

MarketView

Tampa Bay Office

www.cbre.com/research

First Quarter 2011

Quick Stats

	Current	Change from last	
		Yr.	Qtr.
Total Vacancy	21.7%	↔	↓
Direct Lease Rate	\$20.25	↓	↓
Qrtly Net Absorp	288 K	↑	↑
Under Construction	88 K	↔	↔
Completions	0 K	↔	↔

*The arrows indicate a trend and do not represent a positive or negative value for the underlying statistics (e.g. Net Absorption could be negative, but still represent a positive trend over the time period).

Hot Topics

- Season of Activity: The Grand Prix took place March 25-26 in Downtown St. Petersburg; the Third Annual Twilight Criterium and festival took place on March 26 in Downtown Tampa.
- Development of a multi-use property in Downtown Tampa is in the planning stages. This is being done in conjunction with the new management of the Tampa Bay Lightning.
- Saint Leo University took 16,335 SF of space at the Grand Central at Kennedy. This is the first significant office deal done at this development since the grand opening in 2007.
- Growth focus: Attract more international flights to TIA, retain the Tampa Bay Rays baseball team, and help local businesses generate jobs vs. trying to lure outside companies to relocate.

As we start the year, the Tampa Bay user and investment commercial real estate office market is cautiously optimistic. Although market lease rates continue to weaken, professionals are seeing more clarity in pricing of transactions and a pipeline of new space requirements as the lease velocity carries over from the previous quarter.

Absorption was 287,932 SF for the quarter, compared to 471,783 SF of negative absorption for all of 2010. The vacancy rate decreased 60 basis points during the quarter, with the overall asking rental rate softening by \$0.31 PSF. The overall lease rate for Tampa Bay stands at \$20.25 FSG, a \$0.77 PSF decline from early 2010.

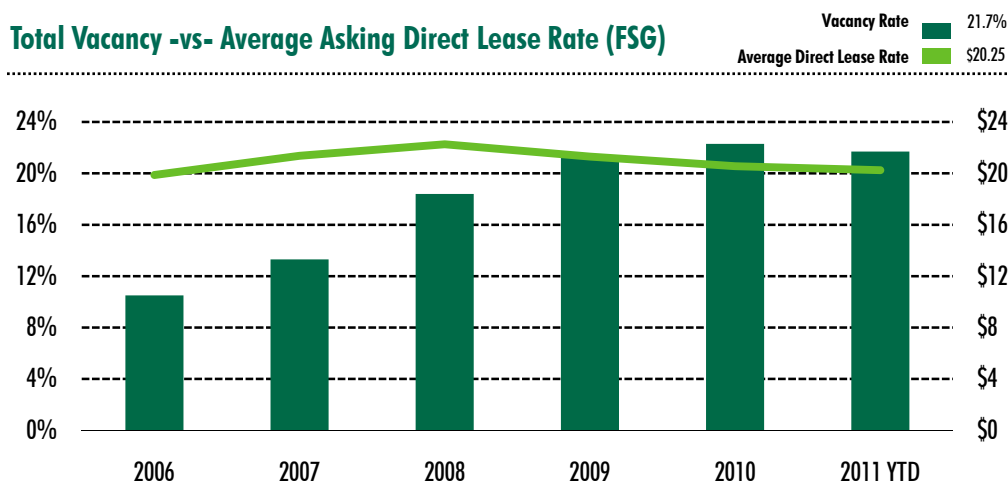
According to *Florida Trend Magazine*, economic development officials are pushing for new clusters in applied medicine and human performance; high-tech electronics and instruments; business, financial and data services; and marine and environmental activities. In addition, the Bureau of Labor statistics reported a 100 basis point decrease in the

unemployment figures from January to February 2011 for Tampa Bay.

The USF CAMLS project is underway at the parcel just south of the Ft. Brooke parking garage. The \$25-million Center for Advanced Medical Learning and Simulation is expected to be completed by the end of 2011. The 90,000 SF USF building is projected to bring 60,000 students and medical professionals a year from around the globe to Downtown Tampa.

Three notable sales transactions took place in the first quarter: Centerpointe, formerly known as SDP, a 192,106 SF, Class B office building located in the Bayside submarket in Mid-Pinellas, sold to The Cypress Company from Midland Loan Services for \$3.8 million; A bulk portfolio sale of office properties (4719 N Habana Ave, 3069 Grand Pavilion, 2324 Oak Myrtle Ln, and 3350 Bell Shoals Rd), sold to Broadstone Real Estate LLC from Tower Radiology for \$14,510,000; Cypress West, a 64,510 SF, Class B office building sold to the Housing Authority City of Tampa from EOLA Capital for \$4 million.

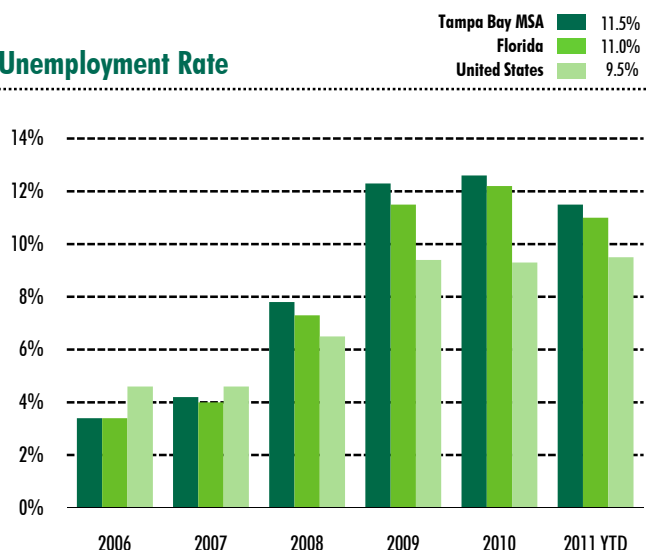
Total Vacancy -vs- Average Asking Direct Lease Rate (FSG)



Market Statistics

Submarket	Building SF	Direct Vacancy %	Total Vacancy %	Qtr Net Absorption	Under Construction	Avg. Dir. Asking Lease Rate (FSG)
Tampa CBD	7,354,100	17.1	17.4	51,134	0	\$21.01
Westshore	11,363,824	20.3	21.4	123,084	0	\$23.84
SW Tampa/Interbay	1,074,978	16.0	17.7	(8,137)	0	\$17.81
NW Tampa	4,996,651	18.1	19.1	(41,484)	0	\$18.70
NE Tampa	4,509,930	22.2	22.6	24,510	88,000	\$19.66
Plant City	51,280	6.4	6.4	0	0	\$15.00
East Tampa	3,198,857	27.9	30.1	66,773	0	\$17.86
SE Tampa	562,380	18.5	18.5	750	0	\$18.50
Overall Hillsborough	33, 112,000	20.1	21.0	216,630	88,000	\$21.08
St. Pete CBD	2,280,206	19.7	22.3	20,478	0	\$22.45
SE St. Pete	1,625,105	26.5	28.9	7,319	0	\$15.25
SW St. Pete	578,343	14.4	14.4	(1,729)	0	\$14.74
Mid-Pinellas	3,830,159	19.6	19.9	63,614	0	\$18.39
N Pinellas	5,167,817	24.9	26.2	(18,380)	0	\$17.56
Overall Pinellas	13,481,630	22.3	23.6	71,302	0	\$18.34
Total Suburban	39, 239,530	21.4	22.5	236,798	88,000	\$20.12
Total Tampa	46,593,630	20.7	21.7	287,932	88,000	\$20.25
Class A	19,220,890	23.3	24.7	188,962	88,000	\$23.00
Class B	19,121,241	20.1	21.0	129,900	0	\$17.97
Class C	8,251,499	16.0	16.5	(30,930)	0	\$15.50

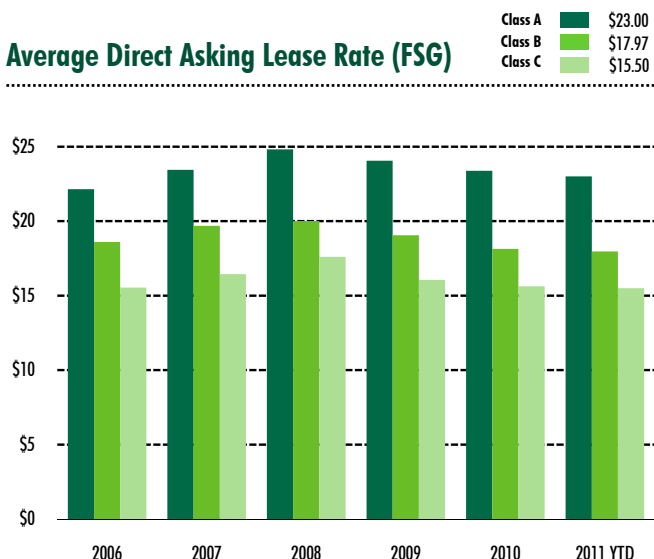
Unemployment Rate



Florida's non-seasonally adjusted unemployment rate for February 2011 was 11.0%. This represents 1,007,000 jobless out of a labor force of 9,177,000. The state's current unemployment rate is 150 basis points higher than the national unemployment rate of 9.5%.

The unemployment rate for the Tampa-St. Petersburg-Clearwater region improved 100 basis points from January to February 2011. In addition, the Tampa Bay area has improved approximately 160 basis points from a 13.1% unemployment rate in January of 2010. This is the first significant decrease in unemployment since the August 2007 low of 4.8%.

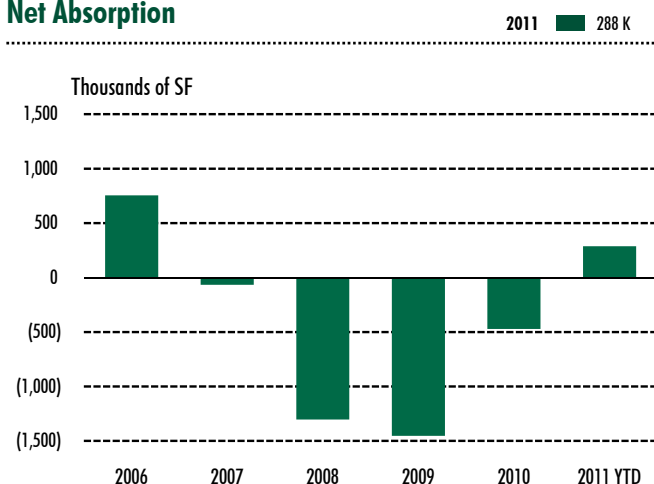
Average Direct Asking Lease Rate (FSG)



Tampa Bay's vacancy rate moved 60 basis points lower to 21.7%. The average asking rental rate declined \$0.31 PSF to \$20.25 FSG.

Area	Class A	Class B	Class C
Tampa CBD	\$22.72	\$18.68	\$14.36
Westshore	\$27.07	\$20.16	\$18.47
Total Hillsborough	\$23.82	\$18.41	\$16.27
Total Pinellas	\$20.99	\$16.50	\$14.94
Tampa Bay Market	\$23.00	\$17.97	\$15.50

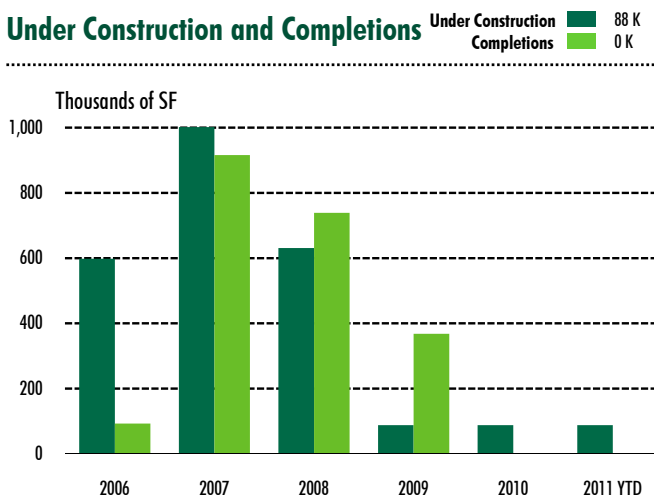
Net Absorption



The Tampa Bay office market experienced positive 287,932 SF of net absorption this quarter. Hillsborough County represented 216,630 SF of the overall absorption figure, particularly seen in Westshore, with 123,084 SF, and East Tampa submarkets, with 66,773 SF. Pinellas County experienced 71,302 SF of absorption this quarter, with Mid-Pinellas and St. Pete CBD accounting for the largest absorption by submarket, at 63,614 SF and 20,478 SF, respectively.

Total absorption for the suburban markets was 236,798 SF. The Tampa CBD experienced 51,134 SF of absorption, half of which was from Equinix and CDW who both moved into the tenth floor in Two Harbour Place, with 16,000 SF and 7,700 SF respectively.

Under Construction and Completions



There is currently one building under construction in the Northeast submarket; Park Centre at Telecom Park, consisting of 88,000 SF. This project is scheduled to be completed in third quarter this year by DBSI. Approximately 5.5 million square feet of development is in various stages of planning.

MarketView Tampa Bay Office

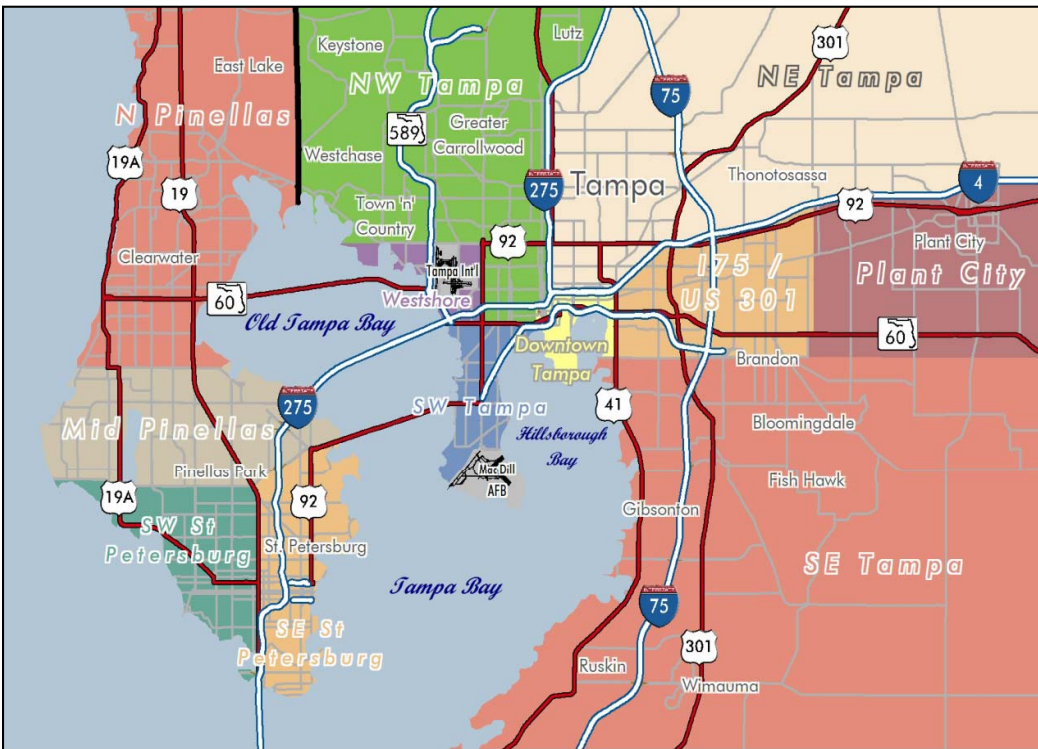
Top Transactions

Sale Price	Buyer	Address	SF
\$14,510,000	Broadstone Real Estate LLC	Multiple Locations, Tampa	50,302
*\$4,000,000	Housing Authority City of Tampa	Cypress West, Tampa	64,510
*\$3,800,000	Blake Whitney Thompson	Centerpointe (former SDP building), Clearwater	197,100
\$3,180,000	BB&T	12485 28 th St N, St. Petersburg	14,934

Lease Size (SF)	Tenant	Address
*92,000	Health Plan Services, Inc.	Concourse Center, Tampa (renewal)
71,376	New York Life Insurance	Corporate Oaks III, Tampa (renewal)
*57,000	Blue Cross & Blue Shield of Florida	Colonial Place I, Tampa (renewal)
*47,157	Florida Default Law Group, P.L.	1 Memorial Center, Tampa (lease)

* Denotes a CB Richard Ellis, Inc. transaction.

Tampa Submarket Map



Average Asking Lease Rate

Rate determined by multiplying the asking net lease rate for each building by its available space, summing the products, then dividing by the sum of the available space with net leases for all buildings in the summary.

Market Coverage

Includes all competitive office buildings 10,000 square feet and greater in size.

Net Absorption

The change in occupied square feet from one period to the next, including sublease space.

Net Rentable Area

The gross building square footage minus the elevator core, flues, pipe shafts, vertical ducts, balconies, and stairwell areas.

Occupied Square Feet

Building area not considered vacant.

Under Construction

Buildings which have begun construction as evidenced by site excavation or foundation work.

Available Square Feet

Available Building Area which is either physically vacant or occupied.

Availability Rate

Available Square Feet divided by the Net Rentable Area.

Vacant Square Feet

Existing Building Area which is physically vacant or immediately available.

Vacancy Rate

Vacant Building Feet divided by the Net Rentable Area.



Michael Hoffman
First Vice President
 101 E. Kennedy Blvd. Suite 4025 | Tampa, FL 33602
 813-221-7472
michael.hoffman@cbre.com



Philip J. Weber
CCIM, CPM
Vice President
 101 E. Kennedy Blvd. Suite 4025 | Tampa, FL 33602
 813-221-7458
philip.weber@cbre.com

For more information regarding the MarketView, please contact:

Brandon Wheeler, Tampa Research
 CB Richard Ellis
 201 E Kennedy Blvd, Tampa, FL 33602
 T. 813.273.8490 F. 813.223.7144
brandon.wheeler@cbre.com