

**YARDI**<sup>®</sup> Matrix

# Miami's Rising Tide

Multifamily Winter Report 2017

**Employment Stays Solid**

**Affordability Issues Deepen**

**Transaction Volume Tops \$3B**



# MIAMI MULTIFAMILY

# YARDI® Matrix

## Market Analysis

Winter 2017

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## International Attraction Sustains Growth

Miami continues to benefit from the rising tide of foreign investment as players from South America and other parts of the world hedge currency volatility while seeking a safe haven for capital. The result has been skyrocketing construction and rapid growth in rents. Miami remains as trendy as ever, but there are questions as to whether the development is too much too fast and whether the incoming foreign capital is permanent.

In the meantime, employment and population growth continue. Miami's traditional job segments were paced in 2016 by professional and business services, which added more than a quarter of the metro's 49,500 new positions. Affordability, however, remains a big issue, as the metro has the most cost-burdened renters in the country. Despite the surge in home prices, homeownership continues to be the more affordable option, but Miamians stick to renting. The preference to rent rather than own is driven by Millennials—for reasons such as mobility, location and access to capital—but also by Baby Boomers, who are looking to downsize their homes.

Demand is strong, as roughly 100,000 units are in some stage of development, and transaction activity has grown considerably, crossing the \$3 billion mark in 2016. With demand still rising, we expect new inventory to be absorbed and rents to grow by a solid 5.5% in 2017.

## Recent Miami Transactions

### Red Road Commons



City: Miami  
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

### Solero at Plantation



City: Plantation, Fla.  
Buyer: Grand Peaks Properties  
Purchase Price: \$123 MM  
Price per Unit: \$255,093

### Aliro



City: North Miami, Fla.  
Buyer: LivCor  
Purchase Price: \$117 MM  
Price per Unit: \$134,948

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