

REAL ESTATE

South Florida housing market is thriving: Serhant

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South Florida is on par with Manhattan home sales. Image credit: Serhant

By NORA HOWE

The real estate market in Palm Beach and Miami has seen a record second quarter as prices reached new heights across the region, driven by strong demand and limited inventory.

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According to new data from real estate brokerage **Serhant**, single-family homes saw the largest price increases, topping \$10 million for the first time in Palm Beach, as they remain the property type of choice across South Florida. As market analysts look at the duration of the year, they predict more price growth but perhaps a cooling in demand considering unsteady financial markets and rising mortgage rates.

"The price growth we have seen in South Florida over the last two years is nothing short of extraordinary," said Garrett Derderian, director of market intelligence at Serhant, in a statement. "Nearly every quarter has broken price records, and the second quarter this year shattered the ceiling."

Sunny sales

In Palm Beach, the number of single-family home sales dropped to 44, down 51 percent year-over-year. Their median price hit a Q2 record, surpassing \$10 million for the first time.

The average single-family sale price is approaching \$20 million and is expected to surpass that figure in future quarters.

"The entire Palm Beach market is now equivalent to Billionaires' Row' in Manhattan," Mr. Derderian said.

"Properties traded on average at nearly \$4,000 per foot in the second quarter as demand remained strong and supply was heavily constricted.

"Palm Beach is the super-prime market of choice for the world's elite," he said. "There are very few markets globally where the entry point for a move-in ready home is eight figures."

The data also suggests a surge in condominium prices. The median condo price jumped 23 percent to over \$1.5 million and the average price surged 71 percent to over \$2.6 million.



Palm Beach, Miami Beach and Miami Mainland had a record Q2. Image credit: Serhant

According to Serhant, buyers are increasingly being priced out of the single-family market and are turning to condos, which is causing an influx of high-priced condos being constructed in West Palm Beach.

Despite rising mortgage and interest rates impacting buyers across the United States, Mr. Derderian suggests Palm Beach is safe for now.

In the greater Downtown Miami Mainland Coastal region, condo sales heavily outnumbered single-family sales.

There were 1,675 condo sales, down 7 percent from the second quarter of last year. However, prices rose so quickly that the total dollar volume of these transactions, at \$1.33 billion, was a Q2 record.

Single-family home sales were up 35 percent to 232. While the average price was slightly lower due to fewer high-priced sales, the median price increased 70 percent to \$1.3 million.

The median single-family home price in the Miami Mainland Coastal region increased 70 percent while the average home size shrunk by 36 percent. In essence, buyers are paying considerably more for less space.

In Miami Beach, the sales figures trended similarly. There were 1,538 condo sales, down 18 percent from the same period last year. There were 209 single-family home sales, up 74 percent year-over-year.

"The median and average prices more than doubled when compared to one year ago, emphasizing just how strong demand is in the market," Mr. Derderian said. "Miami Beach prices are giving Palm Beach a run for its money.

"We continue to see eight-figure trades in Miami Beach, and nine-figure listings," he said. "What was once unheard of has now become commonplace."



Despite single-family homes being the property type of choice, there was major interest in condos across the region. Image credit: Serhant

The median price of a Miami Beach single-family home increased 133 percent to \$2.77 million and the average price increased 131 percent to \$5.3 million.

The average price-per-foot was up 78 percent to \$1,456, despite a 5 percent drop in average home size.

In effect, demand is certainly strong, but the market is not infallible.

While experts find it unlikely that prices will fall, appreciation in the Miami region is expected to weaken, especially within the sub-\$3 million market.

Focus on Florida

Home buyers are not the only ones eyeing the sunny state. Brands and hospitality groups have increasingly invested in real estate property in the Miami area.

In April, British automaker Bentley Motors released a preview of its inaugural Bentley Residences, alongside its sales gallery. The sales gallery illustrates design details that will be present in the 216-unit beachfront residential building in Sunny Isles, Miami, Florida.

Additionally, a suite of renderings shows the plans, luxury communal spaces and lifestyle amenities that will become available post-development ([see story](#)).

Marriott's St. Regis Residences is expanding its portfolio in South Florida with a new property in Miami's Brickell Financial District.

The new two-tower development features designs by Robert A.M. Stern Architects and the Rockwell Group, and One Sotheby's International has been appointed as the project's exclusive sales and marketing partner. The project is led by real estate companies Related Group and Integra Investments ([see story](#)).

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