

Q4 | 2019

Miami Industrial Market Report



For over 40 years, ComReal IS Commercial Real Estate

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INDUSTRIAL MARKET SUMMARY

The Miami industrial market ends Q4 2019 with a 4.2% vacancy rate and \$12.40 per sq. ft. average (gross) lease rate. There was 1.4 million sq. ft. of positive absorption over the past 12 months, with deliveries totaling 2.7 million sq. ft. in the same time. There is over 4 million sq. ft. of new construction in the works, which is 1.7% relative to inventory and slightly below the national average. The most notable area of supply is the emergence of North Miami Beach, the metro's second largest submarket. There is currently 1.8 million sq. ft. under development in this submarket, which is more than half of the metro's total development. North Miami Beach is seeing a higher rate of development due to its strategic location relative to infrastructure, and because of the fact that it is cheaper in terms of land costs and rent prices.

Miami-Dade County's labor market has grown by 12% over the last five years, and the current unemployment rate is 3%, which is over a percent less than a year ago. This growth in population along with tourism has helped fuel the demand for industrial real estate in South Florida. Household income is one of the weakest links in Miami's economy. Miami's median household income stands at \$53,000, which is the lowest in South Florida and almost 20% below the national average. It's important to note that Miami's household income growth is expected to increase by 25% over the next five years.

Vacancy rates in Miami have stayed around 4%, but absorption throughout 2019 has been about a quarter percent below last year. Supply has remained strong. There has been an absorption of 1,880,994 sq. ft. over the past year. The rise of e-commerce businesses, such as Amazon, has generated favorable conditions for demand in Miami. Amazon has quadrupled its presence in the Miami industrial market over the past five years, employing close to 3,500 people and occupying 1.6 million sq. ft. across its warehouses in North Miami Beach, Miami Airport East, and Miami Airport West. Trade continues to fuel Miami's industrial demand, but the dollar trade volume has been down the past few quarters. Local economic growth has been the primary driver behind Miami's industrial growth throughout 2019, which was 1.5% for the year. The forecast is calling for vacancy rates to remain largely unchanged throughout the next year. Currently, the average rent for warehouse and distribution space in the Miami area is \$12.40/sq. ft.

From a construction standpoint, the Miami-metro area remains active with 4.4 million sq. ft. in the works across 30 properties, 1.7% relative to inventory, which is slightly below the national average. The largest under-construction project is Bridge Point Commerce Center at 21201 NW 43rd Ave. in the North Miami Beach submarket. The second largest is the 246,000 sq. ft. Pepsi distribution center at 8701 NW 93rd St in the Medley submarket. The third largest is the 220,000 sq. ft. SeaVee building at 111000 NW South River Dr., in Medley. The industrial products' shorter construction cycle, compared to other commercial real estate, means that supply can adjust quickly to meet demand in the market. Demand has continued to be strong in the market, the market continues to digest new supply, though certain submarkets such as Miami Airport West are becoming more expensive for prospective tenants as land limitations and the desire to be close to MIA have driven prices up in this submarket, leading prospects to look for developable land in other Miami submarkets.

MARKET STATISTICS

TOTAL SF INVENTORY	VACANCY RATE (AVG)	LEASE RATE (AVG)	SALE PRICE (AVG)	UNDER CONST.
246 M	4.2%	\$12.40/SF	\$148/SF	4.6 M

FEATURED LISTING // 595 E 10th Avenue, Hialeah, FL 33010

AVAILABLE FOR **SALE / LEASE**



PROPERTY SIZE: +/- 39,000 SF
OFFICE: +/- 3,000 SF
MEZZANINE: +/- 6,000 SF
LOT SIZE: 1.59 ACRES
ELECTRICAL: HEAVY
CEILING HEIGHT: 16'

2 large overhead street level doors, 1 truck well & 1 dock high

TOP SALES OF THE QUARTER

BUYER	SIZE	ADDRESS	PRICE	PSF
BentallGreenOak	498,000	5500 NW 142nd St	\$58,474,528	\$117.42
BentallGreenOak	151,000	14350 NW 56th Ct	\$22,094,154	\$146.32
Farreys Wholesale Hardware	111,000	1850 NE 146th St	\$4,500,000	\$40.54
MDH Partners, LLC	102,000	1300-1350 NW 74th St	\$8,900,000	\$87.25
Paul Freeman Law Office	81,765	7355 NW 41st St	\$5,650,000	\$69.10

TOP LEASES OF THE QUARTER

TENANT NAME	SIZE	ADDRESS
American Fine Foods	147,581	9835 NW 14th St
Suddath	132,821	3880 W 104th St
Apollo Export Warehouse	120,590	8503 NW 80th St
HAPCOR	114,808	4310 NW 215th St
Merchandize Liquidators, Inc.	82,000	701-705 E 10th Ave

COMREAL NEWS



ComReal Doral, sponsored two holes at the Florida Customs Brokers & Forwarders Association's annual golf tournament this past January 24th, 2019. The event took place at the historic Miami Spring Golf and Country Club.

The FCBF represents the Florida freight forwarding and customs brokerage community, and ComReal has been a member and sponsor for two consecutive years. This was our second year sponsoring the event, and we are happy to say that our team made quite the impression.

"I was giving golf balls to a participant and he proudly pulled out a ball from last year," said Edison Vasquez, CCIM and Managing Partner of ComReal Doral. "He said, 'I remember you guys and still have it from last year!'"

The FCBF is a great organization and we are thrilled to be a part of it. See you at next year's tournament.

MIAMI INDUSTRIAL

TEAM



For Over 40 Years, ComReal IS Commercial Real Estate.

ComReal was founded in 1979 as a full service commercial real estate firm located in South Florida. The Miami Industrial Team leads the Industrial division for ComReal. Specializing in Sales and Leasing of Industrial Properties. The Team consists of highly trained professionals, experts in the field and committed to delivering results to clients. Through almost 80 years of combined experience, they help business owners and investors Sell, Lease and Purchase Industrial Properties. Their specialties include: Dry and Refrigerated warehouses, Manufacturing facilities, Rail served and Foreign Trade Zone Warehouses.

Contact us to find out how Our Team can help you and your business.

SELL

LEASE

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