

Condo Sales In Miami Rapidly Increase For 18th Consecutive Month With More Demand Building Up

MIAMI, FL, USA, May 20, 2022 /EINPresswire.com/ -- In March 2022, Miami Real Estate recorded its third-highest sales based on the MIAMI Association of Realtors and Multiple Listing Service (MLS). The cause for this high sales record is the surge in condominium transactions for 18 consecutive months.

Maria Kuzina, owner of [Miami Luxury Real Estate](#) said that the demand in the Miami real estate market and the low supply of housing are the ones causing the property appreciation and the sales record. She also claims that the market will continue the current trajectory as long as there will be consistent outpacing of new listings on active listings over the months.

Most of the home and property buyers that want to relocate and live in Florida are those with stable incomes and high-paying jobs. The transition to remote working or work-from-home setup, the development in financial technology, and the current stature of Miami as the country's top destination and choice for global homebuyers are the key aspects of the continuous demand.

Miami's existing condo sales increased to 14.9%. From 2,201 sales in March 2021, it rose to 2,528 in March 2022. While single-family home property sales lowered by 9%, from 1,550 to 1,411. The main reason for this is low inventory.

More Inventory for Low-Supply/High-Demand Market

The number of inventory is connected with the season. In spring and summer, the inventory increases. While in autumn and winter, it decreases. In the U.S., the total inventory expands six months after mortgage rates begin to rise.



Maria Kuzina, Broker Miami Luxury Real Estate LLC

Based on Realtor.com, 64% of possible sellers list their homes by October 2022. For single-family properties, it decreased by 8.5%, from 1,974 to 1,540. In March 2022, it decreased by 20.8%, from 2,784 to 2,205 active listings.

In condominium listings, there was a decrease of 9.6%, from 2,861 to 2,585. The inventory for condominiums dropped by 54.7%, from 10,672 to 4,835 listings in 2021.

Since July 2019, the inventory supply in single-family properties has had a strong demand but dropped by 29.2%. In condominium inventory, the decrease is 73.6%. By the end of March 2022, the total active listings decreased by 47.7% from 13,456 to 7,040.

Slow Price Growth in Miami Cause by Increasing Mortgage Rates

The rise in median prices in the real estate industry is a national trend. If there is low inventory, there are high demands, which causes an increase in the prices of the property. The Miami luxury property sales shares over the previous year are one of the reasons for the annual expanded growth of median prices.

In February, the Federal Reserve increased its rates and is also planning to increase them more by the end of the year 2022. While the mortgage rates increased by 5%, which is considered the highest point for the past decade.

The sales of home properties and its prices increase from March are not yet included in the current statistics. Most of the sales last March are based on the 3% rate from January and February.

Based on the data from Federal Home Loan Mortgage Corporation (FHLMC), last March, the fixed-rate mortgage average commitment rate was 4.17%. By February, it increased by 3.76%. In total, 2.96% was the commission rate for the year 2021.

According to the National Association of Realtors (NAR), 4.5% is the calculated mortgage rate by the end of 2022. It is considered low when compared to the total average of 8% in the country. But with the increasing price cooling, the total inventory is possible to increase later on. It can also expand within six months after the rates increase. However, the data does not show any of these expected results yet.



Miami Luxury RE LLC, Winner Best Luxury Real Estate Brokerage in Florida 2021

Local Economic Impact

There is always an impact on the economy whenever a house property is sold. The income generated in the real estate industry has relations to home purchases, a multiplier of housing-related expenditures, and new construction.

In March 2022, the total sales price in Miami was \$3.4 billion. A single home unit's sale price decreases by 9.9% from \$1.6 billion to \$1.4 billion. While the condominium dollar volume increased by 41.55 per annum, from \$1.4 billion to \$1.9 billion.

The total local sales transactions completed in Miami, which includes single-family home properties, condominiums, townhomes, and cooperative homes lowered in February by 2.7% to a rate of 5.77 million in just a month. The sales fell by 6.04 million in March 2021 or about 4.5% of the annual sales.

The original listing price received for single home properties in March 2022 has a median rate of 100%. It increased up to 97.3% last year. While for condominium properties the rate is 98.6%, which is a 4.3% rate increase from 94.5% last year.

For single home properties in Miami, the listing and the contract date will take up to 18 days. It then took longer for up to 28 days or a decrease of 35.7% last year. While the selling time for single home properties changed from 61 days to 76 days or 19.7% from the previous year.

For condominiums, the listing and date of the contract take 31 days and changes to 62 days 50% from last year. While the changes it took to sell the condo property is from 73 days to 104 days in the previous year which is about 29.8%.

In March 2022, the cash sales were around 43.5%. It shows an increase of 36.3% from March 2021. According to the recent statistics from NAR, home sales in the U.S. are about 28%. This percentage just shows that Miami is indeed the top-ranking U.S. market in real estate among foreigners, who mostly use cash to purchase properties, and also citizens who can afford the expensive U.S. markets can buy more properties with the profits they gain from their real estate properties.

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