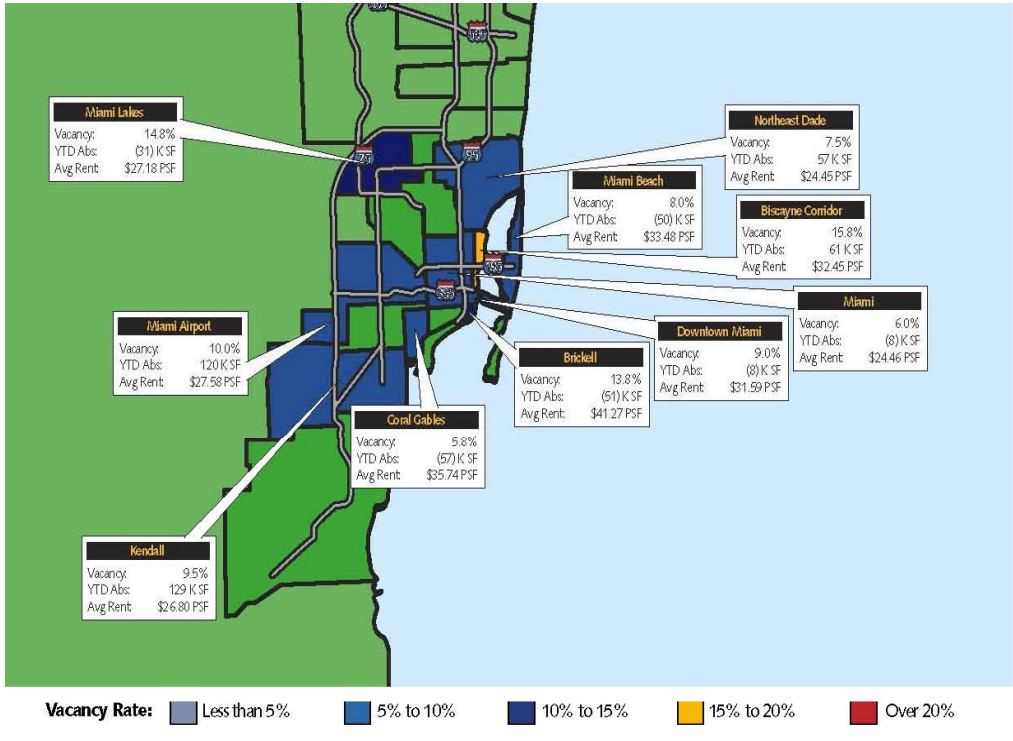
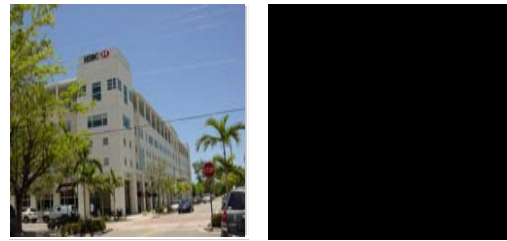


Miami, Florida

Office Report/1st Quarter 2008



Miami, Florida

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OFFICE



Select Top Office Leases—2008



The Miami-Dade County office market continues to see higher vacancy and slower absorption in the first quarter of 2008. This is the continuation of a trend that started 5 quarters ago, with a larger increase in vacancy and decrease in absorption over the last 2 quarters. This level is expected to continue through the end of the year.

According to the latest analysis, the vacancy rate for office space in the County has increased by 0.3 % over the last quarter of 2007 to a vacancy rate of 9%. Class A buildings in the CBD continue to have lower vacancy than Class B and C buildings. This trend is expected to continue until two new projects totaling 1,300,000 square feet (Metropolitan Miami – Met 2 and Brickell Financial Centre Phase I) come to market in 2009. Upon delivery, CBD vacancy will increase with many Class B building tenant's moving into new product and leaving large blocks of older space available. The vacancy does not take into consideration the large amount of sublease space coming on the market. Sublease space in Miami-Dade County increased to 461,345 square feet by the end of the first quarter of 2008.

Net absorption, while slowed, continued positive with 315,084 square feet absorbed in the first quarter of 2008. All of the positive absorption was in Class A product. Class B and C buildings showed a negative absorption of 217,296 square feet for the same quarter of 2008.

In a coup for the Brickell Financial Center, the law firm of Bilzin Sumberg Baena Price & Axelrod signed a 10-year lease for 115,000 square feet. The Brickell Financial Center is a Foram Group project that broke ground about a year ago in the CBD/Brickell markets and is scheduled to deliver 554,000 square feet of office space in late 2009. The law firm will be leaving the Wachovia Financial Tower also in the CBD.

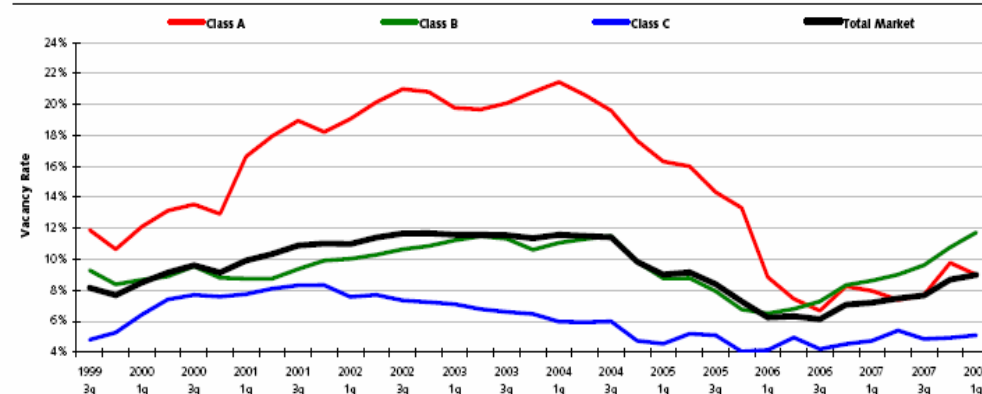
Quoted rates continue to increase in the first quarter of 2008, increasing by 1.6% to \$31.73 (Full Service Equivalent) over the quoted rental rates from the fourth quarter of 2007. The average quoted rental rate for Class A space in the CBD was \$38.35 at the end of the first quarter 2008, a small increase over the fourth quarter of 2007. When the new Class A buildings come on line, quoted rental rates in the CBD for Class A space will continue to increase while B and C rates drop.

Miami-Dade office inventory consists of approximately 90,000,000 square feet of which 21,000,000 square feet is Class A space. The Miami Dade office market with its logistical and international appeal continues to be the gateway to South America with many multinational firms having their South American divisions based in Miami. Overall, the market is slowing with higher vacancy and lower absorption expected. Because of the diversity of the Miami Dade County market and its strong economic ties to South America and Europe, it is expected that any market downturn will be limited versus a downturn of the domestic economy.



Building	Submarket	SF	Qtr	Tenant Name
1221 Brickell	Brickell	15,671	1st	Gray Robinson, P.A.
Dawson	Miami Airport	10,500	1st	Samsung Telecommunications America, Inc.
703 Waterford	Miami Airport	9,757	1st	Electrolux International
The Atrium	Biscayne Corridor	8,698	1st	Starwood
Flagler Station	Outlying Miami-Dade Cnty	8,083	1st	Todo 1
Courthouse Tower	Downtown Miami	6,917	1st	Angones, Hunter, McClure, Lynch, Williams & Garcia
2525 Ponce De Leon Blvd.	Coral Gables	6,917	1st	Avial Rodriguez Hernandez Mena & Ferri
SunTrust Plaza	Coral Gables	5,555	1st	Pescanova & Ladex
Fairway Corporate Ctr 3	Miami Lakes	5,132	1st	MIS Mortgage Information Services
One Biscayne Tower	Downtown Miami	4,414	1st	Silverman & Cosgrove
Flagler Station - Bldg. 1100	Outlying Miami-Dade Cnty	4,311	1st	Right Management
The Lincoln	Miami Beach	4,244	1st	Molinato Koger
Atrium at Coral Gables	Coral Gables	4,000	1st	Fairchild Partners, Inc.
26085 South Dixie Highway	South Dade	3,663	1st	Humana Medical Plan Inc. Washington Group International
Davenport	Miami Airport	3,350	1st	International
Flagler Station - Bldg. 1100	Outlying Miami-Dade Cnty	3,309	1st	Todo 1
Doral Concourse Office Park - Bdg. 1	Miami Airport	3,148	1st	General Mills
5820 Waterford at Blue Lagoon	Miami Airport	3,000	1st	Carrillo & Jimenez Villanueva, Bajandas, Liebegott, LLP
1000 Brickell	Brickell	2,950	1st	Golf Coast Jewish Center
Miami Springs Professional Center	Miami Airport	2,917	1st	EMCI Communications
Doral Concourse Office Park - Bdg. 1	Miami Airport	2,900	1st	Prestige Claims & Risk Management SVC
Arbor Place	Miami Lakes	2,898	1st	Perca Holdings
Capital Plaza II	Kendall	2,743	1st	Synergy Capital Group
SunTrust Bldg.	Brickell	2,734	1st	Saglo Development Corporation
Espirito Santo Plaza	Brickell	2,380	1st	H. Mark Vieth, Esq.
InterAmerican Plaza	Miami	2,320	1st	World Vision, Inc.
Atrium at Coral Gables	Coral Gables	2,285	1st	Gimenez & Carrillo
Atlantic Tower	Miami Airport	2,114	1st	Alca Medical Centers
5820 Waterford at Blue Lagoon	Miami Airport	2,105	1st	American Steel Products
Healthsouth Corporation	Kendall	2,046	1st	Equity One
Bayview Executive Plaza	Coconut Grove	1,995	1st	Solutex, Inc.
Banco Popular	Northeast Dade	1,957	1st	A-Data Technology
Trenton Bldg.	Miami Airport	1,847	1st	The Doug Williams Group, Inc.
Union Bank Bldg.	Miami Airport	1,842	1st	Baptist Health
Capital Plaza II	Kendall	1,819	1st	Haze Wood
Park Place II	Coral Gables	1,806	1st	Jodocus Capital
Dadeland Tower South	Kendall	1,761	1st	Work America Inc.
800 Bldg.	Brickell	1,745	1st	Datacom
1125 NE 125th Street	Northeast Dade	1,500	1st	
The Related Group Building	Coral Way	1,477	1st	

VACANCY RATES BY CLASS 1999-2008



Source: CoStar Realty®