

YoY Chg

4.7%
Vacancy Rate ▲

926 K
YTD Absorption, SF ▼

\$8.62
Asking Rent, PSF ▲

Overall, Net Asking Rent

ECONOMIC INDICATORS Q2 2020

YoY Chg

1.0 M
Miami Employment ▼

11.5%
Miami Unemployment Rate ▲

13.0%
U.S. Unemployment Rate ▲

Source: BLS, Numbers above are monthly figures, FL Dept. Economic OPP

ECONOMY

Miami-Dade had an unemployment rate of 11.5% in May 2020, down 50 basis points (bps) from the previous month but 910 bps higher than one year ago. The month-over-month improvement in unemployment was partly due to businesses reopening. Miami-Dade had the lowest unemployment rate for a major market in Florida as well as below the U.S. rate of 13.0%. The only major employment sector to gain jobs year-over-year (YOY) were in construction, adding 1,700 new positions. Every other sector forfeited jobs in the last 12 months with the bulk of job losses occurring in the Leisure & Hospitality sector, at 54,700 jobs gone.

The COVID-19 pandemic struck the U.S. in March 2020, late in the quarter but with enough time to have a significant impact on first quarter market fundamentals. In the second quarter of 2020, the U.S. economy felt its effects more fully, as government-mandated shutdowns along with shelter-in-place ordinances pushed the country deeper into recession. The situation remains very fluid. Access the most recent information specific to COVID [here](#).

SUPPLY

Overall vacancy ended the second quarter at 4.7%, an increase of 80 bps over the last 12 months. The increase in vacancy was due to nearly 1.0 million square-feet (msf) of new inventory that delivered year-to-date (YTD) with 45% preleased. Overall vacancy in warehouse/distribution increased by 90 bps YOY to 5.1%. Over 544,000 sf of warehouse/distribution inventory delivered YTD with 100% available. Another 4.2 msf was under construction with 26% preleased. Vacant sublease space remained muted in the first half of the year, less than 1.0% of overall inventory.

DEMAND

Second quarter new leasing activity reached 1.2 msf, or 38% of the activity YTD. The bulk of new leasing was in warehouse/distribution which accounted for over 78% of all activity. The Airport East submarket had the most activity out of any submarket in the quarter with 327,000 sf signed, or 26% of total activity. Amazon had the two biggest leases signed, for approximately 427,000 sf as eCommerce continued to be a main driver in the market. Tenant move-ins, specifically in warehouse/distribution during the second quarter added to positive absorption levels in the first six months at over 926,000 sf YTD.

MARKET PRICING

Overall rental rates continued to rise even as demand slowed in the second quarter. Triple net asking rents for the overall industrial market increased YOY by \$0.69 or 8.7% to \$8.62 per square foot (psf). The rise in rental rates were driven by gains in warehouse/distribution which were up 11.7% to \$8.39 psf in the last 12 months. Over 4.6 msf of new inventory over the past year delivered with prices at the top of the market which was the main cause for rents escalating.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



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	34,066,089	1,604,245	4.7%	796,351	798,492	970,754	445,762	\$12.20	\$10.31	\$8.06
Airport West	45,274,047	2,322,648	5.1%	-501,368	896,142	581,533	0	\$8.32	\$9.82	\$8.93
Hialeah	8,066,934	316,207	3.9%	-66,752	112,462	146,880	147,768	\$8.15	\$16.78	\$7.36
Hialeah East/Downtown	22,892,051	596,264	2.6%	175,084	474,216	415,460	0	\$6.09	\$16.50	\$8.67
Miami Lakes	5,072,818	323,879	6.4%	-30,100	0	0	0	N/A	\$11.95	\$7.53
North Central Dade	30,411,238	1,661,263	5.5%	-250,751	587,333	441,370	0	N/A	\$15.00	\$8.46
Northeast Dade	2,907,298	487,312	16.8%	508,969	224,675	0	197,122	N/A	\$17.50	\$8.36
Northwest Dade	3,092,815	32,723	1.1%	169,849	147,885	1,642,166	0	N/A	N/A	\$8.09
South Dade	7,164,275	151,820	2.1%	124,768	29,484	0	200,000	N/A	\$6.98	\$9.11
MIAMI TOTALS	158,947,565	7,496,361	4.7%	926,050	3,270,689	4,198,163	990,652	\$6.76	\$11.57	\$8.39

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

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

KEY LEASE TRANSACTIONS YTD 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
6301 E 10 th Avenue	North Central Dade	Carnival Cruise Lines	229,000	Renewal/Expansion*
13450 NW 14 th Street	Airport West	Amazon	216,000	New Lease
5700 NW 37 th Avenue	Hialeah East/Downtown	Amazon	211,000	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS YTD 2020

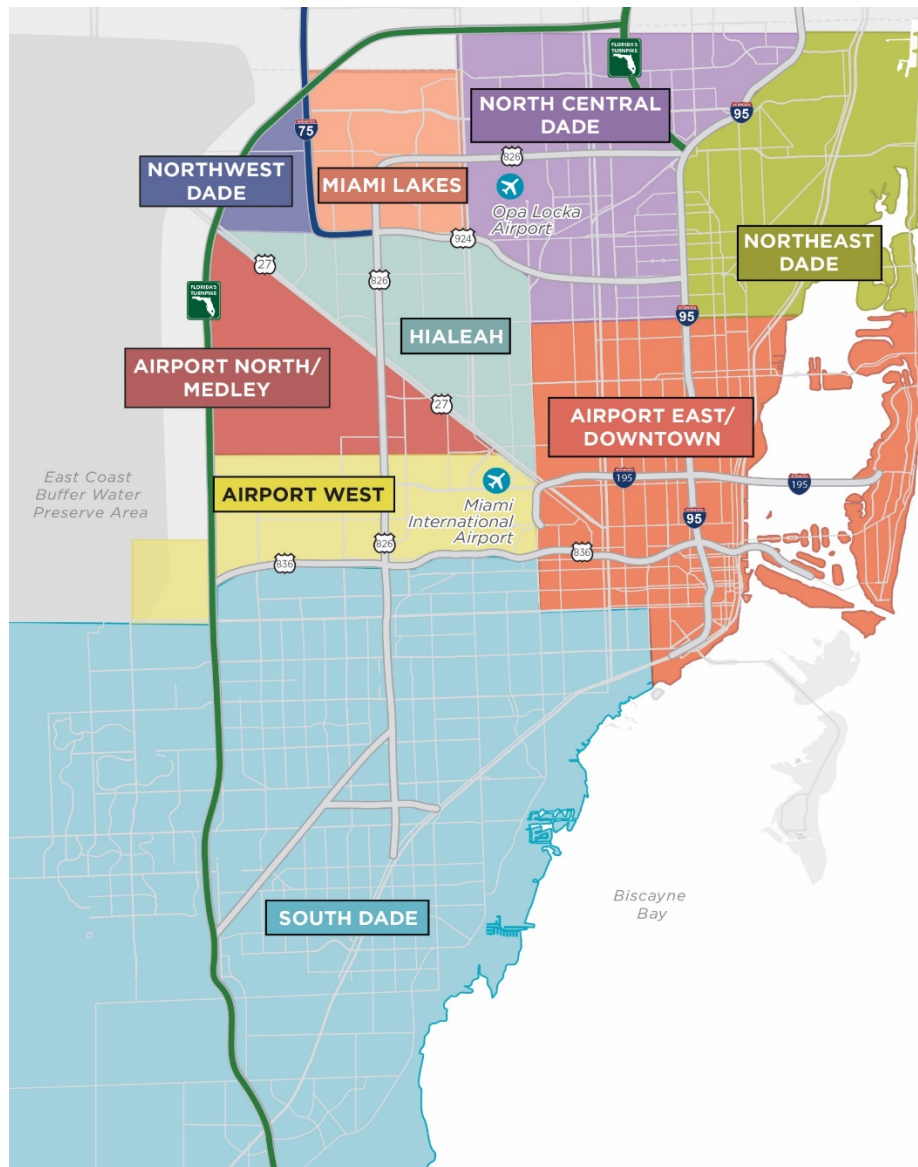
PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
18770 NE 6 th Avenue	North Central Dade	Premium Capital Resources LLC / Ivy Realty	234,739	\$30.5M/\$130
12401 NW 38 th Avenue	North Central Dade	Don Greene Provisions / Realterm Logistics	157,00	\$26.0M/\$165

KEY CONSTRUCTION COMPLETIONS YTD 2020

PROPERTY	SUBMARKET	MAJOR TENANT	*SF	OWNER/DEVELOPER
8701 NW 93 rd Street	Airport North/Medley	Pepsi	246,352	Cabot Properties / Butters
1800 SE 38 th Avenue	South Dade	Dunham Bush	200,000	Dunham Bush / Dunham Bush
11420 NW 122 nd Street	Airport North/Medley	Anixter Inc.	199,410	Prologis / Prologis



INDUSTRIAL SUBMARKETS



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