

SOUTH FLORIDA

SOUTH FLORIDA REMAINS HOT SPOT FOR RELOCATIONS, DEVELOPMENT

South Florida remained a magnet for new residents as net migration soared in 2020, fueling healthy apartment demand. Amid the pandemic, South Florida was a top-five relocation destination in the country. A significant share of the relocations came from in-state residents relocating to the Tri-County metropolitan area in search of job opportunities. Net migration during 2021 is forecast to remain near the five-year average. Contributing to the appeal of the metro will be the recovering job market. Gains are expected across all employment sectors. Significant additions are projected among white-collar industries, led by professional and business services hiring, as South Florida continues to bring in new-to-market office tenants from the Northeast. Builders are creating room for these positions as approximately 3.7 million square feet of office space is scheduled to come online in 2021. This vigorous development will also extend to multifamily. Builders are scheduled to add approximately 17,300 units to the metro inventory in 2021, a historic high. The year-over-year increase in deliveries will keep South Florida among the top-three metros for additions nationally. The influx of new inventory, even as annual absorption elevates, is projected to result in a 20-basis-point slip in South Florida apartment occupancy to finish 2021 at an average of 95.0%. Operators are expected to respond by increasing concessions, which will limit rent growth. Monthly rent is forecast to increase 0.9% over the next four quarters to \$1,664, trailing the preceding five-year average of 1.5% annual rent growth.



2021 MARKET AT A GLANCE



OCCUPANCY RATE

95.0%

Down 20 bps YOY



EFFECTIVE RENT

\$1,664

Up 0.9% YOY

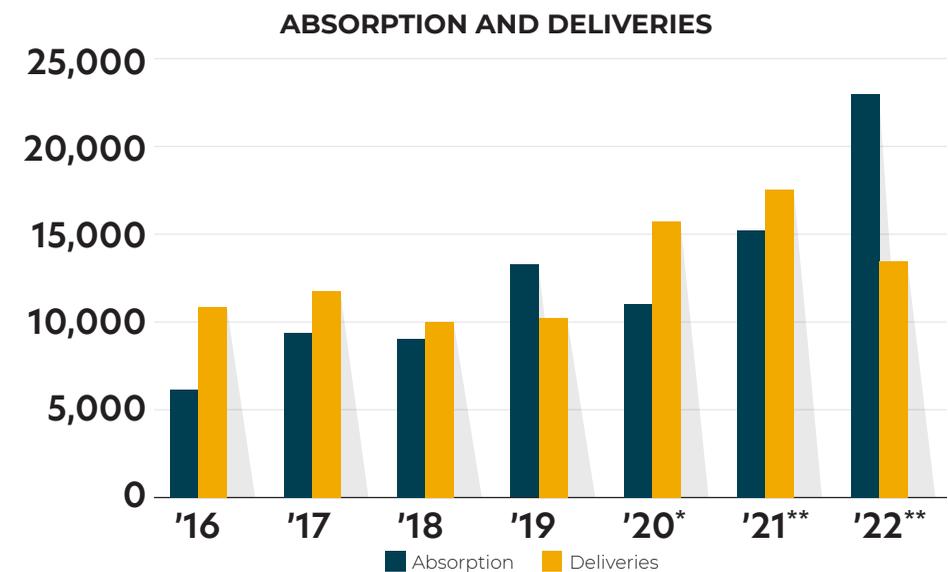
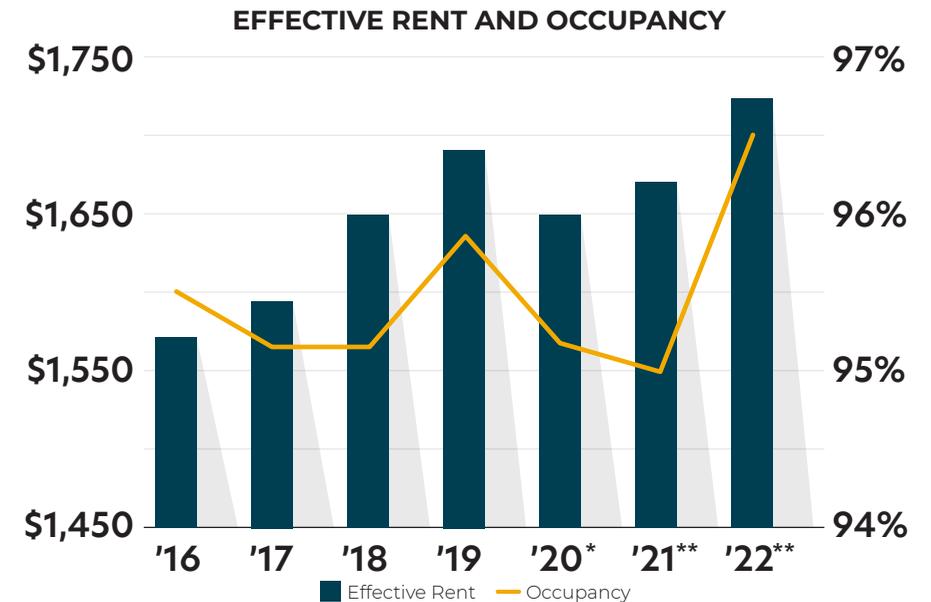


RENT SHARE OF WALLET

31.9%

Down 30 bps YOY

MARKET TRENDS



Data and images pertaining to employment, income, permits, population, rents, single-family housing, and occupancy are year-end figures. Absorption, construction, and apartment sales figures are full-year totals. *Numbers for 2020 are projected values; **2021/2022 figures are forecast projections. Apartment market data criteria and methodologies vary by market.

EMPLOYMENT TRENDS



2019	YOY CHANGE	2020*	YOY CHANGE	2021**
2,755,200	-8.3%	2,527,000	3.3%	2,609,400

2019	YOY CHANGE	2020	YOY CHANGE	2021
1.7%	940 BPS	11.1%	-150 BPS	9.6%

2019	YOY CHANGE	2020	YOY CHANGE	2021
6,197,600	0.8%	6,248,000	0.9%	6,304,800

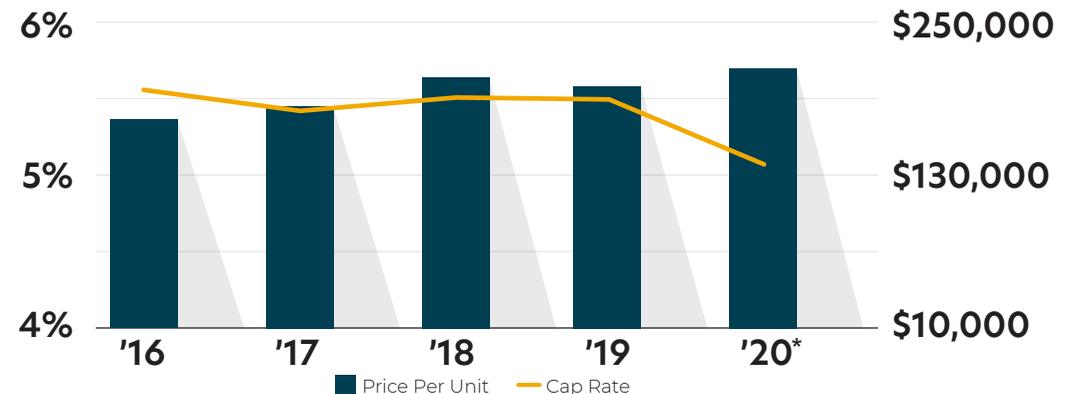
2019	YOY CHANGE	2020	YOY CHANGE	2021
2,317,000	1.4%	2,350,100	1.7%	2,390,100

2019	YOY CHANGE	2020	YOY CHANGE	2021
\$59,848	2.6%	\$61,387	1.9%	\$62,575

SALES TRENDS

2019	YOY CHANGE	2020*
\$200,641	6.4%	\$213,492

2019	YOY CHANGE	2020
5.5%	-40 BPS	5.1%



Data and images pertaining to employment, income, permits, population, rents, single-family housing, and occupancy are year-end figures. Absorption, construction, and apartment sales figures are full-year totals. *Numbers for 2020 are projected values; **2021/2022 figures are forecast projections. Apartment market data criteria and methodologies vary by market.