

# INVESTMENT FORECAST

Marcus & Millichap

## INDUSTRIAL

Miami-Dade Metro Area

2024

### Logistics Firms Take up Space, Mitigating the Impact of Construction and Driving Up Rents

The metro maintains nationally low vacancy, despite supply pressure. While rising from last year's record low, vacancy in Miami-Dade will be the third-tightest rate among major U.S. markets in 2024. All of the metro's five submarkets with more than 10 million square feet of inventory entered 2024 with sub-4 percent vacancy rates, a reflection of the widespread demand that exists among tenants. Still, some pressure may emerge in North Miami Beach this year as 40 percent of the space slated for delivery metrowide comes online here. Outer Miami-Dade, which hosts 8 million square feet of existing space, will also see climbing vacancy as over 1.1 million square feet delivers here. While the submarket has recorded flat-to-positive net absorption since 2018, new supply will exceed space demand this year. Long-term, however, supply pressure across the metro will ease as demand from manufacturing, distribution and logistics firms stays strong, illustrated by 2024 move-ins from companies like TSS Logistics, Ocean Doors & Windows, Inc., and Fulfillment Hub USA.

Nationally elevated rent growth draws buyers. Transaction activity in Miami-Dade slowed last year from record levels recorded in 2021 and 2022, but was still well above the 10-year average preceding the pandemic. Investors will likely stay active in 2024 as Miami-Dade claims the fourth-highest average asking rent in the country and has one of the fastest paces of rent growth. Investors willing to pay a premium for warehouse space will likely focus on properties in the areas surrounding Miami International Airport, where asking rents rank as the highest among local submarkets. Meanwhile, buyers looking for assets priced below the metro's mean could target inland suburbs like Hialeah, Medley and Miami Lakes, where properties can be acquired in the low- to mid-\$200-per-square-foot range.

### 2024 MARKET FORECAST

+2.1%



**EMPLOYMENT:** Hiring will slow in Miami-Dade this year as just 28,000 roles are added on net. Still, the metro's workforce will sit 124,000 jobs over the 2019 count.

4.3 million sq. ft.



**CONSTRUCTION:** For a third straight year, more than 4 million square feet of space will come online in the metro. Warehouses that average over 100,000 square feet make up most of the pipeline.

+40 bps



**VACANCY:** In early 2023, vacancy fell to a multi-decade low, but elevated construction will place some upward pressure on the metric this year. By the end of 2024, the measure will be 3.6 percent.

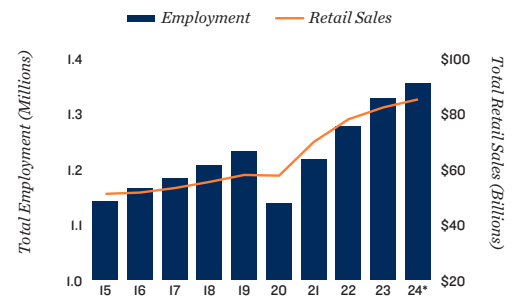
+8.3%



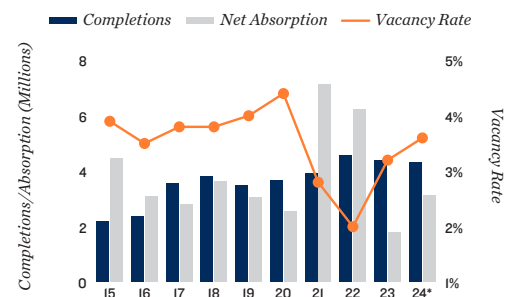
**RENT:** By December, the average asking rent will have nearly doubled in Miami-Dade since 2019. The mean marketed rate will close the year at \$20.15 per square foot.

**INVESTMENT:** Buyers seeking newer space in growing areas could focus on outer Miami-Dade, where total inventory rose by 6.6 million square feet from 2018-2023. Prior to 2018, the area had less than 1 million square feet.

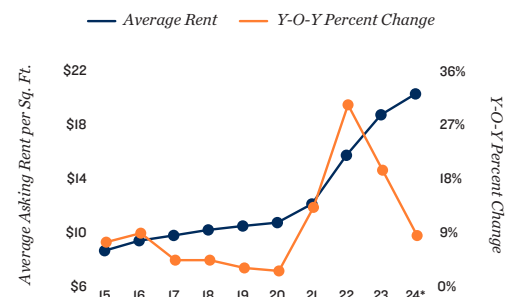
### Economic Trends



### Supply and Demand



### Rent Trends



\* Forecast  
Sources: CoStar Group, Inc.; Real Capital Analytics

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Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of December 2023. Effective rent is equal to asking rent less concessions. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Sales data includes transactions valued at \$1,000,000 and greater unless otherwise noted. Forecasts for employment and apartment data are made during the fourth quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guaranty regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.