

# HUD PD&R Housing Market Profiles

## Miami-Miami Beach-Kendall, Florida



### Quick Facts About Miami-Miami Beach-Kendall

- **Current sales market conditions: balanced.**
- **Current apartment market conditions: tight.**
- **In 2015, tourism had an economic impact of more than \$36.6 billion on the local economy. An estimated 15.5 million people visited Miami-Dade County, an increase of 6.4 percent from the previous year (Greater Miami Convention & Visitors Bureau).**



By Robyn E. Bowen | As of May 1, 2016

### Overview

The Miami-Miami Beach-Kendall, FL Metropolitan Division (hereafter, Miami-Dade County), on the southeast coast of Florida, is coterminous with Miami-Dade County. Known as the “Gateway to the Americas,” the coastal location makes it one of the most attractive destinations for international and domestic trade and tourism. The Miami International Airport and PortMiami are major local economic contributors, with 44 million and 4.9 million passenger arrivals in 2015, respectively, each reaching new record levels of passenger traffic (Miami-Dade County data).

- As of May 1, 2016, the population of Miami-Dade County, the most populous county in Florida, is estimated at 2.69 million.
- Since April 1, 2010, as economic conditions have improved significantly, the population has increased by an average of 32,200, or 1.3 percent, annually compared with an average increase of 14,800, or 0.6 percent, annually from July 2007 to July 2010.
- Net in-migration has accounted for 60 percent of population growth since 2010, when employment began to increase in the county, compared with 4 percent of growth from 2007 through 2010, a time of economic decline.



Job growth occurred in every sector except the information and government sectors in Miami-Dade County during the past 12 months.

	3 Months Ending		Year-Over-Year Change	
	April 2015 (thousands)	April 2016 (thousands)	Absolute (thousands)	Percent
<b>Total nonfarm payrolls</b>	1,118.7	1,139.8	21.1	1.9
Goods-producing sectors	78.1	84.9	6.8	8.7
Mining, logging, and construction	39.5	46.0	6.5	16.5
Manufacturing	38.7	38.9	0.2	0.5
Service-providing sectors	1,040.6	1,054.9	14.3	1.4
Wholesale and retail trade	221.0	222.6	1.6	0.7
Transportation and utilities	67.0	67.9	0.9	1.3
Information	18.5	18.4	-0.1	-0.5
Financial activities	77.3	81.2	3.9	5.0
Professional and business services	158.5	161.2	2.7	1.7
Education and health services	170.8	174.5	3.7	2.2
Leisure and hospitality	134.8	135.7	0.9	0.7
Other services	52.0	53.1	1.1	2.1
Government	140.8	140.3	-0.5	-0.4
	<b>(percent)</b>	<b>(percent)</b>		
Unemployment rate	6.2	5.4		

Note: Numbers may not add to totals because of rounding.  
Source: U.S. Bureau of Labor Statistics

## Economic Conditions

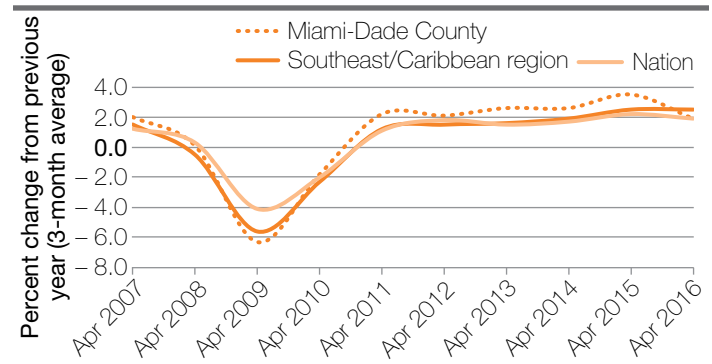
After 3 years of annual job losses, nonfarm payrolls have increased in Miami-Dade County since 2010, and they reached record levels of growth in 2014 and 2015, when payrolls increased an average of 3.1 percent a year.

During the 3 months ending April 2016—

- Nonfarm payrolls increased by 21,100 jobs, or 1.9 percent, from the 3 months ending April 2015, to an average of 1.14 million jobs.
- The most significant gains were in the mining, logging, and construction, the financial activities, and the education and health services sectors, which increased by 6,500, 3,900, and 3,700 jobs, or 16.5, 5.0, and 2.2 percent, respectively.
- The average unemployment rate declined to 5.4 percent from 6.2 percent during the 3 months ending April 2015.
- The Home Depot, a home improvement retailer, announced plans to hire 500 workers in its Miami-Dade County stores and distribution facilities in preparation for increased sales activity in the spring.

Miami-Dade County is home to the University of Miami (UM), whose 260-acre main campus is in the city of Coral Gables. In the fall of 2015, the university had an enrollment of nearly 16,850 students and more than 14,600 faculty and employees (University of Miami). UM is the second largest private employer and has an annual economic impact of more than \$5.6 billion on the county (Bendixen &

The rate of nonfarm payroll growth in Miami-Dade County began declining in 2015 and has fallen below the rate for the region.



Note: Nonfarm payroll jobs.  
Source: U.S. Bureau of Labor Statistics

## Largest employers in Miami-Dade County

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Miami-Dade County	Government	25,500
Federal government	Government	19,200
State of Florida	Government	17,100

Note: Excludes local school districts.  
Source: The Beacon Council

Amandi International, 2012). In January 2016, the UM Miller School of Medicine broke ground on a \$50 million medical education center. The new building will include teaching facilities, a virtual medical library, a 500-seat auditorium, a media production facility, and a clinical skills assessment center.



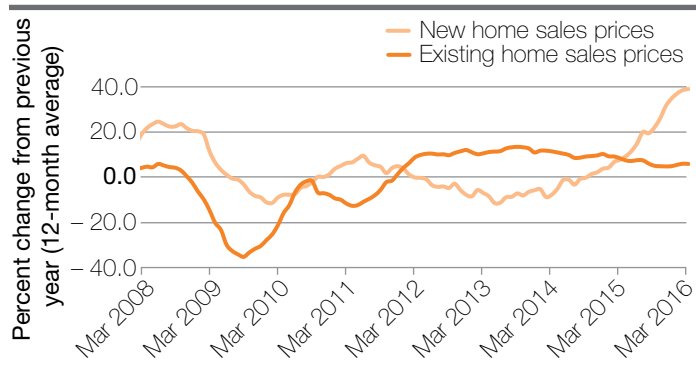
## Sales Market Conditions

The sales housing market in Miami-Dade County currently is balanced, with an estimated sales vacancy rate of 2.0 percent compared with 3.2 percent in April 2010. During the 12 months ending March 2016 (the most recent data available), nearly 45,850 existing homes (including single-family homes, townhomes, and condominiums) sold compared with nearly 47,300 homes sold during the previous 12 months, a 3-percent decline as a result of a decline in short sales (CoreLogic, Inc., with adjustments by the analyst). A significant decline in real estate owned (REO) sales caused existing home sales prices to increase to \$351,400 during the 12 months ending March 2016, up 6 percent from the previous 12 months. The average sales price of an REO home in Miami-Dade County was \$195,600 during the 12 months ending March 2016, an 11-percent increase from the previous 12 months. Sales of new homes (including single-family homes, townhomes, and condominiums) totaled more than 2,775 during the past 12 months, an 8-percent increase from more than 2,575 during the previous 12-month period. The average sales price of a new home was \$518,400 during the 12 months ending March 2016, 39 percent more than the average price during the previous 12 months.

- Existing home sales peaked in 2004, when 69,200 homes sold, and declined annually to a low of 25,900 in 2008 during the worst of the economic recession. Sales began to increase again in 2009 and averaged 41,900 homes annually from 2009 through 2015.
- New home sales reached a high of nearly 27,400 homes during the height of the housing boom in 2005, then declined annually to a low of 2,475 homes in 2013. Sales increased in 2014 and 2015, averaging 2,675 homes annually, as nonfarm payroll growth reached record highs.
- As of March 2016, 6.5 percent of home loans were 90 or more days delinquent, were in foreclosure, or had transitioned into REO status, down from 9.3 percent in March 2015 (CoreLogic, Inc.). This percentage is greater than the rates for both Florida and the nation, which were 4.8 and 3.0 percent, respectively, during March 2016.
- REO sales totaled 6,725 homes during the 12 months ending March 2016, down nearly 26 percent from the previous 12-month period and nearly 49 percent from the 13,150 sold during the peak, in the 12 months ending May 2011.

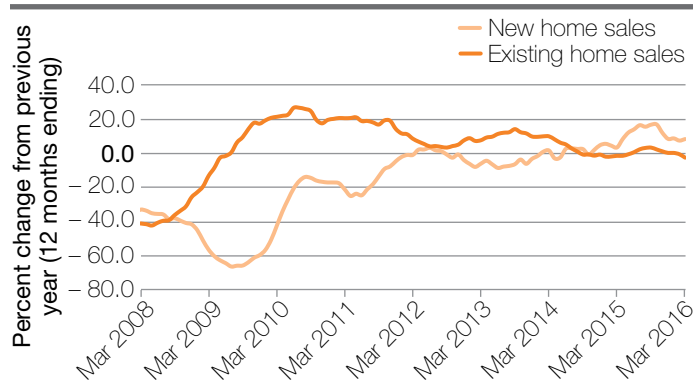
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Since 2012, existing home sales prices in Miami-Dade County have increased steadily, whereas new home sales prices decreased, then rebounded in 2014.



Note: Includes single-family homes, townhomes, and condominiums. Source: CoreLogic, Inc., with adjustments by the analyst

Since 2014, existing home sales in Miami-Dade County have declined after annual increases since 2009, whereas new home sales have increased, reaching recent record growth levels in 2015.



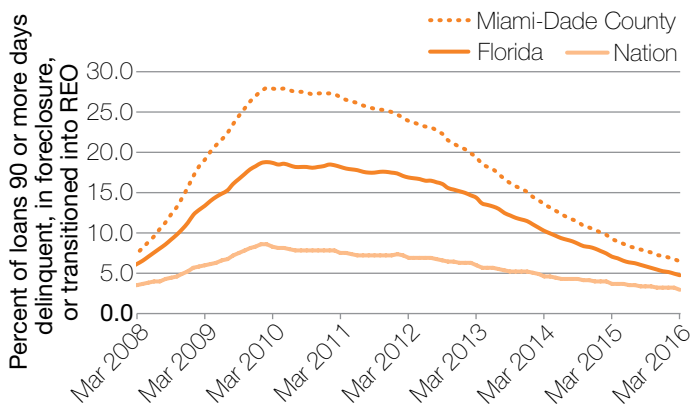
Note: Includes single-family homes, townhomes, and condominiums. Source: CoreLogic, Inc., with adjustments by the analyst

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Balanced sales housing market conditions have led to an increase in homebuilding activity, as measured by the number of single-family homes permitted, during the past 12 months.

- Permits were issued for approximately 3,050 single-family homes during the 12 months ending April 2016, an increase of 630 homes, or 26 percent, from the 12 months ending April 2015 (preliminary data).

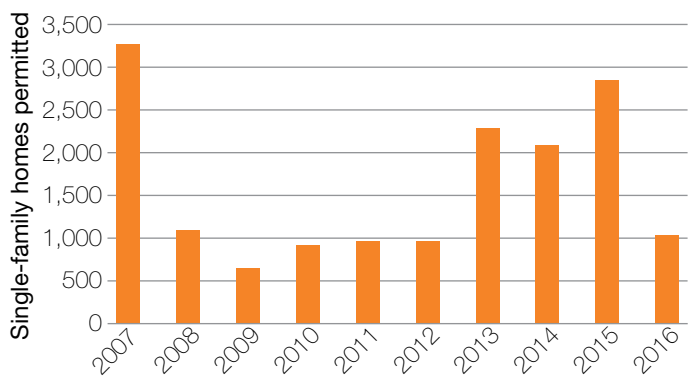
The percentage of seriously delinquent home loans and REO properties in Miami-Dade County decreased during the past year, although it remained above the state and national averages.



REO = real estate owned.  
Source: CoreLogic, Inc.

- Single-family homebuilding averaged approximately 2,241 homes annually from 2012 through 2015, after an average of 900 homes were permitted annually from 2008 through 2011, a time of economic decline. Homebuilding reached a peak of nearly 9,925 homes in 2005.
- Martinique at the Isles at Oasis currently is under construction in the city of Homestead, consisting of 251 townhomes with prices starting at \$190,990. Completion is expected in October 2016.

Single-family permitting activity in Miami-Dade County spiked in 2015 but remained below previous peak levels.



Note: Includes preliminary data from January 2016 through April 2016.  
Source: U.S. Census Bureau, Building Permits Survey

## Apartment Market Conditions

Apartment market conditions in Miami-Dade County currently are tight, as the demand for apartments exceeded the new supply during the past year.

During the first quarter of 2016—

- The apartment vacancy rate was 2.3 percent, down from 2.4 percent during the first quarter of 2015 (MPF Research).
- The average asking rent was \$1,315, up 4 percent from the average asking rent during the first quarter of 2015.
- The Downtown Miami/South Beach MPF Research-defined market area, which added the most new apartments in the county during the past year, had the second lowest apartment vacancy rate, 1.0 percent, compared with 1.4 percent during the first quarter of the previous year.
- The average asking rent in the Downtown Miami/South Beach area decreased nearly 1 percent from the first quarter of 2015,

to \$1,841, the highest average rent in Miami-Dade County, partly because of the increase of new supply in the market.

Multifamily construction, as measured by the number of units permitted, increased in Miami-Dade County during the past 12 months, as builders responded to tight apartment market conditions.

- Permits were issued for approximately 8,125 units during the 12 months ending April 2016, an increase of 570 units, or 8 percent, from the 12 months ending April 2015 (preliminary data).
- Improving economic conditions increased multifamily permitting to an average of approximately 6,693 units annually from 2012 through 2015 from an average of 1,775 units annually from 2008 through 2011. Permitting peaked at 16,200 units in 2005.
- Since 2015, condominiums have accounted for approximately 55 percent of all multifamily units permitted compared with 90 percent during the peak in 2005.

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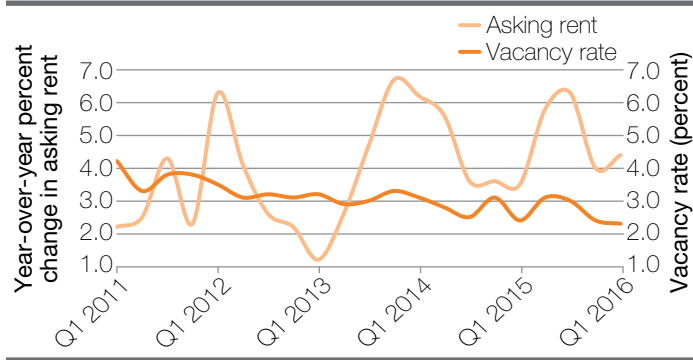




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- The Residences at Intercontinental Village, currently under construction in the city of Doral, will consist of 332 one-, two-, and three-bedroom units, with completion expected in April 2017. Asking rents have not been released.

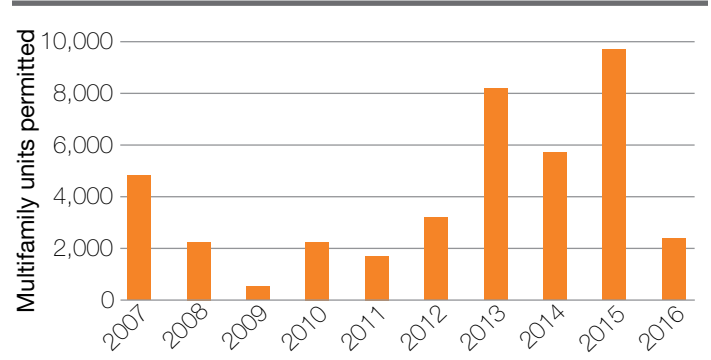
**Apartment market conditions in Miami-Dade County were tight, with vacancy rates decreasing and rents increasing during the past year.**



Source: MPF Research

- As of February 2016, approximately 7,300 condominium units and 4,150 apartments were under construction in downtown Miami (Miami Downtown Development Authority).

**In 2015, multifamily permitting in Miami-Dade County reached its highest level since 2007, although permitting remains well below the 2005 peak.**



Note: Includes preliminary data from January 2016 through April 2016.

Source: U.S. Census Bureau, Building Permits Survey

