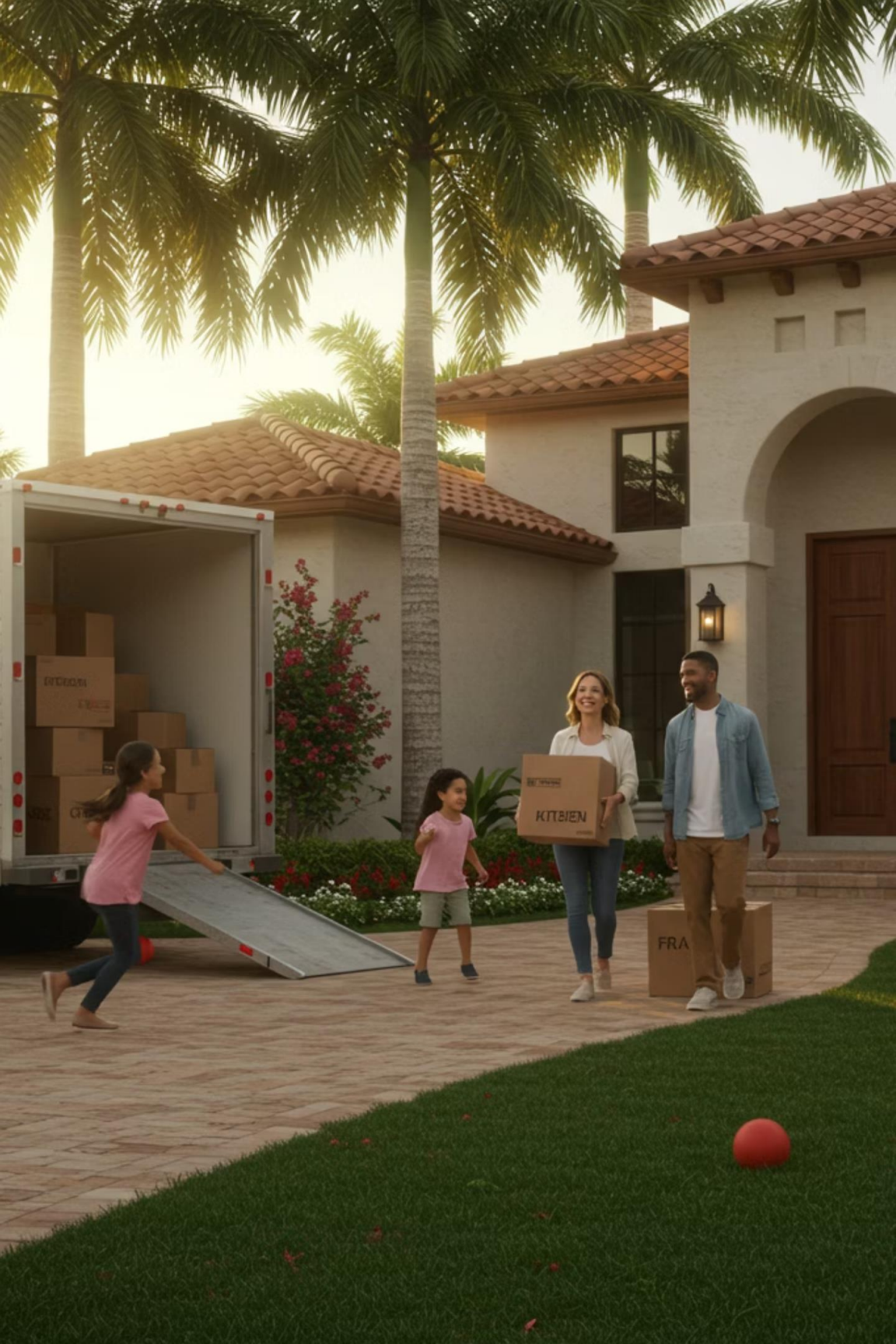


South Florida Real Estate Market Briefing

August 18-24, 2025

Market transition from seller's to buyer's market driven by cooling trends, affordability challenges, and inventory increases. Luxury segment shows resilience amid international demand.



Market Transition Overview

Buyer's Market

Clear shift from seller's to buyer's market across South Florida region

Cooling Trend

Significant slowdown driven by affordability challenges and high inventory

Luxury Exception

Ultra-luxury segment remains strong due to international investment



Market Cooling Statistics

3.5%

Price Drop

Year-over-year decline in
median home prices
statewide

24%

Inventory Surge

Increase in for-sale inventory
across Florida

74%

Below List Sales

Homes selling below original
asking price

122

Net Closings

Store closings outpaced
openings for first time

Average time to contract: 53 days. Total sales volume dropped 10% to \$4.5 billion in July.

Affordability Crisis

Key Challenges

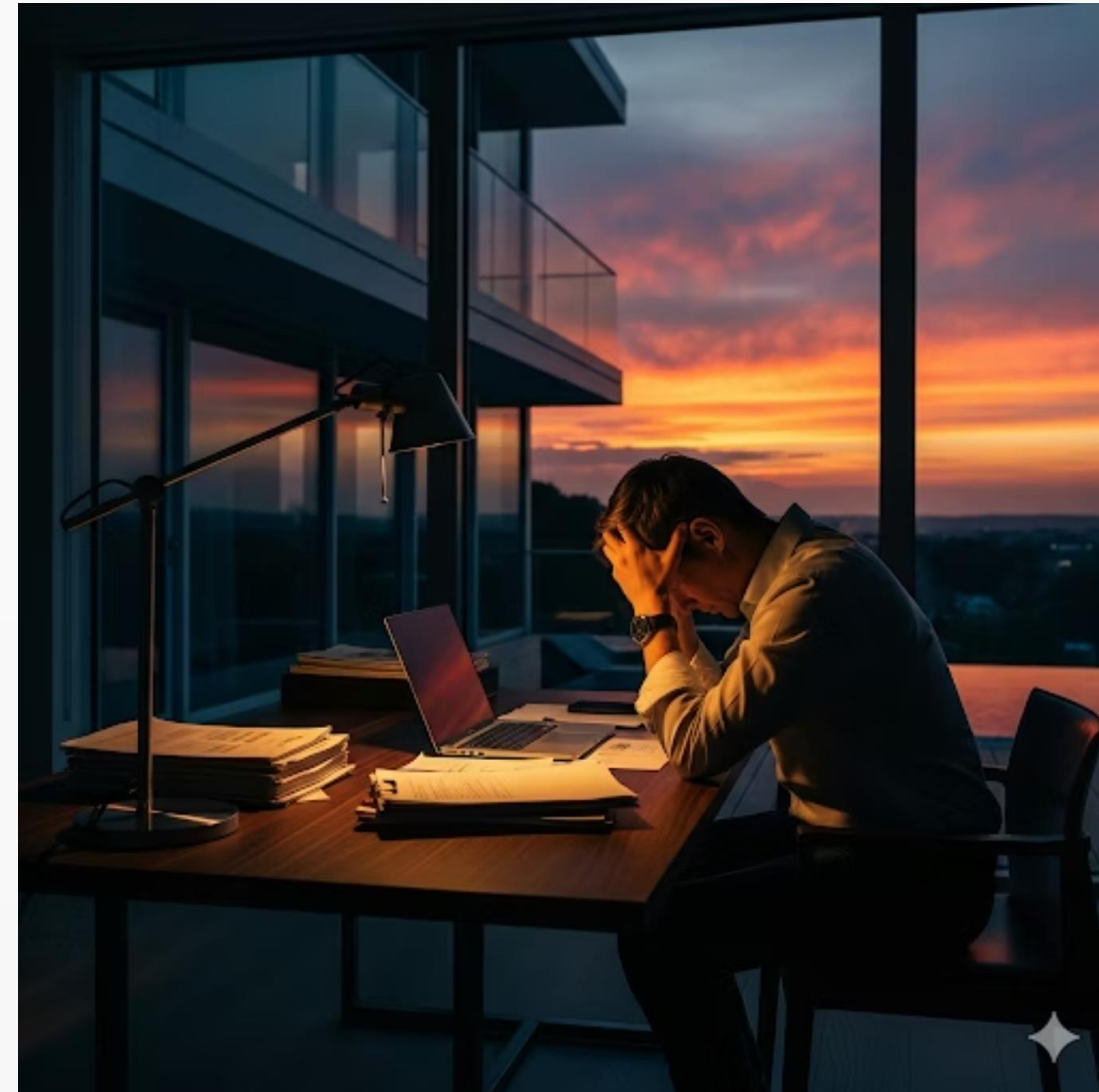
High mortgage rates persist

Rising property insurance costs

Increased property taxes

Seller expectation gridlock

- ❗ Four Florida metro areas now rank among the five least active in the U.S., representing a dramatic market reversal.



Luxury Market Defies Trends

Ultra-Luxury Records

Miami-Dade \$10M+ sales on pace for second-best year ever

Premium Growth

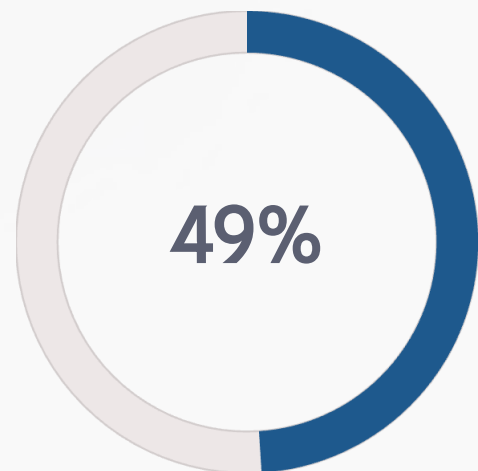
115% increase in single-family sales over \$3,000 per square foot

Broward Surge

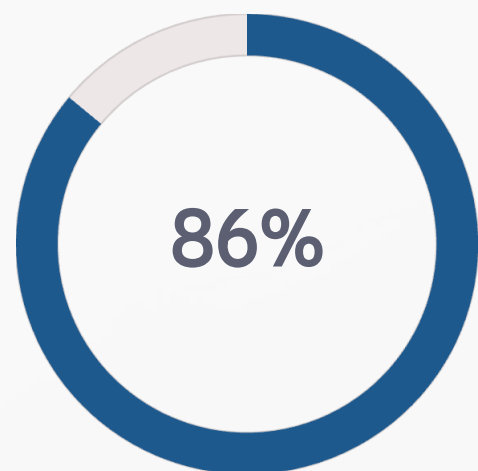
79% jump in luxury condo sales over \$1 million



International Investment Power



International buyers in Miami new construction



Latin American origin seeking wealth preservation



Colombia leads online searches for Miami real estate for 39 consecutive months, reinforcing Miami's status as primary safe haven for Latin American capital.

Condo Market Struggles

High Inventory

Palm Beach: 9.3-month supply

Miami-Dade: 14.1-month supply

Declining Sales

Broward: 7.5% drop in total sales

Palm Beach: 12.4% decline

Financing Constraints

Limited FHA-approved buildings restrict buyer pool significantly

Palm Beach County Divergence



Unique Performance

Single-family sales **rose 1%** year-over-year despite regional decline

Median price fell 4.85% to **\$613,250** as sellers adjust expectations

Demonstrates market adaptability when pricing aligns with buyer demand

Insurance Market Stabilization



Legislative Reforms

Historic reforms curbing insurance litigation stabilizing market



New Insurers

15th new property insurer approved since reforms



Rate Decreases

29 companies filed rate decreases; Florida Peninsula cut 8.4%

Future Outlook

01

Market Stabilization

East Coast Florida forecast for 3-5% annual price growth through 2026

02

Strong Fundamentals

Robust demographic trends and employment growth in major metros

03

Investment Diversification

Investors exploring Orlando and Tampa for better returns

Market correction creates opportunities while luxury segment maintains strength through international investment.