6%	-10%	-3%	7%	-1%	3%	-3%	-4%
Sg.Family # of Mos. Supply on 12/31	24	20	12	18	33	55	62	36	31	25	14	14	16	22	26	25	24
Condos # of Mos. Supply on 12/31	46	34	22	27	43	69	80	37	30	23	15	16	18	32	54	50	57

Source: Southeast Florida Regional MLS
 Note: Months of Supply were calculated using For Sale units on 12/31 and the average of last 3 months of units Sold.

BROWARD COUNTY

UNDER \$1 MILLION

SINGLE-FAMILY HOME AND CONDOMINIUM INVENTORY & SALES 2002 THRU 2018



— SINGLE-FAMILY HOMES FOR SALE ON DECEMBER 31ST — CONDOMINIUMS FOR SALE ON DECEMBER 31ST — SINGLE-FAMILY HOMES SOLD ANNUALLY — CONDOMINIUMS SOLD ANNUALLY

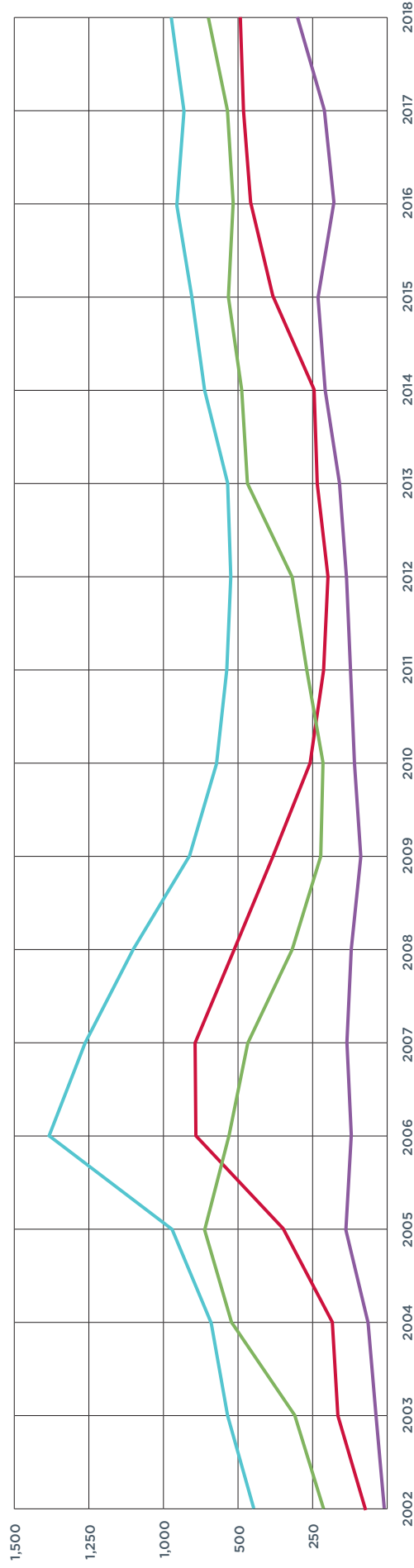
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Single-Family Homes For Sale on 12/31	4,652	3,886	2,092	4,680	10,170	12,264	11,152	5,687	6,338	4,429	2,845	3,469	4,731	4,146	3,615	3,378	4,136
Condos For Sale on 12/31	4,267	4,036	2,727	7,410	16,317	18,059	16,864	11,095	9,674	6,024	4,945	6,092	7,234	7,266	7,254	6,538	7,011
Total For Sale (Single-Family & Condo)	8,919	7,922	4,819	12,090	26,487	30,323	28,016	16,782	16,012	10,453	7,790	9,561	11,965	11,412	10,869	9,916	11,147
Annual Increase (Decrease)	N/A	-11%	-39%	151%	119%	14%	-8%	-40%	-5%	-35%	-25%	23%	25%	-5%	-5%	-9%	12%
Single-Family Homes Sold Annually	15,537	16,384	15,618	12,630	9,515	6,776	7,221	10,969	10,856	11,503	12,594	13,592	14,057	15,616	15,861	14,214	13,870
Condos Sold Annually	15,649	16,418	16,912	15,599	11,221	7,605	7,494	12,309	15,016	15,796	15,276	15,785	15,600	16,301	15,938	15,364	15,904
Total Units Sold (Single-Family & Condo)	31,186	32,802	32,530	28,229	20,736	14,381	14,715	23,278	25,872	27,299	27,870	29,377	29,657	31,917	31,799	29,578	29,774
Annual Increase (Decrease)	N/A	5%	-1%	-13%	-27%	-31%	2%	58%	11%	6%	2%	5%	1%	8%	0%	-7%	1%
Single-Family Sales % of Total Sales	50%	50%	48%	45%	46%	47%	49%	47%	42%	42%	45%	46%	47%	49%	50%	48%	47%
Condo Sales % of Total Sales	50%	50%	52%	55%	54%	53%	51%	53%	58%	58%	55%	54%	53%	51%	50%	52%	53%
Single-Family Median Sold Price (4th Qtr)	\$210,333	\$239,333	\$295,333	\$375,000	\$353,000	\$328,000	\$232,000	\$194,667	\$193,000	\$187,000	\$215,000	\$265,000	\$270,000	\$290,000	\$315,000	\$335,000	\$350,000
Annual Increase (Decrease)	N/A	14%	23%	27%	-6%	-7%	-29%	-16%	-1%	-3%	15%	23%	2%	7%	9%	6%	4%
Condo Median Sold Price (4th Qtr)	\$106,333	\$121,000	\$149,667	\$201,333	\$204,667	\$165,000	\$107,000	\$81,667	\$70,000	\$76,000	\$92,000	\$117,000	\$124,000	\$128,000	\$145,000	\$159,000	\$160,000
Annual Increase (Decrease)	N/A	14%	24%	35%	2%	-19%	-35%	-24%	-14%	9%	21%	27%	6%	3%	13%	10%	1%
Single-Family # Months Supply on 12/31	3.6	2.8	1.6	4.4	12.8	21.7	18.5	6.2	7.0	4.6	2.7	3.2	4.1	3.3	3.1	3.1	3.9
Condos # Months Supply on 12/31	3.3	2.9	1.9	5.7	17.4	28.5	27.0	10.8	7.7	4.6	3.9	4.9	5.6	5.6	6.0	5.5	5.8

Source: Southeast Florida Regional MLS
Note: 2013 - 2018, Months of Supply were calculated using For Sale units on 12/31 and the average of last 3 months of units Sold.

BROWARD COUNTY

OVER \$1 MILLION

SINGLE-FAMILY HOME AND CONDOMINIUM INVENTORY & SALES 2002 THRU 2018



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Single-Family Homes for Sale on 12/31	483	557	590	913	1,379	1,263	1,152	814	668	606	597	635	746	815	921	910	994
Condos For Sale on 12/31	91	146	156	369	750	749	528	338	255	201	198	233	246	347	426	454	483
Total For Sale (Single-Family & Condo)	574	703	746	1,282	2,129	2,012	1,680	1,152	923	807	795	868	992	1,162	1,347	1,364	1,477
Annual Increase (Decrease)	N/A	22%	6%	72%	66%	-5%	-17%	-31%	-20%	-13%	-1%	9%	14%	17%	16%	1%	8%
Single-Family Sold Annually	231	317	511	727	535	461	307	239	236	278	315	445	472	575	535	590	674
Condos Sold Annually	17	39	65	136	121	124	102	63	65	75	118	158	192	228	162	198	298
Total Units Sold (Single-Family & Condo)	248	356	576	863	656	585	409	302	301	353	433	603	664	803	697	788	971
Annual Increase (Decrease)	N/A	44%	62%	50%	-24%	-11%	-30%	-26%	0%	17%	23%	39%	10%	21%	-13%	13%	23%
Single-Family Sales as % of Total Sales	93%	89%	89%	84%	82%	79%	75%	79%	78%	79%	73%	74%	71%	72%	77%	75%	69%
Condo Sales as % of Total Sales	7%	11%	11%	16%	18%	21%	25%	21%	22%	21%	27%	26%	29%	28%	23%	25%	31%
Single-Family Median Price (4th Qtr)	\$1,394,333	\$1,308,333	\$1,447,000	\$1,381,667	\$1,354,333	\$1,471,333	\$1,561,667	\$1,258,333	\$1,553,333	\$1,525,000	\$1,300,000	\$1,450,000	\$1,500,000	\$1,370,000	\$1,435,000	\$1,555,000	\$1,414,000
Annual Increase (Decrease)	N/A	-6%	11%	-5%	-2%	9%	6%	-19%	23%	-2%	-15%	12%	3%	-9%	5%	8%	-9%
Condo Median Price (4th Qtr)	\$1,200,000	\$1,225,000	\$1,285,000	\$1,221,000	\$1,172,000	\$1,546,000	\$1,217,000	\$1,169,667	\$1,251,667	\$1,170,000	\$1,155,000	\$1,240,000	\$1,323,000	\$1,450,000	\$1,350,000	\$1,300,000	\$1,519,000
Annual Increase (Decrease)	N/A	2%	5%	-5%	-4%	32%	-21%	-4%	7%	-7%	-1%	7%	7%	10%	-7%	-4%	17%
Sg.Family # of Mos. Supply on 12/31	27	17	12	20	52	43	66	38	36	28	22	16	19	17	22	21	19
Condos # of Mos. Supply on 12/31	137	26	28	38	87	90	122	60	45	35	14	20	21	22	30	30	21

Source: Southeast Florida Regional MLS
Note: 2013 - 2018 Months of Supply were calculated using For Sale units on 12/31 and the average of last 3 months of units Sold.



UNDER \$300,000

A MARKET BECOMING ENDANGERED

While the high-end of the residential real estate market generates most of the attention, a significant percentage of the “action” is in the \$300,000 and under market. During 2018, 34% of all single-family home sales in Miami-Dade were in this price point, down from 41% the prior year. The reason for the decline is simply due to a lack of single-family home inventory at this price-point.

The 2018 \$300,000 and under single-family home market in Miami-Dade represents 15% of the inventory, but 34% of all sales. In condominiums, the number is even more startling, with the price point accounting for 31% of the inventory, and 67% of all sales.

In Broward, the \$300,000 and under single-family home market accounts for 22% of the overall inventory and 33% in sales. In Broward, most condominiums are in the \$300,000 and under price point – 63% of the inventory, a pronounced 82% of all sales!

In Miami-Dade there is a 3.0-month supply of single-family homes in this price range. In condominiums, there is a 6.5-month supply, while in Broward, the inventory of single-family homes in this price point is 3.2 months, and 4.6 months for condominiums.

Inventory levels at this price point will continue to be a challenge for both Miami-Dade and Broward Counties.

INSIGHT

THE UNDER \$300,000 MARKET

A GENERAL OVERVIEW

MIAMI-DADE COUNTY

SINGLE-FAMILY HOMES

34%
OF TOTAL SINGLE
FAMILY SALES IN MLS
1/1/2018 TO 12/31/2018
Q4 2018 AVERAGE # SALES
330 PER MONTH

SUPPLY

↑13%
3.0 MONTHS
Q4 2018 VS. Q4 2017

INVENTORY ON 12/31/2018
995 UNITS

MEDIAN PRICE

↑5.5%
\$250,000
Q4 2018 VS. Q4 2017

SINGLE-FAMILY HOMES

BROWARD COUNTY

SINGLE-FAMILY HOMES

33%
OF TOTAL SINGLE
FAMILY SALES IN MLS
1/1/2018 TO 12/31/2018
Q4 2018 AVERAGE # SALES
353 PER MONTH

SUPPLY

↑31%
3.2 MONTHS
Q4 2018 VS. Q4 2017

INVENTORY ON 12/31/2018
1,137 UNITS

MEDIAN PRICE

↑2.2%
\$235,000
Q4 2018 VS. Q4 2017

SINGLE-FAMILY HOMES

CONDOMINIUMS

67%
OF TOTAL CONDO
SALES IN MLS
1/1/2018 TO 12/31/2018
Q4 2018 AVERAGE # SALES
773 PER MONTH

SUPPLY

↑0.1%
6.5 MONTHS
Q4 2018 VS. Q4 2017

INVENTORY ON 12/31/2018
5,053 UNITS

MEDIAN PRICE

↑4.4%
\$188,000
Q4 2018 VS. Q4 2017

CONDOMINIUMS

CONDOMINIUMS

82%
OF TOTAL CONDO
SALES IN MLS
1/1/2018 TO 12/31/2018
Q4 2018 AVERAGE # SALES
1,019 PER MONTH

SUPPLY

↑4.8%
4.6 MONTHS
Q4 2018 VS. Q4 2017

INVENTORY ON 12/31/2018
4,720 UNITS

MEDIAN PRICE

↑2.1%
\$143,000
Q4 2018 VS. Q4 2017

CONDOMINIUMS

MONTHS OF SUPPLY INDICATOR (UNDER \$1 MILLION)

BELOW 6 MONTHS - SELLERS' MARKET

6-9 MONTHS - OPTIMUM SUPPLY

OVER 9 MONTHS - BUYERS' MARKET



\$300,000- \$999,999

A MARKET THAT IS STABLE AND IN HIGH DEMAND

In this price point, the market stabilizes in both Miami-Dade and Broward Counties.

As a whole, this is the category with the highest volume of the overall inventory, accounting for 58% of all single-family homes listed for sale in Miami-Dade, and 49% of all condos. In Broward County, it accounts for 58% of all single-family home inventory, and 31% of all condos.

In Miami-Dade, the single-family inventory in this price range increased from 3,385 residences in December 2017, to 3,942 in December 2018, a 16.5% increase. Sales increased from 1,729 units during Q4 2017 to 1,872 units sold during Q4 2018, an increase of 8.3%. Inventory levels increased slightly from 5.9 months in December 2017 to 6.3 months in December 2018.

In condominiums, the inventory increased 5.1% from December 2017 (7,533) to December 2018 (7,920), with total Q4 unit sales up 5.7%, from 858 in Q4 2017, to 907 in Q4 of 2018.

This is the price point, especially towards the higher end of the pricing spectrum, where we begin to see significant increases in available condominium inventory in Miami-Dade. There were 26.3 months of inventory in December of 2017, and 26.2 months of available inventory in December 2018.

In Broward, available inventory in single family homes in this price range increased 19.5% year over year, from 2,509 units available in December 2017, to 2,999 units available in December 2018. Total unit sales were up, from 1,975 in Q4 2017, to 2,083 in Q4 2018, or 5.5%.

Inventory levels are stable in this price range for Broward County's single-family home market, even toward the lower end of the spectrum, with 3.8 months of available inventory in December 2017, up slightly to 4.3 months in December 2018.

The Broward County condominium market in this price point experienced an increase in total inventory, with 2,035 available units in December 2017 up to 2,291 in December 2018, a 12.6% increase. Overall sales were up 5.2%, with 516 sales during Q4 2017, and 543 units sold in Q4 2018. Overall inventory supply increased slightly, from 11.8 months of available inventory in December 2017, to 12.7 months of available inventory in December 2018.

INSIGHT

THE \$300,000-\$999,999 MARKET

A GENERAL OVERVIEW

MIAMI-DADE COUNTY

SINGLE-FAMILY HOMES

59%
OF TOTAL SINGLE
FAMILY SALES IN MLS
1/1/2018 TO 12/31/2018
Q4 2018 AVERAGE # SALES
624 PER MONTH

SUPPLY

↑16.5%
6.3 MONTHS
Q4 2018 VS. Q4 2017

INVENTORY ON 12/31/2018
3,942 UNITS

MEDIAN PRICE

0%
\$395,000
Q4 2018 VS. Q4 2017

SINGLE-FAMILY HOMES

BROWARD COUNTY

SINGLE-FAMILY HOMES

63%
OF TOTAL SINGLE
FAMILY SALES IN MLS
1/1/2018 TO 12/31/2018
Q4 2018 AVERAGE # SALES
694 PER MONTH

SUPPLY

↑19.5%
4.3 MONTHS
Q4 2018 VS. Q4 2017

INVENTORY ON 12/31/2018
2,999 UNITS

MEDIAN PRICE

↑2.0%
\$415,000
Q4 2018 VS. Q4 2017

SINGLE-FAMILY HOMES

CONDOMINIUMS

27%
OF TOTAL CONDO
SALES IN MLS
1/1/2018 TO 12/31/2018
Q4 2018 AVERAGE # SALES
302 PER MONTH

SUPPLY

↑5.1%
26.2 MONTHS
Q4 2018 VS. Q4 2017

INVENTORY ON 12/31/2018
7,920 UNITS

MEDIAN PRICE

↓0.2%
\$410,000
Q4 2018 VS. Q4 2017

CONDOMINIUMS

CONDOMINIUMS

16%
OF TOTAL CONDO
SALES IN MLS
1/1/2018 TO 12/31/2018
Q4 2018 AVERAGE # SALES
181 PER MONTH

SUPPLY

↑12.6%
12.7 MONTHS
Q4 2018 VS. Q4 2017

INVENTORY ON 12/31/2018
2,291 UNITS

MEDIAN PRICE

↑0.5%
\$377,000
Q4 2018 VS. Q4 2017

CONDOMINIUMS

MONTHS OF SUPPLY INDICATOR (UNDER \$1 MILLION)

BELOW 6 MONTHS - SELLERS' MARKET

6-9 MONTHS - OPTIMUM SUPPLY

OVER 9 MONTHS - BUYERS' MARKET



\$1M-\$1.999 MILLION

THE FUTURE POINTS TO COMPLETE EQUILIBRIUM

The \$1 million and over inventory in both Miami-Dade and Broward Counties account for a fairly small percentage of overall total unit sales, but a significant percentage of the respective county's overall total dollar volume of sales.

In Miami-Dade, during 2018, there was a total of 27,992 single-family and condominiums units sold. Of those total units sold, 1,898 were priced at \$1 million or higher, accounting for 6.8% of sales of the overall market, up from 5.9% during 2017.

But with total dollar volume of sales in the county at \$12.9 billion, the \$4.5 billion worth of million-dollar-plus inventory sold accounted for 35% of all sales in the county, up from 32% in 2017.

In Broward, the \$1 million and over market represented only 3.2% of all unit sales in 2018 (971 out of 30,746), but almost 17% of total dollar volume of sales (\$1.72 billion out of \$10.2 billion).

In Miami-Dade, the inventory of single-family homes in December 2017 was 786 units, and 867 units in December of 2018, an increase of 10.3%. At the same time, single-family unit sales increased markedly over the same time period, from 569 to 655 total units sold, up 17.7%.

The industry's single most impactful market metric, the months of remaining inventory supply, has been edging up for some time. However, unit sales have been increasing as well.

In December 2017, there was a 19.0-month supply of single-family homes between \$1-\$2 million in Miami-Dade. In December 2018 there was 18.0 months of supply.

In the challenged luxury condominium market, there was a 42.1-month supply in December 2017, and 47.4 months in December 2018. Hurricane Irma in September of 2017 impacted this sector in particular, but the over-building of new condominiums in South Florida has kept pressure on pricing.

In Broward County, in December 2017 there were 15.8 months of available single-family home inventory in this price range, and 14.4 months in December 2018, a slight decrease.

Inventory supply levels in Q4 2018 for Broward County condominiums decreased from 22.2 months in Q4 2017 to 19.2 months in Q4 2018.

The key to addressing the oversupply is pricing. In this over-million-dollar price range, once inventory levels exceed 18 months of supply, the homes and condominiums that successfully sell are the ones whose sellers right-price their properties.

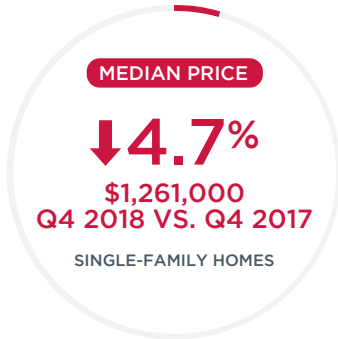
INSIGHT

THE \$1 MILLION TO \$1.999 MILLION MARKET

A GENERAL MARKET OVERVIEW

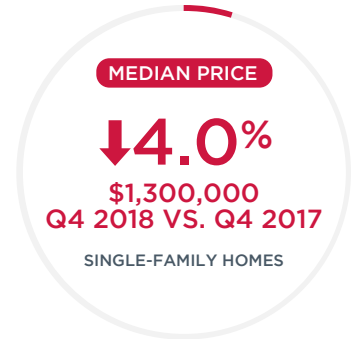
MIAMI-DADE COUNTY

SINGLE-FAMILY HOMES



BROWARD COUNTY

SINGLE-FAMILY HOMES



CONDOMINIUMS



CONDOMINIUMS



MONTHS OF SUPPLY INDICATOR (OVER \$1 MILLION)

BELOW 12 MONTHS - SELLERS' MARKET

12-18 MONTHS - OPTIMUM SUPPLY

OVER 18 MONTHS - BUYERS' MARKET



\$2M- \$2.999 MILLION

THE NEW THRESHOLD THAT DEFINES LUXURY

The main facet of the overall \$2-\$3 million price point is that it is South Florida's new benchmark for luxury, particularly in Miami-Dade.

Just like the 'definition' of luxury in New York slowly crept up over time, so that it is now \$5 million, the same phenomenon is occurring in our market due to the fact that there are simply more and more single family homes and condos in that price point.

In areas like Coral Gables, the median price for a single-family home began to ebb into the \$1 million+ range at the beginning of 2018. While there were some fluctuations in the range, during 2018 five months showed a median price for sold residences in excess of \$1 million.

As a whole, both in Miami-Dade and in Broward Counties, the \$2 to \$3 million price range represents a very small percentage of total sales - 1.5% of single family home sales in Miami-Dade, 1% of all condos, and in Broward, 0.7% of all single family home sales and even less than that in condos, 0.2%.

Yet, this price point represents a substantive portion of the overall dollar volume of sales in both counties.

In Miami-Dade, available inventory of single family homes in this price point grew 14.1% last year, while in Broward it actually decreased 1.1%. Still, there is a 19 month inventory of single family homes in Miami-Dade, and 28.7 months of available inventory in Broward.

All the while the median price for single family homes in this price range increased 4.3% in Miami-Dade to \$2.4 million, and grew 1.1% in Broward with a median price range of \$2.3 million.

In condominiums, Miami-Dade saw an increase in supply of 12.1% last year, while Broward saw an increase in supply of 3.6%. The median condominium price in Miami-Dade increased 2% to \$2.35 million, while in Broward there was a 2.8% increase in the median price to \$2.38 million.

This re-alignment of luxury to the \$2 million+ level is a new paradigm for South Florida, but a reality of the evolution of our residential real estate market.

INSIGHT

THE \$2 MILLION TO \$2.999 MILLION MARKET

A GENERAL MARKET OVERVIEW

MIAMI-DADE COUNTY

SINGLE-FAMILY HOMES

1.5%
OF TOTAL SINGLE
FAMILY SALES IN MLS
1/1/2018 TO 12/31/2018
Q4 2018 AVERAGE # SALES
19 PER MONTH

SUPPLY

↑14.1%
19.0 MONTHS
Q4 2018 VS. Q4 2017

INVENTORY ON 12/31/2018
357 UNITS

MEDIAN PRICE

↑4.3%
\$2,400,000
Q4 2018 VS. Q4 2017

SINGLE-FAMILY HOMES

BROWARD COUNTY

SINGLE-FAMILY HOMES

0.7%
OF TOTAL SINGLE
FAMILY SALES IN MLS
1/1/2018 TO 12/31/2018
Q4 2018 AVERAGE # SALES
6 PER MONTH

SUPPLY

↓1.1%
28.7 MONTHS
Q4 2018 VS. Q4 2017

INVENTORY ON 12/31/2018
182 UNITS

MEDIAN PRICE

↑1.1%
\$2,300,000
Q4 2018 VS. Q4 2017

SINGLE-FAMILY HOMES

CONDOMINIUMS

1.0%
OF TOTAL CONDO
SALES IN MLS
1/1/2018 TO 12/31/2018
Q4 2018 AVERAGE # SALES
11 PER MONTH

SUPPLY

↑12.1%
48.2 MONTHS
Q4 2018 VS. Q4 2017

INVENTORY ON 12/31/2018
530 UNITS

MEDIAN PRICE

↑2.0%
\$2,350,000
Q4 2018 VS. Q4 2017

CONDOMINIUMS

CONDOMINIUMS

0.2%
OF TOTAL CONDO
SALES IN MLS
1/1/2018 TO 12/31/2018
Q4 2018 AVERAGE # SALES
3 PER MONTH

SUPPLY

↑3.6%
25.8 MONTHS
Q4 2018 VS. Q4 2017

INVENTORY ON 12/31/2018
86 UNITS

MEDIAN PRICE

↑2.8%
\$2,378,340
2018 VS. 2017

CONDOMINIUMS

MONTHS OF SUPPLY INDICATOR (OVER \$1 MILLION)

BELOW 12 MONTHS - SELLERS' MARKET

12-18 MONTHS - OPTIMUM SUPPLY

OVER 18 MONTHS - BUYERS' MARKET



\$3M- \$4.999 MILLION

THE MARKET EQUALLY CHALLENGING FOR BOTH COUNTIES

The \$3-\$5 million market in Miami-Dade County is the single most challenged price-point, with 59.1 months of inventory in single-family homes, and 119 months of condominium supply.

There were 436 condominiums actively for sale in this price range on December 31, 2018, and an average of only 4 sales per month during Q4 2018, reflecting almost 10 years of supply.

In the single-family home market in this price point, there were 276 homes for sale on December 31, 2018, with an average of 5 sales per month, equaling nearly 5 years of supply.

In Miami-Dade, this price point represents 4.1% of all single-family home inventory and 0.9% of all sales.

In Broward County, this price point makes up 3.0% of total single-family home inventory, and 0.4% of total single-family sales.

In Miami-Dade, this price point represents 2.7% of all condominium inventory and 0.5% of all sales.

In Broward County, this price point makes up 0.7% of total condominium home inventory, and 0.1% of total condominium sales.

The \$3-\$5 million range requires the most “right-pricing” for both Miami-Dade and Broward Counties.

INSIGHT

THE \$3 MILLION TO \$4.999 MILLION MARKET

A GENERAL MARKET OVERVIEW

MIAMI-DADE COUNTY

SINGLE-FAMILY HOMES

0.9%

OF TOTAL SINGLE FAMILY SALES IN MLS

1/1/2018 TO 12/31/2018
Q4 2018 AVERAGE # SALES
5 PER MONTH

SUPPLY

↑7.0%

59.1 MONTHS
Q4 2018 VS. Q4 2017

INVENTORY ON 12/31/2018
276 UNITS

MEDIAN PRICE

↑0.5%

\$3,869,000
Q4 2018 VS. Q4 2017

SINGLE-FAMILY HOMES

BROWARD COUNTY

SINGLE-FAMILY HOMES

0.4%

OF TOTAL SINGLE FAMILY SALES IN MLS

1/1/2018 TO 12/31/2018
Q4 2018 AVERAGE # SALES
6 PER MONTH

SUPPLY

↑9.9%

27.5 MONTHS
Q4 2018 VS. Q4 2017

INVENTORY ON 12/31/2018
156 UNITS

MEDIAN PRICE

↓3.6%

\$3,375,000
Q4 2018 VS. Q4 2017

SINGLE-FAMILY HOMES

CONDOMINIUMS

0.5%

OF TOTAL CONDO SALES IN MLS

1/1/2018 TO 12/31/2018
Q4 2018 AVERAGE # SALES
4 PER MONTH

SUPPLY

↑17.5%

119 MONTHS
Q4 2018 VS. Q4 2017

INVENTORY ON 12/31/2018
436 UNITS

MEDIAN PRICE

↓2.8%

\$3,700,000
Q4 2018 VS. Q4 2017

CONDOMINIUMS

CONDOMINIUMS

0.1%

OF TOTAL CONDO SALES IN MLS

1/1/2018 TO 12/31/2018
Q4 2018 AVERAGE # SALES
1 PER MONTH

SUPPLY

↓2.0%

36.8 MONTHS
Q4 2018 VS. Q4 2017

INVENTORY ON 12/31/2018
49 UNITS

MEDIAN PRICE

↓0.1%

\$3,670,000
2018 VS. 2017

CONDOMINIUMS

MONTHS OF SUPPLY INDICATOR (OVER \$1 MILLION)

BELOW 12 MONTHS - SELLERS' MARKET

12-18 MONTHS - OPTIMUM SUPPLY

OVER 18 MONTHS - BUYERS' MARKET



\$5 MILLION & UP

THE PRICE-POINT THAT THE WORLD'S EYES ARE ON

The \$5 million and over market is what establishes Miami-Dade County as a true player in the global ultra-luxury market. While the volume of overall inventory is proportionately low when compared with all listings in the County (4.9% of total single-family home inventory and 2.4% of all condominium inventory), their combined 2018 dollar-volume in sales accounted for 10.2% of Miami-Dade's total, up from 8.9% in 2017.

During Q4 2017 there was a 55-month supply of single-family homes in this price point. The same quarter in 2018 had a 62-month supply, indicating a buildup of inventory.

In the condominium market, there were 77 months of supply as of Q4 2017, and 164 months of supply during Q4 2018. While this may seem as a substantial slowdown in the over \$5M condo sales, it needs to be pointed out that annual 2017 sales totaled 63 units, and annual 2018 sales totaled 74 units, an increase of 17.5%.

In Broward County, this price point is increasingly rare. On December 31, 2018, there were 95 single-family homes actively for sale. The number of homes sold averaged 1.6 per month, which amounts to 5 years of inventory.

There are 15 condominium listings in that price point in Broward County as of December 31, 2018, and there were only 2 sales during the entire year, compared to 10 listings at the end of 2017, and no sales during that year.

While there are many homes with intrinsic values that set them apart (special architects, unique owners, one-of-a-kind locations, etc.), as with the \$3 million and higher category, 'right pricing' the listings are going to be a crucial part of reducing inventory.

INSIGHT

THE \$5 MILLION & UP MARKET

A GENERAL MARKET OVERVIEW

MIAMI-DADE COUNTY

SINGLE-FAMILY HOMES

0.5%
OF TOTAL SINGLE
FAMILY SALES IN MLS
1/1/2018 TO 12/31/2018
Q4 2018 AVERAGE # SALES
5 PER MONTH

SUPPLY

↑13.7%
62.4 MONTHS
Q4 2018 VS. Q4 2017
INVENTORY ON 12/31/2018
333 UNITS

MEDIAN PRICE

↑31.1%
\$7,800,000
Q4 2018 VS. Q4 2017
SINGLE-FAMILY HOMES

BROWARD COUNTY

SINGLE-FAMILY HOMES

0.1%
OF TOTAL SINGLE
FAMILY SALES IN MLS
1/1/2018 TO 12/31/2018
Q4 2018 AVERAGE # SALES
1 PER MONTH

SUPPLY

↑5.6%
60 MONTHS
Q4 2018 VS. Q4 2017
INVENTORY ON 12/31/2018
95 UNITS

MEDIAN PRICE

↓10.8%
\$6,500,000
Q4 2018 VS. Q4 2017
SINGLE-FAMILY HOMES

CONDOMINIUMS

0.5%
OF TOTAL CONDO
SALES IN MLS
1/1/2018 TO 12/31/2018
Q4 2018 AVERAGE # SALES
2 PER MONTH

SUPPLY

↑7.3%
164 MONTHS
Q4 2018 VS. Q4 2017
INVENTORY ON 12/31/2018
383 UNITS

MEDIAN PRICE

↑38.1%
\$9,394,000
Q4 2018 VS. Q4 2017
CONDOMINIUMS

CONDOMINIUMS

0.01%
OF TOTAL CONDO
SALES IN MLS
1/1/2018 TO 12/31/2018
AVERAGE # SALES
2 PER YEAR

SUPPLY

↑50%
90 MONTHS
Q4 2018 VS. Q4 2017
INVENTORY ON 12/31/2018
15 UNITS

MEDIAN PRICE

0%
NO SALES
REPORTED Q4 2018
CONDOMINIUMS

MONTHS OF SUPPLY INDICATOR (OVER \$1 MILLION)

BELOW 12 MONTHS - SELLERS' MARKET

12-18 MONTHS - OPTIMUM SUPPLY

OVER 18 MONTHS - BUYERS' MARKET

FOREIGN BUYER FACTOR

IMPACTED, BUT STILL EAGER TO PURCHASE IN SOUTH FLORIDA

As previously noted, at the peak of the recession, South Florida was a particularly appealing destination to international buyers because of both price points and positive currency exchange rates.

As we moved through and past the recession-era distressed inventory, to a new cycle, foreign buyers had to deal with both increasing prices and exchange rate shifts, which consequently priced many buyers out of the market.

Some good news in 2018, in that some of those exchange rates began to move in a more favorable direction, but still nowhere near as appealing as the rates in 2007.

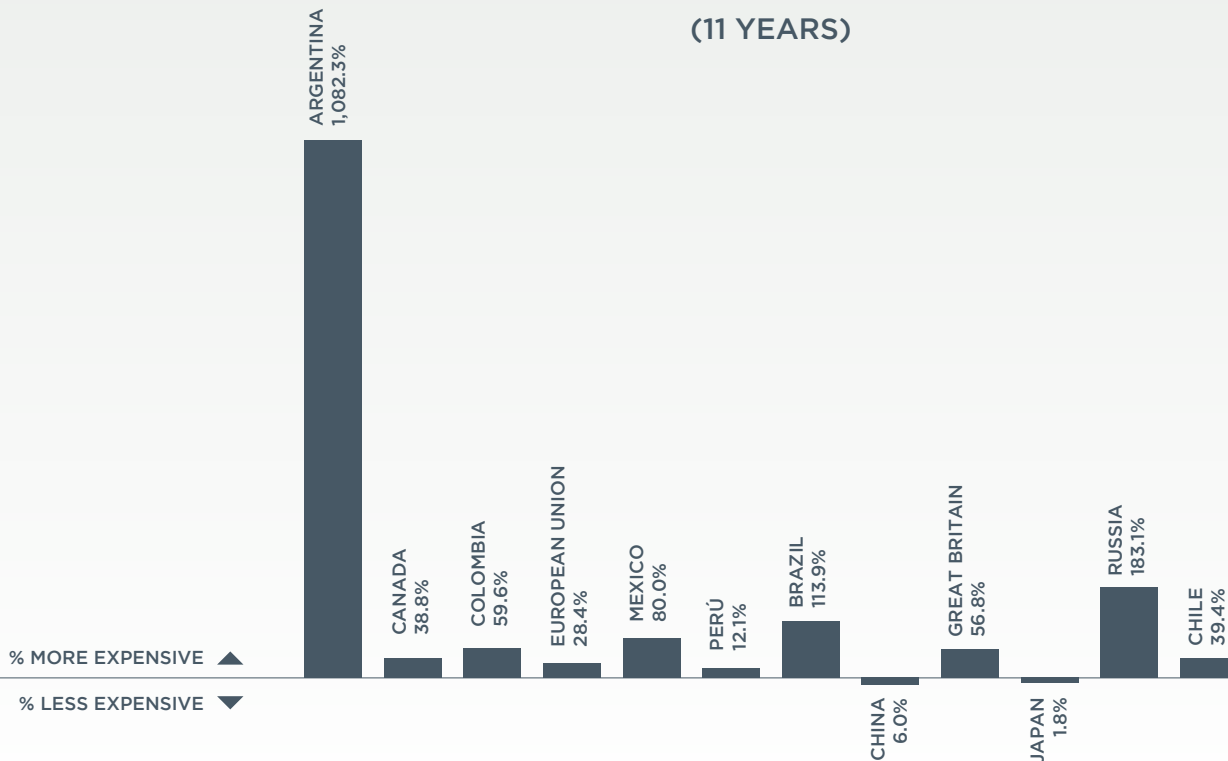
Still, key countries like Argentina, Brazil, and Colombia lost value in their currency over the same period in 2017, as did key European countries like Russia, Great Britain and the European Union as a whole. No doubt this negatively impacted sales during 2018.

Nonetheless, we also note that there are a significant number of foreign buyers looking at the very long-term and are still purchasing for reasons beyond pure investment. They want the long-term security that real estate in the U.S. represents, and we still see a very active market in that arena.

EFFECT OF CURRENCY EXCHANGE RATES ON FOREIGN BUYERS IN SOUTH FLORIDA

HOW MUCH MORE OR LESS EXPENSIVE SOUTH FLORIDA REAL ESTATE IS BASED ON THEIR HOME COUNTRY CURRENCY

DECEMBER 2018 VS. DECEMBER 2007 (11 YEARS)





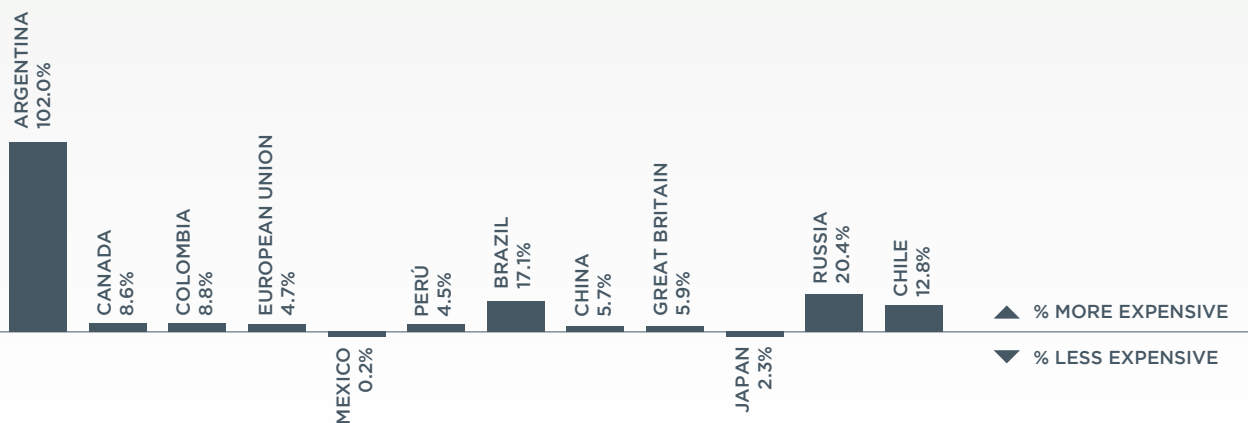
MILAN, ITALY

EFFECT OF CURRENCY EXCHANGE RATES ON FOREIGN BUYERS IN SOUTH FLORIDA

HOW MUCH MORE OR LESS EXPENSIVE SOUTH FLORIDA REAL ESTATE IS BASED ON THEIR HOME COUNTRY CURRENCY

DECEMBER 2018 VS. DECEMBER 2017

(1 YEAR)





THE NEW TAX LAW

SOUTH FLORIDA BENEFITS FROM THE TAX CUT & JOBS ACT

As Americans begin to file their 2018 taxes during 2019, it will be the first year where the reality of reduced deductions and increased taxes in many states become evident. With Florida's no-personal-income-tax structure, this clearly gives us a huge tax advantage. Individuals from historically high-tax states such as New York and California are increasingly looking at residency in Florida as an option.

We are also seeing a surge in interest in Florida from sectors of the financial services industry. These are entities which do not need to be in any specific geographic location to serve their clients. Already a prime zone for tech activity, we believe that the entirety of Southeast Florida will see significant increases in this area.

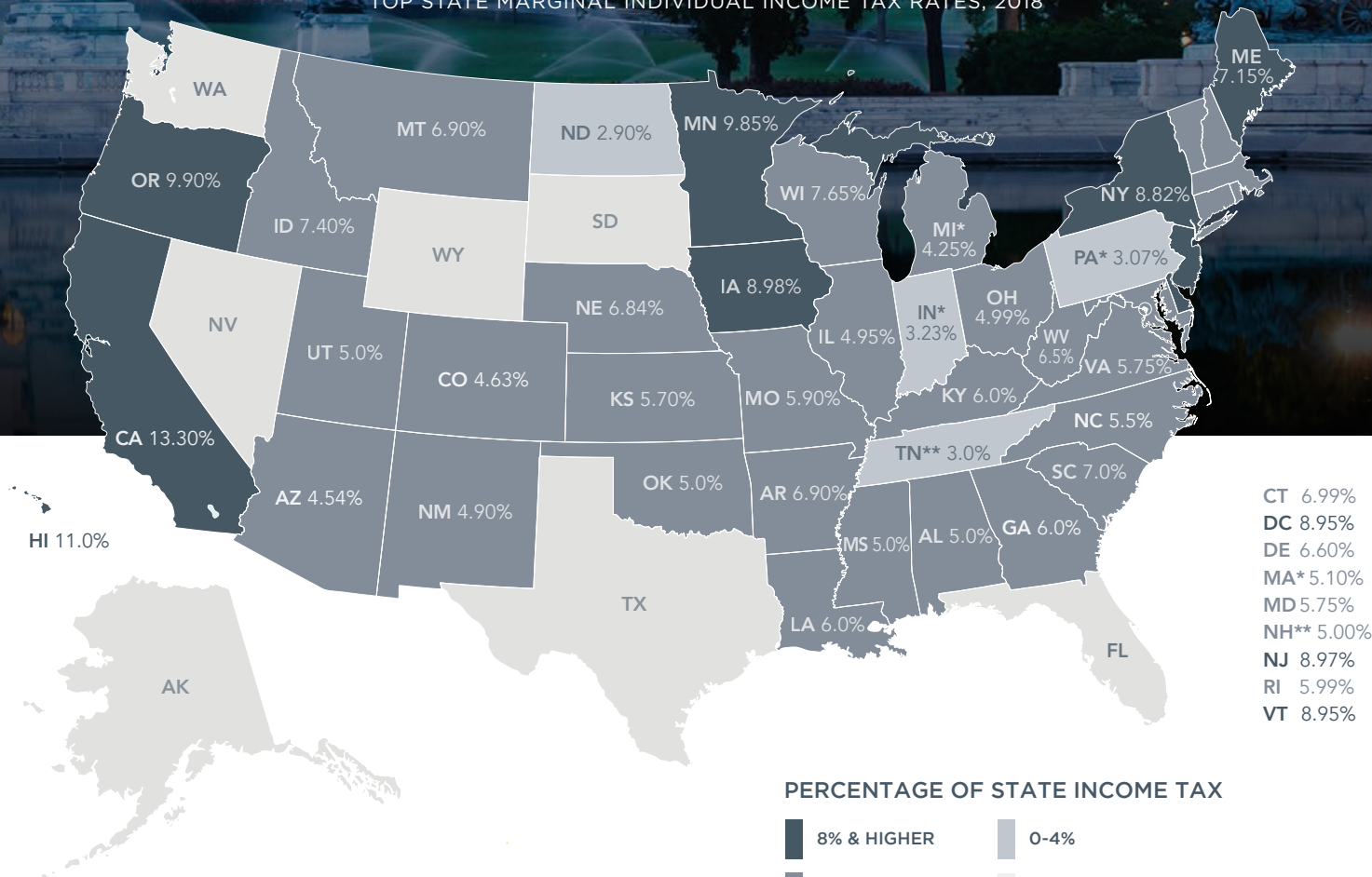
The value of residency in Florida will be another key driver for a state that already experiences net in-migration of more than 880 people per day.*

*Per U.S. Census Bureau estimates as of July 1, 2018.

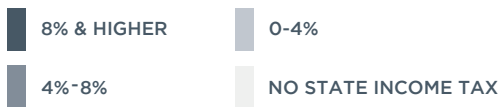


U.S. STATES & THEIR INCOME TAX RATES

TOP STATE MARGINAL INDIVIDUAL INCOME TAX RATES, 2018



PERCENTAGE OF STATE INCOME TAX



* State has a flat income tax.
 ** State only taxes interest and dividends income.
 Map shows top marginal rates: the maximum statutory rate in each state
 Source: TaxFoundation.org



ON THE MOVE

FLORIDA'S GROWTH CONTINUES TO GRAB ATTENTION

Estimated U.S. Census numbers continue to reveal that Florida remains one of the nation's leading growth states, with a net gain of 884 permanent residents per day. Texas and Florida are the only two states with such high growth. California is the third fastest growing state, albeit with less than half the net gain of permanent residents as Florida.

There are numerous factors for our ongoing growth, as Florida is now home to 21.3 million individuals, and still growing.

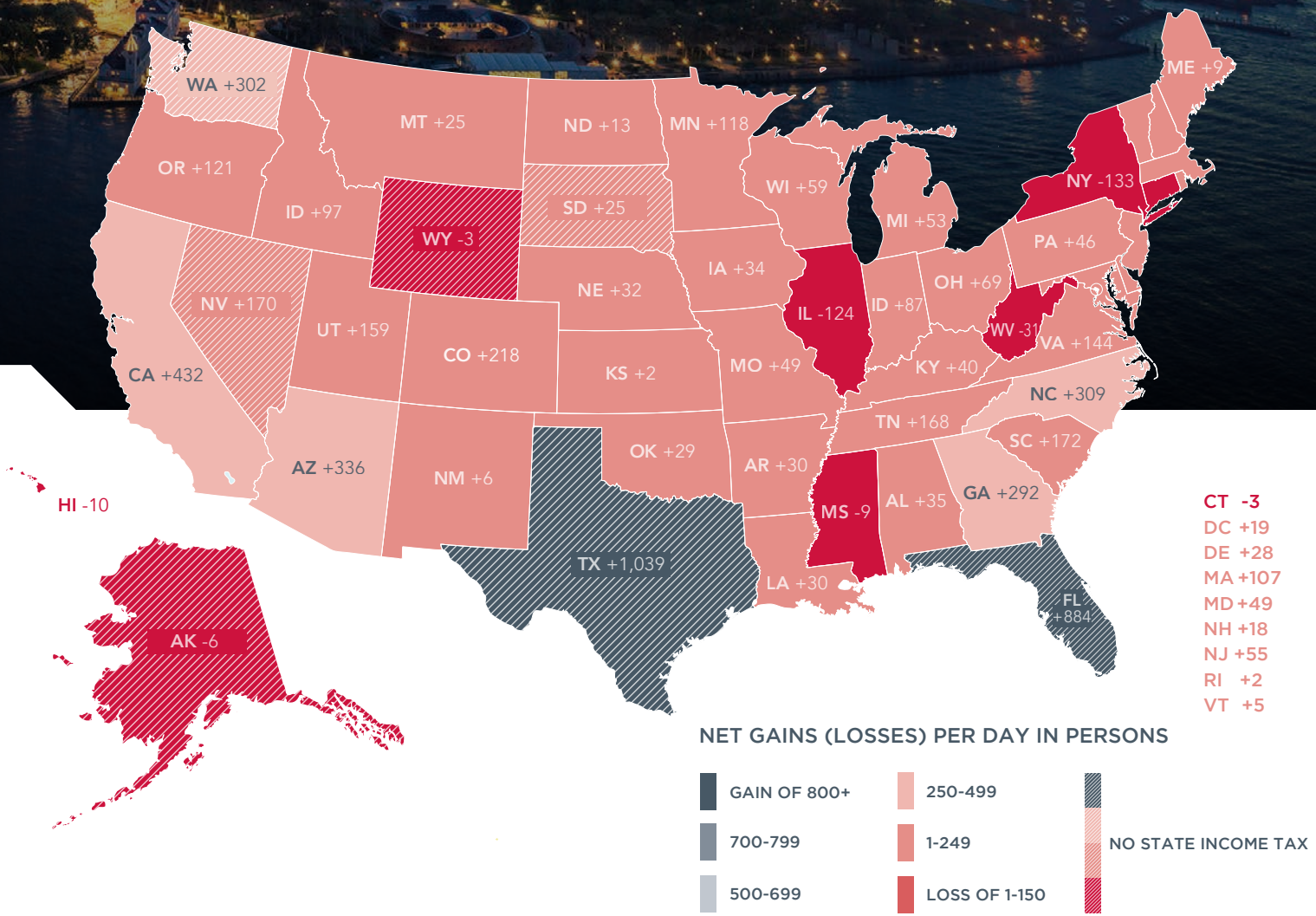
One key reason always has been no state income tax, a reason now looming larger than ever, as 2018 will be the first year of filings with those new laws in place. Individuals living in high-tax states, such as New York, will be looking very carefully at their options. It could be a chief reason as to why New York has a net loss of 133 permanent residents per day, many of those choosing Florida as their new home.

Other key factors include our weather, ease of travel via the state's many international airports and seaports, and in South Florida, the level of diversity attracts many foreigners and multi-national companies to the region.

There is no doubt that Florida, and particularly South Florida, will continue to grow and evolve as a world-class city. With over 6 million people already calling South Florida home, we are destined for prosperity.

U.S. "NET" PERSON GAINS (LOSSES) PER DAY BY STATE

PER U.S. CENSUS BUREAU ESTIMATES AS OF JULY 1, 2018



URBAN EVOLUTION

SOUTH FLORIDA'S GROWING METROPOLIS

The evolution of the greater downtown Miami has been well-documented. According to data from the Downtown Development Authority (DDA), more than 92,000 people live in greater Downtown Miami, an unprecedented growth of 40% since 2010, and one that is certain to grow. The long-awaited re-birth of downtown is upon us, but it's also beyond Downtown/Brickell.

The term 'urban node' has entered our vocabulary as we see many other areas beyond the true downtown which are undergoing transformation. This is not only true in Miami, but also in Fort Lauderdale, as the Las Olas area is booming with new construction and a huge influx of residents.

South Florida's new "bright" spot is the continued expansion of the Brightline, which is rapidly drawing our community closer, creating greater economic growth and vitality.





THE FUTURE

OUR VISION IS BECOMING REALITY

To a great degree, many of South Florida's challenges are from growing pains, which is something that can be said for the State of Florida as a whole. Florida's population was 10 million residents in 1980. Today, we have 21.3 million permanent residents. Florida is currently the third most populous state in the union, surpassed only by Texas and California.

If you look back on our last decade of growth, we have witnessed yet another transformation of our region into a world center with the creation of new performing art centers, art and science museums, and many other cultural centers. We have seen an expansion of our business communities, especially in retail, hospitality, healthcare, technology, universities and research institutions.

The foundation of any growing community is its real estate base, both residential and commercial. With these in mind, it seems inevitable that the look and value of South Florida will continue to mirror other world-class destinations and remain a draw among buyers across the U.S. and all around the globe.

We are all fortunate to live and work in paradise. The best is yet to come!

SINGLE-FAMILY HOMES

CONDOMINIUMS

	2018 SALES	% CHANGE	MEDIAN PRICE	% CHANGE	CURRENT INVENTORY	% CHANGE	MONTHS OF SUPPLY	% CHANGE	2018 SALES	% CHANGE	MEDIAN PRICE	% CHANGE	CURRENT INVENTORY	% CHANGE	MONTHS OF SUPPLY	% CHANGE
Davie	521	1.20%	\$450,000	5.90%	196	16.70%	4.5	15.40%	531	3.50%	\$180,000	12.50%	145	43.60%	3.3	37.50%
Everglades	2,280	-5.40%	\$390,000	5.40%	639	25.80%	3.4	36.00%	1,286	-0.90%	\$125,000	7.80%	364	17.00%	3.4	17.20%
Ft Lauderdale Beach	111	-5.90%	\$1,120,000	10.60%	116	1.80%	12.5	7.80%	1,015	26.90%	\$432,000	15.20%	803	16.50%	9.5	-7.80%
Ft Lauderdale North East	1,060	6.00%	\$465,000	9.90%	512	18.20%	5.8	11.50%	1,148	22.00%	\$240,000	20.00%	507	2.00%	5.3	-15.90%
Ft Lauderdale North West	790	-7.40%	\$225,000	9.80%	240	25.00%	3.6	33.30%	526	7.30%	\$133,700	12.40%	170	-15.80%	3.9	-20.40%
Ft Lauderdale South East	175	19.90%	\$1,500,000	4.00%	230	17.30%	15.8	-1.90%	356	5.30%	\$350,000	-9.20%	232	-9.70%	7.8	-14.30%
Ft Lauderdale South West	496	-6.90%	\$314,950	16.60%	193	18.40%	4.7	27.00%	183	29.80%	\$260,000	-3.70%	112	15.50%	7.3	-12.00%
Hollywood Central	1,059	2.50%	\$285,000	7.60%	319	24.10%	3.6	20.00%	633	12.20%	\$140,000	8.50%	195	-5.80%	3.7	-15.90%
Hollywood Central West	1,255	-0.60%	\$375,000	2.70%	257	3.60%	2.5	4.20%	1,244	-0.10%	\$154,000	0.70%	304	9.00%	2.9	7.40%
Hollywood East	641	2.90%	\$310,000	10.70%	391	25.70%	7.3	21.70%	1,668	3.60%	\$212,000	-1.10%	1,864	11.30%	13.4	7.20%
Hollywood Everglades	2	N/A	\$262,500	N/A	0	-100.00%	0	N/A	7	40.00%	\$123,000	74.50%	0	-100.00%	0	-100.00%
Hollywood North West	508	-7.00%	\$446,000	1.70%	181	12.40%	4.3	22.90%	95	10.50%	\$290,000	-3.60%	20	33.30%	2.5	19.00%
Hollywood South West	964	-7.70%	\$363,750	3.30%	249	4.20%	3.1	14.80%	536	-0.70%	\$225,000	3.70%	126	20.00%	2.8	21.70%
Intracoastal to US1	360	-6.70%	\$560,000	1.90%	218	2.80%	7.3	10.60%	218	-8.40%	\$185,000	5.40%	101	3.10%	5.6	14.30%
North Broward Dixie Hwy to Turnpike	466	5.20%	\$225,000	11.90%	145	38.10%	3.7	32.10%	1,382	-8.70%	\$132,000	10.00%	512	-1.70%	4.4	7.30%
North Broward Ocean to Intracoastal	57	32.60%	\$695,000	21.10%	45	25.00%	9.5	-5.00%	579	-0.50%	\$310,000	0.00%	431	-6.10%	8.9	-6.30%
North Broward Turnpike to 441	357	-4.80%	\$345,000	7.80%	90	34.30%	3	42.90%	777	-4.10%	\$143,800	13.50%	223	18.00%	3.4	21.40%
North Broward US1 to Dixie Hwy	423	-5.80%	\$270,000	8.00%	150	33.90%	4.3	43.30%	325	14.80%	\$126,500	3.70%	110	-14.70%	4.1	-25.50%
Plantation	997	3.40%	\$385,000	3.20%	289	10.70%	3.5	9.40%	690	-8.00%	\$189,000	5.30%	242	5.20%	4.2	13.50%
Tamarac/Sunrise/Lauderhill	1,423	-9.30%	\$270,000	10.20%	384	63.40%	3.2	77.80%	2,891	3.80%	\$93,000	9.40%	910	-0.80%	3.8	-5.00%
Weston	837	2.40%	\$516,000	3.20%	284	7.20%	4.1	5.10%	382	-7.10%	\$239,000	1.70%	120	8.10%	3.8	18.80%

THIS REPRESENTATION IS BASED ON HISTORICAL DATA SUPPLIED BY THE MIAMI ASSOCIATION OF REALTORS®, THE GREATER FORT LAUDERDALE ASSOCIATION OF REALTORS®, AND THE SOUTHEAST FLORIDA M.L.S. DATA SHOWN REFLECTS STATISTICS AND FIGURES FOR THE PERIOD BEGINNING JANUARY 1, 2017 AND ENDING DECEMBER 31, 2018 FOR SINGLE-FAMILY HOME AND CONDOMINIUM SALES IN BROWARD COUNTY.

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