

MARKET REPORT

RETAIL 3Q/26

Miami-Dade Metro Area

Marcus & Millichap

Multi-Tenant Retail Trades Accelerate as White-Collar Hiring Pushes Demand

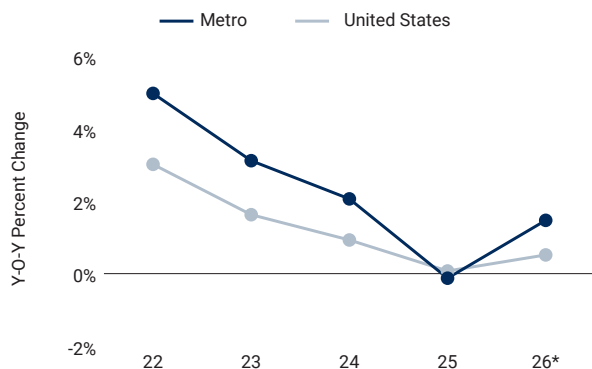
Retail properties set to benefit from business district rhythm. Miami ranked as the leading major metro for return-to-office (RTO) performance in June 2026, with estimated office visits surpassing 2019 levels. The RTO surge coincides with the metro's office-using employment gain of 54,500 roles since 2019. Miami ranked among the top five major metros with the lowest office vacancy rate in June, at 10.4 percent. As companies continued to relocate to South Florida, notable business corridors, such as Kendall, Coral Gables, and the area surrounding MIA, recorded retail vacancy rates around or below 3 percent.

Miami sees a sharp absorption reversal. Sizable retail move-outs in the first three months of 2026 led to the metro's largest quarter of net relinquishment since at least 2007. However, this was followed by a sharp recovery, with properties exceeding 50,000 square feet, especially in south and northeast Dade County, fluctuating the most. Most submarkets saw relinquishment followed by absorption of comparable size, suggesting the shortfall reflected tenant turnover rather than a broader pullback in demand. Over the past year, vacancies in properties of 50,000 square feet or more were filled in an average of eight months, placing the expected backfill in the closing months of 2026.

Employment

After a net loss of jobs in 2025, Miami added 16,600 roles in the first half of 2026 while holding the lowest unemployment rate among major metros. Office-using employment supported this turnaround, as professional and business services recorded the largest gain of any sector, driven predominantly by corporate relocations such as Palantir. Outside of this, education and health services extended their hiring surge, while leisure and hospitality rose more than 2 percent, largely driven by World Cup activity.

EMPLOYMENT TRENDS



* Forecast

Sources: BLS; CoStar Group, Inc.

2026 FORECAST



EMPLOYMENT

20,000

1.5%

Jobs will be created Increase Y-O-Y



CONSTRUCTION

300,000

0.2%

Sq. ft. will be added Inventory increase Y-O-Y



VACANCY

3.2%

20

Vacancy rate BPS decrease Y-O-Y



RENT

\$44.50

2.7%

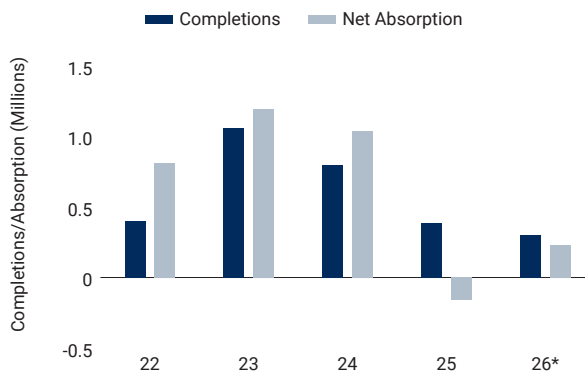
Average asking rent by year-end Increase Y-O-Y



Construction

The first six months of 2026 marked the slowest opening half for deliveries in Miami since at least 2007. Downtown Miami, Coral Way, and Miami proper are expected to see the most notable declines in deliveries. Meanwhile, the area around MIA and south Dade are expected to see increased completions. Much of the construction around the airport is coming from the Doral Marketplace. Most of this neighborhood center is already pre-leased and anchored by a Whole Foods.

CONSTRUCTION TRENDS

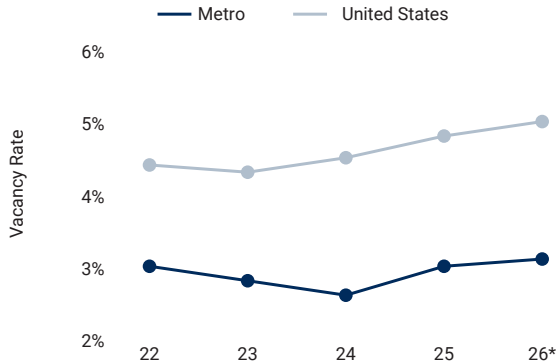




Vacancy

Net relinquishment carried over from 2025 into the first quarter of 2026. However, second-quarter move-ins offset much of this, placing Miami among the least vacant major markets as of June 2026. Northeast and South Dade saw the largest swings, each with a vacancy rate below 3 percent. Medley-Hialeah also saw an absorption swing, keeping the area among the nation's least vacant submarkets with more than 10 million square feet of inventory.

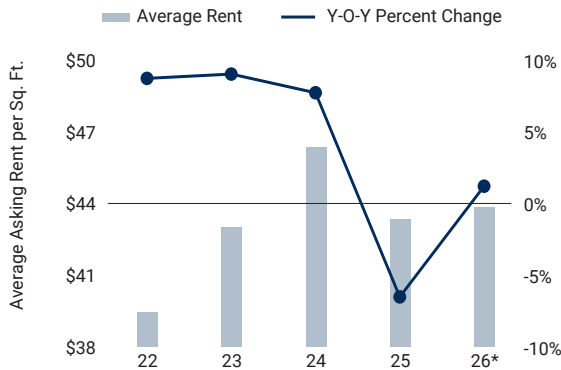
VACANCY TRENDS



Rent

Miami maintained one of the highest average asking rents among major metros. Annual average rent growth returned in June at 2.4 percent, with Miami proper and downtown posting double-digit gains. However, the downtown increase largely reflects the quality of space brought to market in the second quarter. Multi-tenant rents in Miami proper grew more than four times faster than single-tenant rents, though the single-tenant's larger inventory share left both contributing almost equally to the metro mean.

RENT TRENDS



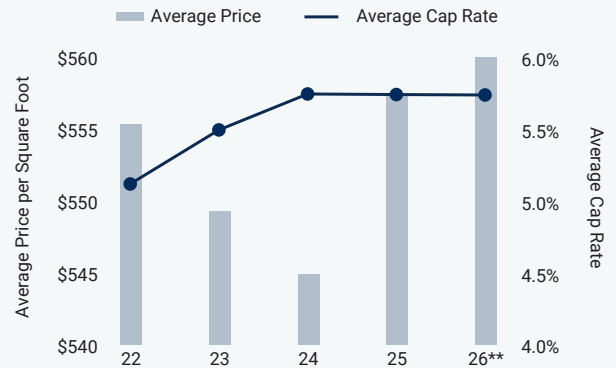
* Forecast ** Through 2Q

Sources: CoStar Group, Inc.; Real Capital Analytics

INVESTMENT HIGHLIGHTS

- In the 12 months ended June, transaction activity increased 18 percent year-over-year. This was primarily driven by a 26 percent rise in multi-tenant trades, especially in the \$10 million-plus price tranche, signaling increased institutional confidence. Private investor sentiment also increased, as trades under \$10 million grew by over 20 percent. As a result, the average price per square foot inched up 2.2 percent. In comparison, the mean cap rate remained at an upper-middle-bound 5 percent, the lowest among major Florida metros, as the market maintains the state's premium pricing.
- Miami proper and northeast Dade saw the largest increases in transaction activity, up 31 percent and 39 percent year-over-year, respectively. These submarkets collectively accounted for 39 percent of trades over the past 12 months ended in June, with properties built before 1980 accounting for most of the trades. Multiple highways and public rail systems cross these submarkets, sustaining investor interest.
- Miami Beach also saw a notable increase in trading activity, up 44 percent year-over-year. Along with downtown, Miami Beach remained the metro's epicenter of apartment construction activity, with more than 2,000 units added in 2025. Alongside tourism, this likely attracted more retail investors who anticipated more households. These areas also maintained higher median incomes than neighboring submarkets, making well-positioned properties there desirable.

SALES TRENDS



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