

MARKETBEAT

MIAMI-DADE



CUSHMAN & WAKEFIELD

Office Q1 2022

18.2%

Vacancy Rate

YoY
Chg



12-Mo.
Forecast



103K

YTD Net Absorption, SF



\$47.00

Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS Q1 2022

1.2M

Miami
Employment

YoY
Chg



12-Mo.
Forecast



2.8%

Miami Unemployment
Rate



3.6%

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 2.8% in February 2022, down 40 basis points (bps) from the previous month and 380 bps lower than one year ago. Nonagricultural employment rose by 81,700 jobs, or 7.1%, over the year to 1.2 million. Every single employment sector gained jobs year-over-year (YOY) except for government which lost 600 jobs in the last 12 months. Office-using employment, including those in Professional & Business Services, Financial Activities and in Information, increased by 22,500 jobs in the last 12 months.

SUPPLY

Overall vacancy ended the first quarter at 18.2%, a decrease of 60 bps when compared to the first quarter of 2021 and 10 bps lower than the previous quarter. This was the third consecutive quarter where vacancy lowered from the previous quarter since the start of the pandemic in early 2020 when vacancy increased for six consecutive quarters. Class A vacancy was 19.9%, a decrease of 140 bps YOY while Class B rose by 50 bps to 15.6%. There was over 850,000 square feet (sf) of Class A buildings under construction with the bulk coming from 830 Brickell in the Brickell Avenue submarket in the Central Business District (CBD). That project was expected to deliver by the end of 2022 and was already over 50% preleased.

DEMAND

New leasing activity totaled nearly 934,000 sf in the first quarter of 2022, an incredible 43% higher than the same period in 2021 and 130% higher than the first quarter of 2020. The flight-to-quality is a real trend and it continued as Class A space accounted for 60% of all leasing activity in the first quarter. The Airport West Submarket, the largest office submarket in Miami-Dade, accounted for the most Class A leasing activity in the quarter with over 197,000 sf, followed closely by Brickell Avenue with 132,000 in leases signed. Net absorption was positive for the first three months at 103,000 sf but was weighed down by move outs in Class B assets. Net absorption for Class A was 326,000 sf, with one-third of all activity in the CBD.

MARKET PRICING

Overall asking rents reached \$47.00 per square foot (psf) full service, an increase of 7.5% YOY and the second quarter in a row above \$45.00 psf. New construction with higher-than-average rents and landlords that continued to push asking rates, in some case multiple times over the last three months due to heightened demand, helped drive rent increases. For high quality buildings in top submarkets, monthly rent increases of a dollar or more were not uncommon. Class A rental rates climbed 8.6% to \$52.25 psf in 12 months, driven by most office users who favored premier assets. Class A rates in the CBD, which includes both Downtown and Brickell Avenue, ended the quarter at \$59.17 psf with Brickell Avenue rents hitting \$67.70 psf, a 17.1% increase YOY.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT





MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET 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	6,452,676	597,104	61,840	10.2%	75,919	75,919	189,346	638,355	\$60.65	\$67.70
Downtown	6,566,194	1,603,738	98,598	25.9%	13,261	13,261	64,183	48,258	\$48.00	\$56.21
CBD	13,018,870	2,200,842	160,438	18.1%	89,180	89,180	253,529	686,613	\$51.17	\$59.17
Airport West	9,660,892	1,914,790	112,496	21.0%	-2,921	-2,921	222,277	0	\$36.55	\$37.81
Biscayne	2,227,878	662,928	9,365	30.2%	80,423	80,423	106,812	196,892	\$67.51	\$68.26
Coconut Grove	1,229,870	89,518	4,508	7.7%	47,865	47,865	105,973	0	\$53.49	\$71.80
Coral Gables	5,915,324	1,030,109	39,958	18.1%	44,857	44,857	49,751	0	\$47.66	\$50.62
Coral Way	387,215	10,173	4,903	3.9%	-1,470	-1,470	6,927	0	\$34.87	N/A
Miami Beach	1,394,115	291,608	15,989	22.1%	-113,683	-113,683	91,329	38,660	\$64.32	\$61.95
Miami Lakes	1,376,357	273,958	0	19.9%	-29,587	-29,587	2,353	69,187	\$30.97	\$30.54
Northeast Dade	1,576,676	132,838	8,733	9.0%	15,863	15,863	40,356	0	\$47.80	\$56.01
S. Gables/S.Miami	353,238	45,112	0	12.8%	-35,893	-35,893	19,754	0	\$47.88	N/A
South Dade	2,790,747	262,465	0	9.4%	8,039	8,039	34,869	0	\$36.81	\$44.81
Non CBD/Suburban	26,912,312	4,713,499	195,952	18.2%	13,493	13,493	680,401	304,739	\$44.92	\$48.96
MIAMI TOTALS	39,931,182	6,914,341	356,390	18.2%	102,673	102,673	933,930	991,352	\$47.00	\$52.25

Starting in Q1 2022, office statistics for Miami-Dade, Broward and Palm Beach counties no longer include Class C assets.

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
801 Brickell Avenue	Brickell Avenue	MASTERCARD INTERNATIONAL	53,700	Renewal
5505 Blue Lagoon Dr	Airport West	Sandals Resorts (Unique Vacations)	53,119	New
3390 Mary St	Coconut Grove	Santander	46,087	New

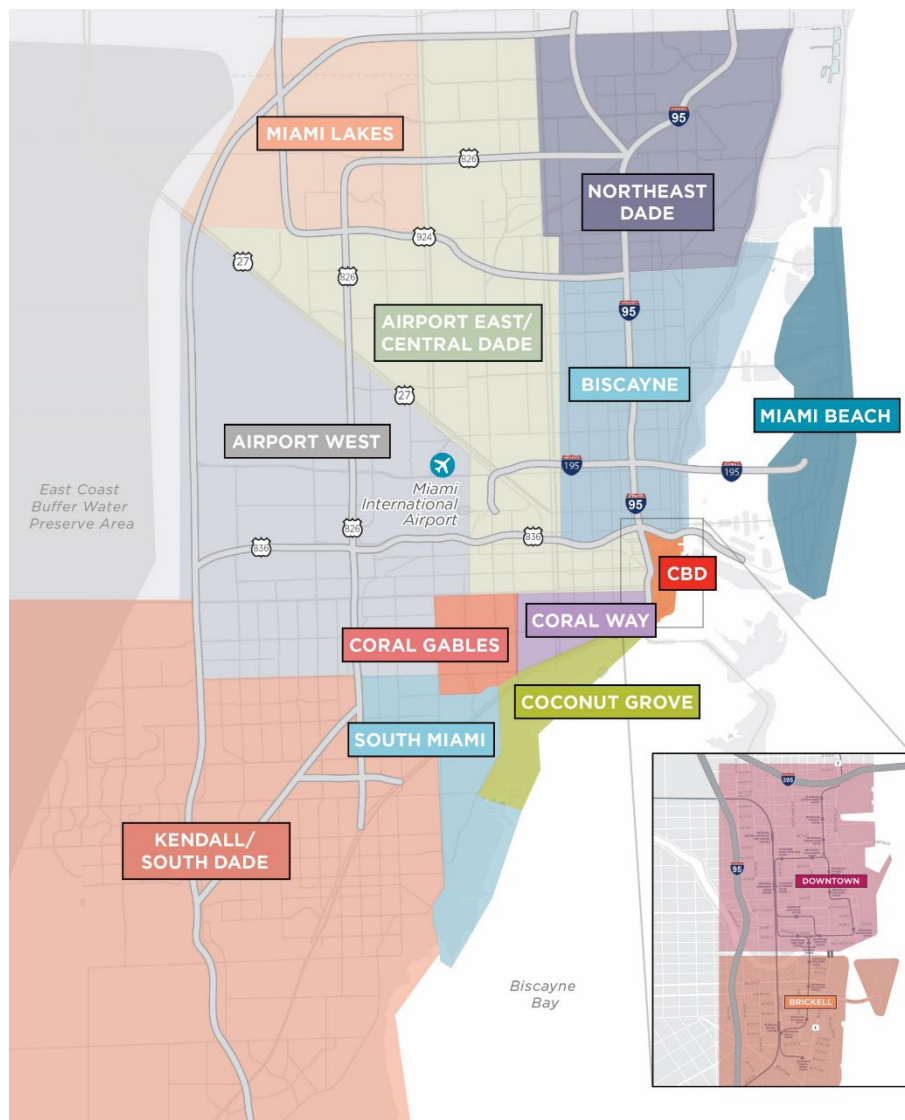
*Renewals not included in leasing statistics

KEY CONSTRUCTION COMPLETIONS Q1 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
3011 Ponce de Leon Boulevard	Coral Gables	Professional Savings, Peters,Maxey,Short &, Maxey P.A.,	163,741	Agave Holdings Agave Holdings
2201 N Miami Ave	Biscayne		60,300	One Real Estate Investment



OFFICE SUBMARKETS

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