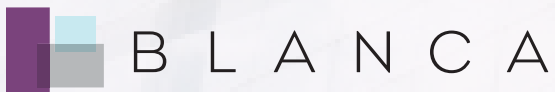


MID-YEAR 2020

MIAMI OFFICE MARKET SNAPSHOT & OUTLOOK



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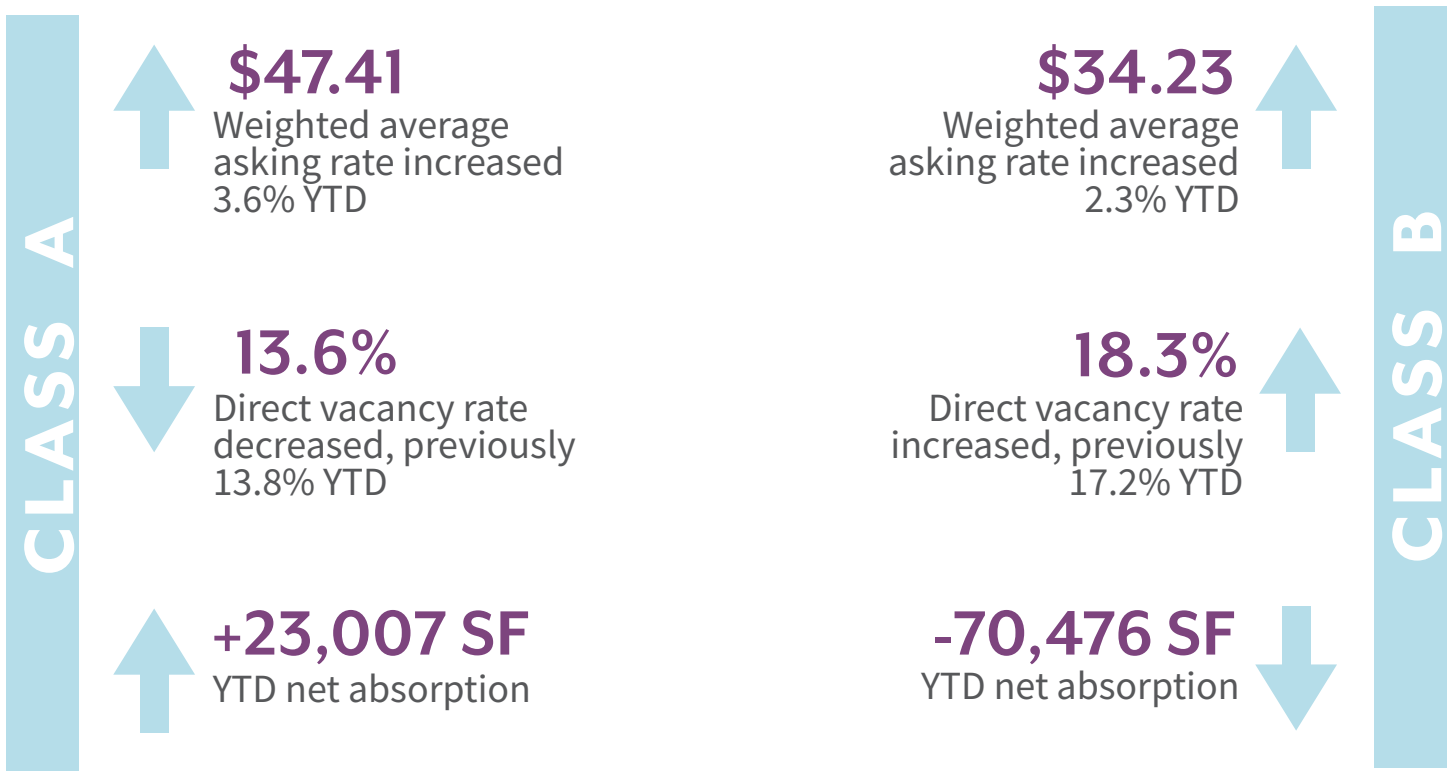
EXECUTIVE SUMMARY

At mid-year, Miami-Dade's office market remained relatively stable with slight growth in both the weighted average asking and direct vacancy rates. Although overall leasing activity lagged year-to-date compared to the five-year historical average, the metro area experienced heightened demand from out-of-market companies looking to establish a corporate presence in Miami. New-to-market completed transactions totalled approximately 143K SF (nearly 40% more than mid-year 2019). The majority of these transactions were in negotiations pre-Covid-19. Flight-to-quality remains evident with Class A outperforming Class B; a trend expected to drive leasing velocity of top-quality product as tenants seek to align with new workplace standards.

The Covid-19 pandemic continues to create global uncertainty and recent case spikes in the local market temporarily slowed deal pace flow and led companies to re-evaluate their use of space. As companies further define their future office space needs, an increase of sublet/shadow spaces, corporate consolidations and demand for satellite offices are all expected to impact Miami's office market dynamics, but we expect Miami's office market fundamentals to remain steady through year-end. There is a substantial pipeline of companies both local and new-to-market currently evaluating office space options across the Miami market with many advancing in negotiations to acquire space. Miami's continued global appeal as a wellness focused, live-work-play environment with a diversifying economy, business friendly incentives, and a multicultural, multilingual, educated workforce will continue to drive deal activity.

MIAMI-DADE BY THE NUMBERS 2Q 2020

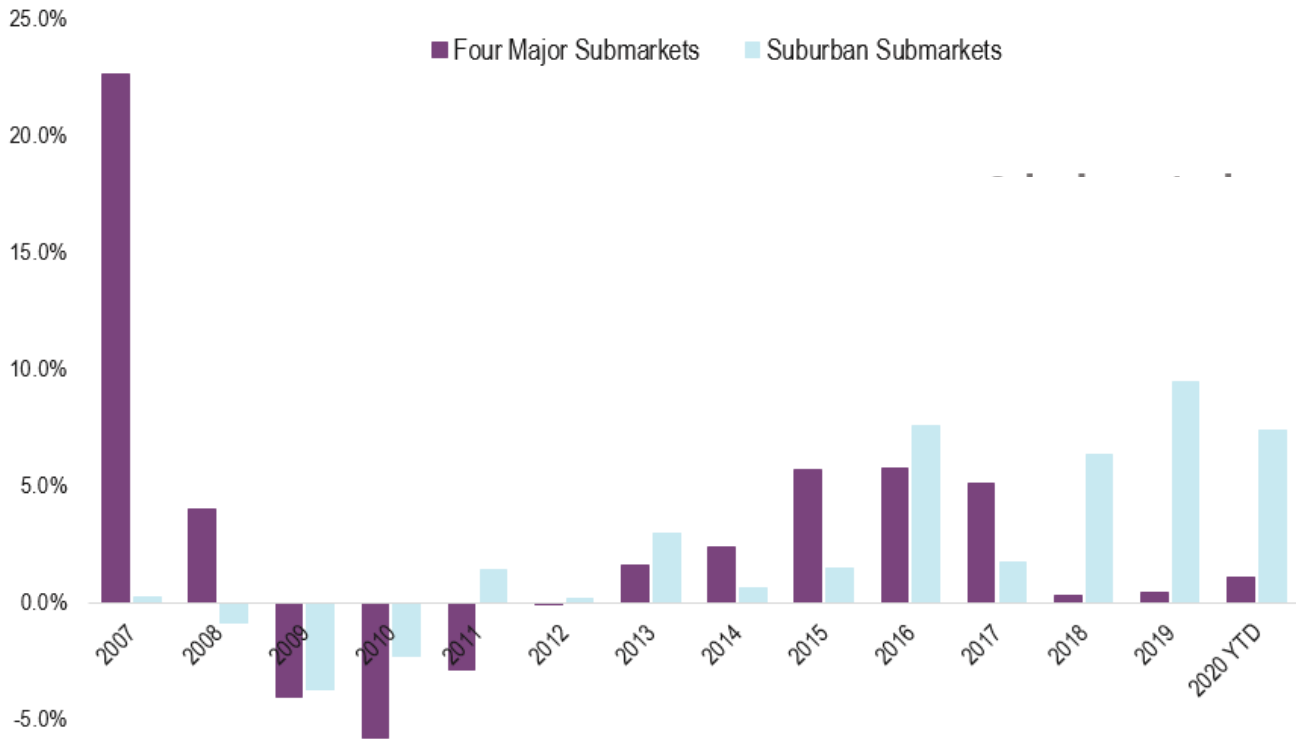
CLASS A & B MULTI-TENANT OFFICE BUILDINGS > 50,000 SF





ASKING RATE

PERCENTAGE CHANGE IN WEIGHTED AVERAGE ASKING RATE MIAMI-DADE MAJOR SUBMARKETS VS SUBURBAN MARKETS



Year-to-date, Miami-Dade’s overall Class A and B weighted average asking rate increased 2.3% to nearly \$41.00 PSF mostly driven by rate increases in Class A buildings in select submarkets. Downtown and Biscayne Corridor recorded significant increases, 5.1% and 7.2% respectively. In Downtown, the weighted average asking rate grew at Southeast Financial Center by 10.3%, year-to-date, to \$59.30 PSF following significant leasing by Morgan Stanley.

Newly delivered Class A office building, Milton Tower (new HQ for Icahn Enterprises), set a new rent threshold in the Northeast Dade submarket with asking rates approximately \$57.00 PSF. However, Coconut Grove had the most substantial increase in Class A weighted average asking rate year-to-date by 18% to \$53.63 PSF mainly due to The Optimum’s delivery impacting the submarket’s overall weighted average rate. Coconut Grove’s

renaissance has fuelled heightened interest in Coconut Grove as an office submarket. One Cocowalk is now significantly pre-leased to various tenants and is expected to deliver in the 3rd quarter of 2020.

Brickell achieved Miami’s Class A Tier I market leading weighted average asking rate at \$63.17 PSF, with select top assets north of \$65.00 PSF.

Class B rates held steady across submarkets with slight decreases in Brickell and Coral Way, -3.0% and -7.8%, respectively.

As companies that are returning to the workplace post Covid-19 prioritize state-of-the-art building systems, wellness, and tech-driven offerings, increased demand and rates for Class A space and newly renovated Class B buildings are expected to hold steady.

VACANCY & NET ABSORPTION

At the end of the second quarter, Miami-Dade Class A and B buildings experienced a minor increase in direct vacancy to 15.5%, up from 15.2% and the market recorded 47K SF of negative net absorption year-to-date. Coral Gables and Miami Airport drove the most impactful increases in direct vacancy, 12.7% and 17.5% respectively, due to tenants relocating across various submarkets such as Rialto Capital and Telefonica and into single-tenant buildings such as Alvarez, Feltman, DaSilva & Costa PL and Shechter & Everett LLP. Although the Northeast Dade and Coconut Grove submarkets experienced record asking rates, each saw an increase in direct vacancy due to new supply in Northeast Dade (delivery of Milton Tower with 75K SF not pre-leased) and in Coconut Grove (The Optimum delivery with 29K SF not pre-leased) in addition to tenants right-sizing.

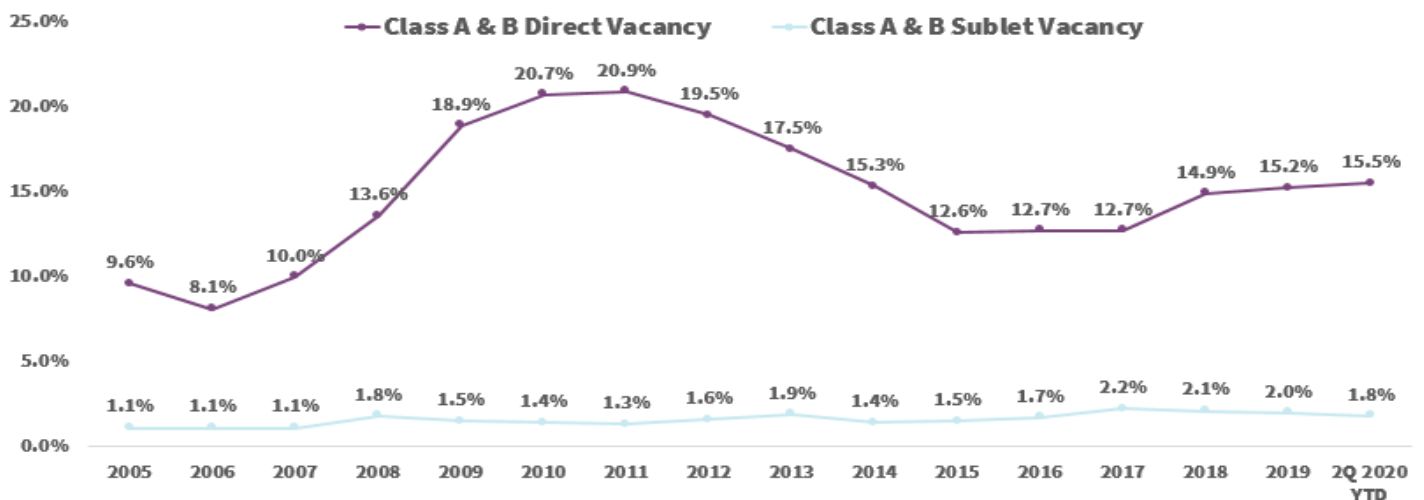
Sublease inventory continued to decline at the close of the second quarter representing 1.8% of

the total office inventory (675 K SF). However, we expect the delays returning to the workplace and uncertainties of the pandemic's impact on the economy to drive an uptick in the supply of sublease space across the Miami market. Companies currently listing available sublet space are from a diverse array of industries and across various submarkets with spaces ranging as small as 1K up to 80K SF (largest sublet space is by Carlton Fields which will become direct available space in 2Q 2021).

We remain cautiously optimistic that these office market dynamics will be offset by the increasing demand of new-to-market companies taking interest in the Miami market and the expansion of tenants within industries that have not been negatively impacted by the pandemic.

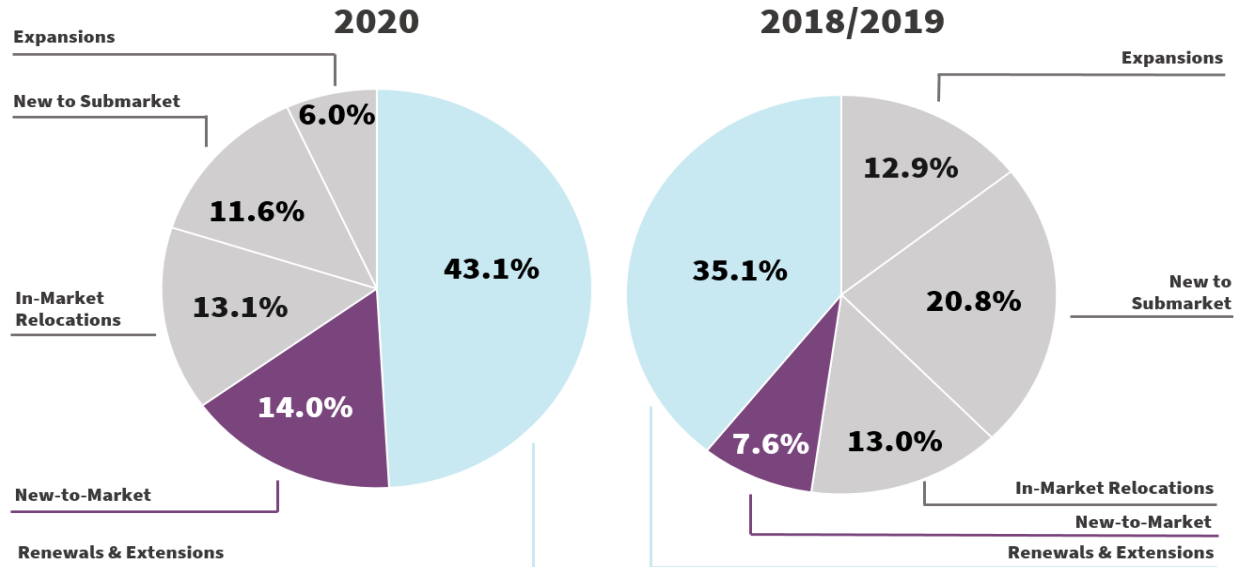
HISTORICAL MIAMI-DADE SUBLET & DIRECT VACANCY RATES

CLASS A & B MULTI-TENANT OFFICE BUILDINGS > 50,000 SF



LEASING ACTIVITY & DEMAND

LEASING ACTIVITY BY TYPE OF TRANSACTION YTD 2020 COMPARISON VS YTD 2018/2019 AVERAGE



The first half of the year, Miami-Dade recorded more than 1.0M SF of completed lease transactions, a 27% decrease when compared to the five-year historical year-to-date average (1.4M SF). Leasing activity slowed down towards the end of the 1st quarter and into the beginning of the 2nd quarter due to companies adopting the “wait and see” approach. In May, when stay-at-home orders were lifted in Miami, touring and leasing activity resumed, but then slowed again when Covid-19 cases spiked in June. We expect leasing activity to increase as Covid-19 cases decline.

According to a recent report, Miami ranked #10 in CNBC’s “Best U.S. Cities for Jobs, Even Amid the Coronavirus Pandemic” based on economics, quality of life, and estimated impact of Covid-19. Evidencing Miami’s continued appeal, new-to-market captured 14.0% of total completed lease transactions as compared to 5.6% YTD in 2019 and 10.3% YTD in 2018. There is continued demand by new-to-market companies with 160K SF (20 companies) currently touring the market, primarily within financial services including hedge funds and wealth management, professional services, and technology industry sectors (47% of total tenants in the market).

Robust renewal activity contributed to 42% of total year-to-date leasing activity; a trend expected to continue through year-end as companies seek to avoid additional disruption to their businesses. Local and regional companies prioritized their office requirements which led to many recommitting at their existing locations. Major lease extensions included Banco Sabadell, Discovery Channel, and Origis Energy totaling 95K SF.

NEW DEVELOPMENTS UNDERWAY

Despite the pandemic, new office deliveries remained mostly on schedule. This quarter, Milton Tower, the first Class A office tower in the Northeast Dade submarket, delivered 102K SF (27% pre-leased to new-to-market entrant Icahn Enterprises) Additionally, 2.7M SF of new supply is underway, 44% (1.2M SF), of which is expected to deliver by year-end 2020 across various submarkets including The Plaza Coral Gables (455K SF; 20% pre-leased).



OFFICE OUTLOOK



As we kick off the second half of 2020, we expect Miami's office market to remain stable with modest up-tick in leasing activity through year-end. According to the Florida Department of Economic Opportunity May 2020 demonstrated modest improvements (+2.5%) towards economic recovery with 300K payroll jobs added back to the market. Throughout the pandemic Miami's unemployment rate has remained

below the U.S. rate at 3.7% compared to 4.5% in March prior to the pandemic and most recently at 11.3% compared to 13.0%. Leisure and Hospitality, Retail Trade, and Education & Health Services were the industries most affected by job loss; whereas Information, Financial Services, and Government jobs remained stable and will likely drive positive impact within the office sector. South Florida's technology sector has grown significantly with nearly 15K tech jobs added (28% growth over five years) and ranked as the 8th fastest growing metro-area for Tech Labor Pool Growth Rate.

As a result of the extended work-from-home norms due to the Covid-19 pandemic and pressure to adhere to new workplace standards, tenants will put a strong focus on defining their future office needs. According to surveys by world renowned architect, Gensler, and international consulting firm, McKinsey, users will leverage the best of both in-person and remote work to harness culture, collaboration, and mentorship. Pent-up demand for office space combined with heightened interest in Miami from out-of-market users will drive positive results for the office market over the next 12 to 18 months.

TRENDS TO WATCH:



Rents will remain steady, but concessions will be more aggressive



Health focused and progressive buildings will capture premium rents and credit tenants



Establish office capacity based on social distancing and flexible in-person schedule options for employees



Increase in satellite offices



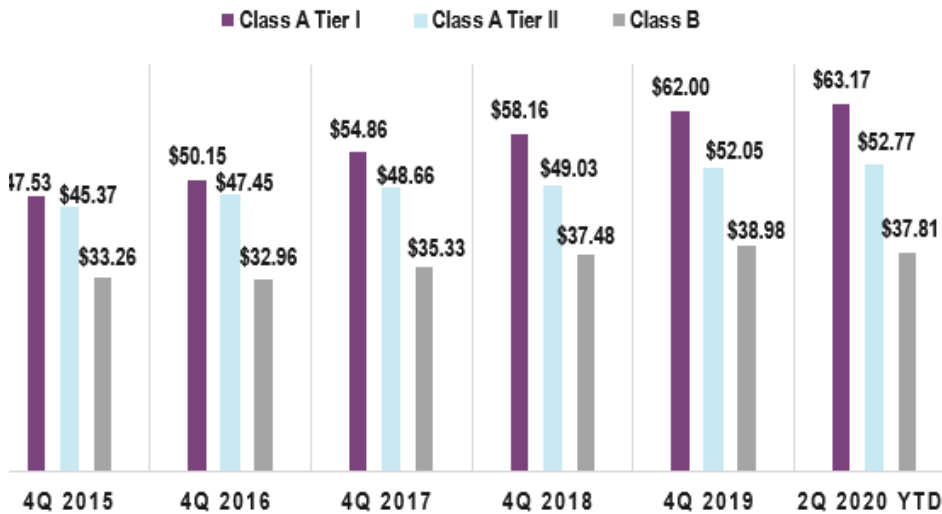
The reimagined workplace will focus on smart building applications, touchless experiences, and health and wellness protocols

BRICKELL

2Q 2020 YTD | CLASS A & B > 50,000 SF

2Q 2020 CLASS A & B HIGHLIGHTS

WEIGHTED AVERAGE ASKING RATE (FS PSF)



\$48.42
Weighted average asking rate decreased 0.5% YTD

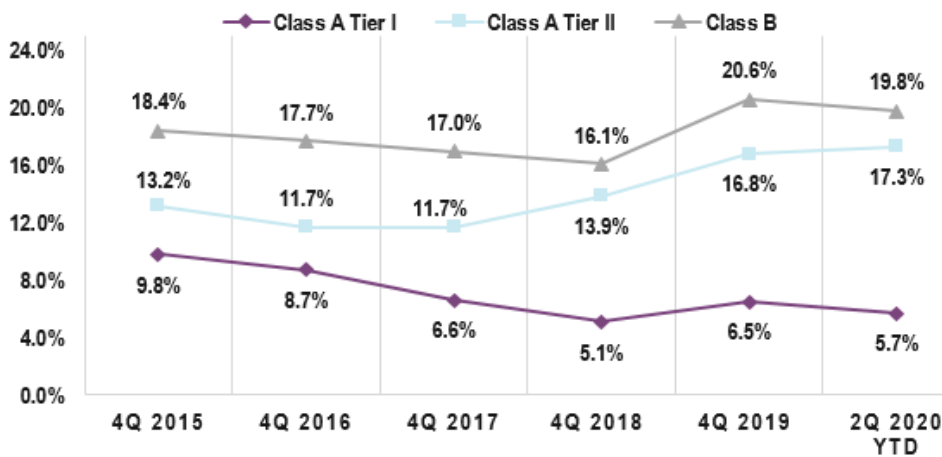
12.4%
Direct vacancy decreased, previously 12.9% YTD

+12,901 SF
YTD net absorption

650,000 SF
Under construction at 830 Brickell

173,806 SF
YTD direct leasing activity

DIRECT VACANCY RATE



NOTABLE RECENT LEASE TRANSACTIONS



52,000 SF
1111 BRICKELL
Renewal



13,800 SF
800 BRICKELL
Renewal

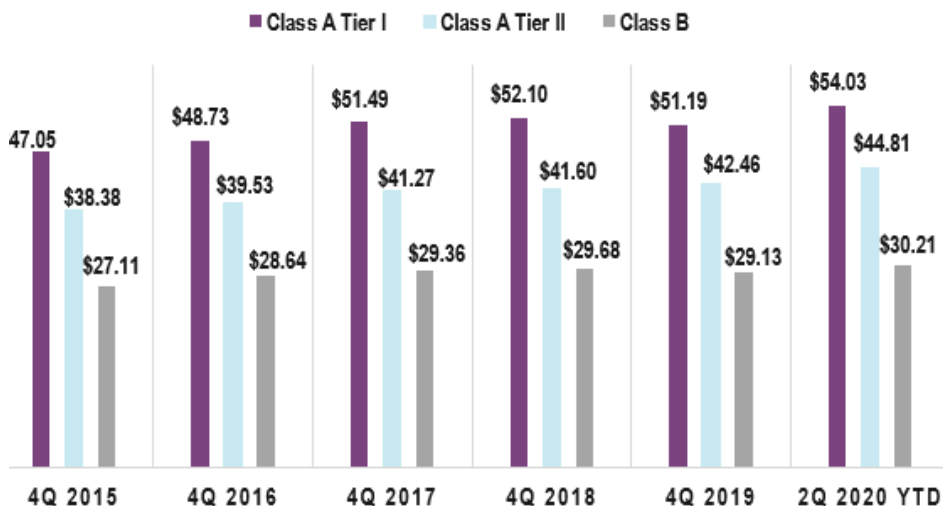


11,000 SF
1001 BRICKELL BAY
Renewal

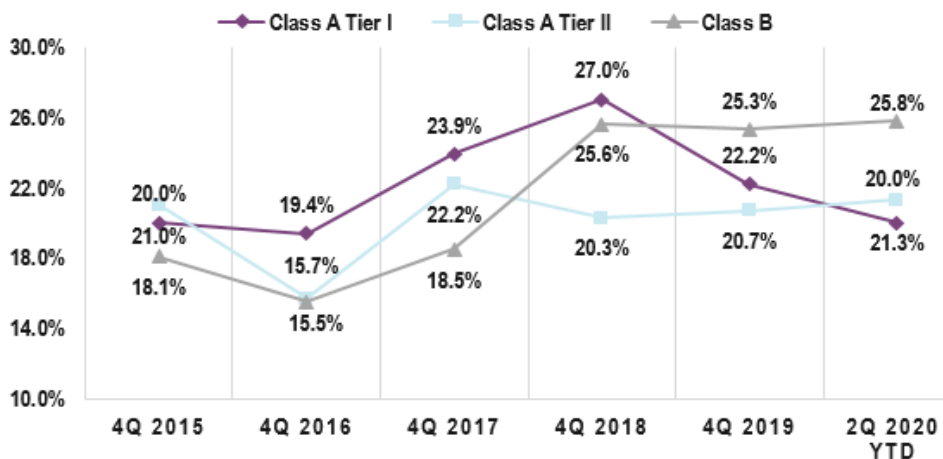
DOWNTOWN

2Q 2020 YTD | CLASS A & B > 50,000 SF

WEIGHTED AVERAGE ASKING RATE (FS PSF)



DIRECT VACANCY RATE



2Q 2020 CLASS A & B HIGHLIGHTS

\$43.06

Weighted average asking rate increased 4.3% YTD

22.2%

Direct vacancy decreased, previously 22.8% YTD

+6,303 SF

YTD net absorption

0 SF

Under construction

266,361 SF

YTD direct leasing activity

NOTABLE RECENT LEASE TRANSACTIONS



111,000 SF
SOUTHEAST FINANCIAL CENTER
 Relocation & Expansion



24,500 SF
WELLS FARGO CENTER
 Downsize & New to Submarket Relocation



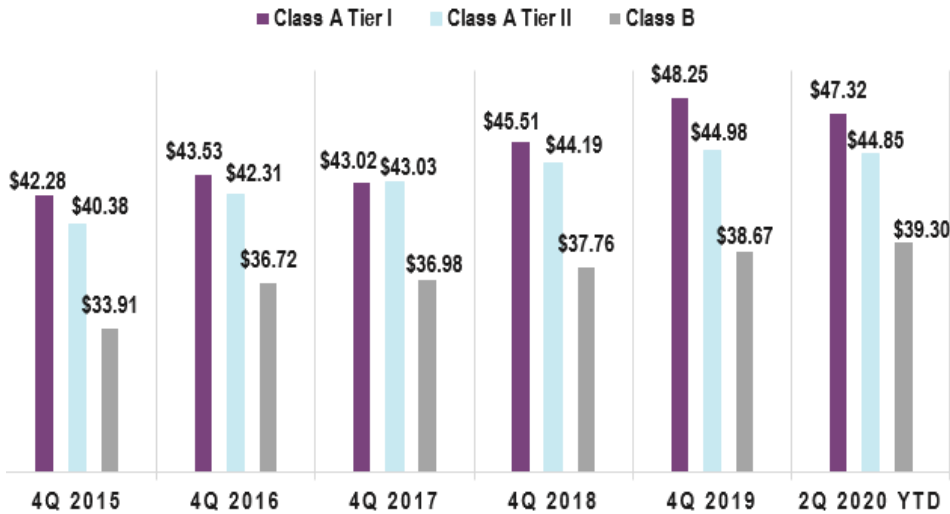
16,000 SF
WELLS FARGO CENTER
 New-to-Market

CORAL GABLES

2Q 2020 YTD | CLASS A & B > 50,000 SF

2Q 2020 CLASS A & B HIGHLIGHTS

WEIGHTED AVERAGE ASKING RATE (FS PSF)



\$40.99
Weighted average asking rate increased 0.5% YTD

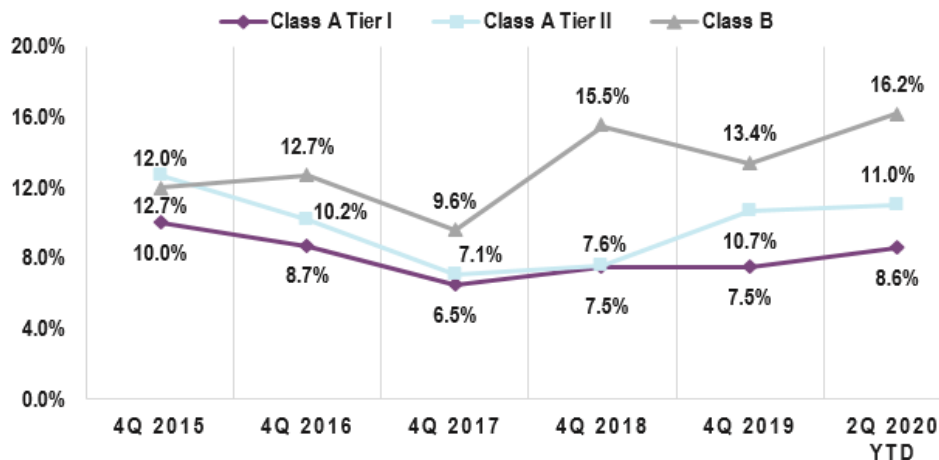
12.7%
Direct vacancy increased, previously 11.1% YTD

-83,887 SF
YTD net absorption

455,008 SF
Under construction

90,207 SF
YTD direct leasing activity

DIRECT VACANCY RATE



NOTABLE RECENT LEASE TRANSACTIONS

American Airlines

12,900 SF
901 PONCE
Renewal



DANIELS-RODRIGUEZ
BERKELEY-DANIELS-CRUZ
ATTORNEYS AT LAW

11,000 SF
THE COLLECTION
Renewal



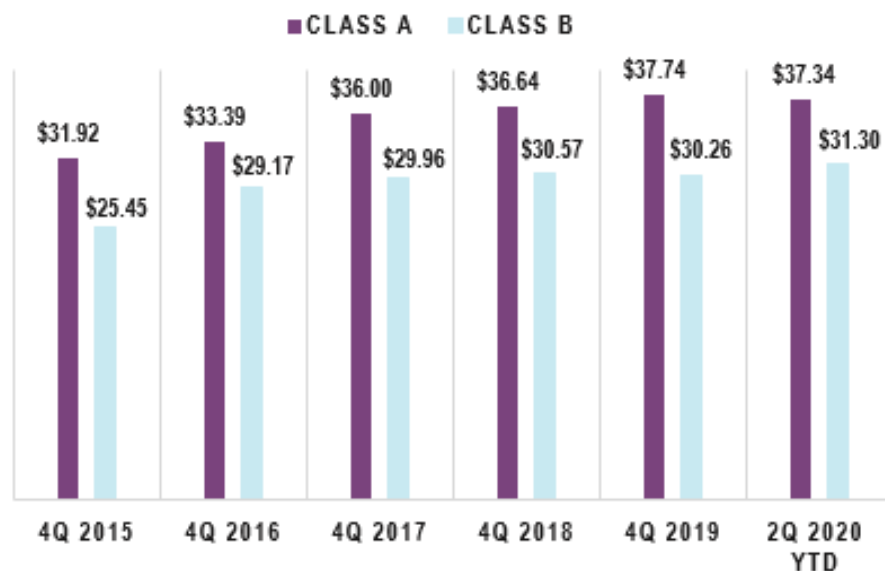
10,600 SF
355 ALHAMBRA
Renewal & Expansion

MIAMI AIRPORT

2Q 2020 YTD | CLASS A & B > 50,000 SF

2Q 2020 CLASS A & B HIGHLIGHTS

WEIGHTED AVERAGE ASKING RATE (FS PSF)



\$33.91
Weighted average asking rate increased 0.5% YTD

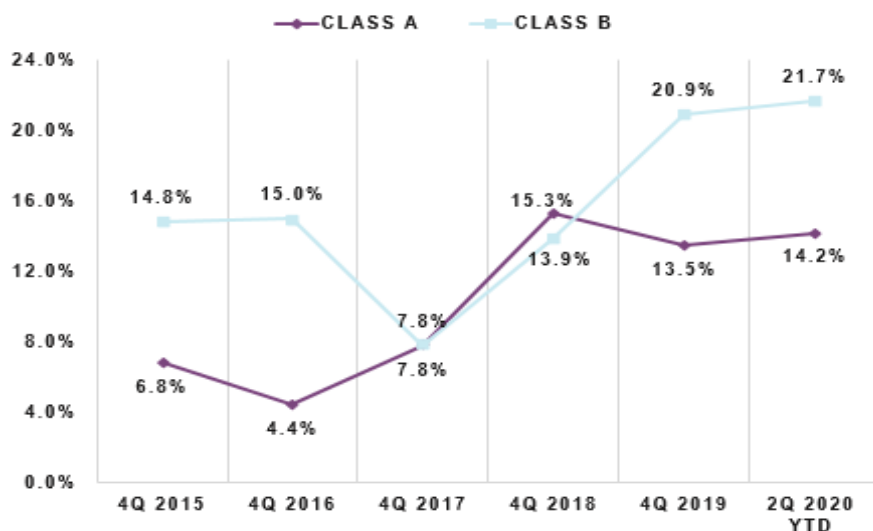
17.5%
Direct vacancy increased, previously 16.7% YTD

-70,918 SF
YTD net absorption

200,00 SF
Under construction

163,374 SF
YTD direct leasing activity

DIRECT VACANCY RATE



NOTABLE RECENT LEASE TRANSACTIONS



30,000 SF
6505 WATERFORD
Renewal & Downsize



22,000 SF
DORAL 107
In-Market Relocation

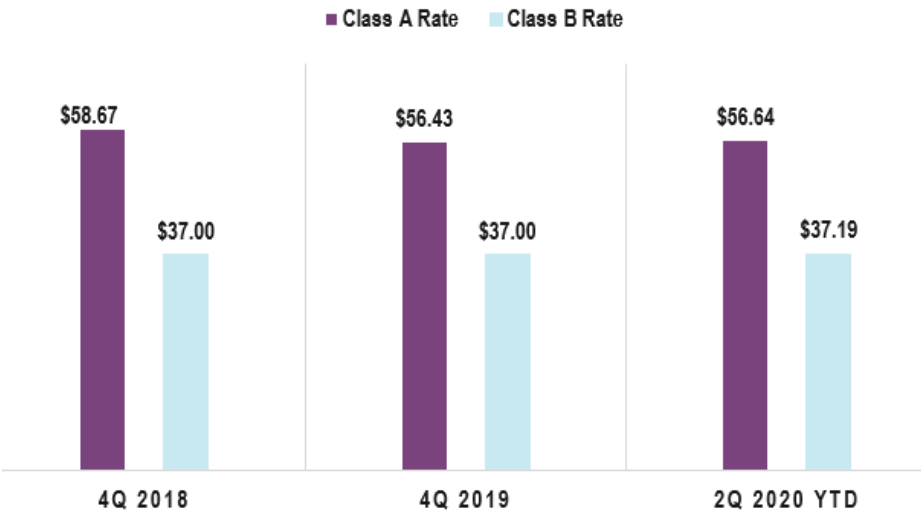


16,600 SF
5201 WATERFORD
Renewal

WYNWOOD-DESIGN DISTRICT

2Q 2020 YTD | CLASS A & B > 50,000 SF

WEIGHTED AVERAGE ASKING RATE (FS PSF)



2Q 2020 CLASS A & B HIGHLIGHTS

\$56.31
Weighted average asking rate increased 0.4% YTD

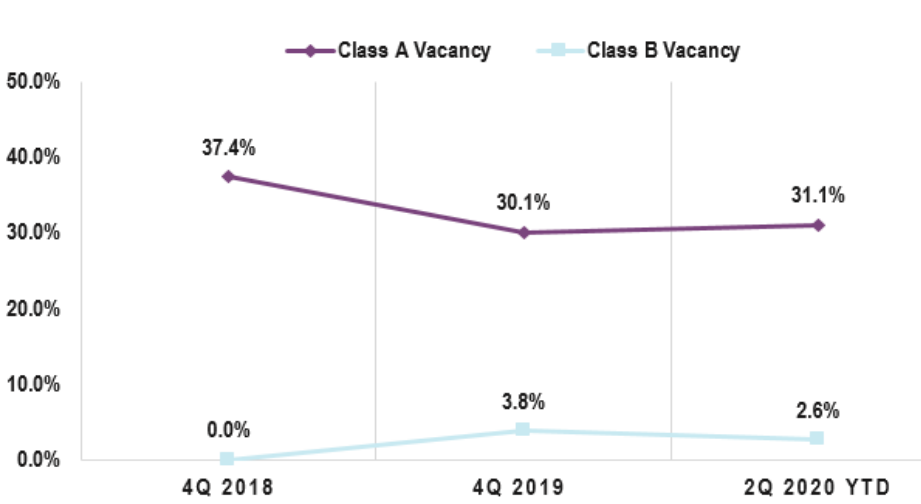
26.2%
Direct vacancy decreased, previously 26.4% YTD

+4,020 SF
YTD net absorption

615,084 SF
Under construction

60,570 SF
YTD direct leasing activity

DIRECT VACANCY RATE



NOTABLE RECENT LEASE TRANSACTIONS

NeueHouse

33,200 SF
78 NW 37TH ST
New-to-Market

Spotify

20,000 SF
THE OASIS
New to Submarket

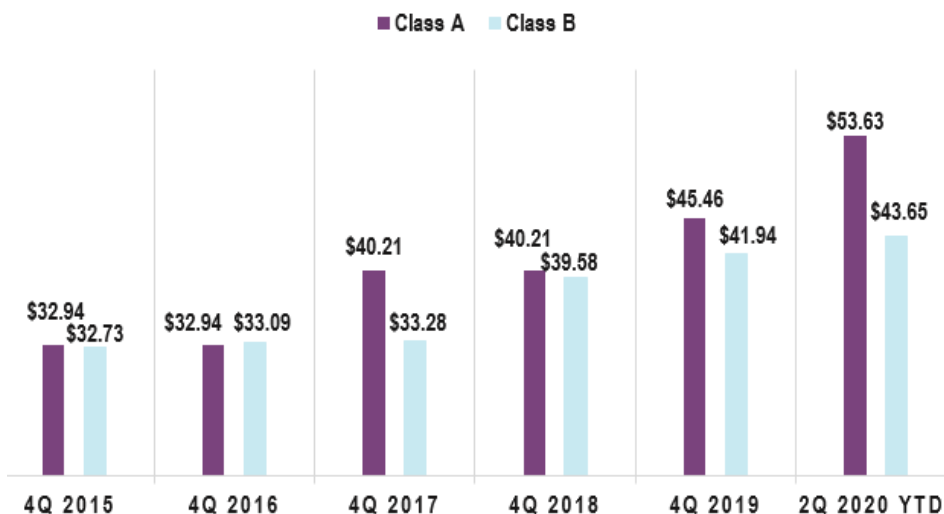
CIELO

3,000 SF
THE PRINT HOUSE
New-to-Market

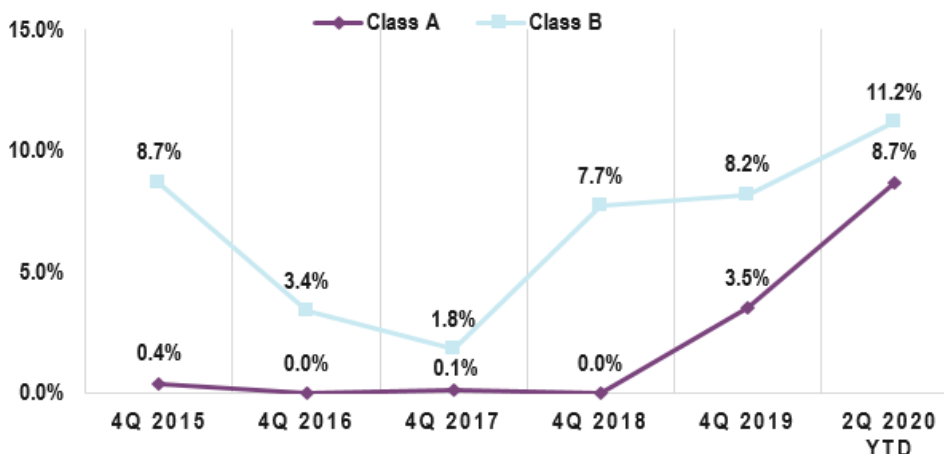
COCONUT GROVE

2Q 2020 YTD | CLASS A & B > 50,000 SF

WEIGHTED AVERAGE ASKING RATE (FS PSF)



DIRECT VACANCY RATE



2Q 2020 CLASS A & B HIGHLIGHTS

\$47.28

Weighted average asking rate increased 10.5% YTD

10.2%

Direct vacancy increased, previously 6.2% YTD

-4,022 SF

YTD net absorption

175,762 SF

Under construction

30,179 SF

YTD direct leasing activity

NOTABLE RECENT LEASE TRANSACTIONS



13,600 SF
ONE COCOWALK
In-Market Relocation

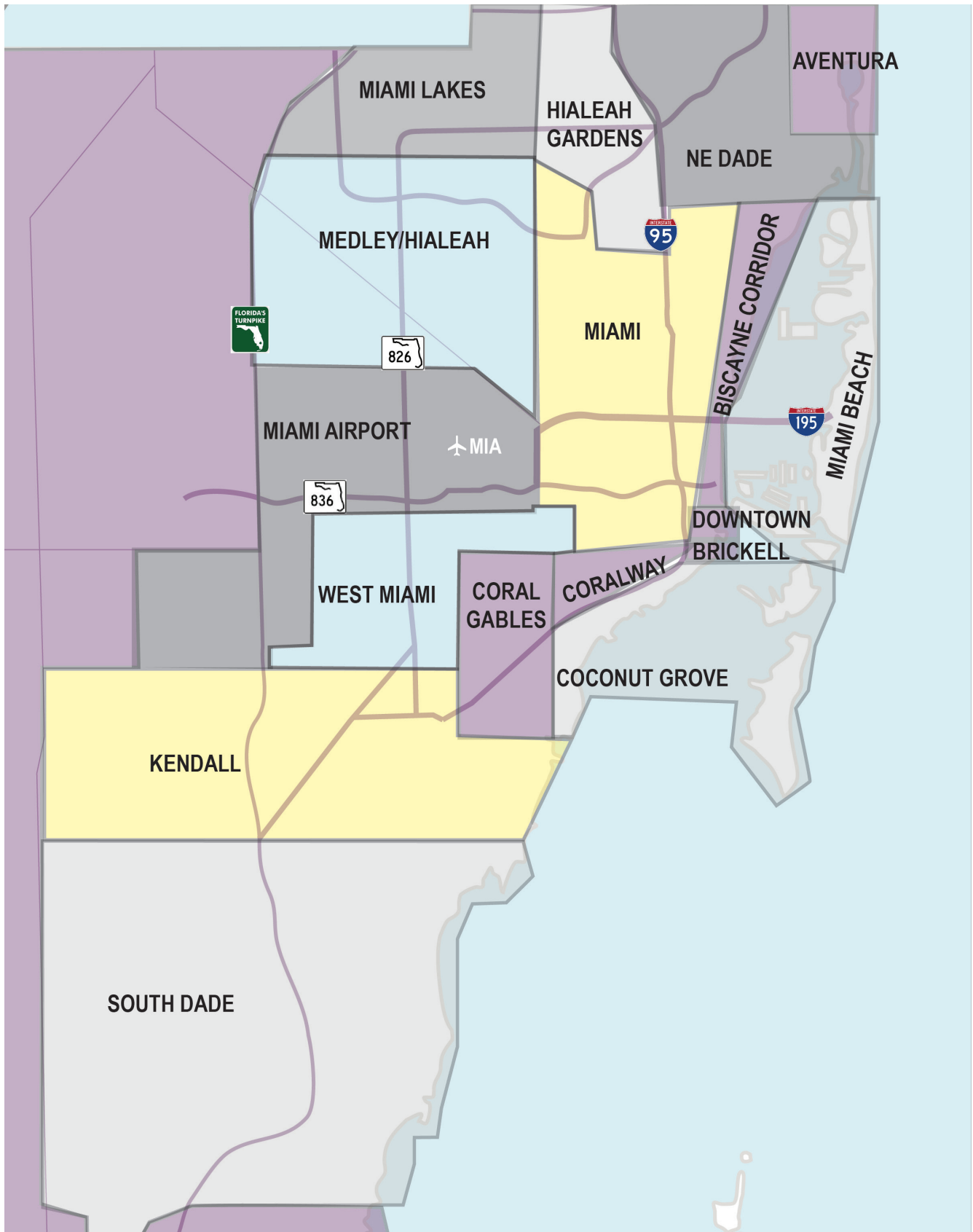


6,100 SF
2850 TIGERTAIL
New to Submarket

WORLD EQUITY BRAND BUILDERS

2,500 SF
TWO COCOWALK
New to Submarket

MIAMI-DADE SUBMARKETS



MIAMI-DADE BY THE NUMBERS

MIAMI OFFICE SUBMARKETS

Submarket	Buildings	Inventory (SF)	Direct Vacancy Rate (%)	Weighted Average Asking Rental Rate (\$/SF)	YTD Net Absorption	SF Under Construction
Four Major Submarkets						
Brickell	25	6,483,276 SF	12.4%	\$48.42	+12,901 SF	650,000 SF
Downtown	20	7,019,656 SF	22.2%	\$43.06	+6,303 SF	0 SF
Coral Gables	44	5,842,664 SF	12.7%	\$40.99	-83,887 SF	455,008 SF
Miami Airport	73	9,063,145 SF	17.5%	\$33.91	-70,918 SF	200,000 SF
SubTotal	162	28,408,741 SF	16.5%	\$40.56	-135,601 SF	1,305,008 SF
Aventura	11	1,110,602 SF	10.1%	\$46.96	+7,077 SF	308,198 SF
Biscayne Corridor	5	726,131 SF	14.9%	\$37.48	+56,134 SF	0 SF
Coconut Grove	9	1,026,396 SF	10.2%	\$47.28	-4,022 SF	175,762 SF
Coral Way	7	482,676 SF	5.8%	\$29.23	-5,830 SF	0 SF
Kendall	13	1,712,665 SF	12.6%	\$36.92	-34,697 SF	0 SF
Medley/Hialeah	3	185,856 SF	7.4%	\$25.00	1,132 SF	0 SF
Miami	2	328,868 SF	2.7%	\$40.30	-13,538 SF	135,000 SF
Miami Beach	12	1,161,218 SF	16.5%	\$49.41	-17,663 SF	136,342 SF
Miami Lakes	10	581,214 SF	16.1%	\$29.73	+20,391 SF	82,903 SF
NE Dade	8	753,583 SF	23.4%	\$41.87	+38,437 SF	0 SF
South Dade	2	133,994 SF	10.9%	\$20.00	+36,691 SF	0 SF
Wynwood-Design District	7	513,040 SF	26.2%	\$56.31	+4,020 SF	615,084 SF
SubTotal	89	8,716,243 SF	13.8%	\$42.65	+88,132 SF	1,453,289 SF
TOTAL	251	37,124,984 SF	15.5%	\$40.98	-47,469 SF	2,758,297 SF

Multi-tenant, Class A & B Buildings > 50,000 SF *New developments including The Wynwood Garage and The Optimum have been included in our research. Optima Onyx Tower is under construction in Hallandale (Broward County) as part of the existing Optima White & Red Tower in Aventura and has been included.

ABOUT US

We are Florida's leading independently owned commercial real estate services firm, known for customizing solutions that drive success for our clients while giving back generously to the community and industry we serve. Founded in 2009, Blanca Commercial Real Estate has advised clients and executed in the leasing and sales of approximately 12.5 million square feet of transactions in addition to maintaining a 30% market share of all office lease transactions signed in Miami since 2016.

Our vision is to deliver outstanding results for our clients by leveraging our superior market intelligence, data-driven research, carefully customized strategies, and excellence in service. Our differentiators, including our client-first approach and our passion, have attributed to our phenomenal growth and continued success on behalf of our clients.

Our services include tenant representation, landlord representation, investment sales, property management, and consulting services including new office and mixed-use developments.

DISCLAIMER

This research is for our clients only, and is based on current public information that we consider reliable, but we do not represent it is accurate or complete, and it should not be relied on as such. Other than certain industry reports published on a periodic basis, the large majority of reports at published at irregular interval as appropriate. This research does not constitute a recommendation to make a specific business decision, nor take into account particular objectives, financial situations, or needs of individual clients. Clients should consider whether any advice or recommendation in this research is suitable for their particular circumstances and, if appropriate, seek additional professional advice, including tax advice. The price and value of space for lease referred to in this research fluctuates. Past performance, rental, and vacancy rates is not a guide to future performance, rental and vacancy rates. And the listed asking rental rates are not guaranteed.



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