

Miami Multifamily Market

3, 4, and 5-Star Properties | Excluding SFR
Q1 2023 – Q4 2025 Analysis

 **PREMIUM RESILIENCE - RENTS NEVER WENT NEGATIVE**

The Story in Brief

Miami stands alone among Sun Belt markets: it is the only major market that maintained positive rent growth throughout the entire 2023-2025 supply cycle. While Austin rents fell 12%, Dallas dipped 5%, and even Houston flattened, Miami's effective rents grew 3.2%—from \$2,352 to \$2,427. Year-over-year rent growth never turned negative, bottoming at +0.2% before rebounding to the current +0.5%.

This resilience came despite a meaningful supply wave. Vacancy rose 240 basis points from 5.9% to 8.3%, and Miami absorbed over 25,000 new units during the period. But structural demand—driven by continued domestic migration, international capital flows, wealth relocation, and constrained single-family alternatives—proved stronger than supply pressure.

The outlook is exceptionally favorable. Miami's construction pipeline has collapsed 96%—from over 26,400 units to just 1,145 today, effectively zero. With virtually no new supply coming and demand drivers intact, Miami is positioned for rent acceleration in 2026. The premium paid for Miami exposure appears increasingly justified.

CURRENT
VACANCY

8.3%

**+240 bps from
start**

EFFECTIVE RENT

\$2,427

**+3.2% over 3
years**

RENT GROWTH
(YOY)

+0.5%

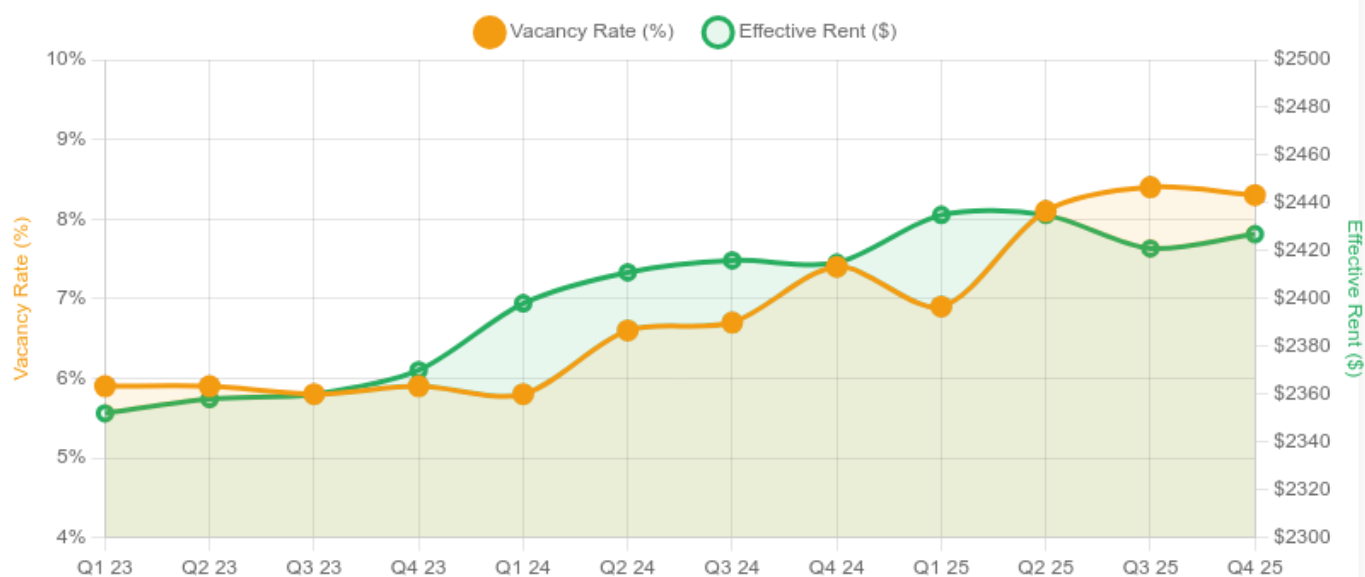
**Never went
negative**

PIPELINE
COLLAPSE

-96%

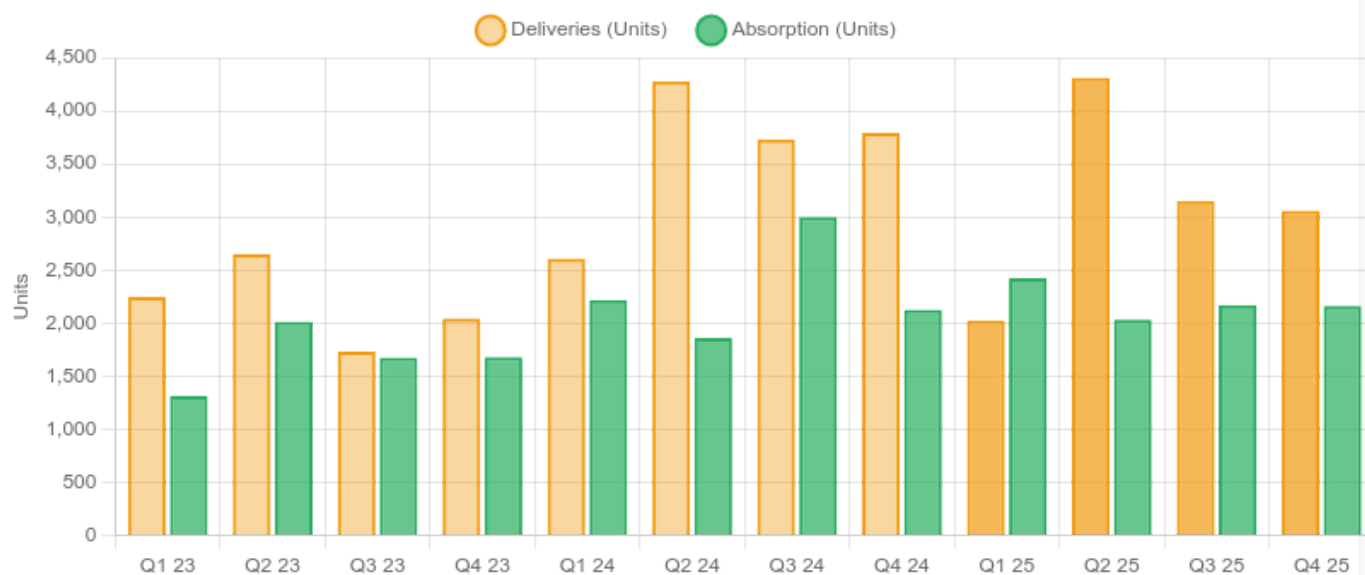
26K → 1.1K units

Vacancy Rate vs. Effective Rent (2023-2025)



Key Insight: Unlike every other Sun Belt market analyzed, Miami's rent line never crossed below prior levels. Vacancy absorbed supply pressure while rents continued their upward trajectory—a testament to Miami's structural demand advantage.

Supply vs. Demand: Deliveries and Absorption (2023-2025)



Key Insight: Miami absorbed over 25,000 units during the supply cycle while maintaining rent growth. With the pipeline now effectively at zero, 2026-2027 deliveries will be minimal, setting

up a supply-constrained environment.

Key Metrics Comparison

Metric	Q1 2023 (Start)	Q3 2025 (Peak Vacancy)	Q4 2025 (Current)
Vacancy Rate	5.9%	8.4%	8.3%
Effective Rent	\$2,352	\$2,421	\$2,427
Rent Growth (YoY)	+3.7%	+0.2%	+0.5%
Quarterly Absorption	1,313 units	2,172 units	2,163 units
Under Construction	26,423 units	4,205 units	1,145 units

Investment Implications

 Proven Resilience Commands Premium

Miami demonstrated what other markets couldn't: the ability to maintain rent growth through a supply cycle. This track record justifies premium pricing and supports lower cap rate expectations versus peers.

 Acceleration Setup

With the pipeline at effectively zero and rent growth already positive, Miami is positioned for rent acceleration in 2026—not just recovery. The supply-constrained environment should support above-trend growth.

 Structural Demand Moat

Domestic migration, international capital, wealth relocation from high-tax states, and constrained single-family alternatives

 Insurance & Climate Considerations

create demand layers that pure job-growth markets lack. This diversification proved its value.

Miami's premium performance comes with Florida-specific risks: elevated insurance costs and climate exposure. Factor rising insurance into underwriting and monitor legislative developments on property insurance reform.