



Orlando, Florida

Tenant's Guide ▪ North American Markets ▪ Fourth Quarter 2011

Overview

In the fourth quarter, Orlando's overall office vacancy rate continued to decline which marks the sixth straight quarter of positive net absorption. Class A space is clearly the most active. With rates down some 20% from three years ago, many companies are able to upgrade their space with little to no increase in rent. In the Orlando CBD, it is becoming increasingly difficult to find 15,000+ SF of functional class A space.

Market Trends

- Very little new construction has been completed with 421,000 SF under construction.
- Vacant sublease space declined in the fourth quarter to 396,000 SF down from 533,000 SF.
- The overall office vacancy rate is 14.0%.
- The class A office market recorded net positive absorption of 430,000 SF during the quarter.
- The class B office market recorded net positive absorption of 83,000 SF during the quarter.

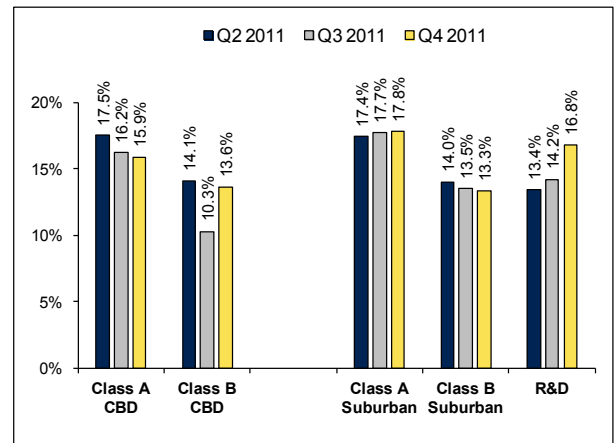
Tenant's Perspective

There is an abundance of smaller spaces (under 15,000 SF), but larger blocks are limited. With the uncertainty of the economy and the upcoming Presidential elections, we are not seeing new companies enter the market or existing companies with significant expansion plans; however, companies are beginning to commit to longer-term leases taking advantage of the soft market. Since no new space has been delivered to the market, almost all office space users have to work with second generation space, making construction costs and tenant improvement allowances a central focus during site review and lease negotiations. As always, an experienced tenant representative with no conflicts can make the process considerably less painful.

Major Transactions

Tenant/Buyer	Size	Type	Lease/Sale
Siemens AG	226,820	Office	Lease
FiServ	174,000	Office	Lease
Golf Channel	132,000	Office	Lease
Rogers Lovelock & Fritz	27,687	Office	Lease
Old Florida Nat'l Bank	18,300	Office	Lease
FL Dept. of Revenue	15,336	Office	Lease
Blue Green Resorts	12,952	Office	Lease
Avant Healthcare	10,580	Office	Lease
Seipp & Flick	9,919	Office	Lease
Corvel	7,385	Office	Lease

Vacancy Rate



Average Rental Rates

CBD	Q2 2011	Q3 2011	Q4 2011
Class A Office	\$24.14	\$24.01	\$24.06
Class B Office	\$20.28	\$19.98	\$20.51
Suburban	Q2 2011	Q3 2011	Q4 2011
Class A Office	\$22.27	\$23.53	\$22.00
Class B Office	\$18.10	\$18.00	\$17.67
R&D	\$8.71	\$8.64	\$9.31