

CLASS A

Inventory: 4.2 msf

Overall Vacancy: 21.3%

Leasing Activity YTD: 126,972 sf

Overall Asking Rent: \$48.79 psf

CLASS B

Inventory: 1.5 msf

Overall Vacancy: 22.7%

Leasing Activity YTD: 27,136 sf

Overall Asking Rent: \$36.04 psf

OVERALL

Inventory: 7.0 msf

Overall Vacancy: 21.5%

Leasing Activity YTD: 160,249 sf

Overall Asking Rent: \$41.27 psf

MARKET FACT

420,080 sf

Investment Sales YTD

www.cushwake.com**Downtown Overview**

The Miami CBD is split into two by the Miami River. The Downtown submarket to the north has some of the largest office buildings in the region and is home to many government and court related institutions. The Brickell Avenue submarket south of the river grew in importance over the past twenty years and is a focus for most of the new residential development in the urban core.

Downtown Miami is known as the cultural, financial, and commercial hub of South Florida. It is an emerging major world city and the business, social and cultural epicenter of the Americas. The population in Downtown continues to increase at a more rapid rate than any other section of Miami-Dade County, with a growing number of young professionals who are pursuing a true urban lifestyle.

Key Highlights:

- Overall rent growth year-over-year was -6.8% to \$41.27 psf; for class A overall rent declined by -5.8% to \$48.79 psf and class B overall rent increased by +0.4% to \$36.04 psf.
- Top tier space in sought after class A towers now have rent averages above \$48.50 psf, full service.
- Compared to peak rents during the last cycle, class A rents in Miami are up 17.9%, while rents in Downtown are up 7.6%.
- Overall vacancy in Downtown has increased by 120 basis points (bps) year-over-year; class A overall vacancy has increased by 120 bps, while class B has increased by 410 bps.
- The second office tower in the larger MiamiCentral mixed-use project will now be completed in the fourth quarter of 2018, which might benefit from the recently opened Brightline train service to Fort Lauderdale and West Palm Beach.
- Several large mixed-use projects with significant office components have been announced and could potentially offer more options in the tight market.

Cushman & Wakefield's forecast for the CBD includes steady rent hikes for both Class A/B space as well as a slight increase in the vacancy rate due to new deliverables to the market which will then stabilize in the long-term and decrease as the space is absorbed.

Top Space Additions

ADDRESS	FLOORS	SIZE (SF)	TYPE	SUBMARKET
2 S Biscayne Boulevard	30	17,121	Direct	Downtown
2 S Biscayne Boulevard	15	13,742	Direct	Downtown

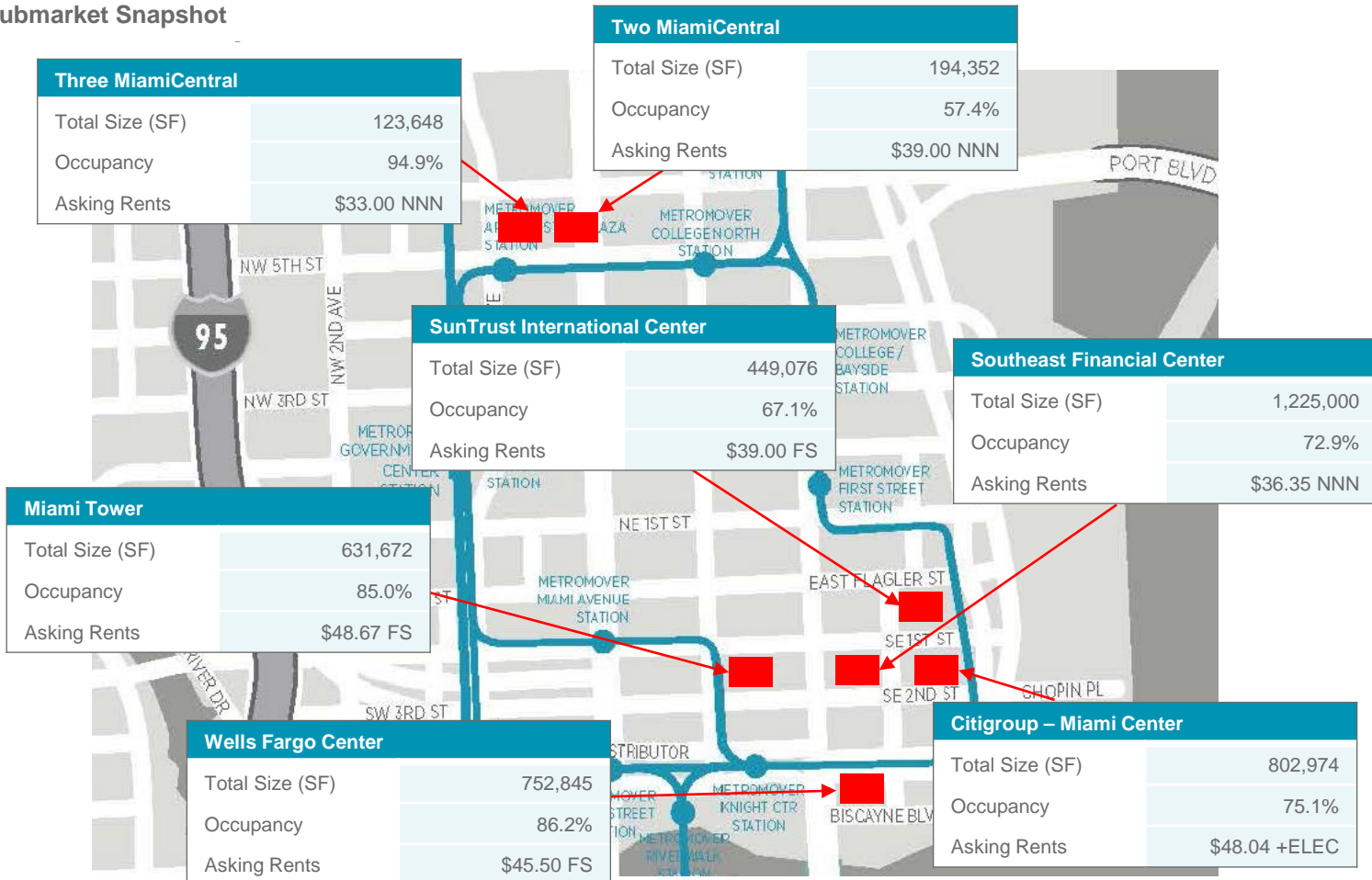
Top Leases

ADDRESS	TENANT	SIZE (SF)	TYPE	SUBMARKET
161 NW 6 th Street	Viacom, Inc.	24,009	Direct	Downtown
201 S Biscayne Blvd.	Duane Morris, LLP	23,128	Direct	Downtown

Top Investment Sales

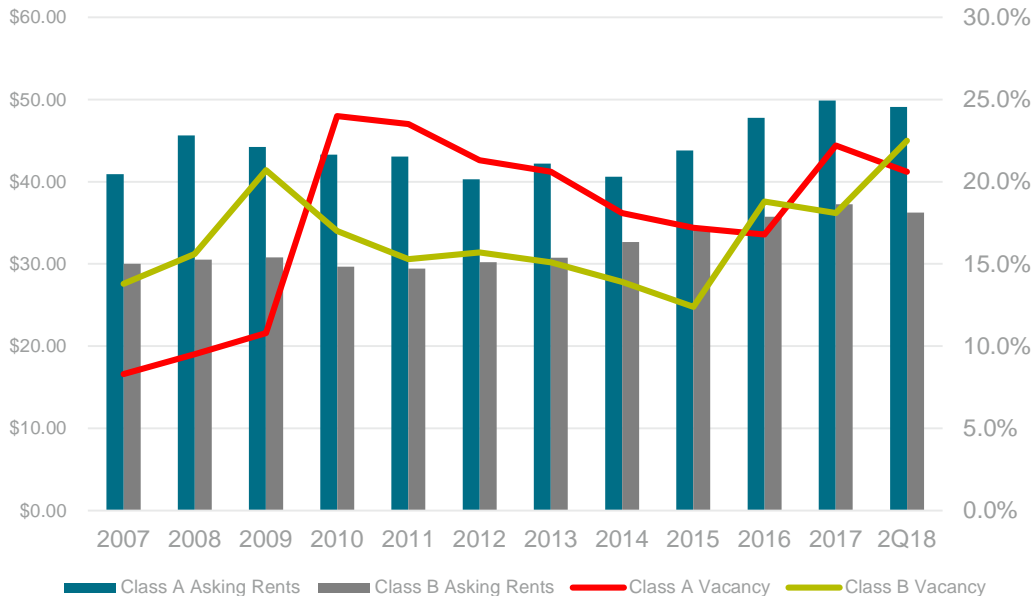
ADDRESS	BUYER	SIZE (SF)	SALE PRICE	\$PSF
1 SE 3 rd Avenue	STIC	171,592	\$127.0M	\$283

Submarket Snapshot



* Rents are direct/full service

Vacancy Rate vs. Direct Asking Rent – Class A & B



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