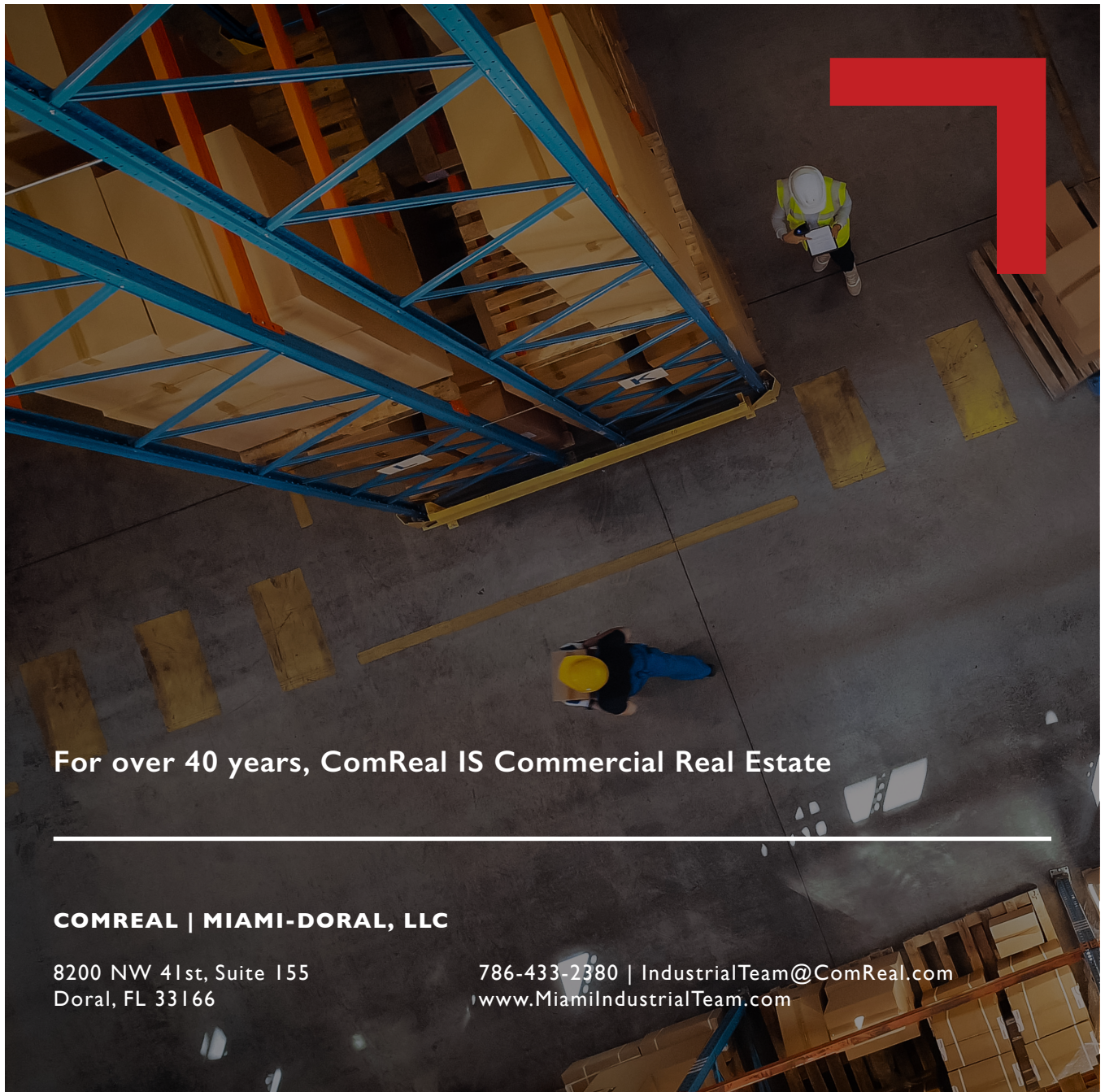


Q1 | 2021

Miami Industrial Market Report



For over 40 years, ComReal IS Commercial Real Estate

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INDUSTRIAL MARKET SUMMARY

The Miami industrial market's Q1 vacancy rate was 4.6% at the close of the quarter with a \$13.16 per sq. ft. average (gross) lease rate. Industrial vacancies are back below the National Index rate after climbing higher in 2020 for the first time in 20 years. Deliveries have totaled 4.7 million sq. ft. over the past 12 months. After trending in line with the country for most of 2020, Miami is now two percentage points stronger in recent quarters.

There is over 3 million sq. ft. of new construction in the works, and about 4.5 million sq. ft. was delivered over the past year. This is including the one million SF Home Depot distribution center in Hialeah, which completed construction in early 2021. Most of what is being built is speculative. The largest speculative projects are in the 200,000 SF – 300,000 SF range.

Vacancy rates in Miami are around 4.6% and are back below the National Index rate. Though international trade has been impacted by the pandemic, the e-commerce sector, including Amazon, has been responsible for many of South Florida's largest lease deals in the past seven months. Amazon signed two large deals in 2020. In April, the company leased about 220,000 SF at the newly built Prologis Beacon Lakes Industrial Distribution Center in the Miami Airport West Submarket. The company also leased a 210,000 SF property in the Hialeah Submarket, which it will occupy following extensive renovations. Vacancies could stabilize once the three million SF under construction delivers and leases.

Annual rent has been rebounding after two years of slowing. Still, at nearly \$13/SF, the average rent in Miami is one of the highest in the country and is more than 40% higher than the national average. Within the market, average rents reach as high as nearly \$20/SF in the South Central and East Miami Submarkets which are nearest to downtown. These submarkets have had the most trouble maintaining growth and have had some of the lowest rent growth in the market in the past year. Still, at 4.5% or higher, annual growth in these submarkets has been considerable.

Industrial investment volume is down in Miami year-over-year but remains at more than \$1 billion in the past year. Volume is slightly higher than the market's 10-year annual average, but turnover has dropped below 5% for the first time in nine years. Deals over \$20 million have become less frequent during the past year, with only nine deals in that range versus 17 deals in 2019.

Though the region has regained some of its jobs toward the end of the year, as of the Bureau of Labor Statistics' (BLS) release of January jobs figures, the metro was still down about 115,000 jobs since February 2020. Tourism has been greatly interrupted and the cruise industry with which Miami is intertwined will likely feel the lingering effects for some time. While the shape of the economic recovery from the past year is yet to be seen, in Miami it is likely to be prolonged. Still, the market should benefit from its diversity. No one industry accounts for more than 15% of Miami's jobs, helping to insulate the city from higher losses as a proportion of the workforce during downturns.

SOUTH DADE FOCUS

Many industrial investors and developers are turning their focus to South Dade for the first time. This is largely driven by the lack of available industrial land in the northern parts of the County. Two large developers filed an application in March for the South Dade Logistics and Technology District, which is an 800-acre parcel of land located on the south side of Florida's Turnpike and north of Southwest 268th Street, between Southwest 122nd Avenue and Southwest 107th Avenue. It would be just north of Homestead Air Reserve Base. The project would feature 5.9 million square feet of warehouses, 100,000 square feet of commercial space and a 150-room hotel.

In 2021, Amazon plans to open four new delivery stations in South Florida. Two of the facilities are in the South Dade market – one will be located at the corner of Southwest 136th Street and Southwest 132nd Avenue in Kendall (65,536 SF) and the other will be located at 3750 Palm Drive, in Homestead (145,125 SF). This is in addition to the 1,000,000+ SF distribution center Amazon got approved in 2020 just north of the Homestead Air Reserve Base.

ComReal recently sold 117 acres to Copart USA in the Homestead Park of Commerce for \$35mm. With land prices at 30 – 50% of the value of industrial land in Northern Miami-Dade, investors and users should consider the growing South-Dade market as an option for their investments and/or business operations.

MARKET STATISTICS

TOTAL SF INVENTORY	VACANCY RATE (AVG)	LEASE RATE (AVG)	SALE PRICE (AVG)	UNDER CONST.
252 M	4.6%	\$13.16/SF	\$165/SF	3.1 M

FEATURED LISTING // 16215 NW 15th Avenue, Miami, FL

AVAILABLE FOR LEASE



TOTAL AVAILABLE: +/- 63,683 SF
LOT SIZE: 3.15 Acres
POWER: Heavy Power
LOADING: 5 Oversized Street Level Doors
 2 Truck Wells
ZONING: Industrial

TOP SALES OF 1ST QUARTER

BUYER	SIZE	ADDRESS	PRICE	PSF
Park 7777 NW 41st Street Owner, LLC	228,299	7777 NW 41st St	\$55,000,000	\$240.91
Ivy USP Property, LLC	149,910	13900 NW 57th Ct	\$17,500,000	\$116.74
Terreno Realty Corporation	137,205	4021 W 108 St	\$24,385,415	\$177.73
Terreno Realty Corporation	136,795	4071 W 108 St	\$23,714,585	\$173.36
Alfoncito Investments, Inc.	122,000	3600-3690 NW 62nd St	\$11,595,200	\$95.04

Provided by CoStar

TOP LEASES OF 1ST QUARTER

TENANT NAME	SIZE	ADDRESS	LEASE RATE
City Furniture	286,991	4350 NW 215th St	\$8.00/SF (NNN)
Amazon	145,753	1125 SE 8th Ct	\$9.00/SF (NNN)
GRM Information Management Services	142,565	15801 NW 49th Ave	\$8.50/SF (IG)
Yun Express	47,613	1080 SE 5th St	\$9.00/SF (NNN)
EPCOM, Inc.	45,060	8301 NW 27th St	\$13.25/SF (IG)

Provided by CoStar

INDUSTRIAL TEAM SPONSORS FCBF'S 2021 GOLF TOURNAMENT

For the third consecutive year, the ComReal Industrial team sponsored the Florida Customs Brokers & Forwarders Association's golf event. The event took place at the Miami Springs Golf Country Club on January 29th, 2021.

Chris Spear, CCIM, Edison Vasquez, CCIM, Patricia Quintana, CCIM, and Pat McBride, Esq, represented the team at the event. To learn more about FCBF visit www.fcbf.com.



INDUSTRIAL TEAM



For Over 40 Years, ComReal IS Commercial Real Estate.

ComReal was founded in 1979 as a full service commercial real estate firm located in South Florida. The Miami Industrial Team leads the Industrial division for ComReal. Specializing in Sales and Leasing of Industrial Properties. The Team consists of highly trained professionals, experts in the field and committed to delivering results to clients. Through almost 80 years of combined experience, they help business owners and investors Sell, Lease and Purchase Industrial Properties. Their specialties include: Dry and Refrigerated warehouses, Manufacturing facilities, Rail served and Foreign Trade Zone Warehouses. Contact us to find out how Our Team can help you and your business.

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