



# Industrial Real Estate Market Q2 2025 // South Florida

ComReal IS Commercial Real Estate

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# South Florida Report Summary

## Miami-Dade

Inventory (SF):	278.6 M
Vacancy:	6.4%
Lease Rate:	\$20.89/SF
Sale Price:	\$273/SF
Under Constr. (SF):	4.5 M

## Broward

Inventory (SF):	143.2 M
Vacancy:	5.5%
Lease Rate:	\$20.61/SF
Sale Price:	\$250/SF
Under Constr. (SF):	1.4 M

## Palm Beach

Inventory (SF):	71.3 M
Vacancy:	6.0%
Lease Rate:	\$18.26/SF
Sale Price:	\$203/SF
Under Constr. (SF):	1.5 M

Data Source: CoStar

## Miami-Dade Industrial Market Summary

The Miami industrial market's Q2 2025 vacancy rate rose to 6.4%, with an availability rate of 9.2% by the end of the quarter. The average gross lease rate reached \$20.89 per square foot, reflecting a 2.4% annual increase in asking rents. Net absorption over the past 12 months totaled -2,337,306 square feet, signaling a continued slowdown from Miami's five-year average of 4.5 million SF. Leasing has weakened most in larger Class A buildings over 300,000 SF, where availability exceeds 30%, while demand for smaller infill spaces under 100,000 SF remains resilient. Miami rents have surged over 60% since 2019, and though rent growth has slowed from the 2022 peak of 16%, vacancies are projected to stay below the national average, with annual rent gains averaging 4.2% through 2029.

There are 4.58 million square feet of new industrial space under construction as of Q2 2025, accounting for 1.64% of the total inventory. Although down from earlier peaks, this figure is still above Miami's 10-year average, with most of the new supply located in Northwest Miami-Dade and composed of buildings over 100,000 SF. About 70% of that pipeline remains available, suggesting short-term leasing challenges, particularly for big-box space. Meanwhile, smaller multi-tenant projects under 100,000 SF continue to lease swiftly, with leasing velocity outpacing larger formats. Deliveries are expected to decline after 2025, which could tighten vacancies and stabilize rents.

The 12-month sales volume reached \$2.51 billion, reflecting a 72.95% increase, with an average price of \$272.90/SF and a market cap rate of 5.86%. Miami continues to attract significant institutional capital, with several major portfolio transactions lifting quarterly volume to its highest level since early 2022. Noteworthy deals include Terreno Realty's \$195 million acquisition of the GLP Air Logistics Center and Ares Industrial's \$147 million Hialeah purchase, reflecting investor confidence in newer, well-leased assets. Cap rates have risen in line with interest rates, but strong fundamentals and diverse buyer profiles—from REITs to owner-users—have kept deal activity robust.

Between 2020 and 2022, Miami-Dade County recorded a \$9.5 billion net wealth influx, driven by an inflow of high-income residents and growing employment in finance, tech, and other high-wage sectors. While these trends fueled elevated consumption and retail activity, they also caused housing prices to rise by over 60% since 2020, pushing affordability to critical levels. Inflation has cooled, but half of Miami households remain below the ALICE threshold, with a projected shortfall of 116,000 affordable units by 2030. Despite this, the county continues to attract firms like Apple and JPMorgan, suggesting continued long-term appeal to affluent talent and corporate relocations.

## Broward Industrial Market Summary

The Fort Lauderdale industrial market's Q2 2025 vacancies rose slightly to 5.5%, with an availability rate of 7.8% by the end of the quarter. The average gross lease rate reached \$20.61 per square foot, marking a 2.2% annual increase in asking rents. Annual net absorption totaled -1,812,174 square feet, a significant pullback that reflects slower leasing, especially in newly delivered large-format buildings. Smaller infill spaces near the urban core continue to see healthy demand, while larger properties are taking longer to lease, contributing to the uptick in vacancies. Tenant demand has pushed Fort Lauderdale industrial rents to record highs, now averaging over \$21/SF—among the highest in Florida—with rates up more than 57% since 2019. While asking rents for large logistics spaces exceed \$14/SF, smaller properties often command over \$18/SF, and newer assets built since 2018 average more than \$16/SF with over 90% occupancy. Although rent growth has cooled from a peak of 18% in 2022, tight vacancies and limited new supply are expected to sustain above-average annual rent growth of over 5% through 2027.

As of Q2 2025, there are 1,413,614 square feet of industrial space under construction, representing 0.99% of the total inventory. Construction activity has slowed significantly from the 2020 peak of 3.4 million SF, with groundbreakings dropping in 2023 and annual deliveries expected to remain below 800,000 SF. More than 75% of the space under



construction is in large assets exceeding 100,000 SF, with a sizable share still unleased, raising near-term availability concerns. Still, strong occupancy in existing products, especially in infill and smaller warehouse formats—supports a favorable leasing outlook in submarkets like Southwest Broward and Pompano Beach, where land availability and highway access continue to attract industrial users.

The 12-month sales volume reached \$1.23 billion, reflecting a 13.6% increase, with the average sale price at \$250.10/SF and a market cap rate of 6.68%. Fort Lauderdale's industrial investment market remains active, supported by institutional confidence and owner-user acquisitions. Notable deals in the past year include Tishman Speyer's \$100 million acquisition of Rock Lake Business Center and Elion Partners' \$205 million portfolio purchase, highlighting ongoing interest in well-located, income-producing assets. While rising cap rates and economic headwinds have begun to temper pricing, buyer demand for Class A properties remains resilient, particularly for assets with stable tenants and long-term leases.

Fort Lauderdale's strong base of finance, professional services, and information sector jobs has driven median household income 7% above Miami's, with local incomes up more than 25% since 2020. While job and population growth have cooled in recent quarters, nonfarm employment remains 4% above pre-pandemic levels. Though home prices have surged over 70% since 2020, inflation has begun to cool, easing shelter costs and allowing for a modest recovery in real wage growth. Despite ongoing affordability challenges, Fort Lauderdale's strategic location, skilled workforce, and strong quality of life continue to make it a compelling long-term bet for business and industrial expansion.

## **Palm Beach Industrial Market Summary**

The Palm Beach industrial market's Q2 2025 vacancy rate held steady at 6.0%, while the availability rate came in at 8.4% by the end of the quarter. The average gross lease rate rose slightly to \$18.26 per square foot, and market asking rent grew by 3.1%, reflecting ongoing tenant demand. However, net absorption has slowed to 660,000 SF—below the five-year average of 830,000 SF—driven primarily by newer buildings between 100,000 SF and 250,000 SF. Smaller spaces under 100,000 SF have seen rising vacancy rates since 2023, though limited new supply has kept conditions tight. Meanwhile, larger blocks over 300,000 SF face elevated vacancy rates nearing 7%, with properties built since 2020 seeing a 30% vacancy rate, indicating near-term leasing headwinds for big-box development.

As of Q2 2025, approximately 1,558,527 square feet, or 2.18% of the total inventory, was under construction. Construction activity has surged since 2021, with 1.6 million SF underway as of Q3 2025 and another 2 million SF expected to deliver through 2026, contributing to elevated vacancy levels expected to hover around 6%. More than 90% of current construction is concentrated in large-scale properties over 100,000 SF, posing short-term supply risks, as the majority of leases in Palm Beach are under 30,000 SF. However, existing large assets are more than 85% occupied, and key submarkets like Park at Broken Sound, Palm Beach Airport, and West of the Turnpike continue to attract development due to their strategic locations and access to major highways like I-95 and Route 98.

The 12-month net absorption was 812,353 square feet, indicating continued positive tenant activity. Meanwhile, annual sales volume reached \$469 million, remaining above pre-pandemic norms and buoyed by major portfolio trades. Notable transactions include Cabot Properties' \$91 million acquisition of the 371,000-SF Silver Beach Industrial Park, which was still in lease-up with 42% vacancy at closing, and Dalfen Industrial's \$55 million sale of a 225,000-SF Riviera Beach property to LBA Realty at over \$244/SF. Institutional appetite also remains strong for modern distribution space, as evidenced by Hillwood's \$106 million purchase of a 1-million-SF Amazon-leased facility in Jupiter. Cap rates have stabilized around 5%, though elevated interest rates and a slowing economy have prompted a near-term pricing correction, with softer fundamentals expected to temper gains until logistics demand strengthens.

Palm Beach ranks as one of Florida's wealthiest counties, with personal income levels 60% above the state average and a strong concentration of finance and professional service jobs. Between 2020 and 2022, the county saw a record \$16.3 billion net influx of wealth, the highest in South Florida, fueled by affluent migration from the Northeast and West. Although inflation and housing costs surged through 2023, both have begun to stabilize, thanks in part to a wave of new apartment construction, especially in the luxury segment—which has helped curb rent growth. Additionally, rising for-sale inventory and cooling buyer demand have eased pressure on home prices after years of steep increases. While employment and population growth are decelerating, high-profile firms like Goldman Sachs and Elliott Management are reinforcing Palm Beach's medium-term outlook as a hub for high-income job creation.

## ComReal's Featured Listings

### Industrial Warehouse For Lease

**1600 NW 159th Street | Miami, FL 33169**

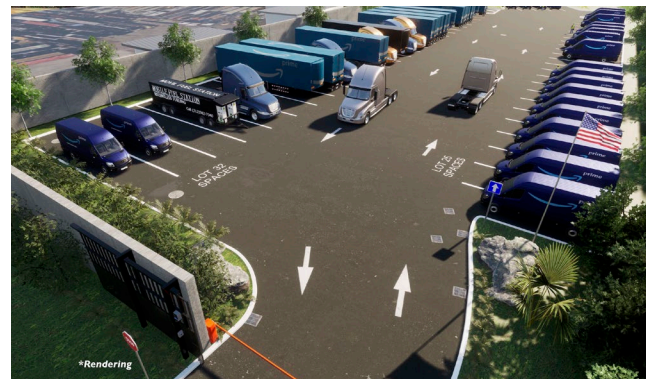
- Total Available Size: +/- 12,638 SF up to +/- 34,323 SF
- Office: +/- 2,788 SF
- Clear Height: 20'
- Dock Doors: 2-6
- Ramp: up to 2



### Industrial Outdoor Storage For Lease

**2111 NW 141st Street | Opa Locka, FL 33054**

- Total Size: +/- 1.7 acres
- Fenced and secure
- Electronic entrance gate
- Office with bathrooms on site
- Zoned I-1 City of Opa Locka



## Top Sales & Leases (MDC)

Sales & Leases Source: CoStar

### Top Sales

Buyer	Size (SF)	Address	Sale Price
Envision Cold	197,640	2900 NW 75th St	\$47,250,000 (\$239.07/SF)
East Capital Partners	131,259	7212-7282 NW 33rd St*	\$31,579,890 (\$240.59/SF)
East Capital Partners	124,175	3108-3196 NW 72nd Ave*	\$30,710,624 (\$247.32/SF)
East Capital Partners	120,000	7214-7294 NW 34th St*	\$27,959,487 (\$233.00/SF)
EQT Real Estate	54,139	3500-3508 NW 114th Ave	\$16,750,000 (\$309.39/SF)

\* Part of a 3 Property Sale

### Top Leases

Tenant Name	Size (SF)	Address
Caterpillar, Inc.	115,400	2410 NW 116th St
Iron Container LLC	80,000	8505 NW 74th St
REU Distribution, LLC	43,000	5400-5500 NW 32nd Ave

# Industrial Team

Founded in 1979, ComReal is a full-service commercial real estate firm based in South Florida. Leading the Industrial division for ComReal is the Miami Industrial Team, specializing in the Sales and Leasing of Industrial Properties. Consisting of highly trained and credentialed professionals, our team is comprised of experts dedicated to delivering exceptional results to clients. With nearly 80 years of combined experience, we assist business owners and investors in selling, leasing, and purchasing industrial properties. Our specialties encompass a wide range of industrial real estate, including Industrial Outdoor Storage (IOS), 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.

**For Over 40 Years, ComReal IS Commercial Real Estate.**



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