

3Q25

Miami-Dade County Office Market Overview



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Market Observations



- The region’s unemployment rate remained flat year over year at 2.5%, as growth is split across several sectors
- The pace of job growth has slowed compared with recent highs, decreasing by 100 basis points year-over-year. Employment growth is matching the national average of 1.0%.
- Growth was mixed with the mining and construction sector expanding by 6.0% and manufacturing contracting 1.9%. Office-using sectors remained stable as the gains of the financial actives sector were muted by the contraction of the business and professional and information sectors
- Office-using jobs in Miami-Dade reported 332,490 employees, just 0.3% below the record set in September 2024 of 334,430 employees.



- The largest deal of the quarter was Stearns Weaver Miller renewing their 96,762 SF spaces across several floors of the Museum Tower, located within Miami’s law district.
- Fortune 500 company ADP will be joining other Fortune 500 cohorts in the Waterford District in 2026 as it secures 78,315 SF space at 703 Waterford Way.
- Flight to quality continues to remain a central theme for many of the deals signed in the quarter, with nine of the top 10 largest deals taking place in Class A assets
- Four of the top leases signed were renewals showcasing the desire for tenants to hold on to their spaces. The one new lease signed was a corporate relocation into the market.



Leasing Market Fundamentals

- Annual full-service asking rental rates reached an all-time high for the third consecutive quarter at \$59.91/SF, reflecting a 0.7% increase from the previous quarter and a 4.6% increase year over year.
- Miami-Dade County recorded 112,742 SF of positive absorption in the third quarter of 2025, led by large move-ins such as Apple at The Plaza.
- The construction pipeline remains resilient at 1.3 MSF, with new projects such as the Vizcaya Capital Building breaking ground this quarter. This year several projects are expected to deliver such as The Fifth, 4225 Ponce and The Offices at The Well.
- Leasing volume by square feet increased 3.2% quarter over quarter to 993,929 SF, despite a lower number of deals than the previous quarter. As a result, the average deal size increased significantly from 2,944 SF to 3,302 SF.



Outlook

- National economic headwinds may persist in constraining employment growth, particularly in the information sector.
- Office investment activity will likely improve in the medium term but could be hindered by the potential impact of proposed tariffs.
- 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.
- In the near term, vacancy will steadily decrease, as expected move-ins to newly delivered product are projected to offset additions to inventory.

1. Economy
2. Debt/Capital Markets
3. Leasing Market Fundamentals
4. Supplemental Information

3Q25

Economy



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 0.1% year over year to reach a new all-time high of roughly \$100 billion.



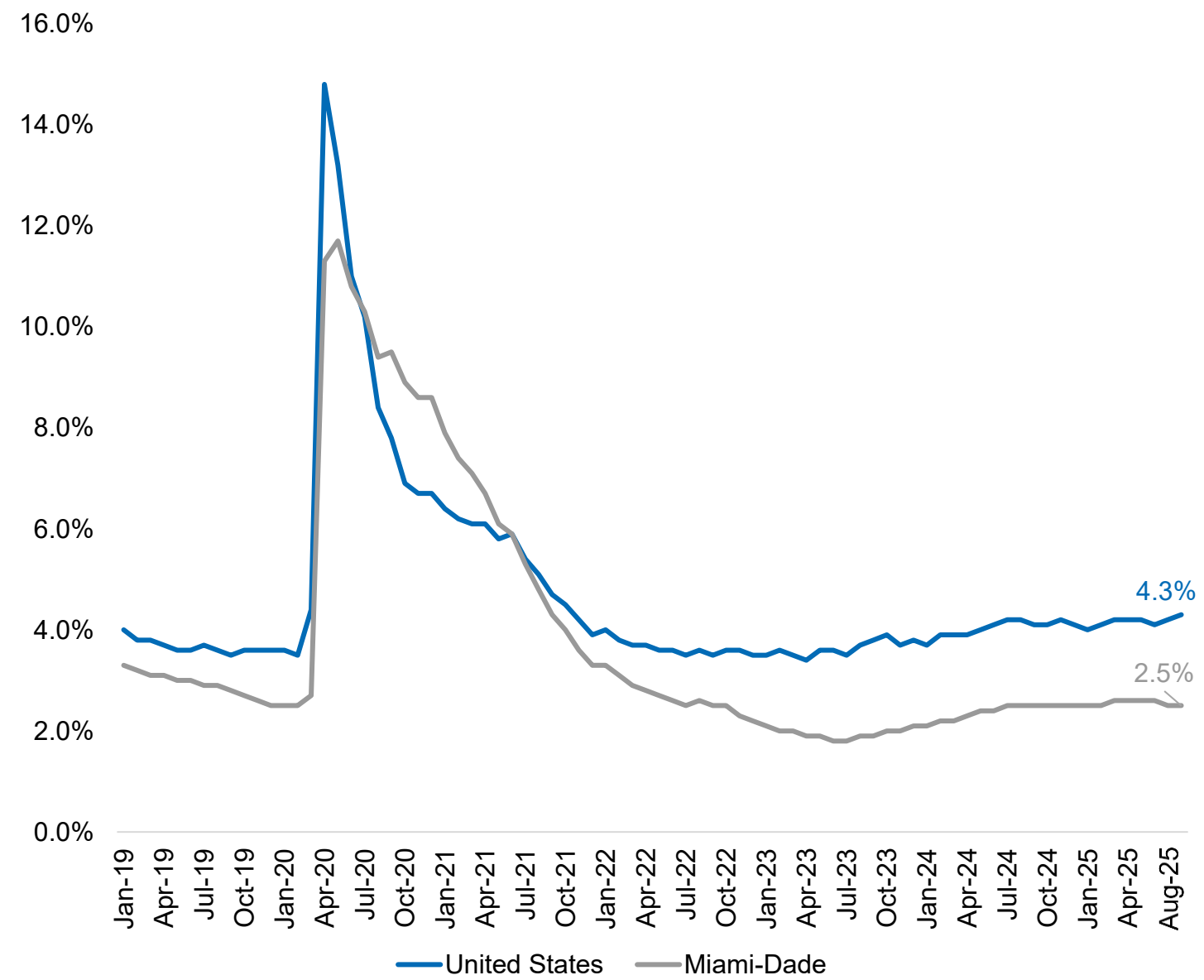
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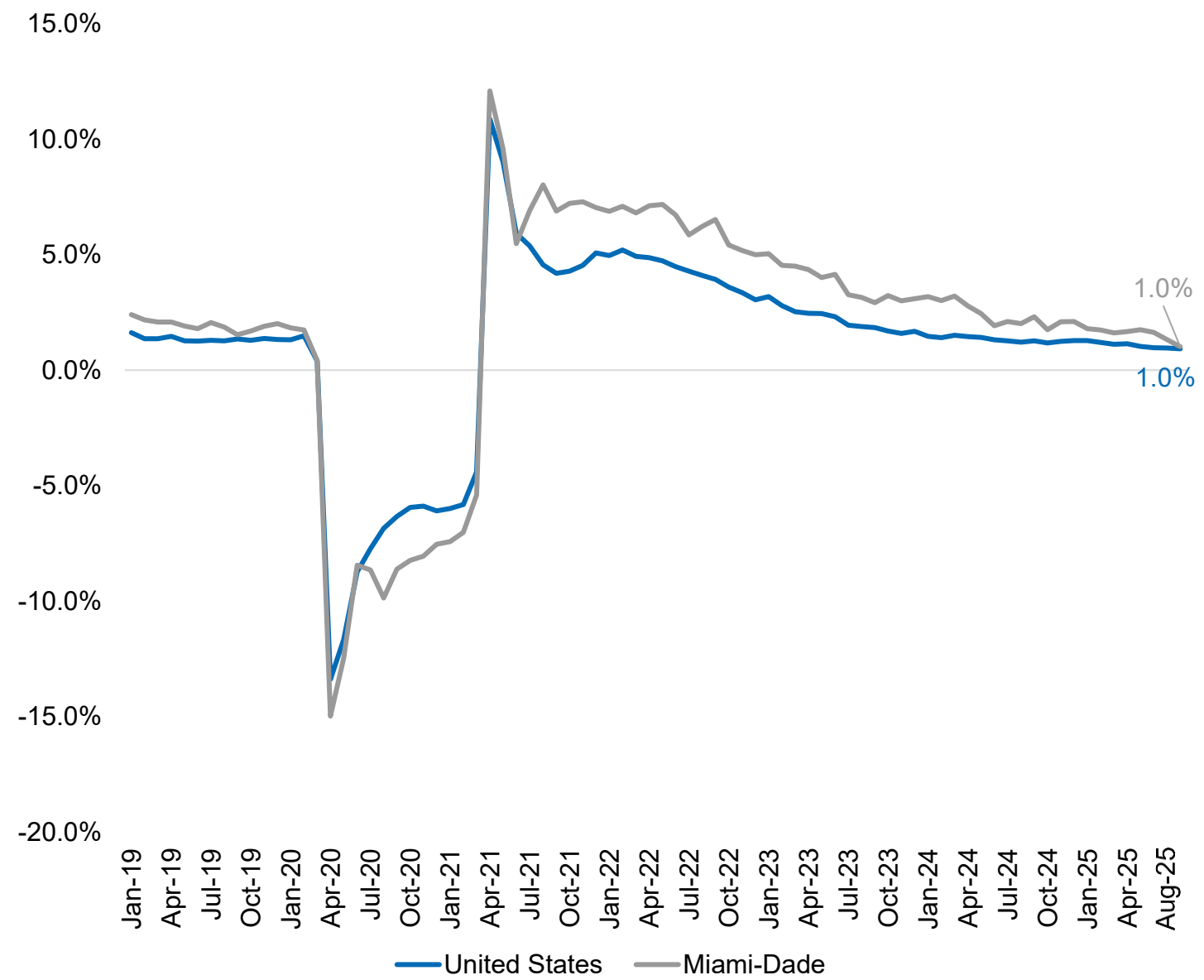
Pace of Job Growth Decelerates, Unemployment Remains Flat

The Miami-Dade County office market has generally reported lower unemployment rates compared with the national average, while being an outperformer in employment growth. The region's unemployment rate remained flat year over year at 2.5% as growth is mixed across several sectors. The pace of employment growth in Miami-Dade declined by 100 basis points year over year and by 63 basis points between June and August of 2025 to 1.0%, on par with the national average.

Unemployment Rate, Seasonally Adjusted



Nonfarm Payroll Employment, Seasonally Adjusted, 12-Month % Change



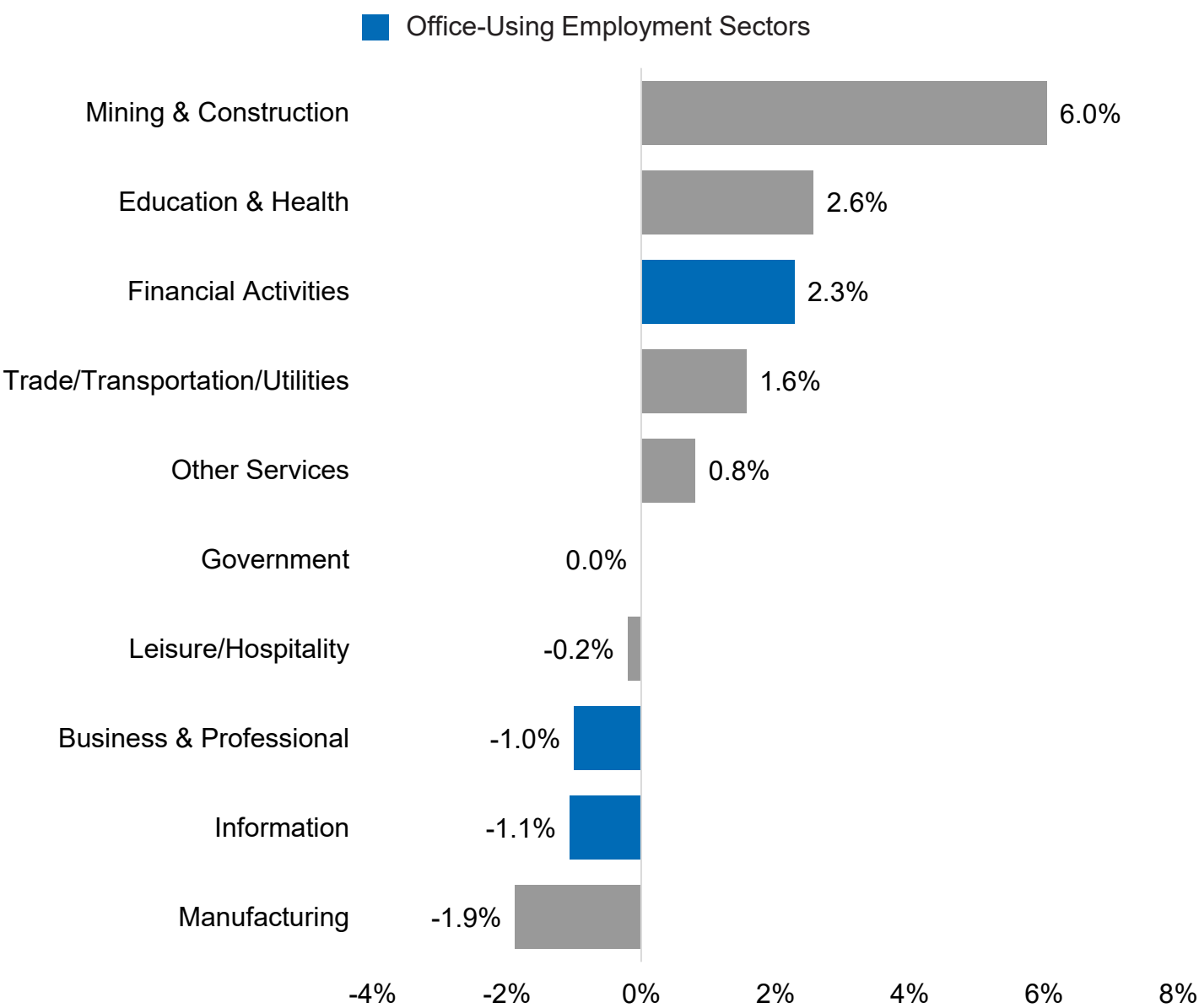
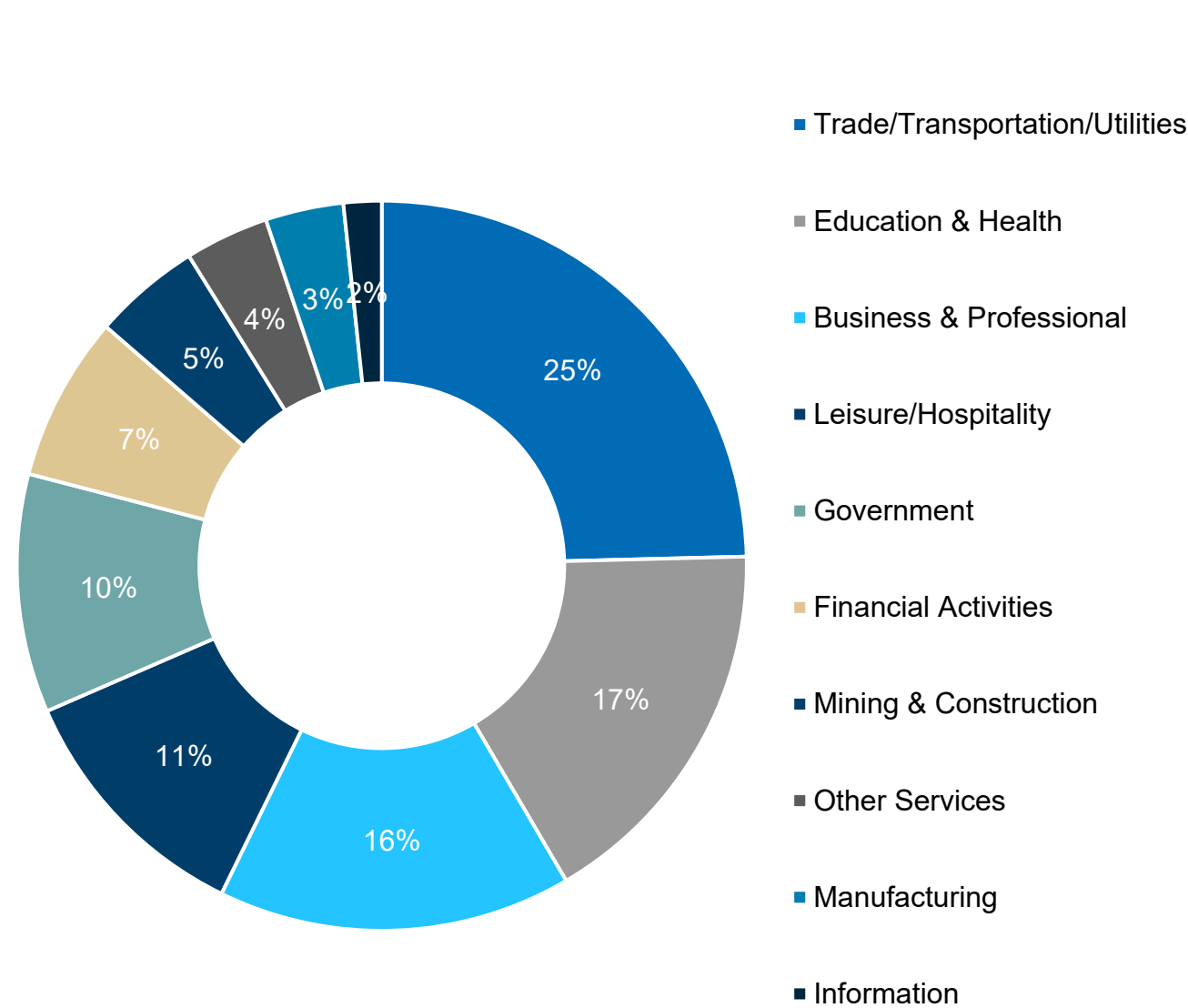
Source: U.S. Bureau of Labor Statistics, Miami-Dade County

Growth is Mixed Across Office-Using Sectors

Miami-Dade County’s two top employment sectors make up 41.6% of total employment with mining and construction leading growth at 6.0% year over year. The professional and business sector remained the third-largest sector at 15.7% of total jobs. Year over year, growth was mixed across office-using sectors with the financial activities sector reporting a 2.3% expansion, while professional and business and information sectors contracted 1.0% and 1.1%, respectively.

Employment by Industry, August 2025

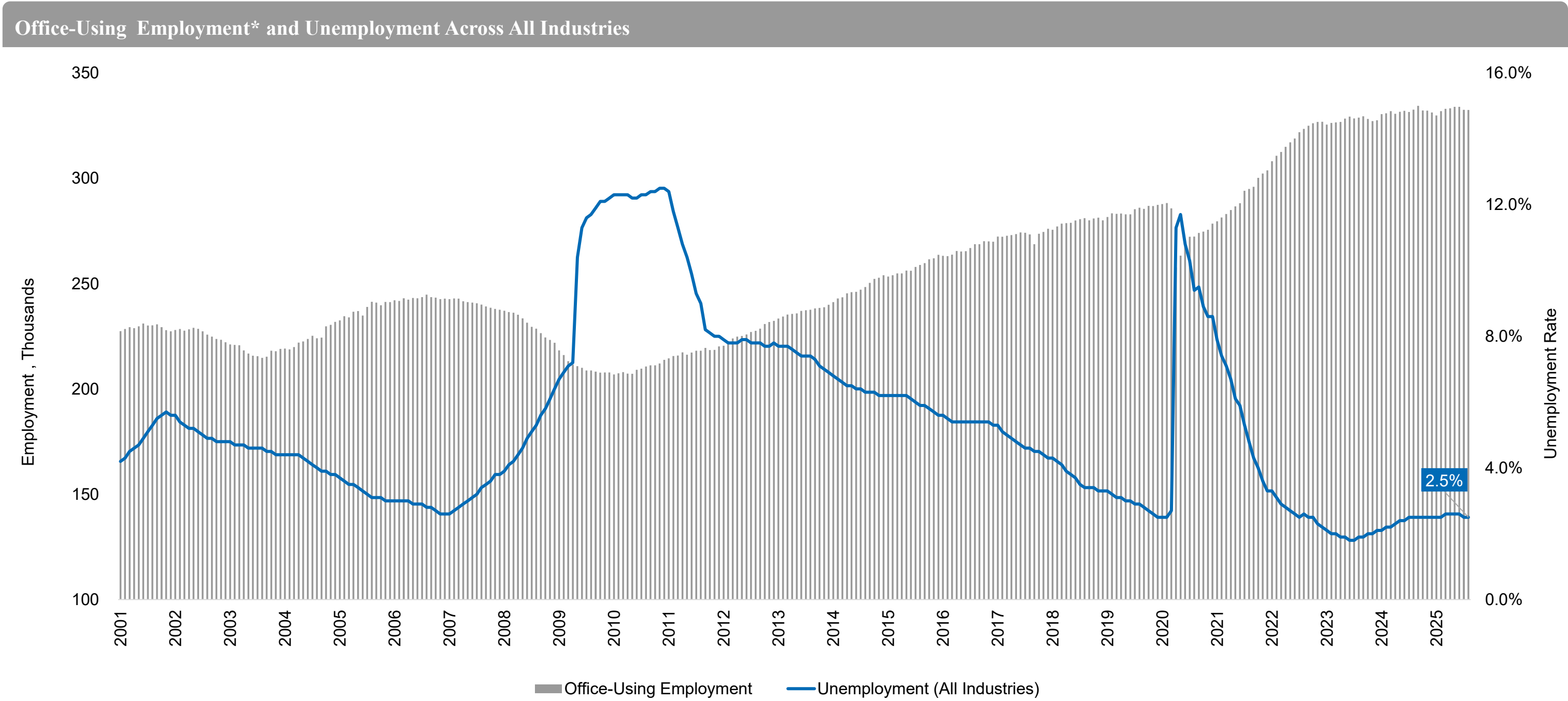
Employment Growth by Industry, 12-Month % Change, August 2025



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

Office-Using Employment Dips, but Remains Near Peak

As of August 2025, Miami-Dade County’s office-using employment totaled 332,490, down 0.6% year over year and roughly 0.6% below the September 2024 peak of 334,430. The seasonally adjusted unemployment rate held at 2.5%, unchanged year over year and below the 2019 average of 2.9%. This stability reflects gains in financial activities sector being offset by declines in the business and professional and information sectors. In the short term, office-using employment is expected to remain resilient fueled by in-migration and supportive initiatives such as the recent repeal of Florida’s commercial rent tax.



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.

3Q25

Debt/Capital Markets



Highest Loan Volume Due in 2026

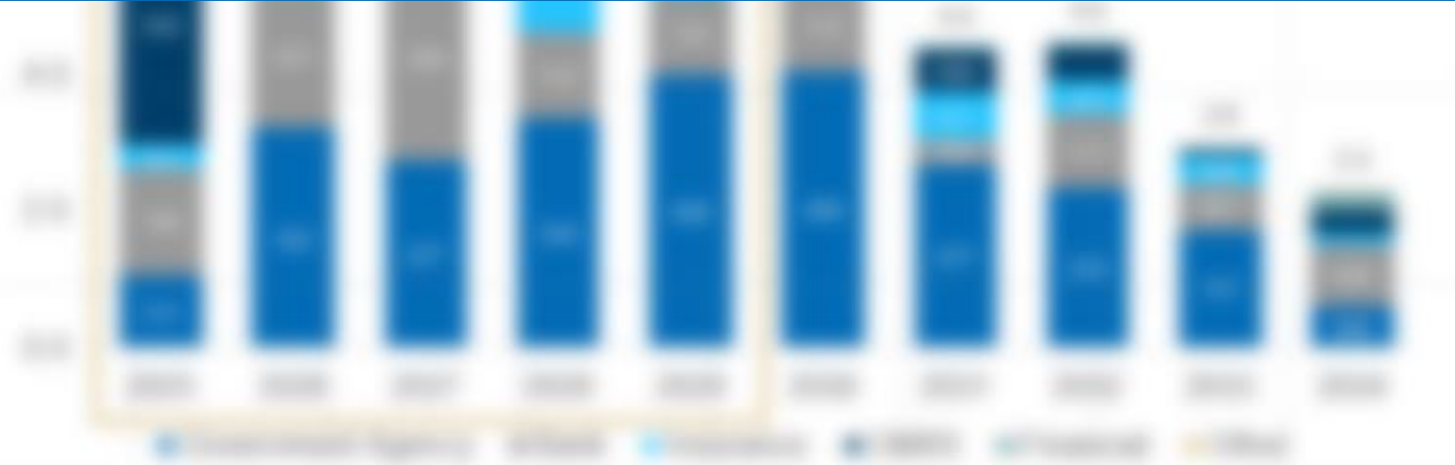
In the third quarter of 2025, CMBS investors are looking forward to 2026 payments, accounting for 30.5% of the total volume. CMBS investors are most likely to see 2026 payments in the form of cash payments through their monthly payments. However, as 2026 payments, the total volume due in 2026 is \$10.5 billion, representing the importance of understanding upcoming payments as a sign of future market economic health. The concentration of cash payments represents approximately 30.5% of the total volume, highlighting the importance of cash quality and capital structure over the next year.

Chart 1: CMBS Payments Due in 2026

Chart 2: CMBS Payments Due in 2026



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Multifamily Maturities Particularly Elevated Through 2029, Office Not So Much

As of the third quarter of 2022, office loans comprised 10.8% of the outstanding \$66.5 billion of loans totaling under the last two years, reflecting the exposure to the office sector's challenges. The multifamily sector continues to 1% of outstanding portfolios, demonstrating its robust performance. Lenders continue to actively make refinancing activity, managing the capital market flows in asset quality.

Commercial Mortgage Maturities



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Commercial Mortgage Maturities

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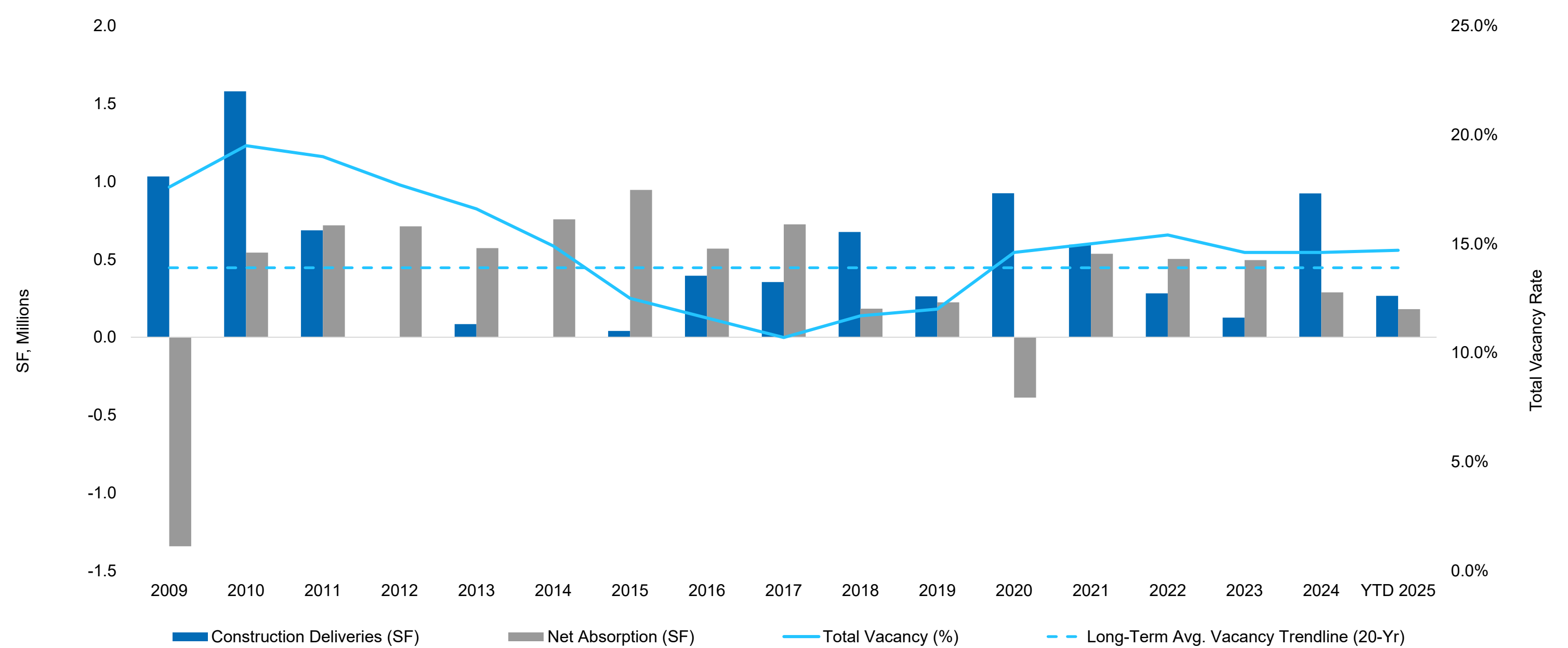
Leasing Market Fundamentals



Supply Continues to Outpace Demand, Despite Strong Quarter

In the third quarter of 2025, Miami-Dade County recorded positive net absorption of 112,742 SF, led by Apple’s move-in at The Plaza in Coral Gables. No new deliveries were announced this quarter, resulting in demand outpacing supply. As a result, the vacancy rate declined 30 basis points quarter over quarter to 14.7%. Demand is expected to remain strong in the fourth quarter as large move-ins are scheduled such as City National Bank of Florida backfilling Bacardi’s former space and tenants continue to take occupancy at 830 Brickell.

Historical Construction Deliveries, Net Absorption, and Vacancy

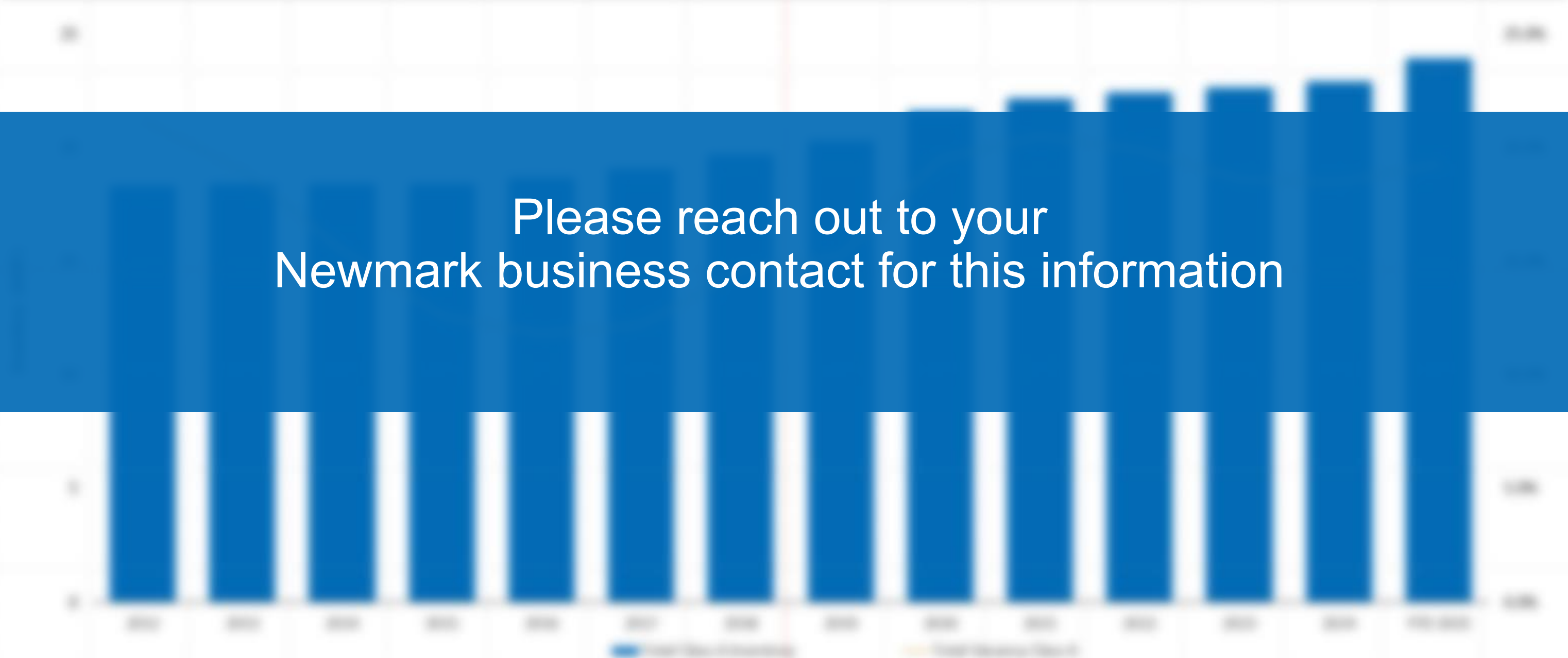


Source: Newmark Research, CoStar

Class A Vacancy Ticks Downward

The Newmark Group's Class A office vacancy rate in 2020, roughly 46.5%, is the lowest since the end of the first quarter of 2020. Occupancy rates have consistently improved for several high-quality markets with positive momentum. While Class A vacancy remains elevated relative to the overall market, Newmark's top-tier markets continue to show strong demand, which will help drive Class A vacancy to reported levels as lease-up programs of newly delivered assets. Strong project completions may moderate the pace of recovery.

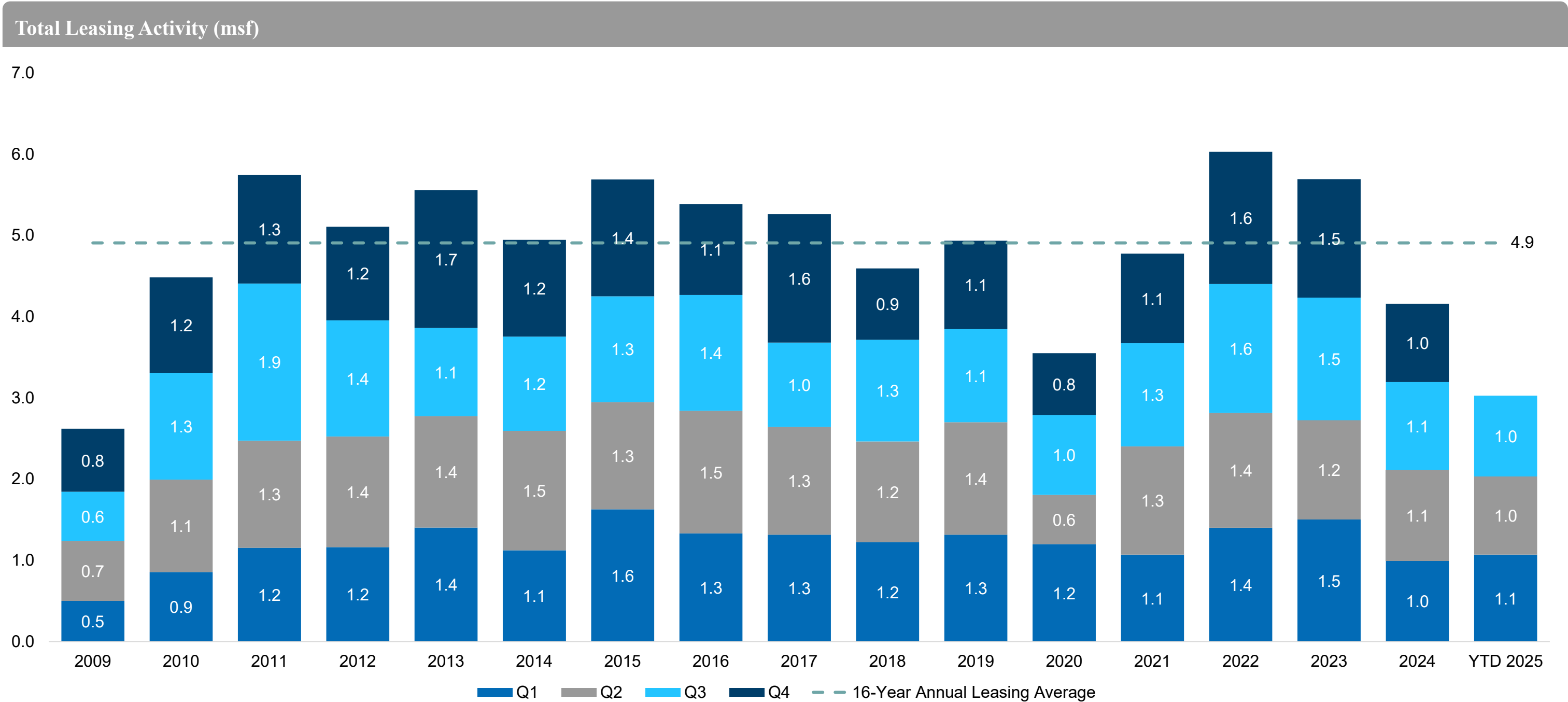
Class A Office Vacancy Rate by Market Type, 2019-2020



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Slight Uptick in Leasing Activity, Driven by Class A Demand

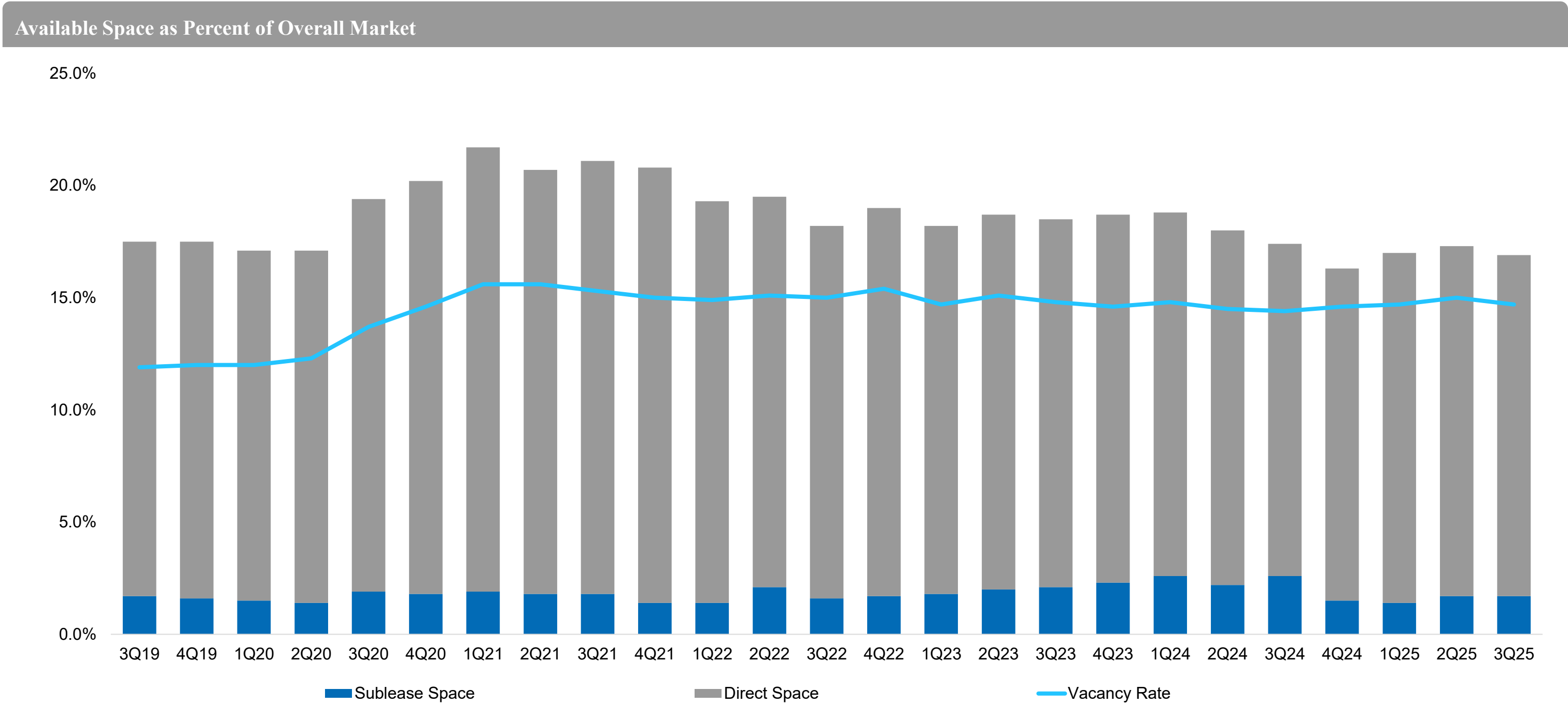
In the third quarter of 2025, leasing activity totaled 1.0 MSF, up 3.2% quarter over quarter, but below the 16-year long-term third-quarter average of approximately 1.3 MSF. Deal volume declined by 26 deals from the previous quarter to 301 deals, lifting the average deal size to 3,302 SF from 2,944 SF. Class A spaces accounted for 68.4% of square footage transacted, underscoring sustained flight to quality.



Source: Newmark Research, CoStar

Availability Falls as Tenants Secure Space

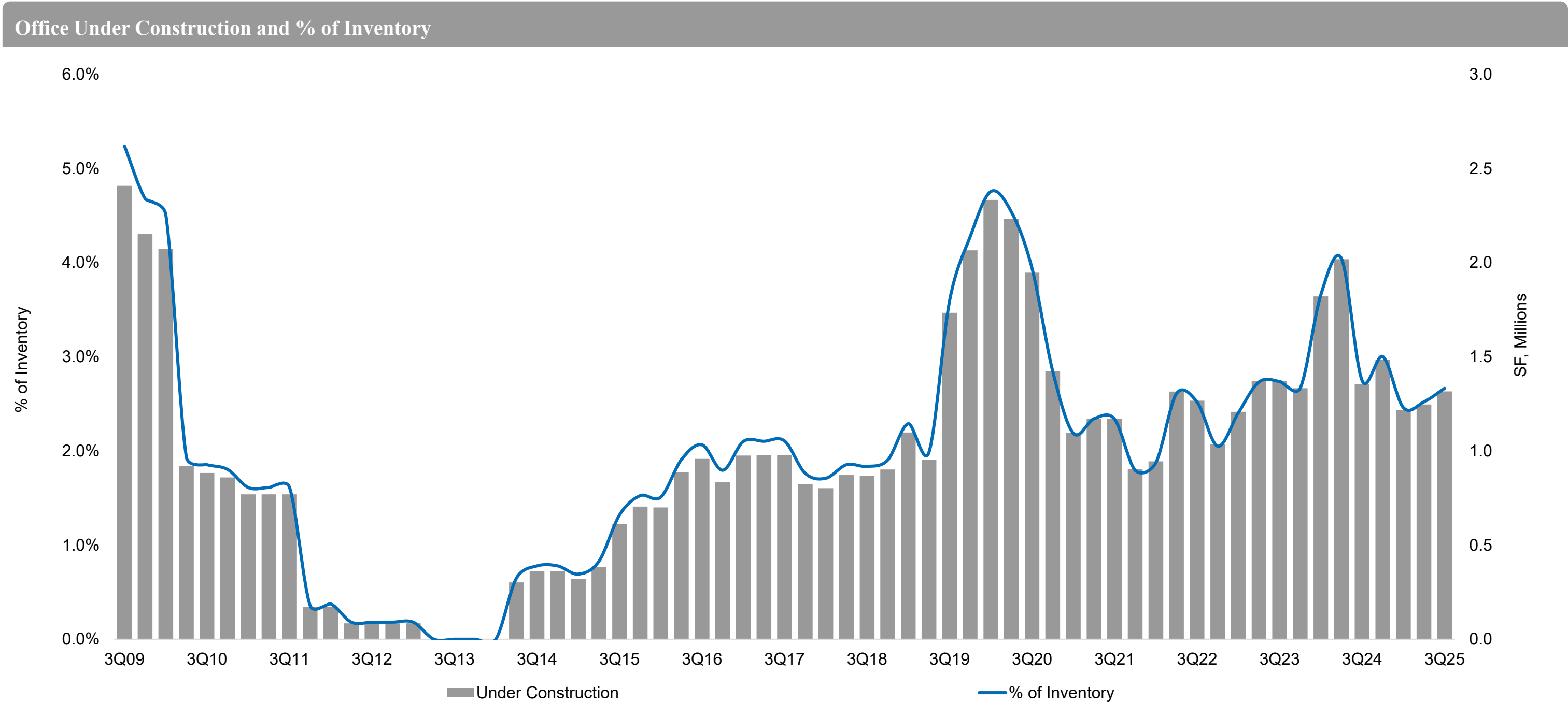
In the third quarter of 2025, direct availability declined 40 basis points quarter over quarter to 15.2% but remained 40 basis points above the trough of 14.8% reported in the third quarter of 2024. The quarter-over-quarter improvement reflects lease-up in recently delivered, higher-quality space. Despite the construction pipeline being approximately 60% pre-leased, additional direct availability is likely in the coming quarters as uncommitted space delivers. Sublease availability was unchanged quarter over quarter at 1.7%.



Source: Newmark Research, CoStar

Construction Activity Rises Slightly

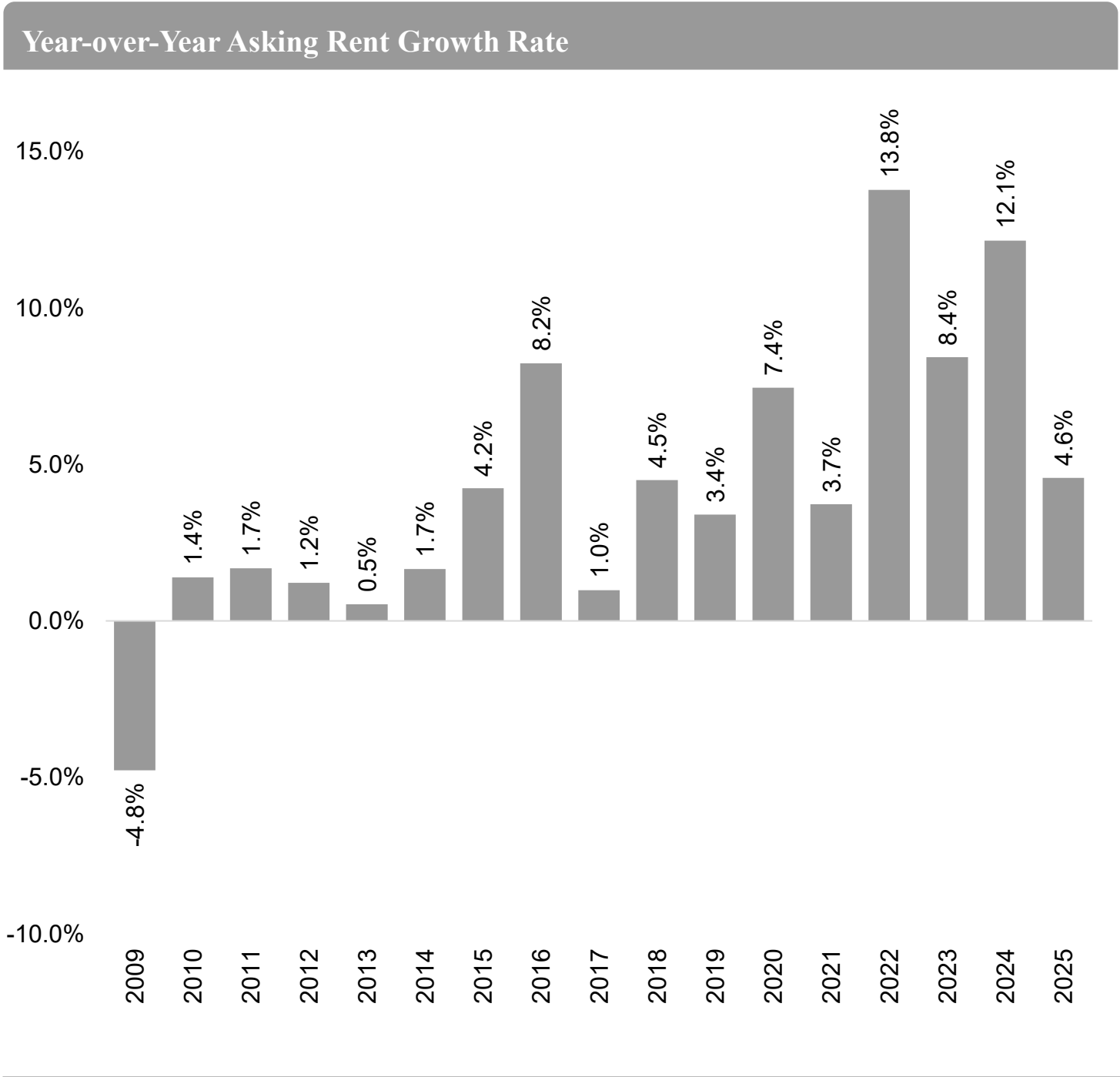
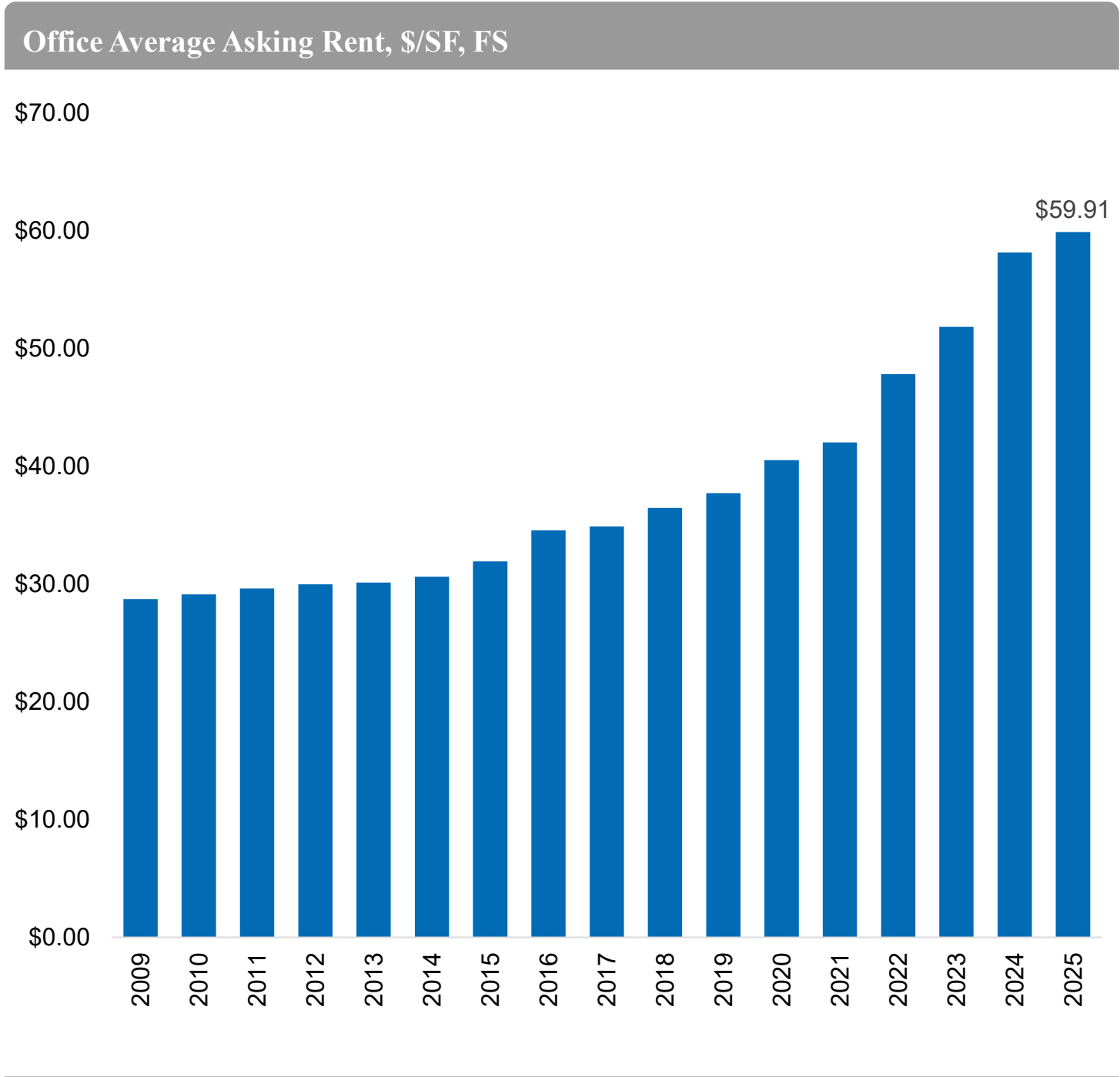
In the third quarter of 2025, Miami’s office pipeline totaled 1.3 MSF under construction, reflecting 2.7% of the current inventory. The pipeline increased by 70,000 SF quarter-over-quarter as the Vizcaya Capital Building began foundation work in early September. Although construction remains below 2020 levels, in-migration, and return-to-office policies continue to support demand for higher-quality product. The pipeline is expected to dip slightly as The Offices at the Wells delivers an additional 93,716 SF next quarter.



Source: Newmark Research, CoStar

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

In the third quarter of 2025, average asking rents reached a new all-time high for the third consecutive quarter, rising 0.7% quarter over quarter and 4.6% year over year to \$59.91/SF. Growth has been driven by the delivery of trophy-quality product and tenants’ continued flight to quality, which has concentrated demand at the top of the market. Average asking rents are expected to remain elevated through year-end amid robust demand, but gross rents may decline slightly as tax costs are no longer passed on to the tenant.

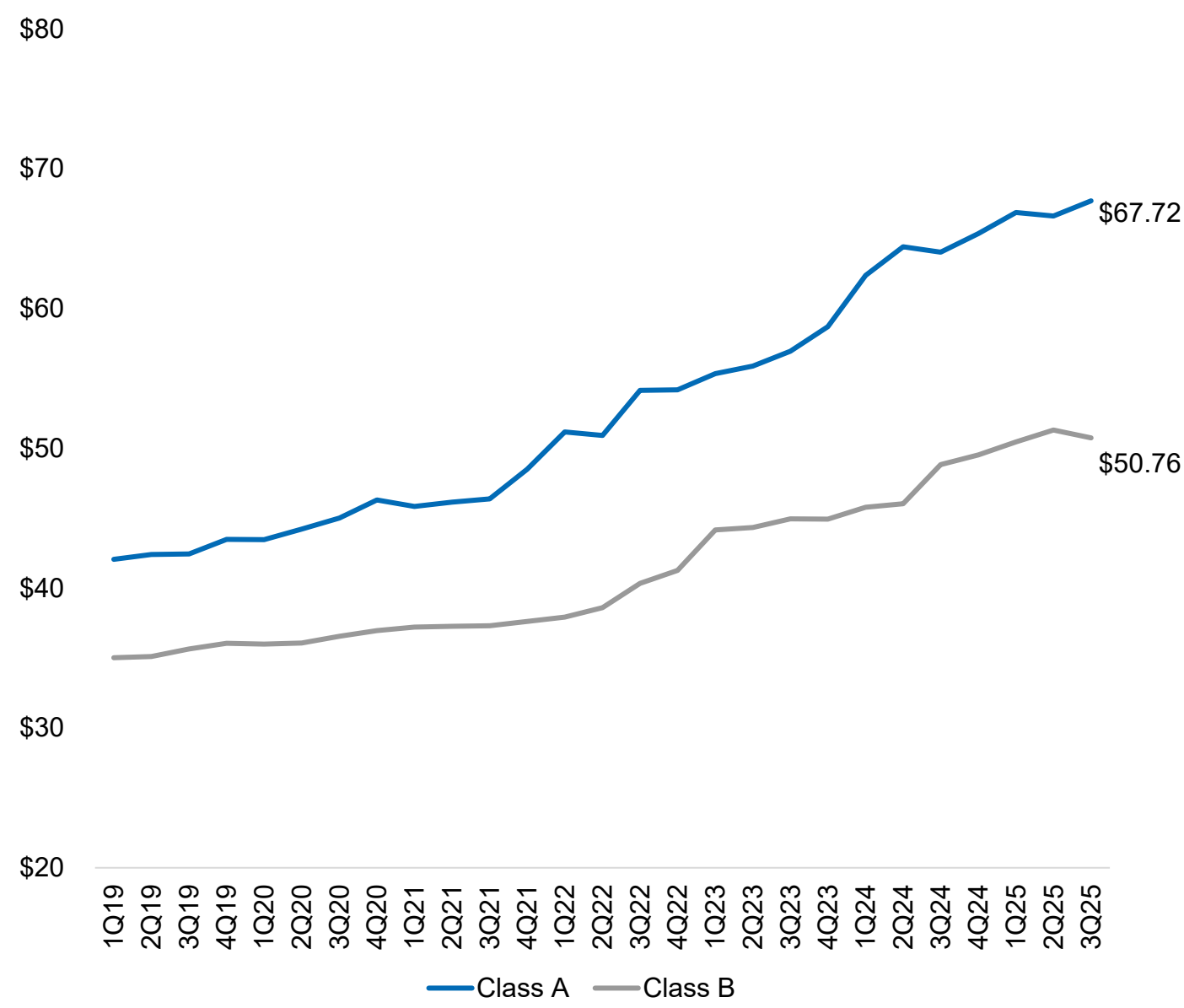


Source: Newmark Research, CoStar

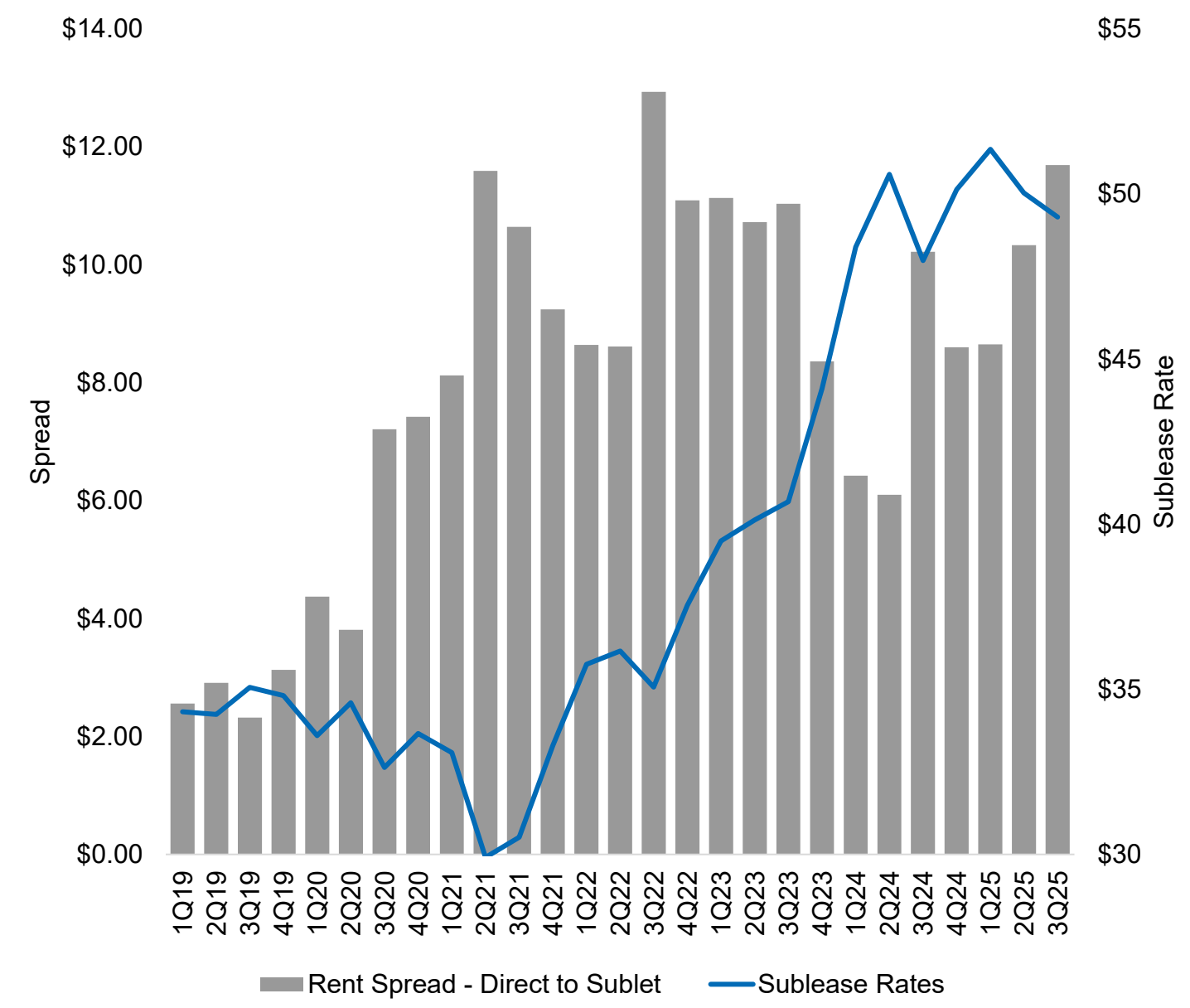
Class A and Class B Rent Spread Widens

In the third quarter of 2025, Class A asking rents increased 1.6% quarter over quarter to \$67.72/SF. In contrast, Class B asking rents declined 1.1% to \$50.76/SF in the same period. The spread between Class A and B widened to \$16.96/SF, up approximately 10.8% quarter over quarter. Sublease rates slipped 1.5% to \$49.30/SF as sublet availability rises. Near term, the Class A premium is expected to remain elevated as tenants prioritize highly amenitized space, while Class B faces continued pricing pressure from the flight to quality.

Class A and Class B Asking Rents



Sublease Rates



Source: Newmark Research, CoStar

Demand For Premium Spaces Leads Leasing Activity

In the third quarter of 2025, flight to quality remained a defining trend in Miami-Dade County’s office market. Class A space accounted for 68.4% of leasing activity by square footage. The average Class A deal size was 5,441 SF, approximately 65% larger than the broader market average of 3,302 SF, reflecting tenant preference for higher-quality, amenity-rich product.

Notable 3Q25 Lease Transactions				
Tenant	Building(s)	Submarket	Type	Square Feet
Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A.	Museum Tower	Downtown Miami	Renewal	96,762
Securing the largest lease of the quarter is Miami-based law firm Stearns Weaver Miller, renewing their lease of 96,762 SF across several floors of Museum Tower. They have maintained a presence in the building since January 2000.				
ADP	703 Waterford Way	Airport West	Direct New	78,315
Human capital management firm ADP has inked a deal securing 78,315 SF at 703 Waterford Way fully leasing floors seven through nine. ADP will be joining other Fortune 500 companies in the Waterford district like Lennar, Oracle, and Subway.				
UBS Financial Services.	Miami Tower	Downtown Miami	Renewal	39,885
Swiss multinational investment Bank UBS Financial Services has renewed their 39,885 SF space at Miami Tower. They have held a presence at this location for almost 40 years .				
Skilled Trades College USA.	1501 Biscayne Blvd	Downtown Miami	Direct New	30,300
Skilled Trades College USA has secured a 30,300 SF space off the Biscayne corridor leasing up 7.0% of the building and reducing the availability rate to 29.9% .				
Berger Singerman LLP	1450 Brickell Ave	Brickell Ave	Renewal	27,300
Fort Lauderdale based business law firm Berger Singerman has renewed their 27,300 SF space at 1450 Brickell Ave. They have occupied the building since March 2011.				
Playboy Enterprises	The Rivani	Miami Beach	Direct New	26,065
Global lifestyle and entertainment company Playboy will be relocating its global headquarters from Los Angeles to Miami, creating an estimated 75 new jobs in the area over the course of four years. The deal was inked by Newmark’s Jeremy Hakala and Clay Sidner representing the landlord, Robert Rivani.				

Source: Newmark Research, CoStar

3Q25

Supplemental Information



Miami Office Market



- Miami is a global gateway market, attracting international businesses and investors.
- The city has a diverse economy, with strong sectors in finance, healthcare, and tourism, supported by one of the fastest growing populations in the country.
- Miami is a global gateway market, attracting international businesses and investors.



- Miami has high vacancy rates, particularly in older buildings. Currently, vacancy is above the 20-year average.
- Recurring high rents can be a deterrent for some businesses. Rental rates grow about 3.0% year over year to \$20.00/sf.

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- Continued expansion of the tech sector offers significant opportunities for office space demand as notable names such as Amazon, Google, Microsoft, Apple, and IBM all have a presence in Miami.
- Lots of development opportunities as multi-use developments and revitalization projects are underway.
- Increasing demand for flexible and co-working spaces presents new business opportunities.
- Repeal of Florida's commercial rent cap on October 1, 2020 will provide incentive to landlords and tenants.

- Potential economic downturns could decrease office space demand, as more than half of Miami's employment sectors are expected to contract.
- The rise of remote work may decrease long-term demand for traditional office space.
- Other competitive markets in the Southeast and Texas may attract businesses away from Miami.
- Rising construction costs and tighter financial conditions create headwinds for landlords and tenants.

3Q25 South Florida Office Market Overview

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	Q	Q	Q
Q1	0	100,000	0
Q2	100,000	100,000	100,000
Q3	100,000	100,000	100,000
Q4	100,000	100,000	100,000
Total	300,000	300,000	300,000

Miami Office Submarket Overview—All Classes

Commercial Properties - All Classes								
	Net Operating Income	NOI per sq. ft.	Operating Expenses	Operating Expenses per sq. ft.	Operating Expenses as % of NOI	Operating Expenses as % of NOI	Operating Expenses as % of NOI	Operating Expenses as % of NOI
Office Buildings	\$1,000,000	\$10.00	\$1,000,000	\$10.00	100%	100%	100%	100%
Industrial Buildings	\$1,000,000	\$10.00	\$1,000,000	\$10.00	100%	100%	100%	100%

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Office Buildings	\$1,000,000	-	\$10.00	\$10.00	100%	100%	100%	100%
Industrial Buildings	\$1,000,000	-	\$10.00	\$10.00	100%	100%	100%	100%
Healthcare Buildings	\$1,000,000	-	\$10.00	\$10.00	100%	100%	100%	100%
Government/University Buildings	\$1,000,000	\$10.00	\$10.00	\$10.00	100%	100%	100%	100%
Hotels	\$1,000,000	\$10.00	\$10.00	\$10.00	100%	100%	100%	100%
Market Total	\$1,000,000	\$10.00	\$10.00	\$10.00	100%	100%	100%	100%

Miami Office Submarket Overview—Class A

Class A Office Submarket Overview						
	Submarket A	Submarket B	Submarket C	Submarket D	Submarket E	Submarket F
Submarket A	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Submarket B	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000

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Submarket A	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Submarket B	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Submarket C	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Submarket D	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Submarket E	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Submarket F	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000

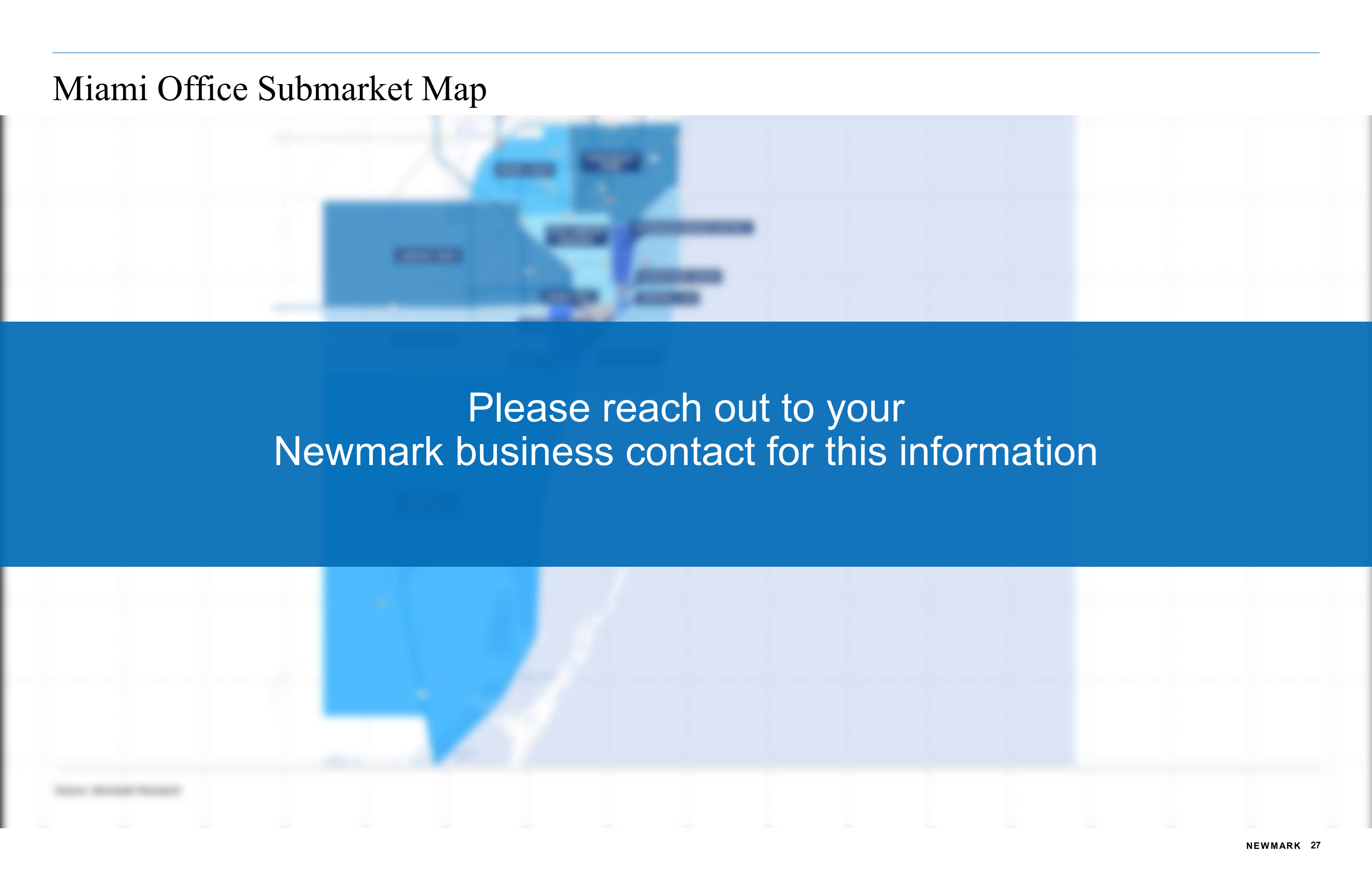
Miami Office Submarket Overview—Class B

Class B						
	Submarket	Submarket	Submarket	Submarket	Submarket	Submarket
Submarket	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Submarket	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

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Submarket	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Submarket	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Submarket	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Submarket	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Submarket	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Submarket	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Submarket	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

Miami Office Submarket Map



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