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- Naples

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Florida retail development has reopened for business

1. **SIDELINES TO SCAFFOLDING**
   
   New retail development is picking up considerably from Orlando to Miami. Vacancy rates have hit an ultra-low 3.3 percent in Miami and 4.5 percent in Orlando, and major deliveries of new supply are coming. But it’s no longer a case of “if you build it, they will come.” Retail is following rooftops and waiting for the people to arrive first, which is why Brickell and Downtown Miami markets will experience the majority of the new construction. Some of the projects finally moving dirt have been on the sidelines for 10 to 15 years.

2. **HAVE A SENSE OF PLACE OR GO HOME**
   
   Retailers and developers want people to spend time at centers—not just shopping, but having an experience. You’re no longer seeing cookie-cutter shopping centers with only stores, but restaurants, theaters and other non-shopping activities. Two major luxury Miami development projects underway that capture the essence of “experience” are Brickell CityCentre and Miami Design District.

3. **IT’S ALL ABOUT URBAN**
   
   All around the United States, the concept of walkable, urban living has exploded in popularity. In Florida, this has expanded outside the urban core, as people don’t mind parking their cars and walking to a live-work-play experience. The concept works because 86 percent of Millennials expect to live in metro areas at least until they’re 33, then it’s off to suburbia.

4. **RETAILERS’ BIG RESHAPING**
   
   Retailers are starting to adapt their store formats for ever popular town centers. For instance, Forever 21, a traditional mall tenant, has come up with a new concept called Forever 21 Red, which has a lifestyle component and focuses more on the family—the ideal target of town centers—than just the teens-through-30 set. Retailers, like Target, are also shrinking their store plans to open eight of its Target Express stores this year.

5. **THE SMALLER, THE BETTER**
   
   Publicly traded retailers are beginning to shrink their store sizes again to drive up sales per square foot, motivated by hungry Wall Street investors. Even though retailers’ offerings remain the same, they’re seen as more successful if per square foot numbers are higher. Retailers across the spectrum from Office Depot to Walmart are finding ways to maximize profits and minimize overhead.

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5 reasons why restaurants are gobbling up space in Florida

1. **WHAT RECESSION?**
   
   While the recession was in full swing, consumers cut back on buying big-ticket items like cars and houses. But dining out remained an affordable treat, and even throughout the downturn, restaurant spending increased—and continues to grow this day. In 1992, Americans spent approximately $163 dollars at grocery stores for every $100 they spent at restaurants. Americans now spend more money at restaurants than they do at grocery stores.

2. **THE H&M DINING EXPERIENCE**
   
   JLL is seeing the most growth and innovation of new concepts in restaurants through creative new outlets in fast fashion retailers like H&M and Zara. The new concepts are complementing what already exists in the market and are attracted to Florida’s strong population, job, income and tourism growth. Department stores and apparel retailers are joining the gastronomist club. Retailers, including Nordstrom, Saks and Tommy Bahama realize that the recipe to keeping consumers in-store and spending is to offer them an epicurean escape. And the results back up the premise: Tommy Bahama’s restaurant-retail stores earn twice as much revenue per square foot as those without the dining component.

3. **THE BURRITO AND PANINI EXPLOSION**
   
   Fast-casual restaurants like Chipotle and Panera Bread out punched their weight with nearly 5 times as many new stores. Fine-dining restaurant chains are expected to grow their store count 3.2 percent compared to a more modest 1.7 percent for the entire restaurant category. High-end Florida eateries like Capital Grille, Ocean Prime and Bonefish continue to expand at a rapid rate as they follow the market’s dynamic and growing population. But drive-thru restaurants, like Burger King, are attracting diners to the new concept.

4. **PRIME STEAK VYING FOR PRIME STAKE**
   
   Fine-dining restaurant chains are expected to grow their store count 3.2 percent compared to a more modest 1.7 percent for the entire restaurant category. High-end Florida eateries like Capital Grille, Ocean Prime and Bonefish continue to expand at a rapid rate as they follow the market’s dynamic and growing population. But drive-thru restaurants, like Burger King, are attracting diners to the new concept.

5. **DEVELOPERS BACK TO THE DRAWING BOARD**
   
   Developers are changing the layouts of their centers to include more end-caps, patio and cluster spaces to house these restaurants. In markets where new development opportunities are limited, landlords are finding ways to repurpose underutilized space or carve retail out on the first floors of office towers.

---

1. **RETAILERS TO RE-OPEN TO THE DRAWING BOARD**
   
   Overhead.
   
   1. **THE SMALLER, THE BETTER**
   
   Retailers are beginning to shrink their store sizes again to drive up sales per square foot, motivated by hungry Wall Street investors. Even though retailers’ offerings remain the same, they’re seen as more successful if per square foot numbers are higher. Retailers across the spectrum from Office Depot to Walmart are finding ways to maximize profits and minimize overhead.

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Across the United States, rents have been stable since 2012 with overall growth. During this same time, occupancy has steadily climbed more than 1.5% while Florida has seen a slight growth in rents driven primarily by the South Florida markets, the occupancy growth has matched the broader country.

Both Florida and the rest of the country have seen a dramatic increase in sale volume since 2010. Cap rates have dropped over 100 bps and are being pushed lower by aggressive buyers of core properties.
Most of the country is in full recovery with a handful of core, urban markets just beginning to peak.

However, many of the markets in Florida continue to lag along with other markets with large volumes of suburban product.
South Florida’s density has driven retailer demand, pushing rental rates to the highest in the state.

Outside of Miami and Southwest Florida, most of the state is in a near state of equilibrium as the rents have risen slowly due to lagging vacancy.
North Florida

- Jacksonville
- Tallahassee
- Panhandle
Jacksonville has recovered from the overbuilding with the last cycle, and occupancy is above 90% for the first time in many years. While the market is recovering and healthy, the demand for development remains muted.

Jacksonville has experienced yet another year-over-year period of strong employment growth at 3.2 percent. Overall, Jacksonville’s unemployment rate sits at 5.6 percent, down 120 basis points from this time last year, and slightly below that of the State. Year-over-year, leisure and hospitality has paced employment gains at 10.0 percent. Retail trade has also seen strong gains, with payrolls increasing 7.1 percent during that time. Additionally, investment activity is strengthening as it has more than doubled since 2013 while Jacksonville continues to recover from the downturn.

<table>
<thead>
<tr>
<th>Submarket</th>
<th>Inventory YE'14</th>
<th>Occupancy YE'14</th>
<th>Change YE'14</th>
<th>Asking Rent YE'15</th>
<th>Change YE'15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arlington</td>
<td>2,908,827</td>
<td>91.4%</td>
<td>0.6%</td>
<td>$10.27</td>
<td>-0.7%</td>
</tr>
<tr>
<td>Baker County</td>
<td>512,940</td>
<td>92.0%</td>
<td>0.6%</td>
<td>$10.26</td>
<td>-1.1%</td>
</tr>
<tr>
<td>Beaches</td>
<td>3,375,297</td>
<td>91.9%</td>
<td>2.8%</td>
<td>$14.73</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Butler / Baymeadows</td>
<td>2,140,802</td>
<td>91.3%</td>
<td>0.9%</td>
<td>$13.99</td>
<td>-4.9%</td>
</tr>
<tr>
<td>Downtown Northbank</td>
<td>1,133,991</td>
<td>82.2%</td>
<td>0.2%</td>
<td>$7.11</td>
<td>-10.0%</td>
</tr>
<tr>
<td>Downtown Southbank</td>
<td>64,031</td>
<td>85.9%</td>
<td>0.1%</td>
<td>$25.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>Mandarin</td>
<td>3,518,141</td>
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<td>-1.5%</td>
<td>$16.84</td>
<td>0.7%</td>
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<tr>
<td>Nassau County</td>
<td>2,319,986</td>
<td>89.3%</td>
<td>1.0%</td>
<td>$15.05</td>
<td>0.8%</td>
</tr>
<tr>
<td>Northeast Jacksonville</td>
<td>2,210,792</td>
<td>87.8%</td>
<td>-0.3%</td>
<td>$16.74</td>
<td>-1.3%</td>
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<tr>
<td>Northwest Jacksonville</td>
<td>1,995,351</td>
<td>82.3%</td>
<td>-0.1%</td>
<td>$8.49</td>
<td>-9.7%</td>
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<tr>
<td>Orange Park / Clay County</td>
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<td>Riverside</td>
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<tr>
<td>San Marco</td>
<td>1,618,027</td>
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<tr>
<td>Southside</td>
<td>7,940,104</td>
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<td>0.1%</td>
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<tr>
<td>St Johns County</td>
<td>3,494,952</td>
<td>94.0%</td>
<td>0.3%</td>
<td>$13.93</td>
<td>3.0%</td>
</tr>
<tr>
<td>Jacksonville Market Total</td>
<td>43,974,600</td>
<td>89.1%</td>
<td>0.9%</td>
<td>$13.23</td>
<td>3.2%</td>
</tr>
</tbody>
</table>

From The Peak | -4.5% | 4Q ’06 | From The Crash | +3.4% | 4Q ’10

Rent and occupancy

<table>
<thead>
<tr>
<th>Period</th>
<th>Occupancy</th>
<th>Rental Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>MY’10</td>
<td>85.0%</td>
<td>$11.50</td>
</tr>
<tr>
<td>MY’11</td>
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<td>$12.00</td>
</tr>
<tr>
<td>MY’12</td>
<td>87.0%</td>
<td>$12.50</td>
</tr>
<tr>
<td>MY’13</td>
<td>88.0%</td>
<td>$13.00</td>
</tr>
<tr>
<td>MY’14</td>
<td>89.0%</td>
<td>$13.50</td>
</tr>
<tr>
<td>MY’15</td>
<td>90.0%</td>
<td>$14.00</td>
</tr>
</tbody>
</table>

Power Center & Shopping Center Market Statistics From CoStar Property

Average Occupancy

0.9%

90.1%

Average Rental Rate

$13.23

From The Peak | -$2.53 | 4Q ’09 | From The Crash | +$0.91 | 4Q ’13
Tallahassee’s economy continues to grow, driven primarily by the stability from the high percentage of government and university-related employment. However, in the past year, the market has added 3,800 private-sector jobs, which bodes well for the overall growth and strength of the market. Retail space has remained well occupied in the market, and at 92.2% it is the highest in the state outside of Miami. Rents appear to have leveled out after taking a big hit over the past 2 years. The market has seen new product added in mixed-use projects near the university, which are driving a new class of retailers in the market and shifting traditional shopping patterns.
Rent and occupancy

Tourism is driving growth in retail in the Panhandle.

Submarket activity

<table>
<thead>
<tr>
<th>Submarket</th>
<th>Inventory</th>
<th>Occupancy</th>
<th>Change</th>
<th>Asking Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avalon Beach / Milton</td>
<td>1,382,917</td>
<td>98.3%</td>
<td>-4.0%</td>
<td>$11.78</td>
</tr>
<tr>
<td>Central Pensacola / F Dent</td>
<td>1,031,921</td>
<td>95.4%</td>
<td>-7.6%</td>
<td>$10.33</td>
</tr>
<tr>
<td>Downtown Pensacola</td>
<td>9,800</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Easley / FL West</td>
<td>923,048</td>
<td>98.2%</td>
<td>-16.0%</td>
<td>$9.08</td>
</tr>
<tr>
<td>Ferry Pass / Pensacola</td>
<td>2,421,770</td>
<td>96.0%</td>
<td>-3.6%</td>
<td>$15.63</td>
</tr>
<tr>
<td>Gonzalez / SR Santa Rosa</td>
<td>687,451</td>
<td>97.0%</td>
<td>-14.8%</td>
<td>$49.00</td>
</tr>
<tr>
<td>Gulf Shores</td>
<td>363,019</td>
<td>100.0%</td>
<td>-10.8%</td>
<td>$25.00</td>
</tr>
<tr>
<td>Myrtle Grove / Lorraine</td>
<td>190,679</td>
<td>98.8%</td>
<td>-5.8%</td>
<td>$13.51</td>
</tr>
<tr>
<td>Navarre</td>
<td>1,097,693</td>
<td>97.3%</td>
<td>-4.4%</td>
<td>$17.87</td>
</tr>
<tr>
<td>Pensacola Beach</td>
<td>47,662</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Perdido</td>
<td>227,796</td>
<td>-</td>
<td>-</td>
<td>$20.83</td>
</tr>
<tr>
<td>SE Santa Rosa County</td>
<td>42,709</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Upper Escambia County</td>
<td>224,131</td>
<td>-</td>
<td>-</td>
<td>$7.83</td>
</tr>
<tr>
<td>Upper Santa Rosa County</td>
<td>58,063</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Warrington</td>
<td>325,720</td>
<td>97.6%</td>
<td>-5.0%</td>
<td>$11.75</td>
</tr>
<tr>
<td>West Pensacola</td>
<td>873,561</td>
<td>95.9%</td>
<td>-3.3%</td>
<td>$9.22</td>
</tr>
<tr>
<td>Pensacola Market Total</td>
<td>9,888,052</td>
<td>91.1%</td>
<td>-0.5%</td>
<td>$12.52</td>
</tr>
</tbody>
</table>

Panhandle

Average Occupancy 90.6%

From The Peak 2Q '09
From The Crash 3Q '09

-2.6% 42.10%
+2.3% -72.16%

Pensacola Market Total

Rent and Shopping Center Data From CoStar Property and JLL Research

Historic Power and Shopping Center Data From CoStar Property and JLL Research

Average Rental Rate $12.33

From The Peak 2Q '08
From The Crash 3Q '12

-3.37 42.10%
+50.51 -72.16%
Central Florida

- Orlando
- Daytona
- Lakeland
- Port St. Lucie
Orlando's economic growth is one of the strongest statewide and was recently named the #1 market in the country for job creation by Forbes. Orlando consistently ranks highest in creating a strong business environment and employment growth; growing a robust 4.6 percent in the past year. Orlando's unemployment rate of 4.5 percent dropped 0.7 percentage points within the past 12 months. Additionally, as one the pillar drivers of the local economy, tourism increased 3.9 percent year-over-year with over 64 million visitors. Combined with local income increases and advancements in consumer confidence, the local retail market has benefited from recent upsurges of consumer spending.

Despite three years of steady absorption, Orlando's rental rate continues to slowly sink and will likely feel more pressure as a number of new developments come online over the next 24-36 months.
The Daytona market remains strong, through older product and shifting consumer patterns produce headwinds for rent growth.
Lakeland

The Lakeland area has been on the same growth path as its larger siblings Orlando to the east and Tampa to the west and has shown significant growth over the previous year, with employment increasing 3.5 percent, lowering the unemployment rate to 5.7 percent. With the large distributions centers opening, Lakeland is an important recruiting area for companies and will drive growth as national groups locate here. A fast-expanding transport and logistics industry, anchored by the CSX terminal in Winter Haven, will power medium-term job gains. Longer term, fast population growth and proximity to Tampa and Orlando will favor the area as a transportation and logistics hub.

Port St. Lucie

Port St. Lucie Market Total 11,568,118 90.0% 90.1% 0.1% $15.46 $15.60 0.9%

Submarket activity

<table>
<thead>
<tr>
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<th>Occupancy YE14</th>
<th>Change YE14</th>
<th>Asking Rent YE14</th>
<th>Change</th>
</tr>
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<tbody>
<tr>
<td>Lakeland</td>
<td>13,047,336</td>
<td>86.1%</td>
<td></td>
<td>$11.25</td>
<td></td>
</tr>
<tr>
<td>Lake County</td>
<td>6,380,959</td>
<td>86.1%</td>
<td></td>
<td>$13.90</td>
<td></td>
</tr>
<tr>
<td>Osceola County Outlier</td>
<td>13,047,336</td>
<td>86.1%</td>
<td></td>
<td>$11.25</td>
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<tr>
<td>Polk County</td>
<td>11,899,223</td>
<td>89.8%</td>
<td></td>
<td>$11.92</td>
<td></td>
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<tr>
<td>SW Orange County Outlier</td>
<td>722,960</td>
<td>87.4%</td>
<td></td>
<td>$10.13</td>
<td></td>
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<tr>
<td>NW Orange County Outlier</td>
<td>7,418,718</td>
<td>91.4%</td>
<td></td>
<td>$16.72</td>
<td></td>
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<tr>
<td>West Seminole Outlier</td>
<td>1,510,951</td>
<td>93.5%</td>
<td></td>
<td>$11.00</td>
<td></td>
</tr>
<tr>
<td>Central Florida Market Total</td>
<td>54,035,183</td>
<td>88.1%</td>
<td></td>
<td>$13.98</td>
<td></td>
</tr>
</tbody>
</table>

Rent and occupancy

Average Occupancy 88.1%
Asking Rental Rate $13.98

Outdoor retailer 89.1%
Average Occupancy +0.1%
Asking Rental Rate $0.9%
Average Occupancy 90.1%
Asking Rental Rate $15.60
West Florida

- Tampa / St. Petersburg
- Sarasota / Bradenton
- Fort Myers
- Naples
Tampa / St. Petersburg

Tampa is the second largest metro in Florida and 18th largest in the US. The metro maintains unemployment of 5.4 percent, 110 basis points lower than this time last year and 30 basis points lower than the state average. With the majority of employment growth coming from leisure and hospitality (10.4 percent growth) and transportation, warehousing, and utilities (4.2 percent growth) sectors, the area has experienced strong year-over-year growth. The strengthening environment now employs more individuals than it did before the recession and maintains an average income 12.1 percent higher than the national average with an average annual income of $57,202.

Submarket activity

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<th>Change</th>
<th>Asking Rent</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tampa CBD</td>
<td>299,734</td>
<td>56.7%</td>
<td>-42.9%</td>
<td>--</td>
<td>-100%</td>
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<tr>
<td>St Petersburg CBD</td>
<td>3,001,681</td>
<td>96.1%</td>
<td>-0.2%</td>
<td>$14.30</td>
<td>-3.6%</td>
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<tr>
<td>Clearwater CBD</td>
<td>335,322</td>
<td>94.0%</td>
<td>5.3%</td>
<td>$13.70</td>
<td>4.0%</td>
</tr>
<tr>
<td>Clearwater East</td>
<td>5,838,585</td>
<td>94.2%</td>
<td>5.7%</td>
<td>$16.28</td>
<td>2.7%</td>
</tr>
<tr>
<td>Gateway</td>
<td>1,587,831</td>
<td>95.5%</td>
<td>4.4%</td>
<td>$15.15</td>
<td>-15.4%</td>
</tr>
<tr>
<td>Hernando County</td>
<td>4,711,034</td>
<td>90.7%</td>
<td>9.2%</td>
<td>$10.73</td>
<td>2.1%</td>
</tr>
<tr>
<td>McNab</td>
<td>6,280,953</td>
<td>90.7%</td>
<td>9.2%</td>
<td>$13.95</td>
<td>2.4%</td>
</tr>
<tr>
<td>South Tampa</td>
<td>7,667,488</td>
<td>90.1%</td>
<td>3.8%</td>
<td>$14.31</td>
<td>-1.8%</td>
</tr>
<tr>
<td>North Tampa</td>
<td>5,691,681</td>
<td>90.3%</td>
<td>6.0%</td>
<td>$12.74</td>
<td>0.9%</td>
</tr>
<tr>
<td>Northwest Tampa</td>
<td>9,818,620</td>
<td>92.8%</td>
<td>7.1%</td>
<td>$13.58</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Pinellas County</td>
<td>11,129,914</td>
<td>88.2%</td>
<td>11.6%</td>
<td>$13.85</td>
<td>-3.1%</td>
</tr>
<tr>
<td>South Pinellas</td>
<td>7,302,142</td>
<td>88.8%</td>
<td>11.1%</td>
<td>$14.07</td>
<td>2.2%</td>
</tr>
<tr>
<td>South Tampa</td>
<td>1,546,788</td>
<td>90.8%</td>
<td>9.1%</td>
<td>$11.36</td>
<td>6.4%</td>
</tr>
<tr>
<td>St Petersburg CBD</td>
<td>236,801</td>
<td>68.0%</td>
<td>-12.0%</td>
<td>$12.00</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Tampa CBD</td>
<td>299,734</td>
<td>90.1%</td>
<td>42.9%</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Westshore</td>
<td>2,434,258</td>
<td>92.1%</td>
<td>7.8%</td>
<td>$16.24</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Tampa Market Total</td>
<td>66,198,681</td>
<td>90.6%</td>
<td>90.8%</td>
<td>0.1%</td>
<td>$13.64</td>
</tr>
</tbody>
</table>

Retail market clock

Tampa has been the most sluggish major market in Florida, but has finally seen a strong increase in occupancy over the past 18 months, which coupled with strong redevelopment projects throughout the market should elevate rents.
Since 2010 job growth in Sarasota has outpaced that of the state overall by 390 basis points. Historically Sarasota has been below the national and statewide unemployment levels, and while economic downturn hurt the area in a big way, unemployment in the area is still well below the state average at 4.2 percent. Sarasota has seen a number of new companies enter the area with businesses expanding, projecting continued job growth. Further, the population in Sarasota is expected to grow by nearly 7.8 percent over the next five years to 417,000 residents.

### Submarket activity

<table>
<thead>
<tr>
<th>Submarket</th>
<th>Inventory</th>
<th>Occupancy MY15</th>
<th>Change</th>
<th>Occupancy MY14</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manatee</td>
<td>7,914,550</td>
<td>88.6%</td>
<td>0.9%</td>
<td>89.5%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Manatee Outlying</td>
<td>619,260</td>
<td>85.3%</td>
<td>8.8%</td>
<td>94.1%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Sarasota</td>
<td>6,371,445</td>
<td>90.8%</td>
<td>0.0%</td>
<td>90.8%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Sarasota Outlying</td>
<td>2,062,947</td>
<td>80.0%</td>
<td>-0.8%</td>
<td>89.2%</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Sarasota Market Total</td>
<td>19,568,202</td>
<td>89.3%</td>
<td>0.5%</td>
<td>89.8%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

Southwest Florida

Southwest Florida’s fundamentals have been very unsettled as the region couples booming luxury shopping with the overbuilding and obsolete centers from previous cycles.

### Capital markets activity

- **Rent and occupancy**
  - Average Occupancy: 89.8%
  - Asking Rental Rate: $13.88
  - 4.7% Increase

- **Submarket activity**
  - Manatee
    - Inventory: 7,914,550
    - Occupancy: 88.6%
    - Asking Rent: $12.20
  - Manatee Outlying
    - Inventory: 619,260
    - Occupancy: 85.3%
    - Asking Rent: $12.51
  - Sarasota
    - Inventory: 6,371,445
    - Occupancy: 90.8%
    - Asking Rent: $16.75
  - Sarasota Outlying
    - Inventory: 2,062,947
    - Occupancy: 80.0%
    - Asking Rent: $12.11
  - Sarasota Market Total
    - Inventory: 19,568,202
    - Occupancy: 89.3%
    - Asking Rent: $13.22
    - 4.7% Increase

### Rent and occupancy

- Asking Rental Rate: $13.88
- Average Occupancy: 89.8%
Fort Myers

Fort Myers was one of the hardest hit areas during the recession, a fact that was amplified by the media’s constant portrayal of the area as ground-zero for the housing bubble. Fortunately, that is a thing of the past and the area is seeing a surge of growth, led by the housing market. Housing prices have surged 12.4 percent over the past year and over 75 percent in the past since 2012. Unemployment has dropped to 4.8 percent, lower than both the state and national averages by almost 100 bps. As both the population and tourist markets continue to grow, occupancy has increased to 88.3 percent, reflecting strong absorption of the product built at the peak of the last cycle.

Submarket activity

- Bonita Springs: 2,241,644 sq ft, 83.8% occupancy, $13.89 asking rate
  - Change: -0.1%
  - Rent: $14.20
  - Growth: 2.2%

- Cape Coral: 4,908,434 sq ft, 79.5% occupancy, $13.51 asking rate
  - Change: 7.6%
  - Rent: $12.09
  - Growth: 6.1%

- Charlotte County: 4,960,404 sq ft, 87.9% occupancy, $12.09 asking rate
  - Change: 0.3%
  - Rent: $12.06
  - Growth: -0.8%

- City of Ft Myers: 2,815,744 sq ft, 84.8% occupancy, $10.33 asking rate
  - Change: 0.4%
  - Rent: $10.53
  - Growth: 1.5%

- Estero: 692,620 sq ft, 87.9% occupancy, $13.24 asking rate
  - Change: 2.1%
  - Rent: $15.36
  - Growth: 16.0%

- Lehigh: 754,262 sq ft, 92.3% occupancy, $14.45 asking rate
  - Change: 2.1%
  - Rent: $14.21
  - Growth: -5.8%

- North Ft Myers: 1,496,598 sq ft, 80.0% occupancy, $12.09 asking rate
  - Change: 0.4%
  - Rent: $12.28
  - Growth: 1.2%

- South Ft Myers / San Carlos: 1,914,492 sq ft, 80.7% occupancy, $13.46 asking rate
  - Change: 0.8%
  - Rent: $13.92
  - Growth: 3.4%

- The Islands: 512,427 sq ft, 99.2% occupancy, $37.45 asking rate
  - Change: 0.0%
  - Rent: $37.45
  - Growth: 0.0%

- Naples Market Total: 11,783,557 sq ft, 90.5% occupancy, $17.60 asking rate
  - Change: -1.5%
  - Rent: $18.06
  - Growth: -6.1%

Power Center & Shopping Center Market Statistics From CoStar Property

- Occupancy: 89.0%
- Asking Rate: $16.60

Naples

Naples and the surrounding markets have been propelled forward by the surge in luxury spending and in-migration of baby boomers. Naples population has grown 2.7% in 2014, making it the 10th fastest growing market in the county, and the 3rd fastest over the past five years. That growth, coupled with the strong incomes has led to strong job growth, with Forbes citing Naples in the top 10 markets in the country, projecting 4.6 percent growth annually through 2017. The unemployment rate is one of the lowest in the country at 4.7%, which has pushed wages higher. Of the 10 fastest growing job markets in Florida, Naples is the only market with an average wage higher than $50,000.

Naples Market Total: 11,783,557 sq ft, 90.5% occupancy, $17.60 asking rate
  - Change: -1.5%
  - Rent: $18.06
  - Growth: -6.1%
South Florida

- Palm Beach
- Broward
- Miami
Palm Beach

Palm Beach County is home to 7.0 percent of the state's population and a higher than average median income of $52,400 per year – 1.6 percent above the state average. Further, strong employment growth, at 3.8 percent has also helped to shift the economy post-recession. Additionally, nearly one-quarter of Palm Beach County's population is over the age of 65, which is 50 percent more than the national share. Strong economic growth has helped to propel growth in the real estate market. As cap rates continue to compress, the Palm Beach Outlets sold in May for $278.4 million, making it the second largest real estate transaction in Palm Beach County's history.

Palm Beach Market Total

<table>
<thead>
<tr>
<th>Submarket</th>
<th>Inventory (Acres)</th>
<th>Occupancy MY'14</th>
<th>Occupancy MY'15</th>
<th>Change</th>
<th>Asking Rent MY'14</th>
<th>Asking Rent MY'15</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>39,759,986</td>
<td>91.0%</td>
<td>91.3%</td>
<td>0.2%</td>
<td>$17.16</td>
<td>$17.95</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

Rent and occupancy

Capital markets activity

Palm Beach has seen steady appreciation in rents as occupancy has stabilized and residential growth has resumed at a healthy pace.
Broward

Fort Lauderdale is a hub for both tourism and international trade. With a strong pool of locals and growing number of international and domestic visitors (23.0 percent of visitors are international) the retail environment in Broward County continues to strengthen. Further, strong employment growth, 3.4 percent growth, outpaces growth in United States overall, while population growth remains a constant trend as it is projected to grow by 11.1 percent to 2.0 million people by 2030. The largest growth segment in the population will be those 65 and older (58.4 percent growth), followed by millennials 25 to 39 years old (15.2 percent growth).

Fort Lauderdale is a hub for both tourism and international trade. With a strong pool of locals and growing number of international and domestic visitors (23.0 percent of visitors are international) the retail environment in Broward County continues to strengthen. Further, strong employment growth, 3.4 percent growth, outpaces growth in United States overall, while population growth remains a constant trend as it is projected to grow by 11.1 percent to 2.0 million people by 2030. The largest growth segment in the population will be those 65 and older (58.4 percent growth), followed by millennials 25 to 39 years old (15.2 percent growth).

Rent and occupancy

Capital markets activity

Submarket activity

The Fort Lauderdale market has seen tremendous rent growth and is the second highest in the state. This and gentrifying population are driving a great deal of new and redevelopment projects in the market.
Miami's job growth is continuing with an unemployment rate of 6.0 percent, a 17.8 percent increase year-over-year. Employment is supported by the diverse local economy which is expanding at rapid speeds. Currently there are about 27.3 million square feet of office, hospitality, retail and multi-family product under construction contributing to increased economic growth. Miami leads the state in retail performance with the highest occupancy rate, at about 96.0 percent, some of the lowest vacancy rates in the nation, at about 4.0 percent and the roughly 1.3 million square feet of retail product under construction.

**Rent and occupancy**

**Capital markets activity**

The Miami market continues to soar, and developers are in full swing as a result. Miami’s numbers are the closest to the peak of any market in Florida, leading many to believe that some kind of correction is in store.
Trust our retailIntelligence.