

MarketView Tampa Bay Office

Third Quarter 2011

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Quick Stats

	Current	Change from last	
		Yr.	Qtr.
Total Vacancy	21.0%	↔	↔
Direct Lease Rate	\$20.30	↓	↑
Qrtly Net Absorp	23 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

- 102 W Whiting Street, the CapTrust building and adjacent parcel to the South (old Trump Tower site) closed at the end of June, 2011 for a reported \$5 million at an 8.5% cap rate. The proposed use on the vacant parcel is expected to be mixed-use with a potential hotel, feeding off the new CAMLS project a block to the east.
- An ambitious multi-building, mixed use development is proposed for the Tampa CBD. This \$300 million project includes a 450,000 SF office tower, a 350-room luxury hotel and 1,200 space parking garage. Bob Abberger, Senior Managing Director of Trammell Crow Co., a subsidiary of CBRE, Inc. is behind the effort.

The Tampa Bay user and investment commercial real estate office market softened slightly in the third quarter. However, in a year-over-year comparison, tenant activity is up tremendously over last year and will likely convert to positive absorption in late 2011 or early 2012.

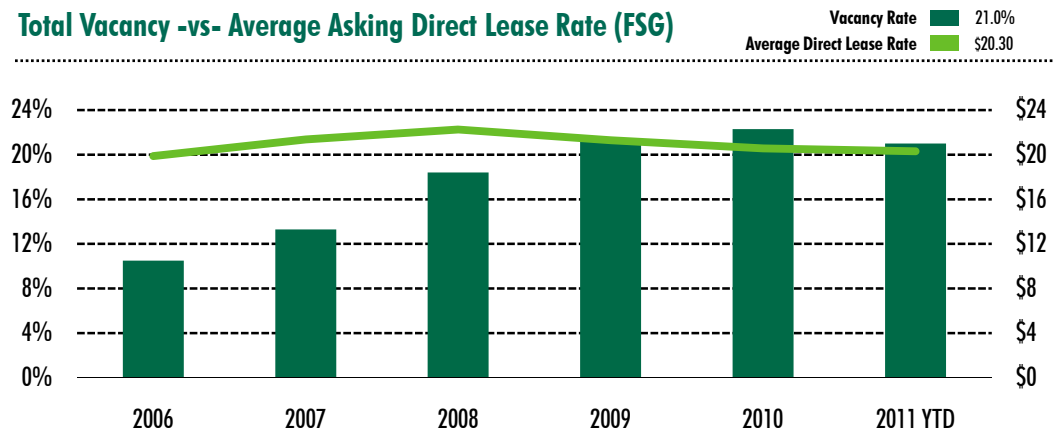
Absorption was positive 23,480 SF for the third quarter and the overall year-to-date absorption rests at 546,084 SF - a figure we have not seen in the Tampa market for more than five years. The asking lease rate increased by \$0.16 PSF during the third quarter, to \$20.30 FSG.

Fundamentals for the core submarkets, particularly Westshore and the Tampa CBD, have continued their resilience in a tepid market. PriceWaterhouseCooper just signed a long-term single-tenant lease for 250,000 SF with MetLife in the Westshore submarket at their newest development, MetWest International. Approximately 2,000 PWC partners and staff from Tampa's practice firm and Enterprise Solutions Center (ESC) will move to MetWest Two during the second quarter of 2013. PwC is vacating Corporate Center III and LakePointe Two, which are also located in the Westshore submarket.

There has been an uptick in activity, especially in the East Tampa submarket; however, many proposals and tours have yet to convert to signed leases. Real estate professionals believe that current economic conditions are slowing the decision process and these transactions will move toward execution in the fourth quarter of 2011 or early 2012.

Three notable sales transactions took place in the third quarter: A portfolio of three Class B office buildings, totaling 133,342 SF, located in the Tampa MSA sold from FMC Heartcare to Health Care REIT for \$49.3 million; 125 Indian Rocks Rd N, a 17,004 SF Class B office building with Bank of America as the anchor tenant, sold from Belleair Development Group to South River Realty for \$2,835,000 (\$167 PSF); and 930 Lithia Pinecrest Road, a 21,798 SF Class B office building, sold from Brandon Indoor Soccer to Golden City Gymnastics for \$2,446,700 (\$112 PSF). All properties were 100% leased at the time of sale. At this time, investors are still focused on fully-leased stabilized core assets and distressed opportunities.

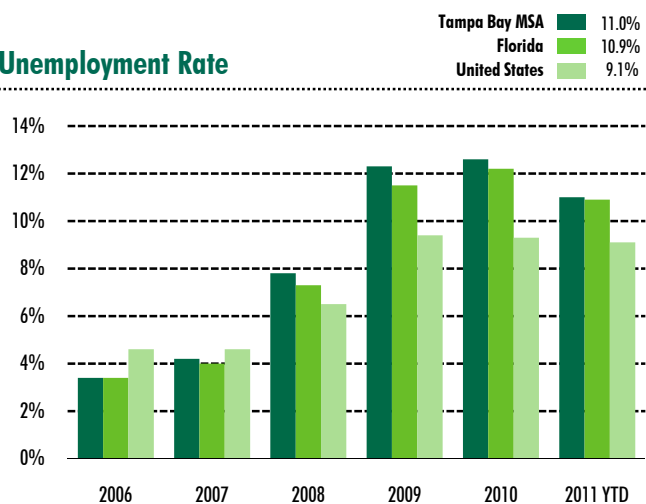
Total Vacancy -vs- Average Asking Direct Lease Rate (FSG)



Market Statistics

Submarket	Buildi ng SF	Direct Vacancy %	Total Vacancy %	Qtr Net Absorption	YTD Net Absorption	Under Construction	Avg. Dir. Asking Lease Rate (FSG)
Tampa CBD	7,354,100	15.6	15.8	42,464	129,809	0	\$20.75
Westshore	11,363,824	19.4	20.4	28,043	236,870	0	\$24.16
SW Tampa/Interbay	1,074,978	14.1	15.5	4,236	15,081	0	\$18.31
NW Tampa	4,996,651	18.3	19.3	(17,192)	(71,487)	0	\$20.23
NE Tampa	4,509,930	22.4	23.0	(38,033)	7,474	88,000	\$19.52
Plant City	51,280	6.4	6.4	0	0	0	\$10.00
East Tampa	3,164,537	27.3	29.3	14,198	67,435	0	\$17.58
SE Tampa	562,380	16.4	16.4	4,200	12,300	0	\$19.73
Overall Hillsborough	33,077,680	19.3	20.2	38,096	397,482	88,000	\$21.27
St. Pete CBD	2,280,206	23.9	24.6	647	16,009	0	\$21.88
SE St. Pete	1,625,105	24.5	26.3	4,479	14,095	0	\$15.67
SW St. Pete	578,343	14.9	14.9	(155)	(4,469)	0	\$14.15
Mid-Pinellas	3,830,159	17.6	18.1	28,685	131,832	0	\$18.14
N Pinellas	5,168,235	25.1	26.0	(48,272)	(8,865)	0	\$17.13
Overall Pinellas	13,482,048	22.3	23.1	(14,616)	148,602	0	\$17.99
Total Suburban	39,205,628	21.0	22.0	(19,164)	416,275	88,000	\$20.05
Total Tampa	46,559,728	20.2	21.0	23,480	546,084	88,000	\$20.30
Class A	19,227,578	22.5	23.6	87,640	385,314	88,000	\$23.07
Class B	19,080,233	19.4	20.2	(29,234)	255,129	0	\$18.07
Class C	8,251,499	16.5	16.8	(34,926)	(94,359)	0	\$15.32

Unemployment Rate

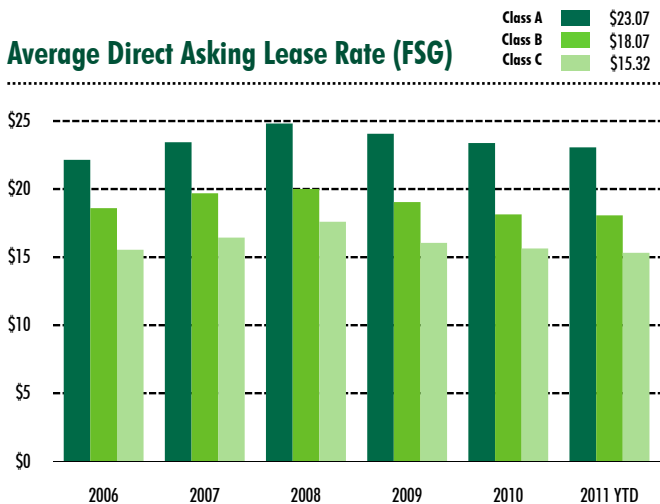


Florida's non-seasonally adjusted unemployment rate for August 2011 was 10.9%, a 40 basis point increase from May 2011. This represents 1,010,000 out of a labor force of 9,253,000. The state's current unemployment rate is 90 basis points higher than the national unemployment rate of 9.1%.

The major employment growth drivers are financial and business services, as well as healthcare, data processing, human resources, and customer service employers.

The unemployment rate for the Tampa-St. Petersburg-Clearwater region increased 50 basis points from May to August 2011. Although a recent increase, the Tampa-St. Petersburg-Clearwater region has improved significantly, 210 basis points, from the low of January 2010.

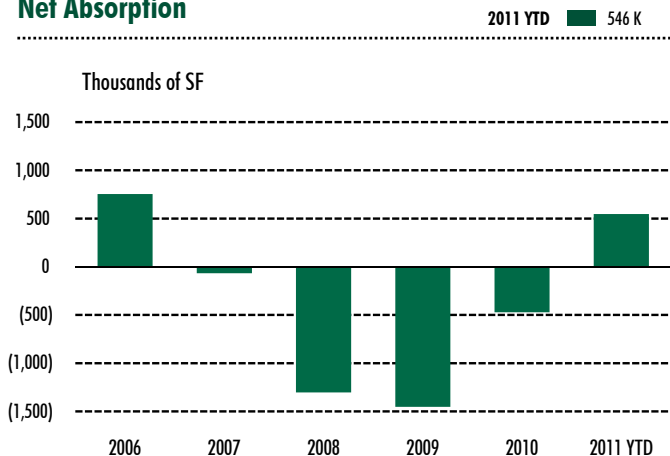
Average Direct Asking Lease Rate (FSG)



In the past quarter, less expensive space has been leased or converted to 'negotiable' which has fueled the increase in the lease rate. Effective rates however, are still depressed in certain areas. The average asking rental rate increased \$0.16 PSF to \$20.30 FSG.

Area	Class A	Class B	Class C
Tampa CBD	\$22.38	\$18.69	\$14.46
Westshore	\$26.91	\$21.07	\$18.25
Total Hillsborough	\$23.91	\$18.57	\$16.02
Total Pinellas	\$20.70	\$16.44	\$14.81
Tampa Bay Market	\$23.07	\$18.07	\$15.32

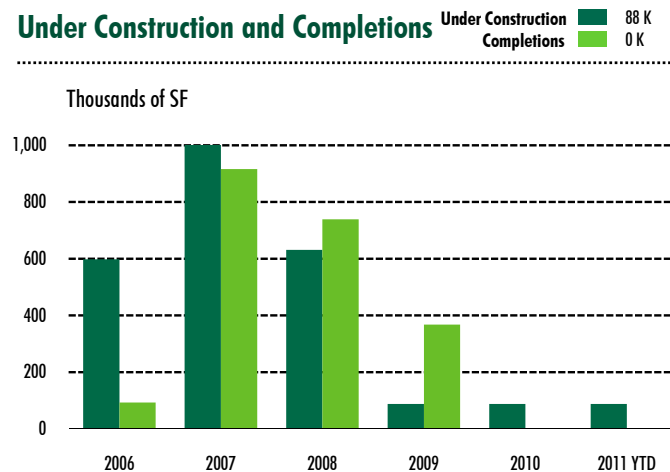
Net Absorption



The Tampa Bay office market experienced positive 23,480 SF of net absorption this quarter. Hillsborough County represented positive 38,096 SF of the overall absorption figure, with most activity seen in the Tampa CBD submarket with 42,644 SF and Westshore with 28,043 SF. Pinellas County experienced negative 14,616 SF of absorption this quarter, with Mid-Pinellas accounting for the largest absorption by submarket, 28,685 SF. Total absorption for the suburban markets is negative 19,164 SF.

The largest contributors to positive absorption are the Florida Default Law Group who occupied approximately 44,192 SF in 1 Memorial Center in Westshore, US General Services Administration who moved into 42,282 SF at 5729 N Hoover Blvd in NW Tampa, and OttLite who took 26,216 SF out at The Beck Building in Westshore.

Under Construction and Completions



Park Centre at Telecom Park, a 88,000 SF office building in the Northeast Submarket, is the only building under construction in the Tampa market. This project is scheduled to be completed in fourth quarter this year by DBSI. In addition, MetLife will begin construction in the fourth quarter of 2011 on MetWest II, which will house the single-tenant operations for PricewaterhouseCoopers Tampa. This building will be approximately 248,820 SF.

Approximately 5.25 MSF of development is in various stages of planning or on hold.

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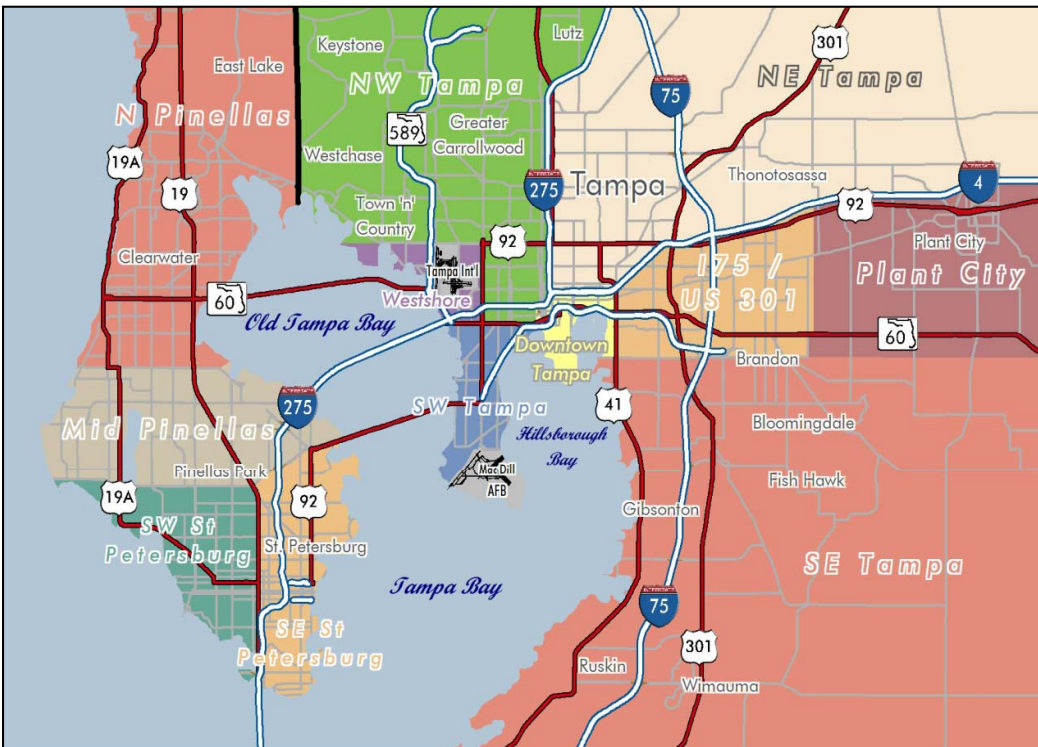
Top Transactions

Lease Size (SF)	Tenant	Address
*248,820	PricewaterhouseCoopers	MetWest II, Tampa (single-tenant)
*120,500	Ford Motor Credit Company	Sabal Pavilion 1, Tampa (renewal)
36,000	StreetLinks Lender Solutions	Crosspointe at Sabal Park, Tampa (lease)
18,225	IBM	Harborview Plaza, Tampa (renewal)

Sale Price	Buyer	Address	SF
\$49,292,000	3-Class B Portfolio Sale (sale leaseback)	38145 Market Sq, Zephyrhills	133,342
\$2,835,000	South River Realty LLC	125 Indian Rocks Rd N, Belleair Bluffs	17,004
\$2,446,700	Golden Cities Gymnastics	930 Lithia Pinecrest Rd, Brandon	21,798

* Denotes a CBRE 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.



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