

# Residential Real Estate – Homestead, FL

Source: SunStats



## Single-Family Homes

The single-family home market has shown significant fluctuations in sales volume, pricing, inventory, and cash purchases over the past two years. The total number of closed sales, the median and average sale prices, and inventory levels provide insights into market demand, affordability, and supply conditions.

## Closed Sales Trends

The number of closed sales fluctuated, with peak activity in May 2024 (73 sales) and a low in January 2024 (17 sales).

Year-over-year comparison (Jan 2023 vs. Jan 2024) shows a 26% decrease in sales.

The decline in sales in early 2024 suggests seasonal slowdowns, rising mortgage rates, or affordability challenges.

**Key Takeaway:** The fluctuations in closed sales indicate market volatility, potentially tied to financing conditions and shifting buyer confidence.

## Sale Prices – Median and Average

Median sale prices increased from \$460,000 in Jan 2023 to \$515,000 in Jan 2025, a 12% increase over two years.

Average sale prices followed a similar trend, increasing from \$474,602 in Jan 2023 to \$507,250 in Jan 2025.

A notable dip in Jan 2024 (\$420,729 average sale price) suggests a temporary price correction or shift in demand.

**Key Takeaway:** The steady rise in home prices suggests that demand remains strong despite fluctuations in sales volume. However, short-term corrections are visible, likely tied to economic conditions or mortgage rate shifts.

## Cash Sales as a Percentage of Transactions

Cash purchases represented 26.1% of sales in Jan 2023 but dropped to 3.8% by Jan 2025.

The decline suggests a lower presence of investor activity or second-home buyers.

Cash sales peaked in Dec 2023 at 18.4%, likely reflecting end-of-year investment purchases.

**Key Takeaway:** The decline in cash buyers indicates a shift toward mortgage-dependent transactions, possibly due to higher borrowing costs reducing investor appeal.

## Active Inventory and New Listings

The active inventory increased from 119 homes in January 2023 to 227 homes in January 2025, nearly doubled in two years.

New listings remained stable but showed seasonal variation, peaking at 88 new listings in Mar 2024.

**Key Takeaway:** Rising inventory suggests transitioning from a seller's market to a more balanced market, where buyers have greater selection and negotiating power.

## Dollar Volume Trends

The total dollar volume of home sales peaked at \$37 million in May 2024.

A low of \$7.1 million was recorded in January 2024, which correlates with the drop in sales that month.

Despite fluctuations, dollar volume remains strong, reflecting higher-priced home sales maintaining market value.

**Key Takeaway:** The overall market value remains stable, even as the volume of transactions fluctuates.

## Why This Matters

Rising inventory levels and stable pricing suggest the market is normalizing, with supply meeting demand more effectively.

Cash purchases declining means fewer investors and more traditional buyers, signaling a shift in market composition.

Home price appreciation remains strong, showing continued demand despite macroeconomic challenges.

## Economic Development Opportunities

**Incentives for First-Time Homebuyers:** As cash buyers exit the market, supporting mortgage-dependent buyers with incentives could boost sales activity.

**Strategic Residential Development:** Rising inventory suggests an opportunity for mixed-income housing projects to expand affordability.

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Real Estate Investment Diversification: Declining cash sales create an opening for owner-occupied homes, making affordable lending programs more critical.

Market Stabilization Policies – Ensuring sustainable home price growth and preventing affordability crises requires smart zoning and development policies.

## Economic Development Challenges

Affordability Pressures – Rising prices may limit homeownership access for middle-income households.

Inventory Expansion Timing – Price softening could occur if inventory grows faster than demand.

Interest Rate Sensitivity – Future sales depend heavily on mortgage rate trends, influencing affordability.

## Conclusion

The single-family housing market in this region shows a steady appreciation in home values, a decline in cash buyers, and rising inventory. These trends point toward a more balanced market where affordability, mortgage conditions, and buyer incentives will play key roles in future growth.

## Townhomes and Condominiums

The townhome and condominium market has experienced fluctuations in sales volume, pricing trends, and inventory levels over the past two years. The number of closed sales, pricing shifts, and cash

purchases provide insights into market demand, affordability, and supply-side conditions.

## Closed Sales Trends

- The highest number of closed sales occurred in September 2023 (58 sales).
- The lowest was in December 2023 (23 sales), indicating seasonal slowdowns.
- The year-over-year comparison (Jan 2023 vs. Jan 2024) shows a 29% decrease in sales.
- Late 2024 sales declined, suggesting market softening or rising borrowing costs affecting buyers.

Key Takeaway: The townhome/condo market has seen significant seasonal shifts, with lower sales activity in winter months and higher activity in late summer/early fall.

## Sale Prices – Median and Average

- Median sale prices increased from \$270,000 in Jan 2023 to \$335,000 in Jan 2025 (24% appreciation).
- Average sale prices followed a similar trend, moving from \$288,377 to \$321,337 over the same period.
- A notable price jump occurred in April 2024 (\$344,500 median price), followed by a stabilization period.

Key Takeaway: The steady price growth reflects continued demand for townhomes and condos, likely driven by affordability relative to single-family homes.

## Cash Sales as a Percentage of Transactions

- Cash purchases represented 29.0% of sales in Jan 2023 but fluctuated throughout 2024.
- The highest percentage of cash buyers was in April 2023 (38.9%).
- A decline was observed in mid-2024, reaching 9.4% in August before rising again to 24.1% in Jan 2025.

Key Takeaway: Investors and cash buyers play a major role in this market, but their presence fluctuates based on interest rate environments and overall market conditions.

## Active Inventory and New Listings

- Active inventory nearly tripled from 117 units in Jan 2023 to 366 in Jan 2025.
- New listings increased from 68 in Jan 2023 to 109 in Jan 2025, indicating more sellers entering the market.
- A rapid inventory increase in 2024 suggests a market shift from seller-dominated conditions to more balance.

Key Takeaway: Supply is increasing, which may lead to price stabilization or potential softening in 2025.

## Dollar Volume Trends

- Dollar volume peaked in August 2024 at \$19.08 million.
- A low of \$6.96 million was recorded in December 2023, aligning with seasonal slowdowns.
- The general trend follows closed sales volume, suggesting that demand is still strong at higher price points.

Key Takeaway: The total market value remains high despite fluctuating transaction volumes.

## Why This Matters

- Inventory is rising, indicating a potential shift toward a more balanced market.
- Price appreciation remains steady, reinforcing sustained buyer demand.
- The decline in cash buyers could signal changing investor sentiment, making financing conditions more critical.

## Economic Development Opportunities

1. Promoting First-Time Buyer Incentives – Mortgage-reliant buyers could benefit from homeownership support programs as cash buyers decline.
2. Encouraging Multifamily Development – Rising demand for townhomes and condos suggests an opportunity for developers.
3. Targeting Retiree and Investor Segments – Higher cash buyer activity in key months suggests a vacation or retirement housing demand.
4. Monitoring Supply-Demand Balance – Price softening could follow if inventory rises without equivalent demand growth.

## Economic Development Challenges

1. Affordability Pressures – Rising prices may limit access for entry-level buyers, requiring financing solutions.
2. Seasonal Market Variability – Sharp sales and cash buyer activity swings create market uncertainty.
3. Balancing Supply Growth – Rising inventory levels must match demand to avoid price declines.

## Conclusion

The townhome and condominium market has shown strong price appreciation, increased inventory, and sales and investor activity fluctuations. The market is moving toward balance, but future trends will depend on economic conditions, mortgage rates, and local demand.

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## Data Sources & Methodology

The data used in this report is sourced from SunStats, a real estate market analytics platform developed by Florida Realtors®. SunStats aggregates and compiles market data, sales trends, and inventory levels using verified sources, including MLS data from Realtor associations across Florida. This information provides valuable insights into residential real estate conditions, home pricing trends, transaction activity, and market dynamics.

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- Realtor association reports on home sales, inventory, and pricing
- Public property records and real estate transaction databases
- Modeled forecasts based on historical and current market conditions

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