

Miami-Dade 2Q15 Industrial Market Report

Source: CoStar Property

The Miami-Dade County Industrial market ended the second quarter 2015 with a vacancy rate of 4.9%, which was down over the previous quarter, with net absorption totaling positive 959,898 square feet. Vacant sublease space decreased, ending the quarter at 255,242 square feet. Rental rates ended the second quarter at \$8.62, an increase over quarter one. A total of two buildings delivered to the market in the totaling 189,140 square feet, with 807,512 square feet still under construction at the end of the quarter.

Net absorption for the overall Miami-Dade County industrial market was positive 959,898 square feet in the second quarter 2015, which compares to positive 1,201,833 square feet in the first quarter 2015, and positive 865,561 square feet in the fourth quarter 2014. The Flex building market recorded net absorption of positive 137,049 square feet, compared to negative (19,410) square feet in the first quarter, positive 99,633 in the fourth quarter 2014, and negative (85,825) in the third quarter 2014. The Warehouse building market recorded net absorption of positive 822,849 square feet in the second quarter 2015 compared to positive 1,221,243 square feet in the first quarter and positive 765,928 in the fourth quarter 2014.

The Industrial vacancy rate in the Miami-Dade County market area decreased to 4.9% at the end of the second quarter 2015. The vacancy rate was 5.3% at the end of the first quarter 2015, 5.5% at the end of the fourth quarter 2014, and 5.7% at the end of the third quarter 2014.



The average quoted asking rental rate for available Industrial space was \$8.62 per square foot per year at the end of the second quarter 2015 in the Miami-Dade County market area. This represented a 1.4% increase in quoted rental rates from the end of the first quarter, when rents were reported at \$8.50 per square foot.

Tallying industrial building sales of 15,000 square feet or larger, Miami-Dade County industrial sales figures rose during the first quarter 2015 in terms of dollar volume compared to the fourth quarter of 2014. In the first quarter, 35 industrial transactions closed with a total volume of \$228,963,300. The 35 buildings totaled 2,448,548 square feet and the average price per square foot equated to \$93.51 per square foot.

Total year-to-date industrial building sales activity in 2015 is up compared to the previous year. In the first three months of 2015, the market saw 35 industrial sales transactions with a total volume of \$228,963,300. The price per square foot has averaged \$93.51 this year. In the first three months of 2014, the market posted 33 transactions with a total volume of \$115,696,200. The price per square foot averaged \$83.63.

Cap rates have been lower in 2015, averaging 6.48%, compared to the first three months of last year when they averaged 7.70%.

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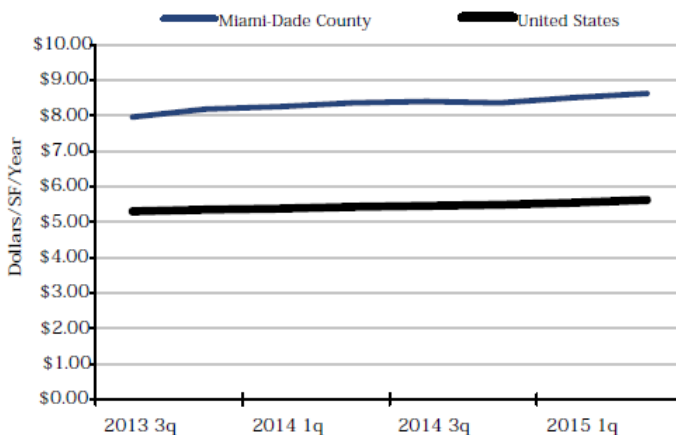
Source: CoStar Property

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	2,991,380	155,311	155,311	5.2%	\$8.76	0
East Miami Ind	321	4,283,740	316,567	316,567	7.4%	\$12.98	19,171
Hialeah Ind	1,665	36,304,275	1,473,311	1,487,893	4.1%	\$5.99	0
Medley Ind	900	31,133,476	926,341	1,037,231	3.3%	\$7.93	511,687
Miami Airport Ind	2,070	77,917,639	4,475,939	4,589,779	5.9%	\$9.56	203,281
Miami Lakes Ind	249	11,761,231	621,446	621,446	5.3%	\$7.34	73,373
North Miami Beach Ind	949	31,149,376	1,467,979	1,467,979	4.7%	\$7.33	0
Outlying Miami-Dade Ind	14	210,177	18,505	18,505	8.8%	\$7.78	0
South Central Miami Ind	1,088	13,257,143	759,793	766,723	5.8%	\$14.78	0
South Dixie Hwy Ind	617	8,560,907	569,755	578,755	6.8%	\$10.27	0
Southwest Dade Ind	493	9,813,788	279,245	279,245	2.8%	\$10.15	0
West Miami/Coral Ter Ind	283	4,699,083	77,075	77,075	1.6%	\$14.58	0
MIAMI-DADE	8,842	232,082,215	11,131,267	11,386,509	4.9%	\$8.62	807,512

U.S. Rental Rate Comparison

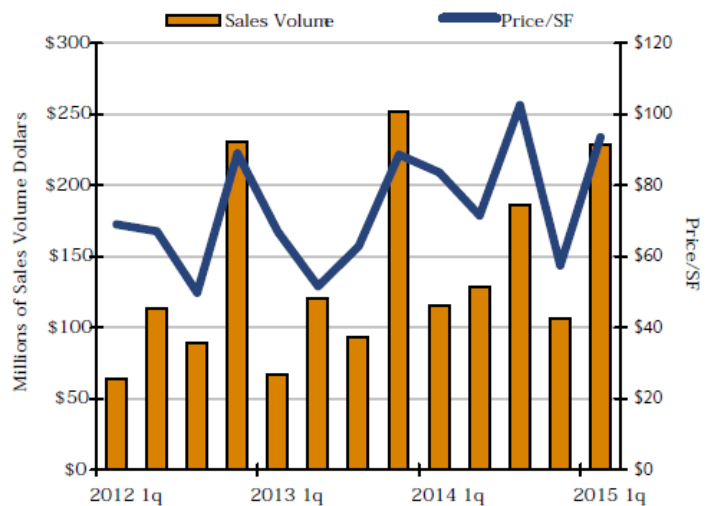
Based on Average Quoted Rental Rates



Source: CoStar Property®

Sales Volumes & Price

Based on Building Sales of 15,000 SF & Larger



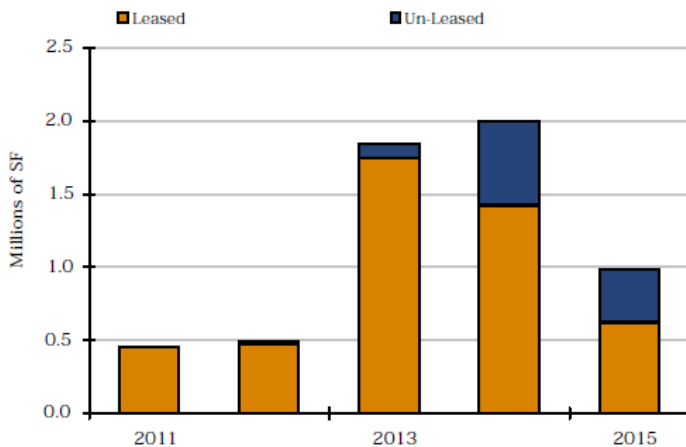
Source: CoStar COMPS®

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Source: CoStar Property

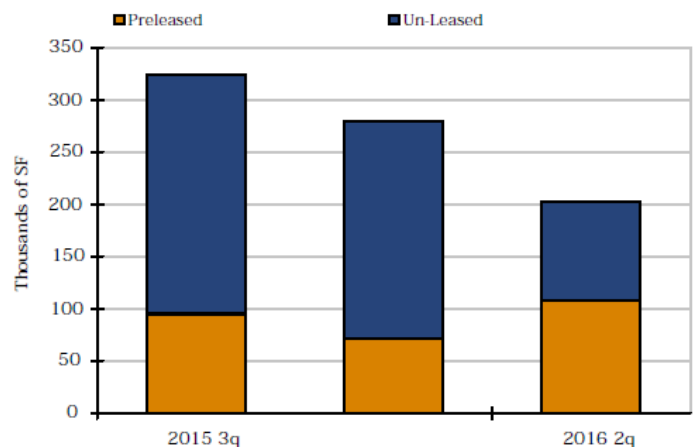
Recent Deliveries & Future Deliveries:

LEASED & UNLEASED SF
IN DELIVERIES SINCE 2011



Source: CoStar Property®

PRELEASED & UNLEASED SF
IN PROPERTIES SCHEDULED TO DELIVER



Source: CoStar Property®

Select Year-to-Date Deliveries

BASED ON PROJECT SQUARE FOOTAGE

1. Flagler Station Building 37

Submarket: **Medley Industrial Market**
 RBA: **181,000**
 Occupied: **85%**
 Quoted Rate: **\$6.61**
 Grnd Brk Date: **Second Quarter 2014**
 Deliv Date: **First Quarter 2015**
 Leasing Co: **Flagler Real Estate Services, LLC**
 Developer: **N/A**

2. Baptist Health Distribution Center

Submarket: **Miami Airport Industrial Market**
 RBA: **151,948**
 Occupied: **100%**
 Quoted Rate: **N/A**
 Grnd Brk Date: **Second Quarter 2014**
 Deliv Date: **First Quarter 2015**
 Leasing Co: **N/A**
 Developer: **Link Construction Group, Inc.**

3. Miami International Tradeport - Bldg B

Submarket: **Medley Industrial Market**
 RBA: **147,840**
 Occupied: **23%**
 Quoted Rate: **\$9.00**
 Grnd Brk Date: **Fourth Quarter 2014**
 Deliv Date: **Second Quarter 2015**
 Leasing Co: **Liberty Property Trust**
 Developer: **N/A**

Select Top Under Construction Properties

BASED ON PROJECT SQUARE FOOTAGE

1. South Florida Logistics Center - Building 4

Submarket: **Miami Airport Industrial Market**
 RBA: **203,281**
 Preleased: **53%**
 Quoted Rate: **\$8.64**
 Grnd Brk Date: **Second Quarter 2015**
 Deliv Date: **Second Quarter 2016**
 Leasing Co: **Flagler Real Estate Services, LLC**
 Developer: **N/A**

2. Miami International Tradeport - Bldg G

Submarket: **Medley Industrial Market**
 RBA: **140,400**
 Preleased: **51%**
 Quoted Rate: **Negotiable**
 Grnd Brk Date: **First Quarter 2013**
 Deliv Date: **Fourth Quarter 2015**
 Leasing Co: **Liberty Property Trust**
 Developer: **N/A**

3. Flagler Station Building 1 Phase III

Submarket: **Medley Industrial Market**
 RBA: **139,846**
 Preleased: **0%**
 Quoted Rate: **\$6.64**
 Grnd Brk Date: **First Quarter 2015**
 Deliv Date: **Fourth Quarter 2015**
 Leasing Co: **Flagler Real Estate Services, LLC**
 Developer: **N/A**