NEWMARK

Market Overview

Miami-Dade County Industrial

4Q25

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Market Observations

Economy

- The region's unemployment rate increased by 10 basis points year over year to 2.6%, as growth is split across several sectors
- The pace of job growth has slowed compared with recent highs, decreasing by 183 basis points year over year. Employment growth dipped below the national average of 0.8% to 0.5%.
- Year-over-year growth ranged from a 1.9% contraction in manufacturing to a 4.6% expansion in the mining and construction sector.
- Employment growth across industrial-oriented sectors was generally positive, though manufacturing contracted by 1.9% year over year. Trade/transportation/utilities expanded by 1.6% year over year, while mining and construction posted stronger growth of 4.6% over the same period.

Leasing Market Fundamentals

- The market realized 334,170 SF of positive absorption in the fourth quarter of 2025, bringing total absorption for the year to 1.6 MSF.
- Overall rental rates slipped by 1.2% quarter over quarter but rose 3.3% year over year to $16.28/SF.
- Construction deliveries totaled 3.9 MSF for 2025, with another 2.7 MSF of ongoing and newly-started projects underway, which are currently 11.8% preleased.
- As a result of deliveries outpacing occupancy in 2025, the vacancy rate increased by 40 basis points year over year to 5.2%.

Major Transactions

- PepsiCo signed the largest deal of the quarter by securing 794,230 SF at Bridge Point Commerce Center, significantly expanding their presence in Miami.
- New leases accounted for six of the top ten deals this quarter, highlighting the role of new demand in supporting occupancy gains.
- The Airport West submarket accounted for three of the top ten leases in the fourth quarter. The Hialeah/Hialeah Gardens and Medley submarkets followed with two deals each, while the North Central Dade, Hialeah East, and Miami Lakes submarkets each contributed one top-ten transaction.
- Four of the ten largest deals were signed by food and beverage companies.

Outlook

- The Miami industrial market is expected to see a steady influx of new supply in the near term, with 1.2% of the current market's inventory under construction and approximately 2.7 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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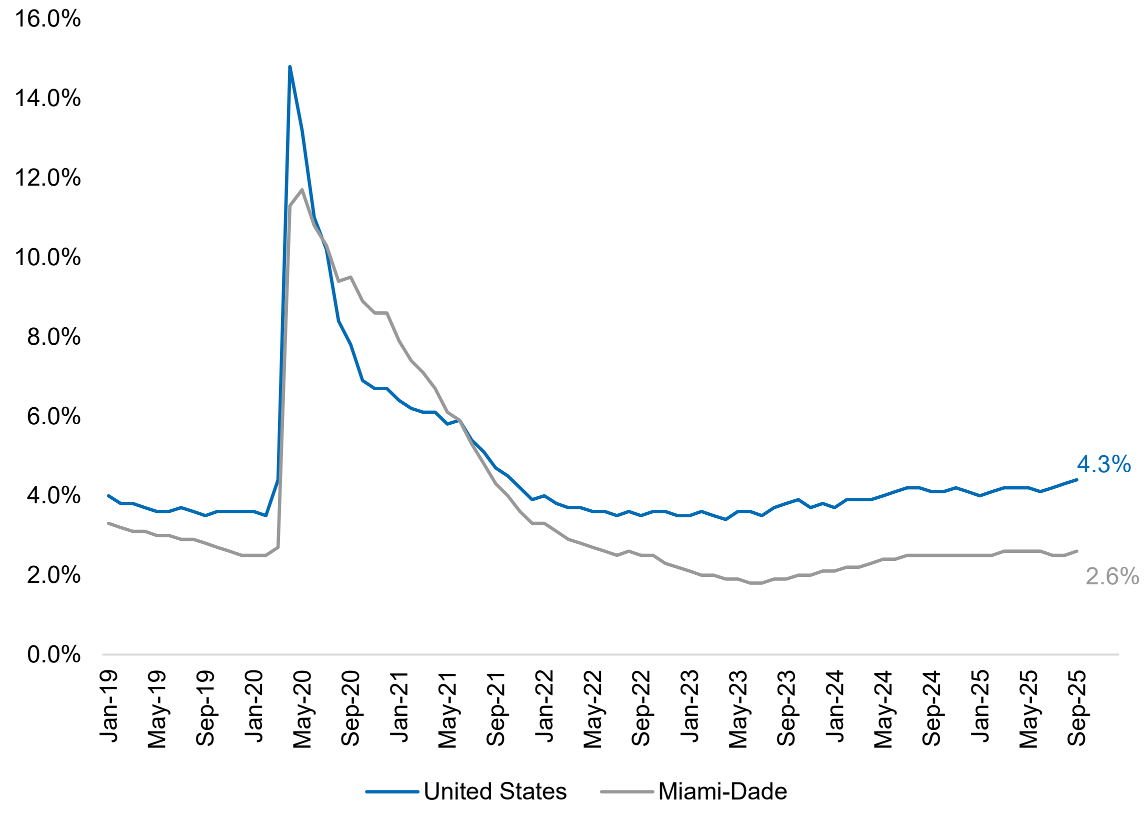
Economy

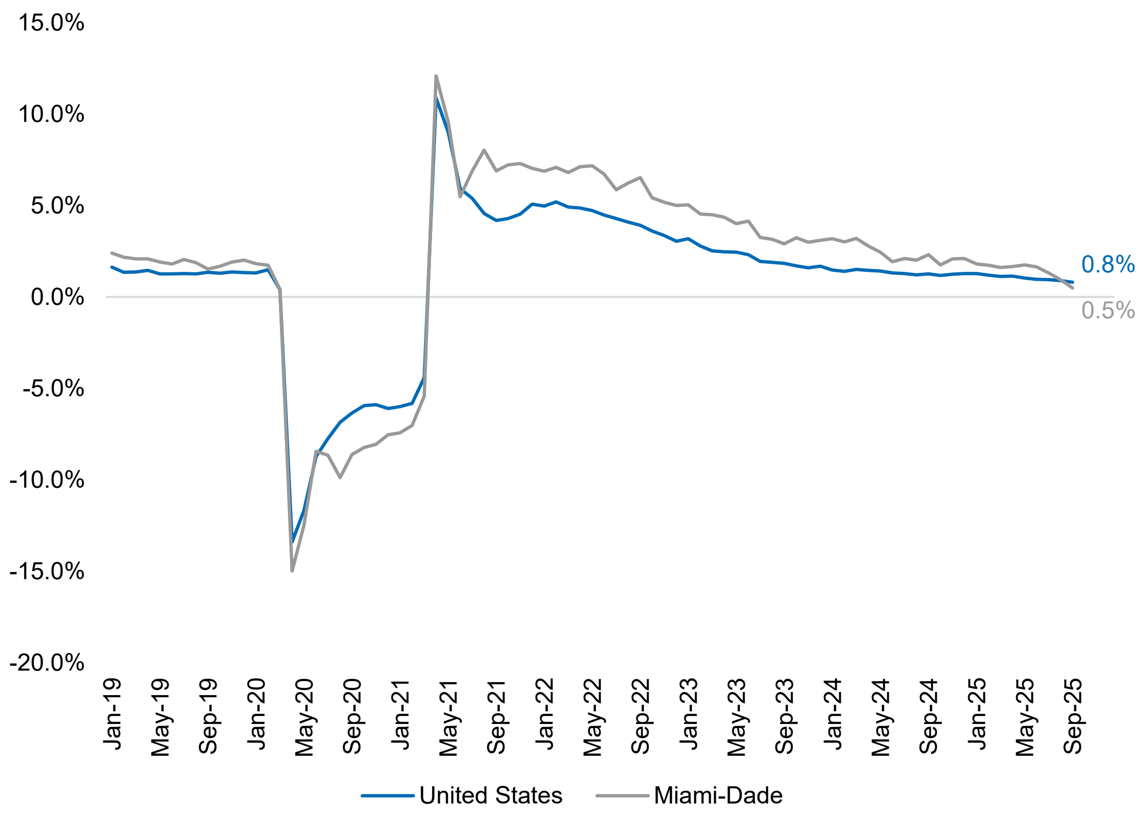
Pace of Job Growth Decelerates Below National Average, Unemployment Ticks Up

The Miami-Dade County office market has historically benefited from an unemployment rate that trends below the national average, reflecting its role as an outperformer in employment growth despite a recent slowdown. The region's unemployment rate recently increased by 10 basis points year over year to 2.6% as sector-level performance has become more uneven. Over the same period, Miami-Dade's employment growth rate decelerated by 183 basis points year over year and by 115 basis points between June and September 2025, settling at 0.5%, or 32 basis points below the national average growth rate.

Unemployment Rate, Seasonally Adjusted



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

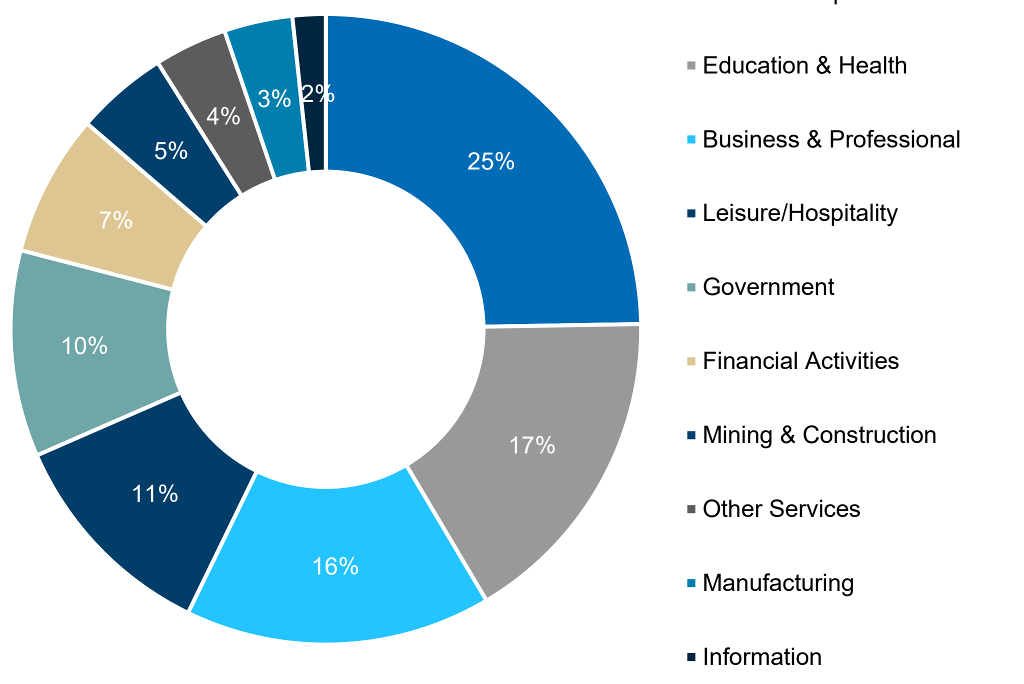


Source: U.S. Bureau of Labor Statistics, Miami-Dade County

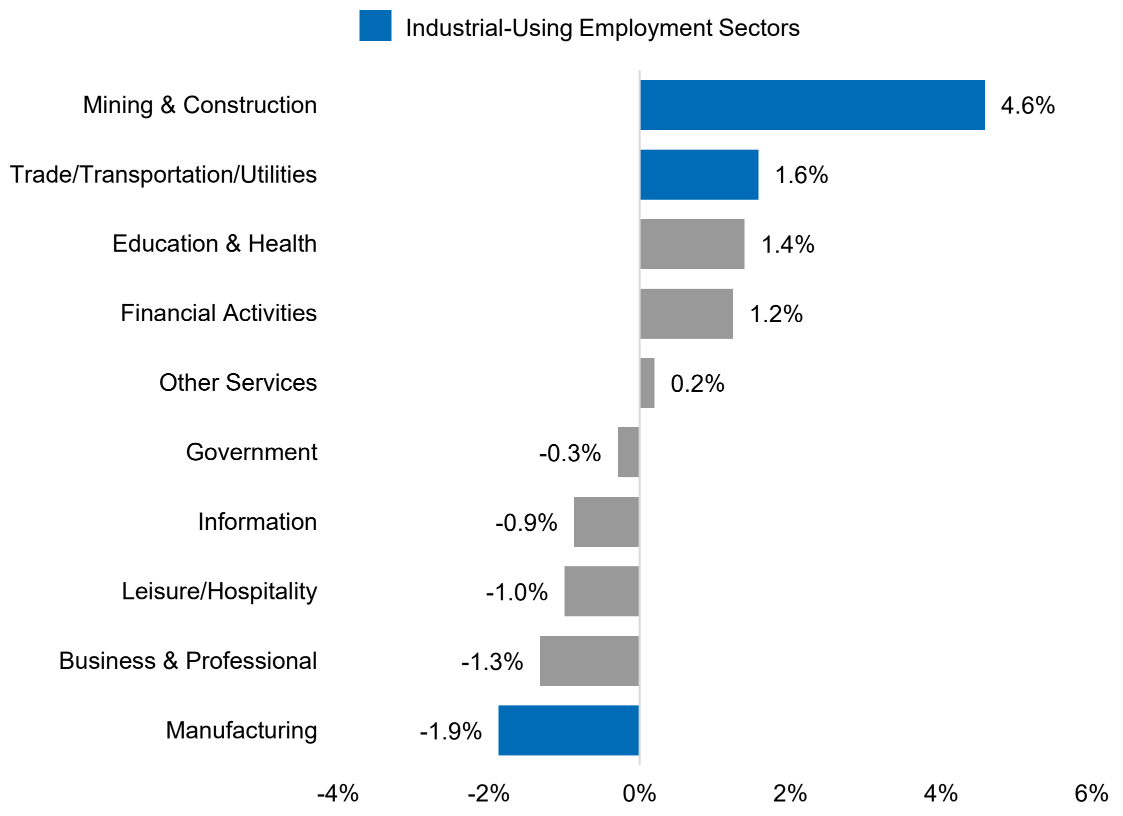
Industrial-Using Sectors' Growth Remains Positive Despite Manufacturing's Contraction

Miami-Dade County's two largest employment sectors—trade/transportation/utilities and education and health—account for 41.5% of total jobs, with trade/transportation/utilities alone representing 24.7%. Growth over the past year was led by the mining and construction sector, which expanded 4.6% year over year, followed by trade/transportation/utilities at 1.6%. Year-over-year performance across industrial-using sectors was positive overall, despite a 1.9% contraction in manufacturing employment.

Employment by Industry, September 2025



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

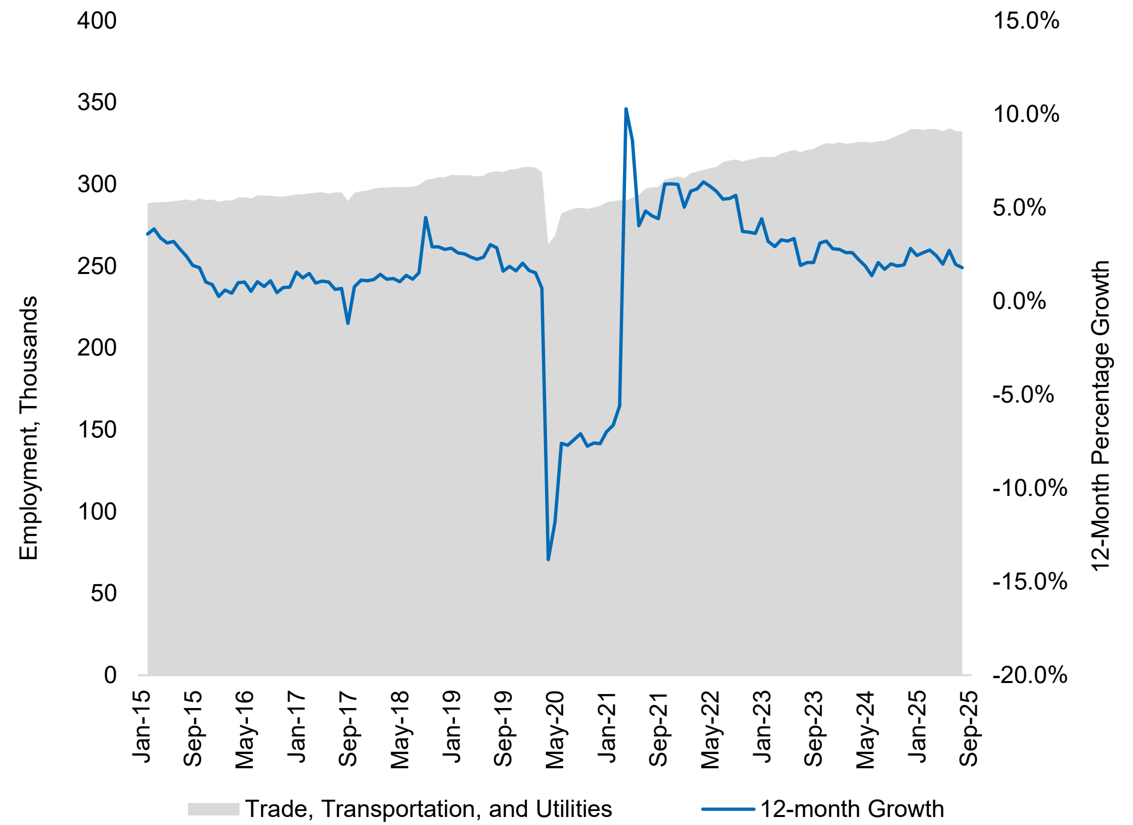


Source: U.S. Bureau of Labor Statistics, Miami-Dade County

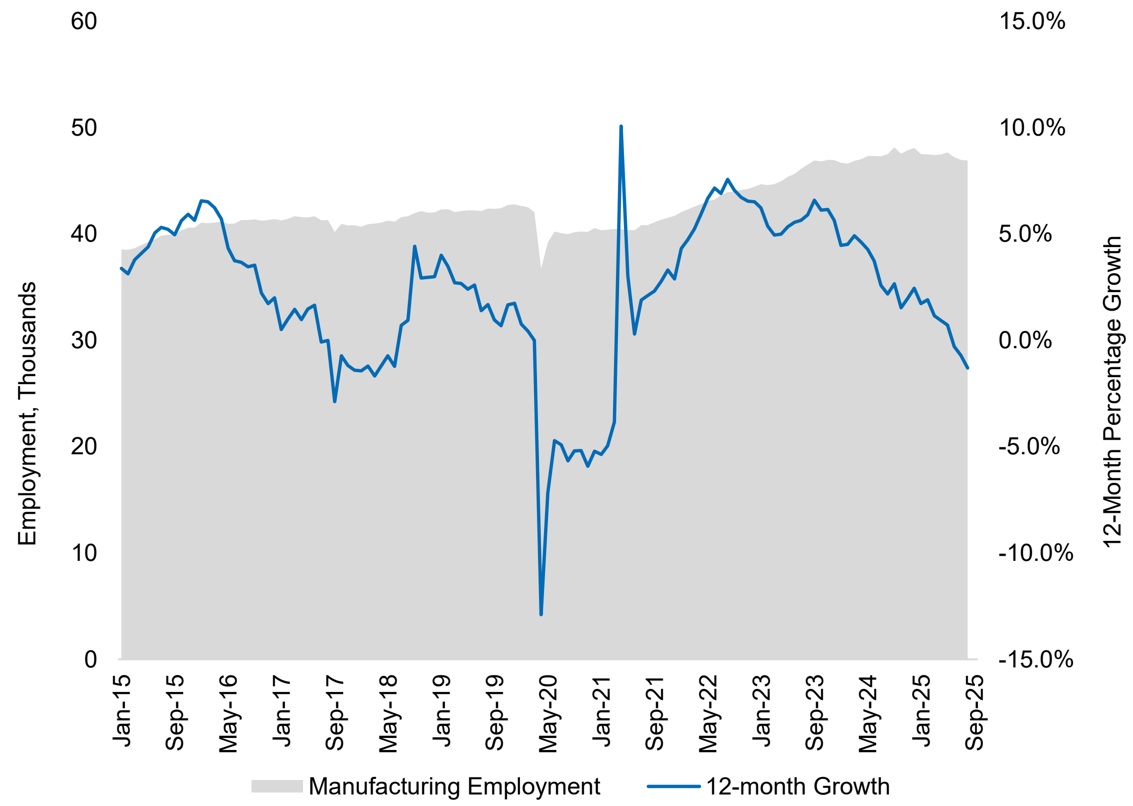
Trade Employment Increases as Manufacturing Jobs Continue to Contract

As of September 2025, trade/transportation/utilities employment increased by 1.6% year over year to 333,120 jobs, remaining just 0.3% below the cycle peak of 334,250 jobs recorded in June of 2025. Manufacturing employment totaled 47,250 jobs at quarter-end, down 1.9% year over year but only modestly below the sector's September 2024 peak. Despite this pullback, overall industrial-using employment continues to expand, as manufacturing accounts for just 3.5% of total employment in the market.

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

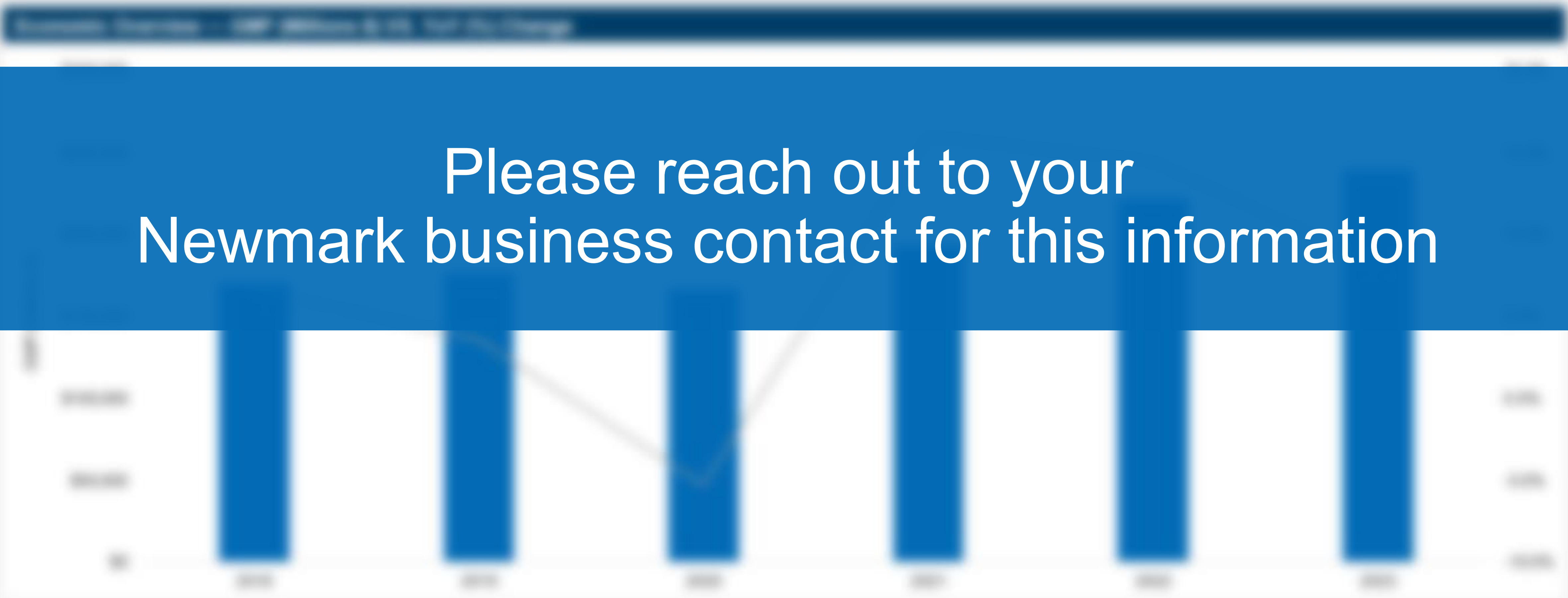


Total Employment and 12-Month Growth Rate, Manufacturing



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

Miami Gross Metropolitan Product



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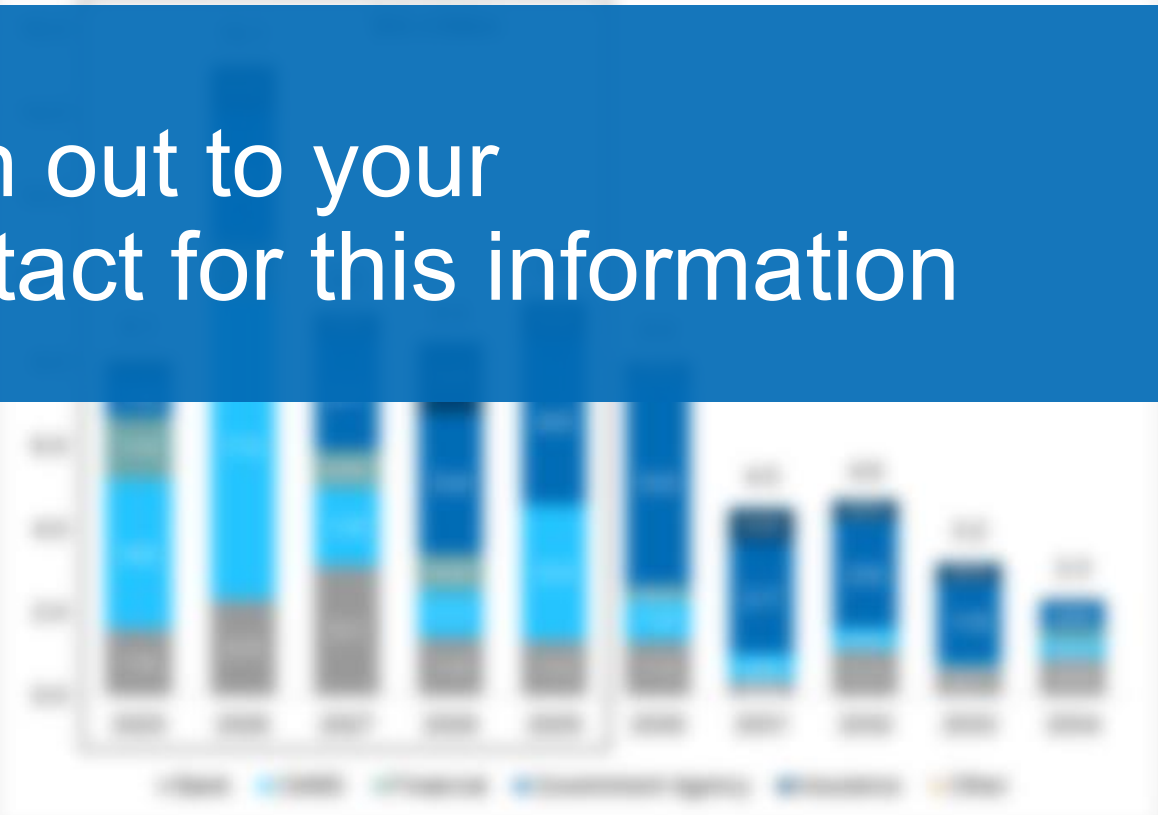
Debt/Capital Markets

Highest Loan Volume Due in 2026



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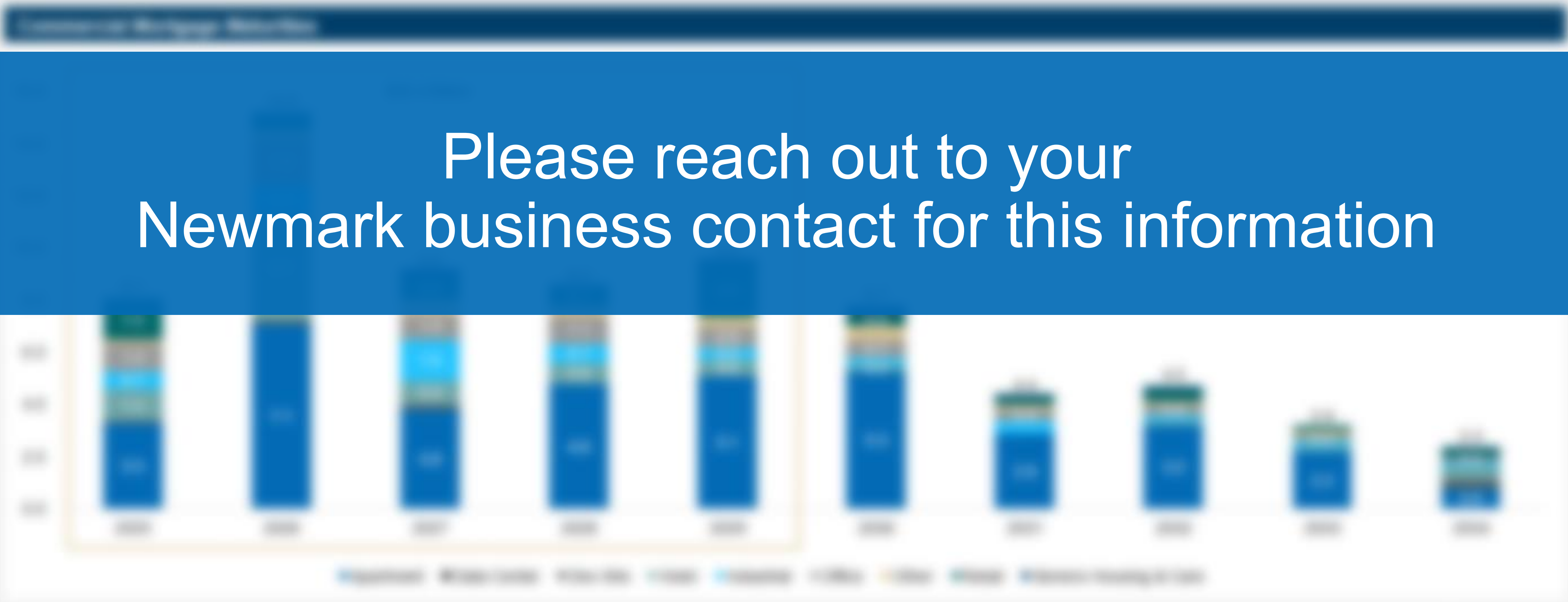
Multifamily Maturities Particularly Elevated Through 2029, Industrial Not So Much



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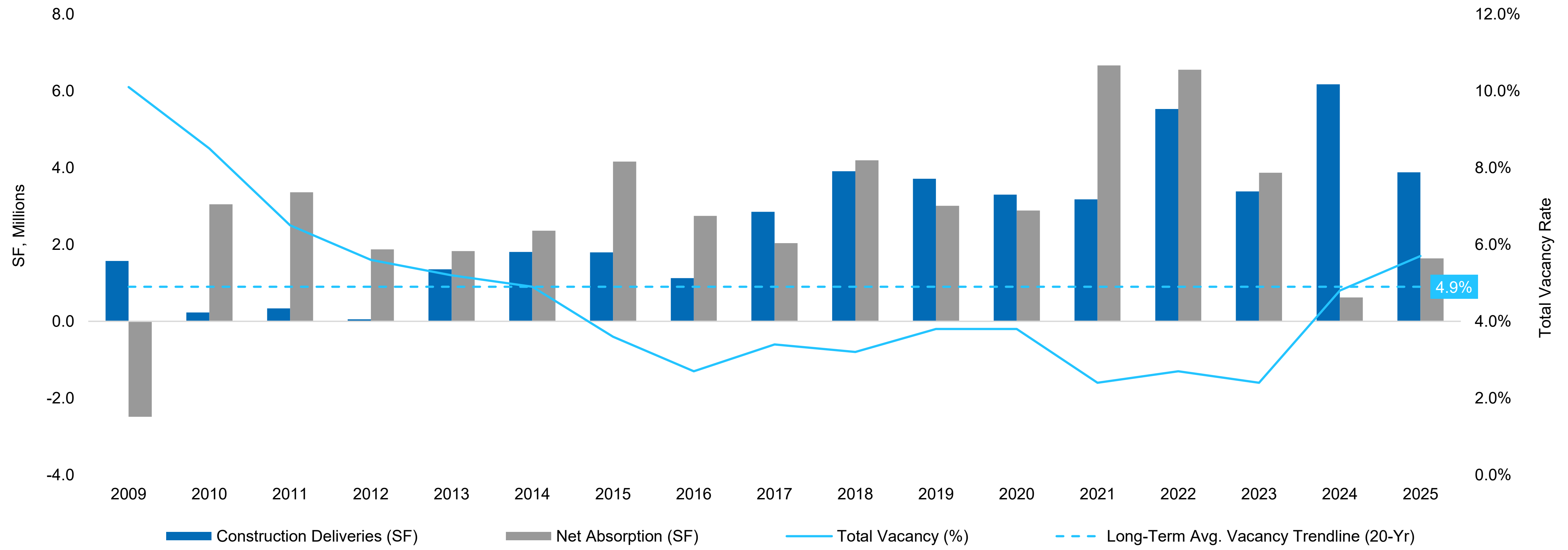
03

Leasing Market Fundamentals

Demand Recovery Sets Stage for Supply and Demand Rebalancing

In the fourth quarter of 2025, Miami delivered 1.2 MSF of new industrial space, outpacing net absorption of 334,170 SF and, as a result, pushing the vacancy rate up 40 basis points quarter over quarter to 5.7%. In 2025, annual net absorption totaled 1.6 MSF, rebounding sharply from 2024 levels, while deliveries declined to 3.9 MSF, marking a notable slowdown in new supply. As demand has strengthened on an annual basis and construction activity has moderated, current supply pressures are expected to ease gradually should leasing momentum continue.

Historical Construction Deliveries, Net Absorption, and Vacancy

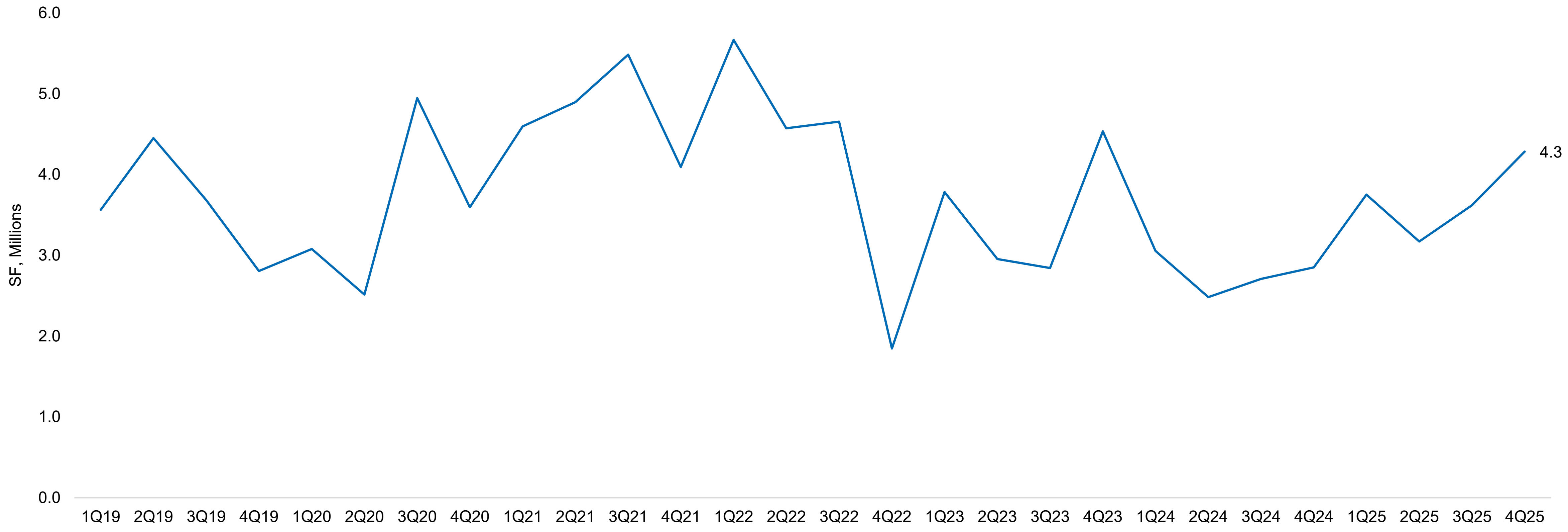


Source: Newmark Research, CoStar

Leasing Activity Rises But Remains Below All-Time High

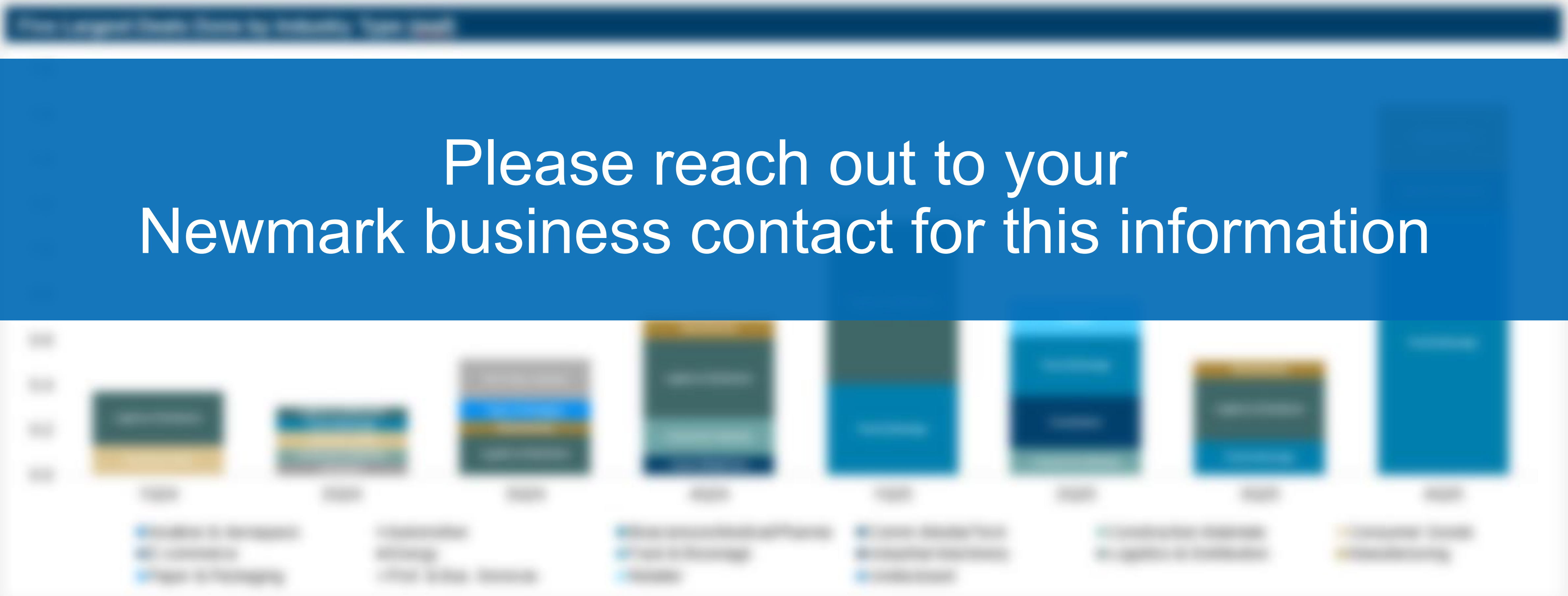
In the fourth quarter of 2025, total leasing in Miami increased 18.4% quarter over quarter to 4.3 MSF, placing the period among the strongest leasing quarters recorded since 2019. Leasing volume rose 50.3% year over year, supported in part by a 794,230-SF PepsiCo transaction that accounted for 18.5% of quarterly activity. While leasing did not reach the extraordinary peak observed in early 2022, fourth-quarter performance compares favorably to most historical periods and reflects a clear improvement in tenant demand.

Total Leasing Activity (SF)



Source: Newmark Research, CoStar

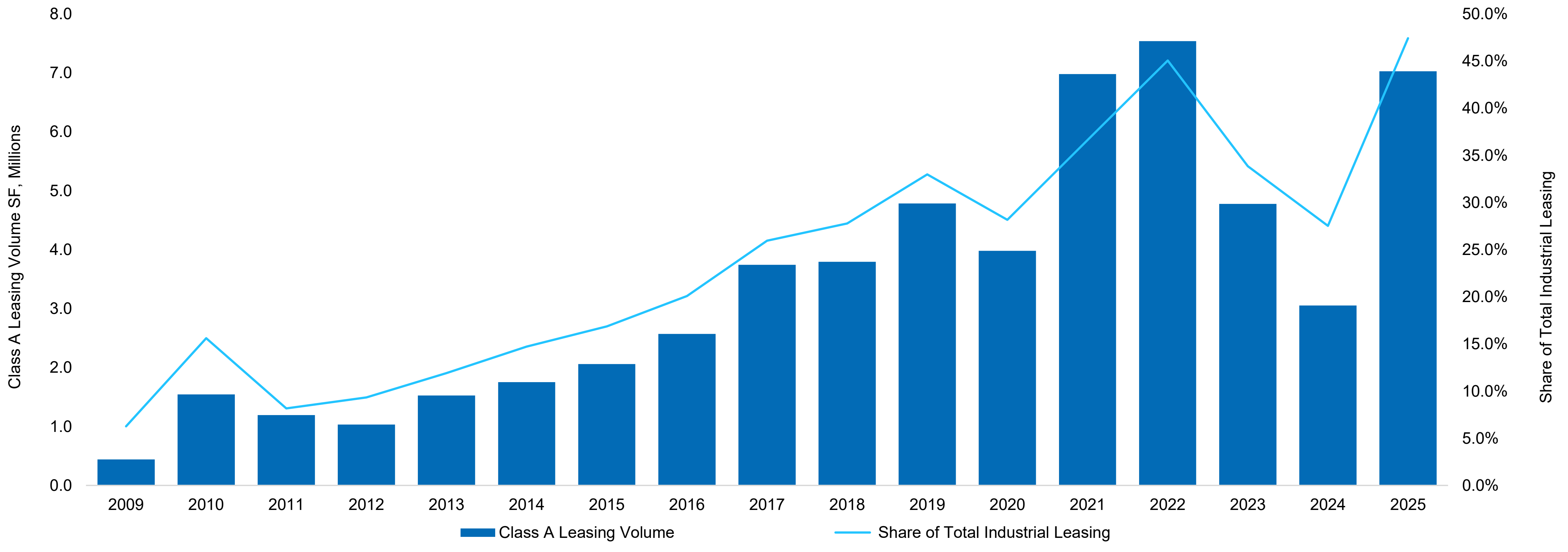
Food and Beverage Sector Emerges as a Leading Driver of Large-Lease Activity



Class A Leasing Surges on Post-Pandemic, High-Quality Deliveries

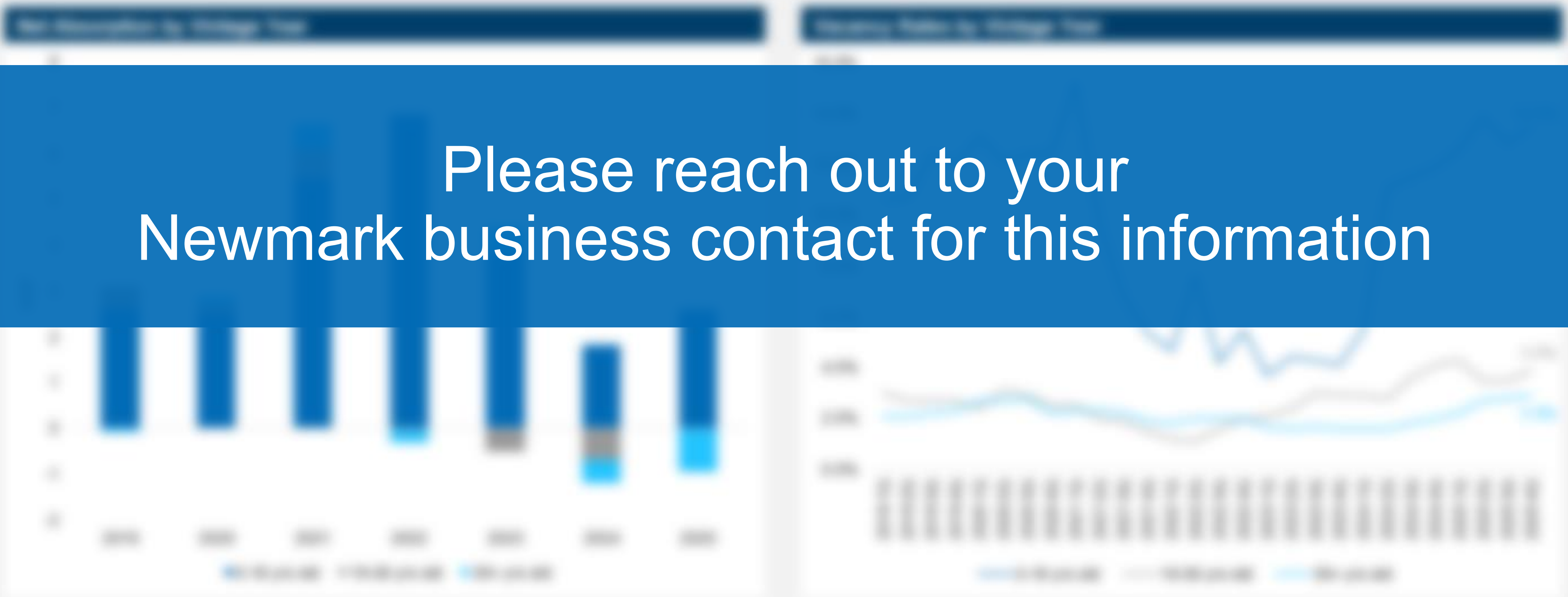
At 2.6 MSF, Class A product captured 60.8% of leasing activity in the fourth quarter of 2025. Following declines in 2023 and 2024, the Class A share of total leasing rebounded sharply in 2025, with Class A volume representing 47.4% of activity versus 27.5% in 2024. Class A leasing totaled 7.0 MSF in 2025, surpassing 2024's annual total and exceeding the 2008 to 2019 pre pandemic average of 2.1 MSF, driven by a wave of post-pandemic, high-quality deliveries where demand has been most concentrated. Near term, the Class A share of leasing is expected to remain elevated as recently delivered projects continue to lease up and tenants prioritize newer, higher-quality space.

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



Source: Newmark Research, CoStar

Modern Inventory Drives Demand



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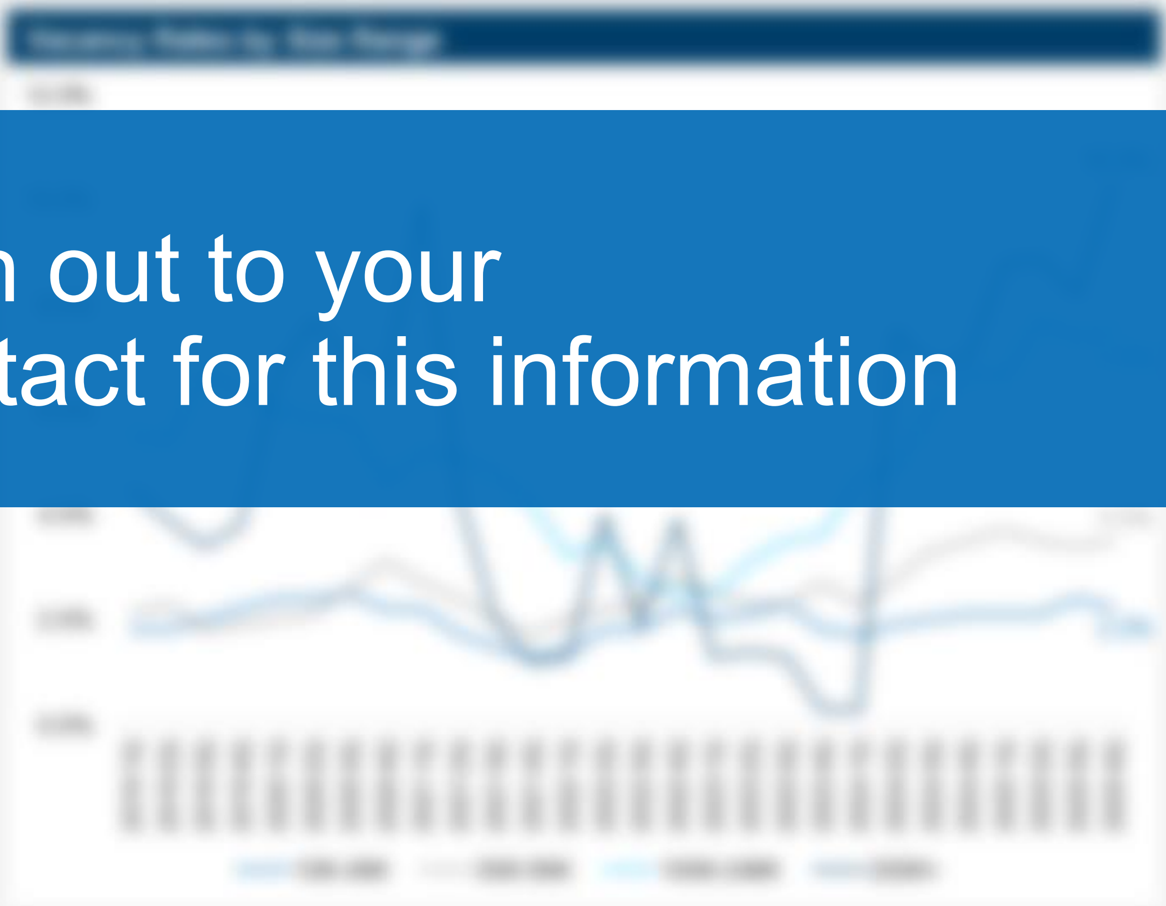
Mid-Sized Bulk Buildings Drive Absorption



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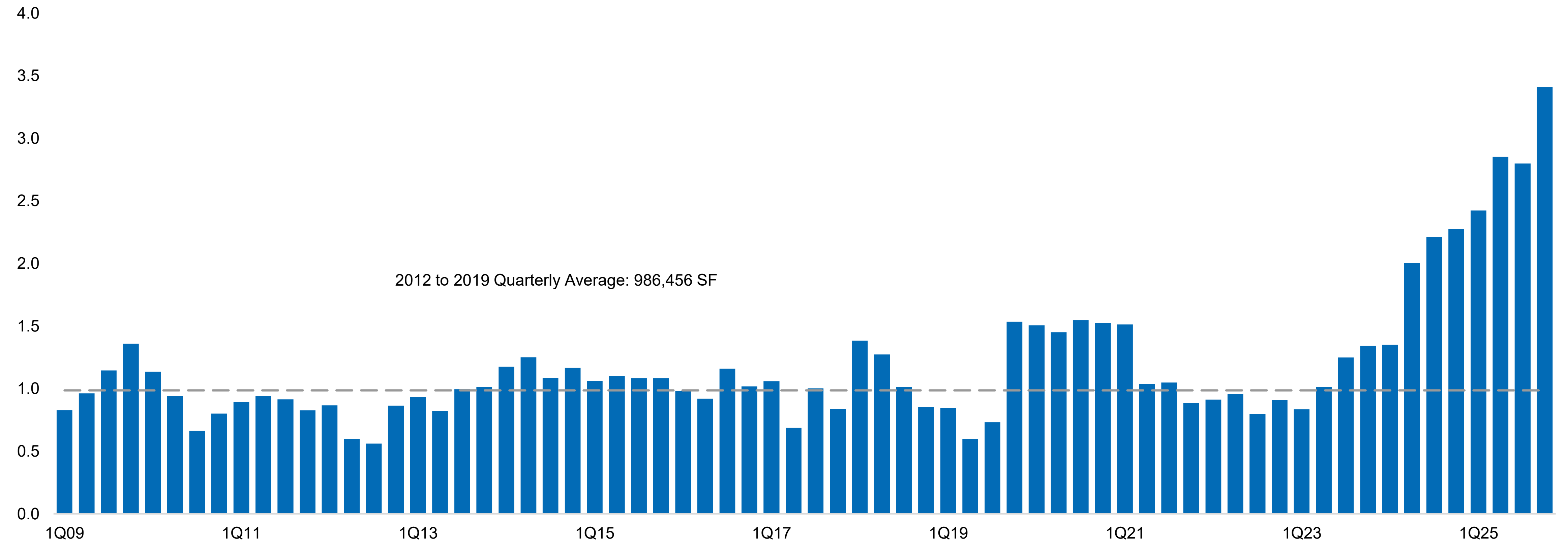
Sublease Availability Continues Upward Trend

Sublease availability continued to rise in the fourth quarter of 2025, increasing 21.8% quarter over quarter to 3.4 MSF, or 1.5% of inventory. It has climbed nearly every quarter since early 2023, with the exception of the previous quarter where it decreased by 54,433 SF. This quarter's jump was largely driven by CGI Windows and Doors Inc. placing their 325,739 SF space on the market for sublease. Sublease availability has been trending upwards since the first quarter of 2023 as companies shed space in order to increase operational efficiencies.

Available Industrial Sublease Volume (msf)

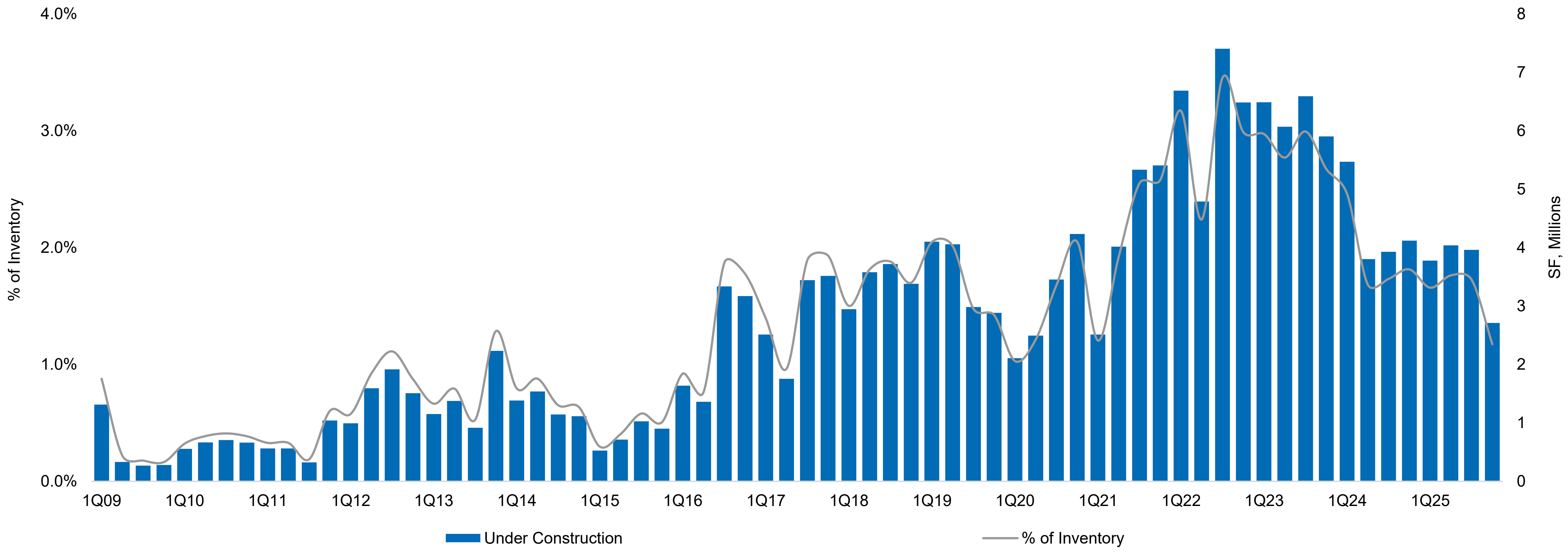


Source: Newmark Research, CoStar

Construction Pipeline Decreases as Projects Are Delivered

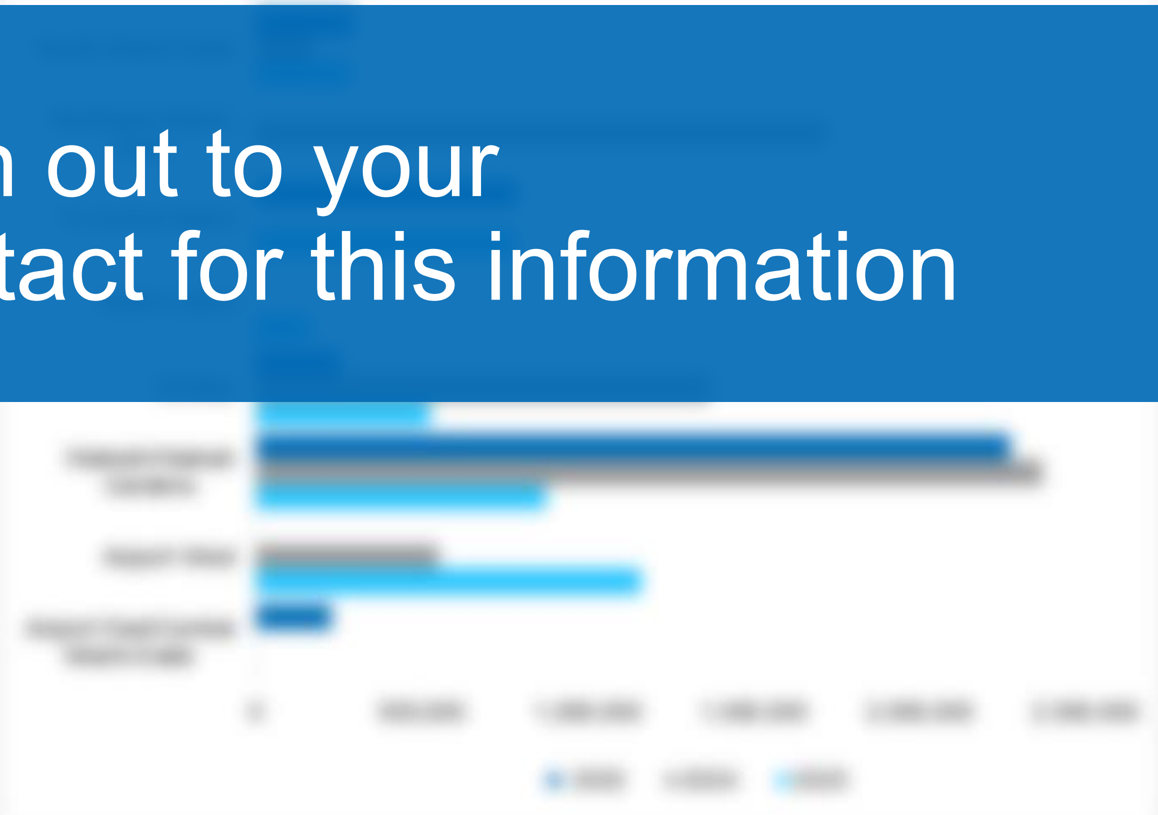
In the fourth quarter of 2025, the industrial construction pipeline totaled 2.7 MSF, with 11.8% preleased. Inventory under construction is down 31.6% quarter over quarter as Bridge Point Flagler Station, Homestead Park of Commerce, Countyline 34, and Bridge Point Doral Building 2 delivered, adding 1.2 MSF of new high-quality inventory. The pipeline has steadily declined from its peak of 7.4 MSF reported in the third quarter of 2022 and is expected to continue contracting, as scheduled deliveries over the next year are projected to outpace new construction 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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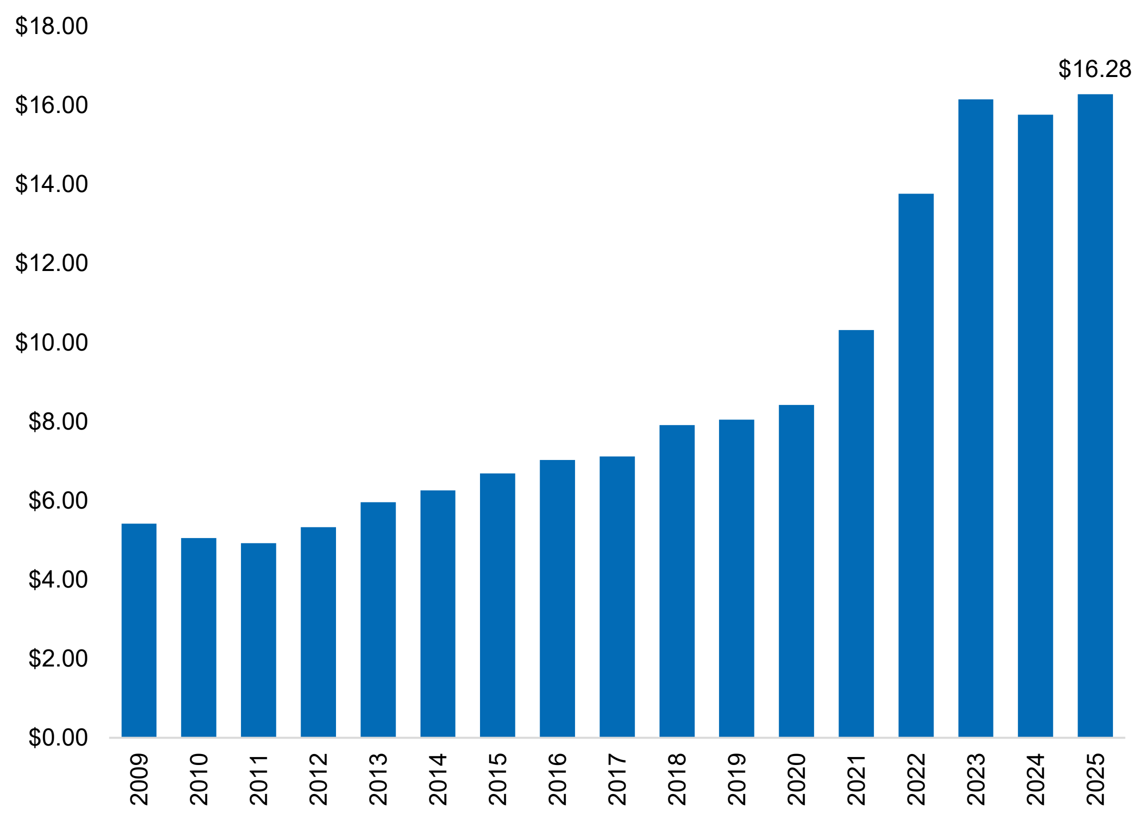
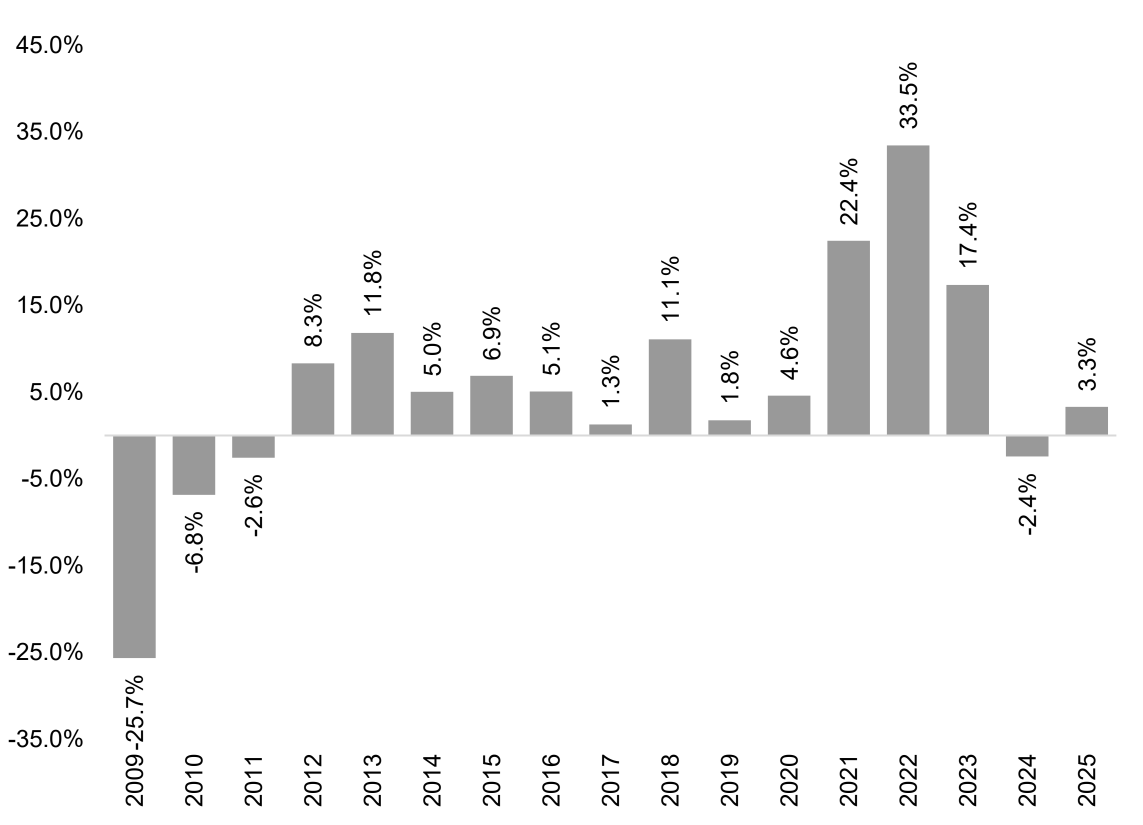
Asking Rents Slip Quarter Over Quarter but Increase Year Over Year

Industrial asking rents slipped 1.2% quarter over quarter but still rose 3.3% year over year to $16.28/SF in the fourth quarter of 2025. Asking rents are now 1.2% below the all-time high reported last quarter. The deceleration in rent growth reflects an influx of new, high-quality deliveries, which has increased tenant options and tempered near-term pricing momentum.

Industrial Average Asking Rent, $/SF, NNN



Year-over-Year Asking Rent Growth Rate % Change



Source: Newmark Research, CoStar

Notable 4Q25 Lease Transactions

In the fourth quarter of 2025, the number of deals signed declined quarter over quarter, but leasing volume rose 18.4% to 4.3 MSF. Among the 10 largest transactions, six were new leases, three were renewals, and one was an expansion, reflecting a blend of expansion, relocation, and tenant retention. In the near term, demand is expected to remain focused on higher-quality space, with new leases continuing to drive most activity as fresh supply delivers.

Notable Lease Transactions

Tenant	Building	Submarket	Type	Square Feet
PepsiCo	Bridge Point Commerce Center	North Central Miami	New Lease	794,230
PepsiCo has expanded its South Florida footprint with a new distribution center in Miami Gardens, further strengthening its regional distribution network. Last year, the company nearly doubled its presence at 4000 NW 126th Avenue in Coral Springs to 215,000 SF and also operates a 131,000-SF Frito-Lay warehouse at 3600 NW 107th Avenue.				
Synergy Customs Fixtures	213-215 SE 10th Ave	Hialeah/ Hialeah Gardens	Renewal/Extension	301,983
The company, which designs and manufactures high-end retail displays, renewed its lease for an additional five years and four months, including a 70,000-SF expansion.				
DEL Valle Brands Inc.	Northwest Dade Logistics Center II- Building 2	Hialeah/ Hialeah Gardens	New Lease	216,307
DEL Valle Brands specializes in marketing sales for distribution companies in the Caribbean. The company took occupancy of the full-building lease during the quarter.				
GOFO Express	Prologis Blue Lagoon-Building 2	Airport West	New Lease	176,348
GOFO Express specializes in tech driven parcel delivery for e-commerce in the U.S. and Puerto Rico. The company recently expanded its presence in South Florida by securing a new 176,348-SF space on a five-and-a-half-year term.				
Argus Foods	Palmetto Commerce Center	Miami Lakes	New Lease	160,430
Argus Foods, a distributor of Latin American foods, executed a full-building, 10-year lease and is scheduled to occupy the space next quarter.				

Source: Newmark Research, CoStar

Miami-Dade County Industrial Submarket Overview

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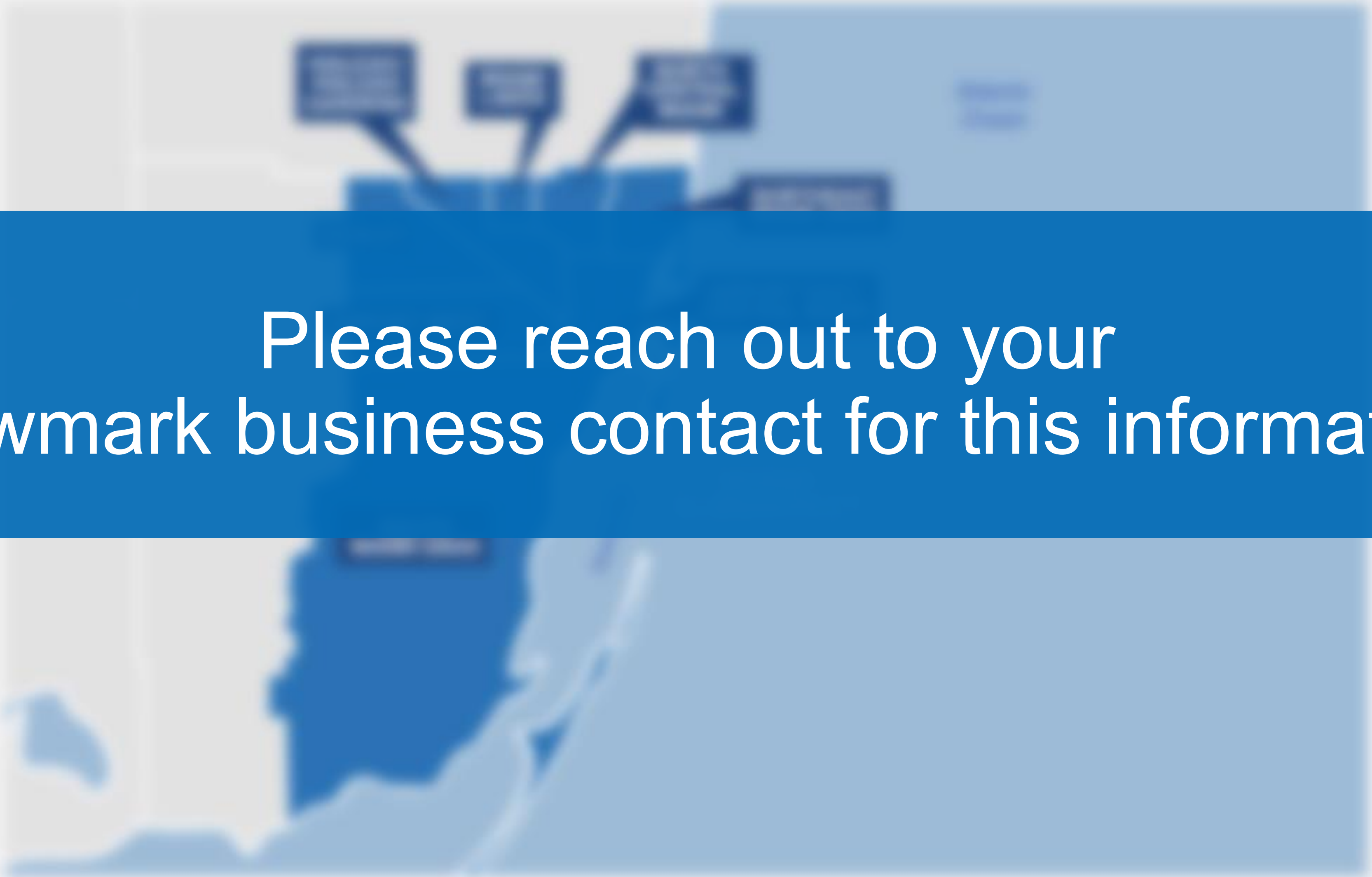
Miami-Dade County Industrial Submarket Map



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Miami Industrial Market

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4Q25 South Florida Industrial Market Overview



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