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Live luxuriously in Miami on the cheap

Young renters are breathing new life into the city from the posh pads built during the boom that were intended as second homes.

Posted by [Mai Ling](#) at [MSN Real Estate](#)

The same bust that severely depressed housing prices in Miami also has resulted in something of a rebirth in parts of the city that once looked to tourists for much of their business.

Instead of remaining vacant, many of the luxury condos that went up between 2004 and 2008 are now being rented to the city's young workers as their owners -- often foreign buyers or cash-only investors -- wait for the market to improve.

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But in addition to living luxuriously on the cheap, these young renters are breathing new life into neighborhoods that once relied mainly on the city's "sunbirds" and other part-time residents, according to [Bloomberg Businessweek](#):

New, year-round residents are cramming into restaurants, nightclubs and bars that didn't exist a few years ago, and enjoying a lifestyle made possible in part by developers and banks seeking to recoup losses by renting luxury dwellings until the market recovers.

The Miami Downtown Development Authority estimates that since the 2000 census, the population of Miami's urban core has increased from 40,000 to about 70,000, with the occupancy rate in new buildings rising to 74% in February, compared with 62% in May 2009.

Citywide, the occupancy rate has risen to 95.1% from 93.8% a year earlier, according to the apartment-research firm Axiometrics Inc., which said that despite having an unemployment rate higher than 11%, Miami has one of the strongest rental markets in the country.

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But the party isn't expected to last forever for young renters such as Brandon Klein, who told Bloomberg that he pays about \$900 for a condo that he shares with two roommates. The condo has a waterfront view, a wraparound balcony and luxury perks including access to the gym, spa and a 24-hour concierge.

Already, rents in the Miami area are on the incline, rising 4% in the first five months of this year compared with a decrease of 2.9% during the same time in 2009, according to Axiometrics.

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Of course, these young renters, many of whom live within walking distance of their jobs downtown, could decide to stick around permanently. Some builders are renting units directly to tenants in the hopes that they will eventually buy them, and they're willing to be flexible on the price.

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At one 718-unit development, Axis on Brickell, Bloomberg said that 239 units have been sold,



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but that about 85% of the building has been rented to tenants who are allowed to direct 50% of their rent toward purchase. Project Manager Albert Piazza told Bloomberg:

"The goal is still to sell out."

However, a recovery still is years in the making. The article notes that one in every 134 units in the Miami-Fort Lauderdale-Pompano Beach metropolitan area had received a foreclosure filing in May, the highest foreclosure rate among large U.S. cities, according to [RealtyTrac](#).

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But it could have been worse, and many area business owners are just relieved that the bust didn't drag down the entire economy as badly as it could have.

Jose Goyanes said he and his partners recently converted a luggage store into Tre Italian Bistro in an area that previously had just a few restaurants open after 7 p.m. but now boasts nearly 20:

The flood of new residents has softened the impact of the recession, he said. "Instead of falling down a precipice, it's like a bungee cord pulling downtown businesses up."