



5 Reasons Miami's Price Appreciation Is Not a Housing Bubble

Miami-Dade County single-family prices rose 77% during August 2019-2025, outpacing the national increase of 52%.

Miami-Dade County's home prices have been rising on a sustained basis year-over-year nearly every month since December 2011, a remarkable 14-year run.

As of August 2025, the median single-family home sales price was at \$655,000, five times the median sales price of \$146,000 in January 2011. Nationally, the median single-family sales price was at \$427,800, about three times the median sales price of \$158,500 in January 2011.

Prices rose sharply in the wake of the COVID-pandemic in 2020. As of August, the median single-family sales price in Miami-Dade County was 77% higher than in August 2019, outpacing the national increase of 52%.

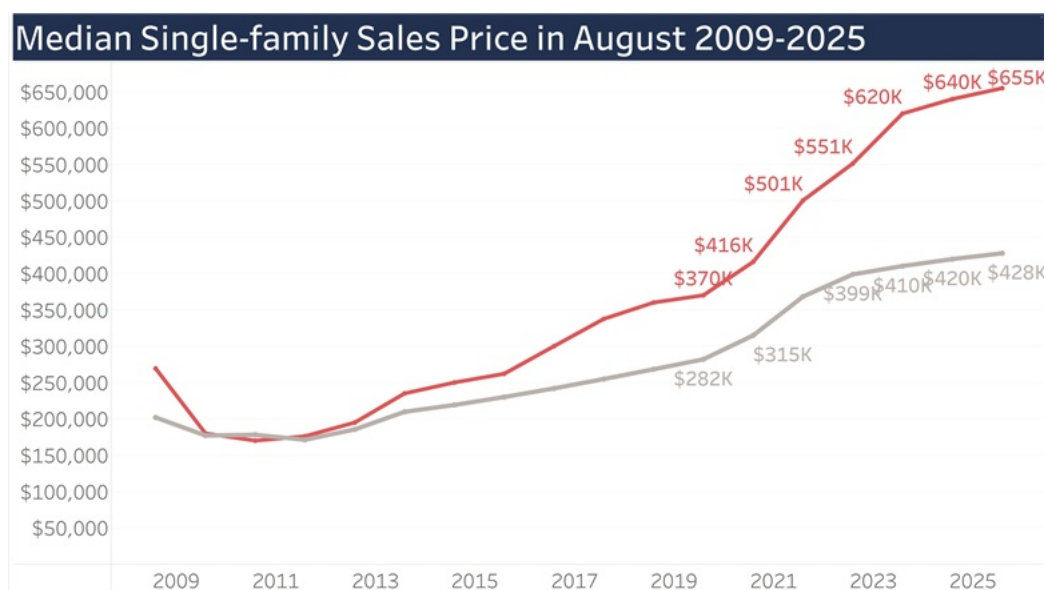
The pace of price appreciation accelerated in July 2020 as the Federal Reserve Board aggressively cut the federal funds rate by a total of 1.5 percentage points at its meetings on March 3 and March 15, 2020, lowering the federal funds rate to a range of 0% to 0.25% over a two-year period.

Low mortgage rates boosted demand, and in July 2020, the median single-family sales price in Miami-Dade County started to increase at a double-digit pace until October 2022, peaking to a 34.8% increase in April 2021. Nationally, the median single-family sales price also rose at a double-digit pace through June 2022, peaking at 21.6% in May 2021.

In March 2022, with inflation cooling, the Fed made its first rate hike, executing a total of 11 rate hikes through July 26, 2023 that raised the federal funds rate to a range of 5.25% to 5.5%. This led to a contraction in sales over the past four years to the lowest level since 2010. However, prices have continued to appreciate.

Average weekly wages have increased since 2019 in both the Miami Metro area and nationally due to sustained job gains. However, wage growth has not kept pace with the price growth. The average weekly wage in the Miami-Fort Lauderdale-West Palm Beach Metropolitan Area and across the nation overall increased at a slower pace of 29% over the period August 2019 through August 2025.

Is this robust price appreciation that is outpacing wage growth indicative of a housing bubble? We lay out five reasons to show that the price appreciation has been due to demand and supply fundamentals rather than by speculative activity and easy credit conditions that characterized the housing bubble that precipitated the Great Recession.





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Reason #1: Underwriting standards are tighter compared to pre-Great Recession standards.

Robert Shiller in his book "Irrational Exuberance" explained that an asset price bubble occurs when "price increases generate enthusiasm among investors, who then bid up prices more, and then it feeds back again and again until prices get too high. During that period, people are motivated by envy of others who made money doing it, regret not having participated and the gambler's excitement."

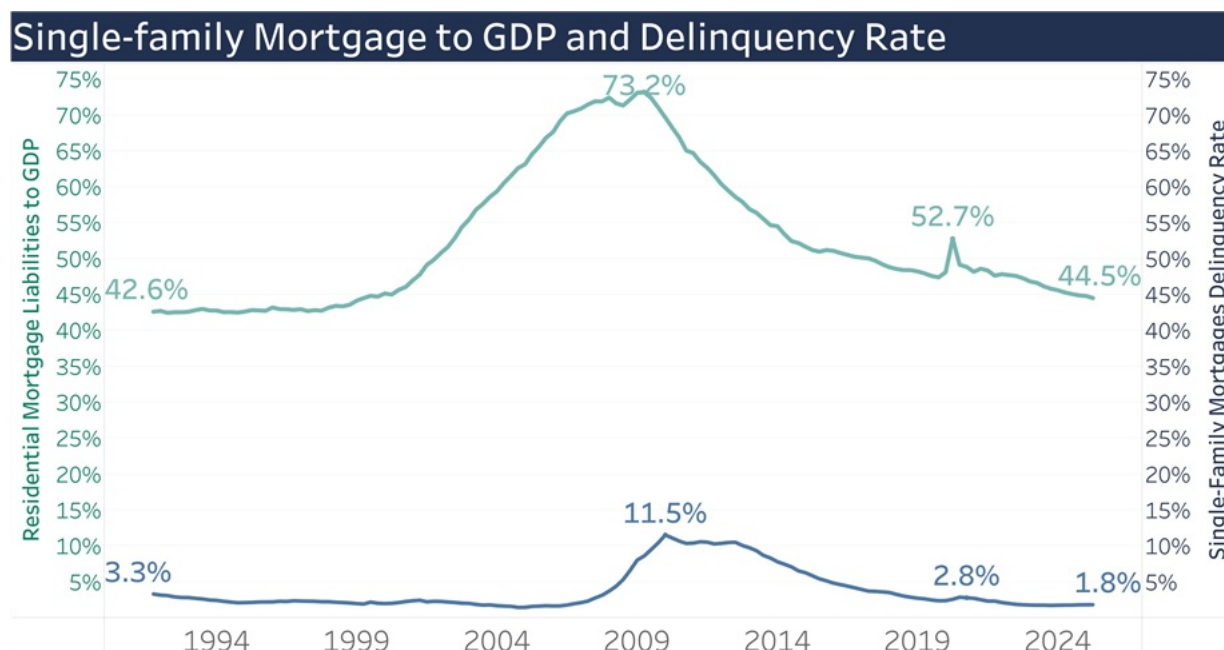
The price runup and collapse of the housing market in 2007 can be categorized as a housing bubble because many homebuyers obtained mortgages that were not tied to their ability to pay (no income, no job, job asset verification, or NINJA loans) as financial market participants relaxed lending standards that disconnected the loan to the borrower's ability to pay. As interest rates were reset higher, these NINJA borrowers could not repay their loans resulting in massive defaults that led to a rush of selling that led to a downward spiral in price, or the bursting of the bubble, which led to a credit freeze, and a recession.

Lending standards and credit conditions are tighter today compared to the runup prior to the Great Recession.

Residential mortgage liabilities peaked to over 70% of GDP in 2009, and except for a spike in 2020, the share of residential mortgages to GDP has been declining since the Great Recession to currently 44.5%.

The delinquency rate on single-family residential mortgages held by domestic commercial banks peaked at 12% during the Great Recession and has trended down except for a small upturn during the COVID pandemic but is currently at 1.8%.

The median FICO score among large bank mortgage originations as of the first quarter of 2025 is 77 ("very good" or "excellent").





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Reason #2: Job growth in the Miami Metro Area has outpaced the nation especially in higher-paying industries.

The Miami-Fort Lauderdale-West Palm Beach Metro Area has seen a stronger expansion in non-farm employment compared to the nation since 2021 after suffering a deeper decline in 2020, particularly in higher-paying sectors like professional/business services, financial activities, and information services.

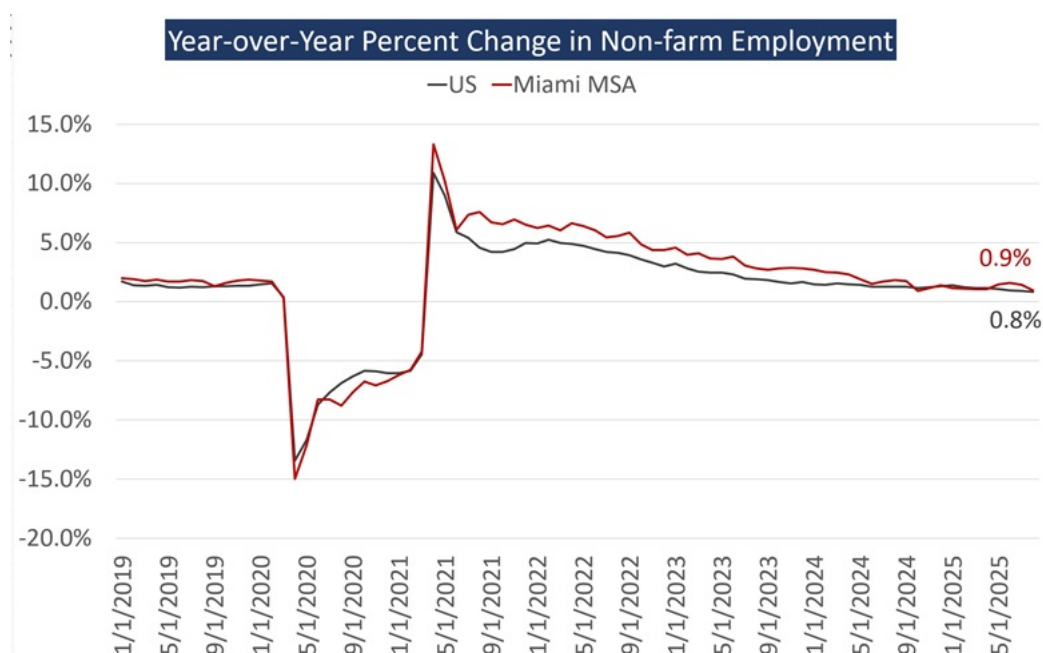
Over the six-year period from August 2019 through August 2025, the Miami MSA saw a cumulative 9.5% increase in non-farm employment compared to 5.5% nationally. Employment in higher-paying jobs all rose at a stronger pace in Miami-Dade County than nationally. Employment in the financial activities industry (finance, real estate, rental, and insurance) rose 18% compared to 5% nationally. Employment in the professional and business services industry rose 14% in Miami-Dade compared to 5% nationally. Employment in the information services industry rose 6% in Miami-Dade compared to 2% nationally.

In the first quarter of 2025, Miami-Dade County had the highest employment growth in 2025 Q1 among the nation's 10 largest counties, per the Quarterly Census of Employment and Wages. Employment rose 1.5% in Miami-Dade County, outpacing the national increase (0.4%), New York County, NY (0.9%), Dallas County, TX (0.6%), Harris County, TX (0.5%), King County, WA (0.3%), Cook County, IL (0.2%), Maricopa County, AZ (0.0%), Orange County, CA (-0.3%), San Diego, CA (-0.5%), and Los Angeles, CA (-0.5%). [Miami-Dade: Ranked No. 1 in the U.S. in Jobs Growth - MIAMI REALTORS®](#)

Driving the employment growth in Miami-Dade County was the construction industry (+4.3%) which outpaced the national increase (1.0%). 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.

Education and health services had the second fastest employment growth (+2.4%). Underpinning the demand for education and health services is the county's strong population growth (2.3%) in 2024, outpacing the national population growth (0.98%). Miami-Dade County leads the nation in net international migration and is enjoying a natural increase with more births than deaths, according to the US Census Bureau's 2024 Population Estimates.

Professional and business services had the third largest employment growth (2.3%), in contrast to the national decline (0.7%). Miami-Dade County has the most robust office commercial real estate market, posting the lowest office vacancy rate of 15.5% among the 25 major office markets.





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Reason #3: Out-of-state migration accelerated from pre-pandemic levels.

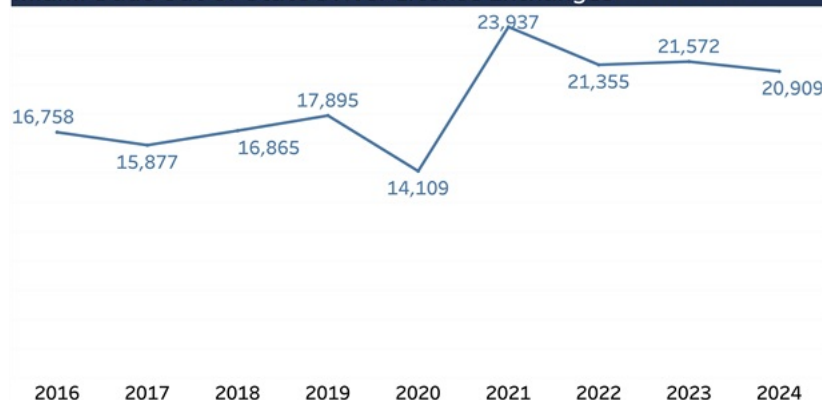
The surge in migration into Florida in the wake of the COVID-pandemic was a strong driver of housing demand and prices. Florida was a leader in keeping businesses operating at the outset of the pandemic, allowing businesses to open on a limited basis in April 2020 and fully in September 2020. Florida likely drew in the surge of retirees in the "Great Resignation" during the period February 2020 through February 2022 when the labor force 55 years old and over shrank by 1.42 million.

Out-of-state migration impacts both the level of demand and price because out-of-state movers tend to have higher incomes than in-state residents and movers. According to MIAMI Realtors analysis of 2022 IRS migration data from tax filers, the average adjusted gross income of households who moved to Miami-Dade County in 2022 was \$175,600 compared to \$98,100 among non-mover residents. The total dollar volume of income that flowed into Miami-Dade County from people who moved to the county rose from \$3.8 billion in 2019 to \$4.5 billion in 2020, peaking to \$10.4 billion in 2021 although moderating but remaining elevated to \$8.4 billion in 2022. [Migration Bolstered Southeast Florida's Aggregate Household Income by \\$10 Billion in 2022 - MIAMI REALTORS®](#)

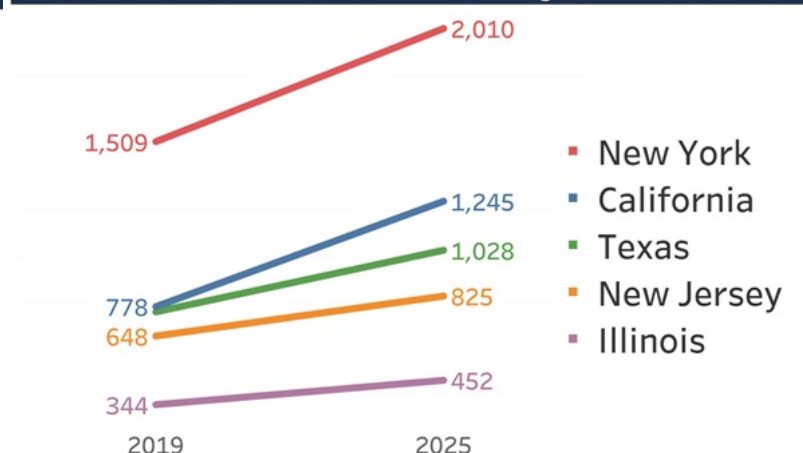
Over the period 2020 Q1-2024 Q1, the Miami Metro Area gained a net of 24,300 jobs from other states, with the largest net inflows from the states of New York (+17,491), New Jersey (+6,209), and California (+4,707). At the metro area level, the top metro areas that had the largest net job inflows into the Miami Metro Area in 2020 Q1 through 2024 Q1 were the New York-Newark-Jersey City metro area (+21,082 jobs), Chicago-Naperville-Elgin (+4,533 jobs), and the Boston-Cambridge-Newton metro area (+2,680 jobs). [Miami MSA Continues to Attract Tech and Finance Jobs from New York, California, and Illinois - MIAMI REALTORS®](#)

Driver license exchanges from out-of-state movers, an indicator of out-of-state migration, have slowed since 2021, but remains elevated compared to pre-pandemic levels. In the first half of 2025, there were 20,909 driver license exchanges in Miami-Dade County, 22% higher than the level in the first half of 2019 and 1% higher from the same period one year ago. The rate of increase is much higher among the main movers, with the largest increase from movers from California (+60%). Among New York driver license exchanges which make up the largest number, the level is up 33% from the same period in 2019. [Miami-Dade Out-of-State Driver License Exchanges Are 22% Above Pre-Pandemic - MIAMI REALTORS®](#)

Miami-Dade Out-of-State Driver License Exchanges



Miami-Dade Out-of-State Driver License Exchanges, 2019 & 2025 Q1-Q2





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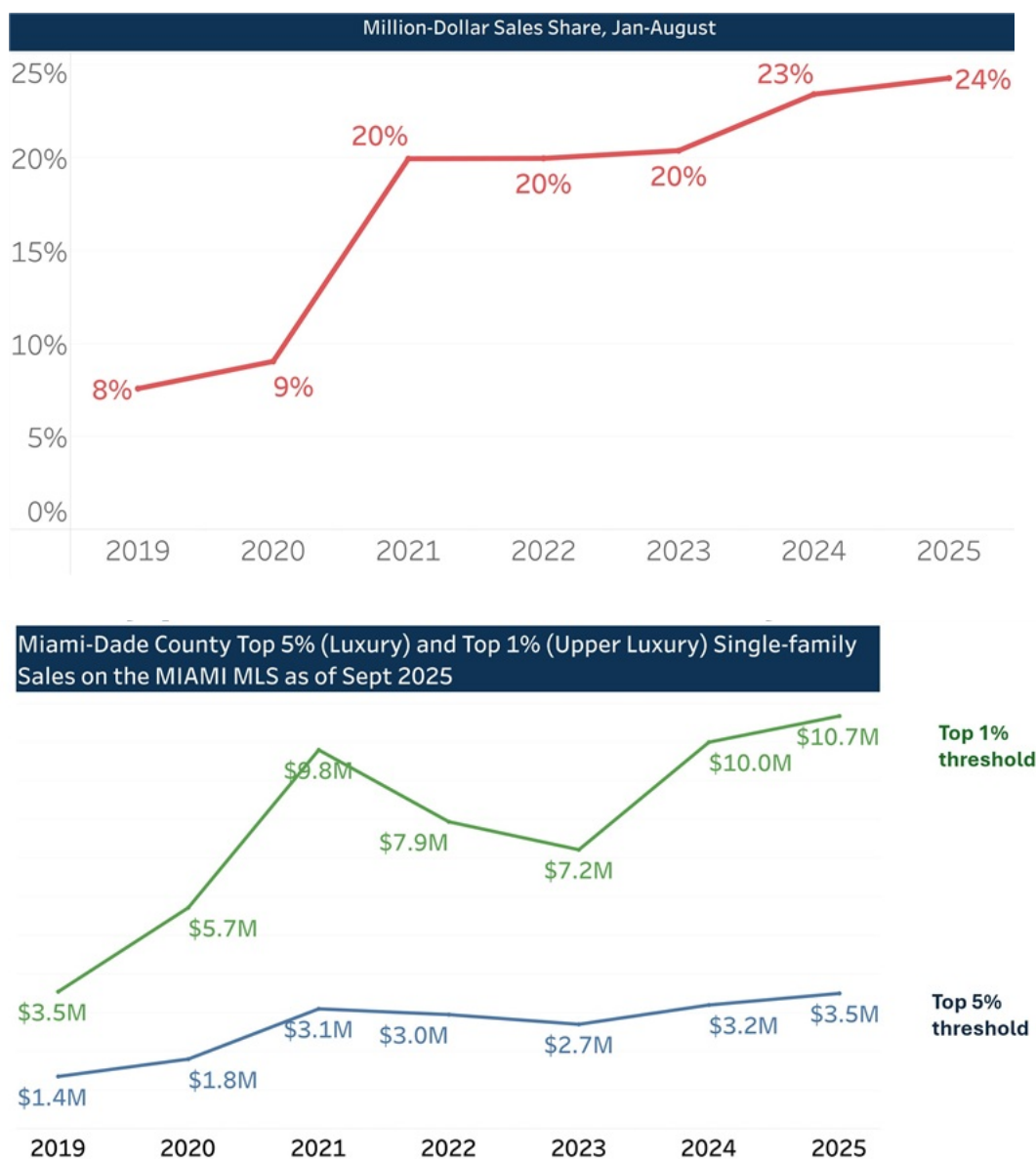
Reason #4: Luxury buyers continue to gain market share and push up luxury home prices.

The rising market share of million-dollar sales and the higher price points of luxury buyers are indicative of the sustained wealth migration into Miami-Dade.

Year-to-date through August, million-dollar home sales accounted for 24% of single-family sales, up from 8% during the same period in 2019. [Buyer Momentum Strengthens in Miami Market Area in August 2025 - MIAMI REALTORS®](#)

Million-dollar buyers tend to pay all-cash, rather than obtain a mortgage. Year-to-date through August, 46% of million-dollar homes purchased in Miami-Dade County were all-cash, compared to 25% all-cash sales share for all single-family home sales.

The luxury market share is not only rising, but luxury buyers are buying at higher price points aswell. Based on January-August 2025 sales on the MIAMI MLS , the threshold for a single-family luxury home (95th percentile) in Miami-Dade County rose to \$3.5 million, up from \$3.2 million one year ago and \$1.4 million in 2019. The "ultra-luxury" threshold price (99th percentile) rose to \$10.7 million, up from \$10 million one year ago and \$3.5 million in 2019.



Source: MIAMI MLS Residential (Property Type) with Property Subtype "Single-family Residence"



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Reason #5: As mortgage rates rose in 2022-2023, the mortgage rate lock-in effect depressed new listings (supply) that accelerated price growth.

In 2022-2023, mortgage rates rose as the Federal Reserve raised the federal funds rate eleven times from March 2022 through July 2023 by a cumulative 525 basis points to a target range of 5.25% to 5.5%. This pushed up the 30-year fixed mortgage rates from its historic low of about 3% as of the end of 2021 to a high of 7.6% in October 2023!

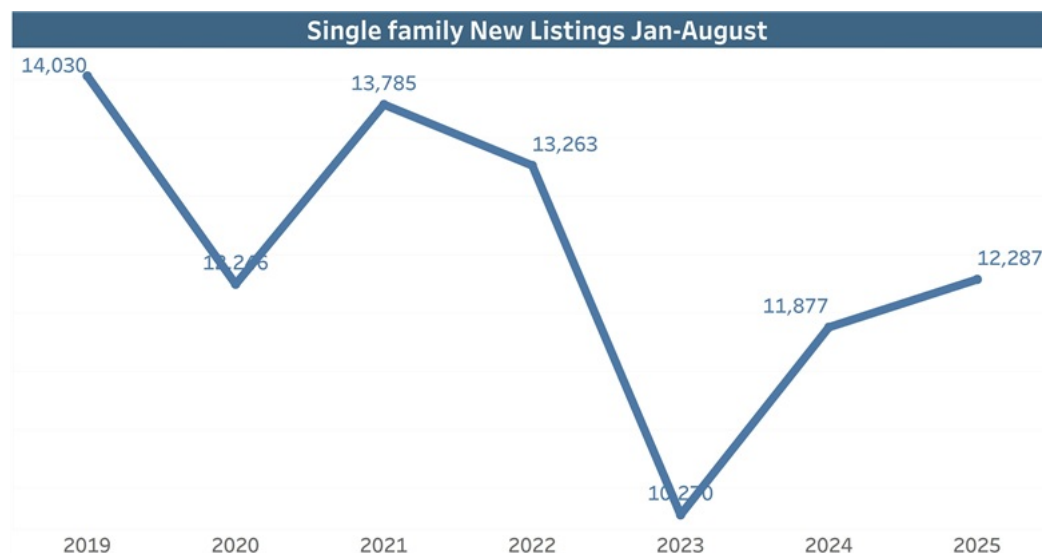
The effect was a pullback in new listings as homeowners who had locked in or refinanced their mortgages had no financial incentive to move/sell and to obtain a higher mortgage (called the rate lock-in effect).

Year-to-date through August, new listings fell 4% in 2022 and dived 23% over the same period in 2023. With fewer new and fresh listings, the median single-family sales price rose 10% in August 2022 and accelerated to 13% in August 2023.

As mortgage rates slightly edged downward in 2024 with the expectation of rate cut by the Fed, new listings picked up. Year-to-date through August, new listings rose 15.6% in 2024, tempering price growth to a year-over-year pace of 3% in August 2024.

Year-to-date through August 2025, new listings are up 3.5% in Miami-Dade County from the same period one year ago, and active inventory as of August 2025 is up 28% from one year ago, resulting in a moderate price appreciation of 2.3%.

In conclusion, Miami-Dade County's robust price appreciation has reflected underlying demand and supply fundamentals, not speculative activity that characterizes a housing bubble such as prior to the Great Recession. These underlying fundamentals are tighter access to credit, robust job growth, elevated out-of-state migration, wealth migration and more luxury home buyers, and the mortgage rate lock-in effect that curtailed new listings in 2022-2023. Any price movement is likely to depend on these fundamental factors. MIAMI Realtors September 2025 Outlook projects a modest increase of 3.4% of the median single-family sales price in 2026 based on the scenario that mortgage rates will stabilize at 6%. [Southeast Florida Home Sales to Rebound in 2026 as Mortgage Rates Hit 6% - MIAMI REALTORS®](#)





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

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