MARKET REPORT

MULTIFAMILY 2Q/26

Miami-Dade Metro Area

Marcus & Millichap

2026 FORECAST

EMPLOYMENT
20,000 Jobs will be created
1.5% Increase Y-O-Y

CONSTRUCTION
7,000 Units will be added
2.0% Inventory increase Y-O-Y

VACANCY
4.4% Vacancy rate
50 BPS decrease Y-O-Y

RENT
$2,750 Average effective rent by year-end
2.7% Increase Y-O-Y

Multifamily Demand Shows Depth Amid Ongoing Delivery Wave

Absorption rebounds as hiring picks up. After slowing in late 2025, first-quarter net absorption rose 40 percent from a year earlier, making Miami one of only seven major markets with stronger first-quarter demand than in 2025. Employers created nearly 10,000 professional and business services jobs through April, reinforcing rental demand and tightening vacancy. Class A vacancy fell the most in early 2026, while Class C vacancy held near 3 percent, supporting leading rent growth. Lower-tier renewal conversions near record highs of 70 percent are giving operators room for measured rent increases as renters stay put.

Construction pipeline clouds recovery. Stronger white-collar hiring helped Downtown Miami record the sharpest early-year vacancy tightening, while several suburbs also posted improved apartment demand. Homestead-South Dade led the suburban rebound, with vacancy holding near a metro-low 3 percent, while Northeast Miami, Coral Gables, and Hialeah also recorded stronger renter demand. However, ongoing deliveries may temper occupancy gains in select areas. Unlike the national trend, construction starts in Miami-Dade County were only down about 15 percent from record highs as of June, compared with a 50 percent decline nationally, keeping supply pressure a key risk.

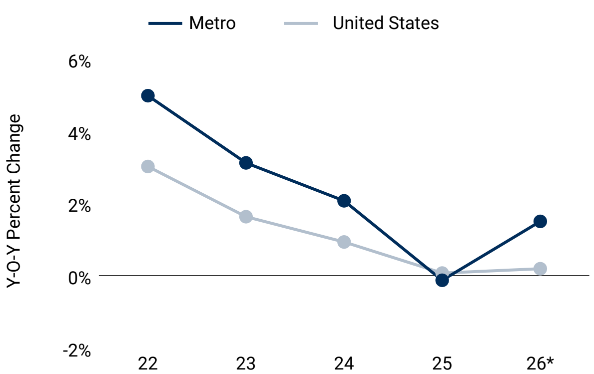
Employment

Job growth in Miami will return to outpacing the national rate in 2026, following a slight payroll contraction last year. An aging population is expected to help sustain demand for healthcare workers, while the traditionally office-using sector should also be a key driver. Year-to-date through April, Miami added the third-most professional and business services jobs among major markets. A business-friendly environment may continue to attract relocating employers, including Palantir, which recently moved from Denver.

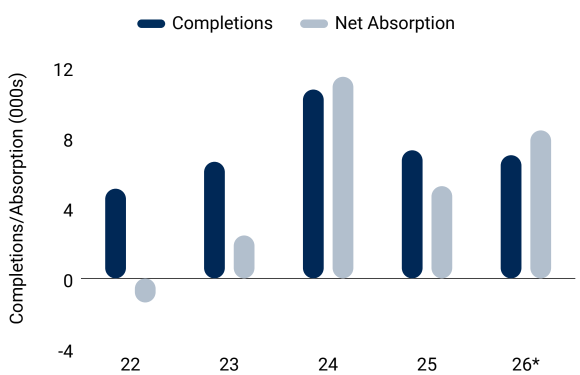
Construction

Deliveries will stay roughly in line with last year and slightly above the past decade's average, though inventory growth will still rank just outside the top 10 major markets. Downtown Miami remains the center of new supply, followed by Northeast Miami, where deliveries are expected to increase sharply. Coral Gables, Doral, and Homestead-South Dade are also set to record more completions, with around 1,000 units in each. Meanwhile, Kendall, Miami Gardens, and North Central Miami will post meaningful declines.

EMPLOYMENT TRENDS



CONSTRUCTION TRENDS



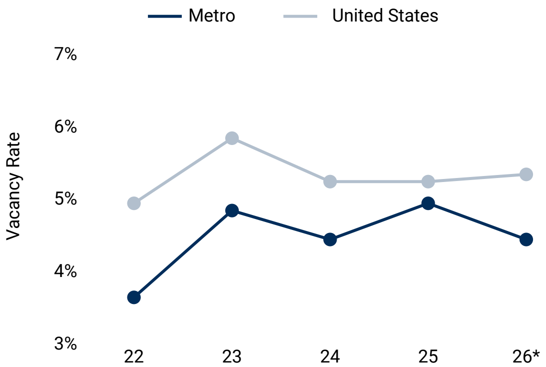
* Forecast

Sources: BLS; CoStar Group, Inc.; RealPage, Inc.

Vacancy

Strong early-2026 performance should keep Miami's vacancy rate on track to finish below its 2025 level, though a late-year delivery wave may add pressure. While vacancy will stand about 30 basis points above its past 10-year average, the metro is expected to retain the lowest rate among major Sun Belt markets, underscoring comparatively tight fundamentals. Vacancy trends also remain fairly consistent across Miami, with most submarkets maintaining vacancy rates at or below 5 percent through mid-2026.

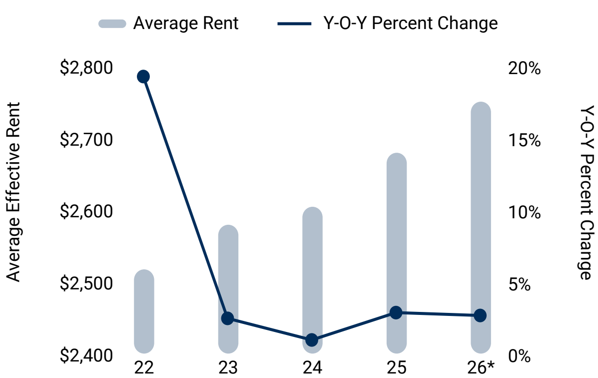
VACANCY TRENDS



Rent

Amid uneven renter demand and ongoing development activity, rent growth will remain consistent with the subdued pace of the past three years. Class B vacancy inching above 5 percent is likely keeping rent growth weakest in this segment, while Class A continues to benefit from higher-income renters. Meanwhile, only 12 percent of Class C units were offering concessions as of June, the lowest share among classes, supporting rent growth and underscoring steady demand for lower-cost rentals.

RENT TRENDS



* Forecast ** Through 1Q

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

INVESTMENT HIGHLIGHTS

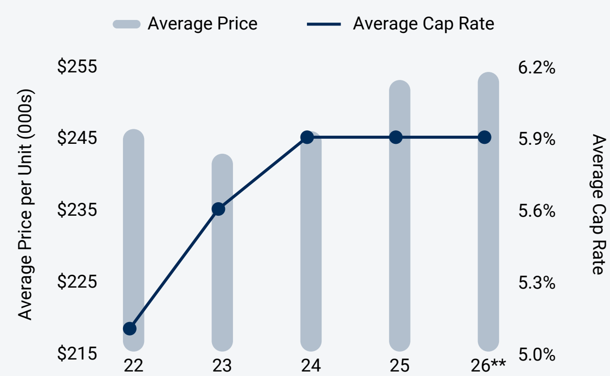
- Following a stronger 2025, trading slowed to start 2026 amid uncertainty about the economy and local fundamentals. With deliveries elevated, buyers may continue to favor stabilized assets with limited lease-up risk, particularly lower-basis properties that are easier to underwrite. Older assets may attract value-add interest where renovation upside can offset modest rent growth.

- Private investors have increasingly shifted east toward closer-in infill areas, where deeper renter pools should support demand. Little Havana has been especially active, and Miami Freedom Park's phased 2026 opening may add a nearby amenity catalyst. The 131-acre district will include Inter Miami's new stadium, public park space, retail, and entertainment uses.

- Amid heightened deliveries Downtown, institutional buyers have been more active outside the core, from Overtown to South Dade. Assets built in the past decade often sell around $300,000 per unit in these areas, compared with well over $500,000 per unit Downtown. That pricing offers newer, stabilized product at a lower basis, with limited near-term capital needs.

- Record affordable-housing development has been swiftly absorbed, holding rent-restricted vacancy near 3 percent. Miami-Dade also raised 2026 rent limits by 10 percent across the key 60 percent to 120 percent AMI tiers, improving revenue assumptions for assets able to capture the increase. This may attract more investors, as market-rate performance remains supply-sensitive.

SALES TRENDS



Miami Office:

VICTOR M. GARCIA

Managing Director, Market Leader

Tel: (786) 522-7000

victor.garcia@marcusmillichap.com

For info on national multifamily trends, contact:

JOHN CHANG

Senior Vice President, Chief Intelligence & Analytics Officer

Tel: (602) 707-9700

john.chang@marcusmillichap.com

Report prepared by:

ROBERT WEEKS

Report edited by:

CODY YOUNG

Price: $250