2021 MID-YEAR

SOUTH FLORIDA

INSTITUTIONAL MULTIFAMILY REPORT

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SOUTH FLORIDA
EMPLOYMENT

JOBS ADDED / LOST

LAST 12 MONTHS

234,500

9.9%

NEXT 12 MONTHS*

167,800

6.5%

UNEMPLOYMENT

MID-YEAR 2021

5.5%

880 BPS YOY

MID-YEAR 2022*

3.4%

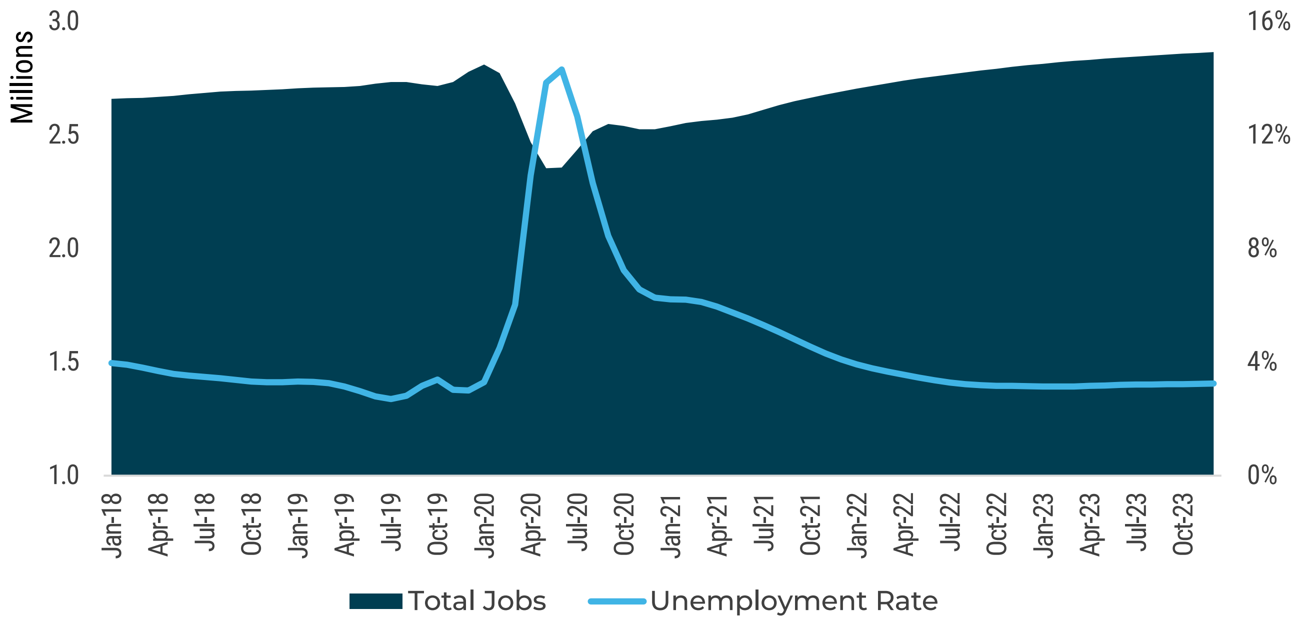
210 BPS YOY

*PROJECTED

Approximately 95,900 jobs were created or restored in South Florida's leisure and hospitality sector in the 12 months ending in June 2021. Much of this recovery can be attributed to pandemic-related restrictions that were lifted from restaurants and services businesses in Florida in September 2020, far earlier than other states. Overall, employment grew 9.9% since mid-2020, reflecting the addition of 234,500 workers. In the metro's largest employment sector—trade, transportation, and utilities—staffing levels rose with the addition of 44,200 workers, an 8.2% annual increase.

By creating and restoring high-wage jobs, businesses in the white-collar sectors—professional and business services, financial activities, and information—contributed significantly to the metro area's recovery. In the last 12 months, these businesses added 46,800 positions to their payrolls. This year, the financial activities sector will be boosted by NewDay Financial LLC's addition of 600 workers at a new, East Coast regional office in West Palm Beach. Additionally, Project Maple will bring a Canadian finance company's headquarters to Miami and by 2028, hire 450 workers earning an average of $200,000 annually. In another corporate move, the cryptocurrency company Blockchain.com will relocate its headquarters from New York City to Miami this year. Over the next few years, Blockchain will hire 300 employees at its new Miami headquarters.

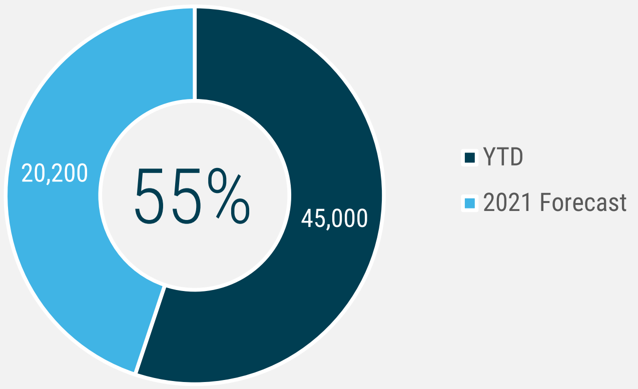
EMPLOYMENT TRENDS



SOURCE: MOODY'S ANALYTICS

WHO'S HIRING?

LEISURE & HOSPITALITY INDUSTRY



11%

OF ALL JOBS IN THE METRO

$26,300

AVERAGE ANNUAL SALARY

TOP LEISURE & HOSPITALITY EMPLOYERS

JAE	5,000 JOBS
Hard Rock	3,000 JOBS
THE BREAKERS	2,300 JOBS

IN THE NEWS

- Blockchain HQ moves to Miami, 300 new jobs
- Miami Developer to Create 1,000 Jobs With Food 'Empire'
- Canadian finance HQ to relocate to Miami, 450 jobs
- Veteran mortgage lender creating 600 jobs in W Palm Beach

SOUTH FLORIDA

DELIVERIES & ABSORPTION

2021 UNITS*

DELIVERED

18,327

ABSORBED

20,752

2022 UNITS*

DELIVERED

15,865

ABSORBED

11,283

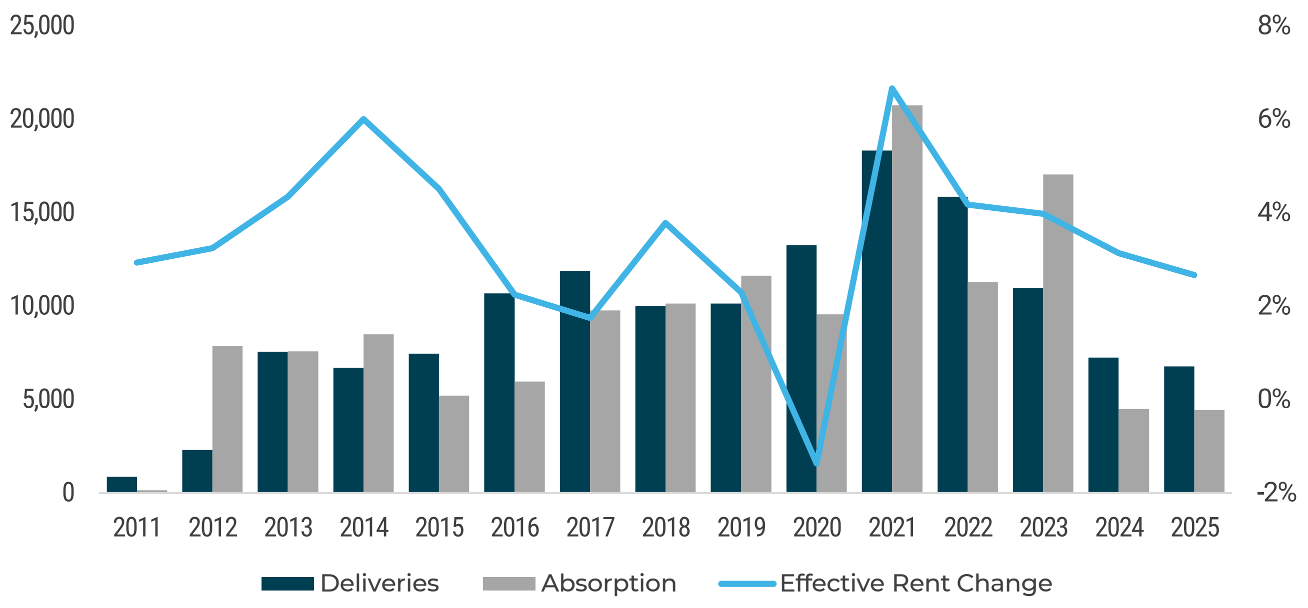
*PROJECTED

Builders delivered 8,553 apartments in South Florida in the first six months of 2021. Multifamily developers, responding to healthy apartment demand in the last five years in the adjoining Downtown Miami/South Beach and Coral Gables/South Miami submarkets, continued adding new apartment stock in these areas. In the first half of 2021, deliveries in the two submarkets represented more than one-quarter of the new apartment stock in the metro area.

Metrowide, net absorption surged to 10,028 units in the second quarter of 2021, accounting for nearly two-thirds of net absorption in the first half of this year. This activity was driven by 4,855 new apartments in the quarter, pent-up apartment demand, perpetually rising home prices, and sustained job growth. In the last half of 2021, construction is expected to culminate on more than 40 apartment communities underway in the metro area, contributing significantly to the delivery of 9,774 apartments by year-end.

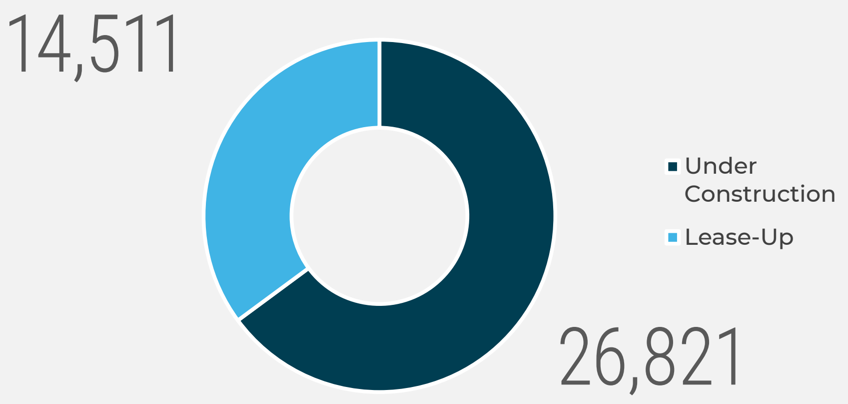
Multifamily developers have 263 apartment communities in various stages of planning. Of these, 56 multifamily developments could break ground within the next four quarters. These properties represent a total of more than 17,300 apartment units. More than one-third of this new inventory is planned for the coastal Downtown Miami/South Beach, North Central Miami, and Coral Gables/South Miami submarkets.

DELIVERIES, ABSORPTION, & EFFECTIVE RENT CHANGE

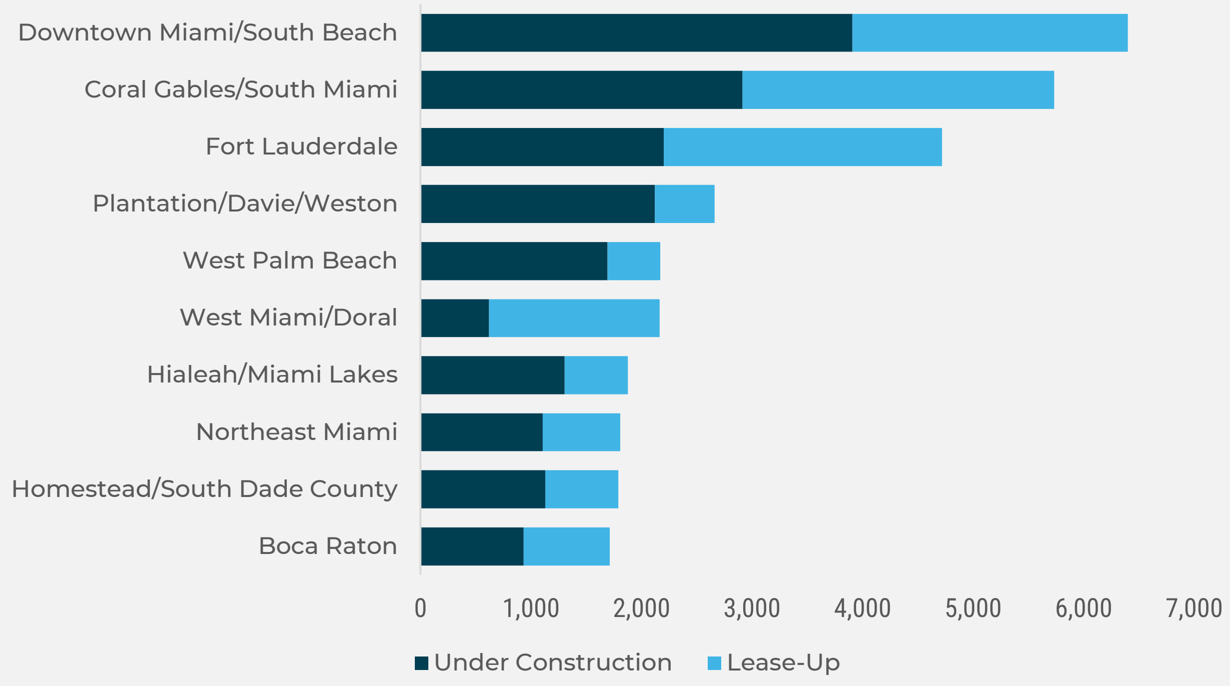


SOURCE: REALPAGE

MARKET PIPELINE



TOP 10 SUBMARKET PIPELINES



For a complete list of properties in the pipeline, CLICK HERE

EFFECTIVE RENT

2Q 2021

$1,831

7.9% YOY

OCCUPANCY

2Q 2021

96.5%

140 BPS YOY

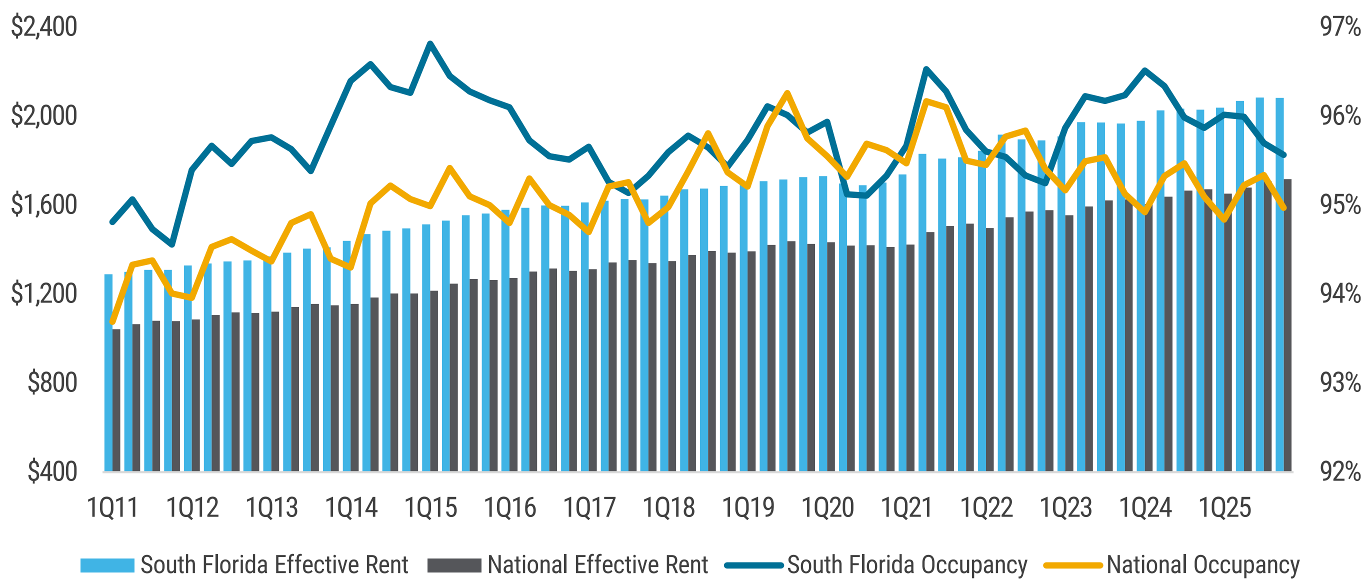
SOUTH FLORIDA

RENT & OCCUPANCY

Apartment occupancy in South Florida averaged 96.5% in the second quarter of this year, while average effective rent reached $1,831 per month. Both measurements of multifamily health notched significant year-over-year gains. Most of these increases, however, occurred during the second quarter of 2021. The continually improving economy fostered net absorption of over 10,000 apartment units in the second quarter, which vaulted rent growth 5.3% and occupancy 80 basis points quarter over quarter. On a quarterly basis, rent growth and occupancy gains in the trendy Downtown Miami/South Beach and Fort Lauderdale submarkets outpaced the metro area. The Downtown Miami/South Beach submarket had 6.4% rent growth and a 150-basis-point increase in occupancy since the first quarter of 2021. In the Fort Lauderdale submarket, quarterly rent appreciation of 6.3% was recorded along with a 160-basis-point rise in occupancy.

Looking forward, apartment occupancy is forecast to decrease to the low-95% range by year-end 2022. The projected reduction in occupancy will be fueled largely by a supply imbalance resulting from more than 15,800 deliveries in 2022. A commensurate slowdown in rent growth is also anticipated. Annual rent growth in 2022 is expected to subside to around 4% and to the 2%- to 4%-range in subsequent years, in line with annual rent appreciation in the years preceding the pandemic.

SOUTH FLORIDA VS. NATIONAL EFFECTIVE RENT & OCCUPANCY



SOURCE: REALPAGE

SUBMARKET PERFORMANCE

SUBMARKET NAME	2Q21 OCCUPANCY	YOY (BPS)	2Q21 EFFECTIVE RENT	YOY
Boca Raton	96.0%	280	$2,121	11.0%
Boynton Beach/Delray Beach	97.4%	320	$1,845	12.0%
Coral Gables/South Miami	94.8%	90	$1,989	3.1%
Coral Springs	97.3%	190	$1,829	11.0%
Downtown Miami/South Beach	95.9%	60	$2,292	4.6%
Fort Lauderdale	95.6%	190	$2,091	5.9%
Hialeah/Miami Lakes	98.1%	40	$1,598	4.6%
Hollywood	96.7%	200	$1,677	6.4%
Homestead/South Dade County	96.6%	-70	$1,380	6.0%
Lake Worth/Greenacres/Wellington	97.5%	190	$1,560	10.7%
Margate/Coconut Creek/North Lauderdale	96.1%	70	$1,706	11.9%
Miami Gardens	95.2%	40	$1,483	5.6%
North Central Miami	97.9%	80	$1,386	8.0%
North Palm Beach County	97.1%	260	$1,961	15.1%
Northeast Miami	97.7%	290	$1,768	9.4%
Pembroke Pines/Miramar	96.7%	80	$1,884	10.8%
Plantation/Davie/Weston	96.8%	140	$1,855	11.1%
Pompano Beach/Deerfield Beach	97.6%	110	$1,610	7.4%
Sunrise/Lauderhill	96.4%	90	$1,578	9.2%
West Miami/Doral	95.6%	260	$1,969	7.2%
West Palm Beach	96.1%	120	$1,770	11.7%
Westchester/Kendall	97.0%	80	$1,632	6.7%

2021 RESIDENTS*

6,310,500

0.9% YOY

2022 RESIDENTS*

6,372,900

1.0% YOY

*PROJECTED

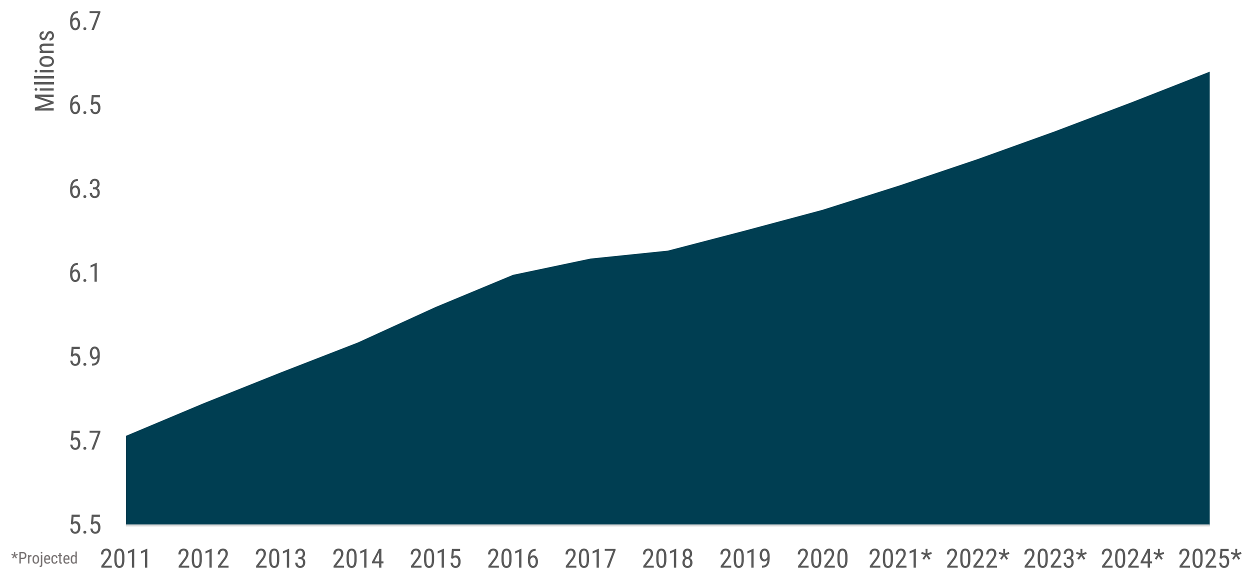
SOUTH FLORIDA

POPULATION & MIGRATION

The Miami metro area has an abundant choice of neighborhoods that residents can choose from. While nearly 191,400 residents left South Florida's urban centers in the last year, nearly two-thirds of those residents simply relocated to less-costly neighborhoods within the metro area. Apartment demand in the Northeast Miami submarket gives a bit of a clue as to where some residents moved. Renters absorbed a net 2,107 apartments from mid-2020 to mid-2021, despite only 701 new apartments emerging in the submarket. Average effective rent in Northeast Miami is considerably lower than the urban core areas, and its neighborhoods offer a high quality of life.

Approximately 19% of those who left urban cores in South Florida relocated to other large metros—population centers with at least 2 million people—in state and out of state. Despite the exodus from urban areas, the Downtown Miami/South Beach and Coral Gables/South Miami submarkets together had net apartment absorption totaling 5,029 in the last 12 months. Metrowide, net migration over the next five years is projected to total 274,700 new residents. With the metro's average household size of 2.6 persons, the five-year net migration may result in more than 105,600 new households, not counting organic household formation.

SOUTH FLORIDA POPULATION



SOURCE: MOODY'S ANALYTICS

URBAN MIGRATION DURING THE PANDEMIC

2Q 2020 - 1Q 2021

123,440 → TO THE SUBURBS

15,260 → TO A HIGH-COST, LARGE METRO (>2M)

21,000 → TO A LOW-COST, LARGE METROS (>2M)

15,380 → TO A MID-SIZED METRO (500K-2M)

16,300 → TO A SMALL METRO (<500K)

SOURCE: FEDERAL RESERVE BANK OF CLEVELAND

SOUTH FLORIDA

SALES

2021 YEAR TO DATE*

VOLUME
$1.8B

TRANSACTIONS
22

PRICE PER UNIT (AVG)
$288,964

CAP RATE (AVG)
4.3%

WHAT'S TRADING?*

UNITS (AVG)
293

BUILDINGS (AVG)
9

YEAR BUILT (AVG)
2000's

ACRES (AVG)
11.55

*$50M+
SOURCE: REAL CAPITAL ANALYTICS

TOP BUYERS**

BUYER	LOCATION
Cortland	Atlanta, GA
Sterling Equities	New York, NY
Cardone Capital	Aventura, FL
Nexpoint Res Trust	Dallas, TX
Pantzer Properties	New York, NY

TOP SELLERS**

SELLER	LOCATION
PGIM Real Estate	Newark, NJ
JP Morgan	New York, NY
Prospect Capital	New York, NY
GoldOller RE Invts	Philadelphia, PA
Alliance Residential	Phoenix, AZ

**Past 24 Months

SOUTH FLORIDA

SALES

$50+ MILLION TRANSACTIONS

CITY CENTER ON 7TH I
Pembroke Pines, FL

UNITS	YEAR BUILT
422	2013
PRICE / UNIT	**SALES PRICE**
$318,186	$134,274,282

ALTA CONGRESS
Delray Beach, FL

UNITS	YEAR BUILT
369	2013
PRICE / UNIT	**SALES PRICE**
$302,846	$111,750,000

500 OCEAN
Boynton Beach, FL

UNITS	YEAR BUILT
341	2018
PRICE / UNIT	**SALES PRICE**
$307,918	$105,000,000

SOLESTE TWENTY2
West Miami, FL

UNITS	YEAR BUILT
338	2019
PRICE / UNIT	**SALES PRICE**
$286,982	$97,000,000

SEABOURNE COVE PHASE I
Boynton Beach, FL

UNITS	YEAR BUILT
308	2012
PRICE / UNIT	**SALES PRICE**
$313,596	$96,587,698

CAMINO REAL APT. HOMES
Boca Raton, FL

UNITS	YEAR BUILT
235	2001
PRICE / UNIT	**SALES PRICE**
$393,056	$92,368,114

CORTLAND HOLLYWOOD
Hollywood, FL

UNITS	YEAR BUILT
336	2016
PRICE / UNIT	**SALES PRICE**
$272,917	$91,700,000

ELAN 16FORTY
Fort Lauderdale, FL

UNITS	YEAR BUILT
261	2015
PRICE / UNIT	**SALES PRICE**
$319,923	$83,500,000

ALAMEDA WEST
West Miami, FL

UNITS	YEAR BUILT
306	2020
PRICE / UNIT	**SALES PRICE**
$271,095	$82,955,000

HERITAGE AT BOCA RATON
Boca Raton, FL

UNITS	YEAR BUILT
248	1972
PRICE / UNIT	**SALES PRICE**
$326,815	$81,050,000

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Sources: RealPage; Moody's Analytics; Real Capital Analytics; Federal Reserve Bank of Cleveland