



MULTIFAMILY REPORT

Miami Cools Off

October 2023



Rent Growth Moderates

Investment Volume Decelerates

Supply Slated for Strong Expansion

MIAMI MULTIFAMILY



Heavy Supply Ahead In South Florida

After two years of stellar performance, South Florida's fundamentals began moderating as the fourth quarter approached. Rent growth tempered, up 2.1% year-over-year as of August, to \$2,412. This placed Miami 10th among the nation's top 30 metros and 60 basis points ahead of the U.S. average. Meanwhile, despite robust supply, occupancy inched down just 40 basis points in the 12 months ending in July, to 95.8%.

Metro Miami continued to display a solid unemployment rate, at 2.6% in July, unchanged from June, according to data from the Bureau of Labor Statistics. Miami outperformed the U.S. (3.5%), Florida (2.7%) and all other major Florida metros. The employment market gained 85,200 jobs in the 12 months ending in June, a 3.2% expansion and 40 basis points higher than the national rate. Mining, logging and construction was the only sector to lose jobs (-3,300). South Florida's largest sectors led job gains—trade, transportation and utilities (22,600 jobs), professional and business services (18,500) and education and health services (18,400).

Development remained intense, with 45,673 units under construction and 5,868 units delivered in 2023 as of August, despite dwindling construction starts. Similarly, following two exceptional years, investment activity tapered off, down to a volume of just \$1.7 billion through August. Furthermore, the price per unit depreciated by 19.0% from December, to \$264,053 as of August.

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Recent Miami Transactions

The Villas at Wyndam Lakes



City: Coral Springs, Fla.
Buyer: The Connor Group
Purchase Price: \$121 MM
Price per Unit: \$364,458

Avana Palm Beach Gardens



City: Palm Beach Gardens, Fla.
Buyer: Greystar
Purchase Price: \$92 MM
Price per Unit: \$205,580

Windsor Ludlam Trail



City: Miami
Buyer: GID
Purchase Price: \$91 MM
Price per Unit: \$292,821

One Plantation



City: Plantation, Fla.
Buyer: Waterton
Purchase Price: \$88 MM
Price per Unit: \$275,337