



# Miami-Dade | Office

# November 21

## Class A | Key Takeaways

- Nearly 12,800 companies have begun operations in Miami in the last 10 years
- The region is home to 1,400 multinational companies
- Miami-Dade County has reached a Class A net absorption not seen in the last five years
- Rents has increased 22.4 percent over the last five years

### Miami-Dade County - Class A Office Market Overview

The Miami-Dade County market is a major center and leader in tourism, finance, commerce, culture, media, entertainment, the arts, and international trade. Attracted by the premier business climate, friendly tax environment, startup activity, impressive job growth and structural assets, nearly 12,800 companies have begun operations in Miami in the last 10 years. The region is home to 1,400 multinational companies drawn by Miami's international platform for business growth. Miami continues to be attractive to U.S. companies since tax reform changes were announced as executives seek favorable tax terms and a tropical climate. The Miami region has consistently ranked among FDI's Top 10 Major American Cities of the Future for its connectivity and business friendliness.

The Class A Miami-Dade County market consist of 209 buildings spanning nearly 34 million square feet. Some major tenants in Class A office space throughout Miami-Dade County include Stearns Weaver Miller (221,269 SF), Visa (200,000 SF), Lennar Corp (156,023 SF), Wells Fargo Advisors (146,938 SF), Starwood Capital Group (136,430 SF), Holland & Knight LLP (121,032 SF), among many others. In 2020 and 2021, asset management, private equity firms, real estate investment companies, and technology companies expressed elevated interest in Miami-Dade County as it evolves as a global finance and tech hub. A few companies that announced expansions to Miami in 2020 and 2021 include Thoma Bravo, Blackstone, H.I.G. Capital, D1 Capital Partners, SoftBank, Spotify, ManhattanLife Insurance Co., and Microsoft.

The migration of firms, particularly financial services firms, relocating from northeastern, tax burned states with more stringent lock down restrictions in place, are playing a large role in helping the office market bounce back. So far in 2021, Miami-Dade County has reached a Class A net absorption not seen in the last five years (761,000 square feet) in the face of nearly 882,000 square feet of new supply, a major improvement over the negative net absorption of 2020. Additionally, vacancy rates appear to be stabilizing, decreasing a marginal 10-basis points from 2020, currently standing at 18.3 percent. Vacancy rates are expected begin declining as the market continues to attract new businesses. Consistent demand drivers like population growth and economic incentives continue to be selling points for the Miami-Dade County office market, and more recently the return to the office has encouraged lease executions, all pushing the market's competitive asking rental rates. Current asking rental rates for Class A space stand at \$50.89 per square foot full service, a 10.4 percent increase from 2020 and a 22.4 percent increase over the last five years. With strong demand expected to persist, asking rental rates will continue to grow.

Miami-Dade County - Class A					
Year	Gross Rent	Vacancy Rate	Net Absorption SF	Deliveries SF	Under Construction SF
2016	\$41.57	12.6%	200,755	471,417	1,731,788
2017	\$41.59	12.1%	639,533	582,323	1,624,928
2018	\$42.97	14.8%	200,191	1,295,128	1,345,031
2019	\$46.05	15.5%	62,041	255,855	3,000,556
2020	\$46.09	18.4%	(24,339)	1,105,412	2,553,247
2021 YTD	\$50.89	18.3%	761,543	881,591	2,025,173

