

Miami-Dade 4Q16

Office Report

Source: CoStar Property

The Miami-Dade County Office market ended fourth quarter 2016 with a vacancy rate of 9.4%. This rate was down over the previous quarter, with net absorption totaling positive 305,187 square feet. Vacant sublease space decreased, ending the quarter at 190,819 square feet. Rental rates ended the fourth quarter at \$33.44, an increase over the previous quarter. A total of one building delivered to the market in the quarter totaling 44,000 square feet, with 1,768,911 square feet still under construction.

Net absorption for the overall Miami-Dade County office market was positive 305,187 square feet in fourth quarter 2016. That compares to positive 349,095 square feet in third quarter 2016, positive 342,648 square feet in second quarter 2016, and negative (150,197) square feet in first quarter 2016. The Class-A office market recorded net absorption of positive 120,039 square feet; the Class-B office market recorded net absorption of positive 67,498 square feet; Class-C office market recorded net absorption of positive 117,650 square feet.

The office vacancy rate in the Miami-Dade County market area decreased to 9.4% at the end of fourth quarter 2016. The vacancy rate was 9.7% at the end of third quarter 2016, 10.0% at the end of second quarter 2016, and 10.2% at the end of first quarter 2016. Class-A projects reported a vacancy rate of 12.7%; Class-B projects reported 10.4%; and Class-C projects reported a vacancy rate of 4.2%. The overall vacancy rate in Miami-Dade County's central business district at the end of fourth quarter 2016 decreased to 15.5%. The vacancy rate was 15.8% at the end of third quarter 2016, 16.0% at the end of second quarter 2016 and 15.8% at the end of first quarter 2016.

The average quoted asking rental rate for available office space, all classes, was \$33.44 per square foot per year at the end of fourth quarter 2016 in the Miami-Dade County market area. This represented a 2.0% increase in quoted rental rates from the end of the third quarter, when rents were reported at \$32.80 per square foot.

Tallying office building sales of 15,000 square feet or larger, Miami-Dade County office sales figures fell



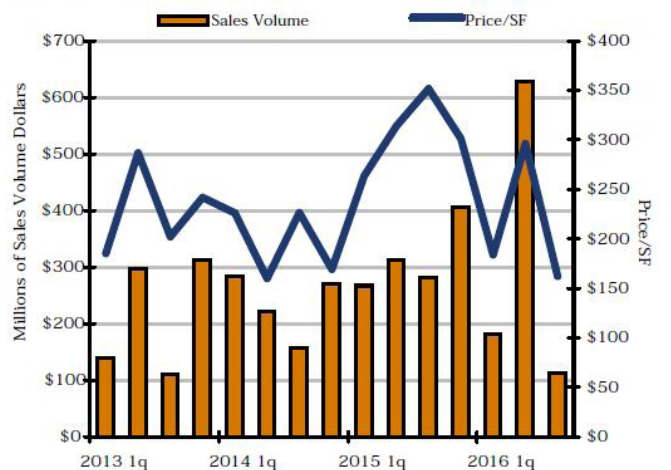
during third quarter 2016 in terms of dollar volume compared to second quarter of 2016.

In the third quarter, 10 office transactions closed with a total volume of \$112,515,300. The 10 buildings totaled 694,485 square feet and the average price per square foot equated to \$162.01. That compares to 12 transactions totaling \$627,636,425 in the second quarter 2016. The total square footage in the second quarter was 2,118,147 for an average price of \$296.19 per square foot.

Total office building sales activity in 2016 was up compared to 2015. In the first nine months of 2016, the market saw 30 office sales transactions with a total volume of \$920,860,725. The price per square foot averaged \$242.57. In the same first nine months of 2015, the market posted 55 transactions with a total volume of \$860,168,857. The price per square foot averaged \$306.40.

Sales Volume & Price

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



Source: CoStar COMPS®

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Office Market

Total Market Overview:

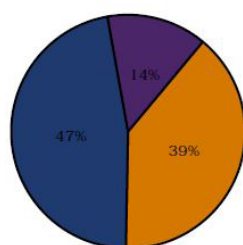
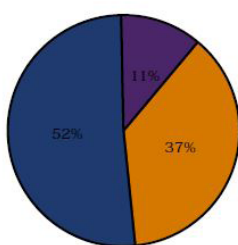
SUBMARKET	# BLDGS.	TOTAL RBA (SF)	DIRECT AVAILABLE (SF)	TOTAL AVAILABLE (SF)	TOTAL AVAILABLE (%)	TOTAL AVERAGE RATE (\$/SF/YR)	UNDER CONSTRUCTION (SF)
Aventura	47	1,866,647	112,738	117,634	6.3%	\$43.86	279,521
Biscayne Corridor	121	2,761,790	330,321	332,921	12.1%	\$37.69	8,643
Brickell	71	8,176,828	1,084,925	1,159,695	14.2%	\$42.90	145,000
Coconut Grove	98	2,039,032	114,222	126,063	6.2%	\$37.49	131,590
Coral Gables	442	10,959,968	857,506	867,756	7.9%	\$38.67	188,407
Coral Way	227	2,365,035	45,963	46,853	2.0%	\$26.47	41,117
Downtown Miami	81	11,693,562	1,903,914	1,920,455	16.4%	\$38.69	318,000
Kendall	531	11,656,763	891,321	909,628	7.8%	\$29.47	53,614
Medley/Hialeah	342	4,335,676	268,307	268,307	6.2%	\$25.72	22,136
Miami	562	6,695,377	387,393	387,393	5.8%	\$32.01	84,271
Miami Airport	419	18,772,114	1,594,730	1,628,630	8.7%	\$28.25	302,492
Miami Beach	159	4,469,915	216,349	228,183	5.1%	\$39.59	0
Miami Lakes	140	3,542,091	594,361	594,361	16.8%	\$23.14	20,640
Miami-Dade Central County	61	435,598	0	0	0.0%	\$21.58	0
Northeast Dade	509	6,361,361	674,212	679,202	10.7%	\$24.32	139,000
Outlying Miami-Dade County	6	172,432	0	0	0.0%	\$0.00	0
South Dade	219	2,307,599	166,982	166,982	7.2%	\$22.70	34,480
West Miami	309	1,849,079	17,899	17,899	1.0%	\$21.73	0
MIAMI-DADE	4,344	100,460,867	9,261,143	9,451,962	9.4%	\$33.44	1,768,911

Vacancy by Class

Percent of All Vacant Space by Class

Miami-Dade County

United States



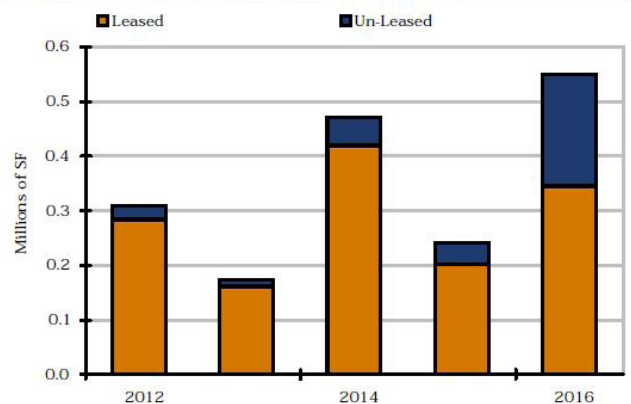
■ Class A ■ Class B ■ Class C

■ Class A ■ Class B ■ Class C

Source: CoStar Property®

Recent Deliveries

Leased & Un-Leased SF in Deliveries Since 2012



Source: CoStar Property®