

Miami-Dade 4Q14

Office Report

Source: CoStar Property

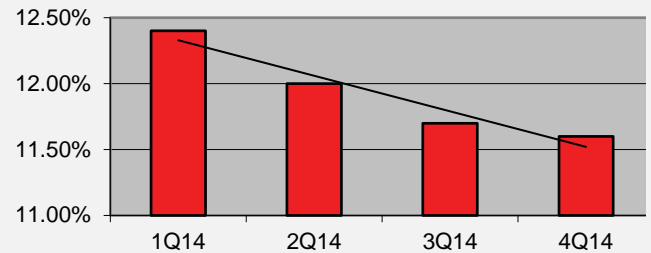
The Miami-Dade County Office market ended the year with a vacancy rate of 11.6%. The vacancy rate was down over the third quarter, with net absorption totaling positive 188,417 square feet in the fourth quarter. Vacant sublease space increased, ending the quarter at 189,812 square feet. Rental rates ended at \$29.73, an increase over the third quarter. One building was delivered to the market totaling 40,724 square feet, with 604,010 square feet still under construction at the end of the quarter.

The average quoted asking rental rate for available office space, all classes, was \$29.73 per square foot per year at the end of the fourth quarter 2014 in the Miami-Dade County market area. This represented a 0.2% increase in quoted rental rates from the end of the third quarter, when rents were reported at \$29.66 per square foot. The average quoted rate within the Class-A sector was \$36.67 at the end of the fourth quarter 2014, while Class-B rates stood at \$26.16, and Class-C rates at \$23.62.

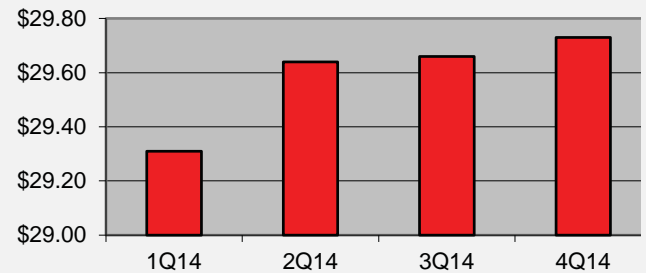
Total office building sales activity in 2014 was up compared to 2013. In the first nine months of 2014, the market saw 53 office sales transactions with a total volume of \$647,656,869. The price per square foot averaged \$200.17. In the same first nine months of 2013, the market posted 37 transactions with a total volume of \$546,554,053. The price per square foot averaged \$237.28.

Cap rates have been lower in 2014, averaging 5.94% compared to the same period in 2013 when they averaged 6.96%.

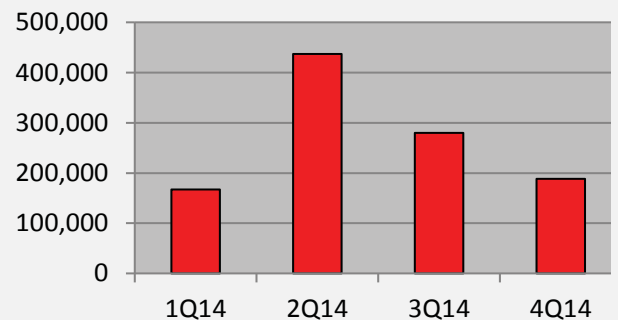
Overall Vacancy (%)



Rental Rates



Net Absorption



Trends for 4Q14



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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) |
|----------------------------|--------------|-------------------|-----------------------|----------------------|---------------------|-------------------------------|-------------------------|
| Aventura | 52 | 2,234,983 | 212,885 | 217,573 | 9.7% | \$39.27 | 0 |
| Biscayne Corridor | 131 | 3,708,012 | 718,601 | 718,601 | 19.4% | \$32.48 | 0 |
| Brickell | 67 | 7,833,383 | 1,086,464 | 1,122,015 | 14.3% | \$39.66 | 286,449 |
| Coconut Grove | 98 | 2,057,276 | 138,182 | 146,582 | 7.1% | \$31.04 | 0 |
| Coral Gables | 441 | 10,716,578 | 1,165,100 | 1,192,382 | 11.1% | \$34.66 | 68,030 |
| Coral Way | 230 | 2,428,531 | 90,586 | 93,611 | 3.9% | \$23.85 | 0 |
| Downtown Miami | 80 | 11,085,559 | 1,992,791 | 2,012,482 | 18.2% | \$33.70 | 0 |
| Kendall | 529 | 11,738,040 | 1,071,734 | 1,071,734 | 9.1% | \$28.07 | 60,000 |
| Medley/Hialeah | 340 | 4,378,847 | 353,000 | 356,776 | 8.1% | \$22.87 | 36,942 |
| Miami | 561 | 7,066,413 | 473,917 | 518,177 | 7.3% | \$25.14 | 92,589 |
| Miami Airport | 348 | 16,107,944 | 1,680,480 | 1,723,319 | 10.3% | \$24.35 | 60,000 |
| Miami Beach | 156 | 4,294,051 | 387,745 | 387,745 | 9.0% | \$33.78 | 0 |
| Miami Lakes | 137 | 3,509,595 | 685,934 | 686,234 | 19.6% | \$22.39 | 0 |
| Miami-Dade Central County | 57 | 408,430 | 16,477 | 16,477 | 4.0% | \$22.04 | 0 |
| Northeast Dade | 506 | 6,429,040 | 756,339 | 756,339 | 11.8% | \$22.43 | 0 |
| Outlying Miami-Dade County | 7 | 194,314 | 877 | 877 | 0.5% | \$0.00 | 0 |
| South Dade | 216 | 2,200,034 | 215,986 | 215,986 | 9.8% | \$20.51 | 0 |
| West Miami | 359 | 3,333,233 | 294,775 | 294,775 | 8.8% | \$24.58 | 0 |
| MIAMI-DADE | 4,316 | 99,724,263 | 11,341,873 | 2.2% | 11.6% | \$29.73 | 604,010 |

Featured Transaction:

6705 SW 57 Avenue
Miami, Florida

Price: \$38,700,000
 Price/SF: \$678.40
 Cap Rate: 5.7%
 RBA: 57,046
 Buyer: The Prudential Insurance Company of America
 Seller: LIC Asset Management GMBH



NAI Miami

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