

Yardi® Matrix

# Miami's Building Craze

Multifamily Report Fall 2017

**New Deliveries  
Softens Rent Growth**

**Population Surge  
Pushes Up Demand**

**Investors Zero In on  
Secondary Areas**



# MIAMI MULTIFAMILY

Yardi® Matrix

## Market Analysis

Fall 2017

### Contacts

#### Paul Fiorilla

Associate Director of Research  
Paul.Fiorilla@Yardi.com  
(800) 866-1124 x5764

#### Jack Kern

Director of Research and Publications  
Jack.Kern@Yardi.com  
(800) 866-1124 x2444

### Author

#### Robert Demeter

Senior Associate Editor

## Job Growth Keeps Market Steady

Miami's multifamily market is fully packed. Although enjoying solid fundamentals, one of the market's biggest challenges is the substantial amount of new supply. This has put a damper on rent growth, which started decelerating in late 2014, going from a 6.1% increase to 2.0% as of August 2017. Population and job gains even out the situation, producing a healthy demand and ensuring that new units are slowly but steadily absorbed. However, the availability of low-cost housing is still an issue. Complicating things is a new South Miami ordinance that requires solar panels on all new residential projects, which will increase construction costs and make it more difficult for developers to pencil out low-cost units.

The metro's economic profile is diverse, but education and health services; leisure and hospitality; and trade, transportation and utilities continue to drive job growth. Construction activity and industrial expansions are also strong, with Amazon's new 855,000-square-foot fulfillment center a telling example. The list also includes major infrastructure projects like the Ft. Lauderdale Airport revamp and the upcoming Brightline Express train that will connect Miami to Orlando.

Even though the area dodged the worst predictions, the true cost of Hurricane Irma is still unclear. Florida International University estimated the statewide damage at more than \$19 billion, of which \$6 billion will be paid by insurance companies, while two-thirds of the losses will be shouldered by homeowners.

## Recent Miami Transactions

City Center on 7th



City: Pembroke Pines, Fla.  
Buyer: Harbor Group International  
Purchase Price: \$159 MM  
Price per Unit: \$226,429

Amaray Las Olas by Windsor



City: Fort Lauderdale, Fla.  
Buyer: GID  
Purchase Price: \$134 MM  
Price per Unit: \$525,787

The Quaye at Palm Beach Gardens



City: Palm Beach Gardens, Fla.  
Buyer: PGIM Real Estate  
Purchase Price: \$118 MM  
Price per Unit: \$347,067

One Boynton



City: Boynton Beach, Fla.  
Buyer: Pollack Shores  
Purchase Price: \$109 MM  
Price per Unit: \$221,356

### To Subscribe

#### Hollie Zepke

Audience Development Specialist  
Hollie.Zepke@Yardi.com  
(800) 866-1124 x5389