

Miami-Dade 2Q16

Office Report

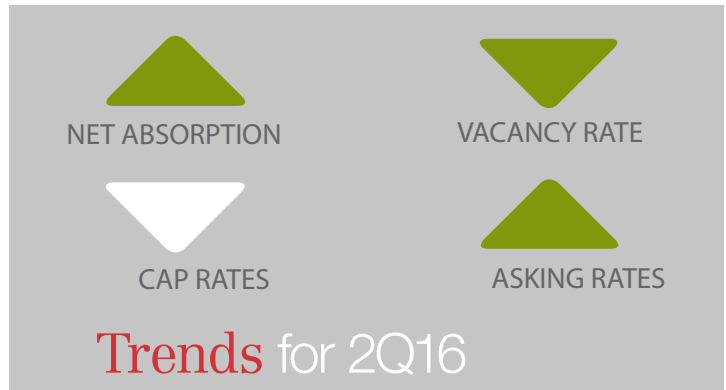
Source: CoStar Property

The Miami-Dade County Office market ended the second quarter of 2016 with a vacancy rate of 10.1%. The vacancy rate was down with net absorption totaling positive 274,940 square feet. Vacant sublease space decreased in the quarter, ending the quarter at 198,310 square feet. Rental rates ended at \$32.10, an increase over the first quarter. A total of two buildings were delivered to the market totaling 160,136 square feet, with 1,296,108 square feet still under construction at the end of the quarter.

Net absorption for the overall Miami-Dade County office market was positive 274,940 square feet in the second quarter of 2016. That compares to negative (95,236) square feet in the first quarter, positive 441,226 square feet in the fourth quarter 2015, and positive 495,755 square feet in the third quarter 2015. The Class-A office market recorded net absorption of positive 3,621 square feet. The Class-B office market recorded net absorption of positive 196,940 square feet and Class-C office market net absorption of positive 74,379 square feet.

The office vacancy rate in the Miami-Dade County market area decreased to 10.1% at the end of the second quarter from 10.2% at the end of the first quarter 2016. Class-A projects reported a vacancy rate of 13.7%. Class-B projects reported 10.8% and Class-C projects reported a vacancy rate of 5.0%. The overall vacancy rate in Miami-Dade County's central business district at the end of the second quarter 2016 increased to 16.1%. The vacancy rate was 16.0% at the end of the first quarter 2016, 15.0% at the end of the fourth quarter 2015, and 15.2% at the end of the third quarter 2015.

The average quoted asking rental rate for available office space, all classes, was \$32.10 per square foot per year at the end of the second quarter of 2016 in the Miami-Dade County market area. This represented a 1.5% increase in quoted rental rates from the end of the first quarter, when rents were reported at \$31.62 per square foot.



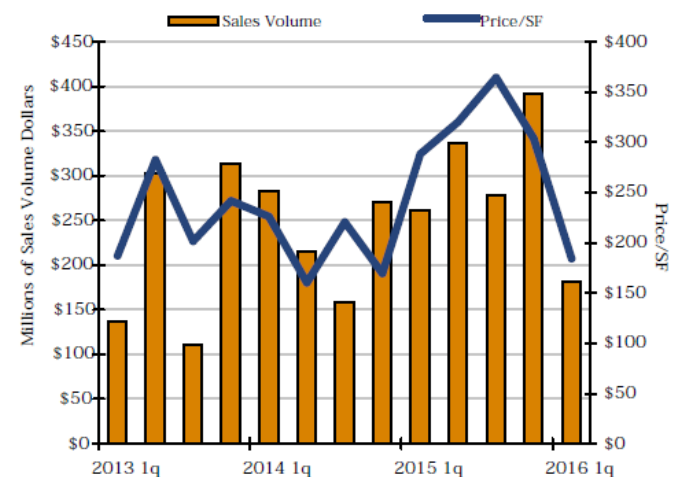
Tallying office building sales of 15,000 square feet or larger, Miami-Dade County office sales figures fell during the first quarter 2016 in terms of dollar volume compared to the fourth quarter of 2015.

In the first quarter, eight office transactions closed with a total volume of \$180,982,000. The eight buildings totaled 983,234 square feet and the average price per square foot equated to \$184.07 per square foot. That compares to 18 transactions totaling \$392,538,700 in the fourth quarter 2015. The total square footage in the fourth quarter was 1,291,879 square feet for an average price per square foot of \$303.85.

Total office building sales activity in 2016 was down compared to 2015. In the first three months of 2016, the market saw eight office sales transactions with a total volume of \$180,982,000. The price per square foot averaged \$184.07. In the same first three months of 2015, the market posted 20 transactions with a total volume of \$260,687,857. The price per square foot averaged \$288.54.

Sales Volume & Price

Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

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Source: CoStar Property

Total Market Overview:

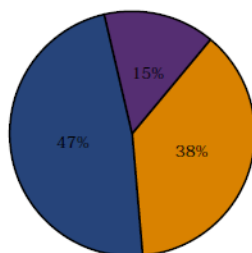
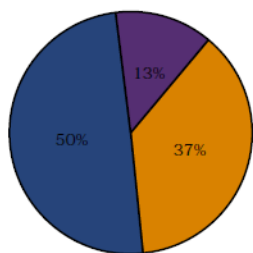
| SUBMARKET | # BLDGS. | TOTAL RBA (SF) | DIRECT AVAILABLE (SF) | TOTAL AVAILABLE (SF) | TOTAL AVAILABLE (%) | TOTAL AVERAGE RATE (\$/SF/YR) | UNDER CONSTRUCTION (SF) |
|----------------------------|--------------|--------------------|-----------------------|----------------------|---------------------|-------------------------------|-------------------------|
| Aventura | 53 | 2,233,423 | 100,505 | 106,101 | 4.8% | \$41.98 | 94,832 |
| Biscayne Corridor | 124 | 2,875,569 | 431,236 | 431,236 | 15.0% | \$36.65 | 8,643 |
| Brickell | 69 | 8,106,367 | 1,074,619 | 1,154,770 | 14.2% | \$42.35 | 161,674 |
| Coconut Grove | 100 | 2,080,523 | 140,247 | 150,234 | 7.2% | \$36.31 | 131,590 |
| Coral Gables | 444 | 10,688,280 | 942,508 | 952,575 | 8.9% | \$37.42 | 116,825 |
| Coral Way | 229 | 2,389,113 | 64,268 | 67,118 | 2.8% | \$26.82 | 0 |
| Downtown Miami | 82 | 11,730,312 | 2,035,117 | 2,046,292 | 17.4% | \$36.76 | 312,000 |
| Kendall | 527 | 11,825,395 | 948,492 | 954,937 | 8.1% | \$28.82 | 45,614 |
| Medley/Hialeah | 344 | 4,418,335 | 327,910 | 346,238 | 7.8% | \$24.12 | 0 |
| Miami | 558 | 6,393,621 | 436,385 | 436,385 | 6.8% | \$28.81 | 121,365 |
| Miami Airport | 418 | 18,700,442 | 1,466,165 | 1,495,623 | 8.0% | \$27.93 | 246,085 |
| Miami Beach | 160 | 4,496,216 | 252,306 | 268,280 | 6.0% | \$39.34 | 0 |
| Miami Lakes | 140 | 3,534,100 | 669,725 | 675,151 | 19.1% | \$23.18 | 0 |
| Miami-Dade Central County | 61 | 435,598 | 17,314 | 17,314 | 4.0% | \$21.58 | 0 |
| Northeast Dade | 505 | 6,355,418 | 810,688 | 813,541 | 12.8% | \$23.41 | 23,000 |
| Outlying Miami-Dade County | 6 | 175,410 | 0 | 0 | 0.0% | \$0.00 | 0 |
| South Dade | 219 | 2,301,292 | 188,297 | 188,297 | 8.2% | \$20.53 | 34,480 |
| West Miami | 309 | 1,901,966 | 30,498 | 30,498 | 1.6% | \$23.71 | 0 |
| MIAMI-DADE | 4,348 | 100,641,380 | 9,936,280 | 10,134,590 | 10.1% | \$32.10 | 1,296,108 |

Vacancy by Class

Percent of All Vacant Space by Class

Miami-Dade County

United States



Source: CoStar Property®

Absorption & Deliveries

Past 8 Quarters

