

Yardi® Matrix

MULTIFAMILY REPORT

Early Signs Of Stress In Miami

Spring 2020

Rent Growth Softens

Unemployment Strains Economy

Transactions Close Healthy Q1



MIAMI MULTIFAMILY

Yardi® Matrix

Rent Growth Softens In South Florida

In 2019, Miami was among the healthiest multifamily markets in the U.S., fueled by above-trend job gains and positive demographic trends. However, rent growth started decelerating in the last quarter of 2019, partially due to a strong wave of new supply. The early effects of the coronavirus crisis started to emerge at the end of this year's first quarter, further dampening growth. Rates were up 0.2% on a trailing three-month basis as of March.

The metro gained 43,000 jobs in 2019 for a 1.9% uptick, 10 basis points above the U.S. figure. Alongside Dallas, Las Vegas, Orlando and Phoenix, Miami has consistently ranked among the top metros for job and population growth since the last recession. According to Yardi Matrix data, one-third of Miami's labor force is in high-risk sectors impacted by the pandemic. Although Florida is diversifying, its economy depends heavily on tourism, the hardest-hit sector. According to state officials, some 1.7 million people had filed unemployment claims as of April 21.

Miami added almost 2,000 units to its multifamily stock in the first quarter, all targeting the Lifestyle segment. With many residents working in relatively low-paying industries that have been highly impacted by the COVID-19 lockdown, demand for Renter-by-Necessity assets is likely to record increased volatility in the short and medium term.

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Recent Miami Transactions

Shorecrest Club



City: Miami
Buyer: CBRE Global Investors
Purchase Price: \$132 MM
Price per Unit: \$282,869

Pearl Flagler Village



City: Fort Lauderdale, Fla.
Buyer: TA Realty
Purchase Price: \$113 MM
Price per Unit: \$321,429

Sole at City Center



City: West Palm Beach, Fla.
Buyer: Nuveen Real Estate
Purchase Price: \$103 MM
Price per Unit: \$328,552

The Flats at CityPlace



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