

# Miami

## Industrial market snapshot | Q3 2024

Miami's unemployment rate has seen a slight increase over the last year—up 110 basis points, reaching 3.1%. Nonfarm employment growth has remained positive with a 2.8% annual increase. The construction sector experienced an 11.4% increase in employment, while the trade, transportation, and utilities sector saw only a 0.5% rise. In contrast, the manufacturing sector experienced a 2.4% decline in employment.

# 3.3 msf

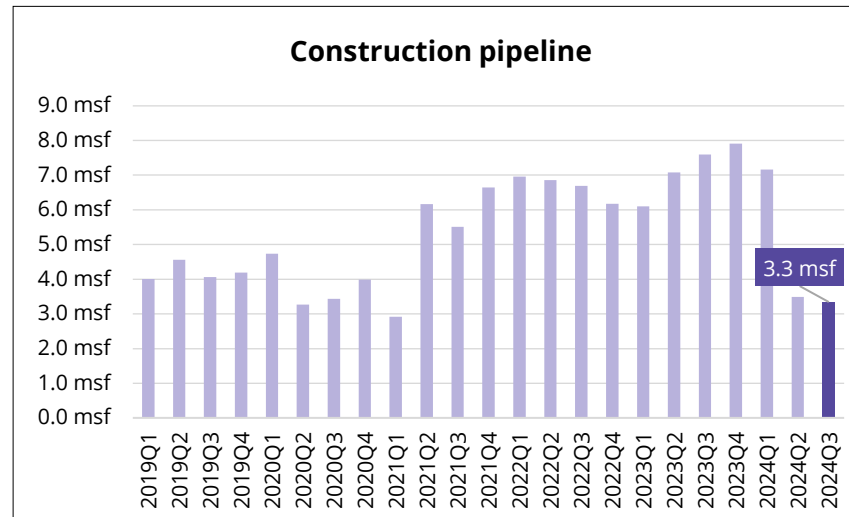
Construction activity slowed to 3.3 million square feet (msf) as a wave of new inventory totaling 6 msf delivers this year.

# \$17.10 psf

Asking rates for the market stabilized at \$17.10 per square foot (psf) NNN as new inventory is absorbed.

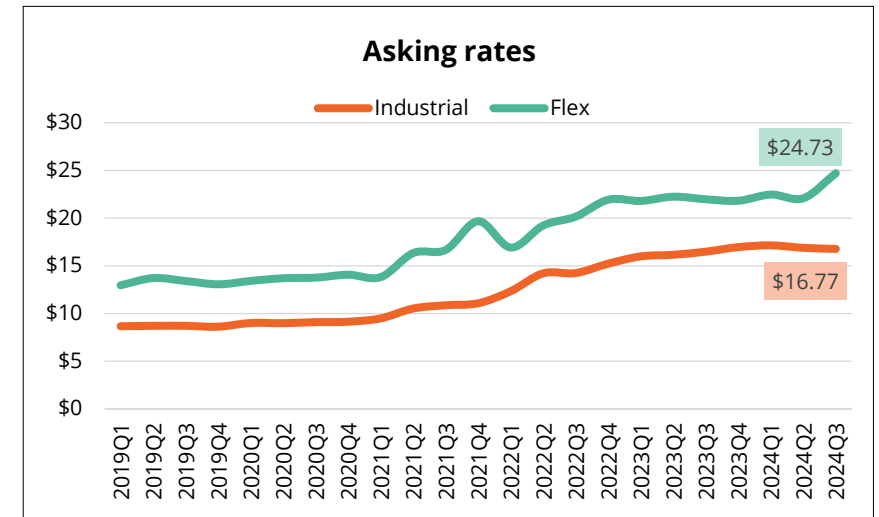
# -155k sf

Net absorption turned negative in the short term as tenants prepare newly delivered space for occupancy.



The construction pipeline in Miami has slowed this year, with just 3.3 million square feet under development at the end of Q3. Despite the below-average pipeline, the market has experienced over 6 msf of new inventory delivered this year—setting a record. Elevated interest rates, rising material costs, and weaker demand have prompted developers to pause activity, awaiting clearer economic signals from the Federal Reserve on interest rate reductions and the results of the upcoming election.

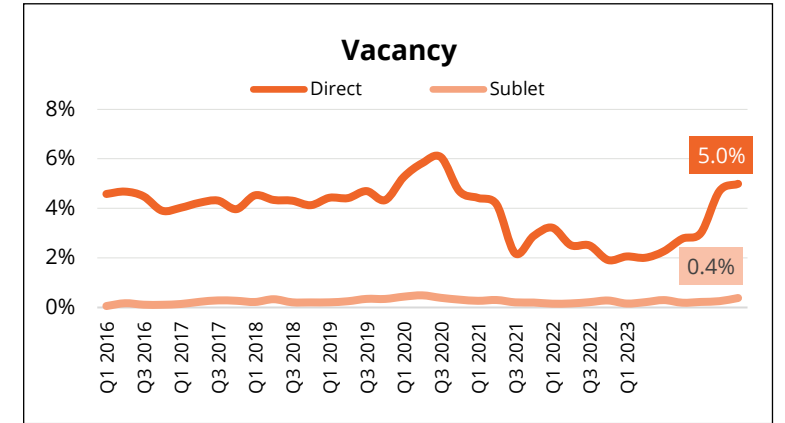
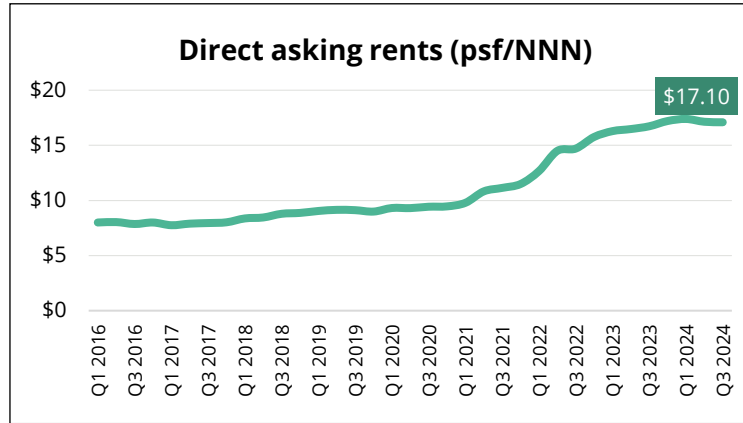
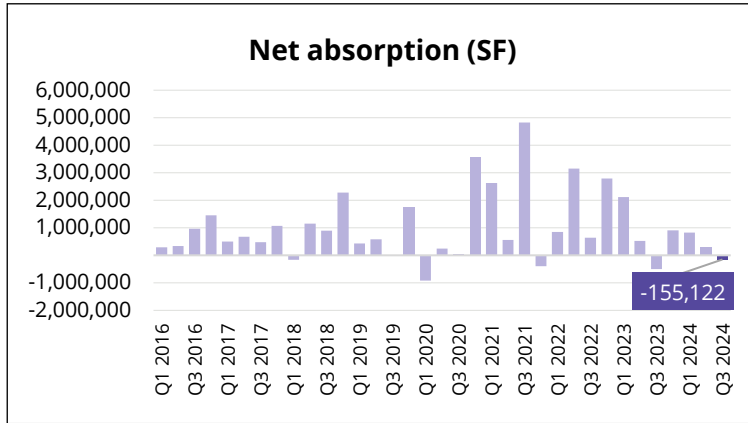
Source: AVANT by Avison Young, CoStar, U.S. Bureau of Labor Statistics



Asking rates have started to stabilize for industrial product in the market, sitting at \$16.77 psf NNN. Meanwhile, flex rates have continued to surge, reaching \$24.73 psf NNN, up 12% year-over-year. The market has seen over 6 msf of new inventory delivered this year, and rates are expected to remain stable while the new inventory is absorbed over the next few quarters.

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### Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Starboard Holdings	9290 NW 112 <sup>th</sup> Ave - Bldg 34	184,968	Renewal	Direct
Miami International Freight Solutions	11580 W 43 <sup>rd</sup> Ave - Bldg 33	105,960	New	Direct
Schwarz Partners Packaging	1101 E 33 <sup>rd</sup> St	90,000	Renewal	Direct
Gemaire Distributors	2001-2063 NW 79 <sup>th</sup> Ave - Bldg 4201	74,636	Renewal	Direct

### Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Property Reserve	Beacon Logistics Park - Bldg C	\$55,860,000	\$240	Codina Partners
Northwood Investors	1000 NW 15 <sup>th</sup> Ter	\$39,066,277	\$187	UBS Realty Investors
Longpoint Realty Partners	9950-9970 NW 89 <sup>th</sup> Ave	\$27,020,000	\$237	Tropic Oil
Allaince HP	4201-4250 NW 37 <sup>th</sup> Ct	\$24,000,000	\$237	Z Asset Mgmt

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## Get in touch

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Location	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption (3Q24)	Net absorption (YTD)	Annual direct asking rent psf NNN
Airport West	61,984,294	1,050,140	1,399,014	4.3%	0.3%	4.6%	1.5%	50,409	401,351	\$ 19.23
Medley	37,155,189	960,495	174,400	4.2%	0.9%	5.1%	2.7%	(342,278)	(186,990)	\$ 16.86
Northeast Dade	31,026,144	1,717,904	-	8.1%	0.4%	8.5%	6.2%	(194,600)	(178,020)	\$ 15.53
Northwest Dade	29,952,378	2,034,668	1,439,753	6.2%	0.3%	6.5%	5.2%	501,272	1,230,676	\$ 16.42
Hialeah	17,834,819	-	-	4.2%	0.2%	4.4%	2.1%	(246,188)	(271,573)	\$ 12.71
Central Dade	13,809,725	85,376	-	4.0%	0.2%	4.1%	(1.0%)	8,242	(67,698)	\$ 19.10
Kendall	7,964,844	-	328,742	1.9%	0.0%	1.9%	0.3%	4,275	(47,473)	\$ 20.55
South Dade	6,418,678	237,736	-	3.5%	0.0%	3.5%	2.5%	63,746	76,994	\$ 17.27
<b>Market total</b>	<b>206,146,071</b>	<b>6,086,319</b>	<b>3,341,909</b>	<b>5.0%</b>	<b>0.4%</b>	<b>5.4%</b>	<b>2.8%</b>	<b>(155,122)</b>	<b>957,267</b>	<b>\$17.10</b>

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Warehouse/Distribution	189,147,557	6,016,167	3,341,909	5.1%	0.4%	5.5%	2.9%	(107,563)	1,066,964	\$16.77
Flex	16,998,514	70,152	-	3.6%	0.1%	3.7%	1.3%	(47,559)	(109,697)	\$24.73
<b>Market total</b>	<b>206,146,071</b>	<b>6,086,319</b>	<b>3,341,909</b>	<b>5.0%</b>	<b>0.4%</b>	<b>5.4%</b>	<b>2.8%</b>	<b>(155,122)</b>	<b>957,267</b>	<b>\$17.10</b>