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Florida Real Estate Market Trends 2018

Here are the 18 insights on Florida real estate market trends for winter 2018-19, straight from the pros:



1. Boutique Buildings Create Strong Sub-Market for End-Users in South Florida

Oscar Rodriguez, Principal, [ROVR Development](#)

Boutique buildings are drawing in end-users and creating a significant sub-market across South Florida. Smaller buildings are competing with high rise competitors through unique designs, upscale amenities and services. In response to this demand, developers are building boutique projects for buyers that want the privacy of a single family home with the convenience of a condominium. Buyers of boutique projects are typically couples who are “empty nesters”, families looking to downsize from large suburban homes or buyers looking for an urban location closer to more walkable areas.



2. Financing Continues to Increase Among Foreign Buyers in South Florida

Robert M. Barthelmess, Managing Partner, [BGI Capital](#)

South Florida remains the top destination in the US for foreign investment and the market is dominated by Latin American buyers. While the majority of these investors have historically purchased with cash, 25% of commercial deals involve debt financing from the US sources. As Latin American governments continue to restrict the outflow of cash and the United States imposes stricter policies on real estate sales, the number of transactions with financing will continue to escalate and these buyers are increasingly looking to alternative lenders rather than traditional banks.



3. Tax-Breaks Cause Northeastern Buyers to Head for Florida

Karen Elmir, Founder & CEO, [The Elmir Group](#)

In Florida, we're seeing an influx of northeastern buyers now more than ever because of the tax breaks. Since there's no state income tax, ultra-wealthy northeasterners are flocking to Florida and scooping up residences over \$10 million to flee states like New York, where taxes can be as high as 8.82%. Florida's sunshine and beaches also help sweeten the deal.



4. The Rising Interest Rates Make it More Difficult for Homebuyers to Find Homes Within Their Price Range

Jill Hussar, Broker & Owner, [Hussar Real Estate](#)

Real estate growth continues on a steady uphill climb, with appreciating home values and a low supply of home inventory, both favorable to sellers. What's new is that more home inventory has entered the market and slowed down the sales pace in recent months. Interest rates are slowly increasing making it more advantageous for buyers to pay with cash. The rising interest rates could start to price some first-time homebuyers out of the market. If you spoke with a mortgage lender several months ago about your mortgage pre-qualification letter, it's a good idea to set up a time to speak with your lender again for an updated pre-qualification letter. With higher interest rates, a home buyer will afford less home. It's better to re-evaluate prior to beginning the home search, so you know what your buying power is and can look at homes within your current price range.

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