

MARKETBEAT

AIRPORT WEST SUBMARKET REVIEW

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION



1Q09

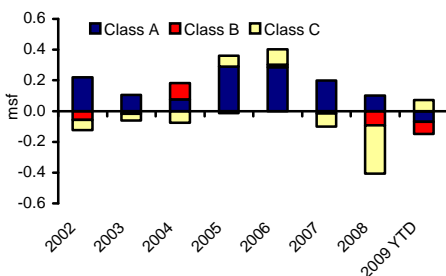
AT A GLANCE

- Inventory:** Vacant inventory in Airport West increased by 229,109 square feet (sf) during the first quarter, only 2.0% of the total Airport West office market. The new spaces were highlighted by Flagler Stations 156,000 sf construction completion. This combined with a weak economy and stagnant growth increased vacancy rates from 14.6% in the fourth quarter of 2008 to 16.4% in the first quarter of 2009. Currently, the market has slightly below 500,000 sf under construction.
- Absorption:** measures augmentation and deceleration of space in a given market, a key indicator of volatility in businesses. Last year the Airport West market experienced an overall negative absorption of 306,590 sf, the first quarter of 2009 reported negative -75,716 sf which indicated businesses gave back more space than they acquired at a lesser rate than fourth quarters high of negative 283,957 sf. This indicates a bear market will bottom sometime in the fourth quarter of 2009.
- Leasing** bounced back 40.6% from its 48 month low reported in the fourth quarter of 2008. Increasing from 118,479 sf to 199,701 sf in the first quarter of 2009.
- Rental Rates** fluctuated as pricing gaps continued to rise between landlords and tenants, and new market equilibriums merged. The market is experiencing an overall asking rental rate average of \$29.23 per square foot (psf) in the first quarter for class A space, slightly below the year-end 2008 rate of \$29.73 psf. Fundamentals indicate the market has reached the peak of the real estate pricing cycle. As a result, rental rates will continue to fluctuate in 2009.
- Sales-** The lack of liquidity in the financial markets has disrupted the commercial markets' ability to buy and sell office properties. Only highly liquid institutions have the elasticity and necessary carry capital to close and acquire properties in the current market and with values decreasing savvy investors are sitting on the sidelines waiting for the current real estate cycle to bottom out.

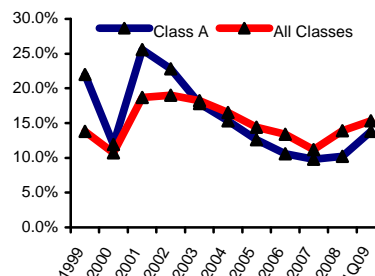
MARKET HIGHLIGHTS

SIGNIFICANT 1Q09 NEW LEASE TRANSACTIONS			
BUILDING	TENANT	SQUARE FEET	BUILDING CLASS
8350 Northwest 52nd Terrace	Department of Health	43,000	C
Lennar Corporate Center III	Alliance for Aging	18,217	C
8350 Northwest 52nd Terrace	Cima Telecom	15,475	C
SIGNIFICANT 1Q09 CONSTRUCTION COMPLETIONS			
BUILDING	MAJOR TENANT	SQUARE FEET	COMPLETION DATE
9675 Northwest 117 Ave	Speculative	156,000	3/2009
SIGNIFICANT PROJECTS UNDER CONSTRUCTION			
BUILDING	MAJOR TENANT	SQUARE FEET	COMPLETION DATE
1000 Northwest 57 Court	Sandler, Travis & Rosenberg, P.A.	246,258	8/2009
3470 Northwest 82nd Ave	Speculative	231,500	5/2009
SUBMARKET STATISTICS			
Total Inventory	11,586,614 sf		
Direct Wtd. Avg. Gross Asking Rental Rate psf/yr	\$25.52/sf		
Class A	\$29.23/sf		
Class B	\$25.21/sf		
Class C	\$22.42/sf		
Direct Vacancy Rate	15.3%		
Overall Vacancy Rate	16.4%		
Overall Absorption YTD	(75,716) sf		
Construction Completions YTD	156,000 sf		
Under Construction	497,758 sf		

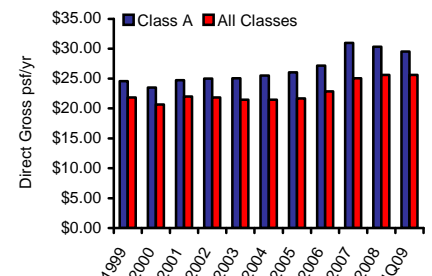
OVERALL ABSORPTION



DIRECT VACANCY RATE



DIRECT ASKING RENTAL



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*Market terms & definitions based on BOMA and NAIOP standards.

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