

Orlando, Florida

Tenant's Guide ■ North American Markets ■ Second Quarter 2010

Overview

During the second quarter, Orlando's vacancy rate ticked up to 16.3% based on flat absorption and the delivery of 228,995 SF of new space by Orlando Health just south of downtown. Activity in the office market has picked up over the last quarter and we are beginning to see signs of improvement with unemployment down to 11.1% from a high of 12.1% one quarter ago.

Market Trends

- In the second quarter, 284,169 SF of office space was delivered with another 228,995 SF under construction.
- Vacant sublease space marginally declined in the second quarter to 817,801 SF, down from 883,462 SF in the first quarter.
- The office vacancy rate increased to 16.3% at the end of the second quarter from 15.5% in the first quarter.
- The class A office market recorded net positive absorption of 34,017 SF in the second quarter compared to negative 386,978 SF in the first quarter.
- The class B office market recorded net positive absorption of 19,833 SF in the second quarter compared to negative 124,950 SF in the first quarter.

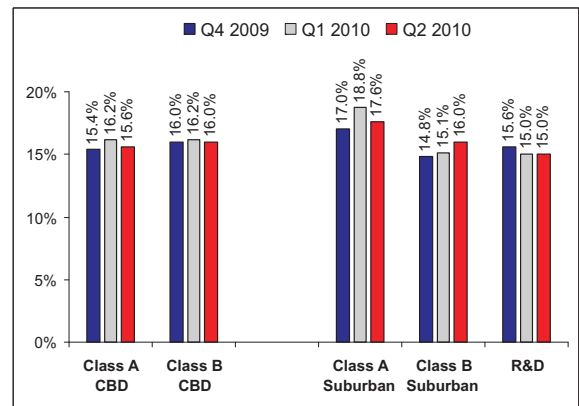
Tenant's Perspective

The commercial real estate market has softened to levels not seen in a couple decades. Tenants are in a unique position to secure long-term leases at extremely low levels, renegotiate their leases at mid-term to reduce square footage, gain additional tenant improvements, or simply reduce overhead.

Major Transactions

Tenant/Buyer	Size	Type	Lease/Sale
Progressive Insurance	33,886	Office	Lease
Bank of NY	23,121	Office	Lease
Turner Construction	18,637	Office	Lease
Univers Workplace Benefits	13,347	Office	Lease
BE&K	11,521	Office	Sublease
Invision Industries	10,220	Office	Lease
Ryland Homes	10,092	Office	Lease
Nsoro	9,205	Office	Sublease

Vacancy Rate



Average Rental Rates

CBD	Q4 2009	Q1 2010	Q2 2010
Class A Office	\$24.75	\$24.52	\$24.37
Class B Office	\$21.86	\$21.64	\$21.38

Suburban	Q4 2009	Q1 2010	Q2 2010
Class A Office	\$23.18	\$22.88	\$22.78
Class B Office	\$20.68	\$19.32	\$18.95
R&D	\$9.70	\$9.26	\$8.82

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