Downtown Real Estate Activity

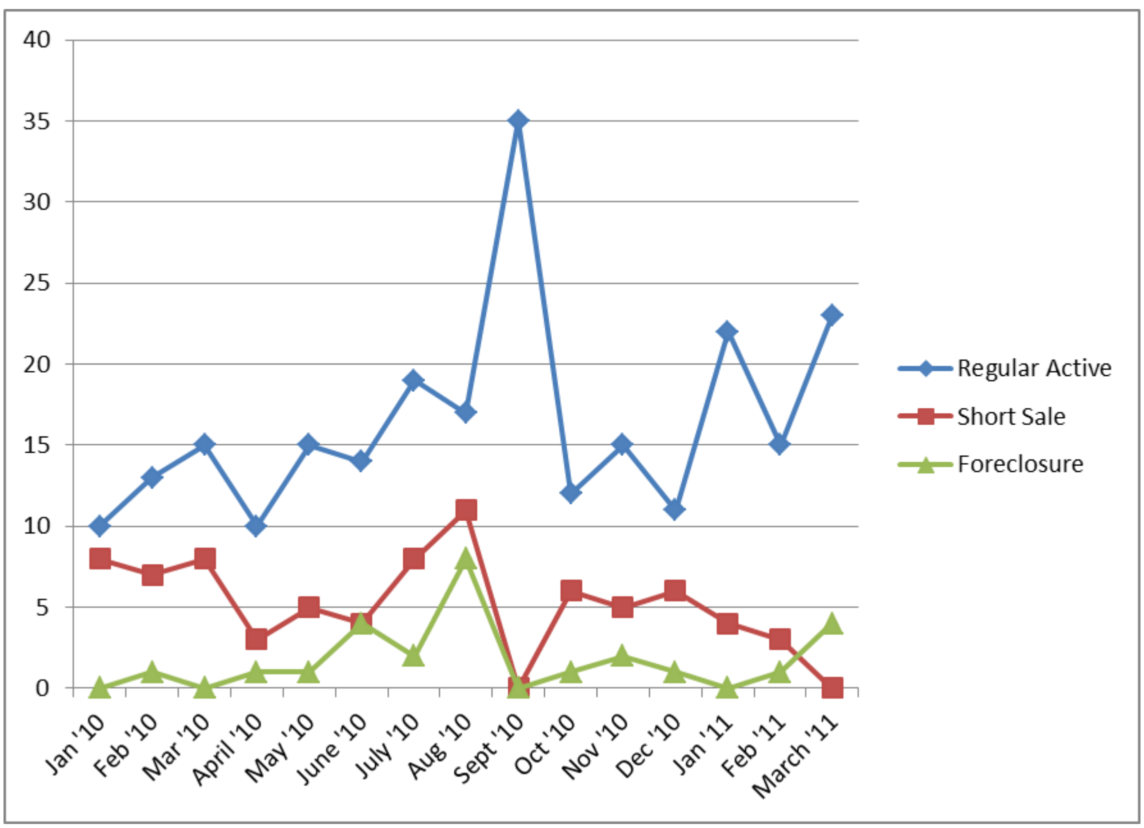
Residential Statistics

4th Quarter 2010- 1st Quarter 2011

The residential market in Downtown continues to improve, with several key findings manifest in the MLS research. The number of homesteaded units increased dramatically in NuRiver Landing and Las Olas by the River (LOBTR). NuRiver increased its owner occupied units by 75 while LOBTR increased by 27 since the third quarter 2010 report. The Mill and the Foundry also made gains.

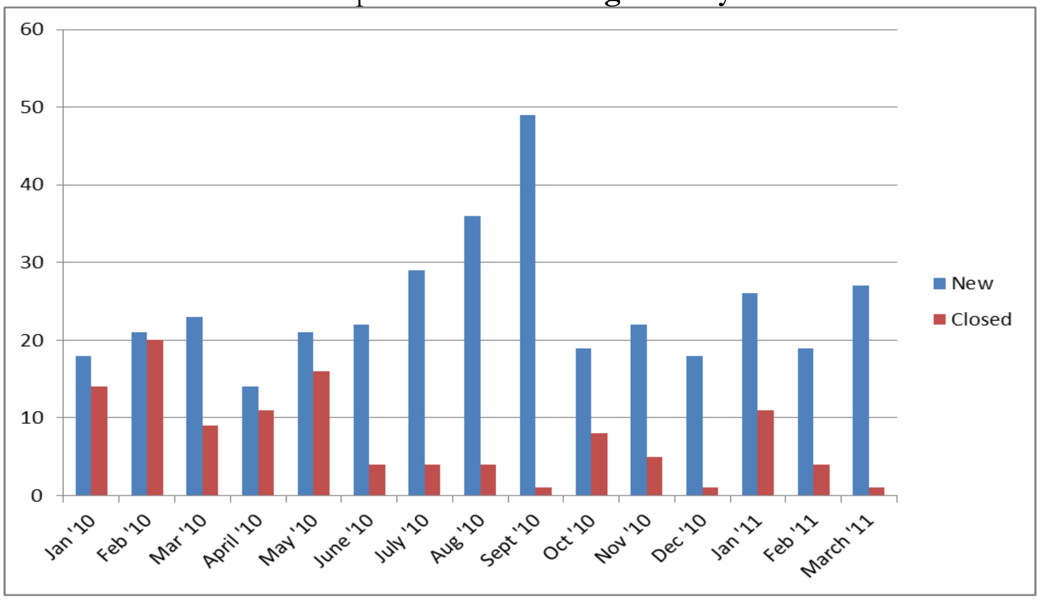
Also notable in the last two quarters is that rentals are still going strong and most rates have inched up by an average of 15%. Condominium sales prices have also increased, with the average closing prices rising to meet the average list price. It can be deduced that this price stabilization has accounted for less sales in the 1st quarter of 2011 compared to the same time one year ago. The bulk of closed sales at the start of the year were foreclosures. In addition, First Generation Units continue to decline gradually, with the total standing at 71 that remain under developer ownership.

Graph 1. **Monthly Active Condominium Listings** (January 2010 – March 2011)



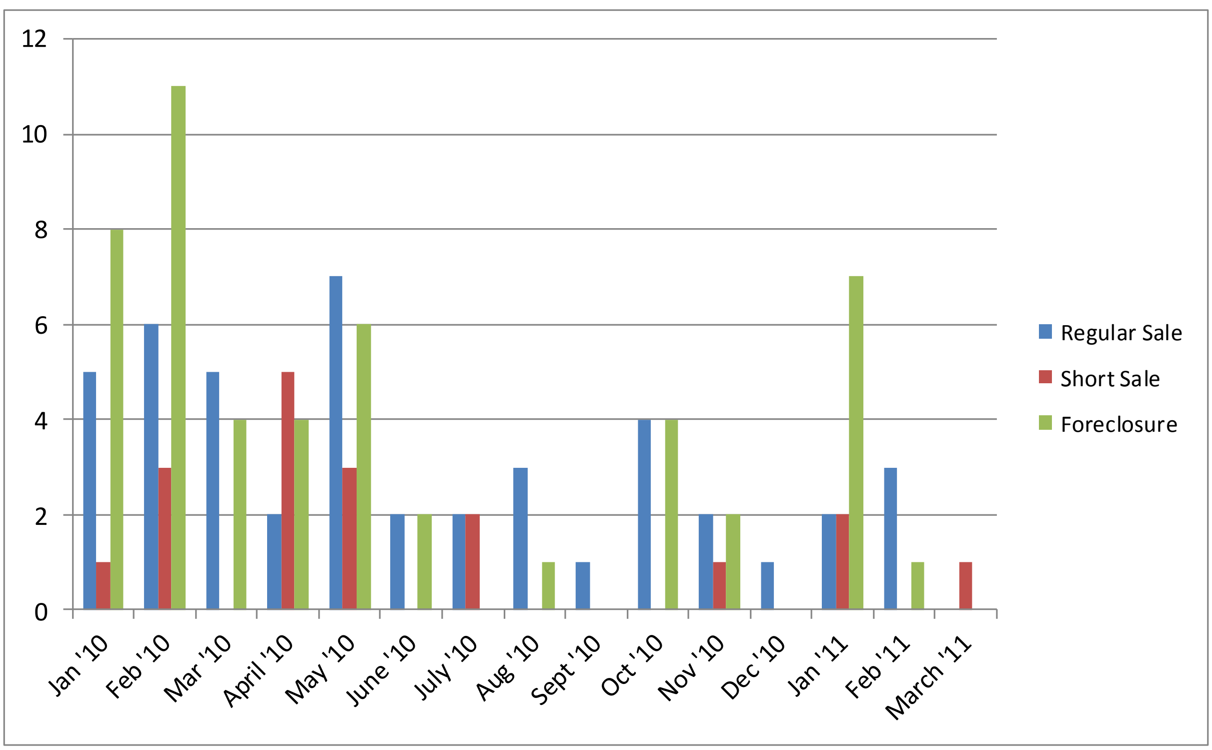
The number of new active listings peaked last September and have since hovered around 25 new listings per month. The graph below shows a reversal in new listings to closed listings ratio, as the start of 2011 has experienced more new listings than sold listings, whereas the start of 2010 saw more closings.

Graph 2. **Condo Listing Activity**



The beginning of both 2010 and 2011 has proven to be an active time for foreclosure sales, with an isolated increase in January 2011. Overall, sales seem to have a steady trajectory since last summer.

Graph 3. **Closed Sales by Type** (1st Qtr 2010- 1st Qtr 2011)



First Generation Units

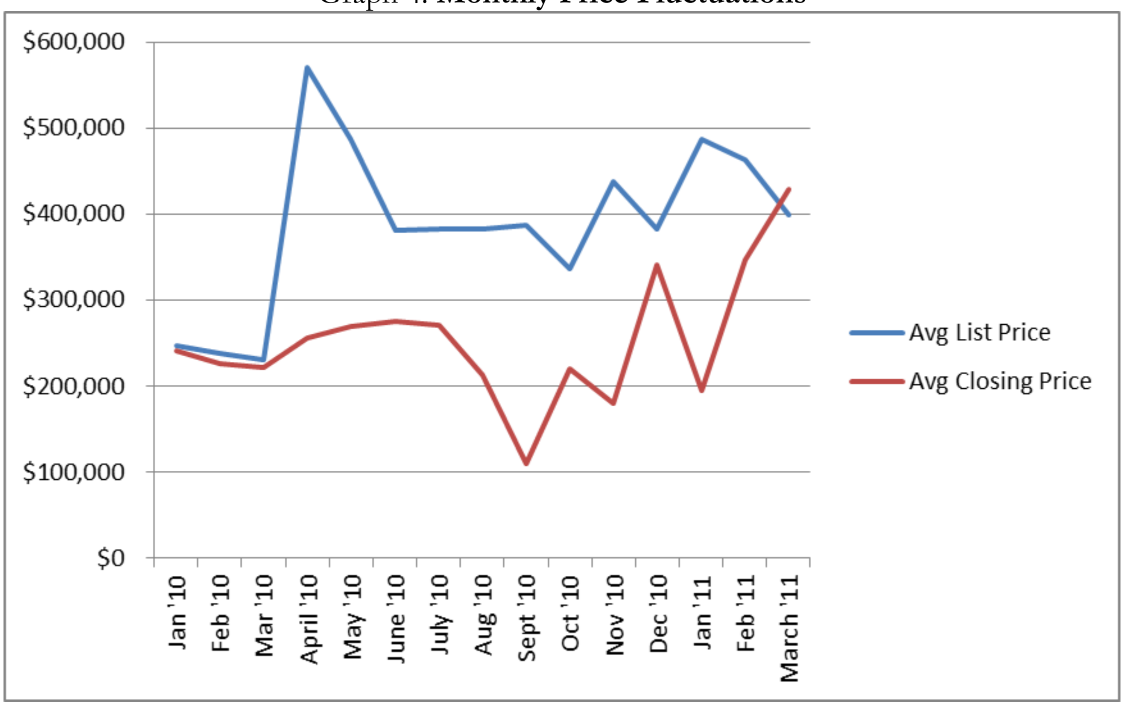
These original, developer-owned units continued to decline gradually through the quarters. Since the 3rd quarter of 2010, Las Olas Riverhouse, Sole, The Foundry, and the Mill have each sold some of their original units, bringing the total to 71.

Table 1. **First Generation Units**

Building	3rd Qtr 2010 Units	1st Qtr 2011 Units
Las Olas Riverhouse	1	0
Las Olas by the River	0	0
Sole Condos	4	3
Strada 315	61	61
The Foundry	3	2
The Mill Lofts	6	5
Total	**75**	**71**

There was a sizable gap between the list price and closing prices for condominiums last year up until October when prices started to align.

Graph 4. **Monthly Price Fluctuations**



While each quarter presents a few outliers, the $200,000s-$400,000s seem to be the middle ground for buyers in the downtown market.

Table 2. **Listing vs. Closing Price Differences**

Closing Prices	1st Qtr 2010	% Change	2nd Qtr 2010	% Change	3rd Qtr 2010	% Change	4th Qtr 2010	% Change	1st Qtr 2011
Average List Price	$238,018	+102%	$479,121	-20%	$384,234	0%	$385,648	+14%	$449,773
Average Closing Price	$229,668	+16%	$266,403	-25%	$197,778	+20%	$246,383	+24%	$323,086
Average $/SF	$170	-9%	$154	-10%	$140	+20%	$175	+24%	$230
Average Days on the Market	48.2	-11%	42.49	+8%	46.1	-7%	43	+16%	30

Condo Rentals

The first half of 2010 saw high levels of rented condominiums. That activity slowed in July, with more even ratios of rented to new rental listings. The average price of these units increased in the 4^{th} and 1^{st} quarter, which mirrors the price shift in the for sale units as well.

Graph 5. **Condo Rental Activity**

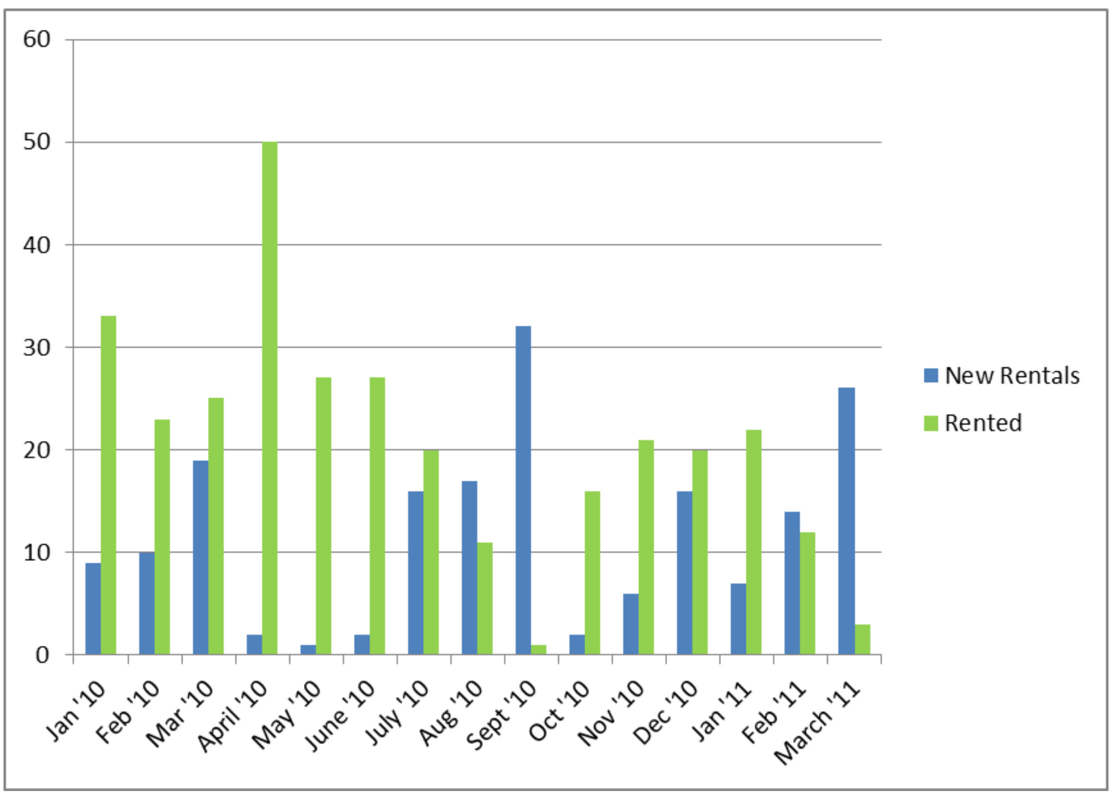


Table 3. **Condo Unit Rental Prices**

Rented	1st Qtr 2010	2nd Qtr 2010	3rd Qtr 2010	4th Qtr 2010	1st Qtr 2011
Total # Units Rented:	81	102	32	57	37
Average List Price	$1,980	$2,051	$1,794	$1,890	$1,924
Actual Rent Price:	$1,873	$1,972	$1,756	$1,834	$1,860
Actual Rental Price/SF:	$1.54	$1.76	$1.50	$2.00	$1.80

Rental-Only Buildings

The rental only buildings continue to enjoy high occupancy rates and lease rates. In most cases, the average rental price per square foot has increased to about $1.80, with many of last year's specials no longer available.

Table 4. **Rental Building Lease Rates and Occupancy (Current)**

Building Name	Location	Total Units	Leased	Avg. Price Per SqFt	3/2 Rates	2/2 Rates	1/1 Rates	Specials
Camden Las Olas	SE 2nd Street	420	97%	$1.70	$2,615	$1,765-$1,900	$1,338-$1,560	N/A
440 Flagler	440 NE 5th Street	218	100%	$1.87	$2,428-$2,633	$1,782-$2,593	$1,620-$1,913	N/A
Alexan Solmar	424 NE 4th Ave	284	94.72%	$1.87	$2,195-$2,685	$1,778-$2,270	$1,433-$1,730	N/A
The Exchange	115 NE 3rd Ave.	87	N/A	N/A	N/A	N/A	N/A	*No longer participates in market surveys
Satori	1201 E. Sunrise Boulevard	279	94%	$1.83	$2,725	$2,220-$2,445	$1,815	1-2 months free rent
Eclipse	307 NW 1St Ave	101	100%	$1.50 (Market rate)	N/A	$1,350 $982 $765	$1150 $822 $376	Market rate Mid Level Income Lowest Income

The downtown real estate market appears to be recovering well, with both rental and for-sale prices inching up. With the exception of the high rate of January foreclosures, the levels of new listings and sold listings are fairly even with minor fluctuations from month to month. Whatever condo glut is occurring elsewhere in South Florida, is not the case here.

<u>**References**</u>:

The preceding information was derived from the Multiple Listing Service provided by Hooper Realty, the Broward County Property Appraiser, and correspondence with local rental building representatives.