



FILE PHOTO

Jose Juncadella's Fairchild Partners signed Carnival Cruise Lines to Centergate at Gragny.

Industrial leasing activity up as companies make big moves

BY OSCAR PEDRO MUSIBAY

In 2010, absorption of industrial space accelerated as landlords looked to make deals, in some cases offering short-term incentives that would ideally grow revenue down the road.

This year, leasing activity climbed, with some brokers logging double the square footage they had in 2008.

For example, Transwestern had signed 650,000 square feet of leases in South Florida in 2008, a total that grew to 800,000 in 2009 and 1.25 million this year.

Similarly, CB Richard Ellis saw its South Florida industrial leasing numbers heading north again after a steep decline from 2008 to 2009. CBRE signed 2.6 million square feet of industrial leases in 2008 and 1.5 million square feet the following year. This year, CBRE has signed 3.6 million square feet in leases.

Cushman & Wakefield also saw an increase in its industrial leasing for 2010. This year, it signed 4 million square feet of leases, up from 3.1 million in 2009 and 3.6 million in 2008.

However, Cushman & Wakefield is reporting overall leasing numbers were down in South Florida. In 2008, overall leasing activity totaled 10.6 million square feet, followed by 9.6 million square feet in 2009 and 6.6 million square feet through the third quarter of 2010.

Overbuilding during the boom created downward pressure on pricing that allowed Class B and Class C tenants to move into Class A and better Class B buildings. Local relocations helped drive the market as the economy melted down, but there was nobody to backfill the vacated space as some companies stayed put and others downsized.

CONFIDENCE RETURNS TO MARKET

But, this year, some confidence has returned to the market, as companies are beginning to lease larger spaces and some are looking to expand dramatically.

One of the more exceptional deals during the first half of the year involved DHL Glob-

al Freight, which relocated personnel from Plantation and Miami's Blue Lagoon Business Park to 201,000 square feet at Miami International Commerce Center. Transwestern's Walter Byrd and Ben Eisenberg represented landlord DCT Industrial in the deal, with Mike Silver of CBRE representing DHL.

Another significant deal in the second half of the year was Oceania Cruise Lines, which expanded from 54,500 square feet to 77,500 square feet in Doral. George Pino

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Jose Juncadella | Principal, Fairchild Partners

and Juan Ruiz of Flagler Real Estate Services brokered the lease, which is for more than a decade and valued at more than \$20 million. Ruiz said the deal represents the interest both small and large tenants have in expanding.

Smaller brokerages such as Fairchild Partners are also doing better with industrial leasing. Fairchild scored some significant tenants, including Carnival Cruise Lines, which signed for 175,000 square feet at Centergate at Gragny in Hialeah.

Said Fairchild principal Jose Juncadella: "We are very busy and it has been a great year – not a record year, but we feel happy that we have survived the Great Recession and have so many deals in the pipeline for 2011."

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