

Multi-Housing World

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INDUSTRY NEWS

Low Prices Push Occupancy Rate In New Downtown Miami Condominiums to 60%

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By Anuradha Kher, Online News Editor

Miami--Sixty two percent of the residential units completed in Downtown Miami since 2003 are occupied and the closing rate is accelerating despite obstacles to financing, according to a residential closings & occupancy study conducted by independent research firm Goodkin Consulting/Focus Real Estate Advisors in partnership with the Miami Downtown Development Authority (DDA).

The study assessed occupancy and closing rates for 73 condominium buildings and seven rental apartment buildings that have come on line in the Downtown Miami area since 2003. Combined, the 80 buildings account for 22,959 residential units.

“This is the first study since the start of the construction boom that provides a complete picture of the number of people living in Downtown Miami,” says Lewis M. Goodkin, CRE, FRICS, MIRM, founder of Goodkin Consulting. “Our research indicates that 62 percent of units in new Downtown Miami buildings are occupied by a combination of owners and renters, defying the perception that the majority of high-rises built in recent years are empty.”

According to Craig Werley, founder and president of Focus Real Estate Advisors, the increasingly attractive pricing and location of Downtown Miami continues to generate demand from both buyers and renters in the marketplace. “Considering the financial roadblocks that many homebuyers have faced over the past year, the sales activity that we’ve seen in recent months is encouraging.”

The study suggests that heightened demand for urban living, new programs aimed at easing home financing restrictions, record low interest rates and further price discounting will likely accelerate the closing rate – with arrival at market equilibrium probable within three to four years. Occupancy will trend upward in that span as the existing inventory is absorbed and no new residential buildings are built, according to Goodkin.

“The results of this study underscore what those here already know: Downtown Miami is alive and well,” said Alyce Robertson, executive director of the Miami Downtown Development Authority. “Our growing residential population is drawn to our waterfront location, entertainment and cultural offerings, strong commercial base, and to our standing as Florida’s largest employment center. Those moving here are full-time residents who are populating our City streets and fueling the local economy.”

Condominium inventory and discounted trading prices will continue to enhance the attractiveness and affordability of the urban lifestyle in the downtown area.