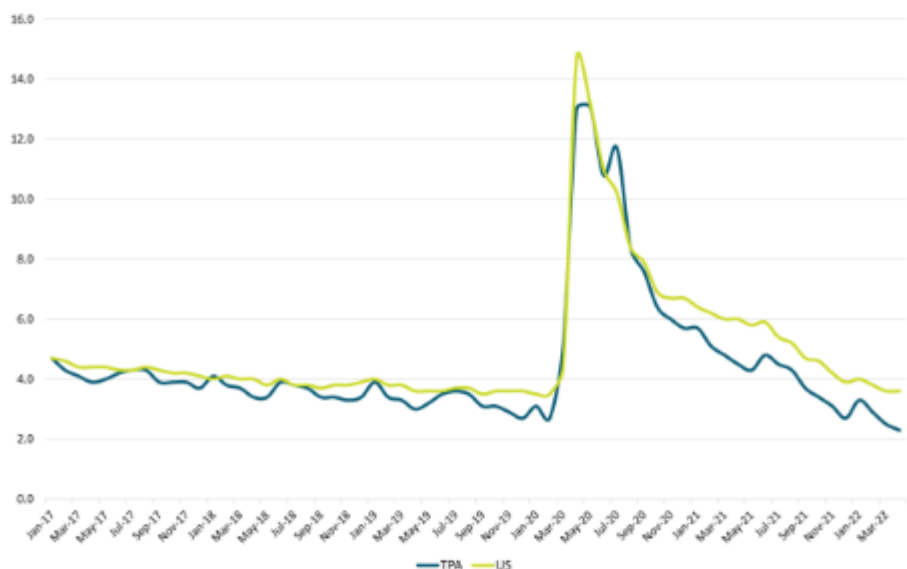


UNEMPLOYMENT

UNEMPLOYMENT

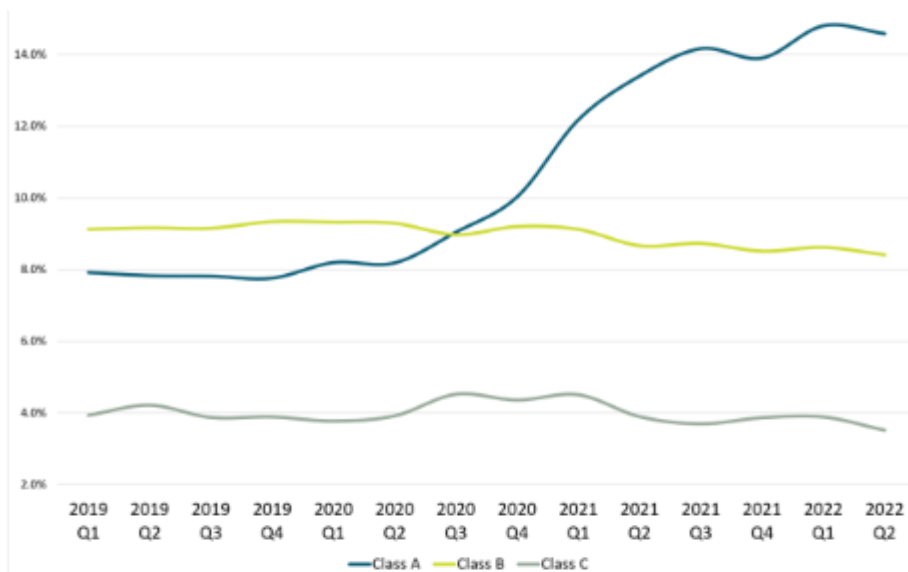


During the pandemic, Tampa Bay's unemployment rate stayed consistent with the national average. At its peak, Tampa unemployment was at 13% and the national average was around 15%. Tampa entered 2020 with a strong economy, with an unemployment rate of 2.5%. In December 2021, Tampa's labor force was 30,000 workers

stronger than it was in February 2020. Job growth has been a large success in Tampa with over 300,000 working residents moving into the metro area since 2013. It is safe to assume that if migration inflow continues, the local economy will remain strong. As of April 2022, the unemployment rate had recovered all the way to 2.3%.

TAMPA BAY OFFICE MARKET VACANCY

VACANCY RATES

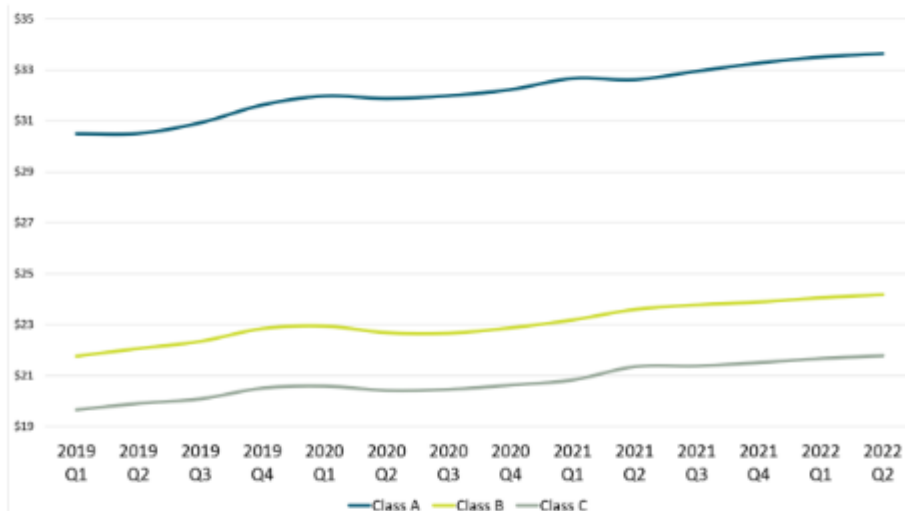


The growing population in Tampa has helped with the market's office vacancy rate, which at 9.1%, is lower than the national index of 12.3%. The demand for Class A office space has decreased significantly, but Class B and C properties have shown a steady but slow decrease over

the past few years. Since 2019, Class A vacancy rates have increased by 6.7%, whereas Class B vacancy decreased by 0.7% and Class C has decreased by 0.4%. As of Q2, Class A vacancy rates reached 14.6%, Class B rates ended at 8.4%, and Class C rates ended at 3.5%.

TAMPA BAY OFFICE RENTAL RATES

RENT PER SQUARE FOOT

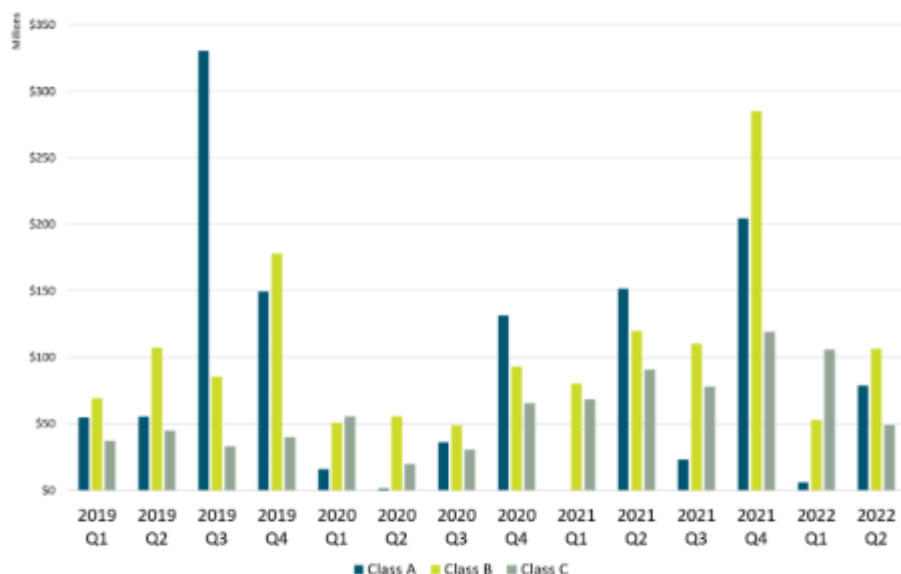


Due to the low vacancy rate and high number of people moving to the Tampa Bay area, rental rates have grown since 2019 by considerable margins. All office space classes have experienced price growth proportionally, despite Class A space having higher vacancy rates. In

Q2, Class A buildings charged on average \$33.64 per square foot, while Class B rents averaged \$24.18, and Class C rents averaged \$21.78 per square foot. Today, all three classes have an average rent per square foot of \$26.50.

TAMPA BAY OFFICE INVESTMENT ACTIVITY

SALES VOLUME

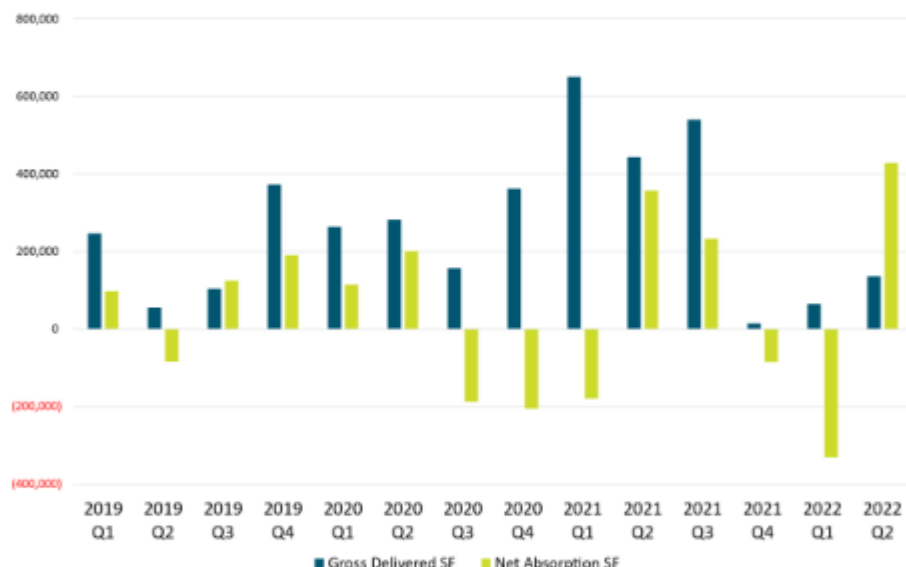


Tampa has had roughly \$1.3 billion in total office sales volume over the past 12 months. \$600 million of the total sales volume was led by Q4 of 2021, most likely because companies were pushing to close deals ahead of interest rate hikes in Q1 of this year. Most of this sales volume has been through the act of reselling properties, considering

there has not been a large growth in inventory since 2019. However, Class A sales made a comeback in Q2 of 2022 with \$78.8 million in volume, while Class B property sales totaled \$106.6 million and Class C properties totaled \$49.3 million.

TAMPA BAY OFFICE DELIVERIES & ABSORPTION

DELIVERED AND ABSORBED SQUARE FEET

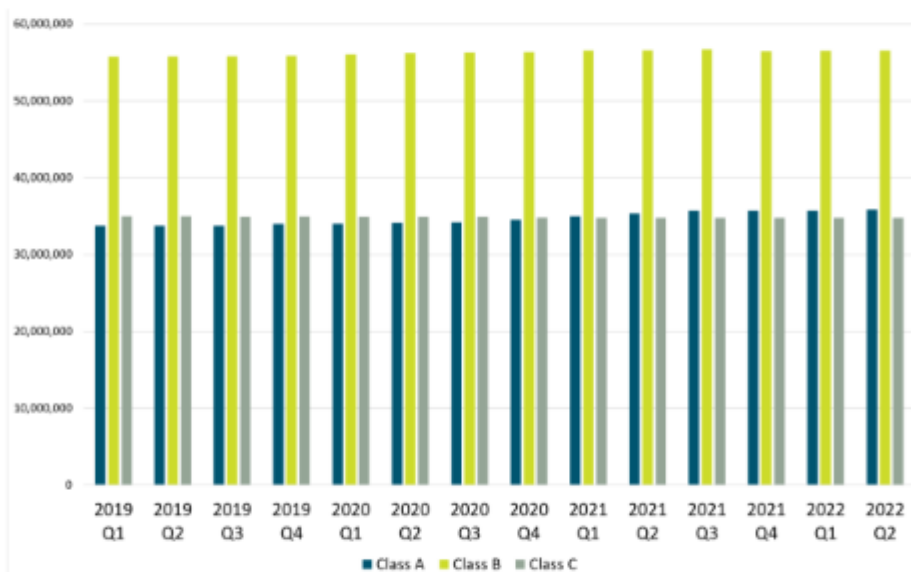


During Q1 of 2022, the Tampa Bay office market experienced a net absorption of -300,000 square feet which was primarily due to a large presence of Nielsen Media Research moving out of a building in North Pinellas. Since the cost of materials and labor have been elevated it

is safe to say that slower speeds of delivered and absorbed office space may be seen. However, net absorption has rebounded in Q2 of this year with a net absorption of 427,979 and a gross delivered square footage of 136,100.

TAMPA BAY OFFICE INVENTORY

INVENTORY SQUARE FEET



In Q1 of 2022, there was a total inventory of 126.2 million square feet in Tampa. There has been little to no change in Class C inventory since Q1 of 2019, which shows developers are more focused on building higher-end office space if they are going to build any at all. With that said, Class A and B office inventory

has increased minimally over the same period. At the end of Q2 of this year, there was a total of 35.9 million square feet of Class A office space, 56.5 million square feet of Class B, and 34.8 million square feet of Class C office space.