

South Florida Real Estate Market Briefing

May 26th - June 1st, 2025

A comprehensive overview of key trends and developments in the South Florida real estate market, prepared for the Executive Leadership Team.



Market Overview: The "Two-Speed Market"



Declining Sales

-5.8% MoM and -11.2% YoY in April across Miami-Dade, Broward, and Palm Beach counties



Rising Inventory

32% YoY increase to 34,920 units – highest since Sept 2020

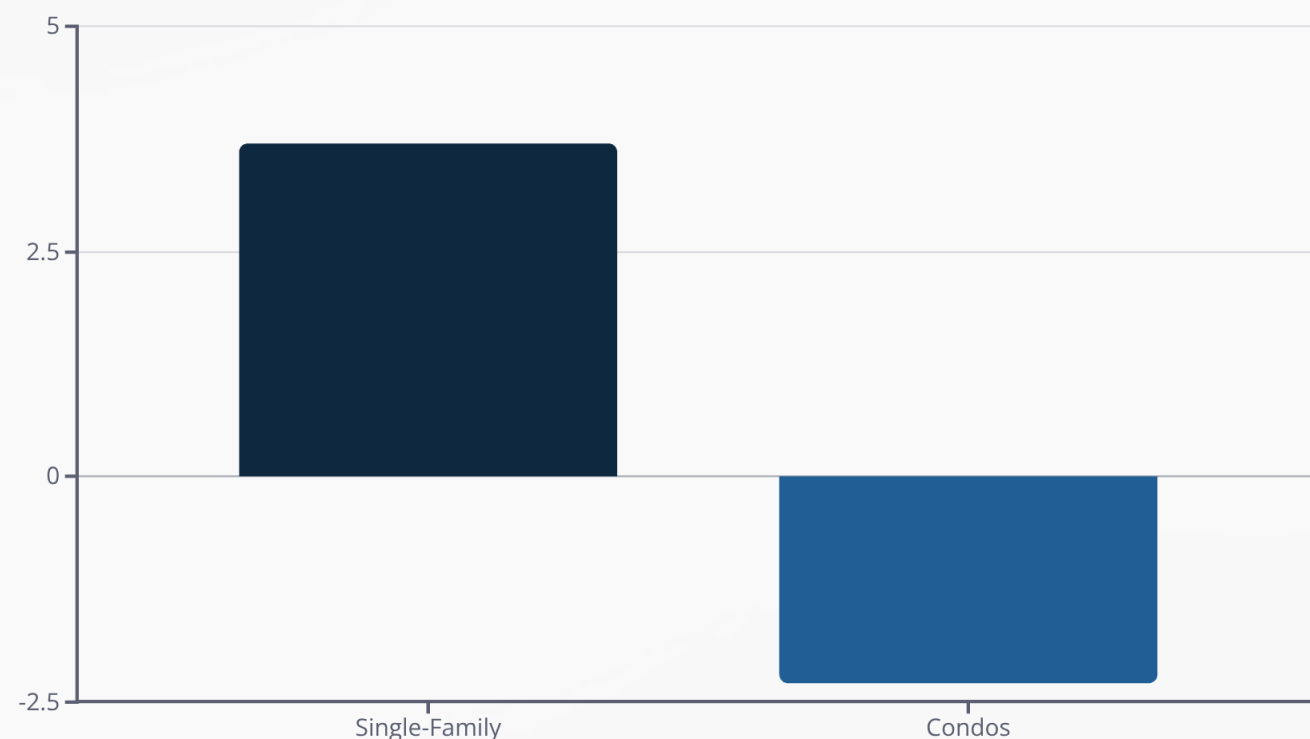


Longer Wait Times

Average days on market jumped from 34 to 47 in one month

A clear shift from a seller's to a buyer's market is emerging, with Miami showing the worst buyer-seller imbalance: **3 sellers for every 1 active buyer**.

Price Dynamics & Market Bifurcation



The "Two-Speed Market"

- Properties under \$600K with updated hurricane code sell within 30 days
- 2000-era condos above \$1M can linger 90+ days
- Luxury segment (>\$1M) has 8.2 months of supply
- Entry-tier remains under 3 months of supply

Miami-Dade values declined **-1.1% YoY** (April 2024→April 2025) – the first negative print since 2012. Experts project a **10-15% cumulative decline by mid-2026** unless rates fall below 5%.

Construction & Inventory Challenges

7.4%

MoM Decline

Housing starts down,
reflecting tighter
construction lending

12%

YoY Permit Decline

Single-family permits
falling more steeply (-
18%) than multifamily
(-6%)

41%

Stale Inventory

Of Miami-Dade
listings now 60+ days
old

Major builders like Lennar and GL Homes are [trimming spec pipelines](#) and pulling land options in response to market conditions.

Affordability Crisis

Miami's Affordability Challenges:

- **Worst mortgage rates in the country** at 7.41 % (vs. national 6.89%)
- Median-priced home (\$575,000) now demands **\$4,624/month** with 20% down
- Worst Affordability Distribution Score (0.71) among 100 largest metros
- Florida ranked 48th out of 50 states for housing affordability



Only 21.2% of active listings are affordable to households earning the U.S. median income of \$75,000

Effective shortfall of **225,000 affordable units statewide** for lower-income households

Market Reactions to High Rates

Buydown Points

46% of pending contracts in April used buydown points to reduce effective interest rates

Builder Incentives

Offering rate-buy-down packages (5.99% fixed for two years) to attract buyers

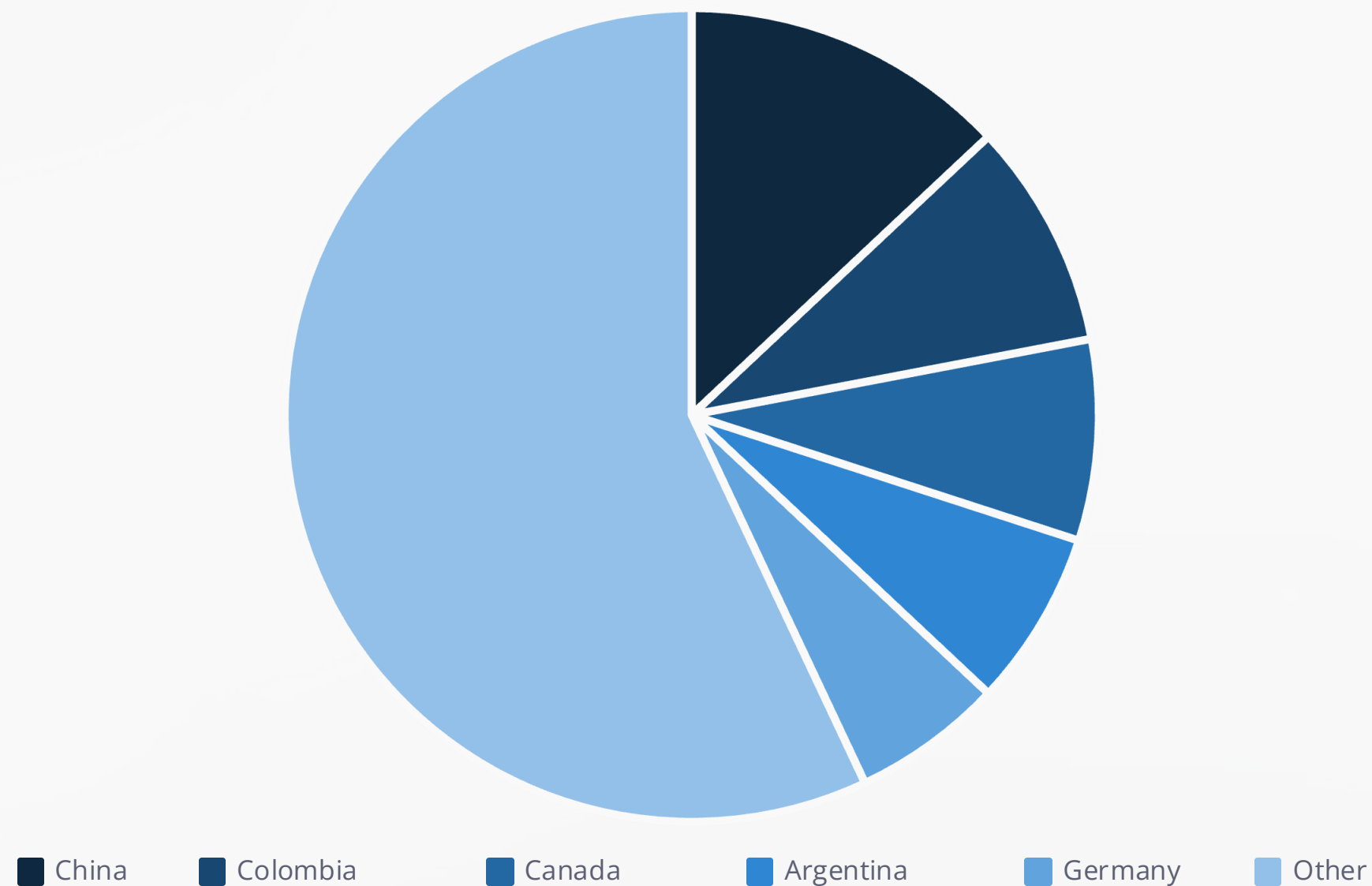
Contract Cancellations

Miami metro's cancellation rate is 23%, up from 15% a year ago

- Inspection issues tied to insurers' four-point reports
- Rising HOA assessments
- Investor pull-back (iBuyers and small flippers cancelled 31% of deals)

Experts warn another **50 bp spike could "wipe out" borderline-qualified buyers**, accelerating the condo-to-rental pivot.

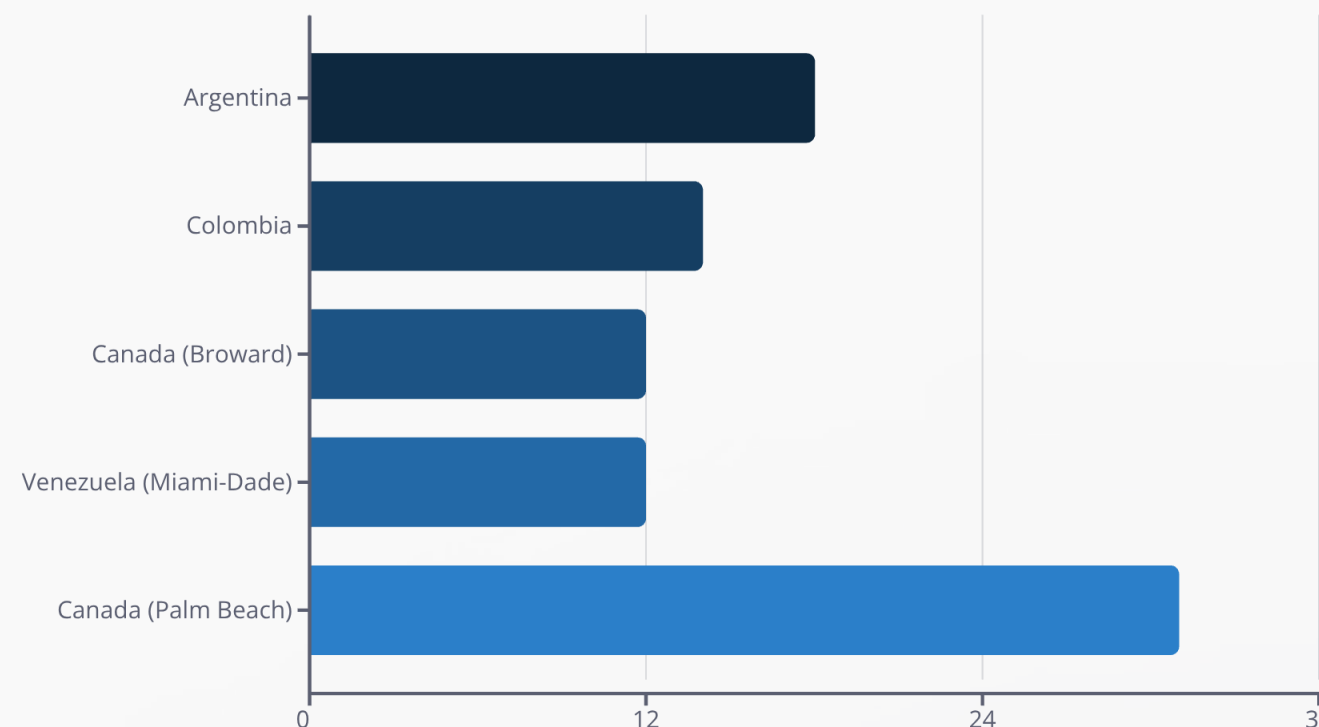
International Buyer Search Trends



Chinese buyers are focusing on [pre-construction condos on or near Biscayne Bay](#), driven by Beijing's relaxed outbound-investment rules and a weak yuan vs. the U.S. dollar.

International Buyer Purchases

Top Foreign Buyers by Country (2024)



Foreign Buyer Impact

- Total foreign spend in 2024: **\$3.1 billion across 4,000 transactions**
- Argentines driven by 115% annual inflation rate and mid-2024 peso devaluation
- Typical Argentine purchase: two-bedroom condo between \$400k–600k, cash purchase
- Cash remains 57% of closings in the tricounty area

Industry Outlook & Growth Areas



Miami River District

Flagged for outsized near-term growth potential

Delray Beach recognized as **"No. 1 Best Beach in Florida"** for the second straight year, bolstering quality-of-life marketing narratives used by residential brokers.



Hollywood's Young Circle

Emerging as a vibrant mixed-use destination



West Palm's Nora Corridor

Mixed-use development driving growth

Key Takeaways & Future Outlook

Buyer's Market Emerging

Increasing inventory, longer days on market, and price reductions signal a shift from seller's to buyer's market conditions.

Two-Speed Market

Clear bifurcation between affordable properties (selling quickly) and luxury/older properties (lingering on market).

International Support

Foreign buyers, particularly from China and Argentina, provide crucial market support despite overall cooling.

Watch Points

Latin-American political cycles, ECB easing trajectory, and 2025 U.S. election uncertainty will impact future performance.

Experts project a **10-15% cumulative price decline by mid-2026** unless mortgage rates fall below 5%, with private-equity debt funds replacing regional banks for construction loans.