

Miami-Dade 1Q15 Retail Report

Source: CoStar Property

The Miami-Dade County Office market ended the first quarter 2015 with a vacancy rate of 11.6%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 132,354 square feet in the first quarter. Vacant sublease space decreased in the quarter, ending the quarter at 189,184 square feet. Rental rates ended the first quarter at \$29.88, an increase over the previous quarter. A total of two buildings delivered to the market in the quarter totaling 56,942 square feet, with 624,353 square feet still under construction at the end of the quarter.

Retail net absorption was strong this quarter, with positive 370,052 square feet absorbed in the quarter. In 4Q14, net absorption was positive 458,405 square feet, while in 3Q14, absorption came in at positive 488,937 square feet.

Miami-Dade County's retail vacancy rate increased this quarter, ending at 3.6%. Over the past four quarters, the market has seen an overall decrease in the vacancy rate, with the rate going from 3.7% in the 2Q14, to 3.7% at the end of the 3Q14, 3.5% at the end of the 4Q14, to 3.6% in the current quarter. The amount of vacant sublease space in the Miami-Dade County market has trended up.

Average quoted asking rental rates in the retail market are down over previous quarter levels, and up from their levels four quarters ago. Quoted rents ended 1Q15 at \$31.69 per square foot per year. That compares to \$31.88 per square foot in the 4Q14, and \$30.15 per square foot at the end of the 2Q14. This represents a 0.6% decrease in rental rates in the current quarter, and a 4.86% increase from four quarters ago.

Tallying retail building sales of 15,000 square feet or larger, Miami-Dade County retail sales figures fell during the 4Q14 in terms of dollar volume compared to the

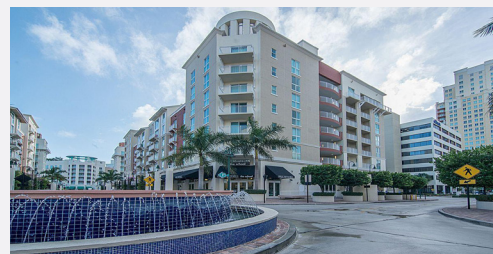


third quarter of 2014. In the fourth quarter, 12 retail transactions closed with a total volume of \$170,117,000. The 12 buildings totaled 369,018 square feet and the average price per square foot equated to \$461.00 per square foot. That compares to 15 transactions totaling \$510,025,000 in the 3Q14, where the total square footage was 773,354 square feet for an average price per square foot of \$659.50.

Total retail center sales activity in 2014 was up compared to 2013. In the twelve months of 2014, the market saw 47 retail sales transactions with a total volume of \$851,245,000. The price per square foot averaged \$450.19. In the same twelve months of 2013, the market posted 47 transactions with a total volume of \$528,344,499. The price per square foot averaged \$202.92.

Cap rates were higher in 2014, averaging 7.14% compared to the same period in 2013 when they averaged 6.87%.

Featured Transaction:



7280 N. Kendall Drive Miami, Florida

Price:	\$38,900,000
Price/SF:	\$305.73
Cap Rate:	5.75%
RBA:	127,235
Buyer:	Duncan Hillsley Capital LLC
Seller:	Archon Group

Miami-Dade 1Q15

Retail Report

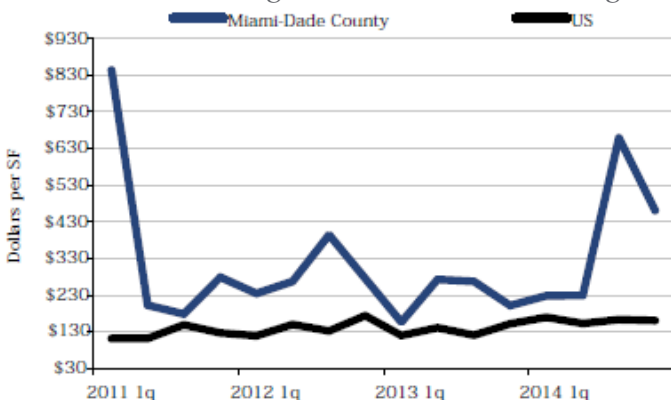
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Total Retail Market Statistics:

SUBMARKET	# BLDGS.	TOTAL GLA (SF)	DIRECT AVAILABLE (SF)	TOTAL AVAILABLE (SF)	TOTAL AVAILABLE (%)	TOTAL AVERAGE RATE (\$/SFYR)	UNDER CONSTRUCTION (SF)
Aventura	128	5,971,184	63,421	63,421	1.1%	\$34.93	0
Biscayne Corridor	213	2,246,591	63,421	63,421	6.2%	\$40.71	14,600
Brickell	65	853,784	5,559	5,559	0.7%	\$55.21	505,000
Coconut Grove	147	1,603,007	85,439	85,439	5.3%	\$48.41	0
Coral Gables	378	3,588,123	97,749	102,249	2.8%	\$36.63	0
Coral Way	334	2,419,721	41,552	41,552	1.7%	\$28.63	0
Downtown Miami	137	2,491,662	189,403	190,903	7.7%	\$21.92	40,000
Kendall	856	19,260,258	616,333	652,350	3.4%	\$32.42	21,319
Medley/Hialeah	910	12,309,384	269,755	269,755	2.2%	\$37.13	304,659
Miami	2,321	13,562,229	793,233	793,233	5.8%	\$34.65	86,792
Miami Airport	619	15,395,628	346,256	346,256	2.2%	\$24.05	73,123
Miami Beach	595	7,465,443	364,906	371,425	5.0%	\$66.26	15,500
Miami Lakes	177	4,666,382	173,986	173,986	3.7%	\$20.79	0
Miami-Dade Central County	416	3,150,203	130,108	130,108	4.1%	\$15.88	8,320
Northeast Dade	1,139	11,815,088	484,199	488,884	4.1%	\$22.66	57,578
Outlying Miami-Dade County	23	276,751	8,423	8,423	3.0%	\$24.07	0
South Dade	782	11,085,485	410,721	410,721	3.7%	\$17.93	6,321
West Miami	665	6,797,613	197,428	197,428	2.9%	\$25.64	0
MIAMI-DADE	9,905	124,958,606	4,418,817	4,472,138	3.6%	\$31.69	1,134,212

U.S. Price/SF Comparison

Based on Building Sales of 15,000 SF & Larger



U.S. Cap Rate Comparison

Based on Building Sales of 15,000 SF & Larger

