

Yardi® Matrix

MULTIFAMILY REPORT

More Sunshine In Miami

Winter 2020

Rent Gains Remain Steady

Investor Confidence Stays Strong

Pipeline Indicates Strong Construction Year

MIAMI MULTIFAMILY

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South Florida Starts The Year on High Note

Miami remained one of the most robust U.S. rental markets, backed by a friendly business environment, low unemployment rates and sustained household growth. After nearly a decade of strong performance, rent growth began to moderate in 2019, reaching 2.2% year-over-year as of January. This was partly due to the addition of more than 47,000 units since the beginning of 2016.

The metro gained 38,400 jobs in the 12 months ending in November, almost half of them in education and health services. Miami's expanding pool of highly educated workers continued to lure companies to the area. Meanwhile, location technology company TomTom ranked the metro as the sixth-most congested city in the U.S. To accommodate expected growth, Miami International Airport embarked on a \$5 billion capital improvement program. Virgin Trains' \$2.5 billion high-speed rail project across Florida is also underway, set to connect Orlando and West Palm Beach by 2022.

Miami's prospects continued to attract foreign capital—as well as new domestic investors—particularly from areas where new rent control regulations were enacted such as New York and California. Last year's total transaction volume exceeded the \$2.5 billion mark for the fifth consecutive year. With demand unabated, we expect the average Miami rent to advance by more than 2.0% for the year.

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Recent Miami Transactions

Sole at City Center



City: West Palm Beach, Fla.
Buyer: Nuveen Real Estate
Purchase Price: \$104 MM
Price per Unit: \$328,552

Verona View



City: Plantation, Fla.
Buyer: PGIM Real Estate
Purchase Price: \$75 MM
Price per Unit: \$255,973

Toscana



City: Margate, Fla.
Buyer: AvalonBay Communities
Purchase Price: \$60 MM
Price per Unit: \$251,042

The Mile Coral Gables



City: Miami
Buyer: Acumen Real Estate
Advisors
Purchase Price: \$40 MM
Price per Unit: \$333,333