



2Q13 MIAMI INDUSTRIAL MARKET

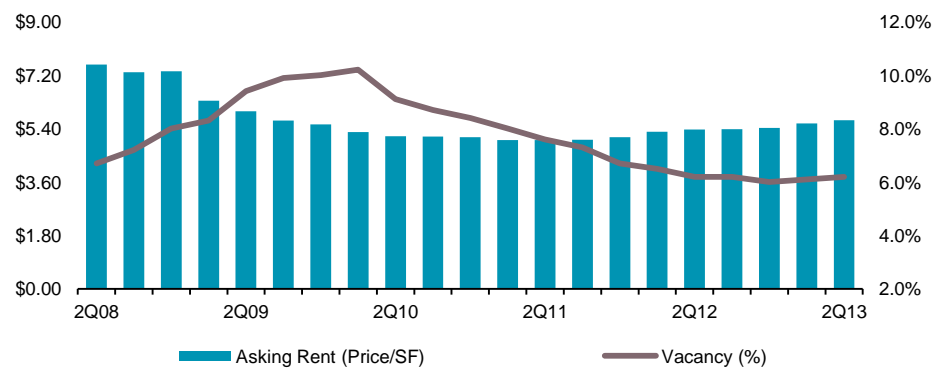
Newmark Grubb Knight Frank

VACANCY RISES IN SPITE OF POSITIVE NET ABSORPTION

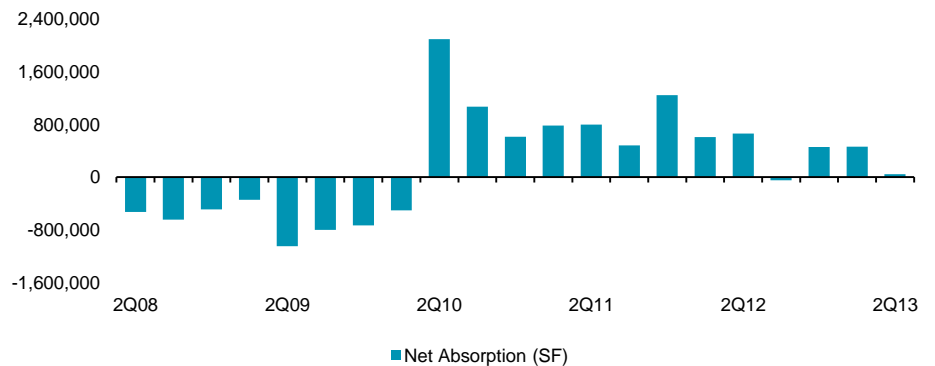
Miami's industrial sector saw demand just outpace supply during the second quarter with 44,213 square feet of positive net absorption. Nonetheless, the overall vacancy rate increased by 10 basis points from the 6.1% recorded last quarter and remained unchanged from the 6.2% recorded a year ago. The increase in vacancy was due to two buildings being brought to the market during the second quarter. DCT Commerce Center (Building B) was completed with 123,000 square feet pre-leased to DB Schenker Logistics which moved out of 58,000 square feet at International Corporate Park, creating positive net absorption. Also adding to vacancy was the addition of the 185,500-square-foot warehouse at the Pan American Distribution Center. The building has been leased with occupancy projected in the second half of 2013 which will absorb the new construction. The market's modest improvements are indicative of a recovery which has held steady.

Over 1.7 million square feet of leasing activity was recorded during the second quarter, bringing year-to-date transactions to a cumulative 3.9 million square feet during the first half of 2013. Seafreight Agencies relocated within the Airport West submarket when it occupied 148,750 square feet at International Corporate Park. The University of Miami continued its

Asking Rent and Vacancy



Absorption



Key Indicators

	201,812,652		
	2Q13	1Q13	2Q12
Total Inventory (SF)			
Asking Rent (Price/SF)	\$5.68	\$5.58	\$5.37
Vacancy Rate (%)	6.2%	6.1%	6.2%
Under Construction (SF)	53,000	405,720	0
	2Q13	1Q13	YTD
Net Absorption (SF)	44,213	461,601	505,814
Deliveries (SF)	352,720	503,041	855,761

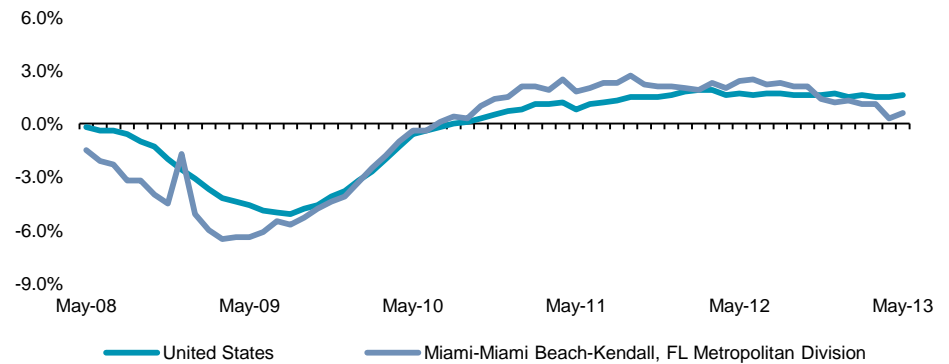


expansion efforts by taking 70,000 square feet of warehouse space in the Medley Commerce & Industrial Center. Encore Marketing Group also expanded in the Airport West submarket when it moved into 38,430 square feet at 1480 NW 94th Avenue. The largest default was IO Plus Logistics closing its 54,315-square-foot space at Beacon Centre Building 6. Another tenant relocated out of the market from a 35,525-square-foot industrial building in the Northwest submarket.

The pendulum has swung to the landlords' favor as larger deal velocity ramps up and mid-size spaces are becoming occupied. Recovery is over: Tightening market conditions are likely to continue and asking rents should steadily climb.

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	Building	Submarket	Square Feet
National 3PL Company	10733 NW 123rd St	Airport East/Central Miami-Dade	185,520
Roca Tile Group	11190 NW 25th St	Airport West	108,000
Miami-Dade Printing	Sunshine State Industrial Park	Northwest Miami-Dade	73,500
Vista Color	1401 NW 78th Ave	Airport West	74,786
Safari Limited USA	Sunshine State Industrial Park	Northwest Miami-Dade	70,447
X-Loaders	8730-9000 NW 36th Ave	Hialeah-Medley	56,000
Sunshine Windows	3320-3350 W 17th Ct	Hialeah-Hialeah Gardens	50,100

Select Sales Transactions

Building	Submarket	Square Feet	Sale Price	Price/SF
9100 NW 105th Way	Medley	860,802	\$59,850,000	\$70
1400 NW 88th Ave	Airport West	307,160	\$23,725,000	\$77
7000 NW 25th St	Airport West	130,000	\$6,738,400	\$52



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)
Airport East/Central Miami-Dade	26,944,259	0	9.4%	29,458	87,642	\$5.26	\$9.39	\$5.64
Airport West	67,753,040	0	6.0%	45,226	160,186	\$6.57	\$9.57	\$6.90
Hialeah/Hialeah Gardens	28,648,623	0	6.4%	13,785	37,649	\$3.65	\$7.56	\$3.57
Medley	21,570,079	53,000	6.0%	-105,244	-22,144	\$4.79	\$7.94	\$4.63
Miami Lakes	5,937,551	0	3.5%	34,705	33,942	\$5.34	\$8.21	\$7.24
Northeast Miami-Dade	9,878,132	0	4.1%	-44,854	48,441	\$3.87	\$6.73	\$5.59
Northwest Miami-Dade	23,973,960	0	5.9%	187,911	305,766	\$4.46	\$7.72	\$5.08
South Miami-Dade	17,107,008	0	4.3%	-116,774	-145,668	\$6.76	\$7.76	\$7.51
Miami-Dade	201,812,652	53,000	6.2%	44,213	505,814	\$5.54	\$8.84	\$5.68



Miami-Dade

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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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