



Miami industrial market report

Q1 2022

**AVISON
YOUNG**

Industrial market trends

01

Demand continues to flourish with heavy pre-leasing activity

Demand for logistics space in Miami remains on fire with no sign of slowing down any time soon. Leasing activity reached the highest quarterly volume on record with 4.9 million square feet (msf) leased—up 7.3% from the first quarter of 2021. Pre-leasing activity has also been strong as industrial tenants seek out new product to accommodate their growing space requirements. The top five largest industrial developments currently under construction are already 100% leased with recent leases such as FreezPak (312,102 square feet) at Bridge Point Cold Logistics and World Electric (266,760 square feet) at Hialeah Gardens Center.

02

Industrial asking rates increase at a rapid pace

Industrial asking rates continue to increase at a breakneck pace in Miami. The industrial asking rate, excluding flex space, rose by an astronomical 31% year-over-year to \$12.15 NNN. Landlords continue to push rates to new heights with some developments coming out of the ground asking above \$13.00 NNN. The Airport West submarket currently commands the highest industrial rents of \$13.54 NNN—up 33.4% year-over-year. Amid increasing land constraints, rising construction costs, and an ever-growing population, asking rates are expected to continue increasing over the coming quarters.

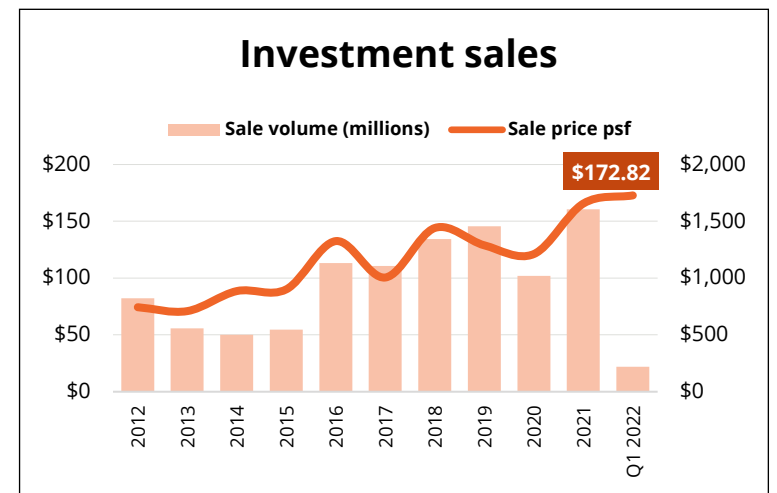
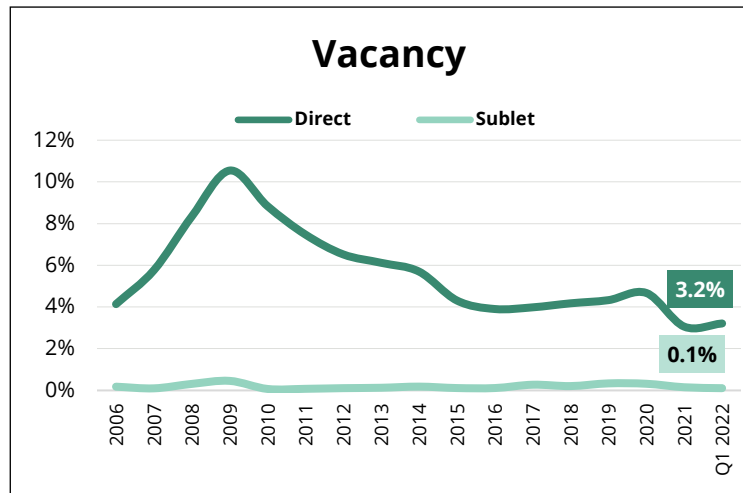
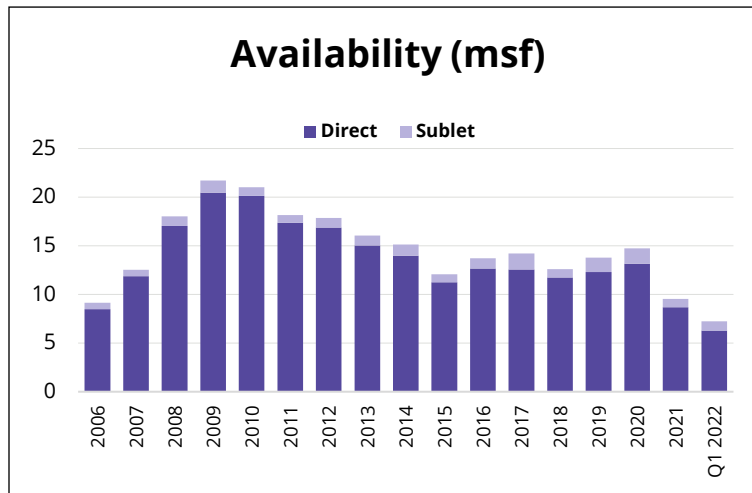
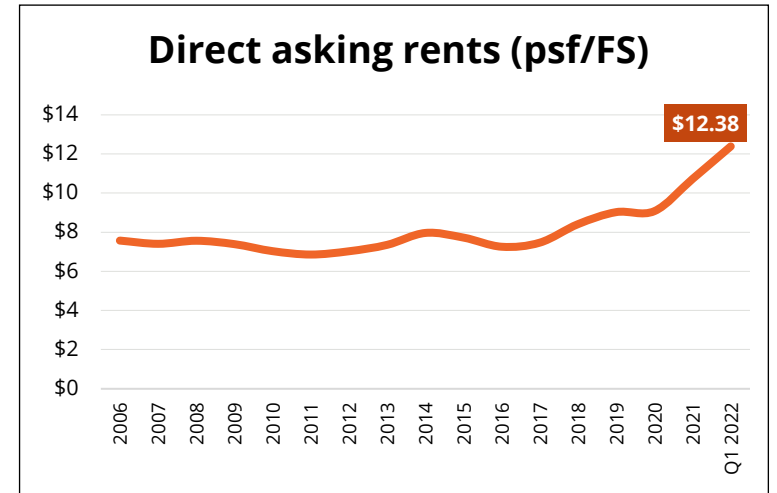
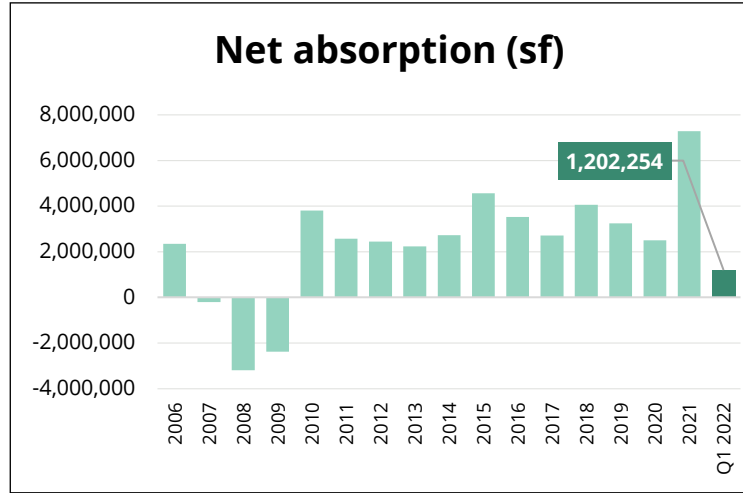
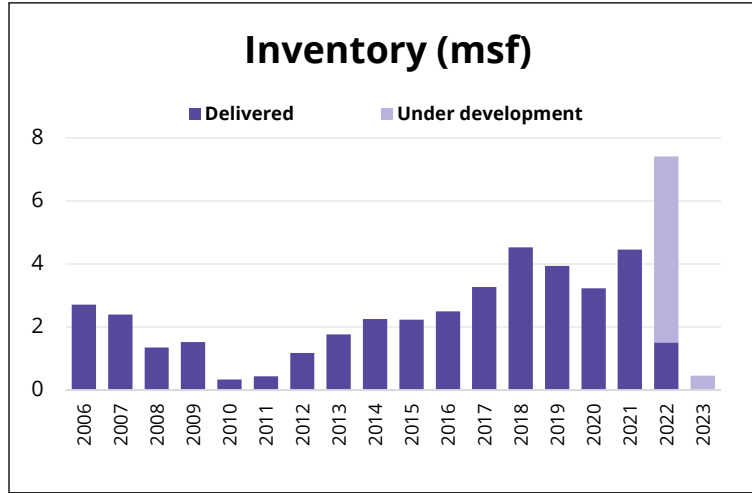
03

Development pipeline grows to meet demand

After a brief pause in construction starts during the pandemic, development is back in full swing to meet Miami's industrial demand. At the close of the first quarter, 6.4 msf of industrial space remained under construction, with the largest concentrations in the Northwest Dade and Medley submarkets. With 1.5 msf already delivered, 2022 is set to be a record year for industrial deliveries in Miami.



Industrial market indicators



Industrial market activity

Recent leasing activity

Tenant name	Address	Sign date	Size	Transaction type	Lease type	Submarket
FedEx	10300 Northwest 121 st Way	March 2022	501,224	New	Direct	Medley
FreezPak	Northwest 102 nd Avenue & Northwest 162 nd Street	March 2022	312,103	New	Direct	Northwest Dade
World Electric	10701 Northwest 142 nd Street	March 2022	266,760	New	Direct	Medley
Target	10850 West 36 th Avenue	Feb. 2022	225,800	New	Direct	Northwest Dade
PODs	4281 West 108 th Street	Jan. 2022	200,907	New	Direct	Northwest Dade

Recent sales activity

Buyer	Address	Sale date	Building size	Sale price	Sale price per sf	Seller
Terreno Realty Corporation	4281 & 4341 West 108 th Street	Feb. 2022	406,014	\$73,200,000	\$180	Florida East Coast Industries
CBRE Capital Partners	13320 Southwest 132 nd Avenue	Jan. 2022	83,842	\$34,690,000	\$414	Ryan Companies
Panattoni Development	501 Northeast 181 st Street	March 2022	75,911	\$21,750,000	\$287	Capitol Peak Partners
Dan Arev	7101 North Miami Avenue	March 2022	48,607	\$14,925,000	\$307	Alan Matthews

Significant construction activity

Property	Address	Delivery date	Building size	% Pre-leased	Developer	Submarket
Amazon Homestead Sortation Facility	13200 Southwest 272 nd Street	April 2022	1,012,289	100%	Amazon/Foundry	South Dade
Bridge Point Cold Logistics	Northwest 102 nd Avenue & 162 nd Street	June 2022	312,102	100%	Bridge Development	Northwest Dade
Hialeah Gardens Center	10701 Northwest 142 nd Street	April 2022	266,760	100%	Easton Group/LBA Realty	Medley
FirstPark Miami – Building 2	8801 Northwest 87 th Avenue	June 2022	258,925	100%	First Industrial	Medley

Industrial market stats by submarket

By Submarket	Inventory (sf)	Total %	Vacancy		Net Absorption		SF Under	Average Asking Rent		
			W / D	Flex	1Q22	YTD	Construction	Total	W / D	Flex
Airport West	60,961,017	2.7%	2.9%	1.3%	484,275	484,275	1,139,276	\$13.89	\$13.54	\$19.62
Central Dade	12,772,626	2.7%	2.4%	6.3%	60,030	60,030	-	\$13.58	\$13.39	\$22.88
Hialeah	17,261,398	2.8%	2.8%	0.0%	-13,409	-13,409	128,844	\$9.80	\$9.80	-
Kendall	8,028,927	1.6%	2.1%	0.2%	12,257	12,257	117,092	\$11.36	\$11.11	\$15.19
Medley	33,765,775	4.2%	4.4%	0.8%	348,923	348,923	1,967,286	\$11.26	\$11.23	\$16.09
Northeast Dade	29,380,298	1.4%	1.2%	4.9%	159,860	159,860	265,788	\$10.54	\$10.51	\$11.25
Northwest Dade	24,944,855	7.3%	7.8%	0.8%	-51,844	-51,844	1,607,004	\$11.61	\$11.46	\$16.62
South Dade	4,919,590	3.3%	3.9%	0.8%	202,162	202,162	1,135,458	\$8.25	\$8.19	\$19.00
Market Total	192,034,486	3.3%	3.5%	1.8%	1,202,254	1,202,254	6,360,748	\$12.38	\$12.15	\$18.41

Industrial market stats by product type

By Product Type	Inventory (sf)	Vacancy	1Q Absorption	YTD Absorption	SF Under Construction	Available Sublease
Warehouse / Distribution	175,002,110	3.5%	983,295	983,295	6,360,748	649,280
Flex	17,032,376	1.8%	218,959	218,959	0	259,805
Market Total	192,034,486	3.3%	1,202,254	1,202,254	6,360,748	909,085

For more market insights
and information visit
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