

MIAMI BEACH MULTIFAMILY MARKET UPDATE



MIAMI BEACH MULTIFAMILY SUMMARY*

\$202 million 2016 YTD sales	\$3.14 million 2016 average sale price	\$248 PSF 2016 average sale PSF	\$177,334 2016 average sale per unit
\$1,328 average rent per unit	92.6% occupancy rate	-130 units annual unit net absorption	10,194 inventory of rentable units

*Multifamily sales criteria: 5 units or more, sales between \$1MM-\$30MM, zip codes 33139, 33140, 33141
 *Multifamily rental criteria: 5 units or more, zip codes 33139, 33140, 33141

MARKET SNAPSHOT: 2016 saw a slight increase on the number of transactions as compared to 2015 with 64 year-to-date transactions as compared to 59 for 2015. The year-to-date transaction dollar volume lies just above \$200 million of which \$59 million was the record breaking 15-property/240-unit South Beach portfolio that traded earlier this year. There remains a big difference in pricing between South Beach and North Beach. Market fundamentals on Miami Beach remain strong with asking rents reaching an all-time high of \$1.95 psf, which translates into a 2.3% rent growth from 2015. Since 2014, rents have increased 9.4% which breaks down into 3.2% per year. As of today, there are 10,194 rental units in Miami Beach, down from 10,239 units in 2015, a drop that is mostly attributed to condo conversions. Over the past several years, Miami Beach has seen the lowest under construction number in Miami Dade making it a very desirable rental market with very high barriers to entry. A lack of viable multifamily opportunities is often cited as one of the biggest challenges for investors on Miami Beach.

ACTIVE LISTINGS

CUSHMAN & WAKEFIELD NOW AVAILABLE

Miami Beach, FL
LOCATION

17
UNITS

931
AVG UNIT SF

\$2,794
AVG MONTHLY RENT

2015
YEAR BUILT

\$3.00/SF
AVG MONTHLY RENT

ALEXANDRIA SOBE

CUSHMAN & WAKEFIELD NOW AVAILABLE

Miami Beach, FL
LOCATION

8
UNITS

877
AVG UNIT SF

\$1,700
AVG MONTHLY RENT

2015
YEAR BUILT

100%
OCCUPANCY

CRESPI NOBE

For more info visit: www.cushwake-alexandria.com

For more info visit: www.cushwake-crespinobe.com

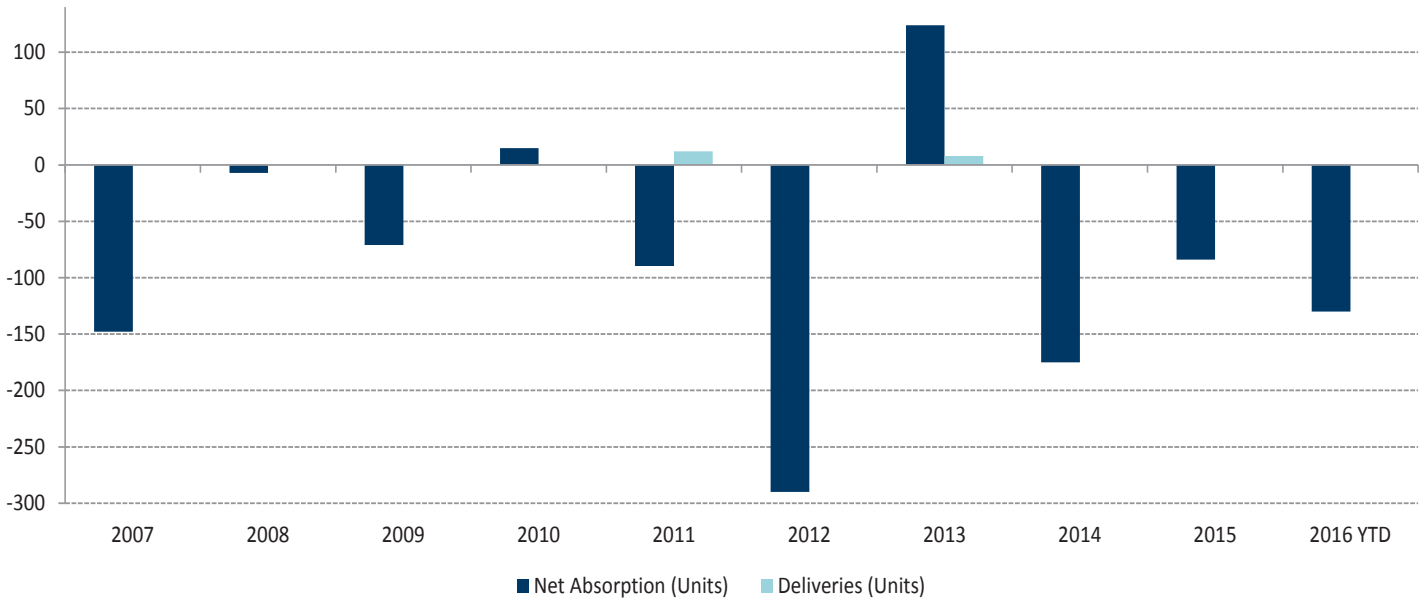
#1 in Apartment Sales on Miami Beach - <http://www.cushwakesouthfl.com/multifamily/>



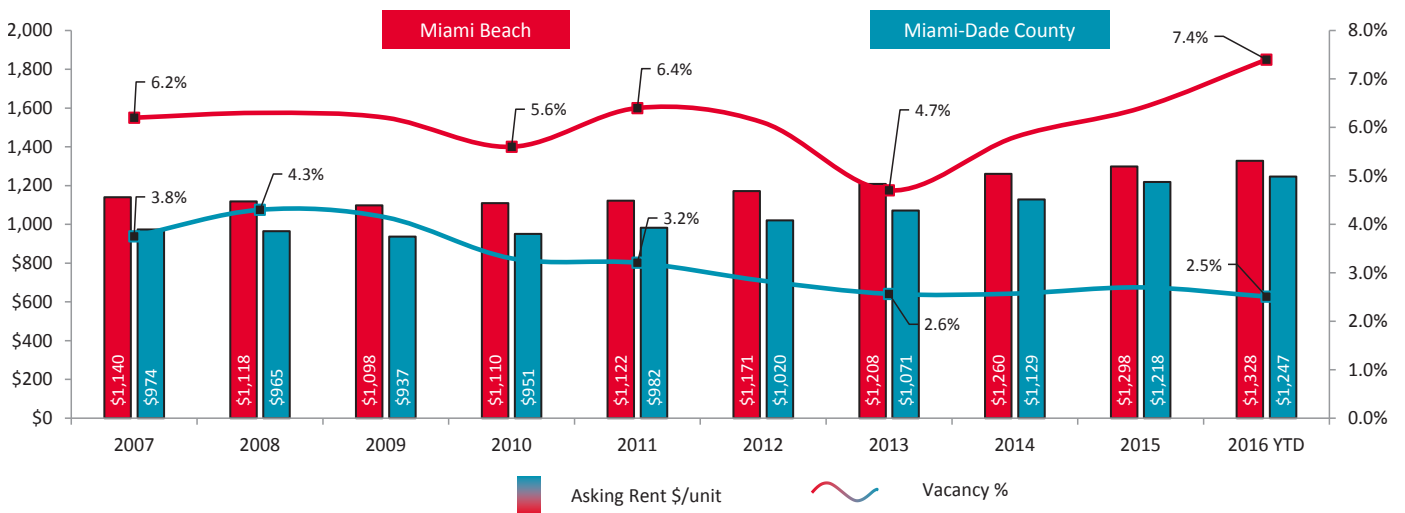
MIAMI BEACH MULTIFAMILY MARKET SUMMARY

YEAR	UNITS	ASKING RENT	ASKING RENT PSF	ASKING RENT GROWTH	EFFECTIVE RENT	EFFECTIVE RENT PSF	EFFECTIVE RENT GROWTH	VACANCY	NET ABSORP	DELIVERED UNITS
2016 (YTD)	10,194	\$1,328	\$1.95	2.3%	\$1,322	\$1.94	2.3%	7.4%	-130	-
2015	10,239	\$1,298	\$1.91	3.0%	\$1,294	\$1.90	3.2%	6.4%	-84	-
2014	10,259	\$1,260	\$1.85	4.3%	\$1,255	\$1.84	5.0%	5.8%	-175	-
2013	10,339	\$1,208	\$1.76	3.2%	\$1,203	\$1.75	3.7%	4.7%	124	8
2012	10,352	\$1,171	\$1.70	4.4%	\$1,164	\$1.69	4.9%	6.1%	-290	-
2011	10,687	\$1,122	\$1.62	1.0%	\$1,115	\$1.61	1.1%	6.4%	-89	12
2010	10,683	\$1,110	\$1.61	1.1%	\$1,105	\$1.60	1.2%	5.6%	15	-
2009	10,729	\$1,098	\$1.59	-1.7%	\$1,092	\$1.58	-2.0%	6.2%	-71	-
2008	10,816	\$1,118	\$1.62	-2.0%	\$1,111	\$1.61	-2.2%	6.3%	-7	-
2007	10,816	\$1,140	\$1.66	2.2%	\$1,133	\$1.64	2.3%	6.2%	-148	-

MIAMI BEACH DELIVERIES VERSUS ABSORPTION



MIAMI BEACH RENT VERSUS VACANCY



MIAMI BEACH MULTIFAMILY MARKET SUMMARY *CONTINUED*

RECENT MIAMI BEACH MULTIFAMILY SALES

PROPERTY ADDRESS	UNITS	SALE DATE	SALE PRICE	PER UNIT
1024-1030 Michigan Ave	6	Jun-16	\$1,410,000	\$235,000
333-343 Jefferson Ave	22	Oct-16	\$5,100,000	\$232,000
700 85th St	8	Jul-16	\$1,800,000	\$225,000
1310 Euclid Ave	12	Jul-16	\$2,280,000	\$190,000
8216-8224 Harding Ave	12	Aug-16	\$2,250,000	\$187,500
7810 Abbott Ave	8	Aug-16	\$1,200,000	\$150,000
1735 Normandy Dr	8	Sep-16	\$1,000,000	\$125,000

MIAMI BEACH MULTIFAMILY SALE HISTORY

YEAR	# TRANSACTIONS	DOLLAR VOLUME	AVERAGE PRICE	AVERAGE PSF	UNITS	AVERAGE PRICE PER UNIT
2016 (YTD)	64	\$201,273,700	\$3,144,902	\$248	1,049	\$177,334
2015	59	\$214,906,050	\$3,642,475	\$239	1,053	\$202,973
2014	82	\$180,862,673	\$2,205,642	\$216	1,179	\$149,639
2013	60	\$152,868,112	\$2,547,802	\$200	1,121	\$129,506
2012	37	\$101,630,434	\$2,746,768	\$122	861	\$98,982
2011	35	\$62,108,206	\$1,774,520	\$127	519	\$105,623
2010	20	\$35,266,978	\$1,763,349	\$143	402	\$87,729
2009	17	\$28,866,154	\$1,698,009	\$126	324	\$89,093
2008	18	\$31,132,000	\$1,729,556	\$193	179	\$123,391
2007	20	\$44,990,000	\$2,249,500	\$168	313	\$123,530

MIAMI BEACH & MIAMI DADE HISTORICAL PRICE/UNIT VS PRICE/SF



MIAMI BEACH MULTIFAMILY HIGHLIGHTS



In the first 10 months of 2016, there were 64 apartments sales totaling \$201 million with an average price of \$177,334 per unit or \$248 psf. This compares to 126 apartments sales in Miami Dade County averaging \$112,210 per unit or \$136 psf.



For an eight year in a row, average asking and effective rent per square foot were at record levels. Year-to-date average asking rents grew by 2.3%.



Year-to-date net absorption is down to -130 but still higher than the record low -290 in 2012. With no new rental supply expected in Miami Beach we expect vacancies to remain near historical lows.



There is currently no apartments scheduled to be delivered or under construction in Miami Beach. This is due to the lack of land availability in tandem with the strict demolition regulations the city applies to historical designated buildings.



Miami Beach currently has 10,194 rental units down from 10,239 in 2015. It has been the 9th year in a row of decreasing inventory mostly due to condo conversions. This year-over-year decrease has been an additional factor that added to rent growth and stability.



Average household income for the three zip codes (33139, 33140 and 33141) lies at just under \$80,000 up almost 4% since 2010. It is forecasted to grow 18% until 2020 reaching an average of \$94,000 per household. Similarly, population is up 8.0% since 2010 and is expected to grow another 3.4% until 2020.

TEAM CREDENTIALS



#1 IN
APARTMENT
SALES IN
MIAMI BEACH

250,000+

APARTMENT UNITS SOLD
IN SOUTH FLORIDA



\$18B
SOUTH FLORIDA
MULTIFAMILY SALES

**AWARD
WINNING**

MARKETING



**MORE
OFFERS**

HIGHER PRICING



GLOBAL
CAPITAL

REACH

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