

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 multi-thousand-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.