

Miami-Dade 3Q16

Office Report

Source: CoStar Property

The Miami-Dade County Office market ended the third quarter 2016 with a vacancy rate of 9.9%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 318,948 square feet in the third quarter. Vacant sublease space increased in the quarter, ending the quarter at 247,771 square feet. Rental rates ended the third quarter at \$32.78, an increase over the previous quarter. A total of one building delivered to the market in the quarter totaling 18,000 square feet, with 1,685,607 square feet still under construction at the end of the quarter.

Net absorption for the overall Miami-Dade County office market was positive 318,948 square feet in the third quarter 2016. That compares to positive 200,303 square feet in the second quarter 2016, negative (141,927) square feet in the first quarter 2016, and positive 440,372 square feet in the fourth quarter 2015. The Class-A office market recorded net absorption of positive 136,416 square feet; Class-B office market recorded net absorption of positive 102,788 square feet and Class-C office market net absorption of positive 79,744 square feet.

The office vacancy rate in the Miami-Dade County market area decreased to 9.9% at the end of the third quarter 2016. The vacancy rate was 10.2% at the end of the second quarter 2016, 10.2% at the end of the first quarter 2016, and 9.8% at the end of the fourth quarter 2015. Class-A projects reported a vacancy rate of 13.3%; Class-B projects reported 10.6% and Class-C projects reported a vacancy rate of 4.8%. The overall vacancy rate in Miami-Dade County's central business district at the end of the third quarter 2016 decreased to 15.8%. The vacancy rate was 16.0% at the end of the second quarter 2016, 15.9% at the end of the first quarter 2016 and 14.9% at the end of the fourth quarter 2015.

The average quoted asking rental rate for available office space, all classes, was \$32.78 per square foot per year at the end of the third quarter of 2016 in the Miami-Dade County market area. This represented a 2.2% increase in quoted rental rates from the end of the second quarter, when rents were reported at \$32.08 per square foot.



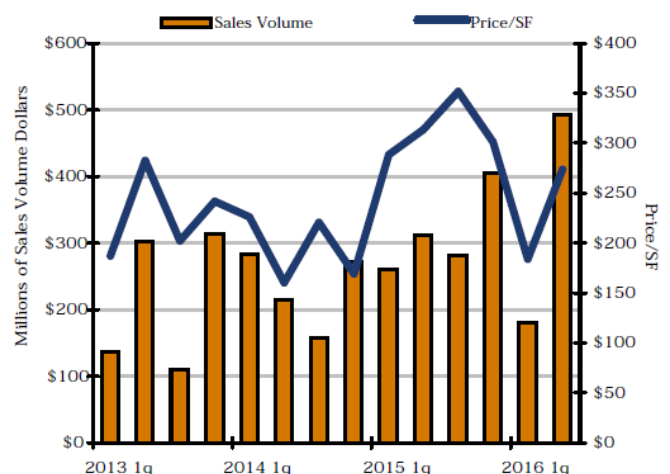
Tallying office building sales of 15,000 square feet or larger, Miami-Dade County office sales figures rose during the second quarter 2016 in terms of dollar volume compared to the first quarter of 2016.

In the second quarter, 12 office transactions closed with a total volume of \$493,611,625. The 12 buildings totaled 1,803,254 square feet and the average price per square foot equated to \$273.73 per square foot. That compares to eight transactions totaling \$180,982,000 in the first quarter 2016. The total square footage in the first quarter was 983,675 square feet for an average price per square foot of \$183.99.

Total office building sales activity in 2016 was up compared to 2015. In the first six months of 2016, the market saw 20 office sales transactions with a total volume of \$674,593,625. The price per square foot averaged \$242.06. In the same first six months of 2015, the market posted 38 transactions with a total volume of \$573,107,857. The price per square foot averaged \$301.72.

Sales Volume & Price

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



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Office Market

Total Market Overview:

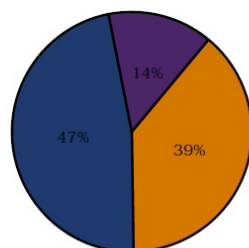
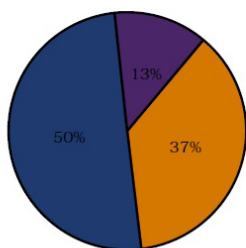
SUBMARKET	# BLDGS.	TOTAL RBA (SF)	DIRECT AVAILABLE (SF)	TOTAL AVAILABLE (SF)	TOTAL AVAILABLE (%)	TOTAL AVERAGE RATE (\$/SF/YR)	UNDER CONSTRUCTION (SF)
Aventura	52	2,227,753	95,920	101,186	4.5%	\$42.58	279,521
Biscayne Corridor	123	2,866,036	366,938	366,938	12.8%	\$36.44	8,643
Brickell	71	8,129,471	1,182,385	1,182,385	14.5%	\$43.63	130,000
Coconut Grove	99	2,041,035	116,684	133,325	6.5%	\$37.03	131,590
Coral Gables	444	10,609,096	923,338	937,437	8.8%	\$37.45	116,825
Coral Way	228	2,371,273	47,572	48,072	2.0%	\$26.51	0
Downtown Miami	81	11,687,275	1,921,480	1,940,414	16.6%	\$37.47	310,648
Kendall	532	11,776,472	1,019,434	1,038,138	8.8%	\$30.14	118,614
Medley/Hialeah	343	4,359,965	336,452	354,780	8.1%	\$25.29	22,136
Miami	563	6,691,908	378,272	379,548	5.7%	\$29.65	128,271
Miami Airport	419	18,739,388	1,602,682	1,619,039	8.6%	\$28.16	302,492
Miami Beach	160	4,480,720	217,437	233,411	5.2%	\$39.46	0
Miami Lakes	140	3,541,451	677,483	677,483	19.1%	\$23.13	20,640
Miami-Dade Central County	61	435,598	0	0	0.0%	\$21.35	0
Northeast Dade	506	6,364,268	734,161	734,161	11.5%	\$23.41	81,747
Outlying Miami-Dade County	6	172,432	0	0	0.0%	\$0.00	0
South Dade	218	2,302,599	161,538	161,538	7.0%	\$21.70	34,480
West Miami	310	1,899,491	29,460	29,460	1.6%	\$22.40	0
MIAMI-DADE	4,356	100,777,231	9,689,544	9,937,315	9.9%	\$32.78	1,685,607

Vacancy by Class

Percent of All Vacant Space by Class

Miami-Dade County

United States



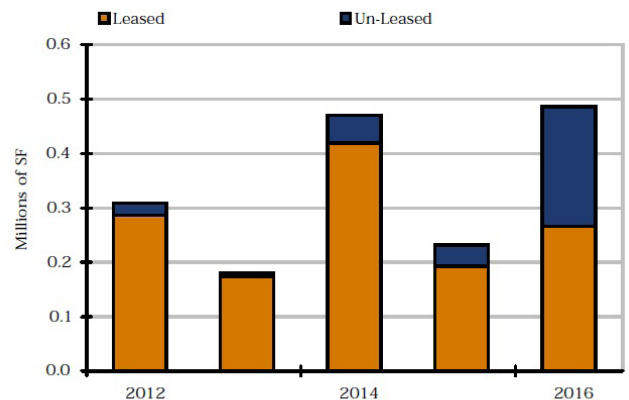
■ Class A ■ Class B ■ Class C

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Source: CoStar Property®

Recent Deliveries

Leased & Un-Leased SF in Deliveries Since 2012



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