

NEWMARK

Market Overview
Miami-Dade County Office

4Q25

Market Observations



Economy

- The region's unemployment rate increased by 10 basis points year over year to 2.6%, as growth is split across several sectors
- The pace of job growth has slowed compared with recent highs, decreasing by 183 basis points year over year. Employment growth dipped below the national average of 0.8% to 0.5%.
- Growth was mixed with the mining and construction sector reporting the highest growth by expanding 4.6% and manufacturing experiencing the largest decline by contracting 1.9%. Office-using sectors declined overall, with the information and professional and business services sectors posting employment drops of 0.9% and 1.3%, respectively. In contrast, the financial activities sector expanded 1.2% year over year.
- Office-using jobs in Miami-Dade reported 332,600 employees, approximately 0.5% 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 \$61.49/SF, reflecting a 3.0% increase from the previous quarter and a 5.7% increase year over year.
- Miami-Dade County recorded 99,330 SF of negative absorption in the fourth quarter of 2025. Meanwhile net absorption for 2025 was positive 184,795 SF.
- The construction pipeline remains resilient at 1.3 MSF, with The Fifth delivering 70,000 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 and deal count declined 32.0% quarter over quarter to 879,965 SF and 299 transactions, respectively. As both total volume and transactions fell, the average deal size decreased by 885 SF to 2,943 SF.



Major Transactions

- The largest deal of the quarter was City National Bank renewing 36,100 SF at 1450 Brickell Avenue. The bank has been a tenant in the building since 2011 and has recently expanded in Coral Gables as well, reinforcing its footprint in key finance-oriented submarkets.
- Kemper, an insurance specialist, renewed its 34,091-SF lease at Doral Concourse, giving back roughly 9,500 SF of office space.
- Demand for space in Miami remains resilient, with five of the quarter's top ten deals being new leases, three renewals, and two expansions.
- The three top deals of the quarter were renewals highlighting the demand for large spaces in the market.



Outlook

- National economic headwinds may persist in constraining employment growth.
- 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.
- In the near term, vacancy will steadily increase, as new buildings are completed.

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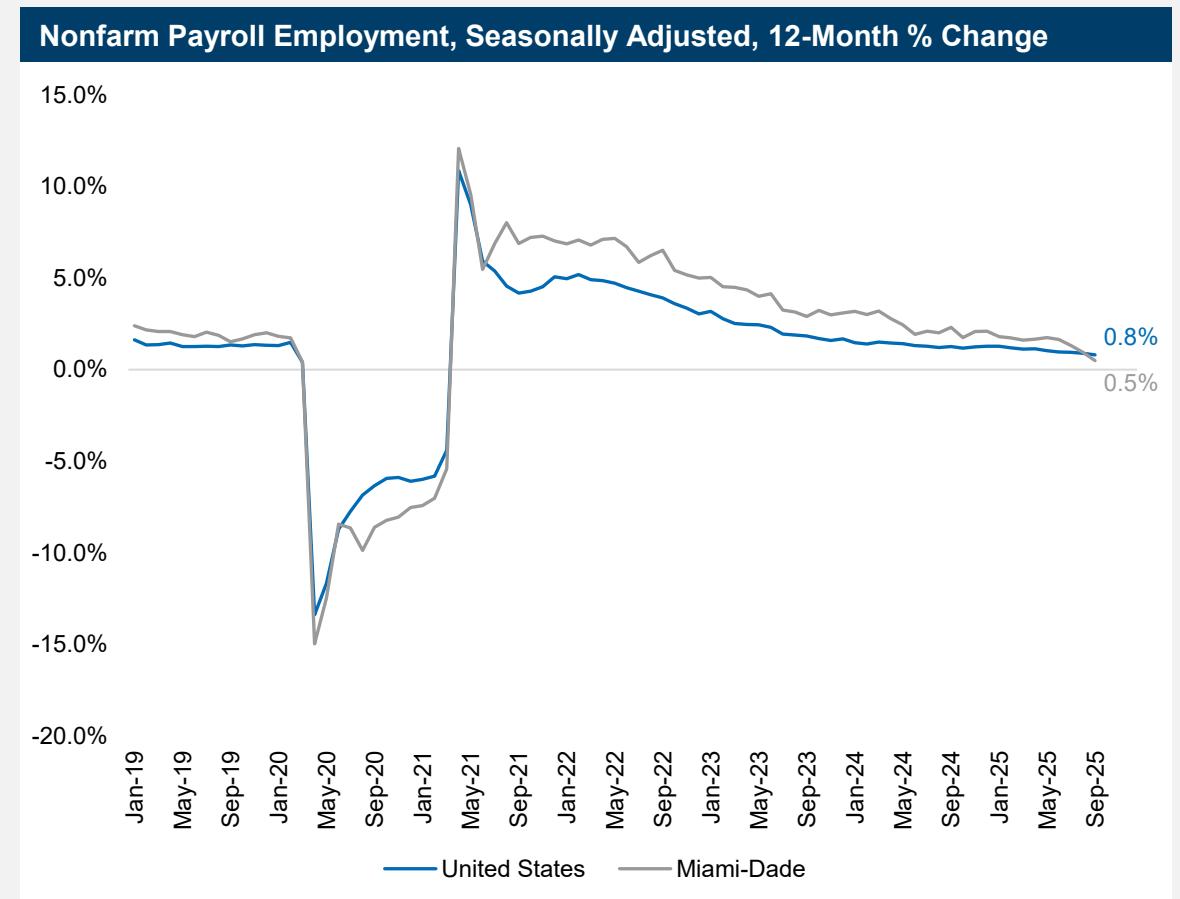
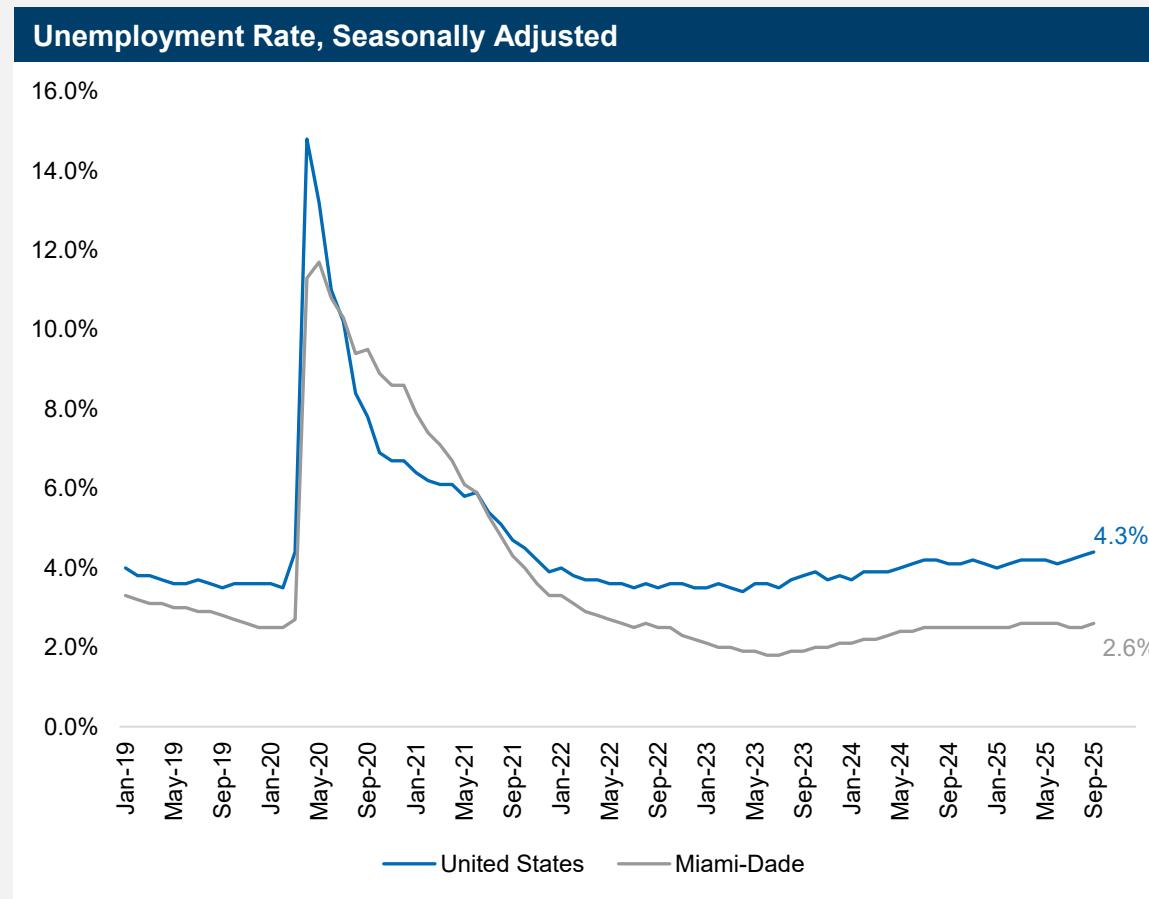
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Economy



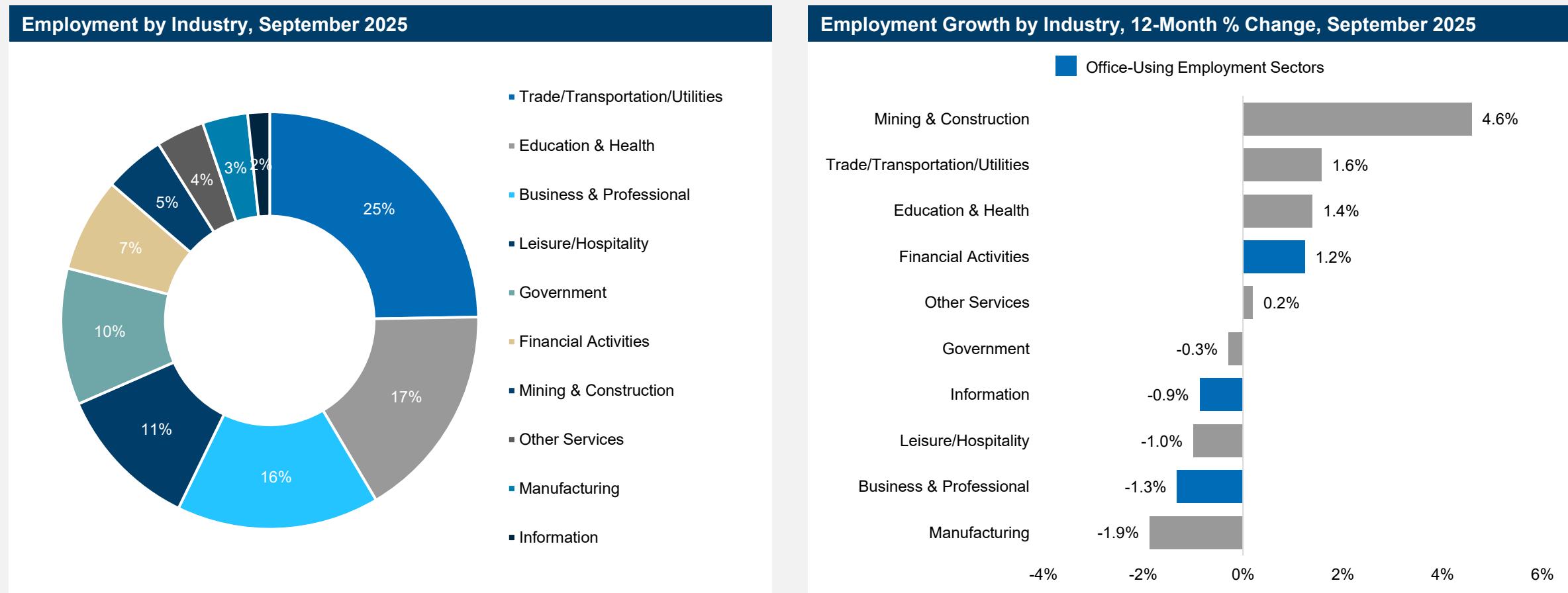
Pace of Job Growth Decelerates Below National Average, Unemployment Ticks Up

The Miami-Dade County office market has historically benefited from an unemployment rate that trends below the national average, reflecting its role as an outperformer in employment growth despite a recent slowdown. The region's unemployment rate recently increased by 10 basis points year over year to 2.6% as sector-level performance has become more uneven. Over the same period, Miami-Dade's employment growth rate decelerated by 183 basis points year over year and by 115 basis points between June and September 2025, settling at 0.5%, or 32 basis points below the national average growth rate.



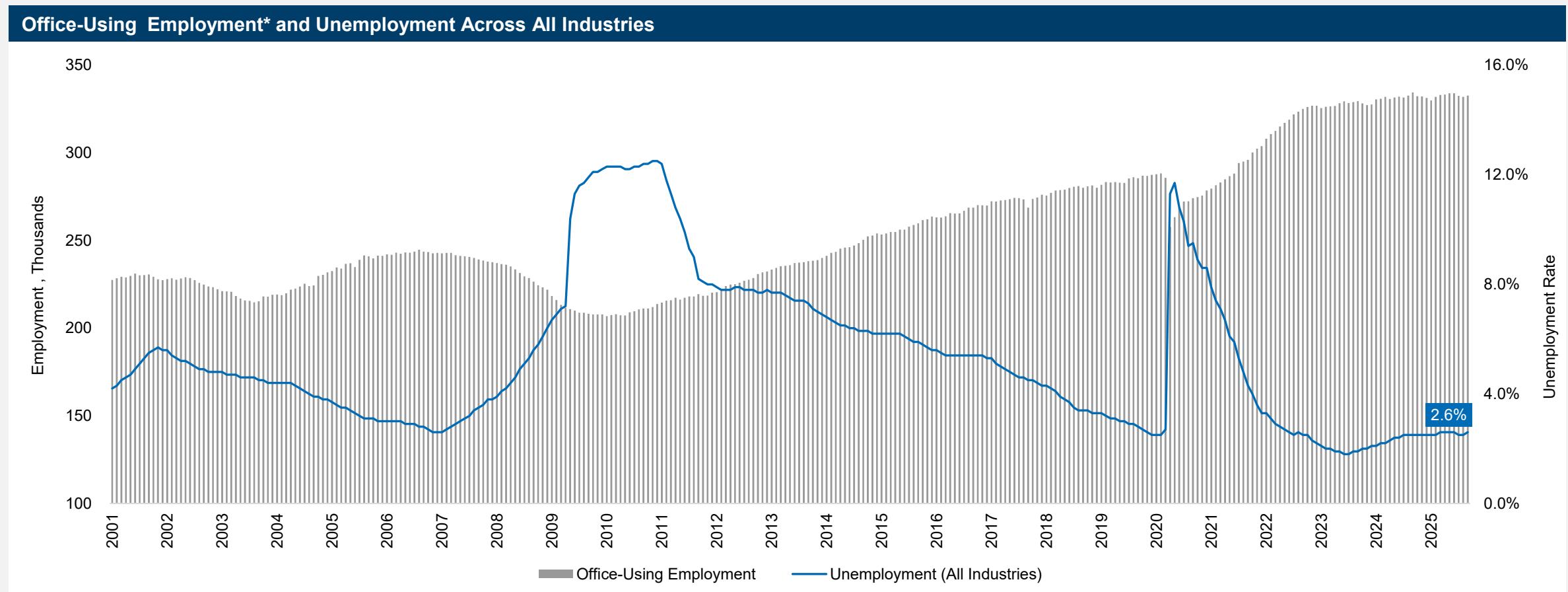
Office-Using Sectors' Growth Remains Mixed

Miami-Dade County's two largest employment sectors, trade/transportation/utilities and education and health, account for 41.5% of total jobs, though neither is office-using. The office-using professional and business services sector remains the third-largest employment industry at 15.7% of total employment. Growth over the past year was led by the mining and construction sector, which expanded by 4.6% year over year. Year-over-year performance across office-using sectors was mixed, as financial activities expanded by 1.2%, while the information and professional and business services sectors contracted by 0.9% and 1.3%, respectively.



Office-Using Employment Dips, but Remains Near Peak

As of September 2025, Miami-Dade County's office-using employment totaled 332,600 jobs, down 0.5% year over year and remained approximately 0.5% below the September 2024 peak of 334,430 jobs. The seasonally adjusted unemployment rate held at 2.6%, reflecting a 10-basis-point increase year over year while remaining below the 2019 average of 2.9%. This stability reflects gains in the financial activities sector offsetting declines in the professional and business services and information sectors. In the near term, office-using employment is expected to remain resilient, supported by continued in-migration to the region.



Miami Gross Metropolitan Product

The gross metropolitan product continues to increase despite economic headwinds, albeit at a slower rate. This year, the gross metropolitan product rose 4.0% year over year to reach a new all-time high of roughly \$240 billion.



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Debt/Capital Markets



Highest Loan Volume Due in 2026

In the fourth quarter of 2025, it will exceed the existing volume of new financing, exceeding the volume of new issuance of 2026, according to Newmark Research, with 50.7 billion projected to come due over the next five years, or 30% of all debt with maturities through 2026. About all new issuance, however, are expected to peak in 2026 at 50.6 billion, reflecting the trend to shorter duration financing resulting in an increase of lower cost debt. The distribution of new debt continues, predominantly in 2026, when returning with an eight-year commitment and continuing the expectation of lower yields and greater capital planning over the next decade.



Multifamily Maturities Particularly Elevated Through 2029, Office Not So Much

As of the fourth quarter of 2020, office maturities are 10.0% of the spending with a minor decline of 1.0% occurring over the past five years. Having said that, exposure to the office sector is declining. By contrast, multifamily loans account for 40.0% of maturities through 2029, but the trend is clear, projections and history strong evidence the industry will continue to decline, coinciding with the trend of multifamily risk, declining and aging residential loans in high-quality areas.



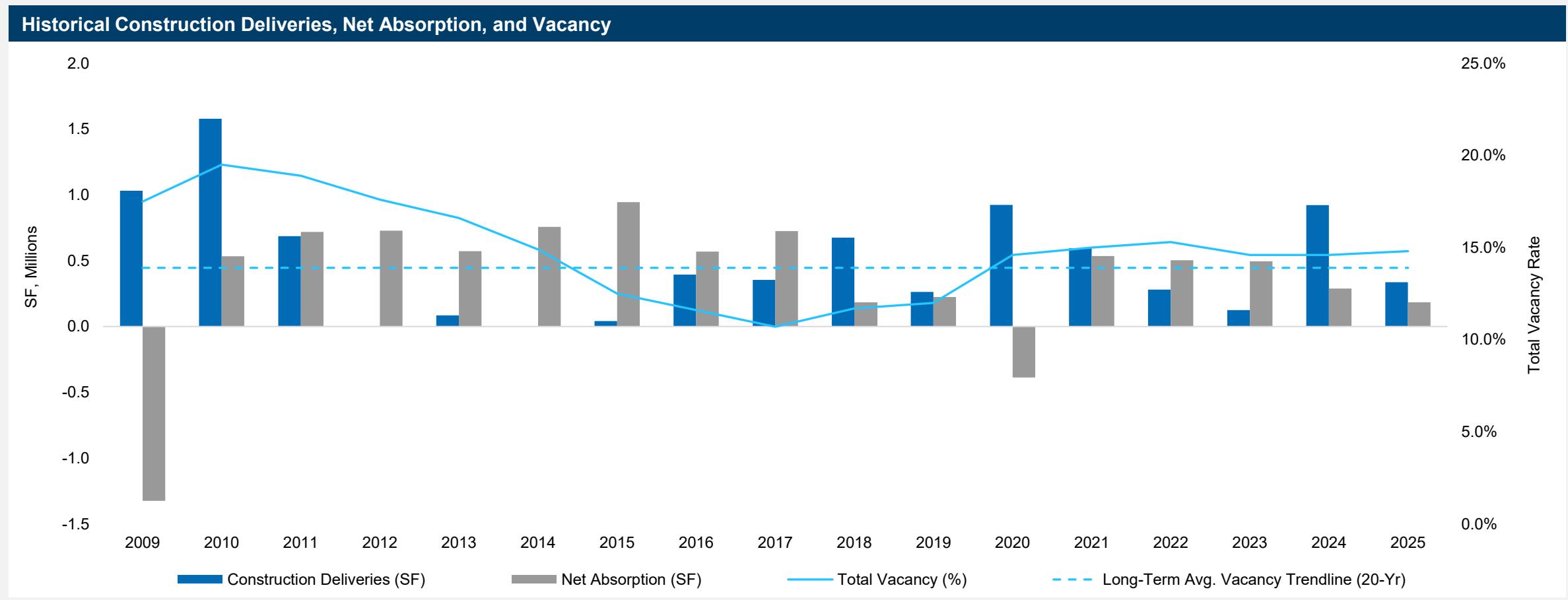
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Leasing Market Fundamentals



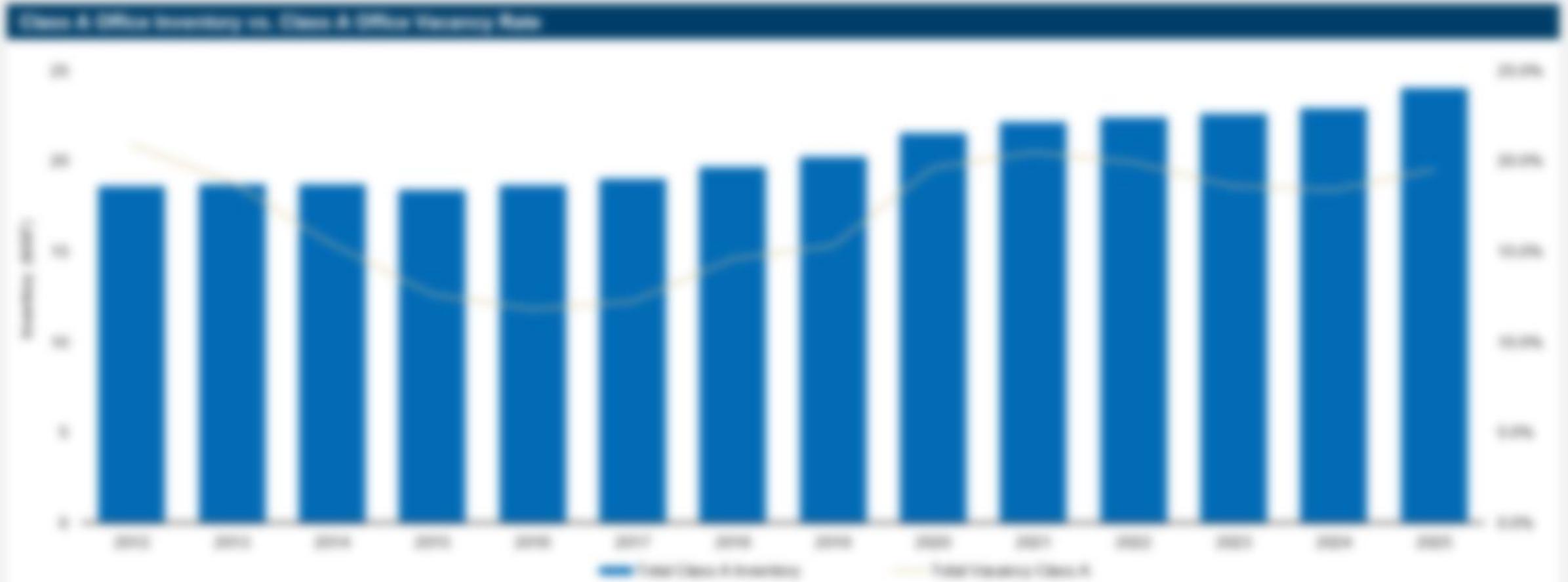
Annual Supply Outpaces Demand, Resulting in Higher Vacancy

In the fourth quarter of 2025, Miami-Dade County posted negative net absorption of 99,330 SF. The delivery of The Fifth added 70,000 SF in the Miami Beach submarket during the quarter, widening the existing supply and demand imbalance. For the full year, new deliveries outpaced demand, with 336,000 SF completed versus 184,795 SF of absorption, pushing vacancy up 20 basis points year over year to 14.8%. Supply is expected to stay elevated, as an additional 600,891 SF is projected to be added to inventory in 2026.



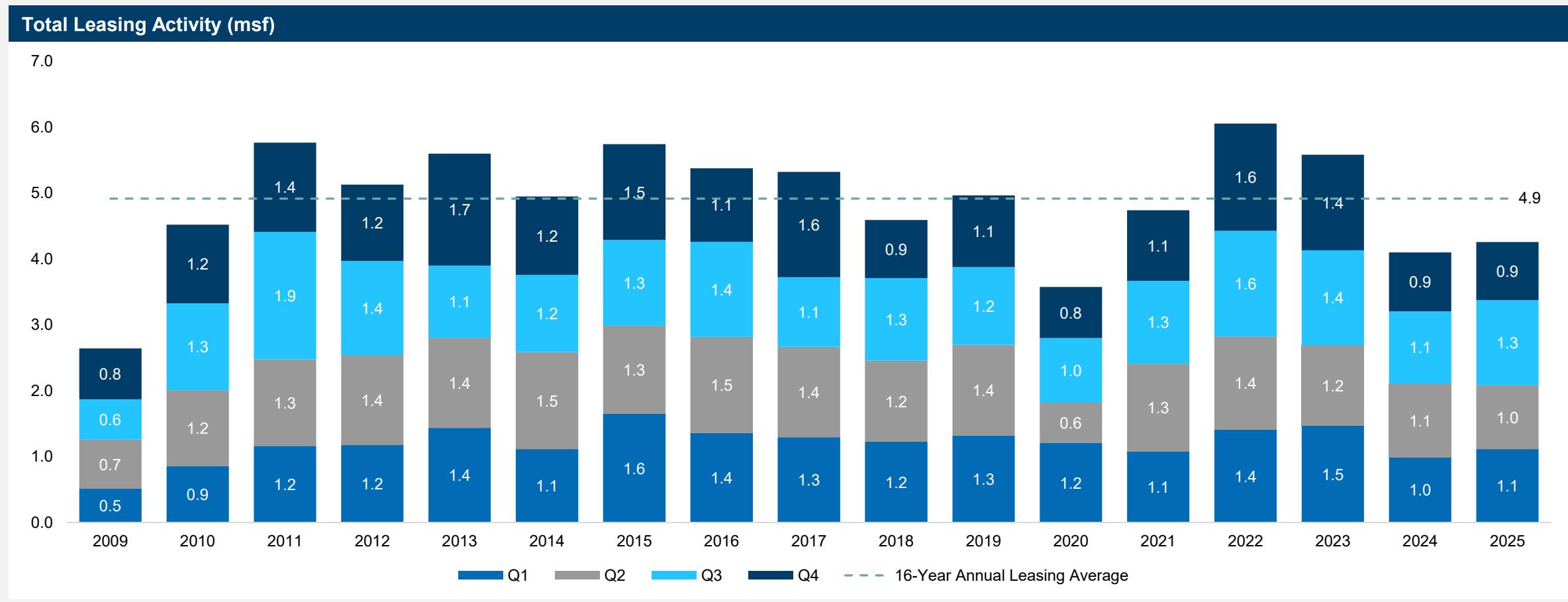
Class A Vacancy Increases as New Inventory Delivers

The Atlanta market saw a slight market shift after 2010, experiencing 10.0% of total inventory. Occupancy was down from 2010, reflecting an increase in market tightness, which is consistent with previous economic recovery stages of 2008-2009. The shift in market and occupancy for market Class A, reflected with the addition of 1.5% above 2010. This is consistent with previous market growth, which is consistent with 2010 market growth of 10.0%. In the most recent 12 months, Class A occupancy is projected to remain consistent as demand begins to decrease, and demand growth has been steady without growth and market declines.



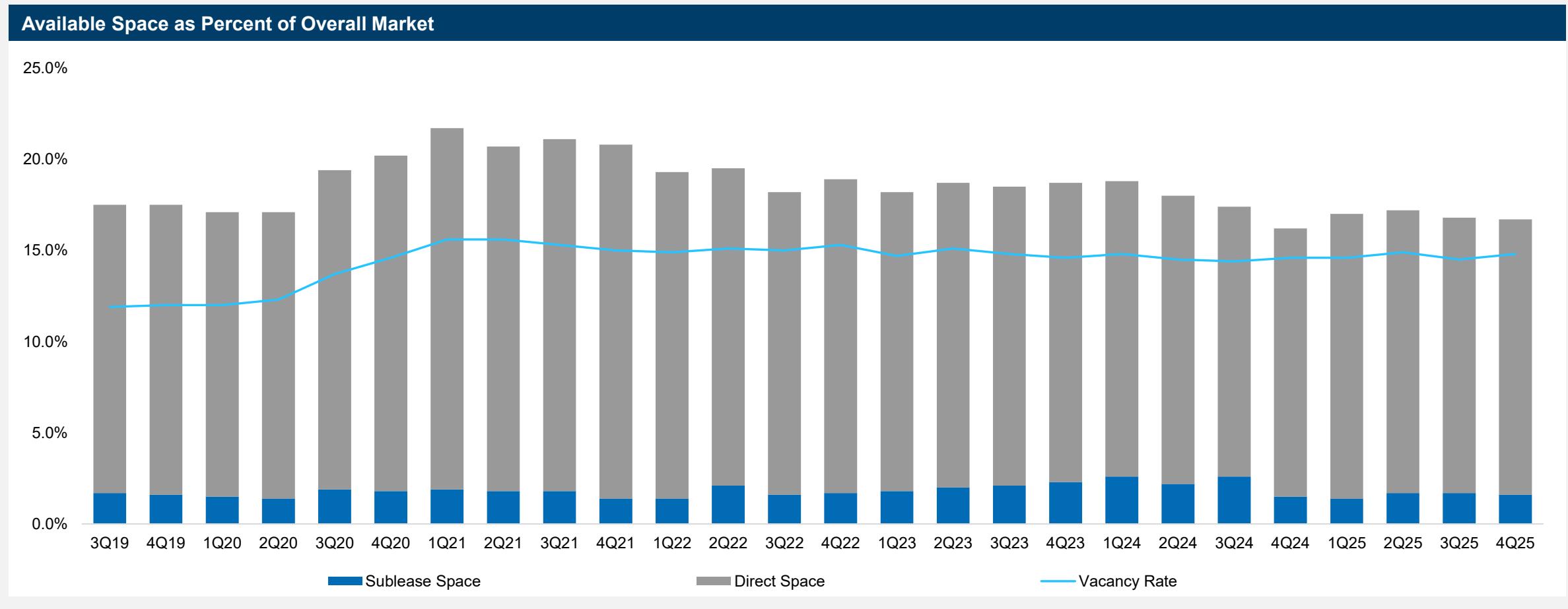
Full-Year 2025 Leasing Outpaced 2024 Despite A Slower Quarter

Leasing activity in the fourth quarter of 2025 totaled 879,965 SF, down 32.0% quarter over quarter and 1.3% year over year, and 27.2% below the 16-year long-term fourth-quarter average of 1.2 MSF. For the full year, total leasing reached 4.3 MSF in 2025, surpassing 2024's level by 3.9%. Deal count declined by 39 transactions from the prior quarter to 299, and with both deal volume and leased square footage slipping, the average deal size fell from 3,828 SF to 2,943 SF quarter over quarter. Class A space accounted for 46.3% of square footage transacted, indicating that tenant demand continues to favor higher-quality product despite overall leasing softness.



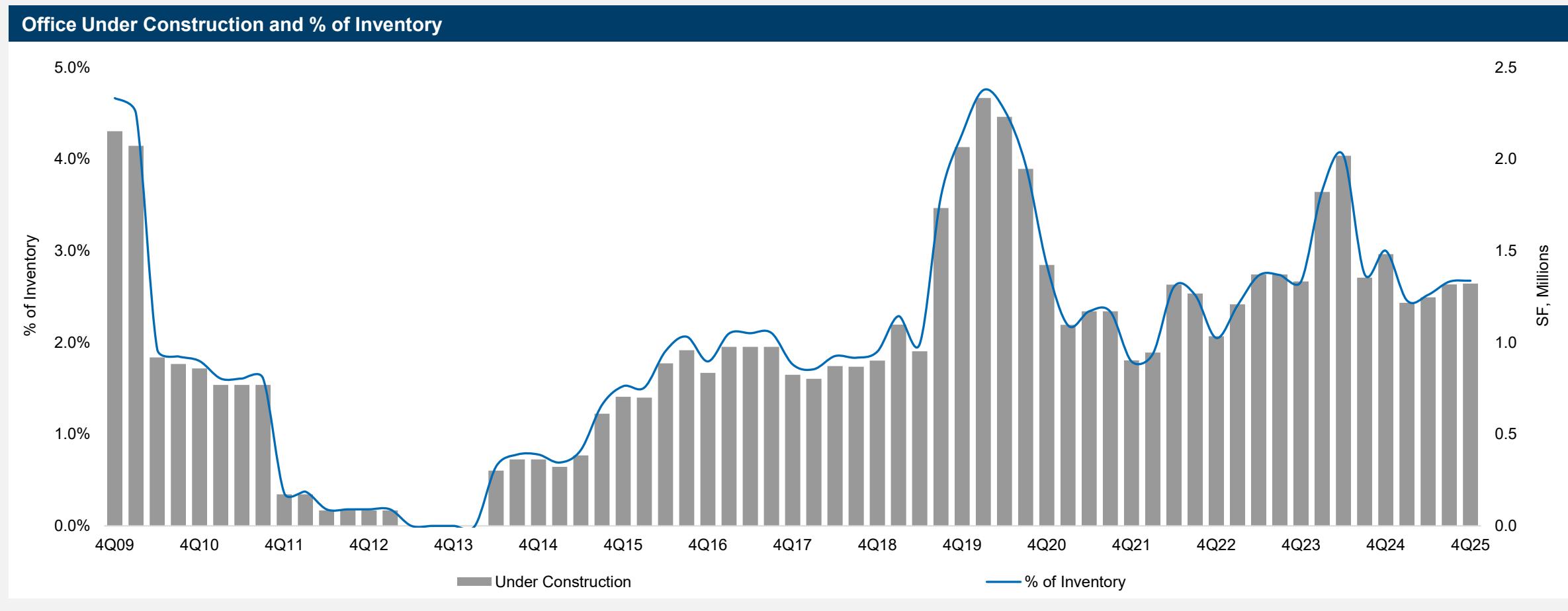
Availability Falls as Tenants Secure Space

Direct availability held nearly steady in the fourth quarter of 2025 at 15.1%, while sublease availability declined 10 basis points quarter over quarter to 1.6%, pulling overall availability down 10 basis points to 16.7%. At the same time, vacancy rose 30 basis points as more tenants vacated space, and delays in tenant buildouts could postpone occupancy for some deals.



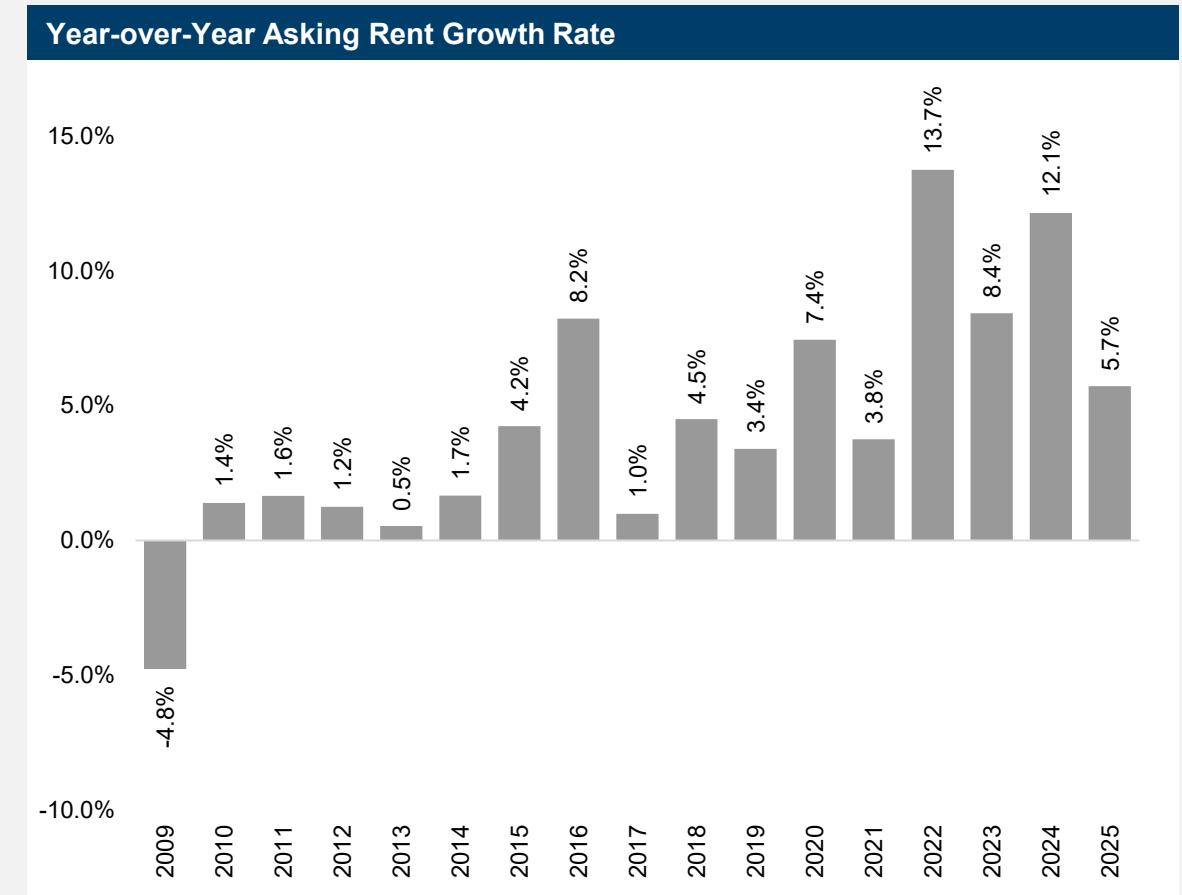
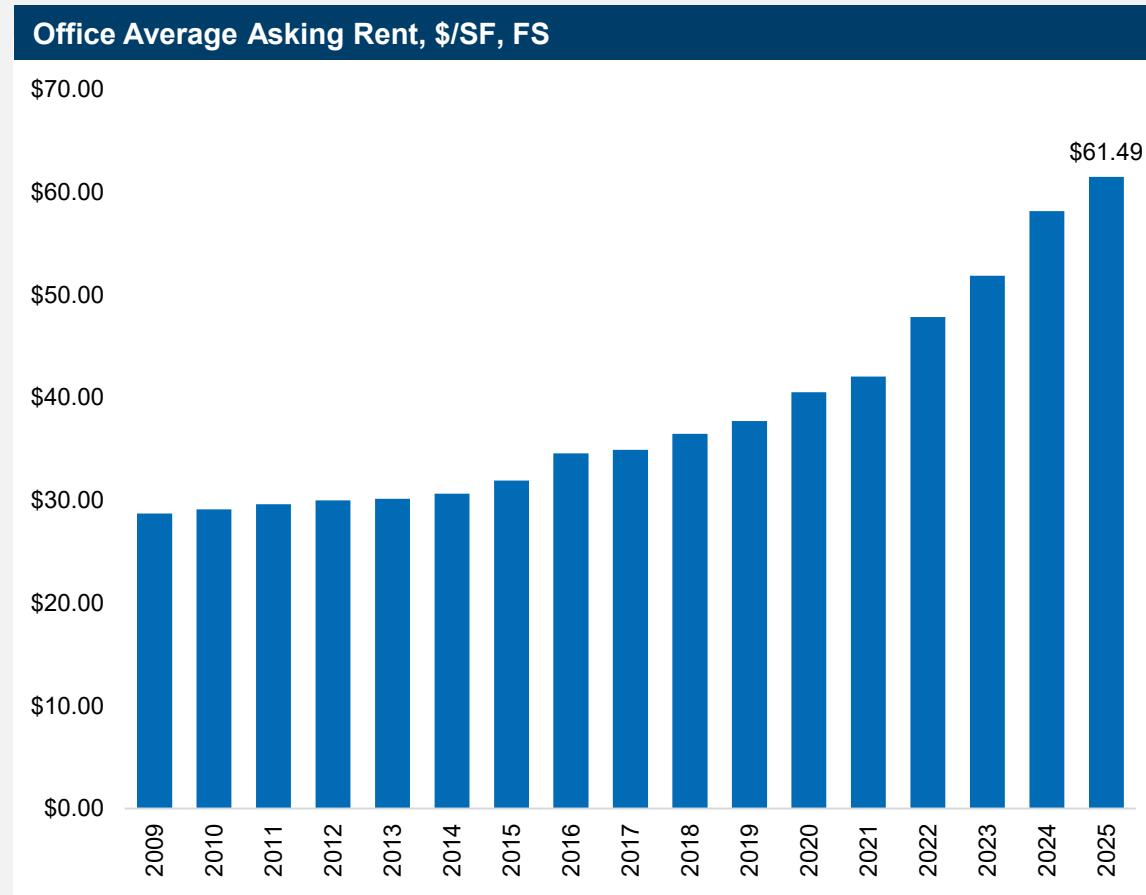
Construction Pipeline Edges Lower as Projects Deliver

Miami's office pipeline totaled 1.3 MSF under construction in the fourth quarter of 2025, representing 2.7% of existing inventory. The under-construction total edged up by 5,000 SF quarter-over-quarter, as the year-end delivery of The Fifth reduced inventory by 70,000 SF and was offset by the 75,000 SF groundbreaking of One Kane Concourse. 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 trend lower in 2026 as The Offices at the Wells, The Doris, and other projects deliver.



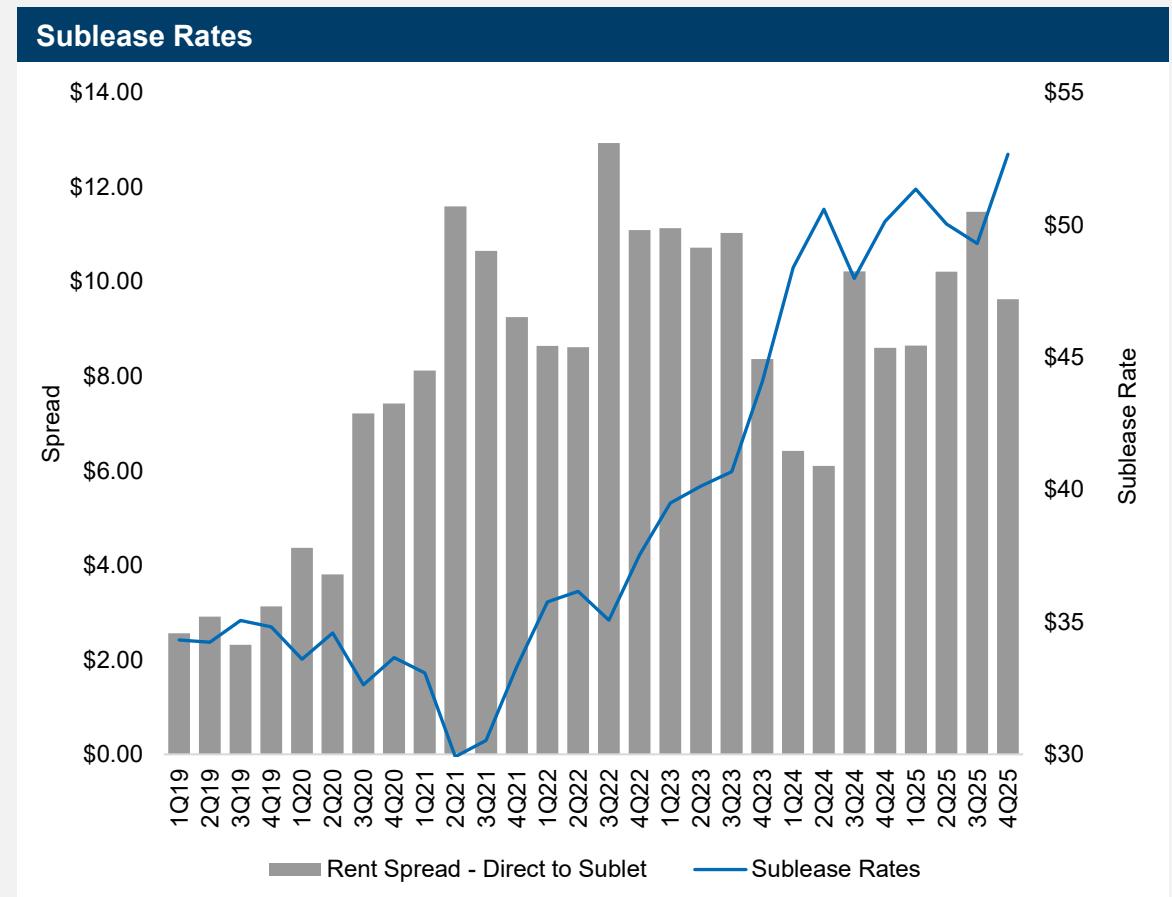
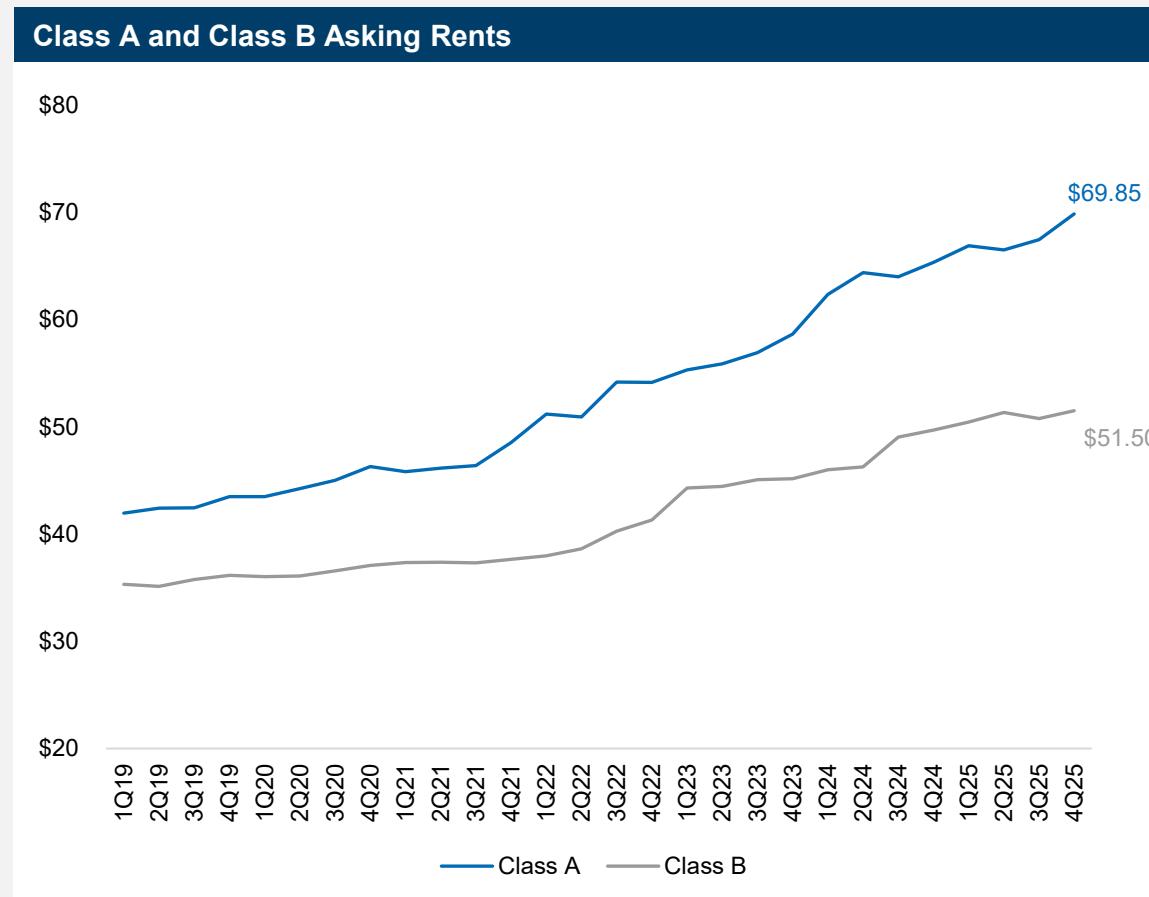
Asking Rents Hit New All-Time High

Average asking rents climbed to a new all-time high in the fourth quarter of 2025, rising 3.0% quarter-over-quarter and 5.7% year-over-year to 61.49 per SF. Growth has been fueled 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 stay elevated in the near term amid robust demand, though gross rents may edge down as tax costs are no longer passed through to tenants.



Class A and Class B Rent Spread Widens

In the fourth quarter of 2025, Class A asking rents increased 3.6% quarter over quarter to \$69.85/SF. Likewise, Class B asking rents rose 1.4% to \$51.50/SF over the same time frame. The spread between Class A and B widened to \$18.35/SF, up approximately 10.1% quarter over quarter. Sublease rates increased by 6.8% since last quarter to \$52.67/SF as sublet availability decreases. Near term, asking rents in Class A premium product is expected to remain elevated as tenants prioritize highly amenitized space, while Class B assets continue facing pricing pressure driven by flight to quality.



Demand For Premium Spaces Leads Leasing Activity

In the fourth quarter of 2025, flight to quality remained a defining trend in Miami-Dade County's office market. Class A space accounted for 46.3% of leasing activity by square footage. The average Class A deal size was 4,070 SF, approximately 15.9% smaller than the average deal size in the fourth quarter of 2024, but 38.3% larger than the broader market average of 2,943 SF, reflecting tenant preference for higher-quality, amenity-rich product.

Notable 4Q25 Lease Transactions					
Tenant	Building(s)	Submarket	Type	Square Feet	
City National Bank	1450 Brickell Ave	Brickell Ave	Renewal	36,100	
<i>Miami-based City National Bank inks the largest deal of the quarter by renewing its space at 1450 Brickell Ave, where the bank has been a tenant since 2011.</i>					
Kemper	Doral Concourse- 8400 NW 36 th St	Airport West	Renewal	34,091	
<i>Kemper, an insurance specialist, renewed its space at 8400 NW 36th St., where it has been a tenant since 2019. The renewal resulted in the company downsizing by 9,563 SF of previously occupied space.</i>					
Truist Bank	Brickell Office Plaza- 777 Brickell Ave	Brickell Ave	Renewal	25,631	
<i>Truist Bank renewed its space at Brickell Office Plaza, where it has been a tenant for over a decade.</i>					
Skyline Consulting Group LLC	1501 Biscayne Blvd	Downtown Miami	Direct New	25,420	
<i>Skyline Consulting Group, which primarily provides financial consulting to commercial retail clients, has secured a centrally located space in downtown Miami with convenient access to public transit as it expands its presence in Miami.</i>					
Key Point Academy	1501 Biscayne Blvd	Downtown Miami	Expansion	28,000	
<i>Key Point Academy secured a 62,349-SF space in 2024 and has since expanded its presence in the building by 28,000 SF.</i>					
Global Excel	6161 Waterford- 6161 Blue Lagoon Dr	Airport West	Direct New	23,357	
<i>Global Excel provides cost containment services to help insurers and related organizations control healthcare and medical costs. The company recently secured a new space in the Waterford District.</i>					

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Supplemental Information



Miami Office Market



- Miami is a primary office market, offering various office space and services.
- The market is characterized by high demand, with several major companies, including Fortune 500 companies, having a presence.
- The market is highly competitive, with many office buildings and developments.
- Major developments include the Bank of America Tower and the Tower at the Galleria.



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4Q25 South Florida Office Market Overview



	2025	2024 Vacancy	2023 Vacancy
Total Inventory (SF)	30,000,000	30,000,000	30,000,000
Class A Inventory (SF)	10,000,000	10,000,000	10,000,000
Total Vacancy Rate	10.0%	10.0%	10.0%
Class A Vacancy	10.0%	10.0%	10.0%
Office Vacancy	10.0%	10.0%	10.0%
Sublease Vacancy	0.0%	0.0%	0.0%
Class A Occupancy	90.0%	90.0%	90.0%
Office Occupancy	90.0%	90.0%	90.0%
Sublease Occupancy	0.0%	0.0%	0.0%
Blank Building Rate (2025 SF)	0.00	0.00	0.00
Blank Building Rate (2024 SF)	0.00	0.00	0.00
Blank Building Rate (2023 SF)	0.00	0.00	0.00

Miami Office Submarket Overview — All Classes

Miami Office Submarket Overview — Class A

Submarket Name	Class A	Class B	Class C	Class D	Class E	Class F
Central Business District	\$1,100,000	\$800,000	\$600,000	\$400,000	\$200,000	\$100,000
Government Center	\$1,000,000	\$700,000	\$500,000	\$300,000	\$150,000	\$80,000
Brickell Area	\$1,000,000	\$800,000	\$600,000	\$400,000	\$200,000	\$100,000
South Beach	\$1,700,000	—	\$500,000	\$300,000	\$150,000	\$80,000
Edgewater Area	\$800,000	—	\$300,000	\$200,000	\$100,000	\$50,000
Upper Midtown	\$1,000,000	\$700,000	\$500,000	\$300,000	\$150,000	\$80,000
Lower Midtown	\$800,000	\$600,000	\$400,000	\$200,000	\$100,000	\$50,000
Brickell Key	\$1,000,000	\$700,000	\$500,000	\$300,000	\$150,000	\$80,000
West Kendall	\$800,000	—	\$300,000	\$200,000	\$100,000	\$50,000
Central Business District	\$1,100,000	\$800,000	\$600,000	\$400,000	\$200,000	\$100,000
Government Center	\$1,000,000	\$700,000	\$500,000	\$300,000	\$150,000	\$80,000
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South Beach	\$1,700,000	—	\$500,000	\$300,000	\$150,000	\$80,000
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Brickell Key	\$1,000,000	\$700,000	\$500,000	\$300,000	\$150,000	\$80,000
West Kendall	\$800,000	—	\$300,000	\$200,000	\$100,000	\$50,000
Total	\$10,000,000	\$8,000,000	\$6,000,000	\$4,000,000	\$2,000,000	\$1,000,000

Miami Office Submarket Overview — Class B

Miami Office Submarket Map



Alain Perez
Senior Research Analyst
alain.perez@nmrk.com

Neil Matthee
Research Manager
Southeast Research
neil.matthee@nmrk.com

Ching-Ting Wang
Head of Southeast Research
chingting.wang@nmrk.com

Miami
1111 Brickell Ave Suite 2000
Miami, FL 33131
t 305-350-0915

New York Headquarters
125 Park Ave.
New York, NY 10017
t 212-372-2000

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