

Q1 | 2020

Miami Industrial Market Report



For over 40 years, ComReal IS Commercial Real Estate

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INDUSTRIAL MARKET SUMMARY

The Miami industrial market starts Q1 2020 with a 4.7% vacancy rate and \$12.53 per SF average (gross) lease rate. There was 1.4 million SF of positive absorption over the past 12 months, with deliveries totaling 3.7 million SF in the same time. Two significant deals include leases signed by Home Depot with a move-in date of September 2020 with 1.1 million SF in the Hialeah Submarket, and Swiss-based CEVA Logistics renewed a 365,000 SF lease in the Miami Airport East Submarket in March.

There are 3.8 million SF 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 SF 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 much cheaper in terms of land costs and rent prices.

Vacancy rates in Miami are around 4.7%, but rental growth rate is about a percent below last year. Miami industrial has the highest rental growth of any other commercial real estate sector. The metro's three largest submarkets, Miami Airport West, North Miami Beach, and Medley are seeing rent growth that is very close to the metro headline rate of 5%. The forecast is calling for rent growth to continue normalizing and to drop by an additional percent over the next year.

From a construction standpoint, the Miami-metro area remains active with 3.8 million SF in the works across 30 properties, 1.7% relative to inventory, which is slightly below the national average. North Miami Beach Submarket has emerged as a construction hotspot. The North Miami Beach Submarket offers an excellent strategic location relative to infrastructure and is much cheaper in terms of both land cost as well as rents. The largest under-construction project is Bridge Point Commerce Center at 21201 NW 43rd Ave, located in the North Miami Beach Submarket. The project is comprised of three buildings and will deliver a combined 1.1 million SF of new product when it is fully completed. The second-largest project underway is the 246,000-SF Pepsi distribution center at 8701 NW 93rd St, located in the Medley Submarket. The project will deliver in August 2020, and the sole tenant will be Pepsi. The third-largest project underway is the 220,000-SF SeaVee building at 111000 NW South River Dr, located in the Medley Submarket.

The industrial products' shorter construction cycle compared to other commercial real estate means that supply can adjust quickly to meet demand in the market.

As of April 9, 2020, due to the recent Coronavirus pandemic, the City of Miami and Miami Beach are both under a "shelter in place" order, meaning residents cannot leave their homes unless they are visiting a grocery store, purchasing essential goods, or require medical assistance. Most businesses have closed their doors or have switched to a telecommuting model. The pandemic is expected to place a large burden on the county's healthcare system. The impact on the local economy will depend on how widespread the pandemic is, but it is likely to greatly impact the commercial real estate market in Miami-Dade County. The hospitality industry in the region will take the brunt of the economic hit as people are required to stay home and not travel.

MARKET STATISTICS

TOTAL SF INVENTORY	VACANCY RATE (AVG)	LEASE RATE (AVG)	SALE PRICE (AVG)	UNDER CONST.
247 M	4.7%	\$12.53/SF	\$154/SF	3.78 M

FEATURED NEW LISTING // 1800 NW 89 PL. DORAL, FL

AMERICAS' GATEWAY PARK | AVAILABLE FOR SALE



PROPERTY SIZE:	+/- 102,310 SF
COOLER WAREHOUSE:	+/- 52,750 SF
DRY WAREHOUSE:	+/- 18,000 SF
OFFICE:	+/- 31,560 SF
LOADING:	22 DOCKS / 2 RAMPS
PARKING:	207 SPACES
CLEAR HEIGHT:	20'

TOP SALES OF THE QUARTER

BUYER	SIZE	ADDRESS	PRICE	PSF
Ivy Realty, LLC	234,739	18770 NE 6th Ave	\$30,500,000	\$129.93
Spirit Master Funding X LLC	135,939	5900 NW 176th St	\$14,680,000	\$107.99
HDDC, LLC	64,019	3790 Alex Muxo Blvd	\$6,050,000	\$94.50
SPG NW 28th Ave, LLC	42,426	12050 NW 28th Ave	\$4,750,000	\$111.96
A Better Blind Inc	36,498	5390 NW 161st St	\$4,000,000	\$109.60

Provided by CoStar

TOP LEASES OF THE QUARTER

TENANT NAME	SIZE	ADDRESS
Del Valle Brands	125,976	8150 NW 76th Ave
US Auto	59,135	2875 NW 77th Ave
Fullfillment Hub USA	50,359	11400 NW 34th St
Hytech	29,056	11200 NW 25th St
Import Services	28,284	11350 NW 25th St

Provided by CoStar

NEW LISTING IN HIALEAH // 405 E 10 CT. HIALEAH, FL

WAREHOUSE | AVAILABLE FOR LEASE



TOTAL SIZE:	+/- 40,000 SF
OFFICE:	+/- 500 SF
LOADING:	9 Docks

Fully sprinklered
Heavy electrical power
Side yard fenced & gated



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

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