

MARKETBEAT

Industrial Snapshot Q4 2015

Miami-Dade



MIAMI-DADE INDUSTRIAL

Economic Indicators

	2014	2015	12-Month Forecast
Miami-Dade Employment	1.098M	1.123M	▲
Miami-Dade Unemployment	6.5%	5.6%	■
U.S. Unemployment	5.7%	5.0%	▼

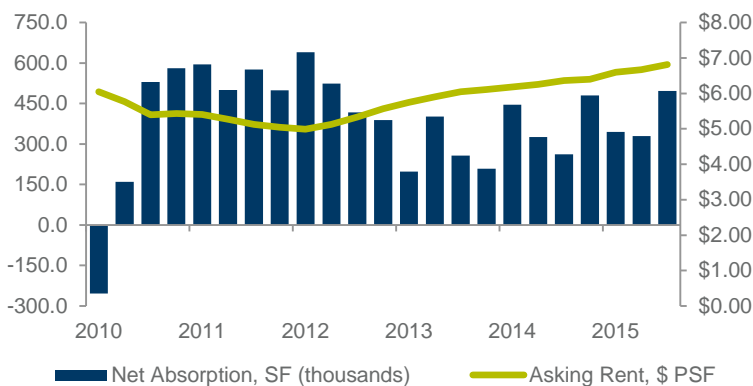
Market Indicators (Overall, All Classes)

	2014	2015	12-Month Forecast
Vacancy	6.7%	5.7%	■
Net Absorption (sf)	1,914,869	2,079,607	▲
Under Construction (sf)	460,263	1,076,390	■
Average Asking Rent*	\$6.52	\$7.04	▲

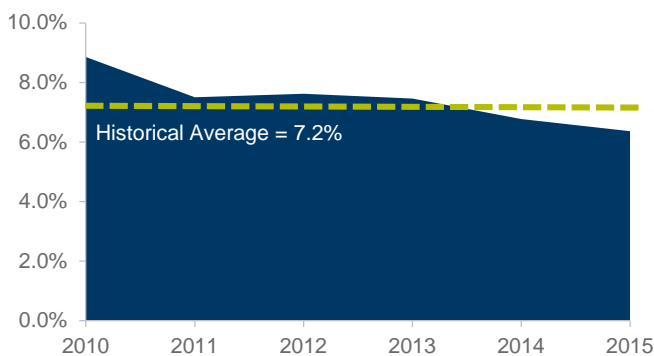
*Rental rates reflect net asking \$psf/year

Overall Net Absorption/Overall Asking Rent

4Q TRAILING AVERAGE



Overall Vacancy



Economy

The unemployment rate in Miami-Dade ended 2015 at 5.6%, down 90 basis points (bps) year-over-year on a 1.6% growth rate in new jobs. Jobs were created across most industry sectors including those in in hospitality, trade/transportation and education. The industrial market continued to benefit from the region's economic growth. The market's key fundamentals rose on solid tenant demand throughout 2015 with vacancy at its lowest rate and direct net rents at their highest level since 2008.

Market Overview

The market's overall vacancy level fell by 40 bps in the past twelve months on elevated demand for warehouse/distribution and office services space, ending the year at 5.7%. Over 1.2 million square feet (msf) of space was absorbed by tenants in 2015. The Airport West and Airport North/Medley submarkets had the majority of space taken off the market.

Direct net asking rates were up 8.0% in the past twelve months, to \$7.04 per square foot (psf), and closed the year at their highest levels since the third quarter of 2008. Rent growth for warehouse/distribution space has accelerated most recently as the market tightened. Leasing activity that had rebounded in the first half of 2015, slowed in the last half as options in the market dwindled. One notable trend in 2015 was that leasing activity doubled for manufacturing space, indicating that South Florida could be benefitting from recent onshoring trends for American manufacturers.

Almost 1.2 msf of industrial space was completed in 2015 with another 1.4 msf of speculative space currently under construction. The bulk of product delivered was in the Airport North/Medley submarket with 72.2% of the space already leased and occupied by the end of the year. Pent-up demand for high quality, efficient product should keep absorption in new construction strong in the upcoming years.

Outlook

The industrial market in Miami-Dade is poised for solid growth in 2016. Job growth and economic expansion will fuel demand for space. Heightened leasing activity in 2015 has created a strong pipeline for occupancy growth going into the first half of the year. New deliveries will allow existing tenants to expand and new players to come into the market. Cushman & Wakefield anticipates further improvement in the market's key fundamentals throughout 2016 and forecast broad improvement across both major and minor submarkets.

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SUBMARKET	INVENTORY (SF)	YTD LEASING ACTIVITY (SF)	YTD USER SALES ACTIVITY (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL WEIGHTED AVG. NET RENT (HT)	OVERALL WEIGHTED AVG. NET RENT (MF)	OVERALL WEIGHTED AVG. NET RENT (OS)	OVERALL WEIGHTED AVG. NET RENT (WD)
Airport West	35,013,058	1371,086	54,958	6.3%	888,175	0	N/A	N/A	\$12.95	\$7.70
Milam Dairy	14,414,791	230,362	0	3.5%	198,218	0	N/A	\$13.37	\$12.31	\$6.50
AIRPORT WEST	49,427,849	1,601,448	54,958	5.5%	1,086,393	0	N/A	\$13.37	\$12.64	\$7.48
Airport North	8,021,218	103,754	213,700	3.3%	58,650	0	N/A	\$4.26	N/A	\$5.83
Medley	22,285,601	593,108	31,089	4.5%	1,217,619	527,786	N/A	N/A	N/A	\$7.30
AIRPORT NORTH/MEDLEY	30,306,819	696,862	244,789	4.2%	1,276,269	527,786	N/A	\$4.26	N/A	\$7.14
Palmetto Lakes	5,730,773	185,229	58,732	8.4%	(11,120)	0	N/A	\$7.30	\$6.00	\$6.50
Miami-Dade Ind. Park/Opa Locka	6,720,003	18,380	106,188	5.6%	38,782	0	N/A	N/A	N/A	\$3.68
Gratigny Central	4,155,895	0	0	7.0%	27,175	0	N/A	N/A	N/A	N/A
NORTH CENTRAL DADE	16,606,671	203,609	164,920	6.9%	54,837	0	N/A	\$7.30	\$6.00	\$4.63
Miami Gardens/lves Dairy	5,484,781	100,800	0	7.0%	36,538	0	N/A	N/A	\$8.81	\$4.83
North Miami	1,082,491	4,115	0	6.2%	(8,685)	0	N/A	N/A	N/A	\$6.55
Sunshine State/Golden Glades	5,952,737	158,319	0	6.7%	28,051	0	N/A	\$5.95	\$12.00	\$6.46
NORTHEAST DADE	12,520,009	263,234	0	6.8%	55,904	0	N/A	\$5.95	\$11.61	\$5.53
MIAMI LAKES	4,630,682	18,192	0	3.1%	35,279	0	N/A	N/A	\$8.62	N/A
Hialeah West	8,044,379	122,390	0	5.8%	(78,100)	0	N/A	\$4.50	N/A	\$4.70
Hialeah Gardens	2,486,100	58,583	0	3.0%	55,283	663,236	N/A	\$3.65	N/A	\$8.00
HIALEAH	10,530,479	180,973	0	5.2%	(22,817)	663,236	N/A	\$4.12	N/A	\$5.39
CBD, Biscayne, Wynwood, Design District	6,605,786	43,878	33,056	9.7%	(16,893)	0	N/A	N/A	N/A	\$18.95
Airport East	23,149,076	1,377,226	0	7.3%	(38,371)	203,281	N/A	N/A	\$8.26	\$5.86
AIRPORT EAST/DOWNTOWN	29,754,862	1,421,104	33,056	7.9%	(55,264)	203,281	N/A	N/A	\$8.26	\$7.46
Bird Road/US I/Gables	1,634,713	5,320	0	0.9%	(2,700)	0	N/A	\$5.35	N/A	\$12.00
Falls/South Dixie	1,887,060	8,300	0	2.6%	8,000	0	N/A	N/A	N/A	N/A
Tamiami Airport/South	3,622,920	21,602	0	1.8%	(31,145)	0	N/A	N/A	N/A	\$12.39
SW Dade	259,755	0	0	0.0%	22,000	0	N/A	N/A	\$7.00	N/A
SOUTH DADE	7,404,448	35,222	0	1.7%	(3,845)	0	N/A	\$5.35	\$7.00	\$12.35
MIAMI TOTALS	161,181,819	4,420,644	497,723	5.7%	2,426,756	1,394,303	N/A	\$5.27	\$10.39	\$7.06

*Rental rates reflect asking \$psf/year

FLEX = Flex Space HT = High Tech/Flex MF = Manufacturing OS = Office Service/Flex WD = Warehouse/Distribution

Key Lease Transactions 2015

PROPERTY	SF	TENANT	TRANSACTION TYPE	SUBMARKET
213-215 SE 10 th Street	301,983	Synergy Custom Fixtures	Lease	Airport East
11400 NW 32 nd Avenue	280,701	Perez Trading Company	Renewal	Gratigny Central
10000 NW 25 th Street	215,522	Diversified Aero Services, Inc.	Lease	Airport West
8001 NW 79 th Avenue	140,400	Ansaldo Breda	Lease	Medley

Key Sales Transactions 2015

PROPERTY	SF	BUYER	PRICE / \$PSF	SUBMARKET
9400 NW 104 th St	268,539	MMG Real Estate	\$17,850,000 / \$66	Medley
6950 NW 77 Court	213,700	The Apollo Group	\$15,000,000 / \$70	Airport North
2100 NW 88 Court Americas' Gateway	153,543	Goodman	\$4,805,400 / \$31	Airport West
11000 NW 29 th Street	105,000	Prologis JV Norges Bank	\$15,200,000 / \$145	Airport West

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About Cushman & Wakefield

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