

2Q13 BROWARD COUNTY INDUSTRIAL MARKET

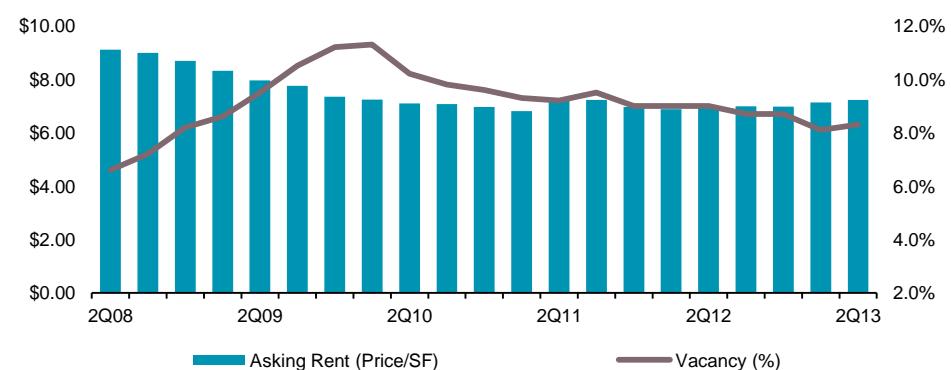
Newmark Grubb Knight Frank

GOOD THINGS COME IN SMALL INCREMENTS

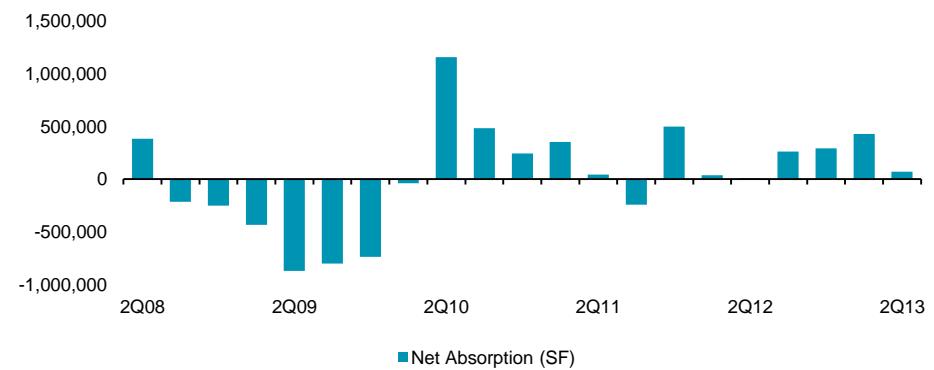
Small improvements continued in Broward County's industrial market as demand just outpaced supply in the second quarter of 2013. Vacancy remained level with no change from the previous quarter while dropping 70 basis points from the 9.0% recorded at the close of the second quarter in 2012. Slow economic growth continued to impact the need for new space as leasing activity decelerated during the first half of the year. The amount of space returned to inventory stabilized, contributing to the mixed results seen at mid-year. Sublease space remained practically unchanged with just a slight decrease to 199,000 square feet, representing less than 0.2% of the total amount of vacant space available for lease.

The direct weighted average asking rate continued to inch upward, recording a \$0.27 increase from the \$6.96/sf, triple net rent quoted during the second quarter of 2012. Among the various product types, R&D/flex space experienced a \$0.56/sf year-over-year rise while warehouse/distribution space increased \$0.35 from the \$5.82/sf, triple net rate recorded one year ago. Although rents for general industrial space remained unchanged from last quarter, this is the only sector that saw a year-over-year dip with a \$0.10 decrease from last year's \$6.08/sf, triple net rate. Rents are expected to remain stable as vacancies have continued to trend in favor of landlords, and tenant concessions (such as free rent and tenant improvement dollars) have subsided to "good-credit" tenants looking for larger space requirements.

Asking Rent and Vacancy



Absorption



Key Indicators

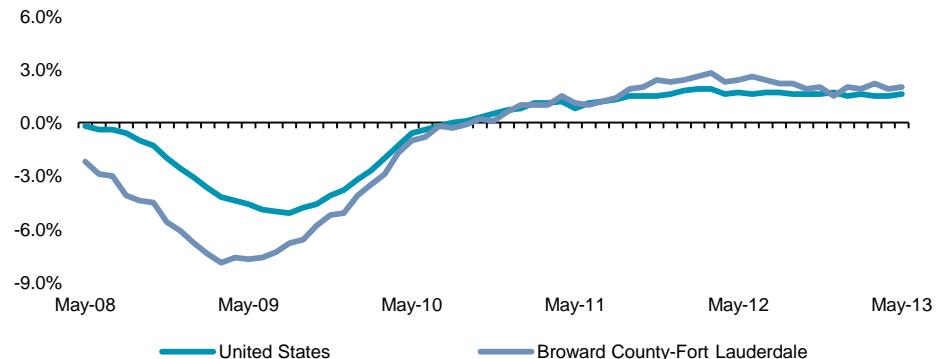
Total Inventory (SF)	2Q13	1Q13	2Q12
Asking Rent (Price/SF)	\$7.23	\$7.13	\$6.96
Vacancy Rate (%)	8.3%	8.1%	9.0%
Under Construction (SF)	247,376	12,150	0
Net Absorption (SF)	68,565	427,167	495,732
Deliveries (SF)	0	87,540	87,540



Improving market conditions are on the horizon with the anticipated occupation of 267,000 square feet from AeroTurbine in Miramar Centre Business Park A. The company is expected to absorb the recently completed warehouse building in the second half of this year. During the second quarter, Berlin Packaging occupied the remaining 39,760 square feet of Miramar Park of Commerce's 27B, while ProForce Equipment relocated from Miami into 19,102 square feet in Miramar Park of Commerce 5. The overall market has begun to see an increase in lease deals between 10,000 and 25,000 square feet. This should help the industrial sector coast through the year and growth momentum to build in 2014.

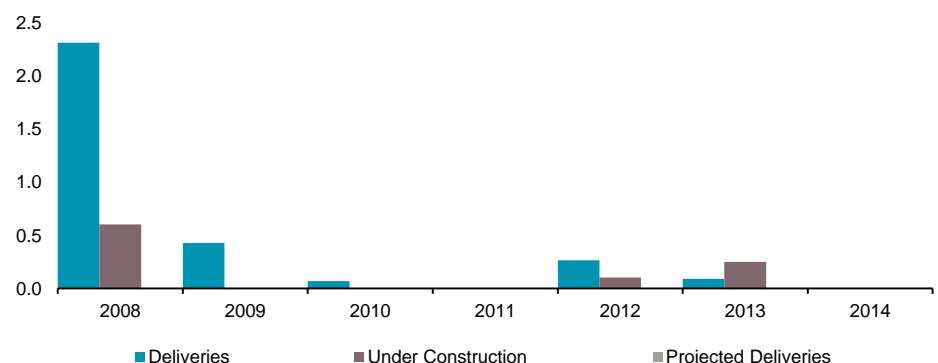
Payroll Employment

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



Construction and Deliveries

Square Feet, millions



Select Lease Transactions

Tenant	Building	Submarket	Square Feet
Floor & Decor	3701 Flamingo Rd	Southwest Broward	183,331
Restoration Hardware	3901 NE 12th Ave	Pompano Beach	101,105
Southern Furniture Company	1551-1571 N Powerline Rd	Pompano Beach	40,610
Mercuray Marine	11700 Miramar Pky	Southwest Broward	35,000
Innovative Heights	1800-1838 SW 2nd St	Pompano Beach	27,304
WLSS	750 S Powerline Rd	Pompano Beach	25,000

Select Sales Transactions

Building	Submarket	Square Feet	Sale Price	Price/SF
800-900 International Pkwy	West Sunrise	408,000	\$39,576,000	\$97
1655 NW 136th Ave	West Sunrise	347,344	\$31,455,500	\$91
2200 Stirling Rd	Southeast Broward	229,400	\$19,636,640	\$86
710-790 International Pkwy	Sawgrass Park	131,800	\$12,521,000	\$95



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 Asking Rent (Price/SF)	
Central Broward	16,756,412	12,150	9.3%	7,037	31,743	\$5.23	\$10.84	\$6.13	
Coral Springs	4,624,525	0	11.2%	-12,350	26,893	\$10.21	\$8.95	\$6.96	
Northeast Broward	9,452,511	0	9.4%	39,552	32,588	\$8.05	\$9.55	\$7.38	
Pompano Beach	24,812,428	202,226	8.7%	74,730	243,769	\$5.47	\$9.26	\$6.16	
Southeast Broward	23,699,156	33,000	5.3%	-21,077	4,096	\$6.93	\$17.72	\$8.95	
Southwest Broward	14,975,006	0	8.5%	82,008	234,483	\$6.99	\$7.81	\$7.33	
West Sunrise	8,586,988	0	9.7%	-101,335	-77,840	\$6.60	\$9.16	\$7.99	
Fort Lauderdale	102,907,026	247,376	8.3%	68,565	495,732	\$6.17	\$11.01	\$7.23	

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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 space

Weighted Average Rent

Rental rate data refer to space that is available on the market at the end of the quarter. Rates are per square foot, quoted on a triple net basis. Rates for each building are weighted by the amount of available space within the building.

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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