

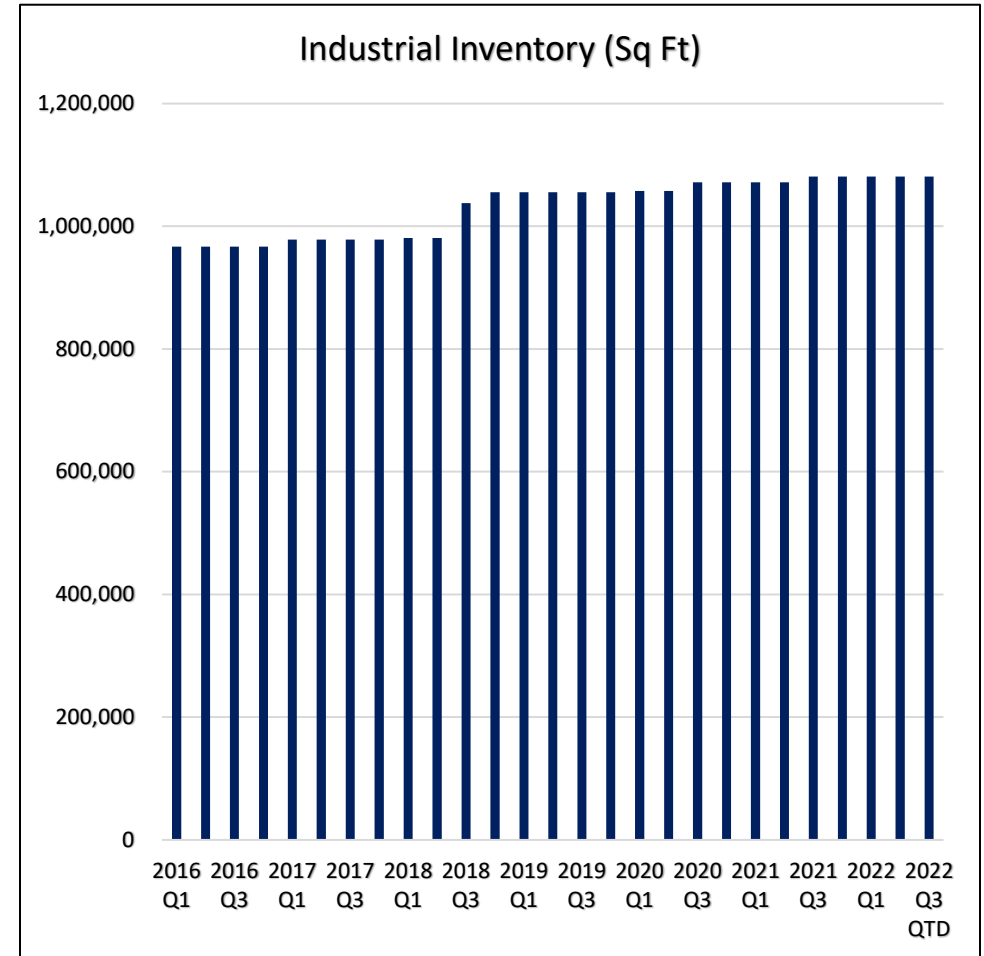
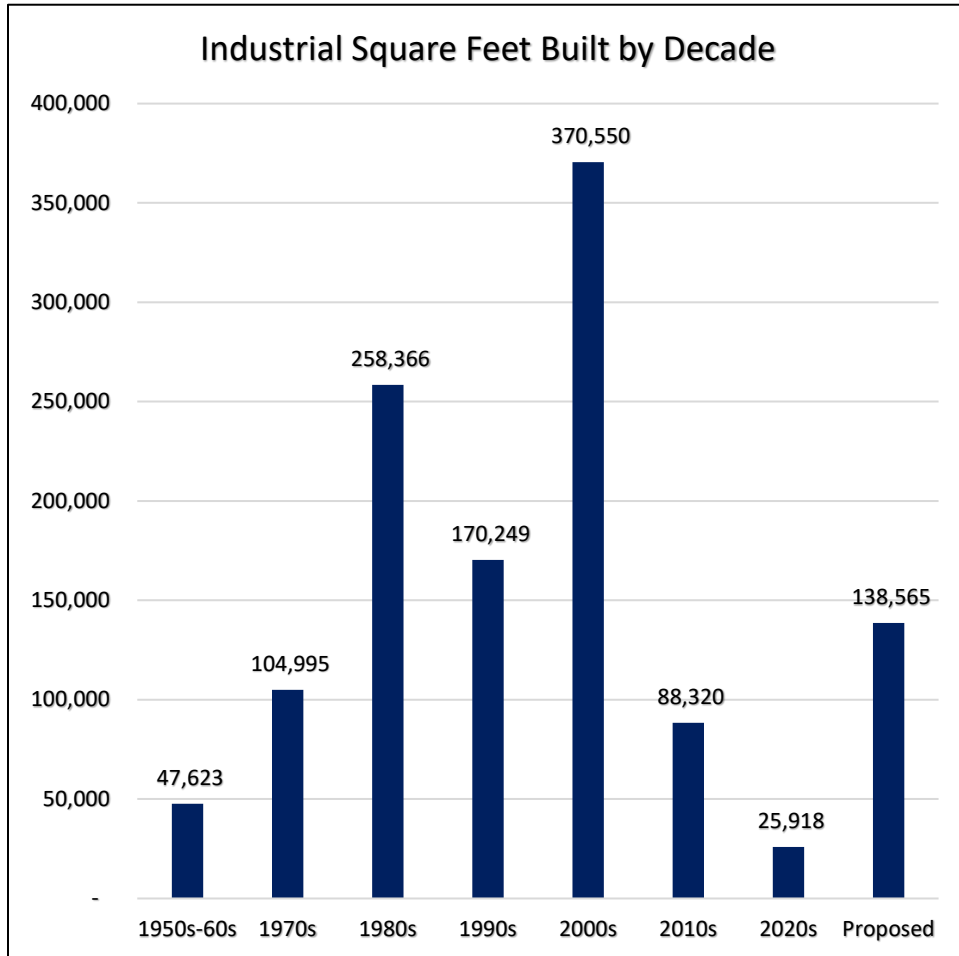


Industrial Real Estate Assessment



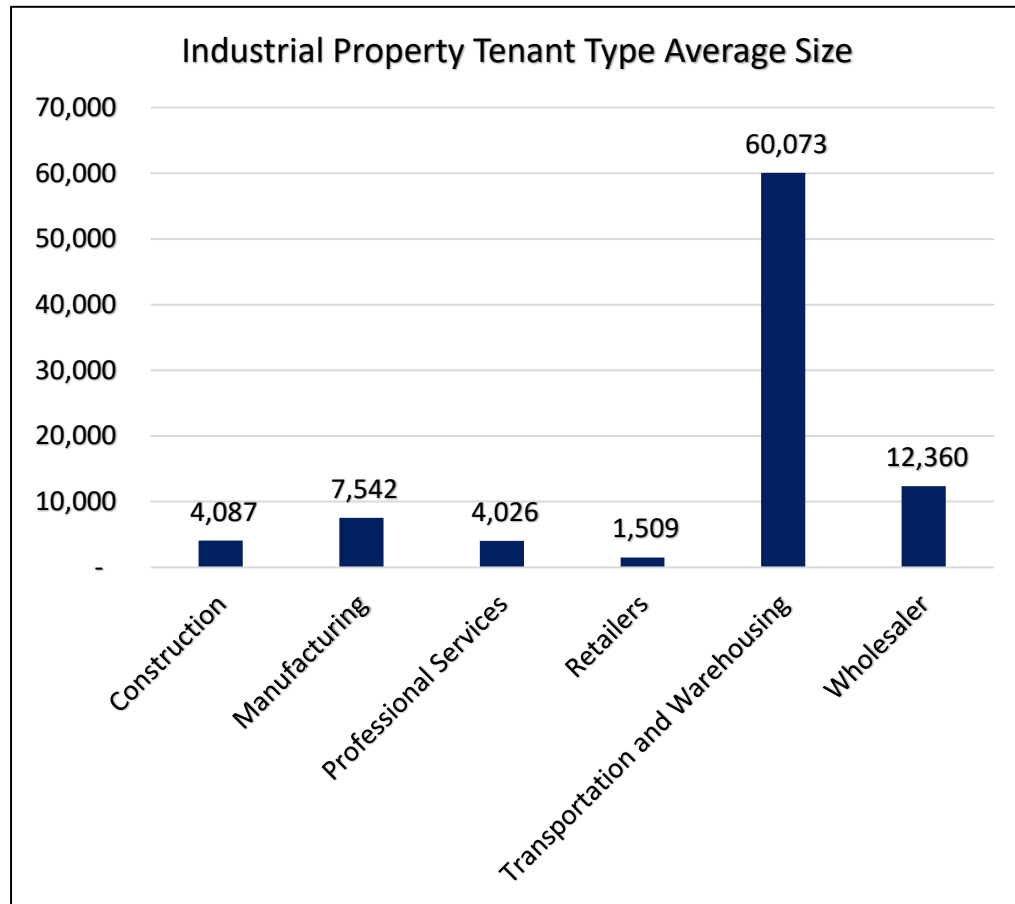
The industrial building stock in the City of Stuart is aging.

The City of Stuart's Industrial Inventory is comprised of 1.1 million square feet in 85 buildings. This represents approximately 25% of Martin County's industrial space.

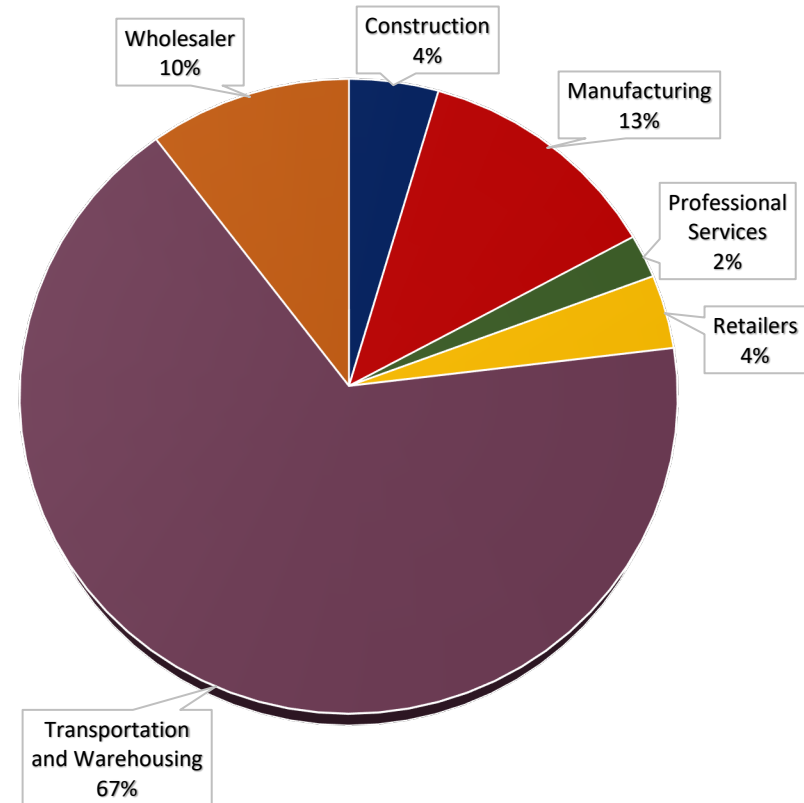


The largest user group of industrial space in Stuart is logistics and warehousing.

The city's industrial buildings range in size from 1,300 to 122,000 square feet with an average size of 14,000 square feet.



Industrial Property Tenant Types (Square Feet)

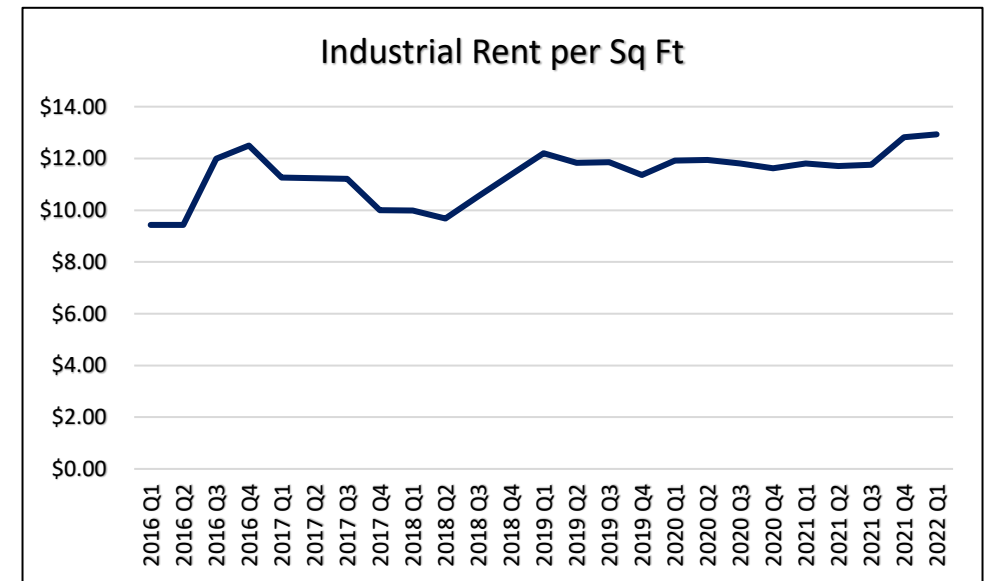
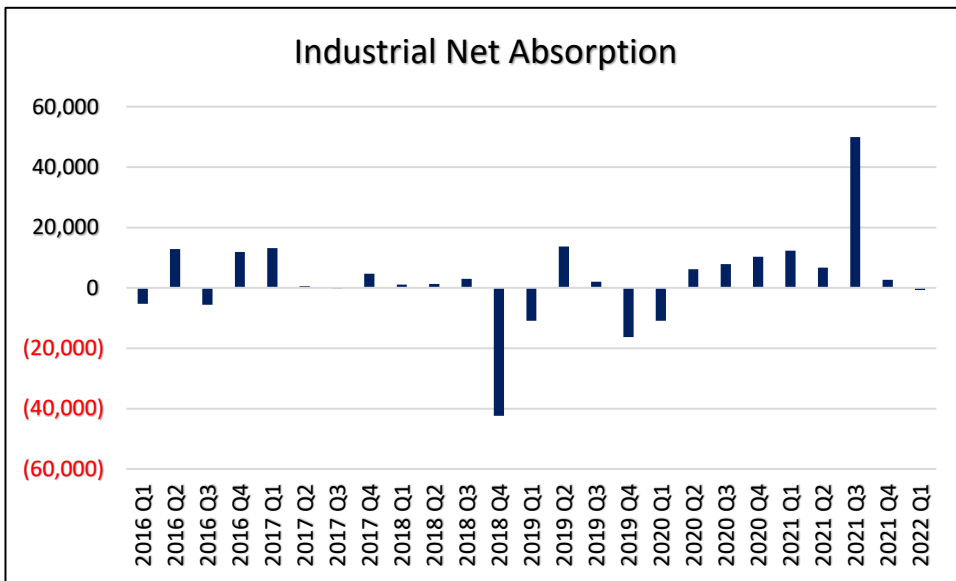
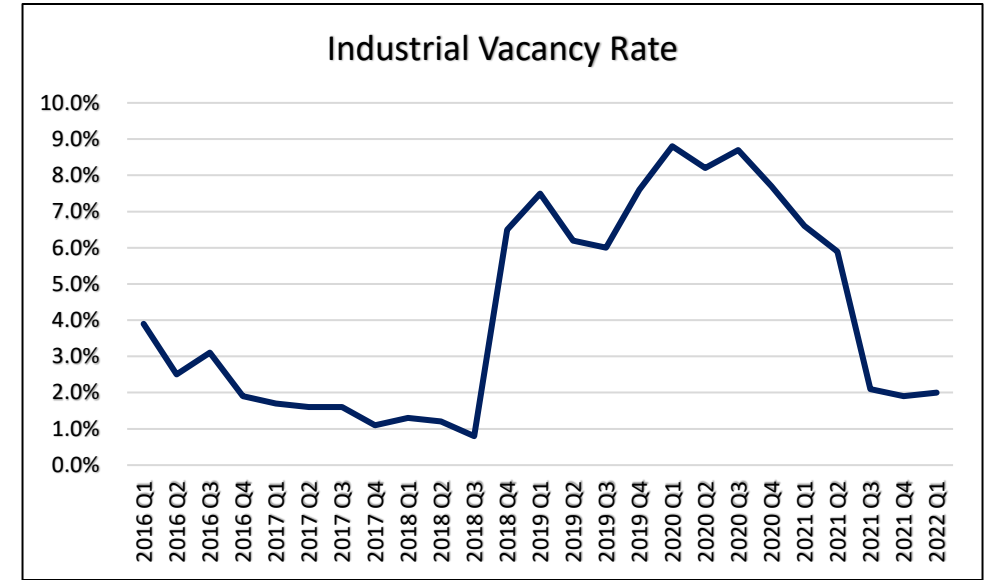


Absorption and leasing activity is limited due to the lack of space.

Absorption of industrial space during the last year has been flat in both the city and the county.

However, although industrial use has not gone up or down in meaningful ways, market conditions indicate that additional demand exists and could be satisfied with new inventory.

Vacancy in industrial space is below 5% in both the city and the county.



Industrial metrics and fundamentals are solid but are not as strong as countywide due to the more limited inventory.

Capitalization rates indicate strong investor confidence in industrial product in the City compared to the county overall.

However, cap rates are higher than in the counties to the south.

City of Stuart

INVENTORY SF	UNDER CONSTRUCTION SF	12 MO NET ABSORPTION SF	VACANCY RATE	MARKET RENT/SF	MARKET SALE PRICE/SF	MARKET CAP RATE
1.1M +0.2%	0 -100.0%	2.7K -96.1%	3.1% +0%	\$14.51 +11.7%	\$133 +15.1%	6.9% +0%
Prior Period 1.1M	Prior Period 2.6K	Prior Period 68.3K	Prior Period 3.1%	Prior Period \$12.99	Prior Period \$115	Prior Period 6.9%

Martin County

INVENTORY SF	UNDER CONSTRUCTION SF	12 MO NET ABSORPTION SF	VACANCY RATE	MARKET RENT/SF	MARKET SALE PRICE/SF	MARKET CAP RATE
4.1M +0%	12.4K -	13.4K -86.4%	4.9% -0.3%	\$22.75 +3.3%	\$190 +3.7%	8.2% +0%
Prior Period 4.1M	Prior Period 0	Prior Period 98.7K	Prior Period 5.2%	Prior Period \$22.03	Prior Period \$183	Prior Period 8.2%

There is very little industrial space for sale or for lease within the city.

64,725 sq ft of five (5) existing buildings for sale



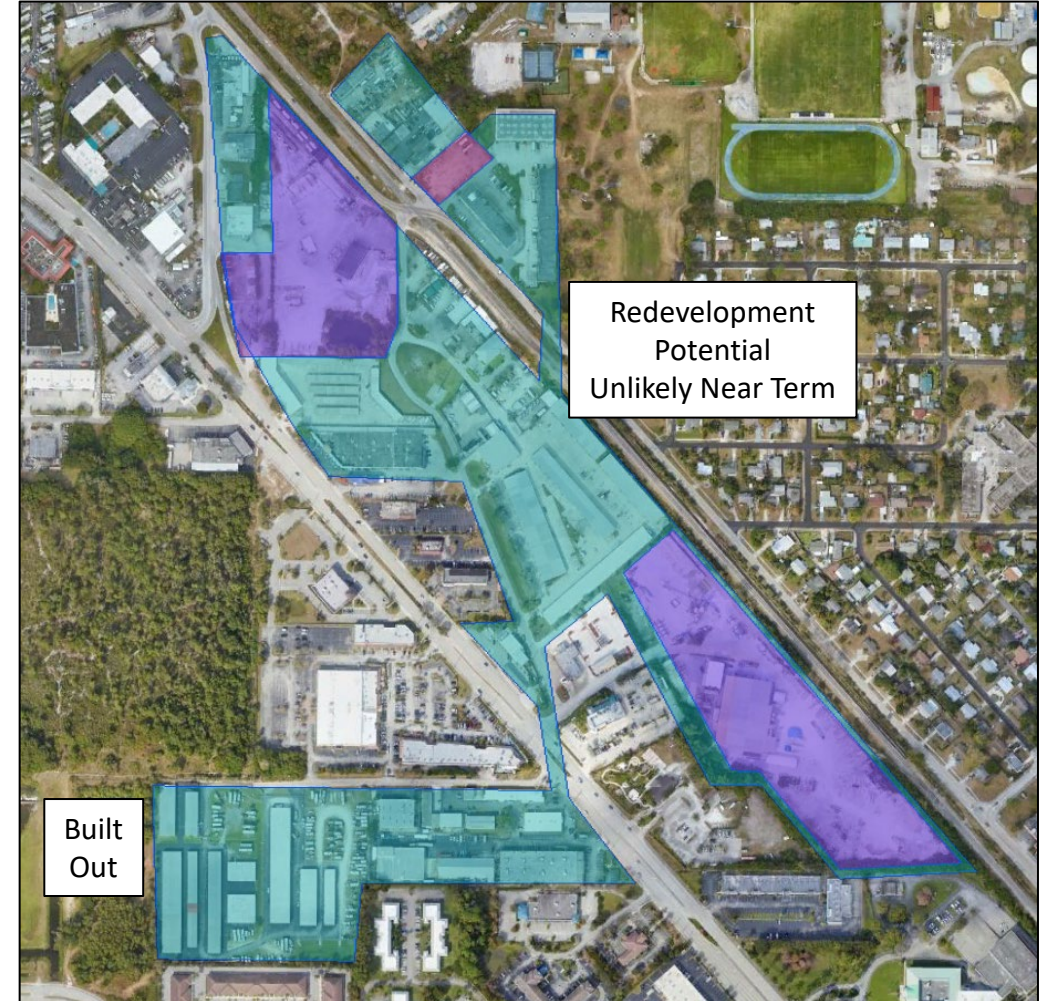
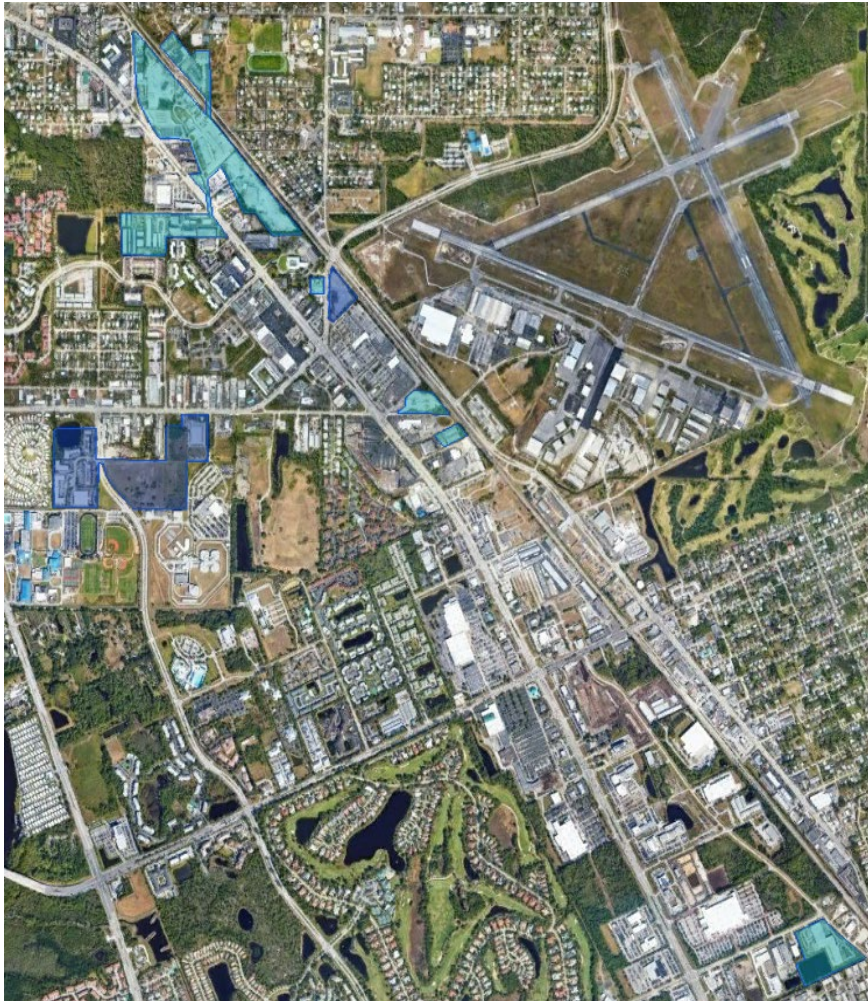
19,571 sq ft available for lease



While limited, there are some opportunity sites for additional Industrial and B-4 type uses.

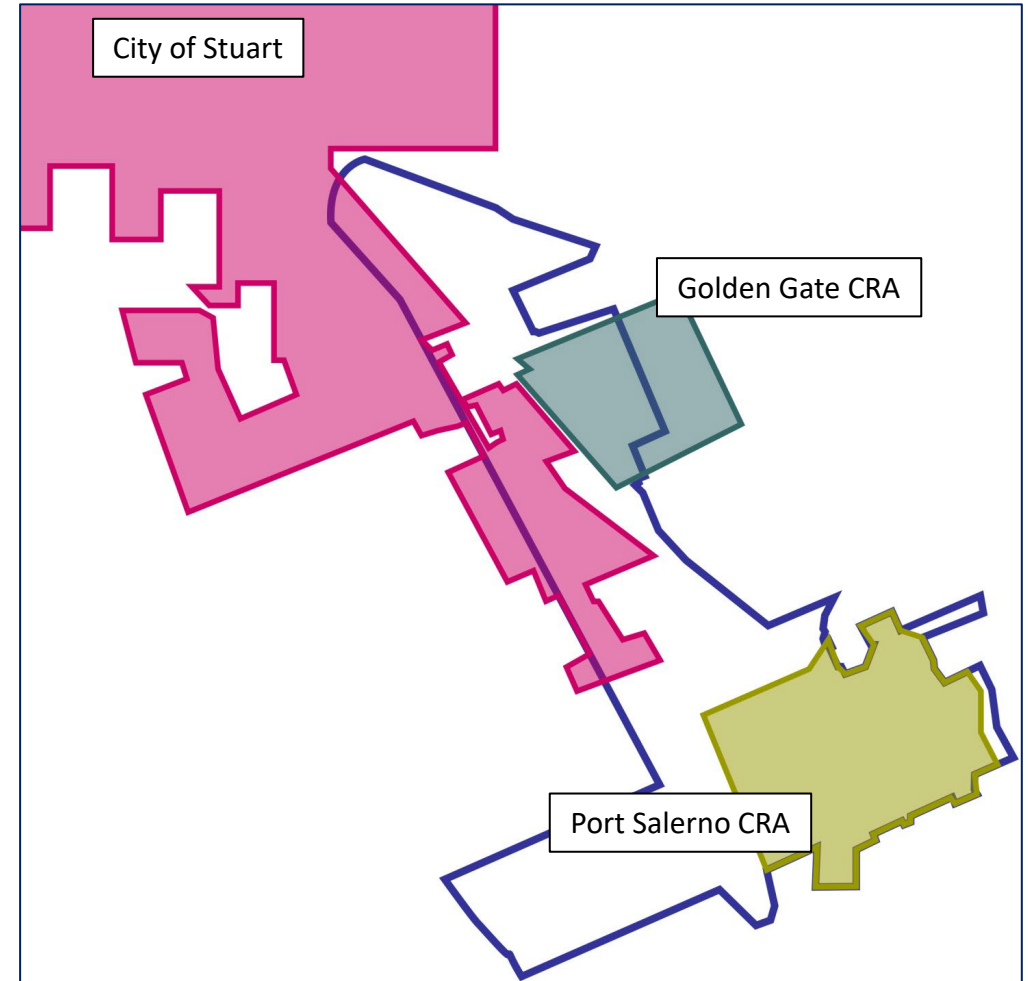
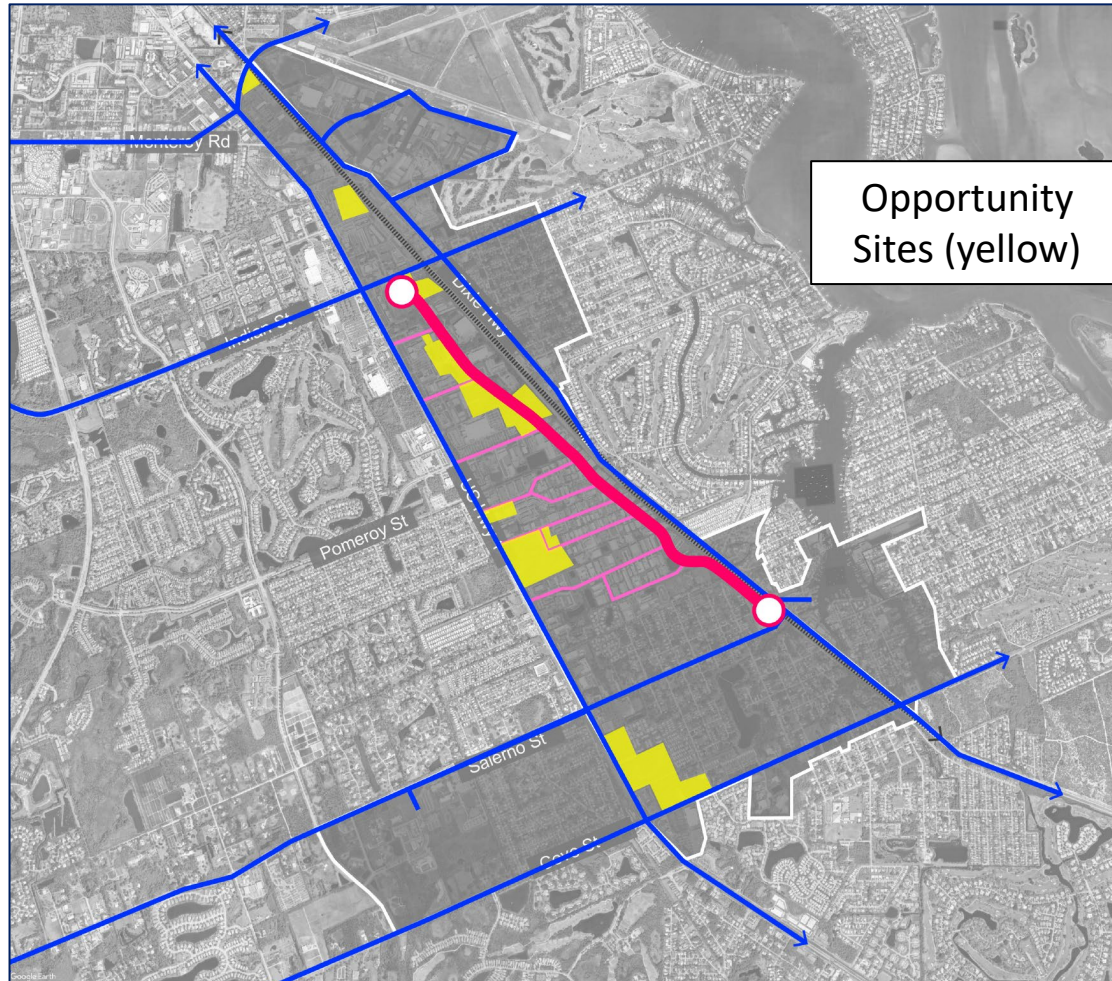
Some of these sites are more realistic than others for near term redevelopment. The more realistic sites are within the Martin County Innovation Hub.

Others have existing operations on them or ownership that is unlikely to pursue sale or redevelopment without other market shifts that enhance their potential return.



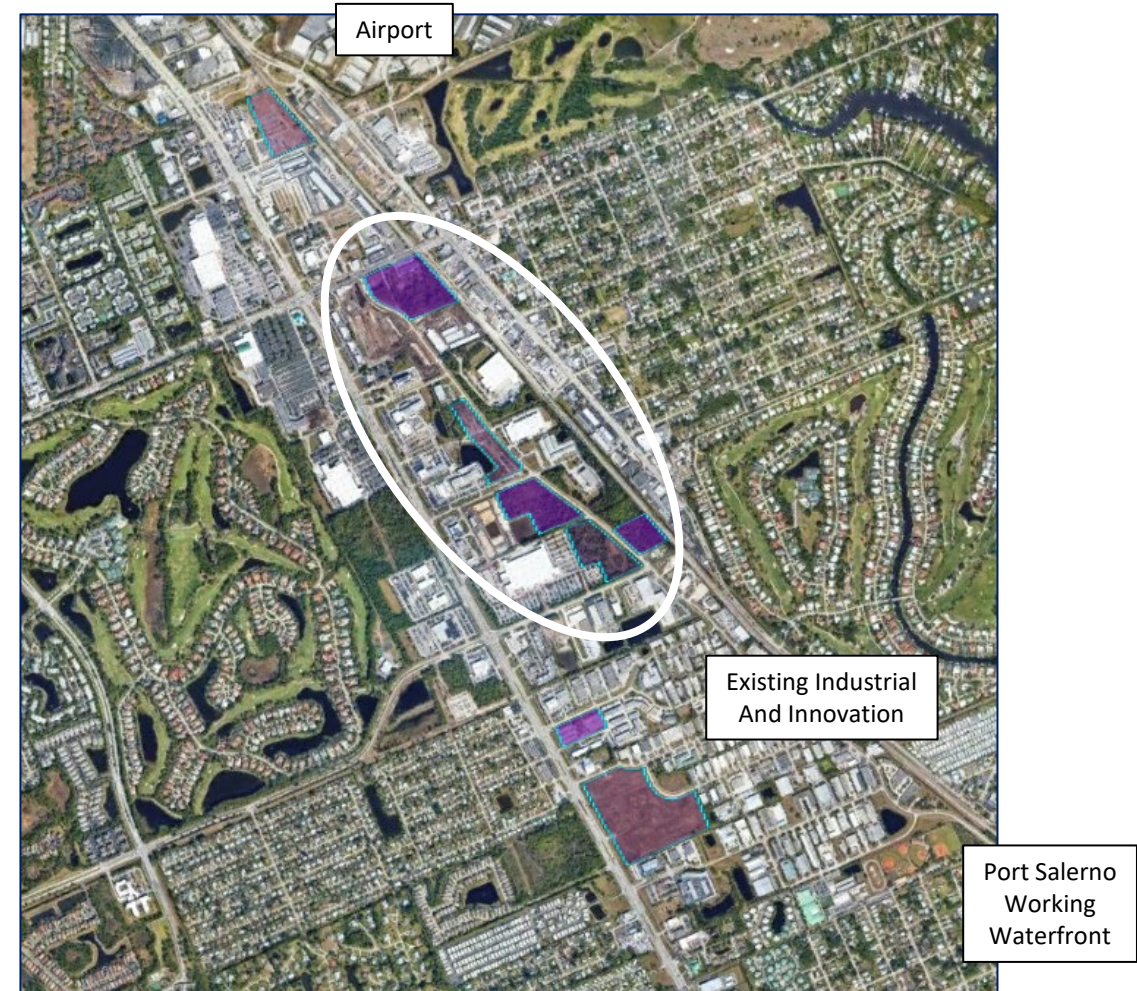
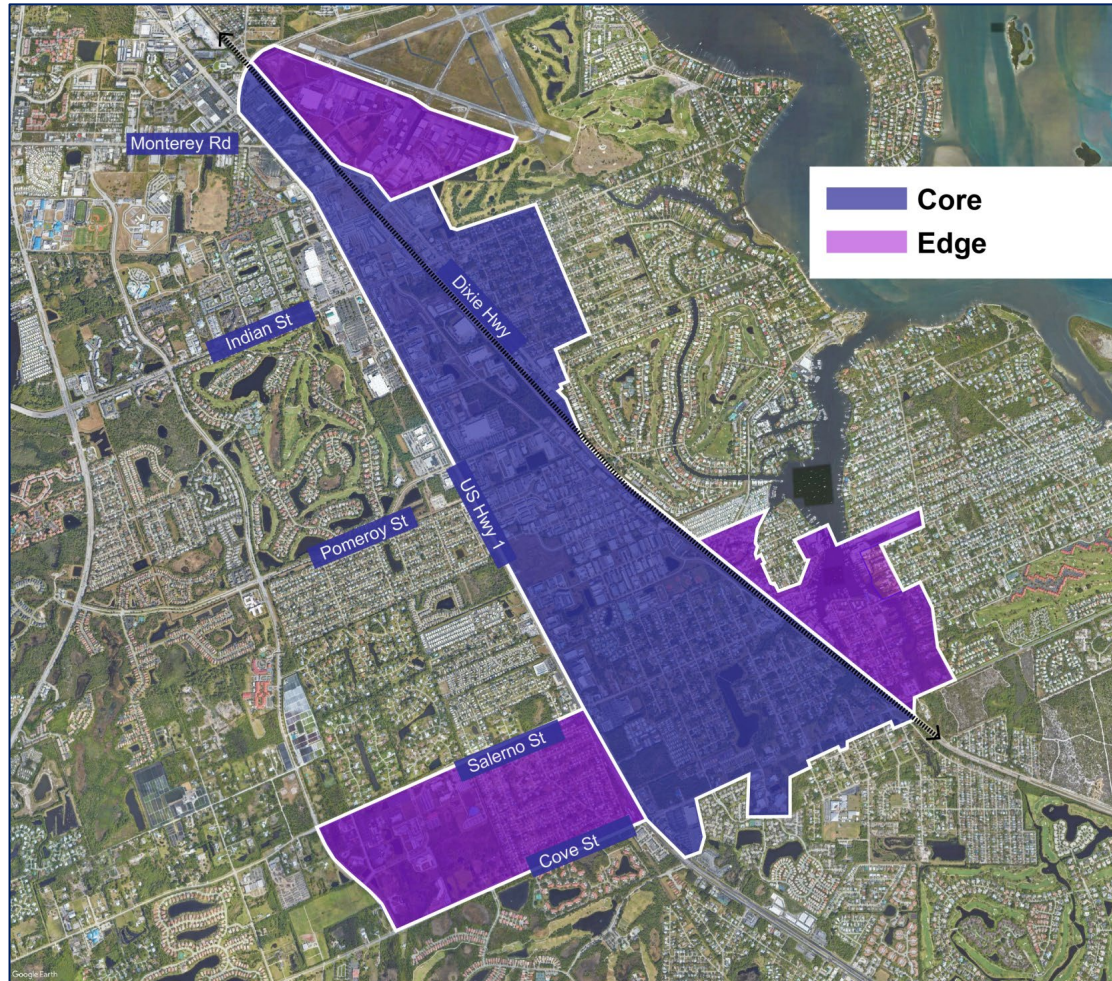
In the Innovation Hub, most opportunity sites are located within City limits.

This is an “Innovation Hub” vision that will provide a gathering space for entrepreneurs and businesses, a place where innovation and collaborations are happening.



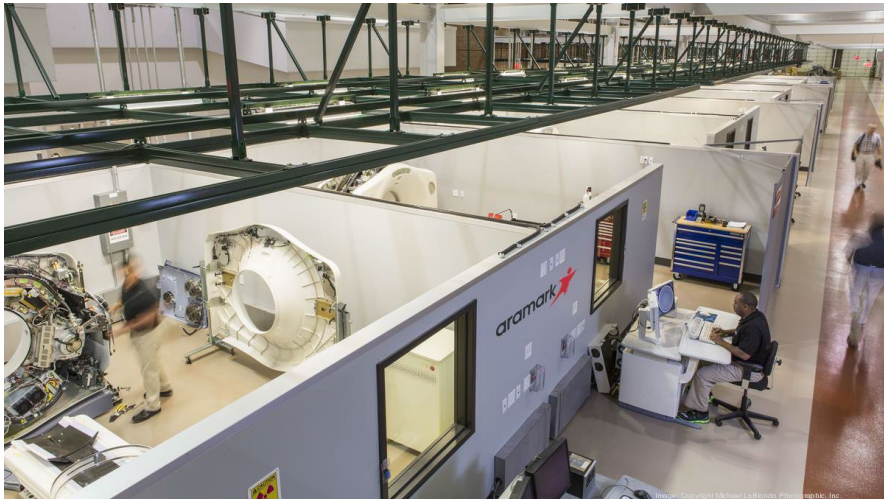
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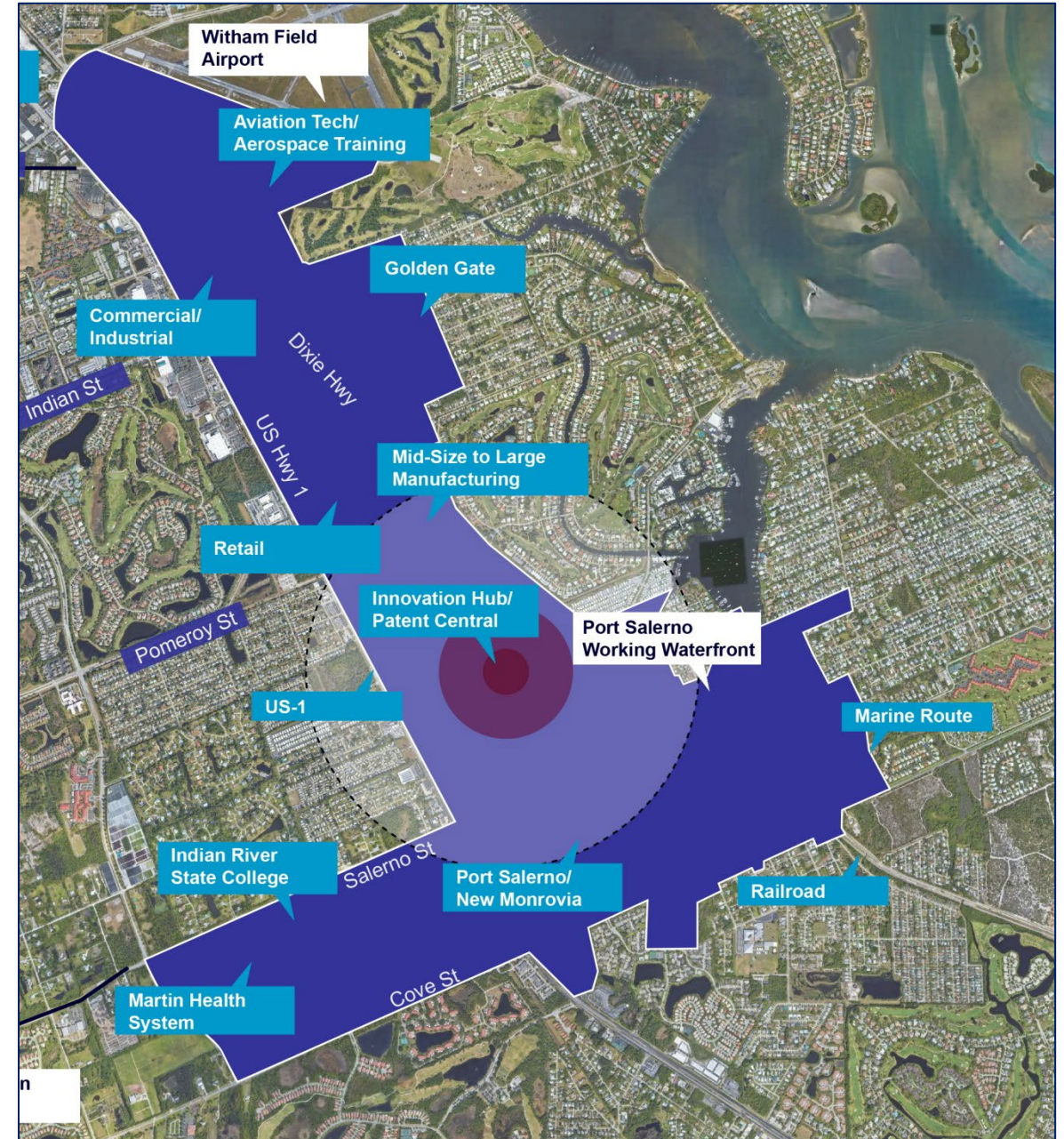
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Summary

- Strong demand fundamentals.
- Aging building stock.
- Better opportunity outside of the city.
- Limited turnover of space.
- Limited new inventory planned.
- Planned new construction is light logistics, not manufacturing.
- Opportunity for new users/tenants is limited.
- Transportation and warehouse uses dominate.
- Best opportunity to remain competitive is in the Innovation Hub.





Industrial Real Estate Assessment

