

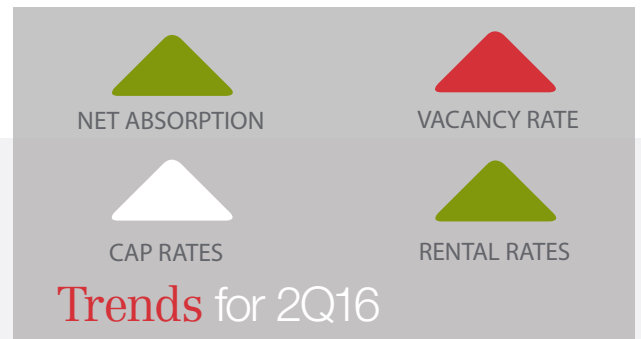
Miami-Dade 2Q16 Industrial Market Report

Source: CoStar Property

The Miami-Dade County Industrial market ended the second quarter of 2016 with a vacancy rate of 4.4%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 537,437 square feet in the second quarter. Vacant sublease space increased, ending the quarter at 352,355 square feet. Rental rates ended at \$9.41, an increase over the first quarter. A total of six buildings were delivered to the market totaling 727,024 square feet, with 2,397,088 square feet still under construction at the end of the second quarter.

Net absorption for the overall Miami-Dade County Industrial market was positive 537,437 square feet in the second quarter of 2016. That compares to positive 701,253 square feet in the first quarter and positive 928,959 square feet in the fourth quarter of 2015. The Flex building market recorded net absorption of positive 110,703 square feet compared to positive 50,038 square feet in the first quarter of 2016. The Warehouse building market recorded net absorption of positive 426,734 square feet in the second quarter, compared to positive 651,215 square feet in the first.

The Industrial vacancy rate increased to 4.4% at the end of the second quarter. The vacancy rate was 4.3% at the end of the first quarter, 4.4% at the end of the fourth quarter 2015, and 4.7% at the end of the third quarter of 2015. Flex projects reported a vacancy rate of 4.9% at the end of the quarter compared to 5.5% at the end of the first quarter 2016. Warehouse projects reported a vacancy rate of 4.3%.



The average quoted asking rental rate for available Industrial space was \$9.41 per square foot per year at the end of the second quarter 2016 in the Miami-Dade County market area. This represented a 1.8% increase in quoted rental rates from the end of the first quarter, when rents were reported at \$9.24 per square foot. The average quoted rate within the Flex sector was \$16.66 per square foot at the end of the second quarter 2016, while Warehouse rates stood at \$9.04. At the end of the first quarter 2016, Flex rates were \$16.16 per square foot, and Warehouse rates were \$8.85.

Total year-to-date industrial building sales activity in 2016 is down compared to the previous year. In the first three months of 2016, the market saw 33 industrial sales transactions with a total volume of \$90,583,000. The price per square foot has averaged \$86.45 this year. In the first three months of 2015, the market posted 34 transactions with a total volume of \$131,813,300. The price per square foot averaged \$92.21.

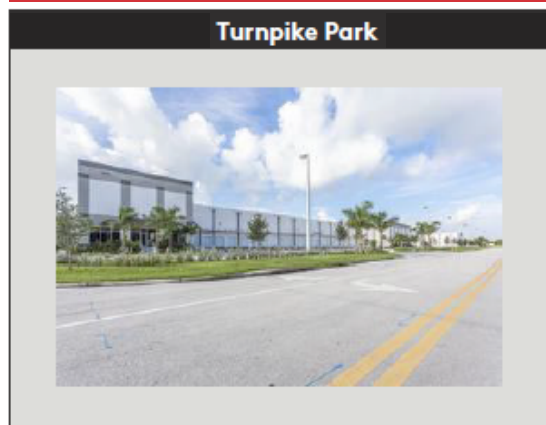
Cap rates have been higher in 2016, averaging 6.62%, compared to the first three months of last year when they averaged 6.58%

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Total Market Overview:

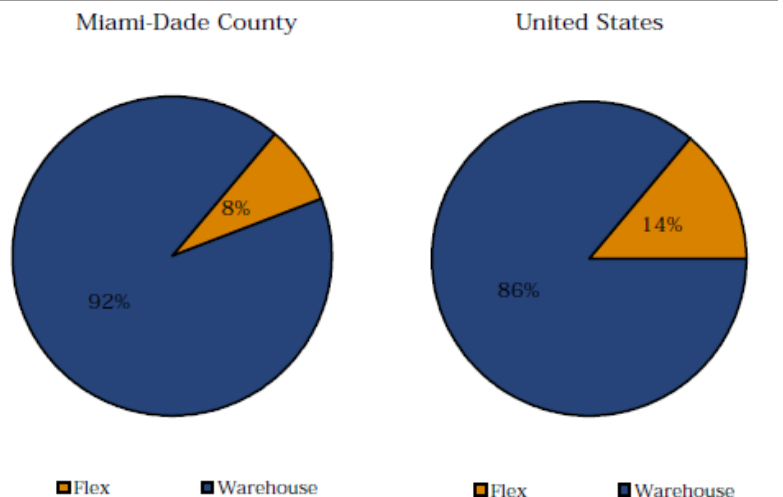
SUBMARKET	# BLDGS.	TOTAL RBA (SF)	DIRECT AVAILABLE (SF)	TOTAL AVAILABLE (SF)	TOTAL AVAILABLE (%)	TOTAL AVERAGE RATE (\$/SF/YR)	UNDER CONSTRUCTION (SF)
Central Miami Ind	196	3,267,511	87,272	92,272	2.8%	\$8.57	0
East Miami Ind	326	4,294,817	310,712	310,712	7.2%	\$16.19	0
Hialeah Ind	1,672	36,328,911	997,068	1,011,650	2.8%	\$6.99	764,088
Medley Ind	919	32,766,859	1,282,597	1,427,700	4.4%	\$8.37	808,773
Miami Airport Ind	2,064	77,948,051	3,331,997	3,448,791	4.4%	\$10.06	175,000
Miami Lakes Ind	253	12,319,253	830,065	837,065	6.8%	\$7.84	82,000
North Miami Beach Ind	952	30,924,475	1,264,147	1,299,672	4.2%	\$7.82	0
Outlying Miami-Dade Ind	14	210,177	0	0	0.0%	\$7.78	0
South Central Miami Ind	1,084	13,452,848	1,196,420	1,222,771	9.1%	\$20.41	0
South Dixie Hwy Ind	622	8,614,673	315,732	315,732	3.7%	\$11.04	0
Southwest Dade Ind	494	9,808,030	205,020	205,020	2.1%	\$9.93	0
West Miami/Coral Ter Ind	283	4,718,303	91,364	91,364	1.9%	\$14.84	0
MIAMI-DADE	8,884	234,653,908	9,912,394	10,264,749	4.4%	\$9.41	2,397,088



Medley
 Price: **\$18,154,500**
 Price/SF: **\$133.00**
 Cap Rate: **N/A**
 RBA: **136,500**
 Date: **4/11/2016**
 Year Built: **2015**
 Buyer: **Clarion Partners**
 Seller: **Crow Holdings**

Vacancy by Building Type

Percent of All Vacant Space by Building Type



Source: CoStar Property®