3Q25

Miami-Dade County Industrial Market Overview

NEWMARK

Market Observations

Economy

- The region's unemployment rate remained flat year over year at 2.5%, as growth is split across several sectors.
- The pace of job growth has slowed compared with recent highs, decreasing by 100 basis points year-over-year. Employment growth is matching the national average of 1.0%.
- Growth was mixed with the mining and construction sector expanding by 6.0% and manufacturing contracting 1.9%.
- Industrial-using jobs reported growth with the exception of manufacturing, which contracted by 1.9% year over year. Meanwhile, the trade/transportation/utilities sector expanded by 1.6% year over year while mining and construction grew by 6.0% over the same period.

Leasing Market Fundamentals

- The market realized 627,218 SF of positive absorption in the third quarter of 2025. Although net absorption has been weak since 2024–mainly attributed to muted leasing activity, economic uncertainty and delays in tenant buildouts–demand is gradually rising.
- Overall rental rates rose by 4.8% quarter over quarter and 4.5% year over year to a new all-time high of $16.36/SF.
- Construction deliveries totaled 2.6 MSF year to date, with another 3.3 MSF of ongoing and newly-started projects underway that are currently 19.6% preleased.
- Deliveries totaled 515,402 SF at the end of the third quarter of 2025. As a result of demand outpacing supply, the vacancy rate decreased by 10 basis points quarter over quarter to 5.5%.

Major Transactions

- The bottling arm of Dr. Pepper has leased the largest deal of the quarter, securing 150,600 SF in phase four of Carrie Meek International Business Park.
- New leases accounted for six of the top ten deals this quarter underscoring that fresh demand continues to support occupancy gains.
- Three of the top ten largest leases signed in the third quarter were in the Medley and Hialeah/ Hialeah Gardens submarkets, whereas the N Central Miami submarket had two deals in the top ten, and Northwest Dade, and Airport West each had one deal within the top ten deals.
- Four of the ten largest deals were signed by manufacturing companies.

Outlook

- The Miami industrial market is expected to see a steady influx of new supply in the near term, with 1.4% of the current market's inventory under construction and approximately another 1.6 MSF projected to be delivered by the end of 2025.
- 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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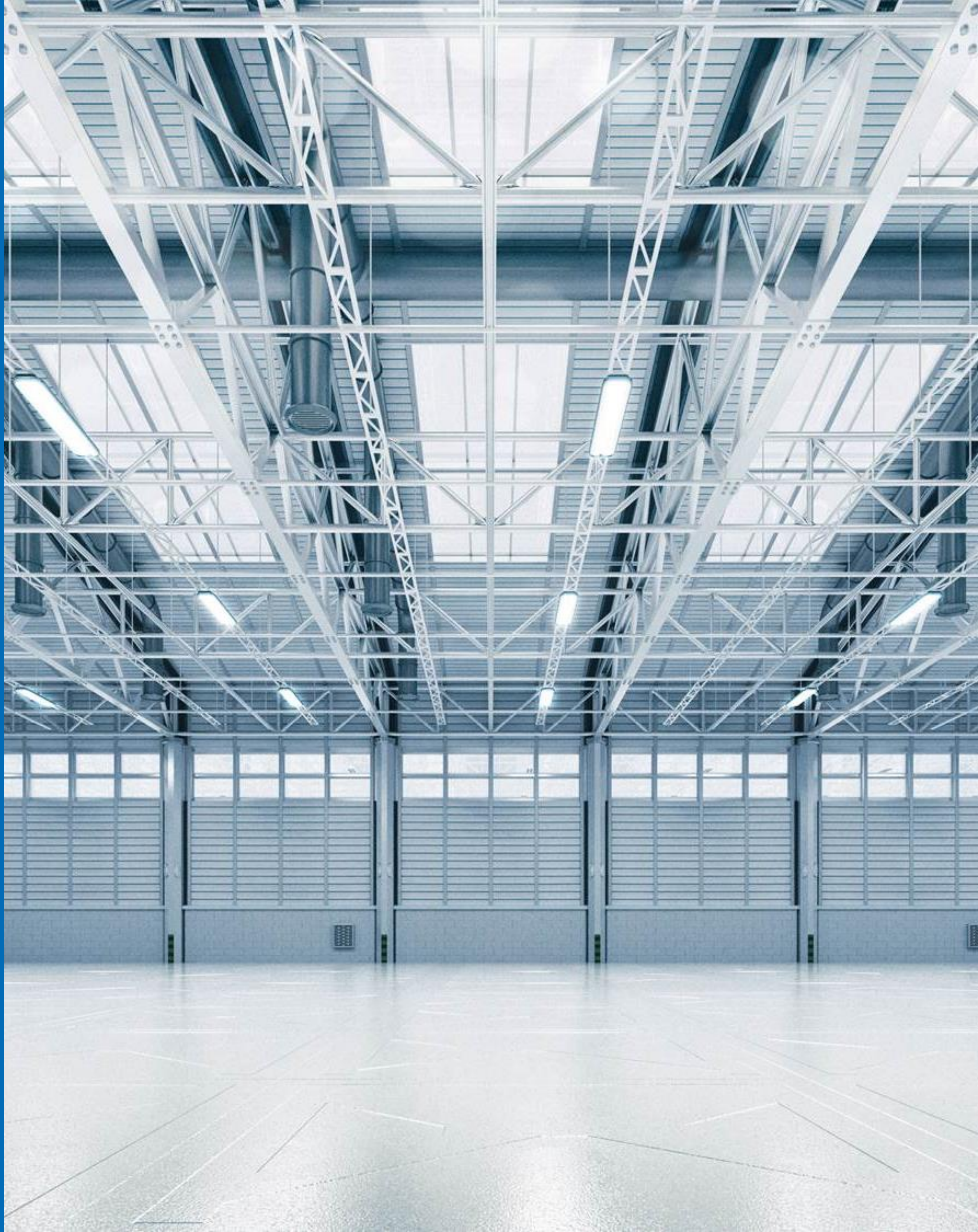
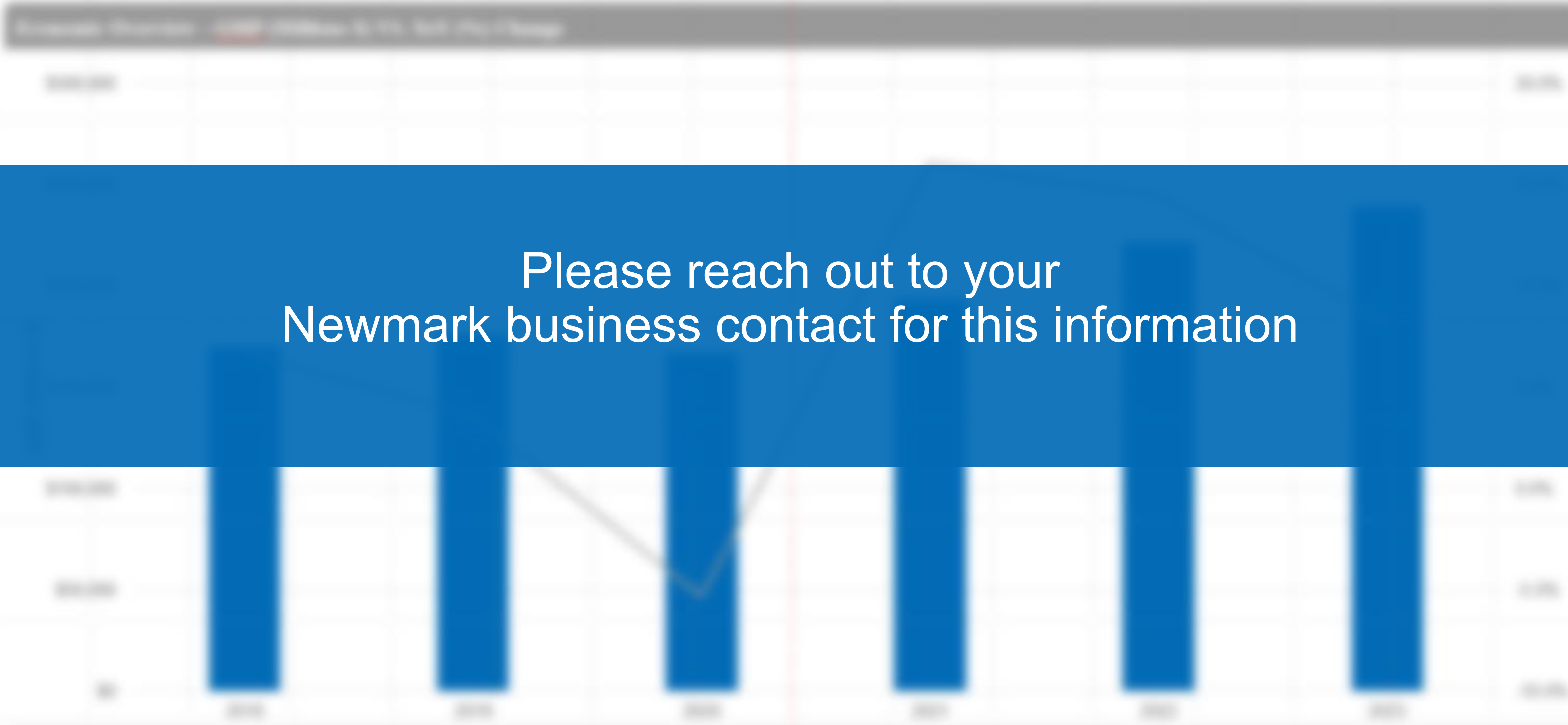
Economy



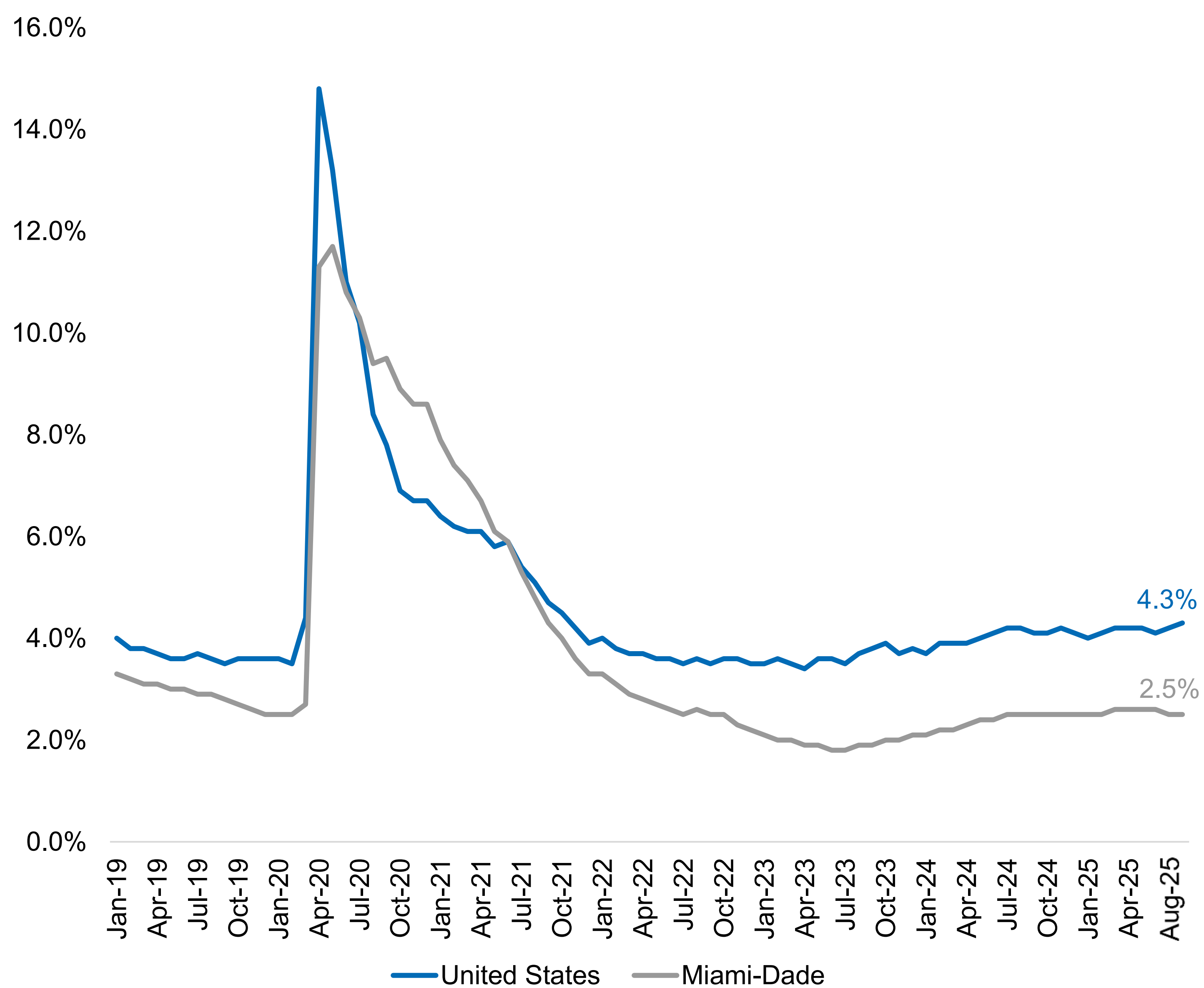
Miami Gross Metropolitan Product



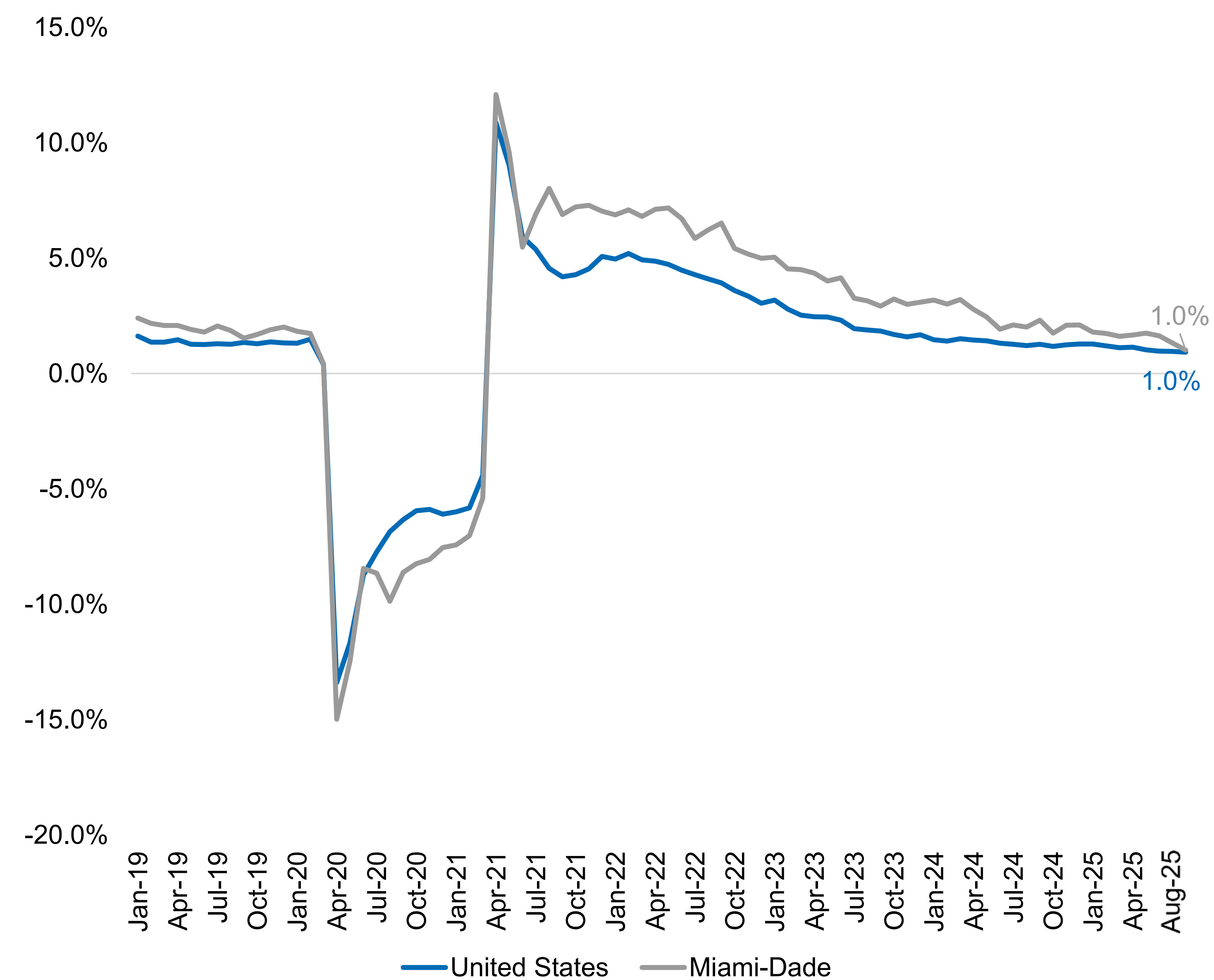
Pace of Job Growth Decelerates, Unemployment Remains Flat

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 remained flat year over year at 2.5% as growth is mixed across several sectors. The pace of employment growth in Miami-Dade declined by 100 basis points year over year and decreased by 63 basis points between June and August of 2025 to 1.0%, on par with the national average.

Unemployment Rate, Seasonally Adjusted



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

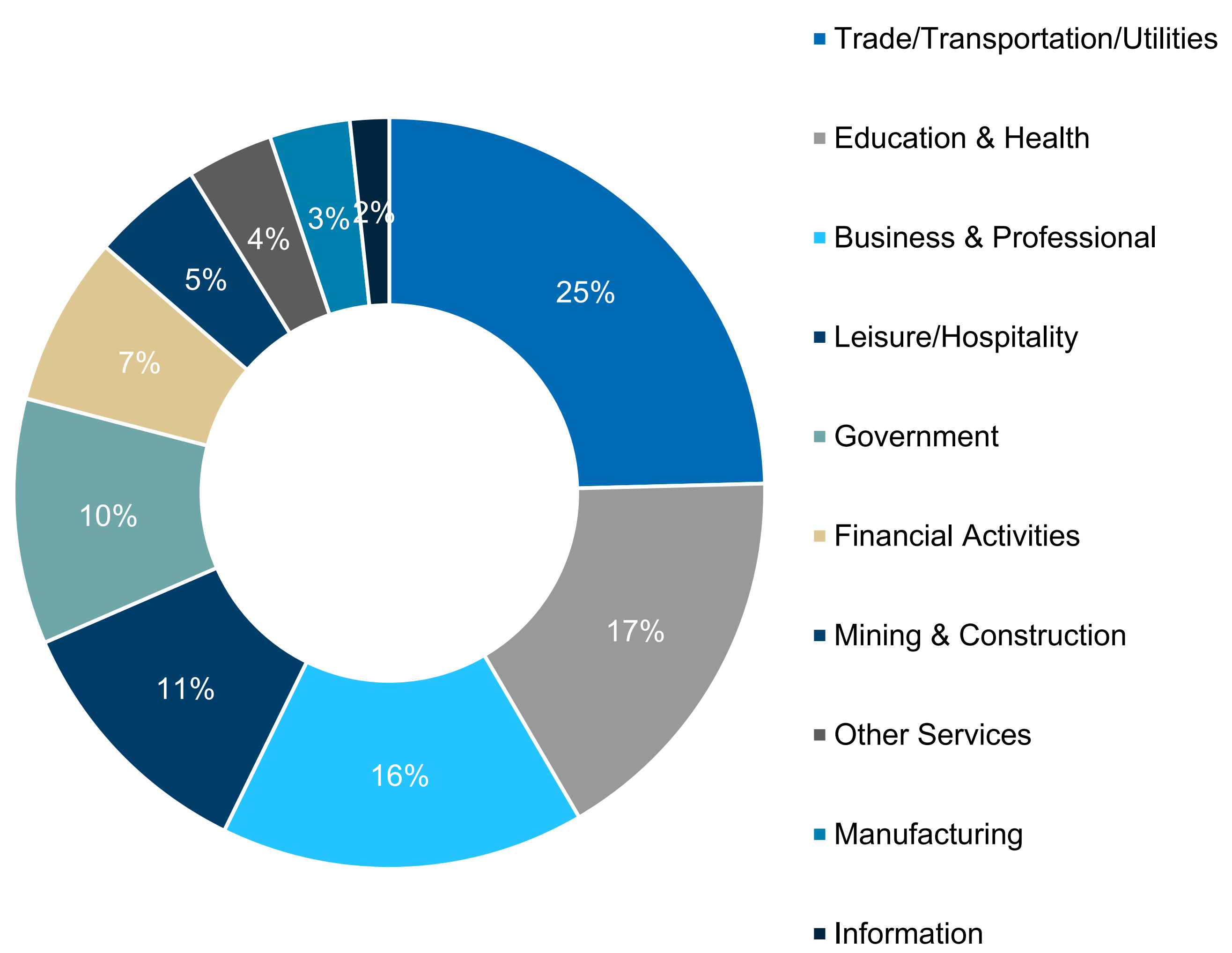


Source: U.S. Bureau of Labor Statistics, Miami-Dade County

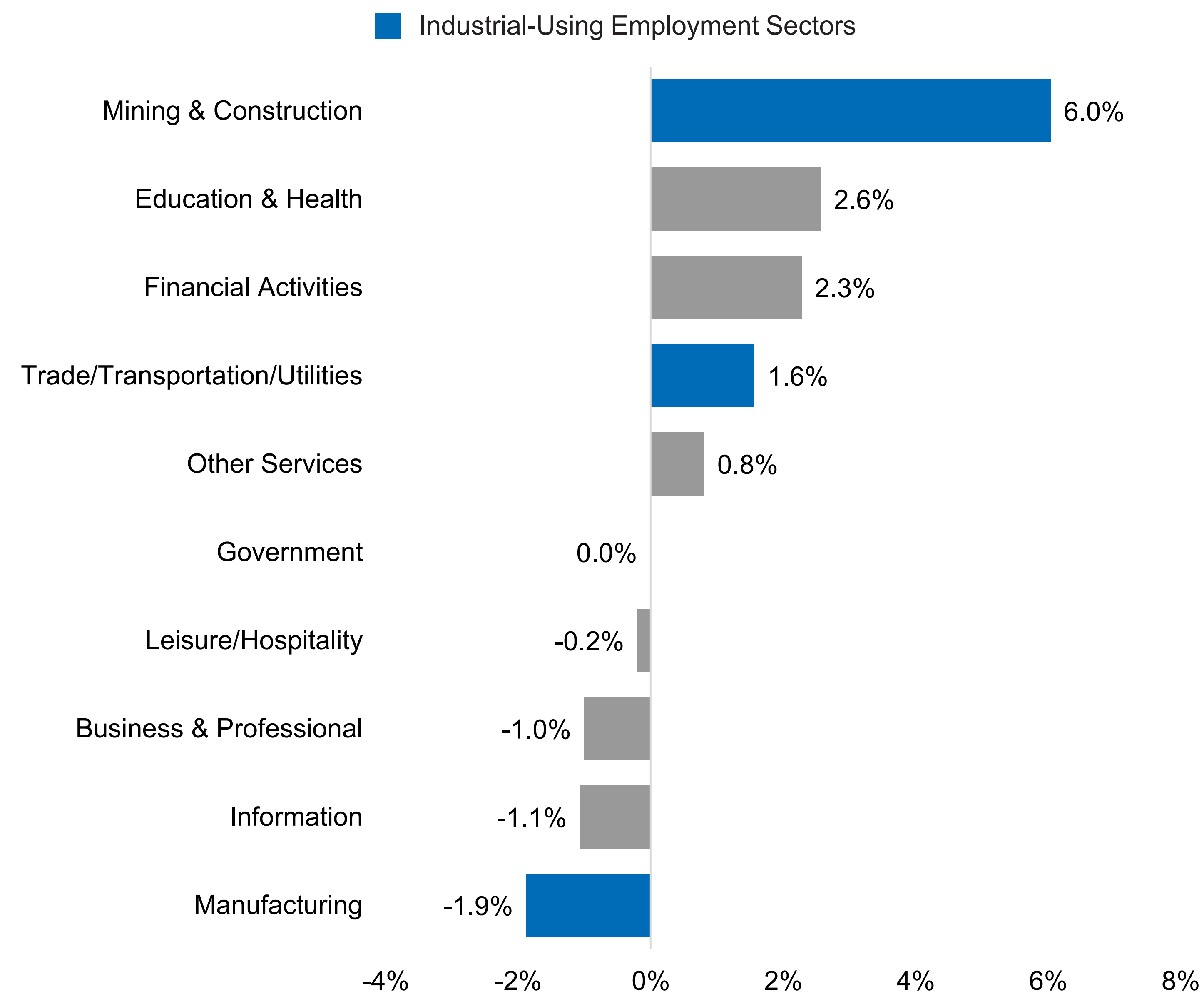
Growth is Mixed Across Industrial-Using Sectors

The Miami market exhibits strong industry diversity, with the top two sectors accounting for 41.6% of total industry employment. The trade/transportation/utilities sector–the largest overall sector–represents 24.6% of the metro's employment base. Overall job growth was mixed, with five of the 10 major sectors reporting employment increases, including two of the three industrial-using sectors. Manufacturing employment contracted 1.9% year over year, while the trade/transportation/utilities and mining and construction sectors expanded by 1.6% and 6.0%, respectively, during the same period.

Employment by Industry, August 2025



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

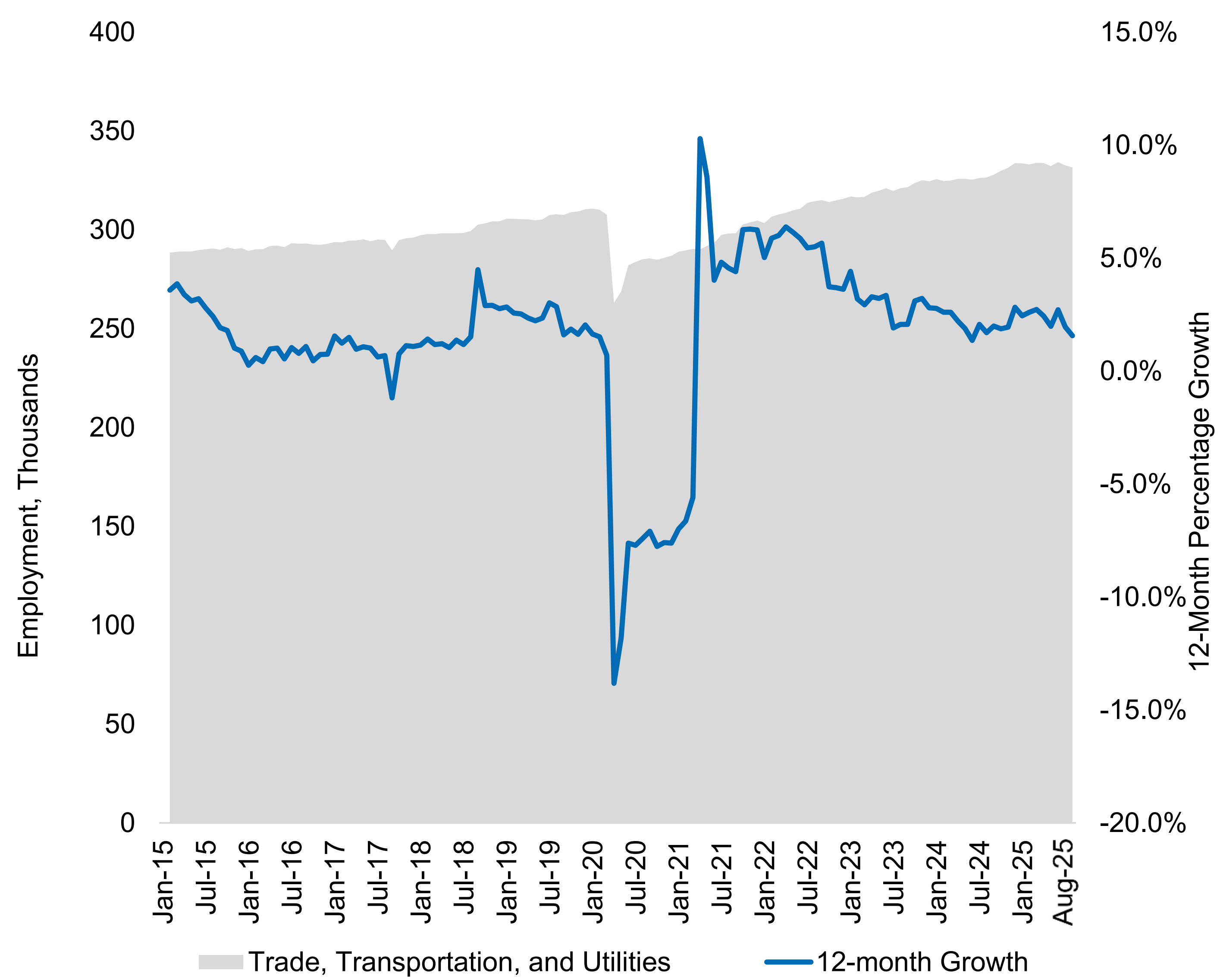


Source: U.S. Bureau of Labor Statistics, Miami-Dade County

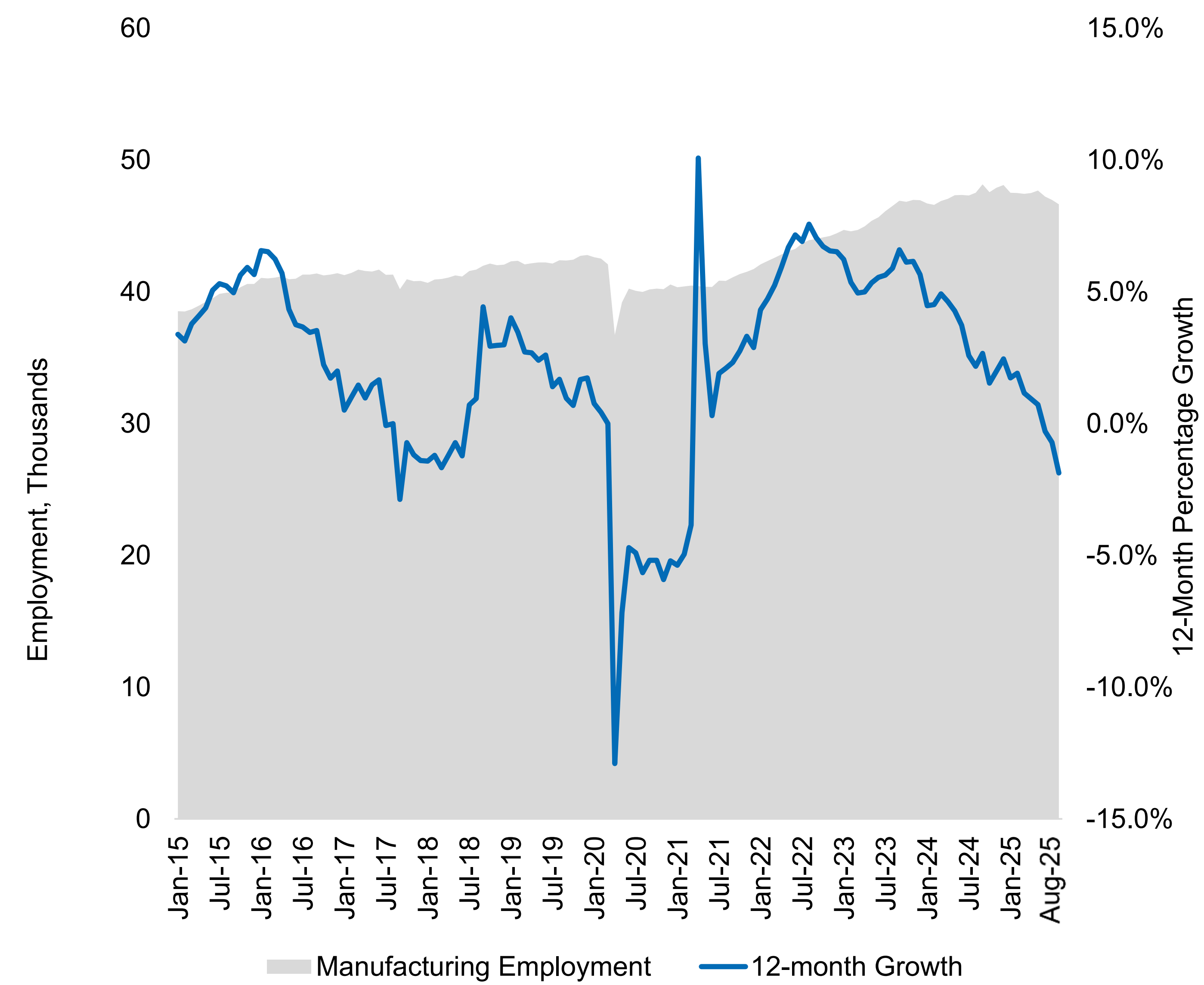
Industrial-Using Jobs Continues Steady Growth

As of August 2025, trade/transportation/utilities employment declined by 0.8% from the June 2025 peak, settling at 331,570 jobs; however, year-over-year growth remained positive at 1.6%. Manufacturing employment reached 46,630 jobs at the end of August 2025, reflecting a 1.9% year-over-year decrease and remaining 1.0% below the record high observed in September 2024. Overall industrial-using employment continues to grow despite declines in manufacturing, which represents only 3.5% of overall employment in the market.

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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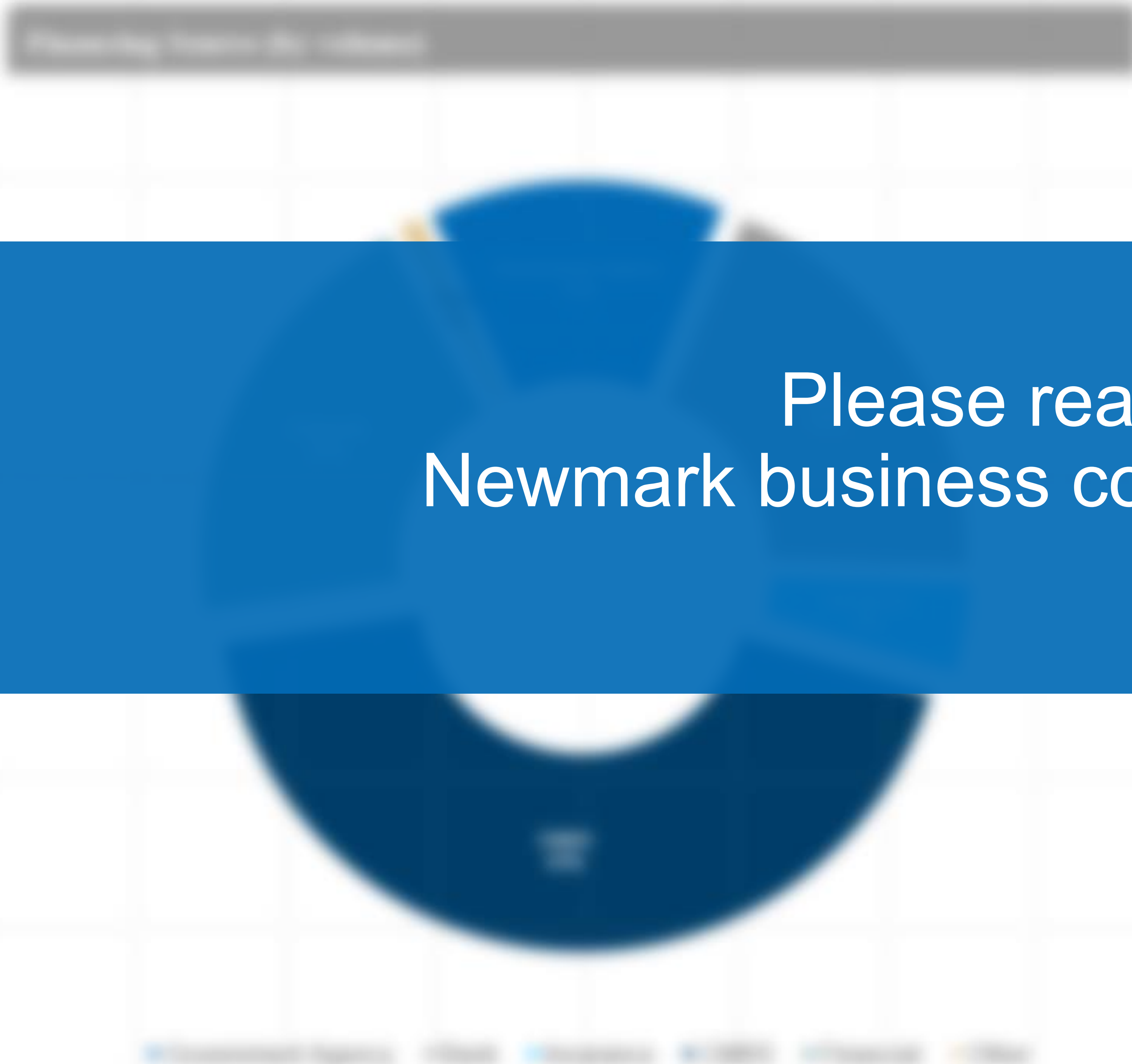
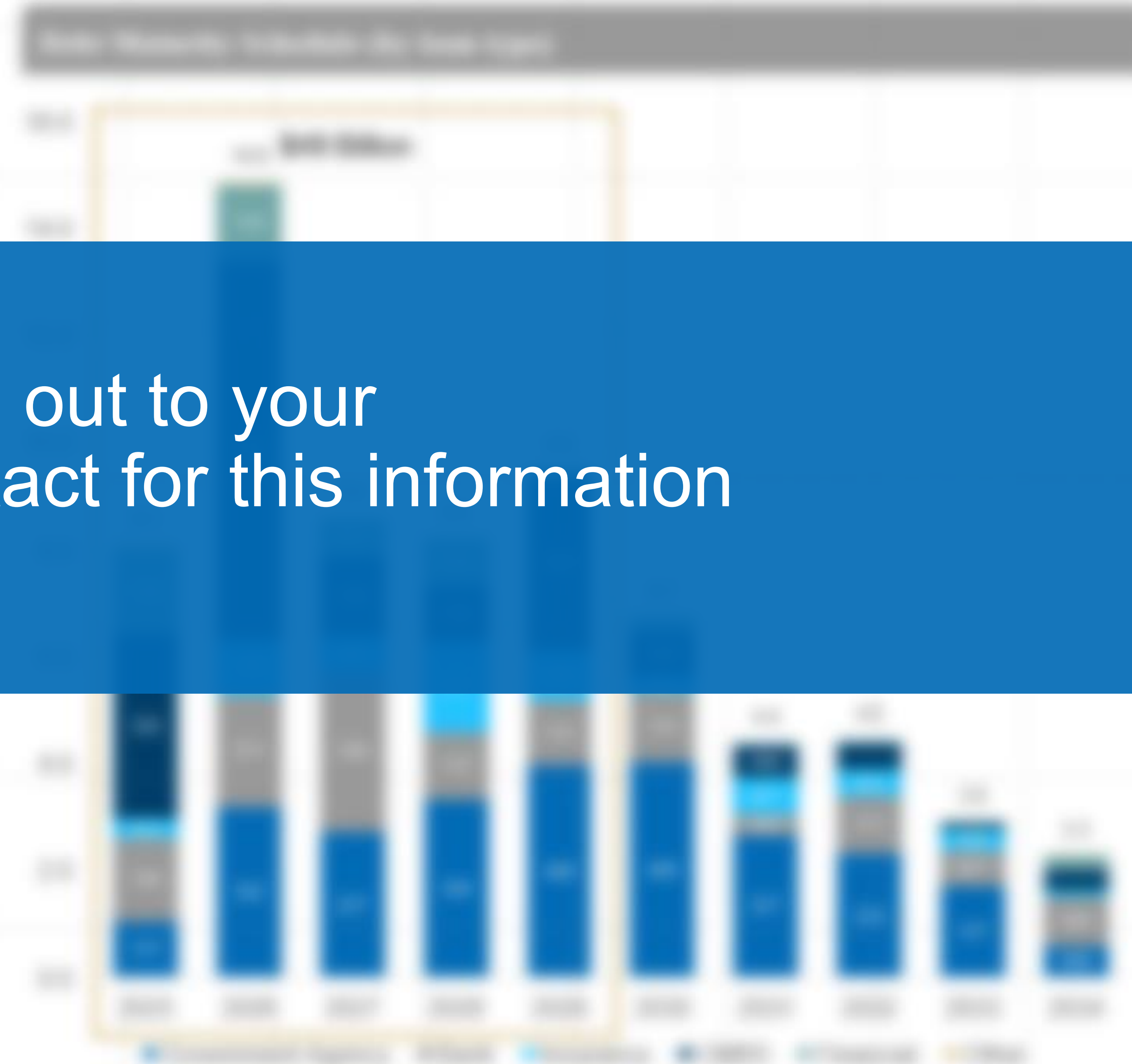
Debt/Capital Markets

Highest Loan Volume Due in 2026





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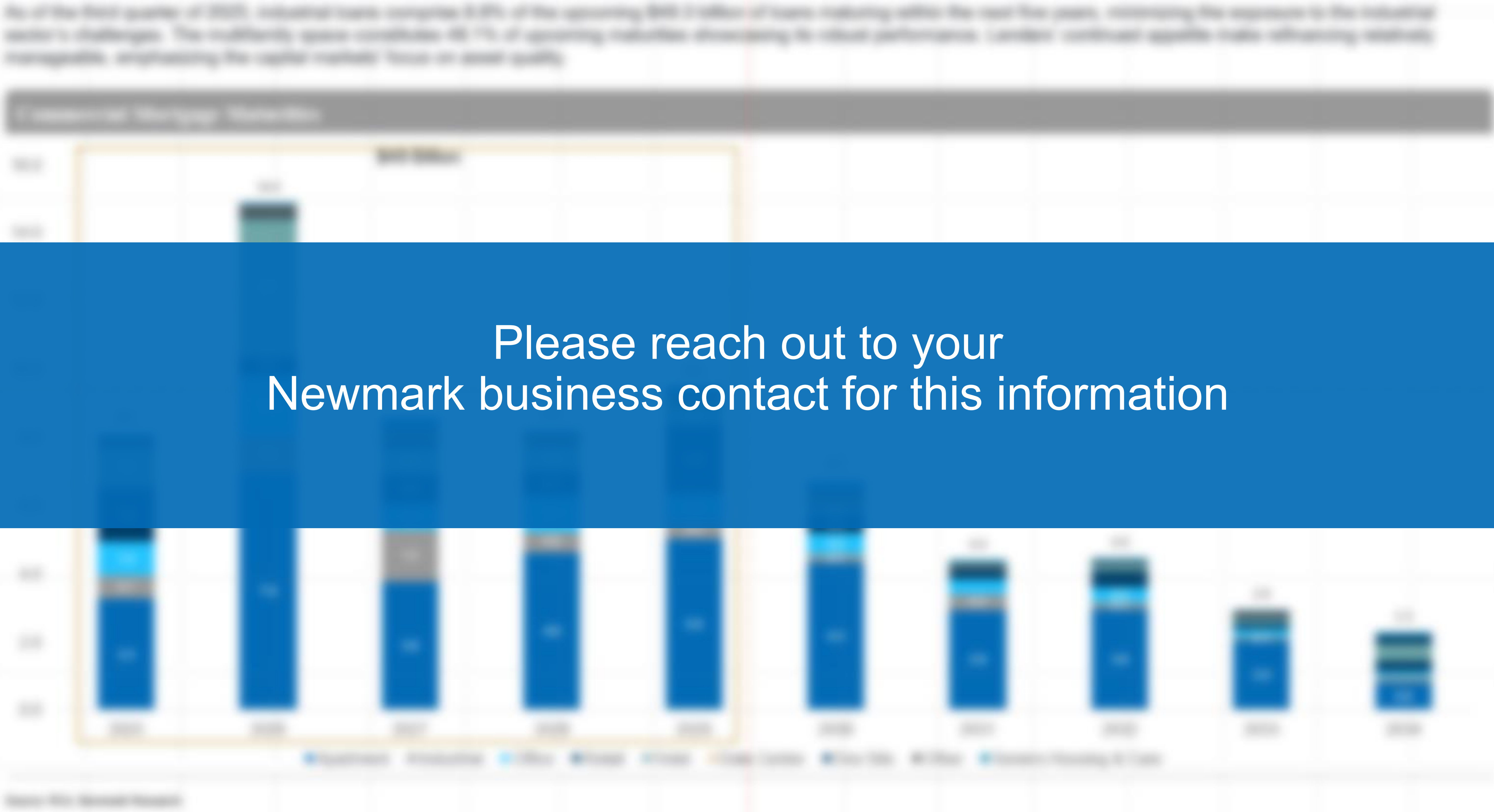
Multifamily Maturities Particularly Elevated Through 2029, Industrial Not So Much



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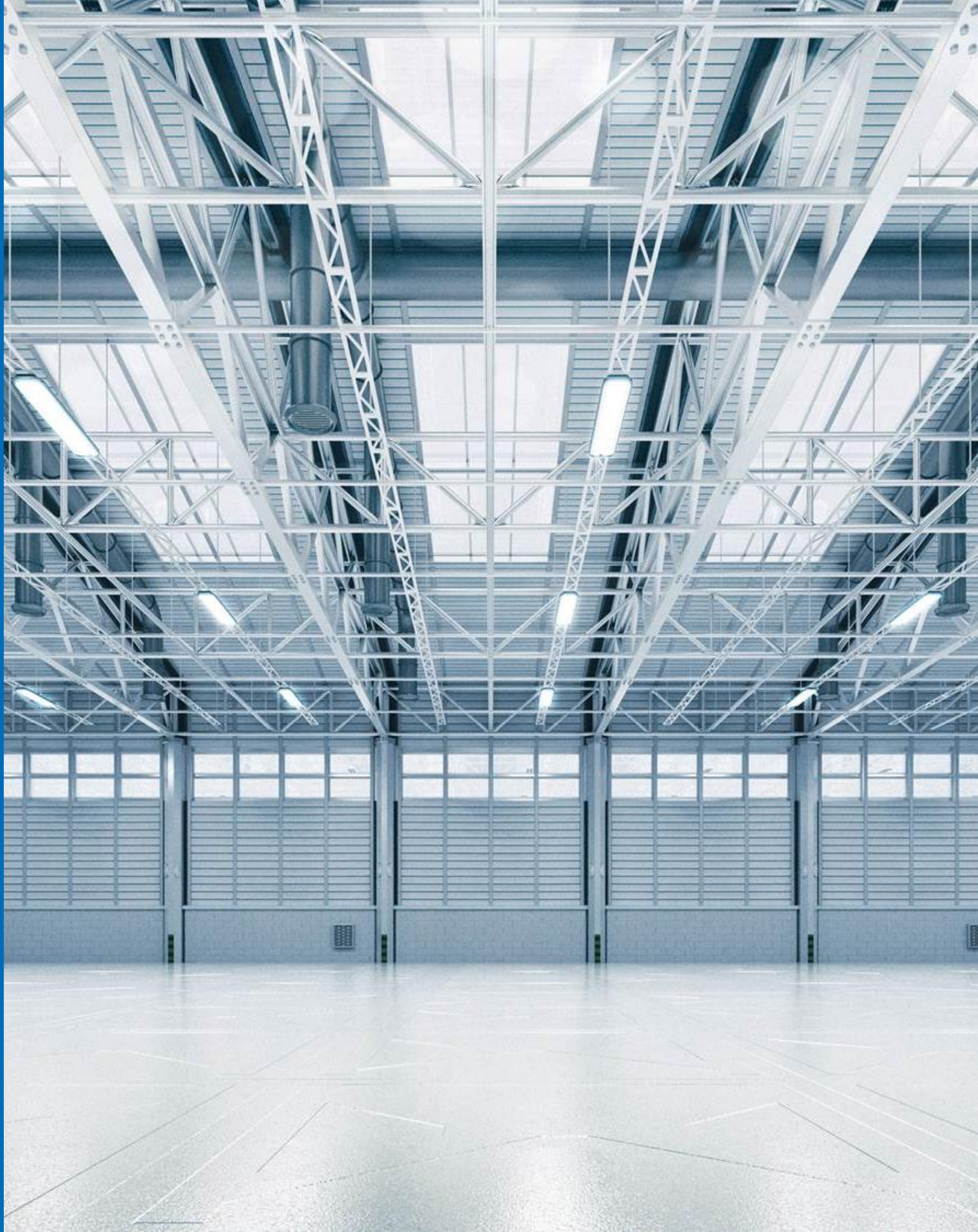
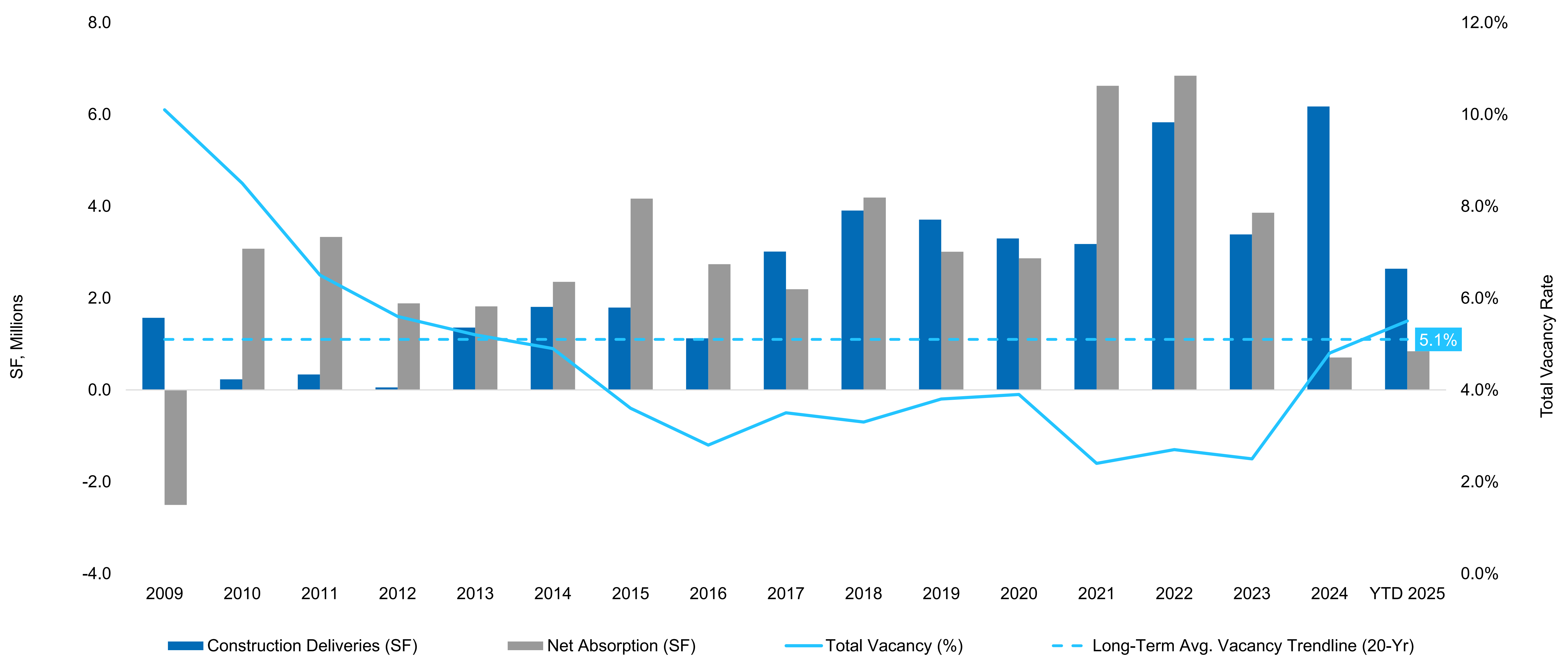
Leasing Market Fundamentals



Quarterly Demand Outpaces Supply

In the third quarter of 2025, Miami reported 627,218 SF in net absorption, which outpaced deliveries of 515,402 SF during the same period. As a result of demand outpacing supply, the vacancy rate decreased by 10 basis points quarter over quarter to 5.5%. While year-to-date net absorption represents only 88.9% of the total reported during the comparable period in 2024, it nevertheless has already surpassed last year's annual figure by 135,840 SF so far, due to negative absorption reported in the fourth quarter of 2024. Vacancy rose since December 2024 as new buildings delivered largely vacant, with preleasing averaging only 15.2% year to date.

Historical Construction Deliveries, Net Absorption, and Vacancy

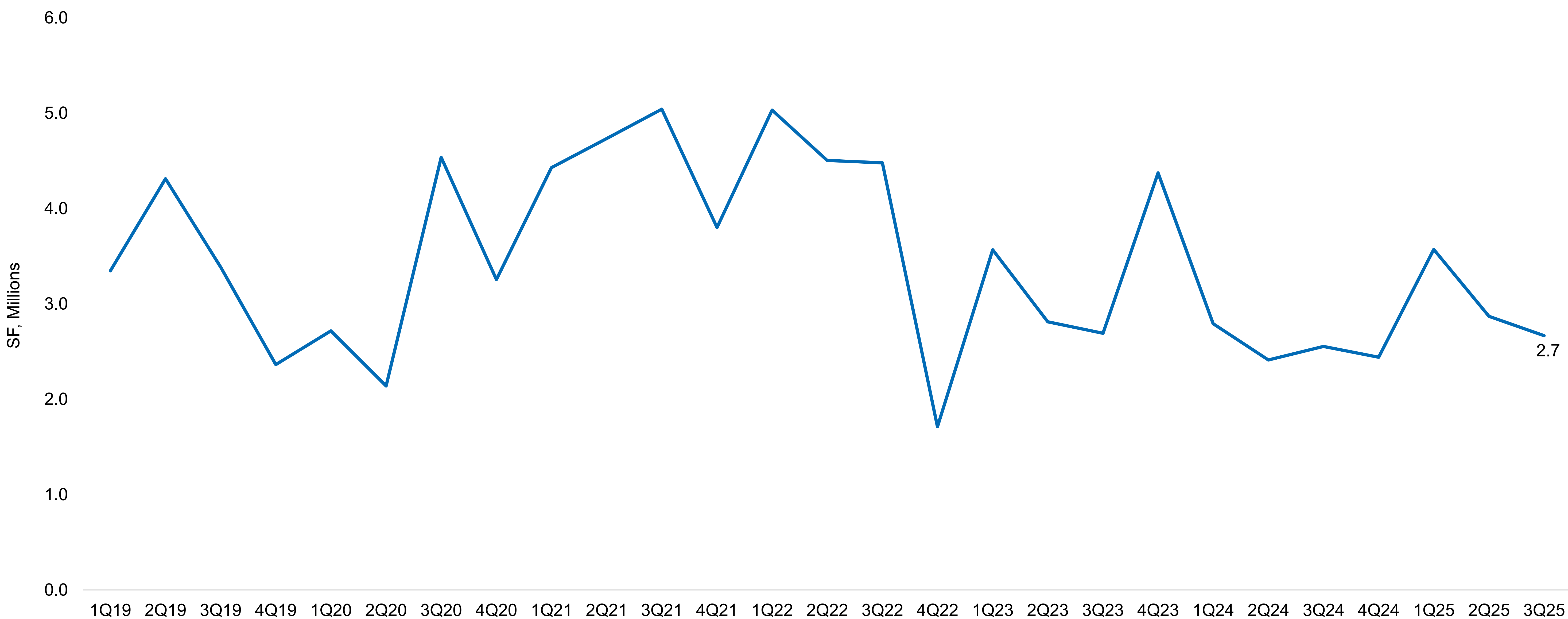


Source: Newmark Research, CoStar

Leasing Activity Dips After Recent Gains Amid Uncertainty

During the third quarter of 2025, leasing activity in Miami decreased by 7.1% quarter over quarter, with 2.7 MSF leased. Leasing activity has remained stable, increasing by only 4.5% year over year. However, leasing is up 55.8% from the 1.7 MSF trough reported in the fourth quarter of 2022.

Total Leasing Activity (SF)

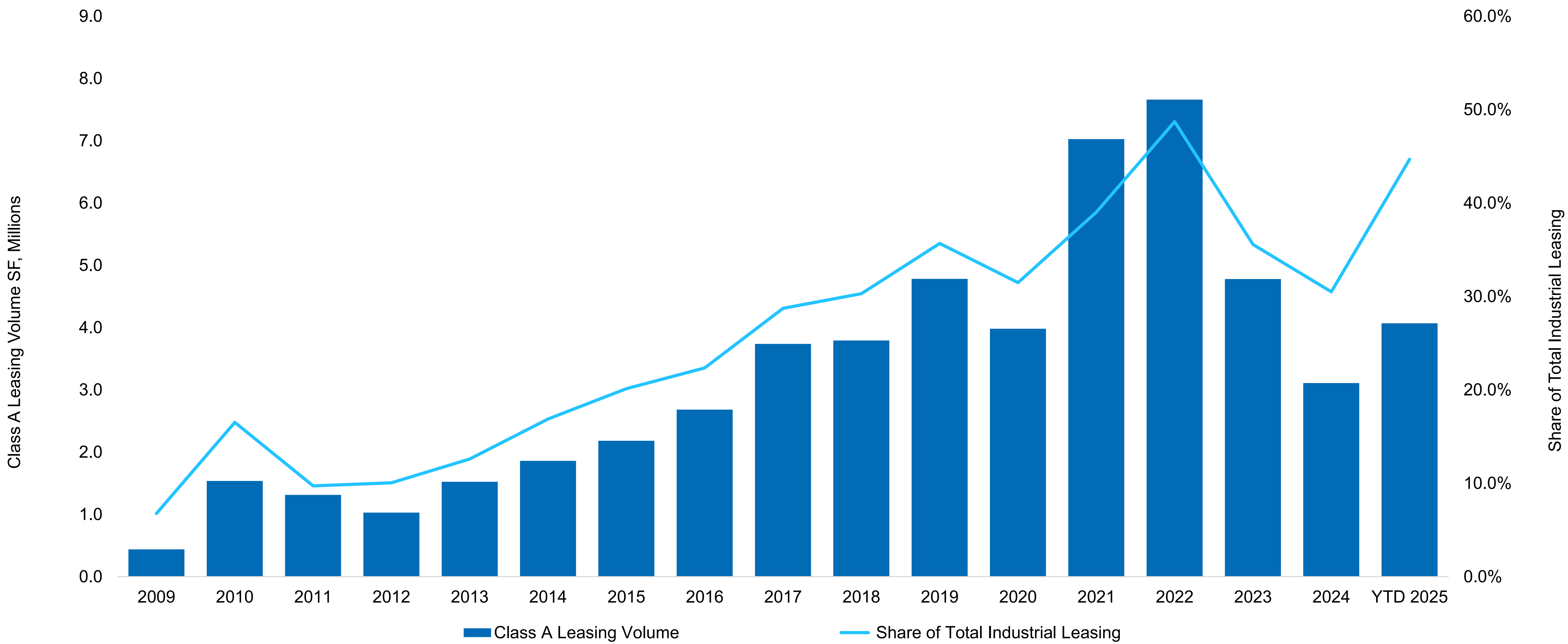


Source: Newmark Research, CoStar

Flight To Quality Drives Class A Leasing Activity

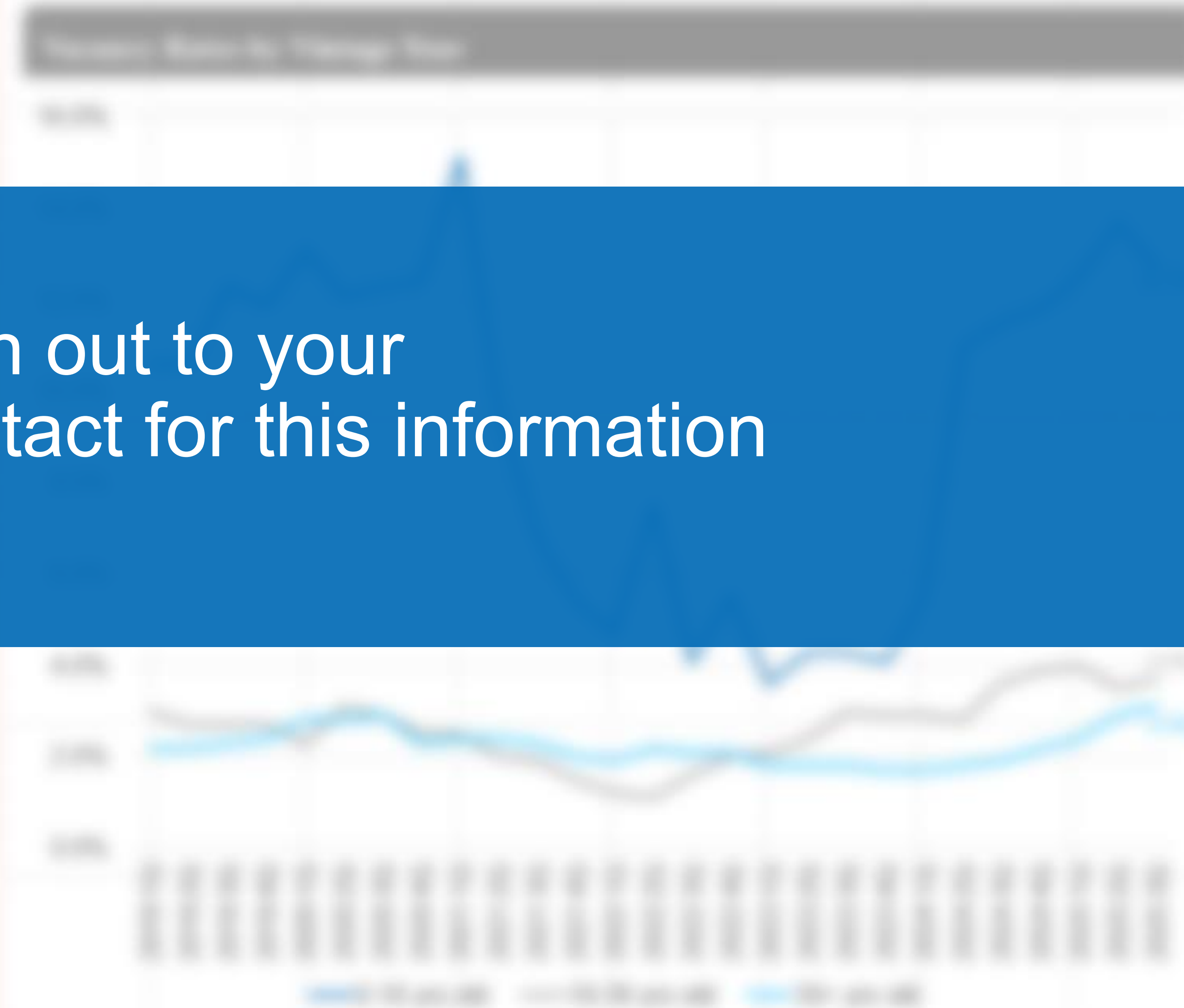
Following declines in 2023 and 2024, the Class A share of total leasing rebounded sharply in 2025. Year-to-date Class A volume accounted for 44.7% of total activity, compared to 29.2% for the same period in 2024. Class A activity so far in 2025 has already outperformed 2024 in total volume and is also above the 2008 to 2019 pre-pandemic average of 18.1%. The increase reflects a wave of post-pandemic, high-quality deliveries in which demand was most concentrated. Near term, the Class A share of leasing activity is expected to remain elevated as recently delivered projects lease up and tenants prioritize new, higher-quality spaces.

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



Source: Newmark Research, CoStar

Modern Inventory Drives Demand



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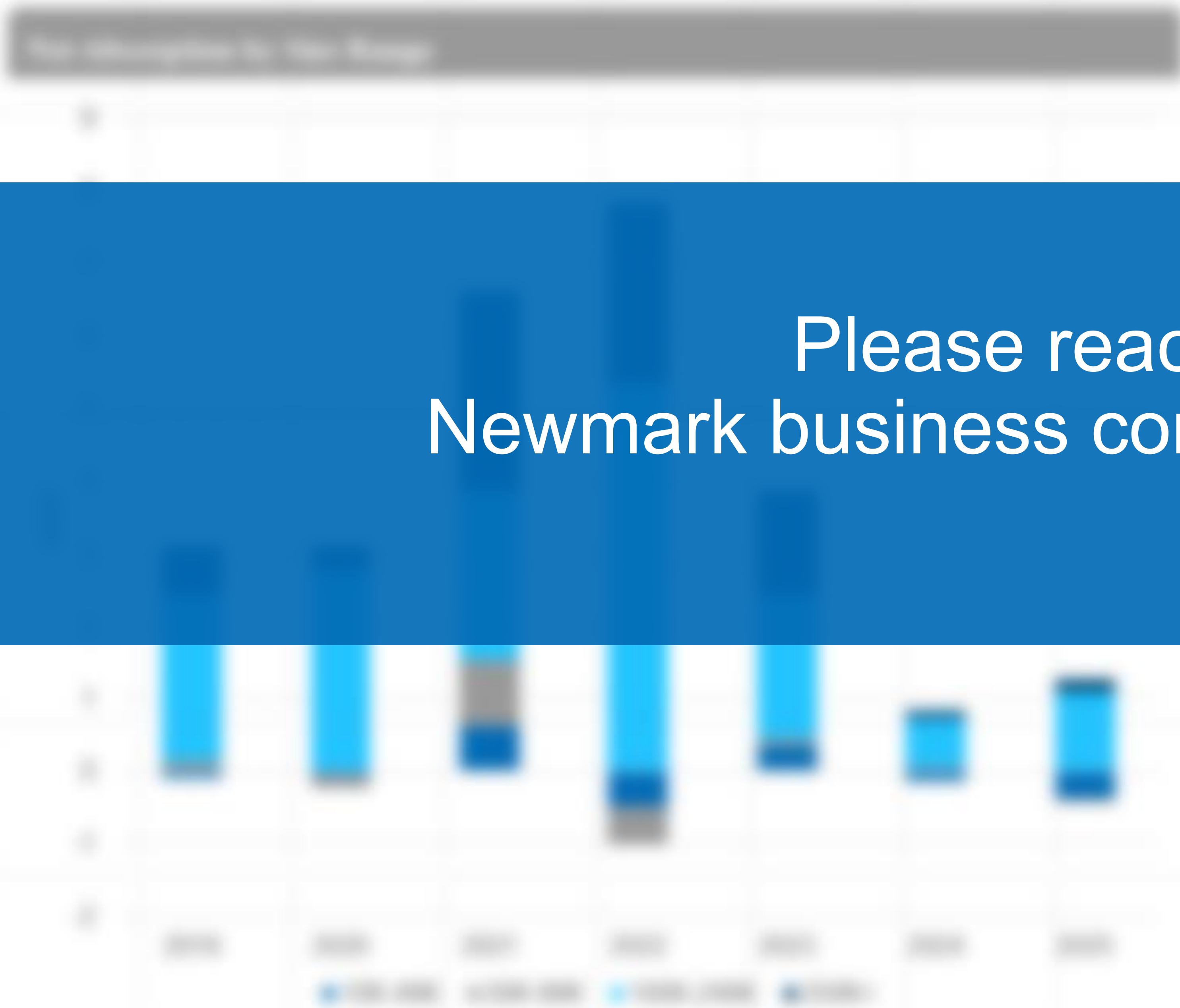
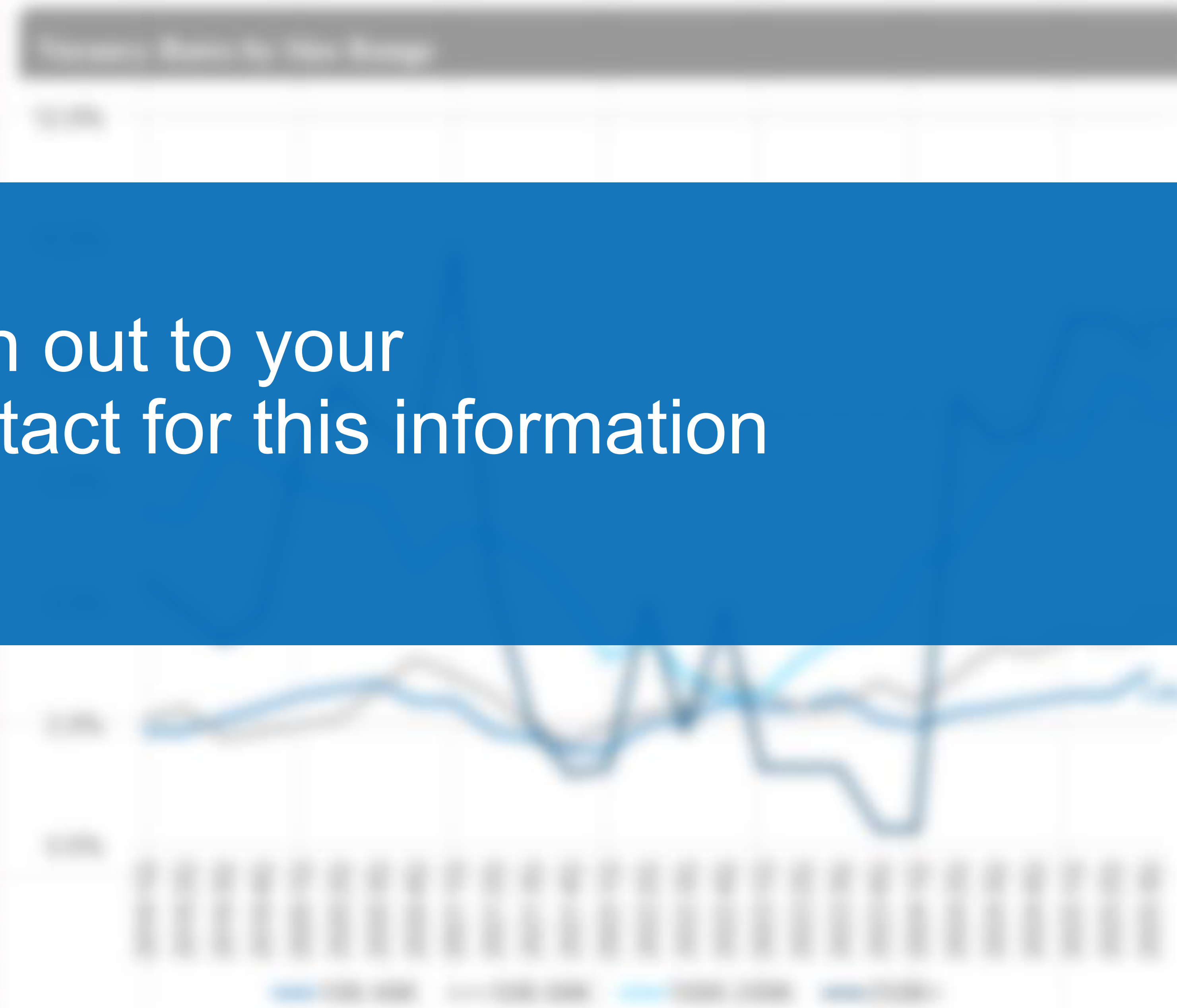
Mid-Sized Bulk Buildings Drive Absorption





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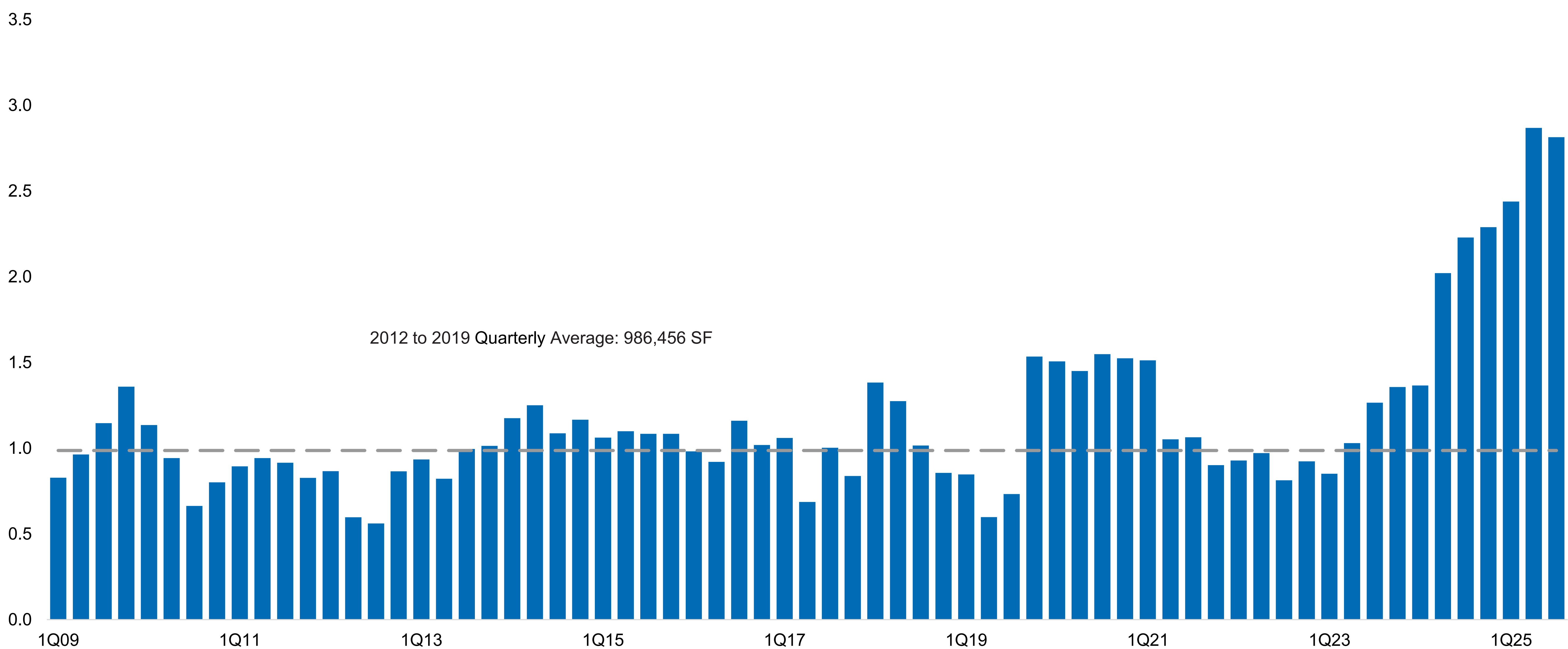
Sublease Availability Dips for First Time Since 2023

In the third quarter of 2025, sublease availability declined 1.9% quarter over quarter to 2.8 MSF, accounting for 1.2% of inventory and reversing a nine-quarter streak of increases. The pullback likely reflects the removal of expired subleases. Over 50% of the available sublease space is in lesser quality spaces.

Available Industrial Sublease Volume (msf)

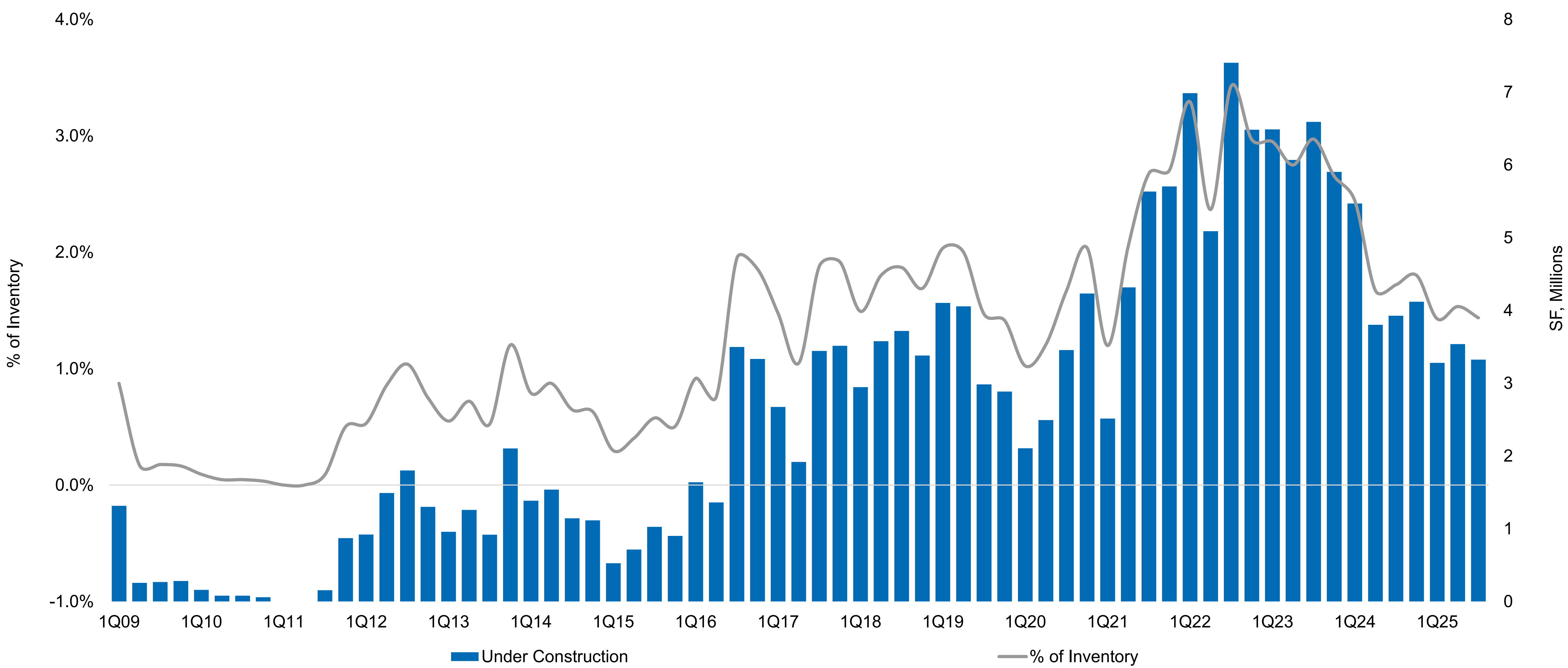


Source: Newmark Research, CoStar

Construction Pipeline Decreases as Projects Are Delivered

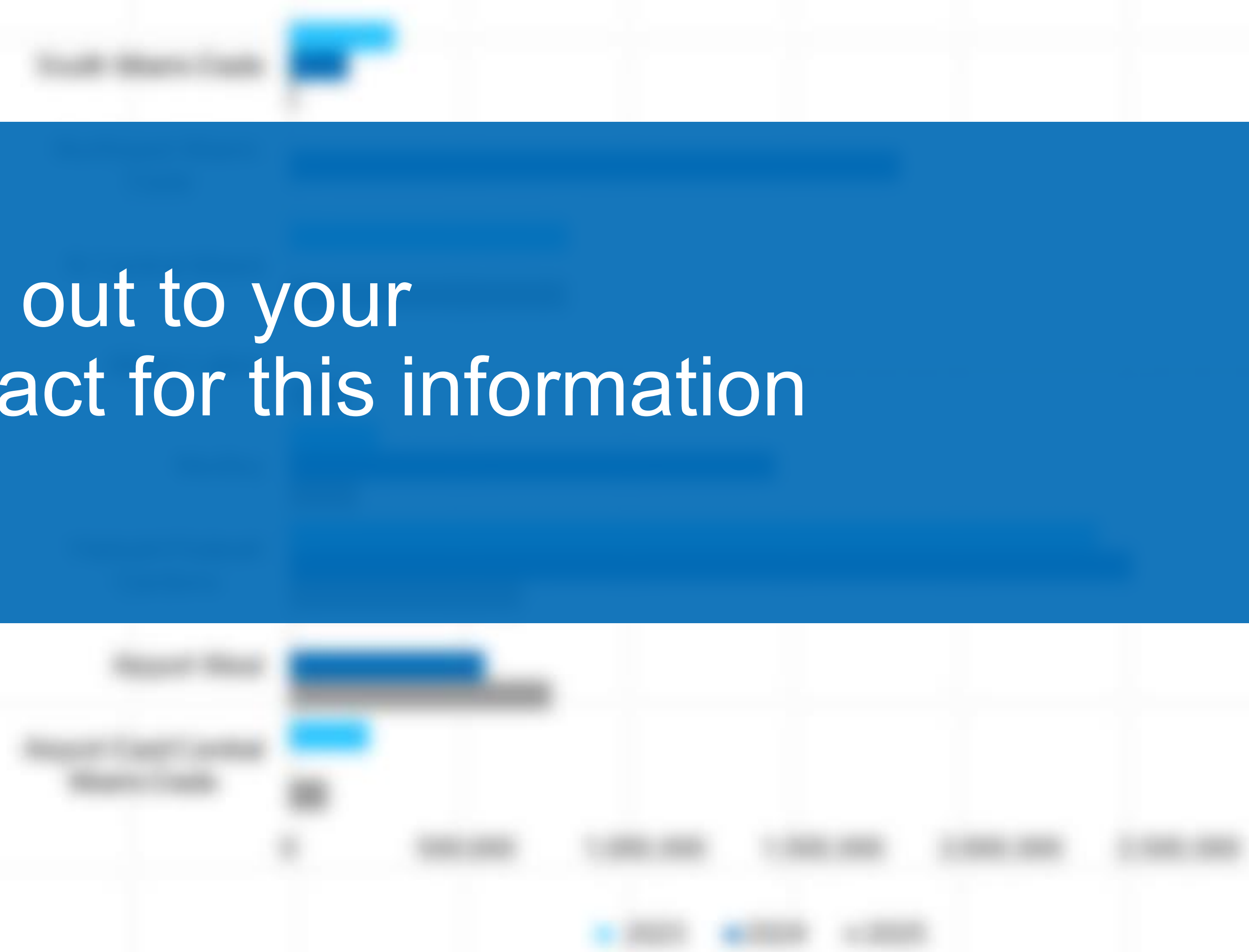
In the third quarter of 2025, the industrial construction pipeline totaled 3.3 MSF, down 6.1% quarter over quarter as Bridge Point five and six and a small warehouse in Homestead delivered this quarter, adding 515,402 SF to inventory. The pipeline has trended lower from the third-quarter 2022 peak of 7.4 MSF and will likely continue to trend lower as an additional 1.6 MSF is slated to deliver by year-end 2025, including two buildings at Homestead Park of Commerce and the fully pre-leased Countyline 34. Near term, deliveries are expected to outpace new starts, keeping under-construction volumes constrained.

Industrial Under Construction and % of Inventory



Source: Newmark Research, CoStar

Construction Activity Remains Centered in Airport West



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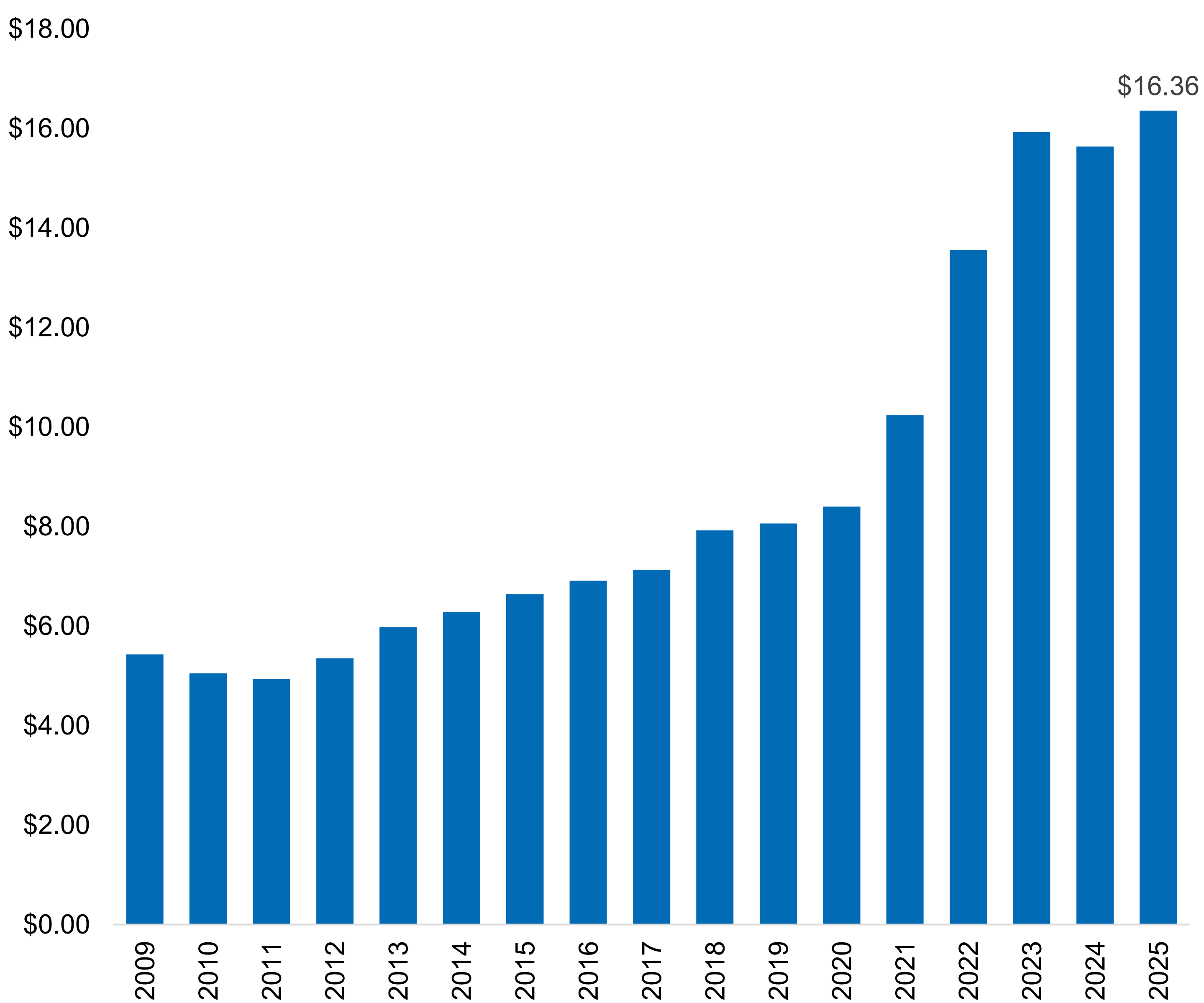
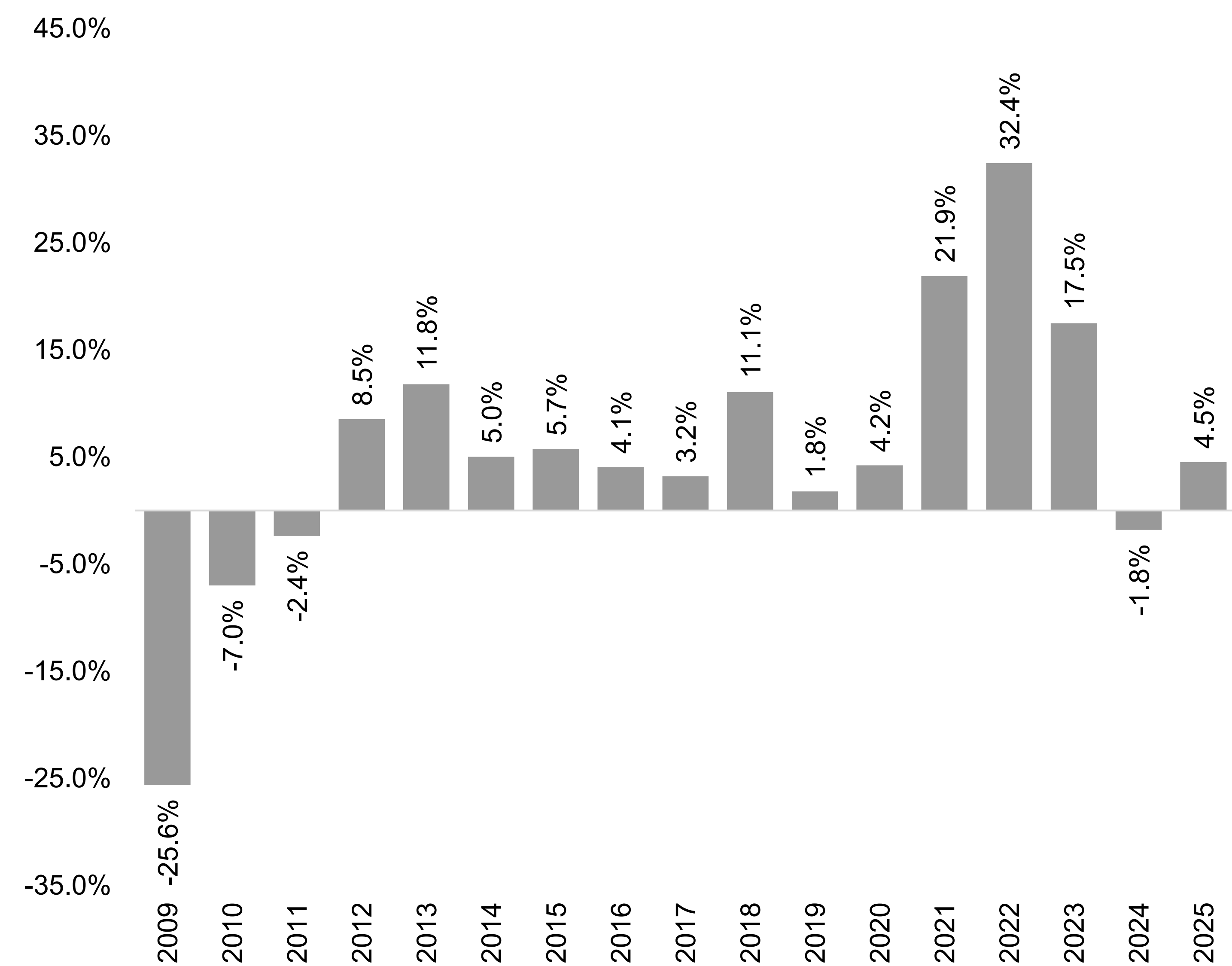
Asking Rents Reach New Record High

Industrial asking rents have rebounded 4.8% quarter over quarter and 4.5% year over year to $16.36/SF, setting a new all-time high in the third quarter of 2025. Asking rents are 2.7% higher than the previous high recorded in the fourth quarter of 2023. Rent growth can be mainly attributed to the delivery of new, higher-quality spaces, a trend that is expected to continue in the near-term.

Industrial Average Asking Rent, $/SF, NNN



Year-over-Year Asking Rent Growth Rate % Change



Source: Newmark Research, CoStar

Notable 3Q25 Lease Transactions

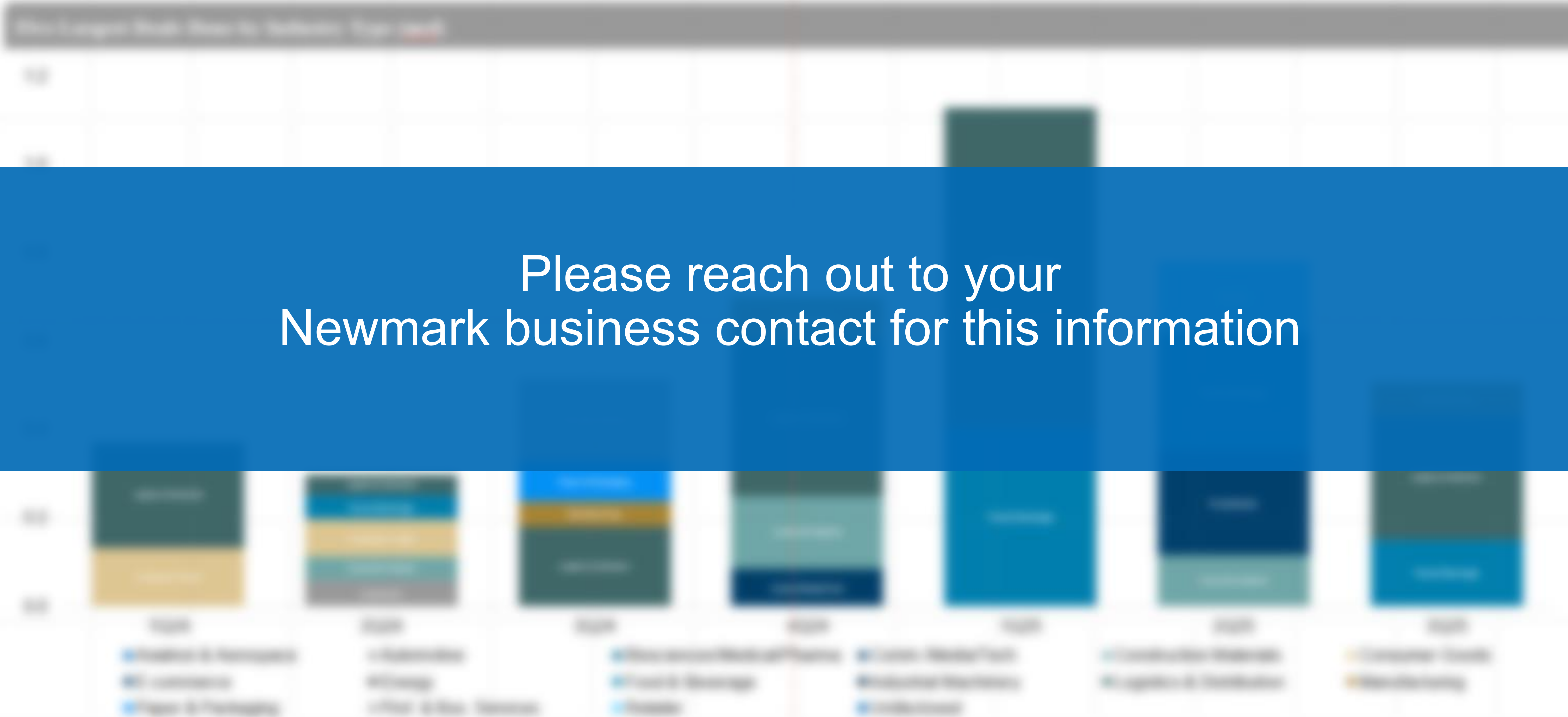
In the third quarter of 2025, the number of deals inked remained flat quarter over quarter and deal size decreased slightly, leading to a 7.1% dip in leasing volume of 2.7 MSF. So far this year, Class A space accounted for 44.7% of total leasing volume. Of the 10 largest transactions this quarter, six were new leases and four were renewals, indicating a mix of expansion and relocation activity as well as tenant retention. Near term, demand is expected to remain concentrated in higher-quality product, with new leases continuing to represent the majority share of activity as new supply becomes available.

Notable Lease Transactions

Tenant	Building	Submarket	Type	Square Feet
The American Bottling Company	Carrie Meek International Business Park IV - Building 1	North Central Miami	New Lease	150,600
The bottling arm of Keurig Dr. Pepper has leased 77.7% of a newly delivered building in Phase Four of Carrie Meek International Business Park.				
Amcar Freight	Countyline Corporate Park #5	Hialeah/ Hialeah Gardens	New Lease	126,101
The Miami based logistics company has secured half of building five at Countyline Corporate Park.				
Vista Color Corp	1401 NW 78 Ave	Airport West	Renewal	75,000
The packaging company renewed the space they have occupied since 2013. The building offers an unusual 75% to 25% industrial-to-office split.				
Seko Logistics	Prologis Miami International Trade port 2	Medley	New Lease	68,289
The global logistics firm inked a deal securing 46.2% of the building, where it will join other logistics firms like TLA Logistics.				
USG Corporation	3001 NW125th St	North Central Miami	Renewal	65,000
Building material manufacturer USG Corporation has renewed their full-building lease. They have been a tenant at this location since October 2010.				

Source: Newmark Research

Top Five Largest Deals Done by Industry Type



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Miami-Dade County Industrial Submarket Overview

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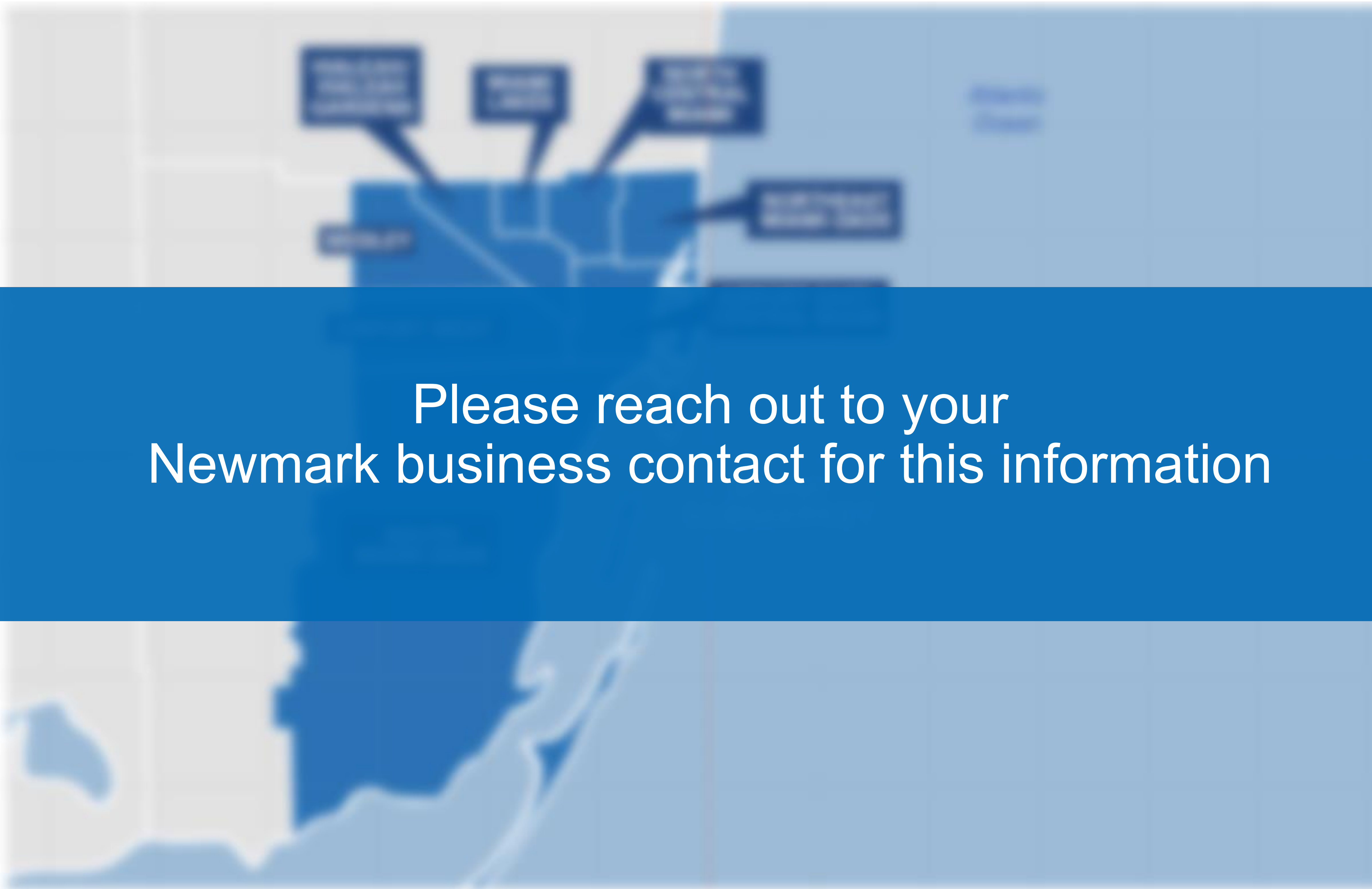
Miami-Dade County Industrial Submarket Map



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Miami Industrial Market

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3Q25 South Florida Industrial Market Overview

  

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Newmark has implemented a proprietary database and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents. Newmark Research Reports are available at nmrk.com/insights.

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