



MULTIFAMILY REPORT

Miami: On Firm Ground

June 2023

YoY Rent Gains in Top 6 Nationally

Pipeline Points to Robust Growth

Job Expansion Softens, Above US Rate

MIAMI MULTIFAMILY



High Demand Sustains Rental Market

South Florida's multifamily market continued to stabilize, following two fast-paced years. As of April, Miami's average asking rate posted a consistent 4.5% year-over-year increase, to \$2,397, ranking sixth nationally for rent growth. U.S. rates rose only 3.2%, to \$1,709. Meanwhile, at 96.0% as of March, the occupancy rate in stabilized properties remained 100 basis points above the national figure, as demand endured in the face of recession fears.

The unemployment rate in South Florida dropped to 2.2% in March, according to preliminary data from the Bureau of Labor Statistics, leading both the state (2.6%) and the U.S. (3.5%). The job market expanded by 84,800 jobs, or 4.1%, in the 12 months ending in February, with trade, transportation and utilities (19,100 positions) leading gains. Only one sector recorded contractions—mining, logging and construction lost 2,900 jobs. Miami is moving forward with several multibillion-dollar projects that are luring in well-capitalized investors and supporting job growth. A Terra-led group spent \$1.2 billion for the largest undeveloped waterfront site in the city's urban core. In the Wynwood Arts District, an L&L Holding Co. joint venture began work on a 1 million-square-foot campus.

With economic growth ebbing across the country, both investment and development activity in Miami decelerated. In the first four months of the year, \$516 million in multifamily assets traded, and developers brought 2,732 units online.

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Contacts

Jeff Adler

Vice President & General Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Laura Calugar
Senior Editor

Recent Miami Transactions

Southgate Towers



City: Miami Beach, Fla.
Buyer: AIR Communities
Purchase Price: \$289 MM
Price per Unit: \$583,838

Riverland



City: Fort Lauderdale, Fla.
Buyer: Stratford Management
Purchase Price: \$84 MM
Price per Unit: \$304,594

Seascape Pointe



City: Homestead, Fla.
Buyer: IMC Equity Group
Purchase Price: \$67 MM
Price per Unit: \$229,452

Ambergate/Greengate



City: West Palm Beach, Fla.
Buyer: North Point Management
Purchase Price: \$18 MM
Price per Unit: \$92,440