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## **Downtown Condo Occupancy Comes Around**

By *Carl Cronan*



MIAMI- Nearly two-thirds of condominium units built in the city's central business district since 2003 are currently counted as occupied, a new report states. A combination of owners and renters occupy those towers.

The findings are contrary to national press reports making Downtown Miami appear to have a glut of empty condo units waiting to be purchased at steep discounts. An estimated 23,000 condo units and apartments are counted in 80 buildings.

"Our research indicates that 62% of units in new Downtown Miami buildings are occupied, defying the perception that the majority of high-rises built in recent years are empty," says Lewis Goodkin, founder of Miami-based Goodkin Consulting who led the study commissioned by the Miami Downtown Development Authority. He adds that occupancy should increase steadily as buyers and renters take advantage of current pricing.

The median sales price for condos purchased in Miami was \$133,500 in April, half of what they were selling for a year earlier, according to the Florida Association of Realtors. Yet the number of units sold that month increased 70%, to 542.

"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," says Craig Werley, president of Coral Gables-based Focus Real Estate Advisors, which worked with Goodkin on the Downtown Miami study. He notes that increasingly attractive pricing continues to generate demand from buyers and renters.

Goodkin believes that Miami's urban condo market could reach market equilibrium in the next three to four years as existing inventory is absorbed and no new multifamily structures are built. In the short term, he says, the rebound relies on heightened demand for urban living, easing of home financing restrictions, low mortgage interest rates and continued discounts by developers on available units.

Observers say the report brings much-needed certainty back to Miami's condo market. "Until lately, the perception was pretty bleak," says Vanessa Grout, vice president of acquisitions with Miami-based New Valley Realty, which has a keen interest in bulk purchases of local condos.

Grout also tells GlobeSt.com that if the current trend continues, demand will eventually reach the point that development will be encouraged again and minimum unit values will return to replacement cost levels. While the rental market gives life to Downtown Miami condos at present, she says, ownership will become more likely as financing returns.