

## Industrial Q2 2024

	YoY Chg	12-Mo. Forecast
<b>4.5%</b> Vacancy Rate	▲	▬
<b>870K</b> YTD Absorption, SF	▼	▲
<b>\$17.57</b> Asking Rent, PSF	▲	▲

*Overall, Net Asking Rent*

### ECONOMY

The Miami-Dade County unemployment rate was the lowest among the nation's major metros despite increasing 10 basis points (bps) year-over-year (YOY) to 1.9%. Nonfarm employment demonstrated an increase of 33,800 jobs, marking 2.6% growth YOY. The trade, transportation, and utilities sector and the manufacturing sector recorded growth, together contributing to the creation of over 3,500 new jobs despite prevailing economic challenges.

### DEMAND

Miami recorded 1.5 million square feet (msf) of new leasing activity in Q2, marking an 8.5% decrease from the same period last year. Year-to-date (YTD) leasing activity, however, increased by 8.3%, reaching nearly 3.3 msf by the end of the first half of 2024. The Airport West submarket led the activity, accounting for 31.3% of all new deals in 2024. Across Miami, there remained clear tenant demand for properties below 200,000 square feet (sf) in size. The most significant lease of the quarter was signed by Sentry Tire, which secured a full-building lease at County Line Corporate Park - Building 31. The company will occupy 162,000 sf upon its completion in early next year. Demand in Miami remained healthy, evidenced by Q2 closing with 317,281 sf of positive absorption, bringing the YTD total to over 870,000 sf.

### SUPPLY

Construction completions in Miami continued to rise with seven projects completed in Q2, totaling over 1.0 msf, with 95.4% of this space delivered vacant and available for lease. The influx of new inventory contributed to a quarter-over-quarter (QOQ) increase in vacancy by 40 bps and a YOY increase by 320 bps, bringing the Q2 overall vacancy rate to 4.5%. Despite these increases, vacancy remained historically low, up only 50 bps from five years ago, before the industrial surge that occurred during 2022-2023. The Northwest Dade and North Central Dade submarkets accounted for 75.0% of new deliveries so far this year. At the midyear point, there was over 4.7 msf of construction projects underway, with 91.3% of this space still available.

### MARKET PRICING

The average asking rate continued an upward trend in Q2, reaching \$17.57 per square foot (psf), marking a 0.8% increase QOQ and an 8.4% increase YOY. Warehouse/distribution asking rents also rose, increasing by 0.6% QOQ and 10.8% YOY, ending the quarter at \$17.47 psf. While rents recorded a slight increase QOQ, asking rents in Miami are expected to continue rising due to the majority of available space being comprised of new construction delivering into the market with higher asking rents.

### ECONOMIC INDICATORS Q2 2024

	YoY Chg	12-Mo. Forecast
<b>1.3M</b> Miami Employment	▲	▲
<b>1.9%</b> Miami Unemployment Rate	▼	▲
<b>4.1%</b> U.S. Unemployment Rate	▲	▲

Source: BLS

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



## Industrial Q2 2024

### MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTR (SF)	YTD CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Airport East/Downtown	23,240,823	456,593	2.0%	-118,430	264,732	193,008	0	\$13.44	\$25.57	\$12.97
Airport North/Medley	37,366,801	1,137,045	3.0%	161,804	634,465	930,480	682,774	\$19.65	\$19.34	\$18.35
Airport West	47,007,315	2,250,969	4.8%	213,983	1,030,393	1,563,315	502,436	N/A	\$21.78	\$18.19
Hialeah	7,846,539	35,091	0.5%	25,185	107,678	131,247	0	N/A	N/A	\$18.72
Miami Lakes	4,791,921	127,315	2.7%	-15,810	9,600	407,268	0	\$15.00	\$17.18	\$16.00
North Central Dade	33,663,978	2,540,011	7.6%	26,594	588,523	409,189	1,717,954	\$18.50	\$26.00	\$16.42
Northeast Dade	3,183,672	30,939	1.0%	45,145	28,539	0	0	N/A	\$22.00	N/A
Northwest Dade	10,992,579	1,309,591	11.9%	580,508	548,111	927,794	1,838,995	N/A	N/A	\$17.78
South Dade	8,595,837	104,772	1.2%	-48,657	84,310	169,053	0	\$19.77	\$17.36	\$16.10
<b>MIAMI-DADE TOTALS</b>	<b>176,689,465</b>	<b>7,992,326</b>	<b>4.5%</b>	<b>870,322</b>	<b>3,296,351</b>	<b>4,731,354</b>	<b>4,742,159</b>	<b>\$14.96</b>	<b>\$21.04</b>	<b>\$17.47</b>

\*Rental rates reflect weighted NNN asking \$psf/year

MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

### MARKET STATISTICS BY PRODUCT TYPE

PRODUCT TYPE	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTR (SF)	YTD CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Manufacturing	17,671,241	275,727	1.6%	-17,400	-81,700	25,140	0	0	\$14.96
Office Service	8,757,218	307,586	3.5%	-72,199	-98,031	117,170	0	0	\$21.04
Warehouse/Distribution	150,261,006	7,409,013	4.9%	406,880	1,050,053	3,154,041	4,731,354	4,742,159	\$17.47
<b>MIAMI-DADE TOTALS</b>	<b>176,689,465</b>	<b>7,992,326</b>	<b>4.5%</b>	<b>317,281</b>	<b>870,322</b>	<b>3,296,351</b>	<b>4,731,354</b>	<b>4,742,159</b>	<b>\$17.57</b>

### KEY LEASE TRANSACTIONS Q2 2024

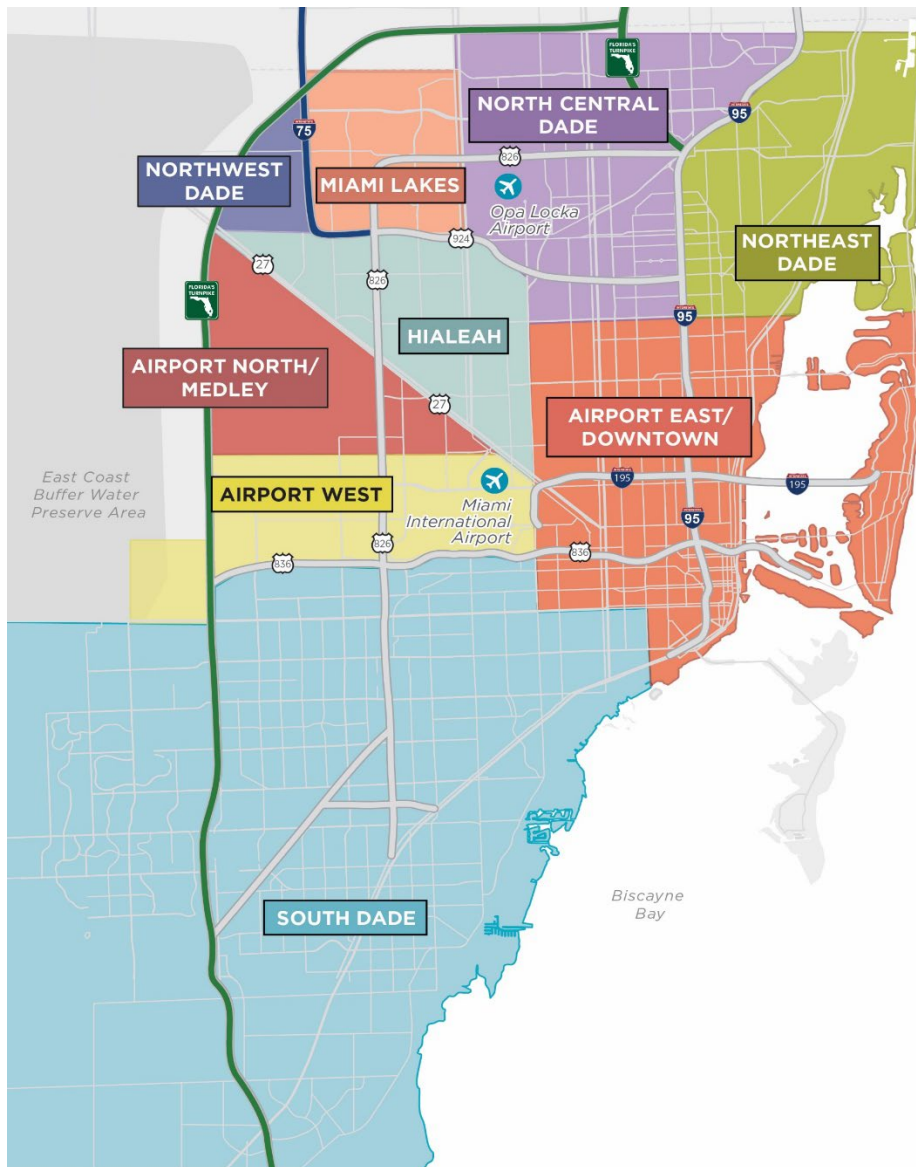
PROPERTY	SUBMARKET	TENANT	RSF	TYPE
W 43rd Ave - Building 31	Northwest Dade	Sentry Tire	162,000	New
11400 NW 32nd Ave	North Central Dade	Atlas Paper Mills, LLC	115,000	Sublease
10300 NW 19th Street- BLDG #15	Airport West	Global Engine Maintenance	110,000	Renewal

\*Renewals not included in leasing statistics

### KEY SALE TRANSACTIONS Q2 2024

PROPERTY	SUBMARKET	SELLER   BUYER	SF	PRICE   \$ PSF
15801 NW 49th Ave	Miami Gardens-Ives Dairy	Lightstone Group   Palmetto Lakes Industrial Owner LLC	133,914	\$25.5M   \$190
4355 NW 128th St	Opa Locka Airport	Braver Holdings LLC   Cigarette Holdings RE LLC	128,732	\$16.0M   \$124
14101 57th Avenue	Miami Lakes	Foundry Commercial   Barings	87,268	\$24.3M   \$278

**INDUSTRIAL SUBMARKETS**



**Connor Steele**  
*Research Analyst*  
 Florida  
 Tel: +1 305 533 2877  
 Connor.Steele@cushwake.com

**Eric Messer**  
*Senior Research Manager*  
 Florida  
 Tel: +1 954 377 0519  
 Eric.Messer@cushwake.com

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