

MARKET INSIGHTS | SUMMER 2025 | MIAMI

Summer 2025



\$2,448

Average
Rent



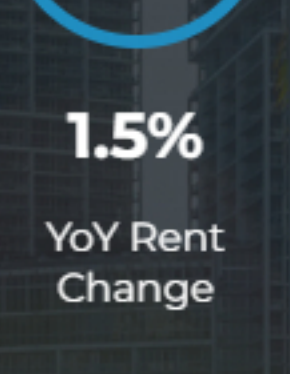
92.5%

Average
Occupancy



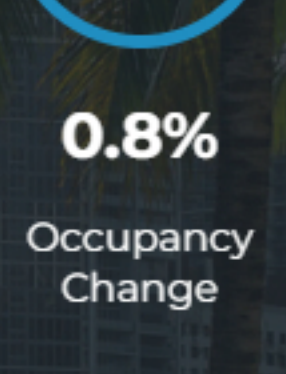
\$1.4B

YTD Sales
Volume



1.5%

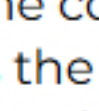
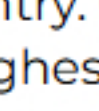
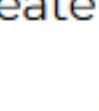
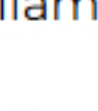
YoY Rent
Change



0.8%

Occupancy
Change

August 4, 2025

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The Miami-Fort Lauderdale-West Palm Beach metropolitan area is the cultural, economic, and financial center of South Florida and is one of the largest urban areas in the country. Greater Miami accounts for over 90% of the economic activity in the region and contains the highest concentration of international banks in the nation. Miami's favorable pro-business environment has attracted large companies in recent years, and its primary economic drivers are in the industries 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, and 2023 and 2024 were historic years for the industry. Florida welcomed 142.9 million visitors in 2024, a new record high. Miami-Dade had an all-time new high of 28 million visitors who spent \$22 billion in the area's economy, generating \$2.2 billion in local and state tax revenues. Dade County currently ranks No. 4 among the top U.S. hotel markets in occupancy and No. 3 in the average daily room rate metric. The tourism industry supports 209,000 area jobs.

Employment

Effective October 1, 2025, House Bill 7031 will go into effect, repealing Florida's business rent tax. The tax repeal is expected to relieve Florida employers of over \$1 billion in tax burden, which will attract new businesses to the state and provide a reprieve for existing businesses ready for expansion. Miami-Dade's pro-business atmosphere, combined with a robust economy and no state income tax, will continue to sustain the in-migration of younger entrepreneurs and professionals from high-cost-of-living states like New York, San Francisco, and Los Angeles.

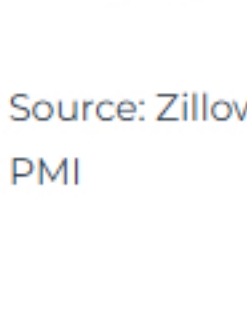
The Miami-Fort Lauderdale-West Palm Beach Metropolitan Statistical Area (MSA) is made up of three metropolitan divisions - separately identifiable employment centers within the greater metropolitan area. As of June 2025, the Miami-Fort Lauderdale-West Palm Beach Metropolitan Statistical Area (MSA) saw an increase of 42,600 nonfarm positions, with a job growth rate of 2.5%, surpassing the national rate of 1.1%. Transportation, and utilities and education and health services had the most significant gains amongst private industry sectors with 10,300 and 13,000 positions added, respectively. The Miami-Miami Beach-Kendal division, which comprises about 45% of the MSA's employment, added 20,300 jobs year-over-year, a growth rate increase of 1.5%. The Fort Lauderdale-Pompano Beach-Deerfield Beach division, accounting for 31% of the employment, gained 11,400 jobs, an increase of 1.2%, while the West Palm Beach-Boca Raton-Delray Beach division, representing 25% of the MSA, saw an increase of 10,900 positions and a growth rate increase of 1.6% over the previous year.

	% Δ from June 2024		
Metro Area Employment (Thousands)	June 2025	Miami	National
Mining and Logging	0.9	0.0%	0.0%
Construction	161.8	2.2%	1.4%
Manufacturing	102.8	1.2%	-0.7%
Trade, Transportation, and Utilities	661.7	1.6%	10.3%
Information	54.2	-0.4%	-0.2%
Financial Activities	220.9	0.3%	1.0%
Professional and Business Services	523.4	1.3%	-0.1%
Private Education and Health Services	469.9	2.9%	3.3%
Leisure and Hospitality	347.2	0.6%	1.4%
Other Services	119.9	1.8%	1.0%
Government	301.9	1.0%	1.5%

Source: U.S. Bureau of Labor Statistics

Rental Market

Rent growth in Miami is outpacing similarly sized Florida cities like Tampa, Orlando, and Jacksonville. The 12-month asking rent growth rate stands at 1.5%, and rent gains continue to surpass the national average of 1.1%. Rent growth is projected to moderately increase in 2026, with an average rent per unit of \$2,496 and a growth rate increase of 2.0%. Greater Florida's 12-month occupancy rate of 92.5% has decreased over the past year due to slowing absorption that began in the second quarter of 2025. Downtown Miami contains over 45% of the metro's construction, almost entirely in the upper-tier asset category. Increased concessions in this area, as well as in prime suburban areas that are contending with heavy construction pipelines, have affected overall market conditions with softening rent growth and lowered occupancy rates. Yet demand for luxury properties remains high, with 90% of demand growth over the past 10 years focused in the upper-tier market segment. This trend is expected to continue long-term, despite the current oversupply of luxury units. Miami's strong and diversified economy, solid job growth, home ownership affordability challenges, and the in-migration of highly skilled, younger professionals will aid in bolstering demand.



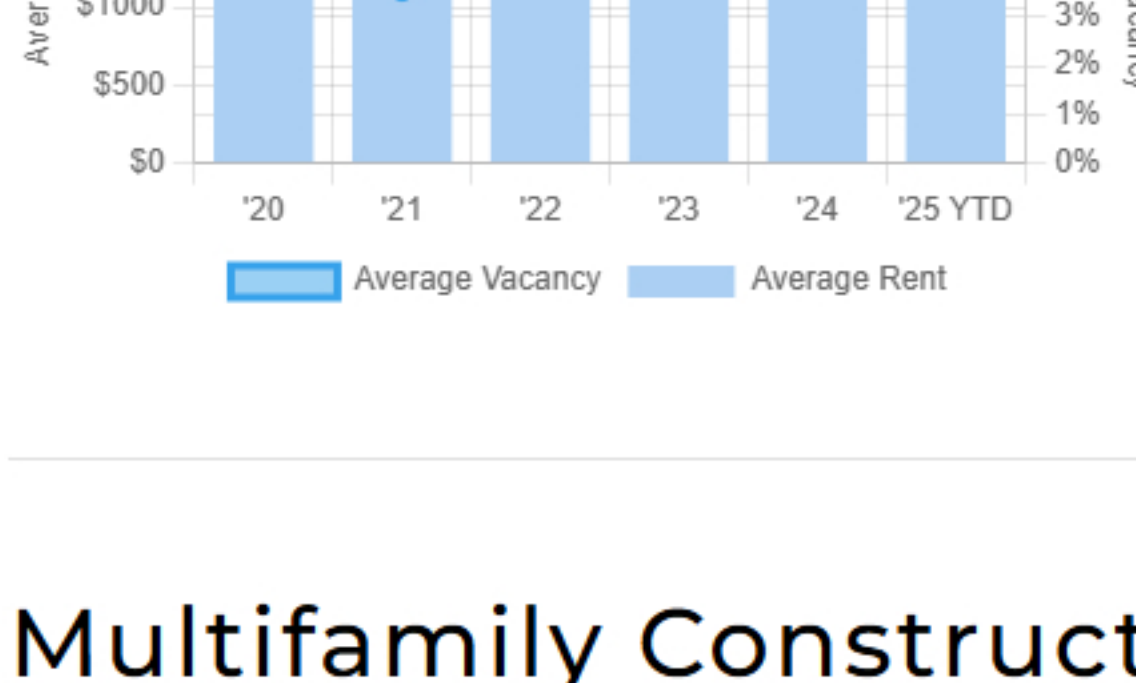
\$4,502
Average Monthly
Mortgage Payment



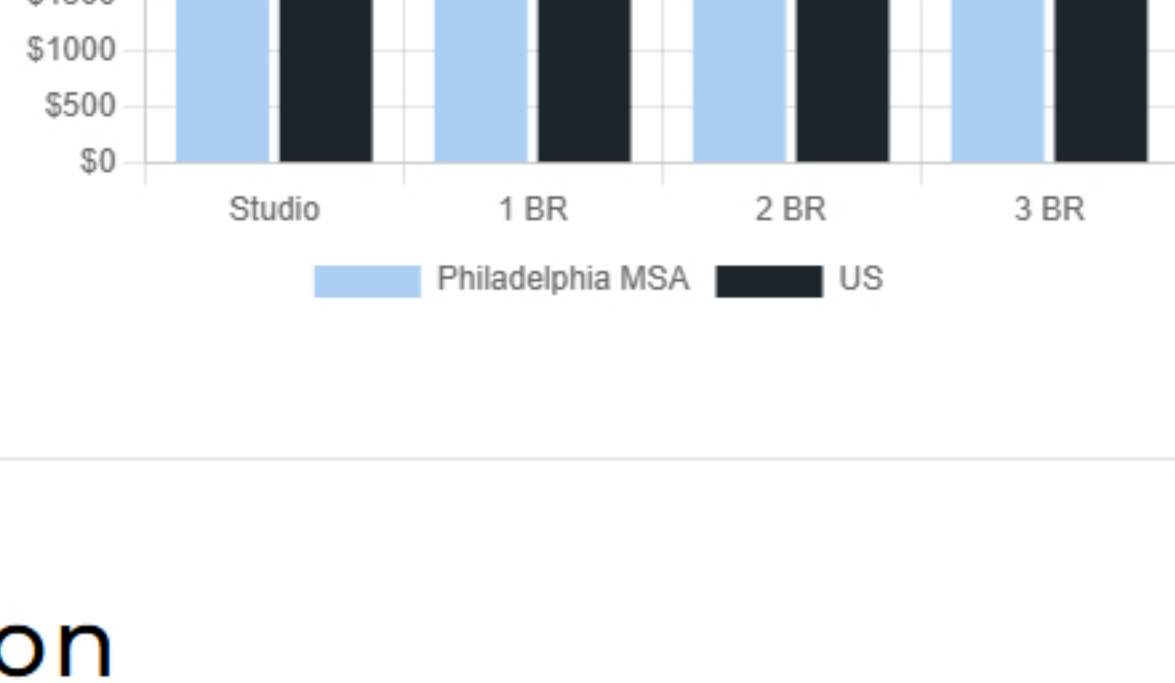
\$2,448
Average Monthly
Rent

Source: Zillow Mortgage Calculator based on median SP Miami-Date of \$675K, 20% down, 6.842% interest rate. Includes taxes & PMI

Average Rent / Vacancy

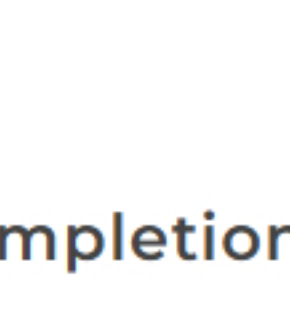


Asking Rent / Bedroom

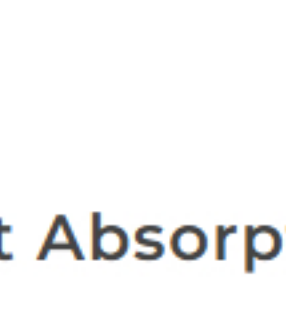


Multifamily Construction

here are 24,318 units under construction in the Miami metro, representing 11.9% of existing inventory. Nearly half of the new supply is concentrated in downtown Miami, and 90% of the development underway is in the luxury segment. Downtown Miami's supply is expected to increase by over 50% over the next three years. Yet, even with the heaviest construction pipeline in the state, annual rent gains in Miami have outperformed other major Florida metro markets like Fort Lauderdale, Tampa, and Orlando.



10.2K
Multifamily Completions
Past 12 Months



2.7K
Single Family
Permits



4.5K
Multifamily Permits
(5+ Units)



\$675K
Median Single
Family Price

Completions / Net Absorption



Units by Submarket Delivering in 2025

Over 9,800 units are expected to be delivered by the end of 2025, in line with the 9,900 units delivered in 2024. Annual absorption in 2025 is expected to tally 7,400 units, 800 units more than in 2024 and the highest absorption amount since 2021, when over 13,200 units were absorbed. According to the latest CoStar data at the time of publication, absorption is projected to hold steady in 2026 at about 7,000 units and outpace the 8-year historic average of 4,123 units from 2013-2020. The in-migration trend of high-income earners in recent years, many of whom are choosing the favorable renting options of upscale communities over the high cost associated with home ownership, will aid in sustaining demand.



24,318
Units Under
Construction



9,836
Units UC Delivering
in 2025

Search:			
Submarket	Units Under Construction	% of Total UC	12 Month Deliveries
Aventura	1,474	49.1%	568
Coconut Grove	0	0.0%	46
Coral Gables	2,062	20.0%	0
Downtown Miami	11,453	33.3%	3,566
Hialeah / Miami Lakes	1,414	6.3%	781
Homestead / South Dade	1,648	12.5%	1,022
Kendall	226	1.3%	837
Little Havana	962	5.6%	9
Miami Gardens / Opa-Locka	342	1.6%	781
Miami Springs / Doral	1,102	4.9%	1,708
Mid-Beach	0	0.0%	0
North Beach	364	5.0%	0
North Miami Beach	2,371	11.8%	562
Outlying Miami-Dade County	576	25.1%	100
South Beach	0	0.0%	88

1 2

Multifamily Sales

Miami remains a desirable multifamily investment market. Transaction activity in the first quarter of 2025 was at \$485 million, a 10.1% growth increase over the previous 12 months, breaking the negative sales volume growth cycle that started in 2022. Sales volume has surpassed \$900 million year-to-date, with 115 sales and a total of 3,564 units. Over the past year, transaction volume totaled \$1.4 billion, marking the return to pre-pandemic norms and aligning with the 10-year average of \$1.8 billion.

\$1.3B

12 Mo. Transaction Volume

2.8%

YoY Change

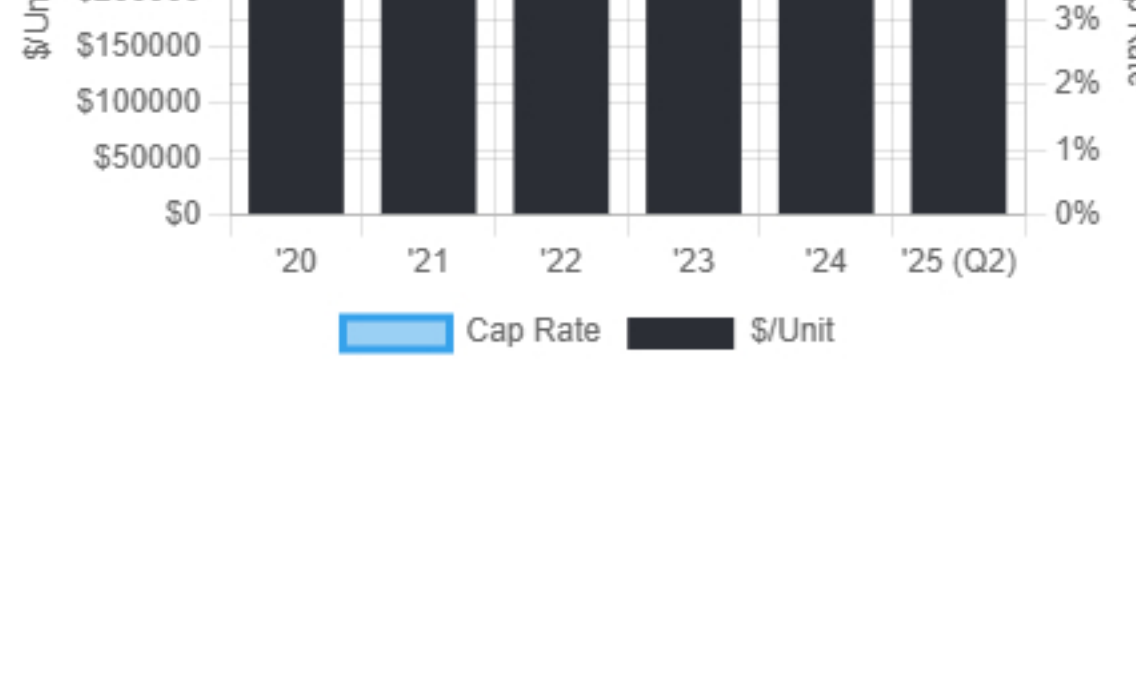
\$330K

12 Month Market Price/Unit

0.5%

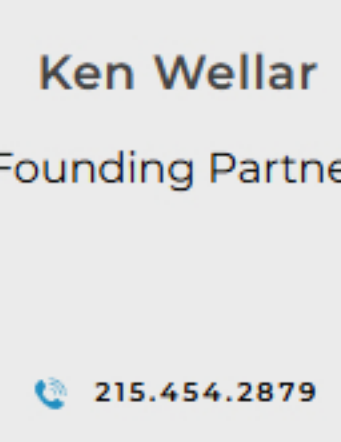
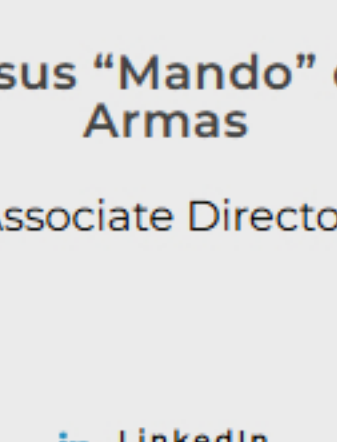
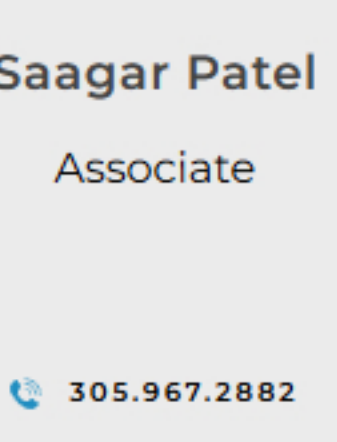
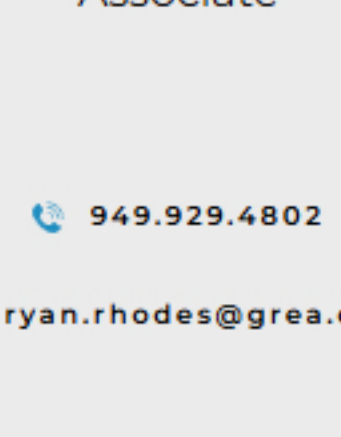
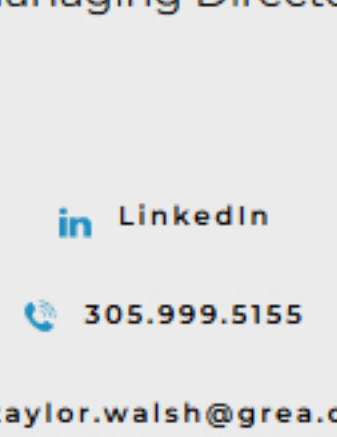
Annual Price Change

Average Sales PPU / Cap Rate



In 2024, there were three transactions exceeding \$100 million each, all for stabilized assets. Year-to-date, there have been two transactions at or close to \$100 million, and a third at \$80 million. Suburban markets like Hialeah, Aventura, Kendall, and Miami Springs / Doral have had larger transactions this year of upper-tier assets. This trend suggests a growing investor preference for stabilized properties located outside of oversupplied urban core areas. Transaction activity with properties below \$50 million has also moderated to pre-pandemic norms, with over 70% of the transaction activity in the lower-tier property segments.

Team

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