XCELIGENT™

MARKET TRENDS

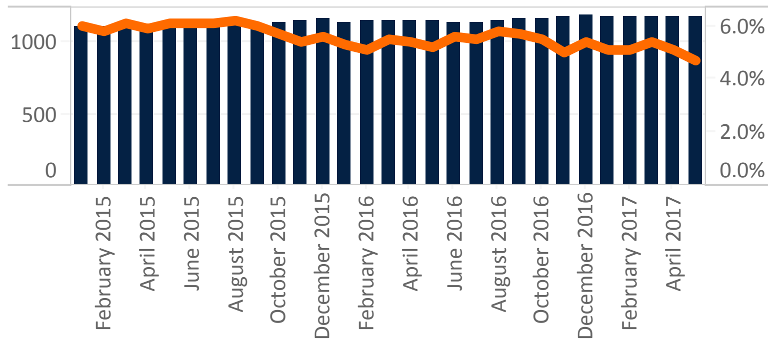
2Q 2017 | Miami-Dade | Industrial

Economic Overview

According to the Bureau of Labor Statistics, the unemployment rate for Miami-Dade continues to improve as it reached 4.7% in May 2017. That's just behind the State of Florida and National unemployment rates which were both reported at 4.3%. Miami-Dade County job creation totaled 26,500 jobs over the past year with the biggest gains occuring in Education and Health Services (6,300); Trade, Transportation, and Utilities (5,200); Leisure and Hospitality (5,000); Mining, Logging, and Construction (1,500).

Miami-Dade Employment

Source: BLS



Market Overview

The Miami-Dade industrial market recorded 860,527 square feet (sf) of overall positive absorption during 2Q 2017. Year-to-date absorption hit 2,503,050 sf overall by close of 2Q 2017. Total vacancy reached 5.3% for all specific uses while direct vacancy came in at 5.0% for the second straight quarter. Weighted average asking rents were highest in the Central Miami submarket at $38.53 per square foot (psf) primarily due to activity in Wynwood. This also contributed to the weighted average asking rents for all specific uses reaching $12.35 psf in 2Q 2017. The largest increase in asking rents was for Flex which increased $2.69 psf from $16.36 psf in 1Q 2107 to $19.05 psf in 2Q 2017. This market saw 255,846 sf of new space delivered, with another 1,534,339 sf under construction during 2Q 2017.

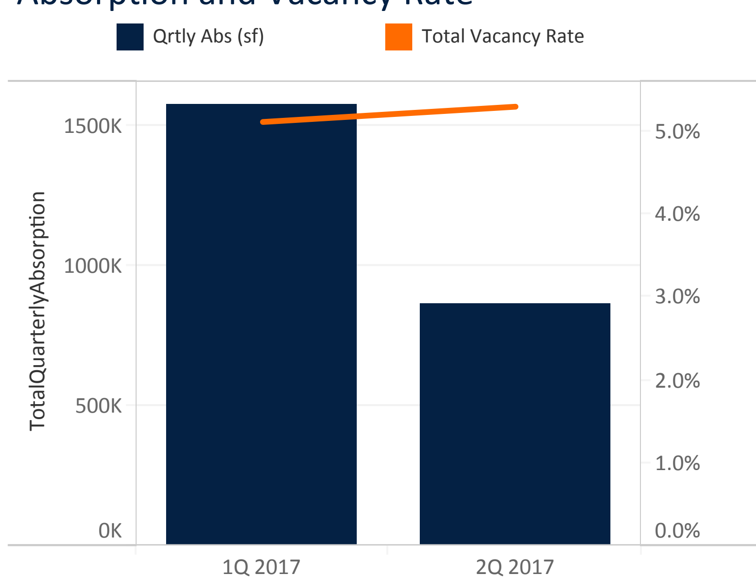
Market Recap

Inventory (sf)	206,517,554
# of Bldgs	5,169
Qrtly Abs (sf)	860,527
Total Avail Rate	7.9%
Total Vacancy Rate	5.3%
U/C Inventory (sf)	1,534,339
Delivered (sf)	255,846
Weighted Average Asking Rate (NNN)	$12.35

Market Highlights

Fundamentals in Miami-Dade County industrial market remain strong in 2Q 2017. The low vacancy rates seen throughout the county continue to fuel new construction with over 1.5 million sf of projects in three submarkets. Each have vacancy rates to support it: Airport West (5.5%); Hialeah Gardens (9.3%); and Medley (4.8%). Notable occupancies include RAM Steel Framing (106,087 sf); Custom Space (85,344 sf); Gulf Atlantic Warehouse (81,150 sf); Interport Logistics (80,201 sf); AMG Global (79,500 sf); Triton Logistics (75,000 sf), Expolanka (55,707 sf), Trans-MIA (46,888 sf), and MP Chemicals (31,252 sf).

Absorption and Vacancy Rate



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Overview by Specific Use (Total)

Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qrtly Abs (sf)	YTD Net Abs (sf)
Flex	43,427,482	2,029,850	1,294,979	3.0%	263,149	723,067
Lt Ind	77,114,380	4,412,590	3,011,817	3.9%	319,627	527,810
Mfg	6,037,882	855,452	726,388	12.0%	-40,000	-69,699
Whse/Dist	79,937,810	8,918,159	5,917,111	7.4%	317,751	1,321,872
Overall	206,517,554	16,216,051	10,950,295	5.3%	860,527	2,503,050

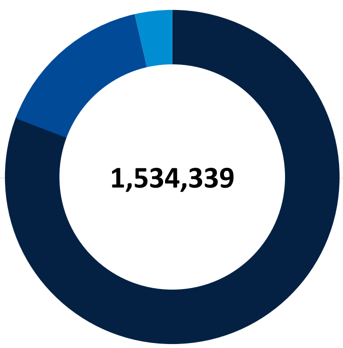
Overview by Market (Total)

Market Name	Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qrtly Abs (sf)	YTD Net Abs (sf)
Airport West	Flex	18,008,604	957,187	656,678	3.6%	63,809	144,306
	Lt Ind	11,339,955	1,097,914	810,567	7.1%	-17,845	20,935
	Mfg	1,242,120	75,395	73,300	5.9%	-40,000	-40,000
	Whse/Dist	27,997,793	3,271,793	2,084,587	7.4%	-34,728	222,994
	Subtotal	58,588,472	5,402,289	3,625,132	6.2%	-28,764	348,235
Central Miami	Flex	473,502	70,282	0	0.0%	19,160	33,660
	Lt Ind	6,649,611	495,260	348,493	5.2%	4,907	89,497
	Mfg	110,269	88,449	0	0.0%	0	0
	Whse/Dist	1,299,079	360,626	360,626	27.8%	0	0
	Subtotal	8,532,461	1,014,617	709,119	8.3%	24,067	123,157
East Miami	Flex	80,008	2,000	0	0.0%	0	12,271
	Lt Ind	3,775,501	367,925	232,975	6.2%	-10,620	18,745
	Mfg	173,699	0	0	0.0%	0	0
	Whse/Dist	320,547	0	0	0.0%	0	0
	Subtotal	4,349,755	369,925	232,975	5.4%	-10,620	31,016
Hialeah	Flex	1,808,258	77,640	6,440	0.4%	0	38,153
	Lt Ind	17,771,091	949,296	629,803	3.5%	142,070	47,839
	Mfg	1,401,460	640,964	602,444	43.0%	0	213
	Whse/Dist	10,215,375	477,007	252,707	2.5%	216,702	220,097
	Subtotal	31,196,184	2,144,907	1,491,394	4.8%	358,772	306,302
Hialeah Gardens	Flex	3,136,759	85,774	74,536	2.4%	47,680	89,090
	Lt Ind	2,868,860	97,145	94,645	3.3%	37,083	51,878
	Mfg	270,380	0	0	0.0%	0	0
	Whse/Dist	1,469,218	600,753	547,653	37.3%	13,500	250,521
	Subtotal	7,745,217	783,672	716,834	9.3%	98,263	391,489
Kendall/South Dixie Highway	Flex	293,469	2,700	2,700	0.9%	0	0
	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	13,630	13,630	1.1%	0	42,224
Medley	Flex	5,292,370	175,643	74,206	1.4%	73,475	167,963
	Lt Ind	10,270,217	377,611	182,972	1.8%	75,295	117,654
	Subtotal	38,831,285	2,958,236	1,956,798	5.0%	278,777	549,482
Overall		206,517,554	16,216,051	10,950,295	5.3%	860,527	2,503,050

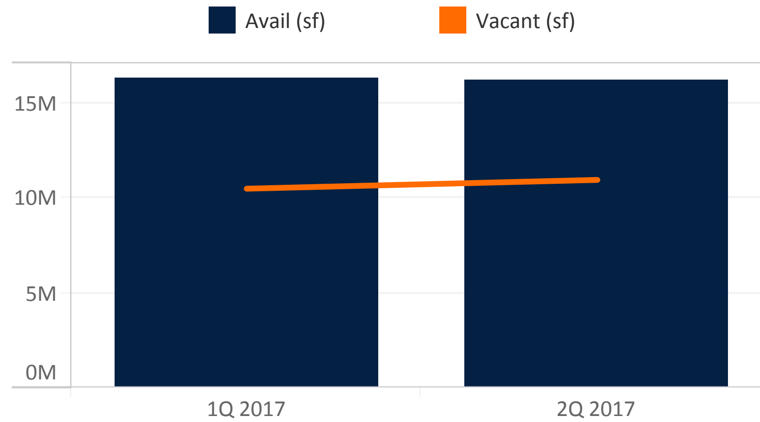
Overview by Market (Total) Cont'd

Market Name	Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qrtly Abs (sf)	YTD Net Abs (sf)
Medley	Mfg	1,789,945	50,644	50,644	2.8%	0	-29,912
	Whse/Dist	21,478,753	2,354,338	1,648,976	7.7%	130,007	293,777
	Subtotal	38,831,285	2,958,236	1,956,798	5.0%	278,777	549,482
North Dade	Flex	8,752,680	483,571	374,032	4.3%	37,387	191,239
	Lt Ind	14,495,310	626,781	415,267	2.9%	81,977	111,366
	Mfg	875,970	0	0	0.0%	0	0
	Whse/Dist	15,226,301	1,724,722	1,005,917	6.6%	-15,380	337,918
	Subtotal	39,350,261	2,835,074	1,795,216	4.6%	103,984	640,523
South Dade	Flex	1,647,604	71,465	27,378	1.7%	7,681	37,956
	Lt Ind	3,376,207	282,894	198,421	5.9%	-18,057	-3,291
	Mfg	140,082	0	0	0.0%	0	0
	Whse/Dist	850,222	0	0	0.0%	0	0
	Subtotal	6,014,115	354,359	225,799	3.8%	-10,376	34,665
West Kendall	Flex	1,723,664	53,281	40,352	2.3%	1,409	-864
	Lt Ind	5,031,926	102,634	83,544	1.7%	24,817	30,963
	Mfg	33,957	0	0	0.0%	0	0
	Whse/Dist	631,217	128,920	16,645	2.6%	7,650	-3,435
	Subtotal	7,420,764	284,835	140,541	1.9%	33,876	26,664
West Miami / Coral Terrace	Flex	2,210,564	50,307	38,657	1.7%	12,548	9,293
	Lt Ind	689,373	4,200	4,200	0.6%	0	0
	Whse/Dist	394,594	0	0	0.0%	0	0
	Subtotal	3,294,531	54,507	42,857	1.3%	12,548	9,293
Overall		206,517,554	16,216,051	10,950,295	5.3%	860,527	2,503,050

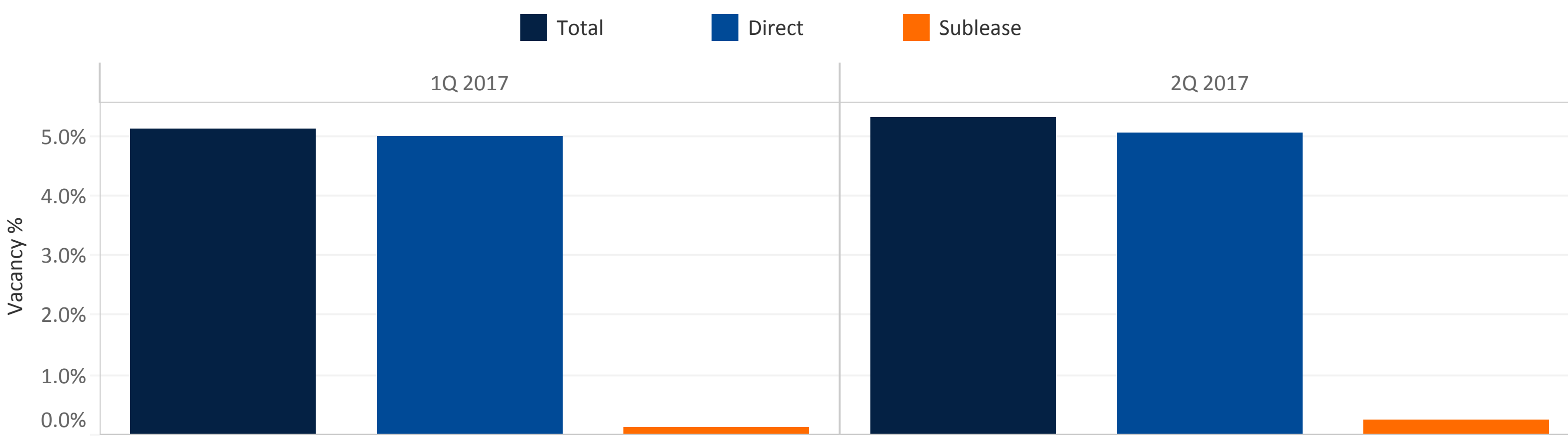
Construction by Market



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	43,427,482	1,863,167	1,161,164	2.7%	282,549	694,624
Lt Ind	77,114,380	4,391,014	3,011,817	3.9%	312,276	520,459
Mfg	6,037,882	855,452	726,388	12.0%	-40,000	-69,699
Whse/Dist	79,937,810	7,946,305	5,518,772	6.9%	599,960	1,629,281
Overall	206,517,554	15,055,938	10,418,141	5.0%	1,154,785	2,774,665

Overview by Specific Use (Sublease)

Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qtrly Abs (sf)	YTD Net Abs (sf)
Flex	43,427,482	166,683	133,815	0.3%	-19,400	28,443
Lt Ind	77,114,380	21,576	0	0.0%	7,351	7,351
Mfg	6,037,882	0	0	0.0%	0	0
Whse/Dist	79,937,810	971,854	398,339	0.5%	-282,209	-307,409
Overall	206,517,554	1,160,113	532,154	0.3%	-294,258	-271,615

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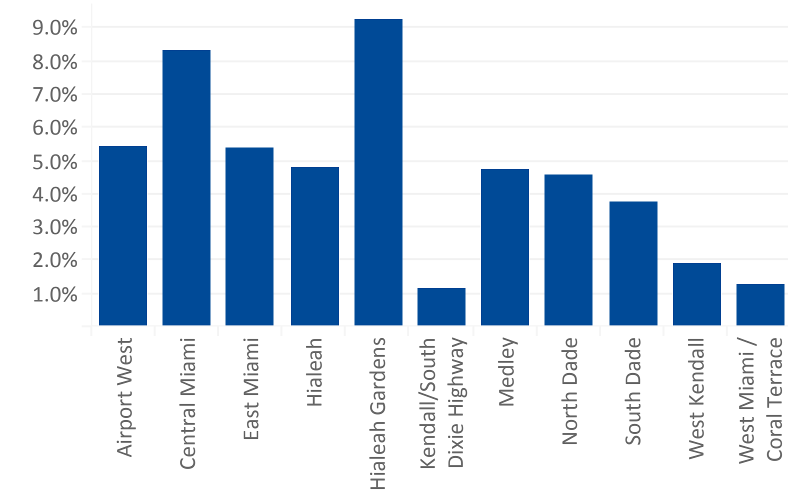
Direct Vacancy Rates

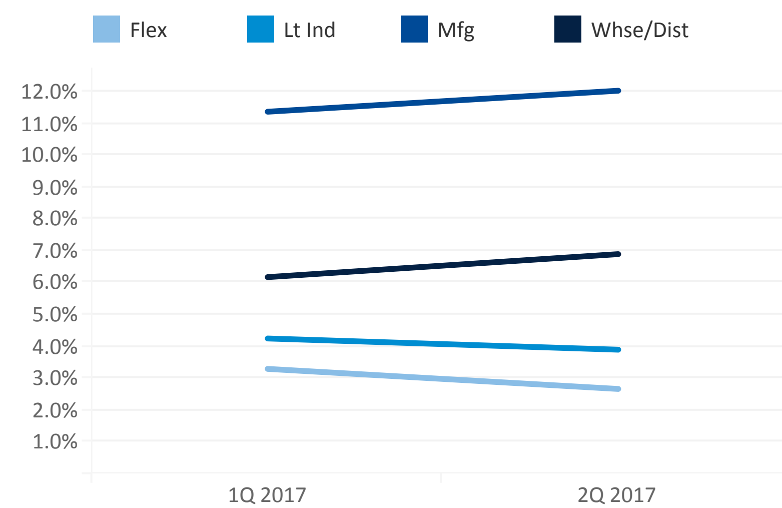
By Market and Specific Use

Market Name	Specific Use	Quarter Year 1Q 2017	2Q 2017
Airport West	Flex	3.3%	2.9%
	Lt Ind	7.0%	7.1%
	Mfg	2.7%	5.9%
	Whse/Dist	6.5%	6.4%
Central Miami	Flex	4.0%	0.0%
	Lt Ind	5.2%	5.2%
	Mfg	0.0%	0.0%
	Whse/Dist	27.8%	27.8%
East Miami	Flex	0.0%	0.0%
	Lt Ind	5.9%	6.2%
	Mfg	0.0%	0.0%
	Whse/Dist	0.0%	0.0%
Hialeah	Flex	0.4%	0.4%
	Lt Ind	4.3%	3.5%
	Mfg	43.0%	43.0%
	Whse/Dist	4.5%	2.5%
Hialeah Gardens	Flex	3.9%	2.4%
	Lt Ind	4.6%	3.3%
	Mfg	0.0%	0.0%
	Whse/Dist	8.3%	37.3%
Kendall/South Dixie Highway	Flex	0.9%	0.9%
	Lt Ind	1.3%	1.3%
	Whse/Dist	0.0%	0.0%
Medley	Flex	2.8%	1.4%
	Lt Ind	2.5%	1.8%
	Mfg	2.8%	2.8%
	Whse/Dist	5.4%	7.2%
North Dade	Flex	4.7%	4.3%
	Lt Ind	3.2%	2.9%
	Mfg	0.0%	0.0%
	Whse/Dist	6.5%	6.6%
South Dade	Flex	2.1%	1.7%
	Lt Ind	5.3%	5.9%
	Mfg	0.0%	0.0%
	Whse/Dist	0.0%	0.0%
West Kendall	Flex	2.4%	2.3%
	Lt Ind	2.2%	1.7%
	Mfg	0.0%	0.0%
	Whse/Dist	3.8%	2.6%
West Miami / Coral Terrace	Flex	2.3%	1.7%
	Lt Ind	0.6%	0.6%
	Whse/Dist	0.0%	0.0%
Overall		5.0%	5.0%

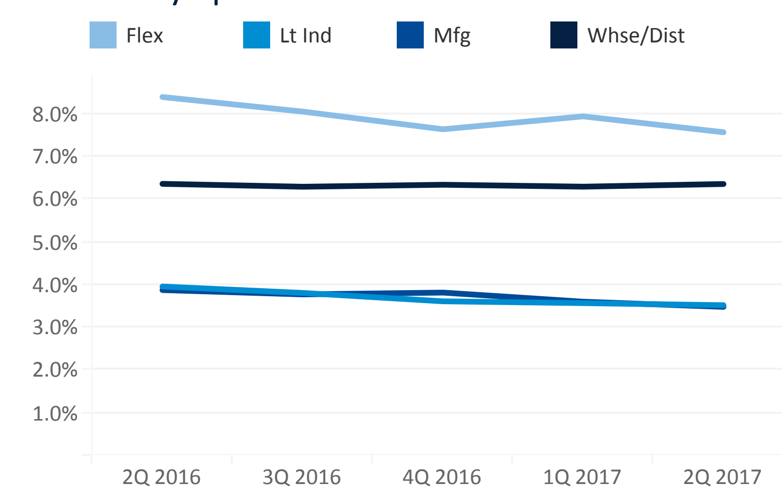
By Market



Miami-Dade By Specific Use



National by Specific Use



BUILDING DATA. EVERYWHERE.

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MARKET TRENDS

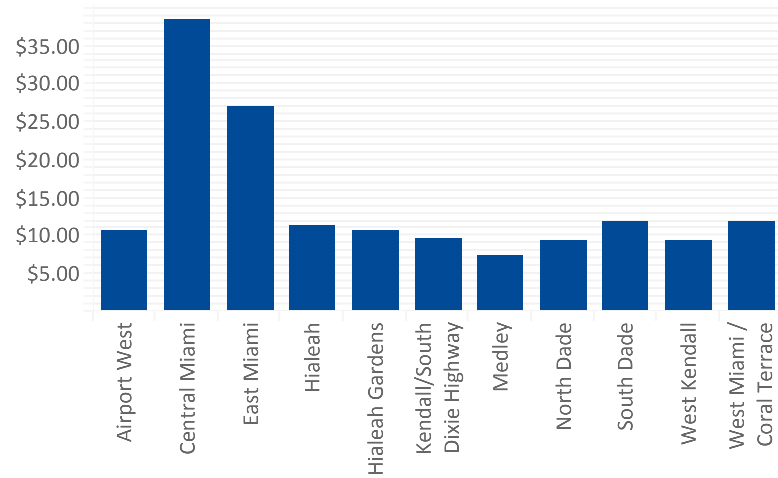
2Q 2017 | Miami-Dade | Industrial

Direct Weighted Average Asking Rates (NNN)

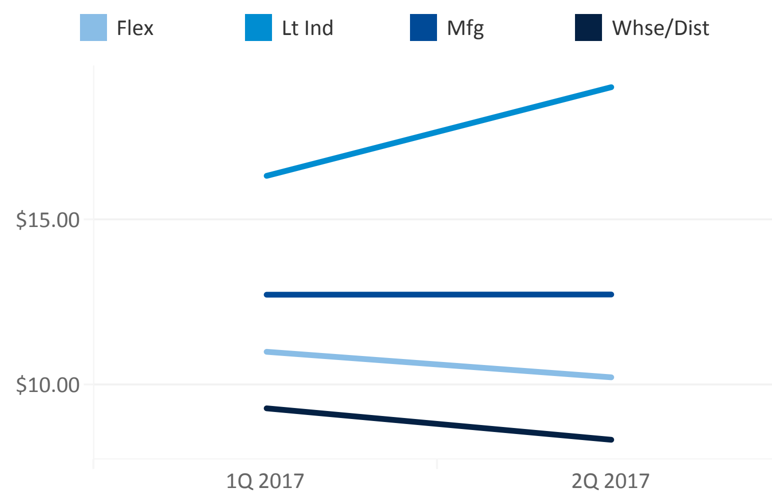
By Market and Specific Use

Market Name	Specific Use	Quarter Year 1Q 2017	2Q 2017
Airport West	Flex	$13.26	$13.41
	Lt Ind	$10.50	$11.05
	Mfg	-	-
	Whse/Dist	$8.94	$8.94
Central Miami	Flex	$20.00	-
	Lt Ind	$36.56	$38.53
	Mfg	-	-
	Whse/Dist	-	-
East Miami	Flex	-	-
	Lt Ind	$15.00	$27.11
	Mfg	-	-
	Whse/Dist	-	-
Hialeah	Flex	-	-
	Lt Ind	$7.09	$7.09
	Mfg	$12.75	$12.75
	Whse/Dist	$8.44	$8.29
Hialeah Gardens	Flex	$10.33	$10.61
	Lt Ind	-	-
	Mfg	-	-
	Whse/Dist	-	-
Kendall/South Dixie Highway	Flex	-	-
	Lt Ind	$11.53	$9.61
	Whse/Dist	-	-
Medley	Flex	$10.75	-
	Lt Ind	$11.81	$11.52
	Mfg	-	-
	Whse/Dist	-	$6.93
North Dade	Flex	$8.07	$7.95
	Lt Ind	$7.97	$8.64
	Mfg	-	-
	Whse/Dist	$10.64	$10.64
South Dade	Flex	-	-
	Lt Ind	$12.00	$12.00
	Mfg	-	-
	Whse/Dist	-	-
West Kendall	Flex	-	$11.20
	Lt Ind	$48.00	$8.00
	Mfg	-	-
	Whse/Dist	$9.25	$9.25
West Miami / Coral Terrace	Flex	$12.00	$12.00
	Lt Ind	-	-
	Whse/Dist	-	-
Overall		$12.42	$12.35

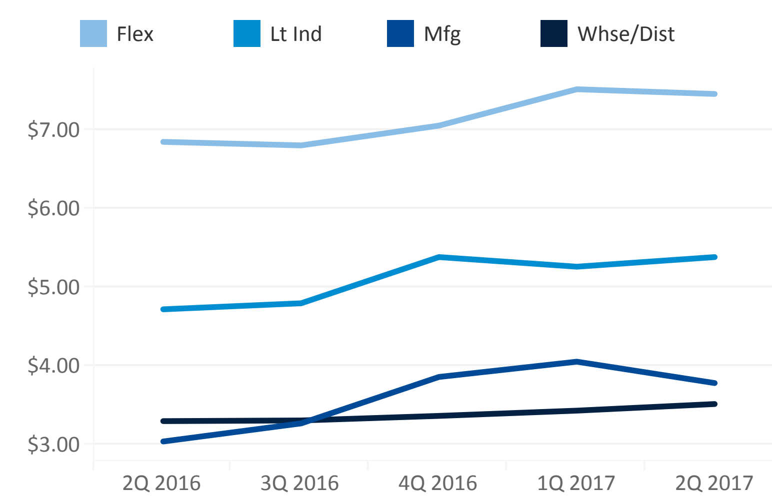
By Market



Miami-Dade by Specific Use

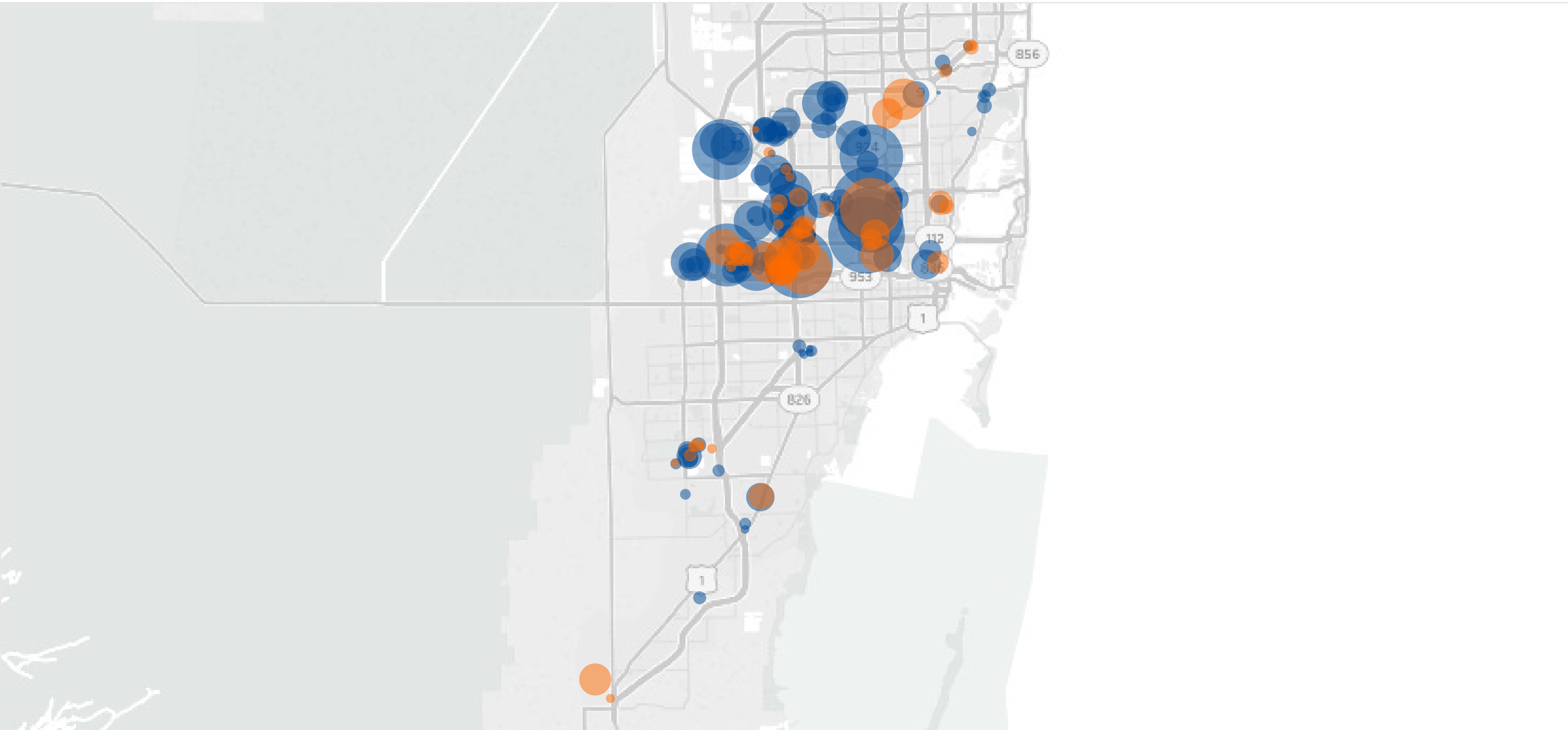


National by Specific Use



Absorption Map

Negative Positive



Largest Positives (Total)

PropertyName	Significant Transactions	Market Name	Specific Use	
Miami Air Cargo East Bldg 1	Interport Logistics 80,201 sf; Depuy Logistics 46,528 sf	Hialeah	Whse/Dist	126,729
7400 NW 37th Ave	RAM Steel Framing 106,087 sf	Hialeah	Lt Ind	106,087
Gratigny Industrial Park Bldg 4	Gulf Atlantic Warehouse 81,150 sf; PCA Corrugated & Display 54,150 sf	Hialeah	Whse/Dist	86,973
Doral Logistics Center	Custom Space 85,344 sf	Airport West	Whse/Dist	85,344
Miami International Tradeport Bldg C	AMG Global 79,500 sf	Medley	Whse/Dist	79,590
Palmetto Trade Center	DiscountFavors.com 38,392 sf; Undisclosed tenant 27,940 sf	Medley	Whse/Dist	66,332
Prologis Beacon at 97th	Exploanka 55,707 sf	Airport West	Whse/Dist	55,707
Miami Lakes Commerce Center Bldg 51 & 52	UTI Integrated 41,100 sf	North Dade	Lt Ind	41,100

Largest Negatives (Total)

PropertyName	Significant Transactions	Market Name	Specific Use	
Miami Business Park	Miami Frozen Storage -80,000 sf	Hialeah	Whse/Dist	-80,000
Transal Business Park	Overseas Nvocc Corp -32,287 sf	Airport West	Whse/Dist	-32,287
Miami International Business Park	Confidential Tenant -29,500 sf	Airport West	Lt Ind	-29,500
3218 NW North River Dr	Laser Int'l Freight -25,000 sf	Central Miami	Lt Ind	-25,000
Prologis Beacon Centre Bldg 8	CM Cargo -22,629 sf	Airport West	Flex	-22,629
1300 NW 4th St	Refrigerateed Truck Repair -22,144 sf	South Dade	Lt Ind	-22,144
International Airport Center	Allied Seafood -19,400 sf	Airport West	Flex	-19,400
3350 NW 48th St	Qbex Ind. -8,434 sf	Hialeah	Lt Ind	-18,434

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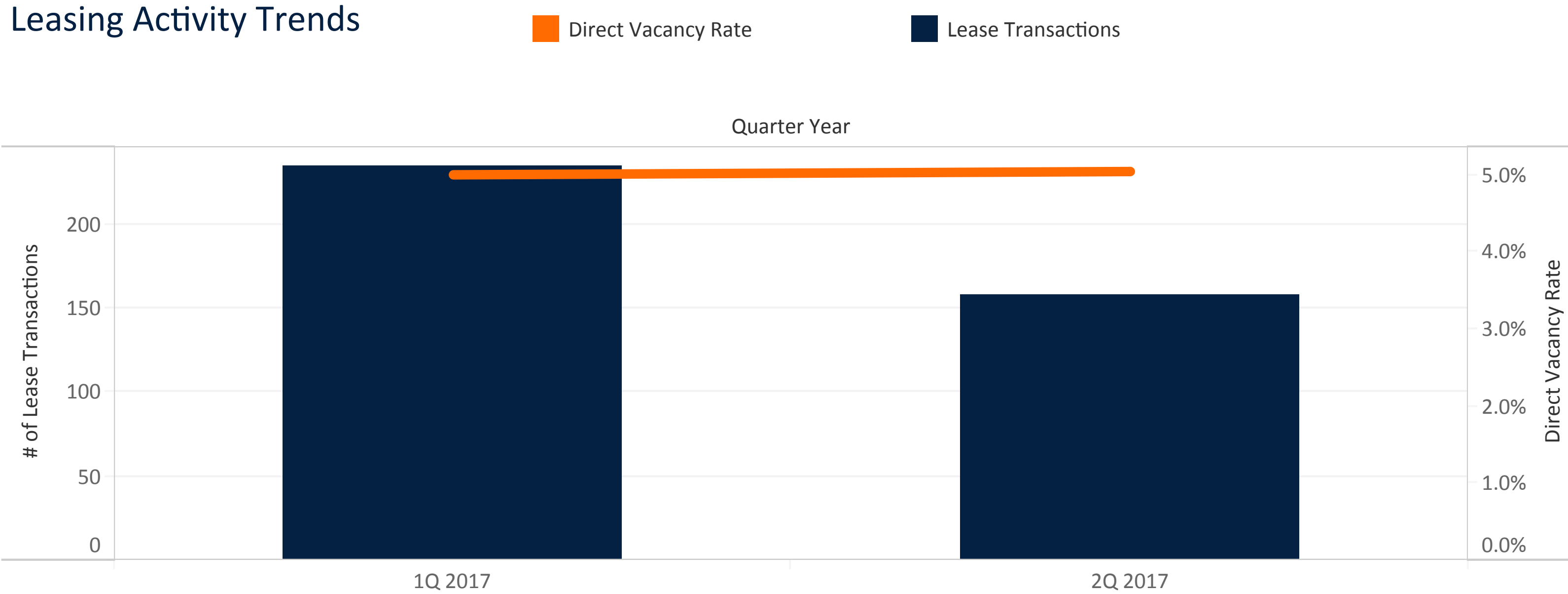
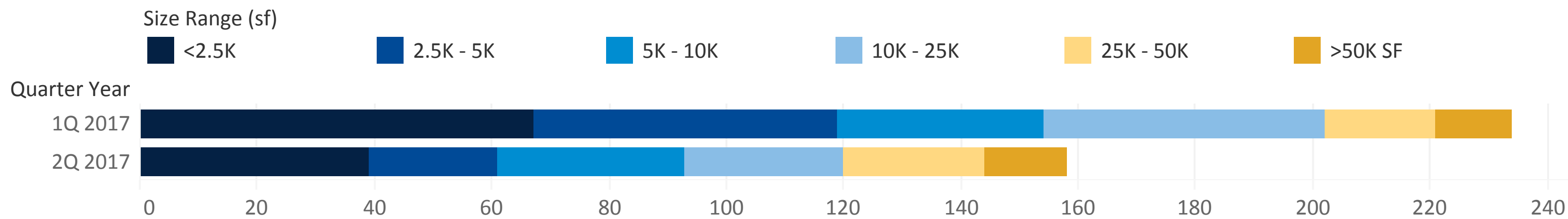
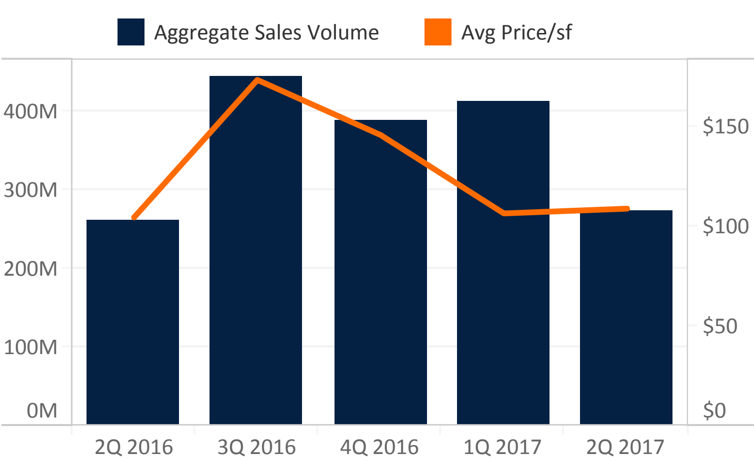
Leasing Activity Trends



Leasing Activity (# of New Deals)



Sales Volume vs. Price/SF



Top Sales

Property	Sale Date	Buyer	Sale Price
Miami Industrial Logistics Center 14802	04/18/2017	Duke Realty Corporation	$49,706,300
FedEx Sortation & Distribution Center	06/28/2017	Monmouth Real Estate Investment Corporation	$38,348,000
Miami Industrial Logistics Center	04/18/2017	Duke Realty Corporation	$30,207,800
Miami Air Cargo East Bldg 1	06/09/2017	Lincoln Property Company	$27,380,200
Airport North Logistics Center	05/09/2017	Undisclosed	$22,018,100

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

Americas Commercial Real Estate	Alexander Bernaldo
CBRE	Michael Silver
Fairchild Partners	Jose Juncadella
Flagler Developent	Andrew Lehrer
Infinity Commercial	John Dohm
JLL	Audley Bosch
New Miami Realty	Jose Serrano
Newmark Knight Frank	Nick Wigoda
	Steve Medwin
Prologis	Scott Gregory
State Street Realty	George Pino

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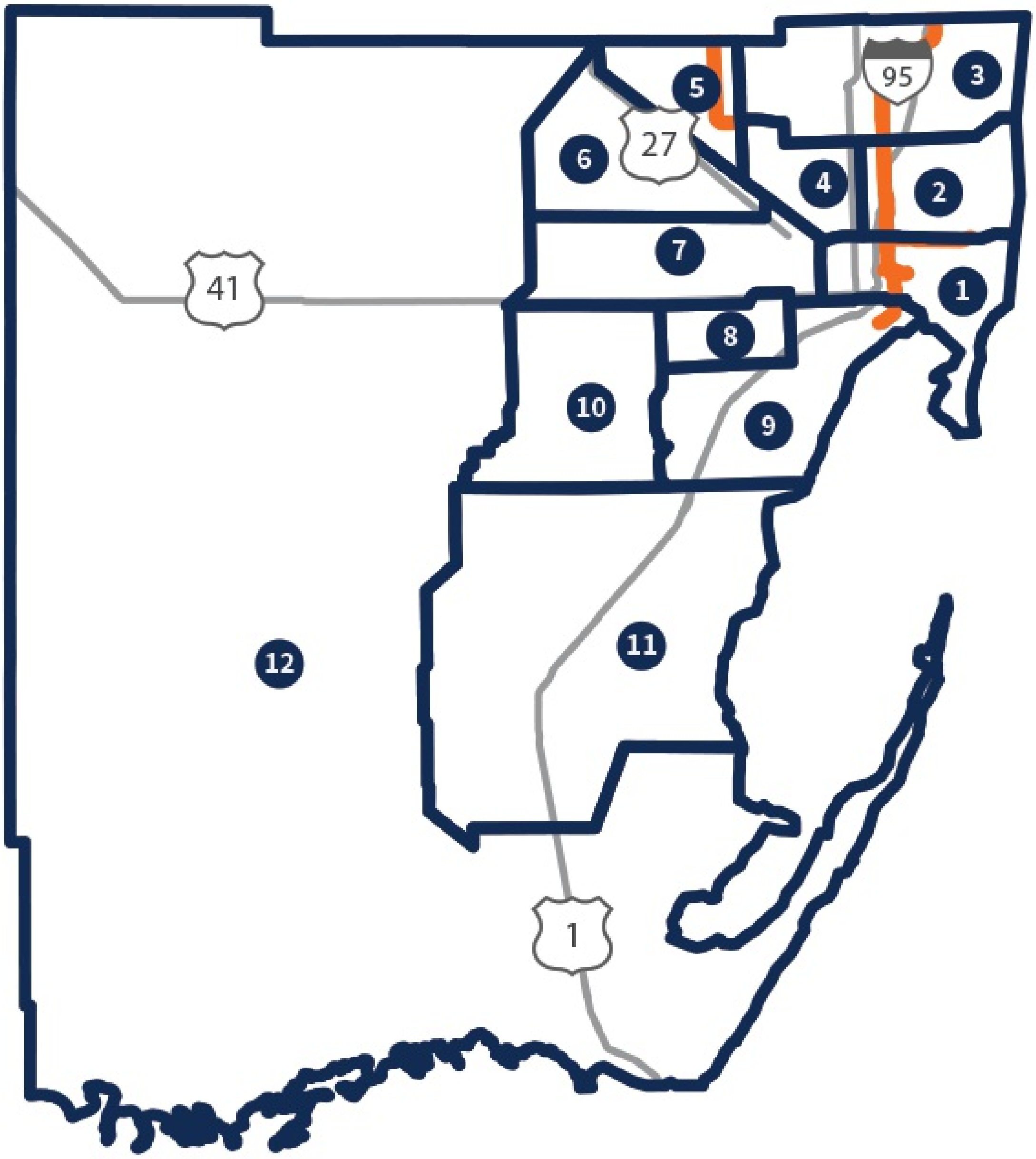

1 Central Miami
2 East Miami
3 North Dade
4 Hialeah
5 Hialeah Gardens
6 Medley
7 Airport West
8 West Miami / C oral Terrace
9 Kendall / S Dixie Highway
10 West Kendall
11 South Dade
12 Outlying Miami-Dade