



7000 NW 32ND AVENUE, MIAMI, FL

## AIRPORT EAST DISTRIBUTION CENTER

VALUE ADD MULTI-BAY INDUSTRIAL FACILITY

+/-397,585 SF



CUSHMAN &  
WAKEFIELD







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## TENANT INFORMATION

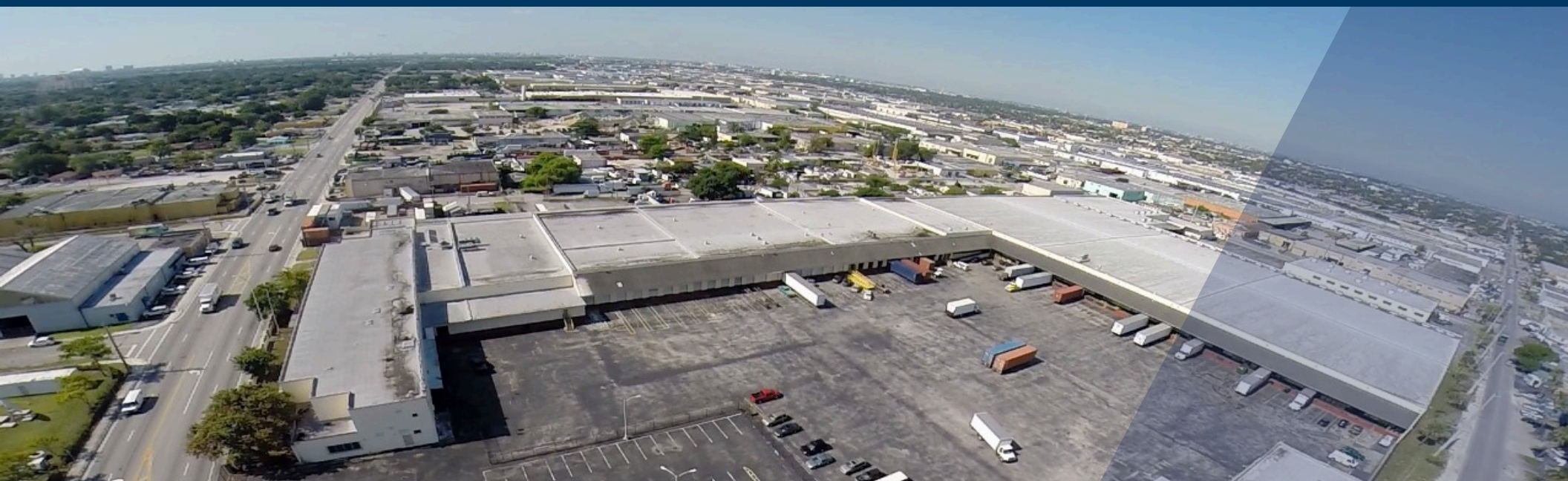
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The background image shows the interior of a large industrial warehouse. The ceiling is high with a complex network of steel trusses and beams. The floor is a smooth, light-colored concrete. In the background, there are stacks of materials, possibly lumber or metal, and some industrial equipment. A blue diagonal overlay covers the left side of the image, containing the text.

# EXECUTIVE SUMMARY

90% leased to five (5) industrial tenants

## OFFERING SUMMARY



Size (sf)

397,585

Number of Buildings  
3 - One Dock Height  
- Two Street Level

Clear Heights  
18'-22'

Acreage  
18.1 +/-

Occupancy  
90%

In Place NOI  
\$1,081,871

Year 3 NOI  
\$1,407,068

## INVESTMENT OVERVIEW

Cushman & Wakefield's Institutional Capital Markets Group has been retained by the Owner as the exclusive agent and advisor for the sale of Airport East Distribution Center "AEDC" located at 7000 NW 32nd Avenue, Miami, Florida. (the "Property"). This offering includes +/-326,000 SF of dock height and +/-34,000 SF of street level distribution / manufacturing space. In addition, there is +/-34,000 SF of office / flex space, comprising a total of 397,585 square feet ("sf"). **AEDC provides a rare opportunity to acquire immediate, well leased critical mass with strong upside in one of the top three industrial markets in the country.**

Airport East Distribution Center features CBS construction, 18'-22' clear heights, ample truck courts and exterior storage. The +/-18 acre lot provides an abundance of parking and staging areas. AEDC provides a strategic leasing advantage over the majority of the immediate market, which is largely comprised of older, less functional product. The Property is 90% leased to an impressive tenant roster including creditworthy firms such as GA Telesis and EconoCaribe.

AEDC is strategically located in the East Hialeah submarket which is in direct proximity to MIA and PortMiami. It's Miami-Dade County central location provides excellent logistics to the tri-county area at economic rental rates, attractive to both local and national occupiers.

*The Owner has not established a specific asking price for the Property, but is a sophisticated, market sensitive seller with expectations of achieving the value that a premium offering of this quality commands.*

## OFFERING HIGHLIGHTS

### UPSIDE OPPORTUNITY!

- **In-place rents at the Property are 15-20% below market, providing the ability to increase cash flow as existing tenants are marked-to-market upon renewal.**
- With a current Miami-Dade warehouse/distribution **vacancy rate of just 6%**, combined with increased rental rates on new construction, **sharp rental rate growth is expected over the next several years which will directly benefit AEDC.**
- Miami is ranked as one of the best industrial investment markets in the country according to the latest (3Q-2015) Situs report based on projected return on investment moving forward.
- Over 220,000 sf of new and renewal leases were executed at the Property in 2015, which is strong evidence of the Property's appeal and ability to lease existing and future vacancies.

### STRONG & STABLE RENT ROLL

- The Property rent roll is comprised of numerous creditworthy firms who are among the leaders in their respective fields.
- More than ample truck courts and coveted exterior storage pushes lease strike pricing.
- The Property has a diverse rent roll comprised of 5 tenants from a variety of industries which mitigates risk due to a downturn in any single sector of the economy.
- Limited rollover with most leases expiring between 2020 & 2023.







## INTERNATIONAL TRADE HUB

- Miami is highly regarded in the import/export business as the gateway to Latin America and the Caribbean with Miami International Airport and PortMiami acting as key demand drivers for industrial users.
- Approximately 40,000 boxes arrive at Miami International Airport daily. Moreover, many products specific to the region come through Miami. Fresh flowers alone capture nearly 90% of volume imported into the U.S.
- PortMiami processed nearly 7.9 million tons of cargo totalling 876,708 TEUs in 2014, reflecting a steady increase over recent years
- PortMiami is well positioned to capture new trade, especially with Asian markets.
- The Deep Dredge Project has expanded the channel depth to 50' to coincide with the widening of the Panama Canal.
- PortMiami is the only Port south of Norfolk, VA scheduled to be at this depth by the opening of the Panama Canal.
- PortMiami will have the ability to receive Post-Panamax ships carrying up to 13,000 TEUs, enabling the Port to double its cargo business by 2020.
- PortMiami has completed both its tunnel and rail access projects enhancing the flow of goods both received and outgoing

## MIAMI INDUSTRIAL MARKET

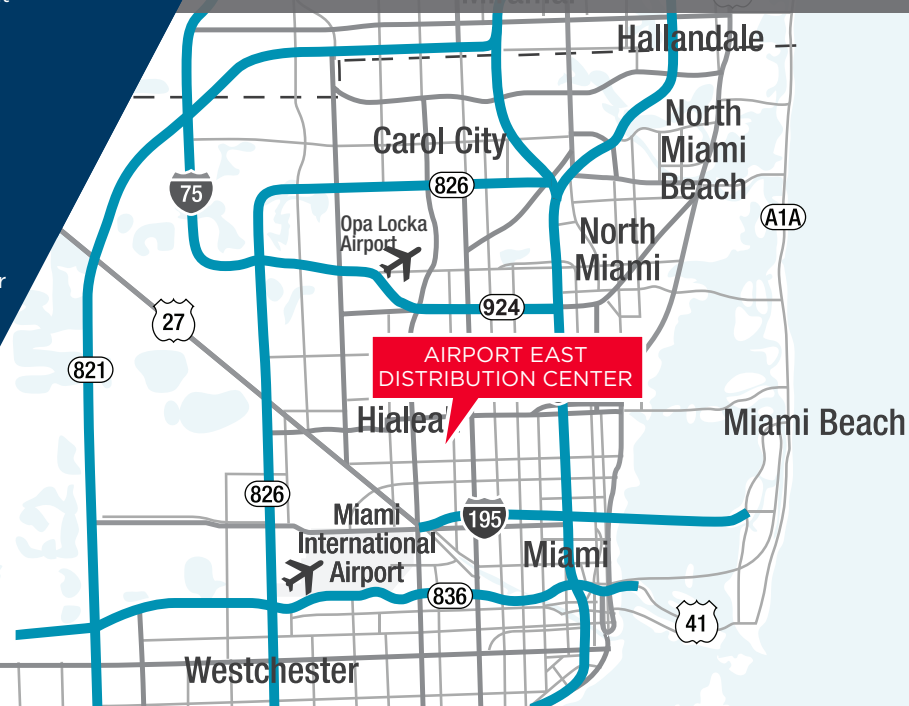
- 161,181,819 total market square feet
- Vacancy rate - 5.7%
- 2014 absorption - 1,914,869 sf
- 2015 absorption - 2,426,756 sf

## GATEWAY MARKET INVESTMENT OPPORTUNITY

- South Florida, Northern New Jersey and Southern California are the three most sought after industrial investment markets in the U.S.
- Extraordinarily land constrained with significant and increasing tenant demand, will drive strong rental rate growth.
- Heavy air freight and containerized port activity creates hyper-demand for Airport East submarket properties.

## EXCEPTIONAL ACCESS TO DEMAND DRIVERS

MIAMI INTERNATIONAL AIRPORT CARGO ENTRANCE	5.0 miles
PORTMIAMI	8.4 miles
PALMETTO EXPRESSWAY	5.0 miles
INTERSTATE 95	3.0 miles
OPA LOCKA AIRPORT	5.1 miles
FLORIDA'S TURNPIKE	9.0 miles
PORT EVERGLADES	26 miles
DOLPHIN EXPRESSWAY	4.2 miles
FT. LAUDERDALE / HOLLYWOOD AIRPORT CARGO ENTRANCE	24 miles
PORT EVERGLADES	26 miles



## Executive Summary

### OFFERING DEADLINE & PROCESS

- Property tours require 48-hours prior notice.
- The prospective purchaser will be selected by the Owner in consultation with Cushman & Wakefield.
- Written notification will be sent regarding the bid date. Initial bids must be submitted to the attention of Mike Davis at Cushman & Wakefield. The Owner reserves the right to accept an offer prior to this date or to remove the Property from the market at any time.

### QUESTIONS REGARDING THE OFFERING SHOULD BE DIRECTED TO THE FOLLOWING:

**Mike Davis**

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# PROPERTY INFORMATION





Property Information

AIRPORT EAST DISTRIBUTION CENTER





Property Information

AIRPORT EAST DISTRIBUTION CENTER





## Property Information

### AIRPORT EAST DISTRIBUTION CENTER





## Property Information

### AIRPORT EAST DISTRIBUTION CENTER





## Property Information

### AIRPORT EAST DISTRIBUTION CENTER





## Property Information

### AIRPORT EAST DISTRIBUTION CENTER



## Property Information

### PHYSICAL DESCRIPTION

<b>Address:</b>	7000 NW 32 Avenue, Miami, FL 33147	<b>Zoning:</b>	IU-1, Primary Zoning: 7100 Industrial – Light Manufacturing
<b>Location:</b>	The Property is bordered by NW 71st Street to the north, NW 32nd Avenue to the east, and NW 35th Avenue to the west. NW 32nd Avenue, the primary roadway to the site borders to the east.	<b>Flood Zone:</b>	Zone X, defined by FEMA as an area determined to be outside the 500 year flood plan
<b>Ingress / Egress:</b>	Four points of ingress and egress are located on the site. One is located to the east of the Property on NW 32nd Avenue and one is located to the north on NW 71st Street. Two additional points of ingress and egress are located on the west side of the Property on NW 35th Avenue.	<b>Clear Height:</b>	+/-17' - 22'
<b>Building Size:</b>	397,585 SF Total entailing 3 buildings  Dock Height: +/-326,360 SF  Street Level: +/-33,896 SF  Office Area: +/-34,135 SF  Common Area: +/-3,194 SF	<b>Column Spacing:</b>	39' x 34' and 31' x 35'
<b>Stories:</b>	One story warehouse with one - two story office structure	<b>Truck Court Depth:</b>	Various shared front load areas with exterior / trailer drop storage
<b>Percent Leased:</b>	+/-90%	<b>Construction:</b>	CBS exterior walls with both bar and concrete joist roof structure supported on joist girders and interior steel columns
<b>Tax Parcel ID #:</b>	30-3116-008-0010	<b>Foundation:</b>	Reinforced concrete
<b>Parking:</b>	+/- 500 total car parking, asphalt paving	<b>Exterior Finish:</b>	Painted CBS
<b>Land Size:</b>	788,391SF – 18.09 AC	<b>Roof Type:</b>	Modified Bitumen Membrane, installed in September 2007
		<b>Year Built:</b>	1955
		<b>HVAC:</b>	Roof mounted package systems
		<b>Electrical:</b>	277/480 volts, 3-phase heavy power, 4-wire, 1000 amp capacity
		<b>Fire Protection:</b>	100% sprinklered, wet
		<b>Service Providers:</b>	FP&L, Miami-Dade Water and Sewer



## Property Information

### REAL ESTATE TAXES

The Property is currently assessed for ad valorem and non-ad valorem taxes by Miami-Dade County, Florida. The assessment for real estate purposes is established as of January 1 of each year. The County Commission sets the millage rate to be used in calculating the tax bill in September or October of each year. Payment of current year taxes is due by March 31 of the following year with a four percent discount if paid by November 30th. The discount is reduced by one percent per month through March after which they are delinquent.

REAL ESTATE TAXES	
FOLIO	30-3116-008-0010
2015 TAX AMOUNT *	\$193,018,57
MILEAGE RATE	18.2576

\* Includes AdValorem and Non-Ad Valorem Taxes. 4% discount applied



Property Information

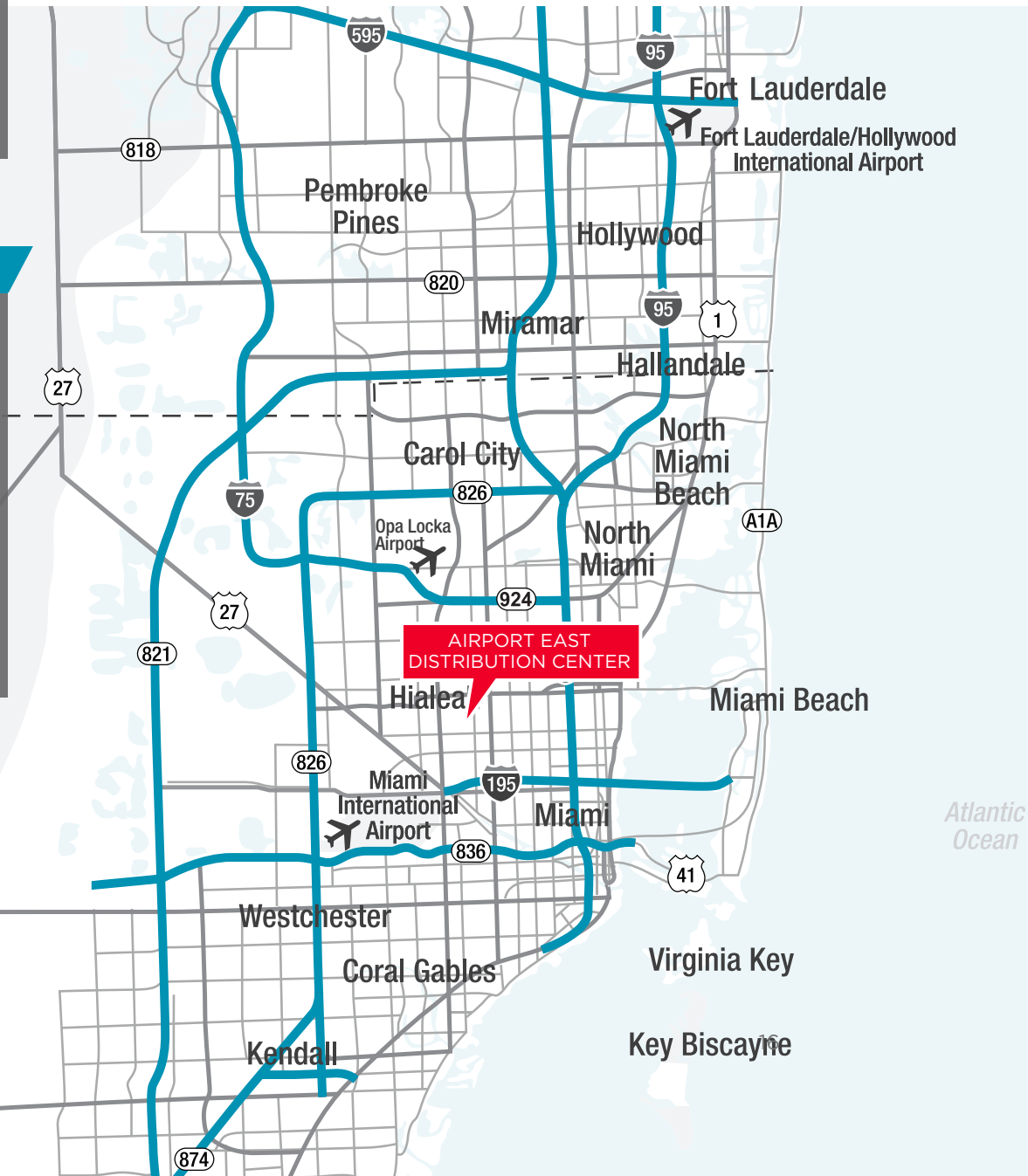
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7000 NW 32 AVE  
MIAMI, FL 33147

EXCEPTIONAL ACCESS TO DEMAND DRIVERS

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MIAMI-DADE





## SITE PLAN







# MARKET INFORMATION

The Miami-Dade Industrial Market consists of slightly over 160 million square feet of industrial product with an impressive 5.7% vacancy rate. Warehousing / distribution space is the predominant industrial property type in the Miami MSA, accounting for nearly 75% of the market's total inventory.



## MIAMI-DADE INDUSTRIAL MARKET OVERVIEW

### OVERVIEW

The Miami-Dade Industrial market consists of slightly over 160 million square feet of industrial product. Warehousing/distribution space is the predominant industrial property type in the Miami MSA, accounting for nearly 75% of the market's total inventory. Imports and exports to Central and South America are a major driver for the Miami industrial market with approximately 70% of all Latin American trade flowing through the area. Miami has been labeled the gateway to Latin America. The majority of Class A and B industrial space is concentrated in three major submarkets: Airport West/Doral, Airport North/ Medley and North/Central Miami-Dade. The Airport West/Doral submarket carries the highest rental and sale values per square foot.

Miami-Dade County's industrial market has weathered the economic downturn well and its fundamentals are making a climb back to peak levels as international trade and an improved local economy are driving strong leasing activity and causing vacancy rates to decrease. 2015 closed strong with a vacancy rate of 5.7%, in contrast to a high of 8.9% recorded in the first quarter of 2010. Overall vacancy in the Airport East submarkets remains low at 7.3%. North/Central Miami-Dade, which consists of similar facilities ranks at 6.9%. 2015 has produced numerous leases over 50,000 sf, with multiple requirements in the same size range surveying the market. Due to tightening market fundamentals and rising rental rates, there is currently +/-2 million square feet of space under construction and being delivered during 2016. New projects in the Airport West/Doral submarket will carry asking rents starting at \$9.75 psf gross. Projected tenant demand should result in the absorption of these properties.

### LEASING & ABSORPTION

The total industrial leasing activity in the Miami-Dade market realized during 2015 included 4,420,644 square feet (sf) of new and expansion transactions, an increase compared to 2014. The Airport East submarket captured a strong 31% of the leasing activity, reporting 1,377,266 sf in 2015.

### OUTLOOK

The market ended the year strong with healthy leasing activity, which is expected to remain on pace throughout 2016. Asking rental rates are continuing to increase as the amount of vacant space decreases and new development pushes pricing. Those businesses wishing to remain in the county should expect to pay higher rental rates, and those looking to relocate to the area need to be looking for space without delay. Vacancy rates are forecasted to continue to drop and rental rates to rise for the remainder of the year and beyond.





## MIAMI MSA INDUSTRIAL STATISTICS - Q4-2015

SUBMARKET	INVENTORY (SF)	YTD LEASING ACTIVITY (SF)	YTD USER SALES ACTIVITY (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL WEIGHTED AVG. NET RENT (HT)	OVERALL WEIGHTED AVG. NET RENT (MF)	OVERALL WEIGHTED AVG. NET RENT (OS)	OVERALL WEIGHTED AVG. NET RENT (W/D)
Airport West	35,013,058	1371,086	54,958	6.3%	888,175	0	N/A	N/A	\$12.95	\$7.70
Milam Dairy	14,414,791	230,362	0	3.5%	198,218	0	N/A	\$13.37	\$12.31	\$6.50
<b>AIRPORT WEST</b>	<b>49,427,849</b>	<b>1,601,448</b>	<b>54,958</b>	<b>5.5%</b>	<b>1,086,393</b>	<b>0</b>	<b>N/A</b>	<b>\$13.37</b>	<b>\$12.64</b>	<b>\$7.48</b>
Airport North	8,021,218	103,754	213,700	3.3%	58,650	0	N/A	\$4.26	N/A	\$5.83
Medley	22,285,601	593,108	31,089	4.5%	1,217,619	527,786	N/A	N/A	N/A	\$7.30
<b>AIRPORT NORTH/MEDLEY</b>	<b>30,306,819</b>	<b>696,862</b>	<b>244,789</b>	<b>4.2%</b>	<b>1,276,269</b>	<b>527,786</b>	<b>N/A</b>	<b>\$4.26</b>	<b>N/A</b>	<b>\$7.14</b>
Palmetto Lakes	5,730,773	185,229	58,732	8.4%	(11,120)	0	N/A	\$7.30	\$6.00	\$6.50
Miami-Dade Ind. Park/Opa Locka	6,720,003	18,380	106,188	5.6%	38,782	0	N/A	N/A	N/A	\$3.68
Gratigny Central	4,155,895	0	0	7.0%	27,175	0	N/A	N/A	N/A	N/A
<b>NORTH CENTRAL DADE</b>	<b>16,606,671</b>	<b>203,609</b>	<b>164,920</b>	<b>6.9%</b>	<b>54,837</b>	<b>0</b>	<b>N/A</b>	<b>\$7.30</b>	<b>\$6.00</b>	<b>\$4.63</b>
Miami Gardens/Ives Dairy	5,484,781	100,800	0	7.0%	36,538	0	N/A	N/A	\$8.81	\$4.83
North Miami	1,082,491	4,115	0	6.2%	(8,685)	0	N/A	N/A	N/A	\$6.55
Sunshine State/Golden Glades	5,952,737	158,319	0	6.7%	28,051	0	N/A	\$5.95	\$12.00	\$6.46
<b>NORTHEAST DADE</b>	<b>12,520,009</b>	<b>263,234</b>	<b>0</b>	<b>6.8%</b>	<b>55,904</b>	<b>0</b>	<b>N/A</b>	<b>\$5.95</b>	<b>\$11.61</b>	<b>\$5.53</b>
<b>MIAMI LAKES</b>	<b>4,630,682</b>	<b>18,192</b>	<b>0</b>	<b>3.1%</b>	<b>35,279</b>	<b>0</b>	<b>N/A</b>	<b>N/A</b>	<b>\$8.62</b>	<b>N/A</b>
Hialeah West	8,044,379	122,390	0	5.8%	(78,100)	0	N/A	\$4.50	N/A	\$4.70
Hialeah Gardens	2,486,100	58,583	0	3.0%	55,283	663,236	N/A	\$3.65	N/A	\$8.00
<b>HIALEAH</b>	<b>10,530,479</b>	<b>180,973</b>	<b>0</b>	<b>5.2%</b>	<b>(22,817)</b>	<b>663,236</b>	<b>N/A</b>	<b>\$4.12</b>	<b>N/A</b>	<b>\$5.39</b>
CBD, Biscayne, Wynwood, Design District	6,605,786	43,878	33,056	9.7%	(16,893)	0	N/A	N/A	N/A	\$18.95
Airport East	23,149,076	1,377,226	0	7.3%	(38,371)	203,281	N/A	N/A	\$8.26	\$5.86
<b>AIRPORT EAST/DOWNTOWN</b>	<b>29,754,862</b>	<b>1,421,104</b>	<b>33,056</b>	<b>7.9%</b>	<b>(55,264)</b>	<b>203,281</b>	<b>N/A</b>	<b>N/A</b>	<b>\$8.26</b>	<b>\$7.46</b>
Bird Road/US I/Gables	1,634,713	5,320	0	0.9%	(2,700)	0	N/A	\$5.35	N/A	\$12.00
Falls/South Dixie	1,887,060	8,300	0	2.6%	8,000	0	N/A	N/A	N/A	N/A
Tamiami Airport/South	3,622,920	21,602	0	1.8%	(31,145)	0	N/A	N/A	N/A	\$12.39
SW Dade	259,755	0	0	0.0%	22,000	0	N/A	N/A	\$7.00	N/A
<b>SOUTH DADE</b>	<b>7,404,448</b>	<b>35,222</b>	<b>0</b>	<b>1.7%</b>	<b>(3,845)</b>	<b>0</b>	<b>N/A</b>	<b>\$5.35</b>	<b>\$7.00</b>	<b>\$12.35</b>
<b>MIAMI TOTALS</b>	<b>161,181,819</b>	<b>4,420,644</b>	<b>497,723</b>	<b>5.7%</b>	<b>2,426,756</b>	<b>1,394,303</b>	<b>N/A</b>	<b>\$5.27</b>	<b>\$10.39</b>	<b>\$7.06</b>

\*Rental rates reflect asking \$psf/year

FLEX = Flex Space HT = High Tech/Flex MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution



## AIRPORT EAST INDUSTRIAL SUBMARKET OVERVIEW

### AIRPORT EAST INDUSTRIAL SUBMARKET OVERVIEW

The Airport East submarket consists of approximately 23.1 million square feet (msf) of industrial space with a vacancy rate of 7.1% as of the fourth quarter of 2015. The market area is conveniently located between Miami International Airport “MIA”, Opa Locka Airport, and PortMiami. Airport East offers excellent logistics and provides occupancy value through economical rental rates. Immediate proximity to business centers, retail, residential, and ease of access to both Miami International Airport and PortMiami fuel tenancy and future upside value to the locale. The major arterial routes servicing this submarket are I-95 to the east, State Road 836/Dolphin Expressway to the south, State Road 27 to the west, and Gratiigny Expressway to the north. Located within this submarket are numerous large public and private companies capitalizing on the area’s proximity to delivery and shipping destinations, as well as close proximity to a large labor pool. Full amenities such as lodging, dining, and multiple housing types are available within close proximity to the Property. MIA is situated on the southwest boundary of the submarket, a strategic advantage over its competitors. The location offers immediate access to air freight and passenger travel, which is important since many of the companies doing business in the area receive shipments via the Ports and rail.

AIRPORT EAST STATISTICS - Q4 2015					
SUBMARKET	INVENTORY (SF)	OVERALL VACANCY RATE	YTD LEASING ACTIVITY (SF)	UNDER CONSTRUCTION	YTD OVERALL* NET ABSORPTION
Airport East	23,149,076	7.30%	1,377,226	203, 281	(38,371)

Overall figures include sublease and direct space  
Source: Cushman & Wakefield Research Services Department, January 2015



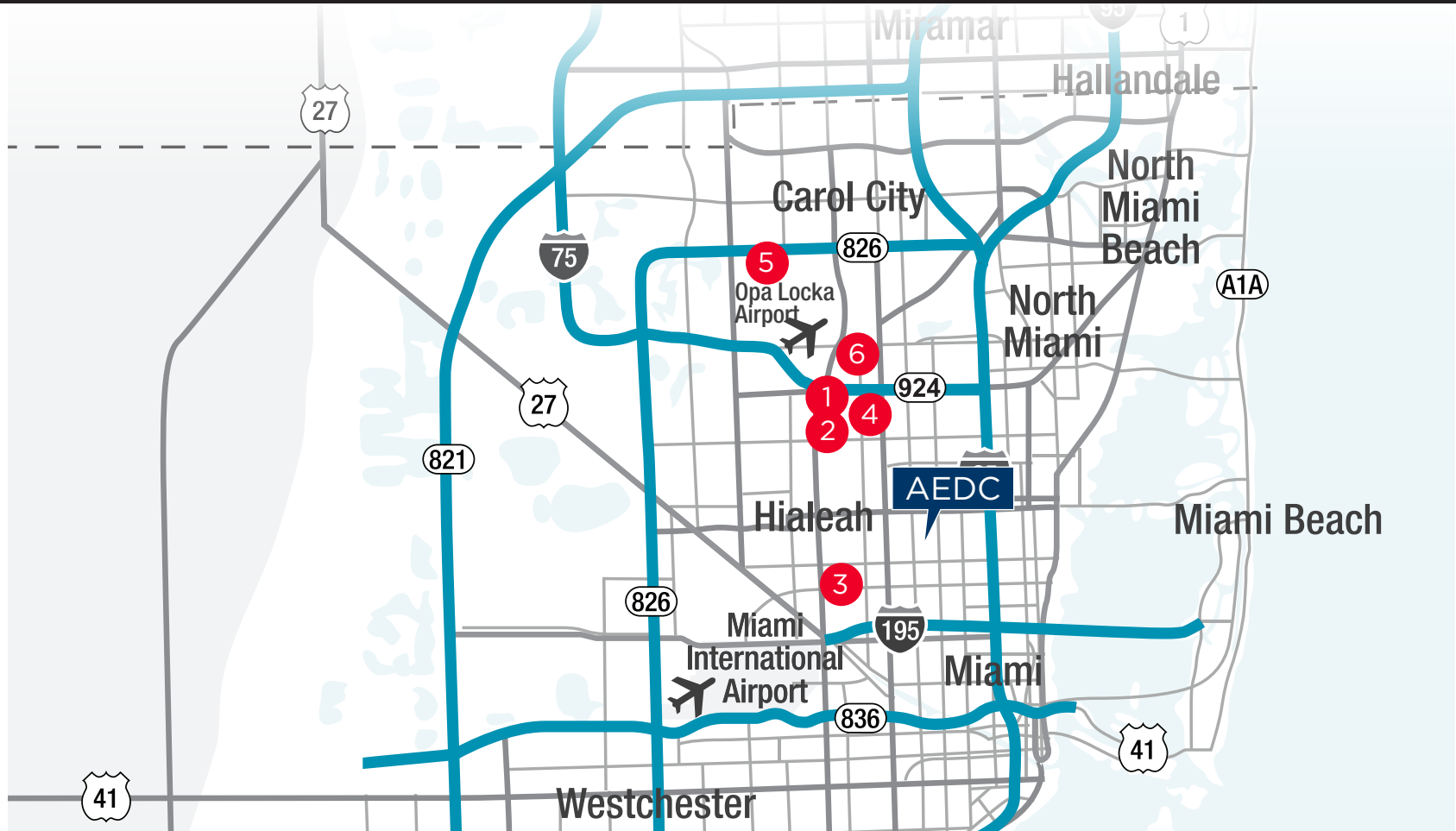


### MACRO MIAMI OVERVIEW

Miami benefits from continued influx of residents, foreign trade, investment, diversification of jobs and the strong tourism base. In addition, statistics show Miami-Dade industrial has fared well and outperformed most of the country over an extended period of time. The Miami economy has become much more diversified in recent years, expanding its import/export base, life sciences business, health services, tourism and professional and business services. Miami was recently listed by KPMG LLP as the 2nd least expensive city to do business in the United States. Miami is ideally positioned to continue as the state's major import/export hub. Recent completed upgrades include the deepening of PortMiami to 50 feet to accommodate post Panamax ships, FEC rail connectivity to intermodal centers and the construction of the \$1 billion Port Bypass Tunnel. These infrastructure improvements are boosting Miami's ability to lure additional trade to the region. The future opening of the Miami International Center (MIC) at Miami International Airport is further evidence of the city's dynamic business climate and commitment to attract further trade to the region. Miami's industrial market has seen responsible, incremental growth spurred mostly by demand and not necessarily by speculation. The lack of developable industrial land over the long term will bode well for increased occupancy and rent growth on existing product. As an international gateway city, growth will continue in this dynamic and unique region.

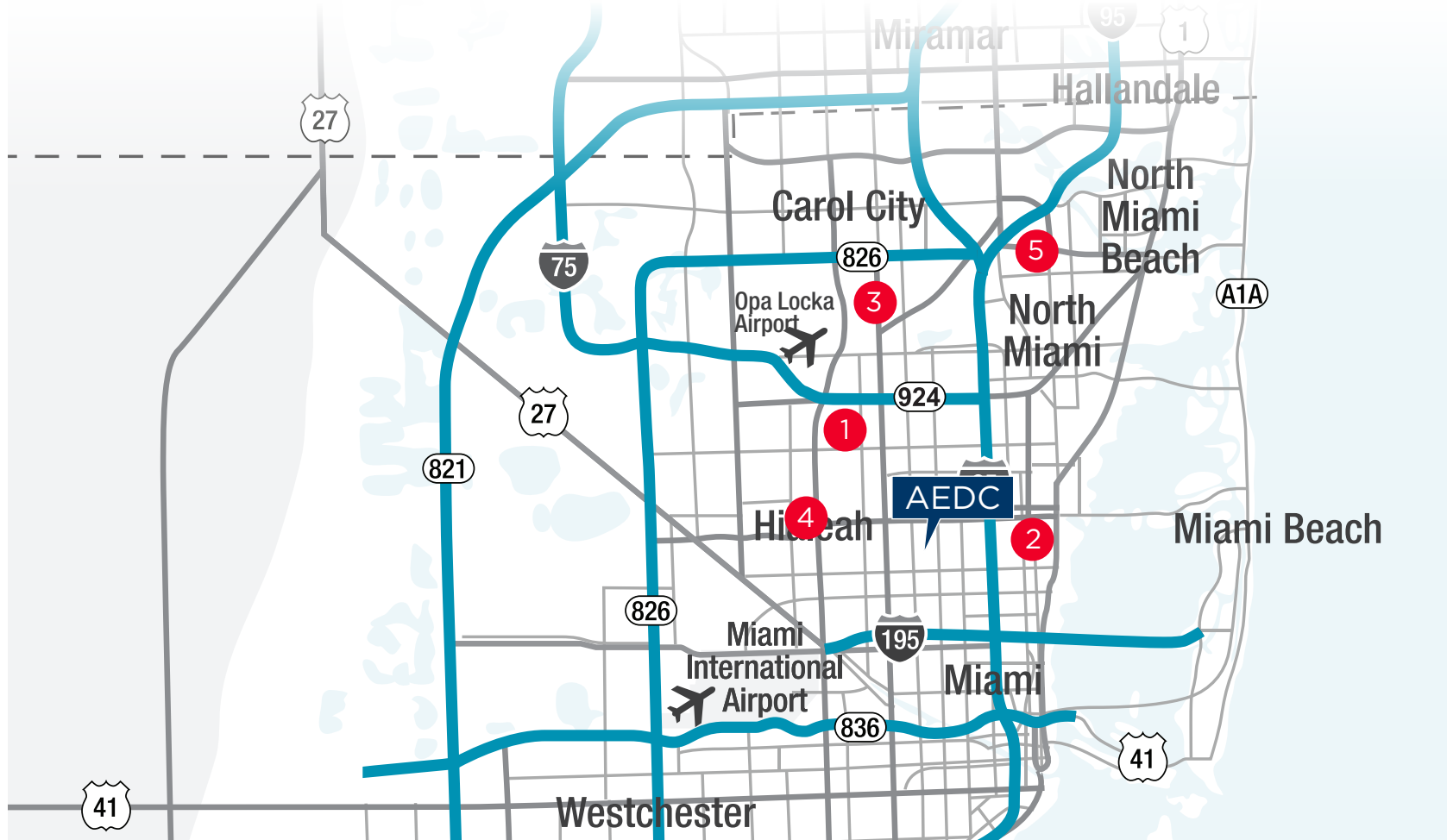


LEASE COMPARABLES										
	BUILDING NAME	ADDRESS	BUILDING SIZE	LEASE SIZE	YEAR BUILT	CLEAR HEIGHT	DOCK HIGH	RATE	TYPE	START DATE
1	Marlin Distribution Center	11451 NW 36 AVE	93,449 SF	93,449 SF	1975	22'	12 Doors	\$5.75 IG	Expansion / Renewal	Jan-14
2	Gratigny Industrial Park 9	3435 NW 112 ST	135,300 SF	54,150 SF	1972	22'	n/a	\$5.85 Mod Gross	New Lease	Apr-15
3	March Prop Building	5750 NW 32 CT	75,450 SF	40,450 SF	1957	20'	6 Doors	\$4.00 NNN	Renewal	Jan-14
4	Prologis Gratigny 3	3329-3345 NW 116 ST	162,558 SF	88,000 SF	1975	22'	7 Doors	\$6.25 IG	Renewal	Apr-14
5	Palmetto Lakes 10	16005-16085 NW 52 AVE	77,780 SF	77,780 SF	1981	22'	3 Doors	\$3.40 NNN	Renewal	Feb-16
6	Panther Distribution Center	3505 NW 123 ST	111,640 SF	111,640 SF	1981	28'	25 Doors	\$6.26 IG	New Lease	Jul-14





SALE COMPARABLES							
	BUILDING NAME	ADDRESS	SALE PRICE	SALE PRICE PSF	YEAR BUILT	SALE DATE	LAND TO BLDG RATIO
1	International Data Depository	3350-3450 NW 112 ST	\$10,060,000	\$54	1973-79	Oct-14	1.46
2	Little River Urban Investments	7201-7275 NE 4 AVE	\$9,250,000	\$72	1955	Jan-14	1.24
3	Environmental Packer Corp.	2330 NW 149 ST	\$5,000,000	\$53	1966	May-15	1.4
4	Furniture Mart	1000-1050 HIALEAH DR	\$6,500,000	\$51	1970	Sep-14	1.45
5	Dade Distribution Center #1	18000 S STATE RD 9	\$13,250,000	\$49	1962	May-14	1.48



## Market Information

### FLORIDA OVERVIEW

#### ECONOMY

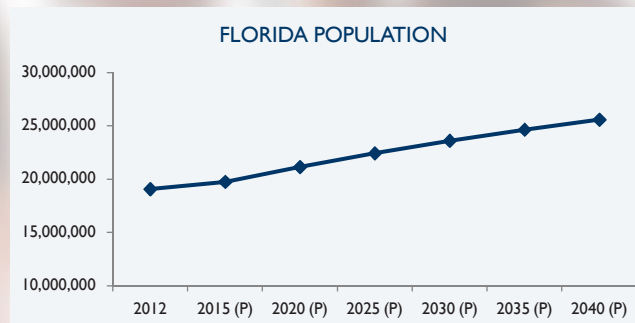
Florida's economy has undergone a metamorphosis over the past decade, shifting from the tourism industry to the high technology, life sciences, services, and retail/wholesale trade sectors. Florida's seasonally adjusted unemployment rate for December 2015 was 5.0%, which is seven-tenths of a percentage point lower than twelve months prior. From December 2014 to December 2015, Florida gained 233,100 jobs. Florida's annual job growth rate has exceeded the nation's rate since April 2012. Florida is recognized as the top state east of the Mississippi for job growth with a projected annual job growth rate of 3.0% through 2022.

The state's technology and biotech sectors continue to play a major part of that growth. Florida is now considered the fifth largest cyberstate in the U.S. Companies in the aviation, aerospace, micro-electronics, and medical technology industries, which continue to migrate to the state to take advantage of Florida's pro-business, low tax approach to development that includes no state personal income tax and favorable tax incentive programs for businesses. In particular, South Florida's status as the gateway to Latin America, combined with increasingly sophisticated finance capabilities and highly skilled workforce, should cement Florida's positive growth prospects for the near future.



#### POPULATION TRENDS

**At the end of 2014, Florida's population surpassed that of New York to become the third most populous state in the nation.** Florida's current population is estimated to be over 19.55 million residents, gaining more than 230,000 people from a year earlier. According to the 2010 US Census, from 2000-2010 Florida's population grew by 18.0% for an increase of 2.8 million people. From 2010 through 2014, the Sunshine State has grown another 3.75%.







## MIAMI MSA OVERVIEW

Known as the gateway to Latin America, Miami has risen to become known as one of the top metropolitan cities in the world. With a diverse population and a local economy driven by international trade and tourism, Miami's growth over the past 10 years has been well documented. The city has reacted by increasing capacity at its two ports, The Port of Miami and the Miami River, as well as expanding capacity at **Miami International Airport which sees over 125,000 passengers a day and is the third ranked airport nationally and ninth worldwide for air cargo, with over 2.2 million US tons of volume per year.**

### POPULATION

- Over the past 10 years, Miami has consistently added nearly 60,000 new residents per year and has a current population of nearly 2.5 million. The population is projected to climb to over 3.0 million by 2023.
- Miami-Dade County was home to an estimated 2,662,874 persons in 2014. Of these residents, roughly one-quarter were under the age of 18 and one in seven were seniors (65 years and older).
- More than two-thirds of residents were not native to Florida. Of the total population, just over half were foreign born, while 17.5% came from other regions of the United States. Of the foreign born population, 93% percent came from Latin America and the Caribbean with the remainder from Europe, Asia, Africa and Canada.
- In terms of individual countries, Cuba accounted for almost one-half of all the Latin American and Caribbean foreign-born population or 23.4% of the total population.
- After Cuba, three countries have a virtually identical total. They are: Nicaragua, Haiti and Colombia, with each accounting for approximately 3.4% of the total population.

### EMPLOYMENT

One of Miami-Dade County's employment strengths is its well-developed shipping and distribution infrastructure. Its ties to Latin America and international trade also give Miami an advantage over its competitors directly to the North. The region is forecasted to have close to 2% positive total employment growth in 2016, with continual increases for the following years.



### ECONOMY

- More than 100 international consulates, trade offices, and bi-national chambers of commerce that support the worldwide flow of goods and services are in Miami.
- Convenient direct air service from Miami International Airport to all major destinations in Latin America and the Caribbean - more flights to the region than any other U.S. airport.
- Ability to ship goods efficiently anywhere in the world through PortMiami, Florida's largest container port and first to be post Panamax ready.
- A central location in the Western Hemisphere and in the Eastern time zone, facilitating communication with Europe and the western United States.
- Excellent business climate with no local or state personal income tax.
- Skilled multilingual, multicultural workforce drawn from more than 100 nations.
- Strong, growing domestic economy serving more than 44 million South Floridians.
- Ready access to sophisticated international banking, insurance and legal services, and other professional services.
- High quality of life with a wide range of housing options, year-round outdoor recreational activities, renowned cultural institutions and four major professional sports franchises.
- Financial and workforce training incentives available to qualified companies.

### GATEWAY TO THE AMERICAS

Miami-Dade County offers unmatched access through the unrivaled global transportation connections available through the community's top economic engines Miami International Airport ("MIA") and PortMiami. With over 44 million passengers in 2015, MIA ranked as one of the world's busiest airports. In 2014, **MIA ranked first in international freight and third in the United States for air cargo, with over 2.2 million US tons of volume.** PortMiami is both the world's leading port for cruise line passenger traffic and the top container port in the State of Florida.

### MIAMI INTERNATIONAL AIRPORT

Miami International Airport is one of Miami-Dade County's most important economic engines and a world-class facility that connects the community to the world. Airlines serving MIA fly nonstop to more than 40 destinations in the United States and Canada, 29 in the Caribbean and The Bahamas, 19 in South America, 10 in Central America and nine throughout Europe. With over 39 million passengers traveling through MIA in 2012, the airport ranked as the world's 23rd busiest airport, according to estimates by Airports Council International.

**As an air cargo center, MIA ranked 9th worldwide and 3rd in the United States in 2014.** A leader in the Americas in international freight and the world's largest gateway to Latin America & the Caribbean, MIA controls the north/ south cargo flows in the Western Hemisphere. Handling 82% of all air imports and 79% of all exports from the Latin American/ Caribbean region, MIA serves as the hub for distribution of perishable products, hi-tech commodities, telecommunications equipment, textiles, pharmaceuticals and industrial machinery. **During 2014, airport rankings show MIA as the leading airport in the United States for international freight, and among major world airports, MIA ranked 10th in international freight.**

Miami International Airport set new all-time records for annual passenger and cargo traffic in 2014 with over 40 million passengers and 2.2 million tons of cargo. Both the annual passenger total increased, and cargo volume grew. International passengers led the way with an increase of 5.2 percent to 19.4 million travelers, while domestic passengers grew by one percent to 20.1 million.

In addition, extensive airport improvements will accommodate future traffic growth. For example, the multi-year reconstruction and expansion of Miami International Airport's north terminal was completed in 2014 with many of the 50 gates for the terminal already in use. Recently completed is an elevated train that connects MIA to the Miami Intermodal Center ("MIC") and then on to points toward Downtown Miami. The MIC links the airport to the South Florida Regional Transportation Authority's Tri-Rail mass transit system and a rental car center.



### PORTMIAMI

PortMiami is the world's leading port for cruise line passenger traffic, while also showing impressive strength in international freight. PortMiami is Florida's No. 1 container port and recognized throughout the world with the dual distinction of being the Cruise Capital of the World and the Cargo Gateway of the Americas. PortMiami's status as a leader in international freight is evident from the rapid growth of trade with China, which sends more ocean freight to Miami-Dade's port than any other country.

Additionally, approximately 35 shipping lines sail from Miami to more than 250 other seaports in more than 100 countries. In 2015, PortMiami's total TEUs (Twenty-Foot Equivalent Units) were just over one million. The Port's cargo traffic increased 15% since 2014 and this growth is expected to continue as infrastructure improvements like the Deep Dredge and the Inter-modal / Freight Rail Restoration utilization increases. PortMiami hopes to double its cargo throughput before the end of the decade. Together, Miami International Airport and PortMiami constitute one of the nation's top five freight markets in combined tonnage and TEU's. Moreover, when combining Port Everglades with PortMiami, the total TEU's make it the 11th largest water port in the United States.

With the expansion of the Panama Canal in 2014, which will allow a new generation of larger cargo vessels to pass through the Canal, the Port's Deep Dredge project has commenced. The dredging of the channel to a depth of 50 feet will enable the Port to double its cargo business by 2020. The state has already contributed \$17.5 million, with another \$77 million subject to legislative approval, and the county has earmarked \$120 million for the project. The addition of FEC rail connectivity and the new Port Tunnel will ease the flow of goods and offer alternatives to and from the Port.

Known as the Cruise Capital of the World, PortMiami welcomed over 4.5 million passengers in 2015. Carnival Cruise Lines, Royal Caribbean, Disney, Regent Seven Seas and Norwegian Cruise Lines are just a few of the companies that call Miami-Dade home.

### TRADE

Through its unparalleled international infrastructure with world-class facilities like Miami International Airport and PortMiami, the area is a global center for international trade. For many years, companies from throughout Latin America and the Caribbean have used the Miami Customs District to transport goods to markets in the United States and European companies have utilized the area's infrastructure to ship goods to both the U.S. and Latin American markets. Increasingly, companies from many Asian countries are following the example of their European counterparts and are shipping goods through Miami-Dade's ports to important markets in Latin America and the Caribbean. In fact, China has become one of the Miami Customs District's top five trading partners.

### INTERNATIONAL COMPANIES

As one of the world's leading international commercial centers, Miami-Dade County is home to more than 1,000 multi-national corporations, dozens of foreign consulates and trade offices and various bi-national chambers of commerce. All of these organizations are capitalizing on Miami-Dade's many advantages for businesses looking to compete in the global marketplace, including the skilled, multicultural, multilingual workforce, the connectivity to the world's most important markets, and the international infrastructure. Companies like Boeing, Nokia, AIG, MAPFRE, Becton Dickinson and Caixa Galicia have all recently established operations in the community in order to reach audiences in the United States, as well as those in Latin America and the Caribbean. As the county continues to attract international companies from Europe, Asia and Central and South America, Miami-Dade's status as a hub for international business will continue to be solidified.

### EDUCATION

With the fourth largest public school district in the United States and numerous highly regarded institutions for higher learning, the educational resources housed in Miami-Dade County has enabled the community to build a skilled, multilingual workforce of more than one million workers. The Miami-Dade public school district, which focuses on providing students with a first-class education, has introduced a number of progressive reforms in recent years. The results are promising. According to Miami-Dade Public Schools, the District's high schools surpassed the state's average of high schools receiving a performance grade of A or B today. Eighty-eight percent of M-DCPS senior high schools – 49 schools – received either an A or B, compared to the statewide average of 78 percent. For the 2011-2012 academic year, M-DCPS' graduation rate jumped nearly five points as calculated by following U.S. Department of Education guidelines. The federally calculated graduation rate for 2010-11 was 71.3 percent; this year it rose to 76.0 percent, surpassing the state both in rate of growth and total percentage points. In 2013, US News and World Reports named four public senior high schools from the community as "America's 100 Best High Schools." Greater Miami is also recognized for its renowned private schools, including Gulliver Academy, Ransom Everglades School, Belen Jesuit Preparatory School, and Monsignor Edward Pace High School. When it comes to higher education, Miami-Dade is home to various world-class institutions, including Miami Dade College, Florida International University, the University of Miami, Barry University, Florida Memorial University and St. Thomas University. These colleges and universities have each distinguished themselves for their academic accomplishments. For example, Miami Dade College awards more associate degrees to minorities than any other institution in the United States and the University of Miami is the largest private research university in the southeastern United States.



### ENTERTAINMENT

The Miami MSA offers residents a vast variety of recreational outlets. The area's climate and proximity to the warm waters of the Atlantic Ocean permit outdoor activity year round. Miami is home to several professional sports franchises including the NFL's Miami Dolphins, the NBA's 2012 and 2013 world champion Miami Heat and MLB's Miami Marlins who recently received a new \$650m stadium. Numerous venues such as the Arsht Center for the Performing Arts, the Olympia Theater at the Gusman Center, the Broward Center for the Performing Arts and the new Perez Art Museum Miami provide cultural entertainment for the South Florida area.

### CULTURE

Miami-Dade County is home to a burgeoning cultural arts scene that reflects the vibrant, multicultural population of the community. Recognized by many as one of the world's most dynamic cultural centers, Miami-Dade is home to more than 1,200 not-for-profit arts organizations, a variety of museums and the contemporary visual and performing artists, high-profile international arts events and exciting exhibits that brings some of the world's best cultural offerings to South Florida.

Miami-Dade's position as a global cultural center was solidified with the opening of the state-of-the-art Carnival Center for the Performing Arts. As Miami-Dade County's largest ever public-private partnership, the \$446.4 million center provides the local community with a world-class facility for the cultural arts featuring the beautifully designed Ziff Ballet Opera House and the Knight Concert Hall, a versatile Studio Theater, private lounges and public plazas. As the focal point of the cultural arts scene in Miami-Dade, the Arsht Center for the Performing Arts serves as a showcase for the finest in established and developing cultural programs from around the world. The center helps to ensure the overall success of the community by offering sophisticated accommodations for artists and cultural organizations, providing a wide range of performing arts experiences, serving as an educational and cultural resource for under-served audiences, acting as a catalyst for the revitalization of its neighborhood, and enhancing Miami-Dade's economic opportunities through its appeal to tourists and potential residents.



### PERFORMING ARTS

With a variety of local companies and associations, such as the Concert Association of Florida, the New World Symphony, the Miami Symphony Orchestra, Florida Grand Opera, Miami City Ballet and many more, there are various performing arts shows for Miami-Dade residents and visitors to enjoy year-round. In addition, Miami-Dade regularly hosts Broadway shows and concerts at venues such as Miami Beach's Jackie Gleason Theater and the Art Deco Lincoln Theater, the Miami-Dade Auditorium, and the renowned Gusman Center for the Performing Arts in Downtown Miami. Coral Gables is home to a thriving theater district for live productions in The Actor's Playhouse, the New Theatre and Gable Stage.

### CONCLUSION

Overall, Miami and Miami-Dade County have no national equal from a standpoint of economic diversity and national and global appeal. From the Gateway to the Americas to the region's attractiveness as a business center and tourism magnet, the appeal will continue to grow and appreciate. With the Everglades to the west, the physical development restraints South Florida operates under will only lead to the appreciation of existing real estate. Market conditions currently point to a prudent time to enter or grow with this diverse and dynamic market. Investment activity is high in South Florida in all market types.







# TENANT INFORMATION





### ECONOCARIBE CONSOLIDATORS

Formed in 1968, Econocaribe Consolidators is an international transportation specialist occupying more than 500,000 SF of warehouse in Miami alone.

Econocaribe, who began providing ocean transportation services in 1971, is a non-vessel operating common carrier (NVOCC) with offices throughout the United States and partners throughout the world.

Specializing in freight consolidation with receiving terminals located throughout the United States, Econocaribe offers weekly export sailings to more than 125 destinations throughout Latin America, Caribbean, Europe, Mediterranean, Middle East, Africa and Asia.

Econocaribe handles Less than Container Load (LCL), Full Container Load (FCL), and air cargo into numerous destinations worldwide.

The largest tenant at AEDC, Econocaribe occupies +/-136,298 SF with 26,298 SF of the space occupied by US Customs and Border Patrol.

Website: [www.econocaribe.com](http://www.econocaribe.com)

Primary Use: Distribution



### GA TELESIS

Headquartered in Fort Lauderdale, Florida, GA Telesis LLC is one of the world's largest commercial aerospace firms with over \$1.0 billion in assets under management. With customers located across six continents, GA Telesis operates sales, leasing, distribution, and maintenance facilities in the United States, Canada, United Kingdom, Finland and China.

Since its founding in 2002, GA Telesis has created one of the world's largest inventories of commercial aircraft products. This global leader in the aerospace industry occupies +/- 96,389 SF of pure distribution space at AEDC.

Website: [www.gatelesis.com](http://www.gatelesis.com)

Primary Use: Warehousing of Aircraft Parts (No Office)



### MIATEX

Miatex Corp. is one of the largest textiles jobbers in the world, specializing in closeout and promotional fabrics, primarily for the export market. Miatex has evolved into a textile converter, sourcing products from all over the world to create regular lines in a wide range of products. Their customer base takes advantage of a large inventory combined with volume purchasing to receive the latest in fabric colors, trends and designs at some of the lowest wholesale prices in the market.

Occupying +/-59,673 SF, inclusive of +/-3,000 SF of office, Miatex has shifted their warehouse operations from the Airport West to the Airport East industrial submarket.

Website: [www.miatexcorp.com](http://www.miatexcorp.com)

Primary Use: Warehousing of Fabrics/Distribution



## Tenant Information



### DISPLAYS DEPOT

Formed in 1990, Displays Depot, Inc. is a wholesale distributor of retail display products with a side focus on retail display design and remodeling.

They have two locations, one in Miami and another in Honduras.

The company imports and exports to more than 40 countries worldwide.

The latest tenant to be added to AEDC, Displays Depot occupies +/-34,000 SF of space at AEDC and is currently repurposing the street-level portion of the warehouse (+/-8,000 SF) to create and open showroom setting.

Website: [www.displaysdepot.com](http://www.displaysdepot.com)

Primary Use: Wholesale, Warehousing and Distribution



### OLYMPIA BUILDING SUPPLIES

With three locations serving South Florida, Olympia Building Supplies provides building products to area contractors as well as other customers via their export services.

Olympia occupies the 27,594 SF street-level warehouse as well as +/-38,000 SF of outside storage space within a fully-fenced and secured court yard. Along with roughly 7%-10% of new office/showroom space, the unit also houses Olympia's inventory of gypsum board, lumber, metal framing, acoustic ceiling tiles, insulation, cement, plaster, stucco, lath, trims, fasteners, nails, pins, etc.

Olympia's space offers storefront entry on NW 71st St combined with outside storage as well as side and rear loading.

Website: [www.olympiabldgsupplies.com](http://www.olympiabldgsupplies.com)

Primary Use: Wholesale, Warehousing and Distribution



# Tenant Information

# Airport East Distribution Center

RENT ROLL									
TENANT NAME	SUITE #	LEASE START	LEASE END	SF	DATE	\$/SF/YR	CURRENT RENT/YR	RECOVERY METHOD	NOTES
Econocaribe, Inc.	1	7/1/10	3/31/21	110,000	6/1/16 4/1/17 4/1/18 4/1/19 4/1/20	\$4.30 \$4.43 \$4.56 \$4.70 \$4.84	\$473,000	\$0.29/SF	Two, 5-yr renewal options (Bays 1 and 4) with one year notice at the lesser of \$75,000 per month or market rent. The second renewal option shall be at market.
GA Telesis	3-Jan	6/1/15	8/31/20	96,389	6/1/16 7/1/16 7/1/17 7/1/18 7/1/19 7/1/20	\$4.30 \$4.43 \$4.56 \$4.70 \$4.84 \$4.98	\$414,468	Base Stop	
Econocaribe, Inc.	4	3/1/12	3/31/19	26,298	6/1/16 4/1/17 4/1/18	\$4.30 \$4.43 \$4.56	\$113,081	Base Stop	Tenant has the option to terminate the lease with notice on or before February 28, 2016 as to Bay 4 only.
Miatex, Corp	6-Jan	4/1/16	9/30/23	59,673	6/1/16 5/1/17 5/1/18 5/1/19 5/1/20 5/1/21 5/1/22	\$4.50 \$4.61 \$4.73 \$4.85 \$4.97 \$5.09 \$5.22	\$268,528	Base Stop	One, 3-yr renewal option with 12 months notice at market rent but no less than 105% of last rent.
Olympia Building Supplies	7	12/1/15	4/30/23	27,594	6/1/16 1/1/17 1/1/18 1/1/19 1/1/20 1/1/21 1/1/22 1/1/23	\$5.50 \$5.64 \$5.78 \$5.92 \$6.07 \$6.22 \$6.38 \$6.54	\$151,766	Base Stop	One, 5-yr renewal option with 240 days notice at market but no less than 115% of the last rent.
Speculative Lease	8	9/1/16	10/31/21	6,302	9/1/16 9/1/17 9/1/18 9/1/19 9/1/20 9/1/21	\$7.25 \$7.47 \$7.69 \$7.92 \$8.16 \$8.40		Net	



RENT ROLL									
TENANT NAME	SUITE #	LEASE START	LEASE END	SF	DATE	\$/SF/YR	CURRENT RENT/YR	RECOVERY METHOD	NOTES
Displays Depot	9	11/1/15	1/31/21	34,000	6/1/16	\$4.50	\$153,000	Base Stop	Tenant has free rent through March 2016. Any remaining abatement will be a seller credit at closing. One, 5-yr renewal option with one year notice at \$5.22/sf.
					12/1/16	\$4.64			
					12/1/17	\$4.77			
					12/1/18	\$4.92			
					12/1/19	\$5.06			
COMMON AREA	COM	6/1/16	5/31/66	3,194	6/1/16	\$0.00	\$0	N/A	
Speculative Lease	OFF	11/1/16	12/31/21	17,495	11/1/16	\$10.75		Net	
					11/1/17	\$11.07			
					11/1/18	\$11.40			
					11/1/19	\$11.75			
					11/1/20	\$12.10			
Speculative Lease	OFF	5/1/17	6/30/22	16,640	5/1/17	\$6.75		Net	
					5/1/18	\$6.95			
					5/1/19	\$7.16			
					5/1/20	\$7.38			
					5/1/21	\$7.60			
					5/1/22	\$7.82			

FIRST TERM LEASE EXPIRATIONS								
TENANT NAME	SUITE	LEASE START	LEASE END	EXPIRATION YEAR	EXPIRATION SF	CUMULATIVE SF	% NRA	CUMULATIVE % NRA
Econocaribe, Inc.	4	3/1/2012	3/31/2019	3	26,298		6.6%	
<b>TOTAL MAY-2019 EXPIRATIONS:</b>				<b>3</b>	<b>26,298</b>	<b>26,298</b>	<b>6.6%</b>	<b>6.6%</b>
GA Telesis	3	6/1/2015	8/31/2020	5	96,389		24.2%	
Displays Depot	9	11/1/2015	1/31/2021	5	34,000		8.6%	
Econocaribe, Inc.	1	7/1/2010	3/31/2021	5	110,000		27.7%	
<b>TOTAL MAY-2021 EXPIRATIONS:</b>				<b>5</b>	<b>240,389</b>	<b>266,687</b>	<b>60.5%</b>	<b>67.1%</b>
Olympia Building Supplies	7	12/1/2015	4/30/2023	7	27,594		6.9%	
<b>TOTAL MAY-2023 EXPIRATIONS:</b>				<b>7</b>	<b>27,594</b>	<b>294,281</b>	<b>6.9%</b>	<b>74.0%</b>
Miatex, Corp	6	4/1/2016	9/30/2023	8	59,673		15.0%	
<b>TOTAL MAY-2024 EXPIRATIONS:</b>				<b>8</b>	<b>59,673</b>	<b>353,954</b>	<b>15.0%</b>	<b>89.0%</b>
COMMON AREA	COM	6/1/2016	5/31/2066		3,194		0.8%	
<b>TOTAL FUTURE EXPIRATIONS:</b>				<b>Future</b>	<b>3,194</b>	<b>357,148</b>	<b>0.8%</b>	<b>89.8%</b>





# FINANCIAL INFORMATION

GENERAL ASSUMPTIONS

ANALYSIS PERIOD

The cash flow projections are presented on a fiscal year basis over ten years beginning June 1, 2016 and ending May 31, 2026. The term commencement is projected to coincide with an investor’s date of ownership.

SQUARE FOOTAGE

Airport East Distribution Center (“AEDC”) consists of 397,585 rentable square feet (rsf).

CURRENT LEASING STATUS

AEDC is 89.7% leased with two vacancies totaling 40,437 rsf, consisting of a 6,302 rsf outparcel and a 34,135 rsf two-story office building.

REVENUES

OPERATING EXPENSE REIMBURSEMENT

Existing tenants are assumed to reimburse operating expenses in accordance with their lease terms. New and renewing tenants are assumed to pay their prorata share of operating expenses on a triple net basis.

GENERAL VACANCY FACTOR

A 7% general vacancy factor is applied to gross potential rental income during the analysis. The general vacancy factor is reduced annually by absorption and turnover vacancy.

MARKET LEASING ASSUMPTIONS

GROSS MARKET RENT								
SUITES 1	SUITES 2/3	SUITES 4	SUITES 5/6	SUITE 7	SUITE 8	SUITE 9	OFFICE-1ST FLOOR	OFFICE-2ND FLOOR
\$5.25/SF	\$5.25/SF	\$5.75/SF	\$5.75/SF	\$6.5/SF	\$8.75/SF	\$5.50/SF	\$12.25/SF	\$8.25/SF

MARKET RENT GROWTH

The analysis assumes 5% rent growth during Years 2, 4% for Year 3 and 3% thereafter for the warehouse spaces. The analysis assumes 3% throughout for the office space.

RENT ABATEMENT

New tenants leasing current vacancies are given 2 months of free rent outside of the lease term.



**RENEWAL PROBABILITY**

The analysis assumes a 75% renewal probability for all tenants. Related downtime and leasing costs are weighted in accordance with the renewal probability.

**TENANT IMPROVEMENTS**

		<b>OFFICE</b>	<b>INDUSTRIAL</b>
<b>Tenant</b>	<i>New</i>	\$10.00/SF	\$1.50/SF
<b>Improvements</b>	<i>Renewal</i>	\$5.00/SF	\$1.00/SF

**LEASING COMMISSIONS**

The analysis assumes 6% of gross rent on new leases and 4% on renewal leases.

**DOWNTIME**

The analysis assumes 6 months downtime between leases.

**LEASE TERM AND ESCALATIONS**

The analysis assumes 5 year lease terms and 3% annual escalations.

**OPTIONS**

Existing tenant options as outlined in the rent roll herein are assumed not exercised.

**LEASE-UP**

The analysis assumes the existing vacancies are leased up follows:

<b>FUTURE LEASING ACTIVITY (Subsequent to Analysis Start Date of Jun-2016)</b>										
<b>SUITE</b>	<b>TYPE</b>	<b>SF</b>	<b>START</b>	<b>END</b>	<b>INITIAL RENT</b>	<b>RENT INCREASE</b>	<b>FREE RENT</b>	<b>TI</b>	<b>LC</b>	<b>RECOVERIES</b>
8	Industrial	6,302	9/1/2016	10/31/2021	\$7.25	Yes	2.0 Months	\$10.00	6%	Net
1st Floor	Office	17,495	11/1/2016	12/31/2021	\$10.75	Yes	2.0 Months	\$20.00	6%	Net
2nd Floor	Office	16,640	5/1/2017	6/30/2022	\$6.75	Yes	2.0 Months	\$20.00	6%	Net

**CAPITAL RESERVE**

A reserve for capital expenditures is assumed to be \$0.15/rsf for the duration of the analysis.

**OPERATING EXPENSES**

Unless otherwise noted, operating expenses in year one of the cash flow projections are based on market expenses. Operating expenses for years 1-5 are escalated 2.5% annually (consistent with the last 10 years average CPI increase of 2.4%) and 3% annually for years 6-10. Expenses have been adjusted for non-recurring items and owner specific expenses.

<b>OPERATING EXPENSES</b>		
<b>EXPENSES</b>	<b>\$/SF</b>	<b>YEAR 1 PRO FORMA</b>
Real Estate Taxes	\$0.51	\$202,669.00
Insurance	\$0.24	\$93,632.00
Utilities	\$0.16	\$65,485.00
R&M	\$0.19	\$75,772.00
Janitorial	\$0.04	\$16,500.00
Grounds & Landscaping	\$0.05	\$18,000.00
Security	\$0.01	\$4,990.00
Management Fee	\$0.18	\$70,365.00
General & Administration	\$0.06	\$24,831.00
<b>TOTAL OPERATING EXPENSES</b>	<b>\$1.44</b>	<b>\$572,244.00</b>

1. Unless otherwise noted, Year 1 expenses are based on market expenses.
2. Seller acquired the project in 2015. Historical operating statements are unavailable.
3. Real estate taxes are based on 2015 expenses escalated 2.5% net of 4% prepayment discount.
4. Management fee is underwritten at 4% of effective gross revenue.

**EXCESS LAND**

The Property has an acre of additional land located at the northeast corner of the project that is available for future development. The analysis assumes that the land is sold for future development during Year 1 of the analysis at \$1.50 per land foot.

CASH FLOW PROJECTION												
	IN-PLACE @6-1-16	YEAR 1 \$ / SF	YEAR 1 MAY-2017	YEAR 2 MAY-2018	YEAR 3 MAY-2019	YEAR 4 MAY-2020	YEAR 5 MAY-2021	YEAR 6 MAY-2022	YEAR 7 MAY-2023	YEAR 8 MAY-2024	YEAR 9 MAY-2025	YEAR 10 MAY-2026
<b>EFFECTIVE GROSS REVENUE</b>												
Base Rental Revenue		\$4.88	\$1,938,906	\$1,988,823	\$2,046,229	\$2,107,464	\$2,102,541	\$2,083,464	\$2,143,435	\$2,196,465	\$2,260,390	\$2,327,472
Absorption & Turnover Vacancy		(\$0.48)	(\$192,745)	\$0	(\$20,342)	\$0	(\$175,698)	(\$45,425)	(\$36,484)	(\$68,064)	(\$24,289)	(\$111,350)
Base Rent Abatements		(\$0.12)	(\$48,320)	(\$9,360)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Scheduled Base Rental Revenue	\$1,592,825	\$4.27	\$1,697,841	\$1,979,463	\$2,025,887	\$2,107,464	\$1,926,843	\$2,038,039	\$2,106,951	\$2,128,401	\$2,236,101	\$2,216,122
Expense Reimbursement Revenue	\$61,290	\$0.15	\$61,290	\$109,717	\$120,386	\$170,178	\$261,835	\$527,818	\$549,731	\$652,365	\$717,554	\$705,223
Total Potential Gross Revenue	\$1,654,115	\$4.42	\$1,759,131	\$2,089,180	\$2,146,273	\$2,277,642	\$2,188,678	\$2,565,857	\$2,656,682	\$2,780,766	\$2,953,655	\$2,921,345
General Vacancy		\$0.00	\$0	(\$146,243)	(\$131,321)	(\$159,435)	\$0	(\$137,365)	(\$152,038)	(\$131,354)	(\$184,167)	(\$100,939)
<b>TOTAL EFFECTIVE GROSS REVENUE</b>	\$1,654,115	\$4.42	\$1,759,131	\$1,942,937	\$2,014,952	\$2,118,207	\$2,188,678	\$2,428,492	\$2,504,644	\$2,649,412	\$2,769,488	\$2,820,406
<b>OPERATING EXPENSES</b>												
Real Estate Taxes	\$202,669	\$0.51	\$202,669	\$207,736	\$212,929	\$218,252	\$223,709	\$229,301	\$236,180	\$243,266	\$250,564	\$258,081
Insurance	\$93,632	\$0.24	\$93,632	\$95,973	\$98,372	\$100,831	\$103,352	\$105,936	\$109,114	\$112,388	\$115,759	\$119,232
Utilities	\$65,485	\$0.16	\$65,485	\$67,122	\$68,800	\$70,520	\$72,283	\$74,090	\$76,313	\$78,602	\$80,960	\$83,389
R&M	\$75,772	\$0.19	\$75,772	\$77,666	\$79,608	\$81,598	\$83,638	\$85,729	\$88,301	\$90,950	\$93,678	\$96,489
Janitorial	\$16,500	\$0.04	\$16,500	\$16,912	\$17,335	\$17,769	\$18,213	\$18,668	\$19,228	\$19,805	\$20,399	\$21,011
Grounds & Landscaping	\$18,000	\$0.05	\$18,000	\$18,450	\$18,911	\$19,384	\$19,869	\$20,365	\$20,976	\$21,606	\$22,254	\$22,921
Security	\$4,990	\$0.01	\$4,990	\$5,115	\$5,243	\$5,374	\$5,508	\$5,646	\$5,815	\$5,990	\$6,169	\$6,354
Management Fee	\$70,365	\$0.18	\$70,365	\$77,717	\$80,598	\$84,728	\$87,547	\$97,140	\$100,186	\$105,976	\$110,780	\$112,816
General & Administration	\$24,831	\$0.06	\$24,831	\$25,452	\$26,088	\$26,740	\$27,409	\$28,094	\$28,937	\$29,805	\$30,699	\$31,620
<b>TOTAL OPERATING EXPENSES</b>	\$572,244	\$1.44	\$572,244	\$592,143	\$607,884	\$625,196	\$641,528	\$664,969	\$685,050	\$708,388	\$731,262	\$751,913
<b>NET OPERATING INCOME</b>	<b>\$1,081,871</b>	<b>\$2.98</b>	<b>\$1,186,887</b>	<b>\$1,350,794</b>	<b>\$1,407,068</b>	<b>\$1,493,011</b>	<b>\$1,547,150</b>	<b>\$1,763,523</b>	<b>\$1,819,594</b>	<b>\$1,941,024</b>	<b>\$2,038,226</b>	<b>\$2,068,493</b>
<b>LEASING &amp; CAPITAL COSTS</b>												
Tenant Improvements		\$1.88	\$745,720	\$0	\$0	\$32,329	\$165,099	\$278,438	\$124,181	\$120,743	\$37,478	\$141,487
Leasing Commissions		\$0.33	\$130,370	\$0	\$0	\$39,930	\$189,155	\$236,522	\$38,971	\$155,967	\$46,335	\$159,114
Capital Reserves		\$0.15	\$59,638	\$59,638	\$59,638	\$59,638	\$59,638	\$59,638	\$59,638	\$59,638	\$59,638	\$59,638
Bldg D 1 acre @ \$1.50/SF		(\$0.16)	(\$65,340)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL LEASING &amp; CAPITAL COSTS</b>		\$2.19	\$870,388	\$59,638	\$59,638	\$131,897	\$413,892	\$574,598	\$222,790	\$336,348	\$143,451	\$360,239
<b>CASH FLOW</b>	<b>\$1,081,871</b>	<b>\$0.79</b>	<b>\$316,499</b>	<b>\$1,291,156</b>	<b>\$1,347,430</b>	<b>\$1,361,114</b>	<b>\$1,133,258</b>	<b>\$1,188,925</b>	<b>\$1,596,804</b>	<b>\$1,604,676</b>	<b>\$1,894,775</b>	<b>\$1,708,254</b>





# EXHIBITS



### CONFIDENTIALITY & CONDITIONS

This Offering was prepared by Cushman & Wakefield and has been reviewed by the Owner. It contains select information pertaining to the Project and does not purport to be all-inclusive or to contain all of the information which a prospective purchaser may desire. Financial projections shall not be relied upon, are provided for general reference purposes only, and are based on assumptions relating to the general economy, competition, and other factors beyond control and, therefore, are subject to material change or variation. Actual results will differ from those projected. An opportunity to inspect the Project will be made available to qualified prospective purchasers.

In this Offering, certain documents, including the leases and other materials, are described in summary form. The summaries do not purport to be complete nor, necessarily, accurate descriptions of the full agreements involved, nor do they constitute a legal analysis of such documents. Interested parties are expected to independently review all documents.

This Offering is subject to prior placement, errors, omissions, changes or withdrawal without notice and does not constitute a recommendation, endorsement or advice as to the value of the Project by Cushman & Wakefield or Owner. Each prospective purchaser is to rely solely upon its own investigation, evaluation and judgment as to the advisability of purchasing the Project described herein.

Owner and Cushman & Wakefield expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers to purchase the Project and/or to terminate discussions with any party at any time with or without notice. Owner shall have no legal commitment or obligation to any purchaser reviewing this Offering or making an offer to purchase the Project

unless a written agreement for the purchase of the Project has been fully executed, delivered, and approved by Owner and any conditions to Owner's obligations thereunder have been satisfied or waived. Cushman & Wakefield is not authorized to make any representations or agreements on behalf of Owner.

This Offering is the property of Cushman & Wakefield and may be used only by parties approved by Cushman & Wakefield. The Project is privately offered and, by accepting this Offering, the party in possession hereof agrees (i) to return it to Cushman & Wakefield immediately upon request of Cushman & Wakefield or Owner and (ii) that this Offering and its contents are of a confidential nature and will be held and treated in the strictest confidence. No portion of this Offering may be copied or otherwise reproduced or disclosed to anyone without the prior written authorization of Cushman & Wakefield and Owner.

Your obligations to keep the Evaluation Material confidential shall not include information that: (i) is or becomes publicly available other than as a result of acts by you or your Representatives in breach of this agreement; or (ii) on your counsel's advice must be disclosed pursuant to law or a subpoena or other court order, but only to the extent specified in such subpoena or court order; provided prior to complying with any such order you shall give written notice to us that such demand has been made upon you and to the extent not legally prohibited you shall provide us with an opportunity to contest any such direction or order.

The terms and conditions set forth above apply to this Offering in its entirety.



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## DISCLOSURE

Regarding Environmental Matters: All parties to real estate transactions should be aware of the health, liability and economic impact of environmental factors on real estate. Cushman & Wakefield does not conduct investigations or analyses of environmental matters and, accordingly, urges its clients to retain qualified environmental professionals to determine whether hazardous or toxic wastes or substances (such as asbestos, PCBs and other contaminants or petro-chemical products stored in underground tanks) or other undesirable materials or conditions are present at the property and, if so, whether any health danger or other liability exists. Such substances may have been used in the construction or operation of buildings or may be present as a result of previous activities at the property. Depending upon past, current and proposed uses of the property, it may be prudent to retain an environmental expert to conduct a site investigation and/or building inspection.

Various federal, state and local authorities have enacted laws and regulations dealing with the use, storage, handling, removal, transport and disposal of toxic or hazardous wastes and substances. If hazardous or toxic substances exist or are contemplated to be used at the property, special governmental approvals or permits may be required. In addition, the cost of removal and disposal of such materials may be substantial. Consequently, legal counsel and technical experts should be consulted where these substances are or may be present.

Cushman & Wakefield makes no representation and assumes no obligation regarding the presence or absence of toxic or hazardous waste or substances or other undesirable materials on or about any property ultimately sold or leased. It is solely the responsibility of the potential tenants or purchasers to conduct investigations to determine the presence of such materials.

Regarding Radon Gas: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit. This notice is given pursuant to section 404.056(8), Florida Statutes.

Regarding Closing Costs: Upon closing the sale of the real property, additional costs may be demanded from the purchaser in the form of closing costs. Closing costs include, typically, attorneys' fees, title insurance premiums, other insurance costs, taxes, abstract charges, escrow fees, documentary stamps, recording fees, discount points, survey charges, mortgage transfer or service fees, and/or any other major cost to be paid or assumed by the purchaser. Allocation of these costs may be varied by provisions of the contract of sale.



[www.cushmanwakefield.com](http://www.cushmanwakefield.com)

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