



17.6%

Vacancy Rate

YoY
Chg12-Mo.
Forecast

-452K

YTD Net Absorption, SF



\$43.02

Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS
Q2 2021

1.1M

Miami
EmploymentYoY
Chg12-Mo.
Forecast

6.7%

Miami Unemployment
Rate

5.9%

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 6.7% in May 2021, down 20 basis points (bps) from the previous month and 360 bps lower than one year ago. Nonagricultural employment was up 82,100 jobs, or 7.7%, over the year to 1.14 million. Every single employment sector gained jobs year-over-year (YOY) except for Mining/Logging/Construction and Government which lost 5,800 jobs combined. Office-using employment, including Professional & Business Services, Financial Activities and Information, saw an increase of 23,000 jobs in the last 12 months.

SUPPLY

Overall vacancy ended the second quarter at 17.6%, an increase of 420 bps when compared to the second quarter of 2020 but only 50 bps higher than the previous quarter. Class A vacancy reached 22.2%, the highest since 2011 and an increase of 730 bps YOY with available space in Class B climbing by 100 bps to 15.5%. New construction deliveries with substantial vacancies and tenant move outs or down-sizing over the year were the main factors for the large swing in Class A vacancy. There was over 1.2 million square feet (msf) under construction at the end of the second quarter with nearly 50% of that being in the Brickell submarket from one project, 830 Brickell. Vacant sublease space more than doubled YOY but was still only 1.0% of total inventory.

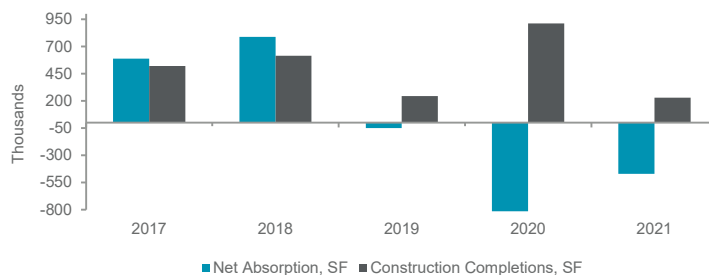
DEMAND

New leasing activity totaled over 1.2 msf through the first half of 2021, only 7.8% lower than the total for all of 2020 showed a significant recovery back to pre-pandemic levels. The county continued to see robust demand from new-to-market tenants, primarily from the northeast. Approximately 67% of the total leasing volume in 2021 occurred in Class A assets showing a trend for higher quality assets in premier submarkets. Brickell had over 140,000 sf of new leasing activity, the most for any submarket in the second quarter. The largest leases signed in the second quarter were a 49,000-sf new deal signed by The Miami-Dade State Attorney in the Biscayne submarket followed by a 35,000-sf deal by Thoma Bravo, a leading private equity firm out of Chicago in a new office building under construction in Brickell.

MARKET PRICING

Overall asking rents rose 7.4% YOY to \$43.02 per square foot (psf) full service, an all-time high. New Class A product delivered in the last year and heightened demand from new-to-market tenants were the main drivers for the increase. For Class A assets, rental rates climbed to \$48.69 psf YOY or a 6.5% boost. Rates in Brickell, one of the more premier submarkets in South Florida, experienced a significant boost to \$53.40 psf up 12.4%. Rates in suburban submarkets ended the second quarter at \$40.44 psf, an increase of 9.5%. All new deliveries in the past year were in the suburbs which was a driving factor for the increase in rates.

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	70,584	927,140	15.3%	-16,581	-134,960	236,240	637,046	\$53.40	\$62.29
Downtown	7,116,733	94,905	1,836,845	27.1%	-126,041	-183,260	47,744	0	\$44.39	\$52.49
CBD	13,650,445	165,489	2,763,985	21.4%	-142,622	-318,220	283,984	637,046	\$47.41	\$55.84
Suburban	32,363,161	316,643	4,879,271	16.0%	47,700	-134,442	995,092	635,848	\$40.44	\$44.76
Coral Gables	6,284,671	60,484	1,003,254	16.9%	-33,234	-77,554	147,064	163,741	\$44.19	\$47.96
Airport West	11,133,200	166,679	1,969,526	19.2%	-45,258	-223,736	374,886	80,516	\$35.41	\$36.99
Coral Way	626,935	2,703	29,081	5.1%	0	-5,802	726	0	\$30.76	N/A
South Dade	3,338,113	8,014	277,556	8.6%	3,426	-3,762	80,057	0	\$34.56	\$43.32
Northeast Dade	2,504,767	9,820	265,727	11.0%	11,445	14,807	59,669	0	\$45.11	\$51.97
Biscayne	2,508,222	5,645	721,635	28.3%	42,646	63,795	167,288	391,591	\$52.49	\$56.60
Miami Lakes	1,772,858	30,400	258,633	16.3%	57,618	51,296	54,301	0	\$29.07	\$31.00
Coconut Grove	1,214,163	31,573	184,464	17.8%	12,453	52,430	61,442	0	\$50.03	\$58.41
S. Gables/ S. Miami	562,504	0	23,729	4.2%	0	-4,816	6,349	0	\$32.52	N/A
East Airport/Central Dade	575,205	0	40,189	7.0%	978	978	978	0	\$27.30	N/A
Miami Beach	1,842,523	1,325	105,477	5.8%	-2,374	-2,078	42,332	0	\$51.69	\$56.70
MIAMI TOTALS	46,013,606	482,132	7,643,256	17.6%	-94,922	-452,662	1,279,076	1,272,894	\$43.02	\$48.69

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
1400 Northwest North River Drive	Biscayne	Miami-Dade State Attorney	49,379	New
830 Brickell Plaza	Brickell Avenue	Thoma Bravo	35,638	New
2850 Tigertail Avenue	Coconut Grove	D1 Capital Partners L.P.	24,373	New

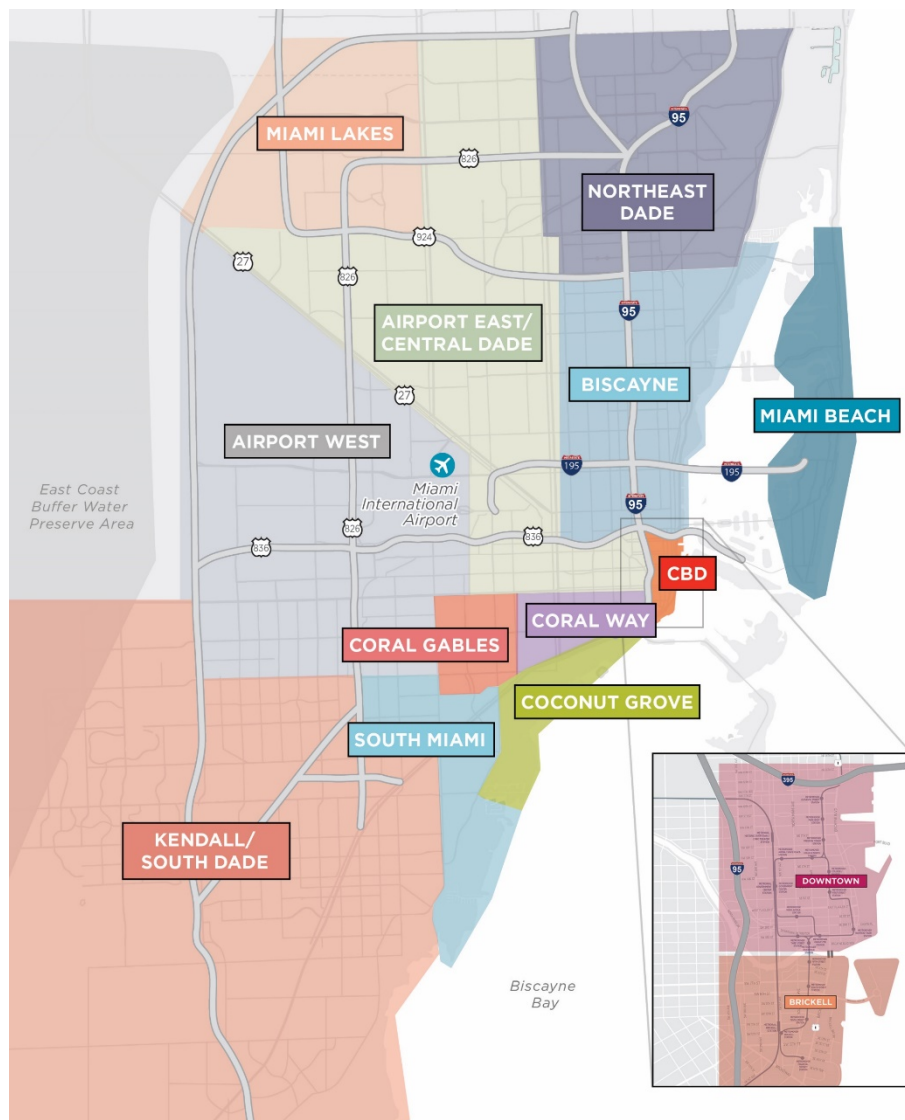
*Renewals not included in leasing statistics

KEY CONSTRUCTION COMPLETIONS YTD 2021

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
2850 Tigertail Avenue	Coconut Grove	D1 Capital Partners L.P.	111,000	The Related Group/Terra Group



OFFICE SUBMARKETS



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