

South Florida Real Estate Market Briefing

July 14-20, 2025

A comprehensive analysis of current market conditions, trends, and future outlook for the South Florida real estate landscape.



Executive Summary

Market Correction

South Florida is experiencing a significant "correction" and "rebalancing phase" with sharp declines in home purchase contracts and surging inventory, particularly in Broward and Palm Beach counties.

Segmented Performance

While the overall for-sale market is cooling with downward price adjustments, the luxury market shows resilience and the rental sector remains robust.

Key Themes

"Flight to quality" among buyers, increasing negotiating power for purchasers, and growing attention to technology and sustainability.

Market Slowdown & Reversal

The South Florida real estate market is experiencing a "significant shift in market dynamics away from the pandemic-era boom" leading to a "more cautious and measured environment."

- Miami, Fort Lauderdale, and West Palm Beach led the nation with the "steepest declines in home purchase contracts" in April
- Palm Beach and Broward counties have "officially 'flipped' into a correction"

30%

Inventory Surge

Year-over-year increase in available properties

25%

Sales Drop

Decline in transaction volume

47%

Delistings

Year-over-year increase in withdrawn listings

Pricing Adjustments & Inventory



Boca Raton

Home prices dropped 12% year-over-year as of June 2025, with inventory rising to a 7.27-month supply



Buyer's Market

Most homes selling between 90% and 91% of asking price



Miami

More stable overall, but some data shows median home prices have fallen nearly 5% year-over-year

Market Segmentation

There is a **"flight to quality"** benefiting "ultra-luxury and turnkey property segments"

Winners

- Ultra-luxury homes (\$10M+) outperforming other segments
- Turnkey properties in prime locations commanding premiums
- High-end rentals (\$30,000+ monthly) seeing surge in demand

Challenges

- "Inventory that is dated, generic, or in need of renovation is languishing on the market"
- Mid-luxury tier (\$6-10M) has become "a clear buyer's market"
- Most condominium segments slowing, particularly in areas with aging buildings

Varied Performance Across Segments

Luxury Market Resilience

\$12.25 million closing at Arte Surfside helped drive weekly surge in Miami-Dade condo sales

Ten contracts signed for properties over \$4 million in early July

Average condo sale price jumped to \$1.13 million

Condo Market Challenges

Slowdown in areas with aging buildings or inventory glut (Sunny Isles, Downtown)

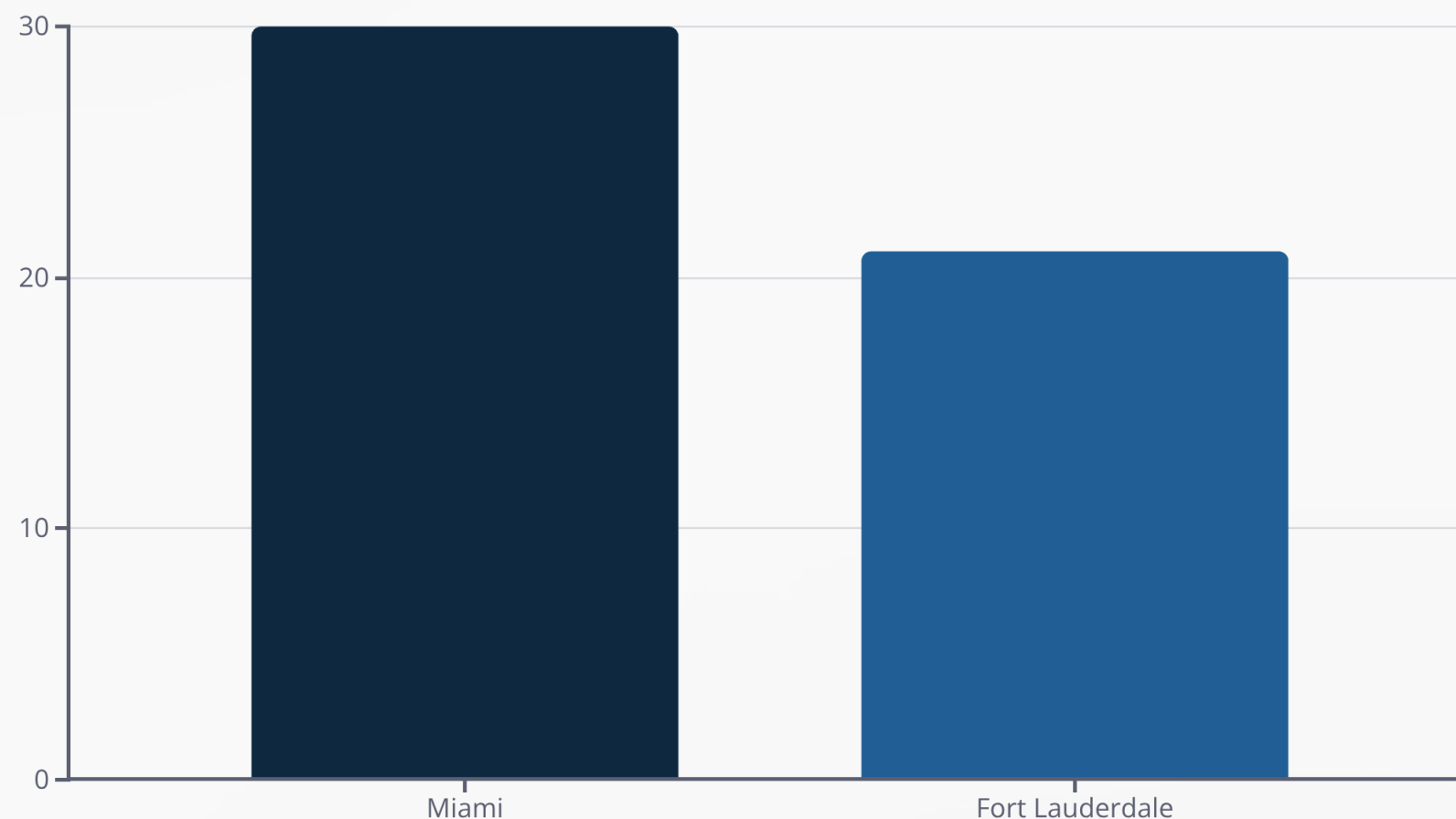
Broward County seeing softer pricing dynamics despite increased sales volume

Strong Rental Market

Multifamily asking rents grew 1.6% in June 2025, outpacing most Sunbelt markets

Robust demand driven by influx of new residents

International Buyer Trends



Percentage drop in online property searches from Canada in May 2025

Mixed Signals

- Significant decline in Canadian interest, historically a key buyer market
- Yet overall international buyer demand for U.S. properties rising for first time in eight years
- Agents "proactively using global referral systems and personal networks" to attract foreign clients

Pressing Issues

⊗ Citizens Insurance Concerns

Florida's state-owned Citizens Insurance increasingly using a "special administrative court for disputes where policyholders are highly likely to lose"

Critics call the system "unfair" as it "deprives homeowners of their right to a jury trial"

Directly impacts the cost and risk of homeownership in South Florida



Future Directions



Technology & Sustainability

"Technology and sustainability are becoming key drivers in the Miami market" with "smart home features and eco-friendly designs gaining significant traction"

Affordable Housing Innovation

Miami-Dade Innovation Authority has launched a public challenge for startups to develop technological solutions for the county's affordable housing crisis

Conclusion: A Market in Transition

Adjustment, Not Collapse

While the boom-time frenzy has clearly subsided, leading to price corrections and increased inventory, the market is not in a "free fall"

Underlying Strength

Luxury segment and rental market show signs of resilience, supported by continued migration and a "flight to quality"

Significant Headwinds

Ongoing affordability challenges, higher interest rates, and the contentious insurance landscape remain obstacles to market recovery

Adaptation

The market is evolving with growing emphasis on value, quality, and innovative solutions to long-standing housing issues