

Yardi® Matrix

Miami: Crane City

Multifamily Report Winter 2018

Population, Job Gains Fuel Expansion

Packed Pipeline Softens Rent Growth

Investors Eye Secondary Areas

MIAMI MULTIFAMILY

Yardi® Matrix

Market Analysis

Winter 2018

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Demand, Supply Still Sky High

Miami's multifamily market is heading into a healthy 2018. It displays solid fundamentals and a diverse economic profile, although it remains challenged by a substantial amount of new supply. While rent growth started decelerating in mid-2016, population and job gains have been cushioning the drop, producing healthy demand and ensuring that new units are slowly but steadily absorbed. The metro's average rent climbed to \$1,593 as of January, up 1.8% in 12 months.

Miami added 44,300 jobs year over year through November 2017, as education and health services (10,700) and trade, transportation and utilities (9,200) spearheaded growth. Tourism remained as solid as ever, with the number of overnight visitors reaching a record 15.9 million in the 12 months ending in August 2017, the Greater Miami Convention and Visitors Bureau reports. The Brightline Express rail line, which is set to connect Miami and Orlando, is also nearing completion. A portion of the project was launched in January, and the rail line is already attracting developers near its mixed-use train stations.

Roughly 10,900 units were delivered last year, and 2018 promises another 13,000 units by year-end. Due to the spate of new deliveries, occupancy in stabilized properties dropped 90 basis points in 2017, to 95.0%. With population growth set to continue, we expect rents to rise 2.3% in 2018.

Recent Miami Transactions

City Center on 7th



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

Signature at Kendall



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: \$337,500