



Miami-Dade County Industrial Market

Miami-Dade's industrial market continued to flourish this quarter. Absorption posted at 1.2 million square feet, over 500,000 square feet more than last quarter. This increase was driven by improved leasing activity, coupled with a dip in vacancy.

Vacancy rates closed the first quarter of 2023 at 2.9%, down 10 basis points from last quarter. They are approaching the five-year low of 2.8% recorded in the first quarter of 2022. South Miami-Dade, with a vacancy rate of 0.7%, is the tightest submarket.

Average asking rents in Miami-Dade improved by \$0.30/SF to \$13.32/SF from the fourth quarter of 2022. Over the past year, rents have surged by 26.1%, a significant jump as demand for warehouse space continues to remain strong. South Miami-Dade posted the highest rents of any submarket at \$14.44/SF.

More than 1.0 million square feet of new construction broke ground this quarter. Even with 987,520 square feet delivering this quarter, 9.4 million square feet remains under construction, up from 8.7 million square feet last quarter and 8.2 million square feet one year ago. Nearly 4.2 million square feet is under development in Hialeah/Hialeah Gardens.

Leasing and Demand

Miami-Dade leasing activity closed at 2.5 million square feet across 213 transactions. This marks an improvement of 24.3% quarter over quarter. Despite this surge, activity is still well below the five-year average of 3.9 million square feet.

Four of the five largest lease transactions of the quarter were over 100,000 square feet, with two of the five deals being renewals. The two largest deals were both new leases signed in the Hialeah/Hialeah Gardens submarket by JAS for 198,108 square feet and Logistics Plus for 181,051 square feet.

Investment Sales Activity

Nine deals were completed in Miami-Dade through February. The transactions averaged \$236/SF, down from \$244/SF in the preceding quarter. Volume surpassed \$56.0 million across approximately 236,000 square feet.

Three deals in Miami surpassed \$10 million this quarter. 4180-4182 SW 74th Ct. in the Airport West submarket traded for \$13.2 million, or \$185/SF, one of the largest sales to start 2023.

Current Conditions

Miami recorded positive absorption of 1.2 million square feet, continuing a trend of positive absorption for more than five years.

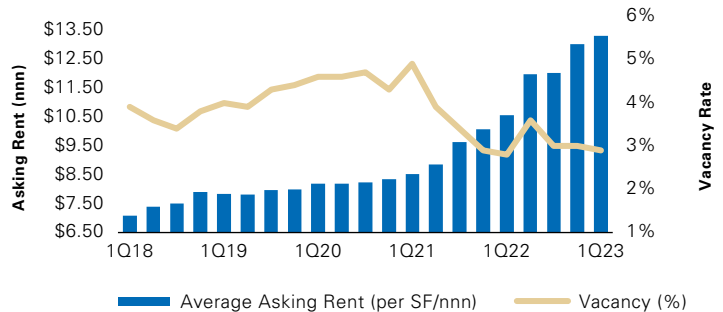
Vacancy rates continued to decrease, inching down to 2.9%, just 10 basis points above the cyclical-low.

Landlords raised asking rents \$0.30/SF from last quarter to \$13.32/SF, a jump of 2.3%.

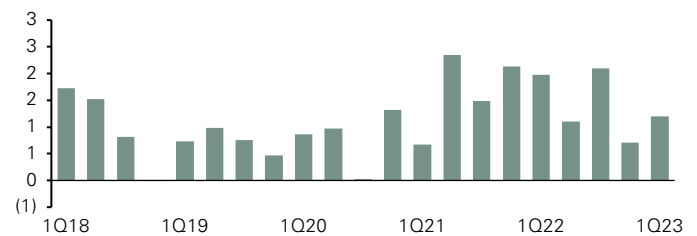
Leasing activity increased 24.3% from last quarter to 2.5 million square feet, even as the number of transactions declined slightly.

Market Analysis

ASKING RENT AND VACANCY RATE



NET ABSORPTION (SF, Millions)



Market Summary

	Current Quarter	Prior Quarter	Year Ago Period	12-Month Forecast
Total Inventory (SF)	221.2M	220.1M	214.8M	↑
Vacancy Rate	2.9%	3.0%	2.8%	↑
Quarterly Net Absorption (SF)	1.2M	704,040	2.0M	↔
Average Asking Rent/SF	\$13.32	\$13.02	\$10.57	↑
Under Construction (SF)	9.4M	8.7M	8.2M	↔
Deliveries (SF)	987,520	580,304	1.6M	↑

Miami-Dade County Submarket Statistics								
	Total Inventory (SF)	Under Construction (SF)	Total Availability Rate	Qtr Absorption (SF)	YTD Absorption (SF)	WH/Dist Asking Rent (Price/SF)	R&D/Flex Asking Rent (Price/SF)	Total Asking Rent (Price/SF)
Airport East/Central Miami-Dade	22,195,174	-	5.3 %	129,059	129,059	\$12.35	\$9.00	\$15.63
Airport West	67,632,390	117,831	2.7 %	42,504	42,504	\$13.53	\$15.38	\$13.77
Hialeah/Hialeah Gardens	34,673,967	4,161,163	1.4 %	596,072	596,072	\$12.60	\$21.80	\$11.08
Medley	33,506,797	1,555,355	3.7 %	350,302	350,302	\$12.86	-	\$11.39
Miami Lakes	8,034,917	-	2.3 %	-3,685	-3,685	\$13.18	\$14.48	\$11.02
N Central Miami	29,523,501	874,689	3.9 %	99,538	99,538	\$12.76	\$30.53	\$13.57
Northeast Miami-Dade	9,424,323	1,718,490	2.7 %	7,901	7,901	-	\$13.38	\$15.05
South Miami-Dade	16,159,183	999,145	0.7 %	-23,506	-23,506	\$14.44	\$11.64	\$14.39
Totals	221,150,252	9,426,673	2.9 %	1,198,185	1,198,185	\$13.06	\$16.16	\$13.32

Miami-Dade County Lease/User Transactions				
Tenant	Submarket	Building	Type	Square Feet
JAS	Hialeah/Hialeah Gardens	8406 NW 90th St	Direct	198,108
Logistics Plus	Hialeah/Hialeah Gardens	9575 NW 174th St	Direct	181,051
Perez Trading Company	North Central Miami	3505 NW 123rd St	Renewal	114,000
ModusLink	Medley	10990-11010 NW 92nd Ter	Renewal	104,127
Meridian Adhesives	North Central Miami	16175 NW 49th Ave	Direct	95,228

Miami-Dade County Select Sale Transactions				
Buyer/Seller	Submarket	Building	Sale Price	Price/SF
Ray & Fredrica Applebaum / Tilia Family of Companies	Airport West	4180-4182 SW 74th Ct	\$13.2M	\$185
Milestone Pavers / Boga Style Home	Medley	6500 NW 72nd Ave	\$12.8M	\$241
Yoel Gidanian / Jimmy Ng & Mindy Ng	Hialeah/Hialeah Gardens	3130 W 15th Ave	\$10.0M	\$267
Triarch Capital Group / Essential Properties Realty Trust	Hialeah/Hialeah Gardens	12601 W Okeechobee Rd	\$7.2M	\$258
Francis Realty Corporation / Efraim Brody	N Central Miami	18470 NW 27th Ave	\$4.2M	\$168