2026-27 South Florida Housing Outlook
Geopolitical Turmoil Sets Back Housing Recovery

2025-2027 Southeast Florida Housing Outlook
March 2026 Update

	2019	2025	2026F	2027F
Economy				
30-year fixed mortgage rate (average)	3.9%	6.6%	6.8%	6.4%
Year-end	3.7%	6.2%	6.5%	6.2%
10-year Treasury yield (average)	2.1%	4.3%	4.6%	4.2%
Year-end	1.9%	4.1%	4.0%	4.0%
Brent crude (average)	$64	$69	$101	$90
Year-end	$74	$63	$90	$90
PCE Inflation,seas. adj. (average)	1.4%	2.6%	3.7%	2.9%
Year-end	1.6%	2.9%	3.5%	2.7%
Housing				
Total existing home sales	95,760	77,704	75,400	76,000
% change	*-5.4%*	*-2.6%*	*-3.0%*	*0.8%*
Single-family	52,109	43,697	43,200	44,000
% change	*-3.3%*	*0.2%*	*-1.1%*	*1.8%*
Condominium/townhome	43,651	34,007	32,200	32,000
% change	*-7.8%*	*-7.1%*	*-5.3%*	*-0.6%*
Median sales prices (year-end)	$288,658	$478,852	$482,500	$487,100
% change		*-3.0%*	*0.8%*	*1.0%*
Single-family	$357,755	$606,366	$607,700	$613,700
% change	*5.9%*	*0.2%*	*0.2%*	*1.0%*
Condominium/townhome	$202,870	$325,465	$314,600	$313,000
% change	*6.8%*	*-4.9%*	*-3.3%*	*-0.5%*
Active Inventory (year-end)	48,768	49,294	51,180	51,119
Single-family	19,816	18,515	18,719	18,387
Condominium/townhome	28,952	30,779	32,461	32,732
Months' supply (year-end)	6.1	7.6	8.1	8.1
Single-family	4.6	5.1	5.2	5.0
Condominium/townhome	8.0	10.9	12.1	12.3
Affordability				
Estimated monthly mortgage payment	$1,200	$2,640	$2,750	$2,680
Single-family	$1,526	$3,340	$3,470	$3,380
Condominium/townhome	$865	$1,790	$1,800	$1,720
Monthly mortgage payment a 2-earner household can afford	$1,940	$2,570	$2,710	$2,780
Home price a 2-earner household can afford	$420,450	$420,060	$427,210	$454,310
Household Income needed to afford a mortgage	$57,600	$126,720	$132,000	$128,640
Single-family	$73,250	$160,320	$166,560	$162,240
Condominium/townhome	$41,540	$85,920	$86,400	$82,560
Renter households who can afford a home	290,036	54,882	42,434	50,356
As a percent of all renter households	31.0%	5.6%	4.3%	5.1%

In this report, South 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 Communication, at chris@miamire.com.

1. Geopolitical turmoil will set back the housing market recovery as rising oil prices push inflation to an average of 3.7% and the 30-year mortgage rate to 6.8%.

The depth and breadth of the economic impact of the geopolitical tension in the Middle East following the assassination of Iranian Supreme Leader Ali Khamenei last February 28, 2026 remains highly volatile and uncertain with the conflict still at its early stage.[1] However, rising crude oil prices will likely push up inflation and interest rates and lower economic growth, setting back the housing recovery to 2027.

The Miami Association of Realtors® (MIAMI) March 2026 Outlook update is based on a scenario that crude oil prices will average at $101/barrel in 2026. The MIAMI scenario assumes that Brent crude oil will surge to an average of $100/barrel in March and hit $120/barrel in the summer months of June through August. Oil prices will likely moderate to $90 by year-end and through 2027 as the United States adopts a combination of measures to ease the supply shortage such as releasing oil from the US Strategic Petroleum Reserves and granting waivers for countries to start buying sanctioned oil from Venezuela and Russia.[2] Oil prices can go much higher and remain elevated at over $100 longer if the tensions escalate and the Strait of Hormuz remains impassable causing a shutdown in oilfields. Iraq, Kuwait, and UAE have already shut down some oilfields.[3]

As of March 8, Brent crude has surged to $110/barrel, up 53% from the level on February 27 and one year ago ($72/barrel). Oil prices have sharply risen with Iran's blockade of the Strait of Hormuz through which 20% of global oil and liquefied natural gas pass from producers like Saudi Arabia, UAE, Iraq, Kuwait, and Iran.[4]

Oil prices rose sharply but temporarily following Russia's invasion in Ukraine in February 2022. As the US imposed sanctions on Russia that curtailed the importation of oil from Russia, Brent crude prices rose to a peak average of $123/barrel in June 2022 from $87/barrel in January 2022. The spike was short-lived as the United States released oil from the US Strategic Petroleum Reserves that brough crude oil to $80/barrel by December 2022.[5]

Compared to the Russia-Ukraine war, oil prices are likely to remain elevated longer in the current geopolitical conflict in the Middle East which has historically been a political flashpoint. The direct involvement of the United States and what appears to be unclear objectives (regime change or destroying Iran's nuclear or military capabilities) could result in a protracted conflict.[6] The Trump Administration has said that the military operation in Iran would be over in a few weeks and that the Administration is not eyeing a prolonged conflict like in Iraq and Afghanistan, but political analysts argue that the conflict could become prolonged, depending on how long Iran will be able to engage militarily and politically under the new Supreme Leader, Mojtaba Khamenei, son of Ali Khamenei, who is viewed as hardline figure.[7]

1 How long will the Iran war last? Experts weigh in on the debate
2 Scott Bessent says US could lift sanctions on more Russian oil
3 Iran war threatens prolonged impact on energy markets as oil prices rise | US-Israel war on Iran News | Al Jazeera
4 Global Oil Market Implications of U.S.-Israel Attack on Iran – AAF
5 Oil price back to pre-war level
6 What is Trump's true objective in the Iran war? US targets provide a clue
7 Mojtaba Khamenei, son of ayatollah killed in U.S.-Israeli strikes, named Iran's new supreme leader, state media reports

Given the oil price scenario, inflation will accelerate to an average of 3.7% in 2026. MIAMI Realtors® forecasts that inflation will spike beginning in March to 3.5% in April and hit the 4% mark from May through October as oil prices hit $100 to $120 dollars from May through October 2026. MIAMI Realtors® estimates that a 10% increase in the price of crude oil results in a direct impact of 0.3% increase in the price index given that crude oil accounts for about half of the cost of gasoline[8] and energy commodities and services account for 6.4% of the Consumer Price Index (0.10 x 0.5 x 0.065), so a 46% increase in the price of crude oil from $69/barrel in 2025 to $101/ barrel in 2026 increases the inflation rate by 1.5%. The impact could be higher due to second round effects as higher prices for energy commodities and services seep into the cost of other commodities and services, such as transportation services. MIAMI forecasts that inflation will remain elevated at an average of 2.9% in 2027 given the oil price scenario of $90/barrel in 2027.

The 10-year Treasury note yield will trend upward to an average of 4.6% in 2026. The 10-year note could hit 5% in mid-2026 as inflation accelerates to 4%. As of March 8, the 10-year note was already at 4.2%. The 10-year Treasury note yield is not likely to increase in lockstep with inflation because of a flight to safety to US Treasuries amid stock market volatility. The United States' lower reliance on global oil compared to the heavier reliance of Asian heavyweights China, Japan, and Korea on Middle East oil supply also enhances safe-haven attractiveness of the US compared to other markets. Approximately 70% of US crude imports comes from Canada and Mexico oil and only 10% come from the Gulf countries.[9] In contrast, half of China's imported oil comes from the six Gulf countries that rely on the Strait of Hormuz for transit.[10] Japan is the most energy dependent on the Middle-East which supplies 95% of Japan's crude imports. South Korea also relies heavily on Middle East oil which account for 72% of South Korea's crude oil imports.[11]

The 30-year fixed mortgage rate will climb to an average of 6.8% in 2026 and hit 7% mid-year before edging down to 6.5% by year-end. Mortgage rates will start to climb upward again in 2026 as the financial markets price in inflation and uncertainty. Financial markets are currently pricing in just one Fed rate cut, most likely in September 2026 based on Fed Funds futures contract prices.[12] As inflation accelerates to 4% during May-October 2026 and the 10-year note ascends to 5%, the 30-year mortgage rates will hit at least 7% from May-September. Mortgage rates will inch downward to 6.5% by year-end as inflation decelerates to 3.5% by year-end. MIAMI forecasts that the 30-year mortgage rate will remain elevated at an average of 6.4% in 2027.

8 Energy Information Administration- What Determines Gas Prices?
9 Oil imports and exports - U.S. Energy Information Administration (EIA)
10 Erica_Downs_Testimony.pdf
Japan vulnerable to energy shocks, as 95% of its oil is from Middle East | The Asahi Shimbun: Breaking News, Japan News and Analysis
11 Why Korea keeps relying on oil from the Middle East
12 FedWatch - CME Group

2. Higher mortgage rates will likely set back the housing market rebound to 2027, with million-dollar sales continuing to gain market share.

With mortgage rates projected to remain elevated at 6.8% in 2026 (vs. 6.0% in the December 2025 Outlook Update), MIAMI Realtors® expects the housing recovery to be pushed back in 2027, with sales declining 3% in 2026 and rebounding to 0.8% in 2027.

Single-family sales are projected to decline 1.1% after a modest 0.2% increase in 2025. Condominium home sales are projected to continue to decline by 5.3% after last year's 7.1% decline. As mortgage rates head downward in 2027, single-family sales will rebound 1.8% in 2027 and while condominium sales will post a modest decline of 0.6%.

While overall sales are poised to decline, MIAMI Realtors® expects the million-dollar segment to continue to outperform the overall market, sustaining the trend since 2023 when mortgage rates started rising.[13] A more volatile stock market could spur increased investments in the South Florida luxury real estate market as family offices and high net worth investors diversify their portfolios and shift away from riskier assets. The wealth migration into South Florida is evident in the rising share of million-dollar sales led by Palm Beach County (35%), followed by Miami-Dade County (30%), Broward County (22%), Martin County (20%), and St. Lucie County (2%) as of January 2026. Nationally, million-dollar sales accounted for 8% of sales.

Wealthier buyers tend to purchase in cash and are less impacted by higher mortgage rates. In the million-dollar segment, cash buyers accounted for a large majority of sales in January 2026 in Martin County (70%) and Palm Beach County (69%) and a large share of sales in St. Lucie County (57%), Miami-Dade County (49%), and Broward County (43%). Nationally, cash sales accounted for 27% of sales.

Cities that tend to attract a wealthier demographic with a higher share of cash sales (as of January 2026) will likely outperform the overall market in 2026: Miami (59%), Coral Gables (63%), Miami Beach (61%), Pinecrest (60%), Southwest Ranches (56%), Palm Beach Gardens (57%), West Palm Beach (82%), Palm Beach (78%), Jupiter (52%), Tequesta (80%), and Hobe Sound (64%). [14]

The upper price tier homes at $600,00 or more) will also be more resilient compared to the lower price tier homes, bolstered by out-of-state buyers and job switchers who have higher incomes than in-state residents and job movers. New York and California are top out-of-state buyers and migration could increase due to potential higher corporate and income taxes in these states. Out-of-state job switchers tend to have higher earnings in their Miami Metro Area destination jobs than in-state job switchers. In 2024 (Q1-Q3), the median annualized quarterly earnings of out-of-state job movers to the Miami Metro Area rose to $101,454 compared to $61,716 among job switchers from any area in Florida to the Miami Metro Area.[15]

13 South Florida Million-Dollar Home Sales Surge 24% - MIAMI REALTORS®
14 Ibid
15 New York, Texas, and California: Top States Switching Jobs to South Florida - MIAMI REALTORS®

3. The median single-family sales price will remain stable as inventory hovers at 5 months' supply while condo/townhome prices will continue to decline at a single-digit pace with inventory hovering at 12 months' supply. The higher share of million-dollar sales and higher luxury thresholds will also push the median price upward.

The median single-family sales price will remain stable in 2026, increasing by a modest 0.2%, with single-family active inventory at 5.2 months' supply. In the condominium market, the median sales price will continue to decline by 3.3% in 2026 with active inventory rising to 12.1 months' supply.

Demand and supply conditions will remain balanced as new listings will also tend to decline due to the mortgage rate lock-in effect. According to HUD's National Mortgage Database, 76% of outstanding mortgages in Florida have an interest rate of below 6%. Rising mortgage rates will dissuade homeowners from giving up their lower mortgage payments unless necessitated by life events such as a job relocation, moving to a new school, a divorce, or retiring to a new place. The rate lock-in effect was evident in 2022 and 2023 when mortgage rates rose from 3.1% in December 2021 to 6.8% by December 2023, resulting in a decline in new listings by 4.9% in 2022 and 14.3% in 2023.

Another reason for the sustained increase in median single-family sales prices is the rising share of million-dollar homes and the higher thresholds among luxury homebuyers.[16] In Miami-Dade County, the single-family luxury (top 5%) threshold rose to $3.4 million while the ultra-luxury (top 1%) threshold rose to $10.4 million in 2025, according to MIAMI Realtors® analysis of county records. In Broward County, the luxury threshold climbed to $2.0 million while the ultra-luxury threshold rose to $4.8 million. In Palm Beach County, the luxury threshold rose to $3.5 million while the ultra-luxury threshold rose to $11.0 million. In Martin County, the luxury threshold notched up to $3.1 million while the ultra-luxury threshold rose to $8.3 million. In St. Lucie County, the luxury threshold was stable at $700,000 while the ultra-luxury threshold rose to $1.5 million.

In the condo market, the luxury threshold in Miami-Dade climbed to $3.0 million while the ultra-luxury threshold rose to $7.7 million. In Broward County, the luxury condo threshold edged higher to $900,000 while the ultra-luxury threshold climbed more steeply to $2.2 million. In Palm Beach County, the condo luxury threshold rose to $2.2 million while the ultra-luxury threshold ascended to $5.5 million. In Martin County, the condo luxury threshold rose to $1.2 million while the ultra-luxury threshold rose to $3.0 million.

16 South Florida Ultra-Luxury and Luxury Home Thresholds Rise to Record Highs - MIAMI REALTORS®

4. Rising mortgage rates will push buyers to affordable markets where prices are typically below $500,000.

Geographic areas where the typical home is in the $400,000 to $500,000 range will tend to attract homebuyers as mortgage rates rise in 2026. Based on MIAMI Realtors® analysis, a 2-earner household earning average weekly wages has a household income of about $130,000 in 2026. MIAMI Realtors® estimates that an affordable home is one priced at $427,200 or less, with households spending no more than 25% of income on principal and interest payments and 5% on taxes, insurance, and maintenance so total expenses are no more than 30% of income.

Below are the areas with a median single-family sales price of $500,000 or less as of January 2026 that could attract buyers. Access to efficient public transportation and availability of good schools will further bolster the attractiveness (or unattractiveness if otherwise) of these areas.[17]

Miami-Dade County: Miami-Gardens, Homestead, West Little River

Broward County: Sunrise, Tamarac, North Lauderdale, Oakland Park, Lauderhill, Margate, West Park, Lauderdale Lakes, Washington Park

Palm Beach County: Boynton Beach, Greenacres, Lake Worth, Riviera Beach

Martin County: Jensen Beach, Port Salerno

St. Lucie County: Port St. Lucie, Fort Pierce, Lakewood Park, River Park, Hutchinson Island South

---

South Florida Million-Dollar Home Sales Surge 24% - MIAMI REALTORS®

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.

For information about this report, contact:

Gay Cororaton, CBE, CRE
Chief Economist
gay@miamire.com

Chris Umpierre, AWHD
Chief of Communication
chris@miamire.com

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