



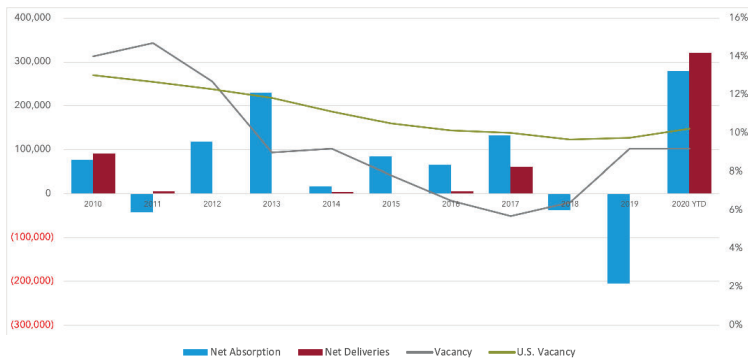
OFFICE MARKET OVERVIEW

CLAIRE SEARLS, *Director of Research*

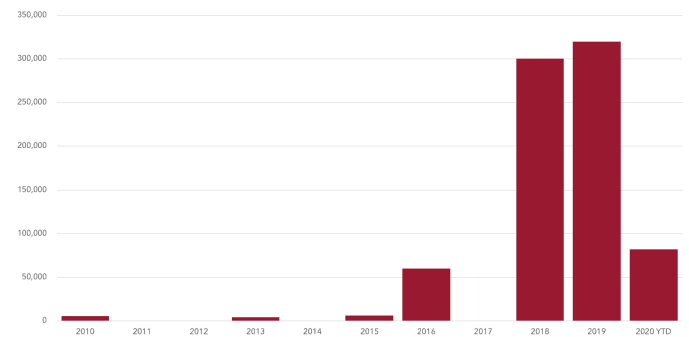
The overall vacancy rate in the Naples office market increased to 9.0%-an increase of 100 basis points (bps) over this time last year. Leasing activity slowed as the effects of COVID-19 decreased the overall asking rate with many landlords willing to give more in TI and other concessions. Four out of the seven Naples submarkets increased in vacancy year-over-year as office-using employment decreased, as well. The configuration of office space in the future is unknown, however one of the largest under construction projects is the Lutgert Professional Center by general contractor, DeAngelis Diamond. The project is located at 4850 N. Tamiami Trail and is partially pre-leased by co-working franchise, Venture X.

MARKET INDICATORS	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
▼ Net Absorption	(11,230) SF	289,621 SF	(22,376) SF	(73,456) SF	(37,082) SF
▼ Vacancy Rate	9.0%	9.1%	9.2%	9.0%	8.0%
▲ Avg NNN Asking Rate	\$20.71 PSF	\$20.19 PSF	\$20.98 PSF	\$21.07 PSF	\$21.68 PSF
▼ Under Construction	82,132 SF	97,132 SF	320,000 SF	320,000 SF	320,000 SF
▲ Inventory	6,823,260 SF	6,808,260 SF	6,503,260 SF	6,503,260 SF	6,503,260 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
4795 Enterprise Ave Naples, FL	7,453 SF	\$1,200,000 \$161.01 PSF	Azra Investments, LLC 4795 Enterprise Ave, LLC	Class B
599 9th Street North Naples, FL	5,533 SF	\$1,935,000 \$350.00 PSF	High Tide Dermatology Ctr, LLC ERL LLC	Class B
2355 9th Street North Naples, FL	1,200 SF	\$189,000 \$158.00 PSF	Morach Therapy, LLC RASA Properties, LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
8950 Fontana Del Sol Way Naples, FL	7,730 SF	Eagle Building, LLC	Undisclosed	Undisclosed
625 Tamiami Trail Naples, FL	5,913 SF	HHH Investments	CIT	Financial Institution
3200 Bailey Ln Naples, FL	3,132 SF	South Florida Growers Association, Inc.	Industry Association (CBIA)	Non-Profit