

Survey of Emerging Market Conditions

Quarter 2 2009

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The *Survey of Emerging Market Conditions* is provided to all invited survey respondents who completed the survey during the June 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

The light gets a little bigger. In the first quarter of 2009, our respondents gave us an encouraging sign that we may be near the bottom. That message got a little louder this quarter. Two key indicators that the light is growing are our respondents' outlook for their own business and the outlook for capital. For the second consecutive quarter, expectations improved for our respondents own business outlook. Deals are slowing making their way to the closing table in a variety of property types and respondents continue to adapt their business plans to the changing market. These have lead to new opportunities and a bolstering of expectations. That view is being reinforced by the expectations for capital availability. A larger number of our respondents are now expecting an increase in capital availability for acquisitions as private capital is slowly making its way from the sidelines. Respondents continue to believe that most capital will come from private sources or from regional and local banks that were not around or did not get caught up in the run up. These results continue the encouraging signs from the first quarter, however, challenges remain and the road from the bottom will have a lot of bumps. At least the light is getting brighter.

Highlights

- The general investment outlook for Florida real estate, though still mixed, improved to its highest level since the start of the survey.
- Expectations for single family residential absorption increased dramatically for the second consecutive quarter while downward pressure on prices eased.
- The outlook for single family development increased to its highest level since the inception of the survey, while the outlook for condo development remains mixed but also increased to its highest level.
- The investment outlook for market rate apartments improved to near its record high.
- The outlook for all rental rates increased in all categories but industrial.
- The outlook for occupancy increased in all property types with the exception of Class A office and industrial flex space. Over most property types the outlook is for no change in occupancy.
- Cap rates continued to increase over all property types this quarter. The outlook is for cap rates stabilized over most property types with the expectation that rates will 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 fourteenth fielding. The total number of participants, at 309, 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

The outlook for single family absorption continued its surprising increase to reach 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. The expectation for prices changed this quarter as respondents now believe that prices will increase slower than inflation. The investment outlook for single family development increased to its highest level since the inception of the survey with more respondents believing that it is a good time to buy.

Apartments

Expectations for apartment occupancy increased this quarter while the expectation for rental rate growth also increased. The expectation for apartment investment increased to a near high. Cap rates, an indication of long term value, continue to move upward. Expectations for future cap rates decreased this quarter moving toward the expectation of no change.

Industrial

The outlook for industrial occupancy remained mixed. While the outlook for occupancy in warehouse and distribution improved somewhat, the outlook for flex space, R & D continued to drop 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 move upward, suggesting increased investor uncertainty.

Office

The outlook for office occupancy was mixed this quarter with a decrease in the outlook for Class A office as job losses continue to take a toll on this sector. The outlook for Class B office increased with the expectation that occupancy will level off. The outlook for office rental rates improved slightly this quarter but remains weak. The outlook for office investment remained mixed as respondents' outlook declined for Class A space but improved for Class B space. Cap rates continue to creep upward and the expectation is that trend will continue.

Retail

Surprisingly, the expectations for occupancy increased over all four categories this quarter. The biggest movers were the strip centers and free standing retail. This is consistent with the belief that local retailers are taking advantage of the lower rental rates at better locations. National retailers continue to pull back with more store closings and fewer new store openings. The outlook for rental rate growth is similar with a dramatic improvement in the outlook for all categories except free standing retail. As with other types of properties, cap rates showed an upward trend, suggesting increased risk.

Land Investment

The outlook for investment in land improved slightly 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. However, it is becoming apparent that more owners are lowering their expectations and more deals are coming to the market.

Capital Availability

The outlook for capital availability continued its upward trend reaching its highest level in three years. Our respondents believe that private capital is slowing starting to enter the market and that local or regional banks that are not strapped with bad assets have increased their lending. Additionally, the first signs of movement in the TALF program with two national REITS have helped improve the outlook.

Own Business Outlook

The own business outlook also continue its dramatic upward trend. Respondents believe that increased capital availability will increase the number of transactions which has a positive effect on their business. Additionally, respondents are dramatically changing their future business plans to adapt to the current and expected future market conditions. This is bringing positive expectations as those plans are implemented.

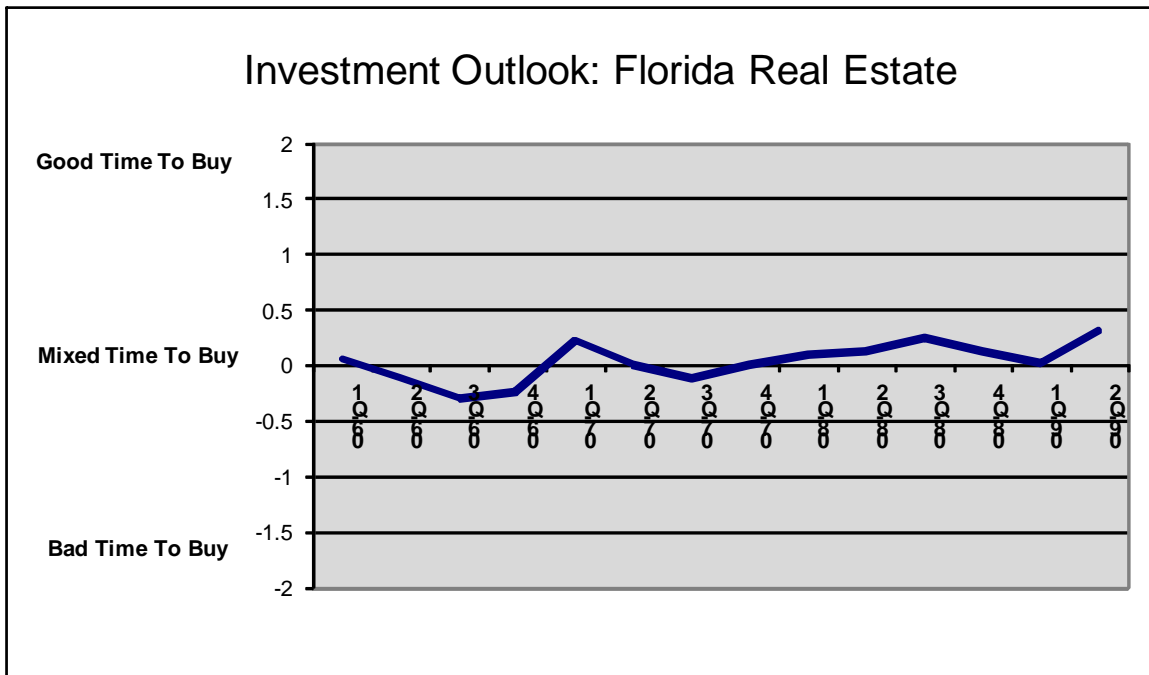
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Section 1: Investment Outlook

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

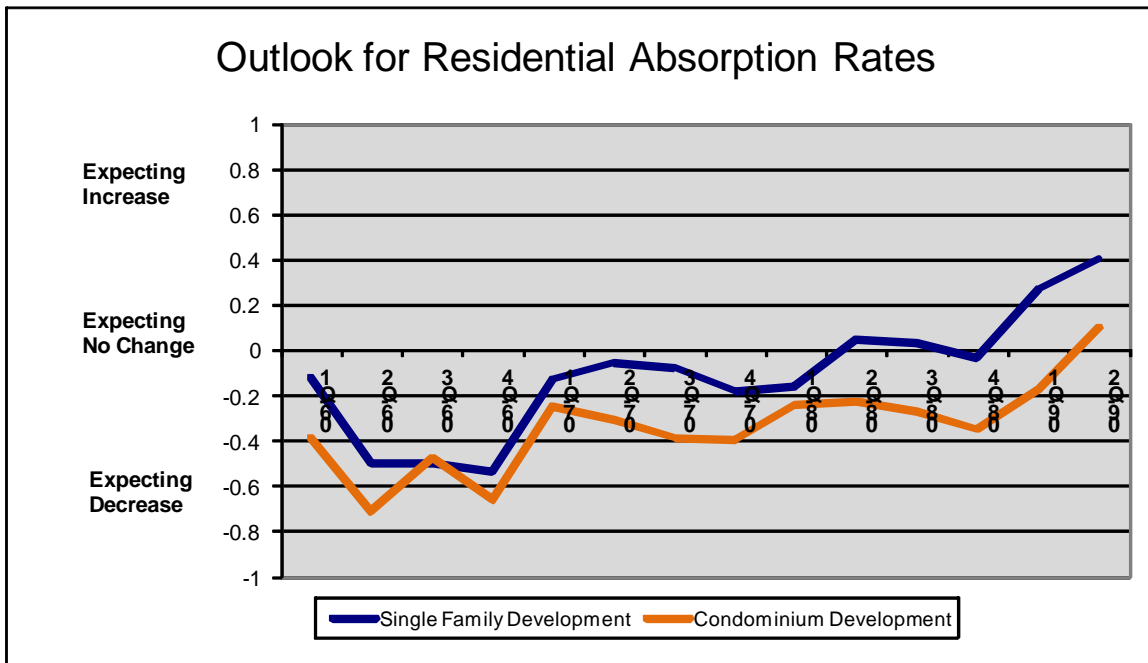


This investment index is weighted 40 percent on single family and residential condominium development, 40 percent on rental property of all types, and 20 percent on undeveloped land. Thus, it is at least fifty percent driven by the residential development outlook.

Section 2: Residential Development

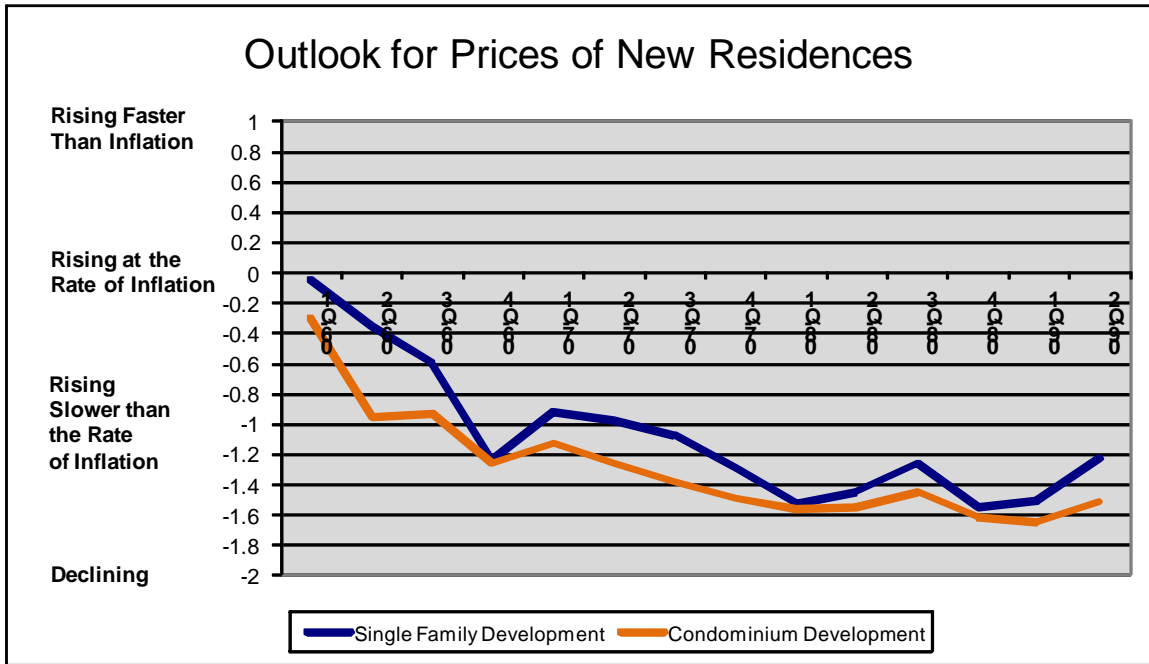
Expected Absorption Rates

The outlook for absorption rates in single family development has risen for the second consecutive quarter, indicating that 40% of the respondents expect absorptions to increase. This is due to the low prices and interest rates in the market. We are also seeing home builders, both national and regional buying developed lots out of foreclosure at deeply discounted prices. In many cases those prices are below the cost of the infrastructure. At these prices, builders can build product that competes with foreclosures and short sales on the market. This will continue to spur absorption in new product. Expectations for absorption rates associated with condominium development also increased for the second consecutive quarter to a new high.



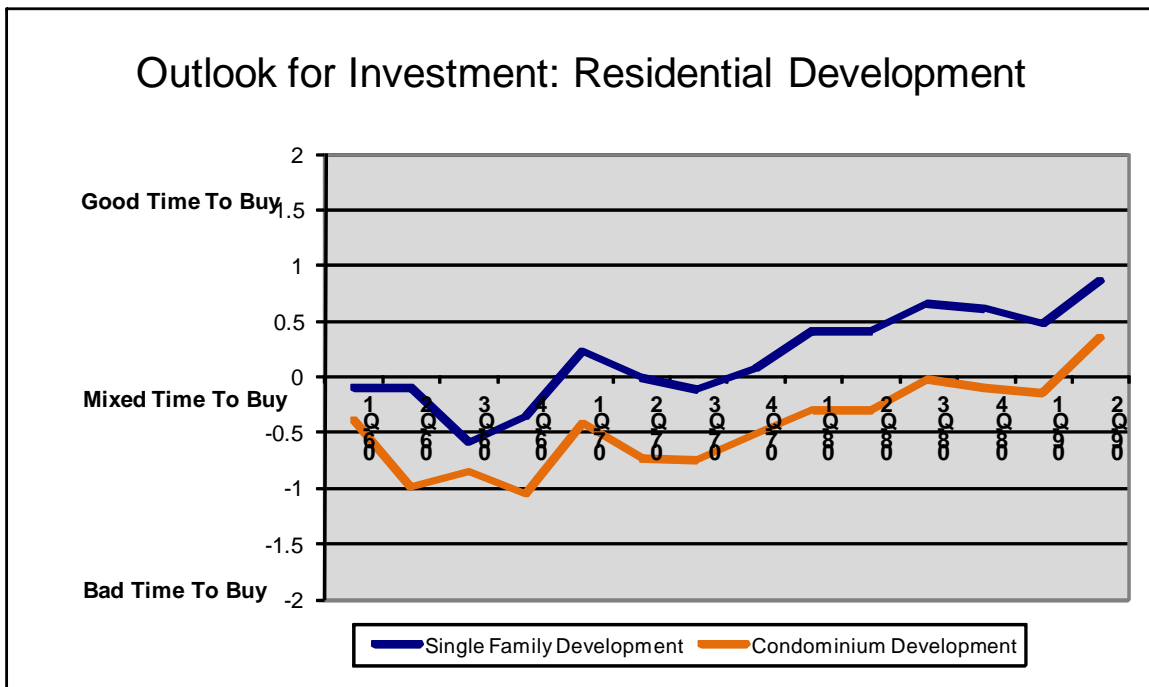
Expected Price Changes

Expectations of price movements for new residences continue to be pessimistic; however, both indicators increased this quarter. Currently, respondents expect single family and condominium prices to either rise at a rate slower than inflation or possibly decline. This will continue until we've worked our way through the backlog of existing foreclosures on the market.



Investment Outlook

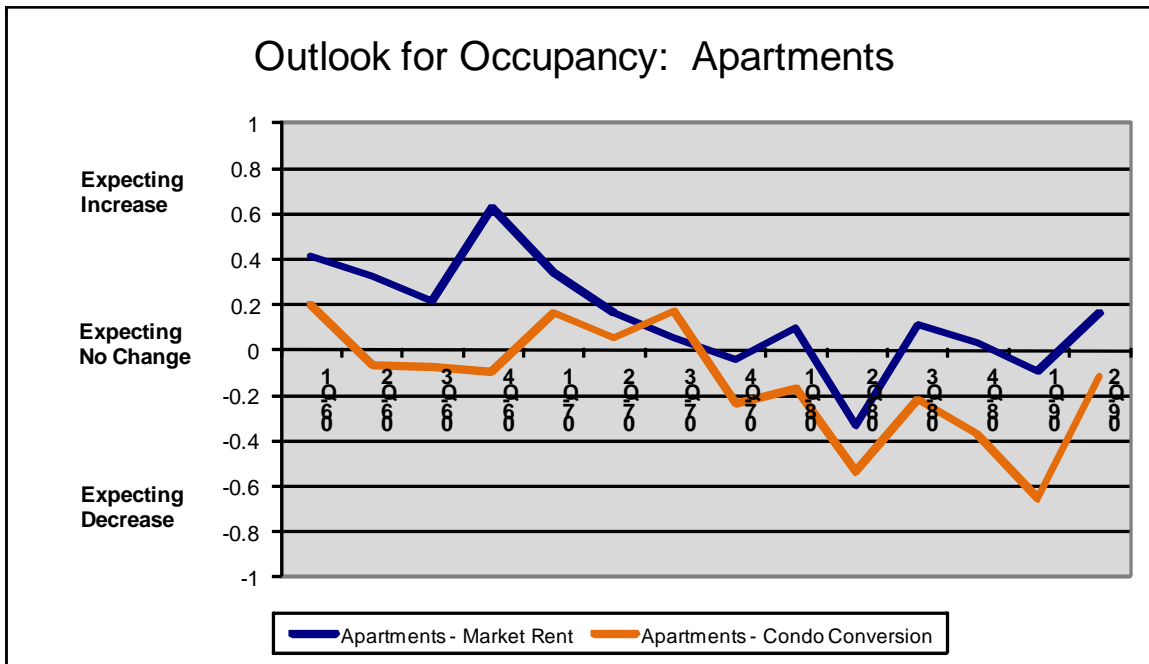
The outlook for residential investment has reached an all time high in our survey. The increase in the single family development investment outlook is indicative of the fact that land and developed lots are coming to market at deeply depressed prices which make building new homes more feasible. There is also and sharp increase in the outlook for investment in condominium development but it continues to be a mixed time to buy.



Section 3: Apartments

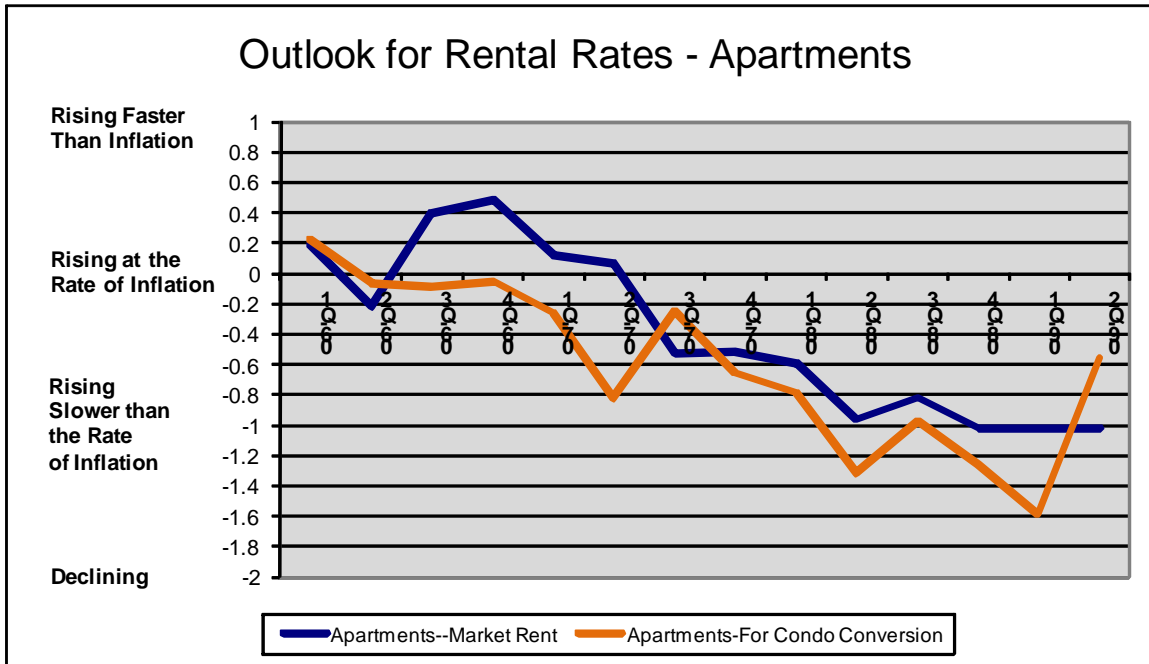
Expected Occupancy

While the outlook for future occupancy had been quite volatile over the previous five quarters, expectations have again taken a positive jump. In both categories our respondents believe that occupancy will not change in future quarters. As foreclosures continue to be processed more people will move to the rental market for their housing needs. Apartments will continue to compete against single family homes and condos that have converted to rental's because of the high for sale inventory. This outlook reflects our respondents' belief that the apartment market will get its fair share of the future renters.



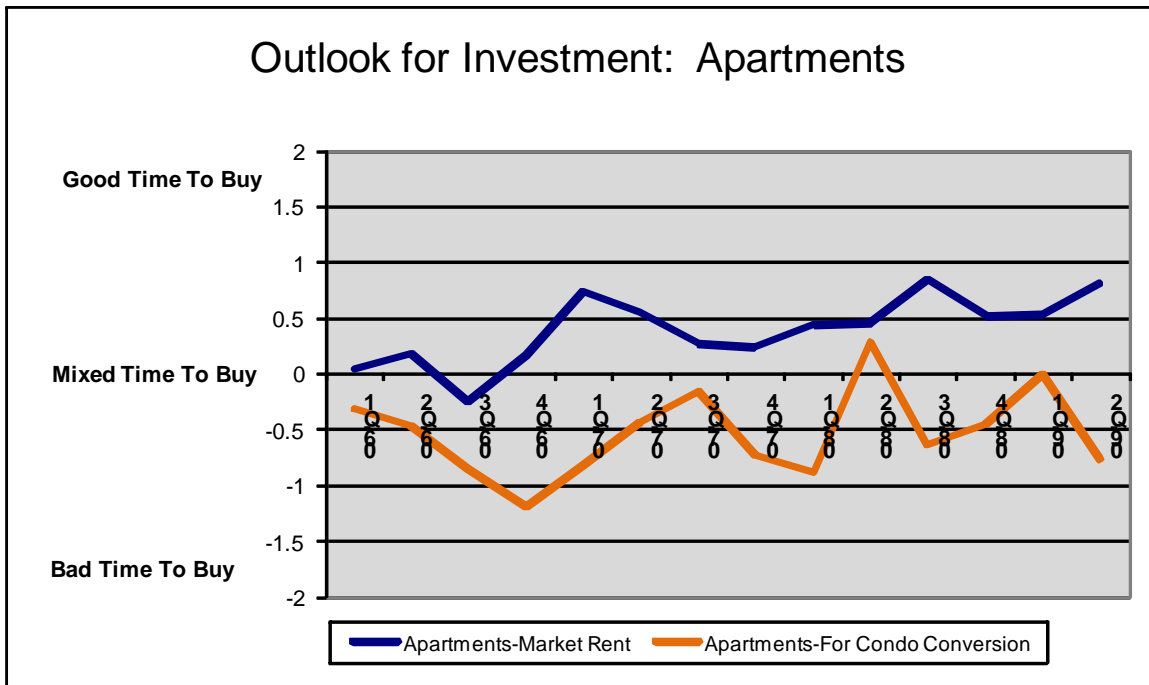
Expected Rental Rates

The outlook for rental rates of market rent apartments continues to reflect our respondents' belief that rates will increase slower than inflation. The outlook for rental rates of condo conversions took a sharp positive turn going from an expectation of declining rents to an expectation of rates rising slower than inflation.



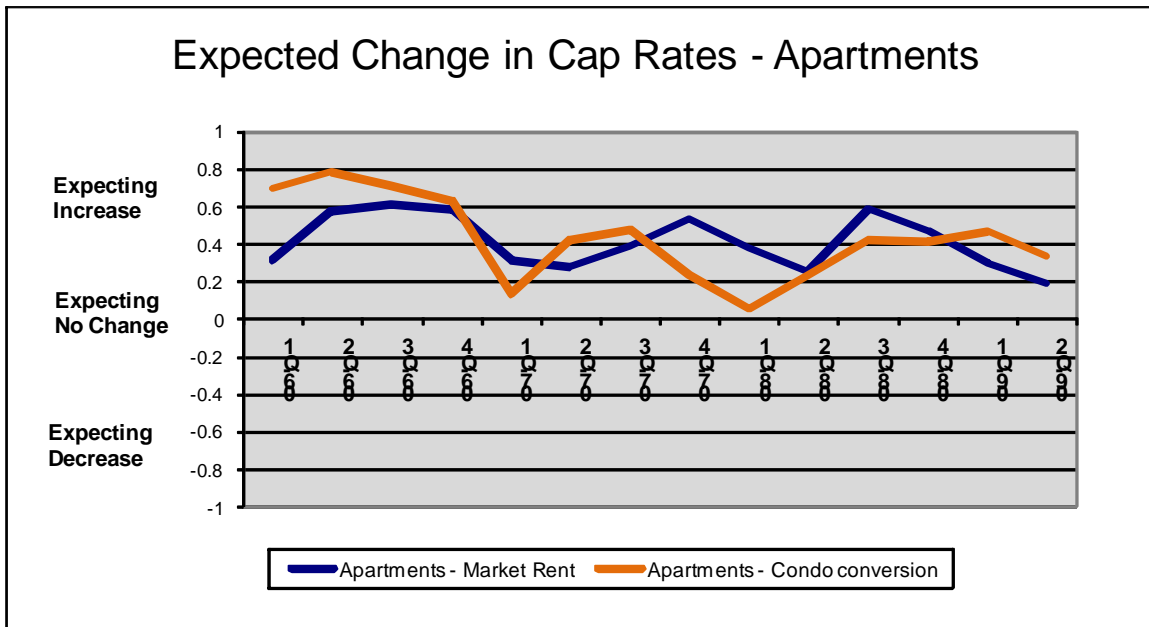
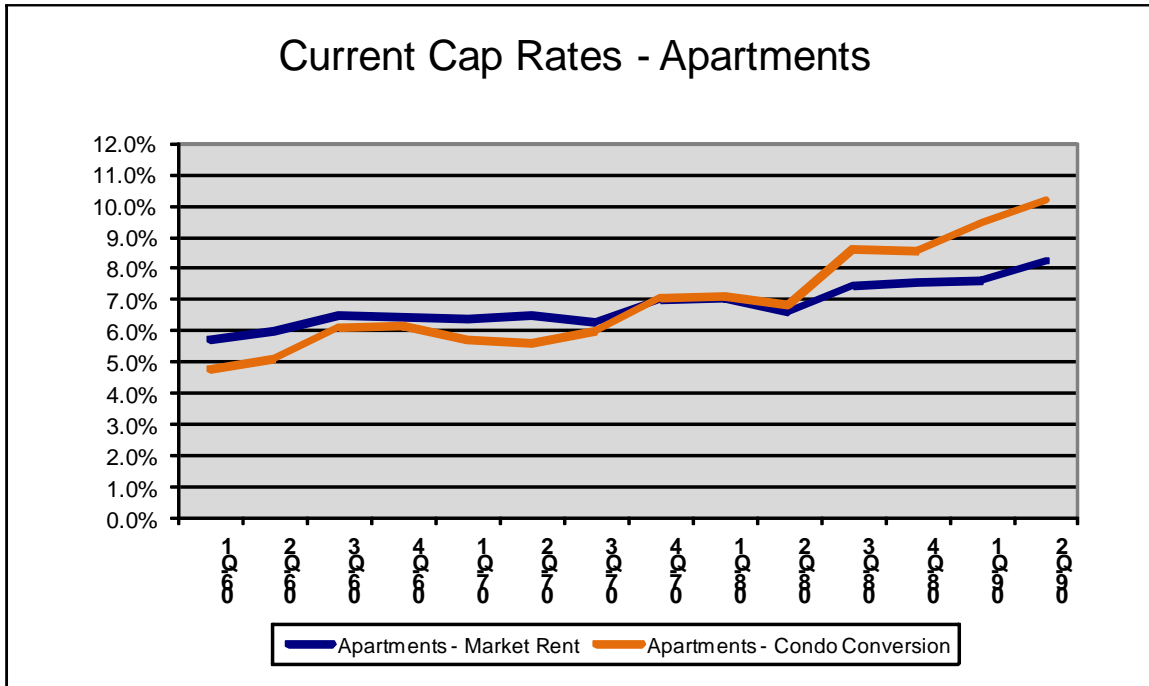
Investment Outlook

The outlook for investment in market rent apartments increased slightly this quarter while the investment outlook for condo conversion turned lower. It remains a mixed time to buy for both property types.



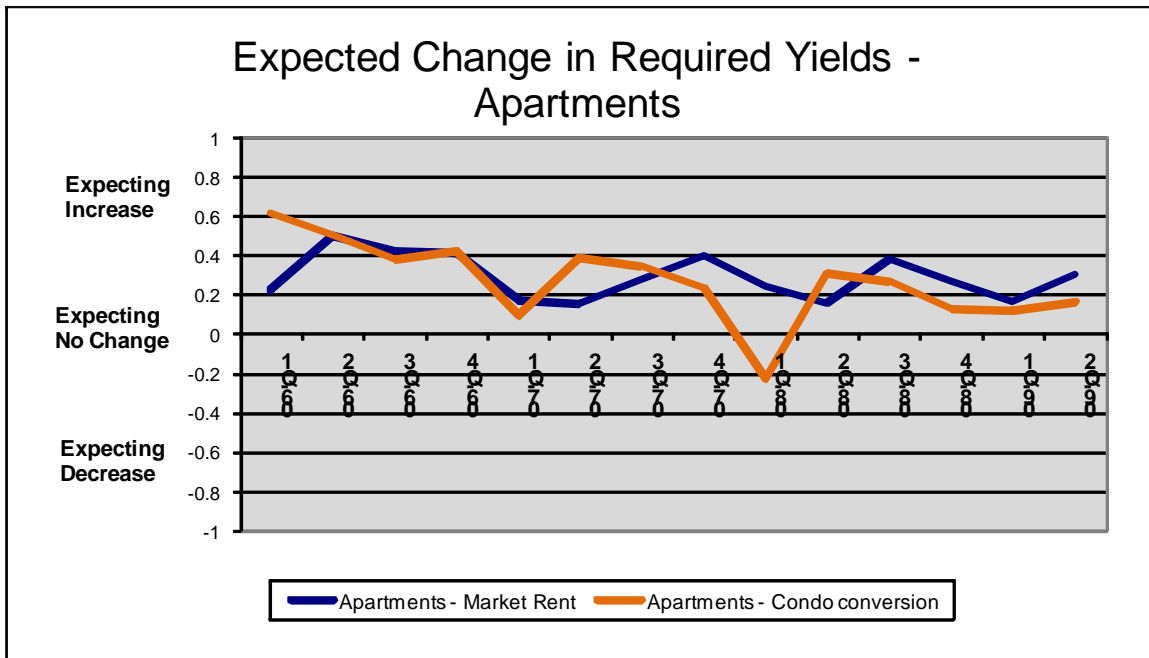
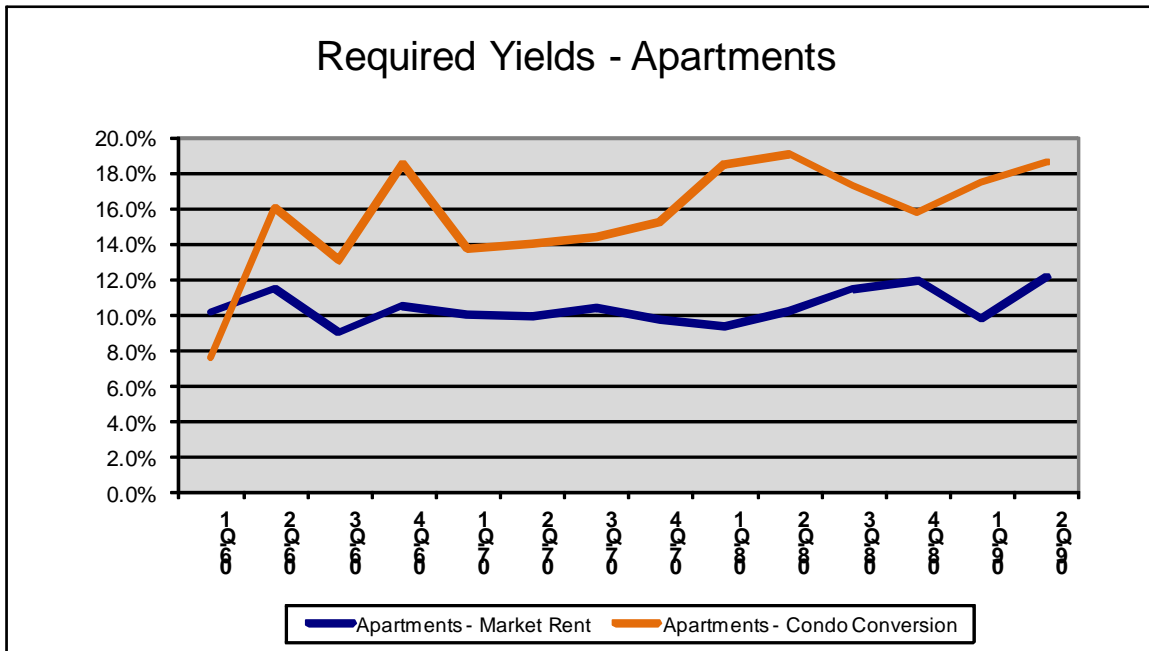
Cap Rates

Cap rates for market rent apartments have continue their slow upward movement this quarter, indicating that investors are becoming confident in their assessment of this particular property type. Cap rates for condo conversion continue their steep increase and are now over 10%. However, a larger percentage of our respondents indicate that cap rates may level off in the near future in both property types.



Required Yields

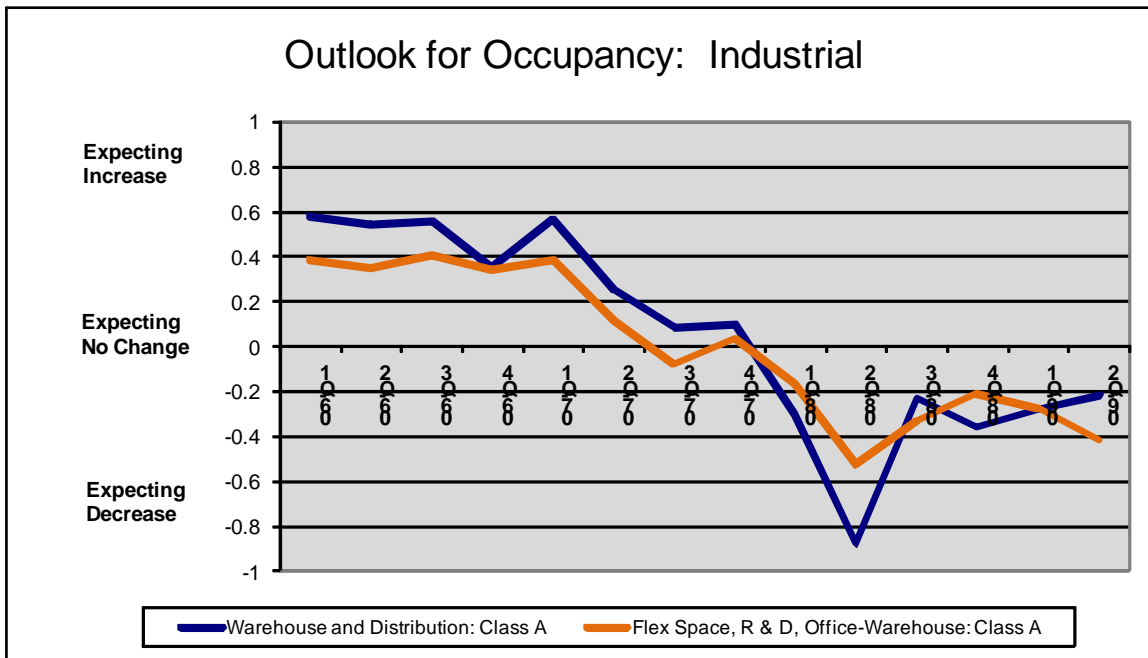
After a one quarter drop required yields for market rent apartments turned higher this quarter and have surpassed 12% reaching a high. Expected yields for market rent apartments also moved higher this quarter. Following two periods of decline, required yields for condo conversion, have risen second consecutive quarter. Yields are currently over 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

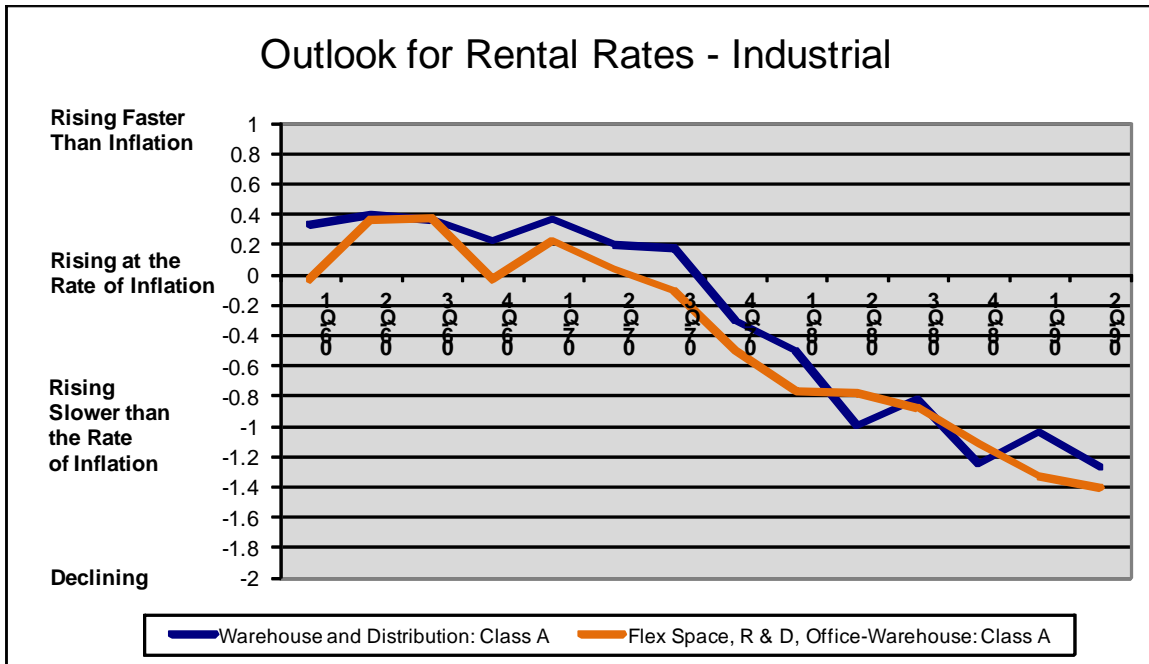
Expected Occupancy

The outlook for occupancy in warehouse and distribution remained increased for the second consecutive quarter as respondents are starting to believe that industrial occupancy will level off. The outlook for occupancy in flex space declined for the second consecutive quarter as respondents are starting to believe that occupancy may decline in the future.



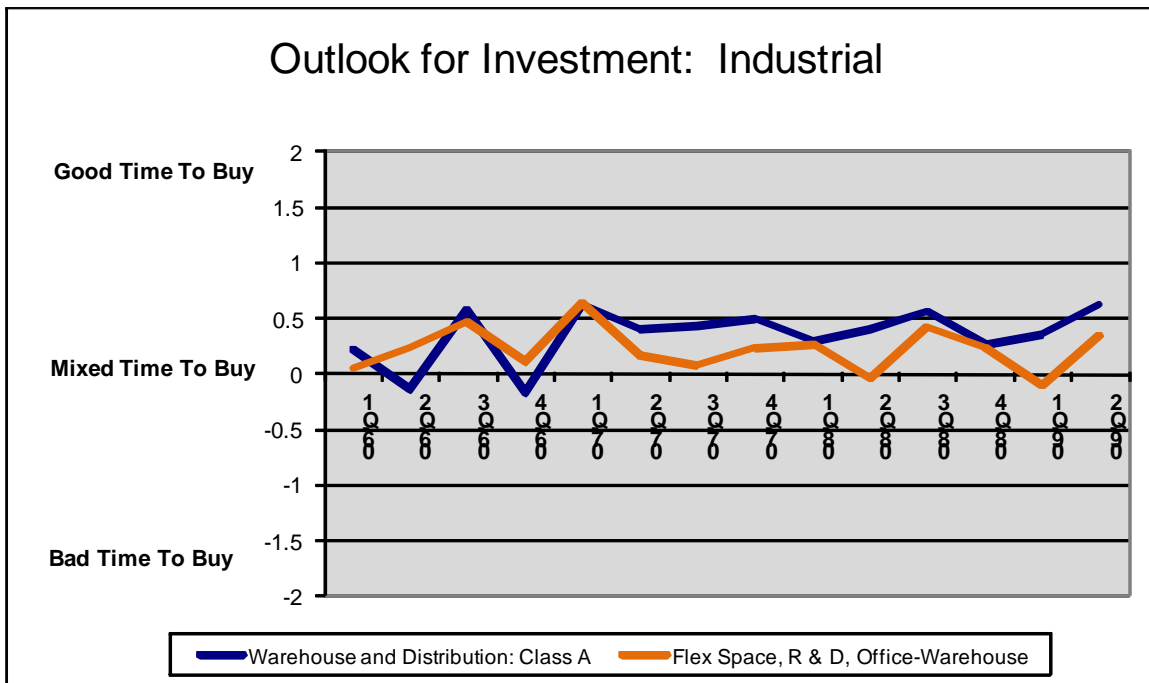
Expected Rental Rates

Expectations for rental rates in warehouse and distribution continue to be volatile, giving back its positive gain from last quarter. Respondents indicate that rental rates are expected to continue to lag inflation. The rental rate outlook for flex space, on the other hand, continues its downward trend as most respondents are expecting rates to decline in the future.



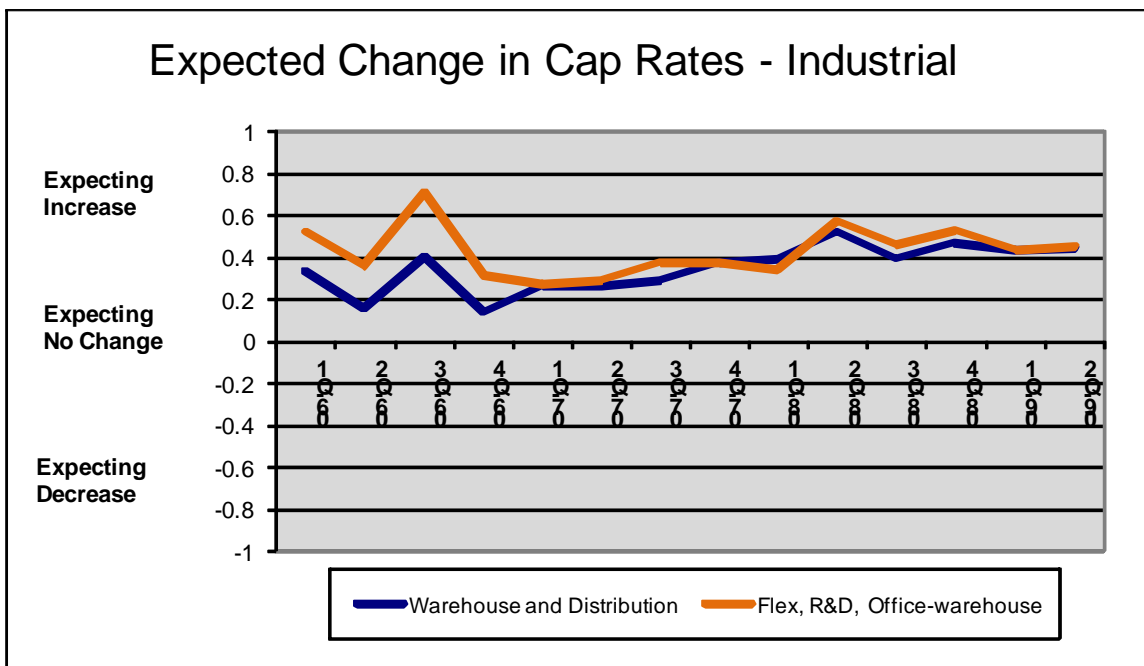
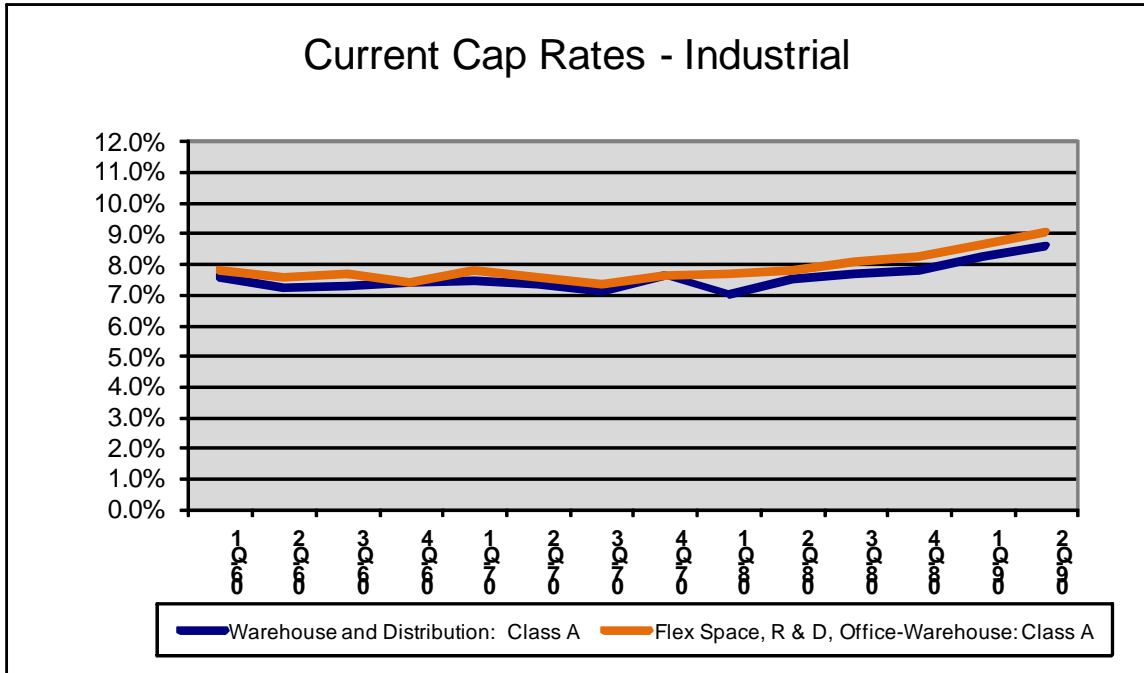
Investment Outlook

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



Cap Rates

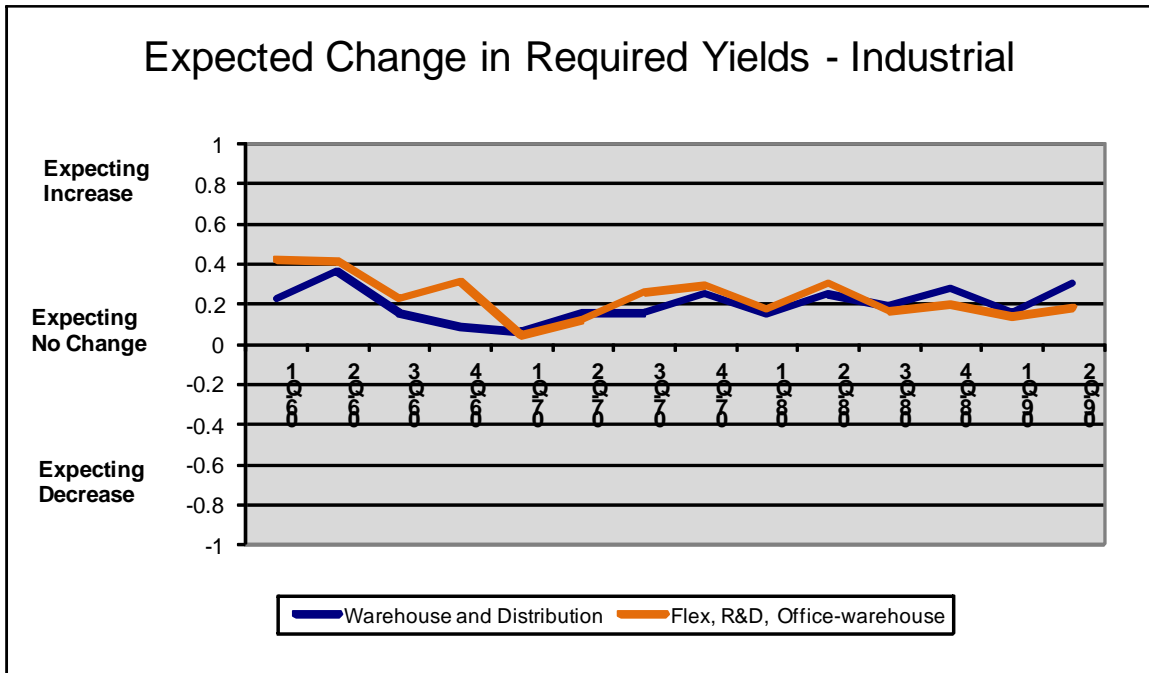
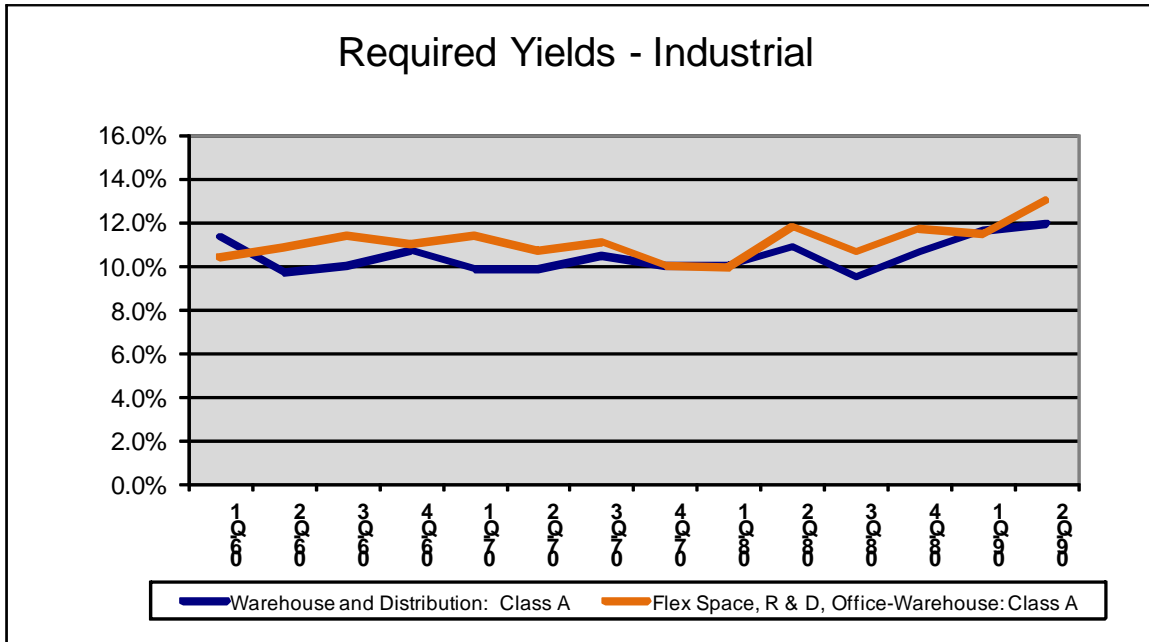
Over the past year, cap rates for industrial properties have exhibited a slow upward trend and that trend continues this quarter. Cap rates are approaching 9% in both categories and respondents indicate that cap rates for both property types will continue to increase in the future.



Yields

Required yields for industrial properties have continued their upward trend this quarter with rates for warehouse and distribution at 12% and rates for flex space over 13%. Respondents expect

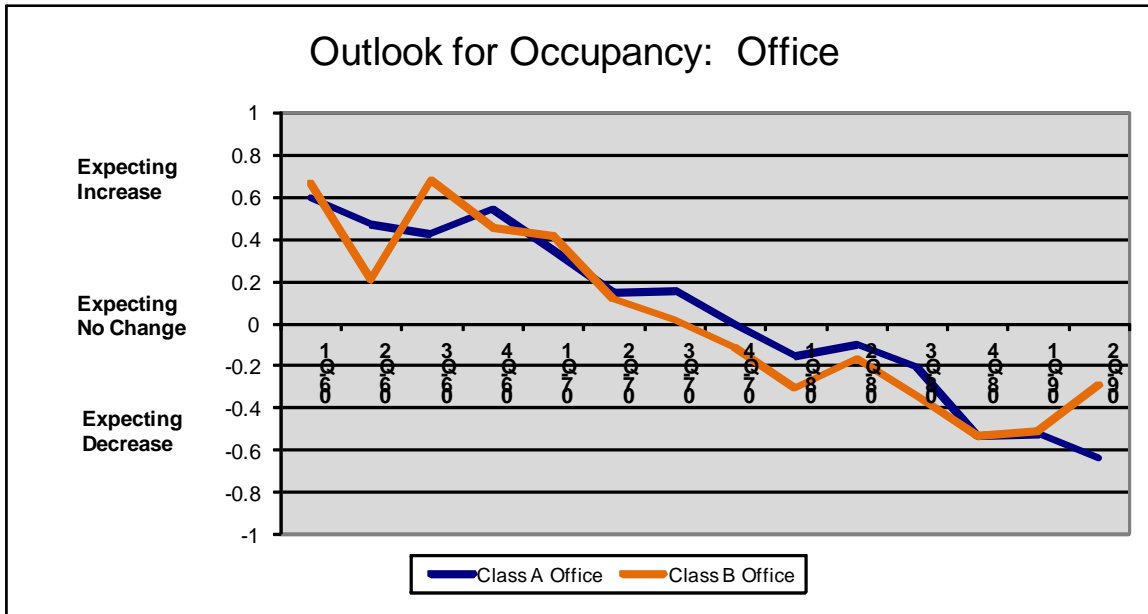
yields to remain at current levels for the near future in both property types although expectations for warehouse and distribution space took a small upward turn.



Section 5: Office

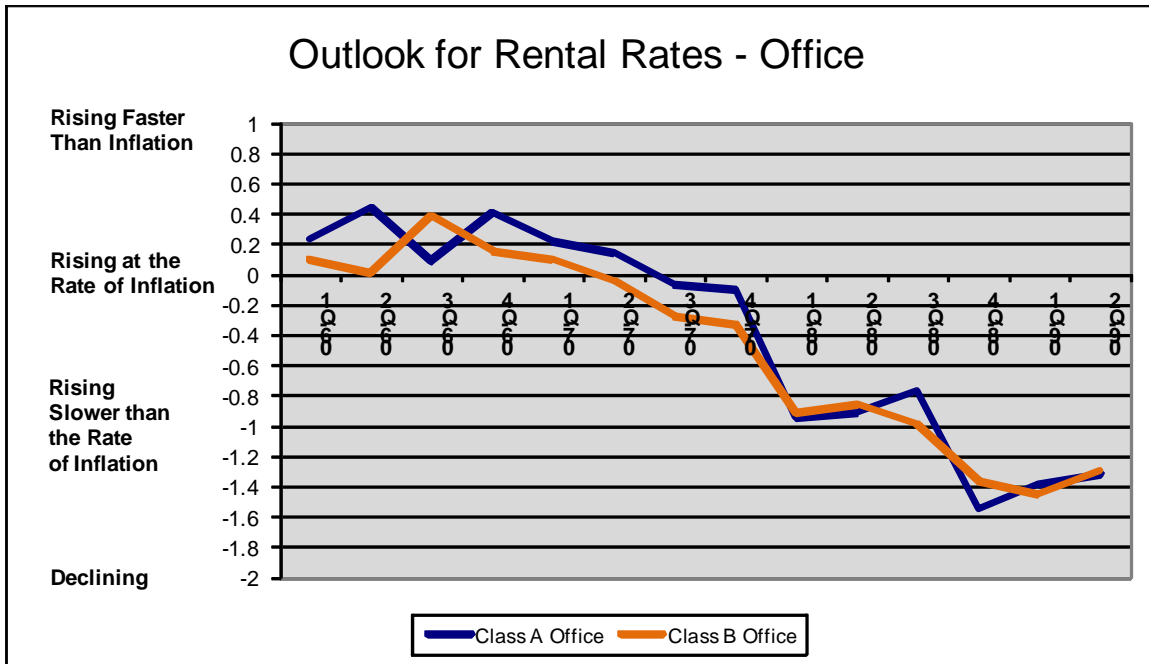
Expected Occupancy

The occupancy outlook for Class A space continued its negative trend this quarter with most respondents indicating that occupancy will decline. Class B office space took a positive turn with more respondents believing that occupancy may level off. As the job market continues to have negative pressure has remained pessimistic over the last quarter as respondents continue to indicate occupancy rate decreases in the immediate future.



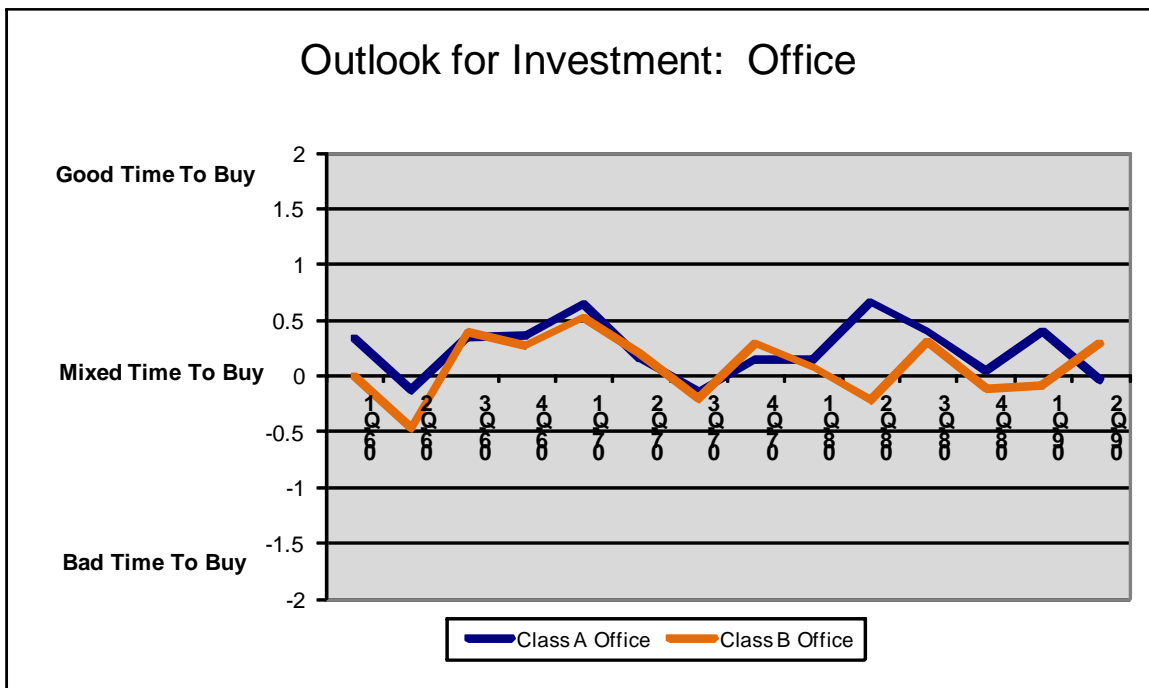
Expected Rental Rates

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 both Class A and Class B office have been scaled back from previous indications that rate decreases may be on the horizon.



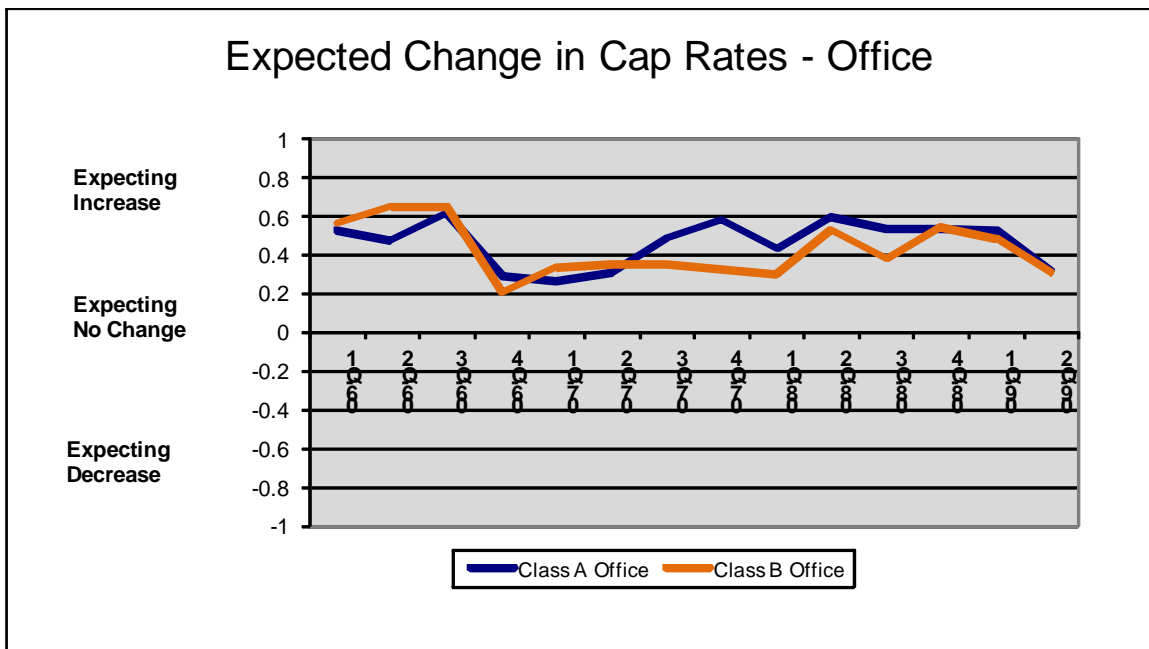
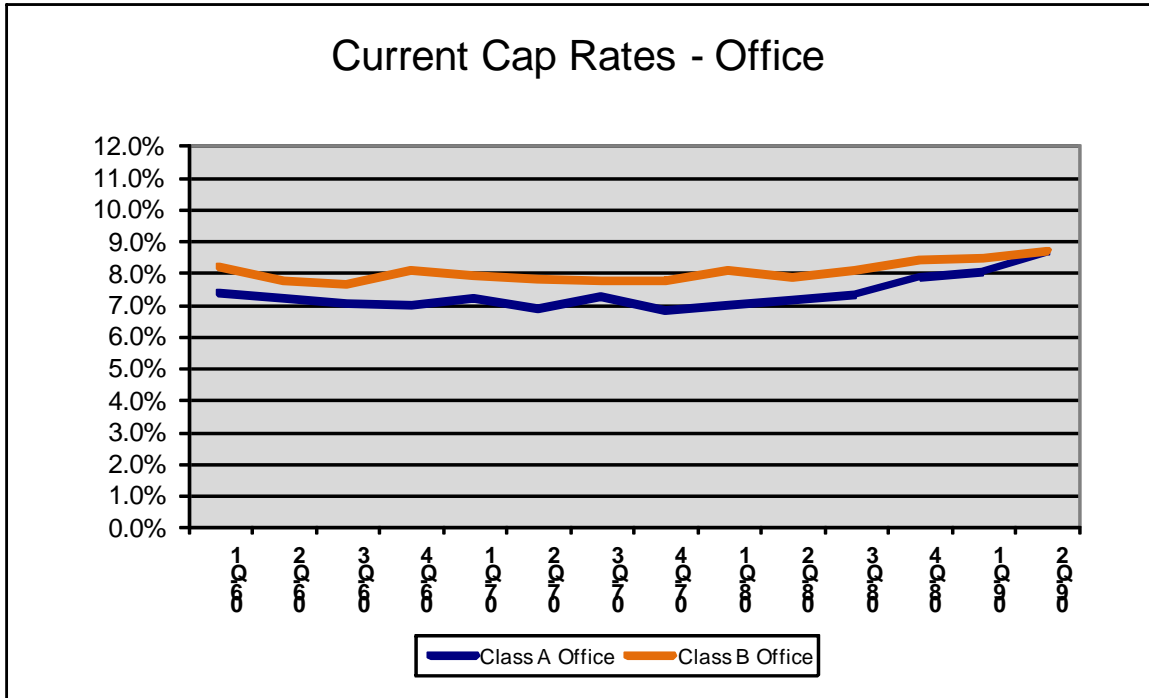
Investment Outlook

The investment outlook for office space continues to be volatile as Class B space improved this quarter while Class A office space declined. It continues to be a mixed time to buy.



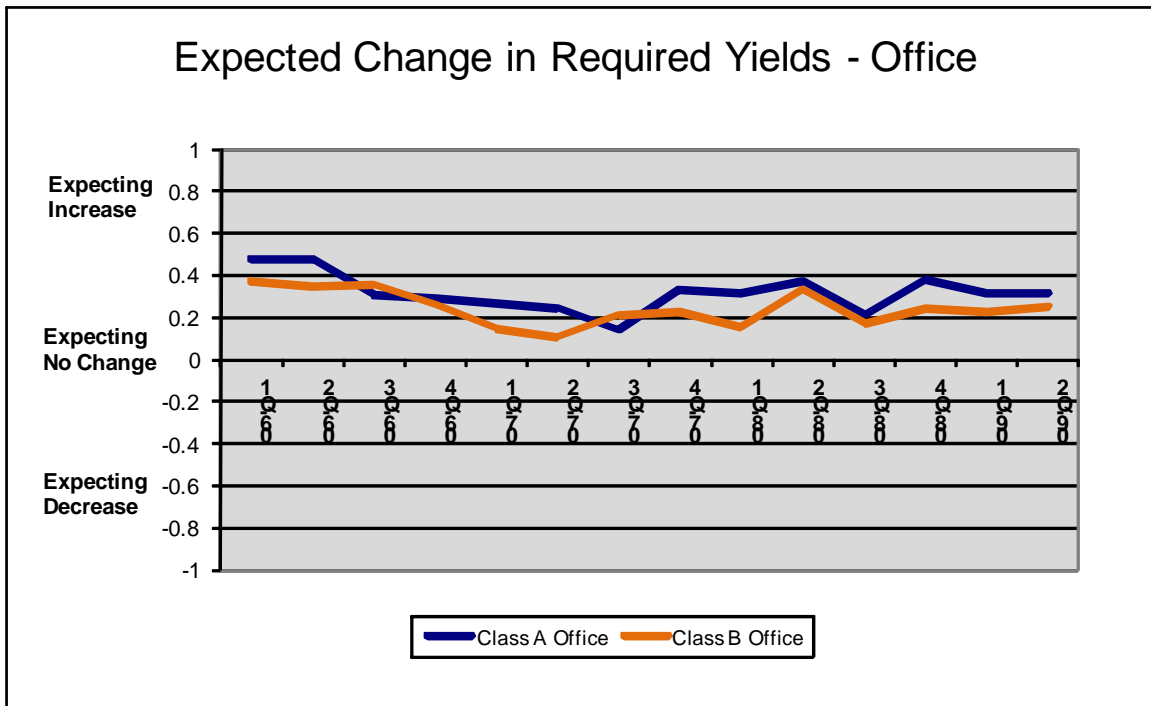
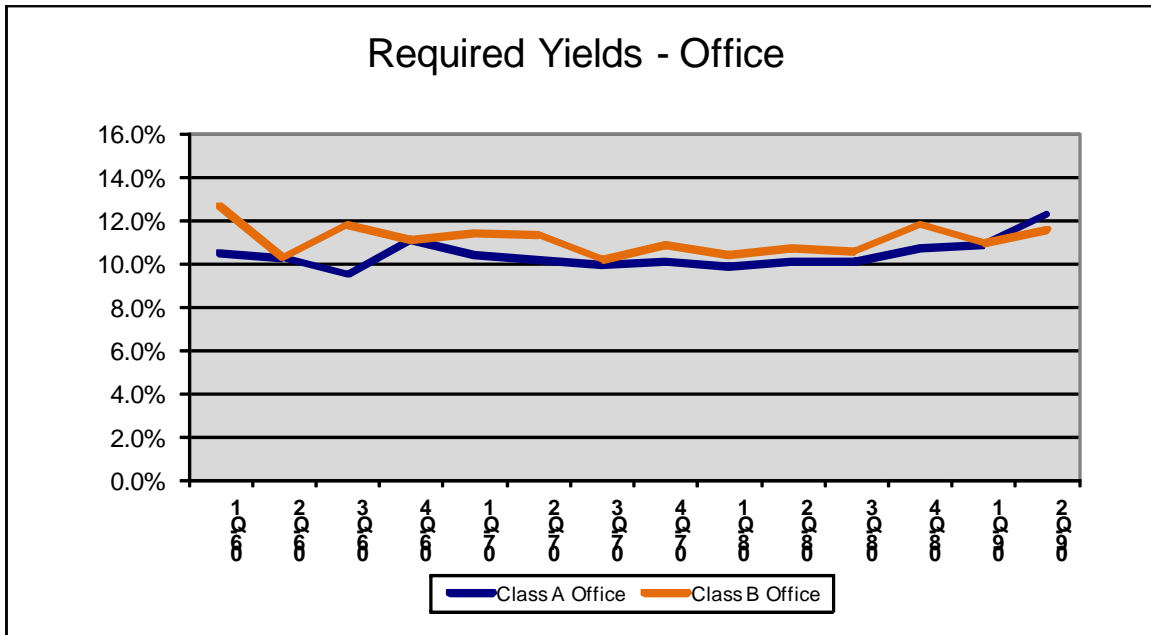
Cap Rates

Cap rates for both Class A and Class B office space have increased slightly over the last quarter. This quarter provide a decline in the expectations for future cap rates as respondents expect cap rates to potentially level off for both property types in the near future.



Yields

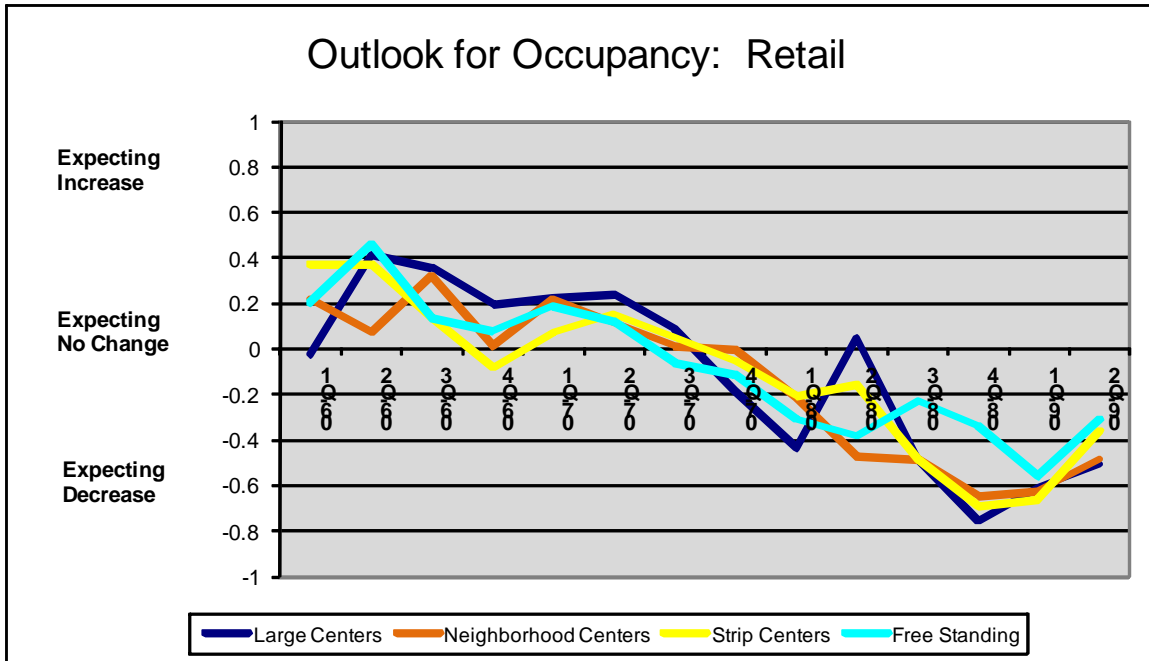
Required yields for both Class A and Class B increased this quarter, either approaching or exceeding 12%. Meanwhile, respondents appear to expect yields to remain unchanged.



Section 6: Retail

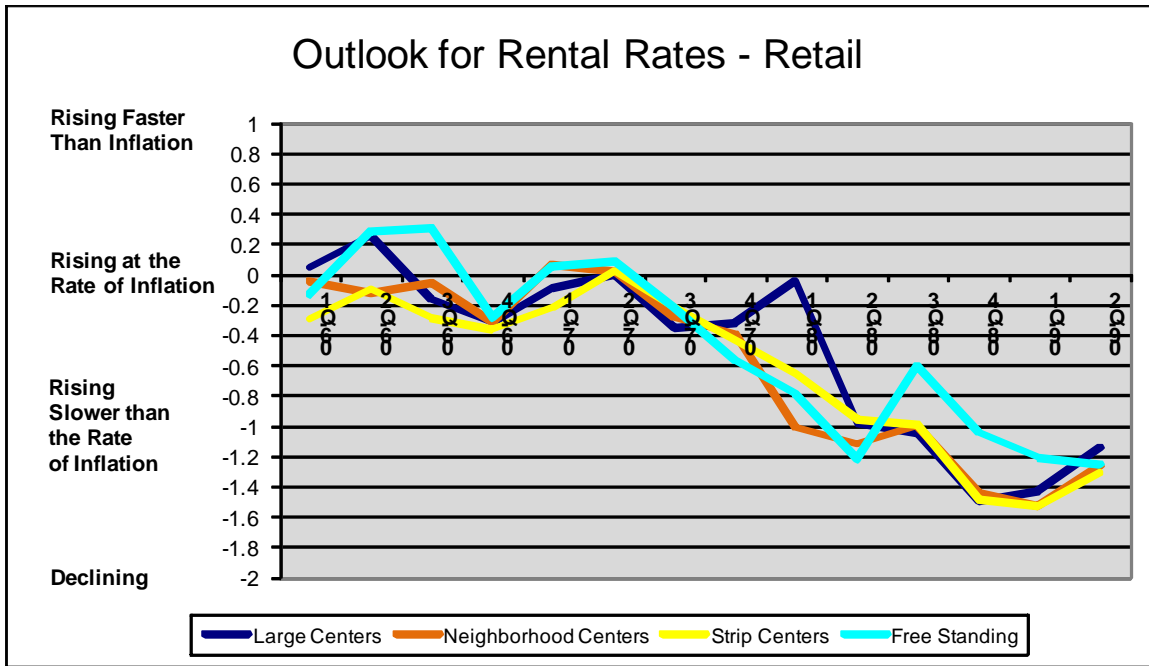
Expected Occupancy

The outlook for occupancy rates improved in all categories this quarter, with strip centers and free standing retail leading the way. While national retailers continue to pull back on store openings, local tenants are taking advantage of lower rental rates in better centers. This appears to have led our respondents to expect that occupancy for those two categories to remain unchanged. Expectations for large centers and neighborhood centers increased but continue to indicate declining occupancy.



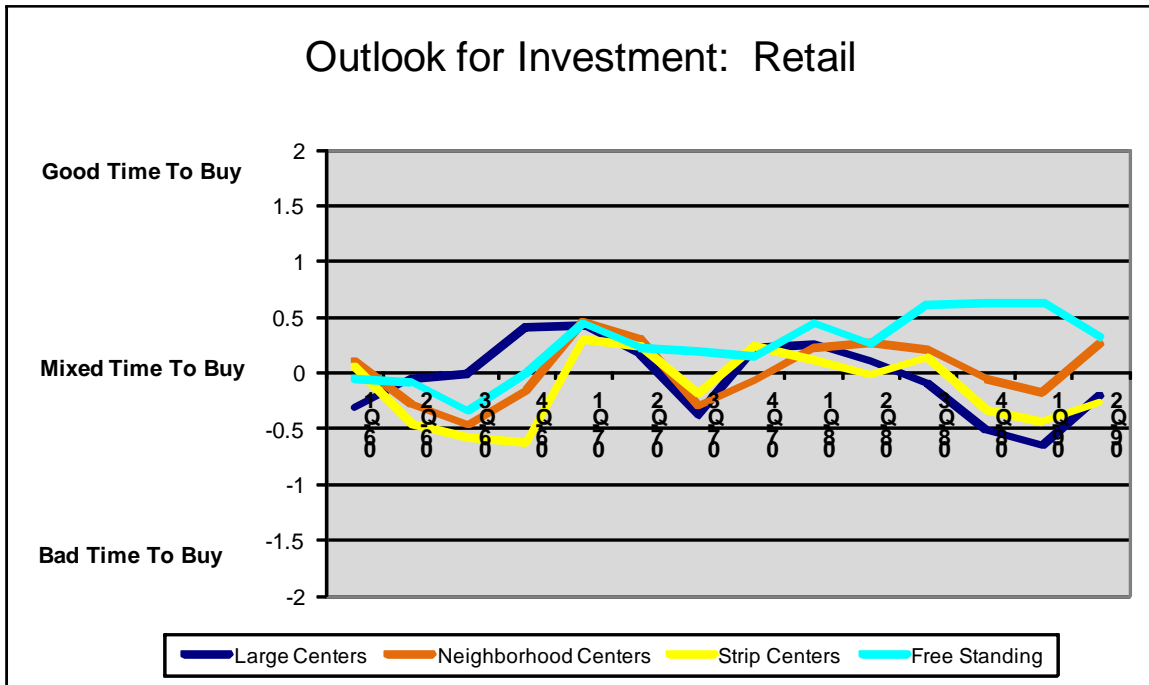
Expected Rental Rates

Expectations of future rental rates improved this quarter in all categories but free standing. Expectations in all categories have moved from an expectation of decline to either remaining stable or increasing less than inflation.



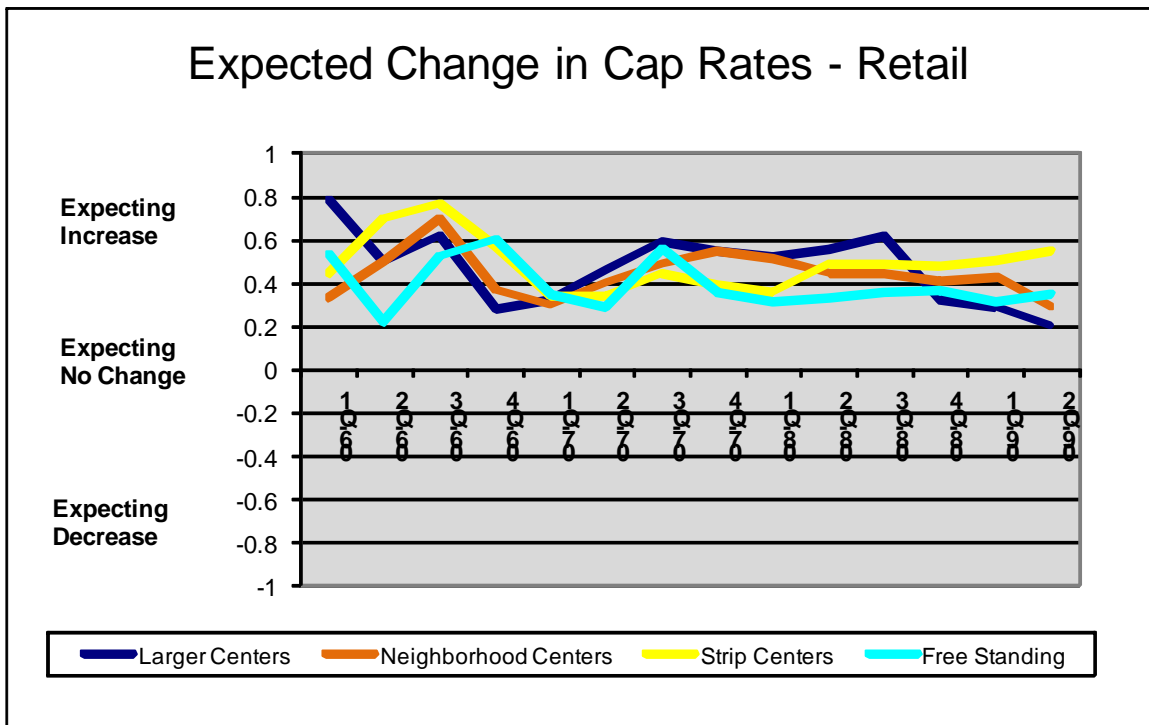
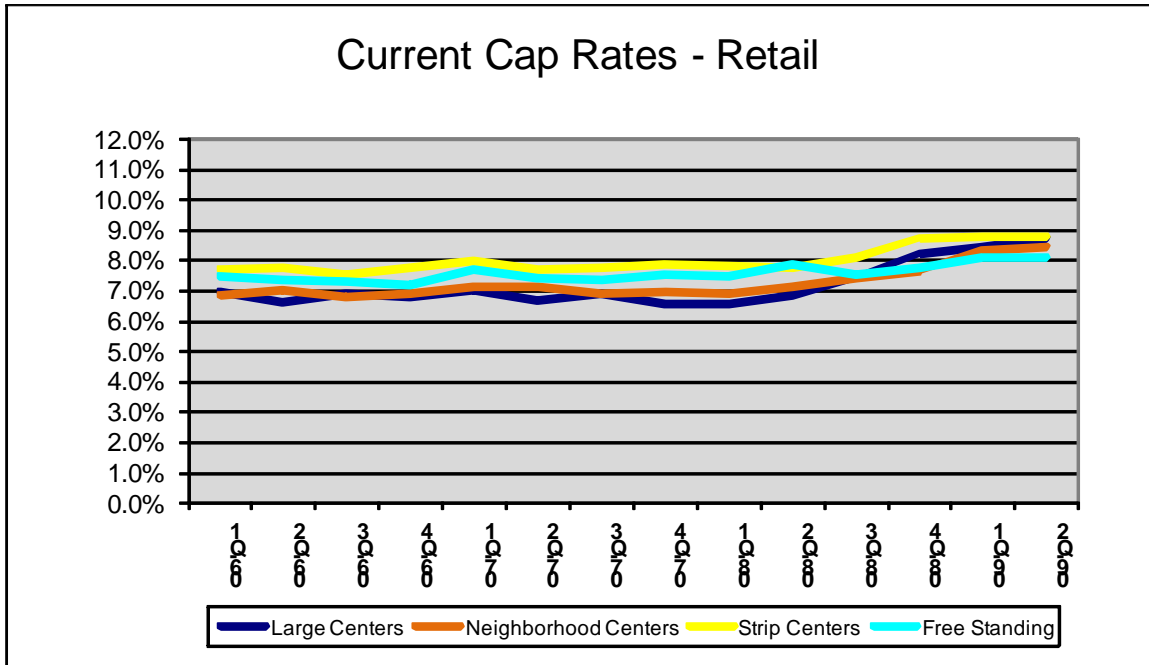
Investment Outlook

With the exception of free standing retail, the investment outlook for retail properties has improved. This follows improvement in occupancy and rental rate expectation. It continues to be a mixed time to buy in this category.



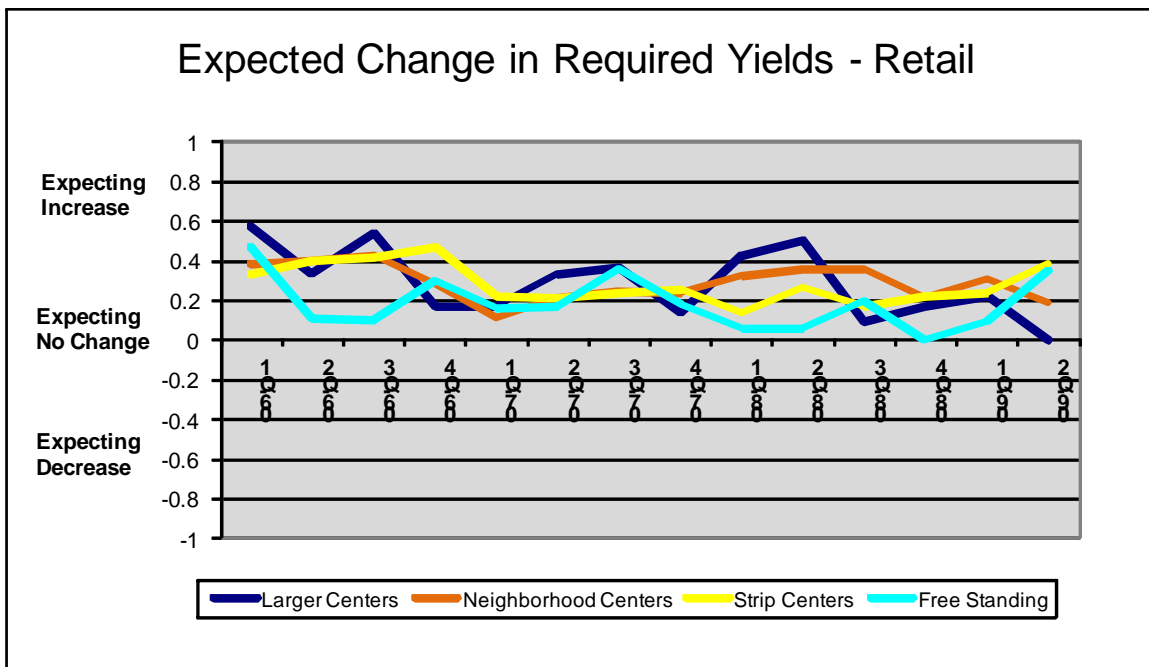
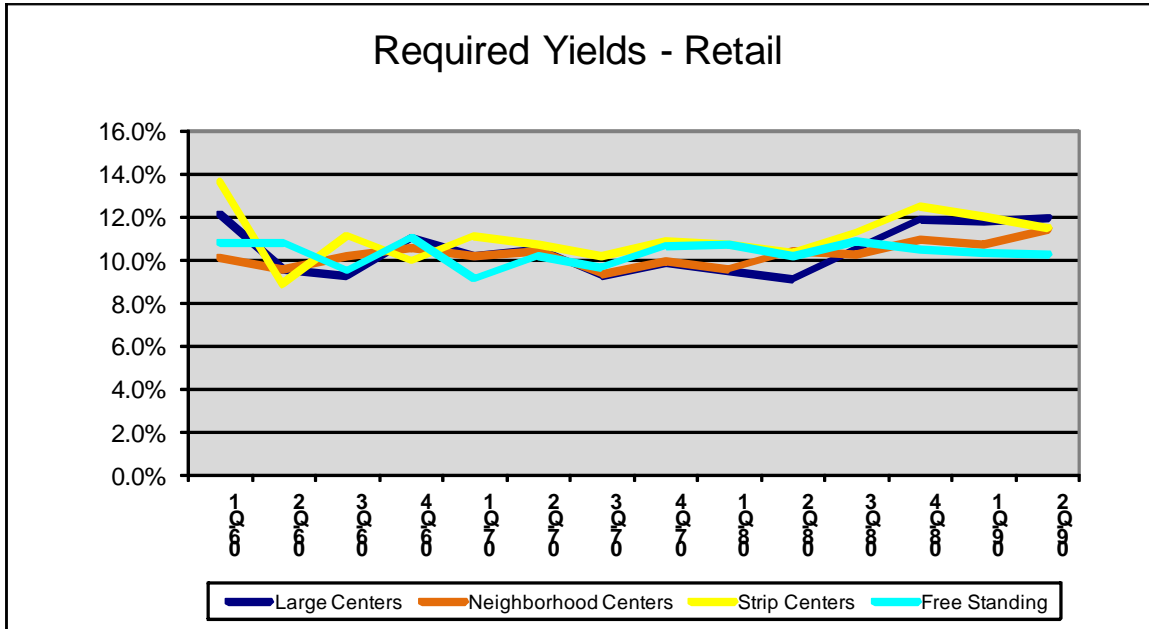
Cap Rates

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. Expectations for future cap rates are varied, with respondents continuing to expect strip center cap rates to increase while the remaining property types appear to remain stable.



Yields

Required yields for strip centers have slightly decreased over the last two quarters and have now converged to the same level that is being seen in neighborhood centers, below 12%. Yields on large centers remain at 12% while free standing retail declined to a level of 10%. Respondents continue to expect no change in required yields for large and neighborhood centers but appear to believe that yields for strip centers and free standing retail will increase in future quarters.



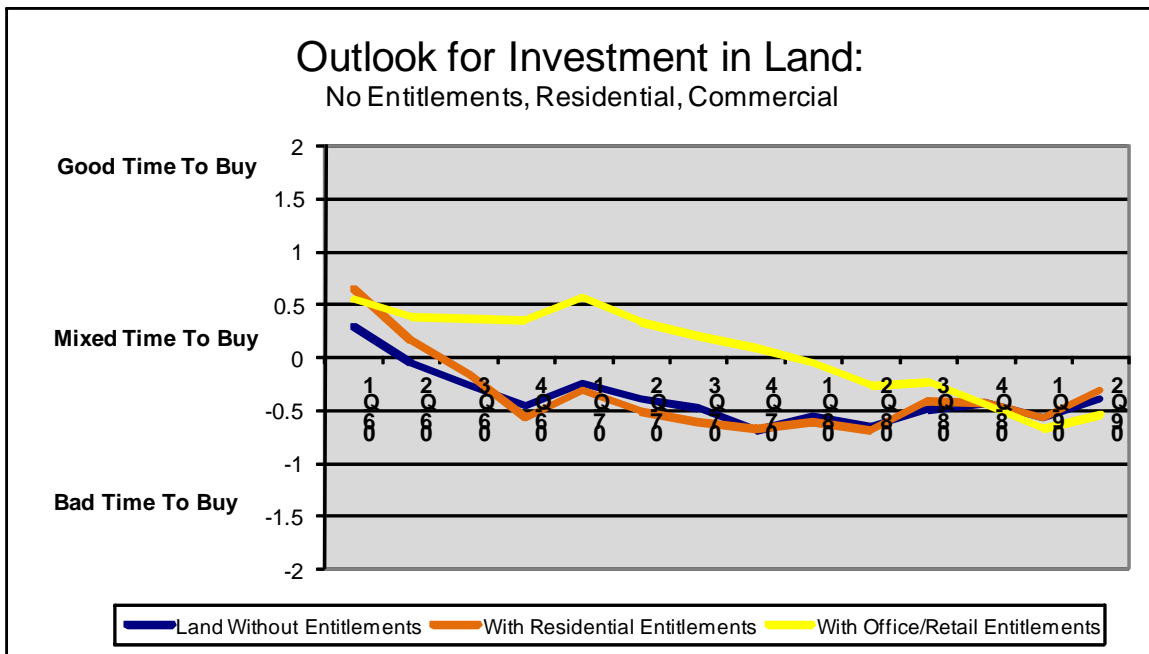
Section 7: Outlook for Investment in Undeveloped Land

Land Without Entitlements or with Residential Entitlements

The outlook for investment in land without entitlements or with residential entitlements improved slightly this quarter, 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

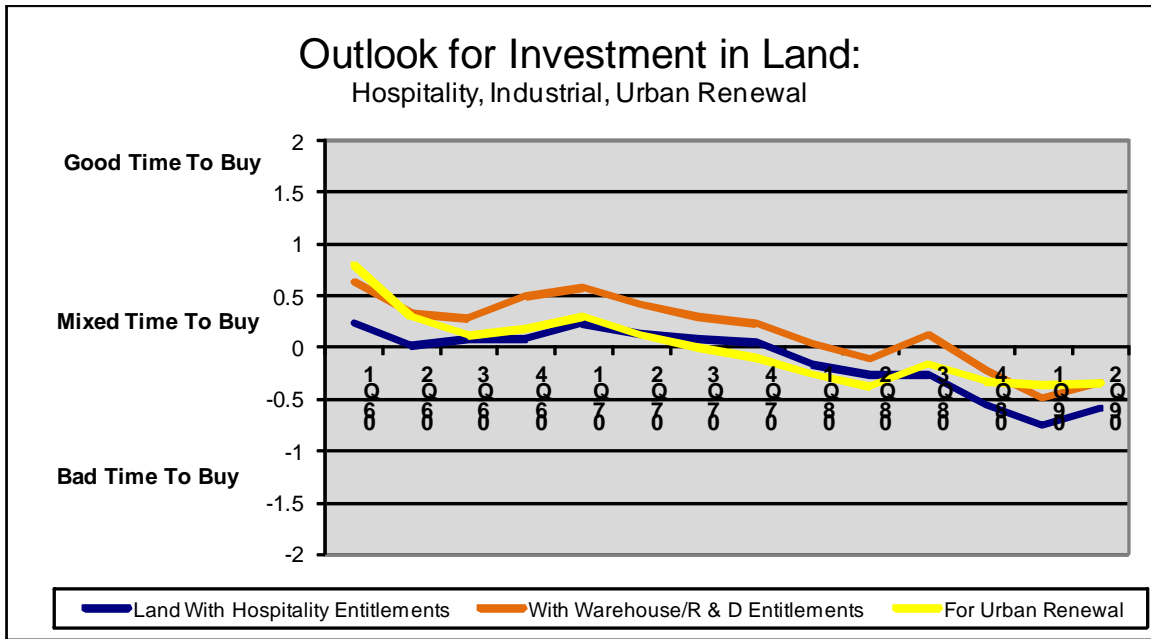
The investment outlook for land with hospitality entitlements has improved slightly this quarter as respondents continue to believe that it is a mixed time to buy.

Land with Entitlements for Warehouse or R & D

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

Land for Urban Renewal

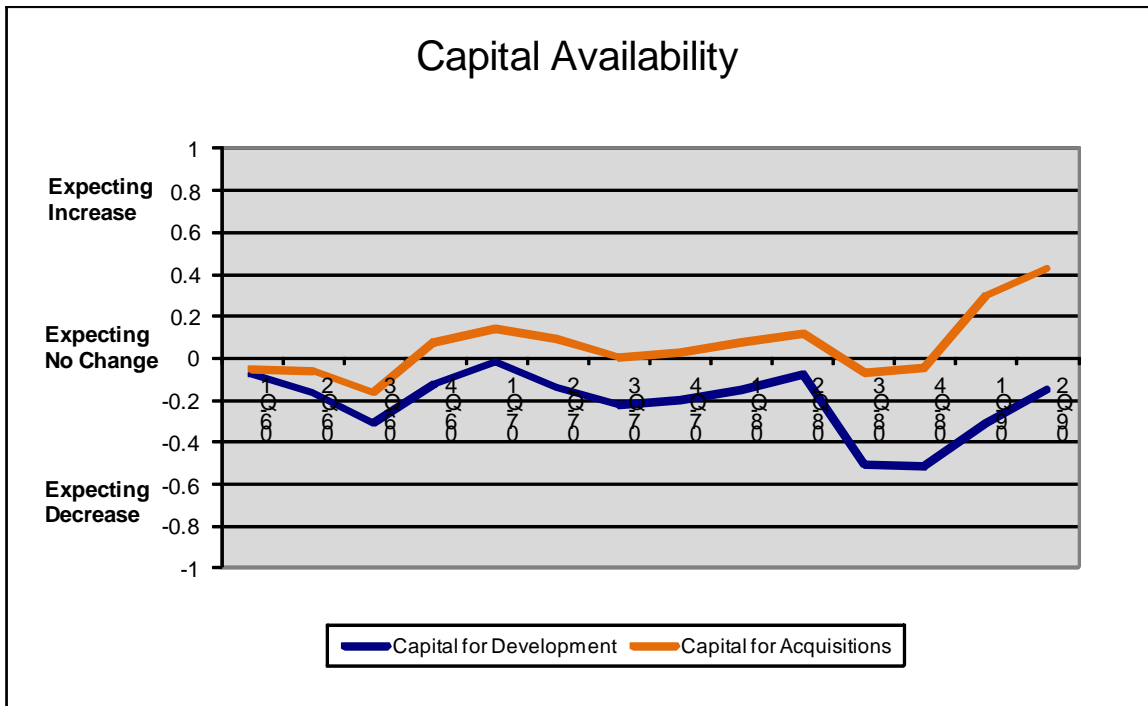
The outlook for investment in urban renewal has improved slightly over the last quarter as it remains a mixed time to buy.



Section 8: Business and Capital Availability Outlook

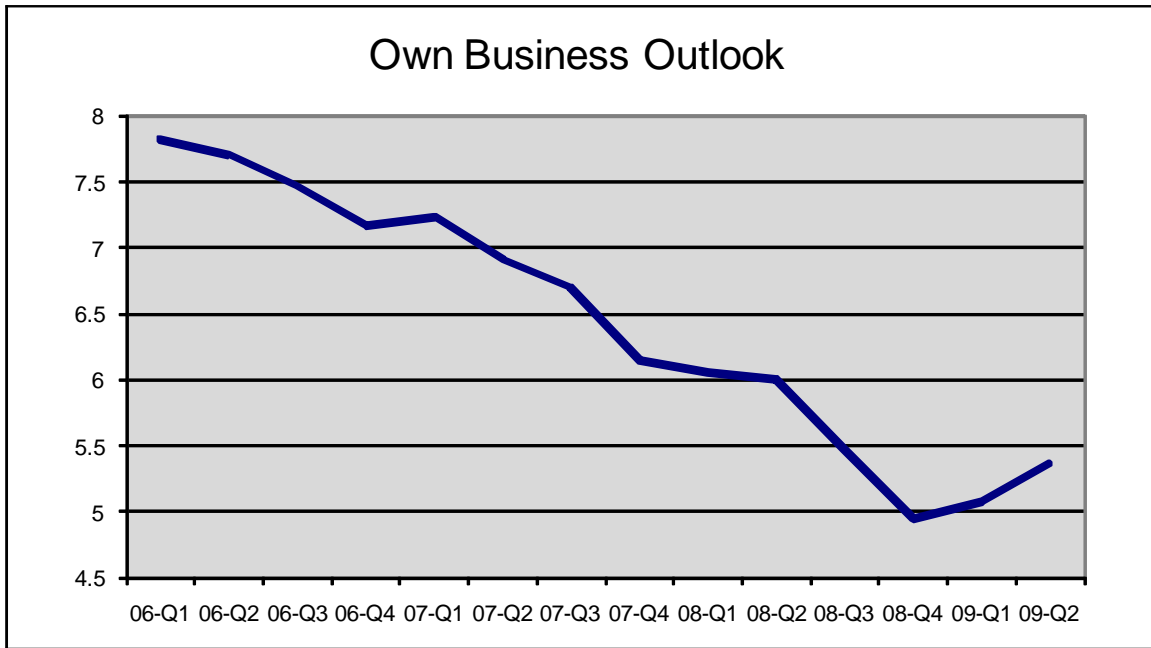
Capital Availability

The outlook for capital available for acquisitions has increased dramatically for the second consecutive quarter as a larger number of respondents believe that availability of capital will increase over the few quarters. Respondents believe that private capital that has been sitting on the sidelines is slowly starting to find deals. Funding from large banks continues to be small as most are responding to their troubled assets by extending loans and hoping for values to rise. The dramatic increase in capital raised by banks has changed the banks thinking on quickly disposing of troubled assets. This trend will continue with most funding coming from private capital and small local and regional banks that are not exposed to large portfolios of troubled assets. Additionally, a small number of large REITS are testing the water with the TALF program for new CMBS. The outlook for capital available for development has also increase dramatically for the second consecutive quarter. Respondents believe that the amount of capital available for development will remain unchanged from current levels.



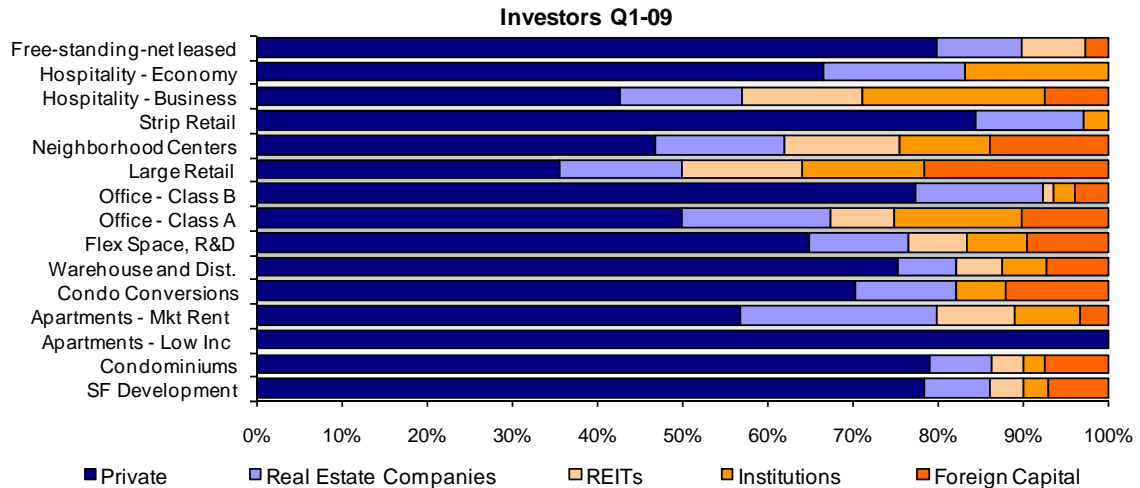
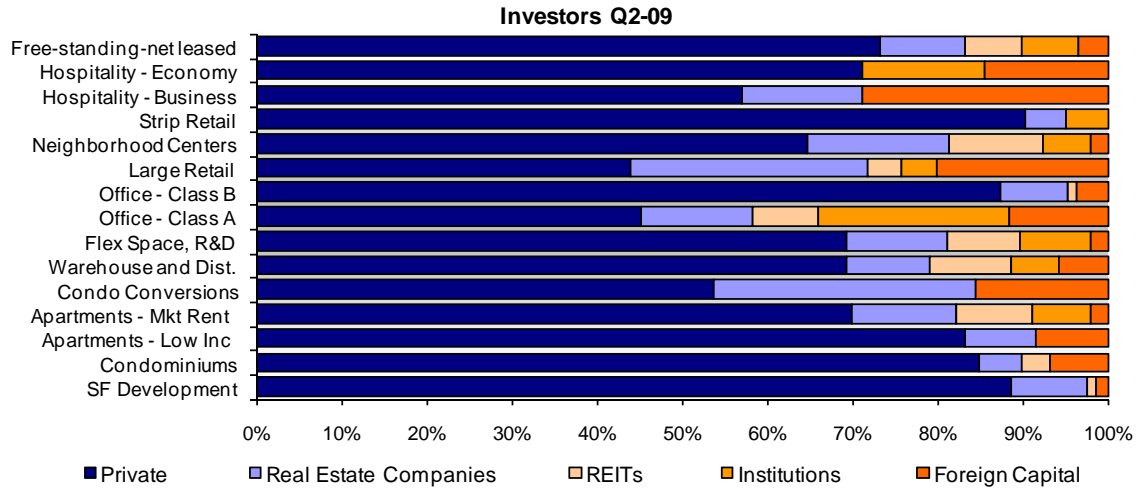
Outlook of Own Business

Respondents have continued last quarter's turn around in the outlook for their own business. This reflects the respondent's view that more deals will be done in the near future. Additionally, many of our respondents indicate that they are dramatically changing their business model to adapt to the current conditions.



Section 9: Dominant Investors

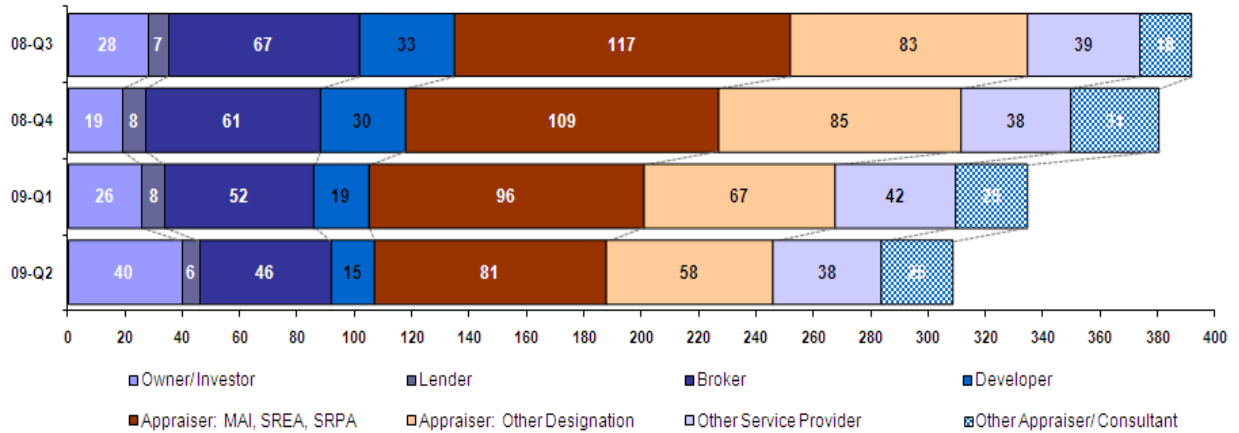
Respondents were asked to indicate which of five investor groups they perceived to be the most active for each type of property they analyze. Not surprisingly, private investors increased their dominance in almost every category. This represents a dramatic shift in U.S. real estate ownership since the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



Section 10: Characteristics of Survey Respondents

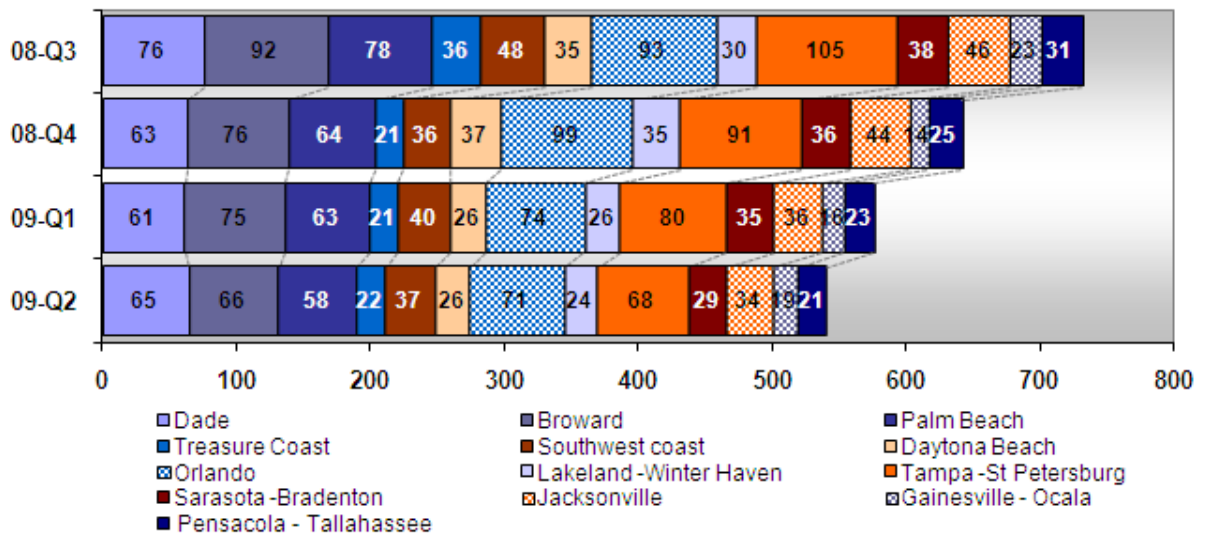
Survey response has declined for the third consecutive quarter to 309 respondents. Approximately 45 percent of the respondents reported being an appraiser; well over half with designations of MAI, SREA or SRPA. The next largest groups, , were brokers and owners/investors.

Profession of Respondents



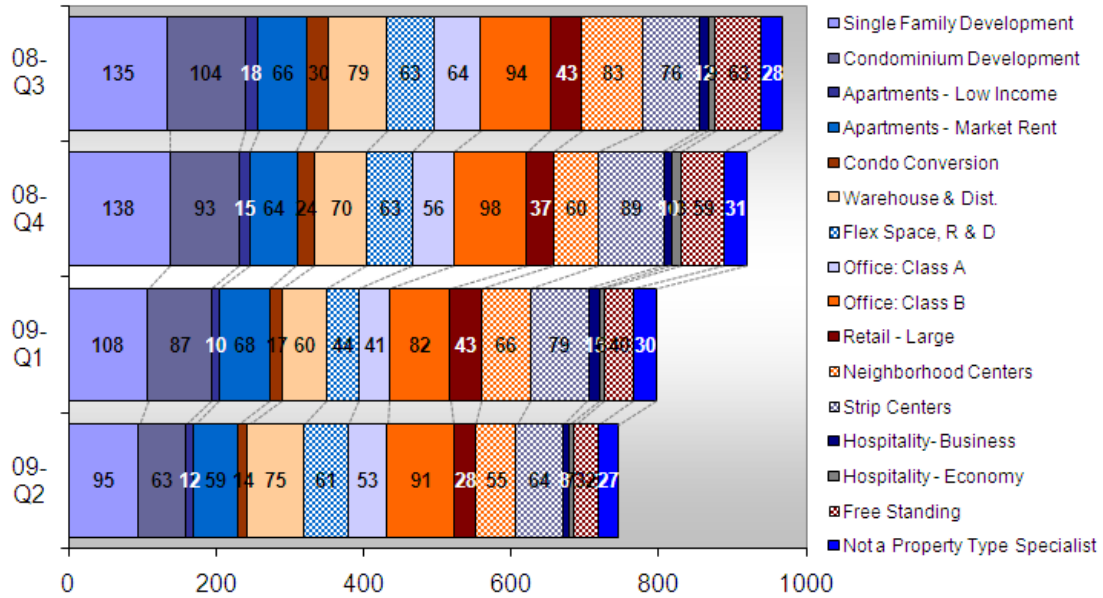
Markets of Familiarity

Each respondent was asked to select up to four regional markets with which they are familiar. In the latest survey, these choices accumulated to 540 observations. Every region, with the exception of Gainesville – Ocala, was represented by a minimum of 20 observers, four of which had greater than 60 observers. The highest number of responses was for the Orlando market, which had 71 representatives. The lowest respondent support came from Gainesville-Ocala with 19.



Property types of Familiarity

Each respondent was asked to select up to three property types with which they were familiar. Altogether, 744 selections were made in the latest survey round. Single family development was selected by 95 respondents while condominium development was selected by 63. Nine property types were selected by at least 40 respondents.



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

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

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

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

Section 12: Local Markets

Dade County

- Cap rates in Dade County, on average, are lower than the state mean (0.53 percentage points) and range from 7.7% (**Free Standing Retail**) to 8.8% (**Flex Space, R&D**).
- Over the past quarter, cap rates have increased across most property types with **Office: Class A** (+0.35 percentage points) and **Apartments** (+0.33 percentage points) representing the largest increases. Cap rates for **Condo Conversion** and **Free Standing Retail** declined by 0.43 and 0.41 percentage points respectively.
- Cap rates are expected to increase over the next quarter for **Flex Space, Neighborhood Centers** and **Free Standing Retail** while the outlook remains more neutral for all other property types.
- Required yields for Dade County (11.55%) are, on average, lower (0.96 percentage points) than the state mean (12.51%).
- Required yields in Dade County have increased, on average, over the last quarter from 11.40% to 11.55%.
- The largest shifts in required yields occurred in **Condo Conversion** (+2.19% change) and **Free Standing Retail** (-1.92% change).
- The investment outlook is mixed across property types. The most positive outlook occurs for **Apartments** while the most negative outlook occurs for **Condo Conversion**.
- The outlook for **Land Development** appears to be negative for most property types. The outlook is mixed for **Land with Industrial Entitlements** and **Land for Urban Redevelopment**.
- Future occupancy rates in Dade County are expected to remain the same over most property types with **Office: Class A** and **Flex Space** showing the strongest indication for occupancy decreases.
- There is strong indication that rental rates are expected to increase at a rate slower than inflation across all property types.
- While future absorption rates are expected to be higher for **Single Family**, expectations are mixed 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										
Q2-09										
Q2-09 Value	7.8	8.7	8.3	8.8	8.2	8.4	8.2	8.1	8.5	7.7
Percent Expecting Rise	23%	0%	45%	100%	50%	38%	43%	67%	56%	100%
Percent Expecting Fall	8%	0%	0%	0%	0%	0%	14%	22%	0%	0%
Q1-09										
Q1-09 Value	7.5	9.1	8.0	8.5	7.8	8.3	8.2	8.1	8.6	8.1
Percent Expecting Rise	35%	75%	40%	40%	75%	55%	42%	40%	64%	75%
Percent Expecting Fall	0%	0%	20%	20%	0%	9%	25%	0%	0%	0%
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%
Yields										
Q2-09										
Q2-09 Value	10.9	19.4	11.4	11.9	11.2	10.3	10.8	10.4	10.2	9.1
Percent Expecting Rise	33%	0%	45%	100%	67%	38%	29%	56%	44%	75%
Percent Expecting Fall	8%	0%	0%	0%	0%	13%	29%	22%	11%	25%
Q1-09										
Q1-09 Value	9.7	17.2	10.9	11.6	10.4	10.7	10.6	10.3	11.8	11.0
Percent Expecting Rise	35%	25%	30%	0%	75%	40%	38%	33%	27%	67%
Percent Expecting Fall	6%	0%	30%	25%	0%	20%	23%	20%	27%	0%
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%
Investment Outlook										
Q2-09										
Fair to Good	71%	25%	55%	27%	36%	38%	15%	62%	27%	29%
Bad to Poor	0%	75%	9%	20%	50%	25%	46%	31%	36%	43%
Q1-09										
Fair to Good	63%	0%	23%	20%	23%	8%	16%	13%	8%	0%
Bad to Poor	11%	80%	23%	60%	54%	67%	47%	56%	58%	50%
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%

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
Q2-09						
Fair to Good	20%	22%	15%	11%	23%	20%
Bad to Poor	63%	62%	63%	60%	45%	52%
Q1-09						
Fair to Good	15%	13%	10%	11%	13%	18%
Bad to Poor	66%	70%	62%	67%	61%	57%
Q4-08						
Fair to Good	21%	19%	16%	8%	19%	25%
Bad to Poor	56%	62%	49%	57%	38%	44%

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
Q2-09												
Private Buyers	86%	75%	73%	43%	57%	53%	21%	67%	33%	60%	69%	71%
R.E. Companies	14%	17%	9%		13%	20%	7%		27%	13%		14%
REITs			9%		17%	7%				7%		
Institutions			5%			7%	36%			7%	15%	
Foreign Buyers		8%		14%	9%	7%	36%	22%	20%			
Q1-09												
Private Buyers	60%	65%	57%	60%	69%	20%	38%	75%	32%	22%	67%	50%
R.E. Companies	13%	18%	19%		8%	40%	15%	17%	11%	17%	25%	25%
REITs			5%			20%				6%		
Institutions	13%	12%	5%	20%	8%		15%	8%	32%	11%	8%	
Foreign Buyers	13%	6%	5%	20%	8%	20%	23%		21%	33%		25%
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%	

Table 2d

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
Future Occupancy										
Q2-09										
Higher	17%	25%	17%	0%	0%	25%	8%	0%	27%	17%
Lower	22%	25%	35%	77%	85%	38%	62%	46%	36%	50%
Q1-09										
Higher	30%	0%	17%	20%	42%	17%	6%	0%	0%	0%
Lower	25%	60%	42%	40%	58%	50%	78%	78%	92%	25%
Q4-08										
Higher	22%	0%	0%	0%	0%	8%	7%	12%	7%	13%
Lower	28%	43%	55%	33%	82%	67%	64%	53%	60%	50%
Rental Rate Increases										
Q2-09										
Faster than Inflation	6%	0%	4%	0%	7%	0%	0%	7%	9%	0%
Slower than Inflation	78%	50%	75%	100%	79%	100%	77%	79%	91%	100%
Q1-09										
Faster than Inflation	5%	0%	8%	0%	0%	0%	6%	6%	8%	0%
Slower than Inflation	60%	100%	67%	100%	92%	100%	78%	78%	83%	50%
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%

Table 2e

Dade County	Single Family Development	Condominium Development
Future Absorption Rates		
Q2-09		
Higher	57%	33%
Lower	7%	25%
Q1-09		
Higher	60%	18%
Lower	7%	29%
Q4-08		
Higher	41%	26%
Lower	29%	53%
Future Price Increases		
Q2-09		
Faster than Inflation	0%	0%
Slower than Inflation	79%	92%
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%
Q4-08		
Faster than Inflation	0%	5%
Slower than Inflation	94%	95%

Broward County

- Cap rates in Broward County are, on average, lower (0.57 percentage points) than the state mean, and range from 7.7% (**Free Standing Retail**) to 8.7% (**Flex Space**).
- Cap rates increased across most property types, with the largest movements occurring in **Office: Class A** (+0.43 percentage points) and **Apartments** (+0.41 percentage points). **Condo Conversion** and **Free Standing Retail** cap rates declined by 0.35 and 0.33 percentage points respectively.
- Cap rate outlooks indicate potential rate increases in **Flex Space**, **Retail-Large**, and **Free Standing Retail** over the next quarter. The outlooks for the remaining property types remain neutral.
- Required yields for Broward County are, on average, lower than that of the state, 12.1% compared to 12.51% statewide.
- Required yields are highest for **Condo Conversion** at 19.9% and lowest for **Free Standing Retail** at 9.6%.
- Over the past quarter, required yields have increased across most property types, with the largest shifts occurring in **Condo Conversion** (+2.71% change) and **Apartment** (+1.69% change). Also worth noting is a decrease in the required yield for **Free Standing Retail** (-1.40% change).
- In a shift from the previous quarter, the investment outlook across property types is mixed with four property types neutral to positive and four neutral to negative. One property type, **Apartments**, has a positive outlook.
- The outlook for **Land Development** appears to be negative for **Land with Residential Entitlements**. However, the outlook for the remaining classifications appears to be more neutral to negative.
- In Broward County, future occupancy rates are expected to decrease across the majority of property types. **Flex Space**, **Large Retail**, **Office: Class A**, **Office: Class B**, **Strip Centers**, and **Free Standing Retail** show strong expectations for lower future occupancy.
- There is strong indication that rental rates are expected to increase at a rate slower than inflation across all property types.
- Expectations for future absorption rates are higher for **Single Family** but remain mixed 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										
Q2-09										
Q2-09 Value	7.8	8.6	8.2	8.7	8.1	8.4	8.1	8.0	8.5	7.7
Percent Expecting Rise	25%	0%	54%	67%	57%	30%	60%	56%	33%	100%
Percent Expecting Fall	8%	0%	8%	17%	14%	0%	0%	22%	0%	0%
Q1-09										
Q1-09 Value	7.4	9.0	7.9	8.4	7.7	8.2	8.1	8.0	8.5	8.0
Percent Expecting Rise	29%	80%	47%	44%	63%	58%	42%	50%	47%	43%
Percent Expecting Fall	0%	0%	7%	11%	0%	8%	25%	11%	7%	0%
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%
Yields										
Q2-09										
Q2-09 Value	11.4	19.9	11.9	12.4	11.7	10.9	11.3	10.9	10.8	9.6
Percent Expecting Rise	27%	0%	58%	50%	83%	10%	40%	71%	25%	60%
Percent Expecting Fall	9%	0%	8%	33%	0%	20%	20%	14%	13%	40%
Q1-09										
Q1-09 Value	9.7	17.2	10.9	11.6	10.4	10.8	10.6	10.3	11.8	11.0
Percent Expecting Rise	30%	40%	23%	14%	75%	22%	31%	50%	19%	50%
Percent Expecting Fall	10%	0%	23%	14%	13%	22%	31%	17%	25%	0%
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%
Investment Outlook										
Q2-09										
Fair to Good	65%		52%	40%	36%	42%	20%	54%	27%	30%
Bad to Poor	0%		17%	7%	43%	17%	40%	23%	55%	40%
Q1-09										
Fair to Good	50%	0%	28%	22%	25%	8%	12%	16%	12%	33%
Bad to Poor	21%	86%	33%	56%	50%	67%	47%	37%	59%	33%
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%

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
Q2-09						
Fair to Good	18%	21%	18%	12%	26%	21%
Bad to Poor	59%	61%	58%	56%	45%	45%
Q1-09						
Fair to Good	12%	11%	11%	8%	16%	16%
Bad to Poor	69%	72%	64%	71%	60%	53%
Q4-08						
Fair to Good	18%	18%	16%	7%	17%	16%
Bad to Poor	55%	62%	53%	59%	38%	51%

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
Q2-09												
Private Buyers	88%	73%	72%	33%	58%	53%	29%	67%	33%	64%	75%	60%
R.E. Companies	6%	20%	11%		8%	13%			25%	14%		10%
REITs			6%		13%	13%		8%		7%		
Institutions			6%			7%	43%			7%	8%	
Foreign Buyers		7%		17%	8%	7%	29%	17%	17%			10%
Q1-09												
Private Buyers	58%	65%	54%	71%	72%	22%	50%	58%	29%	29%	76%	71%
R.E. Companies	17%	13%	23%		11%	44%	25%	25%	12%	24%	18%	
REITs					6%	11%			12%	5%		
Institutions	8%	9%	4%	14%	6%		8%		18%	14%	6%	
Foreign Buyers	8%	4%	4%	14%	6%	22%	17%	17%	29%	19%		14%
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%	

Table 3d

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
Future Occupancy										
Q2-09										
Higher	27%	0%	14%	0%	8%	10%	0%	8%	20%	0%
Lower	20%	25%	41%	85%	77%	60%	70%	58%	70%	75%
Q1-09										
Higher	26%	14%	11%	22%	8%	8%	17%	0%	12%	0%
Lower	26%	43%	67%	56%	75%	67%	78%	86%	76%	43%
Q4-08										
Higher	14%	0%	10%	10%	8%	6%	12%	9%	6%	18%
Lower	32%	38%	60%	40%	77%	75%	82%	78%	71%	55%
Rental Rate Increases										
Q2-09										
Faster than Inflation	7%	0%	5%	0%	0%	0%	0%	0%	10%	0%
Slower than Inflation	67%	50%	82%	100%	85%	100%	90%	75%	90%	100%
Q1-09										
Faster than Inflation	4%	0%	6%	0%	8%	0%	0%	0%	0%	14%
Slower than Inflation	83%	100%	83%	100%	92%	100%	94%	90%	94%	86%
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%

Table 3e

Broward County	Single Family Development	Condominium Development
Future Absorption Rates		
Q2-09		
Higher	75%	40%
Lower	6%	13%
Q1-09		
Higher	55%	24%
Lower	18%	29%
Q4-08		
Higher	33%	30%
Lower	29%	43%
Future Price Increases		
Q2-09		
Faster than Inflation	6%	0%
Slower than Inflation	69%	87%
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%
Q4-08		
Faster than Inflation	0%	4%
Slower than Inflation	96%	96%

Palm Beach County

- Cap rates in Palm Beach County are, on average, lower (0.50 percentage points) than that of the state, and range from 7.7% (**Free Standing Retail**) to 8.8% (**Flex Space**).
- Cap rates have increased across most property types in the last quarter, with the largest changes occurring in **Office: Class A** (+0.53% change) and **Apartments** (+0.51% change). Cap rates for **Condo Conversions** and **Free Standing Retail** declined by 0.26% and 0.23% respectively.
- Cap rate outlooks for this quarter are neutral across most property types. **Flex Space** and **Free Standing Retail** showing the strongest potential for rate increases.
- Required yields for Palm Beach County are, on average, lower than that of the state, 11.99% compared to 12.51% statewide.
- Required yields are highest for **Condo Conversion** at 19.8% and lowest for **Free Standing Retail** at 9.5%.
- Required yields have increased across the majority of property types over the last quarter with **Condo Conversion** (+2.78%) and **Apartments** (+1.76%) showing the largest increase. **Free Standing Retail** and **Strip Centers** declined by 1.32% and 0.96% respectively.
- The investment outlook is mixed across property types. However, respondents appear to indicate a negative outlook for **Office: Class A**.
- The outlook for **Land Development** appears to be negative for **Land with Residential Entitlements** and **Land with Hospitality Entitlements**. The outlook is more neutral to negative for the remaining land classifications.
- Occupancy rates are expected to decrease over the next quarter for the majority of property types. The most respondent support for rate decreases occurs in **Flex Space** 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 positive for **Single Family**, but are mixed for **Condominium Development**.
- Future price increases are expected to occur slower than inflation in both **Single Family** and **Condominium Development**.

Table 4a

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

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
Q2-09						
Fair to Good	21%	21%	17%	12%	19%	21%
Bad to Poor	55%	62%	59%	60%	50%	48%
Q1-09						
Fair to Good	14%	16%	10%	11%	13%	13%
Bad to Poor	68%	63%	65%	70%	63%	57%
Q4-08						
Fair to Good	14%	20%	13%	8%	16%	11%
Bad to Poor	59%	61%	53%	59%	41%	53%

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
Q2-09												
Private Buyers	86%	85%	74%	20%	44%	57%	27%	67%	30%	75%	82%	75%
R.E. Companies	10%	15%	11%		13%	21%			40%	8%		
REITs			5%		19%	14%		8%				
Institutions			5%			7%	36%			8%		
Foreign Buyers				20%	6%		36%	17%	20%			13%
Q1-09												
Private Buyers	59%	61%	61%	67%	80%		42%	54%	27%	35%	75%	75%
R.E. Companies	12%	11%	17%		10%	60%	25%	38%	13%	20%	19%	
REITs						20%	8%	8%	13%	5%		
Institutions	12%	11%	4%	17%	10%		8%		13%	10%	6%	
Foreign Buyers	6%	6%	4%	17%		20%	17%		33%	20%		25%
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%	

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										
Q2-09										
Higher	31%	20%	21%	0%	20%	10%	0%	10%	22%	0%
Lower	25%	40%	36%	77%	70%	60%	67%	60%	67%	57%
Q1-09										
Higher	19%	0%	0%	20%	0%	8%	0%	0%	6%	0%
Lower	33%	67%	70%	20%	83%	54%	87%	85%	81%	50%
Q4-08										
Higher	23%	13%	7%	13%	0%	0%	10%	7%	7%	0%
Lower	23%	38%	73%	38%	75%	73%	90%	86%	80%	50%
Rental Rate Increases										
Q2-09										
Faster than Inflation	0%	20%	7%	0%	10%	0%	0%	0%	11%	0%
Slower than Inflation	88%	60%	79%	100%	80%	90%	89%	100%	89%	100%
Q1-09										
Faster than Inflation	0%	0%	10%	0%	8%	0%	0%	5%	0%	25%
Slower than Inflation	76%	100%	80%	80%	83%	92%	93%	85%	94%	75%
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%

Table 4e

Palm Beach County	Single Family Development	Condominium Development
Future Absorption Rates		
Q2-09		
Higher	65%	31%
Lower	10%	23%
Q1-09		
Higher	53%	25%
Lower	13%	25%
Q4-08		
Higher	36%	29%
Lower	27%	57%
Future Price Increases		
Q2-09		
Faster than Inflation	5%	0%
Slower than Inflation	85%	92%
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	87%	94%
Q4-08		
Faster than Inflation	0%	5%
Slower than Inflation	100%	95%

Treasure Coast

- Cap rates in the Treasure Coast area are, on average, lower (0.18 percentage points) than that of the state, and range from 8.0% (**Free Standing Retail**) to 9.1% (**Flex Space**)
- Cap rates have increased across all property types in the last quarter. The largest changes have occurred in **Office: Class A** (+0.82% change) and **Apartments** (+0.80% change).
- Cap rates are expected to increase across the majority of property types, with **Free Standing Retail** and **Neighborhood Centers** receiving the most respondent support for a rate increase.
- Required yields for the Treasure Coast are higher than those of the state, 13.02% compared to 12.51% statewide.
- Required yields are highest for **Condo Conversion** at 20.8% and lowest for **Free Standing Retail** at 10.6%.
- Required yields have increased across most property types, with the largest positive shift occurring in **Condo Conversion** (+3.87% change). One exception is **Free Standing Retail**, in which yields have fallen 0.23% over the last quarter.
- The investment outlook is neutral across most property types. The most positive expectations appear to be for **Flex Space**.
- The outlook for **Land Development** is neutral to negative for the all of the land classifications.
- For the majority of property types, future occupancy rates are expected to decrease. The most respondent support for occupancy rate decreases occurs in **Office: Class A** and **Neighborhood Centers**.
- Future rental rates are expected to increase at a rate that is slower than inflation for all property types.
- While expectations for future absorption rates are positive for **Single Family Development**, rates are uncertain for **Condominium Development**.
- Future price increases are expected to occur slower than inflation in both **Single Family** and **Condominium Development**.

Table 5a

Treasure Coast	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Cap Rates										
Q2-09										
Q2-09 Value	8.1	9.0	8.6	9.1	8.5	8.8	8.5	8.4	8.9	8.0
Percent Expecting Rise	0%	0%	50%	80%	0%	60%	50%	100%	71%	100%
Percent Expecting Fall	0%	0%	17%	20%	0%	0%	0%	0%	0%	0%
Q1-09										
Q1-09 Value	7.3	9.0	7.9	8.3	7.7	8.2	8.1	8.0	8.5	8.0
Percent Expecting Rise	100%	100%	0%	33%	0%	100%	0%	50%	50%	100%
Percent Expecting Fall	0%	0%	0%	0%	0%	0%	0%	17%	25%	0%
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%
Yields										
Q2-09										
Q2-09 Value	12.4	20.8	12.8	13.4	12.6	11.8	12.3	11.9	11.7	10.6
Percent Expecting Rise	0%	0%	40%	50%	0%	60%	50%	75%	57%	100%
Percent Expecting Fall	0%	0%	20%	25%	0%	0%	0%	0%	14%	0%
Q1-09										
Q1-09 Value	9.5	17.0	10.7	11.4	10.2	10.5	10.4	10.1	11.6	10.8
Percent Expecting Rise	50%	100%	0%	0%	0%	0%	0%	33%	25%	0%
Percent Expecting Fall	50%	0%	0%	0%	0%	0%	0%	17%	0%	100%
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%
Investment Outlook										
Q2-09										
Fair to Good	57%		50%	60%		33%	25%	33%	33%	
Bad to Poor	0%		33%	20%		33%	50%	33%	50%	
Q1-09										
Fair to Good						0%	0%	0%	0%	
Bad to Poor						60%	25%	33%	50%	
Q4-08										
Fair to Good			67%	50%		60%	20%	50%	60%	
Bad to Poor			0%	0%		20%	40%	17%	40%	

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
Q2-09						
Fair to Good	32%	32%	23%	18%	23%	27%
Bad to Poor	50%	59%	59%	55%	50%	36%
Q1-09						
Fair to Good	10%	14%	5%	5%	5%	5%
Bad to Poor	67%	67%	67%	67%	67%	57%
Q4-08						
Fair to Good	10%	24%	10%	10%	19%	14%
Bad to Poor	71%	62%	48%	57%	43%	48%

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
Q2-09												
Private Buyers	100%	100%	57%	33%	67%	40%		57%	25%	67%	75%	100%
R.E. Companies			29%		17%	40%		14%	50%	17%		
REITs			14%		17%	20%				17%		
Institutions												
Foreign Buyers							100%	14%	25%			
Q1-09												
Private Buyers	78%	71%	50%	50%	50%	33%		60%	25%	13%	67%	50%
R.E. Companies	11%		25%			33%		40%	25%	38%	33%	
REITs												
Institutions	11%	14%		50%	50%		50%			13%		
Foreign Buyers		14%				33%	50%		50%	13%		50%
Q4-08												
Private Buyers	88%	83%	20%		33%	75%	67%	40%	20%	50%	100%	100%
R.E. Companies	13%		20%					40%		50%		
REITs				50%	17%				20%			
Institutions			20%		33%	25%	33%		40%			
Foreign Buyers		17%			17%			20%	20%			

Table 5d

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
Future Occupancy										
Q2-09										
Higher	0%	0%	17%	20%	0%	0%	0%	0%	0%	0%
Lower	33%	50%	50%	60%	100%	67%	50%	83%	57%	67%
Q1-09										
Higher	50%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Lower	50%	100%	50%	67%	100%	100%	100%	100%	100%	100%
Q4-08										
Higher	20%	0%	0%	50%	33%	0%	0%	0%	0%	0%
Lower	0%	0%	80%	25%	67%	100%	100%	80%	100%	67%
Rental Rate Increases										
Q2-09										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	100%	100%	83%	80%	100%	100%	100%	100%	86%	100%
Q1-09										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
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%

Table 5e

Treasure Coast	Single Family Development	Condominium Development
Future Absorption Rates		
Q2-09		
Higher	75%	40%
Lower	0%	20%
Q1-09		
Higher	56%	29%
Lower	11%	43%
Q4-08		
Higher	38%	0%
Lower	25%	67%
Future Price Increases		
Q2-09		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	89%	100%
Q4-08		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%

Southwest Coast

- Cap rates in the Southwest Coast area are, on average, lower (0.09 percentage points) than that of the state, and range from 8.2% (**Free Standing Retail**) to 9.3% (**Flex Space**).
- Cap rates have increased across almost all property types over the last quarter, with the largest changes being seen in **Office: Class A** (+0.52% change) and **Apartments** (+0.50% change). The one exception is **Free Standing Retail** which declined 0.24%.
- Cap rates are expected to be neutral across the majority of property types, with only **Office: Class A** and **Strip Centers** expected to have rate increases.
- Required yields for the Southwest Coast are lower, on average, than that of the state, 11.55% compared to 12.51% statewide.
- Required yields are highest for **Flex Space** at 12.8% and lowest for **Free Standing Retail** at 9.9%.
- Required yields have increased over the last quarter for all but two property types, with the largest shifts occurring in **Apartments** (+1.73% change) and **Free Standing Retail** (-1.35% change).
- The investment outlook is mixed across property types. Respondents appear to have positive expectations for **Apartments**.
- The outlook for **Land Development** is neutral to negative across all classifications. The most negative expectations occur for **Land without Entitlements**.
- Occupancy rates are expected to be mixed across most property types, with indications of rate decreases occurring for **Neighborhood Centers** and **Retail - Large**.
- Rental rates are expected to increase slower than inflation across all property types with the exception of **Free Standing Retail** which is mixed.
- Expectations of future absorption rates are uncertain for both **Single Family** and **Condominium Development**.
- Future price increases are expected to occur at a rate slower than inflation in both **Single Family** and **Condominium Development**.

Table 6a

Southwest Coast	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Cap Rates										
Q2-09										
Q2-09 Value	8.3		8.7	9.3	8.6	8.9	8.7	8.5	9.0	8.2
Percent Expecting Rise	33%		33%	56%	71%	50%	50%	50%	67%	50%
Percent Expecting Fall	33%		0%	11%	14%	7%	25%	10%	0%	50%
Q1-09										
Q1-09 Value	7.8	9.4	8.3	8.8	8.1	8.6	8.5	8.4	8.9	8.4
Percent Expecting Rise	50%	100%	56%	88%	50%	60%	83%	50%	64%	60%
Percent Expecting Fall	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
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%
Yields										
Q2-09										
Q2-09 Value	11.8		12.2	12.8	12.0	11.2	11.7	11.3	11.1	9.9
Percent Expecting Rise	17%		50%	25%	14%	50%	0%	10%	38%	100%
Percent Expecting Fall	0%		0%	25%	29%	0%	25%	40%	0%	0%
Q1-09										
Q1-09 Value	10.0	17.5	11.2	11.9	10.7	11.0	10.9	10.6	12.1	11.3
Percent Expecting Rise	50%	0%	56%	50%	50%	50%	67%	75%	50%	40%
Percent Expecting Fall	0%	0%	0%	25%	25%	0%	0%	0%	7%	40%
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%
Investment Outlook										
Q2-09										
Fair to Good	60%		38%	50%	43%	35%	17%	36%	22%	
Bad to Poor	0%		13%	20%	43%	12%	50%	36%	11%	
Q1-09										
Fair to Good			44%	13%	60%	30%	0%	23%	14%	50%
Bad to Poor			33%	75%	40%	50%	88%	46%	71%	50%
Q4-08										
Fair to Good				14%	17%	25%	0%	27%	43%	50%
Bad to Poor				43%	33%	63%	71%	36%	36%	25%

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
Q2-09						
Fair to Good	27%	35%	14%	16%	24%	16%
Bad to Poor	59%	49%	54%	49%	57%	57%
Q1-09						
Fair to Good	23%	20%	8%	5%	15%	20%
Bad to Poor	58%	68%	73%	75%	58%	50%
Q4-08						
Fair to Good	22%	28%	22%	17%	28%	19%
Bad to Poor	47%	44%	47%	53%	50%	47%

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
Q2-09												
Private Buyers	79%	86%	71%		63%	80%	86%	94%	50%	64%	90%	100%
R.E. Companies	14%	14%		100%		10%	14%		17%	27%		
REITs	7%				13%					9%		
Institutions					13%	10%			17%			
Foreign Buyers					13%			6%	17%			
Q1-09												
Private Buyers	70%	89%	50%	50%	90%	50%	60%	90%	38%	54%	73%	50%
R.E. Companies							20%	10%	13%	15%	13%	33%
REITs	20%	11%				13%			38%	15%		17%
Institutions						38%	20%		13%	15%	7%	
Foreign Buyers	10%			50%								
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%			

Table 6d

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
Future Occupancy										
Q2-09										
Higher	40%		0%	10%	0%	33%	0%	0%	0%	50%
Lower	0%		22%	30%	57%	27%	67%	80%	40%	0%
Q1-09										
Higher	25%	0%	10%	25%	0%	20%	0%	8%	7%	0%
Lower	25%	100%	60%	50%	100%	60%	88%	77%	87%	80%
Q4-08										
Higher	25%	0%	0%	0%	0%	33%	0%	9%	8%	0%
Lower	25%	100%	67%	75%	83%	56%	86%	73%	69%	25%
Rental Rate Increases										
Q2-09										
Faster than Inflation	0%		0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	100%		100%	100%	100%	80%	100%	91%	100%	50%
Q1-09										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	75%	100%	100%	100%	100%	100%	100%	92%	100%	100%
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%

Table 6e

Southwest Coast	Single Family Development	Condominium Development
Future Absorption Rates		
Q2-09		
Higher	57%	29%
Lower	14%	29%
Q1-09		
Higher	60%	11%
Lower	10%	33%
Q4-08		
Higher	42%	27%
Lower	50%	36%
Future Price Increases		
Q2-09		
Faster than Inflation	0%	0%
Slower than Inflation	93%	100%
Q1-09		
Faster than Inflation	10%	11%
Slower than Inflation	90%	89%
Q4-08		
Faster than Inflation	0%	0%
Slower than Inflation	92%	91%

Daytona Beach Area

- Cap rates in Daytona Beach are, on average, lower (0.41 percentage points) than those of the state, and range from 7.8% (**Free Standing**) to 8.9% (**Flex Space**).
- Cap rates have stable or decreased across the majority of property types in the latest quarter. The largest movements in cap rates have occurred in **Free Standing Retail** (-0.69% change) and **Strip Centers** (-0.34% change).
- Cap rates are expected to be neutral across the majority of property types, with the strongest indication for rate increases occurring in **Warehouse Distribution** and **Office: Class A**.
- Required yields for Daytona Beach are, on average, lower than that of the state, 12.13% compared to 12.51% statewide.
- Required yields are mixed over the past quarter. The largest shifts occurred in **Free Standing Retail** (-2.06% change) and **Strip Centers** (-1.70% change).
- For all available property types, the investment outlook is neutral.
- The outlook for **Land Development** is neutral across all land classifications.
- Occupancy rates are expected to either remain the same or decrease in the next quarter. The strongest indications of a decrease in occupancy rates occur in **Office: Class A**, and **Strip Centers**.
- Rental rates are expected to increase slower than inflation across property types.
- Absorption rates are expected to be mixed over the next quarter for both **Single Family** and **Condominium Development**.
- Future price increases are expected to occur slower than inflation in both **Single Family** and **Condominium Development**.

Table 7a

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

Table 7b

<i>Outlook for Land Development</i>						
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
Q2-09						
Fair to Good	38%	38%	31%	35%	42%	42%
Bad to Poor	31%	38%	42%	42%	35%	31%
Q1-09						
Fair to Good	19%	23%	15%	12%	15%	23%
Bad to Poor	62%	58%	69%	65%	50%	46%
Q4-08						
Fair to Good	27%	27%	22%	14%	32%	27%
Bad to Poor	49%	54%	51%	43%	35%	43%

Table 7c

<i>Investors by Property Type</i>												
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
Q2-09												
Private Buyers	90%	50%	86%		50%	67%	25%	92%	100%	67%	100%	67%
R.E. Companies	10%	25%				17%		8%				
REITs			14%				50%					33%
Institutions					50%	17%	25%			33%		
Foreign Buyers		25%										
Q1-09												
Private Buyers	56%	50%	40%	100%	100%	83%	100%	88%	40%	83%	86%	100%
R.E. Companies	22%	25%				17%		13%	40%		14%	
REITs		13%	20%									
Institutions	11%		20%							17%		
Foreign Buyers	11%	13%	20%						20%			
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%							

Table 7d

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
Future Occupancy										
Q2-09										
Higher	0%		50%	17%	0%	8%	0%	0%	0%	0%
Lower	29%		50%	33%	100%	33%	0%	67%	44%	67%
Q1-09										
Higher	25%	0%	50%	17%	0%	0%	0%	17%	0%	0%
Lower	25%	100%	50%	33%	0%	63%	60%	67%	50%	67%
Q4-08										
Higher	20%	0%	0%	0%	33%	0%	0%	0%	7%	0%
Lower	30%	33%	50%	50%	67%	27%	75%	50%	64%	29%
Rental Rate Increases										
Q2-09										
Faster than Inflation	0%		0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	75%		100%	83%	50%	85%	0%	67%	78%	100%
Q1-09										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	75%	67%	100%	83%	100%	100%	80%	83%	86%	100%
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%

Table 7e

Daytona Beach Area	Single Family Development	Condominium Development
Future Absorption Rates		
Q2-09		
Higher	30%	25%
Lower	30%	50%
Q1-09		
Higher	44%	25%
Lower	0%	25%
Q4-08		
Higher	20%	0%
Lower	27%	20%
Future Price Increases		
Q2-09		
Faster than Inflation	0%	0%
Slower than Inflation	90%	100%
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%
Q4-08		
Faster than Inflation	0%	0%
Slower than Inflation	100%	80%

Orlando Area

- Cap rates in Orlando are, on average, lower (0.25 percentage points) than that of the state, and range from 8.0% (**Free Standing Retail**) to 9.1% (**Flex Space**).
- Cap rates are mixed over the past quarter, with the largest changes being seen in **Condo Conversions** (-0.43% change) and **Free Standing Retail** (-0.41% change).
- Cap rates are expected to either remain the same or increase over the next quarter, with the strongest indications of rate increases occurring for **Condo Conversions, Large Retail** and **Neighborhood Centers**.
- Required yields for Orlando are, on average, lower than that of the state, 12.44% compared to 12.51% statewide.
- Required yields are highest for **Condo Conversion** at 20.2% and lowest for **Free Standing Retail** at 10.0%.
- Required yields have increased over the past quarter for all but three property types, the largest being **Free Standing Retail** (-1.92%) and **Strip Centers** (-1.55%).
- The investment outlook is mixed across property types. The strongest indication of a positive outlook occurs for **Apartments**, while the most negative outlook occurs in **Condo Conversion**.
- The outlook for **Land Development** is neutral to negative across land classifications. It appears that the most negative outlook occurs for **Land with Hospitality Entitlements**.
- Occupancy rates are expected to be neutral to negative across the majority of property types. Respondents indicate that rate decreases are most likely to occur in **Neighborhood Centers** and **Office: Class A**.
- Rental rates are expected to increase slower than inflation for all property types.
- Future absorption rates are expected to be higher for **Single Family Development**, but remain the same for **Condominium Development**.
- Future price increases are expected to occur slower than inflation in both **Single Family** and **Condominium Development**.

Table 8a

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

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
Q2-09						
Fair to Good	21%	25%	20%	15%	28%	23%
Bad to Poor	48%	48%	54%	54%	42%	37%
Q1-09						
Fair to Good	23%	20%	20%	15%	22%	31%
Bad to Poor	57%	50%	54%	61%	41%	35%
Q4-08						
Fair to Good	20%	27%	16%	11%	21%	30%
Bad to Poor	50%	50%	50%	55%	44%	42%

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
Q2-09												
Private Buyers	93%	89%	63%	40%	65%	70%	48%	79%	33%	61%	67%	83%
R.E. Companies	7%	11%	5%	40%	9%		14%	11%	22%	11%	8%	17%
REITs			16%		9%	5%	5%		11%	6%		
Institutions			5%		9%	15%	24%		11%	11%	8%	
Foreign Buyers				20%	9%	5%	10%		11%			
Q1-09												
Private Buyers	72%	90%	46%	67%	50%	73%	45%	69%	25%	46%	82%	63%
R.E. Companies	17%	10%	29%		7%	9%	18%	19%	13%	13%	9%	25%
REITs	6%		8%		14%		9%		19%	13%		13%
Institutions			13%		7%		18%	13%	13%	17%		
Foreign Buyers	6%			17%	14%	18%			25%	13%		
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%

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										
Q2-09										
Higher	53%	33%	9%	5%	5%	13%	0%	0%	0%	0%
Lower	7%	0%	50%	37%	58%	31%	57%	59%	58%	50%
Q1-09										
Higher	17%	17%	8%	0%	10%	0%	13%	13%	14%	25%
Lower	35%	33%	50%	36%	70%	67%	75%	70%	67%	38%
Q4-08										
Higher	29%	0%	6%	19%	17%	9%	21%	14%	7%	0%
Lower	21%	60%	65%	44%	74%	59%	57%	75%	71%	44%
Rental Rate Increases										
Q2-09										
Faster than Inflation	7%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	73%	67%	86%	89%	89%	88%	71%	76%	92%	100%
Q1-09										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	91%	100%	75%	91%	90%	100%	88%	91%	95%	75%
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%

Table 8e

Orlando Area	Single Family Development	Condominium Development
Future Absorption Rates		
Q2-09		
Higher	67%	33%
Lower	0%	33%
Q1-09		
Higher	33%	10%
Lower	28%	60%
Q4-08		
Higher	27%	11%
Lower	20%	67%
Future Price Increases		
Q2-09		
Faster than Inflation	0%	0%
Slower than Inflation	86%	100%
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	89%	100%
Q4-08		
Faster than Inflation	0%	0%
Slower than Inflation	90%	88%

Lakeland-Winter Haven

- Cap rates in Lakeland-Winter Haven are, on average, higher (0.06 percentage points) than that of the state, and range from 8.3% (**Apartments**) to 9.3% (**Flex Space**).
- Cap rates decrease across most property types over the last quarter. The largest changes occurred in **Condo Conversion** (-0.58 % change) and **Strip Centers** (-0.20% change).
- Cap rates are expected to remain the same or increase across most property types over the next quarter. The strongest indication of rate increases occurs in **Condo Conversion** and **Flex Space**.
- Required yields for Lakeland-Winter Haven are, on average, higher than that of the state, 13.11% compared to 12.51% statewide.
- Required yields are highest for **Condo Conversion** at 20.6% and lowest for **Strip Centers** at 11.5%.
- Required yields have decreased across almost all property types in the last quarter. The only increase occurred in **Condo Conversion** (+0.82% change).
- The investment outlook is mixed across property types. The most positive outlook occurs for **Warehouse and Distribution**.
- The outlook for **Land Development** is mixed across land classifications. It appears that the most negative outlook occurs for **Land with Hospitality Entitlements**.
- Occupancy rates are expected to either remain the same or decrease for most property types. The most significant indication of potential rate decreases occurs in **Flex Space**.
- Rental rates are expected to increase slower than inflation for all property types.
- Future absorption rates are expected to increase for **Condominium Development** and remain the same 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										
Q2-09										
Q2-09 Value	8.3	9.2	8.8	9.3	8.7	8.9	8.7	8.6	9.1	
Percent Expecting Rise	33%	100%	50%	67%	40%	50%	0%	25%	50%	
Percent Expecting Fall	33%	0%	10%	33%	20%	0%	0%	0%	25%	
Q1-09										
Q1-09 Value	8.1	9.8	8.7	9.1	8.5	9.0	8.9	8.8	9.3	8.8
Percent Expecting Rise	75%	100%	67%	67%	0%	33%	0%	43%	63%	67%
Percent Expecting Fall	25%	0%	0%	33%	0%	33%	0%	14%	25%	0%
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%
Yields										
Q2-09										
Q2-09 Value	12.2	20.6	12.6	13.2	12.4	11.6	12.1	11.7	11.5	
Percent Expecting Rise	33%	100%	67%	67%	50%	0%	0%	25%	0%	
Percent Expecting Fall	33%	0%	17%	33%	0%	0%	100%	50%	50%	
Q1-09										
Q1-09 Value	12.4	19.8	13.6	14.2	13.1	13.4	13.3	13.0	14.4	13.7
Percent Expecting Rise	50%	0%	29%	67%	0%	33%	0%	43%	63%	33%
Percent Expecting Fall	25%	100%	29%	33%	100%	0%	0%	0%	0%	0%
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%
Investment Outlook										
Q2-09										
Fair to Good			75%		40%	67%		50%	50%	
Bad to Poor			8%		40%	0%		50%	17%	
Q1-09										
Fair to Good	50%		56%	60%		50%		50%	38%	
Bad to Poor	25%		11%	20%		0%		38%	25%	
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%	

Table 9b

<i>Outlook for Land Development</i>						
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
Q2-09						
Fair to Good	33%	42%	29%	25%	42%	25%
Bad to Poor	42%	33%	42%	50%	25%	38%
Q1-09						
Fair to Good	27%	15%	27%	19%	27%	35%
Bad to Poor	54%	62%	50%	50%	27%	27%
Q4-08						
Fair to Good	26%	29%	24%	18%	38%	47%
Bad to Poor	47%	59%	44%	53%	35%	29%

Table 9c

<i>Investors by Property Type</i>												
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
Q2-09												
Private Buyers	67%	100%	100%	100%	67%	67%	60%	100%	33%	67%	100%	
R.E. Companies	33%				17%	33%	20%		33%	17%		
REITs					8%							
Institutions							20%		33%	17%		
Foreign Buyers					8%							
Q1-09												
Private Buyers	63%	83%	25%	100%	78%	60%	100%	50%		63%	67%	67%
R.E. Companies	13%	17%	25%					50%		25%	22%	33%
REITs			25%		11%				33%			
Institutions			25%		11%	20%				13%		
Foreign Buyers	25%					20%			67%			
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%

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										
Q2-09										
Higher	50%	0%	27%	0%	0%	0%	0%	0%	0%	0%
Lower	0%	0%	27%	67%	50%	50%	33%	50%	50%	
Q1-09										
Higher	0%	0%	11%	20%	0%	0%	33%	13%	11%	0%
Lower	25%	100%	67%	60%	0%	50%	0%	38%	56%	100%
Q4-08										
Higher	14%	0%	36%	50%	17%	0%	0%	0%	9%	0%
Lower	43%	50%	45%	33%	67%	40%	100%	90%	73%	0%
Rental Rate Increases										
Q2-09										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	100%	0%	82%	100%	75%	100%	67%	83%	83%	
Q1-09										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	50%	100%	89%	80%	0%	100%	33%	88%	78%	100%
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%

Table 9e

Lakeland-Winter Haven	Single Family Development	Condominium Development
Future Absorption Rates		
Q2-09		
Higher	50%	100%
Lower	33%	0%
Q1-09		
Higher	50%	0%
Lower	0%	17%
Q4-08		
Higher	17%	33%
Lower	42%	67%
Future Price Increases		
Q2-09		
Faster than Inflation	0%	0%
Slower than Inflation	67%	100%
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%
Q4-08		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%

Tampa-St Petersburg

- Cap rates in the Tampa-St. Petersburg area are, on average, higher (0.32 percentage points) than that of the state, and range from 8.5% (**Free Standing Retail**) to 9.5% (**Condo Conversion**).
- Cap rates increased over the past quarter across all property types, with the largest changes occurring in **Office: Class A** (+0.89% change) and **Apartments** (+0.87% change).
- Cap rate outlooks indicate that rates are expected to either remain the same or increase across most property types in the next quarter. The strongest indication of a cap rate increase occurs in **Condo Conversion**.
- Required yields for Tampa-St. Petersburg are higher, on average, than that of the state, 14.57% compared to 12.51% statewide.
- Required yields are highest for **Condo Conversion** at 22.4% and lowest for **Free Standing Retail** at 12.1%.
- Required yields increased across all but one property type last quarter. The largest shifts in required yields occurred in **Condo Conversion** (+4.03% change) and **Apartments** (+3.01% change).
- The investment outlook is mixed across property types, with the most positive outlook occurring in **Warehouse and Distribution** and **Neighborhood Centers**.
- The outlook for **Land Development** appears to be neutral to negative for all land classifications.
- Future occupancy rates are expected to be the same or decrease over the next quarter for the majority of property types. The strongest indications of occupancy rate decreases occur in **Flex Space and Large Retail**.
- Rental rates are expected to increase slower than inflation across almost all property types over the next quarter.
- Future absorption rate expectations are uncertain for both **Condominium Development** and **Single Family**.
- Future price increases are expected to occur at a rate that is slower than inflation for both **Single Family** and **Condominium Development**.

Table 10a

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

Table 10b

<i>Outlook for Land Development</i>						
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
Q2-09						
Fair to Good	25%	31%	19%	21%	32%	28%
Bad to Poor	47%	46%	49%	47%	43%	37%
Q1-09						
Fair to Good	20%	19%	18%	14%	20%	33%
Bad to Poor	53%	56%	56%	58%	46%	40%
Q4-08						
Fair to Good	16%	15%	15%	16%	22%	25%
Bad to Poor	57%	62%	52%	48%	46%	43%

Table 10c

<i>Investors by Property Type</i>												
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
Q2-09												
Private Buyers	82%	79%	69%	67%	52%	50%	24%	82%	50%	78%	100%	71%
R.E. Companies	6%		6%	33%	13%	25%	24%	12%		6%		14%
REITs			6%		9%	13%	6%		13%			
Institutions					9%		41%		13%	11%		
Foreign Buyers	6%	14%	6%		17%	13%	6%		25%	6%		
Q1-09												
Private Buyers	72%	68%	46%	83%	67%	50%	38%	31%	39%	60%	88%	79%
R.E. Companies	6%	11%	25%	17%		17%	8%	46%	11%	15%	4%	21%
REITs	6%	5%	8%		11%		8%	8%	22%	10%		
Institutions			17%			17%	23%			15%		
Foreign Buyers	17%	11%					8%		22%			
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%			

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										
Q2-09										
Higher	27%	0%	17%	13%	6%	6%	13%	13%	28%	14%
Lower	13%	33%	26%	63%	50%	31%	63%	38%	44%	43%
Q1-09										
Higher	18%	0%	20%	0%	8%	17%	12%	5%	12%	7%
Lower	27%	40%	40%	60%	83%	50%	65%	60%	73%	50%
Q4-08										
Higher	36%	11%	13%	15%	14%	5%	0%	5%	5%	7%
Lower	27%	44%	56%	62%	79%	64%	73%	65%	85%	21%
Rental Rate Increases										
Q2-09										
Faster than Inflation	13%	33%	0%	0%	6%	0%	0%	0%	6%	0%
Slower than Inflation	87%	33%	78%	88%	75%	81%	88%	75%	83%	86%
Q1-09										
Faster than Inflation	5%	0%	7%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	68%	80%	73%	80%	92%	100%	88%	90%	96%	50%
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%

Table 10e

Tampa-St Pete	Single Family Development	Condominium Development
Future Absorption Rates		
Q2-09		
Higher	50%	46%
Lower	19%	38%
Q1-09		
Higher	22%	17%
Lower	17%	33%
Q4-08		
Higher	36%	29%
Lower	23%	43%
Future Price Increases		
Q2-09		
Faster than Inflation	0%	0%
Slower than Inflation	88%	77%
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%
Q4-08		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%

Sarasota-Bradenton

- Cap rates in the Sarasota-Bradenton area are, on average, lower (0.38 percentage points) than that of the state, and range from 7.8% (**Free Standing Retail**) to 8.9% (**Flex Space**).
- Cap rates increased across all but two property types in the last quarter, with the largest changes occurring in **Office: Class A** (+0.44% change) and **Apartments** (+0.42% change).
- Cap rates are expected to either remain the same or increase in the next quarter. The strongest indications of expected cap rate increases occur in **Condo Conversion** and **Strip Centers**.
- Required yields for Sarasota-Bradenton are, on average, lower than that of the state, 12.17% compared to 12.51% statewide.
- Required yields are highest for **Condo Conversion** at 20.0% and lowest for **Free Standing Retail** at 9.7%.
- Required yields have increase this quarter across all but two property types. The largest shifts occurred in **Condo Conversion** (+2.89% change) and **Apartments** (+1.87% change).
- The investment outlook is mixed across available property types. The most positive outlook occurs in **Flex Space**, while the most negative outlook occurs in **Office: Class A**.
- The outlook for **Land Development** is mostly neutral to negative across land classifications. It appears that the most negative outlook occurs for **Land with Hospitality Entitlements**.
- Future occupancy rates are expected to either remain the same or decrease over the next quarter. The strongest indications of expected occupancy rate decreases occur in **Office: Class A** and **Large Retail**.
- Rental rates are expected to decrease across all but one property type over the next quarter, with the exception being **Condo Conversion** whose rates are expected to remain the same.
- Future absorption rates are expected to increase for **Single Family Development**, while expectations are neutral to positive for **Condominium Development**.
- Respondents indicate that future prices will increase at a rate slower than inflation for both **Single Family** and **Condominium Development**.

Table 11a

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

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
Q2-09						
Fair to Good	31%	38%	17%	10%	21%	21%
Bad to Poor	45%	28%	45%	52%	45%	34%
Q1-09						
Fair to Good	20%	31%	17%	20%	20%	31%
Bad to Poor	57%	43%	51%	49%	40%	31%
Q4-08						
Fair to Good	22%	19%	25%	17%	28%	25%
Bad to Poor	47%	47%	39%	42%	42%	28%

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
Q2-09												
Private Buyers	73%	67%	25%	100%	56%	29%	60%	89%	33%	71%	78%	67%
R.E. Companies	27%		25%		22%	29%	20%		33%	29%	11%	
REITs		33%			11%	29%			33%			
Institutions			25%		11%	14%					11%	33%
Foreign Buyers							20%	11%				
Q1-09												
Private Buyers	82%	80%	40%	100%	100%	80%	29%	70%	40%	67%	56%	71%
R.E. Companies		10%	40%				29%	10%			22%	14%
REITs	9%						14%	10%	20%	11%		14%
Institutions			20%			20%	29%			11%		
Foreign Buyers	9%							10%	40%	11%		
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%							

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										
Q2-09										
Higher	25%	0%	0%	0%	0%	11%	0%	29%	22%	17%
Lower	0%	0%	44%	33%	60%	56%	67%	57%	56%	17%
Q1-09										
Higher	25%	0%	0%	0%	0%	10%	0%	13%	0%	0%
Lower	50%	100%	50%	80%	86%	60%	75%	63%	67%	43%
Q4-08										
Higher	17%	0%	20%	14%	25%	11%	33%	0%	0%	9%
Lower	17%	33%	40%	43%	75%	67%	67%	50%	64%	18%
Rental Rate Increases										
Q2-09										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	100%	0%	89%	100%	100%	100%	100%	100%	100%	50%
Q1-09										
Faster than Inflation	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	75%	50%	63%	100%	86%	90%	75%	100%	78%	86%
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%

Table 11e

Sarasota-Bradenton	Single Family Development	Condominium Development
Future Absorption Rates		
Q2-09		
Higher	73%	50%
Lower	18%	33%
Q1-09		
Higher	36%	22%
Lower	18%	11%
Q4-08		
Higher	18%	38%
Lower	27%	25%
Future Price Increases		
Q2-09		
Faster than Inflation	9%	0%
Slower than Inflation	73%	50%
Q1-09		
Faster than Inflation	0%	11%
Slower than Inflation	82%	78%
Q4-08		
Faster than Inflation	0%	0%
Slower than Inflation	100%	88%

Jacksonville

- Cap rates in Jacksonville are, on average, slightly lower (0.03 percentage points) than that of the state, and range from 8.2% (**Free Standing Retail**) to 9.3% (**Flex Space**).
- Cap rates have increased across all but two property types, with the largest increase occurring in **Office: Class A** (+0.45% change) and the largest decrease occurring in **Condo Conversion** (-0.33% change).
- For the majority of property types, cap rates are expected to either remain the same or increase over the next quarter. The strongest indication of a cap rate increase occurs in **Flex Space** and **Free Standing Retail**.
- Required yields for Jacksonville are, on average, slightly higher than that of the state, 12.53% compared to 12.51% statewide.
- Required yields are highest for **Condo Conversion** at 20.3% and lowest for **Free Standing Retail** at 10.1%.
- Required yields increased across all but two property type in the last quarter, with the largest increases occurring for **Condo Conversions** (+3.39%) and **Apartments** (+2.36%).
- The investment outlook is mixed across property types this quarter. The most positive outlook for investment occurs in **Neighborhood Centers**, while the most negative outlook appears to be for **Office: Class A**.
- The outlook for **Land Development** is negative for **Land with Hospitality Entitlements** while the outlook is more neutral to negative for the remaining land classifications.
- Future occupancy rates are expected decrease across the majority of property types. Respondents expect occupancy rates to be lower in **Large Retail** and **Office: Class A**, however, expect rates to be higher for **Apartments**.
- Rental rates are expected to decrease across all property types.
- Future absorption rates are expected to remain the same or increase for **Single Family Development** and remain the same 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										
Q2-09										
Q2-09 Value	8.3	9.2	8.8	9.3	8.7	8.9	8.7	8.6	9.0	8.2
Percent Expecting Rise	44%	67%	40%	100%	60%	22%	50%	44%	67%	100%
Percent Expecting Fall	22%	0%	20%	0%	40%	0%	0%	22%	0%	0%
Q1-09										
Q1-09 Value	7.9	9.5	8.4	8.9	8.2	8.7	8.6	8.5	9.0	8.5
Percent Expecting Rise	42%	67%	100%	0%	100%	63%	50%	38%	71%	50%
Percent Expecting Fall	8%	0%	0%	50%	0%	13%	0%	13%	0%	0%
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%
Yields										
Q2-09										
Q2-09 Value	11.9	20.3	12.3	12.9	12.1	11.3	11.8	11.4	11.2	10.1
Percent Expecting Rise	44%	0%	0%	100%	25%	29%	0%	38%	60%	0%
Percent Expecting Fall	0%	0%	0%	0%	0%	0%	0%	13%	0%	0%
Q1-09										
Q1-09 Value	9.5	17.0	10.7	11.4	10.2	10.5	10.4	10.1	11.6	10.8
Percent Expecting Rise	30%	33%	0%	0%	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%
Investment Outlook										
Q2-09										
Fair to Good	40%	0%	56%	0%	17%	33%	50%	70%	0%	
Bad to Poor	10%	40%	11%	40%	67%	44%	50%	20%	25%	
Q1-09										
Fair to Good	33%		50%		50%	20%	0%	43%	13%	50%
Bad to Poor	25%		0%		17%	10%	60%	29%	50%	0%
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%

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
Q2-09						
Fair to Good	15%	21%	9%	18%	24%	21%
Bad to Poor	53%	56%	50%	68%	38%	41%
Q1-09						
Fair to Good	22%	19%	14%	14%	19%	25%
Bad to Poor	61%	64%	44%	56%	36%	47%
Q4-08						
Fair to Good	12%	26%	16%	14%	28%	16%
Bad to Poor	60%	60%	51%	51%	42%	65%

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
Q2-09												
Private Buyers	85%	78%	64%	33%	56%	60%	33%	60%	75%	60%	75%	50%
R.E. Companies				33%	11%	20%	33%	30%		10%	13%	50%
REITs			9%			20%				20%		
Institutions			18%		22%		33%			10%	13%	
Foreign Buyers		11%		17%								
Q1-09												
Private Buyers	80%	73%	31%	67%		50%	17%	70%	20%	63%	100%	100%
R.E. Companies	7%		38%	33%	50%		50%	20%	40%	13%		
REITs		9%	15%		25%	50%	17%					
Institutions								10%	20%	13%		
Foreign Buyers	13%	18%	8%									
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%				

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										
Q2-09										
Higher	73%	0%	0%	20%	0%	20%	0%	10%	29%	0%
Lower	9%	25%	38%	40%	83%	40%	100%	50%	71%	50%
Q1-09										
Higher	8%	0%	33%	50%	20%	10%	0%	13%	13%	0%
Lower	33%	25%	0%	0%	60%	70%	75%	75%	75%	33%
Q4-08										
Higher	28%	25%	20%	20%	0%	0%	0%	0%	9%	29%
Lower	17%	25%	40%	20%	78%	70%	100%	100%	91%	43%
Rental Rate Increases										
Q2-09										
Faster than Inflation	9%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	82%	75%	75%	100%	100%	100%	100%	90%	100%	50%
Q1-09										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	92%	100%	67%	50%	80%	90%	100%	100%	100%	100%
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%

Table 12e

Jacksonville	Single Family Development	Condominium Development
Future Absorption Rates		
Q2-09		
Higher	55%	13%
Lower	0%	38%
Q1-09		
Higher	27%	9%
Lower	27%	45%
Q4-08		
Higher	11%	0%
Lower	17%	64%
Future Price Increases		
Q2-09		
Faster than Inflation	9%	0%
Slower than Inflation	82%	88%
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	87%	100%
Q4-08		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%

Gainesville-Ocala

- For available property types, cap rates in Gainesville-Ocala are, on average, higher (0.18 percentage points) than that of the state, and range from 8.4% (**Free Standing Retail**) to 9.5% (**Flex Space**).
- For available property types, cap rates increased over the last quarter, with the largest changes occurring in **Office: Class A** (+1.21% change) and **Apartments** (+1.19% change).
- Cap rates are expected to be mixed over the next quarter. The strongest indications of cap rate increases occur in **Condo Conversions, Strip Centers**, and **Free Standing** while the strongest indications for decreases occur in **Large Retail** and **Neighborhood Centers**.
- Required yields for Gainesville-Ocala are, on average, slightly lower than that of the state, 12.43% compared to 12.51% statewide.
- Required yields are highest for **Condo Conversions** at 20.2% and lowest for **Free Standing Retail** at 10.0%.
- For all but one available property types, required yields increased over the past quarter. The largest increase occurred in **Condo Conversion** (+2.62%) while the one decrease occurred in **Strip Centers** (-1.13% change).
- The investment outlook is neutral to positive over the almost all of the available property types in this region. The largest positive indication is for **Office: Class A**.
- The outlook for **Land Development** is neutral to negative across almost all land classifications. The lone exception is **Land for Urban Redevelopment** which respondents have indicated a neutral to positive outlook.
- Future occupancy rate expectations are mixed across available property types. The strongest indications of future rate decreases occur in **Large Retail** and **Office: Class A**.
- Rental rates are expected to decrease across the majority of available property types over the next quarter.
- Future absorption rates are expected to remain at current levels for **Single Family Development** and decrease for **Condominium Development**.
- Future price increases are expected to occur at a rate slower than inflation for both **Single Family** and **Condominium Development**.

Table 13a

Gainesville-Ocala	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Cap Rates										
Q2-09										
Q2-09 Value	8.5	9.4	9.0	9.5	8.9	9.1	8.9	8.8	9.2	8.4
Percent Expecting Rise	40%	100%	0%	50%	67%	40%	0%	0%	100%	100%
Percent Expecting Fall	20%	0%	0%	0%	33%	20%	100%	100%	0%	0%
Q1-09										
Q1-09 Value	7.3	8.9	7.9		7.7	8.2	8.1	8.0	8.4	
Percent Expecting Rise	40%	100%	33%		50%	50%	25%	75%	67%	
Percent Expecting Fall	0%	0%	33%		0%	0%	50%	0%	0%	
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%
Yields										
Q2-09										
Q2-09 Value	11.8	20.2	12.2	12.8	12.0	11.2	11.7	11.3	11.1	10.0
Percent Expecting Rise	80%	0%	0%	50%	67%	40%	100%	0%	100%	0%
Percent Expecting Fall	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%
Q1-09										
Q1-09 Value	10.2	17.6	11.4		10.8	11.2	11.1	10.8	12.2	
Percent Expecting Rise	20%	0%	50%		0%	33%	50%	50%	0%	
Percent Expecting Fall	0%	50%	0%		0%	0%	25%	50%	67%	
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%
Investment Outlook										
Q2-09										
Fair to Good	50%				75%	57%	50%	25%		
Bad to Poor	17%				25%	14%	50%	0%		
Q1-09										
Fair to Good	50%					40%	25%	0%	25%	
Bad to Poor	17%					20%	75%	100%	50%	
Q4-08										
Fair to Good	57%					50%				
Bad to Poor	0%					0%				

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
Q2-09						
Fair to Good	32%	21%	21%	16%	21%	37%
Bad to Poor	42%	53%	37%	53%	37%	16%
Q1-09						
Fair to Good	6%	19%	13%	19%	6%	25%
Bad to Poor	63%	56%	50%	56%	50%	44%
Q4-08						
Fair to Good	21%	43%	29%	29%	36%	43%
Bad to Poor	64%	43%	29%	7%	29%	29%

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
Q2-09												
Private Buyers	100%	75%	67%		100%	100%	100%	86%	50%	50%	67%	100%
R.E. Companies									50%			
REITs			17%							50%		
Institutions			17%								33%	
Foreign Buyers		25%		100%								
Q1-09												
Private Buyers	100%	67%	67%	100%	67%		100%	80%	50%	75%	75%	
R.E. Companies												
REITs			17%							25%		
Institutions			17%		33%		20%	25%	25%		25%	
Foreign Buyers		33%							25%			
Q4-08												
Private Buyers	100%	50%	71%		50%	100%	100%	100%	50%		100%	100%
R.E. Companies		50%										
REITs					50%							
Institutions			29%					50%		100%		
Foreign Buyers												

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										
Q2-09										
Higher	43%	0%	0%	0%	0%	17%	0%	0%	33%	0%
Lower	0%	0%	0%	0%	50%	17%	50%	25%	33%	0%
Q1-09										
Higher	0%	0%	0%		0%	0%	33%	0%	0%	
Lower	17%	50%	33%		50%	20%	33%	75%	50%	
Q4-08										
Higher	17%		50%	0%	50%	0%	0%	0%	0%	0%
Lower	0%		0%	0%	50%	25%	100%	0%	100%	100%
Rental Rate Increases										
Q2-09										
Faster than Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	71%	0%	100%	100%	100%	67%	100%	100%	67%	100%
Q1-09										
Faster than Inflation	0%	0%	33%		0%	0%	0%	0%	25%	
Slower than Inflation	83%	100%	67%		100%	80%	100%	100%	75%	
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%

Table 13e

Gainesville-Ocala	Single Family Development	Condominium Development
Future Absorption Rates		
Q2-09		
Higher	20%	0%
Lower	20%	25%
Q1-09		
Higher	29%	0%
Lower	14%	67%
Q4-08		
Higher	13%	0%
Lower	25%	100%
Future Price Increases		
Q2-09		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	100%	100%
Q4-08		
Faster than Inflation	0%	0%
Slower than Inflation	88%	100%

Pensacola-Tallahassee

- Cap rates for available property types in Pensacola-Tallahassee are, on average, higher (0.14 percentage points) than that of the state, and range from 8.4% (**Free Standing Retail**) to 9.5% (**Flex Space**).
- Cap rates have increased over the past quarter for all available property types. The largest cap rate movements occurred in **Office: Class A** (+0.87% change) and **Apartments** (+0.85% change).
- Cap rates are expected to either remain at current levels or increase across available property types. The strongest indications of expected rate increases occur in **Office: Class A**.
- Required yields for Pensacola-Tallahassee are, on average, slightly higher than that of the state, 12.54% compared to 12.51% statewide.
- Required yields are highest for **Flex Space** at 13.9% and lowest for **Free Standing Retail** at 11.0%.
- For available property types, required yields have increased over the past quarter. The largest shifts occurred in **Apartments** (+4.10% change) and **Office: Class A** (+3.68% change).
- For available property types, the investment outlook is mixed. The most neutral to negative outlook occurs for **Strip Centers**, while the most positive outlook occurs for **Neighborhood Centers**.
- The outlook for **Land Development** is neutral to negative across the majority of land classifications. It appears that the most negative outlooks occur for **Land without Entitlements** and **Land with Commercial Entitlements**.
- Future occupancy rate expectations are mixed across property types. The strongest indication of an expected decrease in occupancy rates over the next quarter occurs in **Neighborhood Centers**.
- For the majority of available property types, rental rates are expected to increase at a rate slower than inflation.
- Future absorption rates are mixed for both **Single Family** and **Condominium Development**.
- Future price increases are expected to occur at a rate slower than inflation for both **Single Family** and **Condominium Development**.

Table 14a

Pensacola to Tallahassee	Apartments - Market Rental	Condo Conversion	Warehouse and Dist.	Flex Space, R & D	Office: Class A	Office: Class B	Retail - Large	Neighborhood Centers	Strip Centers	Free Standing
Cap Rates										
Q2-09										
Q2-09 Value	8.5		9.0	9.5	8.9	9.1	8.9	8.8	9.2	8.4
Percent Expecting Rise	25%		50%	50%	67%	25%	50%	25%	25%	50%
Percent Expecting Fall	25%		0%	0%	0%	0%	0%	0%	0%	0%
Q1-09										
Q1-09 Value	7.7		8.2	8.7	8.0	8.5	8.4	8.3	8.8	8.3
Percent Expecting Rise	20%		0%	50%	50%	50%	50%	25%	60%	0%
Percent Expecting Fall	0%		0%	50%	50%	0%	0%	0%	0%	0%
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%
Yields										
Q2-09										
Q2-09 Value	12.9			13.9	13.1	12.3		12.4	12.2	11.0
Percent Expecting Rise	50%			0%	0%	0%		33%	33%	0%
Percent Expecting Fall	0%			0%	50%	0%		33%	0%	0%
Q1-09										
Q1-09 Value	8.8		10.0	10.6	9.4	9.8	9.7	9.4	10.8	10.0
Percent Expecting Rise	0%		0%	50%	0%	29%	100%	0%	50%	0%
Percent Expecting Fall	0%		0%	0%	0%	14%	0%	0%	25%	0%
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%
Investment Outlook										
Q2-09										
Fair to Good				50%		50%		75%	20%	
Bad to Poor				25%		30%		25%	40%	
Q1-09										
Fair to Good	67%					20%		25%	20%	50%
Bad to Poor	0%					20%		0%	40%	0%
Q4-08										
Fair to Good					0%	9%			33%	43%
Bad to Poor					25%	36%			44%	0%

Table 14b

<i>Outlook for Land Development</i>						
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
Q2-09						
Fair to Good	19%	24%	19%	19%	19%	19%
Bad to Poor	67%	52%	62%	57%	57%	48%
Q1-09						
Fair to Good	13%	17%	4%	4%	9%	13%
Bad to Poor	70%	48%	65%	65%	61%	43%
Q4-08						
Fair to Good	8%	16%	16%	8%	16%	12%
Bad to Poor	72%	64%	56%	64%	56%	48%

Table 14c

<i>Investors by Property Type</i>												
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
Q2-09												
Private Buyers	100%	83%	60%		67%	40%	33%	90%	50%	75%	100%	33%
R.E. Companies				100%			33%	10%		25%		33%
REITs						40%	33%		50%			33%
Institutions					33%							
Foreign Buyers		17%										
Q1-09												
Private Buyers	82%	89%	50%	100%	100%	50%	50%	50%	50%	67%		75%
R.E. Companies			17%							17%		
REITs			17%			50%	13%	50%	50%			25%
Institutions			17%								50%	
Foreign Buyers	9%										50%	
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%					

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										
Q2-09										
Higher	0%		0%	0%	0%	11%	0%	33%	0%	0%
Lower	20%		33%	25%	33%	33%	0%	67%	25%	0%
Q1-09										
Higher	17%		50%	0%	0%	0%	0%	25%	20%	0%
Lower	17%		0%	0%	0%	38%	100%	50%	80%	75%
Q4-08										
Higher	33%		0%	0%	20%	0%		0%	0%	0%
Lower	0%		0%	0%	40%	40%		100%	33%	14%
Rental Rate Increases										
Q2-09										
Faster than Inflation	0%		0%	0%	0%	0%	0%	0%	0%	0%
Slower than Inflation	100%		100%	75%	0%	88%	50%	75%	100%	67%
Q1-09										
Faster than Inflation	17%		50%	0%	0%	0%	0%	0%	20%	0%
Slower than Inflation	67%		50%	100%	0%	88%	50%	75%	80%	75%
Q4-08										
Faster than Inflation	0%		0%	0%	0%	0%		0%	11%	14%
Slower than Inflation	100%		100%	100%	0%	90%		100%	78%	29%

Table 14e

Pensacola to Tallahassee	Single Family Development	Condominium Development
Future Absorption Rates		
Q2-09		
Higher	22%	50%
Lower	11%	33%
Q1-09		
Higher	30%	25%
Lower	40%	25%
Q4-08		
Higher	8%	13%
Lower	46%	50%
Future Price Increases		
Q2-09		
Faster than Inflation	0%	0%
Slower than Inflation	100%	83%
Q1-09		
Faster than Inflation	0%	0%
Slower than Inflation	90%	88%
Q4-08		
Faster than Inflation	0%	0%
Slower than Inflation	85%	100%