

2024-2025

Southeast Florida Housing Outlook

Sustained Price Appreciation and Sales Rebound in 2025

June 2024 Update



With the projected rate cuts and Southeast Florida’s strong economic fundamentals, the June 2024 update of the 2024-2025 Southeast Florida Housing Outlook projects a sales recovery and sustained price growth in 2025, driven by a robust demand for single-family homes while condominium sales remain flat. Lower mortgage rates will make a home purchase slightly more affordable, adding 1,000 more renter households who can afford a home purchase.

2024-2025 Southeast Florida Housing Outlook

As of June 2024

	2019	2020	2021	2022	2023	2024F	2025F
Economic indicators							
30-year fixed mortgage rate (average)	3.9%	3.1%	3.0%	5.3%	6.8%	6.9%	6.2%
Year-end	3.7%	2.7%	3.1%	6.4%	6.8%	6.6%	5.7%
PCE Inflation	1.4%	1.1%	4.2%	6.5%	3.8%	2.7%	2.4%
Year-end	1.5%	1.4%	6.2%	5.4%	2.6%	3.0%	2.6%
Southeast Florida total employment (in millions)	3.25	2.95	3.14	3.3	3.39	3.44	3.52
% change	1.8%	-9.2%	6.3%	5.4%	2.6%	1.4%	2.4%
Housing indicators							
Total existing home sales	95,760	100,897	130,336	103,814	86,365	81,604	85,025
% change	-5.4%	5.4%	29%	-20.3%	-17.6%	-5.5%	4.2%
Single-family	52,109	56,486	63,865	50,332	44,296	43,742	47,163
% change	-3.3%	8.4%	13.1%	-21.2%	-12.0%	-1.3%	7.8%
Condominium/townhomes	43,651	44,411	66,471	53,482	42,069	37,862	37,862
% change	-7.8%	1.7%	49.7%	-19.5%	-21.3%	-10.0%	0.0%
Median existing home sales price	\$279,000	\$308,100	\$359,300	\$419,900	\$446,700	\$477,400	\$508,300
% change	4.2%	10.4%	16.6%	16.9%	6.4%	6.9%	6.5%
Median sales price, single-family	\$347,900	\$380,200	\$459,500	\$534,700	\$565,600	\$613,700	\$673,100
% change	3.4%	9.3%	20.9%	16.4%	5.8%	8.5%	9.7%
Median sales price, condominium/townhome	\$196,700	\$216,500	\$263,100	\$311,800	\$321,455	\$337,500	\$345,900
% change	2.1%	19.1%	9.3%	19.1%	8.9%	5.0%	2.5%
Affordability							
Mortgage payment	\$1,190	\$1,186	\$1,356	\$2,108	\$2,632	\$2,817	\$2,793
Mortgage Payment , single-family	\$1,484	\$1,463	\$1,735	\$2,684	\$3,332	\$3,622	\$3,699
Mortgage Payment , condo	\$839	\$833	\$993	\$1,565	\$1,894	\$1,992	\$1,901
Income needed to afford a mortgage	\$57,100	\$56,900	\$65,100	\$101,200	\$126,300	\$135,200	\$134,100
Income needed to afford a single-family home mortgage	\$71,200	\$70,200	\$83,300	\$128,800	\$159,900	\$173,800	\$177,600
Income needed to afford a condo/townhome mortgage	\$40,300	\$40,000	\$47,700	\$75,100	\$90,900	\$95,600	\$91,200
Number of renter households who can afford the mortgage	200,000	201,000	178,000	87,000	70,000	60,000	61,000



2024-25 Southeast Florida Housing Outlook

Sustained Price Growth and Sales Rebound in 2025

June 2024 Update

1. Mortgage rates will decline to 6.6% by the end of 2024 and 5.7% by the end of 2025 with the Fed poised to cut rates four times.

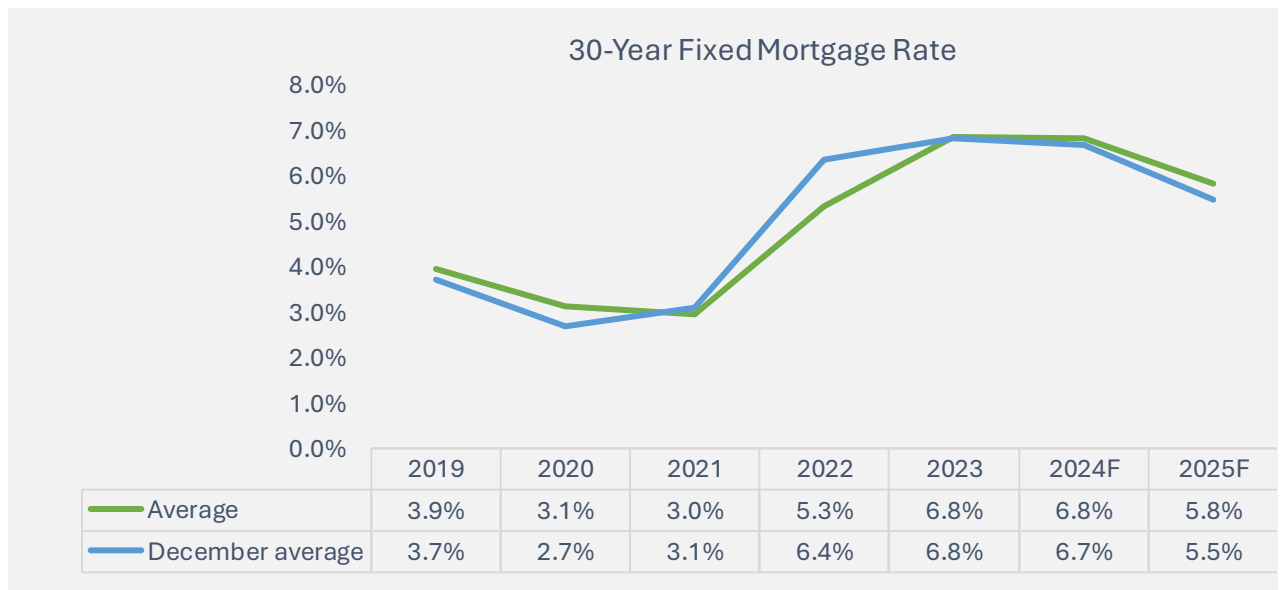
The Miami Association of REALTORS® (MIAMI) projects that the 30-year fixed mortgage rate will decline to 6.6% by the end of 2024 and 5.7% by the end of 2025. These projections are based on the Federal Open Market Committee’s (FOMC) June meeting projection for one rate cut in 2024 and four rate cuts in 2025. In May 2024, Freddie Mac’s 30-year mortgage rate averaged 7.06%. MIAMI’s 2024 annual projection is revised upwards from the March 2024 projection (6.0%) as the FOMC has held rates steady in its past seven meetings as inflation ticked up in the first quarter that prompted the FOMC to wait for more data that inflation is sustainably heading towards 2%.

As of the June 11-12, 2024 FOMC meeting, the FOMC participants median federal funds rate projection for December 2024 was 5.1% (indicating one rate cut from the current range of 5.25-5.5%) and 4.1% by December 2025 (indicating four rate cuts). MIAMI expects that the rate cuts will come in the second half of the year rather than being frontloaded in the first half of the year as election-related demand could kick up inflation in the last quarter of 2024 and as frontloading could reignite an uptick in inflation.

The FOMC projects inflation, measured by the Personal Consumption Expenditure Index, to fall to 2.5% by December 2024 and 2.1% in December 2025. As of April, PCE inflation was 2.7%. MIAMI expects a higher rate of inflation at 3.0% by December 2024 and 2.6% by December 2025 due to the impact of election spending on prices and as prices are buoyed up by invigorated consumer and investment confidence and spending.

Consistent with the target federal funds rate path, the FOMC projects that the economy will avoid a recession, with the economy expanding 1.6% in 2024 and 1.8% in 2025. In the first quarter of 2024, the US gross domestic product rose at an annualized pace of 1.6% after expanding 3.4% in the fourth quarter of 2023.

With a stronger economy in 2025 and sustained business confidence in the Southeast Florida economy, MIAMI projects Southeast Florida’s total employment (including self-employed) to increase to 2.4% in 2025 from 1.4% in 2024, an increase of 80,000.



2. Existing home sales will decline 6% in 2024 but will increase 4% in 2025, driven by single-family home sales.

Existing home sales are likely to decline 5.5% in 2024, revised downwards from the March 2024 projection (3.0%). Falling mortgage rates, rising job growth, and improving affordability conditions will expand home sales by 4.0% in 2025 to 85,025, or an additional 3,421 in closed sales.

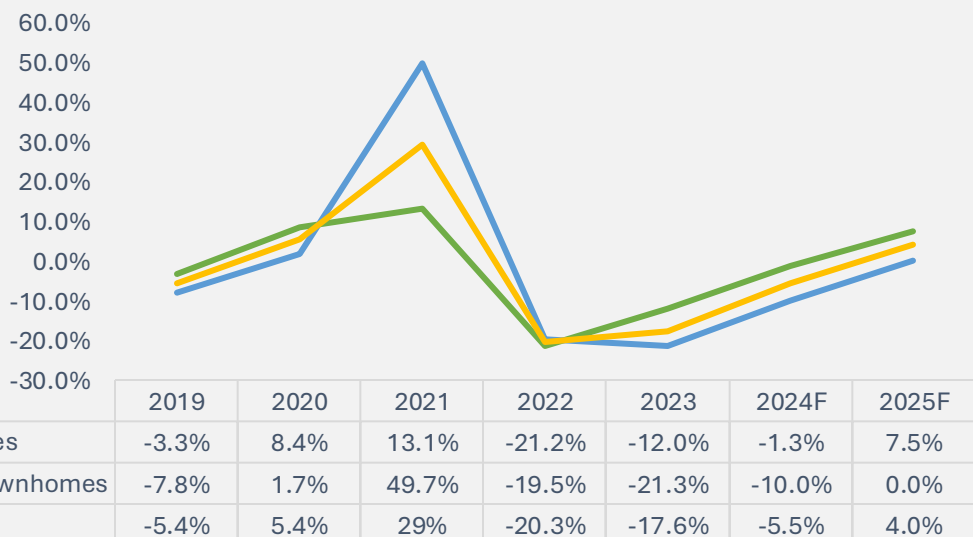
The sales growth will be driven by a 7.8% increase in single-family sales as condominium or townhome sales remain flat as potentially higher condo fees and assessments arising from the implementation of the Building Safety Act stalls demand. Condominium buildings that reach 30 years old after July 1, 2022 and before the end of 2024 have until December 2025 to complete a milestone study and a structural reserve study and fund the reserves. In Miami-Dade, Broward, and Palm Beach counties, 74% of condominium buildings were built in or before 1993, according to an analysis of the University of Florida.¹

Year-to-date through May 2024, existing home sales across the five counties are 4.2% below the level during the same period last year. Single-family sales are down 0.8% year-to-date while condominium/townhome sales are down 7.8%. However, single-family sales are up year-to-date by 3.7% in Miami-Dade County. Condominium/townhome sales are higher year-to-date in Martin County by 5.2% and in St. Lucie County by 3.8%.

Improving affordability yields 1,000 more renter households who can afford the monthly mortgage payment at a 10% downpayment.

Homes priced at \$1 million or over will likely continue to gain market share as Southeast Florida continues to evolve as a finance, sports, and cultural powerhouse. Homes priced at \$1 million or over have gained market share, an indication of the stronger presence of wealthier buyers who are less vulnerable to rising prices and mortgage rates. Year-to-date through May, the share of million-dollar single-family homes has sharply increased in 2024 compared to 2019 in Miami-Dade (23% vs. 7%), Broward County (18% vs. 5%), Palm Beach (25% vs. 5%), Martin County (21% vs. 8%), and St. Lucie (2% vs. 0.3%).

Year-over-Year Percent Change in Existing Home Sales



¹ Demetri Psarianos, "Cause and Effect of Florida's New Condo Law | Due Diligence | Business (ufl.edu)", University of Florida

3. Single-family sales prices will remain firm, rising by 7% annually in 2024 and in 2025, and nearly 10% in the single-family market in 2025.

Prices have remained firm amid a pullback in sales as supply conditions are still broadly tight in the single-family market and due to the demand for higher-priced homes from wealthier buyers.

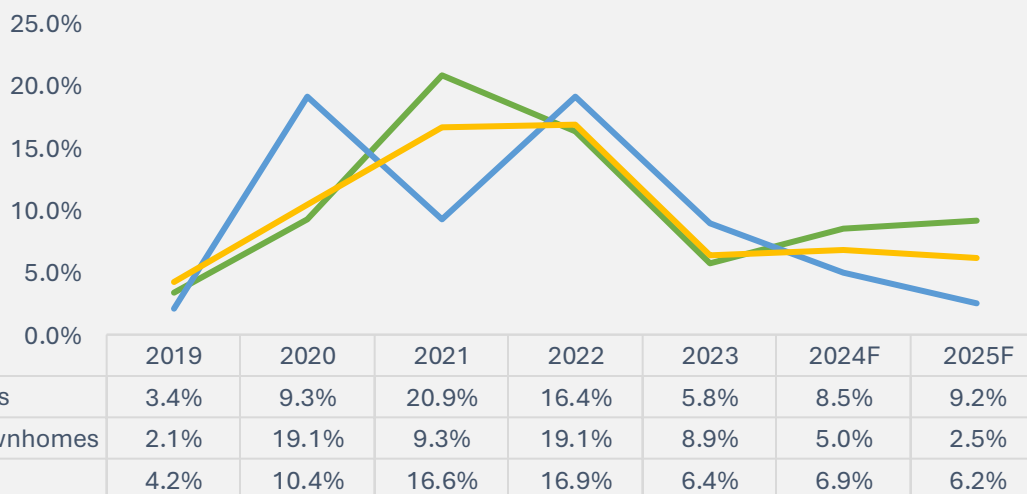
Home sales prices are projected to increase 6.9% in 2024, revised upwards from the March 2024 projection (4.3%) given the strong price growth as of May 2024. In 2025, the overall median sales price is projected to increase 6.5%, with the median single-family sales price accelerating to 9.7% while the condominium/townhome median sales price rises a modest 2.5%.

As of May 2024, the median (weighted) single-family home sales price across the five counties was 4.1% higher from one year ago as prices rose in nearly all counties: Miami-Dade (4.8%), Broward (6.8%), Palm Beach (3.6%), Martin (-9.2%), and St. Lucie (2.6%). The median single-family sales prices rose in over half of the areas across a mix of lower-priced markets (e.g., Homestead, Hialeah, Miami Gardens, Hollywood, West Palm Beach) and higher-priced markets (e.g., Miami, Coral Gables, Fort Lauderdale, Palm Beach, Boca Raton, Jupiter, Tequesta).

Home prices rose at slower pace in the condominium/townhomes market, with the median (weighted) sales price up 5% year-over-year, with prices up in the Tri-County area: Miami-Dade (2.4%), Broward (4.4%), Palm Beach (7.9%), Martin (-1.7%), and St. Lucie (-1.7%). The median condominium/townhome sales prices rose in over half of the areas across a mix of lower-priced areas (e.g., Pembroke Pines, Deerfield Beach, Pompano Beach, Fort Pierce) and higher-priced markets (e.g., Miami Beach, Key Biscayne, Sunny Isles, Fort Lauderdale, Weston, Jupiter, Highland Beach)

The single-family homes market remains a seller’s market, with 4 months’ supply across all counties as of May 2024: Miami-Dade (4.4), Broward (4.3), Palm Beach (4.4), Martin (4.4), and St. Lucie (4.4). In the condominium/townhomes market, demand-supply conditions are balanced, with active inventory equivalent to over 6 month’s supply: Miami-Dade (8.6), Broward (7.6), Palm Beach (7.0), Martin (6.4), and St. Lucie.

Year-over-Year Percent Change in the Median Sales Price



4. Southeast Florida will continue to have strong economic fundamentals in 2025.

MIAMI expects Southeast Florida's economy to strengthen in 2025 as mortgage rates decline and as business confidence continues to ascend given the area's strong economic and demographic fundamentals.

With a stronger economy in 2025 and sustained business confidence in the Southeast Florida economy, MIAMI projects Southeast Florida's total employment (including self-employed) to increase to 2.4% in 2025 from 1.4% in 2024, an increase of 80,000.

Miami-Dade County led the largest 10 counties in payroll employment growth in 2023 Q4, with employment up 2.8% nationally, surpassing the national rate of 1.5%. Since 2019 Q4, the county has also experienced the strongest job and wage growth among the 10 largest counties as employment rose 6.32%, about twice the national rate of 3.3%.²

The reduction of Florida's commercial lease sales tax rate, also known as the Business Rent Tax, from 4.5% to 2.0%, starting June 1, will provide Florida employers with at least an estimated \$1 billion in tax relief, making it easier for existing business to succeed and attracting new businesses.³

Southeast Florida is the economic gateway of Latin America to the United States. Mexico is now the US largest trading partner and Canada is second, based on total trade volume of exports and imports in April 2024. Increased trade and investment flows from these North American countries which have a strong cultural affinity with the United States is likely to bolster global real estate transactions. Miami-Dade County led the nation in net international migration (+54,457), according to the US Census Bureau's 2023 population estimates.

A stronger economy and the zero tax on state income will continue to sustain the migration of people from states with higher tax burdens and housing cost. In 2024 Q1, 16,906 people who established residency in the counties of Miami-Dade, Broward, Palm Beach, and Martin exchanged their out-of-state driver license exchanges for a Florida license, a 6% increase from 2019 Q1, representing 917 more people, according to MIAMI's analysis of Florida Highway Safety and Motor Vehicles data. New York driver license exchanges are 18% higher from 2019 Q1 (578 more people than in 2019 Q1) while California driver license exchanges are 40% higher than in 2019 Q1 (401 more people than in 2019 Q1).⁴

Southeast Florida's lower rent compared to rent in New York, San Francisco, and Los Angeles is another major factor driving migration from these areas. As of April 2024, the typical multifamily rent in the Miami Metro was \$2,573 compared to \$3,232 in the New York Metro, \$2,836 in the San Francisco Metro, and \$2,693 in the Los Angeles Metro.⁵

Southeast Florida is expected to continue to ascend as a finance, sports, and cultural powerhouse. Business leaders have come together through *Opportunity Miami*, a non-profit company, to make the Miami market area a major global city through innovation, entrepreneurship, and education. As an example, billionaire businessman and philanthropist recently made a \$50 million gift to the University of Miami to fund cancer research.

²[Miami-Dade County Leads the 10 Largest Counties in Job and Wage Growth as of 2023 Q4 - MIAMI REALTORS®](#)

³[Business Rent Tax Reduction Set for June | Florida Realtors](#)

⁴[Driver License Exchanges in Southeast Florida Continue to Normalize in 2024 Q1 But are Still Higher than Pre-Pandemic Levels - MIAMI REALTORS® Southeast Florida-](#)

⁵[Residential-Rental-Market-Report-May-2024.pdf \(miamirealtors.com\)](#)



[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.

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