

SOUTH FLORIDA

2022 MARKET AT A GLANCE

Occupancy Rate

97.0%



DOWN 60 BPS YOY

Effective Rent

\$2,101



UP 7.7% YOY

Rent Share of Wallet

40.9%



UP 160 BPS YOY

Apartment Supply Wave and Rapidly Growing Population Fostering Leasing Activity

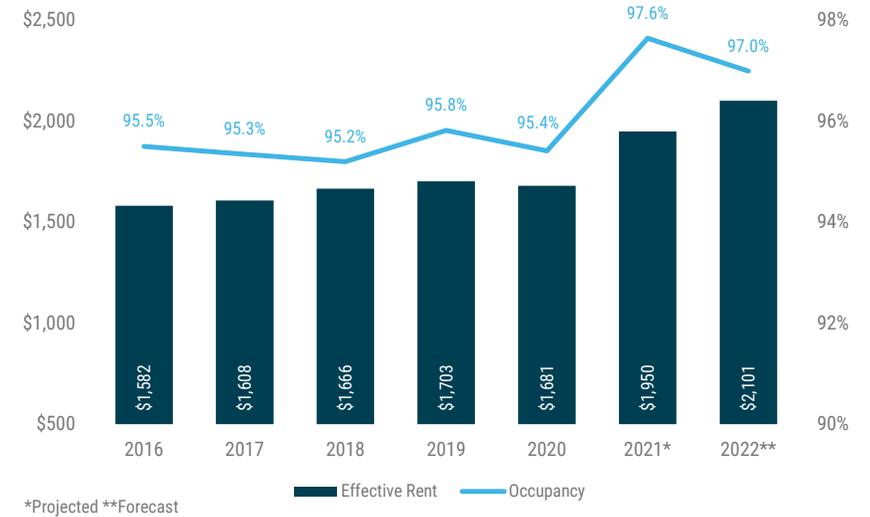
South Florida has been one of the most popular relocation destinations in the country in recent years, driving housing demand. Apartment developers have worked to fill the housing gap, with more than 97,100 units coming online in the last decade, representing nearly 17% inventory growth. Elevated deliveries are expected again this year, as more than 16,300 units are scheduled to come online over the next four quarters. While additions will be spread throughout the metro, the new inventory will be focused in the core of each county. Strategic development should foster leasing activity, as net absorption is projected to be highest in the submarkets with the most deliveries. This will continue the trend of Tri-County residents targeting Class A apartment stock as opposed to homeownership, with the median single-family home price increasing more than 50% during the last five years. Also underpinning apartment demand will be payrolls nearly returning to pre-pandemic levels by the end of this year. Even with robust leasing activity projected to exceed 11,700 units, supply side pressure will result in occupancy dropping to 97.0% in the fourth quarter of 2022. The forecast occupancy rate would still be 120 basis points higher than the preceding five-year average. With healthy occupancy, apartment operators are expected to keep upward pressure on rent this year, albeit at a more measured pace than 2021. After advancing 16.0% last year, effective rent is forecast to grow 7.7% over the next four quarters.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2021 are projected values. 2022 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

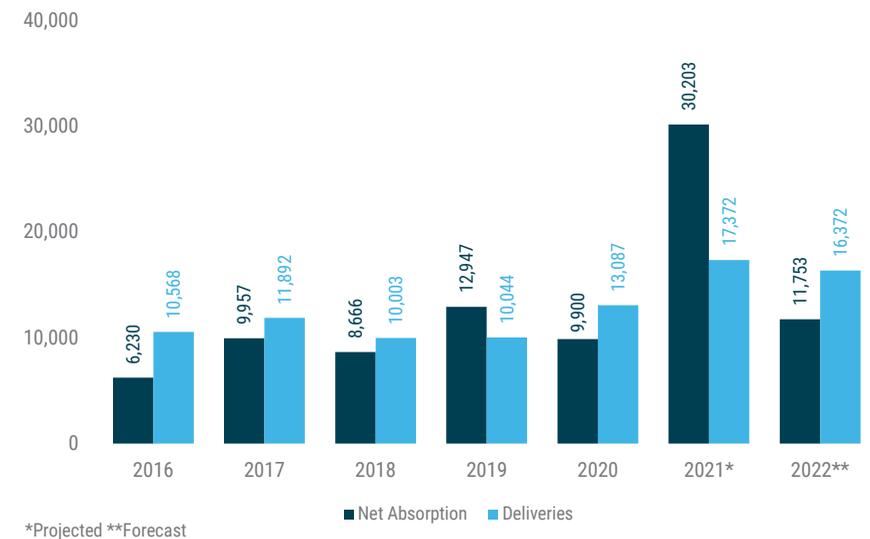
2022 FORECAST

APARTMENT TRENDS

Effective Rent & Occupancy



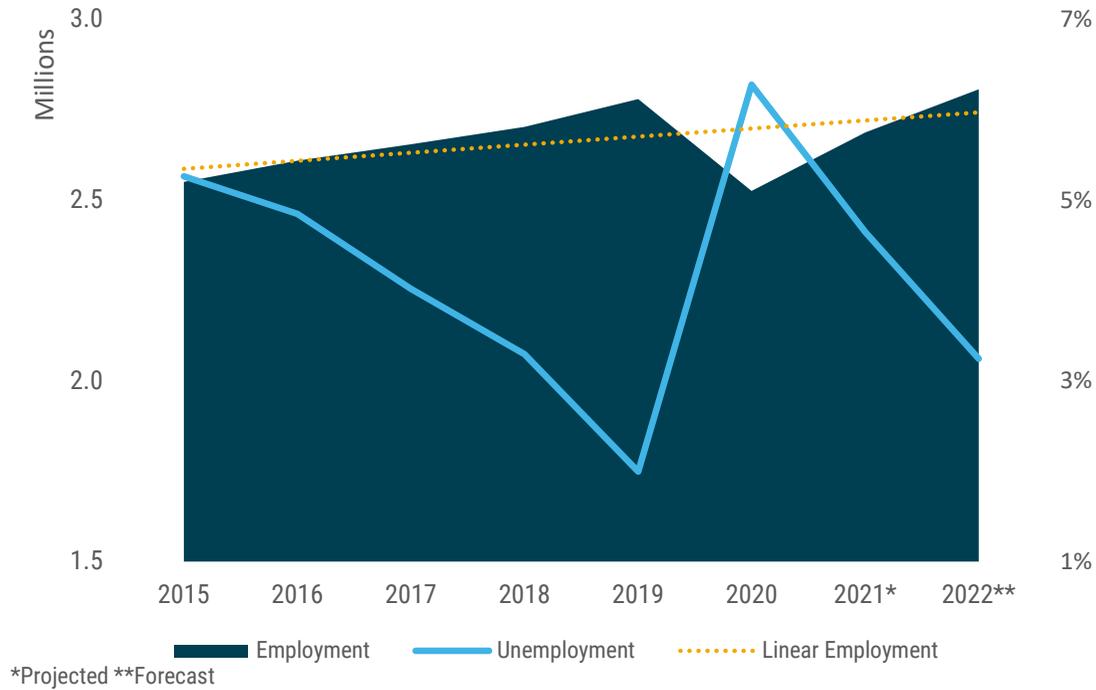
Absorption & Deliveries



SOUTH FLORIDA

EMPLOYMENT TRENDS

Market Employment Trends



SALES TRENDS

Price Per Unit & Cap Rate



Employment
2,806,800



UP 4.4% YOY

Unemployment
3.2%



DOWN 140 BPS YOY

Median Household Income
\$61,685



UP 3.5% YOY

Price Per Unit
\$277,490



UP 12.4% YOY

Cap Rate
4.8%



UNCHANGED YOY