MARKET TRENDS

3Q 2017 | Miami-Dade | Industrial

Economic Overview

According to the Bureau of Labor Statistics, the unemployment rate for the Miami-Dade metropolitan statistical area improved to 4.9% in August 2017 - a drop of 0.9 percentage points (pps) from August 2016. That's also 0.7 pps behind the statewide rate of 4.2% and 0.4 pps behind the national rate of 4.5% for August 2017. Non-agricultural jobs increased 19,300 in Miami-Dade. This market was the highest of all Florida metros in job creation for Trade, Transportation, and Utilities with 6,300 jobs added over the past year.

Market Overview

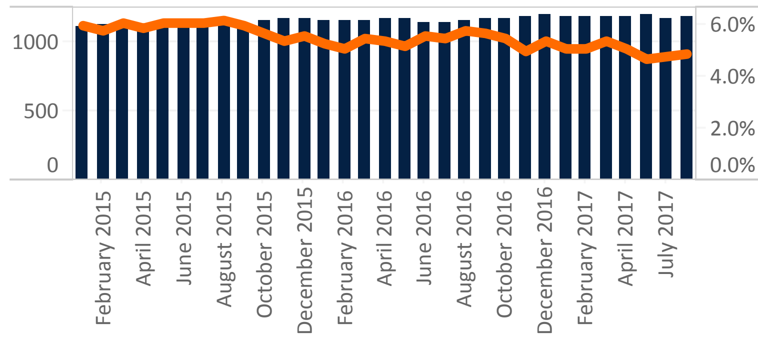
The Miami-Dade industrial market recorded 298,689 square feet (sf) of overall positive absorption during 3Q 2017. Year-to-date absorption hit 2,943,439 sf overall by close of 3Q 2017. Total vacancy improved to 5.1% for all specific uses. Weighted average asking rents (NNN) were highest for Light Industrial ($11.21 psf) which was $0.99 higher than Flex ($10.22 psf) followed by Warehouse / Distribution ($8.79 psf) and Manufacturing ($7.00 psf). The largest increase in asking rents was for Flex which increased $0.45 psf from $8.34 psf in 2Q 2017 to $8.79 psf NNN in 3Q 2017. The market saw 111,162 sf of new space delivered, with 1,371,196 sf under construction.

Market Highlights

Fundamentals in Miami-Dade County industrial market remain strong in 3Q 2017 with availability and vacancy at 7.6% and 5.1% respectively. Absorption was highest in Medley (200,152 sf) and Hialeah Gardens (132,292 sf). Seven of the 12 submarkets posted vacancy rates less than 5%. DCT Commerce Center and Beacon Lakes both have 3 different projects under construction - all over 108,000 square feet (sf). The lowest overall vacancy rates remain in the Kendall / S Dixie Highway submarket (1.2%); West Miami / Coral Terrace (1.4%); West Kendall (2.2%); Medley (4.0%); North Dade (4.3%) and South Dade (4.3%). The largest occupiers of space included: Delta Apparel (112,581 sf); Liily & Associates (79,590 sf) Expolanka (55,707 sf); Caribbean Export (39,000 sf); Trivantage (25,594 sf); and Roadtex (22,838 sf).

Miami-Dade Employment

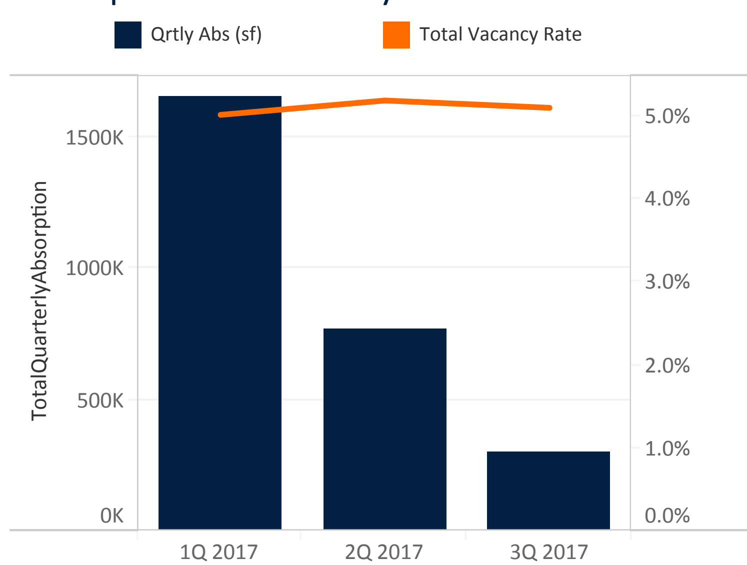
Source: BLS



Market Recap

Inventory (sf)	205,316,656
# of Bldgs	5,138
Qrtly Abs (sf)	298,689
Total Avail Rate	7.6%
Total Vacancy Rate	5.1%
U/C Inventory (sf)	1,371,196
Delivered (sf)	111,162
Weighted Average Asking Rate (NNN)	$8.85

Absorption and Vacancy Rate



Overview by Specific Use (Total)

Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qrtly Abs (sf)	YTD Net Abs (sf)
Flex	42,812,044	2,124,859	1,395,298	3.3%	-130,189	592,988
Lt Ind	77,080,694	4,217,526	2,875,921	3.7%	-19,652	807,543
Mfg	5,866,073	686,163	557,099	9.5%	135,989	66,290
Whse/Dist	79,557,845	8,672,123	5,649,931	7.1%	312,541	1,476,618
Overall	**205,316,656**	**15,700,671**	**10,478,249**	**5.1%**	**298,689**	**2,943,439**

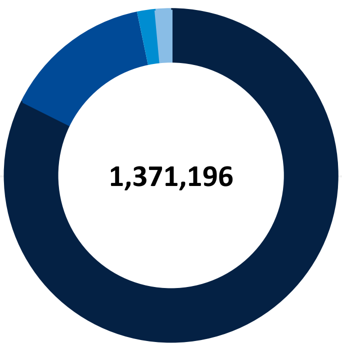
Overview by Market (Total)

Market Name	Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qrtly Abs (sf)	YTD Net Abs (sf)
Airport West	Flex	17,522,169	857,897	589,464	3.4%	45,554	196,360
	Lt Ind	11,314,814	1,027,749	751,266	6.6%	42,904	84,806
	Mfg	1,070,311	42,095	40,000	3.7%	0	-40,000
	Whse/Dist	27,617,828	3,207,418	2,123,744	7.7%	6,204	71,403
	Subtotal	**57,525,122**	**5,135,159**	**3,504,474**	**6.1%**	**94,662**	**312,569**
Central Miami	Flex	473,502	70,282	0	0.0%	0	33,660
	Lt Ind	6,640,498	446,986	320,234	4.8%	853	98,533
	Mfg	110,269	88,449	0	0.0%	0	0
	Whse/Dist	1,299,079	360,626	360,626	27.8%	0	0
	Subtotal	**8,523,348**	**966,343**	**680,860**	**8.0%**	**853**	**132,193**
East Miami	Flex	80,008	4,165	2,165	2.7%	-2,165	10,106
	Lt Ind	3,775,707	319,425	294,323	7.8%	-18,142	-41,897
	Mfg	173,699	0	0	0.0%	0	0
	Whse/Dist	320,547	0	0	0.0%	0	0
	Subtotal	**4,349,961**	**323,590**	**296,488**	**6.8%**	**-20,307**	**-31,791**
Hialeah	Flex	1,808,258	133,922	63,922	3.5%	-57,482	-19,329
	Lt Ind	17,771,916	949,923	597,179	3.4%	29,121	76,960
	Mfg	1,401,460	527,659	489,139	34.9%	113,305	113,518
	Whse/Dist	10,215,375	671,855	339,096	3.3%	-86,389	133,708
	Subtotal	**31,197,009**	**2,283,359**	**1,489,336**	**4.8%**	**-1,445**	**304,857**
Hialeah Gardens	Flex	3,136,759	66,586	66,586	2.1%	7,950	97,040
	Lt Ind	2,873,889	78,540	76,040	2.6%	39,427	89,205
	Mfg	270,380	0	0	0.0%	0	0
	Whse/Dist	1,469,218	524,838	462,738	31.5%	84,915	335,436
	Subtotal	**7,750,246**	**669,964**	**605,364**	**7.8%**	**132,292**	**521,681**
Kendall/South Dixie Highway	Flex	293,469	4,940	3,440	1.2%	-740	-740
	Lt Ind	846,329	10,930	10,930	1.3%	0	42,224
	Whse/Dist	54,711	0	0	0.0%	0	0
	Subtotal	**1,194,509**	**15,870**	**14,370**	**1.2%**	**-740**	**41,484**
Medley	Flex	5,304,624	308,800	127,311	2.4%	-53,105	114,858
	Lt Ind	10,270,217	383,740	210,610	2.1%	-27,638	90,016
	Subtotal	**38,843,539**	**2,762,468**	**1,756,646**	**4.5%**	**200,152**	**749,634**
Overall		**205,316,656**	**15,700,671**	**10,478,249**	**5.1%**	**298,689**	**2,943,439**

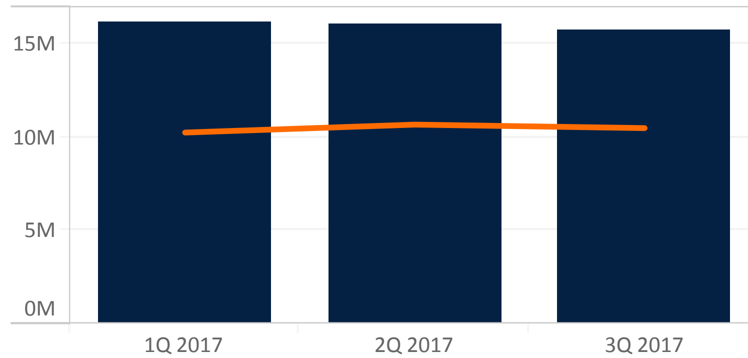
Overview by Market (Total) Cont'd

Market Name	Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qrtly Abs (sf)	YTD Net Abs (sf)
Medley	Mfg	1,789,945	27,960	27,960	1.6%	22,684	-7,228
	Whse/Dist	21,478,753	2,041,968	1,390,765	6.5%	258,211	551,988
	Subtotal	**38,843,539**	**2,762,468**	**1,756,646**	**4.5%**	**200,152**	**749,634**
North Dade	Flex	8,624,703	501,595	419,138	4.9%	-51,606	131,533
	Lt Ind	14,495,875	579,680	292,836	2.0%	-49,839	376,362
	Mfg	875,970	0	0	0.0%	0	0
	Whse/Dist	15,226,301	1,731,498	956,317	6.3%	49,600	387,518
	Subtotal	**39,222,849**	**2,812,773**	**1,668,291**	**4.3%**	**-51,845**	**895,413**
South Dade	Flex	1,647,604	65,303	24,803	1.5%	2,575	40,531
	Lt Ind	3,385,469	298,141	232,541	6.9%	-34,120	-37,411
	Mfg	140,082	0	0	0.0%	0	0
	Whse/Dist	850,222	0	0	0.0%	0	0
	Subtotal	**6,023,377**	**363,444**	**257,344**	**4.3%**	**-31,545**	**3,120**
West Kendall	Flex	1,710,384	62,270	56,270	3.3%	-17,628	-16,782
	Lt Ind	5,016,607	109,087	87,337	1.7%	-3,793	27,170
	Mfg	33,957	0	0	0.0%	0	0
	Whse/Dist	631,217	133,920	16,645	2.6%	0	-3,435
	Subtotal	**7,392,165**	**305,277**	**160,252**	**2.2%**	**-21,421**	**6,953**
West Miami / Coral Terrace	Flex	2,210,564	49,099	42,199	1.9%	-3,542	5,751
	Lt Ind	689,373	13,325	2,625	0.4%	1,575	1,575
	Whse/Dist	394,594	0	0	0.0%	0	0
	Subtotal	**3,294,531**	**62,424**	**44,824**	**1.4%**	**-1,967**	**7,326**
Overall		**205,316,656**	**15,700,671**	**10,478,249**	**5.1%**	**298,689**	**2,943,439**

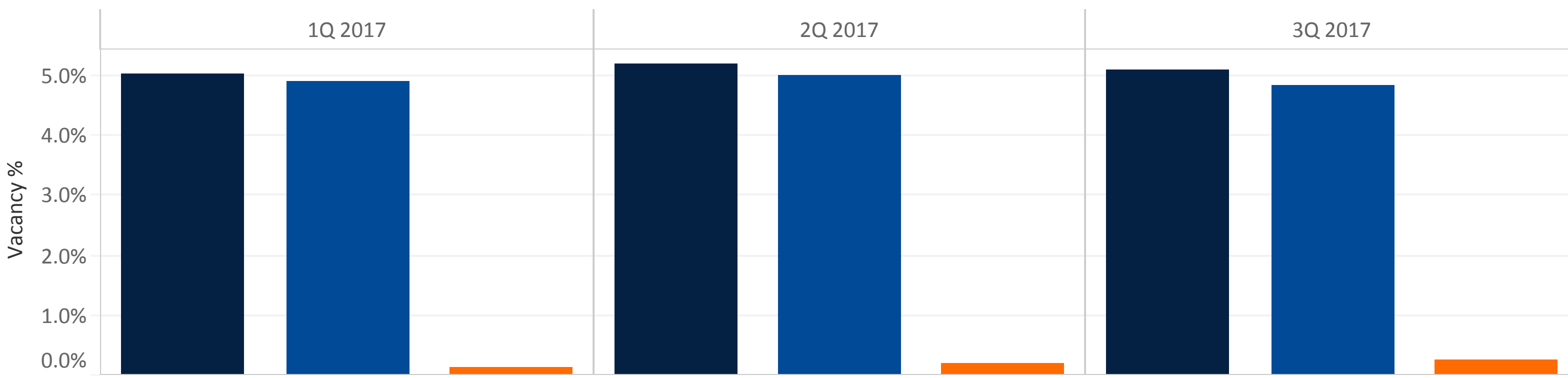
Construction by Market



Total Available and Vacant



Vacancy Rate



Overview by Specific Use (Direct)

Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qtrly Abs (sf)	YTD Net Abs (sf)
Flex	42,812,044	2,002,844	1,278,483	3.0%	-147,189	547,545
Lt Ind	77,080,694	4,193,820	2,875,921	3.7%	-19,652	800,192
Mfg	5,866,073	686,163	557,099	9.5%	135,989	66,290
Whse/Dist	79,557,845	7,831,923	5,229,111	6.6%	483,772	1,806,508
Overall	205,316,656	14,714,750	9,940,614	4.8%	452,920	3,220,535

Overview by Specific Use (Sublease)

Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qtrly Abs (sf)	YTD Net Abs (sf)
Flex	42,812,044	122,015	116,815	0.3%	17,000	45,443
Lt Ind	77,080,694	23,706	0	0.0%	0	7,351
Mfg	5,866,073	0	0	0.0%	0	0
Whse/Dist	79,557,845	840,200	420,820	0.5%	-171,231	-329,890
Overall	205,316,656	985,921	537,635	0.3%	-154,231	-277,096

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MARKET TRENDS

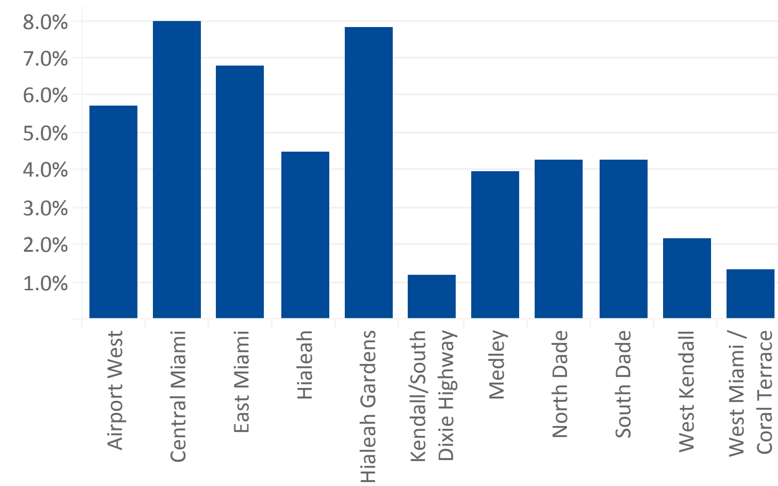
3Q 2017 | Miami-Dade | Industrial

Direct Vacancy Rates

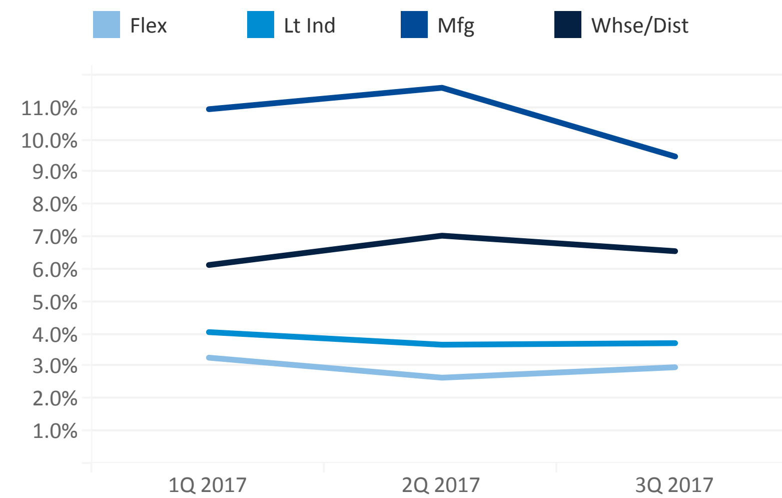
By Market and Specific Use

Market Name	Specific Use	1Q 2017	2Q 2017	3Q 2017
		Quarter Year		
Airport West	Flex	3.3%	2.9%	2.7%
	Lt Ind	6.8%	7.0%	6.6%
	Mfg	0.4%	3.7%	3.7%
	Whse/Dist	6.4%	6.8%	7.3%
	Subtotal	**5.4%**	**5.6%**	**5.7%**
Central Miami	Flex	4.0%	0.0%	0.0%
	Lt Ind	4.8%	4.8%	4.8%
	Mfg	0.0%	0.0%	0.0%
	Whse/Dist	27.8%	27.8%	27.8%
	Subtotal	**8.2%**	**8.0%**	**8.0%**
East Miami	Flex	0.0%	0.0%	2.7%
	Lt Ind	7.0%	7.3%	7.8%
	Mfg	0.0%	0.0%	0.0%
	Whse/Dist	0.0%	0.0%	0.0%
	Subtotal	**6.1%**	**6.3%**	**6.8%**
Hialeah	Flex	0.4%	0.4%	3.5%
	Lt Ind	4.3%	3.5%	3.4%
	Mfg	43.0%	43.0%	34.9%
	Whse/Dist	4.5%	2.5%	2.4%
	Subtotal	**5.9%**	**4.8%**	**4.5%**
Hialeah Gardens	Flex	3.9%	2.4%	2.1%
	Lt Ind	4.5%	3.3%	2.6%
	Mfg	0.0%	0.0%	0.0%
	Whse/Dist	8.3%	37.3%	31.5%
	Subtotal	**4.5%**	**9.3%**	**7.8%**
Kendall/South Dixie Highway	Flex	0.9%	0.9%	1.2%
	Lt Ind	1.3%	1.3%	1.3%
	Whse/Dist	0.0%	0.0%	0.0%
	Subtotal	**1.1%**	**1.1%**	**1.2%**
Medley	Flex	2.8%	1.4%	2.4%
	Lt Ind	2.5%	1.8%	2.1%
	Mfg	2.8%	2.8%	1.6%
	Whse/Dist	5.4%	7.2%	5.5%
	Subtotal	**4.2%**	**4.8%**	**4.0%**
North Dade	Flex	4.6%	4.3%	4.9%
	Lt Ind	2.2%	1.7%	2.0%
	Mfg	0.0%	0.0%	0.0%
	Whse/Dist	6.5%	6.6%	6.3%
	Subtotal	**4.4%**	**4.1%**	**4.3%**
South Dade	Flex	2.1%	1.7%	1.5%
	Lt Ind	5.3%	5.9%	6.9%
	Mfg	0.0%	0.0%	0.0%
	Whse/Dist	0.0%	0.0%	0.0%
	Subtotal	**3.6%**	**3.7%**	**4.3%**
West Kendall	Flex	2.4%	2.3%	3.3%
	Lt Ind	2.2%	1.7%	1.7%
	Mfg	0.0%	0.0%	0.0%
	Whse/Dist	3.8%	2.6%	2.6%
	Subtotal	**2.4%**	**1.9%**	**2.2%**
West Miami / Coral Terrace	Flex	2.3%	1.7%	1.9%
	Lt Ind	0.6%	0.6%	0.4%
	Whse/Dist	0.0%	0.0%	0.0%
	Subtotal	**1.7%**	**1.3%**	**1.4%**
Overall		**4.9%**	**5.0%**	**4.8%**

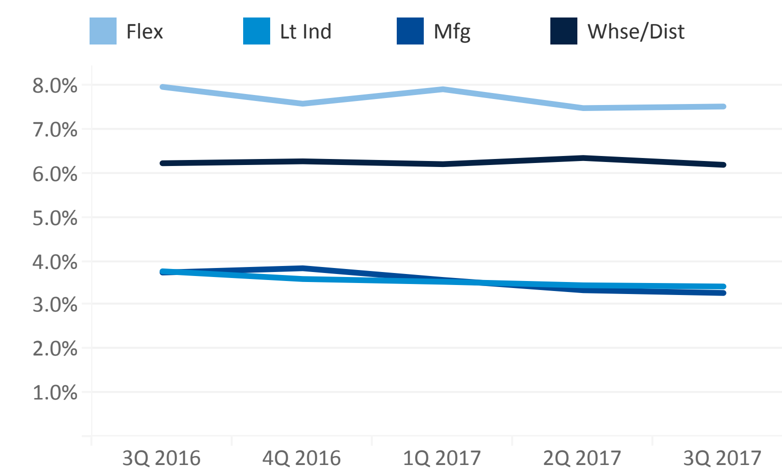
By Market



Miami-Dade By Specific Use



National by Specific Use



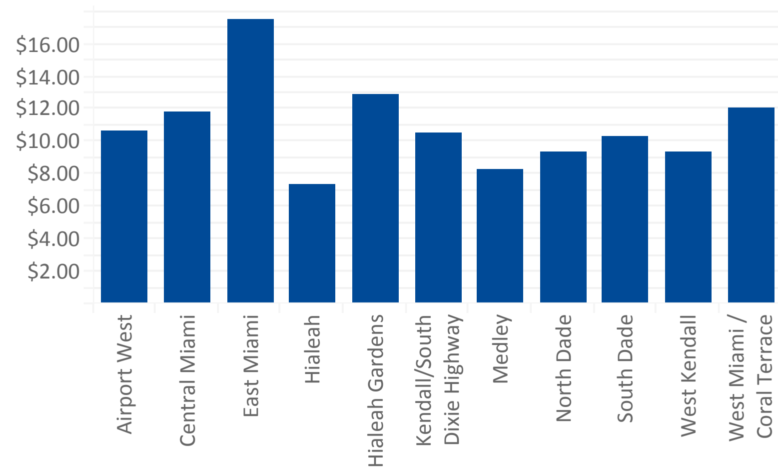
BUILDING DATA. EVERYWHERE.

Direct Weighted Average Asking Rates (NNN)

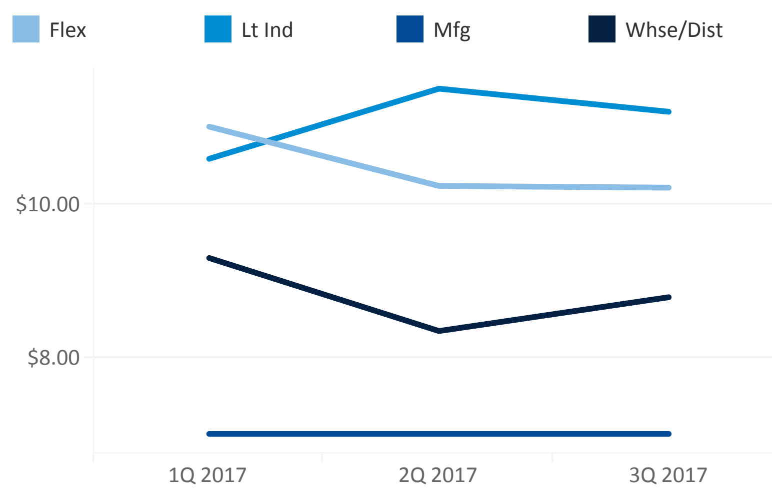
By Market and Specific Use

Market Name	Specific Use	1Q 2017	2Q 2017	3Q 2017
Airport West	Flex	$13.26	$13.41	$13.36
	Lt Ind	$10.50	$11.05	$16.00
	Mfg	-	-	-
	Whse/Dist	$8.94	$8.94	$8.94
	Subtotal	**$10.35**	**$10.59**	**$10.60**
Central Miami	Flex	$20.00	-	-
	Lt Ind	$12.85	$11.85	$11.85
	Mfg	-	-	-
	Whse/Dist	-	-	-
	Subtotal	**$16.71**	**$11.85**	**$11.85**
East Miami	Flex	-	-	-
	Lt Ind	$16.62	$17.21	$17.44
	Mfg	-	-	-
	Whse/Dist	-	-	-
	Subtotal	**$16.62**	**$17.21**	**$17.44**
Hialeah	Flex	-	-	-
	Lt Ind	$7.09	$7.09	$7.22
	Mfg	$7.00	$7.00	$7.00
	Whse/Dist	$8.44	$8.29	$9.25
	Subtotal	**$7.22**	**$7.27**	**$7.31**
Hialeah Gardens	Flex	$10.33	$10.61	$12.82
	Lt Ind	-	-	-
	Mfg	-	-	-
	Whse/Dist	-	-	-
	Subtotal	**$10.33**	**$10.61**	**$12.82**
Kendall/South Dixie Highway	Flex	-	-	$14.80
	Lt Ind	$11.53	$9.61	$9.61
	Whse/Dist	-	-	-
	Subtotal	**$11.53**	**$9.61**	**$10.49**
Medley	Flex	$10.75	-	-
	Lt Ind	$11.84	$11.57	$11.73
	Mfg	-	-	-
	Whse/Dist	-	$6.93	$7.08
	Subtotal	**$11.68**	**$7.65**	**$8.26**
North Dade	Flex	$8.07	$7.95	$7.84
	Lt Ind	$7.97	$8.64	$8.71
	Mfg	-	-	-
	Whse/Dist	$10.64	$10.64	$10.63
	Subtotal	**$9.24**	**$9.33**	**$9.30**
South Dade	Flex	-	-	-
	Lt Ind	$12.00	$12.00	$10.26
	Mfg	-	-	-
	Whse/Dist	-	-	-
	Subtotal	**$12.00**	**$12.00**	**$10.26**
West Kendall	Flex	-	$11.20	$11.20
	Lt Ind	$8.71	$8.00	$8.60
	Mfg	-	-	-
	Whse/Dist	$9.25	$9.25	$9.25
	Subtotal	**$9.22**	**$9.31**	**$9.32**
West Miami / Coral Terrace	Flex	$12.00	$12.00	$12.00
	Lt Ind	-	-	-
	Whse/Dist	-	-	-
	Subtotal	**$12.00**	**$12.00**	**$12.00**
Overall		**$9.00**	**$8.84**	**$8.85**

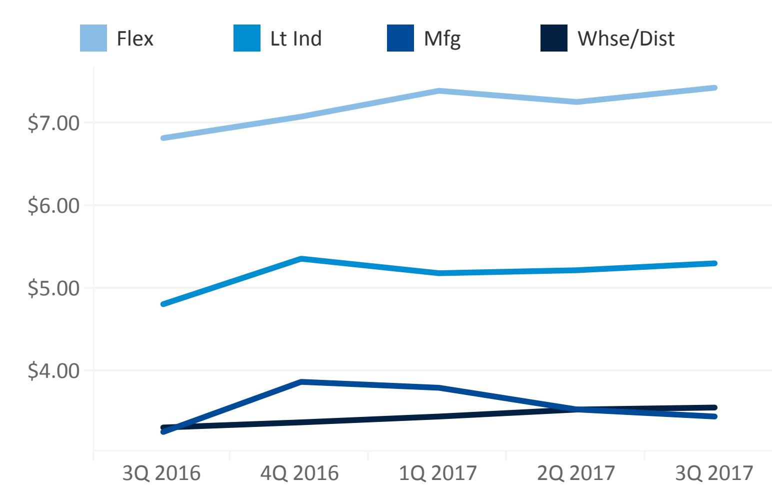
By Market



Miami-Dade by Specific Use

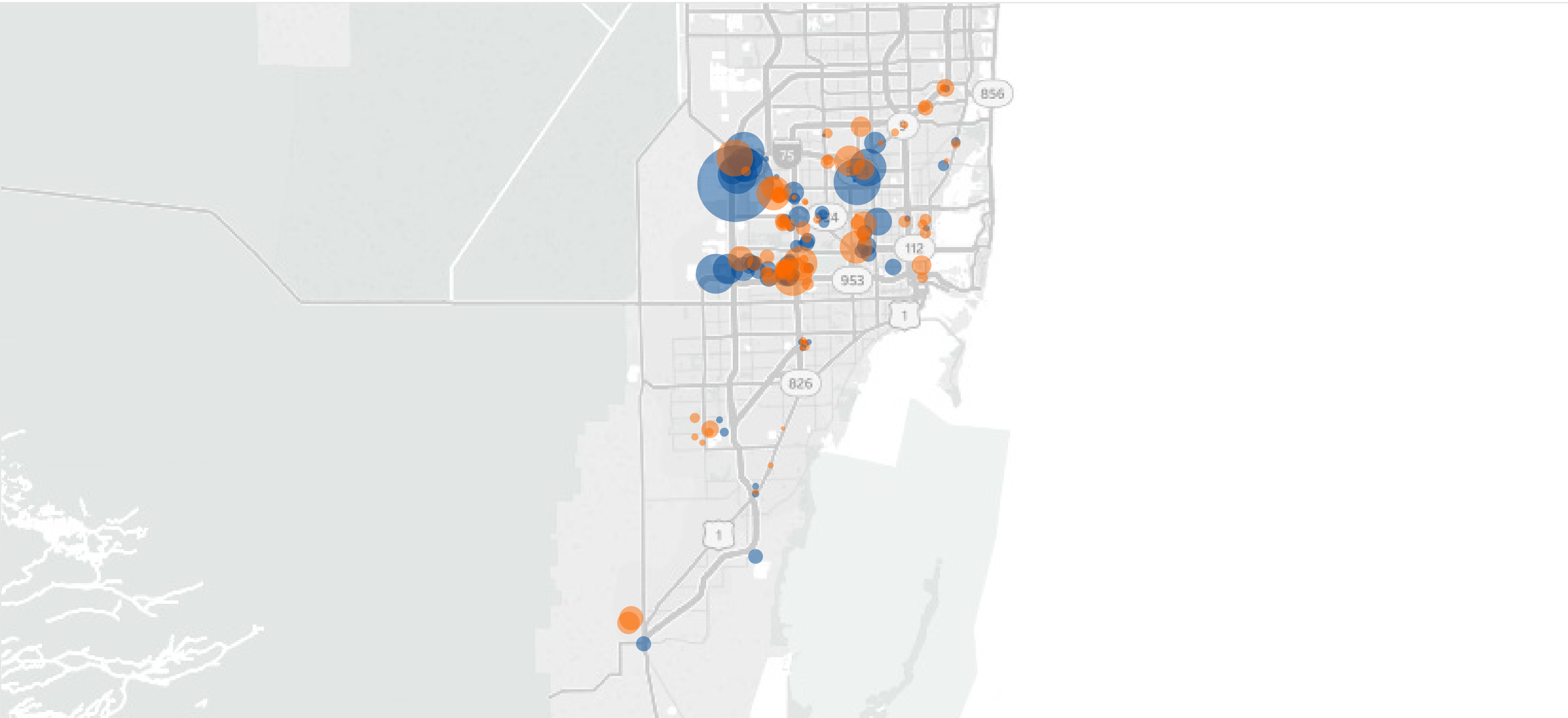


National by Specific Use



Absorption Map

Negative Positive



Largest Positives (Total)

PropertyName	Significant Transactions	Market Name	Specific Use	
Flagler Station III Bldg 8	Withers Worldwide 149,289 sf; Calling All Ships LLC 19,472 sf	Medley	Whse/Dist	305,061
Centergate at Gratigny Bldg A	Delta Apparel 112,861 sf	Hialeah	Mfg	112,861
Miami Industrial Logistics Center	Ice River Springs 84,915 sf	Hialeah Gardens	Whse/Dist	84,915
Prologis Beacon Lakes Bldg 27	Geodis 80,824 SF	Airport West	Whse/Dist	80,824
Miami International Tradeport Bldg C	Lilly & Associates 79,590 sf	Medley	Whse/Dist	79,590
Medley Industrial Park	Undisclosed tenant leased 60,000 SF in Suite Bldg	Medley	Whse/Dist	60,000
Prologis Beacon Lakes Bldg 7	Trans-MIA 46,888 sf	Airport West	Whse/Dist	46,888
7131 NW 26th Ave	Caribbean Export Inc leased 39,000 in 3Q 2017	Hialeah	Lt Ind	39,000

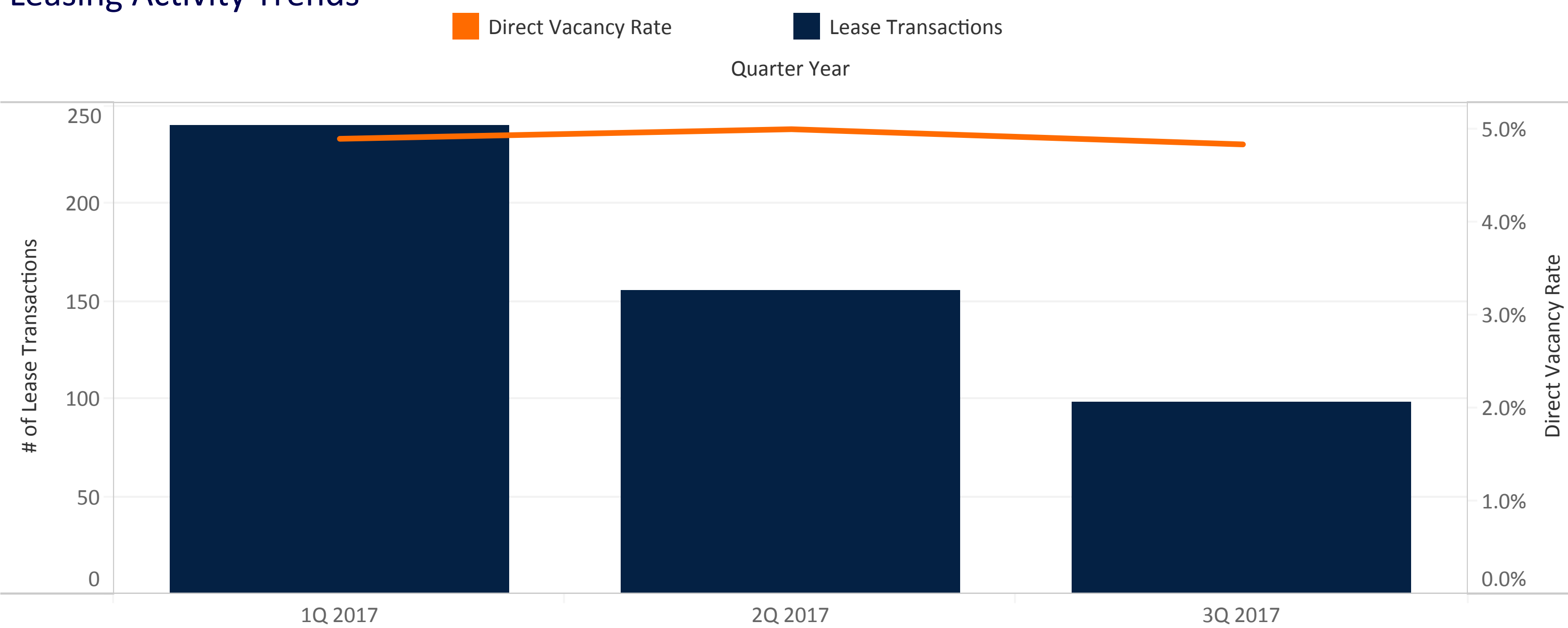
Largest Negatives (Total)

PropertyName	Significant Transactions	Market Name	Specific Use	
Airport East Distribution Center	Undisclosed -96,389 sf	Hialeah	Whse/Dist	-96,389
Turnpike Distribution Center	Roadrunner Transport -45,039 sf.	Medley	Whse/Dist	-69,039
World Distribution Center	Undisclosed tenant -60,000 sf	Airport West	Whse/Dist	-60,000
1000 SE 8th St	Undisclosed tenants -54,722 sf	Hialeah	Flex	-54,722
Terreno 101	Undisclosed tenant -52,524 sf	Medley	Whse/Dist	-52,524
4250 NW 135th St	Undisclosed tenant -47,000 sf	North Dade	Lt Ind	-47,000
Miami International Commerce Center	Undisclosed tenant -44,160 sf	Airport West	Whse/Dist	-44,160
Medley Commerce Center	Perimeter Global Logistics vacated 40,000 sf	Medley	Whse/Dist	-40,000

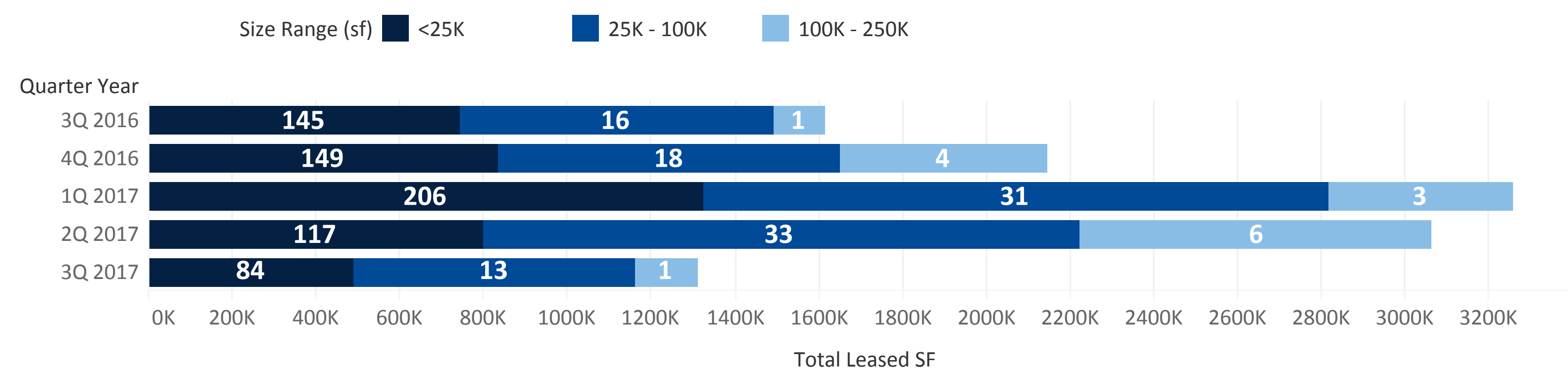
MARKET TRENDS

3Q 2017 | Miami-Dade | Industrial

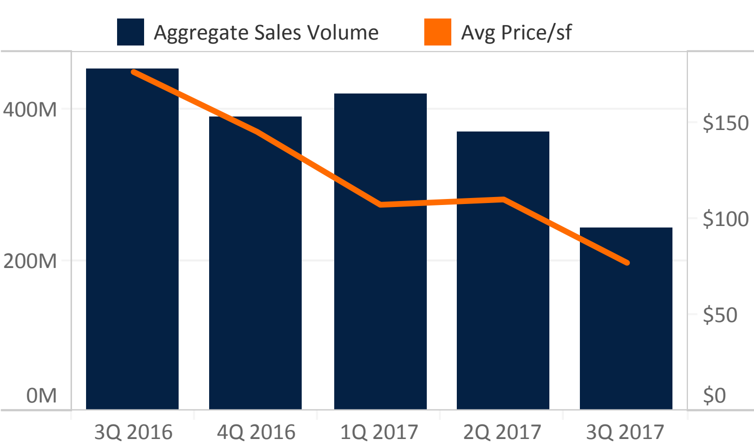
Leasing Activity Trends



Leasing Activity (# of New Deals)



Sales Volume vs. Price/SF



Top Sales

Property	Sale Date	Buyer	Sale Price
Seaboard Industrial Park	08/16/2017	Centerpoint Properties Trust	$59,000,000
Airport International Center	09/19/2017	SPG 72ND AVE LLC	$23,500,000
	09/25/2017	Seagis Property Group	$23,500,000
6890 NW 25th St	08/31/2017	Quality Container Transport Incorporated	$8,248,000
10005 NW 58th St	07/20/2017	Daoud Investments Inc	$6,400,000

Terminology

Term	Definition
Class A	Properties that attract premium industrial users and command leasing rates in the top 1/3 of the market due to the combination of their prestigious locations and their ability to deliver a higher than average set of amenities such as 24' clear heights, Tractor Trailer Courts, etc...
Class B	Buildings competing for average to premium industrial users but command less rents than Class A because of a limitation of their location or the collection of average amenities they deliver.
Class C	Buildings competing for industrial users requiring functional space at rents below the market average for the area.
Direct Vacant (sf)	The total of the vacant square footage in a building that is being marketed by a landlord or an agent representing the landlord.
Net Absorption	The net change in occupied square feet from quarter to quarter, expressed in square feet.
Sublease (sf)	Space within a property that is offered for lease by a current tenant or their agent. Whether the tenant is paying rent or not, the space is considered vacant only if it is unoccupied.
Total Available (sf)	All of the available leasable space within a building, whether it is occupied or vacant, for direct lease or sublease space. Space can be available but not vacant if the landlord or their agent is marketing space that will be coming available at a future date because a tenant is considering a relocation.
Total Vacant (sf)	The total of all of the vacant square footage within a building, including both direct and sublease space.
Tracked Inventory	The total square feet (sf) of all existing single, multi-tenant and owner-occupied industrial properties greater than 10,000 square feet.

Advisory Board Members

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CBRE	Michael Silver
Fairchild Partners	Jose Juncadella
Flagler Developent	Andrew Lehrer
Infinity Commercial	John Dohm
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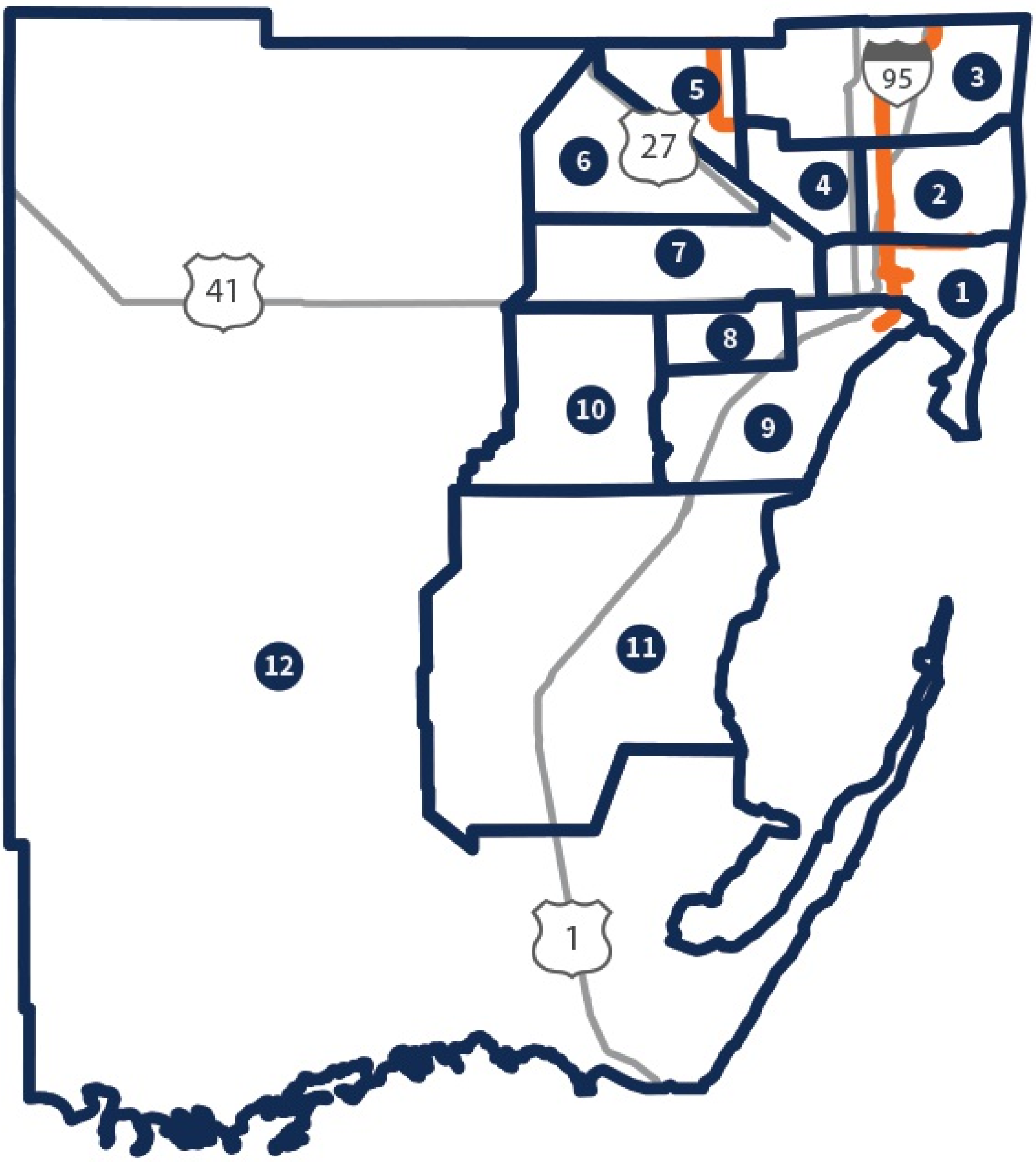

1. Central Miami
2. East Miami
3. North Dade
4. Hialeah
5. Hialeah Gardens
6. Medley
7. Airport West
8. West Miami / C oral Terrace
9. Kendall / S Dixie Highway
10. West Kendall
11. South Dade
12. Outlying Miami-Dade