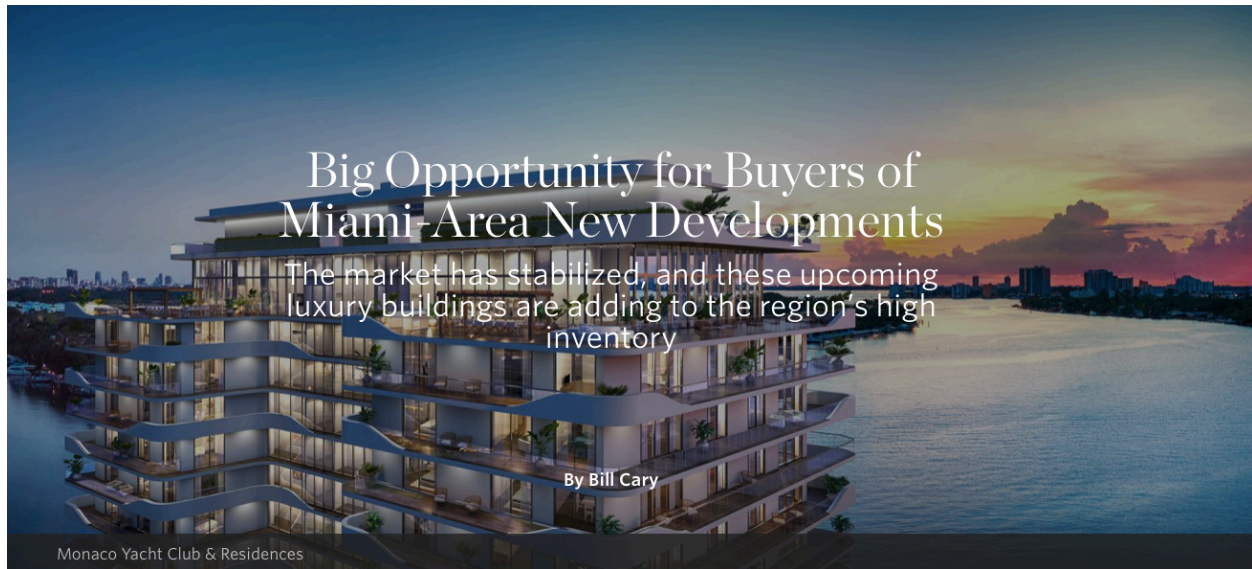


MANSION GLOBAL



The Miami-South Florida real estate market is still awash in luxury inventory from the last round of new developments, but that may change in coming months as wealthy homeowners flee high-tax states in favor of low-tax Florida.

"We've had an enormous supply of luxury in the last three years in Miami/Dade County," said Ron Shuffield, president of the Miami-based EWM Realty International. "We currently have 5,000 units on the market priced over \$2 million." Of those, 1,900 are single-family homes and the remaining 3,100 are condos.

"We look at our inventory in terms of monthly supply," he explained. "Normally, Miami/Dade can handle 12 to 18 months of inventory priced over \$1 million comfortably."

In January, Miami/Dade had a 32-month supply of single-family homes priced over \$1 million and a whopping 76-month supply of condos, according to EWM statistics Mr. Shuffield provided to Mansion Global. "We need to rebalance this inventory again," he said.

"The good news is that we've picked up demand," he said. "We're seeing more domestic buyers than ever before, who are coming to Florida to look for a primary residence or to buy a second home."

From 2015 to 2017, "we were selling fewer \$1 million-plus properties every year," Mr. Shuffield said. That turned around in 2018, he said, primarily because of "people fleeing high-tax states." The new federal tax law passed by the U.S. Congress in 2017 and enacted last year puts a \$10,000 cap on state and local tax deductions, otherwise known as SALT.

So far in 2019, "we're seeing an increasing level of interest from luxury buyers from these high-tax states," he said, especially now that they are getting their new tax bills, with lower SALT deductions, for the first time.

In recent years, international buyers made up more than 40% of the Miami/Dade market, Mr. Shuffield said. "That is now down to more than 30% because of decreasing currency values and unstable politics" in Latin and South American countries like Brazil, Venezuela and Mexico.

"The domestic buyer has become the new story," he said.

Edgardo Defortuna, president and CEO of Fortune International Group, agreed. “In Fort Lauderdale we are seeing 85% U.S. and 15% foreign buyers.”

“We’re seeing a lot of buyers from the Northeast and California,” he said. “It’s a more sophisticated buyer—they do the research, they do their homework and it takes more time to execute.”

Mr. Defortuna characterized the Miami-South Florida luxury market as “more stable and mature—it’s not like the crazy days of 2015 and 2016 when we could put a product up for sale and sell it out in less than a year.”

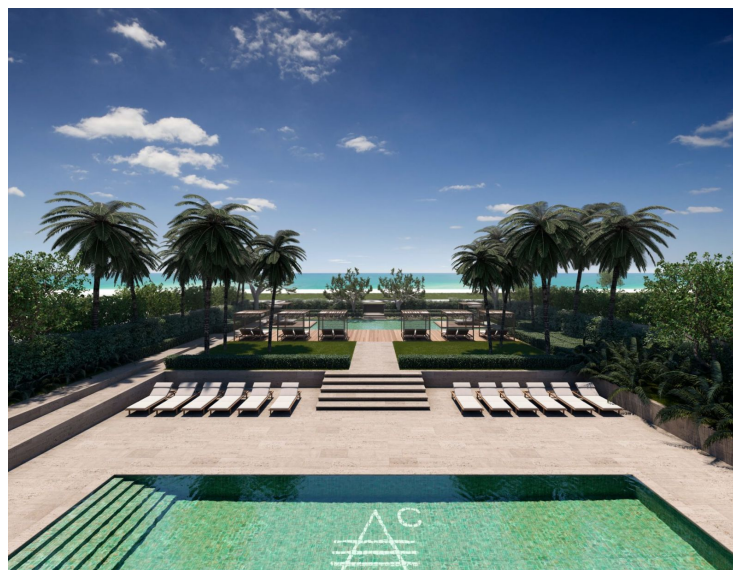
“We’re seeing a great deal of activity in Sunny Isles Beach,” in northern Dade County, he said. “There are five or six very high-end buildings being built. Most are 60% to 80% sold already. This area will really continue to grow.”

Farther south, in North Miami Beach and South Beach, “there is a lack of sites on the ocean—they are almost nonexistent,” Mr. Defortuna said. “You have to buy existing buildings one by one and knock them down, to build new.”

“The availability of land to be built in Miami Beach is extremely, extremely low,” he said.

Developers are looking north “because of a lack of property down south,” Mr. Defortuna said. “They will continue to move north.”

Indeed, many of the new developments launching sales in the first two quarters of 2019 are in areas north of Miami, such as West Palm Beach and Boca Raton. Here’s a look at a few of them.



Antonio Citterio

Arte by Antonio Citterio, 8955 Collins Ave., Surfside, Florida

Sales are expected to launch in the first quarter of 2019 for Arte by Antonio Citterio, a collection of 16 oceanfront, ultra-luxury condominiums spanning more than an acre in Surfside, an exclusive neighborhood between Miami Beach and Bal Harbour. The 12-story building, which is expected to be completed in late 2019, will be the first in the U.S. by Italian master architect and designer Antonio Citterio (working in collaboration with KKAID), who is known for designing the BVLGARI Hotels in Dubai, London, Milan and Bali as well as the Mandarin Oriental in Milan.

Number of units: 16

Price range: From just over \$10 million to \$40 million

Developer/architect/interior designer: Sapir Corp Ltd. led by Alex Sapir, in partnership with Giovanni Fasciano and Özlem Önal/Antonio Citterio (in collaboration with KKAID)/Antonio Citterio

Apartment sizes: Residences will range in size from 3,150 to 7,523 square feet and will be furniture ready—meaning it can be totally customized by the buyer—with options for customized closets.

Amenities: The building will offer an outdoor pool, an indoor lap pool, and a spa and fitness room. Additional amenities in a separate facility exclusively for residents will include a tennis court, a residents' lounge and a multi-purpose room. Air-conditioned private parking will also be provided for each residence.

Website: www.artesurfside.com



Antonio Citterio