

Miami-Dade 1Q15 Industrial Market Report

Source: CoStar Property

The Miami-Dade County Industrial market ended the first quarter 2015 with a vacancy rate of 5.2%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 1,416,658 square feet in the first quarter. Vacant sublease space decreased in the quarter, ending the quarter at 223,919 square feet. Rental rates ended the first quarter at \$8.53, an increase over the previous quarter. A total of five buildings delivered to the market in the quarter totaling 609,194 square feet, with 761,879 square feet still under construction at the end of the quarter.

The Flex building market recorded net absorption of negative (12,417) square feet in the first quarter 2015, compared to positive 98,733 square feet in the fourth quarter 2014, negative (85,725) in the third quarter 2014, and negative (79,576) in the second quarter 2014. Flex projects reported a vacancy rate of 7.8% at the end of the quarter, 7.8% at the end of the fourth, 8.3% at the end of the third quarter and 7.8% at the end of the second quarter 2014.

The Warehouse building market recorded net absorption of positive 1,429,075 square feet in the first quarter 2015 compared to positive 743,342 square feet in the fourth quarter 2014, positive 473,544 in the third quarter, and positive 1,351,629 in the second quarter 2014. Warehouse projects reported a vacancy rate of 5.0% at the end of the first quarter 2015, 5.4% at the end of fourth quarter 2014, 5.6% at the end of the third, and 5.4% at the end of the second quarter 2014.



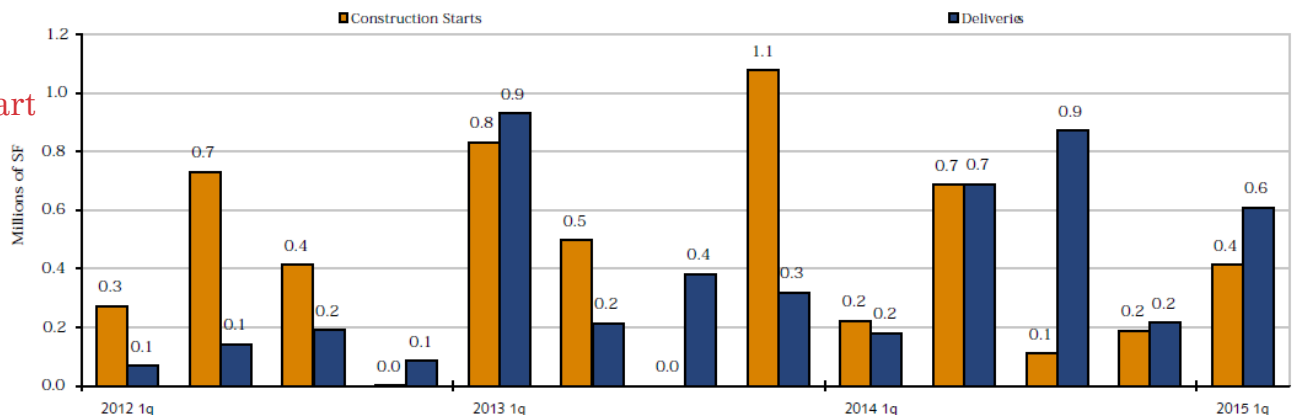
The average quoted asking rental rate for available Industrial space was \$8.53 per square foot per year at the end of the first quarter 2015 in the Miami-Dade County market area. This represented a 1.5% increase in quoted rental rates from the end of the fourth quarter 2014, when rents were reported at \$8.40 per square foot.

Tallying industrial building sales of 15,000 square feet or larger, Miami-Dade County industrial sales figures fell during the fourth quarter 2014 in terms of dollar volume compared to the third quarter of 2014.

Cap rates were higher in 2014, averaging 7.78%, compared to the twelve months of last year when they averaged 6.73%. One of the largest transactions that occurred within the last four quarters in this market was the sale of 1151 NW 1st Pl in Miami. This 65,000-square-foot industrial building sold for \$53,800,000, or \$827.69 per square foot. The property sold on 9/16/2014.

Historical Construction Start & Deliveries:

Square Footage per Quarter Starting & Completing Construction



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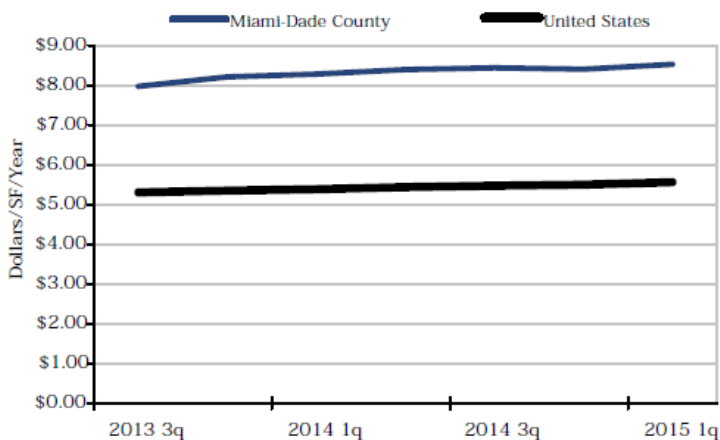
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Market Overview:

SUBMARKET	# BLDGS.	TOTAL RBA (SF)	DIRECT AVAILABLE (SF)	TOTAL AVAILABLE (SF)	TOTAL AVAILABLE (%)	TOTAL AVERAGE RATE (\$/SF/YR)	UNDER CONSTRUCTION (SF)
Central Miami Ind	193	3,002,491	184,138	184,138	6.1%	\$8.30	0
East Miami Ind	321	4,277,062	294,922	294,922	6.9%	\$12.71	19,171
Hialeah Ind	1,665	36,282,022	1,661,550	1,676,132	4.6%	\$5.85	0
Medley Ind	896	30,751,881	821,436	979,306	3.2%	\$7.97	742,807
Miami Airport Ind	2,056	77,602,583	4,970,942	5,004,179	6.4%	\$9.48	0
Miami Lakes Ind	249	11,761,231	686,919	686,919	5.8%	\$7.30	0
North Miami Beach Ind	946	31,139,477	1,465,143	1,465,143	4.7%	\$7.29	0
Outlying Miami-Dade Ind	14	210,177	18,505	18,505	8.8%	\$7.78	0
South Central Miami Ind	1,094	13,296,882	705,274	712,204	5.4%	\$13.56	0
South Dixie Hwy Ind	616	8,533,260	535,459	544,459	6.4%	\$9.95	0
Southwest Dade Ind	491	9,790,984	311,732	314,032	3.2%	\$10.01	0
West Miami/Coral Ter Ind	283	4,719,843	78,198	78,198	1.7%	\$14.60	0
MIAMI-DADE	8,836	231,367,893	11,734,218	11,958,137	5.2%	\$8.53	761,879

U.S. Rental Rate Comparison

Based on Average Quoted Rental Rates



Sales Volumes & Price

Based on Building Sales of 15,000 SF & Larger

