

YoY Chg 12-Mo. Forecast

17.1%
Vacancy Rate

-257K
YTD Net Absorption, SF

\$42.41
Asking Rent, PSF

(Overall, All Property Classes)

ECONOMIC INDICATORS Q1 2021

YoY Chg 12-Mo. Forecast

1.1M
Miami Employment

7.7%
Miami Unemployment Rate

6.0%
U.S. Unemployment Rate

Numbers above are monthly figures, FL Dept. Economic OPP

ECONOMY

Miami-Dade, part of the South Florida region, had an unemployment rate of 7.7% in February 2021, down 30 basis points (bps) from the previous month but 510 bps higher than one year ago. Nonagricultural employment was down 110,400 jobs, or 8.9%, over the year to 1.13 million. Every single employment sector lost jobs year-over-year (YOY) with the largest losses coming from Leisure & Hospitality, Education & Health Services and Retail Trade for a combined total of 66,200 jobs gone. Office-using employment, including Professional & Business Services, Financial Activities and Information, saw a decrease of 9,500 jobs in the last 12 months.

SUPPLY

Overall vacancy ended the first quarter at 17.1%, an increase of 460 bps when compared to the first quarter of 2020. Class A vacancy rose by 700 bps YOY to 21.4% with available space in Class B climbing by 250 bps to 15.1%. New construction deliveries with substantial vacancies and negative absorption over the year were the main factors for the upturn in vacancy. There was over 1.3 million square feet under construction at the end of the first quarter with nearly 50% of that being in the Brickell submarket from one project, 830 Brickell. Vacant sublease also increased by 66.3% YOY but was still below 1.0% of total inventory.

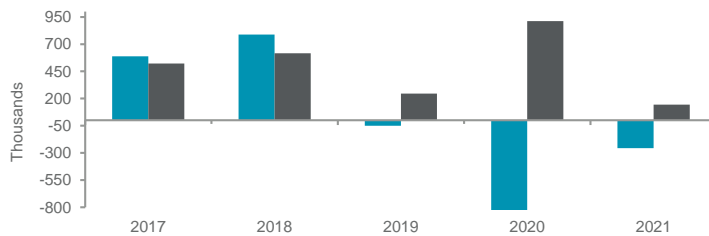
DEMAND

New lease deals totaled approximately 569,000 square feet (sf) in the first three months of 2021, a 21.7% increase from a year prior, the last quarter before the COVID-19 pandemic shocked the economy. The county saw a significant increase in demand from new-to-market tenants, primarily from the northeast. Approximately 71% of the total leasing volume occurred in Class A assets showing a trend for flight-to-quality. The Airport West submarket accounted for 41% of the total new leasing activity, the most for any submarket in the first quarter. The largest leases signed in the first quarter were a 74,000-sf renewal/expansion signed by Cano Health in the Airport West submarket followed by 64,000 sf new deal by Subway for a regional headquarters also in the Airport West Submarket.

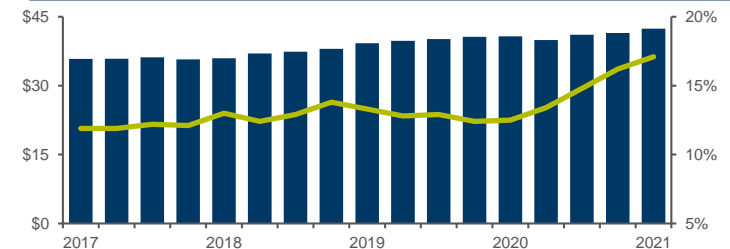
MARKET PRICING

Overall asking rents rose 4.1% YOY to \$42.41 per square foot (psf) full service, an all-time high. New Class A product that delivered over the year with higher than average asking rents was the main driver for the increase. The premier assets in the more favorable submarkets saw an increase in rents due, in part, to the heightened demand from new-to-market tenants. For Class A assets, rental rates climbed to \$48.14 psf YOY or a 2.0% boost. Rates in the CBD experienced a modest rise of 1.7% to \$45.88 psf while rates increased in the suburban submarkets by 8.3% to \$40.45 psf, as all new deliveries over the past year were in suburban submarkets. The Biscayne submarket experienced the largest YOY gain, up 15.4% to \$51.14 psf due to the delivery of two new class A projects over the year.

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	6,533,712	51,030	950,560	15.3%	-102,062	-102,062	66,935	650,000	\$51.19	\$57.83
Downtown	7,116,733	56,678	1,686,647	24.5%	-36,162	-36,162	30,470	0	\$42.78	\$51.18
CBD	13,650,445	107,708	2,637,207	20.1%	-138,224	-138,224	97,405	650,000	\$45.88	\$53.89
Suburban	32,234,016	315,856	4,799,049	15.9%	-118,473	-118,473	471,821	676,514	\$40.45	\$45.10
Coral Gables	6,284,671	50,507	1,013,029	16.9%	-47,620	-47,620	74,416	163,741	\$44.45	\$48.19
Airport West	11,058,744	176,344	1,704,952	17.0%	-90,704	-90,704	233,154	167,182	\$34.55	\$36.26
Coral Way	626,935	2,703	34,205	5.9%	-8,002	-8,002	726	0	\$30.36	N/A
South Dade	3,338,113	6,996	289,429	8.9%	-1,724	-1,724	42,517	0	\$34.21	\$44.15
Northeast Dade	2,504,767	19,742	295,530	12.6%	-16,594	-16,594	12,530	0	\$45.43	\$51.63
Biscayne	2,453,533	2,919	710,776	29.1%	21,149	21,149	44,243	345,591	\$51.14	\$53.97
Miami Lakes	1,772,858	33,181	339,777	21.0%	-10,519	-10,519	28,857	0	\$28.86	\$30.79
Coconut Grove	1,214,163	21,448	221,934	20.0%	38,085	38,085	15,164	0	\$52.63	\$61.04
S. Gables/ S. Miami	562,504	0	24,769	4.4%	-683	-683	3,589	0	\$36.26	\$44.00
East Airport/Central Dade	575,205	0	41,167	7.2%	0	0	0	0	\$27.29	N/A
Miami Beach	1,842,523	2,016	123,481	6.8%	-1,861	-1,861	16,625	0	\$47.93	\$53.87
MIAMI TOTALS	45,884,461	423,564	7,436,256	17.1%	-256,697	-256,697	569,226	1,326,514	\$42.41	\$48.14

KEY LEASE TRANSACTIONS Q1 2021

*Rental rates reflect full service asking

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
9725 NW 117th Ave	Airport West	Cano Health	74,788	Renewal/Expansion
1000 NW 57th Ct	Airport West	Subway	64,256	New
252-286 NW 29th St	Biscayne	Industrious	41,000	New

*Renewals not included in leasing statistics

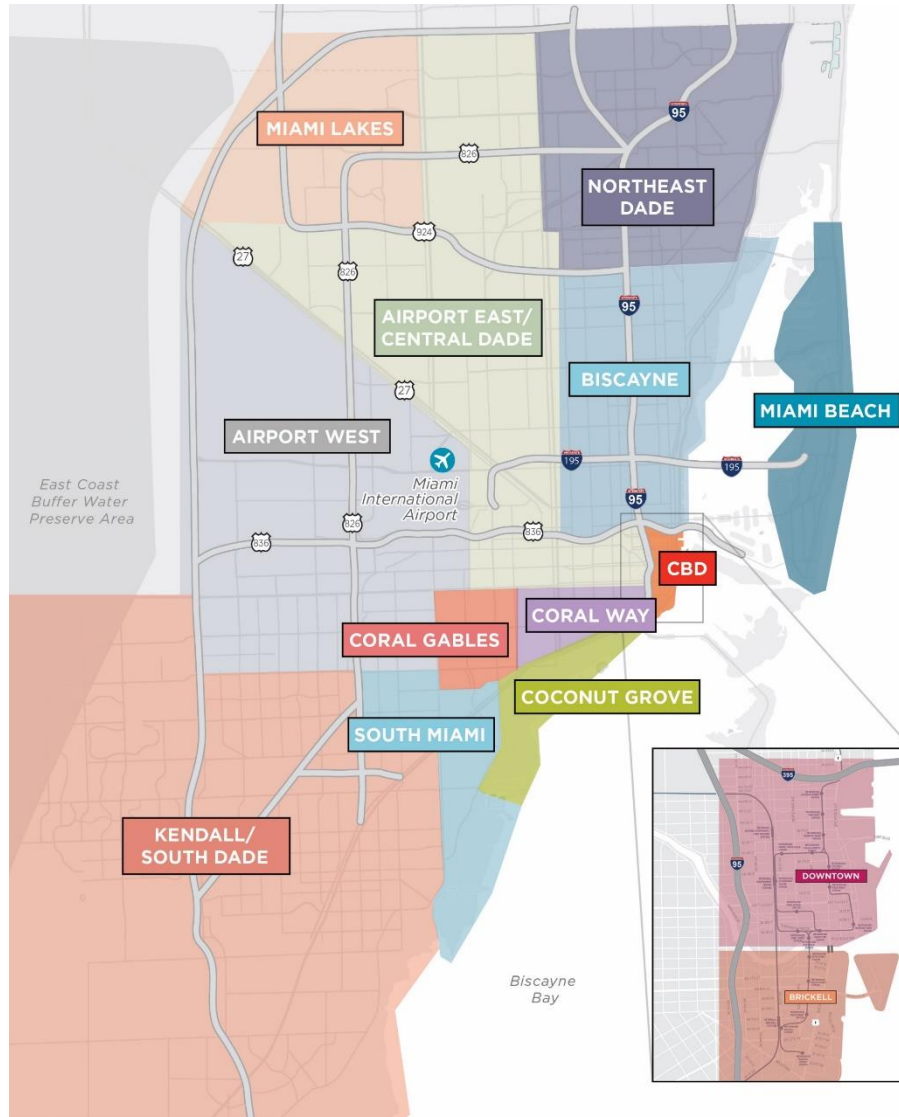
KEY SALES TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
Miami Central- Two and Three	Downtown	Shorenstein Properties/The Blackstone Group	321,511	Portfolio Sale

MIAMI-DADE

Office Q1 2021

OFFICE SUBMARKETS



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