

# Miami

## Office market snapshot

Q3 2023

As of the end of August, Miami's unemployment rate decreased by 100 basis points compared to August 2022, reaching 1.9%, which is notably lower than the U.S. unemployment rate of 3.8%. Job postings showed limited growth, with the consulting, research, accounting, and recruiting sector comprising most office-related job openings.

# \$57.74

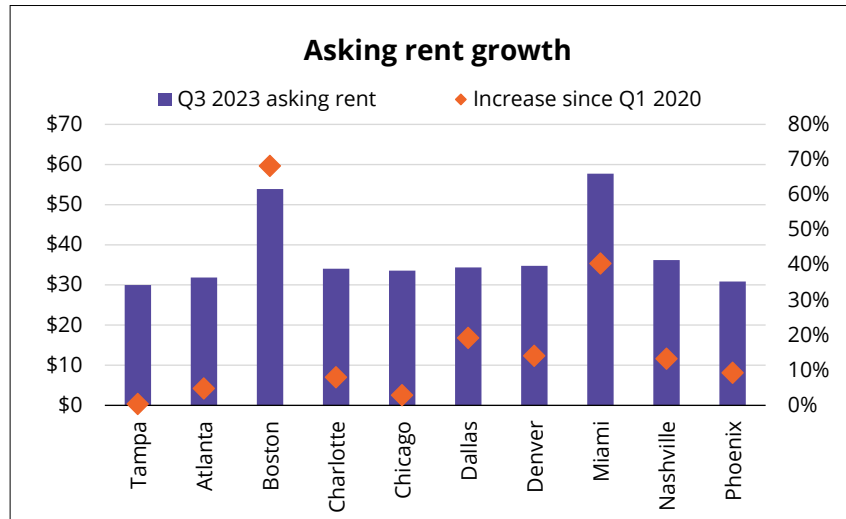
Miami's office asking rates underwent one of the most substantial post-pandemic increases among major U.S. cities, with a 40% surge.

# +45%

Trophy office buildings experienced a significant increase in pricing, driven by higher occupancy rates due to tenants seeking highly amenitized options.

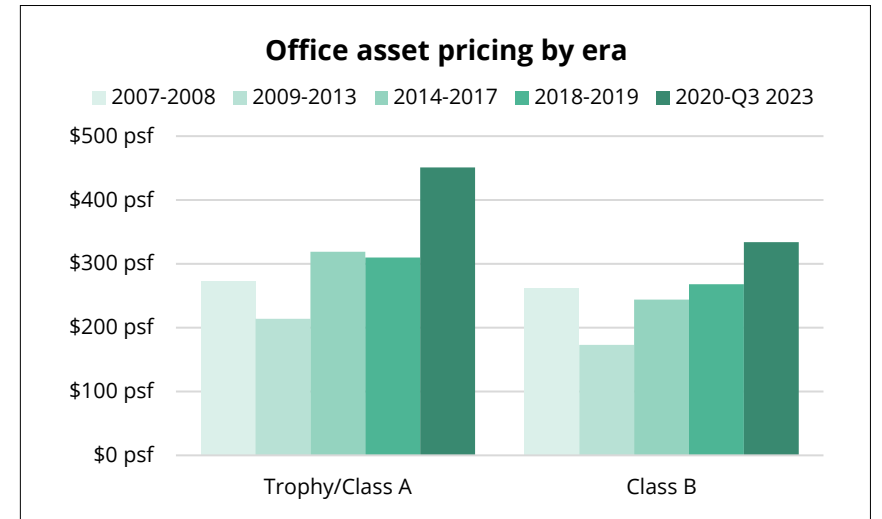
# +32.4%

Sublease availability rose by 32.4% year over year, amounting to 993,000 square feet, as companies have started to rightsize their space requirements.



The office market in Miami experienced a 40% rise in asking rates since the onset of the pandemic. Rates increased by 10% year over year to \$57.74 per square foot on a full-service basis (psf FS). Miami's asking rates are expected to stabilize in the near future as companies shed unwanted sublease space.

Sources: AVANT by Avison Young, CoStar, RCA, EMSI, U.S. Bureau of Labor Statistics



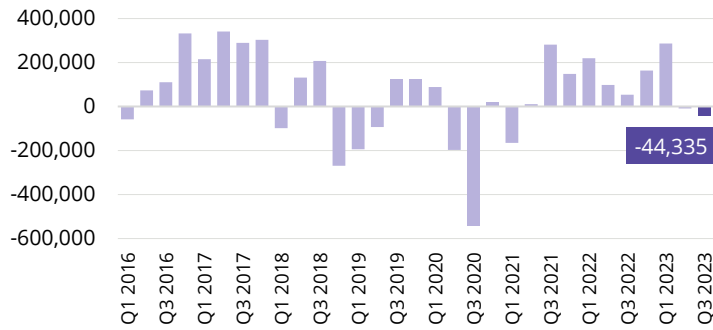
Although capital market activity remained sluggish throughout the third quarter, trophy assets have experienced a 45% surge in pricing since the start of the pandemic with an average sale price of \$451 psf. At the end of the third quarter of 2023, the overall office pricing was \$294 psf, reflecting a 22% decrease from the same time in 2022.

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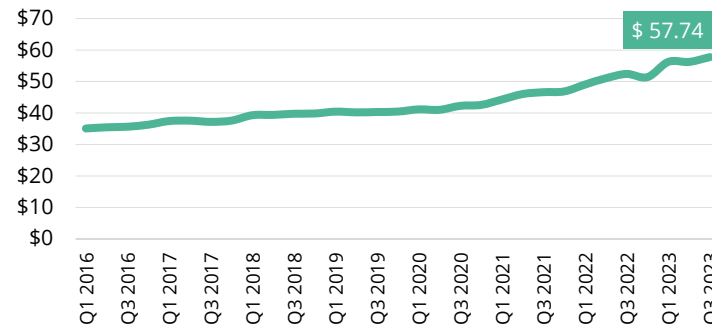
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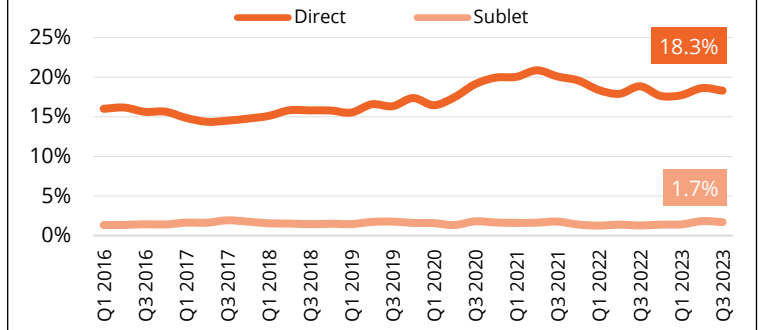
### Net absorption (SF)



### Direct asking rents (psf/FS)



### Availability



### Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Submarket
Greenberg Traurig	333 S.E. 2 <sup>nd</sup> Ave.	128,450	Renewal	Downtown Miami
Sony	545 N.W. 26 <sup>th</sup> St.	44,742	New	Biscayne Corridor
MIAX	545 N.W. 26 <sup>th</sup> St.	38,409	New	Biscayne Corridor
Foley and Lardner	2 S. Biscayne Blvd.	25,480	Renewal	Downtown Miami

### Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Princeton International Properties	355 Alhambra Circle	\$90,000,000	\$404	Prudential
Torose Equities	255 Alhambra Circle	\$54,395,400	\$246	DWS Group
Tri-Star Equities	2509 N. Miami Ave.	\$19,00,000	\$791	Link Real Estate
Inpatient Healthcare	6600 Cowpen Rd.	\$8,700,000	\$236	The Osheroff Group



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## Get in touch

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	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption (3Q23)	Net absorption (YTD)	Annual direct asking rent psf FS
Airport/Doral	11,379,355	-	-	20.8%	0.9%	21.7%	0.8%	(115,817)	(40,794)	\$39.39
Brickell	7,456,396	-	829,300	11.4%	0.7%	12.1%	1.1%	(42,499)	(87,997)	\$86.87
Coral Gables	7,316,022	-	-	16.3%	0.7%	17%	(4.7%)	56,730	80,446	\$51.98
Downtown Miami	7,301,509	-	196,832	19.8%	1%	20.8%	3.3%	1,785	109,092	\$62.30
Kendall	4,557,281	-	-	10.6%	0.9%	11.4%	(2.2%)	19,519	61,896	\$40.99
Biscayne Corridor	4,440,309	63,625	566,400	14.3%	0.9%	15.2%	(1.2%)	11,744	94,936	\$74.94
Miami Beach	2,778,799	-	94,837	13.4%	2%	15.4%	1%	(8,679)	7,378	\$85.19
Miami Lakes	2,193,262	-	82,903	11.8%	1%	12.8%	(1.1%)	(8,431)	(26,960)	\$35.54
Aventura	2,102,534	-	131,627	5.7%	1.3%	7%	(0.2%)	(4,266)	(16,716)	\$57.97
South Gables/South Miami	2,007,350	-	-	5.2%	0.4%	5.6%	(1.8%)	2,241	12,321	\$40.27
Coconut Grove	1,682,589	27,706	60,000	9.4%	1.4%	10.8%	(1.2%)	4,588	42,302	\$68.17
Northeast Dade	1,391,069	-	-	13%	0.4%	13.5%	1.9%	24,895	(42,930)	\$42.68
Medley/Hialeah	789,908	-	-	9.9%	1.1%	11%	(3.2%)	846	24,884	\$35.93
South Dade	150,516	-	-	42.7%	0%	42.7%	11%	13,009	15,490	\$33.81
<b>Market total</b>	<b>55,546,899</b>	<b>91,331</b>	<b>1,961,899</b>	<b>14.9%</b>	<b>0.9%</b>	<b>15.9%</b>	<b>3.5%</b>	<b>(44,335)</b>	<b>233,348</b>	<b>\$57.74</b>

	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption (3Q23)	Net absorption (YTD)	Annual direct asking rent psf FS
Class A	29,408,238	91,331	1,961,899	17.5%	1.4%	18.9%	1%	(43,175)	121,509	\$65.17
Class B	26,138,661	-	-	12.1%	0.4%	12.5%	(0.6%)	(1,160)	111,839	\$42.41
<b>Market total</b>	<b>55,546,899</b>	<b>91,331</b>	<b>1,964,899</b>	<b>14.9%</b>	<b>0.9%</b>	<b>15.8%</b>	<b>0.4%</b>	<b>(44,335)</b>	<b>233,348</b>	<b>\$57.74</b>