

FOURTH QUARTER HIGHLIGHTS

Home Sales		
	Number	Y/Y Chg.
Single Family	3,237	-8.4%
Condo/T-Homes	3,795	-7.4%
Median Home Prices		
Single Family	\$270,000	+9.7%
Condo/T-Home	\$200,250	+5.4%
Home Values – Case Shiller Index		
	Value	Y/Y Chg.
Low Tier	217.2	+12.1%
Middle Tier	210.4	+8.5%
High Tier	199.6	+5.8%
M-DC Aggregate	206.3	+7.5%
US Composite	181.0	+5.1%
Affordability		
Affordability Index	100.1	-5.9%
Mortgage Rates	3.97%	-12 bps
Building Permits	4,237	+43.9%
Rental Price Index		
Single Family	99.4	4.4%
Multifamily	116.6	11.8%
Condo/Co-op	122.1	16.2%
Negative Equity		
Share of homes	15.2%	-5.8%
Office		
	Value	Y/Y Chg.
Vacancy Rate	10%	-2%
Available Rate	13.6%	-0.9%
Lease Rates (/fs)	\$28.94	+5%
Under Constr.	1,234K	+81.4%
Industrial		
Vacancy Rate	4.5%	-0.9%
Available Rate	7.6%	-0.6%
Lease Rates (nnn)	\$10.18	+13.6%
Under Constr.	527.8K	-58.6%
Retail in Centers		
Vacancy Rate	3.5%	-0.4%
Available Rate	5.9%	+0.1%
Lease Rates (nnn)	\$27.61	-0.4%
Under Constr.	648.5K	-30.1%
Retail Not in Centers		
Vacancy Rate	3.1%	-
Available Rate	5.2%	+0.4%
Lease Rates (nnn)	\$38.55	+4%
Under Constr.	1,083.8K	+20.9%

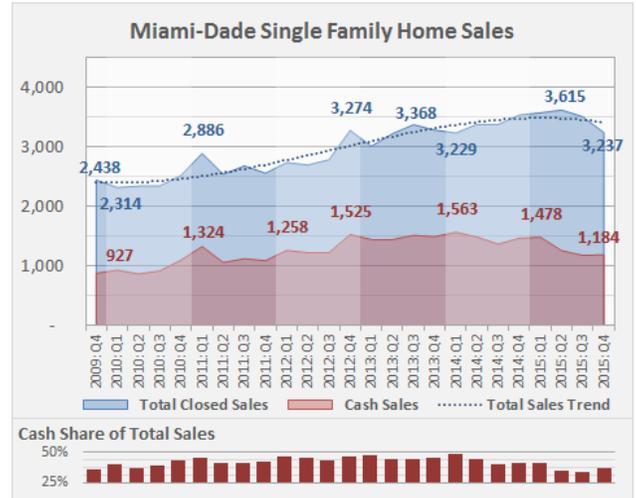
Home Sales – The Decline of Cash?

Single-Family Home Market: The single-family housing market in Miami-Dade County remains strong even though the number of home sales are down from their peak in 2015:Q2. Single-family home sales in the fourth quarter totaled 3,237 after seasonal adjustment, 8.4% below their level one year ago. Sales have been highly volatile especially over the last three years, but the data clearly shows a slowdown in activity.

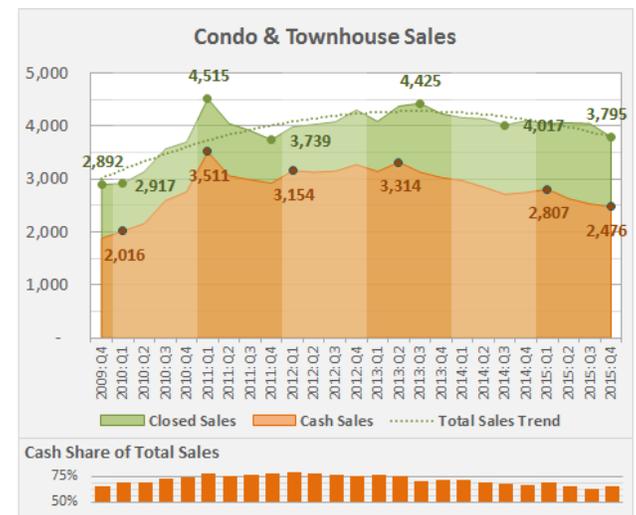
One trend that has emerged and been consistent is the large drop of cash-sales activity in the single-family market. Cash sales as a share of all single-family home sales peaked in 2014:Q1 at essentially half of all sales, over 48%. Since then they declined rapidly to 37% of the total, the smallest share since 2009:Q4. Historically the share of cash sales in the single-family market has been between 20% and 25%. This decline in both the number and share of such sales is widely deemed a consequence of the slowdown in the major economies of South America. The corresponding slowdown in the number of total closings suggests that the local market is not yet poised to fully pick up the slack created by the loss of cash buyers.

Other single-family indicators remain strong. In the fourth quarter pending sales were up 3.5% year-over-year. Median days on the market were down nearly 7%. The average share of the asking price, at nearly 96%, was up 1%, and inventory was down about 3.5%. The median sale price was up 9.7% year-over-year to \$270,000.

Condo & Townhouse Market: The condo/ townhouse market data is also showing a slowdown. Sales over the course of the expansion peaked in 2013:Q3. Fourth quarter sales, seasonally adjusted, of 3,795 were the fewest since 2011:Q4. The situation in the condo market with respect to cash sales is a little different than in the single-family market. While the share of



Data Source: Miami Realtors



Data Source: Miami Realtors

total sales made with cash is falling, from 79.2% of all sales in 2012:Q1 to 65.3% currently, it remains very high at nearly two-thirds of all sales. The underlying cause behind this slowdown is likely the same as in the single-family market, conditions in South American economies. However, there are few indicators that the South American economies are poised for a turnaround yet. The IMF World Economic Outlook forecasts growth in Latin America to be about 0.7% in 2016, and then pick up in 2017. It was seen in the single-family market data that the decline in cash sales was not offset by a corresponding increase in total sales. The same holds true in this segment of the market as well. Building permits in all jurisdictions of Miami-Dade County were up nearly 44% year-over-year in 2015:Q4, approaching levels seen prior to the market collapse. Of these permits, 82% were for buildings with five or more units. Therefore, continued downward pressure on prices in the condo and townhouse market seems likely.

Other indicators in the condo/townhouse market were mixed. Pending sales were down about 1% year-over-year to 4,608 sales. Median days on the market were down about 2% to 57 days; the average share of the list price was unchanged, at about 94%, and inventory was up 10% to 12,600 units. The 2015:Q4 median sale price increased over the fourth quarter last year 5.4% to \$200,250.

In both markets, single-family and condo/townhouse, it seems the decline in cash sales is matched by a corresponding decline in total sales. A decrease in prices might be anticipated, however, so far that has not been the case as the median price in both market segments is up year over year. The implication for the typical local home buyer is that while there is less competition from cash buyers, there is no price benefit, and the ability to obtain financing may still be hindering the market.

Other Residential Real Estate Items

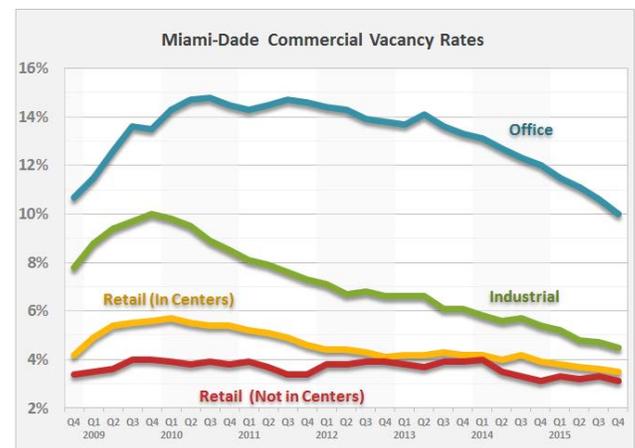
Negative Equity: One very significant trend that benefits existing homeowners, if not buyers, is the change in the number of homes that are currently under water or in negative equity. This share has been declining for the past 16 quarters. In 2011:Q4, 50.5% of all mortgaged homes were in a negative equity position. As of 2015:Q4 that share has dropped to 15.2%, nearly 6% below where it was just one year ago at 21%.

Rental Price Index: Even as the opportunities for financing a new home remain limited, the cost of renting in Miami-Dade County is increasing rapidly. The Rental Price Index for Miami-Dade for all home types increased 12.5% in 2015:Q4 over the same quarter last year. In comparison, the increase was about 6% in Broward and Palm Beach counties. Single-family rents in Miami-Dade were up 4.4%; multifamily, 11.8%; and condos and co-ops, 16.2% from a year ago.

Office Market Growing Tighter

Office Market: Commercial vacancy rates continued a long, steady decline that began about six years ago. According to CoStar, the office market vacancy rate peaked at 14.8% in 2010:Q3. Since then it has steadily declined, reaching 10% in 2015:Q4. This compares to an average of around 8% prior to the recession. Class A space, which accounts for about 30% of existing office space, has come even further, though it still has a way to go. The Class A vacancy rate peaked at 23.8% in 2010:Q2 and has since fallen to 12.5% as of 2015:Q4. This compares to about 9% in 2006. There is currently over 900,000 square feet of Class A office space proposed, under construction or renovation, of which 63% is reported by CoStar as available.

Class B space accounts for about 45% of existing office square footage and had a vacancy rate that dropped from 14.3% in 2011:Q4 to 10.3% in 2014:Q4. There are only about 76,000 square feet of B space currently proposed, under construction or renovation, less than 22% of which is vacant. Class C space, which accounts for about 25%, had a vacancy rate of 4.9% in 2015:Q4 after peaking at 6.3% in 2010:Q3.



The gap between the amount of square footage available, whether vacant or not, and the amount actually vacant can tell a lot about the relative market strength of property owners and renters depending on the market cycle. In a market like the current Miami-Dade office market where the vacancy rate is

falling steadily, a growing gap between the available rate and the vacancy rate may well be an indicator of the market strength of the property owners, as they can aggressively market occupied space seeking new tenants at increasing rates. Tenants that had been secured with concessions or discounted lease rates can be renewed under more favorable terms or replaced. In the current market the total amount of office space available has declined just over one million square feet since the fourth quarter of last year. The amount of available space that is vacant declined by over two million square feet. The result is a gap of 3.6% between the total space available and that which is vacant. Over the same time period the amount of square footage under construction or renovation has nearly doubled, from 680,300 square feet to 1,234,300 square feet, approximately two-thirds of which is available. The result currently seems to be a sellers' market with lease rates up 5% and average revenue per square foot up nearly 7.5%. However, with so much space currently under

construction on spec, and so much more proposed, this could change.

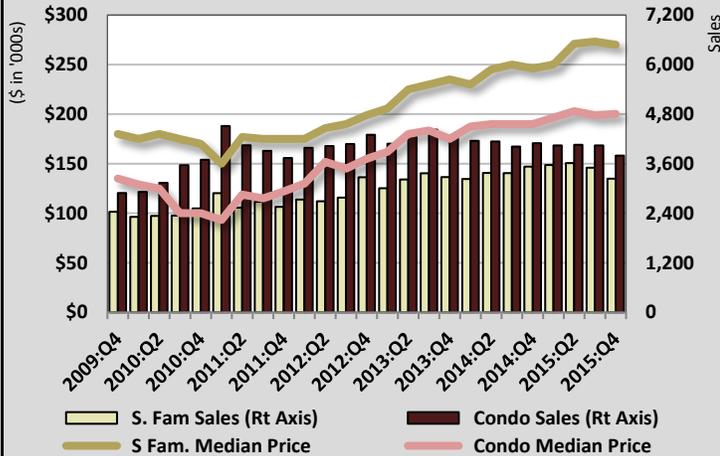
Industrial: The industrial real estate market has remained very hot. The vacancy rate in 2015:Q4 dropped 90 basis points to 4.5% with a net absorption of over 900,000 square feet, including almost 500,000 square feet of newly delivered space. Over the last four quarters more than two million square feet of new space have been delivered to the market, and despite that, the average lease rate is up year over year nearly 14%.

This market may now be entering a different phase as the recent cycle of new construction is winding down. Since this construction boom began in 2012:Q2, on average, there has been 1.3 million square feet under construction each quarter, and a total of 5.2 million square feet have been delivered to market. Over the same time period net absorption has averaged 700,000 square feet per quarter. Without further construction the current available supply will last about six years.

Miami-Dade County Housing Market

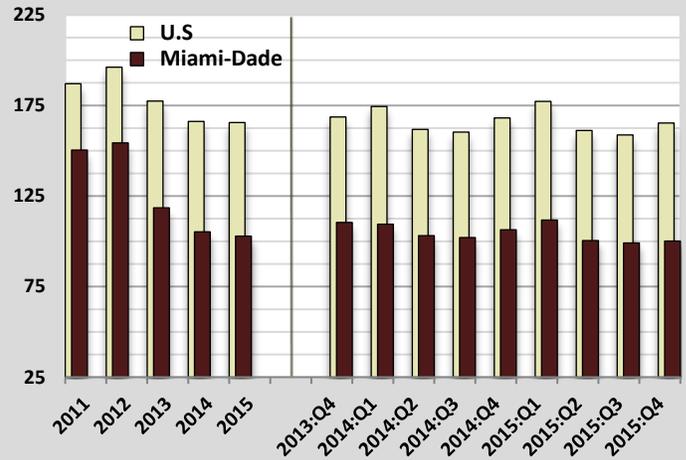


Existing Homes Sales: Seasonally Adjusted Sales and Median Price



Data Source: Miami Realtors.

Housing Affordability Index*



Data Source: National Association of Realtors, RER Planning Research and Economic

Miami-Dade Existing Home Sales

	2015:Q4	% Change from	
		2015:Q3	2014:Q4
Single Family Sales	3,237	-7.6%	-8.4%
Med. Sales Price	\$270,000	-1.2%	9.7%
Condo Sales	3,795	-6.2%	-7.4%
Med. Sales Price	\$200,250	0.6%	5.4%

Data Source: FloridaRealtors.org

30-year Fixed Mortgage Rates

	2015:Q4	2015:Q3	2014:Q4
Miami-Dade	3.97	4.02	-0.08
US	3.97	4.04	-0.12

Data Source: HSH Associates, Inc.

Housing Price Indices & Comparisons (2000=100)

Case-Shiller*	2015:Q4	% Change from	
		2015:Q3	2014:Q4
Miami MSA			
Low Tier Index (< \$219)	217.2	3.1%	12.1%
Middle Tier	210.4	1.2%	8.5%
High Tier Index (> \$343)	199.6	0.1%	5.8%
Aggregate Index	206.3	0.6%	7.5%
US 20 City Composite Index	181.0	0.1%	5.1%

Federal Housing Finance Agency**	2015:4Q	% Change from	
		2015:3Q	2014:4Q
Miami HPI	221.3	2.0%	9.8%
Broward HPI	206.0	1.6%	8.6%
Florida HPI	181.1	1.8%	9.7%

* Existing homes paired sales, seasonally adjusted.

** All transactions quarterly index, not seasonally adjusted.

Data Source: Standard & Poors; Federal Housing Finance Agency

Houses with Mortgages in Negative Equity

	2015:Q4	Change from	
		2015:Q3	2014:Q4
Miami-Dade	15.2%	-1.1%	-5.8%
United States	13.1%	-0.3%	-3.8%

Data Sources: Zillow.

Housing Affordability* (based on Single Family Home Sales)

	2015:Q4	% Change from	
		2015:Q3	2014:Q4
Miami-Dade County			
Affordability Index	100.1	1.1%	-5.9%
US			
Affordability Index	165.3	4.1%	-1.7%

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.

Rental Index (2010 Annual Average = 100)

All Homes	2015:Q4	% Change from	
		2015:Q3	2014:Q4
Miami-Dade County	116.7	-0.7%	12.5%
Broward County	116.3	0.9%	6.4%
Palm Beach County	104.8	2.7%	5.7%

Miami-Dade County Indices by Housing Type

Housing Type	2015:Q4	2015:Q3	2014:Q4
Single Family	99.4	1.0%	4.4%
Multifamily	116.6	-1.8%	11.8%
Condo/Co-op	122.1	-0.7%	16.2%

Data Source: Zillow.com

Building Permits (Units)

	2015:Q4	% Change from	
		2015:Q3	2014:Q4
Miami-Dade County			
3 Mo. Trailing Avg	4,237	92.5%	43.9%
US			
Units (000s)	306.6	9.7%	14.1%

Data Source: US Census Bureau.

Note: All numbers are seasonally adjusted unless otherwise indicated.

For additional information visit our website at:

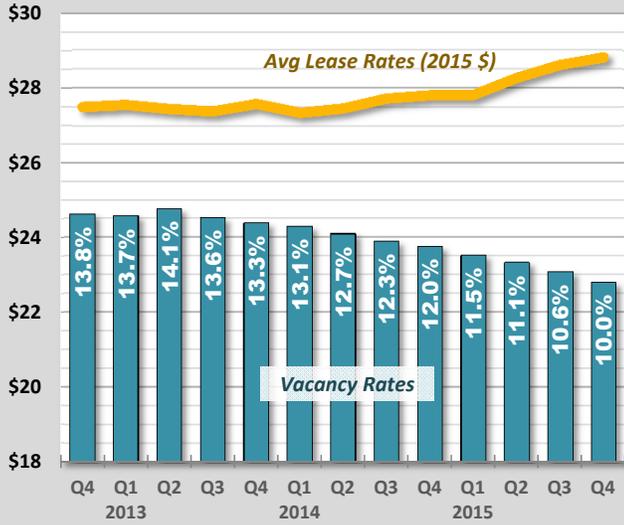
<http://www.miamidade.gov/business/economic-development.asp>

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Miami-Dade County Commercial Real Estate

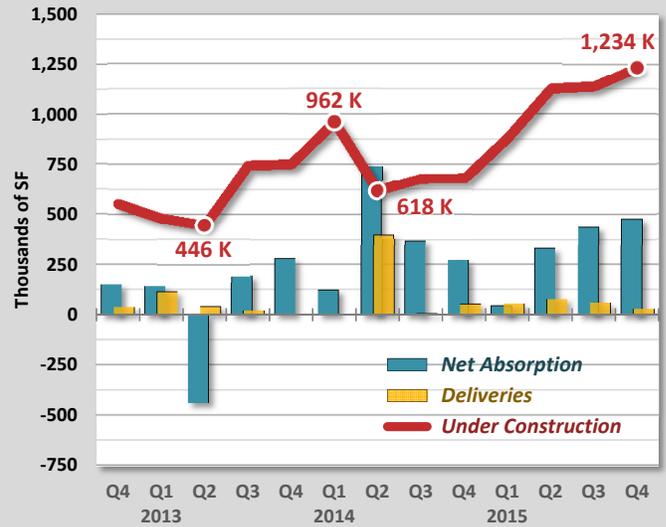


Miami-Dade Office Market Vacancy & Lease Rates



Data Source: Costar

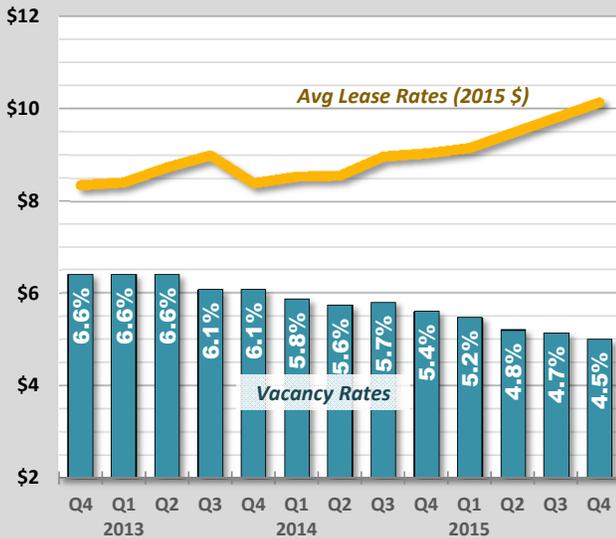
Miami-Dade Office Market Absorptions & Deliveries



Data Source: Costar

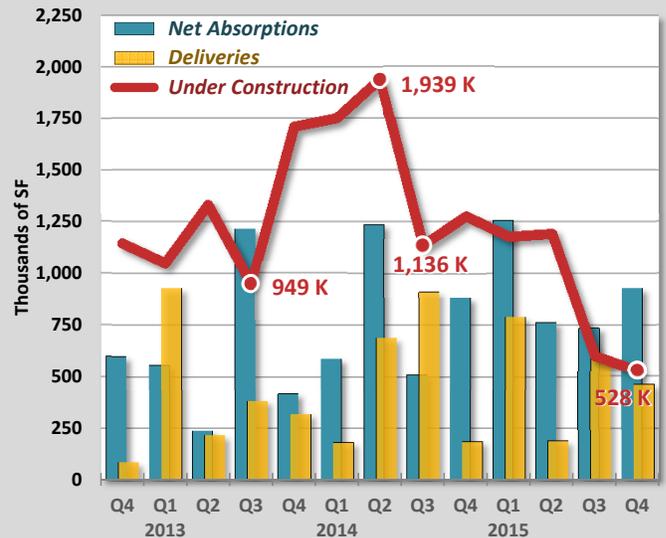
Square Feet (SF) are in '000s		2012	2013	2014				2015			
				1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Office	Rentable Building Area (SF)	100,175	99,440	99,857	100,208	100,136	100,164	99,611	99,513	99,465	99,400
	Vacancy Rate	14.1%	14.3%	13.1%	12.7%	12.3%	12.0%	11.5%	11.1%	10.6%	10.0%
	Available %	16.5%	16.8%	15.2%	14.5%	14.2%	14.5%	14.0%	13.6%	13.4%	13.6%
	Net Absorption (SF)	856	149	123	743	370	273	45	331	439	481
	RBA Deliveries (SF)	375	136	0	402	7	56	57	79	60	30
	Average Lease Rate (/fs, '15 \$)	\$27.58	\$29.18	\$27.36	\$27.47	\$27.73	\$27.82	\$27.83	\$28.27	\$28.61	\$28.81

Miami-Dade Industrial Market Vacancy & Lease Rates



Data Source: Costar

Miami-Dade Industrial Market Absorptions & Deliveries



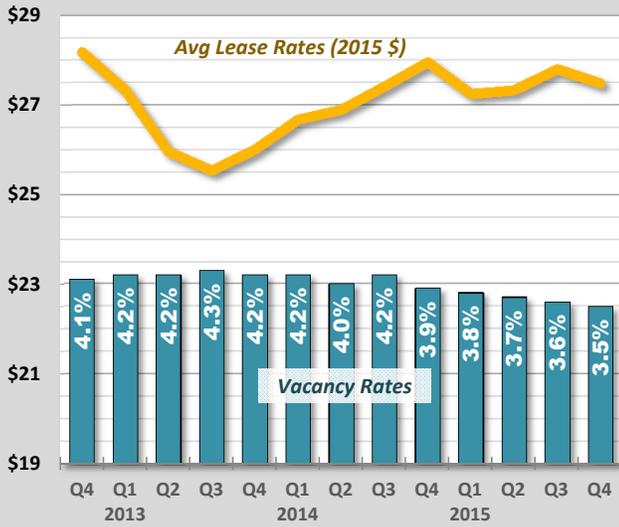
Data Source: Costar

Square Feet (SF) are in '000s		2012	2013	2014				2015			
				1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Industrial	Rentable Building Area (SF)	227,998	229,085	229,547	230,162	231,070	231,256	232,024	231,948	232,470	232,921
	Vacancy Rate	6.8%	6.4%	5.8%	5.6%	5.7%	5.4%	5.2%	4.8%	4.7%	4.5%
	Available %	10.5%	9.6%	8.9%	8.9%	8.5%	8.2%	8.0%	7.8%	7.8%	7.6%
	Net Absorption (SF)	1,635	2,426	588	1,236	510	884	1,257	764	737	929
	RBA Deliveries (SF)	452	1,846	180	689	914	186	790	189	591	460
	Average Lease Rate (nnn '15 \$)	\$8.34	\$8.64	\$8.54	\$8.56	\$8.97	\$9.04	\$9.16	\$9.48	\$9.81	\$10.13

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

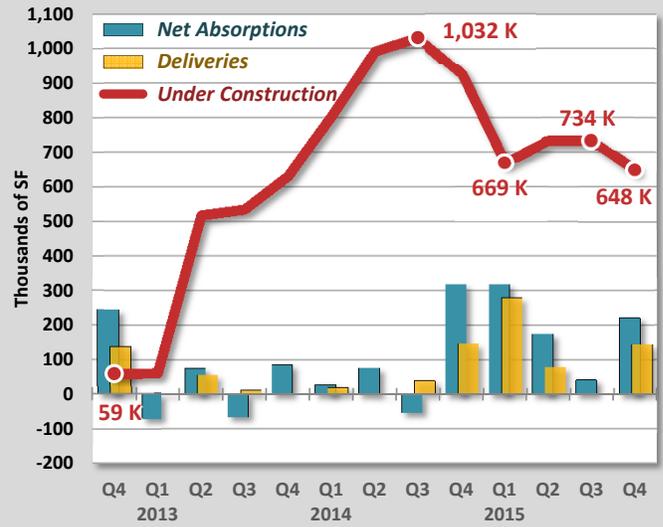


Miami-Dade Retail in Centers - Vacancy & Lease Rates



Data Source: Costar

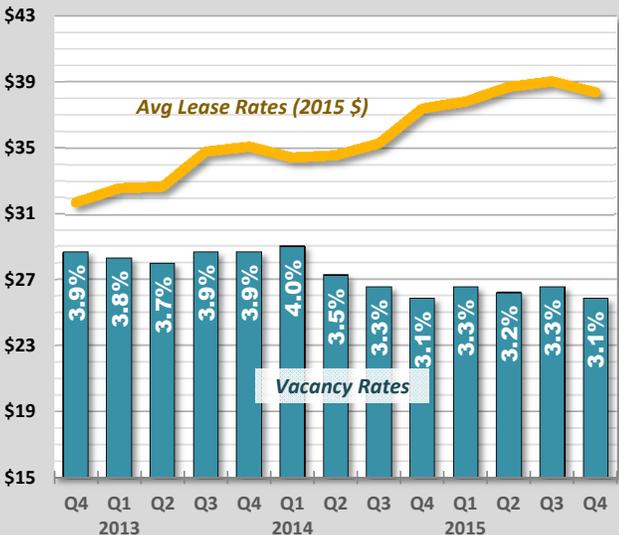
Miami-Dade Retail in Centers - Absorptions & Deliveries



Data Source: Costar

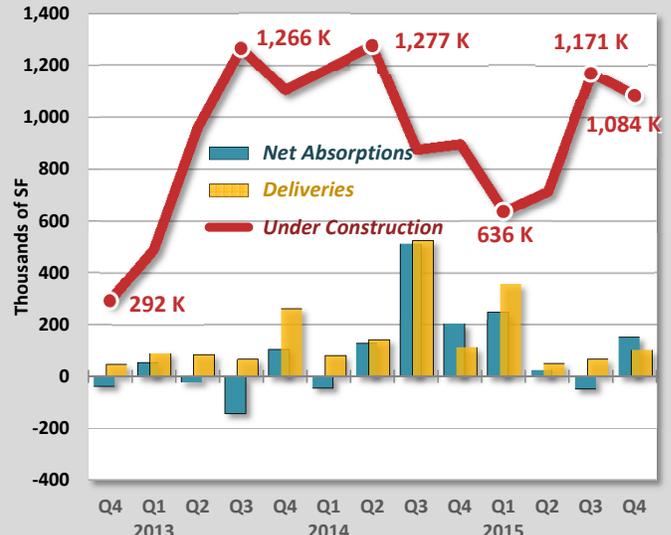
	Square Feet (SF) are in '000s	2012	2013	2014				2015			
				1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Retail Centers	Rentable Building Area (SF)	65,626	65,795	65,837	65,840	65,881	66,029	66,309	66,389	66,389	66,535
	Vacancy Rate	4.3%	4.2%	4.2%	4.0%	4.2%	3.9%	3.8%	3.7%	3.6%	3.5%
	Available %	5.9%	6.4%	6.6%	6.4%	6.0%	5.8%	5.8%	5.7%	5.7%	5.9%
	Net Absorption (SF)	580	25	29	78	(54)	319	319	176	43	222
	RBA Deliveries (SF)	244	74	21	2	41	148	280	81	0	146
	Average Lease Rate (nnn '15 \$)	\$27.92	\$26.21	\$26.68	\$26.90	\$27.42	\$27.96	\$27.25	\$27.33	\$27.81	\$27.49

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	2012	2013	2014				2015			
				1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Retail Not-Ctrs	Rentable Building Area (SF)	58,752	58,658	58,687	58,506	58,954	59,063	59,407	59,406	59,401	59,429
	Vacancy Rate	3.9%	3.8%	4.0%	3.5%	3.3%	3.1%	3.3%	3.2%	3.3%	3.1%
	Available %	5.1%	5.1%	5.0%	4.6%	4.5%	4.8%	5.0%	4.9%	5.0%	5.2%
	Net Absorption (SF)	(410)	(0)	(43)	129	514	205	251	27	(45)	154
	RBA Deliveries (SF)	532	508	83	142	527	115	359	52	69	104
	Average Lease Rate (nnn '15 \$)	\$29.21	\$33.81	\$34.45	\$34.59	\$35.30	\$37.40	\$37.82	\$38.70	\$39.03	\$38.38