2025-26 Southeast Florida Housing Outlook
Sales Rebound in 2026 as Mortgage Rates Decline

September 2025 Update

2025-2026 Southeast Florida Housing Outlook

As of September 2025

#	2021	2022	2023	2024	2025F	2026F
Economy						
30-year fixed mortgage rate (average)	3.0%	5.3%	6.8%	6.7%	6.6%	6.0%
Year-end	3.1%	6.4%	6.8%	6.7%	6.1%	6.0%
10-year Treasury yield (average)	1.5%	3.0%	4.0%	4.2%	4.3%	3.8%
Year-end	1.5%	3.6%	4.0%	4.4%	3.9%	3.8%
PCE Inflation (seas. adj.), average	4.1%	6.6%	3.8%	2.5%	2.6%	2.5%
Year-end	6.2%	5.5%	2.7%	2.6%	2.7%	2.8%
Southeast Florida nonfarm employment (millions)	2.79	2.91	2.99	3.01	3.04	3.10
% change	6.9%	4.0%	2.8%	0.6%	1.1%	2.0%
Housing						
Total existing home sales	130,336	103,814	86,365	79,784	78,900	80,700
% change	*29%*	*-20.3%*	*-17.6%*	*-7.6%*	*-1.1%*	*2.3%*
Single-family	63,865	50,332	44,386	43,589	45,700	47,900
% change	*13.1%*	*-21.2%*	*-12.0%*	*-1.8%*	*-3.1%*	*4.9%*
Condominium/townhome	66,471	53,482	42,059	36,195	33,200	32,800
% change	*49.7%*	*-19.5%*	*-21.3%*	*-13.9%*	*-8.3%*	*-1.1%*
Median sales prices (year-end)	$389,925	$408,952	$448,803	$485,819	$489,500	$502,800
Single-family	$495,064	$515,931	$560,179	$604,922	$616,700	$637,600
% change	*18.7%*	*4.2%*	*8.6%*	*8.0%*	*1.9%*	*3.4%*
Condominium/townhome	$288,908	$308,274	$330,412	$342,385	$314,500	$306,000
% change	*23.7%*	*6.7%*	*7.2%*	*3.6%*	*-8.2%*	*-2.7%*
Months' supply (year-end)	1.7	3.3	4.7	7.2	8.5	8.0
Single-family	1.3	3.3	3.8	5.0	5.6	5.1
Condominium/townhome	2.0	3.3	5.7	9.9	12.5	12.1
Affordability						
Estimated monthly mortgage payment	$1,500	$2,300	$2,600	$2,800	$2,700	$2,700
Single-family	$1,900	$2,900	$3,300	$3,500	$3,400	$3,400
Condominium/townhome	$1,100	$1,700	$1,900	$2,000	$1,700	$1,600
Income needed to a mortgage	$72,000	$110,400	$124,800	$134,400	$129,600	$129,600
Single-family	$91,200	$139,200	$158,400	$168,000	$163,200	$163,200
Condominium/townhome	$52,800	$81,600	$91,200	$96,000	$81,600	$76,800
Existing renter households able to afford a mortgage	215,691	171,768	102,802	120,040	120,706	120,706
Percent of renter households able to afford	23%	18%	11%	12%	12%	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, or Chris Umpierre, Chief of Communications, at chris@miamire.com.

1. The 30-year fixed mortgage rate is projected to decline to an average of 6% in 2026 from 6.6% in 2025.

After a 9-month pause, the Fed's Federal Open Market Committee (FOMC) cut the federal funds rate by 25 basis points to a range of 4% to 4.25% at its September 16-17 meeting. Based on the Fed's September 2025 Summary of Economic Projections, two more 25 basis points rate cuts could be coming in the last months of 2025 followed by one rate cut of 25 basis points in 2026.
With these projected rate cuts, MIAMI Realtors® projects the 30-year fixed mortgage rate to decline to an average of 6% in 2026 from 6.6% in 2025. MIAMI Realtors® projection assumes a frontloaded rate cut in January 2026 to bolster the impact of the rate cuts in the last quarter of 2025. A deeper economic slowdown could spur more rate cuts in 2026 while a sharper uptick in inflation could affect the timing of the rate cut in 2026.

As of the week of September 18, Freddie Mac's 30-year fixed rate mortgage on conforming loans decreased to an average of 6.26%. The lower rate reflects the pricing in of the expectation that the FOMC would cut the federal funds rate at its September meeting following the jolting downward revision on job creation, that 911,000 fewer jobs were created in the 12 months ending March 2025. The 10-year Treasury note fell from 4.28% on September 2 to 4.05% on September 5, reflecting the expectation of a Fed rate cut.

The weakening labor market is reflected in several indicators, on top of the 911,000 downward revision in the annual employment gains through March 2025. Non-farm employment increased to just 22,000 in August from the prior month, with employment gains falling below 100,000 each month since May. There has been a steady decline in job openings since 2023 , falling to 7.18 million as of July 2025, while the unemployment rate has steadily increased to 4.3%, with 7.384 million unemployed, a higher figure than the number of job openings.

Supply-driven inflation risks remain, from higher reciprocal tariffs and potential increase in housing costs due to the pullback in residential construction in part arising from higher construction costs. A 10% baseline tariff took effect on April 5 and additional tariffs on top of the 10% baseline took effect on August 7, with the total tariffs ("reciprocal tariffs") ranging from 15% to 41%, excluding China, Canada, and Mexico that have ongoing negotiations with the United States.[1]

The overall inflationary impact of tariff increases has been muted by firms' stockpiling on inventory before the tariffs were imposed or absorbing some of the cost, but the impact on construction cost is more evident. In July 2025, the Producer Price Index on Processed Goods for Intermediate Demand rose 2.6% year-over-year. However, the cost of construction-related items has increased more sharply. In July 2025, the PPI-Steel Product was up 59% year-over-year while the PPI-Lumber rose 5.6%. Higher construction costs have factored into the pullback for planned construction. In August 2025, annualized housing units authorized fell to 1.31 million, down 11% year-over-year, below the annual household formation of 1.37 million in 2024.

A pullback in housing construction amid strong rental demand can push up rents and overall inflation. In the past four quarters ending 2025 Q1, 708,000 market-rate rental units were absorbed, surpassing the supply of 577,000 units.[2] In August, the CPI-Shelter Index rose at a higher monthly pace of 0.4% from 0.2% in June and July.

1 President Trump Announces New Reciprocal Tariffs Set to Take Effect This Week
2 1st Quarter 2025 Multifamily Update | RealPage Analytics Blog

2. Southeast Florida's single-family home sales will rebound 5% in 2026 while the decline in condominium and townhome sales is likely to moderate.

Lower mortgage rates, the overall improvement in economic conditions and employment growth, and recent condominium regulations to ease the financial burden for condominium owners underpin the rebound in sales.

Under improving economic conditions in 2026, MIAMI Realtors® projects that single-family home sales will rebound 5% in 2026, a reversal of the decline in the past four years. However, the increase will be modest as buyers face a lack of homes that are affordable for the typical household. For a 2-earner household with a combined income of $118,000 annually based on the typical wage, the affordable home price is around $400,000. However, not a lot of single-family homes are available at that price point. In Miami-Dade County, just 3% of the active inventory is below $400,000, 9% in Broward County, and 15% in Palm Beach County. St. Lucie County has a higher fraction of active listings below $400,000, at 40%, but this county makes up just 3% of Southeast Florida's 3 million employment.

Condominiums and townhomes present a more affordable option for homeowners. In Miami-Dade County, 40% of active inventory is $400,000 and below. In the counties of Broward, Palm Beach, Martin, and St. Lucie, about 70% of condominiums are priced at $400,000 and below.
However, condominium buyers face other housing costs that add to the monthly mortgage payment, such as condominium association costs and assessment fees. Condominiums that are located within 15 miles of a coastline are also more susceptible to being affected by hurricanes and flooding that can result in higher property insurance. Recent regulations are intended to reduce the financial burden faced by homeowners.

The latest condo law enacted in June 2025 (HB 913) helps ease the financial burden for condominium owners by allowing associations to use lines of credit to fund reserves and increasing the replacement cost of repairs required to be reserved and considered in the Structural Integrity Reserve Study (SIRS) from $10,000 to $25,000.[3]

The entry of more insurance providers is starting to stabilize and drive down property insurance costs. Citizens Property Insurance Corporation now holds just 780,000 policies in force from more than 1.4 million in September 2023.[4] According to the Florida Office of Insurance Regulation, 17 new companies have entered the market since reforms were passed in 2022. In 2024, 30 homeowner companies filed for a rate decrease and 45 companies requested a 0% increase. Florida Peninsula, one of the largest insurers in the state, recently requested its largest rate decrease in the company's history resulting in a statewide average decrease of 8.4% for its homeowner's premiums and a 12% decrease for condominium owners.

3 6 House Bill 913 (2025) - The Florida Senate
4 Insurance Commissioner Mike Yaworsky Announces Two New Property Insurers for Florida's Market

3. Single-family median sales prices will likely continue to increase at a faster pace of 3.4% in 2026 with 5 months' supply of inventory while the inventory buildup in the condominiums market will hold down prices.

The rebound in sales will support a stronger price appreciation in 2026, with single-family sales prices in Southeast Florida projected to increase by 3.4%.

MIAMI Realtors® expects inventory conditions to slightly tighten to 5 months' supply in 2026 from about 6 month's supply in 2025. As of July, inventory of single-family homes on the market hovered at 6 to 7 months' supply in the counties of Miami-Dade (6.6) Broward (6.0) Palm Beach (5.5) Martin (5.6) and St Lucie (5.7).

Home prices could rise at a faster pace in areas where home prices are more affordable and inventory is tighter such as in Hialeah, Homestead, Miami Gardens, and Cutler Bay in Miami-Dade County; Plantation and Sunrise in Broward County; Lake Worth and Royal Palm Beach in Palm Beach County; Hobe Sound in Martin County, and Fort Pierce in St. Lucie County.[5]

In the condominium/townhomes market, prices are still likely to continue to tick down given the elevated level of inventory, but at a slower rate of decline compared to past years. In the condominium market, active inventory is projected to slightly decrease to 12 months' supply in 2026 from 13 months' supply in 2025.

Condominium home sales prices will vary by the age, maintenance, and location of the building. MIAMI Realtors® analysis showed that 61% of Miami-Dade County condominium buildings are at least 30 years old compared to 86% in Broward County, Palm Beach County, and Martin County. In Miami-Dade County, condominiums at least 30 years old make up a much smaller fraction in the city of Miami (31%), Homestead (18%), and Cutler Bay (34%). In Broward County, older condominiums account for a smaller fraction in Miramar (33%) and Parkland (31%). In Palm Beach County, Palm Beach Garden has the lowest share of condominium units that are least 30 years old (50%).[6]

Distressed sales are at the lowest level in years accounting for about 1% of less. The low level of distressed sales ensures that prices are not likely to plummet as in the Great Recession.[7]

5 News - MIAMI REALTORS®
6 Gay-Cororaton-Condo-Market-Where-Are-We-Now.pdf
7 Southeast Florida Distressed Sales Remain at Historic Lows - MIAMI REALTORS®

4. Million-dollar market segment will continue to see a rising market share and remain a buyer's market as inventory normalizes to pre-pandemic levels.

The million-dollar and luxury market will continue to be a strong driver of the housing recovery in 2026 underpinned by Southeast Florida's continuing shift in its industrial base towards the higher-paying and highly skilled technology, finance, and healthcare industries.

The million-dollar market to continue to be a buyer's market in 2026. While Southeast Florida's inventory of million-dollar homes is still tighter today compared to the supply in 2015-2019, the buildup in inventory is giving buyers more negotiating power resulting in larger price discounts.

In Miami-Dade County, million-dollar active listings have increased to 11 months' supply as of July 2025, up from 4.3 months' supply in the same period in 2021. Current inventory levels are still tighter compared to 2015-2019 when inventory rose to a two-year months' supply. However, with the buildup in inventory, buyers have been able to negotiate for bigger discounts compared to the overall market price discount. As of July, the median buyer discount for million-dollar single-family sales in Miami-Dade County and Palm Beach County was typically 10%, up from 3% in 2021. The current discount of 10% is in line with the normal price discount in past years.

In the condominium/townhomes market, inventory conditions are also tighter compared to 2015-2019 levels. Miami-Dade County, the active inventory of condominiums/townhomes is equivalent to 19 months' supply, compared to four years months' supply in 2015-2019. However, with the buildup in inventory, buyers have also been able to negotiate for bigger discounts, typically at 7% in Miami-Dade County and 9% in Broward County and Palm Beach County.

One reason for the higher price discount in Broward County and Palm Beach County could be that there are more older condominiums in these counties. According to MIAMI Realtors® analysis of county data, 61% of condominiums in Miami-Dade County as at least 30 years old compared to 86% percent in Broward County and Palm Beach County.

5. Southeast Florida is likely to continue to enjoy strong job market and sustained migration in 2026.

Miami-Dade County is the area's powerhouse, making up about 4 in 10 employed workers. As mortgage rates decline, spurring economic activity, MIAI Realtors® expects employment growth to increase to 2.0%.

Miami-Dade County had the highest employment growth in the first quarter of 2025 among the nation's 10 largest counties, according to the US Bureau of Labor Statistics Quarterly Census of Employment and Wages. Employment rose 1.5% in Miami-Dade County, outpacing the 0.4% year-over-year increase nationally. The construction industry had the fastest employment growth (+4.3%) which outpaced the national increase (1.0%). Education and health services had the second fastest employment growth (+2.4%), underpinned by the county's strong population growth (2.3%) in 2024, outpacing the national population growth (0.98%). Professional and business services rose 2.3% in contrast to the national decline of 0.7%.[8]

Miami-Dade market area is undergoing the most intense construction activity among 90 major markets, with 23,340 units under construction, adding 18% to existing stock.[9]

The area's strong economic fundamentals are reflected in a robust commercial office market marked by the lowest office vacancy rate of 15.5% among the 25 major office markets.[10]

The elimination of Florida's business rent tax that becomes effective on October 1, 2025 is expected to spur commercial activity and job growth, savings businesses $2.5 billion in taxes annually.[11]

Out-of-state migration into Miami-Dade County remains elevated compared to pre-pandemic levels, with higher levels of migration, according to MIAMI Realtors® analysis of driver license exchanges data. New York, New Jersey, California, Illinois, and Texas are the top origins of out-of-state movers. Driver license exchanges issued in the first half of 2025 are significantly higher than the level in the same period in 2019 for driver licenses issued in the largest feeder states of New York (2,010; +33%), California (1,245; +30%), Texas (1,028; +16%), New Jersey (825, +27%), and Illinois (452, +32%).[12] One headwind that can increase migration from New York to South Florida in 2026 is the outcome of the New York City mayoral elections.[13]

8 Miami-Dade: Ranked No. 1 in the U.S. in Jobs Growth - MIAMI REALTORS®
9 Miami-Dade: Most Multifamily Units Under Construction in the U.S. - MIAMI REALTORS®
10 Miami Ranked No. 1 Office Market in the U.S. - MIAMI REALTORS®
11 Florida Eliminates Burdensome Business Rent Tax | Florida Realtors
12 Miami-Dade Out-of-State Driver License Exchanges Are 22% Above Pre-Pandemic - MIAMI REALTORS®
13 Luxury real estate brokers say wealthy New Yorkers are already looking to flee after Zohran Mamdani's primary win

MIAMI Association of Realtors® (MIAMI) was chartered by the National Association of Realtors® in 1920 and is celebrating 105 years of service to Realtors® , the buying and selling public, and the communities in South Florida. Comprised of six organizations: MIAMI RESIDENTIAL, MIAMI COMMERCIAL; BROWARD-MIAMI, a division of MIAMI Realtors; JTHS-MIAMI, a division of MIAMI Realtors in the Jupiter-Tequesta-Hobe Sound area; MIAMI YPN, our Young Professionals Network Council; and the award-winning MIAMI Global Council. MIAMI REALTORS® represents nearly 60,000 total real estate professionals in all aspects of real estate sales, marketing, and brokerage. It is the largest local Realtor association in the U.S. and has official partnerships with 249+ international organizations worldwide.

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

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