IM **Yardi** Matrix

MULTIFAMILY REPORT

Miami's Tight Rental Market

June 2022

YoY Rent Growth Leads Nation

Investment Activity Remains Red Hot

Construction Continues at Steady Pace

MIAMI MULTIFAMILY

Yardi Matrix

High Demand Fuels Rent, Occupancy Growth

Boosted by above-average job growth, Miami has one of the country's tightest rental markets. As of April, rates were up by a whopping 24.6% year-over-year, earning Miami the top spot nationally in terms of annual rent growth. On a T3 basis, rates improved by 0.9% to $2,261, while the U.S. average hit $1,659, up 0.8%.

Miami added 153,200 positions in the 12 months ending in February, up 6.3% and 160 basis points above the national rate. Leisure and hospitality accounted for more than a third of the gains (49,800 jobs), followed by trade, transportation and utilities (40,400 jobs). The metro's northern area is among the hottest for investment, with Palm Beach County establishing itself as a thriving financial hub. According to the county's Business Development Board, around 100 financial firms set up locations here over the past few years, including JPMorgan Chase and Goldman Sachs.

Year-to-date through April, developers delivered 3,256 units and investors spent $2 billion on multifamily assets across Miami. Investment activity is expected to slow down going forward, considering the rising interest rates and the uncertainty that comes with a high inflation climate. Additionally, increasing construction costs will likely limit development to some degree which, in return, will support rent growth. Yardi Matrix expects rates in Miami to grow by 9.0% this year—the largest hike in the country.

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Recent Miami Transactions

The Sophia at Abacoa

City: Jupiter, Fla.
Buyer: Berkshire Residential Investments
Purchase Price: $203 MM
Price per Unit: $519,231

Jupiter Isle

City: Jupiter, Fla.
Buyer: S2 Capital
Purchase Price: $127 MM
Price per Unit: $353,760

Verona at Boynton Beach

City: Boynton Beach, Fla.
Buyer: Waterton
Purchase Price: $80 MM
Price per Unit: $370,370

Solera at City Centre

City: Palm Beach Gardens, Fla.
Buyer: Pantzer Properties
Purchase Price: $67 MM
Price per Unit: $496,269