



South Florida Real Estate: A Market in Transition

September 29 – October 5, 2025

The market is undergoing a significant rebalancing. Swipe to discover the key trends shaping South Florida's real estate landscape this fall →

Market Slowdown: The Numbers Tell the Story

The South Florida real estate market is experiencing a widespread cooling trend, creating the most buyer-friendly conditions in nearly a decade. Transaction volumes are declining while inventory levels surge across the tri-county area.

4%

Sales Dollar Volume Drop

Total residential sales fell to \$4.3 billion in August year-over-year

12%

Broward Sales Decline

Number of transactions dropped significantly in Broward County

79

Days on Market

Average time to sell in Florida, 17 days longer than last year

Inventory Surge Creates Buyer Leverage

For-sale inventory in Miami-Dade has surged dramatically, with single-family home listings up 28.2% and condo listings up 25.2% year-over-year in August. Statewide active inventory has reached its highest level since 2017, fundamentally shifting market dynamics.

Miami Metro

Homes spent an additional 16 days on the market in September compared to the prior year

Seller Retreat

Miami leads the nation with 59 homes pulled off the market for every 100 new listings in June

The Great Divide: Single-Family vs. Condos

A stark divergence has emerged in pricing performance across property types. Single-family homes demonstrate remarkable resilience with modest gains, while the condominium market faces significant downward pressure and intense price discovery.



Single-Family Strength

Miami-Dade median price rose 2.3% to \$655,000 with modest gains across all three counties in August



Condo Weakness

Median condo prices fell sharply by 10% in both Broward and Palm Beach counties in August

Condo Market Under Pressure

The condominium segment is experiencing what analysts call "intense price discovery." A proprietary Condo Cliff Index™ fell nearly 2% in the last week of September alone. Q3 analysis revealed a dramatic drop of nearly 33% in average condo transaction prices compared to the end of 2024.

Vintage Condos Hit Hardest

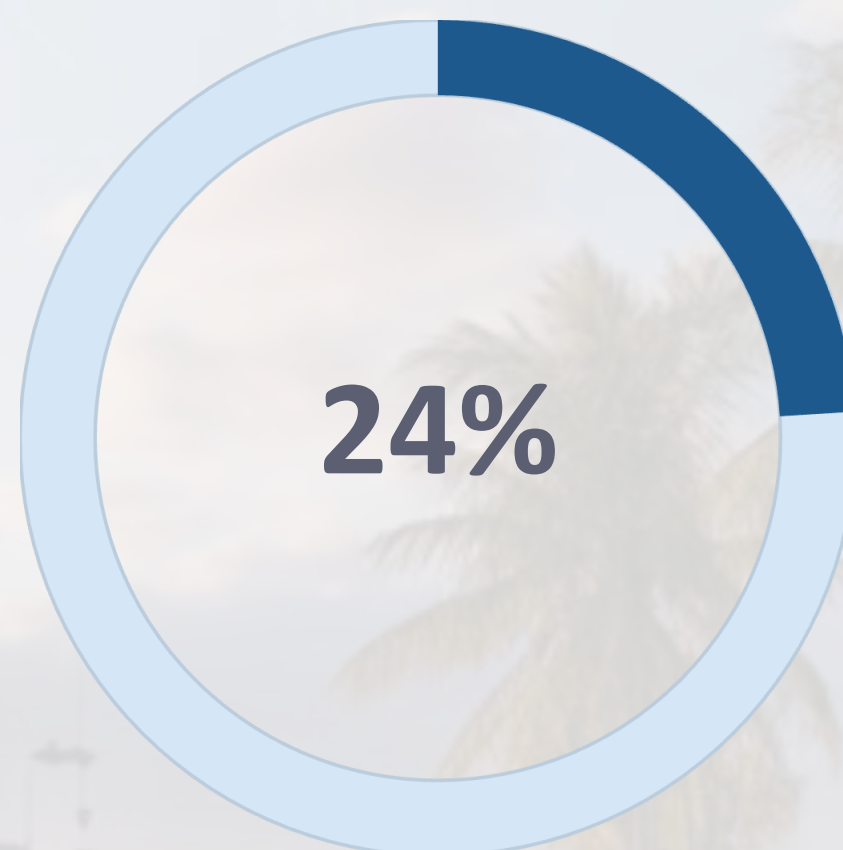
Properties 30+ years old face particular weakness from new regulations and rising maintenance costs

Price Discovery Phase

Market is undergoing significant repricing as sellers adjust expectations to current demand reality

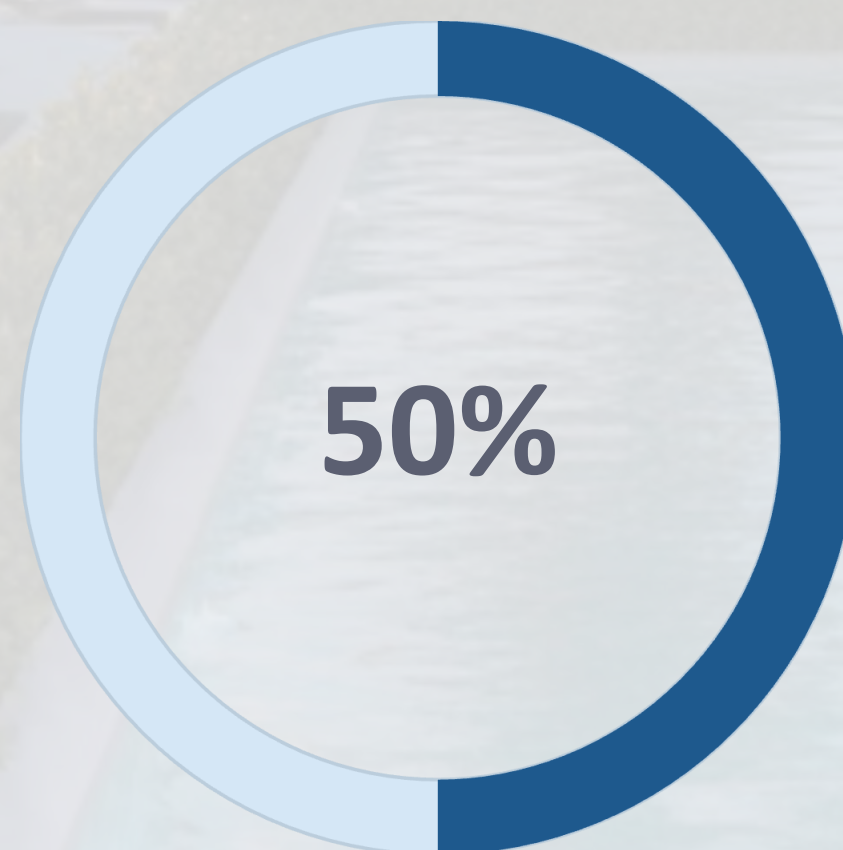
Luxury Market: The Consistent Bright Spot

The high-end market continues to outperform, supported by affluent, all-cash buyers who are less sensitive to mortgage rate fluctuations. The luxury segment has fundamentally reshaped Miami-Dade's market composition over recent years.



Luxury Market Share

\$1M+ single-family sales in Miami-Dade, tripled from 8% in 2019



All-Cash Purchases

Nearly half of luxury transactions completed without financing

Luxury condo sales over \$1 million saw double-digit year-over-year increases in August in both Miami-Dade (+10.8%) and Broward, demonstrating continued strength at the high end.

Early Signs of Market Momentum

Forward-looking indicators suggest buyer momentum may be returning. In a significant reversal, pending home sales in South Florida rose year-over-year in August for the first time in months, up 4.7% for single-family homes and 0.9% for condos.



National pending sales also rose 4.0% month-over-month, suggesting broader market stabilization.

2026 Rebound: The Forecast

The MIAMI Realtors chief economist forecasts that the average 30-year mortgage rate will fall to around 6.0% in 2026, triggering a market rebound. This rate improvement is expected to unleash pent-up demand that has been suppressed by affordability headwinds throughout 2025.



6.0% Mortgage Rate

Expected average for 2026



5% Sales Increase

Projected single-family sales growth



3.4% Price Growth

Anticipated price appreciation

Risks vs. Opportunities



Challenges

- UBS identifies Miami as highest global bubble risk
- 24 Florida markets at risk of price decline by mid-2026
- Condo market facing regulatory pressures
- Affordable housing gap threatens sustainable growth

✓ Opportunities

- Most favorable buyer's market in nearly a decade
- U.S. real estate viewed as global safe haven
- Strong economic fundamentals and job growth
- Consistent international buyer demand

The Bottom Line

South Florida's real estate market is in a necessary corrective phase, rebalancing the relationship between buyers and sellers. While significant risks exist, including global bubble warnings and condo market weakness, the foundation remains strong with robust economic fundamentals and persistent demand from affluent buyers.

The key variable ahead is the trajectory of mortgage rates, which will determine whether the current cooling trend deepens or transitions into the forecasted 2026 rebound.

Share this analysis with someone following the South Florida market →