

# South Florida Real Estate Market Briefing

August 11-17, 2025

A comprehensive analysis of current market trends, challenges, and opportunities across Miami-Dade, Broward, and Palm Beach counties.

# Executive Summary

## Uneven Growth

Southeast Florida housing permits rose 14% (H1 2025), defying national 2% decline, but with significant county disparities

## Multifamily Cooldown

Developers selling permitted sites rather than building due to high interest rates, construction costs, and cooling rent growth

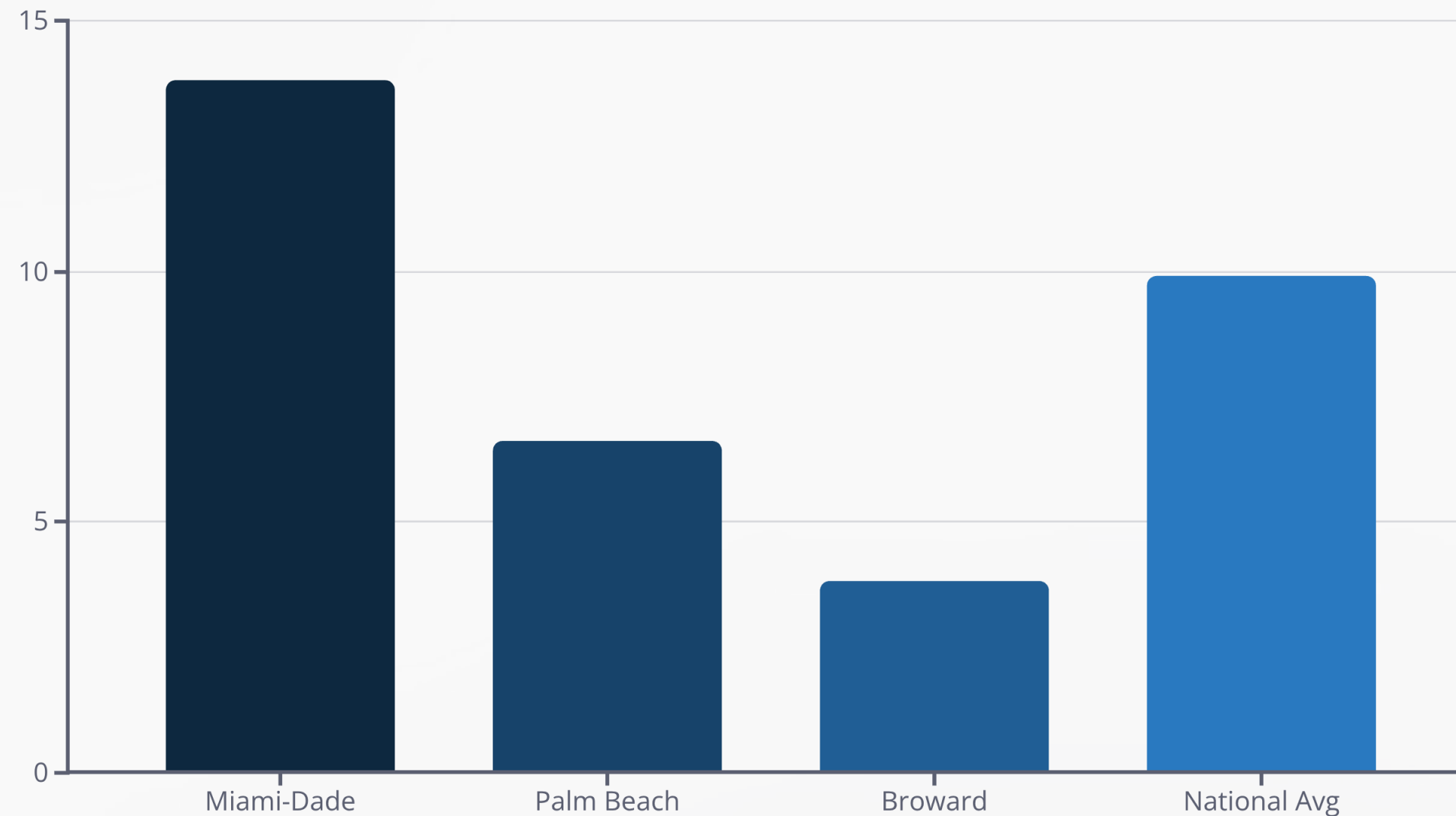
## Foreign Investment

Miami's new condo market dominated by Latin American investors (90% in Brickell), raising local affordability concerns

## Mortgage Relief

Rates dropped to 10-month low of 6.58%, potentially loosening inventory "lock-in" effect

# Housing Permit Growth: County Disparities



"The number of housing units authorized in the tri-county region rose by 14% in the first half of 2025, while nationally, authorized units fell by 2%." (MIAMI REALTORS®)

This uneven growth raises concerns about potential housing shortages in Broward and Palm Beach counties.

# Multifamily Development Cooldown



"A sharp increase in interest rates and construction costs has prompted many South Florida developers to sell their permitted multifamily development sites rather than build, signaling a significant cooldown in the once-frenzied apartment construction cycle."

- The Real Deal

## Key Factors:

- High interest rates on construction loans
- Elevated material and labor costs
- Cooling rent growth reducing ROI



# Miami's Condo Market: Foreign Investor Dominance

## 90%

### Foreign Investors

Percentage of recent new condo buyers in Brickell, primarily from Latin America

## 50%

### Short-Term Rentals

Portion of Brickell's current rental supply consisting of short-term rental units

This trend fuels development but raises "serious questions about housing affordability for local residents, as a large portion of the new housing supply is being converted into investment properties rather than primary homes." (Newsweek/MSN)



# Fort Lauderdale: Florida's Hottest Rental Market

## Market Position

Fort Lauderdale has surpassed Miami to become:

- Florida's #1 rental market
- 20th most competitive nationally (RentCafe)

## Driving Factors

- Spillover demand from Miami
- Limited rental supply
- High occupancy rates (often over 96%)

"Fort Lauderdale has been ranked as the number one rental market in Florida and the 20th most competitive nationally." (South Florida Sun Sentinel)





# Mortgage Rates: A Glimmer of Hope



This offers a "glimmer of hope for improved buyer affordability" and could "potentially loosen the 'lock-in' effect that has constrained housing inventory." (Florida Realtors® News)

Mortgage applications have shown a slight uptick, indicating "pent-up buyer demand" responsive to more favorable financing.

# The New Priority: Roof Replacement

"Driven by Florida's insurance crisis and storm risks, a new roof has become the most coveted home improvement for many South Florida homeowners, often taking priority over cosmetic upgrades and serving as a major selling point."

- Miami Herald

Insurers increasingly demand roof replacements on older homes as a condition for coverage

State law mandates "significant premium discounts for 'wind mitigation' features like a hurricane-rated roof"

New roofs now valued more highly by buyers than updated interiors





# Market Segment Comparison

Segment	Current State	Key Challenges	Outlook
New Construction	Strong in Miami-Dade, weak in Broward	Uneven county development	Potential supply imbalances
Multifamily	Major cooldown, site sales	High costs, cooling rents	Reduced future supply
Luxury Condos	Dominated by foreign investors	Local affordability	Continued international demand
Rental Market	Extremely competitive	Limited supply, high demand	Landlord-favorable conditions persist
Single-Family	Cautiously improving	Insurance costs, roof requirements	Modest improvement with lower rates

# Conclusion: A Market of Contrasts

## Strengths

- Strong developer confidence in Miami-Dade
- Robust international investment
- Declining mortgage rates
- High rental demand across region

## Challenges

- Uneven development across counties
- Multifamily construction slowdown
- Local affordability concerns
- Insurance-driven renovation priorities

South Florida's real estate market in mid-2025 presents a complex picture of robust but uneven growth, with significant disparities between counties, property types, and buyer segments. Addressing these imbalances will be crucial for market stability and accessibility in the coming months.

