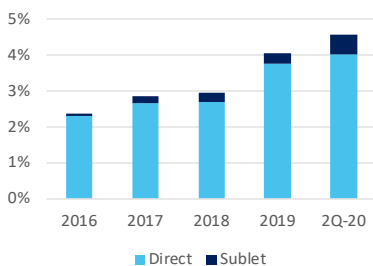


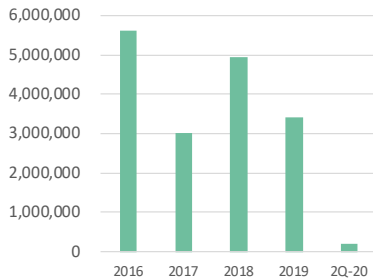
## Miami-Dade County

After several years of record-setting economic growth, Florida's real estate markets abruptly paused in mid-March due to the spread of the novel coronavirus (COVID-19). While the full impact is yet to be felt, second quarter statistics provide an indication of the Miami market's health. Third quarter activity is expected to provide greater clarity.

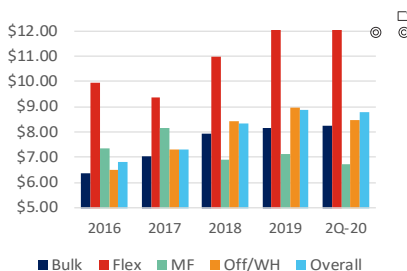
### Vacancy Rate



### YTD Net Absorption (SF)



### Average Asking Rent Rate (\$/SF/NNN)



## Record E-Commerce Sales and Demand for Cold Storage Fuel Growth for Miami's Industrial Sector

- As the industrial sector positions itself as the commercial real estate sector most insulated from the current pandemic, Miami's industrial market has continued to perform well through mid-year. Net absorption ended the second quarter in positive territory, although significantly down from the same time last year, and vacancy remained below 5% despite new speculative deliveries during the second quarter.
- The rapid growth of e-commerce has been further accelerated by the spread of COVID-19 due to a significant uptick in online ordering. As a result, Amazon has been aggressively expanding throughout South Florida, signing leases over 200,000 sf in both Hialeah and Pompano Beach during the second quarter. The e-commerce giant also plans to buy 76.9 acres in Homestead for \$22.1 million to build a distribution facility that would total more than 1 million sf.
- Leasing activity in the Northeast Dade submarket was particularly active with a handful of large deals including Caterpillar, Coulisse Distribution and Nova Health Solutions. The area has seen an increase in development and leasing activity as available land in Airport West becomes scarcer.
- Industrial and land development sales were among the few investment sales to move forward during the second quarter. Prologis recently purchased a truck parking area east of Miami International Airport for \$24.5 million.
- Bridge Development Partners and PGIM are planning to build a 312,103-sf speculative cold storage warehouse called Bridge Point Cold Logistics near Countyline Corporate Park in Northwest Dade. An increase in online grocery deliveries during the pandemic has accelerated the need for cold storage facilities in South Florida.

### Trends to Watch



#### E-commerce Expansion

Accelerated e-commerce expansion is expected to fuel demand for warehouse space since it requires three times the logistics space as traditional distribution.



#### Vacancy Remains Low

Vacancy rose by only 25 basis points over the quarter despite several speculative deliveries in 2Q20. There has yet to be a significant uptick in sublease space.



#### Demand in NW Dade

Development in Northwest Dade has been on fire, increasing the submarket's inventory by 22% within two years. Over 2 million sf is set to deliver by the end of 2020.

**189.4 MSF**

Total industrial inventory in the Miami-Dade County market

**216,688 SF**

Direct Y-T-D net absorption as of 2Q-2020

**4.58%**

Overall Vacancy

**\$8.29/SF/NNN**

Average rental rate for industrial space (excluding flex)

| Miami-Dade County        |                    |                  |                  |               |               |              |                |               |                    |                |
|--------------------------|--------------------|------------------|------------------|---------------|---------------|--------------|----------------|---------------|--------------------|----------------|
| Class Breakdown          | Total RSF          | Direct Vacant SF | Sublet Vacant SF | Lease Rate    | Occupancy     | Vacancy      | Sublet Vacancy | Total Vacancy | Under Construction | Net Absorption |
| Bulk Distribution        | 40,878,921         | 3,145,055        | 292,105          | \$8.23        | 92.31%        | 7.69%        | 0.71%          | 8.41%         | 2,781,951          | 414,990        |
| Flex                     | 17,196,095         | 613,477          | 17,236           | \$14.50       | 96.43%        | 3.57%        | 0.10%          | 3.67%         | 38,000             | 94,136         |
| Manufacturing            | 23,205,219         | 300,846          | 91,946           | \$6.74        | 98.70%        | 1.30%        | 0.40%          | 1.69%         | 0                  | 248,175        |
| Warehouse / Distribution | 108,179,598        | 3,570,615        | 637,957          | \$8.46        | 96.70%        | 3.30%        | 0.59%          | 3.89%         | 1,195,587          | (540,613)      |
| <b>Total</b>             | <b>189,459,833</b> | <b>7,629,993</b> | <b>1,039,244</b> | <b>\$8.79</b> | <b>95.97%</b> | <b>4.03%</b> | <b>0.55%</b>   | <b>4.58%</b>  | <b>4,015,538</b>   | <b>216,688</b> |

| Airport West             |                   |                  |                  |               |               |              |                |               |                    |                  |
|--------------------------|-------------------|------------------|------------------|---------------|---------------|--------------|----------------|---------------|--------------------|------------------|
| Class Breakdown          | Total RSF         | Direct Vacant SF | Sublet Vacant SF | Lease Rate    | Occupancy     | Vacancy      | Sublet Vacancy | Total Vacancy | Under Construction | Net Absorption   |
| Bulk Distribution        | 12,320,416        | 803,165          | 82,385           | \$9.19        | 93.48%        | 6.52%        | 0.67%          | 7.19%         | 189,958            | 179,129          |
| Flex                     | 8,679,150         | 372,259          | 12,436           | \$13.97       | 95.71%        | 4.29%        | 0.14%          | 4.43%         | 0                  | 69,988           |
| Manufacturing            | 3,413,165         | 0                | 0                | \$0.00        | 100.00%       | 0.00%        | 0.00%          | 0.00%         | 0                  | 40,000           |
| Warehouse / Distribution | 42,881,436        | 1,545,635        | 333,495          | \$9.18        | 96.40%        | 3.60%        | 0.78%          | 4.38%         | 181,533            | (448,855)        |
| <b>Total</b>             | <b>67,294,167</b> | <b>2,721,059</b> | <b>428,316</b>   | <b>\$9.84</b> | <b>95.96%</b> | <b>4.04%</b> | <b>0.64%</b>   | <b>4.68%</b>  | <b>371,491</b>     | <b>(159,738)</b> |

| Central Dade             |                  |                  |                  |                |               |              |                |               |                    |                 |
|--------------------------|------------------|------------------|------------------|----------------|---------------|--------------|----------------|---------------|--------------------|-----------------|
| Class Breakdown          | Total RSF        | Direct Vacant SF | Sublet Vacant SF | Lease Rate     | Occupancy     | Vacancy      | Sublet Vacancy | Total Vacancy | Under Construction | Net Absorption  |
| Bulk Distribution        | 0                | 0                | 0                | \$0.00         | 0.00%         | 0.00%        | 0.00%          | 0.00%         | 0                  | 0               |
| Flex                     | 873,516          | 65,057           | 0                | \$16.91        | 92.55%        | 7.45%        | 0.00%          | 7.45%         | 0                  | 25,178          |
| Manufacturing            | 1,598,097        | 23,900           | 0                | \$9.95         | 98.50%        | 1.50%        | 0.00%          | 1.50%         | 0                  | 8,760           |
| Warehouse / Distribution | 6,006,875        | 184,558          | 0                | \$9.01         | 96.93%        | 3.07%        | 0.00%          | 3.07%         | 0                  | (91,158)        |
| <b>Total</b>             | <b>8,478,488</b> | <b>273,515</b>   | <b>0</b>         | <b>\$10.97</b> | <b>96.77%</b> | <b>3.23%</b> | <b>0.00%</b>   | <b>3.23%</b>  | <b>0</b>           | <b>(57,220)</b> |

| Hialeah                  |                   |                  |                  |               |               |              |                |               |                    |                |
|--------------------------|-------------------|------------------|------------------|---------------|---------------|--------------|----------------|---------------|--------------------|----------------|
| Class Breakdown          | Total RSF         | Direct Vacant SF | Sublet Vacant SF | Lease Rate    | Occupancy     | Vacancy      | Sublet Vacancy | Total Vacancy | Under Construction | Net Absorption |
| Bulk Distribution        | 1,390,873         | 0                | 0                | \$0.00        | 100.00%       | 0.00%        | 0.00%          | 0.00%         | 212,760            | 0              |
| Flex                     | 198,755           | 0                | 0                | \$0.00        | 100.00%       | 0.00%        | 0.00%          | 0.00%         | 0                  | 0              |
| Manufacturing            | 6,375,261         | 73,343           | 61,500           | \$5.51        | 98.85%        | 1.15%        | 0.96%          | 2.12%         | 0                  | 283,671        |
| Warehouse / Distribution | 12,151,717        | 354,903          | 43,253           | \$7.55        | 97.08%        | 2.92%        | 0.36%          | 3.28%         | 202,700            | (32,443)       |
| <b>Total</b>             | <b>20,116,606</b> | <b>428,246</b>   | <b>104,753</b>   | <b>\$7.20</b> | <b>97.87%</b> | <b>2.13%</b> | <b>0.52%</b>   | <b>2.65%</b>  | <b>415,460</b>     | <b>251,228</b> |

| Kendall                  |                  |                  |                  |                |               |              |                |               |                    |                |
|--------------------------|------------------|------------------|------------------|----------------|---------------|--------------|----------------|---------------|--------------------|----------------|
| Class Breakdown          | Total RSF        | Direct Vacant SF | Sublet Vacant SF | Lease Rate     | Occupancy     | Vacancy      | Sublet Vacancy | Total Vacancy | Under Construction | Net Absorption |
| Bulk Distribution        | 0                | 0                | 0                | \$0.00         | 0.00%         | 0.00%        | 0.00%          | 0.00%         | 0                  | 0              |
| Flex                     | 2,206,217        | 41,826           | 0                | \$13.75        | 98.10%        | 1.90%        | 0.00%          | 1.90%         | 38,000             | 325            |
| Manufacturing            | 751,598          | 1,050            | 0                | \$11.00        | 99.86%        | 0.14%        | 0.00%          | 0.14%         | 0                  | (1,050)        |
| Warehouse / Distribution | 5,715,479        | 89,246           | 27,913           | \$10.18        | 98.44%        | 1.56%        | 0.49%          | 2.05%         | 0                  | 16,868         |
| <b>Total</b>             | <b>8,673,294</b> | <b>132,122</b>   | <b>27,913</b>    | <b>\$11.31</b> | <b>98.48%</b> | <b>1.52%</b> | <b>0.32%</b>   | <b>1.85%</b>  | <b>38,000</b>      | <b>16,143</b>  |

| Medley                   |                   |                  |                  |               |               |              |                |               |                    |                  |
|--------------------------|-------------------|------------------|------------------|---------------|---------------|--------------|----------------|---------------|--------------------|------------------|
| Class Breakdown          | Total RSF         | Direct Vacant SF | Sublet Vacant SF | Lease Rate    | Occupancy     | Vacancy      | Sublet Vacancy | Total Vacancy | Under Construction | Net Absorption   |
| Bulk Distribution        | 15,981,443        | 1,128,968        | 209,720          | \$7.73        | 92.94%        | 7.06%        | 1.31%          | 8.38%         | 312,251            | (159,603)        |
| Flex                     | 933,348           | 21,424           | 0                | \$15.22       | 97.70%        | 2.30%        | 0.00%          | 2.30%         | 0                  | 8,226            |
| Manufacturing            | 3,450,535         | 106,553          | 0                | \$7.22        | 96.91%        | 3.09%        | 0.00%          | 3.09%         | 0                  | (40,006)         |
| Warehouse / Distribution | 11,456,307        | 358,378          | 107,441          | \$7.97        | 96.87%        | 3.13%        | 0.94%          | 4.07%         | 390,884            | 18,200           |
| <b>Total</b>             | <b>31,821,633</b> | <b>1,615,323</b> | <b>317,161</b>   | <b>\$7.85</b> | <b>94.92%</b> | <b>5.08%</b> | <b>1.00%</b>   | <b>6.07%</b>  | <b>703,135</b>     | <b>(173,183)</b> |

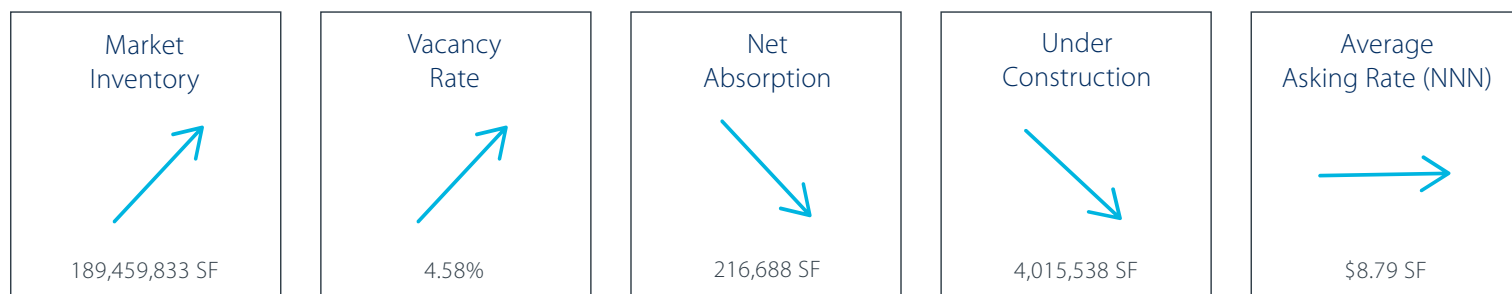
| Northwest Dade           |                   |                  |                  |               |               |              |                |               |                    |                |
|--------------------------|-------------------|------------------|------------------|---------------|---------------|--------------|----------------|---------------|--------------------|----------------|
| Class Breakdown          | Total RSF         | Direct Vacant SF | Sublet Vacant SF | Lease Rate    | Occupancy     | Vacancy      | Sublet Vacancy | Total Vacancy | Under Construction | Net Absorption |
| Bulk Distribution        | 4,255,868         | 56,618           | 0                | \$7.75        | 98.67%        | 1.33%        | 0.00%          | 1.33%         | 1,620,089          | 127,593        |
| Flex                     | 1,368,770         | 9,900            | 4,800            | \$10.95       | 99.28%        | 0.72%        | 0.35%          | 1.07%         | 0                  | 20,023         |
| Manufacturing            | 2,339,874         | 0                | 0                | \$0.00        | 100.00%       | 0.00%        | 0.00%          | 0.00%         | 0                  | 0              |
| Warehouse / Distribution | 7,583,683         | 484,397          | 55,855           | \$7.04        | 93.61%        | 6.39%        | 0.74%          | 7.12%         | 420,470            | 74,281         |
| <b>Total</b>             | <b>15,548,195</b> | <b>550,915</b>   | <b>60,655</b>    | <b>\$7.18</b> | <b>96.46%</b> | <b>3.54%</b> | <b>0.39%</b>   | <b>3.93%</b>  | <b>2,040,559</b>   | <b>221,897</b> |

| Northeast Dade           |                   |                  |                  |               |               |              |                |               |                    |                |
|--------------------------|-------------------|------------------|------------------|---------------|---------------|--------------|----------------|---------------|--------------------|----------------|
| Class Breakdown          | Total RSF         | Direct Vacant SF | Sublet Vacant SF | Lease Rate    | Occupancy     | Vacancy      | Sublet Vacancy | Total Vacancy | Under Construction | Net Absorption |
| Bulk Distribution        | 6,649,809         | 1,156,304        | 0                | \$8.08        | 82.61%        | 17.39%       | 0.00%          | 17.39%        | 446,893            | 267,871        |
| Flex                     | 2,049,636         | 99,789           | 0                | \$15.53       | 95.13%        | 4.87%        | 0.00%          | 4.87%         | 0                  | (27,582)       |
| Manufacturing            | 4,912,342         | 96,000           | 30,446           | \$6.30        | 98.05%        | 1.95%        | 0.62%          | 2.57%         | 0                  | (43,200)       |
| Warehouse / Distribution | 19,098,332        | 507,141          | 70,000           | \$8.09        | 97.34%        | 2.66%        | 0.37%          | 3.02%         | 0                  | (70,285)       |
| <b>Total</b>             | <b>32,710,119</b> | <b>1,859,234</b> | <b>100,446</b>   | <b>\$8.39</b> | <b>94.32%</b> | <b>5.68%</b> | <b>0.31%</b>   | <b>5.99%</b>  | <b>446,893</b>     | <b>126,804</b> |

| South Dade               |                  |                  |                  |               |               |              |                |               |                    |                |
|--------------------------|------------------|------------------|------------------|---------------|---------------|--------------|----------------|---------------|--------------------|----------------|
| Class Breakdown          | Total RSF        | Direct Vacant SF | Sublet Vacant SF | Lease Rate    | Occupancy     | Vacancy      | Sublet Vacancy | Total Vacancy | Under Construction | Net Absorption |
| Bulk Distribution        | 280,512          | 0                | 0                | \$0.00        | 100.00%       | 0.00%        | 0.00%          | 0.00%         | 0                  | 0              |
| Flex                     | 886,703          | 3,222            | 0                | \$10.80       | 99.64%        | 0.36%        | 0.00%          | 0.36%         | 0                  | (2,022)        |
| Manufacturing            | 364,347          | 0                | 0                | \$0.00        | 100.00%       | 0.00%        | 0.00%          | 0.00%         | 0                  | 0              |
| Warehouse / Distribution | 3,285,769        | 46,357           | 0                | \$8.70        | 98.59%        | 1.41%        | 0.00%          | 1.41%         | 0                  | (7,221)        |
| <b>Total</b>             | <b>4,817,331</b> | <b>49,579</b>    | <b>0</b>         | <b>\$8.83</b> | <b>98.97%</b> | <b>1.03%</b> | <b>0.00%</b>   | <b>1.03%</b>  | <b>0</b>           | <b>(9,243)</b> |

Reporting Methodology: This report includes all industrial buildings and parks 20,000 SF and greater in Miami-Dade County that are not government owned. All rents are reported on a triple-net basis and are direct weighted averages calculated on total available space. The information in this report has been collected by the Avison Young research team via sources that are deemed reliable but is not guaranteed.

## Leading Indicators (Y-O-Y 2Q-2019 to 2Q-2020)



## Significant Second Quarter 2020 Lease Transactions - Sorted by SF

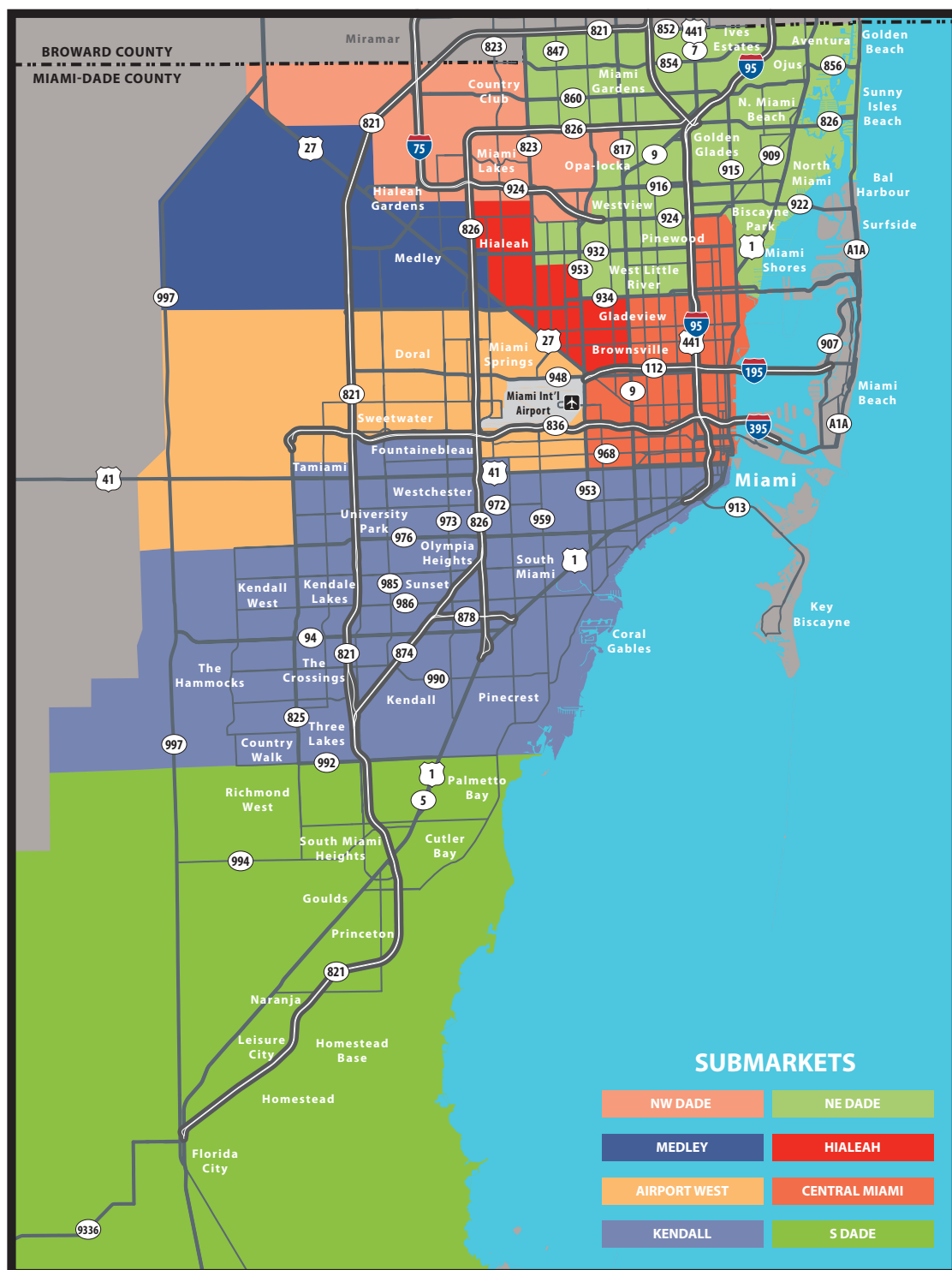
| Tenant                | Property  | Type    | SF      | Submarket      |
|-----------------------|---|---------|---------|----------------|
| Amazon                | 5700 NW 37th Ave                                | New     | 211,000 | Hialeah        |
| ECU Worldwide         | 2401 NW 69th St                                 | Renewal | 164,432 | Central Dade   |
| Caterpillar           | Eastview Commerce Center - Bldg 5               | New     | 115,400 | Northeast Dade |
| Nova Health Solutions | Bridge Point Commerce Center - Bldg A           | New     | 80,373  | Northeast Dade |
| Southeastern Printing | Miami Axis Park - Building 200                  | New     | 64,018  | Hialeah        |
| Clothes for You & Me  | 10800 NW 97th St                                | New     | 55,350  | Medley         |
| Coulisse Distribution | Eastview Commerce Center - Bldg 6               | New     | 47,175  | Northeast Dade |
| IOR Direct Solutions  | Prologis Miami International Tradeport - Bldg 6 | New     | 43,238  | Medley         |
| HGreg                 | 7500 NW 82nd St                                 | New     | 35,000  | Medley         |
| Noatum Logistics      | Miami Central Commons - Bldg 2                  | New     | 33,850  | Airport West   |

## Significant Second Quarter 2020 Sales Transactions - Sorted by Sale Price

| Property                               | SF      | Sale Price   | Price/SF | Buyer                       | Submarket      |
|--|---------|--------------|----------|-----------------------------|----------------|
| Countyline Corporate Park - Bldg 6 & 7 | 412,132 | \$61,000,000 | \$148    | CenterPoint Properties      | Northwest Dade |
| 10800 & 10810 NW 92nd Ter              | 125,910 | \$26,900,000 | \$213    | Brookfield Asset Management | Medley         |
| 12401 NW 38th Ave                      | 157,000 | \$26,000,000 | \$166    | Realterm Logistics          | Northeast Dade |
| McArthur Dairy                         | 158,657 | \$16,500,000 | \$104    | Moishe Mana                 | Central        |
| 10700 NW 36th Ave                      | 120,993 | \$13,000,000 | \$107    | Rodolfo Alvarez             | Northeast Dade |
| 6501 NW 37th Ave                       | 76,227  | \$7,600,000  | \$99     | The O'Donnell Group         | Hialeah        |
| 7400 NW 37th Ave*                      | 106,000 | \$7,550,000  | \$71     | Zaragon Holdings            | Hialeah        |

\* Avison Young handled this transaction





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