**Multifamily Metro Outlook:**

**Fort Lauderdale – Q2 2021**

**Overview:**
- Fort Lauderdale is the second largest apartment market in Florida, and its fundamentals are in line with its status as such; during Q2 2021, even with 1,150 units delivered to the metro, the vacancy rate shot down more than 125 bps to 4.75% -- around 25 bps lower than pre-covid levels in Q3 2019 -- well below the national average of 5.5%.
- The amount of deliveries in the metro was essentially on par with the national average, as was the asking rent growth; compared to last quarter rents increased 3.0% to a total of $1,750 -- exceeding last year’s levels by close to 8.75%. Most of this growth was felt among class A & B properties, where rents increase roughly 8.25% and 8.75%, respectively.
- Concessions for Class A properties declined roughly 50 bps over the last quarter to 6.5%, but despite the drop, concessions are still more than double pre-covid levels.
- These are not the only signals that seem to point to Fort Lauderdale’s recovery turning a corner. At 4.3%, the unemployment rate has been cut in half compared to 2020 and has finally dipped below the state-wide and national mark for the first-time since 2019.

**Market Strengths:**
- Broward County, and Fort Lauderdale by extension, benefits from a diverse workforce where no one industry accounts for more than 20% of jobs. This should help to insulate Fort Lauderdale from higher losses as a proportion of the workforce during downturns.
- Fort Lauderdale has emerged as a hub for low-wage jobs in office support; nearly 11% of the area’s workforce is employed in administrative and maintenance services. Among metro areas or divisions with more than 1 million residents, only Memphis has a higher concentration of these jobs. Although wages in these industries lag the average by around 23.0%, it has also helped to create one of the highest workforce participation rates in the state.

**Market Weaknesses:**
- Though Fort Lauderdale has regained a portion of the jobs lost in the early months of the coronavirus pandemic, Broward County continues to feel the impact of lockdowns and high caseloads. As of the Bureau of Labor Statistics’ (BLS) release of June jobs figures, the metro was still down about 58,000 jobs since February 2020.

**Development:**
- It appears a greater emphasis has been placed on developing other multifamily markets in the state. Around 5,400 apartment units are currently underway in Fort Lauderdale – the lion’s share of which is concentrated in central areas – which only comprises a little more than 5.6% of Florida’s total 95,600 unit supply pipeline.
- The shadow-market is not much of a threat in the metro. Just over 725 total condo units are under construction, about an eight of the total condo volume that has been delivered since 2016.

**Outlook:**
- If the first quarter 2020’s asking rents can be used as the barometer for the pre-pandemic standard, then normalcy has already returned to the metro. Population growth, following four consecutive years of slowdown, is expected to proliferate well into 2022 which should provide a steady influx of new residents to fuel a steady growth in demand. Further, middling construction activity combined with an expensive single-family housing market should mitigate any future concerns about easing.
- Fort Lauderdale’s recovery is moving somewhat tepidly along, but the expected influx of office workers, tourists, and foreign migrants alike should spur some acceleration in job growth, which was hovering near historical lows prior to the pandemic. In the interim, the outsized senior population should continue to insulate the metro against a recession, while its proximity to other prominent South Florida metros should provide the catalyst to fuel growth in the long-term.

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**Five Year Metro Area Growth Forecast**

<table>
<thead>
<tr>
<th>Source: Moody’s Analytics</th>
<th>2020</th>
<th>2025</th>
<th>Fort Lauderdale (5-Year Annual Average Change)</th>
<th>National (5-Year Annual Average Change)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (000s)</td>
<td>1,978</td>
<td>2,076</td>
<td>0.97%</td>
<td>0.52%</td>
</tr>
<tr>
<td>Households (000s)</td>
<td>757</td>
<td>846</td>
<td>2.25%</td>
<td>1.41%</td>
</tr>
<tr>
<td>Renting Cohort (Ages 20–34) (000s)</td>
<td>377</td>
<td>382</td>
<td>0.27%</td>
<td>-0.26%</td>
</tr>
<tr>
<td>Total Employment (000s)</td>
<td>806</td>
<td>916</td>
<td>2.60%</td>
<td>1.71%</td>
</tr>
<tr>
<td>Median Household Income</td>
<td>$60,116</td>
<td>$68,329</td>
<td>2.59%</td>
<td>2.83%</td>
</tr>
<tr>
<td>Median SF Home Price</td>
<td>$386,655</td>
<td>$375,343</td>
<td>-0.59%</td>
<td>4.30%</td>
</tr>
<tr>
<td>Net Migration</td>
<td>9,758</td>
<td>17,221</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SupplyTrack Pipeline

Apartments & Condos/Townhomes: Units Completed and Underway

Vacancy & Rent Composite Estimates

Vacancy Rates

Fort Lauderdale | National

Q2 2021 Vacancy Rate: 4.75%

 Asking Rent Growth

Fort Lauderdale | National

Q2 2021 Asking Rent: $1,750

Source: Multifamily Economics and Research
## Construction: Bidding & Underway

<table>
<thead>
<tr>
<th>Sub-Market</th>
<th>Projects</th>
<th>Units</th>
<th>Sq. Ft. (M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coral Springs</td>
<td>1</td>
<td>352</td>
<td>0.43M</td>
</tr>
<tr>
<td>Fort Lauderdale</td>
<td>8</td>
<td>2,084</td>
<td>2.80M</td>
</tr>
<tr>
<td>Hollywood</td>
<td>6</td>
<td>1,290</td>
<td>1.80M</td>
</tr>
<tr>
<td>Plantation/Davie/Weston</td>
<td>3</td>
<td>914</td>
<td>1.34M</td>
</tr>
<tr>
<td>Pompano Beach/Deerfield Beach</td>
<td>1</td>
<td>12</td>
<td>0.01M</td>
</tr>
<tr>
<td>Sunrise/Lauderhill</td>
<td>3</td>
<td>783</td>
<td>0.90M</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>22</strong></td>
<td><strong>5,435</strong></td>
<td><strong>7.27M</strong></td>
</tr>
</tbody>
</table>
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Multifamily Metro Outlook: Fort Lauderdale Q2 2021

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Sources Used

- Moody's Economy.com
- REIS
- CoStar
- Real Capital Analytics
- RealPage
- Dodge Data and Analytics SupplyTrack Pipeline
- Axiometrics
- CBRE-Econometric Advisors
- Yardi

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