

INVESTMENT FORECAST

Industrial
Miami-Dade

IPA

INSTITUTIONAL
PROPERTY
ADVISORS

2026

Record Airfreight Strengthens Metro's Logistics Role, While Oil and Trade Shocks Cloud the Outlook

Rising cargo volumes support distribution demand. Miami saw negative net absorption for a second straight year in 2025, followed by another roughly 1 million square feet of move-outs in the first quarter of 2026, as tenants resized and higher operating costs pressured both small-bay and bulk users. Yet the metro's role in global trade is strengthening. Cargo shipments at Miami International Airport rose by 13.6 percent in 2025 to a record 3.5 million tons, while pass-through freight exceeded local shipments for the first time in over a decade, reinforcing Miami's hub role. That helped lift leasing in the fourth quarter of 2025 above 5 million square feet to the highest level since early 2022, with activity carrying into 2026. Large-block demand also improved, with at least 24 leases above 100,000 square feet signed in the year ended in March, up from 16 in the prior period. Although tariff and energy volatility remain key risks that could stall leasing, these recent commitments should help prevent a sharper rise in vacancy.

Record trades reflect broadening small-bay investor interest. Sales activity set a record over the past year, driven by \$1 million to \$10 million deals as small-bay assets remain popular. Segment vacancy near 4 percent should help sustain private investor demand for single-tenant warehouses, while institutions favor the diversified income streams of multi-tenant assets. Properties near Miami International Airport will likely remain most in demand. However, buyer interest may continue to spread north into Miami Lakes and west toward Sweetwater as access improves, such as with the recent completion of Northwest 112th Avenue. Stronger large-block leasing could also revive interest in distribution assets, where vacancy near 12 percent has deterred sales, while manufacturing facilities may continue to gain appeal as vacancy holds below 4 percent.

2026 MARKET FORECAST

+0.6%



Employment: The addition of 8,000 jobs marks a modest rebound after losses last year. One of the nation's fastest-growing construction sectors should help support demand for sublet space.

3.3 million
sq. ft.



Construction: Completions are set to rise modestly in 2026 but remain well below the peak of over 6 million square feet in 2024 and about 20 percent below the past 10-year average.

+100 bps



Vacancy: After a sharp increase in the first quarter of 2026, vacancy is expected to rise more modestly over the rest of the year, though at 8.0 percent, the rate will be the highest in over a decade.

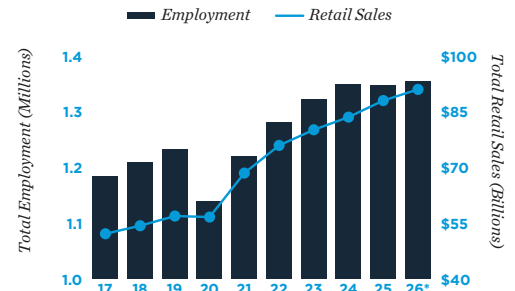
+1.0%



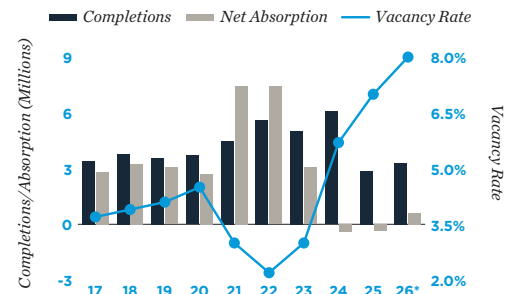
Rent: The metro's average asking rate edges up to \$18.00 per square foot, as elevated vacancy keeps rent growth constrained. Even so, the rate will stand about 70 percent above the 2019 level.

INVESTMENT: A March 2026 federal pilot selection positions Florida to test drone cargo use cases. That could eventually support logistics demand near Miami-Dade airports under review for vertiport infrastructure.

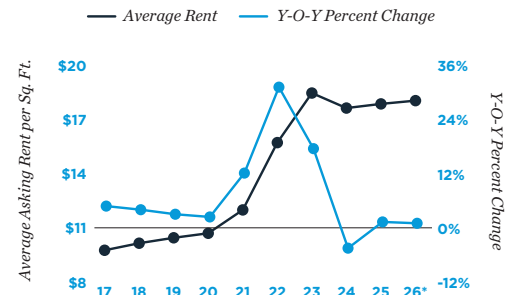
Economic Trends



Supply and Demand



Rent Trends



* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

IPA Industrial

Alan L. Pontius

Senior Managing Director, National Division Leader
Tel: (415) 963-3000 | apontius@ipausa.com

Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of January 2026. 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 office 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 guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.