

	YoY Chg	12-Mo. Forecast
4.1% Vacancy Rate	▲	▲
3.8M YTD Net Absorption, SF	▲	▲
\$8.17 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

ECONOMIC INDICATORS Q4 2019

	YoY Chg	12-Mo. Forecast
1.2M Miami-Dade Employment	▲	▲
2.7% Miami-Dade Unemployment Rate	▼	▬
3.6% U.S. Unemployment Rate	▼	▲

Source: BLS

*Numbers above are monthly figures., FL Dept. Economic OPP.

ECONOMY: Unemployment Rate Remains Low

The Miami-Dade industrial market continued to thrive over the last 12 months, with the unemployment rate falling below the national average for the third consecutive quarter in a row. A total of 28,500 new jobs were created, which caused the unemployment rate to fall by 50 basis points (bps) to 2.7% year-over-year (YOY). The Transportation, Warehousing & Utilities sector drove job gains, up 1.3%, or 4,000 new jobs by the end of 2019. In addition, Construction added another 1,700 jobs. Both industrial-related sectors combined accounted for just under a quarter of all new jobs created in the county over the year.

SUPPLY: Vacancy Increased with New Inventory

Overall vacancy rose by 70 bps YOY to 4.1% at the end of 2019. This was due to nearly 4.1 million square feet (msf) of new product that delivered in the last 12 months, that came with 3.6 msf in new availabilities. Over the second half of the year the excess of new inventory started to impact warehouse/distribution vacancy levels, which rose to 4.3%, or 80 bps YOY. In addition, more vacant space was put back on the market in the manufacturing sector where vacancy reached 2.8%, up 100 bps YOY. In contrast, the office/services sector had a decrease in vacancy, down 90 bps in 12-months to 4.0%. This is the lowest recorded vacancy in history for the office/services sector.

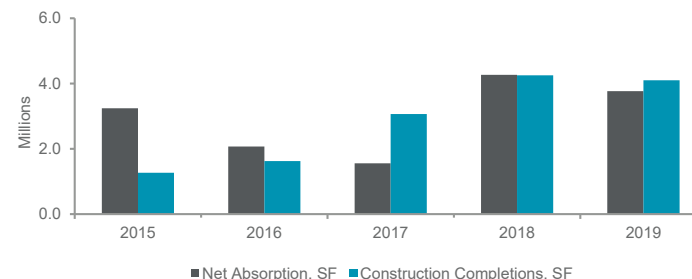
Over the year, several projects delivered new space with varying amounts of leasing activity. Countyline Corporate Park (Buildings 4 and 5), Gateway Commerce Park (Building 5) and South Florida Logistics Center (Building 9) were all 100% leased at the end of 2019. Bridge Point Commerce Center (Building B) along with Countyline Corporate Park (Buildings 6 and 8) were above 60% leased. Eastview Commerce Center (Building 5 and 6) and Bridge Point Commerce Center (Building C) delivered with 100% vacant at the end of 2019.

There was a total of 2.4 msf under construction at the end of 2019, with only 1.1 msf preleased. Notable projects include the built-to-suit for Home Depot in the Northwest Dade submarket (1.1 msf) and the Miami Axis Park spec development in Hialeah (415,000 sf). In the pipeline, an additional 6.2 msf was in late stage planning for future development within the next 12-24 months.

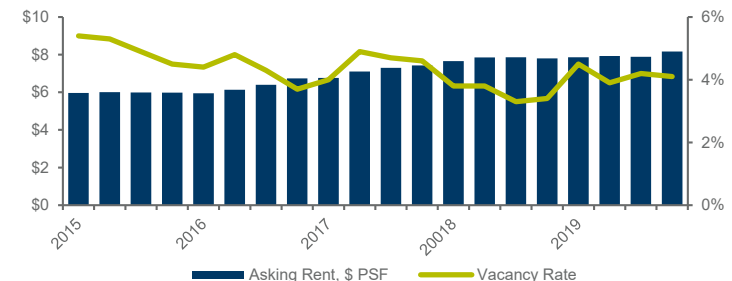
DEMAND: Leasing Activity Reached a Record High

Leasing activity year-to-date (YTD) in Miami-Dade reached 10.0 msf, a record high and up 32.4% over last year's figures. Home Depot had the largest lease transaction, when they pre-leased two separate 550,000-sf buildings in Countyline Corporate Park. The next largest lease was artificial plant supplier Nearly Natural, who signed for 201,000 sf in the same park.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



The increased rate of eCommerce and large logistics-driven tenants who sought new warehouse/distribution space continued to drive demand in Miami-Dade to an all-time high. At the end of 2019, absorption totaled 3.8 msf, the highest amount in the last 11 years. Warehouse/Distribution saw 4.0 msf absorbed, while the manufacturing and office/services sectors combined totaled negative 247,000 sf. Warehouse/distribution had significant large tenant move-ins over the past 12 months including UPS (304,000 sf), Aljoma Lumber (280,000 sf), and Freight Logistics International (190,000 sf). In comparison, the manufacturing and office/services sectors had a cumulation of smaller tenant move-outs.

Investor’s activity in industrial product in Miami-Dade County decreased by -19.4% YOY with a total of 83 buildings sold in 2019, or 7.7 msf. A major factor was the drop in investment product offered for sale. Even though there was a decrease YOY, the total was still 5.6% higher than the average over the last 5 years. Warehouse/Distribution product accounted for most sales in 2019 with approximately 6.5 msf sold, or 85% of total sales.

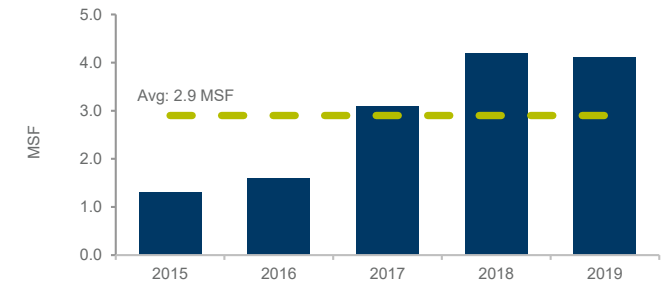
PRICING: Asking Rents on the Rise

Overall asking rental rates increased by 4.8%, or \$0.37, to \$8.17 per square foot (psf) triple net, marking the first time above \$8.00 psf in Miami-Dade County. In addition, Class A warehouse/distribution space increased approximately 11.0% to the \$7.50 to \$10.00 psf range over the last 12 months. The submarket that had the highest increase was the Airport North submarket, where rents jumped 12.6% YOY to \$10.40 psf triple net. A major driver for the rise in costs was a result of land values rising, coupled with higher priced expenses for construction. In contrast, rents in the office/services and manufacturing sectors decreased YOY by 3.1% and 18.2% respectively, due to a combination of factors. The office/services sector had lower priced space options become available, while the manufacturing sector had higher priced vacancies taken off market.

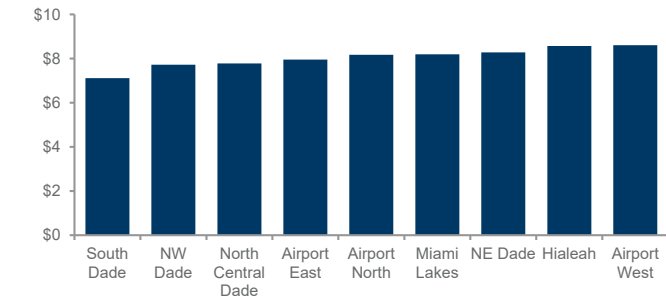
Outlook: Solid Industrial Market Fundamentals for 2020

- The industrial market in Miami-Dade County was poised for a strong start in 2020 with very high tenant demand and construction activity.
- Cushman & Wakefield anticipates a slight increase in the vacancy rate, as 2.4 msf of new inventory delivers in Miami-Dade in 2020.
- Warehouse/distribution rents will rise as several small (eight to fifteen-acre) parcels have been purchased and/or identified for 2020-2022 deliveries and the cost of land and construction continue to rise.
- The market will see more creative redevelopment and infill projects, as a shortage of the larger traditional land sites persist.

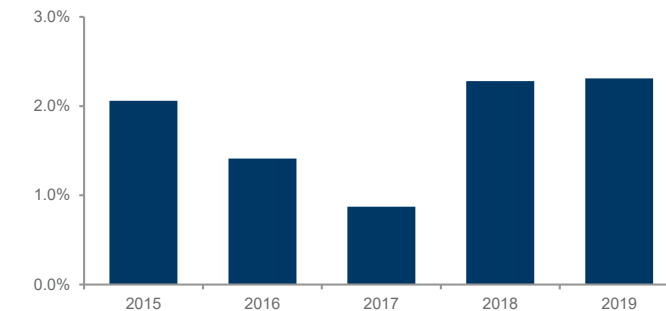
NEW SUPPLY



RENT BY SUBMARKET



INDUSTRIAL NET ABSORPTION AS % OF INVENTORY



Industrial Q4 2019

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (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	33,951,839	1,510,954	4.5%	-244,886	539,382	199,410	315,200	\$12.00	\$10.74	\$7.95
Airport West	45,670,117	1,628,762	3.6%	376,070	726,497	0	702,335	\$9.40	\$11.17	\$8.34
Hialeah	8,890,435	127,958	1.4%	66,233	140,437	464,462	27,300	\$7.22	\$16.66	\$6.85
Hialeah East/Downtown	25,851,648	759,510	2.9%	70,393	-161,468	415,460	0	\$7.33	\$18.21	\$6.93
Miami Lakes	5,184,718	309,235	6.0%	-32,707	-36,865	0	0	N/A	\$12.63	\$7.42
North Central Dade	29,924,347	1,289,494	4.3%	388,740	944,692	0	1,108,566	\$8.64	\$15.66	\$7.22
Northeast Dade	2,847,465	684,985	24.1%	-2,300	383,950	197,122	834,024	N/A	\$16.24	\$7.88
Northwest Dade	3,092,815	240,723	7.8%	515,601	1,071,419	1,100,000	1,113,446	N/A	N/A	\$7.72
South Dade	7,752,725	102,307	1.3%	162,705	161,814	0	0	N/A	\$7.02	\$7.20
MIAMI TOTALS	163,166,109	6,653,928	4.1%	1,299,849	3,769,858	2,376,454	4,100,871	\$7.53	\$12.78	\$7.80

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

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

KEY LEASE TRANSACTIONS YTD 2019

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
3850 W 108 th St (Building 1 and 2)	Northwest Dade	Home Depot	1,100,000	New Lease
3870 W 108 th Street	Northwest Dade	Nearly Natural	201,000	New Lease
6703 NW 7 th Street	South Dade	Amazon	176,348	New Lease

KEY SALES TRANSACTIONS YTD 2019

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
6301 E 10 th Avenue	Airport East/Downtown	Prudential RE / RREEF America	978,164	\$113.7M/\$116
3400 NW 74 th Avenue	Airport North	Passion Growers / Brookfield	420,372	\$82.9M/\$197
1000 SE 8 th Street	Airport East/Downtown	Wheelock Street Capital / Meuchadim of FL	248,301	\$26.8M/\$108

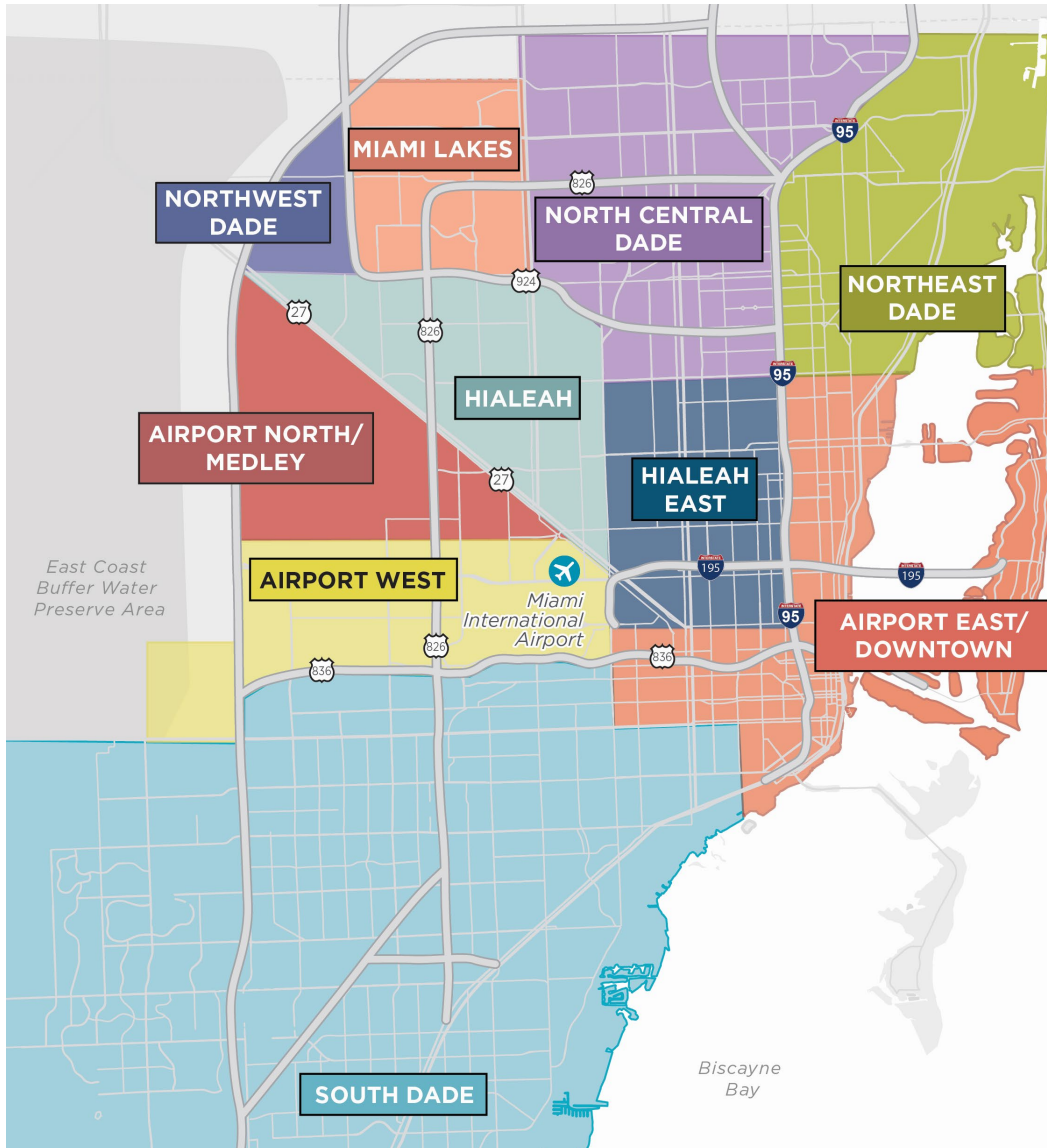
KEY CONSTRUCTION COMPLETIONS YTD 2019

PROPERTY	SUBMARKET	MAJOR TENANT	*SF	OWNER/DEVELOPER
County Line Corporate Park (Buildings 4, 5, 6, 7, 8)	Northwest Dade	Nearly Natural	1,113,446	*Multiple
Bridge Point Commerce Center (Buildings A, B, C)	North Central Dade	UPS	1,108,566	Bridge Development / Bridge
Eastview Commerce Center (Buildings 4, 5, 6)	Northeast Dade	Dupuis Furniture	446,830	Panattoni Development / Panattoni

*SF represents total of buildings that delivered combined

*Represents multiple different owners and developers

INDUSTRIAL SUBMARKETS



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