



11740 SW 80<sup>th</sup> St, Miami, FL 33183

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11740 SW 80TH ST  
Miami, FL  
ACT ID Y0390902

RYAN NEE  
Broker  
License: FLBK 3154667

Marcus & Millichap

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11740 SW 80<sup>th</sup> Street

# INVESTMENT OVERVIEW



## EXECUTIVE SUMMARY

VITAL DATA			
			Pro Forma
Price	\$5,000,000	Pro Forma CAP Rate	8.34%
Down Payment	100% / \$5,000,000	Net Operating Income	\$416,752
Loan Type	All Cash		
Rentable SF	19,852		
Price/SF	\$251.86		
Current Occupancy	72.78%		
Year Built	2008		
Lot Size	1 acre(s)		

EXPENSES		
	CURRENT	\$/SF
Utilities	\$11,693	\$0.59
Contract Services	\$21,633	\$1.09
Repairs & Maintenance	\$10,632	\$0.54
Insurance	\$18,176	\$0.92
Real Estate Taxes	\$70,628	\$3.56
Management Fee	\$11,359	\$0.57
<b>Total Expenses</b>	<b>\$144,122</b>	<b>\$7.26</b>

DEMOGRAPHICS			
	1-Miles	3-Miles	5-Miles
2019 Estimate Pop	17,599	179,415	494,085
2010 Census Pop	16,897	171,335	462,744
2019 Estimate HH	6,744	63,060	164,878
2010 Census HH	6,426	59,645	153,286
Median HH Income	\$58,876	\$60,517	\$60,541
Per Capita Income	\$31,430	\$30,073	\$29,124
Average HH Income	\$81,536	\$85,376	\$86,870



## PROPERTY OVERVIEW

Marcus & Millichap is proud to present 11740 SW 80th Street, a three-story office building located in Miami, Florida. This building consists of 19,852 rentable square feet of office space. The property is located just off the Florida Turnpike, which has high traffic counts of over 135,000 vehicles per day (VPD). The building is right next to The Palms at Town & Country and Kendall Village Center, which offer many amenities such as a movie theater, gym, bars & restaurants and over 60 retail stores. This location provides easy access to SW 88th Street (North Kendall Drive) and the Florida Turnpike.

11740 SW 80th Street was built in 2008 and has been exceptionally maintained. It provides professional curb appeal, ample parking and high visibility signage opportunities. The building is currently 73% occupied by a mix of professional tenants. 67% is occupied by Lemartec, a full service EPC & design-build firm. The interior of the building has a combination of private offices and open floor space allowing for a range of uses and easy reconfiguration. This asset is extremely easy to manage and typically has a long list of tenants looking to occupy the building given the location, convenience and overall condition of the property.

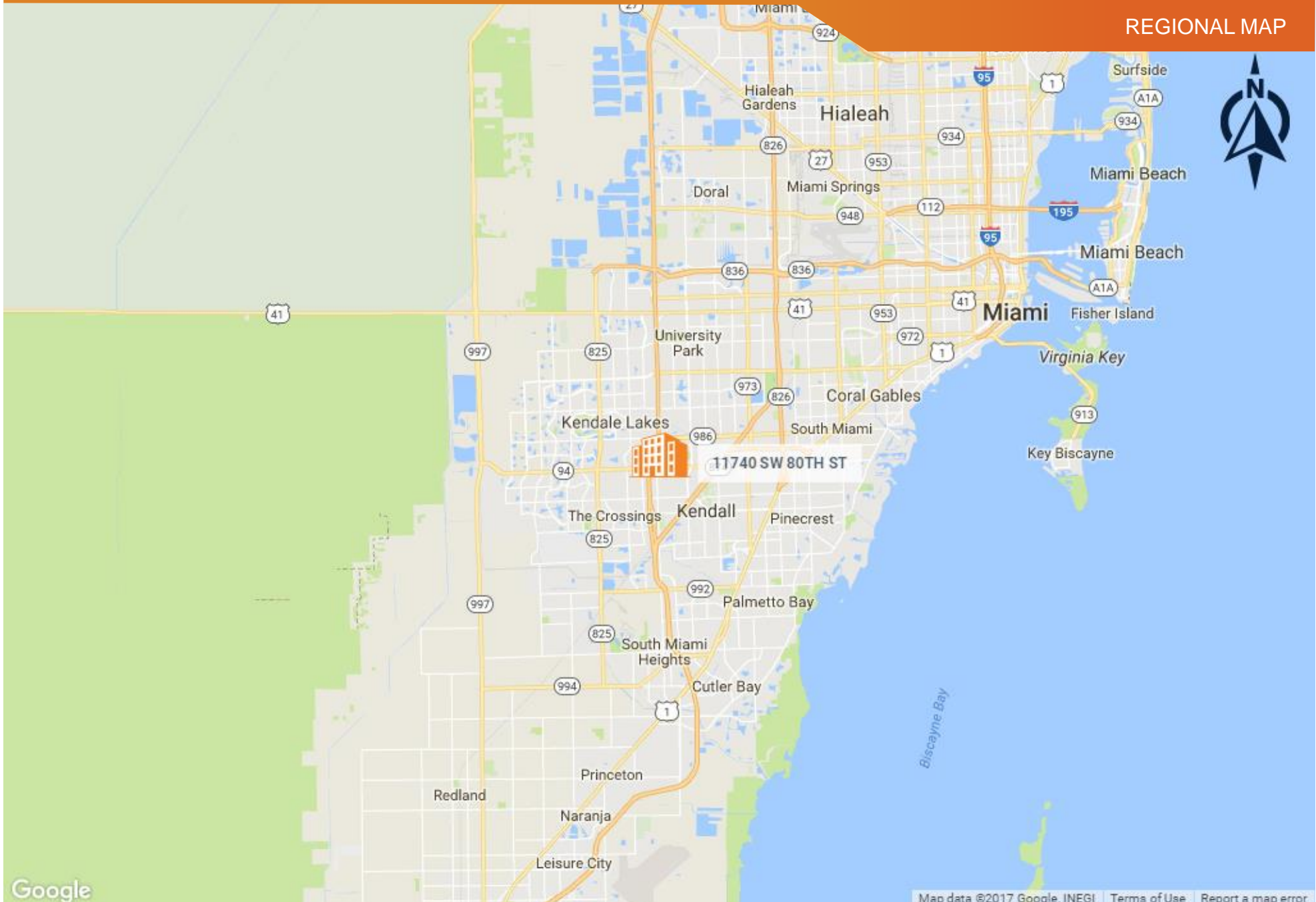
With an inventory of 12.1 million SF, Kendall is one of Miami's largest office submarkets, in terms of both inventory and area. The submarket is located on the south side of Miami-Dade County and houses many employers in the healthcare, business services, and retail trade sectors. Kendall is served by two Miami Metro rail stations: Dadeland North and Dadeland South. The Dadeland South station is a major transit depot in the area, connecting to the southernmost suburbs of Homestead and Florida City.

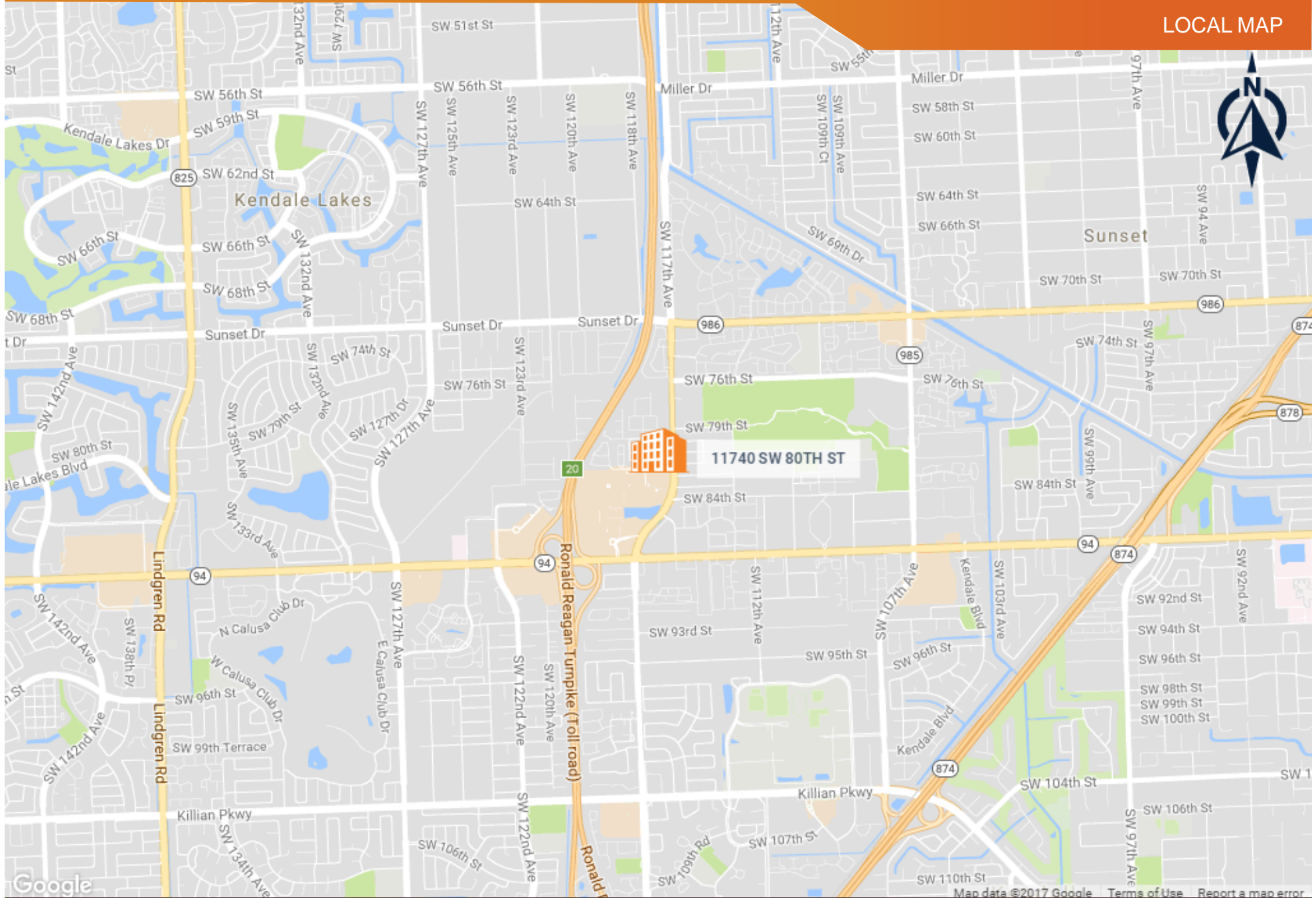
The Kendall vacancy rate has been on the decline over the past decade, and at 5.8%, it remains well below the metro average. The submarket saw some deliveries of smaller buildings over the past decade, but an almost equal amount of space was demolished, keeping supply relatively stable. Demand has remained robust throughout the cycle, as the submarket is very popular with medical tenants.



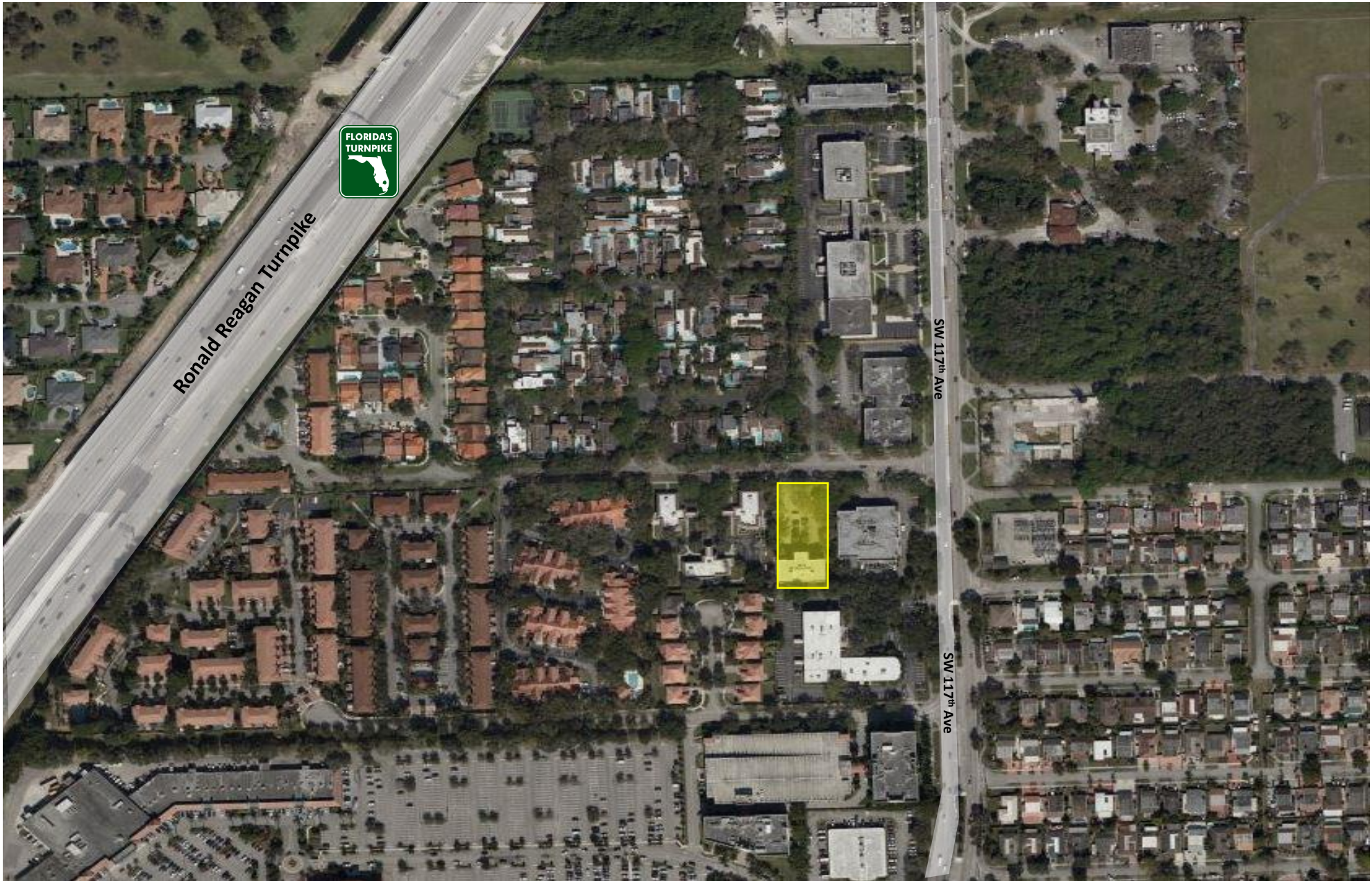
## PROPERTY OVERVIEW

- Great Exposure With Excellent Visibility
- Ample Parking
- Modern Office Building with Upside in Occupancy
- Located Just Off the Florida Turnpike, Which has High Traffic Counts of Over 135,000 Vehicles per Day
- Steps from The Palms at Town & Country









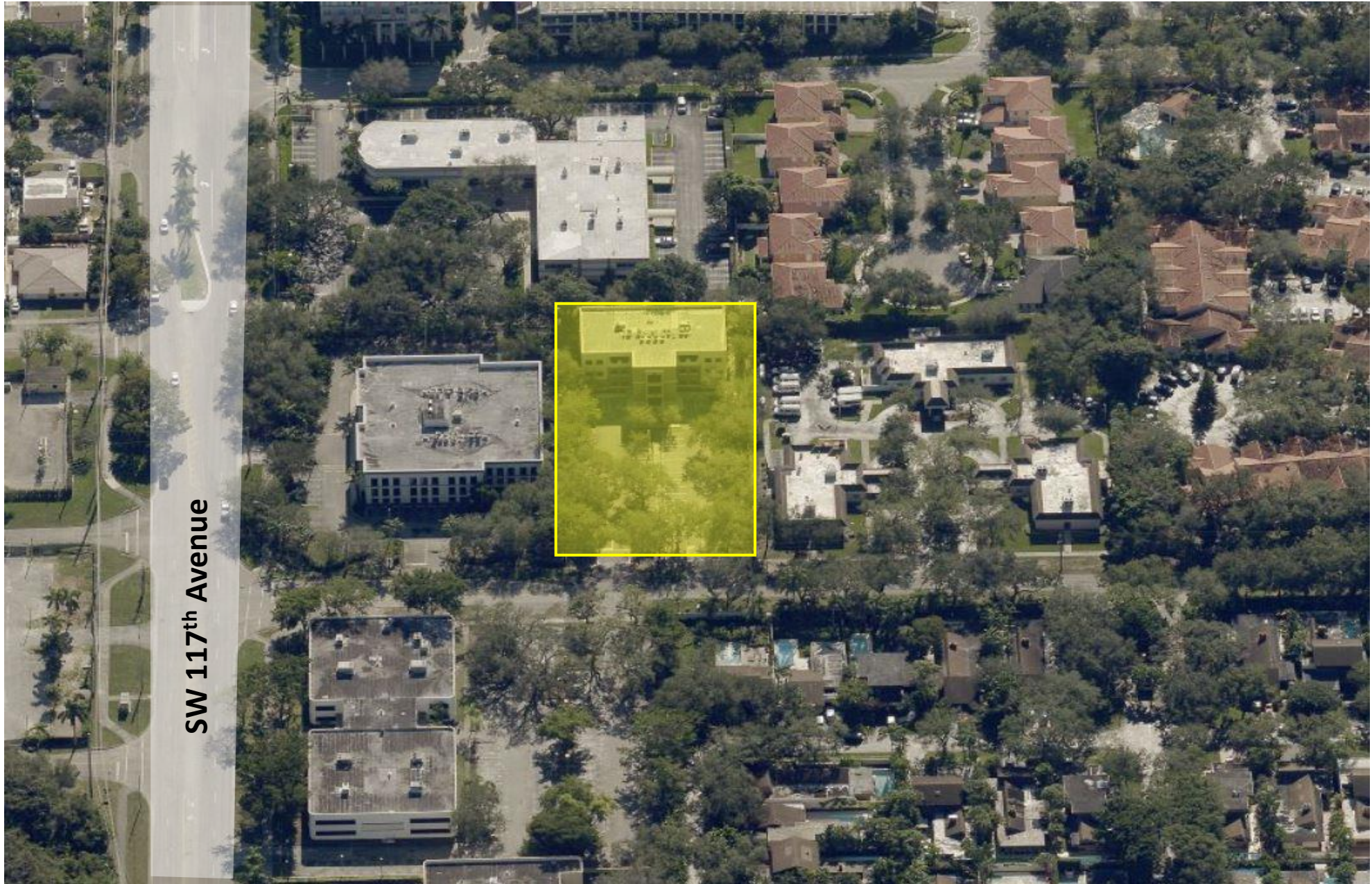


Subject Property

The Palms at Town & Country



N Kendall Drive (74,000 VPD)

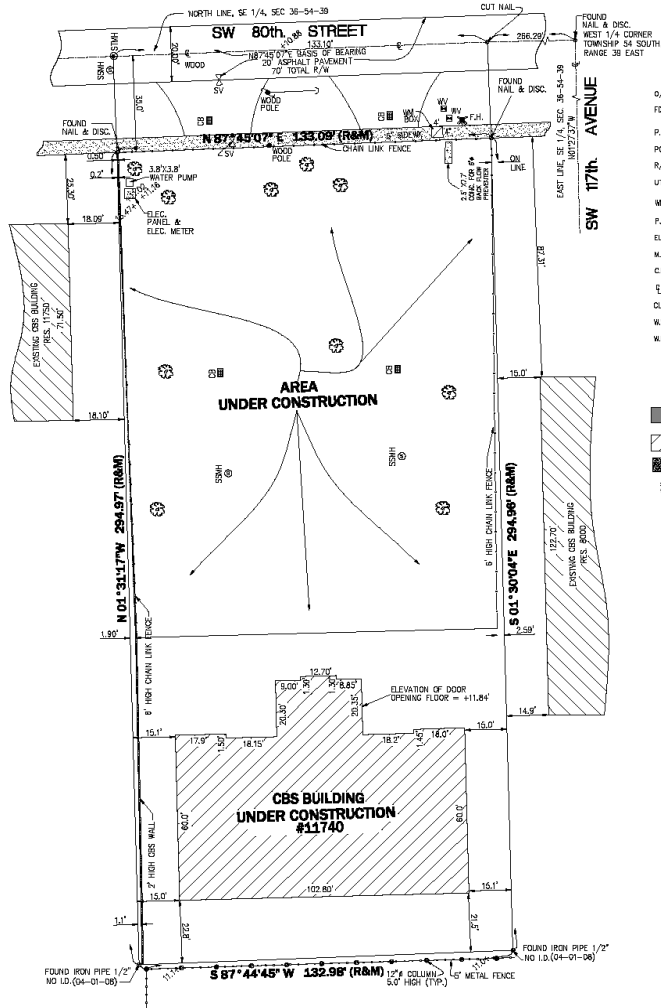








# BOUNDARY SURVEY

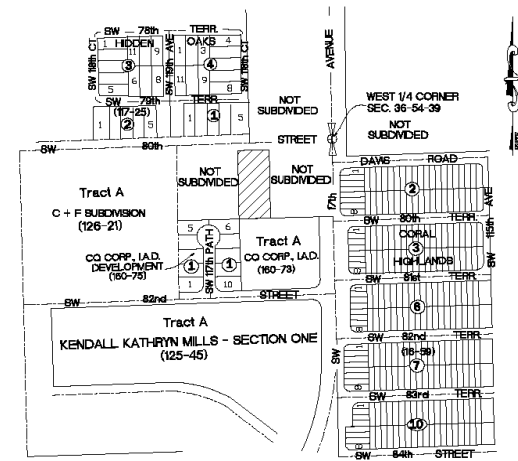


### ABBREVIATIONS

O/H = OVERHEAD ELECTRIC	F.E.C. = FLORIDA EAST COAST	SEC. = SECTION	ENCH. = ENCRICHMENT
FDL = FOUND	R.R. = RAILROAD	CONC. = CONCRETE	F.L.R. = FLOOR
P.B. = PLAT BOOK	TEL. = TELEPHONE	CONC.B. = CONCRETE BLOCK STRUCTURE	E.L.V. = ELEVATION
P.G. = PAGE	L.S. = LIFT STATION	SPR. = SPRADE	L.B. = LICENSED BUSINESS
R/W = RIGHT-OF-WAY	G.V. = GAS VALVE	TR. = TRACT	F.F. = FINISH FLOOR
UTL. = UTILITY	EQPT. = EQUIPMENT	CW/D = COVERED	H/C = HANDICAP
WB. = WOOD	BAL. = BALCONY	L.P. = LIGHT POLE	M.S. = MEDIAN
P.O.B. = POINT OF BEGINNING	P.O.C. = POINT OF COMMENCEMENT	NON. = NONADJUT	NAD. = NAL & DISC
ELECT. = ELECTRICAL	ELECT. = ELECTRICAL	U.P. = UTILITY POLE	O.R.B. = OFFICIAL RECORDS BOOK
M.H. = MANHOLE	M.W. = MONITOR WELL	W/ = WITH	C.T.V. = CABLE TELEVISION BOX
C.B. = CATCH BASIN	R. = RADIUS	SS WH. = SEWER MANHOLE	TRANS. = TRANSFORMER EQUIPMENT
CL. = CHAIN LINK	A. = ARC	FL. = FLORIDA POWER & LIGHT	TYP. = TYPICAL
W.V. = WATER VALVE	CH. = CHORD	S.F.P. = BACK FLOOD PREVENTOR	PL. = PLANTER
WM. = WATER METER	CHB. = CHORD BEARING	UP. = UTILITY POLE	F.H. = FIRE HYDRANT
			CV. = GAS VALVE
			SP. = SPOT ELEVATION

### LEGEND

= ASPHALT PAVEMENT	= CHAIN LINK FENCE	= SIGN
= EXISTING BUILDING	= METAL FENCE	= WATER VALVE
= CONCR. SIDERWALK	= SEWER MANHOLE	= ANCHOR
= TREE	= STORM MANHOLE	= WOOD POLE
	= DENOTES CATCH BASIN	= FIRE HYDRANT



LOCATION SKETCH  
N.T.S.

### LEGAL DESCRIPTION:

The East 1/5, of the West 1/5, of the North 1/2, of the Northeast 1/4, of the Southeast 1/4, Less the North 25 Feet thereof, in Section 36, Township 54 South, Range 39 East, lying and being in Miami-Dade County, Florida.  
Containing 39,238.06 ± SQ. FT. - 0.9 ACRES  
Address: 11740 SW 80th Street, Miami, Florida

### Surveyor's Certification:

I, HEREBY CERTIFY, THAT IN THE PROFESSIONAL OPINION OF THE UNDERSIGNED, PROFESSIONAL SURVEYOR & MAPPER, IN THE STATE OF FLORIDA, THE ATTACHED SKETCH MEETS THE REQUIREMENTS OF THE MINIMUM TECHNICAL STANDARDS SET FORTH BY THE FLORIDA BOARD OF SURVEYORS AND MAPPERS IN CHAPTER 61G17, FLORIDA ADMINISTRATIVE CODE, PURSUANT TO SECTION 472.022, FLORIDA STATUTES. FURTHER, THIS CERTIFICATE IS BASED ON FIELD MEASUREMENTS PERFORMED APRIL 02, 2008, OTHER INFORMATION AVAILABLE TO THE PROFESSIONAL SURVEYOR AND MAPPER AT THE TIME THE SERVICES WERE RENDERED. COPIES OF THIS SKETCH ARE NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER. SAID EMBOSSED COPIES ARE FOR THE SPECIFIC USE OF THOSE ENTITIES THAT THE SKETCH HAS BEEN CERTIFIED TO.

### Surveyor's Notes:

- 1- Lands shown hereon were abstracted for easements and/or rights-of-way of record, as noted.
- 2- No attempt was made by this firm to locate underground utilities, floodings of adjacent buildings or walls or fences, except as shown hereon, if any.
- 3- Bearings shown hereon are based on assumed meridian of North Line SE 1/4, Sec. 36-54-39 of SW 80th STREET (N 87°45'17"). All other bearings are relative thereto.
- 4- There are no encroachments onto the property, except as shown hereon, if any.
- 5- Flood Zone Data: Community/ Panel #120655/12607/ Dated: 03/02/94 Flood Zone "X" (Miami-Dade County Unincorporated Area) Elevation - N/A
- 6- Current Zoning: RU-3A SEMI PROFESSIONAL OFFICE DISTRICT
- 7- Building Setback: FRONT 25' INTERIOR SIDE 15' REAR 25' SIDE STREET 15'
- 8- Elevations shown hereon are based on National Geodetic Vertical Datum. (1929 Mean Sea Level)
- 9- Bench Mark Used: Miami-Dade County Benchmark P-486. Elevation = +9.08'

JACOB GOMIS  
PROFESSIONAL SURVEYOR & MAPPER No. 6231  
STATE OF FLORIDA  
J.H. MANUCY, INC. LB 6632

- Notes:
- 1) THIS CERTIFICATION IS ONLY FOR THE LAND AS SHOWN HEREBON.
  - 2) THIS IS NOT A CERTIFICATE OF TITLE, ZONING, EASEMENTS OR FREEDOM FROM ENCUMBRANCES.
  - 3) THIS CERTIFICATE IS NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER.

THIS SURVEY CERTIFIED TO:  
- Total Bank, NA  
- Chicago Title Insurance Company  
- Adams Galligan, P.A.  
- GT Group 11740, LLC, a Florida Limited Liability Company

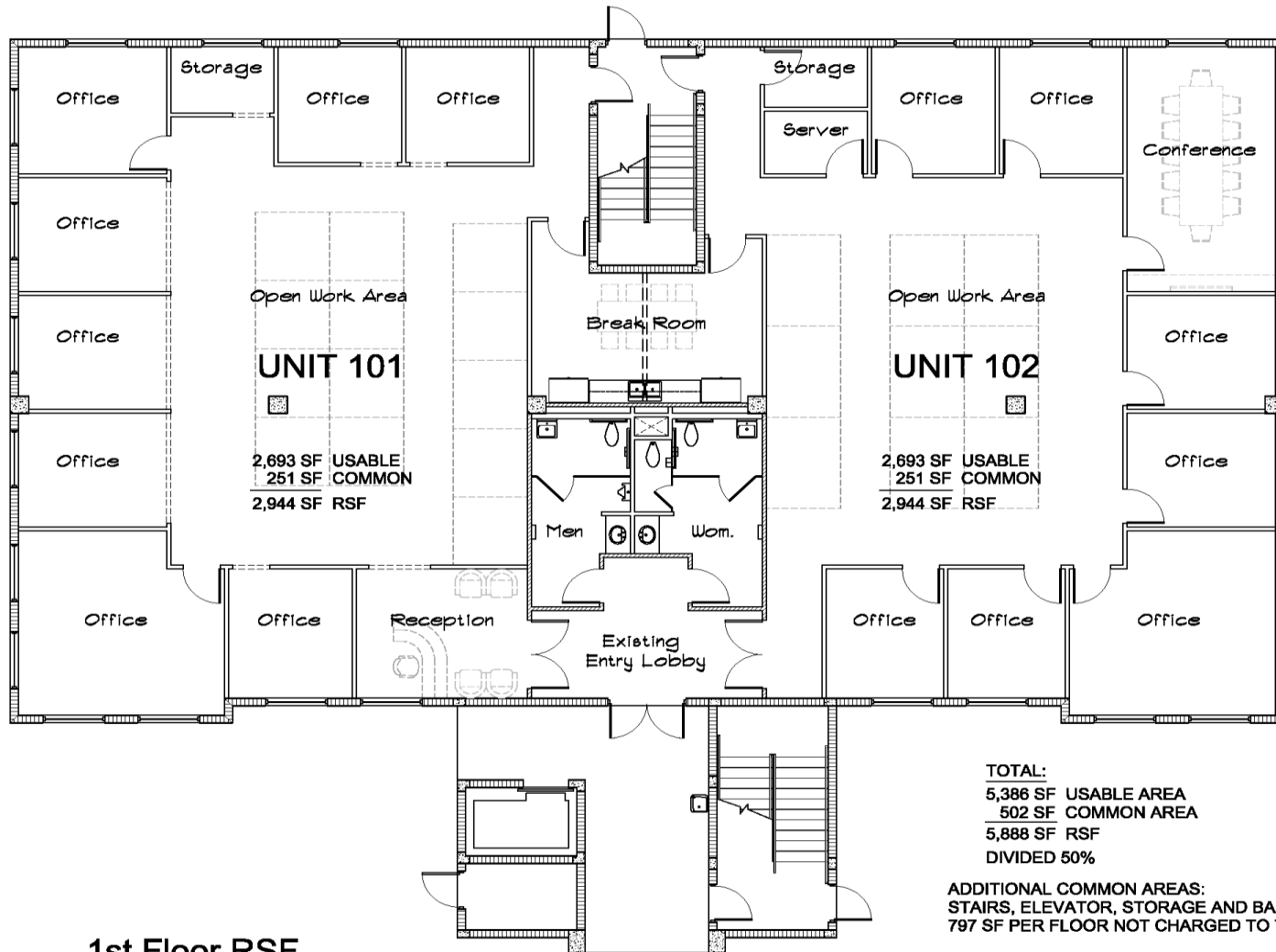
DATE	REVISIONS	BY

JH Manucy, Inc.  
LAND SURVEYORS & CIVIL ENGINEERING SERVICES  
4694 PALM AVENUE, SUITE 303  
MIAMI, FL 33146  
TEL: 305-261-1828 • FAX: 305-265-1703

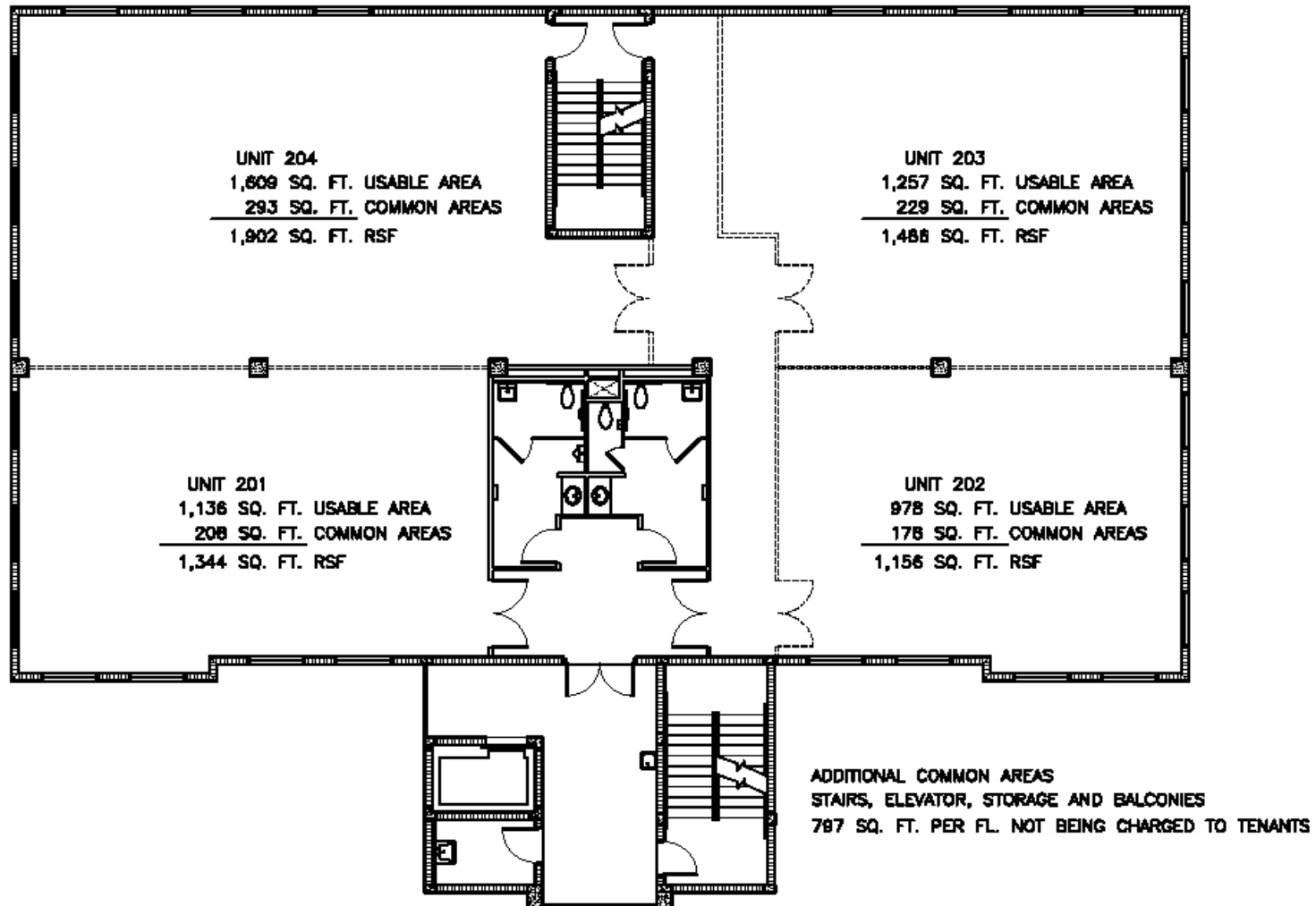


GT GROUP 11740, LLC  
11740 SW 80th STREET, MIAMI FLORIDA 33155

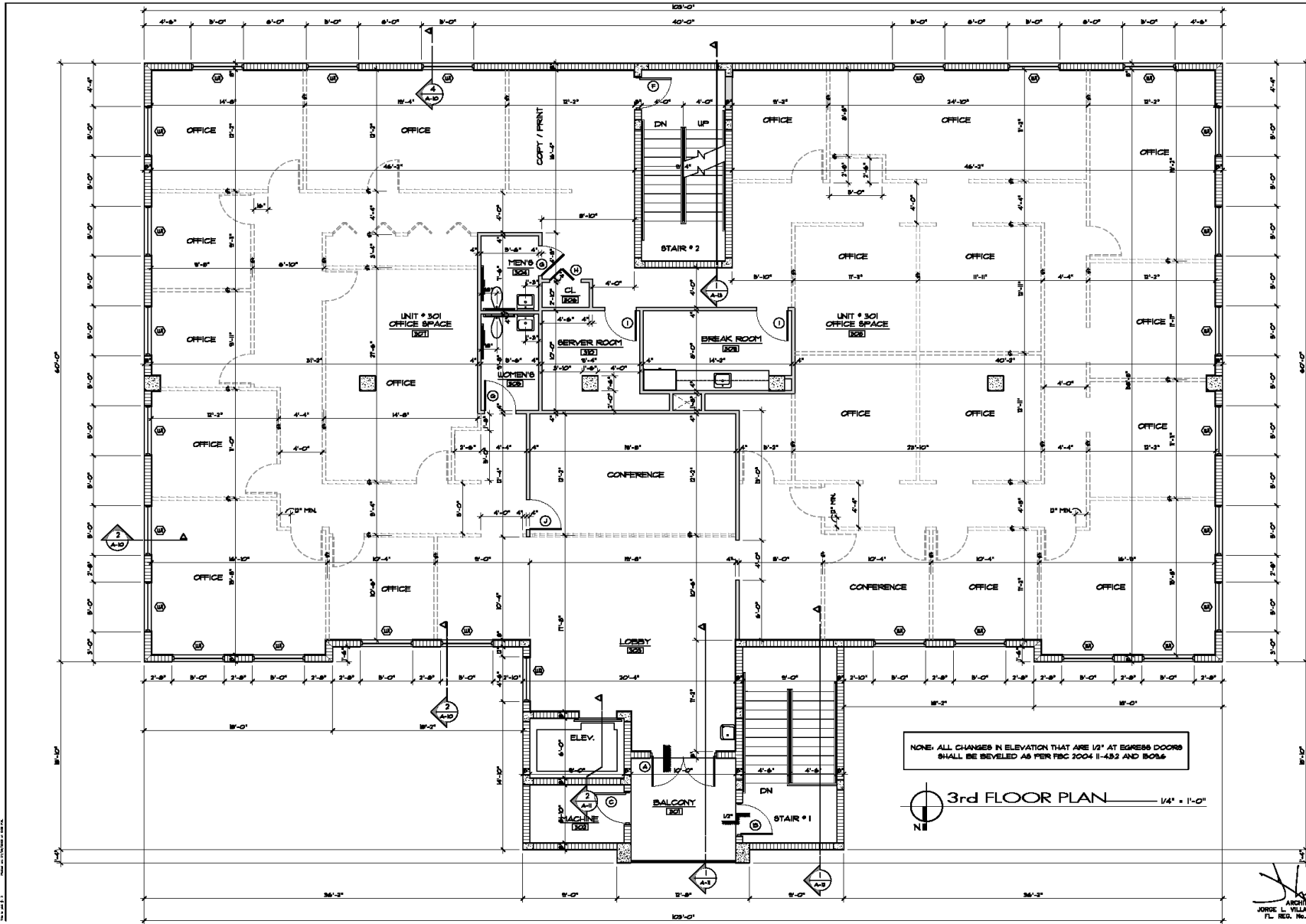
SURVEY DATE: 04-02-08	SHEET
DRAWN: T.D.	1
CHECKED: J.G.	1 OF 1 SHEET
SCALE: 1" = 20'	
FIELD BOOK: Sketch	
ORDER NO: 106122	



**1st Floor RSF**  
**03-31-2016**



**2nd Floor Plan**  
**RSF - Itemized**



by	revisions
1/4-14-07	DATE
04-17-08	REVISION

**Lemartec**  
 engineering & construction corporation  
 4600 S.W. 74th Ct., Miami, Florida 33155 usa • (305)981-9393

job name	OFFICE FACILITY FOR: GT GROUP 11740, LLC.
date:	08-14-07
ref. drawing	07101
drawing	W-7
sheet title	THIRD FLOOR PLAN
11740 SW 80th STREET MIAMI, FLORIDA 33183	
drawn: H.H.	
checked: U.V.	

## Owner of nearly 70 acres in West Kendall proposes major mixed-use development

*A company affiliated with brokerage firm NAI Miami acquired the vacant land from an arm of Howard Hughes Corporation for \$41.84 million*

TRD MIAMI / By TRD Staff

June 02, 2018 02:00 PM

The preliminary plan for the site shows a four-story complex with 45,200 square feet for a movie theater, 40,000 square feet for a supermarket, 25,500 square feet for a bowling alley and 25,000 square feet for a furniture store.

The proposed site plan would replace another one for a development called Kendall Town Center, which was approved in 2004.

Kendall Town Center, designed by [Dorsky + Yue International Architecture](#), was supposed to include a 220-room hotel, 30,000 square feet of office space and 1.35 million square feet of retail space.

[Robert Eckstein](#), a principal of NAI Miami, told The Real Deal five months ago that Howard Hughes Corporation “does a lot of other developments, and I think this one [Kendall Town Center] just got stale on their shelf.” [\[South Florida Business Journal\]](#) – *Mike Seemuth*

# Developer proposes e-commerce distribution hub near Kendall executive airport

Aug 3, 2020, 12:47pm EDT

Ryan Companies US proposed an e-commerce distribution warehouse near Kendall Tamiami Executive Airport.

Miami-Dade County officials received a pre-application for the 9.6-acre site on the west side of Southwest 132nd Avenue, just north of Southwest 136th Street. The site is on the north side of University Credit Union, about four blocks east of the airport.

Ryan Cos., a Minneapolis-based developer, has the vacant property under contract from TCAG LLC. Founded in 1938, the company is a nationwide developer in most sectors of commercial real estate. Its recent projects include an Amazon.com fulfillment center in Tucson, Arizona.

Spokeswoman Kathy Jalivay declined comment.

The company's Kendall project would be an e-commerce hub warehouse of 57,600 square feet that would rise 45 feet, plenty of space to stack goods high. There would be 339 parking spaces, with 105 for personal vehicles and 234 for delivery vans, plus another five spaces for loading box trucks. There would be 10 loading bays in the warehouse.

The application doesn't indicate who the tenant would be, but the facility was clearly designed for a busy delivery service. The architect is BL Cos. Kimley-Horn is the planning firm.

Developers file pre-applications to receive feedback from county officials before submitting official applications.

While many sectors of commercial real estate have been struggling amid the Covid-19 pandemic, industrial centers have done well because more people are buying goods online.

11740 SW 80<sup>th</sup> Street

# MARKET COMPARABLES



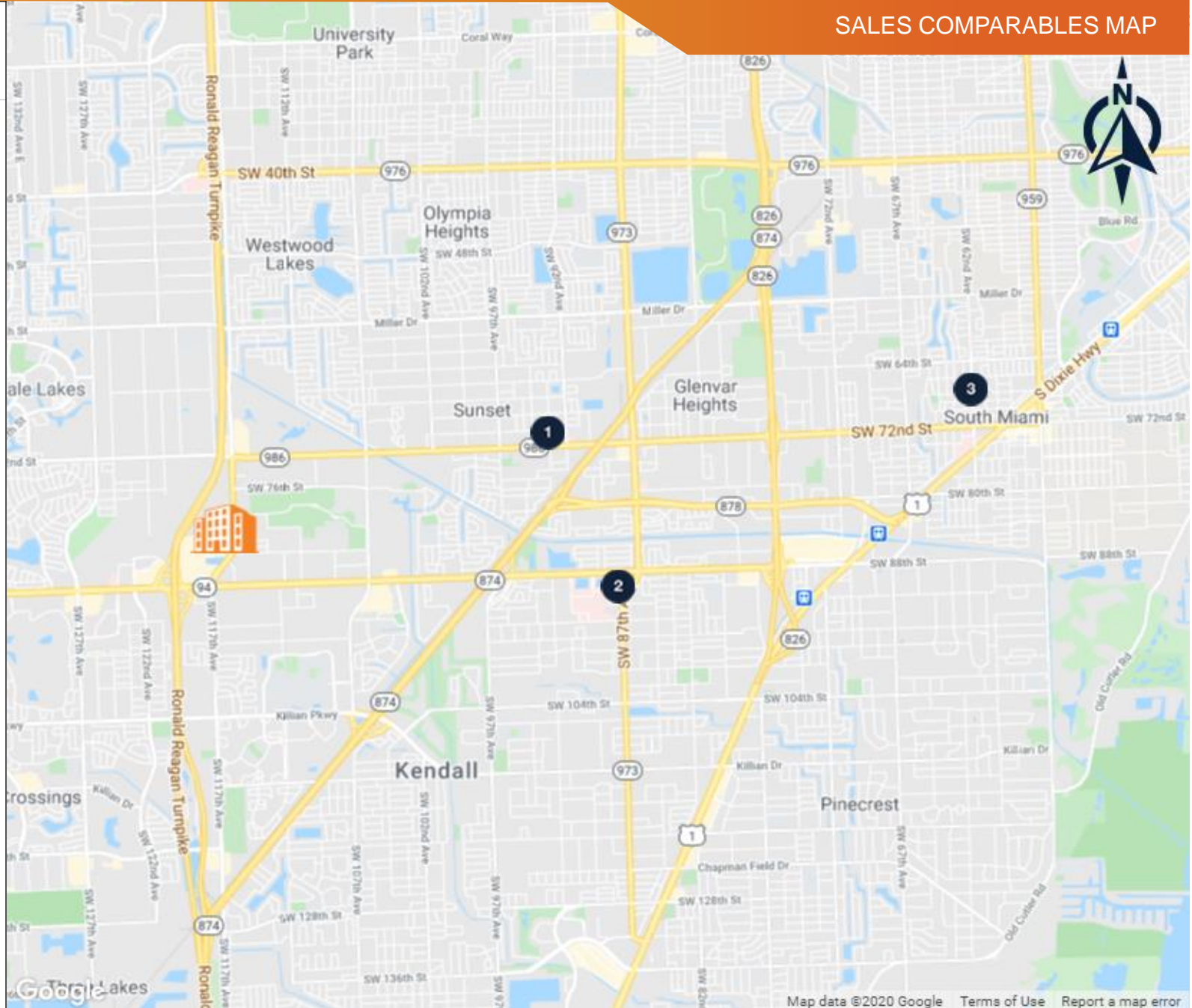


11740 SW 80TH ST  
(SUBJECT)

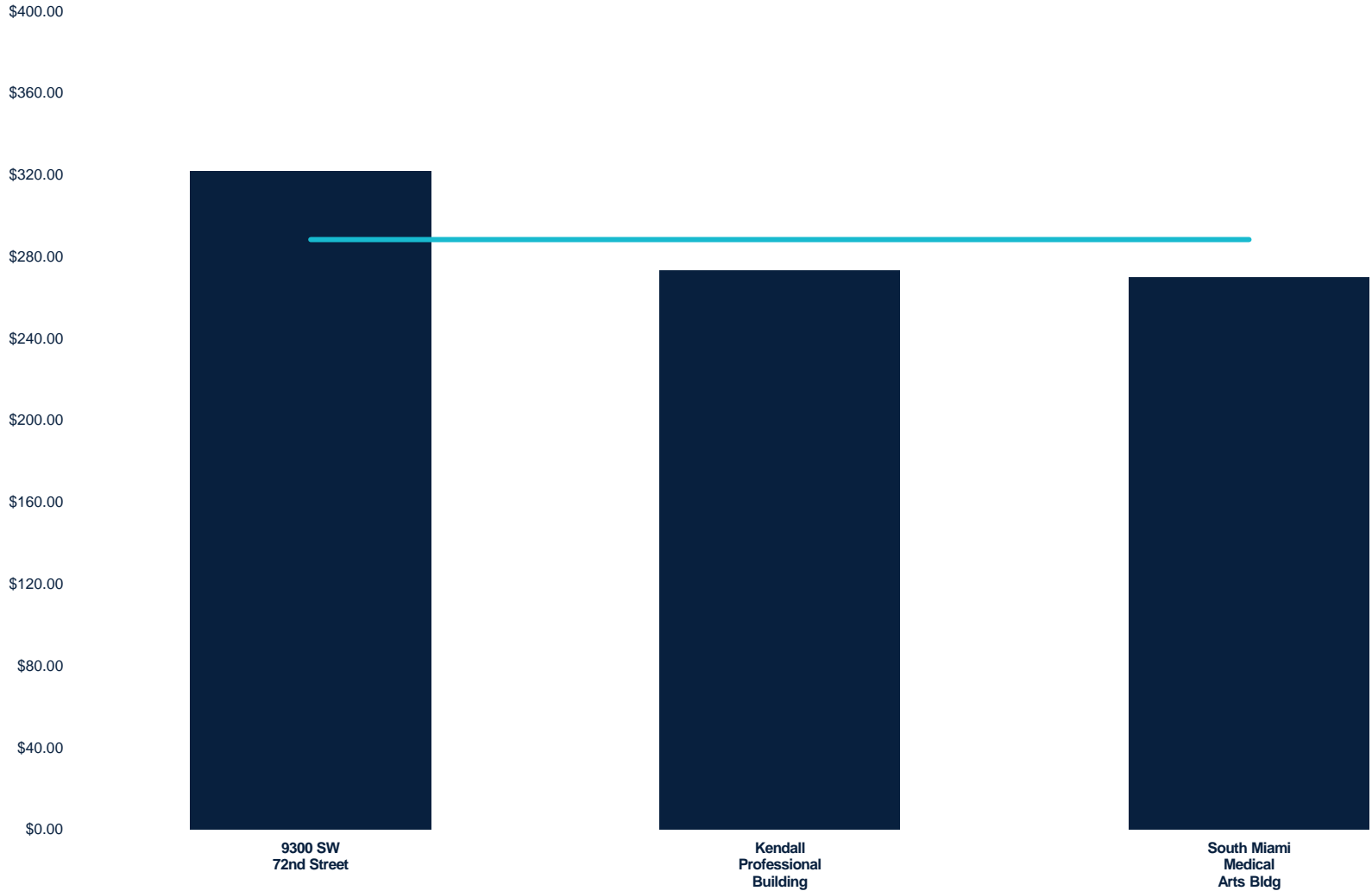
- 1 9300 SW 72nd Street
- 2 Kendall Professional Building
- 3 South Miami Medical Arts Bldg

● SALES COMPARABLES

SALES COMPARABLES MAP



### Average Price Per Square Foot



SALES COMPARABLES

**9300 SW 72ND STREET**  
9300 SW 72nd Street, Kendall , FL, 33173



Close of Escrow	9/5/2018
Sales Price	\$3,300,000
Rentable SF	10,252
Price/SF	\$321.89
Year Built	1996
Occupancy	100%

**KENDALL PROFESSIONAL BUILDING**  
9150 SW 87th Avenue, Miami, FL, 33176



Close of Escrow	1/19/2019
Sales Price	\$6,500,000
Rentable SF	23,798
Price/SF	\$273.13
Year Built	1973
Occupancy	100%

**SOUTH MIAMI MEDICAL ARTS BLDG**  
6201 SW 70th Street, South Miami, FL, 33143

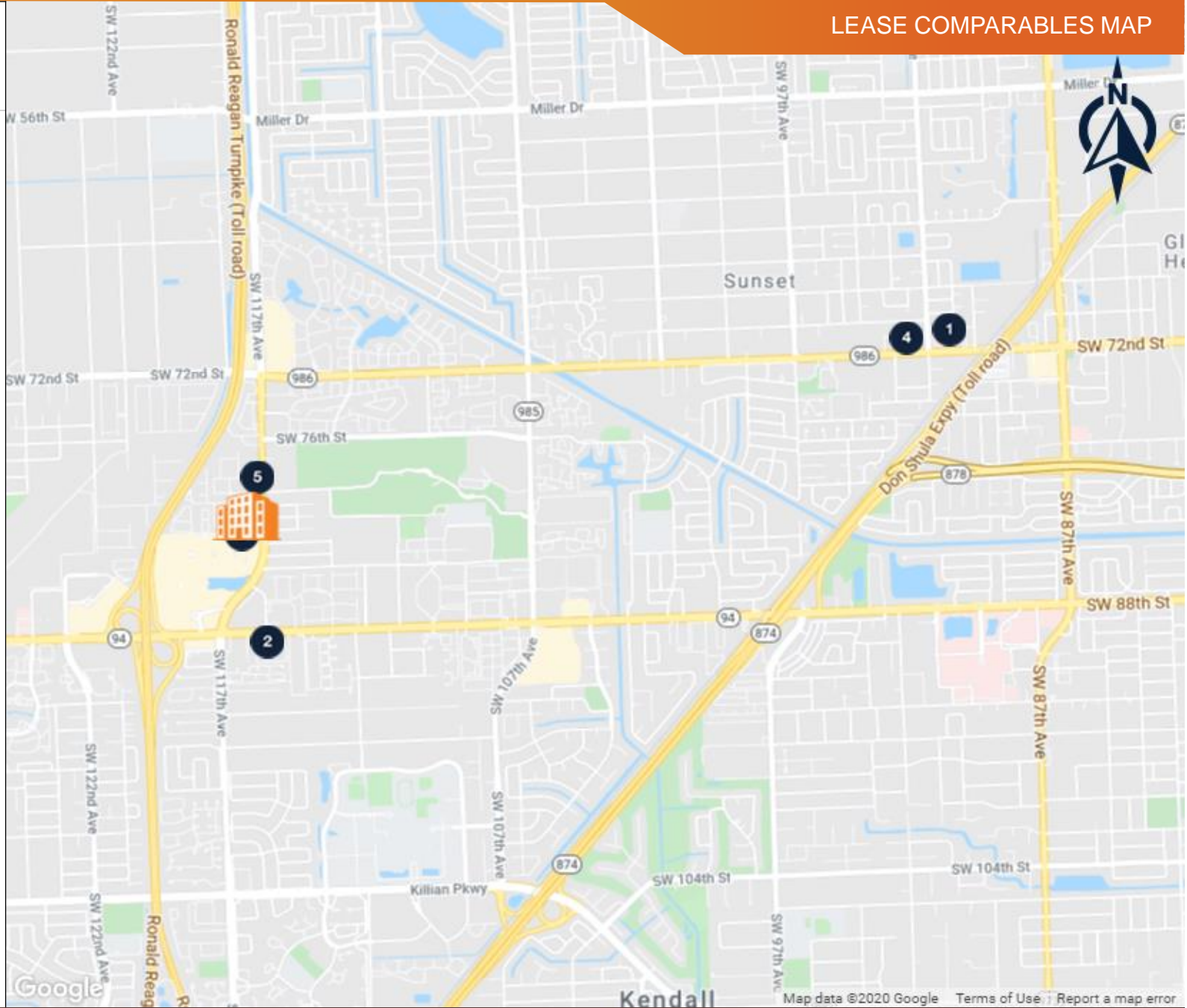


Close of Escrow	10/11/2018
Sales Price	\$5,790,000
Rentable SF	21,455
Price/SF	\$269.87
Year Built	1972
Occupancy	100%

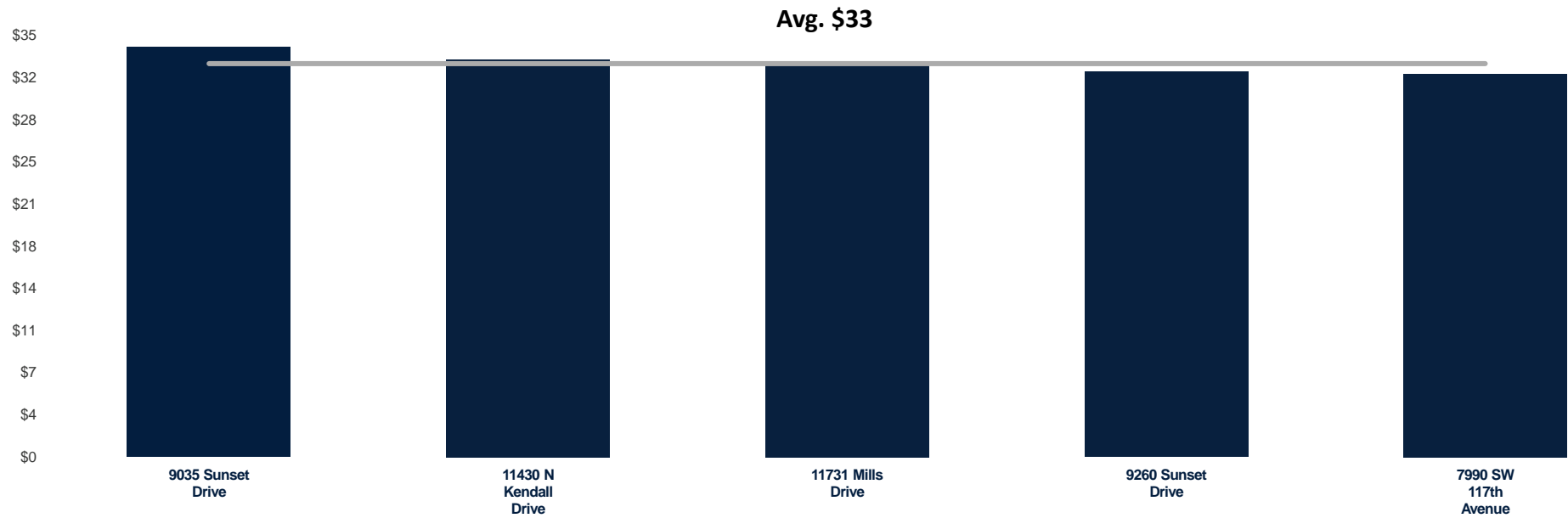


11740 SW 80<sup>th</sup> ST  
(SUBJECT)

- 1 9035 Sunset Drive
- 2 11430 N Kendall Drive
- 3 11731 Mills Drive
- 4 9260 Sunset Drive
- 5 7990 SW 117<sup>th</sup> Avenue



AVERAGE RENT PER SQUARE FOOT



**9035 SUNSET DRIVE**  
9035 Sunset Drive, Miami, FL, 33173



Survey Date	9/11/2020
Rentable SF	36,000
Asking Rent/SF	\$34.00
Year Built	2004
Lease Type	Modified Gross

**11430 N KENDALL DRIVE**  
11430 N Kendall Drive , Miami, FL, 33176



Survey Date	9/11/2020
Rentable SF	35,092
Asking Rent/SF	\$33.00
Year Built	1986
Lease Type	Modified Gross

**11731 MILLS DRIVE**  
11731 Mills Drive , Miami, FL, 33183



Survey Date	9/11/2020
Rentable SF	63,206
Asking Rent/SF	\$32.50
Year Built	2008

**9260 SUNSET DRIVE**  
 9260 Sunset Drive , Miami, FL, 33173



Survey Date	9/11/2020
Rentable SF	22,000
Asking Rent/SF	\$32.00
Year Built	1990
Lease Type	Modified Gross

**7990 SW 117TH AVENUE**  
 7990 SW 117th Avenue , Miami, FL, 33183



Survey Date	9/11/2020
Rentable SF	36,400
Asking Rent/SF	\$31.80
Year Built	1985
Lease Type	Modified Gross

11740 SW 80<sup>th</sup> Street

# FINANCIAL ANALYSIS



## TENANT SUMMARY

As of August,2020

Tenant Name	Suite	Square Feet	% Bldg Share	Lease Dates		Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Lease Type
				Comm.	Exp.				
Lemartec Corporation	101	3,280	16.5%	11/1/19	10/31/21	\$26.01	\$7,110	\$85,317	Modified Gross
Lemartec Corporation	102	3,280	16.5%	11/1/19	10/31/21	\$26.01	\$7,110	\$85,317	Modified Gross
Vacant	201 & 204	3,582	18.0%	-	-	\$0.00	\$0	\$0	Modified Gross
Zignago Glass USA, Inc.	202	1,492	7.5%	8/1/20	12/31/21	\$21.69	\$2,697	\$32,368	Modified Gross
Vacant	203	1,822	9.2%	-	-	\$0.00	\$0	\$0	Modified Gross
Lemartec Corporation	300	6,396	32.2%	11/1/18	10/31/21	\$27.46	\$14,635	\$175,619	Modified Gross
<b>Total</b>		<b>19,852</b>				<b>\$19.07</b>	<b>\$31,552</b>	<b>\$378,621</b>	

## Notes

- Tenant suites are separately metered
- Tenants pay their own utilities & janitorial

## OPERATING STATEMENT

Income	Current		Per SF	Pro Forma		Per SF
Scheduled Base Rental Income	378,621		19.07	595,560		30.00
Expense Reimbursement Income						
Net Lease Reimbursement						
Total Reimbursement Income	\$0	0.0%	\$0.00	\$0	0.0%	\$0.00
Potential Gross Revenue	378,621		19.07	595,560		30.00
General Vacancy	0		0.00	(29,778)	5.0%	(1.50)
Effective Gross Revenue	\$378,621		\$19.07	\$565,782		\$28.50

Operating Expenses	Current		Per SF	Pro Forma		Per SF
Utilities	11,693		0.59	11,693		0.59
Contract Services	21,633		1.09	21,633		1.09
Repairs & Maintenance	10,632		0.54	9,926		0.50
Insurance	18,176		0.92	18,176		0.92
Real Estate Taxes	70,628		3.56	70,628		3.56
Management Fee	11,359	3.0%	0.57	16,973	3.0%	0.85
Total Expenses	\$144,122		\$7.26	\$149,030		\$7.51
Expenses as % of EGR	38.1%			26.3%		
Net Operating Income	\$234,499		\$11.81	\$416,752		\$20.99

## Notes

- Property Taxes are based on proposed value
- Pro forma rents are assumed at \$30/SF Full Service Gross

## PRICING DETAIL

Summary	
Price	\$5,000,000
Down Payment	\$5,000,000
Number of Suites	6
Price Per SqFt	\$251.86
Rentable Built Area (RBA)	19,852 SF
Lot Size	1 Acre
Year Built/Renovated	2008
Occupancy	72.78%

Returns	Current	Pro Forma
CAP Rate	4.69%	8.34%

Operating Data				
Income	Current		Pro Forma	
Scheduled Base Rental Income	\$378,621			\$595,560
Potential Gross Revenue	\$378,621			\$595,560
General Vacancy	0.0%	\$0	5.0%	(\$29,778)
Effective Gross Revenue	\$378,621			\$565,782
Less: Operating Expenses	38.1%	(\$144,122)	26.3%	(\$149,030)
Net Operating Income		\$234,499		\$416,752
Total Return	4.69%	\$234,499	8.34%	\$416,752

Operating Expenses	Current	Pro Forma
CAM	\$43,958	\$43,252
Insurance	\$18,176	\$18,176
Real Estate Taxes	\$70,628	\$70,628
Total Expenses	\$144,122	\$149,030
Expenses/Suite	\$24,020	\$24,838
Expenses/SF	\$7.26	\$7.51

## Notes

- Property Taxes are based on proposed value
- CAM Includes: Utilities, Contract Services, and Repairs & Maintenance
- Pro forma rents are assumed at \$30/SF Full Service Gross

11740 SW 80<sup>th</sup> Street

# MARKET OVERVIEW





## MIAMI-DADE OVERVIEW

Miami-Dade County includes 35 incorporated towns and cities and many unincorporated areas. The 2,400-square-mile county extends from the Florida Everglades east to the Atlantic Ocean. It is bordered to the north by Broward County and to the south by Monroe County. The main portion of the city of Miami lies on the shores of Biscayne Bay and is separated from the Atlantic Ocean by barrier islands, the largest of which holds the city of Miami Beach. The metro, with a population of roughly 2.7 million, is located entirely within Miami-Dade County. Miami is the most populous city, with slightly more than 400,000 residents, followed by Hialeah and Miami Gardens.

### METRO HIGHLIGHTS



#### BUSINESS-FRIENDLY ENVIRONMENT

The metro has no local business or personal income taxes, which attracts businesses and residents to the area.



#### INFRASTRUCTURE GATEWAY

Miami is a gateway for international trading activities and immigration, connecting to ports to the south and beyond.



#### MEDICAL COMMUNITY

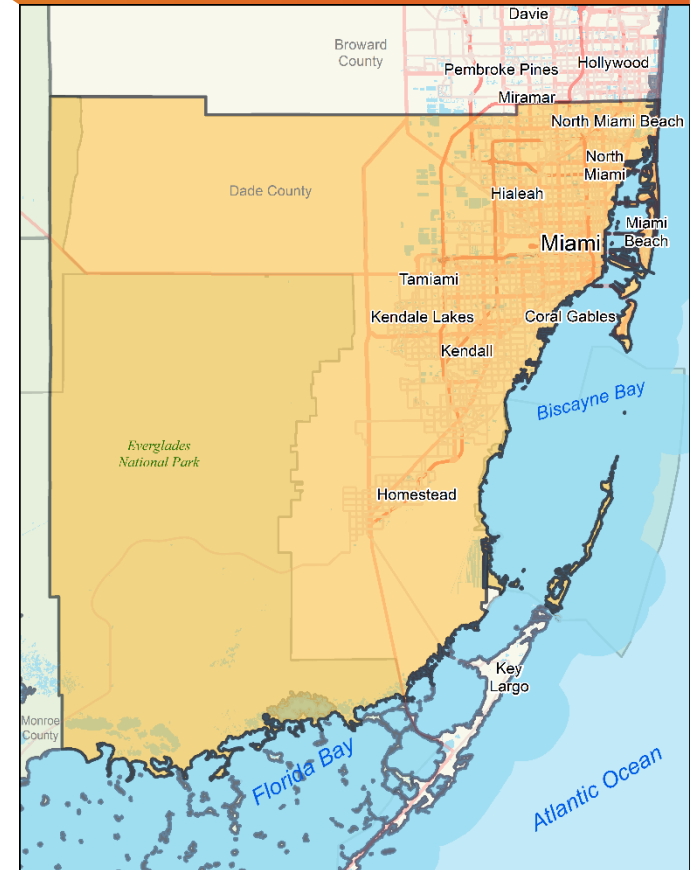
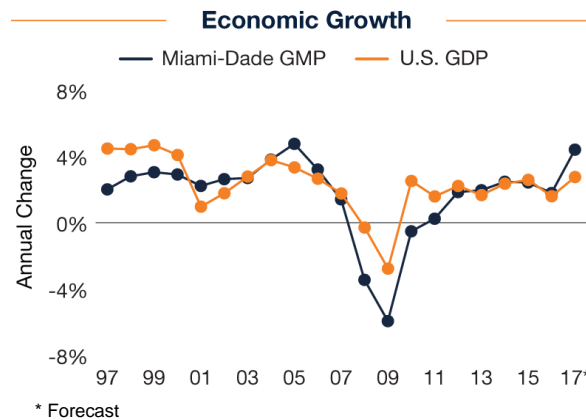
The county contains the largest concentration of medical facilities in Florida, drawing residents needing services throughout the state.



# ECONOMY

- Various industries provide a diverse economy. Trade, international finance, healthcare and entertainment have become major segments in the local business community.
- A strong tourism industry has developed, with ties to Latin America and the Caribbean.
- Tourism and trade depend on a large transportation sector. PortMiami and Miami International Airport are both major contributors to employment and the economy.
- The Miami metro gross metropolitan product (GMP) expansion is expected to outpace the U.S. GDP in 2017 and retail sales for the county are also rising.

MAJOR AREA EMPLOYERS
Baptist Health South Florida
University of Miami
American Airlines
Precisions Response Corp.
Publix Supermarkets
Winn-Dixie Stores
Florida Power & Light Co.
Carnival Cruise Lines
AT&T
Mount Sinai Medical Center



## SHARE OF 2016 TOTAL EMPLOYMENT

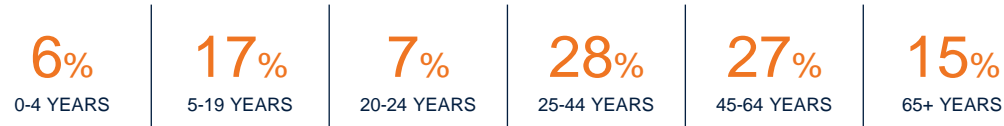




## DEMOGRAPHICS

- The metro is expected to add nearly 140,000 people through 2021. During the same period, approximately 50,000 households will be formed, generating demand for housing.
- The homeownership rate of 54 percent is below the national rate of 64 percent, maintaining a strong rental market.
- The cohort of 20- to 34-year-olds composes 21 percent of the population.

### 2016 Population by Age



## QUALITY OF LIFE

Miami-Dade County has developed into a cosmopolitan urban area offering a vibrant business and cultural community. The metro has an abundance of popular attractions. Miami hosts the Capital One Orange Bowl and is home to several professional sports teams, including the Miami Dolphins, the Miami Marlins and the Miami Heat. The county has a broad array of cultural attractions, historic sites and parks. These include the Adrienne Arsht Center for the Performing Arts, Zoo Miami and Everglades National Park. The region is home to a vibrant and diverse culture, family-friendly neighborhoods, a plethora of shops and restaurants, and beautiful weather and beaches. It also offers easy access to Latin America and the Caribbean.

\* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau



## SPORTS



## EDUCATION



## ARTS & ENTERTAINMENT






## MIAMI-DADE COUNTY

### Small Spaces, Tight Market Ensure Continued Revenue Growth in Sunny Miami

Future growth and opportunity prevalent. The status of Miami-Dade as an international gateway and steady economic growth across the county are fueling corporate expansion, drawing more businesses to migrate. Miami is positioning itself as a major tech hub, fueled by the introduction of the nation's first Microsoft Innovation Center and large leases taken up by WeWork. Construction efforts have been robust in response to growing demand, bringing more square footage to Miami-Dade this year than the last three years combined. Supply increases are unlikely to upend the market as the three biggest buildings set to come online are less than half the size of the largest deliveries of the most recent cycle. Operations will hold strong as a result, bringing office rents countywide above the highs realized in 2008. Employment growth and leasing rates place the local office market in a position to build up supply, more so in the tight Class B/C segment. Roughly two-thirds of office employment in the greater downtown area comes from the professional and business services and financial activities sectors, which have added more than 50,000 workers to the county since 2010.


Robust rent increases providing real gains in revenue to property owners. Deal flow in the recent yearlong period fell slightly from the preceding span as a limited number of available properties have accelerated pricing across Miami-Dade at a substantial clip. Transactions fell off primarily in the private equity segment of the market as a bid/ask spread is developing. Strong institutional activity has placed the average price in the market within striking distance of the highs realized in 2006. Prime areas for investment remain the Brickell and Coral Gables areas for their long-term growth potential, proximity to residential neighborhoods and possible availability of new construction. The Miami Airport submarket garners a great deal of buyer interest as well for its supply of hotels for travelers and quality neighborhoods off the waterfront. Further opportunity exists in site buys, purchases of older office buildings for the purpose of razing and redeveloping the site. Strong rent gains have slowed cap rate compression. Cap rates have hovered in the low-8 percent territory for much of the current cycle with assets near the waterfront in Brickell and the CBD able to fall below 5 percent.

### 2016 Annual Office Forecast



2.1%  
increase  
in total  
employment

**Employment:** Payrolls in Miami-Dade will grow 2.1 percent, or by 23,700 positions, in 2016. The total includes roughly 8,300 office-using posts. Last year, 22,600 jobs were created.




937,000  
sq. ft.  
will be  
completed

**Construction:** Developers will place in service 937,000 square feet in 2016, far surpassing last year's nominal addition to stock. The total includes approximately 230,000 square feet of medical office space.



70  
basis point  
decrease in  
vacancy

**Vacancy:** Job growth will fuel net absorption of nearly 1.5 million square feet in 2016 to slice the vacancy rate 70 basis points to 12.8 percent. A decrease of 80 basis points occurred in 2015.



6.5%  
increase  
in asking  
rents

**Rents:** Rents will maintain a pace of growth in excess of the rate of inflation. Following a 4.2 percent bump in 2015, the average rent will increase 6.5 percent this year to \$32.31 per square foot.

 MIAMI-DADE COUNTY

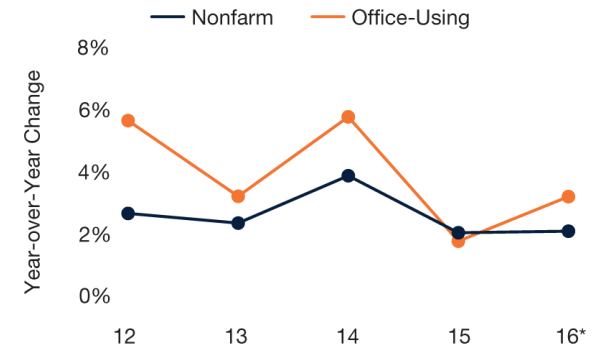
**Economy**

- Employers in Miami-Dade created 21,500 positions in the 12 months ending in the second quarter, marking a slowdown from the preceding year. So far in 2016, approximately 14,000 new hires have been made.
- Elevated travel volume contributed to a gain of 3,900 leisure and hospitality positions since the second quarter last year. An upswing in commercial construction also generated a gain of 5,400 positions in building trades during the period, while manufacturers shed workers.
- Financial services, a principal office-using employment sector, added approximately 3,000 employees in the past year. Headcounts in the sector have expanded nearly 25 percent in the past six years, eclipsing the national increase of only 7.5 percent during the same stretch.
- Outlook: Growth in service sectors, including leisure and hospitality and healthcare, will support an increase of 23,700 positions in the county this year. Last year 22,600 jobs were created.

**Construction**

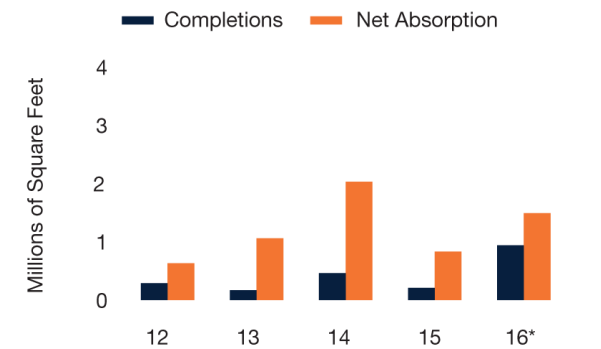
- More than 550,000 square feet of space was completed in Miami-Dade since the second quarter last year. A mere 184,000 square feet came online in the preceding 12-month span.
- Key projects delivered in the first two quarters include Two and Three Brickell Center, comprising an aggregate 267,000 square feet. The properties accounted for more than 190,000 square feet of the total net absorption recorded in the first half.
- An additional 940,000 square feet of space is underway and scheduled for completion next year and beyond. Two Miami Central in downtown Miami and the 246,000-square-foot Waterford at Blue Lagoon are the largest projects slated for delivery next year.
- Outlook: Projects totaling 937,000 square feet will be placed in service this year; only 213,000 square feet was completed in 2015.

**Employment Trends**



\* Forecast  
Sources: Marcus & Millichap Research Services; Bureau of Labor Statistics; Economy.com

**Office Construction Trends**



\* Forecast  
Sources: Marcus & Millichap Research Services; CoStar Group Inc.

 MIAMI-DADE COUNTY

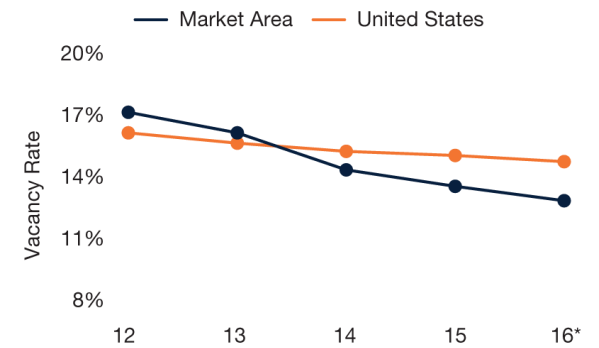
Vacancy

- The vacancy rate of 13.4 percent at the end of the second quarter was 10 basis points less than the year-end 2015 level and 30 basis points less than the rate posted one year earlier. Tenants absorbed 505,000 square feet in the first six months of 2016, accounting for most of the demand recorded in the past 12 months.
- Class A vacancy of 16.4 percent at midyear was 40 basis points less than the level one year ago. Net absorption totaled 415,000 square feet during the period, a decline from nearly 700,000 square feet in the previous year. Class A space was absorbed at the greatest amount in the Brickell submarket, totaling 311,000 square feet over the same time span.
- In the Class B/C segment, the vacancy rate tumbled 30 basis points from the second quarter 2015 to 12.1 percent at midyear. Demand is also slowing in this segment: 324,000 square feet was absorbed in the past year, down from 629,000 square feet in the previous 12 months.
- Outlook: The vacancy rate in Miami-Dade will decline 70 basis points in 2016 to 12.8 percent, the lowest level in the three counties of South Florida. In 2015 the vacancy rate declined 80 basis points.

Rents

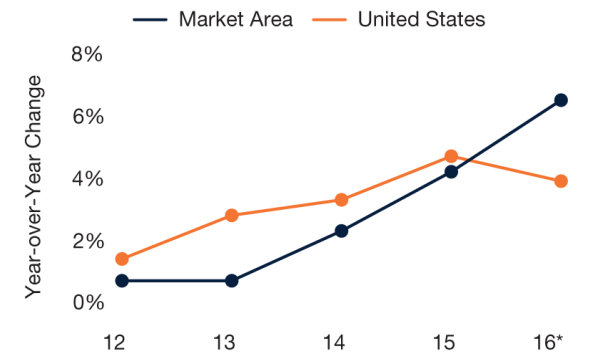
- The average asking rent in Miami-Dade advanced in the first six months of this year. At \$31.61 per square foot, the average rent is also 6.5 percent more than the level recorded at midyear 2015.
- Property owners have consistently pushed rents. Including the increase registered from one year ago, the average rent has climbed more than 13 percent since bottoming in 2011, well in excess of the rate of inflation during that time.
- The decline in the Class B/C vacancy rate over the past year supported a 6.9 percent gain in the average rent for lower-tier space to \$28.06 per square foot. Class A rent averaged \$39.80 per square foot in the second quarter, exceeding the pre-recession peak and marking a gain of 5.6 percent from one year ago.
- Outlook: This year, the average rent for all properties in the county will advance 6.5 percent to \$32.31 per square foot. A 4.2 percent increase was registered last year.

Vacancy Rate Trends



\* Forecast  
Sources: Marcus & Millichap Research Services; CoStar Group Inc.

Rent Trends



\* Forecast  
Sources: Sources: Marcus & Millichap Research Services; CoStar Group Inc.

 MIAMI-DADE COUNTY

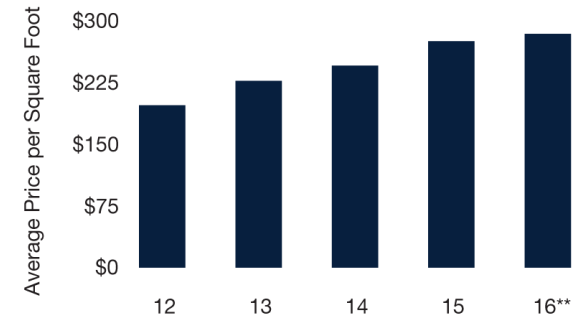
**Sales Trends\*\***

- Transaction velocity remained elevated but was essentially unchanged from one year ago. More institutional deals occurred, but trades in lower price tranches declined. Dollar volume rose substantially, reflecting the greater number of institutional trades.
- Properties sold over the past year carried an average price of \$283 per square foot, or 14 percent more than the average price registered in the preceding year. Although the average price has increased substantially since 2010, it remains about 3 percent less than the prior peak.
- The average cap rate in all deals in Miami-Dade resided from 7.5 percent to the low-8 percent range. Disparities persist based on buyer objective, property size and class.
- Outlook: Low interest rates and access to debt markets will sustain steady deal flow and provide solid transparency on property values in the market. Robust development in the Downtown Miami, Brickell and Miami Airport submarkets over the next 18 months has the potential to drive sales in these areas.

**Medical Office\*\*\***

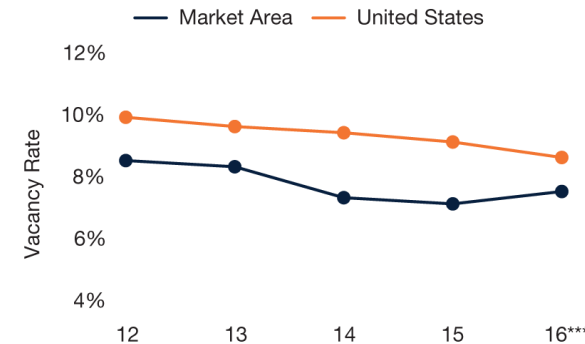
- Buildings totaling 111,600 square feet were delivered in the past 12 months. So far this year, the 71,699-square-foot Rita Gardens in the Miami Airport submarket came online vacant. Space in the property is being marketed for lease at \$28 per square foot.
- Completions exceeded net absorption in the first half of the year, pushing up the vacancy rate 40 basis points from the end of 2015 to 7.5 percent. The average rent was essentially flat during the period but is up nominally from one year ago at \$30.69 per square foot.
- A handful of medical office properties changed hands over the past 12 months. Pricing occupied a wide range, but best-in-class properties typically commanded in excess of \$300 per square foot.
- Outlook: Opportunities to build up stock through development or conversions of competitive space may attract additional capital to the market as healthcare needs grow and hospital systems expand.

**Sales Trends**



\*\* Trailing 12-month period through 2Q16  
Sources: Marcus & Millichap Research Services; CoStar Group, Inc.; Real Capital Analytics

**Medical Office Vacancy**



\*\*\* 2Q16  
Sources: Marcus & Millichap Research Services; CoStar Group, Inc.; Real Capital Analytics

 MIAMI-DADE COUNTY

### Capital Markets

- The 10-year U.S. Treasury has been trading lower, closing below 1.7 percent, since the Federal Reserve decided to leave the federal funds rate unchanged in September. Policymakers left the door open for a rate increase before the end of December and proposed how interest rates could rise over the coming years. The S&P 500 Index and other U.S. equity indexes continue to hover around all-time highs.
- The Federal Open Market Committee is maintaining its existing policy of reinvesting principal payments from its holdings of agency debt and agency mortgage-backed securities and rolling over maturing Treasury securities at auction. It anticipates doing this until normalization of the level of the federal funds rate is well underway. The committee anticipates holding longer-term securities at sizable levels should help maintain accommodative financial conditions.
- Interest rate volatility has moved over to the commercial loan markets and 10-year fixed-rate loans are now pricing between 3.9 and 4.4 percent. Loan to values range from 60 to 75 percent for commercial properties depending on location, as underwriters remain competitive in an effort to do business. Floating-rate bridge loans for stabilized assets will require LTVs of 70 percent and price with a spread between 275 and 425 basis points over Libor, while repositioning will be underwritten at 80 percent LTV with a 375- to 475-basis-point spread.
- A Federal Reserve survey of lenders indicates that commercial real estate loan standards tightened in the second quarter. Debt providers are likely seeking to balance risk exposure to commercial real estate and take a more conservative lending approach while the current cycle matures, rather than expressing a bearish outlook on commercial property. Some of the greatest tightening occurred for construction loans, a trend that may potentially prevent some early-stage developments from advancing and ultimately minimize the upward pressure of new supply on vacancy rates.

### Local Highlights

- Properties scheduled to come online in the second half of this year primarily consist of a mix of Class A and Class B properties each measuring less than 50,000 square feet. Two medical office buildings are also on tap: a 46,000-square-foot property in Pinecrest and Mercy Medical Arts near the Mercy Medical complex in Coconut Grove.
- Approximately 310,000 square feet of Class A space was absorbed in the Brickell submarket over the past 12 months, including nearly 200,000 square feet so far this year. Class A vacancy of 16.7 percent in the submarket in the second quarter is 190 basis points less than the level of a year ago. The average rent for high-end space rose 6.2 percent year over year.
- Negative net absorption pushed up the vacancy rate in Coral Gables 110 basis points since the second quarter last year to 12.8 percent at midyear 2016. Two new properties will bring a total of 117,000 square feet to the submarket in the second half of this year. Currently, the buildings are 42 percent pre-leased.

Created on September 2017

POPULATION	1 Miles	3 Miles	5 Miles
■ 2021 Projection			
Total Population	18,235	182,918	511,224
■ 2016 Estimate			
Total Population	17,475	180,076	491,488
■ 2010 Census			
Total Population	16,694	171,499	463,266
■ 2000 Census			
Total Population	15,667	171,228	437,493
■ Current Daytime Population			
2016 Estimate	18,162	152,901	440,641
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2021 Projection			
Total Households	7,006	63,922	169,298
■ 2016 Estimate			
Total Households	6,605	62,579	162,439
Average (Mean) Household Size	2.55	2.85	2.98
■ 2010 Census			
Total Households	6,307	59,620	153,499
■ 2000 Census			
Total Households	5,687	58,533	144,317
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2016 Estimate			
\$200,000 or More	4.68%	4.18%	4.72%
\$150,000 - \$199,999	4.51%	5.65%	5.45%
\$100,000 - \$149,000	12.36%	13.68%	13.61%
\$75,000 - \$99,999	14.17%	13.17%	12.90%
\$50,000 - \$74,999	21.77%	19.93%	19.47%
\$35,000 - \$49,999	14.64%	14.20%	13.86%
\$25,000 - \$34,999	8.15%	9.27%	9.54%
\$15,000 - \$24,999	8.76%	9.98%	9.99%
Under \$15,000	10.10%	9.77%	10.19%
Average Household Income	\$76,953	\$78,835	\$80,210
Median Household Income	\$57,269	\$57,189	\$56,806
Per Capita Income	\$29,271	\$27,461	\$26,643

POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2016 Estimate Total Population	17,475	180,076	491,488
Under 20	19.94%	21.15%	22.03%
20 to 34 Years	22.37%	19.95%	19.88%
35 to 39 Years	6.69%	6.26%	6.20%
40 to 49 Years	14.15%	14.74%	15.11%
50 to 64 Years	20.12%	20.86%	20.54%
Age 65+	16.71%	17.03%	16.26%
Median Age	40.73	41.92	41.38
■ Population 25+ by Education Level			
2016 Estimate Population Age 25+	12,759	129,927	348,198
Elementary (0-8)	4.52%	6.58%	6.19%
Some High School (9-11)	7.01%	7.69%	8.53%
High School Graduate (12)	26.24%	24.65%	26.03%
Some College (13-15)	14.71%	16.34%	16.32%
Associate Degree Only	9.80%	10.75%	9.99%
Bachelors Degree Only	23.23%	21.27%	20.60%
Graduate Degree	13.55%	11.56%	10.98%



Source: © 2016 Experian

Created on September 2017

POPULATION BY TRANSPORTATION TO WORK	1 Miles	3 Miles	5 Miles
■ 2016 Estimate Total Population			
Bicycle	0.03%	0.16%	0.17%
Bus or Trolley Bus	3.20%	1.47%	1.85%
Carpooled	11.21%	9.92%	9.00%
Drove Alone	77.09%	80.72%	81.55%
Ferryboat	0.00%	0.00%	0.00%
Motorcycle	0.05%	0.13%	0.14%
Other Means	0.15%	0.75%	0.83%
Railroad	0.14%	0.14%	0.15%
Streetcar or Trolley Car	0.00%	0.05%	0.04%
Subway or Elevated	1.42%	0.91%	0.79%
Taxicab	0.00%	0.02%	0.01%
Walked	1.98%	1.23%	1.31%
Worked at Home	4.71%	4.50%	4.15%
POPULATION BY TRAVEL TIME TO WORK	1 Miles	3 Miles	5 Miles
■ 2016 Estimate Total Population			
Under 15 Minutes	14.72%	11.68%	11.93%
15 - 29 Minutes	29.03%	29.62%	28.40%
30 - 59 Minutes	29.51%	34.27%	35.11%
60 - 89 Minutes	12.20%	10.54%	10.79%
90 or More Minutes	1.77%	2.24%	2.62%
Worked at Home	4.71%	4.50%	4.15%
Average Travel Time in Minutes	35	36	36





### Population

In 2016, the population in your selected geography is 17,475. The population has changed by 11.54% since 2000. It is estimated that the population in your area will be 18,235.00 five years from now, which represents a change of 4.35% from the current year. The current population is 45.60% male and 54.40% female. The median age of the population in your area is 40.73, compare this to the US average which is 37.68. The population density in your area is 5,571.03 people per square mile.



### Households

There are currently 6,605 households in your selected geography. The number of households has changed by 16.14% since 2000. It is estimated that the number of households in your area will be 7,006 five years from now, which represents a change of 6.07% from the current year. The average household size in your area is 2.55 persons.



### Income

In 2016, the median household income for your selected geography is \$57,269, compare this to the US average which is currently \$54,505. The median household income for your area has changed by 29.30% since 2000. It is estimated that the median household income in your area will be \$64,837 five years from now, which represents a change of 13.21% from the current year.

The current year per capita income in your area is \$29,271, compare this to the US average, which is \$29,962. The current year average household income in your area is \$76,953, compare this to the US average which is \$78,425.



### Race and Ethnicity

The current year racial makeup of your selected area is as follows: 89.28% White, 3.68% Black, 0.01% Native American and 2.39% Asian/Pacific Islander. Compare these to US averages which are: 70.77% White, 12.80% Black, 0.19% Native American and 5.36% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 77.01% of the current year population in your selected area. Compare this to the US average of 17.65%.



### Housing

The median housing value in your area was \$230,305 in 2016, compare this to the US average of \$187,181. In 2000, there were 3,283 owner occupied housing units in your area and there were 2,404 renter occupied housing units in your area. The median rent at the time was \$744.



### Employment

In 2016, there are 10,120 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 75.95% of employees are employed in white-collar occupations in this geography, and 24.72% are employed in blue-collar occupations. In 2016, unemployment in this area is 7.03%. In 2000, the average time traveled to work was 35.00 minutes.

