

The background of the entire page is an aerial photograph of the Bahia Mar luxury condominium development. The image shows several modern, multi-story buildings with curved facades and balconies, situated along a coastline. In the foreground, there is a large marina filled with numerous yachts and boats. The sky is clear and blue, and the water is a light blue-green color. The overall scene is a high-end, coastal residential area.

Bahia Mar Summary & Analysis

Luxury Condominium
Market Update Overview

January 2024

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Report Summary

This report aims to analyze luxury condo market data in Fort Lauderdale and its coastal regions for value assumptions. The focus is on assessing the value differences between ground-leased properties compared to those properties where air rights are transferred to a Community Development District. Additionally, the report will address projected one-time and ongoing fees payable from Bahia Mar to the City of Fort Lauderdale with a ground-lease versus conveyed air rights.

Report Highlights

- Under the existing ground lease structure, it is estimated that the condos will sell for \$2,000 per square foot. Additionally, under the ground lease structure, the City participates in condominium sales as described below. The nature of a leasehold interest, which is a limited time frame rather than perpetual ownership that a fee simple interest provides causes a discount in the market value of the units, especially towards the later years of the leasehold term where the units become increasingly un-financable for sale. The transfer of air rights (in perpetuity) to the CDD will increase the value of the condominium units by an additional \$500 per square foot which has a direct impact on the City's revenue share (described below).
- The City receives a percentage of initial (one-time) condominium sales based on value (determined by square footage pricing). Based on the approximate 25% increase in value under the CDD structure, the City could receive an additional \$28.5m.
- The City also receives a percentage of future sales (recurring) also based on value of sales. Under the improved CDD structure, the value of the City's participation in future sales could increase by \$256m over the 99 year leasehold.
- The total increased share of the City's revenue of one-time (upfront) and ongoing sales during the leasehold (recurring) is approximately \$285m over the 99 year leasehold term.

Bahia Mar - One Time Fees Due to City

Assumptions	Ground Lease (99 yrs.)	Community Development District (Air Rights/Perpetuity)	Difference
Branded Residences - Units/SF	350/2,825 (Avg) = 988,750 SF	350/2,825 (Avg) = 988,750 SF	None
Hotel Residences - Units/SF	60/1,587 (Avg) = 95,220	60/1,587 (Avg) = 95,220	None
City Share - One Time Fee (%)	2% first \$1,200/SF, 5% over \$1,800	2% first \$1,200/SF, 5% over \$1,800	None
Branded Residences - Sales/SF	\$2,000/SF	\$2,500/SF	\$500/SF or 25%
City Share - One Time (\$)	\$63,280,000	\$87,998,750	\$24,718,750
Hotel Residences - Sales/SF	\$2,000/SF	\$2,500/SF	\$500/SF or 25%
City Share - One Time (\$)	\$6,094,080	\$8,474,580	\$2,380,500
Total - One Time Fees	\$69,374,080	\$96,473,330	\$27,099,250
City Share Community Trust (.25%)	\$5,419,850	\$6,774,813	\$1,354,963
Grand Total - One Time Fees	\$74,793,930	\$103,248,143	\$28,454,213

Bahia Mar - Recurring Fees Due to City

Assumptions	Ground Lease (99 yrs.)	Community Development District (Air Rights/Perpetuity)	Difference
Turnover/Growth	7.5% Turnover Per Year @ 2.5% Annual Growth Rate	7.5% Turnover per year @ 3% Annual Growth Rate	
City Transfer Share - Recurring Fee (%)	.375%	.375%	
Branded Residences - Sales/SF	\$2,000/SF	\$2,500/SF	
Hotel Residences - Sales/SF	\$2,000/SF	\$2,500/SF	
City Share - Recurring Fee (\$)	\$256,987,434	\$449,114,628	\$192,127,194
City Share Community Trust - Recurring (%)	.125%	.125%	
City Share Community Trust - Recurring (\$)	\$85,662,408	\$149,704,876	\$64,042,468
Total	\$342,649,842	\$598,819,504	\$256,169,662

Bahia Mar - Summary of City Share

One Time Share - Condo Sales - Ground Lease	\$69,374,080
One Time Share - Condo Sales - CDD	\$96,473,330
Difference to City	\$27,099,250
One Time Share - Community Trust - Ground Lease	\$5,419,850
One Time Share - Community Trust - CDD	\$6,774,813
Difference to City	\$1,354,963
Recurring Fees - Transfer - Ground Lease	\$256,987,434
Recurring Fees - Transfer - CDD	\$449,114,628
Difference to City	\$192,127,194
Recurring Fees - Community Trust - Ground Lease	\$85,662,408
Recurring Fees - Community Trust - CDD	\$149,704,876
Difference to City	\$64,042,468
Grand Total - Difference to City	\$284,623,875

Market Overview

The Broward County condo market, particularly in Fort Lauderdale, has indeed shown signs of significant activity and growth, especially during and after the pandemic period. Here's a summary based on recent data:

1. **Growth and High Demand:** There was a noticeable increase in condo sales in Broward County. For instance, in November 2023, the condo sales dollar volume rose to \$286 million with 829 condo sales, compared to \$277 million from 851 sales in October. Similarly, in March 2023, the condo sales in Broward County rose to \$379 million, up from \$238 million in February and \$250 million in January, reflecting a strong market.

2. **Market Dynamics:** The market has experienced fluctuations. For example, in May 2023, Broward County, including the Greater Fort Lauderdale area, saw a 12% annual dip in home sales. This indicates a certain level of rebalancing in the market influenced by factors like higher interest rates and increased borrowing costs.

3. **Continued High Prices:** Despite these fluctuations, the prices in the Fort Lauderdale area remain high. As of December 2023, properties were still being sold close to or slightly below their listing prices, indicating that the market prices are still hovering near high points.

4. **Overall Market Trends:** The median sale prices in Fort Lauderdale saw a significant rise from the previous year, with an increase of 13.5%. This suggests that the market, while experiencing some rebalancing, is still maintaining high property values.

Condominium Market | City versus Beach

The following summary compares the condominium market fundamentals between the City of Fort Lauderdale (overall) and the Beach area of the City of Fort Lauderdale. The Beach area includes the zip code of 33316 which extends from Alhambra Street down to the Port Everglades and it bounded by the Atlantic Ocean on the east and the Intracoastal and Andrews Avenue on the west.

Condo/Townhome Market Statistics | City versus Beach

	City of Fort Lauderdale (Overall)		City of Fort Lauderdale (Beach)	
	2023 Q3	Y/Y % Change	2023 Q3	Y/Y % Change
Closed Sales	424	-19%	62	19.2%
Closed Sales Paid in Cash	244	-27%	43	2.4%
Median Sale Price	\$444,750	-8%	\$680,000	15.4%
Average Sale Price	\$585,835	-23%	\$737,664	-7.2%
Dollar Volume	\$248.8 Million	-38%	\$45.7 Million	10.6%
% of Original List Price Received	95.20%	-2%	94.90%	-1.8%
Median Time to Contract	40 Days	91%	53 Days	178.9%
New Listings	685	4%	82	20.6%
New Pending Sales	418	-20%	45	-10.0%
Pending Inventory	208	-19%	15	-11.8%
Active Inventory	872	62%	118	114.5%
Months Supply of Inventory	5.7	138%	7.3	204.2%

Source: Florida Realtors, Q3 2023, Beach = zip code 33316

City of Fort Lauderdale Beach Summary:

- Condo market fundamentals City of Fort Lauderdale and Fort Lauderdale Beach zip code 33316 strengthen the closer to the subject site you evaluate.
- The median sales price for condos in zip code 33316 is \$680,000, an 8.8% increase quarter-over-quarter and a 15% increase year-over-year, and more than double the county median.
- The average sales price for condos in zip code 33316 is \$737,664, almost double the county average.
- Moreover, 69.4% of sales are paid in cash and there is only 7.3 months of inventory in zip code 33316.
- The number of closed sales is up by 10.7% quarter-over-quarter and 19% year-over-year, while the total dollar volume is down by 10.6% for a total of \$45.7 million in the third quarter of 2023. Meanwhile, the active inventory (supply for sale) is up by 18% quarter-over-quarter.
- Conditions in the condo market are reflective of the rebalancing that occurred in 2023, however, zip code 33316 still stands out from the City overall and County with increasing median condo sales prices and a growing number of quarterly closed sales.

Condominium Market | Comparable Beach Analysis

	City of Miami Beach				West Palm Beach	
	Zip Code 33140		Zip Code 33139		Zip Code 33401	
	2023 Q3	Y/Y % Change	2023 Q3	Y/Y % Change	2023 Q3	Y/Y % Change
Closed Sales	112	-0.1%	231	-14.8%	153	62.8%
Closed Sales Paid in Cash	75	-1.3%	149	-9.7%	104	65.1%
Median Sale Price	\$550,000	-2.7%	\$412,500	25.0%	\$460,000	35.3%
Average Sale Price	\$841,684	-7.4%	\$894,355	23.0%	\$1,443,727	196.9%
Dollar Volume	\$94.3 Million	-8.2%	\$206.6 Million	4.8%	\$220.9 Million	383.3%
% of Original List Price Received	94.10%	-2.6%	95.40%	-1.4%	96.70%	0.8%
Median Time to Contract	64 Days	12.3%	53 Days	65.6%	28 Days	0.0%
New Listings	184	-2.6%	390	-6.0%	199	6.4%
New Pending Sales	107	10.3%	228	-16.2%	120	11.1%
Pending Inventory	35	-22.2%	118	-21.3%	55	-25.7%
Active Inventory	350	31.6%	589	-5.5%	261	33.8%
Months Supply of Inventory	10.2	126.7%	6.7	45.7%	5.5	57.1%

Source: Florida Realtors, Q3 2023

Comparable Beach Analysis:

- Compared to the beach condo markets in Miami Beach (zip codes 33140 and 33139) and West Palm Beach (zip code 33401), the market demand indicators show Fort Lauderdale Beach to be leading with a median sales price of \$680,000 that has increased by 8.8 percent quarter-over-quarter.
- Comparably, the Miami Beach zip codes 33140 and 33139 have median sales prices of \$550,000 and \$412,000 respectively.
- Similarly, West Palm Beach has a median sales price of \$460,000 that has declined by 5% quarter-over-quarter.

Ft. Lauderdale Beach | Luxury Condo Sales

Recent sales at prime waterfront condominium buildings in Fort Lauderdale show that prices per square foot range from \$906 to \$1,951. Examples are provided below based on a study of condominium sales at these buildings over a 12-month period in 2023. Sorted by Average Price Per Square Foot (high to low).

Building	Location	Average List Price	Average Sales Price	Average SqFt Liv Area	Average Price Per SF
Four Seasons Private Residences	525 N Ft Lauderdale Beach Blvd	\$4,965,385	\$4,514,231	2,313	\$1,951
Auberge Residence and Spa	2200 N Ocean Blvd	\$4,298,222	\$4,013,778	2,673	\$1,502
Ritz Fort Lauderdale Resort & Residence	1 N Fort Lauderdale Blvd	\$1,450,000	\$1,300,000	969	\$1,342
Adagio Fort Lauderdale Beach	435 Bayshore Drive	\$3,000,000	\$3,200,000	2,383	\$1,259
Paramount Residences	701 N Fort Lauderdale Blvd	\$3,505,714	\$3,275,000	2,644	\$1,238
Conrad Fort Lauderdale Beach Ocean Resort Residences	551 N Fort Lauderdale Beach	\$1,022,900	\$975,408	860	\$1,135
W Fort Lauderdale	3101 Bayshore Drive	\$947,988	\$908,912	1,003	\$906

Source: MLS, 2023 (Fee Simple)

Furthermore, select sales comparables at prime waterfront condominiums in Fort Lauderdale have surpassed the \$2,000 price point per square foot. Sorted by Average Price Per Square Foot (high to low).

Building	Year Built	SqFt Liv Area	List Price	Sales Price	Price PSF	Closing Date	#Beds	#FBaths	#HBaths
Four Seasons Private Residences	2022	2,027	\$4,950,000	\$4,550,000	\$2,245	11/1/2023	2	2	1
Four Seasons Private Residences	2022	1,794	\$4,000,000	\$3,900,000	\$2,174	11/1/2023	2	2	1
Four Seasons Private Residences	2022	6,211	\$15,500,000	\$13,250,000	\$2,133	5/12/2023	5	6	1
Conrad Fort Lauderdale Beach Ocean Resort Residences	2009	1,314	\$2,799,900	\$2,799,900	\$2,131	11/15/2023	2	2	1
Four Seasons Private Residences	2022	1,308	\$2,750,000	\$2,700,000	\$2,064	6/15/2023	2	2	0
Four Seasons Private Residences	2022	2,242	\$4,995,000	\$4,600,000	\$2,052	11/6/2023	2	2	1
Four Seasons Private Residences	2022	2,242	\$4,950,000	\$4,600,000	\$2,052	12/22/2022	2	2	1
Four Seasons Private Residences	2022	2,230	\$4,835,000	\$4,500,000	\$2,018	3/16/2023	2	3	0
Auberge Residence and Spa	2018	2,289	\$5,000,000	\$4,500,000	\$1,966	2/24/2023	2	2	1
Auberge Residence and Spa	2018	3,422	\$6,995,000	\$6,700,000	\$1,958	10/2/2023	3	4	0
Four Seasons Private Residences	2022	2,069	\$4,000,000	\$4,000,000	\$1,933	4/4/2023	2	3	0
Four Seasons Private Residences	2022	2,236	\$4,200,000	\$4,200,000	\$1,878	4/4/2023	2	3	0
Four Seasons Private Residences	2022	2,069	\$3,950,000	\$3,600,000	\$1,740	11/1/2023	2	3	0
Four Seasons Private Residences	2022	1,857	\$4,100,000	\$3,200,000	\$1,723	12/5/2023	2	2	5
Auberge Residence and Spa	2018	1,753	\$3,250,000	\$3,000,000	\$1,711	3/7/2023	2	3	0

Source: MLS, 2023 (Fee Simple)

Ft. Lauderdale Beach | Luxury Condo Developments

The following tables show a select sample of luxury condominium buildings in Fort Lauderdale and the average price range for condo sales. In common, they are all waterfront properties, including both intracoastal, across from the beach and oceanfront, with sales prices over one million dollars.

Name	Pier Sixty-Six Residences	321 at Waters Edge	Adagio Fort Lauderdale Beach	Selene Fort Lauderdale Beach	Four Seasons Private Residences
Address	2301 SE 17th Street	321 N Birch Drive	435 Bayshore Drive	151 N Seabreeze Blvd	525 N Ft Lauderdale Beach Blvd
Year Built	2024	2020	2019	2024	2022
Floors	11	23	31	196	22
# of Units	92	11	11	26	82
Square Ft. Range	1,600-4,000+	2,676-4,158	2,423-3,360	1,400-5,000+	800-6,600+
Price Range	\$3,400,000-5,500,000+	\$2,134,000 - \$5,474,000	\$3,400,000	\$3,500,000-\$12,000,000	\$3,500,000-15,000,000+
Oceanfront	Intracoastal	Intracoastal	Intracoastal	Across from Beach	Across from Beach

Name	Auberge Residence and Spa	Conrad Fort Lauderdale Beach Ocean Resort Residences	Paramount Residences	Ritz Fort Lauderdale Resort & Residence	W Fort Lauderdale
Address	2200 N Ocean Blvd	551 N Fort Lauderdale Beach	701 N Fort Lauderdale Blvd	1 N Fort Lauderdale Blvd	3101 Bayshore Drive
Year Built	2018	2017	2017	2006	2010
Floors	22	24	18	24	23
# of Units	171	181	95	62	147
Square Ft. Range	1,700-5,000+	499-1,358 + penthouses	1,910-6,000	900-2600	804 -1,463
Price Range	\$2,500,000-7,000,000+	\$600,000-2,000,000+	\$1,800,000-3,000,000+	\$900,000-5,000,000+	\$800,000 - 1,400,000+
Oceanfront	Direct Oceanfront	Across from Beach	Across from Beach	Across from Beach	Across from Beach

501 offices in 66 countries on 6 continents



\$4.5B
in revenue



2B
square feet
under management



18,000 +
professionals and
staff

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