Miami industrial market shows resilience amid elevated vacancy

▼ 6.3%
Total Vacancy (Q3 2025)

▲ 345,046
SF Net Absorption (Q3 2025)

▼ 5,044,452
SF Construction (Q3 2025)

▼ 107,632
SF Delivered (Q3 2025)

▼ $15.80
NNN / Lease Rate

Note: Arrows indicate change from previous quarter.

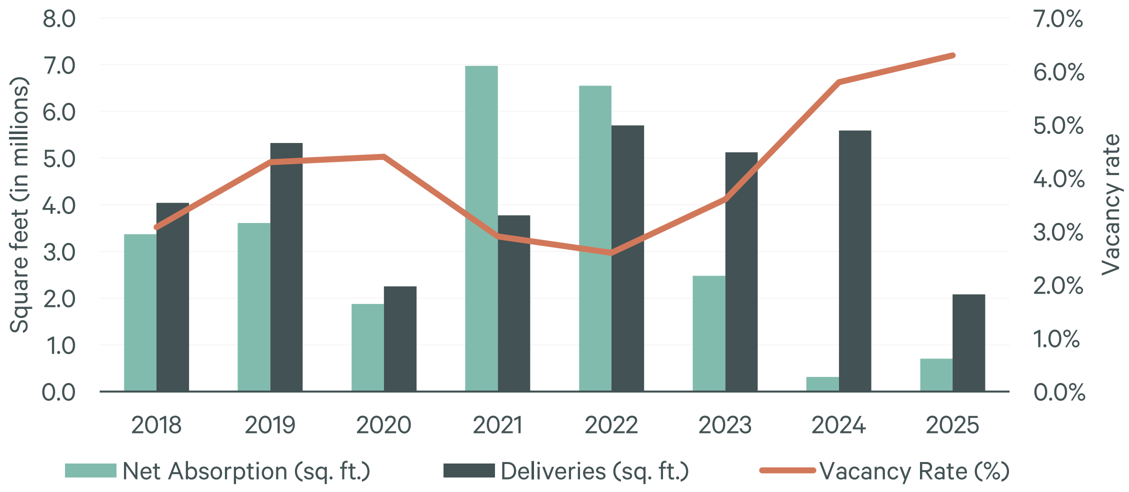
Market highlights

- Net absorption has been unexpectedly robust during the uncertain times brought about by shifting changes in the economy. Local users are confident enough to take on more space, and developers are willing to break new ground despite vacancy rates holding at 6.0%, still ranking among the lowest in the top 20 industrial markets.

- Year-to-date, just over 2.0 million sq. ft. of new projects have broken ground, coming in slightly below last year's pace. Most of this activity remains concentrated in the Airport/Doral submarket, which has historically captured the bulk of tenant demand. Overall, development has moderated noticeably in recent years

- Vacancy reached a five-year low of 2.6% in 2022, supported by robust absorption and record levels of construction. Since then, vacancies has trended upward, peaking at 6.5% last quarter as new supply continued to outpace demand. This quarter, the rate edged down slightly due to a pause in major deliveries.

FIGURE 1: Historical Absorption, Deliveries and Vacancy



Source: CBRE.com

Demand & Supply

Despite elevated vacancy and ongoing move-outs, Miami's industrial market remains resilient, driven by steady leasing momentum, positive net absorption, and continued development. Year-to-date leasing reached 8.8 million sq. ft., marking a slight increase from the same period last year. Average lease size has declined to roughly 12,500 sq. ft., compared to more than 23,000 sq. ft. during 2018–2022, reflecting a return to the market's typical deal profile, following a period that included several outsized built-to-suit projects. Notable deals this quarter include Gofo Express (176,000 sq. ft. at Blue Lagoon) and Dr. Pepper (150,000 sq. ft. at Carrie Meek International Park).

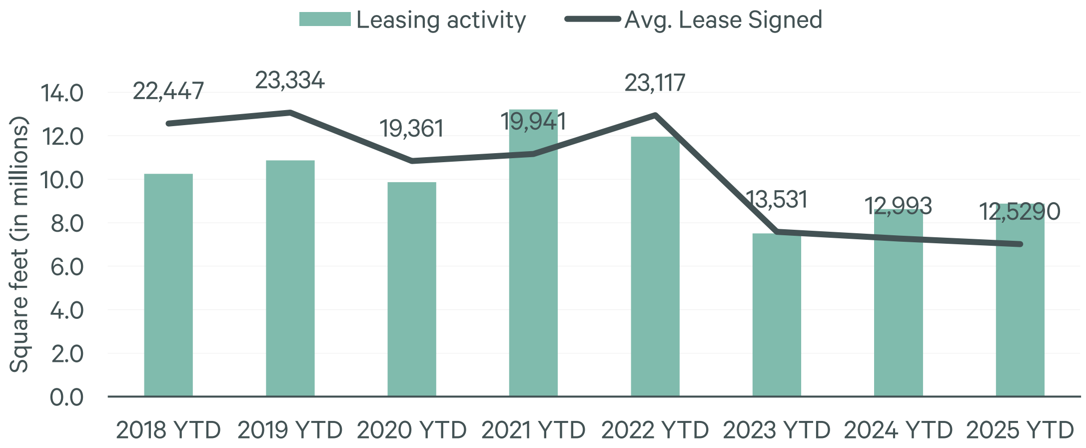
In addition, Miami's industrial sales momentum is building. Over the past 12 months, the market recorded $2.6 billion in transaction volume, marking a 60% increase compared to the prior year. One of the most notable deals this quarter was the sale of Countyline East Logistics Center, in Hialeah, for almost $53 million. The buyer plans to occupy the entire building next year which totals 171,000 sq. ft.

With more than 5.0 million sq. ft. under construction as of Q3 2025, Miami's industrial market has moved beyond the peak of its record supply wave. Roughly 3.0 million sq. ft. is slated for delivery by year-end, with 21% already pre-leased. Development remains heavily concentrated in large-scale logistics projects, leading to a faster buildup of vacant space as new inventory hits the market.

Vacancy & Pricing

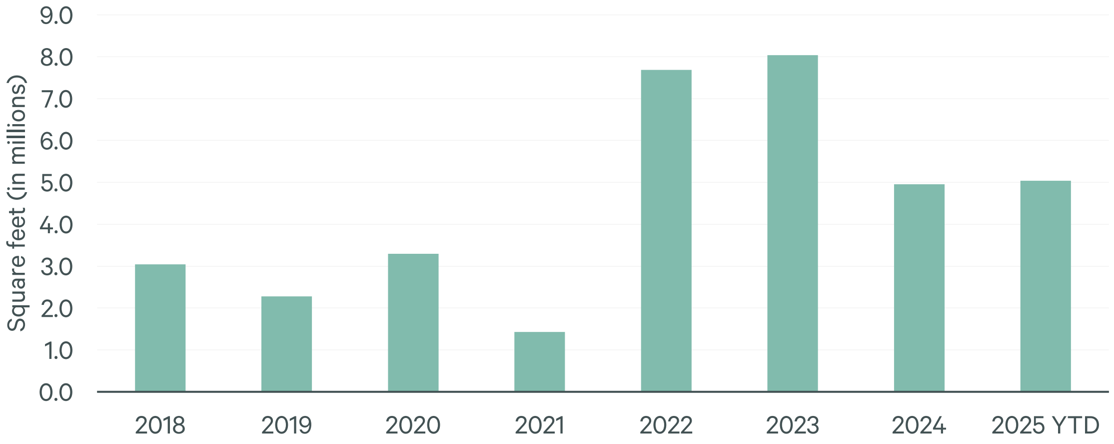
At the peak of speculative industrial construction in 2022, tenants faced vacancy rates below 3%, placing upward pressure on rents and limiting options for large space users. Today, vacancy is approaching 7% as construction activity has slowed significantly. With over 3.0 million sq. ft. slated to deliver in the coming quarters, the vacancy rate is projected to rise further, potentially reaching between 7.5% and 8.0%, before beginning to stabilize. This shift in market dynamics has led to a modest correction in asking rents, which currently average $15.80 per sq. ft. on a triple net basis, reflecting a slight decline quarter-over-quarter.

FIGURE 2: Leasing activity



Source: CBRE.com

FIGURE 3: Under Construction



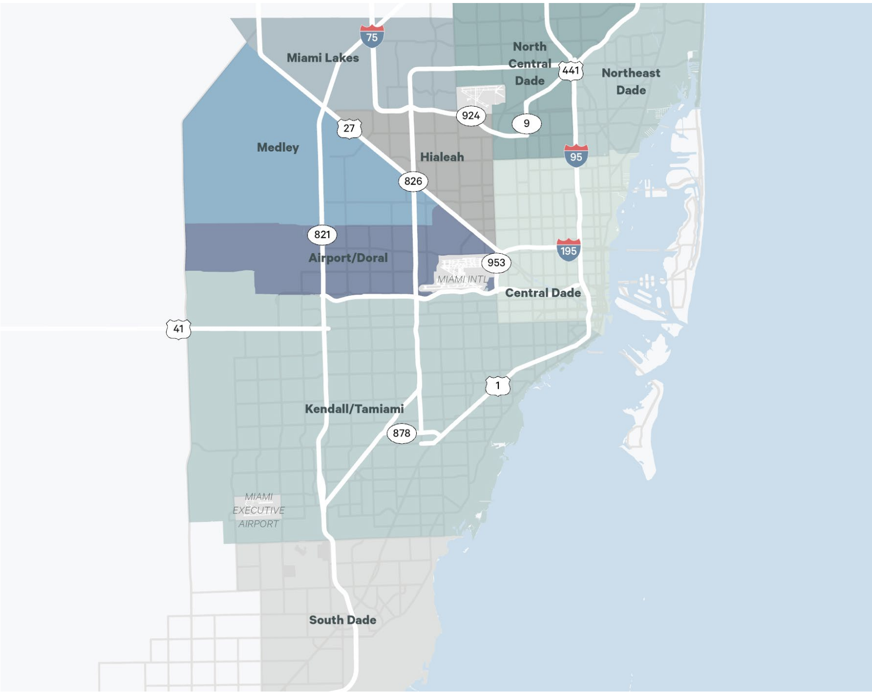
Source: CBRE.com

FIGURE 2: Statistical Snapshot Q3 2025

Submarket	Total Inventory (SF)	Total Vacancy Rate (%)	Q3 2025 Net Absorption (SF)	YTD Net Absorption (SF)	Under Construction (SF)	Q3 2025 Deliveries (SF)	YTD Deliveries (SF)	Avg. Asking Lease Rate ($/NNN)
Hialeah	16,975,818	7.87 %	-28,433	-172,405	0	0	409,189	$17.00
Kendall/Tamiami	14,281,820	3.21 %	102,729	118,796	0	0	0	$13.44
North Central Dade	40,152,253	7.18 %	48,992	746,201	374,419	0	0	$15.20
Airport/Doral	61,001,971	5.68 %	52,868	-127,382	2,740,293	0	328,870	$18.79
Medley	47,621,171	7.77 %	-128,714	113,365	690,230	0	372,512	$17.39
Central Dade	39,701,576	4.62 %	243,108	-95,392	0	107,632	107,632	$14.00
South Dade	4,728,569	4.55 %	3,065	18,445	265,318	0	0	$16.65
Northeast Dade	2,686,371	1.9 %	104	13,654	0	0	0	$N/A
Out of Submarket	1,389,117	0.12 %	7,500	7,500	0	0	0	$N/A
Miami Lakes	19,244,556	8.48 %	43,837	84,068	974,192	0	860,415	$15.50
Total	247,783,222	6.29 %	345,056	706,850	5,044,452	107,632	2,078,618	$15.80

Note: All figures reflect the most current data and are revised each quarter. Prior reports may not reflect updated statistics. All stated rents are estimates subject to size, credit, TI, and term.

Market Area Overview



CBRE Economic House View

CBRE has revised its U.S. growth outlook upward, a shift from the more pessimistic view held in the spring. Greater clarity around trade policy and private sector resilience should equate to 1.6% GDP growth this year. Much of this growth should be frontloaded as higher inflation—peaking in the low-3% range by early 2026—creates some headwinds during the latter half of this year. The labor market is flashing important signals such as falling job openings and weak hiring by firms.

Despite the modest growth outlook and expectations for further rate cuts, 10-year Treasury yields are holding steady in the low 4% range. A combination of higher inflation and excessive U.S. debt levels should keep yields near this level through 2027. This environment—with Treasury yields fluctuating between 4% and 4.5% and moderate economic growth—is fostering some recovery in commercial real estate (CRE) capital markets. Investment volumes are on track to exceed 2023 and 2024 levels.

Contacts

Erik Rodriguez
Research Manager
1 954 548 5534
erik.rodriguez@cbre.com

Marc L. Miller
Research Director
+1 305 381 6428
marc.miller1@cbre.com

CBRE