

Apartments tightening, owners few

BY SARA MARINO

Due to a sharp decrease in foreclosures and short sales in 2018, fewer apartment rentals are currently available.

“The reason for that is because overall there’s been an increase in value for the last few years,” said George Jalil, the broker president of Real Living First Service Realty.

Along with an increase in apartment values, Miami-Dade County is also currently seeing a trend where more residents are renting apartments and condominiums instead of being owners.



The key concern for Peter Mekras is production of more apartments.

“What’s very interesting about the rentals right now and hasn’t happened before, and this is according to the City of Miami, as far as comparing to other cities, we now beat out New York and Los Angeles for being the highest proportion of renters overall over owners,” Mr. Jalil said. “According to the Miami government, 68% of the population is now renters over owners, and that means a lot more people are renting.”

One of the biggest reasons Mr. Jalil said he believes more people are renting apartments is the high demand for homes, with not enough homes to fill the need in certain price ranges.

To alleviate this, Mr. Jalil said, there’s been a lot of construction, in particular in Homestead and West Miami.

“But those homes haven’t been completely built yet, and there’s still not a lot of inventory for the people to buy, so as a result, people turn to renting,” he said.

Recently, some areas that have seen an increase in apartment rentals



George Jalil cites value increase.

are Hialeah and Homestead.

“Whereas Miami and Miami Beach have recently been stable, meaning the rent hasn’t gone up or down,” Mr. Jalil said, “Hialeah and Homestead have gone up because there’s a lot going on in Homestead, and Hialeah has always been a popular area.”

When it comes to the city of Miami, the median monthly rent is \$2,400, which is a decrease of 4%

over one year, Mr. Jalil said. The average rent for the city of Hialeah is \$1,540, and that is an increase year over year of 2.7%.

“Looking at the occupancies of rental apartments overall, those occupancies remain stable and healthy,” said Peter Mekras, managing director of Aztec Group Inc., a realty company. “Miami-Dade has approximately 95% occupancy, which is a bit down from where it was previously, but it’s still at a very healthy level.”

When it comes to the future, Mr. Mekras said he believes the key concern will be if new supply will be produced.

“The amount of new construction or new projects will take another year or two years,” he said. “A lot of people become alarmed because they see building structures, but finishing the interior of the building takes a lot of time, so my expectation is in the next two to three years there will be a little volatility in Miami-Dade County.”