

MarketWatch: Miami-Dade Industrial

SECOND QUARTER 2011



QUICK STATS

Total Inventory	180.0 MSF
Vacancy	8.7%
Average Asking Rent	\$6.61
YTD Net Absorption	581,522 MSF
Under Construction	-0-
YTD Deliveries	-0-

LEASE SPOTLIGHT

Building	Tenant	Size (SF)
6703 NW 7th St	Aeropost International Services	176,000
3301 NW 107th St	Atlas Paper Mills	123,448
11000 NW 92nd Terrace	Moduslink	114,000

SALE SPOTLIGHT

Building	Size (SF)	PSF	Sales Price
12855 NW 113th Ct	167,111	\$171.14	\$28,600,000
7499 NW 31st ST	103,250	\$58.60	\$6,050,735
1601 NW 70th Ave	35,000	\$114.29	\$4,000,000

Methodology: The information in this report is the result of Transwestern's ongoing analysis of Miami-Dade's key for-lease industrial and flex properties. We compile our quarterly statistics based on a defined inventory of existing buildings of 20,000 square feet or more in size.

MARKET ANALYSIS

Thanks to its stature as a true international city and excellent cargo infrastructure offered by Miami International Airport and the Port of Miami, the Miami-Dade area has become one of the nation's top industrial centers. With future growth constrained by the ocean on the east and the Everglades on the west, high demand for space has consistently allowed Miami-Dade to outperform other US industrial markets in terms of occupancy, rents, and absorption.

As the gateway to and from Latin America, the Caribbean, and Central America, Miami-Dade's success is built upon the airport, which is the economic engine for the region and the nation's top international freight airport. Generating more than \$26.7 billion each year for the local economy, it is estimated that one in every four Miami-Dade jobs is related to the airport and its trade industry.

As such, Miami-Dade's largest concentration of industrial space is surrounding the airport, comprising approximately one third of the market's total inventory of more than 179 million square feet. Primarily populated by companies that depend on the movement of material through the airport, tenants include logistics companies, freight forwarders, and corporate distribution centers. With the airport seeing a near 20% rebound in traffic after hitting a 15-year low in 2009 in terms of freight volume, the outlook for the Airport submarket and Miami-Dade as a whole is very positive. Historically, the industrial sector's health runs about 12 to 18 months behind the airport, and as such significant gains are projected over the near term regarding leasing velocity, overall occupancy, absorption, and rental rate appreciation.

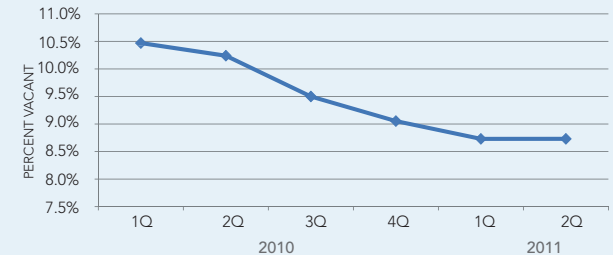
MARKET TRENDS

Vacancy Rate

Current
8.7%

3-Month
Trend
↻

The overall vacancy level stabilized during the second quarter but has fallen nearly two percentage points since the market peaked nearly 18 months ago at at 10.5%

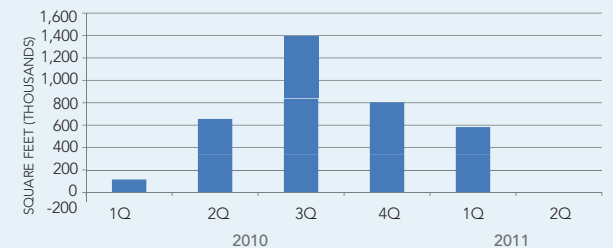


Absorption

-1,282 SF



At the mid-way point of 2011, Miami-Dade has year-to-date absorption totalling 581,522 square feet

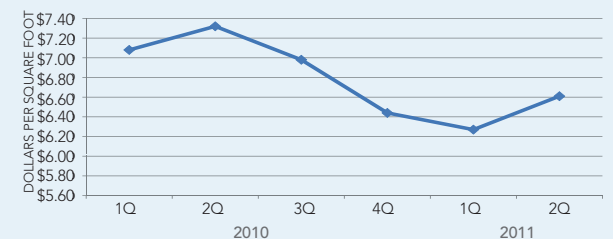


Rental Rates

\$6.61 PSF



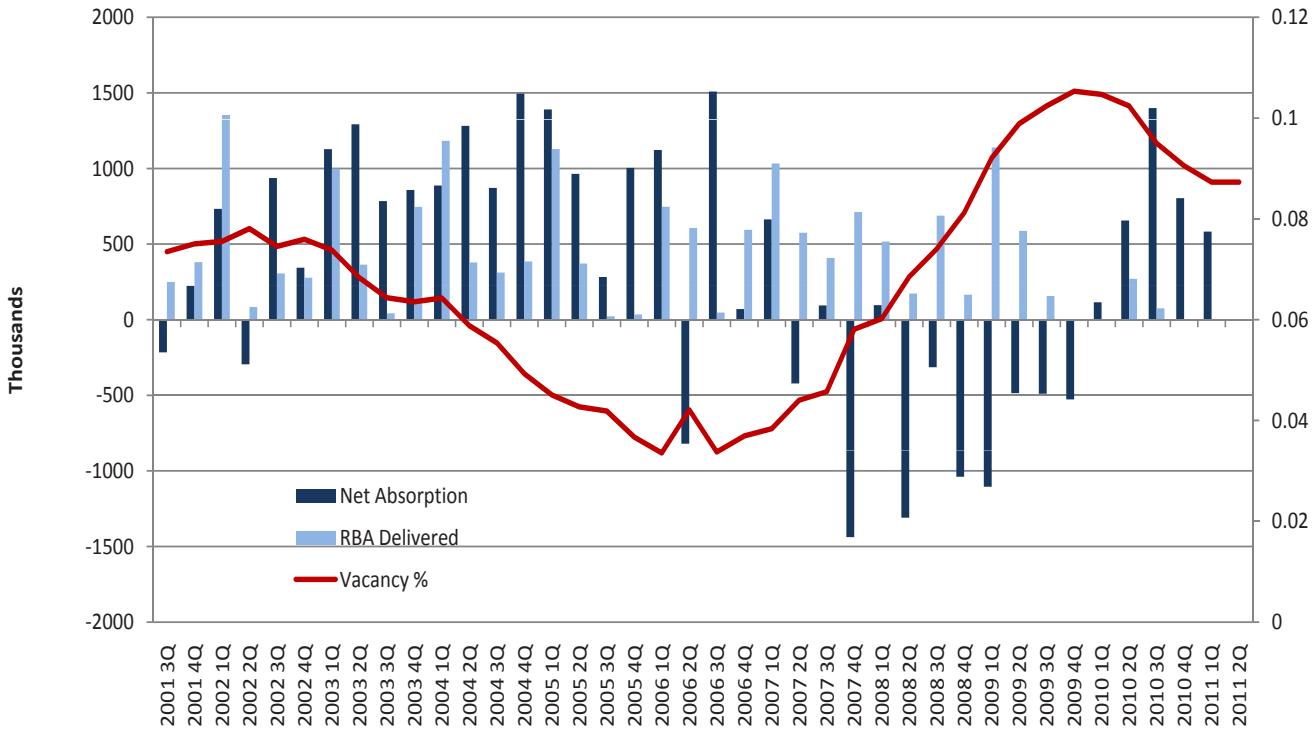
Average asking rates spiked slightly during the second quarter following three consecutive quarters of rental rate compression



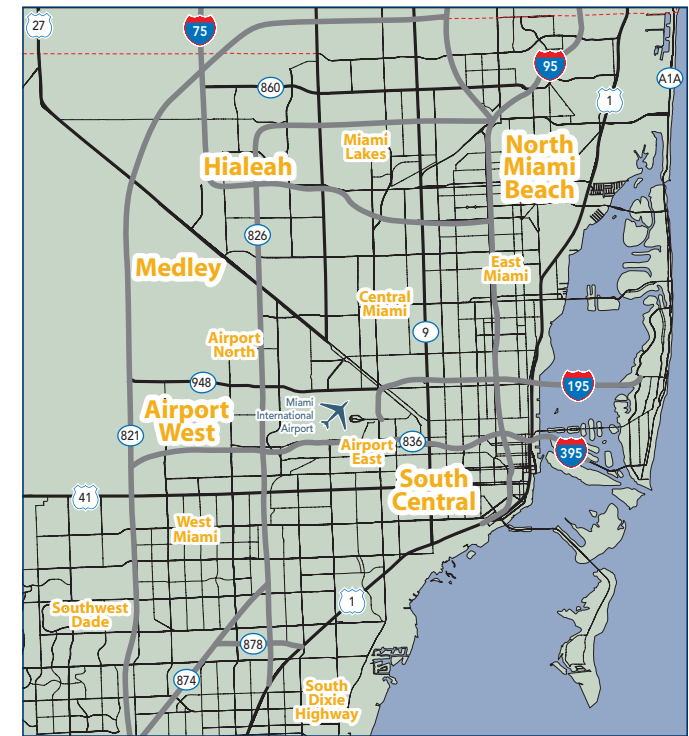
CURRENT MARKET STATISTICS — SECOND QUARTER 2011

Submarket	Total Inventory SF	Direct Vacant SF	Direct Vacancy Rate	Sublease SF	Total SF Vacant	Overall Vacancy Rate	Current Quarter's Net Absorption	SF Under Construction	Average Quoted Rental Rate PSF (NNN)
Central Miami	2,292,206	353,876	15.4%	-0-	353,876	15.4%	-0-	-0-	\$6.32
East Miami	2,446,863	132,104	5.4%	-0-	132,104	5.4%	10,000	-0-	\$6.62
Hialeah	28,280,849	3,701,449	13.1%	42,024	3,743,473	13.2%	2,662	-0-	\$4.35
Medley	24,934,476	2,002,403	8.0%	75,453	2,077,856	8.3%	-137,482	-0-	\$8.13
Airport East	17,225,220	2,209,712	12.8%	22,277	2,231,989	13.0%	11,484	-0-	\$6.53
Airport North	9,028,646	685,714	7.6%	-0-	685,714	7.6%	14,209	-0-	\$7.17
Airport West	31,711,789	2,033,442	6.4%	96,273	2,129,715	6.7%	40,327	-0-	\$6.88
Miami Lakes	10,406,600	802,804	7.7%	-0-	802,804	7.7%	31,853	-0-	\$6.53
North Miami Beach	29,028,955	2,177,249	7.5%	-0-	2,177,249	7.5%	31,937	-0-	\$4.44
South Central Miami	9,052,188	643,106	7.1%	-0-	643,106	7.1%	5,120	-0-	\$11.32
South Dixie Highway	5,493,051	373,926	6.8%	-0-	373,926	6.8%	1,220	-0-	\$9.57
Southwest Dade	6,675,392	322,213	4.8%	-0-	322,213	4.8%	-11,712	-0-	\$7.81
West Miami	3,321,172	40,789	1.2%	-0-	40,789	1.2%	-900	-0-	\$11.06
MIAMI-DADE TOTAL	179,897,407	15,478,787	8.6%	236,027	15,714,814	8.7%	-1,282	-0-	\$6.61

HISTORICAL MARKET TRENDS



MIAMI-DADE INDUSTRIAL SUBMARKETS



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