

YARDI® Matrix

Miami's Booming Market

Multifamily Summer Report 2016

Key Sectors Sustain Strong Job Growth

Pipeline Hits Post-Recession High

Sales Volume Tops \$3.5B

MIAMI MULTIFAMILY

YARDI® Matrix

Market Analysis

Summer 2016

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

Chris Nebenzahl

Senior Analyst

Miami's International Flavor Stirs Growth

Miami's apartment market has fired on all cylinders for the last few years. Above-trend job growth combined with a growing population has produced favorable conditions for multifamily in South Florida.

Job growth has been the driving force behind Miami's resurgence over the past eight years. New employment has been spread across sectors, including professional and business services, trade transportation and utilities, education and health services, and hospitality and leisure, indicating diversity and room for continued growth. Improving relations with Cuba will also be something to watch, as Miami's economy stands to benefit from a new and close trading partner. Miami government and business leaders have been working to bring Chinese business and developers to North Miami to build a Chinatown neighborhood and add to the already substantial international population.

To keep up with demand, construction is on the rise. More than 10,000 units are expected to be added this year and next. While downtown Miami and its surrounding submarkets lead the way in terms of new product, the West Palm Beach and Fort Lauderdale regions are also showing strong supply increases. The metro's growth outlook also has produced a wave of investment, as transaction volume hit \$3.6 billion in 2015. With demand staying high, we expect rents will have another good year in 2016, growing by 7.0%.

Recent Miami Transactions

Red Road Commons



City: Miami, Fla.
Buyer: Starwood Capital Group
Purchase Price: \$152 MM
Price per Unit: \$376,007

Sheridan Ocean Club



City: Dania Beach, Fla.
Buyer: Starwood Capital Group
Purchase Price: \$127 MM
Price per Unit: \$196,740

Portofino at Biscayne



City: North Miami, Fla.
Buyer: Blue Rock Premier Properties
Purchase Price: \$117 MM
Price per Unit: \$134,948

Solero at Plantation



City: Plantation, Fla.
Buyer: Grand Peaks Properties
Purchase Price: \$123 MM
Price per Unit: \$255,094