

# Miami-Dade 4Q16 Industrial Market Report

Source: CoStar Property

The Miami-Dade County Industrial market ended fourth quarter 2016 with a vacancy rate of 3.7%, down over the previous quarter with net absorption totaling positive 480,811 square feet. Vacant sublease space increased in the quarter, ending at 200,093 square feet. Rental rates ended fourth quarter at \$9.56, an increase over the previous quarter. A total of three buildings delivered to the market in the quarter totaling 314,057 square feet, with 3,386,807 square feet still under construction.

Net absorption for the overall Miami-Dade County Industrial market was positive 480,811 square feet in fourth quarter 2016. That compares to positive 1,041,493 square feet in third quarter 2016, positive 651,496 square feet in second quarter 2016, and positive 664,304 square feet in first quarter 2016. The Flex building market recorded net absorption of positive 92,812 square feet in fourth quarter 2016, compared to positive 15,323 square feet in third quarter 2016, positive 97,949 in second quarter 2016, and positive 49,967 in first quarter 2016. The Warehouse building market recorded net absorption of positive 387,999 square feet in fourth quarter 2016 compared to positive 1,026,170 square feet in third quarter 2016, positive 553,547 in second quarter 2016, and positive 614,337 in first quarter 2016.

The Industrial vacancy rate in the Miami-Dade County market area decreased to 3.7% at the end of fourth quarter 2016. The vacancy rate was 3.8% at the end of third quarter 2016, 4.2% at the end of second quarter 2016, and 4.2% at the end of first quarter 2016. Flex projects reported a vacancy rate of 4.3%



at the end of fourth quarter 2016, 4.8% at the end of third quarter 2016, 4.9% at the end of second quarter 2016, and 5.5% at the end of first quarter 2016. Warehouse projects reported a vacancy rate of 3.7% at the end of the fourth quarter 2016, 3.7% at the end of third quarter 2016, 4.1% at the end of second quarter 2016, and 4.1% at the end of first quarter 2016.

The average quoted asking rental rate for available Industrial space was \$9.56 per square foot per year at the end of fourth quarter 2016 in the Miami-Dade County market area. This represented a 1.4% increase in quoted rental rates from the end of third quarter 2016, when rents were reported at \$9.43 per square foot.

Total year-to-date industrial building sales activity in 2016 is up compared to the previous year. In the first nine months of 2016, the market saw 98 industrial sales transactions with a total volume of \$560,082,400. The price per square foot has averaged \$120.49 this year. In the first nine months of 2015, the market posted 104 transactions with a total volume of \$428,348,235. The price per square foot averaged \$95.13. Cap rates have been higher in 2016, averaging 6.55%, compared to the first nine months of last year when they averaged 5.51%.

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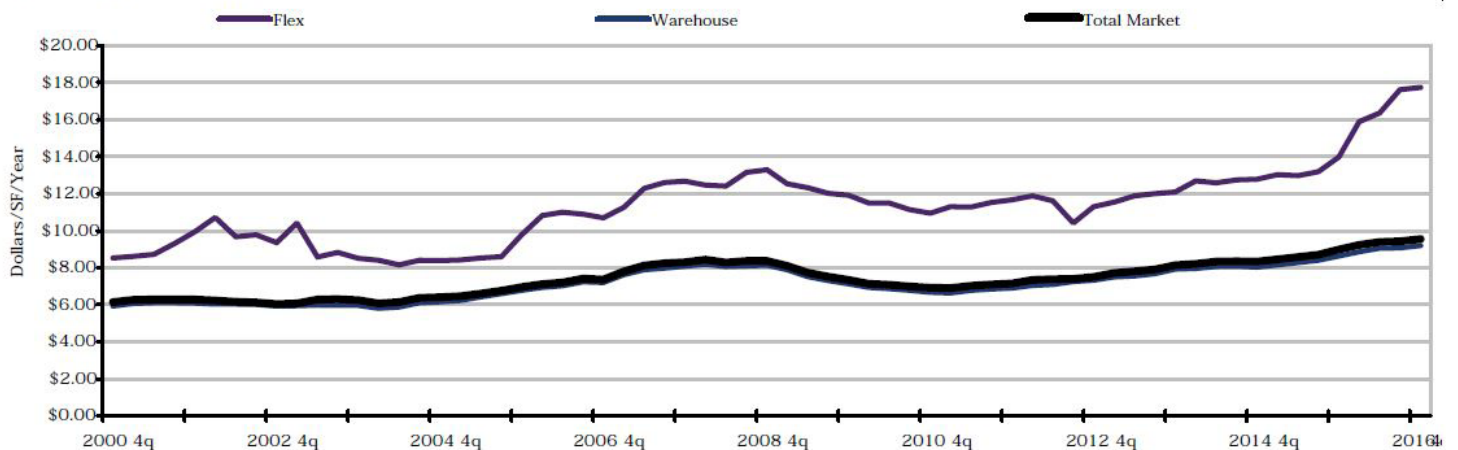
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## Total Market Overview:

SUBMARKET	# BLDGS.	TOTAL RBA (SF)	DIRECT AVAILABLE (SF)	TOTAL AVAILABLE (SF)	TOTAL AVAILABLE (%)	TOTAL AVERAGE RATE (\$/SF/YR)	UNDER CONSTRUCTION (SF)
Central Miami Ind	201	3,288,793	124,651	130,651	4.0%	\$8.65	0
East Miami Ind	327	4,307,234	275,506	275,506	6.4%	\$15.98	0
Hialeah Ind	1,566	30,674,038	749,763	790,916	2.6%	\$6.75	0
Medley Ind	923	33,094,474	1,021,519	1,045,854	3.2%	\$8.85	1,229,509
Miami Airport Ind	2,065	78,677,652	2,756,581	2,880,846	3.7%	\$10.22	1,324,921
Miami Lakes Ind	254	12,385,858	845,124	845,124	6.8%	\$8.07	0
North Miami Beach Ind	1,063	36,580,683	1,299,972	1,299,972	3.6%	\$7.87	602,000
Outlying Miami-Dade Ind	16	229,685	0	0	0.0%	\$7.09	197,427
South Central Miami Ind	1,071	13,383,718	1,144,713	1,147,053	8.6%	\$21.02	0
South Dixie Hwy Ind	622	8,599,093	154,379	156,379	1.8%	\$10.35	32,950
Southwest Dade Ind	497	9,841,709	163,685	163,685	1.7%	\$9.99	0
West Miami/Coral Ter Ind	285	4,710,393	70,438	70,438	1.5%	\$14.35	0
<b>MIAMI-DADE</b>	<b>8,890</b>	<b>235,773,330</b>	<b>8,606,331</b>	<b>8,806,424</b>	<b>3.7%</b>	<b>\$9.56</b>	<b>3,386,807</b>

## Historical Rental Rates

Based on Quoted Rental Rates



Source: CoStar Property®