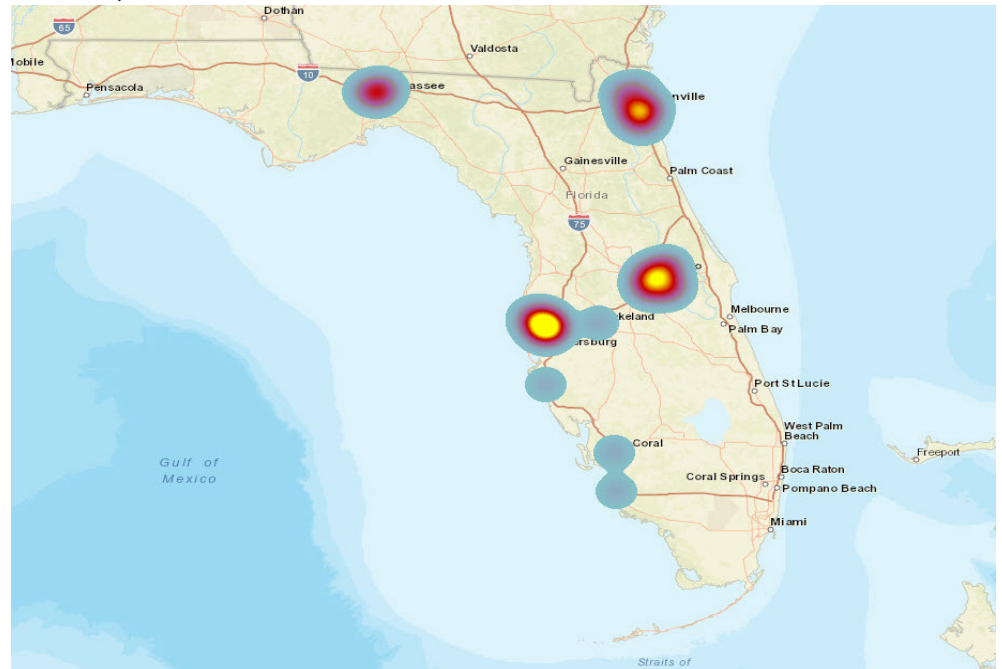


Florida Overview

Florida's office market has shown signs of steady growth through 2019. The Florida unemployment rate through 2019 is 3.40%, a 0.30% decrease from 2018. In a labor force of over 10.3 million, only about 350,000 residents remain unemployed. In the past year, the state has gained over 200,000 jobs, an increase of 2.40% since last year. Job growth in Florida has exceeded the national average for the seventh year in a row. So far, 29 of the 67 counties in Florida have reported an unemployment rate below 3.00%, the most since 2006. The Florida Panhandle unemployment rates are the highest in the state due to the effects of Hurricane Michael, which made landfall as a category 5 hurricane in October of 2018. It is estimated that the region sustained \$25 billion in damage. Florida officials have been motivating developers to rebuild the area by providing them with generous tax incentives for their restorative efforts. The majority of office sales in Florida have been to institutional and private buyers with little activity from REITs and international investors.

Market	Development Pipeline (Square Feet)			Total
	2019	2020	2021	
Tampa	434,503	1,329,943	2,015,474	3,779,920
Orlando	1,072,800	990,422	259,880	2,323,102
Jacksonville	557,323	773,446	504,939	1,835,708
Tallahassee	99,758	219,150	0	318,908
Lakeland	0	0	77,000	77,000
Fort Myers	0	0	21,608	21,608
Naples	0	20,000	0	20,000
Sarasota	8,800	0	0	8,800

Source: CoStar Analytics



Demand Generators

Demand for new office development is primarily driven by Florida's strong job growth and low unemployment. Not only is the professional sector stronger than ever, Florida is also the third most populous state in the nation and is growing at one of the fastest rates. As businesses and professionals continue to move to the sunshine state, the demand for office space will continue to increase. In this report we focus on eight of Florida's MSAs. Tampa, Orlando, and Jacksonville lead the way in both projected population growth and net employment growth over the next three years. These three MSAs have also seen the most development activity in recent years as demand is being generated by various headquarters moving to these areas. Some advantages of moving operations to Florida includes the state's tax structure, competitive costs, and the multilingual/multicultural workforce that allows businesses to serve clients worldwide. Mosaic, a Fortune 500 company, moved their headquarters from Minneapolis, Minnesota to Tampa. CoStar ranks Tampa 8th for office rent growth and attributes much of the city's success to the financial industry boosting employment. Some notable occupants of the MSA include Citi, JP Morgan Chase, Raymond James, PNC, and USAA among others. Demand in the Tampa area is also reflected by WeWork. The coworking company has signed multiple leases totaling over 110,000 square feet. The most notable deal is for more than 60,000 square feet, in the 20-story tower at 501 East Kennedy Boulevard, "WeWork Place." Early next year, WeWork is set to open a 3 floor, 70,000 SF space in the SunTrust Center in Downtown Orlando, which is already home to various coworking establishments. Orlando is also set to be the new home for Timbers Resorts corporate headquarters as the company continues to grow its portfolio along the East Coast of the United States. Primary office users in Florida include information, financial, professional, and business services. Since 2010, Florida has added nearly 3 million citizens, bringing the total from 18.8 million to about 21.65 million people. In the last three years, Florida has grown by nearly 1 million citizens. From 2010 to 2018, Tampa has seen a population increase of roughly 10%. By 2021, Florida is expected to be the home of just under 23 million people. Florida is also the 8th most densely populated state with about 354 people per square mile.

Development Pipeline

Since 2014, The Tampa Bay office market has only added 590,000 square feet, less than 120,000 square feet a year. However, there are 3,780,000 square feet of office space to be delivered in Tampa Bay over the next three years. The Tampa Bay area has a total of 9 projects coming to completion this year, 14 in 2020, and another 9 by 2021. Orlando is set to put up 29 new developments by the end of 2021. Jacksonville plans to add an additional 24 projects by the end of 2021 to its growing office market. The state's Capital, Tallahassee, currently has 7 projects in the works scheduled for completion this year with another 3 projects scheduled to be finished in 2020.

Office Trends

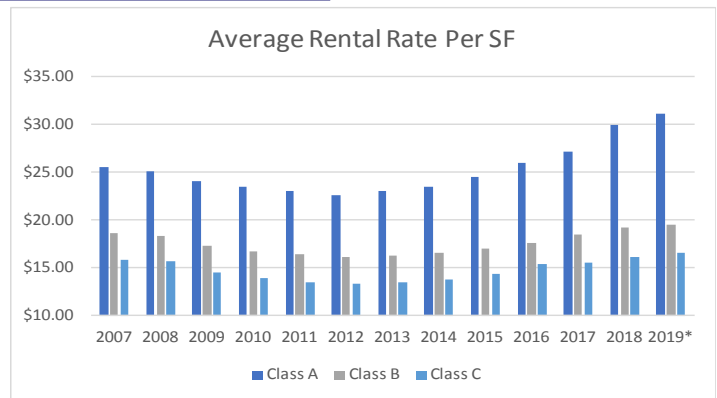
A recent trend in the office sector, both nationally and in Florida, has been less office space per employee. New office designs, which encourage shared working spaces, have played a major role in furthering this trend. According to Cushman & Wakefield, square footage per worker has decreased by 8.30% nationally over the past 8 years. Currently, the national average is approximately 190 square feet per employee. This signifies over a 20 square foot decrease since 2010. Typically, the average office space per square foot in the state of Florida is lower than the national average. Cushman & Wakefield reported the office space per employee in the markets of Miami, Jacksonville, and Fort Lauderdale to be 155, 110, and 119 square feet, respectively. A relationship can be drawn between demand for office space and the influx of new residents. Many professionals relocate to Florida because of the state's favorable tax status. With this migration comes strong demand for office space across Florida's major markets. The concept of shared offices and collaborative workspaces has been around for decades; however, a recent surge in demand for this product type has been led by the shared workspace giant, WeWork. WeWork's business model fits the needs of those looking to lower fixed costs and create community driven work environments. Further, an increasing number of individuals are opting to break the mold of commuting to work daily and work remotely instead. Contractors in Florida's vast gig economy are also taking advantage of the coworking options. These factors have been contributing to the decline in rentable square feet per employee.

Office Leasing

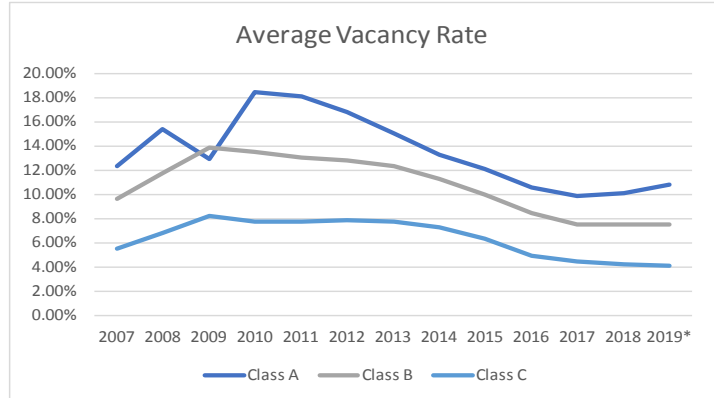
The average gross rent for the state of Florida is \$22.46 per square foot, a 3.00% increase from last year's figure of \$21.78. Class A office space has been leasing for \$31.22 per square foot, Class B at \$19.60, and Class C at \$16.55. However, the recent rent growth is being contrasted by slowly rising vacancy rates. From 2010 to 2017, vacancy rates continued to decline across the state of Florida. Since 2018, rates have risen 0.20% across all classes to 7.50%. Through 2019, Class A vacancies were at 10.80%, Class B at 7.60%, and Class C at 4.10%. Due to rising construction costs, Class A product must achieve higher rental rates in order to be a feasible investment for developers. These increasing rental rates are not practical for many businesses which shifts demand to more affordable Class B and C product.

Office Sales

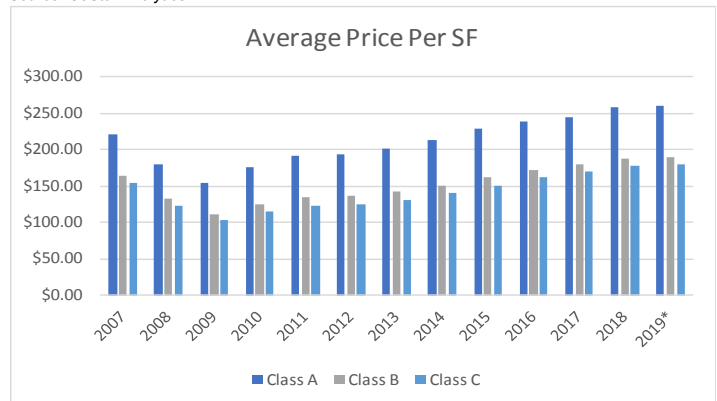
Average price per square foot for office space in Florida has steadily increased since the bottom of the market in 2009. Class A office buildings are selling for an average of about \$260 per square foot, a 40% increase since 2009. Class B buildings average about \$190 per square foot, a 41% increase since 2009. Class C has seen the largest increase, jumping 43% from the bottom at about \$104 to \$180. This year, the average capitalization rate of 7.53% remains unchanged. Class A and Class C are both selling at cap rates of 7.40%, while Class B office buildings are selling at 7.80%.



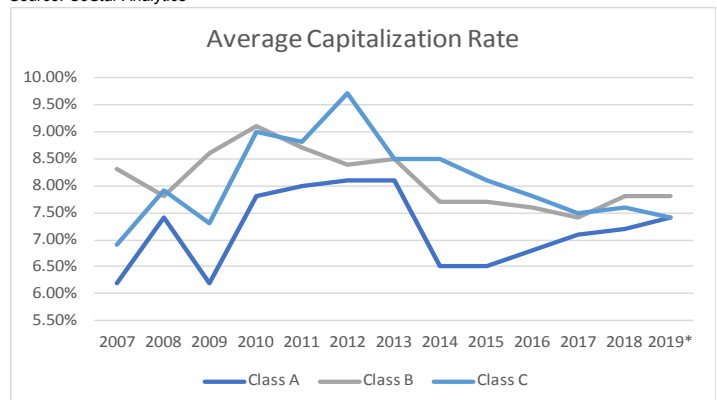
Source: CoStar Analytics



Source: CoStar Analytics



Source: CoStar Analytics



Source: CoStar Analytics

All Data Through June 2019

Tampa Bay Development Pipeline								Proposed Completion Year		
Property Name	Address	City	SF Total	% Leased	Status	Year Built	2019	2020	2021	
Channelside Drive Office	400 Channelside Dr	Tampa	610,000	12.13%	Proposed	2021			610,000	
Water Street Tampa	1001 Water St	Tampa	405,000	11.85%	Proposed	2021			405,000	
Renaissance Center VIII	8733 Henderson Rd	Tampa	270,000	1.85%	Proposed	2020	270,000			
Skyview Center	3413 E Frontage Rd	Tampa	258,000	100.00%	Proposed	2021			258,000	
MetWest Three	4050 W Boy Scout Blvd	Tampa	247,691	100.00%	Under Construction	2019	247,691			
Highwoods Bay Center II	5444 Bay Center Dr	Tampa	210,000	0.00%	Proposed	2021			210,000	
Cypress Center IV	402 N Hoover Blvd	Tampa	200,033	0.00%	Proposed	2020		200,033		
MIDTOWN TWO (South Tower)	3725 W Grace St	Tampa	200,000	0.00%	Proposed	2021			200,000	
Corporate Center V	N Lois Ave & W Boy Scout	Tampa	180,000	0.00%	Proposed	2020		180,000		
Renaissance Center VII	8746 Henderson Rd	Tampa	160,000	2.50%	Proposed	2020		160,000		
Heights Union - West Building	2004 N Tampa St	Tampa	150,000	52.24%	Under Construction	2019	150,000			
Heights Union - East Building	2002 N Tampa St	Tampa	150,000	45.51%	Under Construction	2020		150,000		
Independence Park II	Independence Pky	Tampa	150,000	0.00%	Proposed	2021			150,000	
MIDTOWN ONE (West Tower)	3725 W Grace St	Tampa	140,000	9.21%	Proposed	2020		140,000		
Skyview Plaza	3415 E Frontage Rd	Tampa	126,740	12.90%	Proposed	2021			126,740	
9000 Corporate Lake Dr	9001 Corporate Lake Dr	Tampa	105,000	0.00%	Proposed	2020		105,000		
The Loft at Midtown	3725 W Grace St	Tampa	45,734	0.03%	Proposed	2021			45,734	
Snow Avenue Office	1602 W Snow Ave	Tampa	30,000	100.00%	Under Construction	2019	30,000			
Office/Restaurant Dev at TriPointe Plaza	4414 W Boy Scout Blvd	Tampa	23,000	4.01%	Proposed	2020		23,000		
Proposed Medical Office	110 S MacDill Ave	Tampa	20,000	100.00%	Under Construction	2020		20,000		
Tampa Family Health Center	11301 W Hillsborough Ave	Tampa	18,000	100.00%	Proposed	2020		18,000		
Proposed Office	Bridge St	Tampa	14,000	100.00%	Proposed	2020		14,000		
Washington Street Office	901 E Washington St	Tampa	14,000	100.00%	Proposed	2020		14,000		
The LUJO on Platt	1901 W Platt St	Tampa	13,520	0.01%	Proposed	2020		13,520		
The Medical Professional Center - Tract C	5947-5949 Webb Rd	Tampa	10,000	0.00%	Proposed	2021			10,000	
W Platt St Office	2107 W Platt St	Tampa	6,890	100.00%	Proposed	2020		6,890		
Linebaugh Office 2	13007 W Linebaugh Ave	Tampa	5,000	100.00%	Proposed	2020		5,000		
Linebaugh Office	13005 W Linebaugh Ave	Tampa	4,500	100.00%	Proposed	2020		4,500		
Nassau Office	5010 W Nassau	Tampa	4,000	100.00%	Under Construction	2019	4,000			
10111 Wilsky Blvd	10112 Wilsky Blvd	Tampa	3,500	0.00%	Proposed	2020		3,500		
Sheldon Road Office	6711 Sheldon Rd	Tampa	2,812	100.00%	Under Construction	2019	2,812			
13674-13676 Hillsborough Ave	13674-13676 Hillsborough Ave	Tampa	2,500	0.00%	Proposed	2020		2,500		
Total Delivered Units							434,503	1,329,943	2,015,474	

Source: CoStar Analytics; Beshears & Associates Market Research

Orlando Development Pipeline								Proposed Completion Year		
Property Name	Address	City	SF Total	% Leased	Status	Year Built	2019	2020	2021	
KPMG Training and Development Facility	Lake Nona Blvd	Orlando	800,000	100.00%	Under Construction	2019	800,000			
Greenbriar Pky - Phase 7	Greenbriar Pky	Orlando	300,000	0.00%	Proposed	2020		300,000		
The Office at The Boardwalk at O-Town West	Palm Pky	Orlando	225,000	0.00%	Proposed	2021			225,000	
SunTrust Plaza at Church Street Station	225 S Garland Ave	Orlando	221,000	85.53%	Under Construction	2019	221,000			
Lake Nona Town Ctr BLDG C	Lake Nona Blvd	Orlando	120,267	0.00%	Proposed	2020		120,267		
Office Building B1	Veteran's Way	Orlando	120,000	25.00%	Proposed	2020		120,000		
Lee Vista Building B	Emerald Dunes Dr	Orlando	75,200	0.00%	Proposed	2020		75,200		
Narcoossee Office	14409 Narcoossee Rd	Orlando	64,000	0.00%	Proposed	2020		64,000		
Greenbriar Pky - Phase 8	Greenbriar Pky	Orlando	60,000	0.00%	Proposed	2020		60,000		
Village Park Office	13528 Village Park Dr	Orlando	42,900	100.00%	Proposed	2020		42,900		
Amelia Street Office	3024 E Amelia St	Orlando	35,000	100.00%	Proposed	2020		35,000		
Vineland Office	4903 Vineland Rd	Orlando	34,880	100.00%	Proposed	2020		34,880		
Millenia Pointe	5373 Vineland Rd	Orlando	34,880	100.00%	Proposed	2021			34,880	
5570 E Michigan St - Building 3	5571 E Michigan St	Orlando	32,400	100.00%	Proposed	2020		32,400		
Nona Center	11745 Narcoossee Rd	Orlando	23,107	11.45%	Proposed	2020		23,107		
Orange Ave Office	2116 S Orange Ave	Orlando	22,000	0.00%	Under Construction	2019	22,000			
Crytal Creek Commerce	John Young Prkway And Cry	Orlando	18,000	100.00%	Proposed	2020		18,000		
Build to Suit	1116 Lucerne Ter	Orlando	15,000	100.00%	Under Construction	2019	15,000			
Westgate Office	5903 Westgate Dr	Orlando	15,000	13.33%	Proposed	2020		15,000		
5570 E Michigan St - Building 2	5571 E Michigan St	Orlando	12,600	100.00%	Proposed	2020		12,600		
Semorán Office	1111 S Semoran Blvd	Orlando	12,000	100.00%	Proposed	2020		12,000		
Point Cypress Office	8690 Point Cypress Dr	Orlando	10,000	0.00%	Under Construction	2019	10,000			
Orlando Medical Center - Lake Nona	11749 Narcoossee Rd	Orlando	4,800	0.00%	Under Construction	2019	4,800			
3850 N Econlockhatchee Trl - Building B 3	3851 N Econlockhatchee Trl	Orlando	4,700	100.00%	Proposed	2020		4,700		
New Shell Office Building	3837 N Econlockhatchee Blvd	Orlando	4,640	0.00%	Proposed	2020		4,640		
3836 N Econlockhatchee Trl - Building B 3	3837 N Econlockhatchee Trl	Orlando	4,600	100.00%	Proposed	2020		4,600		
Hunters Park Office	4170 Hunters Park Ln	Orlando	4,000	0.00%	Under Construction	2020		4,000		
4169 Hunters Park Ln - Building 2	4170 Hunters Park Ln	Orlando	4,000	100.00%	Proposed	2020		4,000		
Village Park Dr	Village Park Dr	Orlando	3,128	100.00%	Proposed	2020		3,128		
Total Rentable SF							1,072,800	990,422	259,880	

Source: CoStar Analytics; Beshears & Associates Market Research

Jacksonville Development Pipeline								Proposed Completion Year		
Property Name	Address	City	SF Total	% Leased	Status	Year Built	2019	2020	2021	
Citicards Office	0 Citicards Way	Jacksonville	282,129	100.00%	Proposed	2021			282,129	
Town Center Two	5335 Gate Pky	Jacksonville	218,700	100.00%	Under Construction	2019	218,700			
JEA HQ	325 W Adams St	Jacksonville	207,810	100.00%	Proposed	2021			207,810	
The District - Life Well Lived	801 Broadcast Pl	Jacksonville	200,000	100.00%	Proposed	2020		200,000		
Pinnacle Point at Gate Parkway 295	Gate Pky & I-295 Hwy	Jacksonville	180,000	0.00%	Proposed	2020		180,000		
Southside Quarter	Gate Pky	Jacksonville	125,000	100.00%	Under Construction	2019	125,000			
Gate Pky Office	6651 Gate Pky	Jacksonville	125,000	100.00%	Under Construction	2019	125,000			
Park Place One	Nocatee Pky	Jacksonville	125,000	0.00%	Proposed	2020		125,000		
Southside Quarter	Gate Pky	Jacksonville	100,000	100.00%	Proposed	2020		100,000		
7010 A C Skinner Pky - Building 200	7011 A C Skinner Pky	Jacksonville	60,000	0.00%	Proposed	2020		60,000		
Dunn Ave Professional Building	Dunn Ave & I-295	Jacksonville	40,000	0.00%	Proposed	2020		40,000		
Champion Brands	5530 S Florida Blvd	Jacksonville	36,000	100.00%	Under Construction	2019	36,000			
Point Meadows Office	8100 Point Meadows Dr	Jacksonville	24,000	0.00%	Proposed	2020		24,000		
Race Track Rd Office	3635 Race Track Rd	Jacksonville	23,000	34.78%	Proposed	2020		23,000		
3889 Dunn Ave 300-700	3890 Dunn Ave	Jacksonville	20,520	0.00%	Under Construction	2019	20,520			
St. Johns Bluff Office	3895 St. Johns Bluff Rd S	Jacksonville	15,000	100.00%	Proposed	2021			15,000	
Touchton Office	9722 Touchton Rd	Jacksonville	12,015	100.00%	Under Construction	2019	12,015			
Atlantic Blvd Office	3434 Atlantic Blvd	Jacksonville	9,000	100.00%	Under Construction	2019	9,000			
New Berlin Office	3694 New Berlin Rd	Jacksonville	7,980	100.00%	Proposed	2020		7,980		
Spartina Office	14215 Spartina Ct	Jacksonville	7,266	67.30%	Proposed	2020		7,266		
3002 Claire Ln - Building 3	3003 Claire Ln	Jacksonville	5,544	24.35%	Under Construction	2019	5,544			
3002 Claire Ln - Building 4	3003 Claire Ln	Jacksonville	5,544	0.00%	Under Construction	2019	5,544			
12362 Yellow Bluff Rd - Building 100	12363 Yellow Bluff Rd	Jacksonville	5,000	100.00%	Proposed	2020		5,000		
Betty Dr Office	Betty Dr	Jacksonville	1,200	100.00%	Proposed	2020		1,200		
Total Rentable SF							557,323	773,446	504,939	

Source: CoStar Analytics; Beshears & Associates Market Research

610 South Albany Avenue
Tampa, Florida 33606
www.beshears.net

Tallahassee Development Pipeline									
Property Name	Address	City	SF Total	% Leased	Status	Year Built	2019	2020	2021
Summit Lake Office	1579 Summit Lake Dr	Tallahassee	77,278	100.00%	Under Construction	2019	77,278		
Redevelopment	5050 W Tennessee St	Tallahassee	75,000	100.00%	Proposed	2020		75,000	
Evening Rose pad site #6 (ALF, Health...)	1638 Capital Cir NE	Tallahassee	65,000	0.00%	Proposed	2020		65,000	
Bloxham Office	414 E Bloxham	Tallahassee	63,980	27.09%	Under Construction	2020		63,980	
Evening Rose Town Center - Building 5	Austin Davis Ave	Tallahassee	10,000	100.00%	Proposed	2020		10,000	
Paul Dirac Office	1769 E Paul Dirac Dr	Tallahassee	8,800	100.00%	Under Construction	2019	8,800		
SE Capital Cir Office	2674 SE Capital Cir	Tallahassee	5,280	100.00%	Under Construction	2019	5,280		
Gainsborough Office	1949-1959 Gainsborough Dr	Tallahassee	5,170	100.00%	Proposed	2020		5,170	
NE Capital Cir Office	1849 NE Capital Cir	Tallahassee	4,400	100.00%	Under Construction	2019	4,400		
Highland Oaks Office	3010 Highland Oaks Ter	Tallahassee	4,000	0.00%	Under Construction	2019	4,000		
Total Rentable SF							99,758	219,150	

Source: CoStar Analytics; Beshears & Associates Market Research

Lakeland, Fort Myers, Naples, and Sarasota Development Pipeline									
Property Name	Address	City	SF Total	% Leased	Status	Year Built	2019	2020	2021
Oakbridge Office	Oakbridge Pky @ Harden Blvd	Lakeland	77,000	0.00%	Proposed	2021			77,000
Dani Drive Office	Dani Dr	Fort Myers	21,608	100.00%	Proposed	2021			21,608
Eagle View	2500 Goodlette Rd N	Naples	20,000	50.00%	Proposed	2020		20,000	
Fruitville Office	2901 Fruitville Rd	Sarasota	8,800	57.95%	Under Construction	2019	8,800		
Total Rentable SF							8,800	20,000	98,608

Source: CoStar Analytics; Beshears & Associates Market Research

Major Transactions

The table below, and on the following two pages, shows the major transactions in the office market since January 2018 in the eight markets that are the focus of this newsletter. The Class A transactions ranged on a price per square foot from just over \$461.17 to \$81.43, at an average price of \$263.83. The capitalization rates ranged from 5.50% to 8.70% with an average capitalization rate of 7.34% and a median reported capitalization rate of 7.46%.

Class A Recent Major Transactions								
Property Name	City	Building SF	Year Built	Sale Date	Sale Price	Price Per SF	Cap Rate	
Tampa City Center	Tampa	757,425	1981	10/19/2018	\$110,000,000	\$145.23	Not Disclosed	
SunTrust Tower	Jacksonville	369,482	1989	7/31/2018	\$59,000,000	\$159.68	Not Disclosed	
Hewitt Associates	Orlando	350,276	1999	6/19/2019	\$49,500,000	\$141.32	Not Disclosed	
Capital Commerce Center	Tallahassee	275,000	1994	1/22/2018	\$31,785,989	\$115.59	7.30%	
Transamerica	Tampa	250,000	1998	3/21/2019	\$36,800,000	\$147.20	Not Disclosed	
490 1st Avenue South	Tampa	239,585	1926/1988	12/17/2018	\$39,350,000	\$164.24	5.50%	
Maitland Promenade I	Orlando	230,366	1999	1/17/2019	\$48,500,000	\$210.53	7.90%	
Siemens Building	Orlando	226,548	2003	4/4/2019	\$53,750,000	\$237.26	Not Disclosed	
Westshore Center	Tampa	217,022	1984	6/3/2019	\$52,050,000	\$239.84	5.80%	
Highwoods Preserve I	Tampa	198,750	2000	12/21/2018	\$37,500,000	\$188.68	8.20%	
Lakeview Center	Tampa	187,940	1984	5/11/2018	\$21,800,000	\$115.99	Not Disclosed	
HD Supply	Orlando	182,461	2003	2/22/2018	\$28,000,000	\$153.46	Not Disclosed	
200 SouthPark Center	Orlando	144,852	1999	12/13/2018	\$33,850,000	\$233.69	Not Disclosed	
3700 Lakeside Drive	Orlando	132,092	1996	2/27/2019	\$18,300,000	\$138.54	Not Disclosed	
Park Place	Tampa	119,015	1985	4/12/2018	\$19,800,000	\$166.37	8.70%	
Fountain Square Centre of Tampa	Tampa	98,000	1999	2/15/2019	\$17,825,000	\$181.89	7.46%	
Kane Plaza	Sarasota	77,089	2000	5/1/2018	\$16,260,000	\$210.93	7.25%	
550 Reo	Tampa	76,397	1985	8/14/2018	\$13,150,000	\$172.13	Not Disclosed	
Citrus Park Crossings	Tampa	75,845	2013	8/9/2018	\$18,500,000	\$243.92	8.00%	
Florida Medical Clinic	Tampa	74,800	2017	3/29/2018	\$26,205,500	\$350.34	7.00%	
1743 Main Street	Sarasota	72,000	2006	1/22/2019	\$10,685,300	\$148.41	Not Disclosed	
Highland Commons	Tampa	63,548	1985	1/2/2018	\$5,175,000	\$81.43	8.00%	
Colonial Corporate Center	Fort Myers	63,515	1989	12/14/2018	\$5,900,000	\$92.89	Not Disclosed	
Discovery TechCenter II - Phase I	Orlando	62,553	2008	5/24/2019	\$9,750,000	\$155.87	Not Disclosed	
Bank of America Building	Fort Myers	46,378	1990	1/18/2019	\$9,562,500	\$206.19	8.00%	
Dream Finders HQ	Jacksonville	45,000	2018	6/8/2018	\$13,750,000	\$305.56	7.00%	
MAXhealth Center	Tampa	30,230	2007	6/29/2018	\$4,725,000	\$156.30	6.07%	
Medical Village at Lake Nona Building #1	Orlando	30,000	2017	7/10/2018	\$11,086,100	\$369.54	7.71%	
Centauri Insurance	Sarasota	30,000	2017	12/7/2018	\$6,680,000	\$222.67	Not Disclosed	
Medical Village at Lake Nona Building #1	Orlando	30,000	2017	7/10/2018	\$11,086,100	\$369.54	7.71%	
202 South Rome Avenue	Tampa	28,313	1973	5/2/2018	\$4,600,000	\$162.47	6.75%	
Florida Plaza	Orlando	25,266	2008	5/8/2019	\$4,300,000	\$170.19	8.50%	
1420 Edgewater Drive	Orlando	15,556	1997	4/29/2019	\$3,091,500	\$198.73	Not Disclosed	
FishHawk HealthPark	Tampa	12,360	2017	1/3/2019	\$5,700,000	\$461.17	6.70%	
Minimum		12,360			\$3,091,500	\$81.43	5.50%	
Maximum		757,425			\$110,000,000	\$461.17	8.70%	
Average		142,284			\$24,647,588	\$263.83	7.34%	
Median		76,743			\$18,062,500	\$171.16	7.46%	

Source: Beshears & Associate Market Research; CoStar Analytics

The table below highlights recent major transactions of Class-B office properties in the markets analyzed in this newsletter. The Class B transactions ranged on a price per square foot basis from \$110.32 to \$667.33, with an average price of \$213.78. The capitalization rates ranged from 5.35% to 10.40%, with an average and median reported capitalization rates from 7.92% to 8.00%, respectively.

Class B Recent Major Transactions							
Property Name	City	Building SF	Year Built	Sale Date	Sale Price	Price Per SF	Cap Rate
BellSouth Bldg	Orlando	157,358	1997	12/27/2018	\$34,500,000	\$219.25	7.50%
Park Place	Tampa	119,015	1985	4/12/2018	\$19,800,000	\$166.37	8.70%
Sabal VI	Tampa	101,000	1988	6/4/2018	\$15,225,000	\$150.74	8.10%
Lee Road Building	Orlando	89,316	1974	2/14/2018	\$10,500,000	\$117.56	8.40%
Cardinal Point At Gateway	Tampa	88,447	1987	7/20/2018	\$17,150,000	\$193.90	7.50%
Buschwood III	Tampa	77,568	1989	2/16/2018	\$8,900,000	\$114.74	8.10%
Heathrow I	Orlando	71,160	1986	7/19/2018	\$10,000,000	\$140.53	7.12%
Medical Plaza One	Fort Myers	60,726	1993	4/9/2018	\$12,350,000	\$203.37	7.10%
Palm Court at Hidden River	Tampa	59,675	1989	8/23/2018	\$6,800,000	\$113.95	9.53%
Citizens Centre	Tallahassee	48,287	1999	4/11/2018	\$8,300,000	\$171.89	6.75%
Bank of America Building	Fort Myers	46,378	1990	1/18/2019	\$9,562,500	\$206.19	8.00%
Armstrong Bldg	Orlando	33,838	1999	12/14/2018	\$8,250,000	\$243.81	7.60%
The Arthur J. Gallagher & Co Building	Tampa	32,440	2001	8/1/2018	\$6,200,000	\$191.12	7.59%
Spring Hill Medical Mall	Tampa	29,917	2001	2/28/2018	\$4,475,000	\$149.58	8.04%
202 S Rome Avenue	Tampa	28,313	1973	5/2/2018	\$4,600,000	\$162.47	6.75%
Harris Professional Center	Tampa	27,126	2007	6/29/2018	\$4,725,000	\$174.19	6.07%
Southside Cancer Center	Jacksonville	24,169	2000	5/16/2018	\$8,640,000	\$357.48	8.22%
Gladiolus Commons	Fort Myers	20,623	2006	11/16/2018	\$2,750,000	\$133.35	7.50%
1337-1405 W Colonial Drive	Orlando	19,568	1984	9/18/2018	\$2,645,000	\$135.17	8.20%
Copperstone Executive Suites	Tampa	18,496	2005	1/16/2019	\$3,050,000	\$164.90	10.32%
Sand Lake Surgery Center	Orlando	16,054	2007	12/13/2018	\$6,200,000	\$386.20	7.50%
Longleaf Professional Center	Tampa	15,000	2007	8/6/2018	\$2,875,000	\$191.67	8.00%
Parkway University Center	Lakeland	12,000	2009	9/18/2018	\$1,925,000	\$160.42	10.40%
New Brittany Corporate Center	Fort Myers	11,600	2003	8/24/2018	\$3,250,000	\$280.17	7.00%
Maitland Office Building	Orlando	10,586	1998	8/6/2018	\$1,950,000	\$184.21	10.35%
5008 Mustang Road	Jacksonville	9,814	2004	6/4/2018	\$1,250,000	\$127.37	8.45%
2565 Cleveland Avenue	Fort Myers	8,991	2012	5/22/2018	\$6,000,000	\$667.33	8.50%
1720 Manatee Avenue E	Tampa	8,463	2003	4/5/2018	\$1,400,000	\$165.43	9.00%
Davita Dialysis	Orlando	7,887	2018	6/8/2018	\$3,170,000	\$401.93	5.35%
Trinity Professional Center	Tampa	7,240	2006	7/20/2018	\$1,125,000	\$155.39	8.29%
616 N Palmetto Road	Orlando	6,912	1978	5/31/2018	\$762,500	\$110.32	9.97%
Nidich Columbia Promenade	Orlando	6,845	2001	6/29/2018	\$875,000	\$127.83	7.20%
Tavares Surgery Center	Orlando	6,515	2013	3/21/2019	\$3,600,000	\$552.57	6.30%
WellMed at Bartow	Tampa	6,381	1980	6/4/2018	\$950,000	\$148.88	9.10%
27415 Cashford Circle	Tampa	5,800	2008	3/29/2019	\$950,000	\$163.79	7.62%
1209 N Central Avenue	Orlando	5,472	1964	6/15/2018	\$1,025,000	\$187.32	8.00%
4070 Aloma Avenue	Orlando	5,044	2008	4/9/2018	\$1,625,000	\$322.16	7.01%
2120 US Alt. 19	Tampa	5,000	2002	11/19/2018	\$1,400,000	\$280.00	5.75%
Minimum		5,000			\$762,500	\$110.32	5.35%
Maximum		157,358			\$34,500,000	\$667.33	10.40%
Average		34,448			\$6,283,026	\$213.78	7.92%
Median		19,032			\$4,037,500	\$169.13	8.00%

Source: Beshears & Associate Market Research; CoStar Analytics

The table below highlights recent major transactions of Class-C office properties in the markets analyzed in this newsletter. The Class C transactions ranged on a price per square foot basis from \$101.32 to \$483.33, with an average price of \$207.67. The capitalization rates ranged from 4.25% to 10.50%, with an average and median reported capitalization rates of 7.60% and 7.52%, respectively.

Class C Recent Major Transactions							
Property Name	City	Building SF	Year Built	Sale Date	Sale Price	Price Per SF	Cap Rate
5250 17th Street	Tampa	47,116	1986	2/27/2018	\$5,250,000	\$111.43	9.90%
24 Cathedral Place	Jacksonville	40,000	1928	1/30/2018	\$10,000,000	\$250.00	7.50%
Grand Central Place	Tampa	37,400	1925	8/22/2018	\$8,500,000	\$227.27	4.70%
Bay West Center	Tampa	35,031	1977	9/27/2018	\$3,695,000	\$105.48	7.50%
Galaxy Bldg	Orlando	25,676	1987	5/4/2018	\$2,900,000	\$112.95	8.00%
12751 S Cleveland Avenue	Fort Myers	25,370	1971	9/5/2018	\$3,250,000	\$128.10	8.00%
Axcess Medical Center	Tampa	18,252	2004	3/22/2018	\$6,650,000	\$364.34	6.82%
The Wave Center	Jacksonville	13,719	1958	12/17/2018	\$1,390,000	\$101.32	9.79%
10069 N Florida Avenue	Tampa	11,600	1962	3/23/2018	\$1,299,999	\$112.07	10.57%
770 4th Avenue N	Tampa	10,743	1952	12/7/2018	\$1,800,000	\$167.55	6.00%
2985 Landover Boulevard	Tampa	10,200	2001	1/2/2019	\$4,175,000	\$409.31	6.13%
2401 60th Street W	Tampa	9,994	2006	7/27/2018	\$3,000,000	\$300.18	8.25%
1270 N Orange Avenue	Orlando	9,796	1991	1/10/2018	\$2,250,000	\$229.69	7.99%
325 John Knox Road - Building S	Tallahassee	9,702	1979	2/16/2018	\$1,150,000	\$118.53	9.50%
I-4 Commerce Center	Orlando	9,400	1972	2/22/2018	\$2,658,900	\$282.86	8.00%
325 John Knox Road - Building G	Tallahassee	9,254	1978	1/31/2018	\$1,500,000	\$162.09	7.50%
105 Bonnie Loch Court	Orlando	9,081	1983	12/17/2018	\$3,285,000	\$361.74	6.55%
2606 Horseshoe Drive	Naples	8,999	1989	1/4/2018	\$1,250,000	\$138.90	6.50%
1406 Kingsley Avenue	Jacksonville	8,538	1976	10/1/2018	\$975,000	\$114.20	8.00%
2161 Mcgregor Boulevard	Fort Myers	8,266	1962	3/14/2018	\$890,000	\$107.67	9.12%
Cape Cod Place	Lakeland	7,868	1988	9/14/2018	\$1,250,000	\$158.87	5.00%
Cypress Ridge	Lakeland	7,636	2006	11/5/2018	\$1,825,000	\$239.00	7.13%
1100 Tamiami Trail S	Sarasota	7,400	1987	7/27/2018	\$799,900	\$108.09	7.50%
Traveler's Oasis Building 2	Sarasota	7,302	2007	5/29/2018	\$1,150,000	\$157.49	7.30%
201 Montgomery Avenue	Sarasota	7,276	1990	7/12/2018	\$2,040,000	\$280.37	10.00%
1000 S Tamiami Trail	Sarasota	7,165	1985	8/1/2018	\$805,000	\$112.35	7.53%
27275 State Road 54	Tampa	6,464	1990	3/29/2018	\$3,117,700	\$482.32	4.25%
Prestige Park	Tampa	6,000	1997	11/1/2018	\$2,900,000	\$483.33	7.00%
2510 US Highway 1 S	Jacksonville	5,172	1977	2/13/2018	\$660,000	\$127.61	8.25%
1900 Howell Branch Road	Orlando	5,000	1983	8/13/2018	\$875,000	\$175.00	7.85%
Minimum		5,000			\$660,000	\$101.32	4.25%
Maximum		47,116			\$10,000,000	\$483.33	10.57%
Average		14,181			\$2,709,717	\$207.67	7.60%
Median		9,327			\$1,932,500	\$160.48	7.52%

Source: Beshears & Associate Market Research; CoStar Analytics

The Big Table

Inventory, By MSA	2014	2015	2016	2017	2018	2019*
Tampa						
Existing Inventory RSF	121,305,650	121,658,080	121,429,347	121,539,051	121,491,315	121,895,515
Vacancy Rate %	11.7%	9.9%	8.7%	7.8%	7.4%	7.5%
Net Space Added	362,613	569,765	502,451	458,835	489,936	437,912
Net Absorption RSF	1,803,652	2,488,667	1,215,413	1,155,130	572,257	196,627
Average Rental Rate \$RSF	\$18.93	\$19.75	\$20.44	\$21.10	\$22.49	\$23.80
Average Sale Price \$RSF	\$144.60	\$154.60	\$164.68	\$172.14	\$179.26	\$186.86
Sales Volume (Millions)	\$1,220,084,701	\$1,272,446,872	\$1,232,549,780	\$1,295,492,477	\$1,249,482,008	\$329,807,535
Number of Transactions	359	407	445	397	430	79
Orlando						
Existing Inventory RSF	91,839,512	92,014,793	92,566,333	93,055,814	93,731,525	93,915,868
Vacancy Rate %	12.8%	11.1%	8.4%	7.4%	7.2%	7.5%
Net Space Added	482,169	175,281	551,540	489,481	675,711	184,343
Net Absorption RSF	581,056	1,301,593	2,724,973	1,311,936	936,806	71,516
Average Rental Rate \$RSF	\$18.92	\$19.25	\$19.89	\$20.32	\$21.02	\$21.16
Average Sale Price \$RSF	\$135.65	\$159.59	\$133.63	\$147.96	\$146.12	\$166.64
Sales Volume (Millions)	\$434,557,890	\$562,387,571	\$315,092,554	\$400,140,145	\$568,169,093	\$125,445,950
Number of Transactions	230	245	304	256	304	59
Jacksonville						
Existing Inventory RSF	63,529,775	63,477,734	63,552,974	63,704,982	64,104,318	64,221,482
Vacancy Rate %	12.8%	11.2%	8.2%	7.3%	8.7%	9.4%
Net Space Added	-85,944	-52,041	75,240	152,008	399,336	117,164
Net Absorption RSF	679,103	678,678	801,477	854,961	-26,247	-375,634
Average Rental Rate \$RSF	\$17.16	\$18.39	\$18.28	\$17.84	\$19.97	\$20.73
Average Sale Price \$RSF	\$95.33	\$113.72	\$102.99	\$94.20	\$114.21	\$59.07
Sales Volume (Millions)	\$133,160,552	\$181,811,347	\$161,850,836	\$133,512,879	\$188,349,946	\$20,646,700
Number of Transactions	146	193	173	142	203	30
Sarasota						
Existing Inventory RSF	25,746,294	25,861,795	25,826,003	25,937,469	25,949,827	25,978,827
Vacancy Rate %	11.6%	10.7%	7.2%	6.2%	5.7%	5.3%
Net Space Added	32,162	115,501	-35,792	111,466	12,358	29,000
Net Absorption RSF	366,187	394,934	505,421	222,024	48,576	-38,554
Average Rental Rate \$RSF	\$19.01	\$20.15	\$20.16	\$20.37	\$21.76	\$21.92
Average Sale Price \$RSF	\$146.84	\$132.15	\$161.82	\$149.49	\$120.13	\$122.79
Sales Volume (Millions)	\$65,421,301	\$95,342,717	\$119,078,038	\$144,640,017	\$120,691,459	\$39,953,430
Number of Transactions	96	96	102	81	130	25
Lakeland						
Existing Inventory RSF	13,436,705	13,454,401	13,390,238	13,420,135	13,416,444	13,444,201
Vacancy Rate %	5.8%	5.0%	4.2%	4.5%	3.7%	2.7%
Net Space Added	69,951	17,696	-64,163	29,897	-3,691	27,757
Net Absorption RSF	171,166	156,274	128,387	138,924	10,360	-10,600
Average Rental Rate \$RSF	\$16.30	\$16.12	\$16.21	\$15.61	\$15.07	\$15.66
Average Sale Price \$RSF	\$94.95	\$130.74	\$94.70	\$118.42	\$97.45	\$89.83
Sales Volume (Millions)	\$19,893,929	\$20,526,141	\$42,317,600	\$84,006,144	\$41,662,716	\$4,092,100
Number of Transactions	43	47	56	54	90	11
Fort Myers						
Existing Inventory RSF	19,605,334	20,069,736	20,192,201	20,305,847	20,503,112	20,513,730
Vacancy Rate %	14.3%	12.3%	9.0%	5.9%	8.1%	9.0%
Net Space Added	15,977	464,402	122,465	113,646	197,265	10,618
Net Absorption RSF	260,577	810,353	571,655	425,254	3,994	-15,702
Average Rental Rate \$RSF	\$13.34	\$14.06	\$14.65	\$13.40	\$12.74	\$13.46
Average Sale Price \$RSF	\$91.26	\$137.85	\$124.87	\$137.14	\$119.02	\$197.67
Sales Volume (Millions)	\$51,906,729	\$90,833,509	\$72,712,162	\$80,136,436	\$90,835,548	\$16,952,750
Number of Transactions	83	95	84	73	105	11
Naples						
Existing Inventory RSF	9,353,860	9,381,660	9,393,010	9,475,060	9,501,144	9,487,216
Vacancy Rate %	11.0%	10.7%	11.6%	7.2%	9.3%	12.1%
Net Space Added	-19,219	27,800	11,350	82,050	26,084	-13,928
Net Absorption RSF	11,870	189,473	112,088	159,120	-57,757	-171,633
Average Rental Rate \$RSF	\$18.93	\$22.37	\$21.98	\$19.22	\$21.91	\$20.89
Average Sale Price \$RSF	\$141.32	\$223.49	\$248.49	\$210.35	\$100.02	\$408.16
Sales Volume (Millions)	\$32,554,314	\$65,320,800	\$52,236,544	\$69,785,095	\$18,386,025	\$7,955,000
Number of Transactions	17	24	22	28	25	4
Tallahassee						
Existing Inventory RSF	22,111,925	22,108,821	22,104,471	22,250,446	22,315,710	22,322,110
Vacancy Rate %	16.9%	17.2%	8.0%	5.6%	4.3%	3.9%
Net Space Added	30,611	-3,104	-4,350	145,975	65,264	6,400
Net Absorption RSF	222,223	-94,773	666,170	249,485	-4,335	38,269
Average Rental Rate \$RSF	\$15.03	\$14.24	\$14.37	\$16.13	\$16.12	\$16.28
Average Sale Price \$RSF	\$75.94	\$67.73	\$79.18	\$67.43	\$117.34	\$48.12
Sales Volume (Millions)	\$22,948,000	\$22,015,300	\$35,120,790	\$57,355,200	\$80,032,789	\$3,100,000
Number of Transactions	59	60	70	72	79	7

Source: CoStar Analytics, Beshears & Associates Market Research
 *2019 data is through June

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