

Q1 2022

# South Florida Market Report

**SERHANT.**

# Letter From Garrett



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The South Florida housing market had a benchmark first quarter as prices reached record levels amid limited supply. In Palm Beach, the number of single-family home sales fell to just 31, down 58% year-over-year. Their median price hit a Q1 record of nearly \$10 million as buyers pushed up prices, oftentimes through competitive bidding wars. For condos, the number of sales dropped 39% from Q1 2021, but their median price increased 52% to \$1.6 million, a record. Farther south, the Miami Mainland Coastal market noted \$1.9 billion in property trades, a Q1 record, up from just under \$1.3 billion in Q1 2021. The record-setting dollar volume was a result of significant price rises, with condo and single-family home values reaching new levels, combined with a 51% increase in the number of condo sales. Downtown Miami has seen an influx of new development condos constructed, attracting well-heeled buyers that are purchasing properties at Manhattan-like prices. In Miami Beach, condo prices cooled as more buyers bought at lower price points. While the median condo price was down 15%, a 22% increase in sales pushed the total dollar volume of condo sales to over \$2 billion, a Q1 record. Single-family homes saw their median price rise 19% to \$2,500,000 and average price rise to just over \$4.3 million; both are records. As we move into the spring, we expect a deceleration of home appreciation given the rapid growth over the past year-and-a-half, coupled with rising mortgage rates that have increased faster than anticipated.

# Market Highlights:

	<u>Palm Beach</u>	<u>Miami Mainland Coastal</u>	<u>Greater Miami Beach</u>
Condo	Average Price <b>\$2,141,053</b>	Average Price <b>\$773,646</b>	Average Price <b>\$1,267,417</b>
	Median Price <b>\$1,600,000</b>	Median Price <b>\$560,000</b>	Median Price <b>\$500,000</b>
	Average PPSF <b>\$1,007</b>	Average PPSF <b>\$541</b>	Average PPSF <b>\$712</b>
	Average Size <b>1,635</b>	Average Size <b>1,178</b>	Average Size <b>1,291</b>
Single Family	Average Price <b>\$15,986,523</b>	Average Price <b>\$2,189,704</b>	Average Price <b>\$4,307,814</b>
	Median Price <b>\$9,981,500</b>	Median Price <b>\$1,322,500</b>	Median Price <b>\$2,500,000</b>
	Average PPSF <b>\$2,885</b>	Average PPSF <b>\$746</b>	Average PPSF <b>\$1,007</b>
	Average Size <b>3,851</b>	Average Size <b>2,301</b>	Average Size <b>3,260</b>

# Palm Beach

The Palm Beach housing market logged Q1 price records in the first quarter, driven by extremely limited inventory and strong demand. For condos, the number of sales dropped 39% year-over-year. Their median price increased 52% to a Q1 record of \$1,600,000 and their average price increased 41% to \$2,141,053, topping \$2 million for the first time. The single-family home market was even more constricted, with the number of sales falling 58%. Still, prices also hit Q1 records. Their median price surged 46% to just under \$10 million and their average price increase 44% to nearly \$16 million. The increases were driven by a 65% rise in their average price-per-square-foot, despite a 34% reduction in average home size.

## Condo

	Number of Sales	Median Price	Average Price	Average PPSF	Average Size
<b>Q1 2022</b>	158	\$1,600,000	\$2,141,053	\$1,007	1,635
<b>YoY</b>	-39%	52%	41%	38%	-11%
<b>Q1 2021</b>	258	\$1,050,000	\$1,514,313	\$730	1,848

## Single Family

	Number of Sales	Median Price	Average Price	Average PPSF	Average Size
<b>Q1 2022</b>	31	\$9,981,500	\$15,986,523	\$2,885	3,851
<b>YoY</b>	-58%	46%	44%	65%	-34%
<b>Q1 2021</b>	74	\$6,843,000	\$11,067,431	\$1,747	5,860

## Historical Price Trends



# Miami Mainland Coastal

The Miami Mainland Coastal market noted a significant rise in condo sales, increasing 51% year-over-year. Their median price increased 35% to \$560,000, a Q1 record, while their average price increased 21% to \$773,646, also a Q1 record. The increases come despite an 8% drop in average unit size. For single-family homes, prices also hit record levels. While the number of sales fell 23% due to scarce supply, their median price increased 41% to \$1,322,500, the first time the median surpassed \$1 million. Additionally, their average price was up 35%, topping \$2 million for the first time. Like Palm Beach, the increases were a result of a 47% rise in their average price-per-square-foot, as their average size declined 17%.

## Condo

	Number of Sales	Median Price	Average Price	Average PPSF	Average Size
<b>Q1 2022</b>	1,770	\$560,000	\$773,646	\$541	1,178
<b>YoY</b>	51%	35%	21%	30%	-8%
<b>Q1 2021</b>	1170	\$414,200	\$641,251	\$417	1,282

## Single Family

	Number of Sales	Median Price	Average Price	Average PPSF	Average Size
<b>Q1 2022</b>	244	\$1,322,500	\$2,189,704	\$746	2,301
<b>YoY</b>	-23%	41%	35%	47%	-17%
<b>Q1 2021</b>	318	\$937,500	\$1,627,207	\$508	2,766

## Historical Price Trends



# Greater Miami Beach

Greater Miami Beach condo sales increased 22% in the first quarter of 2022. Their median sales price dropped 15% to \$500,000 and their average price fell 9% to \$1,267,417. While the declines were an outlier among property types in South Florida, they can largely be credited to a 15% drop in average unit size, rather than a loss in real value. For single-family homes the number of sales dropped 38%, mirroring other single-family home markets, given the tight level of supply. Nevertheless, their prices were at Q1 record levels. Their median price increased 19% year-over-year to \$2,500,000 and their average increased 7% to \$4,307,814. While their average size dipped 12%, it was offset by a 16% rise in their average price-per-square-foot.

## Condo

	Number of Sales	Median Price	Average Price	Average PPSF	Average Size
<b>Q1 2022</b>	1,608	\$500,000	\$1,267,417	\$712	1,291
<b>YoY</b>	22%	-15%	-9%	3%	-15%
<b>Q1 2021</b>	1,316	\$590,000	\$1,400,279	\$690	1,525

## Single Family

	Number of Sales	Median Price	Average Price	Average PPSF	Average Size
<b>Q1 2022</b>	221	\$2,500,000	\$4,307,814	\$1,007	3,260
<b>YoY</b>	-38%	19%	7%	16%	-12%
<b>Q1 2021</b>	357	\$2,100,000	\$4,030,634	\$869	3,715

## Historical Price Trends



## Research

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