

Economic Overview

Homestead's economy continues to grow, with employment increasing by 6.0% from 2019 to 2024, outpacing both state and national averages. The city's economic base is anchored by strong performance in education and healthcare services, retail trade, and construction. While these industries remain dominant, high-growth sectors such as construction, healthcare, aerospace and transportation create new job opportunities and investment opportunities.

However, a persistent regional trade imbalance, with total imports exceeding exports, highlights the need for economic diversification and increased local production. Although job growth remains steady, the labor market is concentrated in lower-wage occupations such as retail sales, food service, and construction labor. Expanding workforce training programs and attracting high-value industries will be crucial for fostering long-term economic stability.

Community Profile

Homestead's population has grown to 85,135 as of 2023, reflecting a steady expansion since 2020. However, the annual growth rate has slowed to 0.08% recently but is expected to accelerate again as new residential units enter the market over the near term. The city's young median age of 31.3 continues to drive demand for family-oriented services, education, and workforce opportunities. Household formation remains robust, with many family households shaping the local housing market. However, many residents commute outside Homestead for work, underscoring the need for local job expansion and business development.

Residential Real Estate

The residential real estate market has remained resilient, with single-family home prices increasing from \$460,000 in January 2023 to \$515,000 in

January 2025, a 12% appreciation. However, sales activity has slowed, with a 26% year-over-year decline due to affordability challenges and rising mortgage rates. Cash sales have also dropped significantly, from 26.1% in January 2023 to just 3.8% in January 2025, signaling a shift toward mortgage-dependent buyers. Inventory levels have nearly doubled, creating a more balanced market. In the townhome and condominium sector, median prices have risen by 24%, while inventory has tripled, suggesting that price stabilization may occur in the near future.

Commercial Real Estate

Homestead's commercial real estate market has shown steady growth, with key sectors experiencing varied performance. Retail real estate remains the strongest segment, with total inventory reaching 6 million square feet since 2020 and vacancy rates declining to 1.2%. Retail rents have steadily increased, reaching \$28.74 per square foot.

The office market, however, faces challenges, with vacancy rates rising to 12.4% as shifting work trends and hybrid employment reduce demand for traditional office space. Rents have increased despite these challenges, particularly for medical and professional office space, though adaptive reuse of older office properties is becoming a necessary trend.

The industrial sector continues to thrive, with total inventory expanding to 5.7 million square feet and vacancy rates holding at 3.9%. Homestead's proximity to major transportation corridors and its designation as a Spaceport Territory have positioned it as a regional hub for logistics, distribution, and aerospace-related industries.

Multifamily real estate remains strong, with inventory expanding to 16,463 units, a persistently low vacancy rate of 2.7%, and asking rents rising to \$1,540 per unit. Workforce housing development

remains a priority, ensuring housing affordability aligns with local job growth.

The hospitality sector has also experienced growth, with hotel occupancy rates increasing to 75.3% and RevPAR rising to \$87.32. However, no new hotel developments are currently under construction, presenting an opportunity to expand lodging options in response to growing visitor demand.

Foot Traffic Trends

Homestead's foot traffic trends reinforce its residential and commercial hub role. The city recorded 19.2 million visitor-related visits over the past year, with an average dwell time of 199 minutes. A significant share of visitors, 84.5%, travel from beyond two miles, underscoring the city's regional draw. Weekend traffic peaks on Fridays, creating opportunities for retail, dining, and entertainment businesses to capitalize on increased consumer activity.

Employee foot traffic patterns indicate that 34.8% of workers commute within two miles of Homestead, reinforcing the importance of local workforce engagement. Peak workday visits occur during the morning and lunch hours, highlighting demand for coffee shops, fast-casual dining, and business service amenities.

Strategic Economic Development Opportunities

Homestead has several opportunities to strengthen its economic foundation through targeted business attraction, infrastructure development, and workforce investment. The city should encourage appropriate real estate development to attract high-growth sectors such as healthcare, aerospace, logistics, and clean energy to reduce dependence on retail and food service employment.

Expanding mixed-use developments integrating residential, retail, and office space can foster economic activity and align with evolving consumer

preferences. Addressing housing affordability through first-time homebuyer incentives and workforce housing initiatives is essential to ensuring long-term workforce retention and economic stability.

The hospitality sector presents a unique opportunity for expansion, given rising visitor demand and the absence of new hotel developments. Encouraging new hospitality projects and investing in tourism infrastructure can solidify Homestead's position as a regional destination.

Transportation improvements, including enhancements to roadways, public transit, and workforce accessibility, will further support business expansion and economic mobility. Additionally, vocational training programs in construction, logistics, technology, and healthcare will be essential to meeting labor demand and strengthening the local workforce.

The office market requires adaptation, with repurposing underutilized office spaces into residential or mixed-use developments being a viable solution. Encouraging flexible leasing structures and co-working spaces can help accommodate shifting workforce needs.

Homestead's industrial sector remains a strong asset, with continued investment in logistics, aerospace, and manufacturing providing significant economic advantages. Supporting small business growth through financial assistance, commercial affordability strategies, and entrepreneurial initiatives will also help maintain local economic diversity and resilience.

Recommendations

To effectively implement these strategies, Homestead should proactively coordinate economic development efforts across public and private stakeholders. It should establish a structured, multidisciplinary approach to tackling housing, workforce, infrastructure, regulatory, development, and market-based external challenges. Real estate development efforts targeting industries such as logistics, aerospace, and professional services are necessary to drive higher-wage employment

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opportunities. The city should also focus on accelerating infrastructure projects, ensuring that road, transit, and commercial real estate developments that provide space for new businesses align with future growth projections.

A key priority should be enhancing workforce training partnerships with local educational institutions to develop a pipeline for high-demand construction, healthcare, and clean energy careers. Additionally, a targeted retail development strategy can help fill key gaps in underserved commercial corridors, ensuring that retail expansion meets consumer demand. Homestead should also explore public-private partnerships for hotel development, leveraging investor interest to expand lodging capacity and support tourism growth.

Finally, the city should adopt a data-driven and proactive communications approach to economic development, continuously monitoring key indicators

such as job growth, housing affordability, and commercial vacancy rates to refine policies and ensure sustainable long-term development. By integrating these efforts into a cohesive action plan, Homestead can strengthen its economic foundation and position itself as a resilient, dynamic community prepared for future growth.

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