



INDUSTRIAL REAL ESTATE MARKET MIAMI-DADE COUNTY

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FTA & FTZ – U.S. Dept. Commerce

Fall 2011	Free Trade Agreements (FTA's) trade.gov/fta	Colombia, Panama and South Korea.									
	<p style="text-align: center;">U.S. Merchandise Trade Balance, 2010</p> <table border="1"> <caption>U.S. Merchandise Trade Balance, 2010 (billions \$ USD)</caption> <thead> <tr> <th>Category</th> <th>Exports (billions \$ USD)</th> <th>Imports (billions \$ USD)</th> </tr> </thead> <tbody> <tr> <td>FTA Countries</td> <td>~520</td> <td>~760</td> </tr> <tr> <td>Non-FTA Countries</td> <td>~600</td> <td>~1340</td> </tr> </tbody> </table>	Category	Exports (billions \$ USD)	Imports (billions \$ USD)	FTA Countries	~520	~760	Non-FTA Countries	~600	~1340	
Category	Exports (billions \$ USD)	Imports (billions \$ USD)									
FTA Countries	~520	~760									
Non-FTA Countries	~600	~1340									
Fall 2012	Foreign Trade Zones (FTZ's) miamidade.gov/portmiami/ftz	FTZ #281. Licensed by Port Miami.									

Infrastructure & Transportation

Port Miami (Sea):

- | | |
|--|---------------------|
| • 50' deep dredge. \$270 M. | • FEC Rail. \$47 M. |
| • Tunnel. \$1 B. | • Bulkhead. |
| • miamidade.gov/portmiami | • Total \$2 B. |

Roadways & Expressways (Land):

- | | |
|--|------------------------------------|
| • Dolphin & Palmetto Xways. 826-836.com | • 25 th Street Viaduct. |
| • NW 74 th Street. | |

Airport (Air):

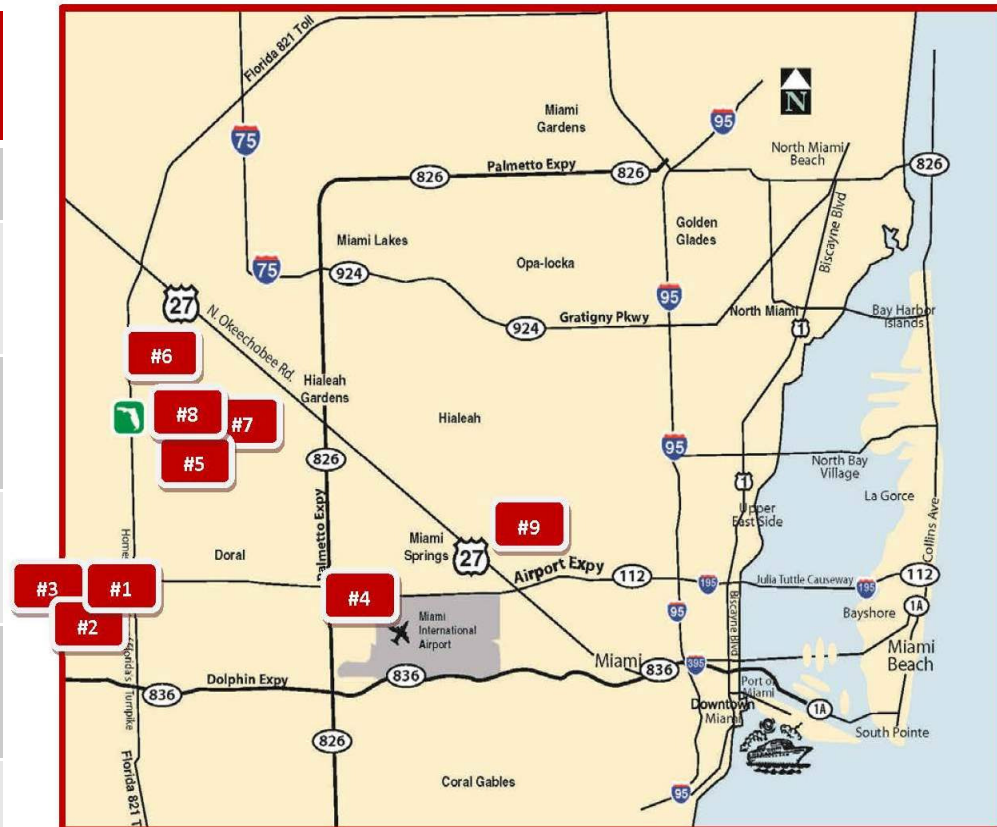
- | | |
|--|------------------------------------|
| • Miami Intermodal Center. \$2 B. micdot.com | • International Terminal. \$180 M. |
|--|------------------------------------|



2012: Breaking Ground!

Nine (9) - New, Class A, Bulk Warehouse Developments

- **ALL** Spec Developments!
- **8 of 9** are Institutional Developers.
- **1,270,000 SF** Completed or Nearly-Completed in 2012.
- PLUS! Centurion Air Cargo of **800,000 SF**; Custom-Built.
- PLUS! Flightway of **120,000 SF**; Small Bay Spaces.
- **Total 2,190,000 SF** in 2012.



Completed Warehouses

	<u>Beacon Lakes Building #13</u>	<u>DCT Commerce Center</u>	<u>Vivo & Fonte Warehouse</u>
<u>Sub-Market:</u>	West Dade	West Dade	Medley
<u>Developer:</u>	Prologis	DCT	Vivo & Fonte
<u>Total Size:</u>	190,000 SF	334,000 SF	53,000 SF
<u>Lease Rate:</u>	\$9.25	\$9.25	\$8.75
<u>Ceiling Height:</u>	30'	28'	24' – 28'
<u>Completion:</u>	2Q 2012	2Q 2012	4Q 2012

Nearly-Completed Warehouses

	<u>Flagler Station</u>	<u>Pan American North</u>	<u>Miami Int'l. Distribution Center</u>
<u>Sub-Market:</u>	Medley	Medley	West Dade
<u>Developer:</u>	Flagler	Industrial Income Trust	KTR
<u>Total Size:</u>	172,000 SF	185,000 SF	336,000 SF
<u>Lease Rate:</u>	\$8.50	TBD	\$9.50
<u>Ceiling Height:</u>	30'	30'	36'
<u>Completion:</u>	1Q 2013	1Q 2013	1Q 2013

Warehouses in Planning Stages

	<u>South Florida Logistics Center</u>	<u>Miami International TradePort</u>	<u>Miami International Logistics Center</u>
<u>Sub-Market:</u>	West Dade	Medley	Hialeah
<u>Developer:</u>	Flagler	Liberty Property	Keating Resources
<u>Total Size:</u>	1,455,000 SF	1,800,000 SF	400,000 SF
<u>Lease Rate:</u>	TBD	\$8.25	\$8.50
<u>Ceiling Height:</u>	TBD	30'	40'
<u>Completion:</u>	2013-2014	3Q 2013	2Q 2014



Mid-Year 2012



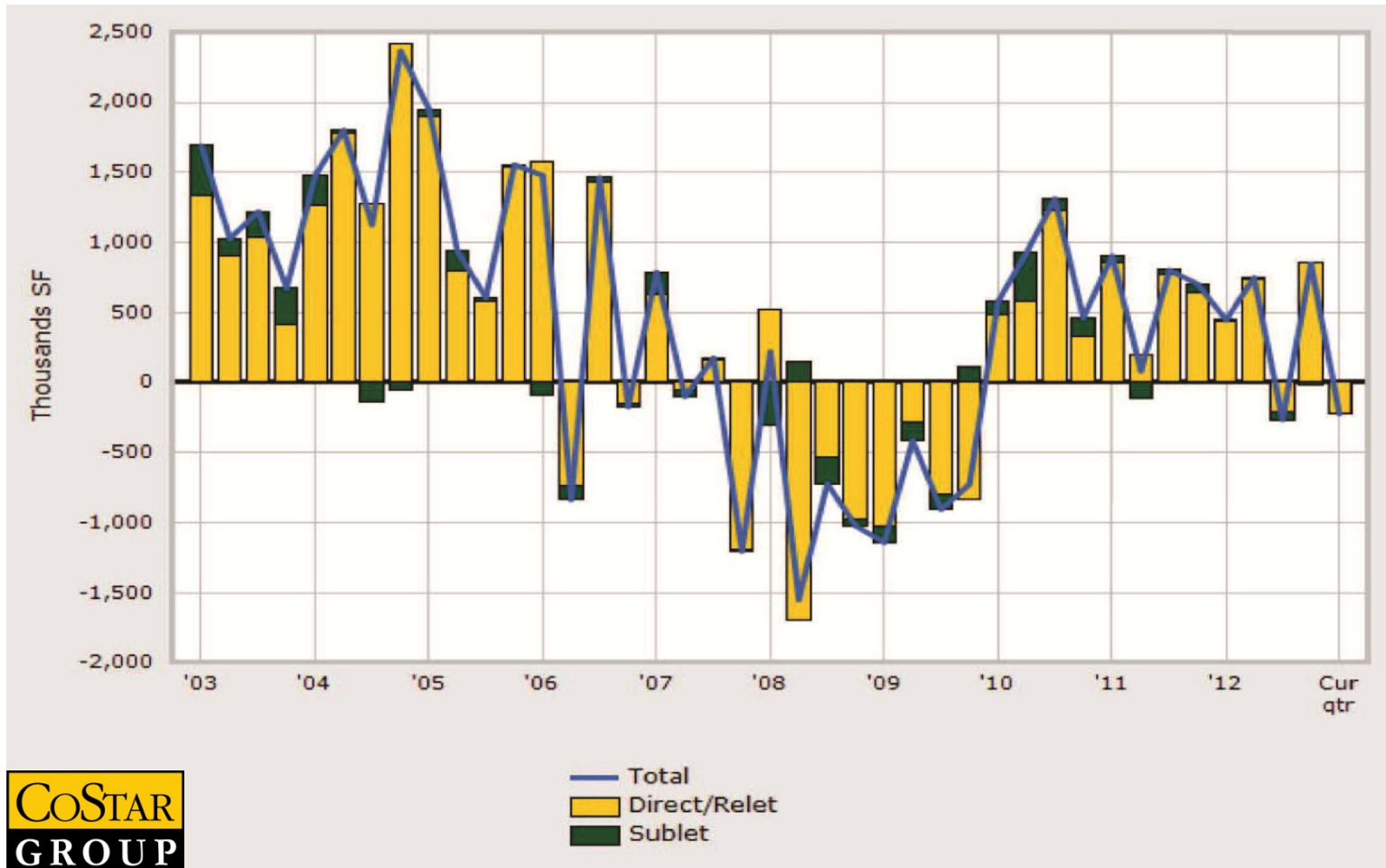
The Miami Herald 

Posted on Mon, Jul. 23, 2012

Industrial real estate on the move in Miami-Dade



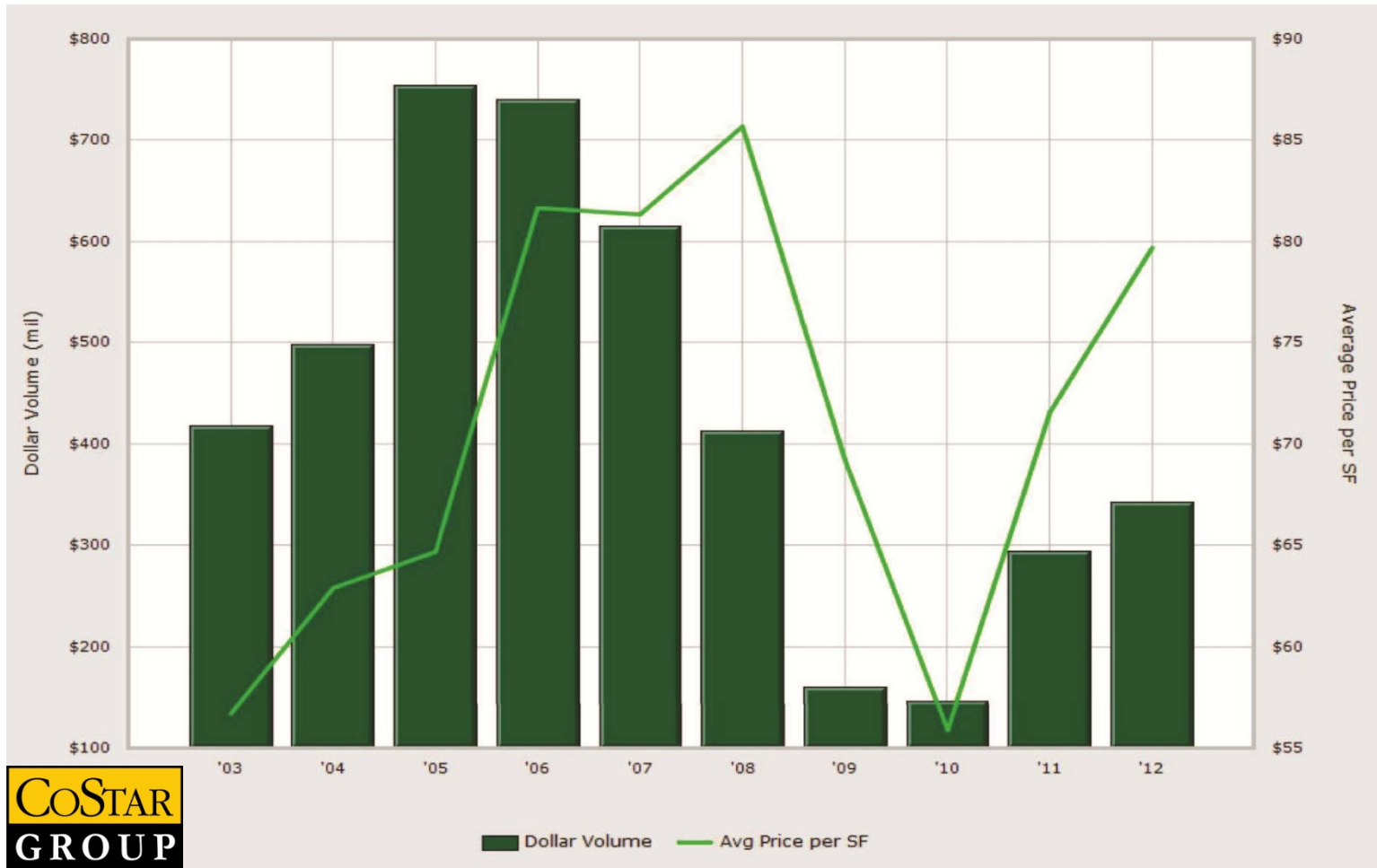
Absorption



CoSTAR
GROUP

— Total
■ Direct/Relet
■ Sublet

Sales Volume & Average \$ PSF



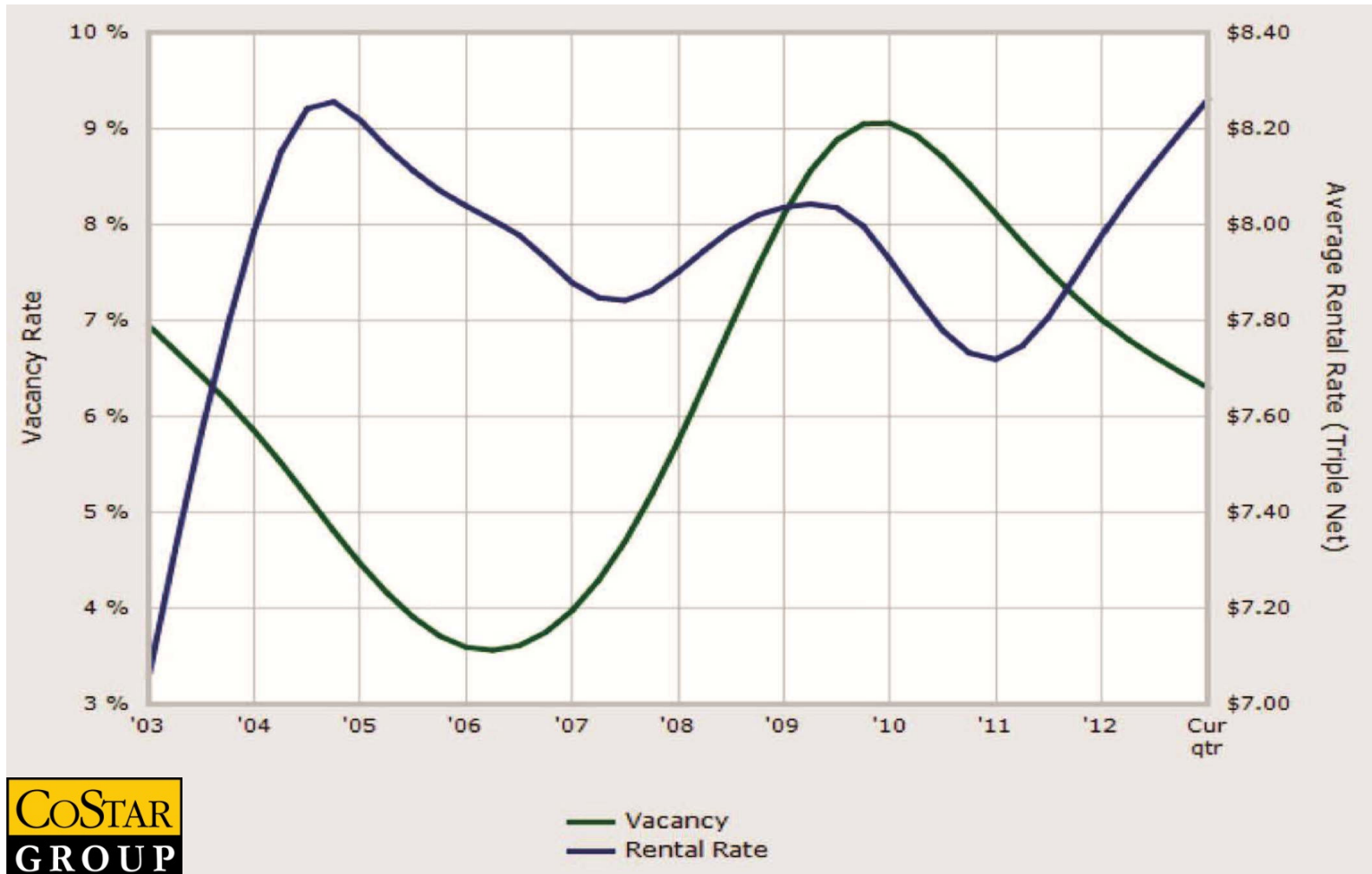
CoSTAR
GROUP

■ Dollar Volume — Avg Price per SF

CCIM

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MIAMI, INCORPORATED
COMMERCIAL REAL ESTATE SERVICES

Vacancy & Rental Rates



Year-End Comparisons

	<u>2011</u>		<u>2012</u>
<u>Lease Rate:</u>	\$7.21 per SF	↑	\$7.54 per SF
<u>Vacancy Rate:</u>	7.9%	↓	6.7%
<u>Sales Price:</u>	\$63 per SF	↑	\$64 per SF
<u>Sales Volume:</u>	\$237,000,000	↑	\$287,000,000
<u>Cap Rate:</u>	6.5%	↑	6.8%
<u>Absorption:</u>	2,508,000 SF	↓	2,080,000 SF

JUMBO Leasing Deals!

<u>Tenant:</u>	<u>Landlord:</u>	<u>Sub-Market:</u>	<u>Size (SF):</u>	<u>Rate (PSF):</u>
Bullet Line	Barclays	Gratigny	474,000	\$6.25 IG
Banah Sugar	Terreno	Hialeah	301,000	\$3.50 IG
Perez Trading	ProLogis	Gratigny	280,000	\$5.50 IG
Schenker	DCT	Airport West	273,000	\$8.25 IG
MIFS	Terreno	Miami Lakes	190,000	\$6.75 IG

JUMBO Sales Deals!

<u>Property:</u>	<u>Buyer:</u>	<u>Seller:</u>	<u>Size (SF):</u>	<u>Price:</u>	<u>Price PSF:</u>
Flagler Station, Medley	AEW	Fortress	4,200,000	\$340M	\$81
ICP, Doral	Prudential	ProLogis	340,000	\$46.6M	\$137
ICP, Doral	UBS AG	WP Carey	209,000	\$26M	\$124
UPS, Doral	Seagis	UPS	340,000	\$26.5M	\$78
AGP, Doral	TA Realty	ING	252,000	\$19.1M	\$75

Current Trends 2012 & Beyond!

- Miami is a city in “**Latin America**”. Foreigners prefer us because of our stability, work ethics, “**made in the USA**” quality branding, trade routes, international relationships, respect for property rights.
- Migration and/or expansion from companies **ALL** over the world.
- Migration from California, New York and Illinois to Florida to seek **Economic Freedom**. Florida is right-to-work state; no state income tax.
- Users seek **functional** warehouse product at **economical value**.
- **Financing is ready** for institutions, corporations and VERY qualified local investors and users (via SBA).
- Half of the available inventory is **dysfunctional** due to poor configuration, features and/or is **overpriced**.
- **Theft** of inventory in the warehouse plus the copper !!!



“Users” In-the-Market in 2013



TELEMUNDO



Outlook for 2013!

- Expect to see both ***Lease Rates and Sales Prices increase*** (steadily).
- ***Vacancy Rate declines*** (slightly) even as new warehouse product is being delivered. ***Positive Absorption*** may outpace new construction.
- Good brokers making ***Off-Market Deals*** and/or jumping on ***New Listings***.
- Local, private investors must look for warehouses off-market and under 50,000 sq. ft. in class B and C neighborhoods. Institutional investors have ***unfair advantage***.
- Multiple ***JUMBO Sales and Lease Deals*** to close in 2013.
- 2012 was the year of breaking ground for new ***vertical construction***.
- ***2013 will be the year of more Construction, Demolition, In-Fill Developments and “Re-Purposing”*** existing buildings.



THANK YOU VERY MUCH !!!

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