Miami-Dade County Industrial Market Report

2003

The Official IADC Annual Report on Industrial Market Conditions

INDUSTRIAL ASSOCIATION OF DADE COUNTY, INC.
IADC

Compiled By the Industrial Association of Dade County

Highlights by Geographic Region

North Miami-Dade

From Miami-Dade/Broward County line to NW 138th Street, east of NW 77th Avenue; and from NW 138th St. to NW 103rd Street, east of NW 37th Ave.

Larger single and multi-tenant, dock-height, storage and manufacturing buildings. Major industrial parks include: Miami Lakes, Palmetto Lakes, Sunshine State, Seaboard Industrial and Gratigny Central.

-- 1400 NW 159th St, 40,000 SF at $4.75/SF gross for 3 years, $.25/SF/Yr increases, "as is," no rental abatement.
-- 3500 NW 108th St, 100,000 SF at $4.55/SF gross for 3 years, 3% increases, 1 month free, "as is."

Northwest/Medley

Miami-Dade/Broward County line to NW 58th Street, between NW 77th Avenue and Miami-Dade/Collier County line.

Larger multi-tenant, dock-height and street level distribution and manufacturing buildings. Major industrial parks include: Beacon Station, Lakeview Industrial Center, Pelmad Palmetto, Pelmad Industrial, Palmetto Distribution Center and Medley Industrial. This area continues to serve as a distribution hub for the Tri-county area.

-- 9851 NW 106 St, 65,794 SF at $5.10/SF gross for 4 years, 3-4% increases, "as is," no rental abatement.
-- 11800 NW 100 Rd, 112,730 SF at $5.75/SF gross for 7 1/2 years, 3-4% increases, no rental abatement, paint & carpet.

Hialeah

NW 138th Street to NW 58th Street, between NW 37th Avenue and NW 77th Avenue.

Older street level manufacturing buildings, some of which are fully air-conditioned, have lower ceiling heights, minimal power and/or lack of sewer availability. Facilities used for garment manufacturing are being converted to other manufacturing uses. This region is noted for its ample supply of skilled bilingual labor.

-- 405 East 10th Ct, 25,000 SF at $3.50/SF gross for 5 years, 3% increases, 1 month free, "as is."
-- 7145 West 20th Ave, 55,000 SF at $5.00/SF gross for 4 years, 4% increases, 1 month free, "as is."

Central Miami-Dade

NW 103rd Street to NW 12th Street, between NW 37th Avenue and Miami Beach.

A mixture of older street level and dock-height storage, distribution and manufacturing buildings. Market activity in this region is primarily driven by affordable building values, economic development programs, and the proximity of suppliers. Three districts within this region are the "Produce", "Garment" and "Design" districts. The trend of older, less functional buildings being purchased and subsequently renovated by owner-users continues.

-- 5750 NW 32nd Ct, 75,000 SF at $3.00/SF gross for 5 years, 3% increases, "as is."
-- 3575 NW 60th St, 45,000 SF at $3.50/SF gross for 3 years, 3% increases.

Airport West

NW 58th Street to State Road 836, between NW 37th Avenue and Miami-Dade/Collier County line.

A mixture of single and multi-tenant dock-height buildings designed for cargo distribution to the airport and seaport. Newer industrial product in this region caters to office intensive and/or high-tech users.

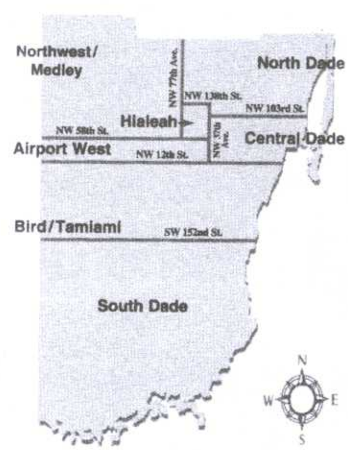
-- 9905 NW 17th St, 87,156 SF at $6.50/SF gross for 5 years, 3% increases, 3 months free, "as is."
-- 8501 NW 17th St, 138,996 SF at $6.10/SF gross for 10 years, 3.5% increases, 4 months free, "as is."

Bird/Tamiami

NW 12th Street to SW 152nd Street, between Miami Beach and Miami-Dade/Collier County line.

The northern area; "Bird Road Industrial", between SW 40th Street and SW 56th Street, east of State Road 826. The southern area; "Tamiami Airport", between SW 88th Street and SW 152nd Street, west of SW 117th Avenue. Both areas offer primarily multi-tenant, street level office/warehouse buildings catering to small and medium sized businesses. The industrial area east of Tamiami Airport is designated a biomedical corridor and has the highest concentration of biomedical companies in southeast Florida.

-- 13868 SW 119 Ave, 11,120 SF at $8.25/SF gross for 5 years, 4% increases, no rental abatement, 25% of buildout.
-- 7029 SW 46 St, 4,100 SF at $7.00/SF gross for 3 years, 3% increases, no rental abatement, 100% AC.



South Miami-Dade

SW 152nd Street to Miami-Dade/Monroe County line, between Biscayne Bay and Miami-Dade/Collier County line.

Small, multi-tenant street level warehouses generally used for manufacturing, repair and small businesses. This region is not a significant factor in Miami-Dade County's overall industrial market.

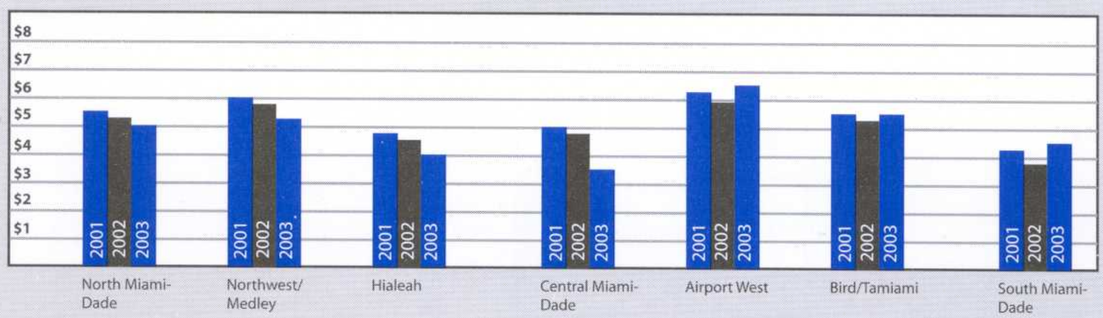
-- 19100 SW 106 Ave, 9,000 SF at $7.80/SF gross for 5 years, CPI increases, 2 months free, "as is."
-- 10700 SW 190 St, 21,000 SF at $5.71/SF gross for 2 years, 4% increases, no rental abatement, "as is."

Chart Data

Summary of Trends

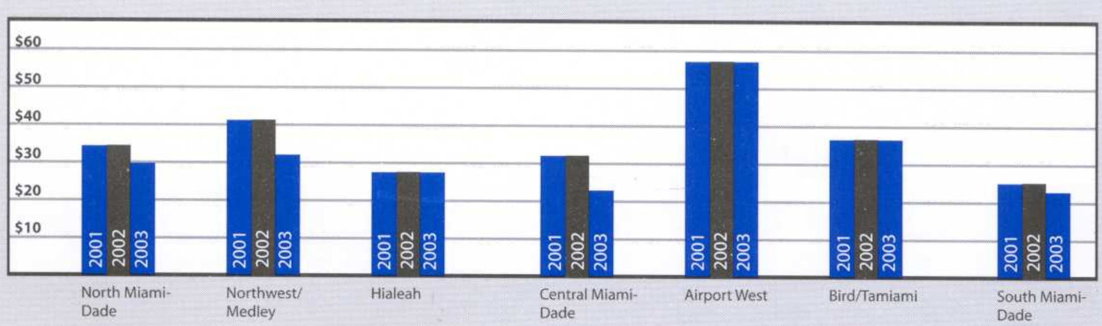
	Supply	Demand	Rental Rates	Land Prices	Sales Prices
North Miami-Dade	▲	▲	▼	◀▶	▼
Northwest/Medley	▲	▼	▼	▲	▼
Hialeah	◀▶	▲	▼	◀▶	◀▶
Central Miami-Dade	◀▶	▼	▼	◀▶	▼
Airport West	▲	▼	▲	▼	◀▶
Bird/Tamiami	▲	▼	▲	▼	◀▶
South Miami-Dade	◀▶	▼	▲	▲	▼

Rental Rates



Land Prices

Sale Prices



2003 Market Conditions

North Miami-Dade

Year	Rental Rates	Land Prices	Sale Prices	Vacancy Rates	Dock Height	Street Level	% Office	Demand	Supply
2003	**$4.50-5.50**	**$5.00-6.00**	**$30 - 35**	**5 - 8%**	**75%**	**25%**	**10%**	**+**	**+**
2002	$4.75-5.75	$5.00-6.00	$35 - 40	8- 10%	75%	25%	10%	(-)	=
2001	$5.00-6.00	$5.00-6.00	$35 - 40	5 - 8%	75%	25%	10%	+	=
2000	$5.00-6.00	$5.00-6.00	$35 - 40	5 - 8%	75%	25%	10%	+	+
1999	$5.00-6.00	$5.00-6.00	$30 - 35	5 - 8%	75%	25%	10%	+	=

Northwest/Medley

Year	Rental Rates	Land Prices	Sale Prices	Vacancy Rates	Dock Height	Street Level	% Office	Demand	Supply
2003	**$4.50-6.00**	**$6.00-9.00**	**$30 - 40**	**8 - 10%**	**70%**	**30%**	**10%**	**(-)**	**+**
2002	$4.75-6.75	$5.50-7.50	$35 - 55	5 - 8%	70%	30%	10%	(-)	+
2001	$5.00-7.00	$5.50-7.50	$35 - 55	3 - 5%	70%	30%	10%	+	+
2000	$5.00-6.00	$5.00-6.00	$35 - 40	8 - 10%	75%	25%	10%	+	+
1999	$4.50-6.00	$5.00-6.00	$30 - 40	5 - 8%	70%	30%	10%	=	+

Hialeah

Year	Rental Rates	Land Prices	Sale Prices	Vacancy Rates	Dock Height	Street Level	% Office	Demand	Supply
2003	**$3.50-4.50**	**$4.00-5.50**	**$25 - 35**	**5 - 8%**	**75%**	**25%**	**8%**	**+**	**=**
2002	$3.75-5.25	$4.00-5.50	$25 - 35	8 - 10%	70%	30%	8%	(-)	=
2001	$4.00-5.50	$4.00-5.50	$25 - 35	5 - 8%	70%	30%	8%	=	=
2000	$4.00-5.50	$4.00-5.50	$25 - 35	5 - 8%	75%	25%	8%	+	=
1999	$4.00-5.00	$4.00-5.00	$25 - 35	5 - 8%	75%	25%	8%	+	-

Central Miami-Dade

Year	Rental Rates	Land Prices	Sale Prices	Vacancy Rates	Dock Height	Street Level	% Office	Demand	Supply
2003	**$3.00-4.00**	**$5.00-6.00**	**$20 - 30**	**8 - 10%**	**20%**	**80%**	**8%**	**(-)**	**=**
2002	$3.75-5.75	$5.00-6.00	$30 - 40	8 - 10%	20%	80%	8%	(-)	=
2001	$4.00-6.00	$5.00-6.00	$30 - 40	5 - 8%	20%	80%	8%	+	=
2000	$2.50-3.50	$3.00-4.00	$15 - 25	8 - 10%	20%	80%	8%	+	=
1999	$2.50-3.25	$2.50-3.50	$18 - 25	10 - 12%	20%	80%	8%	+	=

Airport West

Year	Rental Rates	Land Prices	Sale Prices	Vacancy Rates	Dock Height	Street Level	% Office	Demand	Supply
2003	**$6.00-7.00**	**$8.00-12.00**	**$50 - 75**	**10 - 12%**	**80%**	**20%**	**18%**	**(-)**	**+**
2002	$5.00-6.75	$8.00-13.00	$55 - 70	10 - 12%	80%	20%	18%	(-)	+
2001	$5.50-7.00	$8.00-13.00	$55 - 70	8 - 10%	80%	20%	18%	+	+
2000	$5.50-7.00	$8.00-13.00	$55 - 70	10 - 12%	80%	20%	18%	+	+
1999	$5.50-7.00	$8.00-12.00	$50 - 65	8 - 10%	80%	20%	18%	+	+

Bird/Tamiami

Year	Rental Rates	Land Prices	Sale Prices	Vacancy Rates	Dock Height	Street Level	% Office	Demand	Supply
2003	**$4.50-6.50**	**$4.00-5.00**	**$35 - 45**	**5 - 8%**	**10%**	**90%**	**15%**	**(-)**	**+**
2002	$4.25-6.25	$4.00-6.00	$35 - 45	8 - 10%	10%	90%	15%	(-)	+
2001	$4.50-6.50	$4.00-6.00	$35 - 45	8 - 10%	10%	90%	15%	=	=
2000	$4.50-6.50	$4.00-6.00	$35 - 45	8 - 10%	10%	90%	15%	=	+
1999	$4.50-6.50	$4.00-6.00	$35 - 45	8 - 10%	10%	90%	15%	=	+

South Miami-Dade

Year	Rental Rates	Land Prices	Sale Prices	Vacancy Rates	Dock Height	Street Level	% Office	Demand	Supply
2003	**$4.00-5.00**	**$4.00-5.00**	**$20 - 30**	**10 - 12%**	**5%**	**95%**	**10%**	**(-)**	**=**
2002	$3.25-4.25	$3.50-5.00	$25 - 30	10 - 20%	5%	95%	10%	(-)	=
2001	$3.50-5.00	$3.50-5.00	$25 - 30	15 - 18%	5%	95%	10%	(-)	=
2000	$3.50-5.00	$3.50-5.00	$25 - 30	15 - 18%	5%	95%	10%	(-)	=
1999	$3.50-5.00	$3.50-5.00	$20 - 30	15 - 18%	5%	95%	10%	(-)	=

Compiled annual research from active real estate owners, brokers, and developers.

2003 Miami-Dade Industrial Market Report

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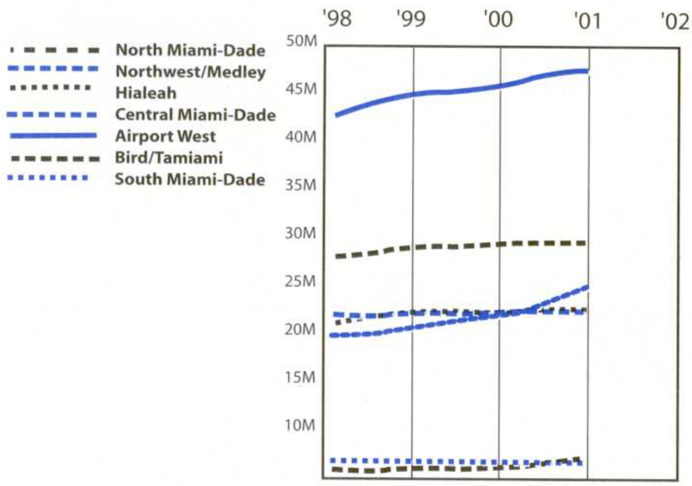
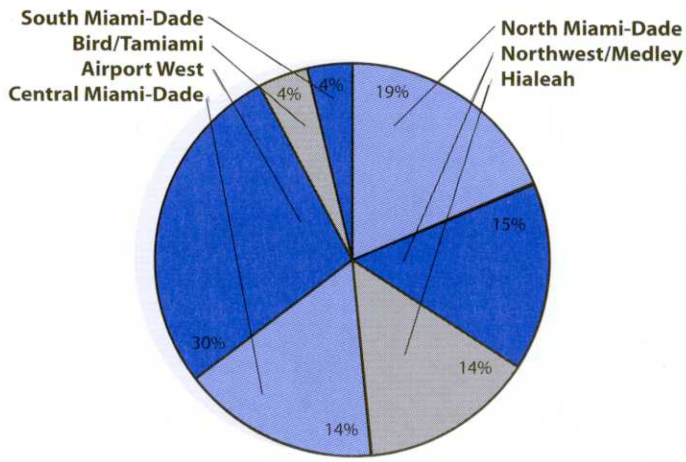
Chart Data

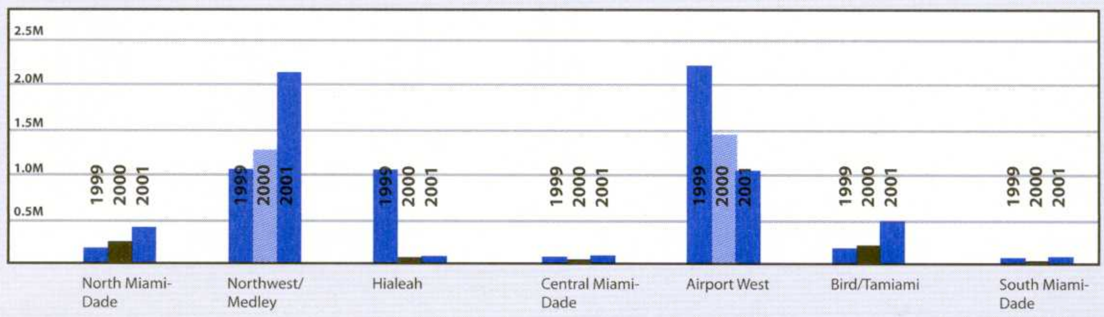
Supply of Industrial Space



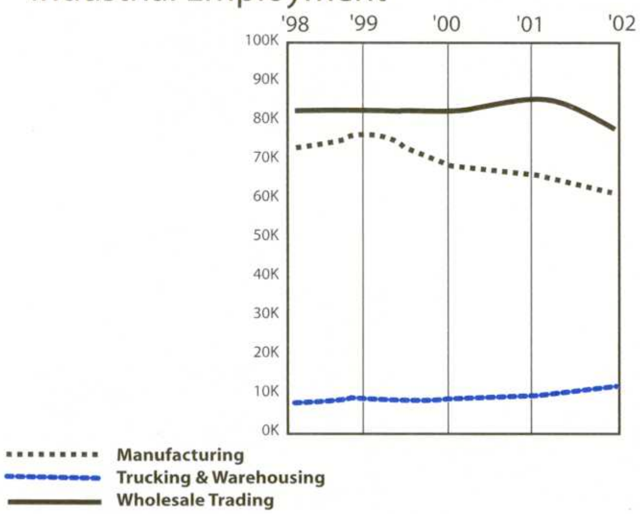
Distribution Of Industrial Space



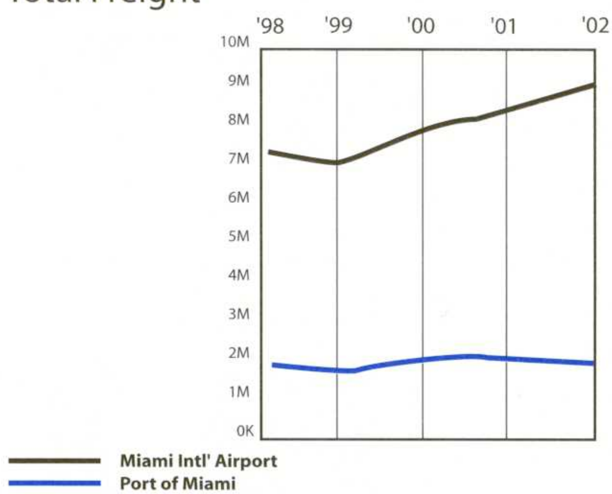
Annual Increase in Industrial Space



Industrial Employment



Total Freight



The first annual Industrial Market Report was presented at a monthly breakfast meeting in February 1996 by the Industrial Association of Dade County. This 250 Member strong professional organization was founded in 1980, and proudly represents industrial interests in Miami-Dade County.

2003 Market Trends

Supply of Industrial Space in SF

	2002	2001	2000	1999	1998
North Dade		29.611M	29.219M	28.966M	28.805M
NW/Medley		24.600M	22.477M	21.221M	20.178M
Hialeah		22.608M	22.533M	22.462M	21.480M
Central Dade		22.400M	22.319M	22.273M	22.206M
Airport West		47.480M	46.455M	45.031M	42.831M
Bird/Tamiami		6.381M	5.923M	5.713M	5.548M
South Dade		6.292M	6.285M	6.272M	6.216M
Totals		159.372M	155.211M	151.938M	147.264M

Based on information from the Miami-Dade County Property Appraiser's Office, the supply and distribution of industrial space was tabulated in square feet and percent, respectively, for each region for the years 1998, 1999, 2000, 2001.

Annual Increase in Industrial Space

	2002	2001	2000	1999	1998
North Dade		392,000	253,000	161,000	277,000
NW/Medley		2,123,000	1,256,000	1,043,000	822,000
Hialeah		75,000	71,000	982,000	39,000
Central Dade		81,000	46,000	67,000	21,000
Airport West		1,025,000	1,424,000	2,200,000	1,766,000
Bird/Tamiami		458,000	210,000	165,000	239,000
South Dade		7,000	13,000	56,000	0
Totals		4,161,000	3,273,000	4,674,000	3,164,000

Based on information from the Miami-Dade County Property Appraiser's Office, annual increase of industrial space was tabulated in square feet for each region for the years 1998, 1999, 2000, 2001.

Distribution of Space

	2002	2001	2000	1999	1998
North Dade		19%	19%	19%	19%
NW/Medley		15%	14%	14%	14%
Hialeah		14%	15%	15%	15%
Central Dade		14%	14%	15%	15%
Airport West		30%	30%	29%	29%
Bird/Tamiami		4%	4%	4%	4%
South Dade		4%	4%	4%	4%
Totals		100%	100%	100%	100%

Based on information from the Miami-Dade County Property Appraiser's Office, the distribution of industrial space was tabulated in square feet for each region for the years 1998, 1999, 2000, 2001.

Industrial Employment

	2002	2001	2000	1999	1998
Manufacturing	62,100	66,400	69,200	75,700	73,600
Trucking & Warehousing	10,500	9,800	9,300	9,400	8,700
Wholesale Trading	78,400	85,500	82,900	82,500	82,500
Totals	151,000	161,700	161,400	167,600	164,800

Source: Florida Department of Labor and Employment Security, Bureau of Labor Market and Performance Information, Current Employment Statistics Program.

Total Freight

	2002	2001	2000	1999	1998
Miami Intl' Airport	*1.7M	1.8M	1.8M	1.5M	1.6M
Port of Miami	*8.7M	8.2M	7.8M	6.9M	7.2M
Totals	*10.4M	10.0M	9.6M	8.4M	8.9M

* Projected statistics for fiscal year 2002. Sources: Route Development D.C.A.D. Data Miami Aviation Statistics Accounting D.C.A.D. Projections Route Development Division, December 2002 and Metropolitan Miami-Dade County Florida Seaport Department.

Summary

- **Due to a global recession, a decline in trade and the threat of war, the demand for industrial space continues to decline.**
- **The increase in supply of space at NW/Medley exceeded 2,000,000 SF as compared to 1,000,000 SF at Airport West.**
- **All regions are experiencing significant levels of vacant space for sublease, resulting in market rental rate decreases of up to 20%.**
- **The popularity of Central Dade is causing dramatic increases in demand for both rental and purchase of smaller industrial properties.**

2003 IADC Annual Industrial Market Report Committee

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Purpose of The Industrial Association of Dade County

The Industrial Association of Dade County, Inc., (IADC), is a non-profit organization of business leaders involved in the development, design, construction, sales and leasing of industrial warehouses and commercial real estate in South Florida. For information call Nick Kallergis, Executive Director, at:

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