

Industrial Q4 2021

	YoY Chg	12-Mo. Forecast
2.7% Vacancy Rate	▼	▲
5.7M YTD Absorption, SF	▲	▼
\$9.54 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

ECONOMIC INDICATORS Q4 2021

	YoY Chg	12-Mo. Forecast
1.2M Miami Employment	▲	▲
3.7% Miami Unemployment Rate	▼	▼
4.2% U.S. Unemployment Rate	▼	▼

Source: BLS, Numbers above are monthly figures, FL Dept. Economic OPP

ECONOMY

Miami-Dade, part of the South Florida region, had an unemployment rate of 3.7% in November 2021, down 10 basis points (bps) from the previous month and 450 bps lower than one year ago. Nonagricultural employment rose by 70,100 jobs, or 6.2%, over the year to 1.2 million. Every single employment sector gained jobs year-over-year (YOY) except for those in the Construction as well as Education & Health Services industry sectors, which decreased by 1,300 jobs combined. Industrial-using employment sectors, including Trade, Transportation & Utilities, and Manufacturing, had a boost of 15,700 jobs in the last 12 months.

SUPPLY

Overall vacancy ended the year at 2.7%, down 210 bps YOY and the lowest in the last twenty years as demand continued to outpace supply. The main driver for the decrease in vacancy was the 5.7 million square feet (msf) of positive absorption in 2021, the highest annual amount ever. There was over 4.5 msf under construction at the end of the year with approximately 22% preleased. Approximately 3.4 msf, or 74%, of the product under construction was speculative with one large 1.0 msf build-to-suit by an e-commerce tenant. Most new product was expected to deliver over the next 6-18 months.

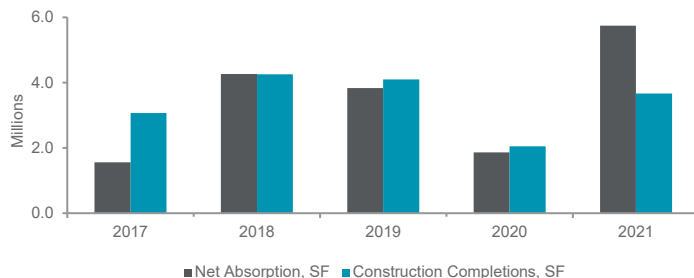
DEMAND

New leasing activity in 2021 reached over 9.4 msf, a 25% jump compared to 2020 leases signed and the second highest annual amount on record. Increased demand continued to be driven by logistics and distribution firms as well as e-commerce and retail companies looking for last mile delivery locations. The Airport North/Medley submarket accounted for the most leasing activity in the county with over 2.3 msf, or 25% of the total. The Airport West, North Central Dade, and Northwest Dade submarkets all experienced significant demand as well with each reaching 1.9 msf or more of new deals signed.

MARKET PRICING

Overall asking rents rose to \$9.54 per square foot (psf) triple net, a 7.7% YOY jump and the fifth consecutive quarter where an all-time high was set. Extremely scarce availability with a rise in demand allowed landlords to continue the push rent amounts. Warehouse/distribution rents reached an average of \$9.20 psf, an historic high and the first time warehouse/distribution rents averaged above \$9.00 psf. Limited developable land remaining and the increase in people and companies to the county have continued to make the area attractive to investors.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q4 2021

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	YTD NEW LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Airport North/Medley	34,682,738	991,046	2.9%	805,582	2,375,529	1,539,025	696,525	N/A	\$11.86	\$9.67
Airport West	45,203,519	1,021,927	2.3%	581,090	1,840,809	622,223	0	\$8.32	\$14.01	\$8.94
Hialeah	7,551,397	84,400	1.1%	70,285	169,744	0	0	N/A	\$9.92	\$7.39
Airport East/Downtown	22,894,861	599,964	2.6%	465,193	975,496	0	0	\$7.31	\$18.72	\$7.95
Miami Lakes	4,791,921	0	0.0%	253,714	406,414	0	0	N/A	N/A	N/A
North Central Dade	31,290,774	512,091	1.6%	1,490,468	2,048,798	505,440	811,187	N/A	\$17.84	\$11.16
Northeast Dade	2,907,298	150,391	5.2%	287,696	216,952	132,894	0	N/A	\$22.00	N/A
Northwest Dade	6,078,420	940,039	15.5%	1,843,477	1,199,558	578,843	2,161,377	N/A	N/A	\$8.95
South Dade	7,344,324	86,334	1.2%	-52,050	235,324	1,216,000	0	N/A	N/A	\$10.33
MIAMI-DADE TOTALS	162,745,252	4,386,192	2.7%	5,745,455	9,468,624	4,594,425	3,669,089	\$7.33	\$16.03	\$9.20

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

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

KEY LEASE TRANSACTIONS YTD 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
5770 Miami Lakes Drive	Miami Lakes	Mr. Glass Doors and Windows	191,929	New
21201 Northwest 43 rd Avenue	North Central Dade	USPS	179,634	New
4120 W 91st Place	Northwest Dade	Custom Veterinary Services	147,768	New

*Renewals not included in leasing statistics

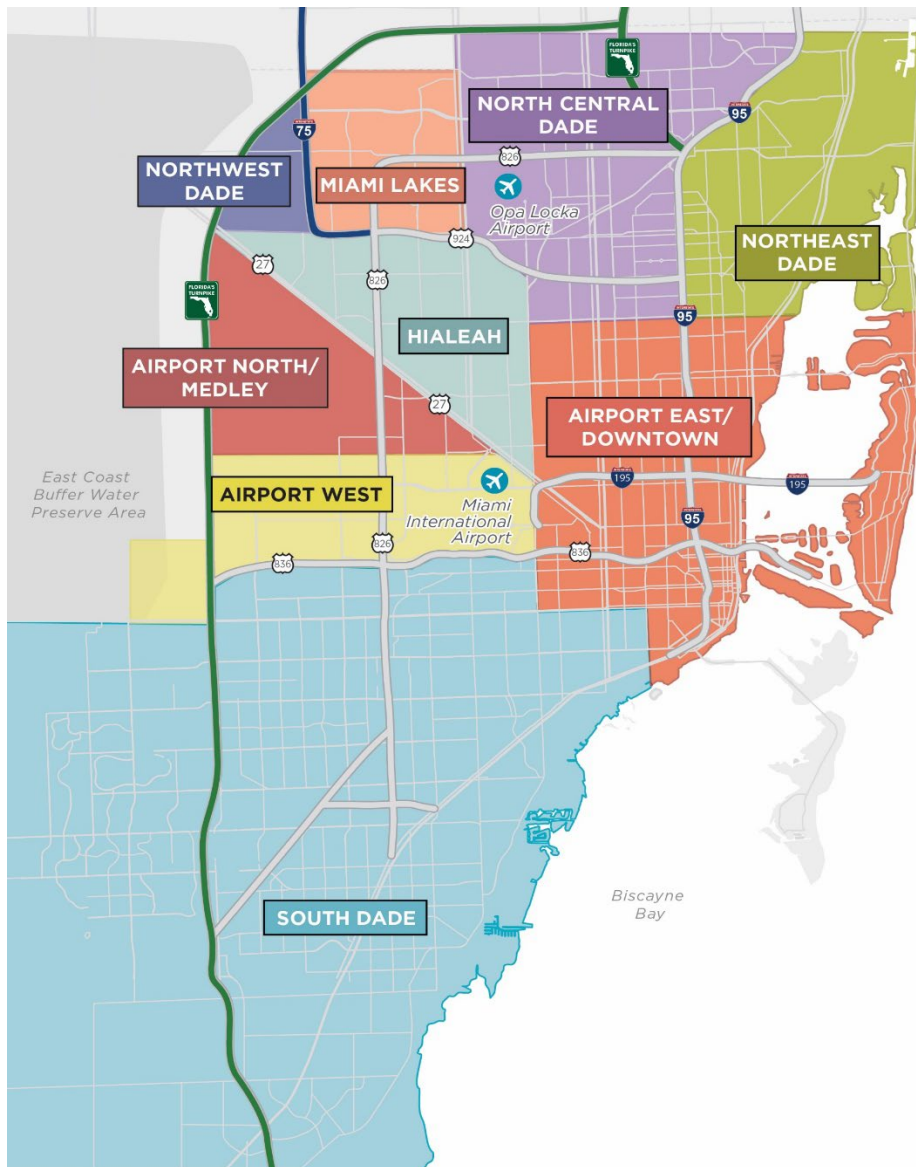
KEY SALES TRANSACTIONS YTD 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
8701 NW 93 rd Street	Airport North/Medley	Cabot Properties Blackstone	246,352	Portfolio Sale
4151 West 108 th Street	Northwest Dade	Flagler Development Terreno Realty	220,000	\$40.8M \$185

KEY CONSTRUCTION COMPLETIONS YTD 2021

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
4040 W 108 th St- Buildings 1 and 2	Northwest Dade	Home Depot	1,050,000	CenterPoint Properties / Flagler Development
14350 Northwest 56 th Court	North Central Dade	Amazon	279,499	Bridge Development / Bridge Development

INDUSTRIAL SUBMARKETS



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