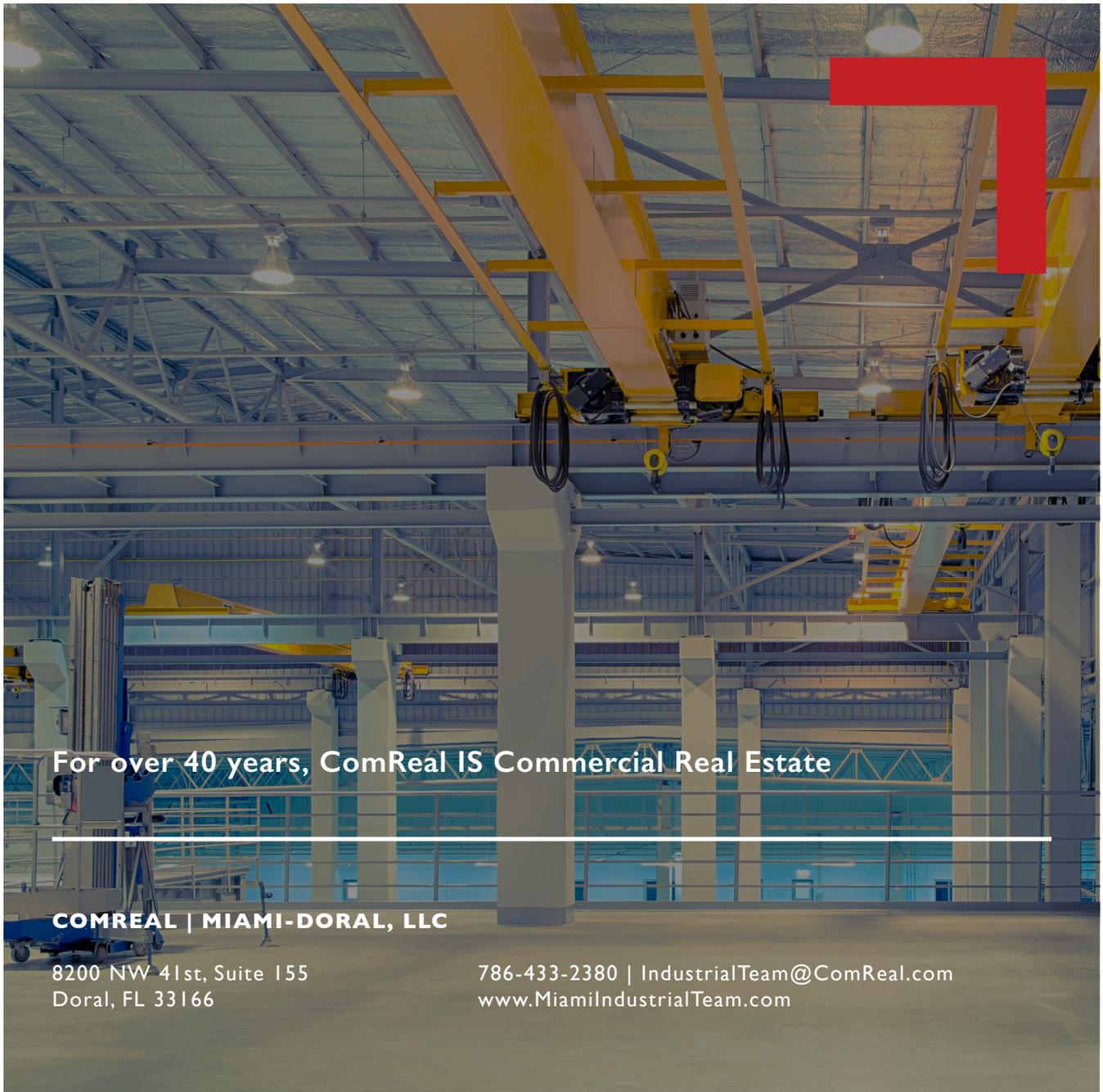


Q3 | 2021

Miami Industrial Market Report



For over 40 years, ComReal IS Commercial Real Estate

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INDUSTRIAL MARKET SUMMARY

The Miami industrial real estate market continues its strong performance. In Q3 2021 vacancy rate was 3.1% and the availability rate is 5.3% at the close of the quarter with a \$14.45 per sq. ft. average (gross) lease rate. Rent growth had been declining for the past two years but the impact of the coronavirus pandemic and the explosion of e-commerce, rent growth has improved in recent quarters to 12.1%. Growth in Miami is now 5% stronger than the nation.

There is over 4.4 million sq. ft. of new construction in the works, and about 15 million sq. ft. has been built since the beginning of 2018. About 3.5 million SF has been delivered in the market in the past year. This is including the one million SF Home Depot distribution center in Hialeah, which completed construction in early 2021. Construction starts have slowed slightly in the past year. The largest speculative projects are in the 200,000 SF-300,000 SF range; examples are the two buildings at Gratigny Logistics Center in the North Miami Submarket, which totals 447,000 SF and is due to complete in coming quarters.

Vacancy rates in Miami are around 3.1% and are back at record lows after compressing nearly 200 basis points in recent quarters. Vacancies could stabilize once the 4.5 million SF under construction delivers and leases.

Annual rent has been rebounding after two years of slowing significantly, and annual gains are now about five percentage points stronger than the National Index. The average rent in Miami has grown 79% since 2011, while the National Index grew 61%. Still, at over \$14.50/SF, the average rent in Miami is one of the highest in the country, which is 52% higher than the national average. This rent growth keeps attracting investors looking for industrial properties in the region. Within the market, average rents reach \$23/SF in the South Central Miami Submarket, which is more than 130% higher than the national average. Despite high rents, the submarket has maintained growth near 12% in the past year, compared to 7% annual growth in the National Index.

Annual industrial sales volume has bounced back from a four-year low in 2020 Q3 and is now about 50% higher than the metro's 10-year average. Deals over \$20 million have increased in recent quarters. Nine such properties have sold to date, about twice the average from the same time frame, the three years prior to the pandemic. The rebound has been boosted by the sale of the recently developed Home Depot Distribution Center in Hialeah.

Overall, unemployment is still about six percent below the region's pre-pandemic peak as of 2021 Q3. However, the pace of job growth has increased recently with about 13,000 jobs added in August 2021, the best month for employment growth in Miami this year. Employment in professional, business, and financial activities sectors is well above pre-pandemic levels. Miami's full economic recovery will depend heavily on the return to both domestic and international travel at a normal rate. The metro will benefit from a return to regular international travel after restrictions have been lifted.

Our team expects further growth in sales prices and inventory of industrial buildings to continue hitting new lows. Demand from users and investors also continues to grow. Leasing will remain strong the rest of the year and more users continue to absorb space and it is taking longer to deliver new construction.

MARKET STATISTICS

TOTAL SF
INVENTORY

254 M

VACANCY
RATE (AVG)

3.1%

LEASE RATE (AVG)

\$14.45/SF

SALE PRICE (AVG)

\$182/SF

UNDER CONST.

4.4 M

FEATURED LISTING // 1800 NW 89th Place, Doral, FL

AVAILABLE FOR SALE / LEASE



TOTAL SIZE: +/- 106,046 SF
OFFICE: +/- 36,516 SF
COOLER: +/- 62,640 SF
DRY WAREHOUSE: +/- 6,890 SF

LOT: +/- 5.88 Acres
LOADING: 22 Docks / 2 Ramps
CLEAR HEIGHT: 20'
PARKING: 207 Spaces

OTHER LEASE OPTIONS

NORTH SIDE OF BLDG ONLY
+ Size: +/- 40,457 SF
+ Refrigerated: +/- 31,954 (34F)
+ Office: +/- 8,500 SF
+ Loading: 12 Docks / 1 Ramp

EAST SIDE OF BLDG ONLY
+ Size: +/- 48,642 SF
+ Refrigerated: +/- 33,411 (34F)
+ Office: +/- 8,500 SF
+ Loading: 10 Docks + 1 Small

TOP SALES OF THE QUARTER

RECORDED BUYER	SIZE (SF)	ADDRESS	PRICE	PSF
Terreno Realty Corporation	220,000	4151 W 108th St	\$40,808,000	\$185.49
The Easton Group	105,365	9840-9880 NW 25th St	\$19,500,000	\$185.07
Seagis Property Group LP	107,642	10100 NW 25th St	\$19,400,000	\$180.23
Foundry	145,331	9300-9380 NW 13th St	\$18,000,000	\$123.86
VlietCo Enterprises	84,907	8200 NW 93rd St (Portfolio)	\$17,401,003	\$204.94

TOP LEASES OF THE QUARTER

TENANT NAME	SIZE (SF)	ADDRESS	LEASE RATE
United States Postal Service	179,634	21201 NW 43rd Ave	\$8.25/SF (NNN)
DB Schenker Inc	149,935	1801 NW 135th Ave	\$12.36/SF (MG)
Custom Veterinary Services	147,768	4120 W 91st Pl	\$7.95/SF (NNN)
Capital Logistics	136,989	9175 NW 117th Ave	\$11.25/SF (IG)
Mediapro US Production Services, LLC	119,008	7321 NW 75th St	\$11.50/SF (NNN)

Provided by CoStar

ComReal Industrial Team Finds Expanded Cold Storage Warehouse for American Consolidation & Logistics

Miami, FL – The ComReal Industrial Team represented international produce importer, American Consolidation & Logistics (ACL), in the leasing of their cold storage warehouse at 3200 NW 67th Avenue, in the South Florida Logistics Center. The company expanded their Miami footprint by over 20% and needed a larger space. This multi-million-dollar deal gives ACL a prime location near Miami International Airport, where much of their imported produce arrives by plane.

In the Fall of 2016, the ComReal Industrial Team was retained by ACL to acquire a +/- 100,000 sq. ft. refrigerated warehouse in Miami, which resulted in a +/-94,000 sq. ft. lease in the Miami Airport area. After years of a continued relationship, the Industrial Team stepped up and again sought out the best option for ACL for their future growth. This search brought them to the South Florida Logistics Center where ACL can expand into a +/-114,000 sq. ft. cold storage facility that includes one of the only in-house fumigation areas in South Florida.

“This expanded warehouse positions ACL to serve produce, flower, and other cold storage users throughout the Americas. Their continued growth serves as a testament to their team’s stellar performance and reputation as a leader in the cold storage transportation industry. The ComReal Industrial team is honored to have these types of relationships with industry leaders,” stated Chris Spear, Principal at ComReal Miami-Doral.

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

BUY

INVEST

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