

YoY
Chg**13.4%**

Vacancy Rate

**-112,651**

YTD Net Absorption, SF

**\$39.93**

Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS
Q2 2020YoY
Chg**1.0M**Miami
Employment**11.5%**Miami
Unemployment Rate**13.0%**U.S.
Unemployment Rate

Numbers above are monthly figures, FL Dept. Economic OPP

ECONOMY

Miami-Dade had an unemployment rate of 11.5% in May 2020, down 50 basis points (bps) from the previous month but 910 bps higher than one year ago. The month-over-month improvement in unemployment was partly due to businesses reopening. Miami had one of the lowest unemployment rates in the state as well as below the U.S. rate of 13.0%. Nonagricultural employment was down 10.1% over the year. The only major employment sector to gain jobs year-over-year (YOY) were in construction, adding 1,700 new positions. Every other sector forfeited jobs in the last 12 months with the bulk of job losses occurring in the Leisure & Hospitality sector, at 54,700 jobs gone.

The COVID-19 pandemic struck the U.S. in March 2020, late in the quarter but with enough time to have a significant impact on first quarter market fundamentals. In the second quarter of 2020, the U.S. economy felt its effects more fully, as government-mandated shutdowns along with shelter-in-place ordinances pushed the country deeper into recession. The situation remains very fluid. Access the most recent information specific to COVID [here](#).

SUPPLY

Overall vacancy increased to 13.4% at the end of the second quarter, up 70 YOY. Class A vacancy remained consistent at 14.9%, a decrease of only 20 bps YOY while Class B vacancy rose by 270 bps to 14.5%. Suburban submarkets were more stable at 11.8% compared to the CBD's vacancy at 17.0%. Miami-Dade had one building deliver year-to-date (YTD) in the Northeast Dade submarket with 27% preleased. Over 2.3 million square feet (msf) was under construction at the end of the second quarter.

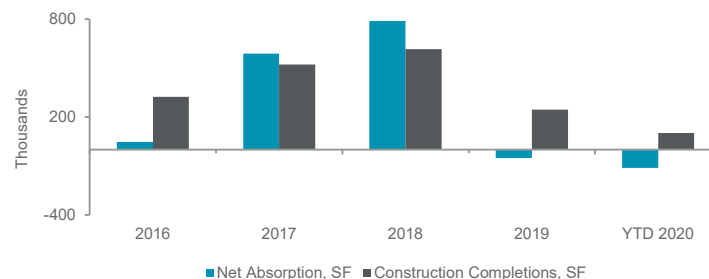
DEMAND

New leasing activity YTD reached 789,000 square feet (sf), down by -80% compared to the first two quarters in 2019. The second quarter recorded only 253,000 sf in new leases, the lowest amount for a quarter since 2003 with suburban submarkets accounting for 66% of all deals. Class A recorded 57% in new activity with over 446,700 sf signed. The Brickell submarket had the most activity of any submarket in the second quarter. The largest lease for the quarter was an 18,000 sf transaction signed by a law firm.

MARKET PRICING

Overall asking rents for office space increased to \$39.93 per square foot (psf) full service, or 0.4% rise YOY. Rental rates in the suburban submarkets rose by 2.3% to \$36.98 psf in the last four quarters while rates in the CBD dropped by -1.4% to \$44.56 psf. The decreased rents in the CBD were due to the Downtown submarket's YOY decline of -3.0% to \$43.28 psf. Elevated rents in the suburbs were driven by higher quality Class A assets, predominantly in the Northeast Dade submarket, where Class A rents stood at \$54.64 psf, up 12.7% at the end of the second quarter.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT





MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Brickell Avenue	6,525,719	27,358	686,031	10.9%	34,174	57,239	112,664	650,000	\$47.51	\$55.31
Downtown	7,277,445	32,105	1,598,998	22.4%	-29,455	40,856	207,122	0	\$43.28	\$49.78
CBD	13,803,164	59,463	2,285,029	17.0%	4,719	98,095	319,786	650,000	\$44.56	\$51.34
Suburban	31,212,207	174,785	3,507,672	11.8%	-57,708	-210,746	469,299	1,671,467	\$36.98	\$41.75
Coral Gables	5,988,733	18,941	539,300	9.3%	-38,657	-69,530	73,552	536,567	\$40.35	\$43.25
Airport West	11,058,744	132,443	1,467,205	14.5%	-84,878	-217,496	113,287	167,182	\$33.82	\$36.27
Coral Way	626,935	0	43,092	6.9%	3,384	-6,833	16,044	0	\$30.65	N/A
South Dade	3,086,774	4,882	297,854	9.8%	-9,778	-16,871	27,035	0	\$33.30	\$43.81
Northeast Dade	2,522,968	6,359	238,193	9.7%	3,320	22,478	43,950	0	\$47.78	\$54.64
Biscayne	2,067,256	0	304,573	14.7%	5,088	66,827	97,365	770,956	\$44.57	\$49.47
Miami Lakes	1,698,987	2,781	309,026	18.4%	20,496	1,032	48,143	0	\$29.23	\$32.33
Coconut Grove	1,181,578	3,263	114,318	10.0%	64,412	59,747	19,721	196,762	\$43.01	\$43.59
S. Gables/ S. Miami	562,504	1,000	21,747	4.0%	-11,204	-9,364	997	0	\$40.17	\$50.50
East Airport/Central Dade	575,205	0	41,167	7.2%	-5,572	-5,572	3,306	0	\$29.04	N/A
Miami Beach	1,842,523	5,116	131,197	7.4%	-4,319	-35,164	25,899	0	\$48.44	\$53.45
MIAMI TOTALS	45,015,371	234,248	5,792,701	13.4%	-52,989	-112,651	789,085	2,321,467	\$39.93	\$45.72

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS YTD 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
200 S Biscayne Blvd	Downtown	Morgan Stanley	111,100	Renewal*/Expansion
1111 Brickell	Brickell Avenue	Banco Sabadell	33,500	Renewal*/Downsize
9130 S Dadeland Blvd	South Dade	Rubenstein Law	32,770	Renewal*/Expansion

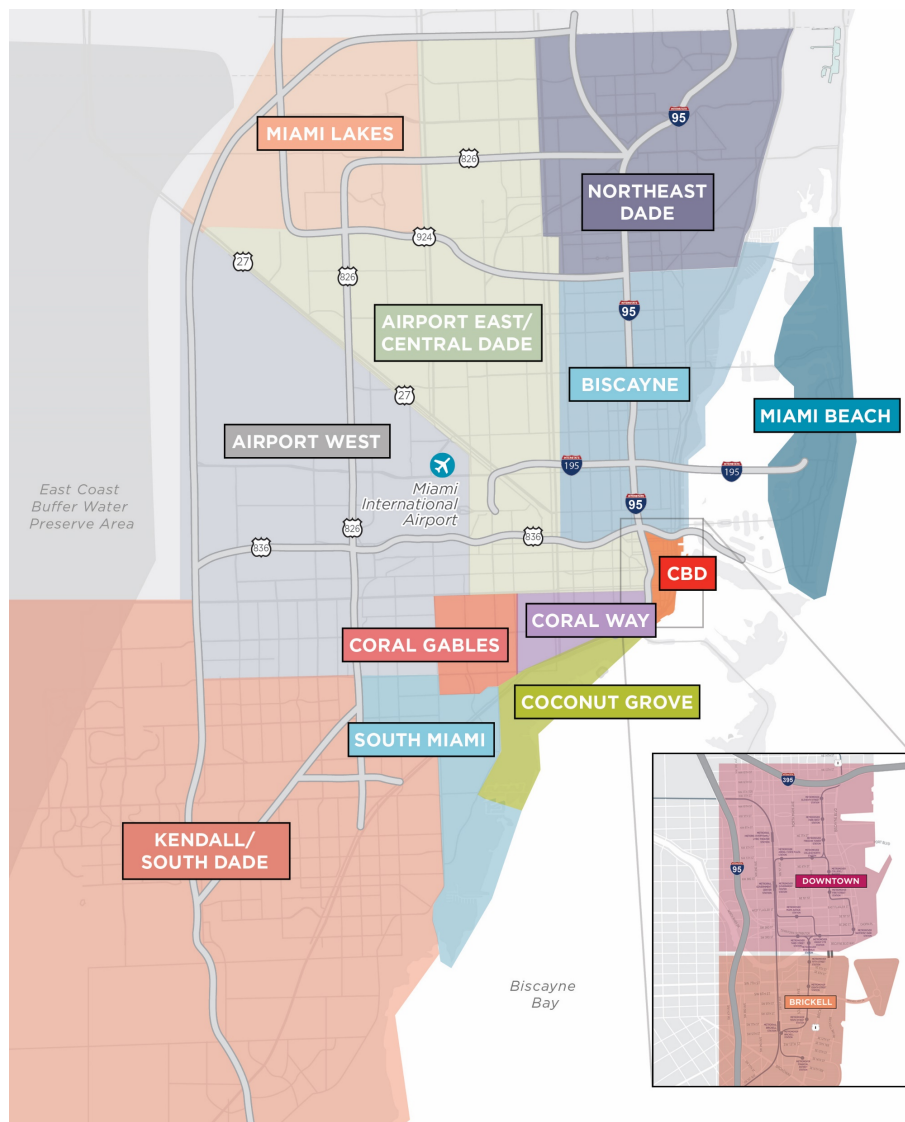
*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS YTD 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
11410-11430 NW 20 th St	Airport West	Procacci Development/Innovatus Capital Partners	164,509	Portfolio Sale
6204 Blue Lagoon Dr	Airport West	Ivy Realty Services/Patton Real Estate	91,431	\$30.4M/\$332



OFFICE SUBMARKETS

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