

	YoY Chg	12-Mo. Forecast
4.8% Vacancy Rate	▲	▲
1.8 M YTD Absorption, SF	▼	▲
\$8.86 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

ECONOMIC INDICATORS Q4 2020

	YoY Chg	12-Mo. Forecast
1.1 M Miami Employment	▼	▲
7.4% Miami Unemployment Rate	▲	▼
6.7% U.S. Unemployment Rate	▲	▼

Source: BLS, Numbers above are monthly figures, FL Dept. Economic OPP

ECONOMY

Miami-Dade, part of the South Florida region, had an unemployment rate of 7.4% in November 2020, down 130 basis points (bps) from the previous month but 570 bps higher than one year ago. Nonagricultural employment was down 68,000 jobs, or 5.5%, over the year to 1.16 million. The major employment sectors to gain jobs year-over-year (YOY) were in manufacturing, adding 2,600 new positions and in Construction and Financial Activities with 1,300 and 200 new jobs respectively. The Leisure & Hospitality sector accounted for over a third of all job losses, with 24,600 gone, followed by Trade, Transportation & Utilities with 13,100 positions cut and Education and Health services with 10,900 jobs lost.

SUPPLY

At the end of the year, overall vacancy rose by 70 bps YOY to 4.8%. The surge in vacancy was due to over 2.0 million square feet (msf) of new inventory delivered in 2020 with 39% preleased. An expansion in sublease space also caused vacancy to rise as there was over 770,000 sf of vacant sublease space available at the end of the year, a 109.3% increase YOY. There was over 2.6 msf under construction with most projects slated to deliver in the next six-to-twelve months. Over the last 5 years, Miami has seen over 16 msf delivered, with the Airport North/Medley submarket getting the bulk of the activity at over 4.2 msf delivered during that time frame.

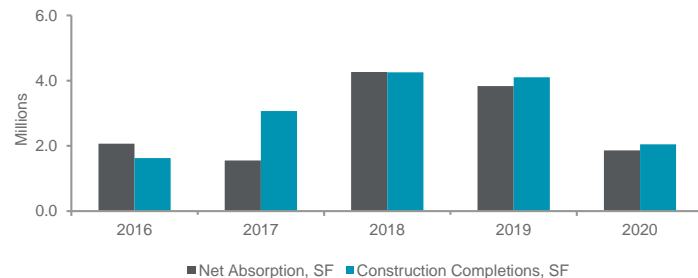
DEMAND

New leasing activity in 2020 reached over 7.5 msf with 1.6 msf coming in the fourth quarter alone. Leasing activity in 2020 had a 24.4% decrease compared to 2019. However, 2019 was a historical year with over 10.0 msf of new leases signed, the most in the last 20 years. The largest leases signed during 2020 were from e-commerce and logistics companies. The Airport West submarket had the most activity in the year with over 2.0 msf of new leases signed. Tenant move-ins and limited move outs allowed for the county to have over 1.8 msf in positive absorption in 2020 driven by e-commerce and food/distribution tenants.

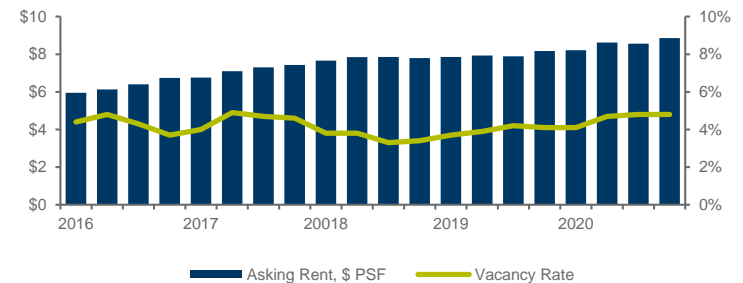
MARKET PRICING

Rents rose in Miami-Dade reaching \$8.86 per square foot (psf) triple net, an 8.4% YOY jump and an all-time high for average asking rents. The boost in rents were due primarily to the new product that delivered with higher than average asking rents. The market had landlord-favorable conditions as the demand outpaced supply. Rents in warehouse/distribution product experienced the largest improvement YOY up by 10.5% to \$8.62 psf triple net. The increase in rents was driven by the new construction with higher-priced, high-quality space options.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	YTD NEW LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Airport North/Medley	33,743,706	1,548,553	4.6%	1,024,078	2,060,243	696,991	721,093	N/A	\$10.05	\$8.38
Airport West	44,847,632	2,343,756	5.2%	-560,951	2,097,136	0	181,533	\$7.96	\$13.81	\$9.15
Hialeah	7,874,274	290,453	3.7%	6,656	203,811	146,880	147,768	\$8.05	\$12.06	\$8.33
Airport East/Downtown	22,825,302	1,101,552	4.8%	124,474	655,217	0	416,107	\$6.72	\$18.90	\$9.52
Miami Lakes	5,064,261	293,714	5.8%	-30,100	248,000	0	0	N/A	\$12.75	\$6.63
North Central Dade	30,019,264	1,298,544	4.3%	247,525	937,461	221,300	0	\$7.11	\$13.88	\$7.76
Northeast Dade	2,907,298	440,137	15.1%	556,144	462,210	0	197,122	N/A	\$17.00	\$8.48
Northwest Dade	3,515,520	266,120	7.6%	281,023	292,621	1,593,590	185,371	N/A	N/A	\$8.29
South Dade	7,164,275	43,244	0.6%	214,926	608,507	0	200,000	N/A	N/A	\$10.06
MIAMI-DADE TOTALS	157,961,532	7,626,073	4.8%	1,863,775	7,565,206	2,658,761	2,048,994	\$7.42	\$14.21	\$8.62

*Rental rates reflect weighted net asking \$psf/year

FX = Flex MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
3000 NW 123 rd St	North Central Dade	Amazon	221,300	New Lease
13450 NW 14 th St	Airport West	Amazon	216,780	New Lease
3401 NW 72 nd Ave	Airport West	Kuehne + Nagel	209,601	New Lease

*Renewals not included in leasing statistics

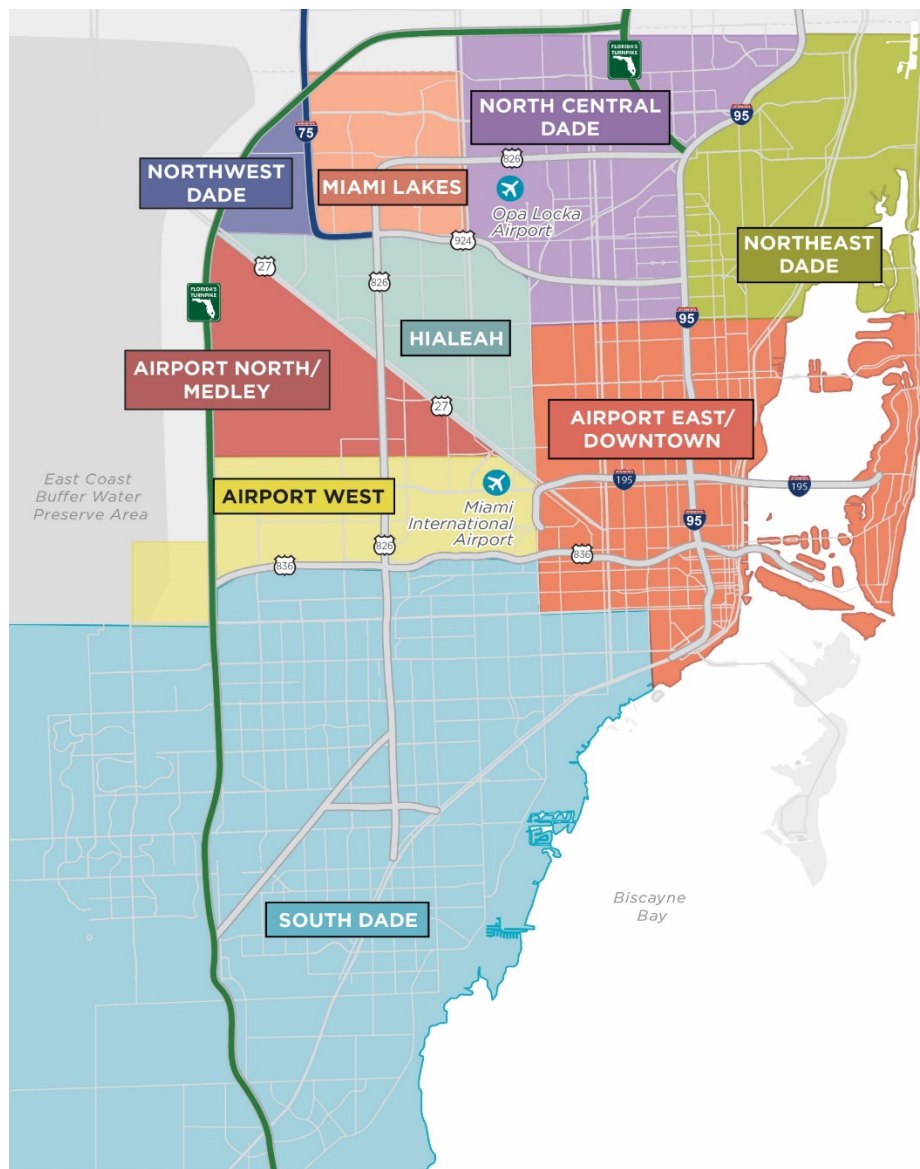
KEY SALES TRANSACTIONS 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
2200 NW 112 th Avenue	Airport West	Tech Data Corp / Badia Spices	312,456	\$44.0M/\$141
18770 NE 6 th Avenue	North Central Dade	Premium Capital Resources LLC / Ivy Realty	234,739	\$30.5M/\$130

KEY CONSTRUCTION COMPLETIONS 2020

PROPERTY	SUBMARKET	MAJOR TENANT	*SF	OWNER/DEVELOPER
8701 NW 93 rd Street	Airport North/Medley	Pepsi	246,352	Cabot Properties / Butters
727 SE 9 th Court	Airport East/Downtown	None	213,407	Lincoln Property Company / Lincoln Property Company
1800 SE 38 th Avenue	South Dade	Dunham Bush	200,000	Dunham Bush / Dunham Bush

INDUSTRIAL SUBMARKETS



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