

Survey of Emerging Market Conditions

Quarter 1 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

Commercial real estate continues to feel the pressure of frozen capital markets and the economic recession. Our respondents report a declining trend over most property types and measures. However, positive responses to several questions lead us to believe that there is light at the end of the tunnel. Most telling is the respondents' perception of their own business outlook, which has been in freefall since the start of the survey thirteen quarters ago. In the first quarter, they reported an improved outlook for their business. While one increase certainly doesn't constitute a trend it gives an indication that our respondents believe that we may be at the bottom. Reinforcing that position is the outlook for capital availability, which reached its highest level since the survey commenced. Clearly, our respondents believe that government programs will provide at least some relief for the capital markets and they also indicate that private equity, which has been on the sidelines, is starting to enter the market. These are encouraging signs that the worst may be over, however, challenges remain and the road to recovery will be long. At least now we can see some light.

Highlights

- The general investment outlook for Florida real estate, though still mixed, continued its downward trend.
- Expectations for single family residential absorption increased dramatically while downward pressure on prices continues.
- The outlook for single family development remains mixed but positive, while the outlook for condo development remains mixed but neutral.
- The investment outlook for market rate apartments stabilized and remains near survey highs.
- The outlook for all rental rates was for sub-inflation rate growth or decline.
- The outlook for occupancy is for declines in all property types except market rent apartments, with the outlook mixed from last quarter.
- Cap rates continued to increase in this quarter. The outlook is for cap rates to continue to increase.

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 thirteenth fielding. The total number of participants, at 335, 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 continued a slight decline over recent quarters.

Single Family & Condominium Development

Surprisingly, the outlook for single family absorption increased to its highest level since the inception of the survey. It appears that a combination of very low prices and interest rates have

had a positive effect on absorption. Prices are expected to continue to decline and could have a positive effect on absorptions in future quarters. The investment outlook for single family development remains slightly positive and stable.

Apartments

Expectations for apartment occupancy continued its downward trend from last quarter while the expectation for rental rate growth leveled off. The expectation for apartment investment remained unchanged from the previous quarter and is positive. Cap rates, an indication of long term value, continue to inch upward.

Industrial

The outlook for industrial occupancy remained somewhat weak. While the outlook for occupancy in warehouse and distribution improved somewhat, the outlook for flex space, R & D continued to dropped slightly. The outlook for investment in industrial remained slightly positive and improved from the previous quarter. In addition, cap rates for industrial properties continued to creep upward, suggesting increased investor uncertainty.

Office

The outlook for office occupancy leveled off from the previous quarter, but continues to indicate decreasing occupancy in the future as the economy continues to grapple with job losses. The outlook for office rental rates continues to show widespread expectations of decline as owners try to fill newly vacated space. In contrast, however, the outlook for office investment improved dramatically in this quarter to its third highest level since the inception of the survey. Cap rates continue to creep upward and the expectation is that trend will continue.

Retail

The outlook for retail occupancy continues to be dim. Expectations improved in this quarter but still show widespread belief that occupancy will continue to decline as retailers continue to be hit hard by the recession. Not surprisingly, the outlook for rental rate growth is similar as more retailers close their doors or ask for rent concessions. As with other types of properties, cap rates showed an upward trend, suggesting increased risk.

Land Investment

The outlook for investment in land continues to decline over all types. 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.

Capital Availability

This is one of the surprises of this quarter as the outlook for capital availability jumped to its highest level in three years. Our respondents believe that efforts by the government to inject capital into the system will work, at least to some extent and that private capital either has or will start to enter the market to help financial institutions remove bad assets from their balance sheets.

Own Business Outlook

As mentioned earlier, this is the biggest news of this quarter's survey. After 3 years of steady and sometimes scary declines, our respondents have shown an improved outlook for their own

businesses. This indicates that we may be at or near a bottom in this cycle. This outlook combined with the improved outlook in capital availability suggests that the respondents believe the additional capital will allow more deals to get done and therefore improve profitability.

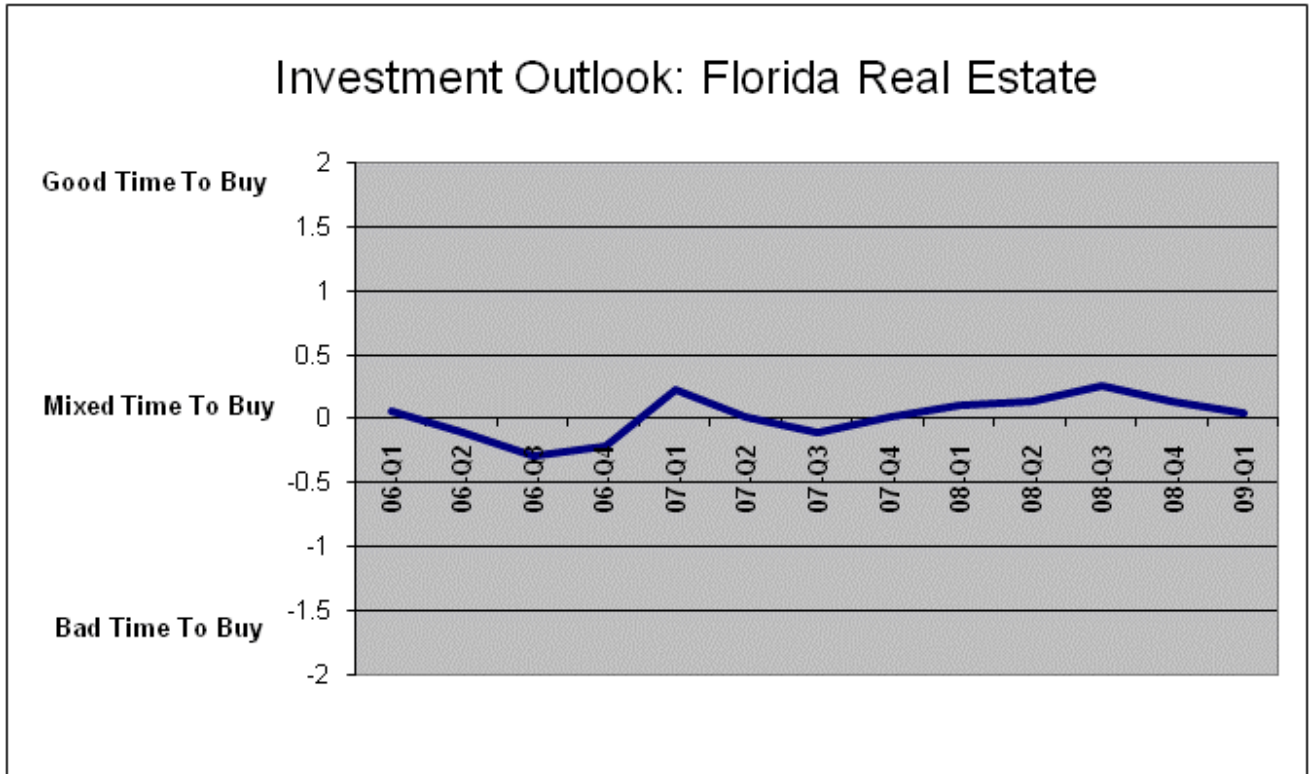
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Section 1: Investment Outlook

For the second quarter in a row, the outlook for investment in Florida real estate has declined. The recession and capital markets continue to hamper any recovery in the real estate market and therefore our respondents believe it is a mixed time to invest.

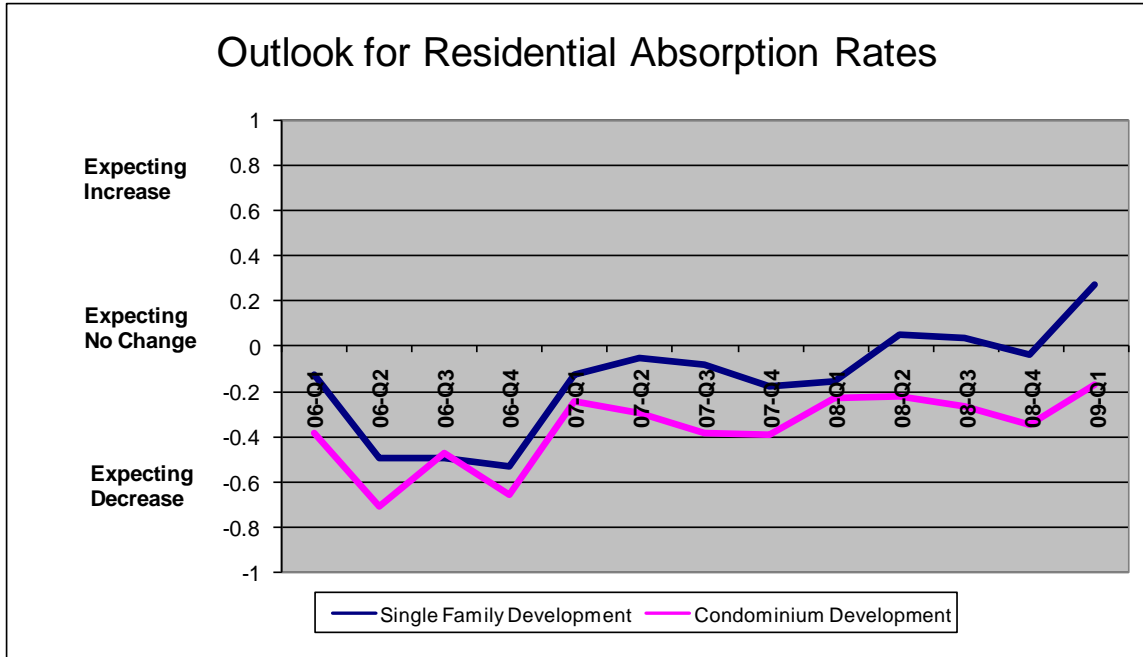


This investment index is weighted 40 percent on single family and residential condominium development, 40 percent on rental property of all types, and 20 percent on undeveloped land. Thus, it is at least fifty percent driven by the residential development outlook.

Section 2: Residential Development

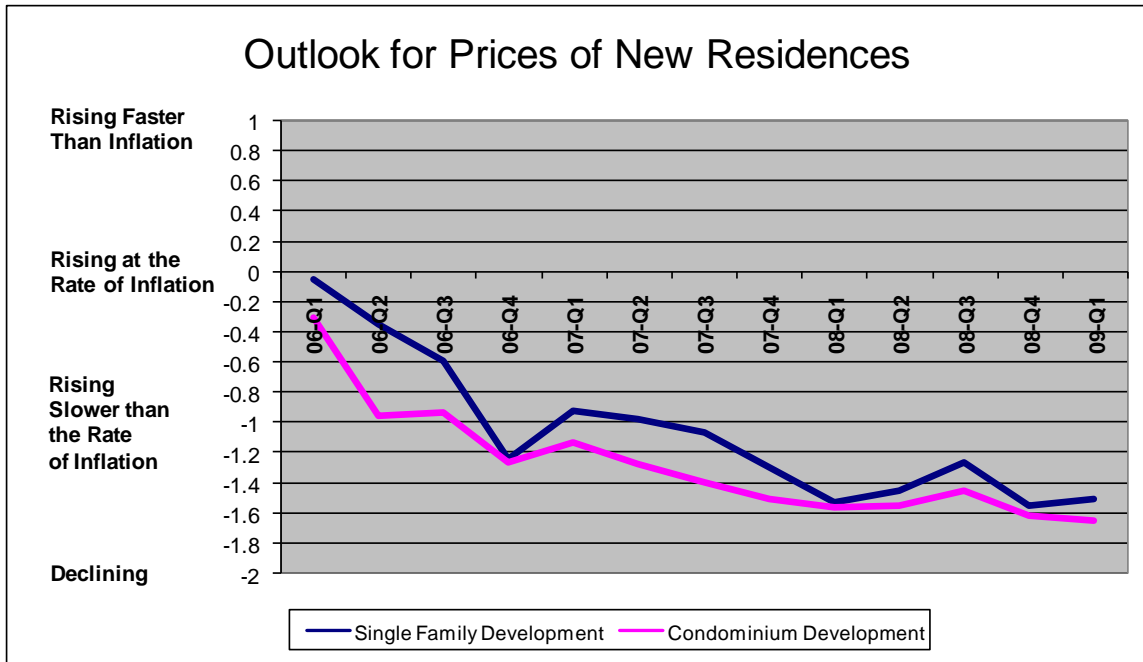
Expected Absorption Rates

In the last quarter, the outlook for absorption rates in single family development has taken an unexpected positive turn as respondents now expect a moderate increase in these rates. This is due to the low prices and interest rates in the market. Additionally, downward pressure on construction costs and builder incentives will continue to keep prices low which should drive future absorption rates higher. Expectations for absorption rates associated with condominium development, on the other hand, continue to be somewhat more pessimistic.



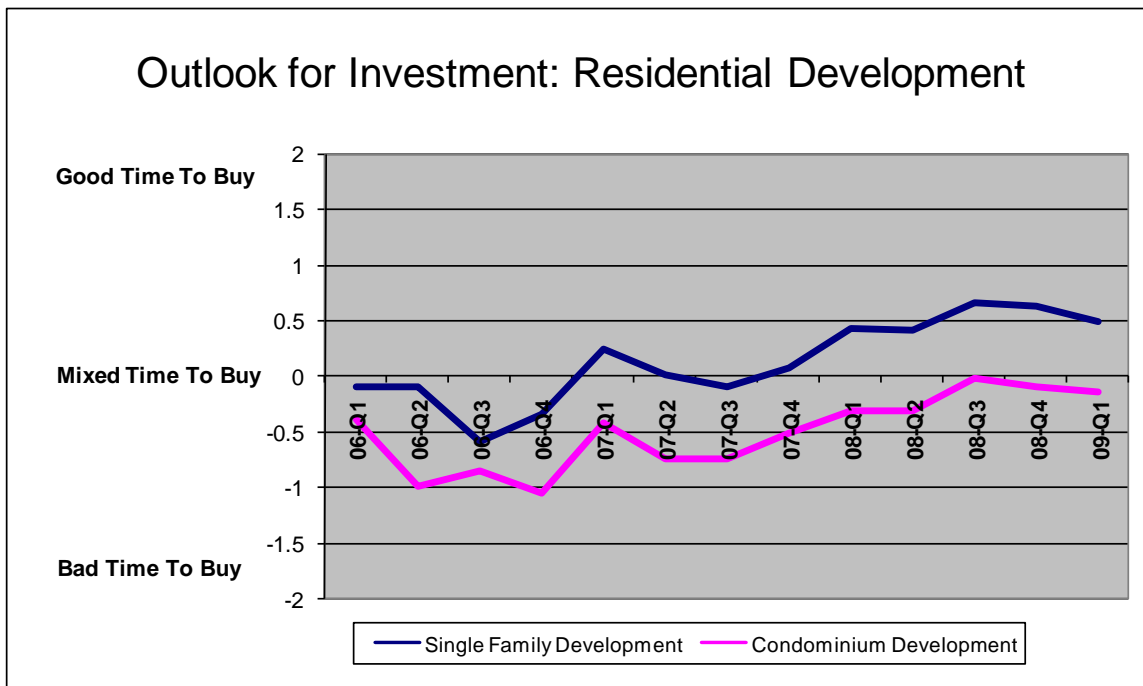
Expected Price Changes

Expectations of price movements for new residences continue to be pessimistic. Currently, respondents expect single family and condominium prices to either rise at a rate slower than inflation or possibly decline.



Investment Outlook

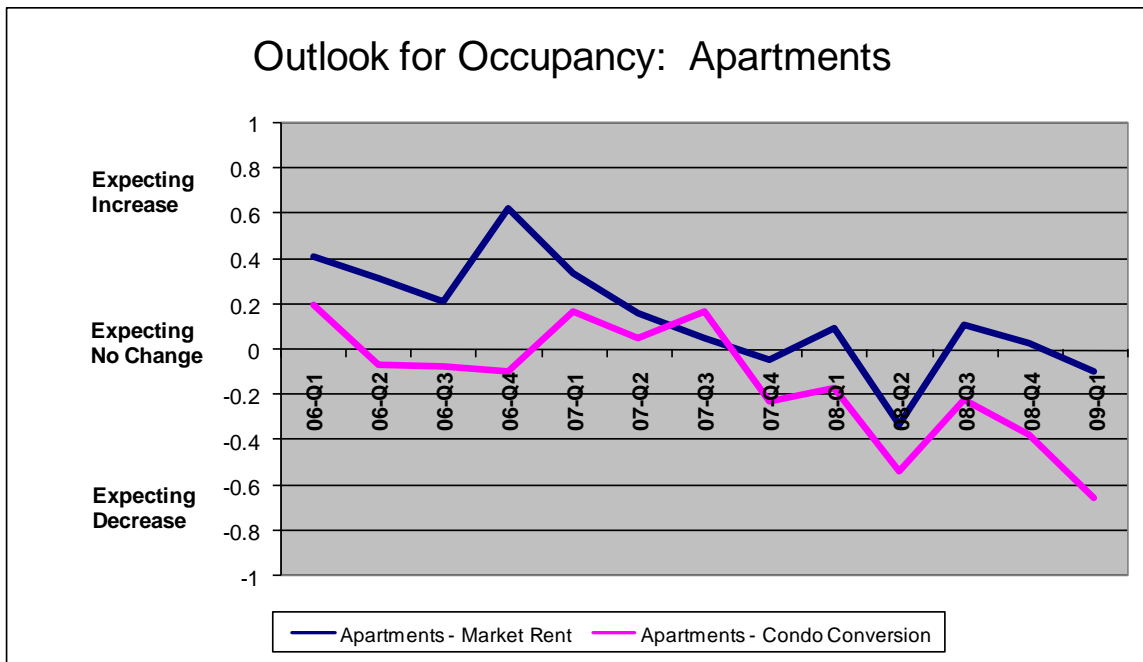
The outlook for residential investment has remained stable over the last quarter as respondents continue to indicate that it is a mixed time to buy in both single family and condominium development. As has been the trend over the last three years, the outlook for condominium development continues to be less optimistic than that for single family.



Section 3: Apartments

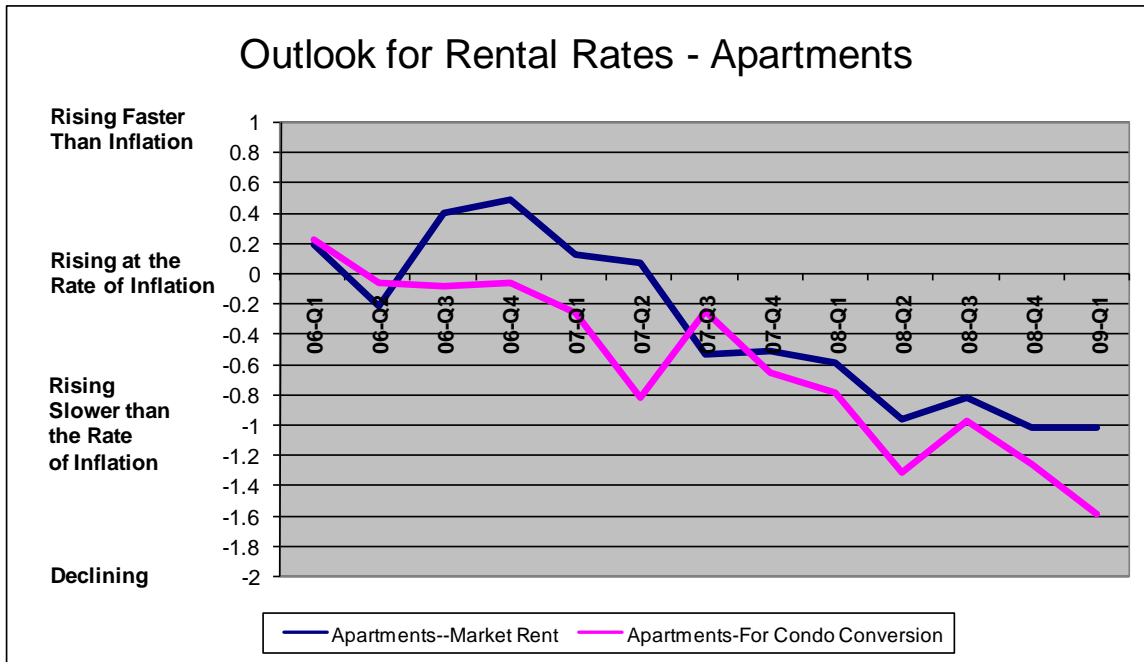
Expected Occupancy

While the outlook for future occupancy had been quite volatile over the previous four quarters, expectations have become more pessimistic in the most recent period. In particular, the outlook for condo conversion has experienced a sharp downturn in the last quarter as most respondents now expect occupancy rates to decrease.



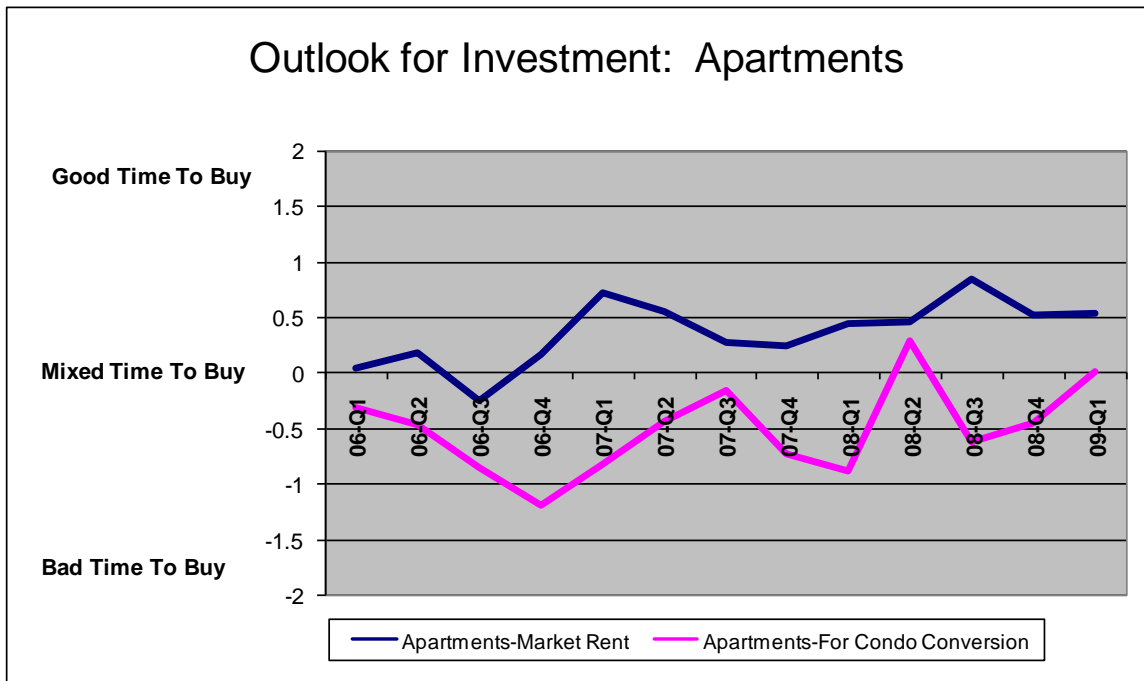
Expected Rental Rates

The outlook for rental rates of market rent apartments has remained unchanged over the last quarter as respondents still expect rates to increase slower than inflation. The outlook for rental rates of condo conversions represents a sharp contrast to that of their residential counterpart, as respondents expect rental rates to decline in the immediate future.



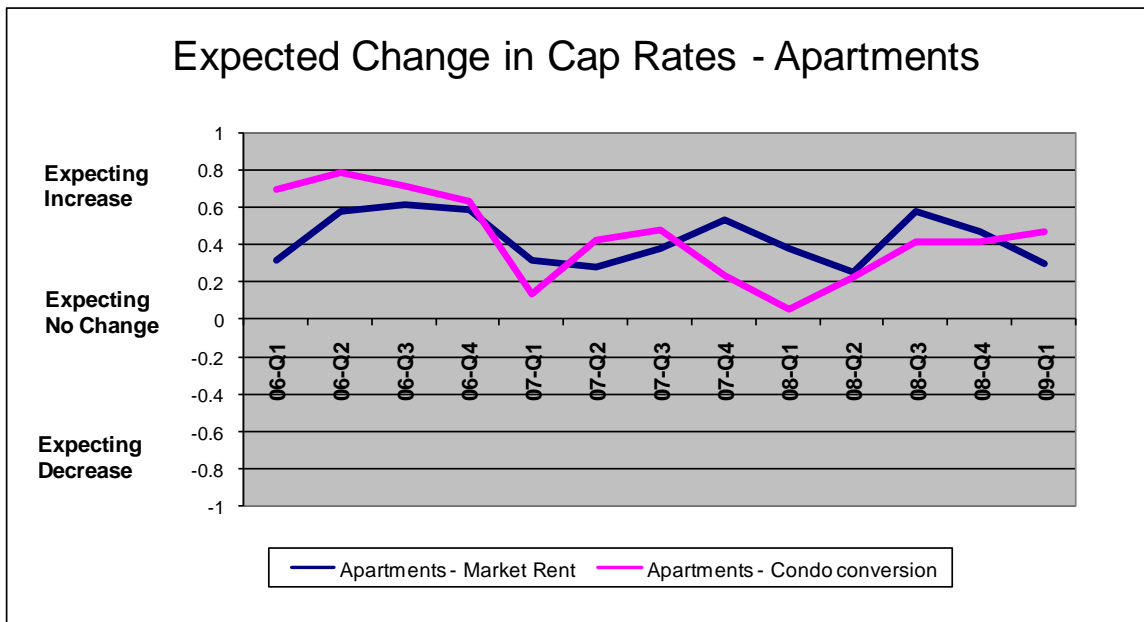
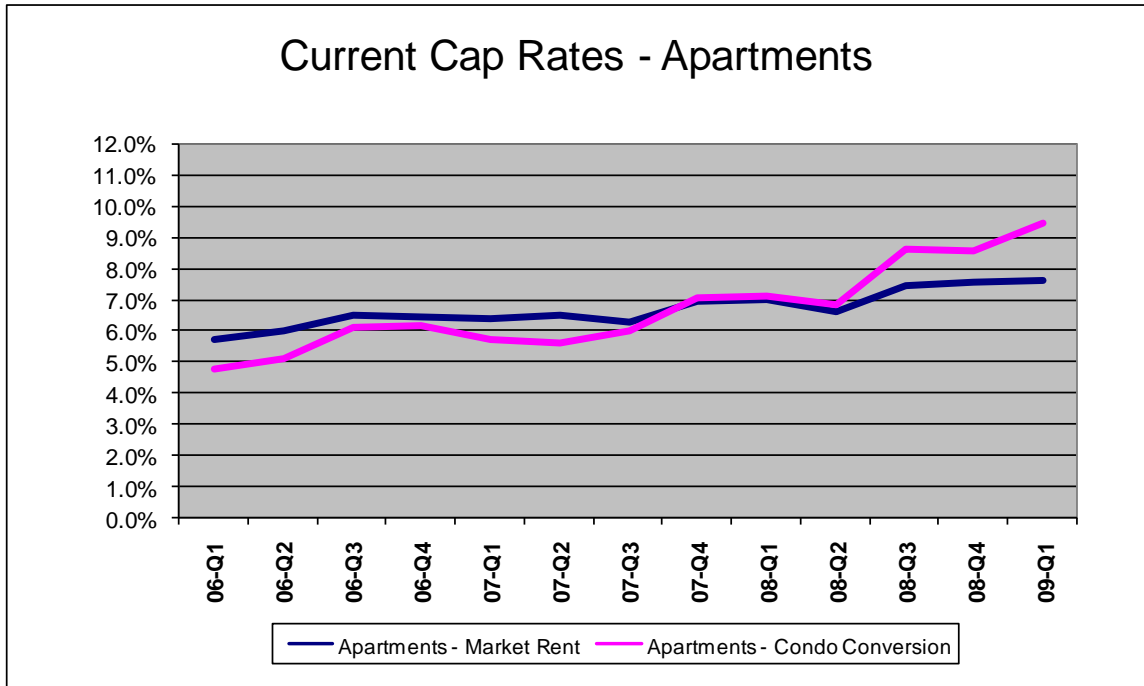
Investment Outlook

The outlook for investment in market rent apartments remained unchanged this quarter. However, we have seen an improvement in the investment outlook for condo conversion. It remains a mixed time to buy for both property types.



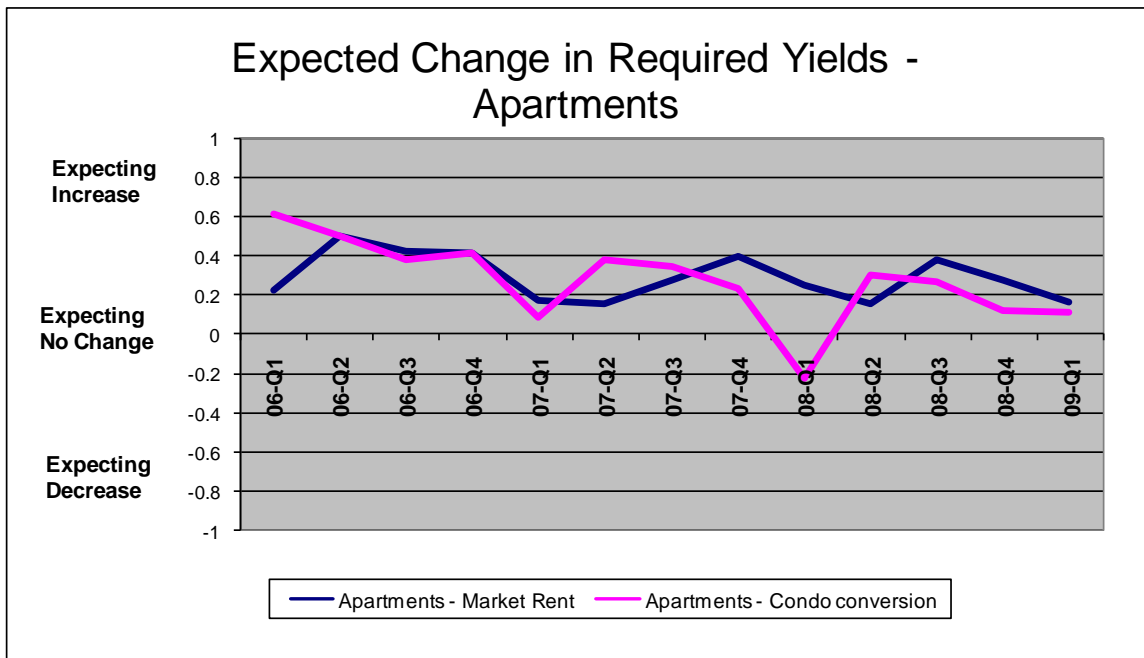
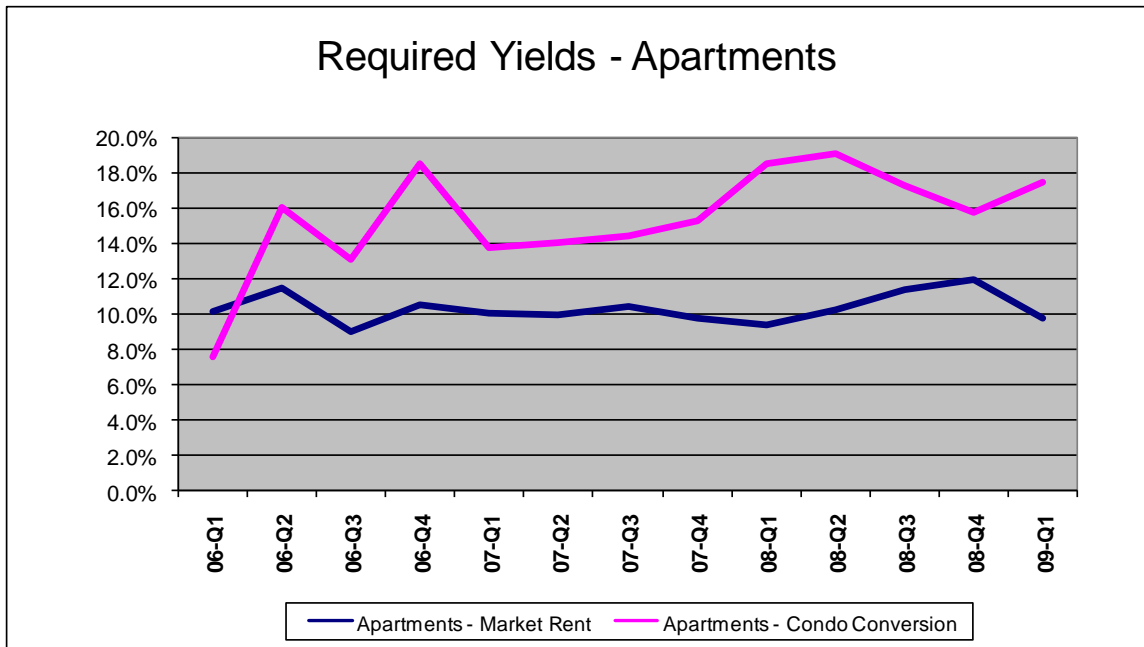
Cap Rates

Cap rates for market rent apartments have remained relatively unchanged over the past three quarters, indicating that investors are becoming confident in their assessment of this particular property type. However, cap rates for condo conversion continue to increase and are now approaching 9.5%. Respondents further indicate that cap rates are expected to continue to increase for this property type.



Required Yields

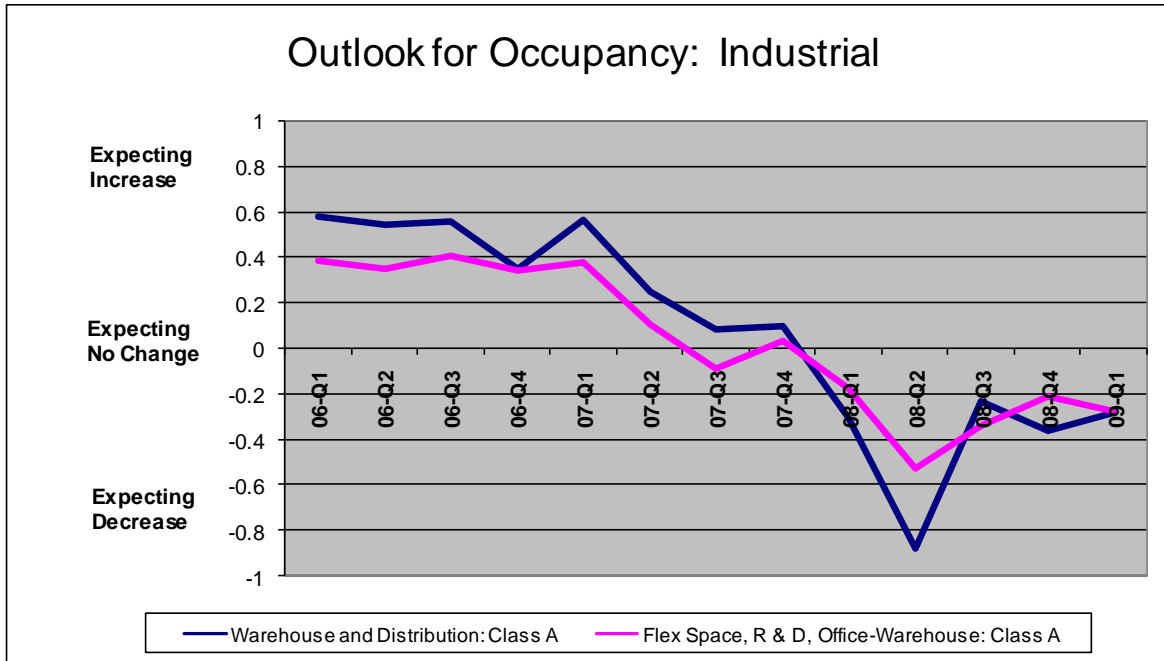
Required yields for market rent apartments decreased this quarter and have returned to about 10%. Despite the recent change, respondents continue to expect little movement in the yield over the next quarter. Following two periods of decline, required yields for condo conversion, on the other hand, have risen in the latest quarter. Yields are currently approaching 18%, a level that hasn't been seen since early 2008. Despite this increase, respondents expect yields to remain at current levels for the immediate future.



Section 4: Industrial

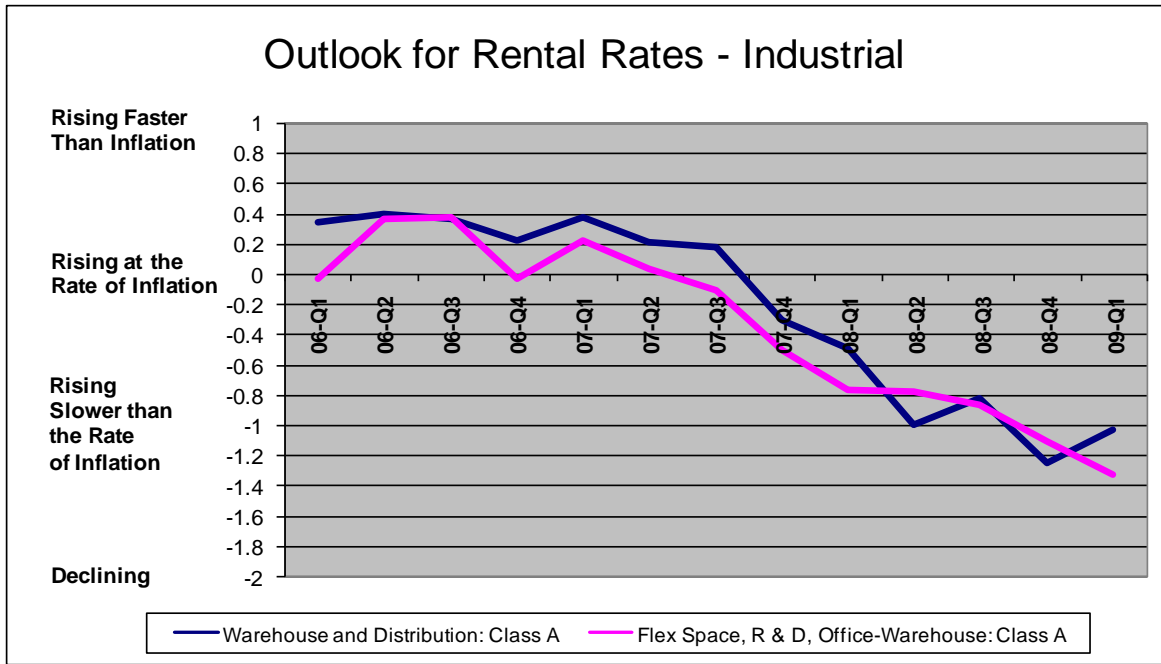
Expected Occupancy

The outlook for occupancy in warehouse and distribution remained relatively stable this month, in contrast to the volatility experienced in early 2008. Respondents expect there to be no change in occupancy rates within the near future. The outlook for occupancy in flex space has also remained relatively stable with respondents expecting future rates to remain at current levels as well.



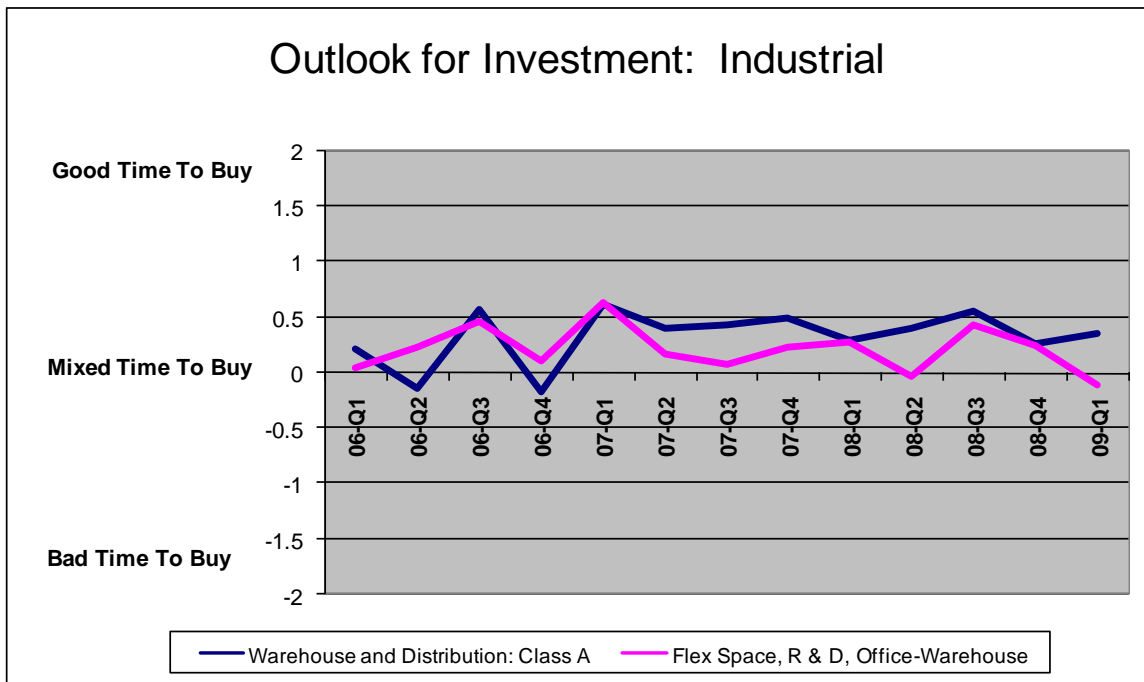
Expected Rental Rates

While respondents indicate that rental rates for warehouse and distribution are expected to continue to lag inflation, expectations have slightly improved from the previous quarter. The rental rate outlook for flex space, on the other hand, continues to worsen as most respondents are expecting rates to either increase slower than inflation or potentially decline.



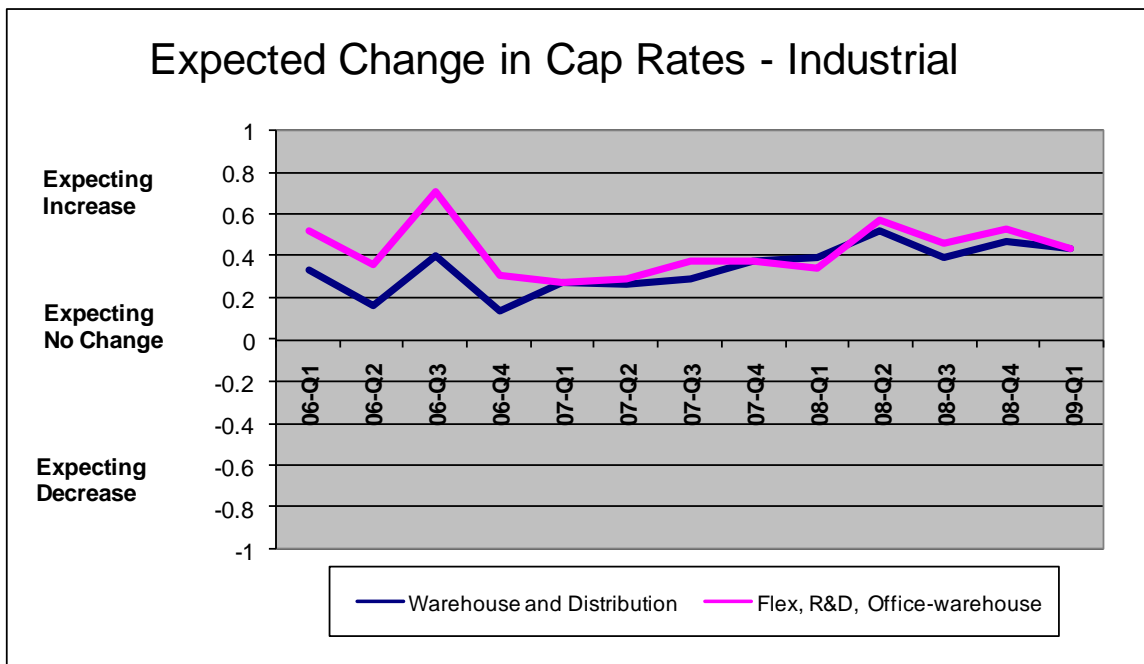
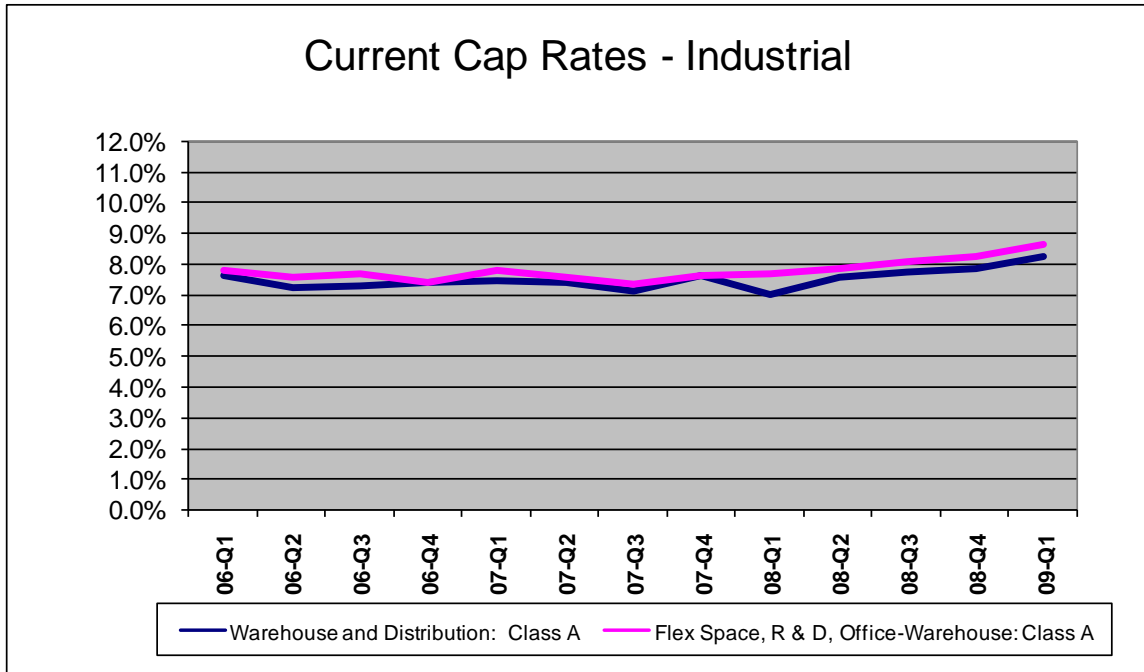
Investment Outlook

The investment outlook for warehouse and distribution has remained relatively stable over the last quarter as respondents continue to indicate that it is a mixed time to buy. The outlook for flex space investment is slightly more pessimistic, though respondents still believe it is a mixed time to buy in this market as well.



Cap Rates

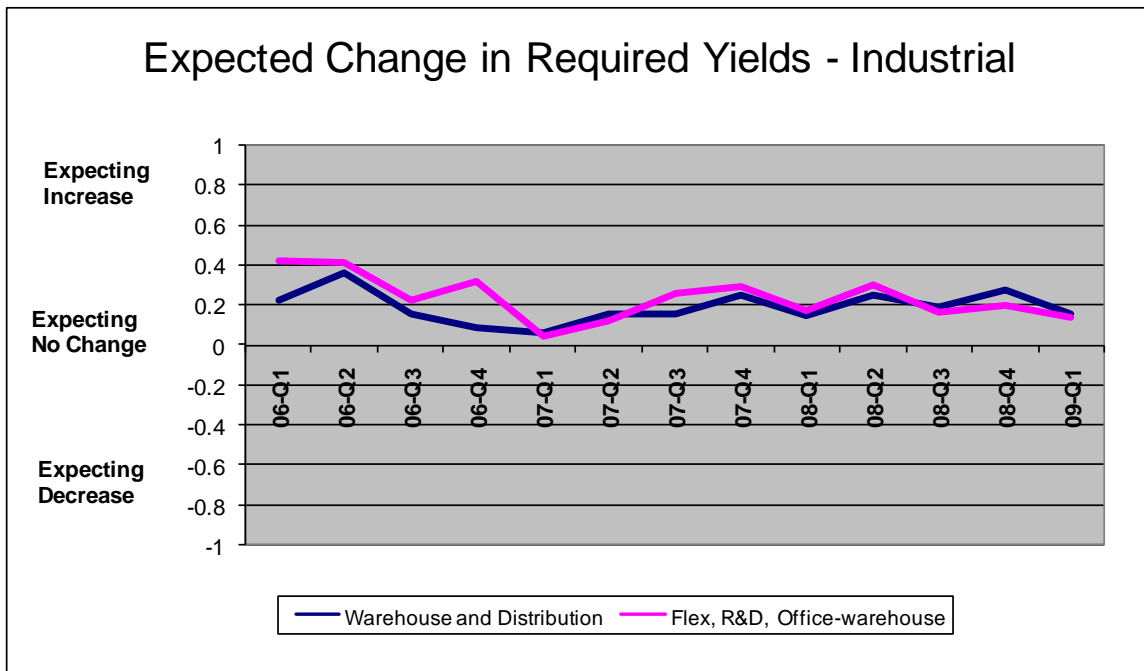
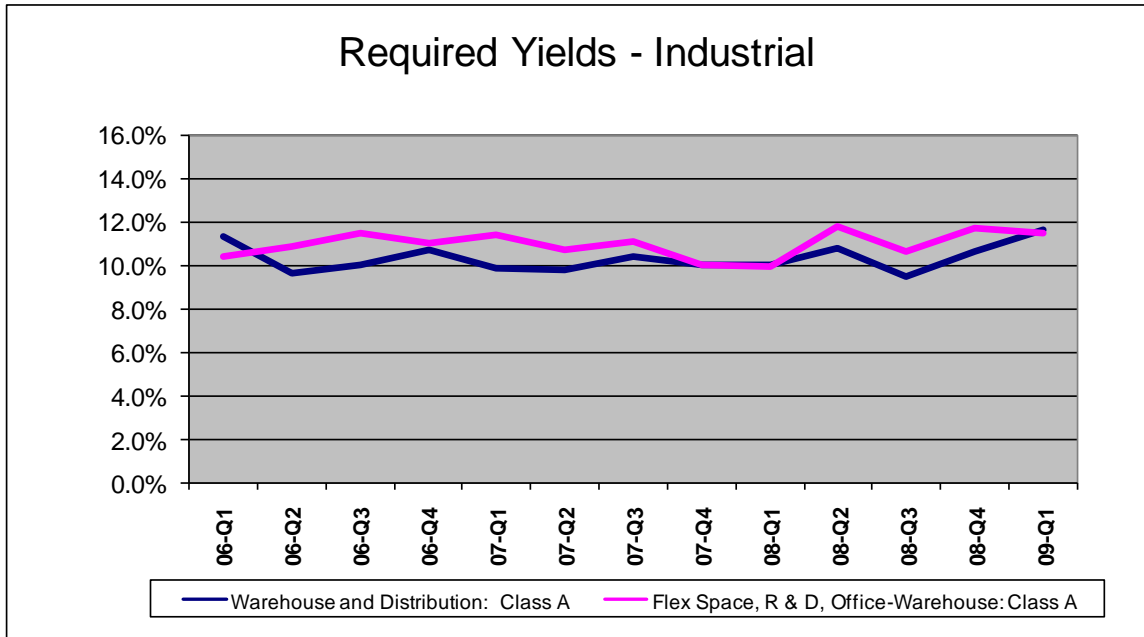
Over the past year, cap rates for industrial properties have exhibited a slow upward trend. Respondents indicate that cap rates for both property types will continue to increase in the future.



Yields

While required yields for industrial properties have shown some volatility over the past year, the level of rates for the two property subtypes has converged at 12%. Yields for flex space remained

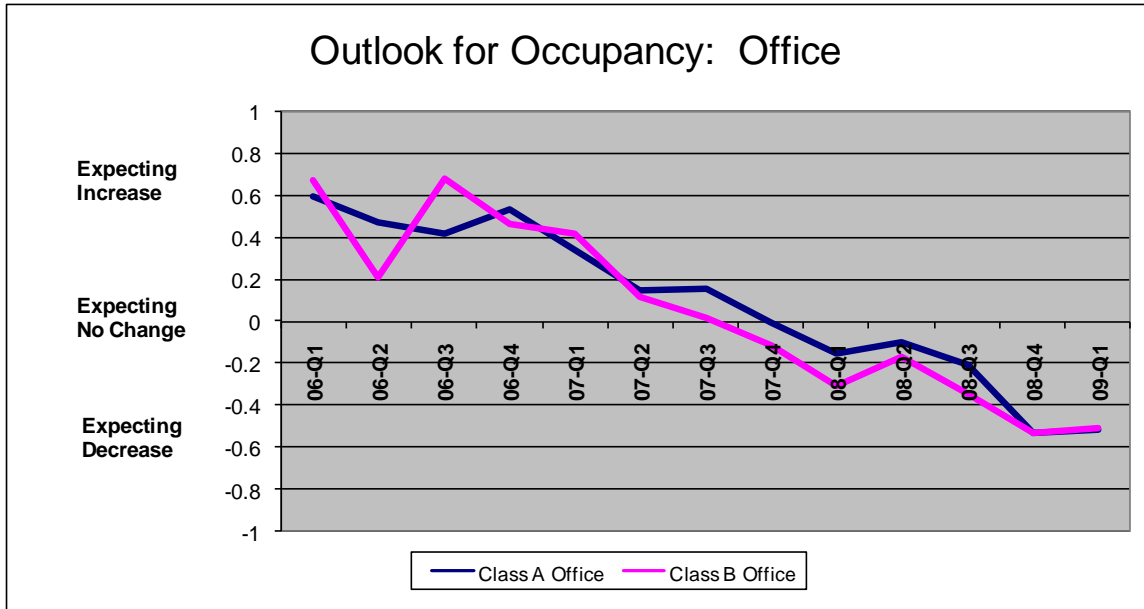
relatively unchanged, while yields for warehouse and distribution increased over the last quarter. Respondents expect yields to remain at current levels for the near future in both property types.



Section 5: Office

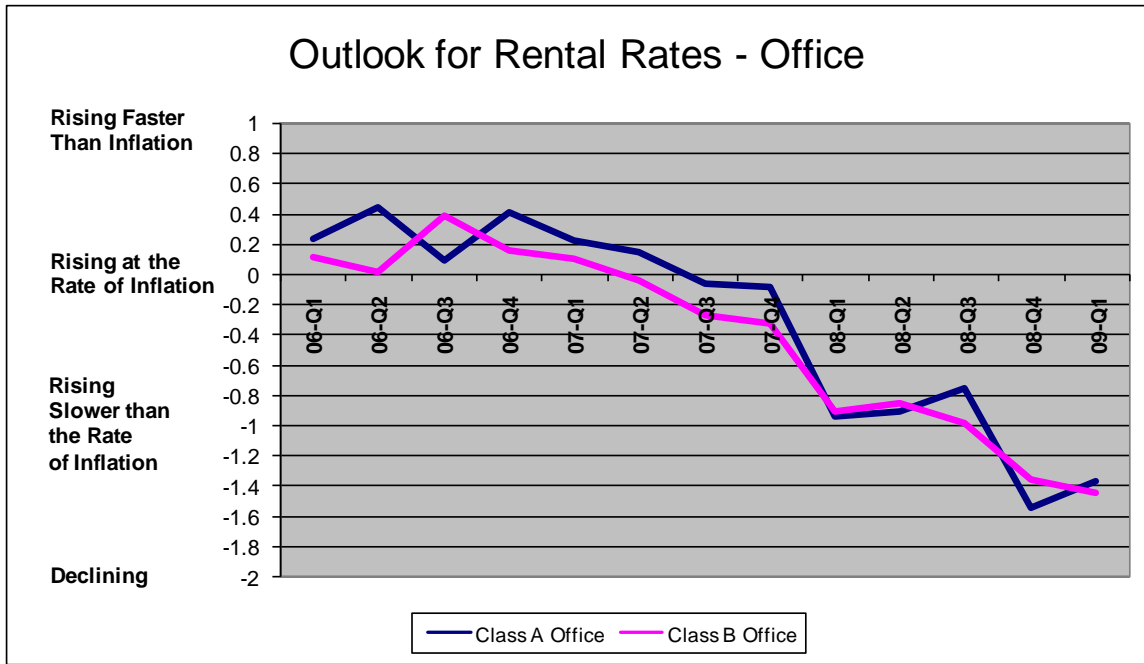
Expected Occupancy

The occupancy outlook for both Class A and Class B office space has remained pessimistic over the last quarter as respondents continue to indicate occupancy rate decreases in the immediate future.



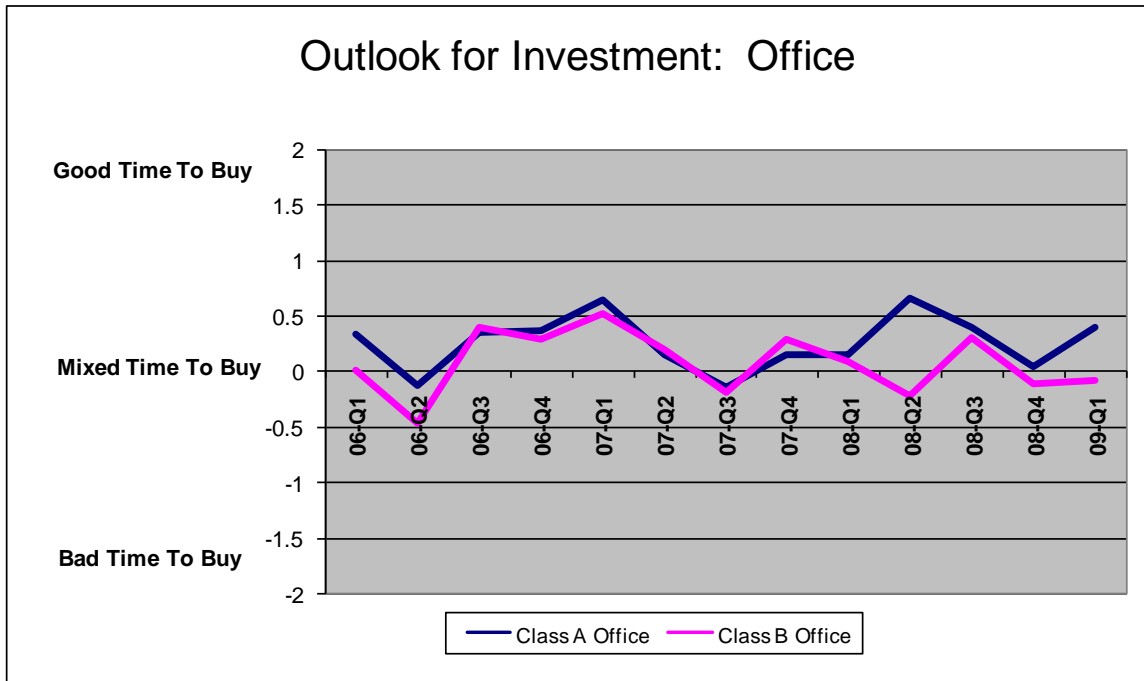
Expected Rental Rates

Continuing the previous quarter’s pessimistic signal, respondents indicate that rental rate increases for Class A and Class B properties will again lag inflation. Expectations for Class A office have been scaled back from previous indications that rate decreases may be on the horizon. On the other hand, expectations for Class B office space have become more pessimistic as respondents appear to be mindful of a potential rate decrease in the near future.



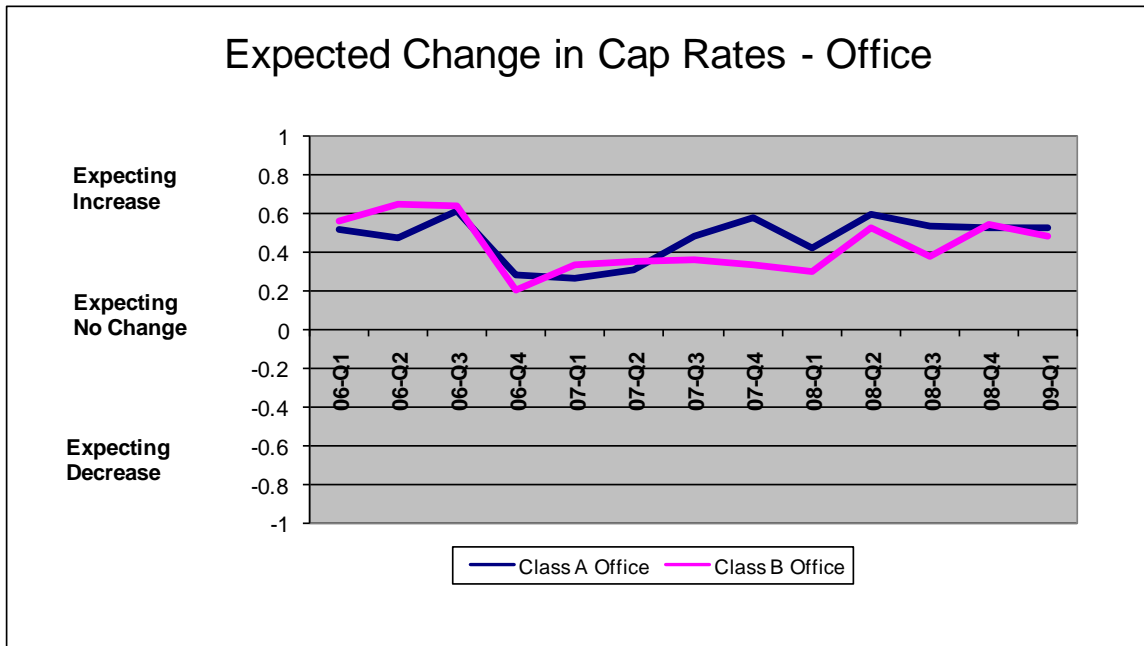
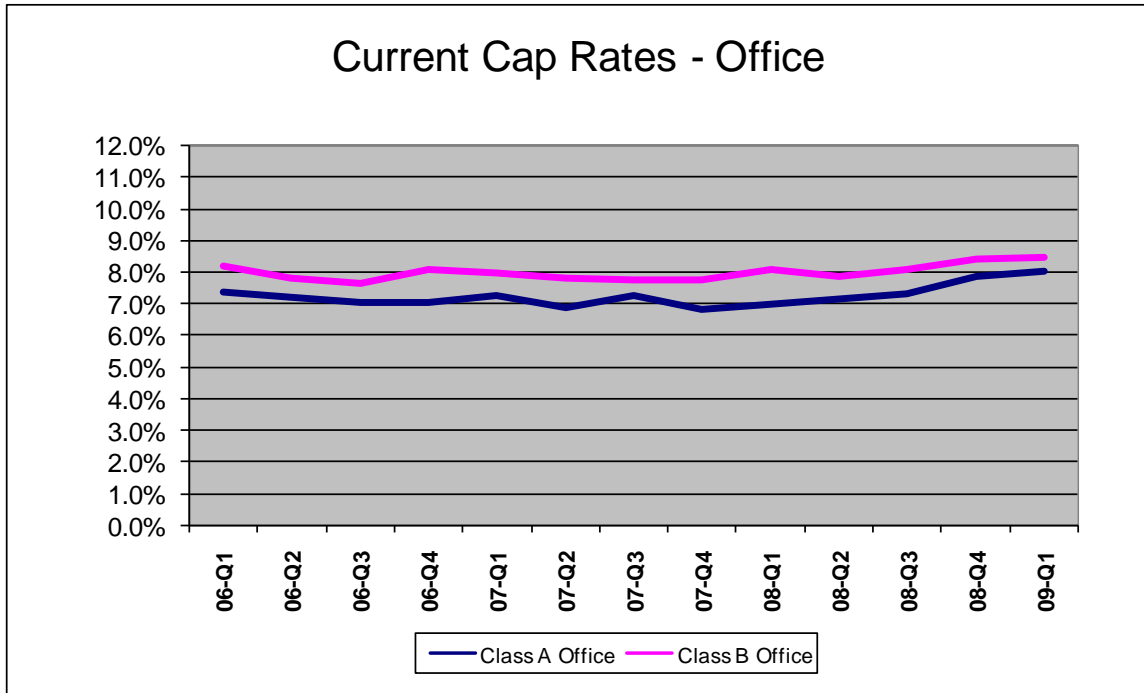
Investment Outlook

The investment outlook for Class A office space improved this quarter as respondents appear to be moving away from neutral expectations. The outlook for Class B office space has remained stable over the past quarter as respondents continue to believe that it is currently a mixed time to buy.



Cap Rates

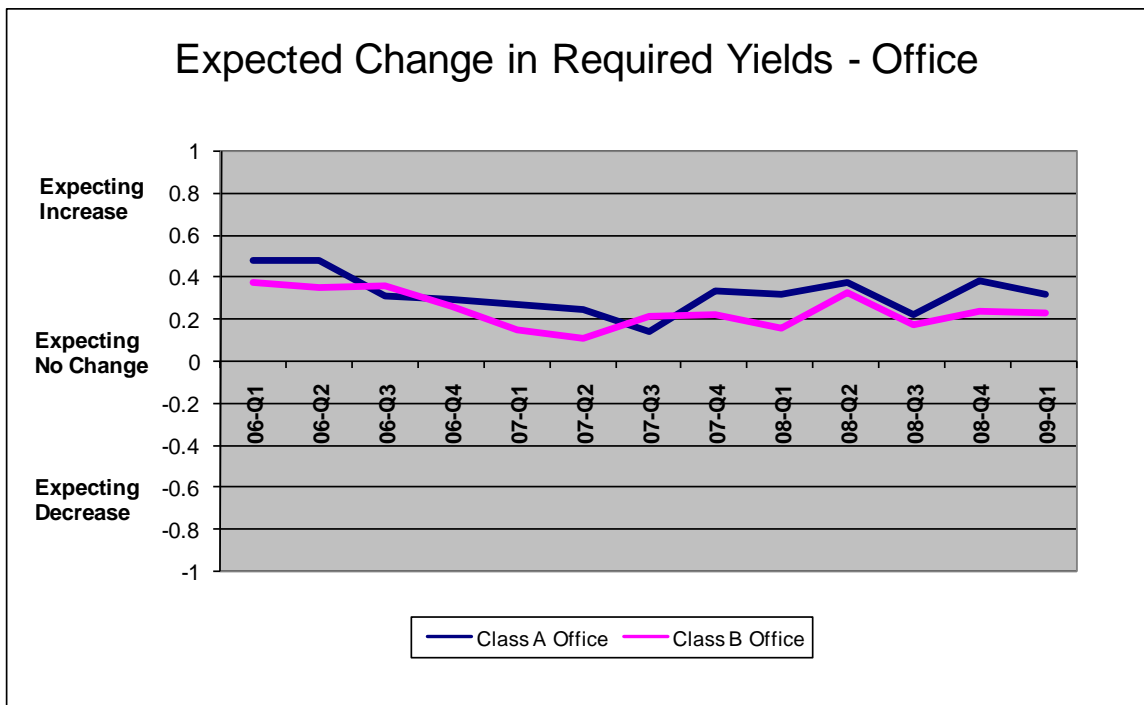
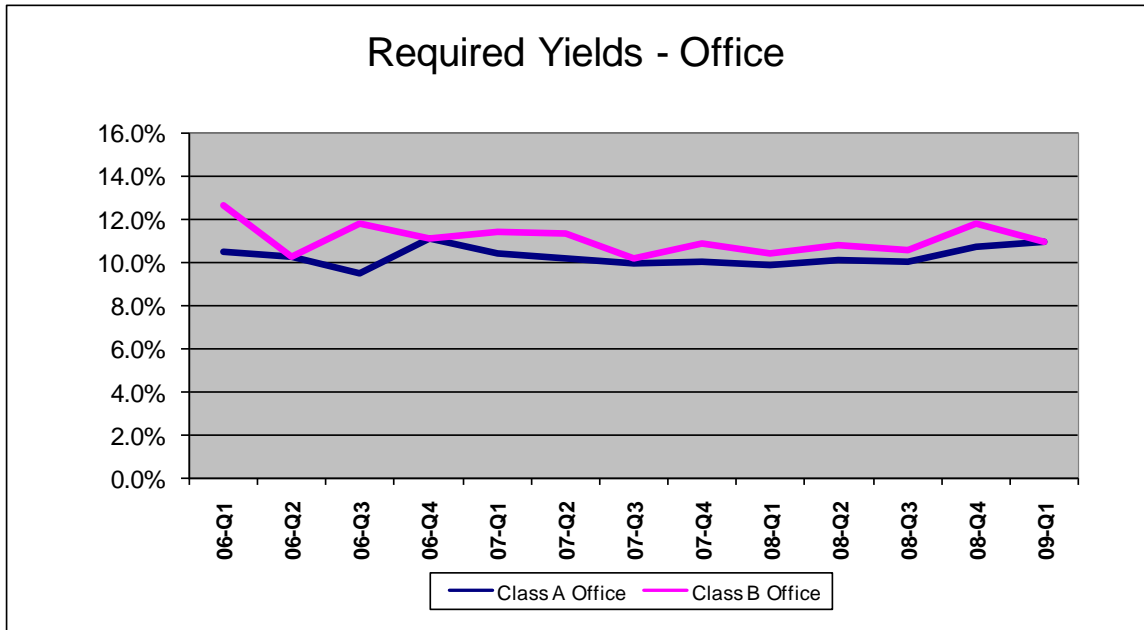
Cap rates for both Class A and Class B office space have increased slightly over the last quarter. Respondents continue to expect an increase in cap rates for both property types in the near future.



Yields

Required yields for both Class A and Class B properties have converged at approximately 11%. Respondents have scaled back previous beliefs that yields may increase for Class A properties

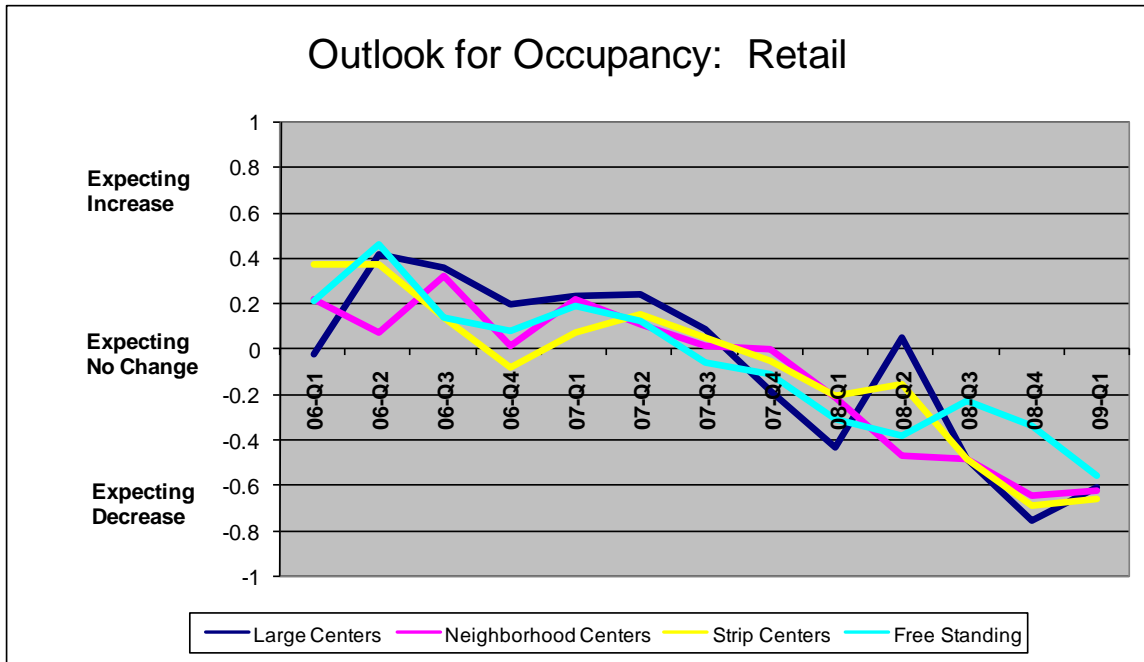
and appear to expect yields to remain unchanged. Similarly, expectations are for yields to remain at current levels for Class B office as well.



Section 6: Retail

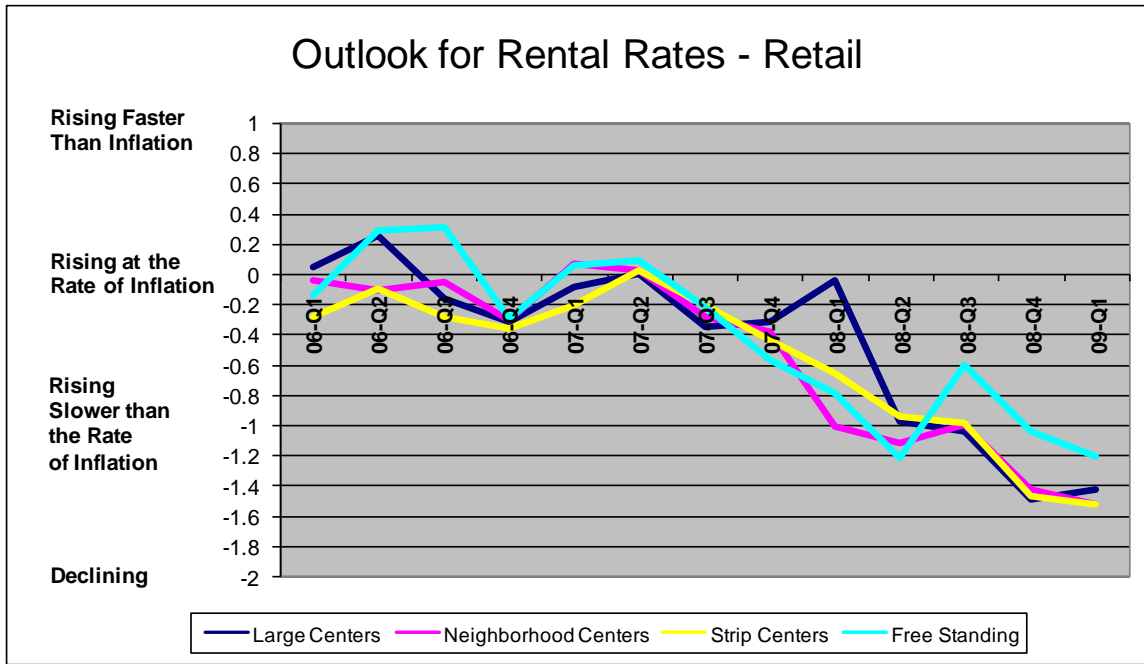
Expected Occupancy

The outlook for occupancy rates continues to be pessimistic across all retail classifications. Respondents are expecting potential occupancy rate decreases for retail properties in the future.



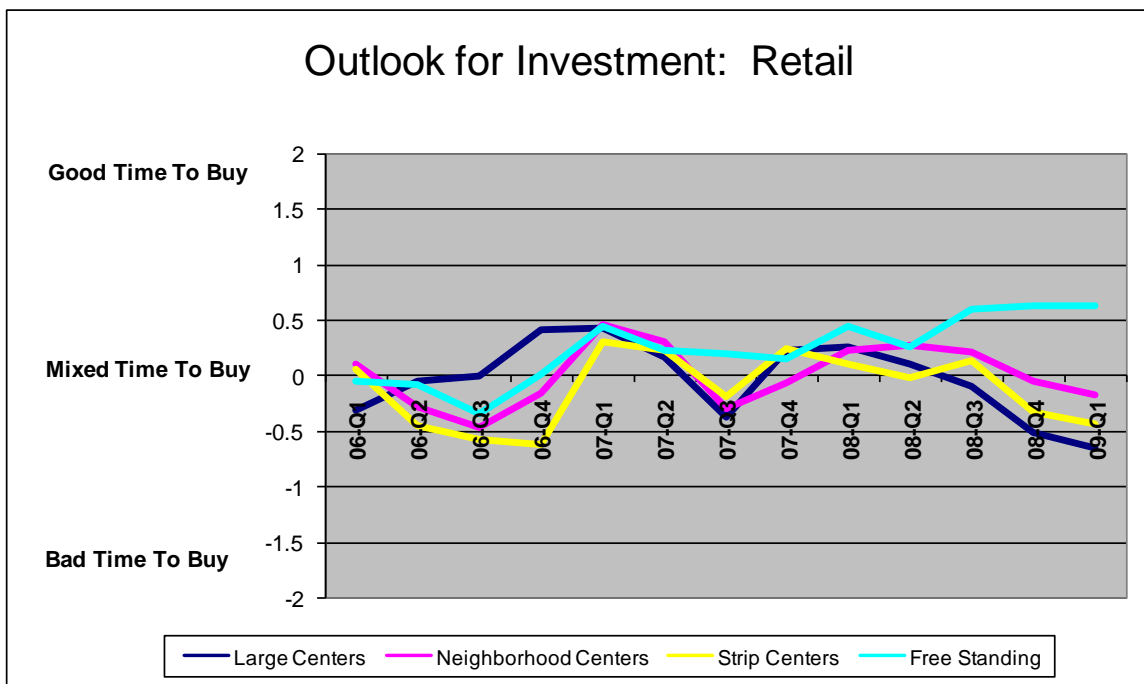
Expected Rental Rates

Expectations of future rental rates have continued to worsen across retail classifications in the last quarter. While the outlook has become noticeably more pessimistic for free standing properties relative to what they were just two quarters ago, the likelihood of future rental rate decreases appears to be greater for large centers, neighborhood centers, and strip centers.



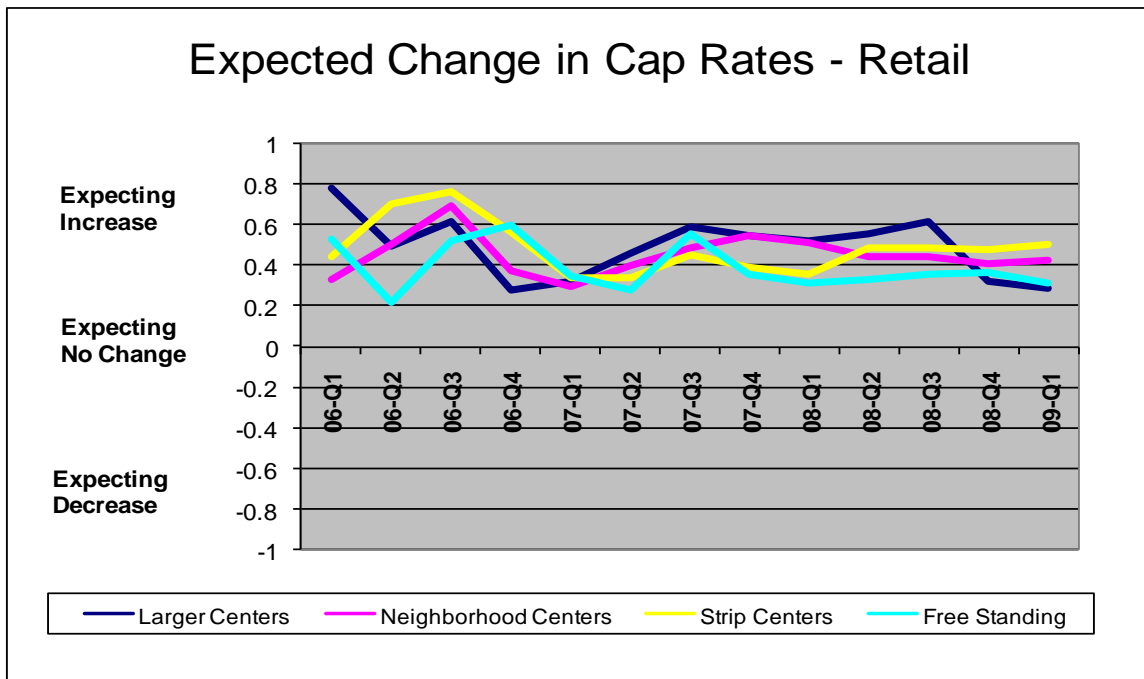
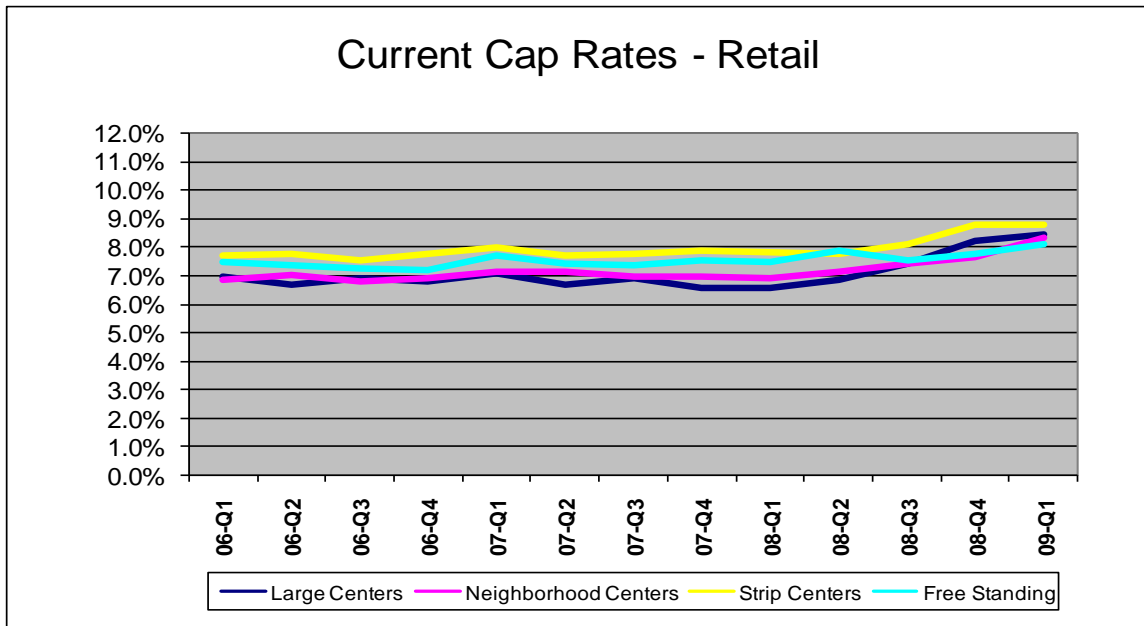
Investment Outlook

Despite pessimistic outlooks for occupancy and rental rates, the investment outlook for free standing retail continues to defy its counterparts, just as it has for the past two quarters. Respondents are more pessimistic about the investment prospects for neighborhood centers, strip centers and large centers. It remains a mixed time to buy in the latter three retail classifications.



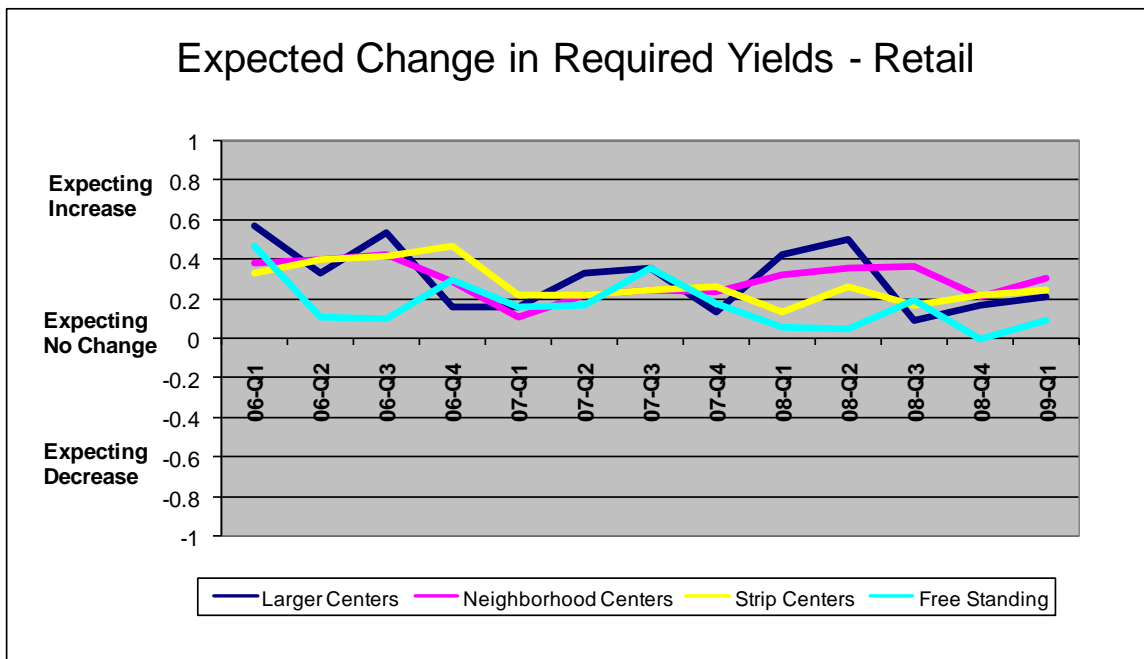
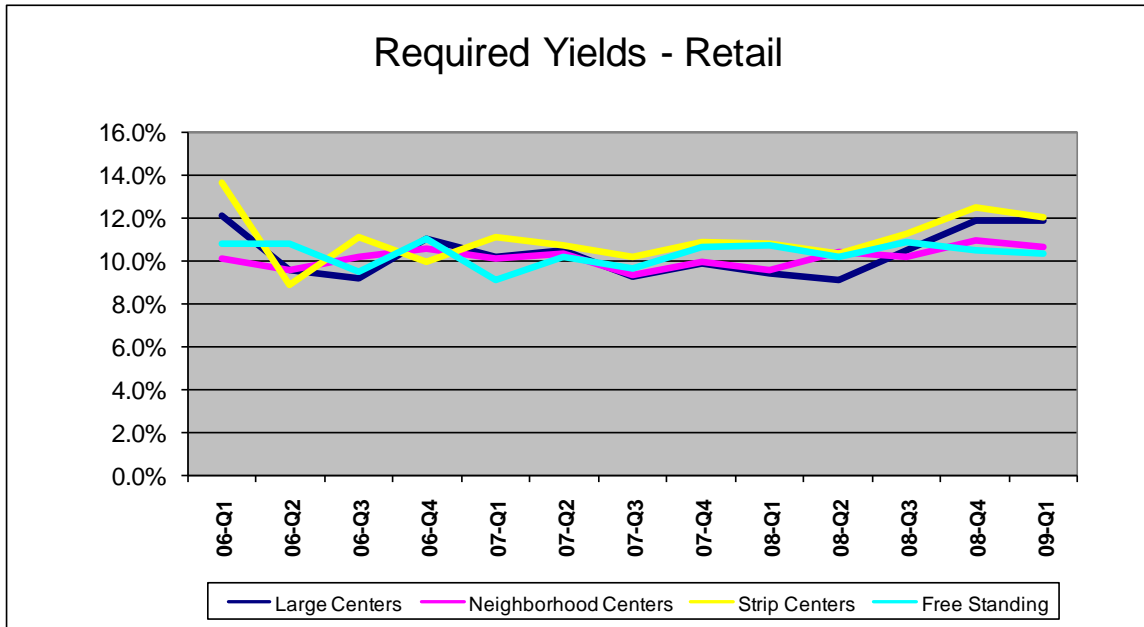
Cap Rates

Cap rates have slightly increased for three out of the four property types, with strip centers being the only classification to remain the same. The cap rate spread between property types appears to have narrowed significantly and can now be measured in basis points. This convergence may be short lived as respondents expect cap rates to increase for strip centers and neighborhood centers. Expectations have been scaled back for free standing and large retail as respondents appear to indicate that rates will remain at current levels in the near future.



Yields

Required yields for strip centers have slightly decreased over the last quarter and have converged to the same level that is being seen in large retail, approximately 12%. Yields on neighborhood centers and free standing retail have also declined, but to a level of 10%. Respondents continue to expect no change in required yields across all retail classifications.



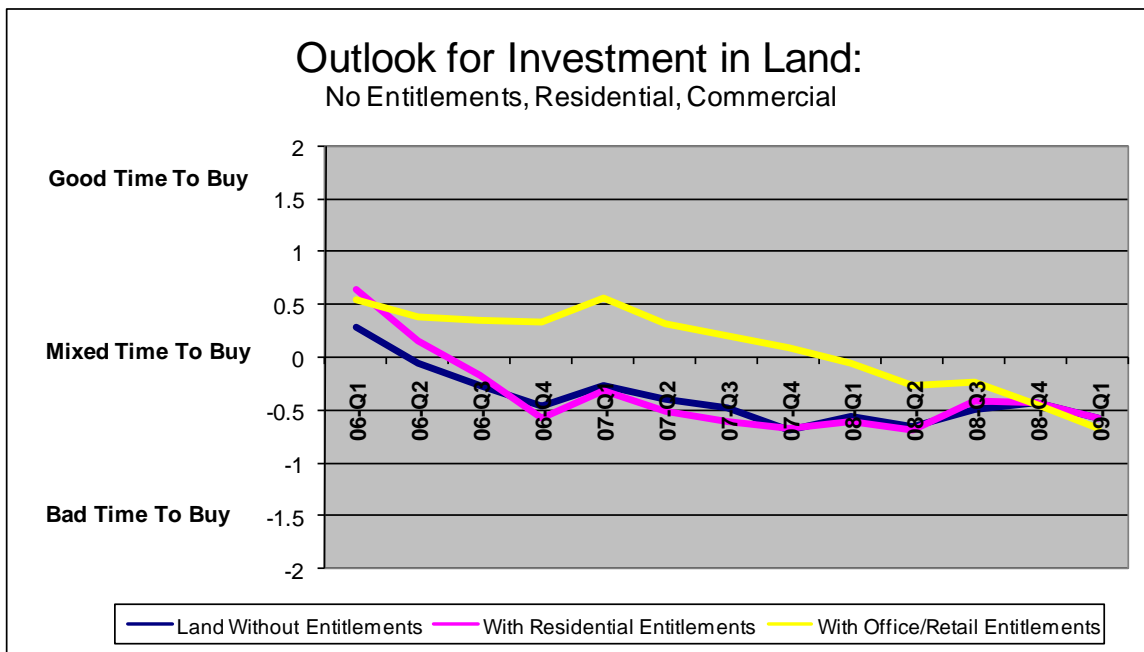
Section 7: Outlook for Investment in Undeveloped Land

Land Without Entitlements or with Residential Entitlements

The outlook for investment in land without entitlements or with residential entitlements has become slightly more pessimistic, though respondents indicate that it remains a mixed time to buy.

Land With Office or Retail Entitlements

The outlook for investment in land with office or retail entitlements continued to weaken this quarter, bringing expectations more in line with other land classifications. While it remains a mixed time to buy, indications are that a further decline in investor expectations may be on the horizon.



Land with Hospitality Entitlements

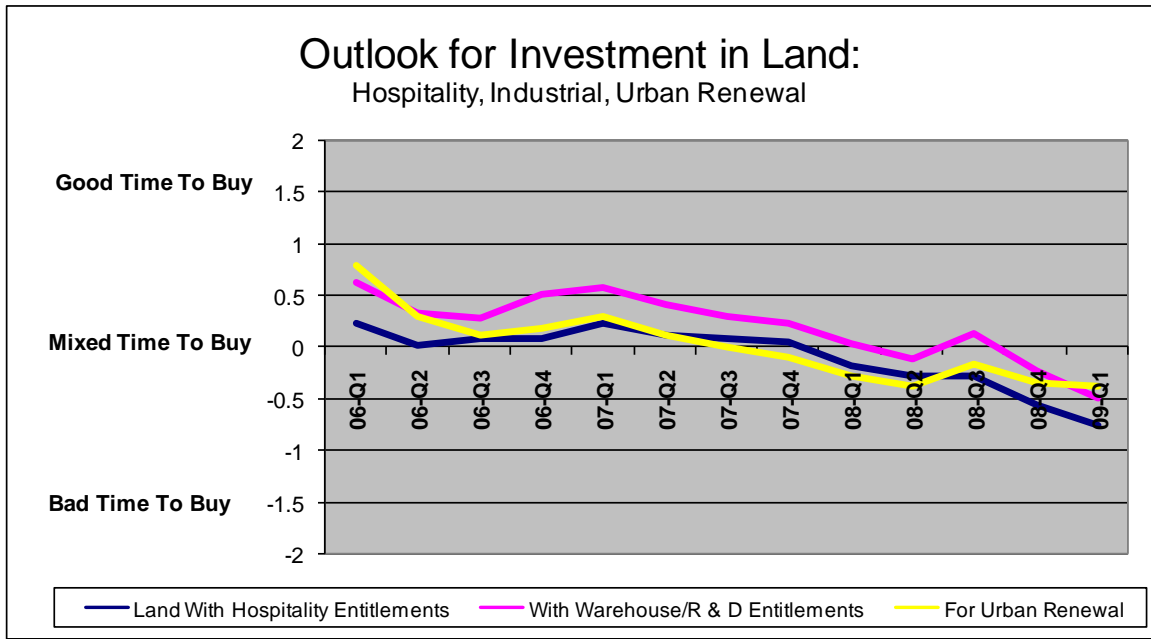
The investment outlook for land with hospitality entitlements has weakened again this quarter as respondents continue to believe that it is a mixed time to buy.

Land with Entitlements for Warehouse or R & D

The investment outlook for land with warehouse or R&D entitlements has weakened again this quarter as respondents continue to believe that it is a mixed time to buy.

Land for Urban Renewal

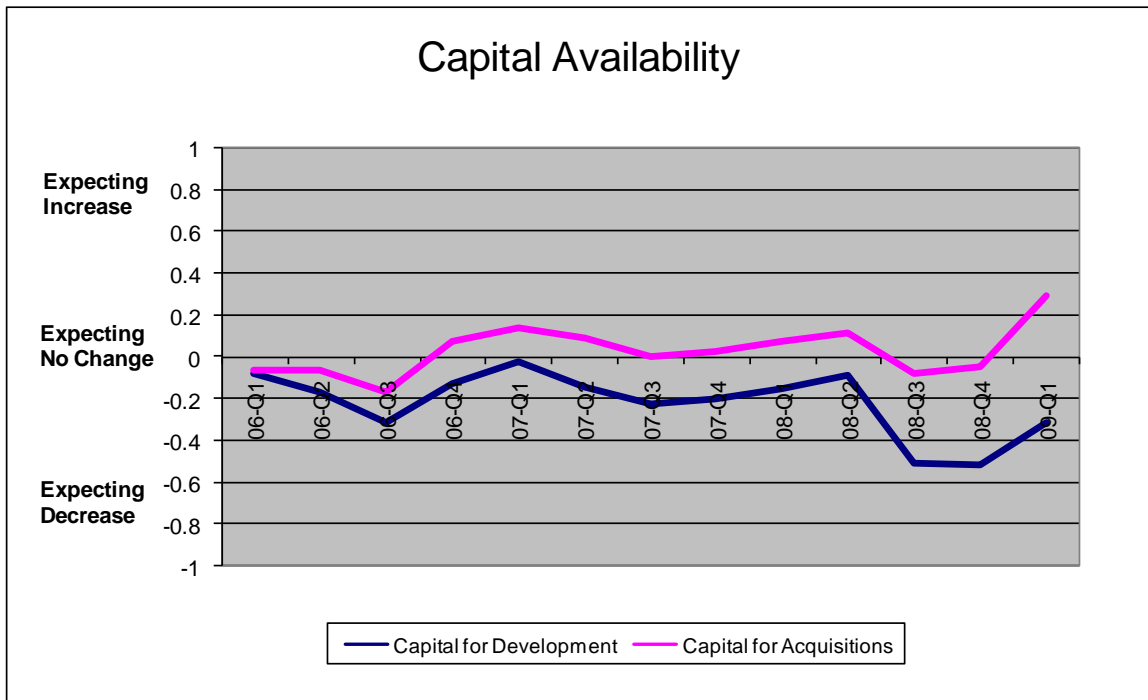
The outlook for investment in urban renewal has remained stable over the last quarter as it remains a mixed time to buy.



Section 8: Business and Capital Availability Outlook

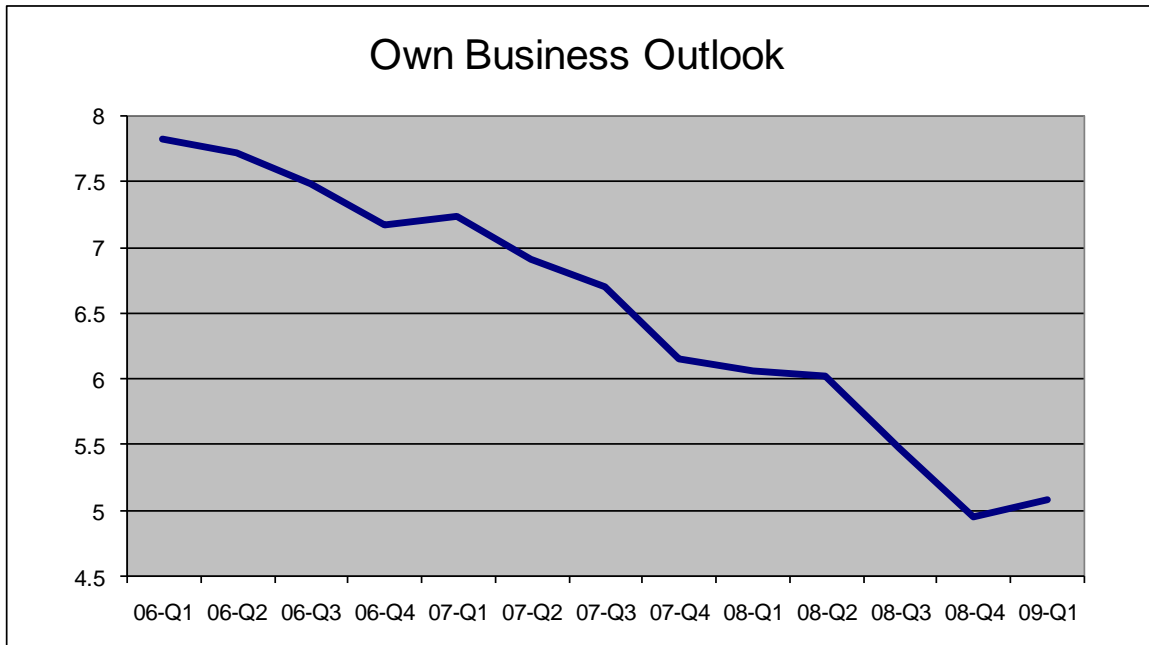
Capital Availability

The outlook for capital available for acquisitions has increased dramatically in the last quarter, as respondents believe that the government programs to inject capital into the system may start providing benefit. Additionally, the respondents believe that private capital will increasing become available as good deals emerge from the bank's balance sheets. The outlook for capital available for development has become slightly more optimistic than what it was a quarter ago. Respondents believe that the amount of capital available for development will remain unchanged from current levels.



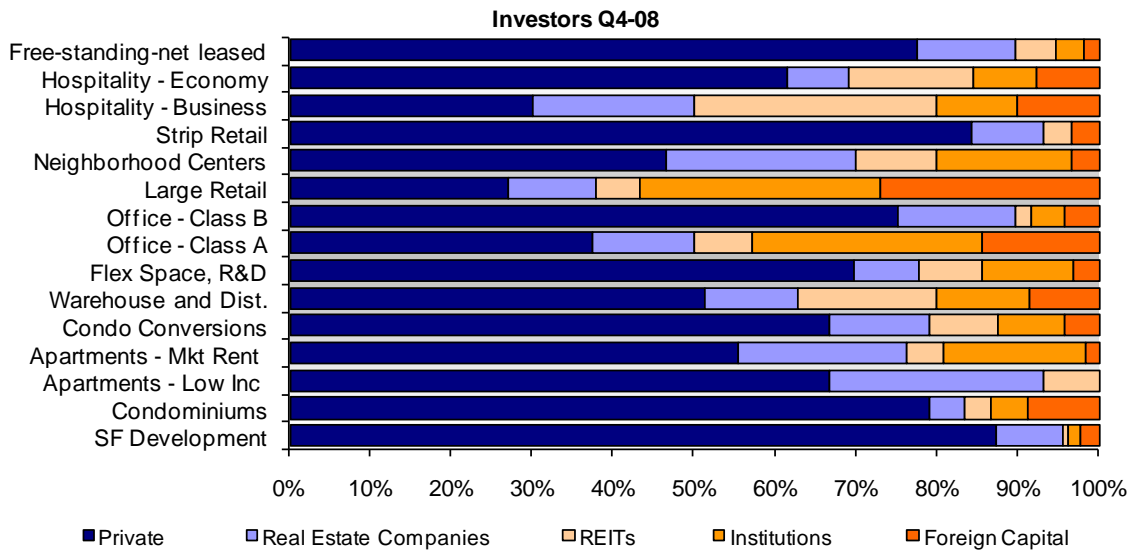
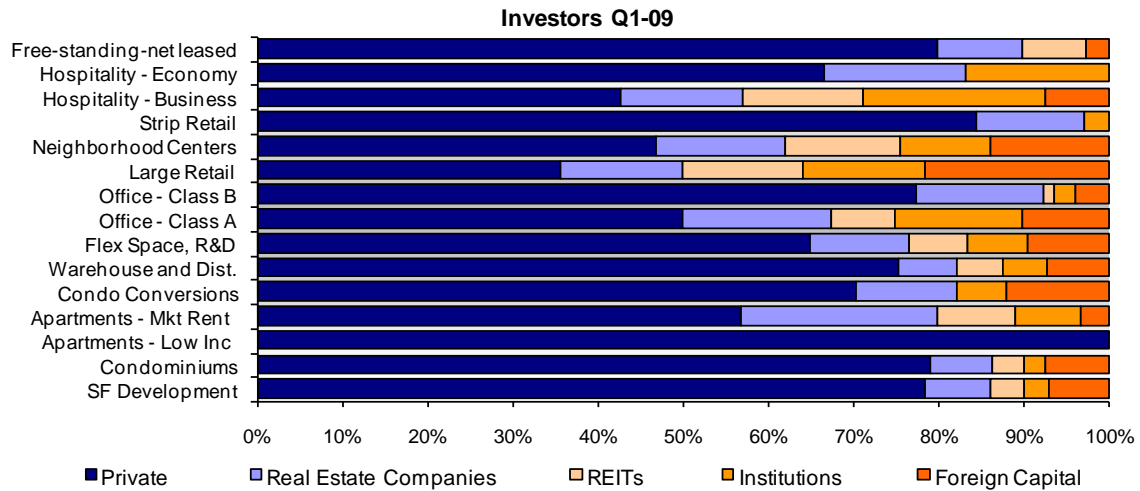
Outlook of Own Business

Following three years of consistent pessimism in the perception of their own business' outlook, respondents have become more optimistic over the last quarter. This provides some indication that respondents may see light at the end of the tunnel.



Section 9: Dominant Investors

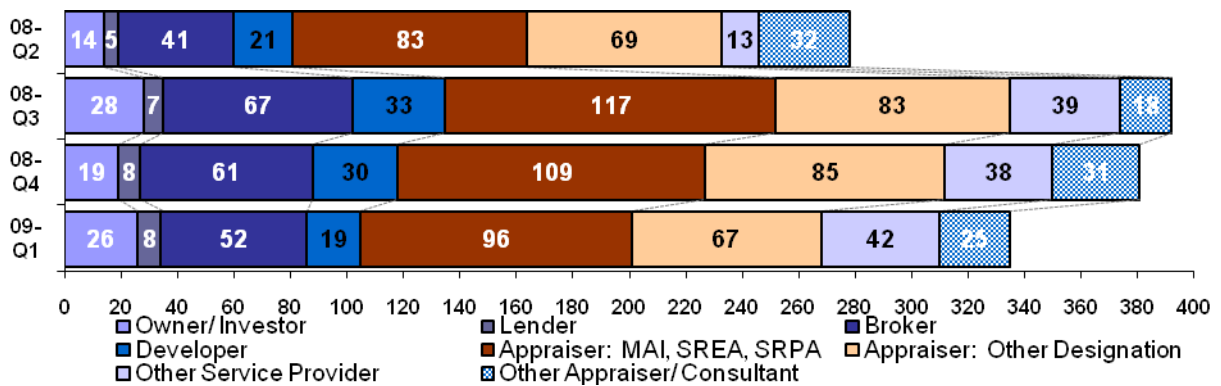
Respondents were asked to indicate which of five investor groups they perceived to be the most active for each type of property they analyze. For all fifteen property classifications, private investors were the most dominant. This represents a dramatic shift in U.S. real estate ownership since the credit crisis began. Most notable is the shift in low income apartments, which now consists solely of private ownership. 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, flex space, and neighborhood centers.



Section 10: Characteristics of Survey Respondents

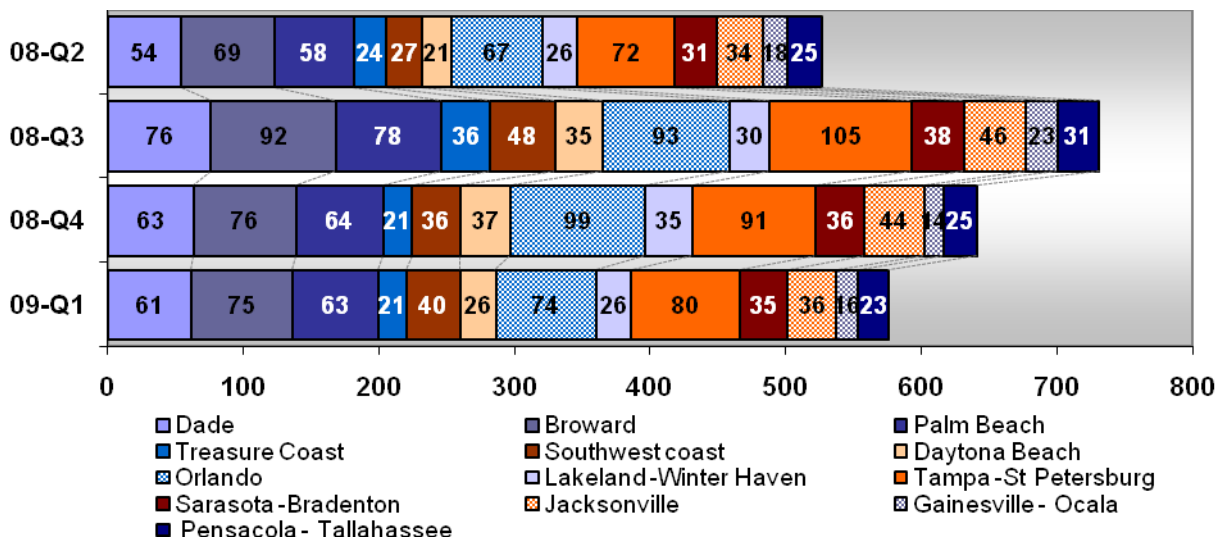
In the latest survey, approximately 49 percent of the 335 respondents reported being an appraiser; well over half with designations of MAI, SREA or SRPA. The next largest groups, each representing about sixteen and thirteen percent of respondents respectively, were brokers and other service providers.

Profession of Respondents



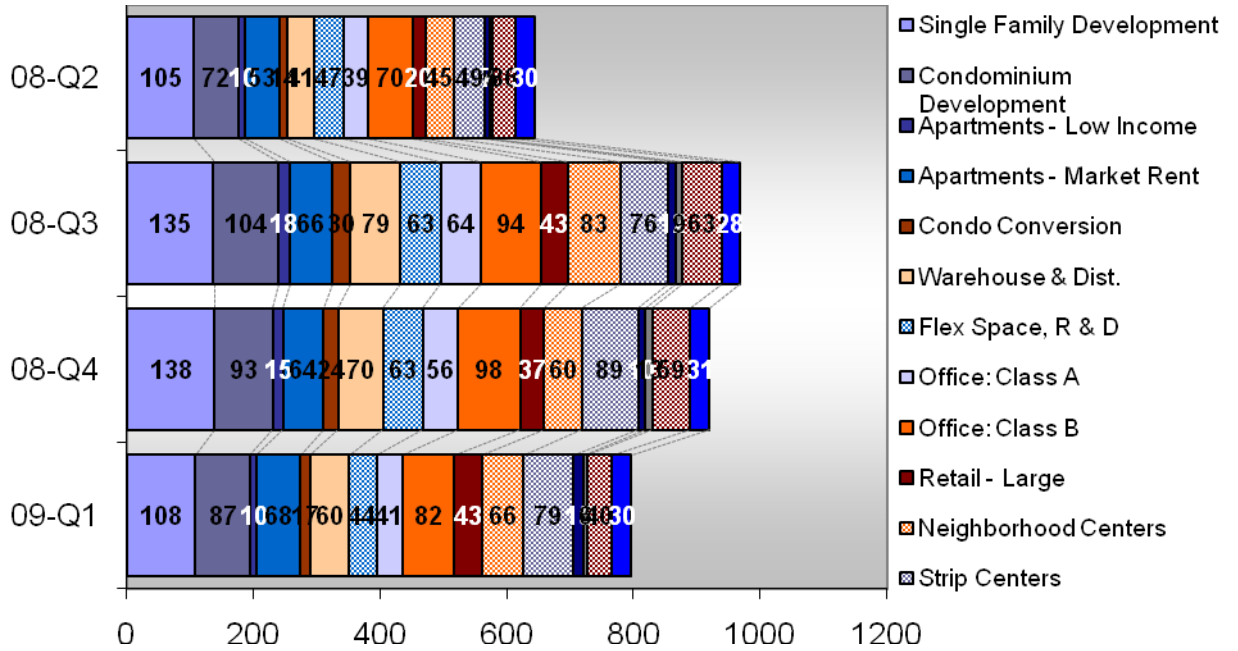
Markets of Familiarity

Each respondent was asked to select up to four regional markets with which they are familiar. In the latest survey, these choices accumulated to 576 observations. Every region, with the exception of Gainesville – Ocala, was represented by a minimum of 20 observers, five of which had greater than 60 observers. The highest number of responses was for the Tampa-St. Petersburg market, which had 80 representatives. The lowest respondent support came from Gainesville-Ocala with 16.



Property types of Familiarity

Each respondent was asked to select up to three property types with which they were familiar. Altogether, 796 selections were made in the latest survey round. Single family development was selected by 108 respondents while condominium development was selected by 87. Eleven property types were selected by at least 40 respondents.



Section 10: 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												
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%
Q3-08												
Q3-08 Value	7.5%	8.6%	7.7%	8.1%	7.3%	8.1%	7.4%	7.4%	8.1%	8.8%	9.1%	7.6%
Percent Expecting Rise	58.3%	48.4%	44.7%	53.6%	53.6%	42.5%	64.7%	47.1%	54.7%	50.0%	50.0%	42.9%
Percent Expecting Fall	0.0%	6.5%	5.3%	7.1%	0.0%	5.0%	2.9%	2.9%	6.3%	8.3%	0.0%	7.1%
Q2-08												
Q2-08 Value	6.6%	6.8%	7.5%	7.8%	7.2%	7.9%	6.9%	7.1%	7.8%	8.2%	9.5%	7.9%
Percent Expecting Rise	35.3%	30.8%	57.5%	59.6%	62.9%	55.7%	66.7%	48.9%	53.1%	40.0%	50.0%	44.4%
Percent Expecting Fall	9.8%	7.7%	5.0%	2.1%	2.9%	2.9%	11.1%	4.4%	4.1%	0.0%	0.0%	11.1%
Yields												
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%
Q3-08												
Q3-08 Value	11.4%	17.2%	9.5%	10.7%	10.1%	10.6%	10.5%	10.3%	11.3%	11.4%	11.5%	10.9%
Percent Expecting Rise	41.5%	40.0%	31.3%	28.6%	36.2%	26.8%	38.7%	43.8%	32.1%	45.5%	42.9%	28.0%
Percent Expecting Fall	3.8%	13.3%	11.9%	12.2%	14.9%	9.9%	29.0%	7.8%	15.1%	9.1%	0.0%	8.0%
Q2-08												
Q2-08 Value	10.3%	19.1%	10.9%	11.8%	10.1%	10.8%	9.2%	10.4%	10.4%	12.3%	14.0%	10.2%
Percent Expecting Rise	21.6%	30.8%	30.0%	36.2%	42.9%	37.1%	61.1%	42.2%	30.6%	60.0%	50.0%	19.4%
Percent Expecting Fall	5.9%	0.0%	5.0%	6.4%	5.7%	4.3%	11.1%	6.7%	4.1%	0.0%	0.0%	13.9%

Section 11: Local Markets

Dade County

- Cap rates in Dade County, on average, are lower than the state mean (0.05 percentage points) and range from 7.5% (**Apartments**) to 9.1% (**Condo Conversion**).
- Over the past quarter, cap rates have increased across all but one property type, with the lone exception being **Strip Centers**. **Free Standing** (+0.63 percentage points), **Condo Conversion** (+0.52 percentage points), and **Neighborhood Centers** (+0.52 percentage points) reported the largest changes from a quarter ago.
- Cap rates are expected to increase over the next quarter for **Condo Conversion, Office: Class A, Strip Centers** and **Free Standing**, while the outlook remains more neutral for all other property types.
- Required yields for Dade County (11.43%) are, on average, lower (0.59 percentage points) than that of the state (12.02%).
- Required yields in Dade County have decreased, on average, over the last quarter from 11.69% to 11.43%.
- The largest shifts in required yields occurred in **Apartments** (-2.26% change) and **Condo Conversion** (+0.90% change).
- While the investment outlook is positive for **Apartments**, expectations are more pessimistic for the remaining property types. **Condo Conversion, Flex Space, and Office: Class B** report the most negative outlooks.
- The outlook for **Land Development** appears to be negative for all land classifications, with the most negative expectations occurring for **Land with Residential Entitlements**.
- Future occupancy rates in Dade County are expected to either remain the same or decrease across all property types. **Strip Centers, Large Retail** and **Neighborhood Centers** show the strongest indication of future occupancy decreases.
- There is strong indication that rental rates are expected to increase at a rate slower than inflation across all property types except **Free Standing**, for which the expectation is more uncertain.
- While future absorption rates are expected to be higher for **Single Family**, expectations are uncertain for **Condominium Development**.
- Future price increases are expected to occur slower than inflation in both **Single Family** and **Condominium Development**.

Table 2a

Dade 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										
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%
Q4-08										
Q4-08 Value	7.3	8.6	7.5	8.0	7.5	8.2	8.1	7.6	8.6	7.5
Percent Expecting Rise	57%	60%	61%	40%	71%	56%	42%	44%	50%	50%
Percent Expecting Fall	0%	0%	0%	20%	0%	11%	25%	19%	8%	0%
Q3-08										
Q3-08 Value	7.0	7.9	7.2	7.7	6.9	7.7	7.1	7.2	7.9	7.2
Percent Expecting Rise	50%	50%	56%	58%	64%	60%	69%	50%	67%	67%
Percent Expecting Fall	0%	0%	0%	8%	0%	0%	0%	0%	0%	0%
Yields										
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%
Q4-08										
Q4-08 Value	12.0	16.3	10.0	11.3	10.2	11.3	11.5	10.9	12.6	10.7
Percent Expecting Rise	36%	20%	56%	33%	50%	44%	25%	27%	27%	25%
Percent Expecting Fall	7%	40%	6%	0%	17%	22%	33%	27%	9%	13%
Q3-08										
Q3-08 Value	11.3	17.8	9.2	10.3	9.5	10.1	10.1	10.2	11.1	10.1
Percent Expecting Rise	36%	38%	47%	30%	50%	29%	55%	45%	21%	33%
Percent Expecting Fall	0%	0%	12%	20%	25%	7%	9%	0%	14%	17%
Investment Outlook										
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%
Q4-08										
Fair to Good	64%	0%	45%	50%	20%	15%	14%	35%	23%	38%
Bad to Poor	21%	60%	15%	0%	50%	31%	50%	24%	31%	13%
Q3-08										
Fair to Good	53%	0%	37%	40%	32%	24%	26%	38%	13%	17%
Bad to Poor	6%	82%	11%	0%	26%	12%	26%	4%	6%	17%

Table 2b

Outlook for Land Development

Dade County	Land without Entitlements	Land with Residential Entitlements	Land with Commercial Entitlements	Land with Hospitality Entitlements	Land with Industrial Entitlements	Land for Urban Redevelopment
Q1-09						
Fair to Good	15%	13%	10%	11%	13%	18%
Bad to Poor	66%	70%	62%	67%	61%	57%
Q4-08						
Fair to Good	21%	19%	16%	8%	19%	25%
Bad to Poor	56%	62%	49%	57%	38%	44%
Q3-08						
Fair to Good	16%	20%	14%	12%	29%	24%
Bad to Poor	62%	59%	37%	38%	20%	39%

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
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%
Q4-08												
Private Buyers	76%	53%	47%	33%	40%	50%		54%	14%	50%	71%	75%
R.E. Companies	18%	5%	18%	17%	15%		18%	31%	14%	28%	7%	25%
REITs	6%	11%		17%	15%	17%		8%	7%		7%	
Institutions		11%	12%		20%	33%	45%	8%	21%	11%		
Foreign Buyers		21%	6%	17%	10%		27%		43%	6%	7%	
Q3-08												
Private Buyers	70%	48%	21%	73%	37%	50%	5%	61%	11%	22%	82%	83%
R.E. Companies	20%	5%	26%	9%	16%			11%	6%	21%	33%	
REITs			5%		11%	17%	5%	6%	21%	7%	6%	
Institutions	5%	10%	32%		32%	17%	47%	11%	32%	22%		17%
Foreign Buyers		33%	5%	18%			32%		11%			

Table 2d

Dade County	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										
Q1-09										
Higher	30%	0%	17%	20%	42%	17%	6%	0%	0%	0%
Lower	25%	60%	42%	40%	58%	50%	78%	78%	92%	25%
Q4-08										
Higher	22%	0%	0%	0%	0%	8%	7%	12%	7%	13%
Lower	28%	43%	55%	33%	82%	67%	64%	53%	60%	50%
Q3-08										
Higher	13%	22%	17%	17%	22%	6%	24%	7%	6%	17%
Lower	38%	22%	33%	42%	67%	50%	59%	70%	81%	33%
Rental Rate Increases										
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%
Q4-08										
Faster than Inflation	0%	0%	5%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	78%	100%	80%	67%	91%	83%	79%	76%	73%	75%
Q3-08										
Faster than Inflation	0%	11%	6%	8%	0%	0%	12%	7%	0%	17%
Slower than Inflation	94%	67%	50%	75%	83%	88%	71%	67%	81%	50%

Table 2e

Dade County	Single Family Development	Condominium Development
Future Absorption Rates		
Q1-09		
Higher	60%	18%
Lower	7%	29%
Q4-08		
Higher	41%	26%
Lower	29%	53%
Q3-08		
Higher	32%	10%
Lower	26%	60%
Future Price Increases		
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%
Q4-08		
Faster than Inflation	0%	5%
Slower than Inflation	94%	95%
Q3-08		
Faster than Inflation	0%	0%
Slower than Inflation	89%	95%

Broward County

- Cap rates in Broward County are, on average, lower (0.18 percentage points) than the state mean, and range from 7.4% (**Apartments**) to 9.0% (**Condo Conversion**).
- Cap rates increased across all but one property type, with the lone exception being **Strip Centers**. The largest movements occurred in **Free Standing** (+0.56 percentage points), **Condo Conversion** (+0.44 percentage points) and **Neighborhood Centers** (+0.44 percentage points).
- Cap rate outlooks indicate potential rate increases in **Condo Conversion** and **Office: Class A** over the next quarter. The outlook is neutral to positive for the remaining property types.
- Required yields for Broward County are, on average, lower than that of the state, 11.44% compared to 12.02% statewide.
- Required yields are highest for **Condo Conversion** at 17.2% and lowest for **Apartments** at 9.7%.
- Over the past quarter, required yields have experienced significant shifts in both directions across property types. The largest decrease occurred in **Apartments** (-2.10% change), while the largest increase was reported for **Condo Conversion** (+1.05% change).
- While the investment outlook is negative for **Condo Conversion** and **Office: Class B**, it is more neutral to negative across all but one of the other property types. The lone exception is **Apartments** for which the outlook is neutral to positive.
- The outlook for **Land Development** appears to be negative for all but one classification, with the lone exception being **Land for Urban Renewal**, where the outlook is slightly more neutral.
- In Broward County, future occupancy rates are expected to decrease across the majority of property types. **Large Retail** and **Neighborhood Centers** show the strongest expectations for lower occupancy.
- There is strong indication that rental rates are expected to increase at a rate slower than inflation across all property types.
- Expectations for future absorption rates are neutral to positive for **Single Family** and uncertain for **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										
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%
Q4-08										
Q4-08 Value	7.3	8.5	7.5	8.0	7.5	8.2	8.1	7.6	8.6	7.4
Percent Expecting Rise	47%	33%	58%	50%	67%	57%	43%	43%	44%	60%
Percent Expecting Fall	0%	0%	0%	10%	0%	7%	21%	14%	6%	0%
Q3-08										
Q3-08 Value	6.9	7.8	7.1	7.6	6.8	7.6	7.0	7.1	7.8	7.0
Percent Expecting Rise	61%	44%	52%	59%	56%	55%	64%	50%	67%	56%
Percent Expecting Fall	0%	0%	5%	6%	0%	0%	0%	0%	0%	0%
Yields										
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%
Q4-08										
Q4-08 Value	11.8	16.1	9.9	11.2	10.0	11.2	11.3	10.8	12.5	10.6
Percent Expecting Rise	29%	17%	39%	13%	50%	46%	21%	25%	20%	38%
Percent Expecting Fall	6%	17%	11%	25%	13%	15%	29%	20%	7%	0%
Q3-08										
Q3-08 Value	10.9	17.5	8.9	10.0	9.1	9.8	9.7	9.8	10.8	9.8
Percent Expecting Rise	38%	33%	30%	27%	33%	33%	60%	50%	29%	33%
Percent Expecting Fall	6%	11%	15%	13%	20%	6%	0%	0%	7%	11%
Investment Outlook										
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%
Q4-08										
Fair to Good	47%	0%	45%	30%	25%	22%	17%	36%	29%	36%
Bad to Poor	24%	67%	20%	30%	50%	39%	56%	32%	43%	18%
Q3-08										
Fair to Good	48%	0%	38%	44%	35%	36%	25%	32%	13%	30%
Bad to Poor	4%	91%	10%	13%	15%	14%	25%	11%	6%	20%

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
Q1-09						
Fair to Good	12%	11%	11%	8%	16%	16%
Bad to Poor	69%	72%	64%	71%	60%	53%
Q4-08						
Fair to Good	18%	18%	16%	7%	17%	16%
Bad to Poor	55%	62%	53%	59%	38%	51%
Q3-08						
Fair to Good	16%	24%	16%	12%	30%	18%
Bad to Poor	60%	53%	41%	38%	22%	42%

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
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%
Q4-08												
Private Buyers	83%	65%	45%	43%	35%	60%	8%	39%	22%	46%	56%	73%
R.E. Companies	13%	4%	25%	14%	20%	10%	23%	39%	6%	25%	13%	27%
REITs	4%	9%		14%	15%			6%	6%	4%	6%	
Institutions		9%	10%		15%	20%	46%	11%	28%	8%		
Foreign Buyers		13%	5%	14%	15%	10%	15%	6%	39%	8%	13%	
Q3-08												
Private Buyers	74%	59%	28%	64%	36%	50%	5%	52%	13%	30%	76%	60%
R.E. Companies	19%	7%	28%	9%	14%		5%	9%	13%	33%		20%
REITs			4%		9%	11%	10%	4%	25%	3%	6%	10%
Institutions	4%	14%	28%	9%	32%	17%	38%	13%	31%	20%		10%
Foreign Buyers	4%	21%	4%	18%		6%	33%	4%	13%	3%	6%	

Table 3d

Broward County	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										
Q1-09										
Higher	26%	14%	11%	22%	8%	8%	17%	0%	12%	0%
Lower	26%	43%	67%	56%	75%	67%	78%	86%	76%	43%
Q4-08										
Higher	14%	0%	10%	10%	8%	6%	12%	9%	6%	18%
Lower	32%	38%	60%	40%	77%	75%	82%	78%	71%	55%
Q3-08										
Higher	24%	0%	14%	18%	5%	15%	7%	3%	6%	0%
Lower	19%	0%	33%	41%	40%	65%	71%	65%	81%	40%
Rental Rate Increases										
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%
Q4-08										
Faster than Inflation	0%	0%	5%	0%	0%	0%	0%	0%	0%	9%
Slower than Inflation	77%	88%	80%	80%	85%	81%	82%	83%	88%	73%
Q3-08										
Faster than Inflation	5%	0%	0%	6%	0%	0%	7%	3%	0%	0%
Slower than Inflation	67%	89%	48%	76%	60%	80%	86%	81%	75%	70%

Table 3e

Broward County	Single Family Development	Condominium Development
Future Absorption Rates		
Q1-09		
Higher	55%	24%
Lower	18%	29%
Q4-08		
Higher	33%	30%
Lower	29%	43%
Q3-08		
Higher	33%	17%
Lower	37%	31%
Future Price Increases		
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%
Q4-08		
Faster than Inflation	0%	4%
Slower than Inflation	96%	96%
Q3-08		
Faster than Inflation	0%	0%
Slower than Inflation	89%	93%

Palm Beach County

- Cap rates in Palm Beach County are, on average, lower (0.20 percentage points) than the state mean, and range from 7.3% (**Apartments**) to 8.9% (**Condo Conversion**).
- Cap rates have increased across most property types in the last quarter, with the largest changes occurring in **Free Standing** (+0.56% change) and **Condo Conversion** (+0.44% change).
- Cap rate outlooks for this quarter reveal neutral to positive expectations across most property types, with **Condo Conversion** and **Office: Class A** reporting the strongest indication of future rate increases.
- Required yields for Palm Beach County are, on average, lower than that of the state, 11.27% compared to 12.02% statewide.
- Required yields are highest for **Condo Conversion** at 17.0% and lowest for **Apartments** at 9.6%.
- Over the past quarter, required yields have experienced significant shifts in both directions across property types. The largest decrease occurred in **Apartments** (-1.96% change), while the largest increase was reported for **Condo Conversion** (+1.20% change).
- The investment outlook is mixed across property types. While respondents are pessimistic about investment in **Condo Conversion, Flex Space, and Office: Class B**, they are more optimistic about investment in **Free Standing**.
- The outlook for **Land Development** is negative across all land classifications
- Occupancy rates are expected to decrease over the next quarter for the majority of property types. The strongest indications of rate decreases occur in **Large Retail** and **Office: Class A**.
- Rental rates are expected to increase at a rate slower than inflation across all property types.
- Expectations for future absorption rates are neutral to positive for **Single Family**, but remain uncertain 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, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Cap Rates										
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%
Q4-08										
Q4-08 Value	7.2	8.5	7.5	7.9	7.5	8.2	8.1	7.5	8.6	7.4
Percent Expecting Rise	68%	50%	57%	50%	60%	62%	50%	43%	50%	70%
Percent Expecting Fall	0%	0%	0%	13%	0%	8%	30%	21%	7%	0%
Q3-08										
Q3-08 Value	7.0	7.9	7.2	7.7	6.9	7.7	7.1	7.2	7.9	7.2
Percent Expecting Rise	67%	43%	59%	64%	64%	53%	67%	55%	54%	33%
Percent Expecting Fall	0%	0%	6%	7%	0%	12%	0%	0%	15%	0%
Yields										
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%
Q4-08										
Q4-08 Value	11.5	15.8	9.6	10.9	9.7	10.9	11.0	10.4	12.1	10.3
Percent Expecting Rise	33%	17%	54%	29%	60%	50%	20%	31%	29%	38%
Percent Expecting Fall	6%	17%	8%	29%	0%	17%	40%	31%	14%	13%
Q3-08										
Q3-08 Value	11.4	17.9	9.3	10.4	9.5	10.2	10.2	10.3	11.2	10.2
Percent Expecting Rise	38%	33%	38%	21%	36%	25%	56%	47%	23%	17%
Percent Expecting Fall	13%	17%	25%	29%	27%	25%	0%	0%	23%	17%
Investment Outlook										
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%
Q4-08										
Fair to Good	47%	0%	50%	44%	14%	25%	8%	36%	27%	50%
Bad to Poor	29%	67%	13%	11%	71%	38%	50%	29%	45%	10%
Q3-08										
Fair to Good	43%	0%	18%	43%	23%	35%	27%	30%	31%	50%
Bad to Poor	5%	88%	18%	21%	23%	5%	20%	9%	0%	0%

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
Q1-09						
Fair to Good	14%	16%	10%	11%	13%	13%
Bad to Poor	68%	63%	65%	70%	63%	57%
Q4-08						
Fair to Good	14%	20%	13%	8%	16%	11%
Bad to Poor	59%	61%	53%	59%	41%	53%
Q3-08						
Fair to Good	13%	23%	12%	13%	26%	13%
Bad to Poor	62%	54%	45%	44%	27%	47%

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
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%
Q4-08												
Private Buyers	77%	67%	45%	43%	31%	67%	25%	44%	17%	31%	57%	70%
R.E. Companies	18%	10%	20%	14%	19%	11%	13%	44%		31%	7%	30%
REITs	5%	5%		14%	19%			6%	8%	6%	7%	
Institutions		10%	15%		19%	22%	38%		25%	13%		
Foreign Buyers		10%	5%	14%	13%		13%	6%	50%	6%	7%	
Q3-08												
Private Buyers	64%	56%	35%	63%	33%	44%	7%	48%	13%	19%	76%	83%
R.E. Companies	32%	8%	30%	13%	17%	19%	7%	14%	7%	38%	6%	17%
REITs			4%		6%	6%	7%	5%	20%	8%		
Institutions	4%	12%	17%	13%	33%	6%	36%	10%	33%	19%		
Foreign Buyers		24%	4%	13%		6%	29%	5%	20%		6%	

Table 4d

Palm Beach 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
Future Occupancy										
Q1-09										
Higher	19%	0%	0%	20%	0%	8%	0%	0%	6%	0%
Lower	33%	67%	70%	20%	83%	54%	87%	85%	81%	50%
Q4-08										
Higher	23%	13%	7%	13%	0%	0%	10%	7%	7%	0%
Lower	23%	38%	73%	38%	75%	73%	90%	86%	80%	50%
Q3-08										
Higher	25%	0%	12%	20%	8%	17%	0%	0%	6%	0%
Lower	25%	25%	41%	73%	58%	50%	77%	81%	63%	50%
Rental Rate Increases										
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%
Q4-08										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	73%	88%	81%	75%	100%	87%	73%	87%	93%	80%
Q3-08										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	85%	88%	65%	87%	83%	72%	92%	81%	75%	50%

Table 4e

Palm Beach County	Single Family Development	Condominium Development
Future Absorption Rates		
Q1-09		
Higher	53%	25%
Lower	13%	25%
Q4-08		
Higher	36%	29%
Lower	27%	57%
Q3-08		
Higher	16%	12%
Lower	40%	56%
Future Price Increases		
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	87%	94%
Q4-08		
Faster than Inflation	0%	5%
Slower than Inflation	100%	95%
Q3-08		
Faster than Inflation	0%	0%
Slower than Inflation	84%	92%

Treasure Coast

- Cap rates in the Treasure Coast area are, on average, lower (0.18 percentage points) than the state mean, and range from 7.3% (**Apartments**) to 9.0% (**Condo Conversion**)
- Cap rates have increased across all property types in the last quarter. The largest changes have occurred in **Free Standing** (+0.78% change), **Neighborhood Centers** (+0.66% change) and **Condo Conversion** (+0.66% change).
- Cap rates are expected to increase across a number of property types including **Apartments, Condo Conversion, Office: Class B,** and **Free Standing**. Expectations are more neutral for the remaining property types.
- Required yields for the Treasure Coast are lower than those of the state, 11.22% compared to 12.02% statewide.
- Required yields are highest for **Condo Conversion** at 17.0% and lowest for **Apartments** at 9.5%.
- Over the past quarter, required yields have experienced significant shifts in both directions across property types. The largest decrease occurred in **Apartments** (-2.21% change), while the largest increase was reported for **Condo Conversion** (+0.90% change).
- For available property types, the investment outlook is neutral to negative. Respondents express the most pessimistic outlook for **Office: Class B**.
- The outlook for **Land Development** is negative for all land classifications.
- Future occupancy rates are expected to decrease across all but one property type. The lone exception is **Warehouse and Distribution**, for which respondents exhibit slightly more neutral expectations.
- Future rental rates are expected to increase slower than inflation for all property types.
- While expectations for future absorption rates are neutral to positive for **Single Family**, they are more 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										
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%
Q4-08										
Q4-08 Value	7.0	8.3	7.3	7.7	7.3	8.0	7.9	7.3	8.4	7.2
Percent Expecting Rise	60%	50%	50%	75%	67%	50%	80%	67%	40%	100%
Percent Expecting Fall	20%	50%	0%	0%	33%	0%	20%	33%	20%	0%
Q3-08										
Q3-08 Value	7.4	8.3	7.7	8.2	7.4	8.1	7.6	7.6	8.3	7.6
Percent Expecting Rise	75%	100%	60%	56%	57%	50%	57%	50%	80%	50%
Percent Expecting Fall	0%	0%	0%	0%	0%	0%	14%	10%	20%	0%
Yields										
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%
Q4-08										
Q4-08 Value	11.7	16.0	9.8	11.1	9.9	11.1	11.2	10.6	12.3	10.5
Percent Expecting Rise	0%	0%	83%	50%	67%	75%	40%	50%	60%	67%
Percent Expecting Fall	20%	50%	0%	0%	0%	0%	20%	17%	0%	0%
Q3-08										
Q3-08 Value	11.4	17.9	9.3	10.4	9.5	10.2	10.1	10.2	11.2	10.2
Percent Expecting Rise	75%	100%	75%	38%	33%	0%	71%	50%	50%	0%
Percent Expecting Fall	0%	0%	0%	0%	17%	0%	0%	0%	25%	0%
Investment Outlook										
Q1-09										
Fair to Good						0%	0%	0%	0%	
Bad to Poor						60%	25%	33%	50%	
Q4-08										
Fair to Good			67%	50%		60%	20%	50%	60%	
Bad to Poor			0%	0%		20%	40%	17%	40%	
Q3-08										
Fair to Good	29%		20%	44%	33%	40%	43%	27%	20%	
Bad to Poor	14%		20%	33%	17%	20%	29%	27%	20%	

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
Q1-09						
Fair to Good	10%	14%	5%	5%	5%	5%
Bad to Poor	67%	67%	67%	67%	67%	57%
Q4-08						
Fair to Good	10%	24%	10%	10%	19%	14%
Bad to Poor	71%	62%	48%	57%	43%	48%
Q3-08						
Fair to Good	11%	22%	17%	8%	19%	14%
Bad to Poor	69%	56%	53%	50%	42%	42%

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
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%
Q4-08												
Private Buyers	88%	83%	20%		33%	75%	67%	40%	20%	50%	100%	100%
R.E. Companies	13%		20%					40%		50%		
REITs												
Institutions				50%	17%				20%			
Foreign Buyers		17%			17%			20%	20%			
Q3-08												
Private Buyers	64%	50%	29%	100%	20%	70%	14%	80%	14%	36%	80%	100%
R.E. Companies	21%	8%	29%		20%		14%			27%		
REITs												
Institutions			14%		20%		14%		43%	9%		
Foreign Buyers	7%	25%	29%		40%	10%	29%		29%	18%		
Foreign Buyers						10%	14%	20%	14%	9%	20%	

Table 5d

Treasure Coast	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										
Q1-09										
Higher	50%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Lower	50%	100%	50%	67%	100%	100%	100%	100%	100%	100%
Q4-08										
Higher	20%	0%	0%	50%	33%	0%	0%	0%	0%	0%
Lower	0%	0%	80%	25%	67%	100%	100%	80%	100%	67%
Q3-08										
Higher	57%	0%	0%	0%	33%	0%	14%	0%	0%	0%
Lower	14%	33%	60%	70%	33%	60%	57%	83%	80%	0%
Rental Rate Increases										
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%
Q4-08										
Faster than Inflation	20%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	80%	100%	80%	75%	100%	100%	100%	100%	100%	67%
Q3-08										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	57%	67%	100%	90%	67%	60%	100%	92%	80%	0%

Table 5e

Treasure Coast	Single Family Development	Condominium Development
Future Absorption Rates		
Q1-09		
Higher	56%	29%
Lower	11%	43%
Q4-08		
Higher	38%	0%
Lower	25%	67%
Q3-08		
Higher	38%	9%
Lower	31%	45%
Future Price Increases		
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	89%	100%
Q4-08		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%
Q3-08		
Faster than Inflation	0%	0%
Slower than Inflation	92%	91%

Southwest Coast

- Cap rates in the Southwest Coast area are, on average, higher (0.25 percentage points) than the state mean, and range from 7.8% (**Apartments**) to 9.4% (**Condo Conversion**).
- Cap rates have increased across all property types over the last quarter, with the largest changes being seen in **Free Standing** (+0.78% change), **Condo Conversion** (+0.67% change), and **Neighborhood Centers** (+0.67% change).
- Cap rates are expected to increase across the majority of property types. Respondents believe that **Condo Conversion**, **Flex Space**, and **Large Retail** are the most likely candidates for rate increases in the future.
- Required yields for the Southwest Coast are lower, on average, than that of the state, 11.73% compared to 12.02% statewide.
- Required yields are highest for **Condo Conversion** at 17.5% and lowest for **Apartments** at 10.0%.
- Required yields have decreased in the last quarter for the majority of property types, with the largest shifts occurring in **Apartments** (-2.87% change) and **Large Retail** (-1.48% change).
- While the investment outlook is negative for **Flex Space**, **Large Retail**, and **Strip Centers**, it is more uncertain for the remaining property types.
- The outlook for **Land Development** is negative for all but one land classification. The outlook in **Land for Urban Redevelopment** is more neutral than its counterparts.
- Occupancy rates are expected to decrease across most property types, with the strongest indications of rate decreases occurring for **Condo Conversion** and **Office: Class A**.
- Rental rates are expected to increase slower than inflation across all property types.
- Future absorption rates are expected to be higher for **Single Family** and remain at current levels for **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										
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%
Q4-08										
Q4-08 Value	7.5	8.7	7.7	8.2	7.7	8.4	8.3	7.8	8.8	7.6
Percent Expecting Rise	100%	50%	67%	75%	100%	89%	67%	60%	85%	25%
Percent Expecting Fall	0%	50%	0%	0%	0%	0%	33%	20%	8%	25%
Q3-08										
Q3-08 Value	7.3	8.2	7.6	8.1	7.3	8.0	7.5	7.5	8.2	7.5
Percent Expecting Rise	75%	67%	33%	100%	44%	57%	44%	38%	50%	45%
Percent Expecting Fall	0%	33%	0%	0%	0%	0%	11%	13%	13%	9%
Yields										
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%
Q4-08										
Q4-08 Value	12.9	17.2	11.0	12.2	11.1	12.2	12.4	11.8	13.5	11.7
Percent Expecting Rise	100%	50%	0%	57%	80%	38%	67%	44%	58%	25%
Percent Expecting Fall	0%	50%	0%	14%	0%	25%	33%	22%	17%	0%
Q3-08										
Q3-08 Value	11.2	17.7	9.2	10.2	9.4	10.1	10.0	10.1	11.1	10.1
Percent Expecting Rise	50%	33%	43%	67%	43%	50%	38%	43%	50%	30%
Percent Expecting Fall	0%	33%	0%	0%	14%	17%	50%	21%	25%	10%
Investment Outlook										
Q1-09										
Fair to Good			44%	13%	60%	30%	0%	23%	14%	50%
Bad to Poor			33%	75%	40%	50%	88%	46%	71%	50%
Q4-08										
Fair to Good				14%	17%	25%	0%	27%	43%	50%
Bad to Poor				43%	33%	63%	71%	36%	36%	25%
Q3-08										
Fair to Good	40%		33%	13%	40%	13%	20%	33%	25%	33%
Bad to Poor	0%		33%	50%	20%	38%	50%	33%	13%	0%

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
Q1-09						
Fair to Good	23%	20%	8%	5%	15%	20%
Bad to Poor	58%	68%	73%	75%	58%	50%
Q4-08						
Fair to Good	22%	28%	22%	17%	28%	19%
Bad to Poor	47%	44%	47%	53%	50%	47%
Q3-08						
Fair to Good	27%	21%	19%	21%	25%	23%
Bad to Poor	54%	54%	52%	35%	38%	31%

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
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%								
Q4-08												
Private Buyers	92%	82%	67%	50%	100%	88%	33%	89%	57%	64%	93%	100%
R.E. Companies	8%	9%		50%			17%			9%	7%	
REITs			33%				17%			9%		
Institutions							33%		14%	18%		
Foreign Buyers		9%							29%			
Q3-08												
Private Buyers	60%	42%	20%	67%	50%	63%	30%	88%	20%	17%	88%	92%
R.E. Companies	10%	17%	60%		20%	13%	20%			22%		
REITs	10%	8%	20%	33%			10%		30%	39%	13%	8%
Institutions	5%	8%			10%		20%		20%	17%		
Foreign Buyers	15%	25%				13%	10%		20%			

Table 6d

Southwest Coast	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										
Q1-09										
Higher	25%	0%	10%	25%	0%	20%	0%	8%	7%	0%
Lower	25%	100%	60%	50%	100%	60%	88%	77%	87%	80%
Q4-08										
Higher	25%	0%	0%	0%	0%	33%	0%	9%	8%	0%
Lower	25%	100%	67%	75%	83%	56%	86%	73%	69%	25%
Q3-08										
Higher	75%	0%	11%	17%	25%	17%	11%	25%	13%	9%
Lower	25%	67%	22%	67%	50%	50%	56%	50%	63%	18%
Rental Rate Increases										
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%
Q4-08										
Faster than Inflation	0%	0%	0%	13%	0%	0%	0%	0%	0%	0%
Slower than Inflation	75%	100%	100%	88%	100%	100%	100%	100%	100%	75%
Q3-08										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	50%	100%	78%	83%	100%	100%	67%	81%	100%	45%

Table 6e

Southwest Coast	Single Family Development	Condominium Development
Future Absorption Rates		
Q1-09		
Higher	60%	11%
Lower	10%	33%
Q4-08		
Higher	42%	27%
Lower	50%	36%
Q3-08		
Higher	45%	17%
Lower	20%	50%
Future Price Increases		
Q1-09		
Faster than Inflation	10%	11%
Slower than Inflation	90%	89%
Q4-08		
Faster than Inflation	0%	0%
Slower than Inflation	92%	91%
Q3-08		
Faster than Inflation	0%	0%
Slower than Inflation	85%	92%

Daytona Beach Area

- Cap rates in Daytona Beach are, on average, higher (0.37 percentage points) than the state mean, and range from 7.9% (**Apartments**) to 9.5% (**Condo Conversion**).
- Cap rates have increased across all property types in the latest quarter. The largest movements in cap rates have occurred in **Free Standing** (+0.71% change), **Condo Conversion** (+0.60% change), and **Neighborhood Centers** (+0.60% change).
- Cap rates are expected to increase across the majority of property types, with the strongest indication for rate increases occurring in **Condo Conversion, Warehouse and Distribution, and Office: Class A**.
- Required yields for Daytona Beach are, on average, higher than that of the state, 13.04% compared to 12.02% statewide.
- Required yields have decreased over the past quarter for most property types. The largest shifts occurred in **Apartments** (-2.57% change) and **Large Retail** (-1.17% change).
- The investment outlook is mixed across property types. The most negative outlook occurs for **Large Retail**.
- The outlook for **Land Development** is negative across all but two land classifications. The outlook for **Land with Industrial Entitlements** and **Land for Urban Redevelopment** is slightly more neutral than their counterparts.
- Occupancy rate expectations are negative across the majority of property types. The strongest indication of a future decrease in occupancy rates occurs in **Condo Conversion**.
- Rental rates are expected to increase slower than inflation across all property types.
- Absorption rate expectations are neutral to positive for **Single Family** and uncertain for **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										
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%
Q4-08										
Q4-08 Value	7.7	8.9	7.9	8.4	7.9	8.6	8.5	8.0	9.0	7.8
Percent Expecting Rise	78%	100%	50%	17%	67%	40%	75%	88%	64%	43%
Percent Expecting Fall	0%	0%	0%	0%	0%	0%	0%	13%	0%	0%
Q3-08										
Q3-08 Value	7.7	8.6	8.0	8.5	7.7	8.4	7.9	7.9	8.6	7.9
Percent Expecting Rise	67%	100%	33%	50%	75%	14%	100%	40%	60%	50%
Percent Expecting Fall	0%	0%	0%	0%	0%	0%	0%	0%	0%	17%
Yields										
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%
Q4-08										
Q4-08 Value	13.9	18.2	12.0	13.2	12.1	13.2	13.4	12.8	14.5	12.7
Percent Expecting Rise	29%	67%	67%	60%	33%	50%	75%	50%	45%	0%
Percent Expecting Fall	14%	0%	0%	0%	33%	13%	0%	25%	18%	67%
Q3-08										
Q3-08 Value	12.4	18.9	10.3	11.4	10.6	11.3	11.2	11.3	12.3	11.2
Percent Expecting Rise	13%	50%	50%	100%	67%	0%	67%	40%	20%	25%
Percent Expecting Fall	13%	50%	0%	0%	0%	0%	0%	0%	0%	0%
Investment Outlook										
Q1-09										
Fair to Good	40%		50%	50%		25%	20%	50%	50%	
Bad to Poor	20%		25%	17%		50%	60%	33%	43%	
Q4-08										
Fair to Good	67%	25%	43%	83%		50%	0%	50%	17%	29%
Bad to Poor	0%	0%	0%	0%		25%	100%	38%	50%	14%
Q3-08										
Fair to Good	78%				25%	33%		50%	40%	67%
Bad to Poor	0%				25%	11%		0%	20%	0%

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
Q1-09						
Fair to Good	19%	23%	15%	12%	15%	23%
Bad to Poor	62%	58%	69%	65%	50%	46%
Q4-08						
Fair to Good	27%	27%	22%	14%	32%	27%
Bad to Poor	49%	54%	51%	43%	35%	43%
Q3-08						
Fair to Good	29%	26%	26%	23%	31%	26%
Bad to Poor	46%	49%	29%	40%	23%	26%

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
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%			
Q4-08												
Private Buyers	67%	100%	30%	75%	43%	83%		83%	25%	38%	79%	100%
R.E. Companies	20%		40%	25%	14%		67%	17%	25%	38%	7%	
REITs					29%	17%	33%			13%		
Institutions	7%		20%						50%	13%		
Foreign Buyers	7%				14%							
Q3-08												
Private Buyers	90%	70%	36%	50%	33%	100%	25%	67%	67%	50%	80%	100%
R.E. Companies	10%	10%	27%	50%			25%	22%	33%	17%	20%	
REITs					33%		25%			17%		
Institutions			18%		33%		25%	11%				
Foreign Buyers		20%								17%		

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										
Q1-09										
Higher	25%	0%	50%	17%	0%	0%	0%	17%	0%	0%
Lower	25%	100%	50%	33%	0%	63%	60%	67%	50%	67%
Q4-08										
Higher	20%	0%	0%	0%	33%	0%	0%	0%	7%	0%
Lower	30%	33%	50%	50%	67%	27%	75%	50%	64%	29%
Q3-08										
Higher	33%	33%	0%	0%	0%	0%	33%	0%	0%	0%
Lower	17%	67%	33%	25%	33%	33%	33%	33%	40%	20%
Rental Rate Increases										
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%
Q4-08										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	90%	75%	83%	100%	100%	91%	50%	75%	86%	71%
Q3-08										
Faster than Inflation	8%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	75%	67%	67%	75%	100%	88%	67%	60%	20%	40%

Table 7e

Daytona Beach Area	Single Family Development	Condominium Development
Future Absorption Rates		
Q1-09		
Higher	44%	25%
Lower	0%	25%
Q4-08		
Higher	20%	0%
Lower	27%	20%
Q3-08		
Higher	30%	10%
Lower	30%	30%
Future Price Increases		
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%
Q4-08		
Faster than Inflation	0%	0%
Slower than Inflation	100%	80%
Q3-08		
Faster than Inflation	0%	0%
Slower than Inflation	80%	90%

Orlando Area

- Cap rates in Orlando are, on average, higher (0.22 percentage points) than the state mean, and range from 7.7% (**Apartments**) to 9.4% (**Condo Conversion**).
- Cap rates have increased over the past quarter for all but one property type, with the lone exception being **Strip Centers**. The largest shifts occurred in **Free Standing** (+0.64% change), **Condo Conversion** (+0.53% change), and **Neighborhood Centers** (+0.53% change).
- Cap rates are expected to increase over the next quarter for most property types. The strongest indication of rate increases occurs for **Condo Conversion**.
- Required yields for Orlando are, on average, higher than that of the state, 12.31% compared to 12.02% statewide.
- Required yields are highest for **Condo Conversion** at 18.1% and lowest for **Apartments** at 10.6%.
- Over the past quarter, required yields have experienced significant shifts in both directions across property types. The largest decrease occurred in **Apartments** (-1.80% change), while the largest increase was reported for **Condo Conversion** (+1.35% change).
- The investment outlook is mixed across property types. The most optimistic outlook for investment occurs in **Flex Space**, while the most negative outlook occurs in **Condo Conversion**.
- The outlook for **Land Development** is negative for **Land with Hospitality Entitlements**. The outlooks for the remaining land classifications are slightly more neutral.
- Occupancy rates are expected to decrease across most the majority of property types. Respondents indicate that rate decreases are most likely to occur in **Large Retail**.
- Rental rates are expected to increase slower than inflation for all property types.
- Absorption rates are expected to decrease for **Condominium Development**, while future rate movements remain uncertain for **Single Family 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, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Cap Rates										
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%
Q4-08										
Q4-08 Value	7.6	8.8	7.8	8.3	7.8	8.5	8.4	7.9	8.9	7.7
Percent Expecting Rise	60%	50%	50%	56%	55%	50%	64%	63%	63%	64%
Percent Expecting Fall	0%	0%	6%	0%	5%	0%	18%	8%	7%	7%
Q3-08										
Q3-08 Value	7.3	8.2	7.5	8.0	7.2	8.0	7.4	7.5	8.2	7.4
Percent Expecting Rise	61%	50%	32%	30%	57%	31%	70%	43%	43%	36%
Percent Expecting Fall	0%	0%	11%	30%	0%	19%	10%	5%	7%	9%
Yields										
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%
Q4-08										
Q4-08 Value	12.4	16.7	10.5	11.7	10.6	11.8	11.9	11.3	13.0	11.2
Percent Expecting Rise	42%	75%	33%	31%	45%	33%	64%	46%	42%	18%
Percent Expecting Fall	5%	0%	27%	25%	15%	6%	18%	17%	17%	36%
Q3-08										
Q3-08 Value	12.4	18.9	10.3	11.4	10.5	11.2	11.1	11.2	12.2	11.2
Percent Expecting Rise	30%	20%	22%	10%	36%	20%	50%	43%	33%	30%
Percent Expecting Fall	4%	10%	6%	30%	14%	13%	20%	10%	17%	0%
Investment Outlook										
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%
Q4-08										
Fair to Good	41%	17%	28%	41%	30%	33%	0%	34%	25%	44%
Bad to Poor	14%	33%	6%	6%	17%	17%	64%	38%	42%	19%
Q3-08										
Fair to Good	69%	11%	63%	50%	47%	28%	20%	46%	42%	50%
Bad to Poor	0%	67%	11%	0%	16%	28%	47%	29%	21%	19%

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
Q1-09						
Fair to Good	23%	20%	20%	15%	22%	31%
Bad to Poor	57%	50%	54%	61%	41%	35%
Q4-08						
Fair to Good	20%	27%	16%	11%	21%	30%
Bad to Poor	50%	50%	50%	55%	44%	42%
Q3-08						
Fair to Good	19%	22%	19%	18%	32%	26%
Bad to Poor	55%	54%	34%	44%	22%	23%

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
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%		
Q4-08												
Private Buyers	74%	50%	48%	86%	63%	65%	39%	75%	29%	57%	71%	69%
R.E. Companies	6%		17%		5%	18%	9%	13%	14%	23%	4%	6%
REITs		10%			5%	18%	9%		7%	3%	7%	13%
Institutions	6%	20%	30%		16%		22%	4%	36%	13%		6%
Foreign Buyers	10%	10%			5%		22%	8%	14%		4%	6%
Q3-08												
Private Buyers	79%	46%	41%	60%	37%	43%	5%	56%	13%	17%	89%	50%
R.E. Companies	4%	23%	24%	10%	21%	29%	21%	11%	13%	21%	11%	19%
REITs			7%	10%	16%	7%	16%		20%	34%		19%
Institutions		15%	17%		26%	7%	42%	17%	33%	14%		
Foreign Buyers	17%	15%		10%			11%	11%	20%	7%		6%

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										
Q1-09										
Higher	17%	17%	8%	0%	10%	0%	13%	13%	14%	25%
Lower	35%	33%	50%	36%	70%	67%	75%	70%	67%	38%
Q4-08										
Higher	29%	0%	6%	19%	17%	9%	21%	14%	7%	0%
Lower	21%	60%	65%	44%	74%	59%	57%	75%	71%	44%
Q3-08										
Higher	46%	10%	16%	9%	6%	18%	14%	4%	6%	0%
Lower	7%	20%	21%	27%	38%	18%	43%	41%	61%	40%
Rental Rate Increases										
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%
Q4-08										
Faster than Inflation	0%	0%	6%	6%	0%	0%	0%	0%	0%	0%
Slower than Inflation	79%	80%	76%	75%	100%	100%	86%	96%	89%	69%
Q3-08										
Faster than Inflation	7%	0%	21%	18%	6%	18%	0%	0%	17%	0%
Slower than Inflation	43%	30%	37%	55%	50%	59%	86%	63%	72%	73%

Table 8e

Orlando Area	Single Family Development	Condominium Development
Future Absorption Rates		
Q1-09		
Higher	33%	10%
Lower	28%	60%
Q4-08		
Higher	27%	11%
Lower	20%	67%
Q3-08		
Higher	42%	15%
Lower	17%	23%
Future Price Increases		
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	89%	100%
Q4-08		
Faster than Inflation	0%	0%
Slower than Inflation	90%	88%
Q3-08		
Faster than Inflation	4%	0%
Slower than Inflation	88%	100%

Lakeland-Winter Haven

- Cap rates in Lakeland-Winter Haven are, on average, higher (0.62 percentage points) than the state mean, and range from 8.1% (**Apartments**) to 9.8% (**Condo Conversion**).
- Cap rates increased across all property types over the last quarter. The largest changes occurred in **Free Standing** (+0.87 % change), **Condo Conversion** (+0.76% change), and **Neighborhood Centers** (+0.76% change).
- Cap rates are expected to increase across the majority of property types in the next quarter. The strongest indications of rate increases occur in **Condo Conversion** and **Apartments**.
- Required yields for Lakeland-Winter Haven are significantly higher, on average, than that of the state, 14.08% compared to 12.02%.
- Required yields are highest for **Condo Conversion** at 19.8% and lowest for **Apartments** at 12.4%.
- Required yields increased across all property types in the last quarter. The largest changes occurred in **Condo Conversion** (+3.99% change) and **Warehouse and Distribution** (+3.97% change).
- The investment outlook is neutral to positive across available property types. The most positive outlook occurs for **Flex Space**.
- The outlook for **Land Development** is mixed across land classifications. It appears that the most negative outlook occurs for **Land with Residential Entitlements**, while there is notable uncertainty for **Land with Industrial Entitlements** and **Land for Urban Redevelopment**.
- Occupancy rates are expected to decrease for most property types. The most significant indications of potential rate decreases occur in **Condo Conversion** and **Free Standing**.
- Rental rates are expected to increase slower than inflation for the majority of property types. The strongest indications for such a change occur in **Condo Conversion**, **Office: Class B**, and **Free Standing**.
- While absorption rates are expected to remain at current levels for **Condominium Development**, expectations are slightly more positive 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 & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Cap Rates										
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%
Q4-08										
Q4-08 Value	7.7	9.0	8.0	8.4	8.0	8.7	8.6	8.0	9.1	7.9
Percent Expecting Rise	71%	50%	36%	17%	43%	60%	80%	70%	82%	33%
Percent Expecting Fall	0%	0%	18%	0%	14%	0%	20%	0%	9%	0%
Q3-08										
Q3-08 Value	7.3	8.2	7.6	8.1	7.3	8.0	7.5	7.5	8.2	7.5
Percent Expecting Rise	78%	100%	50%	67%	80%	33%	60%	67%	50%	83%
Percent Expecting Fall	0%	0%	10%	33%	0%	0%	0%	0%	0%	0%
Yields										
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%
Q4-08										
Q4-08 Value	11.5	15.8	9.6	10.9	9.7	10.9	11.1	10.5	12.2	10.3
Percent Expecting Rise	57%	50%	50%	67%	43%	25%	80%	50%	50%	0%
Percent Expecting Fall	0%	0%	10%	0%	14%	0%	20%	10%	20%	33%
Q3-08										
Q3-08 Value	12.7	19.2	10.6	11.7	10.8	11.5	11.4	11.5	12.5	11.5
Percent Expecting Rise	50%	100%	22%	0%	40%	33%	25%	40%	50%	67%
Percent Expecting Fall	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Investment Outlook										
Q1-09										
Fair to Good	50%		56%	60%		50%		50%	38%	
Bad to Poor	25%		11%	20%		0%		38%	25%	
Q4-08										
Fair to Good	43%	25%	27%	43%	43%	60%	0%	30%	18%	
Bad to Poor	0%	50%	9%	14%	0%	0%	80%	40%	45%	
Q3-08										
Fair to Good	78%		73%		60%	0%	33%	57%	40%	14%
Bad to Poor	0%		18%		20%	25%	0%	14%	20%	14%

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
Q1-09						
Fair to Good	27%	15%	27%	19%	27%	35%
Bad to Poor	54%	62%	50%	50%	27%	27%
Q4-08						
Fair to Good	26%	29%	24%	18%	38%	47%
Bad to Poor	47%	59%	44%	53%	35%	29%
Q3-08						
Fair to Good	27%	33%	37%	27%	47%	37%
Bad to Poor	47%	40%	20%	30%	13%	23%

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
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%			
Q4-08												
Private Buyers	83%	67%	57%	75%	55%	71%	14%	100%	40%	30%	100%	67%
R.E. Companies	8%	33%	29%	25%	9%	14%	29%		20%	40%		
REITs			14%		27%	14%	14%			20%		
Institutions					9%		29%		40%	10%		
Foreign Buyers	8%						14%					33%
Q3-08												
Private Buyers	63%	33%	22%	67%	27%	67%	20%	50%	33%	43%	60%	71%
R.E. Companies		33%	33%	33%	27%	33%				14%	40%	14%
REITs	13%				36%			25%	33%	29%		14%
Institutions		33%	44%		9%		80%	25%		14%		
Foreign Buyers	25%								33%			

Table 9d

Lakeland-Winter Haven	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										
Q1-09										
Higher	0%	0%	11%	20%	0%	0%	33%	13%	11%	0%
Lower	25%	100%	67%	60%	0%	50%	0%	38%	56%	100%
Q4-08										
Higher	14%	0%	36%	50%	17%	0%	0%	0%	9%	0%
Lower	43%	50%	45%	33%	67%	40%	100%	90%	73%	0%
Q3-08										
Higher	33%	0%	11%	50%	0%	0%	0%	14%	0%	0%
Lower	33%	0%	22%	0%	0%	67%	50%	57%	60%	57%
Rental Rate Increases										
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%
Q4-08										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	86%	75%	70%	67%	100%	75%	80%	90%	90%	67%
Q3-08										
Faster than Inflation	0%	0%	11%	50%	0%	0%	0%	14%	0%	0%
Slower than Inflation	67%	67%	44%	50%	25%	100%	67%	57%	80%	86%

Table 9e

Lakeland-Winter Haven	Single Family Development	Condominium Development
Future Absorption Rates		
Q1-09		
Higher	50%	0%
Lower	0%	17%
Q4-08		
Higher	17%	33%
Lower	42%	67%
Q3-08		
Higher	25%	0%
Lower	25%	50%
Future Price Increases		
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%
Q4-08		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%
Q3-08		
Faster than Inflation	13%	0%
Slower than Inflation	75%	33%

Tampa-St. Petersburg

- Cap rates in the Tampa-St. Petersburg area are, on average, higher (0.25 percentage points) than the state mean, and range from 7.8% (**Apartments**) to 9.4% (**Condo Conversion**).
- Cap rates increased over the past quarter across all property types, with the largest changes occurring in **Free Standing** (+0.84% change), **Condo Conversion** (+0.73% Change), and **Neighborhood Centers** (+0.73% change).
- Cap rate outlooks indicate that rates are expected to increase across most property types in the next quarter. The strongest indications of cap rate increases occur in **Office Class: B, Strip Centers, and Condo Conversion**.
- Required yields for Tampa-St. Petersburg are higher, on average, than that of the state, 12.60% compared to 12.02% statewide.
- Required yields are highest for **Condo Conversion** at 18.3% and lowest for **Apartments** at 10.9%.
- Required yields increased across the majority of property types in the last quarter. The largest shifts occurred in **Apartments** (-1.68% change) and **Condo Conversion** (+1.47% change).
- The investment outlook is mixed across property types, with the most positive outlook occurring in **Office: Class A** and the most negative outlook occurring in **Condo Conversion**.
- The outlook for **Land Development** is mostly negative across land classifications, though expectations for **Land with Industrial Entitlements** and **Land for Urban Redevelopment** are slightly more neutral than their counterparts.
- Occupancy rates are expected to decrease across the majority of property types. The strongest indications of occupancy rate decreases occur in **Office: Class A** and **Strip Centers**.
- Rental rates are expected to increase slower than inflation across all property types over the next quarter.
- Future absorption rate expectations are uncertain for both **Condominium Development** and **Single Family Development** as there appears to be significant difference in opinion amongst respondents.
- 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, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Cap Rates										
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%
Q4-08										
Q4-08 Value	7.4	8.7	7.6	8.1	7.6	8.3	8.2	7.7	8.7	7.6
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%
Q3-08										
Q3-08 Value	7.2	8.1	7.5	8.0	7.2	7.9	7.4	7.4	8.1	7.4
Percent Expecting Rise	55%	57%	31%	31%	46%	38%	73%	55%	47%	31%
Percent Expecting Fall	0%	0%	6%	8%	0%	0%	0%	0%	0%	6%
Yields										
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%
Q4-08										
Q4-08 Value	12.6	16.9	10.6	11.9	10.8	11.9	12.1	11.5	13.2	11.3
Percent Expecting Rise	43%	63%	50%	45%	50%	33%	50%	43%	54%	0%
Percent Expecting Fall	0%	13%	21%	9%	25%	7%	20%	21%	0%	0%
Q3-08										
Q3-08 Value	11.5	18.0	9.4	10.5	9.7	10.3	10.3	10.4	11.3	10.3
Percent Expecting Rise	45%	50%	36%	25%	36%	20%	38%	37%	23%	19%
Percent Expecting Fall	10%	0%	0%	0%	0%	0%	31%	21%	8%	6%
Investment Outlook										
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%
Q4-08										
Fair to Good	43%	11%	20%	7%	29%	9%	13%	33%	16%	57%
Bad to Poor	5%	56%	27%	43%	21%	48%	60%	38%	53%	21%
Q3-08										
Fair to Good	52%	33%	72%	71%	47%	40%	20%	39%	29%	32%
Bad to Poor	0%	56%	11%	14%	18%	20%	45%	29%	24%	26%

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
Q1-09						
Fair to Good	20%	19%	18%	14%	20%	33%
Bad to Poor	53%	56%	56%	58%	46%	40%
Q4-08						
Fair to Good	16%	15%	15%	16%	22%	25%
Bad to Poor	57%	62%	52%	48%	46%	43%
Q3-08						
Fair to Good	19%	26%	24%	25%	39%	31%
Bad to Poor	60%	52%	31%	32%	21%	26%

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
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%			
Q4-08												
Private Buyers	83%	68%	48%	67%	38%	50%	29%	74%	40%	62%	85%	93%
R.E. Companies	13%	5%	17%	11%	6%	14%		9%	20%	24%	10%	7%
REITs			4%		13%	7%		4%		10%		
Institutions		9%	17%	22%	19%	14%	64%	9%	27%	5%		
Foreign Buyers		14%			19%	14%	7%	4%	13%			
Q3-08												
Private Buyers	74%	62%	39%	78%	39%	47%	6%	65%	15%	32%	81%	79%
R.E. Companies	11%	15%	25%		22%	20%	24%	15%	20%	18%	5%	5%
REITs	6%		11%		33%	13%	29%		20%	39%	14%	16%
Institutions	3%	4%	21%	11%	6%	7%	35%	15%	25%	4%		
Foreign Buyers	3%	15%		11%			6%	5%	20%	7%		

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										
Q1-09										
Higher	18%	0%	20%	0%	8%	17%	12%	5%	12%	7%
Lower	27%	40%	40%	60%	83%	50%	65%	60%	73%	50%
Q4-08										
Higher	36%	11%	13%	15%	14%	5%	0%	5%	5%	7%
Lower	27%	44%	56%	62%	79%	64%	73%	65%	85%	21%
Q3-08										
Higher	33%	57%	19%	23%	19%	16%	11%	11%	10%	0%
Lower	4%	14%	25%	38%	44%	26%	53%	39%	55%	33%
Rental Rate Increases										
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%
Q4-08										
Faster than Inflation	5%	11%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	73%	67%	81%	85%	100%	95%	87%	90%	95%	71%
Q3-08										
Faster than Inflation	0%	14%	6%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	48%	57%	63%	69%	69%	79%	75%	82%	90%	61%

Table 10e

Tampa-St Pete	Single Family Development	Condominium Development
Future Absorption Rates		
Q1-09		
Higher	22%	17%
Lower	17%	33%
Q4-08		
Higher	36%	29%
Lower	23%	43%
Q3-08		
Higher	32%	13%
Lower	38%	50%
Future Price Increases		
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%
Q4-08		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%
Q3-08		
Faster than Inflation	6%	8%
Slower than Inflation	85%	79%

Sarasota-Bradenton

- Cap rates in the Sarasota-Bradenton area are, on average, slightly lower (0.006 percentage points) than the state mean, and range from 7.5% (**Apartments**) to 9.1% (**Condo Conversion**).
- Cap rates increased across all but one property type in the last quarter, with the lone exception being **Strip Centers**. The largest changes occurred in **Free Standing** (+0.58% change), **Condo Conversion** (+0.46% change), and **Neighborhood Centers** (+0.46% change).
- Cap rate expectations are neutral to positive across most property types. The strongest indication of an expected cap rate increase occurs in **Office: Class A**. Respondents also indicate that cap rates for **Condo Conversion** may decrease in the next quarter.
- Required yields for Sarasota-Bradenton are, on average, lower than that of the state, 11.34% compared to 12.02% statewide.
- Required yields are highest for **Condo Conversion** at 17.1% and lowest for **Apartments** at 9.6%.
- Required yields have decreased this quarter across most property types. The largest shifts occurred in **Apartments** (-2.99% change) and **Large Retail** (-1.59% change).
- The investment outlook is mixed across available property types. The most positive outlook occurs in **Warehouse and Distribution**, while the most negative outlook occurs in **Large Retail**.
- The outlook for **Land Development** is mixed across land classifications. It appears that the most negative outlook occurs for **Land without Entitlements**.
- Occupancy rates are expected to decrease over the next quarter for the majority of property types. The strongest indications of expected occupancy rate decreases occur in **Condo Conversion** and **Office: Class A**.
- Rental rates are expected to increase slower than inflation across most property types over the next quarter. The strongest indications of such movements occur in **Flex Space** and **Neighborhood Centers**.
- Future absorption rate movements are uncertain for both **Single Family Development** and **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										
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%
Q4-08										
Q4-08 Value	7.4	8.7	7.7	8.1	7.6	8.3	8.2	7.7	8.7	7.6
Percent Expecting Rise	33%	33%	50%	71%	100%	70%	100%	33%	67%	18%
Percent Expecting Fall	0%	0%	0%	0%	0%	0%	0%	0%	8%	9%
Q3-08										
Q3-08 Value	7.1	8.0	7.3	7.9	7.1	7.8	7.2	7.3	8.0	7.3
Percent Expecting Rise	67%	60%	14%	50%	60%	17%	71%	63%	67%	36%
Percent Expecting Fall	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Yields										
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%
Q4-08										
Q4-08 Value	12.6	16.9	10.7	12.0	10.8	12.0	12.1	11.5	13.2	11.4
Percent Expecting Rise	50%	33%	20%	29%	100%	11%	100%	33%	36%	10%
Percent Expecting Fall	0%	33%	0%	0%	0%	0%	0%	0%	9%	10%
Q3-08										
Q3-08 Value	13.5	20.1	11.5	12.6	11.7	12.4	12.3	12.4	13.4	12.4
Percent Expecting Rise	67%	60%	29%	50%	20%	17%	17%	14%	33%	18%
Percent Expecting Fall	0%	0%	0%	0%	20%	0%	67%	57%	17%	9%
Investment Outlook										
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%
Q4-08										
Fair to Good	67%	0%	33%	38%	50%	10%		14%	9%	60%
Bad to Poor	0%	100%	17%	38%	0%	30%		71%	27%	20%
Q3-08										
Fair to Good	50%	40%	29%		60%	14%	14%	33%	25%	38%
Bad to Poor	0%	40%	14%		20%	0%	43%	33%	0%	15%

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
Q1-09						
Fair to Good	20%	31%	17%	20%	20%	31%
Bad to Poor	57%	43%	51%	49%	40%	31%
Q4-08						
Fair to Good	22%	19%	25%	17%	28%	25%
Bad to Poor	47%	47%	39%	42%	42%	28%
Q3-08						
Fair to Good	26%	29%	26%	34%	34%	32%
Bad to Poor	53%	42%	26%	24%	21%	24%

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
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%		
Q4-08												
Private Buyers	91%	75%	83%	75%	67%	88%	50%	90%	67%	57%	92%	73%
R.E. Companies	9%	13%								14%		9%
REITs			17%	25%	17%		25%	10%	33%	29%		
Institutions						13%	25%					9%
Foreign Buyers		13%			17%							
Q3-08												
Private Buyers	67%	58%	25%	50%	57%	100%		86%	14%	22%	75%	92%
R.E. Companies	13%	25%	50%		29%		20%			11%	13%	
REITs	7%				14%		40%		43%	56%		8%
Institutions	7%		25%	17%			40%		14%	11%		
Foreign Buyers	7%	17%		17%					29%			

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										
Q1-09										
Higher	25%	0%	0%	0%	0%	10%	0%	13%	0%	0%
Lower	50%	100%	50%	80%	86%	60%	75%	63%	67%	43%
Q4-08										
Higher	17%	0%	20%	14%	25%	11%	33%	0%	0%	9%
Lower	17%	33%	40%	43%	75%	67%	67%	50%	64%	18%
Q3-08										
Higher	33%	20%	0%	0%	25%	0%	0%	0%	0%	0%
Lower	33%	40%	33%	100%	25%	50%	71%	67%	57%	46%
Rental Rate Increases										
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%
Q4-08										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	67%	33%	80%	86%	100%	67%	100%	100%	100%	64%
Q3-08										
Faster than Inflation	14%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	57%	80%	83%	100%	67%	100%	67%	63%	100%	69%

Table 11e

Sarasota-Bradenton	Single Family Development	Condominium Development
Future Absorption Rates		
Q1-09		
Higher	36%	22%
Lower	18%	11%
Q4-08		
Higher	18%	38%
Lower	27%	25%
Q3-08		
Higher	47%	27%
Lower	7%	18%
Future Price Increases		
Q1-09		
Faster than Inflation	0%	11%
Slower than Inflation	82%	78%
Q4-08		
Faster than Inflation	0%	0%
Slower than Inflation	100%	88%
Q3-08		
Faster than Inflation	20%	18%
Slower than Inflation	80%	82%

Jacksonville

- Cap rates in Jacksonville are, on average, higher (0.34 percentage points) than the state mean, and range from 7.9% (**Apartments**) to 9.5% (**Condo Conversion**).
- Cap rates have increased across all property types, with the largest changes occurring in **Free Standing** (+0.97% change), **Neighborhood Centers** (+0.85% change), and **Condo Conversion** (+0.85% change).
- For most property types, cap rates are expected to increase over the next quarter. The strongest indications of a cap rate increase occur in **Warehouse and Distribution** and **Office: Class A**.
- Required yields for Jacksonville are, on average, lower than that of the state, 11.21% compared to 12.02% statewide.
- Required yields are highest for **Condo Conversion** at 17.0% and lowest for **Apartments** at 9.5%.
- Required yields decreased across the majority of property types in the last quarter. The largest shifts occurred in **Apartments** (-2.71% change) and **Large Retail** (-1.31% change).
- The investment outlook is mixed across property types. The most negative outlook appears to be for **Large Retail**.
- The outlook for **Land Development** is negative for **Land without Entitlements** and **Land with Residential Entitlements**. The outlook is more neutral for the remaining land classifications.
- Future occupancy rate expectations are mixed across property types. Rates are expected to decrease for **Large Retail**, **Neighborhood Centers**, and **Strip Centers**.
- Rental rates are expected to increase slower than inflation across all property types.
- While future absorption rate movements are uncertain for **Single Family Development**, respondents expect rates to either remain at current levels or possibly decrease for **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										
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%
Q4-08										
Q4-08 Value	7.4	8.6	7.6	8.1	7.6	8.3	8.2	7.7	8.7	7.5
Percent Expecting Rise	53%	100%	25%	50%	75%	67%	25%	50%	60%	43%
Percent Expecting Fall	0%	0%	25%	0%	13%	0%	50%	13%	10%	14%
Q3-08										
Q3-08 Value	7.6	8.4	7.8	8.3	7.5	8.3	7.7	7.8	8.5	7.7
Percent Expecting Rise	56%	33%	33%	50%	50%	33%	57%	42%	60%	44%
Percent Expecting Fall	0%	33%	11%	0%	0%	0%	0%	0%	0%	0%
Yields										
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%	0%	40%	67%	29%	33%	100%
Percent Expecting Fall	10%	33%	0%	0%	0%	0%	33%	14%	17%	0%
Q4-08										
Q4-08 Value	12.2	16.5	10.3	11.6	10.4	11.6	11.7	11.1	12.8	11.0
Percent Expecting Rise	33%	33%	0%	33%	63%	43%	33%	50%	50%	17%
Percent Expecting Fall	7%	0%	67%	0%	25%	14%	33%	0%	13%	33%
Q3-08										
Q3-08 Value	11.8	18.3	9.8	10.8	10.0	10.7	10.6	10.7	11.7	10.6
Percent Expecting Rise	13%	50%	22%	0%	38%	25%	29%	36%	43%	13%
Percent Expecting Fall	13%	25%	33%	50%	13%	0%	57%	27%	14%	25%
Investment Outlook										
Q1-09										
Fair to Good	33%		50%		50%	20%	0%	43%	13%	50%
Bad to Poor	25%		0%		17%	10%	60%	29%	50%	0%
Q4-08										
Fair to Good	32%		0%	60%	11%	18%	0%	57%	0%	67%
Bad to Poor	11%		20%	20%	22%	27%	25%	29%	60%	0%
Q3-08										
Fair to Good	46%	0%	56%		20%	9%	29%	38%	10%	50%
Bad to Poor	0%	100%	0%		10%	18%	43%	23%	50%	10%

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
Q1-09						
Fair to Good	22%	19%	14%	14%	19%	25%
Bad to Poor	61%	64%	44%	56%	36%	47%
Q4-08						
Fair to Good	12%	26%	16%	14%	28%	16%
Bad to Poor	60%	60%	51%	51%	42%	65%
Q3-08						
Fair to Good	22%	28%	20%	26%	39%	26%
Bad to Poor	48%	57%	37%	39%	17%	35%

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
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%									
Q4-08												
Private Buyers	95%	83%	47%	67%		60%	22%	64%	50%	50%	90%	71%
R.E. Companies			16%	33%	20%		11%	27%			10%	14%
REITs		8%	11%		60%		11%					
Institutions	5%		26%		20%	40%	22%		50%	38%		
Foreign Buyers		8%					33%	9%				
Q3-08												
Private Buyers	80%	50%	21%	50%	11%	33%		55%	14%	21%	90%	90%
R.E. Companies		13%	14%	25%	44%	33%	30%	27%	29%	21%	10%	10%
REITs					33%		10%		14%	21%		
Institutions	7%	13%	50%	25%	11%		50%	9%	14%	21%		
Foreign Buyers	13%	25%	7%				10%		29%	7%		

Table 12d

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
Future Occupancy										
Q1-09										
Higher	8%	0%	33%	50%	20%	10%	0%	13%	13%	0%
Lower	33%	25%	0%	0%	60%	70%	75%	75%	75%	33%
Q4-08										
Higher	28%	25%	20%	20%	0%	0%	0%	0%	9%	29%
Lower	17%	25%	40%	20%	78%	70%	100%	100%	91%	43%
Q3-08										
Higher	31%	0%	33%	0%	22%	11%	29%	14%	33%	22%
Lower	38%	0%	22%	33%	22%	44%	57%	64%	33%	22%
Rental Rate Increases										
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%
Q4-08										
Faster than Inflation	11%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	67%	75%	100%	80%	100%	90%	100%	100%	91%	100%
Q3-08										
Faster than Inflation	0%	0%	0%	0%	22%	11%	14%	7%	0%	0%
Slower than Inflation	75%	50%	67%	33%	67%	67%	86%	93%	80%	56%

Table 12e

Jacksonville	Single Family Development	Condominium Development
Future Absorption Rates		
Q1-09		
Higher	27%	9%
Lower	27%	45%
Q4-08		
Higher	11%	0%
Lower	17%	64%
Q3-08		
Higher	27%	29%
Lower	53%	43%
Future Price Increases		
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	87%	100%
Q4-08		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%
Q3-08		
Faster than Inflation	0%	0%
Slower than Inflation	64%	86%

Gainesville-Ocala

- For available property types, cap rates in Gainesville-Ocala are, on average, lower (0.22 percentage points) than the state mean, and range from 7.3% (**Apartments**) to 8.9% (**Condo Conversion**).
- For available property types, cap rates decreased over the last quarter, with the largest changes occurring in **Strip Centers** (-0.96% change) and **Office: Class B** (-0.83% change).
- Cap rate expectations are mixed across available property types. The strongest indications of expected cap rate increases occur in **Condo Conversion, Neighborhood Centers, and Strip Centers**.
- Required yields for Gainesville-Ocala are, on average, lower than that of the state, 11.91% compared to 12.02% statewide.
- Required yields are highest for **Condo Conversion** at 17.6% and lowest for **Apartments** at 10.2%.
- Required yields increased over the past quarter for all but one available property, with the lone exception being **Apartments**. The largest increases occurred in **Warehouse and Distribution** (+2.00% change) and **Office: Class A** (+1.35% change).
- The investment outlook is mixed across available property types. Respondents are most pessimistic about **Neighborhood Centers** and **Large Retail**.
- While the outlook for **Land Development** is negative for **Land without Entitlements**, it is slightly more neutral for the remaining land classifications.
- Future occupancy rate expectations are mixed across available property types. The strongest indication of future rate decreases occurs in **Neighborhood Centers**.
- Rental rates are expected to increase slower than inflation across all available property types over the next quarter.
- While absorption rates are expected to decrease for **Condominium Development**, expectations remain uncertain for **Single Family 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										
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%	
Q4-08										
Q4-08 Value	8.1		8.3	8.8	8.3	9.0	8.9	8.4	9.4	8.2
Percent Expecting Rise	67%		50%	50%	0%	33%	50%	100%	100%	100%
Percent Expecting Fall	0%		0%	0%	0%	0%	0%	0%	0%	0%
Q3-08										
Q3-08 Value	7.5	8.4	7.7	8.2	7.4	8.2	7.6	7.7	8.4	7.6
Percent Expecting Rise	75%	100%	50%	25%	50%	25%	0%	33%	33%	0%
Percent Expecting Fall	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Yields										
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%	
Q4-08										
Q4-08 Value	11.3		9.4	10.6	9.5	10.6	10.8	10.2	11.9	10.1
Percent Expecting Rise	25%		100%	100%	0%	100%	0%	0%	100%	50%
Percent Expecting Fall	25%		0%	0%	0%	0%	0%	0%	0%	50%
Q3-08										
Q3-08 Value	12.7		10.6	11.7	10.9	11.5	11.5	11.6	12.5	11.5
Percent Expecting Rise	25%		0%	0%	33%	0%	0%	33%	0%	0%
Percent Expecting Fall	0%		0%	0%	0%	0%	0%	0%	0%	0%
Investment Outlook										
Q1-09										
Fair to Good	50%					40%	25%	0%	25%	
Bad to Poor	17%					20%	75%	100%	50%	
Q4-08										
Fair to Good	57%					50%				
Bad to Poor	0%					0%				
Q3-08										
Fair to Good	75%			50%	75%	60%		50%	40%	
Bad to Poor	0%			0%	0%	20%		25%	20%	

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
Q1-09						
Fair to Good	6%	19%	13%	19%	6%	25%
Bad to Poor	63%	56%	50%	56%	50%	44%
Q4-08						
Fair to Good	21%	43%	29%	29%	36%	43%
Bad to Poor	64%	43%	29%	7%	29%	29%
Q3-08						
Fair to Good	13%	30%	35%	35%	52%	43%
Bad to Poor	48%	35%	17%	17%	13%	13%

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
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%	
Foreign Buyers		33%						25%				
Q4-08												
Private Buyers	100%	50%	71%		50%	100%	100%	100%	50%		100%	100%
R.E. Companies												
REITs		50%			50%							
Institutions			29%						50%	100%		
Foreign Buyers												
Q3-08												
Private Buyers	90%	33%	33%		100%	100%	50%	60%		25%	60%	100%
R.E. Companies												
REITs		33%	33%				25%	40%	50%	50%	40%	
Institutions	10%		11%				25%		50%	25%		
Foreign Buyers		33%		50%								

Table 13d

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
Future Occupancy										
Q1-09										
Higher	0%	0%	0%		0%	0%	33%	0%	0%	
Lower	17%	50%	33%		50%	20%	33%	75%	50%	
Q4-08										
Higher	17%		50%	0%	50%	0%	0%	0%	0%	0%
Lower	0%		0%	0%	50%	25%	100%	0%	100%	100%
Q3-08										
Higher	38%	0%	0%	0%	0%	0%	0%	0%	0%	33%
Lower	25%	100%	50%	20%	0%	20%	50%	25%	20%	0%
Rental Rate Increases										
Q1-09										
Faster than Inflation	0%	0%	33%		0%	0%	0%	0%	25%	
Slower than Inflation	83%	100%	67%		100%	80%	100%	100%	75%	
Q4-08										
Faster than Inflation	0%		0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	86%		50%	100%	100%	75%	100%	100%	100%	100%
Q3-08										
Faster than Inflation	0%	0%	0%	0%	25%	0%	50%	0%	0%	33%
Slower than Inflation	63%	100%	50%	0%	50%	80%	50%	50%	40%	33%

Table 13e

Gainesville-Ocala	Single Family Development	Condominium Development
Future Absorption Rates		
Q1-09		
Higher	29%	0%
Lower	14%	67%
Q4-08		
Higher	13%	0%
Lower	25%	100%
Q3-08		
Higher	10%	20%
Lower	10%	40%
Future Price Increases		
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%
Q4-08		
Faster than Inflation	0%	0%
Slower than Inflation	88%	100%
Q3-08		
Faster than Inflation	0%	20%
Slower than Inflation	70%	60%

Pensacola-Tallahassee

- Cap rates for available property types in Pensacola-Tallahassee are, on average, higher (0.04 percentage points) than the state mean, and range from 7.7% (**Apartments**) to 8.8% (**Strip Centers**).
- Cap rates have decreased over the past quarter for all but one available property type, with the lone exception being **Free Standing**. The largest cap rate movements occurred in **Strip Centers** (-0.60% change) and **Office: Class B** (-0.46% change).
- Cap rate expectations are mixed across available property types. The strongest indication of potential rate increases occurs in **Strip Centers**. There appears to be some difference in opinion amongst respondents concerning a number of the remaining property types.
- Required yields for Pensacola-Tallahassee are, on average, lower than that of the state, 9.83% compared to 12.02% statewide.
- Required yields are highest for **Strip Centers** at 10.8% and lowest for **Apartments** at 8.8%.
- Required yields have decreased over the past quarter for all available property types. The largest shifts occurred in **Apartments** (-3.48% change) and **Strip Centers** (-2.04% change).
- For available property types, the investment outlook is mixed. The most positive outlook occurs for **Apartments**.
- The outlook for **Land Development** is negative across the majority of land classifications. It appears that the most negative outlook occurs for **Land without Entitlements**.
- Future occupancy rate expectations are mixed across property types. The strongest indication of an expected decrease in occupancy rates occurs in **Large Retail**.
- For the majority of available property types, rental rates are expected to increase slower than inflation. The strongest indication of such a movement occurs in **Flex Space**.
- Future movements in absorption rates are uncertain 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										
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%
Q4-08										
Q4-08 Value	8.0		8.3	8.7	8.3	9.0		8.3	9.4	8.2
Percent Expecting Rise	67%		0%	50%	40%	50%		100%	11%	14%
Percent Expecting Fall	0%		0%	0%	0%	0%		0%	11%	0%
Q3-08										
Q3-08 Value	7.8	8.7	8.1	8.6	7.8	8.5	8.0	8.0	8.7	8.0
Percent Expecting Rise	50%	60%	40%	0%	50%	63%	100%	80%	50%	50%
Percent Expecting Fall	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Yields										
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%
Q4-08										
Q4-08 Value	12.3		10.3	11.6	10.4	11.6		11.2	12.9	11.0
Percent Expecting Rise	67%		0%	0%	20%	22%		100%	0%	17%
Percent Expecting Fall	0%		0%	0%	0%	0%		0%	13%	17%
Q3-08										
Q3-08 Value	10.6	17.1	8.5		8.8	9.4	9.4	9.5	10.4	9.4
Percent Expecting Rise	33%	75%	0%		0%	50%	0%	75%	40%	40%
Percent Expecting Fall	0%	0%	33%		50%	17%	100%	25%	0%	20%
Investment Outlook										
Q1-09										
Fair to Good	67%					20%		25%	20%	50%
Bad to Poor	0%					20%		0%	40%	0%
Q4-08										
Fair to Good					0%	9%			33%	43%
Bad to Poor					25%	36%			44%	0%
Q3-08										
Fair to Good	50%				25%	50%		20%	67%	67%
Bad to Poor	0%				0%	0%		60%	17%	33%

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
Q1-09						
Fair to Good	13%	17%	4%	4%	9%	13%
Bad to Poor	70%	48%	65%	65%	61%	43%
Q4-08						
Fair to Good	8%	16%	16%	8%	16%	12%
Bad to Poor	72%	64%	56%	64%	56%	48%
Q3-08						
Fair to Good	23%	19%	19%	23%	19%	23%
Bad to Poor	55%	55%	35%	42%	35%	42%

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
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%
Q4-08												
Private Buyers	93%	100%	100%			100%	40%	75%		67%	73%	38%
R.E. Companies							20%				9%	25%
REITs				100%						33%		13%
Institutions								8%				
Foreign Buyers							20%					
Q3-08												
Private Buyers	88%	91%	38%	40%	40%		25%	88%		40%	50%	33%
R.E. Companies	6%		25%					13%	33%	40%	33%	33%
REITs					20%				33%	20%	17%	17%
Institutions			38%				50%		33%			17%
Foreign Buyers	6%	9%		20%			25%					

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										
Q1-09										
Higher	17%		50%	0%	0%	0%	0%	25%	20%	0%
Lower	17%		0%	0%	0%	38%	100%	50%	80%	75%
Q4-08										
Higher	33%		0%	0%	20%	0%		0%	0%	0%
Lower	0%		0%	0%	40%	40%		100%	33%	14%
Q3-08										
Higher	0%	0%	0%	0%	0%	0%	0%	20%	0%	0%
Lower	17%	40%	40%	50%	25%	13%	100%	60%	17%	17%
Rental Rate Increases										
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%
Q4-08										
Faster than Inflation	0%		0%	0%	0%	0%		0%	11%	14%
Slower than Inflation	100%		100%	100%	0%	90%		100%	78%	29%
Q3-08										
Faster than Inflation	0%	0%	0%	0%	0%	13%	0%	0%	0%	17%
Slower than Inflation	83%	60%	80%	50%	0%	63%	100%	80%	33%	17%

Table 14e

Pensacola to Tallahassee	Single Family Development	Condominium Development
Future Absorption Rates		
Q1-09		
Higher	30%	25%
Lower	40%	25%
Q4-08		
Higher	8%	13%
Lower	46%	50%
Q3-08		
Higher	24%	9%
Lower	24%	45%
Future Price Increases		
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	90%	88%
Q4-08		
Faster than Inflation	0%	0%
Slower than Inflation	85%	100%
Q3-08		
Faster than Inflation	0%	0%
Slower than Inflation	88%	100%