

SOUTH FLORIDA

2023 MARKET AT A GLANCE

Occupancy Rate

96.2%



DOWN 80 BPS YOY

Effective Rent

\$2,465



UP 3.6% YOY

Rent Share of Wallet

40.4%



UNCHANGED YOY

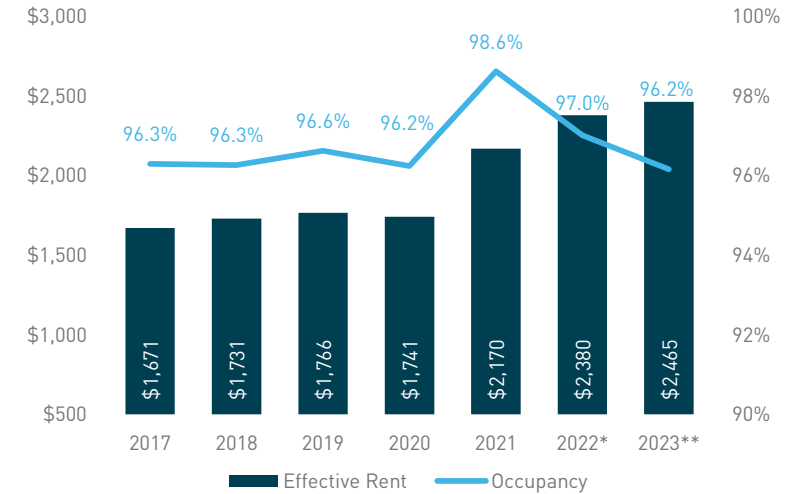
Job Market, Growing Population, and Quality of Life Make the Region Golden

Developers are showing confidence in the health of the Tri-County apartment market and widening the pipeline. South Florida ranks among the most active markets in the country for apartment construction activity on both total units and as a percentage of inventory. Builders are scheduled to complete 22,541 market-rate units over the next four quarters, the highest number of annual deliveries in at least a decade. In addition, another 15,800 rentals are in the pipeline slated to deliver in 2024. The Downtown Miami/South Beach submarket has remained a development hotspot, as apartment builders target affluent, young professionals. The largest community coming online this year is the nearly 2,000 apartments in Brickell neighborhood along the Miami River. Known as Miami's financial center, Brickell caters to the banking and business crowd. The new inventory across the region is expected to underpin vigorous leasing activity, as absorption this year is forecast to be 66% higher than the 10-year average. Apartment demand is also supported by a forecast 1.6% growth in households, paired with nonfarm employment expanding 1.7%. Even with the positive pace of new leases, apartment absorption is expected to trail inventory growth, resulting in an average occupancy of 96.2% by the end of 2023, an annual 80-basis-point drop. With apartment occupancy remaining at healthy levels this year, even amid an influx of new inventory, operators will keep upward pressure on leasing costs. Monthly effective rent is forecast to advance 3.6% this year to \$2,465.

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 2022 are projected values. 2023 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.

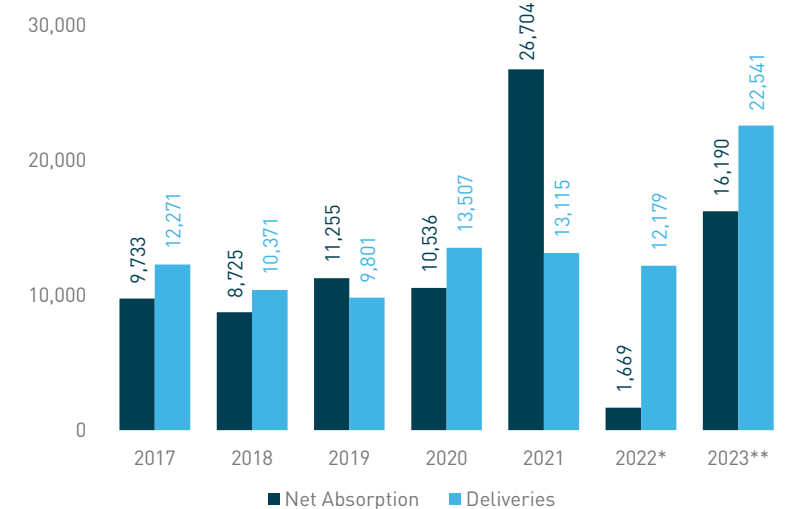
Apartment Trends

Effective Rent & Occupancy



*Projected **Forecast

Absorption & Deliveries

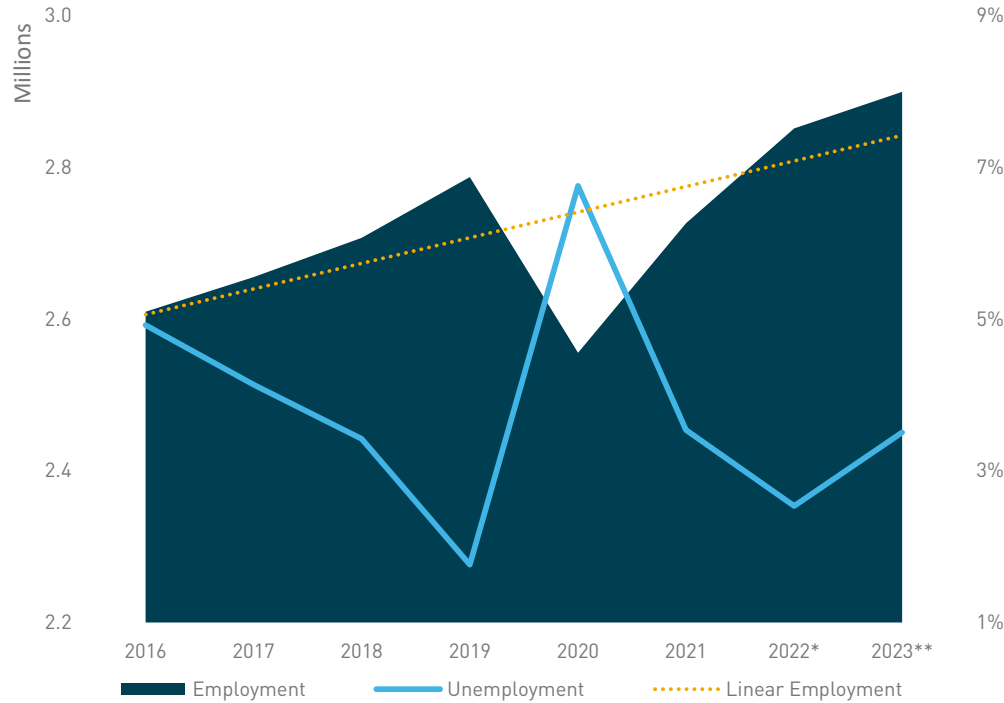


*Projected **Forecast

SOUTH FLORIDA

Employment Trends

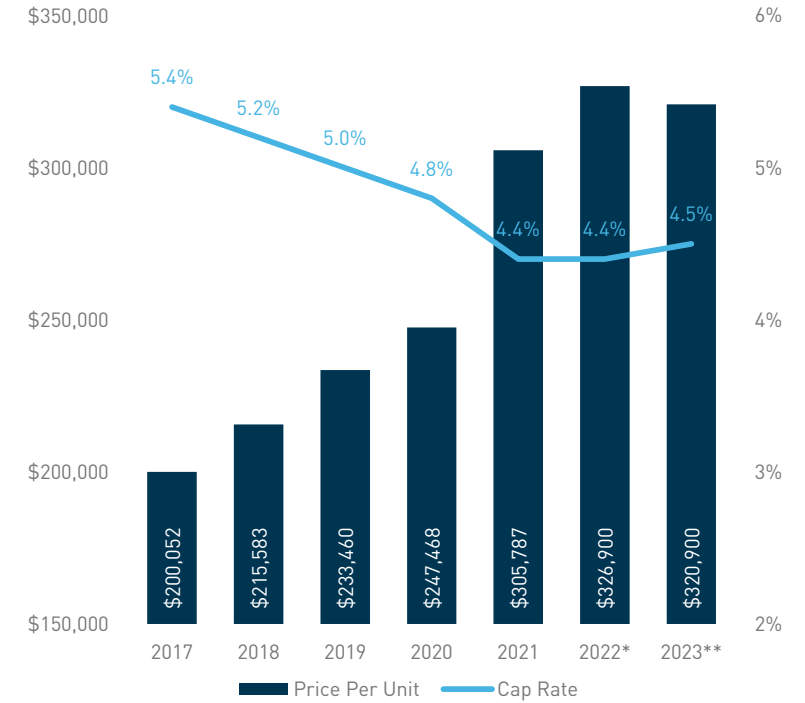
Market Employment Trends



*Projected **Forecast

Sales Trends

Price Per Unit & Cap Rate



*Projected **Forecast

<p>Employment</p> <p>2,899,200</p> <p>↑</p> <p>UP 1.7% YOY</p>	<p>Unemployment</p> <p>3.5%</p> <p>↑</p> <p>UP 100 BPS YOY</p>	<p>Median Household Income</p> <p>\$73,190</p> <p>↑</p> <p>UP 3.6% YOY</p>
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<p>Price Per Unit</p> <p>\$320,900</p> <p>↓</p> <p>DOWN 1.8% YOY</p>	<p>Cap Rate</p> <p>4.5%</p> <p>↑</p> <p>UP 10 BPS YOY</p>
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