



4Q12 BROWARD INDUSTRIAL MARKET

Newmark Grubb Knight Frank

2012 INDUSTRIAL MARKET CONDITIONS MIRRORED 2011

After a modest start to the first half of the year, Broward County's industrial market saw improved demand outpace supply in the third and fourth quarters. The healthier gains contributed to annual positive absorption of more than 500,000 square feet, just under the 633,000 square feet posted at the close of 2011. This aided a decrease in overall vacancy by 40 basis points from the 9.1% rate recorded a year earlier. Albeit a moderate improvement, the market stayed on the track of recovery.

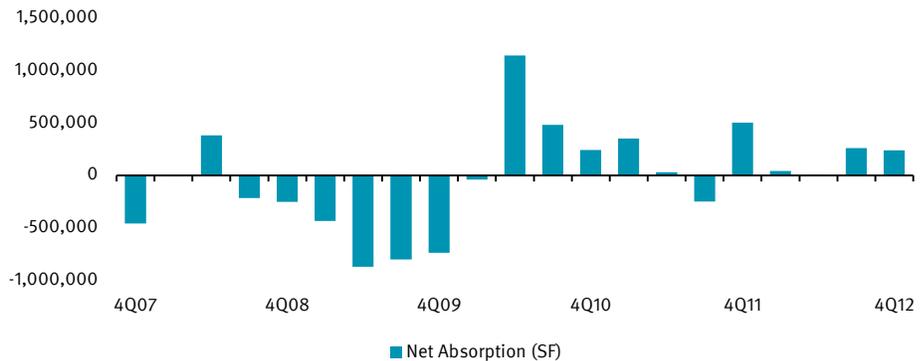
Asking rents remained unchanged from the direct weighted average of \$6.96/sf triple net quoted in the fourth quarter of 2011 and the majority of industrial space needs came primarily from companies already in the market.

Expansions, renewals, relocations and user sales led activity during the quarter. Greenfield World Trade renewed and expanded into 45,690 square feet in the Meridian Business Camps in the Southwest Broward submarket. Lennox Heating and Air Conditioning relocated from Miramar, moving into 25,450 square feet at Park Central in Pompano Beach. Bridgestone Tire moved from the Southeast submarket to 28,413 square feet at Premier Turnpike Park I in Pompano Beach. Monaco Foods expanded into 22,400 square feet in the Copans Business Park. The emerging trends

Asking Rent and Vacancy



Absorption



Key Indicators

Total Inventory (SF)	102,876,848		
	4Q12	3Q12	4Q11
Asking Rent (Price/SF)	\$6.13	\$6.10	\$5.86
Vacancy Rate (%)	8.7%	8.7%	9.1%
Under Construction (SF)	99,690	12,150	0
	4Q12	3Q12	2012 Total
Net Absorption (SF)	238,083	259,135	540,201
Deliveries (SF)	0	0	0

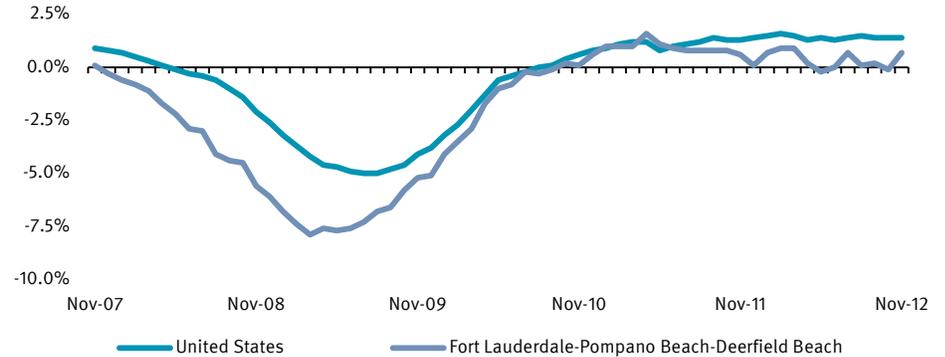


from the second half of 2012 appear to be an increase in demand from midsized deals.

Heading into 2013, no major shifts are expected to occur, and momentum should begin to build toward the second half of the year. Steady decreases in vacancy over the next 12 months could mean the pendulum will swing in the landlord's favor. Projected improvements combined with decreasing vacancies in Miami will aid the industrial sector as space needs should begin to spill over to Broward County toward the first half of 2014.

Payroll Employment

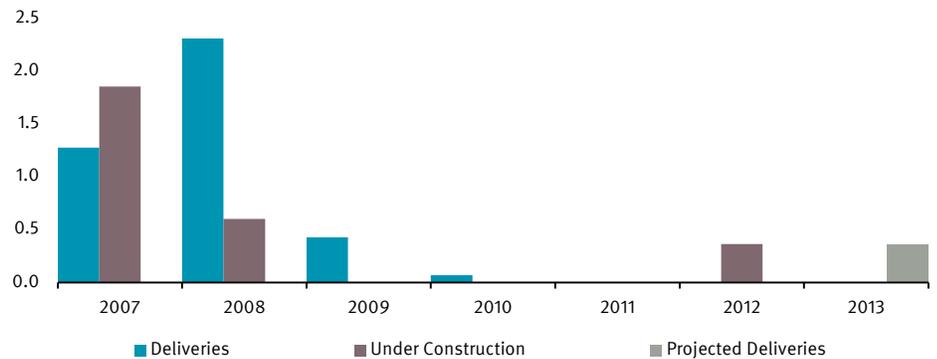
Total Nonfarm, Not Seasonally Adjusted, 12-Month % Change



Source: U.S. Bureau of Labor Statistics

Construction and Deliveries

Square Feet, millions



Select Lease Transactions

Tenant	Address	Submarket	Square Feet
TMV Productions	5535 NW 34th Ave	Central Broward	62,420
Signature Hardware	1620 NW 23rd Ave	Central Broward	21,276
Pharmisist	1011 SW 30th Ave	Northeast Broward	20,050
Phoenix Packaging	3898 Pembroke Rd	Southeast Broward	19,025
Alaris Aerospace System	1721 Blount Rd	Pompano Beach	13,033

Select Sales Transactions

Address	Submarket	Square Feet	Sale Price	Price/SF
6810 North State Rd. 7	Coral Springs	400,000	\$12,690,700	\$32
2700 SW 15th St	Northeast Broward	120,000	\$10,400,000	\$87
1703-1845 NW 38th Ave	Central Broward	107,918	\$2,400,000	\$22
1711-1755 N Powerline Rd	Pompano Beach	75,513	\$3,250,000	\$43
2001 South Andrews Ave	Central Broward	31,212	\$2,200,000	\$70



Submarket Statistics								
	Total Inventory (SF)	Under Construction (SF)	Total Vacancy Rate	Qtr Absorption (SF)	YTD Absorption (SF)	WH/Dist Asking Rent (Price/SF)	R&D/Flex Asking Rent (Price/SF)	Total Direct Asking Rent (Price/SF)
Central Broward	16,756,412	12,150	9.7%	71,646	90,680	\$5.15	\$10.51	\$6.10
Coral Springs	4,621,010	-	12.0%	13,716	28,769	\$10.27	\$8.90	\$6.20
Northeast Broward	9,532,211	-	9.5%	-25,454	92,645	\$6.37	\$8.12	\$6.95
Pompano Beach	24,812,428	-	10.0%	106,374	110,165	\$4.96	\$9.72	\$5.99
Southeast Broward	23,680,333	-	5.2%	68,420	241,733	\$6.12	\$18.22	\$5.57
Southwest Broward	14,887,466	351,614	9.7%	24,686	-102,646	\$6.91	\$6.72	\$6.93
West Sunrise	8,586,988	-	8.7%	-21,305	78,855	\$7.22	\$8.81	\$6.46
Broward	102,876,848	363,764	8.7%	238,083	540,201	\$5.76	\$10.86	\$6.13



Broward County

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Glossary of Terms**Absorption**

A measure of the change in occupied space

Availability

Space marketed for lease regardless of when the space will be available or whether the space is vacant or occupied

Deliveries

The total RBA of properties added to the inventory once construction has been completed

Direct Space

Available space offered for lease by the building owner, landlord, or owner representative

Leasing Activity

The volume of leases signed including new leases, direct and sublet leases, extensions and renewals, and leases signed in proposed or under construction buildings

Occupancy

Any space physically occupied by a tenant, regardless of lease status of the space

Rentable Building Area (RBA)

A measurement of the total square feet in a building including the tenant and common areas such as the lobby and hallways

Sublet Space

Available space offered for lease by a building tenant seeking a subtenant to fulfill the remaining lease obligation

Under Construction

Buildings under construction are defined by the time the foundation is poured through the time the building is certified for occupancy

Vacancy

Space not physically occupied by a tenant, regardless of the lease status or availability of the space

Weighted Average Rent

The asking dollar amount for the use of available space, weighted by size--the average does not include negotiable or unpublished rates and is reported as full service including operating costs

Industrial inventory includes all multi-tenant and single tenant buildings at least 10,000 square feet in total rentable building area. Owner occupied buildings are included in the inventory.

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