

Miami-Dade County Industrial Market Overview

Market Observations

Economy

- The market's unemployment rate increased from the all-time historical low at 1.8% in the third quarter of 2024 to 2.5%, reflecting an increase of 30 basis points year over year and remaining well below the five-year average of 4.1%
- Job growth pace has slowed compared with recent highs, with the year-over-year increase at 1.8%, returning to pre-pandemic levels seen in November 2019.
- All sectors, except information, reported employment growth, with mining and construction leading job gains at 7.5% over the past 12 months.
- Industrial-using jobs in the market experienced positive results, with manufacturing, trade/transportation/utilities, and mining and construction jobs reporting a growth of 1.9%, 2.8% and 7.5% year over year, respectively.

Major Transactions

- CEVA Logistics signed the largest deal of the first quarter of 2025, renewing 364,608 SF of space at 5601 NW 72nd Ave in the Airport West submarket. CEVA also signed a new lease for 100,234 SF at LINK Palmetto Station – Bldg B in the same submarket.
- Six of the top ten deals in the fourth quarter were renewals, whereas nine of the top ten deals in the prior quarter were new leases.
- Five of the top ten largest leases in the fourth quarter were in the Airport West submarket, three were in the Medley submarket, one was in the N Central Miami submarket, and one was in the Airport East/Central Miami-Dade submarket.

Leasing Market Fundamentals

- The market realized 95,416 SF of positive absorption in the first quarter of 2025. Muted leasing activity, tariff uncertainty, and delayed buildout times for new tenants are primarily attributed to the reduced, but improving, level of positive absorption.
- Overall rental rates declined by 0.8% quarter over quarter and by 2.2% year over year to \$15.32/SF.
- Construction deliveries totaled 899,712 SF in the first quarter of 2025 with 3.0 MSF of ongoing and newly-started projects under construction.
- Supply continued to outpace demand through the first quarter of 2025 and, as a result, vacancy has climbed to 5.1%, reflecting an increase of 30 basis points quarter over quarter. Of the space under construction, 10.6% is currently preleased, which indicates that the market is still bullish on speculative construction.

Outlook

- The Miami industrial market will see a steady influx of new supply continue to deliver to the market in the near term, due to 1.3% of the current market's inventory being under construction. Approximately 3.0 MSF is expected to deliver in the remainder of 2025.
- Vacancy rates are expected to remain low relative to many other U.S. metro areas but tick upwards over the next few quarters as new supply from a robust construction pipeline continues to hit the market during a temporary period of muted demand.
- Asking rent growth is expected to remain slow in the medium term and will likely remain flat for the short term due to the temporary supply and demand imbalance, and increased competition between landlords trying to lure tenants. As a result, concessions are expected to rise in lieu of rental increases for the near term.

1. Economy
2. Leasing Market Fundamentals

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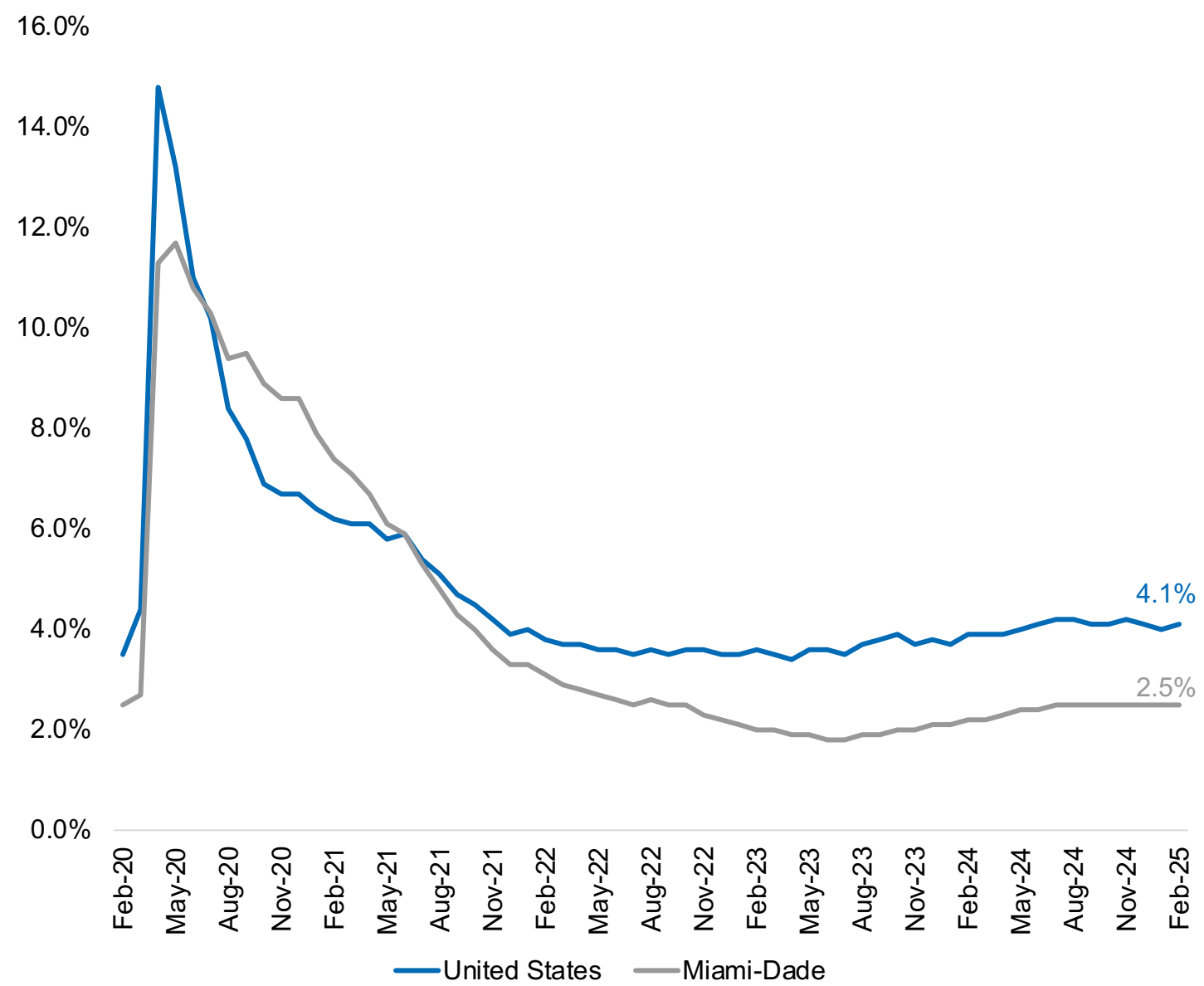
Economy



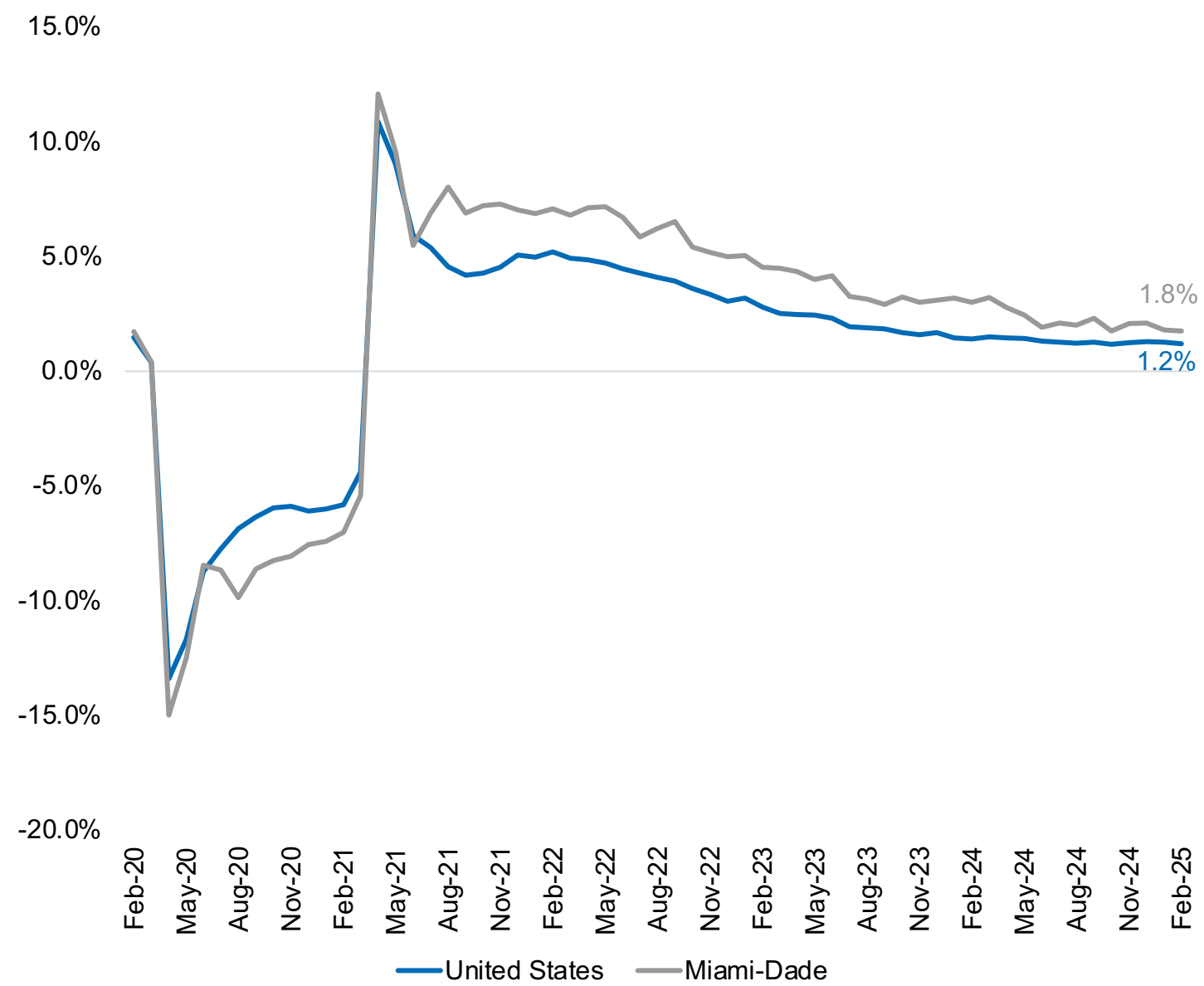
Unemployment Plateaus After Rising From Historical Low

The Miami-Dade County office market has generally reported lower unemployment rates compared with the national average, while being an outperformer in employment growth. The region’s unemployment rate increased by 30 basis points year over year to 2.5%, trending up from the historical low of 1.8% set in June 2023, but remaining well below the 5-year average of 4.1%. Employment growth has fallen to pre-2020 levels, slowing by 126 basis points year over year, likely impacted by national economic headwinds.

Unemployment Rate, Seasonally Adjusted



Nonfarm Payroll Employment, Seasonally Adjusted, 12-Month % Change



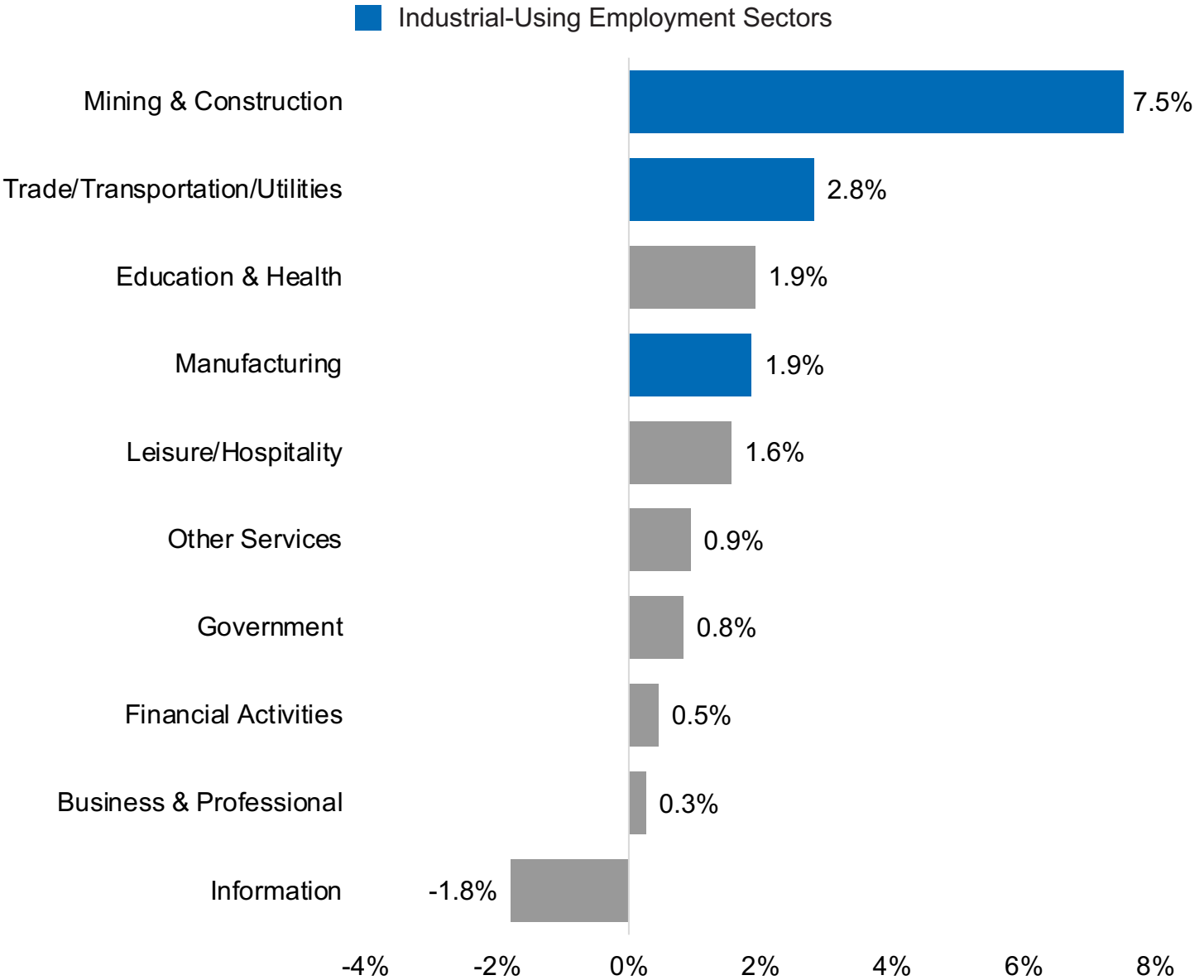
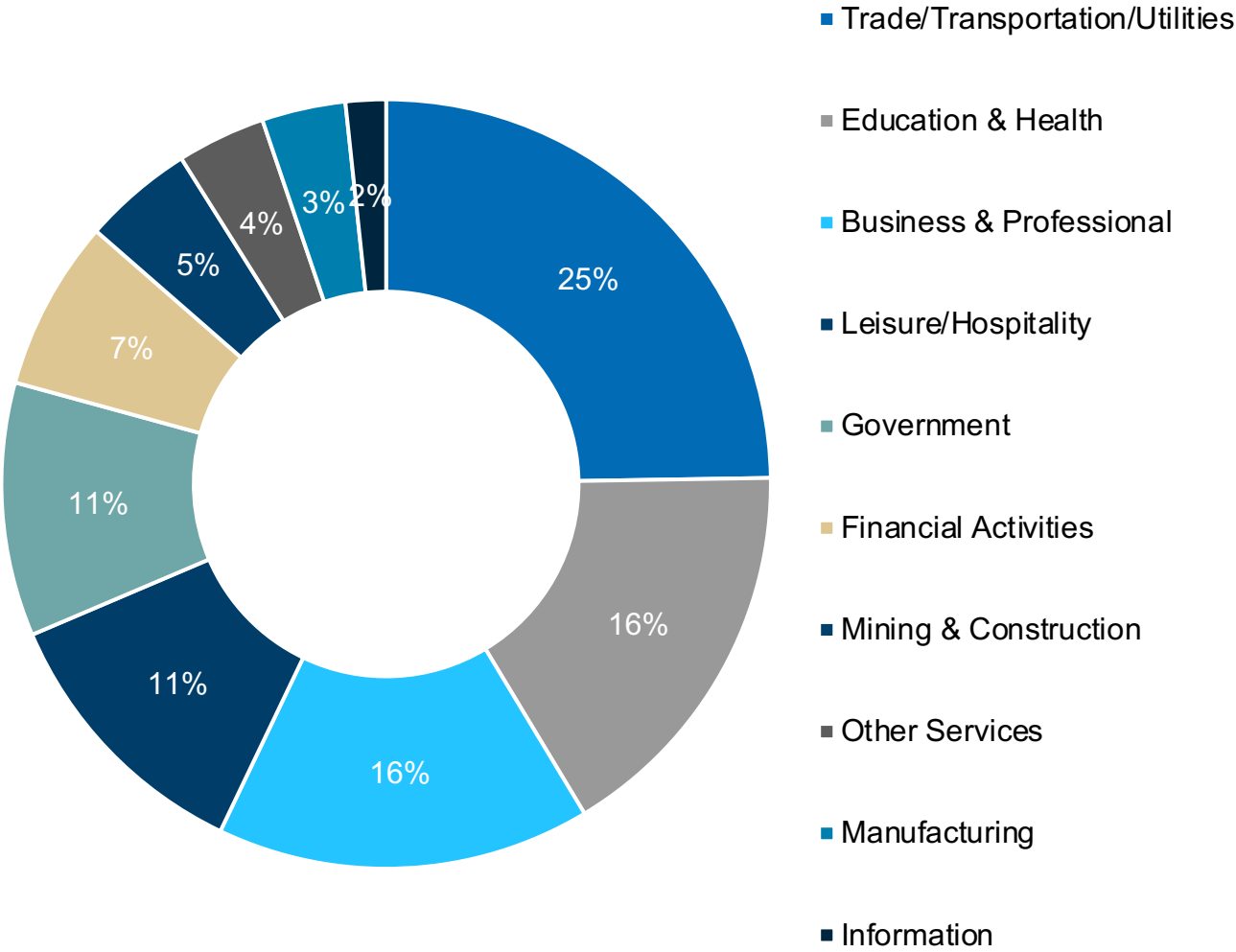
Source: U.S. Bureau of Labor Statistics, Miami-Dade County

Mining & Construction Leads All Sectors With Highest Yearly Growth

The Miami-Dade County’s top two employment industries account for 41.4% of market share. The industrial-using employment’s trade/transportation/utilities sector is the largest industry sector in the metroplex at 24.7%. Most industries in the metroplex reported growth while only one office-using industry, the information sector, reported contraction by 1.8%. Industrial-using industries reported year-over-year growth ranging from 1.9% to 7.5%. The mining and construction sector continued to outperform all other sectors with 7.5% year-over-year growth.

Employment by Industry, February 2025

Employment Growth by Industry, 12-Month % Change, February 2025

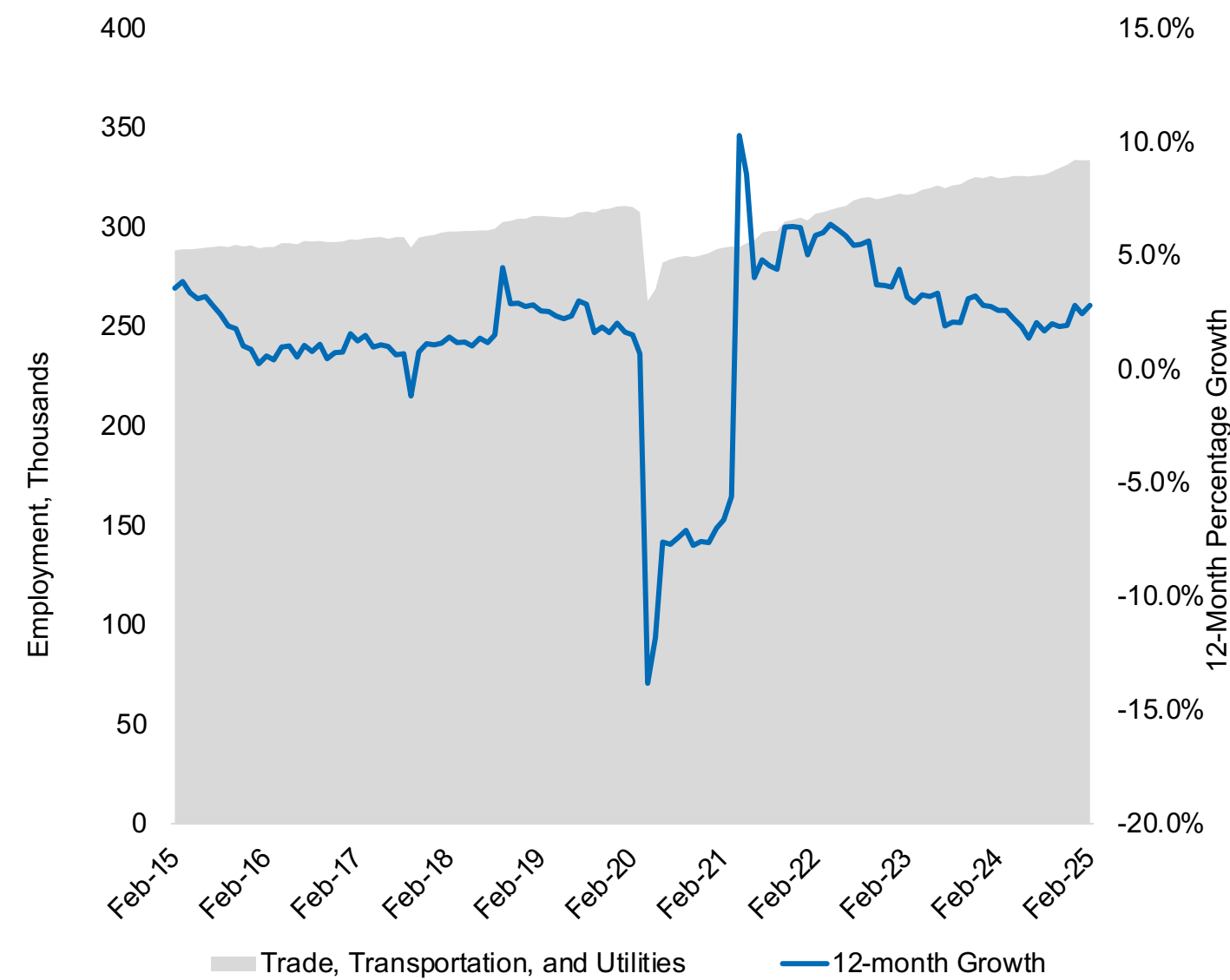


Source: U.S. Bureau of Labor Statistics, Miami-Dade County

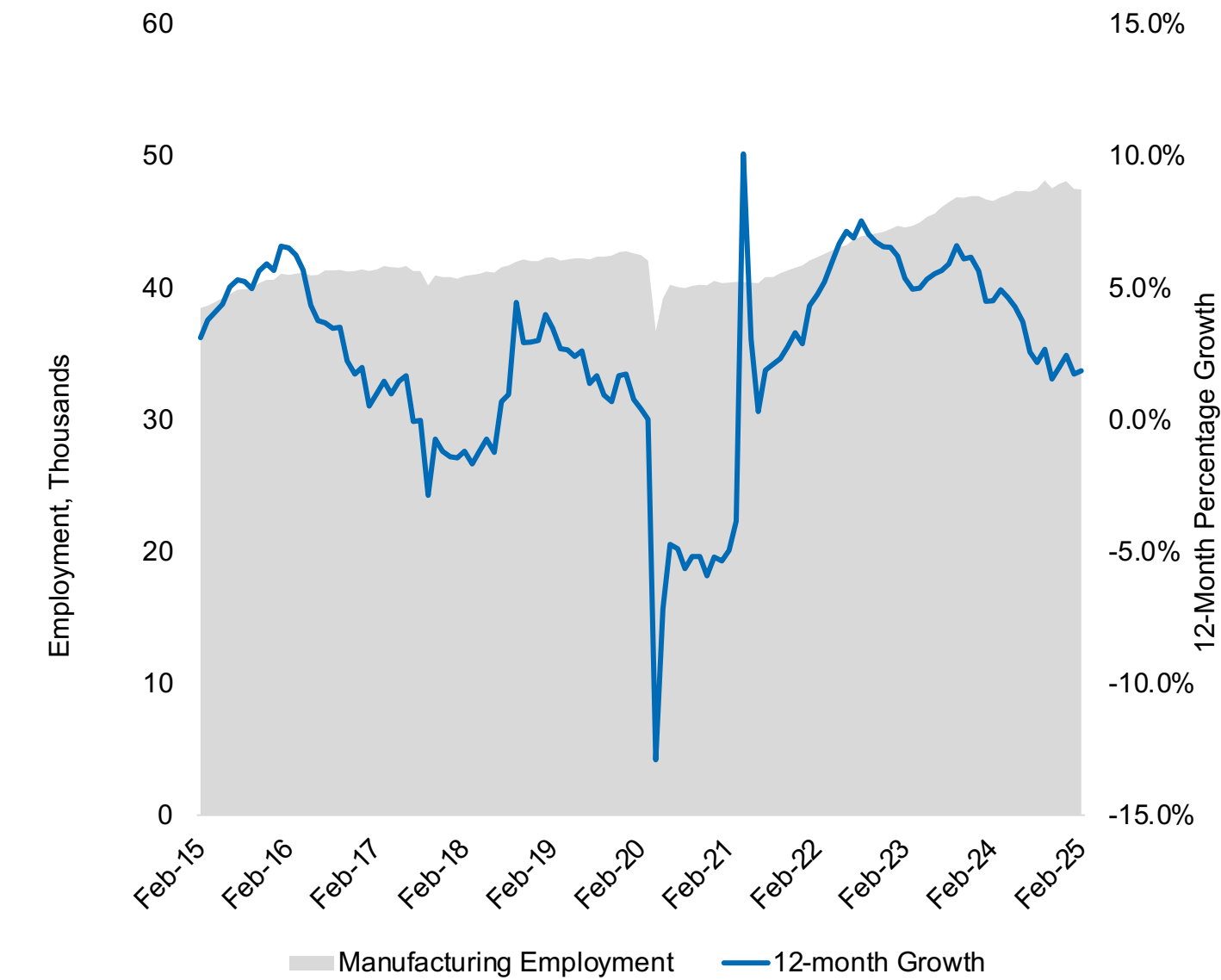
Industrial-Using Jobs Growth Remains Positive

Trade/transportation/utilities employment reached an all-time high, reporting 333,788 employees as of the end of February 2025. Manufacturing employment dipped to 47,471 employees as of the end of February 2025, marking a 1.4% decrease from the all-time high set in September 2024 but a 1.9% increase compared to the previous year. Overall employment is increasing, with momentum increasing for trade/transportation/utilities, with slower but continued growth for manufacturing.

Total Employment and 12-Month Growth Rate, Trade/Transportation/Utilities



Total Employment and 12-Month Growth Rate, Manufacturing



Source: U.S. Bureau of Labor Statistics, Miami-Dade County

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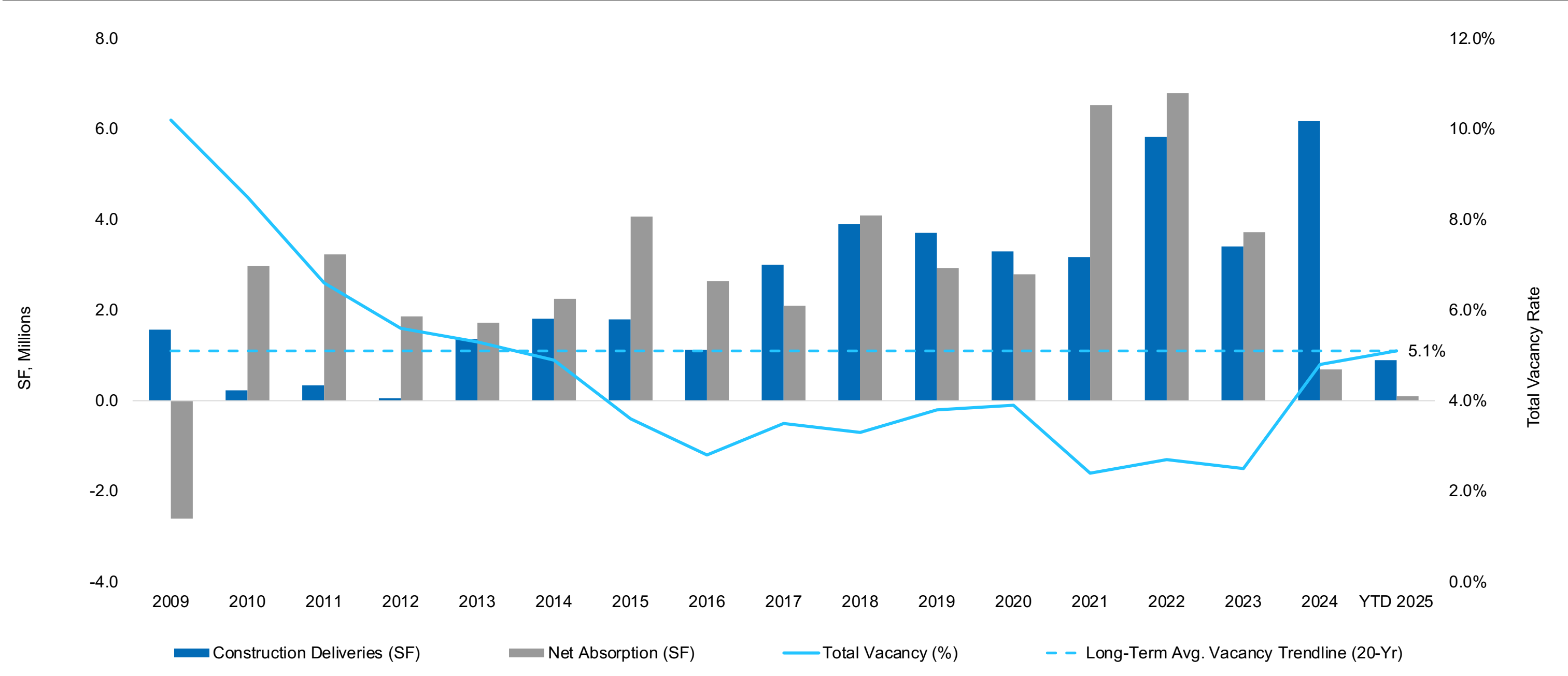
Leasing Market Fundamentals



Record Levels of New Supply Continue to Outpace Demand

The Miami industrial vacancy increased by 220 basis points year over year to 5.1% in the first quarter of 2025, with quarterly supply of 899,712 SF outstripping positive demand of 95,416 SF. Yearly deliveries from 2021 through 2023 were well below the market’s total net absorption which have contributed to the sustained low vacancy leading up to 2024. New supply in 2024 greatly exceeded the positive demand, but the lack of preleasing for new product has driven up vacancy as a result. Several sizeable move-ins are expected to take place in 2025, but a normalization of supply and demand will likely take another 12 to 18 months longer to achieve as demand catches up.

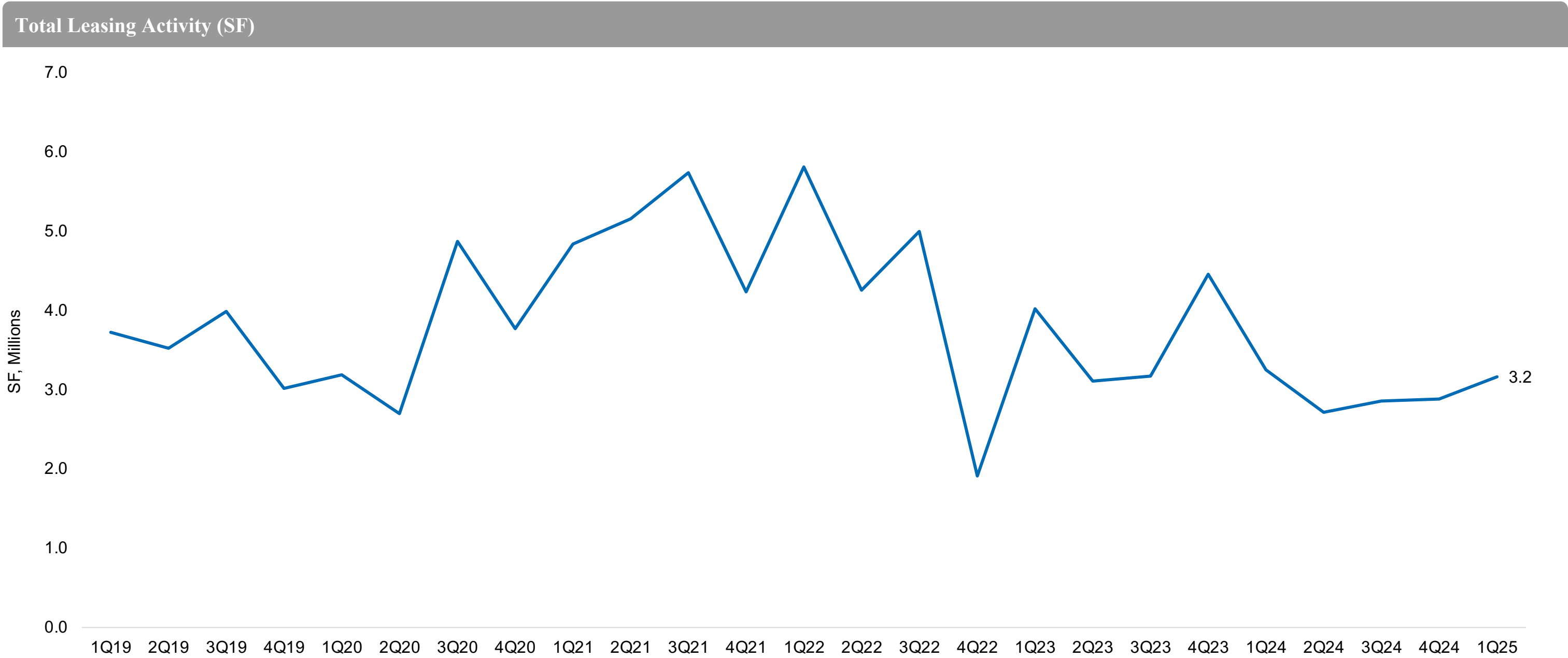
Historical Construction Deliveries, Net Absorption, and Vacancy



Source: Newmark Research, CoStar

Industrial Leasing Activity Returns to 1Q20 Levels

In the first quarter of 2025, leasing activity declined from the recent high of 4.5 MSF reported in the fourth quarter of 2023, ending the quarter at 3.2 MSF. Muted leasing activity likely results from national economic headwinds and uncertainty regarding tariffs. However, this quarter marks a third consecutive quarterly increase in leasing volume is a positive sign for Miami’s industrial market resilience.

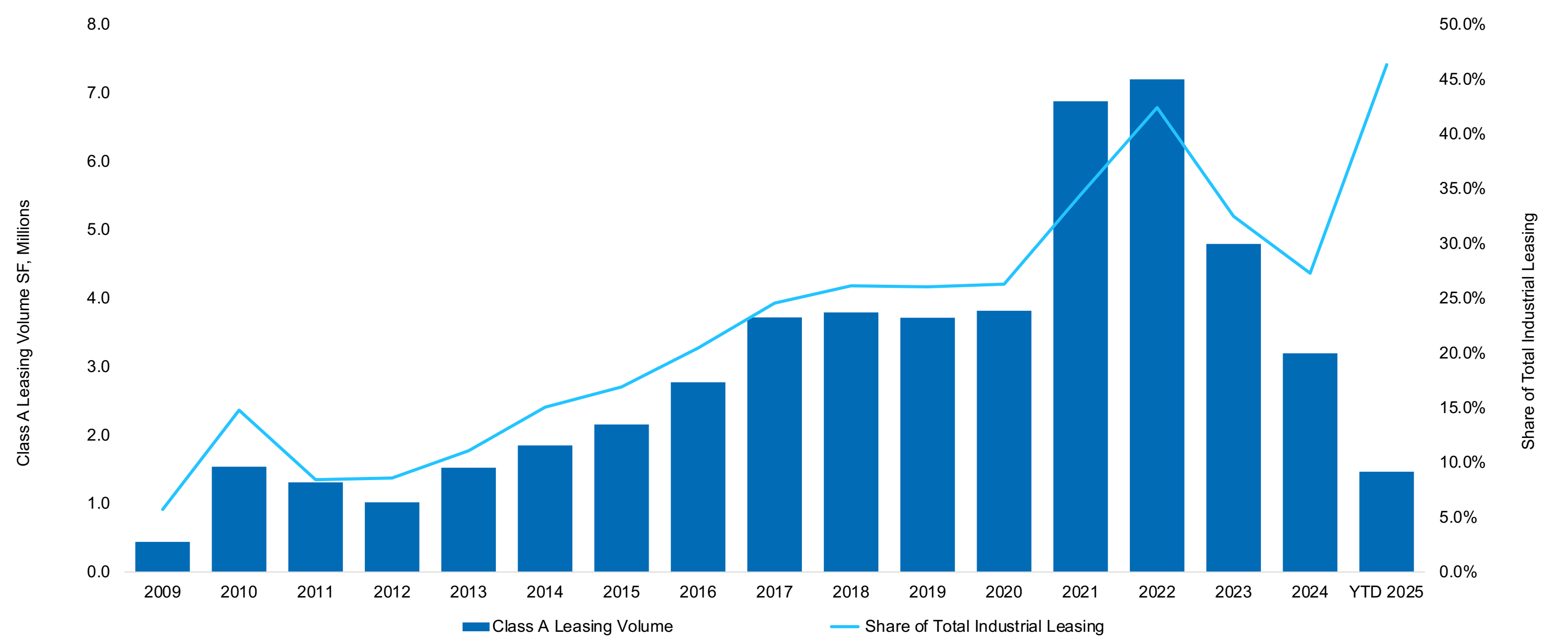


Source: Newmark Research, CoStar

Share of Class A Warehouse Leasing Activity Rebounds to New Record High

After falling in 2023 and 2024, the share of Class A warehouse space leasing activity has jumped to a new high to start 2025. Class A warehouse leasing represented 46.3% of overall leasing in the first quarter of 2025, up from the 27.3% average reported in 2024, and well above the pre-pandemic annual average of 15.3% from 2008 to 2019. The influx of high-quality deliveries that hit the market post-pandemic allowed class A leasing activity by square footage to increase substantially. Class A leasing volume in the first quarter of 2025 totaled nearly half of the volume in 2024.

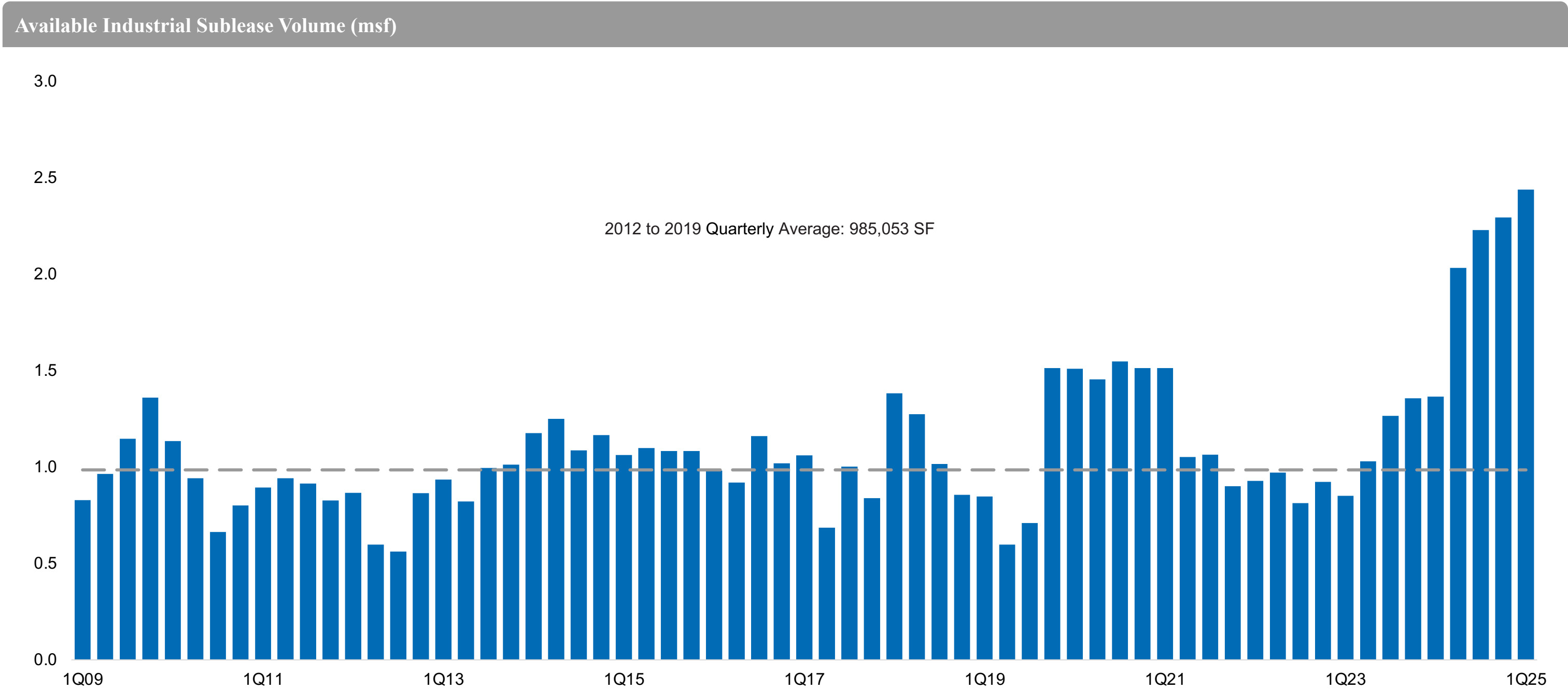
Industrial Class A Leasing Volume and Percentage of Total Industrial Leasing Volume



Source: Newmark Research, CoStar

Industrial Sublease Availabilities Jump to Record High

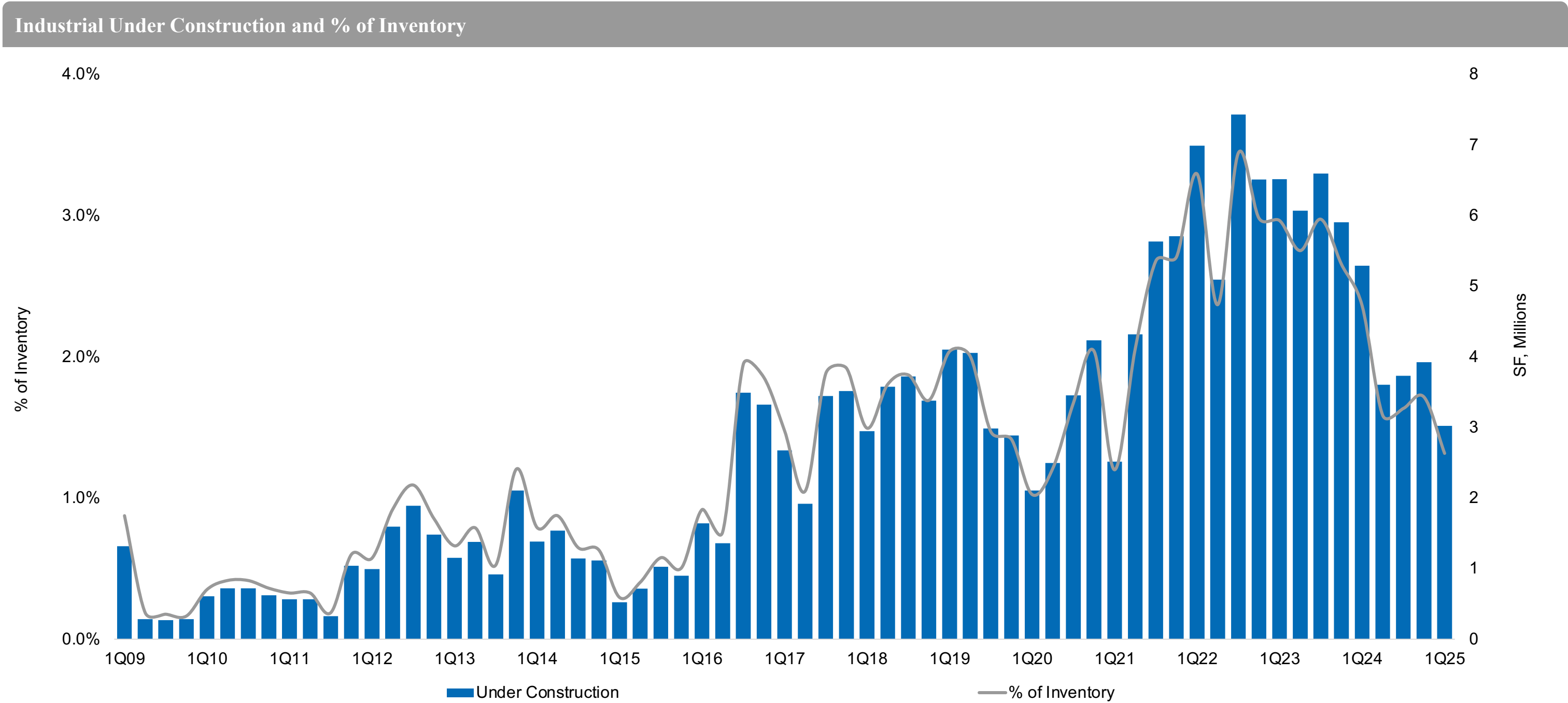
Sublease availability spiked to 2.4 MSF in the first quarter of 2025, reflecting a 78.6% increase year over year to a new all-time high. Some firms are aiming to control costs via supply chain optimization and consolidation, which includes putting excess or underutilized space up for sublease. Conversely, some firms, such as Imperial Dade Co., have relocated and expanded into larger, higher-quality spaces and have consequently listed their former space for sublease.



Source: Newmark Research, CoStar

Construction Pipeline Falls With Wave of New Deliveries

The construction pipeline has fallen from a historical high of 7.4 MSF reported in the third quarter of 2022. As of the end of the first quarter of 2025, the market reported 3.0 MSF under construction. The construction pipeline delivered a total of 6.2 MSF in 2024, providing additional high-quality space options for expanding tenants and new companies moving to the market. Nearly 1.0 MSF of new space delivered as of the first quarter with another 3.0 MSF expected by the end of 2025.

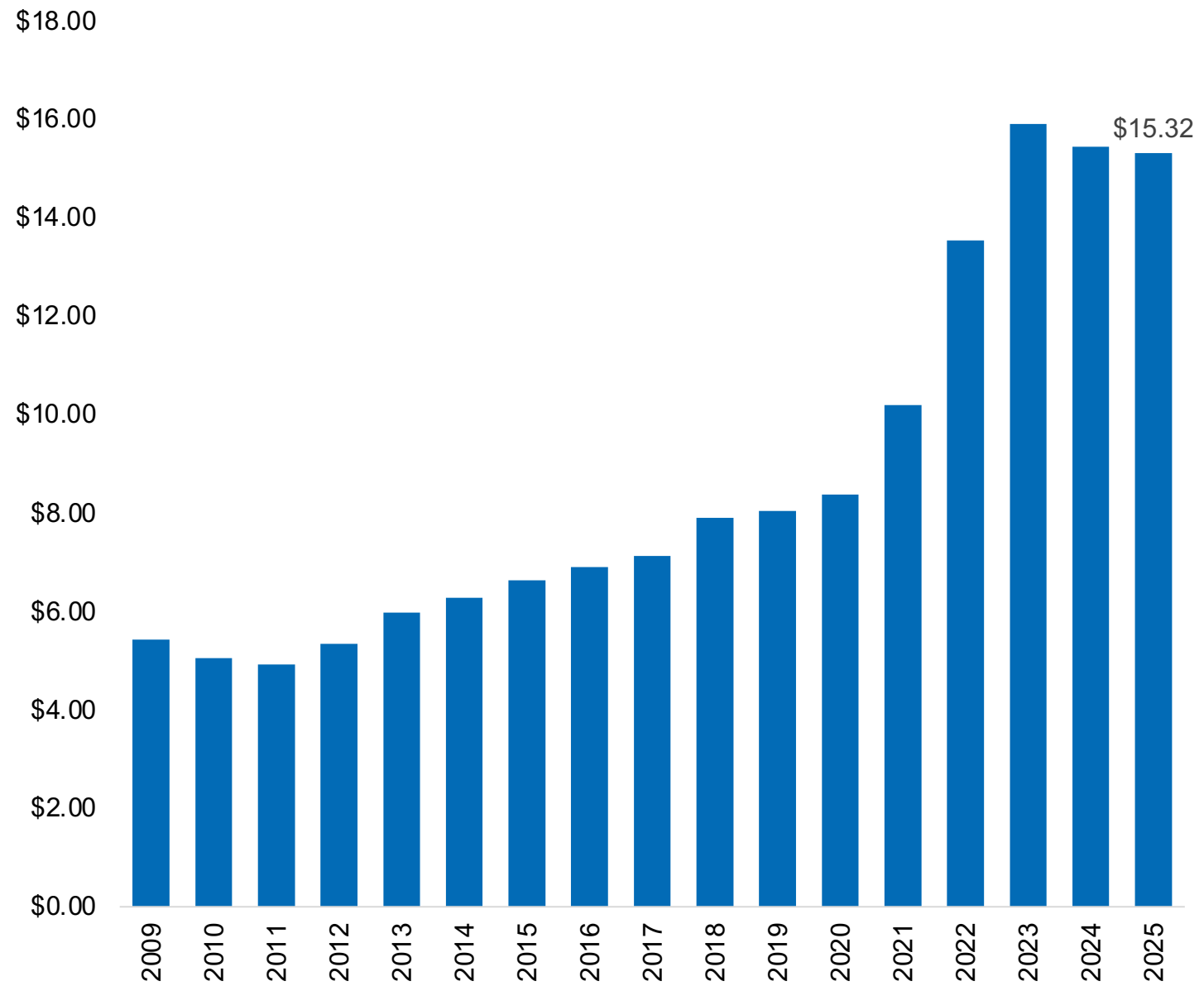


Source: Newmark Research, CoStar

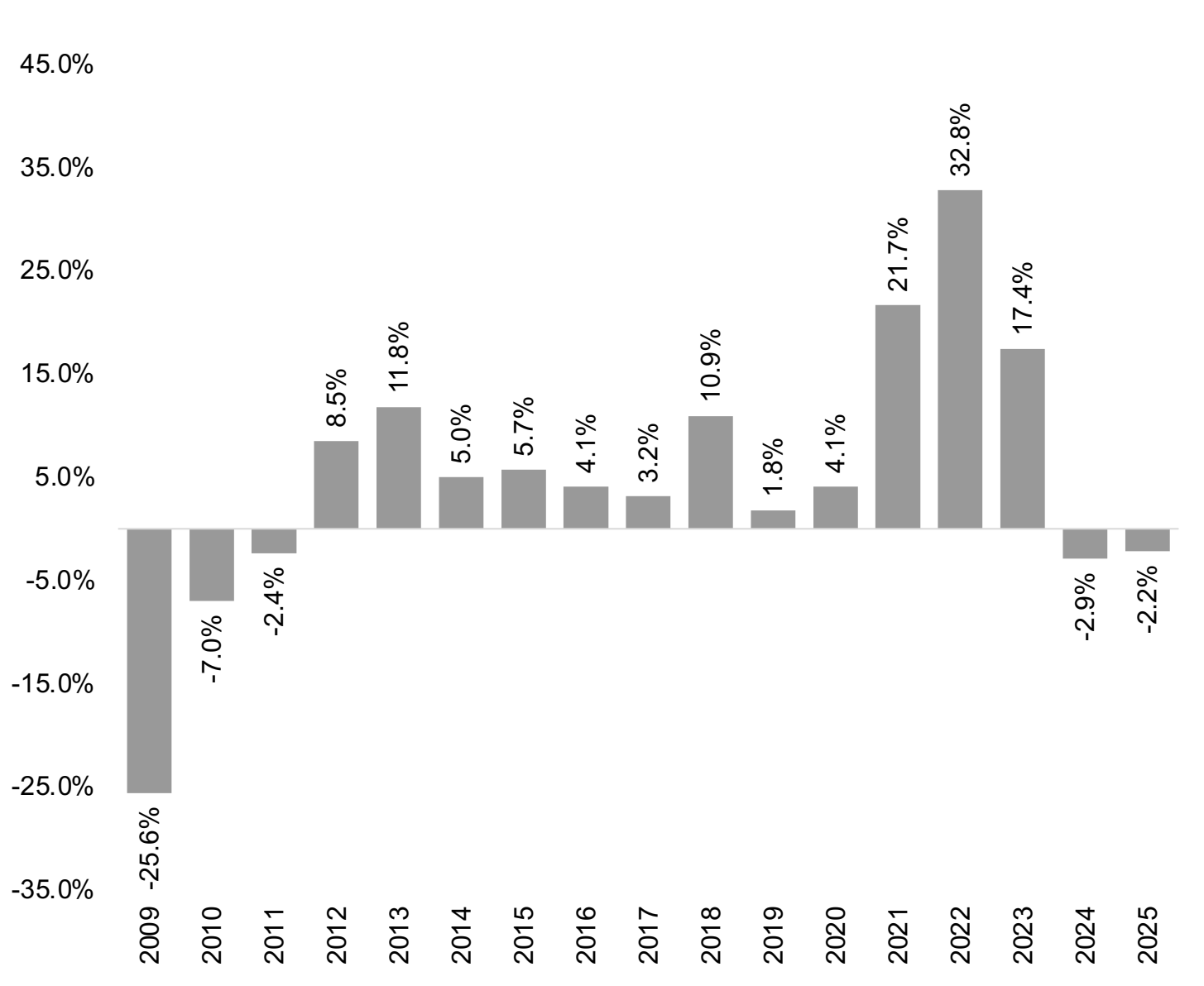
Asking Rents Continue Trending Downward

Industrial asking rents reached \$15.32/SF in the first quarter of 2025, decreasing 2.2% year over year and 3.7% from the historical high of \$15.91/SF set in the fourth quarter of 2023. Rent growth is expected to continue to slow in the medium term and will likely remain flat for the short term due to a historic wave of new supply entering the market alongside muted leasing activity, as demand catches up.

Industrial Average Asking Rent, \$/SF, NNN



Year-over-Year Asking Rent Growth Rate % Change



Source: Newmark Research, CoStar

Notable 1Q25 Lease Transactions

Leasing activity improved by 9.8% quarter over quarter in the first quarter of 2025 to 3.2 MSF. Leases in Class A spaces accounted for 46.3% of total leasing activity so far in 2025. Projects currently under construction in the first quarter of 2025 are 10.6% pre-leased. All projects currently under construction are speculative development, indicating that developers are still bullish on future tenant demand for new industrial space in the market.

Select Lease Transactions				
Tenant	Building	Submarket	Type	Square Feet
CEVA Logistics	5601 NW 72 nd Ave	Airport West	Renewal	364,608
The largest deal of the first quarter was a renewal signed by CEVA Logistics, a leading global supply chain solutions provider. CEVA also took a new lease of 100,234 SF at LINK Palmetto Station – Bldg B.				
Performance Food Group	AMB Cobia Distribution Center – Bldg 1	N Central Miami	Renewal	229,285
Performance Food Group is a North American food and foodservice distributor with over 150 locations in the U.S. and parts of Canada.				
Interworld Logistics	Beacon Station	Medley	New Lease	226,107
Interworld Logistics is a global logistics and distribution company that provides air and sea transport services to all types of companies.				
Garland, LLC	Hilco Medley	Medley	New Lease	174,400
Garland is one of the largest produce suppliers in the Southeast, serving retail, foodservice, and ingredient channels. They are based in Miami, Florida.				
Kuehne + Nagel Inc.	Prologis Beacon Lakes – Bldg 43	Airport West	Renewal	134,200
Kuehne + Nagel is a global transport and logistics company that provides services in airfreight, contract logistics, and overland businesses.				

Source: Newmark Research



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