



NEWMARK

Market Overview

Miami Industrial

2Q26



NMRK.COM

Market Observations



Economy

- The region's unemployment rate increased by 10 basis points year over year to 2.8%. The rate has hovered around this level since September 2025 and most recently edged down 20 basis points month over month.
- The pace of job growth has slowed from recent highs, dropping 167 basis points year over year and slipping below the national average since September 2025. Job growth currently stands at 0.2%, trailing the national rate by 10 basis points as economic headwinds temper expansion.
- Employment growth was broadly negative, with only three of the ten sectors posting gains and trade/transportation/utilities hold flat.
- Industrial-using employment contracted 0.4% as the largest industrial-using sector, trade/transportation/utilities, experienced flat growth and the other two industrial-using sectors reported contractions with mining and construction contracting by 1.1% and manufacturing decreasing by 2.1%.



Major Transactions

- CompletePet Florida secured the largest deal of the quarter by leasing 190,351 SF at Beacon Logistics Park—Building C. They were originally doing business as Custom Veterinary Services and this was the first location before expanding to Vermont in 2025.
- Renewals accounted for three of the top five deals this quarter, showcasing tenants' commitment to existing space. The remaining deals were new deals highlighting the role of tenants demand in supporting occupancy gains.
- The North Central and Medley submarkets accounted for two of the top fives leases each in the second quarter, while the remaining lease was signed in the Hialeah/ Hialeah Gardens submarket.
- Manufacturing and logistics and distribution each accounted for two of the quarter's five largest leases, while a paper and packaging company completed the top five.



Leasing Market Fundamentals

- The market realized 429,712 SF of positive absorption in the second quarter of 2026, raising absorption for the first half of the year to 445,762 SF.
- Overall rental rates slipped by 1.0% quarter over quarter but rose 2.5% year over year to \$15.91/SF, as an increase in supply has put downward pressure on rent growth.
- Construction deliveries totaled 201,857 SF, decreasing under-construction square footage by 6.6% quarter over quarter. So far in 2026, deliveries totaled 873,205 SF. Another 2.8 MSF of ongoing and newly started projects are underway, which are currently 15.6% preleased.
- As a result of demand outpacing supply this quarter, the vacancy rate decreased by 10 basis points quarter over quarter to 6.4%.



Outlook

- The Miami industrial market is expected to see a steady influx of new supply in the near term, with 1.3% of the current market's inventory under construction and approximately 2.8 MSF projected to be delivered in 2026.
- Vacancy rates are expected to remain low relative to many other U.S. metros but are likely to increase over the next few quarters as new supply from a robust construction pipeline continues to deliver while demand remains muted.
- Asking rent growth is expected to remain muted to flat in the short term, due to the temporary imbalance between supply and demand.
- Concessions are likely to increase in the near term as landlords compete to lure tenants.

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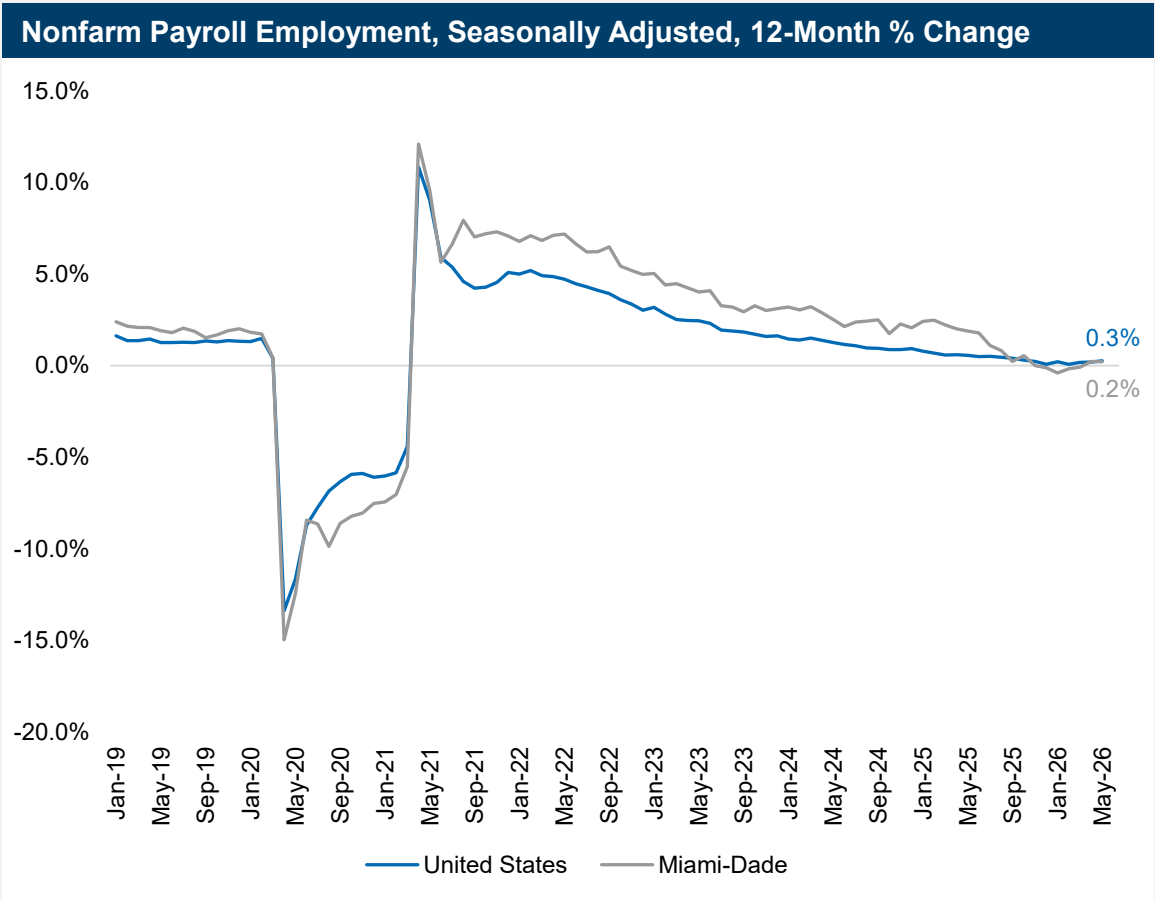
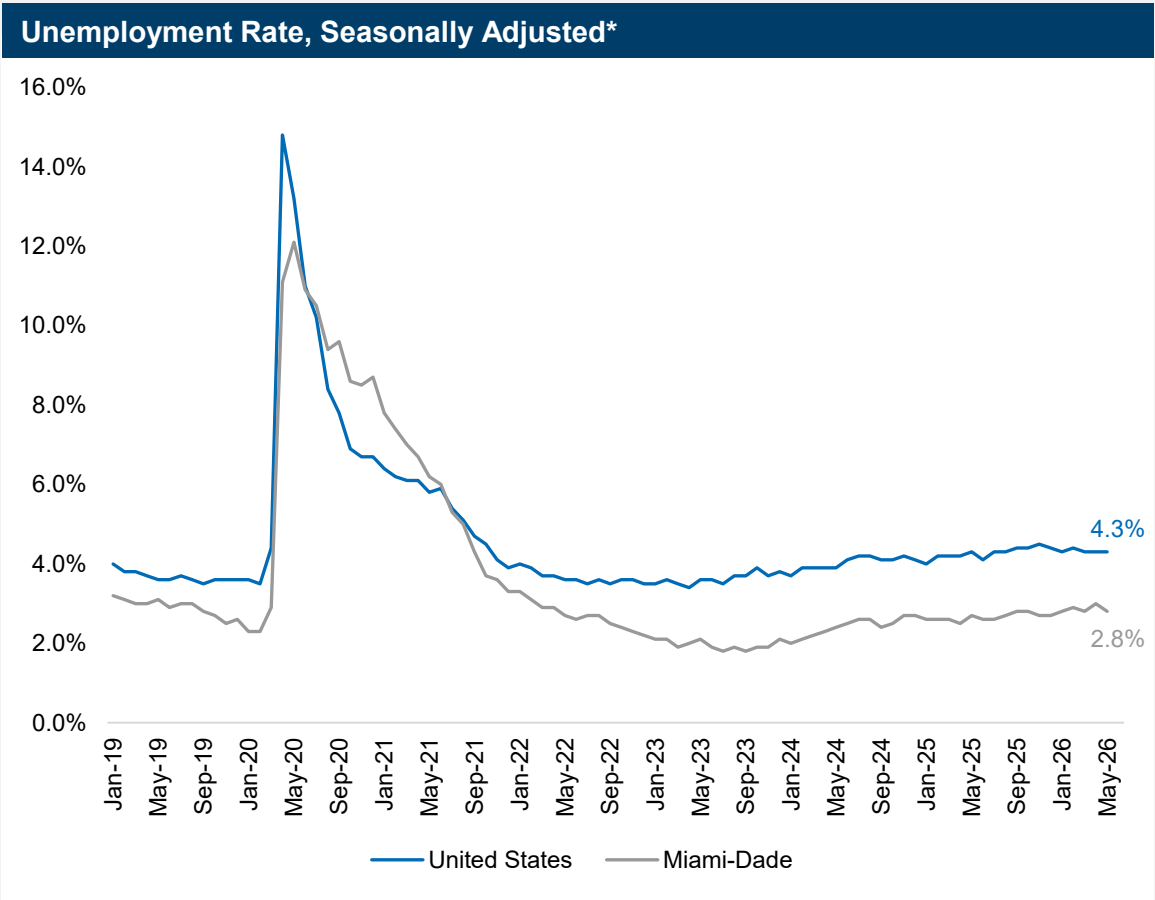
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Economy



Employment Growth Moderates, but Labor Market Remains Tight

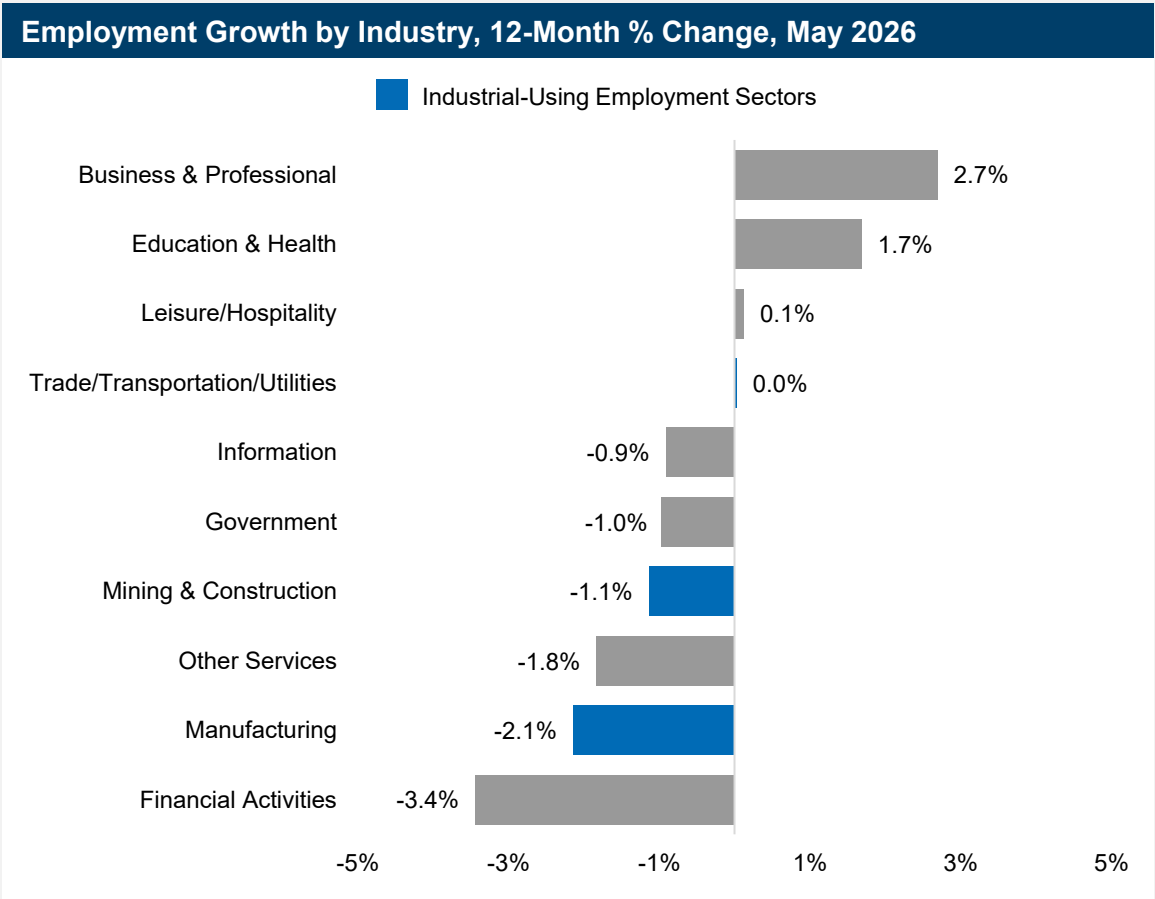
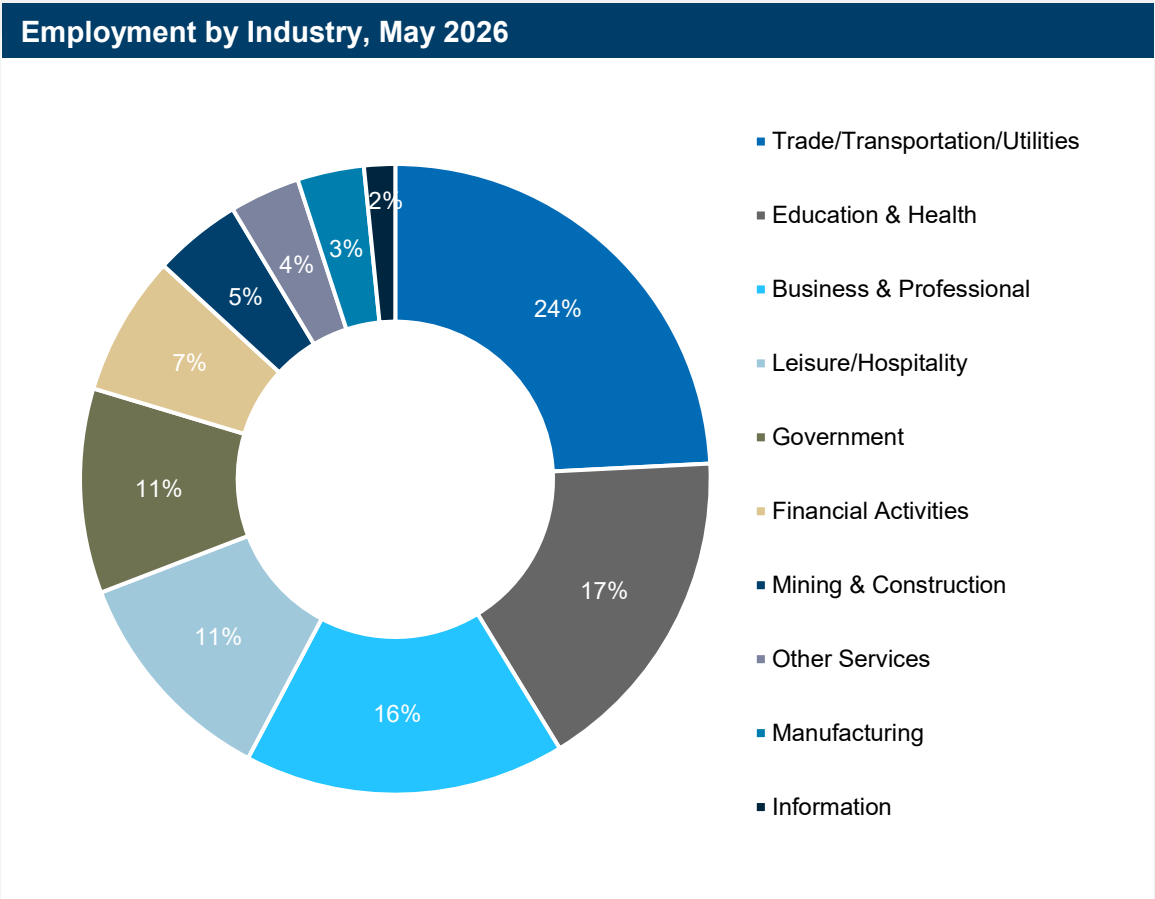
The Miami-Dade County industrial market has historically benefited from an unemployment rate that trends below the national average, due to the market having strong historic employment growth. Recently, unemployment continues to trend below the national average, but employment growth has dipped below the national growth rate since November 2025. The region's unemployment rate in May 2026 rose by 10 basis points year over year to 2.8% as sector-level performance became more uneven. Over the same period, Miami-Dade's employment growth rate decelerated by 167 basis points year over year and is 10 basis points below the national average growth rate as economic headwinds have tempered employment growth in the market.



Source: U.S. Bureau of Labor Statistics, Miami-Dade County
*October 2025 government shutdown missing data addressed with duplicating September 2025's data

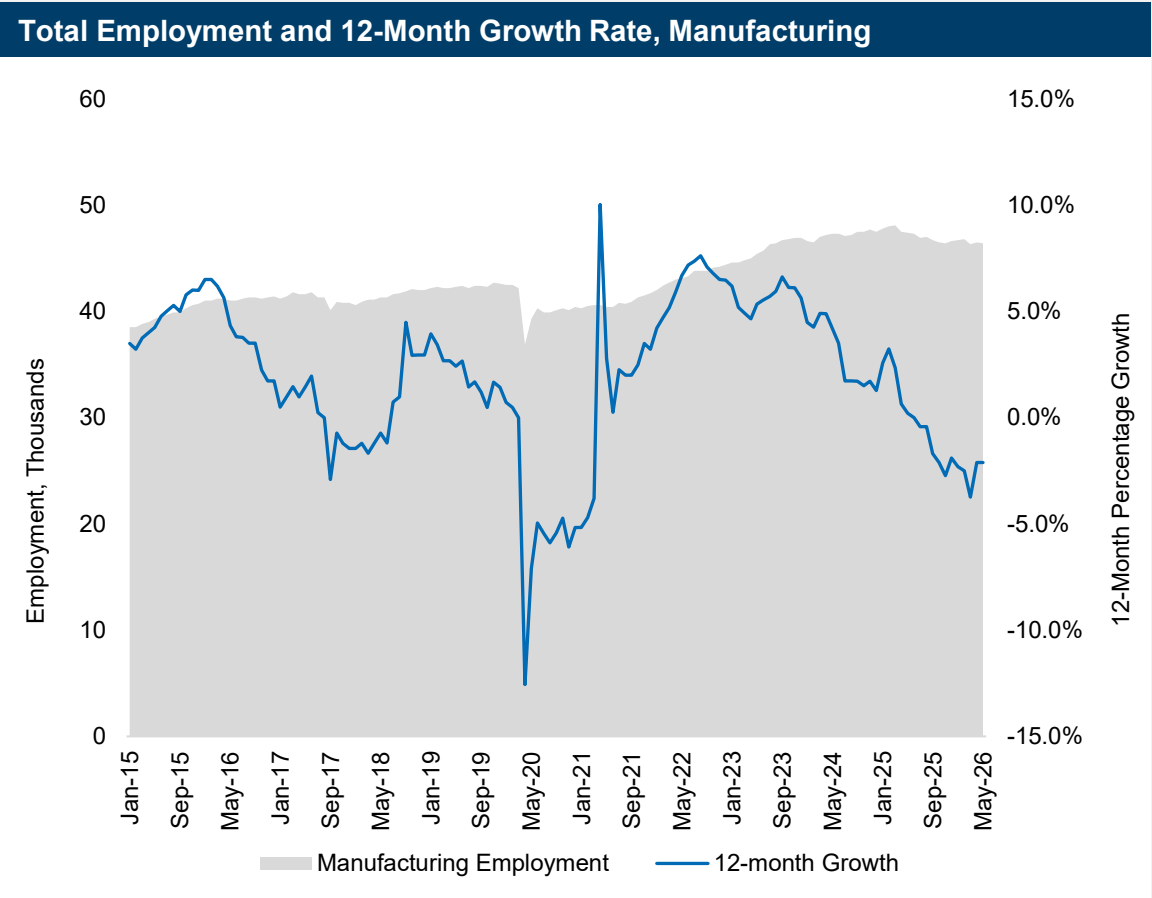
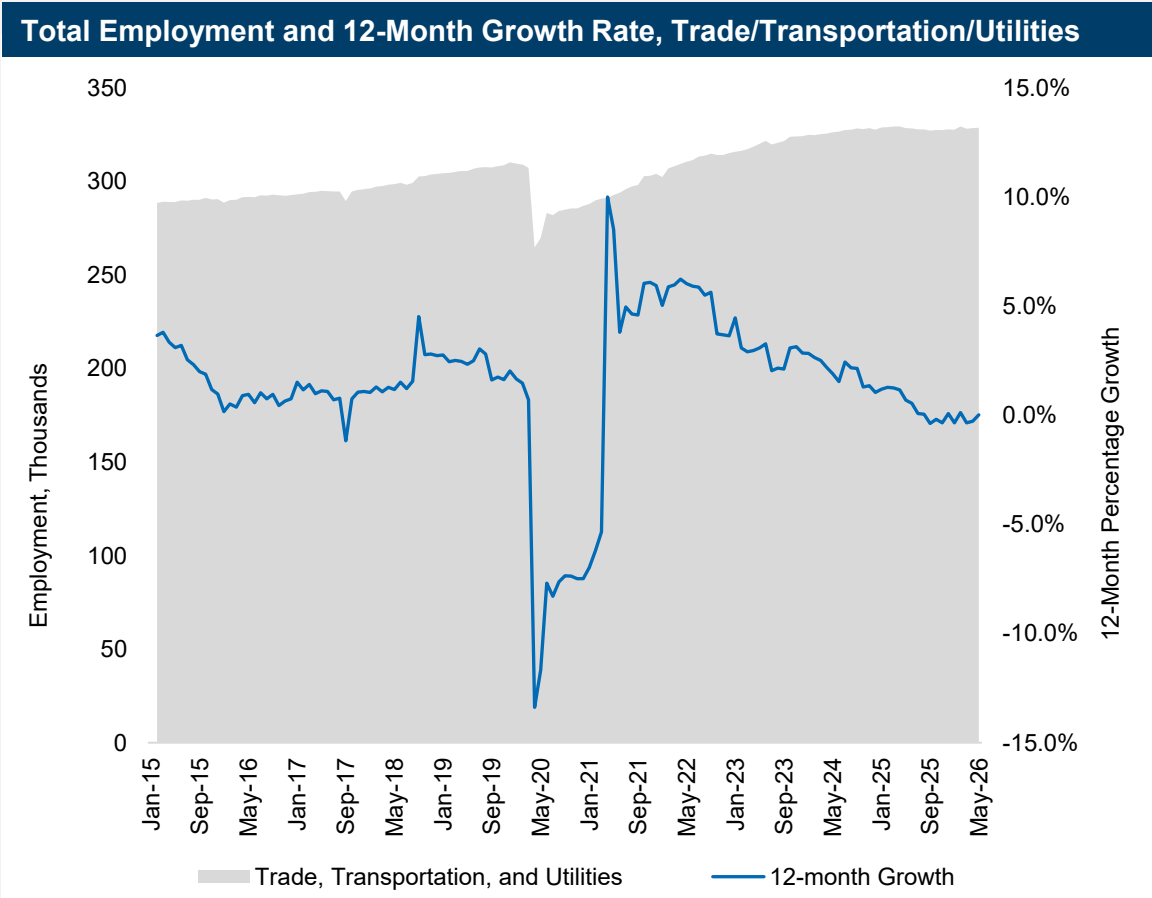
Two Industrial-Using Sectors Post Negative Growth, While One Remains Flat

Miami-Dade County’s two largest employment sectors, trade/transportation/utilities and education and health, account for 41.2% of total jobs, with industrial-using trade/transportation/utilities sector posting the largest share of 24.2%. The business and professional sector also led job growth over the past year, expanding by 2.7%, trade/transportation/utilities remained flat, while mining and construction and manufacturing reported contractions of 1.1% and 2.1%, respectively.



Trade Employment Remains Flat as Manufacturing Jobs Continue to Contract

As of May 2026, trade/transportation/utilities employment remained flat year over year at 328,700 jobs, remaining just 0.2% below the cycle peak of 329,500 jobs recorded in February of 2026. Meanwhile, manufacturing employment totaled 46,400 jobs, down 2.1% year over year and only 3.5% below the March 2025 peak. The trade/transportation/utilities sector makes up the largest share of the industrial-using employment sectors and as a result of it being flat and the other two sectors contracting, industrial-using employment contracted by 0.4% year over year.



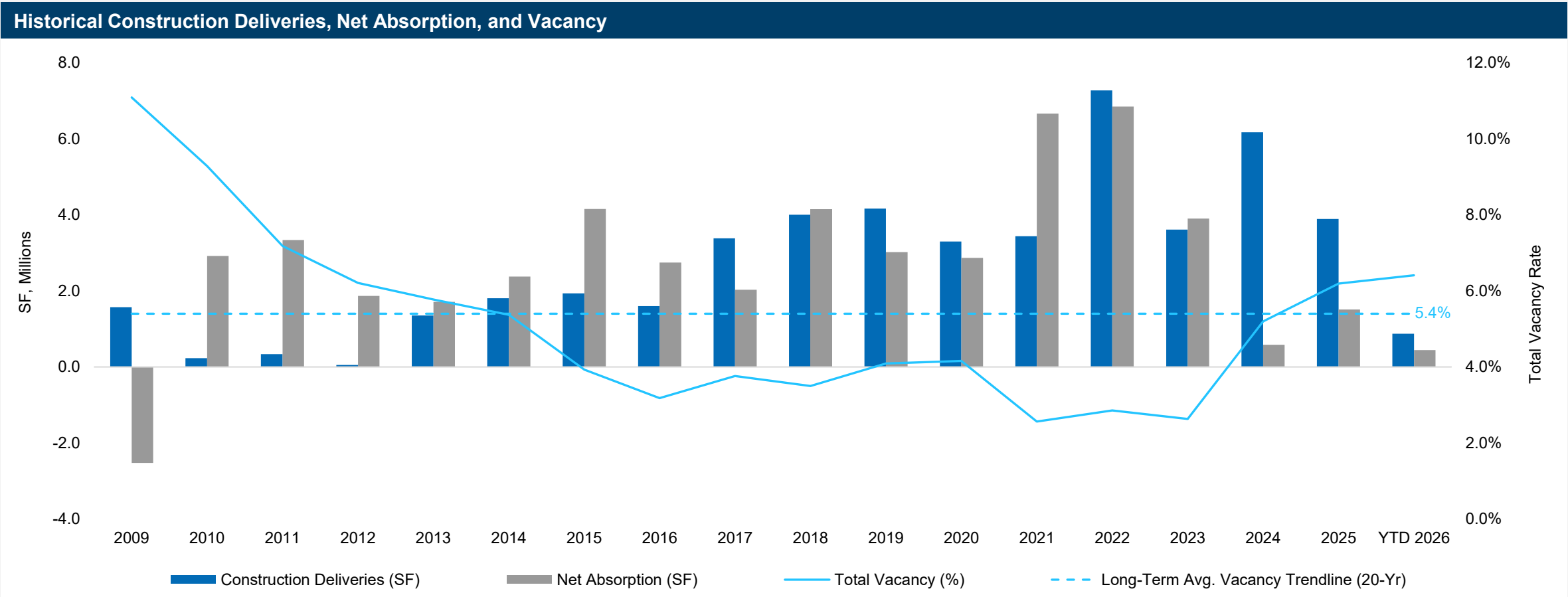
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Leasing Market Fundamentals



Demand Outpaces Supply Quarterly but Lags Year to Date

Miami recorded 429,712 SF of positive net absorption during the second quarter of 2026, bringing first-half absorption to 445,762 SF. Quarterly demand exceeded the 201,887 SF delivered, lowering the vacancy rate by 10 basis points quarter over quarter to 6.4%. However, first-half deliveries totaled 873,205 SF and continued to outpace year-to-date absorption, leaving vacancy 20 basis points above its year-end 2025 level. Going forward quarterly demand will likely outpace quarterly supply and slowly bring the annual vacancy rate down.



Leasing Activity Moderates but Remains Above Year-Ago Levels

Market indicated leasing activity declined for a second consecutive quarter, falling 6.7% quarter over quarter to 1.1 billion in the second quarter of 2023. Volume has moderated since reaching 1.2 billion in the fourth quarter of 2022, one of the strongest quarters in the historical series. Despite the recent downturn, leasing increased 7.2% year over year and remained well above the 1.1 billion trough recorded in the fourth quarter of 2022.

Total Leasing Activity (BQ)

100

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100

80

60

40

2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036 2037 2038 2039 2040 2041 2042 2043 2044 2045 2046 2047 2048 2049 2050

Logistics and Distribution Sector Remains Resilient

Industry representatives among the top five largest deals has shifted over time. However, the logistics and distribution sector has maintained a presence in large deal activity consistently and has accounted for 34.7% of this quarter's top five leasing volume. The manufacturing sector captured the largest share of large deal activity this quarter, representing 1.4% of square footage transacted among the top five largest deals as this sector's manufacturing sector increased over 175,000 SF within the year. The remaining share of the top five largest deals was secured by the paper and packaging sector with one record. Tenancy in the top five largest deals remains diversified, but logistics and distribution remains a preferred tenant in the space.

Five Largest Deals Driven by Industry Type (2021)

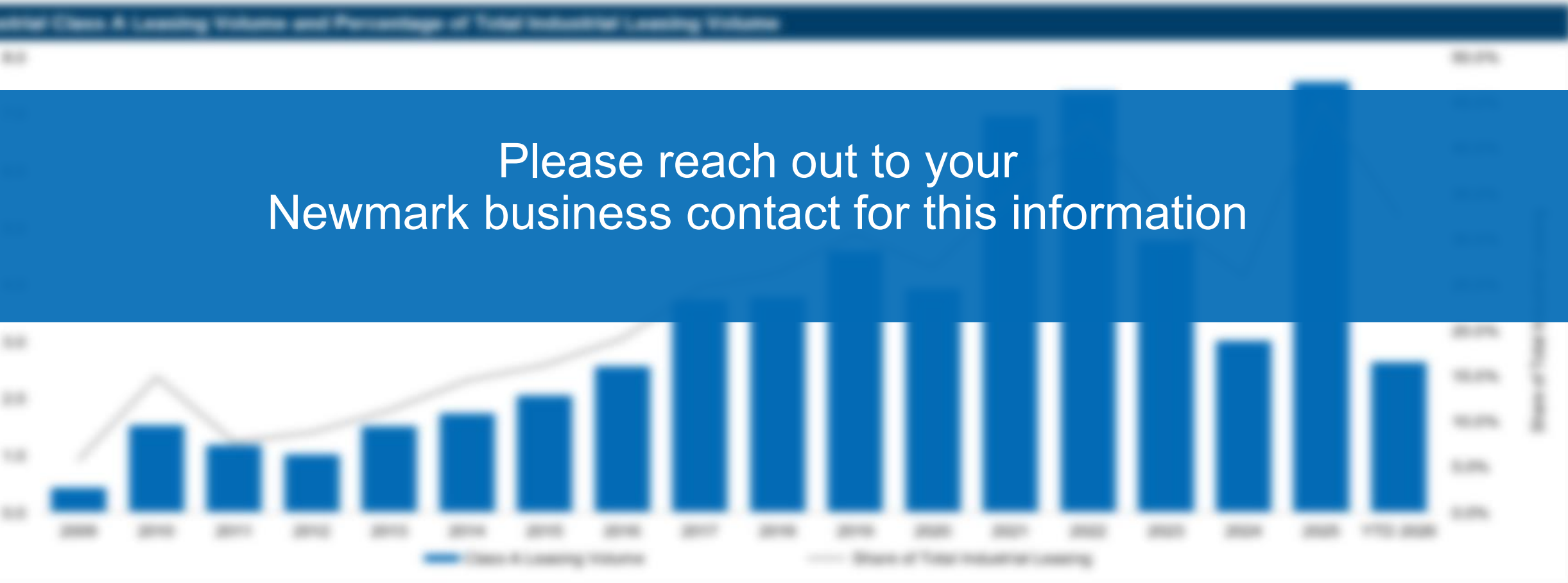
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Class A Leasing Remains Above Long-Term Average

Class A leasing activity totaled 1.7 MM in the second quarter of 2024, up 61.7% quarter over quarter. Volume remained well above the 10-year second quarter average of 1.26,271 sq. ft., underscoring continued occupier preference for secure, high-quality industrial product. Class A space accounted for 46.7% of total industrial leasing during the quarter, up from 33.8% in the prior quarter. The jump in share reflects a comparatively softer first quarter as well as fresh availability of premium space in construction delivery centers.



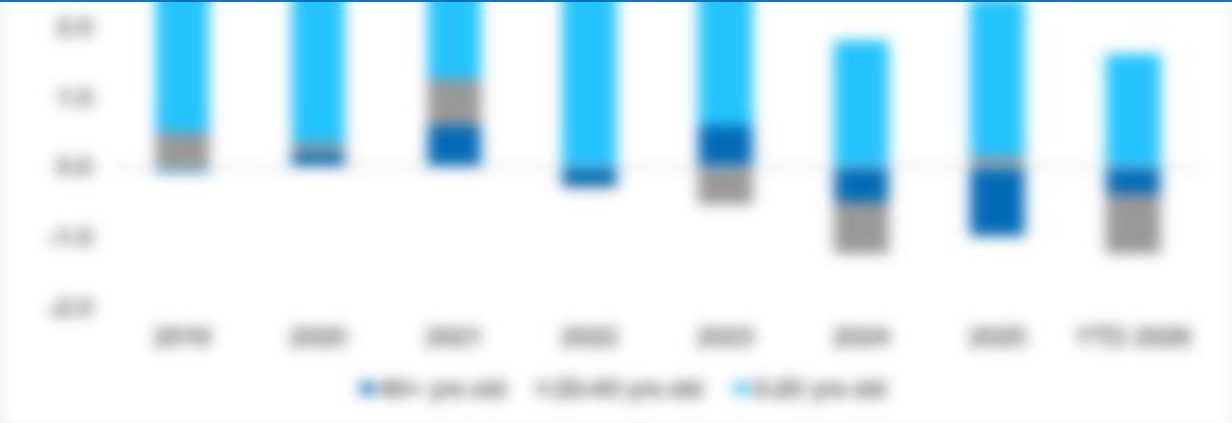
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Modern Inventory Continues to Drive Demand

Modern industrial buildings, 30 years old and newer, have accounted for all 1.7 billion of positive net absorption recorded since 2016, underscoring strong new demand for newer facilities. Since 2016, the youngest cohort has never recorded a quarter of negative absorption, highlighting tenants' preference for newer, high-quality space. Vacancy in the newest cohort fell 100 basis points quarter over quarter to 12.3%, as tenants move into their new spaces. In contrast, the gradual rise in vacancies among legacy industrial properties reflects increased negative net absorption over the same period, signaling potential weakening or compression of demand for older product. The old cohort, assets that are greater than 40 years old, saw an increase in vacancy of about 20 basis points quarter over quarter.



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Mid-Sized Bulk Buildings Lead Second-Quarter Absorption

In the second quarter of 2020, overall demand remained below the 2017 peak, but 100,000 to 200,000 SF, mid-sized, assets continued to lead, accounting for 17.9% of all speculative occupancy gains since 2015. Mid-sized buildings were also the only subset to post positive absorption, recording 100,000 SF of occupancy this quarter, even though that level was 1.7% lower than the prior quarter, but 17.8% higher year over year. This steady demand pushed recovery in the sublet stock 30 basis points higher over quarter to 7.8%. Most new collocate recorded lower recovery during the quarter, while recovery in the 10,000 to 40,000 SF sublet increased 30 basis points to 3.1%. However, as the segment continues to monitor the lowest recovery rate among all new collocate, the market gradually increases likely collocate around fluctuations rather than a meaningful shift in demand.

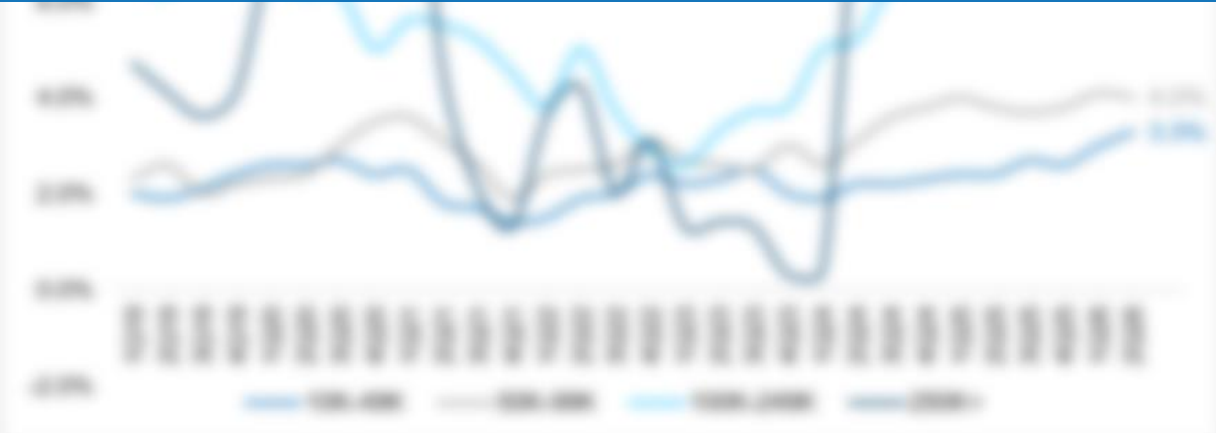
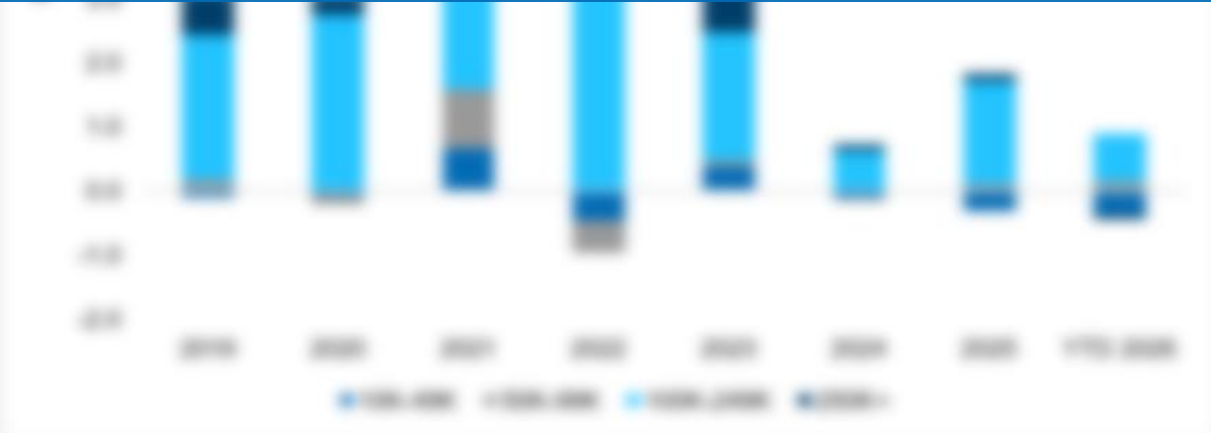
New Absorption by Size Range



Recovery Rates by Size Range

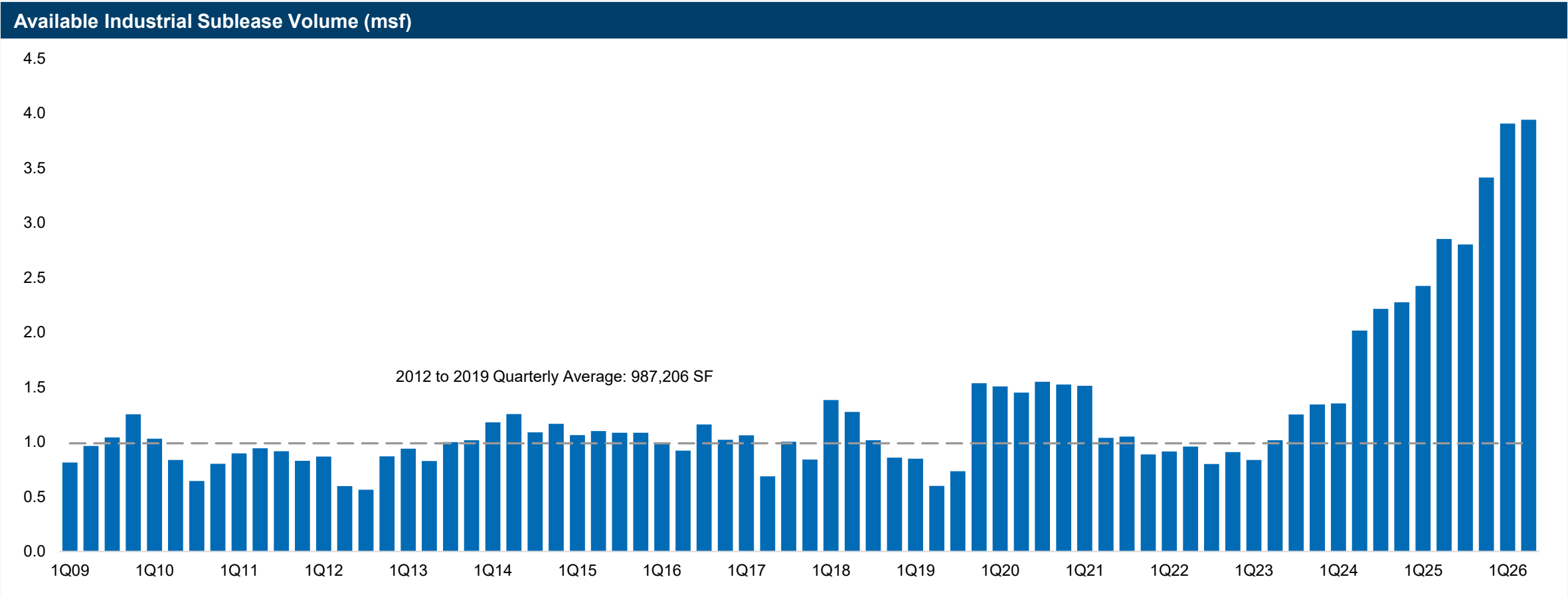


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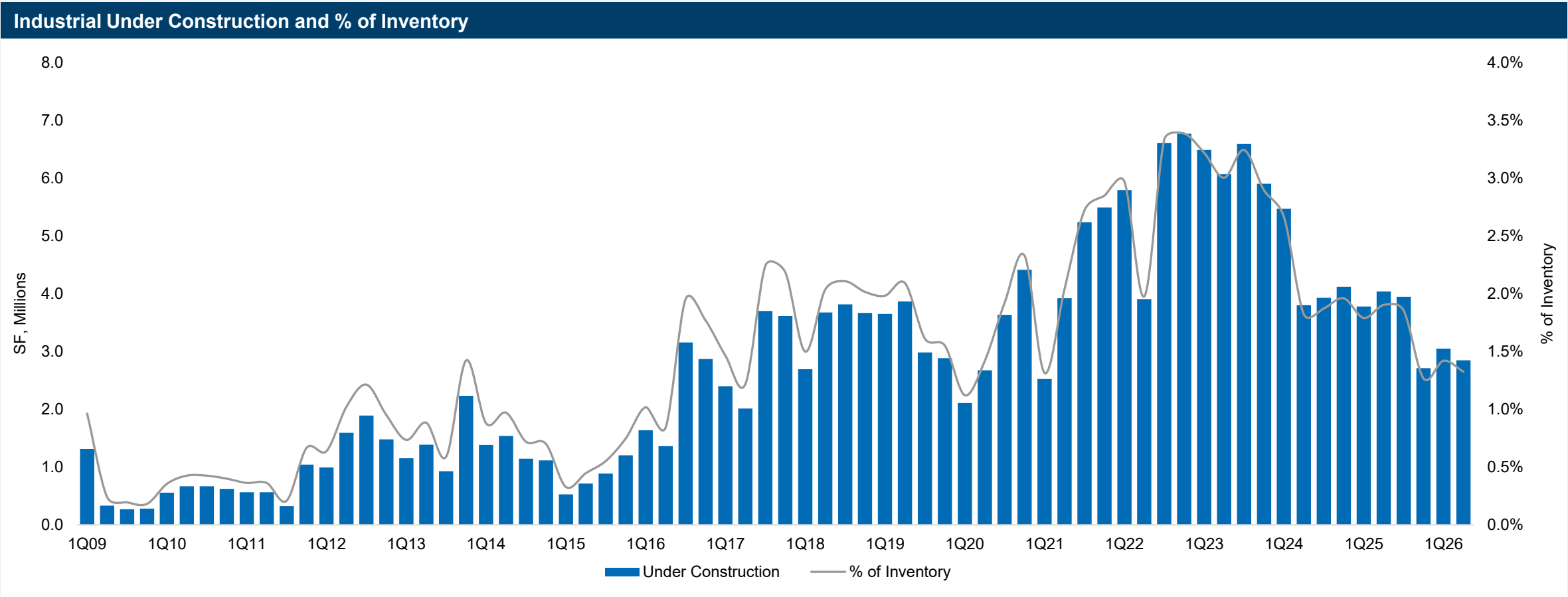
Sublease Availability Climbs to a New All-Time High

Sublease availability continued to rise in the second quarter of 2026, increasing 0.9% quarter over quarter to a new all-time high of 3.9 MSF, or 1.8% of inventory. It has climbed in nearly every quarter since early 2023, with the lone exception of the third quarter of 2025, when it dipped by 51,643 SF. Sublease availability remained around the 2012 to 2019 average of 987,206 SF until early 2023. The upward trend is largely the result of companies shedding space to improve operational efficiency. CGI Windows and Doors Inc. accounts for the largest single block of sublease space on the market, with 325,739 SF currently being offered.



Construction Pipeline Decreases Amid Project Completions

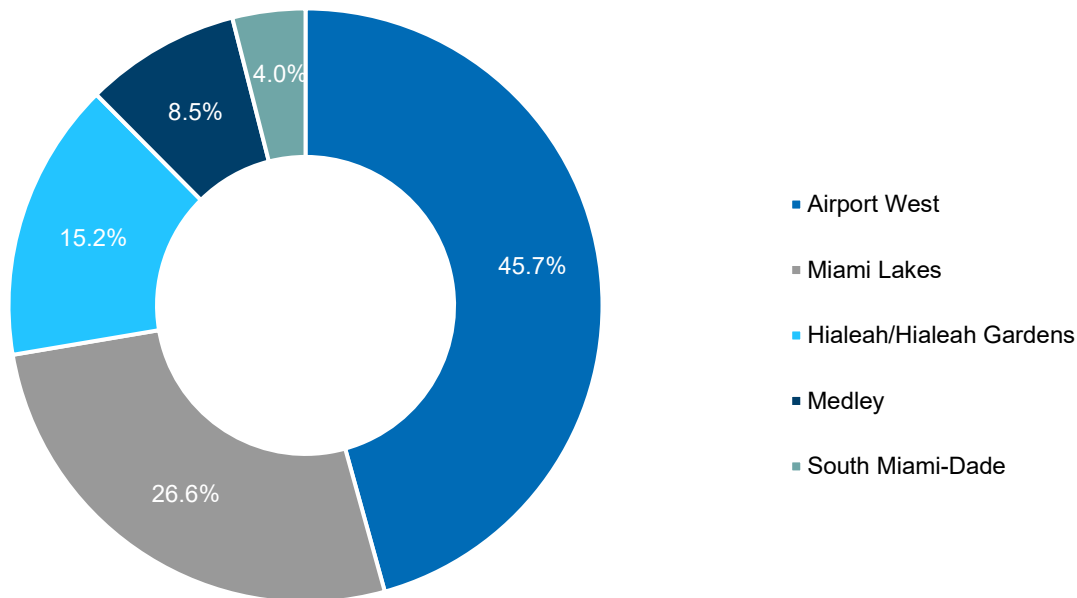
In the second quarter of 2026, the industrial construction pipeline totaled 2.8 MSF, representing a 6.6% decrease quarter over quarter. The decline followed 201,857 SF of new product being delivered during the quarter, such as Power Logistics. The pipeline has steadily declined from its peak of 6.8 MSF in the fourth quarter of 2022 and is expected to hold near its current level as recently delivered projects are absorbed and new starts replace those completions. Currently the pipeline is 15.6% preleased.



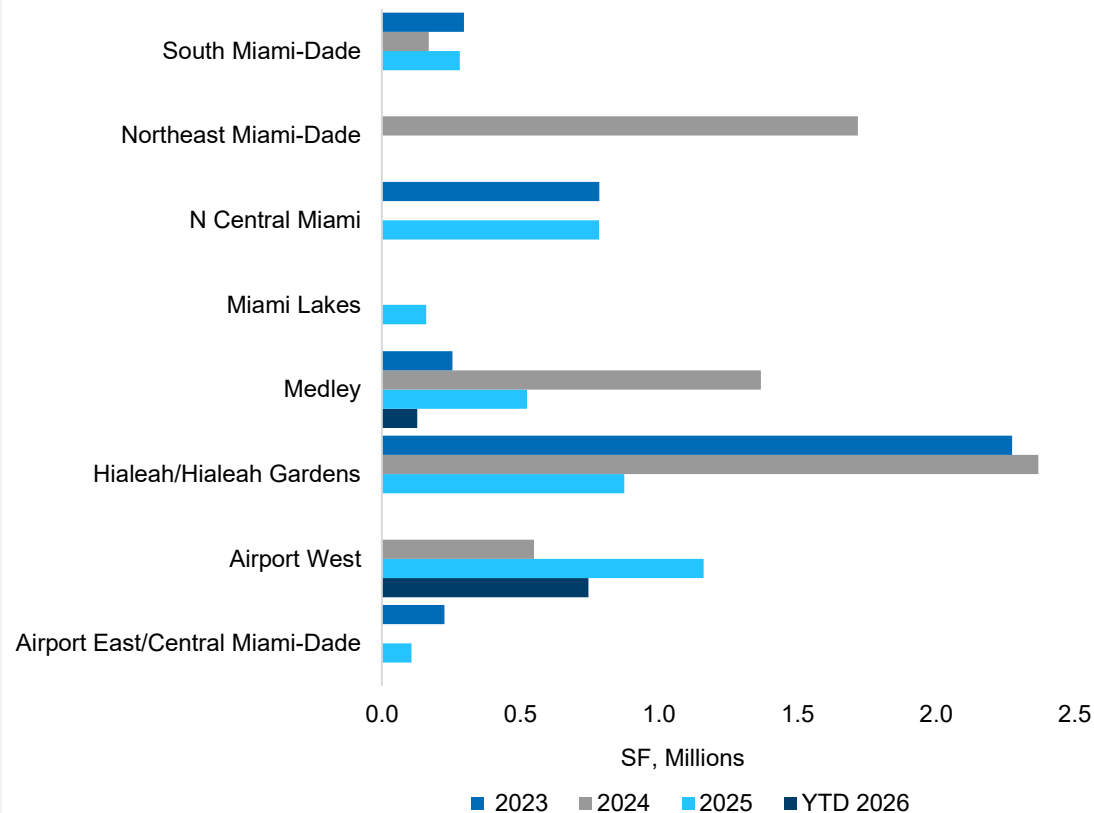
Construction Activity Remains Centered in Airport West

The Airport West submarket continues to be the primary construction hub as of the end of the second quarter of 2026, accounting for 45.7% of industrial space under construction. The submarket is slated to deliver roughly 1.3 MSF of industrial space over the next 12 months, none of which is preleased. After three years of elevated development in the Hialeah/Hialeah Gardens submarket totaling 5.5 MSF of deliveries, the remaining construction in that submarket has narrowed to just 433,434 SF, with 100.0% already preleased, highlighting the demand for space in the area.

Currently Under Construction Industrial Activity by Submarket

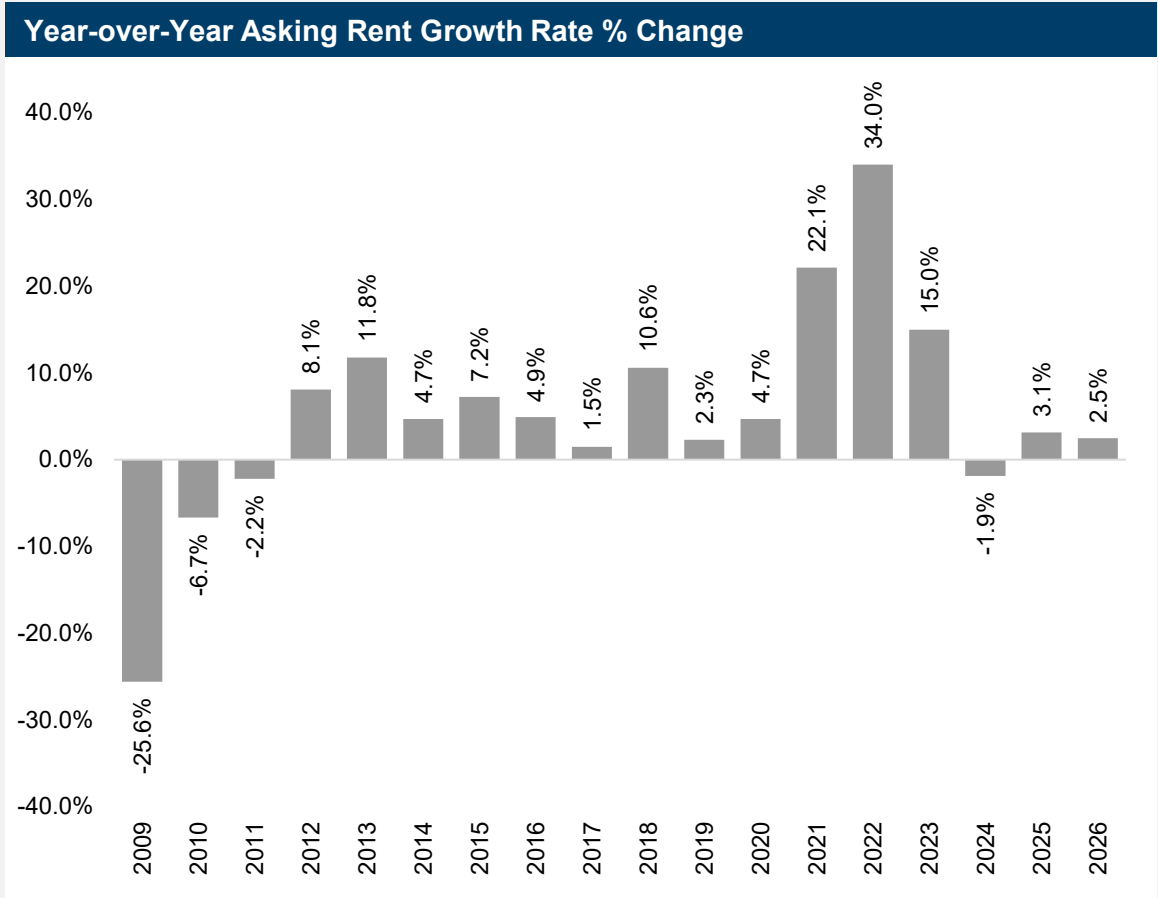
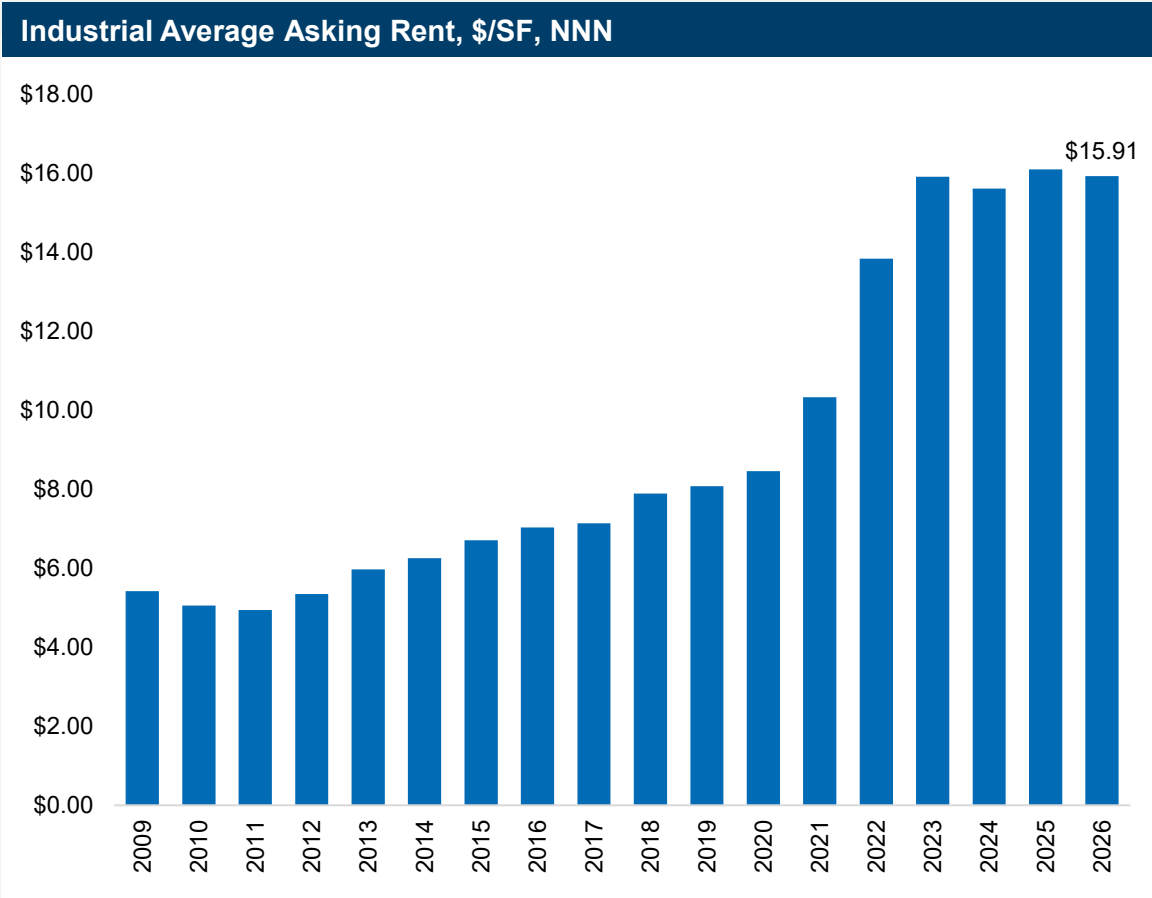


Historical Submarket Deliveries



Asking Rents Continue to Slip Quarter Over Quarter but Increase Year Over Year

Industrial asking rents slipped 1.0% quarter over quarter but still rose 2.5% year over year to \$15.91/SF in the second quarter of 2026. Rents have declined for three consecutive quarters and now sit 2.1% below the all-time high of \$16.25/SF reached in the third quarter of 2025. The rent growth rate has decelerated since peaking in 2022, remaining below the 20-year average of 5.3% and the 3.1% pace recorded at the end of 2025. The slowdown in rent growth reflects an influx of new product, which has expanded tenant options and tempered near-term pricing momentum.



Notable 2Q26 Lease Transactions

Renewals accounted for three of Miami’s five largest industrial leases during the second quarter of 2026, helping prevent several large blocks from returning to the market. Two of the renewals maintained full occupancy within their respective buildings, including one full-building transaction. Manufacturing represented the largest share of top-five leasing volume, led by CompletePet Florida’s 190,351-SF lease at Beacon Logistics Park.

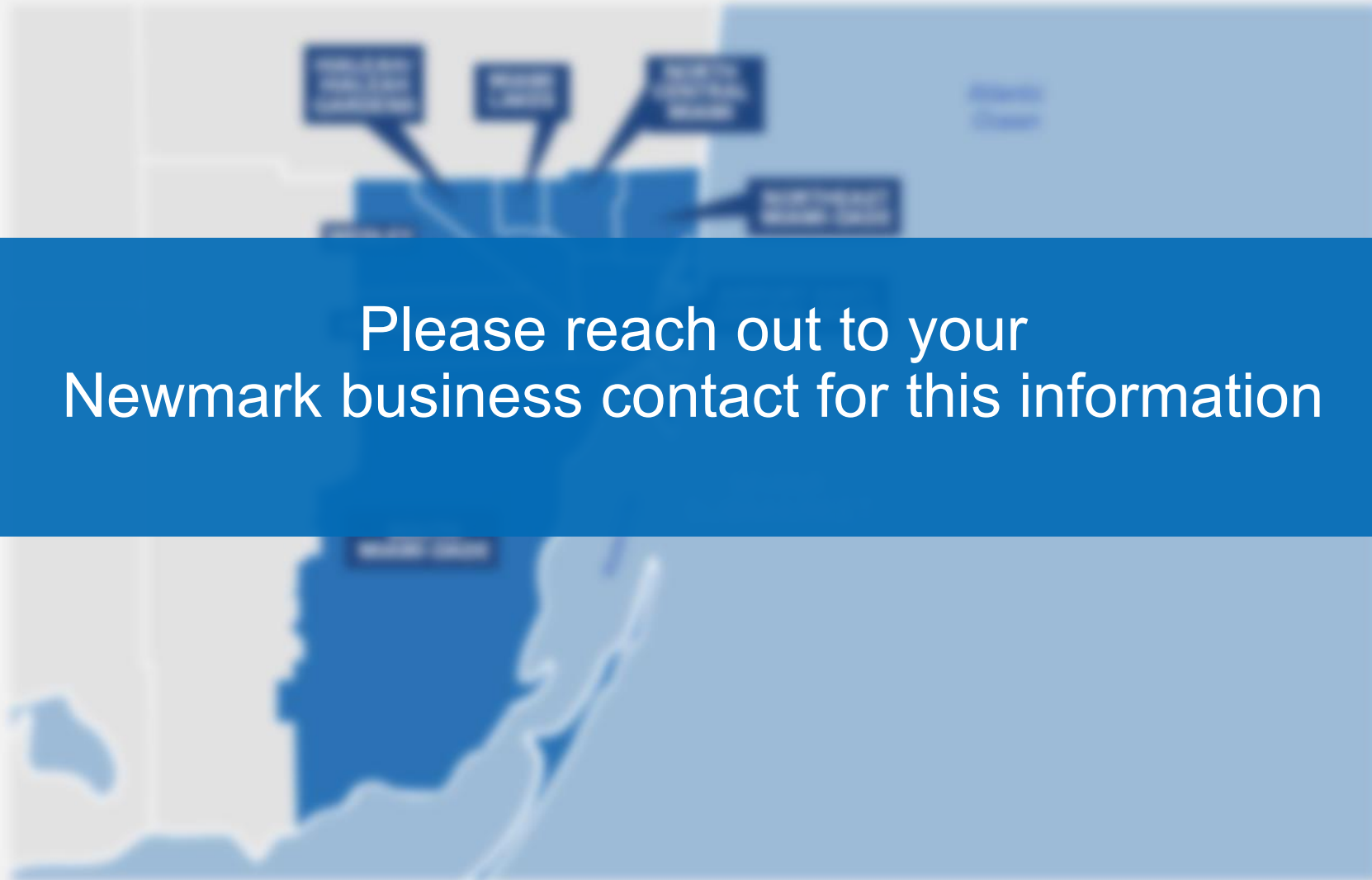
Notable Lease Transactions				
Tenant	Building	Submarket	Type	Square Feet
CompletePet Florida	Beacon Logistics Park—Building C	Hialeah/ Hialeah Gardens	New Lease	190,351
<i>The pet food manufacturing provider, previously Custom Veterinary Services, has secured a 190,351-SF lease at 4120 NW 91 Place. This was the first location the company leased under its old name, but later the firm expanded to a second 120,000-SF facility in Burlington, VT in 2025.</i>				
Packaging Corporation of America	Golden Glades Fulfillment Center	North Central Miami	Renewal	174,400
<i>Packaging Corporation of America produces containerboard and corrugated packaging products for a range of industries. The company renewed its 174,400-SF lease at 15600 NW 15th Ave., where it has been a tenant since 2005.</i>				
Captiva Containers LLC	Prologis Gratiigny Industrial Park—Building 14	North Central Miami	New Lease	172,888
<i>The Miami-based bottle manufacturer preleased the full building that’s expected to deliver in the fourth quarter of 2026.</i>				
AMG Global Distribution	11440 NW 122 nd St—Building 3	Medley	Renewal	159,180
<i>AMG Global Distribution elected to renew its space at 11440 NW 122nd St, where it has been a tenant since 2016.</i>				
Withers Transfer and Storage of Coral Gables	Flagler Stations Phase III—Building 8	Medley	Renewal	149,226
<i>The Miami-based logistics company renewed its lease at 11431 NW 107th Street, where it has operated since 2017.</i>				

03

Market Statistics & Map



Miami-Dade County Industrial Submarket Map



Miami-Dade County Industrial Submarket Overview

Submarket Statistics - All Classes								
	Total Inventory SQFT	2020 Construction SQFT	Total Leasing Rate	2020 New Leasing SQFT	12M New Leasing SQFT	2020 Average Rent Per SqFt (\$/sqft)	12M Average Rent Per SqFt (\$/sqft)	12M Average Rent Per SqFt (\$/sqft)
West County Submarket	18,175,000	0	8.2%	18,000	17,000	\$10.00	\$10.00	\$10.00

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West County Submarket	18,175,000	0	8.2%	18,000	17,000	\$10.00	\$10.00	\$10.00
Southwest Submarket	1,000,000	0	10.0%	100,000	100,000	\$10.00	\$10.00	\$10.00
South Submarket	15,175,000	100,000	10.0%	10,000	10,000	\$10.00	\$10.00	\$10.00
Market	20,175,000	100,000	9.4%	100,000	100,000	\$10.00	\$10.00	\$10.00

2Q26 South Florida Industrial Market Overview



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Market Absorption	100,000	100,000	100,000
17th Absorption	100,000	100,000	100,000
Quarter Deliveries	100,000	100,000	100,000
17th Deliveries	100,000	100,000	100,000
Direct Leasing Rate (2025)	100,000	100,000	100,000
Sublet Leasing Rate (2025)	100,000	100,000	100,000
Total Leasing Rate (2025)	100,000	100,000	100,000

04

Supplemental Analysis



Miami Industrial Market



Google

- Miami benefits from strong international trade links through its airport and port. Miami International Airport is one of the largest international airports in the country.
- The region boasts major highways, railroads, and ports and is known as a gateway to South America, Mexico, and the Caribbean.



LinkedIn

- Recreational assets might be a different for some new tenants.
- Transportation infrastructure assets accounts for 24.2% of the market's portfolio and is susceptible to economic fluctuations.
- Lack of parking for new product has driven leasing up as new supply is delivered.

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Google

- Expansion of a commercial office significant opportunities for industrial space demand.
- Development pipeline remains active, with 1.1 MMSF announced in 2020 and 1.1 MMSF under construction in the second quarter of 2020.
- Increasing demand for new, sustainable and energy efficient facilities, combined with large supply of Class A space, presents new business opportunities.
- Moving to modern buildings presents opportunities for new tenants to move into Class A space.

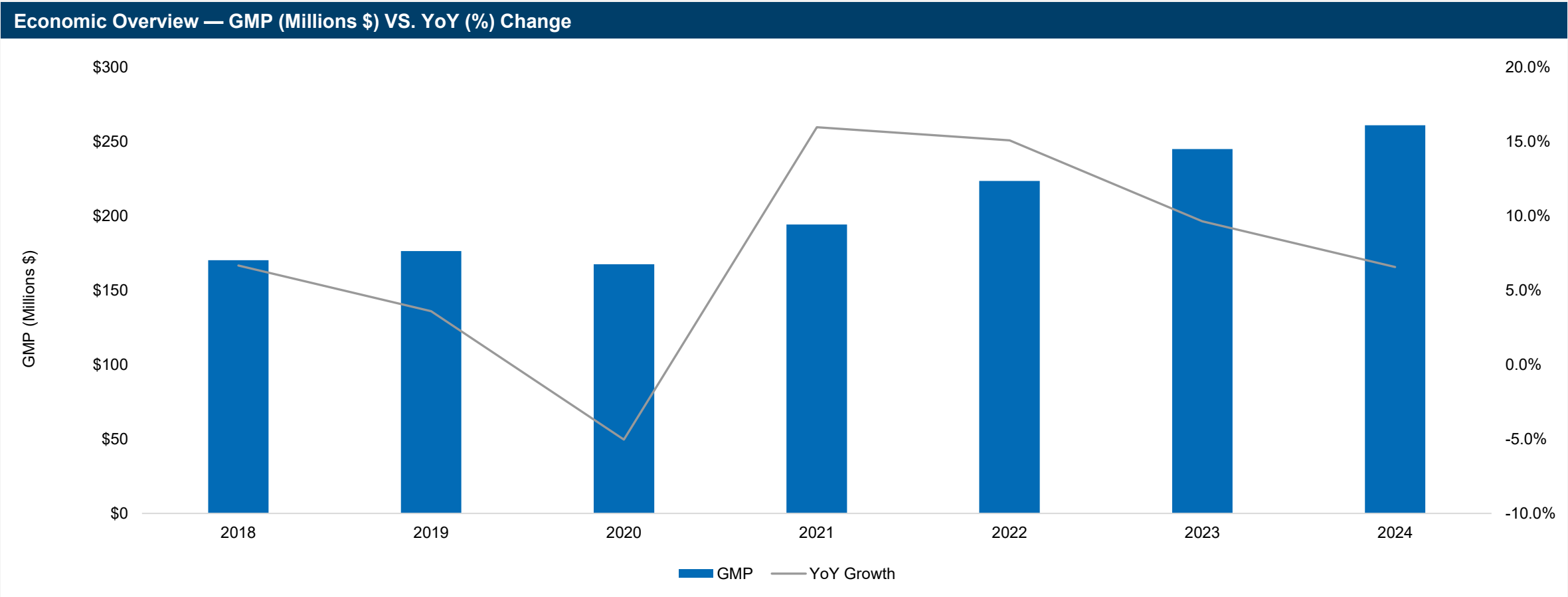


LinkedIn

- Fluctuating economic conditions could reduce industrial space demand.
- Competitive markets may attract businesses away from Miami.
- Rising construction costs and tighter financial conditions could headwinds for landlords.
- Economic uncertainties and dependency on capital markets for employment can lead to economic headwinds.

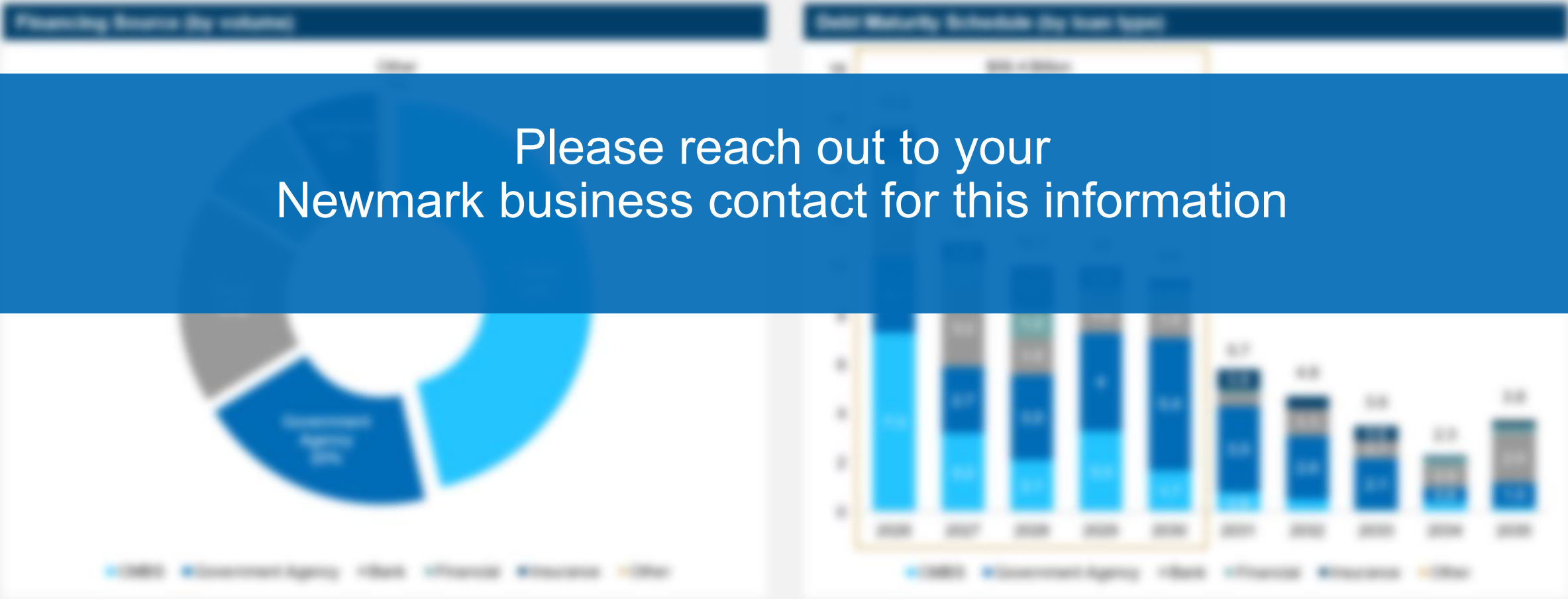
Miami Gross Metropolitan Product

The gross metropolitan product continues to increase despite economic headwinds, albeit at a slower rate. Most recently, the gross metropolitan product rose 6.6% year over year to reach a new all-time high of roughly \$260 billion.



Loan Maturities Scheduled to Peak This Year

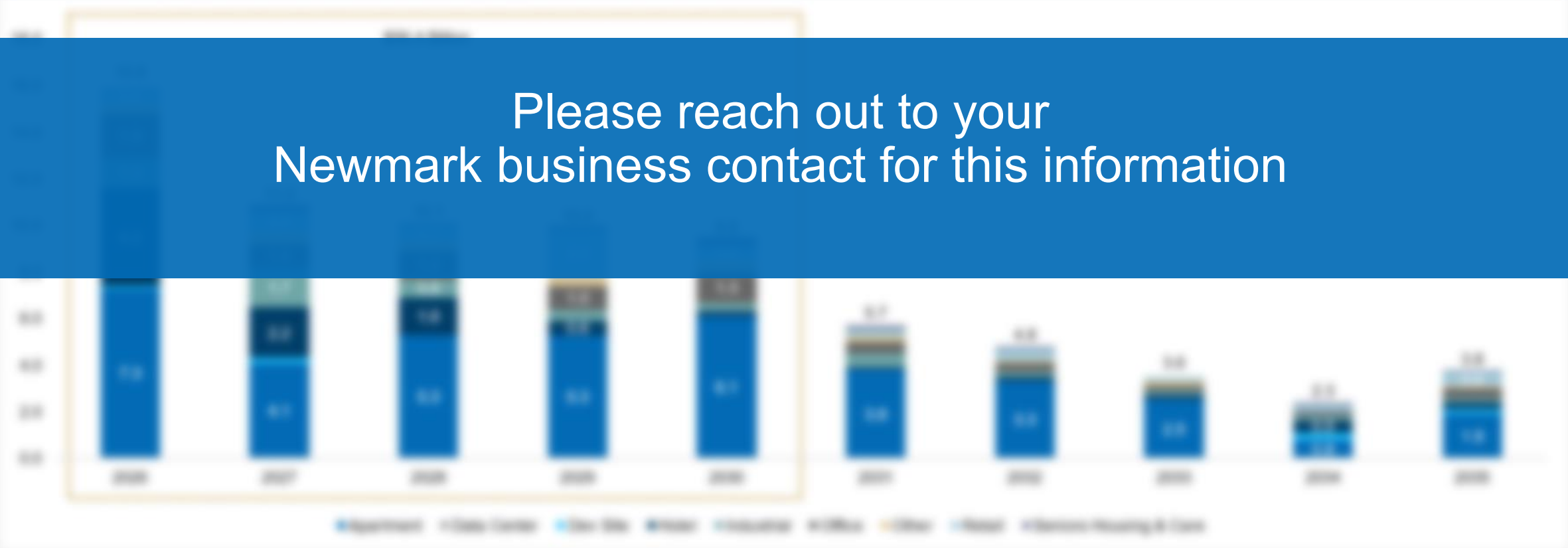
CNNB's research the leading source of debt financing is early 2025, accounting for 45.4% of total volume. Maturities in this segment are heavily front-loaded, with \$17.4 billion scheduled to mature this year over the next five years, representing 48.4% of all CNNB debt maturing through 2025. Meanwhile, government agency loans have the highest share due within the next five years, with \$18.7 billion scheduled to mature by 2025. Maturities across all segments are expected to peak in 2025 at \$17.8 billion, underscoring the need to closely monitor upcoming obligations as an indicator of future market stability. The concentration of near-term maturities, particularly in government agency and CNNB, illustrates refinancing risk in a higher rate environment and reinforces the importance of credit quality and proactive capital planning over the next cycle.



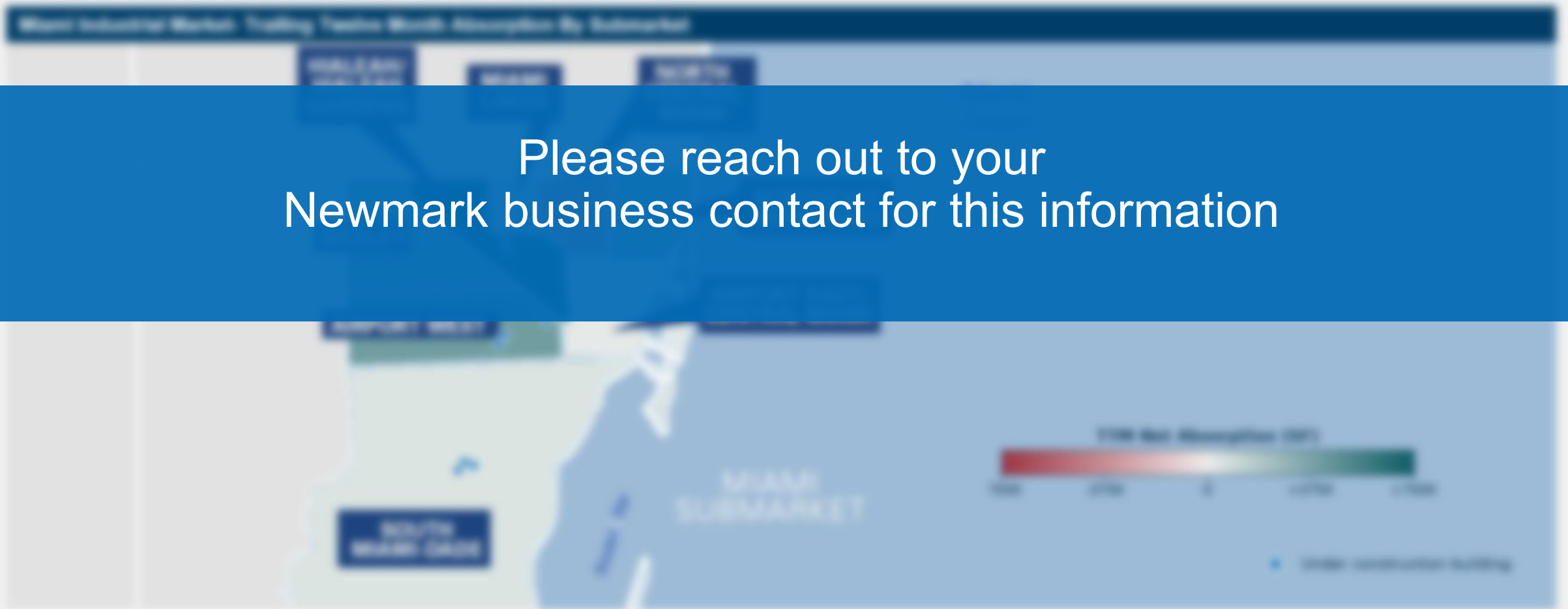
Multifamily Maturities Particularly Elevated Through 2030, Industrial Not So Much

As of the second quarter of 2024, office loans represent only 11.3% of the \$74.4 billion in loans scheduled to mature over the next five years, which limits direct exposure to the industrial sector's challenges. In contrast, multifamily loans account for 48.8% of maturities through 2030, yet the sector's solid performance and lenders' strong appetite for multifamily assets suggest that servicers remain comfortable with this level of multifamily risk. Highlighting capital markets' emphasis on high-quality assets, overall, these trends reflect a capital market that is increasingly discerning, favoring asset classes with proven resilience and secure financing.

Commercial Mortgage Maturities

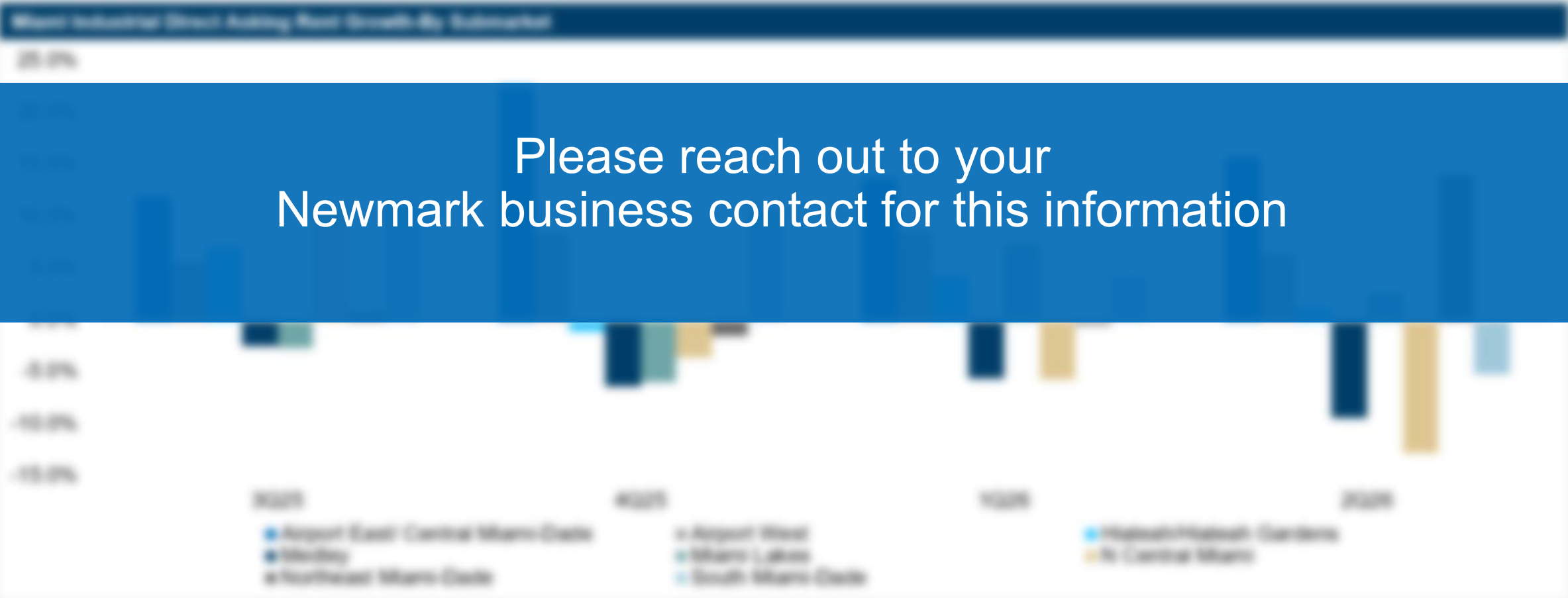


Deliveries and Absorption



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Airport East/Central Miami-Dade lead in Rent Growth



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