

# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Miami-Miami Beach-Kendall, FL

Core-Based Statistical Area Code: 33124

The Miami-Miami Beach-Kendall, FL commercial real estate market is stronger compared to the overall U.S. market.  
**NAR Commercial Real Estate Market Conditions Index\* 76.0**

Overall economic conditions are stronger than nationally.  
 The apartment property market is stronger than nationally.  
 The office property market is stronger than nationally.  
 The industrial property market is stronger than nationally.  
 The retail property market is stronger than nationally.  
 The hotel/lodging property market is about the same than nationally.

### I. Economic and Demographic

Economic	Miami-Miami Beach-Kendall, FL			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	1,235	1,232	1,155	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	81	80	(71)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	7.0%	6.9%	-5.8%	4.6%	4.7%	-4.4%	Job creation is stronger than nationally
Unemployment rate (%)	3.4%	3.6%	6.6%	3.6%	3.9%	6.0%	Unemployment rate is lower than nationally
Average weekly wages	\$1,001	\$1,009	\$956	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	4.7%	6.3%	7.6%	4.7%	5.2%	6.9%	Wages are rising faster than nationally
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	
GDP growth (%)	-4.6%	1.9%	3.6%	-3.4%	2.3%	2.9%	
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	
<b>Demographic</b>							
Net domestic migration ('000)	(46.0)	(49.1)	(58.2)	0	0	0	Area is experiencing net domestic out-migration
Population ('000)	6,126	6,165	6,141	331,501	328,330	326,838	
Population growth (%)	-0.62%	0.40%	0.41%	0.97%	0.46%	0.53%	Population growth is slower than nationally

### II. Multifamily

Demand indicators	Miami-Miami Beach-Kendall, FL			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	2.8%	3.2%	5.8%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	1,027	1,617	3,677	58,097	61,951	187,113	
Absorption of units in past 12 months	10,596	13,246	7,983	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	6.3%	7.9%	5.1%	3.3%	4.1%	3.0%	The area has stronger absorption than nationally
Market asking rent per unit	\$2,120	\$2,033	\$1,777	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	19.3%	17.7%	3.6%	11.4%	11.3%	2.4%	
Effective rent per unit	\$2,112	\$2,025	\$1,739	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	21.5%	19.9%	2.1%	12.2%	12.2%	1.8%	Rents are rising faster than nationally
Rent as a percent of 2-person annual wage income	24.3%	23.1%	20.9%	16.5%	16.3%	15.4%	Renting is less affordable than nationally
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Supply indicators</b>							
Inventory	168,460	167,456	158,027	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	5,647	6,426	7,005	387,022	391,271	417,342	
Net delivered units, as % of inventory	3.4%	3.8%	4.4%	2.2%	2.3%	2.5%	
Units under construction	19,232	16,382	13,959	774,864	744,997	732,144	
Units under construction, as % of inventory	11.4%	9.8%	8.8%	4.5%	4.3%	4.4%	Construction is stronger than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	14.3	12.4	(10.1)	17.1	17.2	(15.9)	Fewer jobs per delivered units than nationally
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$1,395	\$1,900	\$375	\$50,395	\$113,844	\$30,199	Sales transactions are rising faster than nationally
Transaction sales price per unit	\$409,641	\$339,490	\$230,831	\$220,078	\$227,367	\$157,676	Prices are rising faster nationally
Market cap rate	4.6%	4.6%	4.8%	5.1%	5.1%	5.2%	Cap rates are lower than nationally

### III. Office

Demand indicators	Miami-Miami Beach-Kendall, FL			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	10.0%	10.4%	10.6%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	413,409	40,225	(206,868)	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	1,193,873	573,596	(820,115)	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	1.2%	0.6%	-0.8%	0.1%	-0.6%	-1.7%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$41.9	\$41.4	\$39.5	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	6.1%	5.9%	2.8%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	16.9	19.5	(3.7)	1,153	1,161	(283)	Slower office job creation than nationally
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Supply indicators</b>							
Inventory in sq. ft.	98,580,848	98,167,440	97,386,976	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	665,783	758,873	1,169,826	54,741,303	57,123,296	47,997,877	More delivered space relative to inventory than nationally
Net delivered units, as % of inventory	0.7%	0.8%	1.2%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	3,217,836	3,183,085	3,268,606	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	3.3%	3.2%	3.4%	2.0%	2.0%	2.1%	Construction activity is more robust than nationally
	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	<b>2022 Q1</b>	<b>2021 Q4</b>	<b>2021 Q1</b>	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$380	\$511	\$339	\$26,711	\$35,335	\$17,487	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$228	\$185	\$238	\$324	\$295	\$325	Prices are not rising as fast than nationally
Market cap rate	6.0%	6.1%	6.2%	7.0%	7.0%	7.0%	Cap rates are lower than nationally

- Some data may not be available for the quarter

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### IV. Industrial

	Miami-Miami Beach-Kendall, FL			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	2.7%	2.8%	4.1%	4.1%	4.2%	5.3%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	1,361,287	1,986,358	2,683,276	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	7,119,973	8,441,962	5,552,678	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	2.8%	3.4%	2.3%	3.1%	3.1%	1.6%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$16.1	\$15.2	\$13.5	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	19.0%	15.4%	7.4%	11.0%	9.3%	5.5%	<i>Rents are rising faster than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	249,884,384	248,523,104	242,764,416	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	3,810,255	4,578,210	4,705,785	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	1.5%	1.8%	1.9%	1.9%	1.8%	1.8%	<i>Less deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	5,808,050	5,815,740	4,007,125	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	2.3%	2.3%	1.7%	3.5%	3.2%	2.4%	<i>Less delivered space relative to inventory than nationally</i>
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$299	\$876	\$336	\$21,817	\$51,629	\$16,323	<i>Sales transactions are not rising as fast as nationally</i>
Transaction sale price per sq.ft.	\$191	\$190	\$174	\$140	\$136	\$105	<i>Prices are not rising as fast than nationally</i>
Market cap rate	5.3%	5.4%	5.5%	6.3%	6.3%	6.3%	<i>Cap rates are lower than nationally</i>

### V. Retail

	Miami-Miami Beach-Kendall, FL			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	3.3%	3.4%	4.3%	4.5%	4.7%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	249,344	567,880	171,058	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	1,975,366	1,897,080	(166,938)	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	1.5%	1.4%	-0.1%	0.8%	0.7%	-0.2%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$41.6	\$40.7	\$38.5	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	8.1%	6.3%	1.0%	3.9%	3.1%	1.1%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	6.30	3.00	(7.70)	570.90	382.90	(187.70)	<i>The area has stronger retail trade job creation than nationally</i>
<b>Supply indicators</b>							
Inventory in sq. ft.	134,424,512	134,175,168	132,449,144	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	674,289	789,525	372,984	19,624,738	21,905,704	37,703,262	<i>Relatively more units delivered than nationally</i>
Net delivered units, as % of inventory	0.5%	0.6%	0.3%	0.2%	0.2%	0.3%	<i>More delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	3,533,209	3,262,940	1,990,097	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	2.6%	2.4%	1.5%	0.5%	0.5%	0.5%	<i>Construction activity is more robust than nationally</i>
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$551	\$1,134	\$194	\$22,755	\$33,245	\$12,773	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$297	\$472	\$409	\$219	\$226	\$182	<i>Prices are not rising as fast than nationally</i>
Market cap rate	5.4%	5.5%	5.5%	6.8%	6.8%	6.8%	<i>Cap rates are lower than nationally</i>

### VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	140.1	135.0	114.8	14,939	14,804	12,876	
Y/Y change ('000)	25.3	26.4	(29.6)	2,063.0	2,337.0	(2,869.0)	<i>Job creation in the leisure industry is weaker than nationally</i>
% share to nonfarm payroll employment	11.3%	11.0%	9.9%	10.0%	9.8%	9.0%	<i>Higher fraction of workers in leisure industry than nationally</i>

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

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