

Yardi® Matrix

Miami's Healthy Climate

Multifamily Report Spring 2017

Rents High Despite New Supply

Job Growth Outpaces Nationwide Trend

New Deliveries Favor Luxury Segment

MIAMI MULTIFAMILY

Yardi® Matrix

Market Analysis

Spring 2017

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Rent Growth Cools Off

With substantial job gains and above-average population growth, Miami continues to foster positive fundamentals for multifamily. However, as with much of the country, rent growth has decelerated to long-term averages, as the overwhelming amount of new supply begins to take its toll.

Employment gains continue to drive demand for housing, with 50,500 jobs added in the year ending in February. The \$295 million Terminal 1 modernization at Fort Lauderdale-Hollywood International Airport and Mana Group's 10 million-square-foot center that would facilitate commerce with Asia and Latin America point to further expansion, fueling construction and trade. Additionally, infrastructure improvements, such as the upcoming \$3.1 billion Brightline Express train that will connect Miami to Orlando, will also help drive growth.

Despite moderating, multifamily fundamentals remain strong. Transactions crossed the \$3 billion mark in 2016, and more than \$600 million were completed in the first quarter of 2017. Multifamily development is robust, with roughly 5,600 units expected to come online by the end of the year. Concerns about oversupply may push some projects to later development cycles. As new units compete with existing stock, rent growth is bound to decelerate. However, with demand still strong, we expect rents to grow by 5.3% in 2017, a solid gain but below last year's frothy levels.

Recent Miami Transactions

City Center on 7th



City: Pembroke Pines, Fla.
Buyer: Harbor Group International
Purchase Price: \$159 MM
Price per Unit: \$226,428

Aliro



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

Las Ventanas



City: Boynton Beach, Fla.
Buyer: Pollack Shores
Purchase Price: \$109 MM
Price per Unit: \$221,356

San Merano at Mirasol



City: Palm Beach Gardens, Fla.
Buyer: LivCor
Purchase Price: \$104 MM
Price per Unit: \$217,647

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