

Miami vs. NYC vs. LA: What \$5M Buys You in 2026 (Square Footage, Taxes, Lifestyle)

A comprehensive relocation and investment guide for the discerning luxury buyer

The \$5 Million Question Has a New Answer

In the world of ultra-luxury real estate, \$5 million is no longer a ceiling, it's a starting point. And depending on where you spend it, the experience can range from a compact Manhattan co-op with world-class prestige to a panoramic waterfront penthouse in Miami with a yacht slip, a private terrace, and zero state income tax.

The global wealth map is being redrawn. Miami has officially surpassed New York City as the U.S. metro with the most million-dollar listings, 10,591 versus NYC's 10,176 by the end of 2025, ending nearly a decade of New York dominance. According to the [Altrata Residential Real Estate 2025 report](#), Miami is now ranked #1 in the world for ultra-high-net-worth individuals (UHNWIs) owning secondary homes, surpassing New York, Los Angeles, Paris, and London with more than 13,200 UHNW secondary home owners. This is not a trend, it is a structural transformation.

For buyers considering where to plant their \$5 million flag, this guide breaks down exactly what each market delivers in 2026: the square footage, the tax liability, the lifestyle, and the investment math.

Overview: \$5M Across Three Markets at a Glance

Metric	Miami	New York City	Los Angeles
Typical property type	Waterfront condo or luxury SFH	High-rise condo or co-op	Estate home or hillside villa
Estimated sq. footage	3,000–5,000+ sq ft	1,400–2,000 sq ft	2,500–4,000 sq ft
Price per sq ft (luxury)	\$1,400–\$2,800 (prime)	\$2,500–\$3,500 (prime)	\$1,200–\$1,561 (Beverly Hills)

State income tax	0%	4–10.9% (+ 3.876% NYC)	1–13.3%
Transfer tax at closing	None for buyers	2.25% mansion tax on \$5M	4% ULA "mansion tax" on \$5M+
Annual property tax	~2% of assessed value	~1.69–2.5%	~0.73% (Prop 13 capped)
Millionaire density	105 luxury homes/sq mile	38 luxury homes/sq mile	N/A

The arithmetic advantage of Miami is immediately visible. A \$5 million budget delivers dramatically more livable space, dramatically less tax friction, and access to a market that is growing faster than either of its rivals.

Miami: Space, New Developments & Waterfront Living

What \$5M Buys in Miami in 2026

At the \$5 million price point in Miami, buyers step into the city's **ultra-luxury tier**, a category defined by branded residences, bayfront and oceanfront addresses, and hotel-style amenities. In prime neighborhoods such as South Beach, Brickell, Edgewater, Coconut Grove, and Coral Gables, \$5 million typically unlocks:

- A **3,000–5,000+ sq ft** waterfront condominium in a branded tower (St. Regis, Rosewood Residences, Mandarin Oriental)
- A **4–5 bedroom single-family home** in Coconut Grove or Coral Gables with a private pool and tropical gardens, often on a quiet, tree-canopied street
- A **full-floor residence** in a newer Brickell or Edgewater tower with panoramic bay views and full concourse amenities
- In select emerging corridors, a **5,000+ sq ft waterfront estate** with private dock access

New Development Pipeline

Miami's pre-construction market is among the most active in the country, with a wave of branded and architect-designed towers transforming the skyline. Projects like **Aria Reserve** (Edgewater), **The Well Coconut Grove**, and **Continuum Club & Residences** are redefining what ultra-luxury living means in 2026, featuring marinas, bayfront pools, full-floor sky lounges, and curated resident programming. Average price per square foot for newly delivered branded residences ranges from **\$1,400 to \$2,800**, with ultra-luxury bayfront penthouses pushing past **\$3,000 per square foot**. For a full view of the [2026 Miami pre-construction pipeline](#), see the [January 2026 update from Condo Black Book](#).

The \$5M Price-to-Space Advantage

Global wealth data reinforces the arithmetic: approximately \$1 million buys roughly 58 square meters of prime space in Miami versus only around 34 square meters in Manhattan, nearly double the footprint for the same dollar. Scale that to \$5 million, and the space differential becomes dramatic.

New York City: Density, Prestige & The Tradeoffs

What \$5M Buys in NYC in 2026

Manhattan operates at a different price register. At \$5 million, buyers enter the luxury threshold but are not necessarily at the top. The average luxury price per square foot in Manhattan reached \$2,535 in Q3 2025, with the median luxury sale price at approximately \$5.9 million. For exactly \$5 million, buyers can expect:

- A **1,400–2,000 sq ft** two- or three-bedroom condominium in a premium building in the Upper East Side, Tribeca, or Midtown
- A **pre-war co-op** with high ceilings and classic detailing in a prestigious address, typically with strict board approval requirements
- Potentially a partial park view from a mid-tier floor in a newer tower, but not the full Central Park panorama, which demands a significant premium

Manhattan condos averaged **\$1,998 per square foot** in Q3 2025 across the broader market, with prime locations commanding \$2,500 to \$3,500. In Billionaires' Row towers, prices step significantly higher still.

The Co-op Complexity

A unique New York consideration: many of the city's most prestigious buildings are **co-ops**, not condos. Co-ops impose extensive board approval processes, financial disclosure requirements, and strict rules on subletting and short-term rentals, limitations that make them illiquid relative to comparable Miami or LA assets. For international buyers or those seeking investment flexibility, this structural friction matters.

Market Signals for 2026

Manhattan's luxury segment showed resilience in early 2025, with contracts over \$4 million up 18% year-over-year and inventory down approximately 9%. However, New York's luxury inventory follows a more traditional seasonal cycle, with pronounced winter drawdowns. The market's depth is unquestionable, Manhattan still led the country in ultra-luxury sales of \$10 million and above, with over 300 deals in 2024 averaging north of \$24 million.

Los Angeles: Land, Privacy & The Tax Headwind

What \$5M Buys in LA in 2026

Los Angeles tells a fundamentally different story from New York. Here, land and privacy are the luxury product. At \$5 million, buyers can access:

- A **3,000–4,500 sq ft** renovated villa in the Beverly Hills flatlands or Brentwood, typically on a generous lot with a pool and guest house
- A **hillside compound** in the Hollywood Hills with elevated views, architect-designed interiors, and meaningful outdoor space
- A **modern home** in Bel-Air or Pacific Palisades with canyon views and the indoor-outdoor California living aesthetic

Beverly Hills median listing prices stood at approximately \$6.5 million with a price per square foot of \$1,561, meaning \$5 million represents a strong entry point, but not at the absolute top.

The Mansion Tax Headwind

Los Angeles introduced a seismic market disruption with **Measure ULA**, the "mansion tax", which levies a **4% tax on property sales between \$5.3 million and \$10.6 million** and **5.5% on sales above \$10.6 million**. By December 2025, [the tax had collected over \\$1 billion in total revenue](#), but its market impact has been severe.

A buyer purchasing a \$5.3 million property in Los Angeles owes **\$212,000 in ULA tax at closing**, a significant additional friction on top of standard closing costs. A 2026 [UCLA study found the ULA tax triggered a 40% plunge in construction permits](#) citywide. While the tax faces legal and legislative challenges heading into 2026, it remains in force and represents a material cost for any \$5M+ buyer in Los Angeles.

Square Footage Comparison

To put the space differential in concrete terms, here is what a \$5 million budget realistically delivers in 2026:

City	Property Type	Estimated Sq Ft	Key Neighborhoods
Miami	Waterfront condo / luxury SFH	3,000–5,500 sq ft	Brickell, Coconut Grove, Edgewater, S. Beach
New York City	High-rise condo / co-op	1,400–2,000 sq ft	Upper East Side, Tribeca, Midtown West
Los Angeles	Estate home / hillside villa	2,500–4,000 sq ft	Beverly Hills, Brentwood, Bel-Air

Miami consistently delivers the most square footage per dollar, often providing **2–3x the interior space** of an equivalent Manhattan purchase. LA falls in the middle, offering more land and livable space than NYC but at a higher tax cost at this price point.

Tax Comparison: Where \$5M Truly Costs the Most

This is where Miami's advantage becomes quantifiable and decisive.

State Income Tax

State	Top Marginal Rate	On \$1M Annual Income
Florida (Miami)	0%	\$0
New York (NYC residents)	10.9% state + 3.876% city = 14.78% combined	~\$147,800
California (LA residents)	13.3%	~\$133,000

A Manhattan hedge fund manager earning \$10 million annually pays roughly **\$1.48 million per year** in state and city income taxes. By relocating to Miami, that entire burden is eliminated, representing **\$14.8 million in preserved wealth over a decade**, enough to acquire a flagship waterfront estate purely from tax savings. As [Florida Millionaires: Where Wealth Is Moving in 2026](#) documents, this calculation is exactly why high-income earners continue migrating south.

Transfer Taxes at Closing

City	Transfer/Mansion Tax on \$5M Purchase	Cost to Buyer
Miami / Florida	None	\$0
New York City	2.25% mansion tax (buyer) + 0.4% NYS transfer tax (seller)	~\$112,500 (buyer)
Los Angeles	4% ULA mansion tax (typically seller)	~\$200,000–212,000

Annual Property Tax

City	Effective Rate	Annual Tax on \$5M Property
Miami (Miami-Dade)	~2% of assessed value	~\$100,000
New York City	~1.69–2.5%	~\$84,500–\$125,000
Los Angeles	~0.73% (Prop 13 capped)	~\$36,500 for existing owners

The 10-Year Tax Burden (High-Income Buyer, \$1M Annual Income)

City	Income Tax (10 yr)	Transfer Tax	Total Tax Disadvantage vs. Miami
Miami	\$0	\$0	Baseline
New York City	\$1,478,000+	\$112,500	\$1,590,000+
Los Angeles	\$1,330,000+	\$212,000+	\$1,542,000+

The math is unambiguous. Over a decade, a high-income buyer choosing Miami over New York or Los Angeles preserves **\$1.5 million or more** in taxes, enough to purchase a luxury second home in the Florida Keys outright.

[Moving from New York or Los Angeles? Let's find your perfect Miami home.](#)

The Ivan & Mike team specializes in guiding high-net-worth buyers through the transition from NYC and LA to Miami's most sought-after neighborhoods. From Brickell to Coconut Grove, we know exactly what \$5M buys right now, and what it will be worth tomorrow.

Lifestyle Comparison

Beyond the balance sheet, \$5 million buys a fundamentally different daily life in each city.

Miami: The New Luxury Standard

Miami's lifestyle proposition has evolved far beyond sun and sand. In 2026, it is a **year-round global hub for finance, technology, art, and hospitality**, where private aviation, deep-water marinas, and Michelin-starred restaurants exist minutes from major business districts. Key lifestyle differentiators include:

- **Year-round outdoor living:** An average of 250+ days of sunshine, access to world-class beaches, and an outdoor culture that elevates daily wellness
- **Cultural depth:** Art Basel Miami Beach (the Western Hemisphere's premier art fair), Design District galleries, Wynwood Walls, and a world-class dining scene
- **Water access:** Yacht clubs, private marinas, and direct ocean or bay access, a lifestyle category that NYC and LA simply cannot replicate at this price point
- **International connectivity:** Miami International Airport serves as a gateway to Latin America and Europe, with nonstop service to over 100 international destinations
- **Community:** Miami now has more than 13,200 UHNW secondary home owners, a critical mass of global talent, family offices, and institutional capital that creates a self-reinforcing ecosystem. [Read more about Miami's global wealth attraction here.](#)

New York City: The Unmatched Prestige Market

New York commands a different category of luxury: **cultural prestige, financial proximity, and institutional depth**. For buyers whose businesses are tied to Manhattan, finance, law, media, fashion, the case for NYC is not primarily about space or tax efficiency. It is about access, status, and the irreplaceable energy of the world's most dense intellectual and financial ecosystem. The city's cultural offerings, Met Gala, Broadway, the MoMA, Central Park, remain unmatched. In Q1 2025, 40% of Manhattan's \$5M+ buyers were foreign or institutional, drawn by FX arbitrage, rule-of-law preference, and long-term trophy asset hunting.

Los Angeles: Privacy, Land & the California Lifestyle

Los Angeles delivers something neither Miami nor New York can offer at scale: **land, privacy, and the canyon-to-coast California lifestyle**. The ability to own a compound on a generous lot, with mature landscaping, a guest house, a pool, and mountain or ocean views, represents a genuine lifestyle category. For entertainment, media, and tech executives for whom LA proximity is professionally essential, the city remains indispensable. The climate is extraordinary, outdoor recreation is seamless, and the cultural scene, from Getty Center to Venice Beach, is world-class. The caveat, of course, is the structural tax burden and the lingering cloud of the ULA mansion tax.

Investment Perspective

For buyers approaching the \$5 million decision through an investment lens, the data points in one direction with nuance.

Miami's return profile has been exceptional: prime prices averaged **8–12% annual appreciation from 2020 to 2024**, with expectations normalizing to 4–6% in the near term, per [Miami vs NYC Luxury Real Estate Investment 2025](#). Rental yields of **4–6%** annually, and 8–12% for short-term rental-permitted buildings, significantly outperform Manhattan's 2–4%. Miami-Dade County added over **64,000 net new residents** as of July 2024, driven primarily by international newcomers. More than 55,000 interstate workers moved to the Miami metro in 2024, with a typical out-of-state transplant earning over \$101,000 annually and collectively [bringing \\$5.1 billion in wages to the region](#).

New York's investment case rests on **wealth preservation and liquidity**. The market is deeper, more established, and more predictable. Ultra-prime Manhattan has appreciated 3–5% annually historically, and the city's global prestige maintains a floor under trophy asset values. The market's technical recovery in early 2025, [with luxury contracts up 18% year-over-year](#), suggests renewed institutional confidence.

Los Angeles presents a more complex picture. While the market has strong demand fundamentals, [cash buyers represented 25.4% of the \\$1M–\\$5M market in early 2025](#), the highest share in over a decade, the ULA mansion tax and its [40% construction permit decline](#) create structural uncertainty. Beverly Hills, Bel-Air, and Brentwood remain deep markets, but buyers in 2026 must price in the transaction tax friction.

Why Miami Is Winning Global Buyers

The convergence of factors driving Miami's global ascent is not cyclical, it is structural:

1. **Tax arbitrage at scale:** Florida's zero state income tax, no estate tax, and no transfer taxes create a compounding financial advantage that grows with income and time. [Explore Florida's full tax advantage for millionaires](#)
2. **World's #1 UHNW second-home market:** More ultra-high-net-worth individuals choose Miami for secondary ownership than any other city on earth, per the [Altrata World Ultra Wealth Report 2025](#)
3. **Record luxury density:** Miami has 105 luxury homes per square mile, nearly 3x more than New York's 38, per [The US City Leading in High-End Homes](#)
4. **Supply pipeline that leads, not lags:** Unlike New York, which faces a "drought" in luxury listings due to strict zoning and permitting, Miami's developer ecosystem is responsive and prolific
5. **Global financial hub emergence:** Miami now ranks **5th nationwide for venture capital investment** and is attracting hedge funds, family offices, and fintech firms at an accelerating rate. See: [Miami's Luxury Real Estate: Where Tech Capital and AI Redefine Value](#)
6. **Value trajectory:** Miami still trades at a **discount on price-per-square-foot** relative to Manhattan and select LA enclaves, while sitting at the center of a powerful narrative of population growth, wealth migration, and brand-new infrastructure
7. **UHNW population growth:** Florida's millionaire population has surged **63% since 2015**, and is projected to grow at **8.8% annually through 2030**, per [Florida Millionaires: Where Wealth Is Moving in 2026](#)

[Not sure which Miami neighborhood fits your lifestyle and goals?](#)

From the high-rise sophistication of Brickell to the tree-lined estates of Coconut Grove, each Miami neighborhood offers a distinct \$5M experience. Our Miami Neighborhood Guide for Luxury Buyers breaks down what to expect, block by block.

Ivan & Mike Team: Relocation Expertise

For buyers considering Miami from New York or Los Angeles, the Ivan & Mike team brings on-the-ground expertise navigating the city's most dynamic neighborhoods and ultra-luxury developments.

Common relocation scenarios:

- **New York finance professionals** relocating primary residence to Brickell or South Beach to eliminate state income tax while maintaining global access via MIA
- **LA entertainment and tech buyers** acquiring Miami waterfront estates as primary residences while maintaining California ties, often leveraging Florida's homestead protection and no inheritance tax for estate planning
- **Latin American and European investors** acquiring branded residences in Edgewater, Sunny Isles Beach, or Fisher Island as a U.S. anchor with rental-income upside

What the Ivan & Mike team helps clients navigate:

- Identifying the right Miami neighborhood for lifestyle fit (Brickell for urban professionals; Coral Gables and Coconut Grove for families; South Beach and Edgewater for cultural buyers)
- Pre-construction opportunity timing and developer relationships

- Understanding the full cost-of-ownership picture, including HOA, insurance, and Florida-specific considerations
- Structuring purchases through appropriate entities for tax and estate planning purposes

FAQs

What does \$5 million buy in Miami in 2026?

At \$5 million, Miami buyers typically access a 3,000–5,000+ square foot waterfront condominium in a branded tower, or a luxury single-family home in Coconut Grove, Coral Gables, or Miami Beach. Ultra-luxury new developments from brands like St. Regis, Rosewood, and Mandarin Oriental begin pricing in this tier.

What does \$5 million buy in New York City in 2026?

In Manhattan, \$5 million typically buys a 1,400–2,000 square foot two- or three-bedroom condo or co-op in a prime building. The [average luxury price per square foot in Manhattan reached approximately \\$2,535](#) in Q3 2025. Buyers should also budget for a 2.25% mansion tax (\$112,500 on a \$5M purchase) paid at closing.

What does \$5 million buy in Los Angeles in 2026?

In Los Angeles, \$5 million buys a 2,500–4,000 square foot estate home or hillside villa in neighborhoods like Beverly Hills, Brentwood, or Bel-Air. Note that the [ULA "mansion tax" applies to sales above \\$5.3 million at a rate of 4%](#), adding material friction for transactions in that tier.

Is Miami or New York better for investment?

Miami currently offers higher rental yields (4–6% vs. NYC's 2–4%), stronger recent appreciation (8–12% annually 2020–2024), and a dramatically superior tax environment, per [Miami vs NYC Luxury Real Estate Investment 2025](#). New York offers greater market depth, liquidity, and long-term stability. The optimal choice depends on investment horizon, lifestyle priorities, and whether professional proximity to Manhattan is essential.

How much do taxes differ between Miami and New York?

The difference is dramatic. NYC residents face up to 14.78% in combined state and city income tax, while Florida residents pay 0%. A buyer earning \$1 million annually saves approximately \$147,800 per year by relocating to Florida from New York, over \$1.47 million per decade, before accounting for transfer taxes and estate tax advantages.