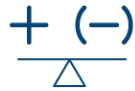




226.5 MSF

Inventory



187,215 SF

Direct Net Absorption



6.3%

Direct Vacancy



10.3%

Total Availability



4.5 MSF

Under Construction



\$16.78 PSF

Asking Rent (NNN)

Market Adjusting After Rapid Growth

Market Observations

- Miami's industrial market remained in a moderation phase during Q2 2025, with the direct vacancy rate rising to 6.3%—up 230 basis points year-over-year. This marks the eighth consecutive quarter of rising vacancies, and the highest rate recorded in a decade, though still below the US vacancy rate—albeit by 10 basis points.
- Direct net absorption turned positive from Q1 2025, totaling 187,215 SF in Q2 2025. Miami's year-over-year direct net absorption reached negative 536,470 SF, the weakest annual performance since the 2008 recession.
- Miami had 4.5 MSF of industrial space under construction in Q2 2025, falling below its 5-year and 10-year averages of 6.4 MSF and 5.1 MSF, respectively. This comes after 1.1 MSF was delivered during Q2 2025 and reflects a broader return to normalcy following the elevated pipeline activity driven by pandemic-era demand surges.
- Average asking rents rose slightly to \$16.78 PSF NNN in Q2 2025, up 1.5% from the previous quarter. Despite this slight uptick, effective rents remain notably lower as landlords continue to offer concessions to attract and retain tenants.

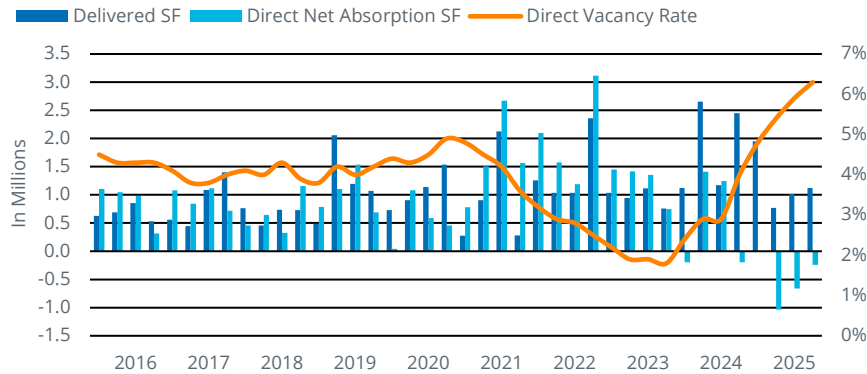




MIAMI INDUSTRIAL MARKET | Q2 2025

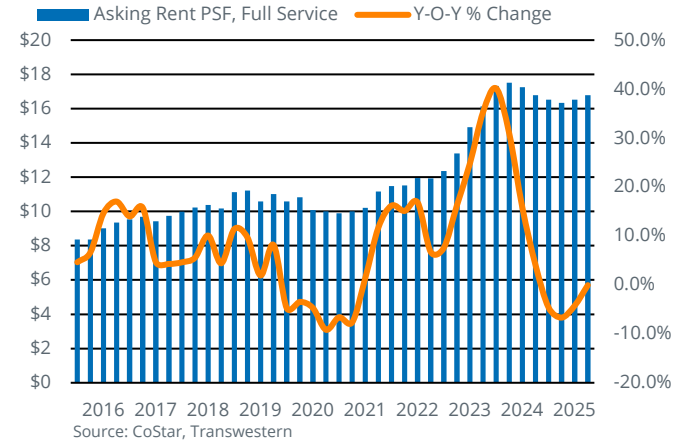
- Miami's 12-month trailing direct **absorption** stands at negative 655,975 SF, highlighting softening tenant demand and the binary choice tenants face in this phase of the cycle. Tenants hesitantly make parallel moves to similar size and class of space and are more likely to renew to avoid the cost to move. The other choice is relocating to newer, more efficient space and sometimes smaller new space—of which there is no shortage.
- More than 1.1 MSF of new industrial space was **delivered** in Q2 2025, continuing the momentum sparked by pandemic-era demand. However, with the market now oversupplied, tenant demand has slowed—reflected by the 48% decrease in leasing activity from Q1 to Q2 2025. Softening demand combined with lower lease roll are causing Miami vacancy rates to climb.
- While asking rates increased slightly, wavering demand, elevated vacancy, and an oversupply of space have shifted **rental rate** bargaining power from landlords to tenants. In response, landlords are offering more concessions to secure leases, impacting effective rates.
- **Vacancy** is expected to remain flat or slightly rise through 2025, driven by slowed leasing activity and the upcoming delivery of 4.5 MSF of space.

DELIVERY IMPACT ON KEY INDICATORS



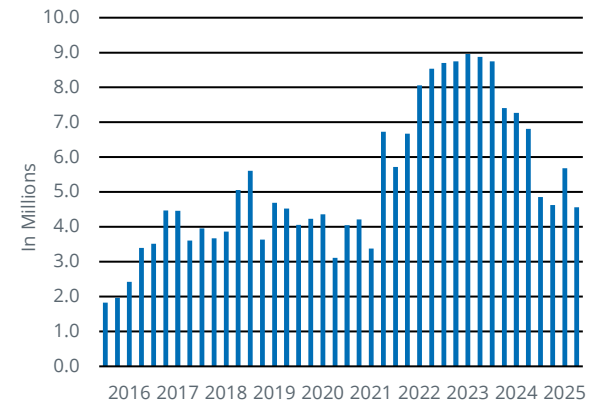
Source: CoStar, Transwestern

ASKING RENT



Source: CoStar, Transwestern

UNDER CONSTRUCTION



Source: CoStar, Transwestern



MIAMI INDUSTRIAL MARKET | Q2 2025

MARKET INDICATORS TABLE

All Classes of Space | Q2 2025

SUBMARKET	INVENTORY SF	DIRECT VACANT SF	DIRECT VACANCY RATE	OVERALL AVAILABILITY RATE	UNDER CONSTRUCTION SF	DIRECT NET ABSORPTION SF	Y-O-Y NET ABSORPTION SF	ASKING RENT PSF, NNN
MIAMI AIRPORT	75,342,314	4,363,613	5.8%	11.5%	2,560,793	(52,203)	(454,093)	\$17.09
MEDLEY	36,569,128	2,555,660	7.0%	11.7%	662,260	(128,442)	(1,036,192)	\$17.17
HIALEAH	21,143,698	1,112,698	5.3%	7.3%	0	6,948	(378,954)	\$15.04
CENTRAL MIAMI	1,969,229	116,436	5.9%	4.2%	0	38,830	48,024	\$16.95
MIAMI LAKES	12,247,256	699,481	5.7%	7.2%	0	(296,072)	(271,387)	\$16.49
NORTH DADE/GRATIGNY	39,618,757	3,542,642	8.9%	13.5%	310,430	184,097	353,418	\$15.05
SOUTHWEST DADE	7,649,341	105,451	1.4%	1.5%	0	43,280	64,823	\$19.63
EAST MIAMI	2,443,114	142,822	5.8%	6.2%	0	21,828	47,829	\$28.13
SOUTH CENTRAL MIAMI	8,439,093	191,303	2.3%	2.7%	107,632	(26,600)	(65,301)	\$24.64
SOUTH DIXIE HWY	7,625,580	219,579	2.9%	6.3%	265,318	(3,908)	39,987	\$17.09
WEST MIAMI	2,464,651	94,864	3.8%	3.4%	0	8,089	(48,251)	\$19.33
OUTLYING MIAMI DADE	11,027,404	1,144,935	10.4%	16.2%	653,332	391,368	1,163,627	\$15.81
Total	226,539,565	14,289,484	6.3%	10.3%	4,559,765	187,215	(536,470)	\$16.78

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

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