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Analysis

What They're Saying About Fla. Real Estate At 2026's Midpoint

Florida has experienced its share of real estate boom-and-bust cycles over the years, but while the first half of 2026 fell short of the recent past, attorneys and other industry experts say the state appears poised to buck that pattern and that more growth lies ahead.

Around the midpoint of the year, Law360 Real Estate Authority asked a cross-section of real estate professionals, including attorneys, developers and brokers, to share their assessment of the year so far and where they see things headed, as well as what trends and issues they are watching, including in the courts and at various levels of government.

"We continue to monitor for any signs of distress, but the distress that many have been waiting years for has failed to materialize thus far except in unique instances more specific to an asset," said Jordan Kornberg, chief investment officer at Mast Capital, a Miami-based real estate development and investment firm.

"People continue to talk about South Florida as the same 'boom or bust' market it had historically been. I don't think people understand how the factors driving a lot of the demand across the market are different than they were in the past," he added. "With a significant increase in companies relocating to Florida and more end users buying condos, the market has characteristics that are different and we think will lead to pockets of the market performing differently than they had in the past."

Sizing Up the First Half

In many cases, "rebalancing" or "recalibrating" could be interpreted as euphemisms used to describe signs of a downturn in a market.

And as Tyler Davis, president at land brokerage Saunders Real Estate, acknowledged, "There have been several positives and some negatives in the Florida real estate economy in 2026 so far."

Davis and BTI Partners CEO Noah Breakstone both said Florida's real estate market has "remained resilient" in 2026 despite high interest rates, insurance pressures and oversupply in certain sectors, particularly multifamily residential.

"Demand remained resilient but more discerning," Breakstone said. "Domestic migration slowed from post-COVID peaks — influenced by return-to-office trends and prior surges — but stayed positive, supporting inflows to Florida's major metros."

But context remains important in gauging Florida's performance, several commenters noted, especially given the success the state just experienced.

"While the first half of 2026 reflects a period of stabilizing when comparing it to the frothiness of the first few years of spectacular growth in Florida post-COVID, it seems to me that the first half of 2026 still shows Florida, in particular South Florida and especially Miami and West Palm Beach, as extremely resilient, with major projects being developed by very-well capitalized developers," said Eric Rapkin, real estate practice group chair at Akerman LLP.

"Overall, the Florida market is recalibrating. We are still defining what a normalized market might look like," added Mark Levy, chief investment officer at FRP Development Corp., which has a portfolio of commercial, industrial and multifamily real estate. "We literally condensed so much growth into a three-year period that we forget markets don't behave that way. It was tantamount to a war footing. Now, we have to digest and figure out what the right cadence is going forward."

Danny Diaz Leyva, chair of the Florida real estate practice at Day Pitney LLP, also noted that commercial real estate, while generally strong in the first half, began at a slower pace than many anticipated. But he pointed out that the slower start was largely in comparison to significant momentum at the end of 2025, coupled with expectations from many investors that interest rates might decline, which has not materialized.

"The defining story of 2026 is not that the market has slowed — it is that the market has adapted," he said. "Investors are no longer waiting for yesterday's interest-rate environment to return. They are restructuring capital, adjusting underwriting, and continuing to transact within today's realities. That adjustment is creating a healthier, more disciplined market for the long term."

Several sources spoke about seeing considerable activity on the financing front, both for construction and recapitalization, and also about the considerable breadth of activity.

"In my 20-plus years of practice, I cannot recall a time period when I have seen so many construction financings occurring in the marketplace across so many different types of developments," said Luis Flores, a partner at Saul Ewing LLP. "In most boom cycles, we see a concentration in one particular asset class, i.e., luxury condominiums, office buildings or rental apartments; however, the current development activity is not limited to a single asset class."

Leyva said a focus on recapitalizations and equity infusions continued in the first half, with sponsors "bringing in new capital partners, restructuring existing capital stacks, and extending investment horizons rather than selling assets into a market where pricing has not yet fully recovered." He said this has been particularly evident in the multifamily sector.

And while domestic migration has slowed from its pandemic-era surge, BTI's Breakstone noted that it is still significant from traditional sources in the Midwest and Northeast, along with increased inflow from California and Texas. International capital was also a standout for South Florida luxury condos, he said.

"What has been somewhat surprising is the diversity of the buyer pool," added Christine Martinez de Castro, chief marketing and sales officer for Miami-based development firm CMC Group.

Looking at different market segments, demand for single-family homes pulled back from its boom-era levels due to affordability issues, Breakstone and Saunders' Davis said, with builders offering incentives such as rate buydowns, closing cost credits and price adjustments.

New residential construction permits statewide declined notably, Breakstone added, with about 24,800 in the first quarter, down more than 12% year over year after already slowing in 2025. "This reflected builder caution amid demand signals, costs and elevated interest rates," he said.

Meanwhile, sources described multifamily rentals as a "mixed bag," noting pressures from oversupply but also long-term confidence as supply is absorbed and the construction pipeline slows. South Florida, which Breakstone said ranked first nationally in multifamily construction activity, nevertheless remained strong in the sector. But other metro markets, including parts of Tampa, showed softening, according to Breakstone and Akerman's Rapkin.

Keith Poliakoff, managing partner in the Fort Lauderdale office of Government Law Group PLLC said one of the biggest surprises has been the speed at which older condos, burdened by heightened state building safety and financial regulations, became difficult to finance.

"The condo market has split in two," Poliakoff said. "Newer buildings continue to perform well, while many older condominiums are facing declining values because of insurance costs, reserve requirements, and limited financing options. Even modest interest rate relief hasn't offset soaring insurance and ownership costs."

On the other hand, luxury continued to be a strong point, particularly with wealth migration serving as a market driver, noted Ed Jahn, senior vice president of Kolter Urban, which is developing across multiple Florida submarkets. He added that consistent, if selective, demand has helped maintain development momentum in high-end downtown and coastal locations.

Retail had a good first half, buoyed by population growth, and industrial has also performed well, driven by logistics, e-commerce and business expansion, the experts said.

The South Florida office sector has also continued to outshine national numbers, with vacancy in Miami falling sharply to the low 12% range, one of the lowest rates among major U.S. markets, while featuring the highest average asking rents in the South, according to Asher Abadi, principal at Four West Developers, which is developing an office project in Hollywood, Florida.

"The nation believes office is in decline, but Miami told the opposite story," Abadi said. "Corporate relocations and finance-sector growth, such as JPMorgan, Citadel, Amazon and Palantir, are pulling capital and headquarters out of higher-tax states faster than we can build space to hold them."

Every asset class had sectors that performed well and those that continued to struggle, FRP's Levy said.

"[With] industrial, it's small bay, serving tenants under 10,000 square feet [that is doing well]. Office, it's the top-tier Class A sector; hotels, it's the luxury segment, as it is retail. Multifamily again skews luxury condos, but the middle market is squeezed given a shallowing middle class," he said.

From the standpoint of different submarkets, Miami and West Palm Beach "continue to distinguish themselves," Leyva said. "Both markets remain magnets for capital, talent and affluent migration, with investment continuing to flow from the Northeast, Latin America, and increasingly other international markets. Those demographic and capital trends continue to underpin demand across multiple asset classes and reinforce South Florida's position as one of the country's most attractive long-term real estate market."

Several Gulf Coast markets also garnered mention for strong performances, including St. Petersburg, Naples and Sarasota, along with some growth corridors around Orlando, such as Lake Nona, and master-planned communities in the Jacksonville area.

Open-Eyed Optimism

The industry experts shared an overall positive outlook for the second half of 2026 and beyond, while acknowledging they will be keeping an eye on several headwinds.

Both Mast Capital's Kornberg and Akerman's Rapkin described themselves as "bullish" on the state's prospects, and they were joined by a chorus of sources expressing their optimism.

"I think the second half of the year will continue to be strong. Miami continues to be showcased on the world stage, and more and more people are coming to Miami for the lifestyle and the business," CMC Group's Martinez de Castro said. "There are always some growing pains that come with growth and change, but I believe we are living through a remarkable period in Miami's history. We are witnessing the city's evolution into a true global destination and world-class city, and it is exciting to be a part of that transformation."

Based on the number of financing term sheets his team has received recently, Saul Ewing's Flores said he expects the current deal flow of Florida real estate projects to continue for the rest of the year and into the first quarter of 2027.

"Besides the financing activity, we have also seen an influx of requests to prepare fund and investment capitalization packages, which is the first step to further land acquisitions and future development," he said. "As long as the demand for real estate products continues, both local and foreign investors and lenders will continue putting their dollars into Florida real estate."

Four West's Abadi said the South Florida office market presents a rare situation where there has been "historic-low construction, scarce prime supply and [corporate] relocation flows that show no sign of slowing."

"When firm demand meets a market that physically can't add inventory for years, rents hold, and well-positioned assets keep performing. We expect prime South Florida office rents to climb through year-end and into next year," he said.

Tere Blanca, founder, chair and CEO of Blanca Commercial Real Estate, also said the outlook is strong for commercial leasing demand to continue the pace observed in the first half, with the potential for an uptick in new-to-market companies from New York and California.

On the residential front, Hugo Arza, Miami real estate practice group leader at Holland & Knight LLP, said conditions are improving for single-family home development, with sellers reconsidering their positions and not wanting to lose out on selling their land. Breakstone said single-family homes are on pace to post modest year-over-year gains, but construction will "stay cautious" as builders focus on clearing existing product from their pipelines.

"Given the long lead time for development approvals, permitting and construction, however, even projects that start back up now in the second half of 2026 will not be delivered until later 2027 or 2028," Arza added.

Andy Ansin, CEO of Sunbeam Properties — which is developing the Miramar Cove, a $1 billion, 125-acre mixed-use project in Broward County — was one of several sources who highlighted what he called a "clear shift" toward mixed-use developments combining residential, office, retail, hospitality and entertainment in one place.

"People are looking for more convenience in their daily lives. They want to spend less time commuting and more time enjoying where they live, work and gather," Ansin said.

Wellness amenities are in demand for both offices and luxury residential. "It is worth reinforcing just how important wellness has become in the luxury residential market," CMC's Martinez de Castro said. "Today, true luxury cannot exist without a meaningful wellness component."

While money may be no object for a segment of the market, affordability is a major factor that experts said will influence the market's direction.

"Florida's demographics will change based on where people ultimately can afford to live," FRP Development's Levy said.

"Long term, I think South Florida will really skew towards serving a more affluent demographic. Tampa and Orlando will grow considerably as population shifts look for better value, and Jacksonville could emerge as a further growth beneficiary over time," he added.

Interest rates, and in turn mortgage rates, will also play a big role.

"Further stabilization or rate declines would boost affordability, accelerate absorption/sales, support prices, and potentially encourage more measured new construction," Breakstone said. "Persistent stickiness around plus-6% would prolong builders' use of incentives, slower absorption for new product and cautious starts."

"Optimism about future rate cuts is dwindling, and it will be interesting to see whether this puts merchant development of industrial and apartments into another holding period," Saunders Real Estate's Davis added.

Migration into the state is another factor the industry will be watching closely, several sources said. Sustained or increased numbers of businesses, employees and their families, as well as retirees coming to the state would tighten inventory and encourage construction starts, in turn supporting all real estate segments, Breakstone said.

Sources also expressed hope for economic and political certainty.

"Miami tends to perform better than most cities during periods of uncertainty because of its global appeal and continued demand. However, instability and uncertainty on the world stage will always have some impact on real estate sales," Martinez de Castro said. "Maintaining confidence in the market remains important as we move through the second half of the year."

And one factor that cannot be overlooked in Florida is the state's hurricane season, which officially runs from June 1 through Nov. 30, Akerman's Rapkin pointed out.

"It was exactly 100 years ago in September 1926 that a massive hurricane devastated the entire region, including Miami, Miami Beach, Hollywood, Fort Lauderdale and Palm Beach, and which was likely the inciting cause of the complete crash of the Florida real estate market, which had been booming in the first years of the 1920s — although of course there were economic factors at play as well," Rapkin said.

At the Capitol and in the Courts

The hottest policy topic related to Florida real estate this year has been a push, led in large part by Gov. Ron DeSantis, to slash or even eliminate property taxes. The idea has generated controversy, as it would greatly reduce local governments' revenues. But lawmakers in the Republican-controlled Legislature ultimately decided to put a proposed constitutional amendment before voters in November that would increase both the state's homestead exemption and the cap on annual ‘assessment’ increases for other properties.

Ahead of the vote, the "Save Our Homes from Excessive Property Taxes" ballot question faces a legal challenge that alleges it is misleading.

Akerman's Rapkin said he thinks passage is likely but noted the 60% approval threshold required for passage.

Two other familiar policy topics continued to stay top of mind.

Florida lawmakers have devoted significant time to incentivize the construction of more affordable and workforce housing through 2023's Live Local Act and later amendments, and to reforming condominium safety and financial regulations in the wake of the deadly 2021 collapse of the Champlain Towers South condominium building.

Both issues remain important topics in 2026, although the Florida Legislature passed further amendments to expand and add teeth to the Live Local Act but did not act to address concerns about the financial burdens the new condo regulations have imposed on unit owners and associations.

"Florida's new condo safety laws have made buildings safer but placed enormous financial pressure on many owners. At the same time, stricter Fannie Mae and Freddie

Mac lending standards are making it difficult to finance units in older buildings," Government Law Group's Poliakoff said. "The Legislature needs to address affordability for condo owners, particularly through financing solutions that help fixed-income residents pay mandatory assessments to keep their building safe."

The strains caused by new mandates for inspections and collecting financial reserves also have sparked legal battles over special assessments imposed on unit owners, Poliakoff said.

In House Bill 1389, which DeSantis signed into law, lawmakers made land owned by local governments, school districts and houses of worship eligible for redevelopment using the Live Local Act's tax breaks. The law also streamlined administrative approvals and strengthened requirements for local governments to participate in those tax breaks, and it extended Florida Fair Housing Act protections to prohibit discrimination against projects on the basis of their using those benefits.

The latter could be of particular importance, as several lawyers mentioned they were watching challenges to the Live Local Act from local governments seeking control over land use matters, which are largely preempted for projects that fit within the law's parameters.

"Live Local will continue to help developers obtain approvals for workforce housing as well as other projects due to the threat of implementing Live Local," Sunbeam Properties' Ansin said.

Holland & Knight's Arza said he will be monitoring the impact of Senate Bill 1434, also known as the Infill Redevelopment Act. Somewhat similar to the Live Local Act, this new law preempts local zoning and land use regulations to authorize residential development on "environmentally impacted" land of 5 acres or more in Miami-Dade, Broward and Palm Beach counties, where extensive development has made available developable land scarce.

"How this new regulation plays out, particularly in the context of larger tracts such as golf courses, could be market moving," Arza said.

In terms of federal policy, Saul Ewing's Flores said Florida real estate could experience disruptions if Congress does not confirm later this year that the EB-5 investment visa program, which has been an important source of capital for developers, will be extended beyond its September 2027 expiration date. While a year remains until the program's scheduled sunset, this September marks the deadline for certain guarantees for applicants.

Additionally, Ansin said there is hope that the 21st Century ROAD to Housing Act will result in an increase in affordable and workforce housing. "This is particularly important in South Florida, where we have strict environmental regulations and often long and expensive permitting processes," he said.

The three biggest federal policies that can affect the second half of 2026 and next year are tariffs, immigration and interest rates, Blanca said.

"All three of these policies have impact on the cost of construction and overall dynamics across the real estate sector. Higher cost of goods, labor and capital may result in less new supply and less capital being invested across the industry," she said.

Experts also offered their thoughts on additional issues that they said need to be addressed.

Saunders Real Estate's Davis said he does not think enough attention has been paid to how much agricultural land in Florida has been converted for development this decade, saying his firm's "Lay of the Land" report has estimated 177,000 usable acres of farmland have been lost since 2020.

"Growth is inevitable, but increasing density in cities and municipalities is critically important to slow down the urban sprawl," he said.

He called for the Florida Legislature to increase funding for conservation efforts, including the conservation easement option, which allows owners to continue using land for farming while selling the state development rights.

Ansin raised the need for more high-quality private schools in South Florida.

"We continue to welcome families from the Northeast and across the country, but the number of available seats at top private schools hasn't kept pace with that growth," he said. "For many parents, finding the right school is just as important as finding the right home."

Blanca also mentioned the need to address schools, but suggested the Legislature should look at improving quality K-12 public education along with mass transit and housing affordability.

"Those three pillars are essential to continue growth across Florida and may be successfully addressed in numerous ways, including facilitating the expansion of mass transit and development projects connected to mass transit, new laws that result in lower cost of housing and public-private partnerships for quality education programming," she said.