



Industrial Real Estate Market Q1 2023 // South Florida

ComReal IS Commercial Real Estate

Contact:

Industrial Team

786-433-2380 // IndustrialTeam@ComReal.com



South Florida Report Summary

Miami-Dade Industrial Market Summary

The Miami industrial real estate market's Q1 2023 vacancy rate fell to 2% at the close of the quarter, compared to 2.1% in Q4 2022. Lease rates stood at an average of \$19.18 per sq. ft. (gross), one of the highest in the country. The 12-month rent growth is 17.4% in the industrial market, outpacing the national average of 10.7%. About 14 million SF of product has been delivered over the past three years. There is currently 9.2 million SF of new construction in the works, which equates to 3.5% of inventory currently under construction.

Industrial Outdoor Storage (IOS) remains a specialized property class that is becoming more of an industrial mainstay. It has an estimated market value of \$200 Billion across the County. Many investment groups have entered this space as the IOS market promises the higher yields that value-add firms are looking for in the current market environment. Rental rates for improved IOS sites in Miami are approaching \$5.00 per land foot NNN, and in some cases, exceeding those numbers. Low inventory and strong demand will keep rents stable.

Miami was one of the most active industrial markets in the United States with 479 deals closed in the past year. Annual sales volume has averaged \$1.9 billion over the past five years. The 12-month sales volume was \$3,838,428,900. Average sale pricing in Miami is up to \$271/SF, rising by more than 10% year over year. Despite the higher interest rates and slowdown in the macro economy, South Florida remains resilient. Institutional investors are retreating to the top markets across the Country, and Miami is very high on the short list. Of note, larger users of industrial properties have seen more success in buying assets as compared to the last couple years as interest rates and issues in the capital markets have slowed down institutional capital.

There was an annual job growth of 5.4% in 2022 in Miami, higher than the national growth at 4.1%. Economists forecast a job growth of 1.2% in 2023 in Miami. Miami's 5.1% GDP growth was also higher than the U.S. average of 2%. Miami also had a net in-migration of 38,800 in 2022, which along with e-commerce is one of the main drivers of demand for warehouse space in our market.

Employment is above 2020 levels in professional, business, and financial services. Companies such as Microsoft, Blackstone, CI Financial, and Millennium Management have recently leased sizable office space in Miami. After an unprecedented bull run over the past two plus years, lease rates and sale prices for industrial properties have stabilized locally. 2023 is expected to be a year of the new normal with respect to pricing. We should see steady growth as strong fundamentals remain intact. The limited supply of land will continue to restrict oversupply. Users should continue to see more opportunities to compete on assets given the market dynamics.

Miami-Dade Top Sales & Leases

Sales & Leases Source: CoStar

Top Sales	Recorded Buyer	Size (SF)	Address	Price	PSF
	Greenside Group Corp	315,000	4340 W 104th St #100	\$ 17,247,300	\$192.70
	Mlsyns Group, LLC	53,000	6500 NW 72nd Ave	\$12,750,000	\$240.57
	Yosha LLC	37,422	3130 W 15th Ave	\$10,000,000	\$267.22
	MONKEY CAPITAL LLC	27,926	12601 W Okeechobee Rd	\$7,200,000	\$257.82

Top Leases	Tenant Name	Size (SF)	Address	Rate
	JAS	198,108	8406 NW 90th	\$15.95/SF (NNN)
	Logistics Plus	181,051	9575 NW 174th St	\$15.00/SF (NNN)
	ModusLink	104,127	10990-11010 NW 92nd Ter	\$17.25/SF (MG)
	Meridian Adhesives	95,228	16175 NW 49th Ave	\$13.95SF (NNN)
	by JanSteel USA	76,036	12700 NW Le Jeune Rd	\$16.50SF (NNN)

Miami-Dade

Inventory (SF): 262 M
Vacancy: 2.0%
Lease Rate: \$19.18/SF
Sale Price: \$271.00/SF
Under Construction (SF): 9.18 M

Broward

Inventory (SF): 141 M
Vacancy: 3.8%
Lease Rate: \$19.09/SF
Sale Price: \$256.00/SF
Under Construction (SF): 1.31 M

Palm Beach

Inventory (SF): 67.18 M
Vacancy: 3.3%
Lease Rate: \$16.03/SF
Sale Price: \$200.00/SF
Under Construction (SF) : 2.87 M

Broward Industrial Market Summary

The Broward County industrial market's Q1 2023 vacancy rate was steady at 3.8% at the close of the quarter with a \$19.09 per sq. ft. average (gross) lease rate. Industrial rents in Broward County were rising at a 16.8% annual rate during the first quarter of 2023.

Industrial Outdoor Storage (IOS) sites continue to be limited in the county; however, there has been a slight increase in inventory over the last six months. Rents continue to be strong at over \$4/SF NNN for improved IOS sites.

New construction has been on going at a strong pace in Broward; about 5.6 million SF have been delivered over the past three years. There is roughly 1.3 million SF of new construction in the pipeline, which is about 1% of the total inventory of the county. The top submarkets for construction are Southeast Broward, Coral Springs, and Central Broward.

The Broward industrial market had 420 deals closed in the past 12 months. The 12-month sales volume was \$1,888,763,866. Average pricing in Ft. Lauderdale is up to \$256/SF, which is more than 10% higher than last year.

Employment in the metro is increasing at an annual rate of 3.2%, or a gain of about 28,000 jobs. Benefiting from strong migration and tourism, the Broward County industrial market will continue its growth in 2023. However, it will be at a slower pace than the past couple years due to the headwinds of higher interest rates and macro slowdown in the national economy.

Palm Beach Industrial Market Summary

The Palm Beach industrial real estate market's Q1 2023 vacancy rate was 3.3% with a \$16.03 per sq. ft. average (gross) lease rate. Annual rent growth is up to 11.1% in the first quarter.

New construction of industrial properties in Palm Beach have been breaking records the last few years. About 3.5 million SF has been delivered over the past three years, an expansion of 5%. There is roughly 2.9 million SF of new construction in the pipeline, which is approximately 4.3% of total inventory. The top submarkets for construction are Palm Beach City Outlying, West of Turnpike, and Lake Park West.

Sales pricing was the strongest in 2021 and early 2022. The Palm Beach industrial market had 237 deals closed over the past 12 months. Annual sales volume has averaged \$540 million over the past five years. The trailing 12-month sales volume was \$1,140,489,495. Average pricing in Pam Beach is \$200/SF, which is more than 10% higher than last year.

Employment in the metro is increasing at an annual rate of 3.5%, or a gain of about 23,000 jobs.

Palm Beach is the smallest of the industrial markets in South Florida; however, it has shown similar rent and sales growth as Miami Dade and Broward Counties. 2023 should be a year of normalization for Palm Beach, with steady rent and sale price growth. The market remains strong and offers opportunities for users and investors alike.

Congratulations to ComReal's Patricia Quintana, CCIM
for leading the Florida CCIM Miami-Dade/Monroe
District Chapter as President!



ComReal's Industrial Team Assists Omni Transloading in New Warehouse Space

The ComReal Team, led by Patrick McBride, Esq., has successfully assisted Omni Transloading and Logistics open a new distribution facility inside Flagler Station in Medley, FL. The warehouse features 56,400 SF located at 11725 NW 100 Rd and is owned by FDG Flagler Station Phase I LLC (AEW Capital Management). The new facility is rail served and is in addition to Omni's current headquarters located next door at 11701 NW 100 Rd.

Omni continues to add to their operations across South Florida, which include a presence in Miami Airport, Medley, Doral, Hialeah, and Gratigny submarkets. These are strategic locations in South Florida with prime access to trucking and rail networks. Additionally, their locations give Omni ease-of-access to Miami's International Airport and a direct route to both PortMiami and Port Everglades. The latest deal allows Omni to continue to foster their long-standing relationship with The Florida East Coast Railway.

"Once again, the ComReal Team was able to source an opportunity for lease that was not available to the market at large because of our relationships. There are very few efficient, rail-served properties in South Florida so the barrier to entry is high" said Patrick McBride, Esq. with the ComReal team.

ComReal and Omni have been working together for over 10 years, which adds to the ease and success of their real estate deals. The ComReal team has been assisting industrial owners and users in South Florida for over 40 years.

Omni Transloading & Logistics is a premier rail transloader, warehouse and distribution provider. The company is privately held and operated since 2014. They provide a totally integrated transportation package of warehousing, handling, and trucking services from centrally located rail and non-rail facilities in South Florida. Omni's services include complete supply-chain management, traditional warehousing, and cross-dock distribution. Their management team has over 100+ years of Rail, Int'l Transportation and Logistics experience. Omni is a preferred transloading facility for LOUP/UP, Norfolk Southern and FEC. Visit their website for more, <http://www.omnitransloading.com>.

The ComReal Team has been assisting clients with their South Florida industrial real estate needs for over 40 years. The industrial team specializes in the sales and leasing of industrial properties. For more information about this deal and other properties that may be available, contact the ComReal Team at 786-433-2380 or visit www.MiamiIndustrialTeam.com.



Featured Listings

6960 NW 25th Street, Miami, FL 33122

- +/- 46,008 SF Cooler Warehouse on a +/- 65,996 SF Lot
- Located in the heart of the Miami flower district; ideal for flowers and perishables
- Refrigerated warehouse, less than 3 minutes to the Miami Cargo entrance
- 18' ceiling height
- +/- 10,159 SF, +/- 35,849 SF or +/- 46,008 SF available



10890 NW S River Dr, Medley, FL 33178

- +/- 4.34 AC with +/- 12,720 SF Building
- Great location and access
- Fronting Okeechobee Rd
- Fully permitted paint booth on site
- Fenced, lit, and secure



Industrial Team

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.

For Over 40 Years, ComReal IS Commercial Real Estate.



Contact us:

ComReal Miami - Doral, LLC

786-433-2380 | IndustrialTeam@ComReal.com | www.MiamiIndustrialTeam.com

