

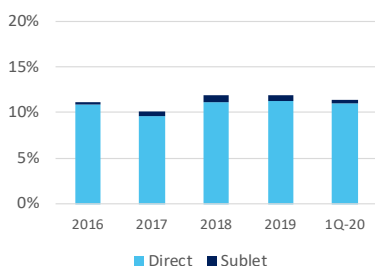
Miami-Dade County

First quarter statistics serve as an indicator of the Miami office market's position prior to the COVID-19 crisis, which began to unfold locally with widespread social distancing measures in March. The leasing and sales environment has changed dramatically since that time, and those impacts will begin to materialize in the data in the second quarter.

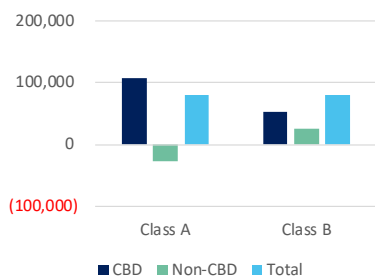
Miami's Office Market Off to a Strong Start in 2020 with Substantial Leasing Activity in the CBD

- Miami's office market started the year off strong prior to the outbreak of COVID-19 with net absorption up 17% compared to the first quarter of 2019. Strong leasing activity occurred in the beginning of the quarter with the largest transaction being Morgan Stanley's massive lease for 111,100 sf at the Southeast Financial Center in Downtown Miami.
- Vacancy was down 107 basis-points (bps) year-over-year due to a handful of large blocks of office space being taken off the market in the CBD. Class A asking rates continued to inch upward reaching \$46.47 per sf, up 2.0% from the first quarter of 2019. Rent growth may decelerate later in the year as over 1.1 million sf is expected to deliver in 2020.
- Milton Tower in Sunny Isles reached completion during March and delivered 102,287 sf in the Aventura submarket. Icahn Enterprises took over 27,000 sf on the top two floors after announcing it would be relocating its headquarters from New York.
- The Plaza Coral Gables North Tower is nearing completion, with 291,267 sf of speculative office space delivering during the second quarter of this year. Construction on the South Tower is expected to begin this summer.
- The extent of COVID-19's long-term impacts are yet to be seen. One clear negative impact has been on South Florida's hospitality and tourism sector, which drives much of the local economy. At year-end 2019, the hospitality sector accounted for 12% of Miami's total nonfarm employment.
- Milton Tower in Sunny Isles reached completion during March and delivered

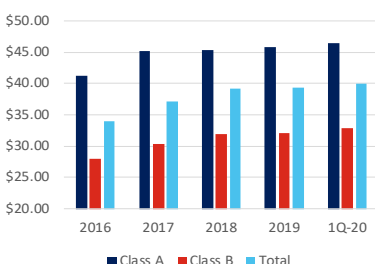
Vacancy Rate



YTD Net Absorption (SF)



Average Asking Rent Rate (\$/SF/FS)



Trends to Watch



Migration Downtown

Premium priced rental rates in Brickell are encouraging migration of some tenants to Downtown Miami due to its comparable location and building quality.



Tenant Resizing

Tenants may soon require a larger amount of square footage per employee. Some employees may also work from home permanently.



1.1 Million SF

Nearly 1.1 million sf of new office construction is expected to deliver by the end of 2020, the largest of which will be in Wynwood, Coral Gables, and Coconut Grove.

54.7 MSF

Total office inventory in the Miami-Dade County market

158,916 SF

Direct Y-T-D net absorption as of 1Q-2020

11.40%

Overall Vacancy

\$46.47/SF/FS

Average rental rate for class A space

Airport / Doral

Class Breakdown	Total RSF	Direct Vacant SF	Sublet Vacant SF	Lease Rate	% Occupied	% Vacant	% Sublet Vacancy	% Total Vacancy	Under Construction	Net Absorption
Class A	5,508,500	724,214	40,687	\$37.35	86.85%	13.15%	0.74%	13.89%	213,081	(60,504)
Class B	6,433,791	611,191	20,490	\$31.17	90.50%	9.50%	0.32%	9.82%	0	70,354
Total	11,942,291	1,335,405	61,177	\$34.52	88.82%	11.18%	0.51%	11.69%	213,081	9,850

Aventura

Class Breakdown	Total RSF	Direct Vacant SF	Sublet Vacant SF	Lease Rate	% Occupied	% Vacant	% Sublet Vacancy	% Total Vacancy	Under Construction	Net Absorption
Class A	1,354,585	189,032	14,156	\$53.42	86.05%	13.95%	1.05%	15.00%	0	34,069
Class B	365,935	20,618	965	\$44.90	94.37%	5.63%	0.26%	5.90%	0	(1,991)
Total	1,720,520	209,650	15,121	\$52.58	87.81%	12.19%	0.88%	13.06%	0	32,078

Biscayne Corridor

Class Breakdown	Total RSF	Direct Vacant SF	Sublet Vacant SF	Lease Rate	% Occupied	% Vacant	% Sublet Vacancy	% Total Vacancy	Under Construction	Net Absorption
Class A	1,455,398	210,660	0	\$47.64	85.53%	14.47%	0.00%	14.47%	698,889	6,922
Class B	1,220,234	136,216	0	\$36.28	88.84%	11.16%	0.00%	11.16%	33,177	27,912
Total	2,675,632	346,876	0	\$43.18	87.04%	12.96%	0.00%	12.96%	732,066	34,834

Brickell

Class Breakdown	Total RSF	Direct Vacant SF	Sublet Vacant SF	Lease Rate	% Occupied	% Vacant	% Sublet Vacancy	% Total Vacancy	Under Construction	Net Absorption
Class A	4,648,272	332,855	21,632	\$56.59	92.84%	7.16%	0.47%	7.63%	613,000	28,913
Class B	2,945,831	356,464	16,769	\$39.52	87.90%	12.10%	0.57%	12.67%	0	11,328
Total	7,594,103	689,319	38,401	\$47.76	90.92%	9.08%	0.51%	9.58%	613,000	40,241

Coconut Grove

Class Breakdown	Total RSF	Direct Vacant SF	Sublet Vacant SF	Lease Rate	% Occupied	% Vacant	% Sublet Vacancy	% Total Vacancy	Under Construction	Net Absorption
Class A	637,465	63,045	0	\$50.47	90.11%	9.89%	0.00%	9.89%	190,762	(13,732)
Class B	727,856	46,130	3,263	\$40.94	93.66%	6.34%	0.45%	6.79%	0	2,841
Total	1,365,321	109,175	3,263	\$46.44	92.00%	8.00%	0.24%	8.24%	190,762	(10,891)

Coral Gables

Class Breakdown	Total RSF	Direct Vacant SF	Sublet Vacant SF	Lease Rate	% Occupied	% Vacant	% Sublet Vacancy	% Total Vacancy	Under Construction	Net Absorption
Class A	4,389,167	380,547	14,729	\$50.85	91.33%	8.67%	0.34%	9.01%	291,267	(626)
Class B	2,714,248	241,381	8,727	\$35.62	91.11%	8.89%	0.32%	9.21%	0	(26,770)
Total	7,103,415	621,928	23,456	\$40.30	91.24%	8.76%	0.33%	9.09%	291,267	(27,396)

Downtown Miami

Class Breakdown	Total RSF	Direct Vacant SF	Sublet Vacant SF	Lease Rate	% Occupied	% Vacant	% Sublet Vacancy	% Total Vacancy	Under Construction	Net Absorption
Class A	5,096,314	959,339	21,773	\$50.85	81.18%	18.82%	0.43%	19.25%	0	78,151
Class B	3,205,789	537,343	6,360	\$29.33	83.24%	16.76%	0.20%	16.96%	0	41,719
Total	8,302,103	1,496,682	28,133	\$43.12	81.97%	18.03%	0.34%	18.37%	0	119,870

Kendall

Class Breakdown	Total RSF	Direct Vacant SF	Sublet Vacant SF	Lease Rate	% Occupied	% Vacant	% Sublet Vacancy	% Total Vacancy	Under Construction	Net Absorption
Class A	1,356,034	129,283	281	\$39.17	90.47%	9.53%	0.02%	9.55%	0	6,300
Class B	2,981,968	219,314	2,104	\$32.22	92.65%	7.35%	0.07%	7.43%	0	(39,200)
Total	4,338,002	348,597	2,385	\$34.80	91.96%	8.04%	0.05%	8.09%	0	(32,900)

South Gables / South Miami

Class Breakdown	Total RSF	Direct Vacant SF	Sublet Vacant SF	Lease Rate	% Occupied	% Vacant	% Sublet Vacancy	% Total Vacancy	Under Construction	Net Absorption
Class A	479,766	41,791	0	\$57.00	91.29%	8.71%	0.00%	8.71%	0	(500)
Class B	1,555,299	67,387	140	\$30.08	95.67%	4.33%	0.01%	4.34%	0	(2,369)
Total	2,035,065	109,178	140	\$40.39	94.64%	5.36%	0.01%	5.37%	0	(2,869)

Medley / Hialeah

Class Breakdown	Total RSF	Direct Vacant SF	Sublet Vacant SF	Lease Rate	% Occupied	% Vacant	% Sublet Vacancy	% Total Vacancy	Under Construction	Net Absorption
Class A	392,864	2,176	16,445	\$32.45	99.45%	0.55%	4.19%	4.74%	0	25,416
Class B	442,793	10,232	0	\$23.54	97.69%	2.31%	0.00%	2.31%	0	675
Total	835,657	12,408	16,445	\$25.10	98.52%	1.48%	1.97%	3.45%	0	26,091

Miami Beach

Class Breakdown	Total RSF	Direct Vacant SF	Sublet Vacant SF	Lease Rate	% Occupied	% Vacant	% Sublet Vacancy	% Total Vacancy	Under Construction	Net Absorption
Class A	666,440	43,817	4,017	\$54.39	93.43%	6.57%	0.60%	7.18%	0	(5,962)
Class B	1,860,847	118,486	0	\$45.06	93.63%	6.37%	0.00%	6.37%	0	16,348
Total	2,527,287	162,303	4,017	\$47.58	93.58%	6.42%	0.16%	6.58%	0	10,386

Miami Lakes

Class Breakdown	Total RSF	Direct Vacant SF	Sublet Vacant SF	Lease Rate	% Occupied	% Vacant	% Sublet Vacancy	% Total Vacancy	Under Construction	Net Absorption
Class A	413,955	88,733	0	\$31.19	78.56%	21.44%	0.00%	21.44%	82,903	(22,100)
Class B	1,881,578	309,536	5,501	\$28.07	83.55%	16.45%	0.29%	16.74%	0	(6,431)
Total	2,295,533	398,269	5,501	\$28.76	82.65%	17.35%	0.24%	17.59%	82,903	(28,531)

Northeast Dade

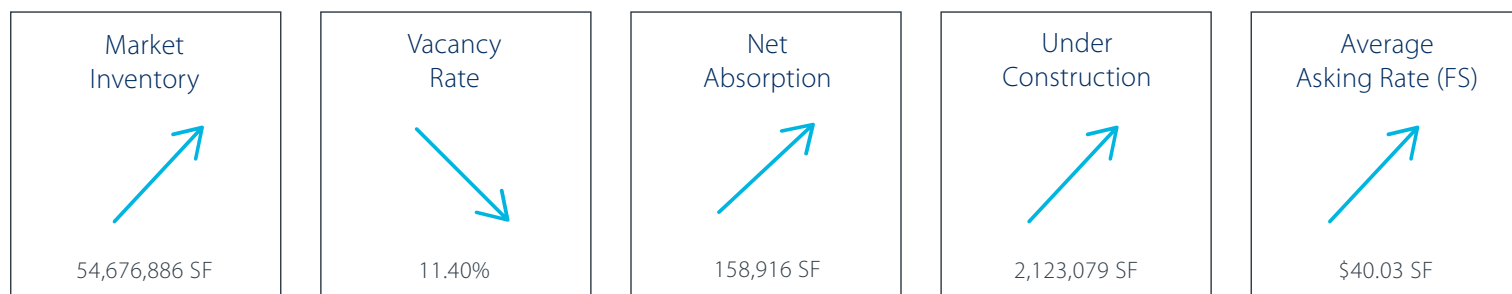
Class Breakdown	Total RSF	Direct Vacant SF	Sublet Vacant SF	Lease Rate	% Occupied	% Vacant	% Sublet Vacancy	% Total Vacancy	Under Construction	Net Absorption
Class A	199,684	4,754	0	\$43.75	97.62%	2.38%	0.00%	2.38%	0	3,300
Class B	1,401,025	118,449	6,140	\$31.82	91.55%	8.45%	0.44%	8.89%	0	448
Total	1,600,709	123,203	6,140	\$32.28	92.30%	7.70%	0.38%	8.08%	0	3,748

South Dade

Class Breakdown	Total RSF	Direct Vacant SF	Sublet Vacant SF	Lease Rate	% Occupied	% Vacant	% Sublet Vacancy	% Total Vacancy	Under Construction	Net Absorption
Class A	0	0	0	\$0.00	0.00%	0.00%	0.00%	0.00%	0	0
Class B	341,248	65,398	0	\$24.22	80.84%	19.16%	0.00%	19.16%	0	(15,595)
Total	341,248	65,398	0	\$24.22	80.84%	19.16%	0.00%	19.16%	0	(15,595)

Reporting Methodology: This report includes all class 'A' and 'B' office buildings and parks 20,000 SF and greater in Miami-Dade County that are not owner occupied, office medical, or government owned. All rents are reported on a full-service gross basis and are direct weighted averages calculated on total available space. The information in this report has been collected by the Avison Young research team via sources that are deemed reliable but is not guaranteed.

Leading Indicators (Y-O-Y 1Q-2019 to 1Q-2020)



Miami-Dade County										
Class Breakdown	Total RSF	Direct Vacant SF	Sublet Vacant SF	Lease Rate	% Occupied	% Vacant	% Sublet Vacancy	% Total Vacancy	Under Construction	Net Absorption
Class A	26,598,444	3,170,246	133,720	\$46.47	88.08%	11.92%	0.50%	12.42%	2,089,902	79,647
Class B	28,078,442	2,858,145	70,459	\$32.88	89.82%	10.18%	0.25%	10.43%	33,177	79,269
Total	54,676,886	6,028,391	204,179	\$40.03	88.97%	11.03%	0.37%	11.40%	2,123,079	158,916

CBD										
Class Breakdown	Total RSF	Direct Vacant SF	Sublet Vacant SF	Lease Rate	% Occupied	% Vacant	% Sublet Vacancy	% Total Vacancy	Under Construction	Net Absorption
Class A	9,744,586	1,292,194	43,405	\$52.33	86.74%	13.26%	0.45%	13.71%	613,000	107,064
Class B	6,151,620	893,807	23,129	\$33.39	85.47%	14.53%	0.38%	14.91%	0	53,047
Total	15,896,206	2,186,001	66,534	\$44.58	86.25%	13.75%	0.42%	14.17%	613,000	160,111

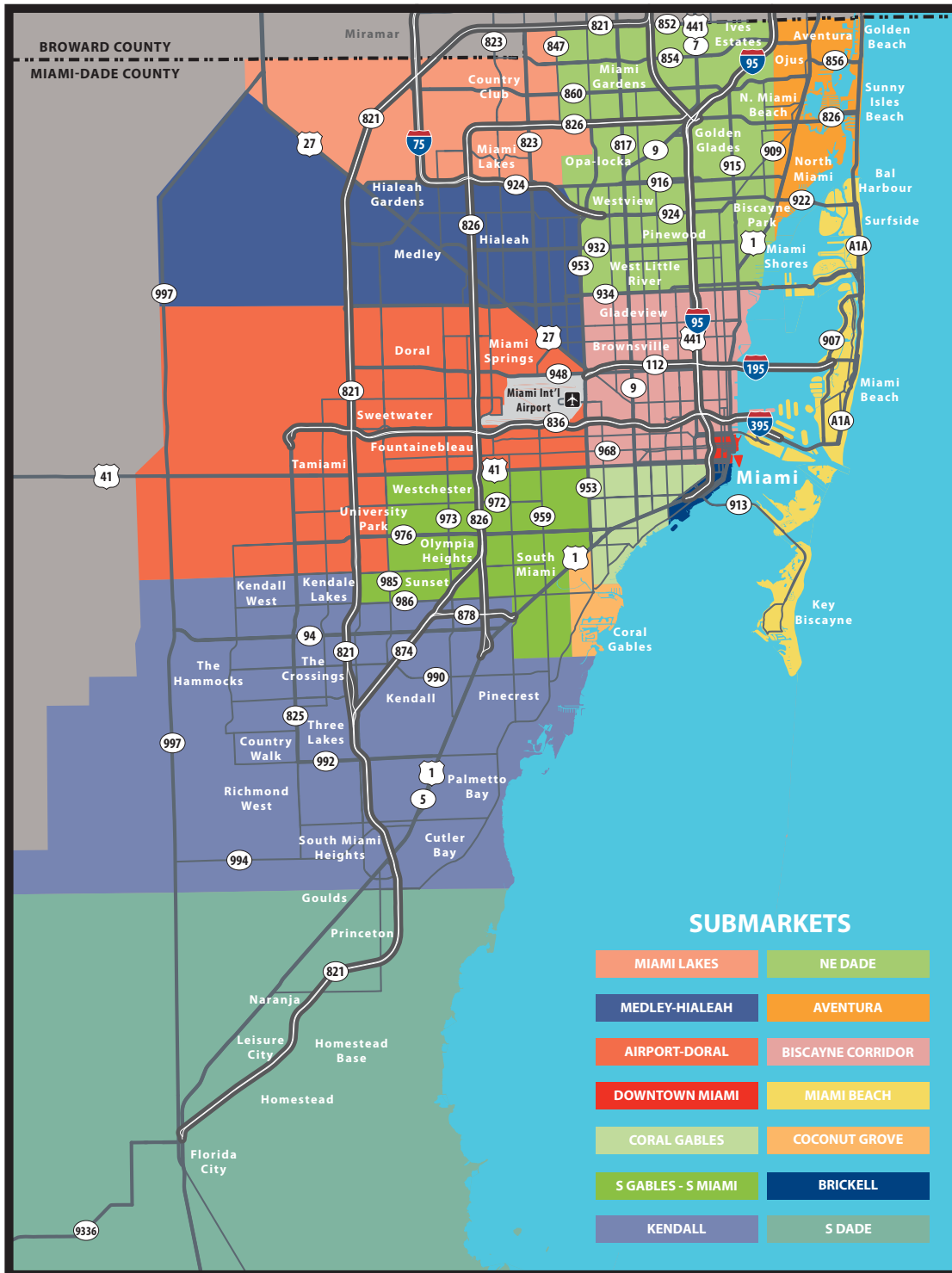
Non-CBD										
Class Breakdown	Total RSF	Direct Vacant SF	Sublet Vacant SF	Lease Rate	% Occupied	% Vacant	% Sublet Vacancy	% Total Vacancy	Under Construction	Net Absorption
Class A	16,853,858	1,878,052	90,315	\$42.44	88.86%	11.14%	0.54%	11.68%	1,476,902	(27,417)
Class B	21,926,822	1,964,338	47,330	\$32.64	91.04%	8.96%	0.22%	9.17%	33,177	26,222
Total	38,780,680	3,842,390	137,645	\$37.43	90.09%	9.91%	0.35%	10.26%	1,510,079	(1,195)

Significant First Quarter 2020 Lease Transactions - Sorted by SF

Tenant	Property	Type	SF	Submarket
Morgan Stanley	Southeast Financial Center	Expansion	111,100	Downtown Miami
NeueHouse	78 NW 37th St	New	33,177	Biscayne Corridor
Rubenstein Law	Datran Center	Renewal/Expansion	25,873	Kendall
Yext	Brickell World Plaza	New	25,000	Brickell
Hunton Andrews Kurth	Wells Fargo Center	New	24,476	Downtown Miami
Spotify	The Oasis	New	20,000	Biscayne Corridor

Significant First Quarter 2020 Sales Transactions - Sorted by Sale Price

Property	SF	Sale Price	Price/SF	Buyer	Submarket
Dolphin Corporate Park	173,936	\$29,340,000	\$169	Innovatus	Airport-Doral
Intercoastal Mall Professional Center	33,800	\$15,000,000	\$444	Dezer Development	Aventura
1800 SW 27th Ave	51,722	\$7,200,000	\$139	Freshwater Group	Coral Gables
Washington Square	77,571	\$6,100,000	\$79	Zachary Preminger	Northeast Dade



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