



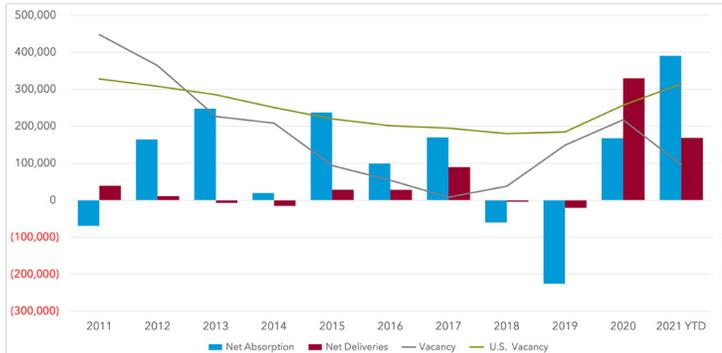
OFFICE MARKET OVERVIEW

CLAIRE SEARLS, *Director of Research*

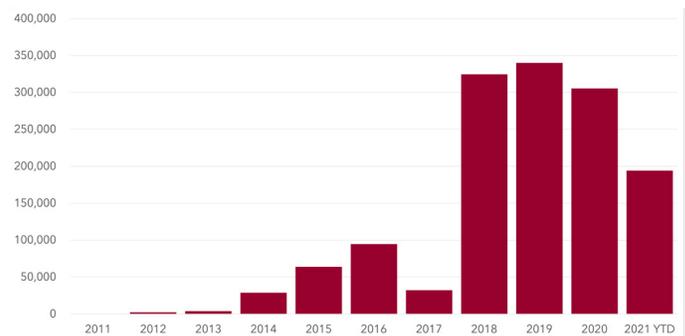
Year-over-year office-using employment increased across all sectors in the Naples trade area. The Naples MSA had the fastest annual job growth rate when compared to all other metro areas in the state in Professional and Business Services for a +17.1% increase, as of August 2021. The third quarter office market stabilized as occupancy increased and leasing activity strengthened. Professionals returned to the office as one of the largest leases for the quarter was at Kraft Office Center in Naples, totaling nearly 7,000 square feet to a digital payment software company. Overall vacancy returned to pre-pandemic levels decreasing nearly 300 basis points from one year ago.

MARKET INDICATORS	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
▲ 12 Mo. Net Absorption SF	419,834	117,160	(26,180)	167,656	143,517
▼ Vacancy Rate	7.7%	9.4%	10.4%	10.4%	10.5%
▲ Avg NNN Asking Rate PSF	\$29.14	\$28.80	\$28.45	\$27.91	\$27.68
▲ SF Under Construction	194,060	186,464	218,596	305,338	271,213
▲ Inventory SF	9,825,225	9,789,821	9,747,689	9,656,424	9,658,755

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
4280 Tamiami Trail East Naples, FL	14,132 SF	\$2,100,000 \$149.00 PSF	Fakhoury Real Estate, LLC Davis Solutions, Inc.	Class B
4500 Executive Drive Naples, FL	13,313 SF	\$3,500,000 \$263.00 PSF	QP1, LLC John R. Wood, Inc.	Class B
975 6th Avenue Naples, FL	10,764 SF	\$4,436,797 \$412.00 PSF	5th Avenue South Holdings LP TBC Assemblage, LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3520 Kraft Road Naples, FL	6,491 SF	Kraft Office Center LLC	Gratuity Solutions	Software Company
8625 Tamiami Trail North Naples, FL	4,522 SF	The Adam Corporation	Nelson Mullins	Law Firm
3701 Tamiami Trail North Naples, FL	3,810 SF	Musca Properties LLC	Undisclosed	Undisclosed

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