

INVESTMENT FORECAST

Marcus & Millichap

MULTIFAMILY
Miami-Dade Metro Area

2026

Rising Retention and Easing Development Support Multifamily Market Amid New Leasing Challenges

Targeted deliveries and renewal strength steady performance. As slower job growth and reduced net in-migration temper apartment demand, a shift in new supply may help weather headwinds. Deliveries are increasingly concentrated in downtown and Northeast Miami, where affluent renters and a domestic labor base support leasing. Meanwhile, suburbs that saw elevated completions in recent years, such as Hialeah and Homestead, are seeing a pullback in construction, which should limit vacancy risk. Nevertheless, Miami-Dade has one of the nation's largest foreign-born populations, with more than half of its residents born abroad, heightening exposure to new immigration policies. Slower inflows may weigh most on lower- and mid-tier apartment demand. However, existing tenants priced out of higher-end units are likely to stay in place. The spread between the average Class A and Class B rent reached a record of over \$800 per month in 2025, contributing to the highest renewal conversion rate since 2022.

Recovering pricing supports deal flow despite selectivity. In 2025, Miami's average per-unit sales price surpassed its 2022 peak, topping \$250,000. This rebound may create more favorable conditions for owners to exit and reinforce investment activity in 2026. Amid labor and immigration strains, investors in working-class areas such as Little Havana and Hialeah will likely pursue acquisitions selectively, favoring assets with strong in-place income. Some buyers may increasingly look toward northern Miami neighborhoods, supported by higher-earning residents and Class C vacancy near 4 percent. North Beach properties are likely to remain attractive, particularly among out-of-state investors, as land constraints limit new supply and the area's rising appeal to families strengthens housing demand. A \$28 million expansion of the Lehrman Community Day School should reinforce this shift, bolstering the submarket's appeal to investors.

2026 MARKET FORECAST

+0.7%



Employment: Miami adds 9,000 jobs in 2026. Professional services, education, and health care are expected to drive gains, while hospitality, manufacturing, and retail may continue to see losses.

5,500
units



Construction: Inventory growth will ease to 1.6 percent this year, tied for the slowest pace in the past decade and matching Fort Lauderdale for the slowest rate among major Florida metros.

+20 bps



Vacancy: Despite fewer completions, vacancy edges up to 4.9 percent as immigration headwinds weigh on rental demand. The metro's rate will stand about 80 basis points above the past decade's average.

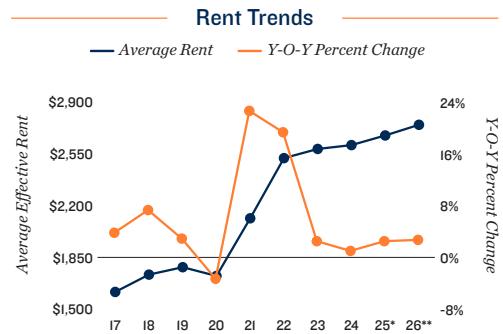
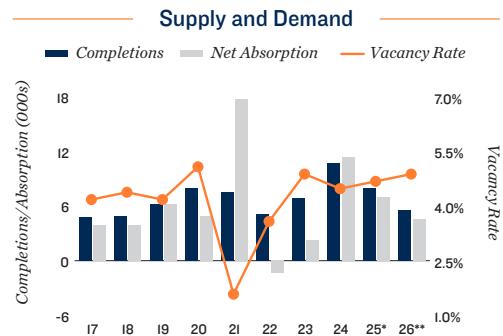
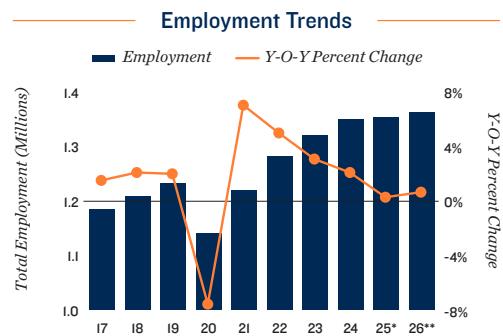
+2.7%



Rent: While rent growth will remain modest this year, a pullback in deliveries may support upper-tier gains. Miami's average effective rent is projected to reach \$2,740 per month by year-end.

INVESTMENT:

A proposed \$2 billion, 1,000-acre mixed-use project in West Kendall aims to create a "15-minute city" with new employment hubs led by entertainment and aerospace, which may attract multifamily investors.



* Estimate; ** Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics; RealPage, Inc.

Miami Office:

Victor M. Garcia

Managing Director, Market Leader

2916 North Miami Ave, Suite 700

Miami, FL 33127

Tel: (786) 522-7000 | victor.garcia@marcusmillichap.com

Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of December 2024. Effective rent is equal to asking rent less concessions. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Sales data includes transactions valued at \$1,000,000 and greater unless otherwise noted. Forecasts for employment and apartment data are made during the fourth quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.