



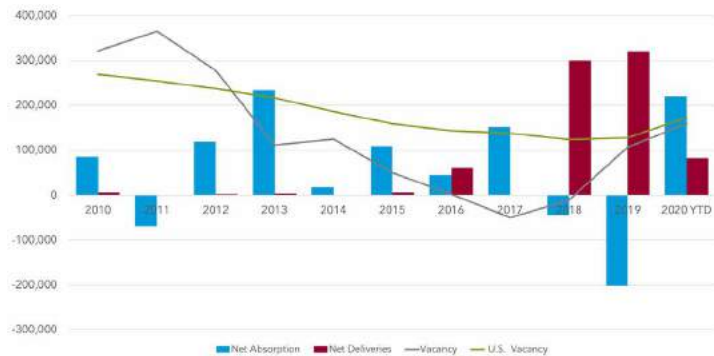
## OFFICE MARKET OVERVIEW

CLAIRE SEARLS, *Director of Research*

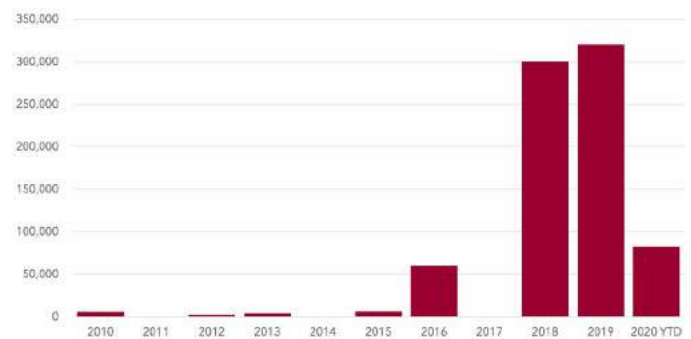
Tenants looking for space have delayed their search until the first of the year or post pandemic. Vacancy in Class A space put downward pressure on rents as the third quarter closed with a 20.0% vacancy rate, an increase in vacancy of 280 bps since last quarter. Overall renewals were down significantly YOY, however the number of new leasing deals declined only by two transactions. New leasing activity was the strongest in the North Naples submarket where square footage totaled nearly 22,000 SF. The volume of sales declined by half when compared to last year with most of the deals in third quarter being office condominiums. The silver lining may be an increase of office tenants relocating in the coming quarters.

| MARKET INDICATORS     | Q3 2020      | Q2 2020      | Q1 2020      | Q4 2019      | Q3 2019      |
|-----------------------|--------------|--------------|--------------|--------------|--------------|
| ▼ Net Absorption      | (91,353) SF  | (7,206) SF   | 295,562      | (22,376) SF  | (71,956) SF  |
| ▲ Vacancy Rate        | 10.5%        | 9.1%         | 9.2%         | 9.3%         | 9.1%         |
| ▲ Avg NNN Asking Rate | \$21.70 PSF  | \$21.63 PSF  | \$21.44 PSF  | \$20.63 PSF  | \$20.57 PSF  |
| ◀▶ Under Construction | 82,132 SF    | 82,132 SF    | 97,132 SF    | 320,000 SF   | 320,000 SF   |
| ◀▶ Inventory          | 6,739,700 SF | 6,739,700 SF | 6,724,700 SF | 6,419,700 SF | 6,419,700 SF |

### NET ABSORPTION, NET DELIVERIES, & VACANCY



### UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF                           | SIZE     | SALE PRICE                     | BUYER / SELLER                                  | BUILDING CLASS |
|---|----------|--------------------------------|---|----------------|
| 1152-1172 Goodlette Rd North (Six Condos), Naples, FL | 9,317 SF | \$2,150,000.00<br>\$231.00 PSF | JCPR Naples, LLC<br>Advanced Horizons VIII, LLC | Class B        |
| 3080 Tamiami Trail East<br>Naples, FL                 | 8,133 SF | \$1,350,000.00<br>\$166.00 PSF | East Trail Office, LLC<br>TC&V Holdings, LLC    | Class B        |
| 9045 Strada Stell Court<br>Naples, FL                 | 3,238 SF | \$1,535,000.00<br>\$474.00 PSF | NTV RE , LLC<br>E-Ventures, Inc.                | Class A        |

| TOP LEASE TRANSACTIONS BY SF                      | SIZE      | LANDLORD                     | TENANT      | TENANT INDUSTRY |
|---|-----------|------------------------------|-------------|-----------------|
| 5078 Pope John Paul II Boulevard<br>Ave Maria, FL | 10,094 SF | Barron Collier<br>Commercial | Undisclosed | N/A             |
| 5551 Ridgewood Drive<br>Naples, FL                | 6,256 SF  | Baker Museum                 | Undisclosed | N/A             |
| 2640 Golden Gate Parkway<br>Naples, FL            | 5,640 SF  | Halstatt, LLC                | Undisclosed | N/A             |

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