

INVESTMENT FORECAST

Marcus & Millichap

RETAIL

Miami-Dade Metro Area

2025

Shifting Tenant Composition Bolsters City Centers Amid Sustained Suburban Tightness

Evolving retail mix reshapes the urban landscape. Miami-Dade's expanding economy is set to maintain one of the nation's fastest income growth rates in 2025, supporting consumer spending across the metro. Submarkets that were slower to recover post-pandemic are gaining traction, driven by a shift toward experience- and cost-oriented businesses. New retail developments in Downtown reflect this trend; Sawyer's Block will be anchored by discount stores, while a bowling alley and health club will occupy the largest spaces in Miami Worldcenter. Dining and high-end fashion brands are also expected to maintain steady demand for smaller footprints in the urban core, building on the vacancy compression seen in 2024. In the metro's northern consumer hubs, traditional retailers are also giving way to experiential concepts, exemplified by Aventura Mall adding a new gym and upscale culinary destination. Elsewhere, record-low vacancy below 2 percent in central and southern areas like Hialeah and Kendall may constrain leasing activity while still supporting above-average rent growth.

Wynwood expands as suburbs stay competitive. Wynwood saw heightened investment activity last year, fueled by strong population growth and a deepening employer base. Historically elevated multifamily absorption, along with Amazon signing the largest-ever office lease in the area, underscore its rising appeal, sustaining investor interest in high-traffic retail within mixed-use developments. Meanwhile, persistently low suburban vacancy should reinforce buyer demand in areas like Coral Gables and Doral, particularly for those pursuing larger shopping centers. Investors seeking net-leased assets may focus on convenience stores or auto repair shops, while strong fast-food and restaurant leasing in 2024 may drive demand for these tenants' spaces.

2025 MARKET FORECAST

+1.6%



EMPLOYMENT: Hiring is set to improve modestly in 2025, with a net gain of 22,000 roles. This will rank Miami-Dade's job growth rate among the top 10 fastest major U.S. markets.

700,000
sq. ft.



CONSTRUCTION: Deliveries will rise slightly from last year, but remain historically subdued. Most of 2025's completions will be concentrated in the Greater Downtown Miami area.

-10 bps



VACANCY: Well pre-leased new supply and steady economic growth are expected to drive tighter vacancy. At 2.7 percent, Miami will have the fourth-lowest rate of major metros.

+5.4%

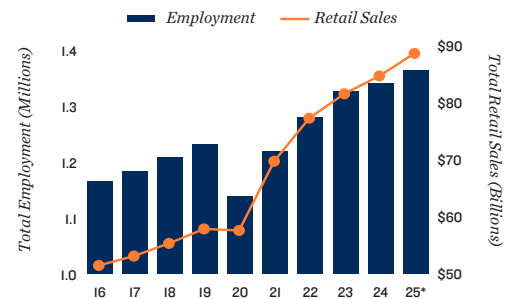


RENT: Tight vacancy enables Miami to join Tampa as the only major market with five straight years of rent growth above 5 percent, with the metro's mean asking rate reaching \$49.00 per square foot.

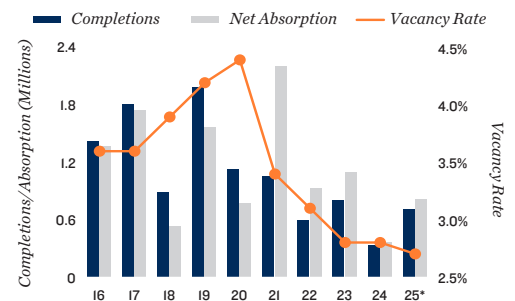
INVESTMENT:

South Dade should see steady investor demand, as asking rents have risen nearly 60 percent since 2019 — the fifth-fastest pace nationwide among submarkets with over 9 million square feet of inventory.

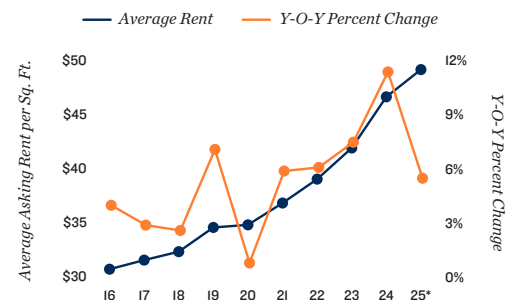
Economic Trends



Supply and Demand



Rent Trends



* Forecast

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Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of December 2024. Effective rent is equal to asking rent less concessions. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Sales data includes transactions valued at \$1,000,000 and greater unless otherwise noted. Forecasts for employment and apartment data are made during the fourth quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.