

Miami-Dade 3Q16 Industrial Market Report

Source: CoStar Property

The Miami-Dade County Industrial market ended the third quarter 2016 with a vacancy rate of 3.9%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 922,053 square feet in the third quarter. Vacant sublease space decreased in the quarter, ending the quarter at 215,885 square feet. Rental rates ended the third quarter at \$9.41, no change over the previous quarter. A total of three buildings delivered to the market in the quarter totaling 241,212 square feet, with 4,359,280 square feet still under construction at the end of the quarter.

Net absorption for the overall Miami-Dade County Industrial market was positive 922,053 square feet in the third quarter 2016. That compares to positive 633,577 square feet in the second quarter 2016, positive 747,165 square feet in the first quarter 2016, and positive 979,559 square feet in the fourth quarter 2015. The Flex building market recorded net absorption of positive 12,389 square feet in the third quarter 2016, compared to positive 91,718 square feet in the second quarter 2016, positive 57,251 in the first quarter 2016, and positive 24,276 in the fourth quarter 2015. The warehouse building market recorded net absorption of positive 909,664 square feet in the third quarter 2016 compared to positive 541,859 square feet in the second quarter 2016, positive 689,914 in the first quarter 2016, and positive 955,283 in the fourth quarter 2015.

The Industrial vacancy rate in the Miami-Dade County market area decreased to 3.9% at the end of the third



quarter 2016. The vacancy rate was 4.2% at the end of the second quarter 2016, 4.2% at the end of the first quarter 2016, and 4.3% at the end of the fourth quarter 2015. Flex projects reported a vacancy rate of 4.7% at the end of the third quarter 2016, 4.8% at the end of the second quarter 2016, 5.3% at the end of the first quarter 2016, and 5.7% at the end of the fourth quarter 2015. Warehouse projects reported a vacancy rate of 3.8% at the end of the third quarter 2016, 4.1% at the end of second quarter 2016, 4.1% at the end of the first quarter 2016, and 4.2% at the end of the fourth quarter 2015.

The average quoted asking rental rate for available Industrial space was \$9.41 per square foot per year at the end of the third quarter 2016 in the Miami-Dade County market area, consistent with second quarter 2016. The average quoted rate within the Flex sector was \$17.92 per square foot at the end of the third quarter 2016, while warehouse rates stood at \$9.05. At the end of the second quarter 2016, Flex rates were \$16.62 per square foot, and warehouse rates were \$9.05.

Total year-to-date industrial building sales activity in 2016 is down compared to the previous year. In the first six months of 2016, the market saw 71 industrial sales transactions with a total volume of \$232,408,100. The price per square foot has averaged \$84.29 this year.

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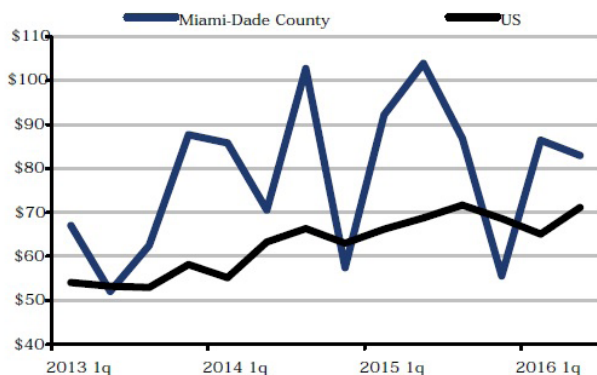
Source: CoStar Property

Total Market Overview:

SUBMARKET	# BLDGS.	TOTAL RBA (SF)	DIRECT AVAILABLE (SF)	TOTAL AVAILABLE (SF)	TOTAL AVAILABLE (%)	TOTAL AVERAGE RATE (\$/SF/YR)	UNDER CONSTRUCTION (SF)
Central Miami Ind	200	3,269,307	93,460	93,460	2.8%	\$9.01	0
East Miami Ind	326	4,299,999	297,039	297,039	6.9%	\$16.00	0
Hialeah Ind	1,678	36,304,040	879,456	923,038	2.5%	\$6.80	602,000
Medley Ind	920	32,974,952	1,196,009	1,233,944	3.7%	\$8.46	1,823,493
Miami Airport Ind	2,067	78,710,522	3,077,861	3,206,226	4.1%	\$10.10	1,324,172
Miami Lakes Ind	253	12,303,858	737,461	737,461	6.0%	\$7.86	82,000
North Miami Beach Ind	951	30,931,520	1,046,132	1,046,297	3.4%	\$7.90	0
Outlying Miami-Dade Ind	14	210,177	0	0	0.0%	\$7.78	0
South Central Miami Ind	1,075	13,380,269	1,1093,692	1,096,032	8.2%	\$21.05	0
South Dixie Hwy Ind	622	8,583,207	271,680	273,680	3.2%	\$10.81	527,615
Southwest Dade Ind	495	9,836,652	167,052	168,550	1.7%	\$9.96	0
West Miami/Coral Ter Ind	282	4,697,040	85,150	85,150	1.8%	\$14.18	0
MIAMI-DADE	8,883	235,511,543	8,944,992	9,160,877	3.9%	\$9.41	4,359,280

U.S. Price/SF Comparison

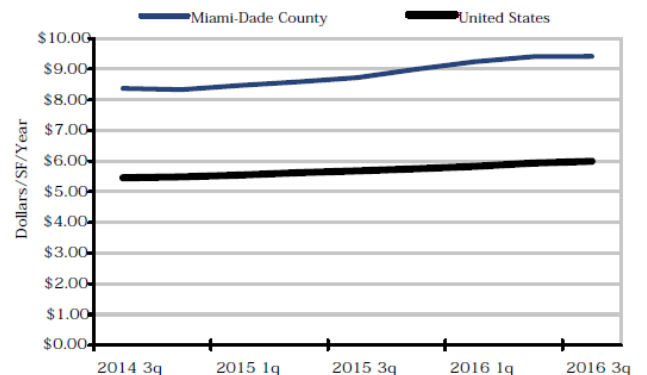
Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

U.S. Rental Rate Comparison

Based on Average Quoted Rental Rates



Source: CoStar Property®