

HUD PD&R Housing Market Profiles

Miami-Miami Beach-Kendall, Florida



Quick Facts About Miami-Miami Beach-Kendall

Miami, Florida

By T. Michael Miller | As of October 1, 2022

- **Current sales market conditions: balanced**
- **Current apartment market conditions: slightly tight**
- **Known as a destination for beautiful beaches and eclectic nightlife, the Miami-Dade County area attracted an estimated 24.2 million visitors in 2021, who spent an estimated \$19.2 billion (Greater Miami Convention & Visitors Bureau).**



Overview

The Miami-Miami Beach-Kendall Metropolitan Division (hereafter, Miami-Dade County), on the southeastern coast of Florida, is coterminous with Miami-Dade County. The coastal location makes Miami-Dade County an attractive destination for trade and tourism. During 2021, nearly 11.15 million tons of cargo passed through the Dante B. Fascell Port of Miami (hereafter PortMiami), representing an average increase of nearly 8 percent annually since 2016 (Miami-Dade Seaport Department). During the latter half of 2021, more than 252,000 cruise passengers embarked from PortMiami after the expiration of the No Sail Order issued by the Centers for Disease Control and Prevention, which effectively halted all cruises in the United States from March 2020 to June 2021. By comparison, the number of cruise passengers out of PortMiami exceeded 6.8 million during 2019.

- As of October 1, 2022, the population of Miami-Dade County is estimated at 2.68 million, reflecting an average annual decline of 7,025, or 0.3 percent, since 2018. Net out-migration averaged 11,400 people annually during the period, offsetting an average net natural increase of 4,375.
- From 2011 to 2018, population growth was more rapid because of stronger international in-migration. Population

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growth averaged 25,550 people, or 1.0 percent, annually, and net in-migration averaged 13,200 people annually, or 52 percent of the growth (U.S. Census Bureau population estimates as of July 1).

- A significant portion of domestic net migration occurs within the greater Miami-Fort Lauderdale-West Palm Beach

Metropolitan Statistical Area (MSA), primarily people seeking affordable housing in the MSA. Approximately 13,500 more people moved out of Miami-Dade County to Broward County from 2015 to 2019 than moved out of Broward County to Miami-Dade County (2015–2019 American Community Survey 5-year data).

Economic Conditions

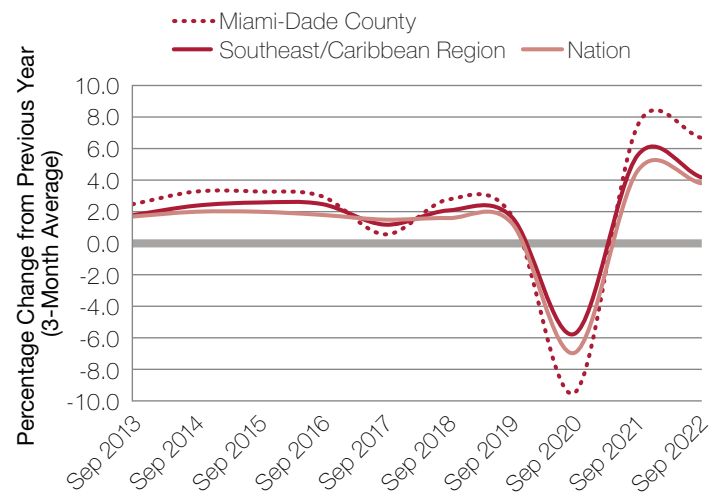
The economy of Miami-Dade County is currently strong after recovering all the jobs lost during the COVID-19 pandemic-related downturn. During the 3 months ending September 2022, nonfarm payrolls in Miami-Dade County averaged 1.26 million jobs, reflecting an increase of 79,500 jobs, or 6.7 percent, from the 3 months ending September 2021, which followed an increase of 7.5 percent from the 3 months ending September 2020. By comparison, during the 3 months ending September 2020, payrolls were down by 113,800 jobs, or 9.4 percent year over year. For context, the economy expanded for 9 consecutive years before the pandemic at an average annual rate of 2.4 percent from 2011 through 2019.

During the 3 months ending September 2022—

- The most significant gains were in the leisure and hospitality and the transportation and utilities sectors, which increased by 16,300 and 13,200 jobs, or 12.8 and 15.6 percent, respectively, from the 3 months ending September 2021. Growth in the transportation and utilities sector was aided

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The impact of the recession of 2020 on nonfarm payrolls was more severe in Miami-Dade County compared with the impact on the Southeast/Caribbean region and the nation.



Source: U.S. Bureau of Labor Statistics

Nonfarm payrolls increased in Miami-Dade County in all sectors except the government sector.

	3 Months Ending		Year-Over-Year Change	
	September 2021 (Thousands)	September 2022 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	1,182.5	1,262.0	79.5	6.7
Goods-Producing Sectors	92.7	99.9	7.2	7.8
Mining, Logging, & Construction	52.3	54.4	2.1	4.0
Manufacturing	40.5	45.5	5.0	12.3
Service-Providing Sectors	1,089.7	1,162.1	72.4	6.6
Wholesale & Retail Trade	209.9	221.4	11.5	5.5
Transportation & Utilities	84.6	97.8	13.2	15.6
Information	20.6	20.7	0.1	0.5
Financial Activities	85.8	90.1	4.3	5.0
Professional & Business Services	186.1	197.8	11.7	6.3
Education & Health Services	192.4	204.8	12.4	6.4
Leisure & Hospitality	126.9	143.2	16.3	12.8
Other Services	46.9	51.2	4.3	9.2
Government	136.4	135.1	-1.3	-1.0
Unemployment Rate	4.9%	2.2%		

Note: Numbers may not add to totals due to rounding.

Source: U.S. Bureau of Labor Statistics



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by the new \$180 million Virgin Voyages terminal at PortMiami, which opened in early 2022.

- The manufacturing and the other services sectors, which increased by 5,000 and 4,300 jobs, respectively, had the third and fourth fastest rates of growth at 12.3 and 9.2 percent.
- Nonfarm payroll growth was slightly moderated by declines in the government sector, which was down by 1,300 jobs, or 1.0 percent, from the 3 months ending September 2021.
- An increase in resident employment of 42,050, or 3.4 percent, from the previous 3-month period exceeded labor force growth of 0.4 percent, which resulted in a decline in the unemployment rate to 2.2 percent.

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 2021, the university had an enrollment of nearly 19,100 students and more than 16,050 faculty and employees (University of Miami). UM is the largest private employer in Miami-Dade County. In 2020, UM began construction of the \$335 million Centennial Village, which will include 2,025 beds for students. Centennial Village will replace Stanford and Hecht Residential Colleges and include the renovation of Eaton Residential College when complete in 2026.

Largest Employers in Miami-Dade County

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Miami-Dade County	Government	25,502
Federal Government	Government	19,200
Florida State Government	Government	17,100

Note: Excludes local school districts.

Source: Miami-Dade Beacon Council, 2015

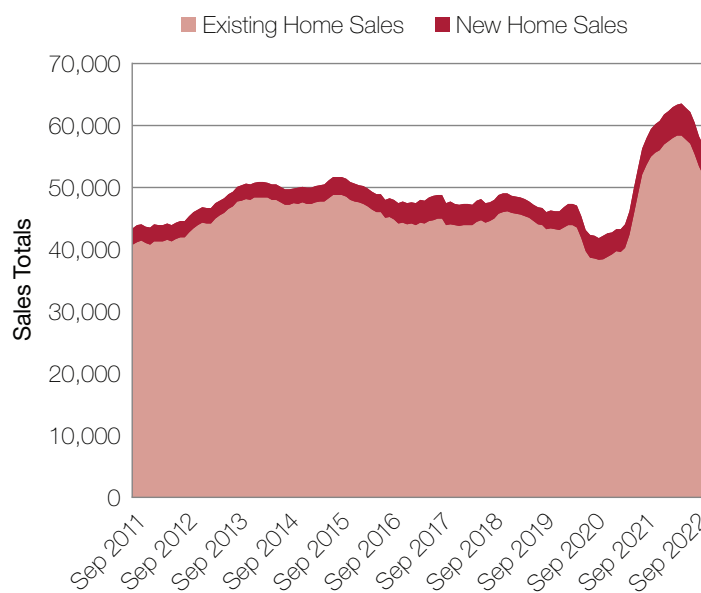
Sales Market Conditions

The sales housing market conditions in Miami-Dade County are currently balanced, with an estimated vacancy rate of 1.7 percent, down from 3.2 percent in April 2010. As of September 2022, the county had 3.5 months of inventory available, down from 3.6 months a year ago and down from 6.8 months in September 2020 (CoreLogic, Inc.). As of September 2022, 1.8 percent of home loans in the HMA were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into real estate owned (REO) status, down from 4.4 percent a year earlier and 9.7 percent in September 2020. The decline in the rate primarily reflects a decrease in the number of loans in forbearance from 2 years earlier, when the economic contraction during the COVID-19 pandemic made it more difficult for some homeowners to stay current on their mortgage payments. Despite the recent decline, the rate remains higher than the state and national rates of 1.4 and 1.3 percent, respectively.

During the 12 months ending September 2022 —

- Existing home sales totaled 50,400, down 9 percent from the 55,650 homes sold during the 12 months ending September 2021, but up from the 38,400 homes sold during the 12 months ending September 2020 (CoreLogic, Inc., with adjustments by the analyst).
- The average sales price for an existing home was \$583,400, representing an increase of 9 percent from \$533,700 during the previous 12 months. Existing home sales prices have

The number of existing home sales in Miami-Dade County declined during the past year but remains above prepandemic levels.



Note: Sales are for single-family homes, townhomes, and condominiums.

Source: CoreLogic, Inc., with adjustments by the analyst

increased 52 percent since reaching a recent average low of \$383,400 during the 12 months ending September 2019.

- The number of new homes sold (including single-family homes, townhomes, and condominiums) totaled 4,750, up 3 percent from the 4,600 homes sold during the previous 12 months.

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- The average sales price for a new home was \$691,100, an 11-percent increase from \$624,300 a year ago. Average new home prices in Miami-Dade County fluctuate significantly in response to the completion of condominium projects.
- The number of new condominiums sold totaled 540, down 56 percent from the 1,225 condominiums sold during the previous 12 months (Zonda). The average sales price for a new condominium was \$1.28 million, a 25-percent decline from \$1.70 million a year ago.

Single-family home construction, as measured by the number of single-family homes permitted, peaked during 2015 and 2016 with an average of 2,850 homes permitted, compared with an average of 2,325 homes permitted from 2017 through 2021. Nearly one-half of the new single-family homes in Miami-Dade County have been built in the city of Miami, followed by the city of Homestead, where one of three new single-family homes has been built.

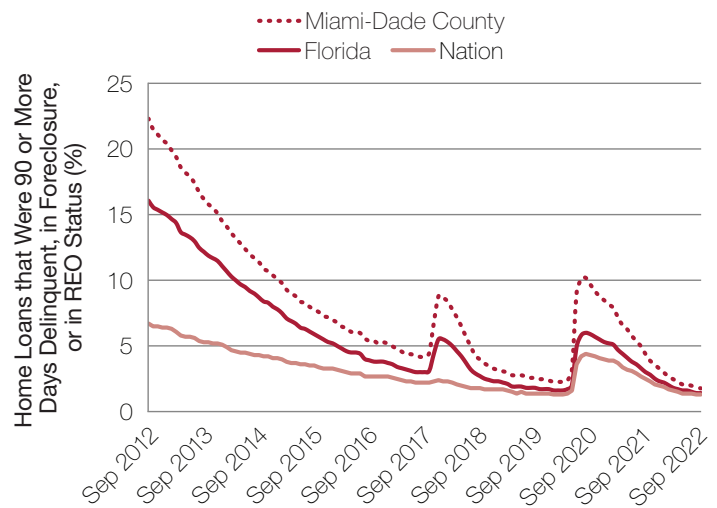
- The number of single-family homes permitted totaled 2,750 during the 12 months ending September 2022, up 13 percent from the 2,450 homes permitted during the previous 12 months (preliminary data).
- Heritage Ranch, a planned community in the city of Homestead, offers single-family homes that start at \$708,000.
- Galiano Pointe, a master-planned community in the city of Miami with plans for 181 single-family homes, is underway, with new single-family home prices starting at \$617,000.

New and existing home sales prices in Miami-Dade County have increased during the past year, even though mortgage interest rates have more than doubled during the same period.



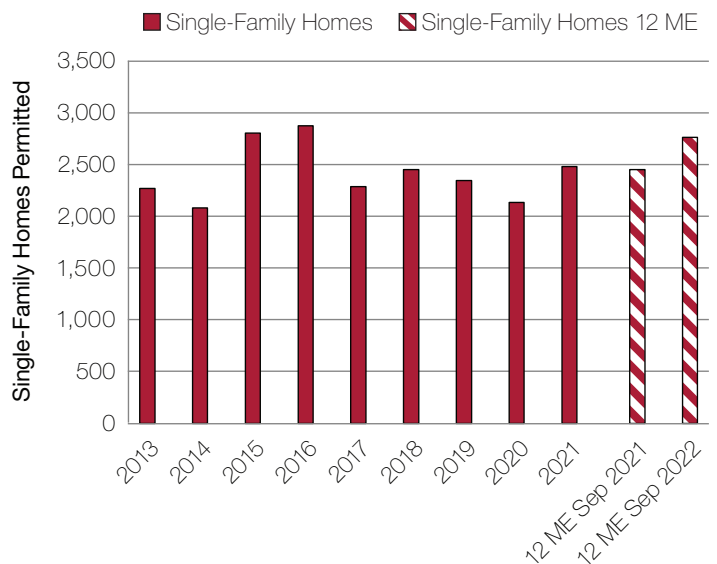
Note: Prices are for single-family homes, townhomes, and condominiums.
Source: CoreLogic, Inc., with adjustments by the analyst

The proportion of seriously delinquent home loans and REO properties in Miami-Dade County have declined following a substantial increase in mid-2020.



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

Single-family permitting activity in Miami-Dade County has increased following declines during 2019 and 2020.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2013–21—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Apartment Market Conditions

The apartment market in Miami-Dade County is currently slightly tight. Conditions were generally balanced in the mid-2010s as international in-migration peaked to take advantage of more affordable housing following the housing crisis. Although population growth has slowed since 2017, and apartment construction has remained strong during the same period, apartment market conditions have tightened. Recent apartment absorption has been strong, averaging 9,650 units a year during the 24 months ending September 2022, compared with an average of 4,950 units annually during the previous 3 years (CoStar Group), as high home prices restrict homeownership in the county.

During the third quarter of 2022—

- Apartment rents in Miami-Dade County averaged \$2,205, up 11 percent from a year earlier (CoStar Group). Recent rent growth is partly the result of higher-priced rental apartment completions in the county.
- The vacancy rate among apartment properties in the metropolitan area averaged 4.3 percent, up from 3.4 percent a year earlier and down from the third quarter average of 6.6 percent from 2017 through 2020.
- The apartment vacancy rate was generally lower in the CoStar Group-defined market areas (hereafter, market areas) where average rents were the lowest. Of the 16 market areas in the metropolitan division, the average rent was highest in the Coral Gables and Downtown Miami market areas, at \$2,928 and \$2,873, and the apartment vacancy rates were 5.5 and 5.0 percent, respectively. In the Westchester-Tamiami and

Little Havana market areas, the average rents were \$1,736 and \$1,629, and the apartment vacancy rates were 1.3 and 3.6 percent, respectively.

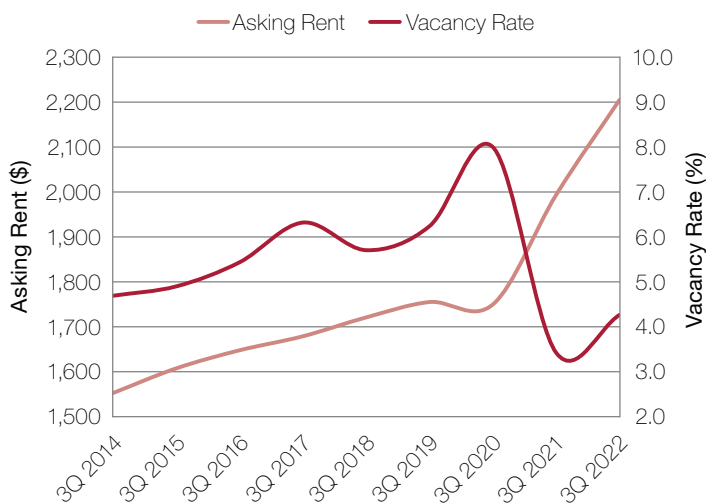
- Apartment completions and construction have been strongest in the Downtown Miami and Kendall market areas, which accounted for 45 percent of apartment completions during the past year, and 49 percent of units underway are located in those two areas. The apartment vacancy rate is also among the highest in the two market areas, at 5.0 and 5.6 percent, respectively.

Multifamily construction activity in the metropolitan division, as measured by the number of units permitted, increased during the past 12 months and has generally trended upward since 2017. During the 12 months ending September 2022, 15,650 multifamily units were permitted, up 11 percent from the 14,050 units permitted during the previous 12-month period (preliminary data).

- An average of 9,250 multifamily units were permitted annually in Miami-Dade County from 2013 through 2017, up significantly from an average of 2,850 during 2010 through 2012.
- Nearly all new apartment construction in the county is concentrated in the city of Miami. Among several recently completed apartment developments is the 240-unit Soleste Spring Garden that opened in 2022 in the city of Miami. The unit mix includes studio, one-, two-, and three-bedroom

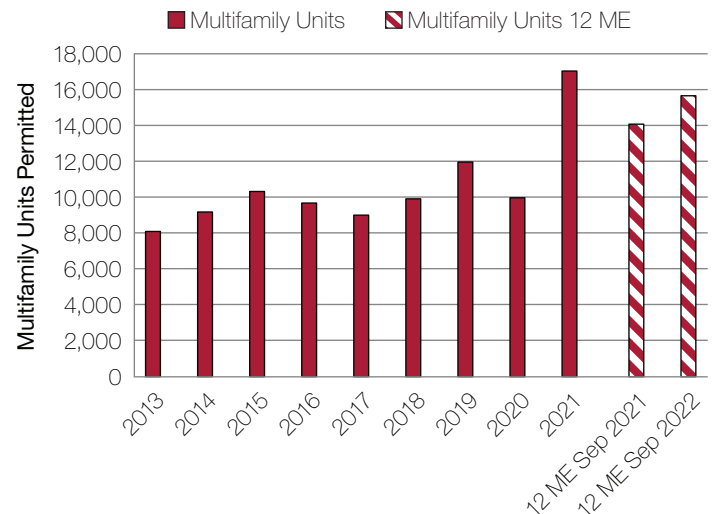
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The average rent and vacancy rates in Miami-Dade County have increased during the past year as new apartment units entered the market.



3Q = third quarter.
Source: CoStar Group

Multifamily permitting activity in Miami-Dade County has increased during the past year following a decline during 2020.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2013–21—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

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units ranging from 400 to 1,215 square feet, with monthly rents ranging from \$1,830 to \$4,414.

- An estimated 18,250 apartment units are currently under construction in Miami-Dade County. Notable developments currently under construction include the 312-unit Altis Ludlam

Trail Apartments, expected to be complete in late 2022 in southern Miami. The property began pre-leasing in August 2022, with rents starting at \$2,006, \$2,235, \$2,765, and \$3,105 for studio, one-, two-, and three-bedroom units, respectively.

Terminology Definitions and Notes

A. Definitions

Building Permits	Building permits do not necessarily reflect all residential building activity that occurs in an area. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Existing Home Sales	Include resales, short sales, and REO sales.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Increase	Resident births are greater than resident deaths.
Rental Market/Rental Vacancy Rate	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.
Seriously Delinquent Mortgages	Mortgages 90+ days delinquent or in foreclosure.

B. Notes on Geography

1.	The metropolitan division definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
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