

Retail

Since 2020, Homestead's retail real estate market has experienced significant growth, driven by strong consumer demand, population increases, and a changing retail landscape. The market has shown resilience amid economic fluctuations, with increasing retail development, declining vacancies, and rising rental rates.

Retail Inventory & Vacancy Trends

- Total retail inventory has expanded to 6 million square feet since 2020, with over 2 million square feet delivered during this period.
- Vacancy rates have steadily declined to 1.2%, reflecting high tenant demand and strong absorption of new space.
- New developments have been quickly leased, especially in grocery-anchored centers, big-box retail, and lifestyle retail projects.

Retail Rental Rates & Market Growth

- Retail rental rates have increased to \$28.74 per square foot, demonstrating consistent annual growth.
- Retailers are willing to pay a premium for prime locations, especially in high-traffic areas and mixed-use developments.
- Demand has remained strong across all retail property types, particularly for spaces catering to essential services, dining, and experiential retail.

Retail Development & Construction Activity

- Over 89,570 square feet of retail space is currently under construction, reinforcing continued confidence in the market.
- Mixed-use developments integrating residential and retail components have become increasingly popular, responding to evolving consumer preferences for walkable retail destinations.
- Major national retailers and local businesses have expanded their presence, fueling demand for strategically located commercial space.

Key Retail Trends Since 2020

1. E-Commerce Resilience & Local Shopping Demand

While online shopping has grown, demand for in-person retail experiences has remained strong, particularly for food, entertainment, and essential goods.

2. Rise of Experiential & Service-Based Retail

The market has shifted toward service-oriented and experiential retail, including fitness centers, dining, and entertainment venues.

3. Grocery-Anchored & Essential Retail Strength

Supermarkets and essential retailers have outperformed other retail categories, driving consistent foot traffic and securing long-term leases.

4. Retail Expansion in Growth Corridors

New developments have focused on key population growth areas, ensuring that retail supply matches consumer demand.

Future Outlook & Strategic Opportunities

- Continued expansion of grocery-anchored and mixed-use developments.
- Further rental growth is expected in high-demand locations.
- Opportunities for small businesses to capitalize on rising retail foot traffic.
- Potential for additional retail investment as Homestead's population continues to grow.

Conclusion

Homestead's retail real estate market has shown remarkable growth and stability since 2020, with declining vacancies, increasing rental rates, and robust development activity. The market remains favorable for investors, developers, and tenants, with future growth likely driven by continued population expansion, consumer spending, and demand for mixed-use, experiential, and essential retail spaces.

Office

Since 2020, Homestead's office real estate market has faced challenges, primarily influenced by shifting workplace trends, hybrid work adoption, and changing tenant preferences. While demand for medical and professional office space remains strong, traditional office properties have struggled with higher vacancy rates.

Office Inventory & Vacancy Trends

- Total office inventory has expanded to 1.16 million square feet since 2020, with a moderate increase in supply.
- Vacancy rates have risen to 12.4%, reflecting broader market shifts as businesses reassess office space needs.
- Hybrid work trends have decreased demand for traditional office layouts, with tenants favoring flexible and co-working spaces.

Office Rental Rates & Market Adjustments

- Office rents have increased to \$35.02 per square foot despite rising vacancies.
- Premium Class A office space has remained in demand, while older buildings have seen increased availability.
- Medical office and professional service tenants continue to drive leasing activity, ensuring stability in certain submarkets.

Office Development & Repurposing Activity

- 40,000 square feet of new office space is currently under construction, focused on modern, flexible layouts.
- Repurposing of underutilized office buildings has gained traction, including conversions to residential or mixed-use developments.
- Co-working and shared office spaces are becoming more popular, catering to remote and hybrid workers.

Key Office Market Trends Since 2020

1. Hybrid Work and Space Optimization
Companies are downsizing office footprints, opting for flexible lease terms and co-working solutions.
2. Medical and Professional Office Demand
Healthcare-related tenants remain a stable source of office leasing activity, reinforcing demand in this sector.
3. Repurposing of Older Office Buildings
Underperforming office assets are being redeveloped into residential, retail, or mixed-use spaces.
4. Rise of Flexible & Speculative Office Developments
New office construction favors adaptive and flexible workspace designs, reflecting evolving tenant needs.

Future Outlook & Strategic Opportunities

- Encouraging adaptive reuse of older office spaces to reduce vacancy rates.
- Promoting flexible leasing structures to attract remote and hybrid businesses.
- Supporting medical office and professional services growth, leveraging healthcare sector expansion.
- Exploring mixed-use office developments to integrate work-live-play environments.

Conclusion

Since 2020, Homestead's office market has experienced higher vacancies but stable demand in select sectors like medical and professional office space. The shift toward hybrid work and flexible space solutions will continue to shape market dynamics, making adaptive reuse and strategic redevelopment key to long-term office market viability.

Industrial

Since 2020, Homestead's industrial real estate market has experienced significant growth, fueled by increased demand for logistics, distribution, and manufacturing facilities. The market has remained resilient, with strong absorption rates, rising rental prices, and continued development activity.

Industrial Inventory & Vacancy Trends

- Total industrial inventory has grown to 5.7 million square feet, reflecting steady expansion over the past four years.
- Vacancy rates remain at a healthy 3.9%, indicating consistent demand and strong market fundamentals.
- High absorption rates have occupied new developments, particularly in warehouse and distribution facilities.

Industrial Rental Rates & Market Performance

- NNN industrial rents have increased to \$16.81 per square foot, with steady year-over-year growth.
- Proximity to major transportation corridors and the Homestead Air Reserve Base has driven industrial leasing activity.
- Investors continue to target Homestead's industrial sector, recognizing its role in regional supply chains.

Industrial Development & Construction Activity

- 110,331 square feet of industrial space is currently under construction, with a focus on modern logistics and warehouse facilities.
- Speculative industrial developments have been met with strong pre-leasing activity, signaling ongoing demand.
- The Homestead Air Reserve Base's designation as a Spaceport Territory has spurred interest in aerospace-related industrial projects.

Key Industrial Market Trends Since 2020

- E-Commerce & Last-Mile Logistics Growth
- Increased reliance on online retail and rapid delivery services has driven demand for warehouse space.
- Expansion of Aerospace & Advanced Manufacturing
- Homestead's proximity to the Spaceport Territory has created new opportunities for high-tech industrial tenants.

Industrial Investment & Speculative Development

- Developers are actively constructing modern industrial facilities, with high absorption rates.
- Resilient Industrial Market Performance
- Despite economic fluctuations, industrial demand has remained strong, positioning Homestead as a key logistics hub.

Future Outlook & Strategic Opportunities

- Encouraging infrastructure investment to support continued industrial growth.
- Leveraging aerospace industry expansion for new industrial opportunities.
- Developing additional industrial parks to meet logistics and manufacturing demand.
- Focusing on workforce training to support high-skilled industrial job creation.

Conclusion

Since 2020, Homestead's industrial real estate market has demonstrated remarkable growth and resilience, with low vacancies, rising rents, and strong development activity. The expansion of logistics, aerospace, and advanced manufacturing will continue to drive the sector's long-term success.

Multifamily

Since 2020, Homestead's multifamily real estate market has seen sustained demand driven by population growth, workforce expansion, and increasing rental demand. Despite national economic fluctuations, occupancy rates have remained high, and new development has expanded rental housing options.

Multifamily Inventory & Vacancy Trends

- Total multifamily inventory has grown to 16,463 units, reflecting ongoing residential expansion.
- Vacancy rates remained low at 2.7%, signaling strong rental demand and limited supply.
- Steady absorption of new units has prevented oversupply issues, maintaining a landlord-favorable market.

Multifamily Rental Rates & Market Performance

- Asking rents have increased to \$1,540 per unit, reflecting year-over-year rent appreciation.
- Workforce and affordable housing projects have been key focus areas, addressing the needs of Homestead's expanding labor force.
- Luxury multifamily developments have also gained traction, catering to professionals seeking upgraded amenities.

Multifamily Development & Construction Activity

- New multifamily developments have remained robust, with a mix of market-rate and workforce housing.
- Transit-oriented and mixed-use developments have increased, aligning with regional urban planning efforts.
- High demand for rental units has supported continued investment in multifamily projects, ensuring new supply meets demand.

Key Multifamily Market Trends Since 2020

1. Strong Demand for Workforce & Affordable Housing
Rising homeownership costs have kept demand high for rental housing, particularly among middle-income earners.
2. Expansion of Transit-Oriented & Mixed-Use Developments
Developers are prioritizing multifamily projects near employment centers and transportation hubs.
3. Rising Rents & Occupancy Stability
Despite new supply, rental rates have steadily increased, reflecting sustained demand.
4. Institutional & Private Investment Growth
Investors continue to target Homestead's multifamily sector, recognizing long-term rental market potential.

Future Outlook & Strategic Opportunities

- Encouraging additional workforce housing development to support economic growth.
- Expanding mixed-use and transit-oriented projects to accommodate evolving renter preferences.
- Monitoring rental affordability trends to ensure long-term market stability.
- Attracting institutional investors for large-scale multifamily development opportunities.

Conclusion

Since 2020, Homestead's multifamily real estate market has remained strong, with low vacancies, rising rents, and steady development activity. The city's growing workforce and continued rental demand will sustain the sector's long-term viability, making it a key area for future investment and strategic planning.

Hospitality

Since 2020, Homestead's hospitality real estate market has experienced steady recovery and growth, driven by increasing visitor demand, rising occupancy rates, and strong revenue performance. The market has rebounded from pandemic-related declines, with sustained interest from travelers, business visitors, and tourists.

Hospitality Inventory & Occupancy Trends

- Total hotel room inventory has expanded, with new developments emerging to meet demand.
- Occupancy rates have increased to 75.3%, reflecting improved visitor activity.
- Strong demand in leisure and business travel segments has supported market stability.

Hospitality Revenue & Market Performance

- RevPAR (Revenue per Available Room) has increased to \$87.32, signaling strong financial performance for hotel operators.
- ADR (Average Daily Rate) has continued rising, reflecting higher traveler spending and demand for quality accommodations.
- Limited new hotel development has resulted in supply constraints, potentially driving future investment opportunities.

Hospitality Development & Investment Trends

- No new hotel projects are currently under construction, creating an opportunity for expansion.
- Investor interest remains high, particularly in branded and mid-scale hospitality developments.
- Short-term rental demand has also increased, impacting traditional hotel occupancy patterns.

Key Hospitality Market Trends Since 2020

1. Recovery from Pandemic Disruptions
Hotel occupancy and revenue have rebounded, surpassing pre-2020 levels.
2. Shift Toward Extended-Stay & Midscale Hotels
Business and leisure travelers are driving demand for extended-stay and affordable accommodations.
3. Increased Visitor Demand in Regional Tourism & Business Travel
Homestead's proximity to major attractions and Miami-Dade County has fueled tourism-related lodging demand.
4. Opportunity for New Hotel Development
Lack of new hotel construction presents a strategic opportunity for developers to expand inventory.

Future Outlook & Strategic Opportunities

- Encouraging new hotel developments to meet rising visitor demand.
- Investing in hospitality infrastructure to enhance the visitor experience.
- Expanding marketing efforts to attract more business and leisure travelers.
- Exploring mixed-use hospitality projects to diversify investment opportunities.

Conclusion

Since 2020, Homestead's hospitality real estate market has rebounded strongly, with higher occupancy rates, rising revenues, and increasing traveler demand. However, limited new hotel development presents an opportunity for future investment, making hospitality real estate a key sector for growth and expansion.

Data Sources & Methodology

The data used in this report is sourced from CoStar Group, a leading provider of commercial real estate information, analytics, and market intelligence. CoStar collects, curates, and maintains an extensive database of retail, office, industrial, multifamily, and hospitality real estate trends, offering detailed insights into inventory levels, vacancy rates, rent trends, construction activity, and investment performance.

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