



4Q12 BROWARD COUNTY OFFICE MARKET

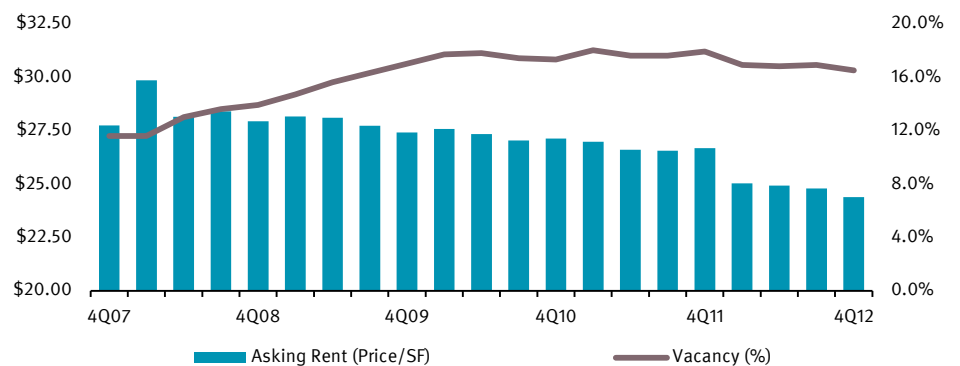
Newmark Grubb Knight Frank

MARKET'S STRONGEST PERFORMANCE SINCE RECESSION BEGAN

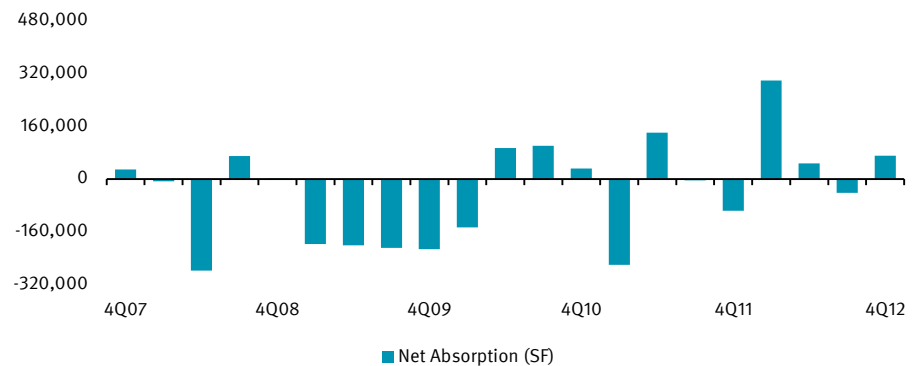
Improvements in demand aided Broward County's office sector to record the strongest performance in year-to-date absorption since the fourth quarter of 2006. Vacancy rates remained level for most submarkets with slight shifts upward or downward from the prior year. Early 2012 saw the bulk of activity, especially in the Cypress Creek submarket. Although the broader market experienced a slowdown in activity in the second half of the year, market-wide vacancy dropped 140 basis points from the 17.9% rate recorded in the fourth quarter of 2011. This remains the lowest office vacancy rate in South Florida.

Newmark Grubb Knight Frank tracked 1.6 million square feet of leasing activity during 2012, 300,000 square feet of which was reported during the fourth quarter. One notable transaction was Brown Mackie College's 56,500-square-foot lease at the Space Coast Financial Building in the Southwest Broward submarket. The institution is planning to relocate from the Miami Herald Building in downtown Miami during the first half of 2013. A projected 48,000-square-foot deal was reportedly close to being signed by a Hollywood law firm planning to relocate to the Downtown Central Business District. However, the majority of demand came from companies already in the market as renewals, relocations and expansions. Marshall Dennehey Warner Coleman & Goggin moved

Asking Rent and Vacancy



Absorption



Key Indicators

Total Inventory (SF)	31,868,533		
	4Q12	3Q12	4Q11
Asking Rent (Price/SF)	\$24.39	\$24.79	\$26.67
Vacancy Rate (%)	16.5%	16.9%	17.9%
Under Construction (SF)	0	0	0
	4Q12	3Q12	2012 Total
Net Absorption (SF)	70,227	-42,374	374,050
Deliveries (SF)	0	0	0

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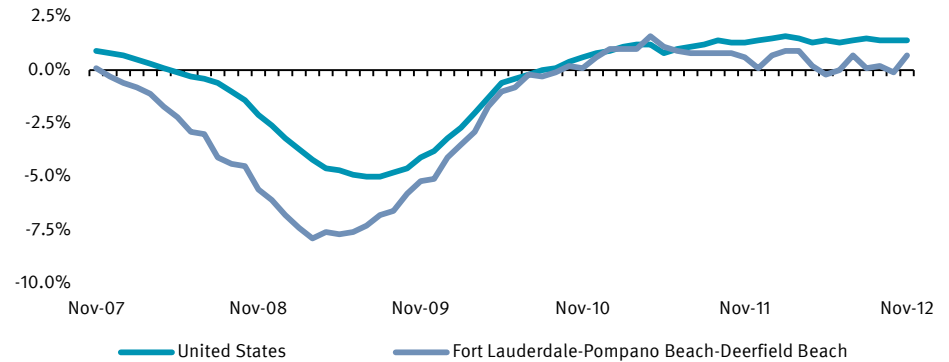


laterally from One East Broward to 15,000 square feet in Plaza 100 in the downtown submarket. Florida's Department of Children and Families consolidated offices when it relocated from 34,000 square feet at 311 North State Road 7 in the Fort Lauderdale submarket. Florida's Department of Revenue downsized when it relocated to 25,000 square feet in One Charter Place in Coral Springs. The trend of demand shifting from government agencies to private companies is a promising sign for 2013.

The office sector will experience similar conditions during 2013 as economic momentum should translate into modest increases in demand for office space. However, there still is some lingering uncertainty that could hinder significant growth over the next six months to a year. Expect vacancy rates to continue their descent and asking rents to remain stable.

Payroll Employment

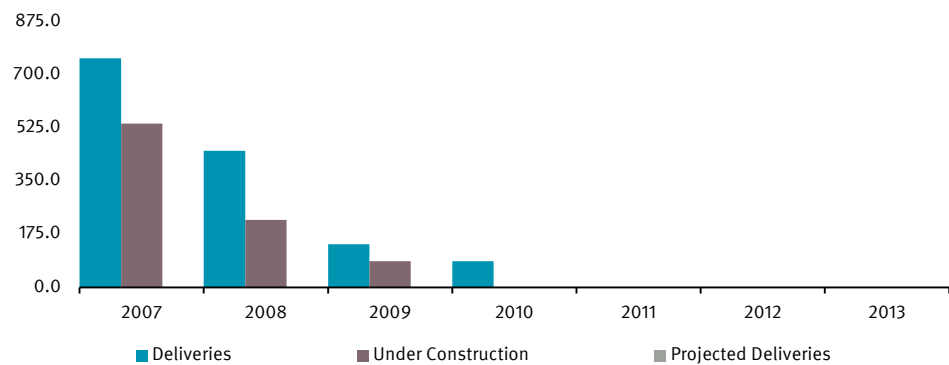
Total Nonfarm, Not Seasonally Adjusted, 12-Month % Change



Source: U.S. Bureau of Labor Statistics

Construction and Deliveries

Square Feet, thousands



Select Lease Transactions

Tenant	Address	Submarket	Square Feet
Brown Mackie College	3700 Lakeside Dr	Southwest Broward	56,519
Department of Revenue	3301 N University	NW Broward/Coral Springs	25,000
Apotex Corporation	2400 North Commerce Pkwy	Southwest Broward	20,043
Aplifi	500 West Cypress Creek Rd	Cypress Creek	14,621
MDLive	13630 NW 8th St	Sawgrass Parkway	14,591

Select Sales Transactions

Address	Submarket	Square Feet	Sale Price	Price/SF
300/1776 North Pine Island Rd	Plantation	112,700	\$17,500,000	\$155
1700-1800 NW 66th Ave	Plantation	98,816	\$8,850,000	\$90
2601-2611 East Oakland Park Blvd	Fort Lauderdale Suburban	78,000	\$7,600,000	\$97
5341 NW 33rd Ave	Cypress Creek	54,000	\$7,100,000	\$131
3 SW 129th Ave	Southwest Broward	48,000	\$6,500,000	\$135



Submarket Statistics								
	Total Inventory (SF)	Under Construction (SF)	Total Vacancy Rate	Qtr Absorption (SF)	YTD Absorption (SF)	Class A Asking Rent (Price/SF)	Class B Asking Rent (Price/SF)	Total Direct Asking Rent (Price/SF)
Ft. Lauderdale CBD	5,368,774	0	20.0%	27,066	-35,651	\$32.60	\$25.60	\$31.13
Suburban	26,499,759	0	15.8%	43,161	409,701	\$27.44	\$19.71	\$22.82
Commercial Blvd	1,615,465	0	17.8%	-15,282	-107,682	\$22.17	\$19.80	\$19.22
Cypress Creek	4,486,623	0	14.1%	11,771	204,213	\$28.58	\$19.26	\$23.39
Ft. Lauderdale Suburban	3,330,713	0	18.8%	-26,684	23,038	\$26.26	\$19.90	\$20.75
Hallandale	460,866	0	14.3%	2,701	1,480	\$37.25	\$25.38	\$24.20
Hollywood	2,544,118	0	13.3%	-8,158	53,896	\$27.29	\$22.78	\$23.03
NW Broward/Coral Springs	1,867,382	0	22.6%	1,872	21,392	\$23.84	\$17.02	\$20.36
Plantation	3,409,918	0	15.4%	-8,096	96,988	\$29.36	\$20.39	\$24.25
Pompano Beach	2,647,022	0	19.7%	11,934	-567	\$25.08	\$18.49	\$20.43
Sawgrass Park	2,786,740	0	13.8%	-10,222	-13,285	\$26.76	\$16.48	\$24.73
SW Broward	3,350,912	0	11.7%	83,325	130,228	\$30.20	\$21.68	\$29.08
Broward County	31,868,533	0	16.5%	70,227	374,050	\$28.95	\$20.09	\$24.39



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

Office inventory includes all multi-tenant and single tenant buildings at least 20,000 square feet in total rentable building area. Owner occupied buildings are not included in the inventory.

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