

Yardi® Matrix

Blazing Miami

Multifamily Report Summer 2018

Construction Surge Continues

Per-Unit Values Reach New Peak

Rent Growth Mirrors National Trend

MIAMI MULTIFAMILY

Yardi® Matrix

Market Analysis

Summer 2018

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Construction Surge Dilutes Rent Growth

Miami's multifamily market remains relatively healthy amid population and job gains, producing growth across asset classes, as rent increases continue to be on par with the national figure. However, following another record-breaking year for deliveries, the metro is on the verge of oversupply, with the accelerated rhythm of inventory expansion expected to linger.

The metro added 24,000 jobs in the 12 months ending in March, with professional and business services (7,100) leading the way. Manufacturing (5,400) and construction (4,300) followed. Two large master-planned projects are underway—Miami Worldcenter, a \$2 billion mixed-use development, and Metropica, a \$1.5 billion property. Although job growth is primarily fueling workforce housing demand, developers continue to cater to high-income renters. More than 80% of apartments underway are upscale, which continues to fuel the affordability crisis. Additionally, the National Low Income Housing Coalition's annual report showed that 79% of Florida's extremely low-income renter households are severely cost burdened.

We expect some 11,500 units to come online during the whole of 2018, slightly above last year's cycle high. The average rent was \$1,615 as of May, but as new units add up to the existing stock, growth is bound to roughly follow the national trend. We expect rents to rise 3.0% in 2018.

Recent Miami Transactions

Casa Vera



City: Miami
Buyer: LivCor
Purchase Price: \$139 MM
Price per Unit: \$254,451

850 Boca



City: Boca Raton, Fla.
Buyer: AvalonBay Communities
Purchase Price: \$138 MM
Price per Unit: \$372,973

The Manor CityPlace Doral



City: Doral, Fla.
Buyer: TA Associates Realty
Purchase Price: \$135 MM
Price per Unit: \$339,196

Amaray Las Olas by Windsor



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