

The CoStar Office Report

Mid-Year 2016

Jacksonville Office Market



CoStarTM
The knowledge market

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Methodology

The CoStar Office Report, unless specifically stated otherwise, calculates office statistics using CoStar Group's entire database of existing and under construction office buildings in each metropolitan area. Included are office, office condominium, office loft, office medical, all classes and all sizes, and both multi-tenant and single-tenant buildings, including owner-occupied buildings. CoStar Group's national database includes approximately 80.7 billion square feet of coverage in 3.5 million properties. All rental rates reported in the CoStar Office Report have been converted to a Full Service equivalent rental rate.

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CoStar Group, Inc.

1331 L ST NW • Washington, DC 20005 • (800) 204-5960 • www.costar.com • NASDAQ: CSGP

Terms & Definitions

Availability Rate: The ratio of available space to total rentable space, calculated by dividing the total available square feet by the total rentable square feet.

Available Space: The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

Build-to-Suit: A term describing a particular property, developed specifically for a certain tenant to occupy, with structural features, systems, or improvement work designed specifically for the needs of that tenant. A build-to-suit can be leased or owned by the tenant. In a leased build-to-suit, a tenant will usually have a long term lease on the space.

Buyer: The individual, group, company, or entity that has purchased a commercial real estate asset.

Cap Rate: Short for capitalization rate. The Cap Rate is a calculation that reflects the relationship between one year's net operating income and the current market value of a particular property. The Cap Rate is calculated by dividing the annual net operating income by the sales price (or asking sales price).

CBD: Abbreviation for Central Business District. (See also: Central Business District)

Central Business District: The designations of Central Business District (CBD) and Suburban refer to a particular geographic area within a metropolitan statistical area (MSA) describing the level of real estate development found there. The CBD is characterized by a high density, well organized core within the largest city of a given MSA.

Class A: A classification used to describe buildings that generally qualify as extremely desirable investment-grade properties and command the highest rents or sale prices compared to other buildings in the same market. Such buildings are well located and provide efficient tenant layouts as well as high quality, and in some buildings, one-of-a-kind floor plans. They can be an architectural or historical landmark designed by prominent architects. These buildings contain a modern mechanical system, and have above-average maintenance and management as well as the best quality materials and workmanship in their trim and interior fittings. They are generally the most attractive and eagerly sought by investors willing to pay a premium for quality.

Class B: A classification used to describe buildings that generally qualify as a more speculative investment, and as such, command lower rents or sale prices compared to Class A properties. Such buildings offer utilitarian space without special attractions, and have ordinary design, if new or fairly new; good to excellent design if an older non-landmark building. These buildings typically have average to good maintenance, management and tenants. They are less appealing to tenants than Class A properties, and may be deficient in a number of respects including floor plans, condition and facilities. They lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Class C: A classification used to describe buildings that generally qualify as no-frills, older buildings that offer basic space and command lower rents or sale prices compared to other buildings in the same market. Such buildings typically have below-average maintenance and management, and could have mixed or low tenant prestige, inferior elevators, and/or mechanical/electrical systems. These buildings lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Construction Starts: Buildings that began construction during a specific period of time. (See also: Deliveries)

Contiguous Blocks of Space: Space within a building that is, or is able to be joined together into a single contiguous space.

Deliveries: Buildings that complete construction during a specified period of time. In order for space to be considered delivered, a certifi-

cate of occupancy must have been issued for the property.

Delivery Date: The date a building completes construction and receives a certificate of occupancy.

Developer: The company, entity or individual that transforms raw land to improved property by use of labor, capital and entrepreneurial efforts.

Direct Space: Space that is being offered for lease directly from the landlord or owner of a building, as opposed to space being offered in a building by another tenant (or broker of a tenant) trying to sublet a space that has already been leased.

Existing Inventory: The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.

Flex Building: A type of building designed to be versatile, which may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses. A typical flex building will be one or two stories with at least half of the rentable area being used as office space, have ceiling heights of 16 feet or less, and have some type of drive-in door, even though the door may be glassed in or sealed off.

Full Service Rental Rate: Rental rates that include all operating expenses such as utilities, electricity, janitorial services, taxes and insurance.

Gross Absorption: The total change in occupied space over a given period of time, counting space that is occupied but not space that is vacated by tenants. Gross absorption differs from leasing Activity, which is the sum of all space leased over a certain period of time. Unless otherwise noted Gross Absorption includes direct and sublease space.

Growth in Inventory: The change in size of the existing square footage in a given area over a given period of time, generally due to the construction of new buildings.

Industrial Building: A type of building adapted for such uses as the assemblage, processing, and/or manufacturing of products from raw materials or fabricated parts. Additional uses include warehousing, distribution, and maintenance facilities. The primary purpose of the space is for storing, producing, assembling, or distributing product.

Landlord Rep: (Landlord Representative) In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the owner/landlord is referred to as the Landlord Rep.

Leased Space: All the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

Leasing Activity: The volume of square footage that is committed to and signed under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity in planned, under construction, or under renovation buildings.

Market: Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building-type specific, and are non-overlapping contiguous geographic designations having a cumulative sum that matches the boundaries of the entire Region (See also: Region). Markets can be further subdivided into Submarkets. (See also: Submarkets)

Multi-Tenant: Buildings that house more than one tenant at a given time. Usually, multi-tenant buildings were designed and built to accommodate many different floor plans and designs for different

tenant needs. (See also: Tenancy).

Net Absorption: The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.

Net Rental Rate: A rental rate that excludes certain expenses that a tenant could incur in occupying office space. Such expenses are expected to be paid directly by the tenant and may include janitorial costs, electricity, utilities, taxes, insurance and other related costs.

New Space: Sometimes called first generation space, refers to space that has never been occupied and/or leased by a tenant.

Occupied Space: Space that is physically occupied by a tenant. It does not include leased space that is not currently occupied by a tenant.

Office Building: A type of commercial building used exclusively or primarily for office use (business), as opposed to manufacturing, warehousing, or other uses. Office buildings may sometimes have other associated uses within part of the building, i.e., retail sales, financial, or restaurant, usually on the ground floor.

Owner: The company, entity, or individual that holds title on a given building or property.

Planned/Proposed: The status of a building that has been announced for future development but not yet started construction.

Preleased Space: The amount of space in a building that has been leased prior to its construction completion date, or certificate of occupancy date.

Price/SF: Calculated by dividing the price of a building (either sales price or asking sales price) by the Rentable Building Area (RBA).

Property Manager: The company and/or person responsible for the day-to-day operations of a building, such as cleaning, trash removal, etc. The property manager also makes sure that the various systems within the building, such as the elevators, HVAC, and electrical systems, are functioning properly.

Quoted Rental Rate: The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates paid by tenants following the negotiation of all terms and conditions in a specific lease.

RBA: Abbreviation for Rentable Building Area. (See also: Rentable Building Area)

Region: Core areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are further divided into market areas, called Markets. (See also: Markets)

Relet Space: Sometimes called second generation or direct space, refers to existing space that has previously been occupied by another tenant.

Rentable Building Area: (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally RBA includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

Rental Rates: The annual costs of occupancy for a particular space quoted on a per square foot basis.

Sales Price: The total dollar amount paid for a particular property at a particular point in time.

Sales Volume: The sum of sales prices for a given group of buildings in a given time period.

Seller: The individual, group, company, or entity that sells a particular commercial real estate asset.

SF: Abbreviation for Square Feet.

Single-Tenant: Buildings that are occupied, or intended to be occupied by a single tenant. (See also: Build-to-suit and Tenancy)

Sublease Space: Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation. Sublease space is sometimes referred to as sublet space.

Submarkets: Specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set, or peer group. Submarkets are building type specific (office, industrial, retail, etc.), with distinct boundaries dependent on different factors relevant to each building type. Submarkets are non-overlapping, contiguous geographic designations having a cumulative sum that matches the boundaries of the Market they are located within (See also: Market).

Suburban: The Suburban and Central Business District (CBD) designations refer to a particular geographic area within a metropolitan statistical area (MSA). Suburban is defined as including all office inventory not located in the CBD. (See also: CBD)

Tenancy: A term used to indicate whether or not a building is occupied by multiple tenants (See also: Multi-tenant) or a single tenant. (See also: Single-tenant)

Tenant Rep: Tenant Rep stands for Tenant Representative. In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the tenant is referred to as a Tenant Rep.

Time On Market: A measure of how long a currently available space has been marketed for lease, regardless of whether it is vacant or occupied.

Under Construction: Buildings in a state of construction, up until they receive their certificate of occupancy. In order for CoStar to consider a building under construction, the site must have a concrete foundation in place. Abbreviated UC.

Vacancy Rate: A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory. Under construction space generally is not included in vacancy calculations.

Vacant Space: Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done, would also be considered vacant space.

Weighted Average Rental Rate: Rental rates that are calculated by factoring in, or weighting, the square footage associated with each particular rental rate. This has the effect of causing rental rates on larger spaces to affect the average more than that of smaller spaces. The weighted average rental rate is calculated by taking the ratio of the square footage associated with the rental rate on each individual available space to the square footage associated with rental rates on all available spaces, multiplying the rental rate by that ratio, and then adding together all the resulting numbers. Unless specifically specified otherwise, rental rate averages include both Direct and Sublet available spaces.

Year Built: The year in which a building completed construction and was issued a certificate of occupancy.

YTD: Abbreviation for Year-to-Date. Describes statistics that are cumulative from the beginning of a calendar year through whatever time period is being studied.

Jacksonville Office Market



Overview

Jacksonville's Vacancy Decreases to 9.4% Net Absorption Positive 344,594 SF in the Quarter

The Jacksonville Office market ended the second quarter 2016 with a vacancy rate of 9.4%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 344,594 square feet in the second quarter. Vacant sublease space decreased in the quarter, ending the quarter at 86,941 square feet. Rental rates ended the second quarter at \$18.41, an increase over the previous quarter. A total of two buildings delivered to the market in the quarter totaling 12,102 square feet, with 111,301 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall Jacksonville office market was positive 344,594 square feet in the second quarter 2016. That compares to positive 212,219 square feet in the first quarter 2016, negative (165,012) square feet in the fourth quarter 2015, and positive 238,908 square feet in the third quarter 2015.

Tenants moving into large blocks of space in 2016 include: Southeastern Grocers moving into 159,810 square feet at Prominence Building 200; Deutsche Bank moving into 150,000 square feet at 5201 Gate Pky; and PHH Mortgage Corporation moving into 102,856 square feet at 7777 Baymeadows Way.

The Class-A office market recorded net absorption of negative (17,348) square feet in the second quarter 2016, compared to positive 231,019 square feet in the first quarter 2016, negative (162,382) in the fourth quarter 2015, and positive 96,221 in the third quarter 2015.

The Class-B office market recorded net absorption of positive 381,593 square feet in the second quarter 2016, com-

pared to negative (54,721) square feet in the first quarter 2016, positive 2,452 in the fourth quarter 2015, and positive 173,192 in the third quarter 2015.

The Class-C office market recorded net absorption of negative (19,651) square feet in the second quarter 2016 compared to positive 35,921 square feet in the first quarter 2016, negative (5,082) in the fourth quarter 2015, and negative (30,505) in the third quarter 2015.

Net absorption for Jacksonville's central business district was negative (8,067) square feet in the second quarter 2016. That compares to positive 85,033 square feet in the first quarter 2016, positive 39,572 in the fourth quarter 2015, and positive 92,167 in the third quarter 2015.

Net absorption for the suburban markets was positive 352,661 square feet in the second quarter 2016. That compares to positive 127,186 square feet in first quarter 2016, negative (204,584) in the fourth quarter 2015, and positive 146,741 in the third quarter 2015.

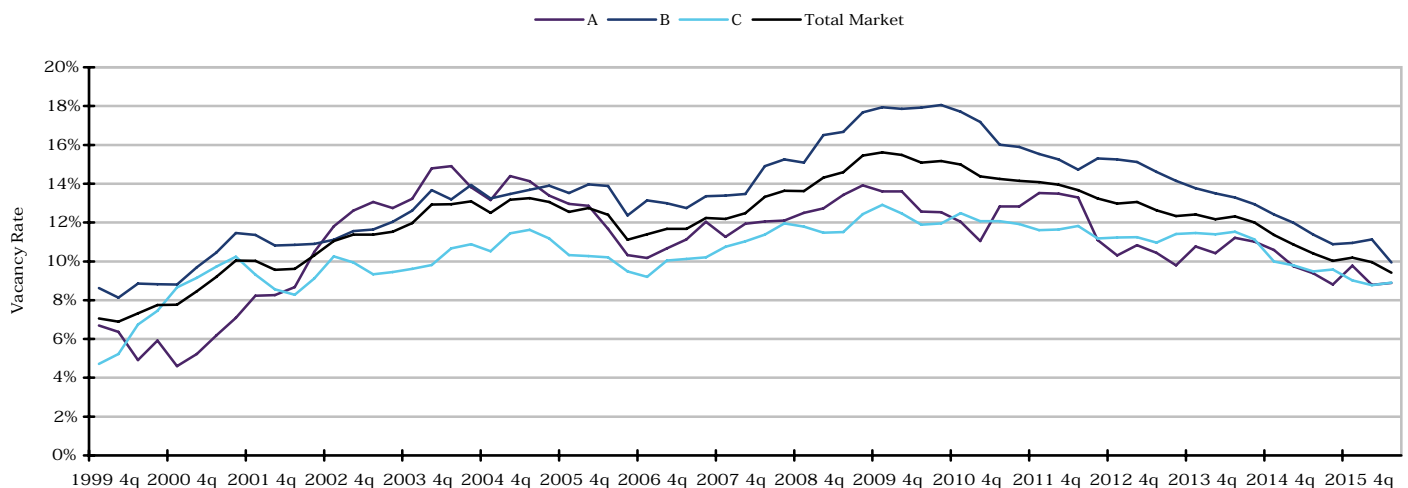
Vacancy

The office vacancy rate in the Jacksonville market area decreased to 9.4% at the end of the second quarter 2016. The vacancy rate was 10.0% at the end of the first quarter 2016, 10.2% at the end of the fourth quarter 2015, and 10.0% at the end of the third quarter 2015.

Class-A projects reported a vacancy rate of 8.9% at the end of the second quarter 2016, 8.8% at the end of the first quarter 2016, 9.8% at the end of the fourth quarter 2015, and 8.8% at the end of the third quarter 2015.

Class-B projects reported a vacancy rate of 10.0% at the

Vacancy Rates by Class 1999-2016



Source: CoStar Property®

end of the second quarter 2016, 11.1% at the end of the first quarter 2016, 10.9% at the end of the fourth quarter 2015, and 10.9% at the end of the third quarter 2015.

Class-C projects reported a vacancy rate of 8.9% at the end of the second quarter 2016, 8.8% at the end of first quarter 2016, 9.0% at the end of the fourth quarter 2015, and 9.6% at the end of the third quarter 2015.

The overall vacancy rate in Jacksonville's central business district at the end of the second quarter 2016 changed to 10.6%. The vacancy rate was 10.6% at the end of the first quarter 2016, 11.1% at the end of the fourth quarter 2015, and 11.3% at the end of the third quarter 2015.

The vacancy rate in the suburban markets decreased to 9.0% in the second quarter 2016. The vacancy rate was 9.7% at the end of the first quarter 2016, 9.9% at the end of the fourth quarter 2015, and 9.6% at the end of the third quarter 2015.

Largest Lease Signings

The largest lease signings occurring in 2016 included: the 132,270-square-foot lease signed by Aetna US Healthcare at 9000 Southside Blvd - Bldg 100 in the Butler/Baymeadows market; the 17,486-square-foot deal signed by Cypress Insurance at Lakeside Five – Flagler Center in the Butler/Baymeadows market; and the 17,103-square-foot lease signed by Covent Bridge USA at North Regency 1 in the Arlington market.

Sublease Vacancy

The amount of vacant sublease space in the Jacksonville market decreased to 86,941 square feet by the end of the second quarter 2016, from 89,957 square feet at the end of the first quarter 2016. There was 279,514 square feet vacant at the end of the fourth quarter 2015 and 112,451 square feet at the end of the third quarter 2015.

Jacksonville's Class-A projects reported vacant sublease space of 26,997 square feet at the end of second quarter 2016, down from the 28,554 square feet reported at the end of the

first quarter 2016. There was 187,468 square feet of sublease space vacant at the end of the fourth quarter 2015, and 45,449 square feet at the end of the third quarter 2015.

Class-B projects reported vacant sublease space of 57,796 square feet at the end of the second quarter 2016, down from the 61,403 square feet reported at the end of the first quarter 2016. At the end of the fourth quarter 2015 there was 91,046 square feet, and at the end of the third quarter 2015 there was 66,002 square feet vacant.

Class-C projects reported increased vacant sublease space from the first quarter 2016 to the second quarter 2016. Sublease vacancy went from 0 square feet to 2,148 square feet during that time. There was 1,000 square feet at the end of the fourth quarter 2015, and 1,000 square feet at the end of the third quarter 2015.

Sublease vacancy in Jacksonville's central business district stood at 23,989 square feet at the end of the second quarter 2016. It was 18,489 square feet at the end of the first quarter 2016, 31,879 square feet at the end of the fourth quarter 2015, and 28,727 square feet at the end of the third quarter 2015.

Sublease vacancy in the suburban markets ended the second quarter 2016 at 62,952 square feet. At the end of the first quarter 2016 sublease vacancy was 71,468 square feet, was 247,635 square feet at the end of the fourth quarter 2015, and was 83,724 square feet at the end of the third quarter 2015.

Rental Rates

The average quoted asking rental rate for available office space, all classes, was \$18.41 per square foot per year at the end of the second quarter 2016 in the Jacksonville market area. This represented a 0.2% increase in quoted rental rates from the end of the first quarter 2016, when rents were reported at \$18.38 per square foot.

The average quoted rate within the Class-A sector was \$21.73 at the end of the second quarter 2016, while Class-B rates stood at \$17.71, and Class-C rates at \$15.67. At the end of the first quarter 2016, Class-A rates were \$21.33 per square foot, Class-B rates were \$17.69, and Class-C rates were \$15.71.

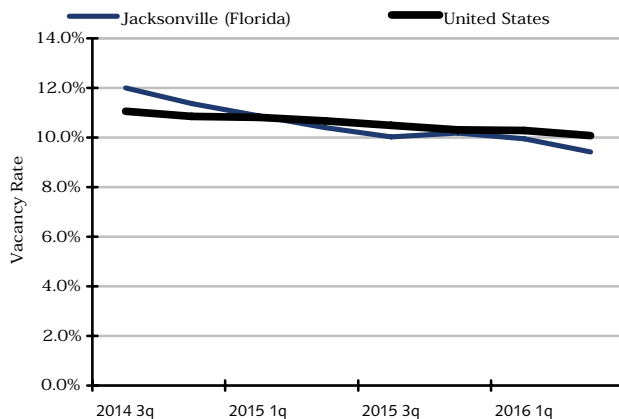
The average quoted asking rental rate in Jacksonville's CBD was \$19.77 at the end of the second quarter 2016, and \$18.08 in the suburban markets. In the first quarter 2016, quoted rates were \$19.45 in the CBD and \$18.10 in the suburbs.

Deliveries and Construction

During the second quarter 2016, two buildings totaling 12,102 square feet were completed in the Jacksonville market area. This compares to three buildings totaling 75,514 square feet that were completed in the first quarter 2016, four buildings totaling 25,910 square feet completed in the fourth quarter 2015, and 20,700 square feet in one building completed in the third quarter 2015.

U.S. Vacancy Comparison

Past 8 Quarters



Source: CoStar Property®

Jacksonville Office Market



Overview

There was 92,301 square feet of office space under construction at the end of the second quarter 2016.

Some of the notable 2016 deliveries include: 10426 Alta Dr, a 46,014-square-foot facility that delivered in first quarter 2016 and is now 100% occupied, and 7768 Ozark Dr, a 24,000-square-foot building that delivered in first quarter 2016 and is now 50% occupied.

The largest projects underway at the end of second quarter 2016 were Fort Wade Office Park - Building III, a 62,751-square-foot building with 0% of its space pre-leased, and Monaco Business Center, a 12,500-square-foot facility that is 100% pre-leased.

Inventory

Total office inventory in the Jacksonville market area amounted to 62,571,758 square feet in 4,446 buildings as of the end of the second quarter 2016. The Class-A office sector consisted of 17,022,757 square feet in 98 projects. There were 1,747 Class-B buildings totaling 31,254,447 square feet, and the Class-C sector consisted of 14,294,554 square feet in 2,601 buildings. Within the Office market there were 188 owner-occupied buildings accounting for 7,909,453 square feet of office space.

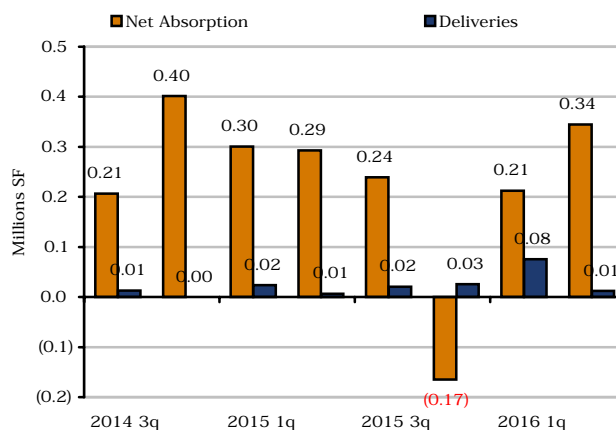
Sales Activity

Tallying office building sales of 15,000 square feet or larger, Jacksonville (Florida) office sales figures fell during the first quarter 2016 in terms of dollar volume compared to the fourth quarter of 2015.

In the first quarter, seven office transactions closed with a total volume of \$28,704,375. The seven buildings totaled 331,657 square feet and the average price per square foot equated to \$86.55 per square foot. That compares to seven transactions totaling \$52,469,000 in the fourth quarter 2015. The total square footage in the fourth quarter was 484,303 square feet for an average price per square foot of \$108.34.

Absorption & Deliveries

Past 8 Quarters



Source: CoStar Property®

Total office building sales activity in 2016 was down compared to 2015. In the first three months of 2016, the market saw seven office sales transactions with a total volume of \$28,704,375. The price per square foot averaged \$86.55. In the same first three months of 2015, the market posted eight transactions with a total volume of \$47,376,000. The price per square foot averaged \$68.45.

Cap rates have been lower in 2016, averaging 8.58% compared to the same period in 2015 when they averaged 9.77%.

One of the largest transactions that has occurred within the last four quarters in the Jacksonville (Florida) market is the sale of Dupont Center at 1650-1660 Prudential Dr in Jacksonville. The center totals 160,000 square feet and sold for \$16,000,000, or \$100 per square foot. The property sold on 6/15/2015, at a 7.7% cap rate.

Reports compiled by: Andrew Sears, CoStar Research Manager.

CoStar Submarkets

In analyzing metropolitan areas, CoStar has developed geographic designations to help group properties together, called Markets, Submarket Clusters and Submarkets. Markets are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Markets are then divided into Submarket Clusters, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

Submarket Clusters
Arlington
Baker County
Beaches
Butler/Baymeadows
Downtown Northbank*
Downtown Southbank*
Mandarin
Nassau County
Northeast Jacksonville
Northwest Jacksonville
Orange Park/Clay County
Riverside
San Marco
Southside
St Johns County

* Submarkets comprising the CBD. For statistics reference the CBD vs Suburban Figures at a Glance Page.

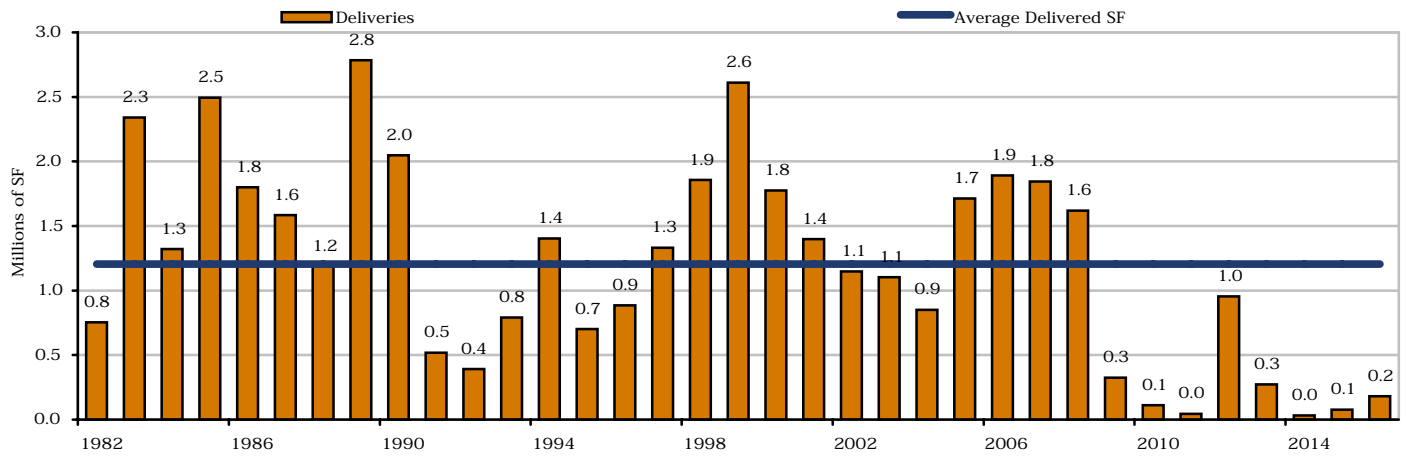
Jacksonville Office Market



Inventory & development

Historical Deliveries

1982 - 2016



Source: CoStar Property® * Future deliveries based on current under construction buildings.

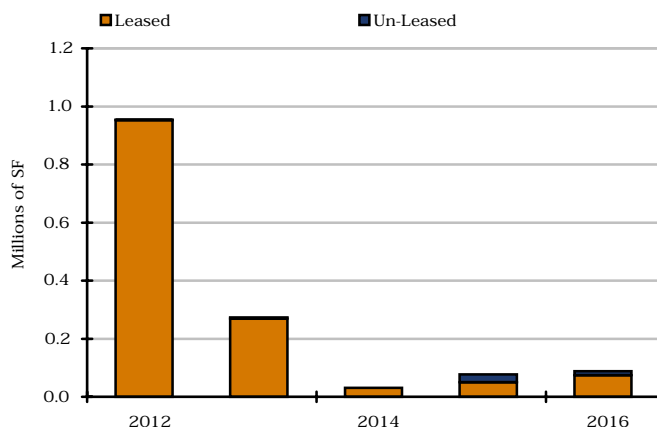
CONSTRUCTION ACTIVITY Markets Ranked by Under Construction Square Footage

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
Beaches	2	70,301	0	0.0%	8,303	35,150
Southside	1	19,000	19,000	100.0%	22,231	19,000
Northeast Jacksonville	1	12,500	12,500	100.0%	8,039	12,500
St Johns County	1	9,500	0	0.0%	6,863	9,500
Baker County	0	0	0	0.0%	3,633	0
Butler/Baymeadows	0	0	0	0.0%	37,825	0
Downtown Northbank	0	0	0	0.0%	37,937	0
Downtown Southbank	0	0	0	0.0%	21,894	0
Mandarin	0	0	0	0.0%	9,182	0
Arlington	0	0	0	0.0%	7,644	0
All Other	0	0	0	0.0%	6,226	0
Totals	5	111,301	31,500	28.3%	14,074	22,260

Source: CoStar Property®

Recent Deliveries

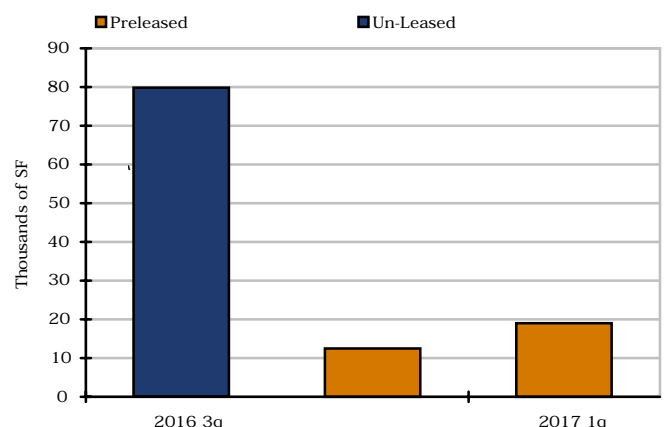
Leased & Un-Leased SF in Deliveries Since 2012



Source: CoStar Property®

Future Deliveries

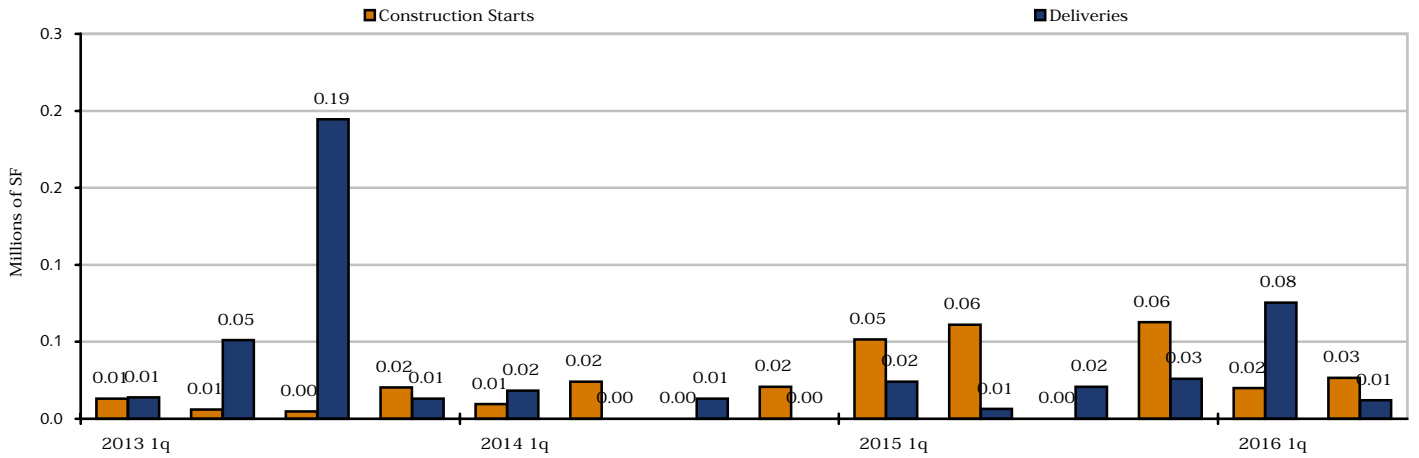
Preleased & Un-Leased SF in Properties Scheduled to Deliver



Source: CoStar Property®

Historical Construction Starts & Deliveries

Square Footage Per Quarter Starting and Completing Construction



Source: CoStar Property®

RECENT DELIVERIES BY PROJECT SIZE Breakdown of Year-to-Date Development Based on RBA of Project

Building Size	# Bldgs	RBA	SF Leased	% Leased	Avg Rate	Single-Tenant	Multi-Tenant
< 50,000 SF	5	87,616	73,729	84.2%	\$33.13	10,052	77,564
50,000 SF - 99,999 SF	0	0	0	0.0%	\$0.00	0	0
100,000 SF - 249,999 SF	0	0	0	0.0%	\$0.00	0	0
250,000 SF - 499,999 SF	0	0	0	0.0%	\$0.00	0	0
>= 500,000 SF	0	0	0	0.0%	\$0.00	0	0

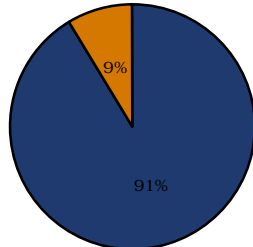
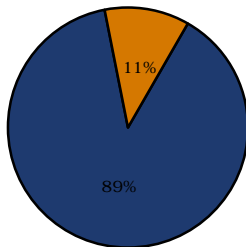
Source: CoStar Property®

Recent Development by Tenancy

Based on RBA Developed for Single & Multi Tenant Use

2016 Deliveries

Currently Under Construction



■ Multi ■ Single

■ Multi ■ Single

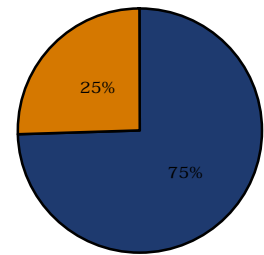
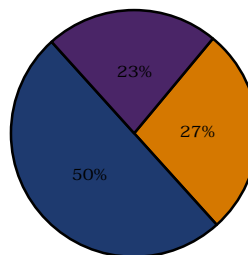
Source: CoStar Property®

Existing Inventory Comparison

Based on Total RBA

By Class

By Space Type



■ Class A ■ Class B ■ Class C

■ Multi ■ Single

Source: CoStar Property®

Jacksonville Office Market



Inventory & development

Select Year-to-Date Deliveries

Based on Project Square Footage

1. 10426 Alta Dr Submarket: Northeast Jacksonville RBA: 46,014 # Floors: 2 Class: A Occupied: 100% Quoted Rate: N/A Grnd Brk Date: Second Quarter 2015 Deliv Date: First Quarter 2016 Leasing Co: APR Energy Developer: N/A Architect: N/A	2. 7768 Ozark Dr Submarket: Butler/Baymeadows RBA: 24,000 # Floors: 2 Class: A Occupied: 50% Quoted Rate: \$33.81 Grnd Brk Date: First Quarter 2015 Deliv Date: First Quarter 2016 Leasing Co: Ash Properties, Atlantic Self Stora Developer: N/A Architect: N/A	3. Town Plaza Offices at Nocatee - Building 400 Submarket: Beaches RBA: 7,550 # Floors: 1 Class: B Occupied: 0% Quoted Rate: \$28.81 Grnd Brk Date: First Quarter 2016 Deliv Date: Second Quarter 2016 Leasing Co: Keller Williams Realty Atlantic Par Developer: N/A Architect: N/A
4. Willens Professional Park - Building 100 Submarket: Mandarin RBA: 5,500 # Floors: 1 Class: B Occupied: 100% Quoted Rate: N/A Grnd Brk Date: First Quarter 2015 Deliv Date: First Quarter 2016 Leasing Co: NAI Hallmark Partners Developer: N/A Architect: N/A	5. 1529 3rd St S Submarket: Beaches RBA: 4,552 # Floors: 2 Class: B Occupied: 100% Quoted Rate: N/A Grnd Brk Date: First Quarter 2015 Deliv Date: Second Quarter 2016 Leasing Co: Mark Lowery Developer: N/A Architect: N/A	

Select Top Under Construction Properties

Based on Project Square Footage

1. Fort Wade Office Park - Building III Submarket: Beaches RBA: 62,751 # Floors: 3 Class: A Preleased: 0% Quoted Rate: \$28.00 Grnd Brk Date: Fourth Quarter 2015 Deliv Date: Third Quarter 2016 Leasing Co: CBRE Developer: N/A Architect: N/A	2. Monaco Business Center Submarket: Northeast Jacksonville RBA: 12,500 # Floors: 1 Class: B Preleased: 100% Quoted Rate: N/A Grnd Brk Date: First Quarter 2016 Deliv Date: Fourth Quarter 2016 Leasing Co: ABPL, Inc Developer: Tier One Construction Inc Architect: N/A	3. Julington Creek Professional Plaza - Bldg 400 Submarket: St Johns County RBA: 9,500 # Floors: 1 Class: B Preleased: 0% Quoted Rate: Negotiable Grnd Brk Date: First Quarter 2014 Deliv Date: Third Quarter 2016 Leasing Co: Rubin & Rubin Developer: N/A Architect: N/A
4. Town Plaza Offices at Nocatee - Building 300 Submarket: Beaches RBA: 7,550 # Floors: 1 Class: B Preleased: 0% Quoted Rate: Negotiable Grnd Brk Date: Second Quarter 2016 Deliv Date: Third Quarter 2016 Leasing Co: N/A Developer: N/A Architect: N/A		



Jacksonville Office Market

Figures at a Glance

Class A Market Statistics

Mid-Year 2016

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Arlington	0	0	0	0	0.0%	0	0	0	\$0.00
Baker County	0	0	0	0	0.0%	0	0	0	\$0.00
Beaches	7	411,000	37,383	37,383	9.1%	9,547	0	62,751	\$24.36
Butler/Baymeadows	15	1,920,202	254,050	254,050	13.2%	117,920	24,000	0	\$22.47
Downtown Northbank	13	5,533,469	643,570	647,059	11.7%	(2,921)	0	0	\$21.18
Downtown Southbank	6	1,991,061	114,010	114,010	5.7%	67,333	0	0	\$21.86
Mandarin	0	0	0	0	0.0%	0	0	0	\$0.00
Nassau County	0	0	0	0	0.0%	0	0	0	\$0.00
Northeast Jacksonville	1	46,014	0	0	0.0%	46,014	46,014	0	\$0.00
Northwest Jacksonville	0	0	0	0	0.0%	0	0	0	\$0.00
Orange Park/Clay County	2	201,066	0	0	0.0%	0	0	0	\$0.00
Riverside	0	0	0	0	0.0%	0	0	0	\$0.00
San Marco	0	0	0	0	0.0%	0	0	0	\$0.00
Southside	50	6,613,105	384,430	407,938	6.2%	(23,031)	0	0	\$21.74
St Johns County	4	306,840	52,239	52,239	17.0%	(1,191)	0	0	\$18.07
Totals	98	17,022,757	1,485,682	1,512,679	8.9%	213,671	70,014	62,751	\$21.73

Source: CoStar Property®

Class B Market Statistics

Mid-Year 2016

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Arlington	33	716,468	95,938	98,094	13.7%	7,538	0	0	\$15.63
Baker County	8	25,942	0	0	0.0%	0	0	0	\$0.00
Beaches	163	1,661,353	75,549	78,287	4.7%	(1,357)	12,102	7,550	\$25.27
Butler/Baymeadows	174	7,272,731	683,119	701,904	9.7%	292,598	0	0	\$17.86
Downtown Northbank	108	6,045,617	705,487	725,987	12.0%	(3,042)	0	0	\$17.37
Downtown Southbank	16	604,472	3,038	3,038	0.5%	8,189	0	0	\$18.20
Mandarin	153	1,756,644	99,622	99,622	5.7%	30,329	5,500	0	\$16.78
Nassau County	94	488,827	49,798	51,603	10.6%	7,473	0	0	\$21.88
Northeast Jacksonville	27	288,031	40,684	40,684	14.1%	(5,718)	0	12,500	\$17.56
Northwest Jacksonville	28	620,866	25,060	25,060	4.0%	7,324	0	0	\$14.71
Orange Park/Clay County	171	1,606,957	260,993	262,993	16.4%	(2,356)	0	0	\$20.90
Riverside	137	1,005,062	46,458	46,458	4.6%	20,427	0	0	\$17.16
San Marco	59	1,067,586	125,604	125,604	11.8%	8,407	0	0	\$16.77
Southside	269	5,847,213	713,382	723,194	12.4%	(66,831)	0	19,000	\$16.23
St Johns County	307	2,246,678	127,345	127,345	5.7%	23,891	0	9,500	\$19.40
Totals	1,747	31,254,447	3,052,077	3,109,873	10.0%	326,872	17,602	48,550	\$17.73

Source: CoStar Property®

Jacksonville Office Market



Figures at a Glance

Class C Market Statistics

Mid-Year 2016

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Arlington	172	850,478	42,379	42,379	5.0%	5,844	0	0	\$13.00
Baker County	23	86,670	24,091	24,091	27.8%	2,000	0	0	\$14.81
Beaches	193	941,785	35,117	35,117	3.7%	(10,842)	0	0	\$23.17
Butler/Baymeadows	74	755,147	108,764	108,764	14.4%	2,739	0	0	\$15.40
Downtown Northbank	223	1,471,218	167,843	167,843	11.4%	8,222	0	0	\$14.38
Downtown Southbank	117	447,782	50,791	50,791	11.3%	(815)	0	0	\$20.88
Mandarin	112	676,560	41,542	41,542	6.1%	(3,551)	0	0	\$16.73
Nassau County	136	670,550	30,146	30,146	4.5%	(3,518)	0	0	\$19.69
Northeast Jacksonville	42	228,666	56,284	56,284	24.6%	1,157	0	0	\$11.12
Northwest Jacksonville	151	570,267	20,724	20,724	3.6%	114	0	0	\$12.38
Orange Park/Clay County	205	1,124,043	104,929	104,929	9.3%	(12,460)	0	0	\$17.14
Riverside	462	1,843,249	142,465	143,765	7.8%	30,978	0	0	\$17.20
San Marco	185	949,583	76,559	76,559	8.1%	(7,156)	0	0	\$15.29
Southside	390	3,301,602	359,604	360,452	10.9%	1,911	0	0	\$14.33
St Johns County	116	376,954	9,211	9,211	2.4%	1,647	0	0	\$22.10
Totals	2,601	14,294,554	1,270,449	1,272,597	8.9%	16,270	0	0	\$15.67

Source: CoStar Property®

Total Office Market Statistics

Mid-Year 2016

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Arlington	205	1,566,946	138,317	140,473	9.0%	13,382	0	0	\$14.72
Baker County	31	112,612	24,091	24,091	21.4%	2,000	0	0	\$14.81
Beaches	363	3,014,138	148,049	150,787	5.0%	(2,652)	12,102	70,301	\$24.58
Butler/Baymeadows	263	9,948,080	1,045,933	1,064,718	10.7%	413,257	24,000	0	\$18.82
Downtown Northbank	344	13,050,304	1,516,900	1,540,889	11.8%	2,259	0	0	\$19.38
Downtown Southbank	139	3,043,315	167,839	167,839	5.5%	74,707	0	0	\$21.42
Mandarin	265	2,433,204	141,164	141,164	5.8%	26,778	5,500	0	\$16.77
Nassau County	230	1,159,377	79,944	81,749	7.1%	3,955	0	0	\$20.99
Northeast Jacksonville	70	562,711	96,968	96,968	17.2%	41,453	46,014	12,500	\$14.10
Northwest Jacksonville	179	1,191,133	45,784	45,784	3.8%	7,438	0	0	\$13.24
Orange Park/Clay County	378	2,932,066	365,922	367,922	12.5%	(14,816)	0	0	\$19.77
Riverside	599	2,848,311	188,923	190,223	6.7%	51,405	0	0	\$17.19
San Marco	244	2,017,169	202,163	202,163	10.0%	1,251	0	0	\$16.11
Southside	709	15,761,920	1,457,416	1,491,584	9.5%	(87,951)	0	19,000	\$17.40
St Johns County	427	2,930,472	188,795	188,795	6.4%	24,347	0	9,500	\$19.39
Totals	4,446	62,571,758	5,808,208	5,895,149	9.4%	556,813	87,616	111,301	\$18.41

Source: CoStar Property®



Jacksonville Office Market

Figures at a Glance

Class A Market Statistics

Mid-Year 2016

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	19	7,524,530	757,580	761,069	10.1%	64,412	0	0	\$21.34
Suburban	79	9,498,227	728,102	751,610	7.9%	149,259	70,014	62,751	\$22.03
Totals	98	17,022,757	1,485,682	1,512,679	8.9%	213,671	70,014	62,751	\$21.73

Source: CoStar Property®

Class B Market Statistics

Mid-Year 2016

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	124	6,650,089	708,525	729,025	11.0%	5,147	0	0	\$17.41
Suburban	1,623	24,604,358	2,343,552	2,380,848	9.7%	321,725	17,602	48,550	\$17.74
Totals	1,747	31,254,447	3,052,077	3,109,873	10.0%	326,872	17,602	48,550	\$17.7

Source: CoStar Property®

Class C Market Statistics

Mid-Year 2016

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	340	1,919,000	218,634	218,634	11.4%	7,407	0	0	\$16.68
Suburban	2,261	12,375,554	1,051,815	1,053,963	8.5%	8,863	0	0	\$15.58
Totals	2,601	14,294,554	1,270,449	1,272,597	8.9%	16,270	0	0	\$15.67

Source: CoStar Property®

Class A & B Market Statistics

Mid-Year 2016

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	143	14,174,619	1,466,105	1,490,094	10.5%	69,559	0	0	\$20.07
Suburban	1,702	34,102,585	3,071,654	3,132,458	9.2%	470,984	87,616	111,301	\$18.82
Totals	1,845	48,277,204	4,537,759	4,622,552	9.6%	540,543	87,616	111,301	\$19.09

Source: CoStar Property®

Total Office Market Statistics

Mid-Year 2016

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	483	16,093,619	1,684,739	1,708,728	10.6%	76,966	0	0	\$19.77
Suburban	3,963	46,478,139	4,123,469	4,186,421	9.0%	479,847	87,616	111,301	\$18.08
Totals	4,446	62,571,758	5,808,208	5,895,149	9.4%	556,813	87,616	111,301	\$18.41

Source: CoStar Property®

Jacksonville Office Market



Figures at a Glance

Class A Market Statistics

Mid-Year 2016

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2016 2q	98	17,022,757	1,485,682	1,512,679	8.9%	(17,348)	0	0	1	62,751	\$21.73
2016 1q	98	17,022,757	1,466,777	1,495,331	8.8%	231,019	2	70,014	1	62,751	\$21.33
2015 4q	96	16,952,743	1,468,868	1,656,336	9.8%	(162,382)	0	0	3	132,765	\$20.87
2015 3q	96	16,952,743	1,448,505	1,493,954	8.8%	96,221	0	0	2	70,014	\$20.80
2015 2q	96	16,952,743	1,551,936	1,590,175	9.4%	61,293	0	0	2	70,014	\$20.81
2015 1q	96	16,952,743	1,614,532	1,651,468	9.7%	163,900	1	24,041	1	24,000	\$20.54
2014	95	16,928,702	1,762,401	1,791,327	10.6%	30,247	0	0	1	24,041	\$20.20
2013	95	16,928,702	1,709,373	1,821,574	10.8%	26,351	1	116,066	0	0	\$19.89
2012	94	16,812,636	1,711,466	1,731,859	10.3%	1,220,079	1	786,447	1	116,066	\$19.55
2011	93	16,026,189	2,146,431	2,165,491	13.5%	(235,998)	0	0	1	786,447	\$19.25
2010	93	16,026,189	1,871,414	1,929,493	12.0%	249,786	0	0	0	0	\$19.59
2009	93	16,026,189	2,075,548	2,179,279	13.6%	(176,703)	0	0	0	0	\$21.18
2008	93	16,026,189	1,847,980	2,002,576	12.5%	334,647	4	600,549	0	0	\$20.12
2007	89	15,425,640	1,683,685	1,736,674	11.3%	585,852	8	838,691	4	600,549	\$20.69
2006	81	14,586,949	1,350,291	1,483,835	10.2%	901,854	4	569,600	10	1,217,285	\$20.04
2005	77	14,017,349	1,697,427	1,816,089	13.0%	788,350	7	876,367	5	791,562	\$19.37

Source: CoStar Property®

Class B Market Statistics

Mid-Year 2016

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2016 2q	1,747	31,254,447	3,052,077	3,109,873	10.0%	381,593	2	12,102	4	48,550	\$17.71
2016 1q	1,745	31,242,345	3,417,961	3,479,364	11.1%	(54,721)	1	5,500	4	34,102	\$17.69
2015 4q	1,744	31,236,845	3,328,097	3,419,143	10.9%	2,452	4	25,910	3	19,552	\$17.73
2015 3q	1,740	31,210,935	3,329,683	3,395,685	10.9%	173,192	1	20,700	7	45,462	\$17.52
2015 2q	1,739	31,190,235	3,484,218	3,548,177	11.4%	194,827	1	6,515	8	66,162	\$17.37
2015 1q	1,738	31,183,720	3,621,461	3,736,489	12.0%	137,161	0	0	7	57,677	\$17.38
2014	1,738	31,183,720	3,745,579	3,873,650	12.4%	445,344	4	31,262	2	30,200	\$17.28
2013	1,734	31,152,458	4,182,511	4,287,732	13.8%	597,035	12	156,791	4	31,262	\$17.06
2012	1,722	30,995,667	4,656,117	4,727,976	15.3%	226,668	11	167,960	10	143,597	\$16.14
2011	1,711	30,827,707	4,708,689	4,786,684	15.5%	711,619	4	45,377	8	113,980	\$16.43
2010	1,707	30,782,330	5,320,750	5,452,926	17.7%	162,403	6	111,540	3	22,737	\$17.21
2009	1,701	30,670,790	5,405,228	5,503,789	17.9%	(610,524)	21	312,656	5	82,093	\$17.93
2008	1,680	30,358,134	4,500,599	4,580,609	15.1%	361,616	60	1,014,802	18	302,353	\$18.63
2007	1,621	29,345,432	3,799,463	3,929,523	13.4%	704,100	85	918,091	50	851,864	\$18.52
2006	1,538	28,448,038	3,611,797	3,736,229	13.1%	1,181,224	142	1,236,477	71	838,776	\$17.86
2005	1,396	27,211,561	3,624,201	3,680,976	13.5%	538,624	77	758,540	115	1,034,186	\$16.11

Source: CoStar Property®

Total Office Market Statistics

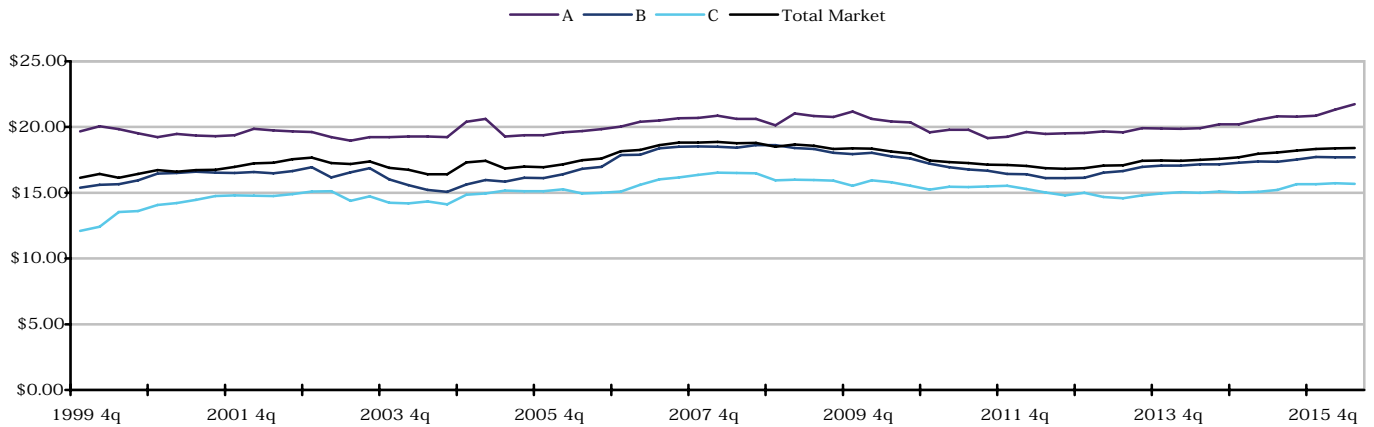
Mid-Year 2016

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2016 2q	4,446	62,571,758	5,808,208	5,895,149	9.4%	344,594	2	12,102	5	111,301	\$18.41
2016 1q	4,444	62,559,656	6,137,684	6,227,641	10.0%	212,219	3	75,514	5	96,853	\$18.38
2015 4q	4,441	62,484,142	6,084,832	6,364,346	10.2%	(165,012)	4	25,910	6	152,317	\$18.34
2015 3q	4,439	62,553,610	6,156,351	6,268,802	10.0%	238,908	1	20,700	9	115,476	\$18.22
2015 2q	4,440	62,550,413	6,399,090	6,504,513	10.4%	293,100	1	6,515	10	136,176	\$18.05
2015 1q	4,441	62,552,910	6,644,921	6,800,110	10.9%	300,314	1	24,041	8	81,677	\$17.96
2014	4,442	62,561,469	6,949,761	7,108,983	11.4%	675,002	4	31,262	3	54,241	\$17.69
2013	4,442	62,544,510	7,547,663	7,767,026	12.4%	565,630	13	272,857	4	31,262	\$17.46
2012	4,434	62,298,924	7,994,818	8,087,070	13.0%	1,502,035	12	954,407	11	259,663	\$16.86
2011	4,422	61,344,517	8,537,643	8,634,698	14.1%	601,150	4	45,377	9	900,427	\$17.11
2010	4,418	61,299,140	8,998,616	9,190,471	15.0%	469,499	7	112,740	3	22,737	\$17.44
2009	4,412	61,194,610	9,347,631	9,555,440	15.6%	(938,886)	24	324,984	6	83,293	\$18.39
2008	4,388	60,869,626	8,044,667	8,291,570	13.6%	545,898	66	1,619,247	21	314,681	\$18.49
2007	4,324	59,256,019	7,035,950	7,223,861	12.2%	1,143,422	111	1,844,124	56	1,456,309	\$18.81
2006	4,215	57,432,592	6,279,080	6,543,856	11.4%	2,321,506	169	1,892,133	98	2,131,596	\$18.17
2005	4,046	55,540,459	6,784,364	6,973,229	12.6%	1,425,074	99	1,712,372	140	1,891,860	\$16.93

Source: CoStar Property®

Historical Rental Rates

Based on Full-Service Equivalent Rental Rates



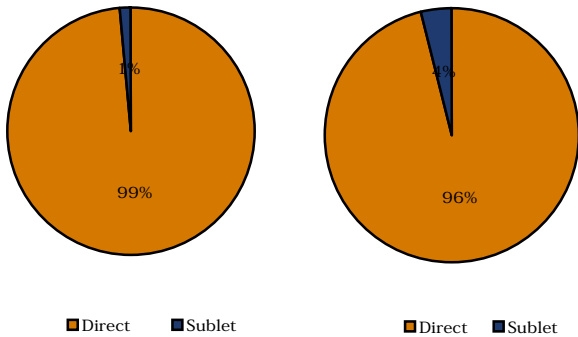
Source: CoStar Property®

Vacancy by Available Space Type

Percent of All Vacant Space in Direct vs. Sublet

Jacksonville (Florida)

United States



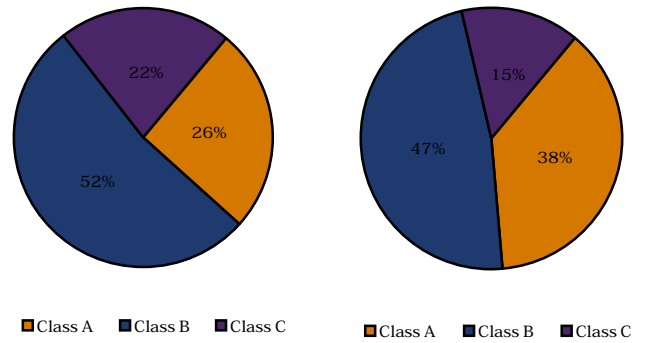
Source: CoStar Property®

Vacancy by Class

Percent of All Vacant Space by Class

Jacksonville (Florida)

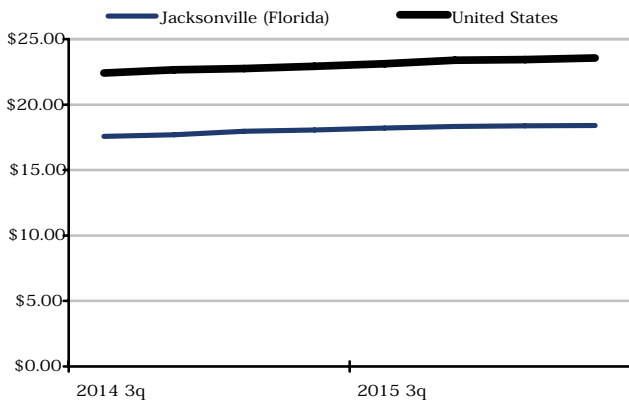
United States



Source: CoStar Property®

U.S. Rental Rate Comparison

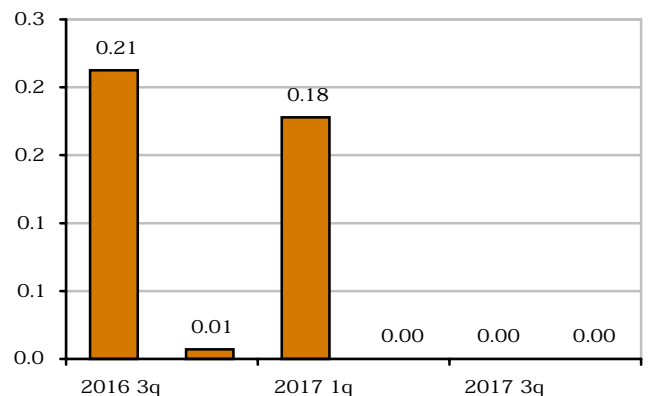
Based on Full-Service Equivalent Rental Rates



Source: CoStar Property®

Future Space Available

Space Scheduled to be Available for Occupancy*



* Includes Under Construction Spaces

Source: CoStar Property®

Jacksonville Office Market



Leasing Activity

Select Top Office Leases Based on Leased Square Footage For Deals Signed in 2016

Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company
1 9000 Southside Blvd - Bldg 100	Butler/Baymeadows	132,270	2nd	Aetna US Healthcare	N/A	Colliers International Northeast Fl
2 9000 Southside Blvd - Bldg 700	Butler/Baymeadows	24,459	2nd	N/A	N/A	Colliers International Northeast Fl
3 9000 Southside Blvd - Bldg 700	Butler/Baymeadows	24,459	2nd	N/A	N/A	Colliers International Northeast Fl
4 9000 Southside Blvd - Bldg 700	Butler/Baymeadows	24,459	2nd	N/A	N/A	Colliers International Northeast Fl
5 Belfort One	Butler/Baymeadows	19,980	2nd	N/A	N/A	CBRE
6 Lakeside Five - Flagler Center	Butler/Baymeadows	17,486	1st	Cypress Insurance	N/A	Avison Young
7 North Regency 1	Arlington	17,103	2nd	Covent Bridge USA	N/A	Garnett Commercial Real Estate Inc.
8 8211 Cypress Plaza Dr	Butler/Baymeadows	17,100	1st	City Refrigerated	N/A	Graham & Company, LLC
9 Prominence Building 300	Butler/Baymeadows	15,414	1st	Humana Medical Plan	N/A	JLL
10 BaymeadowsWayBusinessCenter-Building 6	Butler/Baymeadows	15,000	2nd	N/A	N/A	CBRE
11 3390 Kori Rd	Mandarin	14,400	1st	N/A	N/A	Paradigm Mandarin, Inc.
12 Bank of America Tower	Downtown Northbank	12,555	1st	Burr & Forman LLP	N/A	JLL
13 Quadrant at Southpoint II	Southside	11,737	1st	N/A	N/A	Cushman & Wakefield of Florida, Inc
14 Summit at Southpoint 2	Southside	11,574	1st	N/A	N/A	Foundry Commercial
15 The Metropolitan Office	Downtown Northbank	10,332	2nd	N/A	N/A	Michaelson - Metropolitan Lofts
16 2110 Herschel St	Riverside	10,000	2nd	Century Ambulance	N/A	RJP Partners LLC
17 Suntrust Tower	Downtown Northbank	9,940	1st	N/A	N/A	Cushman & Wakefield of Florida, Inc
18 BaymeadowsWayBusinessCenter-Building 6	Butler/Baymeadows	9,500	2nd	N/A	N/A	CBRE
19 Summit at Southpoint 1	Southside	8,975	2nd	N/A	N/A	Foundry Commercial
20 10475 Centurion Pky	Southside	8,300	1st	N/A	N/A	Meadows & Ohly, LLC
21 5454 Arlington Expy	Southside	8,295	2nd	N/A	N/A	H.S. Turner, Inc.
22 800 Water St*	Downtown Northbank	7,078	1st	Paperless Pay Corp	Colliers International Northeast Fl	N/A
23 The Hitchcock Building	San Marco	7,000	2nd	Suncoast	N/A	SunCoast Property Management
24 8011 Philips Hwy	Butler/Baymeadows	7,000	2nd	Little Stars	N/A	CBRE
25 Belfort Oaks Place	Southside	6,895	1st	Full Circle Women's Care	Cross Regions Real Estate	Colliers International Northeast Fl
26 Westland One	Riverside	6,853	2nd	N/A	N/A	Cushman & Wakefield of Florida, Inc
27 6 E Bay St	Downtown Northbank	6,652	1st	N/A	N/A	Colliers International Northeast Fl
28 9000 Southside Blvd - Bldg 100	Butler/Baymeadows	6,552	2nd	N/A	N/A	Colliers International Northeast Fl
29 Butler Pointe	Southside	6,525	1st	N/A	Strategic Sites Clifford Commercial	Corvus Commercial Realty
30 PonteVedraLakesProfessionalPark-Overloo	Beaches	6,405	1st	N/A	N/A	Strategic Sites Clifford Commercial
31 Midtown Centre - 4000 Bldg	Southside	6,194	2nd	N/A	N/A	Midtown Centre Office Park
32 Gateway Commons	St Johns County	5,903	2nd	N/A	N/A	Corvus Commercial Realty
33 6144 Gazebo Park Plz	Mandarin	5,700	2nd	N/A	N/A	Oxford Property Group
34 105 S Ponce De Leon Blvd	St Johns County	5,600	2nd	N/A	N/A	R & B Management Group Inc
35 Gran Park at Avenues Building 3	Butler/Baymeadows	5,380	1st	N/A	N/A	Avison Young
36 542 Edgewood Ave S	Riverside	5,322	2nd	N/A	N/A	Dennis M Wolfson
37 8016 Atlantic Blvd	Southside	5,300	1st	Impact Learning Center	Direct Deal	Colliers International Northeast Fl
38 Liberty Center	Butler/Baymeadows	5,208	1st	Hakimian Holdings	N/A	Hakimian Holdings
39 Carlton Bldg 100	Southside	5,153	1st	Investors Consulting Group, LLC	Colliers International Northeast Fl	Colliers International Northeast Fl
40 Butler Pointe	Southside	5,100	1st	McCormack, Conrad Pope Weaver Stephens & Thom	Colliers International Northeast Fl	Colliers International Northeast Fl

Source: CoStar Property®

* Renewal

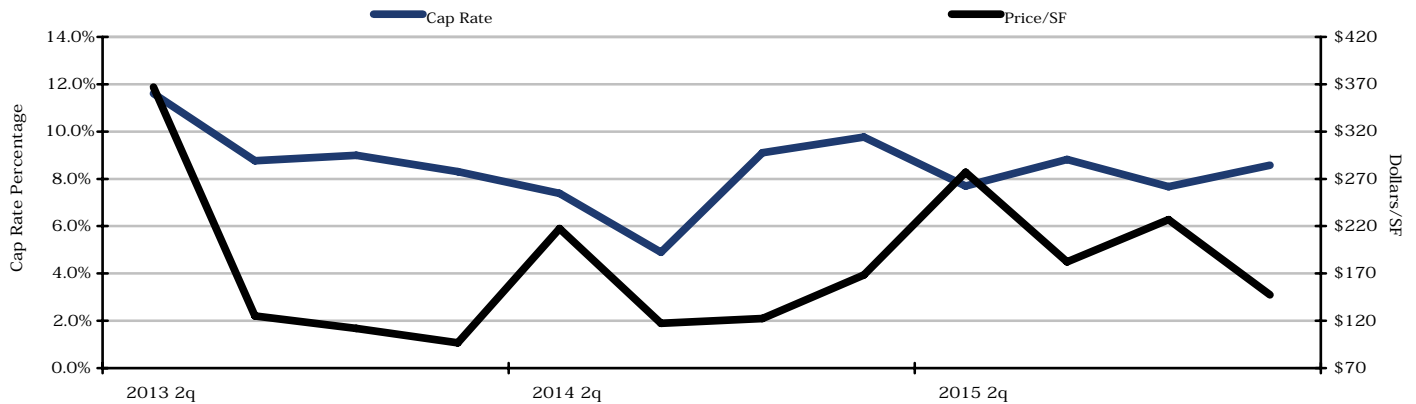


Jacksonville Office Market

Sales Activity

The Optimist Sales Index

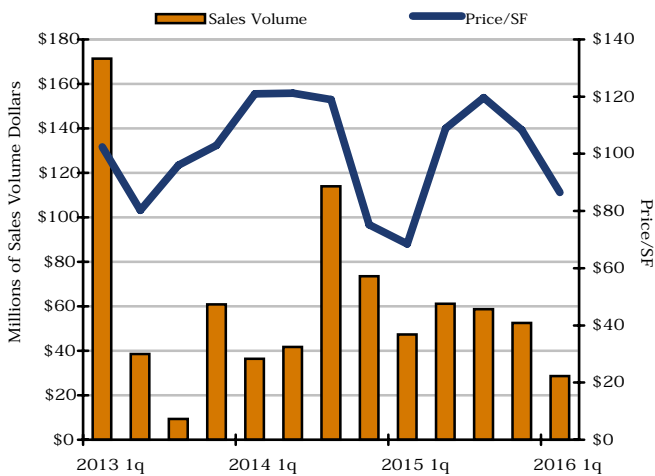
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



Source: CoStar COMPS®

Sales Volume & Price

Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

Sales Analysis by Building Size

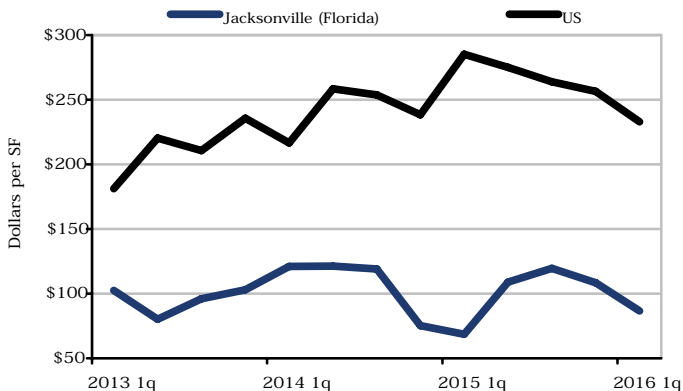
Based on Office Building Sales From April 2015 - March 2016

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 50,000 SF	66	836,461	\$102,690,126	\$ 122.77	8.42%
50K-249K SF	13	1,342,863	\$141,349,427	\$ 105.26	8.48%
250K-499K SF	-	-	-	\$ -	-
>500K SF	-	-	-	\$ -	-

Source: CoStar COMPS®

U.S. Price/SF Comparison

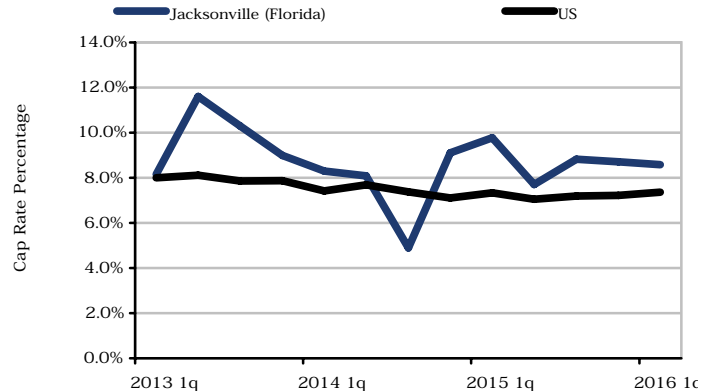
Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

U.S. Cap Rate Comparison

Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

Jacksonville Office Market



Sales Activity

Select Top Sales

Based on Sales from April 2015 Through June 2016

1. 10475 Centurion Pky



Jacksonville

Price: **\$34,300,000**
 Price/SF: **\$377.61**
 Cap Rate: **N/A**
 RBA: **90,834**
 Date: **11/27/2015**
 Year Built: **2007**
 Buyer: **CNL Healthcare Properties, Inc.**
 Seller: **Physicians For Better Jacksonville LLC**

2. St Joe Building



Jacksonville

Price: **\$25,100,000**
 Price/SF: **\$185.53**
 Cap Rate: **N/A**
 RBA: **135,286**
 Date: **7/16/2015**
 Year Built: **2003**
 Buyer: **Consolidated-Tomoka Land Co.**
 Seller: **Parkway Properties, Inc.**

3. 6138 Kennerly Rd



Jacksonville

Price: **\$19,000,000**
 Price/SF: **\$392.81**
 Cap Rate: **7.7%**
 RBA: **48,369**
 Date: **4/30/2015**
 Year Built: **1969**
 Buyer: **Physicians Realty Trust**
 Seller: **MEDJAX Properties Inc.**

4. Dupont Center



Jacksonville

Price: **\$16,000,000**
 Price/SF: **\$100.00**
 Cap Rate: **7.7%**
 RBA: **160,000**
 Date: **6/15/2015**
 Year Built: **1989**
 Buyer: **Baptist Health**
 Seller: **Flagler Real Estate Services, LLC**

5. 6600 Corporate Center Pky



Jacksonville

Price: **\$15,790,427**
 Price/SF: **\$179.31**
 Cap Rate: **7.25%**
 RBA: **88,062**
 Date: **7/10/2015**
 Year Built: **2001**
 Buyer: **Carey Wp Co Inc**
 Seller: **Acosta, Inc.**

6. Butler Pointe at Southpoint



Jacksonville

Price: **\$12,000,000**
 Price/SF: **\$76.41**
 Cap Rate: **N/A**
 RBA: **157,040**
 Date: **12/21/2015**
 Year Built: **1986**
 Buyer: **Acorn Property Holdings LLC**
 Seller: **Gemini Rosemont**

7. Liberty Center at Southpoint



Jacksonville

Price: **\$11,400,000**
 Price/SF: **\$99.81**
 Cap Rate: **N/A**
 RBA: **114,221**
 Date: **2/12/2016**
 Year Built: **1988**
 Buyer: **Hakimian Holdings**
 Seller: **Greenfield Partners LLC**

8. Riverplace South



Jacksonville

Price: **\$9,000,000**
 Price/SF: **\$80.36**
 Cap Rate: **N/A**
 RBA: **112,000**
 Date: **6/12/2015**
 Year Built: **1981**
 Buyer: **Schrock Road Holdings, LLC**
 Seller: **Parkway Properties, Inc.**

9. Liberty Business Park - Phase 4



Jacksonville

Price: **\$8,375,000**
 Price/SF: **\$152.73**
 Cap Rate: **N/A**
 RBA: **54,835**
 Date: **6/30/2016**
 Year Built: **1999**
 Buyer: **Five 9s Digital**
 Seller: **Greenfield Partners LLC**



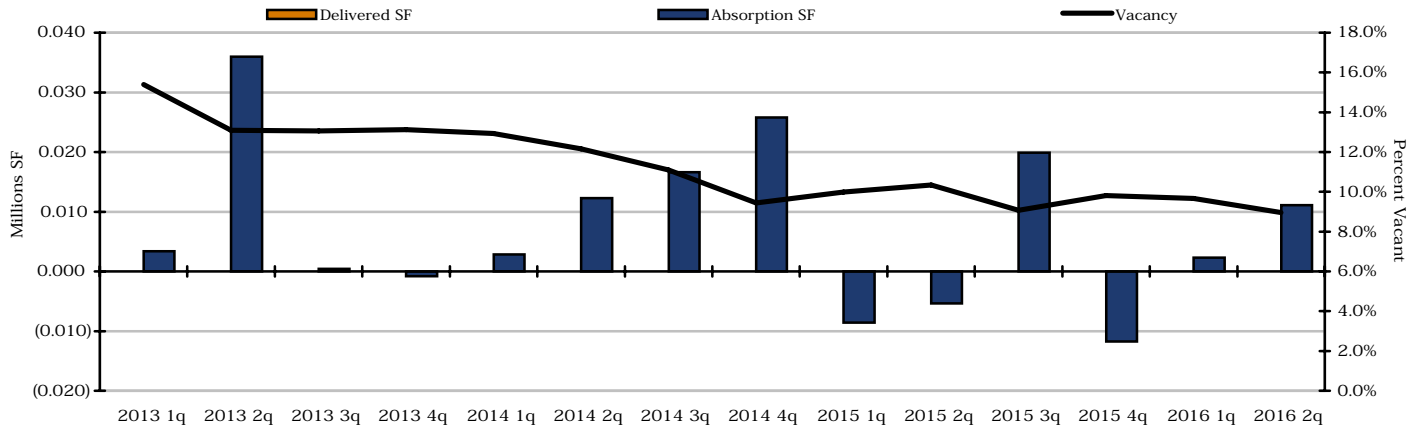
Jacksonville Office Market

Arlington Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

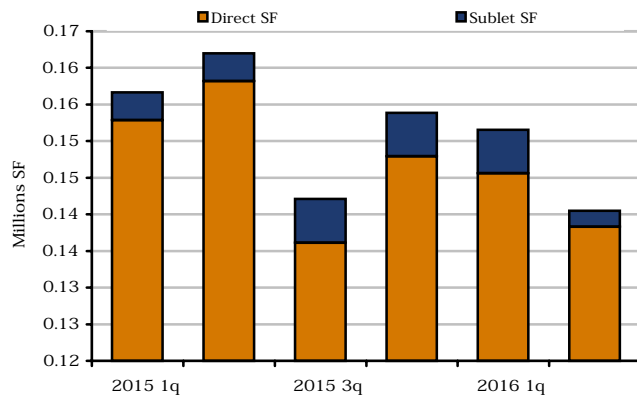
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

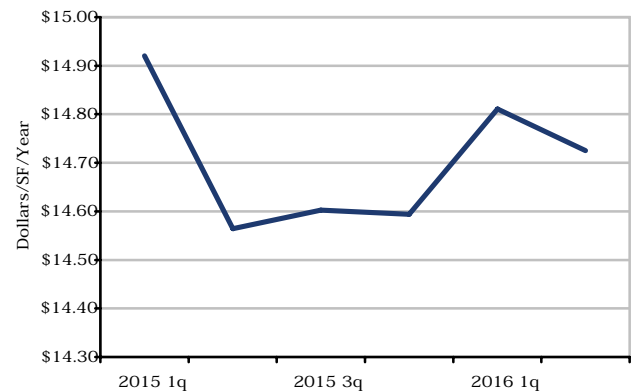
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2016 2q	205	1,566,946	140,473	9.0%	11,089	0	0	0	0	\$14.72
2016 1q	205	1,566,946	151,562	9.7%	2,293	0	0	0	0	\$14.81
2015 4q	205	1,566,946	153,855	9.8%	(11,761)	0	0	0	0	\$14.59
2015 3q	205	1,566,946	142,094	9.1%	19,892	0	0	0	0	\$14.60
2015 2q	205	1,566,946	161,986	10.3%	(5,348)	0	0	0	0	\$14.56
2015 1q	205	1,566,946	156,638	10.0%	(8,578)	0	0	0	0	\$14.92
2014 4q	205	1,566,946	148,060	9.4%	25,810	0	0	0	0	\$15.05
2014 3q	205	1,566,946	173,870	11.1%	16,630	0	0	0	0	\$14.29
2014 2q	205	1,566,946	190,500	12.2%	12,259	0	0	0	0	\$14.45
2014 1q	205	1,566,946	202,759	12.9%	2,840	0	0	0	0	\$14.72
2013 4q	205	1,566,946	205,599	13.1%	(830)	0	0	0	0	\$15.04
2013 3q	205	1,566,946	204,769	13.1%	422	0	0	0	0	\$14.87
2013 2q	205	1,566,946	205,191	13.1%	35,952	0	0	0	0	\$14.15
2013 1q	205	1,566,946	241,143	15.4%	3,389	0	0	0	0	\$14.21
2012 4q	205	1,566,946	244,532	15.6%	(17,981)	1	4,443	0	0	\$13.87
2012 3q	204	1,562,503	222,108	14.2%	(28,537)	0	0	1	4,443	\$13.64

Source: CoStar Property®

Jacksonville Office Market

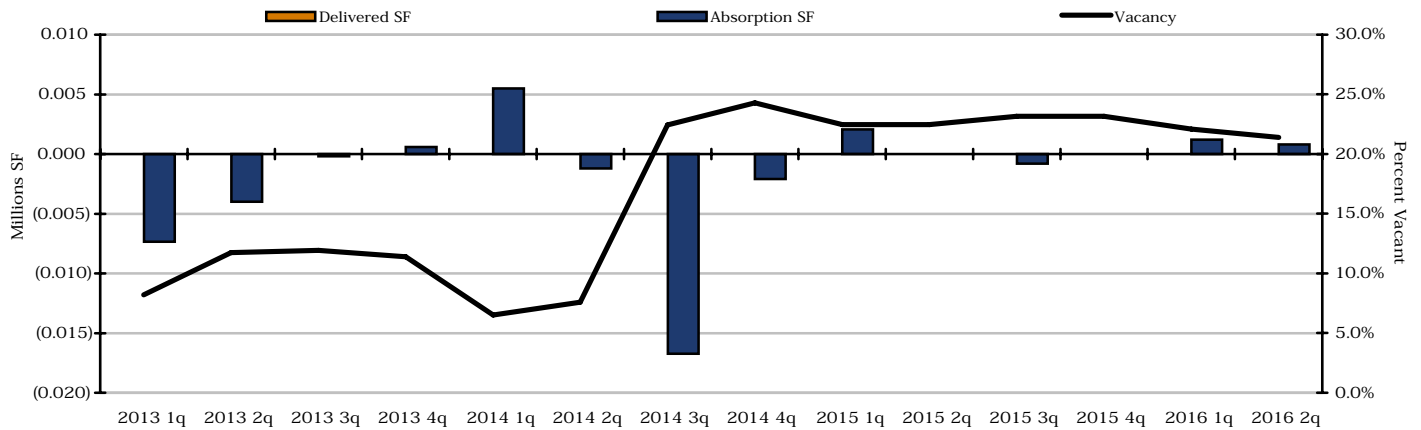


Baker County Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

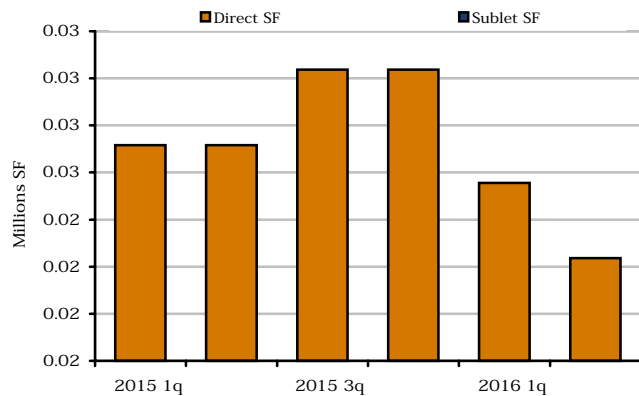
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

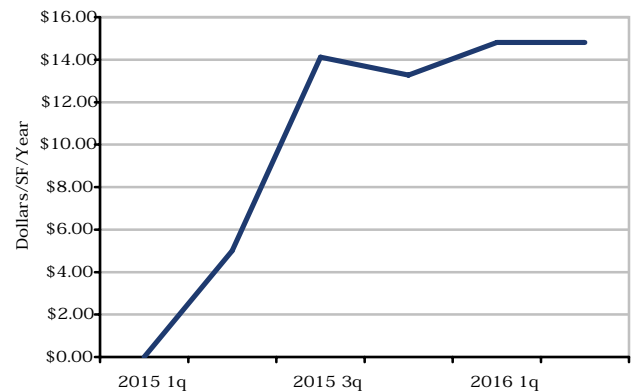
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2016 2q	31	112,612	24,091	21.4%	800	0	0	0	0	\$14.81
2016 1q	31	112,612	24,891	22.1%	1,200	0	0	0	0	\$14.81
2015 4q	31	112,612	26,091	23.2%	0	0	0	0	0	\$13.28
2015 3q	31	112,612	26,091	23.2%	(800)	0	0	0	0	\$14.12
2015 2q	31	112,612	25,291	22.5%	0	0	0	0	0	\$5.00
2015 1q	31	112,612	25,291	22.5%	2,061	0	0	0	0	\$0.00
2014 4q	31	112,612	27,352	24.3%	(2,095)	0	0	0	0	\$7.00
2014 3q	31	112,612	25,257	22.4%	(16,721)	0	0	0	0	\$7.00
2014 2q	31	112,612	8,536	7.6%	(1,200)	0	0	0	0	\$7.00
2014 1q	31	112,612	7,336	6.5%	5,492	0	0	0	0	\$0.00
2013 4q	31	112,612	12,828	11.4%	600	0	0	0	0	\$0.00
2013 3q	31	112,612	13,428	11.9%	(200)	0	0	0	0	\$0.00
2013 2q	31	112,612	13,228	11.7%	(3,988)	0	0	0	0	\$0.00
2013 1q	31	112,612	9,240	8.2%	(7,348)	0	0	0	0	\$0.00
2012 4q	31	112,612	1,892	1.7%	0	0	0	0	0	\$14.81
2012 3q	31	112,612	1,892	1.7%	0	0	0	0	0	\$14.88

Source: CoStar Property®

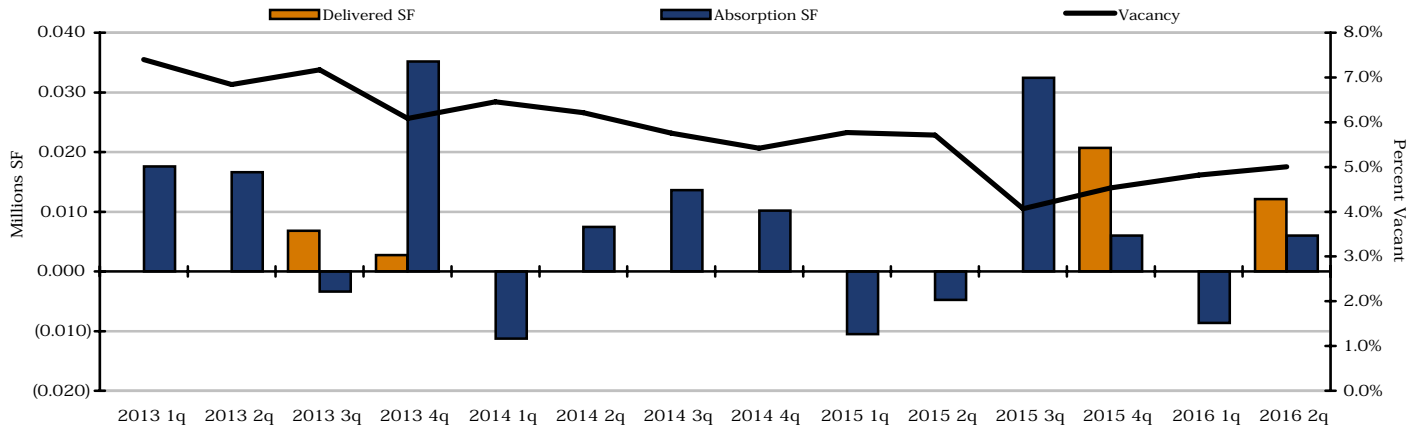


Jacksonville Office Market

Beaches Market
Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

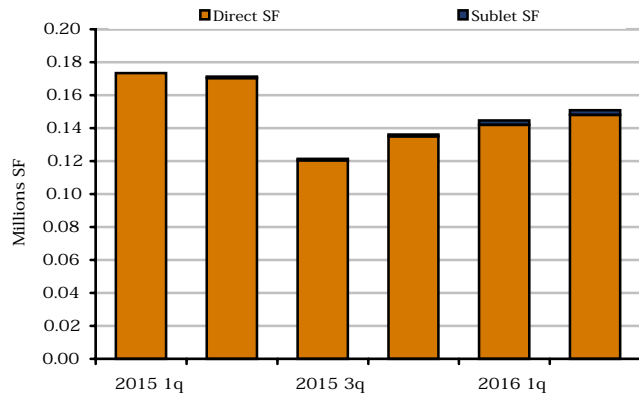
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

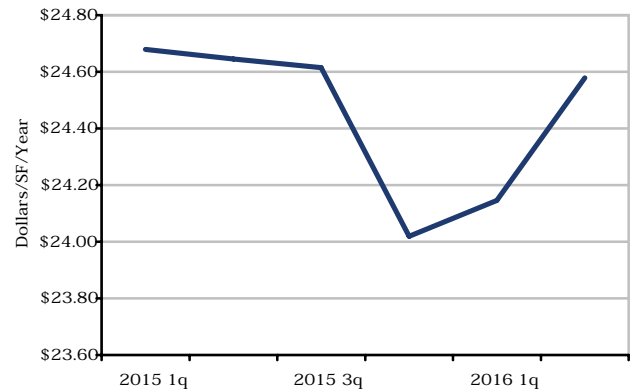
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2016 2q	363	3,014,138	150,787	5.0%	5,990	2	12,102	2	70,301	\$24.58
2016 1q	361	3,002,036	144,675	4.8%	(8,642)	0	0	3	74,853	\$24.15
2015 4q	361	3,002,036	136,033	4.5%	6,013	3	20,718	2	67,303	\$24.02
2015 3q	358	2,981,318	121,328	4.1%	32,429	0	0	4	25,270	\$24.61
2015 2q	360	2,998,821	171,260	5.7%	(4,763)	0	0	4	25,270	\$24.64
2015 1q	361	3,005,715	173,391	5.8%	(10,517)	0	0	2	10,270	\$24.68
2014 4q	361	3,005,715	162,874	5.4%	10,209	0	0	0	0	\$23.62
2014 3q	361	3,005,715	173,083	5.8%	13,598	0	0	0	0	\$23.26
2014 2q	361	3,005,715	186,681	6.2%	7,460	0	0	0	0	\$22.90
2014 1q	361	3,005,715	194,141	6.5%	(11,286)	0	0	0	0	\$22.49
2013 4q	361	3,005,715	182,855	6.1%	35,186	1	2,730	0	0	\$22.68
2013 3q	360	3,002,985	215,311	7.2%	(3,394)	1	6,832	1	2,730	\$21.97
2013 2q	359	2,996,153	205,085	6.8%	16,615	0	0	2	9,562	\$21.86
2013 1q	359	2,996,153	221,700	7.4%	17,582	0	0	2	9,562	\$23.00
2012 4q	359	2,996,153	239,282	8.0%	10,871	0	0	1	6,832	\$22.71
2012 3q	359	2,996,153	250,153	8.3%	(6,123)	0	0	0	0	\$22.85

Source: CoStar Property®

Jacksonville Office Market

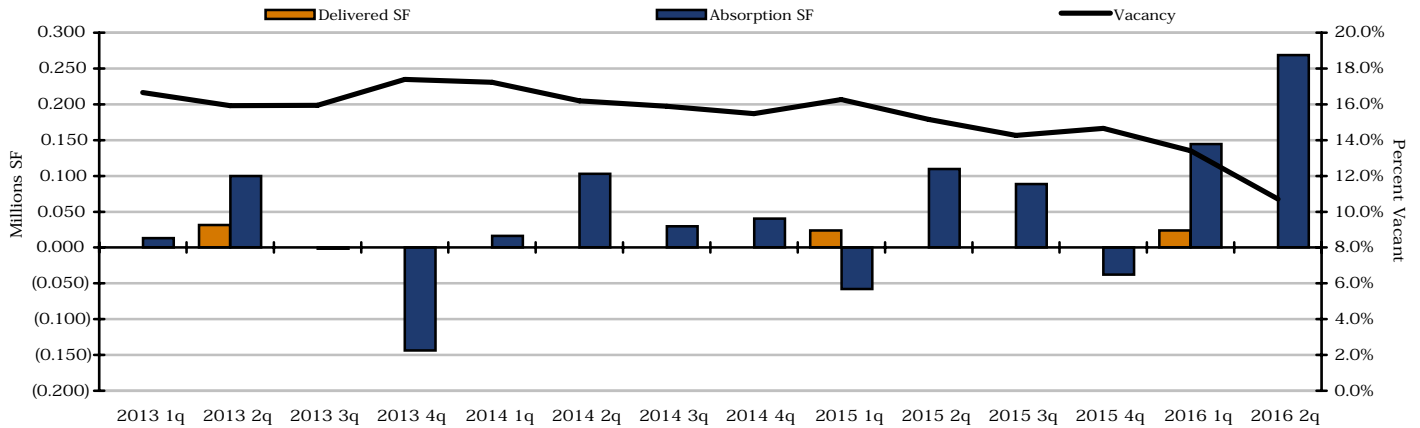


Butler / Baymeadows Market

Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

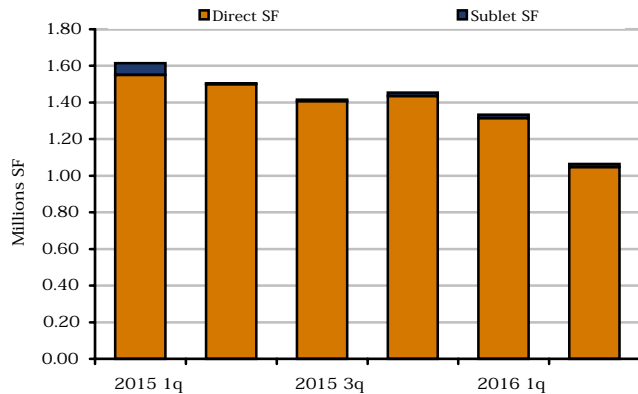
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

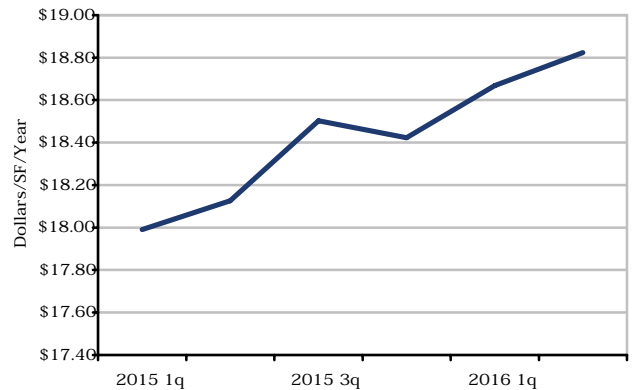
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2016 2q	263	9,948,080	1,064,718	10.7%	268,617	0	0	0	0	\$18.82
2016 1q	263	9,948,080	1,333,335	13.4%	144,640	1	24,000	0	0	\$18.67
2015 4q	262	9,924,080	1,453,975	14.7%	(37,646)	0	0	1	24,000	\$18.42
2015 3q	262	9,924,080	1,416,329	14.3%	88,508	0	0	1	24,000	\$18.50
2015 2q	262	9,924,080	1,504,837	15.2%	109,701	0	0	1	24,000	\$18.13
2015 1q	262	9,924,080	1,614,538	16.3%	(58,018)	1	24,041	1	24,000	\$17.99
2014 4q	261	9,900,039	1,532,479	15.5%	40,303	0	0	1	24,041	\$17.84
2014 3q	261	9,900,039	1,572,782	15.9%	29,612	0	0	1	24,041	\$17.33
2014 2q	261	9,900,039	1,602,394	16.2%	102,834	0	0	1	24,041	\$16.99
2014 1q	261	9,900,039	1,705,228	17.2%	16,221	0	0	0	0	\$16.99
2013 4q	261	9,900,039	1,721,449	17.4%	(143,482)	0	0	0	0	\$16.88
2013 3q	261	9,900,039	1,577,967	15.9%	(1,618)	0	0	0	0	\$16.91
2013 2q	261	9,900,039	1,576,349	15.9%	99,888	1	31,650	0	0	\$16.56
2013 1q	260	9,868,389	1,644,587	16.7%	13,337	0	0	1	31,650	\$16.63
2012 4q	260	9,868,389	1,657,924	16.8%	13,912	1	46,400	1	31,650	\$16.17
2012 3q	259	9,821,989	1,625,436	16.5%	(56,316)	0	0	2	78,050	\$16.12

Source: CoStar Property®



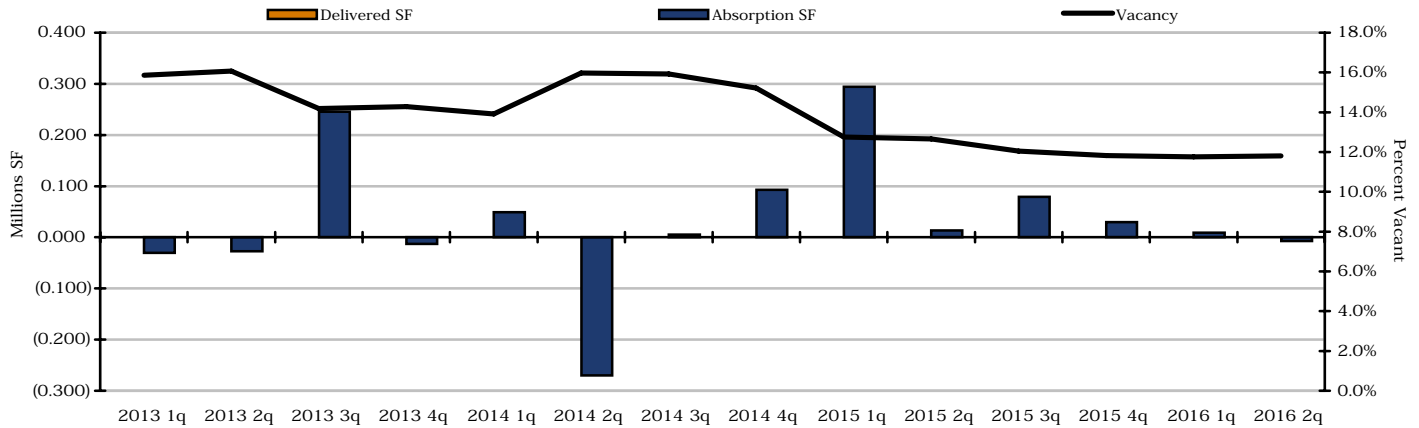
Jacksonville Office Market

Downtown Northbank Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

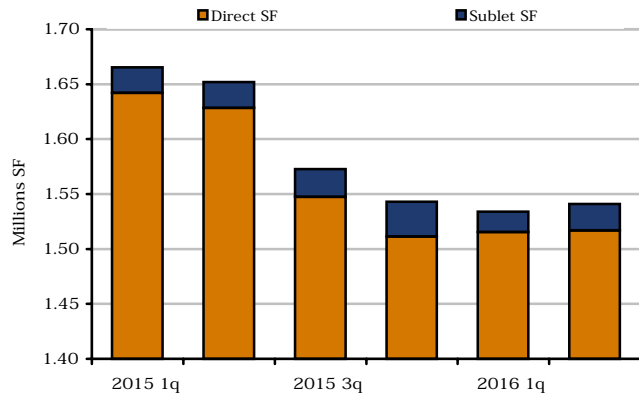
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

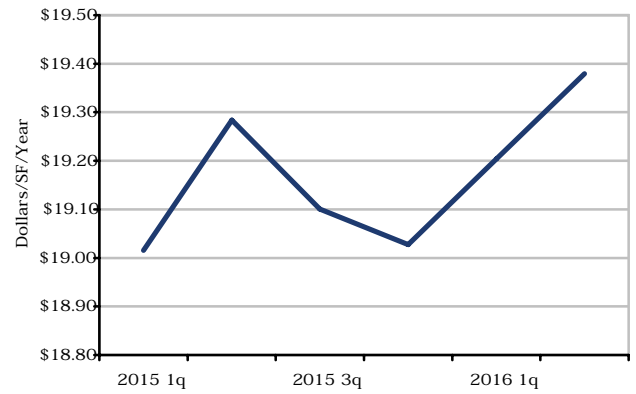
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2016 2q	344	13,050,304	1,540,889	11.8%	(6,941)	0	0	0	0	\$19.38
2016 1q	344	13,050,304	1,533,948	11.8%	9,200	0	0	0	0	\$19.20
2015 4q	344	13,050,304	1,543,148	11.8%	29,476	0	0	0	0	\$19.03
2015 3q	344	13,050,304	1,572,624	12.1%	79,298	0	0	0	0	\$19.10
2015 2q	344	13,050,304	1,651,922	12.7%	13,517	0	0	0	0	\$19.28
2015 1q	344	13,050,304	1,665,439	12.8%	294,186	0	0	0	0	\$19.02
2014 4q	345	13,081,304	1,990,625	15.2%	93,102	0	0	0	0	\$18.87
2014 3q	345	13,081,304	2,083,727	15.9%	5,465	0	0	0	0	\$19.04
2014 2q	345	13,081,304	2,089,192	16.0%	(269,786)	0	0	0	0	\$18.83
2014 1q	345	13,081,304	1,819,406	13.9%	49,158	0	0	0	0	\$18.61
2013 4q	345	13,081,304	1,868,564	14.3%	(12,908)	0	0	0	0	\$18.56
2013 3q	345	13,081,304	1,855,656	14.2%	245,657	0	0	0	0	\$18.59
2013 2q	345	13,081,304	2,101,313	16.1%	(27,289)	0	0	0	0	\$18.49
2013 1q	345	13,081,304	2,074,024	15.9%	(30,460)	0	0	0	0	\$18.33
2012 4q	345	13,081,304	2,043,564	15.6%	793,442	1	786,447	0	0	\$18.14
2012 3q	344	12,294,857	2,050,559	16.7%	217,527	0	0	1	786,447	\$18.05

Source: CoStar Property®

Jacksonville Office Market

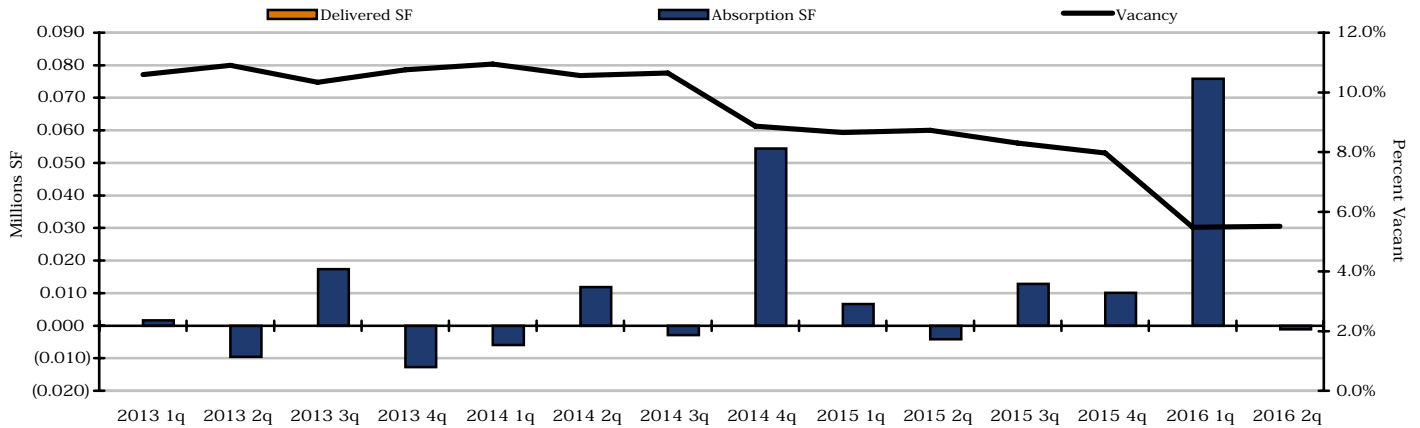


Downtown Southbank Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

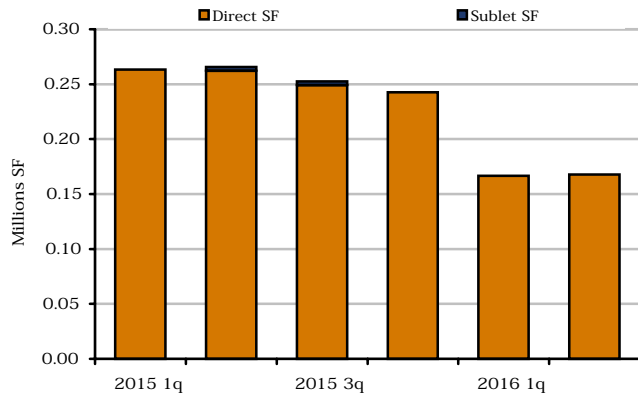
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

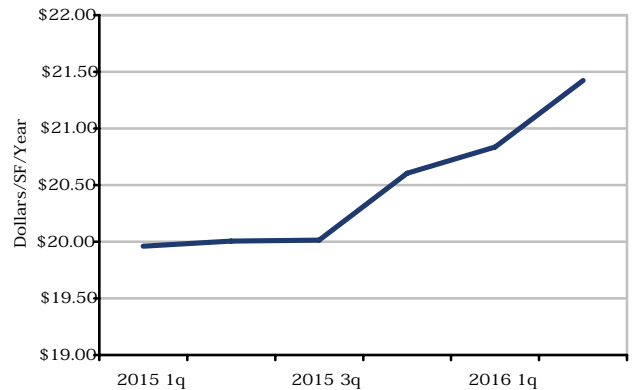
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2016 2q	139	3,043,315	167,839	5.5%	(1,126)	0	0	0	0	\$21.42
2016 1q	139	3,043,315	166,713	5.5%	75,833	0	0	0	0	\$20.84
2015 4q	139	3,043,315	242,546	8.0%	10,096	0	0	0	0	\$20.61
2015 3q	139	3,043,315	252,642	8.3%	12,869	0	0	0	0	\$20.02
2015 2q	139	3,043,315	265,511	8.7%	(4,221)	0	0	0	0	\$20.00
2015 1q	140	3,045,433	263,408	8.6%	6,658	0	0	0	0	\$19.96
2014 4q	140	3,045,433	270,066	8.9%	54,391	0	0	0	0	\$20.00
2014 3q	140	3,045,433	324,457	10.7%	(2,854)	0	0	0	0	\$19.88
2014 2q	140	3,045,433	321,603	10.6%	11,849	0	0	0	0	\$19.93
2014 1q	140	3,045,433	333,452	10.9%	(5,938)	0	0	0	0	\$20.05
2013 4q	140	3,045,433	327,514	10.8%	(12,745)	0	0	0	0	\$19.78
2013 3q	140	3,045,433	314,769	10.3%	17,347	0	0	0	0	\$19.56
2013 2q	140	3,045,433	332,116	10.9%	(9,607)	0	0	0	0	\$19.58
2013 1q	140	3,045,433	322,509	10.6%	1,594	0	0	0	0	\$19.62
2012 4q	140	3,045,433	324,103	10.6%	5,804	0	0	0	0	\$19.60
2012 3q	140	3,045,433	329,907	10.8%	1,646	0	0	0	0	\$19.58

Source: CoStar Property®

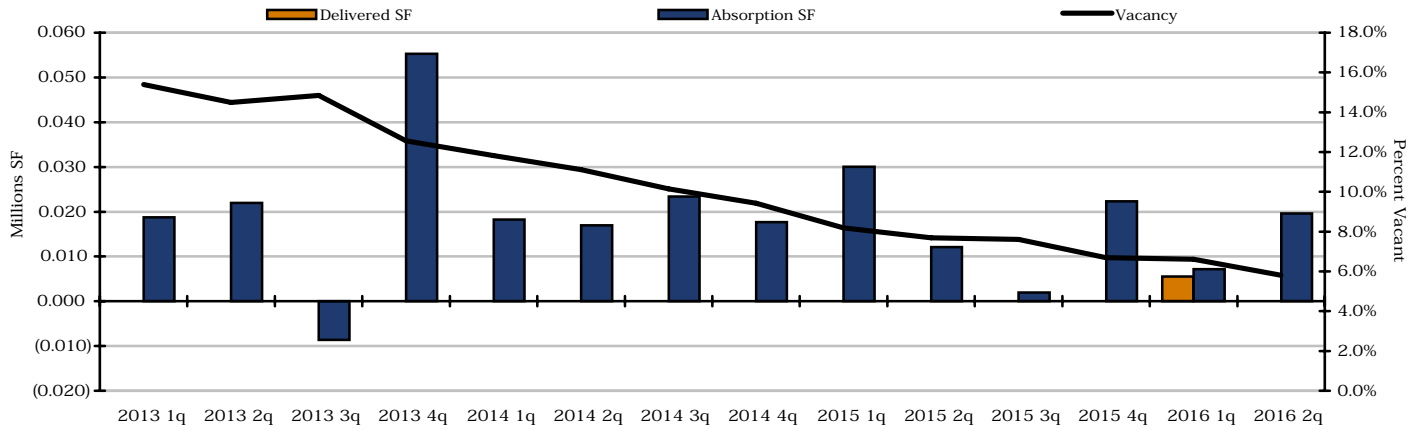


Jacksonville Office Market

Mandarin Market
Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

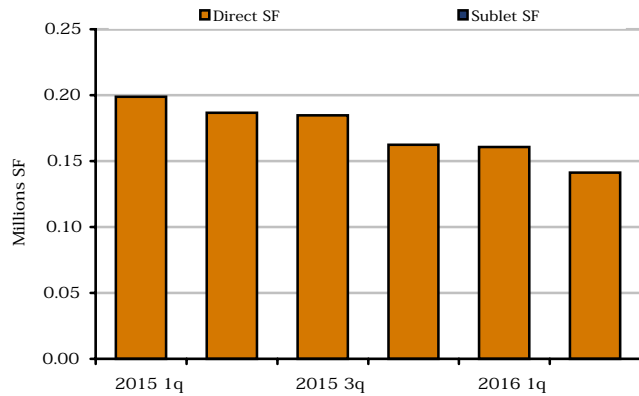
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

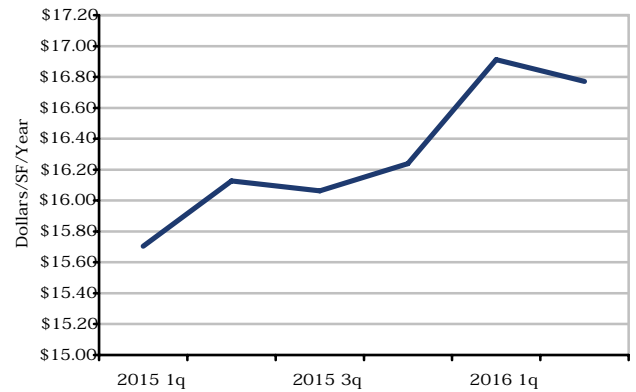
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2016 2q	265	2,433,204	141,164	5.8%	19,589	0	0	0	0	\$16.77
2016 1q	265	2,433,204	160,753	6.6%	7,189	1	5,500	0	0	\$16.91
2015 4q	264	2,427,704	162,442	6.7%	22,325	0	0	1	5,500	\$16.24
2015 3q	264	2,427,704	184,767	7.6%	1,974	0	0	1	5,500	\$16.06
2015 2q	264	2,427,704	186,741	7.7%	12,067	0	0	1	5,500	\$16.13
2015 1q	264	2,427,704	198,808	8.2%	30,076	0	0	1	5,500	\$15.70
2014 4q	264	2,427,704	228,884	9.4%	17,659	0	0	0	0	\$15.41
2014 3q	264	2,427,704	246,543	10.2%	23,374	0	0	0	0	\$15.53
2014 2q	264	2,427,704	269,917	11.1%	16,966	0	0	0	0	\$15.67
2014 1q	264	2,427,704	286,883	11.8%	18,261	0	0	0	0	\$15.67
2013 4q	264	2,427,704	305,144	12.6%	55,288	0	0	0	0	\$15.63
2013 3q	264	2,427,704	360,432	14.8%	(8,630)	0	0	0	0	\$15.43
2013 2q	264	2,427,704	351,802	14.5%	21,977	0	0	0	0	\$15.25
2013 1q	264	2,427,704	373,779	15.4%	18,727	0	0	0	0	\$15.41
2012 4q	264	2,427,704	392,506	16.2%	599	0	0	0	0	\$15.48
2012 3q	264	2,427,704	393,105	16.2%	8,075	0	0	0	0	\$15.40

Source: CoStar Property®

Jacksonville Office Market

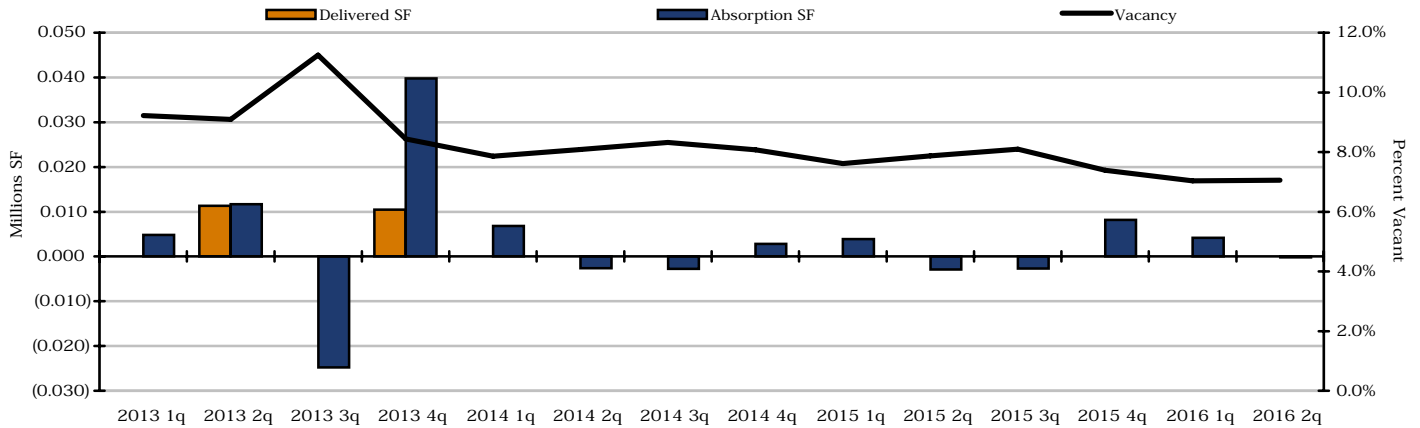


Nassau County Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

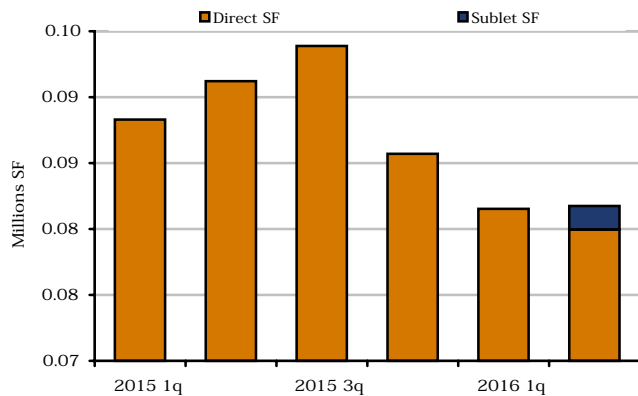
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

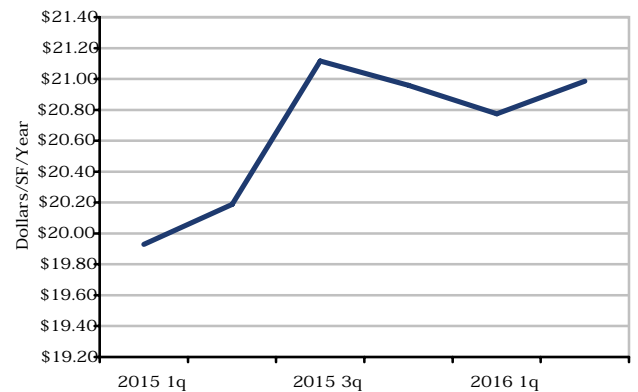
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2016 2q	230	1,159,377	81,749	7.1%	(218)	0	0	0	0	\$20.99
2016 1q	230	1,159,377	81,531	7.0%	4,173	0	0	0	0	\$20.77
2015 4q	230	1,159,377	85,704	7.4%	8,177	0	0	0	0	\$20.96
2015 3q	230	1,159,377	93,881	8.1%	(2,665)	0	0	0	0	\$21.12
2015 2q	230	1,159,377	91,216	7.9%	(2,915)	0	0	0	0	\$20.19
2015 1q	230	1,159,377	88,301	7.6%	3,858	0	0	0	0	\$19.93
2014 4q	231	1,160,977	93,759	8.1%	2,800	0	0	0	0	\$19.90
2014 3q	231	1,160,977	96,559	8.3%	(2,746)	0	0	0	0	\$20.12
2014 2q	231	1,160,977	93,813	8.1%	(2,615)	0	0	0	0	\$21.38
2014 1q	231	1,160,977	91,198	7.9%	6,842	0	0	0	0	\$21.45
2013 4q	231	1,160,977	98,040	8.4%	39,746	1	10,464	0	0	\$21.25
2013 3q	231	1,152,890	129,699	11.2%	(24,805)	0	0	1	10,464	\$20.98
2013 2q	231	1,152,890	104,894	9.1%	11,671	1	11,300	1	10,464	\$21.09
2013 1q	230	1,141,590	105,265	9.2%	4,839	0	0	2	21,764	\$20.52
2012 4q	230	1,141,590	110,104	9.6%	8,829	1	2,580	1	11,300	\$20.64
2012 3q	229	1,139,010	116,353	10.2%	3,242	0	0	2	13,880	\$20.49

Source: CoStar Property®



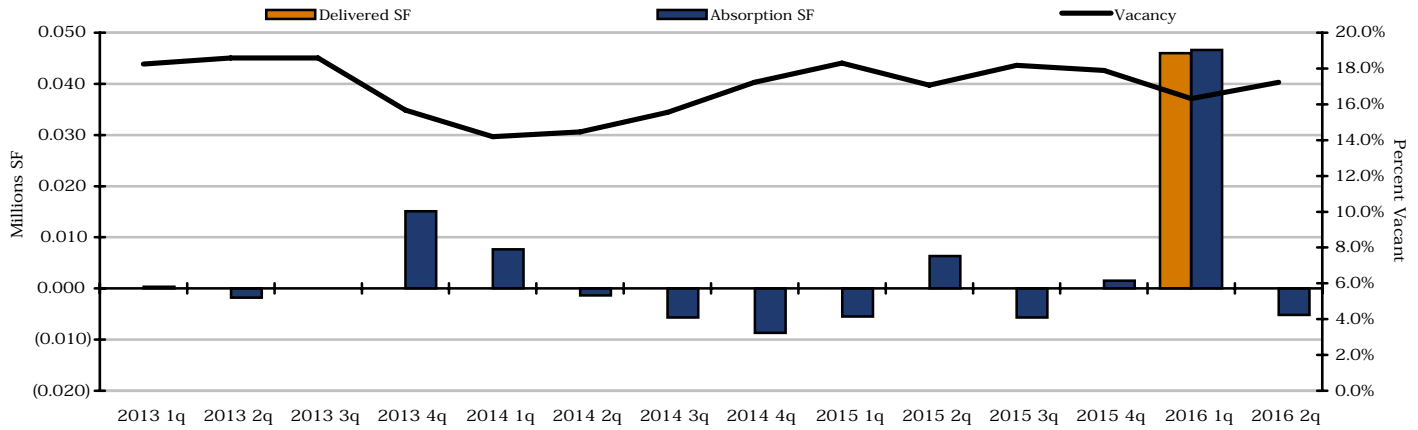
Jacksonville Office Market

Northeast Jacksonville Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

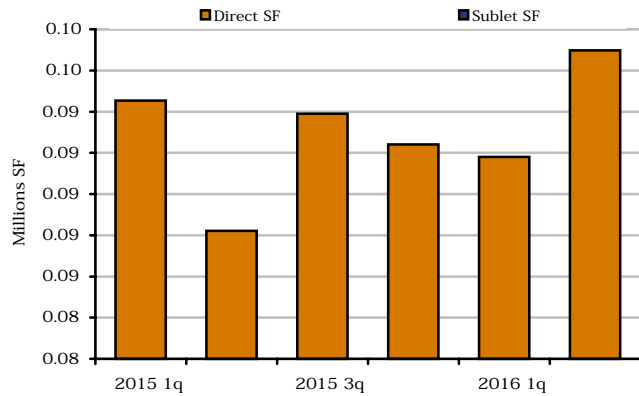
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

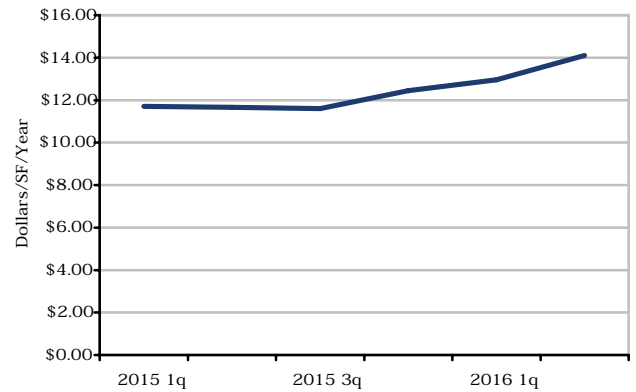
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2016 2q	70	562,711	96,968	17.2%	(5,161)	0	0	1	12,500	\$14.10
2016 1q	70	562,711	91,807	16.3%	46,614	1	46,014	1	12,500	\$12.96
2015 4q	69	516,697	92,407	17.9%	1,490	0	0	1	46,014	\$12.45
2015 3q	69	516,697	93,897	18.2%	(5,679)	0	0	1	46,014	\$11.61
2015 2q	69	516,697	88,218	17.1%	6,324	0	0	1	46,014	\$11.66
2015 1q	69	516,697	94,542	18.3%	(5,500)	0	0	0	0	\$11.70
2014 4q	69	516,697	89,042	17.2%	(8,686)	0	0	0	0	\$11.67
2014 3q	69	516,697	80,356	15.6%	(5,659)	0	0	0	0	\$13.94
2014 2q	69	516,697	74,697	14.5%	(1,373)	0	0	0	0	\$13.73
2014 1q	69	516,697	73,324	14.2%	7,655	0	0	0	0	\$13.63
2013 4q	69	516,697	80,979	15.7%	15,090	0	0	0	0	\$11.75
2013 3q	69	516,697	96,069	18.6%	0	0	0	0	0	\$11.76
2013 2q	69	516,697	96,069	18.6%	(1,784)	0	0	0	0	\$11.76
2013 1q	69	516,697	94,285	18.2%	345	0	0	0	0	\$13.05
2012 4q	69	516,697	94,630	18.3%	3,909	1	5,000	0	0	\$13.37
2012 3q	68	511,697	93,539	18.3%	(6,045)	0	0	1	5,000	\$13.31

Source: CoStar Property®

Jacksonville Office Market

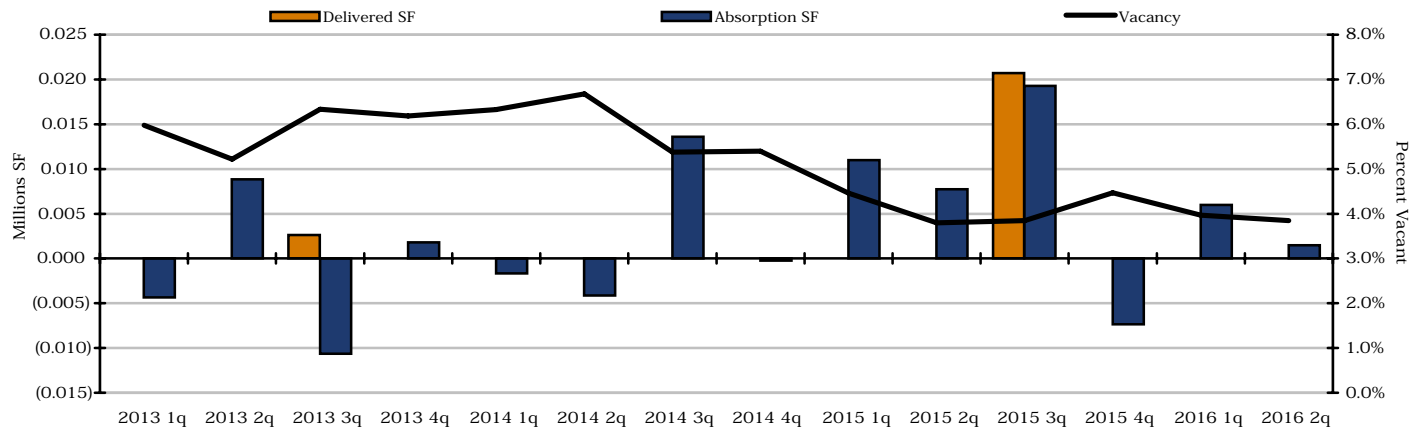


Northwest Jacksonville Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

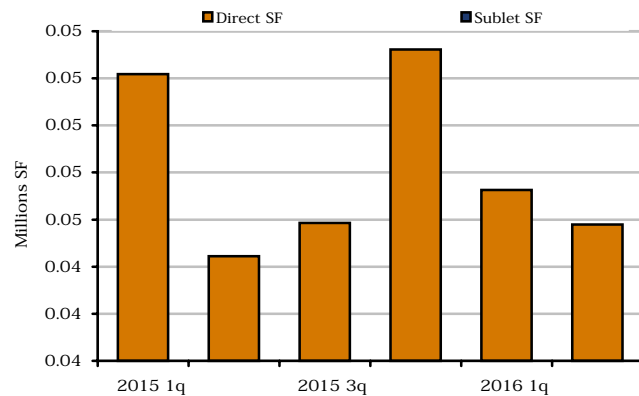
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

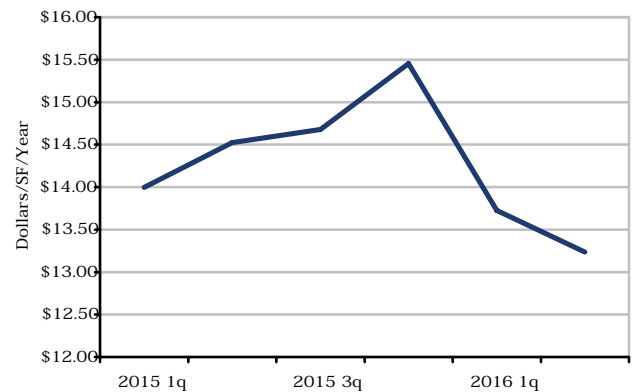
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2016 2q	179	1,191,133	45,784	3.8%	1,472	0	0	0	0	\$13.24
2016 1q	179	1,191,133	47,256	4.0%	5,966	0	0	0	0	\$13.72
2015 4q	179	1,191,133	53,222	4.5%	(7,368)	0	0	0	0	\$15.45
2015 3q	179	1,191,133	45,854	3.8%	19,287	1	20,700	0	0	\$14.68
2015 2q	178	1,170,433	44,441	3.8%	7,743	0	0	1	20,700	\$14.52
2015 1q	178	1,170,433	52,184	4.5%	10,991	0	0	1	20,700	\$14.00
2014 4q	178	1,170,433	63,175	5.4%	(220)	0	0	1	20,700	\$14.20
2014 3q	178	1,170,433	62,955	5.4%	13,600	0	0	0	0	\$14.39
2014 2q	180	1,172,167	78,289	6.7%	(4,120)	0	0	0	0	\$14.30
2014 1q	180	1,172,167	74,169	6.3%	(1,674)	0	0	0	0	\$14.23
2013 4q	180	1,172,167	72,495	6.2%	1,792	0	0	0	0	\$14.20
2013 3q	180	1,172,167	74,287	6.3%	(10,641)	1	2,607	0	0	\$13.11
2013 2q	179	1,169,560	61,039	5.2%	8,825	0	0	1	2,607	\$13.02
2013 1q	179	1,169,560	69,864	6.0%	(4,364)	0	0	1	2,607	\$12.49
2012 4q	179	1,169,560	65,500	5.6%	616	0	0	1	2,607	\$12.46
2012 3q	179	1,169,560	66,116	5.7%	3,737	0	0	1	2,607	\$12.74

Source: CoStar Property®



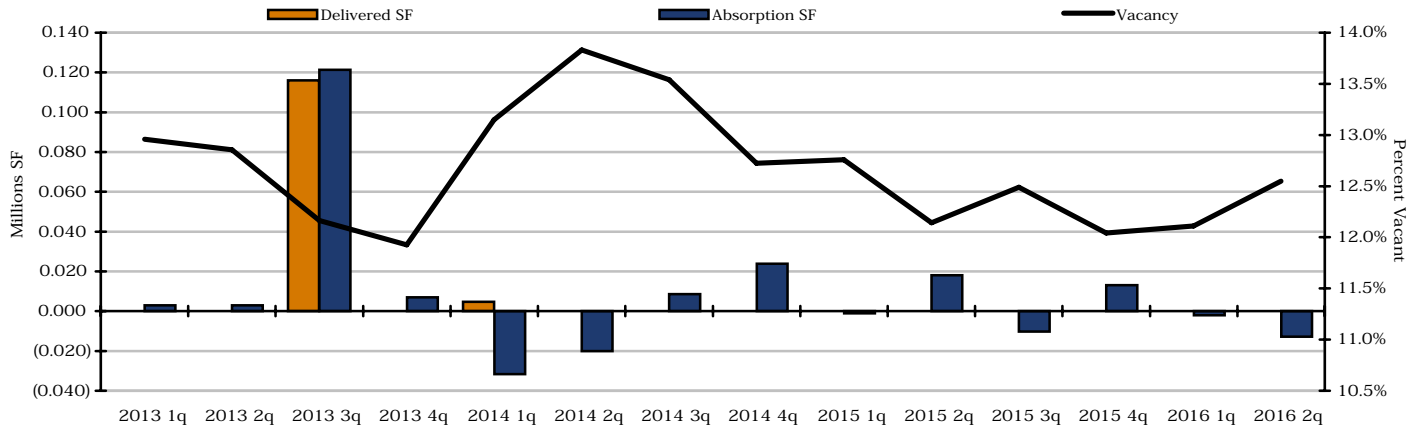
Jacksonville Office Market

Orange Park/Clay County Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

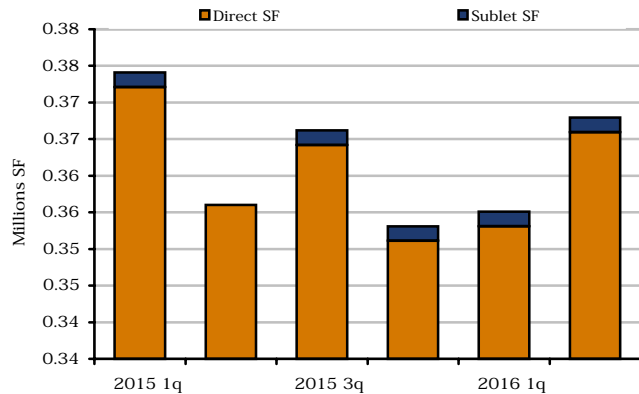
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

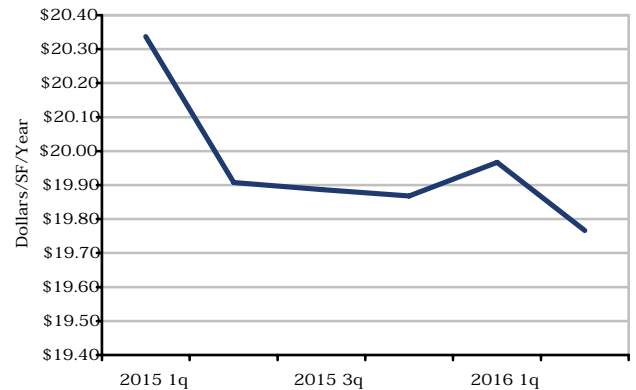
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2016 2q	378	2,932,066	367,922	12.5%	(12,833)	0	0	0	0	\$19.77
2016 1q	378	2,932,066	355,089	12.1%	(1,983)	0	0	0	0	\$19.97
2015 4q	378	2,932,066	353,106	12.0%	13,086	0	0	0	0	\$19.87
2015 3q	378	2,932,066	366,192	12.5%	(10,193)	0	0	0	0	\$19.89
2015 2q	378	2,932,066	355,999	12.1%	18,093	0	0	0	0	\$19.91
2015 1q	378	2,932,066	374,092	12.8%	(1,012)	0	0	0	0	\$20.34
2014 4q	378	2,932,066	373,080	12.7%	23,912	0	0	0	0	\$19.91
2014 3q	378	2,932,066	396,992	13.5%	8,540	0	0	0	0	\$20.02
2014 2q	378	2,932,066	405,532	13.8%	(20,002)	0	0	0	0	\$19.99
2014 1q	378	2,932,066	385,530	13.1%	(31,676)	1	4,773	0	0	\$19.77
2013 4q	377	2,927,293	349,081	11.9%	6,983	0	0	1	4,773	\$19.67
2013 3q	377	2,927,293	356,064	12.2%	121,375	1	116,066	1	4,773	\$19.56
2013 2q	376	2,811,227	361,373	12.9%	2,919	0	0	1	116,066	\$19.71
2013 1q	376	2,811,227	364,292	13.0%	2,935	0	0	1	116,066	\$18.86
2012 4q	376	2,811,227	367,227	13.1%	(4,585)	0	0	1	116,066	\$18.79
2012 3q	376	2,811,227	362,642	12.9%	40,076	1	13,000	1	116,066	\$18.85

Source: CoStar Property®

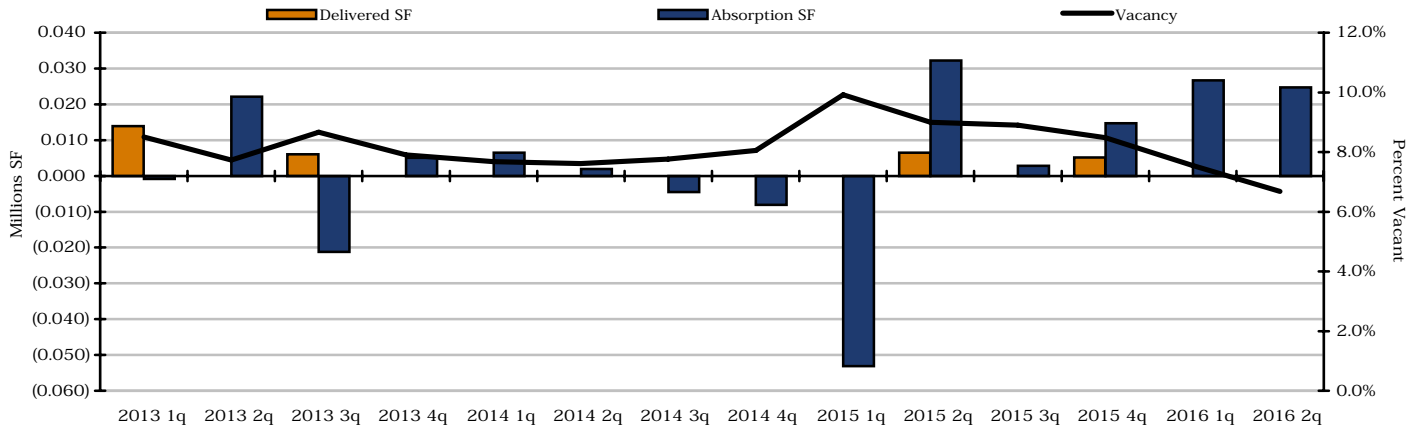
Jacksonville Office Market



Riverside Market Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

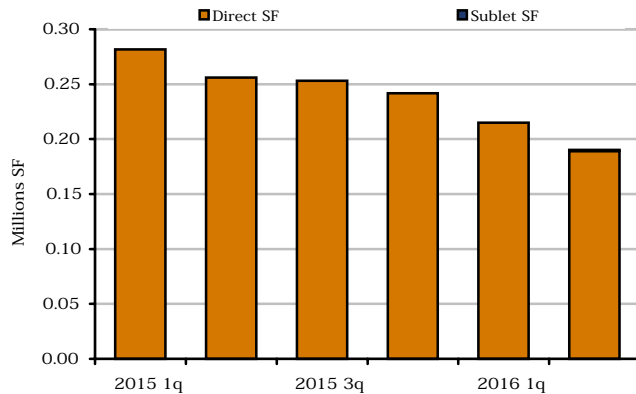
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

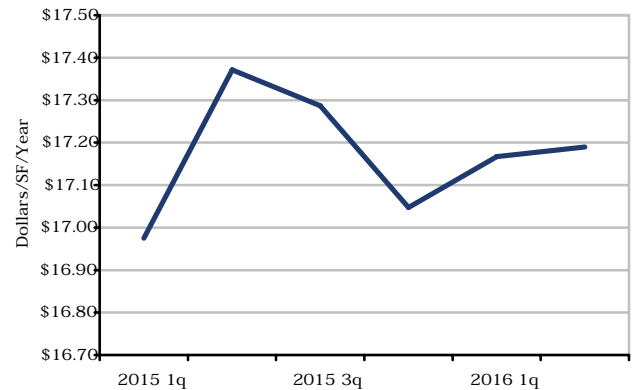
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2016 2q	599	2,848,311	190,223	6.7%	24,677	0	0	0	0	\$17.19
2016 1q	599	2,848,311	214,900	7.5%	26,728	0	0	0	0	\$17.17
2015 4q	599	2,848,311	241,628	8.5%	14,743	1	5,192	0	0	\$17.05
2015 3q	599	2,845,065	253,125	8.9%	2,791	0	0	1	5,192	\$17.29
2015 2q	599	2,845,065	255,916	9.0%	32,267	1	6,515	1	5,192	\$17.37
2015 1q	598	2,838,550	281,668	9.9%	(53,085)	0	0	2	11,707	\$16.98
2014 4q	598	2,838,550	228,583	8.1%	(8,084)	0	0	0	0	\$17.05
2014 3q	598	2,838,550	220,499	7.8%	(4,468)	0	0	0	0	\$16.56
2014 2q	598	2,838,550	216,031	7.6%	1,972	0	0	0	0	\$16.43
2014 1q	598	2,838,550	218,003	7.7%	6,457	0	0	0	0	\$16.39
2013 4q	598	2,838,550	224,460	7.9%	5,023	0	0	0	0	\$15.53
2013 3q	601	2,856,744	247,677	8.7%	(21,252)	1	6,000	0	0	\$15.43
2013 2q	600	2,850,744	220,425	7.7%	22,154	0	0	1	6,000	\$15.19
2013 1q	600	2,850,744	242,579	8.5%	(857)	2	13,881	1	6,000	\$14.78
2012 4q	598	2,836,863	227,841	8.0%	29,941	2	30,678	3	19,881	\$14.66
2012 3q	596	2,806,185	227,104	8.1%	6,949	0	0	5	50,559	\$15.44

Source: CoStar Property®



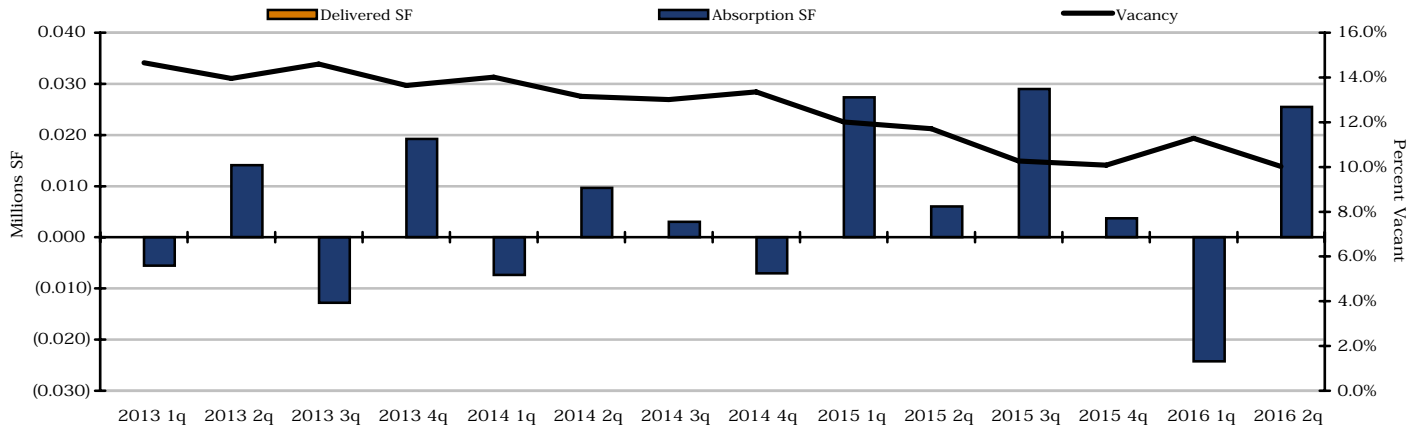
Jacksonville Office Market

San Marco Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

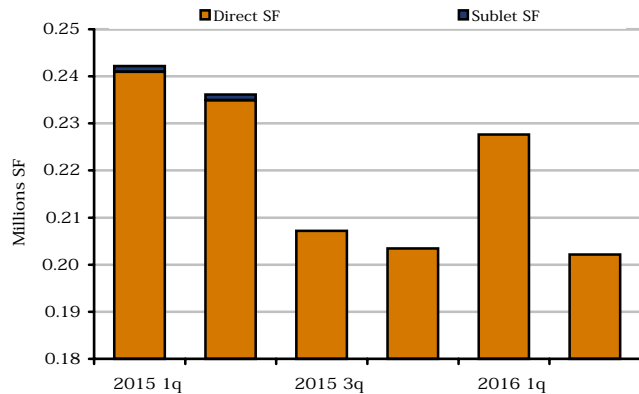
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

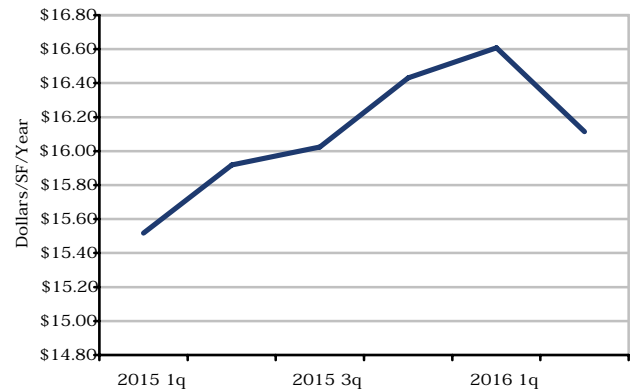
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2016 2q	244	2,017,169	202,163	10.0%	25,492	0	0	0	0	\$16.11
2016 1q	244	2,017,169	227,655	11.3%	(24,241)	0	0	0	0	\$16.61
2015 4q	244	2,017,169	203,414	10.1%	3,747	0	0	0	0	\$16.43
2015 3q	244	2,017,169	207,161	10.3%	28,979	0	0	0	0	\$16.02
2015 2q	244	2,017,169	236,140	11.7%	6,051	0	0	0	0	\$15.92
2015 1q	244	2,017,169	242,191	12.0%	27,333	0	0	0	0	\$15.52
2014 4q	244	2,017,169	269,524	13.4%	(7,070)	0	0	0	0	\$15.41
2014 3q	244	2,017,169	262,454	13.0%	3,016	0	0	0	0	\$14.67
2014 2q	244	2,017,169	265,470	13.2%	9,684	0	0	0	0	\$14.61
2014 1q	245	2,025,804	283,789	14.0%	(7,351)	0	0	0	0	\$14.62
2013 4q	245	2,025,804	276,438	13.6%	19,223	0	0	0	0	\$14.61
2013 3q	245	2,025,804	295,661	14.6%	(12,826)	0	0	0	0	\$14.48
2013 2q	245	2,025,804	282,835	14.0%	14,108	0	0	0	0	\$14.47
2013 1q	245	2,025,804	296,943	14.7%	(5,550)	0	0	0	0	\$14.30
2012 4q	245	2,025,804	291,393	14.4%	5,609	0	0	0	0	\$14.33
2012 3q	245	2,025,804	297,002	14.7%	2,541	0	0	0	0	\$14.20

Source: CoStar Property®

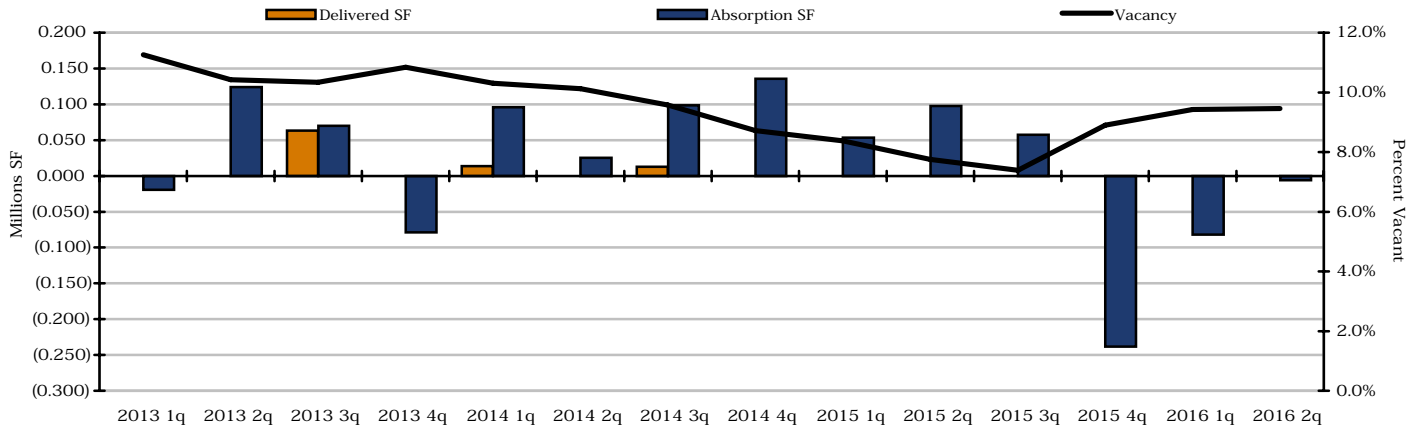
Jacksonville Office Market



Southside Market Market Highlights - Class "A, B & C"

Deliveries, Absorption & Vacancy

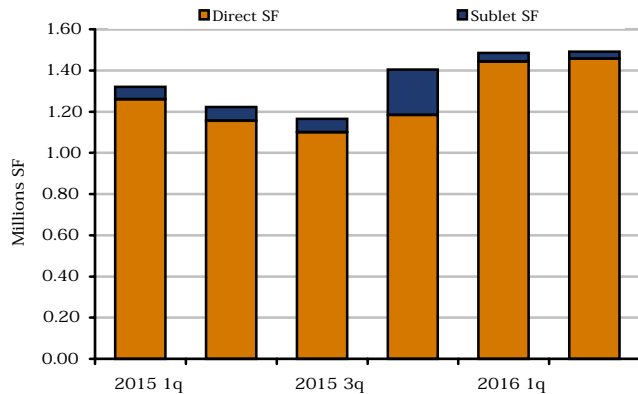
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

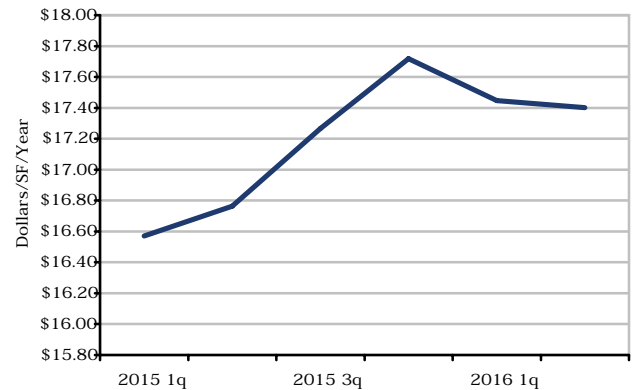
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2016 2q	709	15,761,920	1,491,584	9.5%	(6,198)	0	0	1	19,000	\$17.40
2016 1q	709	15,761,920	1,485,386	9.4%	(81,753)	0	0	0	0	\$17.45
2015 4q	709	15,761,920	1,403,633	8.9%	(238,471)	0	0	0	0	\$17.72
2015 3q	709	15,761,920	1,165,162	7.4%	57,416	0	0	0	0	\$17.27
2015 2q	709	15,761,920	1,222,578	7.8%	97,598	0	0	0	0	\$16.76
2015 1q	709	15,761,920	1,320,176	8.4%	53,600	0	0	0	0	\$16.57
2014 4q	709	15,761,920	1,373,776	8.7%	135,441	0	0	0	0	\$15.81
2014 3q	709	15,761,920	1,509,217	9.6%	98,708	1	13,000	0	0	\$15.87
2014 2q	708	15,748,920	1,594,925	10.1%	25,165	0	0	1	13,000	\$16.00
2014 1q	709	15,752,854	1,624,024	10.3%	95,808	2	13,489	1	13,000	\$16.00
2013 4q	707	15,739,365	1,706,343	10.8%	(78,717)	0	0	3	26,489	\$16.43
2013 3q	707	15,739,365	1,627,626	10.3%	69,908	2	63,066	1	6,111	\$16.67
2013 2q	705	15,676,299	1,634,468	10.4%	123,943	0	0	3	69,177	\$15.91
2013 1q	706	15,682,999	1,765,111	11.3%	(19,260)	0	0	2	63,066	\$15.70
2012 4q	706	15,682,999	1,745,851	11.1%	82,800	0	0	2	63,066	\$15.52
2012 3q	706	15,682,999	1,828,651	11.7%	60,230	0	0	1	56,771	\$15.56

Source: CoStar Property®



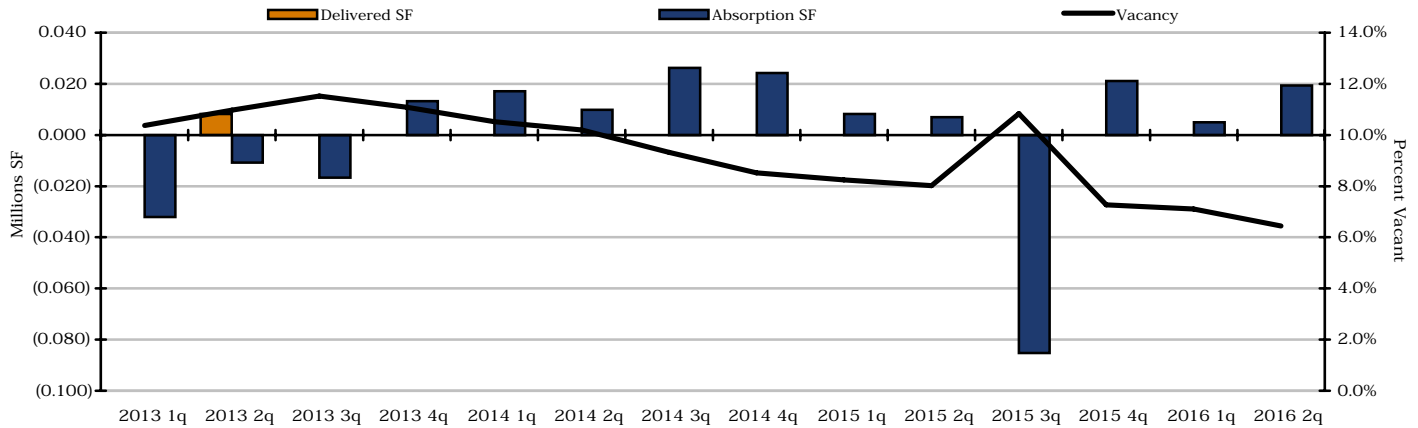
Jacksonville Office Market

St Johns County Market

Market Highlights – Class “A, B & C”

Deliveries, Absorption & Vacancy

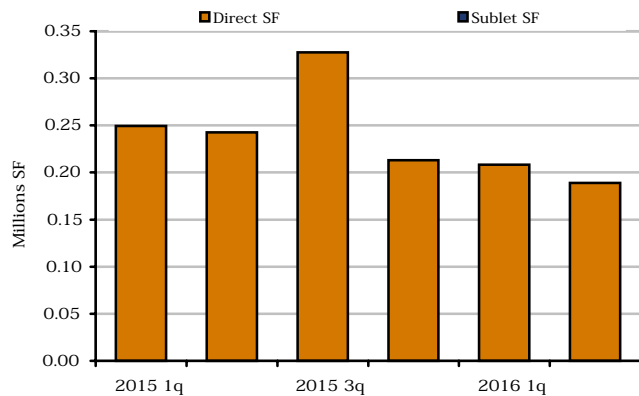
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

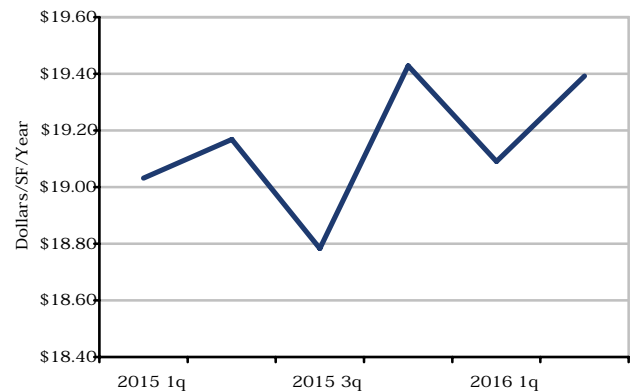
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2016 2q	427	2,930,472	188,795	6.4%	19,345	0	0	1	9,500	\$19.39
2016 1q	427	2,930,472	208,140	7.1%	5,002	0	0	1	9,500	\$19.09
2015 4q	427	2,930,472	213,142	7.3%	21,081	0	0	1	9,500	\$19.43
2015 3q	428	3,023,904	327,655	10.8%	(85,198)	0	0	1	9,500	\$18.78
2015 2q	428	3,023,904	242,457	8.0%	6,986	0	0	1	9,500	\$19.17
2015 1q	428	3,023,904	249,443	8.2%	8,261	0	0	1	9,500	\$19.03
2014 4q	428	3,023,904	257,704	8.5%	24,280	0	0	1	9,500	\$19.31
2014 3q	428	3,023,904	281,984	9.3%	26,233	0	0	1	9,500	\$18.96
2014 2q	428	3,023,904	308,217	10.2%	9,853	0	0	1	9,500	\$19.03
2014 1q	428	3,023,904	318,070	10.5%	17,167	0	0	1	9,500	\$19.15
2013 4q	428	3,023,904	335,237	11.1%	13,225	0	0	0	0	\$19.12
2013 3q	428	3,023,904	348,462	11.5%	(16,622)	0	0	0	0	\$18.64
2013 2q	428	3,023,904	331,840	11.0%	(10,769)	1	8,261	0	0	\$18.39
2013 1q	427	3,015,643	312,810	10.4%	(32,089)	0	0	1	8,261	\$18.14
2012 4q	427	3,015,643	280,721	9.3%	(15,368)	0	0	1	8,261	\$18.62
2012 3q	427	3,015,643	265,353	8.8%	26,257	0	0	1	8,261	\$18.14

Source: CoStar Property®