

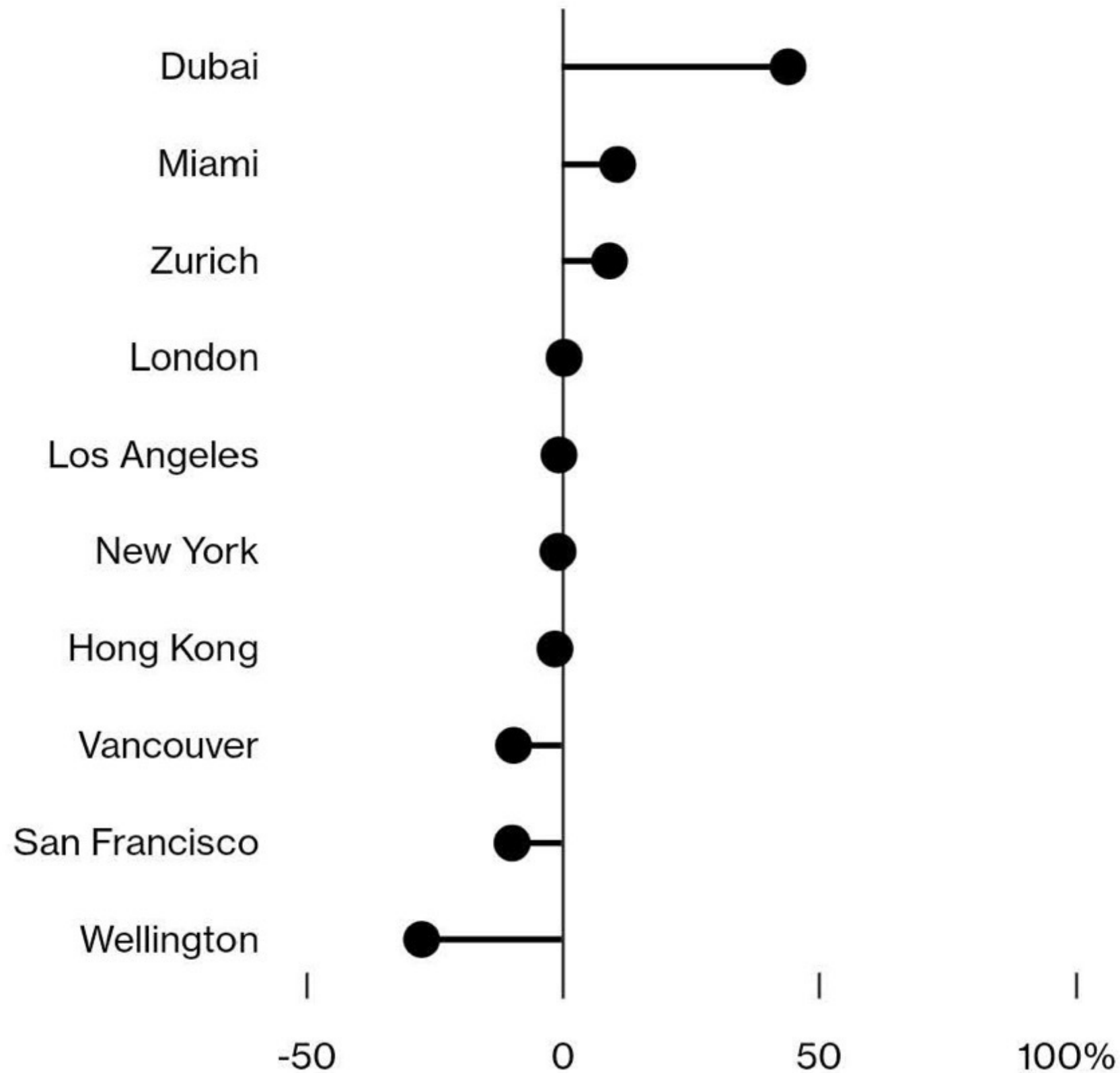
**Predicting The Future:
Follow The Money**

“If I had an hour to solve a problem and my life depended on the solution, I would spend the first 55 minutes determining the proper question to ask... for once I know the proper question, I could solve the problem in less than five minutes.”

- Einstein

Dubai, Miami Are Fastest Rising Markets

Change in prime real estate prices between Jan-Mar 22 and Jan-Mar 23

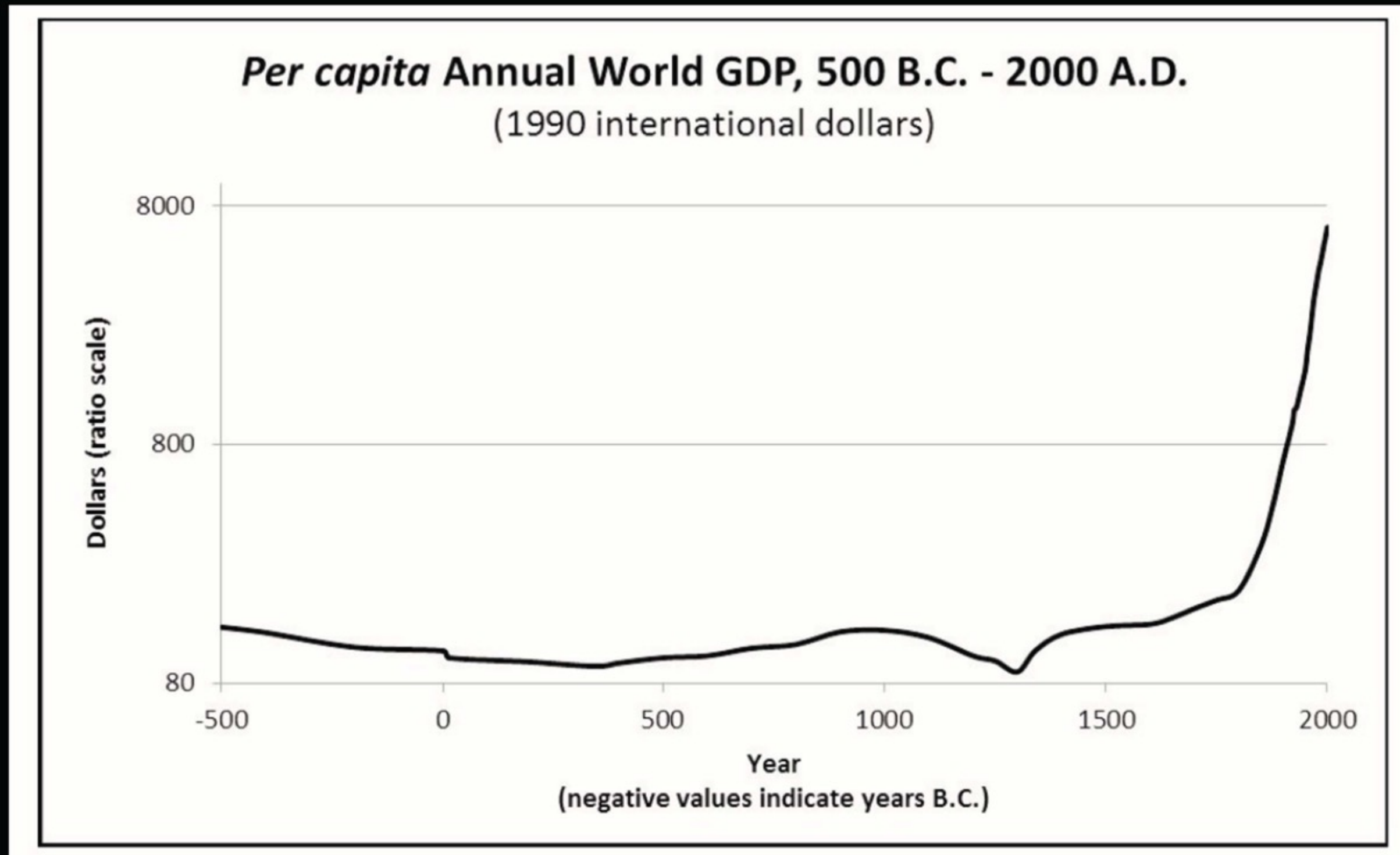


Source: Knight Frank

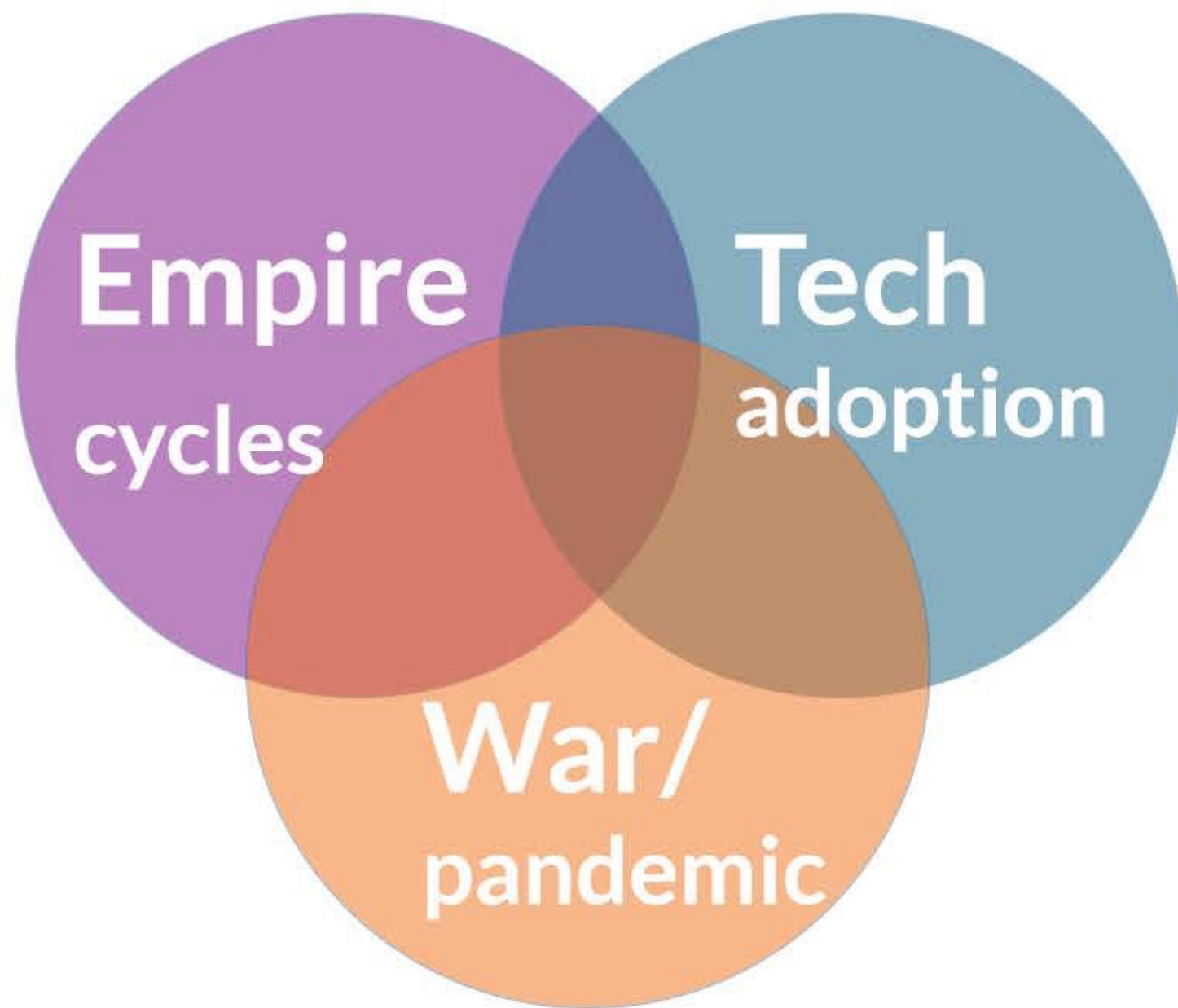
What forces are driving Miami's outlier performance and are they sustainable?

**Human nature is our constant,
with innovation acting as fuel**

**History = Change =
the cyclical aggregate of human herding behavior**



Why does change accelerate at certain time?



We have the confluence of:

1. Monetary & fiscal policy at extremes + societal polarization
2. Life / work reshaping around a new technology
3. A pandemic that created a full-stop event, allowing for the formation of new habits

**Think of Covid as a
grand accelerator of trends:
There is a shift in focus away from pre-internet,
20th century epicenters**

We have been living in a post WWII, post Bretton Woods
World, 20th century world.

The pandemic is accelerated us into the future that is built
around the internet.

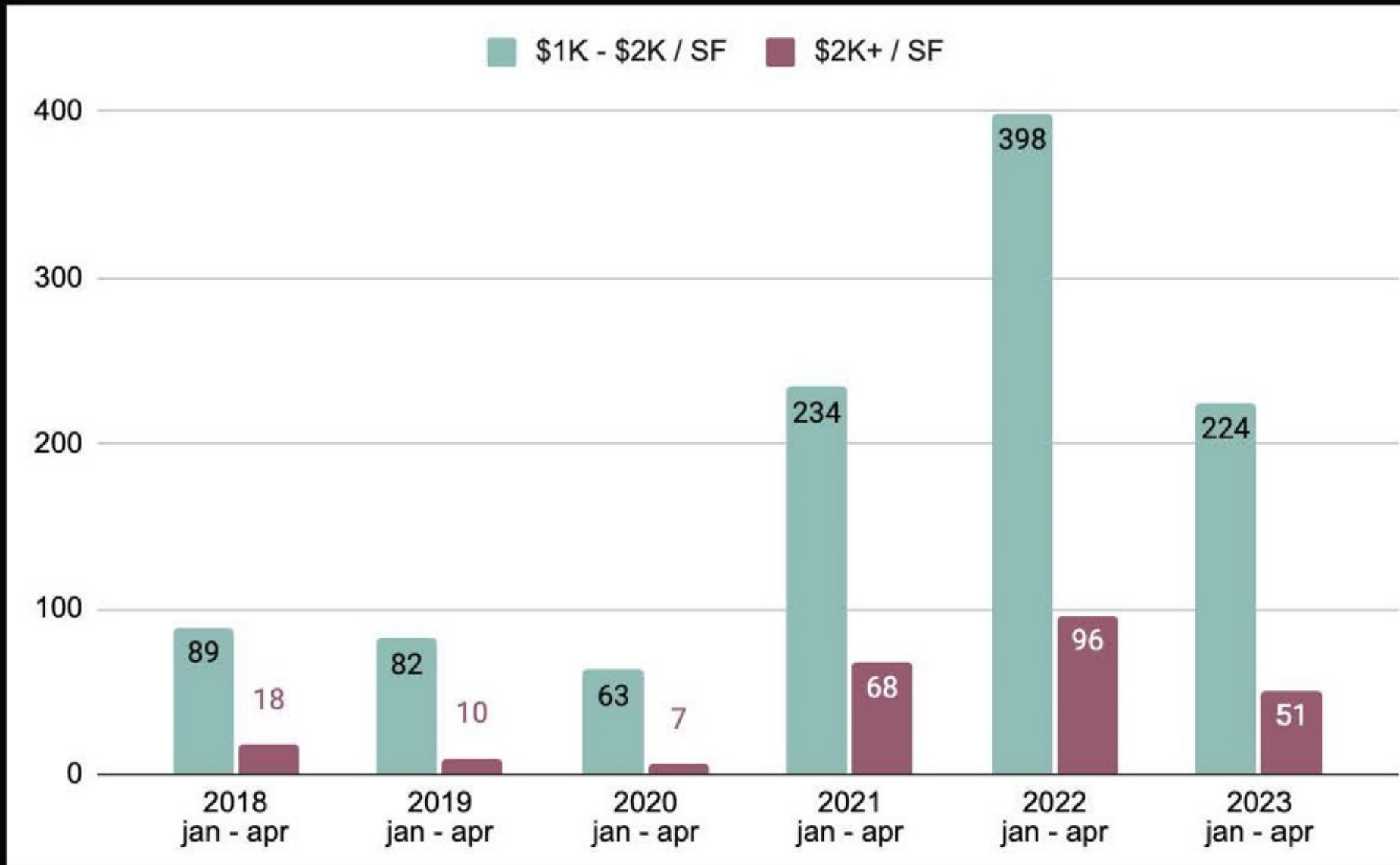
What does all this mean for Miami real estate?

A tsunami of cash, record sales at high price points & rapid shrinking of inventory.

Miami Dade Condo Sales, Jan - April

\$1K - \$1.9K / SF + 173% versus pre Covid 2019 77% all cash

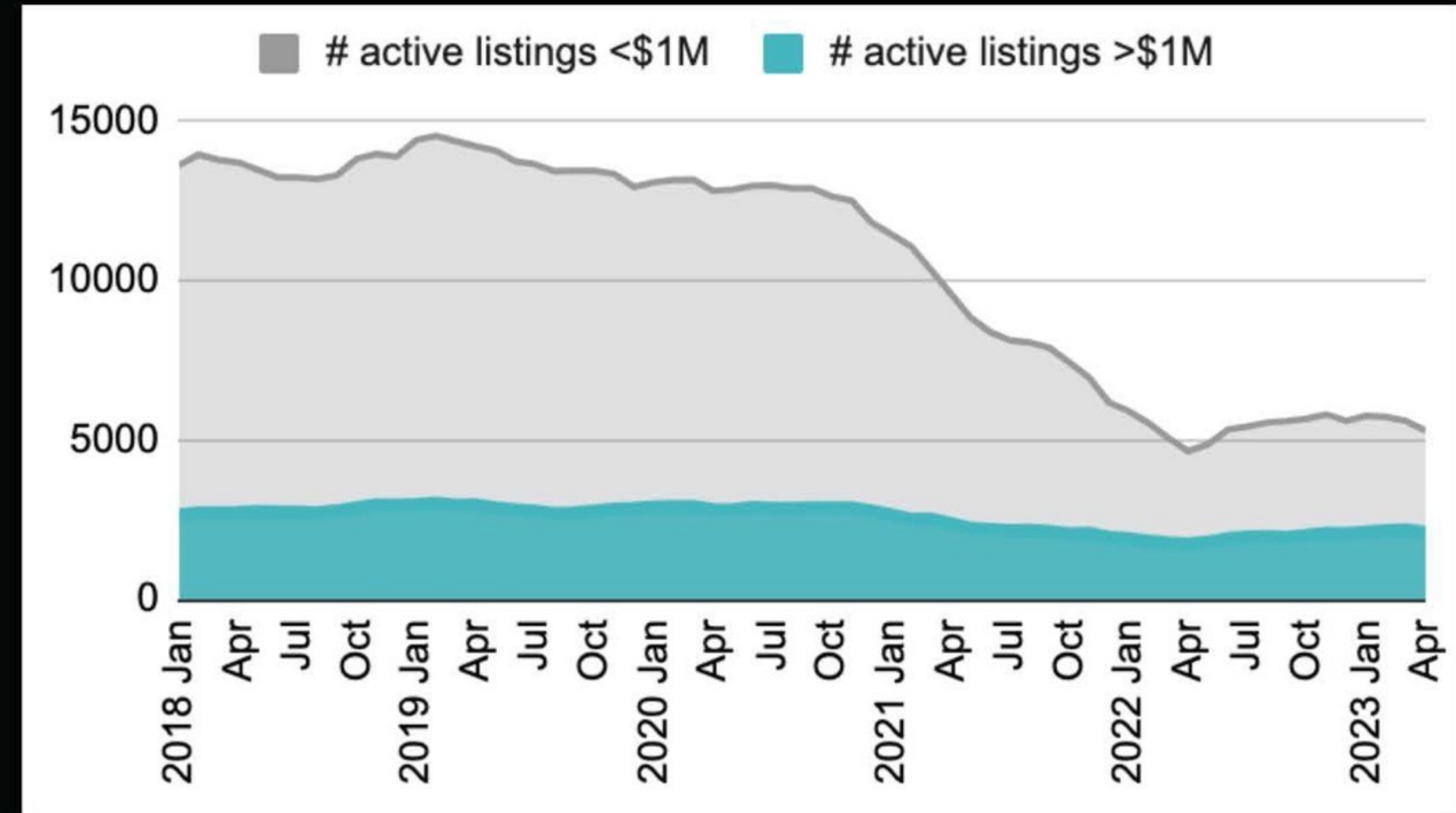
\$2K+ / SF + 410% versus pre Covid 2019 94% all cash



Miami Dade Condos, Active Listings

< \$1M -63% versus pre Covid, April 2019

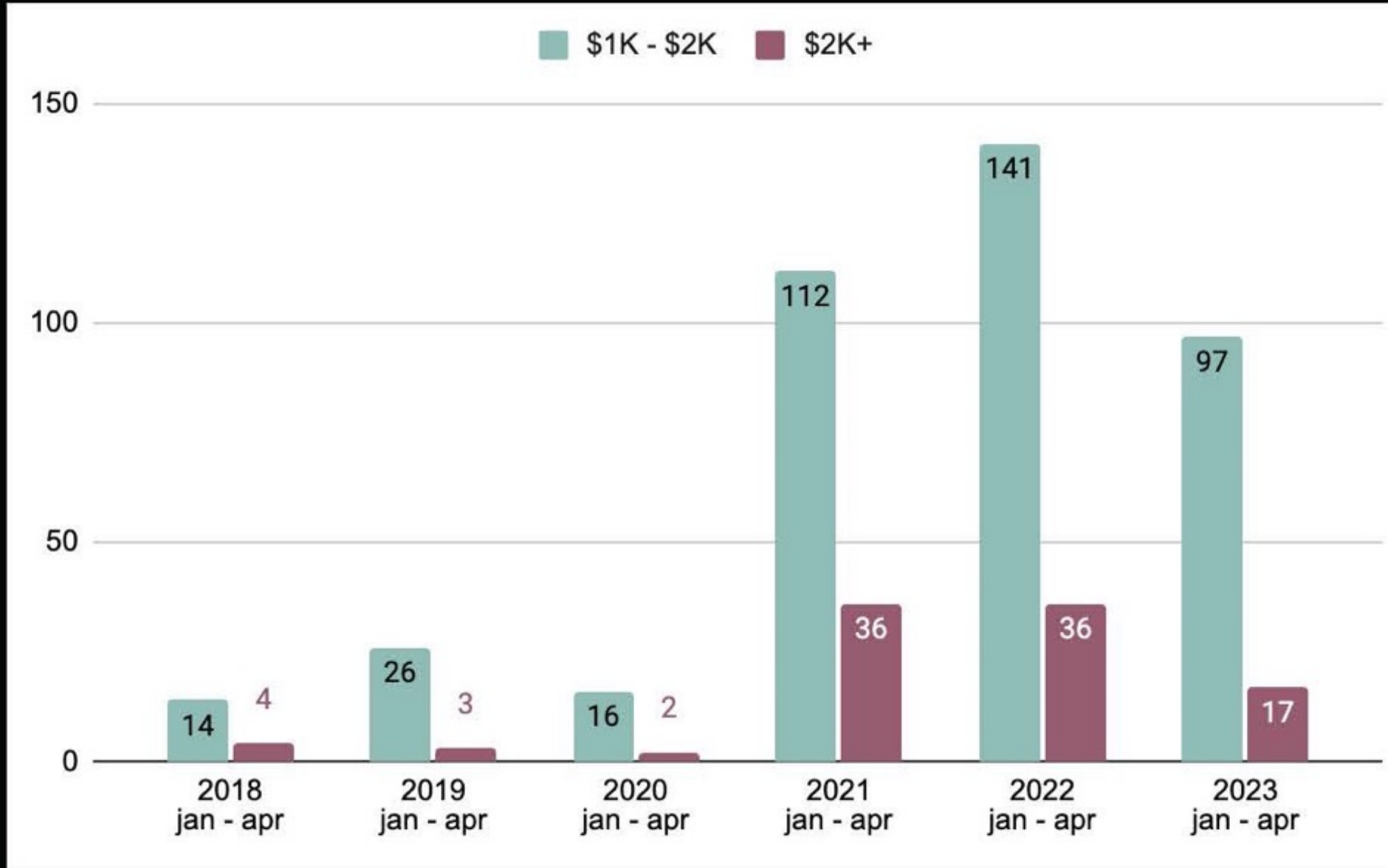
\$1M+ -29% versus pre Covid, April 2019



Miami Dade SFH Sales, Jan - April

\$1K - \$1.9K / SF **+ 273%** versus pre Covid 2019 **72% all cash**

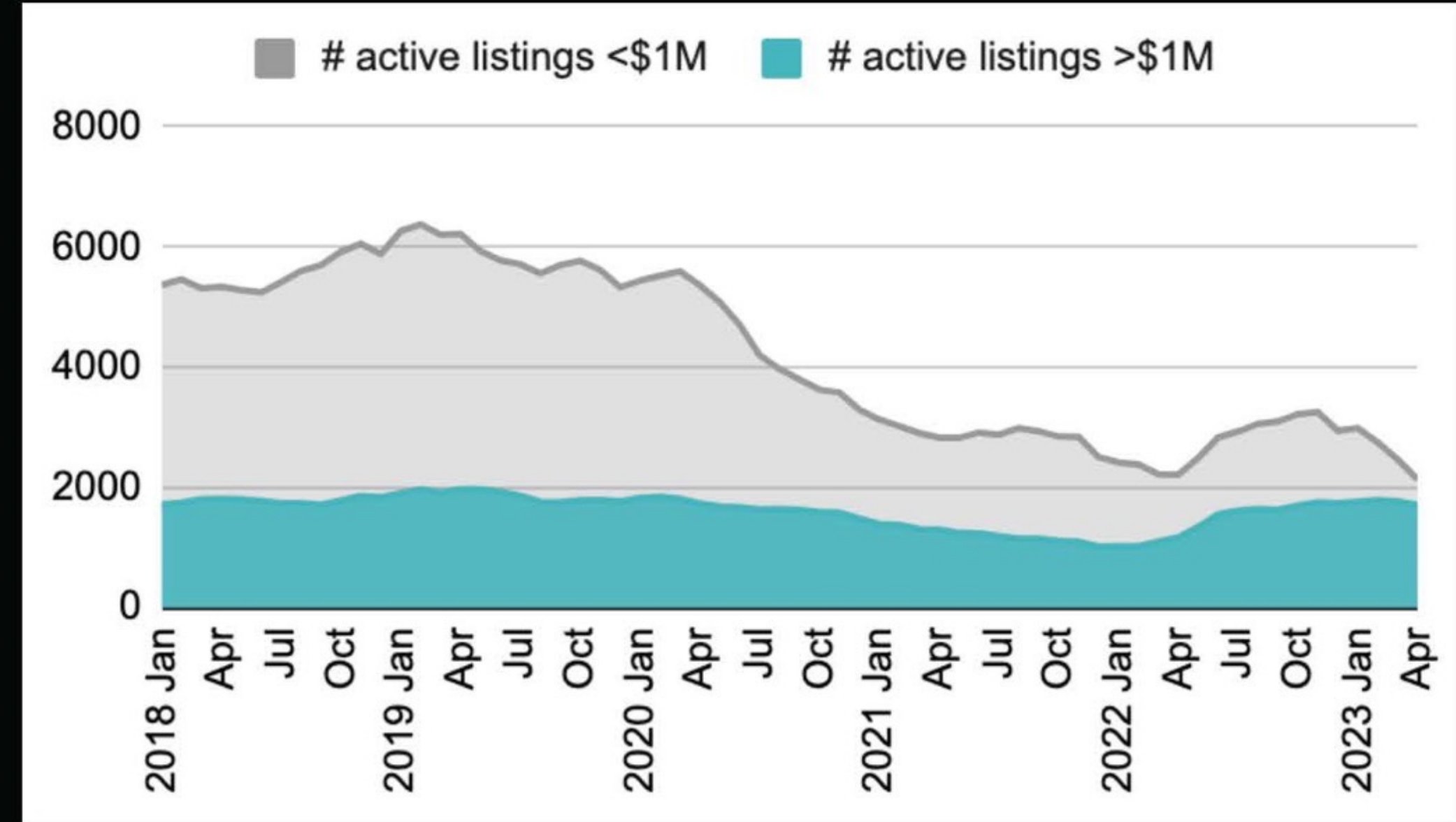
\$2K+ / SF **+ 467%** versus pre Covid 2019 **81% all cash**



Miami Dade SFH, Active Listings

< \$1M **-66%** versus pre Covid, April 2019

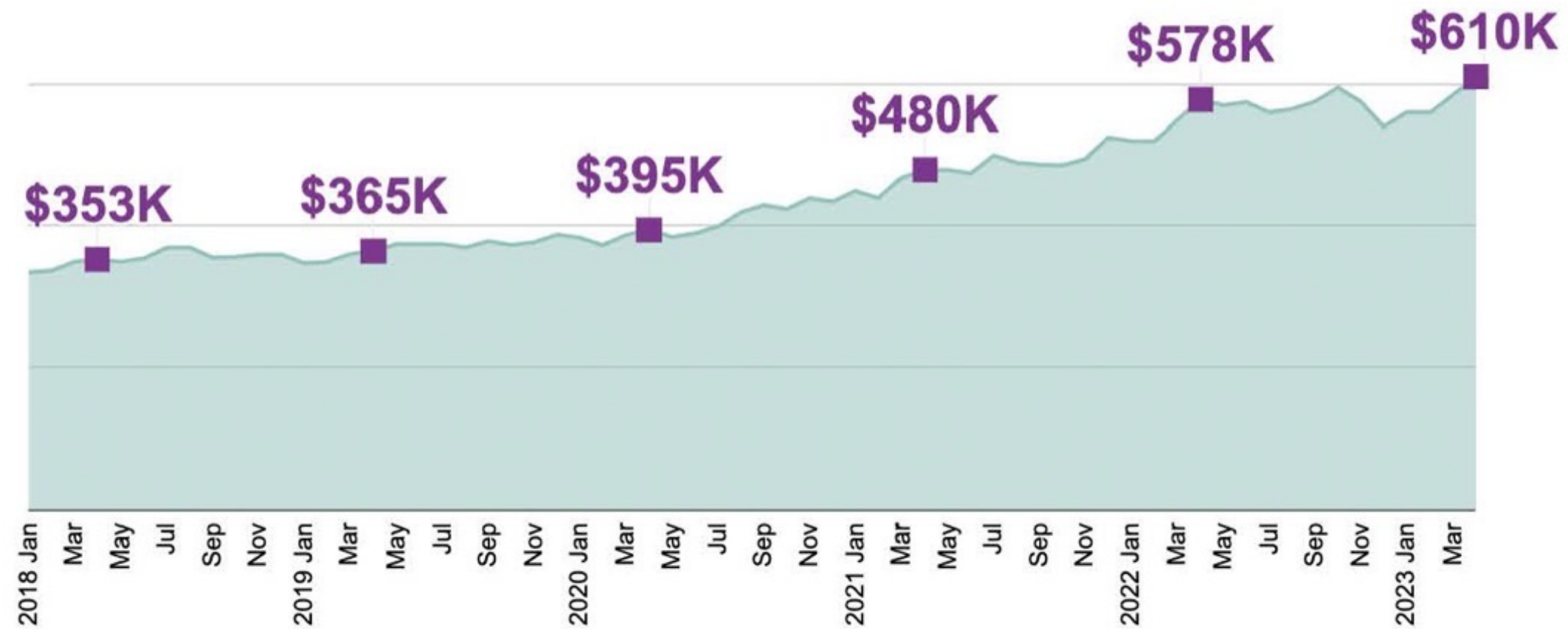
\$1M+ **-13%** versus pre Covid, April 2019



Miami Dade SFH, Median Price

April 2023, record high: \$610K

vs April 2019, pre Covid: **+67%** YOY: **+6%**



< \$1M sales volume: 371

vs April 2019, pre Covid: **-43%**

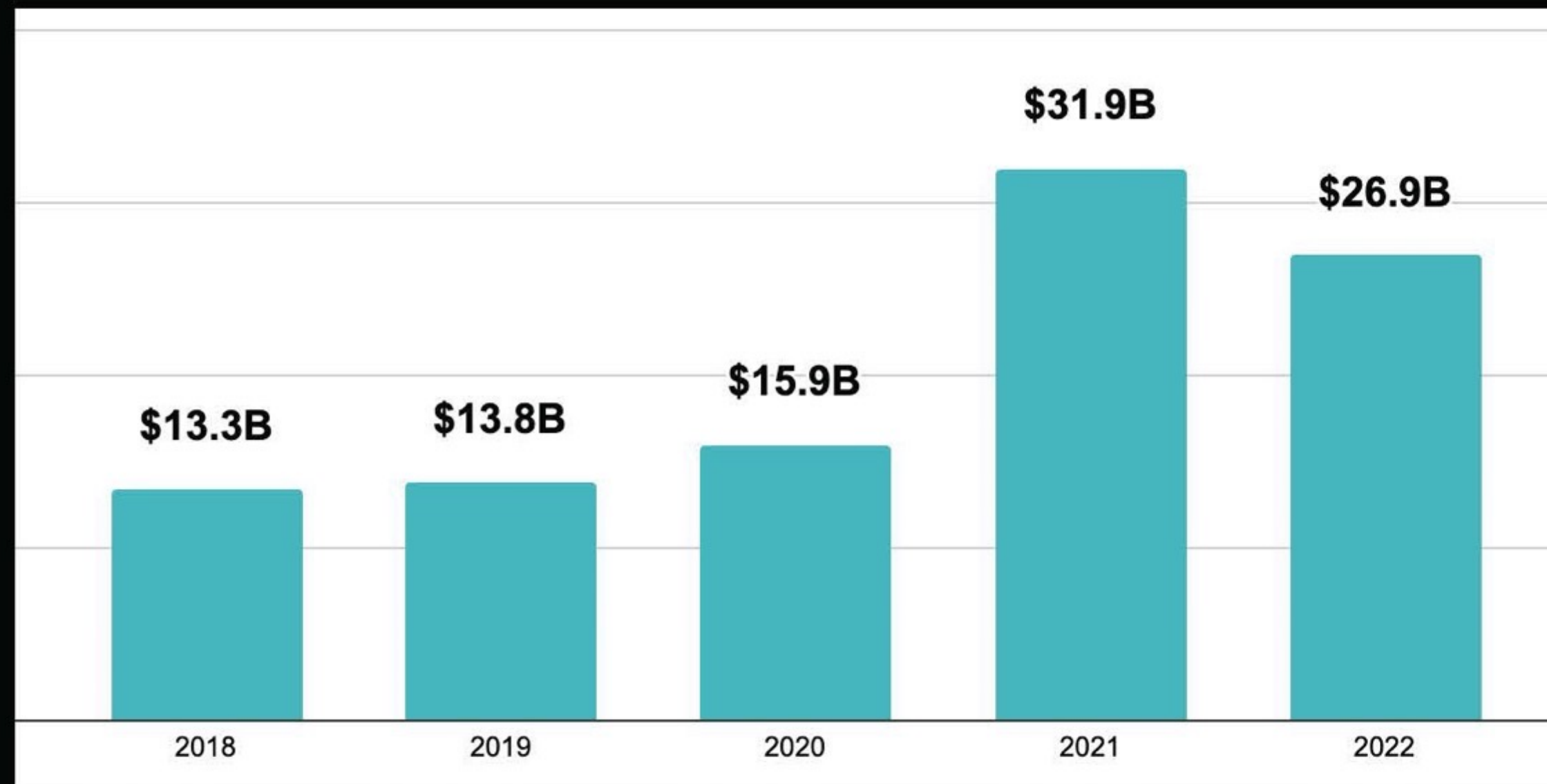
\$1M+ sales volume: 64

vs April 2019, pre Covid: **+255%**

Miami Dade Sales Volume: Condos & SFH

2021: + \$18.1B versus pre Covid, 2019

2022: + \$13.1B versus pre Covid, 2019



So where is this money coming from?

Domestic Wealth Migration, 2020

States with the Largest Net Gains/Losses of Adjusted Gross Income from Migration, in Billions



Source: IRS

IRS Data: \$200K+ earners are on the move

According to the IRS, in 2020 households earning more than \$200K

accounted for 7% of total interstate moves, yet represented 41% of all mover's income.

IRS Data: Florida top destination for households earning \$200K+

In 2020, Florida gained 4x the number of households earning \$200K than the number two state, Texas.

Florida—20,263

Texas—5,356

Arizona—5,268

The biggest losers of \$200K+ earning households were:
New York, California & Illinois.

Momentum Cycles Are Very Real

Our feeder jurisdictions are in the
Early stages of negative momentum cycles.

We are in the early stages of a
tremendous positive momentum cycles.

The income of the top 1% accounts for over 40% of total taxes levied.

Similarly in California, the top 1% of tax payers account for almost half of tax levied.

Losing high value tax payers decimates a tax base and budget.

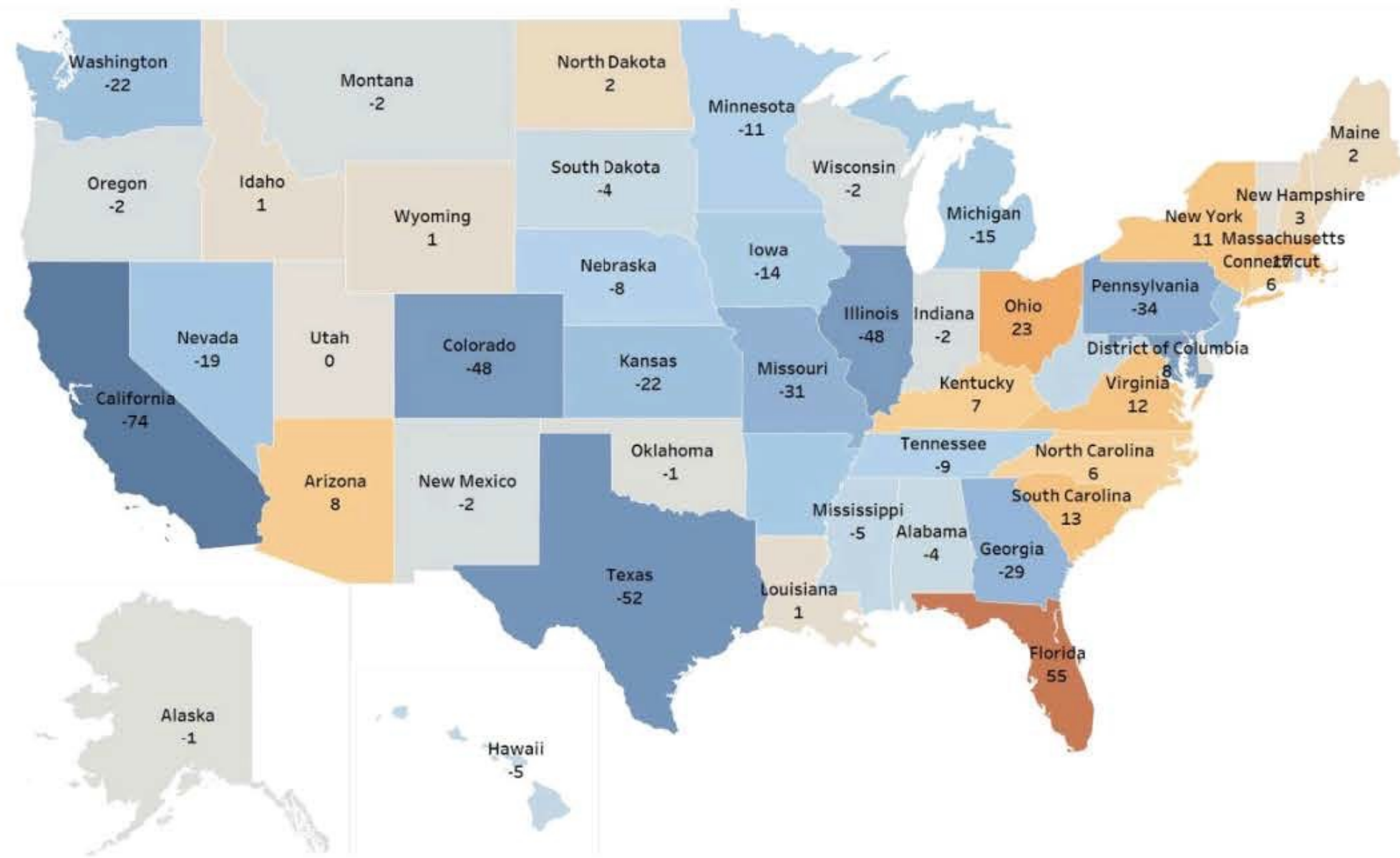
**Politicians in our feeder jurisdictions
will only feed the negative momentum**

**As they pander to the growing %
that does not pay in to the system.**

This will occur via various forms of wealth taxation.

Meanwhile our positive momentum grows

Florida Had the Highest Increase in Job Openings in March 2023



The Sunshine State Remains a Hot Migration Destination

Five of the top 10 metros with the highest net inflow were located in Florida

12-May-2023

Metro	Net Inflow	Top Origin
Miami, FL	8,300	New York, NY
Phoenix, AZ	6,700	Seattle, WA
Las Vegas, NV	6,200	Los Angeles, CA
Sacramento, CA	6,100	San Francisco, CA
Tampa, FL	5,700	New York, NY
Orlando, FL	4,600	New York, NY
Cape Coral, FL	4,500	Chicago, IL
Dallas, TX	4,500	Los Angeles, CA
North Port-Sarasota, FL	4,300	Chicago, IL
Houston, TX	4,100	New York, NY

Source: Redfin

Note: Net inflow is number of Redfin home searchers looking to move into a metro area, minus the number of searchers looking to leave

Miami is growing faster than any other startup hubs in a new ranking release by Stripe.

“Miami’s growth has indeed been quite striking in our data: detected breakout companies are up by 89% in 2021/2022 as compared to 2016/2017”

Miami also now ranks higher than Austin as one of Stripe’s top startup hubs in the US.

In the US, only the Bay Area, New York, and Los Angeles now rank higher than Miami as a startup hub.

The only startup hub worldwide that grew faster than Miami over the past five years was Tokyo, according to the ranking.

CONCLUSION & FUTURE PREDICTION: FOLLOW THE MONEY TO MIAMI

We are in the early stages of a major shift.

Positive momentum is building in South Florida, while negative momentum is building in our feeder jurisdictions.

The wealth & talent migration has just begun as work / life continues to reshape around the internet & post Covid realities.

It behooves one to align with the wealth & talent that will continue to flow to Miami.