

State of Florida Office MarketView

4Q 2012

CBRE Global Research and Consulting

VACANCY
19.8%

ASKING RATE
\$23.36

ABSORPTION
840 K

CONSTRUCTION
657 K

COMPLETIONS
0

UNEMPLOYMENT
7.9%

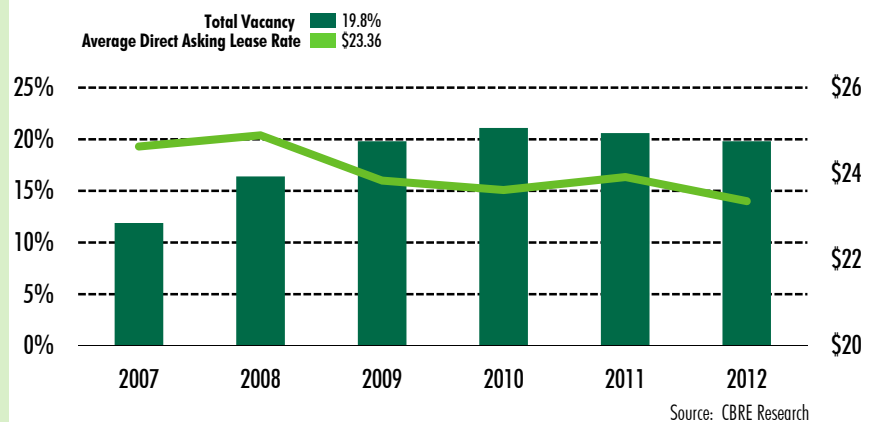
Arrows reflect year-over-year trends

SUSTAINED SIGNS OF RECOVERY: POSITIVE ABSORPTION IN ALL SIX FLORIDA; VACANCY BELOW 20% FOR FIRST TIME IN MORE THAN THREE YEARS

Hot Topics

- The Florida office market continued its steady recovery with vacancy dropping 40 basis points quarter over quarter and asking rates remaining fairly stable.
- Miami, Palm Beach County and Tampa Bay had very active fourth quarter activity, contributing over 950,000 SF of absorption, bringing Florida 2012 absorption to almost 2.5 MSF.
- Class A product vacancy stands at 18.7%, a 100 basis point decline from this time last year.
- We end 2012 with the average sales price of \$129 PSF, a drop from the \$153 PSF at the end of 2011.
- Class C space continues to lose tenants, once again posting negative annual absorption. This is the fifth straight year of negative absorption for a combined total of 1.9 MSF lost since 2008.

Total Vacancy -vs- Average Direct Asking Lease Rate (FSG)



Leasing Activity

As we close 2012, there are clear indicators of steady recovery for Florida's office market. Total vacancy stands at 19.8%, dropping by more than 100 basis points during 2012 and more than 120 basis points since year-end 2010. Assisting this total vacancy is the 58% decline in sublease space from the 2009 peak, falling from 2.9 MSF to 1.2 MSF at year end 2012. The Tampa Bay market is currently reporting the most sublease space, with approximately 300,000 SF available, but this is a steep decline from the 750,000 SF reported at the end of 2009. Miami posted the lowest total vacancy, dropping 165 basis points year over year to 18.1%. This improvement in vacancy was buoyed by 1.5 MSF of leasing activity in the downtown submarkets and another 1 MSF in the Airport/Doral submarket. Palm Beach County, the smallest of

Florida's office markets with an 11.5% share of the inventory, reported the highest total vacancy, currently standing at 25.0%. This is a 270 basis point decline year over year when Palm Beach posted its highest vacancy since the start of the recession. The downtown markets fared better than suburban markets, posting total average vacancy of 19.1%, while the total average vacancy rates in the suburban markets averaged 20.0%

Fourth quarter absorption totaled almost 850,000 SF, bringing total absorption of Florida office space to almost 2.5 MSF at the close of 2012. This marks the first year since 2006 with all Florida markets recording positive absorption. The Miami market led the state with 884,184 SF of absorption, accounting for more than 35% of 2012 absorption. Palm Beach County is credited with 25% of this positive absorption, posting 636,783 SF.

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1) Company financial filings; CBRE 2011 revenue: \$5.9 billion; CBRE 2011 normalized EBITDA: \$802.6 million; CBRE 2011 normalized EBITDA margin: 13.6%. 2) Euromoney, September 2012. 3) #1 outsourcing company among real estate services firms, IAOP, *Fortune*, July 23, 2012. 4) Real Capital Analytics, December 2011. 5) "Top 25 Brokerages," *National Real Estate Investor*, April 2012, 9th consecutive year. 6) The Lipsey Company Brand Survey, 2012, 11th consecutive year; Highest-ranked commercial real estate services firm in *Fortune's* Most Admired Companies ranking, March 2012; *The Wall Street Journal* marketing department subscriber survey, December 2011. 7) "Top 25 Property Managers," *National Real Estate Investor*, July 2012. 8) Best multi-housing brokerage firm, *Multi-Housing News*, October 2011. 9) Freddie Mac ranking, 2010 through Q4 2011. 10) Best facilities manager for financial services (U.K.), European CEO Facilities Management Awards, September 2011. 11) *Newsweek*, October 16, 2011; U.S. EPA 2012 Sustained Excellence Award (Partner of the Year status five consecutive years). 12) Only commercial real estate services company on "Companies That Care Honor Roll," The Center for Companies That Care, 2012, fifth consecutive year; Winner of the IAOP/ISG Global Outsourcing Social Responsibility Impact Award. 13) *Fortune*, May 21, 2012.

Market Statistics

Submarket	Building SF	Direct Vacancy (%)	Total Vacancy (%)	Qtrly Net Absorption	2012 Net Absorption	Under Construction	Avg Dir Asking Lse Rate (FSG)
Miami	44,592,113	17.6	18.1	367,397	884,187	324,354	\$30.03
Broward	26,388,037	18.2	19.1	94,106	228,291	0	\$24.77
Palm Beach	23,146,131	24.3	25.0	250,955	636,783	0	\$28.02
Tampa Bay	46,089,620	18.2	18.8	345,523	375,661	332,836	\$19.52
Orlando	37,250,748	18.6	19.2	(255,015)	72,224	0	\$19.60
Jacksonville	23,903,923	21.3	21.7	36,929	276,918	0	\$17.19
Total State of Florida	201,370,572	19.2	19.8	839,895	2,474,064	657,190	\$23.36
South Florida	94,126,281	19.4	20.1	712,458	1,749,261	324,354	\$28.05
North Florida	107,244,291	19.0	19.6	127,437	724,803	332,836	\$19.00

These two markets also posted positive absorption all four quarters of 2012. The market with the smallest share of absorption was Orlando with 72,224 SF—less than 3% of the 2012 Florida absorption—attributed to downsizing by several large tenants.

Overall average asking lease rates ticked in at \$23.36 PSF FSG, continuing to drop, albeit at a slower pace year over year since 2009. Asking rates in downtown submarkets are averaging a higher rate of \$27.04 PSF FSG with South Florida downtown markets averaging a higher rate of \$33.25 PSF FSG while North Florida downtown markets are averaging \$20.38 PSF FSG. In suburban submarkets, asking rates averaged \$22.52 PSF FSG with South Florida suburban markets averaging a higher rate of \$26.82 PSF FSG while North Florida suburban markets are averaging \$18.64 PSF FSG. The highest priced submarkets include Miami's Brickell submarket at \$38.76 FSG, Broward's Southwest Broward submarket at \$19.51 NNN, Palm Beach County's Palm Beach submarket at \$37.95 NNN, Tampa Bay's Westshore submarket at \$23.84 FSG, Orlando's Downtown at \$21.97 FSG and Jacksonville's Beaches submarket at \$24.32 FSG. As available space tightens, we are starting to see rate increases in select submarkets and a tightening of concessions by landlords. Several submarkets have vacancy below 15% and may soon see rental rate increases. Submarkets across the state with vacancy below 15% include Miami's Aventura at 8.3%, Coconut Grove at 6.9%, Kendall at 12.0%, Miami Beach at 9.1%, Broward's Southwest Broward at 11.9%, Palm Beach County's Royal Palm Beach at 13.9% and Palm Beach at 14.0%, Tampa Bay's Westshore at 14.2% and Southwest Tampa at 11.9%, Jacksonville's Deerwood Park at 9.7% and Mandarin at 12.6%.

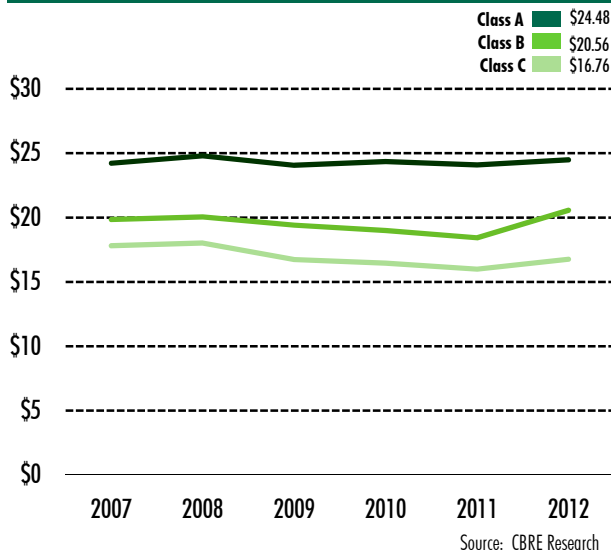
Sales Activity

Fourth quarter was a very active quarter across the state of Florida with more than 7 MSF trading hands in more than 50 transactions. At the close of 2012, more than 170 sales were recorded for a total 16.4 MSF and a sales volume exceeding \$2 billion. The Miami market led the state with 50 sales throughout the year and total sales volume in excess of \$600 million. Miami also takes the top spot with the highest average price per square foot, at \$148, and the lowest cap rate, at 7.0%. Tampa Bay recorded the top four sales in the state during fourth quarter by price. These sales included the Wells Fargo Center in Tampa CBD purchased by Archon, Waterford Plaza and Island Center, both in Westshore, purchased by Parmenter Realty Partners, and Tampa Commons in Westshore purchased by Starwood Capital Group. These four sales further exemplify the strong interest in prime office assets in core locations we have witnessed through the year. The largest portfolio sale in 2012 was the \$150 million, eight-property purchase by Gramercy Capital Corporation for properties all across Florida. Crocker Partners purchased three properties in Jacksonville, Orlando and Miami totaling \$323 million, making them the largest 2012 investor in Florida for office properties.

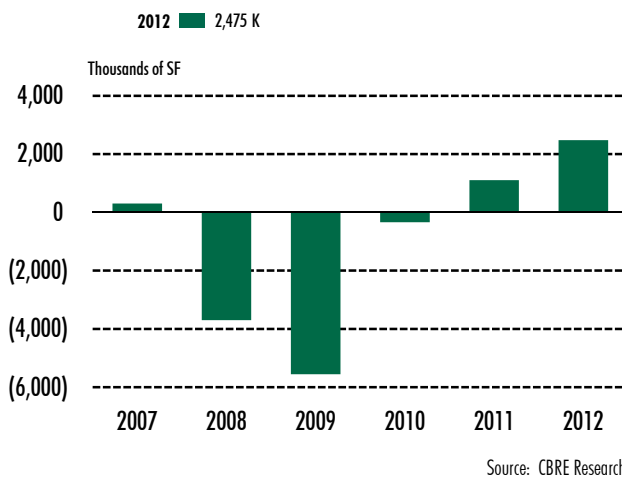
Economic Influence

Florida's unemployment rate stands at 7.9% for November 2012, a 200 basis point decline year over year. Florida ranked second, after North Carolina, in largest one-month increase in employment with 24,500 jobs. Florida also ranked third in largest year-over-year drops in unemployment, falling 200 basis points, just behind Nevada and Mississippi with their 240 and 210 basis point declines, respectively.

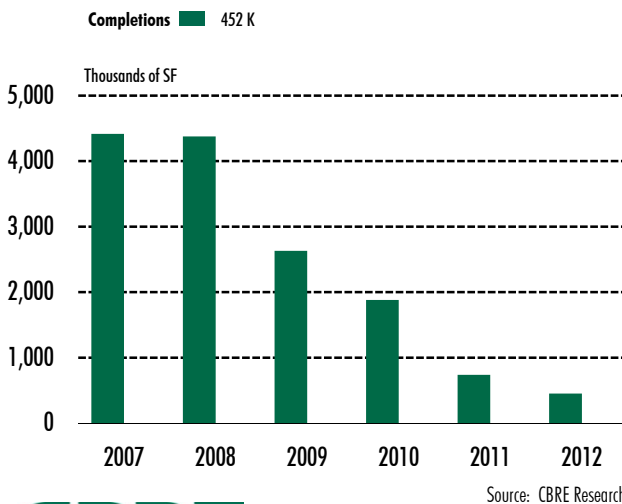
Asking Rates by Class (FSG)



Net Absorption



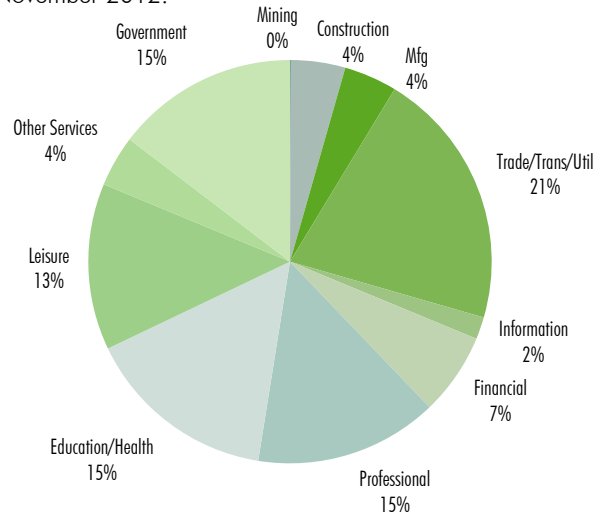
Completions



Below is how our major LMA's in the State of Florida break out as of November 2012:

MSA/County	Labor Force	Employment	Unemployment	Unemploy%
Miami-Dade	1,292,133	1,188,976	103,157	8.0%
Broward	995,367	925,961	694,406	7.0%
Palm Beach	620,012	568,280	51,732	8.3%
Tampa Bay MSA	1,329,600	1,221,429	108,171	8.1%
Orlando MSA	1,138,299	1,049,192	89,107	7.8%
Jacksonville MSA	693,949	641,049	52,900	7.6%

Below is how the State of Florida job sectors breakout as of November 2012:



The trade/transportation/utilities sector accounts for the most employee in Florida, representing 21% or 1.5 million workers. Professional/business services and education/healthcare sectors each account for 15% or over one million workers in each sector. When you compare these breakdowns for 2012 to the same time frame in 2008, some percentages have shifted. Six sectors have lost workers during this five-year period: the construction sector lost 1.9%, followed by the manufacturing sector losing 0.5%, while the information, financial, government and other services sectors lost 0.2% or less. The education sector posted the largest gain with 1.4% growth, or 87,000 jobs. The professional/business services and leisure sectors gained 0.7% for a combined 66,000 jobs.

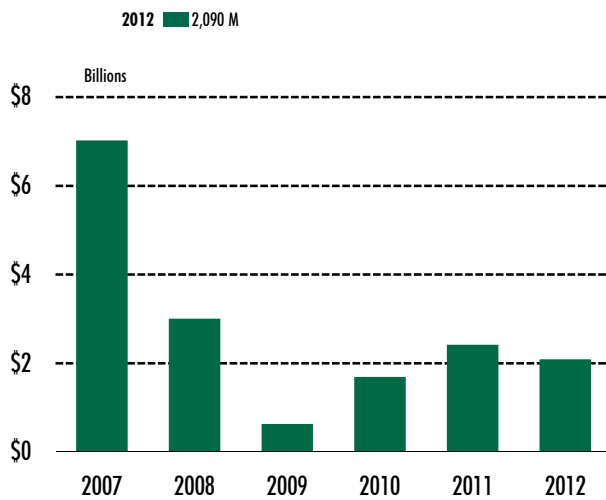
In more current trends, when you compare these breakdowns for 2012 to just one year ago, only three sectors lost jobs, led by government with 9,000 jobs, followed by construction losing 3,600 jobs and information losing 900 jobs. Leading the state in job growth was the leisure sector gaining 31,900 jobs, followed closely by the trade/transportation/utilities sector with 25,500 jobs, the professional/business sector with 21,100 jobs, and the education sector gaining 17,100 jobs.

4Q 2012 Sales

Market	Building SF	Buyer	Property/Address	Sales Price
Jacksonville	751,138	Crocker Partners	Jacksonville Freedom Commerce Center/8375 Dix Ellis Trail, Jacksonville	\$27,825,000
Tampa Bay	388,801	Archon	Wells Fargo Center/100 S Ashley Drive, Tampa	\$44,800,000
Orlando	386,512	Crocker Partners	Orlando University Center/3452 Lake Lynda Drive, Orlando	\$33,150,000
Tampa Bay	255,000	Starwood Capital Group	Tampa Commons/1 N Dale Mabry Highway, Tampa	\$39,420,534
Tampa Bay	249,797	Parmenter Realty Partners	Island Center/2701 Rocky Point Drive, Tampa	\$41,950,000
Tampa Bay	245,016	Parmenter Realty Partners	Waterford Plaza/7650 W Courtney Campbell Causeway, Tampa	\$43,550,000
Orlando	226,548	Starwood Capital Group	Siemens Quadrangle II/11950 Corporate Boulevard, Orlando	\$32,576,600
Miami	178,508	NGF Properties	Century Tower/2295 NW 87 th Avenue, Miami	\$16,000,000
Tampa Bay	170,203	Parkway Properties	Westshore Corporate Center/600 N Westshore Boulevard, Tampa	\$22,500,000
Orlando	168,000	Starwood Capital Group	Baldwin Point Building/2237 Upper Park Road, Orlando	\$24,157,656
Orlando	128,296	Starwood Capital Group	SunBank Center/200 S Orange Avenue, Orlando	\$23,519,718
Palm Beach	122,849	Brookwood Financial Partners	Sabadell United Bank Building/1645 Palm Beach Lakes Boulevard, West Palm Beach	\$23,519,718

Source: Real Capital Analytics

Sales Volume



2012 YTD	# Deals	Total SF	Volume	\$ PSF	Cap Rate
Miami	50	4,153,435	\$613,371,364	\$148	7.0%
Broward	27	2,142,234	\$270,050,507	\$126	8.4%
Palm Beach	28	1,202,193	\$166,583,970	\$139	8.0%
Tampa Bay	29	2,722,387	\$379,117,957	\$139	8.4%
Orlando	32	3,486,877	\$465,077,556	\$133	8.6%
Jacksonville	7	2,728,948	\$196,259,618	\$72	8.9%
State of Florida	173	16,436,074	\$2,090,460,971	\$127	8.2%

Outlook

Many indicators turned positive in 2012, leading to growth and a healthy outlook as we head into 2013. Unemployment declines continued across the state, allowing vacancy to dip below 20% for the first time since third quarter 2009. Job growth is expected to continue for 2013 which will lead to additional positive absorption. Total 2012 absorption came to 2.5 MSF, representing a 173% growth over 2011 and a 1,723% growth over 2010. A flurry of fourth quarter sales proved resumed investor interest and opportunities remained available as investors continue to seek quality core assets

across Florida. Housing values continue to improve in the state's major MSAs with annual building permits on the rise for the first time in many years. Asking rates held steady through 2012 with several submarkets experiencing upticks as space availabilities tightened. Concessions from landlords have seen some contraction and we will see additional tightening throughout 2013. With the presidential election behind us and fiscal cliff woes softened, CBRE professionals are optimistic as we head into 2013.

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4Q 2012 Leases

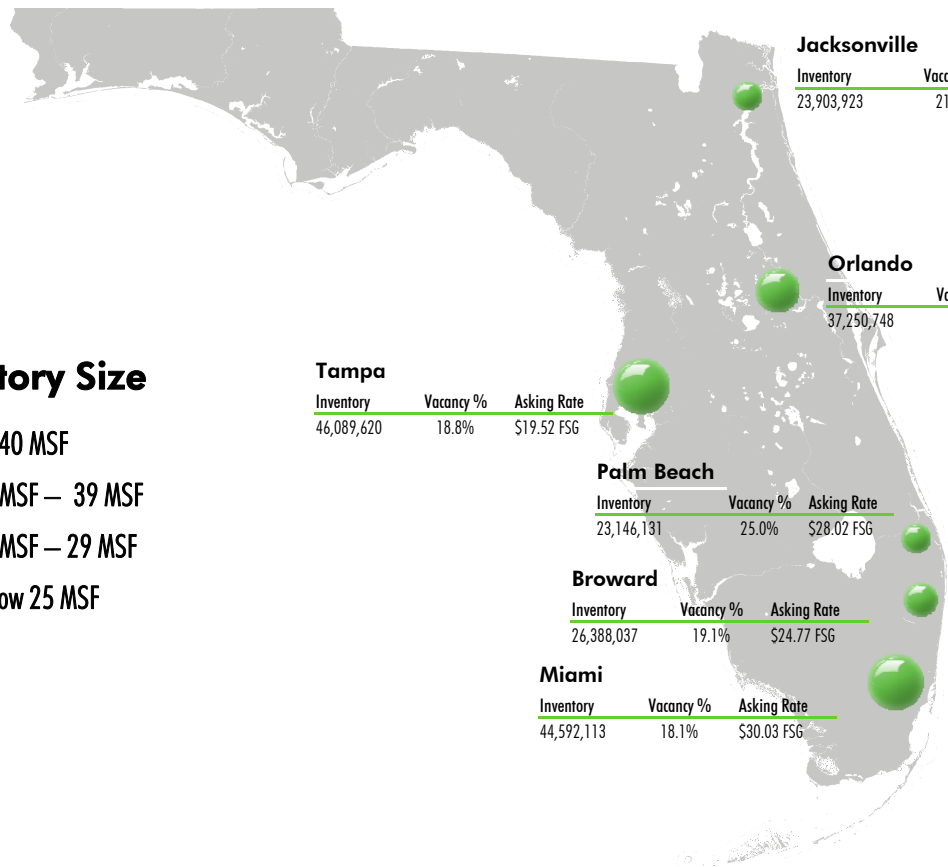
Market	Transaction SF	Tenant	Property/Address
Jacksonville	217,073	Army Corps of Engineers	701 San Marco/701 San Marco Boulevard, Jacksonville
Jacksonville	122,855	MSC Group	841 Prudential/841 Prudential Drive, Jacksonville
Miami	49,360	US Securities & Exchange Commission	801 Brickell/801 Brickell Avenue, Miami
Jacksonville	42,154	Zurich Insurance Services	Collier Building 200/5011 Gate Parkway, Jacksonville
Tampa Bay	38,684	Gray Robinson	SunTrust Financial Centre/401 E Jackson Street, Tampa
Orlando	38,473	CapTel	Challenger Tech II/2602-12607 Challenger Tech Center, Orlando
Tampa Bay	35,672	Care Plus Health Plans	Plaza at Fountain Square 2/4925 Independence Parkway, Tampa
Miami	32,527	Diageo	396 Alhambra Tower North/396 Alhambra Circle, Coral Gables
Jacksonville	29,690	Step Up for Schools	Quadrant II/4655 Salisbury Road, Jacksonville
Palm Beach	29,000	Wells Fargo	The Plaza/5355 Town Center Road, Boca Raton
Palm Beach	22,614	TMS Health	Boca Corporate Center and Campus/4800-5002 T-Rex Avenue, Boca Raton
Tampa Bay	21,671	PNC Bank	Tampa City Center/201 N Franklin Street, Tampa
Tampa Bay	21,180	Principal Financial Group	One MetroCenter/4010 W Boy Scout Boulevard, Tampa
Tampa Bay	21,059	ISC2	Park Place/311 Park Place Boulevard, Clearwater
Broward	20,653	5/3 Bank	New River Center/200 E Las Olas Boulevard, Fort Lauderdale
Miami	20,137	Farraro Law Firm	Brickell World Plaza/600 Brickell Avenue, Miami

2012 Deliveries


Market	Property	City	Submarket	Building SF	Vacancy %	Average Asking Rate
Miami	Alhambra Tower/ 396 Alhambra Tower North	Coral Gables	Coral Gables	172,276	62.4	\$35.00-\$45.50 FSG
Orlando	Kirkman Point Bldg 1/ 7141 S Kirkman Road	Orlando	South Orlando	134,000	0.0	\$24.00 MG
Miami	The Building/ 2990 Ponce De Leon Boulevard	Coral Gables	Coral Gables	58,000	30.7	\$40.00 FSG
Miami	IFB Headquarters/ 777 SW 37 th Avenue	Coral Gables	Coral Gables	51,664	54.5	\$29.00-\$32.00 FSG
Tampa Bay	Ashlyn Park/5020 W Linebaugh Avenue	Tampa	Northwest Tampa	36,000	50.2	\$18.00 FSG

Under Construction as of 12/31/2012

Under Construction	Property	City	Submarket	Building SF	Average Asking Rate
Tampa Bay	MetWest Two/4040 W Boy Scout Boulevard	Tampa	Westshore	250,000	N/A
Miami	Brickell Citi Centre Phase I/ 8 th Street	Miami	Brickell	240,000	N/A
Miami	Aventura Optima Plaza/ 21500 Biscayne Boulevard	Aventura	Aventura	84,354	\$37.00 FSG
Tampa Bay	126 th Avenue/N 126 th Avenue	Largo	Mid-Pinellas	82,836	N/A
Miami	Doral Park Centre/ 3895 NW 107 th Avenue	Doral	Airport/Doral	80,000	\$17.00-\$25.000 NNN
Miami	SoMi Building/ 5966 S Dixie Highway	Miami	Kendall	40,000	\$27.00 NNN



Inventory Size

-  + 40 MSF
-  30 MSF – 39 MSF
-  25 MSF – 29 MSF
-  Below 25 MSF

Jacksonville

Inventory	Vacancy %	Asking Rate
23,903,923	21.7%	\$17.19 FSG

Orlando

Inventory	Vacancy %	Asking Rate
37,250,748	19.2%	\$19.60 FSG

Tampa

Inventory	Vacancy %	Asking Rate
46,089,620	18.8%	\$19.52 FSG

Palm Beach

Inventory	Vacancy %	Asking Rate
23,146,131	25.0%	\$28.02 FSG

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Inventory	Vacancy %	Asking Rate
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CONTACTS

For more information about this Local MarketView, please contact:

Donna D. Groves
 Regional Research Manager
 CBRE
 101 E Kennedy Boulevard
 Suite 1500
 Tampa, FL 33602
 t: +1 813 273 8470
 e: donna.groves@cbre.com

Mary Jo Eaton
 Executive Managing Director
 CBRE
 777 Brickell Avenue
 Suite 900
 Miami, FL 33131
 t: +1 305 428 6329
 e: maryjo.eaton@cbre.com

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