

# Miami

## Office market snapshot | Q2 2024

As of the second quarter of 2024, Miami's unemployment rate increased slightly to 2.2%. This is 110 basis points lower than Florida's total unemployment rate of 3.3%. Total nonfarm employment rate has experienced a year-over-year increase of 2.6%, with the business and professional services sector posting a 1.8% increase during that period.

## \$301 psf

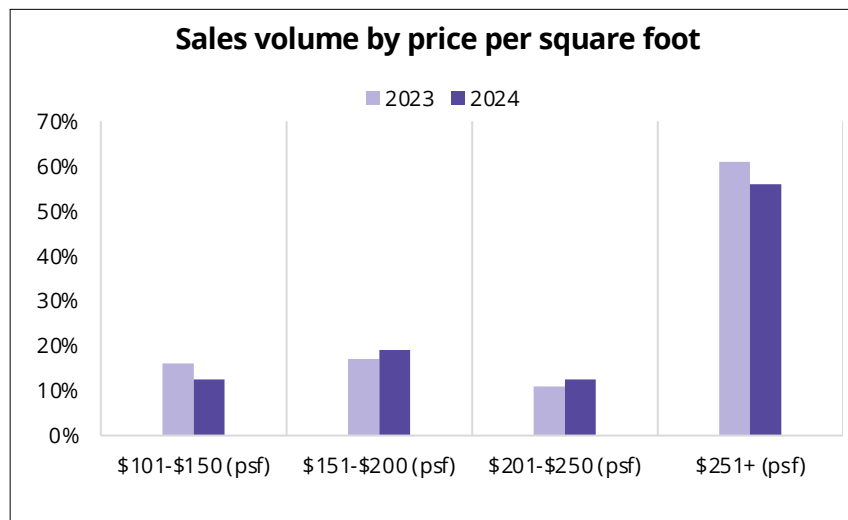
The average office price per square foot sits at \$301 over the trailing 12-month period.

## 8,638 sf

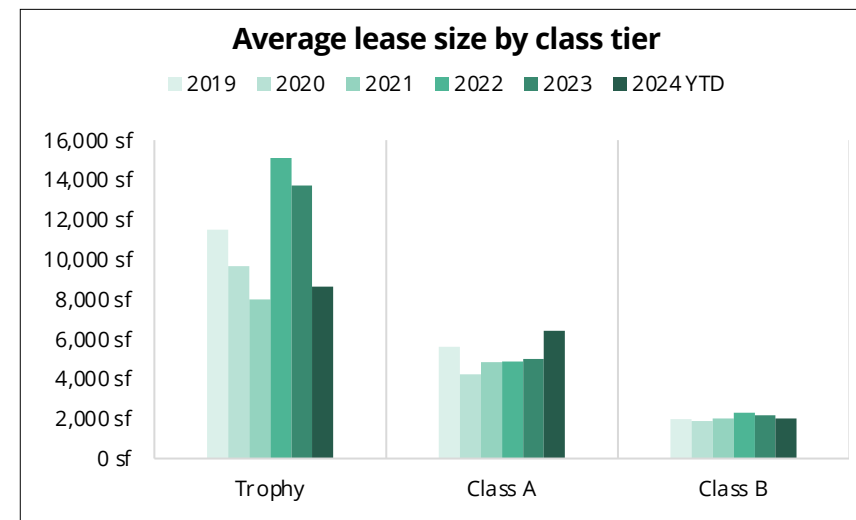
Tenants within trophy office spaces begin to right-size their space needs with the average lease size of 8,638 square feet.

## \$60.08

Robust tenant demand continues to fuel rent growth reaching over \$60 per square foot (FS).



The sales price per square foot of the Miami office market over the past 2 years showcased the highest number of deals closing over \$250 per foot. Throughout the first half of 2024 there has been a 5% decrease in sales over \$250 per square foot and an increase in office assets trading between the \$150-\$250 per square foot range. This signals a potential for additional price softening as buyers and sellers adjust valuations to current market conditions.

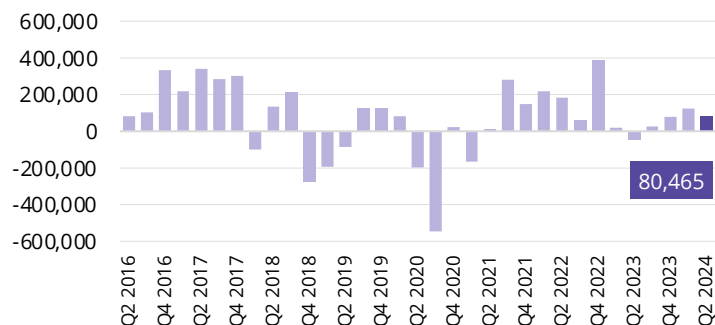


The Miami office market remains attractive to both domestic and international businesses, leading to significant tenant demand for trophy office space. Since 2019, Trophy assets have consistently attracted larger lease sizes. In 2023, the average lease size for Trophy space was over 13,000 square feet, more than double the average lease for class A and class B office space.

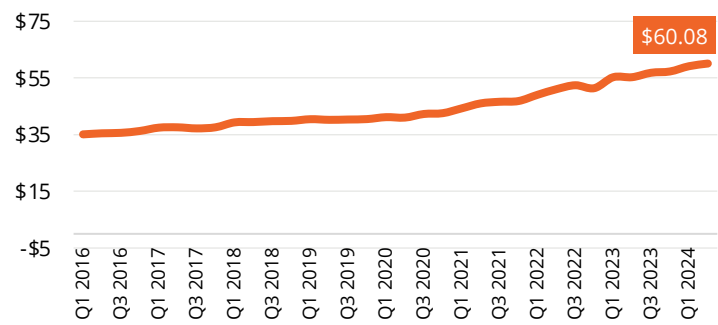
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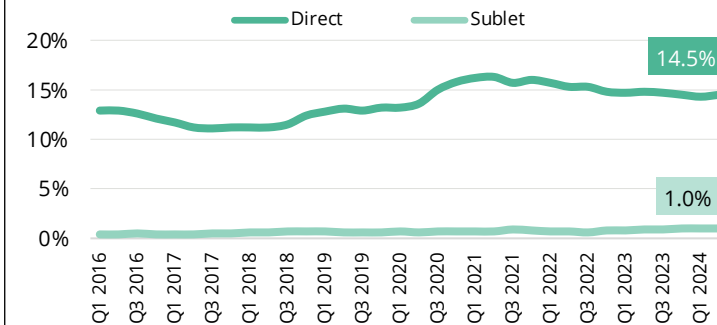
Net absorption (SF)



Direct asking rents (psf/FS)



Vacancy



Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Assurant	701 Waterford Way	75,531	New	Direct
Bayview	4425 Ponce De Leon Blvd	55,071	Renewal	Direct
Kirkland & Ellis	830 Brickell Plaza	35,858	Renewal/Expansion	Direct
Quirch Foods	2701 S Le Jeune Rd	29,988	Renewal	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Mediterranean Shipping	249 NE 6 <sup>th</sup> St	\$67,000,000	\$511	Swerdlow
JDS Development	888 Brickell Ave	\$61,225,000	\$1,151	Alphatur N.V.
Kester Need	11400 NW 77 <sup>th</sup> Ct	\$15,000,000	\$288	Carlos Herrera
Redbridge Capital	2850 S Douglas Rd	\$9,500,000	\$409	ProTranslating

Location	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption (2Q24)	Net absorption (YTD)	Annual direct asking rent psf FS
Airport/Doral	11,469,355	-	-	19.1%	1.1%	20.2%	0.1%	(9,549)	40,859	\$41.02
Downtown Miami	7,430,753	129,244	197,588	19.1%	0.6%	19.7%	(1.4%)	76,072	181,881	\$63.95
Brickell	7,394,784	-	829,300	11.2%	1.2%	12.4%	(0.8%)	18,256	(22,400)	\$93.73
Coral Gables	7,316,022	-	-	15.3%	1.4%	16.7%	(1.1%)	8,446	23,436	\$53.26
Kendall	4,557,281	-	-	12.1%	0.4%	12.5%	0.6%	(61,333)	(100,971)	\$40.84
Biscayne Corridor	4,389,709	-	326,400	13.7%	2.1%	15.8%	0.9%	(8,761)	(61,653)	\$73.56
Miami Beach	2,817,459	38,660	422,499	13.0%	0.2%	13.1%	(2.0%)	10,886	104,375	\$92.83
Miami Lakes	2,193,262	-	82,903	10.9%	1.0%	11.9%	(0.5%)	10,899	12,233	\$39.28
Aventura	2,126,373	60,450	71,177	8.4%	1.1%	9.4%	2.5%	18,307	12,411	\$58.28
South Gables/South Miami	1,958,692	-	-	6.0%	0.4%	6.4%	1.6%	(6,638)	1,858	\$44.36
Coconut Grove	1,641,062	-	-	7.4%	2.0%	9.4%	(2.0%)	12,588	19,685	\$68.74
Northeast Dade	1,391,069	-	48,000	12.4%	0.5%	12.9%	(0.5%)	2,945	(26,089)	\$38.70
Medley/Hialeah	789,908	-	-	10.9%	0.0%	10.9%	(0.2%)	6,364	14,360	\$36.28
South Dade	150,516	-	-	36.2%	0.0%	36.2%	(15.1%)	1,983	2,484	\$46.71
Market total	55,626,245	228,354	1,977,867	14.5%	1.0%	15.5%	(0.2%)	80,465	202,469	\$60.08

Type	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption (2Q24)	Net absorption (YTD)	Annual direct asking rent psf FS
Trophy	4,698,502	38,660	1,259,083	14.7%	1.1%	15.8%	(1.0%)	45,607	83,004	\$95.82
Class A	25,001,490	189,694	718,784	17.7%	1.6%	19.3%	0.3%	38,006	46,138	\$61.91
Class B	25,926,253	-	-	11.3%	0.5%	11.7%	(0.6%)	(3,148)	73,327	\$43.96
Market total	55,626,245	228,354	1,977,867	14.5%	1.0%	15.5%	(0.2%)	80,465	202,469	\$60.08