

Industrial Real Estate Market Q3 2024 // South Florida

ComReal IS Commercial Real Estate

Contact:

Industrial Team

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



South Florida Report Summary

Miami-Dade

Inventory (SF): 277.7 M
Vacancy: 4.8%
Lease Rate: \$20.16/SF
Sale Price: \$255.00/SF
Under Construction (SF): 4.1 M

Broward

Inventory (SF): 143.3 M
Vacancy: 4.5%
Lease Rate: \$20.61/SF
Sale Price: \$245.00/SF
Under Construction (SF): 352 K

Palm Beach

Inventory (SF): 71.2 M
Vacancy: 6.1%
Lease Rate: \$17.69/SF
Sale Price: \$190.00/SF
Under Construction (SF): 438 K

Data Source: CoStar

Miami-Dade Industrial Market Summary

The Miami industrial market's Q3 2024 vacancy rate rose to 4.8%, with an availability rate of 7.6% by the end of the quarter. The average gross lease rate was \$20.16 per square foot, one of the highest in the country. Net absorption in Miami's industrial market slowed to 2.03 million square feet over the past 12 months, down from the five-year average of 4.5 million square feet, with vacancy rates rising to 4.8% in Q3 2024 due to increased deliveries. Despite softer demand for larger spaces and rising vacancies, Miami's limited industrial space, low vacancy rates, and growing consumer base are expected to support strong rent growth and market resilience through 2025.

The 12-month sales volume is \$1,611,721,043, reflecting a -32.4% growth. Average pricing in Miami is \$255 per square foot, with an average market cap rate of 5.9%. Rising interest rates have pushed Miami's industrial sales volume down to \$1.4 billion in the past 12 months, below the five-year average of \$1.8 billion, with only two major deals in 2024 compared to five in 2023. Despite higher cap rates, healthy rent growth and tight vacancies continue to attract investors, with notable transactions like the \$174 million sale of four fully leased buildings in Beacon Logistics Park and ongoing interest in cold storage properties.

Currently, there is 4,152,658 square feet of new construction underway, accounting for 1.5% of the inventory. Construction activity in Miami's industrial market has increased, with over 4.1 million square feet underway as of Q3 2024, surpassing the 10-year average of 4.8 million square feet. Despite elevated construction, vacancies remain tight in key submarkets near transport corridors, with new properties leasing quickly and expected to be fully occupied by the second half of 2025, although over 5 million square feet is still available.

Miami-Dade County has seen a return to population growth after two years of losses, though it still has 24,000 fewer residents than in 2019, largely due to domestic out-migration driven by rising living costs. However, an influx of high-net-worth individuals, contributing \$6.4 billion in new wealth in 2021, has driven home price appreciation and income growth, with job growth in sectors like education, health services, construction, and hospitality outpacing the U.S. through March 2024, while office-using employment has exceeded pre-pandemic expectations.

Broward Industrial Market Summary

The Ft. Lauderdale industrial market's Q3 2024 vacancy rate remained steady at 4.5%, with an availability rate of 6.5% by the end of the quarter. The average gross lease rate was \$20.61 per square foot. Absorption has slowed since 2023, totaling 141,369 square feet annually, which has contributed to the increase in vacancies to 4.5%. Strong tenant demand has pushed Ft. Lauderdale industrial rents to over \$20 per square foot, marking a 57% increase since 2019, outpacing the U.S. average of 36%. Despite a slowdown in rent growth from a peak of over 18% in 2022 to around 4.9% in Q3 2024, the market remains tight, with vacancies forecasted to stay below 4%, driving continued rent growth that is expected to outpace the U.S. average through 2027.

Construction activity in the Ft. Lauderdale industrial market has slowed, with only 352,957 square feet underway in Q3 2024. Despite this slowdown, tight vacancy rates of around 7% for properties larger than 100,000 square feet and limited new supply additions should help leasing prospects, even as large tenant demand softens and available space in new developments remains around 20%.

The 12-month sales volume stands at \$864,268,083, reflecting a -45.3% growth in 12-month sales volume. Average pricing in Ft. Lauderdale is \$245 per square foot, with an average market cap rate of 6.6%. Sales volume in the Ft. Lauderdale industrial market returned to pre-pandemic levels, below the five-year average but above the long-term average of \$933 million. Major trades continue, driven by institutional investor demand, with notable transactions like Cabot Properties' sale to Chick-fil-A and Longpoint Partners' portfolio acquisition, although rising cap rates are moderating pricing gains after a boom in 2021-2022.

Ft. Lauderdale's industrial net absorption has slowed to 141,369 square feet, down from a peak of 4.8 million square feet in mid-2022, with rising vacancies reaching 4.5% in Q3 2024 due to tenant move-outs.

Despite slowing tenant demand and moderating rent growth from peak levels, limited new supply and tight market conditions are expected to keep vacancies below 5%, while rents have increased by 4.9% over the past year, supported by healthy demand from 3PLs and small businesses.

Palm Beach Industrial Market Summary

The Palm Beach industrial market’s Q3 2024 vacancy rate increased to 6.1%, with an availability rate of 7.9% by the end of the quarter. The average gross lease rate stood at \$17.69 per square foot. Asking rent grew by 5.1% at the end of Q3, and the limited availability of existing space kept vacancies well below the U.S. average of 6.1%. Absorption has been largely driven by newer product, with properties built since 2015 of between 100,000 SF and 250,000 SF driving the bulk of newly occupied space.

Construction activity in Palm Beach has surged since 2021, with around 438,961 square feet underway as of Q3 2024. Despite the near-term risk of vacancy increases due to elevated deliveries, more than 80% of space remains available in properties under construction, which are mostly larger assets over 100,000 square feet concentrated in key submarkets like Park at Broken Sound and Palm Beach Airport.

The 12-month sales volume reached over \$491.9 million, reflecting a -39.4% growth in 12-month sales volume. Average pricing in Palm Beach is \$190 per square foot, with a market cap rate of 6.7%. Rising interest rates have pushed Palm Beach industrial sales volume back to pre-pandemic levels, aligning with the long-term average. Smaller transactions dominate the market, with private buyers accounting for over 70% of activity and average property sizes decreasing from 27,000 SF in 2022 to 15,000 SF in 2023.

Despite rising rates, Palm Beach industrial pricing remains strong, averaging \$229 per square foot in 2023, though cap rates have increased from the mid-4% range in 2022 to 5-6% since late 2023, reflecting slower activity and pricing corrections.

Palm Beach boasts the fourth-highest personal income in Florida, 60% above the state average, driven by strong financial activities and professional services sectors. Nonfarm employment has grown over 38% since 2010, outpacing national job growth, while new residents have brought in \$14 billion in household income since 2019, fueling the county’s economic expansion.

Despite robust population and employment growth, the county faces a widening gap between living costs and wages, with home values growing by 82% since 2019, vastly outpacing the 20% rise in median household income during the same period.

Top Sales & Leases (MDC)

Sales & Leases Source: CoStar

Top Sales	Recorded Buyer	Size (SF)	Address	Sale Price
	Southeast Commercial LLC	232,620	4141 W 91st Pl	\$55,860,000 (\$240.13/SF)
	Century Properties	115,000	2100 NW 88th Ct	\$17,255,400 (\$150.05/SF)
	LREF3 Mia 89th Ave LLC	113,936	9950-9970 NW 89th Ave	\$27,020,000 (237.15/SF)
	GW 1 South Florida Re LLC	109,000	7400 NW 37th Ave	\$9,100,000 (83.49/SF)
	Alliance NW 37th Ct. LLC	103,950	4201-4250 NW 37th Ct	\$24,000,000 (\$230.88/SF)

Top Leases	Tenant Name	Size (SF)	Address
	Sentury Tire USA	161,787	11210 W 43rd Ave
	Mediapro US	119,008	7321 NW 75th St
	Miami International Freight Solutions	105,196	11580 W 43rd Ave
	Beacon Flooring	76,337	3590 NW 114th St
	Arctic Industries, INC	57,385	9731 NW 114th Way

ComReal's Q3 Deals



12800 NW 113th Ct, Medley, FL

- **Size:** +/- 19,750 SF truck terminal along with a +/- 2,000 SF truck maintenance facility on +/- 4 acres
- **Sold price:** \$16,500,000
- **Price per acre:** \$4,125,000
- **Price per building SF:** \$760
- ComReal represented the seller

Pat McBride, SIOR, Esq., highlighted the importance of this sale, stating: "We are proud to have worked with Seagis Property Group to facilitate this transaction with Burr Tempkin and Old Dominion Freight Line. Local municipalities are becoming more restrictive and diving deeper into approved uses and site plans for outdoor storage properties to ensure they meet current code requirements. The increased scrutiny from local jurisdictions, coupled with the reduction in supply of IOS sites, will continue to drive the value of well-located IOS properties with existing zoning and quality improvements."



8375 NW 56th St, Doral, FL

- **Size:** +/- 21,334 SF
- **Land:** on +/- 1.76 acres
- **Sold Price:** \$8,875,500
- **Price per SF:** \$416
- ComReal represented the seller

The ComReal Industrial Team, led by Edison Vasquez, SIOR, CCIM, Chris Spear, SIOR, CCIM, and Michaela Senior is proud to announce the successful sale of an industrial property, located at 8375 NW 56 St. in the City of Doral, within Miami-Dade County. The sale price was \$8,875,500, and the site featured a +/- 21,334 Sq.Ft. building on a +/- 1.76 Acre lot.

The achievement of this sale demonstrates the effectiveness of ComReal's extensive marketing strategy. The team utilized a thorough approach to ensure maximum exposure for the property to both users and investment groups. The IOS attributes of this site paired with ComReal's comprehensive marketing efforts resulted in the quick identification of a wide range of buyers, along with the procurement of several offers.

ComReal's Featured Listing

4126 SW 47th Avenue, Davie, FL 33314

- 8.8 Acre industrial yard
- Office: +/- 1,783 SF
- Warehouse + Storage: +/- 9,850 SF
- Canopy: +/- 5,350 SF
- Immediate access to I-595 for east-west travel
- Liberal M-3 Zoning, Town of Davie



Industrial Team

Founded in 1979, ComReal is a full-service commercial real estate firm based in South Florida. Leading the Industrial division for ComReal is the Miami Industrial Team, specializing in the Sales and Leasing of Industrial Properties. Consisting of highly trained and credentialed professionals, our team is comprised of experts dedicated to delivering exceptional results to clients. With nearly 80 years of combined experience, we assist business owners and investors in selling, leasing, and purchasing industrial properties. Our specialties encompass a wide range of industrial real estate, including Industrial Outdoor Storage (IOS), 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.



ComReal Miami - Doral, LLC

3470 NW 82nd Avenue, Suite 605. Doral, FL 33122

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

