

Industrial Q1 2022

	YoY Chg	12-Mo. Forecast
2.3% Vacancy Rate	▼	▲
1.7M YTD Absorption, SF	▲	▼
\$10.30 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

ECONOMIC INDICATORS Q1 2022

	YoY Chg	12-Mo. Forecast
1.2M Miami Employment	▲	▲
2.9% Miami Unemployment Rate	▼	▼
3.6% 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 2.9% in March 2022, up 20 basis points (bps) from the previous month but 370 bps lower than one year ago. Nonagricultural employment rose by 80,500 jobs, or 7.0%, over the year to 1.2 million. Every single employment sector gained jobs year-over-year (YOY) except for government which lost 1,000 jobs in the last 12 months. Industrial-using employment sectors, including Trade, Transportation & Utilities, and Manufacturing, rose by 12,800 jobs in the last 12 months.

SUPPLY

Overall vacancy ended the quarter at 2.3%, down 300 bps YOY and the tightest the market has been in the last two decades as tenant demand was insatiable even as new supply raced to meet it. Positive absorption was the main driver for the decrease in vacancy with 1.7 million square feet (msf) in the first quarter, greater than the amount occupied by tenants in the previous quarter. There was over 7.6 msf under construction at the end of the quarter which is approximately 3.0 msf more than was under construction at yearend 2021. Approximately 5.7 msf, or 75%, of the product under construction was speculative with one large 1.0 msf build-to-suit (BTS) by an e-commerce tenant. Most new product was expected to deliver over the next 6-18 months.

DEMAND

New leasing activity in 2022 reached over 3.4 msf, a 34% jump compared to the first quarter of 2021 and the highest amount of quarterly activity since the third quarter of 2019. Heightened consumer spending led to an increase in tenant demand driven by logistics and distribution firms as well as e-commerce and retail companies looking for last mile delivery locations. The Northwest Dade and Airport North/Medley submarkets accounted for the most leasing activity in the county with a combined 2.2 msf, or 66% of the total. The Airport West and North Central Dade submarkets experienced significant demand as well with 1.0 msf of new deals signed.

MARKET PRICING

Overall asking rents rose to \$10.30 per square foot (psf) triple net, a 16% YOY jump and the first-time asking rents eclipsed \$10.00 psf. Ten years ago asking rents in the county were half that amount. Limited developable land remaining and the increase in people and companies to the county have continued to make the area attractive to investors. Available space for new and expansion tenants remained scarce and allowed landlords to continue to push rents, sometimes multiple times in the first quarter. Warehouse/distribution rents reached an average of \$9.74 psf, a high-water mark for rent average in Miami-Dade.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q1 2022

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	22,910,957	592,205	2.60%	-64,194	-64,194	200,000	0	\$9.35	\$18.02	\$8.73
Airport West	35,492,252	913,758	2.60%	808,705	808,705	1,561,342	869,511	N/A	N/A	\$9.44
Hialeah	45,371,283	1,006,233	2.20%	-41,086	-41,086	934,465	127,150	\$8.32	\$14.41	\$10.82
Airport East/Downtown	7,673,056	105,125	1.40%	124,659	124,659	480,844	121,659	\$10.70	\$9.22	\$7.39
Miami Lakes	4,791,921	98,688	2.10%	-98,688	-98,688	0	0	N/A	\$15.95	N/A
North Central Dade	31,498,198	536,872	1.70%	53,910	53,910	1,480,880	199,800	N/A	\$20.34	\$9.47
Northeast Dade	2,907,298	14,130	0.50%	135,161	135,161	132,894	0	N/A	\$22.00	N/A
Northwest Dade	6,283,527	322,590	5.10%	822,556	822,556	1,624,674	205,107	N/A	N/A	\$8.95
South Dade	7,342,841	115,290	1.60%	-1,640	-1,640	1,229,532	0	N/A	\$15.37	\$10.28
MIAMI-DADE TOTALS	164,271,333	3,704,891	2.30%	1,739,383	1,739,383	7,644,631	1,523,227	\$9.57	\$16.87	\$9.74

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

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

PRODUCT TYPE	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD NEW LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (OS)
Manufacturing	17,700,820	143,868	0.8%	124,870	124,870	108,770	300,000	0	\$9.57
Office Service	8,754,951	153,551	1.8%	11,824	11,824	69,374	0	0	\$16.87
Warehouse/Distribution	137,815,562	3,407,472	2.5%	1,602,689	1,602,689	3,243,686	7,344,631	1,523,227	\$9.74
MIAMI-DADE TOTALS	164,271,333	3,704,891	2.3%	1,739,383	1,739,383	3,421,830	7,644,631	1,523,227	\$10.30

KEY LEASE TRANSACTIONS Q1 2022

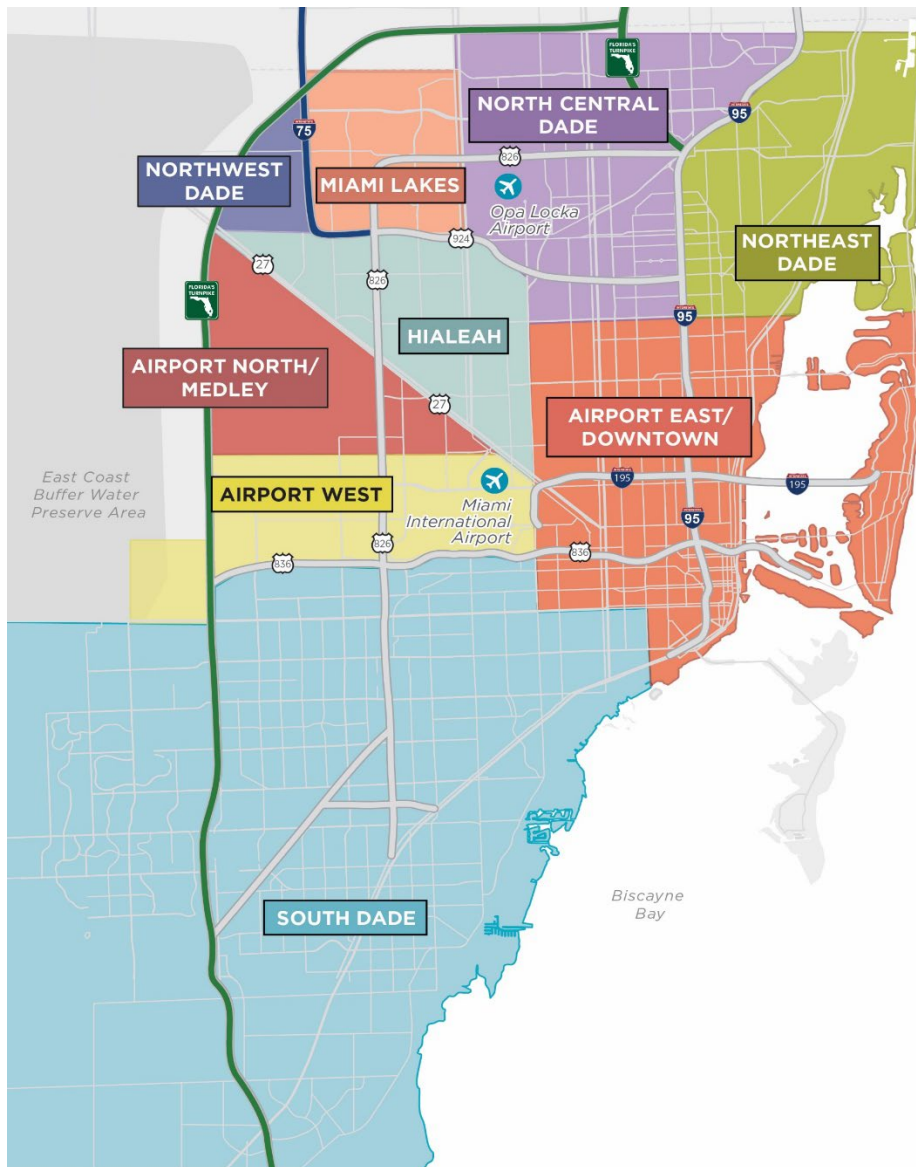
PROPERTY	SUBMARKET	TENANT	RSF	TYPE
5770 Miami Lakes Drive	Miami Lakes	Mr. Glass Doors and Windows	191,929	New
21201 Northwest 43 rd Avenue	North Central Dade	USPS	179,634	New
4120 W 91st Place	Northwest Dade	Custom Veterinary Services	147,768	New

*Renewals not included in leasing statistics

KEY CONSTRUCTION COMPLETIONS YTD 2022

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 56th Court	North Central Dade	Amazon	279,499	Bridge Development / Bridge Development

INDUSTRIAL SUBMARKETS



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