REVIEW

MIAMI OFFICE MARKET

USA H1 2026

BNP PARIBAS REAL ESTATE

Real Estate for a changing world

KEY FIGURES

52m sqft
INVENTORY

11.4%
VACANCY RATE

$89.7
PRIME AVERAGE ASKING RENT

$5.7bn
TOTAL INVESTMENT

$1.3bn
OFFICE INVESTMENT

6.50%
OFFICE PRIME CAP RATE

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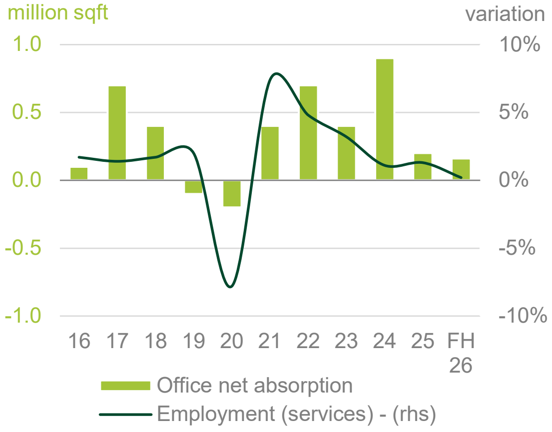
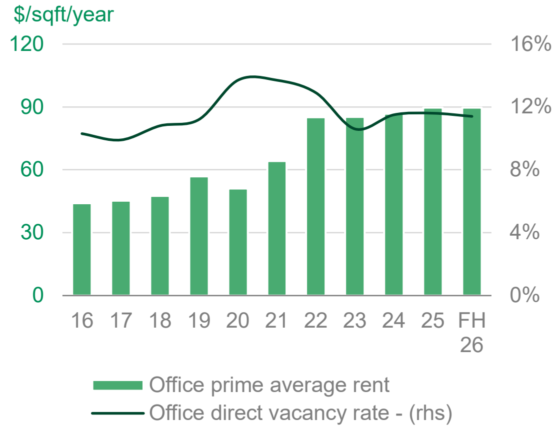
Net Absorption / Employment



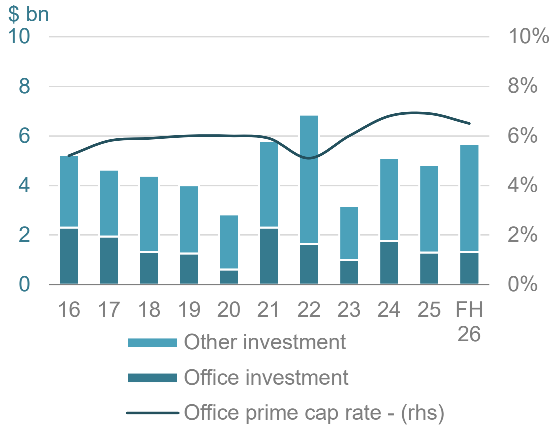
Source: Bureau of Labor Statistics, CoStar, Transwestern

Prime rent / Vacancy Rate



Source: CoStar, Transwestern

Investment / Capital Rate



Source: CoStar, Transwestern

Labor Market Cools

Miami's labor market continued to cool during the first half of 2026 after several years of strong post-pandemic growth. Service-sector employment increased just 0.2%, down from 1.3% in 2025 and well below the 3+% annual gains seen during the mid-2010s expansion. While employers have become more cautious amid ongoing economic uncertainty and higher borrowing costs, office demand has remained relatively steady. The market recorded approximately 160,000 SF of positive net absorption during the first half of the year, suggesting that tenant expansions and relocations continue to support occupancy despite slower hiring.

Miami Office Maintains Strong Performance

The Miami office market remained healthy during the first half of 2026, although the gap between top-tier and commodity office space continued to shape market performance. The direct vacancy rate declined slightly to 11.4% as tenants continued to favor new, well located Class A buildings. Average asking rents rose 4.0% year-over-year to $53.87 per square foot, while prime asking rents held steady at $89.69 PSF, highlighting the continued pricing power of Miami's top office assets. Investor confidence also remained strong, with average and prime office cap rates compressing to 6.7% and 6.5% respectively, as buyers continued to target well-positioned properties with stable fundamentals.

Investment Sales Pick Up

Investment activity strengthened during the first half of 2026, with total commercial real estate sales reaching $5.67 billion, surpassing the $4.83 billion recorded during all of 2025. Office sales totaled $1.30 billion, remaining relatively unchanged from last year but below the $1.76 billion recorded in 2024 as investors continued to be selective in the office sector. Most of the increase in transaction volume came from industrial, retail, and hotel properties, which accounted for $4.37 billion in sales. Even with office investment activity below pre-February 2023 levels, modest cap rate compression suggests investors remain confident in well-located, high-quality office assets across the Miami market.

Occupier Market	Inventory (million sqft)	Net Absorption (000 sqft)	Vacancy Rate (%)		Office Prime Average Rent ($/sqft/year)		
	Q2 2026	H1 2026	2025	Q2 2026	2025	Q2 2026	Trend
Atlanta	176	800	22.4%	21.1%	33.9	33.4	-2%
Chicago	155	-100	22.6%	23.2%	77.4	72.8	-6%
Dallas/Fort Worth	306	1,800	18.4%	18.2%	74.3	75.3	1%
Denver	164	200	18.7%	21.2%	33.5	35.6	6%
Detroit	202	-129	10.4%	10.1%	21.3	21.6	2%
Houston	204	500	20.8%	21.4%	48.9	42.6	-13%
Los Angeles	371	500	15.4%	15.3%	44.7	45.0	1%
Miami	52	160	11.6%	11.4%	89.7	89.7	0%
Minneapolis	68	-600	21.0%	29.4%	30.5	31.1	2%
New York/Manhattan	452	3,900	13.5%	12.8%	77.4	78.1	1%
Phoenix	98	-200	17.0%	16.7%	32.1	31.8	-1%
San Diego	125	-100	12.7%	14.0%	38.3	41.2	8%
San Francisco	93	1,900	30.1%	26.7%	74.3	77.7	5%
Seattle	183	686	15.9%	15.5%	34.5	35.9	4%
Washington DC	143	-400	16.0%	16.7%	88.3	88.2	0%
Total 15 markets	**2,791**	**8,917**	**17.8%**	**18.2%**	**53.3**	**53.3**	**0.5%**

Investment Market	Total investment volume ($ million)		Office investment volume ($ million)		Cap rate (%)		
	2025	H1 2026	2025	H1 2026	2025	Q2 2026	bps
Atlanta	15,990	5,400	1,560	1,210	8.30%	8.82%	52
Chicago	920	920	550	720	NA	NA	NA
Dallas/Fort Worth	13,410	2,970	3,440	780	6.20%	6.30%	10
Denver	7,740	3,660	1,260	560	7.20%	8.40%	120
Detroit	1,550	880	300	290	8.60%	7.40%	-120
Houston	14,170	6,490	1,710	1,550	NA	11.25%	NA
Los Angeles	13,080	5,360	4,140	2,130	NA	6.80%	NA
Miami	4,830	5,670	1,290	1,300	6.90%	6.50%	-40
Minneapolis	5,470	2,150	670	210	7.70%	13.00%	530
New York/Manhattan	14,010	5,660	11,660	4,390	6.30%	6.10%	-20
Phoenix	9,870	8,220	1,170	970	7.20%	7.00%	-20
San Diego	4,970	3,440	1,600	650	6.20%	7.20%	100
San Francisco	2,700	1,760	1,790	1,120	4.40%	5.30%	90
Seattle	2,440	1,000	1,110	290	7.60%	8.80%	120
Washington DC	1,300	830	870	760	9.00%	9.00%	0
Total 15 markets	**112,450**	**54,410**	**33,120**	**16,930**	**7.13%**	**7.99%**	**69**

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