



# Miami office market report

Q3 2022

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**AVISON  
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# Office market trends

## 01

### Urban hotspots outpace suburbs in office recovery

Miami's post-pandemic rise as a business capital is taking shape in Downtown Miami, Brickell and the Biscayne Corridor, with each submarket seeing over 100,000 square feet (sf) of net absorption for the year-to-date. Several new-to-market tenants also signed leases in Downtown Miami and Brickell during the third quarter, including Kirkland & Ellis (110,00 sf), Sidley Austin (57,117 sf), Winston Strawn (35,000 sf), Goldman Sachs (35,000 sf) and Taylor English Law (10,000 sf). This increased interest from relocated tenants has pushed vacancy down faster in these submarkets than the market overall—a trend that is likely to continue as more firms execute return-to-office strategies.

## 02

### The rent divide widens as popular submarkets raise rates

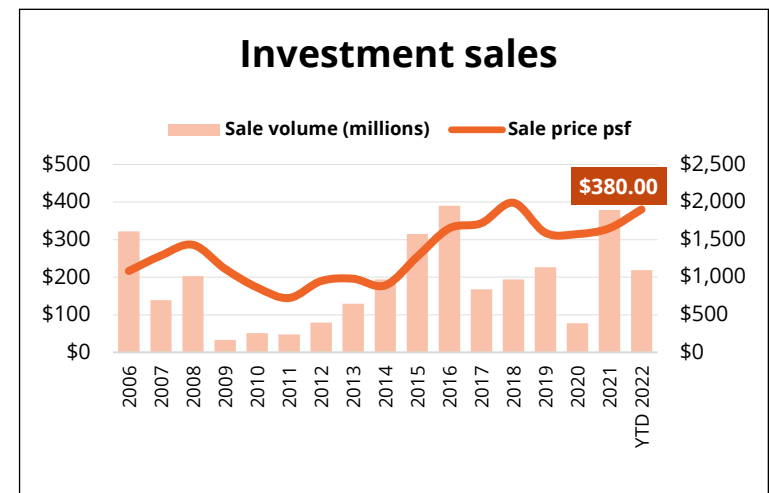
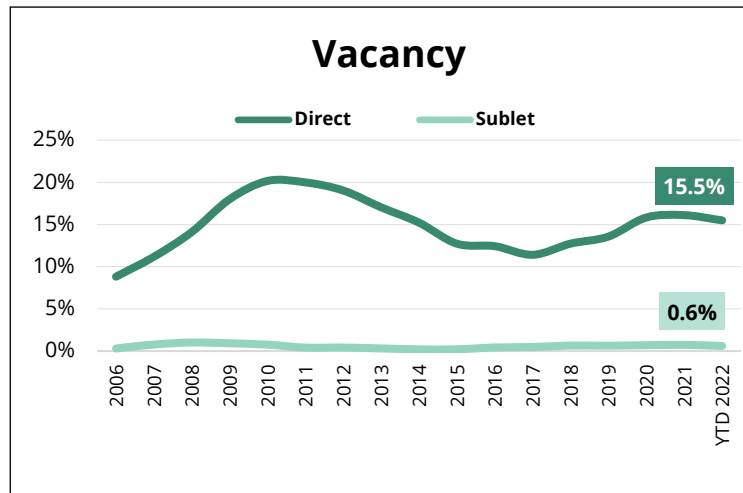
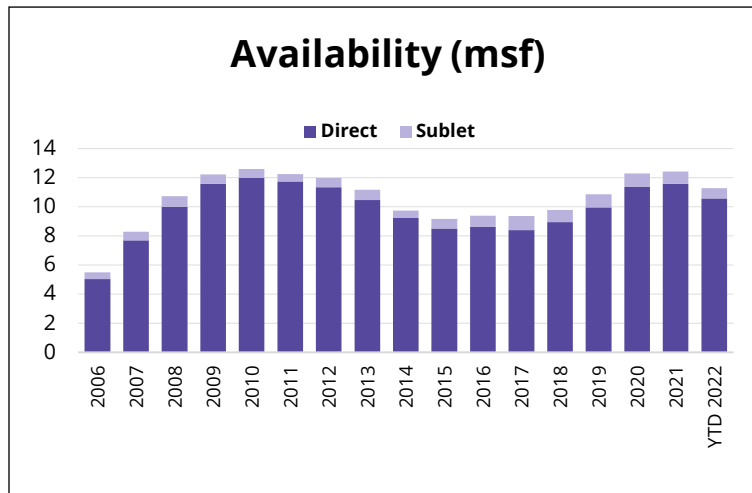
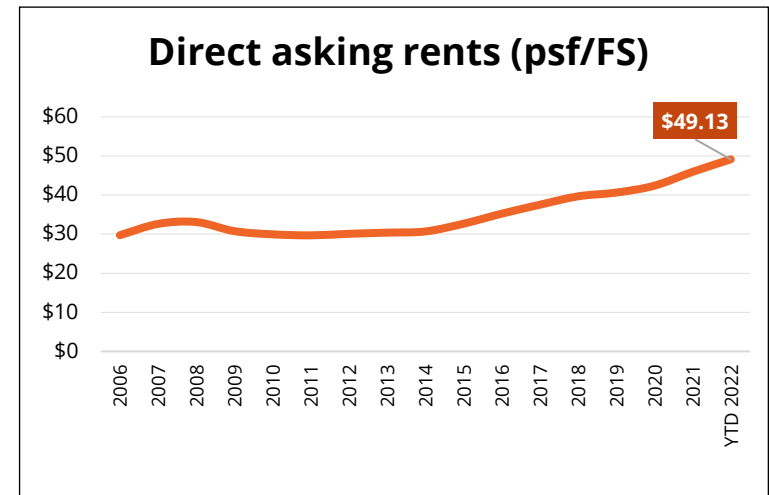
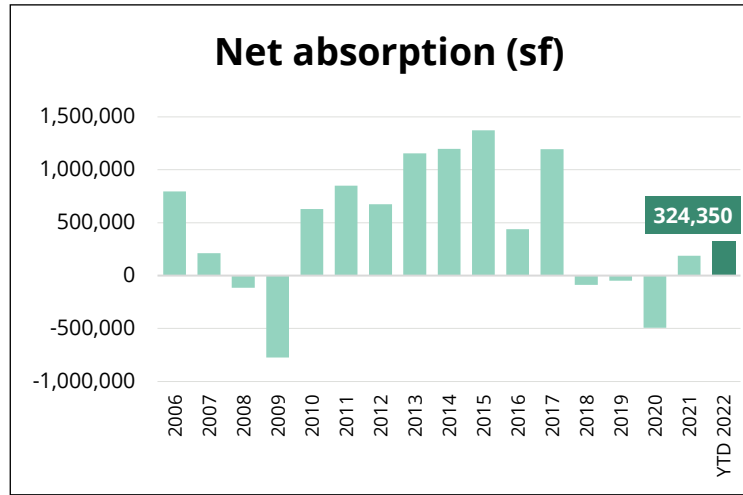
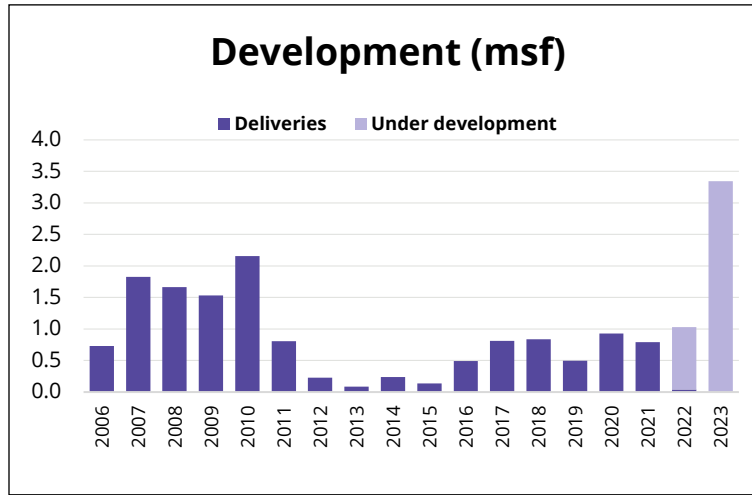
The city's urban core is driving rent growth in Miami. While the overall market saw asking rates rise nearly \$2 to \$49.13 per square foot (psf) during the third quarter, high demand for quality office spaces pushed average rents in Brickell (\$70.75) and the Biscayne Corridor (\$66.67) up more than \$5, far outperforming the rest of the market. The mix of high tenant interest and a swath of new, amenity-rich buildings set to deliver by the end of 2022 will continue putting upward pressure on class A rates as an increasingly long list of new tenants put down roots in South Florida. Class B properties, which saw a modest 1.8% rate increase with 34,668 sf of absorption, are unlikely to experience the same increase in value.

## 03

### Investors are buying in after Citadel bets on Miami

More than \$355 million in investment sales closed during the third quarter, pushing Miami's year-to-date total to \$1.1 billion. Citadel CEO Ken Griffin's announcement that the company was "all in" on Miami has helped drive speculation, pushing the 12-month moving average price psf of investment assets up more than \$30 to \$380 psf. Despite high interest rates, continued demand for housing has also turned old office projects, such as 100 South Biscayne Boulevard, into attractive redevelopment propositions. With a full quarter left to go, investment volume in 2022 has already outperformed eight of the past 12 years going back to 2010 and is likely to surpass the \$1.2 billion achieved in 2019.

# Office market indicators





# Office market activity

## Recent leasing activity

Tenant name	Address	Sign date	Size (sf)	Transaction type	Lease type	Submarket
Citadel	830 Brickell Plaza	Aug. 2022	95,000	Direct	New	Brickell
Sidley Austin	830 Brickell Plaza	July 2022	57,000	Direct	New	Brickell
Shook Hardy	201 South Biscayne Boulevard	July 2022	54,764	Direct	Renewal	Downtown Miami
Knotel	2143 Northwest 1st Avenue	July 2022	38,428	Direct	New	Biscayne Corridor
Goldman Sachs	200 South Biscayne Boulevard	Sept. 2022	34,793	Direct	New	Downtown Miami

## Recent sales activity

Buyer	Address	Sale date	Building size (sf)	Sale price	Sale price psf	Seller
Related Companies, BH Group	Aventura View 2999 Northeast 191 <sup>st</sup> Street	Aug. 2022	107,304	\$51,000,000	\$475	CoFe Properties
Exan Capital, Azora	429-455 Lenox Avenue	July 2022	80,223	\$43,500,000	\$461	Goddard Investment Group
Fortune International Group, Blue Road*	Senator Building 13899 Biscayne Boulevard	Aug. 2022	36,611	\$16,000,000	\$437	Tomaja
DMA Property Management Group	Miami Lakes Corporate Center 14750 Northwest 77 <sup>th</sup> Court	July 2022	75,028	\$15,000,000	\$200	Innovative Cap Holdings

\*New owner plans to build a multi-family development called Nexo Residences on the site

## Significant construction activity

Property	Address	Delivery Date	Building size (sf)	% pre-leased	Developer	Submarket
830 Brickell	830 Brickell Plaza	Dec. 2022	664,300	82%	OKO Group	Brickell
Plaza Coral Gables	3011 Ponce de Leon Boulevard	Dec. 2022	163,741	26.1%	Agave Holdings	Brickell
Natiivo	159 Northeast 6 <sup>th</sup> Street	April 2023	129,244	0%	Newgard	Downtown Miami
1 Southside Park	1105 Southwest 2 <sup>nd</sup> Avenue	Fall 2025	165,000	0%	JDS Development	Brickell

# Office market stats by submarket

By Submarket	Inventory (sf)	Total %	Vacancy		Net Absorption		SF Under	Average Asking Rent		
			Class A	Class B	3Q22	YTD	Construction	Total	Class A	Class B
Brickell	7,485,257	11.8%	11.4%	12.9%	-58,234	105,625	829,300	\$70.75	\$76.71	\$47.75
Downtown Miami	8,032,107	22.9%	23.3%	22.3%	85,278	152,171	129,244	\$50.85	\$57.70	\$33.88
<b>Urban Subtotal</b>	<b>15,517,364</b>	<b>17.6%</b>	<b>17.3%</b>	<b>18.2%</b>	<b>27,044</b>	<b>257,796</b>	<b>958,544</b>	<b>\$57.23</b>	<b>\$64.24</b>	<b>\$37.39</b>

By Submarket	Inventory (sf)	Total %	Class A	Class B	3Q22	YTD	Construction	Total	Class A	Class B
Airport/Doral	11,217,460	20.1%	21.6%	18.5%	68,134	38,386		\$37.23	\$39.13	\$34.37
Aventura	2,102,534	7.2%	6.7%	9.6%	-1,056	35,943	55,000	\$53.89	\$56.89	\$39.66
Biscayne Corridor	4,347,491	17.3%	31.6%	8.6%	35,455	120,231	141,953	\$66.67	\$77.92	\$42.18
Coconut Grove	1,621,176	10.5%	9.4%	11.7%	-24,423	26,175	27,706	\$51.31	\$53.65	\$50.94
Coral Gables	7,128,547	16.7%	17.9%	14.3%	66,372	76,347	163,741	\$49.04	\$51.60	\$38.49
Kendall	4,549,697	12.9%	21.3%	6.7%	-131,153	-176,145		\$40.79	\$42.25	\$35.20
Medley/Hialeah	789,908	14.2%	27.1%	0.5%	-95	9,449		\$36.71	\$35.58	\$57.18
Miami Beach	2,761,315	14.5%	30.1%	9.8%	76,069	-38,765	94,837	\$64.15	\$65.00	\$63.30
Miami Lakes	2,251,865	15.4%	24.5%	12.9%	-18,071	-51,646	152,090	\$31.49	\$31.67	\$31.33
Northeast Dade	1,391,069	7.1%	-	7.2%	4,023	6,675		\$30.25	-	\$30.25
South Dade	150,516	31.7%	-	31.7%	2,866	2,142		\$30.93	-	\$30.93
South Gables/South Miami	1,971,512	6.9%	14.2%	4.2%	-6,754	17,762		\$37.99	\$46.01	\$28.73
<b>Suburban Subtotal</b>	<b>43,967,706</b>	<b>15.4%</b>	<b>19.8%</b>	<b>11.8%</b>	<b>71,367</b>	<b>66,554</b>	<b>635,327</b>	<b>\$44.24</b>	<b>\$48.02</b>	<b>\$37.28</b>
<b>Market Total</b>	<b>55,800,454</b>	<b>16.1%</b>	<b>18.9%</b>	<b>12.9%</b>	<b>98,411</b>	<b>324,350</b>	<b>1,593,871</b>	<b>\$49.13</b>	<b>\$54.63</b>	<b>\$37.31</b>

# Office market stats by class

By Class	Inventory (sf)	Vacancy	3Q Absorption	YTD Absorption	SF Under Construction	Available Sublease
Class A	29,668,854	18.9%	63,743	282,284	3,252,907	630,856
Class B	26,131,600	11%	34,668	42,066	0	81,258
<b>Market Total</b>	<b>55,800,454</b>	<b>12.2%</b>	<b>98,411</b>	<b>324,350</b>	<b>3,252,907</b>	<b>712,114</b>

For more market insights  
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