

Industrial Q1 2024

4.2% Vacancy Rate	▲	▬
549K YTD Absorption, SF	▼	▲
\$16.99 Asking Rent, PSF	▲	▲

YoY Chg 12-Mo. Forecast

Overall, Net Asking Rent

ECONOMIC INDICATORS Q1 2024

1.3M Miami Employment	▲	▲
1.6% Miami Unemployment Rate	▼	▲
3.8% U.S. Unemployment Rate	▲	▲

YoY Chg 12-Mo. Forecast

Source: BLS

ECONOMY

The Miami-Dade County unemployment rate decreased 20 basis points (bps) year-over-year (YOY), falling to 1.6%. In February 2024, nonfarm employment demonstrated an increase of 35,600 jobs, marking 2.8% growth YOY. Notably, the trade, transportation, and utilities sector and the manufacturing sector recorded substantial growth, together contributing to the creation of over 5,300 new jobs despite prevailing economic challenges.

DEMAND

Miami recorded a 13.7% YOY increase in leasing activity during Q1 with nearly 1.6 million square feet (msf). The Airport North/Medley and Airport West submarkets combined accounted for 58.2% of the new deals signed. Small to mid-sized product still led demand in Miami. During Q1 there were no leases signed over 200,000 square feet (sf) and only three leases inked over 100,000 sf signifying the surge in demand for product beneath this threshold. The largest lease of the quarter was MD Turbines which expanded its presence within County Line Corporate Park with an additional 178,201 sf.

SUPPLY

Miami delivered over 3.7 msf of new product during Q1, surpassing the 2023 annual total by 22.7%. There were three big box deliveries that occurred – Bridge Point Commerce Center Bldg. A and Bldg. B totaling nearly 1.6 msf, of which 75% remained vacant, and the County Line Corporate Park Bldg. 38 at 506,215 sf which will be fully occupied by Imperial Dade later this year. The remainder of the new product brought online during Q1 were less than 200,000-sf footprints filling the need for the high demand in small to mid-sized product tenant demand. Notably, vacancy rose in Q1 due to the large influx of newly built inventory—51.2% of the product that delivered during Q1 remains vacant and available. Miami’s overall vacancy rate increased 170 bps quarter-over-quarter (QOQ) to 4.2%. Over the coming year, expect a slowdown in new product breaking ground as Miami experiences more normalized demand growth.

MARKET PRICING

Rents throughout the market continued to increase 5.2% (QOQ) reaching \$16.99 per square foot (psf) representing a 7.7% YOY rise. As new product continues to deliver with vacancy, this trend could continue as the remaining 4.0 msf under construction is delivered over 2024 and 2025. The Airport North/Medley submarket increased the most substantially, up 24.6% YOY. Warehouse/distribution asking rents also increased significantly, climbing 9.7% YOY to \$16.93 psf.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q1 2024

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	YTD CNSTR 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	411,224	1.8%	-20,450	78,075	85,376	0	\$11.57	\$25.74	\$13.13
Airport North/Medley	36,929,598	548,606	1.5%	251,071	409,612	1,469,683	143,571	\$20.38	\$17.13	\$16.75
Airport West	46,911,347	2,329,757	5.0%	92,878	512,100	1,234,579	502,436	N/A	\$18.21	\$17.91
Hialeah	7,846,539	55,091	0.7%	5,185	24,000	0	0	\$19.75	N/A	\$18.92
Miami Lakes	4,791,921	127,315	2.7%	-15,810	9,600	87,268	0	\$15.00	\$17.18	\$16.00
North Central Dade	33,672,629	2,625,903	7.8%	-18,186	269,297	0	1,717,954	\$17.64	\$26.00	\$16.75
Northeast Dade	3,183,672	39,532	1.2%	45,145	-	0	0	N/A	\$22.00	\$7.75
Northwest Dade	10,315,718	1,202,183	11.7%	259,077	247,937	970,523	1,376,041	N/A	N/A	\$18.35
South Dade	8,595,837	103,164	1.2%	-50,129	32,699	169,053	0	\$19.00	\$15.70	\$16.46
MIAMI-DADE TOTALS	175,488,084	7,442,775	4.2%	548,781	1,583,320	4,016,482	3,740,002	\$14.10	\$19.68	\$16.93

*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 CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Manufacturing	17,679,892	186,327	1.1%	7,700	7,700	6,900	0	0	\$14.10
Office Service	8,757,218	221,043	2.5%	-23,682	-23,682	27,684	0	0	\$19.68
Warehouse/Distribution	149,050,974	7,035,405	4.7%	564,763	564,763	1,548,736	4,016,482	3,740,002	\$16.93
MIAMI-DADE TOTALS	175,488,084	7,442,775	4.2%	548,781	548,781	1,583,320	4,016,482	3,740,002	\$16.99

KEY LEASE TRANSACTIONS Q1 2024

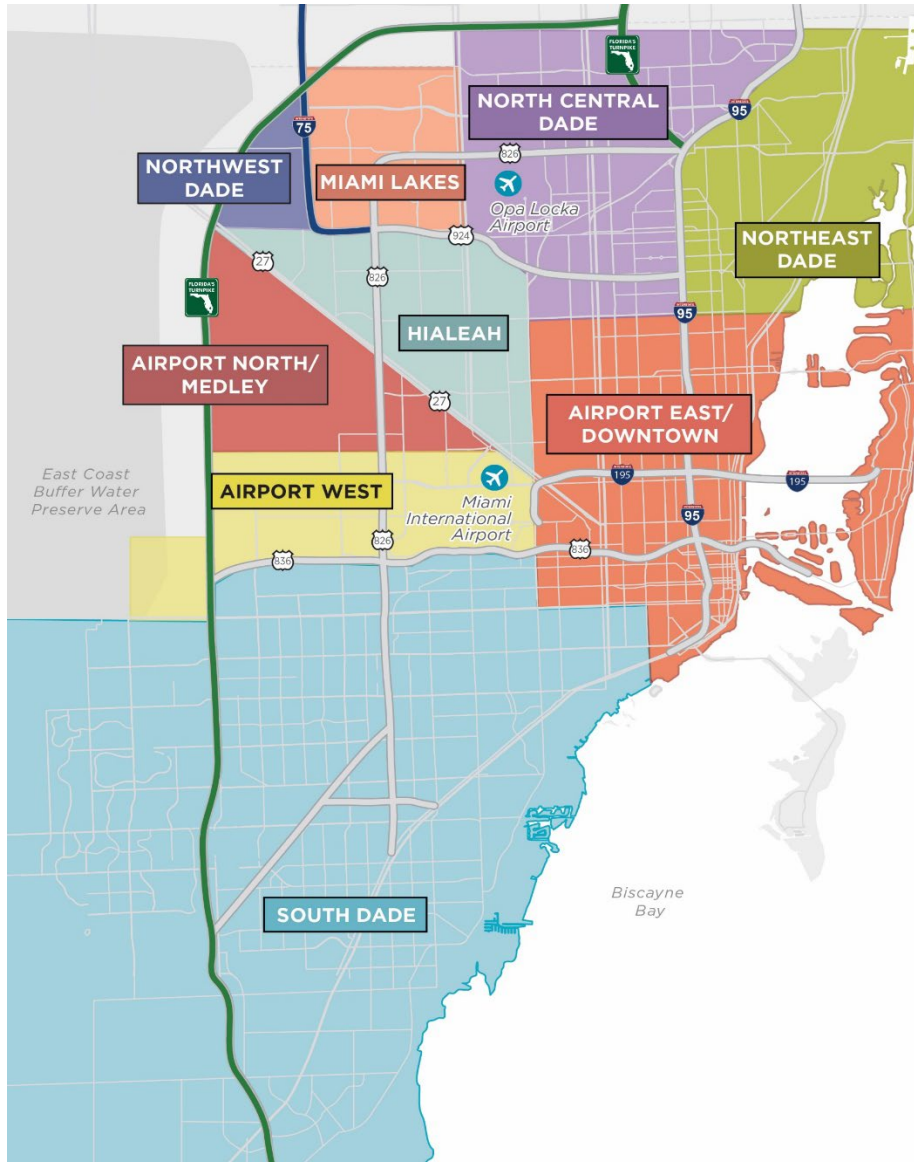
PROPERTY	SUBMARKET	TENANT	RSF	TYPE
3761 W 112th Place	Northwest Dade	MD Turbines	178,201	New
10800 NW 103rd Street-BLDG #22	Medley	DWL INTERNATIONAL TRADING, LLC	146,018	Renewal
11130 NW 122nd Street	Medley	Runway Logistics	80,174	New

*Renewals not included in leasing statistics

KEY SALE TRANSACTIONS Q1 2024

PROPERTY	SUBMARKET	SELLER BUYER	SF	PRICE \$ PSF
3901 NW 28th St	Airport East/Downtown	Simkins Prop Inc. Miami-Dade County	200,626	\$45.0M \$224
7290 NW 77th Ct	Airport North/Medley	Greenfield Partners Parker Davis HVAC International	143,571	\$42.4M \$295
14565 NW 26 Avenue	North Central Dade	Peleg Group Usa LLC N/A	79,601	\$11.0M \$138

INDUSTRIAL SUBMARKETS



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