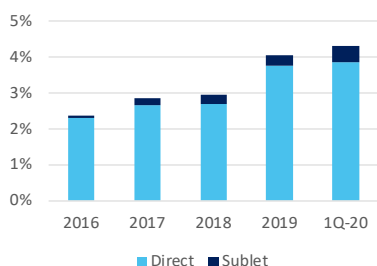


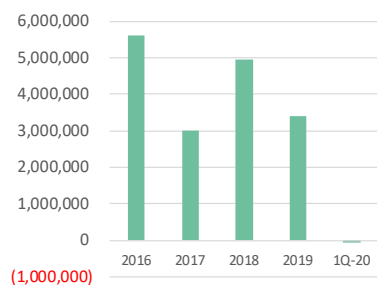
Miami-Dade County

First quarter statistics serve as an indicator of the Miami industrial market's position prior to the COVID-19 crisis, which began to unfold locally with widespread social distancing measures in March. The leasing and sales environment has changed dramatically since that time, and those impacts will begin to materialize in the data in the second quarter.

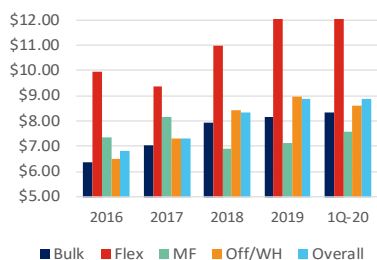
Vacancy Rate



YTD Net Absorption (SF)



Average Asking Rent Rate (\$/SF/NNN)



Strong Rent Growth and Healthy Fundamentals Set the Tone for Miami's Industrial Market

- Market fundamentals remained healthy in Miami's industrial sector prior to the outbreak of COVID-19. Net absorption was negative for the first time since 2012 due to several large tenant move-outs during the usual tenant roll-over period at the end of the year. Leasing activity remained brisk with several large transactions over 100,000 sf occurring most notably in the Airport West and Medley submarkets.
- The rapid growth of e-commerce has further accelerated due to the spread of COVID-19 and a significant uptick in online ordering. The largest deal of the quarter was an e-commerce tenant's 216,780-sf lease for the entire Building 36 at Beacon Lakes in Airport West.
- Florida East Coast Industries broke ground on Home Depot's 1.1 million-sf distribution facility in Countyline Corporate Park. Additionally, Buildings 24-26 in Phase III of the park also commenced construction.
- Overall vacancy has been trending upward as more supply continues to be added to the market. With 3.7 million sf expected to deliver by the end of 2020 and 41% of that space pre-leased, vacancy may rise slightly by the end of the year.
- The extent of COVID-19's long-term impacts are yet to be seen, however the negative effect on South Florida's hospitality and tourism market could present some headwinds for Miami's industrial market as many hotel and cruise line operators require significant warehousing for their operations.

Trends to Watch



Cold Storage

The demand for cold storage space, which had already been on the rise, is now intensifying due to increased demand for online grocery delivery.



Rent Growth

Rental rates continued a significant upward trajectory. The average rental rate for bulk distribution space was up 11.5% year-over-year to \$8.33 per sf.



Miami 27

Duke Realty's 718,845-sf Miami 27 project is moving forward and demolition and site work is expected to be complete in late May, after which vertical construction will begin.

188.9 MSF

Total industrial inventory in the Miami-Dade County market

(51,532) SF

Direct Y-T-D net absorption as of 1Q-2020

4.33%

Overall Vacancy

\$8.39/SF/NNN

Average rental rate for industrial space (excluding flex)

Miami-Dade County

Class Breakdown	Total RSF	Direct Vacant SF	Sublet Vacant SF	Lease Rate	Occupancy	Vacancy	Sublet Vacancy	Total Vacancy	Under Construction	Net Absorption
Bulk Distribution	40,482,389	3,262,476	165,831	\$8.33	91.94%	8.06%	0.41%	8.47%	2,584,509	(98,963)
Flex	17,237,537	617,990	37,282	\$14.21	96.41%	3.59%	0.22%	3.80%	208,746	89,623
Manufacturing	23,230,825	528,934	44,946	\$7.59	97.72%	2.28%	0.19%	2.47%	0	11,387
Warehouse / Distribution	107,914,861	2,883,750	641,264	\$8.61	97.33%	2.67%	0.59%	3.27%	947,741	(53,579)
Total	188,865,612	7,293,150	889,323	\$8.88	96.14%	3.86%	0.47%	4.33%	3,740,996	(51,532)

Airport West

Class Breakdown	Total RSF	Direct Vacant SF	Sublet Vacant SF	Lease Rate	Occupancy	Vacancy	Sublet Vacancy	Total Vacancy	Under Construction	Net Absorption
Bulk Distribution	12,320,416	837,532	17,385	\$9.53	93.20%	6.80%	0.14%	6.94%	169,397	144,762
Flex	8,718,198	382,864	32,482	\$14.18	95.61%	4.39%	0.37%	4.76%	0	59,383
Manufacturing	3,413,165	0	0	\$0.00	100.00%	0.00%	0.00%	0.00%	0	40,000
Warehouse / Distribution	42,828,288	1,167,866	338,366	\$9.41	97.27%	2.73%	0.79%	3.52%	171,533	(85,186)
Total	67,280,067	2,388,262	388,233	\$10.22	96.45%	3.55%	0.58%	4.13%	340,930	158,959

Central Dade

Class Breakdown	Total RSF	Direct Vacant SF	Sublet Vacant SF	Lease Rate	Occupancy	Vacancy	Sublet Vacancy	Total Vacancy	Under Construction	Net Absorption
Bulk Distribution	0	0	0	\$0.00	0.00%	0.00%	0.00%	0.00%	0	0
Flex	875,910	73,035	0	\$17.42	91.66%	8.34%	0.00%	8.34%	0	17,200
Manufacturing	1,623,703	15,200	0	\$9.93	99.06%	0.94%	0.00%	0.94%	0	8,760
Warehouse / Distribution	5,977,775	138,761	0	\$10.86	97.68%	2.32%	0.00%	2.32%	0	(45,361)
Total	8,477,388	226,996	0	\$12.91	97.32%	2.68%	0.00%	2.68%	0	(19,401)

Hialeah

Class Breakdown	Total RSF	Direct Vacant SF	Sublet Vacant SF	Lease Rate	Occupancy	Vacancy	Sublet Vacancy	Total Vacancy	Under Construction	Net Absorption
Bulk Distribution	1,390,873	0	40,000	\$0.00	100.00%	0.00%	2.88%	2.88%	212,760	0
Flex	198,755	0	0	\$0.00	100.00%	0.00%	0.00%	0.00%	0	0
Manufacturing	6,375,261	269,843	14,500	\$6.67	95.77%	4.23%	0.23%	4.46%	0	87,171
Warehouse / Distribution	12,151,717	313,743	43,253	\$7.72	97.42%	2.58%	0.36%	2.94%	202,700	8,717
Total	20,116,606	583,586	97,753	\$7.24	97.10%	2.90%	0.49%	3.39%	415,460	95,888

Kendall

Class Breakdown	Total RSF	Direct Vacant SF	Sublet Vacant SF	Lease Rate	Occupancy	Vacancy	Sublet Vacancy	Total Vacancy	Under Construction	Net Absorption
Bulk Distribution	0	0	0	\$0.00	0.00%	0.00%	0.00%	0.00%	0	0
Flex	2,206,217	29,284	0	\$10.74	98.67%	1.33%	0.00%	1.33%	38,000	12,867
Manufacturing	751,598	1,050	0	\$11.00	99.86%	0.14%	0.00%	0.14%	0	(1,050)
Warehouse / Distribution	5,715,479	57,945	27,913	\$10.10	98.99%	1.01%	0.49%	1.50%	0	48,169
Total	8,673,294	88,279	27,913	\$10.32	98.98%	1.02%	0.32%	1.34%	38,000	59,986

Medley

Class Breakdown	Total RSF	Direct Vacant SF	Sublet Vacant SF	Lease Rate	Occupancy	Vacancy	Sublet Vacancy	Total Vacancy	Under Construction	Net Absorption
Bulk Distribution	15,782,033	1,112,036	108,446	\$7.75	92.95%	7.05%	0.69%	7.73%	199,410	(342,081)
Flex	933,348	22,924	0	\$14.96	97.54%	2.46%	0.00%	2.46%	170,746	6,726
Manufacturing	3,450,535	70,547	0	\$8.45	97.96%	2.04%	0.00%	2.04%	0	(4,000)
Warehouse / Distribution	11,456,307	406,705	105,877	\$7.77	96.45%	3.55%	0.92%	4.47%	153,038	(30,127)
Total	31,622,223	1,612,212	214,323	\$7.89	94.90%	5.10%	0.68%	5.78%	523,194	(369,482)

Northwest Dade

Class Breakdown	Total RSF	Direct Vacant SF	Sublet Vacant SF	Lease Rate	Occupancy	Vacancy	Sublet Vacancy	Total Vacancy	Under Construction	Net Absorption
Bulk Distribution	4,255,868	85,855	0	\$7.66	97.98%	2.02%	0.00%	2.02%	1,805,820	98,356
Flex	1,368,770	20,023	4,800	\$9.36	98.54%	1.46%	0.35%	1.81%	0	9,900
Manufacturing	2,339,874	125,294	0	\$9.50	94.65%	5.35%	0.00%	5.35%	0	(125,294)
Warehouse / Distribution	7,397,952	439,037	55,855	\$7.14	94.07%	5.93%	0.76%	6.69%	420,470	(66,090)
Total	15,362,464	670,209	60,655	\$7.71	95.64%	4.36%	0.39%	4.76%	2,226,290	(83,128)

Northeast Dade

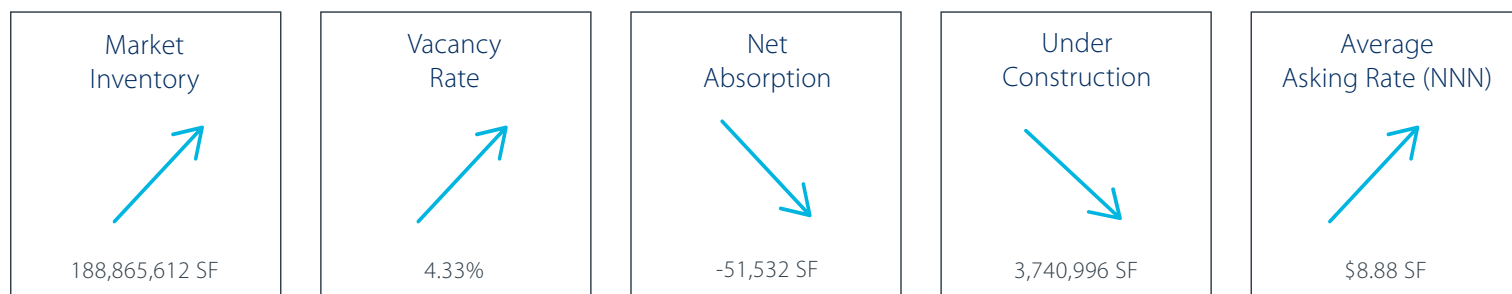
Class Breakdown	Total RSF	Direct Vacant SF	Sublet Vacant SF	Lease Rate	Occupancy	Vacancy	Sublet Vacancy	Total Vacancy	Under Construction	Net Absorption
Bulk Distribution	6,452,687	1,227,053	0	\$8.08	80.98%	19.02%	0.00%	19.02%	197,122	0
Flex	2,049,636	85,438	0	\$13.96	95.83%	4.17%	0.00%	4.17%	0	(13,231)
Manufacturing	4,912,342	47,000	30,446	\$5.65	99.04%	0.96%	0.62%	1.58%	0	5,800
Warehouse / Distribution	19,101,574	316,671	70,000	\$8.37	98.34%	1.66%	0.37%	2.02%	0	120,185
Total	32,516,239	1,676,162	100,446	\$8.37	94.85%	5.15%	0.31%	5.46%	197,122	112,754

South Dade

Class Breakdown	Total RSF	Direct Vacant SF	Sublet Vacant SF	Lease Rate	Occupancy	Vacancy	Sublet Vacancy	Total Vacancy	Under Construction	Net Absorption
Bulk Distribution	280,512	0	0	\$0.00	100.00%	0.00%	0.00%	0.00%	0	0
Flex	886,703	4,422	0	\$10.18	99.50%	0.50%	0.00%	0.50%	0	(3,222)
Manufacturing	364,347	0	0	\$0.00	100.00%	0.00%	0.00%	0.00%	0	0
Warehouse / Distribution	3,285,769	43,022	0	\$8.56	98.69%	1.31%	0.00%	1.31%	0	(3,886)
Total	4,817,331	47,444	0	\$8.71	99.02%	0.98%	0.00%	0.98%	0	(7,108)

Reporting Methodology: This report includes all industrial buildings and parks 20,000 SF and greater in Miami-Dade County that are not government owned. All rents are reported on a triple-net basis and are direct weighted averages calculated on total available space. The information in this report has been collected by the Avison Young research team via sources that are deemed reliable but is not guaranteed.

Leading Indicators (Y-O-Y 1Q-2019 to 1Q-2020)



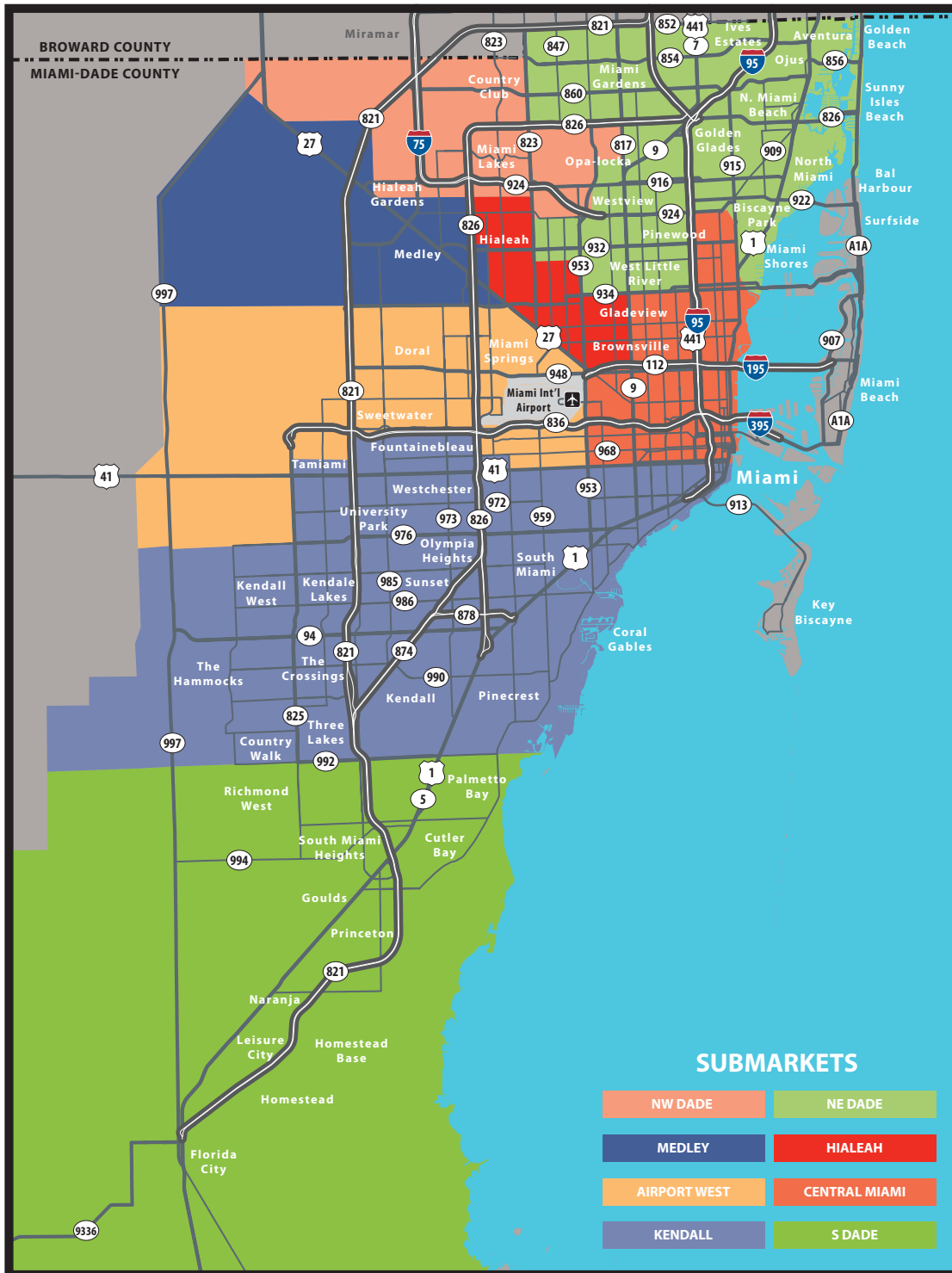
Significant First Quarter 2020 Lease Transactions - Sorted by SF

Tenant	Property	Type	SF	Submarket
Confidential E-commerce Tenant	Beacon Lakes - Building 36	New	216,780	Airport West
Anixter	Prologis Miami International Tradeport - Building 8	New	147,900	Medley
Ford Motor Brands	Prologis MIA Logistics Center	New	145,855	Airport West
Del Valle Brands	8150 NW 76th Ave	New	125,976	Medley
Akima	Beacon Industrial Park - Building 9	New	85,008	Airport West
Japan Tobacco International	Beacon Industrial Park - Building 7	New	85,000	Airport West
Innovated Apparel	Medley Logistics Park - Building 100	Renewal/Expansion	72,000	Medley
Cargill	Beacon Logistics Park - Building E	New	70,000	Northwest Dade
US Auto	2875 NW 77th Ave	Renewal	59,135	Airport West
Fulfillment Hub USA	11400 NW 34th St	Sublease	50,359	Airport West

Significant First Quarter 2020 Sales Transactions - Sorted by Sale Price

Property	SF	Sale Price	Price/SF	Buyer	Submarket
18770 NE 6th Ave	234,739	\$30,500,000	\$130	Ivy Realty	Northeast Dade
BellSouth Industrial Flex Portfolio*	70,997	\$14,804,473	\$209	Petra Capital Management	Kendall
5900 NW 176th St	135,939	\$14,680,000	\$108	Spirit Realty Capital	Northwest Dade
11200 NW S River Dr	53,534	\$8,000,000	\$150	Carlos Carvalho	Medley
3790 Alex Muxo Blvd	64,019	\$6,050,000	\$95	Nir Edri	South Dade

* Denotes a portfolio sale



Contact Information

Wayne Schuchts
Principal
305.607.3845
wayne.schuchts@avisonyoung.com

Tom Viscount
Principal
954.903.1810
tom.viscount@avisonyoung.com

David Spillers
Vice President
305.447.7856
david.spillers@avisonyoung.com

Bobby Benton
Brokerage Services
954.903.1811
bobby.benton@avisonyoung.com

Evie Linger
Research Analyst
954.903.3714
evie.linger@avisonyoung.com



avisonyoung.com

