



MARKET AT A GLANCE



OCCUPANCY RATE **95.6%**
Up **40 bps** since 3Q17



EFFECTIVE RENT **\$1,559**
Up **3.5%** since 3Q17

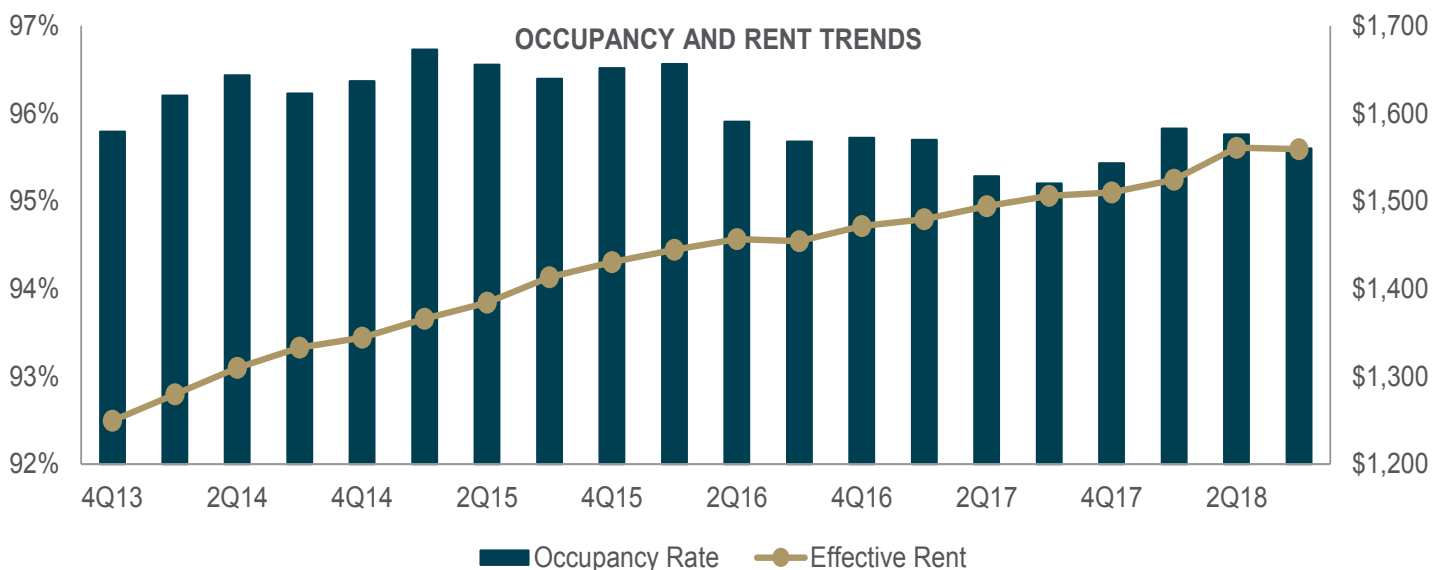


TOTAL INVENTORY **602,941**

OCCUPANCY AND RENT TRENDS

DEMAND FOR HOUSING SHIFTS APARTMENT OCCUPANCY UP IN SOUTH FLORIDA

Even as multifamily developers kept the construction pipeline loaded in the South Florida market, demand for apartments elevated occupancy in the last year. The apartment inventory expanded 1.9% since the third quarter of 2017 as 11,243 market-rate units came online. The latest annual additions were 20.7% higher than preceding five-year average. Development was focused in the Downtown Miami/South Beach submarket, with 2,262 new market-rate units over the last four quarters. Serving as the epicenter with numerous employers and a multitude of attractions, the population in Downtown Miami has doubled in less than a decade to help drive demand for housing. Residents newly occupied 3,614 net units in the submarket to lead annual absorption for all areas in the Tri-County market. With leasing activity outpacing inventory growth, the submarket occupancy elevated to 96.7% by the end of the third quarter 2018, shifting higher than the 95.6% metropolitan average. Also in the last year, average effective rent advanced 2.7% to \$2,105 per month in the submarket to remain the highest in the market. At the metro level, effective rent advanced 3.5% for the second-consecutive year to \$1,559 per month in September 2018.



SOUTH FLORIDA

MULTIFAMILY REPORT

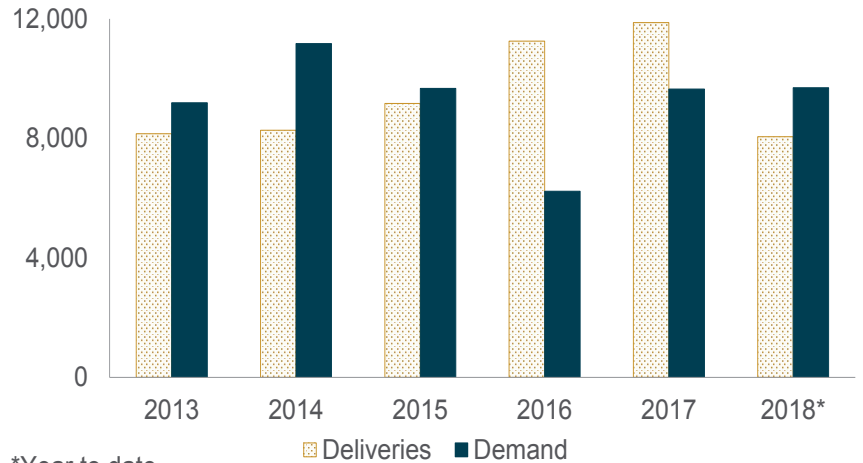
DELIVERIES AND DEMAND



DELIVERIES 8,054
Units YTD



NET ABSORPTION 9,693
Units YTD



ECONOMIC TRENDS

2017 4.2% **UNEMPLOYMENT*** 2018 3.9%
-30 BPS CHANGE

2017 2.65m **EMPLOYMENT*** 2018 2.68m
1.2% CHANGE

2017 99.9k **EXISTING SFH SALES**** 2018 92.4k
-7.5% CHANGE

2017 \$337.3k **MEDIAN SFH PRICE**** 2018 \$349.6k
3.6% CHANGE

2017 2.20% **10-YEAR TREASURY**** 2018 3.00%
80 BPS CHANGE

Apartment development, along with several other large-scale projects, provided a boost to the South Florida economy. The 14,500 workers hired in the construction industry were a part of 30,900 net jobs added to the Tri-County labor force annually through July 2018. Employment expanded 1.2% as the construction sector grew 11.2%. Construction was underway on 65 apartment communities in the third quarter of 2018, which could add nearly 18,300 market-rate units by year-end 2020. Development is focused around the employment hubs in the Downtown Miami/South Beach and the Fort Lauderdale submarkets. Other developments in these areas include the \$275 million Mount Sinai Medical Center expansion and the new \$247 million, 200,000-square-foot Royal Caribbean Cruise Terminal at PortMiami. With completion of the terminal expected this year, the addition is expected to bring an additional 1 million cruise passengers to South Florida. This should provide a boost to the leisure and hospital industry, where headcounts were flat over the last year.

*July; **September



SOUTH FLORIDA

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	3Q17	3Q18	3Q17	3Q18	3Q17	3Q18	3Q18	ANNUAL	3Q18	ANNUAL
Boca Raton	93.8%	94.6%	-2.2%	4.4%	\$1,718	\$1,794	235	541	157	391
Boynton Beach/Delray Beach	93.0%	93.5%	1.8%	2.7%	\$1,566	\$1,608	46	1,071	132	1,013
Coral Gables/South Miami	95.7%	96.0%	7.4%	3.1%	\$1,838	\$1,895	216	1,333	83	1,250
Coral Springs	93.9%	95.4%	1.3%	4.4%	\$1,531	\$1,598	-30	325	0	105
Downtown Miami/South Beach	94.4%	96.7%	0.7%	2.7%	\$2,050	\$2,105	868	3,614	436	2,262
Fort Lauderdale	95.5%	95.3%	-0.3%	3.6%	\$1,645	\$1,704	41	570	83	677
Hialeah/Miami Lakes	97.3%	97.3%	4.9%	3.0%	\$1,383	\$1,425	-134	269	0	276
Hollywood	95.1%	96.7%	0.4%	3.1%	\$1,395	\$1,438	-18	1,138	120	745
Homestead/South Dade County	97.4%	97.3%	14.1%	4.7%	\$1,079	\$1,130	-18	392	93	421
Lake Worth/Greenacres/Wellington	95.6%	95.5%	3.3%	3.2%	\$1,267	\$1,308	-134	217	0	250
Margate/Coconut Creek/North Lauderdale	94.5%	95.1%	1.7%	3.3%	\$1,475	\$1,523	-16	375	0	296
Miami Gardens	97.6%	96.1%	7.5%	5.9%	\$1,151	\$1,219	-37	-65	42	231
North Central Miami	98.2%	98.3%	6.7%	4.9%	\$968	\$1,015	-75	15	0	0
North Palm Beach County	94.5%	93.4%	5.8%	2.3%	\$1,559	\$1,595	71	153	153	373
Northeast Miami	94.5%	95.3%	1.3%	4.4%	\$1,567	\$1,636	313	500	70	111
Pembroke Pines/Miramar	94.6%	95.5%	0.2%	2.7%	\$1,640	\$1,684	127	725	158	540
Plantation/Davie/Weston	94.3%	95.3%	-0.2%	4.2%	\$1,630	\$1,698	-2	680	71	535
Pompano Beach/Deerfield Beach	95.0%	96.4%	3.2%	4.2%	\$1,281	\$1,335	295	619	131	235
Sunrise/Lauderhill	94.8%	95.2%	2.8%	5.1%	\$1,282	\$1,347	-64	275	0	200
West Miami/Doral	94.6%	95.5%	-0.7%	4.6%	\$1,748	\$1,829	68	665	0	487
West Palm Beach	93.5%	93.9%	9.6%	2.6%	\$1,330	\$1,364	-31	557	119	474
Westchester/Kendall	96.0%	96.3%	3.5%	3.7%	\$1,462	\$1,516	77	433	0	371
TOTALS	95.2%	95.6%	3.5%	3.5%	\$1,506	\$1,559	1,801	14,402	1,848	11,243



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