



Office Market Report Jacksonville - FL

PREPARED BY



Katie Kirchner
Associate



OFFICE MARKET REPORT

Market Key Statistics	2
Leasing	3
Rent	7
Construction	10
Under Construction Properties	12
Sales	14
Sales Past 12 Months	15
Economy	17
Market Submarkets	20
Supply & Demand Trends	23
Rent & Vacancy	25
Sale Trends	27

12 Mo Deliveries in SF

619 K

12 Mo Net Absorption in SF

(60.8 K)

Vacancy Rate

8.9%

12 Mo Rent Growth

5.5%

Office fundamentals continue to soften in Jacksonville, following slowing demand for space in the market. Vacancies ticked higher throughout 2018 and in the first half of 2019, correlating with the negative absorption numbers seen in recent quarters. However, landlords have increasingly pushed rents, largely in Jacksonville's premier submarkets of Downtown Northbank and Southside.

Jacksonville has seen strong growth in the office market for most of the expansion thanks to a low cost of living, increased wages, cheaper office rents, and available land. Office-using employment has seen an annual increase of around 3% since 2010, helping drive historically lower vacancies in Jacksonville as major companies expand in the area. However, more recently, office-using employment has stagnated in the metro, lead by a slowdown in the financial industry and

professional/business services. This has resulted in sluggish demand from office tenants, driving up vacancies in the market.

Financial services and professional and business services are key drivers of Jacksonville's office-using employment, primarily due to the prevalence of major firms such as Merrill Lynch, Citibank, Bank of America, and Wells Fargo. Jacksonville's white-collar workforce, along with its business-friendly environment, has been attractive to companies looking for new space and expansions across the metro.

This year is shaping up to be a strong one for Jacksonville from an investment standpoint, with some significant office transactions occurring in 19Q2. Price per SF has steadily increased in recent years, and cap rates have held in the lower-8% range.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	17,388,184	11.3%	\$25.74	14.0%	(105,785)	0	29,480
3 Star	26,310,419	8.7%	\$21.26	10.2%	(69,512)	10,018	680,643
1 & 2 Star	21,572,735	7.1%	\$17.06	8.4%	(9,010)	0	0
Market	65,271,338	8.9%	\$21.07	10.7%	(184,307)	10,018	710,123

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.9%	11.1%	10.1%	15.3%	2009 Q4	6.8%	2000 Q1
Net Absorption SF	(60.8 K)	671,465	453,853	2,723,788	2006 Q3	(1,053,738)	2009 Q4
Deliveries SF	619 K	835,407	869,557	1,973,544	2007 Q3	60,760	2014 Q3
Rent Growth	5.5%	1.2%	3.0%	8.8%	2007 Q3	-8.9%	2010 Q4
Sales Volume	\$466 M	\$271.8M	N/A	\$791.9M	2014 Q3	\$43.9M	2002 Q3

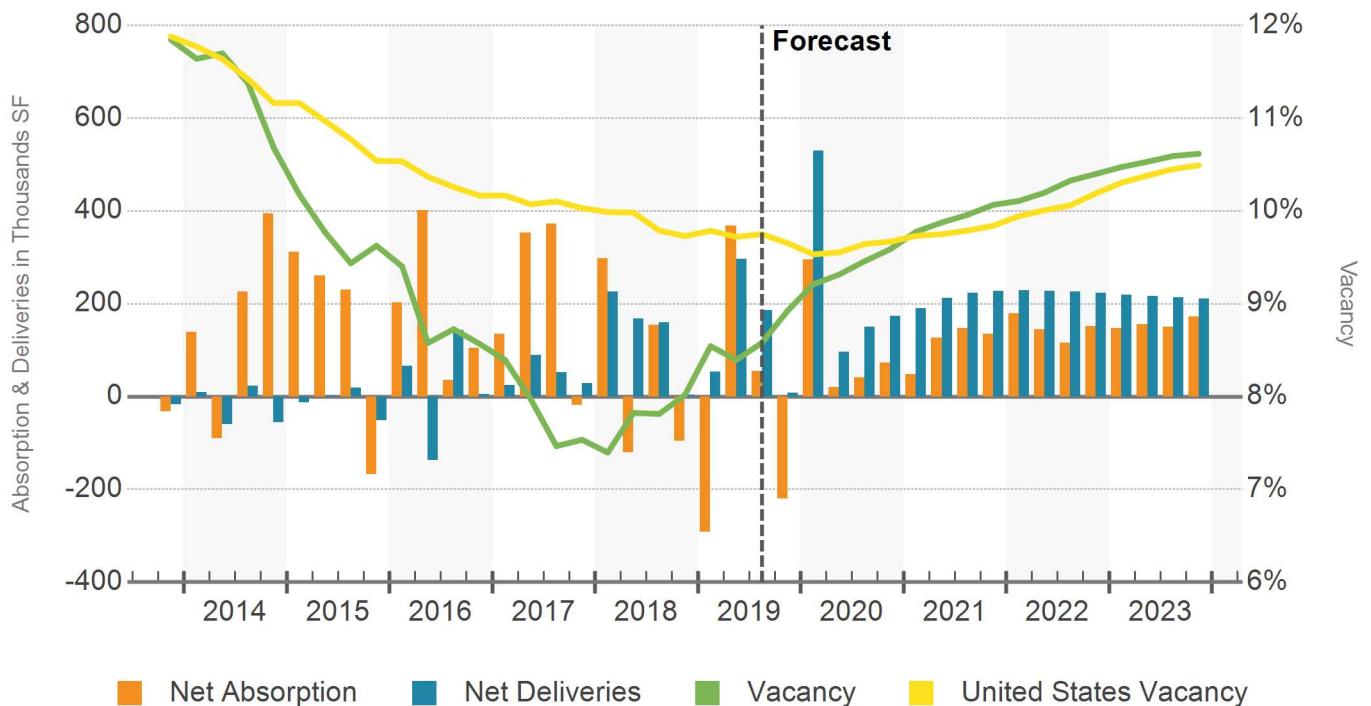
Large tenant move-outs and slowing demand have defined the Jacksonville office market in recent quarters, resulting in vacancies ticking upwards to 8.9%. This year has been primarily defined by negative absorption numbers as several companies consolidate operations. However, some possible office space expansions may help mitigate these adverse effects in the coming years.

Several sizable tenants have recently vacated office space in the Jacksonville market. State Farm closed its Baymeadows operations, relocating 600 employees to its headquarters in Bloomington, Illinois, and other large offices in Atlanta, Dallas, and Phoenix. This has left over 120,000 SF of space on the market. Genpact's plan to take over most of the space vacated by CSX has stalled, as the company looks to sublet most of the building. Even with these recent move-outs, there could be some positive momentum on the horizon. Business services company Intuition, LLC is occupying close to 40,000 SF of space at CSX's old campus, now called Innovation Park. Also, SS&C Technology is looking to expand into close to 107,000 SF of space at Gramercy Woods Building 700.

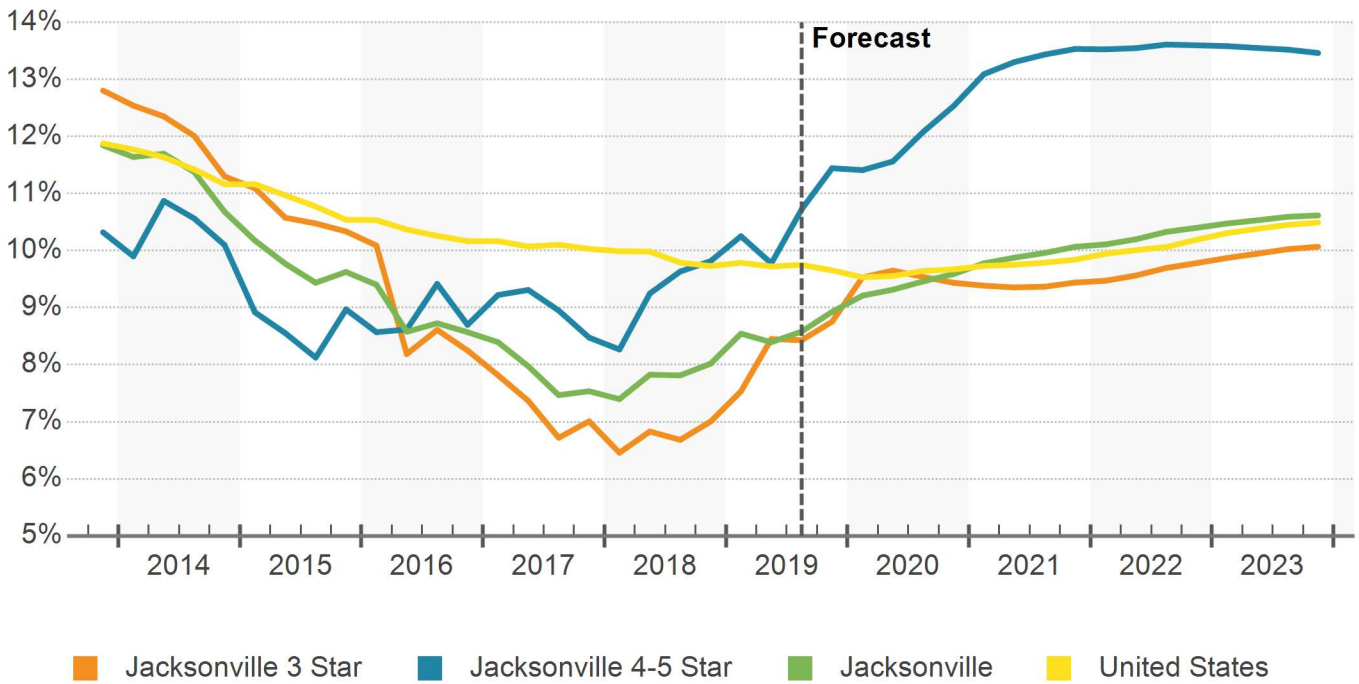
Spec office space has largely been absent over the past decade, with almost all of inventory under construction accounted for. However, the few spec properties that are delivering are having little trouble leasing up. For instance, the 160,000-SF Town Center One was still in the early phases of site clearing in mid-2017, when it inked Availity LLC to a 100,000-SF lease. Build-to-suits have defined the expansion, comprising most of the market's largest deliveries. PGA Tour's 187,000-SF Global HQ is under construction in the Beaches, making it the largest office property in the submarket. In the Southside Submarket, McKesson Medical moved into its newly built 125,000-SF office in 2019.

Among submarkets, Nassau County and Northeast Jacksonville contain some of the tightest vacancy rates in the metro. With very little under construction and moderately strong absorption rates, these two neighboring submarkets have been able to push vacancies to around 3%. Jacksonville's second largest submarket, the traditional CBD of Downtown Northbank, posts vacancy rates below the metro average, as construction has largely been quiet this expansion.

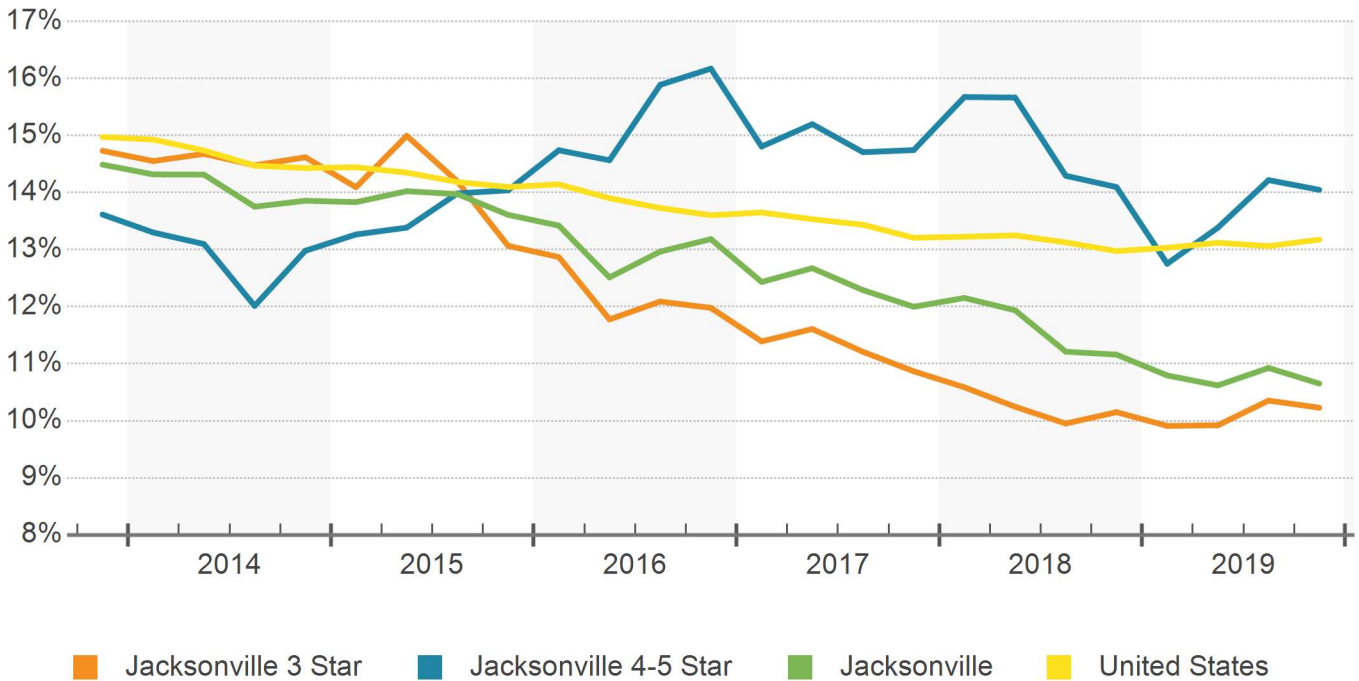
NET ABSORPTION, NET DELIVERIES & VACANCY



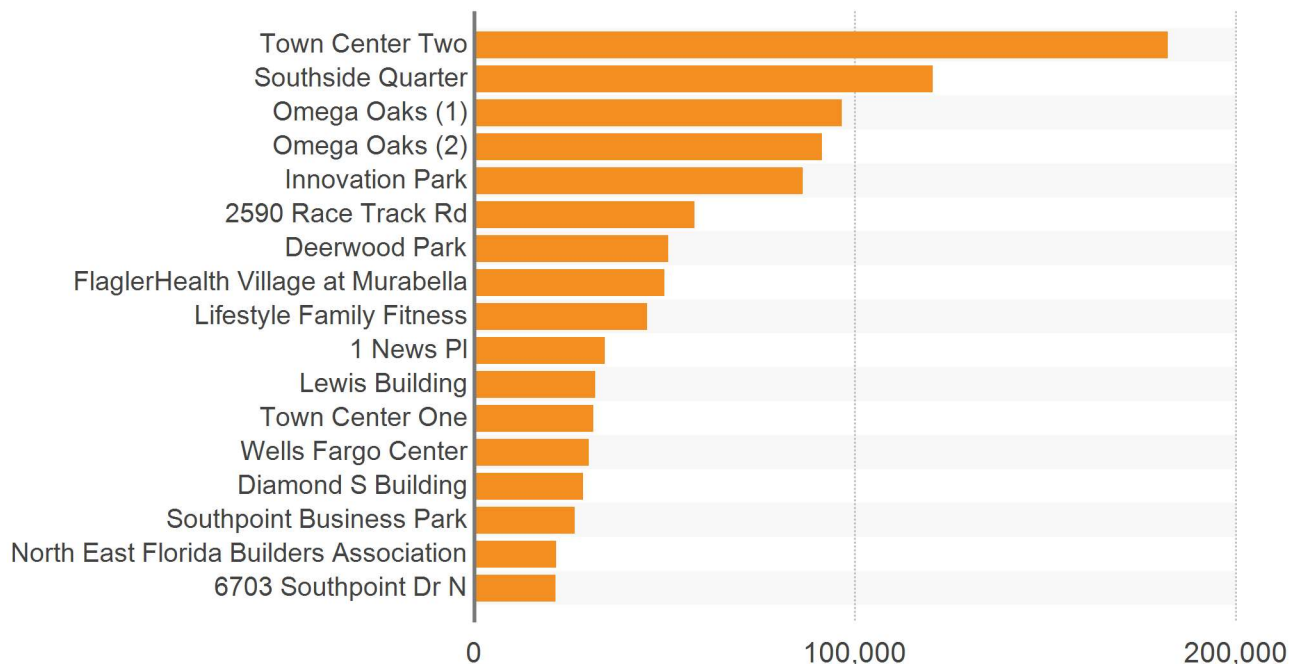
VACANCY RATE



AVAILABILITY RATE



12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
Town Center Two	Southside	218,700	36,450	0	218,700	(36,450)	0	182,250
Southside Quarter	Southside	120,407	0	0	0	120,407	0	120,407
Omega Oaks (1)	Southside	96,541	0	0	96,541	0	0	96,541
Omega Oaks (2)	Southside	91,396	0	0	91,396	0	0	91,396
Innovation Park	Southside	135,404	30,179	0	0	50,092	36,299	86,391
2590 Race Track Rd	St Johns County	57,882	0	0	57,882	0	0	57,882
Deerwood Park	Southside	332,424	31,570	68,260	(9,593)	(7,634)	0	51,033
FlaglerHealth Village at Murabella	St Johns County	44,000	0	0	0	50,000	0	50,000
Lifestyle Family Fitness	Orange Park/Clay C...	45,468	0	0	45,468	0	0	45,468
1 News Pl	St Johns County	34,400	0	0	34,400	0	0	34,400
Lewis Building	Mandarin	34,938	3,100	34,938	0	0	(3,100)	31,838
Town Center One	Southside	160,000	14,843	0	12,128	0	19,199	31,327
Wells Fargo Center	Downtown Northbank	648,307	60,579	(72)	25,282	0	4,966	30,176
Diamond S Building	Downtown Northbank	32,300	0	0	0	0	28,580	28,580
Southpoint Business Park	Southside	56,460	0	8,314	18,076	0	0	26,390
North East Florida Builders Asso...	Southside	171,191	0	600	(1,300)	(800)	23,100	21,600
6703 Southpoint Dr N	Southside	61,425	0	0	21,500	0	0	21,500
Subtotal Primary Competitors		2,341,243	176,721	112,040	610,480	175,615	109,044	1,007,179
Remaining Jacksonville Market		62,930,095	5,615,618	(403,854)	(242,129)	(121,656)	(293,351)	(1,060,990)
Total Jacksonville Market		65,271,338	5,792,339	(291,814)	368,351	53,959	(184,307)	(53,811)

TOP OFFICE LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
Flagler Center	Butler/Baymeadows	112,306	Q1 19	-	-	JLL
Prominence	Butler/Baymeadows	56,605	Q4 19	-	-	JLL
Meridian Business Park	Southside	50,891	Q3 19	-	-	Cushman & Wakefield...
Oak Grove Plaza *	Butler/Baymeadows	49,334	Q2 19	Unison	CBRE	-
Town Center Two	Southside	36,450	Q3 19	-	-	Newmark Phoenix Real...
Innovation Park	Southside	36,299	Q1 19	Intuition, LLC	Newmark Phoenix R...	Colliers International N...
Meridian Business Park	Southside	34,000	Q3 19	-	-	Cushman & Wakefield...
Flagler	Butler/Baymeadows	31,788	Q4 19	-	-	JLL
Medical & Merchants Center of Manda	Mandarin	29,192	Q1 19	-	-	Colliers International N...
Fort Wade Office Park	Beaches	28,389	Q4 19	-	-	CBRE
Waterview Office Park	Southside	28,000	Q2 19	Reynolds Smith & Hill	-	CBRE
Fort Wade Office Park	Beaches	27,809	Q4 19	-	-	CBRE
6800 Southpoint Pky	Southside	26,648	Q4 19	-	-	JLL
3550 St Johns Bluff Rd	Butler Corridor	26,642	Q2 19	-	-	Skinner Brothers Realty
Deerwood Park	Southside	22,775	Q4 19	AmWINS Group, Inc	-	Cushman & Wakefield...
Summit at Southpoint	Southside	21,900	Q4 19	-	-	Foundry Commercial
Cypress Point Business Park	Butler/Baymeadows	21,872	Q2 19	-	-	Foundry Commercial
6703 Southpoint Dr N	Southside	21,500	Q1 19	-	-	Newmark Phoenix Real...
Summit at Southpoint	Southside	19,331	Q2 19	-	-	Foundry Commercial
Gran Park at the Avenues	Butler Corridor	19,121	Q2 19	-	-	CBRE
University Pointe	Southside	19,000	Q3 19	Jacksonville College	-	Colliers International N...
Wells Fargo Center	Downtown Northbank	18,100	Q1 19	The Florida Times-Union	-	-
Cypress Point Business Park	Butler/Baymeadows	17,100	Q3 19	-	-	Foundry Commercial
Baymeadows Way Business Center	Butler/Baymeadows	15,000	Q1 19	-	-	Prime Realty, Inc.
Deerwood Office Park	Butler/Baymeadows	14,428	Q4 19	-	-	International Managem...
Prominence	Butler/Baymeadows	13,719	Q2 19	-	-	Newmark Phoenix Real...
Exchange South - Bldg 500	Butler Corridor	13,198	Q1 19	Surgcenter of Greater Jac...	-	NAI Hallmark
Summit at Southpoint	Southside	13,180	Q2 19	-	-	Foundry Commercial
Oaks at Southpoint	Southside	12,221	Q4 19	-	-	NAI Hallmark
Prominence	Butler/Baymeadows	12,204	Q3 19	Resource Solutions	-	JLL
US Customs and Border Protection *	Northeast Jacksonville	12,160	Q2 19	U.S. Customs and Border...	-	-
100 North Laura	Downtown Northbank	11,343	Q4 19	-	-	Prime Realty, Inc.
Prominence	Butler/Baymeadows	11,304	Q4 19	-	-	JLL
Compass Bank	Southside	11,208	Q2 19	-	-	Cresa Dallas Ft. Worth
Gramercy Woods	Butler/Baymeadows	11,087	Q1 19	Harris Corporation	-	-
Gramercy Woods	Butler/Baymeadows	10,888	Q2 19	SS&C Technologies	-	Colliers International N...
Town Center One	Southside	10,205	Q1 19	Claim Central	-	VanTrust Real Estate,...
243-245 N Lane Ave	West Side	10,000	Q4 19	-	-	Commercial Florida Re...
Fort Wade Office Park	Beaches	8,800	Q4 19	-	-	CBRE
Bowden Commerce Center	Southside	8,800	Q3 19	-	-	Sealy & Company

*Renewal

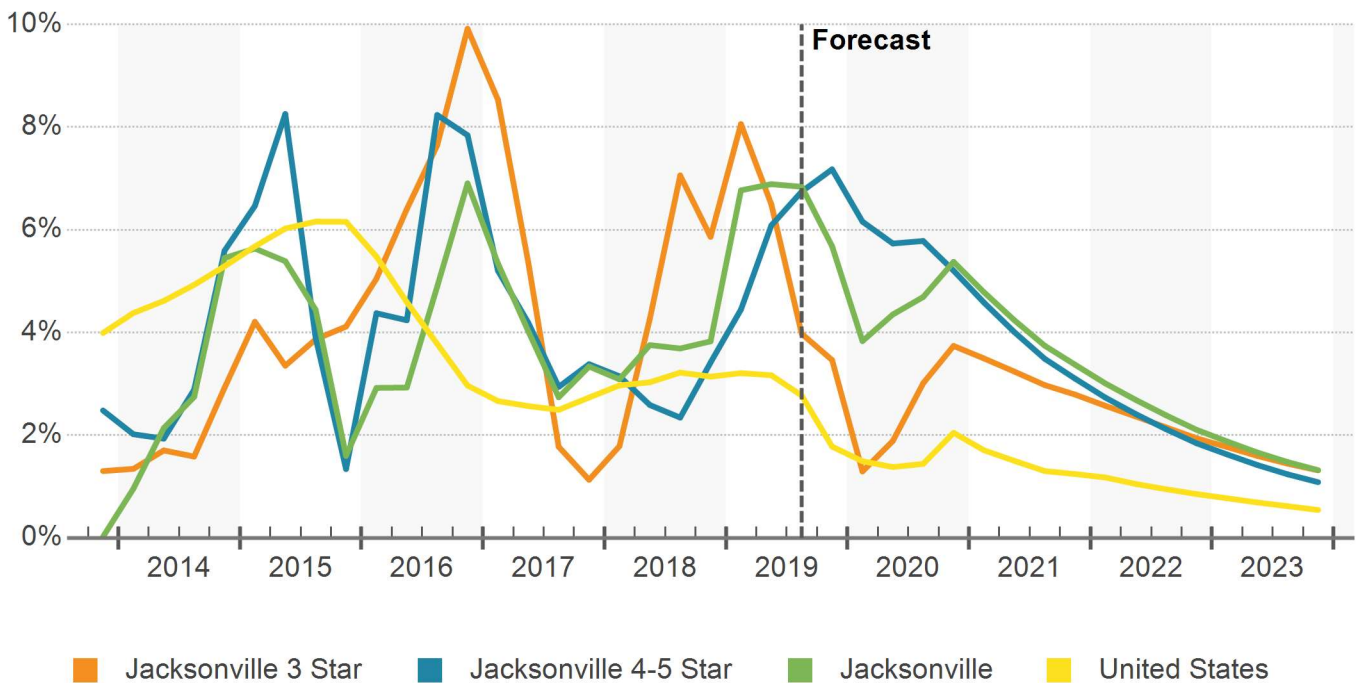
Rent growth in Jacksonville has accelerated in recent quarters, despite the softening in fundamentals. At 5.5%, year-over-year rent increases are roughly four times the historical average. This has been led by rent growth in 4 & 5 Star properties, closely followed by 3 Star rent increases.

Even with this rent growth, Jacksonville represents a comparative bargain, with rent levels roughly 25% more affordable than Raleigh, Atlanta, and Charlotte. Among all metros in Florida, Jacksonville is number one for

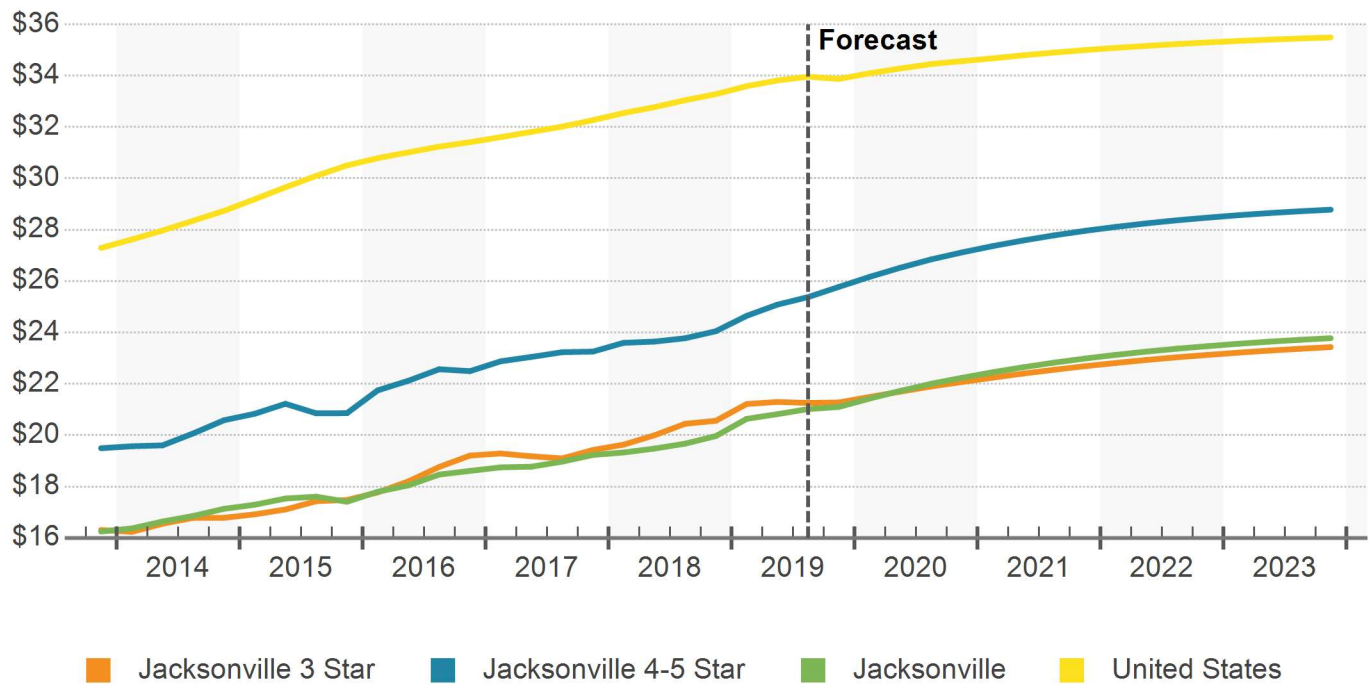
annual rent growth, ahead of Tampa and Orlando.

Two of Jacksonville's most popular suburban submarkets, Butler/Baymeadows and Southside, post some of the highest rent gains this past year. The market's more traditional CBD submarkets of Downtown Northbank and Downtown Southbank have also enjoyed large rent gains in recent years. The downtown submarkets surpassed the \$21/SF and \$22/SF benchmarks, respectively, as interest has reemerged for the downtown core.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FOOT



4 & 5 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Jacksonville	\$0.69	\$1.35	\$0.61	\$2.67	\$4.55	\$9.87
Arlington	\$0.51	\$1.15	\$0.56	\$1.95	\$6.05	\$10.22
Beaches	\$0.52	\$1.16	\$0.56	\$1.63	\$6.08	\$9.95
Butler/Baymeadows	\$0.56	\$1.22	\$0.58	\$2.49	\$4.82	\$9.67
Downtown Northbank	\$0.53	\$1.00	\$0.48	\$1.55	\$6.05	\$9.61
Downtown Southbank	\$1.12	\$1.45	\$0.74	\$1.88	\$1.76	\$6.95
Mandarin	\$0.51	\$1.15	\$0.56	\$2.15	\$5.71	\$10.08
Nassau County	\$0.51	\$1.15	\$0.56	\$1.37	\$6.05	\$9.64
Northeast Jacksonville	\$0.51	\$1.15	\$0.56	\$3.35	\$6.05	\$11.62
Northwest Jacksonville	\$0.51	\$1.15	\$0.56	\$1.86	\$6.05	\$10.13
Orange Park/Clay County	\$0.45	\$1.01	\$0.49	\$1.55	\$5.48	\$8.98
Riverside	\$0.50	\$1.07	\$0.50	\$2.20	\$4.16	\$8.43
San Marco	\$0.67	\$1.36	\$0.62	\$2.46	\$5.12	\$10.23
Southside	\$0.86	\$1.63	\$0.67	\$3.72	\$3.52	\$10.40
St Johns County	\$0.51	\$1.15	\$0.56	\$1.61	\$6.05	\$9.88

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

3 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Jacksonville	\$0.56	\$1.15	\$0.51	\$2.34	\$3.75	\$8.31
Arlington	\$0.47	\$1.05	\$0.51	\$2.07	\$4.61	\$8.71
Baker County	\$0.49	\$1.09	\$0.53	\$1.73	\$4.78	\$8.62
Beaches	\$0.44	\$0.99	\$0.48	\$2.48	\$4.35	\$8.74
Butler/Baymeadows	\$0.46	\$1.03	\$0.50	\$3.93	\$3.17	\$9.09
Downtown Northbank	\$0.47	\$0.86	\$0.46	\$1.88	\$4.34	\$8.01
Downtown Southbank	\$1.09	\$1.40	\$0.71	\$2.24	\$0.90	\$6.34
Mandarin	\$0.45	\$1.02	\$0.50	\$1.94	\$4.41	\$8.32
Nassau County	\$0.46	\$1.03	\$0.50	\$1.59	\$4.49	\$8.07
Northeast Jacksonville	\$0.47	\$1.06	\$0.52	\$1.71	\$4.65	\$8.41
Northwest Jacksonville	\$0.49	\$1.09	\$0.53	\$1.13	\$4.78	\$8.02
Orange Park/Clay County	\$0.45	\$1.01	\$0.49	\$3.09	\$4.43	\$9.47
Riverside	\$0.47	\$1.05	\$0.51	\$1.98	\$4.56	\$8.57
San Marco	\$0.70	\$1.35	\$0.55	\$1.92	\$3.25	\$7.77
Southside	\$0.98	\$1.73	\$0.53	\$2.10	\$1.61	\$6.95
St Johns County	\$0.46	\$1.03	\$0.50	\$1.83	\$4.49	\$8.31

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

1 & 2 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Jacksonville	\$0.56	\$0.86	\$0.38	\$1.91	\$0.90	\$4.61
Arlington	\$0.45	\$0.89	\$0.38	\$1.32	\$0.38	\$3.42
Baker County	\$0.46	\$0.91	\$0.39	\$2.01	\$0.39	\$4.16
Beaches	\$0.47	\$0.92	\$0.39	\$2.50	\$0.25	\$4.53
Butler/Baymeadows	\$0.44	\$0.87	\$0.33	\$2.27	\$2.12	\$6.03
Downtown Northbank	\$0.30	\$0.58	\$0.43	\$1.72	\$3.38	\$6.41
Downtown Southbank	\$1.06	\$0.69	\$0.33	\$1.91	\$1.07	\$5.06
Mandarin	\$0.42	\$0.83	\$0.35	\$2.19	\$0.47	\$4.26
Nassau County	\$0.45	\$0.90	\$0.38	\$1.88	\$0.38	\$3.99
Northeast Jacksonville	\$0.46	\$0.91	\$0.39	\$2.35	\$0.39	\$4.50
Northwest Jacksonville	\$0.45	\$0.89	\$0.38	\$1.18	\$0.38	\$3.28
Orange Park/Clay County	\$0.46	\$0.91	\$0.39	\$1.99	\$0.39	\$4.14
Riverside	\$0.46	\$0.91	\$0.39	\$1.94	\$0.39	\$4.09
San Marco	\$0.70	\$0.89	\$0.36	\$1.98	\$0.83	\$4.76
Southside	\$0.96	\$0.92	\$0.35	\$1.84	\$1.34	\$5.41
St Johns County	\$0.46	\$0.91	\$0.39	\$1.96	\$0.39	\$4.11

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

Construction activity in Jacksonville is slightly elevated compared to previous years this expansion. However, this should not impact fundamentals, as almost all of the space under construction is leased. Dated office properties over 100,000 SF remain one of Jacksonville’s biggest obstacles in the coming years, as evidenced by the recent move-outs of several large companies. Many of these properties are in need of renovations to better accommodate the changing workforce.

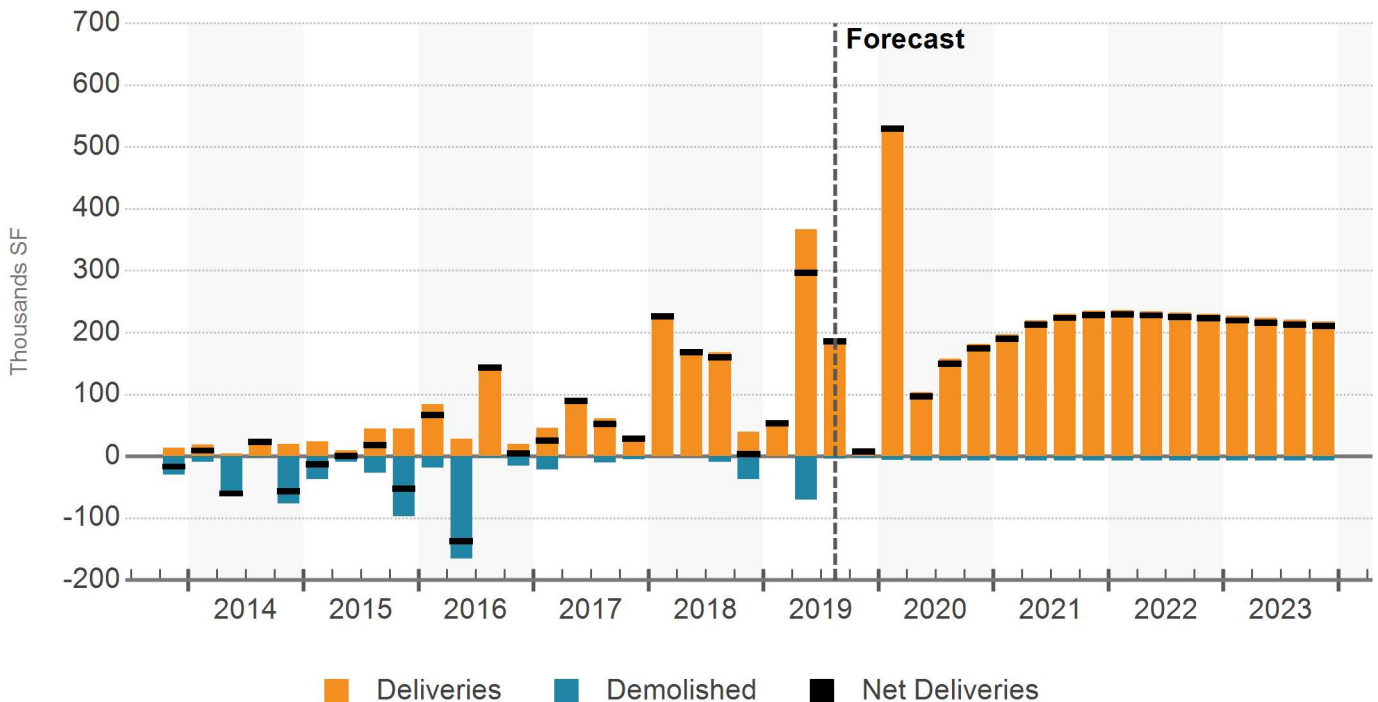
Jacksonville has over 710,000 SF of office space, or around 1% of inventory, under construction, with almost 100% pre-leased. A large chunk of this office space is the build-to-suit 187,000-SF PGA Tour Global HQ in Ponte Vedra Beach. On the spec side, the renovation of the 157,000-SF Italian Renaissance-style Barnett Building in Downtown Northbank is beginning recently wrapped up, with UNF moving into the space in 19Q2. Close by, the Classic Revival Laura Street Trio also is seeing renovation finish, bringing on line almost 100,000 SF of newly renovated space. While no tenant has signed to this project, these historic buildings are unique

among new construction in Jacksonville, as these are some of the first major rehabs of buildings built prior to the Depression.

Within submarkets, the Beaches is seeing the largest amount of construction as percent of inventory under construction. This is almost exclusively due to the fact that the new PGA Tour Global HQ is being built in the submarket. Jacksonville’s perennial favorite, Southside, has seen properties under construction go above the historical average at 570,000 SF, with 125,000 SF of that a build-to-suit for McKesson.

Roughly 60% of all office buildings built this expansion have been 4 & 5 Star properties, with almost all being built outside of the CBD. New 4 & 5 Star construction in Jacksonville is typically suburban office properties, either medical or build-to-suit, and new builds average about 30,000 SF. Among 3 Star properties, projects built over the past decade usually average about 15,000 SF, with over half being medical office.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Arlington	1	287	287	100%	1	7,206	287,496	1
2	Beaches	4	235	197	83.9%	6	8,285	58,867	3
3	Southside	6	62	49	77.9%	7	22,103	10,380	6
4	Downtown Northbank	1	62	62	100%	1	34,317	62,000	2
5	Nassau County	2	27	27	100%	1	5,229	13,666	5
6	Butler/Baymeadows	1	23	23	100%	1	37,377	23,000	4
7	St Johns County	3	13	13	100%	1	7,046	4,183	7
8	Baker County	0	-	-	-	-	3,869	-	-
9	Downtown Southbank	0	-	-	-	-	21,793	-	-
10	Mandarin	0	-	-	-	-	8,601	-	-
	All Other	0	-	-	-		6,488	-	
Totals		18	710	658	92.7%		13,642	39,451	

Under Construction Properties

Jacksonville Office

Properties

Square Feet

Percent of Inventory

Released

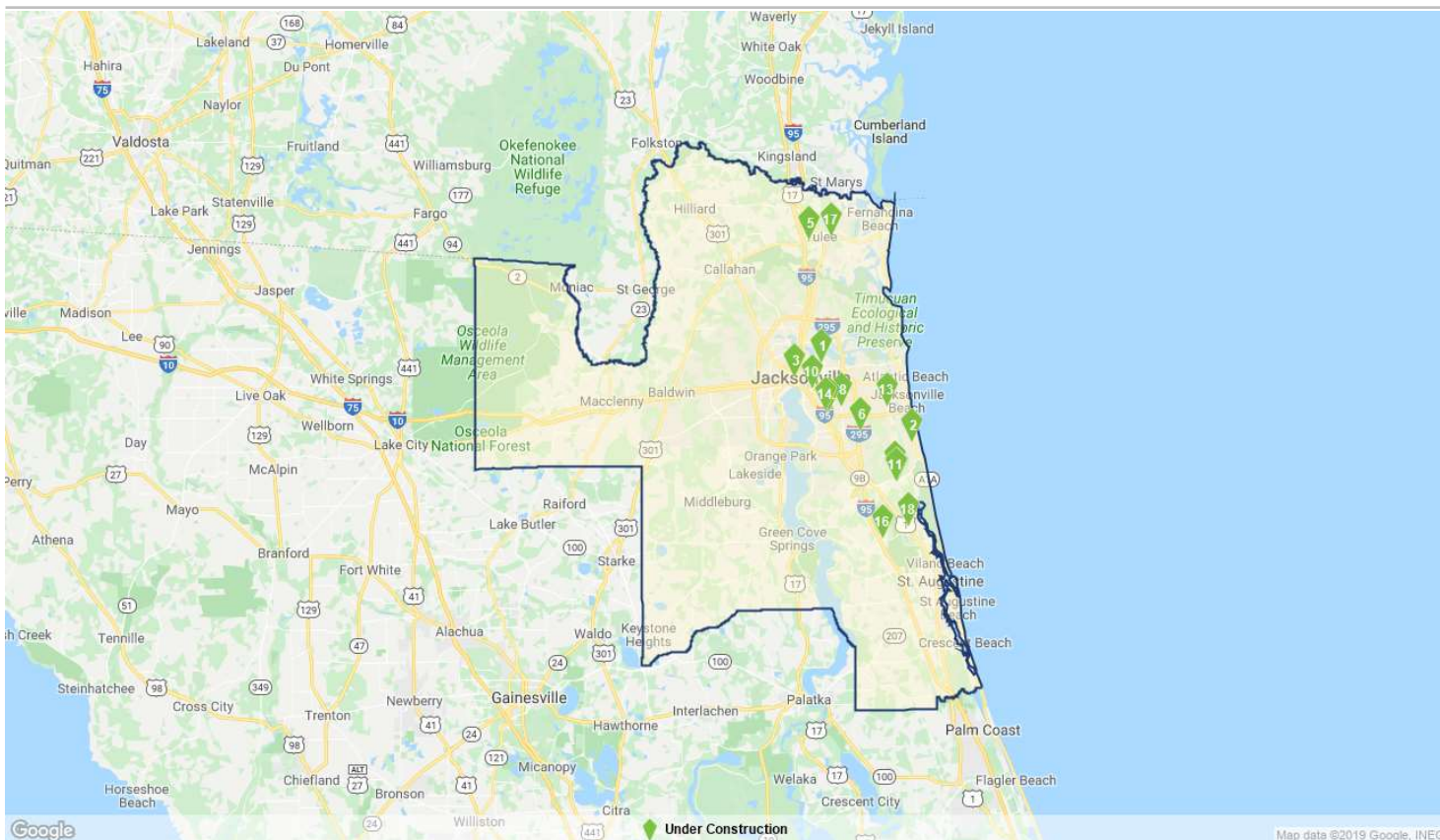
18

710,123

1.1%

92.7%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 Jacksonville University... 5491 N University Blvd	★ ★ ★ ★ ☆	287,496	3	Jan-2019	Jan-2020	-
2 PGA Tour Global HQ 5450 Palm Valley Rd	★ ★ ★ ★ ☆	187,000	3	Jan-2019	Jan-2020	- PGA Tour Inc.
3 JTA Administrative Build... 1111 W Forsyth St	★ ★ ★ ★ ☆	62,000	4	Jul-2017	Mar-2020	- Jacksonville Transportation Auth...
4 0 Valley Ridge Blvd	★ ★ ★ ★ ☆	29,480	1	Oct-2019	Jun-2020	- Toll Brothers. Inc.
5 76300 William Burgess B...	★ ★ ★ ★ ☆	23,331	2	Jan-2019	Mar-2020	Raydient Places + Properties University Of Florida Health Scie...
6 Baymeadows Rd	★ ★ ★ ★ ☆	23,000	2	Nov-2019	Sep-2020	- Richard Skinner & Associates
7 4035 Southpoint Blvd	★ ★ ★ ★ ☆	20,000	-	Jun-2019	Jun-2020	- Sheldon Anderson

Under Construction Properties

Jacksonville Office

UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 9722 Touchton Rd	★ ★ ★ ★ ★	12,015	2	Jan-2019	Jan-2020	- Focus Commercial Realty LLC
9 465 Town Plaza Ave	★ ★ ★ ★ ★	10,454	-	May-2019	Jan-2020	- -
10 3434 Atlantic Blvd	★ ★ ★ ★ ★	9,000	1	Jul-2017	Jul-2020	- Albert J Bauknecht
11 360 Town Plaza Ave	★ ★ ★ ★ ★	8,532	1	Oct-2019	May-2020	- -
12 Lineage Church 6851 Southpoint Pky	★ ★ ★ ★ ★	8,000	1	Jun-2019	Jan-2020	- -
13 14215 Spartina Ct	★ ★ ★ ★ ★	7,266	1	Jul-2019	Feb-2020	- -
14 6713 Southpoint Pky	★ ★ ★ ★ ★	6,000	1	Jun-2019	Feb-2020	- Charles Ged
15 Bldg 4 260-266 Paseo Reyes Dr	★ ★ ★ ★ ★	4,600	1	Oct-2019	Feb-2020	- Homesouth Of Rollings Llc
16 614 E Twin Court Trl	★ ★ ★ ★ ★	4,499	1	May-2019	Jan-2020	- Beaches Dermatology P.A
17 463380 State Road 200	★ ★ ★ ★ ★	4,000	1	Jun-2019	Jan-2020	- Camcam Management Llc
18 Bldg 2 280-286 Paseo Reyes Dr	★ ★ ★ ★ ★	3,450	1	Oct-2019	Feb-2020	- Homesouth Of Rollings Llc

Investment activity in Jacksonville has been strong in 2019. Price per SF has continued to grow modestly in recent years, and cap rates have hovered in the low-8% range. In the past year, private firms account for 45% of the sales volume, while institutional firms comprised the second most at one-third of all transactions. REITs and private equity firms made up the remaining amounts. All recently sold properties were fully or nearly fully leased, with the average SF of a sale being around 10,000 SF. For strictly medical office, transactions have almost all been fully leased, with an average sale price of \$1.2 million at an 8% cap rate.

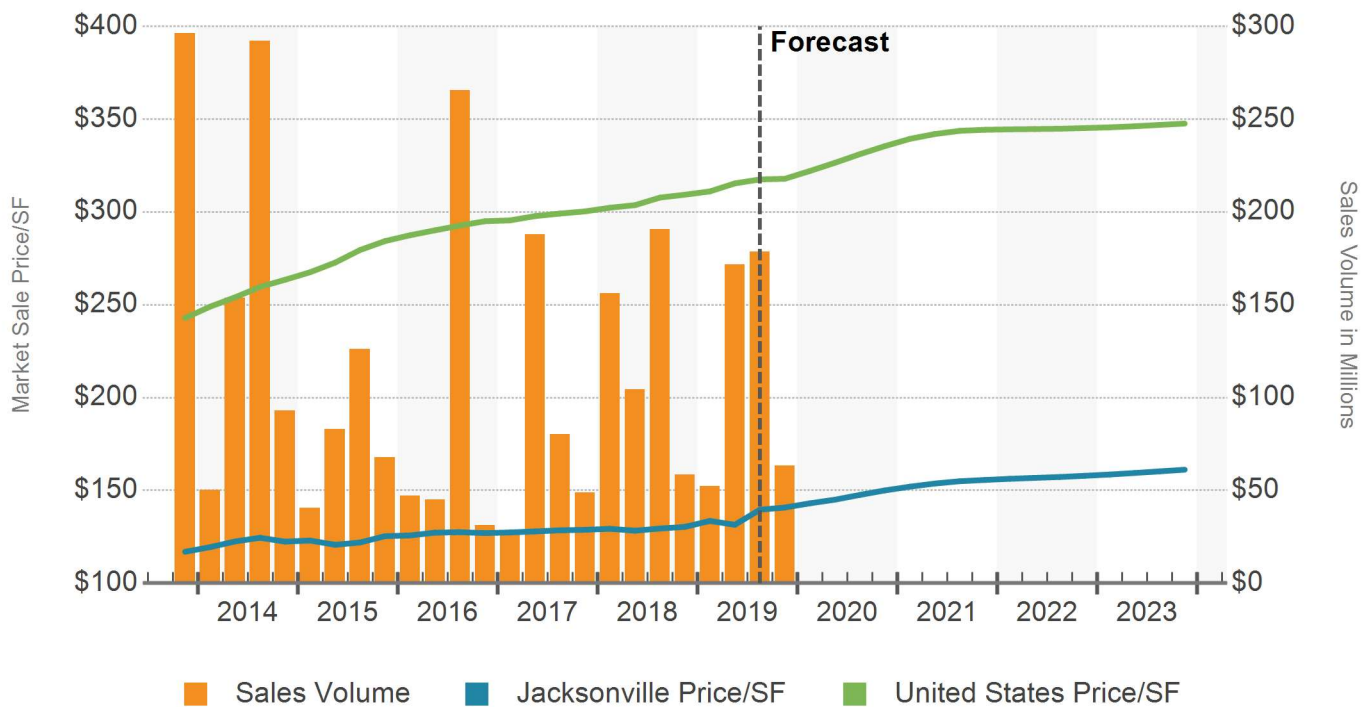
In 18Q3, the 23-story, 370,000-SF SunTrust Tower in Downtown Northbank sold for \$59 million by Fort Lauderdale-based Mainstreet Capital Partners to Jacksonville-based VyStar Credit Union, which will open a branch office and renovate up to 200,000 SF. SunTrust will vacate its space and move into the nearby Bank of

America Tower. VyStar expects to move around 900 employees to the tower by the end of 2019.

The largest portfolio sale in recent years came from the 1-million-SF Flagler Center located in the Butler/Baymeadows Submarket. New York-based Investcorp International sold the office park for \$136 million (\$135.80/SF) to Boca Raton, Florida-based Crocker Partners, LLC and Chicago-based Vanderbilt Office Properties, with all but one property being fully leased.

More recently in 19Q2, Orlando-based CNL Healthcare Properties off loaded medical offices across the nation, including one in Jacksonville. As part of the portfolio sale, Toledo, Ohio-based Welltower Inc. purchased the 92,000-SF medical office building at 10475 Centurion Pkwy. for \$43.3 million (\$470/SF).

SALES VOLUME & MARKET SALE PRICE PER SF



Sales Past 12 Months

Jacksonville Office

Sale Comparables

363

Avg. Cap Rate

8.1%

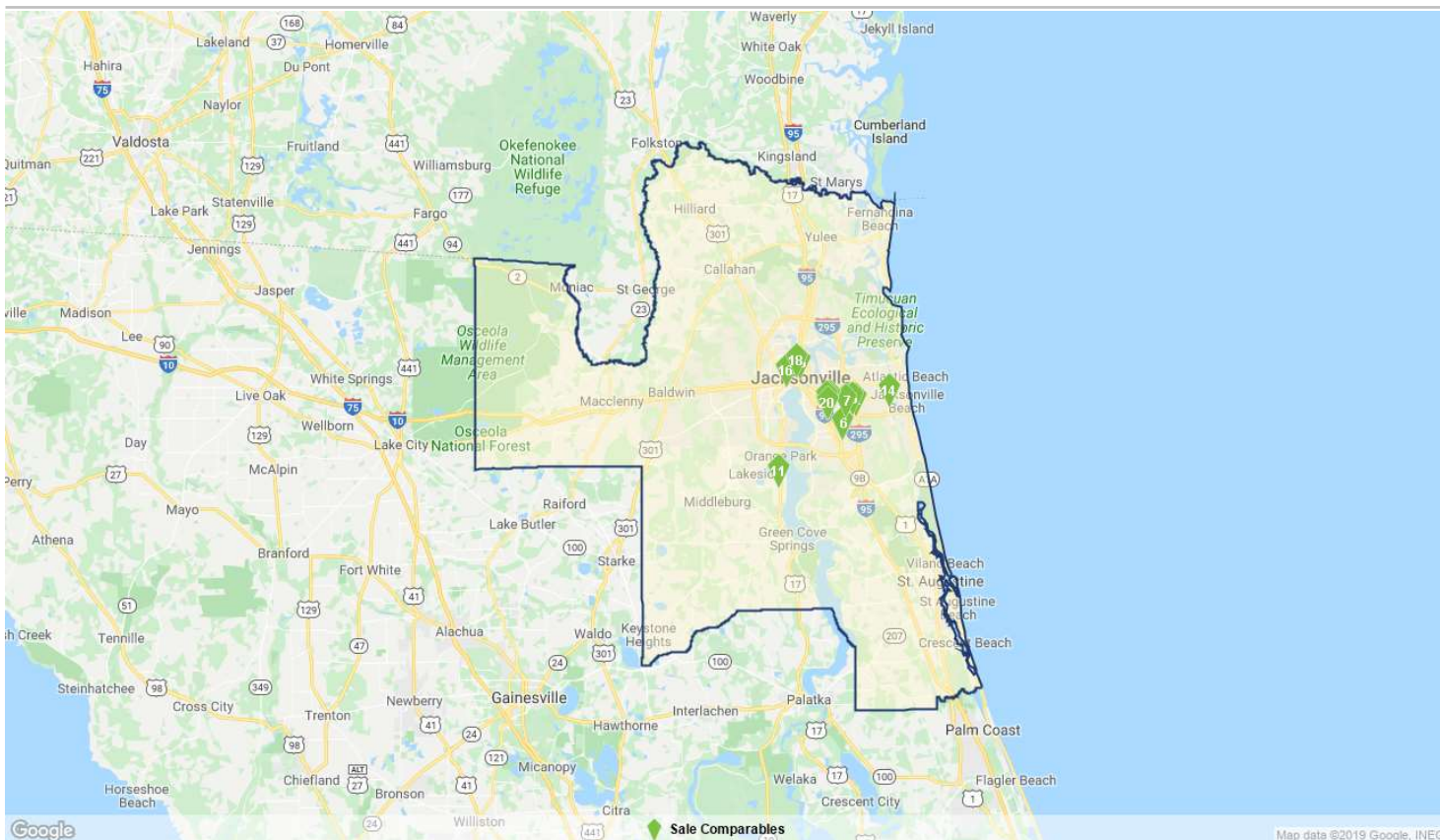
Avg. Price/SF

\$113

Avg. Vacancy At Sale

9.2%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$55,384	\$2,332,132	\$651,354	\$43,289,873
Price Per SF	\$2.21	\$113	\$123	\$588
Cap Rate	5.1%	8.1%	8.5%	10.2%
Time Since Sale in Months	0.3	6.0	6.1	12.0
Property Attributes	Low	Average	Median	High
Building SF	768	22,816	5,405	332,424
Stories	1	2	1	19
Typical Floor SF	739	10,125	4,560	83,106
Vacancy Rate At Sale	0%	9.2%	0%	100%
Year Built	1881	1975	1981	2019
Star Rating	★☆☆☆☆	★★★☆☆ 2.4	★★★★☆	★★★★★

Sales Past 12 Months

Jacksonville Office

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 Center One Medical/Offic... 10475 Centurion Pky	★★★★★	2007	92,184	0%	5/15/2019	\$43,289,873	\$470	5.5%
2 McKesson 6651 Gate Pky	★★★★★	2019	120,407	0%	9/23/2019	\$42,266,402	\$351	-
3 Buildings 1 & 2 10401 Deerwood Park Blvd	★★★★★	1989	332,424	9.5%	7/10/2019	\$38,205,733	\$115	5.1%
4 Building 100 9000 Southside Blvd	★★★★★	1990	259,744	0%	4/17/2019	\$31,263,335	\$120	-
5 5201 Gate Pky	★★★★★	2006	150,000	0%	12/17/2019	\$27,750,000	\$185	-
6 Building 700 9000 Southside Blvd	★★★★★	1989	122,296	8.9%	4/17/2019	\$15,333,724	\$125	-
7 Building 3 10301 Deerwood Park Blvd	★★★★★	1999	115,672	3.9%	7/10/2019	\$13,294,267	\$115	5.1%
8 4190 Belfort Rd	★★★★★	1986	120,000	0%	1/31/2019	\$11,058,141	\$92	-
9 Belfort Crossing 4345 Southpoint Blvd	★★★★★	1986	104,360	0%	1/31/2019	\$9,616,859	\$92	-
10 August II - Phase I Bldg 200 1845 Town Center Blvd	★★★★★	2002	37,834	9.0%	7/15/2019	\$9,176,000	\$243	9.2%
11 Phase I Bldg 100 1845 Town Center Blvd	★★★★★	2002	37,834	0%	7/15/2019	\$9,176,000	\$243	9.2%
12 Cypress Point Business... 8200 Nations Way	★★★★★	2004	36,000	0%	6/14/2019	\$5,897,715	\$164	7.9%
13 Life of the South Bldg 100 W Bay St	★★★★★	1963	75,744	0%	2/28/2019	\$5,000,000	\$66	-
14 4315 Pablo Oaks Ct	★★★★★	2001	21,946	0%	6/26/2019	\$4,975,000	\$227	-
15 7215 Financial Way	★★★★★	2001	59,500	0%	6/14/2019	\$4,973,494	\$84	7.9%
16 2627 Riverside Ave	★★★★★	1954	12,471	0%	11/15/2019	\$4,925,000	\$395	-
17 8100 Nations Way	★★★★★	1999	58,000	0%	6/14/2019	\$4,843,764	\$84	7.9%
18 Diamond S Building 701 W Adams St	★★★★★	2000	32,300	0%	11/20/2019	\$4,617,500	\$143	-
19 Bankers Life Building 6620 S Southpoint Dr	★★★★★	1982	66,346	15.7%	5/2/2019	\$4,332,500	\$65	7.5%
20 8230 Nations Way	★★★★★	2004	44,000	0%	6/14/2019	\$4,309,531	\$98	7.9%

A business-friendly environment, relative affordability, and strong demographic factors have boosted Jacksonville's skilled labor pool, bringing job growth well above the national average for much of the expansion. Some of the metro's largest employers include a mix of financial companies and healthcare facilities including Baptist Health, Mayo Clinic, and Wells Fargo. However, as a large Naval hub, Jacksonville's largest employer is the Naval Air Station's ports with over 30,000 combined personnel. The public school system of Duval County and the City of Jacksonville add another 25,000 employees to the area. Jacksonville has won a number of notable job expansions in recent years. The Mayo Clinic recently announced over 300,000 SF of expansion taking place over the next five years. This expansion will bring hundreds of new jobs and, along with the clinic's recent investment of over \$300 million, will push it closer to its goal of being the premier medical center in the Southeast. Amazon's recent commitment to Jacksonville is expected to bring about 2,500 jobs to the city by the end of 2019. The e-commerce company has just completed building two new fulfillment centers, which total over 3 million SF.

Jacksonville is best known as a back-office market for professional and business services firms, as well as the financial activities sector. The low cost of doing business has attracted financial heavyweights including Bank of America Merrill Lynch (metro's largest private employer), Citibank, JPMorgan Chase, Wells Fargo, and Deutsche Bank. The metro area is also home to Fortune 500-company Fidelity National, which could see its recent acquisition of former rival WorldPay bring more jobs to Jacksonville in the future. Large banks and credit unions have sought to capitalize on Jacksonville's cluster of financial activities, leading to some large job announcements this cycle. Ernst & Young expanded their presence in 2016–17, creating roughly 450 jobs in the metro. Around the same time, Citibank announced 800 jobs on top of the 500 positions that were filled the year before. The expansion pushed the financial services giant to being one of the largest employers in the metro at 4,500 employees. More recently, Australia-based Macquarie Group is actively adding 145 more financial sector-employees at Riverplace Tower in Downtown

Southbank. Also, VyStar Credit Union purchased the former SunTrust Tower in Downtown Northbank with the goal of relocating the corporate headquarters to the tower. The credit union is bringing 900 jobs to the office building.

High-paying, white-collar jobs have bolstered Jacksonville's educated population this cycle. Since 2010, those that have obtained a bachelor's degree or higher have increased by almost 15%. This has brought the metro's bachelor's degree or higher educational attainment rate to 31%. Likewise, high-earning jobs have similarly increased. The jobs in the professional and financial sectors swelled by 32% and 23% respectively since 2010.

More recently, growth in office-using employment has picked up again after slowing in 2018 and at the beginning of 2019. This has been led by the financial sector, an industry that has generally been successful in the metro this expansion. In 19Q1, TIAA Bank laid off around 170 employees across all three campuses in Jacksonville. As part of their consolidation efforts, State Farm is laying off 300 employees at the end of 2019 while simultaneously vacating their office in Butler/Baymeadows.

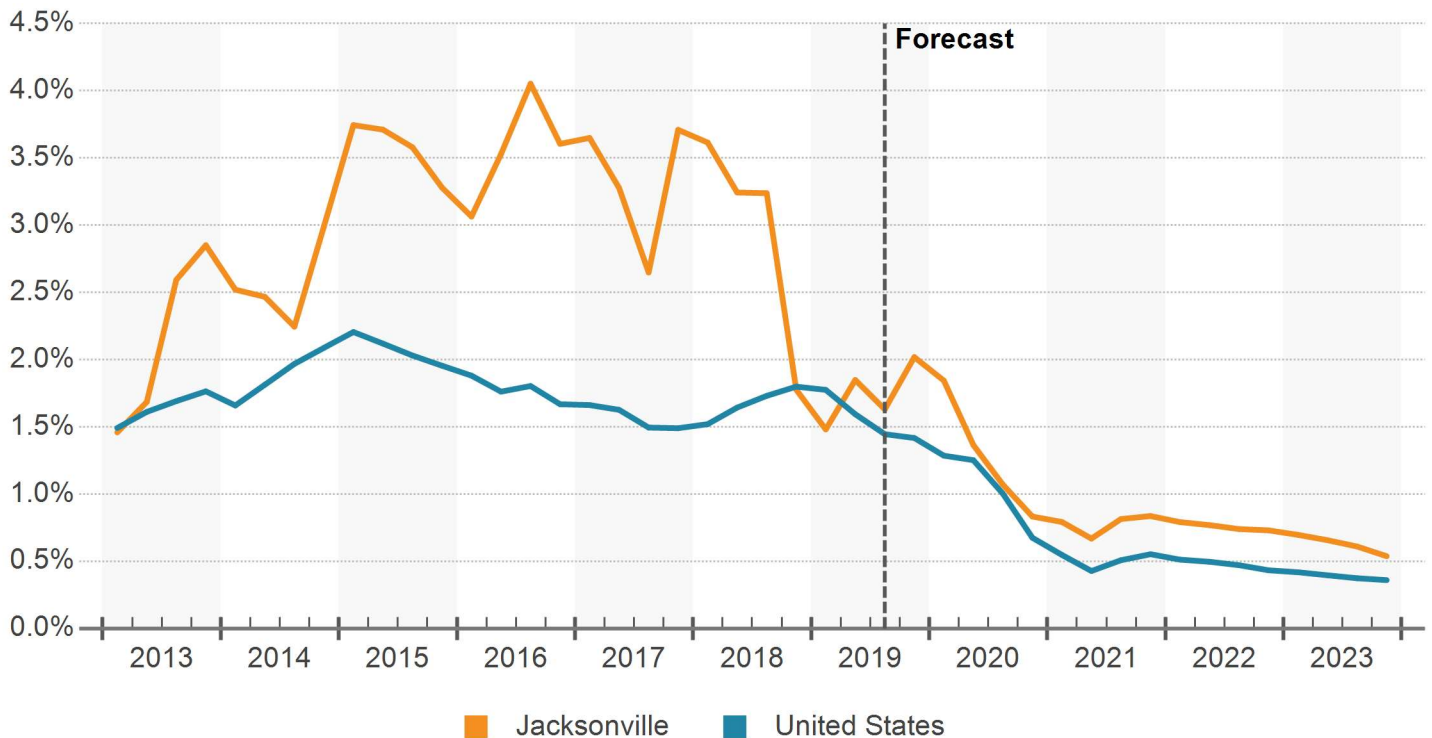
Port trade is booming in Jacksonville. JAXPORT had a record year in 2019, with 1.3 million 20-foot equivalent units (TEU) passing through the port. This is up 5% over the prior year's numbers, keeping Jacksonville as the largest container port in Florida. Already the nation's second-largest vehicle port, Jacksonville will add over 100 acres of process space to increase vehicle capacity by 25%. JAXPORT has fully funded a three-mile channel deepening and widening effort, out of a total 11-mile project, to bring more traffic to the Blount Island Terminal. This will allow the port to remain competitive with other east coast ports and should attract new business. The City of Jacksonville is also committed to becoming a more walkable, accessible city. This is evident in some of the recently delivered infrastructure projects such as the \$225 million I-95 Overland Bridge Project, opening in mid-2018.

JACKSONVILLE EMPLOYMENT BY INDUSTRY IN THOUSANDS

NAICS Industry	Current Jobs		Current Growth		10 Yr Historical		5 Yr Forecast	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	32	0.5	-0.19%	0.86%	1.26%	1.15%	-0.58%	-0.26%
Trade, Transportation and Utilities	151	1.1	0.07%	0.58%	1.93%	1.32%	0.58%	0.31%
Retail Trade	88	1.2	1.02%	-0.16%	2.52%	0.95%	0.81%	0.23%
Financial Activities	68	1.6	0.53%	1.20%	2.06%	1.18%	0.27%	0.30%
Government	78	0.7	1.51%	0.64%	0.28%	0.05%	0.79%	0.66%
Natural Resources, Mining and Construction	47	1.2	3.19%	2.23%	4.46%	2.75%	0.99%	0.25%
Education and Health Services	111	1.0	2.15%	2.43%	2.83%	2.14%	0.88%	0.62%
Professional and Business Services	113	1.1	5.11%	1.99%	3.30%	2.73%	0.98%	0.87%
Information	9	0.7	-1.77%	0.31%	-1.20%	0.31%	0.60%	0.46%
Leisure and Hospitality	90	1.1	3.72%	1.95%	3.51%	2.63%	0.82%	0.59%
Other Services	28	1.0	2.02%	1.59%	1.89%	1.14%	0.53%	0.21%
Total Employment	727	1.0	2.03%	1.42%	2.33%	1.59%	0.69%	0.47%

Source: Oxford Economics
LQ = Location Quotient

YEAR OVER YEAR JOB GROWTH



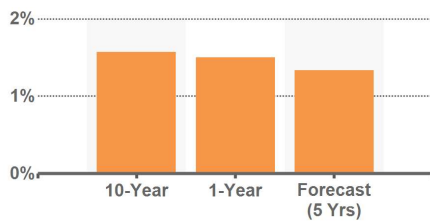
Source: Oxford Economics

DEMOGRAPHIC TRENDS

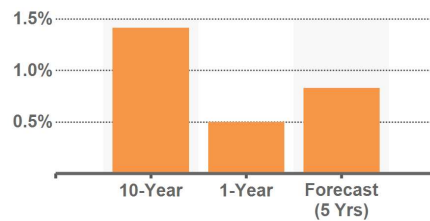
Demographic Category	Current Level		Current Change		10-Year Change		Forecast Change (5 Yrs)	
	Metro	U.S.	Metro	U.S.	Metro	U.S.	Metro	U.S.
Population	1,565,392	330,073,313	1.5%	0.7%	1.6%	0.7%	1.3%	0.7%
Households	580,962	121,487,313	1.4%	0.5%	1.5%	0.6%	1.2%	0.6%
Median Household Income	\$63,873	\$65,728	3.8%	4.0%	2.5%	2.7%	4.0%	4.2%
Labor Force	781,894	163,907,313	0.5%	0.6%	1.4%	0.7%	0.8%	0.5%
Unemployment	3.2%	3.7%	0%	-0.1%	-0.8%	-0.6%	-	-

Source: Oxford Economics

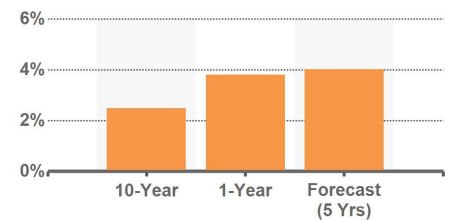
POPULATION GROWTH



LABOR FORCE GROWTH

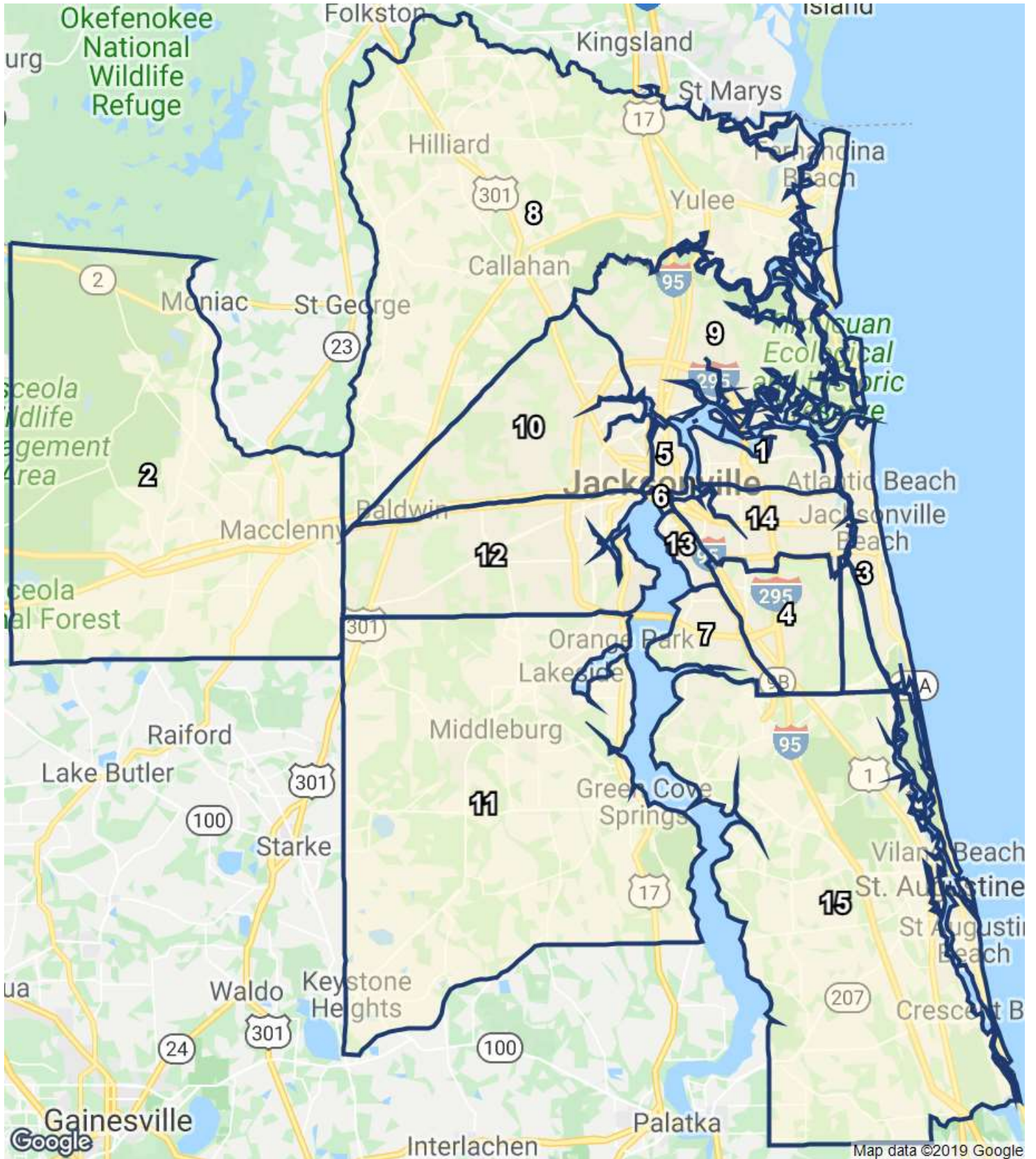


INCOME GROWTH



Source: Oxford Economics

JACKSONVILLE SUBMARKETS



SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Arlington	216	1,556	2.4%	11	1	5	0.3%	7	1	287	18.5%	1
2	Baker County	32	124	0.2%	15	0	0	0%	-	0	-	-	-
3	Beaches	376	3,115	4.8%	6	2	19	0.6%	5	4	235	7.6%	2
4	Butler/Baymeadows	275	10,279	15.8%	3	6	33	0.3%	4	1	23	0.2%	6
5	Downtown Northbank	372	12,766	19.6%	2	0	0	0%	-	1	62	0.5%	4
6	Downtown Southbank	137	2,986	4.6%	8	0	0	0%	-	0	-	-	-
7	Mandarin	307	2,641	4.0%	9	0	0	0%	-	0	-	-	-
8	Nassau County	245	1,281	2.0%	12	2	8	0.6%	6	2	27	2.1%	5
9	Northeast Jacksonville	80	891	1.4%	14	0	0	0%	-	0	-	-	-
10	Northwest Jacksonville	191	1,224	1.9%	13	0	0	0%	-	0	-	-	-
11	Orange Park/Clay County	418	3,372	5.2%	4	1	45	1.3%	3	0	-	-	-
12	Riverside	636	3,018	4.6%	7	0	0	0%	-	0	-	-	-
13	San Marco	270	1,844	2.8%	10	0	0	0%	-	0	-	-	-
14	Southside	763	16,865	25.9%	1	3	355	2.1%	1	6	62	0.4%	3
15	St Johns County	463	3,262	5.0%	5	9	154	4.7%	2	3	13	0.4%	7

SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Arlington	\$17.74	13	3.7%	15	-1.8%	13
2	Baker County	\$16.30	15	5.3%	8	-4.4%	15
3	Beaches	\$25.58	1	5.2%	9	0.2%	7
4	Butler/Baymeadows	\$21.25	5	4.6%	12	0.8%	4
5	Downtown Northbank	\$21.58	4	5.4%	6	2.0%	2
6	Downtown Southbank	\$22.67	2	6.7%	3	3.0%	1
7	Mandarin	\$18.63	11	4.3%	14	-1.2%	10
8	Nassau County	\$19.92	7	4.8%	10	-1.6%	12
9	Northeast Jacksonville	\$18.26	12	5.9%	5	-1.4%	11
10	Northwest Jacksonville	\$19.21	9	6.7%	2	0.5%	5
11	Orange Park/Clay County	\$19.74	8	4.4%	13	-0.1%	8
12	Riverside	\$17.37	14	5.3%	7	-2.4%	14
13	San Marco	\$19.03	10	6.9%	1	0.5%	6
14	Southside	\$21.74	3	6.5%	4	2.0%	3
15	St Johns County	\$20.77	6	4.7%	11	-0.6%	9

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Net Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construct. Ratio
1	Arlington	185,031	11.9%	14	(59,683)	-3.8%	13	-
2	Baker County	11,353	9.2%	11	(2,173)	-1.8%	8	-
3	Beaches	135,414	4.3%	4	(7,672)	-0.2%	10	-
4	Butler/Baymeadows	1,396,446	13.6%	15	(439,579)	-4.3%	15	-
5	Downtown Northbank	1,087,869	8.5%	10	(188,053)	-1.5%	14	-
6	Downtown Southbank	188,232	6.3%	9	(50,691)	-1.7%	12	-
7	Mandarin	162,152	6.1%	8	5,944	0.2%	7	-
8	Nassau County	17,916	1.4%	1	18,410	1.4%	5	0.3
9	Northeast Jacksonville	33,237	3.7%	3	(5,545)	-0.6%	9	-
10	Northwest Jacksonville	136,516	11.2%	13	(23,788)	-1.9%	11	-
11	Orange Park/Clay County	195,276	5.8%	6	63,461	1.9%	3	0.7
12	Riverside	103,446	3.4%	2	30,645	1.0%	4	-
13	San Marco	109,972	6.0%	7	7,437	0.4%	6	-
14	Southside	1,878,491	11.1%	12	402,514	2.4%	1	0.9
15	St Johns County	150,988	4.6%	5	194,962	6.0%	2	0.8

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	68,834,443	857,615	1.3%	623,774	0.9%	1.4
2022	67,976,828	903,570	1.3%	590,023	0.9%	1.5
2021	67,073,258	852,734	1.3%	455,664	0.7%	1.9
2020	66,220,524	949,186	1.5%	428,555	0.6%	2.2
2019	65,271,338	542,469	0.8%	(89,267)	-0.1%	-
YTD	65,271,338	542,469	0.8%	(53,811)	-0.1%	-
2018	64,728,869	593,263	0.9%	235,937	0.4%	2.5
2017	64,135,606	193,618	0.3%	840,633	1.3%	0.2
2016	63,941,988	76,523	0.1%	743,865	1.2%	0.1
2015	63,865,465	(46,805)	-0.1%	632,445	1.0%	-
2014	63,912,270	(85,293)	-0.1%	667,962	1.0%	-
2013	63,997,563	193,856	0.3%	599,125	0.9%	0.3
2012	63,803,707	137,002	0.2%	669,199	1.0%	0.2
2011	63,666,705	52,632	0.1%	714,510	1.1%	0.1
2010	63,614,073	19,331	0%	572,207	0.9%	0
2009	63,594,742	346,445	0.5%	(1,053,738)	-1.7%	-
2008	63,248,297	1,540,541	2.5%	550,749	0.9%	2.8
2007	61,707,756	1,924,143	3.2%	1,285,620	2.1%	1.5

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	20,384,845	886,996	4.5%	793,637	3.9%	1.1
2022	19,497,849	932,343	5.0%	793,278	4.1%	1.2
2021	18,565,506	881,125	5.0%	584,760	3.1%	1.5
2020	17,684,381	296,197	1.7%	69,486	0.4%	4.3
2019	17,388,184	482,862	2.9%	158,194	0.9%	3.1
YTD	17,388,184	482,862	2.9%	177,456	1.0%	2.7
2018	16,905,322	271,013	1.6%	21,731	0.1%	12.5
2017	16,634,309	119,287	0.7%	145,956	0.9%	0.8
2016	16,515,022	162,818	1.0%	192,967	1.2%	0.8
2015	16,352,204	78,956	0.5%	255,541	1.6%	0.3
2014	16,273,248	6,815	0%	42,250	0.3%	0.2
2013	16,266,433	154,621	1.0%	324,244	2.0%	0.5
2012	16,111,812	48,574	0.3%	329,989	2.0%	0.1
2011	16,063,238	11,600	0.1%	(165,117)	-1.0%	-
2010	16,051,638	78,763	0.5%	489,865	3.1%	0.2
2009	15,972,875	31,446	0.2%	(33,415)	-0.2%	-
2008	15,941,429	611,194	4.0%	276,080	1.7%	2.2
2007	15,330,235	710,446	4.9%	541,774	3.5%	1.3

Supply & Demand Trends

Jacksonville Office

3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	26,992,525	396	0%	(76,933)	-0.3%	-
2022	26,992,129	453	0%	(91,632)	-0.3%	-
2021	26,991,676	492	0%	(905)	0%	-
2020	26,991,184	680,765	2.6%	437,444	1.6%	1.6
2019	26,310,419	132,056	0.5%	(339,285)	-1.3%	-
YTD	26,310,419	132,056	0.5%	(330,942)	-1.3%	-
2018	26,178,363	326,288	1.3%	304,611	1.2%	1.1
2017	25,852,075	93,624	0.4%	406,693	1.6%	0.2
2016	25,758,451	(64,622)	-0.3%	479,425	1.9%	-
2015	25,823,073	(76,210)	-0.3%	181,186	0.7%	-
2014	25,899,283	(45,621)	-0.2%	350,157	1.4%	-
2013	25,944,904	106,032	0.4%	159,779	0.6%	0.7
2012	25,838,872	90,133	0.4%	205,362	0.8%	0.4
2011	25,748,739	48,966	0.2%	649,762	2.5%	0.1
2010	25,699,773	31,427	0.1%	(1,166)	0%	-
2009	25,668,346	274,061	1.1%	(427,168)	-1.7%	-
2008	25,394,285	872,320	3.6%	505,279	2.0%	1.7
2007	24,521,965	984,205	4.2%	676,340	2.8%	1.5

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	21,457,073	(29,777)	-0.1%	(92,930)	-0.4%	-
2022	21,486,850	(29,226)	-0.1%	(111,623)	-0.5%	-
2021	21,516,076	(28,883)	-0.1%	(128,191)	-0.6%	-
2020	21,544,959	(27,776)	-0.1%	(78,375)	-0.4%	-
2019	21,572,735	(72,449)	-0.3%	91,824	0.4%	-
YTD	21,572,735	(72,449)	-0.3%	99,675	0.5%	-
2018	21,645,184	(4,038)	0%	(90,405)	-0.4%	-
2017	21,649,222	(19,293)	-0.1%	287,984	1.3%	-
2016	21,668,515	(21,673)	-0.1%	71,473	0.3%	-
2015	21,690,188	(49,551)	-0.2%	195,718	0.9%	-
2014	21,739,739	(46,487)	-0.2%	275,555	1.3%	-
2013	21,786,226	(66,797)	-0.3%	115,102	0.5%	-
2012	21,853,023	(1,705)	0%	133,848	0.6%	-
2011	21,854,728	(7,934)	0%	229,865	1.1%	-
2010	21,862,662	(90,859)	-0.4%	83,508	0.4%	-
2009	21,953,521	40,938	0.2%	(593,155)	-2.7%	-
2008	21,912,583	57,027	0.3%	(230,610)	-1.1%	-
2007	21,855,556	229,492	1.1%	67,506	0.3%	3.4

OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$23.78	123	1.3%	19.1%	7,307,292	10.6%	0.2%
2022	\$23.47	122	2.1%	17.5%	7,069,243	10.4%	0.3%
2021	\$22.98	119	3.4%	15.1%	6,751,504	10.1%	0.5%
2020	\$22.23	115	5.4%	11.4%	6,350,243	9.6%	0.7%
2019	\$21.10	109	5.7%	5.7%	5,826,163	8.9%	0.9%
YTD	\$21.07	109	5.5%	5.5%	5,792,339	8.9%	0.9%
2018	\$19.97	104	3.8%	0%	5,190,059	8.0%	0.5%
2017	\$19.23	100	3.3%	-3.7%	4,832,733	7.5%	-1.0%
2016	\$18.61	97	6.9%	-6.8%	5,479,748	8.6%	-1.1%
2015	\$17.41	90	1.6%	-12.8%	6,147,090	9.6%	-1.1%
2014	\$17.13	89	5.4%	-14.2%	6,826,340	10.7%	-1.2%
2013	\$16.25	84	0%	-18.6%	7,579,595	11.8%	-0.7%
2012	\$16.24	84	0.1%	-18.6%	7,984,864	12.5%	-0.9%
2011	\$16.23	84	-0.5%	-18.7%	8,517,061	13.4%	-1.1%
2010	\$16.31	85	-8.9%	-18.3%	9,178,939	14.4%	-0.9%
2009	\$17.91	93	-7.1%	-10.3%	9,731,815	15.3%	2.1%
2008	\$19.27	100	-1.2%	-3.5%	8,331,632	13.2%	1.3%
2007	\$19.50	101	6.2%	-2.3%	7,341,840	11.9%	0.7%

4 & 5 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$28.78	135	1.1%	19.7%	2,744,165	13.5%	-0.1%
2022	\$28.47	134	1.8%	18.4%	2,651,096	13.6%	0.1%
2021	\$27.96	132	3.1%	16.2%	2,512,329	13.5%	1.0%
2020	\$27.12	128	5.2%	12.8%	2,216,260	12.5%	1.1%
2019	\$25.77	121	7.2%	7.2%	1,989,769	11.4%	1.6%
YTD	\$25.74	121	7.0%	7.0%	1,970,517	11.3%	1.5%
2018	\$24.05	113	3.4%	0%	1,659,111	9.8%	1.3%
2017	\$23.25	109	3.4%	-3.3%	1,409,829	8.5%	-0.2%
2016	\$22.49	106	7.8%	-6.5%	1,436,498	8.7%	-0.3%
2015	\$20.86	98	1.3%	-13.3%	1,466,647	9.0%	-1.1%
2014	\$20.58	97	5.6%	-14.4%	1,643,232	10.1%	-0.2%
2013	\$19.49	92	2.5%	-18.9%	1,678,667	10.3%	-1.2%
2012	\$19.02	89	1.2%	-20.9%	1,848,290	11.5%	-1.8%
2011	\$18.80	88	-2.3%	-21.8%	2,129,705	13.3%	1.1%
2010	\$19.25	91	-3.8%	-19.9%	1,952,988	12.2%	-2.6%
2009	\$20.02	94	-5.8%	-16.8%	2,364,090	14.8%	0.4%
2008	\$21.25	100	1.5%	-11.6%	2,299,229	14.4%	1.6%
2007	\$20.94	99	4.8%	-12.9%	1,964,115	12.8%	0.5%

3 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$23.43	116	1.3%	13.9%	2,717,283	10.1%	0.3%
2022	\$23.13	115	1.9%	12.5%	2,639,956	9.8%	0.3%
2021	\$22.69	112	2.8%	10.3%	2,547,873	9.4%	0%
2020	\$22.07	109	3.7%	7.3%	2,546,477	9.4%	0.7%
2019	\$21.27	105	3.5%	3.5%	2,303,156	8.8%	1.8%
YTD	\$21.26	105	3.4%	3.4%	2,296,395	8.7%	1.7%
2018	\$20.56	102	5.9%	0%	1,833,397	7.0%	0%
2017	\$19.42	96	1.1%	-5.5%	1,811,720	7.0%	-1.2%
2016	\$19.21	95	9.9%	-6.6%	2,124,789	8.2%	-2.1%
2015	\$17.47	87	4.1%	-15.0%	2,668,836	10.3%	-1.0%
2014	\$16.78	83	2.9%	-18.4%	2,926,232	11.3%	-1.5%
2013	\$16.31	81	1.3%	-20.7%	3,322,010	12.8%	-0.3%
2012	\$16.10	80	1.0%	-21.7%	3,375,757	13.1%	-0.5%
2011	\$15.95	79	-0.7%	-22.5%	3,490,986	13.6%	-2.4%
2010	\$16.06	80	-12.3%	-21.9%	4,091,782	15.9%	0.1%
2009	\$18.31	91	-9.3%	-11.0%	4,059,189	15.8%	2.6%
2008	\$20.18	100	-1.4%	-1.8%	3,357,960	13.2%	1.0%
2007	\$20.46	101	8.0%	-0.5%	2,990,919	12.2%	0.8%

1 & 2 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$20.17	122	1.6%	17.7%	1,845,844	8.6%	0.3%
2022	\$19.85	120	2.7%	15.8%	1,778,191	8.3%	0.4%
2021	\$19.34	117	4.6%	12.8%	1,691,302	7.9%	0.5%
2020	\$18.50	112	8.1%	7.9%	1,587,506	7.4%	0.3%
2019	\$17.11	104	7.4%	-0.2%	1,533,238	7.1%	-0.7%
YTD	\$17.06	103	7.2%	-0.5%	1,525,427	7.1%	-0.8%
2018	\$15.92	96	1.2%	-7.1%	1,697,551	7.8%	0.4%
2017	\$15.74	95	6.9%	-8.2%	1,611,184	7.4%	-1.4%
2016	\$14.73	89	1.3%	-14.1%	1,918,461	8.9%	-0.4%
2015	\$14.54	88	-1.7%	-15.2%	2,011,607	9.3%	-1.1%
2014	\$14.79	89	9.1%	-13.7%	2,256,876	10.4%	-1.5%
2013	\$13.56	82	-4.5%	-20.9%	2,578,918	11.8%	-0.8%
2012	\$14.19	86	-2.1%	-17.2%	2,760,817	12.6%	-0.6%
2011	\$14.49	88	1.6%	-15.5%	2,896,370	13.3%	-1.1%
2010	\$14.26	86	-9.2%	-16.8%	3,134,169	14.3%	-0.7%
2009	\$15.71	95	-4.9%	-8.4%	3,308,536	15.1%	2.9%
2008	\$16.52	100	-3.6%	-3.6%	2,674,443	12.2%	1.3%
2007	\$17.14	104	4.9%	0%	2,386,806	10.9%	0.6%

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$161.18	155	8.3%
2022	-	-	-	-	-	-	\$157.89	152	8.2%
2021	-	-	-	-	-	-	\$155.65	150	8.1%
2020	-	-	-	-	-	-	\$150.02	145	8.0%
2019	-	-	-	-	-	-	\$140.80	136	8.1%
YTD	361	\$465.7 M	9.0%	\$2,318,656	\$110.95	8.1%	\$140.64	135	8.1%
2018	373	\$509.7 M	8.1%	\$2,750,002	\$120.51	8.2%	\$130.39	126	8.3%
2017	291	\$343.3 M	5.4%	\$2,253,050	\$112.00	7.6%	\$128.81	124	8.2%
2016	312	\$388.5 M	7.5%	\$2,182,762	\$115.71	7.6%	\$127.04	122	8.1%
2015	431	\$317.2 M	5.9%	\$1,602,318	\$104.44	8.9%	\$125.39	121	8.0%
2014	346	\$588.9 M	11.1%	\$3,087,807	\$86.11	7.5%	\$122.43	118	8.0%
2013	309	\$553.3 M	8.4%	\$3,052,927	\$108.45	9.3%	\$116.97	113	8.2%
2012	230	\$132.4 M	3.2%	\$1,209,054	\$71.46	11.0%	\$112.90	109	8.4%
2011	140	\$96.7 M	2.2%	\$1,450,766	\$86.68	9.3%	\$109.78	106	8.6%
2010	142	\$174.3 M	3.3%	\$2,278,259	\$120.67	9.0%	\$99.13	96	9.2%
2009	95	\$45.6 M	1.1%	\$645,029	\$77.34	10.4%	\$89.20	86	10.1%
2008	160	\$171.5 M	1.9%	\$2,103,275	\$157.54	8.2%	\$103.80	100	9.4%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$184.07	151	7.9%
2022	-	-	-	-	-	-	\$180.85	148	7.8%
2021	-	-	-	-	-	-	\$178.99	147	7.7%
2020	-	-	-	-	-	-	\$173.11	142	7.6%
2019	-	-	-	-	-	-	\$162.79	134	7.7%
YTD	28	\$236.7 M	16.2%	\$16,750,686	\$155.27	6.1%	\$162.60	133	7.7%
2018	19	\$153.3 M	8.2%	\$21,753,609	\$137.62	7.5%	\$147.99	121	8.0%
2017	11	\$39.4 M	2.2%	\$9,851,045	\$108.48	5.8%	\$147.30	121	7.8%
2016	20	\$241.7 M	12.4%	\$17,162,506	\$137.77	8.0%	\$145.50	119	7.7%
2015	128	\$181.3 M	10.7%	\$13,682,354	\$127.95	7.6%	\$145.81	120	7.6%
2014	15	\$271.9 M	22.0%	\$20,912,100	\$75.97	7.0%	\$143.93	118	7.5%
2013	25	\$340.4 M	17.1%	\$15,474,897	\$125.09	9.1%	\$138.56	114	7.7%
2012	4	\$16.7 M	0.4%	\$8,080,000	\$296.22	6.8%	\$133.38	110	7.9%
2011	4	\$42.8 M	2.6%	\$21,402,490	\$116.36	9.3%	\$129.64	106	8.0%
2010	5	\$69.8 M	1.9%	\$34,347,570	\$224.28	3.3%	\$116.80	96	8.7%
2009	2	\$6.2 M	1.2%	-	\$31.75	-	\$104.59	86	9.5%
2008	5	\$52.3 M	2.0%	\$51,400,000	\$163.12	8.5%	\$121.80	100	8.9%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$152.89	149	8.3%
2022	-	-	-	-	-	-	\$149.80	146	8.2%
2021	-	-	-	-	-	-	\$147.94	144	8.1%
2020	-	-	-	-	-	-	\$143.48	140	8.0%
2019	-	-	-	-	-	-	\$136.98	133	8.1%
YTD	127	\$114.2 M	4.7%	\$2,176,829	\$100.43	8.0%	\$136.92	133	8.1%
2018	121	\$247.7 M	8.9%	\$4,414,372	\$128.42	8.0%	\$127.07	124	8.3%
2017	102	\$240.5 M	8.3%	\$4,655,271	\$118.20	8.0%	\$125.52	122	8.2%
2016	107	\$83.4 M	4.2%	\$1,553,215	\$101.22	6.6%	\$124.43	121	8.1%
2015	95	\$66.1 M	2.7%	\$1,515,446	\$121.78	8.9%	\$122.43	119	8.0%
2014	133	\$267.1 M	10.3%	\$5,053,179	\$103.50	7.1%	\$119.25	116	8.0%
2013	94	\$109.6 M	5.3%	\$3,310,515	\$85.17	9.1%	\$115.02	112	8.1%
2012	85	\$66.2 M	4.7%	\$2,182,228	\$58.27	11.0%	\$110.62	108	8.3%
2011	53	\$38.5 M	2.4%	\$1,706,530	\$71.26	-	\$108.08	105	8.5%
2010	64	\$83.8 M	5.5%	\$3,343,148	\$102.69	10.2%	\$97.78	95	9.1%
2009	40	\$19.9 M	1.1%	\$969,367	\$112.16	-	\$88.34	86	10.0%
2008	79	\$43.1 M	1.2%	\$1,578,825	\$174.56	6.2%	\$102.81	100	9.3%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$153.09	169	8.7%
2022	-	-	-	-	-	-	\$149.49	165	8.6%
2021	-	-	-	-	-	-	\$146.48	162	8.4%
2020	-	-	-	-	-	-	\$139.60	154	8.4%
2019	-	-	-	-	-	-	\$127.88	141	8.5%
YTD	206	\$114.8 M	8.4%	\$802,963	\$74.75	8.3%	\$127.59	141	8.5%
2018	233	\$108.8 M	7.2%	\$862,896	\$91.62	8.7%	\$120.36	133	8.6%
2017	178	\$63.4 M	4.6%	\$643,520	\$95.01	7.5%	\$118.03	130	8.5%
2016	185	\$63.5 M	7.5%	\$553,316	\$81.38	8.3%	\$115.45	127	8.4%
2015	208	\$69.9 M	6.0%	\$485,747	\$64.81	9.3%	\$112.67	124	8.4%
2014	198	\$49.9 M	3.8%	\$389,027	\$73.50	8.5%	\$109.09	120	8.4%
2013	190	\$103.3 M	5.6%	\$784,632	\$94.41	9.8%	\$102.03	113	8.7%
2012	141	\$49.5 M	3.6%	\$639,738	\$74.93	11.8%	\$99.26	110	8.8%
2011	83	\$15.4 M	1.6%	\$346,510	\$74.22	-	\$95.91	106	9.1%
2010	73	\$20.8 M	1.7%	\$409,592	\$65.39	8.1%	\$86.60	96	9.7%
2009	53	\$19.5 M	1.1%	\$506,027	\$90.21	10.4%	\$77.89	86	10.7%
2008	76	\$76.0 M	2.7%	\$1,400,740	\$146.03	9.0%	\$90.55	100	10.0%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.