



South Florida Real Estate Market Briefing

June 30th - July 6th, 2025

A complex, bifurcated market with ultra-luxury thriving while general properties shift to a buyer's market. Regulatory changes, migration patterns, and economic factors are reshaping South Florida real estate.

Market Overview: A Tale of Two Markets

Buyer's Market Emerges

Rising inventory (67.8% increase for single-family homes, 78.1% for condos) and declining sales (13.7% drop for homes, 22.2% for condos) in Miami-Dade

Ultra-Luxury Thrives

Record prices in Palm Beach (\$2.6M high), luxury contracts totaling \$60.1M, and 15% sales growth for \$10M+ properties in Boca Raton

This bifurcation creates opportunities for buyers in the general market while the ultra-luxury segment continues its remarkable resilience.

The Struggling Older Condo Market

South Florida's condo market faces significant challenges:

- Over 25,000 condos for sale in the tri-county region
- **87% of units are in buildings 30+ years old**
- Active condo listings in Miami-Dade surged 41% year-over-year
- Statewide condo sales declining for three consecutive years



The Thriving Ultra-Luxury Segment

15%

Growth in \$10M+ Properties

Boca Raton's "trophy market" sales up compared to previous year

\$60.1M

Luxury Contract Volume

Total asking volume for luxury signed contracts over \$3M in Palm Beach County

The ultra-luxury market is outperforming all other categories in both sales volume and price growth, particularly in Miami Beach and Palm Beach County.

This "flight to quality" rewards newer, high-end developments that are actively reshaping the market.

Regulatory Impact on Older Condos



Post-Champlain Towers Regulations

Stricter laws mandating structural inspections and fully funded reserves



Temporary Reprieve

One-year extension for inspections and reserve funding



Transparency Measures

Requirement to publish 12 months of board meeting minutes online

Experts warn the extension may "only delay an inevitable price correction for aging buildings as cautious buyers anticipate future costs."

Migration Drivers: "Wall Street South"

NYC Political Impact

Progressive candidate Zohran Mamdani's victory in New York City has prompted "many wealthy residents to fast-track their plans to purchase luxury real estate in South Florida."

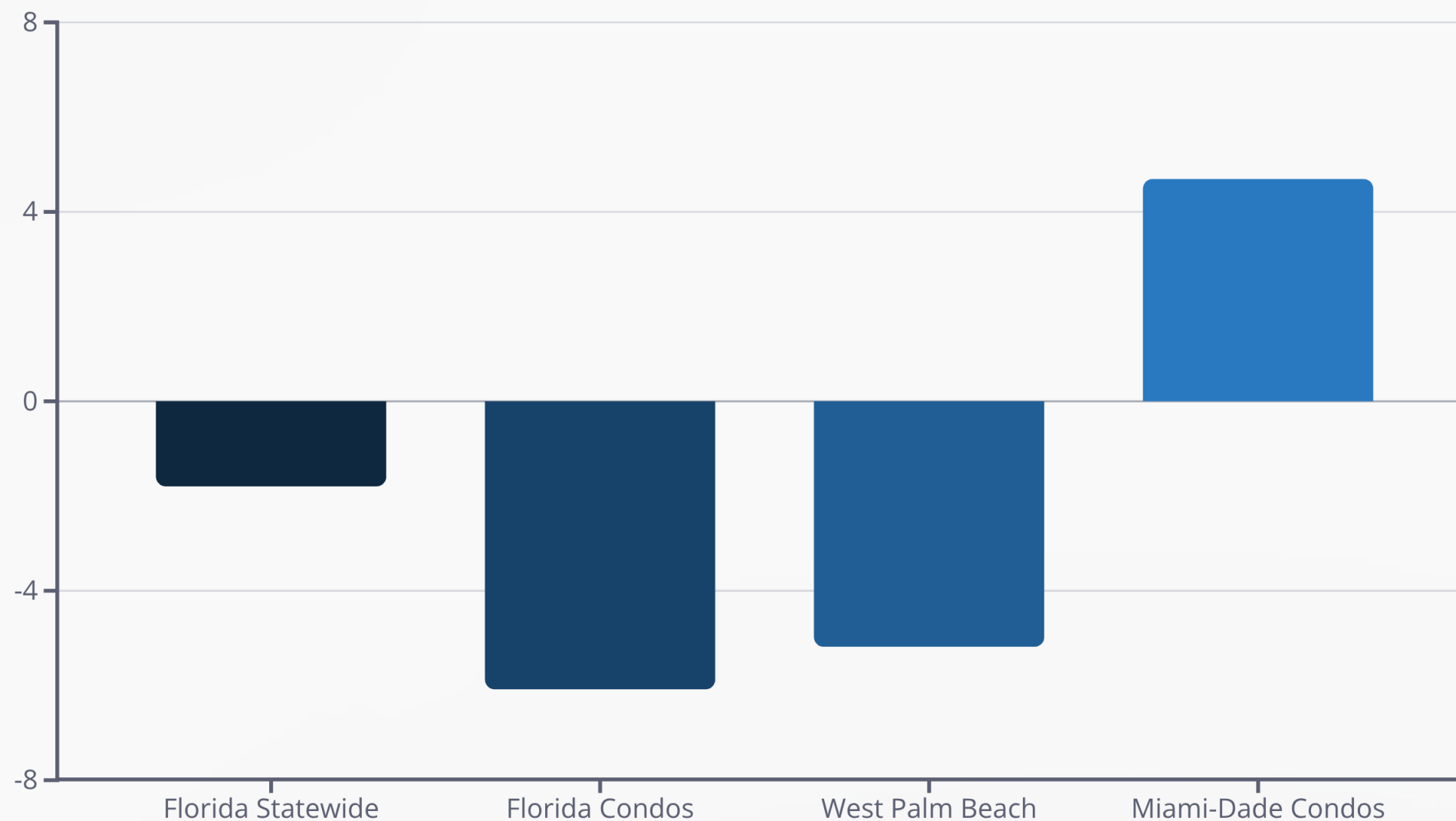
Brokers reported "serious inquiries" and "immediate inquiries about multi-million-dollar condos" within 24 hours of the election results.

Florida's Appeal

- No state income tax
- Business-friendly environment
- Active recruitment of companies
- Commercial lease tax elimination (Oct 2025)



Nuanced Pricing Trends



Despite statewide price declines, Miami-Dade County recorded its 14th straight year of condo price growth, with the median price at \$425,000, unchanged from the previous year.

The affordable segment showed strength, with sales of condos priced between \$100,000 and \$150,000 surging by 38% in May in Miami-Dade.

Buyer's Market Indicators

Longer Days on Market

Properties taking **14 days longer in Miami** and **18 days longer in Fort Lauderdale** compared to last year

Price Reductions

In one Pompano Beach ZIP code, **32.6% of all active listings** have undergone a price reduction

Seller Expectations Gap

80% of sellers expect to get asking price, while **40% of homes sell for less**

Miami experienced the nation's largest year-over-year drop in pending sales (-19.6%), creating "better opportunities for buyers" but "presenting new challenges for developers and real estate professionals."



Stabilizing Insurance Market

New Carriers

14 new insurance companies have entered or re-entered the Florida market since major legislative reforms in 2022-2023

Return to Profitability

Florida property insurers reported \$944 million in net income in 2024, a significant turnaround from a \$741 million net loss in 2022

Moderated Rate Increases

27 insurers filed for rate decreases, while 41 filed for no rate change since January 2024

After years of crisis, Florida recorded the "smallest average homeowners insurance rate increase in the nation last year," providing relief to property owners.



Key Takeaways

1 Bifurcated Market

Ultra-luxury thrives while general market shifts to favor buyers

2 Regulatory Challenges

Older condos face structural inspection requirements and reserve funding mandates

3 Migration Continues

Political shifts in NYC accelerate wealth migration to South Florida

4 Miami-Dade Resilience

Despite regional trends, Miami-Dade condos maintain price stability

5 Insurance Improvement

Market stabilizing after years of crisis, with new carriers and moderated rates