

MARKETBEAT INDUSTRIAL SNAPSHOT



MIAMI, FLORIDA

A Cushman & Wakefield Research Publication

Q1 2014



ECONOMIC OVERVIEW

Miami-Dade County continued to show positive momentum with improving employment numbers. Seasonally adjusted non-farm payrolls improved 2.7%, compared to a year ago, adding 28,600 jobs in the first quarter of 2014. Construction and retail trade led the gains with a 5.7% increase year-over-year, followed by professional and business services, leisure and hospitality and financial activities. The unemployment rate also continued its downward trend to 8.4%, a 1.1 percentage point decrease from one year ago based on figures from the Bureau of Labor Statistics.

MARKET DYNAMICS

The Miami-Dade industrial markets continued to improve during the first quarter of 2014 with an overall vacancy rate of 6.8%, a 0.8 percent improvement from 7.6% at the beginning of 2013. The most significant vacancy decrease occurred in the Airport North/Medley submarket where the rate dropped to 4.6% at the end of the first quarter of the year from 6.8% at the beginning of 2013, a 2.2 percentage point decline in the submarket's vacancies.

The greatest demand can be found in the Airport West/Doral and Airport North/Medley markets, where Class A/A- inventory in the 15,000-30,000 square-foot range is limited.

The overall rental rate closed the first quarter at \$6.30 per square foot (psf), a 4.3 percentage point increase from \$6.04 psf at same time in 2013. Warehouse/distribution product also experienced an uptick of 5.9% going from \$5.96 psf to \$6.31 year-over-year. Rental rates for the under 30,000 sf range are expected to remain stable with possible increases for Class A product while rental rates for larger will remain flat or may even decrease as new inventory is delivered to market.

INVESTOR INTEREST

The investor appetite for well-located Class A assets with access to transportation hubs such as Miami International Airport (MIA) and the Port of Miami remained healthy through the first quarter of the year. The largest asset sale this year was recorded in the Miami Airport West submarket when Clarion Partners added Westpointe Business Park, a three-building distribution center totaling 284,690 to its South Florida portfolio. The sale price was \$38,450,000 or \$135 psf.

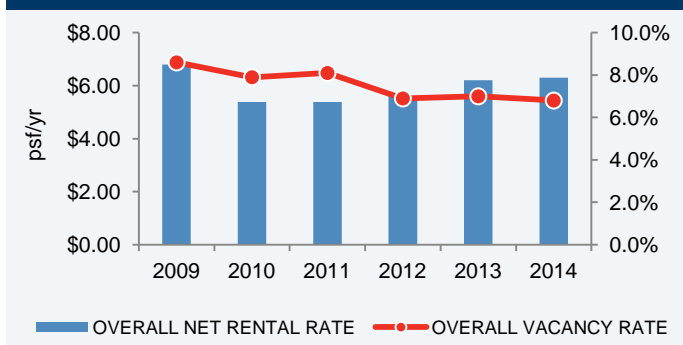
OUTLOOK

The outlook for Miami is strong as it continues to draw attention from around the world. International trade and transportation will continue to lead in the industrial sector as Miami International Airport and the Port of Miami welcome increased activity. Sales activity is also expected to remain healthy throughout 2014 and into 2015.

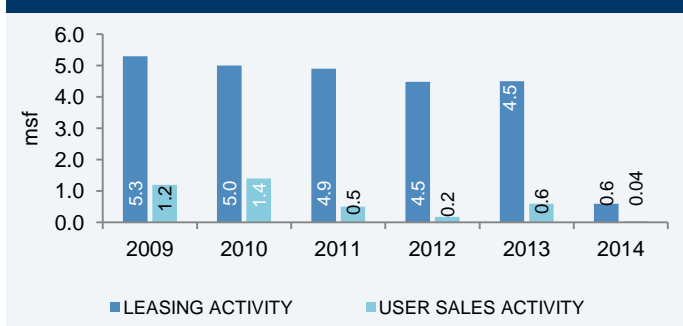
STATS ON THE GO

	Q1 2013	Q1 2014	Y-O-Y CHANGE	12 MONTH FORECAST
Overall Vacancy	7.6%	6.8%	0.8pp	▼
Direct Asking Rents (psf/yr)	\$6.04	\$6.30	4.3%	◀▶
YTD Leasing Activity (sf)	1,047,852	592,186	-76.9%	▲

OVERALL RENTAL VS. VACANCY RATES



OVERALL OCCUPIER ACTIVITY



MIAMI-DADE, FL

SUBMARKET	INVENTORY	OVERALL VACANCY RATE	YTD LEASING ACTIVITY	YTD USER SALES ACTIVITY	UNDER CONSTRUCTION	YTD CONSTRUCTION COMPLETIONS	YTD DIRECT NET ABSORPTION	YTD OVERALL NET ABSORPTION	DIRECT WEIGHTED AVERAGE NET RENTAL RATE		
									MF	OS	W/D
Airport West	34,504,637	8.3%	196,774	0	164,937	0	(547,514)	(547,514)	\$11.67	\$11.80	\$7.64
Milam Dairy	14,428,791	6.5%	66,822	0	0	0	10,828	25,228	\$12.77	\$9.54	\$6.39
AIRPORT WEST	48,933,428	7.8%	263,596	0	164,937	0	(536,686)	(522,286)	\$11.94	\$10.48	\$7.33
Airport North	8,021,218	4.3%	20,000	0	255,900	0	24,550	24,550	\$4.26	N/A	\$6.57
Medley	20,551,876	4.8%	138,753	0	0	0	437,745	437,745	N/A	N/A	\$6.12
AIRPORT NORTH /MEDLEY	28,573,094	4.6%	158,753	0	255,900	0	462,295	462,295	\$4.26	N/A	\$6.21
Palmetto Lakes	5,657,400	5.5%	5,720	0	0	0	37,529	37,529	\$5.06	\$8.14	\$6.21
Miami-Dade Industrial Park/Opa Locka	6,720,003	6.2%	10,000	0	0	0	123,924	123,924	N/A	N/A	\$3.68
Gratigny Central	4,218,788	8.4%	0	0	0	0	103,004	103,004	N/A	N/A	\$4.93
NORTH CENTRAL DADE	16,596,191	6.6%	15,720	0	0	0	264,457	264,457	\$5.06	\$8.14	\$4.70
Miami Gardens/Ives Dairy	5,499,820	7.8%	5,500	0	0	0	(57,000)	(57,000)	N/A	N/A	\$4.60
North Miami	1,096,562	5.2%	0	0	0	0	0	0	N/A	N/A	\$6.16
Sunshine State/Golden Glades	5,952,737	10.0%	0	0	0	0	36,658	36,658	\$5.95	\$8.61	\$6.00
NORTHEAST DADE	12,549,119	8.6%	5,500	0	0	0	(20,342)	(20,432)	\$5.95	\$8.61	\$5.29
MIAMI LAKES	4,630,682	1.7%	0	0	0	0	0	0	N/A	\$8.37	N/A
Hialeah West	8,053,751	5.0%	0	0	0	0	37,833	37,833	\$4.11	N/A	\$5.31
Hialeah Gardens	2,486,100	5.3%	0	0	0	0	1,900	1,900	\$3.65	N/A	\$7.38
HIALEAH	10,539,851	5.1%	0	0	0	0	39,733	39,733	\$3.98	N/A	\$6.73
CBD, Biscayne, Wynwood, Design District	6,614,036	9.1%	35,733	0	0	0	29,696	29,696	N/A	N/A	\$11.54
Airport East	22,745,486	9.5%	73,100	36,878	0	0	(2,064)	27,936	\$6.23	\$8.26	\$4.26
AIRPORT EAST/DOWNTOWN	29,359,522	9.4%	108,833	36,878	0	0	27,632	57,632	\$6.23	\$8.26	\$5.75
Bird Road/US 1/Gables	1,648,273	0.9%	0	0	0	0	(450)	(450)	\$5.35	N/A	N/A
Falls/South Dixie	1,887,060	4.0%	2,300	0	0	0	57,000	57,000	N/A	N/A	N/A
Tamiami Airport/South	3,622,920	0.8%	37,484	0	0	0	54,230	54,230	N/A	N/A	\$9.60
SW Dade	259,755	8.5%	0	0	0	0	0	0	N/A	N/A	N/A
SOUTH DADE	7,418,008	1.9%	39,784	0	0	0	110,780	110,780	\$5.35	N/A	\$9.60
TOTALS	158,599,895	6.8%	592,186	36,878	420,837	0	347,869	392,869	\$5.24	\$9.20	\$6.31

* RENTAL RATES REFLECT ASKING \$PSF/YEAR MF = MANUFACTURING OS = OFFICE SERVICE W/D = WAREHOUSE/DISTRIBUTION

MARKET HIGHLIGHTS

SIGNIFICANT Q1 2014 LEASE TRANSACTIONS	SUBMARKET	TENANT	PROPERTY TYPE	SQUARE FEET
5601 NW 72 nd Ave	Airport West	Eagle Global Logistics*	Warehouse/Distribution	364,608
3329-3345 NW 116 th St, Seaboard Industrial Park	Airport West	Case Paper Company*	Warehouse/Distribution	88,000
10800 NW 106 th St, Flagler Station Bldg 32	Airport West	TVH Parts Company	Warehouse/Distribution	67,997
2501-2545 NW 72 nd Ave, Miami Distribution Center	Airport West	Bonus Tech	Warehouse/Distribution	66,829
SIGNIFICANT 1Q 2014 SALE TRANSACTIONS	SUBMARKET	BUYER	PURCHASE PRICE / \$PSF	SQUARE FEET
Westpoint Business Park, (Portfolio of 3 properties)	Airport West	Clarion Partners	\$38,450,000/ \$135	284,690
5605 NW 82 nd Ave	Airport West	Caval Real Estate Management	\$8,700,000/ \$49	177,538
SIGNIFICANT 1Q 2014 CONSTRUCTION COMPLETIONS	SUBMARKET	MAJOR TENANT	COMPLETION DATE	BUILDING SQUARE FEET (% LEASED)
N/A				
SIGNIFICANT PROJECTS UNDER CONSTRUCTION	SUBMARKET	MAJOR TENANT	COMPLETION DATE	BUILDING SQUARE FEET (% LEASED)
Prologis Beacon Lakes, 2200 NW 129 th Ave	Airport West	Quality Custom Distributing	Q2 2014	164,937 26.7%
Airport North Logistics, 8501 NW 80 th St	Airport West	Speculative	Q3 2014	255,900 0%

* RENEWAL - NOT INCLUDED IN LEASING ACTIVITY STATISTICS