



MIAMI METRO

MARKET
INSIGHT
REPORT



SPRING

2023

EMPLOYMENT / UNEMPLOYMENT

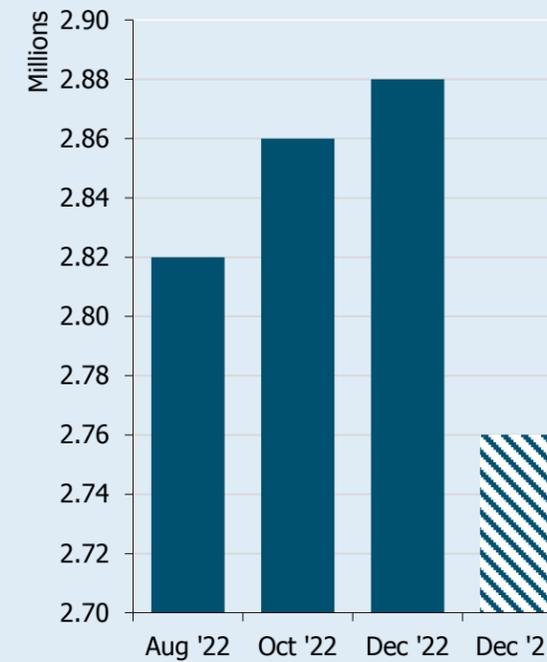
Greater Miami's net job growth of 2.3% since the first quarter of 2021 ranks in the top 20 metro areas in the U.S., and the metro was one of the first to make a full and swift recovery from pandemic-related job losses. Miami's favorable pro-business environment has attracted large companies in recent years, especially from the finance and insurance sectors.

Metro Miami is one of the largest urban areas in the country and contains the highest concentration of international banks in the United States. Citadel, a top global hedge fund, recently relocated its headquarters to Miami from Chicago. Also, Golden Sachs has added and relocated offices into the area. The finance and insurance sector has added 11,000 (+9%) since 2020Q1, including 3,100 jobs (+2%) year to date. Miami's finance industry has generated GDP growth of 18% since the pandemic's start, although there is a year-to-date GDP loss of 2%.

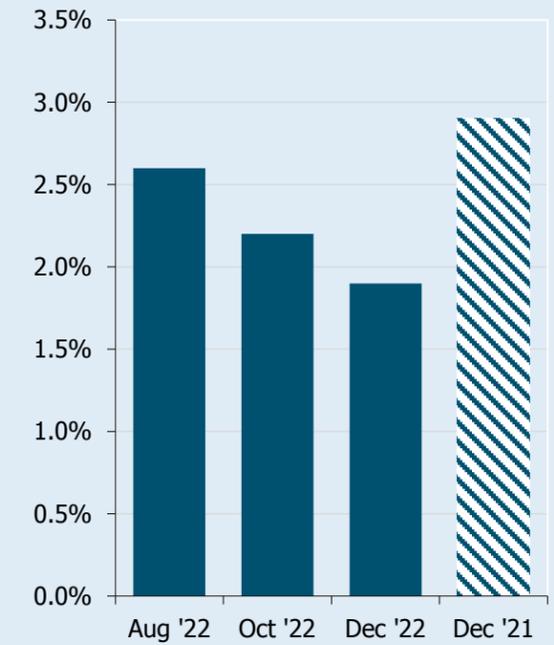
As the cultural, economic, and financial center of South Florida, the Miami-Fort Lauderdale-West Palm Beach metropolitan area accounts for over 90% of the economic activity in the region. Greater Miami's largest concentration of employment is in the industry sectors of construction, trade, transportation, and utilities, retail trade, tourism, education and health care, and professional and business services.

The tourism industry has made great strides in job recovery since the height of the pandemic. Port Miami, known as the "Cruise Capital of the World," is the largest passenger port in the world and is recognized as a global gateway. Port Miami has an annual economic impact of over \$43 billion on the region and supports a total of roughly 334,000 jobs. The Miami International Airport (MIA) is another bright light illuminating the tourism sector. MIA had a record-breaking year in 2022 with 50.1 million passengers served, surpassing its previous record of 45.9 million set in 2019 and making it the busiest airport in Florida for the first time in six years.

Total Employment



Unemployment



Metro Area Employment (Thousands)	December 2022	Change from December 2021	
		#	%
Total	2,878	116	4.2%
Trade, Transportation and Utilities	667	29	4.5%
Professional and Business Services	500	11	2.3%
Education and Health Services	440	25	6.0%
Leisure and Hospitality	340	27	8.6%
Government	307	--	----
Financial Services	206	6	3.1%
Manufacturing	143	2	1.5%
Other Services	122	9	7.9%
Construction	98	6	6.9%
Information	53	--	----

Sources: U.S. BLS, December 2022

MIAMI METRO RENTAL MARKET

The Miami Multifamily Market ranked #1 out of 390 U.S. Metros for year-over-year rent growth as of November 2022. The 8% gain, 800 basis points higher than the five-year pre-pandemic average, was the fifth highest of any quarter on record, and almost doubled the nation's rent growth rate of 4%. As expected, rent growth will moderate yet remain positive through the first half of 2023 after record setting gains in recent years. A steady flow of in-migration, job growth, and a diversified economy will aid in driving apartment demand and keeping market conditions balanced.

- The annual rent growth gain for 2022 was 7%; 12-month asking rent growth is 6.4%
- The 4.6% vacancy rate in 2022Q3 was at least 150 basis points lower than the three year pre-pandemic average. Miami was one of 10 metros in the U.S. with the lowest vacancy rates during that time.
- The current overall vacancy rate is 4.9%
- The year-to-date asking rent is \$2,225



6.4%
12 Month Asking Rent Growth YoY



2.8%
Historical Asking Rent Growth YoY

1.9%
Forecast Average Asking Rent Growth YoY

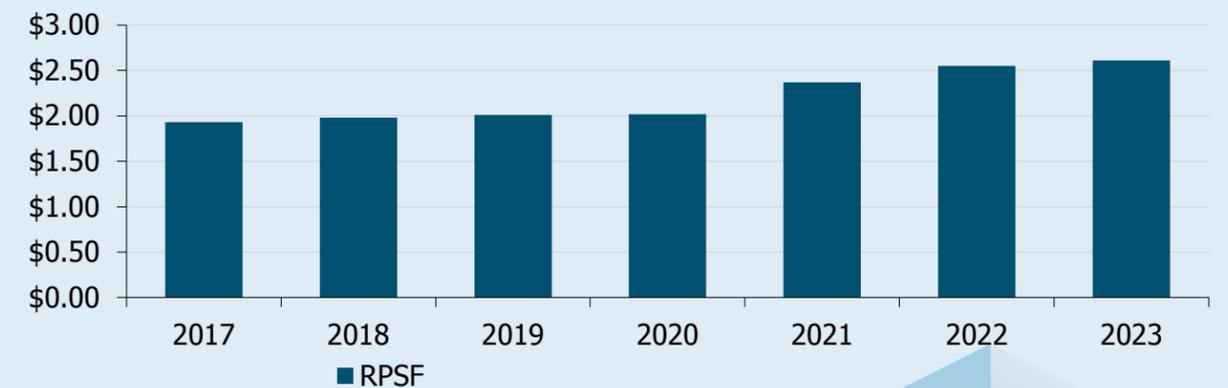
Average Rent / Vacancy



Asking Rent Comparison



Asking Rent / SF



Source: CoStar

MULTIFAMILY CONSTRUCTION

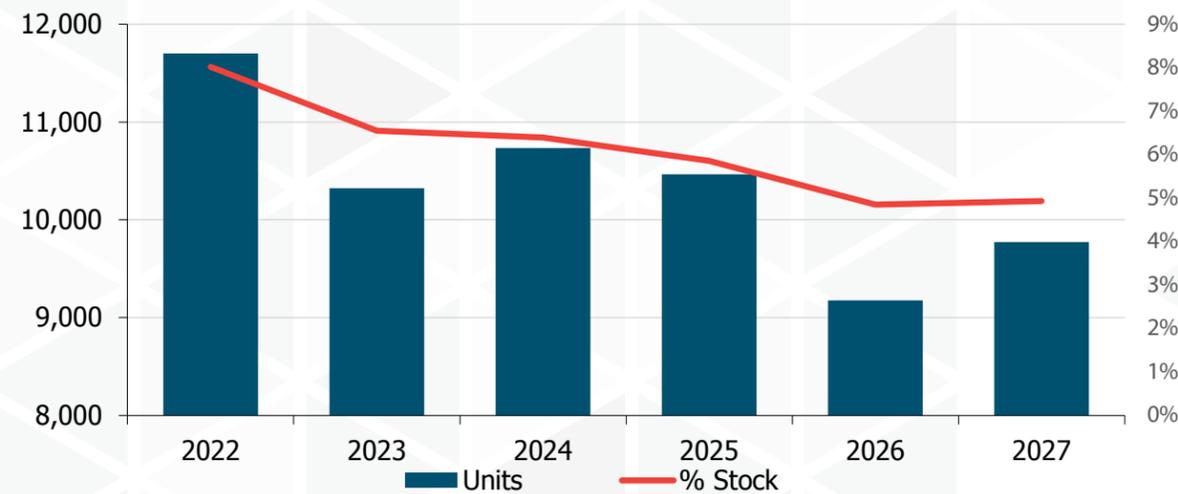
- Nearly 40,000 units were under construction in the Miami Metro Area (as of November 2022), representing a 36% share of Florida's multifamily pipeline and 4% of all units under construction in the United States.
- 2023 opened with just over 3,100 construction starts, a decrease of 81% from the 16,387 units that started construction at the same time last year.
- Deliveries slowed in 2022 with 12,434 completions mid-fourth quarter; Deliveries peaked in 2021 with 16,887 units.
- Approximately 87 multifamily properties have 28,000 units currently under construction in the Miami MSA, 15.5% of the Metro's total apartment inventory, according to CoStar.
- Supply and demand showed an imbalance of over 2,000 units through September 2022 as a result of new construction projects that were spurred on by pandemic-related demand.
- Even though supply has outpaced demand over the last several quarters, net absorption has surpassed deliveries by about 3,000 units since the beginning of 2020.



28,000 New Units

2023 Expected Completions
10,480 New Units Will Follow in 2024

Completions

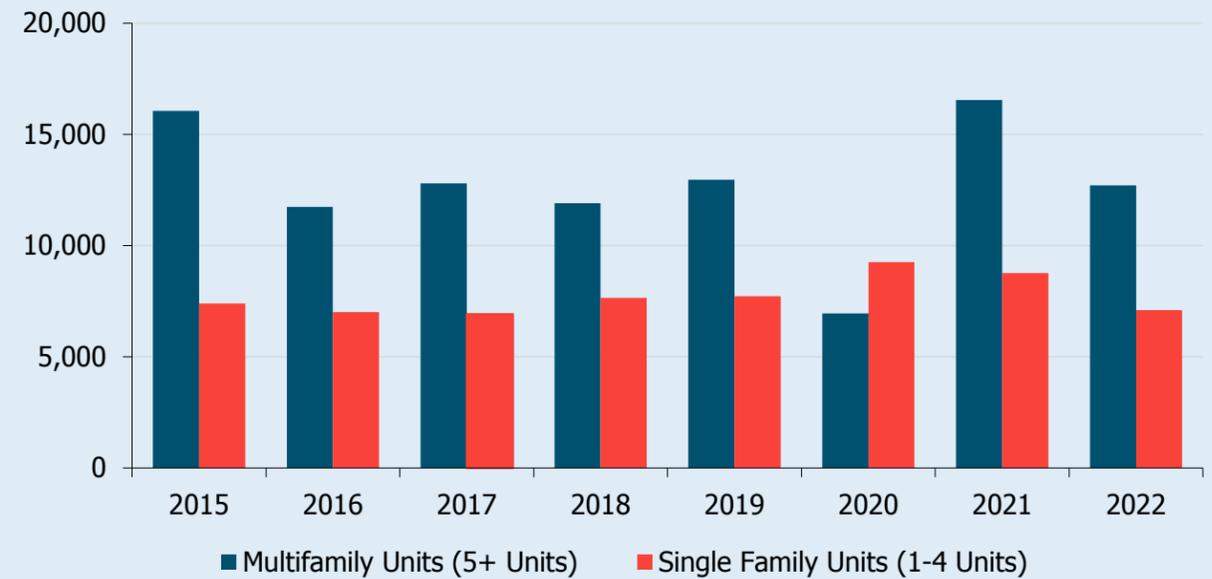


Source: CoStar

PERMITS

- Miami's multifamily market is among the most active markets in the country with a number of real estate companies and contractors specializing as multifamily builders.
- Single-family and multifamily building permits are up from pre-pandemic numbers.

Total Residential Building Permits



Source: U.S. Census, Multifamily Includes Condos



7,102
Single Family
Permits

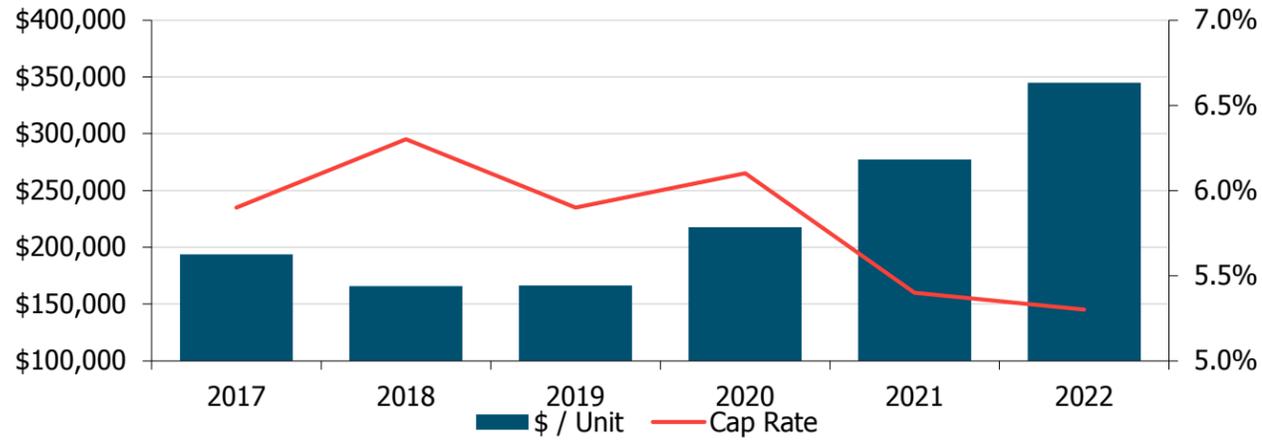
12,711
Multifamily
Permits (5+ Units)



\$530K
Median Single
Family Price

MULTIFAMILY SALES

Average Sales PPU / Cap Rate



Source: Real Capital Analytics, Based on Sales of \$2.5 Million and Greater



\$3.9B
Sales Volume



431
Total Transactions Sold

Apartment Sales Transactions



Source: CoStar



\$293,700
Avg. Sold Price / Unit



4.3%
Avg. Cap Rate



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Sources: GREA Research; National Multifamily Housing Council; CoStar

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