

NAI MIAMI

Quarterly Report | Fourth Quarter 2012



Investment



TRENDS:

Cap Rate



Sales Volume



OVERVIEW:

Miami mirrored the national landscape in having the most active fourth quarter since 2007. The market has seen an impressive surge, specifically in distressed assets, 62% of all distressed assets in Miami have been worked out over the past year.

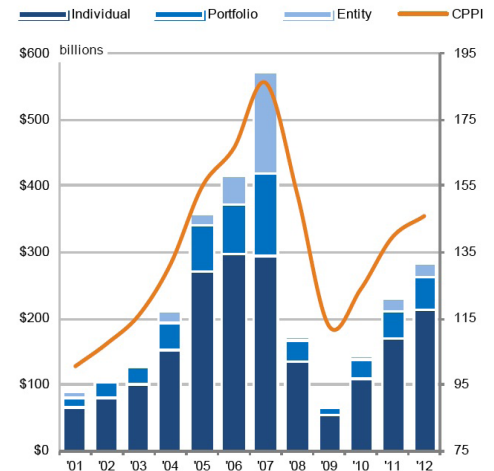
The revivification can be explained by multiple factors, not only was there a great motivation for sellers to close deals before the rise in tax rates, but there was a demand from buyers who had the depth of capital for commercial property.

Q1, 2013 Prediction:

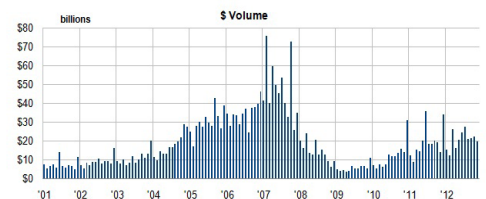
The investment market will be stagnant in quarter one due to the psychological impacts of new regulation and taxes. However because Miami is a desirable area due to global focus and our thriving economy, the demand for new product, will continue to grow, increasing property values.

- Jeremy Larkin
President

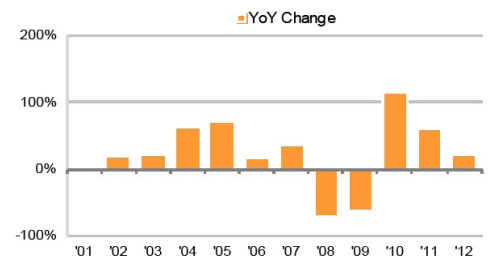
Annual Sales Volume & Pricing Trends*



Annual Sales Dollar Volume*



Annual Sales Volume Year-Over-Year % Change*



* Charts from Real Capital Analytics, National Data

Major Sale/Purchase Transactions, NAI Miami

Client:	Represented:	Product Type:	City:	Size (SF):	Price:
Econo-Malls	Buyer	Multi-Family	Homestead, FL	103,280 SF	\$6,200,000.00
US Bank, N.A.	Seller	Shopping Center	Miami, FL	35,309 SF	\$6,500,000.00
Old Cutler LLC	Seller	Shopping Center	Cutler Bay, FL	14,914 SF	\$6,500,000.00

Office



TRENDS:

Vacancy Rate



Net Absorption



Construction



Asking Rents



OVERVIEW:

The office market continued its success from quarter three. Most submarkets in Miami felt a gain in momentum this past quarter, with little to no new construction in the market while expanding companies drove an increase in demand.

Overall vacancy rate decreased from 13.4% in the previous quarter to 13.2%. Net absorption was a positive 218,826 square feet, down from 469,072 in quarter three. Average rental rates increased by 0.2%.¹

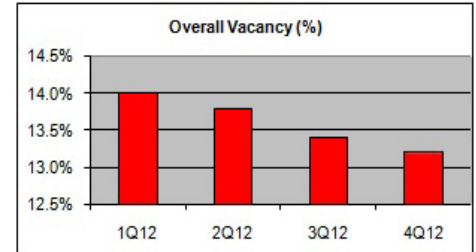
Q1, 2013 Prediction:

The office market has begun its upswing after struggling for the past five years. With the stabilization of the economy, we have, and will continue to see companies expand. With this in mind, vacancies will continue to decrease and rents increase, especially in Grade A properties. LEED certified green buildings will become popular and the most sought after in the market.

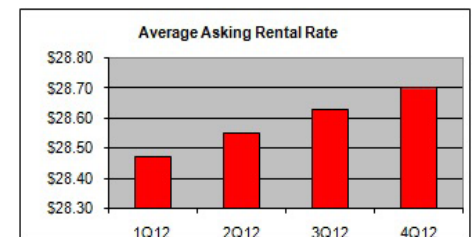
- Edward Schmidt
Chief Executive Officer

¹ Data from CoStar Office Report

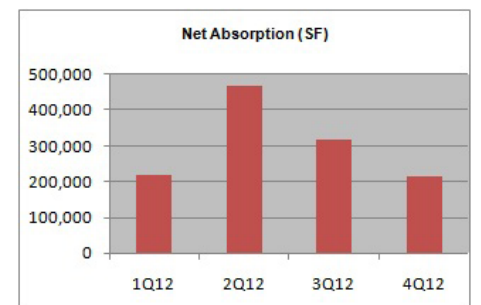
Overall Vacancy (%) 13.2%



Average Asking Rental Rate \$28.70



Net Absorption (SF) 218,826



Major Lease Transactions, NAI Miami

Tenant:	Submarket:	Size (SF):	Location:
Florida Pace Centers, Inc.	West Miami	17,772 SF	Miami, FL
South Florida Workforce Investment Board	Northeast Dade	12,000 SF	North Miami Beach, FL
Worldwide Rebates Inc.	Pompano Beach	9,288 SF	Deerfield Beach, FL

Retail



TRENDS:

Vacancy Rate



Net Absorption



Construction



Asking Rents



OVERVIEW:

The retail market in Miami-Dade County experienced little change in the fourth quarter of 2012. There has been little significant new construction, allowing current landlords the ability to increase rents in desired properties.

Overall vacancy rate decreased from 4.0% in the previous quarter to 3.9%. Net absorption was positive 342,535 square feet, and vacant sublease space decreased by (15,391) square feet. Average rental rates increased by \$0.58.¹

Q1, 2013 Prediction:

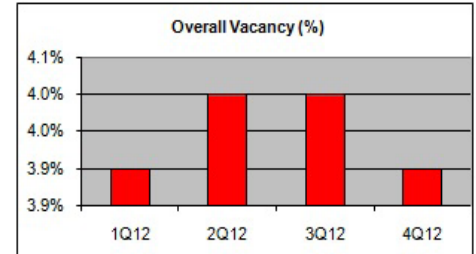
The market will continue to tighten due to lack of new space being built. Rents will increase across the board while more developers will build new space or redevelop current properties.

- Josh Rodstein
Sales Manager

¹ Data from CoStar Retail Report

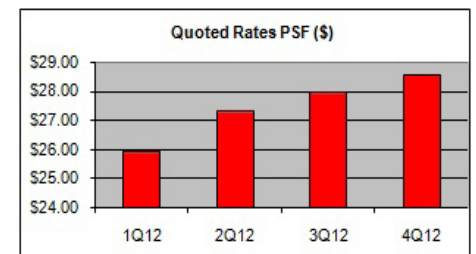
Overall Vacancy (%)

3.9%



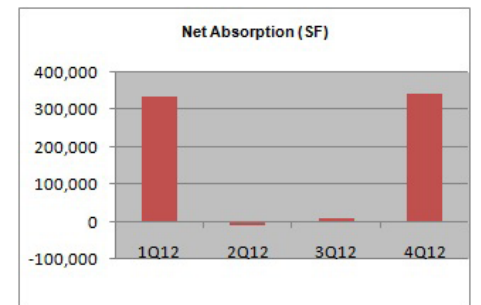
Average Asking Rental Rate

\$28.57



Net Absorption (SF)

342,535



Major Lease Transactions, NAI Miami

Tenant:	Submarket:	Size (SF):	Location:
CompUSA	Ponce	29,991 SF	Ponce, Puerto Rico
CompUSA	Maitland Center	25,780 SF	Orlando, FL
CompUSA	South Tampa	25,000 SF	Tampa, FL

Industrial



TRENDS:

Vacancy Rate



Net Absorption



Construction



Asking Rents



OVERVIEW:

The fourth quarter of 2012, saw the industrial sector improve across much of Miami-Dade County. There was significant activity in the market for smaller properties while most larger properties were stable.

Overall vacancy rate decreased from 7.1% in the previous quarter to 6.7%. Net absorption was positive 924,009 square feet, and vacant sublease space increased by 195,197 square feet. Rental rates increased by an average of 1.6% over the third quarter.¹

Q1, 2013 Prediction:

Due to the influx of capital from Latin America and Europe; low interest rates; and the increases in Miami's infrastructure including the port, railway, and highway expansion- there will be an upswing in the industrial sector but not as significant as in 2012.

- Gabriel Garcia-Menocal
Executive Director

¹ Data from CoStar Industrial Report

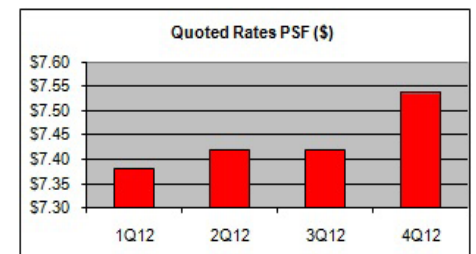
Overall Vacancy (%)

6.7%



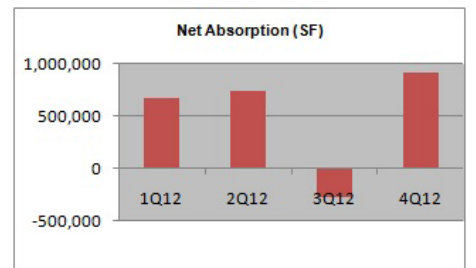
Average Asking Rental Rate

\$7.54



Net Absorption (SF)

924,009

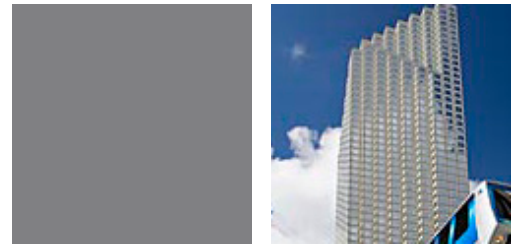


Major Lease Transactions, NAI Miami

Tenant:	Submarket:	Size (SF):	Location:
Floral Holdings LLC	Miami Airport West Industrial	38,430 SF	Miami, FL
Grower2Buyer.com, Inc.	Miami Airport West Industrial	34,111 SF	Doral, FL
Alsina Forms, Co. Inc.	Hialeah Industrial	30,000 SF	Miami, FL

Selected Deals

Fourth Quarter 2012



Major Lease Transactions, Miami-Dade County, Florida

Tenant:	Portfolio	Building:	Size (SF):	Submarket:
Old Castle Glass	Industrial	Bunzi Southeast	74,735 SF	North Miami Beach Industrial
HeartWare International	Industrial	Miami Lakes Business Park	59,165 SF	Miami Lakes Industrial
Not Disclosed	Industrial	Beacon Lakes- Building 6	35,160 SF	Miami Lakes Industrial
Foley & Lardner LLP	Office	One Biscayne Tower	23,500 SF	Downtown Miami
Not Disclosed	Retail	Badcock Furniture	23,000 SF	Hialeah Gardens
Ferraro Law Firm	Office	Brickell World Plaza	21,363 SF	Brickell
Not Disclosed	Retail	Nocturnal	20,000 SF	Downtown Miami
Not Disclosed	Office	129 Plaza- Building 2	16,900 SF	Kendall
Not Disclosed	Retail	Westland Promenade	12,400 SF	Medley/Hialeah

Major Sale Transactions, Miami-Dade County, Florida

Address:	Portfolio	Price:	Size (SF):	Price Per Square Foot
801-812 Lincoln Mall	Retail	\$139,000,000	55,586 SF	\$2,500.63
Aventura Square	Retail	\$ 55,500,000	113,450 SF	\$ 489.20
Waterford at Blue Lagoon	Office	\$ 44,000,000	344,215 SF	\$ 127.83
U.S. D.E.A.	Industrial	\$ 43,800,000	6,000 SF	\$7,300.00
501 Collins Ave	Retail	\$ 30,000,000	22,857 SF	\$1,312.50
10000 NW 15 Ter.	Industrial	\$ 26,000,000	209,000 SF	\$ 124.40
NE 16 Ave Portfolio	Industrial	\$ 17,264,000	136,584 SF	\$ 126.40
The 9000 Professional Ctr	Office	\$ 12,500,000	33,000 SF	\$ 378.79
Bacardi Complex	Office	\$ 10,000,000	47,756 SF	\$ 209.40