

# MIAMI OFFICE MARKET

Yardi® Matrix

## Market Analysis

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## Growth Persists as Market Matures



Miami's office market continues to expand and strengthen, thanks to its diversifying economy. The metro is on a steady course as it matures into a corporate center, while companies are drawn to Florida because of the state's tax-friendly business climate. Coworking has also been gaining momentum in the metro. Furthermore, in a recent study, WalletHub ranked Miami as the third best place to start a business among 100 U.S. cities. The ongoing progress in addressing transportation issues and moving the Tri-Rail and Virgin Trains (formerly Brightline) developments forward enhances accessibility across the metro, while contributing to the market's overall stability.

Demand for office space continues to outpace supply, prompting developers to break ground on new projects while maintaining a steady flow of deliveries. Some 1.7 million square feet of space was underway as of July, and four properties totaling 258,000 square feet were delivered this year through July. Developers broke ground on more than 1 million square feet in the same interval. The metro's development pipeline is showing no signs of decelerating, with more than 7.4 million square feet in the planning and permitting stages.

Investor interest remains strong, as Miami continues to attract buyers. Furthermore, institutional investors have been highly active in the metro. Some 1.4 million square feet sold for a combined \$500 million year-to-date through July. With acquisition yields for top-rated properties hovering in the 5.0% to 6.5% range, Miami is in line with booming metros like Atlanta and Austin.