

FLORIDA INDUSTRIAL CONSTRUCTION



1Q 2020

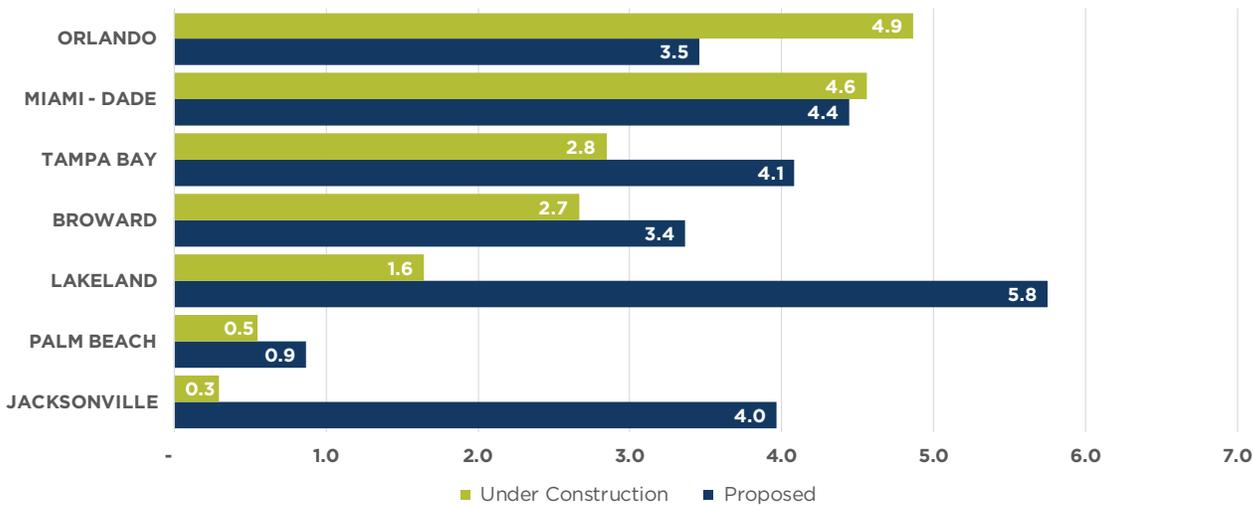
As the world reacts to the Covid-19 pandemic, demand from industrial users will change with the potential for powerful impacts on Florida markets. Industrial space is traditionally the most nimble and responsive to immediate changes in the economy, ramping up quickly when demand rises with projects shelved just as fast as the economy softens. Late in this cycle and driven by the rise in ecommerce, the size of warehouses grew with multiple dock high and/or grade level doors to maximize the efficient movement of goods. At the start of 2020, Florida's industrial market had solid tenant demand driving significant speculative construction. Multiple projects in every major market were under construction or about to break ground over the next few months. As we adjust to a post Covid-19 world, several million square feet (msf) of proposed projects in Florida could potentially be postponed or shelved.

At the end of the 1st quarter, there was **17.4 msf under construction**, another **26.0 msf proposed** to deliver in the next 3 years.

Since the start of 2017, we tracked **276 separate deliveries** accounting for **50.0 msf of new industrial space**, or 15.4 msf annually.

Speculative buildings dominated new construction with only **23% of available space preleased** overall with several markets with no preleasing.

UNDER CONSTRUCTION & PROPOSED *(in million square feet)*



Cushman & Wakefield will closely monitor construction starts and deliveries through the rest of the year.

17.4 MSF
UNDER
CONSTRUCTION

26.0 MSF
TOTAL
PROPOSED

23.0%
PRE
LEASED

HIGHEST PRELEASING

TAMPA BAY	35%
ORLANDO	30%
MIAMI-DADE	24%
BROWARD	17%

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