

**Tampa, FL**

**3rd Quarter 2015**

# **OFFICE**

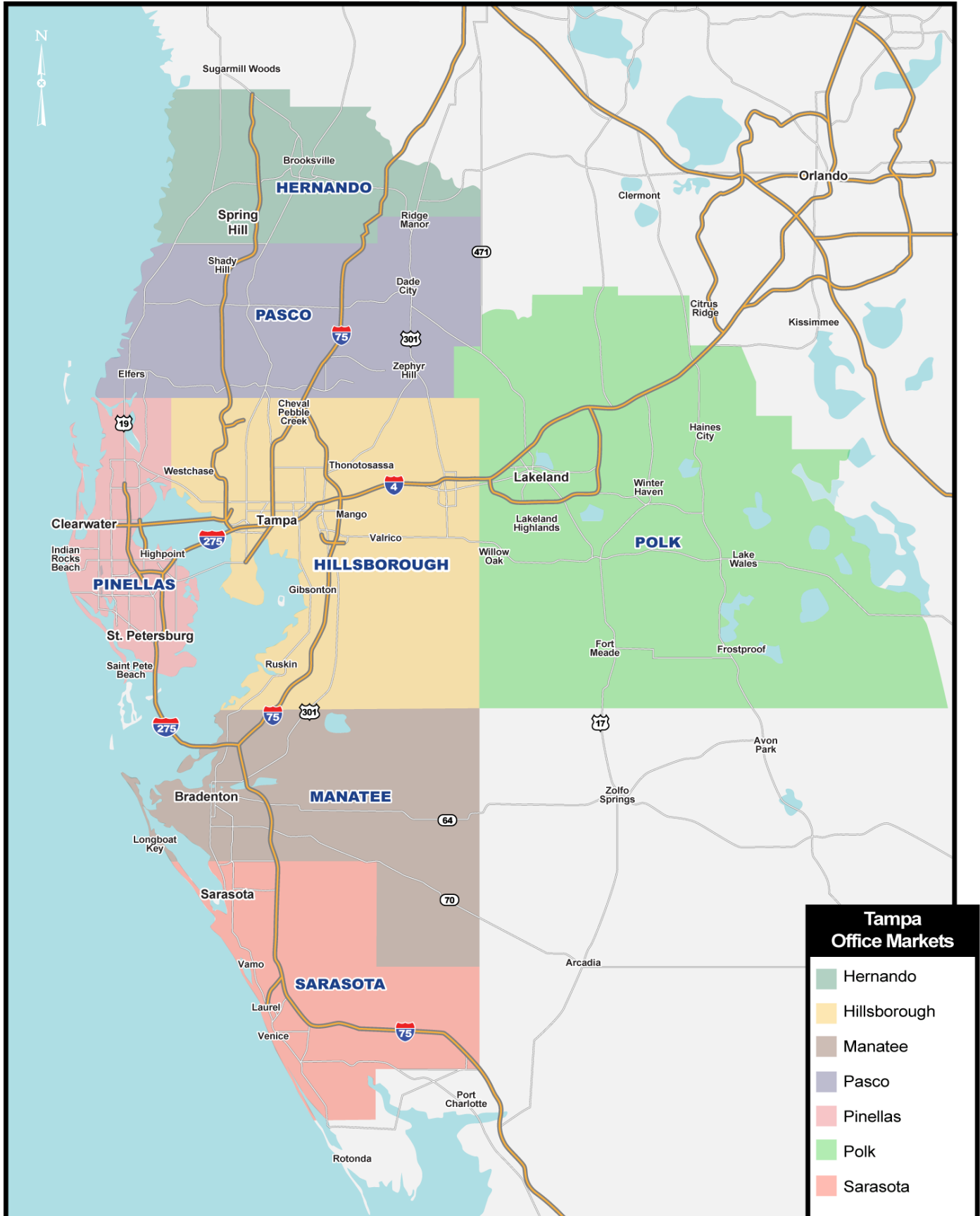
## **Market Trends**



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The Tampa tracked set consists of an inventory of buildings considered to be competitive within the brokerage community. All buildings within the competitive tracked set have been reviewed and verified by members of the Advisory Boards for each market area.

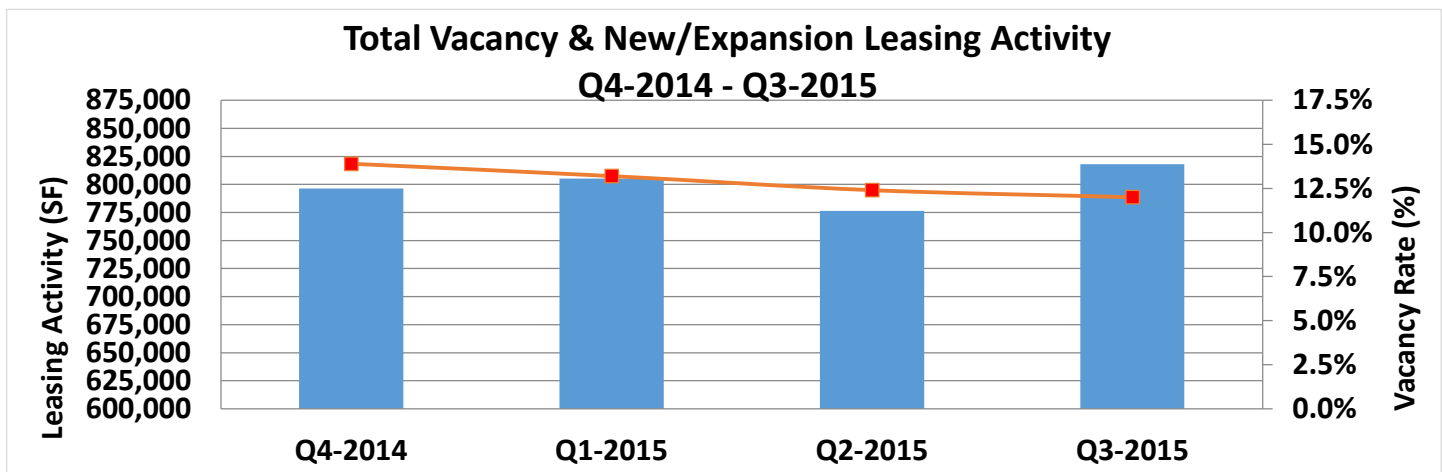
<b>Inventory</b>	Includes office buildings which are less than 75% owner occupied and single tenant are greater than or equal to 15,000 SF.
<b>Total Available SF</b>	All of the available leasable space within a building, whether it is occupied or vacant, for direct lease or sublease space. Space can be available but not vacant, for example, if the landlord, or his agent, is marketing space that will be coming available at a future date because a tenant is planning to move.
<b>Total Vacant SF</b>	The total of all of the vacant square footage within a building, including both direct and sublease space.
<b>Direct Vacant SF</b>	The total of the vacant square footage in a building that is being marketed by an agent representing the landlord.
<b>Sublease SF</b>	Space that is offered for lease by a current tenant, or his agent, within a property. Whether the tenant is paying rent or not, the space is considered vacant only if it is unoccupied.
<b>Net Absorption</b>	The net change in occupancy from quarter to quarter, expressed in square feet.



**Tampa Office Markets**

- Hernando
- Hillsborough
- Manatee
- Pasco
- Pinellas
- Polk
- Sarasota

- Strong leasing activity and positive absorption during the third quarter of 2015 resulted in the market's Total Vacancy rate to fall four tenths of a percentage point to 12.0%.
- Of the major office submarkets (with 5.0+ million square feet) in the Tampa Bay market, the Tampa CBD reflected the lowest Total Vacancy with just 9.1%.
- The most notable improvement in market fundamentals during the third quarter took place within the Westshore submarket.
- For the second straight quarter, the Tampa CBD commanded the highest rental rates in the Tampa Bay market, averaging \$25.42 Per Square Foot.



### Q3 2015 Market Overview by Building Type

	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy	Direct Vacant (SF)	Direct Vacancy Rate (%)	Available Sublease (SF)	Quarterly Net Absorption	YTD Net Absorption (SF)
Hillsborough	476	39,471,628	6,274,511	4,492,409	11.4%	4,223,520	10.7%	5,692,932	581,579	214,262
Tampa CBD	59	8,623,872	1,166,204	787,531	9.1%	676,016	7.8%	1,050,885	115,319	(15,661)
Westshore	138	14,002,827	2,021,620	1,463,560	10.5%	1,323,824	9.5%	1,858,989	162,631	142,420
NW Tampa	113	5,048,361	1,055,078	717,249	14.2%	704,484	14.0%	971,069	84,009	66,004
North I-75 Corridor	62	5,689,082	1,433,446	986,290	17.3%	983,290	17.3%	1,215,699	217,747	9,526
South I-75 Corridor	83	5,240,508	572,639	513,979	9.8%	512,106	9.8%	570,766	1,873	6,571
SW Tampa	21	866,978	25,524	23,800	2.7%	23,800	2.7%	25,524	0	5,402
Pinellas	340	19,759,719	3,305,956	2,682,307	13.6%	2,672,069	13.5%	70,012	75,459	278,548
St Petersburg CBD	37	3,758,969	331,474	325,963	8.7%	318,201	8.5%	10,144	43,188	116,839
Bayside	46	2,513,544	742,206	532,783	21.2%	532,783	21.2%	0	(12,934)	(77,449)
Gateway	104	6,205,091	852,224	677,649	10.9%	675,173	10.9%	31,868	(56,138)	33,097
North Pinellas	63	3,026,594	535,466	474,164	15.7%	474,164	15.7%	0	22,337	69,556
Mid-Pinellas	33	1,676,810	407,897	367,119	21.9%	367,119	21.9%	28,000	0	26,463
South Pinellas	35	1,360,407	320,249	188,189	13.8%	188,189	13.8%	0	69,018	114,730
Clearwater CBD	22	1,218,304	116,440	116,440	9.6%	116,440	9.6%	0	9,988	(4,688)
Polk	67	3,031,947	337,058	290,629	9.6%	283,258	9.3%	7,371	(65,341)	(27,949)
Polk East	18	704,267	139,546	114,021	16.2%	114,021	16.2%	0	(67,721)	(98,726)
Polk West	49	2,327,680	197,512	176,608	7.6%	169,237	7.3%	7,371	2,380	70,777
<b>Grand Total</b>	<b>883</b>	<b>62,263,294</b>	<b>9,917,525</b>	<b>7,465,345</b>	<b>12.0%</b>	<b>7,178,847</b>	<b>11.5%</b>	<b>5,770,315</b>	<b>591,697</b>	<b>464,861</b>

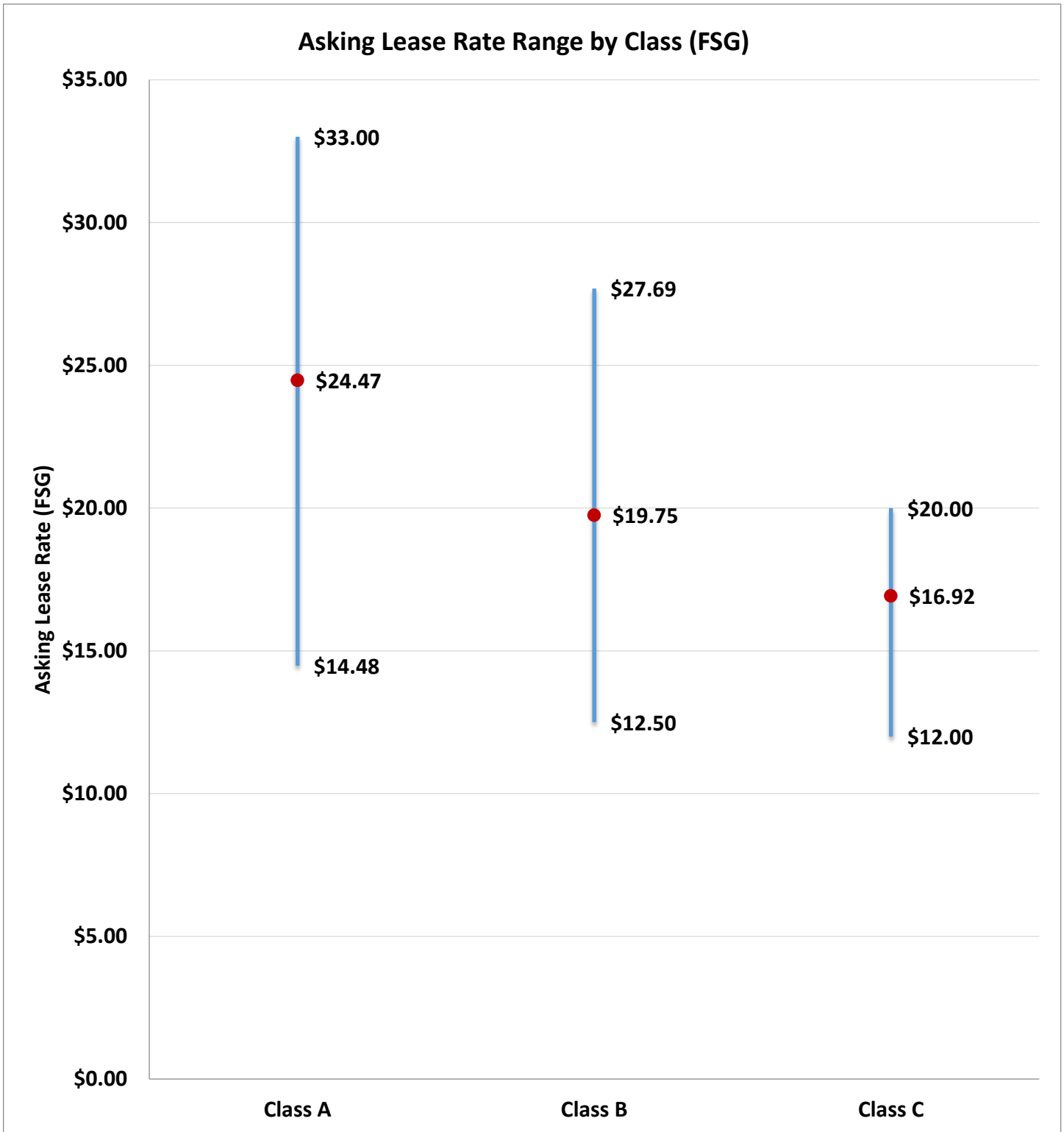
## Overview by Submarket/ Building Type



	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy	Direct Vacant (SF)	Direct Vacancy Rate (%)	Available Sublease (SF)	Quarterly Net Absorption (SF)	YTD Net Absorption (SF)
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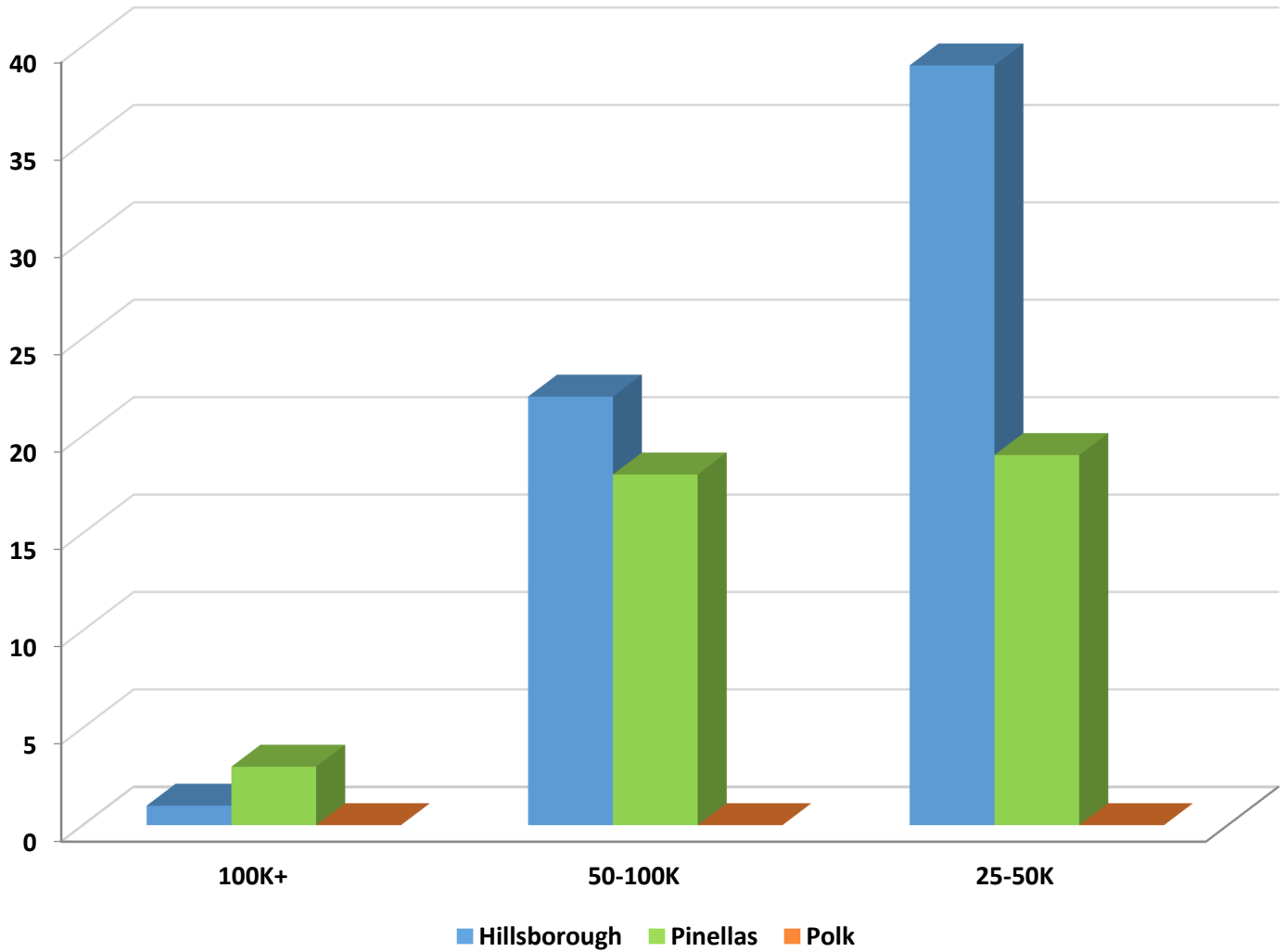
	Direct Vacancy Rate %			Asking Direct Lease Rate (FSG)		
	2015 Q1	2015 Q2	2015 Q3	2015 Q1	2015 Q2	2015 Q3
<b>Hillsborough</b>	<b>12.2%</b>	<b>11.6%</b>	<b>10.7%</b>	<b>\$21.87</b>	<b>\$22.70</b>	<b>\$22.92</b>
<b>Tampa CBD</b>	<b>8.0%</b>	<b>8.2%</b>	<b>7.8%</b>	<b>\$23.25</b>	<b>\$24.88</b>	<b>\$25.42</b>
A	9.2%	9.9%	9.3%	\$24.67	\$25.76	\$26.40
B	7.5%	6.7%	7.2%	\$21.38	\$21.92	\$22.42
C	3.8%	4.0%	3.1%	\$15.85	\$19.00	\$19.00
<b>Westshore</b>	<b>12.0%</b>	<b>11.0%</b>	<b>9.5%</b>	<b>\$23.99</b>	<b>\$24.53</b>	<b>\$24.49</b>
A	10.7%	9.0%	7.6%	\$28.71	\$28.47	\$28.61
B	12.9%	13.5%	11.8%	\$20.64	\$21.72	\$21.89
C	16.9%	9.4%	7.5%	\$18.26	\$18.10	\$18.05
<b>NW Tampa</b>	<b>14.6%</b>	<b>15.5%</b>	<b>14.0%</b>	<b>\$19.21</b>	<b>\$19.51</b>	<b>\$19.63</b>
A	8.3%	10.1%	9.2%	\$22.68	\$21.85	\$21.70
B	19.8%	20.9%	18.4%	\$18.68	\$18.21	\$18.53
C	10.7%	9.4%	9.7%	\$17.42	\$16.17	\$16.19
<b>North I-75 Corridor</b>	<b>20.4%</b>	<b>17.6%</b>	<b>17.3%</b>	<b>\$19.64</b>	<b>\$22.06</b>	<b>\$21.94</b>
A	25.7%	9.0%	16.9%	\$20.33	\$23.14	\$23.24
B	20.8%	20.2%	21.5%	\$19.47	\$20.11	\$20.35
C	7.8%	7.6%	7.4%	\$15.74	\$12.00	\$12.00
<b>South I-75 Corridor</b>	<b>9.9%</b>	<b>10.0%</b>	<b>9.8%</b>	<b>\$19.39</b>	<b>\$17.52</b>	<b>\$17.67</b>
A	6.6%	6.1%	5.0%	\$23.00	\$21.70	\$21.08
B	14.4%	15.1%	15.3%	\$18.03	\$15.95	\$16.48
C	3.7%	3.7%	5.0%	\$17.50	\$0.00	\$13.38
<b>SW Tampa</b>	<b>3.3%</b>	<b>4.5%</b>	<b>2.8%</b>	<b>\$22.73</b>	<b>\$0.00</b>	<b>\$20.75</b>
A	1.5%	1.5%	2.2%	\$22.00	\$0.00	\$0.00
B	3.5%	5.8%	2.9%	\$24.00	\$0.00	\$20.75
C	5.2%	4.7%	3.2%	\$18.55	\$0.00	\$0.00
<b>Pinellas</b>	<b>14.6%</b>	<b>13.5%</b>	<b>13.5%</b>	<b>\$19.88</b>	<b>\$19.78</b>	<b>\$19.75</b>
<b>St Petersburg CBD</b>	<b>14.5%</b>	<b>11.3%</b>	<b>8.5%</b>	<b>\$21.94</b>	<b>\$23.20</b>	<b>\$24.32</b>
A	14.4%	13.3%	11.0%	\$25.90	\$24.73	\$25.39
B	18.2%	10.5%	5.6%	\$17.35	\$20.78	\$19.51
C	0.0%	1.9%	0.3%	\$0.00	\$15.00	\$0.00
<b>Bayside</b>	<b>17.3%</b>	<b>17.9%</b>	<b>21.2%</b>	<b>\$20.42</b>	<b>\$19.45</b>	<b>\$19.46</b>
A	15.5%	14.5%	15.6%	\$20.05	\$20.07	\$20.44
B	24.0%	26.8%	32.7%	\$20.70	\$19.10	\$18.97
C	0.0%	0.0%	0.0%	\$0.00	\$0.00	\$0.00
<b>Gateway</b>	<b>10.1%</b>	<b>9.5%</b>	<b>10.9%</b>	<b>\$20.20</b>	<b>\$20.16</b>	<b>\$19.33</b>
A	4.1%	4.0%	4.5%	\$22.65	\$22.53	\$20.85
B	13.9%	12.7%	14.7%	\$19.74	\$19.65	\$19.35
C	10.9%	11.3%	12.1%	\$0.00	\$0.00	\$17.43

	Direct Vacancy Rate %				Asking Direct Lease Rate (FSG)		
	2015 Q1	2015 Q2	2015 Q3		2015 Q1	2015 Q2	2015 Q3
<b>North Pinellas</b>	<b>16.9%</b>	<b>17.1%</b>	<b>15.7%</b>		<b>\$19.52</b>	<b>\$18.75</b>	<b>\$18.63</b>
A	7.1%	9.6%	8.9%		\$21.00	\$20.73	\$20.55
B	24.5%	24.2%	22.2%		\$19.45	\$18.22	\$18.24
C	6.6%	4.8%	4.8%		\$15.34	\$15.50	\$15.50
<b>Mid-Pinellas</b>	<b>29.2%</b>	<b>25.5%</b>	<b>21.9%</b>		<b>\$19.13</b>	<b>\$18.12</b>	<b>\$18.12</b>
A	36.5%	36.5%	36.5%		\$20.24	\$21.00	\$21.00
B	28.8%	24.6%	19.6%		\$19.42	\$18.09	\$18.09
C	20.3%	14.8%	15.0%		\$14.51	\$16.00	\$16.00
<b>South Pinellas</b>	<b>20.3%</b>	<b>17.5%</b>	<b>13.8%</b>		<b>\$17.57</b>	<b>\$15.77</b>	<b>\$16.49</b>
A	0.0%	0.0%	0.0%		\$0.00	\$0.00	\$0.00
B	27.6%	23.2%	18.4%		\$17.70	\$15.77	\$16.49
C	2.7%	0.0%	0.0%		\$13.00	\$0.00	\$0.00
<b>Clearwater CBD</b>	<b>4.7%</b>	<b>4.6%</b>	<b>9.6%</b>		<b>\$18.20</b>	<b>\$16.91</b>	<b>\$18.11</b>
A	0.0%	0.0%	17.3%		\$0.00	\$0.00	\$18.00
B	8.8%	8.6%	7.7%		\$18.20	\$16.91	\$18.23
C	0.0%	0.0%	0.0%		\$0.00	\$0.00	\$0.00
<b>Polk</b>	<b>7.1%</b>	<b>7.2%</b>	<b>9.3%</b>		<b>\$19.50</b>	<b>\$19.90</b>	<b>\$19.90</b>
<b>Polk East</b>	<b>2.2%</b>	<b>6.5%</b>	<b>16.2%</b>		<b>\$20.47</b>	<b>\$21.00</b>	<b>\$21.00</b>
A	6.8%	8.6%	8.6%		\$21.91	\$21.00	\$21.00
B	1.0%	6.6%	20.9%		\$16.00	\$0.00	\$0.00
C	0.0%	0.0%	0.0%		\$0.00	\$0.00	\$0.00
<b>Polk West</b>	<b>8.7%</b>	<b>7.5%</b>	<b>7.3%</b>		<b>\$19.46</b>	<b>\$19.75</b>	<b>\$19.75</b>
A	15.5%	14.1%	15.4%		\$20.49	\$20.12	\$20.12
B	6.8%	5.6%	5.6%		\$19.22	\$0.00	\$0.00
C	9.3%	9.3%	3.4%		\$16.94	\$19.00	\$19.00
<b>Grand Total</b>	<b>12.7%</b>	<b>12.0%</b>	<b>11.5%</b>		<b>\$21.04</b>	<b>\$22.05</b>	<b>\$21.70</b>





### Largest Blocks of Available Space



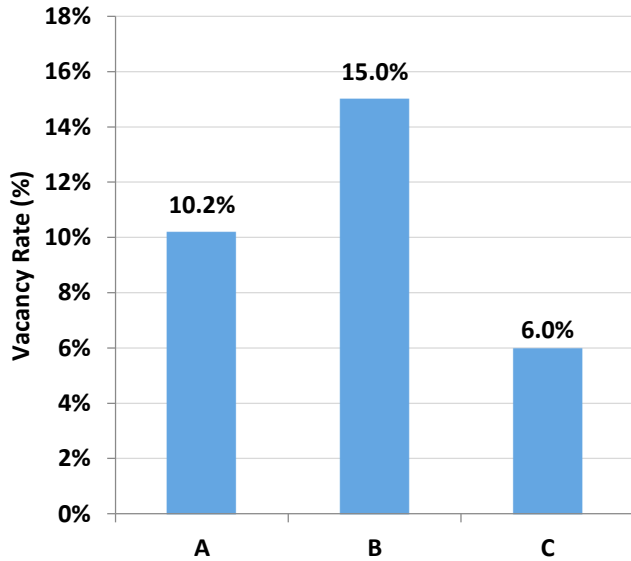
### Historical Blocks of Space

Quarter	100K+	50-100K	25-50K
2015 Q1	10	47	76
2015 Q2	9	42	65
2015 Q3	4	40	58

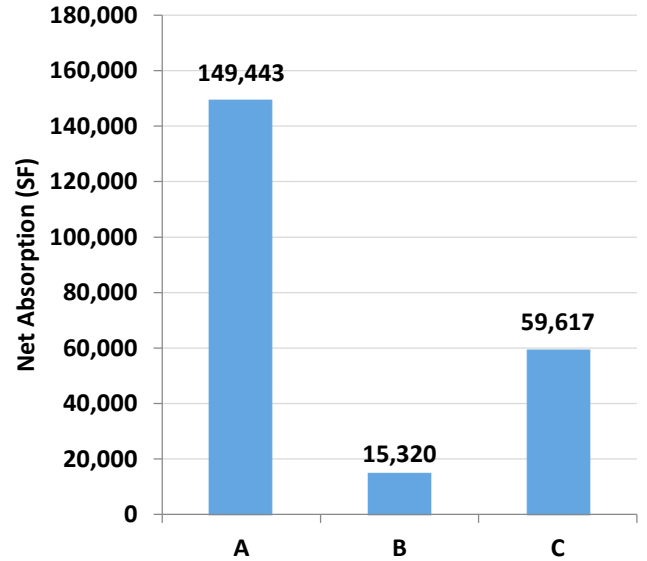
Top Lease Transactions					
Property Name	SF Leased	Tenant Name	Market   Submarket	Building Class	Transaction Type
Hidden River Corporate Center I	111,000	Johnson & Johnson	Hillsborough   North I-75 Corridor	A	New
Highland Oaks Office Park V	29,082	Undisclosed Tenant	Hillsborough   South I-75 Corridor	A	N/A
Carillon Point	25,000	Hull & Company	Pinellas   Gateway	A	Expansion
Carillon Point	25,000	Smith & Nephew	Pinellas   Gateway	A	Relocation (Local)
Spectrum Building at Tampa Bay Park	23,426	UMA Education	Hillsborough   Westshore	B	New

Top Sale Transactions					
Property Name	SF Sold	Buyer Name	Market   Submarket	Building Class	Transaction Amount
SunTrust Financial Centre	527,237	Highwoods Properties Inc	Hillsborough   Tampa CBD	A	\$124,000,000.00
Rivergate Tower	515,965	Banyan Street Capital	Hillsborough   Tampa CBD	A	\$70,000,000.00
1715 N Westshore Boulevard	216,410	PM Realty Group	Hillsborough   Westshore	A	\$40,000,000.00
Harborview Plaza	205,049	Parkway Properties Inc	Hillsborough   Westshore	A	\$49,000,000.00
Westshore Corporate Center	172,680	Angelo, Gordon & Co	Hillsborough   Westshore	A	\$28,200,000.00

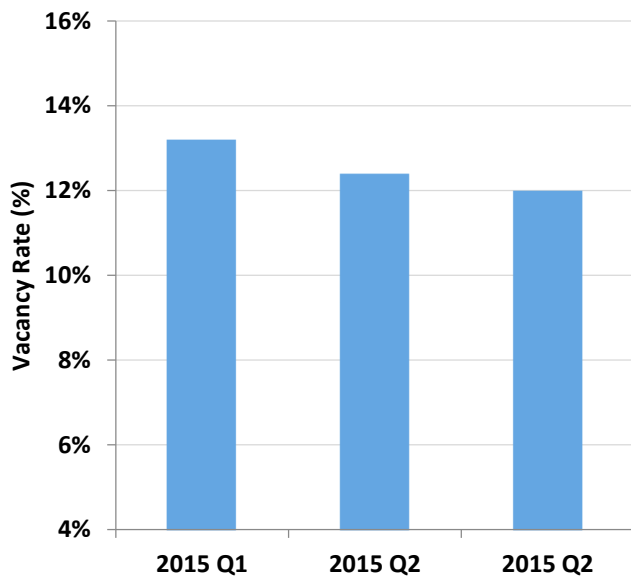
**Vacancy Rate by Class**



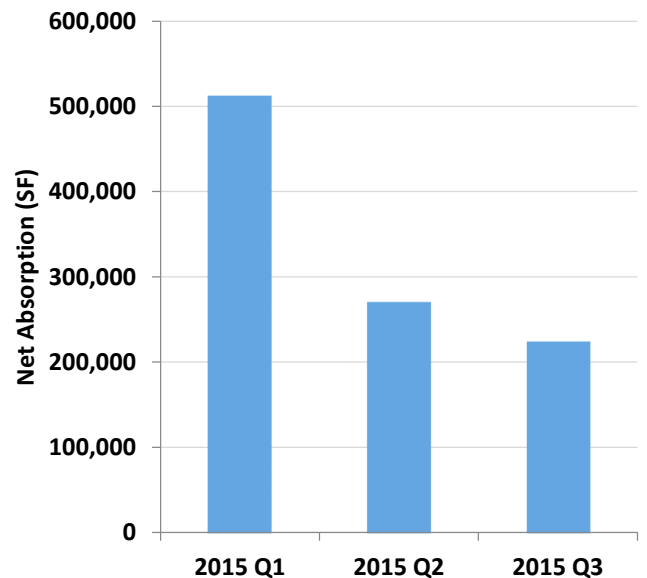
**Net Absorption by Class**



**Vacancy Rate by Quarter**



**Net Absorption by Quarter**



This information has been obtained from sources believed reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy.

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