

2017 Real Estate In The Sunshine Economy

By TOM HUDSON • 1 HOUR AGO

PROGRAM
The Sunshine
Economy

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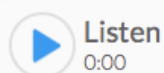


The sculpture garden at the Magic City Innovation District opened Nov. 30, 2016. Developers Tony Cho and Bob Zangrillo plan a mix of housing, art and business buildings on the 15-acre development.

TOM HUDSON

South Florida home prices continued climbing in 2016 even as the pace of sales slowed, especially for condominiums.

The red hot real estate market has cooled, but it kept growing with developers making big plans. Some hope to reshape entire communities on the way to reshape the local economy by building ecosystems that they think will diversify the job market.

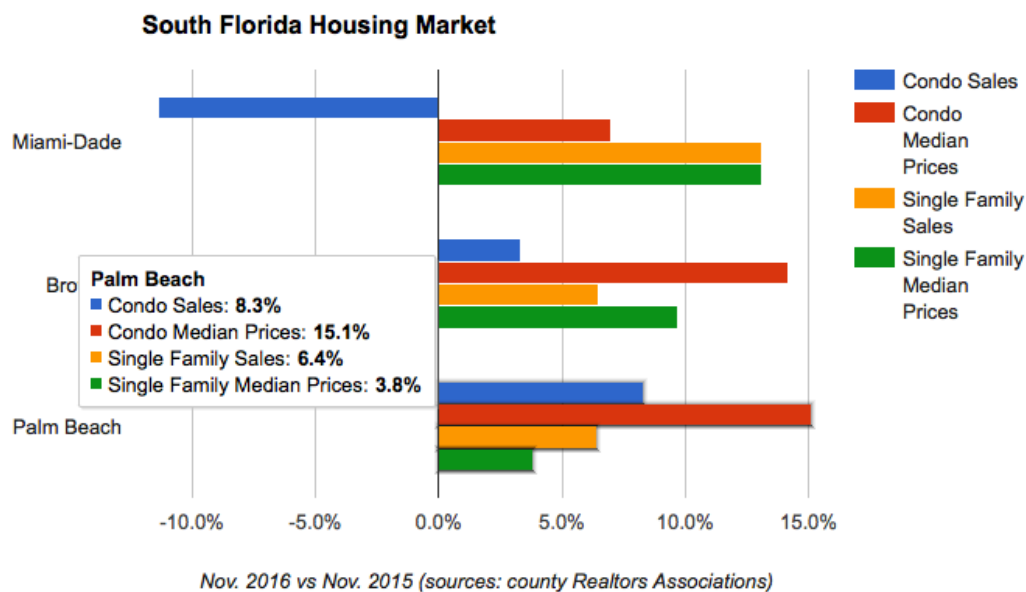


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SLOWER, BUT (MOSTLY) GROWING

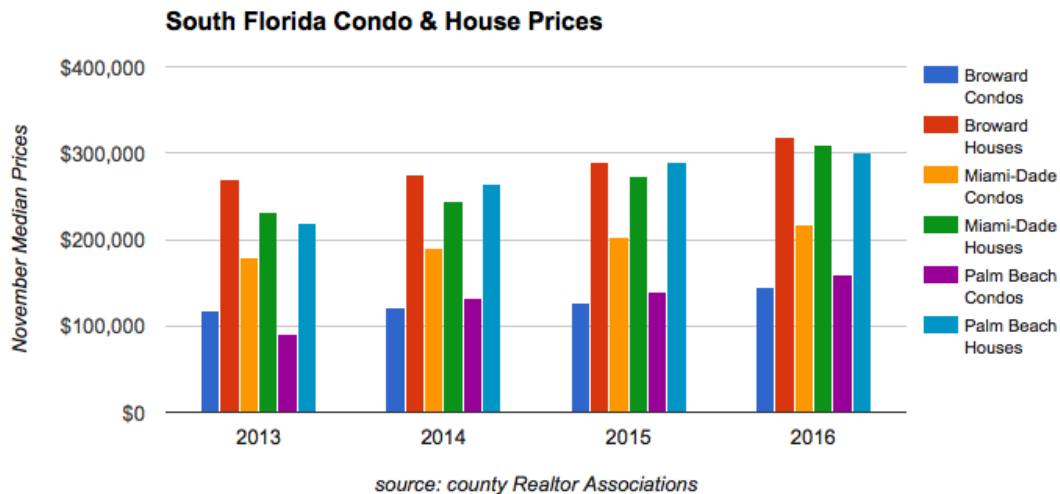
The pace of residential real estates continued growing, though the volume of Miami-Dade condominium sales fell considerably for the year ending in November. The worry is that the condos are a canary in a coal mine, signaling a broader slowdown in the future. "For the luxury condominiums, we're in the ninth inning," said Jack McCabe of McCabe Research and Consulting, based in Deerfield Beach.

McCabe forecasts an economic recession will begin nationwide sometime this year, but he is not pessimistic about the entire housing market. "For lower and middle prices [homes], I don't see any problem at all."



PRICES

It's been about five years of year-over-year price increases for homes and condos in South Florida. The median sale price of a single family home in Miami-Dade in November hit \$310,000, up 59 percent from four years ago. In Broward County, the median home price is \$318,000, up 51 percent over the same four years. For condos, prices are up 38 percent in Miami-Dade and up 58 percent for Broward County condominiums since 2012. Those annual price hikes may be slowing, but they continued increasing.



THE DEVELOPERS

WLRN spoke with three developers to hear about their outlook for real estate in 2017.

Carlos Rosso -- head of condominiums for The Related Group

- "We are not going to do as many launches as we did in the past year."
- "Real estate is a marathon, not a 100-meter chase."

Moishe Mana -- Mana Wywood

- "My answer to people who buy real estate [is] don't look at it in terms of one year. Go buy potatoes or go buy stocks. In real estate you invest in it for 10 years."
- "Nothing is going to change in 2017. It's going to be a little bit slow. I don't think it will be much change as far as pricing."

Tony Cho -- ceo, Metro 1

- "Prior to the election, I felt a slowdown in velocity and transaction volume, but I'm busier than I've ever been."
- "I consider us in a stabilization period. Prices are really high. Construction costs are really high. Investors are more cautious, but I think these are only temporary things."