



MULTIFAMILY REPORT

Miami: One Step At A Time

Summer 2020

Transactions Endure Slowdown

Delays Disrupt Deliveries

Rents Rebound Slightly

MIAMI MULTIFAMILY



Underlying Fundamentals Hold The Key

Miami ended 2019 on a high note; In a study by financial advice website SmartAsset, the metro ranked fourth out of 500 U.S. cities ranked for economic growth. Miami joined the nation's top "boom-towns" thanks to its gross domestic product and business growth, job creation and population change. However, rents started to moderate in late 2019 and early 2020. As COVID-19's impact unfolded, the market felt the weight of the economic dislocation. Rates in metro Miami were down 0.3% on a trailing three-month basis as of July, to \$1,670, but were still above the \$1,460 U.S. average.

In line with the national trend, employment growth started to gradually dip in late 2019, taking a negative turn in April once the effects of the pandemic became evident. The contraction exacerbated in May (-3.6%), when the rate fell below the U.S. average by 30 basis points. As of June, unemployment stood at 11.3% in metro Miami. While major job losses occurred across the board, development was allowed to forge ahead amid lockdowns. As a result, construction recorded growth, adding 1,700 jobs over 12 months as of May.

Year-to-date through July, 3,976 units were delivered in the metro and more than 33,000 apartments were underway. Following years of robust activity, with transactions peaking at \$3.4 billion in 2016, sales volume dipped to \$955 million year-to-date through July, marking a 43% drop compared to the same interval last year.

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Recent Miami Transactions

The Flats at CityPlace



City: Doral, Fla.
Buyer: Harbor Group International
Purchase Price: \$100 MM
Price per Unit: \$330,033

The Harbor



City: Coral Springs, Fla.
Buyer: CaraCo Group
Purchase Price: \$75 MM
Price per Unit: \$241,861

Delray Station



City: Delray Beach, Fla.
Buyer: Cortland
Purchase Price: \$74 MM
Price per Unit: \$258,392

Shirley H. Gould House



City: Boca Raton, Fla.
Buyer: Fairstead
Purchase Price: \$34 MM
Price per Unit: \$334,158