ARCSA | **CAPITAL**

Why South Florida? The Market Opportunity

Market Fundamentals | Fix-and-Flip Real Estate | Data as of February 2026

FLORIDA ECONOMY AT A GLANCE

$1.76 Trillion GDP (Q1 2025) 4th largest economy in the U.S.	**23.4 Million** Population (2025) 3rd most populous state	**+1.4 Million** Projected Growth by 2030 ~900 new residents per day
0% State Income Tax Tax Advantage No estate or inheritance tax	**142.9M Visitors** Tourism Record (2024) Projected 186M by 2030	**Top 5 Nationally** Tax Competitiveness 2026 Tax Foundation Index

WHY SOUTH FLORIDA FOR FIX-AND-FLIP?

◆ **Persistent Housing Demand**

Florida was the #2 growth state in 2025 (U-Haul). Between 2020 and 2025, all of Florida's population growth came from net migration. Miami-Dade alone has 2.8M+ residents, with steady inflows from both domestic and international sources.

◆ **International Capital Magnet**

International buyers drove $10.4 billion in Florida residential purchases in 2024–25, a 46% YoY increase. 60% paid all-cash, and 45% of purchases were concentrated in the Miami metro. Latin American capital provides a consistent demand floor.

◆ **Supply-Demand Imbalance**

Housing inventory sits at 5.2 months of supply (6 months = balanced market). Single-family building permits remain 27% below their historical per-capita average. Existing homeowners "locked in" at low mortgage rates limit resale supply.

◆ **Favorable Tax Environment**

Zero state income tax, no estate tax, no inheritance tax. Property tax rates of 0.8%–1.1% of assessed value. Florida ranked Top 5 in the 2026 Tax Foundation Competitiveness Index, attracting HNWIs from high-tax states.

◆ **Fix-and-Flip Economics Work**

Miami flippers earned an average gross profit of $105,000 at 30.4% ROI. Statewide average: $70,250 gross profit per flip at 28.7% ROI. Flips represent 25.6% of all Miami real estate transactions—the highest concentration in the state.

HOUSING MARKET SNAPSHOT

Key indicators — Florida single-family residential

Median Sale Price (Q4 2025)	**$413,000**	−0.5% YoY
Closed Sales, SFH (2025)	**255,012**	+0.9% YoY
Dollar Volume SFH (2025)	**$154.6B**	+2.0% YoY
Median Price (Jan 2026)	**$412,800**	+0.2% YoY
Months of Supply	**5.2 months**	Below balanced
Median Days on Market	**82 days**	+6 days YoY
Pending Sales SFH (Dec)	**+5.4% YoY**	5th consecutive month up
Intl Buyer Volume	**$10.4B**	+46% YoY

2026 OUTLOOK

✓ NAR forecasts +14% increase in home sales nationwide
✓ Home prices expected to rise +2.2% nationally (Realtor.com)
✓ Mortgage rates stabilizing near 6.3% (down from 6.6%)
✓ FL pending SFH sales up 5 consecutive months (Dec 2025)
✓ International buyer activity rebounding +50% in sales count

WHY FIX-AND-FLIP NOW? THE MARKET WINDOW

▲ **Buyer's Leverage = Acquisition Opportunity**

More negotiable sellers, longer days on market (82 days avg), and price stabilization create ideal conditions to acquire distressed properties at discounted prices. Foreclosure filings in FL lead the nation—providing consistent deal flow for disciplined operators.

▲ **Rising Demand Rebound for Exits**

5 consecutive months of increasing pending SFH sales signal accelerating demand. NAR projects 14% jump in national sales for 2026. Mortgage rates easing toward 6.3% will unlock pent-up buyer demand—exactly when renovated inventory hits the market.

▲ **Short-Cycle, Tangible Asset Strategy**

3–6 month cycles insulate from long-term market risk. Capital is returned and reinvested 3–4x per year, compounding returns. Unlike passive RE or REITs, fix-and-flip creates value through renovation, not just market appreciation.

SOURCES

Florida Realtors® (Q4 2025 & Year-End 2025 Reports, Jan 2026) • Redfin Florida Housing Market (Jan 2026) • Florida TaxWatch Economic Forecast Q1–Q3 2025 • FL Office of Economic & Demographic Research (Aug 2025) • National Association of Realtors®, NAR NXT 2025 Forecast • Realtor.com 2026 Outlook • Tax Foundation 2026 State Tax Competitiveness Index • U-Haul 2025 Growth State Rankings • ATTOM Data Solutions (House Flipping Reports) • Houzeo Miami Fix-and-Flip Analysis (2025)

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