

SFL- Q3 2022

INDUSTRIAL REPORT



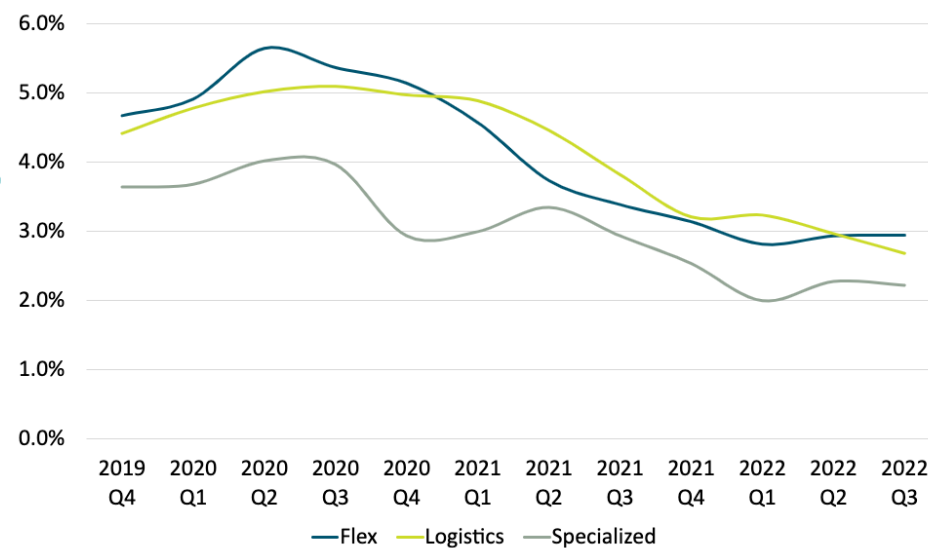
MARKET AT A GLANCE

FLEX VACANCY
2.9%

LOGISTICS VACANCY
2.7%

SPECIALIZED VACANCY
2.2%

VACANCY RATES BY TYPE



The South Florida industrial space has maintained levels of demand in Q3 2022. The e-commerce sector was already growing, and the pandemic exacerbated that growth. With an increased in the e-commerce sector, new delivery trends requiring more space for "just in time" deliveries have also increased. With

persisting supply chain issues, "just in case" storage spaces have also increased in popularity. As a result, the competition for industrial space in South Florida have intensified, causing the average vacancy rate for the three space types to be at 2.6%. We expect this trend of low vacancies to continue into 2023.



—BRAD HUTTON

Director, Office & Industrial



"Construction activity in South Florida has ramped up over the past few years to meet the demand, but land constraints make it difficult for developers to build large-scale projects in the market. In Miami specifically, the average industrial property built since 2010 is around 100,000 square feet, which is well below the average for major national distribution markets, such as Atlanta and Dallas-Fort Worth. New properties in Miami also typically have clear heights of 32 feet, with only a few assets exceeding that figure."



▲
FLEX RPSF
\$21.12

▲
LOGISTICS RPSF
\$16.90

▲
SPECIALIZED RPSF
\$16.71

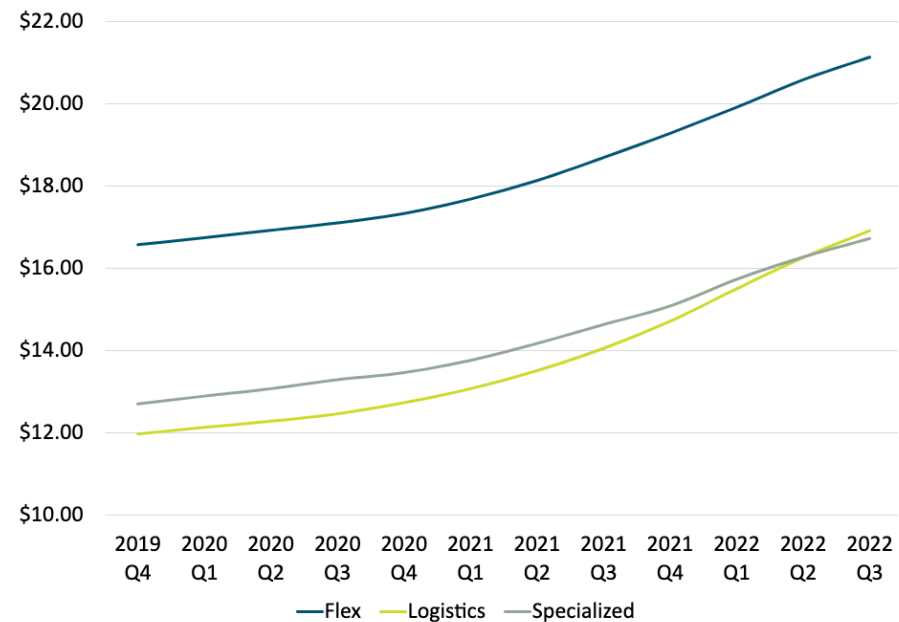


▼
Q3 DELIVERED SF
2,791,466

▲
ABSORBED SF
2,371,780

▲
OCCUPANCY RATE
97.1%

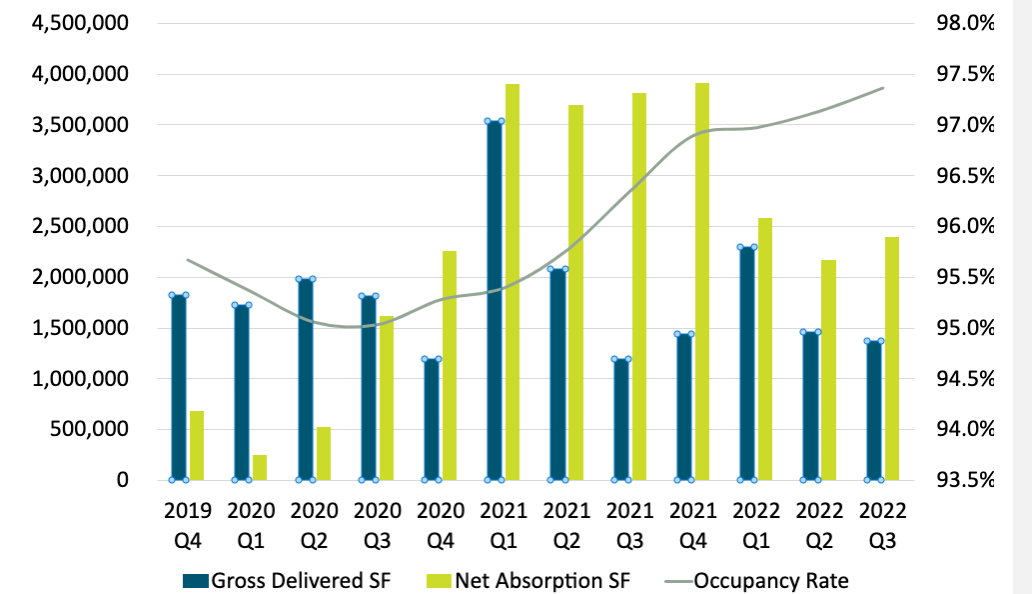
RENT PER SQUARE FOOT



The increased competition for valuable industrial space in the South Florida market has caused rent per square foot to reach new all-time highs. The average rent per square foot rate for industrial space in South Florida is currently \$18.24, which is significantly higher

than the national average of \$10.58. With increased adoption of e-commerce delivery trends, we expect these rates to continue their upward trajectory and flatten out towards the end of 2022 and early into 2023.

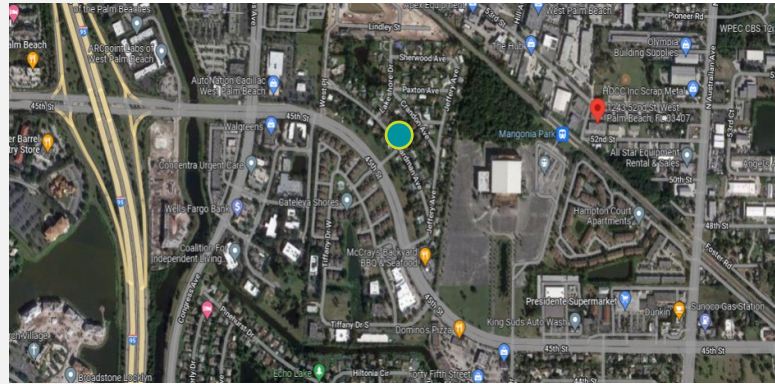
SUPPLY & DEMAND



The South Florida industrial market saw an impressive quarter for deliveries and absorption. The market typically absorbs new industrial space as soon as it is delivered to the market.

The occupancy rates are still above 97%, which is incredibly healthy for industrial assets. We anticipate this level of demand to persist throughout the year and into 2023.

RECENT TRANSACTIONS



1243 53RD STREET
\$13,045,722

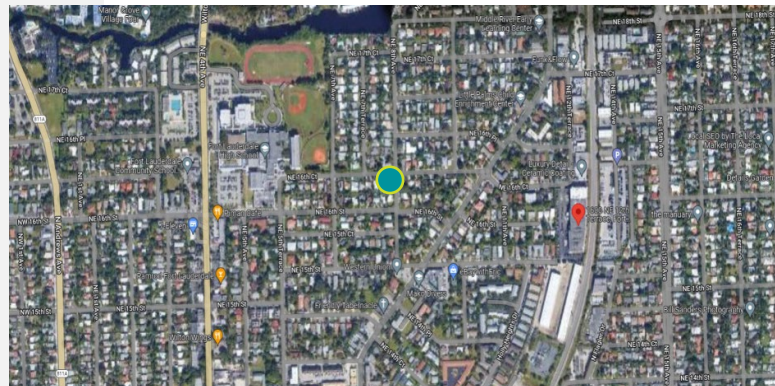
MANGONIA PARK, FL

37,000 SF

1243 53RD ST

OWNER TWENTY LAKE HOLDINGS

SELLER SERRAES FAMILY PARTNERSHIP



BEST ROOFING
\$175,00,000

FORT LAUDERDALE, FL

63,804 SF

1100 SHALLOWFORD RD

OWNER PERRY FINE

SELLER GREGG E WALLICK



8050 NORTHWEST 90TH STREET
\$20,000,000

MEDLEY, FL

185,000 SF

8050 NW 90TH ST

OWNER TERRENO REALTY

SELLER SYNOVUS BANK FL

FLEX

Geography Name	Inventory SF	Vacancy Rate	Gross Delivered SF	Net Absorption SF	Market Rent/SF	Market Cap Rate
Boca Raton East	1,144,420	0.8%	0	-8,874	\$21.70	5.7%
Boynton Beach	810,179	1.9%	0	-13,060	\$16.82	5.9%
Central Broward	2,582,153	2.4%	1,020	9,416	\$18.98	5.9%
Central Miami	127,982	3.2%	0	10,874	\$21.16	5.5%
Coral Springs	990,590	2.4%	0	-6,028	\$18.75	5.7%
Delray Beach	479,654	5.9%	0	2,716	\$19.10	5.5%
East Miami	651,995	5.8%	0	1,585	\$22.80	4.9%
Hialeah	374,855	5.6%	0	-14,533	\$19.20	5.2%
Jupiter	1,078,755	0.7%	0	-2,070	\$18.57	6.0%
Lake Park West	375,655	0.5%	0	-1,879	\$15.60	6.0%
Lake Worth East	474,790	5.7%	0	-1,561	\$16.14	6.0%
Lake Worth West	680,991	0.4%	0	-1,154	\$16.48	6.0%
Miami Lakes	1,281,732	3.2%	0	-6,929	\$21.22	5.2%
North Miami Beach	1,465,905	5.4%	0	-24,077	\$21.89	5.1%
Northeast Broward	1,608,522	4.0%	0	25,037	\$18.90	5.5%
Outlying Broward	36,387	0.1%	0	-54	\$25.87	5.2%
Outlying Miami-Dade	5,736	0.3%	0	-15	\$24.78	4.1%
Palm Beach Gardens	371,841	0.9%	0	-3,497	\$20.12	5.2%
Pompano Beach	3,504,699	2.5%	0	20,734	\$16.39	5.7%
South Central Miami	1,409,072	3.5%	0	9,593	\$48.54	5.1%
Southeast Broward	4,207,219	1.7%	0	13,438	\$21.21	5.7%
Southwest Broward	3,750,006	7.5%	0	-1,865	\$19.20	5.6%
Southwest Dade	1,741,135	1.4%	0	11,491	\$22.45	5.4%

LOGISTICS

Geography Name	Inventory SF	Vacancy Rate	Gross Delivered SF	Net Absorption SF	Market Rent/SF	Market Cap Rate
Boca Raton East	1,875,428	3.8%	0	-563	\$19.09	5.6%
Boca Raton West	122,113	0.2%	0	-243	\$14.20	5.5%
Boynton Beach	3,994,367	2.4%	0	-13,596	\$14.29	5.5%
Central Broward	15,508,682	2.6%	3,828	-84,322	\$17.57	5.7%
Central Miami	2,911,025	2.2%	0	-13,672	\$16.90	5.2%
Coral Springs	5,868,261	2.9%	0	7,494	\$18.57	5.7%
Delray Beach	2,040,336	4.6%	0	1,706	\$16.77	5.6%
East Miami	3,290,541	3.2%	0	23,987	\$24.27	5.0%
Hialeah	23,589,299	2.5%	128,844	32,769	\$12.67	5.2%
Jupiter	1,682,038	0.2%	0	3,555	\$20.10	5.7%
Lake Park East	260,330	7.0%	0	-6,060	\$13.63	5.6%
Lake Park West	1,246,712	0.5%	0	-3,844	\$16.93	5.5%
Lake Worth East	1,475,071	1.1%	0	477	\$14.98	5.9%
Lake Worth West	1,796,221	3.7%	0	-1,141	\$14.69	5.7%
Miami Lakes	10,223,531	2.3%	0	213,947	\$15.62	5.2%
North Miami Beach	34,105,513	2.1%	0	17,757	\$15.37	5.1%
Northeast Broward	11,600,202	4.2%	0	106,455	\$16.14	5.7%
Outlying Broward	5,861	0.2%	0	-11	\$20.40	6.3%
Outlying Miami-Dade	5,323,205	0.8%	0	402,009	\$11.30	4.6%
Palm Beach Gardens	349,536	1.3%	0	-685	\$17.16	5.4%
Pompano Beach	25,836,767	2.8%	0	115,809	\$16.39	5.6%
South Central Miami	9,446,921	3.0%	0	3,656	\$25.51	5.0%
Southeast Broward	25,193,301	2.9%	330,370	270,185	\$18.89	5.6%
Southwest Broward	16,418,477	3.2%	229,579	295,522	\$15.99	5.3%
Southwest Dade	7,973,477	1.0%	0	57,334	\$20.13	5.3%

SPECIALIZED

Geography Name	Inventory SF	Vacancy Rate	Gross Delivered SF	Net Absorption SF	Market Rent/SF	Market Cap Rate
Boca Raton East	194,627	0.2%	0	-352	\$21.23	5.6%
Boca Raton West	15,594	0.2%	0	-30	\$15.72	5.1%
Boynton Beach	528,785	0.8%	0	-1,030	\$14.07	5.7%
Central Broward	2,884,752	1.6%	0	-1,890	\$17.71	5.9%
Central Miami	234,264	6.2%	0	-745	\$19.19	5.2%
Coral Springs	984,902	12.7%	0	-8,255	\$12.99	7.9%
Delray Beach	371,658	0.2%	0	-682	\$20.96	5.4%
East Miami	393,062	6.0%	0	-957	\$31.35	4.8%
Hialeah	7,275,651	2.1%	0	-20,153	\$12.54	5.1%
Jupiter	352,945	0.2%	0	-665	\$17.31	5.8%
Lake Park East	5,867	0.2%	0	-10	\$15.72	5.8%
Lake Park West	248,132	0.2%	0	-458	\$19.37	5.5%
Lake Worth East	516,318	0.2%	0	-962	\$16.84	5.9%
Lake Worth West	948,182	1.5%	0	-1,814	\$16.18	5.5%
Miami Lakes	1,292,915	0.3%	0	-3,620	\$14.91	5.3%
North Miami Beach	5,724,517	3.3%	0	-165,670	\$16.21	5.1%
Northeast Broward	1,025,089	0.2%	0	-2,198	\$18.54	5.5%
Outlying Miami-Dade	248,640	0.3%	0	-706	\$13.24	5.0%
Palm Beach Gardens	33,497	0.2%	0	-64	\$15.72	6.0%
Pompano Beach	4,364,761	4.3%	0	60,999	\$16.67	5.7%
South Central Miami	2,543,621	3.5%	0	-22,585	\$25.63	5.0%
Southeast Broward	3,487,564	2.4%	0	-3,618	\$20.18	5.7%
Southwest Broward	1,008,933	3.1%	0	-31,680	\$16.24	5.4%
Southwest Dade	910,099	1.2%	0	-8,879	\$19.43	5.2%



Overall, South Florida's industrial market will remain strong through 2022 and into 2023. All indicators point toward it remaining the strongest market in the state of Florida and one of the most in-demand investment markets nationwide.



MEET THE EXPERTS

OFFICE AND INDUSTRIAL

BRAD HUTTON

DIRECTOR

OFFICIAL AND INDUSTRIAL

Brad.Hutton@FranklinSt.com

813.839.7300 x0636

CAPITAL ADVISORY

JOSEPH LANDSBERG

DIRECTOR, CAPITAL ADVISORY

Joseph.Landsberg@FranklinSt.com

954.481.940

JAVIER HERRERA

SENIOR DIRECTOR, CAPITAL ADVISORY

Javier.Herrera@FranklinSt.com

305.755.4448

DATA & RESEARCH

ANDREW CONDON

MANAGER, DATA & RESEARCH

Andrew.Condon@FranklinSt.com

813.839.7300 x 0421

IAN MAHONEY

RESEARCH ANALYST, DATA & RESEARCH

Ian.Mahoney@FranklinSt.com

813.839.7300 x 0867

CAPITAL ADVISORY | INSURANCE SERVICES | INVESTMENT SALES | PROJECT MANAGEMENT
LANDLORD REPRESENTATION | TENANT REPRESENTATION | PROPERTY MANAGEMENT

CONTACT RESEARCHANDMARKETING@FRANKLINST.COM
FOR MORE INFORMATION

