



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.

The Class-A office market recorded net absorption of positive 130,529 square feet in the first quarter 2015, compared to positive 227,046 square feet in the fourth quarter 2014. The Class-B office market recorded net absorption of positive 27,939 square feet in the first quarter 2015, compared to negative (34,639) square feet in the fourth quarter 2014.

Class-A projects reported a vacancy rate of 14.0% at the end of the first quarter 2015, 14.5% at the end of the fourth quarter 2014, 15.2% at the end of the third quarter 2014, and 15.7% at the end of the second quarter 2014. Class-B projects reported a vacancy rate of 13.0% at the end of the first quarter 2015, 14.2% at the end of the fourth quarter 2014, 14.1% at the end of the third quarter 2014, and 14.5% at the end of the second quarter 2014.

The vacancy rate in the suburban markets decreased to 10.5% in the first quarter 2015. The vacancy rate was

11.2% at the end of the fourth quarter 2014, 11.3% at the end of the third quarter 2014, and 11.6% at the end of the second quarter 2014.

The largest lease signings occurring in 2015 included: the 103,000-square-foot lease signed by Stearns Weaver Miller Weissler Alhadeff & Sitters at 150 W Flagler St in the Downtown Miami market; the 66,000-square-foot deal signed by Norwegian Cruise Line at 7300 Corporate Center Dr in the Miami Airport market; and the 24,841-square-foot lease signed by Bermello, Ajamil & Partners, Inc. at 2601 S Bayshore Dr in the Coconut Grove market.

The average quoted asking rental rate for available office space, all classes, was \$29.88 per square foot per year at the end of the first quarter 2015 in the Miami-Dade County market area. This represented a 0.4% increase in quoted rental rates from the end of the fourth quarter 2014, when rents were reported at \$29.75 per square foot.

Tallying office building sales of 15,000 square feet or larger, Miami-Dade County office sales figures rose during the fourth quarter 2014 in terms of dollar volume compared to the third quarter of 2014. Cap rates have been lower in 2014, averaging 6.33% compared to the same period in 2013 when they averaged 7.06%.

Total Office Market Statistics

First Quarter 2015

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	147	18,928,312	2,991,163	3,051,955	16.1%	71,023	0	286,449	\$35.76
Suburban	4,183	80,451,470	8,340,376	8,468,768	10.5%	61,331	56,942	337,904	\$27.43
Totals	4,330	99,379,782	11,331,539	11,520,723	11.6%	132,354	56,942	624,353	\$29.88

Miami-Dade 1Q15

Office Report

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)
Aventura	52	2,229,483	172,204	176,892	9.7%	\$39.27	0
Biscayne Corridor	130	3,104,066	686,819	686,819	19.4%	\$32.48	0
Brickell	67	7,832,660	1,112,398	1,159,142	14.3%	\$39.66	286,449
Coconut Grove	99	2,065,276	129,852	138,752	7.1%	\$31.04	0
Coral Gables	444	10,780,215	1,095,774	1,132,384	11.1%	\$34.66	68,030
Coral Way	230	2,425,363	99,446	102,471	3.9%	\$23.85	0
Downtown Miami	80	11,095,652	1,878,765	1,892,813	18.2%	\$33.70	0
Kendall	530	11,763,048	1,104,704	1,104,904	9.1%	\$28.07	50,000
Medley/Hialeah	343	4,447,038	366,765	370,541	8.1%	\$22.87	0
Miami	561	7,078,854	463,332	495,936	7.3%	\$25.14	92,589
Miami Airport	349	16,066,844	1,680,823	1,711,521	10.3%	\$24.35	127,285
Miami Beach	158	4,377,950	362,115	362,115	9.0%	\$33.78	0
Miami Lakes	138	3,513,207	708,735	709,035	19.6%	\$22.39	0
Miami-Dade Central County	58	414,015	16,477	16,477	4.0%	\$22.04	0
Northeast Dade	506	6,436,616	921,339	921,699	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	209,208	209,208	9.8%	\$20.51	0
West Miami	362	3,355,147	321,546	329,137	8.8%	\$24.58	0
MIAMI-DADE	4,330	99,379,782	11,331,539	11,520,723	11.6%	\$29.88	624,353



Featured Transaction:

9250 W Flagler Street
Miami, Florida

Price: \$57,500,000
 Price/SF: \$88.46
 Cap Rate: 6%
 RBA: 650,000
 Buyer: Bushburg Properties, Inc.
 Seller: Man-Co USA LLC - DBA Chateau Group

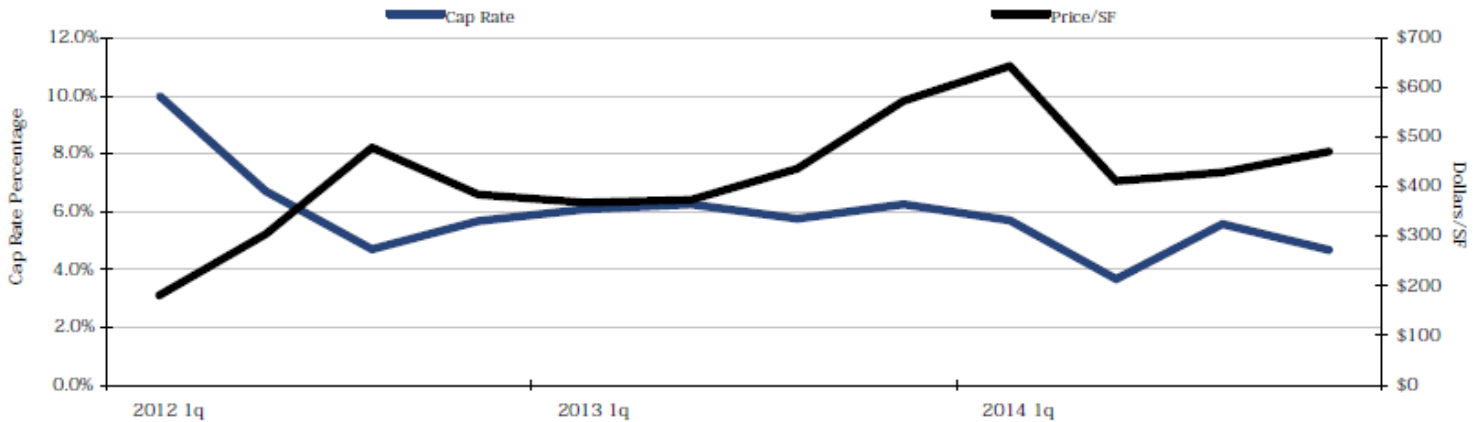
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Office Sales Activity

Source: CoStar Property

The Optimist Sales Index

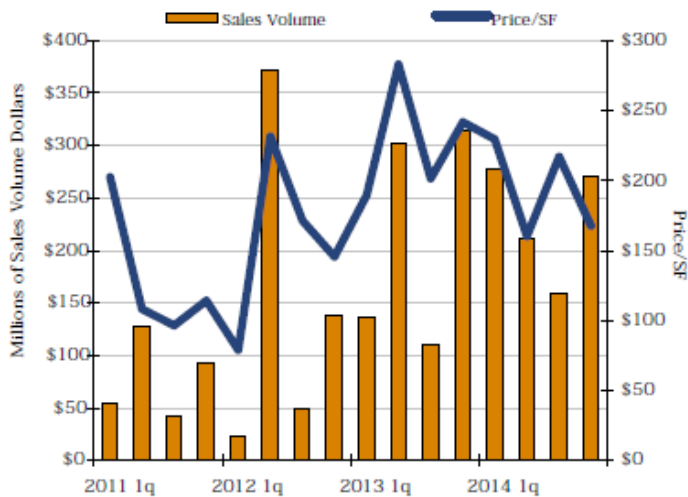
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



Source: CoStar COMPS®

Sales Volumes & Price

Based on Building Sales of 15,000 SF & Larger



Source: CoStar COMPS®

Sales Analysis by Building Size

Based on Building Sales from Jan. 2014 - Dec. 2014

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 50,000 SF	185	1,829,868	\$399,394,658	\$ 218.26	6.77%
50K-249K SF	25	2,669,612	\$547,180,769	\$ 204.97	6.22%
250K-499K SF	1	472,872	\$100,750,000	\$ 213.06	-
>500K SF	1	650,000	\$57,500,000	\$ 88.46	6.00%

Source: CoStar COMPS®