



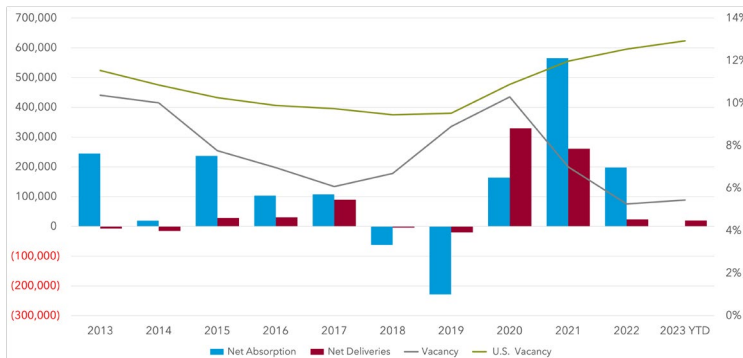
OFFICE MARKET OVERVIEW

CLAIRE SEARLS, *Director of Research*

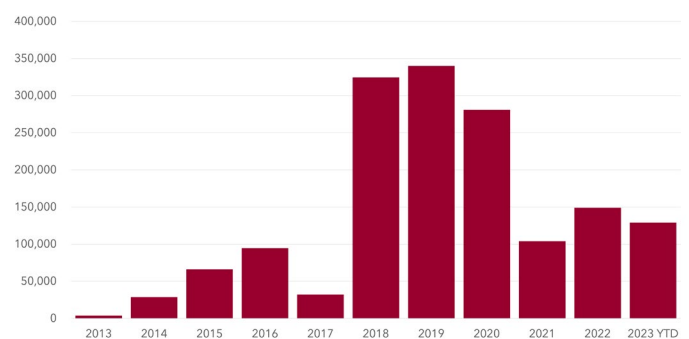
Leasing activity remained steady in Q1 2023, however there was a slight giveback in space as demand for office space weakened. Sales volume declined to the lowest it has been since third quarter of 2020. The construction pipeline and office deliveries have also been affected as the need for new supply has lessened. Available sublease space increased across all asset classes, however the most significant increase was found among Class B buildings. The North Naples submarket of Collier County had the strongest market fundamentals at the beginning of the year and one of the largest leases for the quarter. NAMI Collier County, a nonprofit, leased 12,494 sf of office space at Castello Centre.

MARKET INDICATORS	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
▼ 12 Mo. Net Absorption SF	166,494	198,003	289,587	416,706	518,586
▲ Vacancy Rate	5.5%	5.3%	6.0%	6.7%	6.9%
▲ Avg NNN Asking Rate PSF	\$25.34	\$24.34	\$23.58	\$23.07	\$22.41
▼ SF Under Construction	129,060	149,060	149,060	139,060	89,581
▲ Inventory SF	10,121,228	10,101,228	10,101,228	10,101,228	10,092,484

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1185 Immokalee Road Naples, FL	30,315 SF	\$10,500,000 \$346.36 PSF	Buffalo Grove Venture, LLC Naples 9, LLC	Class A
2240 Venetian Court Naples, FL	5,699 SF	\$2,325,000 \$407.97 PSF	Young Family Ventures, LLC Richard L. & Geri Armalavage	Class B
9045 Strada Stell Court, Unit 305 Naples, FL	1,972 SF	\$805,000 \$408.22 PSF	Cardinal Property Advisors, Inc. 1880277 Ontario Limited Inc.	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5025 Castello Drive Naples, FL	12,494 SF	TFF Commercial Rental Properties, LLC	NAMI Collier County	Non-profit
801 Laurel Oak Drive Naples, FL	10,027 SF	American National Insurance Company	BMO Harris Bank	Bank

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