

## Average downtown Miami condo could cost \$750,000 by 2025, report says

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After a slowdown in 2016, the Downtown Miami condo market is expected to make a rebound this year, and will continue to do so until prices reach previously unforeseen numbers, according to a new municipal study.

Last year marked the first time since 2009 that condo resale prices in the downtown neighborhood decreased, according to the Miami Downtown Development Authority's [annual residential market study update](#). The average price of a condo last year was \$426,000, down 7 percent from 2015's average price of \$457,000, according to the study.

Despite the drop in price, experts say the market will rebound and continue to grow – until the average price of a Downtown condo reaches \$750,000 by 2025.

“[Integra Realty Resources] predicts that the resale market begins to see increasing sales velocity in 2017,” the study states. “This will be a combination of more aggressive sellers, and a buyer’s mindset that interest rates are moving upward, and locking in a downtown apartment in a thriving urban area for under \$750,000 will be unprecedented in 2025.”

## Reasons for Upswing

Miami's condo market has seen a glut of inventory leading to falling prices, but the trend hasn't hurt the downtown area too much, according to the study. That's because the area is rapidly growing and is now considered a hotspot for young people to work, play and live.

The addition of the massive Brickell City Centre mall, opened in November 2016, is one of the new attractions that will drive people to downtown, the study said. Expected to go online this summer is the [Brightline commuter train and MiamiCentral](#), the transportation hub and mixed-use development that will provide access to Metrorail, Metromover, busses, trolleys, bike rentals, taxis and more.

Wynwood's continued transformation into an arts and recreation hub is also helping the greater downtown area. Five of the area's eight largest property sales were in Wynwood, and multiple commercial developments in the neighborhood will make it attractive to residential developers, the study said.

With more cultural amenities, more people and better transportation, the housing market in downtown Miami is forecasted for strong growth.

"Year-over-year improvements in lifestyle amenities, affordability, land pricing, construction costs and area wage growth are all positive macro drivers for long-term growth," the report said. "Ties to major infrastructure investments downtown, these are all positive signs of continues urban momentum in the long run."

## Reversing trend

The Downtown Development Authority's report is good news for both buyers and sellers.

Miami's citywide condo market has taken a hit in recent years thanks to rising inventory levels, high prices and a strong dollar that has led to the cooling of international buyers looking at the city's condos. Downtown was not immune to the trend. In the third quarter of 2016, year-over-year prices remained steady but average days on the market increased by 51 percent.

But with the gentrification of areas like Wynwood and Brickell, boom times appear to be in store for the downtown condo market.

"This confidence is underscored by continued investments in future development cycles, including several landmark site sales in Wynwood in particular as well as continued new proposals being announced," the study said.