

YoY Chg

4.8%

Vacancy Rate



1.3 MSF

YTD Absorption, SF



\$8.56

Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS Q3 2020

YoY Chg

1.1 M

Miami Employment



8.0%

Miami Unemployment Rate



8.8%

U.S. Unemployment Rate



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

ECONOMY

Miami-Dade, part of the South Florida region, had an unemployment rate of 8.0% in August 2020, down 630 basis points (bps) from the previous month but 540 bps higher than one year ago. The month over month improvement was due to Phase 2 reopening which allowed some service-oriented businesses to increase capacity. Nonagricultural employment was down 75,800 jobs, or 6.2%, over the year to 1.14 million. Besides Government, the only two major employment sectors to gain jobs year-over-year (YOY) were in Construction, adding 800 new positions and in Financial Activities with 100 new jobs. The Leisure & Hospitality sector accounted for almost half of all job losses, with 35,300 gone, followed by Trade, Transportation & Utilities with 15,400 positions cut. Professional & Business Services had payroll declines of 8,700 positions, almost half the previous month's losses.

SUPPLY

At the end of the third quarter, overall vacancy rose by 60 bps YOY to 4.8%. The increase in vacancy was due to 1.4 million square feet (msf) of new inventory delivered in 2020 with 47% preleased. Vacant space in warehouse/distribution accounted for 92.0% of all vacancies in the county with over 6.8 msf. There was over 3.5 msf under construction with most projects slated to deliver in the next six-to-twelve months. Over the last 5 years, Miami has seen over 15 msf delivered, the longest period where Miami averaged over 3 msf of deliveries annually.

DEMAND

New leasing activity YTD was over 5.7 msf with 1.9 msf coming in the third quarter alone. Leasing activity in 2020 had a 31.5% decrease compared to the same time last year. The bulk of new leasing activity was in warehouse/distribution which comprised of 91% of the total YTD. The Airport North/Medley submarket had the most activity in the quarter with over 662,000 sf of new leases signed. The largest lease signed in the quarter was a 201,000-sf renewal by DHL in the Airport West Submarket. Notable leases for new space included a 200,000-sf deal signed by Monat and a 160,000-sf deal signed by Intcomex in the Airport West and Airport North/Medley submarkets respectively. Tenant move-ins, specifically from e-commerce and food/beverage distribution companies throughout the year, added to positive absorption levels by over 1.3 msf, YTD.

MARKET PRICING

Rents continued to rise in Miami-Dade reaching \$8.56 psf triple net, an 8.5% YOY increase. The increase in rents was due to primarily the 5.0 msf of new product delivered since 2019 that offered higher asking rents. Rents in the Airport East/Downtown submarket experienced the greatest increase YOY, rising to \$8.23 psf triple net, a 16.9% increase.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	YTD NEW LEASING ACTIVITY (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	33,419,042	1,700,107	5.1%	565,958	1,506,584	972,322	445,762	N/A	\$10.44	\$8.05
Airport West	45,060,917	1,916,581	4.3%	-298,589	1,472,810	181,533	0	\$8.32	\$12.76	\$8.43
Hialeah	8,025,932	305,485	3.8%	-6,897	174,517	146,880	147,768	\$7.95	\$15.23	\$7.46
Airport East/Downtown	22,824,655	1,019,406	4.5%	140,754	564,991	0	415,460	\$6.73	\$18.33	\$8.86
Miami Lakes	5,247,726	293,714	5.6%	-30,100	208,000	0	0	N/A	\$12.75	\$7.55
North Central Dade	30,019,264	1,464,100	4.9%	163,137	649,543	441,370	0	N/A	\$13.91	\$8.05
Northeast Dade	2,907,298	440,137	15.1%	556,144	309,590	0	197,122	N/A	\$17.00	\$8.39
Northwest Dade	3,330,149	284,856	8.6%	76,916	273,885	1,778,961	0	N/A	N/A	\$8.31
South Dade	7,164,275	82,522	1.2%	193,866	564,537	0	200,000	N/A	\$6.98	\$9.31
MIAMI-DADE TOTALS	157,999,258	7,506,908	4.8%	1,361,189	5,724,457	3,521,066	1,406,112	\$7.14	\$13.15	\$8.26

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

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

KEY LEASE TRANSACTIONS Q3 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
1801 NW 82 nd Avenue	Airport West	DHL	201,000	Renewal*
10000 NW 15 th Terrace	Airport West	Monat	200,000	New Lease
10300 NW 121 st Way	Airport North/Medley	Intcomex	160,790	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
14100 NW 60 th Avenue	Miami Lakes	Terreno Realty Corporation / Brookfield Properties	192,454	\$22.2M/\$115

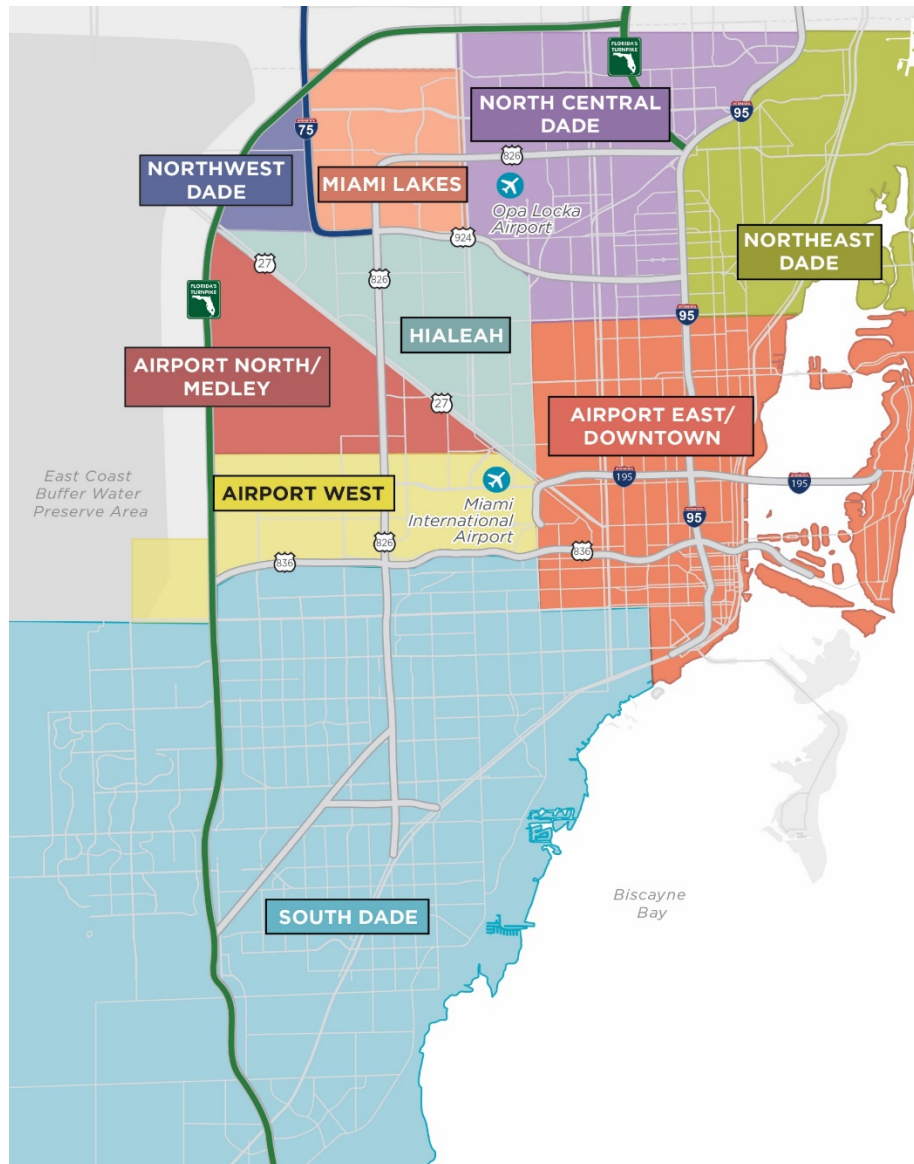
KEY CONSTRUCTION COMPLETIONS YTD 2020

PROPERTY	SUBMARKET	MAJOR TENANT	*SF	OWNER/DEVELOPER
8701 NW 93 rd Street	Airport North/Medley	Pepsi	246,352	Cabot Properties / Butters
727 SE 9 th Court	Airport East/Downtown	None	213,407	Lincoln Property Company / Lincoln Property Company
1800 SE 38 th Avenue	South Dade	Dunham Bush	200,000	Dunham Bush / Dunham Bush

MIAMI-DADE

Industrial Q3 2020

INDUSTRIAL SUBMARKETS



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