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COMMERCIAL
INDUSTRIAL
ASSOCIATION
OF SOUTH FLORIDA

2018 INDUSTRIAL MARKET REPORT





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2018 CIASF INDUSTRIAL MARKET REPORT

RESEARCHED & PRESENTED BY

Thomas Dixon - Dixon Commercial Real Estate, Inc.
Andrew Dixon - Dixon Commercial Real Estate, Inc.

SPECIAL THANKS

| | | |
|------------------------------|--|--|
| Mike Silver CBRE | Wes LaPradd Beacon Commercial Real Estate | Sebastian Juncadella Fairchild Partners |
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2018 SUMMARY & PREDICTIONS

- The South Florida Industrial Market is changing as the supply of quality Class "A" industrial space has created a divided market. In most regions there are now several classes or types of industrial space. Class "A" industrial buildings, which are less than 5 years old, typically with clear heights over 24 feet, ease of access and adequate parking. Whereas Class "B" or Class "C" are older industrial buildings (over 5 years old) with clear heights of less than 20 feet and restricted or limited access.
- While location is a key aspect in the decision-making process of firms (namely access to ports and labor), tenants who are more flexible in this regard can now choose different submarkets in which to occupy Class A space. For example, if a tenant wants to locate in a first generation, Class A industrial development, they can now choose from the Airport West, Medley, Opa-Locka, Hialeah, and Hialeah Gardens submarkets. If a tenant is flexible, they can secure quality space for rates lower than older, Class B product in Airport West since the competition from the developers of the new projects is high.
- Industrial users are expressing an interest in the availability and supply of skilled labor, with their other criteria of location, road network, design efficiency. Location considerations are access to the Airport, Sea Port and major expressways. Design efficiency is now being recognized as an economic benefit. For example, at a given rental rate/SF the clear interior height can reduce the cost of storage by using efficient racking system which optimize cubic volume.
- Broker/Tenant representatives reported little impact from the expansion of the Panama Canal and in addition access and proximity to rail road service is not a major consideration in occupancy decisions.
- Newer class A building landlords are quoting rental rates on a Triple-Net basis with tenants paying real estate taxes, insurance and maintenance as a percentage of the space they occupy.
- Higher uses are becoming evident along major roads for industrial buildings with exposure to traffic. These uses include showrooms, retail space, breweries and classrooms.
- E-commerce is enabling retail and commercial tenants to reduce their occupancy costs by storing inventory and records in off-site industrial properties and reducing their non-industrial space usage. This has supported the demand for industrial space to meet this need.
- Overall the Miami-Dade County Industrial Market remains stable with over 1.5 million SF proposed for delivery in 2018. However, most of the new space is in bays larger than 40,000 SF while the highest demand is for space with less than 30,000 SF.

The Commercial Industrial Association of South Florida Inc., "CIASF" is a non-profit organization of business leaders involved in the development, design, construction, sales, and leasing of Industrial and Commercial Real Estate in South Florida.

For information about membership or sponsoring an event call
CIASF Executive Director Gail Ackermann at:



Commercial Industrial Association of South Florida
11098 Marin Street, Coral Gables, FL 33156
Phone: 305-662-6115
info@ciasf.com | www.ciasf.com



HISTORICAL FINDINGS OF THE **INDUSTRIAL MARKET** REPORT

2017

- The South Florida Industrial Market has not changed significantly. Due to a combination of growth in demand and an increase in supply of industrial space, rental rates and occupancy levels remain at the same level as the prior year.
- There is discussion that with advances in transportation and expansion of Port Miami more fresh agricultural produce will be processed and stored locally. This should lead to an increase in demand for storage space with coolers.
- Although E-Commerce is requiring very large distribution facilities, there is strong demand for warehouse space in the range of 15,000 to 30,000 SF. Because of the cost to construct space of this size there is a shortage of inventory to fill this need.
- Industrial brokers report that tenant/users remain concerned with operating costs and are attracted to newer facilities with high efficiency lighting, easy access for truck loading and unloading. Also, as users are staging trailer loading prior to shipping they are seeking properties with secure yard area for overflow parking.
- Some of the traditional industrial areas such as the Central East and Bird Road Markets are undergoing a transformation from industrial uses to more retail/entertainment activities. This transformation results in a significant increase in sale prices and rental rates. As this occurs industrial activity is forced to move to less expensive locations.

2016

- Although rental rates have risen and vacancy rates have declined, the expectation is for increasing rental rates and continued low vacancy rates. A large component of the economic activity is related to residential and commercial construction.
- Land with industrial zoning is being improved with office and residential development which can support higher land prices, placing upward pressure on rental rates and construction costs.
- Although the expansion of the Panama Canal and the improvements to Port Miami, owners and users are not making decisions in anticipation of its impact on their businesses. The impact on occupancy costs of not just rental rates but the costs of truck travel time, ease of moving goods and resulting cost savings of efficient design in both the building and parking/access areas, is a factor.
- Due to the construction efficiency of larger buildings most of the newer buildings have spaces larger than 50,000 SF, and these buildings are based on "financial engineering" which meets the needs of their investors but not the local users, the strongest local demand is still for spaces between 10,000 to 30,000 SF.
- Weak currencies in Latin American countries should encourage the importation of goods and reduce the amount of goods exported. Hopefully, the decline in exports will be offset by an increase in imports, supporting a continued demand for industrial space.

2015

- The overall market for industrial space from both an investment and user basis continues its strong upward movement. The strong demand from investors is driven by the requirement of investment funds to purchase industrial products, in strong markets. South Florida is a very strong industrial market with an active interest by pension and investment funds, leaving a limited supply of product for owner/users and individual investors.
- The new user/tenants are coming to the South Florida area because of its central location for connecting to Latin America, relocation of businesses to the security of the United States and the life quality of South Florida. Some of the expansion of existing businesses is from the increasing economic activity in construction and development, requiring the local sourcing of supplies.
- Although there is a large variety of industrial products the most popular are dock height spaces from 10,000 to 30,000 SF with a clear ceiling height from 24' to 28'. Newer properties are providing clear interior heights up to 34' and clear spans between columns of 54 ft, that while desirable, are not demanding a significant rental premium over older space.
- As the rental rates in the newer areas "Airport West, NW/Medley" rise, there is a movement back to the older areas of "Hialeah". These older areas are located between the Palmetto Expressway and NW 27th Avenue. This movement results in an increasing demand for buildings in this area. However, water impact fees are causing serious problems for users while applying for changes of use or occupancy.
- Although the expansion of the Panama Canal will have an impact on trade in South Florida eventually, neither this nor the renovation of the rail road system is reported to influence pricing or the location decision of user/investors.
- For the first time new industrial projects have been successful in pre-leasing space during construction. In addition, several build-to-suit warehouses have been constructed.

MARKET TRENDS

| Supply of Industrial Space in SF (Completed as of December of each year, Over 10,000 SF) | | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
| North | 30,846,221 | 30,846,221 | 30,846,221 | 30,799,000 | 30,799,000 | 30,799,000 | 30,799,000 |
| NW/Medley | 35,611,189 | 34,668,173 | 33,218,806 | 32,042,000 | 31,418,000 | 31,260,000 | 31,260,000 |
| Hialeah | 24,004,960 | 23,402,000 | 23,402,000 | 23,402,000 | 23,402,000 | 23,365,000 | 23,365,000 |
| Airport West | 55,100,328 | 54,981,792 | 54,459,935 | 53,434,000 | 52,284,000 | 51,986,000 | 51,986,000 |
| Central East & West | | | | | | | |
| Central- East | 8,349,870 | 8,349,870 | 8,349,870 | 8,329,000 | 8,329,000 | 8,329,000 | 8,329,000 |
| Central-West | 14,703,000 | 14,703,000 | 14,703,000 | 14,703,000 | 14,703,000 | 14,696,000 | 14,696,000 |
| Bird/South | 16,138,343 | 16,138,343 | 15,955,960 | 15,941,000 | 15,898,000 | 15,898,000 | 15,898,000 |
| Totals | 184,753,911 | 183,089,399 | 180,888,571 | 178,650,000 | 176,789,000 | 176,333,000 | 176,333,000 |

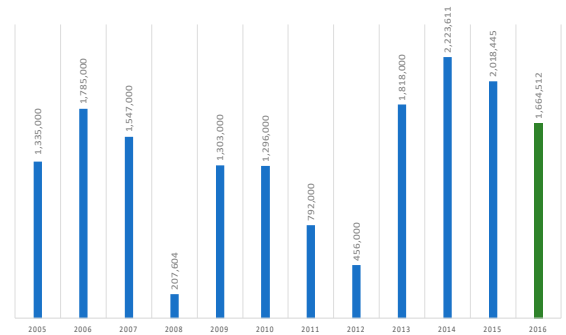
| Annual Increase in Industrial Space in SF (Completed as of December of each year, Over 10,000 SF) | | | | | | | |
|---|------------------|------------------|------------------|------------------|----------------|----------------|----------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
| North | 0 | 47,221 | 0 | 0 | 0 | 0 | 0 |
| NW/Medley | 943,016 | 1,449,367 | 1,176,806 | 624,000 | 158,000 | 8,000 | 8,000 |
| Hialeah | 602,960 | 0 | 0 | 37,000 | 0 | 211,000 | 211,000 |
| Airport West | 118,536 | 521,857 | 1,025,935 | 1,150,000 | 298,000 | 536,000 | 536,000 |
| Central- East | 0 | 0 | 20,870 | 0 | 0 | 8,000 | 8,000 |
| Central-West | 0 | 0 | 0 | 7,000 | 0 | 29,000 | 29,000 |
| Bird/South | 0 | 182,383 | 14,960 | 43,000 | 0 | 0 | 0 |
| Totals | 1,664,512 | 2,018,445 | 2,223,611 | 1,818,000 | 456,000 | 792,000 | 792,000 |

| Industrial Employment as of November | | | | | | | |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
| Manufacturing | 42,200 | 37,600 | 38,000 | 38,900 | 36,300 | 35,900 | 33,900 |
| Trucking & Warehousing | 73,400 | 67,100 | 63,600 | 66,300 | 61,700 | 60,500 | 58,800 |
| Wholesale Trading | 77,900 | 75,300 | 72,400 | 70,800 | 74,300 | 69,100 | 68,800 |
| Totals | 193,500 | 180,000 | 174,000 | 176,000 | 172,300 | 165,500 | 161,500 |

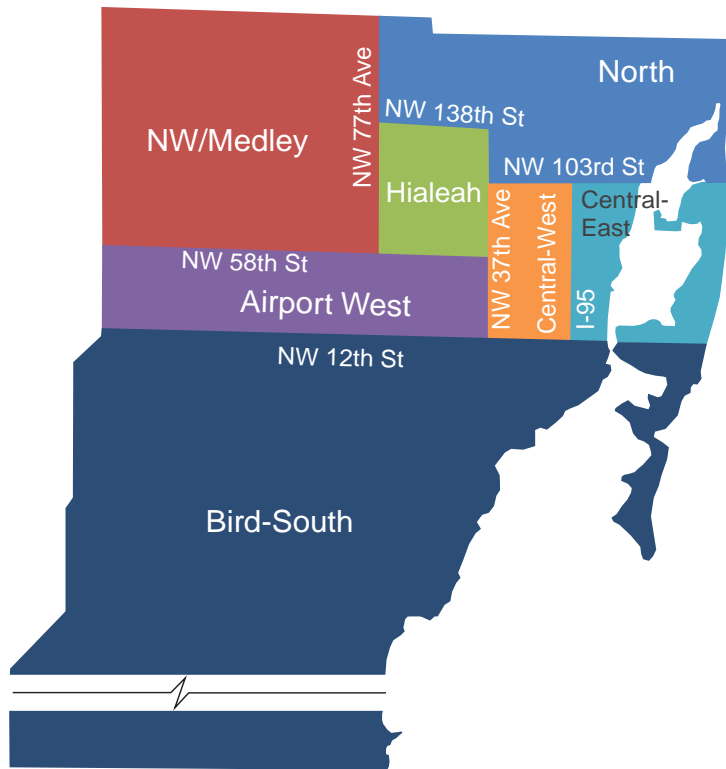
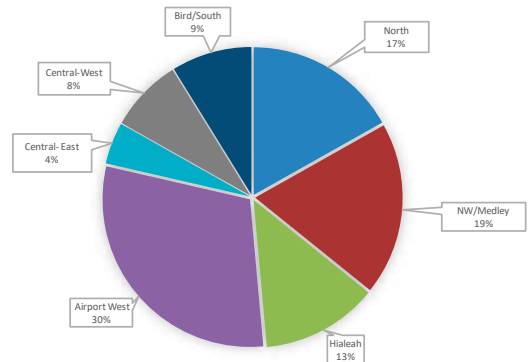
| Total Freight | | | | | | | |
|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
| Miami Int'l Airport* | 2,190,745 | 2,154,504 | 2,142,732 | 2,159,473 | 2,106,700 | 2,039,000 | 2,000,042 |
| Port of Miami Cargo Tons** | 9,154,400 | 8,798,000 | 8,613,739 | 7,699,800 | 7,980,500 | 8,108,450 | 8,221,756 |
| Port of Miami TEUs** | 1,024,338 | 1,028,160 | 1,007,782 | 876,708 | 901,454 | 909,197 | 906,607 |

* Estimated Full Year
 ** Current YTD Through September

INCREASE BY YEAR

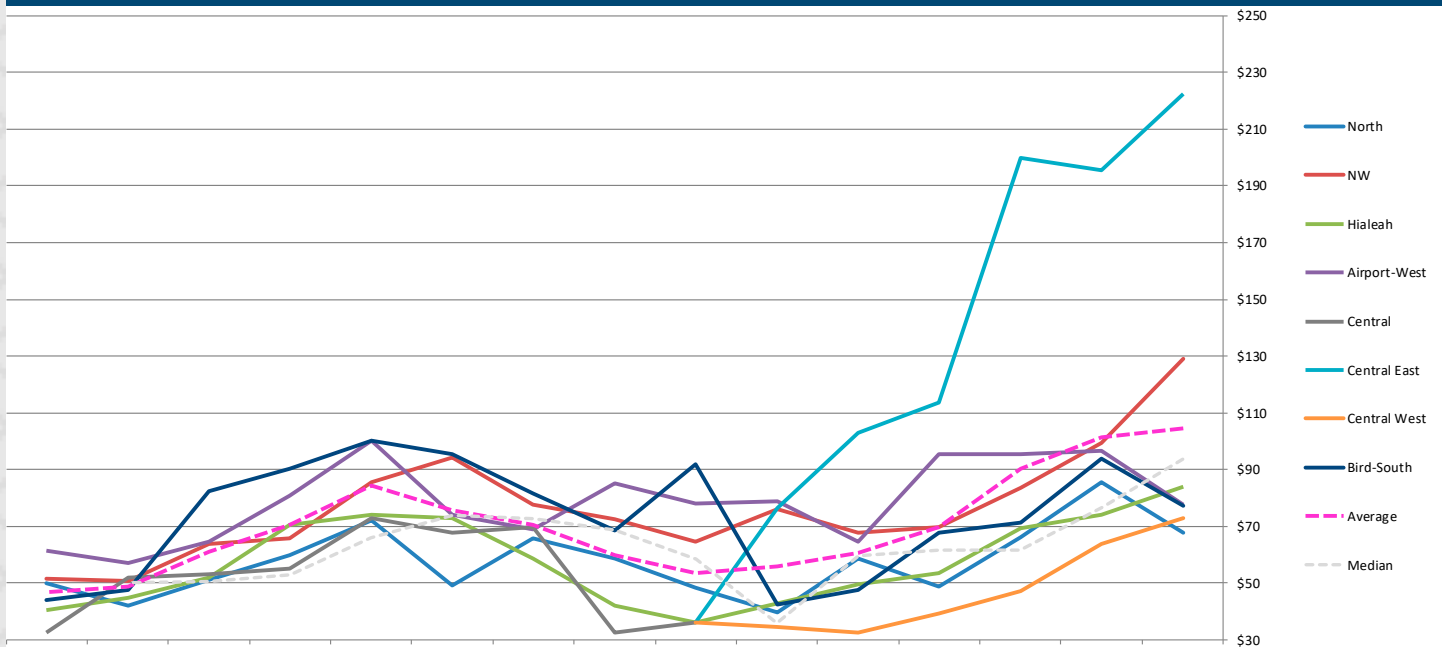


SPACE BY REGION



2018 CIASF INDUSTRIAL MARKET REPORT

SALES PRICES PER SF BY REGION



MARKET ACTIVITY

Industrial Sales - Available as of December 2017*

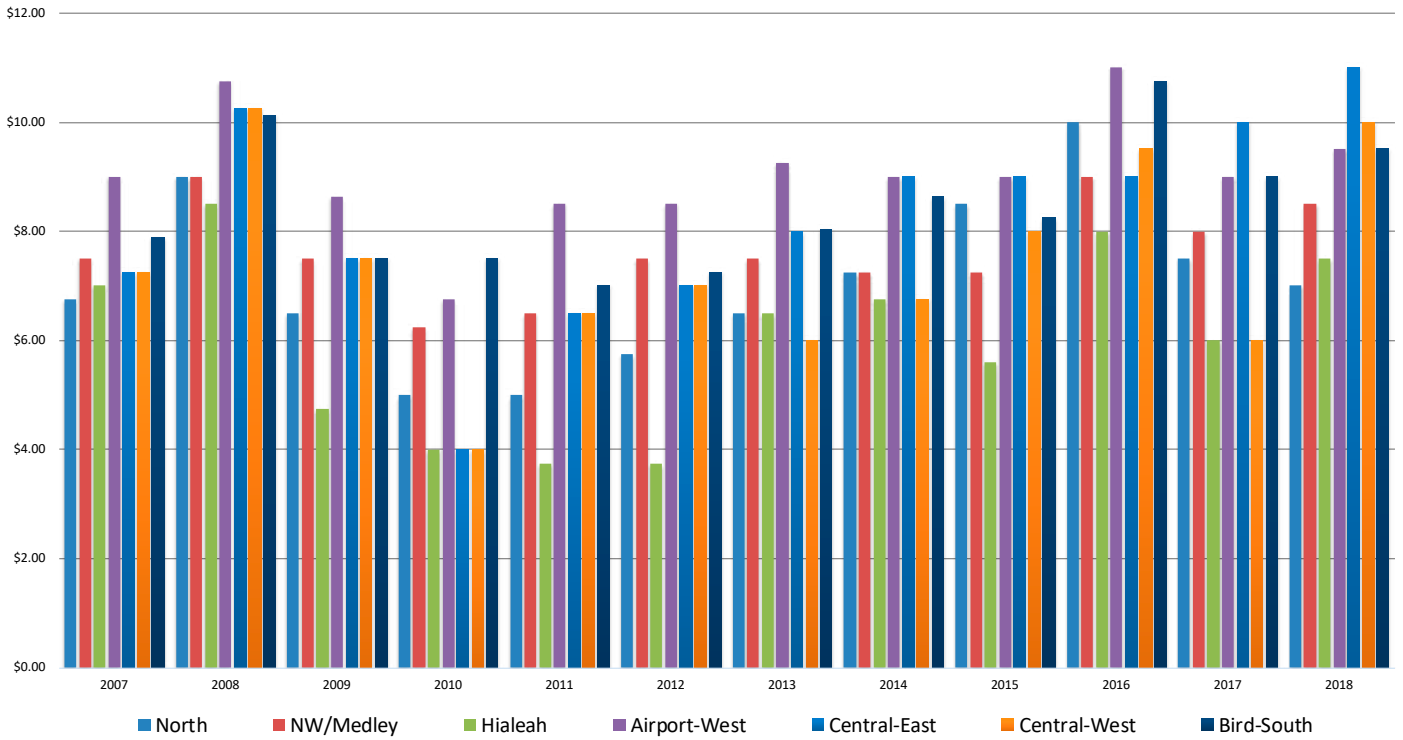
| Region | Sales | Total SF | Avg Bldg SF | Median Bldg SF | Avg Year Blt | Total Sales | Avg \$/SF | Median \$/SF |
|--------------|-----------|------------------|---------------|----------------|--------------|----------------------|-------------|--------------|
| North | 24 | 2,402,824 | 100,118 | 35,985 | 1973 | \$162,812,700 | \$68 | \$78 |
| Northwest | 5 | 419,447 | 83,889 | 30,472 | 1997 | \$54,069,100 | \$129 | \$134 |
| Hialeah | 18 | 874,104 | 48,561 | 28,326 | 1972 | \$73,268,333 | \$84 | \$83 |
| Airport West | 10 | 858,920 | 85,892 | 41,839 | 1969 | \$66,830,200 | \$78 | \$107 |
| Central-East | 5 | 62,483 | 12,497 | 12,497 | 1962 | \$13,811,800 | \$222 | \$260 |
| Central-West | 12 | 343,510 | 26,626 | 16,903 | 1962 | \$25,072,200 | \$73 | \$88 |
| Bird/South | 11 | 296,178 | 26,925 | 21,972 | 1989 | \$22,862,000 | \$77 | \$38 |
| TOTAL | 85 | 5,257,466 | 61,853 | 28,326 | 1975 | \$418,726,333 | \$80 | \$88 |

Industrial Market Sales Transaction History*

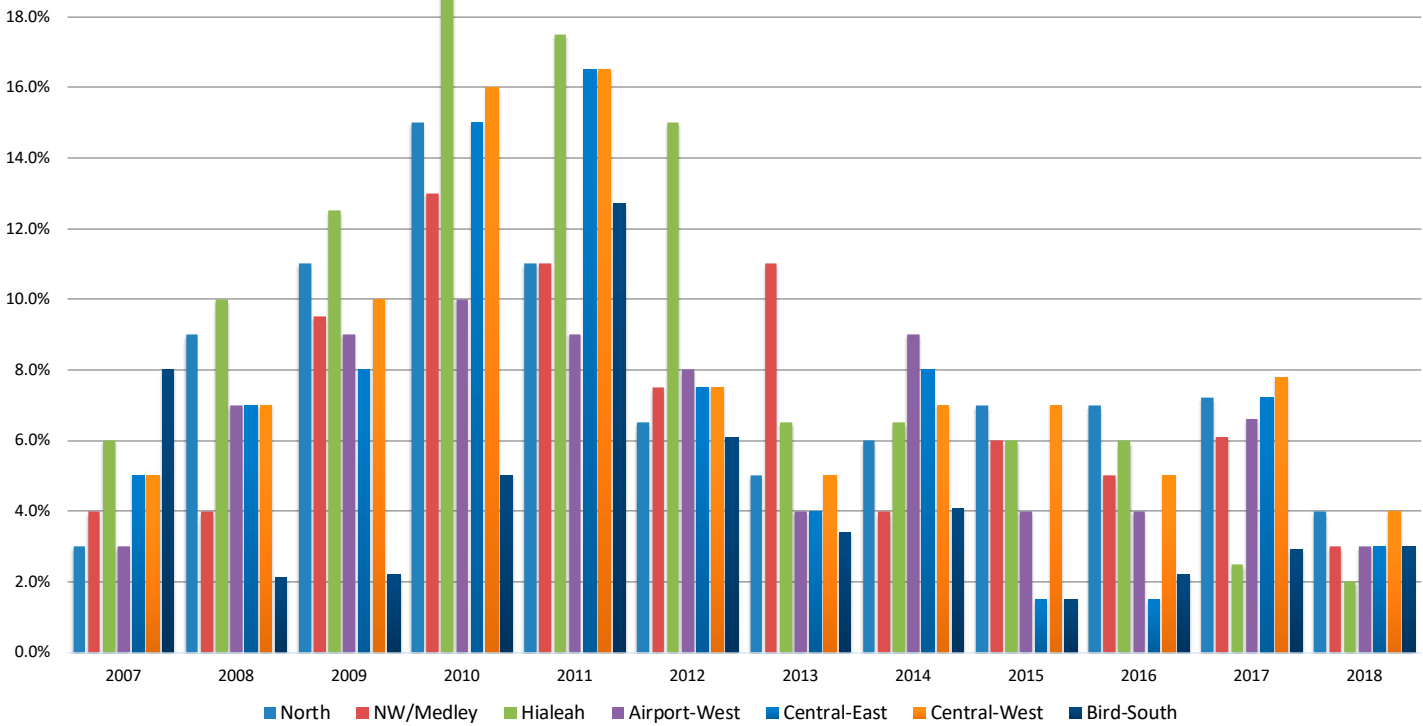
| Year | # Bldgs | Total SF | Avg Bldg SF | Median Bldg SF | Avg Year Blt | Total Sales | Avg \$/SF | Median \$/SF |
|------|---------|------------|-------------|----------------|--------------|---------------|-----------|--------------|
| 2017 | 85 | 5,257,466 | 61,853 | 28,626 | 1975 | \$418,726,333 | \$80 | \$77 |
| 2016 | 106 | 4,337,976 | 40,924 | 22,010 | 1973 | \$373,447,533 | \$86 | \$94 |
| 2015 | 146 | 7,165,016 | 49,075 | | 1975 | \$570,978,425 | \$80 | |
| 2014 | 123 | 3,985,186 | 32,400 | | 1973 | \$260,584,700 | \$65 | |
| 2013 | 137 | 6,718,134 | 49,037 | | 1971 | \$397,780,850 | \$59 | |
| 2012 | 88 | 4,448,083 | 50,546 | | 1975 | \$257,191,198 | \$58 | |
| 2011 | 67 | 2,533,627 | 37,815 | | | \$145,798,694 | \$58 | |
| 2010 | 80 | 1,652,530 | 20,657 | | | \$107,127,000 | \$65 | |
| 2009 | 52 | 1,402,039 | 26,962 | | | \$108,328,000 | \$77 | |
| 2008 | 60 | 3,111,161 | 51,853 | | | \$243,474,543 | \$78 | |
| 2007 | 113 | 4,648,140 | 41,134 | | | \$485,599,537 | \$104 | |
| 2006 | 108 | 8,287,000 | 76,731 | | | \$667,917,000 | \$81 | |
| 2005 | 186 | 6,506,000 | 34,978 | | | \$435,187,000 | \$67 | |
| 2004 | 208 | 9,760,000 | 46,923 | | | \$536,540,000 | \$55 | |
| 2003 | 185 | 11,900,000 | 64,324 | | | \$663,500,000 | \$56 | |

* Sales per the County Public Records for buildings over 10,000 SF

RENTAL RATES PER SF BY REGION



VACANCY RATES BY REGION



2018 CIASF INDUSTRIAL MARKET REPORT

NORTH

Miami-Dade/Broward County line to NW 138th Street, east of NW 77th Avenue; and from NW 138th Street, to NW 103rd Street, east of NW 37th Avenue.

Sales Market - North

| Year | # Bldgs | Total SF | Avg Bldg SF | Median SF | Avg Year Blt | Total Sales | Avg \$/SF | Median \$/SF |
|------|---------|-----------|-------------|-----------|--------------|---------------|-----------|--------------|
| 2017 | 24 | 2,402,824 | 100,118 | 35,985 | 1973 | \$162,812,700 | \$67.76 | \$77.64 |
| 2016 | 25 | 1,423,128 | 56,925 | 35,036 | 1977 | \$122,004,000 | \$85.73 | \$88.83 |
| 2015 | 20 | 1,253,553 | 62,678 | 38,600 | 1975 | \$82,769,000 | \$66.03 | \$68.04 |
| 2014 | 10 | 692,443 | 69,244 | | 1975 | \$33,769,700 | \$48.77 | |
| 2013 | 15 | 1,205,784 | 80,386 | | 1975 | \$70,925,100 | \$58.82 | |
| 2012 | 16 | 1,358,928 | 84,900 | | 1976 | \$53,920,989 | \$39.68 | |
| 2011 | 17 | 490,215 | 28,800 | | 1974 | \$23,751,589 | \$48.45 | |
| 2010 | 19 | 408,446 | 21,500 | | 1978 | \$23,916,000 | \$58.55 | |
| 2009 | 7 | 134,631 | 19,200 | | | \$8,836,000 | \$65.63 | |
| 2008 | 13 | 827,382 | 63,600 | | | \$40,659,000 | \$49.14 | |
| 2007 | 20 | 762,576 | 38,100 | | | \$55,031,000 | \$72.16 | |
| 2006 | 24 | 1,437,000 | 59,900 | | | \$86,004,000 | \$59.85 | |
| 2005 | 31 | 1,868,000 | 60,300 | | | \$95,635,000 | \$51.20 | |
| 2004 | 39 | 1,850,000 | 47,400 | | | \$78,000,000 | \$42.16 | |
| 2003 | 37 | 1,690,000 | 45,700 | | | \$84,790,000 | \$50.17 | |

This area consists of larger free-standing buildings, some multi-tenant, mostly dock height, storage, and manufacturing buildings.

Major industrial parks include:
 AVE Aviation & Commerce Park
 Miami Lakes
 Palmetto Lakes
 Sunshine State
 Seaboard Industrial
 Gragny Central

Rental Market - North

| Year | # of Spaces | Total SF | Avg SF | Range | Vacancy Rate |
|------|-------------|-----------|--------|---------------|--------------|
| 2018 | 43 | 2,488,041 | 57,861 | \$6 - \$8 | 4.0% |
| 2017 | 41 | 2,231,339 | 54,423 | \$7 - \$12 | 7.2% |
| 2016 | 43 | 1,932,898 | 44,951 | \$7 - \$13 | 7.0% |
| 2015 | 51 | 1,859,616 | 36,463 | \$7.5 - \$9.5 | 7.0% |
| 2014 | 49 | 1,819,152 | 37,126 | \$4.5 - \$10 | 6.0% |
| 2013 | 61 | 1,512,263 | 24,791 | \$4 - \$11.5 | 5.0% |
| 2012 | 86 | 3,341,383 | 38,853 | \$5 - \$6.5 | 6.5% |
| 2011 | 192 | 5,366,962 | 27,953 | \$3.5 - \$6.5 | 11.0% |
| 2010 | 123 | 4,722,809 | 38,397 | \$4 - \$6 | 15.0% |
| 2009 | 100 | 3,822,858 | 38,229 | \$5 - \$8 | 11.0% |
| 2008 | 89 | 2,657,000 | 29,854 | \$8 - \$10 | 9.0% |
| 2007 | 29 | 807,836 | 27,856 | \$5.5 - \$8 | 3.0% |

NOTE: Space over 10,000 SF

NORTHWEST / MEDLEY

Miami-Dade/Broward County line to NW 58th Street, between NW 77th Avenue and Miami-Dade/Collier County line.

Sales Market - NW/Medley

| Year | # Bldgs | Total SF | Avg Bldg SF | Median SF | Avg Year Blt | Total Sales | Avg \$/SF | Median \$/SF |
|------|---------|-----------|-------------|-----------|--------------|--------------|-----------|--------------|
| 2017 | 5 | 419,447 | 83,889 | 30,472 | 1997 | \$54,069,100 | \$128.91 | \$133.50 |
| 2016 | 22 | 559,530 | 25,433 | 22,010 | 1985 | \$55,540,000 | \$99.26 | \$93.58 |
| 2015 | 16 | 1,062,425 | 66,402 | 28,059 | 1990 | \$88,654,500 | \$83.45 | \$96.51 |
| 2014 | 11 | 647,983 | 58,908 | | 1983 | \$45,246,000 | \$69.83 | |
| 2013 | 24 | 1,416,252 | 59,011 | | 1980 | \$96,012,500 | \$67.79 | |
| 2012 | 11 | 518,327 | 47,100 | | 1990 | \$39,488,103 | \$76.18 | |
| 2011 | 7 | 365,274 | 52,200 | | 1983 | \$23,665,200 | \$64.79 | |
| 2010 | 14 | 217,769 | 15,600 | | 1988 | \$15,805,000 | \$72.58 | |
| 2009 | 8 | 288,925 | 36,100 | | | \$22,480,000 | \$77.81 | |
| 2008 | 8 | 501,967 | 62,700 | | | \$47,376,000 | \$94.38 | |
| 2007 | 11 | 539,410 | 49,000 | | | \$46,111,000 | \$85.48 | |
| 2006 | 13 | 1,253,000 | 96,400 | | | \$82,637,000 | \$65.95 | |
| 2005 | 40 | 1,264,000 | 31,600 | | | \$80,556,000 | \$63.73 | |
| 2004 | 35 | 1,890,000 | 54,000 | | | \$95,740,000 | \$50.66 | |
| 2003 | 22 | 1,180,000 | 53,600 | | | \$60,990,000 | \$51.69 | |

This area consists of larger multi-tenant, dock-height, and street level distribution and manufacturing buildings. The older buildings are mainly for manufacturing and distribution and typically under 30,000 SF. Spaces in the newer buildings are over 30,000 SF and used for storage and distribution.

Major industrial parks include:
 Flagler Station
 Lakeview Industrial Center
 Medley International Business Park West
 Medley International Business Park East
 Medley Commerce Center
 Miami International Logistics Park
 Medley Palms
 Lincoln Logistics Park
 North River Commerce Center

Rental Market - NW/Medley

| Year | # of Spaces | Total SF | Avg SF | Range | Vacancy Rate |
|------|-------------|-----------|--------|-----------------|--------------|
| 2018 | 40 | 2,676,539 | 66,913 | \$7.50 - \$9.50 | 3.0% |
| 2017 | 50 | 2,102,580 | 42,052 | \$7 - \$12 | 6.1% |
| 2016 | 29 | 1,302,195 | 44,903 | \$7 - \$11 | 5.0% |
| 2015 | 33 | 1,398,233 | 42,371 | \$6.5 - \$8 | 6.0% |
| 2014 | 43 | 1,252,942 | 29,138 | \$4.5 - \$10 | 4.0% |
| 2013 | 56 | 1,155,345 | 20,631 | \$5 - \$12 | 11.0% |
| 2012 | 110 | 2,400,189 | 21,820 | \$6 - \$9 | 7.5% |
| 2011 | 245 | 4,008,559 | 16,361 | \$4 - \$9 | 11.0% |
| 2010 | 113 | 3,913,424 | 34,632 | \$5 - \$7.5 | 13.0% |
| 2009 | 61 | 2,865,838 | 46,981 | \$6 - \$9 | 9.5% |
| 2008 | 47 | 1,197,000 | 25,468 | \$8 - \$10 | 4.0% |
| 2007 | 25 | 1,257,028 | 50,281 | \$6.5 - \$8.5 | 4.0% |

NOTE: Space over 10,000 SF

HIALEAH NW 138th Street to NW 58th Street, between NW 37th Avenue and NW 77th Avenue.

Sales Market - Hialeah

| Year | # Bldgs | Total SF | Avg Bldg SF | Median SF | Avg Year Blt | Total Sales | Avg \$/SF | Median \$/SF |
|------|---------|-----------|-------------|-----------|--------------|---------------|-----------|--------------|
| 2017 | 18 | 874,104 | 48,561 | 28,326 | 1972 | \$73,268,333 | \$83.82 | \$82.72 |
| 2016 | 14 | 407,534 | 29,110 | 19,584 | 1964 | \$30,257,000 | \$74.24 | \$74.93 |
| 2015 | 27 | 1,751,298 | 64,863 | 23,484 | 1969 | \$121,749,900 | \$69.52 | \$50.11 |
| 2014 | 37 | 792,822 | 21,428 | | 1965 | \$42,431,200 | \$53.52 | |
| 2013 | 25 | 1,259,153 | 50,366 | | 1968 | \$62,508,200 | \$49.64 | |
| 2012 | 11 | 353,909 | 32,200 | | 1976 | \$15,185,000 | \$42.91 | |
| 2011 | 19 | 804,204 | 42,300 | | 1970 | \$28,916,670 | \$35.96 | |
| 2010 | 23 | 457,435 | 19,900 | | 1968 | \$19,330,000 | \$42.26 | |
| 2009 | 15 | 408,222 | 27,200 | | | \$23,955,000 | \$58.68 | |
| 2008 | 16 | 482,684 | 30,200 | | | \$35,145,000 | \$72.81 | |
| 2007 | 39 | 1,095,789 | 28,100 | | | \$81,200,200 | \$74.10 | |
| 2006 | 26 | 1,916,000 | 73,700 | | | \$135,484,000 | \$70.71 | |
| 2005 | 47 | 937,000 | 19,900 | | | \$48,879,000 | \$52.17 | |
| 2004 | 45 | 1,810,000 | 40,200 | | | \$80,860,000 | \$44.67 | |
| 2003 | 40 | 1,430,000 | 35,800 | | | \$58,170,000 | \$40.68 | |

Rental Market - Hialeah

| Year | # of Spaces | Total SF | Avg SF | Range | Vacancy Rate |
|------|-------------|-----------|---------|----------------|--------------|
| 2018 | 20 | 729,765 | 36,488 | \$6 - \$9 | 2.0% |
| 2017 | 22 | 576,320 | 26,196 | \$7 - \$9 | 2.5% |
| 2016 | 29 | 999,353 | 34,460 | \$5 - \$11 | 6.0% |
| 2015 | 31 | 1,031,772 | 33,283 | \$4.75 - \$6.5 | 6.0% |
| 2014 | 49 | 1,492,464 | 30,458 | \$4.5 - \$9 | 6.5% |
| 2013 | 46 | 1,242,511 | 27,011 | \$4 - \$9.5 | 6.5% |
| 2012 | 69 | 1,656,916 | 24,013 | \$3 - \$4.5 | 15.0% |
| 2011 | 244 | 4,381,731 | 17,958 | \$3 - \$4.5 | 17.5% |
| 2010 | 167 | 4,282,504 | 25,644 | \$3 - \$5 | 19.0% |
| 2009 | 91 | 3,703,431 | 40,697 | \$4 - \$5.5 | 12.5% |
| 2008 | 59 | 2,178,381 | 36,922 | \$8 - \$9 | 10.0% |
| 2007 | 17 | 1,703,074 | 100,181 | \$5.5 - \$8.5 | 6.0% |

NOTE: Space over 10,000 SF

This market consists of two separate market products. There is one market of older smaller street level manufacturing buildings, some of which are fully air-conditioned, have lower ceiling heights, minimal power and/or lack sewer. Many have had the A/C removed because of the cost of insulating the building, or because the repurposed use does not require it.

These are typically occupied by small owner/users. The rental rates and demand for these buildings is stronger.

The other market consists older (40 years or more) large buildings with minimal improvements. This market is weak with higher vacancies, and lower rents.

Therefore, in the Regional Data for Hialeah there is a very large range of rental rates, vacancies and market prices.

*Not just the City of Hialeah

AIRPORT-WEST

NW 58th Street to NW 12th Street, between NW 37th Avenue and Miami-Dade/Collier County line.

Sales Market - Airport West

| Year | # Bldgs | Total SF | Avg Bldg SF | Median SF | Avg Year Blt | Total Sales | Avg \$/SF | Median \$/SF |
|------|---------|-----------|-------------|-----------|--------------|---------------|-----------|--------------|
| 2017 | 10 | 858,920 | 85,892 | 41,839 | 1969 | \$66,830,200 | \$77.81 | \$107.13 |
| 2016 | 22 | 912,874 | 41,494 | 25,497 | 1979 | \$88,262,300 | \$96.69 | \$124.75 |
| 2015 | 35 | 1,610,073 | 46,002 | 27,752 | 1983 | \$153,934,600 | \$95.61 | \$99.83 |
| 2014 | 20 | 1,002,342 | 50,117 | | 1985 | \$95,747,200 | \$95.52 | |
| 2013 | 31 | 1,631,116 | 52,400 | | 1984 | \$105,230,050 | \$64.51 | |
| 2012 | 27 | 1,315,230 | 48,700 | | 1986 | \$103,961,606 | \$79.04 | |
| 2011 | 19 | 795,877 | 41,900 | | 1985 | \$62,280,235 | \$78.25 | |
| 2010 | 21 | 545,442 | 26,000 | | 1984 | \$46,471,000 | \$85.20 | |
| 2009 | 15 | 414,388 | 27,600 | | | \$28,549,000 | \$68.89 | |
| 2008 | 16 | 1,115,803 | 69,700 | | | \$82,584,543 | \$74.01 | |
| 2007 | 38 | 1,972,121 | 51,900 | | | \$197,675,416 | \$100.23 | |
| 2006 | 35 | 3,264,000 | 93,300 | | | \$263,694,000 | \$80.79 | |
| 2005 | 43 | 1,970,000 | 45,800 | | | \$127,175,000 | \$64.56 | |
| 2004 | 58 | 3,220,000 | 55,500 | | | \$184,120,000 | \$57.18 | |
| 2003 | 73 | 7,110,000 | 97,400 | | | \$438,040,000 | \$61.61 | |

This region has a mixture of single and multi-tenant dock-height buildings designed for cargo distribution to the airport and seaport.

In addition, because of its central location it is popular as corporate headquarters for multi-nationals, third party logistic companies and industrial users requiring more office space.

Buildings in this region are typically newer with higher land/building ratios and more tenant amenities.

Rental Market - Airport West

| Year | # of Spaces | Total SF | Avg SF | Range | Vacancy Rate |
|------|-------------|-----------|--------|-------------------|--------------|
| 2018 | 76 | 2,769,159 | 36,436 | \$9 - \$10 | 3.0% |
| 2017 | 88 | 3,651,759 | 41,497 | \$8.5 - \$14 | 6.6% |
| 2016 | 68 | 2,044,203 | 30,062 | \$8 - \$14 | 4.0% |
| 2015 | 78 | 4,255,181 | 54,554 | \$8 - \$10 | 4.0% |
| 2014 | 89 | 4,919,300 | 55,273 | \$6.5 - \$11.5 | 9.0% |
| 2013 | 96 | 3,323,874 | 34,624 | \$4.5 - \$14 | 4.0% |
| 2012 | 224 | 7,492,701 | 33,450 | \$7.5 - \$9.5 | 8.0% |
| 2011 | 333 | 8,578,600 | 25,762 | \$7.5 - \$9.5 | 9.0% |
| 2010 | 143 | 5,493,701 | 38,417 | \$6 - \$7.5 | 10.0% |
| 2009 | 144 | 5,319,153 | 36,939 | \$7.5 - \$9.75 | 9.0% |
| 2008 | 133 | 3,366,075 | 25,309 | \$10.75 - \$10.75 | 7.0% |
| 2007 | 59 | 2,562,113 | 43,426 | \$7 - \$11 | 3.0% |

NOTE: Space over 10,000 SF

2018 CIASF INDUSTRIAL MARKET REPORT

CENTRAL-EAST

North of NW 12th Street to NW 103rd Street east of I-95.

Sales Market - Central-East

| Year | # Bldgs | Total SF | Avg Bldg SF | Median SF | Avg Year Blt | Total Sales | Avg \$/SF | Median \$/SF |
|------|---------|----------|-------------|-----------|--------------|--------------|-----------|--------------|
| 2017 | 5 | 62,483 | 12,497 | 12,497 | 1962 | \$13,811,800 | \$222.22 | \$260.00 |
| 2016 | 2 | 18,432 | 9,216 | 9,216 | 1960 | \$3,600,000 | \$195.31 | \$41.00 |
| 2015 | 16 | 330,009 | 20,626 | 11,638 | 1956 | \$65,925,000 | \$199.77 | \$139.81 |
| 2014 | 19 | 47,807 | 26,200 | | 1949 | \$5,438,000 | \$113.75 | |
| 2013 | 12 | 276,862 | 23,072 | | 1948 | \$28,510,000 | \$102.98 | |
| 2012 | 12 | 284,481 | 23,700 | | 1957 | \$21,701,500 | \$76.28 | |
| 2011 | | | | | | | | |
| 2010 | | | | | | | | |
| 2009 | | | | | | | | |
| 2008 | | | | | | | | |
| 2007 | | | | | | | | |
| 2006 | | | | | | | | |
| 2005 | | | | | | | | |
| 2004 | | | | | | | | |
| 2003 | | | | | | | | |

The Central East Region is located on the east side of I-95, generally known as the Wynwood-Design District, but also includes the Little River area north of 54th St and industrial properties on Miami-Beach.

In the Wynwood and Design Districts industrial buildings are being converted to commercial uses, such as galleries, bars/ restaurants, retail show rooms, micro-breweries and art studios. This trend is now starting to expand to the rest of the neighborhoods.

The larger buildings in the more industrial areas are older street level facilities providing for local businesses.

Due to the changing nature of select sections of the region, it is extremely difficult to measure trends in the area.

There is a new zoning overlay in the Wynwood area allowing new construction up to 8 stories. The big price jump was in anticipation of this change.

Rental Market - Central-East

| Year | # of Spaces | Total SF | Avg SF | Range | Vacancy Rate |
|------|-------------|-----------|--------|---------------|--------------|
| 2018 | 17 | 522,118 | 30,713 | \$9 - \$12 | 3.0% |
| 2017 | 17 | 600,839 | 35,343 | \$13 - \$45 | 7.2% |
| 2016 | 12 | 272,786 | 22,732 | \$13 - \$23 | 1.5% |
| 2015 | 11 | 279,366 | 25,397 | \$12 - \$22 | 1.5% |
| 2014 | 22 | 657,119 | 29,869 | \$11 - \$22 | 8.0% |
| 2013 | 41 | 836,051 | 20,391 | \$4 - \$21 | 4.0% |
| 2012 | 93 | 1,683,958 | 18,107 | \$2 - \$12 | 7.5% |
| 2011 | 229 | 4,256,962 | 18,589 | \$3 - \$10 | 16.5% |
| 2010 | 96 | 3,438,899 | 35,822 | \$3 - \$5 | 15.0% |
| 2009 | 54 | 1,021,631 | 18,919 | \$6.5 - \$8.5 | 8.0% |
| 2008 | 62 | 1,569,057 | 25,307 | \$6 - \$10.25 | 7.0% |
| 2007 | 25 | 1,205,176 | 48,207 | \$5 - \$9.5 | 5.0% |

NOTE: Space over 10,000 SF

CENTRAL-WEST

North of NW 12th Street to NW 103rd Street, west of I-95, extending to NW 37th Avenue on the west.

Sales Market - Central-West

| Year | # Bldgs | Total SF | Avg Bldg SF | Median SF | Avg Year Blt | Total Sales | Avg \$/SF | Median \$/SF |
|------|---------|-----------|-------------|-----------|--------------|--------------|-----------|--------------|
| 2017 | 12 | 343,510 | 26,626 | 16,903 | 1962 | \$25,072,200 | \$72.99 | \$88.48 |
| 2016 | 11 | 724,535 | 65,866 | 20,270 | 1960 | \$46,384,233 | \$64.02 | \$69.67 |
| 2015 | 24 | 1,022,761 | 42,615 | 14,337 | 1960 | \$48,342,100 | \$47.27 | \$52.36 |
| 2014 | 18 | 574,345 | 31,908 | | 1959 | \$22,542,000 | \$39.25 | |
| 2013 | 18 | 647,545 | 35,975 | | 1956 | \$21,225,000 | \$32.78 | |
| 2012 | 10 | 404,747 | 40,500 | | 1956 | \$13,934,000 | \$34.43 | |
| 2011 | | | | | | | | |
| 2010 | | | | | | | | |
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| 2007 | | | | | | | | |
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| 2005 | | | | | | | | |
| 2004 | | | | | | | | |
| 2003 | | | | | | | | |

The industrial properties in this area are older, larger and being used for distribution of goods to the local market.

The southern portion contains the major medical and hospital district in Miami-Dade as well as the "Produce District"

Some are trying to rebrand this area into the "Heart of Miami" or "West of Wynwood" (WOW) but it has yet to catch on.

Rental Market - Central-West

| Year | # of Spaces | Total SF | Avg SF | Range | Vacancy Rate |
|------|-------------|-----------|--------|---------------|--------------|
| 2018 | 15 | 537,644 | 35,843 | \$8 - \$12 | 4.0% |
| 2017 | 27 | 1,141,891 | 42,292 | \$6 - \$10 | 7.8% |
| 2016 | 20 | 566,878 | 28,344 | \$5 - \$14 | 5.0% |
| 2015 | 22 | 816,896 | 37,132 | \$4 - \$12 | 7.0% |
| 2014 | 23 | 1,521,905 | 66,170 | \$3.5 - \$10 | 10.0% |
| 2013 | 42 | 1,123,440 | 26,749 | \$3 - \$9 | 5.0% |
| 2012 | 93 | 1,683,958 | 18,107 | \$2 - \$12 | 7.5% |
| 2011 | 229 | 4,256,962 | 18,589 | \$3 - \$10 | 16.5% |
| 2010 | 96 | 3,438,899 | 35,822 | \$3 - \$5 | 15.0% |
| 2009 | 54 | 1,021,631 | 18,919 | \$6.5 - \$8.5 | 10.0% |
| 2008 | 62 | 1,569,057 | 25,307 | \$6 - \$10.25 | 7.0% |
| 2007 | 25 | 1,205,176 | 48,207 | \$5 - \$9.5 | 5.0% |

NOTE: Space over 10,000 SF

BIRD-SOUTH

NW 12th Street to the Miami-Dade/Munroe County Line, between Miami Beach and Miami-Dade/Collier County line.

Sales Market - Bird - South

| Year | # Bldgs | Total SF | Avg Bldg SF | Median SF | Avg Year Blt | Total Sales | Avg \$/SF | Median \$/SF |
|------|---------|----------|-------------|-----------|--------------|--------------|-----------|--------------|
| 2017 | 11 | 296,178 | 26,925 | 21,972 | 1989 | \$22,862,000 | \$77.19 | \$37.90 |
| 2016 | 10 | 291,943 | 29,194 | 28,444 | 1988 | \$27,400,000 | \$93.85 | \$114.44 |
| 2015 | 8 | 134,897 | 16,862 | 18,593 | 1984 | \$9,603,325 | \$71.19 | |
| 2014 | 8 | 227,444 | 28,431 | | 1985 | \$15,410,600 | \$67.76 | |
| 2013 | 12 | 281,422 | 23,452 | | 1980 | \$13,370,000 | \$47.51 | |
| 2012 | 1 | 212,461 | 212,461 | | 1981 | \$9,000,000 | \$42.36 | |
| 2011 | 5 | 78,057 | 15,611 | | 1982 | \$7,185,000 | \$92.05 | |
| 2010 | 3 | 23,438 | 7,813 | | 1969 | \$1,605,000 | \$68.48 | |
| 2009 | 7 | 155,873 | 22,268 | | | \$12,701,000 | \$81.48 | |
| 2008 | 7 | 183,325 | 26,189 | | | \$17,530,000 | \$95.62 | |
| 2007 | 5 | 278,244 | 55,649 | | | \$27,920,921 | \$100.35 | |
| 2006 | 10 | 417,000 | 41,700 | | | \$37,680,000 | \$90.36 | |
| 2005 | 25 | 467,000 | 18,680 | | | \$38,404,000 | \$82.24 | |
| 2004 | 31 | 990,000 | 31,935 | | | \$47,020,000 | \$47.49 | |
| 2003 | 13 | 490,000 | 37,692 | | | \$21,510,000 | \$43.90 | |

This region is almost two distinct markets. The northern portion contains the Bird Road District which is experiencing a change similar to Wynwood into more retail and creative uses, which skews the averages higher. This area is between SW 40th Street and SW 56th Street, east of State Road 826. This sub-region is experiencing low vacancy, high rental rates and high sales prices.

The area south of SW 56th St is predominantly smaller street level warehouses. The demand for larger industrial space in this area is still very strong. The uses in this area are for small business owners, tradesmen, and service providers. There is less activity in larger warehouses compared to other sub-markets in Miami-Dade County, do to supply.

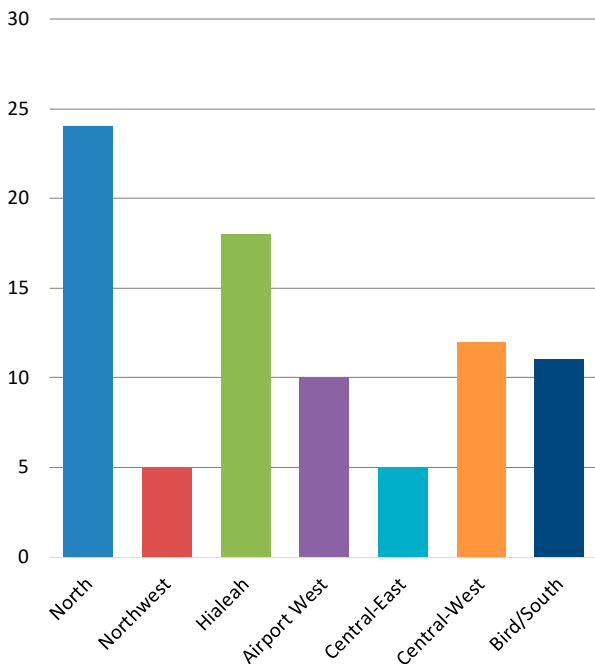
Rental Market - Bird/South

| Year | # of Spaces | Total SF | Avg SF | Range | Vacancy Rate |
|------|-------------|-----------|--------|------------------|--------------|
| 2018 | 15 | 411,935 | 27,462 | \$8 - \$11 | 3.0% |
| 2017 | 10 | 467,878 | 46,788 | \$7.5 - \$13 | 2.9% |
| 2016 | 11 | 351,745 | 31,977 | \$7.5 - \$14 | 2.2% |
| 2015 | 18 | 236,177 | 13,121 | \$7.5 - \$9 | 1.5% |
| 2014 | 20 | 655,328 | 32,766 | \$6.75 - \$10.5 | 4.1% |
| 2013 | 38 | 547,872 | 14,418 | \$6 - \$10 | 3.4% |
| 2012 | 120 | 976,941 | 8,141 | \$6 - \$8.625 | 6.1% |
| 2011 | 185 | 2,022,415 | 10,932 | \$5.75 - \$8.25 | 12.7% |
| 2010 | 51 | 792,127 | 15,532 | \$6 - \$9 | 5.0% |
| 2009 | 26 | 345,826 | 13,301 | \$6 - \$9 | 2.2% |
| 2008 | 29 | 321,166 | 11,075 | \$10.5 - \$11.25 | 2.1% |
| 2007 | 6 | 111,211 | 18,535 | \$7 - \$8.75 | 0.8% |

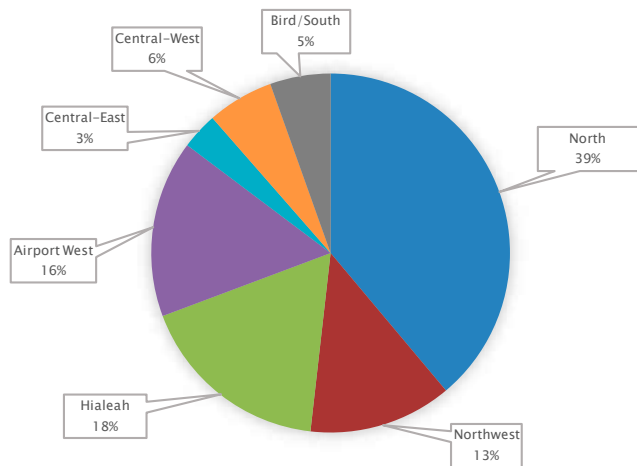
NOTE: Space over 10,000 SF

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