



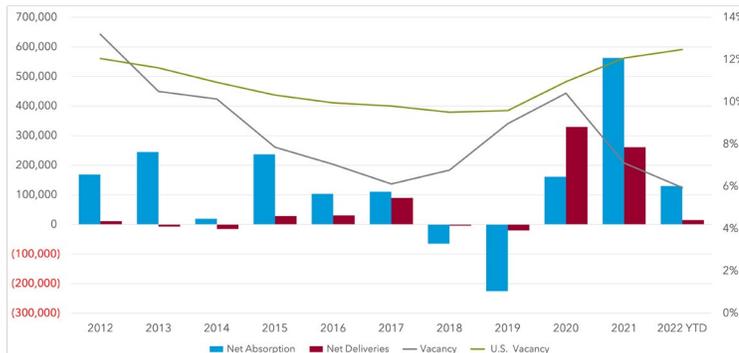
OFFICE MARKET OVERVIEW

CLAIRE SEARLS, *Director of Research*

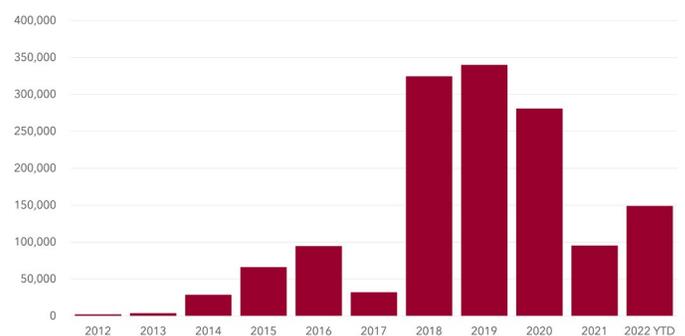
Net absorption remained positive at the end of third quarter with the most new leasing activity in Class B assets. Renewal volume slowed. Overall occupancy gains in Class B buildings dominated the market with a total of 37,000 SF of space absorbed. Some the largest office leases for the quarter were in the North Naples submarket. Class C buildings had the greatest average rent increase ending the quarter with a 17.3% YOY climb to \$22.33 per SF. Available inventory for Class C office space was low with a 1.7% vacancy rate. There were no significant office deliveries and overall sales volume slowed.

MARKET INDICATORS	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
▼ 12 Mo. Net Absorption SF	286,848	412,645	518,674	562,703	393,167
▼ Vacancy Rate	6.1%	6.8%	7.0%	7.1%	7.9%
▲ Avg NNN Asking Rate PSF	\$23.54	\$23.03	\$22.38	\$22.09	\$22.33
▲ SF Under Construction	149,060	139,060	80,837	95,360	161,935
◀▶ Inventory SF	9,983,247	9,983,247	9,983,247	9,968,724	9,870,635

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
7955 Airport Rd N (Fountain Park Condo Portfolio Sale), Naples, FL	19,031 SF	\$23,300,000 \$350.00 PSF	Psalm 89:11 Holdings, LLC Fountain Park Inc.	Class B
1140 Goodlette-Frank Road North Naples, FL	4,400 SF	\$1,800,000 \$409.00 PSF	MDM Land Company, LLC Robert W. Payne/Cheryl R. Payne	Class C
2340 Stanford Court Naples, FL	4,270 SF	\$1,400,000 \$328.00 PSF	Applegate Properties, LLC Interface Collaborative Group LLC	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3200 Bailey Lane Naples, FL	14,861 SF	South Florida Growers Association, Inc.	Undisclosed	Undisclosed
4501 Tamiami Trail North Naples, FL	9,630 SF	Gregory Winter	Commerce Bank	Financial Institution
8889 Pelican Bay Boulevard Naples, FL	6,697 SF	Pelican Bay Financial Center, LLC	Henderson, Franklin, Starnes & Holt, P.A.	Law Firm

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