

Industrial Q1 2021

	YoY Chg	12-Mo. Forecast
5.2% Vacancy Rate	▲	▼
709K YTD Absorption, SF	▲	▲
\$8.88 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

ECONOMIC INDICATORS Q1 2021

	YoY Chg	12-Mo. Forecast
1.1M Miami Employment	▼	▲
7.4% Miami Unemployment Rate	▲	▼
6.7% 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 7.7% in February 2021, down 30 basis points (bps) from the previous month but 510 bps higher than one year ago. Nonagricultural employment was down 110,400 jobs, or 8.9%, over the year to 1.13 million. Every single employment sector lost jobs year-over-year (YOY) with the largest losses coming from Leisure & Hospitality, Education & Health Services and Retail Trade for a combined total of 66,200 jobs gone. Industrial using jobs in Trade, Transportation & Utilities saw 25,700 positions cut in the last 12 months with most of those losses tied to firms supporting the tourism industry.

SUPPLY

Overall vacancy ended the first quarter of 2021 at 5.2%, an increase of 110 bps YOY. The rise in vacancy was due to over 3.2 million square feet (msf) of new inventory delivered over the last year with the Home Depot build-to-suit (BTS) project accounting for 1.1 msf of the total. Home Depot was set to move in later this year. There was over 3.1 msf under construction at the end of the quarter with most projects slated to deliver over the next six-to-twelve months. The bulk of the product under construction was in the Airport North/Medley submarket which accounted for 54% or just over 1.7 msf. All space under construction was speculative but there were several BTS projects slated to break ground in the next few months.

DEMAND

New leasing activity in the first three months of the year reached over 2.3 msf, an increase of 27.2% compared to the same period one year ago. E-commerce and distribution companies continued to be the main drivers for the increased demand. The North Central Dade submarket had the most activity in the quarter with over 850,000 square feet (sf) of new leases signed. The largest new leases signed in the first quarter were by City Furniture and Amazon for 286,000 sf and 279,000 sf respectively both in the North Central Dade submarket. Tenant move ins remained strong in the first quarter as the county saw over 709,000 sf of positive absorption.

MARKET PRICING

Overall asking rents increased to \$8.88 per square foot (psf) triple net (NNN), an 8.2% YOY jump and an historic high for average asking rents. The rise in rents was due primarily to new product that delivered with higher than average asking rents as well as a continued flight to quality by some tenants. Increased land prices contributed to the increase in rates as well as there was limited developable land remaining in the county. Warehouse/distribution asking rents experienced the largest gain YOY ending the quarter at \$8.56 psf NNN, or an 8.8% increase.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q1 2021

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	34,345,394	1,378,144	4.0%	255,421	394,150	1,712,994	76,800	N/A	\$11.66	\$8.91
Airport West	44,849,023	1,902,656	4.2%	75,869	341,406	127,150	0	\$7.96	\$15.35	\$9.01
Hialeah	7,471,540	138,844	1.9%	15,841	113,229	0	0	\$9.29	\$8.80	\$7.59
Airport East/Downtown	22,848,598	1,001,457	4.4%	127,584	278,986	0	0	\$7.75	\$20.01	\$8.72
Miami Lakes	4,742,824	247,129	5.2%	6,700	49,785	0	0	N/A	\$13.75	\$6.63
North Central Dade	30,562,001	1,495,933	4.9%	-13,718	850,741	310,388	221,300	\$7.11	\$14.45	\$8.01
Northeast Dade	2,907,298	365,192	12.6%	75,045	0	0	0	N/A	\$17.52	\$7.75
Northwest Dade	5,183,758	1,798,094	34.7%	136,264	318,281	1,018,843	1,520,470	N/A	N/A	\$8.27
South Dade	7,135,354	4,200	0.1%	30,084	15,124	0	0	N/A	N/A	\$9.50
MIAMI-DADE TOTALS	160,045,790	8,331,649	5.2%	709,090	2,361,702	3,169,375	1,818,570	\$7.92	\$15.02	\$8.56

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

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

KEY LEASE TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
4350 NW 215 th St	North Central Dade	City Furniture	286,875	New Lease
14350 NW 56 th Ct	North Central Dade	Amazon	279,499	New Lease
10205 NW 19 th St	Airport West	Expeditors International	206,000	Renewal*

*Renewals not included in leasing statistics

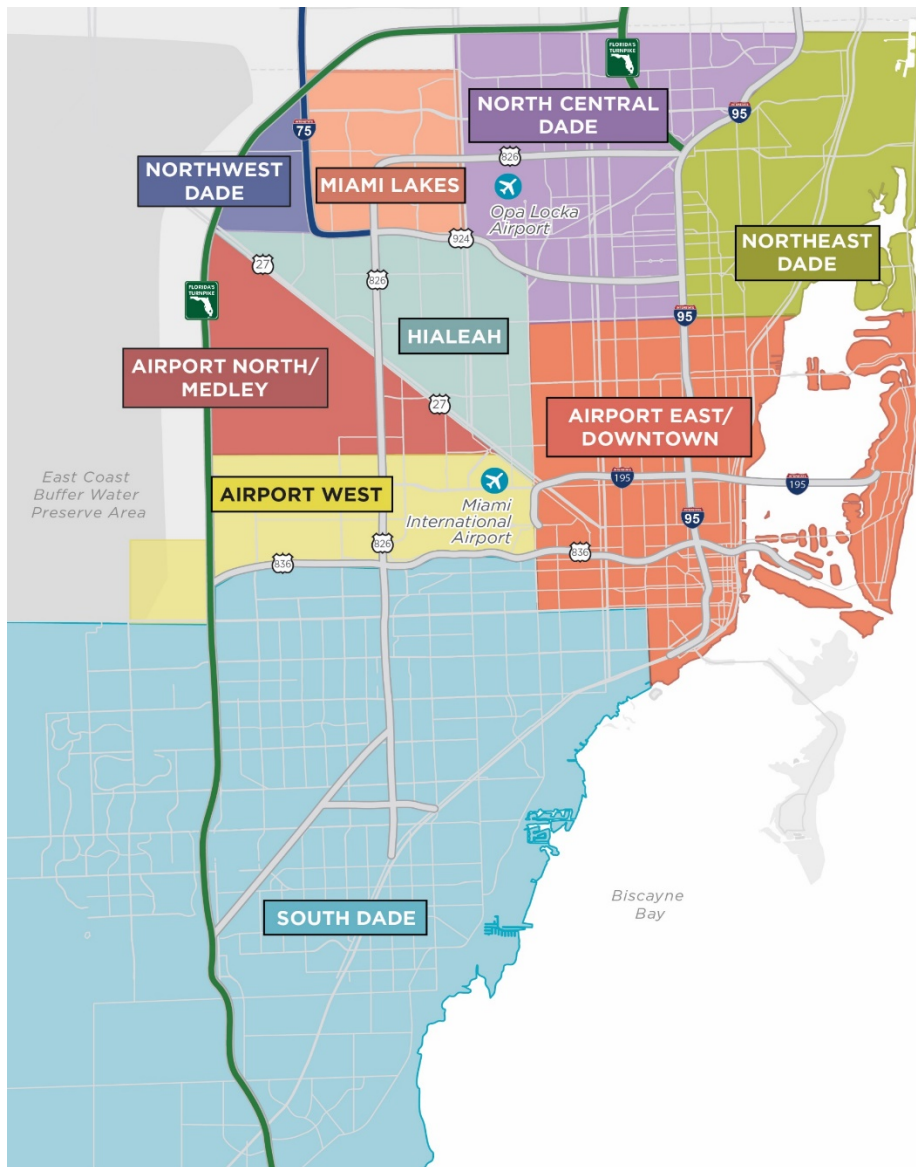
KEY SALES TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
7777 NW 41 st St	Airport West	Terra Group / GLP Capital Partners	232,919	\$55.0M/\$236
13900 NW 57 th Ct	Miami Lakes	USPharma / Ivy Realty	134,619	\$17.5M/\$130

KEY CONSTRUCTION COMPLETIONS Q1 2021

PROPERTY	SUBMARKET	MAJOR TENANT	*SF	OWNER/DEVELOPER
3850 W 108 th St- Buildings 1 and 2	Northwest Dade	Home Depot	1,100,000	Flagler Real Estate / Flagler Real Estate
3000 NW 123 rd St	North Central Dade	Amazon	221,300	Panattoni Development / Panattoni Development

INDUSTRIAL SUBMARKETS



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