

THE COMREAL COMPANIES OUTLOOK

First Quarter 2009

NEW! Business Sales & Acquisition Division

The ability to quickly recognize and adapt to the dynamic needs of their clients is a hallmark of The ComReal Companies. ComReal Miami, Inc. continues that tradition with the opening of a full service business sales and acquisitions division last fall. The group specializes in transactional services, including exit strategy consulting, small to mid-market intermediary services, deal structure consulting, pricing analysis, corporate merger and divestiture, strategic and financial buyer searches and development of business marketing plans. The synergy of representing clients' business and real estate interests confidentially while at the same time providing traditional commercial real estate services positions us well to maximize our client's enterprise value.

ComReal's professionals performed many of these services in the past or formed strategic alliances with outside transaction specialists, but part of our corporate culture is to provide specialized services. Creating a dedicated division is our answer to that commitment. Our team consists of transaction specialists and business development staff that bring with them years of entrepreneurial experience in finance, marketing and operations. Adding to their history as dealmakers in commercial real estate and business transfers, each member has previous business ownership experience and is intimately acquainted with the perspective of ownership from both sides of the deal spectrum.



Tom Marvin
Vice President



Michael Wehl
Commercial Associate



John Guzzo
Broker Associate



Tony Garcia
Commercial Associate

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Industrial Division - Year End 2008 Report

The second half of the year 2008 brought declines in lease rates; sales prices and overall transaction volume. Miami's Industrial Market has seen lease rates decrease 10-20% and vacancy is now over 8%, and climbing.

Fiduciary relationships have become ever more important! A good Tenant Rep Broker can negotiate very favorable lease rates and achieve better terms. This is good news for those users seeking to lease (or purchase) Miami warehouse space.

Landlords through their Broker reps have to offer more rental concessions such as free rent and tenant improvement allowances. Expect the entire year of 2009 and likely into 2010 to be full of major leasing and buying opportunities. (Notice in the chart below, that lease rates in all regions have declined nearly \$2.00 psf from their recent peaks).



Financing is still a major problem, especially if you are an investor. So expect to see more transactions either owner financed, joint ventured, closed with all cash and/or leased with a purchase option. Overall transaction volume will likely remain low in the year 2009. Most speculative construction is on hold.

ComReal continues to be a leader in the commercial real estate industry. Since 1979, ComReal has been a reliable firm to advocate its clients' industrial and warehouse needs with experienced professionals

According to CoStar, ComReal Miami completed the 4th largest lease transaction and the 3rd largest sale for the year.

Ed Redlich and Chris Spear successfully located 103,000 s.f. in Hialeah for Innovated Stone to lease. Ed also worked with Costex Corp to purchase 17 acres at \$21,000,000.00 for a new Class A, 300,000 s.f. warehouse to be built near Miami Int'l Airport

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ComReal *is* Commercial Real Estate

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ComReal

MIAMI, INCORPORATED

COMMERCIAL REAL ESTATE SERVICES

ComReal is excited to commence the first session of its combined ComReal/Top Dog training for 2009. The Top Dog curriculum is regarded as the national leader in commercial real estate education. Folded into ComReals' well recognized commercial systems and experience based program, this 13 week course provides all brokers, whether rookies or veterans, effective and practical applications necessary for success in the commercial real estate industry. Each course contains a comprehensive overview of commercial sales & leasing fundamentals to equip the participant with preeminent knowledge and skills. It also provides real life interface with equity stake holders by interfacing directly with principals in various CR Partners joint ventures. The highly structured course is another example of ComReal's dedication to creating the top stars of the commercial real estate industry.

This year ComReal is accepting new students for the spring program starting in April, 2009. Please submit resumes to Cindy Franz, cf Franz@comreal.com.

"ComReal breaks down the keys to commercial real estate step by step. Follow the steps and open the door to success. After completing the program, I was confident that I was able to provide the best possible skills to my customers", Chris Spears, after the last training class.



Tom's Corner

The South Florida real estate market took a drastic turn in 2008, along with the U.S. economy. Highly leveraged, ease-of-entry transactions are a thing of the past. Credit is tight, so cash is an enviable commodity once again. So, the question of how to move forward through 2009 is on everyone's mind.

Many investors who overpaid for properties will find themselves in need of an expert in Turnarounds. In a normal, functioning economy, investors rely on their attorney, accountant, and real estate broker for most of their real estate needs. It's the same in a workout situation except that these professionals need specialized expertise in properties that do not have proper cash flow, sometimes no cash flow at all. There may also be deferred maintenance, delinquent property taxes, and lenders looking to be repaid.

Whether it's selling distressed properties, finding new capital, negotiating with lenders, or planning acquisitions, Thomas is dedicated to turnaround management and remains committed to helping his clients through all cycles of economic change.

ComReal Welcomes Its New Associates

Tom Marvin , CCIM - Vice President

Thomas Marvin specializes in distressed commercial real estate and debt. He is a CCIM designee, a member of the Board of Directors for the Miami-Dade/Monroe District of the CCIM Institute, a member of the Turnaround Management Association, a member of the National Association of Realtors, and a licensed Mortgage Broker. He also served as a member of the Grievance Committee for the Florida Bar.



Prior to joining ComReal in 2008 Tom was a lender and real estate broker with Absolut Financial Resources, Inc. where he originated and analyzed large-balance commercial real estate loans. Thomas also brokered real estate transactions between the company's loan clients.

Thomas served as a Consultant for Lewis B. Freeman & Partners, Inc. brokering distressed commercial properties and providing litigation support for receiverships and bankruptcies.

Milagros Silva – Commercial Associate

ComReal Miami is pleased to announce the recent addition of Milagros Silva to the position of Commercial Associate. Silva will be a great addition to the brokerage division and will strengthen the team with her institutional experience in commercial real estate. She will be working alongside Ed Redlich and Chris Spear on the industrial product in Miami-Dade. Her objectives are to help ComReal become a leading representative of institutional real estate in South Florida.



"Millie" brings a strong educational background and solid commercial real estate experience from the institutional side. Prior to joining ComReal she worked in a team responsible for the marketing and leasing of 5.2 million square foot portfolio for ProLogis in South Florida.

A 2007 MBA graduate of the McCombs School of Business at the University of Texas at Austin, Silva earned a Bachelor's degree in Business Administration in Finance from The American University in Washington D.C. She is a member of the Florida Association of Realtors and the CIASF. Born in Lima, Peru and raised throughout the U.S. Silva speaks Spanish and French fluently and is a resident of Miami.

NEW! Business Sales & Acquisition Division

Continued from cover...

Senior transaction specialist Michael Weihl offers this example how the new division will benefit clients, "Today's market is about creating options to maximize value for our clients, and we increase these options exponentially with our integrated approach. For example, an owner user of a property wishes to retire and they are counting on proceeds from the sale to finance their retirement. Where many brokerage firms only have a means of disposing of the real estate holdings, we have a mechanism to dispose of both holdings, increasing the total funds available. In addition by marketing the business confidentially and independently of traditional real estate methods we increase the possibility of attracting an owner user buyer, traditionally the highest paying purchaser for commercial properties."

This is just one example of why ComReal is uniquely positioned to service clients who maintain both commercial real estate and private business holdings. ComReal *is* Commercial Real Estate and we (also) mean business.



Is Now a Good Time to Sell My Business?

This is the question business owners are asking me today. Their fear is flat sales growth makes this a poor time to sell. My answer remains the same, "You will obtain and retain maximum value of the business by properly preparing and executing your exit strategy. "



You cannot time the sale of your business because buyers, not sellers, determine when a business is sold and here are some reasons they are looking.

- With "Flat Growth Curves Being the New Up" companies cannot grow organically and are seeking growth opportunities through acquisitions.
- Companies with capital realize that now is a good time to bargain hunt to capture market share.
- Downsized executives prefer the control and stability of business ownership to the uncertainty of the workplace.
- Foreign nationals seeking immigration solutions through federal visa programs.

Good companies are always in demand but you only get one chance to sell your business. The key is preparation.

Michael Weihl
Commercial Associate

Featured Listings

Beacon at 97th Avenue



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Dadeland Executive Center



Terrific Location!
Spaces from 834 SF to 9,505 SF

FOR LEASE

9700 South Dixie Highway
Miami, FL 33156

www.comrealmiami.com

TOTAL OFFICE MARKET STATISTICS

Year-End 2008

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Aventura	48	2,108,488	222,833	236,448	11.2%	121,423	110,000	0	\$38.56
Biscayne Corridor	144	3,573,354	655,397	657,697	18.4%	121,895	121,486	0	\$31.99
Brickell	76	6,427,250	902,514	1,021,304	15.9%	(155,772)	0	1,187,379	\$42.01
Coconut Grove	93	1,804,283	199,784	205,762	11.4%	(32,863)	0	3,627	\$35.06
Coral Gables	449	11,031,168	1,262,175	1,350,750	12.2%	(337,947)	633,838	130,000	\$37.27
Coral Way	207	2,133,313	93,244	104,482	4.9%	(8,982)	0	0	\$27.78
Downtown Miami	77	9,249,140	1,090,329	1,217,002	13.2%	(91,475)	0	1,049,300	\$36.72
Kendall	442	10,182,473	907,474	939,747	9.2%	442,730	638,350	307,094	\$28.35
Medley/Hialeah	228	2,936,531	241,776	241,776	8.2%	(94,995)	3,105	0	\$24.41
Miami	592	6,708,132	459,776	459,776	6.9%	(83,973)	30,000	231,010	\$27.29
Miami Airport	386	16,554,937	1,786,351	1,905,796	11.5%	(21,860)	206,797	653,176	\$26.83
Miami Beach	162	4,835,298	373,020	397,094	8.2%	(122,911)	0	0	\$34.47
Miami Lakes	134	3,604,275	753,678	849,495	23.6%	(219,044)	136,367	143,568	\$25.22
Miami-Dade Central County	23	296,131	3,600	3,600	1.2%	41,902	0	0	\$18.25
Northeast Dade	478	6,562,284	472,778	483,348	7.4%	49,512	65,951	0	\$24.23
Outlying Miami-Dade Cnty	34	1,114,625	74,993	74,993	6.7%	54,341	76,152	151,000	\$24.90
South Dade	164	2,829,754	224,422	224,422	7.9%	130,396	36,129	0	\$26.30
West Miami	256	3,153,804	97,790	102,637	3.3%	(61,382)	0	46,118	\$26.21
Totals	3,993	95,105,240	9,821,934	10,476,129	11.0%	(269,005)	2,058,175	3,902,272	\$32.19

TOTAL INDUSTRIAL MARKET STATISTICS

Year-End 2008

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Central Miami Ind	215	3,784,893	125,444	125,444	3.3%	(20,431)	0	0	\$7.98
East Miami Ind	311	4,510,713	434,243	434,243	9.6%	(49,898)	0	0	\$10.17
Hialeah Ind	1,582	40,556,151	3,840,054	4,223,343	10.4%	(1,353,883)	130,000	0	\$6.36
Medley Ind	866	30,132,609	3,000,163	3,112,393	10.3%	(851,108)	914,141	81,100	\$8.79
Miami Airport Ind	2,102	77,656,408	5,685,971	5,931,202	7.6%	(741,736)	406,948	313,828	\$9.46
Miami Lakes Ind	271	12,115,536	1,235,832	1,262,832	10.4%	(435,730)	108,800	0	\$8.10
North Miami Beach Ind	968	34,503,737	2,367,233	2,392,438	6.9%	(690,539)	285,941	0	\$7.57
Outlying Miami-Dade Ind	30	402,075	2,600	2,600	0.6%	(2,600)	0	0	\$20.80
South Central Miami Ind	1,217	17,403,360	1,085,216	1,085,216	6.2%	(241,310)	5,980	3,348	\$13.78
South Dixie Hwy Ind	465	8,628,985	369,570	375,570	4.4%	6,701	54,786	0	\$9.03
Southwest Dade Ind	502	10,505,304	890,474	890,474	8.5%	(237,863)	137,796	66,126	\$10.31
West Miami/Coral Ter Ind	244	4,740,572	156,586	156,586	3.3%	(92,712)	0	0	\$11.17
Totals	8,773	244,940,343	19,193,386	19,992,341	8.2%	(4,711,109)	2,044,392	464,402	\$8.51

Source: CoStar Property®

The Miami ComReal Team

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Tony Garcia
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ComReal is Commercial Real Estate