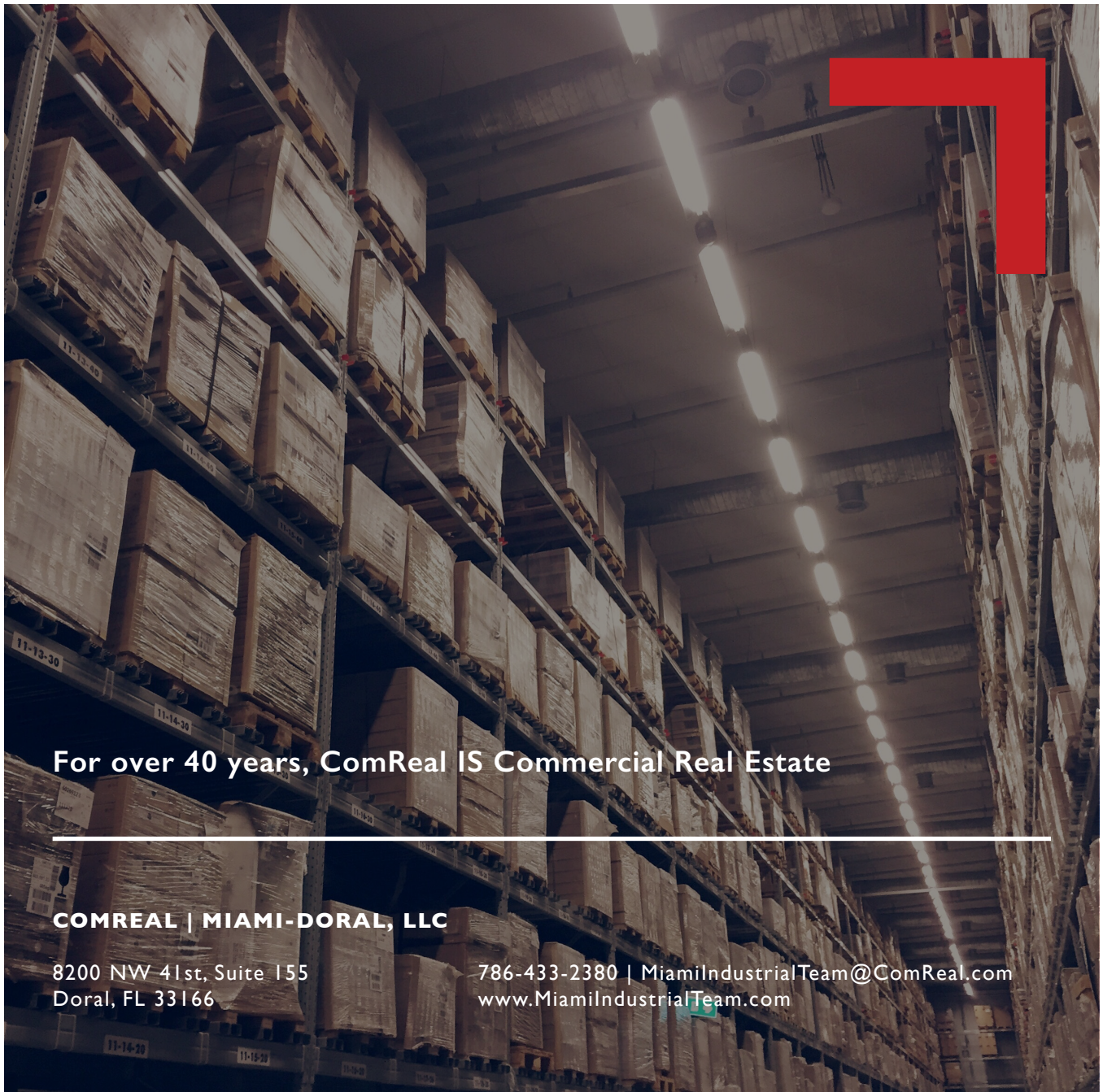


# Q2 | 2020

## *Miami Industrial Market Report*

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## INDUSTRIAL MARKET SUMMARY

The Miami industrial market's Q2 2020 vacancy rate was at 5.3% with a \$12.55 per sq. ft. average (gross) asking lease rate. Vacancies have remained below the national average for the past five years. Deliveries have totaled 4.4 million sq. ft. over the past 12 months. Though industrial real estate is largely insulated from effects of the coronavirus, it is likely that there will be an impact on demand, but the time period of impact will be determined based on how long the economic fallout affects the region. The forecast calls for vacancies to rise mildly and prices to fall for the first time in over a decade. There is 3.3 million sq. ft. of new construction in the works. The most notable supply trend over the past year is the migration of developers to the outlying areas of Miami-Dade County and the submarkets of North Miami, Hialeah, and Medley where some land still exists. The largest under-construction project is the 700,000 sq. ft. Home Depot building, located at 3850 W 108th St. in the outlying Miami-Dade area, which is estimated to be delivered in late 2020.

While vacancy rates in Miami are around 5.3%, there have been some big deals signed. One of them was a lease signed in April 2020 by Caterpillar. The company took 115,000 sq. ft. at 2410 NW 116th St. in the North Miami submarket for an estimated move-in date of October. Another major lease was signed in June 2020, when NOVO health services took 80,000 sq. ft. at 4310 NW 215th St. in the Miami Gardens area, still under construction, with move-in date of April 2021. Demand for these types of properties is driven by trade growth, coming in through Miami International Airport and PortMiami, which have been greatly impacted by the pandemic. It is likely that e-commerce will continue to grow and make positive contributions to Miami's industrial demand. Vacancies are projected to increase slightly and rent growth is projected to slow by the end of the year.

The average price per sq. ft. was \$136. One of the biggest deals in the market was Premium Capital Resource's sale of the 235,000 sq. ft. Southeast Food Distribution cold storage facility located at 18770 NE Ave. in the North Miami Beach Submarket to Ivy Realty Services for \$30.5 million, or approximately \$130/sq. ft. In May, a private individual sold the 157,000-SF Greene Distribution Center located at 12401 NW 38th Ave. in the Opa-locka area to Realterm US for \$26 million, or approximately \$166/sq. ft. These transactions show Institutional investors are bullish on cold storage.

Depending on the business industry there have been some impacts on the industrial real estate market in South Florida due to the coronavirus. Sellers and landlords have not yet given in to user's new expectations of where pricing should fall, and thus far, they seem willing to wait it out. Only time will tell how much the market will be affected locally, but we feel confident it will outpace all other sectors. While the hospitality and other sectors have been significantly hurt along with the businesses that supply those industries, other industries have seen demand increase, such as e-commerce and food distribution. We also have seen a rise in activity from the construction industry as South Florida never shut down construction projects unlike other cities around the Country, many local governments and the State of Florida used the pandemic as a good time to implement road construction projects, and there have been talks at the federal level of a large infrastructure bill to help stimulate the economy.

As the economy slowly re-opens and businesses begin to normalize operations or adapt to new circumstances, we believe there will be a large volume of pent up demand from users who have contractual leases set to expire or who were looking to purchase a facility in 2020 for their operations but have now been delayed. Institutional investors are still turning to commercial real estate for a safe haven from the volatility in the overall economy, especially industrial investments in supply constrained markets such as Miami. The difficulty in navigating the market will be finding properties available for sale with reasonable pricing expectations.

## MARKET STATISTICS

TOTAL SF INVENTORY	VACANCY RATE (AVG)	LEASE RATE (AVG)	SALE PRICE (AVG)	UNDER CONST.
250 M	5.3%	\$12.55/SF	\$155/SF	3.27 M

## FEATURED NEW LISTING // 12707 Le Jeune Road, Miami, FL

### REFRIGERATED WAREHOUSE SPACE



PROPERTY SIZE:	+/- 29,000 - 75,000 SF
OFFICE:	+/- 6,000 SF
LOADING:	32 dock doors equipped with levelers, 1 oversized street level
TRUCK COURT:	165' non-shared
CLEAR HEIGHT:	17' - 19'
POWER:	Heavy 3-phase

## SALE OF THE QUARTER // 12401, 12701, 12725 NW 38 Ave. Opa-Locka, FL

COMREAL BROKERS SALE OF REFRIGERATED FOOD DISTRIBUTION FACILITY FOR \$26,000,000



Cold storage distribution facility totaling 157,000 square feet, on over 12 acres, sold for \$26,000,000. Realterm Logistics acquired the site from Stephen Greene.

“While some are hesitant to allocate equity during this pandemic, Realterm has sought out specific assets and been successful at closing, creating a win-win for the seller and Realterm” says Chris Spear, Partner at ComReal | Miami-Doral, LLC

**Chris Spear, CCIM of ComReal Miami-Doral represented the buyer and John Lonardo, CCIM of ComReal Miami-Coral Gables represented the seller in the off-market transaction.**

### FORUM BIZ TALK

Hosted by Pete De La Torre

The Business Forum Group had a discussion with Edward Redlich about the Miami industrial real estate market as well as the opening of the Miami economy. “Delayed deals are better than dead deals” states Redlich. His team has been working with clients over the past couple of months to keep deals in progress. Miami is positioned perfectly to be the epicenter of business and industry in the western hemisphere. Redlich explains that “We have the trade routes and relationships to take advantage of the production and supply chain shifts away from China. Our government’s lock down is harming small businesses, not helping.” As Miami business leaders, Redlich and De La Torre also present their case to reopen our economy expeditiously and move forward. Redlich calls out so-called local leaders who are absent in advocating for small businesses. “Where are our chambers of commerce? Where are our civil rights advocates? Where are the legal professionals defending our Constitutional rights? The “business bullies” have intimidated all of them to not speak out against the mainstream dogma.”

For more information on The Business Forum Group, please visit [www.bizforumgroup.com](http://www.bizforumgroup.com) as well as 880 AM The Biz at [www.880thebiz.com](http://www.880thebiz.com).

# 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.

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**LEASE**

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