

### 2025-2026 Southeast Florida Housing Outlook

As of March 2025

	2021	2022	2023	2024	2025F	2026F
<b>Economy</b>						
30-year fixed mortgage rate (average)	3.0%	5.3%	6.8%	6.7%	6.4%	6.5%
Year-end	3.1%	6.4%	6.8%	6.7%	6.3%	6.5%
10-year Treasury yield (average)	1.5%	3.0%	4.0%	4.2%	4.1%	4.2%
Year-end	1.5%	3.6%	4.0%	4.4%	4.0%	4.3%
PCE Inflation (seas. adj.), average	4.1%	6.6%	3.8%	2.5%	3.6%	4.0%
Year-end	6.2%	5.5%	2.7%	2.6%	4.5%	3.5%
Southeast Florida nonfarm employment (millions)	2.37	2.51	2.59	2.95	2.97	3.00
% change	5.1%	5.9%	3.4%	1.9%	1.4%	1.7%
<b>Housing</b>						
Total existing home sales	130,336	103,814	86,365	79,784	77,900	78,100
% change	29%	-20.3%	-17.6%	-7.6%	-2.4%	0.3%
Single-family	63,865	50,332	44,386	43,589	45,300	47,100
% change	13.1%	-21.2%	-12.0%	-1.8%	0.7%	4.0%
Condominium/townhome	66,471	53,482	42,059	36,195	32,600	31,000
% change	49.7%	-19.5%	-21.3%	-13.9%	-9.8%	-4.9%
Median sales prices (year-end)						
Single-family	\$495,064	\$515,931	\$560,179	\$604,922	\$627,600	\$654,500
% change	18.7%	4.2%	8.6%	8.0%	3.7%	4.3%
Condominium/townhome	\$288,908	\$308,274	\$330,412	\$342,385	\$342,300	\$345,500
% change	23.7%	6.7%	7.2%	3.6%	0.0%	0.9%
Months' supply (year-end)						
Single-family	1.3	3.3	3.8	5.0	6.4	6.2
Condominium/townhome	2.0	3.3	5.7	9.9	12.2	12.0
<b>Affordability</b>						
Mortgage payment	\$1,500	\$2,300	\$2,600	\$2,800	\$2,800	\$3,000
Single-family	\$1,900	\$2,900	\$3,300	\$3,500	\$3,500	\$3,700
Condominium/townhome	\$1,100	\$1,700	\$1,900	\$2,000	\$1,900	\$2,000
Income needed to afford mortgage	\$72,000	\$110,400	\$124,800	\$134,400	\$134,400	\$144,000
Single-family	\$91,200	\$139,200	\$158,400	\$168,000	\$168,000	\$177,600
Condominium/townhome	\$52,800	\$81,600	\$91,200	\$96,000	\$91,200	\$96,000
Renter households able to afford a mortgage	284,800	142,100	164,500	139,900	139,900	115,200
Percent of renter households able to afford	30%	14%	17%	15%	15%	12%

In this report, Southeast Florida refers to the counties of Miami-Dade, Broward, Palm Beach, Martin, and St. Lucie where Miami Association of REALTORS® (MIAMI) members conduct most of their transactions. For information about this report, contact Gay Cororaton, Chief Economist, at [gay@miamire.com](mailto:gay@miamire.com), or Chris Umpierre, Chief of Communications, at [chris@miamire.com](mailto:chris@miamire.com).

**1. Rising economic uncertainty will tend to push down mortgage rates to 6.3% by year-end even as inflation accelerates to over 4% by year-end.**

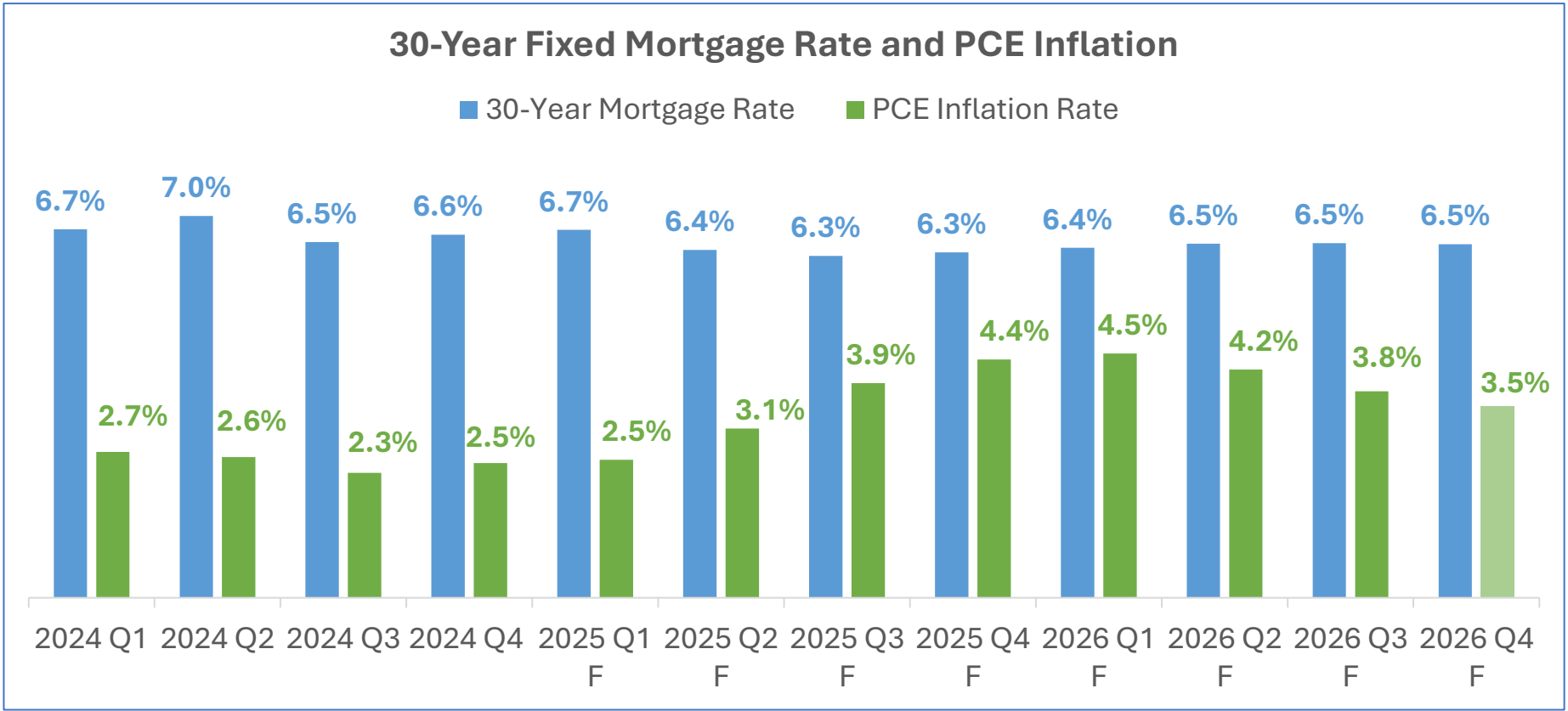
MIAMI Realtors® expects the 30-year mortgage rate to decline to 6.3% by year-end, with a full-year average of 6.4%. The March 2025 forecasts are slightly lower than the December 2024 Outlook estimates (6.5% year-end, 6.8% average). The lower projection for interest rates is due to rising economic risks of higher inflation and lower economic growth (“stagflation”) due to recently imposed tariffs.

As of the week of April 3, the 30-year mortgage rate had inched down to 6.64% from this year’s peak of 7.04% in mid-January. The benchmark 10-year Treasury yield fell to 4.01% on April 3 from 4.67% on February 12. Interest rates have been declining with investors shifting to safer Treasury bonds and out of stocks (US 500 Index has fallen about 15% since February). MIAMI Realtors® expects the 10-year Treasury yield to hover at 3.9% to 4% through the end of 2025 with significant downside risk that could push down interest rates further.

MIAMI Realtors® expects inflation to accelerate to 4.5% by year-end and to average 3.6% in 2025. In January and February 2025, the Personal Consumption Expenditure (PCE) Index rose at a monthly pace of 0.34%. Factoring in the impact of tariffs, the monthly pace could trend higher at 0.35% to 0.4% monthly from April through December 2025 which would push PCE inflation to 4.5% by December. With inflation veering away from the 2% goal, the Fed could hold off on lowering the federal funds rate in 2025.

These projections are based on highly uncertain conditions. The path of inflation and interest rates will change course depending on the impact of the tariffs on inflation, economic growth, the response of other countries to the US tariffs, and the success in achieving tariff goals (e.g., reduced flow of drugs and illegal immigration, lower imports, increased manufacturing) that could lead to a rollback of the tariffs or increased exceptions.

On April 3, President Trump announced a tariff of at least 10% on all exporters to the US, with higher tariffs on about 60 countries that include China (34%), the European Union (20%), South Korea (25%), Japan (24%), Vietnam (46%), and India (26%).<sup>1</sup> On February 1, President Trump imposed a 25% tariff on Canadian and Mexican goods that do not satisfy the US-Mexico-Canada Agreement (USMCA) rules of origin.<sup>2</sup> This was followed on February 11 with a 25% tariff on steel and aluminum and derivative products<sup>3</sup>, on March 24 with a 25% tariff on products from countries importing oil from Venezuela, and on March 26 with a 25% tariffs on passenger vehicles, light passenger trucks, and key automobile parts.<sup>4</sup>



1 Trump Tariff Chart: Full List of Countries Hit With 'Reciprocal' Tariffs  
 2 Official CBP Statement On Tariffs | U.S. Customs and Border Protection  
 3 <https://www.cnn.com/2025/03/12/economy/trump-steel-aluminum-tariffs-hnk-intl/index.html>  
 4 Presidential Actions – The White House

### 2. Single-family sales will modestly increase but condominiums sales will likely continue to decline.

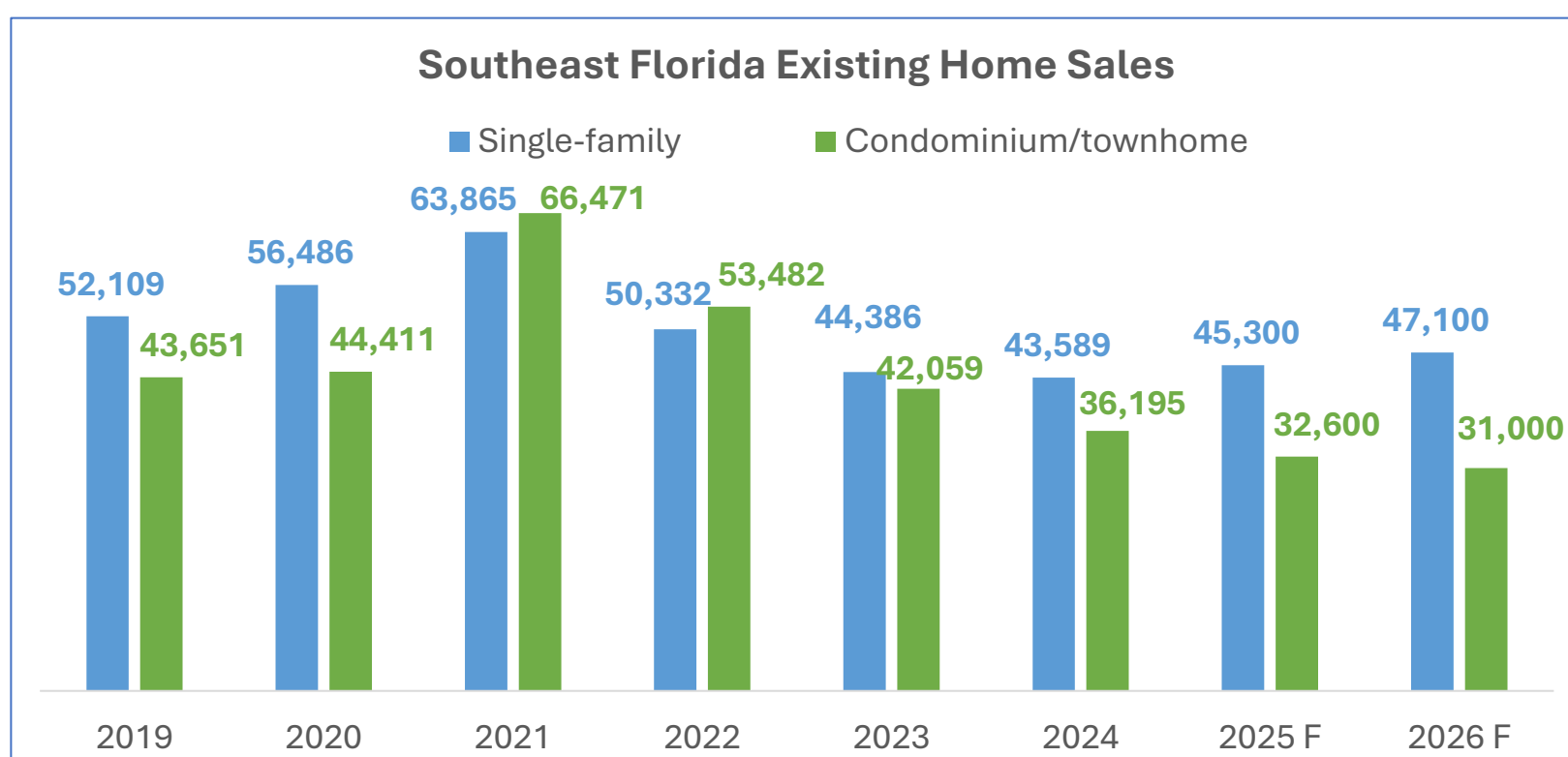
With mortgage rates declining just slightly in 2025, MIAMI Realtors® projects single-family sales to increase modestly at about 1%, a reversal from the 1.8% decline in 2024. The uptick in sales will be modest as homebuyers also grapple with higher inflation and rising economic risks (e.g., potential unemployment, erosion in financial wealth) that could lead them to postpone a home purchase. Reduced global trade and tighter immigration policy could slow foreign buyer home purchases (condominiums and townhomes) that account for 10% of Southeast Florida home sales.<sup>5</sup>

Affordability remains a major constraint to homebuying, with only 14% of renter households able to afford a single-family home or condominium/townhome. Based on the average weekly wage in the Miami-Fort Lauderdale-West Palm Beach Metro area in January 2025 of \$1,077, 2-earner household earning average weekly wages has a household income of \$115,000. In 2025, the household income needed to afford a single-family home in Southeast Florida's counties is \$168,000, assuming a 10% downpayment. Condominiums are a more affordable option, with the income needed to afford a condominium/townhome at \$96,600.

However, rising condominium fees and assessment following new state regulations requiring adequate reserve funds for structural repair and maintenance (SB 4-D, SB 154) are holding back demand for condominiums. MIAMI Realtors® estimates that condominium fees have increased 45% as of 2024 since 2021, for sales that closed on its Multiple Listing Service. The initial impact of the new condo regulations is mainly on buildings 30 years old or over. MIAMI's analysis of county records show that majority of condominium buildings are over 30 years old as of 2024 in Miami-Dade County (61%), Broward County (86%), Palm Beach County (86%), Martin County (86%), and St. Lucie County (71%).<sup>6</sup>

Condominium/townhome sales are projected to continue to decline in 2025 by 9.8%. Year-to-date as of February 2025, sales fell double-digits in most counties: Miami-Dade (-14.09%), Broward (-16.08%), Pam Beach (-3.14%), Martin (-17.81%), and St. Lucie (-8.87%).

The decline in condominium/townhome sales could moderate in 2026 as condo owners get more financial relief, with several bills before the Florida Legislature, such as increasing the homestead exemption to \$75,000 (SJR 1016), allowing association boards to invest reserve funds (SB 1742), and allowing associations to secure a line of credit for up to 35% of the reserves required (HB 913).<sup>7</sup> Miami-Dade County's Condominium Special Assessment Program also provides funding assistance of up to \$50,000 with a repayment term of 40 years at 0% rate for qualifying condo owners making less than 140% of the area median income (AMI).



<sup>5</sup> PowerPoint Presentation

<sup>6</sup> Condos - MIAMI REALTORS®

<sup>7</sup> Florida condo crisis: Legislature seeks to lower fees, ease requirements

### 3. Single-family median sales prices will continue to appreciate at a modest pace of 4%.

MIAMI Realtors® expects single-family home prices to broadly increase at a modest pace with supply at a healthy level of about 6 months. The low level of distressed sales and high levels of home equity will also tend to keep prices firm.

In February 2025, the median single-family sales prices rose at a modest pace in Miami-Dade (+0.77%), Palm Beach (+5.2%), and St. Lucie (0.13%), but fell slightly in Broward (-2.4%) and was stable in Martin (0%).

In the condominium/townhome market, MIAMI Realtors® expects the median sales price to stay flat with inventory expected to hit 12 months' supply in 2025 and 2026.

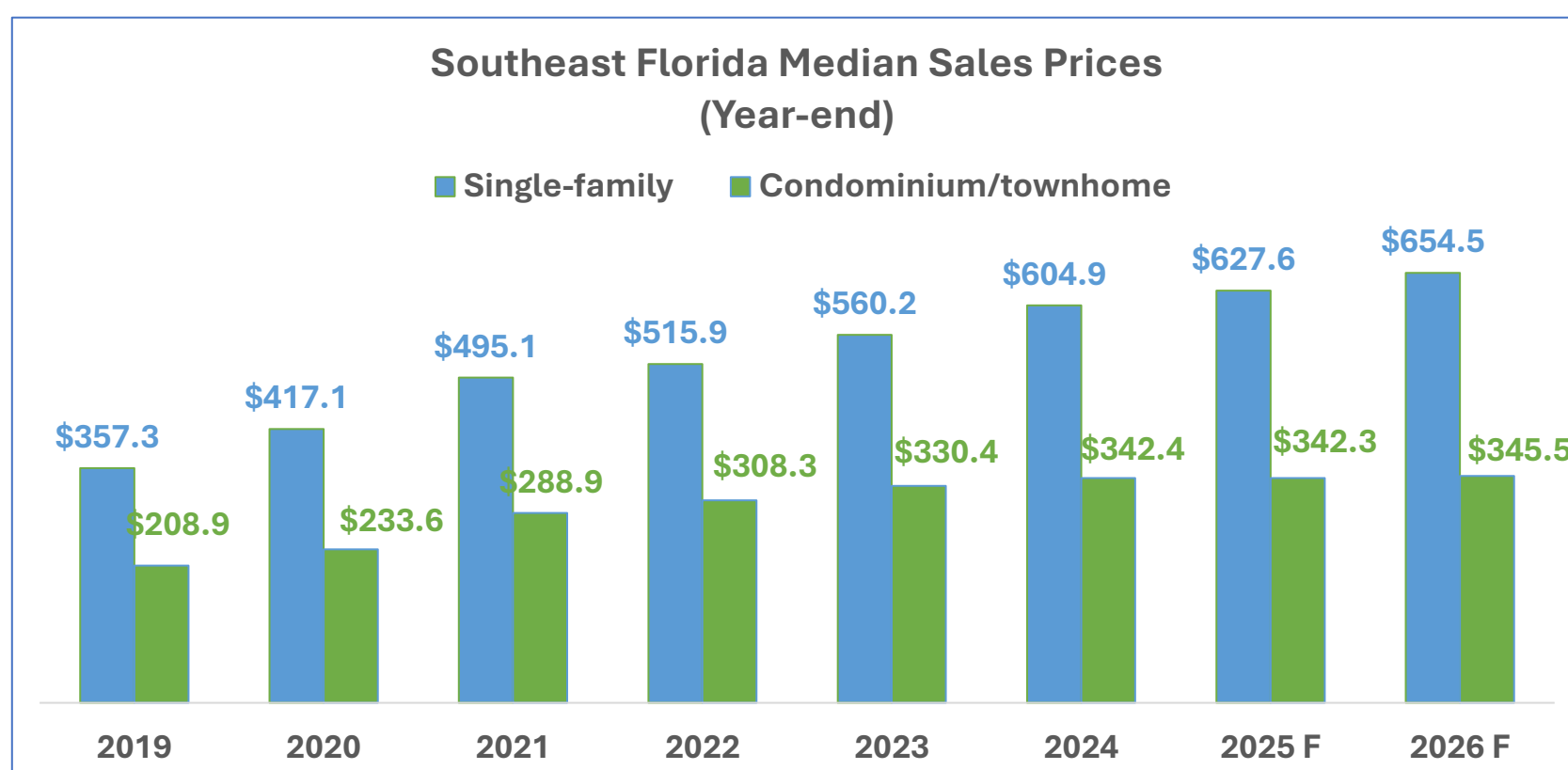
In February 2025, the median condominium/townhome sales prices rose in Miami-Dade (+8.3%), Palm Beach (+0.96), and St. Lucie (+5.34%) but fell in Broward (-5.17%) and in Martin (-1.45%).

Geographic markets with low months' supply and prices that are relatively affordable such as Homestead, Miami Gardens, Sunrise, Riviera Beach, and Port St. Lucie are likely to see faster price appreciation.

With most homeowners having refinanced their mortgages, there is no systemic pressure for homeowners to default on their mortgages. About 44% of homeowners own their homes without a mortgage.

Distressed sales of single-family homes and condominiums/townhomes were at their lowest level in years in 2024 at 1% or less of sales: Miami-Dade (1.0%), Broward (0.9%), Palm Beach (0.6%), Martin (0.3%), and St. Lucie (0.6%).

Homeowners have significant home equity to absorb a modest decline in home prices without becoming underwater. Over the 15-year period from 2009 Q4 through 2024 Q4, Southeast Florida's home prices have generally increased at a rate surpassing the national increase in prices (6%): Miami-Dade County (9%), Broward County (8%), Palm Beach County (7%), Martin County (7%), and St. Lucie County (10%). Due sustained price appreciation since the Great Recession, homeowners have accumulated significant home equity that will enable them to absorb a modest price decline without becoming underwater. A homeowner who purchased a home at the median sales price in 2019 Q4 and sold/valued the home at the median sales price in 2024 Q4 has a home equity of over 50%. Homeowners who purchased their homes 15 years ago at the median sales price and sold/valued the home at the median sales price in 2024 Q4 have a home equity of 80%.<sup>8</sup>



<sup>8</sup> Southeast Florida Home Equity Surges in Q4 2024 - MIAMI REALTORS®



### 4. The single-family homes market will continue to be a balanced market with 6 months' supply while the condominiums/townhomes market will remain a buyer's market with 12 months' supply.

MIAMI Realtors® forecasts the single-family market to remain a balanced market with 6 months' supply of inventory. In the condominium/townhomes market, active inventory is likely to stay at 12 months' supply, with higher likelihood for inventory to build up as condo owners continue to face rising fees and assessments to fund reserves and building repair and maintenance.

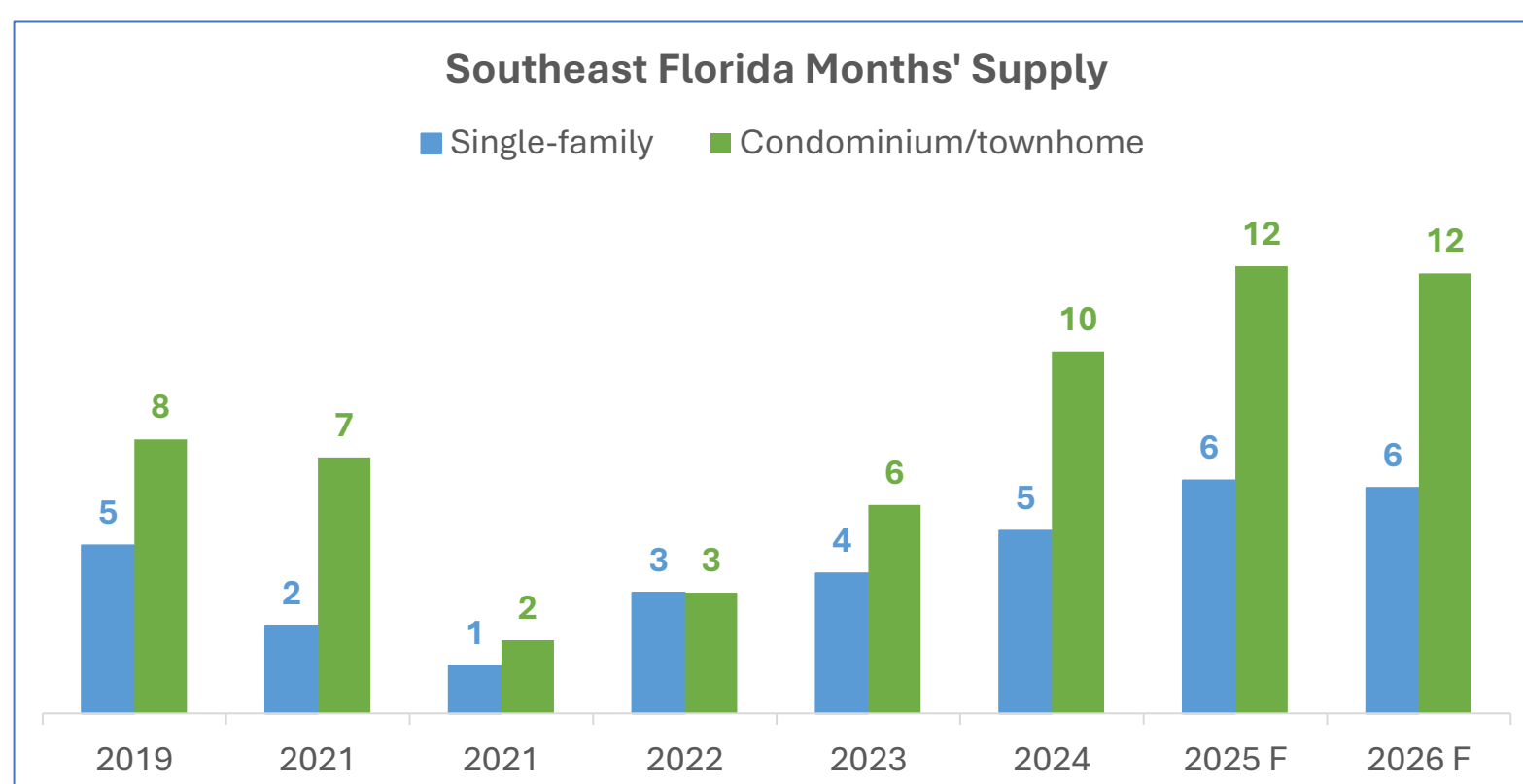
In the single-family market segment as of February 2025, month's supply conditions reflected a balanced market in Miami-Dade (5.8), Broward (5.3), Palm Beach (5.7), Martin (5.9), and St. Lucie (6.1). Supply conditions have now normalized to the pre-pandemic levels with months' supply at about the same levels.

Supply is tighter at the lower price tiers while there's more supply at the million-dollar price tier. In Miami-Dade, the months' supply of homes in the \$300,000-\$399,999 price tier is 2.6 month, while the months' supply for homes \$1 million and over is at 10.2 months' supply, as of February 2025.

In the condominium/townhome market segment as of February 2025, the overall months' supply will likely rise to 12 months' supply. As of February 2025, months' supply has increased in Miami-Dade (12.6), Broward (11.4), Palm Beach (10.0), Martin (10.1), St. Lucie (11.6). The current months' supply is higher than the pre-pandemic levels in February 2019 except in Miami-Dade: Miami-Dade (h14.5), Broward (6.4), Palm beach (6.1), Martin (4.7), St. Lucie (6.1).

Supply is more plentiful in the million-dollar condo market, but worth understanding is that months' supply of over 12 months is normal in Southeast Florida's million-dollar condominium market. In February 2025, condominium/townhomes months' supply was at 12 months in Miami-Dade (20.1), Broward (18.5), Palm Beach (15.3), Martin (31.8), and St. Lucie (18.9), but these current levels are below the levels in February 2019 in Miami-Dade (47), Broward (20.3), Martin (49.3), about the same as in Palm Beach (15.8), although lower in St. Lucie (4).

Homebuyers in the million-dollar market segment could see bigger price discounts of about 10% compared to the lower price tier markets where discounts will likely hold at 5%.



### 5. High-income buyers will continue to drive market growth.

High-income buyers will continue to drive market growth due to challenging affordability conditions and with little inventory of homes below \$400,000 that a 2-earner household earning average wages could afford. In Miami-Dade County, single-family homes \$400,000 and below made up just 2% of active inventory as of the end of February while million-dollar homes made up 42% of active inventory. Single-family homes below \$400,000 accounted for about 10% of the total inventory in Broward, Palm Beach, and Martin counties.<sup>9</sup>

The share of million-dollar sales has sharply risen since 2019. As of the first two months of 2025, Palm Beach County had the highest share of million-dollar single-family home sales, at 30% (7% in 2019) followed by Miami-Dade County at 25% (8% in 2019), then Martin County at 24% (6% in 2019), and Broward County at 18% (5% in 2019).

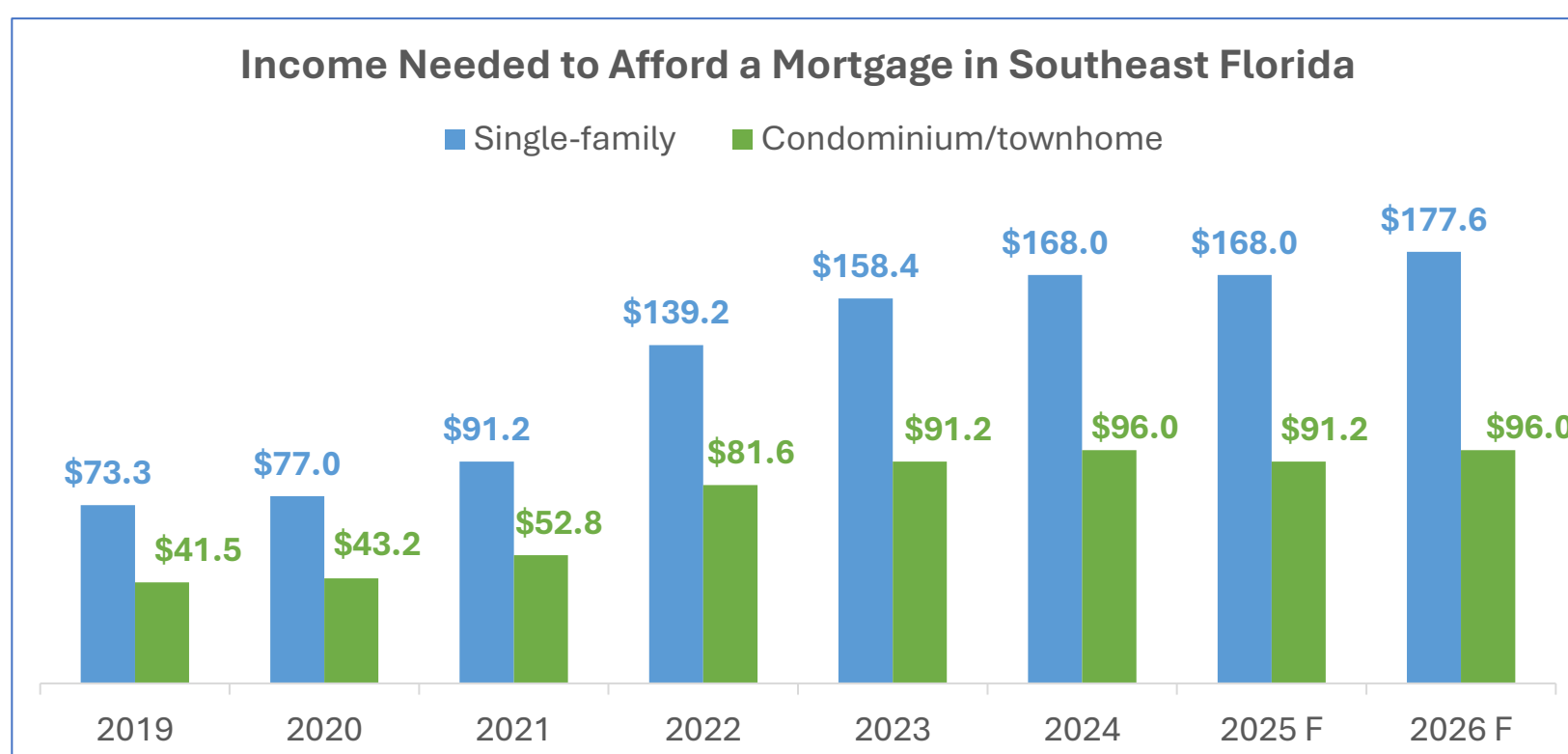
In 2024, MIAMI Realtors® analysis showed that the threshold for million-dollar homes rose to \$3.3 million in Miami-Dade County, up from \$1.4 million in 2019.<sup>10</sup>

The share of cash sales has also remained elevated. In Palm Beach County, 47% of single-family sales in 2024 were all-cash (39% in 2019). In Miami-Dade County, 55% of all condominium sales were all-cash in 2024 (also 55% in 2019).

While out-of-state migration has started to normalize since 2022, out-of-state migration to Miami-Dade County remains higher than pre-pandemic, based on driver license exchanges. Out-of-state driver license exchanges were up 8% in 2025 Q1 from the level in 2019 Q1, with more driver license exchanges from New York (+23%), California (+34%), Texas (+11%), New Jersey (+15%), and Illinois (+10%).<sup>11</sup>

Along with Southeast Florida's luxury lifestyle, Florida's low-income tax environment has attracted wealthy buyers. MIAMI Realtors® analysis shows that homesteaded properties save homeowners about \$5,000 in property taxes due to the Save our Home cap on the increase in the assessed value of the property and the \$50,000 exemption of assessed value. However, homeowners in high price markets can save tens of thousands of dollars such as in the town of Palm Beach (\$118,800), Miami Beach (\$26,100), and Lauderdale-by-the-Sea (\$14,700).<sup>12</sup>

As economic growth slows and the stock market weakens, higher-income individuals who view home ownership as part of a wealth allocation strategy could shift some of their financial wealth to real estate, bolstering sales in the upper price tier markets like Miami Beach, Coral Gables, Lighthouse Point, Palm Beach, and Jupiter.



<sup>9</sup> [Southeast-Florida-Housing-Market-Feb-2025.pdf](#)

<sup>10</sup> [Southeast-Florida-Luxury-Market-Report\\_2024.pdf](#)

<sup>11</sup> [2025-Q1-Driver-License-Exchanges\\_MIAMI-Realtors-Report.pdf](#)

<sup>12</sup> [Real-Estate-Tax-Benefits-of-Living-in-Southeast-Florida.pdf](#)



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Teresa King Kinney is the association's Chief Executive Officer.

For information about this report, contact:

Gay Cororaton, Chief Economist  
[gay@miamire.com](mailto:gay@miamire.com)

Chris Umpierre, Chief of Communications  
[chris@miamire.com](mailto:chris@miamire.com)



Miami Association of REALTORS® (MIAMI)  
1800 Oakwood Drive, Miami, Florida 33166