

Residential Real Estate 4th Quarter Highlights

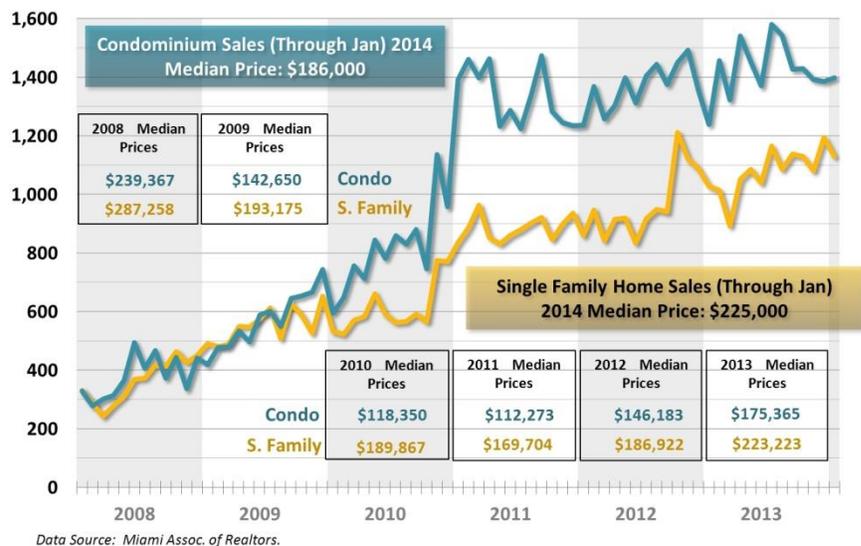
- Existing single family home sales ended 2013 on a positive trend after the year started with a sharp but temporary correction from strong gains at the end of 2012. The positive momentum in the 4th quarter, continued into January with sales volume 9.8% above January 2013. Just over 1,100 existing SF units were sold in January and the median sales price was up 16% over the previous January to \$225,000.
- The pace of condo sales appeared to slow considerably in the 2nd half of 2013, but stabilized in the last quarter of 2013. January 2014 experienced sales of 1400 units and the median sales prices were up 20% compared to January 2013, reaching \$186,000.
- The Case-Shiller Home Price index in December increased 17% from December 2013.
- Miami-Dade foreclosures were down 6% over the fourth quarter of last year while *lis pendens* dropped 51% over the same period.

Residential Real Estate

Single-Family Home Sales:

Sales of existing single-family homes began 2013 with a correction, but sales growth returned in the 2nd quarter and ended with a strong fourth quarter. The median price of single family homes sold in 2013 reached \$223,200, registering a gain of 19% from 2012. January sales in Miami-Dade, however, dipped -5% from December, but January sales of 1,131 units up nearly 10% from the number of units sold in January 2013. The median sales price in January for all single

Miami-Dade Home Sales and Median Price



family units sold reached \$225,000, a 16% increase from the same month a year ago.

Cash sales remain very important to the single family market although they are declining as a share of total sales. In the final quarter of 2013, 45% of all closed sales were cash sales compared to 47% last year.

Non-traditional sales (i.e., foreclosures and short sales) continue depress prices in the single-family market. Traditional sales, however, are having a stronger presence in the market, and accounted for 62% of all 4th quarter sales. The share of traditional sales in the 4th quarter of 2012 represented just 53%. The median sales price of units in traditional transaction was \$299,500, 41% higher than the overall median.

Foreclosure/REO sales accounted for 20% of all sales in the 4th quarter, compared to 21% a year ago. The median sales price of these properties was \$138,000, which is 46% of the median for a traditional sale.

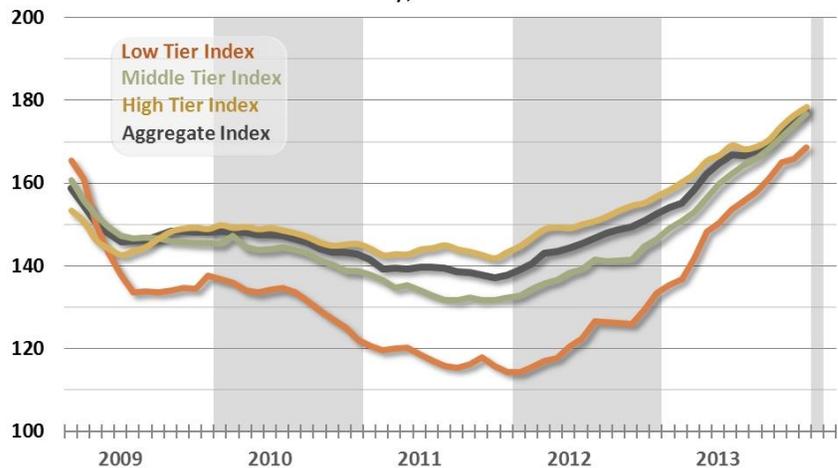
The number of short sales in the 4th quarter accounted for the remaining 18% of all single family home sales. Short sales, as a share of all sales, have fallen

significantly from the final quarter of 2012 when they represented 25% of all sales. The median sales price for short sale transactions was \$150,000, nearly half the price of the traditional sale.

Condo & Townhouse Sales: The Florida Realtors Association first began reporting sales and price data on the condominium market in 2005: mid-bubble, so to speak. The most recent data from January sales after seasonal adjustment totaled 1,399, up 1% from December but nearly 13% above last January. The median sales price for condominium/townhouse transactions was \$186,000, representing a 20% increase over last January's median sales price. Cash sales continue to dominate this segment of the housing market, accounting for 72% of all sales in 2013.

Traditional sales are starting to account for a greater share of total sales, and in the final quarter of 2013 they accounted for 64% of total transactions. The median transaction price for traditional sales was \$250,000. Non-traditional sales in this segment of the market continue to restrain the median price of all sales of existing condominiums. Foreclosure/REO's accounted for 23% of all condo sales in the 4th quarter. The median sales price in foreclosure sales was \$115,000, less than half the price for the typical traditional sale. Short sales in the condo/townhouse market accounted for 13% of all sales in the 4th quarter compared to 23% in the 4th quarter of 2012. The median price recorded for short sales was \$110,000, 44% of the traditional sales median.

Case-Shiller Index by Housing Tier (Through December, 2013)
January, 2000 = 100



Data Source: S&P Case-Shiller; R.E.R Economic Policy & Analysis.

While many existing homeowners would like to see values return to the peak pre-2008 levels, values today are more properly aligned with the incomes of typical family households.

The S&P Case-Shiller Housing Price Index: The Case Shiller Index compares the sales of the same single family homes over time in order to estimate price changes in the housing stock independent of changes in the size or amenities of new construction. The CS Index is a more accurate estimate of the changes in housing values over time compared to the median transaction price available from current sales.

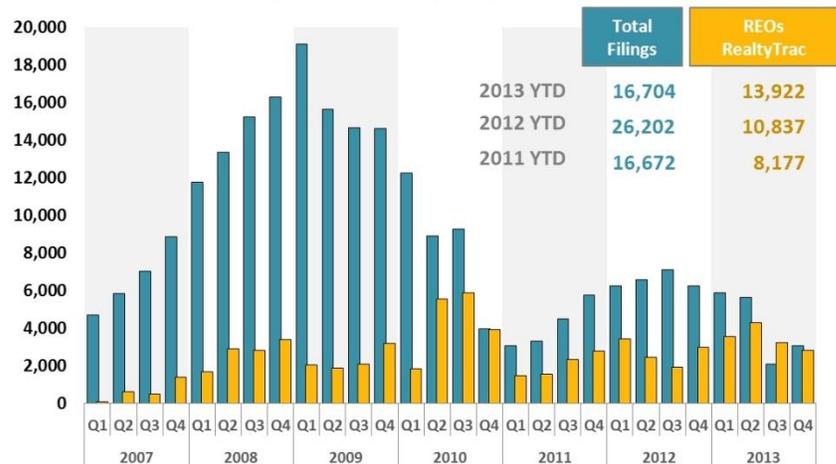
The CS Index separates the Miami-Fort Lauderdale existing single-family residential market into three value tiers. The lowest tier, values of less than \$190,000, saw the price index grow in December nearly 27% above a year earlier to 168.8. Home values in the low tier have experienced the greatest volatility over the decline and recovery cycle. In December, the typical single family home in Miami-Dade's lowest tier was worth 58% higher than at its low point at the end of 2011. The single family home market in South Florida has experienced 14 consecutive months of 10% or more year-over-year growth in values. The index for the highest tier, homes valued at

\$327,000 and above, is up nearly 14% in December from a year earlier, and marking 9 consecutive months of double-digit growth. The middle tier index has seen double digit growth in values for 13 consecutive months and increased nearly 21% from December of 2012. Overall, the aggregate index in December 2013 for all single family homes in the market grew 17% from the previous December.

Housing unit values for small geographic areas (census tracts and block groups) are estimated in the U.S. Census Bureau's *American Community Surveys*. The map on page 4 shows the self-reported median home values by census block groups in the County Commission Districts. Each color range on the map represents about 60,000 housing units.

Foreclosures: Home sales data indicate that foreclosures and short sales represent a significant constraint on value appreciation on the housing market, although the trends in REOs and *lis pendens* indicate that the South Florida housing market continues to strengthen. Lis pendens (initial foreclosure filings) in 2013 were down over 50% from last year to 16,704 filings, a rate of 22 filings per 1,000 homes. In 2012 there were 26,202 lis pendens filed in Miami-Dade, about 26 filings per 1,000 homes. Foreclosure completions (REO's) lag behind foreclosure filings. In 2013 REOs reached 13,922 for the year, 28% higher than in 2012. While the annual foreclosure rate increased in 2013 (14 REO's per 1,000 homes versus 11/1000 in 2012), the final six months of 2013 experienced a significant decline in REOs.

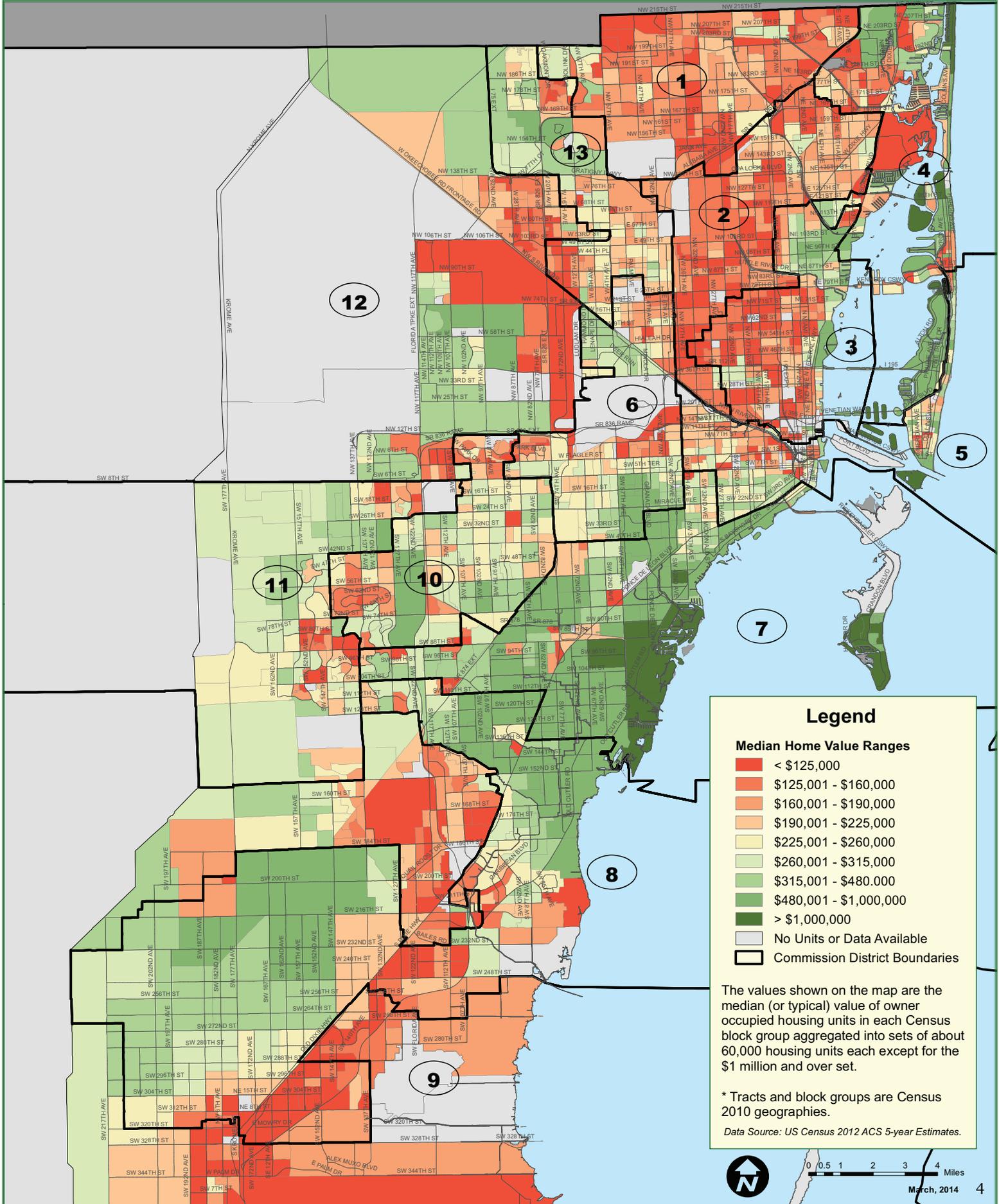
Miami-Dade Foreclosures
Filings and REO's (completions)



Data Sources: Miami-Dade Clerk of Courts, RealtyTrac.

Miami-Dade 2012 Median Home Values

By 2010 Census Block Groups



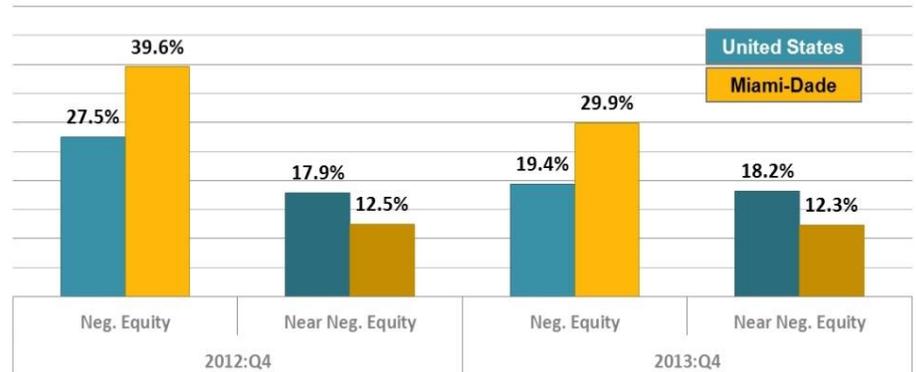
Looking to 2014 it seems that filings and foreclosures relative to the housing stock will remain above historic levels before the foreclosure crisis. The recent improvements in home values and sales volume is likely to support a rise in foreclosures as banks are less likely to engage in loan modifications for homeowners struggling to make mortgage payments.

Zillow Real Estate Research estimates that nearly 30% of Miami-Dade mortgages are greater than the home's market value (down from 40% in the 4th quarter of 2012 but still high) and an additional 12% are at 80%-100% loan-to-value ratio. For the 30% of homes "underwater," the average negative equity amount was \$92,426 per home. This leaves Miami-Dade in the bottom 10% of counties nationally. The combination of many troubled mortgages and an environment of rising prices, is an incentive for banks to foreclose rather than modify loans.

The map on the page 6 shows the percent of homes in a negative equity position by zip code. The negative equity data from Zillow indicates a range of 5% in negative equity to a high of 54% *underwater*.

Housing Affordability: The dynamics of imbalance in supply

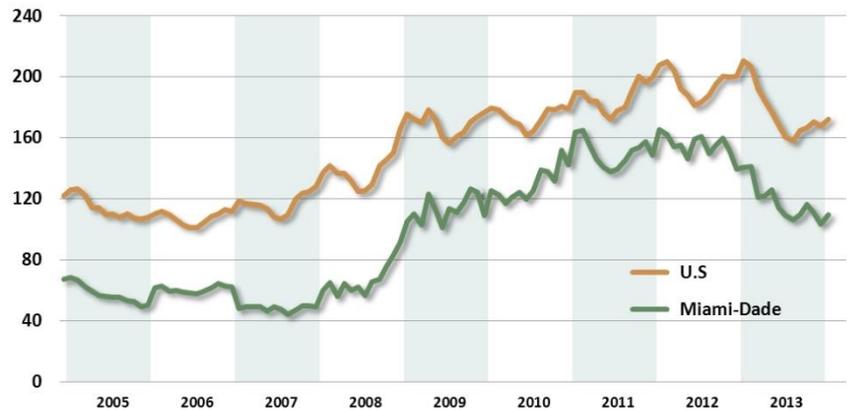
Mortgages in Negative Equity - 2013:Q4



* A property with "near negative equity" has a loan-to-value ratio of 80-100%.
Data Source: Zillow.com.

Housing Affordability Index

(A Higher Index = a More Affordable Housing Stock)

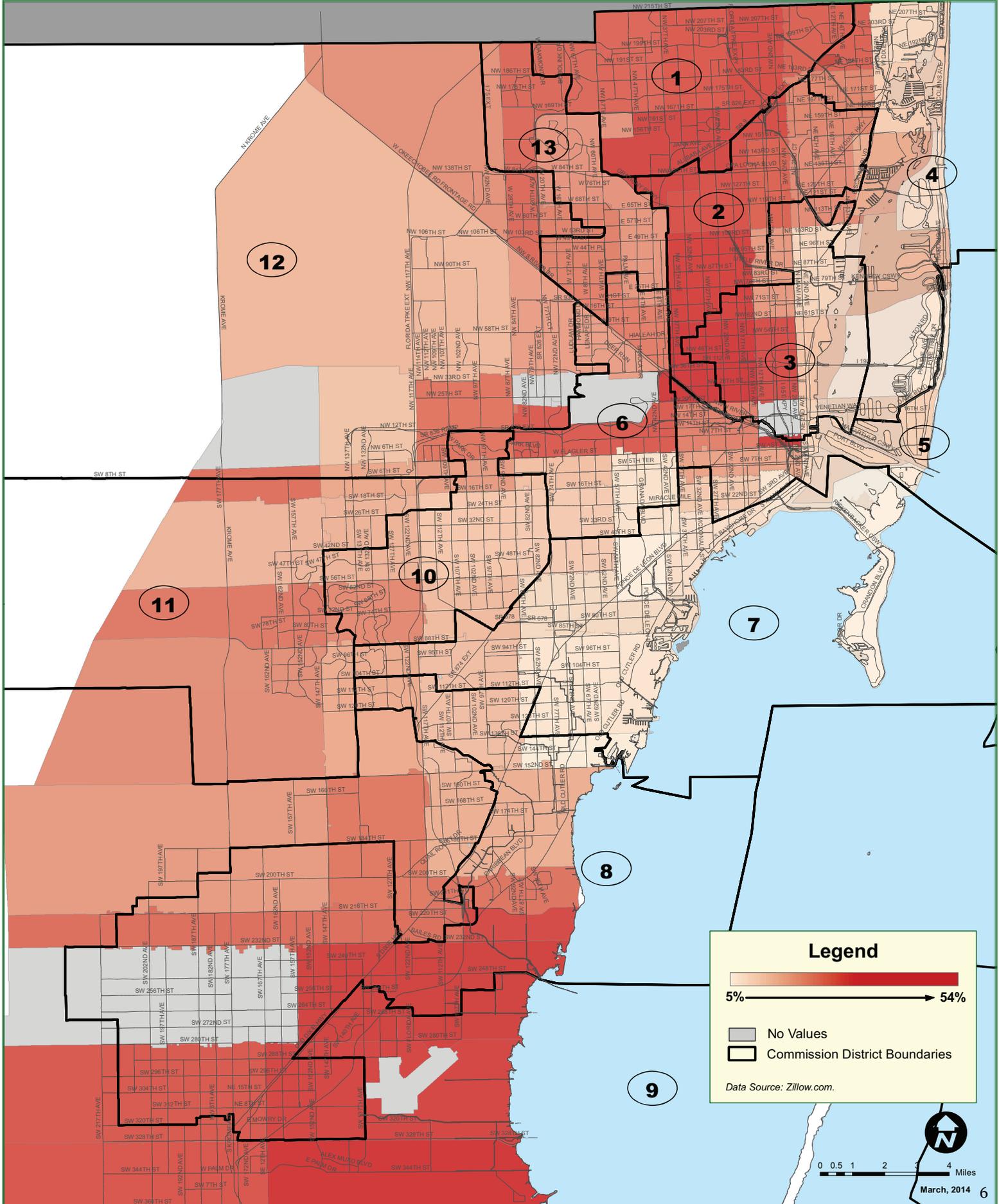


Data Source: National Association of Realtors; RER Economic Development Division.

and demand for housing from 2008 to 2012 led to gains in the affordability of housing in the county. Affordability has been declining, however, since 2012. The affordability index considers the median income of the typical family relative to the typical cost of a home mortgage. The index rises when the typical family's income increases faster than the value of the typical home and/or the mortgage interest costs. From the third quarter of 2007 to the third quarter of 2012, affordability increased as home prices and interest rates steadily declined. Since January of 2012, increases in housing prices and, more recently, interest rates have put homeownership beyond the financial reach of many residents, and that trend is likely to continue for some time.

Negative Home Equity by Zip Codes

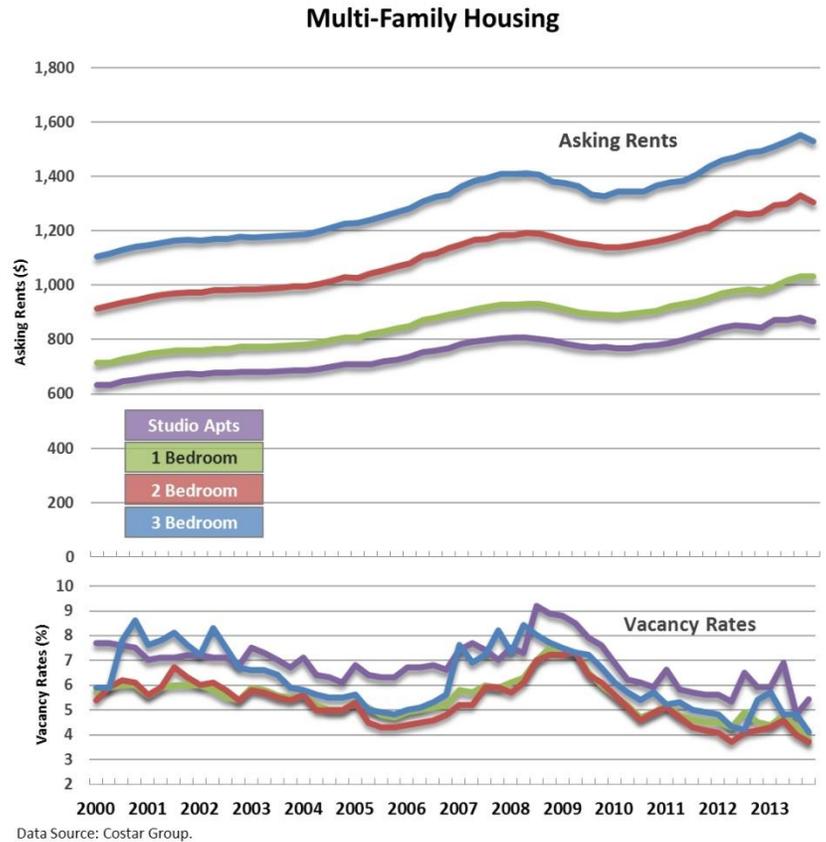
4th Quarter 2013



Multi-family Housing: Approximately 27% of all housing units in Miami-Dade are in multi-family developments with 267,000 total units. Since homeownership rates have been declining since 2008, not only in Miami-Dade but also at national level, the multi-family rental market has played a critical role in meeting the housing needs county residents. The most recent data indicates that countywide vacancy rate in multi-family housing is very low, 4.2%, and falling. (The five-year average vacancy rate is 5.2%.) Asking rents have been pushed up to all-time highs for all types of units.

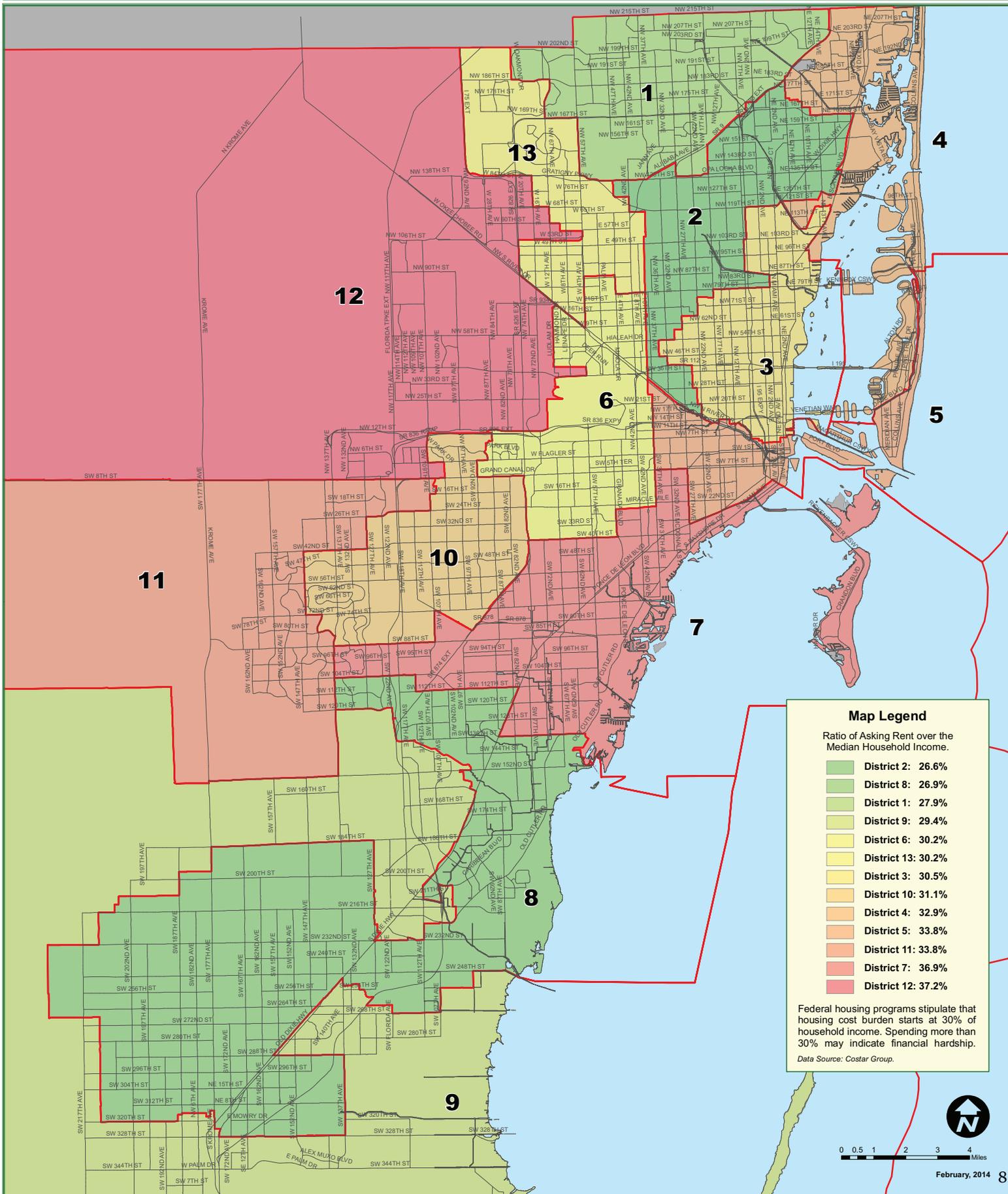
The 2013 average asking rent for studio apartments hit \$872 (+13% over the 2010 lows), while the vacancy rate for these units dropped from 9.1% in 2008 to 5.8% in 2013. The one-bedroom average asking rent for 2013 reached \$1,021 (+13.6% over 2010) as the vacancy rate fell from 7.6% at the peak to 4.3%. Similarly, the two-bedroom average asking rent was \$1,307 (+13.7%) and the vacancy rate fell from 6.6% at its peak in 2009 to 4.2%. The three-bedroom average asking rent topped \$1,530 with a vacancy rate of 4.9% compared to 7.9% at its peak in 2008.

Asking rents have been rising faster than median household and family incomes in the county since 2008, and most of the rental units in



the County are priced above what is considered affordable. The U.S. Department of Housing and Urban Development (HUD) estimates the rental rates recognized as affordable for households. The average size of households that rent in Miami-Dade is 2.84 persons. HUD estimates that a three- person household in Miami-Dade earning the median household income can afford to pay as much as \$1,225 per month without being overly burdened by housing costs. The average two- and three-bedroom multi-family rental unit is priced above the affordable range for the typical family. The latest Census Bureau estimates indicate that over 65% of renter households in the county spend more than 30% of their income on rent and over 56% spend more than 35% of their income.

[A summary multi-family rental data by county commission district is presented in the appendix to this report. The maps on the following page show multi-family rental affordability by commission district and the percent change in the asking rent by commission district over the past five years.]



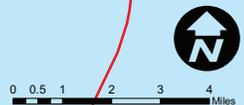
Map Legend

Ratio of Asking Rent over the Median Household Income.

- District 2: 26.6%
- District 8: 26.9%
- District 1: 27.9%
- District 9: 29.4%
- District 6: 30.2%
- District 13: 30.2%
- District 3: 30.5%
- District 10: 31.1%
- District 4: 32.9%
- District 5: 33.8%
- District 11: 33.8%
- District 7: 36.9%
- District 12: 37.2%

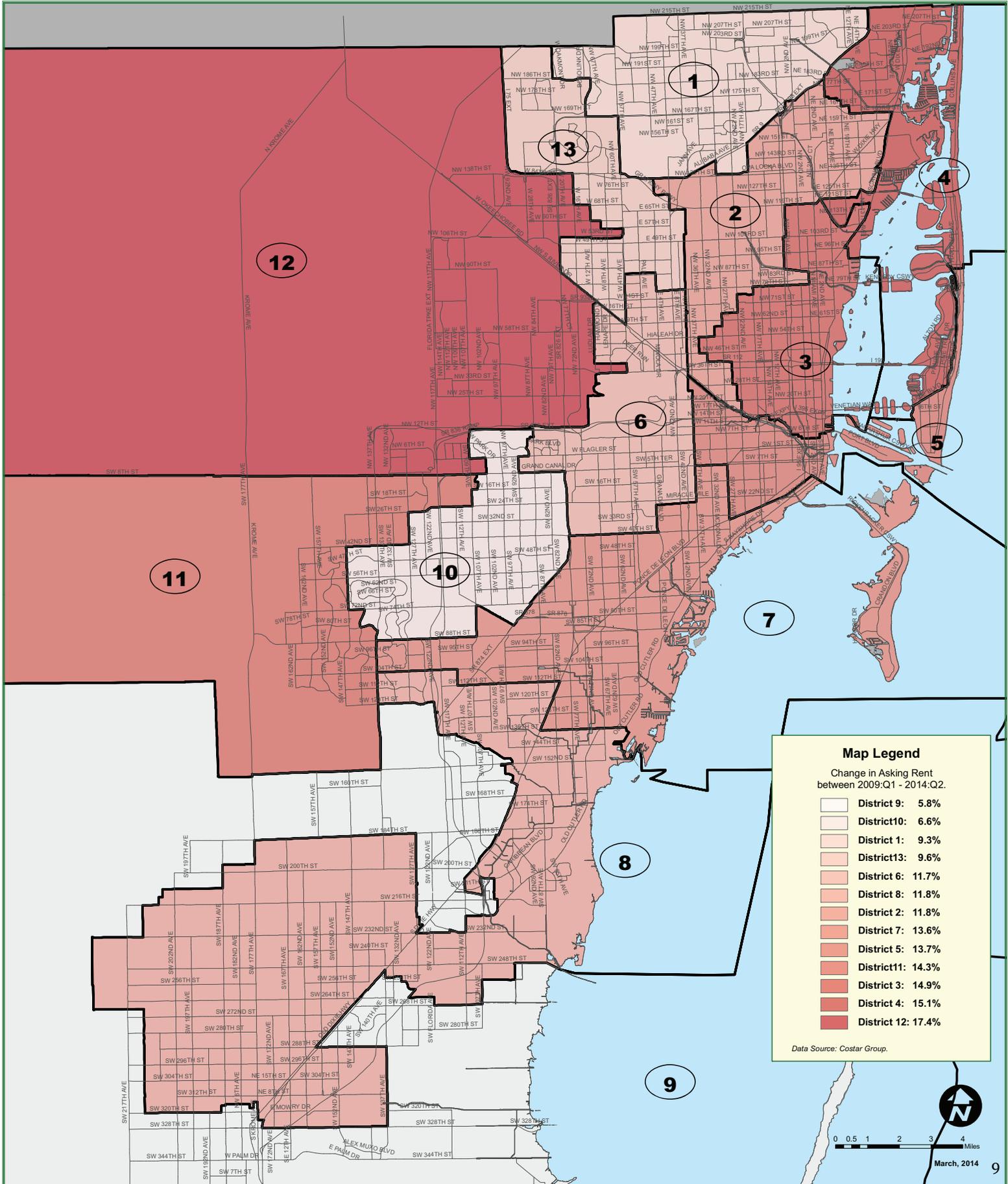
Federal housing programs stipulate that housing cost burden starts at 30% of household income. Spending more than 30% may indicate financial hardship.

Data Source: Costar Group.



Multi-Family Rental Affordability

Change in Asking Rent from 2009:Q1 to 2014:Q1
by Commission Districts



Map Legend

Change in Asking Rent between 2009:Q1 - 2014:Q2.

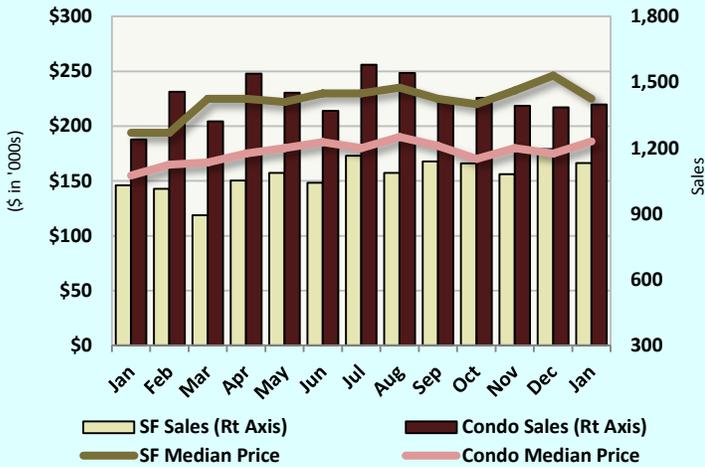
	District 9: 5.8%
	District 10: 6.6%
	District 1: 9.3%
	District 13: 9.6%
	District 6: 11.7%
	District 8: 11.8%
	District 2: 11.8%
	District 7: 13.6%
	District 5: 13.7%
	District 11: 14.3%
	District 3: 14.9%
	District 4: 15.1%
	District 12: 17.4%

Data Source: Costar Group.

Miami-Dade County Housing Market

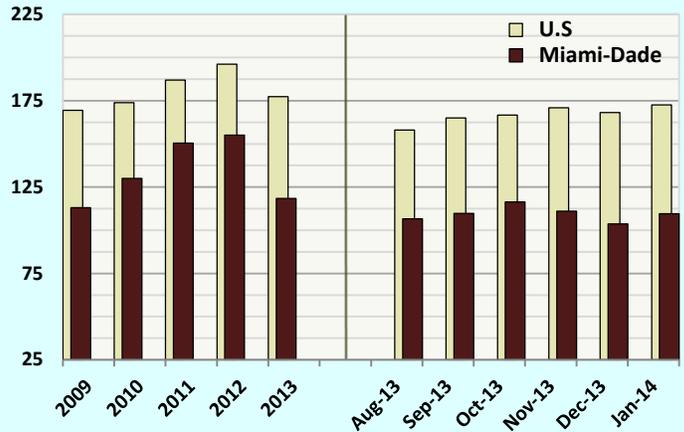


Existing Homes Sales: Seasonally Adjusted Sales and Median Price



Data Source: Florida Realtors.

Housing Affordability Index*



* 2013 data is Year-to-Date.

Miami-Dade Existing Home Sales

	Jan-14	% Change from Dec-13	% Change from Jan-13
Single Family Sales	1,131	-5.3%	9.8%
Med. Sales Price	\$225,000	-8.6%	16.0%
Condo Sales	1,399	1.0%	12.9%
Med. Sales Price	\$186,000	6.3%	20.0%

Data Source: FloridaRealtors.org

Housing Affordability* (based on Single Family Home Sales)

	Jan-14 (p)	% Change from Dec-13 (r)	% Change from Jan-13
Miami-Dade County			
Affordability Index	109.5	5.6%	-22.3%
US			
Affordability Index	172.5	2.6%	-18.1%

Data Source: National Association of Realtors; EDIT.

* The index is a ratio of monthly median income over the P & I payment on a 30 yr fixed rate mortgage. A higher index means more affordable.

Housing Price Indices & Comparisons (2000=100)

Case-Shiller*	Dec-13	% Change from Nov-13	% Change from Dec-12
Miami MSA			
Low Tier (< \$189,912)	168.8	1.8%	26.6%
Middle Tier	176.7	1.6%	20.7%
High Tier (> \$327,341)	178.5	1.1%	13.7%
Aggregate Index	177.9	1.2%	16.6%
US 20 City Composite Index	166.7	0.8%	13.5%

Federal Housing Finance Agency**	2013:4Q	% Change from 2013:3Q	% Change from 2012:4Q
Miami HPI	180.4	3.1%	11.6%
Broward HPI	174.3	6.2%	16.9%
Florida HPI	152.0	2.5%	9.8%

* Existing homes paired sales, seasonally adjusted.

** All transactions quarterly index, not seasonally adjusted.

Data Source: Standard & Poors; Federal Housing Finance Agency

Miami-Dade Foreclosures & Filings (Not seasonally adjusted)

	2013:Q4	% Change from 2013:Q3	% Change from 2012:Q4
REO Foreclosures	2,835	-12.4%	-5.7%
Lis Pendens	3,070	47.2%	-51.0%

Data Sources: Miami-Dade Clerk of Courts, RealtyTrac.

30-Year Fixed Mortgage Rates

	Jan-14	Dec-13	Chg from Jan-13
Miami-Dade	4.58	4.38	0.77
US	4.59	4.48	0.89

Data Source: HSH Associates, Inc.

Building Permits (Units)

	Dec-13	% Change from Nov-13	% Change from Dec-12
Miami-Dade County			
3 Mo. Trailing Avg	842	-6.6%	118.6%
US			
Units (000s)	79.2	-2.4%	14.8%

Data Source: US Census Bureau.

Note: All numbers are seasonally adjusted unless otherwise indicated.

For additional information visit our website at:

<http://www.miamidade.gov/business/economic-development.asp>

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Multi-Family Housing Profile by Commission District

	County-wide		District 1		District 2	
Leasing Units	Current	5-Year Avg	2014: Q1	5-Year Avg	2014: Q1	5-Year Avg
Vacant Units	6,530	7,941	589	647	439	657
Vacancy Rate	4.20%	5.20%	8.30%	9.10%	3.40%	5.10%
12 Mo. Absorption Units	686	766	15	39	167	5
Rents	Current	5-Year Avg	2014: Q1	5-Year Avg	2014: Q1	5-Year Avg
Studio Asking Rent	\$884	\$813	\$694	\$666	\$770	\$682
1 Bed Asking Rent	\$1,025	\$943	\$812	\$763	\$849	\$776
2 Bed Asking Rent	\$1,305	\$1,202	\$1,183	\$1,095	\$982	\$914
3+ Bed Asking Rent	\$1,518	\$1,414	\$1,245	\$1,146	\$1,074	\$1,051
Concessions	2.40%	3.50%	1.10%	4.90%	2.50%	4.00%
Inventory in Units	Current	5-Year Avg	2014: Q1	5-Year Avg	2014: Q1	5-Year Avg
Existing Units	267,073	152,641	14,108	7,070	19,327	12,835
12 Mo. Const. Starts	3721	1217	0	0	0	79
Under Construction	5434	1725	0	0	0	156
12 Mo. Deliveries	986	981	0	0	0	100
Sales	Past Year	5-Year Avg	Past Year	5-Year Avg	Past Year	5-Year Avg
Sale Price Per Unit	\$101,059	\$82,367	\$77,863	\$67,926	\$59,000	\$46,273
Asking Price Per Unit	\$73,145	\$80,011	\$42,465	\$46,139	\$68,961	\$42,736
Sales Volume (Mil.)	\$769	\$2,252	\$77	\$111	\$36	\$123
Cap Rate	7.00%	7.40%	8.20%	7.80%	7.90%	8.40%

	District 3		District 4		District 5	
Leasing Units	2014: Q1	5-Year Avg	2014: Q1	5-Year Avg	2014: Q1	5-Year Avg
Vacant Units	684	905	688	761	1,226	1,546
Vacancy Rate	4.00%	5.20%	4.30%	4.90%	4.10%	5.30%
12 Mo. Absorption Units	64	42	-105	-24	47	182
Rents	2014: Q1	5-Year Avg	2014: Q1	5-Year Avg	2014: Q1	5-Year Avg
Studio Asking Rent	\$978	\$889	\$894	\$814	\$950	\$870
1 Bed Asking Rent	\$969	\$890	\$1,064	\$963	\$1,216	\$1,137
2 Bed Asking Rent	\$1,265	\$1,143	\$1,411	\$1,268	\$1,644	\$1,576
3+ Bed Asking Rent	\$1,467	\$1,284	\$1,841	\$1,637	\$2,267	\$2,258
Concessions	3.00%	3.60%	2.10%	3.40%	2.70%	3.30%
Inventory in Units	2014: Q1	5-Year Avg	2014: Q1	5-Year Avg	2014: Q1	5-Year Avg
Existing Units	32,816	17,345	38,053	15,671	49,430	29,436
12 Mo. Const. Starts	816	288	155	69	1320	360
Under Construction	916	240	155	43	1991	473
12 Mo. Deliveries	0	104	120	33	0	191
Sales	Past Year	5-Year Avg	Past Year	5-Year Avg	Past Year	5-Year Avg
Sale Price Per Unit	\$76,538	\$60,363	\$137,042	\$94,261	\$131,987	\$114,098
Asking Price Per Unit	\$78,138	\$46,867	\$153,235	\$98,728	\$64,710	\$131,343
Sales Volume (Mil.)	\$116	\$255	\$128	\$431	\$253	\$697
Cap Rate	8.30%	9.00%	6.70%	7.20%	6.20%	6.70%

Multi-Family Housing Profile by Commission District

	District 6		District 7		District 8	
Leasing Units	2014: Q1 5-Year Avg		2014: Q1 5-Year Avg		2014: Q1 5-Year Avg	
Vacant Units	684	796	473	494	188	198
Vacancy Rate	4.60%	5.50%	4.20%	4.60%	4.70%	4.80%
12 Mo. Absorption Units	66	62	-27	163	-16	22
Rents	2014: Q1 5-Year Avg		2014: Q1 5-Year Avg		2014: Q1 5-Year Avg	
Studio Asking Rent	\$819	\$754	\$876	\$837	\$715	\$704
1 Bed Asking Rent	\$945	\$878	\$1,209	\$1,090	\$827	\$742
2 Bed Asking Rent	\$1,163	\$1,104	\$1,518	\$1,354	\$964	\$870
3+ Bed Asking Rent	\$1,759	\$1,507	\$2,095	\$2,000	\$1,288	\$1,092
Concessions	3.60%	4.30%	1.90%	2.80%	3.10%	3.90%
Inventory in Units	2014: Q1 5-Year Avg		2014: Q1 5-Year Avg		2014: Q1 5-Year Avg	
Existing Units	17,991	14,525	16,824	10,754	9,467	4,111
12 Mo. Const. Starts	0	24	530	379	0	0
Under Construction	0	92	635	208	0	0
12 Mo. Deliveries	200	83	227	186	0	0
Sales	Past Year 5-Year Avg		Past Year 5-Year Avg		Past Year 5-Year Avg	
Sale Price Per Unit	\$82,151	\$53,389	\$119,136	\$126,541	\$55,357	\$44,197
Asking Price Per Unit	\$116,834	\$98,218	\$160,566	\$128,146	\$58,675	\$56,663
Sales Volume (Mil.)	\$26	\$113	\$33	\$139	\$6	\$51
Cap Rate	5.70%	6.40%	6.70%	7.10%	8.00%	7.20%

	District 9		District 10		District 11	
Leasing Units	2014: Q1 5-Year Avg		2014: Q1 5-Year Avg		2014: Q1 5-Year Avg	
Vacant Units	223	281	226	252	221	263
Vacancy Rate	3.80%	4.80%	3.30%	3.60%	4.10%	5.10%
12 Mo. Absorption Units	50	12	17	16	80	43
Rents	2014: Q1 5-Year Avg		2014: Q1 5-Year Avg		2014: Q1 5-Year Avg	
Studio Asking Rent	\$680	\$651	\$989	\$976	\$863	\$791
1 Bed Asking Rent	\$851	\$807	\$958	\$900	\$1,047	\$960
2 Bed Asking Rent	\$1,141	\$1,107	\$1,204	\$1,135	\$1,273	\$1,165
3+ Bed Asking Rent	\$1,230	\$1,202	\$1,260	\$1,318	\$1,517	\$1,343
Concessions	1.30%	3.20%	2.20%	2.70%	0.70%	2.60%
Inventory in Units	2014: Q1 5-Year Avg		2014: Q1 5-Year Avg		2014: Q1 5-Year Avg	
Existing Units	12,775	5,877	9,936	6,947	8,893	5,198
12 Mo. Const. Starts	0	0	0	0	0	101
Under Construction	0	0	0	0	0	127
12 Mo. Deliveries	0	0	0	0	0	101
Sales	Past Year 5-Year Avg		Past Year 5-Year Avg		Past Year 5-Year Avg	
Sale Price Per Unit	\$28,263	\$75,782	-	\$94,862	-	\$31,025
Asking Price Per Unit	\$62,285	\$53,017	-	-	-	-
Sales Volume (Mil.)	\$8	\$108	-	\$59	-	\$6
Cap Rate	9.50%	7.90%	-	6.30%	-	-

Multi-Family Housing Profile by Commission District

	District 12		District 13	
Leasing Units	2014: Q1 5-Year Avg		2014: Q1 5-Year Avg	
Vacant Units	377	427	545	713
Vacancy Rate	4.20%	5.30%	3.60%	4.80%
12 Mo. Absorption Units	50	101	240	103
Rents	2014: Q1 5-Year Avg		2014: Q1 5-Year Avg	
Studio Asking Rent	\$816	\$773	\$843	\$808
1 Bed Asking Rent	\$1,275	\$1,155	\$958	\$897
2 Bed Asking Rent	\$1,497	\$1,323	\$1,197	\$1,141
3+ Bed Asking Rent	\$1,645	\$1,502	\$1,529	\$1,399
Concessions	2.60%	3.40%	2.30%	3.40%
Inventory in Units	2014: Q1 5-Year Avg		2014: Q1 5-Year Avg	
Existing Units	17,458	8,076	19,980	14,769
12 Mo. Const. Starts	900	613	0	0
Under Construction	1476	377	0	96
12 Mo. Deliveries	439	179	0	73
Sales	Past Year 5-Year Avg		Past Year 5-Year Avg	
Sale Price Per Unit	\$205,142	\$162,125	\$85,154	\$74,393
Asking Price Per Unit	\$100,293	\$98,648	\$100,000	\$73,766
Sales Volume (Mil.)	\$108	\$139	\$8	\$62
Cap Rate	6.20%	8.30%	8.80%	7.80%

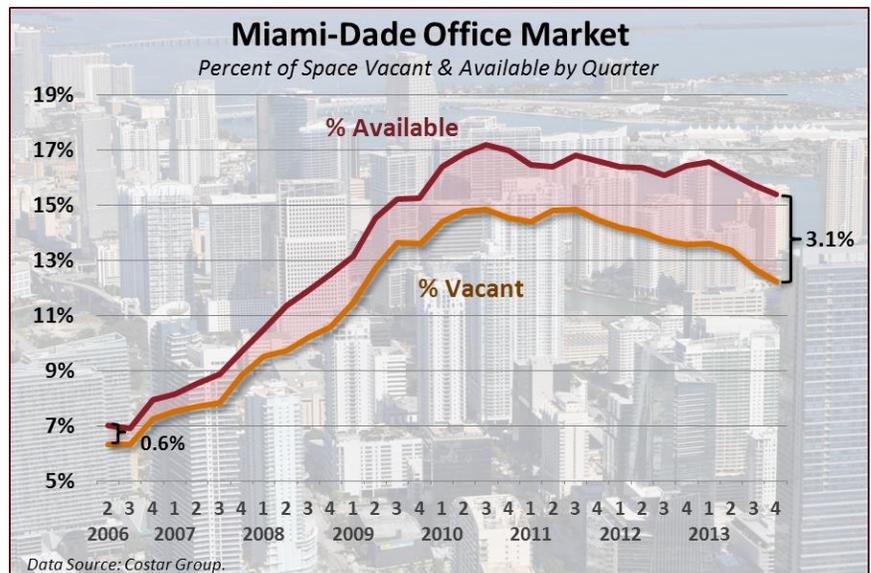
Data Source: Costar Group.

Commercial Real Estate Fourth Quarter 2013 Highlights

- The office market vacancy rate dropped 140 basis points (bps) to 12.2% in the 4th quarter (Q4:13) from a year earlier. The average lease rate for office space in Q4:13 increased slightly to \$28.95/SF from \$28.31 in the 4th quarter of last year.
- On the demand side, the number of office workers grew 3% year-over-year to 235,400 workers.
- The industrial vacancy rate fell 50 bps to 6.3% in the 4th quarter compared to a year ago and lease rates in Q4:13 were up 4% to \$8.70/SF from \$8.33/SF in the 4th quarter of last year.
- The stock of industrial space in Miami-Dade continued to grow with almost 1.4 million square feet of new industrial space under construction in Q4:13.
- Retail vacancy rates in shopping centers in Q4:13 remained unchanged from a year earlier at 4.1%, although lease rates in 4th quarter decreased to \$25.36 from \$26.99 one year ago, as 761,000 SF of new space was under construction in the 4th quarter.
- The vacancy rate for stand-alone retail dropped 30 basis points from the 4th quarter of 2012 to 4.1% at the end of 2013 and lease rates in Q4:13 increased 3% to \$31.71 from \$30.87 in Q4:12.

Office: Conditions in the office market continue their slow but steady improvement. The pace of growth in office jobs increased modestly in the fourth quarter of 2013 to 3% compared to Q4:12. Office jobs for all of 2013 averaged just 2%. While the pace of growth in office jobs might not accelerate much in 2014, growth is not expected to stall in 2014. Lease rates (excluding concessions) increased about 2% from the 3rd to the 4th quarter after nearly 2 years of flatlining. The average lease in Q4:13 rose to \$28.95/SF, after falling to \$28.82 in 2011 and \$28.38 in 2012.

Vacancy rates continued their steady decline that began in the fourth quarter of 2011, dropping

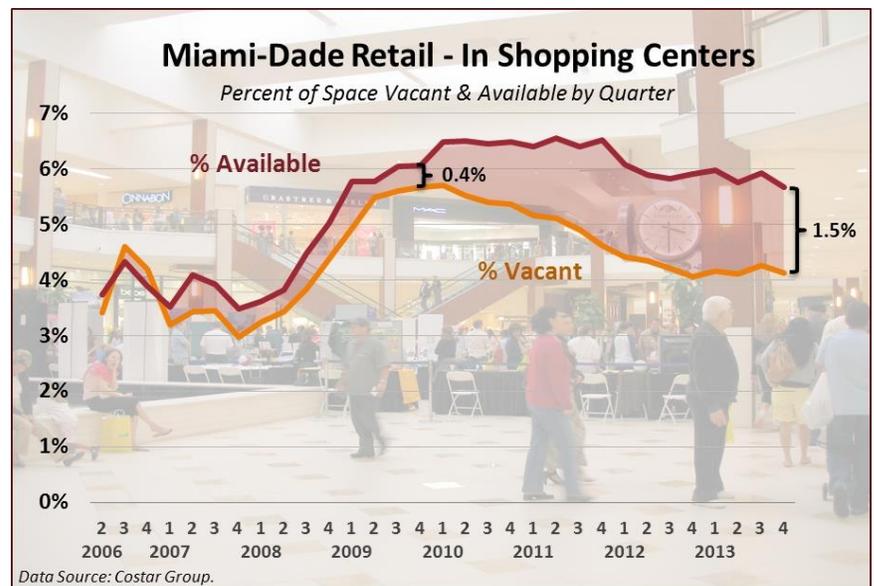
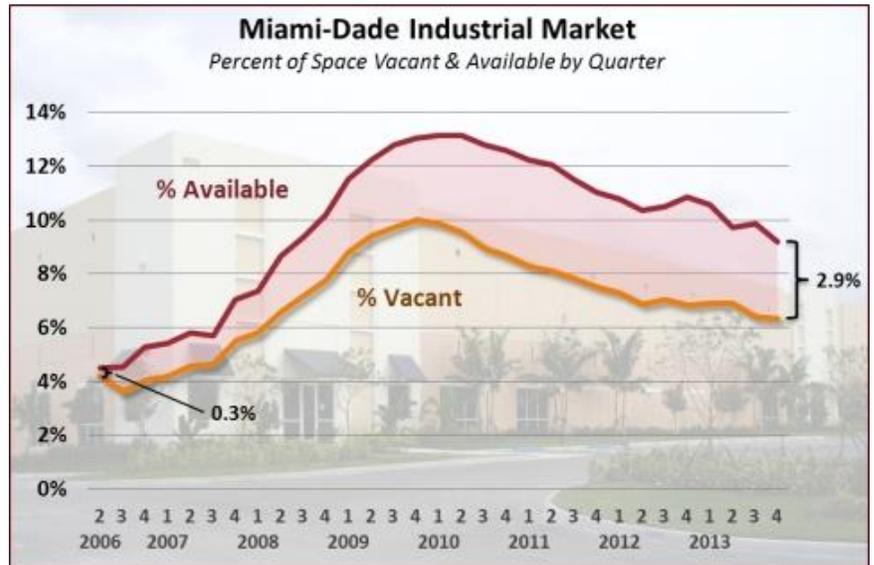


to 12.2%, from 15% at its 2011 peak. The percent of office space available declined as well to 15.4% in Q4:13 from the peak 16.9% in 2010. The percent of space that is vacant or available has also been declining but there remains a significant amount of office space that although occupied is being marketed as available for rent. The gap between available and vacant space is nearly 3%,

which constrains increases in lease rates. At the same time there is a national trend, particularly in tight markets, where tenants are looking for less floor space per employee than was the case a few years ago. The pace of growth in office jobs will need to accelerate before landlords see significant gains in lease rates.

Despite the improvements in vacancy rates and lease terms, construction of office space has not shown progress into the positive side of the construction cycle. Office construction peaked at 5.2 million square feet in Q3:07 and wound down to 235,000 SF in Q1:13, but in Q4:13 construction activity had risen to 357,000 SF.

Industrial: Industrial lease rates are up over 19% from the bottom of the market in the 1st quarter of 2011 to \$8.15/SF in the 4th quarter of 2013. This occurred despite the 2.4 million square feet of new space brought to the market recently. The vacancy rate in industrial space has declined since the peak in Q4:09 from 10% down to 6.3% in the Q4:13. The percent of space available for lease dropped over that same time frame from 13.1% to 9.2%. The gap between the available space and vacant space has



declined from 4%, most recently in Q4:12, to 2.9% in the Q4:13.

Industrial square footage under construction fell from 2.7 million square feet in Q3:06 to 188,300 SF in Q3:11. Since then, however, local construction of industrial space has rebounded significantly to 1.4 million SF in Q4:13.

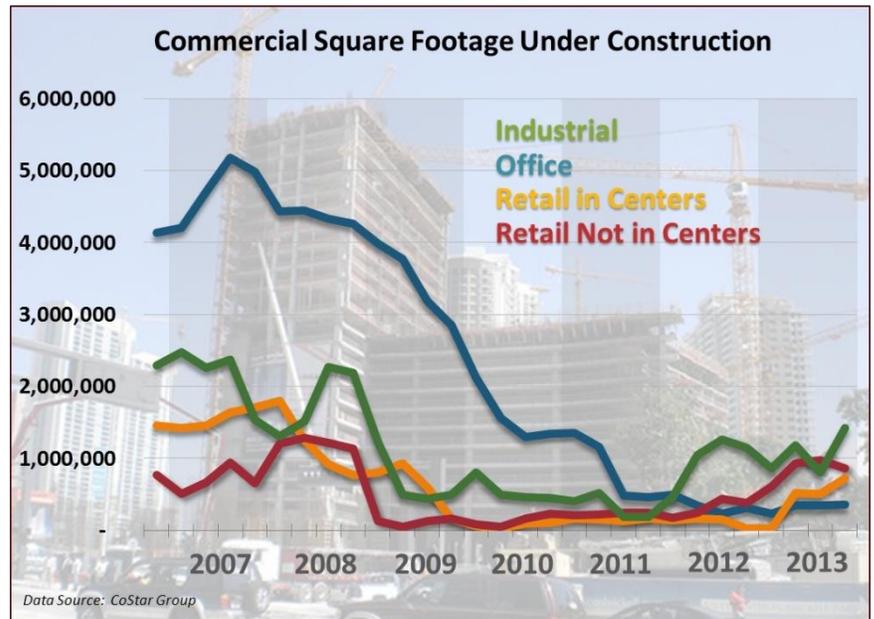
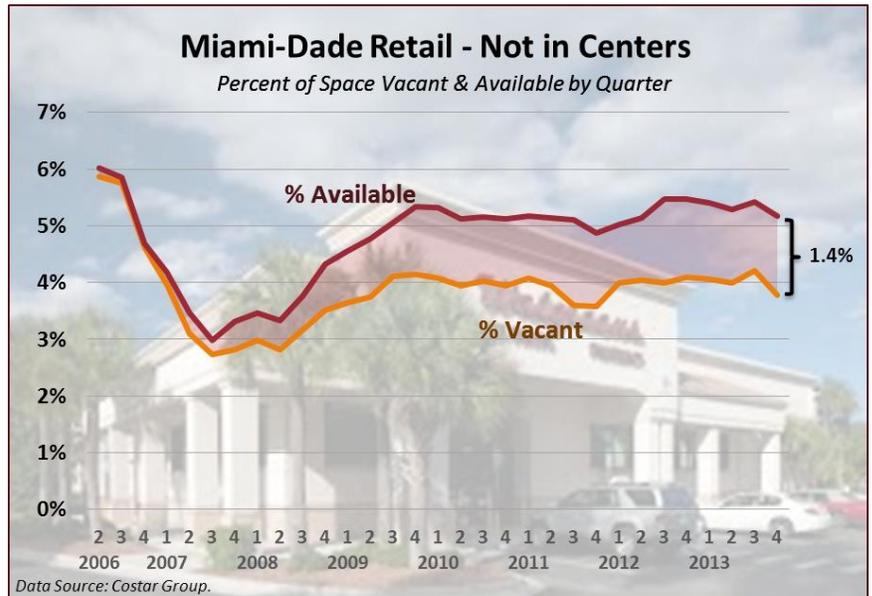
Retail: Lease rates in shopping centers bottomed out in Q1:2011 at \$23.45/SF before growing rapidly through Q3:2012 up 16% to \$27.24 and then dropped over 9% through Q3:2013. Lease rates, however, did recover modestly in the 4th quarter to \$25.36/SF. These wild swings in lease rates occurred despite very little new

space delivered to the market and despite somewhat steady improvement in vacancies. The vacancy rate peaked in Q1:2010 and then dropped from 5.7% to 4.1% in Q4:2012 where it essentially remained during 2013.

Lease rates for stand-alone retail not in shopping centers dropped to \$23.27/SF by Q1:2011 and then rebounded rapidly, growing 36% to \$31.75/SF by Q1:2013 where it approximately remained for the last year. The vacancy rate peaked in Q3:2009 at 4.1% where it has remained since.

Both retail categories will experience significant new space being delivered to the market over the next year and this will likely limit any decrease or even increase the share of space available on the market as well as have a depressing effect on lease rates.

Construction of shopping center space peaked at 1.8 million square feet in the 1st quarter 2008 and virtually no shopping center construction occurred from 2010 to 2012. Construction of shopping center space returned in 2013 and by Q4:2013 731,000 SF were under construction. Construction of retail space not in centers peaked at 1.3 million SF, with very little construction from 2009

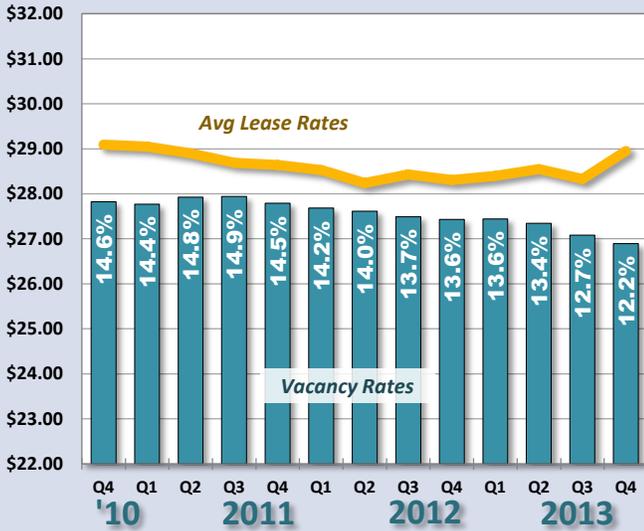


to the end of 2012. Construction picked up into the 900,000 SF range during the last three quarters of 2013.

Miami-Dade County Commercial Real Estate

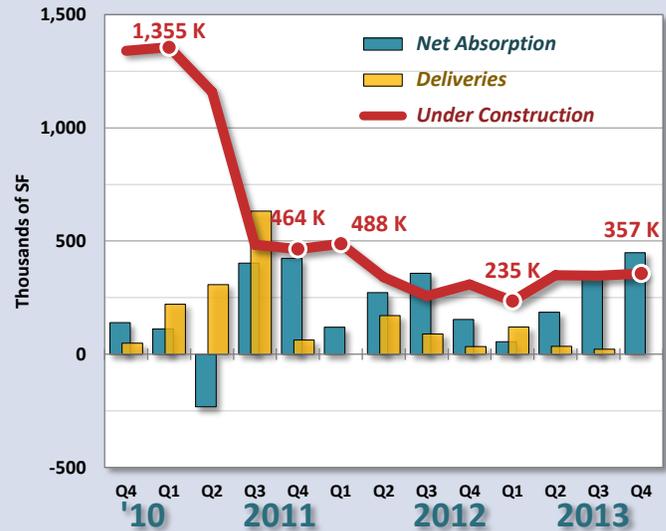


Miami-Dade Office Market Vacancy & Lease Rates



Data Source: Costar

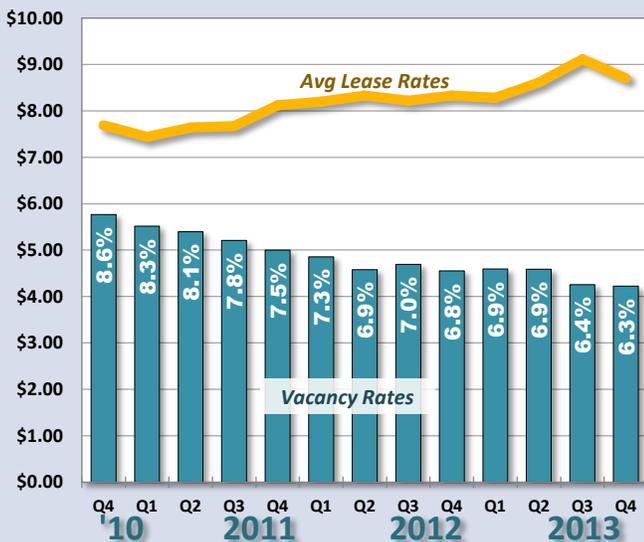
Miami-Dade Office Market Absorptions & Deliveries



Data Source: Costar

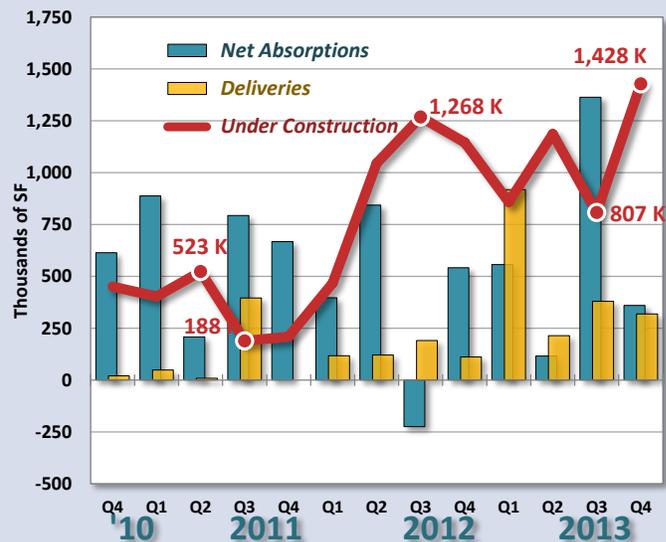
Square Feet (SF) are in '000s		2010	2011	2012				2013			
				1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Office Market	Rentable Building Area (SF)	98,929	99,512	99,680	99,802	99,862	99,866	99,966	99,889	99,548	99,499
	Vacancy Rate	14.6%	14.6%	14.2%	14.0%	13.7%	13.6%	13.6%	13.4%	12.7%	12.2%
	Available %	16.9%	16.6%	16.4%	16.4%	16.1%	16.4%	16.6%	16.1%	15.7%	15.4%
	Net Absorption (SF)	650	705	119	272	358	153	56	186	350	448
	RBA Deliveries (SF)	2,194	1,223	0	170	90	34	120	35	23	0
	Average Lease Rate (/fs)	\$29.62	\$28.82	\$28.53	\$28.24	\$28.43	\$28.31	\$28.40	\$28.55	\$28.33	\$28.95

Miami-Dade Industrial Market Vacancy & Lease Rates



Data Source: Costar

Miami-Dade Industrial Market Absorptions & Deliveries



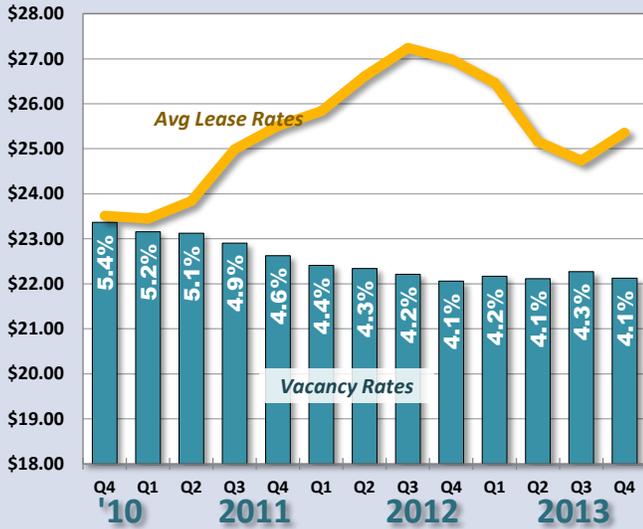
Data Source: Costar

Square Feet (SF) are in '000s		2010	2011	2012				2013			
				1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Industrial Market	Rentable Building Area (SF)	228,262	228,151	228,034	227,928	228,102	228,156	228,916	229,022	229,269	229,524
	Vacancy Rate	9.2%	7.9%	7.3%	6.9%	7.0%	6.8%	6.9%	6.9%	6.4%	6.3%
	Available %	12.9%	11.7%	10.8%	10.4%	10.5%	10.8%	10.6%	9.7%	9.9%	9.2%
	Net Absorption (SF)	3,292	2,557	396	843	(225)	541	557	115	1,364	359
	RBA Deliveries (SF)	625	451	117	121	190	111	918	214	379	319
	Average Lease Rate (nnn)	\$7.69	\$7.72	\$8.20	\$8.33	\$8.22	\$8.33	\$8.28	\$8.61	\$9.11	\$8.70

Miami-Dade County Commercial Real Estate (Cont'd)

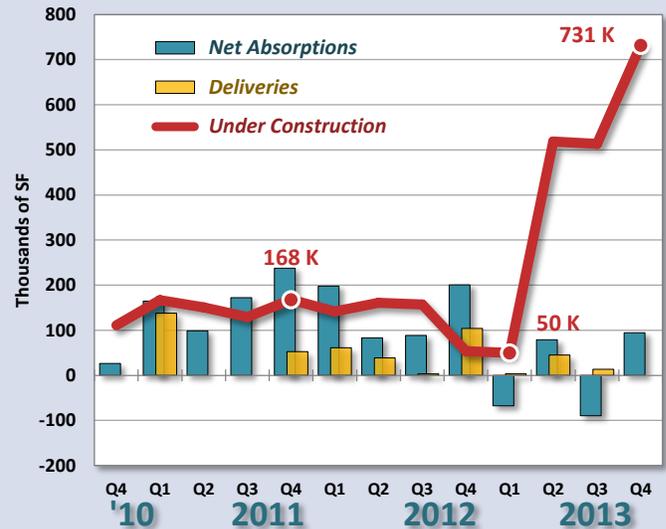


Miami-Dade Retail in Centers - Vacancy & Lease Rates



Data Source: Costar

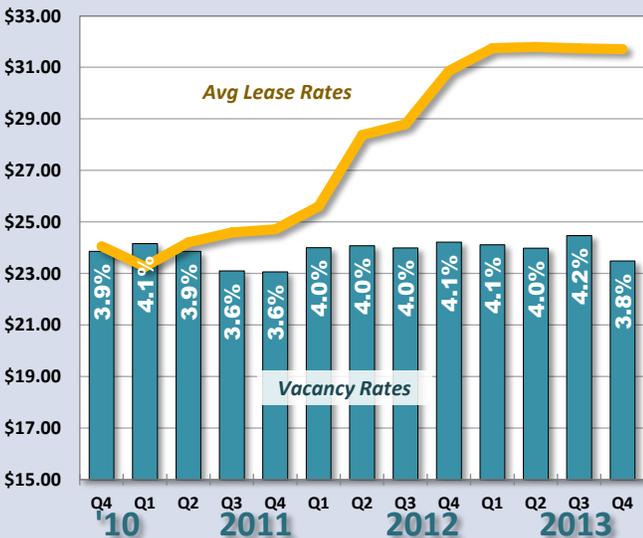
Miami-Dade Retail in Centers - Absorptions & Deliveries



Data Source: Costar

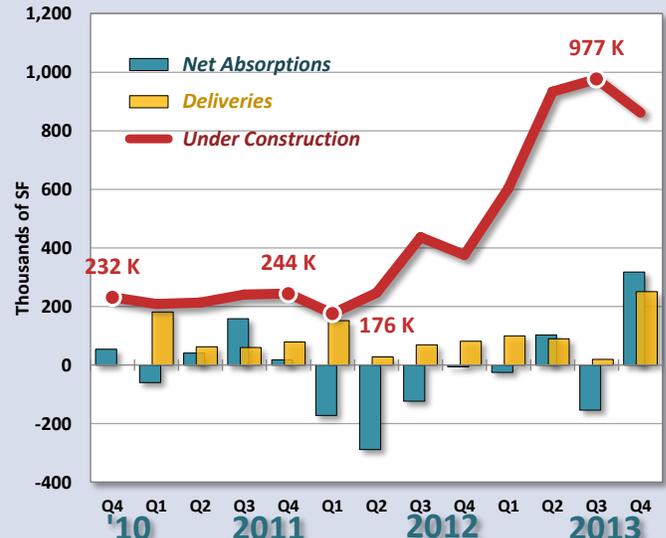
Square Feet (SF) are in '000s		2010	2011	2012				2013			
				1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Retail in Centers	Rentable Building Area (SF)	65,991	66,131	66,266	66,305	66,308	66,412	66,416	66,460	66,474	66,474
	Vacancy Rate	5.5%	5.0%	4.4%	4.3%	4.2%	4.1%	4.2%	4.1%	4.3%	4.1%
	Available %	6.5%	6.5%	6.1%	5.9%	5.8%	5.9%	6.0%	5.8%	5.9%	5.7%
	Net Absorption (SF)	379	673	198	83	88	201	(68)	79	(90)	95
	RBA Deliveries (SF)	191	191	61	38	3	104	4	45	13	0
	Average Lease Rate (nnn)	\$23.94	\$24.45	\$25.84	\$26.61	\$27.24	\$26.99	\$26.47	\$25.16	\$24.74	\$25.36

Miami-Dade Retail Not in Ctrs - Vacancy & Lease Rates



Data Source: Costar

Miami-Dade Retail Not in Ctrs - Absorptions & Deliveries



Data Source: Costar

Square Feet (SF) are in '000s		2010	2011	2012				2013			
				1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Retail Not in Ctrs	Rentable Building Area (SF)	56,079	56,074	56,120	55,840	55,690	55,741	55,690	55,762	55,728	55,806
	Vacancy Rate	4.0%	3.8%	4.0%	4.0%	4.0%	4.1%	4.1%	4.0%	4.2%	3.8%
	Available %	5.2%	5.1%	5.0%	5.1%	5.5%	5.5%	5.4%	5.3%	5.4%	5.2%
	Net Absorption (SF)	154	158	(172)	(288)	(123)	(6)	(25)	103	(154)	318
	RBA Deliveries (SF)	180	383	152	28	69	82	100	90	20	251
	Average Lease Rate (nnn)	\$24.69	\$24.20	\$25.61	\$28.38	\$28.80	\$30.87	\$31.75	\$31.80	\$31.74	\$31.71