

A sharp drop in the real estate market is forecast in Miami

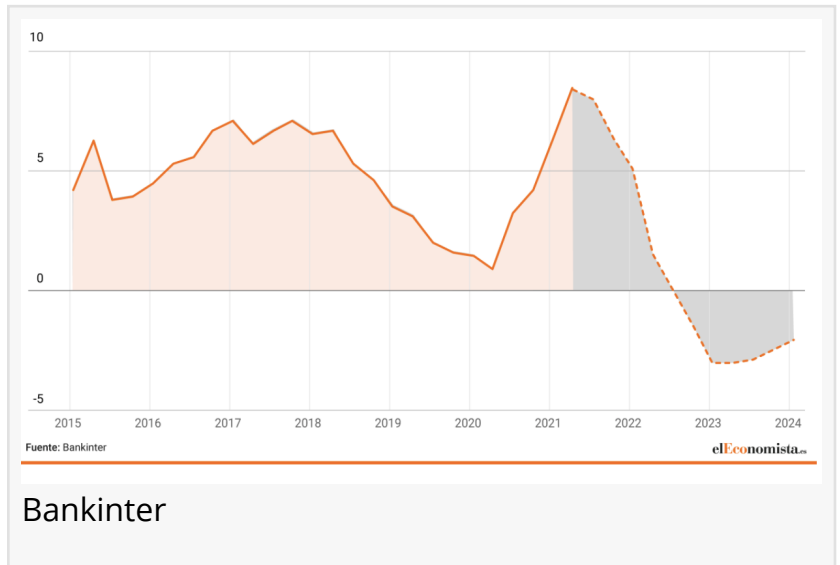
MIAMI , FLORIDA , USA , April 12, 2023 /EINPresswire.com/ -- The real estate sector in Florida faces a bleak outlook for 2023, especially in Miami Dade County. According to experts, a sharp drop in home sales is expected due to inflation, rising mortgage interest rates and supply shortages. The crisis is imminent.

The Florida Realtors Association (Florida Realtors) predicts that the state's residential market will return to a more typical pace, similar to that of 2018-2019, when supply and demand were more balanced. However, this adjustment will involve a slowdown in price growth and lower buyer activity.

The chief economist of Florida Realtors, Dr. Brad O'Connor, said that the demand for homes will remain high, but that many potential buyers will be discouraged by the adverse financial conditions. "Inflation is eroding consumer purchasing power and mortgage rates are rising in response to the monetary measures of the Central Bank," he explained.

On the other hand, the supply of homes remains insufficient to meet demand. O'Connor pointed out that there are several factors that limit the construction of new homes and the sale of existing ones. Among them, he mentioned the shortage of labor, materials and land; the caution of builders; and the reluctance of homeowners to sell their homes and buy more expensive ones.

Miami Dade County is one of the most affected by this situation, as it has a high proportion of foreign buyers who have been affected by the pandemic and immigration restrictions. In addition, the luxury market has lost appeal due to economic and political uncertainty. The median sale price of homes in Miami Dade fell 2% in December 2022 compared to the previous year.(1)(1.1)



Some analysts suggest that this figure is even higher in the luxury market. It is calculated for this year a significant fall of up to 25% of the value of the properties, even more in Luxury.(2)(3)

Experts recommend sellers to adjust their expectations and prices to the new reality of the market, and buyers to act quickly and decisively if they find a home that suits their needs and budget.

Data from:

1-(<https://www.zillow.com/research/data/>)

1.1-(<https://realestate.usnews.com/real-estate/housing-market-index/articles/miami-housing-market-forecast>)

2-(<https://www.notaires.fr/en/housing-tax-system/french-property-market/french-property-market-analysis>)

3-(https://www.elconfidencial.com/vivienda/2022-10-13/bankinter-precios-vivienda-ajuste-venta-viviendas_3505782/)

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