

Miami

Industrial market snapshot | Q4 2023

Miami's unemployment rate experienced a modest decline in the fourth quarter, dropping 30 basis points from the third quarter to 2.3%. At the end of the fourth quarter, there was a 3% increase in total non-farm employment; a 3.2% growth in the trade, transportation, and utilities sector; and a 3% rise in manufacturing occupations year over year.

\$239 psf

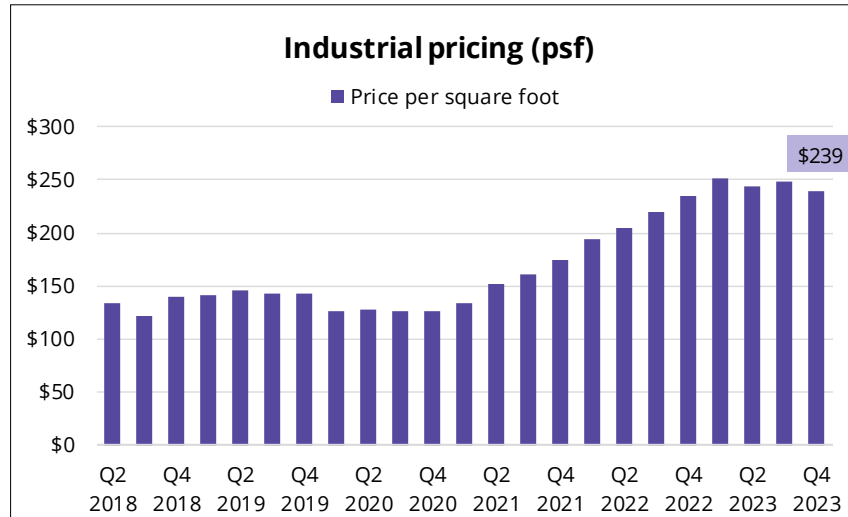
Despite prolonged economic headwinds, industrial asset pricing remained near its all-time high, ending 2023 at \$239 per square foot.

2.8 mos.

It took an average of 2.8 months for industrial space to lease in the fourth quarter, reflecting rising industrial demand in Miami.

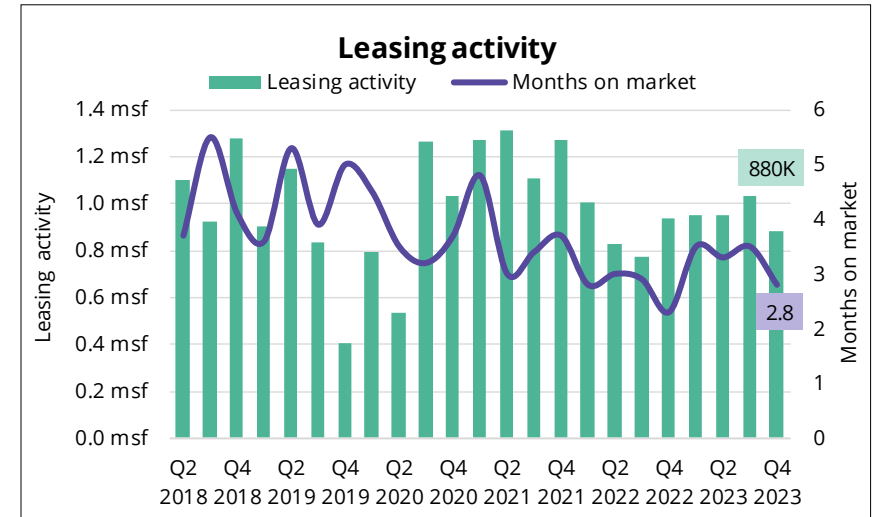
875k sf

During the fourth quarter, Miami's industrial sector achieved positive absorption of over 875,000 square feet, bringing the year-to-date absorption to over positive 2.2 million square feet.



Industrial investment activity softened in 2023 due to rising interest rates and limited access to capital, which caused asset pricing to stabilize in the first, second and third quarters. Investment sales volume in the fourth quarter was the strongest of the year, reaching \$498 million in quarterly sales volume. As the market prepares for future rate cuts in 2024, transaction volume is expected to increase, and asset pricing will remain strong.

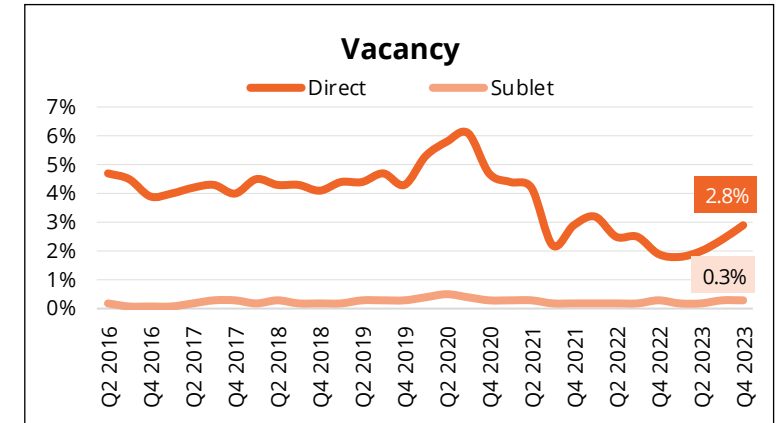
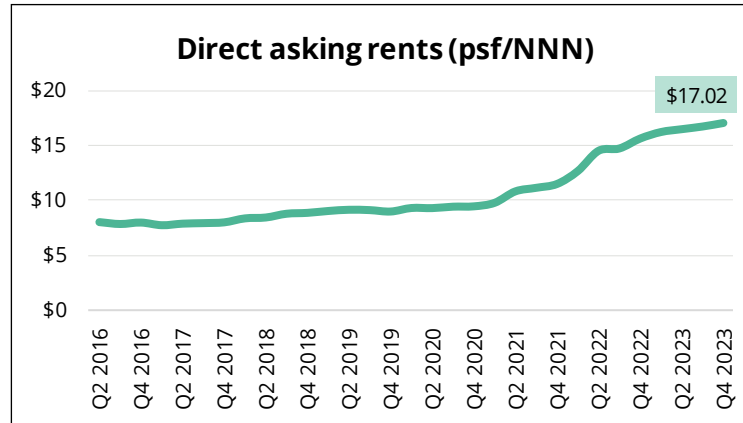
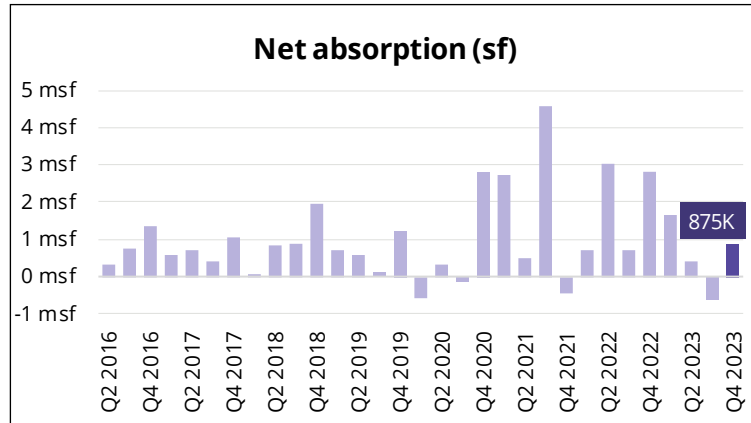
Sources: AVANT by Avison Young, CoStar, U.S. Bureau of Labor Statistics



Tenant demand remained healthy in Miami's industrial market as quarterly leasing activity stabilized and was down only 5% year over year. The vacancy rate increased slightly because of newly delivered inventory and sat at 3.1% at the end of the fourth quarter. This still forced prospective tenants to act swiftly when searching for sites as it resulted in spaces being leased at an accelerated pace, bringing the average months on market down to 2.8.

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Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Iberia Foods	21201 N.W. 43 rd Ave.	397,000	New	Direct
Nestle Waters	8501 N.W. 80 th St.	257,000	Renewal	Direct
Seaboard Marine	8001 N.W. 79 th Ave.	208,400	Renewal	Direct
The Queen's Flowers	6905-6909 N.W. 25 th St.	145,855	New	Sublease

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Longpoint Realty Partners	Longpoint Realty Fund III Portfolio	\$262,500,600	\$188	Seagis Property Group
Southeast Commercial	Beacon Logistics Park Portfolio	\$174,342,700	\$160	USAA Real Estate/Codina
Ponte Gadea	3995 W. 108 th St.	\$113,000,000	\$362	Bridge Industrial/PGIM
Pella	8501 N.W. 90 th St.	\$45,000,000	\$168	Lawson Industries

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	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption sf (4Q23)	Net absorption sf (YTD)	Annual direct asking rent psf NNN
Airport West	61,189,896	773,701	1,765,899	3.5%	0.2%	3.7%	2.1%	(270,610)	(540,498)	\$18.96
Medley	35,850,810	254,512	618,720	1.9%	0.9%	2.7%	(0.6%)	(25,211)	464,353	\$17.39
Northeast Dade	29,740,681	307,981	1,587,874	2.4%	0.3%	2.7%	0.6%	79,915	128,184	\$15.12
Northwest Dade	28,517,121	2,520,382	2,257,965	4.6%	0%	4.6%	2.3%	820,063	1,803,003	\$16.31
Hialeah	17,520,319	-	-	2.6%	0%	2.6%	(0.3%)	(40,076)	53,316	\$12.84
Central Dade	13,023,812	296,637	85,376	2%	0.2%	2.1%	(0.8%)	290,157	394,078	\$20.11
Kendall	7,964,844	-	-	1.4%	0%	1.4%	0.8%	21,964	(63,489)	\$18.74
South Dade	6,180,942	40,000	169,055	1%	0%	1%	0.2%	(559)	25,960	\$17.51
Market total	199,988,425	4,193,213	6,484,889	2.8%	0.3%	3.1%	0.9%	875,643	2,264,907	\$17.02

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Warehouse/Distribution	160,739,381	4,173,213	6,484,889	3%	0.3%	3.3%	1.1%	873,819	2,302,378	\$16.99
Flex	39,249,044	20,000	-	2.4%	0%	2.4%	0.3%	1,824	(37,471)	\$17.30
Market total	199,988,425	4,193,213	6,484,889	2.8%	0.3%	3.1%	0.9%	875,643	2,264,907	\$17.02