



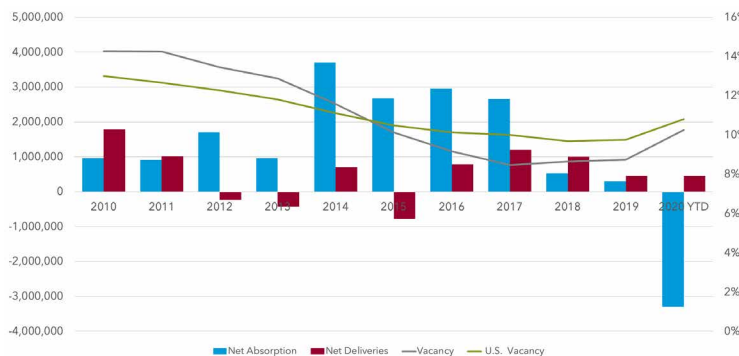
### OFFICE MARKET OVERVIEW

ELIAS PORRAS, SIOR, *Principal*

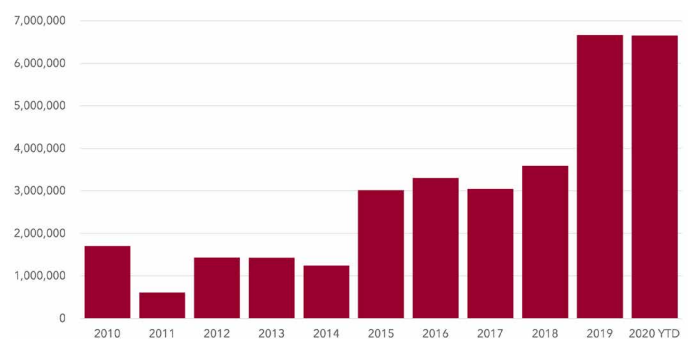
South Florida's absorption turned negative in consecutive quarters for only the second time in the last 11 years. Rent growth continues to decelerate, and quarterly investment volume is about 60% lower than at this point last year. Annual rent growth was healthy heading into the downturn, averaging between 3%-5% over the past two years. While still positive, the pace of growth in the Q3 has significantly decelerated from the start of the year as buildings sit mostly empty and landlords have lost some pricing power as tenants consider space needs going forward. With nearly 4 million SF in the supply pipeline and lingering uncertainty regarding the economy, South Florida will likely face several quarters of rising vacancy.

MARKET INDICATORS	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
▼ Net Absorption	(1,568,561) SF	(1,001,211) SF	(332,913) SF	(390,132) SF	838,095 SF
▲ Vacancy Rate	9.6%	8.9%	8.5%	8.4%	8.2%
▲ Avg NNN Asking Rate	\$30.82 PSF	\$30.76 PSF	\$30.24 PSF	\$29.86 PSF	\$28.82 PSF
▼ Under Construction	6,683,292 SF	7,039,640 SF	6,877,733 SF	6,665,818 SF	6,305,468 SF
▲ Inventory	237,695,336 SF	237,317,812 SF	237,388,876 SF	237,265,575 SF	237,018,106 SF

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
78 & 98 SE 7th St Miami, FL	260,000 SF	\$163,000,000 \$627.00 PSF	Northwood Investors Swire Properties	Class A
6451 N Federal Hwy Fort Lauderdale, FL	413,813 SF	\$82,500,000 \$199.00 PSF	Somerset Prop JV Westminster Cap Bridge Commercial Real Estate	Class A
3870 Kyoto Gardens Drive Palm Beach Gardens, FL	223,942 SF	\$80,000,000 \$357.00 PSF	Gatsby Ent JV Master Mind LLC DiVostsa Investments, LLC	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5875 NW 163rd St Miami Lakes, LF	39,971 SF	Miami Lakes AM LLC	Southeastern College	Education
3201 W Commercial Blvd Fort Lauderdale, FL	31,438 SF	YMP Real Estate Management	Department of Juvenile Justice	Government
8095 NW 12th St Doral, FL	22,277 SF	Adler Realty Services	Undisclosed	Undisclosed

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