

Buying Property in Florida

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Miami condos are filling up

Today's Miami Herald reports some heartening news about condominiums in the downtown Miami area - namely, that occupancy rates are on the up, which may point to a recovery of the property market a little bit sooner than expected.

Of course, occupancy includes both renting and buying, but rates of both of these are increasing. Moreover, regardless of whether the condos are rented or bought, the fact that more and more are being lived in is good news. The downtown Miami area, though smart, has had (and still does) somewhat of a deserted feel, not helped by the vast numbers of new condo developments that have gone up in recent years.

The paper mentions a report by the Miami Downtown Development Authority who found that 62% of condos built since 2003 are inhabited. Currently, about 280 new lets occur each month; last year, about 50 new sales happened each month, which has increased to 70 per month this year.

38% of condo are still in the hands of developers - i.e. not yet sold - which equates to about 8,300 units. A further 1,333 units will come onto the market as well later this year.

So, what's the reason for this improvement in rentals and sales in this part of Miami? Well, sales are undoubtedly being helped by a reduction in prices, as developers try to shift unsold units and banks try to offload the foreclosed properties they have taken on. However, the vast oversupply that still exists means that many developers are now renting condo units out instead - at least until the property market recovers and the units can be sold - so more condos are available to rent at the moment.