



MARKET AT A GLANCE



OCCUPANCY RATE **96.1%**
Up **30 bps** since 2Q18



EFFECTIVE RENT **\$1,651**
Up **2.2%** since 2Q18

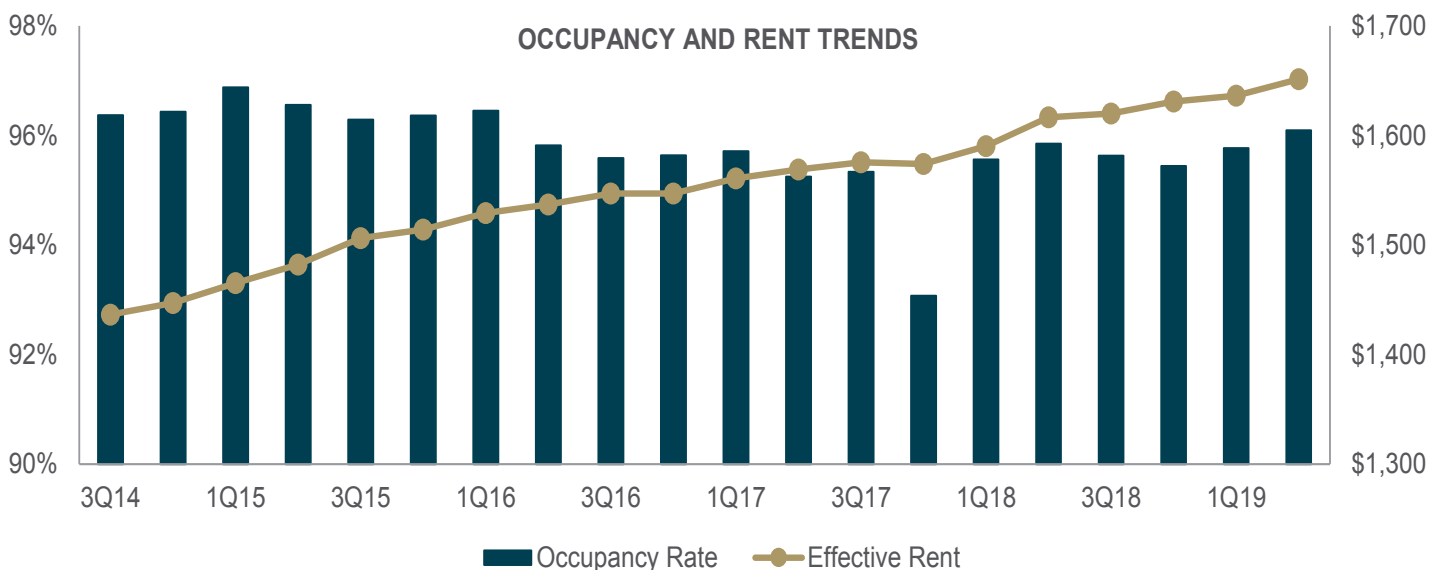


TOTAL INVENTORY **605,861**

OCCUPANCY AND RENT TRENDS

APARTMENT OCCUPANCY RISES AS ADDITIONS DECELERATE

With apartment inventory growth outpacing leasing activity in recent years, South Florida developers pulled back deliveries in the last four quarters. Construction completed on 8,555 units since the second quarter of 2018, down from 12,562 additions during the preceding year. Development in the last year was focused around the metro's central business districts as a combined 2,612 units were added in the Downtown Miami/South Beach and the Fort Lauderdale submarkets. While builders slowed inventory growth, healthy apartment demand persisted metrowide due in part to the rising cost of homeownership, high population growth, and continued employment gains. Pent-up demand for housing in these areas led to leasing activity highest in the Downtown Miami/South Beach and the Fort Lauderdale submarkets. Metrowide, annual apartment absorption surpassed inventory growth to elevate occupancy 30 basis points year over year to 96.1% in the second quarter of 2019. The shift pushed local occupancy 40 basis points higher than the national average. With rising occupancy, South Florida apartment operators advanced effective rent on average 2.2% to \$1,651 per month in June 2019.



SOUTH FLORIDA

MULTIFAMILY REPORT

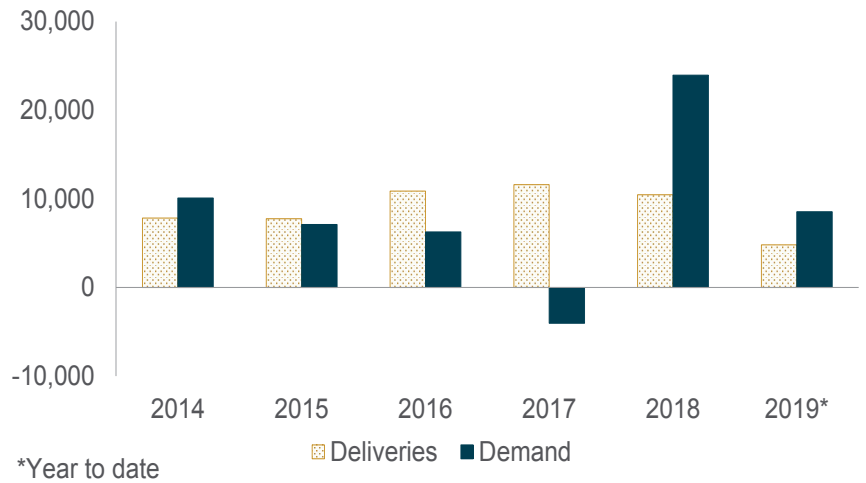
DELIVERIES AND DEMAND



DELIVERIES 4,815
Units YTD



NET ABSORPTION 8,541
Units YTD



ECONOMIC TRENDS

2018 **UNEMPLOYMENT*** 2019
3.7% **-30 BPS CHANGE** 3.4%

2018 **EMPLOYMENT*** 2019
2.67m **2.3% CHANGE** 2.73m

2018 **EXISTING SFH SALES**** 2019
105.5k **-5.6% CHANGE** 99.6k

2018 **MEDIAN SFH PRICE**** 2019
\$346.4k **5.1% CHANGE** \$364.2k

2018 **10-YEAR TREASURY**** 2019
2.91% **-80 BPS CHANGE** 2.07%

Steady in-migration and overall population growth in the Tri-County metropolitan area created a steady stream of available workers needed by employers as unemployment tightened. With an increasing pool of applicants, South Florida employers accelerated job growth in the last year. After increasing 1.5% in the preceding year, total nonfarm employment expanded 2.3% annually through April 2019. The South Florida economy benefited from a high concentration of white-collar jobs, as the professional and business services and the financial activities labor force expanded by a combined 19,400 personnel. These workers typically earn on 9.8% higher than the metro average. Higher-wage jobs were also added in the education and health services sector. Employers recruited 15,000 personnel, for 3.8% annual growth since April 2019. Metrowide job growth came as South Florida unemployment fell to 3.4% in April 2019. The unemployment rate was down 30 basis points year over year and 40 basis points under the national average rate.

*April; **June



SOUTH FLORIDA

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT CHANGE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	2Q18	2Q19	2Q18	2Q19	2Q18	2Q19	2Q19	ANNUAL	2Q19	ANNUAL
Boca Raton	94.1%	94.6%	2.9%	4.9%	\$1,886	\$1,978	-132	364	0	270
Boynton Beach/Delray Beach	93.7%	94.7%	1.9%	2.7%	\$1,625	\$1,669	26	258	0	0
Coral Gables/South Miami	95.5%	95.7%	0.8%	0.3%	\$1,921	\$1,927	443	675	224	611
Coral Springs	95.7%	94.9%	2.9%	3.6%	\$1,591	\$1,648	-15	-121	0	0
Downtown Miami/South Beach	96.9%	96.7%	2.7%	0.8%	\$2,095	\$2,112	678	1,352	429	1,532
Fort Lauderdale	95.0%	95.4%	3.0%	0.9%	\$1,777	\$1,793	199	1,184	332	1,080
Hialeah/Miami Lakes	97.8%	97.1%	2.2%	3.8%	\$1,409	\$1,462	98	-70	101	172
Hollywood	97.2%	96.5%	1.3%	3.4%	\$1,448	\$1,497	-54	241	0	443
Homestead/South Dade County	97.7%	97.9%	5.7%	4.0%	\$1,136	\$1,181	225	439	193	412
Lake Worth/Greenacres/Wellington	95.9%	97.1%	3.1%	3.9%	\$1,325	\$1,376	335	485	185	225
Margate/Coconut Creek/North Lauderdale	95.2%	95.7%	2.0%	2.5%	\$1,506	\$1,544	141	78	0	0
Miami Gardens	96.8%	96.2%	5.7%	4.1%	\$1,237	\$1,288	195	262	0	391
North Central Miami	99.0%	99.4%	7.6%	5.0%	\$1,027	\$1,078	75	60	0	0
North Palm Beach County	93.6%	95.0%	0.6%	3.9%	\$1,619	\$1,682	-18	499	0	257
Northeast Miami	95.8%	95.8%	4.7%	2.7%	\$1,603	\$1,646	706	867	270	905
Pembroke Pines/Miramar	95.5%	96.0%	3.6%	2.4%	\$1,681	\$1,722	326	619	38	522
Plantation/Davie/Weston	95.7%	95.5%	2.5%	0.8%	\$1,695	\$1,709	151	10	47	47
Pompano Beach/Deerfield Beach	95.7%	97.9%	3.7%	3.5%	\$1,348	\$1,394	501	1,119	311	517
Sunrise/Lauderhill	95.1%	96.0%	3.9%	1.9%	\$1,384	\$1,411	172	194	0	0
West Miami/Doral	95.7%	94.8%	5.4%	-2.2%	\$1,891	\$1,850	346	274	270	501
West Palm Beach	94.7%	95.6%	2.4%	1.3%	\$1,422	\$1,440	3	901	65	670
Westchester/Kendall	95.7%	95.6%	1.2%	2.5%	\$1,521	\$1,560	-80	-27	0	0
TOTALS	95.8%	96.1%	3.0%	2.2%	\$1,616	\$1,651	4,320	9,663	2,465	8,555



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