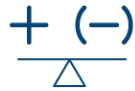




**225.2 MSF**

Inventory



**+41,685 SF**

Net Absorption



**5.6%**

Direct Vacancy



**10.1%**

Total Availability



**5.3 MSF**

Under Construction



**\$16.22 PSF**

Asking Rent (NNN)

## Miami Industrial Undergoes An Expected Correction

### Market Observations

- As Miami's industrial market entered a moderation phase, the vacancy rate rose to 6.3% in Q1 2025—an increase of 310 basis points year-over-year. While this marks the highest vacancy level in a decade, it remains 20 basis points below the U.S. average.
- Net absorption turned positive—albeit modestly—at 42,000 SF, following three consecutive quarters of negative absorption. This comes after Q4 2024 alone recorded over 1.0 million SF of negative net absorption.
- Following a development boom where +/- 7.5 million SF was under construction per quarter between 2021 and 2023, activity tapered in 2024 to align with the pre-2021 average of 4.0 million SF per quarter. However, 2.1 million SF broke ground in Q1 2025, increasing construction in Q1 to 5.3 million SF. Nearly 94% of current projects remain available for lease—underscoring developers' continued confidence in Miami's industrial demand drivers while also reflecting how demand has been moderated.
- The average asking rent, which peaked at a record \$17.19/SF NNN in Q3 2023, moderately declined throughout 2024 and Q1 2025 to \$16.22/SF. This adjustment offered some relief to tenants after rent hikes of 60% to 80%, driven by the post-pandemic demand surge.

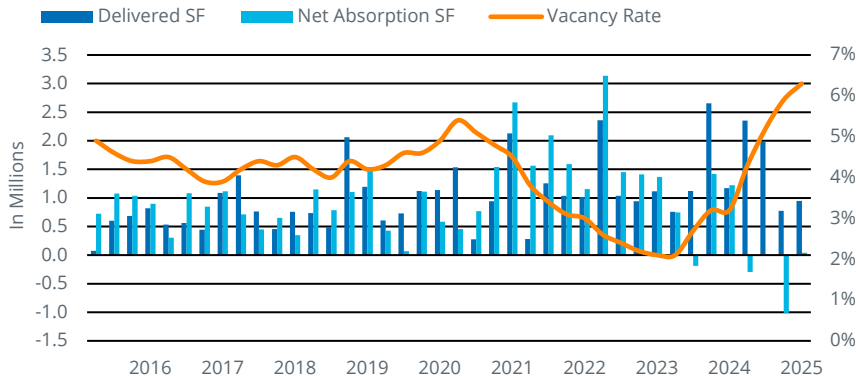




# MIAMI INDUSTRIAL MARKET | Q1 2025

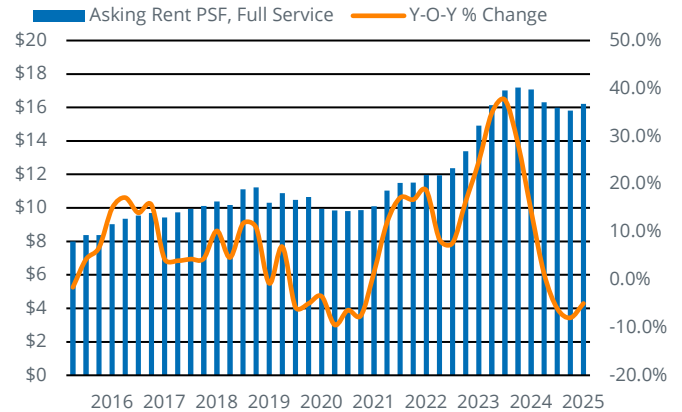
- Year-over-year **net absorption** stood at negative 1.3 million SF, highlighting a clear pause in tenant demand.
- Vacancy rates** have steadily increased from a record low of 2.2% in early 2023 to 6.3% by the end of Q1 2025. This upward trend was anticipated, driven by a wave of new construction deliveries, elevated asking rents, a cooling economic environment, and, to a lesser extent, a lighter lease rollover. With absorption projected to remain muted over the next 12–15 months, vacancy rates are expected to remain elevated.
- A mix of increased supply, slower leasing velocity, rising vacancy, and broader economic uncertainty has led to more competitive **rental pricing**. Annual rent growth decelerated significantly in 2024 and into Q1 2025, with Q1 marking the third straight quarter of negative year-over-year growth—down 5.0%.
- Roughly 946,424 SF of industrial space was **delivered** in Q1, continuing the momentum of 2024, which saw 6.3 million SF completed. This sustained pace of development—combined with softer tenant demand, fewer lease rollovers, and ongoing rent adjustments—has contributed to a broader recalibration of market fundamentals and a continued rise in Miami’s vacancy rate.

## DELIVERY IMPACT ON KEY INDICATORS



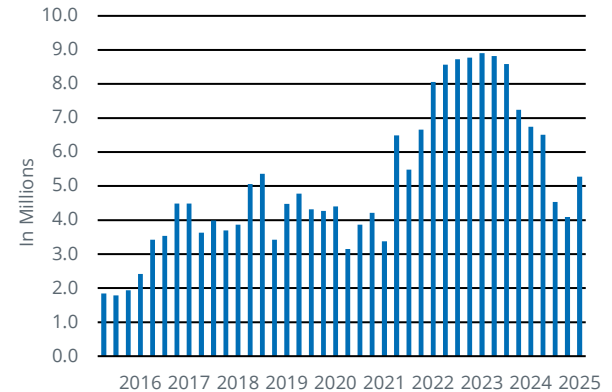
Source: CoStar, Transwestern

## ASKING RENT



Source: CoStar, Transwestern

## UNDER CONSTRUCTION



Source: CoStar, Transwestern



# MIAMI INDUSTRIAL MARKET | Q1 2025

## MARKET INDICATORS TABLE

All Classes of Space | Q1 2025

SUBMARKET	INVENTORY SF	DIRECT VACANT SF	DIRECT VACANCY RATE	OVERALL AVAILABILITY RATE	UNDER CONSTRUCTION SF	NET ABSORPTION SF	Y-O-Y NET ABSORPTION SF	ASKING RENT PSF, NNN
MIAMI AIRPORT	74,792,607	3,814,058	5.1%	10.7%	2,725,228	(258,548)	(739,584)	\$17.35
MEDLEY	36,395,797	2,229,106	6.1%	11.8%	760,372	(287,478)	(982,541)	\$16.96
HIALEAH	21,107,327	1,051,383	5.0%	7.1%	0	(13,234)	(382,247)	\$14.41
CENTRAL MIAMI	1,969,229	155,266	7.9%	6.2%	0	(59,408)	13,194	\$16.95
MIAMI LAKES	12,276,009	403,409	3.3%	7.0%	0	(15,820)	(148,498)	\$16.08
NORTH DADE/GRATIGNY	39,124,285	2,782,901	7.1%	12.9%	943,838	224,289	(229,933)	\$14.90
SOUTHWEST DADE	7,529,767	148,731	2.0%	1.9%	0	43,702	(10,282)	\$19.58
EAST MIAMI	2,483,625	178,050	7.2%	7.4%	0	12,475	9,954	\$26.21
SOUTH CENTRAL MIAMI	8,391,182	164,703	2.0%	2.5%	107,632	(3,870)	29,591	\$26.36
SOUTH DIXIE HWY	7,625,580	215,671	2.8%	4.1%	82,157	38,901	22,253	\$17.08
WEST MIAMI	2,464,651	102,953	4.2%	4.2%	0	(18,418)	(61,575)	\$19.99
OUTLYING MIAMI DADE	11,053,052	1,365,125	12.4%	16.6%	653,332	379,094	1,210,139	\$15.95
<b>Total</b>	<b>225,213,111</b>	<b>12,611,356</b>	<b>5.6%</b>	<b>10.3%</b>	<b>5,272,559</b>	<b>41,685</b>	<b>(1,269,529)</b>	<b>\$16.22</b>

Source: CoStar, Transwestern



## Research Methodology

The information in this report is the result of a compilation of information on flex and industrial properties located in the Miami metro area. This report includes single-tenant, multi-tenant, and owner-user properties 20,000 SF and larger, excluding data centers, biotech, and properties owned by a government agency

## About Transwestern

Four dynamic, integrated companies make up the Transwestern enterprise, giving us the perspective to think broadly, deeply, and creatively about commercial real estate. Clients and investors rely on us for expertise that spans institutional and opportunistic investment, development, hospitality, and brokerage and asset services. Our award-winning, collaborative culture empowers team members with resources and independence to work across boundaries in pursuit of innovative solutions, reinforcing a reputation for service excellence that translates to measurable results. Through offices nationwide and alliance partners around the globe, we positively impact the built environment and our communities while fostering a work climate that champions career vitality for all. Learn more at [transwestern.com](https://transwestern.com) and @Transwestern

## For More Information

### Ryan Burress

Research Analyst & Associate  
Research Services | Industrial Services  
[Ryan.Burress@transwestern.com](mailto:Ryan.Burress@transwestern.com)  
305.357.3839

### Spencer Papciak

Director of Research - Southeast  
National Healthcare Research Leader  
[Spencer.Papciak@transwestern.com](mailto:Spencer.Papciak@transwestern.com)  
404.842.6585

Copyright © 2025 Transwestern. All rights reserved. No part of this work may be reproduced or distributed to third parties without written permission of the copyright owner. The information contained in this report was gathered by Transwestern from CoStar and other primary and secondary sources.

[transwestern.com](https://transwestern.com)

