

JACKSONVILLE OFFICE MARKET

KEY INDICATORS : AT A GLANCE

YEAR END 2022	903K SF ↑	222KSF ↑	\$19-\$25	2.2% ↑	\$136/SF ↑	9.1% ↓
	12 Mo Deliveries	12 Mo Net Absorp	Market Rate/SF	12 Mo Rent Growth	Market Sale Price	Vacancy Rate
YEAR END 2021	820K SF ↑	(447K)SF ↑	\$19-\$25	1.7% ↑	\$125/SF ↑	9.3% ↓
	12 Mo Deliveries	12 Mo Net Absorp	Market Rate/SF	12 Mo Rent Growth	Market Sale Price	Vacancy Rate

NEWMARK SALE HIGHLIGHTS

Date	Address	Size	Price
7/2022	14353 N. Main	11.6 Acres	\$4.4 MM
3/2022	5150 Timaquana	50,000 SF	\$4.0 MM
5/2022	8443 Baymeadows	60,000 SF	\$4.1 MM
7/2022	700 Gloucester	24,000 SF	\$3.4 MM
11/2022	0 Arnold Road	5.27 Acres	\$14.5 MM

NEWMARK LEASE HIGHLIGHTS

Date	Tenant	Address	Size
1/2022	TEA	1301 Riverplace	34,000 SF
1/2022	Digital Risk	Freedom Commerce	40,200 SF
5/2022	Franklin Southern	8500 Byameadows	75,644 SF
6/2022	Lennar	7411 Fullerton	23,475 SF
7/2022	Mainspring	6700 Southpoint	21,086 SF

CURRENT PROPERTY HIGHLIGHTS



1200 Riverplace
±200,627 SF 10 Story Office Building with 6 Story Garage Suites For Lease



Baywood Center
3 Buildings, located in Butler/Baymeadows submarket, that have recently been refurbished Portfolio for Sale



St Augustine Outlet Mall Dev Site
Medical Office and Retail Sites Available Adjacent to New Baptist Hospital Site

In 2022, Newmark Phoenix Realty Group is pleased to have supported clients in over \$550 million in sales and leases. We sold over ±428,000 SF, leased over 6.3 million SF and helped our clients achieve their space needs in a difficult market.

THE OFFICE TEAM AT NEWMARK PHOENIX REALTY GROUP



Jim Sebesta

CEO / Principal
jsebesta@phoenixrealty.net



Bert Smith

Senior Vice President
bsmith@phoenixrealty.net



Jeff Frandsen

Senior Vice President
jfrandsen@phoenixrealty.net



Kirk Watson

Executive VP/ S Georgia Office
kwatson@phoenixrealty.net



Connor Palmisano

Office Specialist
cpalmisano@phoenixrealty.net



Kenzie Phelps

Office Specialist
kphelps@phoenixrealty.net

OFFICE MARKET REPORT

Market Key Statistics	1
Leasing	2
Rent	6
Construction	9
Under Construction Properties	11
Sales	13
Sales Past 12 Months	15
Economy	17
Market Submarkets	23
Supply & Demand Trends	26
Rent & Vacancy	28
Sale Trends	30

12 Mo Deliveries in SF

903K

12 Mo Net Absorption in SF

770K

Vacancy Rate

9.1%

12 Mo Rent Growth

4.8%

Jacksonville's office market is enjoying a resurgence of deal activity and has been one of the better performing office markets in Florida over the last year. Office leasing has been healthy here and rent growth has improved over the past year with the rate of annual growth now more than four times the national average and the fastest pace of Florida's major office markets. The vacancy rate has stabilized at 9.1%, and the pace at which sublease space has hit the market has slowed. Leasing demand is also picking up, and close to 40 key lease deals have been signed over the last year greater than 10,000 SF. Locally based Treace Medical Concepts signed the biggest deal in the trailing 12-month period when it took the entirety of VanTrust Real Estate's newly delivered 125,000-SF office building at 100 Palmetto Park Place in the Butler/Baymeadows Submarket.

Overall office market activity has been healthy, but there are potential headwinds. According to Google mobility data as of October 2022, workplace occupancy was down by roughly 30% in Jacksonville. Many occupiers continue to evaluate their true space needs moving forward, and hybrid work trends are expected to force a drag on overall vacancy in the year ahead. CoStar's Base Case vacancy forecast has the market just below 11% by the end of 2023. The moderate downside forecast, which is linked to more widespread work from home trends that will ultimately weigh on demand formation, has Jacksonville closer to 12% by the end of 2023. Net absorption of space is projected to experience

strain during that time as office demand tapers once companies establish their long-term hybrid work strategies. As a result, net absorption is expected to be relatively flat in 2023 before stabilizing in 2024.

There have been a couple of notable relocations announced over the last year in Jacksonville, along with a significant move-in in the Downtown Northbank area. Business data company Dun & Bradstreet revealed it was moving its corporate headquarters to Jacksonville from New Jersey following its acquisition by Jacksonville-based Black Knight. The company will create 500 jobs over the next five years and has pledged a capital investment of \$75 million at the 218,700-SF Town Center Two building it acquired in the Southside in June 2021.

Financial tech company Nymbus also announced its relocation from South Florida to the VyStar building in Downtown Jacksonville's Northbank with plans to eventually employ close to 700 workers. Looking ahead, business leaders in Jacksonville plan to focus their efforts on further developing the area's biomedical and fintech sectors due to their higher wages and strong multiplier effect.

Finally, FIS completed work on its new headquarters building and took occupancy in 22Q2, resulting in a boost of absorption of close to 400,000 SF in the Downtown Northbank submarket.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	19,281,059	13.2%	\$26.35	15.8%	47,734	0	1,293,315
3 Star	28,851,642	9.1%	\$24.08	11.7%	(80,754)	0	155,608
1 & 2 Star	20,781,729	5.4%	\$20.72	6.7%	(10,763)	0	0
Market	68,914,430	9.1%	\$23.75	11.4%	(43,783)	0	1,448,923

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.3%	10.4%	10.8%	14.6%	2009 Q4	6.5%	2000 Q1
Net Absorption SF	770K	668,336	293,862	2,831,457	2006 Q3	(913,879)	2009 Q4
Deliveries SF	903K	875,501	650,068	2,092,252	2006 Q4	56,058	2011 Q4
Rent Growth	4.8%	1.5%	1.5%	8.7%	2007 Q3	-8.6%	2010 Q4
Sales Volume	\$572M	\$335.2M	N/A	\$984.9M	2020 Q1	\$44.4M	2001 Q2

Office leasing fundamentals in Jacksonville are sound, with an increasing number of tenants returning to the negotiating table. The metro area's vacancy rate hit a pandemic high point of 9.7% in 21Q2 and has declined slightly to a current 9.1%. Looking forward Jacksonville's vacancy rate is expected to remain in the 10% to 11% range in the near-term as much of the 1.4 million SF currently underway in the market is composed of build-to-suit projects and will not be hitting the market as available space.

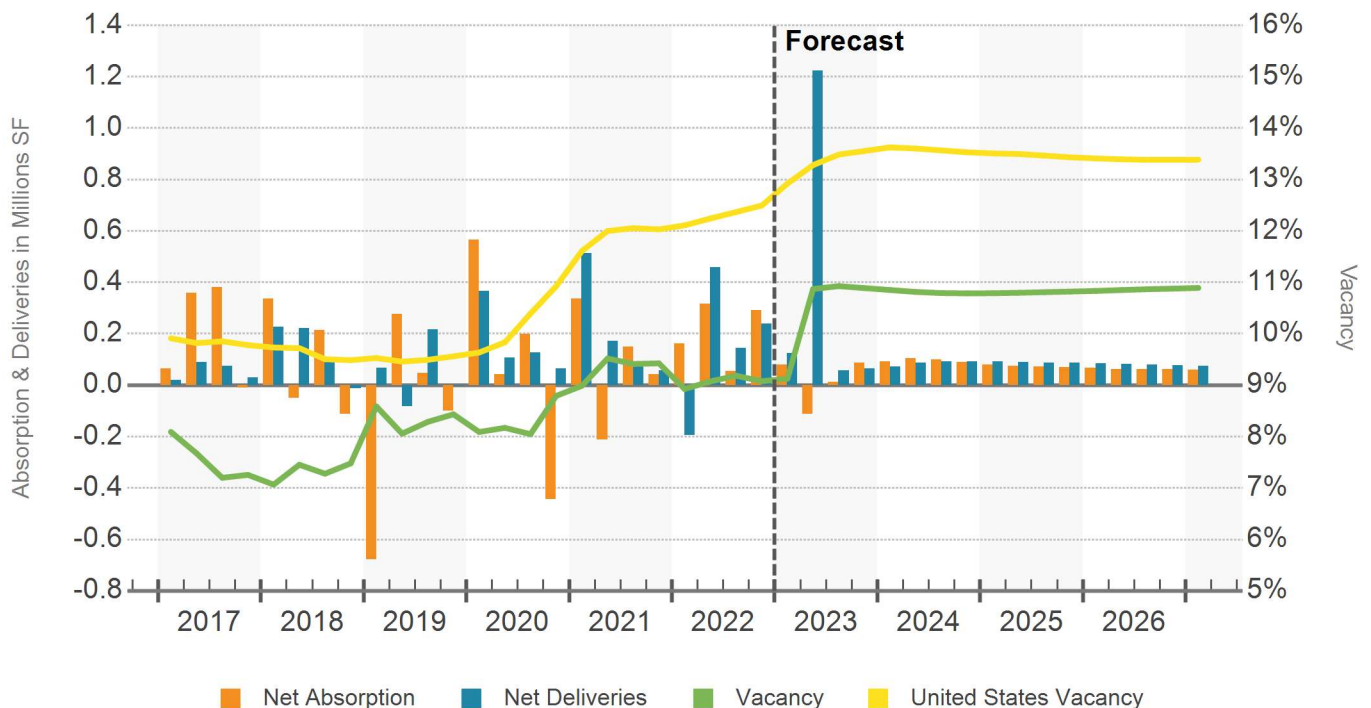
Also, while Jacksonville is contending with an elevated rate of sublease availability due to the still-unfolding impact of remote work on office occupancies, it has far less than the Orlando, Tampa and Fort Lauderdale areas. In fact, Jacksonville has the least amount of total sublease space among Florida's six primary office markets, followed closely by Palm Beach and Miami.

Office leasing demand has been healthy, and Jacksonville has outperformed several peer markets over the last year. Trailing 12-month net absorption is

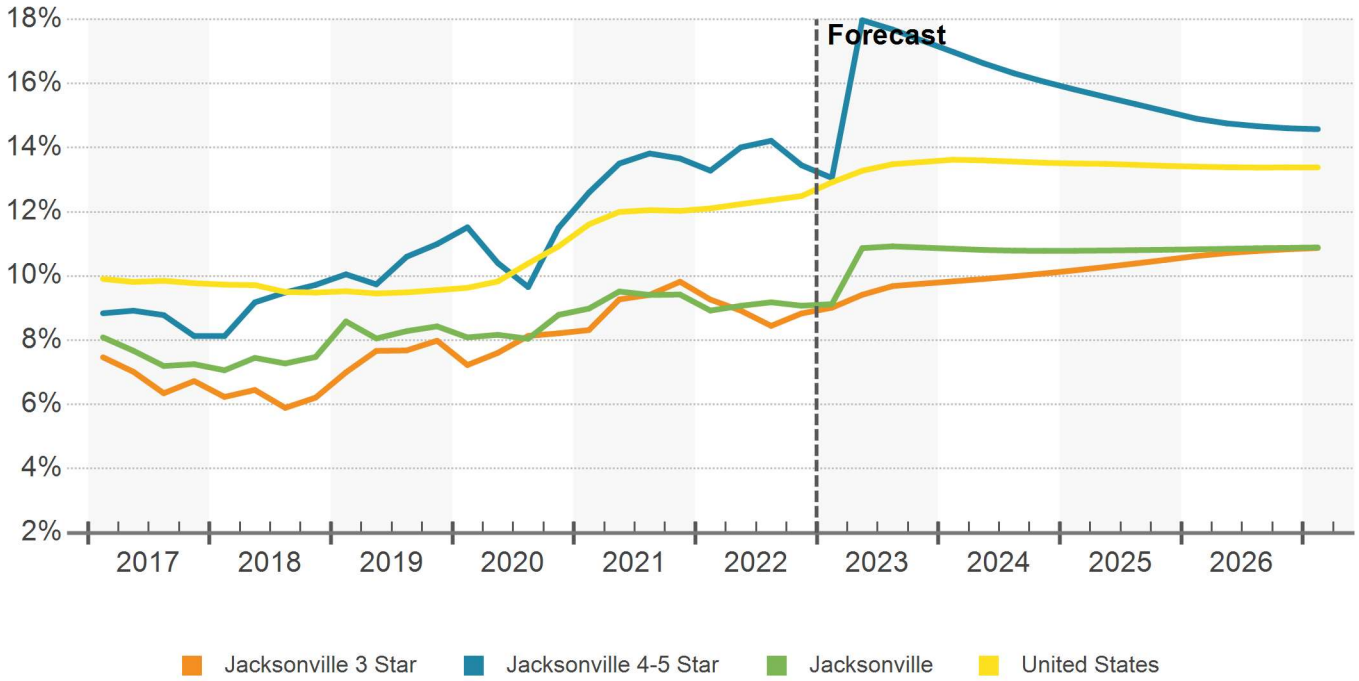
770,000 SF, and leasing activity has been solid. Tenants are increasingly willing to consider multiple year renewals and traditional leases following a prolonged period of pandemic induced uncertainty.

There have been nearly 40 leases signed over the last year 10,000 SF or larger, a slight increase over the previous year. The largest deal was signed with Treace Medical Concepts, a manufacturer of medical devices that took the entire recently completed, 125,000-SF building at 100 Palmetto Park Place in the Butler/Baymeadows area on an 11-year deal in February 2022. Significant leases were also signed in the Southside submarket with human resources provider Adecco (81,600 SF at 4800 Deerwood Campus Pkwy), software technology company Duos Tech (40,000 SF at 7660 Centurion Pkwy), and TD Bank (29,100 SF at 4600 Touchton Rd). Law firm Morgan & Morgan also signed a significant lease in the Northbank area of downtown Jacksonville, taking nearly 51,000 SF of class A office space at 501 Riverside Ave.

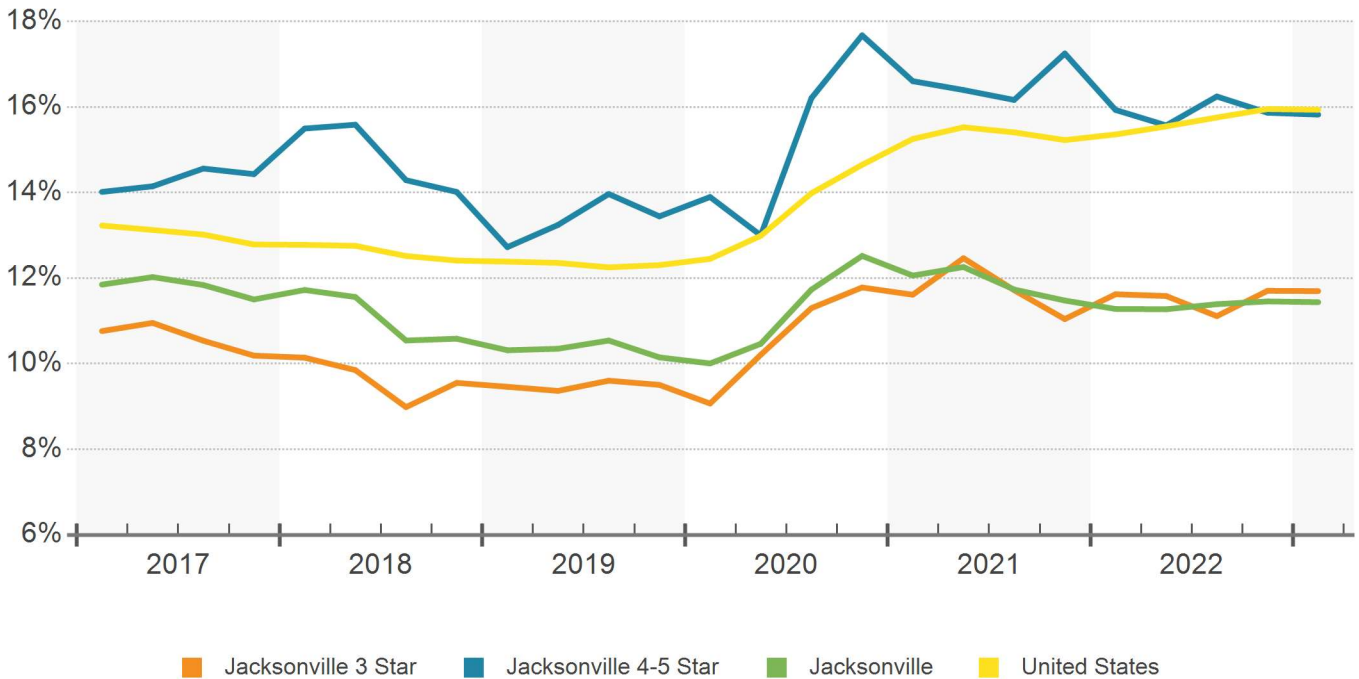
NET ABSORPTION, NET DELIVERIES & VACANCY



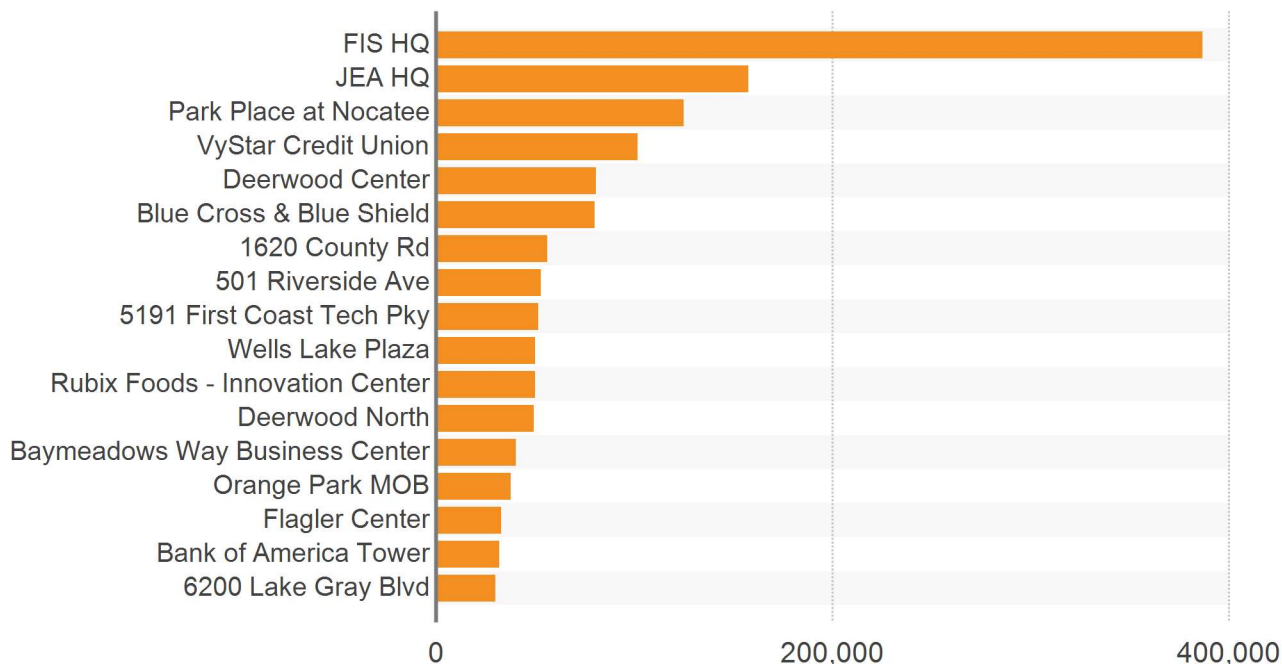
VACANCY RATE



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
FIS HQ	Downtown Northbank	386,613	0	0	0	0	0	386,613
JEA HQ	Downtown Northbank	157,589	0	0	0	0	0	157,589
Park Place at Nocatee	Butler/Baymeadows	125,562	0	0	0	0	0	125,000
VyStar Credit Union	Riverside	101,781	0	0	0	0	0	101,781
Deerwood Center	Butler/Baymeadows	84,506	0	0	0	0	0	80,750
Blue Cross & Blue Shield	Southside	188,822	0	0	0	0	0	80,150
1620 County Rd	St Johns County	80,000	24,000	0	0	0	0	56,000
501 Riverside Ave	Downtown Northbank	357,460	62,930	0	0	0	0	52,808
5191 First Coast Tech Pky	Southside	54,000	0	0	0	0	0	51,599
Wells Lake Plaza	Orange Park/Clay C...	50,000	0	0	0	0	0	50,000
Rubix Foods - Innovation Center	Butler/Baymeadows	50,000	0	0	0	0	0	50,000
Deerwood North	Southside	168,980	38,000	0	0	0	0	49,312
Baymeadows Way Business Ce...	Butler/Baymeadows	52,617	4,681	0	0	0	0	40,319
Orange Park MOB	Orange Park/Clay C...	60,000	22,473	0	0	0	0	37,527
Flagler Center	Butler/Baymeadows	112,000	3,486	0	0	0	0	32,894
Bank of America Tower	Downtown Northbank	748,469	199,744	5,605	0	0	0	31,770
6200 Lake Gray Blvd	Riverside	31,590	0	0	0	0	0	30,000
Subtotal Primary Competitors		2,809,989	355,314	5,605	0	0	0	1,414,112
Remaining Jacksonville Market		66,104,441	5,943,864	(49,388)	0	0	0	(640,138)
Total Jacksonville Market		68,914,430	6,299,178	(43,783)	0	0	0	773,974

TOP OFFICE LEASES PAST 12 MONTHS

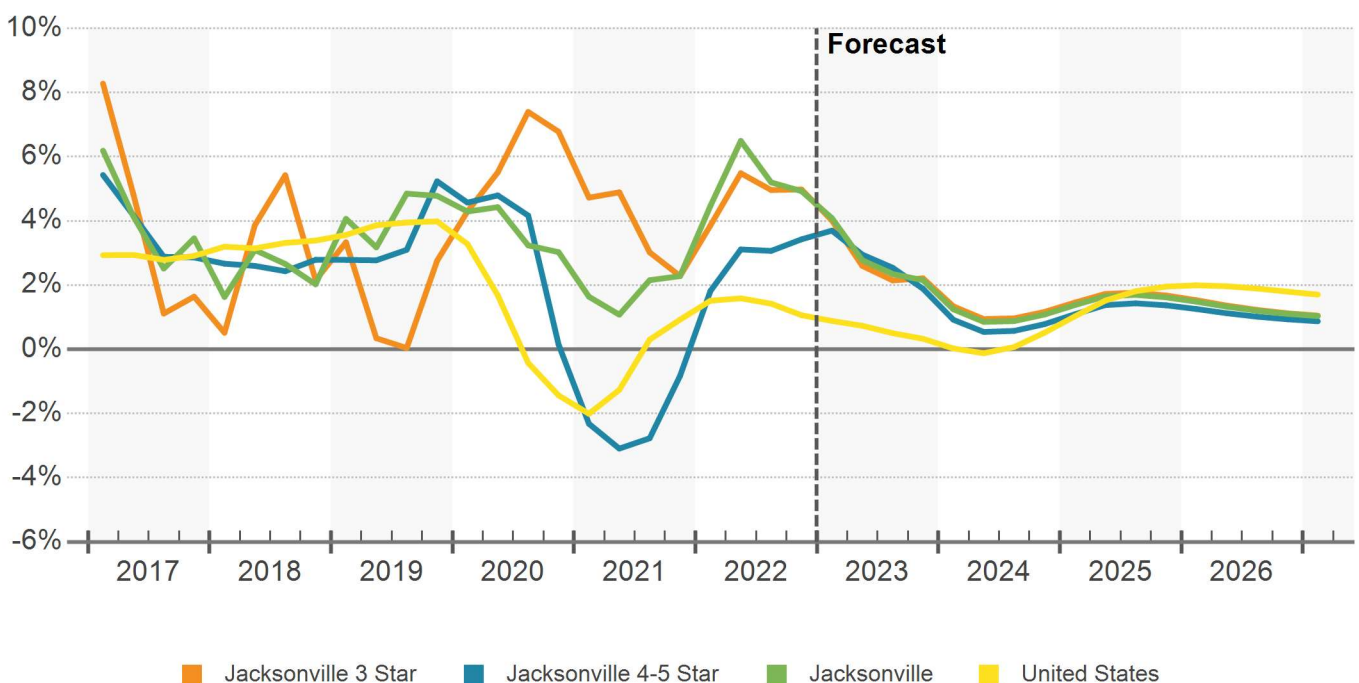
Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
Park Place at Nocatee	Butler/Baymeadows	125,000	Q1 22	Treace Medical Concepts	-	JLL
501 Riverside Ave	Downtown Northbank	50,884	Q1 22	Morgan & Morgan	Cushman & Wakefie...	NAI Hallmark
Prominence	Butler/Baymeadows	42,481	Q2 22	DME Automotive	-	JLL
Deerwood South	Southside	34,164	Q2 22	-	-	Vanderbilt Office Prope...
Lake Gray Commerce Center	Riverside	28,413	Q4 22	ASI Government	-	Foundry Commercial
Enterprise Park	Southside	26,090	Q1 22	-	-	JLL
Gramercy Woods	Butler/Baymeadows	26,007	Q1 22	Birdsong Peanuts	-	Colliers
Prominence	Butler/Baymeadows	23,827	Q2 22	Olympus Insurance	-	JLL
Gran Park at Avenues	Butler/Baymeadows	23,475	Q2 22	Lennar Homes	Newmark Phoenix R...	CBRE
Deerwood North	Southside	23,104	Q1 22	-	-	Vanderbilt Office Prope...
Deerwood Center	Butler/Baymeadows	20,474	Q4 22	-	-	Newmark Phoenix Real...
Liberty Business Park	Butler Corridor	19,875	Q1 23	-	-	Plymouth Industrial REI...
Liberty Business Park	Butler Corridor	19,875	Q3 22	-	-	Plymouth Industrial REI...
Southbank	Downtown Southbank	16,283	Q1 22	Complete Health	-	Coughlin Commercial,...
Deerwood North	Southside	16,104	Q1 22	-	-	Vanderbilt Office Prope...
Building III	Beaches	15,236	Q4 22	-	-	CBRE;International Ma...
Deerwood South	Southside	15,019	Q3 22	-	-	Vanderbilt Office Prope...
Deerwood Park	Southside	14,651	Q1 22	-	-	Vanderbilt Office Prope...
245 Riverside Ave	Downtown Northbank	14,423	Q2 22	Office Evolution	Cushman & Wakefie...	JLL
BB&T Tower	Downtown Northbank	14,308	Q4 22	Carr Allison	Graham & Co	Colliers
Southbank	Downtown Southbank	14,087	Q4 22	Regus	-	Colliers
Southpoint	Southside	13,698	Q4 22	-	-	Colliers
Collier Building 100	Southside	13,464	Q1 22	Azimuth GRC	-	CBRE
Liberty Business Park	Butler/Baymeadows	12,891	Q1 22	-	-	Newmark Phoenix Real...
1939 Hendricks Ave	Downtown Southbank	12,688	Q4 22	Group 4 Architects	-	-
Cornerstone Square	Baker County	12,533	Q2 22	Fresenius Kidney Care	Cornerstone Comm...	Avison Young
Southbank	Downtown Southbank	12,410	Q3 22	MicroLumix	-	CBRE
Veranda	Beaches	12,245	Q4 22	-	-	Meridian Management
San Marco East Plaza	San Marco	11,985	Q3 22	RF Smart	-	NAI Hallmark
Liberty Business Park	Butler/Baymeadows	11,860	Q3 22	Revco	-	Plymouth Industrial REI...
Baymeadows Way Business Center	Butler/Baymeadows	11,500	Q3 22	US Marine Corps	-	Addison Commercial R...
Salisbury Lakes Business Park *	Southside	11,000	Q3 22	Vizergy	-	Prime Realty, Inc.
Itera Bldg	Southside	10,984	Q1 22	-	-	NAI Hallmark
301 West Bay	Downtown Northbank	10,804	Q2 22	-	-	NAI Hallmark
Bank of America Tower	Downtown Northbank	10,509	Q3 22	Orr Cook	-	CBRE
Pablo Station	Southside	10,200	Q3 22	-	-	HHH Management, Inc.
Southpoint	Southside	10,180	Q1 22	-	-	Newmark Phoenix Real...
Baywood Center	Butler/Baymeadows	10,101	Q2 22	Bill 360	-	Newmark Phoenix Real...
Southpoint	San Marco	9,814	Q3 22	-	-	Evans Commercial Pro...
Deerwood South	Southside	9,634	Q3 22	-	-	Vanderbilt Office Prope...

Renewal

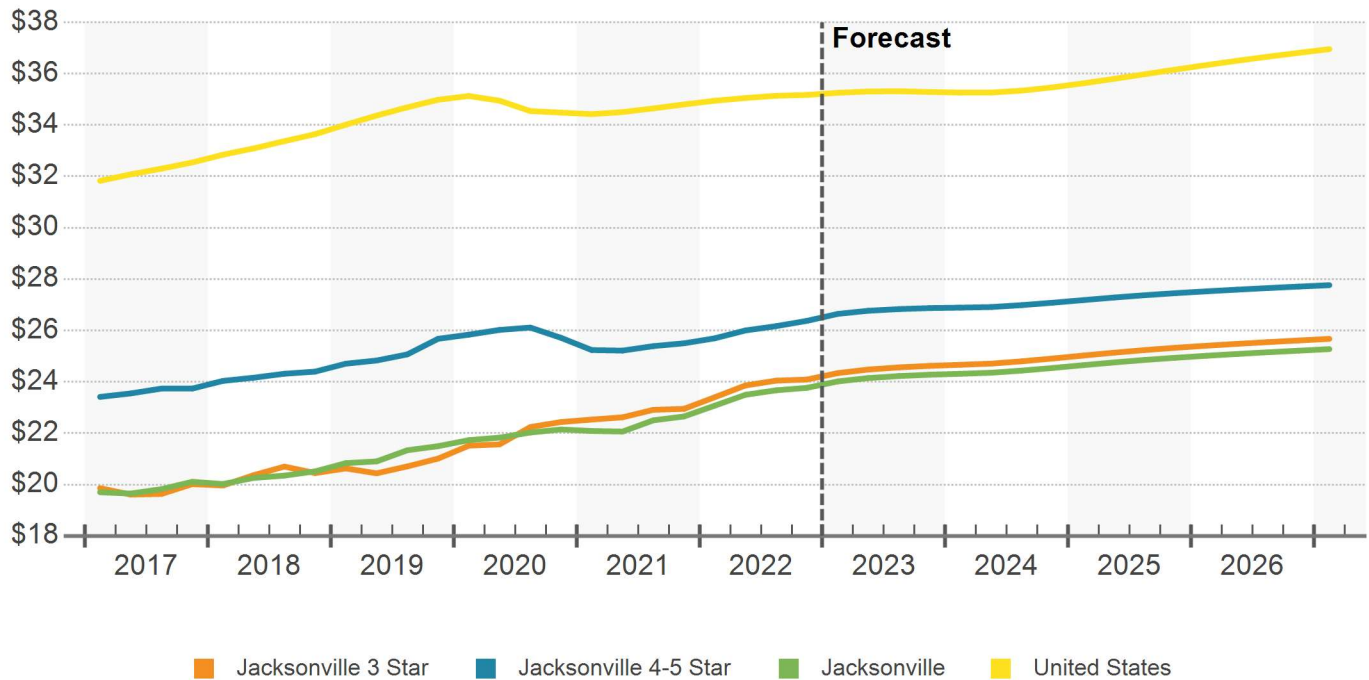
Rent growth in Jacksonville's office market is on the upswing and is currently rising at one of the fastest paces in the state of Florida. The current average office asking rent in Jacksonville is \$24.00/SF with annual rent growth of 4.8%, well ahead of the market's 10-year average performance and far outpacing the 1.0% national rate of office rent growth. Rents in Jacksonville come at a discount to the neighboring Orlando and Tampa markets, where the average rents are roughly \$27.00/SF, and are a substantial value compared to the national index of \$35.00/SF.

Rent performance in the urban core has been improving, which is notable given that occupancy has not quite yet returned to pre-pandemic levels. Rent growth over the last year grown to roughly 4% in the Downtown Northbank submarket and is currently around 3% in the Downtown Southbank area. Rent growth is likely to continue to improve though, as leasing activity has picked back up in recent quarters. Approximately 10 new deals have been signed in the urban core over the last year 10,000 SF or larger, and this should lead to stronger rent growth in the near term.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FEET



4 & 5 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Jacksonville	\$0.73	\$1.47	\$0.69	\$3.44	\$5.13	\$11.46
Arlington	\$0.56	\$1.26	\$0.65	\$2.94	\$6.62	\$12.03
Beaches	\$0.57	\$1.27	\$0.65	\$2.94	\$6.67	\$12.10
Butler/Baymeadows	\$0.60	\$1.33	\$0.66	\$2.74	\$5.23	\$10.56
Downtown Northbank	\$0.59	\$1.12	\$0.56	\$1.56	\$6.78	\$10.61
Downtown Southbank	\$1.26	\$2.13	\$0.92	\$2.36	\$2.48	\$9.15
Mandarin	\$0.56	\$1.26	\$0.65	\$4.39	\$6.25	\$13.11
Nassau County	\$0.56	\$1.26	\$0.65	\$3.75	\$6.62	\$12.84
Northeast Jacksonville	\$0.56	\$1.26	\$0.65	\$3.16	\$6.62	\$12.25
Northwest Jacksonville	\$0.56	\$1.26	\$0.65	\$1.91	\$6.62	\$11
Orange Park/Clay County	\$0.51	\$1.13	\$0.58	\$1.66	\$6.10	\$9.98
Riverside	\$0.56	\$1.26	\$0.65	\$2.23	\$6.62	\$11.32
San Marco	\$0.73	\$1.49	\$0.71	\$4.96	\$5.60	\$13.49
Southside	\$0.91	\$1.73	\$0.75	\$5	\$3.78	\$12.17
St Johns County	\$0.53	\$1.19	\$0.61	\$1.71	\$6.29	\$10.33

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	\$0.61	\$1.26	\$0.59	\$2.55	\$4.18	\$9.19
Arlington	\$0.51	\$1.14	\$0.59	\$2.04	\$4.91	\$9.19
Baker County	\$0.53	\$1.19	\$0.61	\$1.03	\$5.23	\$8.59
Beaches	\$0.49	\$1.09	\$0.56	\$2.88	\$4.81	\$9.83
Butler/Baymeadows	\$0.49	\$1.10	\$0.57	\$3.19	\$3.42	\$8.77
Downtown Northbank	\$0.51	\$0.94	\$0.54	\$1.99	\$4.74	\$8.72
Downtown Southbank	\$1.13	\$1.93	\$0.82	\$2.60	\$1.22	\$7.70
Mandarin	\$0.50	\$1.12	\$0.57	\$2.29	\$4.83	\$9.31
Nassau County	\$0.51	\$1.15	\$0.59	\$2.06	\$5.03	\$9.34
Northeast Jacksonville	\$0.51	\$1.14	\$0.59	\$2.26	\$5.02	\$9.52
Northwest Jacksonville	\$0.53	\$1.20	\$0.62	\$1.33	\$5.29	\$8.97
Orange Park/Clay County	\$0.50	\$1.12	\$0.58	\$2.97	\$4.91	\$10.08
Riverside	\$0.51	\$1.15	\$0.59	\$2.57	\$5.01	\$9.83
San Marco	\$0.77	\$1.50	\$0.64	\$2.63	\$3.56	\$9.10
Southside	\$1.08	\$1.90	\$0.62	\$2.73	\$1.78	\$8.11
St Johns County	\$0.51	\$1.13	\$0.58	\$2.09	\$4.98	\$9.29

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	\$0.60	\$0.95	\$0.43	\$2.16	\$0.99	\$5.13
Arlington	\$0.49	\$0.98	\$0.44	\$1.43	\$0.41	\$3.75
Baker County	\$0.51	\$1	\$0.45	\$1.96	\$0.42	\$4.34
Beaches	\$0.50	\$1	\$0.45	\$3.19	\$0.26	\$5.40
Butler/Baymeadows	\$0.48	\$0.94	\$0.37	\$2.87	\$2.27	\$6.93
Downtown Northbank	\$0.33	\$0.63	\$0.50	\$1.78	\$3.72	\$6.96
Downtown Southbank	\$1.10	\$0.93	\$0.38	\$2.18	\$1.43	\$6.02
Mandarin	\$0.46	\$0.91	\$0.40	\$2.44	\$0.52	\$4.73
Nassau County	\$0.50	\$0.99	\$0.44	\$2.10	\$0.41	\$4.44
Northeast Jacksonville	\$0.51	\$1	\$0.45	\$2.34	\$0.42	\$4.72
Northwest Jacksonville	\$0.49	\$0.97	\$0.44	\$1.44	\$0.41	\$3.75
Orange Park/Clay County	\$0.50	\$1	\$0.45	\$2.05	\$0.41	\$4.41
Riverside	\$0.50	\$0.99	\$0.44	\$2.15	\$0.41	\$4.49
San Marco	\$0.77	\$0.97	\$0.41	\$2.01	\$0.90	\$5.06
Southside	\$1.05	\$1.01	\$0.40	\$2.23	\$1.46	\$6.15
St Johns County	\$0.51	\$1	\$0.45	\$2.25	\$0.42	\$4.63

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

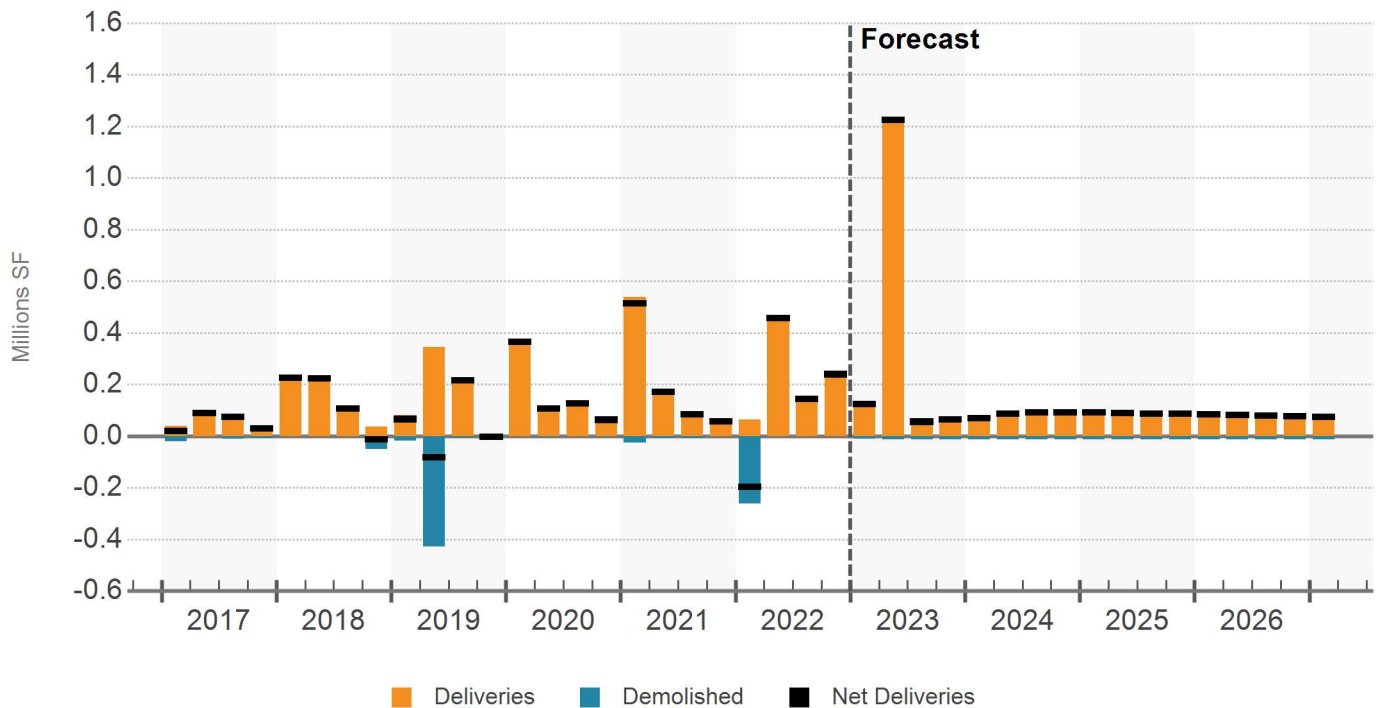
While speculative construction has been kept largely in check over the last few years, new office development activity remains elevated compared to Jacksonville's 10-year average. There is a total of 1.4 million SF under construction right now, comprising 2.1% of total inventory, with 650,000 SF of new office space delivered over the past year. Fortunately, the new supply on the way has not stifled leasing fundamentals as most of the new development is comprised of build-to-suit projects.

The highly anticipated FIS headquarters building on Riverside Avenue was completed in the Downtown Northbank submarket in June 2022 after two years of

construction. The Fortune 500 company acquired the 4.5-acre riverfront site for \$14 million in 2020 and is expected to employ 1,700 people at its headquarters by 2030 at an average salary of at least \$85,000.

Also in Downtown Northbank, JEA is moving quickly toward a September 2023 completion date for its 153,000-SF headquarters at 325 W Adams St. When the building broke ground, it was the first ground-up office development in nearly a decade in the downtown core. The community-owned utility company will be relocating from its existing operations at the Charter Building at 21 West Church St.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

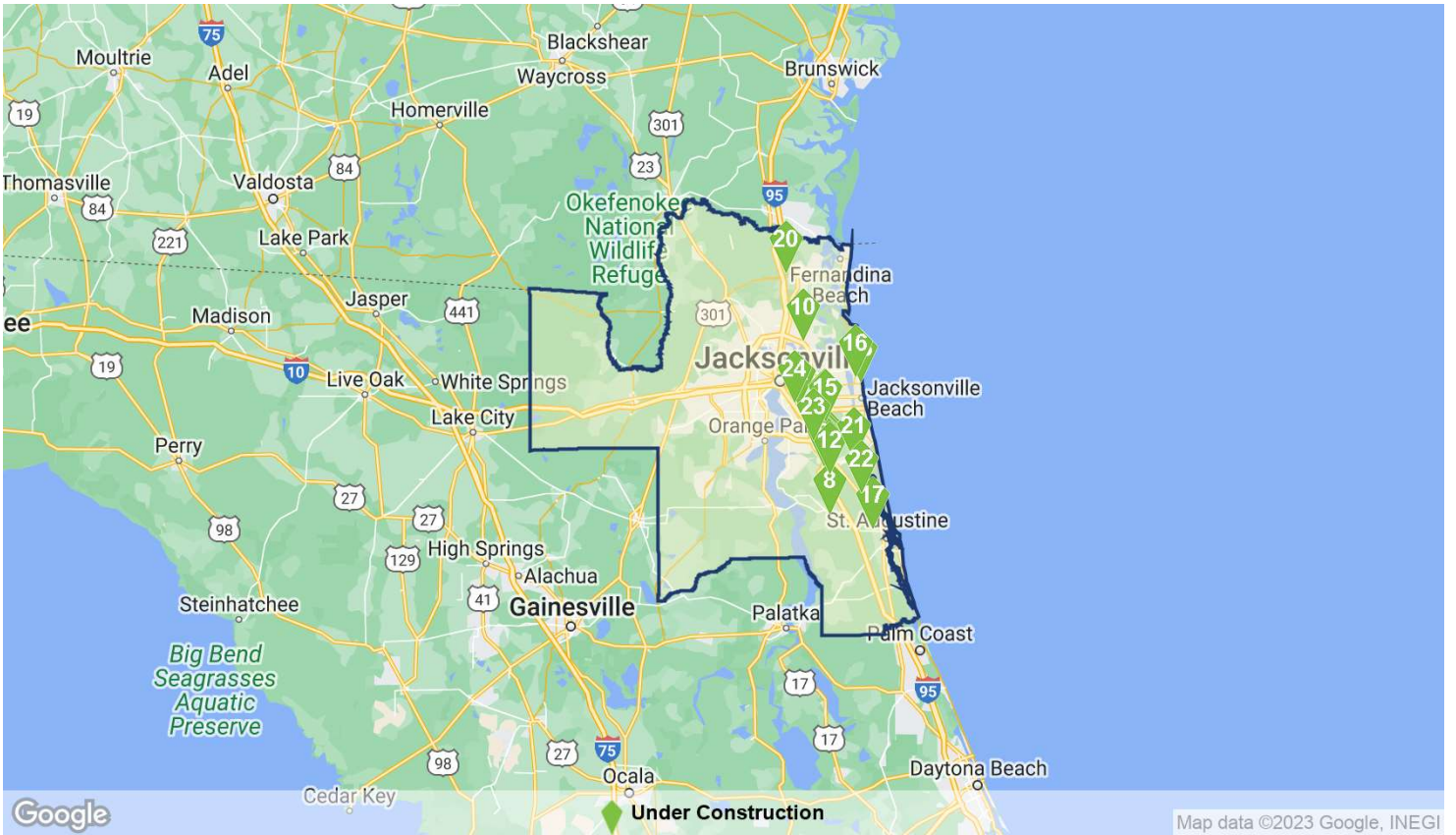
No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	St Johns County	13	1,296	1,242	95.8%	4	7,569	99,692	1
2	Beaches	4	47	45	96.2%	3	9,807	11,750	4
3	Southside	2	36	36	100%	1	21,857	17,776	3
4	Northeast Jacksonville	1	35	35	100%	1	10,099	35,000	2
5	Butler/Baymeadows	3	31	15	48.0%	5	37,656	10,420	5
6	Nassau County	1	4	0	0%	6	5,499	4,113	6
7	Arlington	0	-	-	-	-	8,307	-	-
8	Baker County	0	-	-	-	-	4,098	-	-
9	Downtown Northbank	0	-	-	-	-	36,468	-	-
10	Downtown Southbank	0	-	-	-	-	22,605	-	-
	All Other	0	-	-	-		6,631	-	
Totals		24	1,449	1,372	94.7%		13,947	60,372	

Under Construction Properties

Jacksonville Office

Properties	Square Feet	Percent of Inventory	Released
24	1,448,923	2.1%	94.7%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 Durbin Park 1	★★★★☆	400,000	4	Jan 2021	Apr 2023	-
2 Durbin Park 3	★★★★☆	250,000	2	Jan 2021	Apr 2023	-
3 Durbin Park 2	★★★★☆	120,000	2	Jan 2021	Apr 2023	-
4 Durbin Park 5	★★★★☆	100,000	2	Jan 2021	Apr 2023	-
5 Durbin Park 4	★★★★☆	100,000	2	Jan 2021	Apr 2023	-
6 Durbin Park 6	★★★★☆	90,000	3	Jan 2021	Apr 2023	-
7 Durbin Park 7	★★★★☆	80,000	2	Jan 2021	Apr 2023	-

Under Construction Properties

Jacksonville Office

UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 0 Pacetti	★ ★ ★ ★ ★	57,600	1	Apr 2022	Jun 2023	- Wgv Professional center llc
9 Durbin Park 8	★ ★ ★ ★ ★	50,000	2	Jan 2021	Apr 2023	-
10 0 Alta Dr	★ ★ ★ ★ ★	35,000	2	Jan 2022	Feb 2023	-
11 Full Circle Women's Care 6600 Charing St	★ ★ ★ ★ ★	32,551	2	Mar 2022	Feb 2023	- Colin D Adams
12 1620 CR 210	★ ★ ★ ★ ★	30,000	2	Nov 2022	Apr 2023	- Urban Partners Construction
13 310 3rd St	★ ★ ★ ★ ★	25,764	3	Sep 2021	Feb 2023	- Shorebreak Ventures, LLC
14 11252 Lamb Tail Ln	★ ★ ★ ★ ★	14,000	1	Jan 2022	Feb 2023	- Winer, Jonathan K Pa
15 9084 R.G. Skinner	★ ★ ★ ★ ★	13,980	1	Apr 2022	Feb 2023	-
16 1845 Mayport Rd	★ ★ ★ ★ ★	12,661	1	Dec 2022	Sep 2023	- Lambertson Chris
17 840 SR 16	★ ★ ★ ★ ★	10,000	1	Sep 2022	Sep 2023	-
18 440 - 446 Paseo Reyes Dr	★ ★ ★ ★ ★	4,800	1	Jul 2022	Mar 2023	- Command Realty
19 220 Nocatee Village Dr	★ ★ ★ ★ ★	4,500	1	Mar 2022	Feb 2023	-
20 The Offices at Village Ce... 0 Tinker St	★ ★ ★ ★ ★	4,113	1	May 2022	Feb 2023	-
21 455 Town Plaza Ave	★ ★ ★ ★ ★	4,074	1	Sep 2022	Apr 2023	-
22 420 - 426 Paseo Reyes Dr	★ ★ ★ ★ ★	3,600	1	Jul 2022	May 2023	- Command Realty
23 Building 7 6100 Greenland Rd	★ ★ ★ ★ ★	3,280	1	May 2022	Mar 2023	-
24 3732 Spring Park Rd	★ ★ ★ ★ ★	3,000	1	Apr 2022	Feb 2023	-

Investors continue to target office opportunities in Jacksonville as pricing in other key Florida metros continues to increase and competition for key assets remains heated. Total sales volume for the past year totals \$569 million, up considerably over the previous year. Additionally, the higher cap rates available in Jacksonville relative to other Florida key markets offer quicker upside potential and faster returns for investors.

The Federal Reserve (“Fed”) has moved several times this year to hike interest rates to curb rising inflation, resulting in a nearly 400 basis point increase in the federal funds rate. Debt has since become much more expensive, and while there is still quite a bit of dry powder available, it is coming more from international fund managers and less from private investors. Given the economic headwinds facing investors, many are likely to remain on the sidelines well into 2023 until the Fed ceases raising interest rates, and therefore investment volume for the first half of 2023 is expected to be more muted.

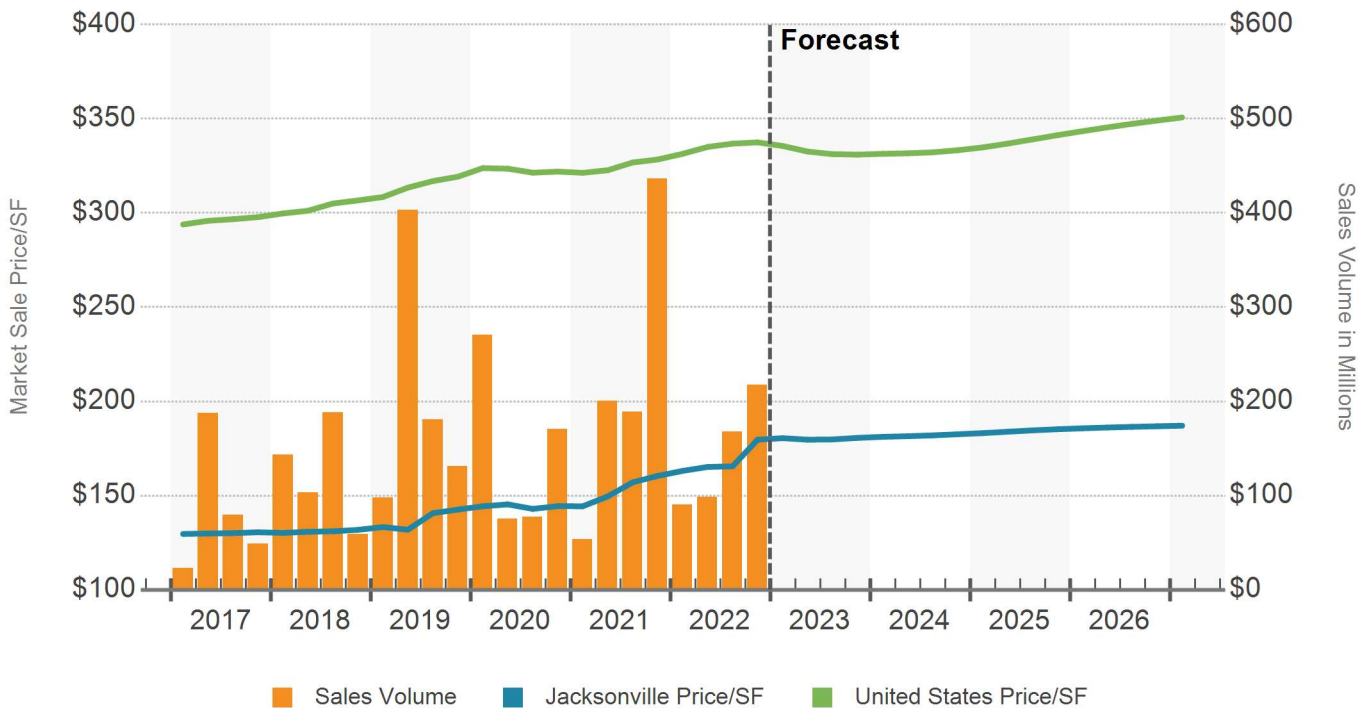
The largest single property sale over the last year involved Dun & Bradstreet’s acquisition of the 218,700 SF Town Center Two building in the dominant Southside

submarket. The class A mid-rise office property, built in 2019, sold in June 2021 for \$76.5 million (\$350/SF) and is now the home of the data and analytics company’s global headquarters. The company cited the Energy Star certified building’s energy efficiency as key to its sustainability plans in growing their workforce moving forward.

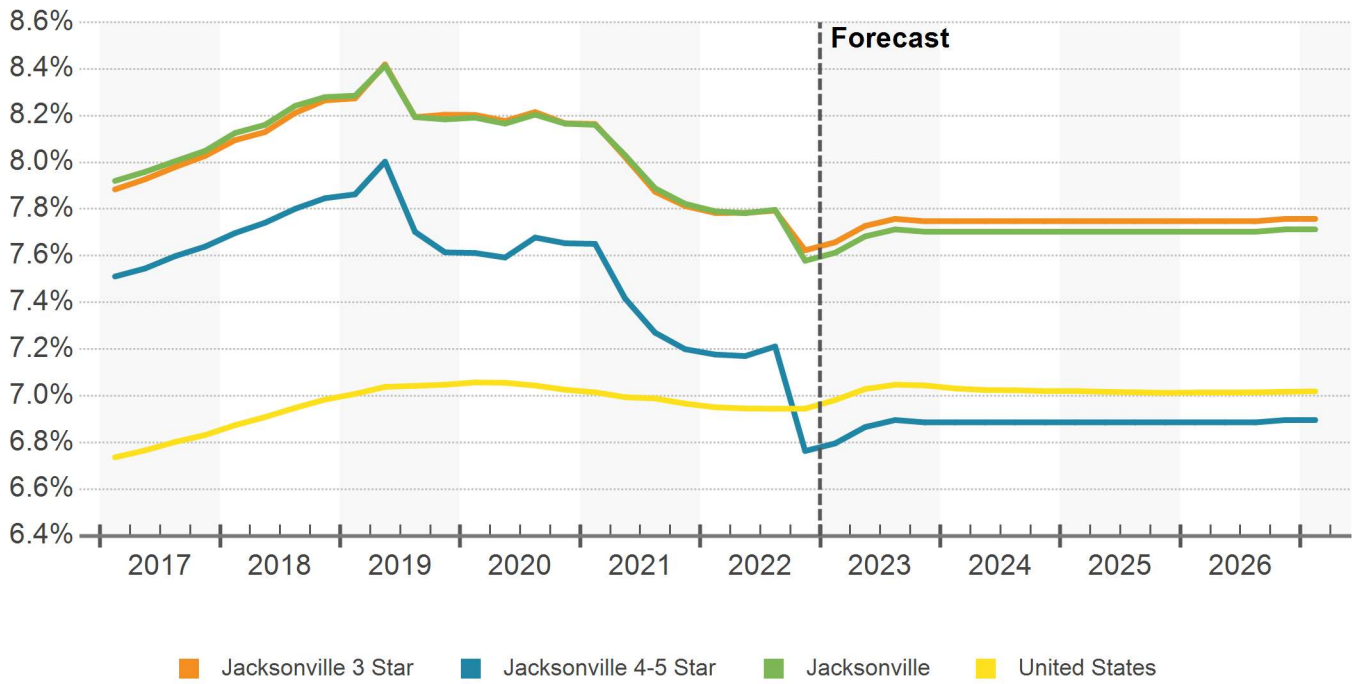
Also in the Southside, Real Capital Solutions, Inc. completed the sale of the 4-Star, 120,407 SF Southside Quarter building in August 2021 to South Florida-based MG3 REIT, LLC. The WELL certified building, entirely occupied by McKesson Corporation, was completed in 2019 as a build to suit for the healthcare supply chain management company.

Downtown Jacksonville’s Riverplace Tower traded in December 2021 to a joint venture of New York-based ACRAM Group and Oak Hill Advisors for \$73.5 million (\$164/SF). The 445,368-SF waterfront building in the Southbank area was 94% leased at the time of sale and the buyers cited the opportunity to raise rents and the potential future redevelopment of a 2.2-acre parking lot into multifamily as primary motivation for the acquisition.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE



Sales Past 12 Months

Jacksonville Office

Sale Comparables

Avg. Cap Rate

Avg. Price/SF

Avg. Vacancy At Sale

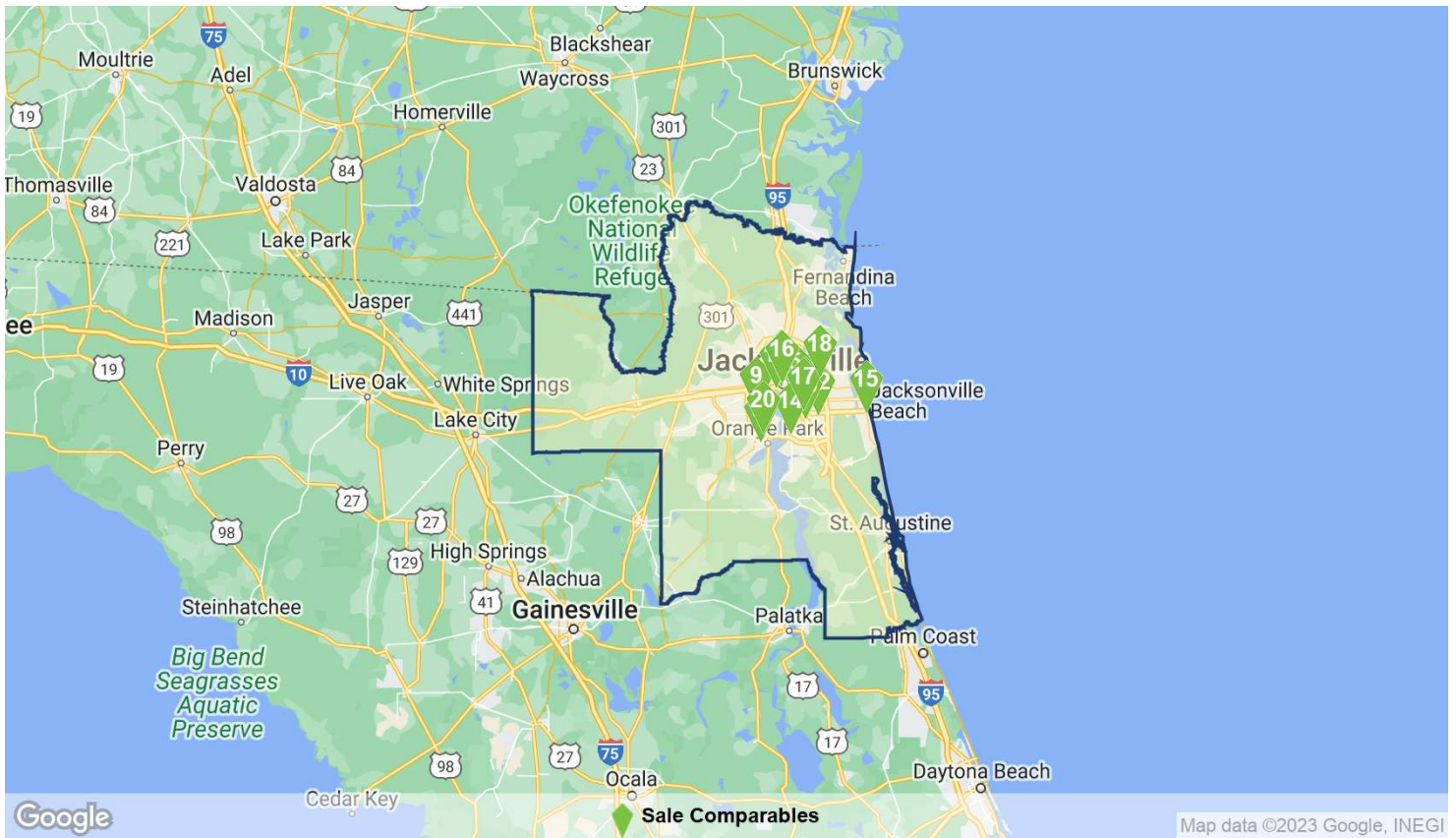
352

7.0%

\$146

10.3%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$100	\$2,521,791	\$808,429	\$94,996,931
Price/SF	\$0.08	\$146	\$169	\$1,088
Cap Rate	5.0%	7.0%	6.4%	11.8%
Time Since Sale in Months	0.0	6.3	6.5	12.0
Property Attributes	Low	Average	Median	High
Building SF	403	18,462	4,568	706,746
Stories	1	2	1	19
Typical Floor SF	403	8,624	3,561	141,586
Vacancy Rate At Sale	0%	10.3%	0%	100%
Year Built	1887	1974	1981	2022
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 JE A HQ 225 N Pearl St	★★★★★	2022	157,589	0%	11/4/2022	\$94,996,931	\$603	-
2 701 San Marco Blvd	★★★★★	1985	706,746	19.3%	8/8/2022	\$46,500,679	\$66	-
3 One Deerwood Center 10201 Centurion Pky N	★★★★★	1999	161,167	0%	11/30/2022	\$29,000,000	\$180	-
4 245 Riverside Ave	★★★★★	2003	136,853	21.7%	9/26/2022	\$25,150,000	\$184	-
5 Building 2 4549 Emerson St	★★★★★	2009	34,000	0%	1/14/2022	\$18,877,000	\$555	-
6 Military Entrance & Proc... 7178 Baymeadows Way	★★★★★	2010	30,000	0%	10/27/2022	\$17,064,277	\$569	-
7 7051 Southpoint Pky S	★★★★★	2006	38,308	0%	8/9/2022	\$16,436,246	\$429	-
8 8787 Baypine Rd	★★★★★	1990	231,021	80.4%	8/29/2022	\$13,500,000	\$58	-
9 VyStar Credit Union 4949 Blanding Blvd	★★★★★	1999	101,781	0%	7/28/2022	\$12,650,000	\$124	-
10 Corner Lot Center 1000 Riverside Ave	★★★★★	1963	70,760	0%	6/21/2022	\$11,000,000	\$155	-
11 Greenleaf Tower 204-208 N Laura St	★★★★★	1927	63,060	7.2%	6/21/2022	\$7,000,000	\$111	-
12 7660 Centurion Pky	★★★★★	1993	72,805	45.1%	12/19/2022	\$6,390,625	\$88	-
13 8505 Baycenter Road 8505 Baycenter Rd	★★★★★	1975	47,002	0%	12/19/2022	\$6,250,000	\$133	-
14 3001 Hartley Rd	★★★★★	1984	5,988	0%	3/31/2022	\$5,550,000	\$927	5.7%
15 238 Ponte Vedra Park Dr	★★★★★	2004	14,214	0%	4/1/2022	\$5,410,000	\$381	5.5%
16 Park Place Plaza 140 W Monroe St	★★★★★	1951	30,096	0%	3/25/2022	\$5,300,000	\$176	-
17 Evergreen Building 4348 Southpoint Blvd	★★★★★	1983	46,470	28.2%	12/21/2022	\$5,275,000	\$114	-
18 Monument 9-A II Medical... 1205 Monument Rd	★★★★★	1991	29,640	42.8%	10/21/2022	\$4,975,000	\$168	-
19 1564 Kingsley Ave	★★★★★	1974	10,000	0%	10/21/2022	\$4,721,400	\$472	-
20 Wells Plaza III 330 Crossing Blvd	★★★★★	2007	33,000	0%	7/22/2022	\$4,500,000	\$136	-

Jacksonville's economy has proven resilient over the past two years. By the close of 2021, the unemployment rate was 70 basis points below the national rate and represented a significant 830-basis-point drop from its historic high at the beginning of the pandemic. Among Florida's six largest markets, Jacksonville suffered the least severe job losses and has experienced the fastest recovery. By the end of 21Q4, Jacksonville's workforce had recovered to its pre-pandemic peak employment level and, in fact, had added nearly 36,000 jobs. The region's lessened concentration of retail trade and leisure and hospitality workers compared to its regional counterparts left it among the least exposed markets in Florida.

The great migration is underway, with a steadily increasing number of people relocating from the Northeast and California to Florida's key metros. Northeast Florida is capturing its fair share of this growth, and the metro area has received numerous recent accolades for its strong economy, rate of recovery, and resilient real estate sector. The Jacksonville area was ranked second in the nation by LinkedIn in December 2021 for population growth through net migration, and ULI has ranked it as one of five "Supernova" cities. The designation refers to a city experiencing an explosion in lifestyle, employment, and tech-sector growth. Additionally, MoneyGeek recently rated Jacksonville as the third Best City for Job Seekers, just ahead of sixth-ranked Tampa, and The Business Journals ranked Jacksonville in the nation's Top 20 MSAs with the Strongest Job Recovery.

Relocating and expanding companies continue to be drawn to Jacksonville's low cost of doing business and overall quality of life. The housing market is developing at a brisk pace, and explosive growth in the multifamily and industrial sectors is due in large part to a surge in population over the past several years. The metro's diverse employment base is heavily represented by companies in the health and biomedical, financial services, and transportation and logistics sectors. In fact, one in every six jobs in Northeast Florida is in the health and life sciences sector, and the region's economic development efforts moving forward will be largely focused on growing its biomedical and life sciences industries.

The tech sector has been committing to Jacksonville, recently evidenced by the headquarters relocation of Dun & Bradstreet from New Jersey in the fall of 2021. The company acquired the recently built Town Center II

building at 5335 Gate Pkwy. for \$76.5 million (\$350/SF) in July 2021. FIS has also been working to complete its new headquarters in downtown Jacksonville, which will add 500 new positions. Finally, fintech firm Nymbus has announced it will relocate its headquarters to Downtown Jacksonville from South Florida with plans for nearly 700 new jobs.

Jacksonville's largest employer is the U.S. Navy, with Naval Air Station Jacksonville employing more than 50,000 civilian employees, contractors, and active-duty personnel. The area's largest private employers include Baptist Health, Bank of America, Mayo Clinic, Southeastern Grocers, Florida Blue, Amazon, UF Health, Citi, JP Morgan Chase, all of whom employ more than 3,000 workers. There are 20 major banking, insurance, and investment services firms in Jacksonville that are on the Fortune Global 500 List, and CSX, Fidelity Information Services (FIS), FNF, and Landstar are also notably on the list of Fortune 1000 Companies. All in all, there are nearly 100 industry headquarters clustered in the Jacksonville region. The aerospace, aviation, and defense sectors are also well represented here, with over 100 skilled defense contractors affiliated with the aviation industry in Northeast Florida.

Four separate logistics sectors intersect in Jacksonville. The region's two deep-water ports, three major interstates, major railways, and an international airport system help Jacksonville rank as one of the best cities for logistics infrastructure according to *Global Trade Magazine*. Nearly 100 million consumers live within one day's drive of the metro, providing the captive population necessary to attract distribution companies and freight forwarders. There are over 100 trucking firms located in Jacksonville. With three marine terminals, the Port of Jacksonville ("JAXPORT") is Florida's largest container port by volume and is preparing to complete its harbor deepening project several years ahead of its original schedule. The project was necessary to meet the needs of larger cargo ships transiting from the Suez and Panama canals, and the new 47-foot depth for the channel will position JAXPORT as the first U.S. East Coast port of call for fully loaded new Panamax class vessels.

The industrial sector in Jacksonville is experiencing rapid growth, and there were several key deals over the past year that reinforced how robust the market truly is. Seattle-based Boeing has announced a planned \$160 million facility at Cecil Airport that will include a 270,000-SF hangar and more than 100,000 SF of office space.

The facility is also expected to add 400 new jobs. E-commerce giant Amazon has also committed to Jacksonville in a big way, with two new projects announced in recent months. The company will be constructing a new delivery center on Busch Drive in Northeast Jacksonville and a middle-mile sort center at Cecil Commerce Center.

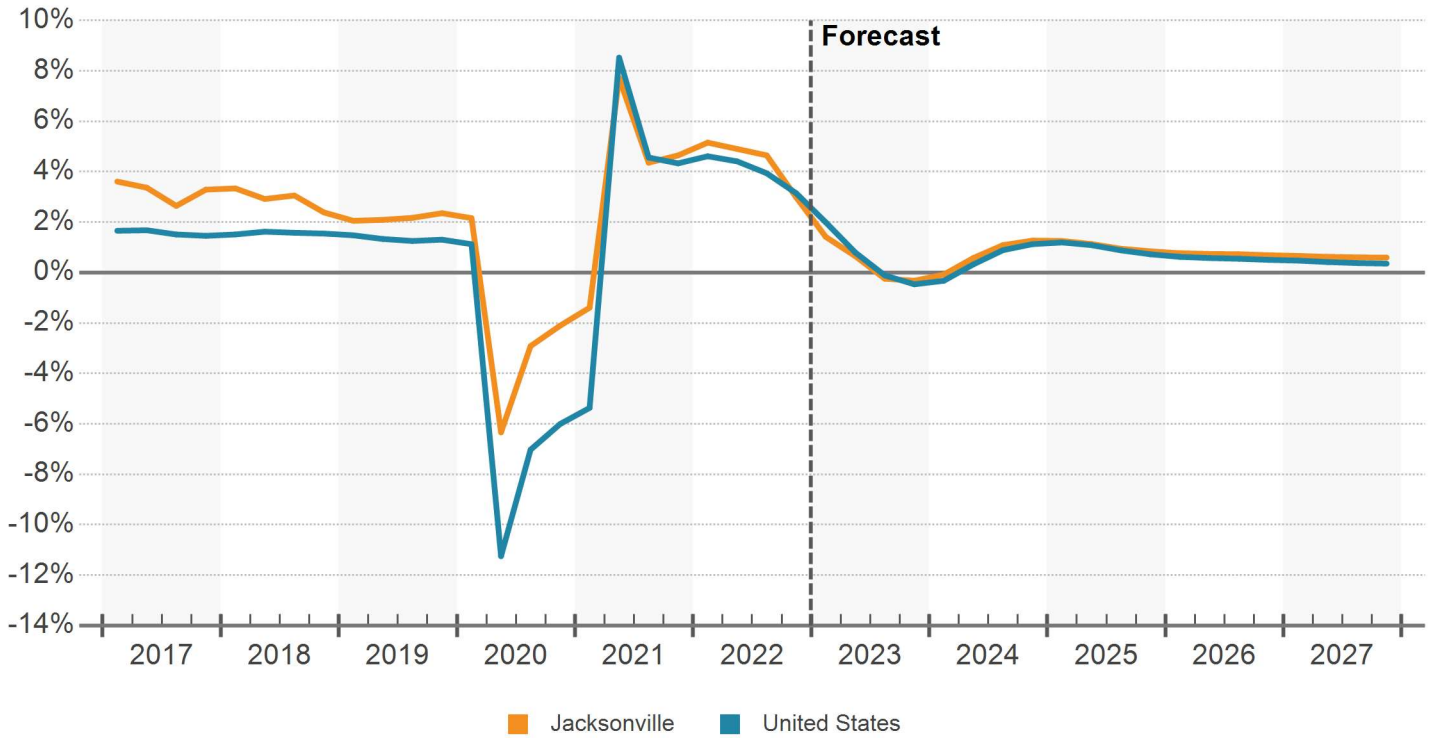
Perhaps one of Jacksonville's greatest strengths is its entrenched healthcare industry, which boasts some of the biggest names in medicine. Jacksonville's Mayo Clinic, one of three such destination medical centers in the U.S., has been expanding rapidly. The clinic has the largest transplant program in the U.S. and has invested roughly \$500 million into its campus over the past several years, adding hundreds of jobs.

JACKSONVILLE EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	33	0.5	1.02%	2.97%	1.85%	0.75%	-0.08%	0.11%
Trade, Transportation and Utilities	165	1.1	1.24%	2.87%	2.77%	1.25%	0.26%	0.06%
Retail Trade	85	1.1	2.36%	2.06%	2.05%	0.64%	0.43%	0.03%
Financial Activities	74	1.6	0.04%	1.87%	1.89%	1.43%	0.31%	0.20%
Government	76	0.7	-0.88%	0.65%	0.37%	0.17%	0.76%	0.55%
Natural Resources, Mining and Construction	51	1.2	2.78%	3.60%	6.05%	2.51%	0.74%	0.34%
Education and Health Services	116	0.9	1.59%	3.19%	2.61%	1.66%	0.88%	0.64%
Professional and Business Services	131	1.2	9.49%	3.65%	3.81%	2.16%	0.68%	0.44%
Information	9	0.6	0.04%	4.94%	-0.03%	1.31%	-0.03%	0.35%
Leisure and Hospitality	88	1.1	7.47%	6.47%	2.29%	1.33%	1.30%	1.19%
Other Services	28	1.0	-2.13%	2.81%	2.95%	0.51%	0.21%	0.42%
Total Employment	771	1.0	2.91%	3.09%	2.61%	1.29%	0.61%	0.45%

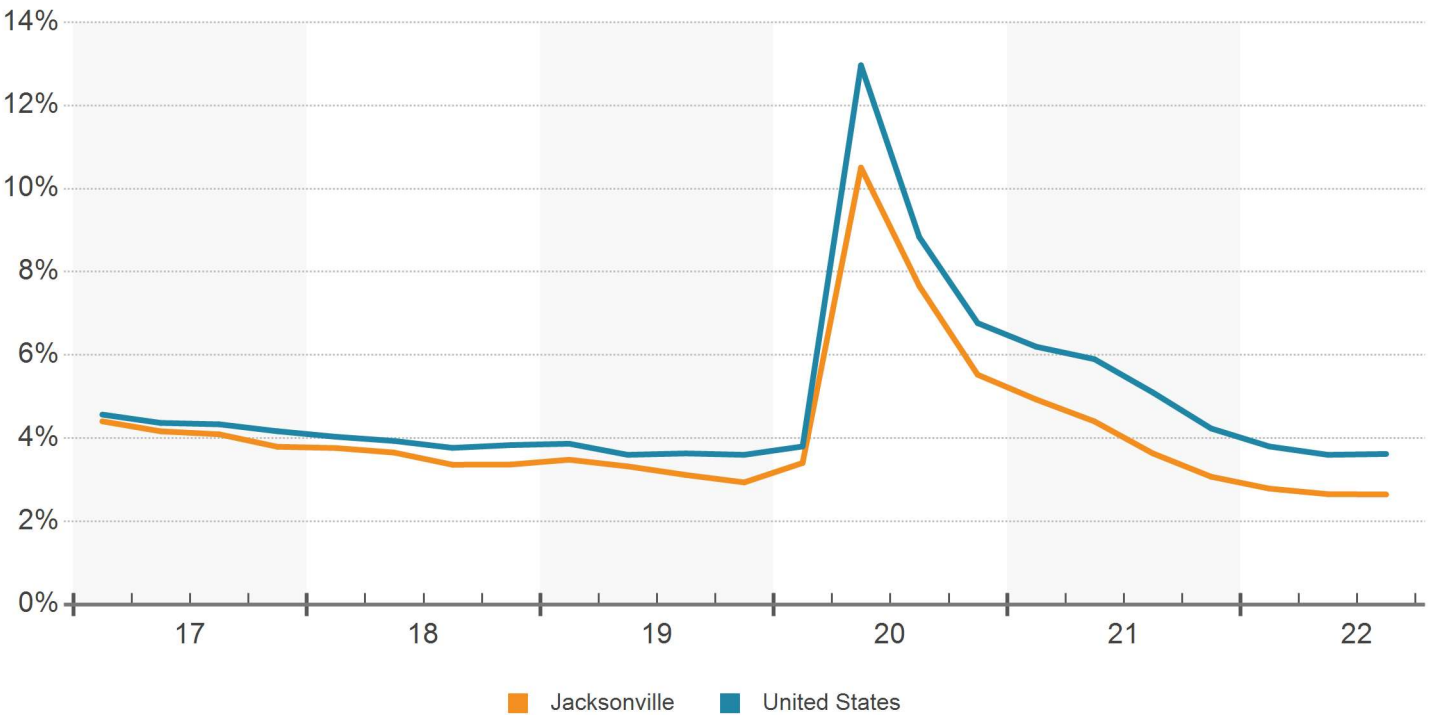
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

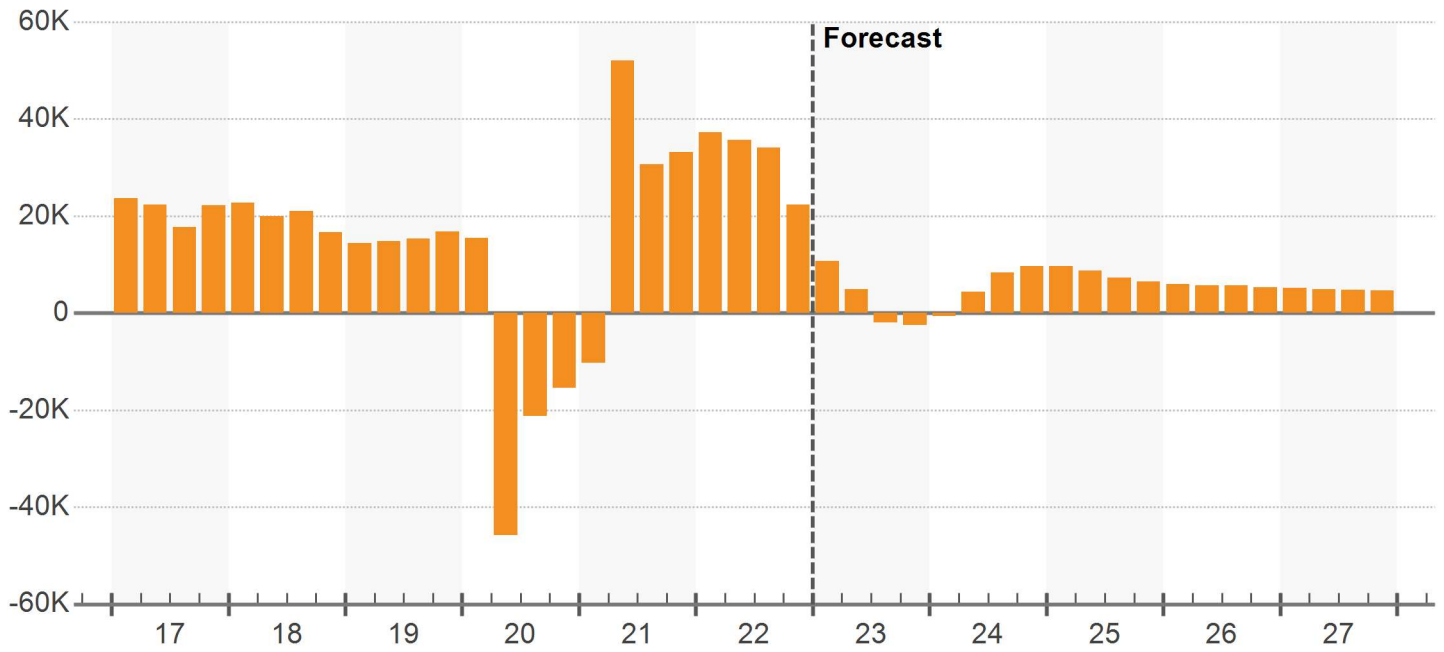


Source: Oxford Economics

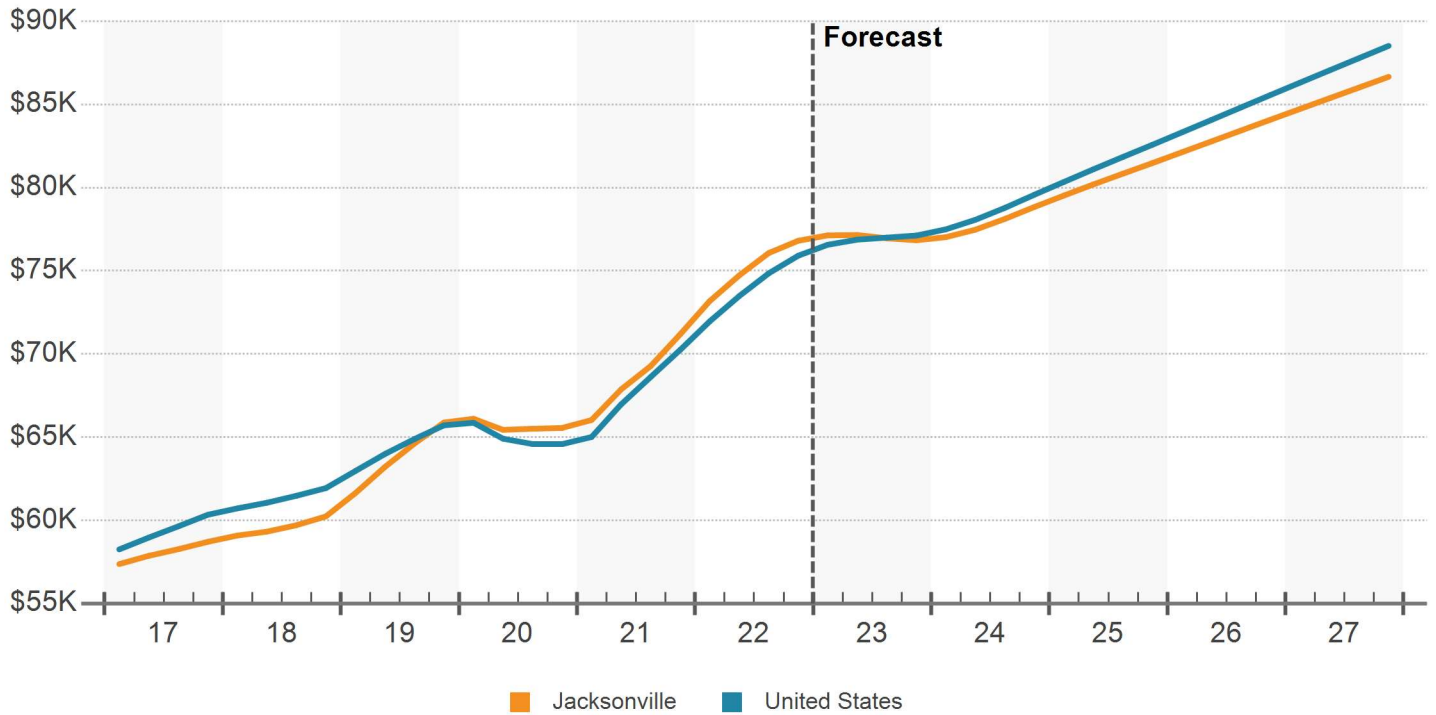
UNEMPLOYMENT RATE (%)



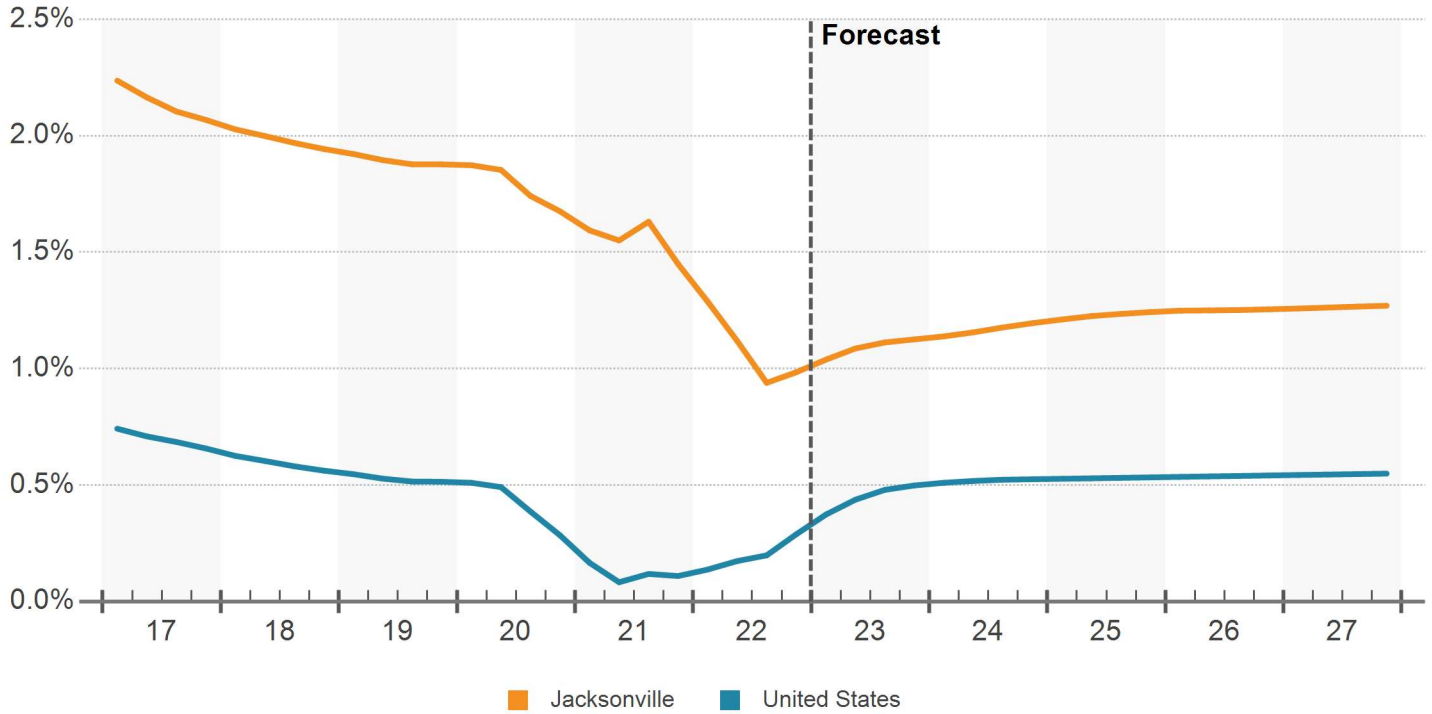
NET EMPLOYMENT CHANGE (YOY)



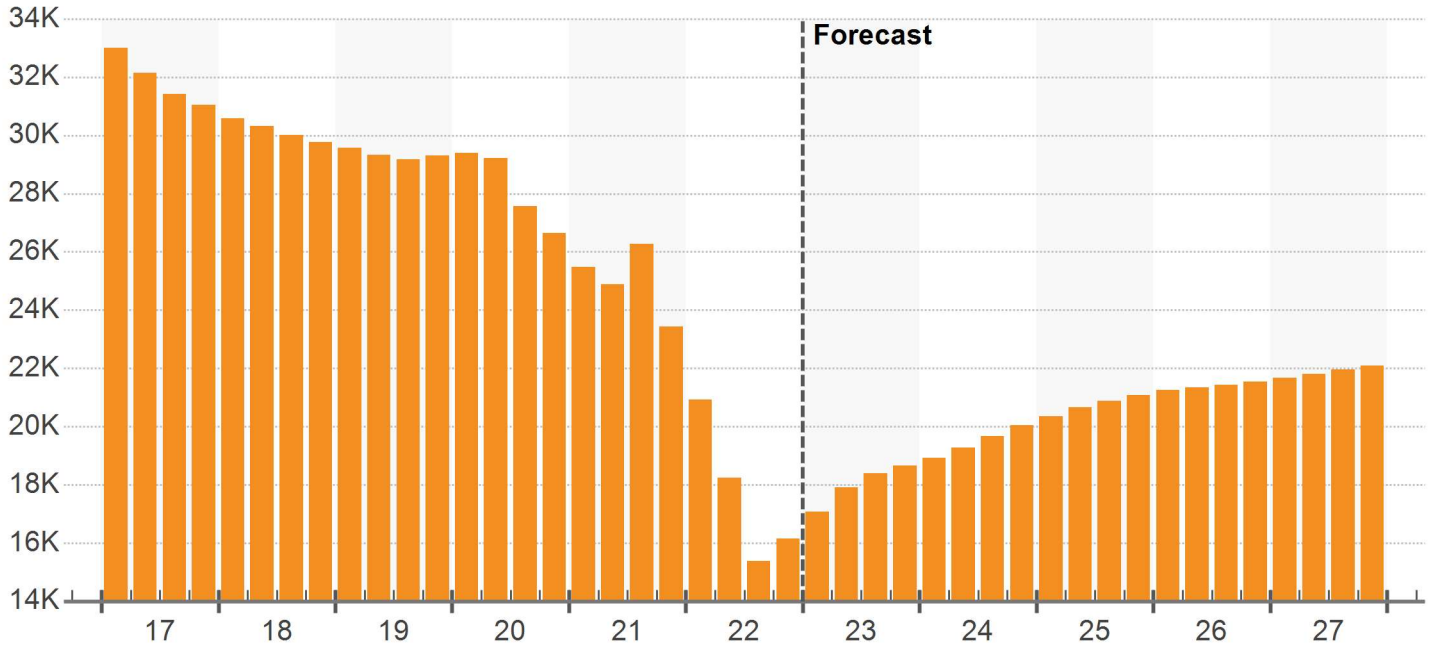
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

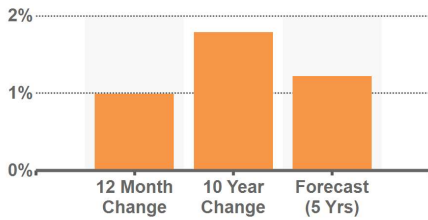


DEMOGRAPHIC TRENDS

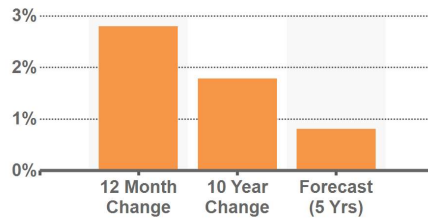
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	1,657,891	332,964,063	1.0%	0.3%	1.8%	0.6%	1.2%	0.5%
Households	619,170	124,273,398	0.9%	0.2%	1.9%	0.7%	1.2%	0.5%
Median Household Income	\$76,821	\$75,938	7.8%	8.0%	4.8%	4.0%	2.4%	3.1%
Labor Force	827,471	165,201,297	2.8%	1.9%	1.8%	0.6%	0.8%	0.5%
Unemployment	2.6%	3.6%	-0.4%	-0.6%	-0.5%	-0.4%	-	-

Source: Oxford Economics

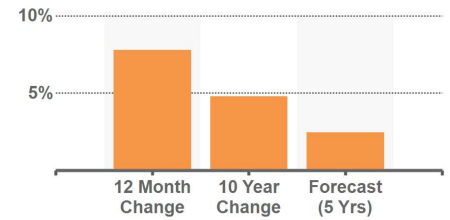
POPULATION GROWTH



LABOR FORCE GROWTH



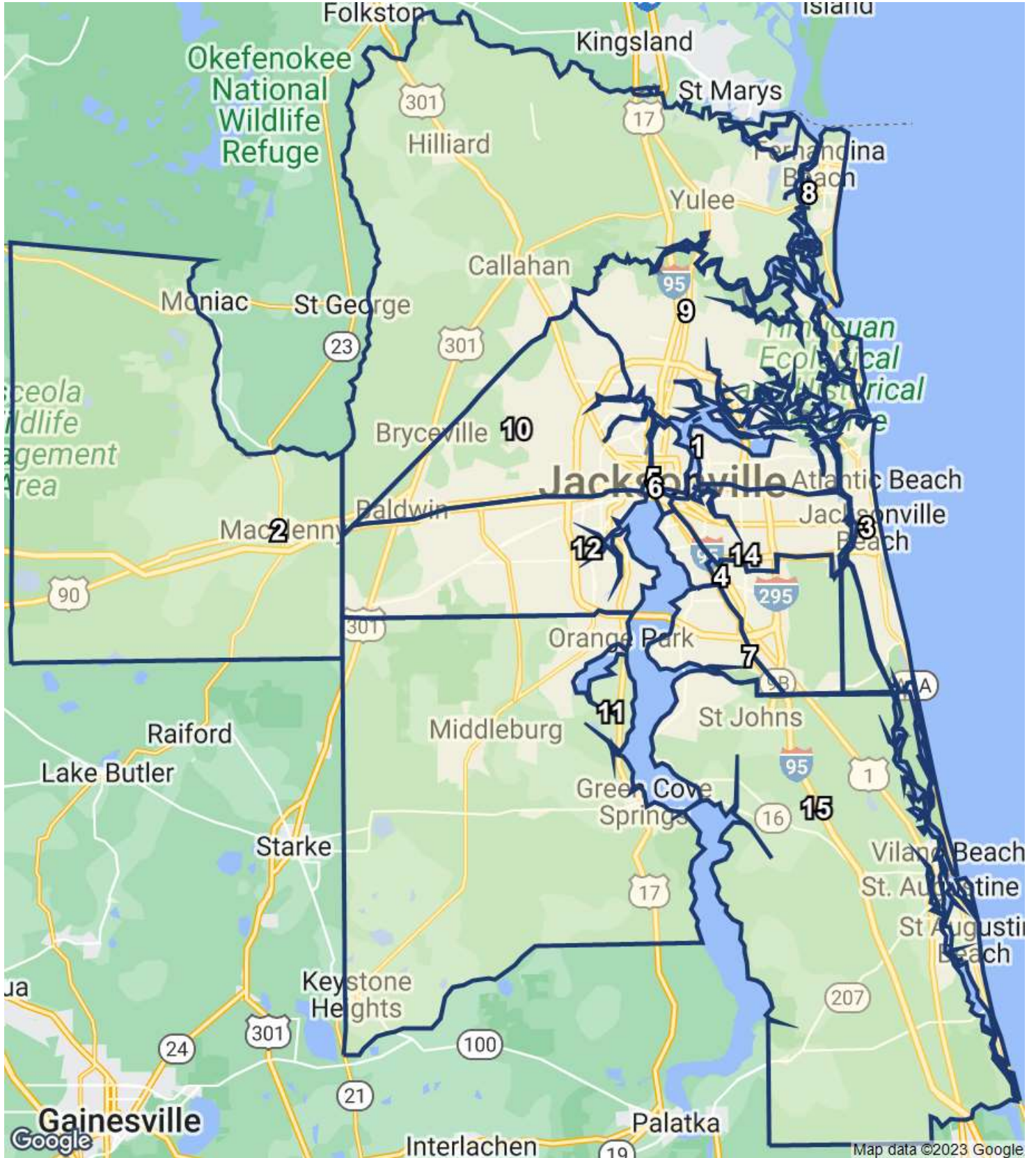
INCOME GROWTH



Source: Oxford Economics

Submarkets

JACKSONVILLE SUBMARKETS



Submarkets

Jacksonville Office

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	223	1,852	2.7%	10	0	0	0%	-	0	-	-	-
2	Baker County	34	139	0.2%	15	0	0	0%	-	0	-	-	-
3	Beaches	402	3,942	5.7%	4	1	5	0.1%	8	4	47	1.2%	2
4	Butler/Baymeadows	283	10,657	15.5%	3	5	90	0.8%	3	3	31	0.3%	5
5	Downtown Northbank	377	13,748	19.9%	2	2	544	4.0%	1	0	-	-	-
6	Downtown Southbank	136	3,074	4.5%	7	0	0	0%	-	0	-	-	-
7	Mandarin	311	2,547	3.7%	9	2	10	0.4%	6	0	-	-	-
8	Nassau County	254	1,397	2.0%	12	0	0	0%	-	1	4	0.3%	6
9	Northeast Jacksonville	83	838	1.2%	14	1	5	0.6%	7	1	35	4.2%	4
10	Northwest Jacksonville	193	1,285	1.9%	13	0	0	0%	-	0	-	-	-
11	Orange Park/Clay County	445	3,728	5.4%	6	2	70	1.9%	4	0	-	-	-
12	Riverside	651	3,017	4.4%	8	0	0	0%	-	0	-	-	-
13	San Marco	272	1,834	2.7%	11	0	0	0%	-	0	-	-	-
14	Southside	783	17,114	24.8%	1	1	52	0.3%	5	2	36	0.2%	3
15	St Johns County	494	3,739	5.4%	5	5	128	3.4%	2	13	1,296	34.7%	1

SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Arlington	\$20.33	13	5.3%	10	-4.2%	5
2	Baker County	\$20.08	15	6.2%	1	-4.8%	12
3	Beaches	\$30.56	1	5.7%	7	-4.2%	7
4	Butler/Baymeadows	\$23.32	7	4.3%	13	-4.6%	11
5	Downtown Northbank	\$23.37	6	4.1%	14	-3.5%	1
6	Downtown Southbank	\$23.71	4	3.4%	15	-3.7%	2
7	Mandarin	\$22.89	9	5.9%	3	-3.8%	3
8	Nassau County	\$24.06	3	5.8%	6	-4.5%	10
9	Northeast Jacksonville	\$23.64	5	5.2%	11	-7.4%	14
10	Northwest Jacksonville	\$22.80	10	5.5%	8	-5.7%	13
11	Orange Park/Clay County	\$22.41	12	5.9%	4	-4.1%	4
12	Riverside	\$22.52	11	6.0%	2	-4.3%	8
13	San Marco	\$20.30	14	5.8%	5	-4.5%	9
14	Southside	\$23.28	8	4.5%	12	-8.0%	15
15	St Johns County	\$26.92	2	5.4%	9	-4.2%	6

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Arlington	218,320	11.8%	13	(15,024)	-0.8%	12	-
2	Baker County	5,250	3.8%	3	5,643	4.1%	8	-
3	Beaches	245,288	6.2%	10	7,780	0.2%	7	0.6
4	Butler/Baymeadows	1,530,230	14.4%	15	184,733	1.7%	2	0.5
5	Downtown Northbank	1,434,203	10.4%	12	546,022	4.0%	1	1.0
6	Downtown Southbank	427,261	13.9%	14	(125,460)	-4.1%	15	-
7	Mandarin	113,424	4.5%	6	(15,567)	-0.6%	13	-
8	Nassau County	41,458	3.0%	1	(2,956)	-0.2%	10	-
9	Northeast Jacksonville	34,803	4.2%	4	(10,911)	-1.3%	11	-
10	Northwest Jacksonville	61,420	4.8%	7	34,608	2.7%	6	-
11	Orange Park/Clay County	206,106	5.5%	9	129,526	3.5%	3	0.5
12	Riverside	130,868	4.3%	5	99,871	3.3%	4	-
13	San Marco	90,114	4.9%	8	112	0%	9	-
14	Southside	1,619,766	9.5%	11	(115,105)	-0.7%	14	-
15	St Johns County	140,667	3.8%	2	50,704	1.4%	5	2.5

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	71,678,789	284,474	0.4%	242,583	0.3%	1.2
2026	71,394,315	322,231	0.5%	253,145	0.4%	1.3
2025	71,072,084	351,625	0.5%	294,657	0.4%	1.2
2024	70,720,459	339,277	0.5%	381,272	0.5%	0.9
2023	70,381,182	1,466,752	2.1%	64,766	0.1%	22.6
YTD	68,914,430	0	0%	(43,783)	-0.1%	-
2022	68,914,430	645,671	0.9%	824,983	1.2%	0.8
2021	68,268,759	826,352	1.2%	314,367	0.5%	2.6
2020	67,442,407	658,508	1.0%	362,014	0.5%	1.8
2019	66,783,899	196,474	0.3%	(455,594)	-0.7%	-
2018	66,587,425	576,487	0.9%	385,676	0.6%	1.5
2017	66,010,938	211,783	0.3%	791,683	1.2%	0.3
2016	65,799,155	78,949	0.1%	747,662	1.1%	0.1
2015	65,720,206	163,295	0.2%	809,881	1.2%	0.2
2014	65,556,911	(17,738)	0%	670,222	1.0%	-
2013	65,574,649	188,313	0.3%	666,288	1.0%	0.3
2012	65,386,336	136,997	0.2%	614,452	0.9%	0.2
2011	65,249,339	34,624	0.1%	627,522	1.0%	0.1

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	22,131,995	333,811	1.5%	305,669	1.4%	1.1
2026	21,798,184	371,404	1.7%	429,641	2.0%	0.9
2025	21,426,780	400,409	1.9%	532,927	2.5%	0.8
2024	21,026,371	387,907	1.9%	588,575	2.8%	0.7
2023	20,638,464	1,357,405	7.0%	374,916	1.8%	3.6
YTD	19,281,059	0	0%	47,734	0.2%	0
2022	19,281,059	737,358	4.0%	677,009	3.5%	1.1
2021	18,543,701	404,321	2.2%	(42,611)	-0.2%	-
2020	18,139,380	100,344	0.6%	(2,310)	0%	-
2019	18,039,036	508,160	2.9%	229,541	1.3%	2.2
2018	17,530,876	271,103	1.6%	(30,269)	-0.2%	-
2017	17,259,773	117,887	0.7%	108,541	0.6%	1.1
2016	17,141,886	157,335	0.9%	214,260	1.2%	0.7
2015	16,984,551	259,557	1.6%	439,536	2.6%	0.6
2014	16,724,994	34,143	0.2%	81,128	0.5%	0.4
2013	16,690,851	163,542	1.0%	360,506	2.2%	0.5
2012	16,527,309	48,574	0.3%	369,180	2.2%	0.1
2011	16,478,735	11,600	0.1%	(183,756)	-1.1%	-

Supply & Demand Trends

Jacksonville Office

3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	29,007,250	0	0%	(32,142)	-0.1%	-
2026	29,007,250	0	0%	(95,486)	-0.3%	-
2025	29,007,250	0	0%	(123,171)	-0.4%	-
2024	29,007,250	0	0%	(92,072)	-0.3%	-
2023	29,007,250	155,608	0.5%	(127,336)	-0.4%	-
YTD	28,851,642	0	0%	(80,754)	-0.3%	-
2022	28,851,642	(91,687)	-0.3%	202,364	0.7%	-
2021	28,943,329	420,929	1.5%	(78,764)	-0.3%	-
2020	28,522,400	516,475	1.8%	409,544	1.4%	1.3
2019	28,005,925	130,504	0.5%	(374,126)	-1.3%	-
2018	27,875,421	314,449	1.1%	437,090	1.6%	0.7
2017	27,560,972	116,593	0.4%	407,212	1.5%	0.3
2016	27,444,379	(59,364)	-0.2%	515,010	1.9%	-
2015	27,503,743	(40,161)	-0.1%	187,033	0.7%	-
2014	27,543,904	(30,780)	-0.1%	380,704	1.4%	-
2013	27,574,684	95,568	0.3%	158,578	0.6%	0.6
2012	27,479,116	90,133	0.3%	149,839	0.5%	0.6
2011	27,388,983	27,766	0.1%	630,521	2.3%	0

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	20,539,544	(49,337)	-0.2%	(30,944)	-0.2%	-
2026	20,588,881	(49,173)	-0.2%	(81,010)	-0.4%	-
2025	20,638,054	(48,784)	-0.2%	(115,099)	-0.6%	-
2024	20,686,838	(48,630)	-0.2%	(115,231)	-0.6%	-
2023	20,735,468	(46,261)	-0.2%	(182,814)	-0.9%	-
YTD	20,781,729	0	0%	(10,763)	-0.1%	-
2022	20,781,729	0	0%	(54,390)	-0.3%	-
2021	20,781,729	1,102	0%	435,742	2.1%	0
2020	20,780,627	41,689	0.2%	(45,220)	-0.2%	-
2019	20,738,938	(442,190)	-2.1%	(311,009)	-1.5%	-
2018	21,181,128	(9,065)	0%	(21,145)	-0.1%	-
2017	21,190,193	(22,697)	-0.1%	275,930	1.3%	-
2016	21,212,890	(19,022)	-0.1%	18,392	0.1%	-
2015	21,231,912	(56,101)	-0.3%	183,312	0.9%	-
2014	21,288,013	(21,101)	-0.1%	208,390	1.0%	-
2013	21,309,114	(70,797)	-0.3%	147,204	0.7%	-
2012	21,379,911	(1,710)	0%	95,433	0.4%	-
2011	21,381,621	(4,742)	0%	180,757	0.8%	-

OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$25.43	128	0.9%	7.0%	7,814,525	10.9%	0%
2026	\$25.21	127	1.1%	6.1%	7,766,421	10.9%	0.1%
2025	\$24.94	125	1.6%	4.9%	7,691,031	10.8%	0%
2024	\$24.54	123	1.1%	3.3%	7,627,827	10.8%	-0.1%
2023	\$24.28	122	2.2%	2.2%	7,663,349	10.9%	1.8%
YTD	\$23.75	119	4.8%	-0.1%	6,299,178	9.1%	0.1%
2022	\$23.77	119	4.9%	0%	6,255,395	9.1%	-0.3%
2021	\$22.65	114	2.3%	-4.7%	6,434,707	9.4%	0.6%
2020	\$22.15	111	3.0%	-6.8%	5,929,362	8.8%	0.4%
2019	\$21.50	108	4.8%	-9.6%	5,632,868	8.4%	1.0%
2018	\$20.51	103	2.0%	-13.7%	4,980,623	7.5%	0.2%
2017	\$20.11	101	3.5%	-15.4%	4,789,812	7.3%	-0.9%
2016	\$19.44	98	8.1%	-18.2%	5,369,712	8.2%	-1.0%
2015	\$17.99	90	1.2%	-24.3%	6,038,425	9.2%	-1.0%
2014	\$17.77	89	4.7%	-25.2%	6,685,011	10.2%	-1.0%
2013	\$16.98	85	0.7%	-28.6%	7,372,971	11.2%	-0.8%
2012	\$16.85	85	1.1%	-29.1%	7,850,946	12.0%	-0.8%
2011	\$16.67	84	-0.7%	-29.9%	8,328,401	12.8%	-0.9%

4 & 5 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$27.91	131	0.7%	5.8%	3,211,600	14.5%	-0.1%
2026	\$27.71	130	0.9%	5.1%	3,183,796	14.6%	-0.5%
2025	\$27.45	128	1.4%	4.1%	3,242,357	15.1%	-0.9%
2024	\$27.08	127	0.8%	2.7%	3,375,198	16.1%	-1.3%
2023	\$26.87	126	1.9%	1.9%	3,576,198	17.3%	3.9%
YTD	\$26.35	123	3.3%	-0.1%	2,546,127	13.2%	-0.2%
2022	\$26.37	123	3.4%	0%	2,593,861	13.5%	-0.2%
2021	\$25.50	119	-0.8%	-3.3%	2,533,512	13.7%	2.2%
2020	\$25.71	120	0.1%	-2.5%	2,086,580	11.5%	0.5%
2019	\$25.68	120	5.2%	-2.6%	1,983,926	11.0%	1.3%
2018	\$24.40	114	2.8%	-7.5%	1,705,130	9.7%	1.6%
2017	\$23.74	111	2.9%	-10.0%	1,403,758	8.1%	0%
2016	\$23.08	108	8.5%	-12.5%	1,394,412	8.1%	-0.4%
2015	\$21.27	99	2.4%	-19.4%	1,451,337	8.5%	-1.2%
2014	\$20.78	97	5.7%	-21.2%	1,631,316	9.8%	-0.3%
2013	\$19.66	92	2.2%	-25.5%	1,678,301	10.1%	-1.3%
2012	\$19.24	90	2.0%	-27.0%	1,875,265	11.3%	-2.0%
2011	\$18.86	88	-1.2%	-28.5%	2,195,871	13.3%	1.2%

3 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$25.84	124	0.9%	7.3%	3,175,303	10.9%	0.1%
2026	\$25.61	123	1.1%	6.3%	3,143,161	10.8%	0.3%
2025	\$25.33	122	1.7%	5.1%	3,047,675	10.5%	0.4%
2024	\$24.91	120	1.2%	3.4%	2,924,504	10.1%	0.3%
2023	\$24.62	119	2.2%	2.2%	2,832,432	9.8%	0.9%
YTD	\$24.08	116	4.8%	0%	2,630,244	9.1%	0.3%
2022	\$24.09	116	5.0%	0%	2,549,490	8.8%	-1.0%
2021	\$22.95	110	2.3%	-4.7%	2,843,541	9.8%	1.6%
2020	\$22.43	108	6.8%	-6.9%	2,343,848	8.2%	0.2%
2019	\$21.01	101	2.8%	-12.8%	2,236,917	8.0%	1.8%
2018	\$20.45	98	2.2%	-15.1%	1,732,287	6.2%	-0.5%
2017	\$20.02	96	1.6%	-16.9%	1,854,928	6.7%	-1.1%
2016	\$19.69	95	10.4%	-18.3%	2,145,547	7.8%	-2.1%
2015	\$17.84	86	3.2%	-26.0%	2,719,921	9.9%	-0.8%
2014	\$17.29	83	1.2%	-28.2%	2,947,115	10.7%	-1.5%
2013	\$17.08	82	3.5%	-29.1%	3,358,599	12.2%	-0.3%
2012	\$16.50	79	0.8%	-31.5%	3,421,609	12.5%	-0.3%
2011	\$16.37	79	-1.5%	-32.1%	3,481,315	12.7%	-2.2%

1 & 2 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$22.42	130	1.0%	8.1%	1,427,622	7.0%	0%
2026	\$22.19	128	1.3%	7.0%	1,439,464	7.0%	0.2%
2025	\$21.91	127	1.8%	5.7%	1,400,999	6.8%	0.4%
2024	\$21.51	125	1.3%	3.7%	1,328,125	6.4%	0.4%
2023	\$21.23	123	2.4%	2.4%	1,254,719	6.1%	0.7%
YTD	\$20.72	120	6.6%	0%	1,122,807	5.4%	0.1%
2022	\$20.73	120	6.8%	0%	1,112,044	5.4%	0.3%
2021	\$19.42	112	6.6%	-6.4%	1,057,654	5.1%	-2.1%
2020	\$18.21	105	1.0%	-12.2%	1,498,934	7.2%	0.4%
2019	\$18.03	104	7.6%	-13.0%	1,412,025	6.8%	-0.5%
2018	\$16.76	97	0.7%	-19.1%	1,543,206	7.3%	0.1%
2017	\$16.64	96	7.6%	-19.7%	1,531,126	7.2%	-1.4%
2016	\$15.47	90	3.6%	-25.4%	1,829,753	8.6%	-0.2%
2015	\$14.94	86	-3.4%	-27.9%	1,867,167	8.8%	-1.1%
2014	\$15.47	90	9.1%	-25.4%	2,106,580	9.9%	-1.1%
2013	\$14.17	82	-5.4%	-31.7%	2,336,071	11.0%	-1.0%
2012	\$14.98	87	0.3%	-27.8%	2,554,072	11.9%	-0.5%
2011	\$14.93	86	1.2%	-28.0%	2,651,215	12.4%	-0.9%

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
2027	-	-	-	-	-	-	\$187.88	182	7.7%
2026	-	-	-	-	-	-	\$186.78	181	7.7%
2025	-	-	-	-	-	-	\$185.21	180	7.7%
2024	-	-	-	-	-	-	\$182.54	177	7.7%
2023	-	-	-	-	-	-	\$180.63	175	7.7%
YTD	1	\$0	0%	-	-	-	\$179.74	174	7.6%
2022	344	\$573.3M	7.2%	\$2,163,375	\$146.51	7.0%	\$179.66	174	7.6%
2021	429	\$879.5M	7.8%	\$2,609,750	\$197.41	7.8%	\$160.45	156	7.8%
2020	392	\$593.1M	7.8%	\$2,372,367	\$121.48	7.9%	\$144.42	140	8.2%
2019	394	\$812.6M	9.9%	\$2,708,707	\$127.11	8.0%	\$142.59	138	8.2%
2018	367	\$493.4M	7.8%	\$2,164,099	\$118.57	8.5%	\$131.83	128	8.3%
2017	284	\$338.3M	5.3%	\$1,966,982	\$110.71	7.5%	\$130.57	127	8.0%
2016	308	\$381.5M	6.6%	\$1,816,733	\$118.28	8.8%	\$129.03	125	7.9%
2015	432	\$313.6M	5.8%	\$1,264,438	\$100.93	8.8%	\$124.53	121	7.9%
2014	343	\$554.3M	10.8%	\$2,368,814	\$89.62	8.3%	\$120.08	116	7.9%
2013	306	\$547.3M	8.7%	\$2,369,272	\$100.23	8.5%	\$114.88	111	8.1%
2012	227	\$130.7M	3.1%	\$894,954	\$70.71	8.8%	\$110.65	107	8.2%

(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
2027	-	-	-	-	-	-	\$232.27	203	6.9%
2026	-	-	-	-	-	-	\$231.38	202	6.9%
2025	-	-	-	-	-	-	\$229.94	201	6.9%
2024	-	-	-	-	-	-	\$227.15	199	6.9%
2023	-	-	-	-	-	-	\$225.28	197	6.9%
YTD	-	-	-	-	-	-	\$224.86	197	6.8%
2022	13	\$255.2M	8.5%	\$23,200,228	\$155.63	-	\$224.76	197	6.8%
2021	18	\$302.1M	9.7%	\$23,239,954	\$194.32	-	\$189.58	166	7.2%
2020	12	\$279.5M	12.1%	\$23,290,650	\$127.23	7.8%	\$165.66	145	7.7%
2019	29	\$463.8M	16.9%	\$16,562,724	\$152.20	7.4%	\$166.12	145	7.6%
2018	17	\$152.3M	8.0%	\$21,753,609	\$134.83	7.0%	\$149.32	131	7.8%
2017	11	\$23.4M	2.5%	\$7,793,727	\$70.47	5.4%	\$147.32	129	7.6%
2016	18	\$241.4M	12.2%	\$16,092,735	\$134.37	8.0%	\$146.08	128	7.5%
2015	124	\$141.1M	9.9%	\$8,820,493	\$104.08	7.5%	\$141.33	124	7.5%
2014	13	\$267.7M	21.7%	\$22,309,730	\$76.65	8.1%	\$135.44	118	7.5%
2013	23	\$336.8M	17.4%	\$15,311,069	\$117.89	8.9%	\$130.28	114	7.6%
2012	2	\$3.1M	0.1%	\$1,559,650	\$133.26	-	\$125.10	109	7.8%

(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
2027	-	-	-	-	-	-	\$178.59	174	7.8%
2026	-	-	-	-	-	-	\$177.46	173	7.8%
2025	-	-	-	-	-	-	\$175.89	171	7.7%
2024	-	-	-	-	-	-	\$173.23	168	7.7%
2023	-	-	-	-	-	-	\$171.31	167	7.7%
YTD	1	\$0	0%	-	-	-	\$170.41	166	7.6%
2022	143	\$185.3M	7.8%	\$1,871,660	\$138.17	6.9%	\$170.34	166	7.6%
2021	165	\$306.6M	6.9%	\$2,433,651	\$191.23	7.3%	\$155.44	151	7.8%
2020	153	\$234.3M	7.2%	\$2,297,115	\$118.59	8.6%	\$139.90	136	8.2%
2019	151	\$206.7M	6.0%	\$1,845,867	\$129.28	8.1%	\$137.27	133	8.2%
2018	123	\$237.8M	8.1%	\$2,830,855	\$125.53	8.7%	\$128.14	125	8.3%
2017	103	\$255M	7.9%	\$3,590,902	\$120.97	8.4%	\$127.24	124	8.0%
2016	108	\$79.8M	3.6%	\$1,108,115	\$108.44	9.0%	\$126.40	123	7.9%
2015	102	\$102.7M	3.1%	\$1,299,824	\$152.36	9.1%	\$122.11	119	7.9%
2014	134	\$239.4M	9.7%	\$2,850,029	\$114.91	8.6%	\$117.37	114	7.9%
2013	99	\$116.5M	6.0%	\$1,848,913	\$73.73	7.9%	\$113.39	110	8.0%
2012	86	\$77.1M	4.5%	\$1,454,643	\$66.82	8.9%	\$108.63	106	8.2%

(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
2027	-	-	-	-	-	-	\$156.91	169	8.5%
2026	-	-	-	-	-	-	\$155.63	168	8.5%
2025	-	-	-	-	-	-	\$153.95	166	8.4%
2024	-	-	-	-	-	-	\$151.35	163	8.4%
2023	-	-	-	-	-	-	\$149.42	161	8.4%
YTD	-	-	-	-	-	-	\$148.08	160	8.3%
2022	188	\$132.8M	5.2%	\$856,758	\$142.46	7.1%	\$148.03	160	8.3%
2021	246	\$270.7M	7.2%	\$1,367,304	\$208.76	8.1%	\$138.61	150	8.5%
2020	227	\$79.3M	4.8%	\$583,075	\$111.70	7.3%	\$129.69	140	8.7%
2019	214	\$142.1M	9.2%	\$888,243	\$81.35	8.1%	\$126.73	137	8.7%
2018	227	\$103.3M	7.1%	\$754,360	\$90.82	8.7%	\$119.67	129	8.7%
2017	170	\$60M	4.1%	\$612,099	\$97.29	7.4%	\$118.64	128	8.5%
2016	182	\$60.3M	6.0%	\$490,558	\$87.03	8.7%	\$115.82	125	8.4%
2015	206	\$69.8M	6.0%	\$455,991	\$64.78	9.0%	\$111.28	120	8.4%
2014	196	\$47.2M	3.6%	\$341,909	\$77.49	8.2%	\$108.67	117	8.3%
2013	184	\$94M	5.4%	\$643,676	\$91.81	9.2%	\$101.73	110	8.6%
2012	139	\$50.4M	3.7%	\$554,373	\$75.22	8.6%	\$99.16	107	8.8%

(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.