

Survey of Emerging Market Conditions

Quarter 3 2009

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The *Survey of Emerging Market Conditions* is provided to all invited survey respondents who completed the survey during the March 2009 fielding. For more information about the survey or the Bergstrom Center for Real Estate Studies, visit our website at www.realestate.ufl.edu.

Executive Summary & Conclusions

By most accounts, the US economy has emerged from recession and many agree that the economy will start growing slowly over the next several quarters. Unfortunately, according to the Federal Reserve Beige Book, commercial real estate is the weakest sector of the economy in most markets. Our respondents appear to agree with the Fed and indicate in this quarter's survey that several factors will hinder the recovery in real estate markets in Florida including capital availability and unemployment. In fact, the real estate markets in Florida can be categorized by one term, uncertainty. As one respondent stated, "uncertainty is the most dangerous market condition delaying recovery." Unemployment continues to rise in Florida which now has a seasonally adjusted unemployment rate of 11% as of the end of the third quarter. That is the highest recorded rate since 1975. The uncertainty in the job market will continue to put pressure on real estate markets, both commercial and residential.

Another factor looming large in the real estate markets is the continued turmoil in the capital markets. On the positive side, our respondents indicate that they are seeing an increase in private capital entering the marketplace particularly from foreign sources. Continued weakening of the dollar should increase the foreign investment as they can buy more with their funds. Additionally, financially sound community lenders are increasing their appetite for commercial lending opportunities. On the negative side, the large banks continue to be reluctant to lend and when they are the terms are very conservative. Adding to the uncertainty is the cloud of foreclosures in the commercial real estate markets. Banks have been slow to bring REO to market and there continues to be a large gap in bid/ask between distressed debt investors and the banks. Additionally, no one is certain about how the CMBS refinancing risk is going to play out. All of these factors continue to cause our respondents to be skeptical of the current state of the real estate markets.

Highlights

- The general investment outlook for Florida real estate continues to be a volatile measure but remains mixed.
- Expectations for single family residential absorption remain positive in light of low interest rates and government incentives.
- The investment outlook for is mixed for all property types but increased this quarter in industrial properties.
- The outlook for rental rates continues to be negative across all property types.
- The outlook for occupancy is mixed over the property types with most expecting no change. However, there continues to be negative pressure on retail and office properties.
- Cap rates continued to increase over most property types this quarter with an outlook of continued increases.

The Survey

Our quarterly survey, conducted by the Bergstrom Center for Real Estate Studies, Warrington College of Business Administration, University of Florida is in its fifteenth fielding. The total number of participants, at 268, is the most extensive survey of Florida professional real estate analysts and investors conducted on an ongoing basis. It includes respondents representing thirteen urban regions of the state and up to fifteen property types.

General Investment Outlook

Our general index of real estate investment outlook, weighted 40 percent for single family and condo development, 40 percent for apartments and commercial rental property and 20 percent for developable land, remains mixed and declined in this quarter.

Single Family & Condominium Development

The outlook for single family absorption declined from its high in the previous quarter. While low prices and interest rates will continue to have a positive effect on absorption the continued negative trend in employment has curbed future expectations. The expectation for prices continues its positive trend this quarter as respondents believe that prices will increase slower than inflation. The investment outlook for single family development decreased from its high in the previous quarter.

Apartments

Expectations for apartment occupancy declined this quarter but expectations remain of no increase. The expectation for rental rate growth also remained stable for market rate apartments. The expectation for apartment investment stabilized this quarter. Cap rates, an indication of long term value, continue to move upward. Expectations for future cap rates continued a downward trend this quarter with respondents not expecting no change in cap rates.

Industrial

The outlook for industrial occupancy increased slightly this quarter in both segments with more respondents expecting no change in occupancy. The outlook for investment in industrial remained slightly positive and improved from the previous quarter. The outlook for investment in warehouse and distribution space increased to its highest level. Cap rates for industrial properties continued to move upward, suggesting increased investor uncertainty but expectations for future cap rates declined in both segments with more respondents indicating that cap rates will stabilize in warehouse and distribution properties.

Office

The outlook for office occupancy increased in both Class A and Class B space despite the negative unemployment trend. The outlook for office rental rates is mixed with an improving trend in Class A and a slightly negative move in Class B. In both property classes, however, respondents still expect rates to lag inflation. The outlook for office investment remained mixed and volatile as respondents' outlook declined for Class B space but improved for Class A space. Cap rates continued to creep upward for Class B space but declined slightly for Class A space. The expectation for future cap rates remained stable expecting a slight increase.

Retail

The expectations for occupancy declined over most sectors this quarter after surprising increases last quarter. The outlook for rental rate growth declined sharply in three sectors giving back all the gains from the previous several quarters. The only improvement was in free standing retail. Cap rates continue an upward trend but increased more dramatically than in previous quarter as respondents believe there is increased risk in this sector due to continued unemployment increases which are affecting consumer demand.

Land Investment

The outlook for investment in land improved slightly over most types but remains mixed. Numerous factors continue to dampen expectations including the lack of financing for land as well as a large spread in bid-ask prices as owners have chosen not to discount as deeply as the market believes is necessary. Additionally, our respondents indicate that banks continue to take a slow approach to recognizing and acting on distressed properties.

Capital Availability

The outlook for capital availability declined from its previous high but still indicates that respondents expect increased availability. Our respondents indicated that foreign capital is starting to enter the marketplace as currency exchange rates become more favorable to them and financially sound community banks are increasing their appetite for commercial real estate. However, large banks and financial institutions continue to limit lending in this area and have very restrictive terms and underwriting on the loans they are making.

Own Business Outlook

The own business outlook also continue its upward trend this quarter. Respondents continue to believe that coming wave of foreclosures in commercial real estate will provide a tremendous opportunity in the future. However, they remain guarded due to the uncertainty with the overall economy, unemployment concerns and the fear that we will experience a double dip recession..

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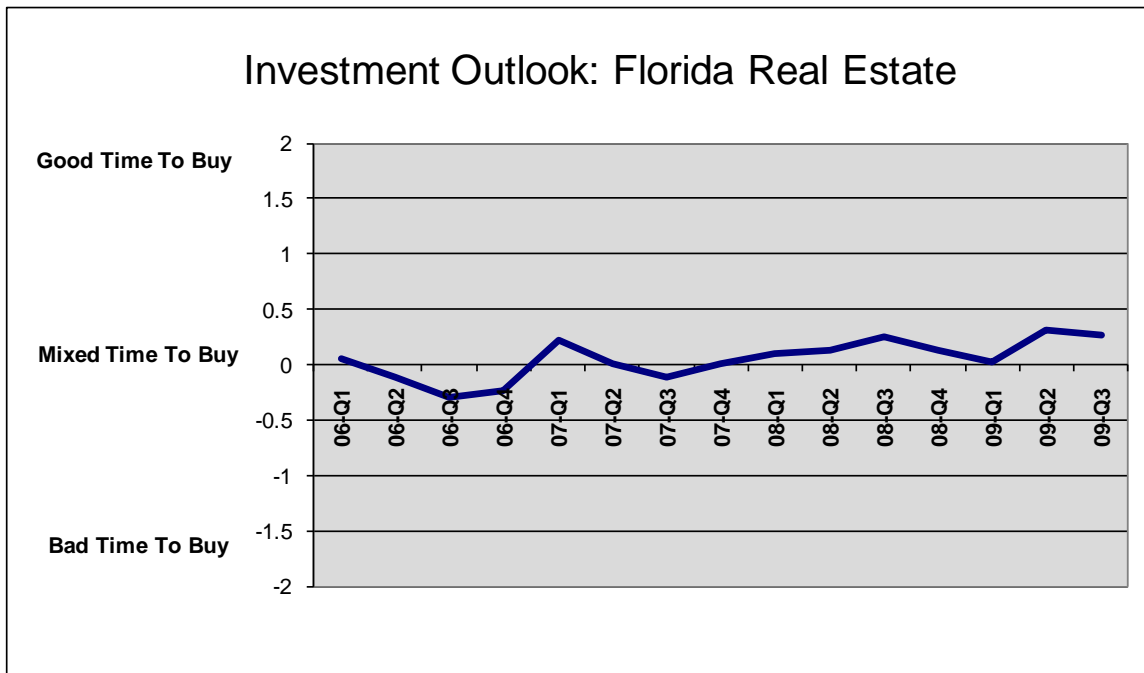
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Section 1: Investment Outlook

After two quarters of decline the outlook for investment in Florida real estate increased to its highest level since the inception of the survey. While the Investment Outlook continues to indicate a mixed time to buy, the increase in the metric reflects an increase in investment outlook for almost all of the property types. This result seems to build on the notion by our respondents that we may be at the bottom and looking for upward momentum.

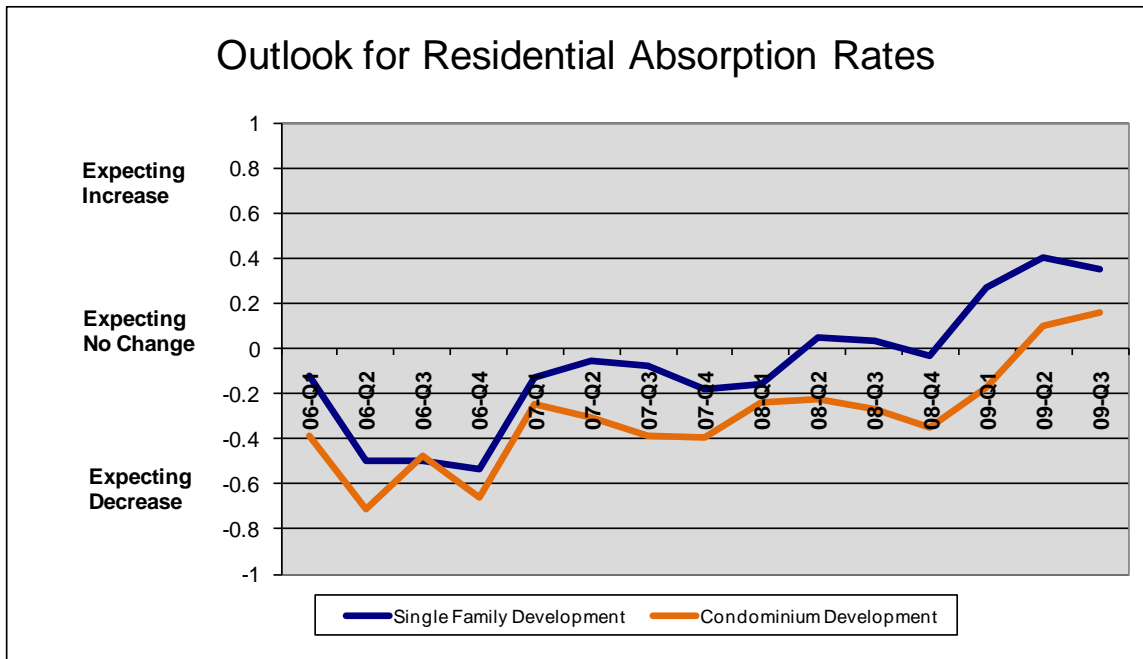


This investment index is weighted 40 percent on single family and residential condominium development, 40 percent on rental property of all types, and 20 percent on undeveloped land. Thus, it is at least fifty percent driven by the residential development outlook.

Section 2: Residential Development

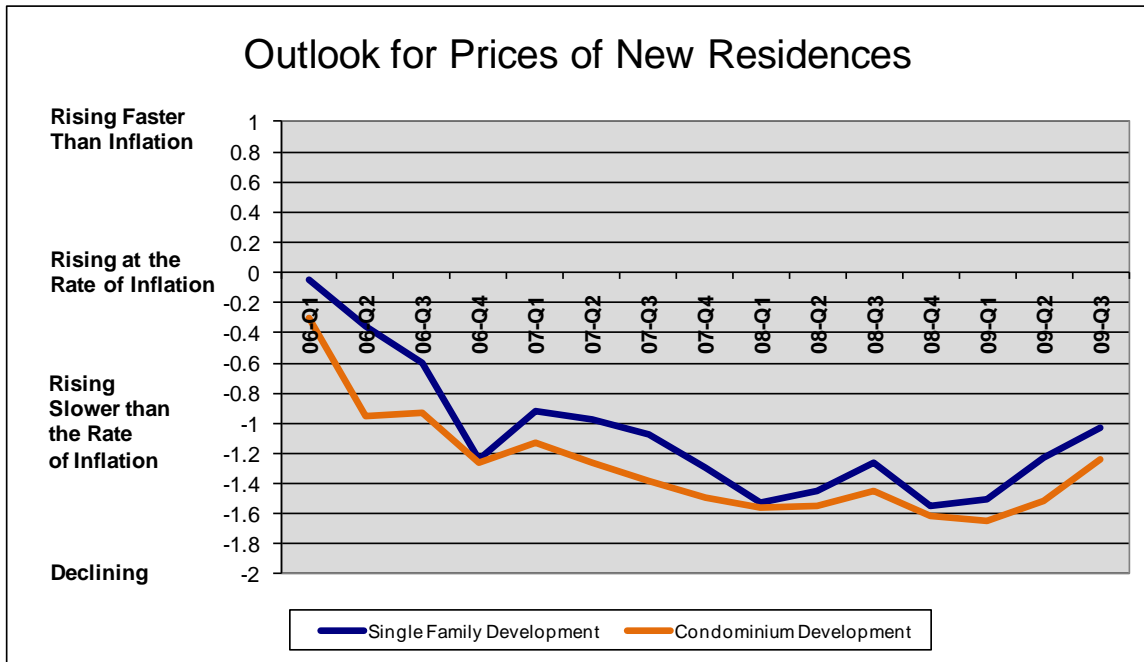
Expected Absorption Rates

The outlook for absorption rates in single family development has declined slightly after rising for two consecutive quarters with just less than 40% believing that absorptions will increase. Low prices, interest rates and government assistance through the home buyer tax credit are having a positive effect on absorption. Additionally, builders are being conservative with new starts in an effort to balance supply and demand while reducing inventories. Expectations for absorption rates associated with condominium development increased for the third consecutive quarter to a new high. This appears to be prompted by the foreclosure of large blocks of condominiums for very low prices with the expectation that these units will be put back on the market at very competitive prices. Our respondents indicated that in some of these foreclosure deals the banks selling the properties are agreeing to providing end user financing with is currently very difficult to get and has depressed absorptions in condominium developments.



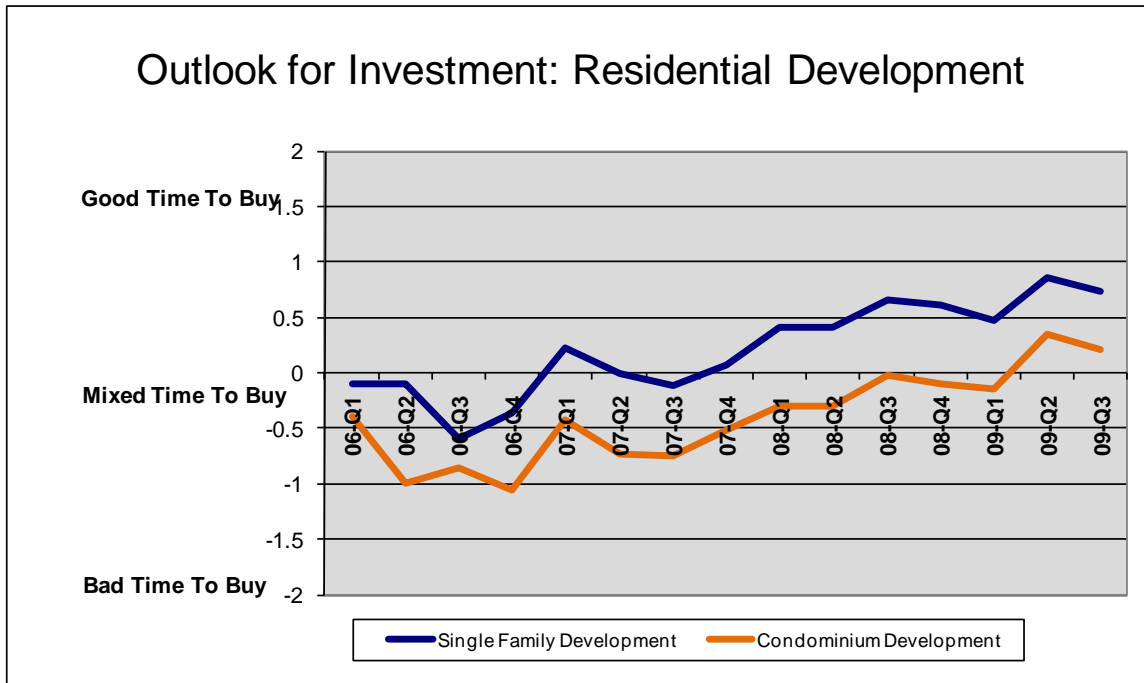
Expected Price Changes

Expectations of price movements for new residences continue to be pessimistic; however, both indicators increased for the third consecutive quarter. Currently, respondents expect single family and condominium prices to either rise at a rate slower than inflation or possibly decline. This will continue until we've worked our way through the backlog of existing foreclosures on the market. While significant activity is being seen in the resale market our respondents believe that we could see another significant wave of foreclosures as job losses continue and values continue down.



Investment Outlook

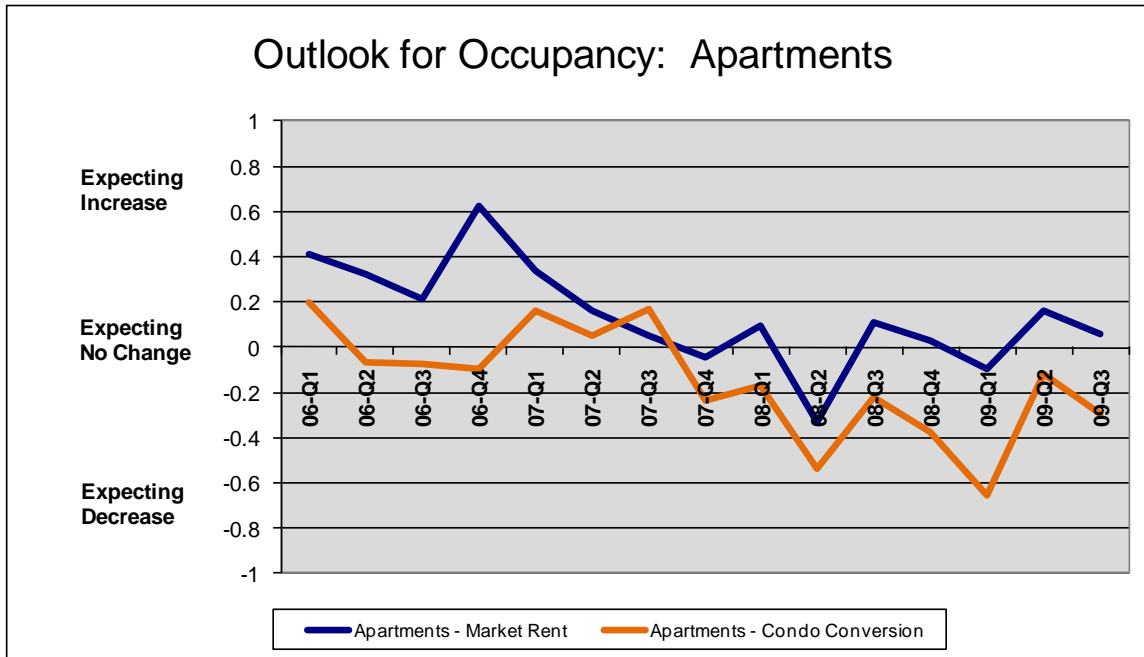
The outlook for residential investment has declined from its high last quarter. Respondents believe that banks are taking a slow cautious approach in bringing depressed land assets to the market. Additionally, foreclosures and short sales still dominate the market and our respondents believe that will continue into next year further dampening the appetite for new home development. Despite the low prices and interest rates, unemployment continues to weigh on the recovery of the housing market.



Section 3: Apartments

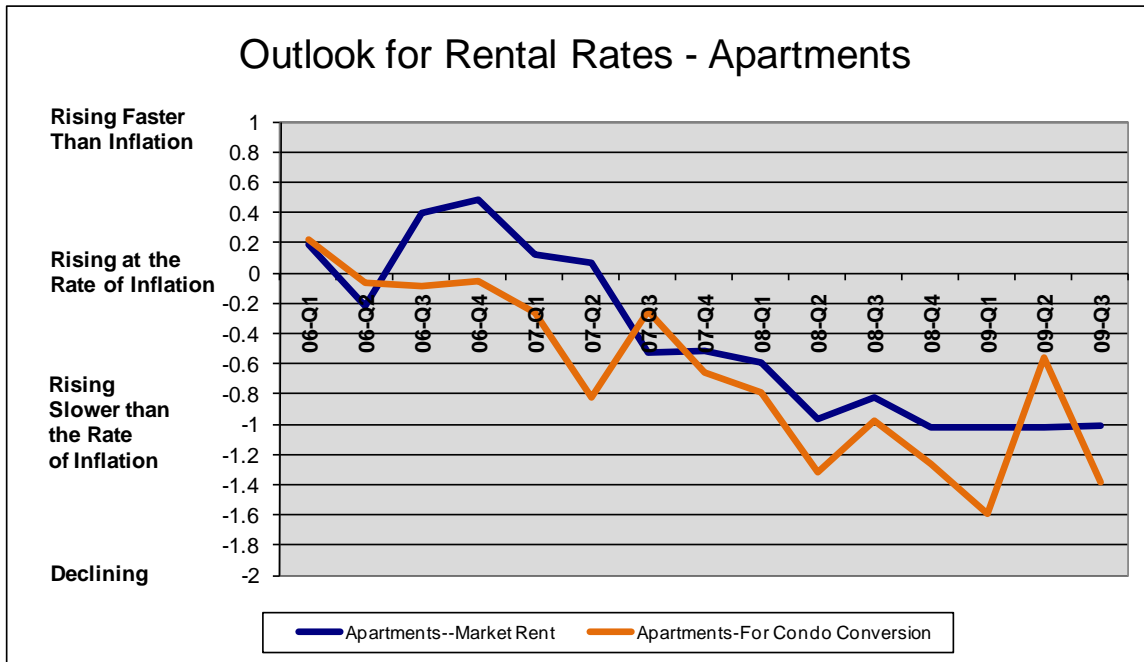
Expected Occupancy

The outlook for apartment occupancy continued its recent volatility declining from last quarter. In both categories our respondents continue to believe that occupancy will not change in future quarters. As foreclosures continue to be processed more people will move to the rental market for their housing needs. Apartments will continue to compete against single family homes and condos that have converted to rental's because of the high for sale inventory. This outlook reflects our respondents' belief that the apartment market will get its fair share of the future renters.



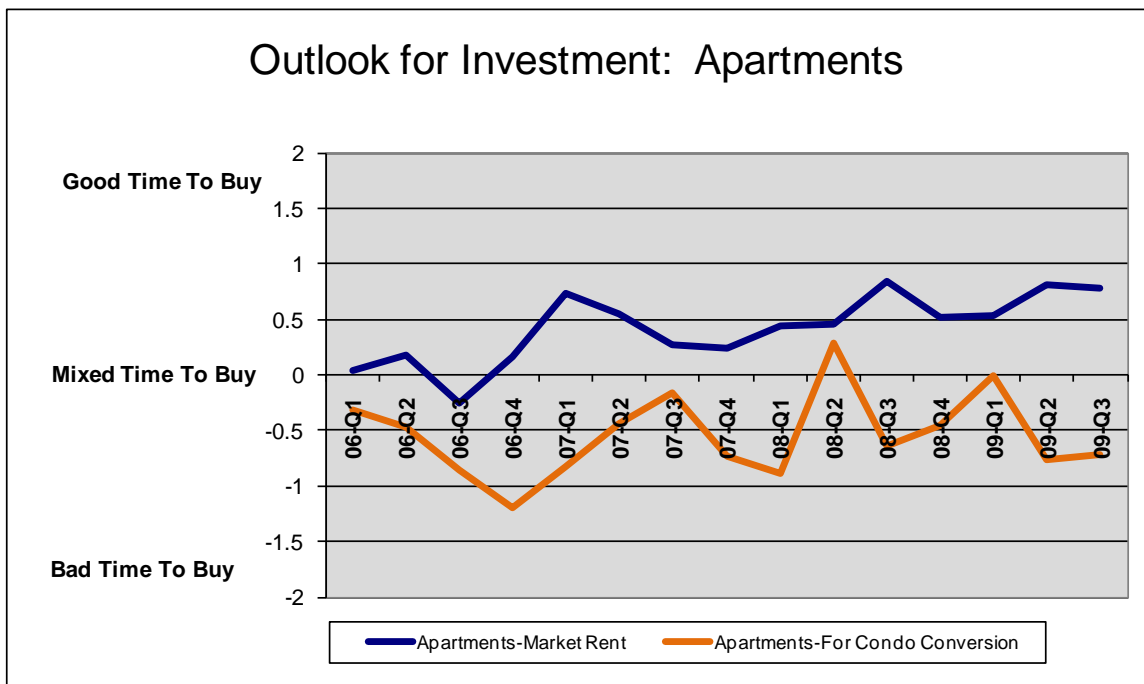
Expected Rental Rates

The outlook for rental rates of market rent apartments continues to reflect our respondents' belief that rates will increase slower than inflation. The outlook for rental rates of condo conversions took a sharp negative turn, returning to levels from the 4th quarter of 2008. Respondents believe that prices will remain at lower levels as apartments compete with condominiums that are renting because they aren't selling.



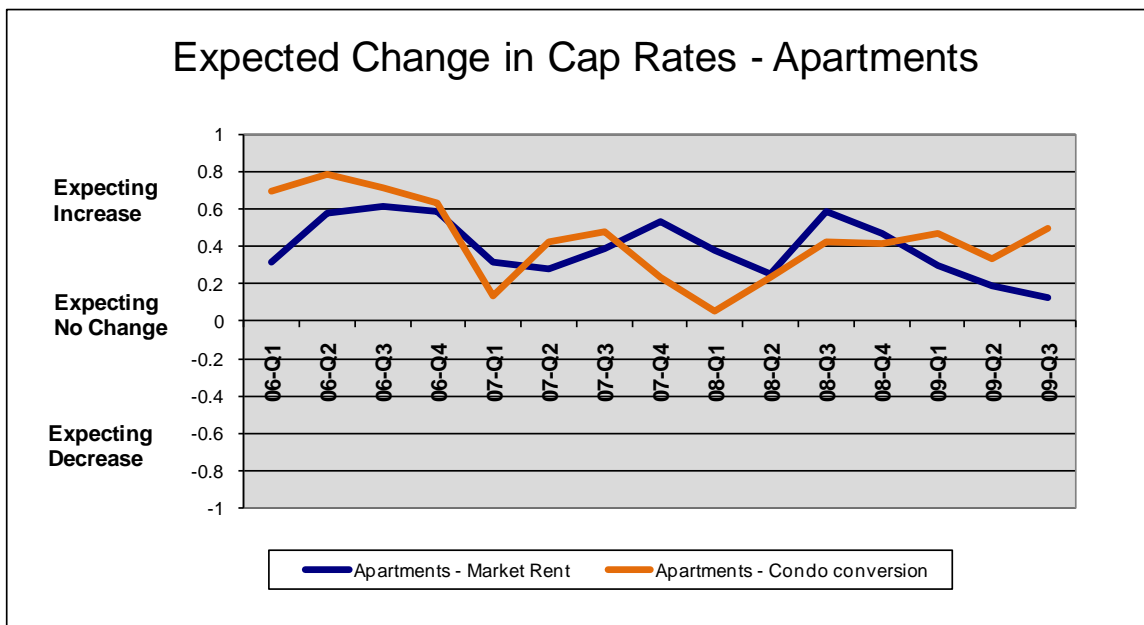
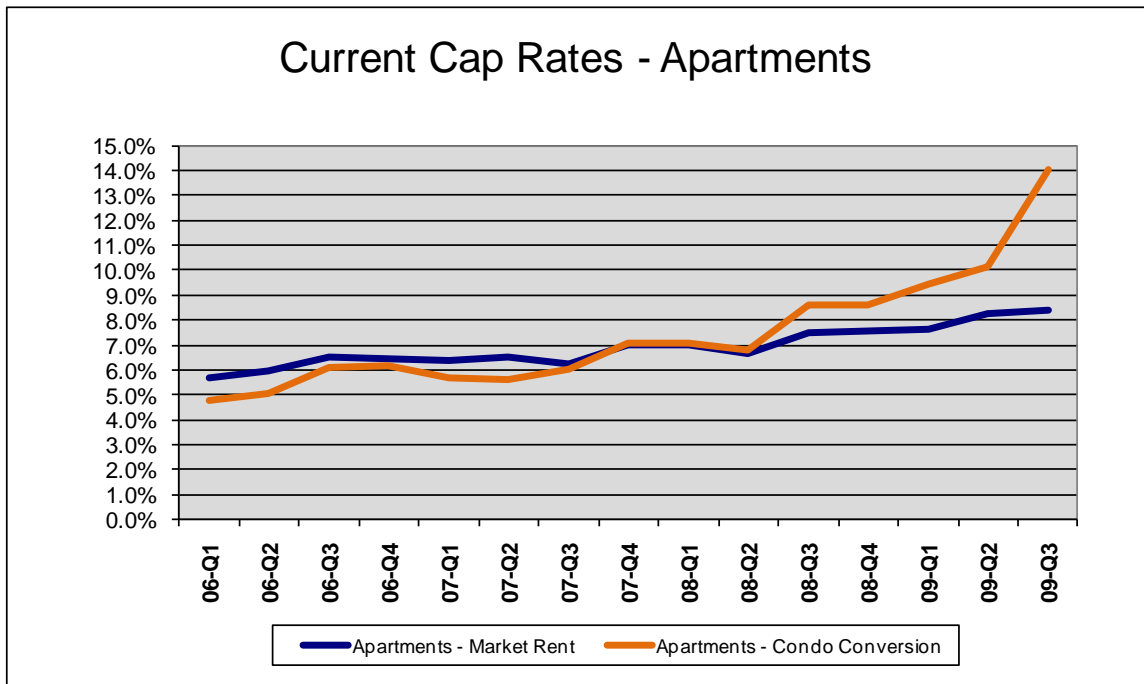
Investment Outlook

The outlook for investment in market rent apartments and apartments for condo conversions remained stable this quarter. It remains a mixed time to buy for both property types, however, the property type has been the most active in transactions of any property type as capital is still available at reasonable terms for purchasing.



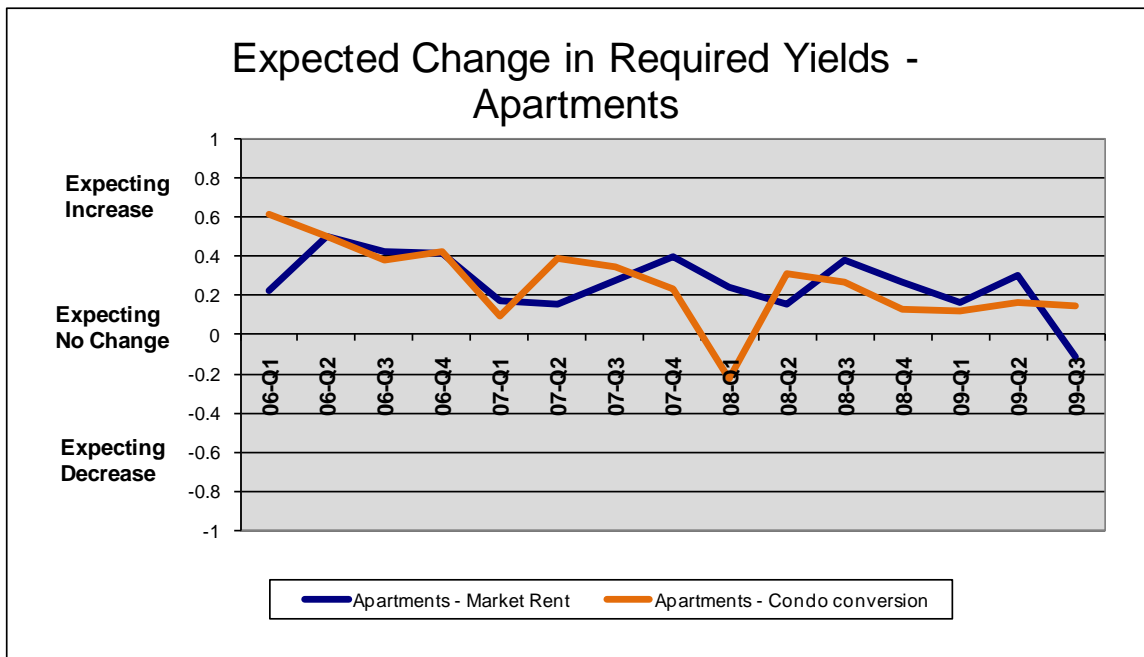
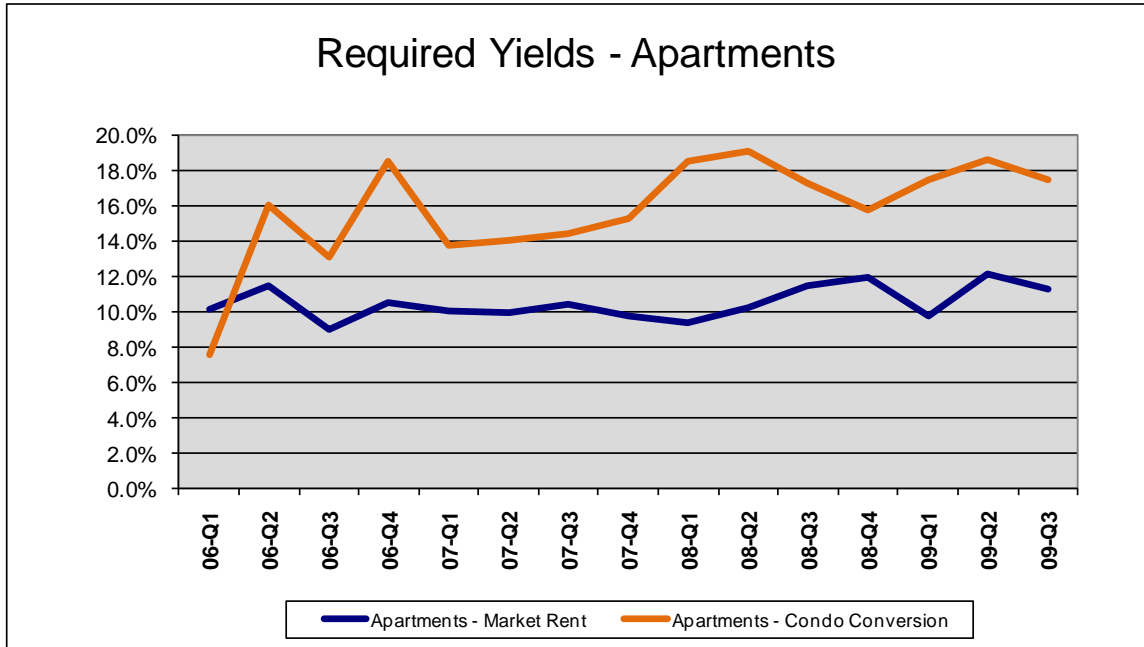
Cap Rates

Cap rates for market rent apartments have continue their slow upward movement this quarter, indicating that investors are becoming confident in their assessment of this particular property type. Cap rates for condo conversion took a large step increasing 400 bases points this quarter and are now over 14%. This indicates that the likelihood of conversions happening are low particularly as newly foreclosed condo projects are turned into rental units because of lack of financing availability for end users. Expectations for market rent cap rates continued to decline this quarter with respondents now expecting no change in future rates.



Required Yields

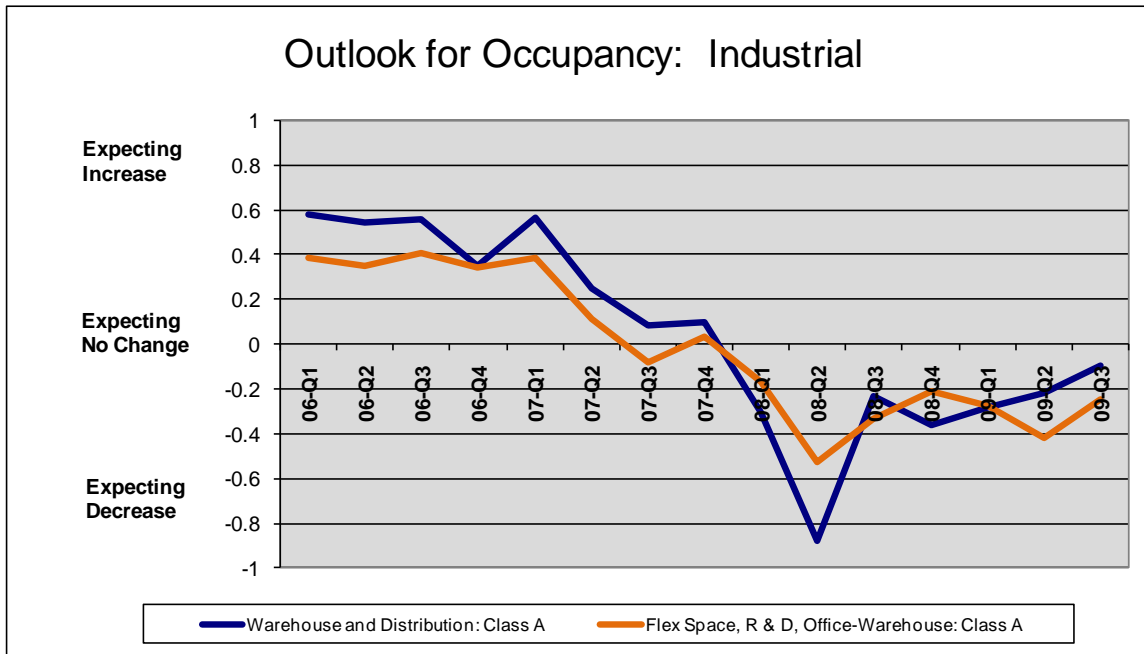
After reaching a high of over 12% last quarter, market rent apartment yields have decline almost 100 bases points and substantially more respondents believe that this trend will continue in future quarters. Required yields for condo conversion also dropped this quarter to just below 18% with respondents believing that future yields will remain constant or rise slightly.



Section 4: Industrial

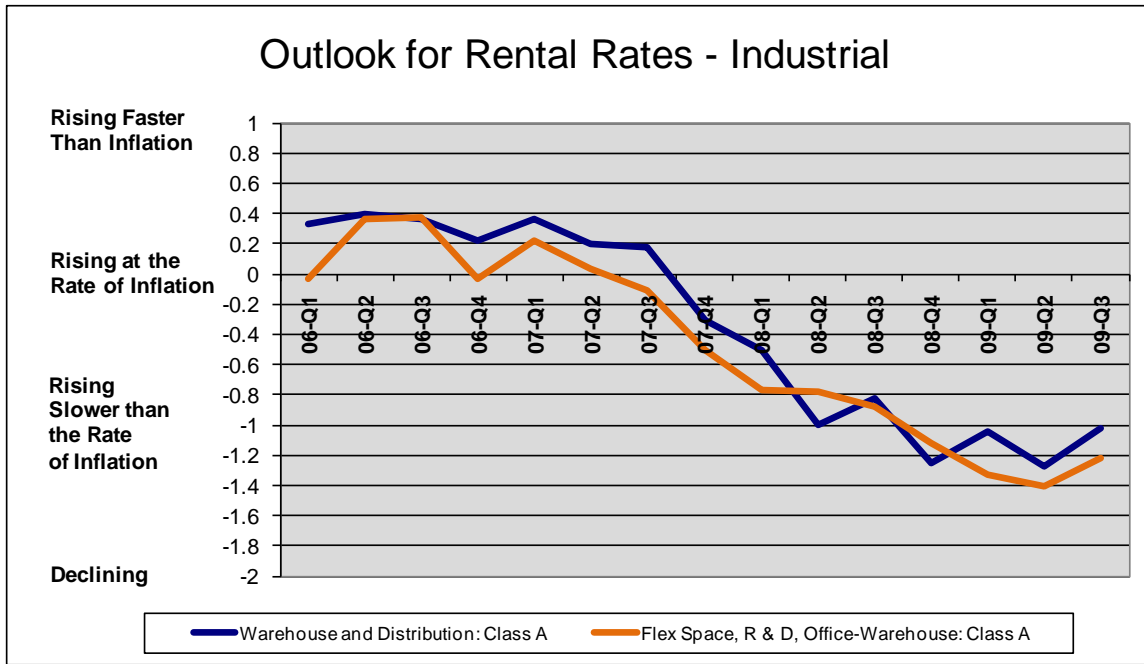
Expected Occupancy

The outlook for occupancy in warehouse and distribution continued its positive trend this quarter with respondents expecting no change in occupancy in the near future. After a declining trend in the past three quarters, the outlook for occupancy in flex space increased slightly this quarter as respondents believe that occupancy may remain steady or slightly decline in the future.



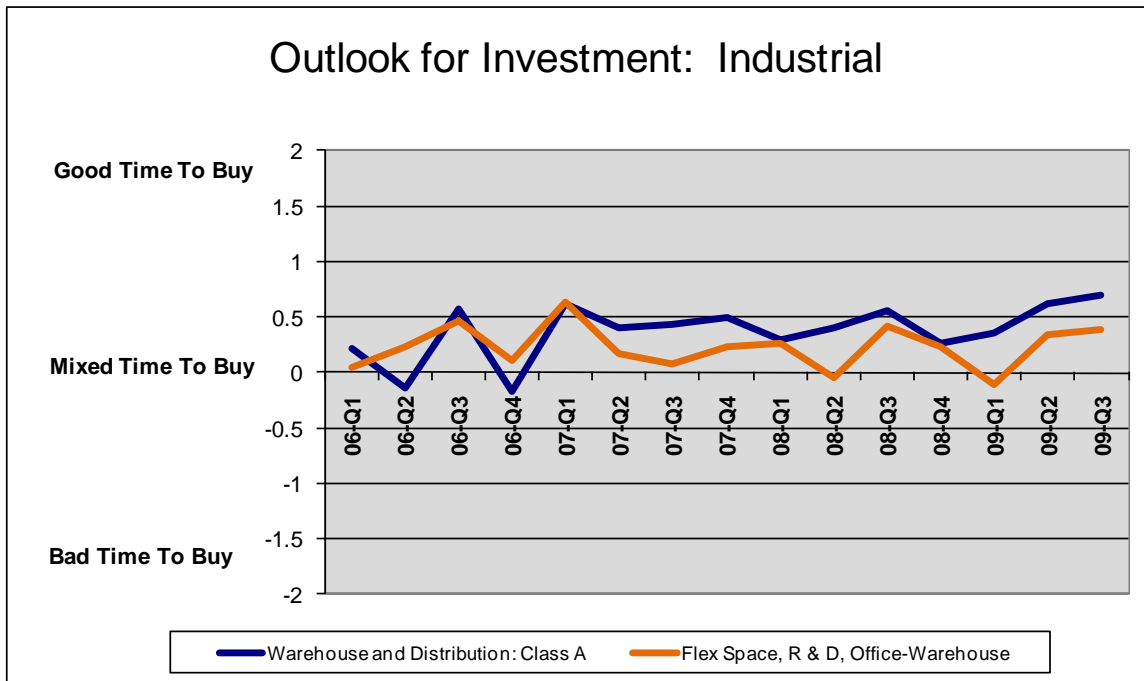
Expected Rental Rates

Expectations for rental rates in warehouse and distribution continue to be volatile, rising this quarter to the same level as the 1st quarter. The rental rate outlook for flex space also increased this quarter to near its 4th quarter 2008 level. In both areas, Respondents indicate that rental rates are expected to continue to lag inflation.



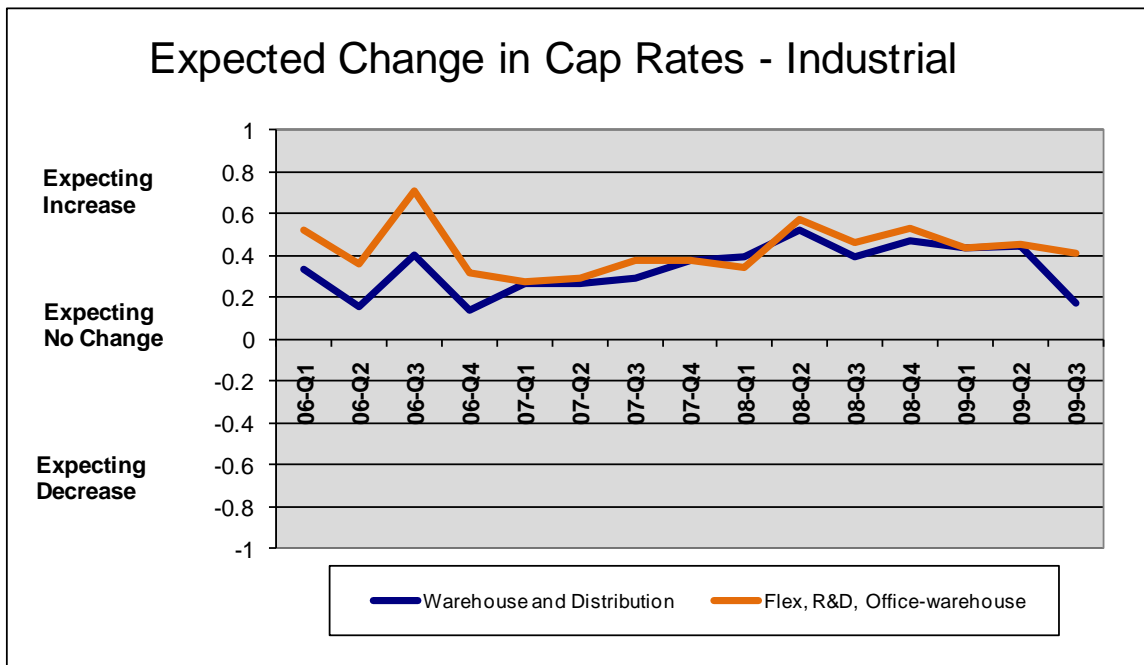
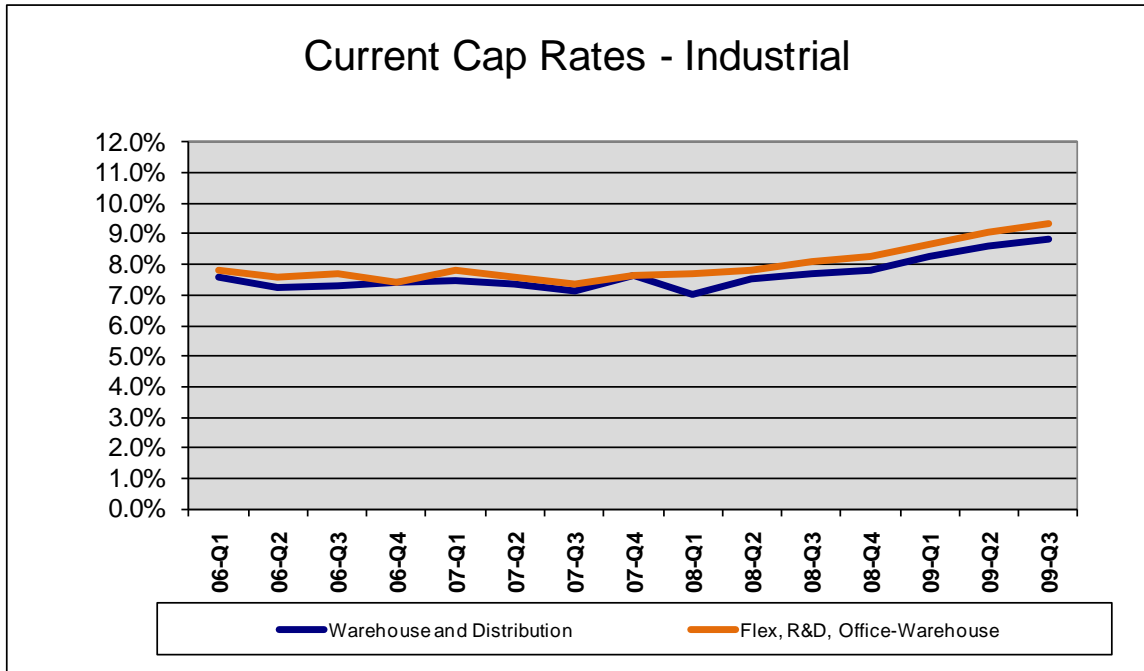
Investment Outlook

Despite lagging or declining expectations for rental rates and expectations for flat occupancy, the investment outlook for both industrial categories increased again this quarter. Respondents continue to believe that it's a mixed time to buy industrial properties.



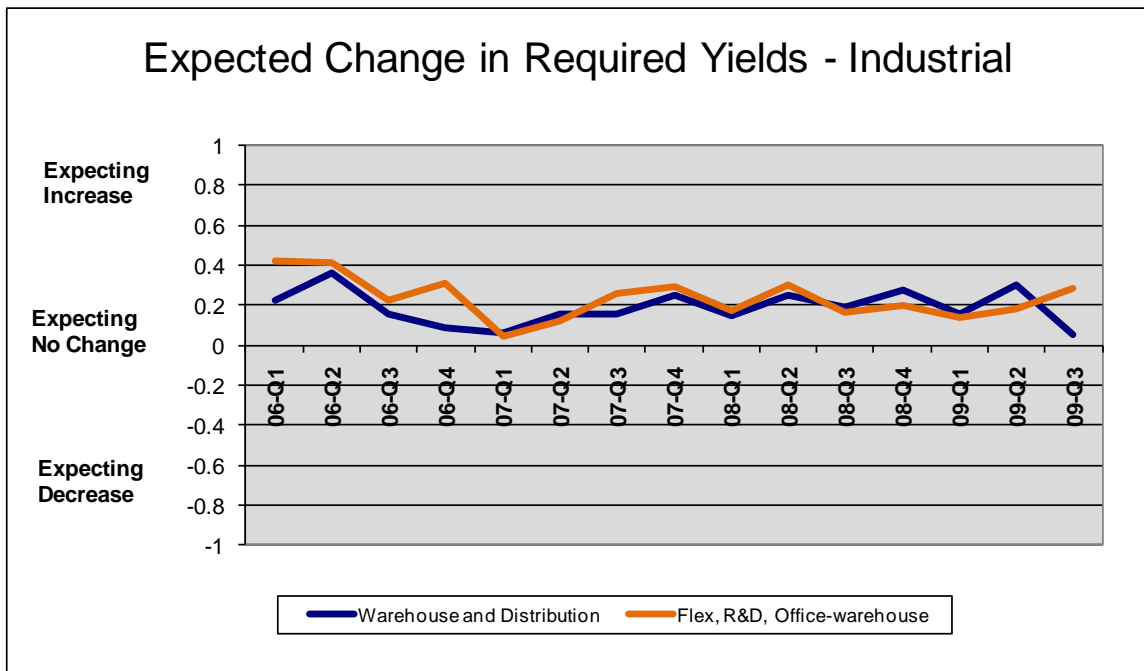
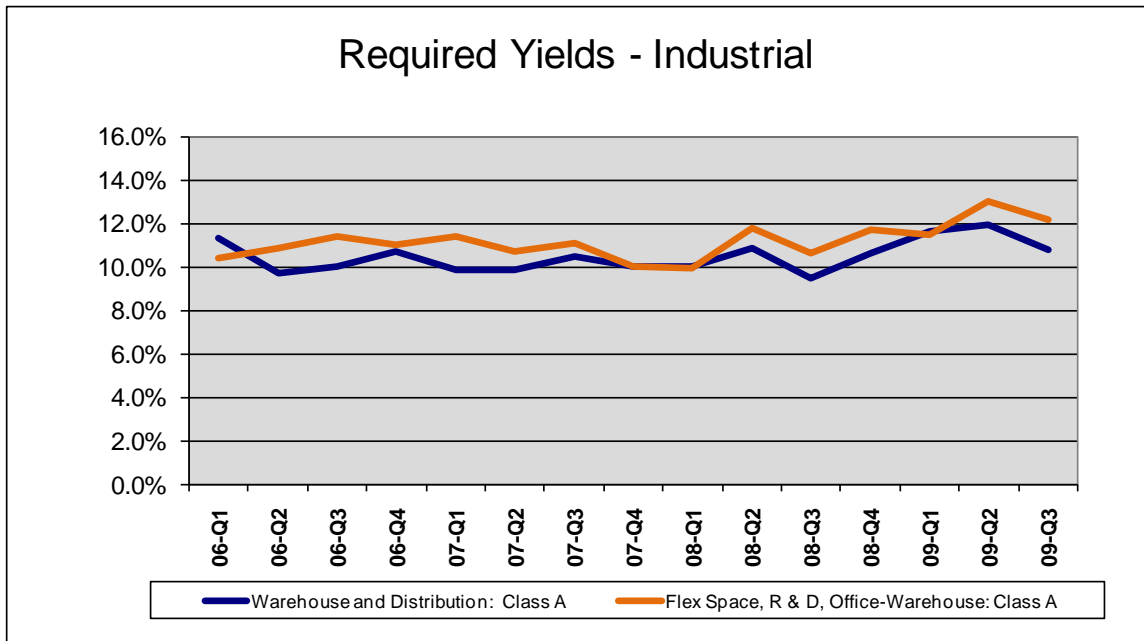
Cap Rates

The slow upward trend in industrial cap rates continues this quarter, with warehouse and distribution cap rate at almost 9% and flex cap rates over 9%. However, a larger number of respondents indicate that cap rates for warehouse are expected to remain the same in future quarters, while expectations for future cap rates on flex space shows increases will continue in the future.



Yields

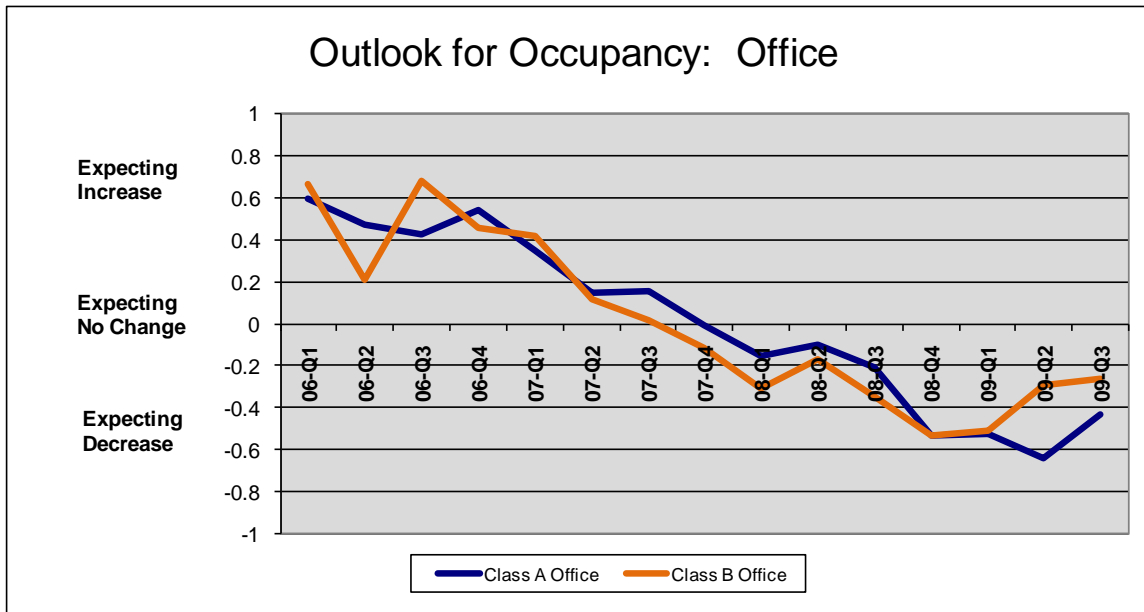
After increasing for three consecutive quarters, required yields for warehouse and distribution space decreased this quarter by approximately 100 bases points. Required yields for flex space also decline by 100 bases points after increasing almost 200 bases points the previous quarter. Expectations for expected yields in warehouse and distribution space took a sharp turn as more respondents expect yields to remain at current levels for the near future. In contrast, more respondents are expecting slight increases in yields for flex space.



Section 5: Office

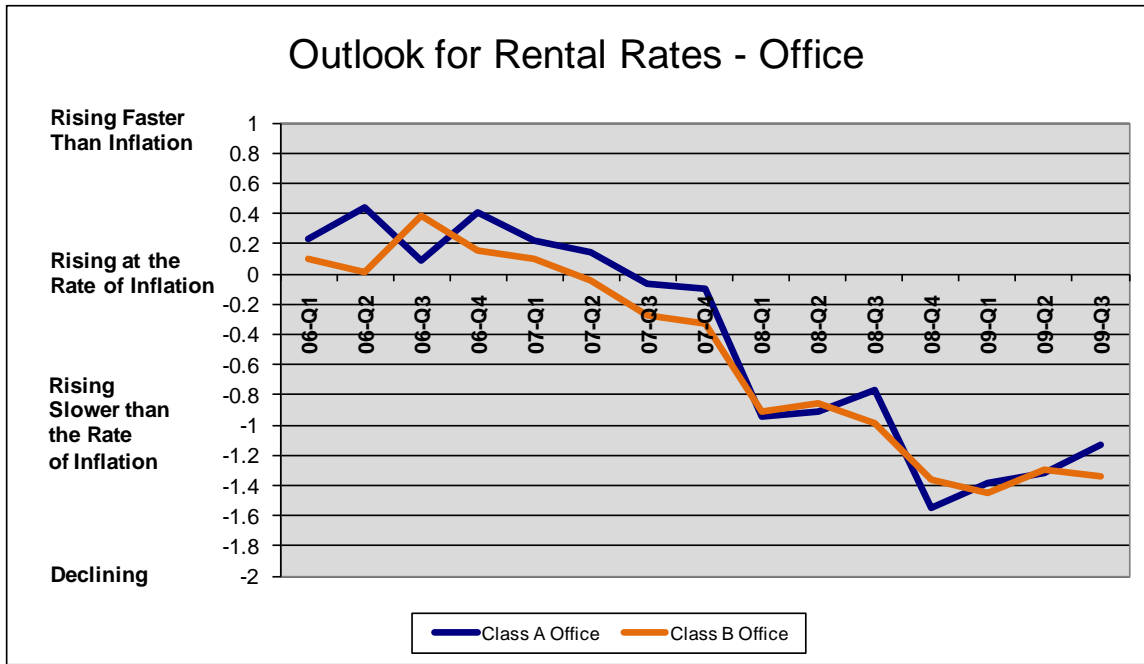
Expected Occupancy

The occupancy outlook for Class A space took a sharp upward trend this quarter. While respondents still believe that occupancy will continue to decrease they believe it will do so at a decreasing rate. Class B space continue it recent positive trend as more respondents are indicating that occupancy will level off. These results appear to conform with recent employment reports that indicate that unemployment continues to increase, but at a decline rate and that companies are planning fewer layoffs in the future.



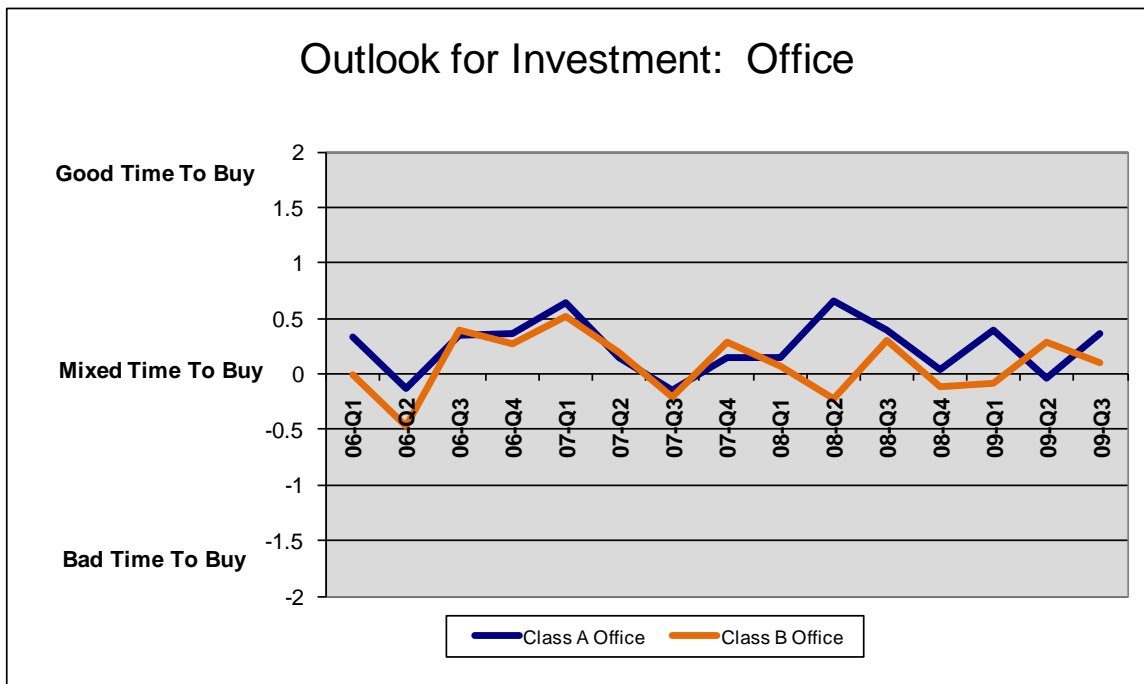
Expected Rental Rates

While respondents continue to believe that rental rates will lag inflation, they continued a positive upward trend for Class A office. As the employment market stabilizes and occupancy stabilizes our respondents believe that rental rates will also stabilize. Expectations for Class B space also indicate rental rates lagging inflation and declined slightly from last quarter.



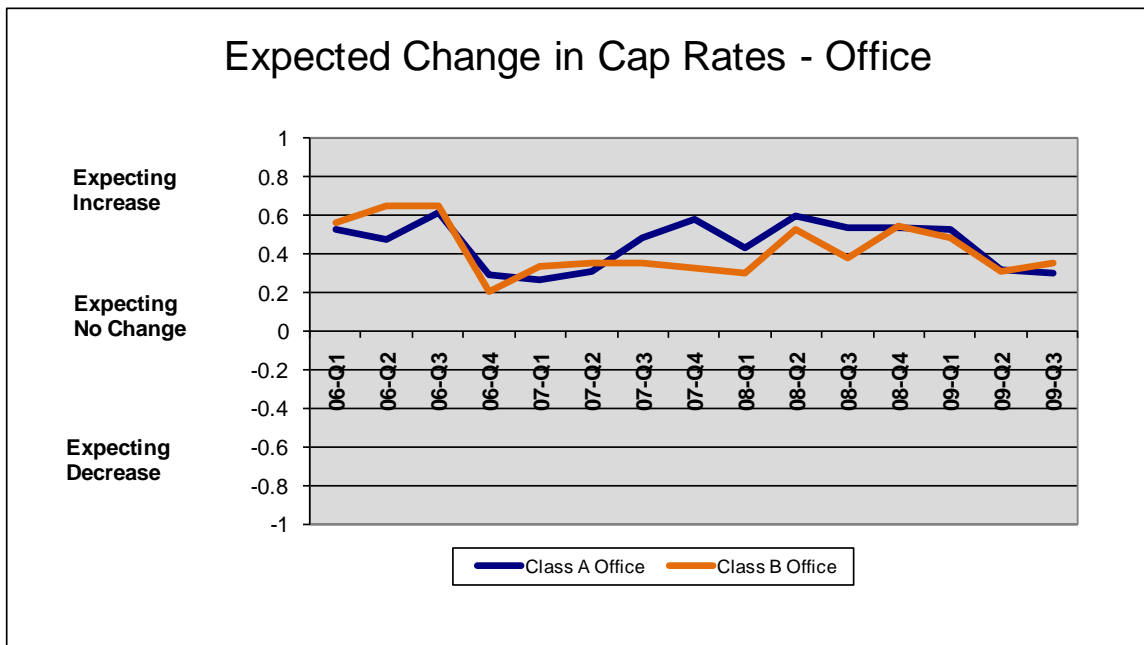
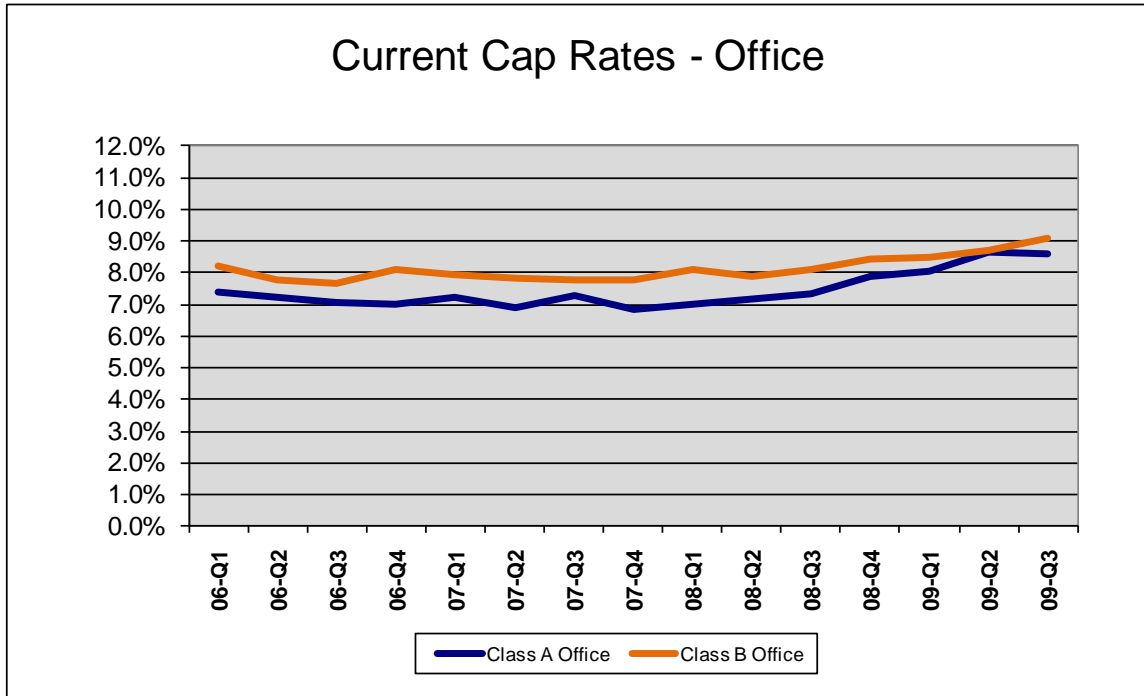
Investment Outlook

The investment outlook for office space continues to be volatile as respondents continue to believe this is a mixed time to buy.



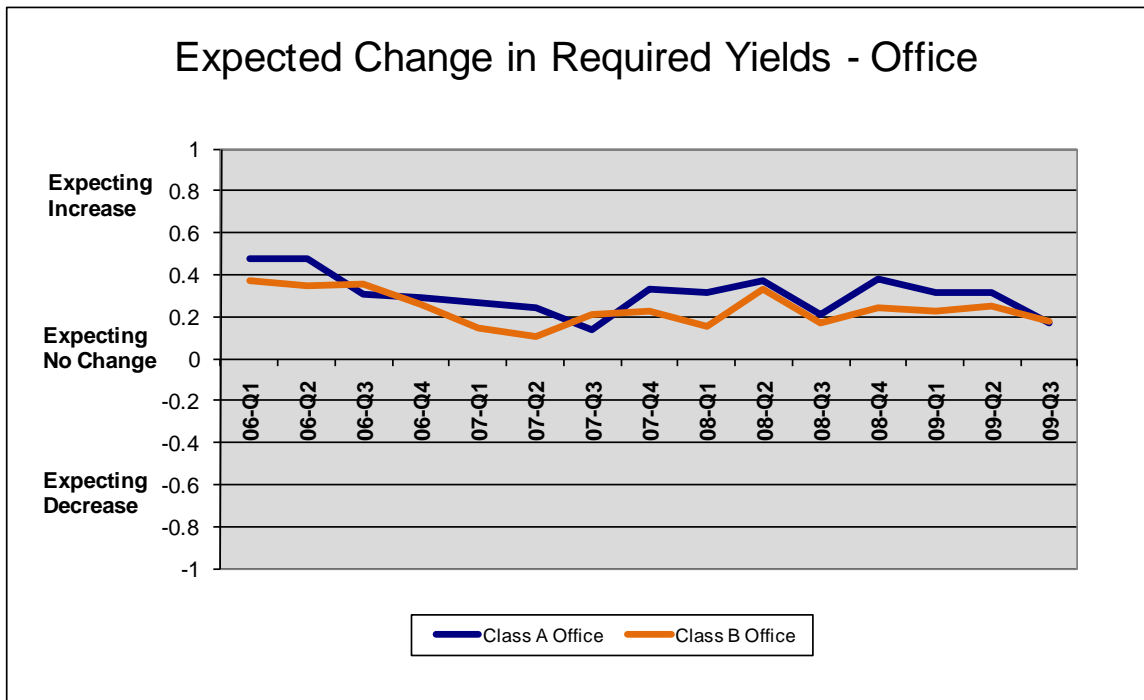
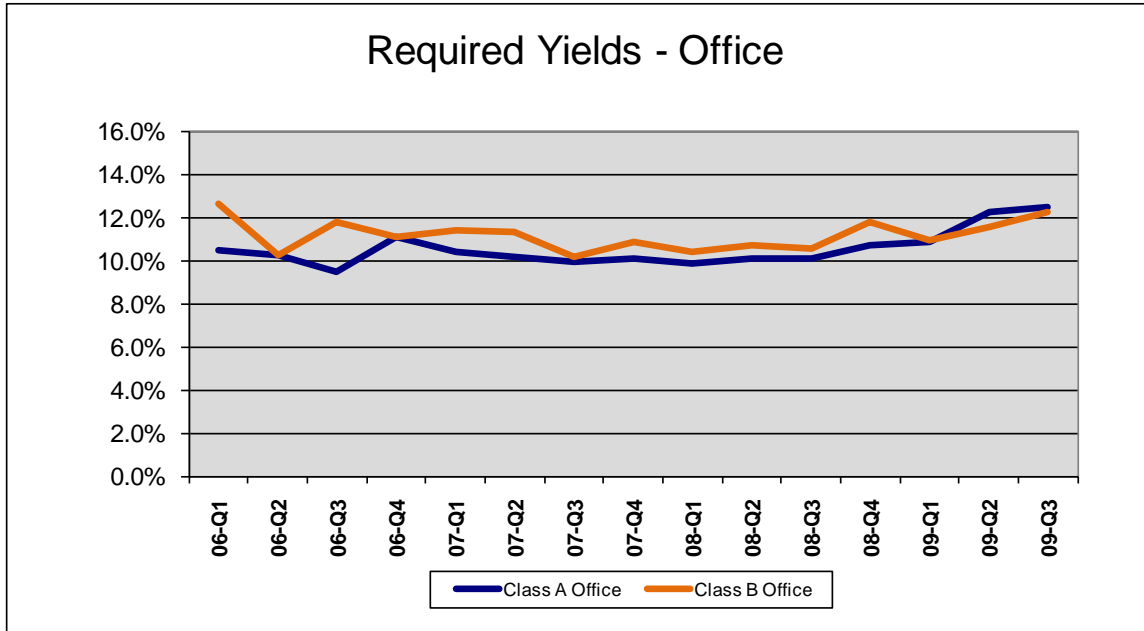
Cap Rates

Cap rates for Class A office space declined for the first time since the 4th quarter of 2007, while Class B rates continue their upward trend. Expectations for future cap rates remained stable this quarter with respondents believing that cap rates will be stable to slightly increasing.



Yields

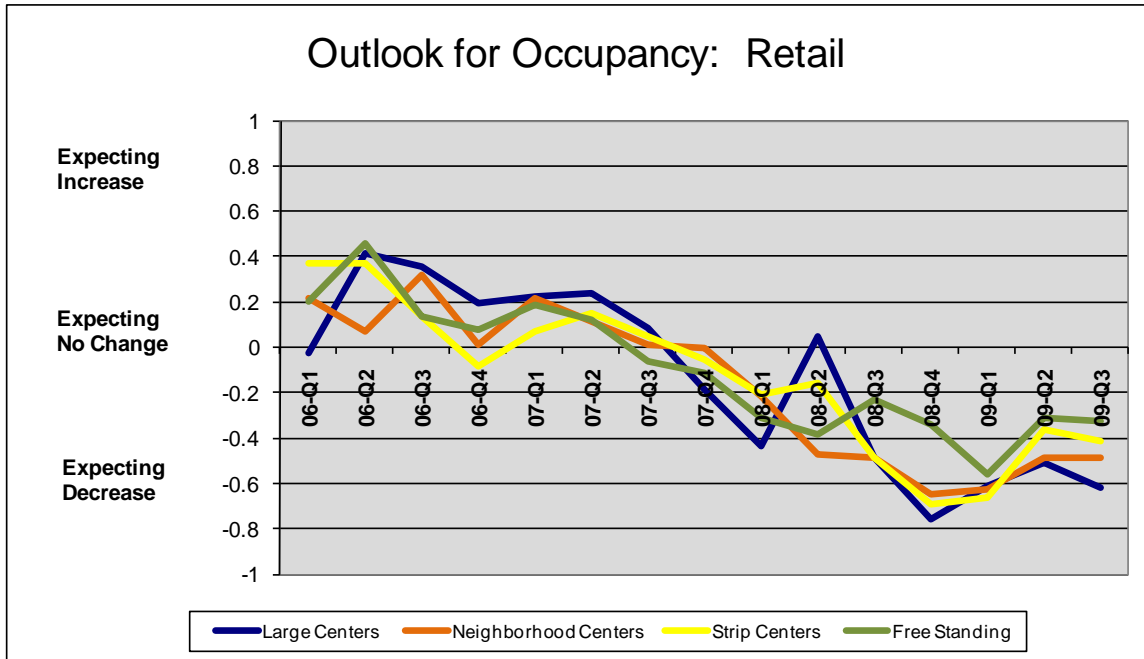
Required yields for both Class A and Class B continued their upward trend this quarter, with both classes exceeding 12%. Meanwhile, a larger number of respondents appear to expect yields to remain unchanged in future quarters.



Section 6: Retail

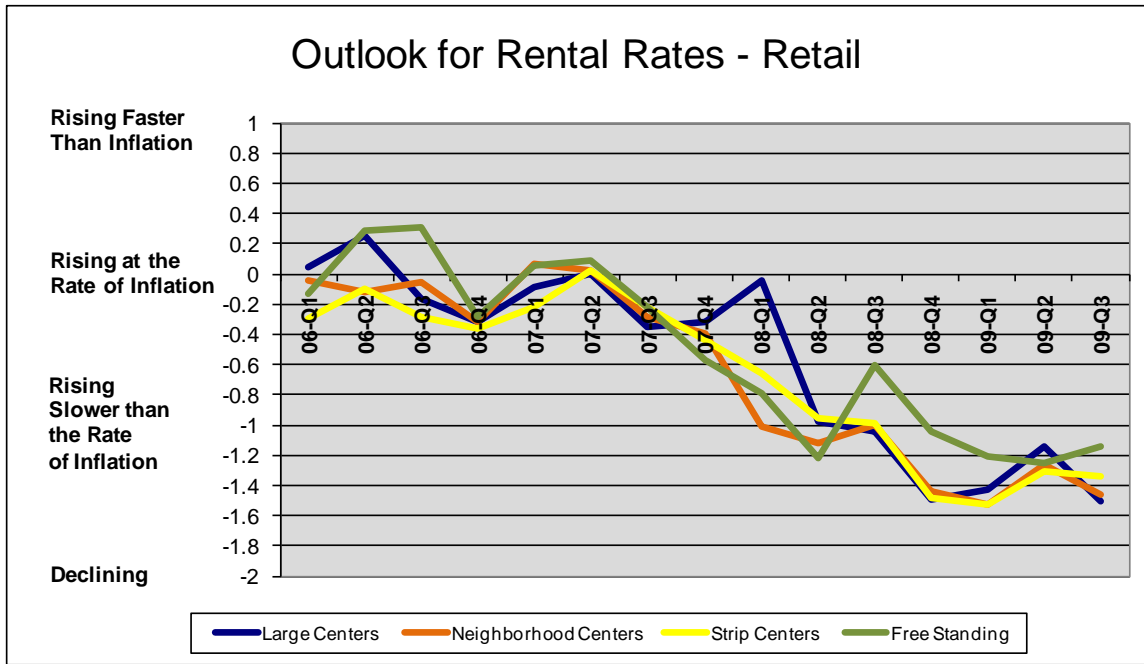
Expected Occupancy

The outlook for occupancy rates remained stable this quarter for free standing and neighborhood centers but declined in large centers and strip centers. Respondents indicate that retailers are becoming more willing to do deals but only on the top quality locations and believe that the flight to quality will continue with retailers moving from lower quality locations to high quality locations..



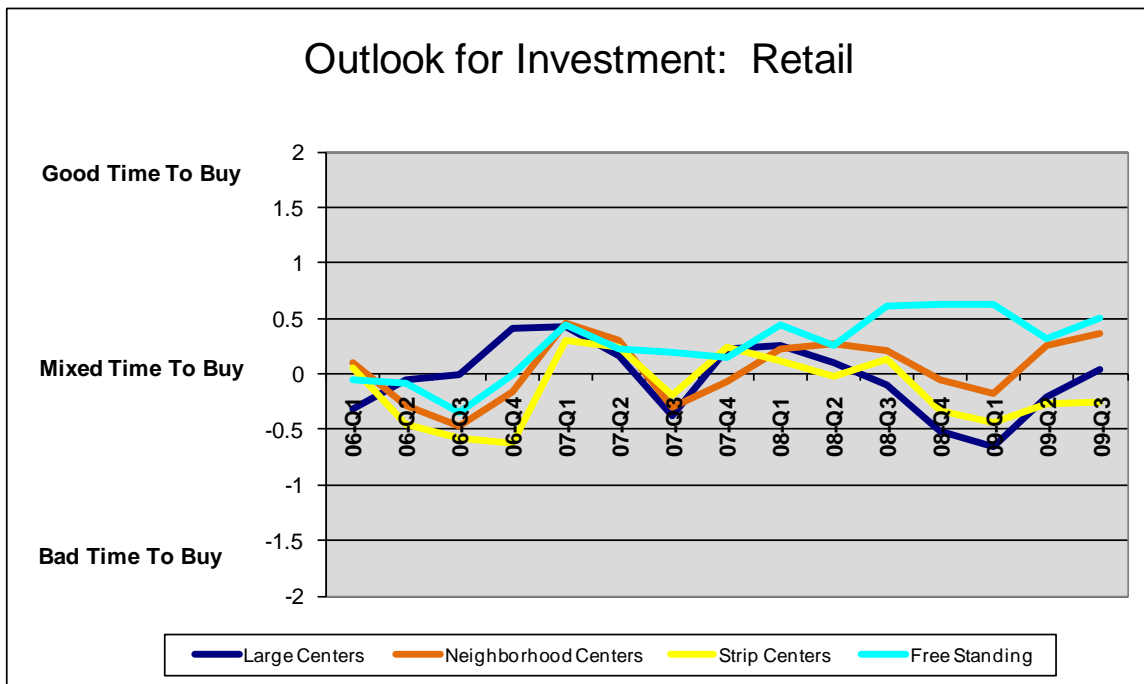
Expected Rental Rates

Expectations of future rental rates have declined this quarter in all categories but free standing. Respondents believe that rental rates will decline because of the large supply of available space in the market. These trends will continue as consumer demand remains stagnant and unemployment high.



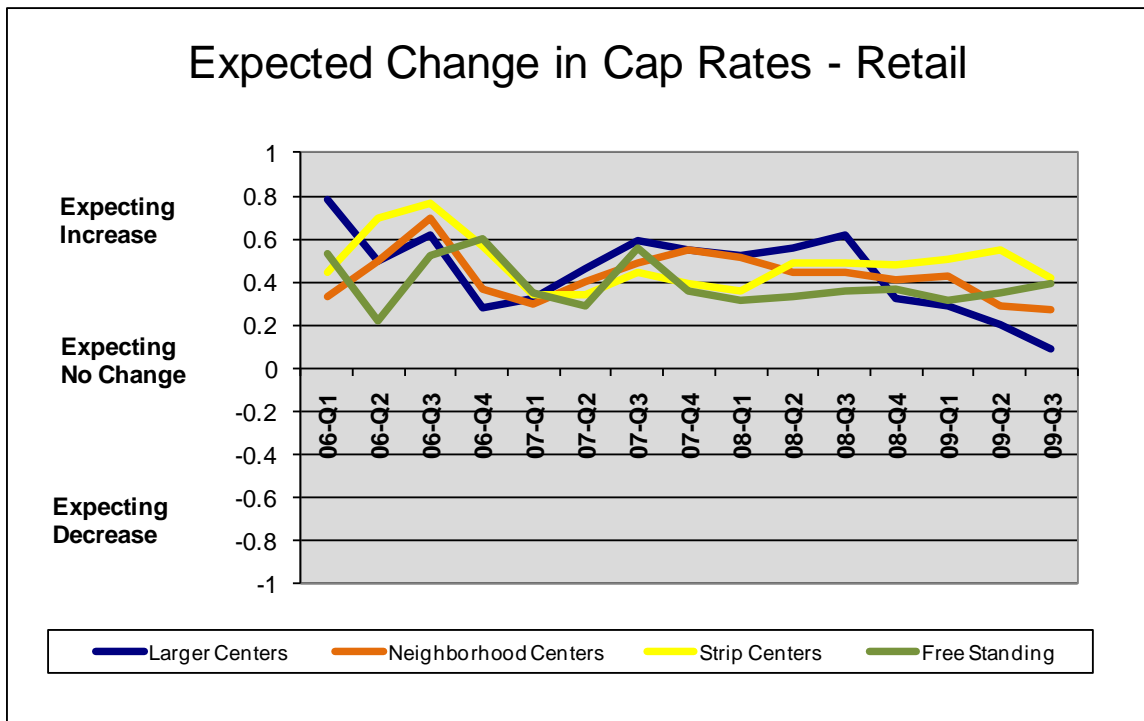
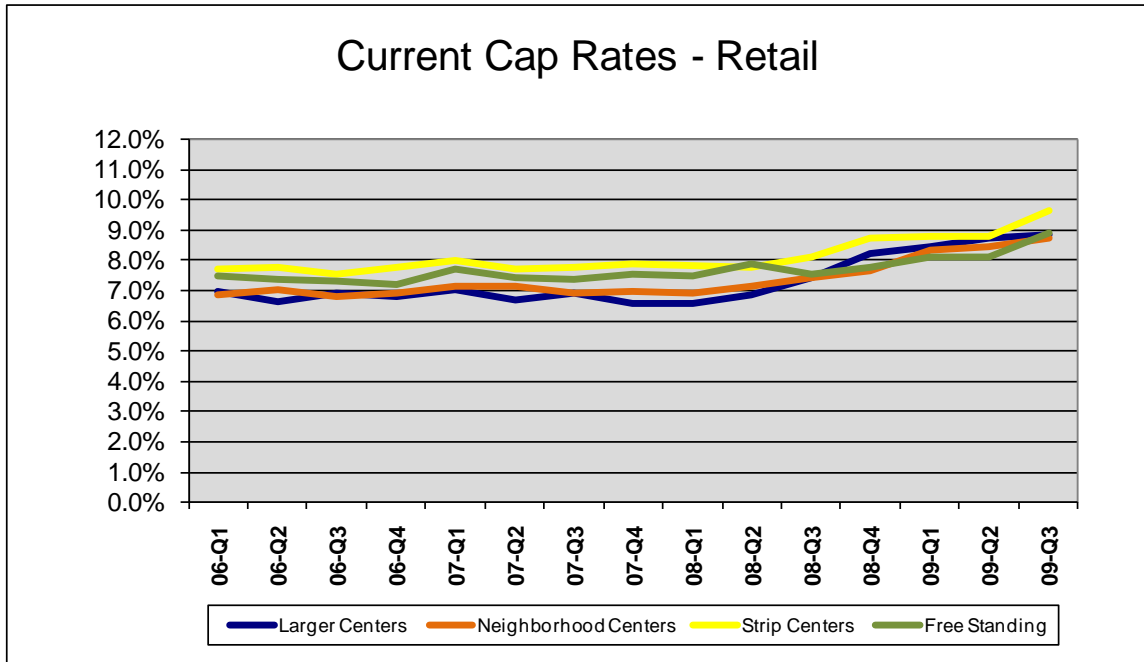
Investment Outlook

The investment outlook for retail properties has improved across all categories this quarter continuing its recent positive trend. While it remains a mixed time to buy, more respondents believe that more distressed assets will hit the market in the near future and provide a good investment opportunity.



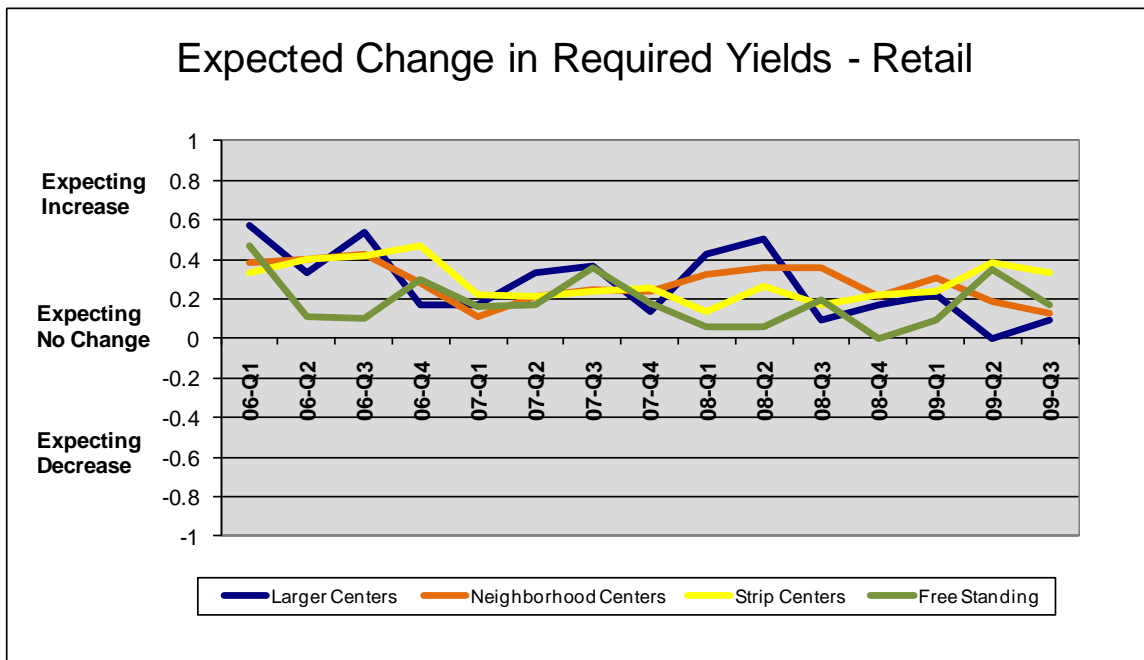
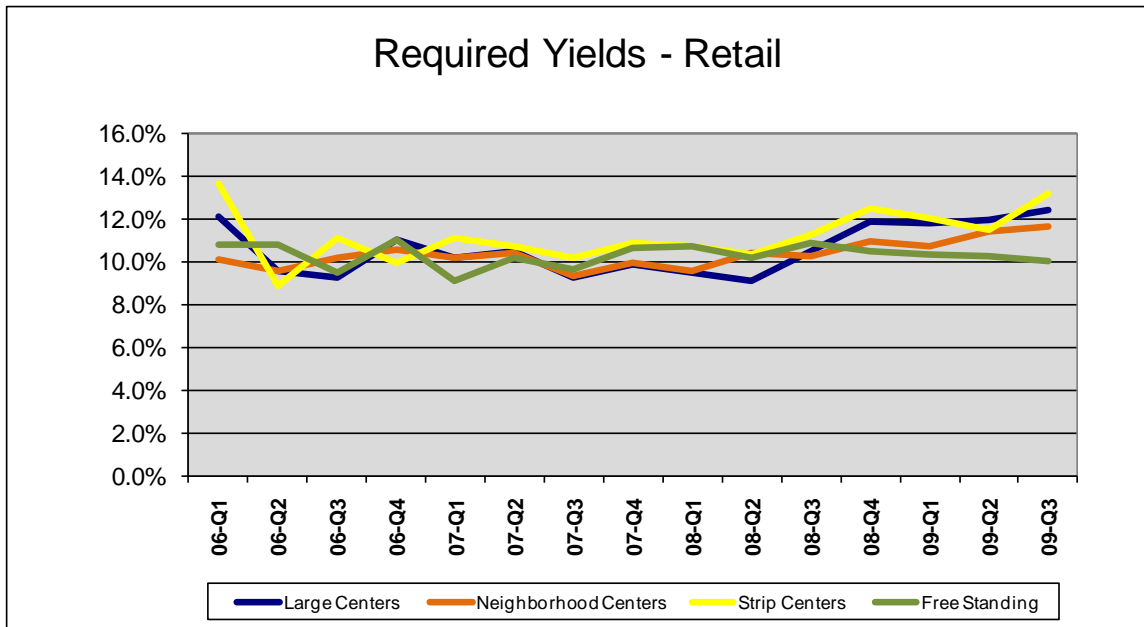
Cap Rates

Cap rates continued their upward trend this quarter with free standing retail and strip centers increasing approximately 100 bases points. With the exception of strip centers, which increased to approximately 9.5%, the remaining properties are closely grouped around 9%. Expectations for future cap rates continue to be varied, with respondents believing that all categories will continue to increase with the exception of large centers, which respondents believe may level off.



Yields

Required yields for strip centers to large step upward this quarter reaching 13% and the second highest level since the start of the survey. Yields for large and neighborhood centers continued their slow steady increase with neighborhood centers now approaching 12%. Yields for free standing retail continued their declining trend for the 4th consecutive quarter and have reach 10%. Expectations for future yields continue to be volatile but respondents believe there will be little to no change in future yields in all categories except strip centers where they believe that rates will continue to increase.



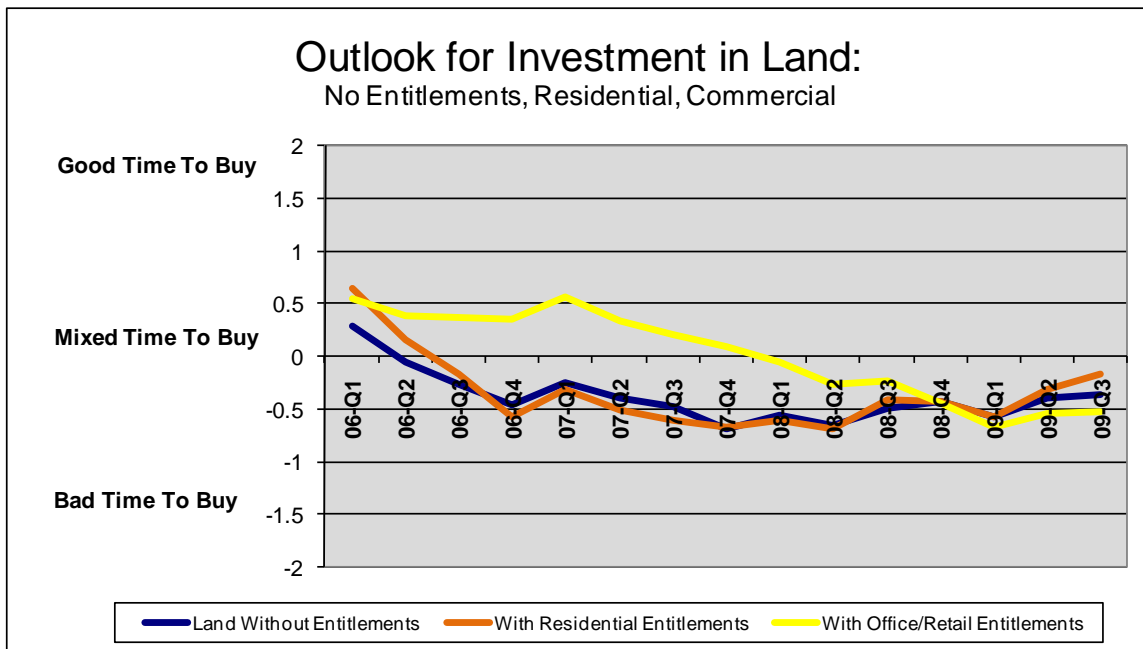
Section 7: Outlook for Investment in Undeveloped Land

Land Without Entitlements or with Residential Entitlements

The outlook for investment in land without entitlements or with residential entitlements continued to improve this quarter, though respondents continue to indicate that it remains a mixed time to buy. More respondents indicated that there is little value in entitlements currently because of the large number of developed lots on the market.

Land with Office or Retail Entitlements

The outlook for investment in land with office or retail entitlements continued its positive trend with respondents indicating that it is a mixed time to buy.



Land with Hospitality Entitlements

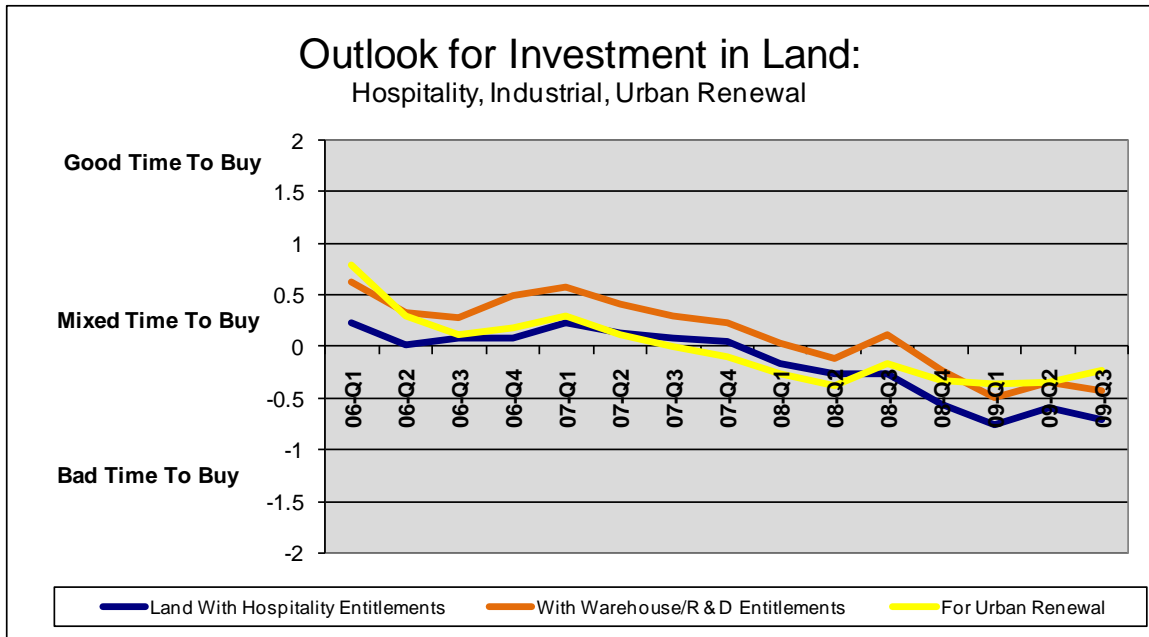
The investment outlook for land with hospitality entitlements continued its recent volatility and declined this quarter near an all time low. Respondents continue to believe that it is a mixed to bad time to buy.

Land with Entitlements for Warehouse or R & D

The investment outlook for land with warehouse or R&D entitlements also declined this quarter. Respondents continue to believe that it is a mixed time to buy.

Land for Urban Renewal

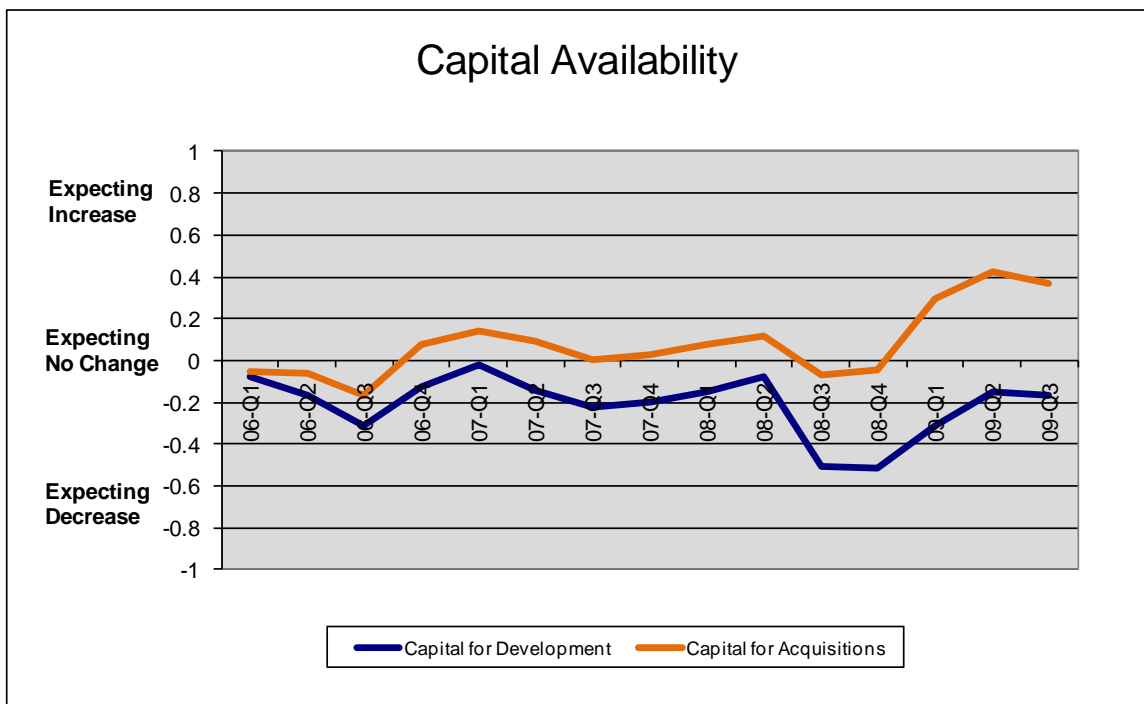
The outlook for investment in urban renewal has improved slightly over the last two quarter but respondents continue to believe that it is a mixed time to buy.



Section 8: Business and Capital Availability Outlook

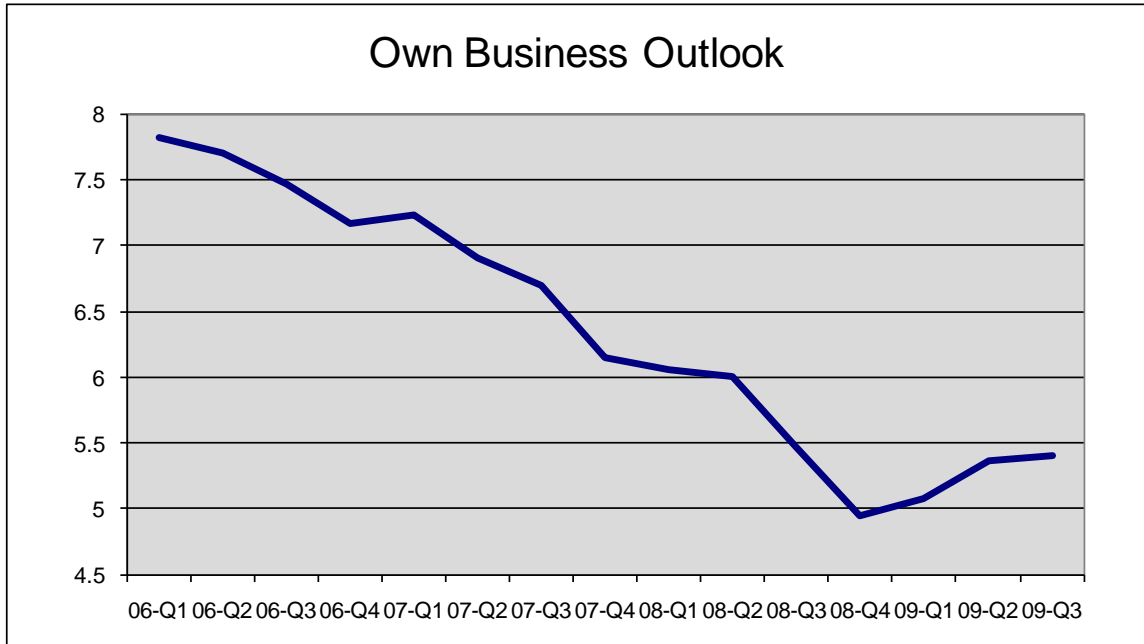
Capital Availability

The outlook for capital available for acquisitions declined slightly from its all time high last quarter. However, respondents continue to believe that capital will increase in future quarters. Respondents indicate that foreign capital is starting to invest in Florida and more community banks are increasing their interest in commercial real estate. Large commercial banks, however, continue to receive pressure to from the FDIC to reduce exposure to commercial real estate and therefore the terms for new lending have become or continue to be economically prohibitive. The outlook for capital available for development has also decreased slightly for the second consecutive quarter. Respondents believe that the amount of capital available for development will remain unchanged from current levels.



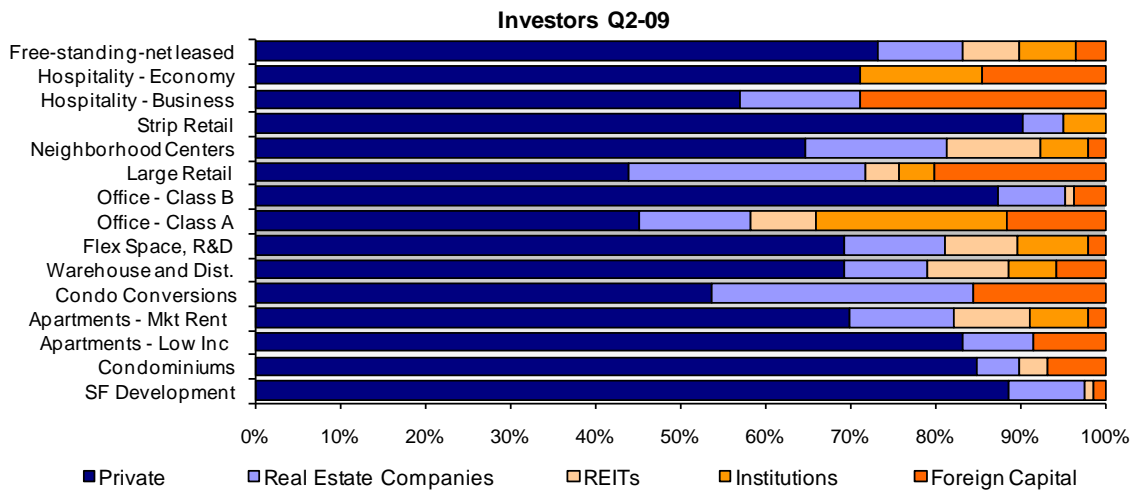
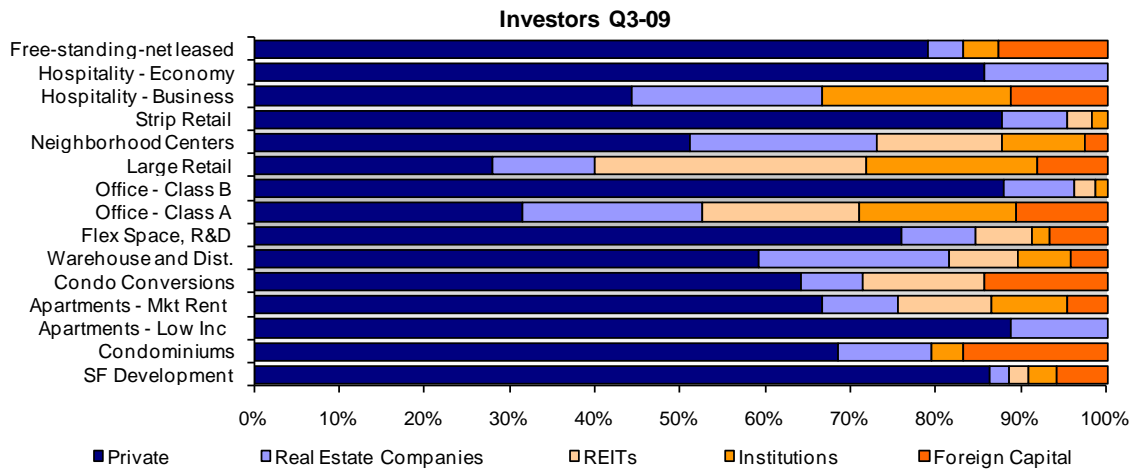
Outlook of Own Business

Respondents have continued the positive trend in the outlook for their own business. Optimism continues that more transactions will occur as distressed property starts to make it ways to the market and firms are positioning themselves to take advantage of that optimism. However, our respondents continue to believe that the road to recovery in real estate will be long and bumpy.



Section 9: Dominant Investors

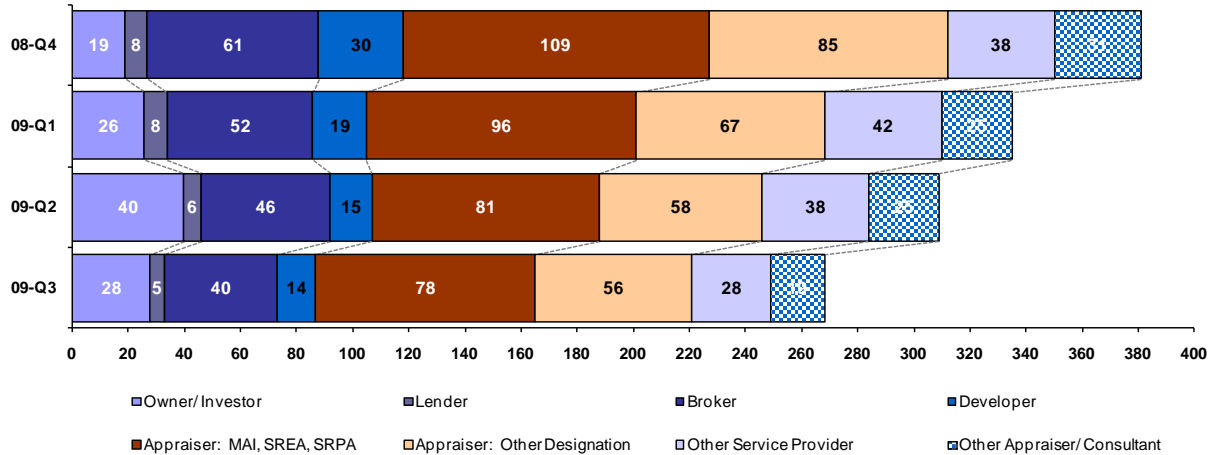
Respondents were asked to indicate which of five investor groups they perceived to be the most active for each type of property they analyze. Not surprisingly, private investors increased their dominance in almost every category. This represents a dramatic shift in U.S. real estate ownership since the credit crisis began. Also worthy of attention is the fact that REITs appear to have reduced their positions in a number of property types including hospitality-economy and warehouse and distribution. Finally, foreign investment has increased in a number of property types including condo conversions, business hospitality, and economy hospitality.



Section 10: Characteristics of Survey Respondents

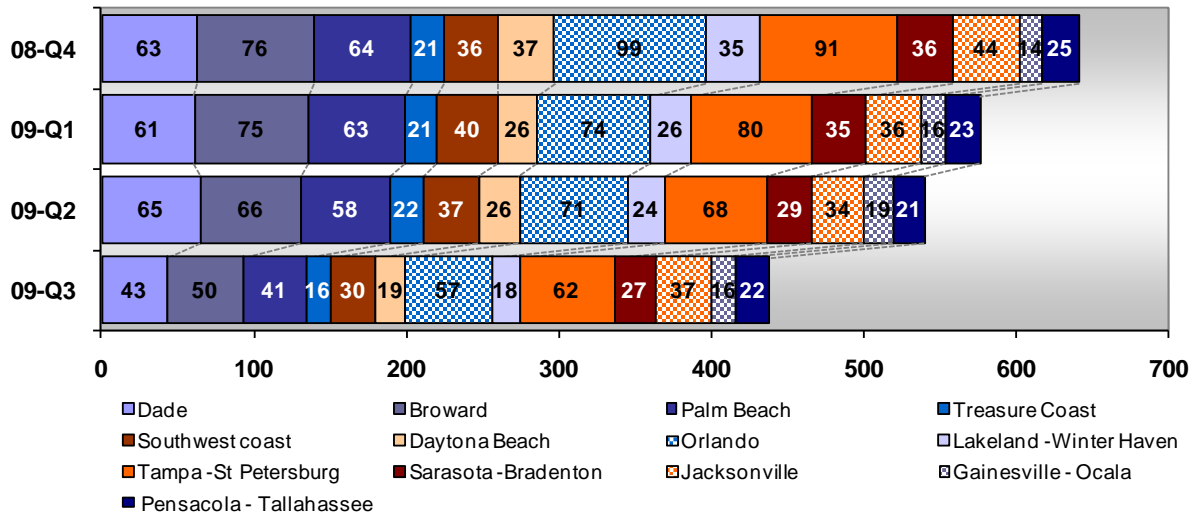
Survey response has declined for the fourth consecutive quarter to 268 respondents. Approximately 45 percent of the respondents reported being an appraiser; well over half with designations of MAI, SREA or SRPA. The next largest groups, were brokers and owners/investors.

Profession of Respondents



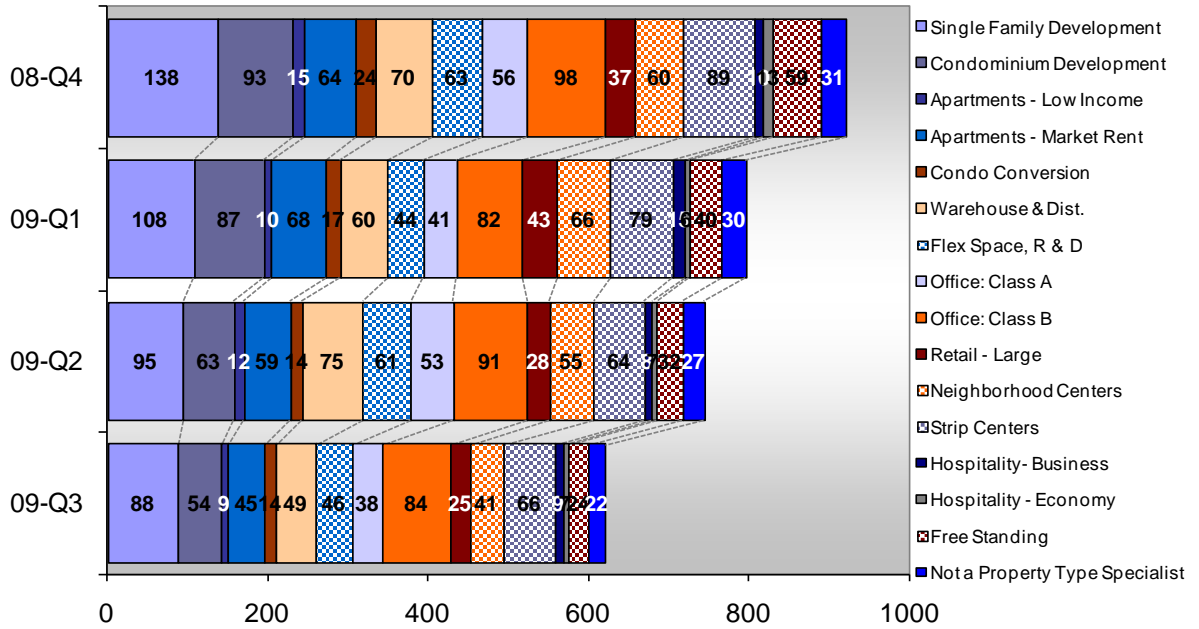
Markets of Familiarity

Each respondent was asked to select up to four regional markets with which they are familiar. In the latest survey, these choices accumulated to 438 observations. Four regions dropped below 20 observers. The highest number of responses was for the Tampa-St. Pete market, which had 62 representatives. The lowest respondent support came from Gainesville-Ocala and Treasure Coast with 16.



Property types of Familiarity

Each respondent was asked to select up to three property types with which they were familiar. Altogether, 621 selections were made in the latest survey round. Single family development was selected by 88 respondents while condominium development was selected by 54. Eight property types were selected by at least 40 respondents.



Section 11: Details of Cap Rates, Yields and Expected Changes

Table 1 summarizes estimates of cap rates and yields for twelve property types over the last four quarters of the survey. In addition, this table shows the distribution of expectations for changes in each reported cap rate and yield. In particular, the table reports the percent of respondents expecting each cap rate and yield to either rise or fall in the future. Excluded from this table is the percentage of respondents whom are expecting no change. This third percentage can be computed as 100 less the two percentages reported. Since prior sections discuss the content of Table 1, further comment is not given here. The table is simply provided as a reference to facilitate application of the survey results.

Table 1: Detailed Cap Rates, Yields and Expectations for Change

Florida	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neigh- bor- hood Centers	Strip Centers	Hospitality Business	Hospitality Economy	Free Standing
Cap Rates												
Q3-09												
Q3-09 Value	8.4%	14.1%	8.8%	9.3%	8.6%	9.1%	8.9%	8.7%	9.7%	10.1%	10.4%	8.9%
Percent Expecting Rise	28.2%	57.1%	27.5%	47.7%	36.7%	41.6%	31.8%	40.0%	48.4%	50.0%	100.0%	43.5%
Percent Expecting Fall	15.4%	7.1%	10.0%	6.8%	6.7%	6.5%	22.7%	12.5%	6.5%	0.0%	0.0%	4.3%
Q2-09												
Q2-09 Value	8.2%	10.2%	8.6%	9.0%	8.6%	8.7%	8.7%	8.5%	8.8%	8.4%	9.5%	8.1%
Percent Expecting Rise	33.3%	33.3%	51.8%	58.3%	51.2%	37.5%	40.0%	47.6%	56.4%	42.9%	66.7%	50.0%
Percent Expecting Fall	14.6%	0.0%	7.1%	12.5%	19.5%	6.3%	20.0%	19.0%	1.8%	14.3%	0.0%	15.4%
Q1-09												
Q1-09 Value	7.6%	9.5%	8.3%	8.7%	8.0%	8.5%	8.4%	8.3%	8.8%	8.9%	9.8%	8.1%
Percent Expecting Rise	35.0%	60.0%	52.1%	53.7%	58.8%	52.1%	48.4%	52.5%	57.5%	36.4%	33.3%	40.0%
Percent Expecting Fall	5.0%	13.3%	8.3%	9.8%	5.9%	4.2%	19.4%	9.8%	6.8%	9.1%	0.0%	8.6%
Q4-08												
Q4-08 Value	7.6%	8.6%	7.8%	8.3%	7.9%	8.4%	8.2%	7.7%	8.7%	8.7%	9.7%	7.8%
Percent Expecting Rise	50.0%	50.0%	51.5%	56.9%	59.6%	57.0%	51.6%	53.6%	55.4%	60.0%	61.5%	40.4%
Percent Expecting Fall	2.9%	8.3%	4.5%	3.4%	6.4%	2.3%	19.4%	12.5%	7.6%	10.0%	0.0%	3.5%
Yields												
Q3-09												
Q3-09 Value	11.3%	17.4%	10.8%	12.2%	12.5%	12.3%	12.5%	11.6%	13.2%	14.3%	14.8%	10.1%
Percent Expecting Rise	8.3%	35.7%	19.4%	38.5%	27.6%	29.2%	28.6%	26.3%	35.1%	28.6%	60.0%	25.0%
Percent Expecting Fall	19.4%	21.4%	13.9%	10.3%	10.3%	11.1%	19.0%	13.2%	1.8%	0.0%	0.0%	8.3%
Q2-09												
Q2-09 Value	12.2%	18.6%	12.0%	13.1%	12.3%	11.6%	11.9%	11.4%	11.5%	11.7%	13.7%	10.3%
Percent Expecting Rise	34.9%	16.7%	41.3%	38.5%	40.0%	31.7%	23.1%	37.8%	45.5%	57.1%	50.0%	47.1%
Percent Expecting Fall	4.7%	0.0%	10.9%	20.5%	8.6%	6.3%	23.1%	18.9%	6.8%	0.0%	0.0%	11.8%
Q1-09												
Q1-09 Value	9.7%	17.5%	11.7%	11.5%	10.9%	11.0%	11.9%	10.7%	12.1%	12.7%	13.3%	10.3%
Percent Expecting Rise	27.3%	29.4%	31.8%	29.7%	43.8%	29.5%	40.6%	40.7%	38.6%	36.4%	33.3%	25.0%
Percent Expecting Fall	10.9%	17.6%	15.9%	16.2%	12.5%	6.6%	18.8%	10.2%	14.3%	0.0%	0.0%	15.6%
Q4-08												
Q4-08 Value	12.0%	15.7%	10.7%	11.7%	10.8%	11.8%	11.9%	11.0%	12.5%	12.1%	13.5%	10.5%
Percent Expecting Rise	32.2%	29.2%	41.4%	36.0%	48.9%	36.0%	37.9%	38.5%	35.9%	60.0%	40.0%	20.5%
Percent Expecting Fall	5.1%	16.7%	13.8%	16.0%	11.1%	12.0%	20.7%	17.3%	14.1%	10.0%	20.0%	20.5%

Section 12: Local Markets

Dade County

- Cap rates in Dade County, on average, are lower than the state mean (0.16 percentage points) and range from 7.9% (**Apartments – Market Rental**) to 15.9% (**Apartments – Condo Conversion**).
- Over the past quarter, cap rates have increased across most property types with **Condo Conversion** (+7.23 percentage points) and **Strip Centers** (+0.90 percentage points) representing the largest increases.
- Cap rates are expected to increase over the next quarter for **Condo Conversion** and **Strip Centers** while the outlook remains more neutral for all other property types.
- Required yields for Dade County (12.75%) are, on average, the same as the state mean (12.75%).
- Required yields in Dade County have increased, on average, over the last quarter from 11.55% to 12.75%.
- The largest shifts in required yields occurred in **Strip Centers** (+3.20% change) and **Office: Class B** (+2.02% change).
- The investment outlook is mixed across property types. The most positive outlook occurs for **Warehouse and Distribution** while the most negative outlook occurs for **Condo Conversion**.
- The outlook for **Land Development** appears to be mixed for all property types.
- Future occupancy rates in Dade County are expected to increase over most property types with **Office: Class B** and **Neighborhood Centers** showing the strongest indication for occupancy decreases.
- There is strong indication that rental rates are expected to increase at a rate slower than inflation across all property types.
- Future absorption rates are expected to be higher for **Single Family and Condominium Development**.
- Future price increases are expected to occur slower than inflation in both **Single Family** and **Condominium Development**.

Table 2a

Dade County	Apartment s - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, & D R	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Cap Rates										
Q3-09										
Q3-09 Value	7.9	15.9	8.4	9.0	8.4	8.7	8.5	8.6	9.4	
Percent Expecting Rise	43%	75%	0%	29%	38%	33%	57%	50%	67%	
Percent Expecting Fall	0%	0%	0%	14%	0%	17%	14%	13%	0%	
Q2-09										
Q2-09 Value	7.8	8.7	8.3	8.8	8.2	8.4	8.2	8.1	8.5	7.7
Percent Expecting Rise	23%	0%	45%	100%	50%	38%	43%	67%	56%	100%
Percent Expecting Fall	8%	0%	0%	0%	0%	0%	14%	22%	0%	0%
Q1-09										
Q1-09 Value	7.5	9.1	8.0	8.5	7.8	8.3	8.2	8.1	8.6	8.1
Percent Expecting Rise	35%	75%	40%	40%	75%	55%	42%	40%	64%	75%
Percent Expecting Fall	0%	0%	20%	20%	0%	9%	25%	0%	0%	0%
Yields										
Q3-09										
Q2-09 Value	11.1	18.0	11.1	12.1	12.4	12.3	12.6	11.7	13.4	
Percent Expecting Rise	0%	50%	0%	29%	25%	17%	43%	25%	44%	
Percent Expecting Fall	17%	0%	0%	14%	0%	17%	14%	13%	0%	
Q2-09										
Q2-09 Value	10.9	19.4	11.4	11.9	11.2	10.3	10.8	10.4	10.2	9.1
Percent Expecting Rise	33%	0%	45%	100%	67%	38%	29%	56%	44%	75%
Percent Expecting Fall	8%	0%	0%	0%	0%	13%	29%	22%	11%	25%
Q1-09										
Q1-09 Value	9.7	17.2	10.9	11.6	10.4	10.7	10.6	10.3	11.8	11.0
Percent Expecting Rise	35%	25%	30%	0%	75%	40%	38%	33%	27%	67%
Percent Expecting Fall	6%	0%	30%	25%	0%	20%	23%	20%	27%	0%
Investment Outlook										
Q3-09										
Fair to Good	56%	0%	58%	30%	30%	0%	22%	25%	10%	
Bad to Poor	11%	100%	0%	20%	20%	29%	22%	63%	70%	
Q2-09										
Fair to Good	71%	25%	55%	27%	36%	38%	15%	62%	27%	29%
Bad to Poor	0%	75%	9%	20%	50%	25%	46%	31%	36%	43%
Q1-09										
Fair to Good	63%	0%	23%	20%	23%	8%	16%	13%	8%	0%
Bad to Poor	11%	80%	23%	60%	54%	67%	47%	56%	58%	50%

Table 2b

Outlook for Land Development						
Dade County	Land without Entitlements	Land with Residential Entitlement	Land with Commercial Entitlements	Land with Hospitality Entitlements	Land with Industrial Entitlements	Land for Urban Redevelopm
Q3-09						
Fair to Good	14%	26%	9%	7%	16%	16%
Bad to Poor	58%	49%	56%	63%	53%	49%
Q2-09						
Fair to Good	20%	22%	15%	11%	23%	20%
Bad to Poor	63%	62%	63%	60%	45%	52%
Q1-09						
Fair to Good	15%	13%	10%	11%	13%	18%
Bad to Poor	66%	70%	62%	67%	61%	57%

Table 2c

Investors by Property Type												
Dade County	Single Family Dev.	Condo Dev.	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Q3-09												
Private Buyers	88%	38%	89%	80%	50%	90%	36%	71%	20%	40%	100%	71%
R.E. Companies					42%		18%	29%	20%	10%		14%
REITs						10%	9%		20%	10%		
Institutions	13%	25%	11%		8%		9%		20%	10%		
Foreign Buyers		38%					18%		10%	10%		
Q2-09												
Private Buyers	86%	75%	73%	43%	57%	53%	21%	67%	33%	60%	69%	71%
R.E. Companies	14%	17%	9%		13%	20%	7%		27%	13%		14%
REITs			9%		17%	7%				7%		
Institutions			5%			7%	36%			7%	15%	
Foreign Buyers		8%		14%	9%	7%	36%	22%	20%			
Q1-09												
Private Buyers	60%	65%	57%	60%	69%	20%	38%	75%	32%	22%	67%	50%
R.E. Companies	13%	18%	19%		8%	40%	15%	17%	11%	17%	25%	25%
REITs			5%			20%				6%		
Institutions	13%	12%	5%	20%	8%		15%	8%	32%	11%	8%	
Foreign Buyers	13%	6%	5%	20%	8%	20%	23%		21%	33%		25%

Table 2d

Dade County	Apartment s - Market	Condo Conversion	Warehouse and Dist.	Flex Space, R	Office: Class A	Office: Class B	Retail - Large	Neighborho od	Strip Centers	Free Standing
Future Occupancy										
Q3-09										
Higher	0%	33%	17%	0%	0%	0%	0%	0%	0%	0%
Lower	14%	67%	33%	40%	73%	86%	78%	80%	70%	
Q2-09										
Higher	17%	25%	17%	0%	0%	25%	8%	0%	27%	17%
Lower	22%	25%	35%	77%	85%	38%	62%	46%	36%	50%
Q1-09										
Higher	30%	0%	17%	20%	42%	17%	6%	0%	0%	0%
Lower	25%	60%	42%	40%	58%	50%	78%	78%	92%	25%
Rental Rate Increases										
Q3-09										
Faster than Inflation	13%	0%	8%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	63%	100%	67%	70%	100%	100%	100%	100%	90%	
Q2-09										
Faster than Inflation	6%	0%	4%	0%	7%	0%	0%	7%	9%	0%
Slower than Inflation	78%	50%	75%	100%	79%	100%	77%	79%	91%	100%
Q1-09										
Faster than Inflation	5%	0%	8%	0%	0%	0%	6%	6%	8%	0%
Slower than Inflation	60%	100%	67%	100%	92%	100%	78%	78%	83%	50%

Table 2e

Dade County	Single Family Development	Condominium Development
Future Absorption Rates		
Q3-09		
Higher	75%	63%
Lower	0%	0%
Q2-09		
Higher	57%	33%
Lower	7%	25%
Q1-09		
Higher	60%	18%
Lower	7%	29%
Future Price Increases		
Q3-09		
Faster than Inflation	13%	13%
Slower than Inflation	88%	75%
Q2-09		
Faster than Inflation	0%	0%
Slower than Inflation	79%	92%
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%

Broward County

- Cap rates in Broward County are, on average, lower (0.35 percentage points) than the state mean, and range from 7.8% (**Apartments**) to 15.8% (**Condo Conversion**).
- Cap rates increased across most property types, with the largest movements occurring in **Condo conversion** (+7.15 percentage points) and **Free Standing Retail** (+0.96 percentage points).
- Cap rate outlooks indicate potential rate increases in **Condo Conversion** over the next quarter. The outlooks for the remaining property types remain neutral.
- Required yields for Broward County are, on average, lower than that of the state, 12.2% compared to 12.75% statewide.
- Required yields are highest for **Condo Conversion** at 17.7% and lowest for **Free Standing Retail** at 10.3%.
- Over the past quarter, required yields have increased across most property types, with the largest shifts occurring in **Strip Centers** (+2.37% change) and **Office: Class B** (+1.19% change). Also worth noting is a decrease in the required yield for **Warehouse and Distribution Space** (-1.08% change).
- The investment outlook across most property types is mixed with. One property type, **Condo Conversation**, has a negative outlook.
- The outlook for **Land Development** appears to be negative for **Land with Hospitality Entitlements**. However, the outlook for the remaining classifications appears to be more neutral to negative.
- In Broward Country, future occupancy rates are expected to decrease across the majority of property types. **Flex Space, Large Retail, Office: Class A, Office: Class B, Strip Centers, and Free Standing Retail** show strong expectations for lower future occupancy.
- There is strong indication that rental rates are expected to increase at a rate slower than inflation across all property types except Free Standing Retail.
- Expectations for future absorption rates are higher for **Single Family** and **Condominium Development**.
- Future price increases are expected to occur slower than inflation in both **Single Family** and **Condominium Development**

Table 3a

Broward County	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Cap Rates										
Q3-09										
Q3-09 Value	7.8	15.8	8.3	8.9	8.3	8.6	8.4	8.4	9.3	8.6
Percent Expecting Rise	44%	60%	0%	27%	22%	36%	40%	45%	44%	0%
Percent Expecting Fall	0%	0%	0%	9%	0%	9%	20%	9%	0%	0%
Q2-09										
Q2-09 Value	7.8	8.6	8.2	8.7	8.1	8.4	8.1	8.0	8.5	7.7
Percent Expecting Rise	25%	0%	54%	67%	57%	30%	60%	56%	33%	100%
Percent Expecting Fall	8%	0%	8%	17%	14%	0%	0%	22%	0%	0%
Q1-09										
Q1-09 Value	7.4	9.0	7.9	8.4	7.7	8.2	8.1	8.0	8.5	8.0
Percent Expecting Rise	29%	80%	47%	44%	63%	58%	42%	50%	47%	43%
Percent Expecting Fall	0%	0%	7%	11%	0%	8%	25%	11%	7%	0%
Yields										
Q3-09										
Q3-09 Value	10.8	17.7	10.8	11.8	12.1	12.0	12.3	11.4	13.1	10.3
Percent Expecting Rise	0%	20%	0%	30%	22%	20%	20%	40%	38%	0%
Percent Expecting Fall	22%	20%	0%	10%	0%	10%	20%	10%	0%	0%
Q2-09										
Q2-09 Value	11.4	19.9	11.9	12.4	11.7	10.9	11.3	10.9	10.8	9.6
Percent Expecting Rise	27%	0%	58%	50%	83%	10%	40%	71%	25%	60%
Percent Expecting Fall	9%	0%	8%	33%	0%	20%	20%	14%	13%	40%
Q1-09										
Q1-09 Value	9.7	17.2	10.9	11.6	10.4	10.8	10.6	10.3	11.8	11.0
Percent Expecting Rise	30%	40%	23%	14%	75%	22%	31%	50%	19%	50%
Percent Expecting Fall	10%	0%	23%	14%	13%	22%	31%	17%	25%	0%
Investment Outlook										
Q3-09										
Fair to Good	64%	0%	60%	46%	50%	17%	14%	30%	20%	
Bad to Poor	9%	100%	0%	15%	8%	17%	29%	40%	60%	
Q2-09										
Fair to Good	65%		52%	40%	36%	42%	20%	54%	27%	30%
Bad to Poor	0%		17%	7%	43%	17%	40%	23%	55%	40%
Q1-09										
Fair to Good	50%	0%	28%	22%	25%	8%	12%	16%	12%	33%
Bad to Poor	21%	86%	33%	56%	50%	67%	47%	37%	59%	33%

Table 3b

Outlook for Land Development

Broward County	Land without Entitlements	Land with Residential Entitlements	Land with Commercial Entitlements	Land with Hospitality Entitlements	Land with Industrial Entitlements	Land for Urban Redevelopment
Q3-09						
Fair to Good	18%	30%	14%	12%	22%	22%
Bad to Poor	56%	50%	54%	66%	50%	48%
Q2-09						
Fair to Good	18%	21%	18%	12%	26%	21%
Bad to Poor	59%	61%	58%	56%	45%	45%
Q1-09						
Fair to Good	12%	11%	11%	8%	16%	16%
Bad to Poor	69%	72%	64%	71%	60%	53%

Table 3c

Investors by Property Type

Broward County	Single Family Dev.	Condo Dev.	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Q3-09												
Private Buyers	77%	62%	75%	83%	47%	79%	31%	77%	25%	42%	100%	100%
R.E. Companies			8%		53%	7%	23%	15%	13%	17%		
REITs	8%					7%			25%	8%		
Institutions	15%	15%	8%				23%		25%	8%		
Foreign Buyers		23%					15%			8%		
Q2-09												
Private Buyers	88%	73%	72%	33%	58%	53%	29%	67%	33%	64%	75%	60%
R.E. Companies	6%	20%	11%		8%	13%			25%	14%		10%
REITs			6%		13%	13%		8%		7%		
Institutions			6%			7%	43%			7%	8%	
Foreign Buyers		7%		17%	8%	7%	29%	17%	17%			10%
Q1-09												
Private Buyers	58%	65%	54%	71%	72%	22%	50%	58%	29%	29%	76%	71%
R.E. Companies	17%	13%	23%		11%	44%	25%	25%	12%	24%	18%	
REITs					6%	11%			12%	5%		
Institutions	8%	9%	4%	14%	6%		8%		18%	14%	6%	
Foreign Buyers	8%	4%	4%	14%	6%	22%	17%	17%	29%	19%		14%

Table 3d

Broward County	Apartments - Market Rental	Condo Conversio	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Future Occupancy										
Q3-09										
Higher	11%	0%	7%	0%	0%	0%	0%	8%	0%	0%
Lower	22%	25%	33%	64%	69%	62%	75%	75%	64%	100%
Q2-09										
Higher	27%	0%	14%	0%	8%	10%	0%	8%	20%	0%
Lower	20%	25%	41%	85%	77%	60%	70%	58%	70%	75%
Q1-09										
Higher	26%	14%	11%	22%	8%	8%	17%	0%	12%	0%
Lower	26%	43%	67%	56%	75%	67%	78%	86%	76%	43%
Rental Rate Increases										
Q3-09										
Faster than Inflation	0%	0%	7%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	89%	100%	73%	87%	92%	85%	100%	83%	82%	50%
Q2-09										
Faster than Inflation	7%	0%	5%	0%	0%	0%	0%	0%	10%	0%
Slower than Inflation	67%	50%	82%	100%	85%	100%	90%	75%	90%	100%
Q1-09										
Faster than Inflation	4%	0%	6%	0%	8%	0%	0%	0%	0%	14%
Slower than Inflation	83%	100%	83%	100%	92%	100%	94%	90%	94%	86%

Table 3e

Broward County	Single Family Development	Condominium Development
Future Absorption Rates		
Q3-09		
Higher	77%	69%
Lower	8%	15%
Q2-09		
Higher	75%	40%
Lower	6%	13%
Q1-09		
Higher	55%	24%
Lower	18%	29%
Future Price Increases		
Q3-09		
Faster than Inflation	15%	8%
Slower than Inflation	85%	92%
Q2-09		
Faster than Inflation	6%	0%
Slower than Inflation	69%	87%
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%

Palm Beach County

- Cap rates in Palm Beach County are, on average, lower (0.25 percentage points) than that of the state, and range from 7.9% (**Apartments**) to 15.9% (**Condo Conversion**).
- Cap rates have increased across all property types in the last quarter, with the largest changes occurring in **Condo Conversions** (+7.18% change) and **Strip Centers** (+0.84% change).
- Cap rate outlooks for this quarter are neutral across most property types. **Condo Conversions** show the strongest potential for rate increases.
- Required yields for Palm Beach County are, on average, lower than that of the state, 11.75% compared to 12.75% statewide.
- Required yields are highest for **Condo Conversion** at 17.2% and lowest for **Free Standing Retail** at 9.8%.
- Required yields have increased across the majority of property types over the last quarter with **Strip Centers** (+1.99%) and **Office: Class B** (+0.80%) showing the largest increase. **Condo Conversions** and **Warehouse and Distribution** declined by 2.60% and 1.47% respectively.
- The investment outlook is mixed across property types. However, respondents appear to indicate a negative outlook for **Strip Centers**.
- The outlook for **Land Development** appears to be negative for **Land without Entitlements** and **Land with Hospitality Entitlements**. The outlook is more neutral to negative for the remaining land classifications.
- Occupancy rates are expected to decrease over the next quarter for the majority of property types. The most respondent support for occupancy rate decreases occurs in **Large Retail** and **Neighborhood Centers**.
- Rental rates are expected to increase at a rate slower than inflation across all property types.
- Expectations for future absorption rates are positive for **Single Family**, but are mixed for **Condominium Development**.
- Future price increases are expected to occur slower than inflation in both **Single Family** and **Condominium Development**.

Table 4a

Palm Beach County	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, & D	R	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Cap Rates											
Q3-09											
Q3-09 Value	7.9	15.9	8.4	9.0		8.4	8.7	8.5	8.5	9.4	8.7
Percent Expecting Rise	38%	67%	14%	27%		22%	33%	40%	50%	38%	0%
Percent Expecting Fall	0%	0%	14%	18%		0%	11%	20%	13%	0%	33%
Q2-09											
Q2-09 Value	7.8	8.7	8.3	8.8		8.2	8.4	8.2	8.1	8.6	7.7
Percent Expecting Rise	31%	0%	50%	78%		40%	22%	25%	50%	38%	67%
Percent Expecting Fall	8%	0%	0%	0%		20%	0%	25%	38%	0%	0%
Q1-09											
Q1-09 Value	7.3	8.9	7.9	8.3		7.7	8.2	8.1	8.0	8.4	8.0
Percent Expecting Rise	39%	80%	44%	20%		67%	45%	38%	40%	36%	25%
Percent Expecting Fall	0%	0%	11%	20%		11%	9%	25%	13%	7%	25%
Yields											
Q3-09											
Q3-09 Value	10.3	17.2	10.3	11.3		11.6	11.6	11.9	10.9	12.7	9.8
Percent Expecting Rise	0%	33%	14%	27%		11%	22%	20%	29%	29%	0%
Percent Expecting Fall	25%	0%	14%	18%		0%	11%	20%	14%	0%	33%
Q2-09											
Q2-09 Value	11.3	19.8	11.8	12.3		11.6	10.8	11.2	10.8	10.7	9.5
Percent Expecting Rise	23%	0%	67%	43%		75%	11%	25%	57%	14%	40%
Percent Expecting Fall	8%	0%	0%	29%		0%	22%	25%	29%	14%	40%
Q1-09											
Q1-09 Value	9.6	17.0	10.8	11.4		10.2	10.6	10.5	10.2	11.6	10.8
Percent Expecting Rise	39%	40%	33%	0%		67%	20%	22%	33%	7%	33%
Percent Expecting Fall	6%	0%	22%	25%		0%	20%	44%	20%	29%	0%
Investment Outlook											
Q3-09											
Fair to Good	50%		38%	27%		25%	18%	17%	14%	11%	
Bad to Poor	17%		13%	18%		13%	27%	50%	43%	67%	
Q2-09											
Fair to Good	56%		53%	43%		18%	42%	11%	36%	30%	25%
Bad to Poor	0%		13%	14%		64%	33%	56%	36%	50%	50%
Q1-09											
Fair to Good	52%	0%	20%	20%		33%	15%	13%	22%	19%	75%
Bad to Poor	14%	83%	30%	60%		50%	62%	53%	39%	56%	25%

Table 4b

Outlook for Land Development

Palm Beach County	Land without Entitlements	Land with Residential Entitlements	Land with Commercial Entitlements	Land with Hospitality Entitlements	Land with Industrial Entitlements	Land for Urban Redevelopment
Q3-09						
Fair to Good	12%	15%	7%	7%	12%	10%
Bad to Poor	66%	59%	59%	66%	54%	59%
Q2-09						
Fair to Good	21%	21%	17%	12%	19%	21%
Bad to Poor	55%	62%	59%	60%	50%	48%
Q1-09						
Fair to Good	14%	16%	10%	11%	13%	13%
Bad to Poor	68%	63%	65%	70%	63%	57%

Table 4c

Investors by Property Type

Palm Beach County	Single Family Dev.	Condo Dev.	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Q3-09												
Private Buyers	89%	64%	92%	75%	50%	82%	44%	82%	29%	44%	100%	67%
R.E. Companies		9%			38%		11%	18%	14%			
REITs						9%	11%		14%	22%		
Institutions	11%	9%	8%				11%		29%	11%		
Foreign Buyers		18%			13%	9%	11%					33%
Q2-09												
Private Buyers	86%	85%	74%	20%	44%	57%	27%	67%	30%	75%	82%	75%
R.E. Companies	10%	15%	11%		13%	21%			40%	8%		
REITs			5%		19%	14%		8%				
Institutions			5%			7%	36%			8%		
Foreign Buyers				20%	6%		36%	17%	20%			13%
Q1-09												
Private Buyers	59%	61%	61%	67%	80%		42%	54%	27%	35%	75%	75%
R.E. Companies	12%	11%	17%		10%	60%	25%	38%	13%	20%	19%	
REITs						20%	8%	8%	13%	5%		
Institutions	12%	11%	4%	17%	10%		8%		13%	10%	6%	
Foreign Buyers	6%	6%	4%	17%		20%	17%		33%	20%		25%

Table 4d

Palm Beach County	Apartments - Market Rentals	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Future Occupancy										
Q3-09										
Higher	10%	0%	13%	0%	11%	9%	0%	11%	0%	33%
Lower	50%	50%	63%	67%	56%	36%	86%	78%	60%	33%
Q2-09										
Higher	31%	20%	21%	0%	20%	10%	0%	10%	22%	0%
Lower	25%	40%	36%	77%	70%	60%	67%	60%	67%	57%
Q1-09										
Higher	19%	0%	0%	20%	0%	8%	0%	0%	6%	0%
Lower	33%	67%	70%	20%	83%	54%	87%	85%	81%	50%
Rental Rate Increases										
Q3-09										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	11%	0%	0%
Slower than Inflation	80%	50%	100%	83%	89%	82%	100%	89%	70%	67%
Q2-09										
Faster than Inflation	0%	20%	7%	0%	10%	0%	0%	0%	11%	0%
Slower than Inflation	88%	60%	79%	100%	80%	90%	89%	100%	89%	100%
Q1-09										
Faster than Inflation	0%	0%	10%	0%	8%	0%	0%	5%	0%	25%
Slower than Inflation	76%	100%	80%	80%	83%	92%	93%	85%	94%	75%

Table 4e

Palm Beach County	Single Family Development	Condominium Development
Future Absorption Rates		
Q3-09		
Higher	67%	45%
Lower	0%	9%
Q2-09		
Higher	65%	31%
Lower	10%	23%
Q1-09		
Higher	53%	25%
Lower	13%	25%
Future Price Increases		
Q3-09		
Faster than Inflation	11%	0%
Slower than Inflation	78%	91%
Q2-09		
Faster than Inflation	5%	0%
Slower than Inflation	85%	92%
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	87%	94%

Treasure Coast

- Cap rates in the Treasure Coast area are, on average, lower (1.2 percentage points) than that of the state, and range from 7.7% (**Apartments**) to 9.2% (**Strip Centers**)
- Cap rates have decreased across a majority of property types in the last quarter. The largest changes have occurred in **Warehouse and Distribution** (-0.48% change) and **Apartments** (-0.47% change).
- Cap rates are expected to be neutral across all property types.
- Required yields for the Treasure Coast are lower than those of the state, 9.64% compared to 12.75% statewide.
- Required yields are highest for **Strip Centers** at 11.1% and lowest for **Free Standing Retail** at 8.3%.
- Required yields have decreased dramatically across all property types, with the largest negative shift occurring in **Warehouse and Distribution** (-4.01% change).
- The investment outlook is neutral in **Warehouse and Distribution** but negative in **Office: Class B** and **Strip Centers**.
- The outlook for **Land Development** is neutral to negative for the all of the land classifications.
- Future occupancy rates are expected to decrease for **Warehouse and Distribution**, **Office: Class B** and **Neighborhood Centers**.
- Future rental rates are expected to increase at a rate that is slower than inflation for all property types except **Free Standing Retail** which is expected to remain neutral.
- While expectations for future absorption rates are positive for **Single Family Development**, rates are uncertain for **Condominium Development**.
- Future price increases are expected to occur slower than inflation in both **Single Family** and **Condominium Development**.

Table 5a

Treasure Coast	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Cap Rates										
Q3-09										
Q3-09 Value	7.7		8.1	8.8	8.1	8.5	8.3	8.3	9.2	8.5
Percent Expecting Rise	0%		20%	50%	0%	25%	0%	25%	0%	33%
Percent Expecting Fall	0%		20%	25%	0%	0%	50%	25%	0%	33%
Q2-09										
Q2-09 Value	8.1	9.0	8.6	9.1	8.5	8.8	8.5	8.4	8.9	8.0
Percent Expecting Rise	0%	0%	50%	80%	0%	60%	50%	100%	71%	100%
Percent Expecting Fall	0%	0%	17%	20%	0%	0%	0%	0%	0%	0%
Q1-09										
Q1-09 Value	7.3	9.0	7.9	8.3	7.7	8.2	8.1	8.0	8.5	8.0
Percent Expecting Rise	100%	100%	0%	33%	0%	100%	0%	50%	50%	100%
Percent Expecting Fall	0%	0%	0%	0%	0%	0%	0%	17%	25%	0%
Yields										
Q3-09										
Q3-09 Value	8.8		8.8	9.8	10.1	10.1	10.3	9.4	11.1	8.3
Percent Expecting Rise	0%		0%	50%	0%	25%	0%	0%	0%	33%
Percent Expecting Fall	0%		20%	25%	0%	0%	0%	0%	0%	33%
Q2-09										
Q2-09 Value	12.4	20.8	12.8	13.4	12.6	11.8	12.3	11.9	11.7	10.6
Percent Expecting Rise	0%	0%	40%	50%	0%	60%	50%	75%	57%	100%
Percent Expecting Fall	0%	0%	20%	25%	0%	0%	0%	0%	14%	0%
Q1-09										
Q1-09 Value	9.5	17.0	10.7	11.4	10.2	10.5	10.4	10.1	11.6	10.8
Percent Expecting Rise	50%	100%	0%	0%	0%	0%	0%	33%	25%	0%
Percent Expecting Fall	50%	0%	0%	0%	0%	0%	0%	17%	0%	100%
Investment Outlook										
Q3-09										
Fair to Good			40%			20%			25%	
Bad to Poor			0%			60%			75%	
Q2-09										
Fair to Good	57%		50%	60%		33%	25%	33%	33%	
Bad to Poor	0%		33%	20%		33%	50%	33%	50%	
Q1-09										
Fair to Good						0%	0%	0%	0%	
Bad to Poor						60%	25%	33%	50%	

Table 5b

Outlook for Land Development

Treasure Coast	Land without Entitlements	Land with Residential Entitlements	Land with Commercial Entitlements	Land with Hospitality Entitlements	Land with Industrial Entitlements	Land for Urban Redevelopment
Q3-09						
Fair to Good	31%	38%	0%	0%	13%	13%
Bad to Poor	56%	56%	50%	69%	50%	50%
Q2-09						
Fair to Good	32%	32%	23%	18%	23%	27%
Bad to Poor	50%	59%	59%	55%	50%	36%
Q1-09						
Fair to Good	10%	14%	5%	5%	5%	5%
Bad to Poor	67%	67%	67%	67%	67%	57%

Table 5c

Investors by Property Type

Treasure Coast	Single Family Dev.	Condo Dev.	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Q3-09												
Private Buyers	88%	50%	67%		40%	50%		100%			100%	67%
R.E. Companies					40%		100%		50%			
REITs										50%		
Institutions	13%	17%	33%							25%		
Foreign Buyers		33%			20%	25%						33%
Q2-09												
Private Buyers	100%	100%	57%	33%	67%	40%		57%	25%	67%	75%	100%
R.E. Companies			29%		17%	40%		14%	50%	17%		
REITs			14%		17%	20%				17%		
Institutions												
Foreign Buyers							100%	14%	25%			
Q1-09												
Private Buyers	78%	71%	50%	50%	50%	33%		60%	25%	13%	67%	50%
R.E. Companies	11%		25%			33%		40%	25%	38%	33%	
REITs												
Institutions	11%	14%		50%	50%		50%			13%		
Foreign Buyers		14%				33%	50%		50%	13%		50%

Table 5d

Treasure Coast	Apartments - Market Rental	Condo Conversio n	Warehouse and Dist.	Flex Space, R	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Future Occupancy										
Q3-09										
Higher	0%		0%	0%	0%	0%	0%	0%	0%	0%
Lower	50%		60%	50%	0%	60%	50%	100%	50%	0%
Q2-09										
Higher	0%	0%	17%	20%	0%	0%	0%	0%	0%	0%
Lower	33%	50%	50%	60%	100%	67%	50%	83%	57%	67%
Q1-09										
Higher	50%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Lower	50%	100%	50%	67%	100%	100%	100%	100%	100%	100%
Rental Rate Increases										
Q3-09										
Faster than Inflation	0%		0%	0%	0%	0%	0%	0%	0%	33%
Slower than Inflation	100%		80%	100%	100%	100%	100%	100%	100%	33%
Q2-09										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	100%	100%	83%	80%	100%	100%	100%	100%	86%	100%
Q1-09										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Table 5e

Treasure Coast	Single Family Development	Condominium Development
Future Absorption Rates		
Q3-09		
Higher	75%	50%
Lower	0%	0%
Q2-09		
Higher	75%	40%
Lower	0%	20%
Q1-09		
Higher	56%	29%
Lower	11%	43%
Future Price Increases		
Q3-09		
Faster than Inflation	0%	0%
Slower than Inflation	75%	100%
Q2-09		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	89%	100%

Southwest Coast

- Cap rates in the Southwest Coast area are, on average, higher (0.46 percentage points) than that of the state, and range from 8.6% (**Apartments**) to 16.6% (**Condo Conversion**).
- Cap rates have increased across all property types over the last quarter, with the largest changes being seen in **Free Standing Retail** (+1.25% change) and **Strip Centers** (+1.10% change).
- Cap rates are expected to be neutral across the majority of property types, with only **Condo Conversions** expected to have rate increases.
- Required yields for the Southwest Coast are lower, on average, than that of the state, 12.35% compared to 12.75% statewide.
- Required yields are highest for **Condo Conversion** at 17.8% and lowest for **Free Standing Retail** at 10.4%.
- Required yields have increased over the last quarter for all but three property types, with the largest shifts occurring in **Strip Centers** (+2.15% change) and **Warehouse and Distribution** (-1.30% change).
- The investment outlook is mixed across most property types. Respondents appear to have negative expectations for **Condo Conversions**.
- The outlook for **Land Development** is negative across three classifications. The most negative expectations occur for **Land with Hospitality Entitlements**.
- Occupancy rates are expected to be mixed across most property types, with indications of rate decreases occurring for **Neighborhood Centers** and **Retail – Large**, and **Office: Class A**.
- Rental rates are expected to increase slower than inflation across all property types with the exception of **Free Standing Retail** which is mixed.
- Expectations of future absorption rates are uncertain for both **Single Family** and **Condominium Development**.
- Future price increases are expected to occur at a rate slower than inflation in both **Single Family** and **Condominium Development**.

Table 6a

Southwest Coast	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Cap Rates										
Q3-09										
Q3-09 Value	8.6	16.6	9.1	9.7	9.1	9.4	9.2	9.2	10.1	9.4
Percent Expecting Rise	38%	75%	0%	50%	50%	36%	0%	50%	57%	0%
Percent Expecting Fall	25%	0%	0%	0%	25%	18%	33%	33%	14%	0%
Q2-09										
Q2-09 Value	8.3		8.7	9.3	8.6	8.9	8.7	8.5	9.0	8.2
Percent Expecting Rise	33%		33%	56%	71%	50%	50%	50%	67%	50%
Percent Expecting Fall	33%		0%	11%	14%	7%	25%	10%	0%	50%
Q1-09										
Q1-09 Value	7.8	9.4	8.3	8.8	8.1	8.6	8.5	8.4	8.9	8.4
Percent Expecting Rise	50%	100%	56%	88%	50%	60%	83%	50%	64%	60%
Percent Expecting Fall	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Yields										
Q3-09										
Q3-09 Value	10.9	17.8	10.9	11.9	12.2	12.2	12.5	11.5	13.3	10.4
Percent Expecting Rise	25%	50%	50%	33%	25%	50%	33%	67%	43%	0%
Percent Expecting Fall	25%	0%	0%	0%	25%	10%	33%	17%	0%	0%
Q2-09										
Q2-09 Value	11.8		12.2	12.8	12.0	11.2	11.7	11.3	11.1	9.9
Percent Expecting Rise	17%		50%	25%	14%	50%	0%	10%	38%	100%
Percent Expecting Fall	0%		0%	25%	29%	0%	25%	40%	0%	0%
Q1-09										
Q1-09 Value	10.0	17.5	11.2	11.9	10.7	11.0	10.9	10.6	12.1	11.3
Percent Expecting Rise	50%	0%	56%	50%	50%	50%	67%	75%	50%	40%
Percent Expecting Fall	0%	0%	0%	25%	25%	0%	0%	0%	7%	40%
Investment Outlook										
Q3-09										
Fair to Good	44%	0%		50%	40%	36%	0%	33%	50%	
Bad to Poor	11%	75%		0%	0%	27%	25%	50%	17%	
Q2-09										
Fair to Good	60%		38%	50%	43%	35%	17%	36%	22%	
Bad to Poor	0%		13%	20%	43%	12%	50%	36%	11%	
Q1-09										
Fair to Good			44%	13%	60%	30%	0%	23%	14%	50%
Bad to Poor			33%	75%	40%	50%	88%	46%	71%	50%

Table 6b

Outlook for Land Development

Southwest Coast	Land without Entitlements	Land with Residential Entitlements	Land with Commercial Entitlements	Land with Hospitality Entitlements	Land with Industrial Entitlements	Land for Urban Redevelopment
Q3-09						
Fair to Good	20%	33%	13%	13%	13%	17%
Bad to Poor	57%	43%	67%	70%	63%	50%
Q2-09						
Fair to Good	27%	35%	14%	16%	24%	16%
Bad to Poor	59%	49%	54%	49%	57%	57%
Q1-09						
Fair to Good	23%	20%	8%	5%	15%	20%
Bad to Poor	58%	68%	73%	75%	58%	50%

Table 6c

Investors by Property Type

Southwest Coast	Single Family Dev.	Condo Dev.	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Q3-09												
Private Buyers	83%	67%	67%	50%	100%	80%	40%	82%	75%	67%	86%	100%
R.E. Companies		11%	22%	25%			20%	18%		17%		
REITs			11%				20%		25%	17%		
Institutions	8%						20%					
Foreign Buyers	8%	22%		25%								
Q2-09												
Private Buyers	79%	86%	71%		63%	80%	86%	94%	50%	64%	90%	100%
R.E. Companies	14%	14%		100%		10%	14%		17%	27%		
REITs	7%				13%					9%		
Institutions					13%	10%			17%			
Foreign Buyers					13%			6%	17%			
Q1-09												
Private Buyers	70%	89%	50%	50%	90%	50%	60%	90%	38%	54%	73%	50%
R.E. Companies							20%	10%	13%	15%	13%	33%
REITs	20%	11%				13%			38%	15%		17%
Institutions						38%	20%		13%	15%	7%	
Foreign Buyers	10%			50%								

Table 6d

Southwest Coast	Apartments - Market	Condo Conversio	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Future Occupancy										
Q3-09										
Higher	25%	0%	0%	50%	20%	27%	25%	17%	29%	50%
Lower	13%	50%	25%	0%	80%	18%	75%	67%	29%	50%
Q2-09										
Higher	40%		0%	10%	0%	33%	0%	0%	0%	50%
Lower	0%		22%	30%	57%	27%	67%	80%	40%	0%
Q1-09										
Higher	25%	0%	10%	25%	0%	20%	0%	8%	7%	0%
Lower	25%	100%	60%	50%	100%	60%	88%	77%	87%	80%
Rental Rate Increases										
Q3-09										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	88%	100%	100%	100%	100%	100%	100%	100%	100%	50%
Q2-09										
Faster than Inflation	0%		0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	100%		100%	100%	100%	80%	100%	91%	100%	50%
Q1-09										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	75%	100%	100%	100%	100%	100%	100%	92%	100%	100%

Table 6e

Southwest Coast	Single Family Development	Condominium Development
Future Absorption Rates		
Q3-09		
Higher	25%	44%
Lower	42%	44%
Q2-09		
Higher	57%	29%
Lower	14%	29%
Q1-09		
Higher	60%	11%
Lower	10%	33%
Future Price Increases		
Q3-09		
Faster than Inflation	8%	0%
Slower than Inflation	75%	100%
Q2-09		
Faster than Inflation	0%	0%
Slower than Inflation	93%	100%
Q1-09		
Faster than Inflation	10%	11%
Slower than Inflation	90%	89%

Daytona Beach Area

- Cap rates in Daytona Beach are, on average, higher (0.42 percentage points) than those of the state, and range from 8.6% (**Apartments**) to 16.5% (**Condo Conversions**).
- Cap rates have increased across all property types in the latest quarter. The largest movements in cap rates have occurred in **Free Standing Retail** (+1.55% change) and **Strip Centers** (+1.55% change).
- Cap rates are expected to be neutral across the majority of property types, with the strongest indication for rate increases occurring in **Condo Conversion**.
- Required yields for Daytona Beach are, on average, lower than that of the state, 12.11% compared to 12.75% statewide.
- Required yields have declined over a majority of property types this quarter. The largest shifts occurred in **Warehouse and Distribution** (-2.14% change) and **Flex Space** (-1.71% change).
- The investment outlook is neutral for all properties except **Retail-Large** which is positive.
- The outlook for **Land Development** is neutral across all land classifications.
- Occupancy rates are neutral across all property types with the exception of **Condo Conversion** which is negative.
- Rental rates are expected to increase slower than inflation across property types.
- Absorption rates are expected to be mixed over the next quarter for both **Single Family** and **Condominium Development**.
- Future price increases are expected to occur slower than inflation in both **Single Family** and **Condominium Development**.

Table 7a

Daytona Beach Area	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Cap Rates										
Q3-09										
Q3-09 Value	8.6	16.5	9.0	9.7	9.0	9.4	9.2	9.2	10.1	9.4
Percent Expecting Rise	50%	100%	0%	50%	50%	33%	25%	0%	17%	50%
Percent Expecting Fall	25%	0%	0%	0%	0%	17%	0%	0%	0%	0%
Q2-09										
Q2-09 Value	8.0		8.4	8.9	8.3	8.6		8.2	8.7	7.8
Percent Expecting Rise	29%		100%	67%	75%	42%		50%	50%	33%
Percent Expecting Fall	29%		0%	17%	0%	0%		50%	13%	0%
Q1-09										
Q1-09 Value	7.9	9.5	8.4	8.9	8.2	8.7	8.7	8.6	9.0	8.5
Percent Expecting Rise	50%	100%	100%	40%	100%	43%	40%	67%	64%	67%
Percent Expecting Fall	25%	0%	0%	40%	0%	14%	0%	17%	7%	0%
Yields										
Q3-09										
Q3-09 Value	10.7	17.6	10.7	11.7	12.0	11.9	12.2	11.2	13.0	10.1
Percent Expecting Rise	0%	0%	0%	50%	0%	17%	33%	33%	33%	33%
Percent Expecting Fall	67%	100%	0%	0%	0%	17%	0%	0%	0%	0%
Q2-09										
Q2-09 Value	12.4		12.8	13.4	12.6	11.8		11.9	11.7	10.5
Percent Expecting Rise	33%		50%	40%	33%	33%		100%	33%	100%
Percent Expecting Fall	17%		50%	40%	0%	0%		0%	17%	0%
Q1-09										
Q1-09 Value	11.3	18.8	12.5	13.2	12.0	12.4	12.2	11.9	13.4	12.6
Percent Expecting Rise	50%	0%	67%	50%	0%	0%	50%	50%	43%	0%
Percent Expecting Fall	25%	100%	0%	25%	100%	0%	25%	17%	7%	67%
Investment Outlook										
Q3-09										
Fair to Good	50%					50%	75%		43%	
Bad to Poor	25%					25%	0%		14%	
Q2-09										
Fair to Good	57%			50%	25%	46%			33%	
Bad to Poor	29%			0%	0%	15%			33%	
Q1-09										
Fair to Good	40%		50%	50%		25%	20%	50%	50%	
Bad to Poor	20%		25%	17%		50%	60%	33%	43%	

Table 7b

Outlook for Land Development

Daytona Beach Area	Land without Entitlements	Land with Residential Entitlements	Land with Commercial Entitlements	Land with Hospitality Entitlements	Land with Industrial Entitlements	Land for Urban Redevelopment
Q3-09						
Fair to Good	42%	47%	47%	26%	32%	37%
Bad to Poor	37%	47%	32%	42%	32%	32%
Q2-09						
Fair to Good	38%	38%	31%	35%	42%	42%
Bad to Poor	31%	38%	42%	42%	35%	31%
Q1-09						
Fair to Good	19%	23%	15%	12%	15%	23%
Bad to Poor	62%	58%	69%	65%	50%	46%

Table 7c

Investors by Property Type

Daytona Beach Area	Single Family Dev.	Condo Dev.	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Q3-09												
Private Buyers	78%	60%	50%		100%	50%		75%	25%	33%	57%	100%
R.E. Companies									25%	33%		
REITs	11%		25%					13%	25%	33%	29%	
Institutions						25%	50%	13%			14%	
Foreign Buyers	11%	40%	25%				50%		25%			
Q2-09												
Private Buyers	90%	50%	86%		50%	67%	25%	92%	100%	67%	100%	67%
R.E. Companies	10%	25%				17%		8%				
REITs			14%				50%					33%
Institutions					50%	17%	25%			33%		
Foreign Buyers		25%										
Q1-09												
Private Buyers	56%	50%	40%	100%	100%	83%	100%	88%	40%	83%	86%	100%
R.E. Companies	22%	25%				17%		13%	40%		14%	
REITs		13%	20%									
Institutions	11%		20%							17%		
Foreign Buyers	11%	13%	20%						20%			

Table 7d

Daytona Beach Area	Apartments - Market	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Future Occupancy										
Q3-09										
Higher	20%	0%	50%	20%	0%	29%	0%	0%	17%	0%
Lower	20%	100%	50%	40%	0%	14%	50%	33%	50%	25%
Q2-09										
Higher	0%		50%	17%	0%	8%	0%	0%	0%	0%
Lower	29%		50%	33%	100%	33%	0%	67%	44%	67%
Q1-09										
Higher	25%	0%	50%	17%	0%	0%	0%	17%	0%	0%
Lower	25%	100%	50%	33%	0%	63%	60%	67%	50%	67%
Rental Rate Increases										
Q3-09										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	80%	100%	100%	100%	100%	71%	100%	100%	100%	100%
Q2-09										
Faster than Inflation	0%		0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	75%		100%	83%	50%	85%	0%	67%	78%	100%
Q1-09										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	75%	67%	100%	83%	100%	100%	80%	83%	86%	100%

Table 7e

Daytona Beach Area	Single Family Development	Condominium Development
Future Absorption Rates		
Q3-09		
Higher	44%	20%
Lower	33%	40%
Q2-09		
Higher	30%	25%
Lower	30%	50%
Q1-09		
Higher	44%	25%
Lower	0%	25%
Future Price Increases		
Q3-09		
Faster than Inflation	0%	0%
Slower than Inflation	89%	100%
Q2-09		
Faster than Inflation	0%	0%
Slower than Inflation	90%	100%
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%

Orlando Area

- Cap rates in Orlando are, on average, higher (0.02 percentage points) than that of the state, and range from 8.2% (**Apartments**) to 16.1% (**Condo Conversions**).
- Cap rates have increased over the past quarter, with the largest changes being seen in **Condo Conversions** (+7.2% change) and **Free Standing Retail** (+1.02% change).
- Cap rates are expected to either remain the same or increase over the next quarter, with the strongest indications of rate increases occurring for **Flex Space**.
- Required yields for Orlando are, on average, higher than that of the state, 13.22% compared to 12.75% statewide.
- Required yields are highest for **Condo Conversion** at 18.7% and lowest for **Free Standing Retail** at 11.2%.
- Required yields have increased over the past quarter for all but three property types, the largest being **Strip Centers** (+3.01%) and **Office: Class B** (+1.82%).
- The investment outlook is mixed across most property types. The strongest indication of a positive outlook occurs for **Apartments**, while the most negative outlook occurs in **Condo Conversion**.
- The outlook for **Land Development** is neutral to negative across land classifications. It appears that the most negative outlook occurs for **Land with Hospitality Entitlements**.
- Occupancy rates are expected to be neutral to negative across the majority of property types. Respondents indicate that rate decreases are most likely to occur in **Strip Centers, Retail-Large** and **Office: Class A**.
- Rental rates are expected to increase slower than inflation for all property types.
- Future absorption rates are expected to be neutral for **Single Family Development** and **Condominium Development**.
- Future price increases are expected to occur slower than inflation in both **Single Family** and **Condominium Development**.

Table 8a

Orlando Area	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, & D R	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Cap Rates										
Q3-09										
Q3-09 Value	8.2	16.1	8.6	9.3	8.6	9.0	8.8	8.8	9.7	9.0
Percent Expecting Rise	47%	50%	25%	67%	29%	38%	50%	33%	33%	20%
Percent Expecting Fall	13%	0%	0%	0%	0%	0%	0%	0%	7%	0%
Q2-09										
Q2-09 Value	8.1	8.9	8.5	9.1	8.4	8.7	8.5	8.3	8.8	8.0
Percent Expecting Rise	38%	67%	59%	47%	53%	33%	67%	67%	63%	60%
Percent Expecting Fall	23%	0%	18%	33%	24%	17%	0%	17%	13%	20%
Q1-09										
Q1-09 Value	7.7	9.4	8.3	8.7	8.1	8.6	8.5	8.4	8.9	8.4
Percent Expecting Rise	33%	80%	78%	67%	56%	67%	73%	60%	78%	67%
Percent Expecting Fall	10%	0%	0%	11%	0%	8%	9%	10%	11%	0%
Yields										
Q3-09										
Q3-09 Value	11.8	18.7	11.8	12.8	13.1	13.0	13.3	12.4	14.1	11.2
Percent Expecting Rise	8%	25%	0%	40%	33%	15%	56%	27%	27%	20%
Percent Expecting Fall	15%	25%	43%	40%	0%	8%	11%	18%	7%	0%
Q2-09										
Q2-09 Value	11.8	20.2	12.2	12.8	12.0	11.2	11.7	11.3	11.1	10.0
Percent Expecting Rise	45%	33%	31%	36%	54%	42%	0%	50%	43%	100%
Percent Expecting Fall	9%	0%	25%	36%	0%	8%	0%	17%	14%	0%
Q1-09										
Q1-09 Value	10.6	18.1	11.8	12.5	11.3	11.6	11.5	11.2	12.7	11.9
Percent Expecting Rise	22%	33%	30%	22%	38%	27%	67%	42%	53%	33%
Percent Expecting Fall	22%	33%	20%	33%	25%	9%	8%	11%	11%	0%
Investment Outlook										
Q3-09										
Fair to Good	63%	0%	18%	14%	56%	23%	33%	46%	31%	50%
Bad to Poor	0%	100%	27%	29%	0%	23%	33%	31%	31%	17%
Q2-09										
Fair to Good	72%	0%	65%	50%	43%	44%	22%	65%	40%	50%
Bad to Poor	11%	80%	9%	15%	19%	11%	33%	35%	30%	50%
Q1-09										
Fair to Good	52%	0%	43%	64%	55%	44%	13%	29%	30%	38%
Bad to Poor	13%	100%	21%	0%	9%	19%	81%	21%	50%	0%

Table 8b

Outlook for Land Development

Orlando Area	Land without Entitlements	Land with Residential Entitlements	Land with Commercial Entitlements	Land with Hospitality Entitlements	Land with Industrial Entitlements	Land for Urban Redevelopment
Q3-09						
Fair to Good	19%	32%	18%	9%	12%	25%
Bad to Poor	53%	44%	44%	58%	47%	32%
Q2-09						
Fair to Good	21%	25%	20%	15%	28%	23%
Bad to Poor	48%	48%	54%	54%	42%	37%
Q1-09						
Fair to Good	23%	20%	20%	15%	22%	31%
Bad to Poor	57%	50%	54%	61%	41%	35%

Table 8c

Investors by Property Type

Orlando Area	Single Family Dev.	Condo Dev.	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Q3-09												
Private Buyers	75%	100%	56%	75%	45%	57%	11%	85%	8%	31%	69%	67%
R.E. Companies	8%		19%		18%		22%	8%	17%	31%	19%	
REITs			13%		18%	14%	11%		17%	23%	6%	
Institutions	8%		6%		9%	14%	44%	8%	42%	15%	6%	17%
Foreign Buyers	8%		6%	25%	9%	14%	11%		17%			17%
Q2-09												
Private Buyers	93%	89%	63%	40%	65%	70%	48%	79%	33%	61%	67%	83%
R.E. Companies	7%	11%	5%	40%	9%		14%	11%	22%	11%	8%	17%
REITs			16%		9%	5%	5%		11%	6%		
Institutions			5%		9%	15%	24%		11%	11%	8%	
Foreign Buyers				20%	9%	5%	10%		11%			
Q1-09												
Private Buyers	72%	90%	46%	67%	50%	73%	45%	69%	25%	46%	82%	63%
R.E. Companies	17%	10%	29%		7%	9%	18%	19%	13%	13%	9%	25%
REITs	6%		8%		14%		9%		19%	13%		13%
Institutions			13%		7%		18%	13%	13%	17%		
Foreign Buyers	6%			17%	14%	18%			25%	13%		

Table 8d

Orlando Area	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Future Occupancy										
Q3-09										
Higher	33%	25%	36%	0%	11%	0%	0%	0%	0%	0%
Lower	20%	0%	27%	29%	78%	23%	92%	54%	69%	17%
Q2-09										
Higher	53%	33%	9%	5%	5%	13%	0%	0%	0%	0%
Lower	7%	0%	50%	37%	58%	31%	57%	59%	58%	50%
Q1-09										
Higher	17%	17%	8%	0%	10%	0%	13%	13%	14%	25%
Lower	35%	33%	50%	36%	70%	67%	75%	70%	67%	38%
Rental Rate Increases										
Q3-09										
Faster than Inflation	0%	0%	18%	0%	11%	0%	0%	0%	0%	0%
Slower than Inflation	80%	75%	64%	100%	89%	92%	92%	100%	100%	83%
Q2-09										
Faster than Inflation	7%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	73%	67%	86%	89%	89%	88%	71%	76%	92%	100%
Q1-09										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	91%	100%	75%	91%	90%	100%	88%	91%	95%	75%

Table 8e

Orlando Area	Single Family Development	Condominium Development
Future Absorption Rates		
Q3-09		
Higher	50%	29%
Lower	17%	43%
Q2-09		
Higher	67%	33%
Lower	0%	33%
Q1-09		
Higher	33%	10%
Lower	28%	60%
Future Price Increases		
Q3-09		
Faster than Inflation	8%	0%
Slower than Inflation	75%	86%
Q2-09		
Faster than Inflation	0%	0%
Slower than Inflation	86%	100%
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	89%	100%

Lakeland-Winter Haven

- Cap rates in Lakeland-Winter Haven are, on average, higher (1.28 percentage points) than that of the state, and range from 9.4% (**Apartments**) to 17.4% (**Condo Conversion**).
- Cap rates increased across all property types over the last quarter. The largest changes occurred in **Condo Conversion** (+8.21 % change) and **Strip Centers** (+1.87% change).
- Cap rates are expected to remain the same or increase across most property types over the next quarter. The strongest indication of rate increases occurs in **Condo Conversion, Free Standing Retail** and **Flex Space**.
- Required yields for Lakeland-Winter Haven are, on average, higher than that of the state, 13.23% compared to 12.75% statewide.
- Required yields are highest for **Condo Conversion** at 18.7% and lowest for **Strip Centers** at 11.3%.
- Required yields mixed across property types in the last quarter. The largest changes occurred in **Condo Conversion** (-1.97% change) and **Strip Centers** (+2.62%).
- The investment outlook is mixed across property types with the exception of **Warehouse and Distribution** which is positive.
- The outlook for **Land Development** is mixed across land classifications. It appears that the most negative outlook occurs for **Land with Hospitality Entitlements**.
- Occupancy rates are expected to either remain the same or decrease for most property types. The most significant indication of potential rate decreases occurs in **Office: Class A and Retail Large**.
- Rental rates are expected to increase slower than inflation for most property types while **Warehouse and Distribution, Flex Space** and **Office: Class A** have a neutral outlook.
- Future absorption rates are expected to remain the same for **Condominium Development** and for **Single Family**.
- Future price increases are expected to occur slower than inflation for both **Single Family** and **Condominium Development**.

Table 9a

Lakeland-Winter Haven	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Cap Rates										
Q3-09										
Q3-09 Value	9.4	17.4	9.9	10.5	9.9	10.2	10.0	10.1	10.9	10.2
Percent Expecting Rise	50%	100%	33%	67%	0%	33%	0%	33%	50%	67%
Percent Expecting Fall	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Q2-09										
Q2-09 Value	8.3	9.2	8.8	9.3	8.7	8.9	8.7	8.6	9.1	
Percent Expecting Rise	33%	100%	50%	67%	40%	50%	0%	25%	50%	
Percent Expecting Fall	33%	0%	10%	33%	20%	0%	0%	0%	25%	
Q1-09										
Q1-09 Value	8.1	9.8	8.7	9.1	8.5	9.0	8.9	8.8	9.3	8.8
Percent Expecting Rise	75%	100%	67%	67%	0%	33%	0%	43%	63%	67%
Percent Expecting Fall	25%	0%	0%	33%	0%	33%	0%	14%	25%	0%
Yields										
Q3-09										
Q3-09 Value	11.8	18.7	11.8	12.8	13.1	13.0	13.3	12.4	14.1	11.3
Percent Expecting Rise	50%	100%	33%	67%	0%	33%	33%	67%	50%	33%
Percent Expecting Fall	0%	0%	33%	0%	0%	0%	0%	0%	0%	0%
Q2-09										
Q2-09 Value	12.2	20.6	12.6	13.2	12.4	11.6	12.1	11.7	11.5	
Percent Expecting Rise	33%	100%	67%	67%	50%	0%	0%	25%	0%	
Percent Expecting Fall	33%	0%	17%	33%	0%	0%	100%	50%	50%	
Q1-09										
Q1-09 Value	12.4	19.8	13.6	14.2	13.1	13.4	13.3	13.0	14.4	13.7
Percent Expecting Rise	50%	0%	29%	67%	0%	33%	0%	43%	63%	33%
Percent Expecting Fall	25%	100%	29%	33%	100%	0%	0%	0%	0%	0%
Investment Outlook										
Q3-09										
Fair to Good			75%				25%		25%	
Bad to Poor			0%				25%		50%	
Q2-09										
Fair to Good			75%		40%	67%		50%	50%	
Bad to Poor			8%		40%	0%		50%	17%	
Q1-09										
Fair to Good	50%		56%	60%		50%		50%	38%	
Bad to Poor	25%		11%	20%		0%		38%	25%	

Table 9b

Outlook for Land Development

Lakeland-Winter Haven	Land without Entitlements	Land with Residential Entitlements	Land with Commercial Entitlements	Land with Hospitality Entitlements	Land with Industrial Entitlements	Land for Urban Redevelopment
Q3-09						
Fair to Good	44%	61%	39%	33%	44%	50%
Bad to Poor	44%	28%	33%	39%	28%	22%
Q2-09						
Fair to Good	33%	42%	29%	25%	42%	25%
Bad to Poor	42%	33%	42%	50%	25%	38%
Q1-09						
Fair to Good	27%	15%	27%	19%	27%	35%
Bad to Poor	54%	62%	50%	50%	27%	27%

Table 9c

Investors by Property Type

Lakeland-Winter Haven	Single Family Dev.	Condo Dev.	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Q3-09												
Private Buyers	100%	100%	67%	100%	50%	100%		100%		33%	60%	67%
R.E. Companies												
REITs					25%				50%	33%	20%	
Institutions					25%		100%		50%	33%		
Foreign Buyers			33%									33%
Q2-09												
Private Buyers	67%	100%	100%	100%	67%	67%	60%	100%	33%	67%	100%	
R.E. Companies	33%				17%	33%	20%		33%	17%		
REITs					8%							
Institutions							20%		33%	17%		
Foreign Buyers					8%							
Q1-09												
Private Buyers	63%	83%	25%	100%	78%	60%	100%	50%		63%	67%	67%
R.E. Companies	13%	17%	25%					50%		25%	22%	33%
REITs			25%		11%				33%			
Institutions			25%		11%	20%				13%		
Foreign Buyers	25%					20%			67%			

Table 9d

Lakeland-Winter Haven	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Future Occupancy										
Q3-09										
Higher	50%	0%	25%	33%	0%	0%	0%	0%	0%	0%
Lower	0%	0%	25%	67%	100%	33%	75%	67%	60%	33%
Q2-09										
Higher	50%	0%	27%	0%	0%	0%	0%	0%	0%	0%
Lower	0%	0%	27%	67%	50%	50%	33%	50%	50%	
Q1-09										
Higher	0%	0%	11%	20%	0%	0%	33%	13%	11%	0%
Lower	25%	100%	67%	60%	0%	50%	0%	38%	56%	100%
Rental Rate Increases										
Q3-09										
Faster than Inflation	0%	0%	25%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	100%	100%	25%	33%	0%	67%	100%	100%	80%	100%
Q2-09										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	100%	0%	82%	100%	75%	100%	67%	83%	83%	
Q1-09										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	50%	100%	89%	80%	0%	100%	33%	88%	78%	100%

Table 9e

Lakeland-Winter Haven	Single Family Development	Condominium Development
Future Absorption Rates		
Q3-09		
Higher	17%	0%
Lower	33%	0%
Q2-09		
Higher	50%	100%
Lower	33%	0%
Q1-09		
Higher	50%	0%
Lower	0%	17%
Future Price Increases		
Q3-09		
Faster than Inflation	0%	0%
Slower than Inflation	100%	50%
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%
Q4-08		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%

Tampa-St Petersburg

- Cap rates in the Tampa-St. Petersburg area are, on average, higher (0.32 percentage points) than that of the state, and range from 8.5% (**Apartments**) to 16.4% (**Condo Conversion**).
- Cap rates increased over the past quarter across most property types, with the largest changes occurring in **Condo Conversion** (+6.92% change) and **Free Standing Retail** (+0.74% change).
- Cap rate outlooks indicate that rates are expected to either remain the same across most property types in the next quarter. The strongest indication of a cap rate increase occurs in **Flex Space**.
- Required yields for Tampa-St. Petersburg are higher, on average, than that of the state, 13.62% compared to 12.75% statewide.
- Required yields are highest for **Condo Conversion** at 19.1% and lowest for **Free Standing Retail** at 11.6%.
- Required yields decreased across all but two property types last quarter. The largest shifts in required yields occurred in **Condo Conversion** (-3.31% change) and **Warehouse and Distribution** (-2.18% change).
- The investment outlook is mixed across property types, with the most positive outlook occurring in **Warehouse and Distribution** and **Neighborhood Centers**.
- The outlook for **Land Development** appears to be neutral to negative for all land classifications.
- Future occupancy rates are expected to be the same or decrease over the next quarter for the majority of property types. The strongest indications of occupancy rate decreases occur in **Strip Centers and Large Retail**.
- Rental rates are expected to increase slower than inflation across almost all property types over the next quarter.
- Future absorption rate expectations are neutral for both **Condominium Development** and **Single Family**.
- Future price increases are expected to occur at a rate that is slower than inflation for both **Single Family** and **Condominium Development**.

Table 10a

Tampa-St Pete	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, & D	R	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Cap Rates											
Q3-09											
Q3-09 Value	8.5	16.4	8.9	9.6	8.9	9.3	9.0	9.1	10.0	9.3	
Percent Expecting Rise	29%	20%	50%	80%	20%	40%	11%	27%	45%	33%	
Percent Expecting Fall	14%	20%	0%	0%	10%	10%	22%	18%	0%	0%	
Q2-09											
Q2-09 Value	8.6	9.5	9.1	9.6	9.0	9.3	9.0	8.9	9.4	8.5	
Percent Expecting Rise	50%	67%	47%	50%	33%	33%	40%	45%	64%	50%	
Percent Expecting Fall	10%	0%	27%	25%	25%	0%	0%	18%	0%	17%	
Q1-09											
Q1-09 Value	7.8	9.4	8.3	8.8	8.1	8.6	8.5	8.4	8.9	8.4	
Percent Expecting Rise	53%	63%	47%	58%	50%	67%	55%	50%	67%	9%	
Percent Expecting Fall	0%	0%	13%	0%	25%	0%	18%	13%	6%	9%	
Yields											
Q3-09											
Q3-09 Value	12.2	19.1	12.2	13.2	13.5	13.4	13.7	12.8	14.5	11.6	
Percent Expecting Rise	21%	20%	50%	60%	30%	30%	22%	36%	36%	0%	
Percent Expecting Fall	21%	0%	17%	0%	10%	20%	22%	27%	0%	0%	
Q2-09											
Q2-09 Value	13.9	22.4	14.4	14.9	14.2	13.3	13.8	13.4	13.2	12.1	
Percent Expecting Rise	63%	67%	57%	33%	36%	30%	0%	44%	63%	50%	
Percent Expecting Fall	0%	0%	14%	33%	0%	10%	0%	11%	0%	0%	
Q1-09											
Q1-09 Value	10.9	18.3	12.1	12.8	11.6	11.9	11.8	11.5	13.0	12.2	
Percent Expecting Rise	29%	25%	50%	25%	56%	50%	38%	53%	61%	33%	
Percent Expecting Fall	18%	25%	17%	25%	0%	10%	15%	7%	4%	22%	
Investment Outlook											
Q3-09											
Fair to Good	57%	33%	73%	57%	47%	42%	27%	62%	36%	0%	
Bad to Poor	7%	67%	0%	14%	20%	33%	36%	23%	45%	75%	
Q2-09											
Fair to Good	47%		74%	38%	47%	44%	38%	67%	24%	50%	
Bad to Poor	7%		9%	25%	24%	38%	25%	28%	41%	17%	
Q1-09											
Fair to Good	48%	0%	50%	17%	58%	42%	28%	45%	38%	43%	
Bad to Poor	13%	83%	13%	50%	0%	25%	67%	30%	38%	14%	

Table 10b

Outlook for Land Development

Tampa-St Pete	Land without Entitlements	Land with Residential Entitlements	Land with Commercial Entitlements	Land with Hospitality Entitlements	Land with Industrial Entitlements	Land for Urban Redevelopment
Q3-09						
Fair to Good	26%	34%	23%	16%	24%	32%
Bad to Poor	52%	47%	53%	61%	48%	48%
Q2-09						
Fair to Good	25%	31%	19%	21%	32%	28%
Bad to Poor	47%	46%	49%	47%	43%	37%
Q1-09						
Fair to Good	20%	19%	18%	14%	20%	33%
Bad to Poor	53%	56%	56%	58%	46%	40%

Table 10c

Investors by Property Type

Tampa-St Pete	Single Family Dev.	Condo Dev.	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Q3-09												
Private Buyers	89%	73%	64%	50%	45%	57%	7%	100%	36%	54%	100%	75%
R.E. Companies		18%	14%		27%	14%	27%		9%	23%		
REITs			14%	33%	18%	14%	33%		27%	8%		
Institutions			7%		9%		27%		27%	8%		
Foreign Buyers	11%	9%		17%		14%	7%			8%		25%
Q2-09												
Private Buyers	82%	79%	69%	67%	52%	50%	24%	82%	50%	78%	100%	71%
R.E. Companies	6%		6%	33%	13%	25%	24%	12%		6%		14%
REITs			6%		9%	13%	6%		13%			
Institutions					9%		41%		13%	11%		
Foreign Buyers	6%	14%	6%		17%	13%	6%		25%	6%		
Q1-09												
Private Buyers	72%	68%	46%	83%	67%	50%	38%	31%	39%	60%	88%	79%
R.E. Companies	6%	11%	25%	17%		17%	8%	46%	11%	15%	4%	21%
REITs	6%	5%	8%		11%		8%	8%	22%	10%		
Institutions			17%			17%	23%			15%		
Foreign Buyers	17%	11%					8%		22%			

Table 10d

Tampa-St Pete	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Future Occupancy										
Q3-09										
Higher	25%	0%	36%	29%	21%	0%	9%	15%	9%	0%
Lower	0%	17%	18%	43%	57%	27%	73%	62%	82%	67%
Q2-09										
Higher	27%	0%	17%	13%	6%	6%	13%	13%	28%	14%
Lower	13%	33%	26%	63%	50%	31%	63%	38%	44%	43%
Q1-09										
Higher	18%	0%	20%	0%	8%	17%	12%	5%	12%	7%
Lower	27%	40%	40%	60%	83%	50%	65%	60%	73%	50%
Rental Rate Increases										
Q3-09										
Faster than Inflation	0%	0%	9%	0%	7%	0%	0%	0%	0%	0%
Slower than Inflation	75%	67%	82%	71%	86%	82%	100%	100%	91%	100%
Q2-09										
Faster than Inflation	13%	33%	0%	0%	6%	0%	0%	0%	6%	0%
Slower than Inflation	87%	33%	78%	88%	75%	81%	88%	75%	83%	86%
Q1-09										
Faster than Inflation	5%	0%	7%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	68%	80%	73%	80%	92%	100%	88%	90%	96%	50%

Table 10e

Tampa-St Pete	Single Family Development	Condominium Development
Future Absorption Rates		
Q3-09		
Higher	28%	36%
Lower	22%	27%
Higher	50%	46%
Lower	19%	38%
Higher	22%	17%
Lower	17%	33%
Lower	23%	43%
Future Price Increases		
Q3-09		
Faster than Inflation	6%	0%
Slower than Inflation	50%	55%
Q2-09		
Faster than Inflation	0%	0%
Slower than Inflation	88%	77%
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%

Sarasota-Bradenton

- Cap rates in the Sarasota-Bradenton area are, on average, lower (0.02 percentage points) than that of the state, and range from 8.1% (**Apartments**) to 16.1% (**Condo Conversion**).
- Cap rates increased across all property types in the last quarter, with the largest changes occurring in **Condo Conversion** (+7.29% change) and **Free Standing Retail** (+1.11% change).
- Cap rates are expected to either remain the same or increase in the next quarter for almost all property types. The strongest indications of expected cap rate increases occur in **Free Standing Retail**. Cap rates are expected to decrease in **Office: Class A** and **Retail-Large**.
- Required yields for Sarasota-Bradenton are, on average, lower than that of the state, 12.64% compared to 12.75% statewide.
- Required yields are highest for **Condo Conversion** at 18.1% and lowest for **Free Standing Retail** at 10.7%.
- Required yields have increase this quarter across most property types. The largest shifts occurred in **Condo Conversion** (-1.89% change) and **Office: Class B** (+1.51% change).
- The investment outlook is mixed across most available property types. Two property types have positive outlooks including **Warehouse and Distribution** and **Neighborhood Centers**.
- The outlook for **Land Development** is neutral to negative across land classifications. It appears that the most negative outlook occurs for **Land with Hospitality Entitlements**.
- Future occupancy rates are expected to either remain the same over the next quarter.
- Rental rates are expected to decrease across all property type over the next quarter.
- Future absorption rates are expected to increase for **Single Family Development**, while expectations are neutral to positive for **Condominium Development**.
- Respondents indicate that future prices will increase at a rate slower than inflation for both **Single Family** and **Condominium Development**.

Table 11a

Sarasota-Bradenton	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Cap Rates										
Q3-09										
Q3-09 Value	8.1	16.1	8.6	9.2	8.6	8.9	8.7	8.8	9.6	8.9
Percent Expecting Rise	29%	25%	0%	20%	0%	33%	0%	33%	43%	67%
Percent Expecting Fall	29%	25%	0%	0%	100%	11%	67%	33%	14%	0%
Q2-09										
Q2-09 Value	7.9	8.8	8.4	8.9	8.3	8.6	8.3	8.2	8.7	7.8
Percent Expecting Rise	50%	100%	25%	50%	20%	13%	33%	29%	63%	50%
Percent Expecting Fall	25%	0%	25%	0%	0%	0%	0%	14%	0%	17%
Q1-09										
Q1-09 Value	7.5	9.1	8.1	8.5	7.9	8.4	8.3	8.2	8.6	8.2
Percent Expecting Rise	25%	0%	43%	40%	57%	50%	50%	50%	44%	14%
Percent Expecting Fall	0%	50%	0%	0%	0%	0%	25%	0%	11%	0%
Yields										
Q3-09										
Q3-09 Value	11.2	18.1	11.2	12.2	12.5	12.5	12.7	11.8	13.5	10.7
Percent Expecting Rise	29%	25%	0%	25%	0%	38%	0%	33%	29%	33%
Percent Expecting Fall	29%	0%	0%	0%	100%	13%	33%	17%	0%	0%
Q2-09										
Q2-09 Value	11.5	20.0	12.0	12.5	11.8	10.9	11.4	11.0	10.8	9.7
Percent Expecting Rise	25%	100%	43%	40%	20%	0%	0%	25%	75%	50%
Percent Expecting Fall	0%	0%	14%	0%	0%	17%	100%	50%	0%	0%
Q1-09										
Q1-09 Value	9.6	17.1	10.8	11.5	10.3	10.7	10.5	10.2	11.7	10.9
Percent Expecting Rise	0%	0%	25%	40%	43%	22%	60%	38%	44%	14%
Percent Expecting Fall	0%	0%	0%	0%	0%	0%	0%	0%	11%	14%
Investment Outlook										
Q3-09										
Fair to Good	43%	25%	80%	60%		44%		83%	14%	
Bad to Poor	14%	75%	0%	0%		0%		17%	14%	
Q2-09										
Fair to Good			44%	57%	20%	33%		57%	11%	50%
Bad to Poor			11%	29%	60%	22%		43%	33%	0%
Q1-09										
Fair to Good	40%		75%	20%	71%	60%	20%	0%	43%	71%
Bad to Poor	40%		13%	20%	14%	0%	80%	56%	29%	14%

Table 11b

Outlook for Land Development

Sarasota-Bradenton	Land without Entitlements	Land with Residential Entitlements	Land with Commercial Entitlements	Land with Hospitality Entitlements	Land with Industrial Entitlements	Land for Urban Redevelopment
Q3-09						
Fair to Good	1%	1%	1%	1%	1%	1%
Bad to Poor	2%	2%	2%	2%	2%	2%
Q2-09						
Fair to Good	31%	38%	17%	10%	21%	21%
Bad to Poor	45%	28%	45%	52%	45%	34%
Q1-09						
Fair to Good	20%	31%	17%	20%	20%	31%
Bad to Poor	57%	43%	51%	49%	40%	31%

Table 11c

Investors by Property Type

Sarasota-Bradenton	Single Family Dev.	Condo Dev.	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Q3-09												
Private Buyers	89%	63%	71%	50%	100%	100%		89%	67%	100%	100%	33%
R.E. Companies	11%	25%	14%									33%
REITs			14%	25%			100%	11%	33%			
Institutions												
Foreign Buyers		13%		25%								33%
Q2-09												
Private Buyers	73%	67%	25%	100%	56%	29%	60%	89%	33%	71%	78%	67%
R.E. Companies	27%		25%		22%	29%	20%		33%	29%	11%	
REITs		33%			11%	29%			33%			
Institutions			25%		11%	14%					11%	33%
Foreign Buyers							20%	11%				
Q1-09												
Private Buyers	82%	80%	40%	100%	100%	80%	29%	70%	40%	67%	56%	71%
R.E. Companies		10%	40%				29%	10%			22%	14%
REITs	9%						14%	10%	20%	11%		14%
Institutions			20%			20%	29%			11%		
Foreign Buyers	9%							10%	40%	11%		

Table 11d

Sarasota-Bradenton	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Future Occupancy										
Q3-09										
Higher	17%	25%	25%	40%	0%	22%	33%	17%	14%	33%
Lower	0%	25%	25%	40%	0%	22%	33%	50%	43%	33%
Q2-09										
Higher	25%	0%	0%	0%	0%	11%	0%	29%	22%	17%
Lower	0%	0%	44%	33%	60%	56%	67%	57%	56%	17%
Q1-09										
Higher	25%	0%	0%	0%	0%	10%	0%	13%	0%	0%
Lower	50%	100%	50%	80%	86%	60%	75%	63%	67%	43%
Rental Rate Increases										
Q3-09										
Faster than Inflation	17%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	67%	50%	75%	80%	100%	89%	100%	83%	86%	67%
Q2-09										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	100%	0%	89%	100%	100%	100%	100%	100%	100%	50%
Q1-09										
Faster than Inflation	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	75%	50%	63%	100%	86%	90%	75%	100%	78%	86%

Table 11e

Sarasota-Bradenton	Single Family Development	Condominium Development
Future Absorption Rates		
Q3-09		
Higher	67%	50%
Lower	22%	13%
Q2-09		
Higher	73%	50%
Lower	18%	33%
Q1-09		
Higher	36%	22%
Lower	18%	11%
Future Price Increases		
Q3-09		
Faster than Inflation	22%	13%
Slower than Inflation	56%	75%
Q2-09		
Faster than Inflation	9%	0%
Slower than Inflation	73%	50%
Q1-09		
Faster than Inflation	0%	11%
Slower than Inflation	82%	78%

Jacksonville

- Cap rates in Jacksonville are, on average, slightly higher (0.14 percentage points) than that of the state, and range from 8.3% (**Apartments**) to 16.3% (**Condo Conversion**).
- Cap rates have increased across all but two property types, with the largest increase occurring in **Condo Conversion** (+7.10% change) and **Free Standing Retail** (+0.92% change).
- For the majority of property types, cap rates are expected to either remain the same or increase over the next quarter. The strongest indication of a cap rate increase occurs in **Flex Space**.
- Required yields for Jacksonville are, on average, lower than that of the state, 12.02% compared to 12.75% statewide.
- Required yields are highest for **Condo Conversion** at 17.5% and lowest for **Free Standing Retail** at 10.0%.
- Required yields decreased across all but three property type in the last quarter, with the largest decreases occurring for **Condo Conversions** (-2.88%) and **Warehouse and Distribution** (-1.75%).
- The investment outlook is mixed across property types this quarter. The most positive outlook for investment occurs in **Neighborhood Centers** and **Warehouse and Distribution**.
- The outlook for **Land Development** is negative for **Land with Hospitality Entitlements** while the outlook is more neutral to negative for the remaining land classifications.
- Future occupancy rates are expected be neutral to negative across the majority of property types. Respondents expect occupancy rates to be lower in **Large Retail**.
- Rental rates are expected to decrease across all property types.
- Future absorption rates are expected to remain the same for **Single Family Development** and **Condominium Development**.
- Respondents expect future prices to increase at a rate slower than inflation for both **Single Family** and **Condominium Development**.

Table 12a

Jacksonville	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Cap Rates										
Q3-09										
Q3-09 Value	8.3	16.3	8.8	9.4	8.8	9.1	8.9	8.9	9.8	9.1
Percent Expecting Rise	40%	50%	25%	67%	33%	57%	38%	38%	55%	50%
Percent Expecting Fall	10%	0%	50%	0%	0%	0%	13%	13%	9%	0%
Q2-09										
Q2-09 Value	8.3	9.2	8.8	9.3	8.7	8.9	8.7	8.6	9.0	8.2
Percent Expecting Rise	44%	67%	40%	100%	60%	22%	50%	44%	67%	100%
Percent Expecting Fall	22%	0%	20%	0%	40%	0%	0%	22%	0%	0%
Q1-09										
Q1-09 Value	7.9	9.5	8.4	8.9	8.2	8.7	8.6	8.5	9.0	8.5
Percent Expecting Rise	42%	67%	100%	0%	100%	63%	50%	38%	71%	50%
Percent Expecting Fall	8%	0%	0%	50%	0%	13%	0%	13%	0%	0%
Yields										
Q3-09										
Q3-09 Value	10.6	17.5	10.6	11.6	11.9	11.8	12.1	11.2	12.9	10.0
Percent Expecting Rise	0%	0%	0%	33%	20%	29%	29%	0%	33%	25%
Percent Expecting Fall	13%	50%	67%	0%	0%	0%	14%	14%	0%	0%
Q2-09										
Q2-09 Value	11.9	20.3	12.3	12.9	12.1	11.3	11.8	11.4	11.2	10.1
Percent Expecting Rise	44%	0%	0%	100%	25%	29%	0%	38%	60%	0%
Percent Expecting Fall	0%	0%	0%	0%	0%	0%	0%	13%	0%	0%
Q1-09										
Q1-09 Value	9.5	17.0	10.7	11.4	10.2	10.5	10.4	10.1	11.6	10.8
Percent Expecting Rise	30%	33%		0%	0%	40%	67%	29%	33%	100%
Percent Expecting Fall	10%	33%		0%	0%	0%	33%	14%	17%	0%
Investment Outlook										
Q3-09										
Fair to Good	50%		80%	50%	25%	38%	25%	89%	17%	50%
Bad to Poor	10%		0%	17%	0%	0%	13%	11%	50%	50%
Q2-09										
Fair to Good	40%	0%	56%	0%	17%	33%	50%	70%	0%	
Bad to Poor	10%	40%	11%	40%	67%	44%	50%	20%	25%	
Q1-09										
Fair to Good	33%		50%		50%	20%	0%	43%	13%	50%
Bad to Poor	25%		0%		17%	10%	60%	29%	50%	0%

Table 12b

Outlook for Land Development

Jacksonville	Land without Entitlements	Land with Residential Entitlements	Land with Commercial Entitlements	Land with Hospitality Entitlements	Land with Industrial Entitlements	Land for Urban Redevelopment
Q3-09						
Fair to Good	19%	27%	8%	8%	14%	19%
Bad to Poor	46%	46%	59%	68%	54%	51%
Q2-09						
Fair to Good	15%	21%	9%	18%	24%	21%
Bad to Poor	53%	56%	50%	68%	38%	41%
Q1-09						
Fair to Good	22%	19%	14%	14%	19%	25%
Bad to Poor	61%	64%	44%	56%	36%	47%

Table 12c

Investors by Property Type

Jacksonville	Single Family Dev.	Condo Dev.	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Q3-09												
Private Buyers	73%	75%	40%	50%	17%	83%	78%	25%	44%	83%	100%	
R.E. Companies			10%		33%	17%	25%	11%	25%	44%	17%	
REITs			30%				38%		13%			
Institutions			10%		33%		13%		25%			
Foreign Buyers	27%	25%	10%				25%		13%	11%		
Q2-09												
Private Buyers	85%	78%	64%	33%	56%	60%	33%	60%	75%	60%	75%	50%
R.E. Companies				33%	11%	20%	33%	30%		10%	13%	50%
REITs			9%			20%				20%		
Institutions			18%		22%		33%			10%	13%	
Foreign Buyers		11%		17%								
Q1-09												
Private Buyers	80%	73%	31%	67%		50%	17%	70%	20%	63%	100%	100%
R.E. Companies	7%		38%	33%	50%		50%	20%	40%	13%		
REITs		9%	15%		25%	50%	17%					
Institutions								10%	20%	13%		
Foreign Buyers	13%	18%	8%									

Table 12d

Jacksonville	Apartments - Market	Condo Conversio	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Future Occupancy										
Q3-09										
Higher	33%	0%	50%	20%	14%	11%	14%	22%	25%	25%
Lower	11%	50%	0%	20%	57%	44%	86%	56%	58%	50%
Q2-09										
Higher	73%	0%	0%	20%	0%	20%	0%	10%	29%	0%
Lower	9%	25%	38%	40%	83%	40%	100%	50%	71%	50%
Q1-09										
Higher	8%	0%	33%	50%	20%	10%	0%	13%	13%	0%
Lower	33%	25%	0%	0%	60%	70%	75%	75%	75%	33%
Rental Rate Increases										
Q3-09										
Faster than Inflation	0%	0%	17%	0%	14%	0%	0%	0%	0%	0%
Slower than Inflation	56%	100%	50%	80%	86%	100%	86%	100%	92%	100%
Q2-09										
Faster than Inflation	9%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	82%	75%	75%	100%	100%	100%	100%	90%	100%	50%
Q1-09										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	92%	100%	67%	50%	80%	90%	100%	100%	100%	100%

Table 12e

Jacksonville	Single Family Development	Condominium Development
Future Absorption Rates		
Q3-09		
Higher	36%	13%
Lower	9%	38%
Q2-09		
Higher	55%	13%
Lower	0%	38%
Q1-09		
Higher	27%	9%
Lower	27%	45%
Future Price Increases		
Q3-09		
Faster than Inflation	0%	0%
Slower than Inflation	82%	50%
Q2-09		
Faster than Inflation	9%	0%
Slower than Inflation	82%	88%
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	87%	100%

Gainesville-Ocala

- Cap rates in Gainesville-Ocala are, on average, higher (1.22 percentage points) than that of the state, and range from 9.4% (**Apartments**) to 17.3% (**Condo Conversion**).
- Cap rates increased over the last quarter, with the largest changes occurring in **Condo Conversion** (+7.97% change) and **Free Standing** (+1.78% change).
- Cap rates are expected to be mixed over the next quarter. The strongest indications of cap rate increases occur in **Condo Conversions, Flex Space, Strip Centers, and Free Standing**.
- Required yields for Gainesville-Ocala are, on average, slightly lower than that of the state, 12.45% compared to 12.75% statewide.
- Required yields are highest for **Condo Conversions** at 17.9% and lowest for **Free Standing Retail** at 10.5%.
- Required yields increased over the past quarter for most property types. The largest increase occurred in **Strip Centers** (+2.25%) while the largest decrease occurred in **Condo Conversions** (-2.33% change).
- The investment outlook is neutral to positive over all of the available property types in this region. The largest positive indication is for **Warehouse and Distribution** and **Office: Class B**.
- The outlook for **Land Development** is neutral to negative across almost all land classifications. The exceptions are **Land for Urban Redevelopment** and **Land with Residential Entitlements**, which respondents have indicated a neutral to positive outlook.
- Future occupancy rate expectations are mixed across available property types. The strongest indications of future rate decreases occur in **Free Standing Retail**.
- Rental rates are expected to decrease across the majority of available property types over the next quarter.
- Future absorption rates are expected to remain at current levels for **Single Family Development** and **Condominium Development**.
- Future price increases are expected to occur at a rate slower than inflation for both **Single Family** and **Condominium Development**.

Table 13a

Gainesville-Ocala	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Cap Rates										
Q3-09										
Q3-09 Value	9.4	17.3	9.8	10.5	9.8	10.2	10.0	10.0	10.9	10.2
Percent Expecting Rise	33%	100%	50%	67%	0%	40%	50%	0%	67%	100%
Percent Expecting Fall	33%	0%	25%	0%	50%	0%	50%	0%	33%	0%
Q2-09										
Q2-09 Value	8.5	9.4	9.0	9.5	8.9	9.1	8.9	8.8	9.2	8.4
Percent Expecting Rise	40%	100%	0%	50%	67%	40%	0%	0%	100%	100%
Percent Expecting Fall	20%	0%	0%	0%	33%	20%	100%	100%	0%	0%
Q1-09										
Q1-09 Value	7.3	8.9	7.9		7.7	8.2	8.1	8.0	8.4	
Percent Expecting Rise	40%	100%	33%		50%	50%	25%	75%	67%	
Percent Expecting Fall	0%	0%	33%		0%	0%	50%	0%	0%	
Yields										
Q3-09										
Q3-09 Value	11.0	17.9	11.0	12.0	12.3	12.3	12.6	11.6	13.4	10.5
Percent Expecting Rise	0%	0%	33%	33%	50%	25%	50%	0%	0%	0%
Percent Expecting Fall	67%	100%	0%	0%	50%	50%	50%	0%	0%	100%
Q2-09										
Q2-09 Value	11.8	20.2	12.2	12.8	12.0	11.2	11.7	11.3	11.1	10.0
Percent Expecting Rise	80%	0%	0%	50%	67%	40%	100%	0%	100%	0%
Percent Expecting Fall	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%
Q1-09										
Q1-09 Value	10.2	17.6	11.4		10.8	11.2	11.1	10.8	12.2	
Percent Expecting Rise	20%	0%	50%		0%	33%	50%	50%	0%	
Percent Expecting Fall	0%	50%	0%		0%	0%	25%	50%	67%	
Investment Outlook										
Q3-09										
Fair to Good			75%		50%	71%			50%	
Bad to Poor			0%		25%	14%			25%	
Q2-09										
Fair to Good	50%				75%	57%	50%	25%		
Bad to Poor	17%				25%	14%	50%	0%		
Q1-09										
Fair to Good	50%					40%	25%	0%	25%	
Bad to Poor	17%					20%	75%	100%	50%	

Table 13b

Outlook for Land Development

Gainesville-Ocala	Land without Entitlements	Land with Residential Entitlements	Land with Commercial Entitlements	Land with Hospitality Entitlements	Land with Industrial Entitlements	Land for Urban Redevelopment
Q3-09						
Fair to Good	31%	38%	38%	31%	31%	44%
Bad to Poor	56%	31%	44%	50%	63%	31%
Q2-09						
Fair to Good	32%	21%	21%	16%	21%	37%
Bad to Poor	42%	53%	37%	53%	37%	16%
Q1-09						
Fair to Good	6%	19%	13%	19%	6%	25%
Bad to Poor	63%	56%	50%	56%	50%	44%

Table 13c

Investors by Property Type

Gainesville-Ocala	Single Family Dev.	Condo	Dev.	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Q3-09													
Private Buyers	75%	67%		67%		100%	67%	75%	100%	50%			100%
R.E. Companies							33%			50%	100%		
REITs				33%									
Institutions	13%							25%					
Foreign Buyers	13%	33%											
Q2-09													
Private Buyers	100%	75%		67%		100%	100%	100%	86%	50%	50%	67%	100%
R.E. Companies										50%			
REITs				17%							50%		
Institutions				17%									33%
Foreign Buyers		25%			100%								
Q1-09													
Private Buyers	100%	67%		67%	100%	67%		100%	80%	50%	75%	75%	
R.E. Companies													
REITs				17%							25%		
Institutions				17%		33%		20%	25%	25%		25%	
Foreign Buyers		33%								25%			

Table 13d

Gainesville-Ocala	Apartments - Market	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Future Occupancy										
Q3-09										
Higher	50%	0%	50%	33%	0%	29%	0%	0%	50%	0%
Lower	25%	0%	25%	33%	50%	43%	50%	0%	0%	100%
Q2-09										
Higher	43%	0%	0%	0%	0%	17%	0%	0%	33%	0%
Lower	0%	0%	0%	0%	50%	17%	50%	25%	33%	0%
Q1-09										
Higher	0%	0%	0%		0%	0%	33%	0%	0%	
Lower	17%	50%	33%		50%	20%	33%	75%	50%	
Rental Rate Increases										
Q3-09										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	50%	100%	100%	100%	75%	100%	50%	100%	75%	100%
Q2-09										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	71%	0%	100%	100%	100%	67%	100%	100%	67%	100%
Q1-09										
Faster than Inflation	0%	0%	33%		0%	0%	0%	0%	25%	
Slower than Inflation	83%	100%	67%		100%	80%	100%	100%	75%	

Table 13e

Gainesville-Ocala	Single Family Development	Condominium Development
Future Absorption Rates		
Q3-09		
Higher	38%	33%
Lower	0%	17%
Q2-09		
Higher	20%	0%
Lower	20%	25%
Q1-09		
Higher	29%	0%
Lower	14%	67%
Future Price Increases		
Q3-09		
Faster than Inflation	0%	0%
Slower than Inflation	88%	83%
Q2-09		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%

Pensacola-Tallahassee

- Cap rates for available property types in Pensacola-Tallahassee are, on average, slightly higher (0.02 percentage points) than that of the state, and range from 8.2% (**Apartments**) to 16.1% (**Condo Conversion**).
- Cap rates have been mixed over the past quarter. The largest cap rate movements occurred in **Free Standing Retail** (+0.58% change) and **Strip Centers** (+0.43% change).
- Cap rates are expected to either remain at current levels or increase across available property types. The strongest indications of expected rate increases occur in **Office: Class B** and **Strip Centers**.
- Required yields for Pensacola-Tallahassee are, on average, lower than that of the state, 9.8% compared to 12.75% statewide.
- Required yields are highest for **Condo Conversion** at 15.3% and lowest for **Free Standing Retail** at 7.9%.
- Required yields have decreased considerably for all property types over the past quarter. The largest shifts occurred in **Flex Space** (-4.49% change) and **Apartments** (-4.45% change).
- For available property types, the investment outlook is mixed. The most neutral to negative outlook occurs for **Office: Class B**, while the most positive outlook occurs for **Apartments**.
- The outlook for **Land Development** is neutral to negative across the majority of land classifications. It appears that the most negative outlooks occur for **Land with Hospitality Entitlements** and **Land with Industrial Entitlements**.
- Future occupancy rate expectations are mixed across property types. The strongest indication of an expected decrease in occupancy rates over the next quarter occurs in **Retail-Large**.
- For the majority of available property types, rental rates are expected to increase at a rate slower than inflation.
- Future absorption rates are mixed for both **Single Family** and **Condominium Development**.
- Future price increases are expected to occur at a rate slower than inflation for both **Single Family** and **Condominium Development**.

Table 14a

Pensacola to Tallahassee	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Cap Rates										
Q3-09										
Q3-09 Value	8.2	16.1	8.6	9.3	8.6	9.0	8.7	8.8	9.7	9.0
Percent Expecting Rise	25%	50%	25%	25%	40%	83%	33%	0%	83%	50%
Percent Expecting Fall	0%	0%	25%	25%	0%	17%	0%	0%	0%	0%
Q2-09										
Q2-09 Value	8.5		9.0	9.5	8.9	9.1	8.9	8.8	9.2	8.4
Percent Expecting Rise	25%		50%	50%	67%	25%	50%	25%	25%	50%
Percent Expecting Fall	25%		0%	0%	0%	0%	0%	0%	0%	0%
Q1-09										
Q1-09 Value	7.7		8.2	8.7	8.0	8.5	8.4	8.3	8.8	8.3
Percent Expecting Rise	20%		0%	50%	50%	50%	50%	25%	60%	0%
Percent Expecting Fall	0%		0%	50%	50%	0%	0%	0%	0%	0%
Yields										
Q3-09										
Q3-09 Value	8.4	15.3	8.4	9.4	9.7	9.6	9.9	9.0	10.7	7.9
Percent Expecting Rise	0%	0%	25%	50%	0%	75%	33%	50%	50%	25%
Percent Expecting Fall	25%	100%	0%	0%	20%	25%	0%	0%	0%	0%
Q2-09										
Q2-09 Value	12.9			13.9	13.1	12.3		12.4	12.2	11.0
Percent Expecting Rise	50%			0%	0%	0%		33%	33%	0%
Percent Expecting Fall	0%			0%	50%	0%		33%	0%	0%
Q1-09										
Q1-09 Value	8.8		10.0	10.6	9.4	9.8	9.7	9.4	10.8	10.0
Percent Expecting Rise	0%		0%	50%	0%	29%	100%	0%	50%	0%
Percent Expecting Fall	0%		0%	0%	0%	14%	0%	0%	25%	0%
Investment Outlook										
Q3-09										
Fair to Good	75%			0%	0%	0%			0%	0%
Bad to Poor	25%			50%	40%	83%			67%	25%
Q2-09										
Fair to Good				50%		50%		75%	20%	
Bad to Poor				25%		30%		25%	40%	
Q1-09										
Fair to Good	67%					20%		25%	20%	50%
Bad to Poor	0%					20%		0%	40%	0%

Table 14b

Outlook for Land Development

Pensacola to Tallahassee	Land without Entitlements	Land with Residential Entitlements	Land with Commercial Entitlements	Land with Hospitality Entitlements	Land with Industrial Entitlements	Land for Urban Redevelopment
Q3-09						
Fair to Good	27%	32%	5%	5%	9%	18%
Bad to Poor	59%	55%	59%	73%	73%	55%
Q2-09						
Fair to Good	19%	24%	19%	19%	19%	19%
Bad to Poor	67%	52%	62%	57%	57%	48%
Q1-09						
Fair to Good	13%	17%	4%	4%	9%	13%
Bad to Poor	70%	48%	65%	65%	61%	43%

Table 14c

Investors by Property Type

Pensacola to Tallahassee	Single Family Dev.	Condo Dev.	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Q3-09												
Private Buyers	78%	60%	75%		75%	100%	20%	67%	33%		100%	100%
R.E. Companies							20%	17%				
REITs			25%				40%	17%	67%	100%		
Institutions	11%											
Foreign Buyers	11%	40%		50%			20%					
Q2-09												
Private Buyers	100%	83%	60%		67%	40%	33%	90%	50%	75%	100%	33%
R.E. Companies				100%			33%	10%		25%		33%
REITs						40%	33%		50%			33%
Institutions					33%							
Foreign Buyers		17%										
Q1-09												
Private Buyers	82%	89%	50%	100%	100%	50%	50%	50%	50%	67%		75%
R.E. Companies			17%							17%		
REITs			17%			50%	13%	50%	50%			25%
Institutions			17%									50%
Foreign Buyers	9%											50%

Table 14d

Pensacola to Tallahassee	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Future Occupancy										
Q3-09										
Higher	50%	0%	0%	0%	20%	17%	0%	50%	0%	25%
Lower	25%	50%	50%	50%	40%	17%	67%	50%	50%	50%
Q2-09										
Higher	0%		0%	0%	0%	11%	0%	33%	0%	0%
Lower	20%		33%	25%	33%	33%	0%	67%	25%	0%
Q1-09										
Higher	17%		50%	0%	0%	0%	0%	25%	20%	0%
Lower	17%		0%	0%	0%	38%	100%	50%	80%	75%
Rental Rate Increases										
Q3-09										
Faster than Inflation	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	75%	100%	75%	75%	0%	83%	100%	100%	83%	50%
Q2-09										
Faster than Inflation	0%		0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	100%		100%	75%	0%	88%	50%	75%	100%	67%
Q1-09										
Faster than Inflation	17%		50%	0%	0%	0%	0%	0%	20%	0%
Slower than Inflation	67%		50%	100%	0%	88%	50%	75%	80%	75%

Table 14e

Pensacola to Tallahassee	Single Family Development	Condominium Development
Future Absorption Rates		
Q3-09		
Higher	56%	40%
Lower	11%	40%
Q2-09		
Higher	22%	50%
Lower	11%	33%
Q1-09		
Higher	30%	25%
Lower	40%	25%
Future Price Increases		
Q3-09		
Faster than Inflation	0%	0%
Slower than Inflation	56%	80%
Q2-09		
Faster than Inflation	0%	0%
Slower than Inflation	100%	83%
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	90%	88%