

MIAMI OFFICE MARKET

Yardi® Matrix

Market Analysis

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A Leveling Office Sector



Miami's office market has had consistently healthy demand for several years, based on strong economic growth and foreign investment. However, the development pipeline is beginning to catch up, which has resulted in an increase in the vacancy rate. More than 2.8 million square feet came online year-to-date, and another 776,000 square feet is expected to come online by year-end. New product added to the market contributed to a slight uptick in vacancy, which rose 150 basis points to 13.1% as of July.

One segment of the market that has been gaining traction is **coworking**, which has drawn in new tenants and in some cases helped companies to downsize in an effort to use space more efficiently. As of the beginning of the year, Miami dedicated a higher percentage of its office space to coworking than any other metro in the U.S. Some 2.7% of the metro's total inventory was taken up by 59 coworking providers.

Miami's economy reached a balancing point after several years of expansion, causing a **slowdown in employment growth**. Some 16,900 new jobs were added in the metro in the 12 months ending in June. However, the office-using sector—the professional and business services, financial activities and information sectors—lost a combined 1,400 jobs during the same interval.

Transaction volume totaled **\$471 million** year-to-date. The Central Business District (CBD) led the way in sales volume, with more than 971,000 square feet sold for a combined \$377 million.