



2024

Southeast Florida Housing Outlook

Rising Sales and Sustained Home Price Appreciation in 2024



December 2023

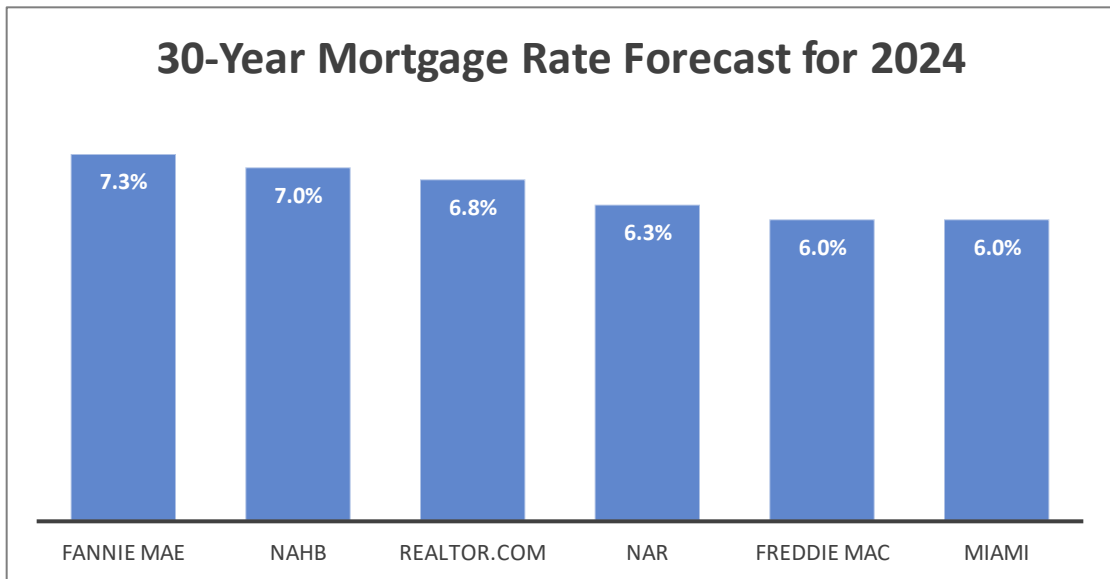
1. Mortgage rates will continue to trend downwards in 2024 and could hit 5.75% by year-end.

Mortgage rates are likely to keep trending down in 2024 after peaking to 7.8% in the last week of October as inflation continues to cool. The 30-year fixed mortgage rate could fall to 5.75% by year-end and average 6% for the full-year as inflation continues to decline, averaging 3% in 2024 and 2.75% by year-end. As of November, inflation was at 3.1%, down from a peak of 9.1% in June 2023.

Inflation has been slowing with labor demand and supply becoming more balanced and with rent growth stabilizing after a pandemic-induced surge.

Nationally, the average weekly wage rose at a slower annual pace of 3.7% in November (4.1% in November 2022), with less than two job openings for every job seeker, down from over two job openings per job seeker in 2022.

Nationally, rent growth has been slowing since 2022 after a pandemic-induced demand for rentals spiked up rents in 2020-2021, with the median asking rent down 0.5% year-over-year, according to Realtor.com. In Southeast Florida, the 2-bedroom multifamily asking rents were down year-over-year in Miami-Dade to \$3,900 (-1%), Broward, \$2,295 (-12%); Martin, \$2,000 (-3%). However, asking rents were up in Palm Beach, at \$2,600 (+4%) and in St. Lucie, at \$2,500 (+19%), based on MIAMI MLS and Rental Beast listings.



[Fannie Mae November 2023 forecast, Housing Forecast - November 2023 \(fanniemae.com\)](https://www.fanniemae.com)

[Freddie Mac November 2023 forecast, Freddie Mac, Economic, Housing and Mortgage Market Outlook – November 2023 - Freddie Mac](https://www.freddiemac.com/economic-outlook)

[NAHB November 2023 forecast, https://www.nahb.org/news-and-economics/housing-economics/macro-economic-outlook](https://www.nahb.org/news-and-economics/housing-economics/macro-economic-outlook)

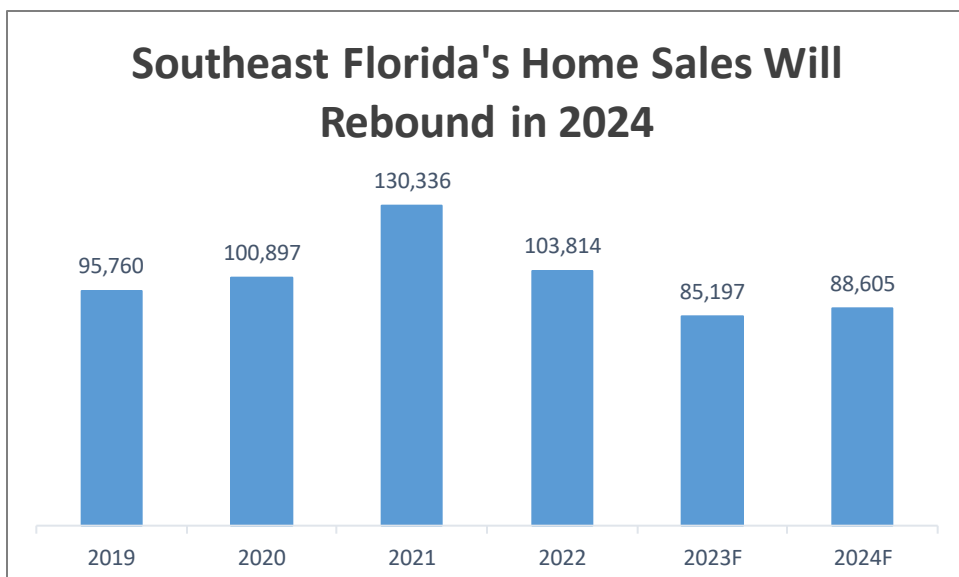
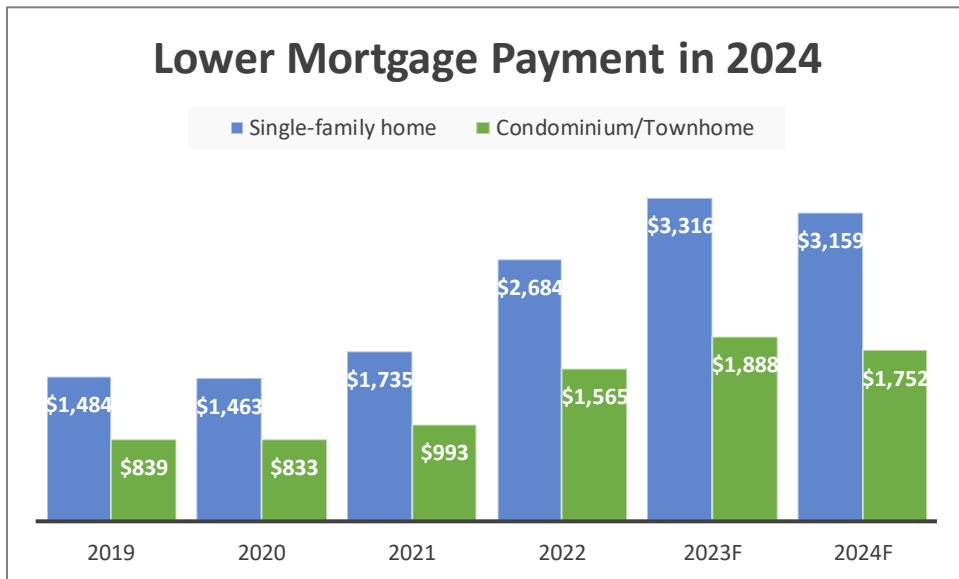
[NAR October Outlook, October 2023 Outlook.xls \(nar.realtor\)](https://www.nar.realtor/outlook)

[Realtor.com 2024 Housing Market Predictions and Forecast - Realtor.com](https://www.realtor.com/news/market-predictions)

2. Sales will rebound, with expected growth of 4%, as mortgage payments fall.

Lower mortgage rates will improve affordability for renter households earning at least \$100,000. Sales are projected to increase by 4%, with about 12,000 more renter households able to afford a mortgage on a typical single-family home.

With mortgage rates declining from an average of 6.8% in 2023 to 6% in 2024, homebuyers save about \$160 per month (from \$3,316 to \$3,159) on a single-family home purchased at the median sales price (\$564,655 in 2023, \$585,350 in 2024) and \$136 per month on a condominium/townhome purchased at the median sales price (\$321,455 in 2023, \$324,675 in 2024).



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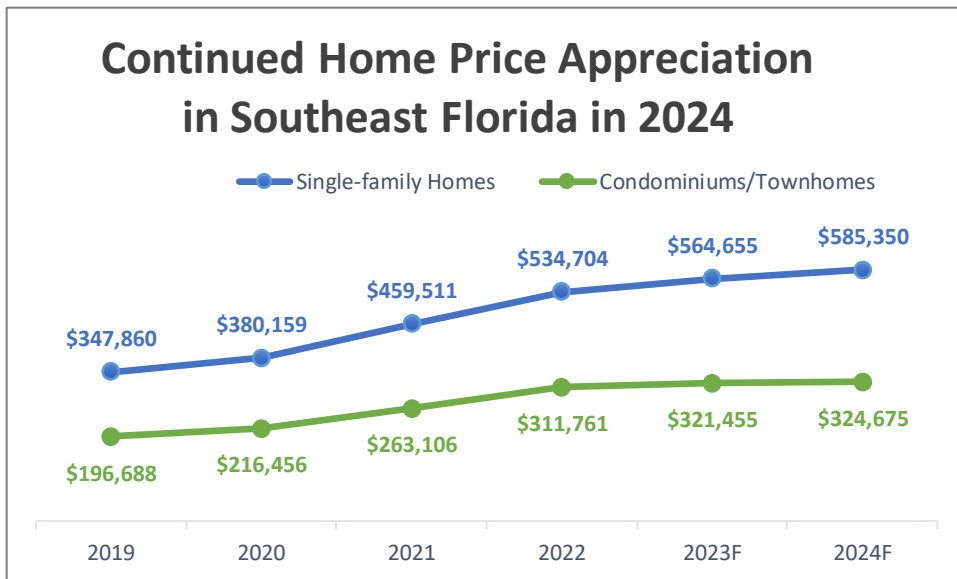
3. Home prices will continue to rise, albeit at a modest pace of 3% following cumulative price gains of over 50% since 2019.

With higher demand from lower mortgage rates, the median existing home sales price in Southeast Florida* is projected to rise at a modest pace of 3%, following the robust cumulative appreciation since 2019.

Since October 2019 through October 2023, the median single-family home sales prices have increased by over 50% across the five counties: Miami-Dade (69%), Broward (59%), Palm Beach (73%), Martin (51%), and St. Lucie (68%).

In the condominium/townhome market, the median home sales prices have increased by over 60% across the five counties since October 2016 through October 2023: Miami-Dade (64%), Broward (62%), Palm Beach (83%), Martin (84%), and St. Lucie (106%).

Tighter supply conditions in the single-family home market will support a stronger price growth of 4% while the buildup in inventory of condominiums for sale will tend to suppress the price appreciation to a modest increase of 1%.



*In this report, Southeast Florida refers to the counties of Miami-Dade, Broward, Palm Beach, Martin, and St. Lucie where members of the Miami Association of REALTORS® (MIAMI) conduct transactions.

4. Inventory is likely to continue to build up in the condominium market, while supply will remain tight in the single-family market.

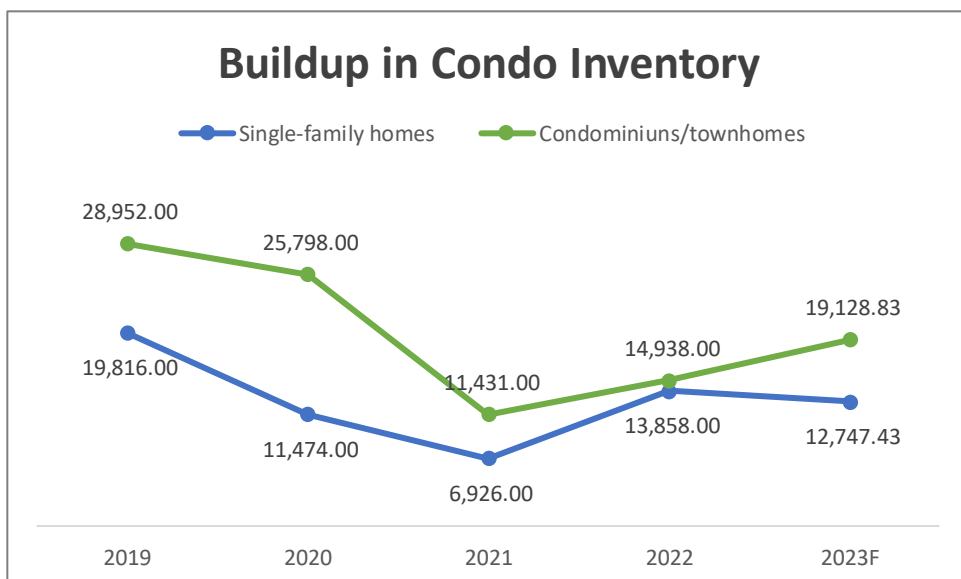
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As of the end of October 2023, active listings of single-family homes were down 8% year-over-year overall in the five counties: Miami-Dade (-14%), Broward (-9%), Palm Beach (-1%), and St. Lucie (-11%), and Martin (3%). Months' supply was at 4 months or lower: Miami-Dade (4.0), Broward (3.4), Palm Beach (3.6), Martin (3.3), and Palm Beach (3.3). This market will likely remain a seller's market in 2024 with 3 to 4 months' supply.

In the condominium/townhome market, active listings were up 23% overall in the five counties: Miami-Dade (+9%), Broward (+45%), Palm Beach (+57%), Martin (+53%), and St. Lucie (+79%). Active listings hovered near 5 to 6 months: Miami-Dade (6.3), Broward (4.2), Palm Beach (4.2), Martin (4.4), and St. Lucie (5.4). This market will likely emerge as a buyer's market in 2024 with 5 to 6 months' supply. Recent regulations to ensure the safety of residents are necessary but the expected cost of compliance can motivate owners to sell.

Inventory is likely to tighten in 2024 through mid-2024 with fewer single-family homes permitted in 2023 in the first 10 months of 2023. Total 1-unit homes authorized are projected to decline by 959 units compared to the level in 2022: Miami-Dade (-942), Broward (-247), Palm Beach (-317), Martin (+132) and St. Lucie (+417).

In contrast, there is a projected increase of 3,609 units authorized in 5-unit or more buildings in Miami-Dade (+4,3240), Broward (+1,198), Palm Beach (-84), Martin (-379), and St. Lucie (-1,449).



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5. Out-of-state and international migration will likely remain elevated above pre-pandemic levels due to the area's strong economy, low business taxes and no state income tax, and the continuing recovery of domestic and international tourism and travel.

Southeast Florida's housing market is underpinned by a resilient and dynamic economy. In 2022, all Southeast Florida counties posted higher GDP growth than nationally (1.9%): Miami-Dade (5.8%), Broward (4.6%), Palm Beach (3.4%), Martin (6.2%), and St. Lucie (3.4%). The Miami Metro area's job growth, at 2.7% as of October 2023, is outpacing the national rate, at 1.9%.

Florida's low tax environment is a major factor drawing businesses to the area, including relocations and expansions by tech, finance, and law firms like [Citadel](#), [Goldman Sachs](#), [Microsoft](#), [Indxx](#), [FundKite](#), [Thoma Bravo](#), [Kirkland & Ellis](#), [LeverX](#), and [Kaseya](#). The Miami-Dade Beacon Council reported that the expansion or relocation of 51 business in Miami-Dade directly created about 5,700 jobs in 2022-2023, with an average salary of \$98,000. The reduction of the sales tax rate levied on Florida businesses renting or leasing commercial property, also known as the business rent tax (BRT), from 5.5% to 4.5% on December 1, 2023, further improves the climate for doing business in Florida. Amid challenging economic conditions, [\\$4.7 billion commercial sales transactions closed in Miami-Dade County in the first quarter of 2023](#), according to MIAMI's analysis of county deed records.

In 2022, [Florida saw the largest level of net and gross migration since 2005, with gross movement of 738,969 people](#). Migration from other states remains elevated compared to pre-pandemic levels, based on driver license exchanges. [In 2023 Q1-Q3, there were roughly 55,200 driver license exchanges from out-of-state movers](#) in the counties of Miami-Dade, Broward, Palm Beach, and Martin, nearly 4,000 more than in 2019 Q1-Q3. The top feeder states are New York, California, and New Jersey. The announced moves of tech icons and superstars like [Ken Griffin](#), [Jeff Bezos](#), [Eric Schmidt](#), and [Lionel Messi](#) are expected to bring more business expansions or relocations in the area.

MIAMI's analysis of IRS tax data shows [that households who move into the area tend to have higher net household income](#) (adjusted gross income) than households who move out of the area. Based on 2021 tax returns data, the average adjusted gross income of households who moved into the area was over \$100,000 in Miami-Dade (\$229,300), Broward (\$102,600), Palm Beach (\$242,200), and Martin (\$167,800).

Florida remains as the top destination of foreign buyers across the United States, accounting for 23% of foreign buyer transactions. Within Florida, the Miami-Ft. Lauderdale-West Palm Beach metro area is the largest foreign buyer market, attracting 47% of Florida's foreign buyers during August 2022—July 2023. [Foreign buyers accounted for 18% of MIAMI member's dollar sales](#), compared to 6% in the state of Florida and 2% nationally.



[MIAMI Association of Realtors® \(MIAMI\)](#) was chartered by the National Association of Realtors® in 1920 and is celebrating 103 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 242 international organizations worldwide.

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

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