



## South Florida Real Estate Market Briefing

July 28 - August 3, 2025

A complex picture of robust long-term growth and stability, particularly in luxury and international segments, juxtaposed with a noticeable cooling and affordability challenges driven by high interest rates and rising inventory.



## **Key Market Themes**

1

#### **Long-Term Wealth Creation**

Miami-Dade homeowners have gained exceptional equity, with continuous in-migration driving persistent demand.

2

#### **Unique Demographics**

South Florida attracts a uniquely global, diverse, and affluent buyer base compared to U.S. averages.

3

#### **Market Cooling**

Rising inventory, declining sales volume, and a significant "bid-ask gap" between seller expectations and buyer willingness.

4

#### Condo Market Challenges

Escalating insurance and assessment costs creating affordability crisis, while luxury new development thrives.



## **Exceptional Equity Gains in Miami-Dade**

\$565,900 \$322,200

275%

1%

#### Miami-Dade Equity

Average equity for homeowners who purchased 15 years ago

#### **National Average**

Miami-Dade homeowners have gained nearly 2X the national figure

#### **Price Increase**

Median single-family home price increase in Miami-Dade since Q2 2010

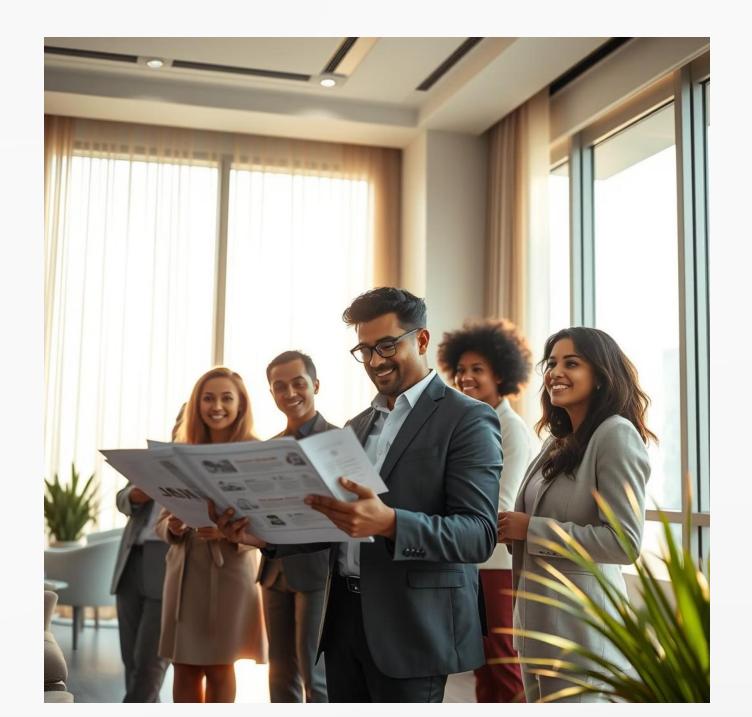
#### **Distressed Sales**

Foreclosures and short sales remain minimal, indicating market stability

This substantial equity (about 80% of property value) provides homeowners with a strong financial cushion, reducing pressure to sell at a loss.



## Unique Demographics Driving Demand



#### South Florida's Global Buyer Base

- Miami-Dade: 7% of buyers from abroad (vs. 1% U.S. average)
- Broward: 52% non-White buyers, 8% international
- Palm Beach: 57% aged 55+, 58% earning over \$100K

These unique demographic profiles contribute to the region's price resilience and distinct market dynamics.



## International Buyers Dominate New Condos

A landmark report shows 49% of new construction condo sales over 18 months were to international buyers, overwhelmingly from Latin America (86%). This demand is most heavily concentrated in urban core neighborhoods like Downtown Miami and Brickell.



## Market Cooling & Rising Inventory



#### "Bid-Ask Gap"

Miami leads major U.S. metros in home listing withdrawals as sellers' price expectations don't align with buyers' willingness to pay

#### Increasing Days on Market

Miami median residential sale price: \$592,300, with average 42 days on market

#### **Declining Sales Volume**

Existing-home sales declining throughout region; South region saw 2.9% year-over-year decline

"For sellers, correct pricing is the most critical factor for success in the current market to avoid price cuts and long marketing times."



## Builder Warning: Florida Weakness

D.R. Horton, the largest U.S. homebuilder, reported "persistent weakness" and a "significant 'change in the dynamic" in Florida, with its Southeast division sales dropping 10% year-over-year.

A Redfin expert called South Florida the "epicenter of housing market weakness in the United States." This is attributed to elevated mortgage rates and a leveling-off of pandemic-era in-migration.





## Condo Market Challenges

## Insurance Premium Increases

Condo owners face severe affordability crisis due to escalating insurance costs

#### Special Assessments

New state regulations (post-Surfside) for structural repairs and reserve funding leading to multithousand-dollar special assessments

#### **Fixed Income Pressure**

Particularly straining budgets for those on fixed incomes, potentially forcing some owners to sell

The "My Safe Florida Home" program is reopening with \$280 million in new funding, offering matching grants up to \$10,000 for hurricane-resistant improvements to lower insurance premiums.





# Luxury New Development Thriving

## Forté on Flagler (West Palm Beach)

- 12 recorded sales totaled
   \$74.6 million
- Penthouse remaining at \$47.5 million
- Near sellout of 37 units during pre-sale
- Prices rising to high-\$2,000s
   per square foot

#### Forté Luxe (Jupiter)

- Secured \$60 million construction loan
- 17 luxury waterfront townhomes
- Prices starting around \$4 million
- Targets affluent Northeast relocators and local move-up buyers



### **Market Outlook**

#### **National Context**

Kevin O'Leary predicts "prolonged stagnation" in U.S. housing market due to inflation, advising buyers to downsize expectations by 30%

#### Miami as Exception

O'Leary acknowledges "exceptions for unique markets like Miami" to the national stagnation trend, suggesting its unique demand drivers offer some insulation

#### **Market Rebalancing**

South Florida shifting from frenetic pace to more stable environment where correct pricing and strategic navigation are paramount

Despite challenges, South Florida's unique demographics and appeal as a global hub continue to provide a degree of resilience in the face of broader market cooling.