



Miami-Dade County Office Market

Both Suburban and Downtown Miami recorded strong absorption, closing the first quarter of 2023 at 153,540 square feet and 276,944 square feet, respectively. Overall absorption totaled 430,484 square feet, a five-year high for the market. Just two submarkets, Miami Lakes and Coconut Grove, recorded negative absorption.

Coinciding with the marked improvement was a decline in vacancy rates of 50 basis points, which fell to 14.4%, the lowest point since the fourth quarter of 2020. Suburban Miami continues to outpace the CBD, closing at 13.5% and 16.7%, respectively.

Average asking rents in Miami increased by \$0.74/SF, or 1.5%, from last quarter to \$48.65/SF. This came on the heels of the delivery of 86,955 square feet of new construction, which was added to market inventory this quarter. Miami Beach, Brickell Avenue and the Biscayne Corridor continued to maintain premium rents for Class A product as compared to other submarkets.

An additional 2.7 million square feet, or 5.5%, of current inventory, remains under construction.

Leasing and Demand

Leasing activity closed the quarter at 1.3 million square feet, its lowest total in six quarters. Despite the slight decline from the fourth quarter of 2022, activity remained roughly 100,000 square feet above the long-term quarterly average of 1.18 million square feet. The number of executed deals this quarter totaled 345, down 9.4% quarter over quarter.

The Wells Fargo Center dominated leasing activity, with the three largest deals of the quarter signed there. Kaseya signed the largest lease, a direct deal for 101,242 square feet; followed by Innovation Refunds, which will move into 25,717 square feet. McDermott Will & Emery signed an expansion for 25,705 square feet.

Investment Activity

Bridge Industrial closed on the largest deal of the quarter, purchasing Building 1000 at Flagler Station for \$42.1 million. Biscayne Center also traded hands this quarter, selling for \$39.1 million, or \$249/SF.

Current Conditions

Miami-Dade posted positive absorption for the third consecutive quarter, buoyed by an improvement in leasing activity.

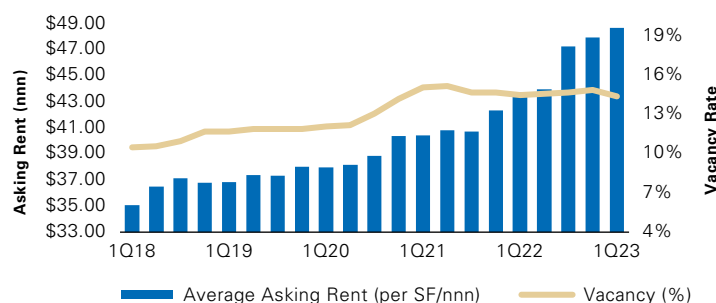
Overall vacancy rate fell by 50 basis points quarter over quarter, as velocity improved.

Under construction pipeline remains robust with 2.7 million square feet in progress.

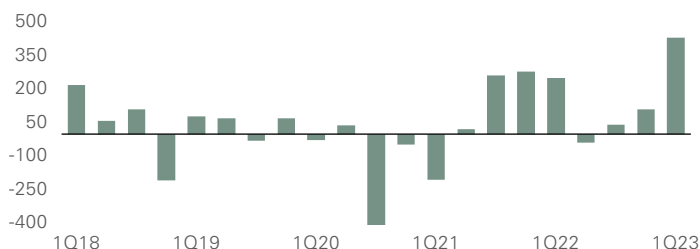
Average asking rents increased by \$0.74/SF from last quarter to \$48.65/SF following the delivery of 86,955 square feet of new construction.

Market Analysis

ASKING RENT AND VACANCY RATE



NET ABSORPTION (100,000 SF)



Market Summary

	Current Quarter	Prior Quarter	Year Ago Period	12-Month Forecast
Total Inventory (SF)	49.5M	49.2M	48.9M	↔
Vacancy Rate	14.4%	14.9%	14.5%	↔
Quarterly Net Absorption (SF)	430,484	109,298	251,492	↓
Average Asking Rent/SF	\$48.65	\$47.91	\$43.71	↑
Under Construction (SF)	2.7M	2.5M	1.3M	↔
Deliveries (SF)	86,955	232,928	0	↔

Miami-Dade County Submarket Statistics

	Total Inventory (SF)	Under Construction (SF)	Total Vacancy Rate	Qtr Absorption (SF)	YTD Absorption (SF)	Class A Asking Rent (Price/SF)	Class B Asking Rent (Price/SF)	Overall Average Asking Rent (Price/SF)
Brickell Avenue	6,660,393	862,007	13.8 %	1,300	1,300	\$77.85	\$51.62	\$70.58
Downtown Miami	7,831,682	640,000	19.2 %	152,240	152,240	\$60.94	\$50.34	\$55.76
CBD Total	14,492,075	1,502,007	16.7 %	153,540	153,540	\$68.66	\$50.80	\$61.80
Airport West	11,659,259	-	16.9 %	64,970	64,970	\$38.12	\$35.72	\$37.13
Biscayne Corridor	1,433,528	617,449	16.4 %	117,536	117,536	\$68.68	\$48.98	\$60.55
Coconut Grove	1,144,452	-	7.7 %	-4,184	-4,184	\$59.20	\$66.13	\$58.22
Coral Gables	6,927,844	-	14.1 %	15,814	15,814	\$46.67	\$43.96	\$45.35
Coral Way	840,057	-	7.1 %	3,648	3,648	-	\$27.13	\$27.15
East Airport/Hialeah	865,803	-	10.1 %	761	761	\$54.75	-	\$47.21
Kendall/South Dade	4,250,372	-	12.2 %	10,258	10,258	\$47.12	\$36.02	\$38.00
Miami Beach	1,968,485	458,660	12.1 %	23,791	23,791	\$79.97	\$63.33	\$63.41
Miami Lakes	1,990,018	82,903	15.4 %	-7,954	-7,954	\$31.99	\$30.17	\$30.46
Northeast Dade	3,338,651	-	7.0 %	448	448	\$59.01	\$36.97	\$38.89
South Miami	581,130	-	1.9 %	51,856	51,856	-	\$62.97	\$58.91
Suburban Total	34,999,599	1,159,012	13.5 %	276,944	276,944	\$44.62	\$39.92	\$41.83
Totals	49,491,674	2,661,019	14.4 %	430,484	430,484	\$53.62	\$43.46	\$48.65

Miami-Dade County Lease/User Transactions

Tenant	Submarket	Building	Type	Square Feet
Kaseya	Downtown	Wells Fargo Center	Direct	101,242
Innovation Refunds	Downtown	Wells Fargo Center	Direct	25,717
McDermott Will and Emery	Downtown	Wells Fargo Center	Expansion	25,705

Miami-Dade County Select Sale Transactions

Buyer/Seller	Submarket	Building	Sale Price	Price/SF
Bridge Industrial / Ryder System	Airport West	Flagler Station, Building 1000	\$42.1M	\$169
Ali Ahmed / Grosella Capital	Northeast Dade	Biscayne Centre	\$39.0M	\$249