



NEWMARK

Market Overview
Miami Office

1Q26

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Market Observations



Economy

- The region's unemployment rate increased by 30 basis points year over year to 2.8%. Since April 2022 unemployment has remained below this level but has rebounded as growth is split across several sectors.
- The pace of job growth has slowed from recent highs, dropping 219 basis points year over year and slipping below the national average to a 0.1% contraction compared with the 0.1% expansion overserved nationally.
- Growth was mixed with the mining and construction sector reporting the highest growth by expanding 6.0% and manufacturing experiencing the largest decline by contracting 2.5%. The financial activities, information, and business and professional sectors all posted declines year over year.
- Office-using jobs in Miami-Dade reported 327,020 employees, approximately 2.2% below the record set in the prior year at 334,430 employees.



Leasing Market Fundamentals

- Annual full-service asking rental rates reached an all-time high of \$62.45/SF, reflecting a 1.5% increase from the previous quarter and a 4.9% increase year over year.
- Miami-Dade County recorded 165,971 SF of positive absorption in the first quarter of 2026 and surpassed supply resulting in the vacancy rate decreasing 20 basis points quarter over quarter to 14.8%.
- The construction pipeline remains resilient at 1.2 MSF, with 4225 Ponce delivering 73,523 SF of new office space this quarter. Looking forward, several projects are expected to deliver in 2026, including The Doris and The Offices at The Well.
- Leasing volume increased 14.3% quarter over quarter to 1.1 MSF, while the deal count held flat at 321 transactions, pushing the average deal size up to 3,356 SF.



Major Transactions

- The largest deal of the quarter was Iru inking a 78,000 SF deal at Mayfair Grove East and 13,959 SF space at the North building, totaling 91,959 SF. This marks a footprint expansion from their 30,000 SF East Coast HQ located at The Plaza.
- Aptum Technologies, a cloud environment designer and manager, renewed its 64,174-SF lease at Americas Gateway Center.
- Demand for space in Miami remains resilient, with two of the quarter's top six deals being renewals and the rest being new deals.
- Three of the four direct new deals were expansions, as tenants increased their footprints in Miami.



Outlook

- National economic headwinds may persist in constraining employment growth in Miami.
- Office investment activity will likely improve in the medium term as interest rates continue to decline.
- Strong demand for high-quality office space and reduced availability in key submarkets have pushed asking rents to record highs. With limited new supply and few relocation options, rents are likely to remain elevated, prompting a rise in renewal activity in the near term.
- Vacancy is expected to steadily decrease, as tenants fill in the newly delivered space over the last two years.

Table of Contents

Economy 04

Leasing Market Fundamentals 08

Market Statistics and Map 17

Supplemental Information 23

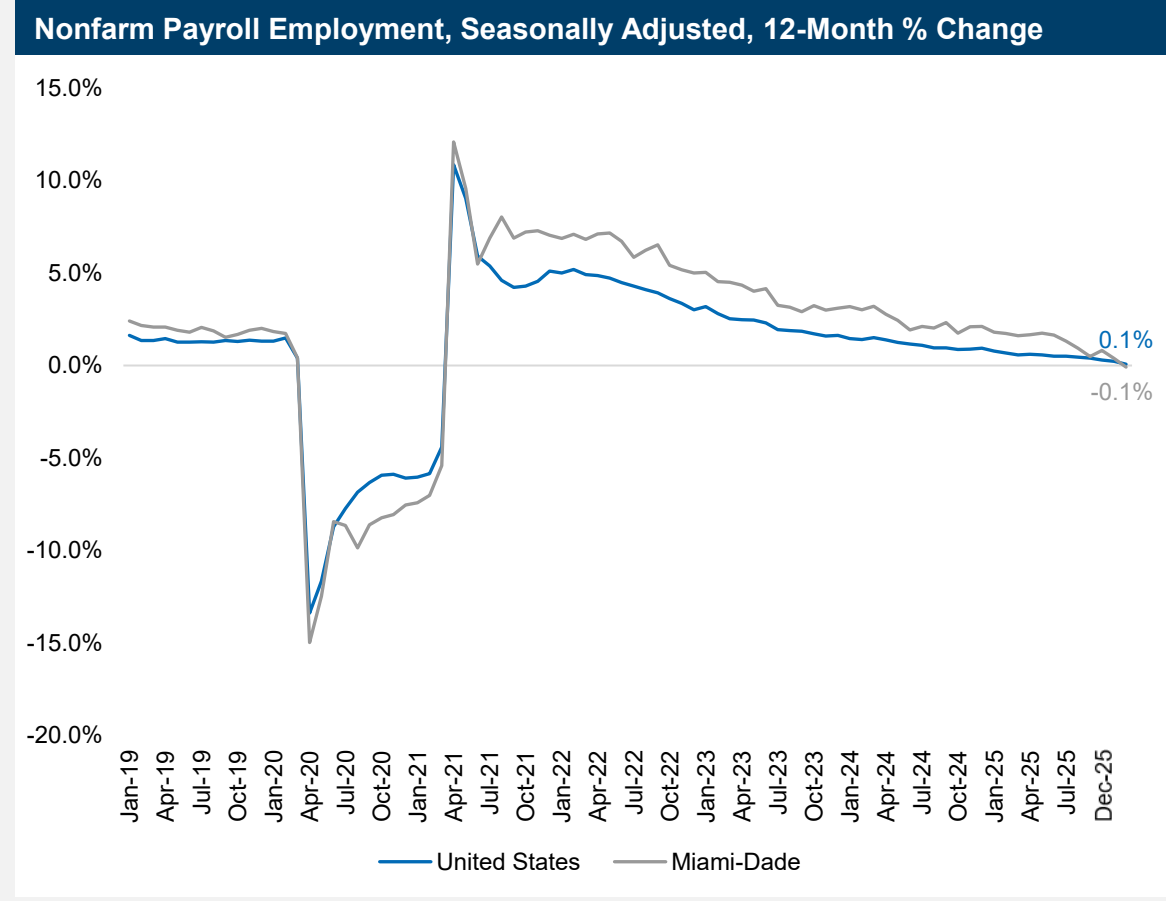
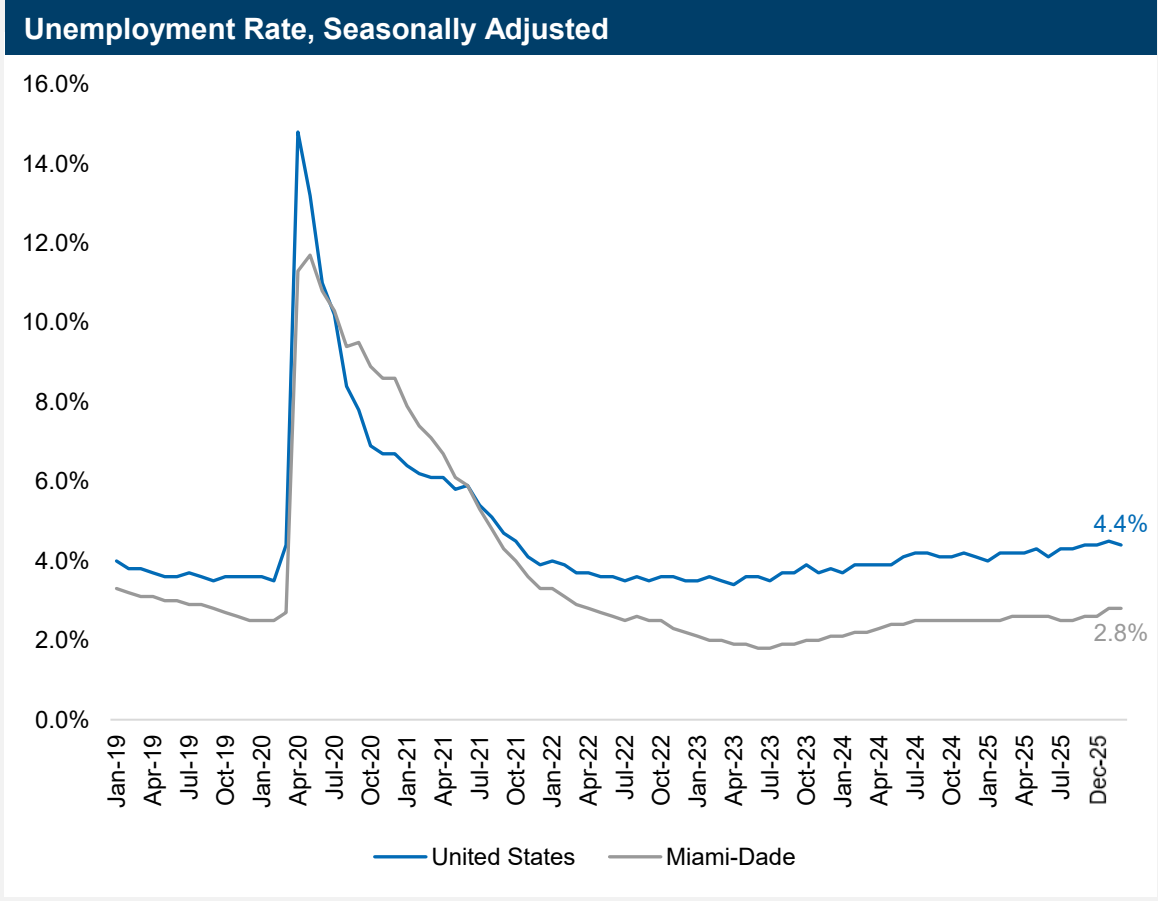
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Economy



Employment Growth Moderates, but Labor Market Remains Tight

The Miami-Dade County office market has historically benefited from an unemployment rate that trends below the national average, underscoring its role as an outperformer in employment growth despite the recent slowdown. The region's unemployment rate recently rose by 30 basis points year over year to 2.8% as sector-level performance became more uneven. Over the same period, Miami-Dade's employment growth rate decelerated by 219 basis points year over year and by 57 basis points between September and December 2025, settling at a 0.1% contraction, which is 20 basis points below the national average growth rate.

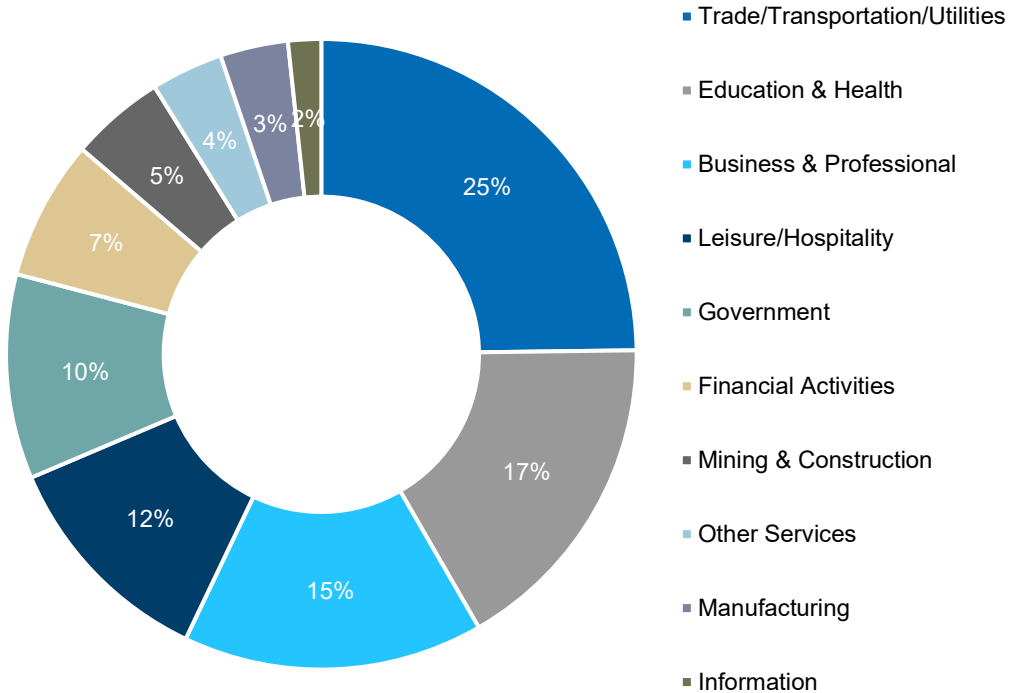


Source: U.S. Bureau of Labor Statistics, Miami-Dade County
 *October 2025 government shutdown missing data addressed with duplicating September 2025's data

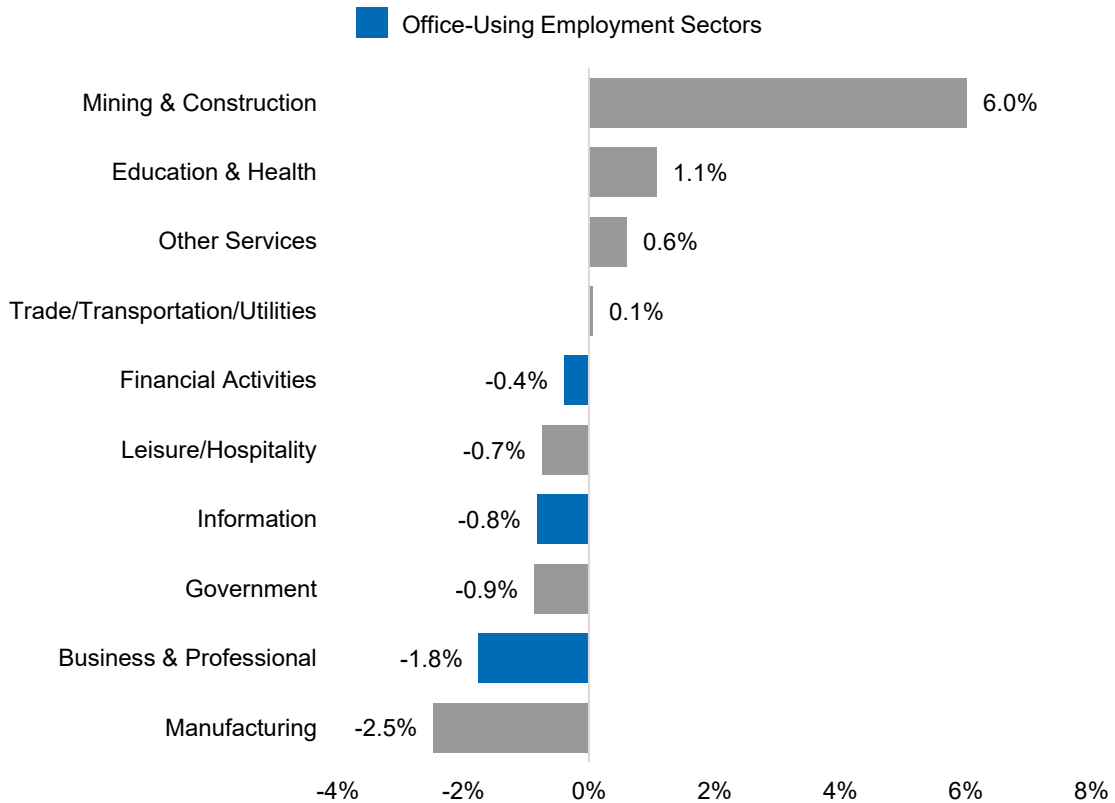
All Office-Using Employment Sectors Contract

Miami-Dade County’s two largest employment sectors—trade, transportation, and utilities, and education and health—account for 41.7% of total jobs, though neither is office-using. The office-using professional and business services sector remains the third-largest industry, representing 15.4% of total employment. Over the past year, growth was led by the mining and construction sector, which expanded 6.0% year over year, while all office-using sectors contracted, with financial activities, information, and professional and business services posting declines of 0.4%, 0.8%, and 1.8%, respectively.

Employment by Industry, December 2025



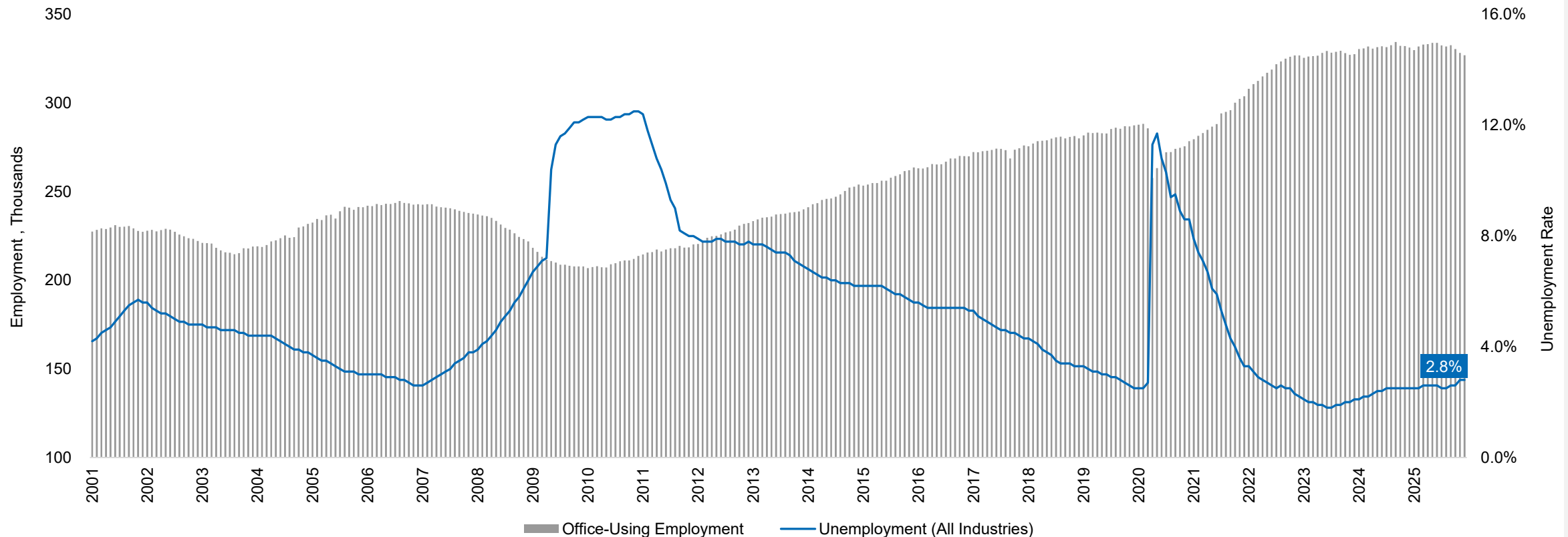
Employment Growth by Industry, 12-Month % Change, December 2025



Slight Job Losses, Yet Labor Market Remains Elevated

As of December 2025, Miami-Dade County's office-using employment totaled 327,020 jobs, down 1.3% year over year and remaining 2.2% below the September 2024 peak of 334,430 jobs. The seasonally adjusted unemployment rate rose by 30 basis points to 2.8% but remained just below the 2019 average of 2.9%. This uptick reflects employment losses across all three office-using sectors. Even with this recent softening, office-using employment remains near its historical high, supporting steady underlying demand for office space.

Office-Using Employment* and Unemployment Across All Industries



Source: U.S. Bureau of Labor Statistics, Miami-Dade County

*Office-using employment includes employment in the following industry sectors: Professional & Business Services, Financial Activities and Information.

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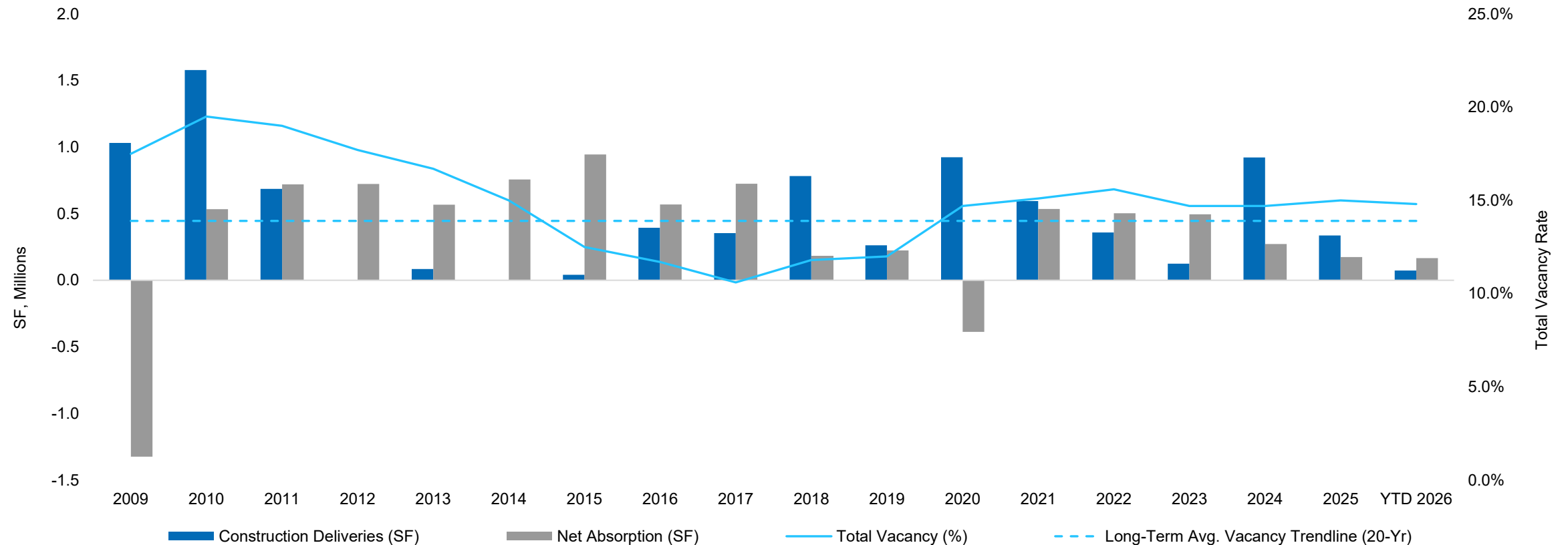
Leasing Market Fundamentals



Vacancy Edges Down as Demand Outpaces New Supply

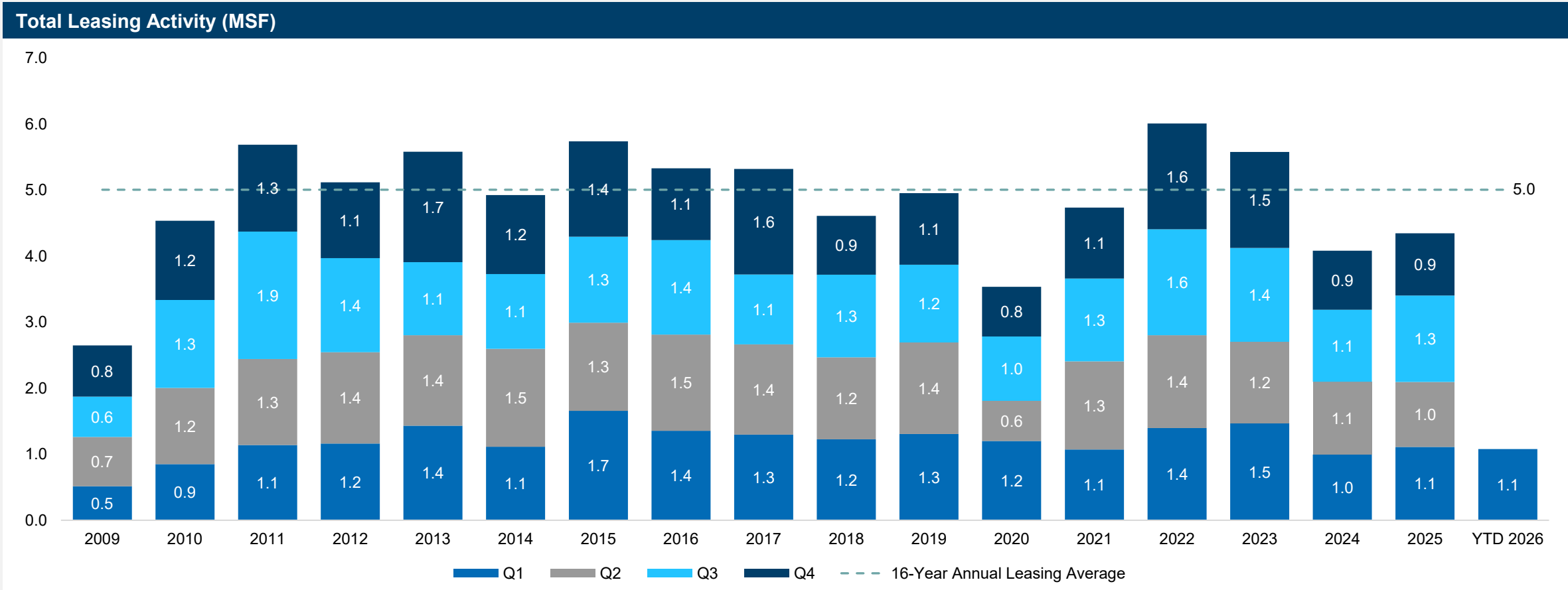
Miami-Dade County recorded positive net absorption of 165,971 SF in the first quarter of 2026. The delivery of 4225 Ponce added 73,523 SF in the Coral Gables submarket, yet demand still outpaced new supply, pushing the countywide vacancy rate down 20 basis points quarter over quarter to 14.8%, which remains 90 basis points above the 20-year average of 13.9%. Looking ahead, supply and demand are expected to move toward a new equilibrium as tenants gradually absorb newly delivered product, while upcoming construction deliveries are likely to keep overall supply growth more muted than in the prior two years.

Historical Construction Deliveries, Net Absorption, and Vacancy



Leasing Volume Rises and Deal Size Grows as Tenants Favor Class A Product

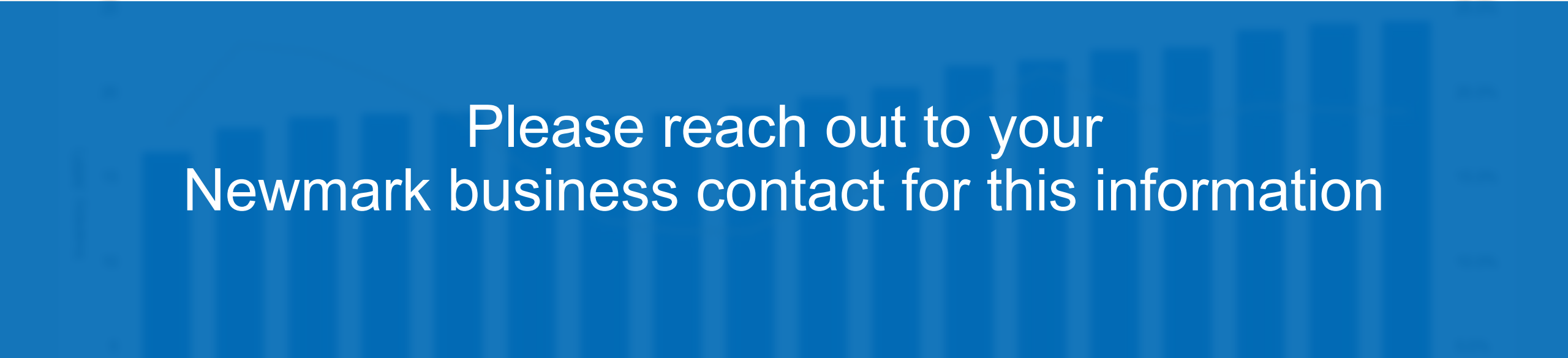
Leasing activity in the first quarter of 2026 totaled 1.1 MSF, up 14.3% quarter over quarter, but down 3.1% year over year. Total secured square-footage was 12.9% below the 16-year long-term first-quarter average of 1.2 MSF. Deal count held flat at 321 transactions, driving an increase in average deal size from 2,944 SF to 3,356 SF quarter over quarter. Direct leasing made up 96.7% of all leasing activity this quarter, up 790 basis points from last quarter. Going forward leasing volume will remain strong as tenants favor high quality product.



Class A Vacancy Decreases as Demand For High Quality Space Continues

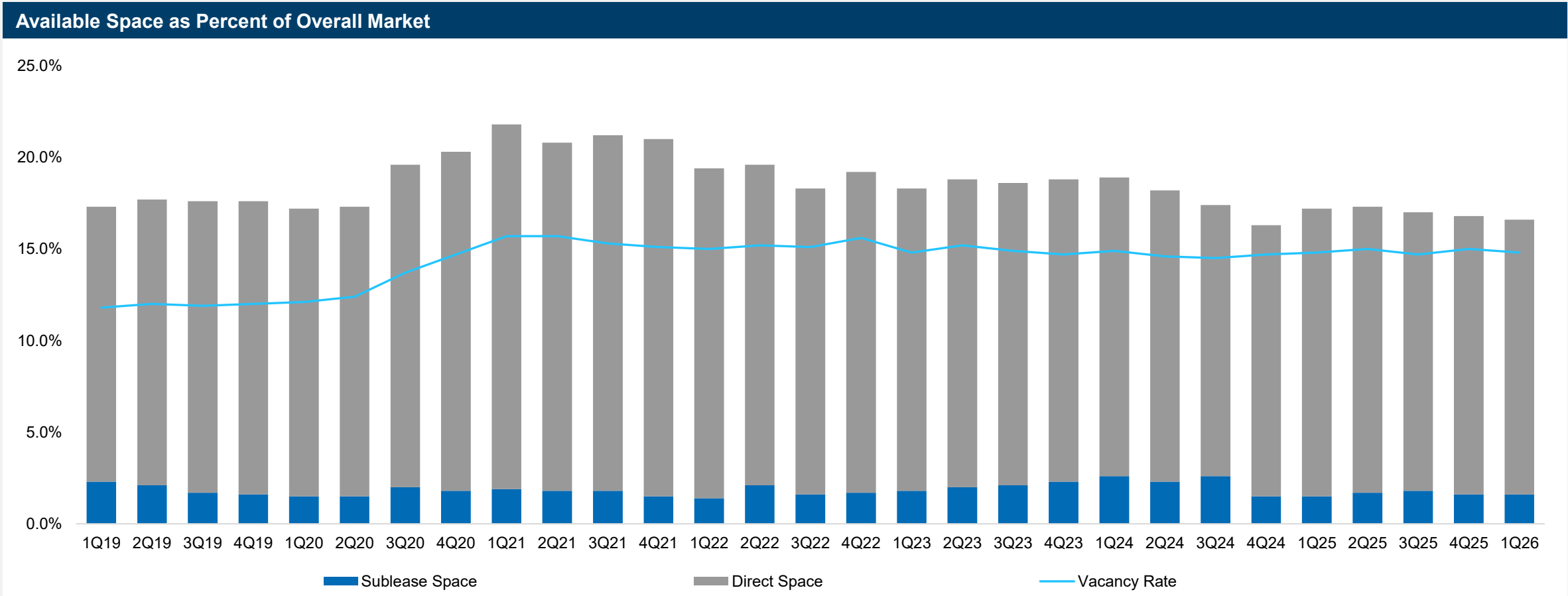
The Miami-Dade County Class A office market totaled 26.7 MM at the end of the first quarter of 2023, representing 49.7% of total inventory. Class A vacancy has decreased by 48 basis points quarter over quarter and 49 basis points year over year to 18.9%. Strong demand for new specialty retail, and well-located buildings has driven down vacancy in this category. In the near term, Class A vacancy is expected to remain elevated as additional space is delivered, and demand gradually rebuilds newly vacated space and recent deliveries.

Class A Office Inventory vs. Class A Office Vacancy Rate



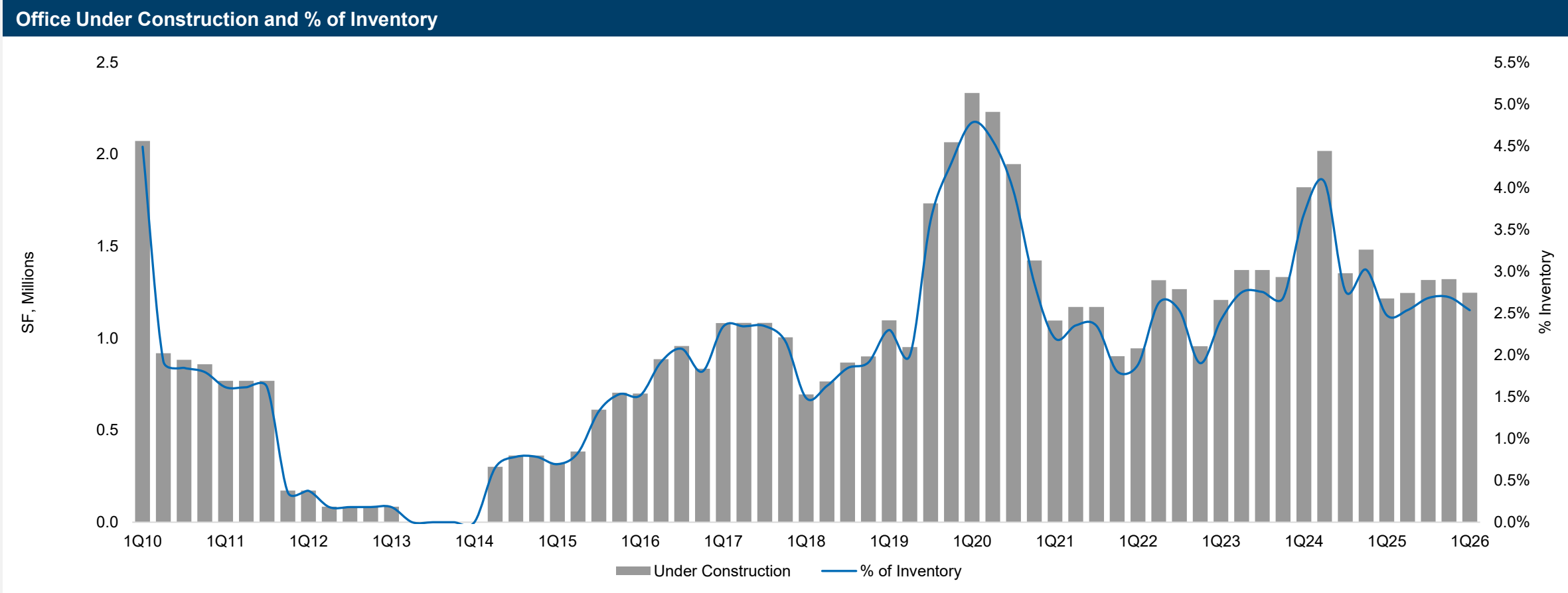
Availability and Vacancy Fall as Tenants Secure Space

Direct availability declined by 20 basis points in the first quarter of 2026 to 15.0%, and sublease availability remained muted at 1.6%, bringing overall availability down 20 basis points to 16.6%. At the same time, vacancy fell 20 basis points to 14.8% as tenants continued to occupy available space highlighting the strong demand for a presence in the market. Going forward, availability will increase briefly as construction projects are delivered and then decrease as tenants slowly secure their spaces.



Construction Pipeline Edges Lower as Projects Continue to Deliver

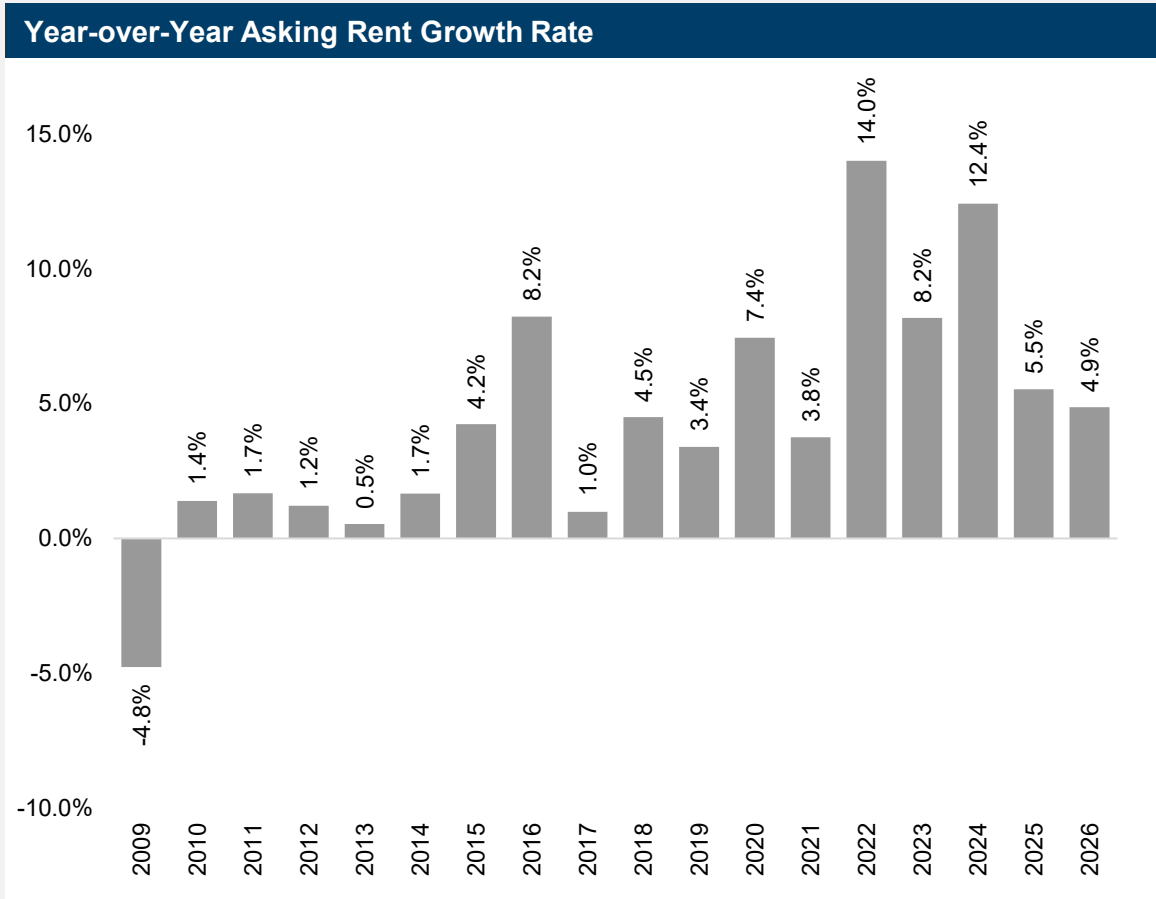
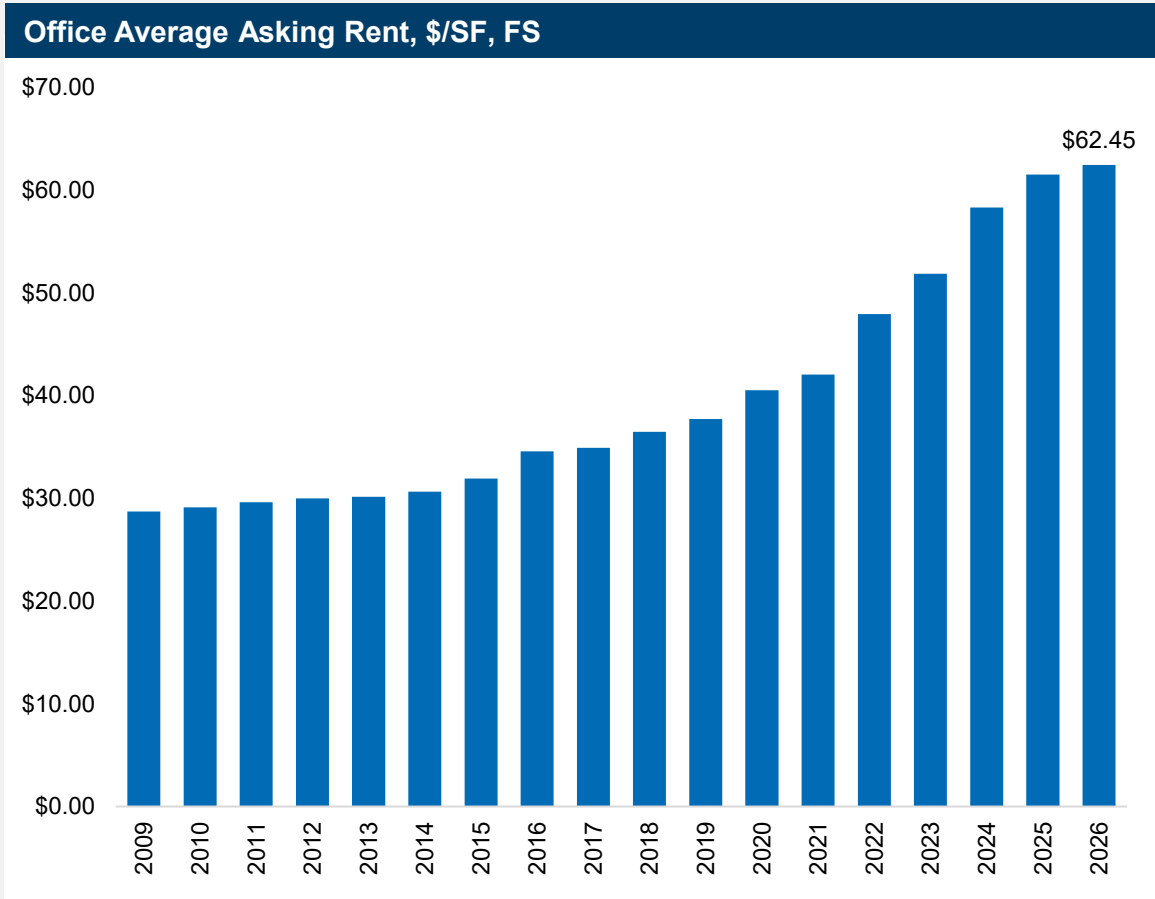
Miami’s office pipeline totaled 1.2 MSF under construction in the first quarter of 2026, declining by 73,523 SF quarter over quarter following the delivery of 4225 Ponce De Leon. Although construction remains below 2020 levels, new activity is set to begin at Citadel and the Santander Tower, which together will add almost 1.8 MSF of office product. The Offices at the Wells and The Doris are among the projects expected to deliver this year, totaling 122,462 SF. Currently, the pipeline represents 2.5% of existing inventory, highlighting the demand for high-quality office product remains strong in Miami.



Source: Newmark Research, CoStar

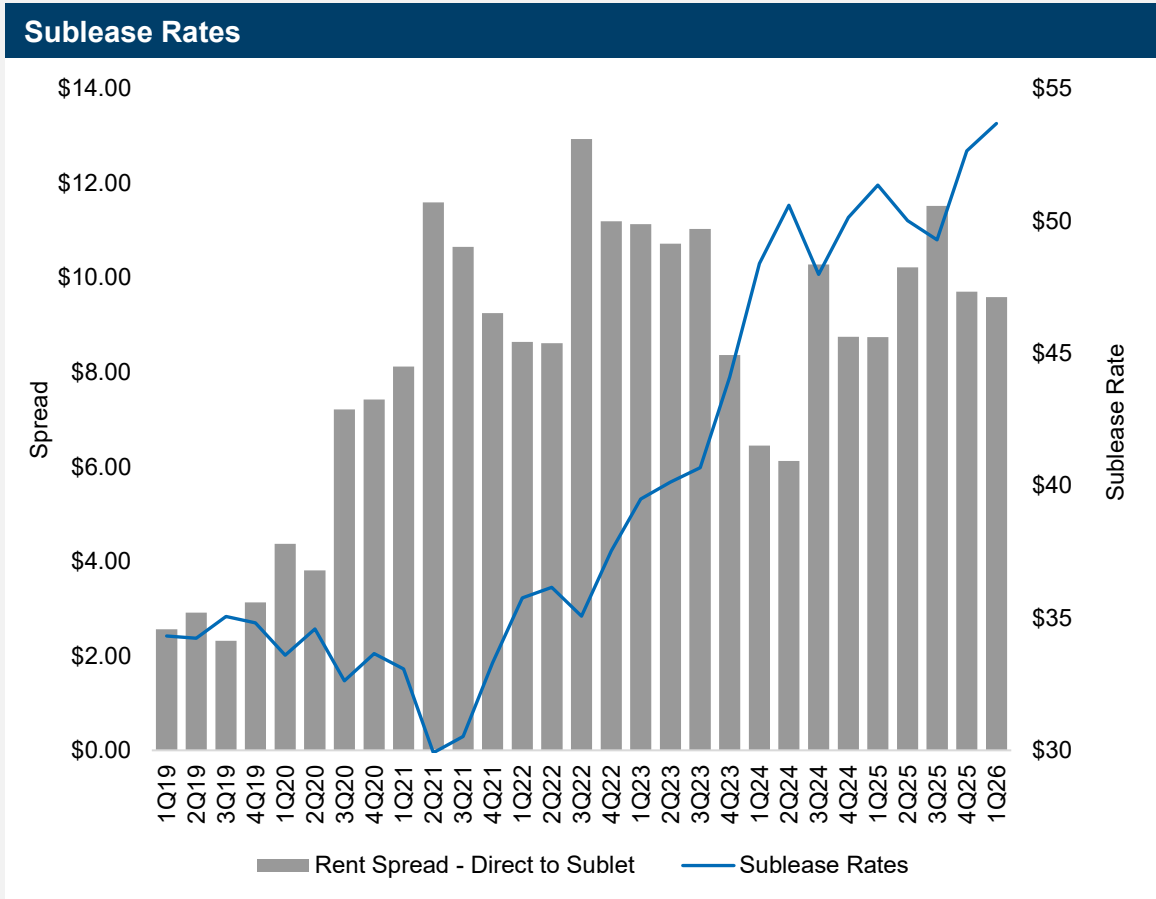
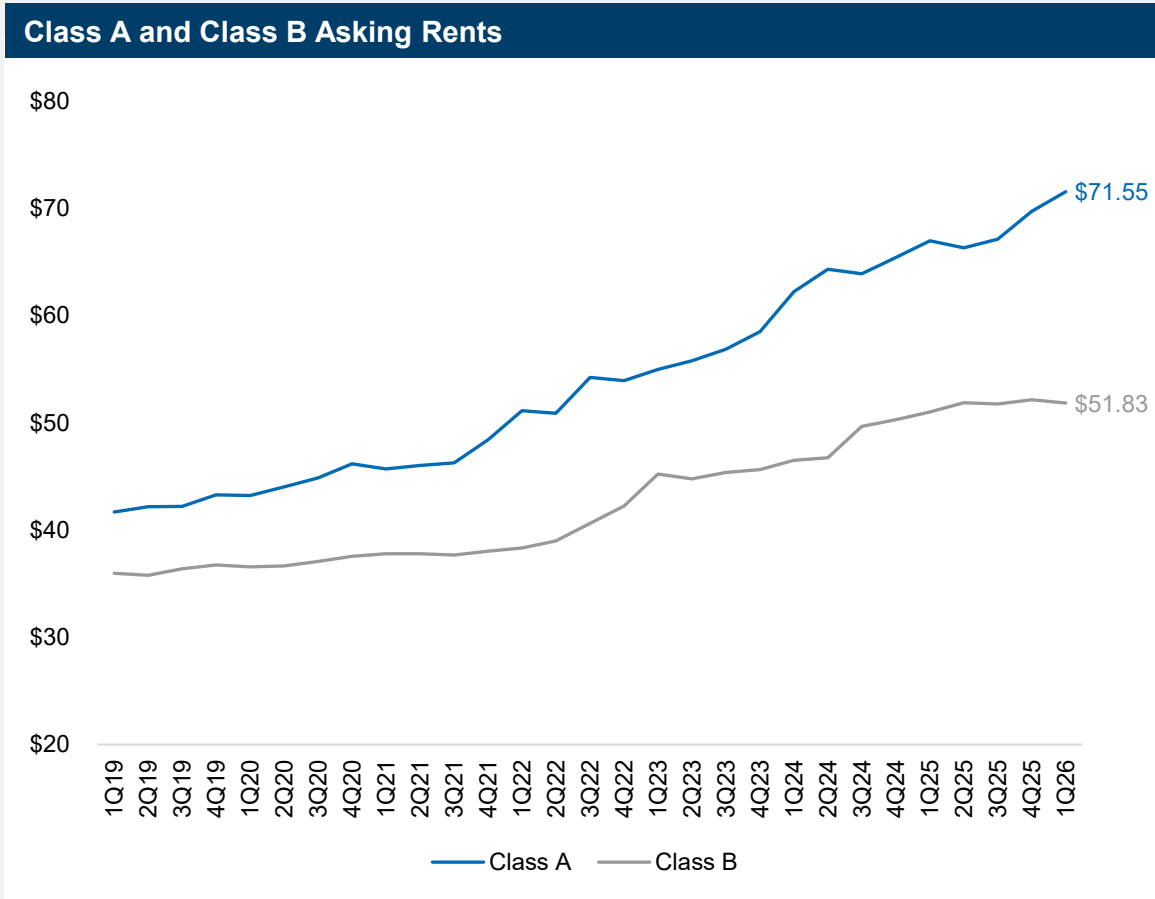
Asking Rents Hit New All-Time High For Third Consecutive Quarter

Average asking rents climbed to a new all-time high in the first quarter of 2026, rising 1.5% quarter over quarter and 4.9% year over year to \$62.45/SF. The annual growth rate has slowed by 60 basis points from a year earlier. Growth has been driven by the delivery of trophy-quality assets and tenants' ongoing flight to quality, which has concentrated demand at the top of the market. Average asking rents are expected to remain elevated in the near term amid robust demand.



Class A and Class B Rent Spread Widen For the Fourth Consecutive Quarter

Class A asking rents rose 2.6% quarter over quarter in the first quarter of 2026 to a new all-time high of \$71.55/SF, even as Class B rents edged down 0.6% to \$51.83/SF. This divergence pushed the Class A and Class B spread to \$19.72/SF, an increase of roughly 12.2% quarter over quarter. At the same time, the gap between direct and sublease rates narrowed by 1.1% to \$9.59/SF, as sublease rents climbed 2.0% to \$53.68/SF while direct asking rents rose at a slower 1.5% pace to \$63.27/SF. In the near term, Class A asking rents are expected to remain elevated as tenants prioritize highly amenitized space, whereas Class B assets are likely to continue facing pricing pressure amid ongoing flight-to-quality.



Demand For Premium Spaces Leads Leasing Activity

Flight to quality remained a defining trend in Miami-Dade County’s office market in the first quarter of 2026, with Class A space accounting for 66.3% of leasing activity by square footage. The average Class A deal size was 5,291 SF, approximately 18.5% smaller than in the first quarter of 2025, but 57.7% larger than the broader market average of 3,356 SF, highlighting tenants’ preference for higher-quality, amenity-rich product.

Notable 1Q26 Lease Transactions

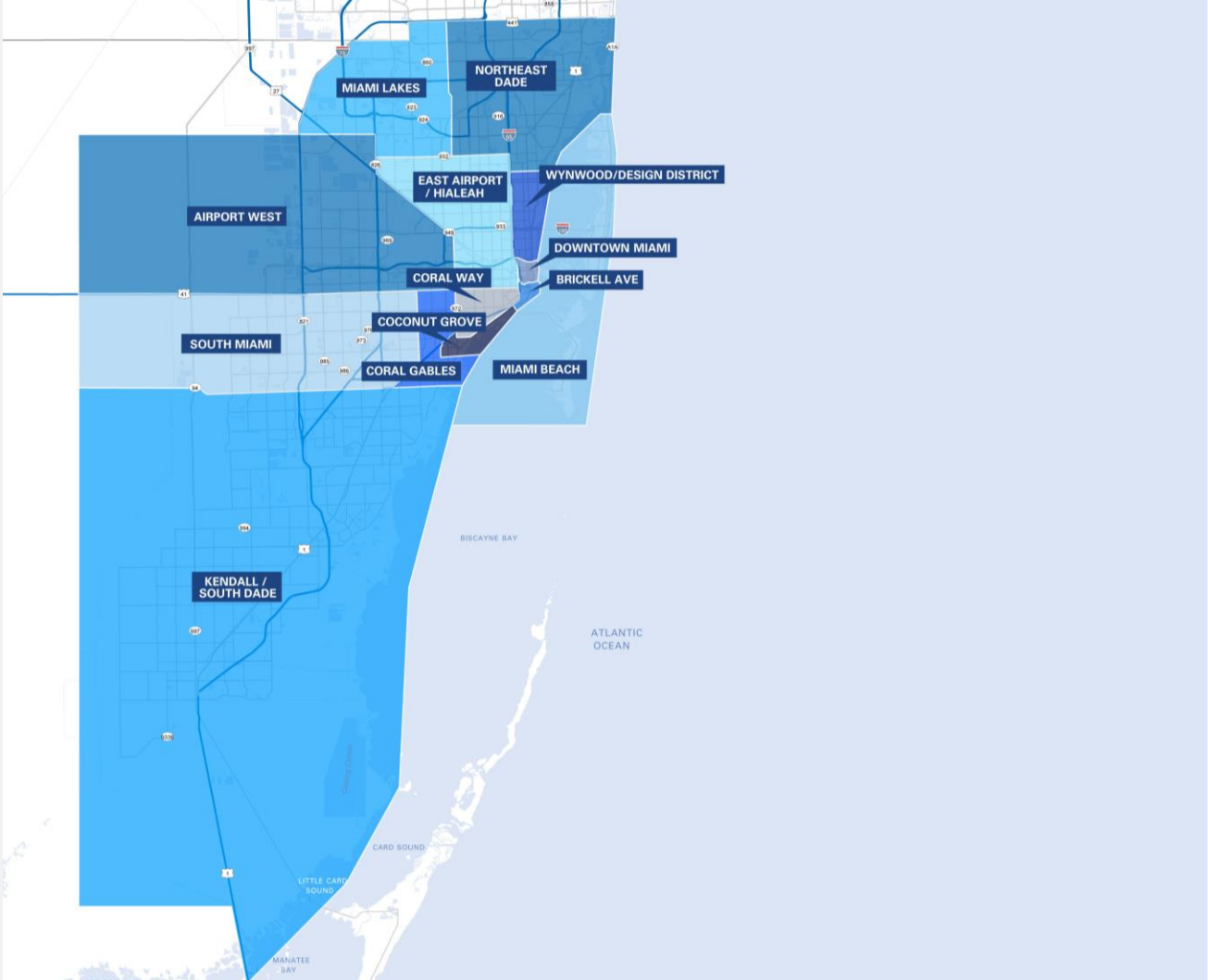
Tenant	Building(s)	Submarket	Type	Square Feet
Iru	Mayfair in the Grove	Coconut Grove	Direct New	91,959
<i>Technology company Iru, formerly known as Kandji, has signed the largest lease of 2026 to date, securing 78,000 SF at Mayfair in the Grove East building and 13,959 SF in the North building. This expansion comes roughly a year after Iru opened its East Coast headquarters at The Plaza, where it leased 30,000 SF.</i>				
Aptum Technologies	Americas Gateway Center	Airport West	Renewal	64,174
<i>Cloud environment designer and manager Aptum has renewed their space at Americas Gateway Center, where they occupy roughly 70% of the building. The location offers 12,087 SF of data center operational capacity that can be used for colocation needs.</i>				
University of Miami	Flagler Station Building	Airport West	Renewal	43,432
<i>The University of Miami signed a 10-year lease at Flagler Station, taking nearly 27% of the building. The space will house offices for the University of Miami Health System.</i>				
Terra Bank	1 Alhambra Plaza	Coral Gables	Direct New	40,000
<i>The bank has secured a 15-year lease for a new headquarters at the Columbus Center, where it will occupy two office floors and operate a retail branch on the first floor. The new lease represents a 47.8% increase in its footprint from its previous office.</i>				
Federal Public Defender	Museum Tower	Downtown Miami	Direct New	28,490
<i>The Federal Public Defender has secured two spaces in Museum Tower on the 15th and 17th floors under a 15-year lease term with an effective rent of \$47.26/SF. The space will accommodate roughly 80 employees.</i>				
Industrious	255 Alhambra	Coral Gables	Direct New	22,693
<i>The coworking company secured space at 255 Alhambra, resulting in its first location in Coral Gables. It will join financial and real estate services firms like Edward Jones, Lifestyle Realty, Driftwood Capital, and BGI Capital.</i>				

03

Market Statistics and Map



Miami Office Submarket Map



Miami Office Submarket Overview—All Classes

Submarket Statistics – All Classes								
	Total Inventory (SF)	Under Construction (SF)	Total Vacancy Rate	Qtr Absorption (SF)	YTD Absorption (SF)	Class A Direct Asking Rent (Price/SF)	Class B Direct Asking Rent (Price/SF)	Total Direct Asking Rent (Price/SF)
Brickell Avenue	6,850,275	197,707	17.0 %	-10,343	-10,343	\$112.86	\$66.93	\$91.19
Downtown Miami	7,899,437	67,588	15.3 %	21,928	21,928	\$72.49	\$53.48	\$64.35
Miami CBD	14,749,712	265,295	16.1 %	11,585	11,585	\$87.61	\$59.36	\$74.94
Airport West	10,406,468	0	14.7 %	86,369	86,369	\$46.00	\$33.59	\$42.53
Coconut Grove	1,128,863	0	10.2 %	14,995	14,995	\$125.00	\$79.51	\$77.56
Coral Gables	7,304,719	0	16.7 %	-31,479	-31,479	\$67.00	\$56.15	\$63.23
Coral Way	806,812	70,000	4.2 %	13,012	13,012	\$32.00	\$40.79	\$38.55
East Airport/Hialeah	897,858	0	8.5 %	10,385	10,385	\$61.31	\$37.81	\$51.38
Kendall/South Dade	4,114,056	0	8.9 %	14,512	14,512	\$56.14	\$41.22	\$44.82
Miami Beach	2,021,645	661,322	16.7 %	2,211	2,211	\$104.85	\$88.66	\$95.15
Miami Lakes	1,925,527	0	14.5 %	28,012	28,012	\$34.20	\$33.60	\$33.26
Northeast Dade	3,157,807	0	10.8 %	5,136	5,136	\$59.21	\$44.93	\$42.16
South Miami	463,378	0	0.8 %	5,615	5,615	-	\$55.99	\$50.39
Wynwood/Design District	2,245,695	251,046	26.8 %	5,618	5,618	\$84.95	\$59.98	\$79.03
Suburban	34,472,828	982,368	14.2 %	154,386	154,386	\$64.09	\$47.90	\$56.37
Market	49,222,540	1,247,663	14.8 %	165,971	165,971	\$72.66	\$52.97	\$63.27

Miami Office Submarket Overview—Class A

Submarket Statistics – Class A						
	Total Inventory (SF)	Under Construction (SF)	Total Vacancy Rate	Qtr Absorption (SF)	YTD Absorption (SF)	Class A Direct Asking Rent (Price/SF)
Brickell Avenue	4,613,749	197,707	18.0 %	1,941	1,941	\$112.86
Downtown Miami	4,090,609	67,588	15.0 %	2,358	2,358	\$72.49
Miami CBD	8,704,358	265,295	16.6 %	4,299	4,299	\$87.61
Airport West	5,730,303	0	20.2 %	88,430	88,430	\$46.00
Coconut Grove	526,253	0	3.9 %	-6,539	-6,539	\$125.00
Coral Gables	4,705,839	0	20.2 %	-39,792	-39,792	\$67.00
Coral Way	120,499	70,000	4.5 %	7,484	7,484	\$32.00
East Airport/Hialeah	149,047	0	25.6 %	12,937	12,937	\$61.31
Kendall/South Dade	982,688	0	7.7 %	-4,584	-4,584	\$56.14
Miami Beach	534,350	661,322	35.4 %	3,774	3,774	\$104.85
Miami Lakes	349,366	0	12.2 %	16,771	16,771	\$34.20
Northeast Dade	1,138,183	0	8.9 %	-7,481	-7,481	\$59.21
South Miami	49,003	0	0.0 %	0	0	0
Wynwood/Design District	1,263,314	251,046	43.6 %	5,316	5,316	\$84.95
Suburban Total	15,548,845	982,368	20.1 %	76,316	76,316	\$64.09
Market	24,253,203	1,247,663	18.9 %	80,615	80,615	\$72.66

Miami Office Submarket Overview—Class B

Submarket Statistics – Class B						
	Total Inventory (SF)	Under Construction (SF)	Total Vacancy Rate	Qtr Absorption (SF)	YTD Absorption (SF)	Class B Direct Asking Rent (Price/SF)
Brickell Avenue	1,870,600	0	15.1 %	-10,555	-10,555	\$66.93
Downtown Miami	2,070,066	0	23.7 %	19,098	19,098	\$53.48
Miami CBD	3,940,666	0	19.6 %	8,543	8,543	\$59.36
Airport West	2,022,681	0	14.4 %	-2,820	-2,820	\$33.59
Coconut Grove	474,643	0	17.5 %	25,208	25,208	\$79.51
Coral Gables	1,239,486	0	11.4 %	-731	-731	\$56.15
Coral Way	265,455	0	9.7 %	5,250	5,250	\$40.79
East Airport/Hialeah	315,167	0	0.8 %	-2,552	-2,552	\$37.81
Kendall/South Dade	1,930,289	0	12.0 %	33,361	33,361	\$41.22
Miami Beach	1,142,877	0	9.1 %	-4,099	-4,099	\$88.66
Miami Lakes	1,155,906	0	19.1 %	5,879	5,879	\$33.60
Northeast Dade	499,193	0	12.1 %	9,155	9,155	\$44.93
South Miami	338,875	0	1.2 %	5,615	5,615	\$55.99
Wynwood/Design District	551,627	0	8.7 %	-1,788	-1,788	\$59.98
Suburban Total	9,936,199	0	12.2 %	72,478	72,478	\$47.90
Market	13,876,865	0	14.3 %	81,021	81,021	\$52.97

1Q26 South Florida Office Market Overview



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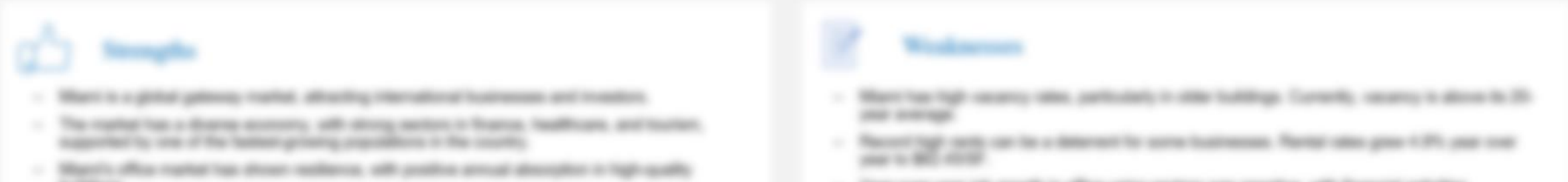
Class A Office (2021)	\$50.00	\$50.00	\$50.00
Class B Office (2021)	\$50.00	\$50.00	\$50.00
Total Office (2021)	\$50.00	\$50.00	\$50.00

04

Supplemental Information



Miami Office Market



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Miami Gross Metropolitan Product

The gross metropolitan product continues to increase despite economic headwinds, albeit at a slower rate. Most recently, the gross metropolitan product rose 4.0% year over year to reach a new all-time high of roughly \$200 billion.

Economic Overview — GDP: \$200 Billion & 4% YoY Change

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Loan Maturities Scheduled to Peak This Year

CMBB assessed the leading sources of debt financing in early 2020, accounting for 47.0% of total volume. CMBB maturities are heavily leveraged, with \$17.4 billion scheduled to come due over the next five years, or 49.0% of all CMBB debt maturing through 2021. Across all debt sources, maturities are expected to peak in 2020 at \$13.7 billion, underscoring the need to closely monitor upcoming maturities as an indicator of future market stability. The concentration of near-term maturities, particularly at CMBB, elevates refinancing risk in a higher rate environment and reinforces the importance of credit quality and proactive capital planning over the next cycle.

Financing Source by volume

Debt Maturity Schedule by year type

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Multifamily Maturities Particularly Elevated Through 2030, Office Not So Much

As of the first quarter of 2025, office loans represent only 11.4% of the \$12.4 billion in loans scheduled to mature over the next five years, which leads to a higher exposure to the office sector's challenges. In contrast, multifamily loans account for 51.7% of maturities through 2030, and the sector's solid performance and lenders' strong appetite for multifamily assets suggest that maturity waves coincident with the level of multifamily risk, highlighting capital markets' emphasis on high-quality assets.

Commercial Mortgage Maturities

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