



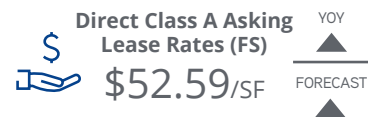
Miami-Dade County

Office

22Q1

Key Takeaways

- Net absorption reached a five-year record high of 546,000 square feet, outpacing new deliveries.
- Confidence in the market strengthened as the vacancy rate steadily declined for three consecutive quarters, down to 10.9%, a 50-basis point decrease QOQ.
- In response to demand, rental rates surged to \$46.56 per square foot full service, an 11.3% increase YOY.



Miami-Dade Office Well-Positioned with Unwavering Demand

As tenants implement return to office plans and new tenants continue to enter the Miami-Dade office market, competition for highly amenitized, quality space increased in the first quarter of 2022. At the end of the first quarter, vacancy rates dropped to 10.9 percent, down 50-basis points quarter-over-quarter and down 70-basis points from the peak pandemic high of 11.6 percent at the beginning of 2021. Net absorption reached a five-year record high of 546,000 square feet, outpacing new deliveries in the first quarter. As new supply hit the market with heightened demand, rental rates climbed to \$46.46 per square foot, up 11.3 percent year-over-year. Miami Dade's strong office market fundamentals position it well in the face of global financial market uncertainties.

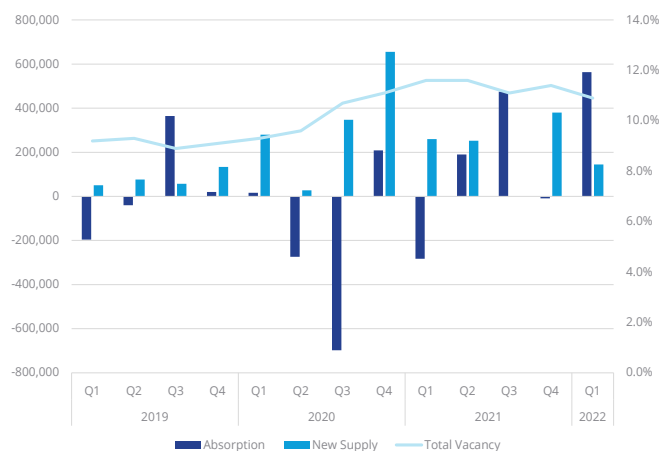
Market Indicators



Historic Comparison

	21Q1	21Q4	22Q1
Total Inventory (in Thousands of SF)	92,688.3	93,297.1	93,375.4
New Supply (in Thousands of SF)	259.8	380.3	144.4
Net Absorption (in Thousands of SF)	(282.7)	(8.8)	563.6
Overall Vacancy	11.6%	11.0%	10.9%
Under Construction (in Thousands of SF)	3,368.3	3,245.2	3,280.0
Overall Direct Asking Lease Rates (FS)	\$41.82	\$45.53	\$46.56

Market Graph



Miami-Dade County's office market started 2022 off strong with a five-year record high net absorption, of approximately 564,000 square feet. In addition, the vacancy rate declined 50-basis points quarter-over-quarter ending the first quarter of 2022 at 10.9 percent. Miami-Dade County will continue to attract new-to-market tenants as companies follow the workforce, allowing new space to be absorbed and the vacancy rate to stay low.

Recent Transactions



Lease
5505 Waterford Airport | 53k SF



Lease
801 Brickell Brickell | 54k SF



Lease
350 Lincoln Rd Miami Beach | 40k SF



Sale
New World Tower Downtown | \$298/SF



Sale
Wynwood 25 Annex Wynwood | \$754/SF



Sale
2990 Ponce Coral Gables | \$427/SF

Executive Summary

Miami-Dade County office market fundamentals showed significant signs of acceleration in the first quarter of 2022, with vacancy rates that declined for the third consecutive quarter and rental rates climbing to \$46.56 per square foot full service. As the unemployment rate dropped and new-to-market companies continued to surge, demand for office space was heightened. Class A office metrics continued to outpace the growth seen in the rest of the market. Class A asking rental rates landed at \$52.59 per square foot full service, an increase of 12.4 percent year-over-year, while Class A leasing activity made up 51 percent of all leasing activity seen in the first quarter of 2022. The most noteworthy activity was seen in the Class A heavy CBD submarkets of Wynwood and Miami Beach and suburban submarket, Aventura.

Tenant demand remained robust in both the CBD and suburban submarkets in the first quarter of 2022. Mastercard signed a 53,700 square foot renewal at 801 Brickell, while Industrious opted to replace WeWork's former 40,000 square foot lease at

350 Lincoln Road in Miami Beach. Additionally, Crown Castle Fiber signed a new lease for 38,846 square feet at One Park Square at Doral.

The majority of product traded in the first quarter was value-add Class B assets in both CBD and suburban submarkets. The largest sale of the quarter was RFR Realty purchasing the 294,694 square foot New World Tower in Downtown Miami for \$81 million, or \$298 per square foot. The second largest sale was the Brick & Timber Collective purchase of Wynwood 25 Annex for \$49 million, or \$754 per square foot. Additional sales include BEA Equities purchase of 2990 Ponce for \$25 million (or \$427 per square foot), and the Westside Capital Group purchase of 2000 Ponce De Leon Boulevard for \$14 million (or \$135 per square foot). Over the next 12 months, there may be some pause in investment sales as the global financial markets re-stabilize, however, the core plus and value-add opportunities are expected to continue to be in high investor demand.

Shifting Demographics

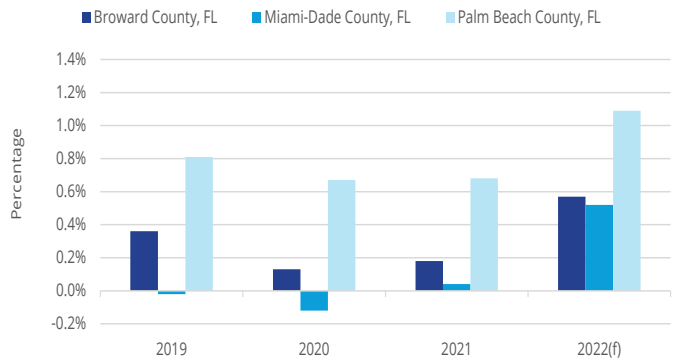
There has been a significant shift in demographics over the last couple of years in South Florida. Despite the influx of new companies moving into the market and in-migration numbers being strong, the net population growth of Miami-Dade and Broward Counties is less striking. However, Palm Beach County continues to see significant increases. Over recent years, multiple firms from larger cities have been drawn to South Florida for the lenient tax structure and lower cost of office rents. In many cases, this has caused corporate branches (including higher earning executives) to relocate. Another dynamic within the region is a migration north, to Palm Beach, where more affordable residential developments are growing and the office market is strengthening.

A Return to Office is Imminent

A long-awaited return to the office is upon us and is likely to help tenants solidify their long-term leasing plans. After being paused by the Omicron variant, most companies have pivoted to responsibly coping with COVID-19's continued existence. Despite the work from home and/or hybrid models many companies adopted, confidence in the future of the South Florida office market remained strong. Net absorption in the first quarter of 2022 reached almost one million square feet, which was amplified with an increase of new-to-market tenants. Although occupancy in buildings has not returned to its full extent, the unemployment rate for Miami-Fort Lauderdale-West Palm Beach was at a low 3.4 percent in the first quarter of 2022.

South Florida Population

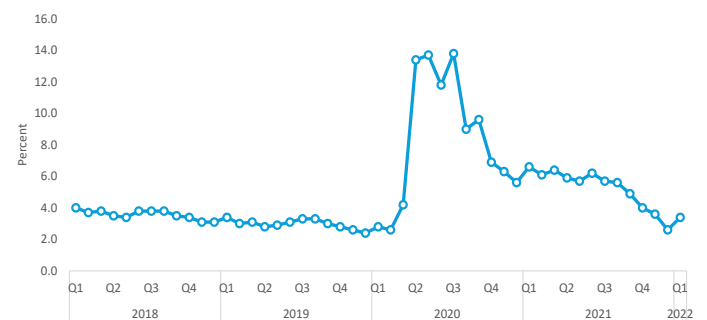
Percentage Change



Source: Colliers, Onecon, (f) forecasted

South Florida

Historical Unemployment



Source: Colliers, FRED

Significant Sales Activity

Address	Size	Buyer	Sales Price
New World Tower - 100 Biscayne Blvd	294,694	RFR Realty	\$81,100,000 (\$298)
Wynwood 25 Annex - 215-219 NW 24th St	64,900	Brick & Timber Collective	\$49,000,000 (\$754)
2990 Ponce - 2990 Ponce De Leon Blvd	57,790	BEA Equities	\$24,780,000 (\$427)
2000 Ponce De Leon Blvd	76,677	Westside Capital Group	\$14,050,000 (\$135)
Wiston Tower - 17395 N Bay Tower	26,847	Kerem Sunny Isles LLC	\$12,000,000 (\$447)

Significant Lease Activity

Address	Size	Tenant	Type
5505 Waterford - 5505 Blue Lagoon Dr	53,119	Unique Vacations	New
801 Brickell Ave	53,700	MasterCard	Renewal
350 Lincoln Rd	40,000	Industrious	New
One Park Square at Doral - 3470 NW 82nd Ave	38,846	Crown Castle Fiber	New
545wyn - 545 NW 26th St	38,272	Neocis	New

Miami-Dade County Overall Market

Quarter & Year	Buildings	Total Inventory SF	Direct Vacancy %	Total Vacancy %	Net Absorp. Current Qtr. SF	Net Absorp. YTD SF	New Completions SF	Under Construction SF	Overall Avg. Direct Asking Rate FS	Class A Avg. Direct Asking Rate FS
2022 Q1	1,690	93,375,427	10.4%	10.9%	563,601	563,601	144,430	3,279,980	\$46.56	\$52.59
2021 Q4	1,691	93,297,103	10.9%	11.4%	(8,754)	373,536	380,296	3,245,229	\$45.53	\$51.07
2021 Q3	1,689	92,940,457	10.6%	11.1%	474,718	382,290	0	3,353,522	\$44.62	\$50.65
2021 Q2	1,689	92,940,457	11.1%	11.6%	190,300	(92,428)	252,161	3,233,522	\$43.88	\$50.17
2021 Q1	1,686	92,688,296	11.1%	11.6%	(282,728)	(282,728)	259,751	3,368,280	\$41.82	\$46.80
2020 Q4	1,682	92,530,447	10.7%	11.1%	208,707	(746,604)	655,393	3,469,330	\$41.20	\$46.10
2020 Q3	1,678	91,875,054	10.2%	10.7%	(697,937)	(955,311)	347,732	3,989,723	\$40.12	\$45.18
2020 Q2	1,676	91,527,322	9.2%	9.6%	(273,680)	(257,374)	27,400	4,284,688	\$39.16	\$44.72
2020 Q1	1,676	91,534,492	8.8%	9.3%	16,306	16,306	279,761	4,193,206	\$38.48	\$44.07
2019 Q4	1,671	91,254,731	8.6%	9.1%	50,185	178,836	133,800	3,415,864	\$39.35	\$46.22
2019 Q3	1,670	91,075,994	8.6%	8.9%	364,584	128,651	57,155	3,356,976	\$37.30	\$43.74
2019 Q2	1,670	91,033,418	8.9%	9.3%	(40,236)	(235,933)	76,407	2,625,397	\$37.32	\$43.89
2019 Q1	1,670	90,985,011	8.8%	9.2%	(195,697)	(195,697)	50,435	1,685,704	\$36.90	\$43.32

Bold Denotes Colliers Represented Transaction

Submarket Breakdown

Property Type	# of Buildings	Total Inventory SF	Direct Vacancy %	Total Vacancy %	Net Absorp. Current Qtr. SF	New Completions SF	Under Construction SF	Avg. Direct Asking Rate FS
Central Business District								
Biscayne Corridor								
A	6	1,281,672	22.1%	22.1%	(6,585)	0	0	\$37.29
B	17	1,303,149	2.5%	2.7%	19,935	0	0	\$48.18
C	26	763,294	2.9%	2.9%	(6,164)	0	0	\$20.20
Overall	49	3,348,115	10.1%	10.2%	7,186	0	0	\$38.38
Brickell								
A	13	4,767,928	8.5%	9.6%	115,313	0	664,300	\$81.19
B	14	2,183,584	13.7%	13.9%	65,805	0	0	\$51.01
C	7	494,002	0.0%	0.0%	0	0	0	\$40.87
Overall	34	7,445,514	9.5%	10.2%	181,118	0	664,300	\$73.23
Downtown Miami								
A	9	5,090,802	22.6%	24.1%	73,057	0	760,000	\$55.75
B	8	1,224,212	19.1%	20.2%	19,853	0	0	\$39.22
C	16	621,456	6.8%	6.8%	0	0	0	\$19.00
Overall	32	6,796,470	20.9%	22.2%	85,891	0	760,000	\$52.26
Miami Market								
A	6	966,460	7.9%	7.9%	11,611	0	178,703	\$54.73
B	34	2,242,920	2.8%	2.8%	(5,489)	0	70,000	\$37.20
C	73	1,509,261	2.0%	2.2%	1,725	0	0	\$43.91
Overall	113	4,718,641	3.6%	3.7%	7,847	0	248,703	\$46.11
Wynwood/Design District								
A	8	902,338	58.8%	59.3%	34,244	0	185,301	\$64.13
B	22	733,487	4.8%	4.8%	(4,201)	0	47,852	\$56.94
C	10	301,585	0.0%	0.4%	(1,250)	0	0	-
Overall	40	1,937,410	29.2%	29.5%	28,793	0	233,153	\$63.50
Miami Beach								
A	9	912,790	19.8%	21.4%	83,735	144,430	435,500	\$62.31
B	57	2,950,884	11.1%	11.2%	(75,883)	0	15,767	\$54.93
C	24	812,821	5.3%	5.3%	(2,876)	0	0	\$38.08
Overall	90	4,676,495	11.8%	12.1%	4,976	144,430	451,267	\$55.48
Suburban								
Aventura								
A	17	1,494,709	6.7%	7.1%	(2,889)	0	55,000	\$53.01
B	22	951,762	4.3%	5.0%	9,809	0	0	\$39.67
C	3	93,000	25.1%	25.1%	(2,280)	0	0	\$44.63
Overall	42	2,539,471	6.4%	7.0%	4,640	0	55,000	\$49.05

Submarket Breakdown

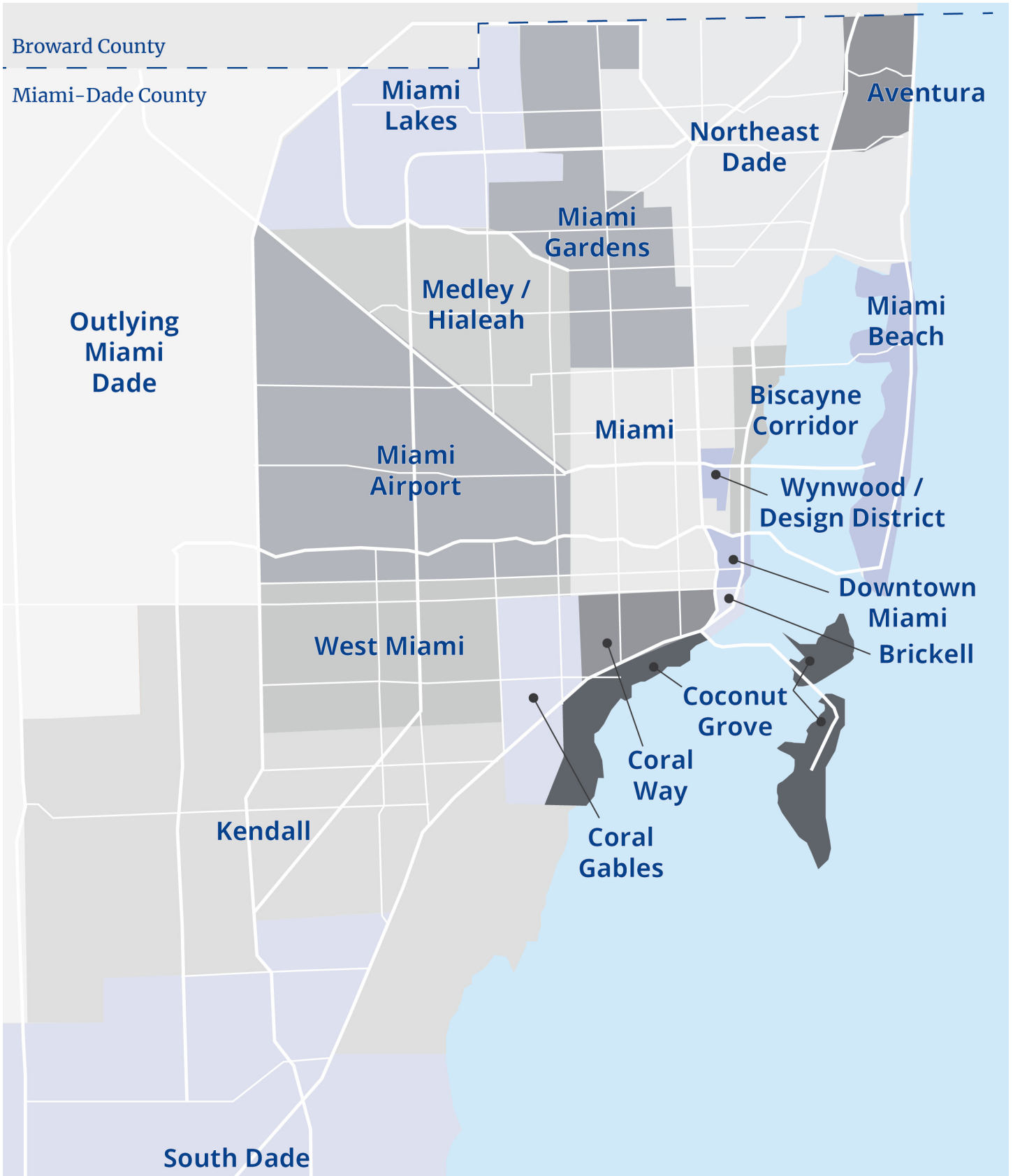
Property Type	# of Buildings	Total Inventory SF	Direct Vacancy %	Total Vacancy %	Net Absorp. Current Qtr. SF	New Completions SF	Under Construction SF	Avg. Direct Asking Rate FS
Coconut Grove								
A	10	1,110,364	11.5%	11.7%	5,642	0	48,216	\$61.62
B	26	1,145,914	11.5%	11.7%	40,888	0	0	\$49.05
C	7	132,811	5.2%	5.2%	(758)	0	0	-
Overall	43	2,389,089	11.2%	11.3%	45,772	0	48,216	\$54.34
Coral Gables								
A	34	5,316,231	16.4%	17.2%	16,009	0	163,741	\$48.59
B	87	4,281,734	8.5%	8.7%	43,762	0	0	\$38.23
C	46	920,539	2.6%	2.6%	3,486	0	0	\$36.94
Overall	167	10,518,504	12.0%	12.5%	63,257	0	163,741	\$45.93
Coral Way								
A	1	84,248	0.0%	0.0%	0	0	0	\$30.00
B	34	1,275,917	6.1%	6.3%	20,937	0	0	\$29.62
C	31	639,514	1.7%	1.7%	2,498	0	0	\$28.17
Overall	66	1,999,679	4.5%	4.6%	23,435	0	0	\$29.48
Hiialeah Gardens								
A	0	0	0.0%	0.0%	0	0	0	-
B	5	178,318	1.6%	1.6%	(28)	0	0	-
C	8	118,032	13.8%	13.8%	0	0	0	-
Overall	13	296,350	6.5%	6.5%	(28)	0	0	-
Kendall								
A	20	2,618,206	10.5%	10.5%	15,539	0	150,000	\$42.62
B	183	6,558,987	3.7%	3.7%	34,843	0	0	\$33.73
C	89	2,606,173	2.3%	2.3%	1,508	0	0	\$33.71
Overall	292	11,783,366	4.9%	4.9%	51,890	0	150,000	\$36.95
Medley/Hiialeah								
A	2	204,339	0.0%	0.0%	4,860	0	43,824	\$32.32
B	29	1,409,050	2.4%	2.4%	(13,993)	0	0	\$30.18
C	39	943,781	1.4%	1.4%	(3,168)	0	0	-
Overall	70	2,557,170	1.9%	1.9%	(12,301)	0	43,824	\$31.77
Miami Airport								
A	47	6,747,509	20.8%	22.3%	23,335	0	0	\$38.28
B	154	10,250,062	10.9%	11.2%	(28,416)	0	43,599	\$33.56
C	48	1,963,253	0.7%	0.7%	32,582	0	0	\$20.45
Overall	249	18,960,824	13.4%	14.1%	27,501	0	43,599	\$35.98

Submarket Breakdown

Property Type	# of Buildings	Total Inventory SF	Direct Vacancy %	Total Vacancy %	Net Absorp. Current Qtr. SF	New Completions SF	Under Construction SF	Avg. Direct Asking Rate FS
Miami Lakes								
A	9	494,652	20.5%	23.1%	(15,507)	0	82,903	\$30.88
B	69	2,567,950	7.5%	7.5%	25,968	0	69,187	\$29.89
C	19	307,747	0.0%	0.0%	0	0	0	\$23.38
Overall	97	3,370,349	8.7%	9.1%	10,461	0	152,090	\$30.17
Northeast Dade								
A	5	344,984	11.9%	12.5%	24,253	0	0	\$60.01
B	70	3,329,284	6.5%	7.8%	6,804	0	0	\$35.63
C	93	2,188,355	3.2%	3.2%	23,037	0	0	\$29.55
Overall	168	5,862,623	5.6%	6.4%	54,094	0	0	\$37.07
Outlying Dade								
A	0	0	0.0%	0.0%	0	0	0	-
B	3	124,386	39.2%	39.2%	6,750	0	0	-
C	3	197,749	75.8%	75.8%	0	0	0	-
Overall	6	322,135	61.7%	61.7%	6,750	0	0	-
South Dade								
A	2	86,872	26.8%	26.8%	(5,400)	0	0	\$34.81
B	32	1,430,731	8.8%	8.8%	(21,437)	0	0	\$28.08
C	19	445,469	2.1%	2.1%	(394)	0	0	\$19.16
Overall	53	1,963,072	8.1%	8.1%	(27,231)	0	0	\$29.41
West Miami								
A	1	46,118	7.7%	7.7%	(1,700)	0	45,829	\$51.68
B	26	704,291	4.6%	4.6%	(2,500)	0	37,000	\$26.01
C	33	633,944	1.5%	1.5%	(5,836)	0	0	\$27.53
Overall	60	1,384,353	3.3%	3.3%	(10,036)	0	82,829	\$36.54



Submarket Map



At Colliers, we are enterprising



\$4.1B
in revenue



62
Countries on 6 continents



\$51B
Assets under management



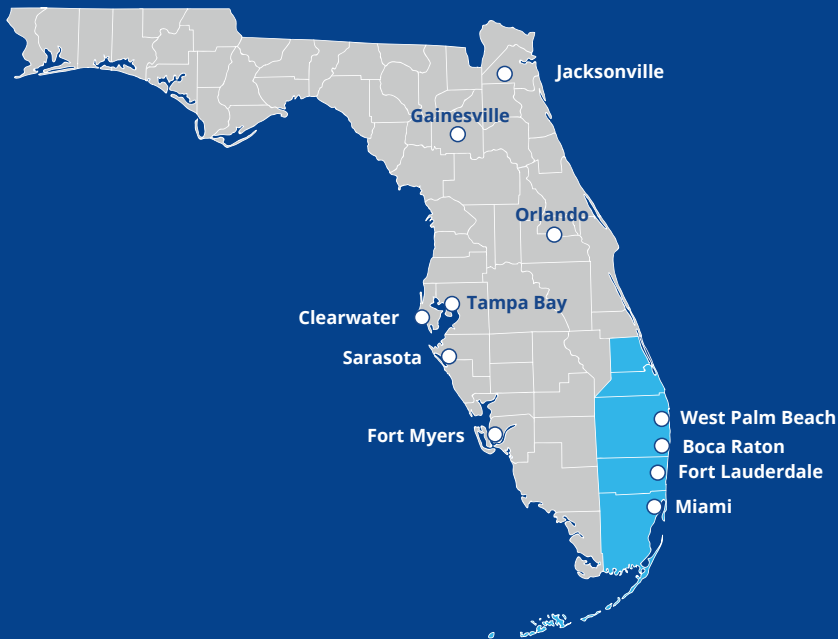
2B
square feet
under management



53,000
Lease/sale
Transactions



17,000 +
professionals and staff



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