



South Florida Real Estate: A Market in Transformation

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The South Florida real estate market is rebalancing. Despite signs of cooling—higher inventory, longer listings, and price adjustments—strong fundamentals like wealth inflows, job growth, and limited supply are preventing a downturn. The ultra-luxury segment keeps breaking records. Swipe to learn more →

Market Cooling: The Numbers Tell the Story

+16

Days on Market

Additional days homes spent on market in Miami metro area compared to last year—one of the largest slowdowns in the U.S.

21.1%

Price Reductions

Of active listings in the South had price cuts in September, the highest rate in the nation.

-5.9%

Sales Volume

Year-over-year decline in closed sales in Miami during October, reflecting continued buyer caution.

The Condo Market Cliff

The condominium sector is experiencing the most dramatic correction in South Florida's current market rebalancing.

Q3 Price Drop

Average condo transaction price dropped by nearly one-third compared to end of 2024, according to the South Florida Condo Cliff Index™.

Index Decline

The Condo Cliff Index™ fell 1.99% in the last week of September alone, signaling accelerating weakness.

Vintage Buildings

Properties 30+ years old face unique headwinds from new regulations and rising maintenance costs.

Bubble Risk vs. Strong Fundamentals

A central tension exists between external risk assessments and arguments for the market's underlying structural strength.

Risk Indicators

- UBS named Miami highest housing bubble risk globally (score: 1.73)
- Extremely high price-to-income and price-to-rent ratios
- 77% post-pandemic price surge
- Dramatic property insurance cost increases

Fundamental Strengths

- Structural housing shortage with +370,000 annual population growth
- Job growth outpacing national average in high-paying sectors
- Median FICO score of 770 for borrowers
- Nearly half of luxury sales are all-cash

Ultra-Luxury: A Different Stratosphere

The highest end of the market is not only resilient but setting new national benchmarks, driven by global wealth and all-cash buyers.

1 Fisher Island Tops Nation

ZIP 33109 became the most expensive ZIP code in the U.S., with median sale price surging 65% year-over-year to \$9.5 million.

2 Luxury Market Share Triples

\$1M+ single-family homes grew from 8% market share in 2019 to 24% in 2025.

3 Cash Dominates

Cash buyers account for 41% of all closed sales in Miami, insulating the market from rate fluctuations.

International Demand: A New Wave



Global Influx Surges

International buyer inquiries for South Florida real estate have increased by **35%** year-over-year, reflecting growing global confidence in the market.



Latin America Leads

Investors from **Latin America**, particularly Brazil and Colombia, now constitute the largest international buyer segment, drawn by stability and growth potential.



European Capital Flows In

A significant uptick in luxury property investments from **Western Europe** is observed, motivated by robust market conditions and favorable exchange rates.

Market Bifurcation: Not All Segments Are Equal

Performance varies dramatically between property types and price points, even within the same county. Understanding these divergences is critical.

Palm Beach County

Single-family homes rebounding strongly while condo market struggles. However, condo median price stable at \$310,000 with rising sales volume.

Miami Springs

Severe entry-level shortage: zero homes under \$600,000. Yet one-third of 41 active listings have price reductions, averaging 87 days on market.

What's Driving This Rebalancing?



Moderating Rates

Mortgage rates settled in mid-6% range, creating most buyer-friendly environment in nearly a decade.



Rising Inventory

For-sale inventory up 15-20% nationally as homes sit longer on market due to rate lock-in effect.



Job Growth

Robust growth in high-wage sectors provides steady stream of affluent, qualified buyers.



Wealth Migration

Massive ongoing influx of domestic and international wealth continues to fuel demand.

Opportunities & Challenges Ahead

✓ Opportunities

- Strategic window for buyers with more negotiating power
- 4.0% month-over-month increase in national pending home sales
- Less competition before busy winter season
- High credit scores in Port St. Lucie (#9) and Pembroke Pines (#23)

⚠ Challenges

- Condo market faces regulatory and maintenance cost pressures
- Dramatic surge in property insurance costs
- Acute shortage of entry-level homes
- 24 Florida markets at risk of price drops by mid-2026

The Bottom Line

South Florida isn't experiencing a uniform crash—it's undergoing a necessary and complex rebalancing. The market is stratifying: broader, rate-sensitive segments are cooling and returning to healthier norms, while the top tier, fueled by global cash and wealth, operates in a different stratosphere, setting national records.

Look past monolithic headlines and recognize the deep bifurcation that now defines this dynamic and resilient market.

Share this analysis with someone navigating the South Florida market