

## Miami-Dade 1Q16

### Office Report

Source: CoStar Property

The Miami-Dade County Office market ended the first quarter 2016 with a vacancy rate of 10.4%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (110,640) square feet in the first quarter. Vacant sublease space increased in the quarter, ending the quarter at 240,007 square feet. Rental rates ended the first quarter at \$31.68, an increase over the previous quarter. A total of three buildings delivered to the market in the quarter totaling 309,228 square feet, with 1,092,713 square feet still under construction at the end of the quarter.

Net absorption for the overall Miami-Dade County office market was negative (110,640) square feet in the first quarter 2016. That compares to positive 463,761 square feet in the fourth quarter 2015, positive 443,841 square feet in the third quarter 2015, and positive 433,357 square feet in the second quarter 2015.

The office vacancy rate in the Miami-Dade County market area increased to 10.4% at the end of the first quarter 2016. The vacancy rate was 10.0% at the end of the fourth quarter 2015, 10.5% at the end of the third quarter 2015, and 10.9% at the end of the second quarter 2015.

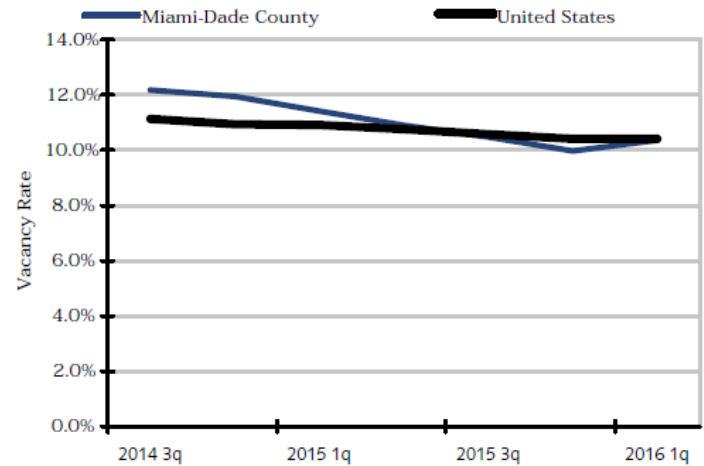
The average quoted asking rental rate for available office space, all classes, was \$31.68 per square foot per year at the end of the first quarter 2016 in the Miami-Dade County market area. This represented a 1.5% increase in quoted rental rates from the end of the fourth quarter 2015, when rents were reported at \$31.21 per square foot. The average quoted rate within the Class-A sector was \$39.67 at the end of the first quarter 2016, while Class-B rates stood at \$27.77, and Class-C rates at 24.75. At the end of the fourth quarter 2015, Class-A rates were \$39.04 per square foot, Class-B rates were \$27.29, and Class-C rates were \$24.24. The average quoted asking rental rate in Miami-Dade County's CBD was \$38.10 at the end of the first quarter 2016, and \$29.08 in the suburban markets. In the fourth quarter 2015, quoted rates were \$37.75 in the CBD and \$28.46 in the suburbs.

Cap rates have been lower in 2015, averaging 5.27% compared to the same period in 2014 when they averaged 6.45%.



### US Vacancy Comparison

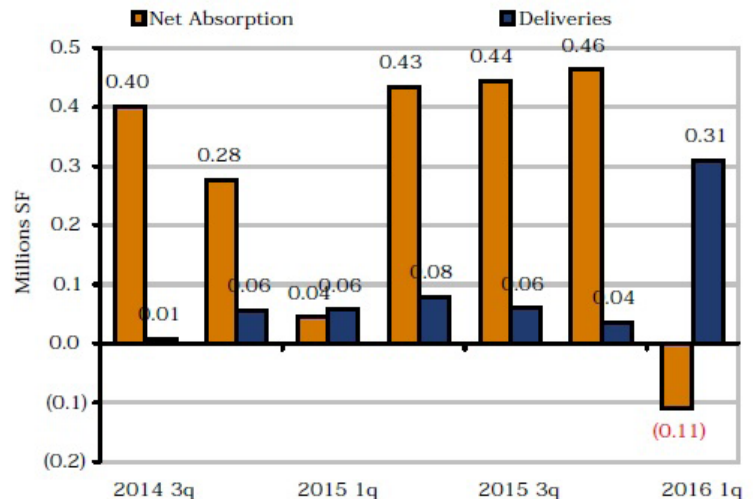
Past 7 Quarters



Source: CoStar Property®

### Absorption & Deliveries

Past 7 Quarters



Source: CoStar Property®

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Source: CoStar Property

### Total Market Overview:

SUBMARKET	# BLDGS.	TOTAL RBA (SF)	DIRECT AVAILABLE (SF)	TOTAL AVAILABLE (SF)	TOTAL AVAILABLE (%)	TOTAL AVERAGE RATE (\$/SF/YR)	UNDER CONSTRUCTION (SF)
Aventura	53	2,233,423	94,973	101,692	4.6%	\$43.10	40,000
Biscayne Corridor	124	2,862,464	398,606	398,606	13.9%	\$36.49	8,643
Brickell	69	8,108,969	1,108,742	1,193,390	14.7%	\$41.89	161,674
Coconut Grove	100	2,066,120	159,766	160,266	7.8%	\$37.57	131,590
Coral Gables	445	10,735,888	944,998	962,482	9.0%	\$37.30	116,825
Coral Way	228	2,385,297	69,876	72,726	3.0%	\$26.33	0
Downtown Miami	83	11,720,750	1,943,099	1,959,316	16.7%	\$35.77	312,000
Kendall	528	11,805,539	1,026,572	1,027,571	8.7%	\$28.62	0
Medley/Hialeah	345	4,429,621	369,953	382,849	8.6%	\$24.25	0
Miami	555	6,341,760	392,053	392,053	6.2%	\$27.82	104,365
Miami Airport	412	18,002,705	1,396,402	1,444,843	8.0%	\$26.15	71,581
Miami Beach	157	4,183,712	303,625	319,599	7.6%	\$39.75	0
Miami Lakes	140	3,534,100	755,253	760,679	21.5%	\$22.61	0
Miami-Dade Central County	61	435,598	19,902	19,902	4.6%	\$21.58	0
Northeast Dade	504	6,254,914	825,039	827,892	13.2%	\$23.13	111,555
Outlying Miami-Dade County	7	194,314	0	0	0.0%	\$0.00	0
South Dade	220	2,303,563	210,400	225,400	9.8%	\$20.43	34,480
West Miami	309	1,901,498	59,745	59,745	3.1%	\$24.02	0
<b>MIAMI-DADE</b>	<b>4,340</b>	<b>99,500,235</b>	<b>10,069,004</b>	<b>10,309,011</b>	<b>10.4%</b>	<b>\$31.68</b>	<b>1,092,713</b>

1. Brickell Arch



Miami

Price: \$142,000,000  
 Price/SF: \$546.15  
 Cap Rate: 3.52%  
 RBA: 260,000  
 Date: 9/11/2015  
 Year Built: 2004  
 Buyer: Gaedeke Group LLC  
 Seller: Estoril Incorporated

2. Brickell Office Plaza



Miami

Price: \$140,000,000  
 Price/SF: \$485.34  
 Cap Rate: N/A  
 RBA: 288,457  
 Date: 2/12/2015  
 Year Built: 1978  
 Buyer: Alliance RE Holdings, LLC  
 Seller: CBRE Global Investors Ltd

3. 95 Merrick Way



Coral Gables

Price: \$118,554,700  
 Price/SF: \$364.78  
 Cap Rate: N/A  
 RBA: 325,005  
 Date: 12/2/2015  
 Year Built: 1961  
 Buyer: Deutsche Asset & Wealth Mgmt  
 Seller: USAA Real Estate Company