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Downtown Miami to see surge of nearly 3,500 new condos delivered in 2017 as resale pricing falls: report

Between 2014 and 2019, 12,257 new units will be delivered in Greater Downtown Miami

By [Katherine Kallergis](#)



View from Hyde Midtown (Credit: Tamz Photography)

As new condo units continue to come online in 2017, resale pricing in Miami's urban core is reporting a drop for the first time in eight years.

Greater Downtown Miami's condo inventory will grow by 3,456 new units this year, the largest surge of new product expected over the next three years, according to the latest Miami Downtown Development Authority report authored by Integra Realty Resources.

That annual growth is expected to fall after 2017: 2,846 units will be delivered in 2018 and 1,960 units in 2019. Between 2014 and 2019, 12,257 new units will be completed. While that number is high, it's still significantly less than the more than 21,000 condos that flooded the market between 2004 and 2009, according to the report, which focused on July 2016 to January 2017.

The wave of new inventory has led to a decline in pricing. Existing condos saw a 7 percent decrease in prices in January compared to the year before. “I think we are going to see indexes down another 5 [percent or] 6 percent this year,” Anthony Graziano, Integra Realty principal and the report’s author, told *The Real Deal*. “I keep telling everyone, don’t wait for ‘the crash.’ Take advantage of the interest rates now.”

New rental product, including the Broadstone at Brickell, which is set to open soon; Melo Group’s Melody tower in the Arts & Entertainment District, and Midtown Five, will bring down rents in older buildings, he said. About 1,000 rental units were delivered in 2016 in the Greater Downtown Miami area and 4,900 units are under construction. Graziano said that relative to other options in Miami-Dade, like new buildings in Dadeland, downtown Miami “is still a good option” for renters.

In 2016, 2,202 condo units were delivered in [Miami’s urban core](#), which is more than half of the condo inventory that’s been delivered since 2012, according to the report. That new inventory included the Crimson, Le Parc, Cassa Brickell, Brickell City Centre, SLS Brickell and the Bond at Brickell.

While the absorption of new units to the Greater Downtown Miami market is slower, preconstruction condo pricing is holding steady. “If you don’t buy today I don’t know how you can complain about the rent three years from now,” Graziano said, citing lower prices at condo projects like [Hyde Midtown](#) and Centro.

“If you’re a domestic buyer looking for an urban lifestyle in the heart of Miami, now is a good time to make your move. There is no distress in the market similar to what we experienced in 2007-2009, so IRR does not predict dramatic declines in pricing similar to the last cycle. Pre-construction product pricing is holding up relatively well, with projects that recently delivered closing out their pre-contracted inventory without much fanfare,” Graziano said in the report.

Despite the pipeline of new condo units to be delivered in the next three years, some developers have launched new projects, including Aston Martin Residences in downtown Miami where asking prices exceed \$1,000 a foot. But those will likely not be delivered this cycle, the report said. “Many properties that are entering the reservation stage now likely will not break ground this year, and many of the new condo and multifamily proposals that have appeared in recent months will likely be developed in later cycles due to capital constraints (debt and/or equity requirements),” according to Integra Realty Resources.