



MIAMI

OCCUPIER & PRICING TRENDS

An Overview of Miami CBD and Suburban Office Markets

3Q 2017
cushwakesouthfl.com



TC

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Major Office-Using Employment Industries
Miami Forecasted Growth 2016-2024

PBS
14.2%

Financial Activities
6.6%

Information
1.6%

Florida Population and Jobs
Expect Robust Growth

Banking/Finance

Miami Tenant Tours
798,500 SF

Florida will remain
one of the nation's
top three states



Look to Florida
gaining another

1+ 2016-2024
Million Jobs

MIAMI OVERVIEW

ECONOMIC HIGHLIGHTS

There was no discernible overall effect on the September 2017 U.S. unemployment rate (4.2% - a new 10-year low) when Hurricane Irma made landfall in Florida which caused severe damage, primarily in the Keys, southwest Florida and other parts of the Southeast.

Miami ranked among the top ten “Major American Cities of the Future 2017-18”

Foreign Direct Investment, Financial Times of London

Miami International Airport was named “Best Freighter Hub” in the world.

Freighters World Conference 2017, Air Cargo News

September 2017’s job report saw year-over-year drops in unemployment for both Florida (3.8% from 4.9%) and Miami (4.6% - from 5.7%). Statewide, however, private-sector businesses were severely impacted by the storm as indicated by the reduction of job numbers solely for the month of September. In Miami, losses over the month were among the largest reported since mid-2008 for Professional and Business Services, while Information and Financial Services remained mostly unchanged.

Miami’s top three fastest-growing industries forecasted for the 2016-2024 period were:

- Construction 17.7%**
- Education and Health Services 17.0%**
- Professional and Business Services (PBS) 14.2%**

Source: Florida Department of Economic Opportunity

Miami’s upcoming occupier demand, by way of current tenants touring the market, paralleled forecasted office-using industry growth. A snapshot of the 2.3 million SF of tenant requirements revealed a diversified list of companies where the great majority fall within the following employment sectors:

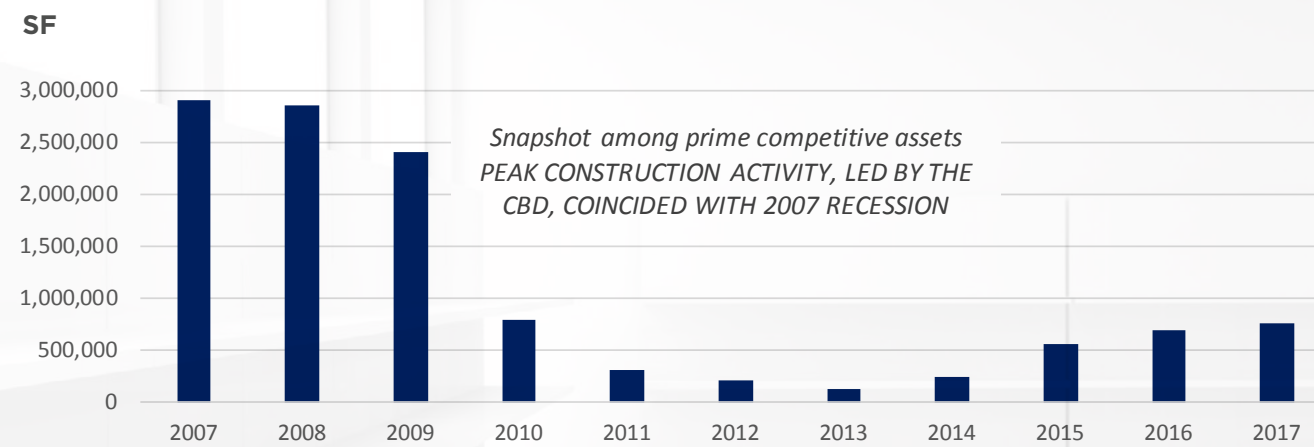
	Banking / Finance	798,500 SF
	Retail Trade	540,000 SF
	Media & Entertainment	288,000 SF
	Healthcare	131,500 SF
	Law Services	156,000 SF

**Unusual for Miami,
54.0% of current tours
comprised requirements
of 75,000+ SF - with
three firms well above the
100,000 SF mark.**

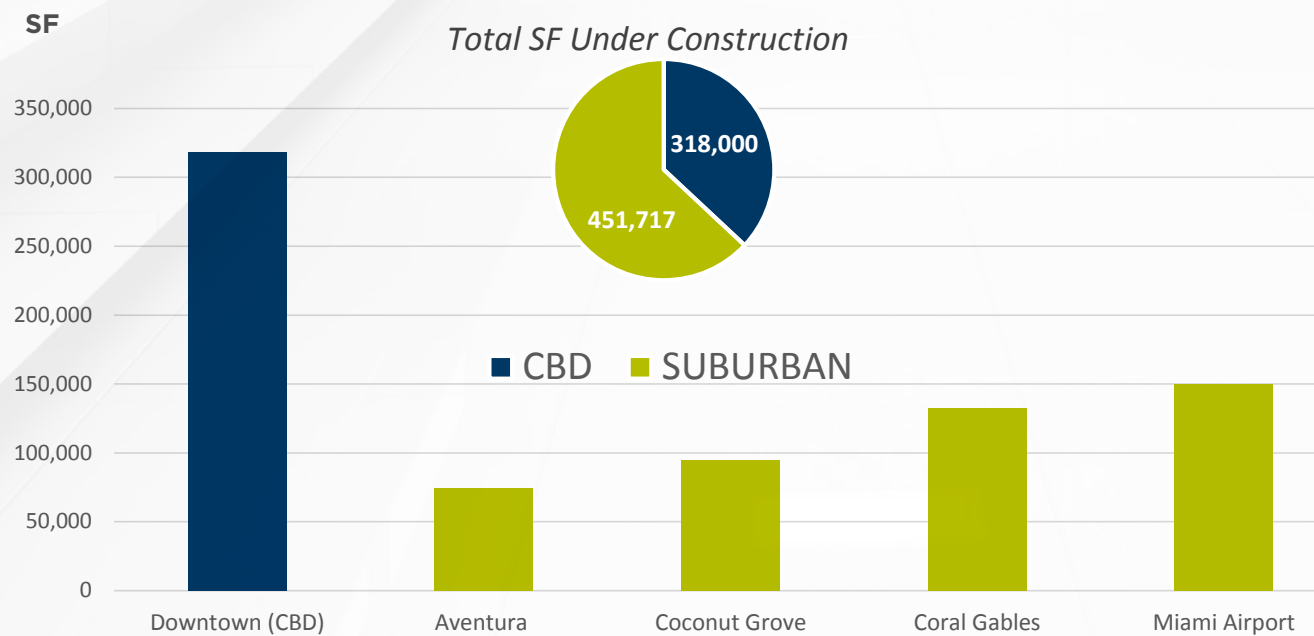


MIAMI OVER

MIAMI-CLASS A UNDER CONSTRUCTION ACTIVITY HISTORICAL TRENDS, 2007-3Q 2017



MIAMI-CLASS A UNDER CONSTRUCTION ACTIVITY, 2007-3Q 2017

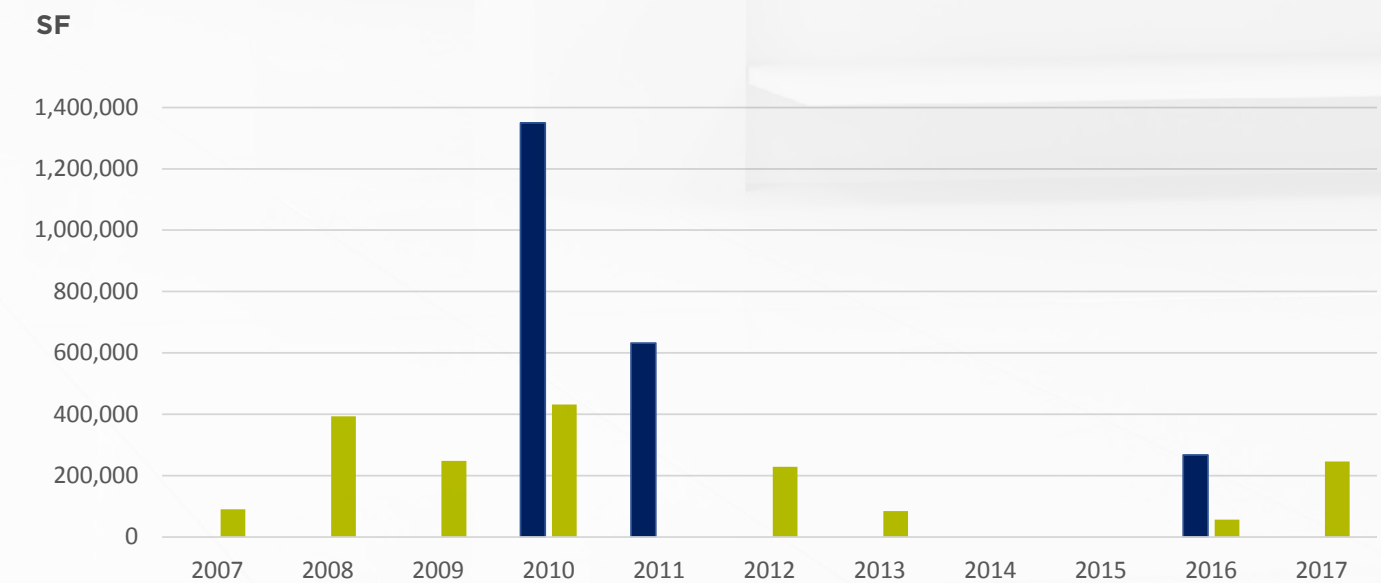


MIAMI SUPPLY HIGHLIGHTS

One Suburban building was completed during third quarter (246,000 SF in Airport West) – the first significant new Suburban delivery since 2012. The new building pushed Miami’s total inventory above the 34.0 million SF mark, where nearly two-thirds comprised Class A product. Even with new supply, Class A vacancy stayed in the high 11.0% range during the year, still down by a full percentage point year-over-year. Class B buildings saw vacancy levels rise with the current 15.2% rate the highest posted since 2013’s 17.0%.

This quarter’s under construction levels totaled 770,000 SF, of which 50% was pre-leased to date. The bulk or nearly 60.0% will be located in the Suburbs. Proposed competitive office product in the pipeline continued its upward trend, which totaled nearly 2.8 million SF at quarter’s end. The proposed space is almost evenly divided between the CBD and Suburbs, although most projects had no precise construction starts as of this writing.

MIAMI-NEW CLASS A HISTORICAL DELIVERIES, 2007-3Q 2017



MIAMI SUBLEASE

Physically vacant sublease still stood at insignificant levels of less than 1.0% of total supply. During the depth of the Recession at midyear 2009, the volume of vacant sublease spaces reached 589,000 SF. Third quarter available sublease (space which was either vacant or occupied and may include later occupancy dates) was significantly higher at 744,000 SF - most of which was Class A product. Only one CBD Class A building and two in the Suburbs (Class A and Class B) were marketing large subleases (at or in excess of 20,000 SF) at the close of the quarter.

DEMAND HIGHLIGHTS

On the absorption front (which included new to market and expansion deals), the first three quarters of positive absorption reversed last year's lost occupancy of 137,000 SF. Class A buildings carried all of the new occupancy gains with a year-to-date total of 294,000 SF. While at a reduced level, Class B buildings posted negative absorption (-210,000 SF) in a continuation of 2016's loss.

As for leasing activity (which included renewals along with new to market and expansion transactions), the year-to-date volume exceeded 2.2 million SF. Just over two-thirds of transactional activity occurred in Suburban markets.

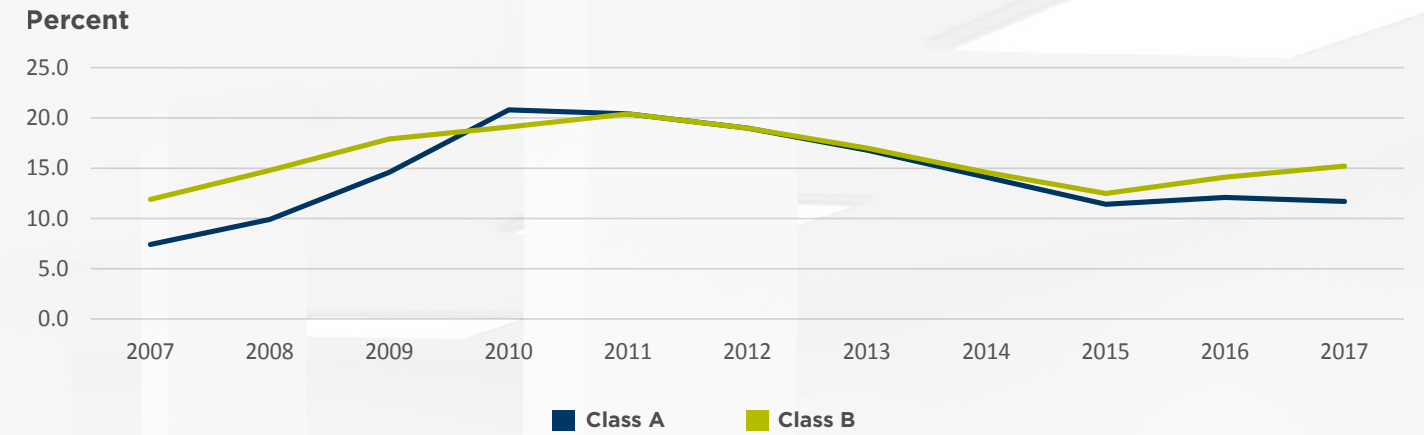
SUBMARKET'S GAINING OCCUPANCY

Unchanged over midyear, single-digit direct vacancies included Brickell's Class A sector in the CBD. Among Suburban submarkets, most were in the small waterfront office sectors of Aventura, Coconut Grove and Miami Beach. Airport West's Class A buildings increased direct vacancy to 10.0% via new product delivery while Coral Gables' Class A sector posted a dramatic decline in direct vacancy - the first single digit rate since 2007. At the end of the recession, all of Miami's office submarkets had double-digit vacancies.

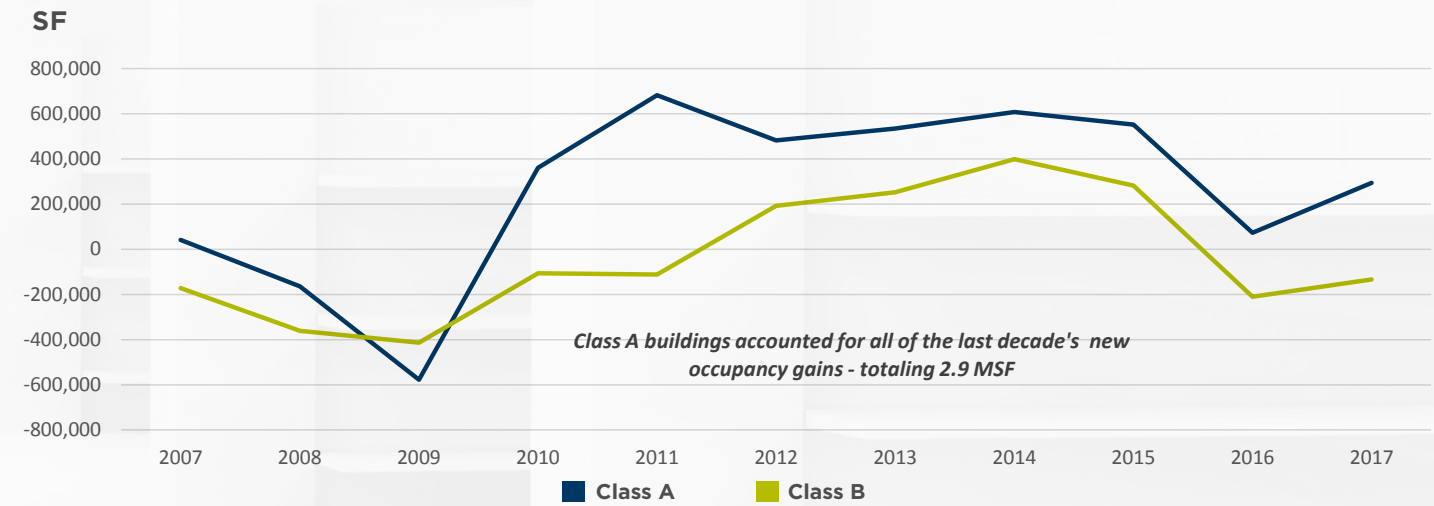
PRICING HIGHLIGHTS

Pricing for both classes of space continued their upward direction. During third quarter, both classes of buildings reached decade-high annual averages. Quoted peak averages for Class A assets exceeded \$42.50 PSF while average direct quotes for Class B buildings reached and topped the \$30.00 PSF mark.

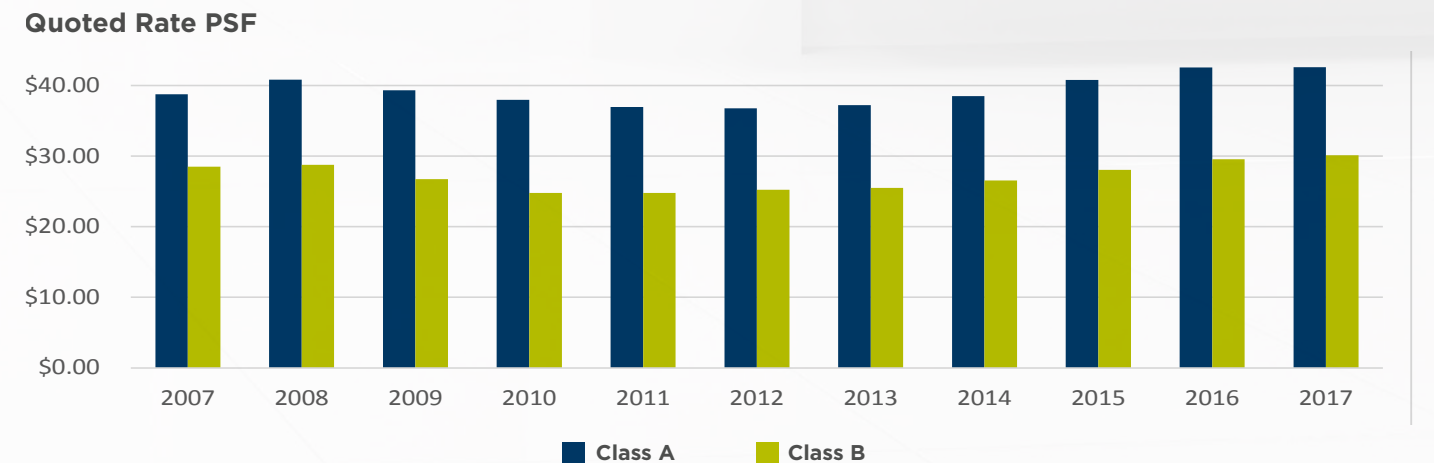
MIAMI DIRECT VACANCY (%) 2007-3Q 2017



MIAMI TOTAL NET ABSORPTION, 2007-3Q 2017



MIAMI AVERAGE DIRECT RENTAL RATES, 2007-3Q 2017



For purposes of this report, statistics reflect an exclusive set of competitive office buildings. As such, no relevant comparison can be made to other Cushman & Wakefield statistical reports.

3Q 2017

MIAMI OFFICE MARKET STATISTICS

	YTD Completions	Under Construction	Existing Inventory SF	Direct Vacant SF	Direct Vacancy %	Sublease SF	Total Vacancy SF	Total Vacancy %	YTD Net Absorption	Average Direct RR PSF Quoted
CBD										
Brickell Class A	0	0	4,662,867	427,144	9.2%	61,601	488,745	10.5%	119,184	\$52.45
Brickell Class B	0	0	1,921,881	322,903	16.8%	22,069	344,972	17.9%	-10,487	\$35.70
Totals	0	0	6,584,748	750,047	11.4%	83,670	833,717	12.7%	108,697	\$45.04
Downtown Class A	0	318,000	4,796,516	926,769	19.3%	16,696	943,465	19.7%	-66,848	\$44.83
Downtown Class B	0	0	1,932,997	427,220	22.1%	400	427,620	22.1%	-47,092	\$27.98
Totals	0	318,000	6,729,513	1,353,989	20.1%	17,096	1,371,085	20.4%	-113,940	\$39.37
CBD Total Market										
CBD Class A	0	318,000	9,459,383	1,353,913	14.3%	78,297	1,432,210	15.1%	52,336	\$47.01
CBD Class B	0	0	3,854,878	750,123	19.5%	22,469	772,592	20.0%	-57,579	\$31.06
Totals	0	318,000	13,314,261	2,104,036	15.8%	100,766	2,204,802	16.6%	-5,243	\$41.22
Suburban										
Aventura Class A	0	74,336	762,524	48,692	6.4%	0	48,692	6.4%	-2,446	\$48.40
Aventura Class B	0	0	212,500	10,135	4.8%	0	10,135	4.8%	-3,100	\$40.55
Totals	0	74,336	975,024	58,827	6.0%	0	58,827	6.0%	-5,546	\$46.21
Coconut Grove Class A	0	95,000	547,332	33,610	6.1%	0	33,610	6.1%	13,333	\$39.67
Coconut Grove Class B	0	0	336,982	9,238	2.7%	0	9,238	2.7%	14,749	\$33.70
Totals	0	95,000	884,314	42,848	4.8%	0	42,848	4.8%	28,082	\$36.12
Coral Gables Class A	0	132,381	3,584,140	312,556	8.7%	7,817	320,373	8.9%	143,486	\$40.54
Coral Gables Class B	0	0	1,880,786	240,838	12.8%	0	240,838	12.8%	-52,133	\$35.73
Totals	0	132,381	5,464,926	553,394	10.1%	7,817	561,211	10.3%	91,353	\$38.66
Kendall/South Dade	0	0	781,829	91,371	11.7%	0	91,371	11.7%	31,296	\$40.68
Kendall/ South Dade	0	0	1,476,320	187,479	12.7%	3,574	191,053	12.9%	8,636	\$26.69
Totals	0	0	2,258,149	278,850	12.3%	3,574	282,424	12.5%	39,932	\$31.39
Miami Airport Class A	246,085	150,000	5,075,813	507,924	10.0%	28,990	536,914	10.6%	73,271	\$34.11
Miami Airport Class B	0	0	3,736,733	520,411	13.9%	0	520,411	13.9%	-14,993	\$27.46
Totals	246,085	150,000	8,812,546	1,028,335	11.7%	28,990	1,057,325	12.0%	58,278	\$30.64
Miami Beach Class A	0	0	760,303	70,838	9.3%	0	70,838	9.3%	-35,453	\$48.65
Miami Beach Class B	0	0	916,426	108,000	11.8%	4,922	112,922	12.3%	-20,448	\$39.76
Totals	0	0	1,676,729	178,838	10.7%	4,922	183,760	11.0%	-55,901	\$42.95
Miami Lakes Class A	0	0	314,647	67,096	21.3%	0	67,096	21.3%	18,300	\$24.20
Miami Lakes Class B	0	0	553,896	139,401	25.2%	0	139,401	25.2%	-8,424	\$21.26
Totals	0	0	868,543	206,497	23.8%	0	206,497	23.8%	9,876	\$22.29
Suburban Total Market										
Suburban Class A	246,085	451,717	11,826,588	1,132,087	9.6%	36,807	1,168,894	9.9%	241,787	\$37.39
Suburban Class B	0	0	9,113,643	1,215,502	13.3%	8,496	1,223,998	13.4%	-75,713	\$29.50
Totals	246,085	451,717	20,940,231	2,347,589	11.2%	45,303	2,392,892	11.4%	166,074	\$33.35
MIAMI-DADE OVERALL										
Overall Class A	246,085	769,717	21,285,971	2,486,000	11.7%	115,104	2,601,104	12.2%	294,123	\$42.56
Overall Class B	0	0	12,968,521	1,965,625	15.2%	30,965	1,996,590	15.4%	-133,292	\$30.10
Totals	246,085	769,717	34,254,492	4,451,625	13.0%	146,069	4,597,694	13.4%	160,831	\$37.05

Survey includes select competitive office buildings for lease comprising 30,000+ SF, excluding medical, government, owner-occupied and most office condo product.

Class A Stock Increase 2007-2017
31.0%

Class A Vacancy rate
24.2% → 14.3%
Down 9.9% Points from 2011-2017

YTD New Occupancy
52,336 SF
Class A

CLASS A BUILDINGS
Dominating Tenants


Financial & Legal

3.2M SF
Occupying 1,000 SF +


Financial & Legal

80%
CBD Class A users
Largest SF Footprint


Legal

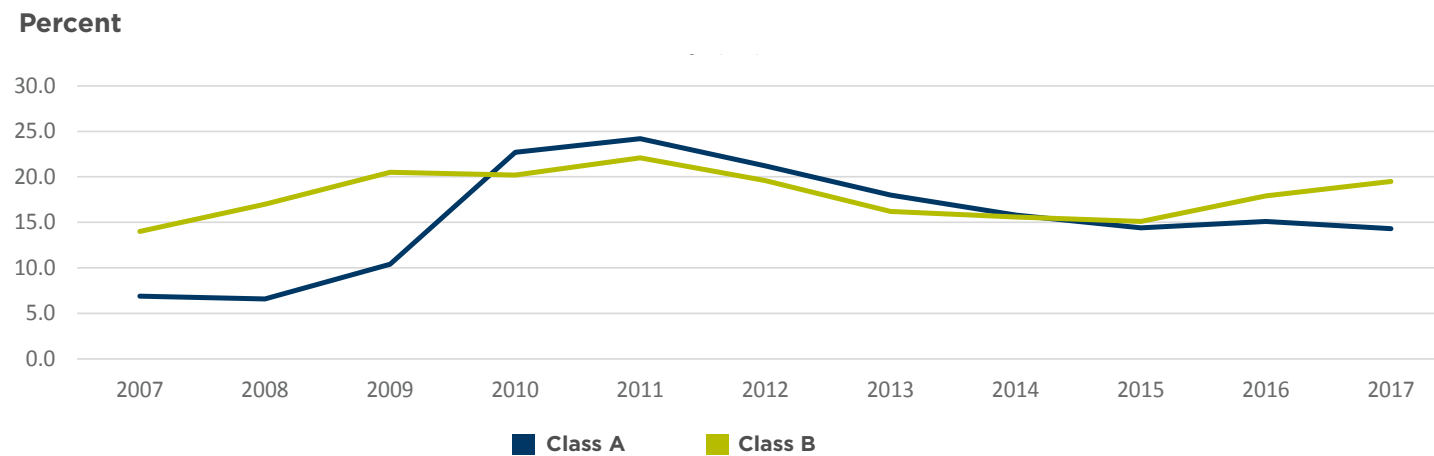
CBD HIGHLIGHTS

Most of Miami's new inventory over the last decade was built in the CBD, increasing Class A stock by 27.0%. The next delivery of new supply (318,000 SF) was expected by year-end 2017 in the Downtown submarket. New occupancy gains since the 2010-2011 deliveries dramatically reduced the record high annual average Class A vacancy rate of 24.0% by nearly 10.0 percentage points to the current 14.3%. Leading CBD positive absorption levels, both year-to-date and in 2016, was Brickell's Class A segment. Among Class B buildings, negative absorption over the last seven quarters and comparatively lower leasing volumes pushed vacancy to 19.5% - up from the 15.0% ranges posted during 2014 and 2015.

Third quarter transactions were dominated by CBD backbone occupiers: Business Services, Financial Services and Law Firms. The largest volume (66.0%) of CBD transactions on a square footage basis were executed within the Downtown submarket where the largest leases (20,000+ SF) were also signed.

	YTD Completions	Under Construction	Existing Inventory SF	Direct Vacancy %	Total Vacancy %	YTD Net Absorption	Average Direct RR PSF Quoted
CBD Class A	0	318,000	9,459,383	14.3%	15.1%	52,336	\$47.01
CBD Class B	0	0	3,854,878	19.5%	20.0%	-57,579	\$31.06
Totals	0	318,000	13,314,261	15.8%	16.6%	-5,243	\$41.22

CBD - DIRECT VACANCY (%) 2007-3Q 2017



Looking at upcoming demand, tenants totaling nearly 1.6 million SF were touring the CBD with Financial Services, Retail Trade, Media & Entertainment and Law Firms comprising the great majority (86.0%) of these office requirements. Also of note, and included in this total, was the recently announced 500,000 SF (first phase) South Florida requirement for Amazon's second headquarters.

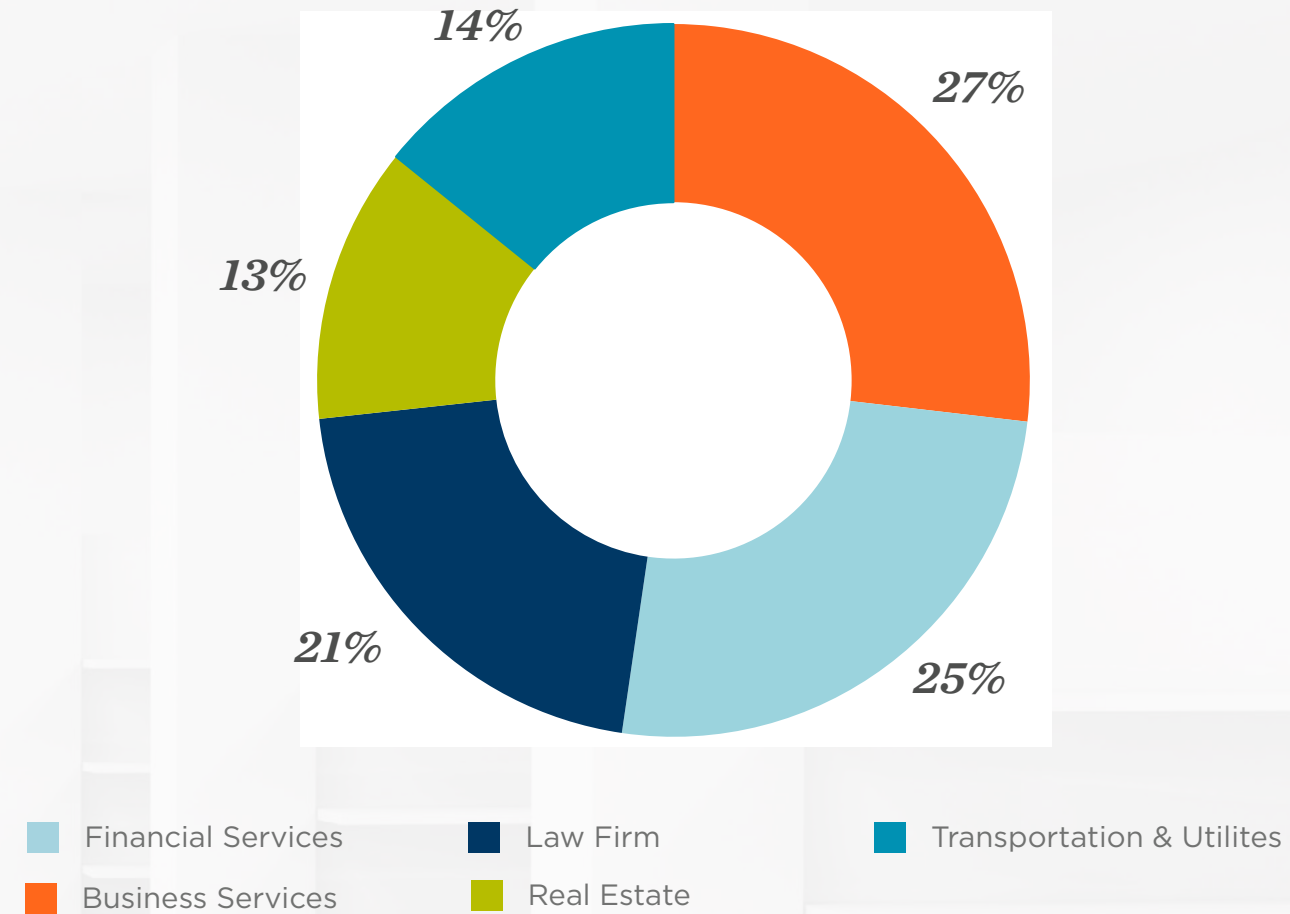


CBD Class A asking rates remained among the highest in Miami and represented a new \$10.00 PSF difference over its Suburban counterpart average; last quarter, the difference was \$9.17 PSF. The current and 2016's average Class A rate reached, and remained above, the \$47.00 PSF mark. These were the highest quotes posted this decade and a 14.0% increase over the historic low (\$41.22 PSF) recorded in 2012. Benefitting from the CBD's amenity-rich and growing commercial, residential and destination environment, Class B pricing also reached its 10-year historic high at third quarter of \$31.06 PSF which represented a substantial (24.0%) increase over the decade low average (\$25.13 PSF) posted in 2010.

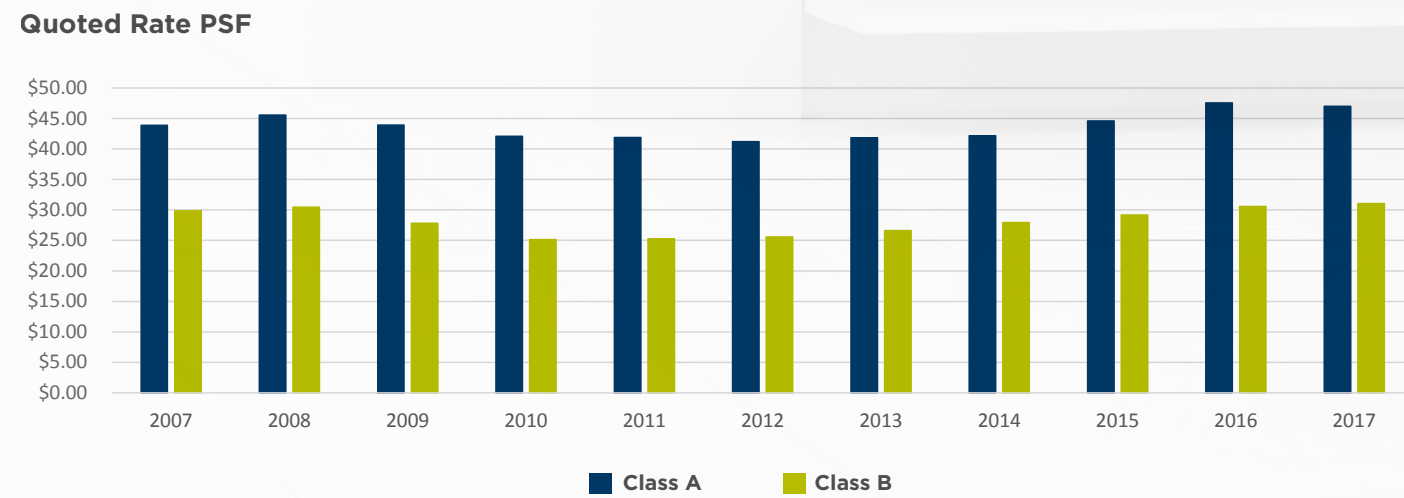
CBD EXECUTED LEASING ACTIVITY
SELECTED TRANSACTIONS, 3Q 2017

Submarket	Building	Tenant	Total SF Leased	Business Sector
Downtown	Citigroup Center	Harvard Maintenance	23,540	Business Services
Downtown	One Biscayne Tower	Stantec	22,900	Real Estate
Downtown	MiamiCentral	HNTB	20,000	Transportation & Utilities
Brickell	1450 Brickell	Boston Consulting Group	18,800	Business Services
Brickell	Brickell City Centre	Interaudi Bank	10,700	Banking
Downtown	Wells Fargo Center	Bulltlick	10,500	Financial Services

EXECUTED LEASES 3Q 2017
% Of Total By Employment Industry



CBD - AVERAGE DIRECT RENTAL RATES, 2007-3Q 2017



BRICKELL SUPPLY HIGHLIGHTS

Robust demand fundamentals following new supply deliveries and the end of the Recession resulted in Brickell's first Class A single-digit (reached this year) direct vacancy rate since 2009. Absorption of supply has been noteworthy with record high vacancy peaking at nearly 27.0% in 2011 and reduced to the current 9.2%. Premier product dominated this submarket on a square footage basis with four new buildings added to its inventory since 2010. In addition to new, modern and amenity-enhanced office product, many existing buildings implemented upgrades and renovations making Brickell one of Miami's most desirable and competitive locations.

OFFICE MARKET STATISTICS | 3Q 2017

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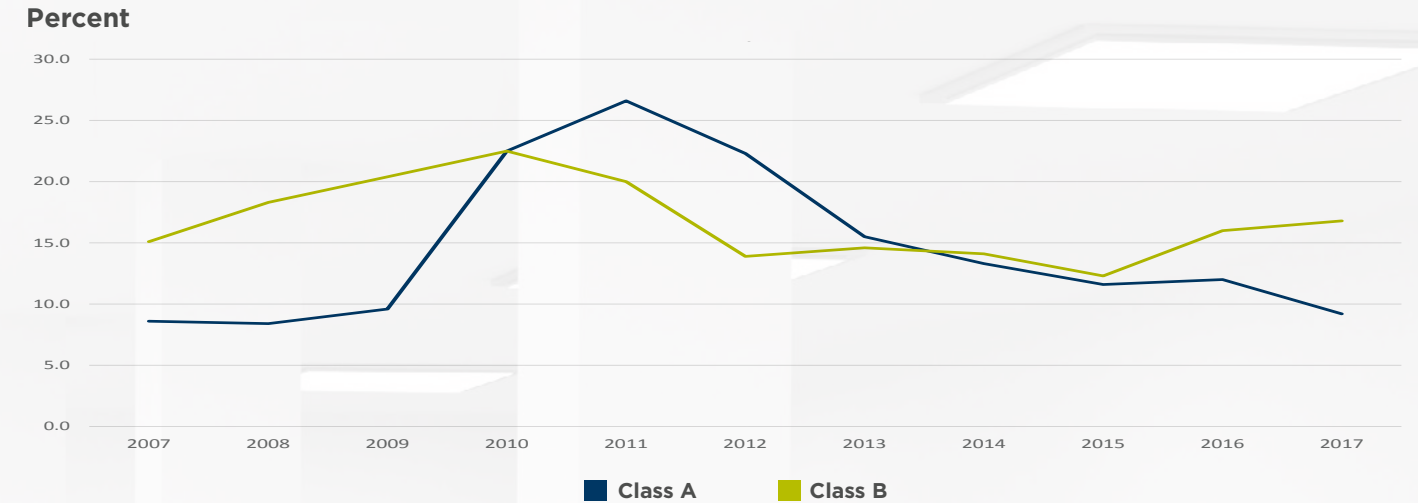
The four newest assets, which delivered a combined 1.5 million SF (2010-2016) boasted impressive occupancy at third quarter 2017: Brickell City Centre's (2016) two buildings which approached the 90.0% leased mark, Brickell World Plaza (2011) was 90.0% leased and 1450 Brickell (2010) was 96.0% leased. These assets also commanded some of the highest asking rates in Miami.

Current Class A vacant sublease space remained in the 48,000-62,000 SF range since 2016, somewhat under the levels posted at the end of the Recession. Factoring in sublets, Brickell's overall Class A vacancy remained unchanged during 2017 at 10.5%. Only one large contiguous (20,000+ SF) sublet was being marketed at third quarter.

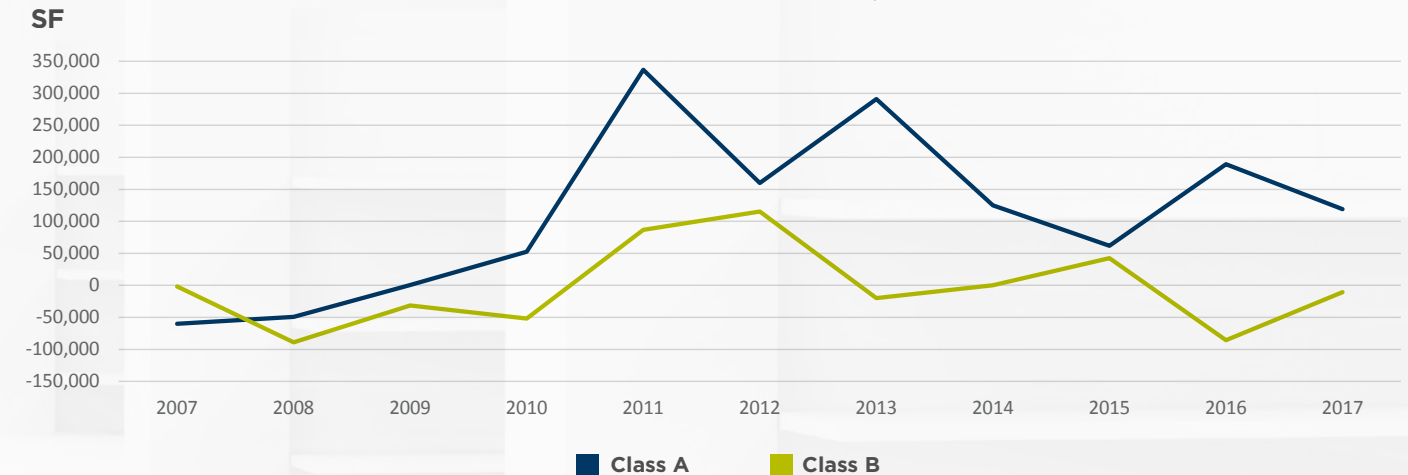
Totaling 24,000 SF, the two top floors at Two Brickell City Centre were the last available spaces left. By quarter's end, leases were out for the balance of the building's space. Three Brickell City Centre has been fully leased since late 2016.

At the trophy 701 Brickell asset, the largest contiguous sublet offering remained on AIG's 19th floor for 15,000 SF with term through 2025. On a direct basis, 16,700 SF was vacant on the 12th floor while the 25th floor will have 16,570 SF available by first quarter 2018, when Bulltack vacates. The building was 97.0% leased at the end of the quarter. Brickell's largest contiguous office was nearly 37,000 SF on two high floors at 801 Brickell. A sublease offering with term through 2024, it is the former space for the Royal Bank of Canada's Swiss private bank. The Class A asset was 96.0% leased.

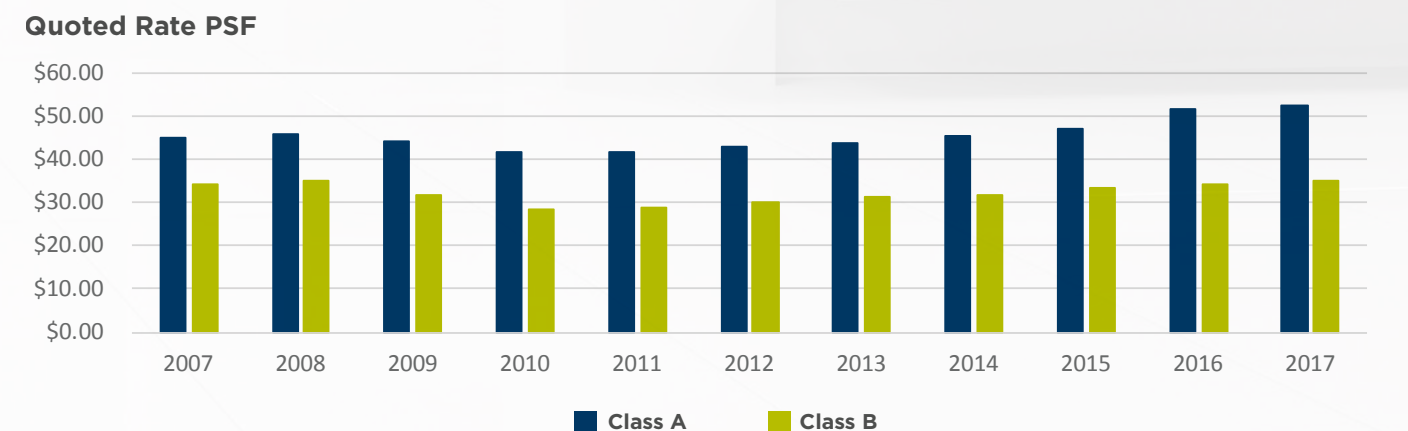
BRICKELL DIRECT VACANCY (%) 2007-3Q 2017



BRICKELL TOTAL NET ABSORPTION, 2007-3Q 2017



BRICKELL AVERAGE DIRECT RENTAL RATES, 2007-3Q 2017



BRICKELL SUPPLY HIGHLIGHTS (CONTINUED)

1450 Brickell was marketing 17,000 SF on the 15th floor as the largest contiguous office. The building was 96.0% leased at the end of the quarter.

1221 Brickell advertised a 17th floor office of 7,400 SF on a direct basis. Only one sublease was being offered at third quarter and included the entire top (27th Floor) for 15,500 SF, with term through 2025.

Sabadell Financial Center had half of its 16th floor (12,400 SF) available for sublease with Revlon's relocation to Broward County. Along with an 8,000 SF suite (direct) on the same floor and half of the 15th floor (sublease), the building was able to accommodate 30,000 SF as its largest contiguous space at third quarter. The building reported a 91.0% leased rate.

With little Class B absorption year-to-date and last year's negative absorption, the last four quarters have kept direct vacancy in the mid 16.0%-17.0% range. The third quarter rate of 16.8% was still below the peak high of 2010's 22.5%. Sublease space rose over the last two quarters.

The Class B 777 Brickell asset, with prime frontage at the entrance to Brickell Avenue, was marketing a 9th floor, near 18,000 SF (direct) office; on the sublet front, the next largest contiguous office was the third floor at 10,700 SF. The building remained at 92.0% leased.

Located across the street from 777 Brickell with equally desirable Brickell Avenue frontage, is 444 Brickell where Brickell's largest contiguous Class B office remained available - 37,000+ SF on the 5th and 6th floors. This was the former space for the Attorney General's office. Brickell City Tower's largest contiguous office at third quarter was the 19th floor sublet totaling 13,500 SF. On a direct basis, the building was marketing a 7,900 SF as its largest contiguous office. The space was located on the 22nd floor.

At the two building, 1101 Brickell development, occupancy stood at 74.0%. Unchanged over the quarter, the largest contiguous office remained at 8,500 SF. The 86% leased 800 Brickell had 6,750 SF as its largest contiguous space. Unchanged over the quarter and with nearly 90.0% of its space leased, the Class B 999 Brickell building had only a few small - less than 3,500 SF - offices available for lease, nearly all of which were direct offerings.

BRICKELL DEMAND HIGHLIGHTS

At 9.2%, this Class A sector was the only CBD segment with a single digit vacancy. New-to-market and expansion activity resulted in Brickell's Class A buildings carrying the highest year-to-date CBD net absorption (119,000 SF) and second highest among all Miami submarkets. Aiding occupancy gains overall, this segment of the market posted nearly 1.3 MSF in positive absorption over the last decade.

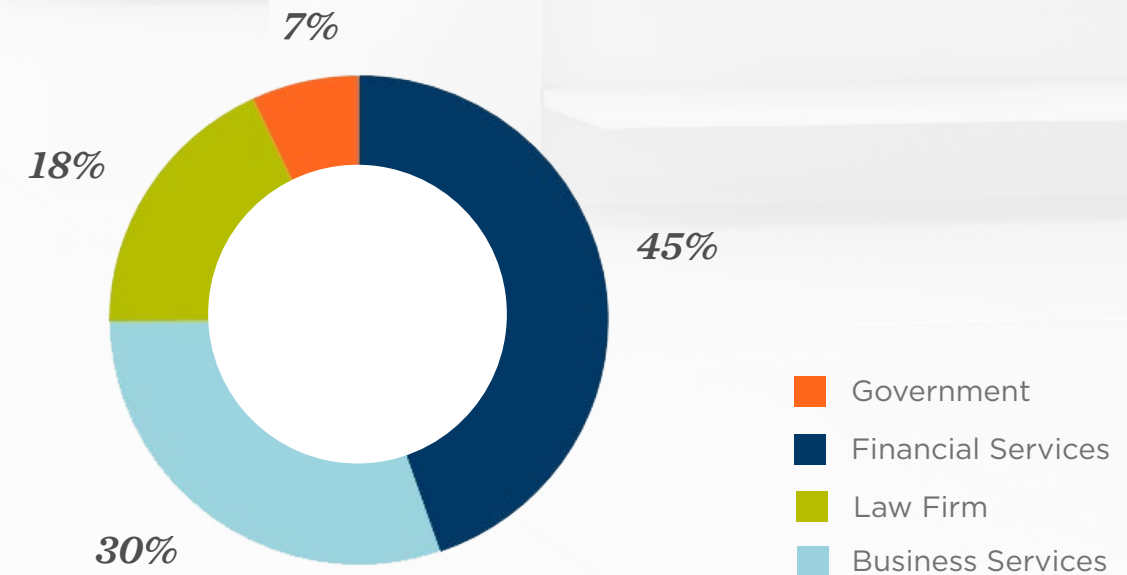
Year-to-date leasing activity, which also includes renewals (along with new deals and expansions), totaled 286,000 SF. The mainstay office occupier industry sectors of Finance, Business Services and Law led this quarter's transactional activity. Approximately 65.0% of year-to-date transactions occurred during the first two quarters of 2017.

Downtown tenant, Inter Audi Bank, relocated to Two Brickell City Centre to occupy nearly 11,000 SF. With lease negotiations underway, the building is expected to be fully occupied by year-end. Year-to-date leasing at 701 Brickell totaled nearly 26,000 SF. One small retail tenant renewed on the Mezzanine level at the 678,000 SF, TIAA-Allianz asset. Boston Consulting Group relocated (and expanded) to 1450 Brickell. Relocating from another Brickell building, the global consulting firm executed a near 19,000 SF lease during the quarter. At 1221 Brickell, commercial real estate advisory and investment firm, GSI Management USA, executed a 3,500 SF renewal on the building's 25th floor. The building was purchased earlier in the year by Rockpoint Group, a Boston based real estate private equity firm. Two law firms executed leases this quarter at 777 Brickell. They included 3,000 SF for global litigation attorneys Goldberg Segalla (5th floor) and 2,000 SF for Saez & Associates (11th floor).

444 Brickell's third quarter leasing activity totaled 20,000 SF at the Class B building. The two single largest transactions included a renewal and expansion for transportation entity, Avinode, (7,100 SF) and Network Capital's 6,000 SF relocation from Suburban Airport West. Nearly 40,000 SF have been executed year-to-date.

At the Class B Brickell City Tower asset, Florida International Bankers Association (FIBA) and JP Morgan Chase renewed their leases, each for 5,000+ SF. Another Consulate office will open at 1101 Brickell: the Romanian Consulate, who executed a new 5,000 SF lease.

EXECUTED LEASES 3Q 2017
% Of Total By Employment Industry



BRICKELL PRICING HIGHLIGHTS

Steady demand continued to bolster landlord confidence on the pricing front as asking rates for most Brickell assets increased incrementally and annually since the end of the Recession. Far exceeding the historical \$40.00 PSF average benchmark, half of the Class A towers now average quotes above the \$50.00 PSF mark. The last five quarters saw Brickell's Class A rental rate average above \$50.00 PSF with the last two quarters posting historic highs of \$52.45 PSF.

At the top of the food chain were Brickell World Plaza's \$68.00 PSF asking rate for its 40th floor penthouse, followed by 1450 Brickell's \$62.00-\$65.00 PSF rate all of its remaining spaces. Brickell's newest asset, Two Brickell City Centre, increased quotes from \$53.00 to \$55.00 PSF since its 2016 opening. 701 Brickell quoted rates of \$52.00-\$56.00 PSF for most of its direct availabilities while the full 19th floor sublet advertised an asking rate of \$47.00 PSF.

Sabadell Financial Center's asking rates at third quarter were up, with a quoted range of \$45.00-\$52.00 PSF. Asking rates at 1221 Brickell ranged from \$45.00 - \$46.50 PSF, unchanged over the quarter but up from earlier in the year (\$44.00 - \$46.00 PSF). Following suit and despite rising supply levels, Class B landlords seized upon their advantageous Brickell address to increase their pricing which reached another 10-year annual historic high at third quarter of \$35.70 PSF. The average stayed above the \$35.00 PSF threshold for the last three quarters.

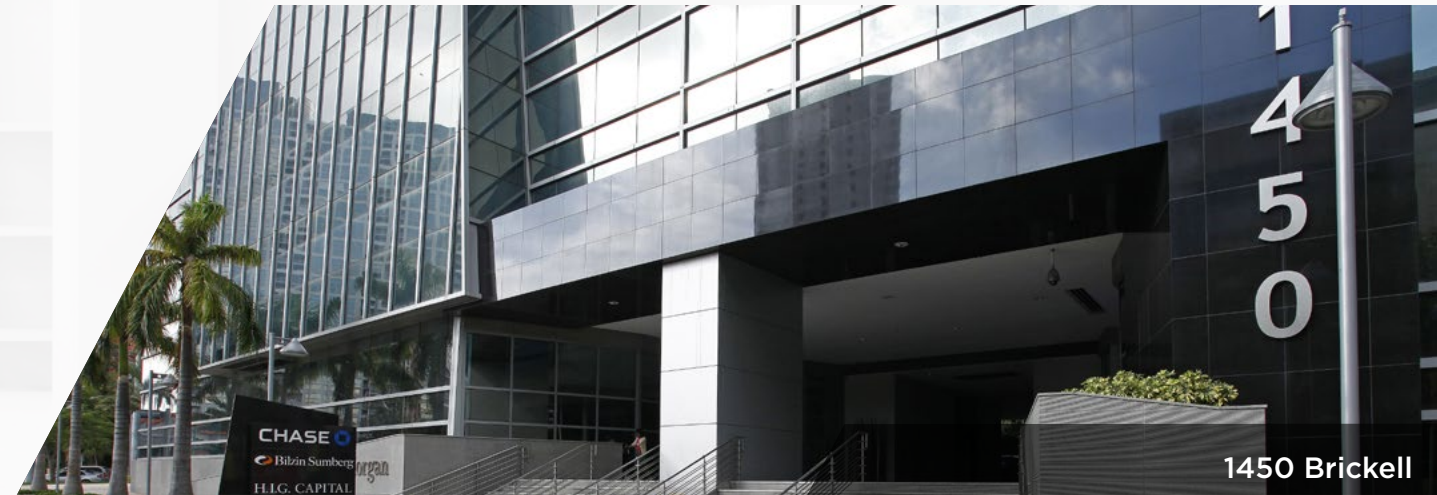
Brickell City Tower, well positioned in the midst of the massive \$1.0+ billion, mixed-use Brickell City Centre development and the Mary Brickell Village retail project, had third quarter quotes of \$40.00-\$41.00 PSF. Unchanged from midyear, higher rental rates were being asked at 800 Brickell (also possessing excellent Brickell Avenue frontage) at \$42.00-\$43.50 PSF. At 777 Brickell, the rental rate ranged from \$40.00-\$45.00 PSF while the two buildings at 1101 Brickell quoted a \$35.00 PSF rate. 999 Brickell had quotes of \$33.50-\$35.00 PSF. Nearly all of 444 Brickell's availabilities were priced at \$28.00 PSF at third quarter.

INVESTMENT SALES DURING 3Q 2017

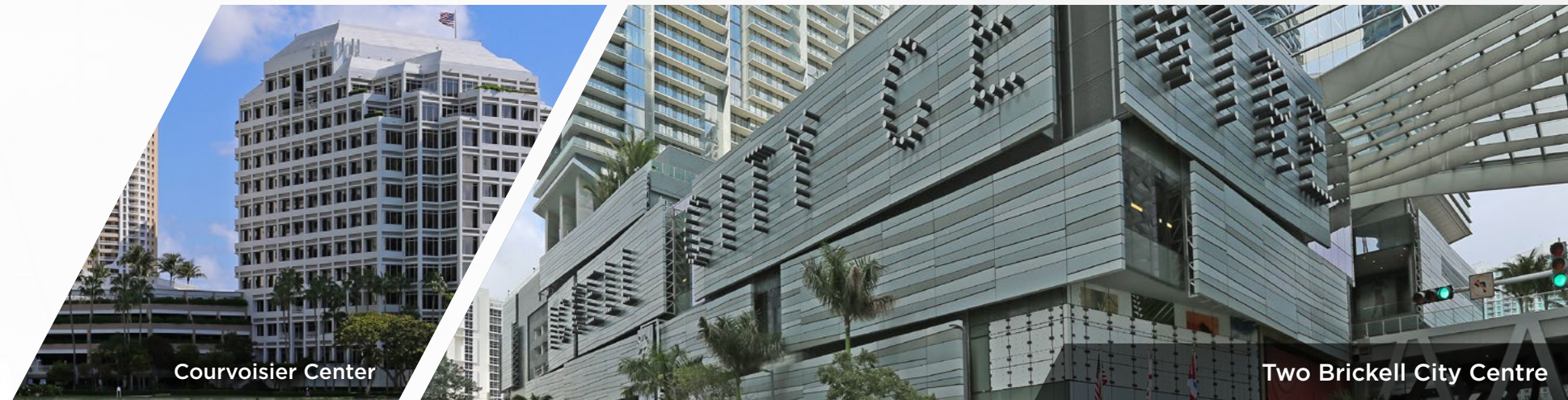
No buildings traded during the quarter.



Brickell World Plaza



1450 Brickell

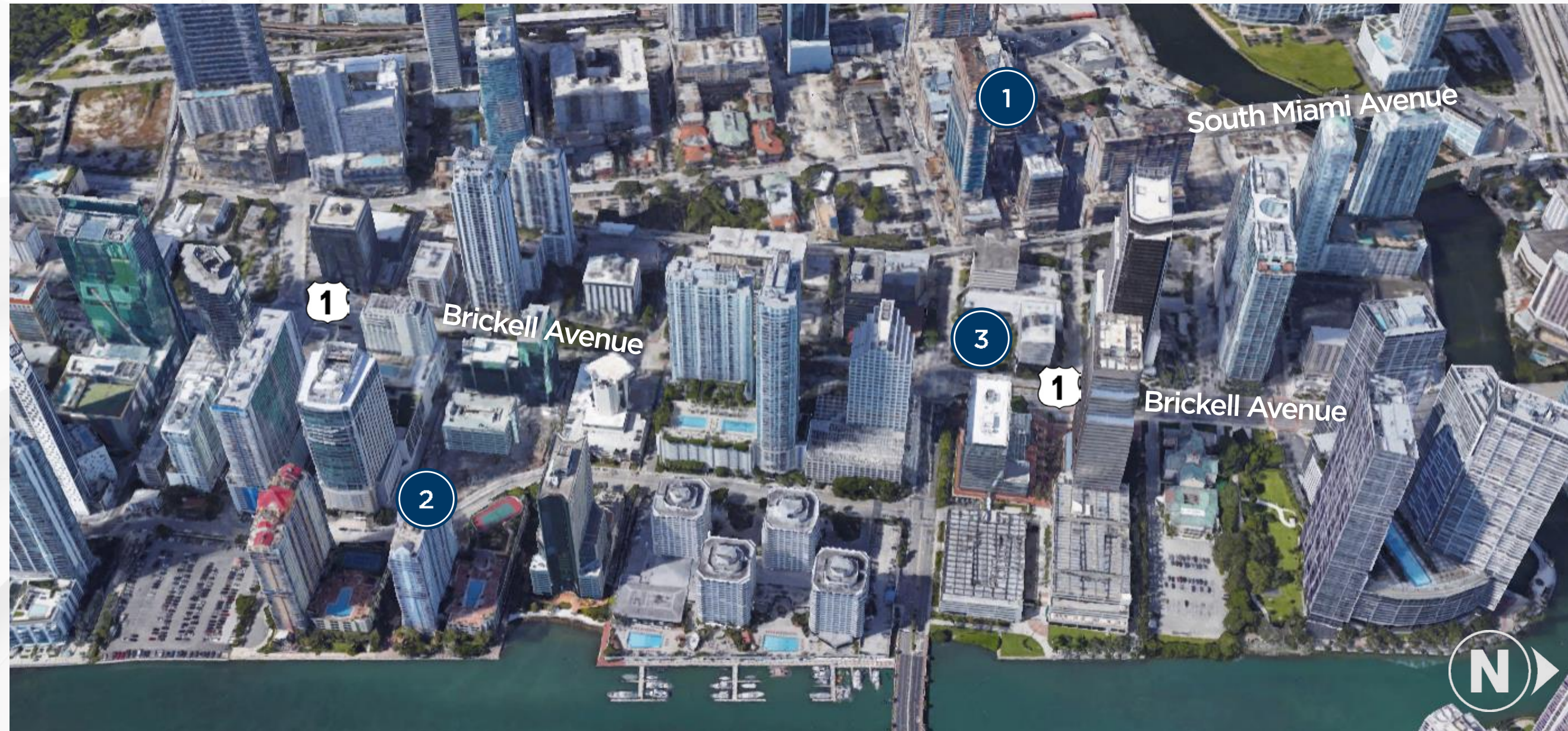


Courvoisier Center

Two Brickell City Centre

BRICKELL DEVELOPMENT
NEW OFFICE CONSTRUCTION

Number	Name	Address	Total SF	Office SF	Uses	UC/Proposed	Delivery
①	One Brickell Cty Centre - Phase II	700 Brickell Avenue	1,000,000	600,000	Office, Retail, Condo, Hotel	Proposed	N/A
②	Yacht Club @ Brickell Apartments	1111 Brickell Bay Drive	570,000	35,000	Office, Residential, Hotel & Retail	Proposed	N/A
③	888 Brickell	888 Brickell Avenue	305,000	305,000	Office	Proposed	N/A



BRICKELL SURROUNDING AREA
OTHER DEVELOPMENT

BRICKELL WORLD PLAZA - PHASE II
(Proposed)



Hotel & Residential
Land behind Brickell World Plaza
600 Brickell Ave.

PANORAMA TOWER (UC 2018 Delivery)



Medical Office, Residential, Retail & Hotel
1101 Brickell Ave.

18 AT 8TH STREET (Proposed)



Residential & Retail (Burger King Site)
10 SW 8th Street

EMBASSY SUITES & HOME 2 (Proposed)



Hotels (Hilton brands)
1129 SW 3rd Ave.

90 SW 8TH STREET (Proposed)



Retail - Barlington Group Development
90 SW 8th Street

BRICKELL FLATIRON (US 2018 Delivery)



Residential
1001 South Miami Ave.

DOWNTOWN SUPPLY HIGHLIGHTS

Among the 100 Class A office buildings in the Miami market, only 12 comprise 400,000 SF or more – all of which were located in the CBD, with six each in Brickell and Downtown. On a square footage basis, Downtown contained the largest volume, due in part to housing the largest (1.2 million SF) premier asset in Florida, Southeast Financial Center. The six Downtown trophy towers made up the Class A competitive set, along with the smaller 243,000 SF Museum Tower building.

OFFICE MARKET STATISTICS | 3Q 2017

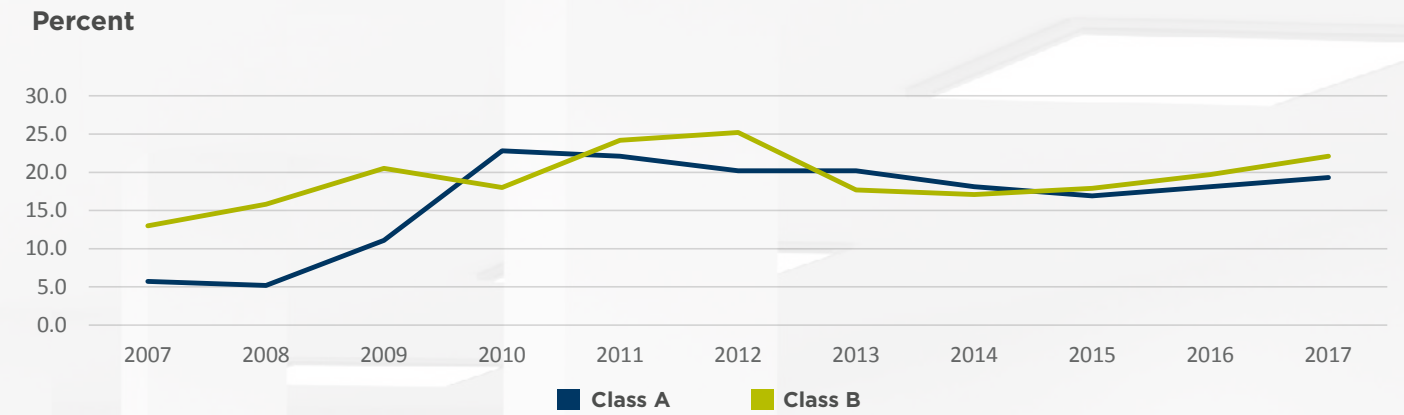
	YTD Completions	Under Construction	Existing Inventory SF	Direct Vacancy %	Total Vacancy %	YTD Net Absorption	Average Direct RR PSF Quoted
Downtown Class A	0	318,000	4,796,516	19.3%	19.7%	-66,848	\$44.83
Downtown Class B	0	0	1,932,997	22.1%	22.1%	-47,092	\$27.98
Totals	0	318,000	6,729,513	20.1%	20.4%	-113,940	\$39.37

Class A buildings posted double digit vacancies and continued its upward movement over the last four quarters. The effects of the Recession, the 2010 delivery of the 753,000 SF Wells Fargo Center along with competitive new product in Brickell as well as the sheer size of the existing Downtown buildings all played a part in the high vacancy rates. As for large contiguous Class A blocks, four of Downtown’s seven towers contained all but one of Miami’s largest Class A blocks - ranging from 52,000 SF to two buildings with 130,000 SF+ each.

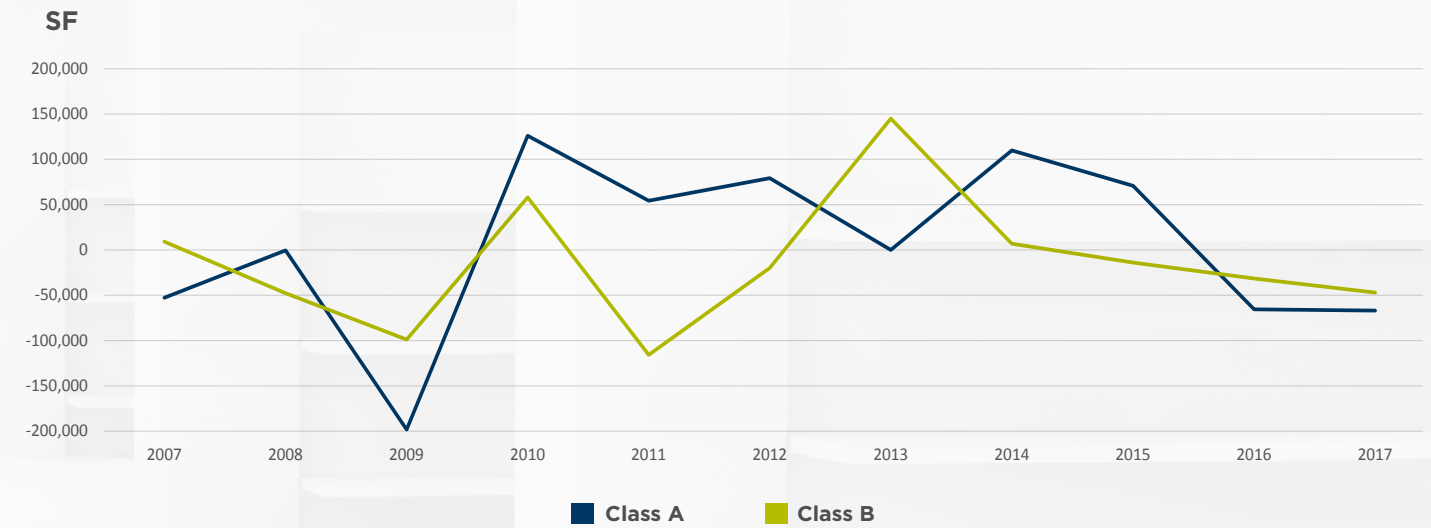
Unchanged during the year, the 1.2 million SF Southeast Financial Center had two significant contiguous offerings: 133,000 SF on floors 10 through 15 and another 45,000 SF Mezzanine/Annex space overlooking the retail plaza. This was Wells Fargo’s space, who will vacate all of their offices by year-end 2017 and relocate in-market to their Downtown namesake tower, Wells Fargo Center. Southeast Financial Center was 82.0% leased, a figure that remains relatively stable as the tower typically maintains 1.0+ million SF under lease.

Additional large contiguous spaces that were vacant included Citigroup Center’s 130,000 SF and five high floors totaling 90,000 SF at SunTrust International. The architecturally distinct Miami Tower was marketing a contiguous 45,000 SF (floors 18 and 19) at the close of the quarter. Also at Miami Tower, a high floor (36th) sublet was put on the market at midyear 2017, totaling nearly 15,000 SF with term through midyear 2021.

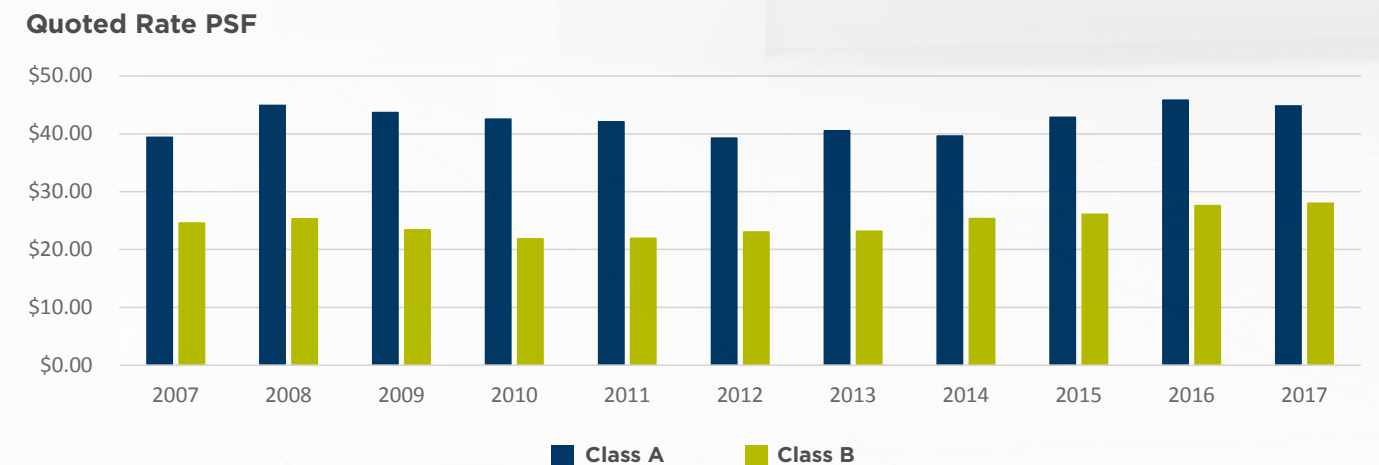
DOWNTOWN DIRECT VACANCY (%) 2007-3Q 2017



DOWNTOWN TOTAL NET ABSORPTION, 2007-3Q 2017



DOWNTOWN AVERAGE DIRECT RENTAL RATES, 2007-3Q 2017



DOWNTOWN SUPPLY HIGHLIGHTS (CONTINUED)

At Wells Fargo Center, the two biggest offices were located on non-contiguous floors (21st and 24th) at 27,500 SF each. The building reported an 83.0% leased rate at third quarter. Most of its availabilities were on a direct basis. A 10,000 SF sublet remained available on the 37th floor.

One Biscayne Tower posted occupancy at 87.0%. The largest contiguous office available totaled 52,300 SF, located on the 32nd and 33rd floors. At 88.0% leased, Museum Tower had 13,000 SF as its largest contiguous office, located on the 19th floor. Also among Miami's largest contiguous offerings was the 130,000 SF at The Omni Offices at the entrance to Miami Beach and the CBD. Located just north of the Downtown urban core boundary and south and east of the Wynwood-Midtown-Design District, the space was located on the 4th and 5th floors of the former retail/entertainment complex. The Omni contained 435,000 SF of office space at third quarter and an adjacent Hilton hotel. The project, along with several surrounding sites which are slated for redevelopment, was purchased by Resorts World Miami (Genting Group, a Malaysian conglomerate with vast resort, gaming/gas/oil holdings and half ownership in Miami-headquartered Norwegian Cruise Lines).

At the Class B Courthouse Tower, the 4th floor's 13,000 SF was the largest contiguous office at third quarter. The near 86.0% leased asset is implementing a \$5.0 million of capital improvements, with upgrades to the building's facade, signage, lobby, corridors, elevator lobbies and amenity spaces.

Downtown had two buildings under construction at quarter's end: At 318,000 SF, the Two and Three MiamiCentral buildings were part of the larger, 9.0 acre mixed-use multimodal Grand Central Station Development that will be the southern terminus for All Aboard Florida's Intra-City Rail, Brightline. The two office buildings had a combined pre-leased rate of 65.0% at third quarter with delivery scheduled by year-end 2017. New leasing activity this quarter left 47,000 SF on floors 11 and 12 (Three MiamiCentral) with 57,000 SF at Two MiamiCentral on floors 4 through 6 as the project's largest remaining available contiguous blocks.

DOWNTOWN DEMAND HIGHLIGHTS

On the pre-leasing front, the under construction Three MiamiCentral executed a 20,000 SF lease for infrastructure contractors, HNTB. The transaction marked a relocation from Suburban Airport West.

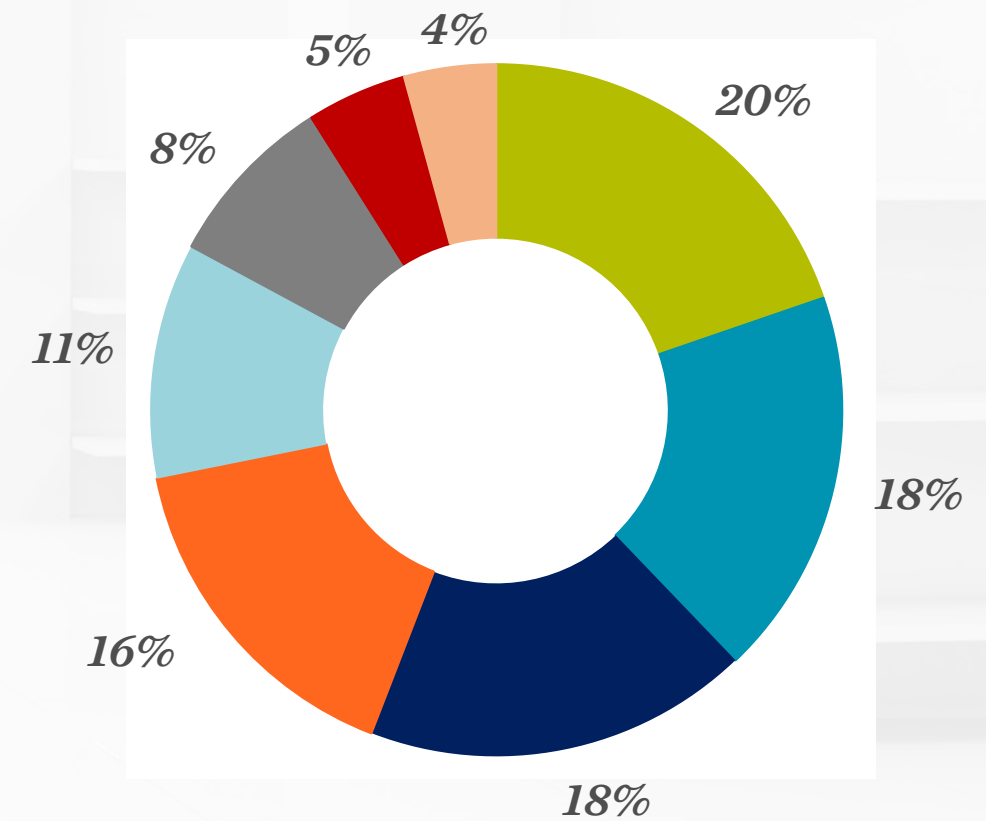
Three relocations, all from within the CBD, marked transactional activity at Citigroup Center. They included Harvard Maintenance for 23,540 SF, Weil Law Firm for 4,000 SF and HAYMAN-WOODWARD who executed 2,900 SF. The ground floor renovation for Citibank's new high-end, full service retail bank branch will be completed at year-end 2017 along with a new but not yet announced restaurant in the lobby.

Serving the U.S. and Latin America global securities markets, Bulltuck executed a 10,500 SF at Wells Fargo Center. The firm will have their headquarters on the 39th floor when they relocate from 701 Brickell Avenue.

One Biscayne Tower renewed and expanded engineering and architectural firm, Stantec, for 22,900 SF with offices on the 15th and 16th floors. New to the building, the Panama Maritime Authority executed a 6,400 SF office. The agency is in charge of managing the world's largest ship registry, with over 8,000 registered vessels, representing 18% of the world fleet.

Law firm activity has dominated transactions over the last two quarters at SunTrust International Center. The current quarter saw Pearson Bitman Law Firm execute a 3,000 SF lease while several smaller attorneys executed a total of 10,000 SF collectively. At Miami Tower, Chartwell Law Offices executed a 10,000 SF lease for the building's 21st floor. Chartwell will relocate from Southeast Financial Center.

EXECUTED LEASES 3Q 2017
% Of Total By Employment Industry



- Real Estate
- Business Services
- Transportation & Utilities
- Law Firm
- Financial Services
- Healthcare
- Leisure & Hospitality
- Governemnt

DOWNTOWN PRICING HIGHLIGHTS

The last three quarters saw small bumps in Class A asking rates, ending this quarter's direct quote at \$44.83 PSF. The average, however, was down from year-end 2016's \$45.80 PSF. For prime, high floor spaces, one of the highest asking rental rates was \$59.00 PSF for the 43rd and 44th floors at Southeast Financial Center. One of only a few remaining CBD penthouse spaces (34th floor) was at Citigroup Center, quoted at \$57.00-\$67.00 PSF. Miami Tower's top two floors (46th and 47th) were priced at \$51.00-\$54.00 PSF while quoted rates for mid-level floors ranged from \$46.00 PSF-\$49.00 PSF and for lower floors, asking rates ranged from \$43.00-\$46.00 PSF. Pricing for Wells Fargo Center ranged from \$43.00-\$48.00 PSF.

Third quarter 2017 asking rates at One Biscayne Tower ranged from \$38.00-\$44.00 PSF while the rental rate range was lower at SunTrust International, with quotes of \$36.00-\$40.00 PSF for all of its direct spaces.

Also experiencing rising vacancy, Class B average rates still reached an annual historic peak this quarter at \$27.98 PSF. Average quarterly quotes have stayed above \$27.00 PSF since the beginning of 2016. Mirroring their Brickell counterparts, these buildings were surrounded by on-going new and redevelopment activity with accompanying amenities.

The renovated 200 Building, located at 200 S.E. 1st Street, had an increase in third quarter quoted rates from \$28.00-\$34.00 PSF to \$30.00 PSF-\$34.00 PSF. The 142,000 SF building was purchased last year by New York-based Brickman. New World Tower's quotes ranged from \$34.00-\$40.00 PSF. Both of these buildings cater to smaller office users. The Omni's 130,000 SF availability had their midyear asking rates lowered from \$40.00-\$44.00 PSF to the current quarter's range of \$30.00-\$40.00 PSF. The under construction Two MiamiCentral increased its quotes by \$1.00 PSF over the quarter to \$43.10 PSF but left intact the \$49.10 PSF asking rate at Three MiamiCentral.

INVESTMENT SALES DURING 3Q 2017

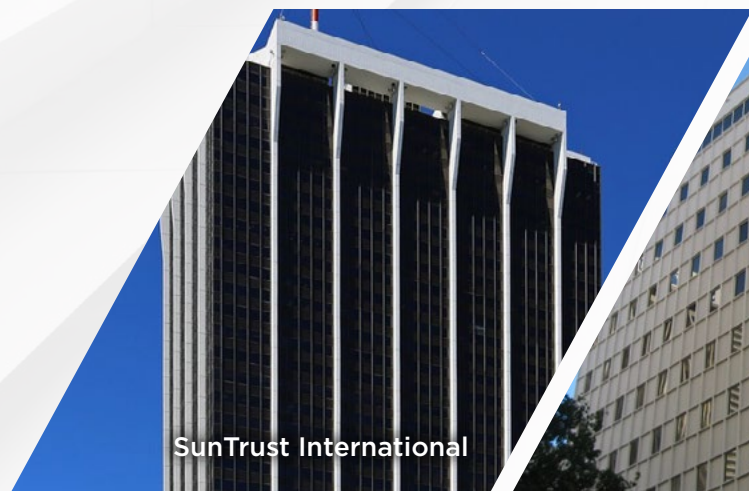
No buildings traded during the quarter.



Southeast Financial Center



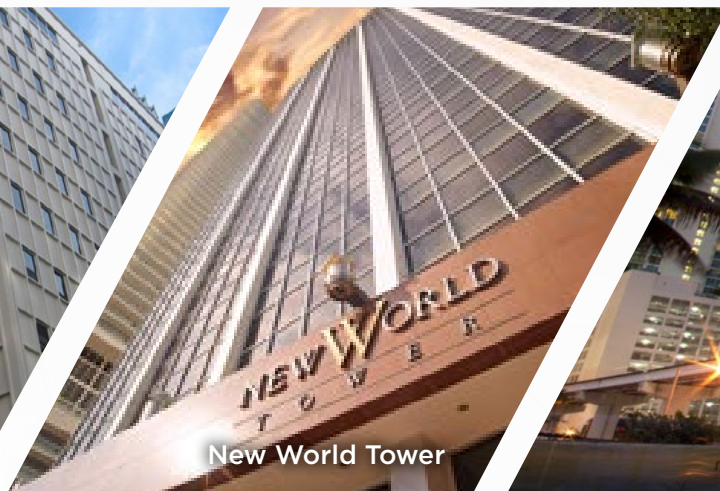
Citigroup Center



SunTrust International



200 Building



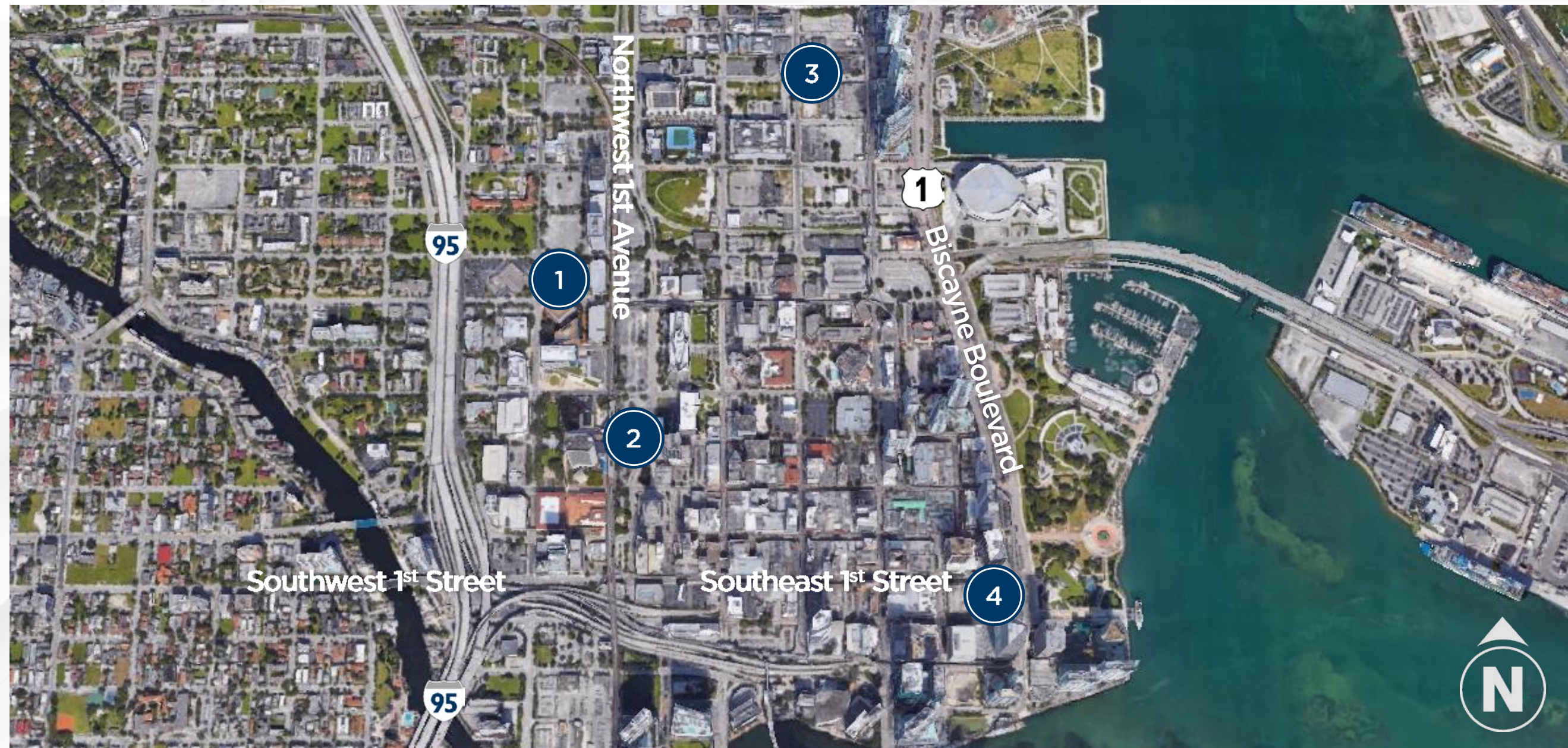
New World Tower



Wells Fargo Center

DOWNTOWN DEVELOPMENT
NEW OFFICE CONSTRUCTION

Number	Name	Address	Total SF	Office SF	Uses	UC/Proposed	Delivery
①	MiamiCentral	160 NW 7th Street	3,000,000	318,000	Office, Residential, Retail & Hotel	UC	4Q 2017
②	MiamiCentral - Phase II	600 NW 1st Street	1,000,000	600,000	Office, Residential, Retail & Hotel	Proposed	N/A
③	Miami Worldcenter - 110 10th	110 NE 10th Street	600,000	600,000	Office	Proposed	2020/2021
④	One Bayfront Plaza	100 South Biscayne Boulevard	3,300,000	534,379	Office, Residential, Retail & Hotel	Proposed	2022



DOWNTOWN SURROUNDING AREA
OTHER DEVELOPMENT

MIAMI WORLD CENTER
(UC 2018-2019 Delivery)



Marriott Marquis Hotel & Convention Center,
Residential, Retail
10-City Block, Master Planned Development
NW Quadrant of NE 2nd Avenue and NE 10TH Street

OMNI REDEVELOPMENT (Proposed)



Hotel, Retail & Renovated/Expanded Bus Terminal
& Metromover Station
1455 Biscayne Blvd.

HYATT REGENCY & KNIGHT CENTER
REDEVELOPMENT (Proposed)



Hotel, Mixed-Use & Meeting Space
400 SE Second Avenue

Perez Art Museum & Frost Museum of Science (2013 Delivered)



250,000 SF Waterfront Complex-Green Space,
Contemporary/International Artwork, Planetarium
& Aquarium
1101 Biscayne Blvd.

I-395 RECONSTRUCTION PROJECT
(Proposed)



Signature Bridge over Biscayne Blvd., rebuilding of
the I-395 corridor & enhanced streetscape design
I-395 and Biscayne Blvd.

MET SQUARE - Phase IV (UC 2018 Delivery)



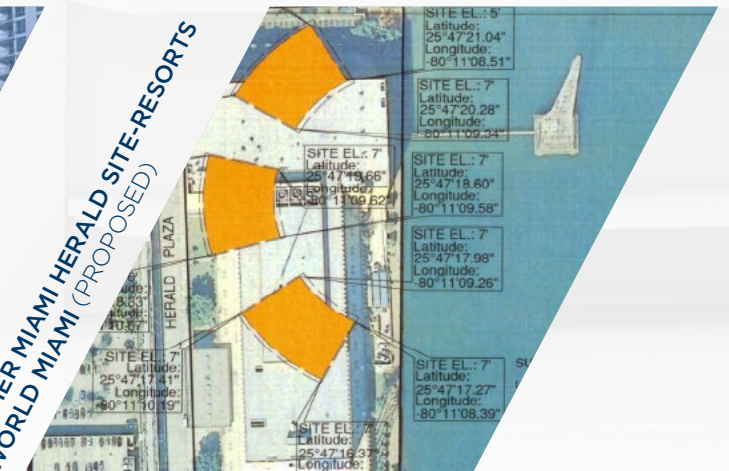
Silverspot Cinema, Residential, Retail &
Historical Museum
340 SE 3rd Street

300 BISCAYNE BLVD. WAY (Proposed)



Condominiums; Sales center underway
Coto Development
300 Biscayne Blvd. Way

FORMER MIAMI HERALD SITE-RESORTS
WORLD MIAMI (PROPOSED)



Residential & Hotel
1 Herald Plaza

WYNWOOD | MIDTOWN | DESIGN DISTRICT SUPPLY HIGHLIGHTS

Background and Introduction: An Emerging Office Market on the Fringe of the CBD.

This area begins at the northernmost boundary of Miami's established CBD and extends roughly 2.0 miles to the north and 1.0 mile west to I-95. Despite its mid-center position in the heart of Miami, the area prior to mid-2000 had fallen into decline with the abandonment of its former garment factories, warehouses and manufacturing facilities along with a growing distress of its residential neighborhoods.

By mid-2000, revitalization began largely due to Goldman Properties' preservation and revitalization efforts (similar to their successes in South Beach and SoHo). Prolific land assemblages, investment activity and on-going as well as proposed redevelopment of building and land uses have resulted in the current international recognition as an art, retail and entertainment destination. Plans for accompanying new office and residential product have subsequently emerged.

One new building was added during third quarter which increased office inventory to 355,000 SF. With the exception of this year's delivery, the last building was constructed in 2007. Existing buildings in the submarket were not competitive in the traditional sense as to size, finishes and general space use as many contain retail/showroom space. Comprised of six identified office buildings, three are Class A assets. The Class A set had been virtually fully leased since 2016. By third quarter, new supply added 51,000 SF of vacancy. Of this total, however, only the 5th floor was geared for traditional office use with lower floors set up as creative offices/showrooms. The 5th floor had a contiguous 9,700 SF.

Beginning construction at midyear 2017 was Wynwood Garage, an eight-story mixed-use project and parking garage (428 spaces) with 20,000 SF of ground floor retail space. The top floor will comprise 30,000 SF of office space. Completion is scheduled for third quarter 2018.

Nearly all of the new office development will cater to and be designed in the ambiance of the neighborhood environment - with an emphasis on creative space along with tech and retail amenities.

While still in its infancy, up to 5.7 million SF of mixed-use development had been proposed by the end of midyear 2017. By third quarter, the figure had risen to 7.7 million SF. Of this total, approximately 26.0% or 2.0 million SF was slated for office space. The bulk of the proposed square footage is concentrated in the Mana Wynwood 4.7 million SF master-planned project - equating to a virtual new city.

Located in the Design District, the newly completed, 62,000 SF Design 41 building contains office, showroom and retail space. No tenants have yet to be identified.

The Design District's revitalization is dedicated to innovative fashion, design, and architecture and dining experiences. Retailers comprise an extensive representation of the world's top luxury brands in signature-designed buildings - including the billion dollar, global luxury market giant, LVMH.

Most of these projects were still in the early stages of development. As such, pricing and other details were not yet available. Cube Wynwd, a near 90,000 SF, eight-story building, however, was further along with an anticipated December 2018 opening date. Floors 2 through 8 will be dedicated to traditional office use.

OFFICE MARKET STATISTICS | 3Q 2017

	YTD Completions	Under Construction	Existing Inventory SF	Direct Vacancy SF	Direct Vacancy %	Sublease SF	Total Vacancy SF	Total Vacancy %	YTD Net Absorption	Average Direct RR PSF Quated
Class A	61,906	0	214,308	51,416	24.0%	0	51,416	24.0%	10,490	\$60.72
Class B	0	30,000	140,201	6,945	5.0%	0	6,945	5.0%	-516	\$34.20
Totals	61,906	30,000	354,509	58,361	16.5%	0	58,361	16.5%	9,974	\$52.15



WYNWOOD | MIDTOWN | DESIGN DISTRICT DEMAND HIGHLIGHTS

Office-using tenants were typically smaller users and comprised those in the creative, media/entertainment, tech and complementary professional support services. Some of the more mainstream existing office tenants included wealth management investors, Harbor Ithaca and national construction company, Moss & Associates.

Among the most prolific and larger office occupiers were co-working and flexible workspace providers. Current providers have 11 locations here. Davinci Meetings & Coworking has three locations within this area and, along with Buro, have a presence in several other Miami submarkets. Co-working entities are seeking to capitalize on the area's eclectic "cool factor" and its draw of start-ups and a younger, demographic creative-user base.

Last year brought some of the more familiar tech and entertainment firms to the area. Occupying space in a renovated warehouse were publicly traded Scripts Network (the national media network giant) and GoPro, the U.S. tech/camera manufacturer.

WYNWOOD | MIDTOWN | DESIGN DISTRICT PRICING HIGHLIGHTS

The asking full service rental rate for the newly delivered Design 41 building's fifth floor office space was quoted at \$57.00 PSF full service (\$55.00 PSF, net of electric). The under construction Wynwood Garage building quoted \$60.00 PSF for the top floor office. The proposed Cube Wynwd had quoted office rates at which ranged from \$54.50 - \$58.50 PSF, full service (includes an operating expense of \$13.50 plus janitorial and electric).

Because of the historical nature of the existing market that had a fluctuating and non-traditional tenant base (with limited and inconsistent activity), historical statistical data was not relevant to today's pricing environment - which continued to be driven by hefty property sales.

Land prices maintained their upward momentum. From 2013 through 2016, property taxes increased by nearly 200 percent (Complete Consulting Services Group). Investor demand for sites continued through 2017. A third quarter \$5.9 million sale in the Design District (a 4,500 SF retail building at 3740 N.E. 2nd Avenue) yielded a near \$3.0 million gain from the previous sale in 2013.

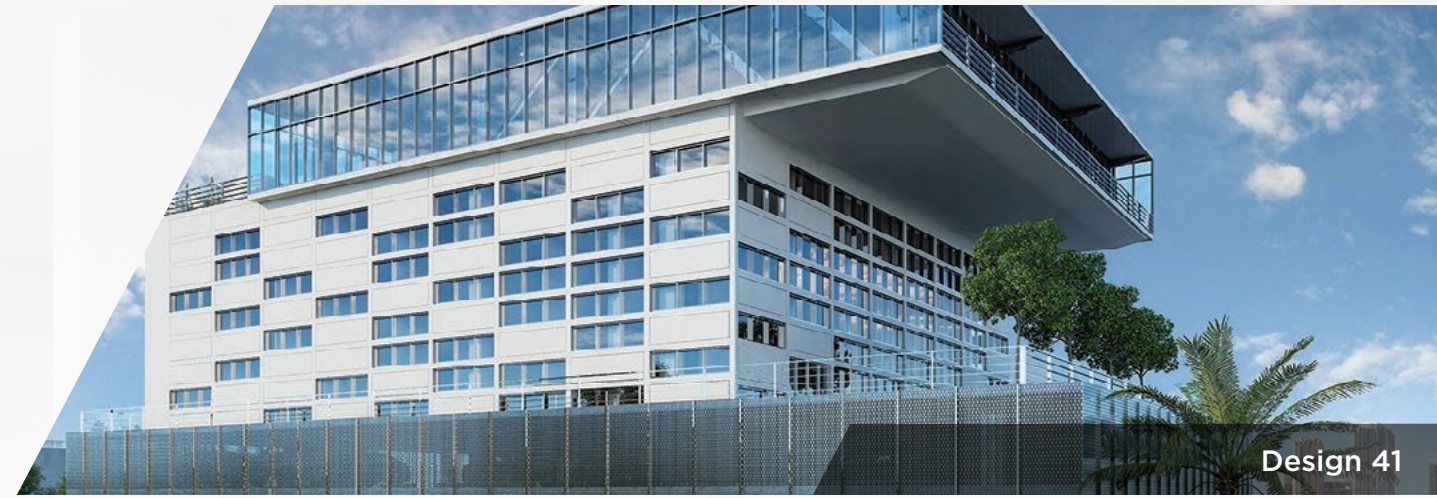
The third quarter of 2016 saw one of the largest purchases of property - the near \$54 million acquisition by the Gindi Family, founders of the Century 21 clothing department store chain. Located at 2600-2630 N.W. 2ND Avenue, the existing older buildings will be redeveloped into the Wynwood Park project - two acres of retail and open public park space.

The proposed mixed-use Wynwood Square development (including office) remained on the market for sale. In 2004, the 0.85 acre site traded for \$1.75 million or \$47.23 PSF of land; in 2015, the site (along with another parcel) traded for \$6.3 million or \$171.06 PSF of land (allocated portion of transaction). Nearby parcels sold last year for over \$600 PSF.

Situated within a block of Wynwood Square was the newly opened (midyear 2017) 50,000 SF Amazon "Prime Now" warehouse hub for food delivery services. Located at 101 N.E. 23rd Street, the landlord is Mana - one of the largest land owners in the vicinity and the developer proposing a 5.7 million SF of mixed-use development nearby. Amazon just executed another lease (for over 90 acres) in the Suburban Airport West area, where an 885,000 SF fulfillment center will be built and open by late 2018.

Well-funded and recognized corporate real estate and financier entities are invested in this market, including such global and national firms as:

- | | |
|--------------------------|-------------------------|
| RedSky Capital | East End Capital |
| Thor Equities | The Gindi Family |
| The Related Group | Moishe Mana |
| ASG Equities | |



Design 41



Cube Wynwood



Wynwood Garage



Wynwood Park

WYNWOOD | MIDTOWN | DESIGN DISTRICT
NEW OFFICE CONSTRUCTION

Number	Name	Address	Total SF	Office SF	Uses	UC/Proposed	Delivery
①	Wynwood Garage	2660 NW 3rd Avenue - Wynwood	226,000	30,000	Office, Retail & Parking Garage	UC	3Q 2018
②	Wynwood West	545 NW 26th Street - Wynwood	285,000	245,000	Office, Retail & Park Space	Proposed	2019-2020
③	Cube Wynwd	222 NW 24th Street - Wynwood	89,705	79,548	Office & Retail	Proposed	4Q 2018
④	Wynwood Square	2201 N Miami Avenue - Wynwood	84,000	80,000	Office, Residential, Retail and/or Hospitality Use	Proposed	N/A
⑤	Gateway at Wynwood	2994 N Miami Avenue - Wynwood	218,050	184,000	Office & Retail	Proposed	1Q 2019
⑥	Mana Wynwood - PH I	2217 NW 5th Avenue - Wynwood	4,700,000	1,000,000	Office, Showrooms, Retail, Hotel & Green Space	Proposed	N/A
⑦	The Tryptich	3601 N Miami Avenue - Midtown	500,000	41,000	Office, Retail & Hotel	Proposed	2018-2019
⑧	225 Midtown	3415 N.E. 2nd Avenue	52,500	N/A	Office & Retail	Proposed	N/A
⑨	Wynwood 25 Annex	215-219 NW 24th Street - Wynwood	51,900	47,000	Office & Retail	Proposed	3Q 2019
⑩	ASRR mixed-use	SE corner of NE 18th Street and NE 2nd Avenue - Midtown, A&E District	1,700,000	350,000	Office, Retail, Residential & Hotel	Proposed	N/A



WYNWOOD | MIDTOWN | DESIGN DISTRICT SURROUNDING AREA
OTHER DEVELOPMENT



WYNWOOD 25 (UC 2019 Delivery)

Apartments & Retail
215-339 NW 24th Street



WYNWOOD PARK (Proposed)

Retail & Open Park Space
NW 2nd Ave. Between 26th and 27th Street



W HOUSE (Proposed)

Micro Residential Condo Units, Retail & Office
2828 NW 1st Ave.



THE TRYPTICH (Proposed)

Office, Retail & Hotel
Office Space: 65,484 SF
3601 N Miami Ave



WYNWOOD 26 (Proposed)

Apartments
51 NW 26th Street

3Q 2017 vacancy
11.2%

Under Construction | Class A
451,717 SF

Pre-leased
40%
New Inventory

CLASS A & CLASS B Buildings
Executed transactions evenly
divided during 3Q

Year-to-date leasing
with nearly

Dominant existing
Class A tenant base:
Financial Services &
Law Firms

Class B marked
consistent annual
gains since 2013

1.5 MSF
75% in Class A Deals

42%

Record High Avg. Quote
\$29.50 PSF

SUBURBAN HIGHLIGHTS

Class A direct vacancy remained in the single digits since third quarter 2016. This was largely due to lower historical construction levels and strong positive absorption performance from 2010, which exceeded 1.9 million SF to the present. Peaking at 19.4% in 2010, current direct vacancy declined to 9.9%. Most of Miami's office product currently under construction at third quarter was located in Suburban submarkets. At less than 500,000 SF (with 40.0% pre-leased), this is not a noteworthy amount of new inventory in a 12.0 million SF Suburban Class A market. Suburban Class B vacancy continued to stay in the double digits and at 13.3%, was up by almost 1.0 percentage point from year-end 2016.

MARKET STATISTICS | 3Q 2017

	YTD Completions	Under Construction	Existing Inventory SF	Direct Vacancy %	Total Vacancy %	YTD Net Absorption	Average Direct RR PSF Quoted
Suburban Class A	246,085	451,717	11,826,588	9.6%	9.9%	241,787	\$37.39
Suburban Class B	0	0	9,113,643	13.3%	13.4%	-75,713	\$29.50
Totals	246,085	451,717	20,940,231	11.2%	11.4%	166,074	\$33.35

SUBURBAN EXECUTED LEASING ACTIVITY | SELECTED TRANSACTIONS, 3Q 2017

Submarket	Building	Tenant	Total SF Leased	Business Sector
Airport West	Doral 107	FEMA (GSA)	94,000	Government
Airport West	Waterford	FirstBank (Puerto Rico)	26,000	Banking
Airport West	Downtown Doral	Dept. of Business Regulations	20,000	Government
Airport West	Downtown Doral	Xoffices	20,000	Real Estate
Coral Gables	150 Alhambra	Capital Bank	16,000	Banking
Coconut Grove	SBS Biscayne Bank Tower	Ritz-Carlton Yacht Collection	14,000	Leisure & Hospitality
Coral Gables	2800 Ponce	Perkins + Will	13,700	Real Estate
Coral Gables	BAC Colonnade	ALPS Alternative Investment	13,200	Financial Services
Coral Gables	Two Alhambra	Berk, Merchant & Sims Law Firm	12,000	Law Firm
Miami Lakes	Lakes Plaza	NSI Insurance	11,000	Financial Services
Airport West	Waterford	Cargill Inc.	10,300	Manufacturing
Coral Gables	2525 Ponce	Cargill Inc.	10,000	Manufacturing
Coral Gables	201 Alhambra	USIA	10,000	Government
Airport West	Waterford	Areas USA	9,900	Retail Trade
Coral Gables	201 Alhambra	Taylor & Espino Law Firm	9,800	Law Firm
Airport West	Waterford	Miami Children's Hospital	9,000	Healthcare

SUBURBAN HIGHLIGHTS (CONTINUED)

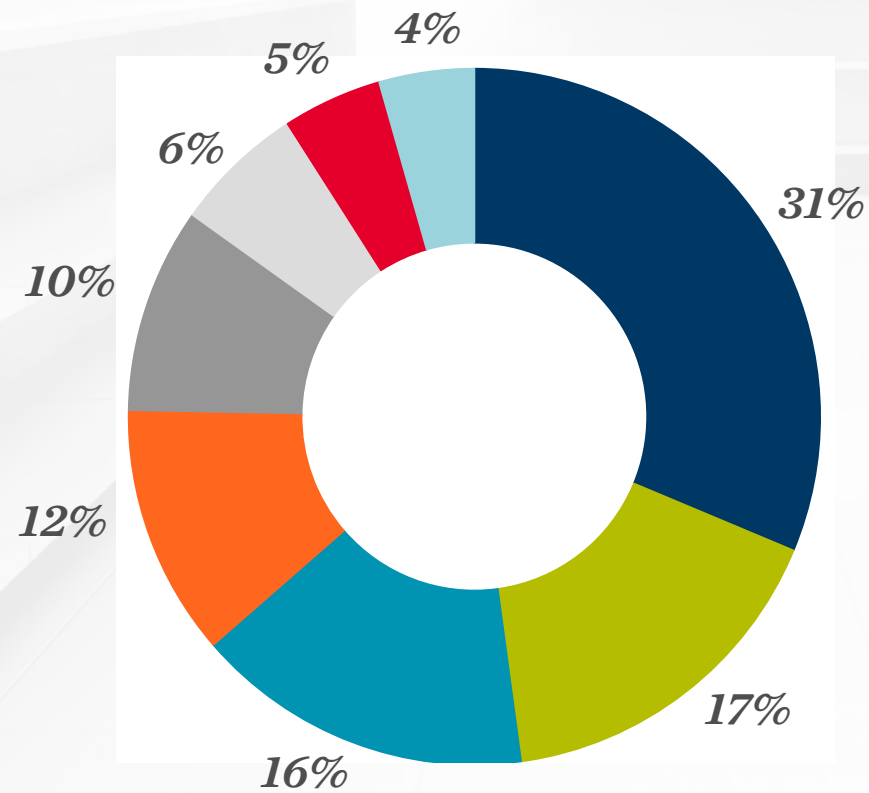
Executed transactions during 2017 has so far topped 1.5 million SF where 75.0% occurred in Class A buildings. Over 448,000 SF were executed during third quarter where the greater part of leasing activity stemmed from government, finance/banking and real estate tenants.

Among existing Class A users (2,500 SF+), government, finance/banking and real estate-related Suburban tenants occupied nearly 1.2 million SF at third quarter. Most or 70.0% were users in financial services.

As for upcoming demand (including Amazon's 500,000 SF requirement), tenants touring totaled 1.5 million SF in the Suburbs at third quarter. The bulk of tours consisted of large, 20,000+ SF requirements. This will present a near-term challenge as large blocks of contiguous Class A and Class B Suburban space remained scarce. The largest tours by square footage were led by industries in Retail (500,000 SF represented by the Amazon requirement), Finance (290,000 SF), Media & Entertainment and healthcare (131,500 SF).

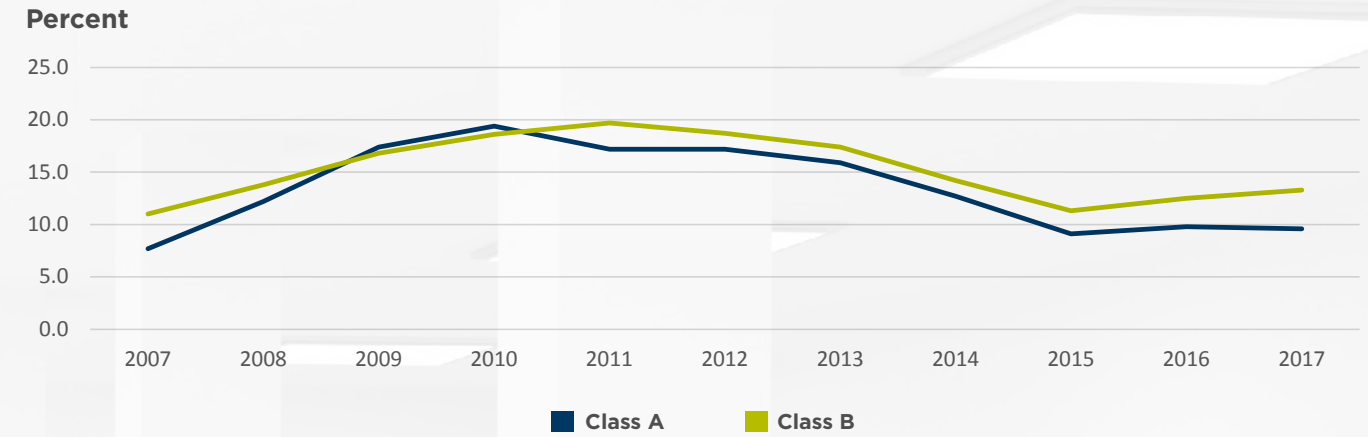
SUBURBAN EXECUTED LEASES 3Q 2017

% Of Total By Employment Industry

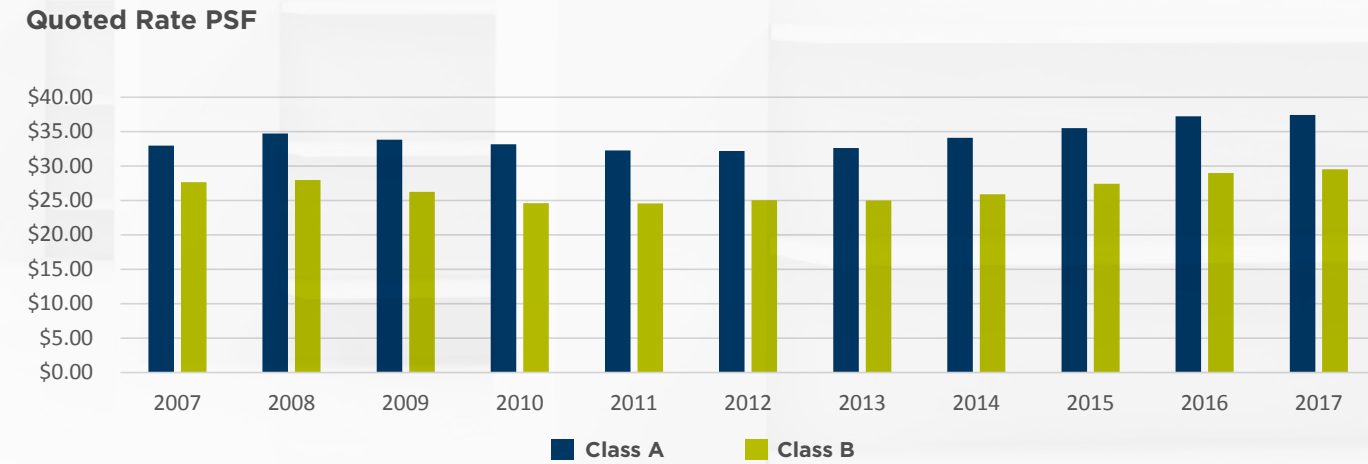


- Government
- Real Estate
- Law Firm
- Lesiure & Hospitality
- Financial Services
- Manufacturing
- Healthcare
- Business Services

SUBURBAN DIRECT VACANCY (%) 2007-3Q 2017



SUBURBAN AVERAGE DIRECT RENTAL RATES, 2007-3Q 2017



Average asking rates for both classes of space continued to post record highs. For the Class A set, the annual trend continued from 2015 to the present (\$35.51 PF to \$37.39 PSF), while Class B assets posted peak average quotes both currently (\$29.50 PSF) and at year-end 2016 (\$28.98 PSF).

AVENTURA SUPPLY HIGHLIGHTS

This upscale market is anchored by Aventura Mall, Florida's largest, and the luxury, 300-Acre Turnberry Isle hotel and golf resort. Nearly all of its inventory is comprised of Class A product centered around these two iconic developments. Supply levels for both Class A and B buildings remained extremely low among this small, nine-building submarket. The current direct Class A vacancy stood at 6.4%. While this was the highest quarterly rate in two years, it was still an impressive decline from the peak rate of 26.4% during 2009.

OFFICE MARKET STATISTICS | 3Q 2017

	YTD Completions	Under Construction	Existing Inventory SF	Direct Vacancy %	Total Vacancy %	YTD Net Absorption	Average Direct RR PSF Quoted
Aventura Class A	0	74,336	762,524	6.4%	6.4%	-2,446	\$48.40
Aventura Class B	0	0	212,500	4.8%	4.8%	-3,100	\$40.55
Totals	0	74,336	975,024	6.0%	6.0%	-5,546	\$46.21

Aventura's largest contiguous Class A blocks continued to be sublet offerings. This included two separate 18,000 SF and 19,000 SF spaces at Harbour Centre. Located on the 2nd and 6th floors, the sublease terms extend through 2026 and 2020, respectively. The national retailer Fossil's 11,000 SF, 8th floor space remained available for either sublet (2021 term) or direct in Aventura's newest (2013) building, Aventura Optima Plaza.

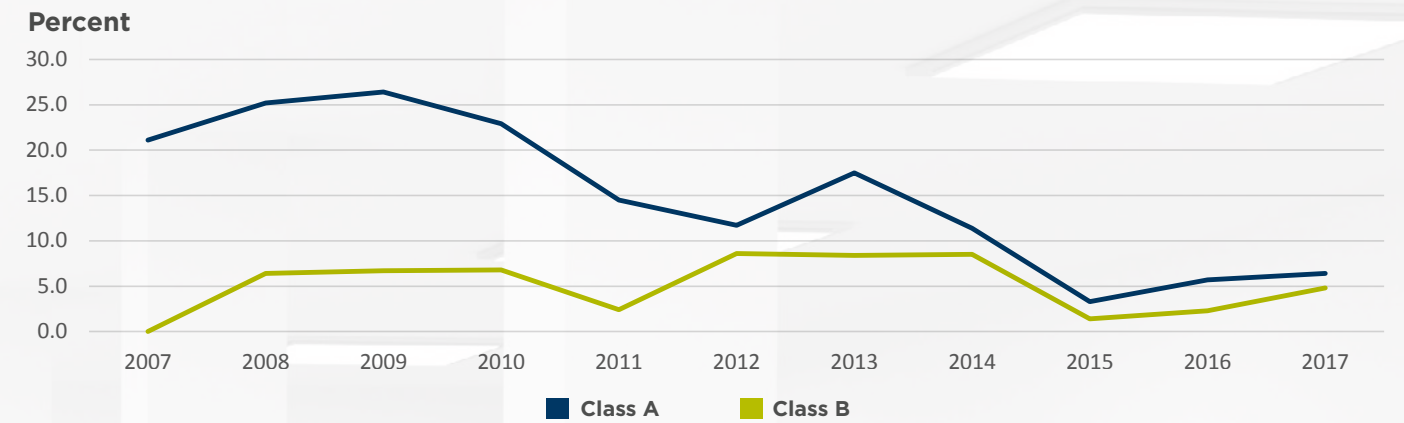
This submarket has only two Class B buildings. Aventura View maintained single digit vacancies since 2015. Only a few small spaces were available during 2017 with third quarter's largest contiguous office totaling 2,800 SF.

Unchanged from 2016, Turnberry Plaza, the other Class B competitor remained at or near full occupancy since 2013. The building is situated next door to Aventura View.

Under construction activity included one 74,000 SF competitive for lease office building, Canal Park. Completion was scheduled for year-end 2017. On the office condo front, the 96,000 SF Forum Aventura was also under construction with completion expected by mid-2018.

Responding to a lack of available space from a growing healthcare presence and demand from this particular industry, was the proposed ICON Medical Tower, a 124,000 SF medical office condo building.

AVENTURA DIRECT VACANCY (%) 2007-3Q 2017



AVENTURA TOTAL NET ABSORPTION, 2007-3Q 2017



AVENTURA AVERAGE DIRECT RENTAL RATES, 2007-3Q 2017



AVENTURA DEMAND HIGHLIGHTS

General demand drivers include occupiers in the finance, legal and the healthcare industries. Given this market's high net worth incomes, upscale waterfront residential development and the strong presence of medical facilities, doctor's offices and hospitals, these were among the largest occupiers of space.

Along with Coconut Grove, Aventura had the lowest vacancy in Miami. With an inventory under 1.0 million SF and a respective 4.8% and 6.0% vacancy, little activity both on the leasing and new occupancy front has been posted. Net absorption in Aventura since 2016 has remained in the negative territory - for both classes of space. Year-to-date leasing transactions totaled just under 50,000 SF.

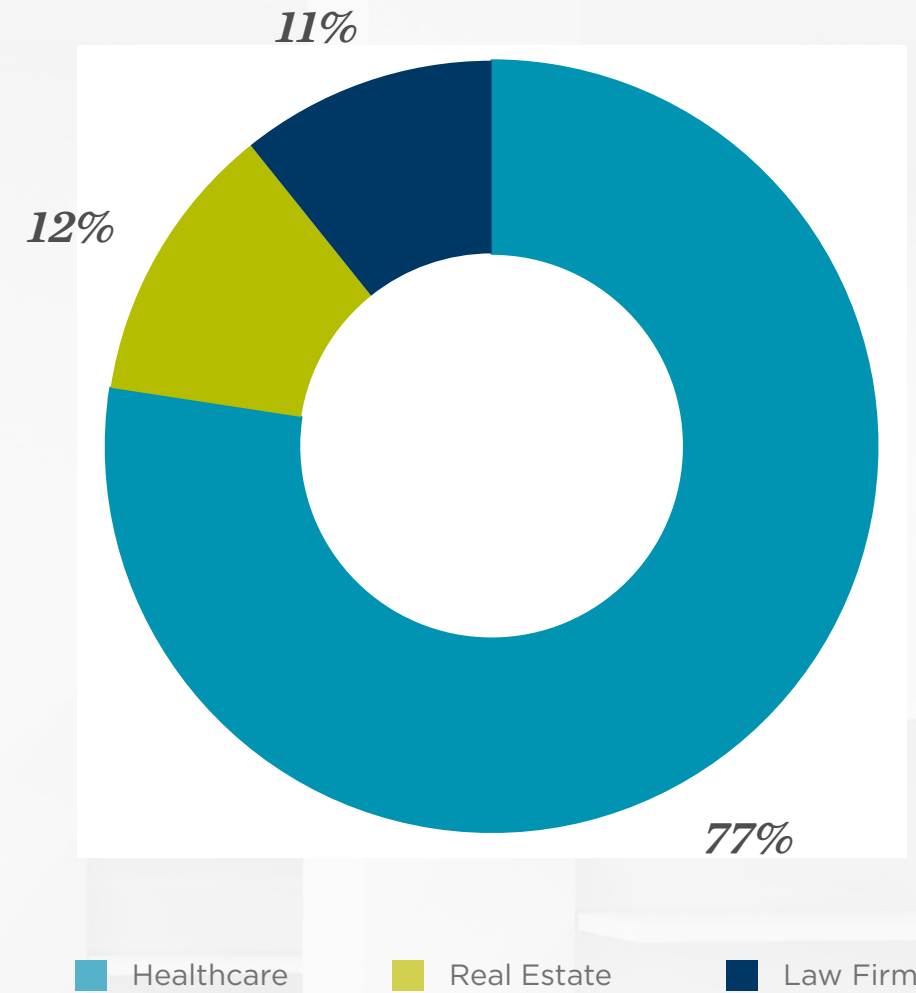


Class A leasing at third quarter included a 7,200 SF transaction for DiGeronimo Medical's renewal at One Turnberry Place.

On the Class B front, Aventura View executed two small leases totaling 2,100 SF. The tenants were in the legal and construction sectors.

EXECUTED LEASES 3Q 2017

% Of Total By Employment Industry



AVENTURA PRICING HIGHLIGHTS

The area's Class A rental rate was \$48.40 PSF. Along with Miami Beach's \$48.65 PSF, these were the highest averages among all Suburban markets - a ranking which has been in place for several years. 2017 quarterly rates stood as the highest historical averages over the last decade.

While down from 2016's \$42.59 PSF, Class B buildings still maintained average quarterly quotes above the \$40.00 PSF mark during 2017. Third quarter's quote of \$40.55 PSF was the highest Class B rental rate among all Miami submarkets.

The year opened with Harbour Centre reaching the \$50.00 PSF mark for its Class A space, among the highest quote in Aventura. Following suit, One Turnberry Place maintained a \$50.00 PSF quote over the last two quarters for its two remaining spaces. For Harbour Centre's (2nd floor) 18,000 SF sublet, the asking rate was \$44.50 PSF. Aventura View maintained its Class B average rate above the \$40.00 PSF mark. Third quarter asking rates ranged from \$44.71-\$47.71 PSF.

At the under construction Canal Park building, average third quarter rates ranged from \$40.00 PSF to \$60.00+ PSF.

INVESTMENT SALES DURING 3Q 2017

No buildings traded during the quarter.



Harbour Centre



One Turnberry



Icon Medical Tower



Canal Park



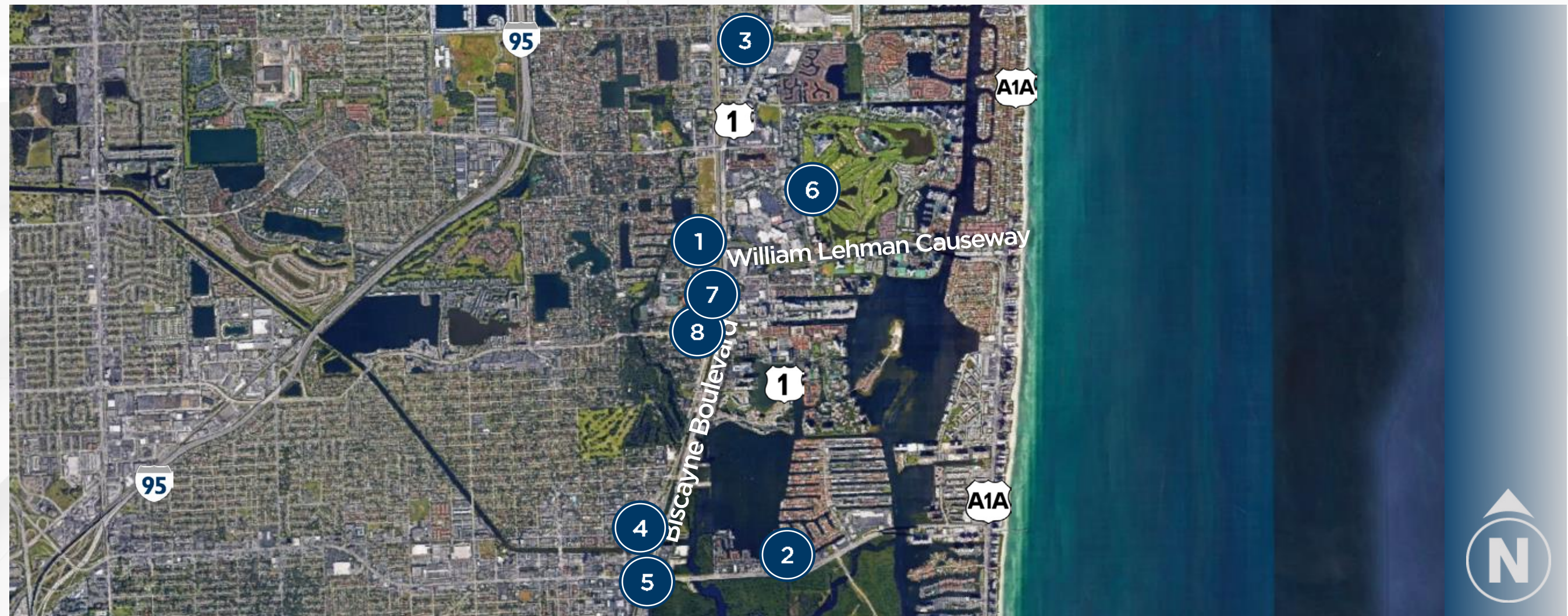
Aventura View



Turnberry Plaza

AVENTURA
NEW OFFICE CONSTRUCTION

Number	Name	Address	Total SF	Office SF	Uses	UC/Proposed	Delivery
①	Forum Aventura	19790 West Dixie Highway	96,000	96,000	Office Condo	UC	2Q 2018
②	Canal Park	3323 NE 163rd Street	74,000	74,000	Office	UC	4Q 2017
③	ICON Medical Tower	21291 NE 28th Avenue	124,000	124,000	Office	Proposed	N/A
④	5 Park	17071 West Dixie Highway	862,217	71,637	Office, Retail & Residential	Proposed	N/A
⑤	Uptown Biscayne	16300 Biscayne Blvd	205,000	35,000	Office, Retail & Residential	Proposed	2020
⑥	Turnberry Isle	19999 West Country Club		32,471	Office, Hotel, Banquet Hall	Proposed	N/A
⑦	District Aventura	2681 NE 191st Street		143,850	Office, Retail, Hotel & Residential	Proposed	N/A
⑧	Forum Park (Aventura Square)	18802 West Dixie	99,600	93,917	Office, Condo, Retail & Residential	Proposed	N/A



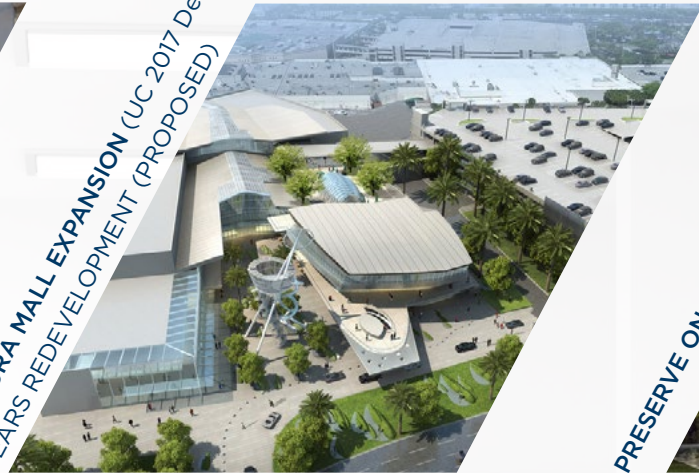
AVENTURA SURROUNDING AREA
OTHER DEVELOPMENT

AVENTURA PARKSQUARE
(UC 2017-2018 Delivery)



Medical Office, Wellness Center, Residential, Retail and Hotel
S.E. Quadrant of the intersection of Biscayne Blvd. and NW 207th Street

AVENTURA MALL EXPANSION (UC 2017 Delivery)
/SEARS REDEVELOPMENT (PROPOSED)



Mall Expansion: Three-level retail, restaurant, art & VIP lounge; Sears: Retail & restaurant complex
19501 Biscayne Blvd.

PRESERVE ON THE BAY (Proposed)



Residential
112-130 NE 41 Street

5 PARK (PROPOSED)



Residential and Retail
16955-17071 W Dixie Highway

TURNBERRY OCEAN CLUB
(UC 2018 Delivery)



Residential
18501 Collins Ave.

PRIVE (UC 2017 Delivery)



Residential
500 Island Estates Drive

COCONUT GROVE SUPPLY HIGHLIGHTS

Among Miami's smallest markets, Coconut Grove posted single digit (direct) vacancies for both Class A and Class B buildings - a trend that has continued since 2015. Extremely low supply levels were recorded for the Class B market, which ended the quarter at 2.7% - the lowest direct vacancy rate among all of Miami's submarkets in any class of space.

Several dynamics contributed to the wide swings in historical vacancy trends. Of note were the shifting levels and classes of competitive office buildings. Just prior to 2007, two out of the three Class A towers converted to office condo product, with a significant portion subsequently put back on the market for lease.

OFFICE MARKET STATISTICS | 3Q 2017

	YTD Completions	Under Construction	Existing Inventory SF	Direct Vacancy %	Total Vacancy %	YTD Net Absorption	Average Direct RR PSF Quoted
Coconut Grove Class A	0	95,000	547,332	6.1%	6.1%	13,333	\$39.67
Coconut Grove Class B	0	0	336,982	2.7%	2.7%	14,749	\$33.70
Totals	0	95,000	884,314	4.8%	4.8%	28,082	\$36.12

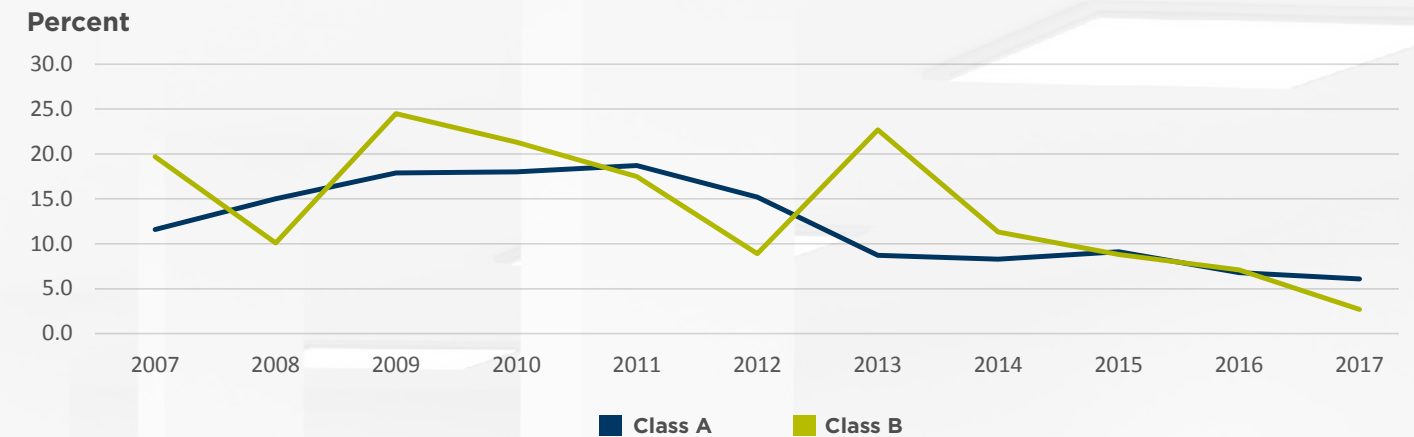
On the Class B front, the former retail complex now known as Mayfair in the Grove converted its space to office use while Grove Plaza was completely renovated into the newest Class A asset, GL Tower.

The largest contiguous Class A space marketed at third quarter was located in the Grove's newest asset, GL Tower. The completely renovated 32,000 SF building had the top three floors vacant for 15,000 SF. The development received its Certificate of Occupancy at midyear 2017. In the Class A Bayview Executive Plaza, only three small office spaces were available during third quarter at the 92.0% leased building. The largest office was 4,750 SF on the 3rd floor.

The Class A SBS Tower was renamed to Biscayne Bank Tower and has been at near occupancy since 2016. The other Class A asset, Grand Bay Office Tower, was neared full occupancy during 2017. By first quarter 2018, 11,000 SF in various suites will be available. Biscayne Bank and Grand Bay were the two buildings converted to office condo product.

In Class B space, at Mayfair in the Grove the only remaining space was the contiguous 42,000 SF sublet. With term through 2022, this space is from the noted advertising and media agency, Crispin Porter + Bogusky. Nearly fully leased, Continental Plaza had 1,500 SF as its largest contiguous office.

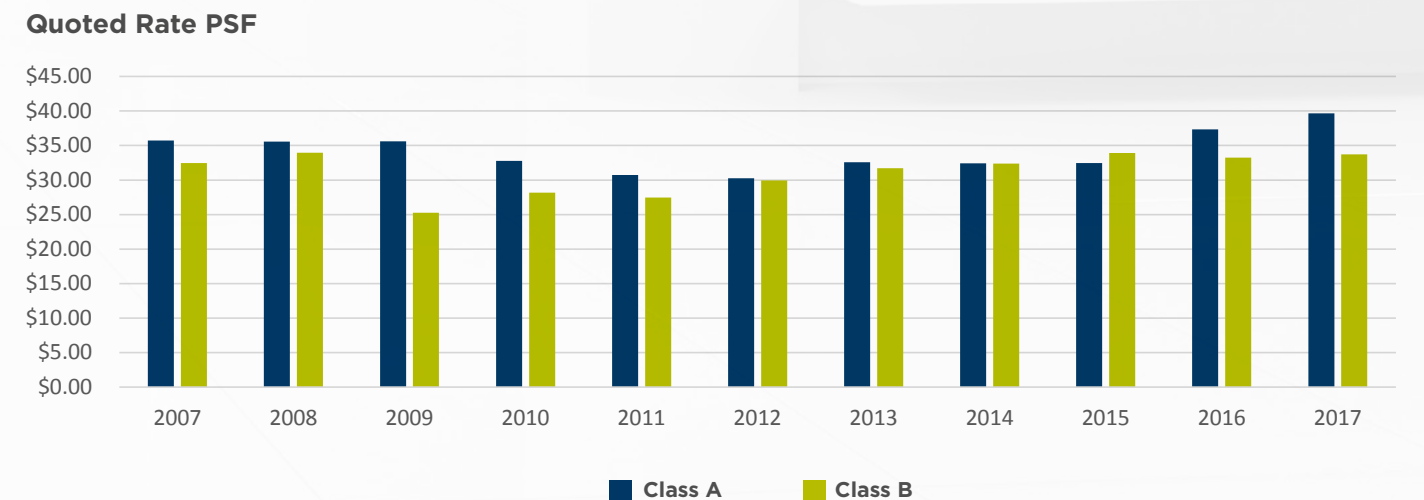
COCONUT GROVE DIRECT VACANCY (%) 2007-3Q 2017



COCONUT GROVE TOTAL NET ABSORPTION, 2007-3Q 2017



COCONUT GROVE AVERAGE DIRECT RENTAL RATES, 2007-3Q 2017



COCONUT GROVE SUPPLY HIGHLIGHTS (CONTINUED)

Planned office construction will provide tenants and Coconut Grove prospects new options. At midyear 2017, 300,000 SF were proposed; by third quarter, the figure grew to 716,000 SF including one project that broke ground. Several of the projects have 2018/2019 completions. All of the projects will offer retail amenities.

Under construction as of third quarter, the Mary Street development is a 95,000 SF building, of which 75,000 SF will be office with the remaining comprised of retail space. Completion is scheduled by year-end 2018.

The One and Two Cocowalk development will result from a revitalization of the existing 200,000 SF Cocowalk retail/destination complex into a new and rebranded mixed-use project. Phase I (One Cocowalk) will include a 7,200 SF stand-alone office with completion set for first quarter 2018; demolition for Phase II will then commence. Two Cocowalk will be a newly constructed five-story, 79,000 SF office building with completion scheduled by third quarter 2019. Of note, will be ample parking at 3.5/1,000 SF and floor plates of 18,000-20,000 SF. The project will have ground floor retail and a rooftop deck available for events.

LointerHome closed in 2017 on a site for the construction of 27@Lincoln, a 68,000 SF office and retail building. Construction is anticipated to start in the first quarter of 2018.

Announced at midyear 2017, was another planned five-story office building. Located at 3480 Main Highway in the heart of the Grove’s commercial district, the building will offer 44,000 SF of office space and 6,500 SF of rooftop restaurant space. In the third quarter, the existing building had been demolished although no construction dates had yet to be confirmed.

COCONUT GROVE DEMAND HIGHLIGHTS

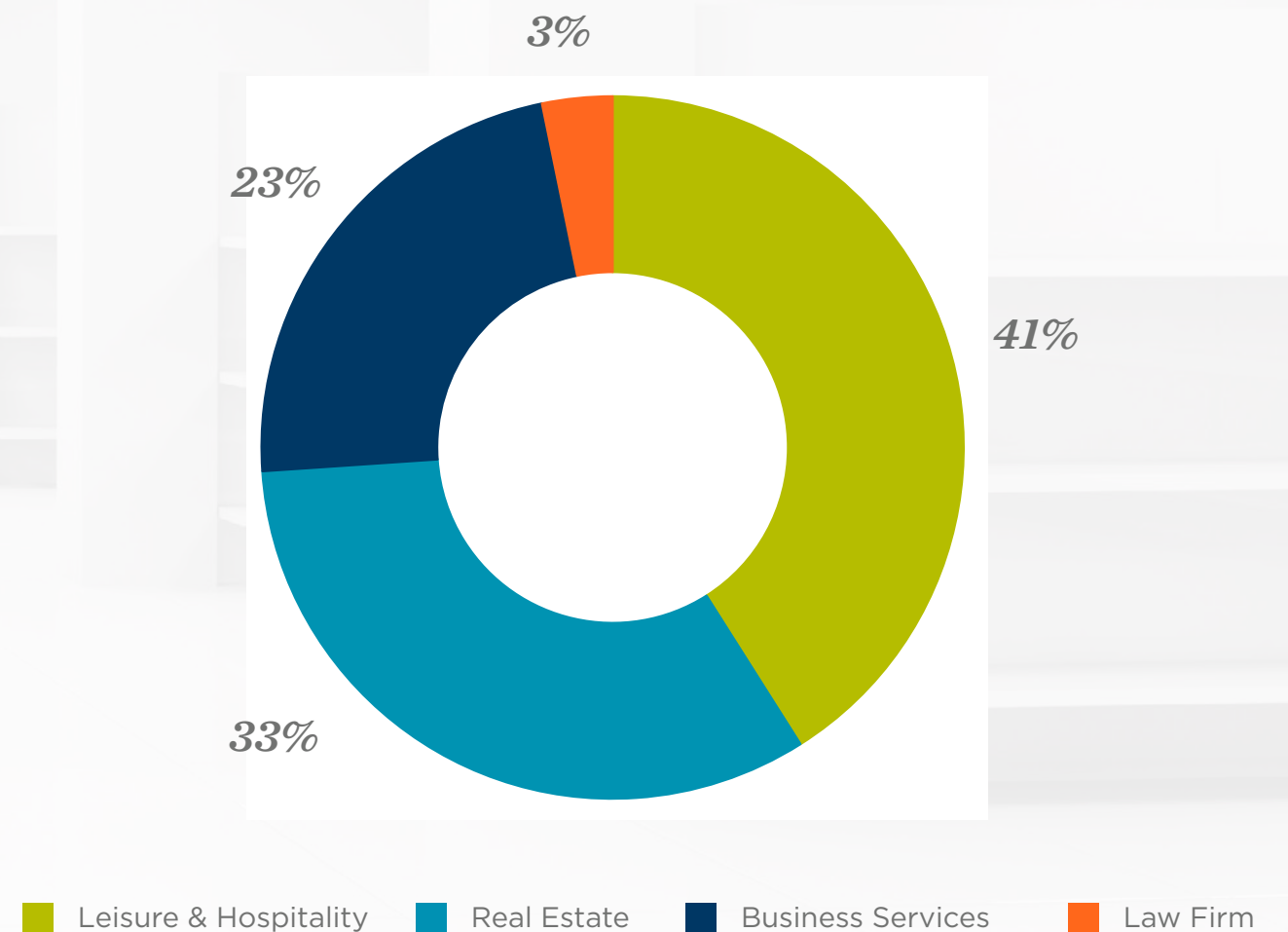
The Grove’s existing office tenants were characteristically smaller (under 10,000 SF) and primarily made up of business support users, followed by finance and law firms. There were, however, a handful of large users whose movement can have a disproportionate impact on a small and shifting inventory. This had contributed to some of the wider swings in vacancy and absorption such as Sapient, a new to market user in late 2012 who executed a 54,000 SF lease at Mayfair in the Grove.

Third quarter saw the highest levels of positive absorption in almost four years. This was true for both classes of space where 13,000 SF-14,000 SF of new occupancy was gained for each class of space. Less than 43,000 SF in total remained vacant at quarter’s end. Despite limited choices due to extremely low levels of supply, several noted transactions were executed this quarter.

Class A leasing included the Ritz-Carlton Yacht Collection’s new 14,000 SF headquarters at SBS Biscayne Bank Tower while Housing Trust Group renewed and expanded their office for 8,400 SF at Bayview Executive Center. With its first new tenants, transactional activity was executed at the recently completed GL Tower for Max Strang Architecture (2,800 SF) and Carmardo Law Firm (1,100 SF).

At the Class B Mayfair in the Grove, a new bookstore operator executed a 7,800 SF lease.

EXECUTED LEASES 3Q 2017
% Of Total By Employment Industry



COCONUT GROVE PRICING HIGHLIGHTS

Average quoted rental rates have correspondingly fluctuated with supply levels. Third quarter 2017 Class A rates reached their highest average quote in over a decade and marked a consistent annual rise since 2014.

Quoted rates for Class B space of \$34.70 PSF were down from the previous two quarters.

Full service Class A asking rates at Bayview Executive Plaza remained at \$39.50-\$41.50 PSF while the quoted rates at Grand Bay Office Tower averaged just under \$38.00 PSF. GL Tower's third quarter rates averaged \$40.50 PSF. SBS Biscayne Bank Tower remained near full occupancy over the last several years.

Class B pricing for Continental Plaza was \$37.50 PSF at third quarter. The 42,000 SF sublet at Mayfair in the Grove had a \$35.50 PSF asking rate.

Asking rates at the under construction One Cocowalk development ranged from a full service, \$52.00-\$54.00 PSF which included an estimated \$14.00 PSF operating expense. Similar rates were being quoted at the now under construction Mary Street development at \$38.00 PSF, triple net. Operating expenses were also estimated to be \$14.00 PSF. Look to anticipated quoted rates of \$40.00-\$42.00 PSF for the planned 27@Lincoln project.

INVESTMENT SALES DURING 3Q 2017

No buildings traded during the quarter.



Bayview Executive Plaza



Grand Bay Office Tower



Continental Plaza



Mayfair in the Grove



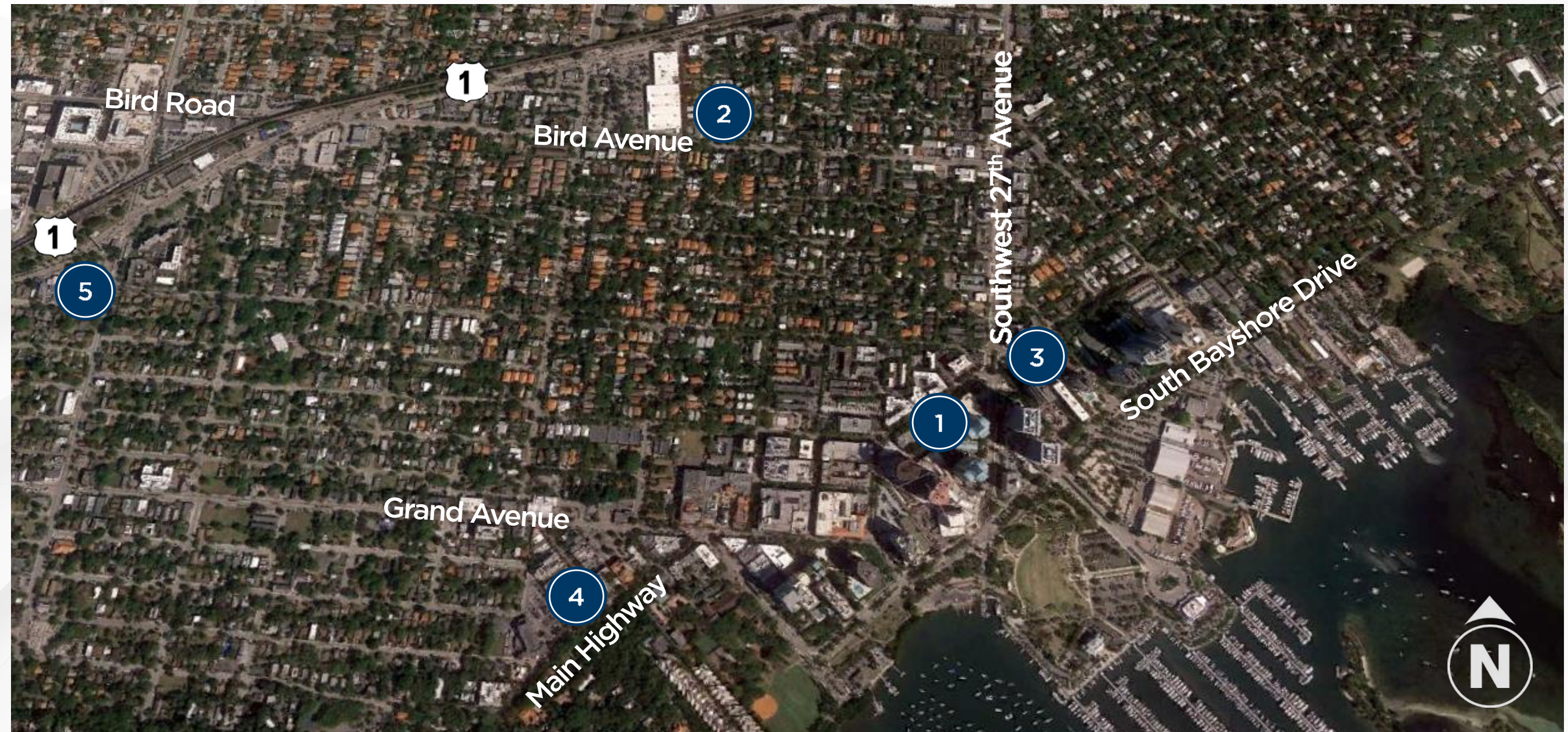
One Cocowalk



GL Tower

COCONUT GROVE
NEW OFFICE CONSTRUCTION

Number	Name	Address	Total SF	Office SF	Uses	UC/Proposed	Delivery
①	Mary Street	3310 Mary Street	95,000	76,000	Office & Retail	UC	4Q 2018
②	One & Two Cocowalk	3001 Virginia Street	196,000	86,200	Office & Retail	Proposed	2018-2019
③	27@Lincoln	3167 SW 27th Avenue	68,000	68,000	Office & Retail	Proposed	2019
④	3480 Main Highway	3480-3484 Main Highway	50,500	44,000	Office & Retail	Proposed	N/A
⑤	Platform 3750	3750 S Dixie Highway	306,140	27,500	Office, Retail & Residential	Proposed	N/A



COCONUT GROVE SURROUNDING AREA
OTHER DEVELOPMENT



2890 VIRGINIA STREET (Proposed)

Hotel and General Commercial
2890 Virginia Street



MODERA DOUGLAS STATION PH II
(UC 2018 Delivery)

Residential
3750 Bird Road



*THE HARBOR - REDEVELOPMENT OF DINNER KEY/
CITY OF MIAMI WATERFRONT PROPERTY (Proposed)*

Marina, Retail, Parking, Baywalk and Park Space
3385 Pan American Drive

CORAL GABLES SUPPLY HIGHLIGHTS

Third quarter's direct Class A vacancy made a dramatic descent from year-end's near 13.0% to the current 8.7%. This was due to the capture of half of the entire metro area's positive absorption during 2017. In a reverse trend, vacancy among Class B assets rose as negative absorption levels totaled 61,000 SF between 2016 to the present.

At 5.4 million SF, Coral Gables was third quarter's second-largest Suburban submarket. It is considered a premier location with two-thirds of its office stock comprised of Class A assets. Known for its upscale shopping, dining and luxury residential neighborhoods, the area is undergoing a significant streetscape revitalization. Located at the center of its urban core (on and surrounding the famed Miracle Mile corridor), the improvements also include new outdoor dining options. Third quarter had three existing Class A properties with large (20,000+ SF) contiguous blocks of space: 121 Alhambra, Douglas Entrance and 2525 Ponce. The largest contiguous office at the Class A Two Alhambra building was 7,000 SF while the adjacent Class B 95 Merrick building had 5,700 SF as its largest space.

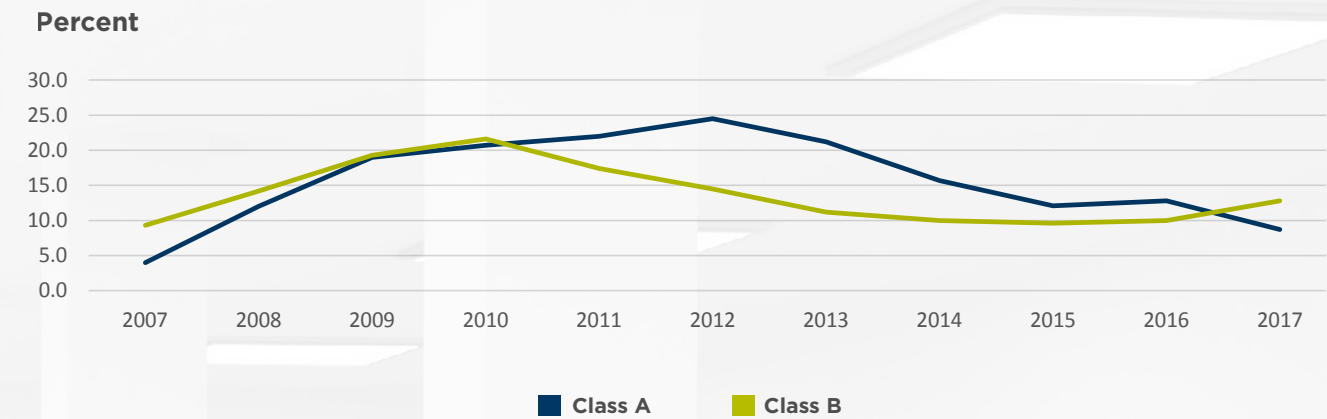
At the beginning of 2017, a noteworthy sublet hit the market: Bacardi's three floors (9-11) at the Bacardi Building totaling nearly 83,000 SF. This 2009 project was a build-to-suit development for the Bacardi Headquarters and was not among the direct competitive set.

At 355 Alhambra, the largest contiguous direct space was on the 11th floor (13,826 SF). The building remained at 85.0% leased. Also, an 11th floor, 5,300 SF sublet was available with term through 2022. Sold in December 2015, the 224,000+ SF acquisition was The Prudential Insurance Company of America's most recent purchase in Coral Gables. An upcoming 22,000 SF office (first quarter 2018) was being marketed as the largest contiguous office at the Class A 2525 Ponce building. The space was located on the eighth floor of the 96.0% leased building. Also part of the complex is the 2555 Ponce building, a 108,000 SF Class B asset. Although fully leased, a new 18,000 SF office on the fourth floor will be available by fourth quarter 2018.

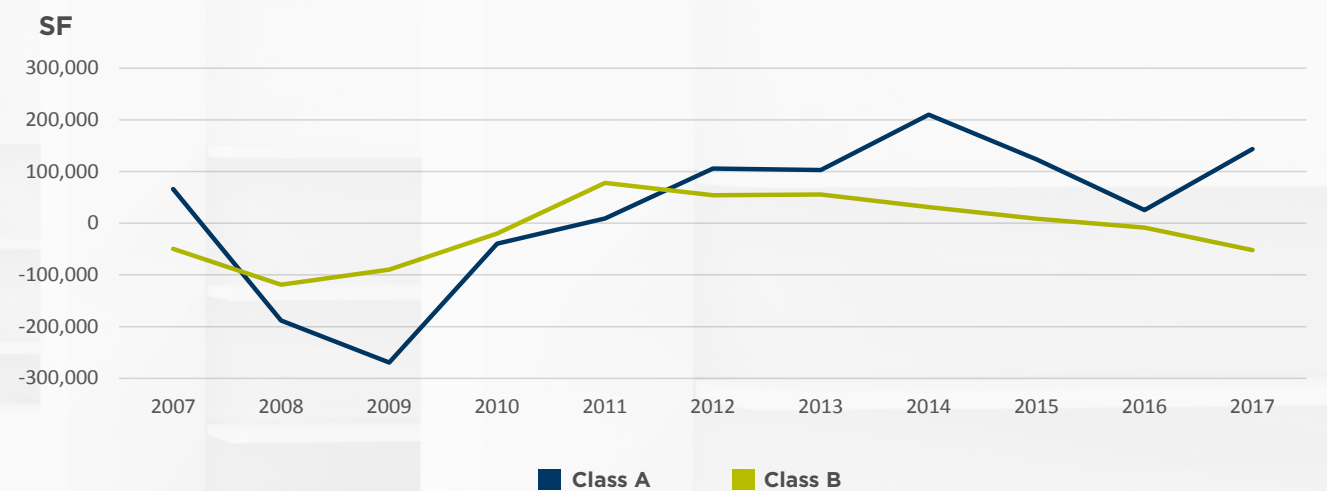
OFFICE MARKET STATISTICS | 3Q 2017

	YTD Completions	Under Construction	Existing Inventory SF	Direct Vacancy %	Total Vacancy %	YTD Net	Average Direct RR PSF Quoted
Coral Gables Class A	0	132,381	3,584,140	8.7%	8.9%	143,486	\$40.54
Coral Gables Class B	0	0	1,880,786	12.8%	12.8%	-52,133	\$35.73
Totals	0	132,381	5,464,926	10.1%	10.3%	91,353	\$38.66

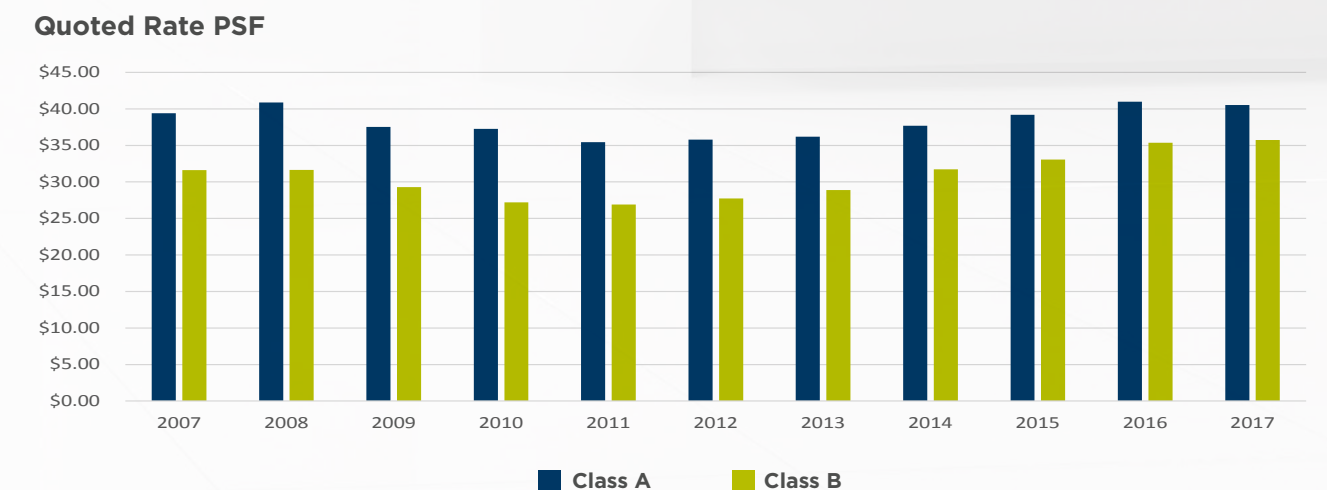
CORAL GABLES DIRECT VACANCY (%) 2007-3Q 2017



CORAL GABLES TOTAL NET ABSORPTION, 2007-3Q 2017



CORAL GABLES AVERAGE DIRECT RENTAL RATES, 2007-3Q 2017



CORAL GABLES SUPPLY HIGHLIGHTS (CONTINUED)

At 95% leased, the largest contiguous space at 4000 Ponce remained at 6,500 SF on the 7th floor. Miami Green’s last space being marketed was on the 10th floor for 2,500 SF, leaving the building at nearly 97.0% occupied. Both buildings are Class A assets. The North and South Towers of the 396 Alhambra project, which were delivered in 2012, have been fully leased on a direct basis during the year. The North Tower had an 11,000 SF sublease with term through 2023. Located on the 10th floor, the space was vacated by Mondelez International (Kraft Foods). The 162,000 SF 550 Biltmore remained in the 90.0% leased range over the last two years, with only a handful of small suites being marketed at third quarter. The largest contiguous space was 7,800 SF on the building’s 7th floor. This Class A asset is one of Coral Gables’ iconic buildings, noted by its two bronze-cast lions perched at its entrance. The Class A 220 Alhambra asset put the 9th and 11th floors back on the market at third quarter, with each floor at 16,000 SF. On the Class B front, 901 Ponce’s largest contiguous office was nearly 17,000 SF. At 2121 Ponce, a 13,000 SF sublet (with term through 2020) was the largest contiguous space. On a direct basis, nearly 7,000 SF was being marketed for a fourth quarter occupancy.

New construction activity included two projects totaling 132,000 SF. The majority of space will be office with the remainder to be retail and residential. Within the competitive urban core, Giralda Place’s (West Tower, presently under construction) largest contiguous space was the entire building at 57,700 SF at the close of the quarter. Completion was expected by first quarter 2018. Outside of the central core, Sunset Office Center was marketing 24,000 contiguous SF on floors 2 through 4. The project is also expected to be completed by early 2018.

In what will be the Gables’ largest project, The Plaza Coral Gables (formerly known as Mediterranean Village at Ponce) is a planned \$100 million, 800,000+ SF mixed-use development. The office component will comprise 474,000 SF. Construction is anticipated to begin in 2018 with an estimated 2020/2021 completion date. Also announced for development in the submarket was a mixed residential and retail project with some office (under 25,000 SF). Located at 4311 Ponce de Leon Boulevard, south of the urban core and across the street from the Village of Merrick Park, the development has an estimated 2019 delivery date. The Village of Merrick Park is a General Growth Properties asset and also includes residential as well as the Shops at Merrick Park, an upscale 744,000 SF retail mall and dining/lifestyle destination.

CORAL GABLES DEMAND HIGHLIGHTS

Strong Class A absorption this quarter totaled over 140,000 SF – the largest volume posted among all Miami submarkets. Over 720,000 SF of positive absorption (2011 -2017) has more than offset the lost occupancy experienced during 2008-2010. Leasing during the quarter totaled 138,000 SF with over 75.0% of transactions executed by finance, legal and real estate users. Year-to-date, 589,000 SF was executed – almost 40.0% of the Suburban total.

Leading the charge for upcoming demand were office users in the finance, media & entertainment, real estate and tech sectors. These industries comprised three-quarters of the 425,000 SF of tour requirements. Nearly 500,000 SF of tenant requirements were touring

or set to tour the Gables area. Leading industry requirements were banking and finance users, which comprised 45.0% of the total tour volume, followed by healthcare and general business services. Most of the occupancy requirements were for tours of 20,000+ SF.

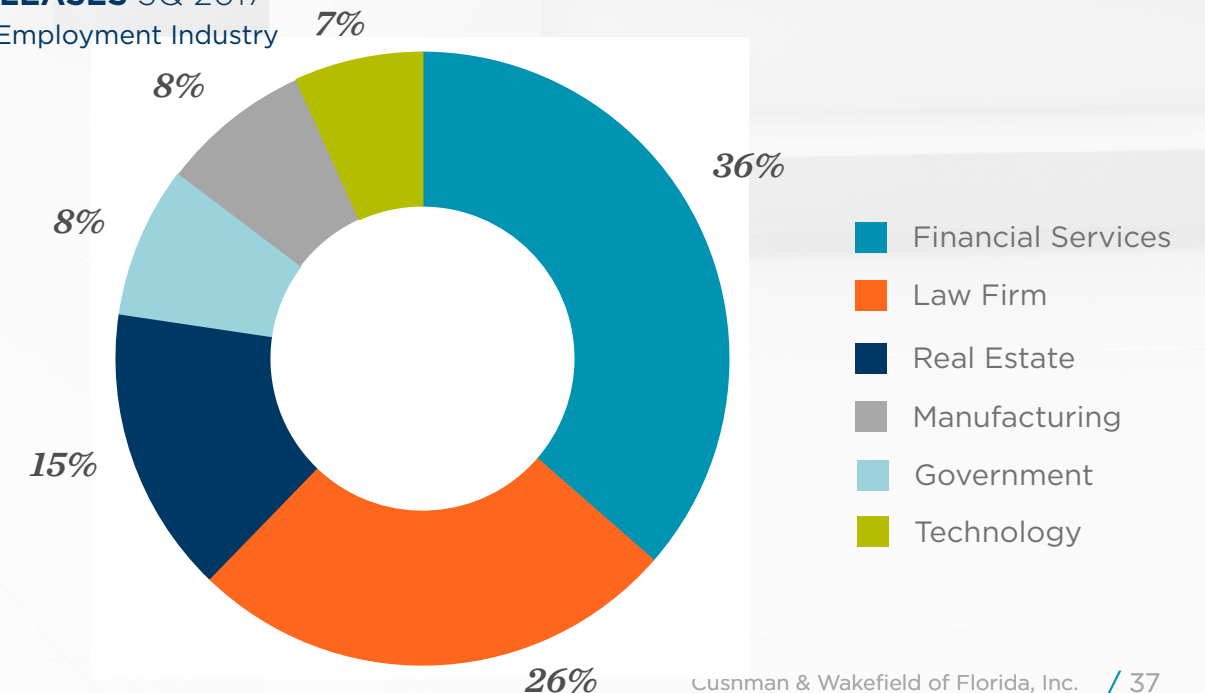
BAC Colonnade executed a third quarter, 13,200 SF lease for administrator/investment manager ALPS Alternative Investments. The transaction marked a relocation from the Coconut Grove submarket. Cargill, a global distributor and manufacturer with \$110 billion in revenue, renewed 10,000 SF for their long-standing presence at the Class A 2525 Ponce building. The firm also leased an equal amount of space in the Airport West submarket. 2020 Salzedo executed two transactions for two new tenants to the building: a 3,000 SF (penthouse) office for noted law firm, Stearns Weaver Miller and a new venue for Bachour Bakery who will occupy 5,200 SF on the ground floor. Only 5,200 SF of office space remains available.

Year-to-date, the Class A Two Alhambra building executed 58,000 SF, most of which occurred during midyear. Third quarter transactions included a 12,000 SF lease for Berk, Merchant & Sims Law Firm and musical tech entity, Deezer, for 2,400 SF. The adjacent Class B 95 Merrick asset executed several smaller law and healthcare firms for 3,600 SF. Combined, the 325,000 SF development is also known as The Alhambra. The project was acquired by RREEF (Deutsche Asset Management) in December 2015. Nearly 27,000 SF of renewals were executed at 150 Alhambra during third quarter. The largest transactions were Capital Bank (recently acquired by Tennessee-based First Horizon National Corp.) for 16,000 SF and S&K Worldwide Realty for 5,300 SF. National architecture and design firm, Perkins + Will, relocated from Douglas Entrance for nearly 14,000 SF at 2800 Ponce.

Three relocations by three law firms totaled 5,500 SF in third quarter executed leases at 901 Ponce. The firms included Fitzgerald & Isaacson (relocated from Brickell), Gutiérrez Bergman Boulris and Wells & Wells (both relocated from Coral Gables buildings). Two tech firms executed leases at 2121 Ponce: BrightGauge who expanded by 5,600 SF and Compuquip Technologies who relocated from Doral (Airport West) in a 2,900 SF lease.

EXECUTED LEASES 3Q 2017

% Of Total By Employment Industry



CORAL GABLES PRICING HIGHLIGHTS

While peak Class A pricing was reached during 2016 (\$40.98 PSF), third quarter’s rate was just slightly under at \$40.54 PSF. Quarterly Class A rates have remained above the \$40.00 PSF mark since 2016.

Third quarter Class A quotes in the \$42.00 PSF range included 396 Alhambra (for its sublease), 550 Biltmore and BAC Colonnade. 355 Alhambra continued to quote \$43.00 PSF for all of its spaces. Higher pricing at the newest building, 2020 Salzedo, remained at \$45.00 PSF while 121 Alhambra’s 14th full 23,000 SF floor had a quote of \$47.76 PSF – the highest in the market and an increase from midyear’s \$46.50 PSF. Also on the higher asking rate range were Two Alhambra (\$44.50-\$47.50 PSF), Columbus Center (\$41.00-\$45.00 PSF), 2525 Ponce (\$45.03 PSF) and 220 Alhambra (\$42.00-\$44.00 PSF). Class A quoted rates for 4000 Ponce’s two remaining spaces were up from last quarter’s \$37.00-\$38.00 PSF to the current \$38.00-\$39.75 PSF. Unchanged over the quarter, Miami Green’s last space was quoted at \$38.00 PSF. The asking rate for the 83,000 SF Bacardi Building sublet remained at \$42.00 PSF.

Class B buildings reached a decade high quoted average of \$35.73 PSF. Direct pricing has increased annually since 2011. Among the highest full service asking rates were at 2121 Ponce (\$39.50 PSF) and 95 Merrick (\$38.50-\$39.50 PSF), representing an increase from midyear. Unchanged during the year, 901 Ponce’s 11,400 SF penthouse remained priced at \$37.50 PSF. An asking rate of \$36.00 was quoted for 2555 Ponce’s upcoming (2018) full floor availability.

Asking rates at the under construction Sunset Office Center ranged from \$35.00-\$38.00, triple net. Although operating expenses were not yet finalized, look to \$15-\$16.00 PSF as this will be the first LEED Platinum Class A office building in Coral Gables. On a full service basis, Giralda Place’s new West Tower building quoted \$46.00-\$48.00 PSF at the close of the quarter.

INVESTMENT SALES DURING 3Q 2017

No buildings traded during the quarter.



4000 Ponce



355 Alhambra



2020 Salzedo



121 Alhambra



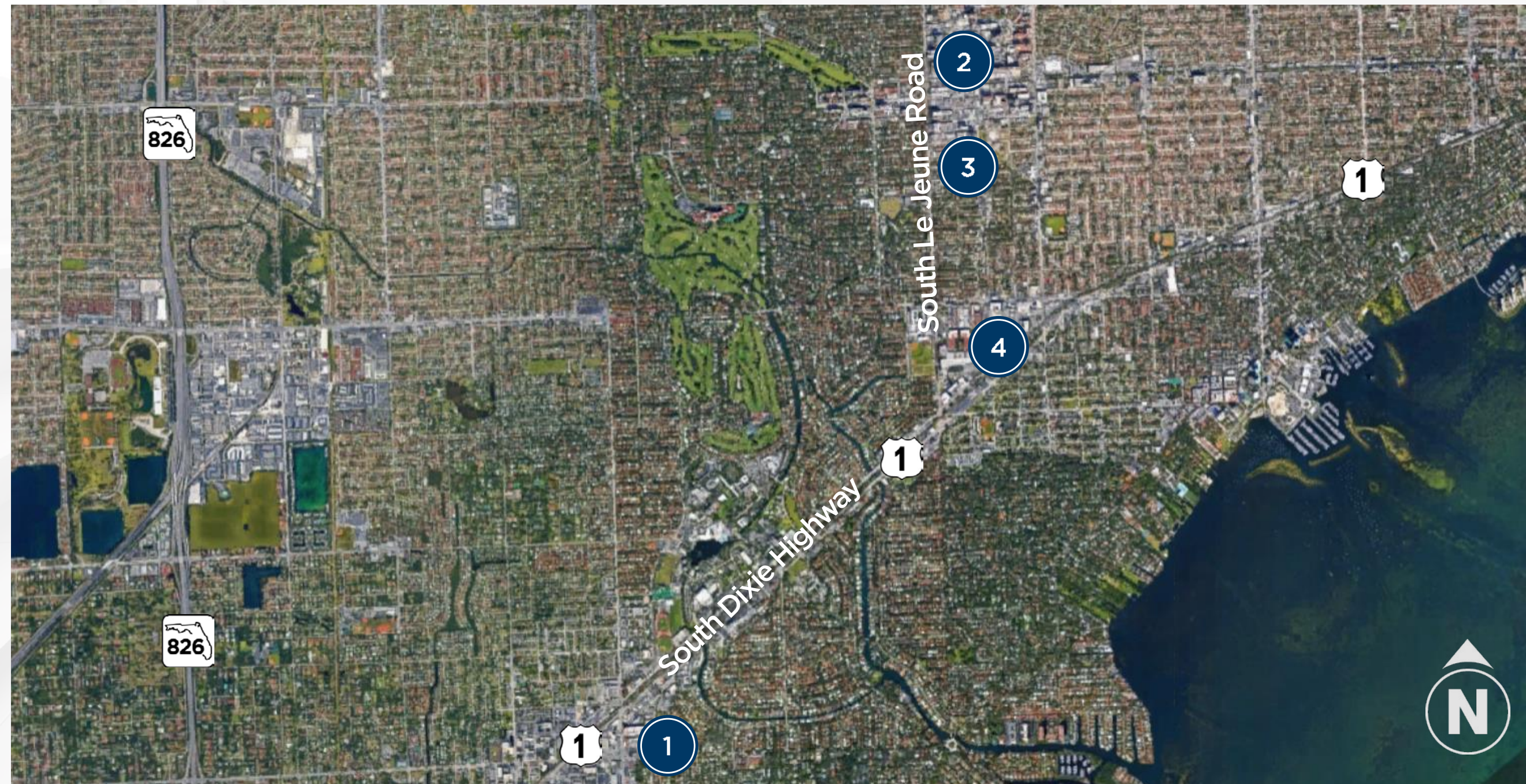
Two Alhambra



550 Biltmore

CORAL GABLES
NEW OFFICE CONSTRUCTION

Number	Name	Address	Total SF	Office SF	Uses	UC/Proposed	Delivery
①	Sunset Office Center	1515 Sunset Drive	60,799	50,000	Office & Retail	UC	1Q 2018
②	Giralda Place - West Tower	2222 Ponce de Leon Boulevard	71,582	52,188	Office, Retail & Residential	UC	1Q 2018
③	Plaza at Coral Gables	3001 Ponce de Leon Boulevard	830,000	474,000	Office, Retail, Hotel & Green Space	Proposed	2020/2021
④	4311 Ponce de Leon Boulevard	4311 Ponce de Leon Boulevard	70,000	22,600	Office & Retail	Proposed	2019



CORAL GABLES SURROUNDING AREA
OTHER DEVELOPMENT

SUNSET PLACE-REDEVELOPMENT OF EXISTING RETAIL/OFFICE COMPLEX (Proposed)



Retail, Residential and Hotel
5701 Sunset Drive

PASEO DE LA RIVIERA (Proposed)



Hotel, Residential & Open Park
1350 South Dixie Highway

LINK AT DOUGLAS (Proposed)



Transit Oriented Development: Office, Retail, Residential, Hotel, Public Plaza & Rail Station Upgrade
NW quadrant of the intersection of Douglas Road and South Dixie Highway

33 ALHAMBRA (Proposed)



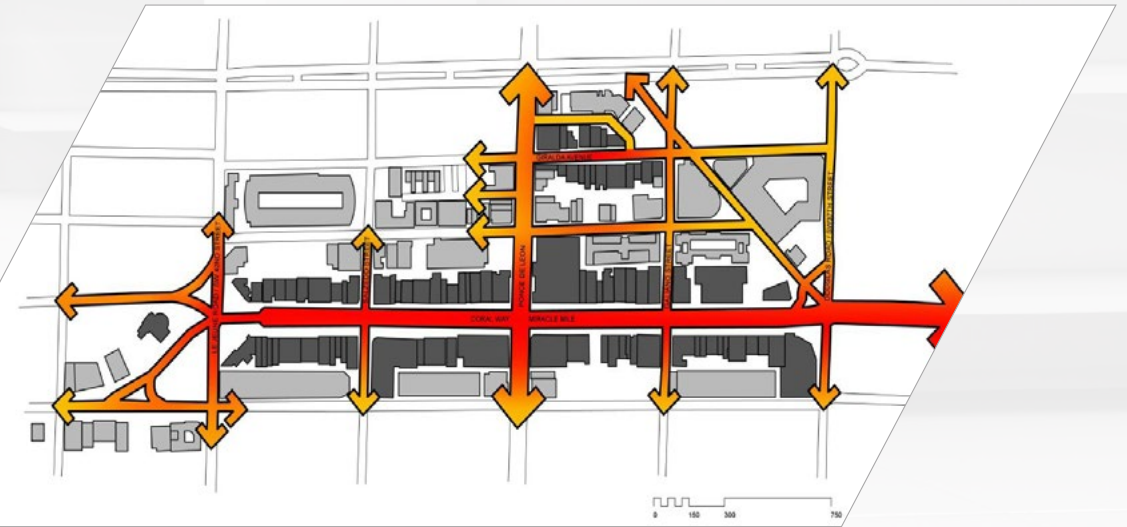
Residential, Retail and Public Park
33 Alhambra Circle

COLUMBUS CENTER APARTMENTS (UC 2017 DELIVERY)



Residential
100 Alhambra Circle

STREETSCAPE UPGRADES (UC 2017-2018 Completion)



\$21.0 million pedestrian-friendly project - garden areas, outdoor dining, improved lighting and parking, wayfinding and public art
Intersection of Miracle Mile and Ponce de Leon Blvd

KENDALL/SOUTH DADE SUPPLY HIGHLIGHTS

At nearly 2.3 million SF in 30 buildings, Kendall was the third-largest Suburban submarket, dominated by Class B product, which consists of 25 buildings comprising two-thirds of the total square feet.

Total year-to-date 2017 positive absorption gains, most of which occurred in Class A buildings, reduced direct vacancies for the entire market. A drop by 4.0 percentage points among the Class A set lowered 2016's 15.7% to the current 11.7%. The overall submarket had less than 4,000 SF of sublet space vacant during all three quarters of 2017. Historically, sublease space had minimal impact in the market, remaining under 11,000 SF on average annually since 2011. The largest (20,000+ SF) contiguous blocks of space were only located in Class B buildings.

The Kendall/South Dade submarket is one of the largest geographically in Miami, extending roughly 12 miles east/west by 14 miles north/south. The western portion is comprised of smaller (under 50,000 SF) Class B buildings catering to correspondingly smaller tenants (1,500 SF range) who are typically sole practitioners, residing near or along the Turnpike. With the abundance of hospitals and medical facilities in the area, many tenants include medical billing firms, therapists, labs and insurance companies.

The submarket's principal corporate office occupiers, however, were concentrated within the Kendall Drive, Palmetto Expressway and South Dixie Highway/U.S. 1 corridors. This remained as one of Miami's busiest and densest commercial intersections anchored by the 1.4 million SF Dadeland Mall. Kendall/South Dade's five Class A office buildings are located adjacent to the mall and its two Metrorail train stations. As such, the prime competitive set of totaled 1.4 million SF which includes the five Class A buildings and six Class B buildings.

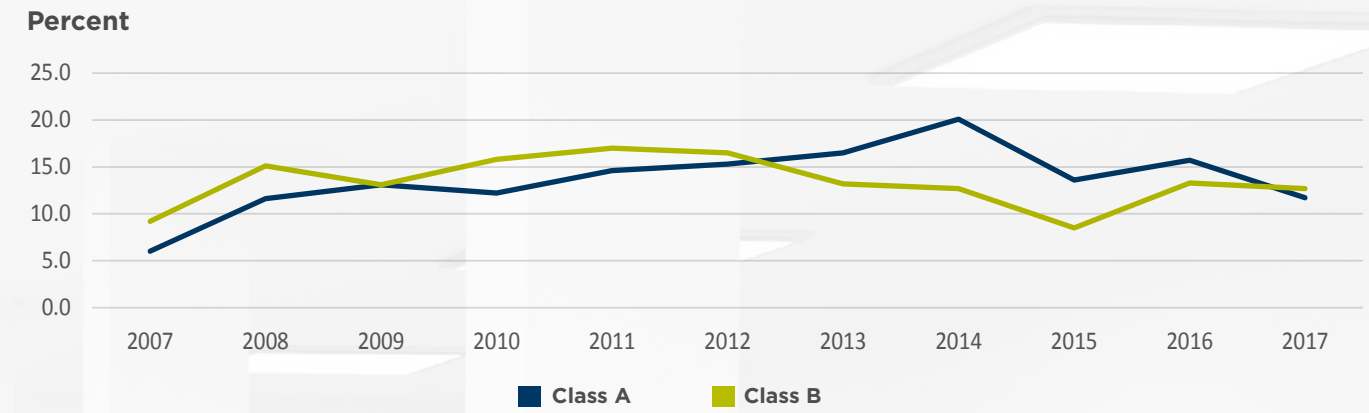
Vacancy reduction among the five-building Class A market to the current 11.7% was the lowest rate realized since 2008. Peak vacancy occurred in 2014 at 20.1%.

The Class A One and Two Datan Center project held Kendall's largest contiguous space of nearly 14,000 SF on the 18th floor (One Datan). The combined occupancy for both buildings stood at 82.0% during. This is the largest Class A asset in Kendall, comprising 474,000 SF or 60.0% of the submarket's existing Class A inventory.

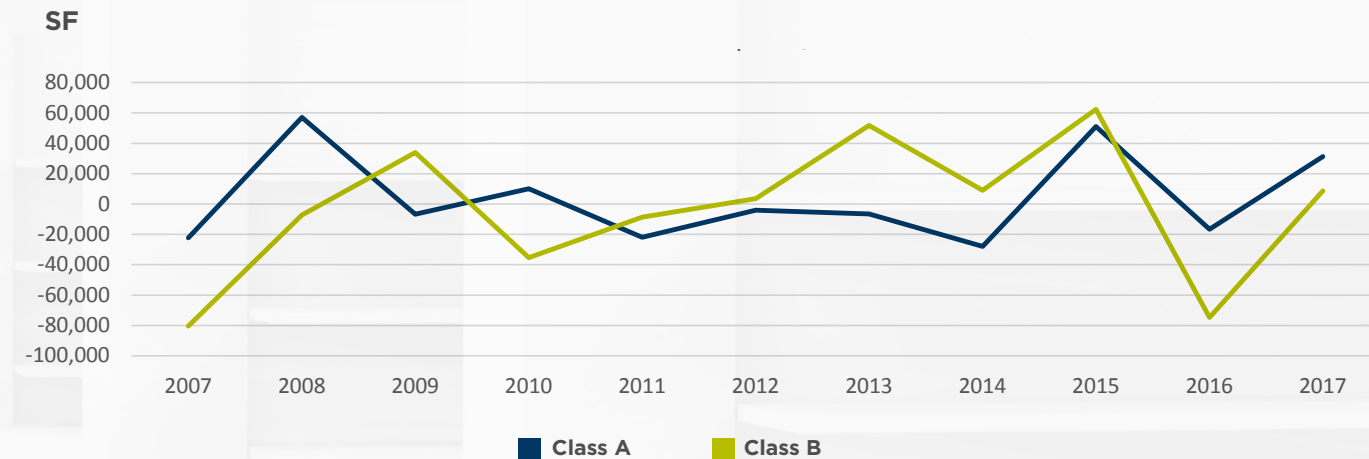
OFFICE MARKET STATISTICS | 3Q 2017

	YTD Completions	Under Construction	Existing Inventory SF	Direct Vacancy %	Total Vacancy %	YTD Net Absorption	Average Direct RR PSF Quoted
Kendall/South Dade Class A	0	0	781,829	11.7%	11.7%	31,296	\$40.68
Kendall/South Dade Class B	0	0	1,476,320	12.7%	12.9%	8,636	\$26.69
Totals	0	0	2,258,149	12.3%	12.5%	39,932	\$31.39

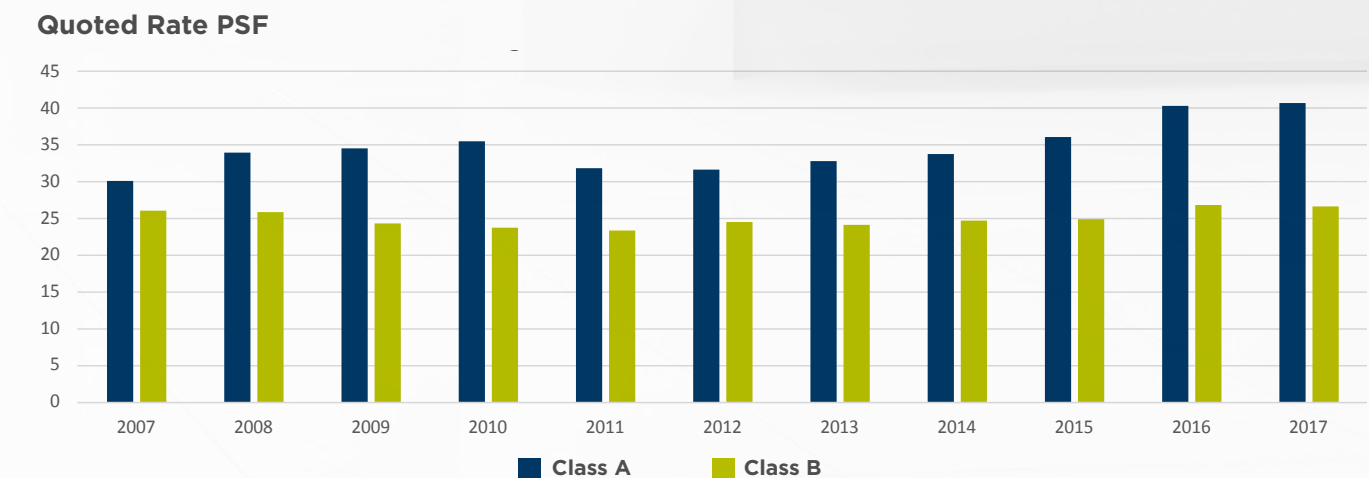
KENDALL/SOUTH DADE DIRECT VACANCY (%) 2007-3Q 2017



KENDALL/SOUTH DADE TOTAL NET ABSORPTION, 2007-3Q 2017



KENDALL/SOUTH DADE AVERAGE DIRECT RENTAL RATES, 2007-3Q 2017



KENDALL/SOUTH DADE SUPPLY HIGHLIGHTS (CONTINUED)

The combined direct vacancy at Dadeland Centre I and II was reduced to under 3.0% at the close of third quarter. Kendall's smallest (68,000 SF) Class A building was Dadeland @ 9700. The building was fully leased since midyear 2015. By year-end 2017, a 9,600 SF penthouse will be available for occupancy.

Among Class B buildings, the last 18 months saw vacancy rates in the 12.0%-13.0% range. Third quarter's small but positive absorption aided a reduction in current supply levels. 2016 witnessed Class B's highest lost occupancy (-75,000 SF) posted since 2007. Contributing was the loss of 20,000+ SF vacated in the Citibank Building.

In West Kendall, five buildings make up the office core of the Kendall Summit park. At third quarter, the largest contiguous space totaled 12,000 SF and was located on the 2nd floor at the 11430 N. Kendall Drive building. The park is located near the Florida Turnpike, 9.0 miles west of the Dadeland Mall urban core and was 71.0% leased at the close of the quarter.

KENDALL/SOUTH DADE DEMAND HIGHLIGHTS

Most tenants in the prime competitive set occupy less than 10,000 SF or less and were drawn to the market's proximity of residential communities in the area, including West Kendall, South Miami, Pinecrest, Palmetto Bay, Cutler Bay and Coconut Grove. The biggest draw is the area's convenient access to two Metrorail stations, one of which is located at the Dadeland Centre project.

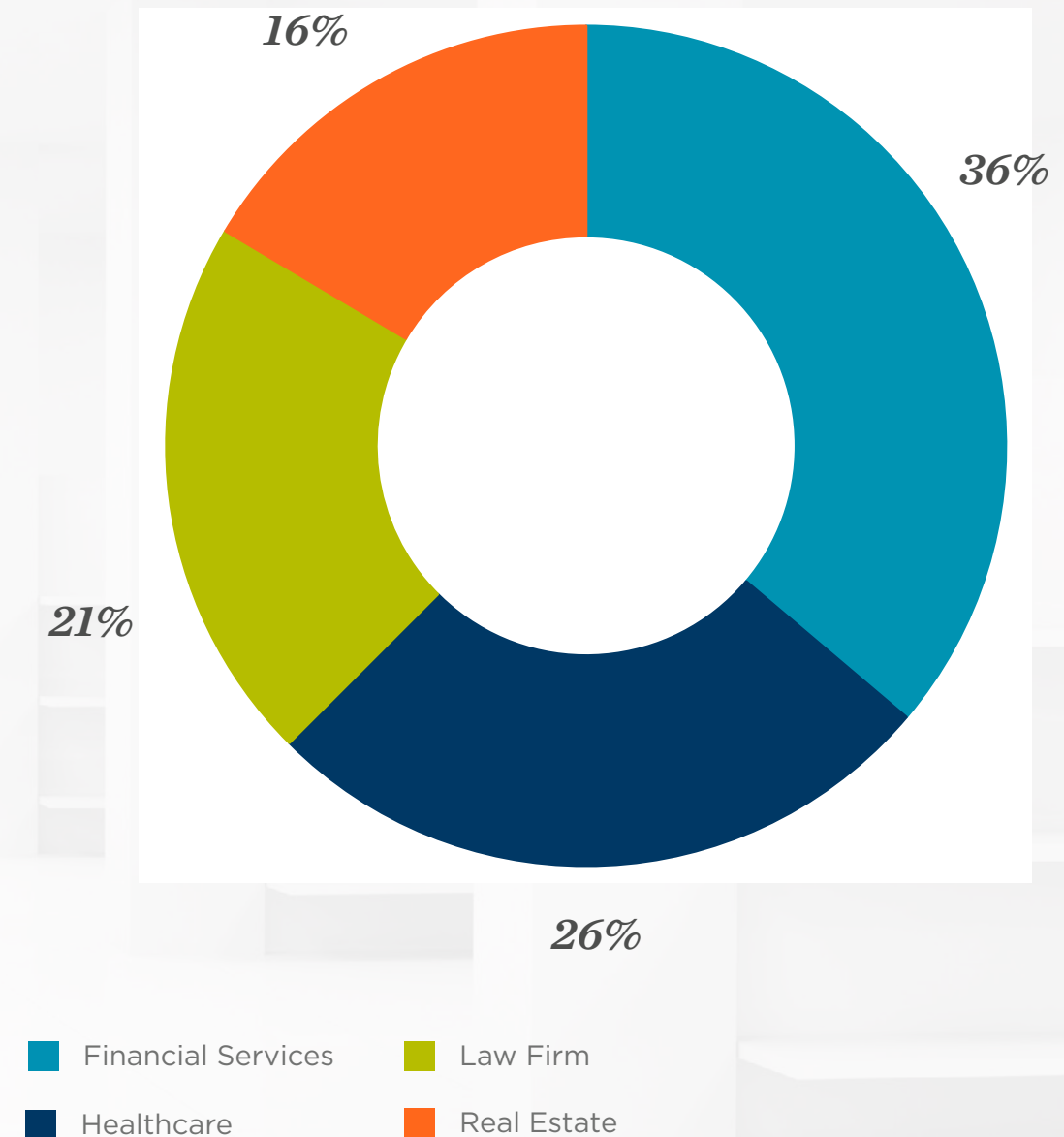
In a continuation of last quarter, leasing volumes were lower and smaller. The majority of existing tenants in the competitive set of buildings were law firms and financial services users. Third quarter's transactions fell within similar industries, with office tenants from finance, legal and healthcare signing leases during the quarter. Year-to-date leasing activity for both Class A and Class B users totaled 57,000 SF.

Among the competitive Class A buildings, Datran Center executed two renewals at third quarter. Morgan Stanley executed a 3,500 SF for their 17th floor office (Two Datran) while the law offices of Woodbury, Santiago et al executed a 3,200 SF lease for their 17th floor office (One Datran).

Accounting firm, CAPA, signed a 2,000 SF lease at the two-building, Class A Dadeland Centre project. In addition, Velocity Mortgage executed 2,500 SF this quarter. Both deals occurred in Building I (9155 South Dadeland Boulevard) and were new leases at the building.

In West Kendall, the Kendall Summit park welcomed new user, SOC (Specialist on Call) who executed a 2,500 SF lease while a therapy group renewed and expanded for 1,500 SF.

EXECUTED LEASES 3Q 2017
% Of Total By Employment Industry



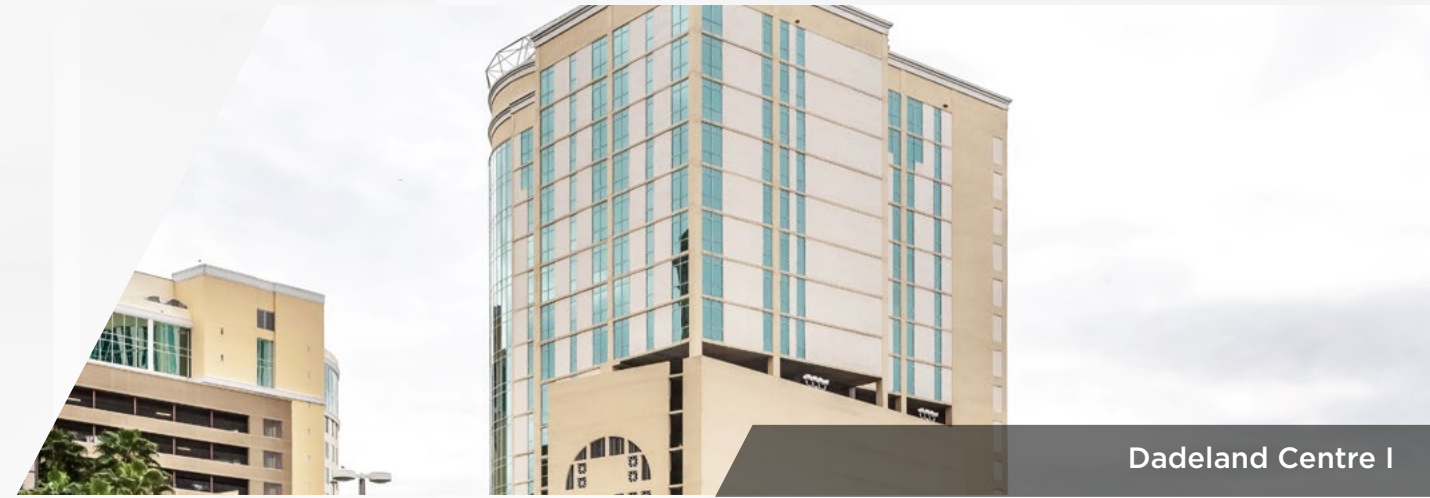
KENDALL / SOUTH DADE PRICING HIGHLIGHTS

Pricing fundamentals for Class A buildings have remained above the \$40.00 PSF average since third quarter 2016. Quotes reached \$40.68 PSF at third quarter, a record high for the sector. Among Class B assets, third quarter registered \$26.69 PSF, a figure which has mostly stayed in this range over the last four quarters and among the historical highest posted.

At the Datran Center project, third quarter asking rates ranged from \$40.00-\$43.00 PSF while Dadeland Centre’s quotes ranged from \$38.00-\$40.50 PSF. For the last remaining vacant space at Dadeland @ 9700, the asking rate was \$32.00 PSF for the upcoming penthouse office (9,600 SF), to come online at year-end. Kendall Summit’s rates ranged from \$29.50 PSF to \$32.50 PSF.

INVESTMENT SALES DURING 3Q 2017

No buildings traded during the quarter.



Dadeland Centre I



Dadeland Centre II



Datran Center

KENDALL / SOUTH DADE
NEW OFFICE CONSTRUCTION

Number	Name	Address	Total SF	Office SF	Uses	UC/Proposed	Delivery
①	SOMI Station	7145 SW 59th Place	195,000	195,000	Office	Proposed	3Q 2019
②	South Miami Medical Tower	6201 Sunset Drive	65,000	65,000	Medical Office	Proposed	2018
③	Former Synagogue in Kendall	9408 SW 87th Avenue	309,521	101,305	Office	Proposed	2020



KENDALL/SOUTH DADE SURROUNDING AREA
OTHER DEVELOPMENT



9600 SOUTH DIXIE HIGHWAY
(Proposed)

Residential & Retail
9600 South Dixie Highway



6075 SUNSET DRIVE - BANK UNITED SITE
(Proposed)

Residential & Retail
6075 Sunset Drive



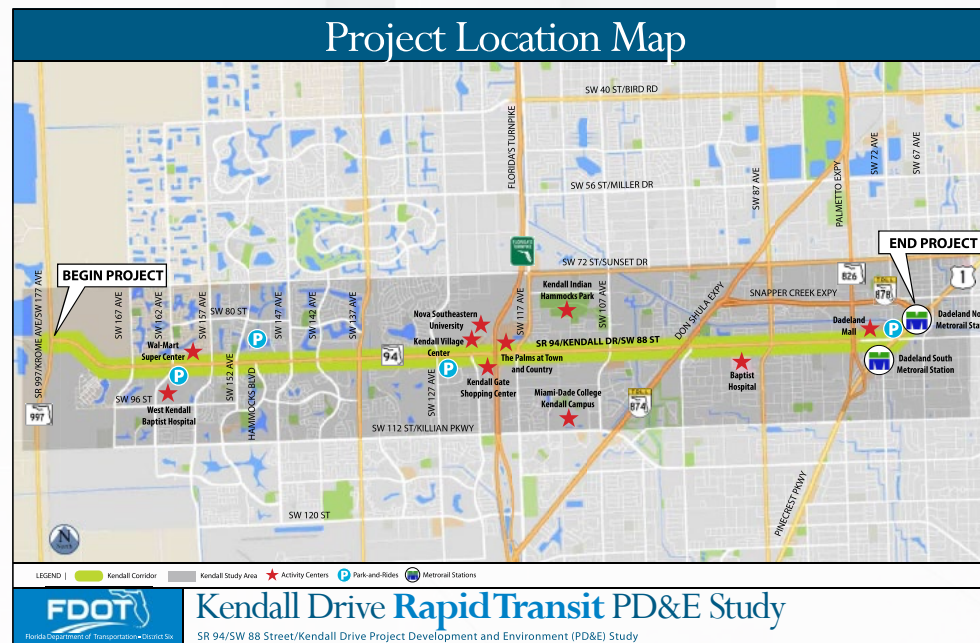
GABLES STATION - TRANSIT ORIENTED DEVELOPMENT (Proposed)

Hotel, Residential and Retail
251 South Dixie Highway



7300 KENDALL DRIVE - CITIBANK OFFICE BUILDING
(Proposed)

Residential & Retail
7300 Kendall Drive



RAPID TRANSIT CORRIDOR (PROPOSED)
Florida DOT study focusing on improving Kendall Drive with premium transit modes to be evaluated such as Bus Rapid Transit, Light Rail Transit, Heavy Rail Transit and Metrorail at-grade (powered by overhead lines), on exclusive lanes.

KENDALL DRIVE
From Krome Avenue East to US 1

AIRPORT WEST SUPPLY HIGHLIGHTS

Airport West remained as Miami's largest office submarket with 8.8 million SF located in 75 properties. The Class A segment, also Miami's largest, remained in the single digits in terms of vacancy for over the last 2.0+ years. New delivery of 226,000 SF (800 Waterford) this quarter, however, contributed to a rise - but only to the 10.0% mark. Direct vacancy among Class B buildings historically stayed in the double digits. Third quarter's 13.9% rate, however, was a much improved statistic over midyear 2012's near 24.0% rate.

The largest direct availability of contiguous office space at third quarter was the entire Doral 107 building for approximately 94,000 SF. The building became fully vacant with Atkins Engineering's relocation into 26,000 SF at the recently completed 800 Waterford building. Occupancy for the building, however, will be pushed up in the first quarter 2018 as FEMA executed a short term lease this quarter for the entire building. Only one sublet in the submarket was available to accommodate a user of 20,000 SF or greater - a Class A space located at 6505 Waterford.

Three of the region's largest office parks are located here: Waterford, Downtown Doral and The Landing at MIA. The sheer size, leasing volumes and credit tenant base at these parks drove pricing fundamentals.

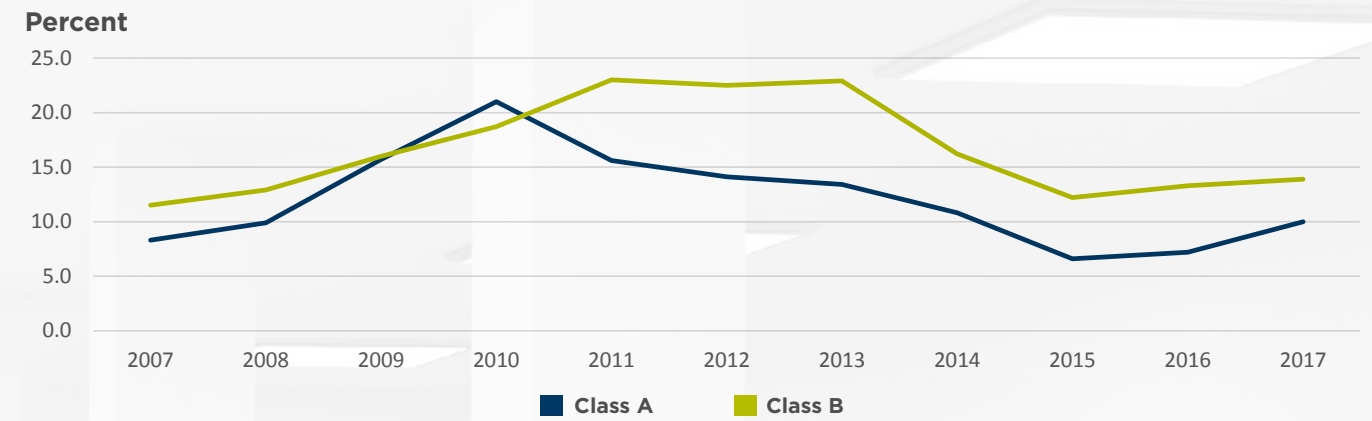
Waterford remained as the largest office park which comprised nearly 3.2 million SF at the close of third quarter. With this quarter's opening of 800 Waterford, the majority of space was located in 12 Class A buildings which comprised over 2.4 million SF. There were eight Class B building comprised of 751,000 SF. The park has multiple building owners.

Seven Class A Waterford buildings, part of the TIAA-Allianz portfolio, comprised 1.6 million SF and were 92.0% leased. The largest contiguous office available at the close of the quarter was 52,000 SF (9th and 10th floors) located in the newly completed 800 Waterford asset. Additional large blocks were being marketed at 5200 Waterford (13,000 SF) and 1000 Waterford (nearly 11,000 SF).

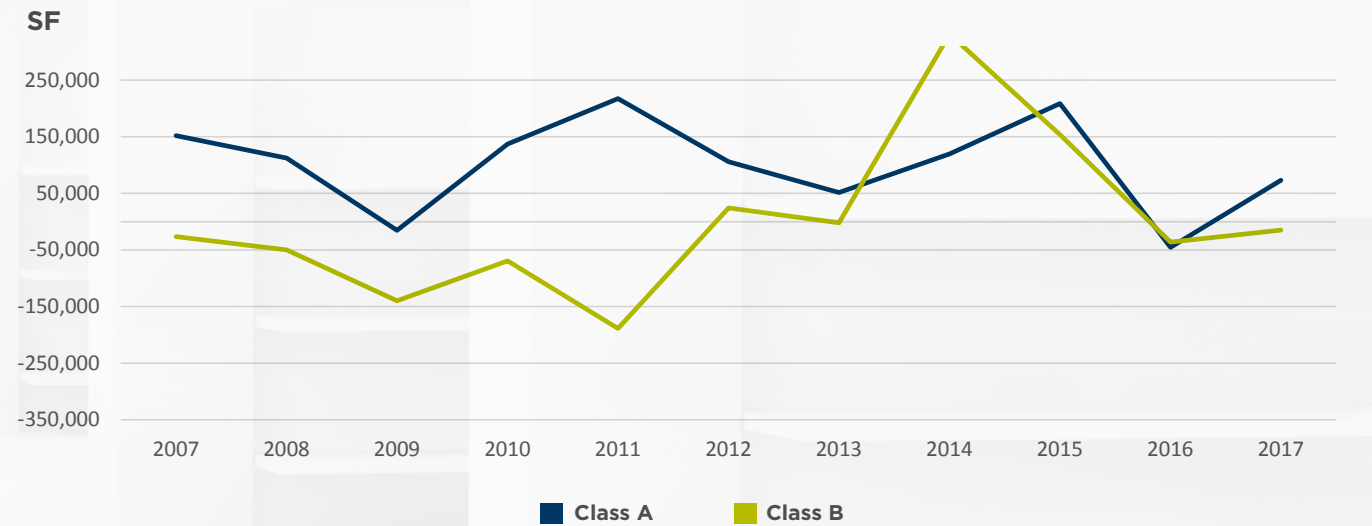
OFFICE MARKET STATISTICS | 3Q 2017

	YTD Completions	Under Construction	Existing Inventory SF	Direct Vacancy %	Total Vacancy %	YTD Net Absorption	Average Direct RR PSF Quoted
Airport West Class A	246,085	150,000	5,075,813	10.0%	10.6%	73,271	\$34.11
Airport West Class B	0	0	3,736,733	13.9%	13.9%	-14,993	\$27.46
Totals	246,085	150,000	8,812,546	11.7%	12.0%	58,278	\$30.64

AIRPORT WEST DIRECT VACANCY (%) 2007-3Q 2017

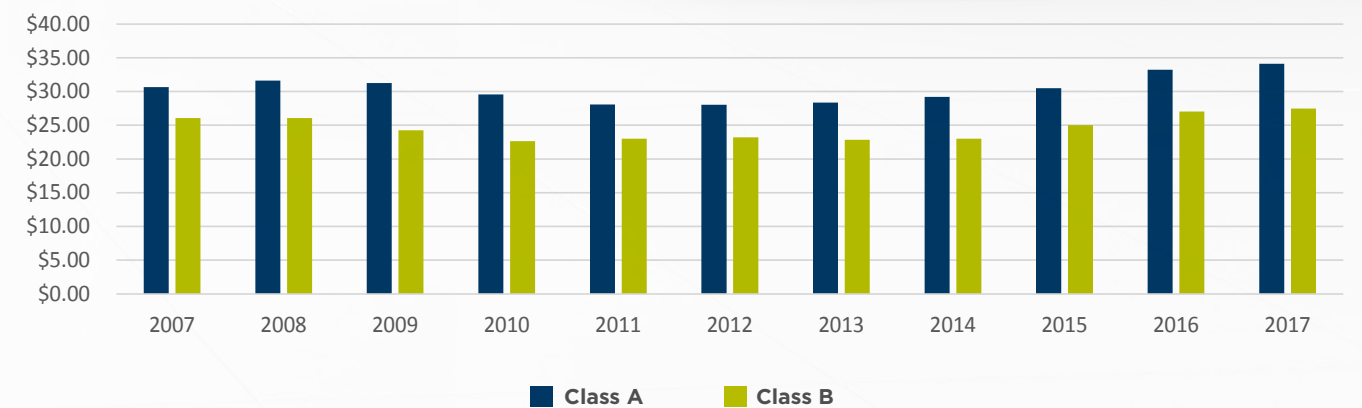


AIRPORT WEST TOTAL NET ABSORPTION, 2007-3Q 2017



AIRPORT WEST AVERAGE DIRECT RENTAL RATES, 2007-3Q 2017

Quoted Rate PSF





AIRPORT WEST SUPPLY HIGHLIGHTS (CONTINUED)

Waterford's three-building MetLife 508,000 SF portfolio remained at 91.0% leased at third quarter, with its largest contiguous office located on the 2nd floor in the 6303 Building for 9,700 SF. Ivy Realty's five-building Waterford portfolio totaled 364,000 SF and was 86.0% leased in the third quarter; two buildings were fully leased with the largest contiguous space of 12,000 SF in the 5805 Building.

The five existing Class A Downtown Doral buildings (totaling 526,000 SF) were 86.0% leased. The Spokane building contained the largest vacant contiguous space of 19,200 SF, located on the third floor. The entire Downtown Doral development was being completely revitalized into a new, 1.0+ million SF master-planned city center project (including a retail village and residential product). The majority of this was well underway with the 250,000 SF second phase for the retail segment (The Shops at Downtown Doral) beginning construction at third quarter 2017. Pending demand, future build-out could potentially allow for 400,000 SF of Class A office space. The entire development is owned by Codina Partners. The park's 130-acre "White Course" was slated for residential development with support commercial amenities.

At 1.0 million SF, The Landing at MIA has 888,000 SF in eight buildings that are dedicated to Class A and Class B office space. The remaining space was flex and industrial. With little supply (direct vacancy of 7.0%), the largest contiguous space available at third quarter was 26,000 SF. The space, located on the top floor at the Class A 7600 building, will be available for occupancy by year-end 2017. CBRE Global Investors acquired the asset in 2014.

One Park Square, a 282,000 SF Class A office building, was 86.0% leased. The building's largest direct contiguous space at quarter's end was the ground floor's 8,300 SF - available for office and/or retail use. One sublet was available comprising 14,500 SF. Located on the 6th floor term was advertised through 2025.

The 246,000 SF Class A Doral Concourse building remained at 97.0% leased with the largest contiguous space of 21,500 on the 3rd Floor. The asset was purchased by DRA Advisors in 2014.

The 278,000 SF Doral Corporate Center project had 14,500 SF available at Building II as its largest third quarter contiguous space. By September 2018, an 18,000 SF office will become available on the 4th floor (Neff Rental's space), also in Building II. A \$3.0 million renovation at the project remained underway while four contiguous apartment buildings (via a connecting bridge to the offices) were also under construction. A CVS Pharmacy was built in 2016. Purchased by Rialto Capital Management in 2016, the combined direct vacancy for both buildings was 14.0% at the close of the quarter.

On a direct basis, Flagler Station's three multitenant office buildings were 98.0% leased at third quarter. The development is a 950-acre industrial park. The 1200 office building continued to market a substantial sublease: Brightstar's 74,000 SF. The global mobile tech firm's offices are spread out on several floors with term through 2023. The offering includes building signage and an ample parking ratio of 5.00/1,000 SF.

On the Class B front, the 187,000 SF 9250 Doral asset was 89.0% leased at third quarter. Located on the 4th floor, 9,200 SF was its largest contiguous space available.

Unchanged from last quarter, the 97.0% leased Lennar Corporate Center's largest contiguous space remained at 6,000 SF.

Only one 150,000 SF building remained under construction at the close of the quarter, an asset of the TIAA-Allianz portfolio. The development is a build-to-suit for Burger King's new World Headquarters. They will vacate 213,000 SF from their current headquarters in Waterford at 5505 Blue Lagoon Drive, which is a Franklin Street owned building.

AIRPORT WEST DEMAND HIGHLIGHTS

Average quarterly leasing levels for the three months of 2017 (697,000 SF) were on par with last year’s pace of activity, when just under 1.0 million SF of new, renewal and expansion activity was executed. The bulk of square footage (237,000) signed during the current quarter was for large (20,000+ SF) office users in government, manufacturing and real estate. This included Miami’s largest transaction during all of 2017: 94,000 SF for FEMA, a GSA entity.

This submarket offers free and ample parking (3.0 to 5.0 spaces per 1,000 SF), which remains essential to larger office occupiers with a significant daily commuting employee base. As such, 434,000 SF of office tenants are or will be touring here (does not include Amazon’s 500,000 SF requirement). Similar to Coral Gables, requirement sizes were typically larger (20,000+ SF). The total tour pipeline for Airport West was led by occupiers in the media & entertainment, tech and finance sectors.

Third quarter leasing at Downtown Doral totaled nearly 50,000 SF, the majority of which were large occupiers. Leases of 20,000 SF each were executed by Florida’s Department of Business Regulations and executive suites provider, Xoffices. Both were renewal and expansion transactions.

Two tenants signed third quarter leases at 800 Waterford, TIAA-Allianz’s newest Class A asset. They included FirstBank’s 26,000 SF relocation (from 701 Waterford) and a 10,300 SF lease for Cargil (relocation from Coral Gables). The 246,000 SF building opened this quarter with 41.0% of its space pre-leased.

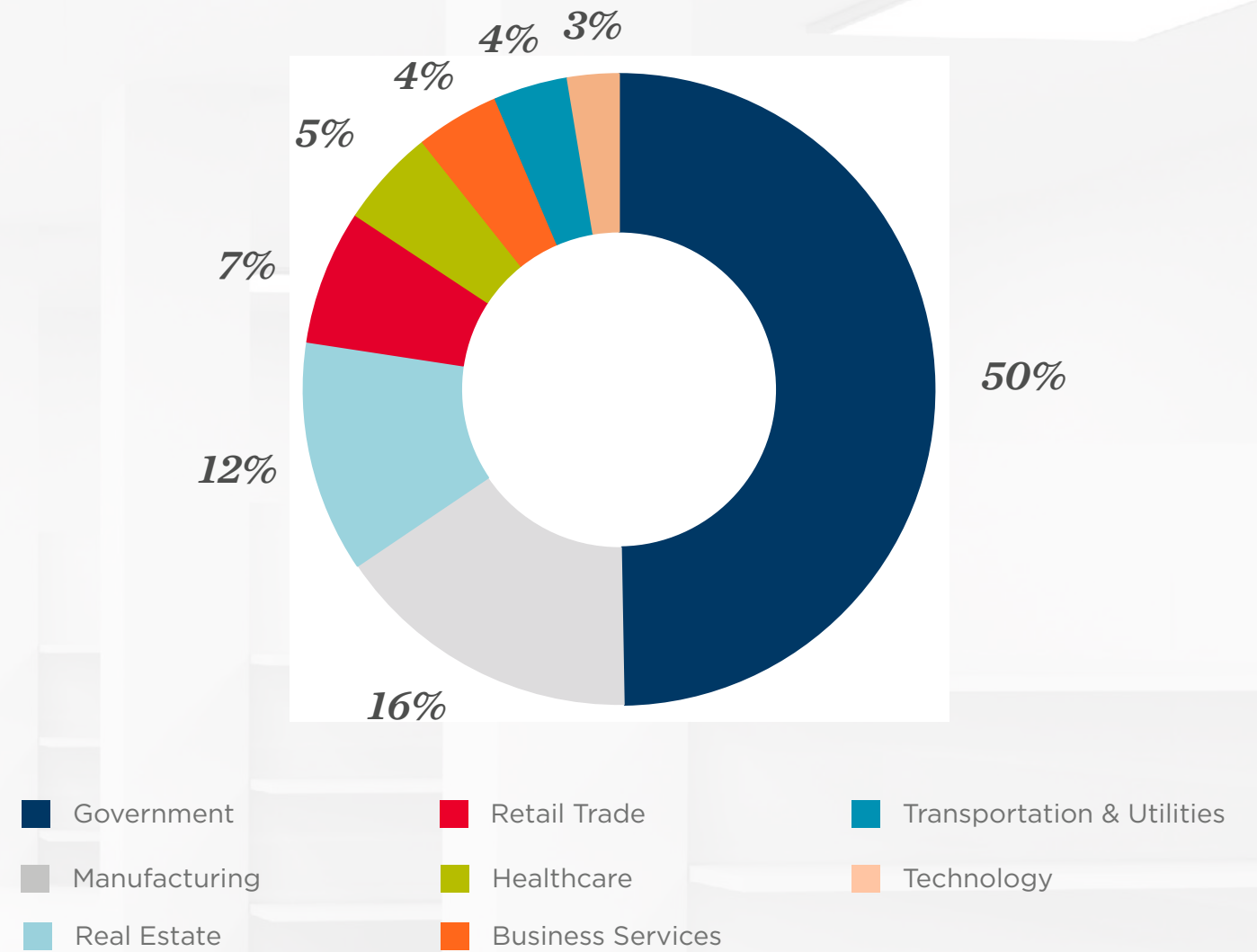
Another 28,000 SF were also executed at the TIAA-Allianz Waterford portfolio. Tenants that renewed included Areas USA (9,900 SF) and TEKsystems (6,000 SF) while one of the largest users, Miami Children’s Hospital, expanded by another 9,000 SF. The hospital now occupies 129,000 SF or 8.0% of the entire TIAA-Allianz portfolio’s space. Additional leasing included LEAD Engineering Contractors, a sublease tenant (in Sony space) at the park, who executed a new direct lease for 3,400 SF.

Among Waterford’s (MetLife) Class B assets, the 6101 Building renewed Pescatlantic Group (1,000 SF) while the 6303 Building welcomed new user, Conarina Group. Both firms service the maritime industry.

At Prudential’s three-building, 364,000 SF Westside Plaza office park, 13,000 SF were executed during the quarter. The largest were International Hotel Group’s 4,400 SF renewal and BenQ Latin America’s 3,500 SF sublease.

Flagler Corporate Center, a six-story, 635,000 SF multi-tenant office building is located on 26 acres. The building was originally designed and constructed for Florida Power & Light, who remains as the largest tenant in the building. It is also home to Simply Healthcare, who relocated to Flagler Corporate Center in 2015. At midyear 2017, Simply Healthcare expanded its corporate headquarters by another 24,000 SF - increasing its total occupancy to 107,000 SF. The building’s largest contiguous space available was 17,000 SF on the 5th floor.

EXECUTED LEASES 3Q 2017
% Of Total By Employment Industry



AIRPORT WEST PRICING HIGHLIGHTS

Demand and tour activity fundamentals remained strong as new Class A supply did not put a damper on pricing. The last two quarters remained above \$34.00 PSF which was another decade high average. Following suit and on the rise since 2010, Class B quotes also closed out third quarter at a record high average of \$27.46 PSF – marking a 22.0% increase. Some of the highest priced Class A offices included One Park Square (\$37.25-\$37.50 PSF) and 8333 Downtown, Downtown Doral’s newest building (\$37.00 PSF – unchanged over the quarter but up from 2016’s average of \$34.00 PSF). The park’s four legacy buildings had quotes in the \$31.00 PSF range. Quoted rates at Waterford’s 5200 and 703 Buildings remained unchanged over the quarter (\$36.00-\$37.00 PSF). Also among top tiered pricing was Doral Concourse (\$35.50 PSF). Pricing at The Landing at MIA’s was \$35.50 PSF for Class A space and \$30.50 PSF for the Class B buildings. Third quarter quoted rates were unchanged from midyear but up from first quarter’s \$32.00-\$35.00 PSF to the current \$34.00-\$35.00 PSF at Doral Corporate Center.

The 800 Waterford project increased its quotes during first quarter 2017 by approximately \$0.50 PSF (\$34.00 to \$38.50 PSF). Opened at third quarter 2017, full service rates (which included an estimated \$10.00 PSF for operating expenses) ranged from \$35.00-\$38.00 PSF.

Among the quarter’s highest asking Class B rates were the three MetLife Waterford buildings, where quotes remained unchanged over the quarter at \$32.51-\$33.41 PSF. Doral Court’s asking rate remained at \$31.00 PSF for all of its spaces. All of the Class B offices at The Landing at MIA had quotes of \$30.50 PSF. Lennar Corporate Center maintained an average \$27.00 PSF asking rate for all of its spaces. 9250 Doral quoted \$30.00-\$33.00 PSF for its last two remaining spaces. At Flagler Corporate Center, all of the remaining office space was quoted at \$29.00 PSF at the close of the quarter.

INVESTMENT SALES DURING 3Q 2017



800 Waterford



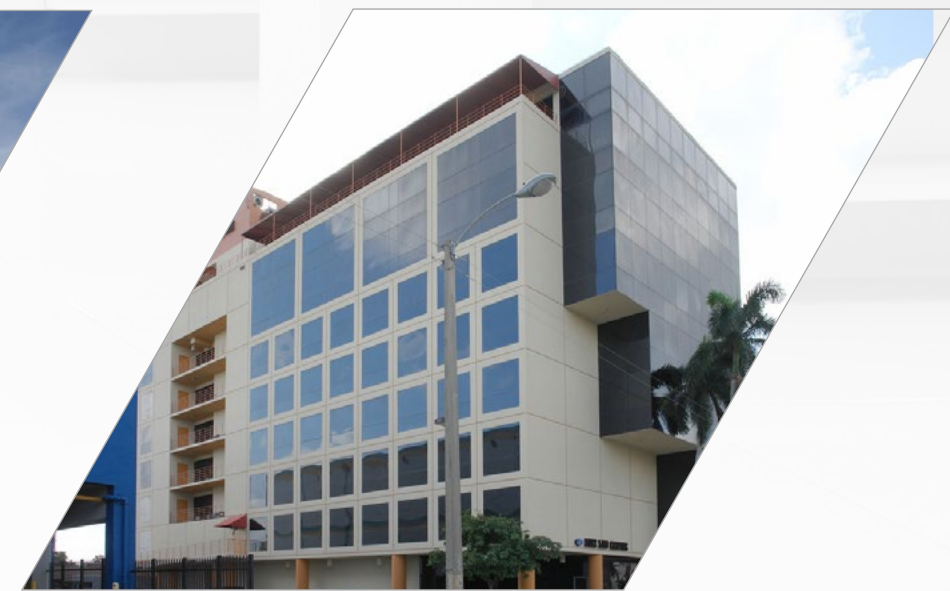
Doral Concourse



5835 Blue Lagoon Drive (Waterford Office Park)
 Sale Price: \$10,550,000 (\$183 PSF)
 Size: 57,565 SF - Class B
 Class B Buyer: Blue Lagoon Investments, LLC.
 (New York based firm)



One Park Square
 Sale Price: \$96,100,000 (\$341 PSF)
 Size: 281,785 SF - Class A
 Class A Buyer: TA Realty



5040 NW 7th Street
 On the market for sale
 Sale Price: \$10,900,000 (\$132 PSF)
 Size: 82,763 SF - Class B
 Class B Seller: Netz USA LLC (Israel based firm) Cushman & Wakefield of Florida, Inc. / 49

AIRPORT WEST SURROUNDING AREA
OTHER DEVELOPMENT

Number	Name	Address	Total SF	Office SF	Uses	UC/Proposed	Delivery
①	Burger King HQ	5707 Blue Lagoon Drive	150,000	150,000	Office	UC	3Q 2018
②	Downtown Doral - Phase II	NW 58th Street & NW 87th Avenue	N/A	400,000	Retail, Office, Library, Schools & Residential	Proposed	4Q 2019* *Retail



AIRPORT WEST SURROUNDING AREA
OTHER DEVELOPMENT

HIALEAH MARKET TRI-RAIL STATION
(Proposed)



Transit Oriented Development: 300+ Acres for Office, Flex, Industrial, Retail, Residential & Hotel
1200 SE 11th Avenue

MIAMI INTERMODAL CENTER - 25-AC EXPANSION
(Proposed)



Hotel/Convention Center, Commercial and Retail
SW Quadrant of the intersection of NW 25th Street & NW 37th Avenue

AMERICAN DREAM MIAMI
(Proposed)



200 Acre Assemblage for Retail, Entertainment/Theme Parks and Hotels
SW Quadrant of the Intersection of I-75 & The Florida Turnpike

TERRA GROUP - 3.9 AC REDEVELOPMENT OF DORAL COURT PARKING LOT (Proposed)



Retail & Restaurant
SE Quadrant of the intersection of NW 36th Street & NW 87TH Avenue

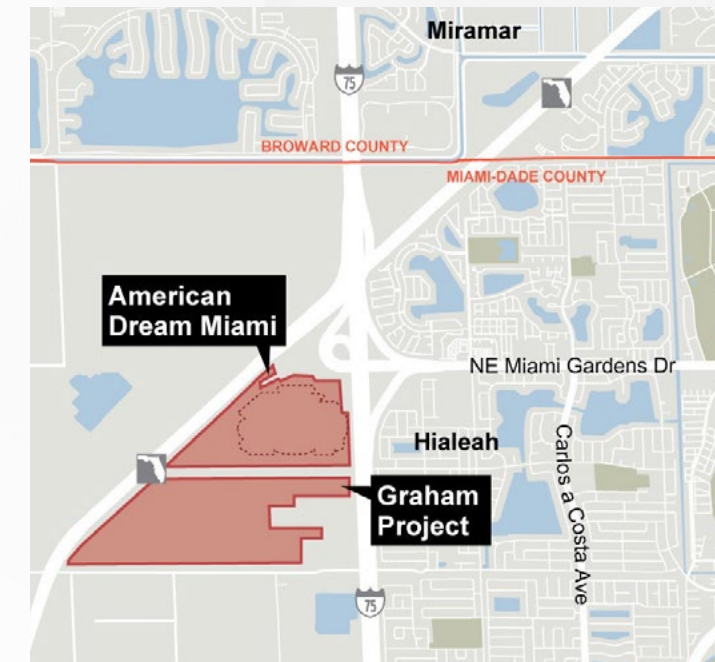
THE SHOPS AT BEACON LAKES
(UC 2Q 2019 Delivery)



430,000 SF Retail, Dining & Entertainment
At the entrance of Beacon Lakes Office & Industrial Park
(4.6 MSF)

GRAHAM COMPANY NEW MIXED-USE COMMUNITY
(Proposed-Long Term, Multi-Phased)
Residential, Retail, Hotel and Business Park
NE Quadrant of the intersection of I-75 and NW 170th Street

PALMETTO EXPRESSWAY/S.R. 836 MODERNIZATION (UC 2017-2018 Completion)
New lanes, interchange improvements, improvements for traffic entering/exiting the expressway and enhanced inside shoulders for express buses.
From NW 57th Avenue to NW 17th Avenue



MIAMI BEACH SUPPLY HIGHLIGHTS

Miami Beach’s inventory has remained relatively stable under the 1.0 million SF mark, with no new construction over the last decade. For Class A, there were six buildings at third quarter which totaled just under 800,000 SF.

Similar to other smaller waterfront Suburban counterparts (Aventura and Coconut Grove), Miami Beach is a boutique upscale office market. With no sublease space, Class A vacancies totaled 71,000 SF for Miami Beach.

Direct Class A vacancy rates in Miami Beach have stayed in the single digits since 2010. While still under 10.0%, the current 9.3% rate was up from 2016’s 4.3% with the addition of 35,000 SF in new availabilities.

Class B buildings are typically older and smaller. Direct vacancy mostly stayed in the double digits over the last decade. Although year-end 2016 saw a decline to a 10.0% level, third quarter’s rate rose up to 11.8%. The bulk of inventory and vacancy resides in the Class B sector.

Diminishing supply among Class A buildings left only one contiguous space above 10,000 SF. The largest availabilities were located at 1691 Michigan (13,000 SF), 555 Washington (6,500 SF) and Lincoln Place (2,500 SF).

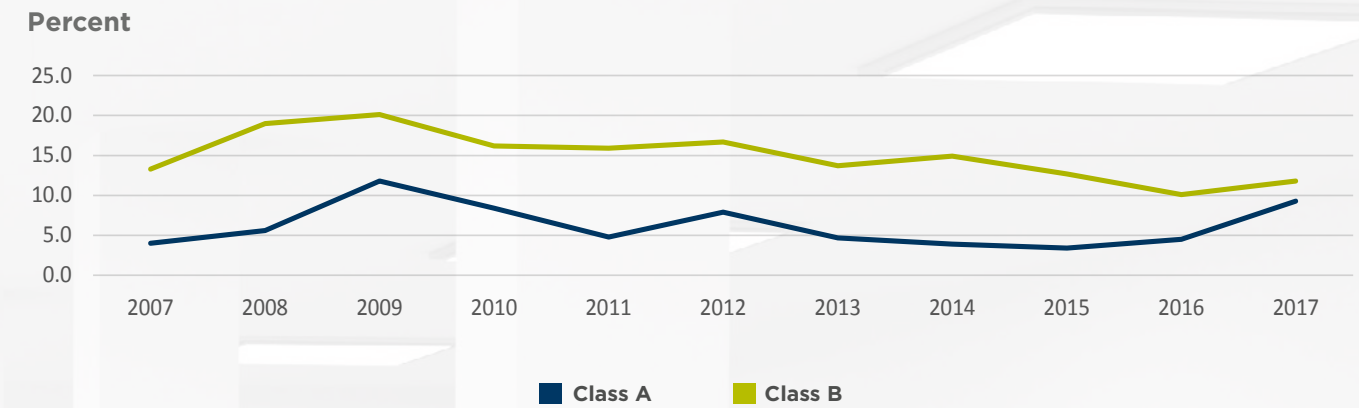
At 100.0% leased, one small 2,700 SF penthouse office will be available in January 2018 at 1111 Lincoln Road. In December 2016, Nightingale Properties along with a consortium of investors acquired the leasehold interest in the 140,000 SF building for \$80 million or approximately \$572 PSF.

Most of the current quarter’s 113,000 SF of total vacancy among Class B assets was concentrated in three buildings: 420 Lincoln Road (47,700 SF), 1688 Meridian (28,000 SF) and 1680 Meridian (18,700 SF).

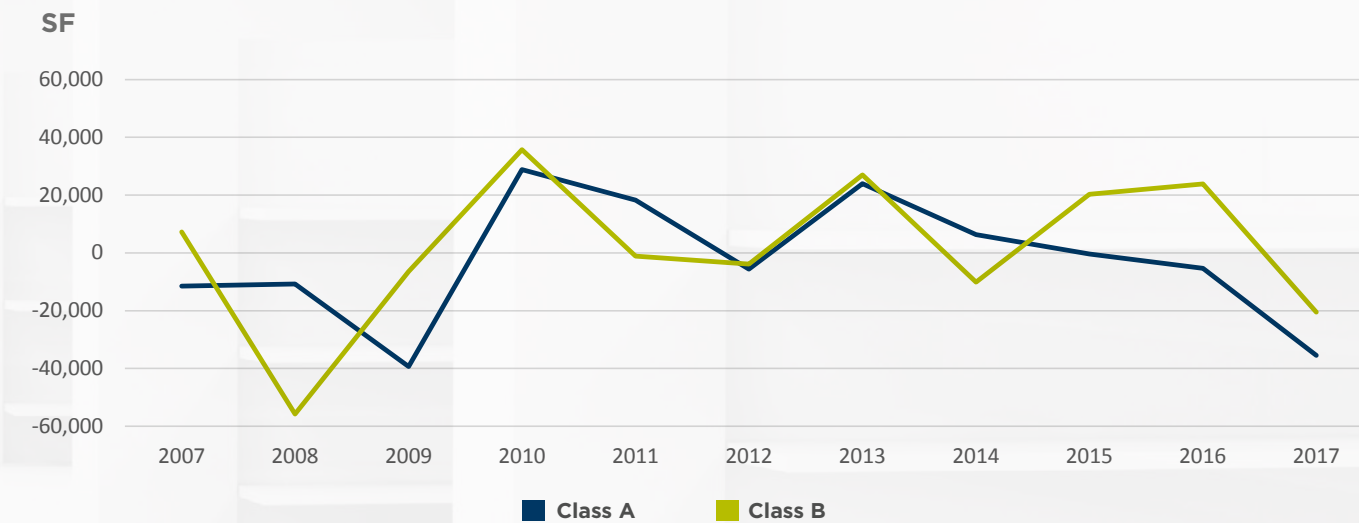
OFFICE MARKET STATISTICS | 3Q 2017

	YTD Completions	Under Construction	Existing Inventory SF	Direct Vacancy %	Total Vacancy %	YTD Net Absorption	Average Direct RR PSF Quoted
Miami Beach Class A	0	0	760,303	9.3%	9.3%	-35,453	\$48.65
Miami Beach Class B	0	0	916,426	11.8%	12.3%	-20,448	\$39.76
Totals	0	0	1,676,729	10.7%	11.0%	-55,901	\$42.95

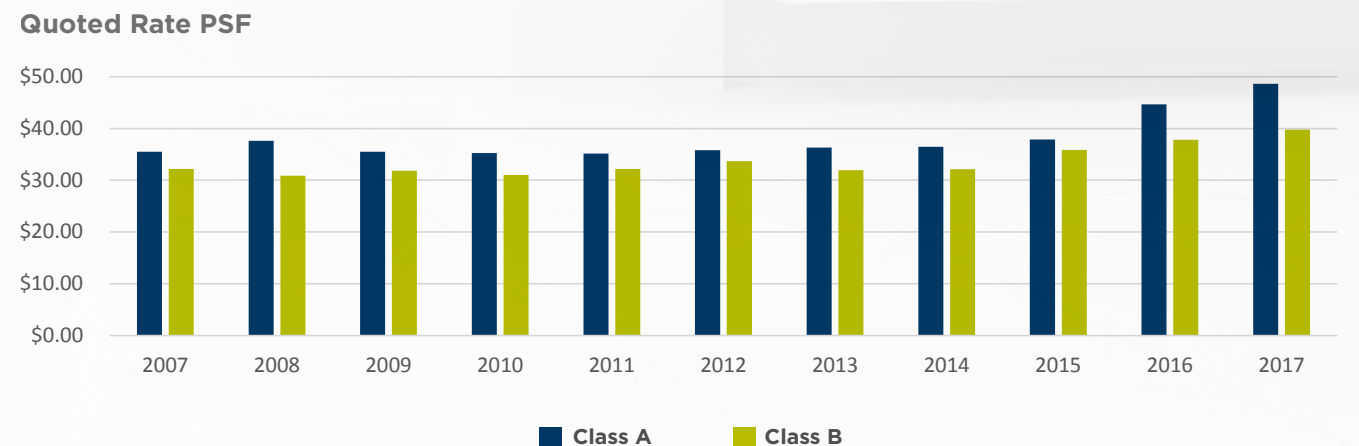
MIAMI BEACH DIRECT VACANCY (%) 2007-3Q 2017



MIAMI BEACH TOTAL NET ABSORPTION, 2007-3Q 2017



MIAMI BEACH AVERAGE DIRECT RENTAL RATES, 2007-3Q 2017





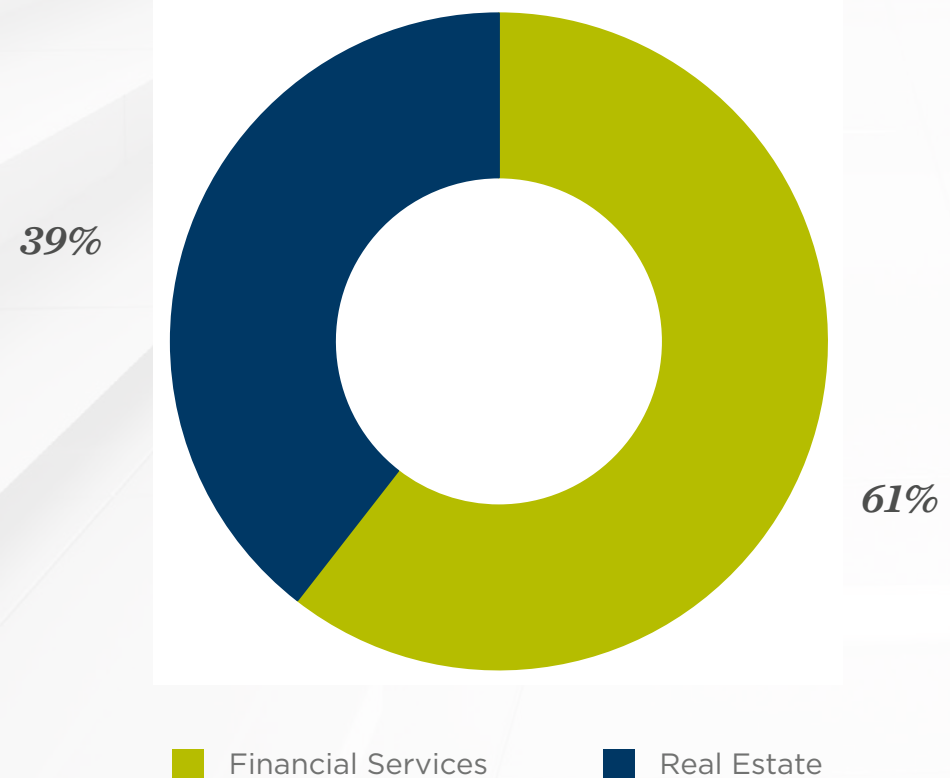
MIAMI BEACH DEMAND HIGHLIGHTS

Year-to-date leasing activity totaled 88,000 SF, the majority of which occurred during the first two quarters of the year. Third quarter posted negative absorption (-56,000 SF), which was nearly evenly divided between Class A and Class B buildings.

At 555 Washington, financial services entity Centra Tech executed a 2,300 SF lease while Atlas Maintenance executed a 1,500 SF lease at Lincoln Place.

EXECUTED LEASES 3Q 2017

% Of Total By Employment Industry



MIAMI BEACH PRICING HIGHLIGHTS

An island off of the mainland of Miami, this submarket has scarce and extremely expensive land for development. It is a top global tourist, shopping and entertainment destination and one of the most dynamic hotel and housing markets in the country. Most of the development is upscale with luxury waterfront condominiums and residential neighborhoods. As such, the office market has some of the highest average rental rates in the market.

Both classes of space continued to register peak direct rates at third quarter. For the Class A set, this figure reached \$48.65 PSF full service. Not only was this the highest quoted in the entire Suburban market, but the figure represented an 8.9% gain over the end of 2016. As for Class B average rates, this quarter's \$39.76 PSF full service was second-highest in the Suburbs, after Aventura.

At the 1111 Building (1111 Lincoln Road), the first quarter 2017 asking rate for the penthouse space was quoted at \$51.00 PSF, full service. The rate increased to \$55.00 PSF at midyear and remained unchanged during third quarter. This is a small 2,700 SF office. Class A asking rates at 555 Washington were quoted at \$45.50 PSF while at Lincoln Place's only remaining (2,500 SF) space, rates were \$42.00 PSF at the end of the quarter.

Third quarter rates at 1688 Meridian were increased over the last two quarters on the lower end of the quoting spectrum from \$43.00 PSF to the current \$44.00 PSF and ranged up to \$46.00 PSF.

INVESTMENT SALES DURING 3Q 2017

No buildings traded during the quarter.



1674 Meridian



1688 Meridian



Lincoln Road

MIAMI BEACH SURROUNDING AREA
OTHER DEVELOPMENT



Hotel, Retail, Food Court and Parking Garage
1212 Lincoln Road



Retail
543 Lenox Avenue



Hospital
745 Alton Road



Retail
1901 Alton Road



MIAMI BEACH CONVENTION CENTER
RENOVATION & EXPANSION
(UC 2018 Delivery & Proposed)



TRADER JOE'S - RETAIL COMPLEX
(UC 2018 DELIVERY)

Retail
17 West Avenue



HSBC BANK BUILDING (Proposed)

Residential
340 W 42nd Street



Convention Center and New Hotel
1900 Washington Avenue



**LINCOLN ROAD
UPGRADED REDESIGN
(Proposed)**
Lincoln Road from Lenox Avenue
to Washington Avenue

3Q 2017
cushwakeofsouthfl.com

MIAMI

NEWS & ANALYSIS

An Overview of Miami CBD and Suburban Office Markets

Additional sources of information

Statistical data is derived from third party sources; Costar, U.S. Bureau of Labor Statistics and Economic Analysis, Florida Department of Florida Department of Economic Opportunity, Miami area landlord and tenant representatives, Miami Herald, Miami Today, South Florida Business Journal, The Real Deal, The Next Miami, CRE Sources, Florida Dept. of Transportation, Downtown Development Authority, Curbed Miami/VOX Media, Coconut Grove Business Improvement District, Archpaper.com, beyondrealtygroup.com, University of Virginia's Weldon Cooper Center for Public Service, U.S. Census Bureau, Goldman Properties, MDX Master Transportation Plan, Real Capital Analytics, Bloomberg, Miami International Airport, IATA.

Office Market Statistics: For purposes of this report, raw data (derived solely from Costar and area landlords) includes a proprietary defined set of competitive office buildings for lease comprising 30,000 SF and larger and generally exclude medical, government, owner-occupied and most office condo product. As such, no relevant comparison can be made to other Cushman & Wakefield statistical reports.

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CELEBRATING
100
YEARS

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