

INVESTMENT FORECAST

Retail
Miami-Dade

IPA
INSTITUTIONAL
PROPERTY
ADVISORS

2026

Demand Drivers Support Optimistic Outlook for One of Nation's Least Vacant Markets

High-income earners support tight vacancy. Over the past four years, vacancy has hovered in the high-2 to low-3 percent range, with strong income growth fueling consumer spending. While some headwinds to visitation may dampen retail sales growth in 2026, major events such as the FIFA World Cup and World Baseball Classic should provide a meaningful boost on key dates. However, decelerating population growth and below-average employment gains may modestly pressure the metrowide vacancy rate. The city of Miami, including downtown, posted triple-digit basis-point vacancy increases in 2025, entering 2026 above 5 percent. Even so, local demand drivers — Miami Freedom Park in Miami City and new office deliveries such as the MSC Group headquarters and the well-leased 830 Brickell tower in the CBD — should help sustain retail demand. Conversely, Aventura posted one of the largest vacancy declines among Florida submarkets last year, driven by strong multi-tenant leasing in the second half, with the node's high-income base supporting continued performance into 2026.

Trading concentrated in pockets of high-density. The city of Miami was the focal point of deal flow in 2025. With local vacancy entering 2026 above the metro norm, investors may continue to pursue assets ripe for repositioning. Across Biscayne Bay, Miami Beach also recorded a notable increase in deal flow, even as elevated rents and tenant turnover kept vacancy above 5 percent. The submarket's affluent consumer base may support increased foot traffic over time that directs investors to assets along Lincoln Road. Elsewhere, the Medley-Hialeah submarket posted the nation's second-lowest vacancy rate in 2025 among submarkets with more than 10 million square feet of inventory, positioning listings in this area to attract investor interest in 2026.

2026 MARKET FORECAST

+0.5%



Employment: Miami-Dade will add roughly 7,000 positions in 2026, its ninth-lowest total since at least 1991. Nonetheless, its growth rate will still outpace the national average of 0.2 percent.

300,000
sq. ft.



Construction: The metro's supply pipeline will moderate this year, expanding at 0.2 percent and tying with Fort Lauderdale for the slowest pace of growth among major Florida metros.

+10 bps



Vacancy: Incoming supply will outpace net absorption, resulting in a slight increase in vacancy. While the local rate rises to 3.1 percent, it ranks as the third-lowest among major markets.

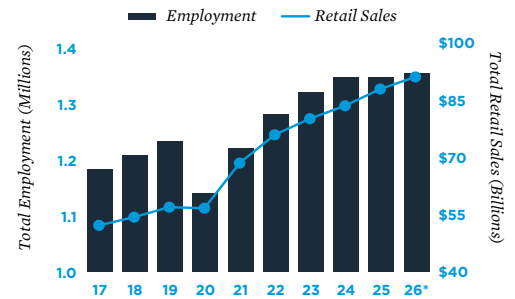
+0.9%



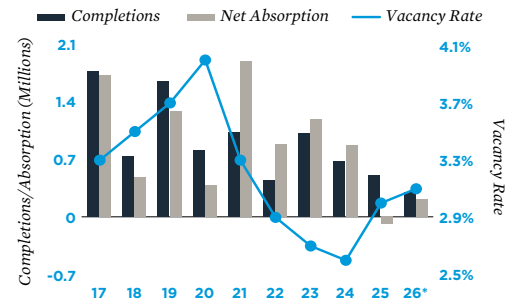
Rent: Tight vacancy and improving, though below-average, demand growth should modestly push the average asking rent up to \$44.19 per square foot, following last year's contraction.

INVESTMENT: *Effective late last year, Florida HB 7031 reduces tenant occupancy costs by eliminating commercial real estate lease taxes, aiding tenant stability and cash flow for local property owners.*

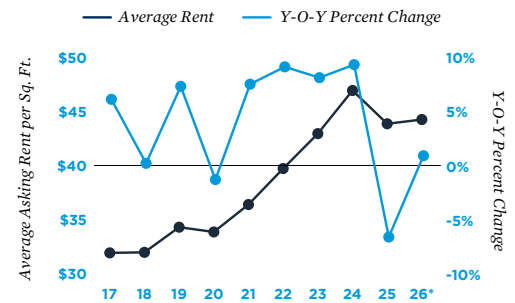
Economic Trends



Supply and Demand



Rent Trends



* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

IPA Retail

Gregory A. LaBerge

Senior Vice President, National Division Leader

Tel: (818) 212-2250 | glaberge@ipausa.com

Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of January 2026. 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 office 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.