

Florida

Here's the latest on Florida's industrial market

- While other sectors suffered pandemic-induced distress during 2020, the industrial market flourished, with **massive demand nationwide causing rental rate acceleration in most markets**. In Florida, asking rents have grown 2.8% over the last quarter alone to a current \$7.81 per square foot (sf) on a NNN basis while the overall vacancy rate has fallen 30 basis points. Leasing activity was fairly robust, with **over 10.2 million sf in deals signed** during the first quarter.
- Amazon continues to account for a significant amount of the leasing and development activity in Florida. The e-commerce giant accounted for over 8.1 million sf of activity in 2020, and **460,000 sf of new deals in the first quarter of 2021**. In South Florida, Prologis is planning the first multi-story dedicated warehouse for Amazon. The project, called Palmer Lakes Logistics Center, will be the first of its kind in Florida. **Investors are also keen to acquire newer facilities in which Amazon is the tenant**. Dragstrip Logistics Center, a newly built distribution center in Lakeland that signed Amazon as a tenant in 2020, has been acquired by a fund managed by Intercontinental Real Estate Corp. The 710,962-sf warehouse sold for more than \$108.7 million, or \$153 per square foot, at a 4.2% cap rate.
- Demand for cold storage space accelerated statewide during the pandemic alongside a sharp increase in online grocery and pharmaceutical orders, and this trend is expected to continue. **Look for developers to start breaking ground** on speculative cold storage warehouse projects in key Florida markets later in the year.



Quick stats

	1Q-2021	Previous YE Δ
Net absorption	6,498,749 sf	-48.0%
Total vacancy	6.0%	-33 bps
Asking rent	\$7.81/sf NNN	+2.8%
Completions	4,198,422 sf	-77.1%

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2021 data is YTD - all other years recorded cumulative activity at YE.

Information based on data from six markets: Miami, Fort Lauderdale, West Palm Beach, Orlando, Tampa and Jacksonville.

Get more market information

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