

## Foreign Investors Fuel Miami Home Price Hikes

By Jennifer LeClaire / May 22, 2012



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MIAMI - Miami home prices continue to climb. The average price for a condo in Miami-Dade increased 30% year-over-year in April to \$150,000. So says the Miami Association of Realtors.

Meanwhile, the median sales price of single-family homes rose 8.2% to \$183,000. The median sales prices for non-distressed properties sold in April in Miami-Dade were \$253,400 for single-family homes and \$246,250 for condominiums.

“Miami single-family home and condominium prices continue to trend upwards due to the record demand experienced last year,” Martha Pomares, 2012 Chairman of the Board of the Miami Association of Realtors, said in a statement. “Price appreciation should continue due to limited supply and strong demand from both U.S. and international buyers and investors.”

The national median existing-home price for all housing types was \$177,400 in April, a 10.1 percent increase from April 2011, according to data from Florida Realtors Industry Data and Analysis department and vendor partner 10K Research and Marketing. By comparison, the April average sales price for single-family homes in Miami-Dade County increased 17%, from \$355,342 in 2011 to \$415,046 in 2012. The average sales prices for condominiums jumped 22.3%, from \$242,616 to \$293,717.

“The Miami residential real estate market continues to show remarkable strengthening compared to the rest of the nation,” Patricia Delinois, 2012 president of the Miami Association of Realtors, said in a statement. “Miami is unique in many ways, including being the top market in nation for foreign buyers and investors.”

Speaking of foreign investors, 64% of total closed sales in March were all-cash sales, compared to 65 percent in March and 63 percent a year earlier. Cash sales accounted for 46% of single-family and 77% of condominium closings. Nearly 90% of international buyers in Florida purchase properties all cash

“As Miami’s residential real estate market continues to strengthen and home prices keep rising, home buyers and investors who are worthy borrowers are turning to alternative sources of financing to obtain the necessary financing to close on home purchases,” Bernie Navarro, president and founder of Benworth Capital Partners, a South Florida-based private equity firm focused on real estate lending, tells GlobeSt.com. “We are seeing an uptick in loan volume and the loan amounts as limited supply and strong demand fuels the upward trend in South Florida’s residential market.”