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2022 ECONOMIC OUTLOOK
ORLANDO

PRESENTED BY ANDREW WRIGHT, CEO & MANAGING PARTNER

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IT'S ALL ABOUT POPULATION GROWTH

WELCOME
TO FLORIDA

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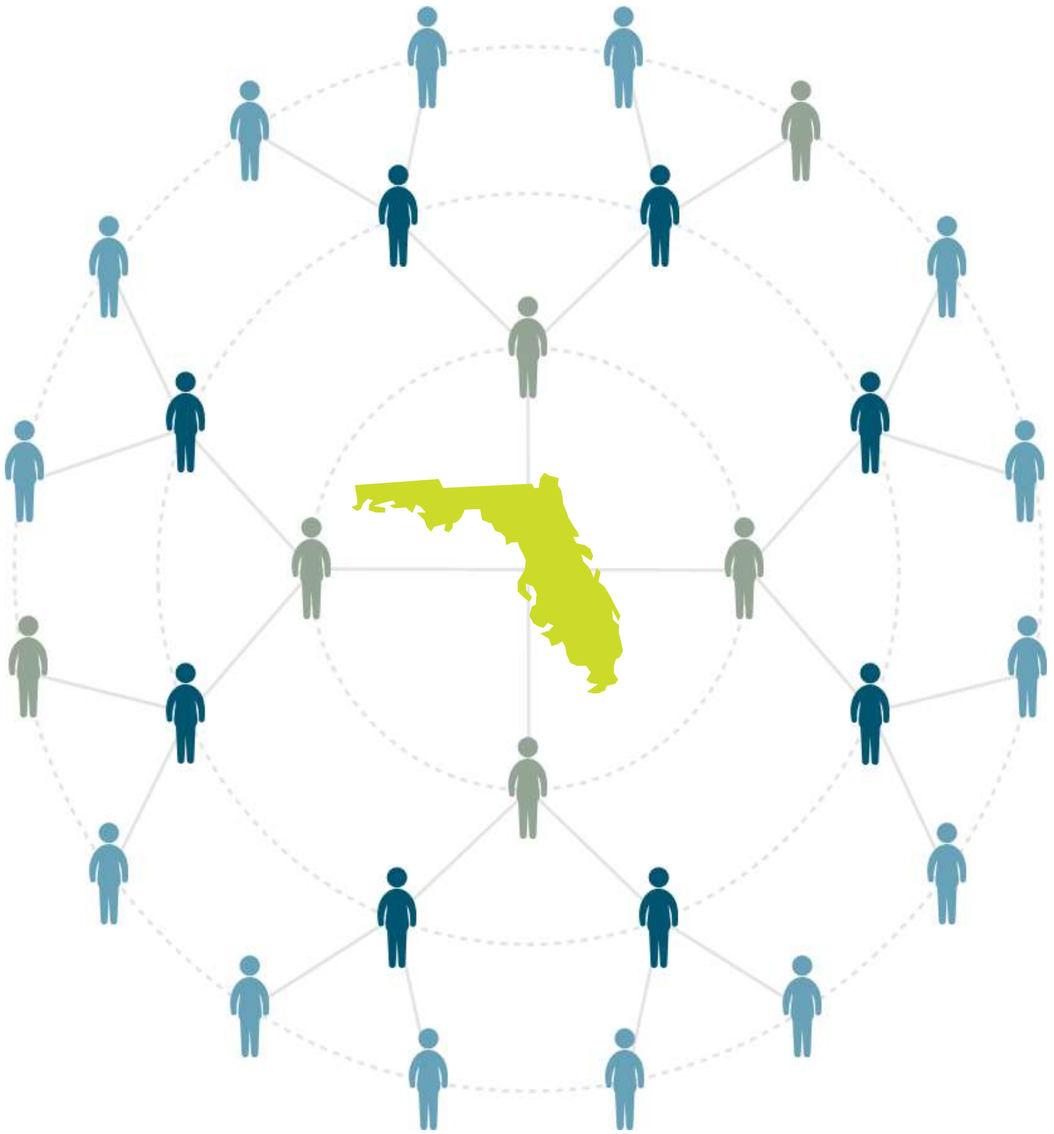
402,793

That is the number of people who have moved to Florida between 11/1/2020 - 11/1/2021

That equates to 1,103 *people per day*



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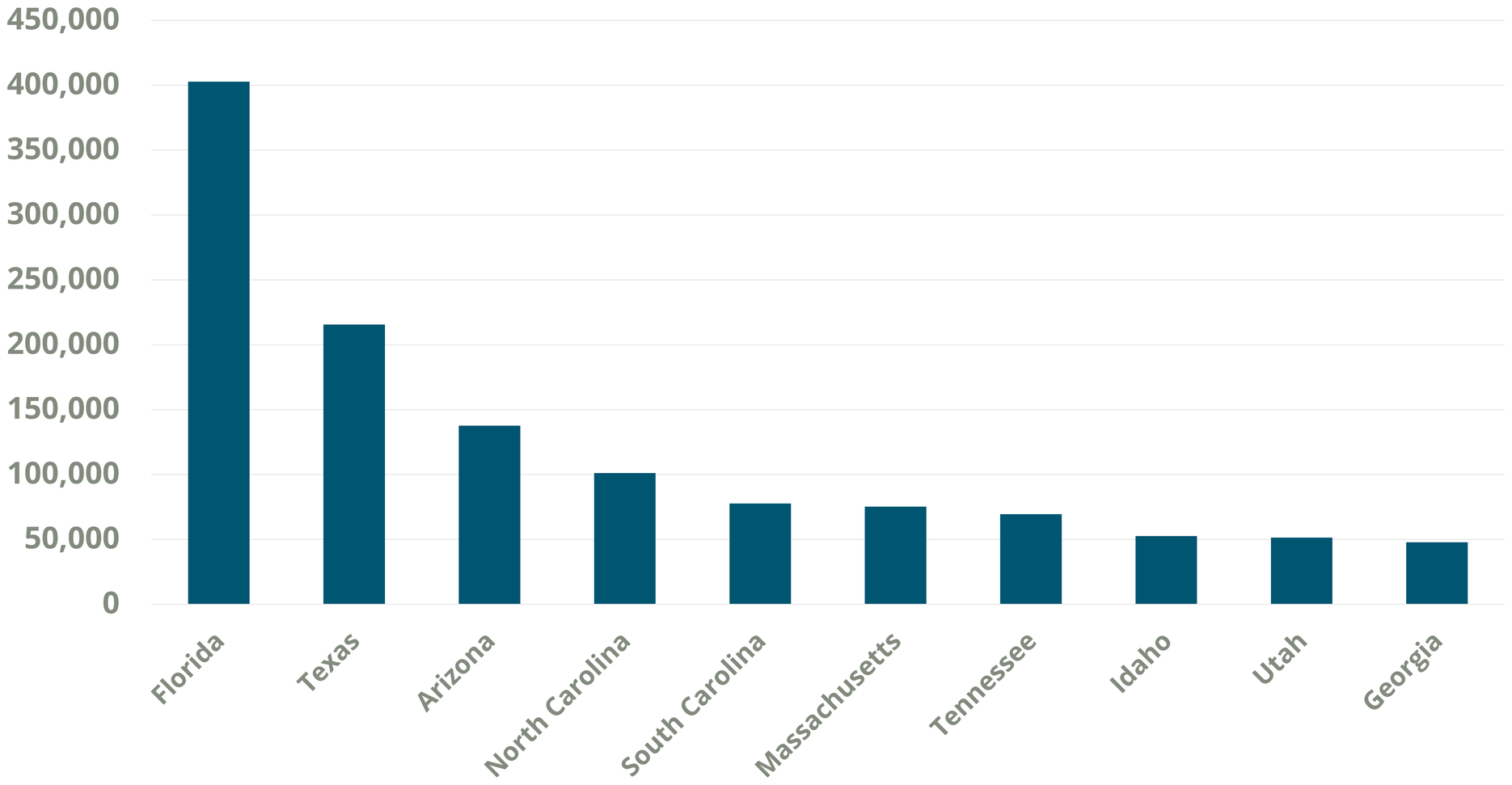
POPULATION GROWTH CONTINUES TO BE THE STORY

State	12 Month Net Migration
Idaho	2.79%
Montana	2.23%
Rhode Island	2.11%
Delaware	2.09%
Wyoming	2.02%
Florida	1.95%
Arizona	1.91%
South Dakota	1.86%
Alaska	1.68%
Utah	1.58%
South Carolina	1.50%
Massachusetts	1.08%
Nevada	1.06%
Tennessee	1.01%
North Carolina	0.96%
Hawaii	0.95%
North Dakota	0.87%
Oklahoma	0.78%
Texas	0.74%
Vermont	0.71%
Arkansas	0.64%
Indiana	0.61%
Maine	0.59%
Wisconsin	0.57%
Iowa	0.55%

State	12 Month Net Migration
Georgia	0.45%
Nebraska	0.42%
Kentucky	0.40%
Kansas	0.36%
Alabama	0.31%
New Mexico	0.30%
Pennsylvania	0.17%
Colorado	0.16%
Virginia	0.12%
Oregon	0.10%
West Virginia	0.08%
Missouri	0.08%
New Hampshire	0.07%
Mississippi	0.01%
Michigan	-0.03%
Connecticut	-0.04%
Ohio	-0.05%
Washington	-0.08%
Minnesota	-0.17%
Louisiana	-0.41%
Maryland	-0.65%
New York	-0.74%
California	-0.87%
Illinois	-1.10%
New Jersey	-1.40%

Source: placer.ai

TOP 10 NET MIGRATION BY STATE (11/20-11/21)



Source: placer.ai

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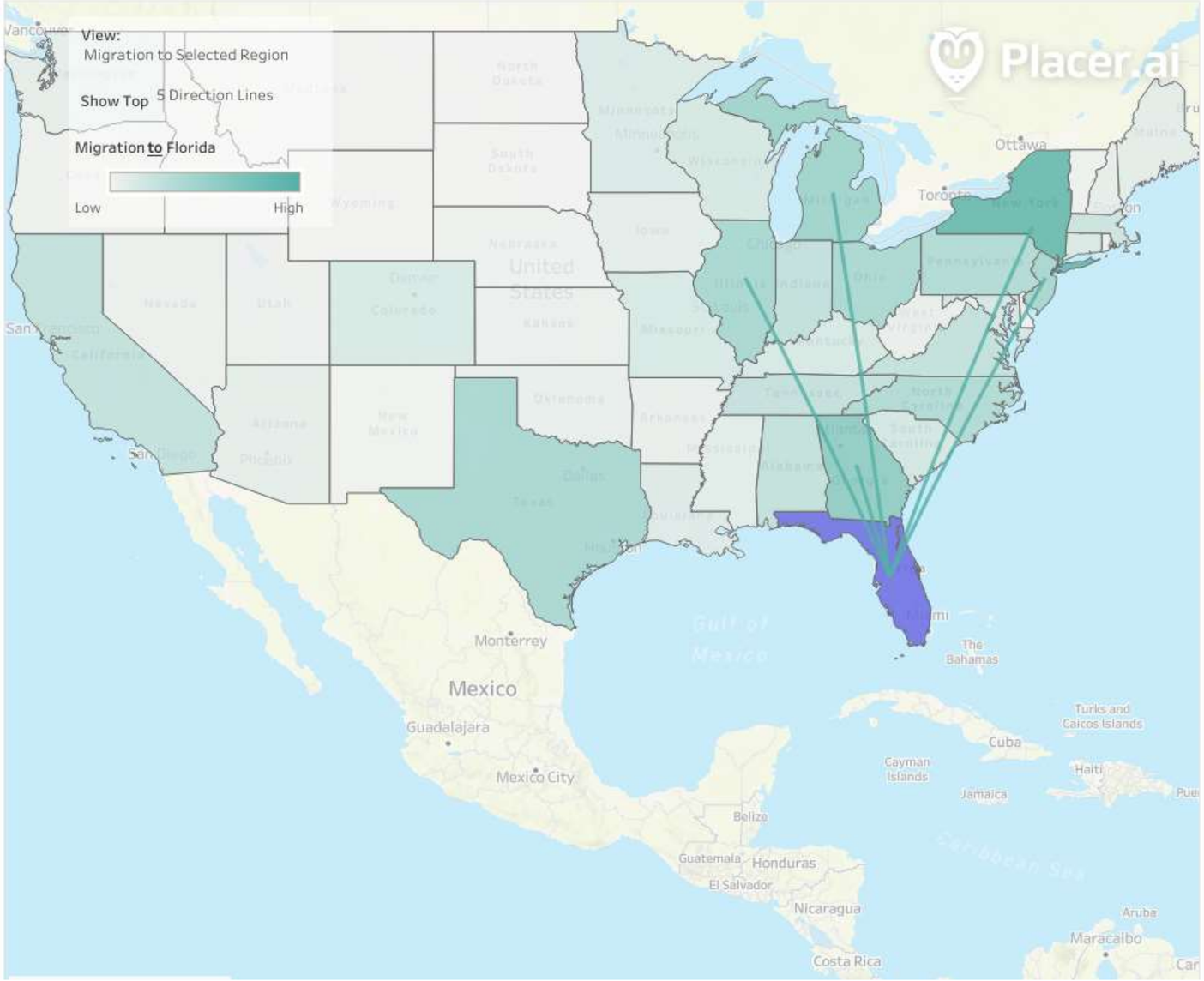
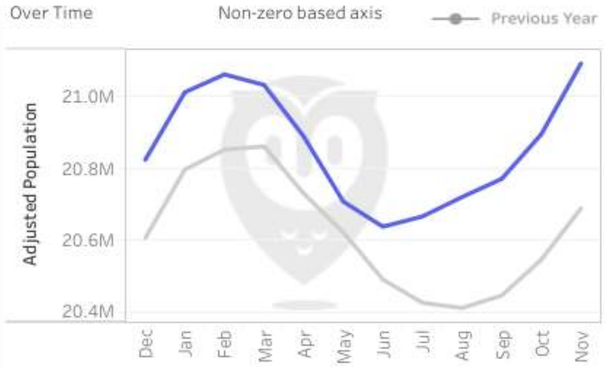




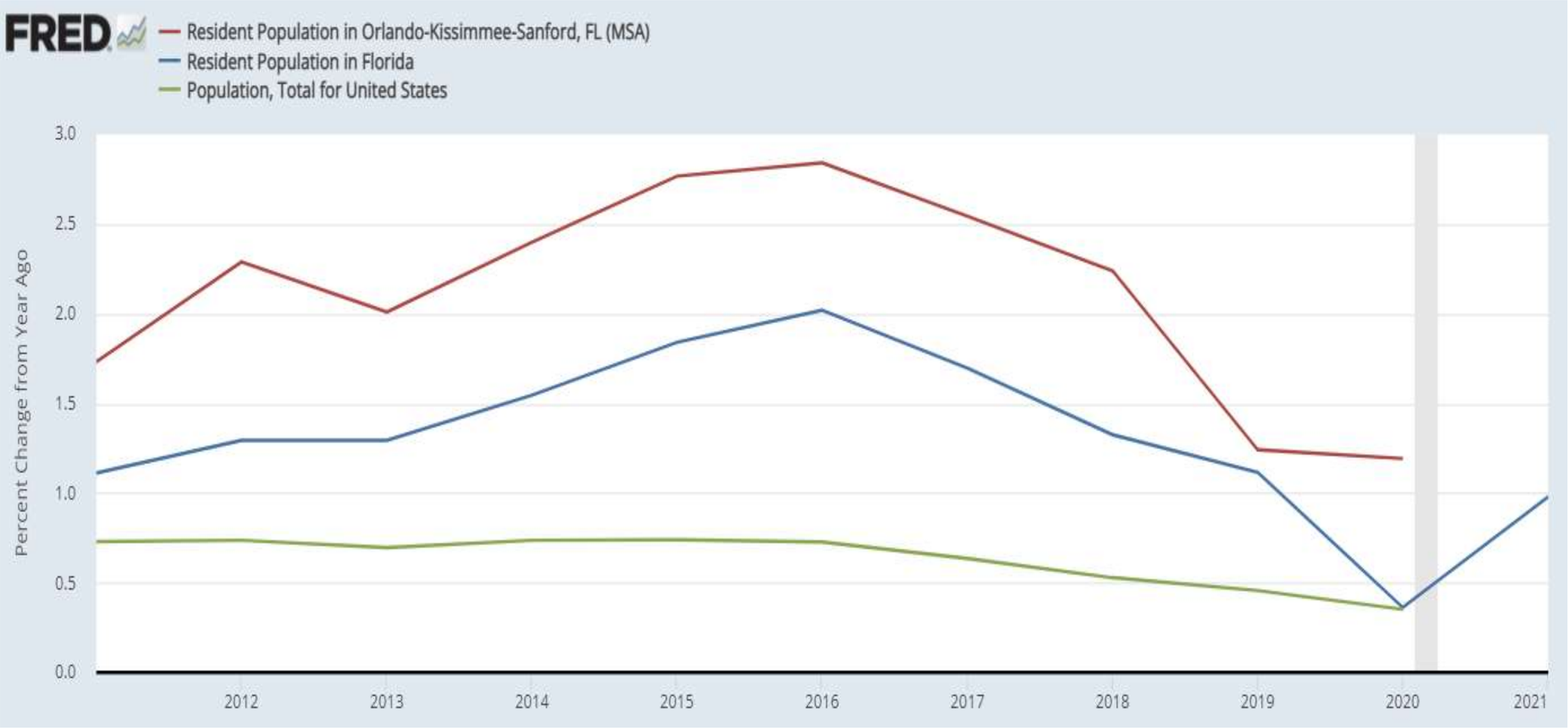
Migration to Florida from:

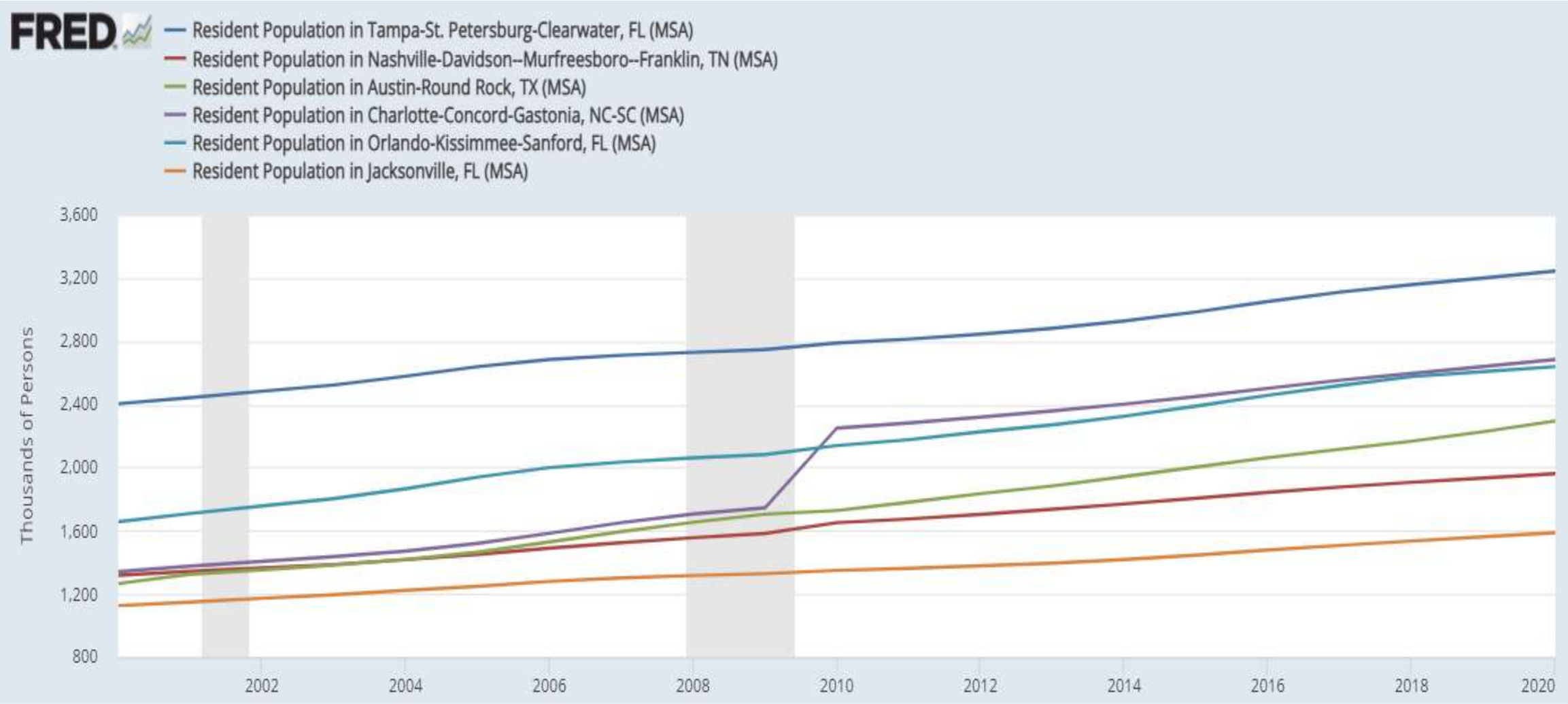
Origin Region	*Migrated Population*
New York	256,283
Georgia	174,113
Michigan	143,933
New Jersey	129,840
Illinois	126,719

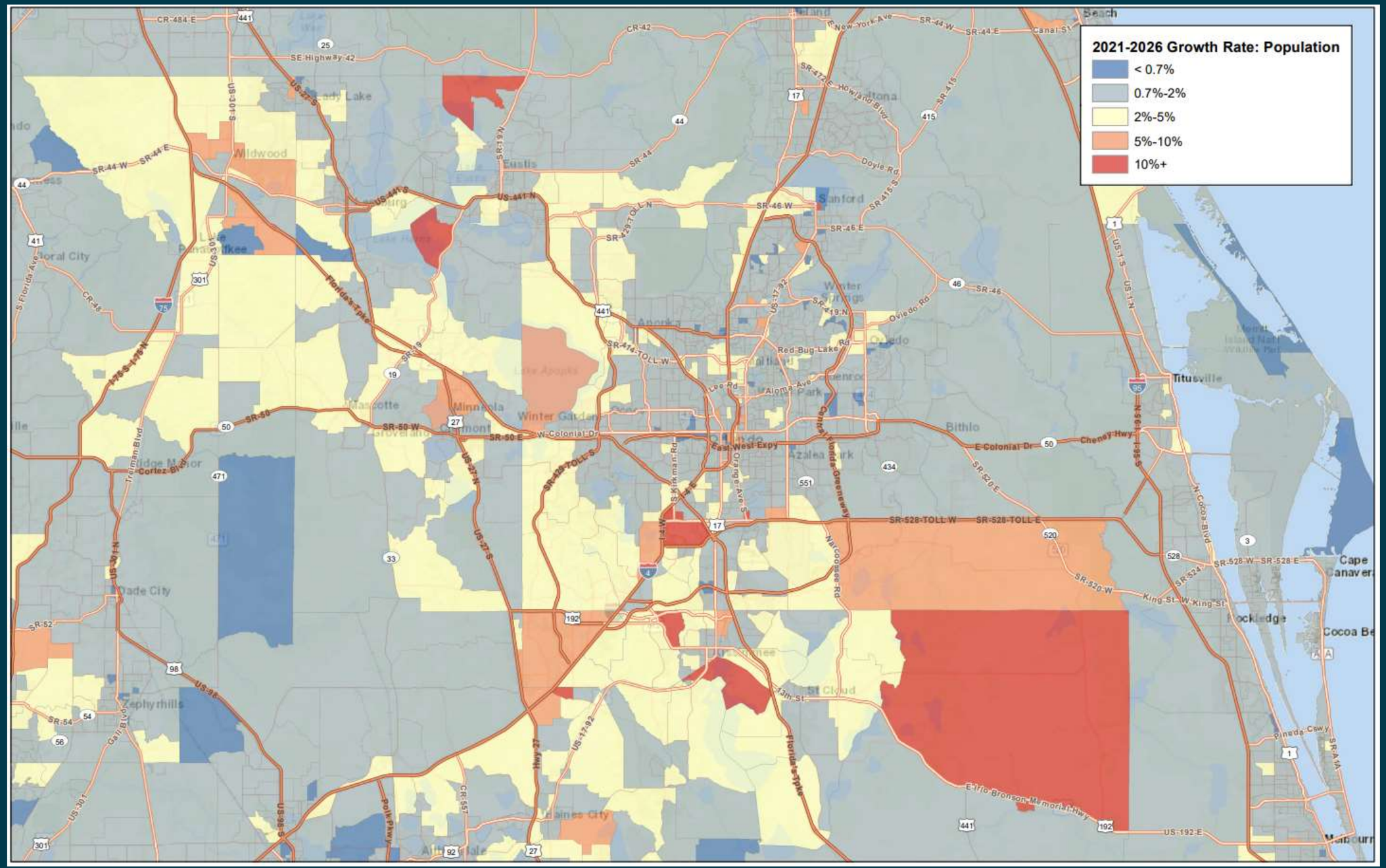
Migration from Florida to:

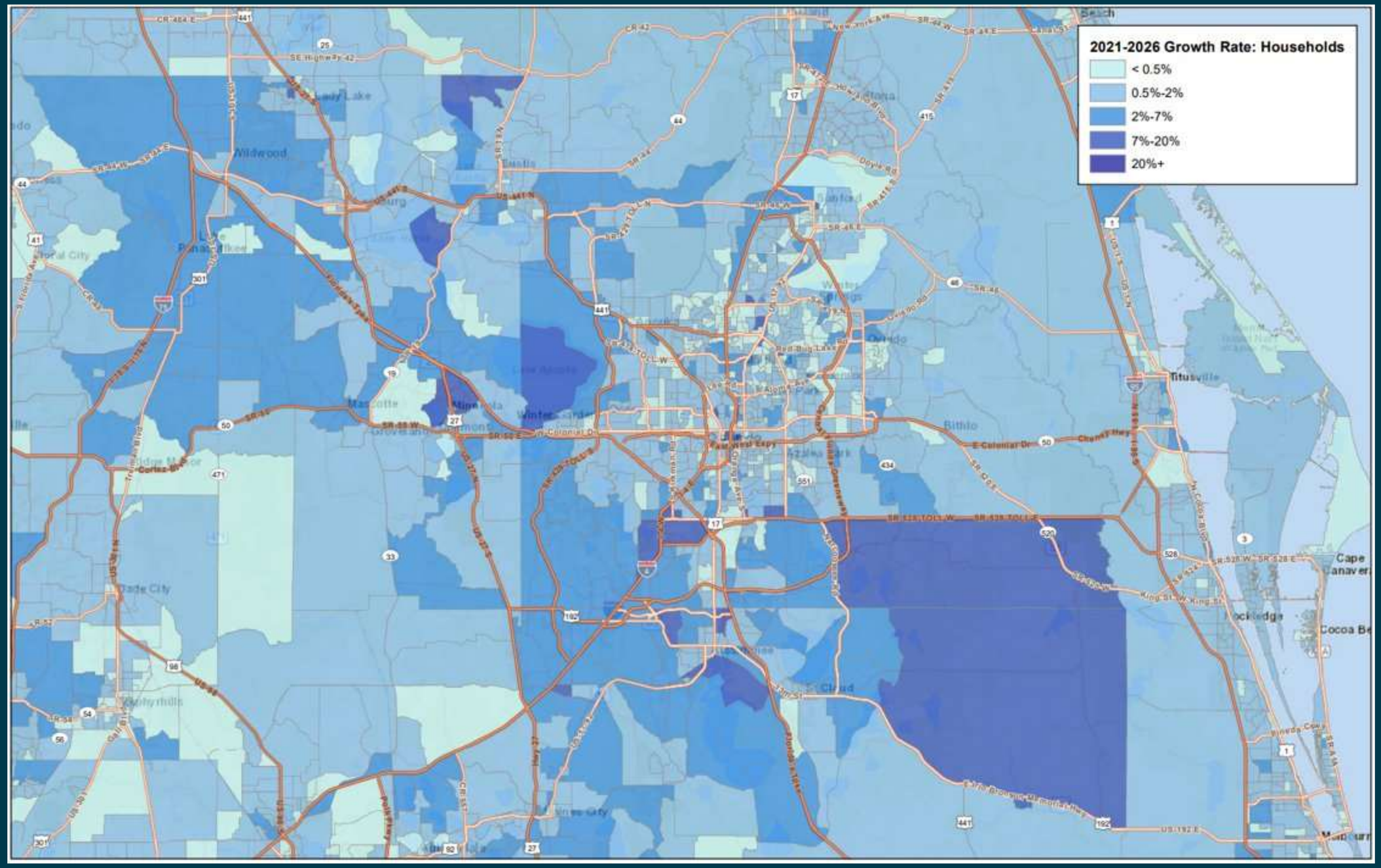
Destination Region	*Migrated Population*
New York	202,303
Georgia	170,014
Michigan	128,656
North Carolina	115,530
Texas	112,455

Source: placer.ai

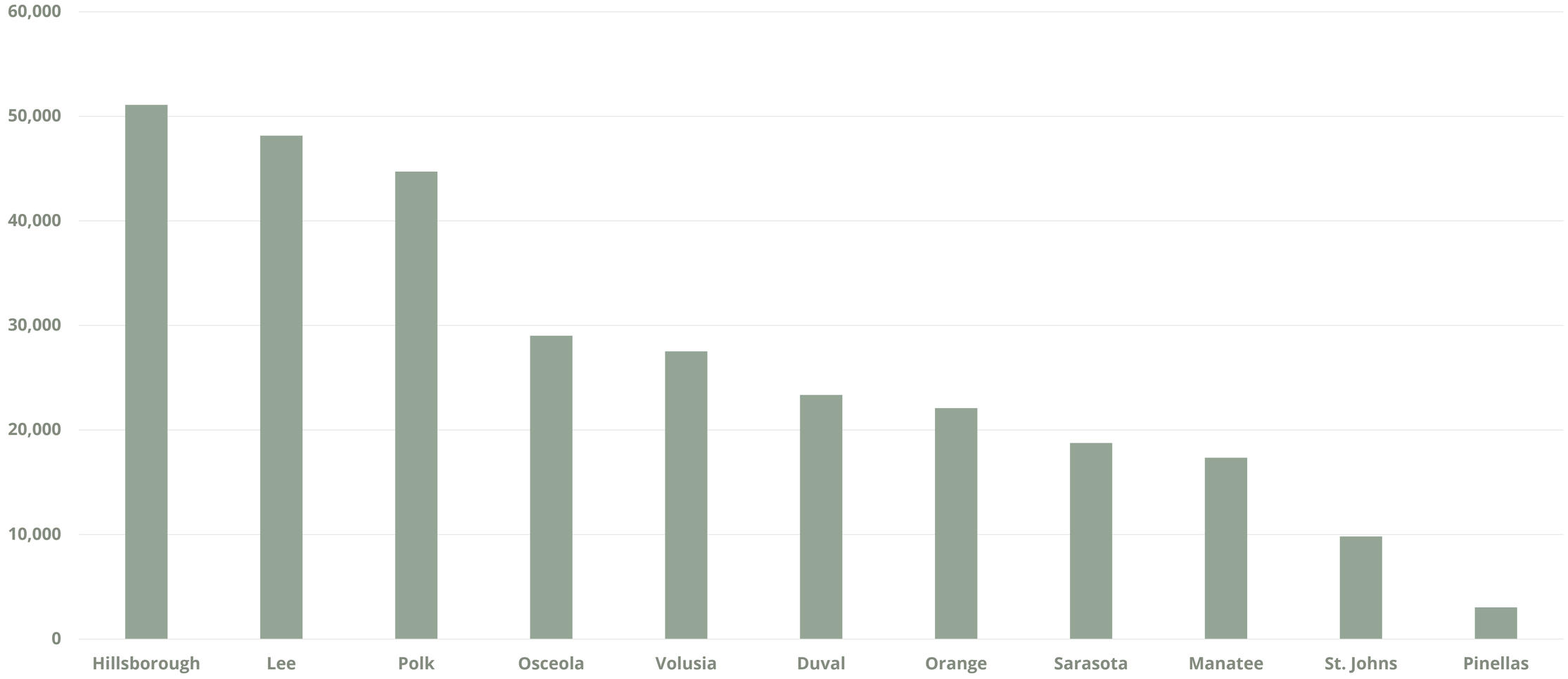

FRED
Resident Population in Orlando-Kissimmee-Sanford, FL (MSA)
Resident Population in Florida
Population, Total for United States
Percent Change from Year Ago
3.0
2.5
2.0
1.5
1.0
0.5
0.0
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021


FRED
Resident Population in Tampa-St. Petersburg-Clearwater, FL (MSA)
Resident Population in Nashville-Davidson--Murfreesboro--Franklin, TN (MSA)
Resident Population in Austin-Round Rock, TX (MSA)
Resident Population in Charlotte-Concord-Gastonia, NC-SC (MSA)
Resident Population in Orlando-Kissimmee-Sanford, FL (MSA)
Resident Population in Jacksonville, FL (MSA)
Thousands of Persons
3,600
3,200
2,800
2,400
2,000
1,600
1,200
800
2002
2004
2006
2008
2010
2012
2014
2016
2018
2020


2021-2026 Growth Rate: Population
< 0.7%
0.7%-2%
2%-5%
5%-10%
10%+
Mildwood
Eustis
Sanford
Winter Springs
Apopka
Orlando
Winter Garden
Minneola
Mascotte
Bithlo
Titusville
Cape Canaveral
Cocoa Beach
Rockledge
St Cloud
Kissimmee
Dade City
Zephyrhills
Lake Apopka
Lake Jesup
Lake Harney
Lake Mann
Lake Weir
Lake Eustis

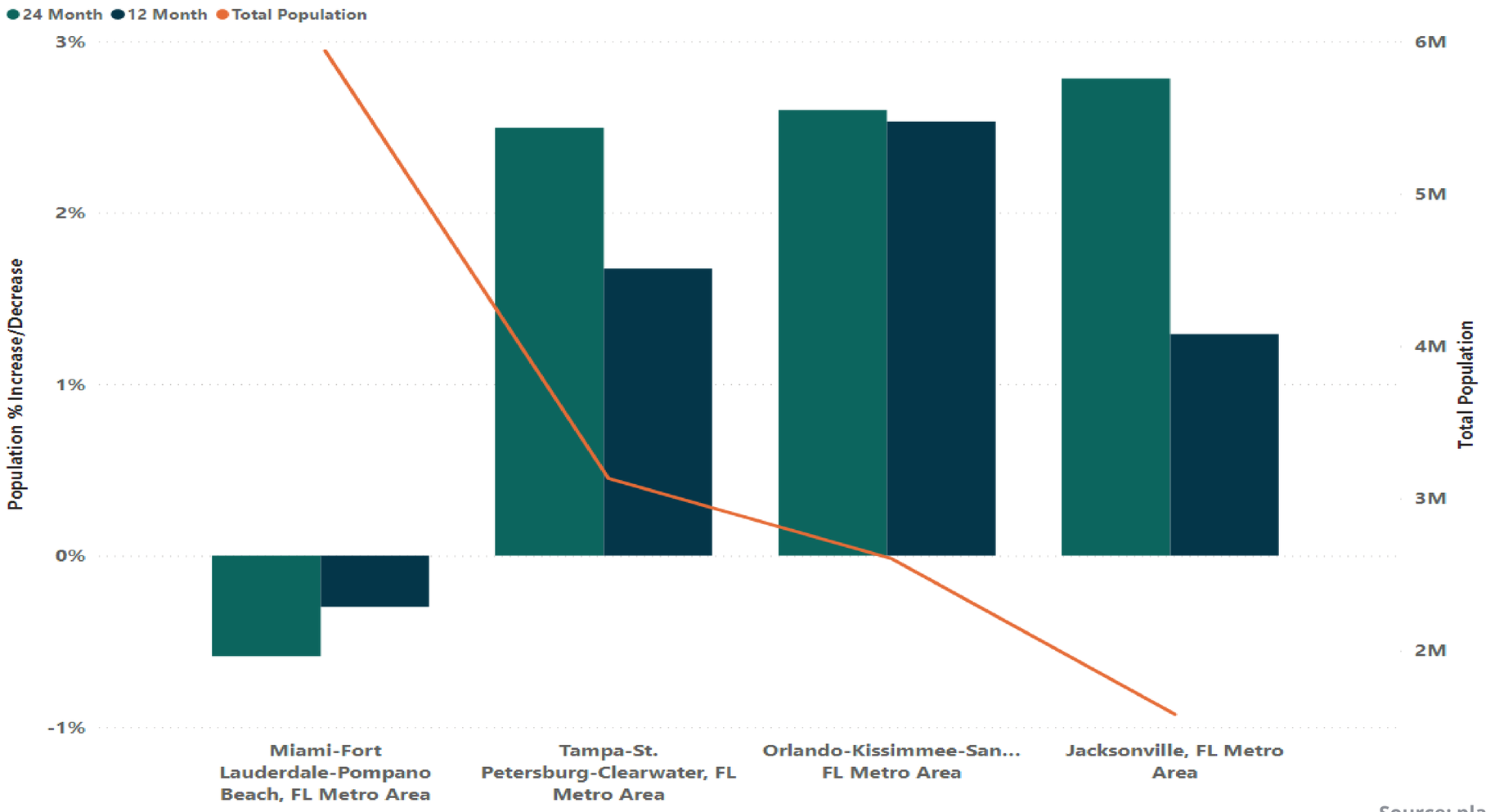

2021-2026 Growth Rate: Households
< 0.5%
0.5%-2%
2%-7%
7%-20%
20%+
Wildwood
Lady Lake
Titusville
Cape Canaveral
Cocoa Beach
Winter Garden
Mascotte
Minneola
Clermont
Bithlo
Cloud
Tavares
Mount Dora
Tarpon Springs
Tarpon Springs
Tavares
Mount Dora
Cocoa Beach
Cape Canaveral
Titusville
Bithlo
Cloud
Winter Garden
Minneola
Mascotte
Clermont
Wildwood
Lady Lake
Tavares
Mount Dora
Tarpon Springs

2 YEAR NET MIGRATION FLORIDA COUNTIES (11/19-11/21)



Source: placer.ai

FL MAJOR MSA POPULATION CHANGE



Source: placer.ai

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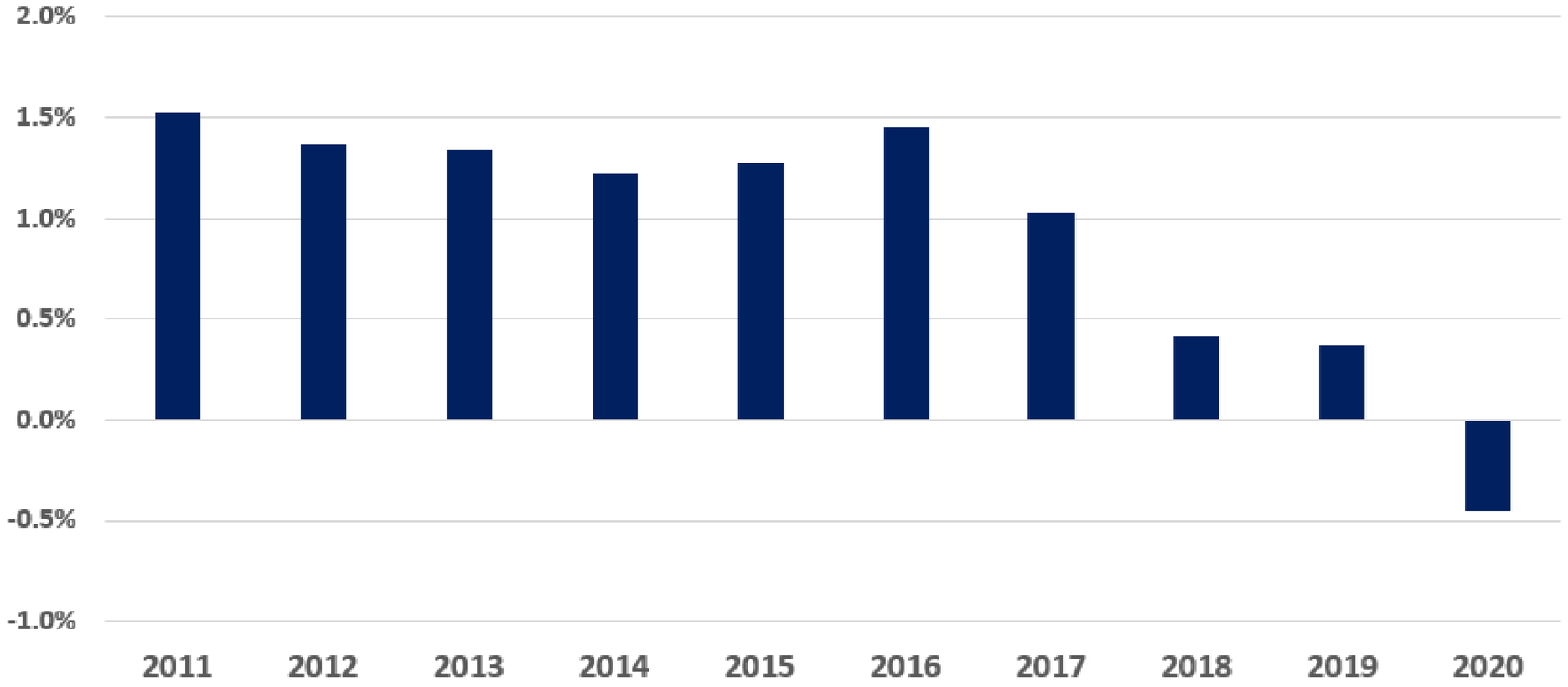
MIAMI MSA YoY POPULATION % CHANGE



Source: US Census

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TOP INDUSTRIES IN FLORIDA

Tourism

Agriculture

International Trade

Aerospace & Aviation

Life Sciences

Financial Services

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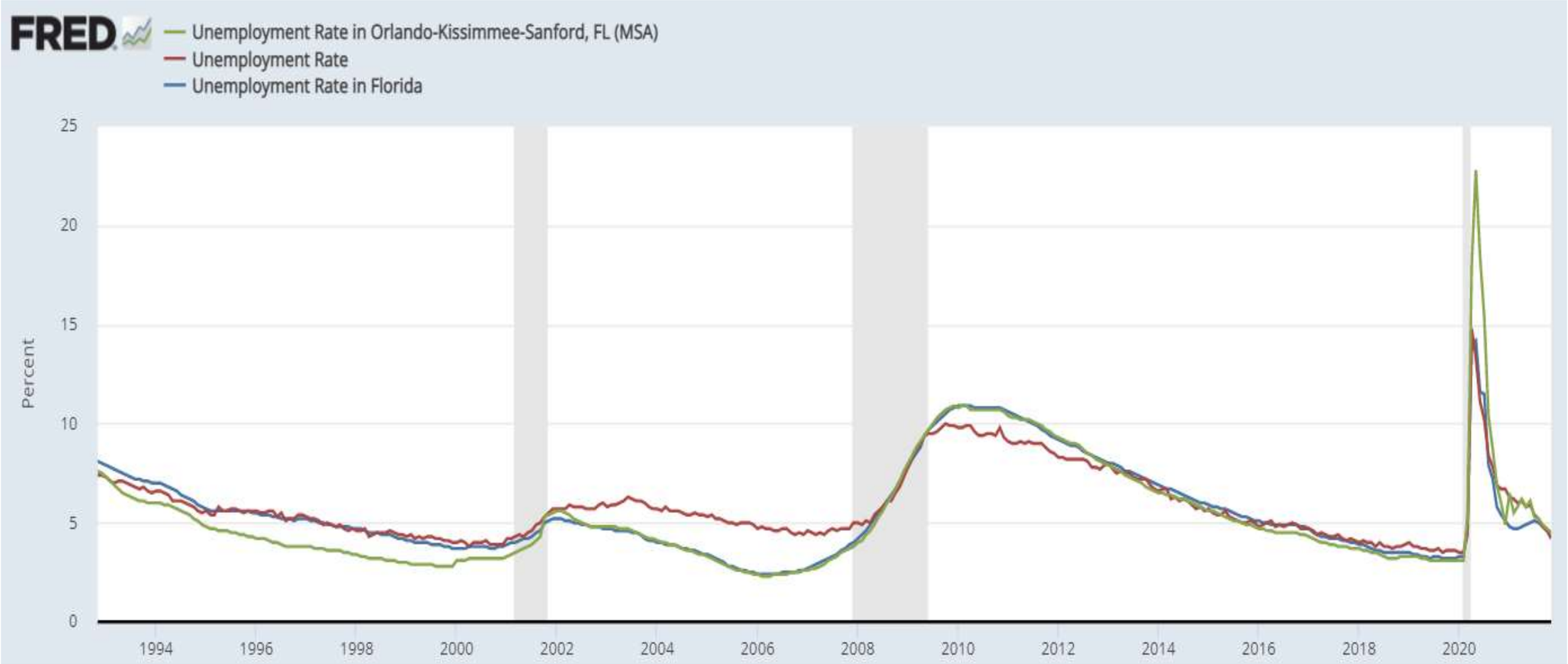
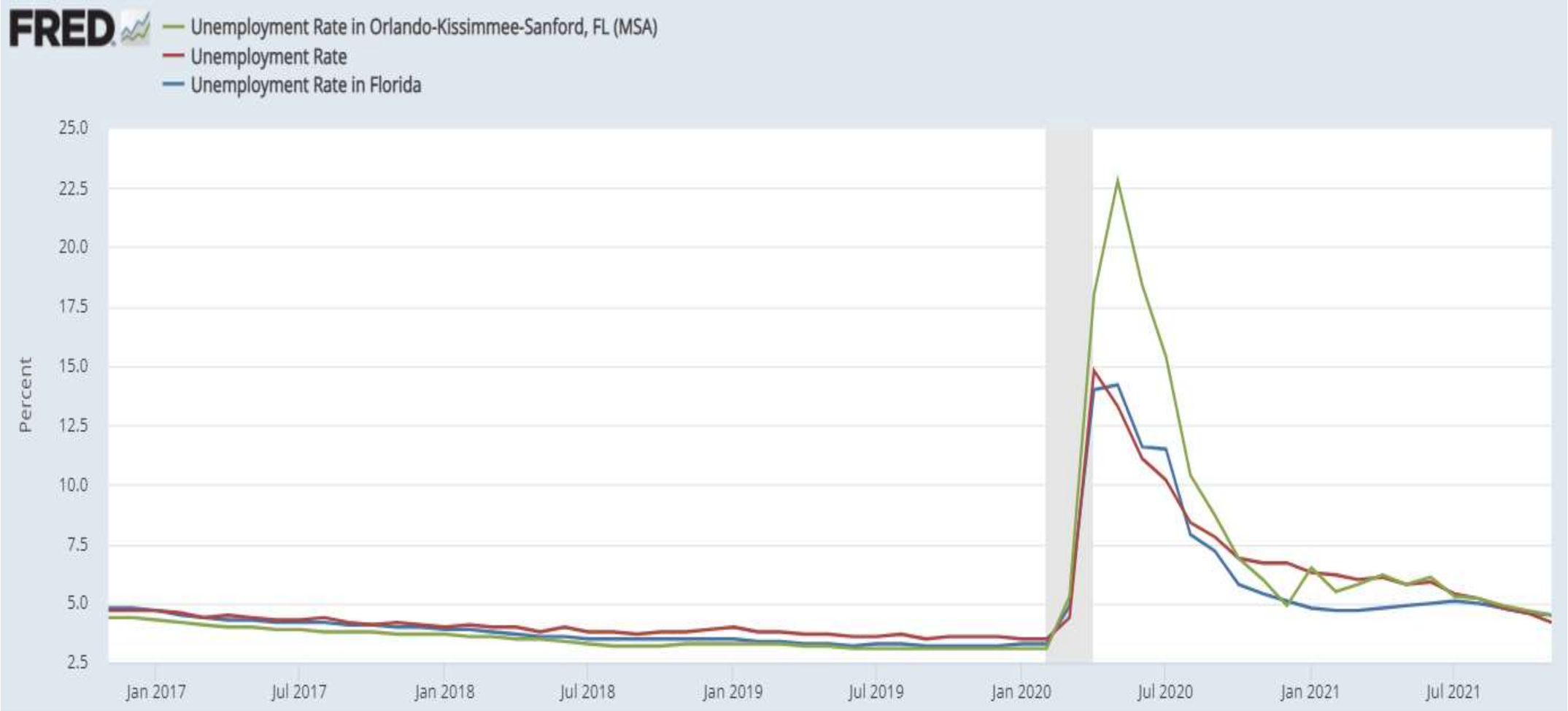
FASTEST EMPLOYMENT COLLAPSE IN HISTORY BUT ORLANDO BOUNCING BACK




FRED
Unemployment Rate in Orlando-Kissimmee-Sanford, FL (MSA)
Unemployment Rate
Unemployment Rate in Florida
Percent
25.0
22.5
20.0
17.5
15.0
12.5
10.0
7.5
5.0
2.5
Jan 2017
Jul 2017
Jan 2018
Jul 2018
Jan 2019
Jul 2019
Jan 2020
Jul 2020
Jan 2021
Jul 2021

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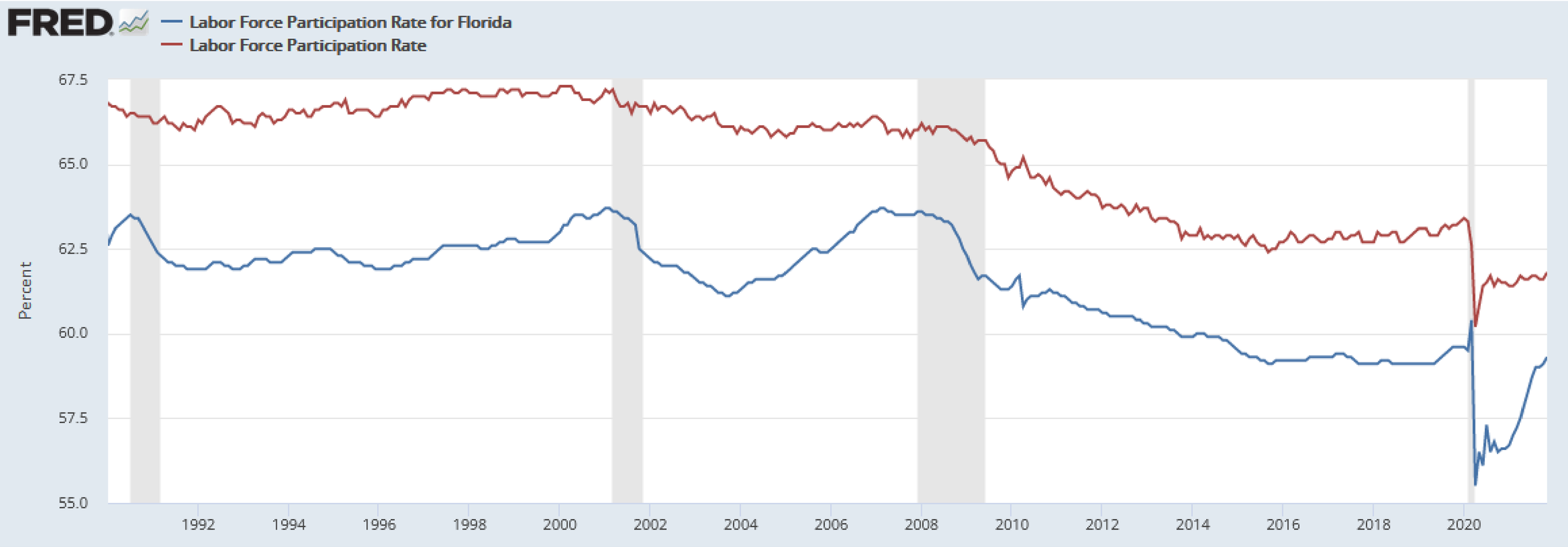
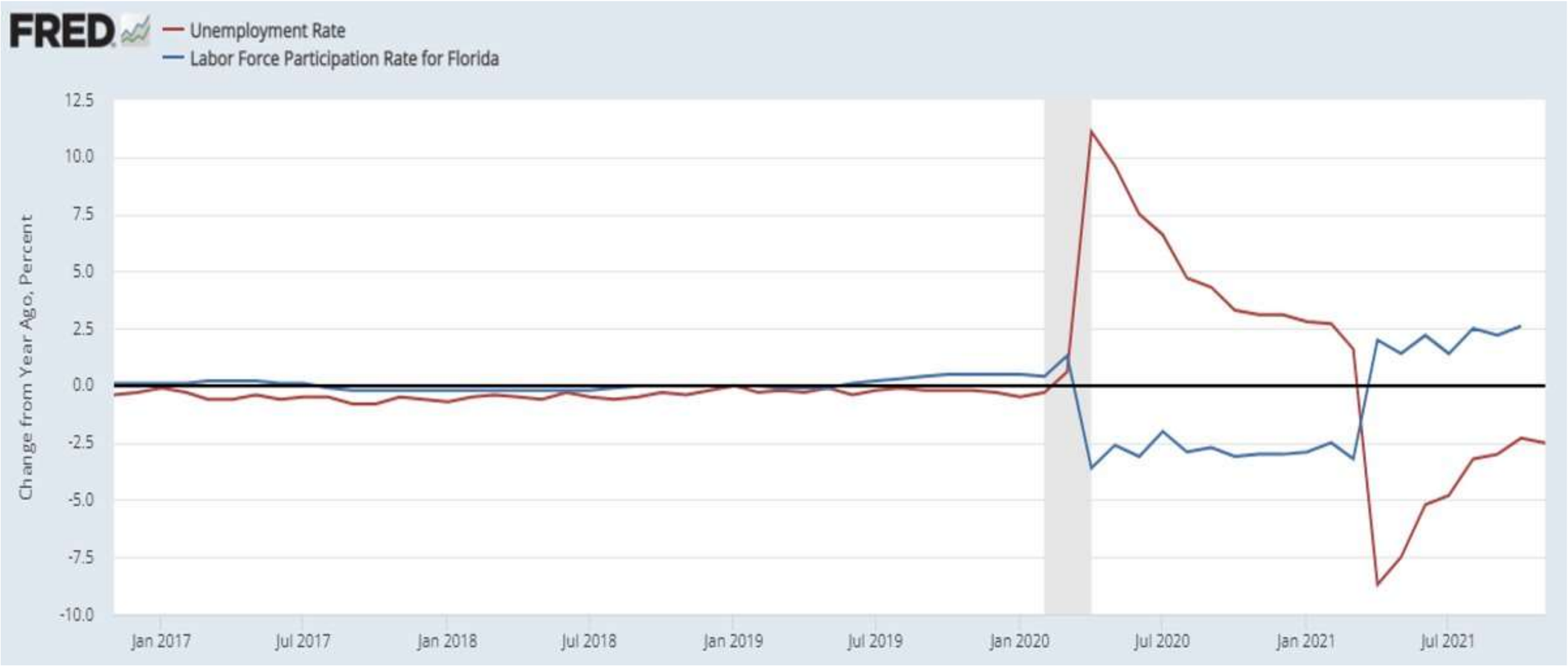
FLORIDA LABOR PARTCIPATION RATE COVID-19 CLOSE TO PRE-PANDEMIC



REAL GAINS IN EMPLOYMENT



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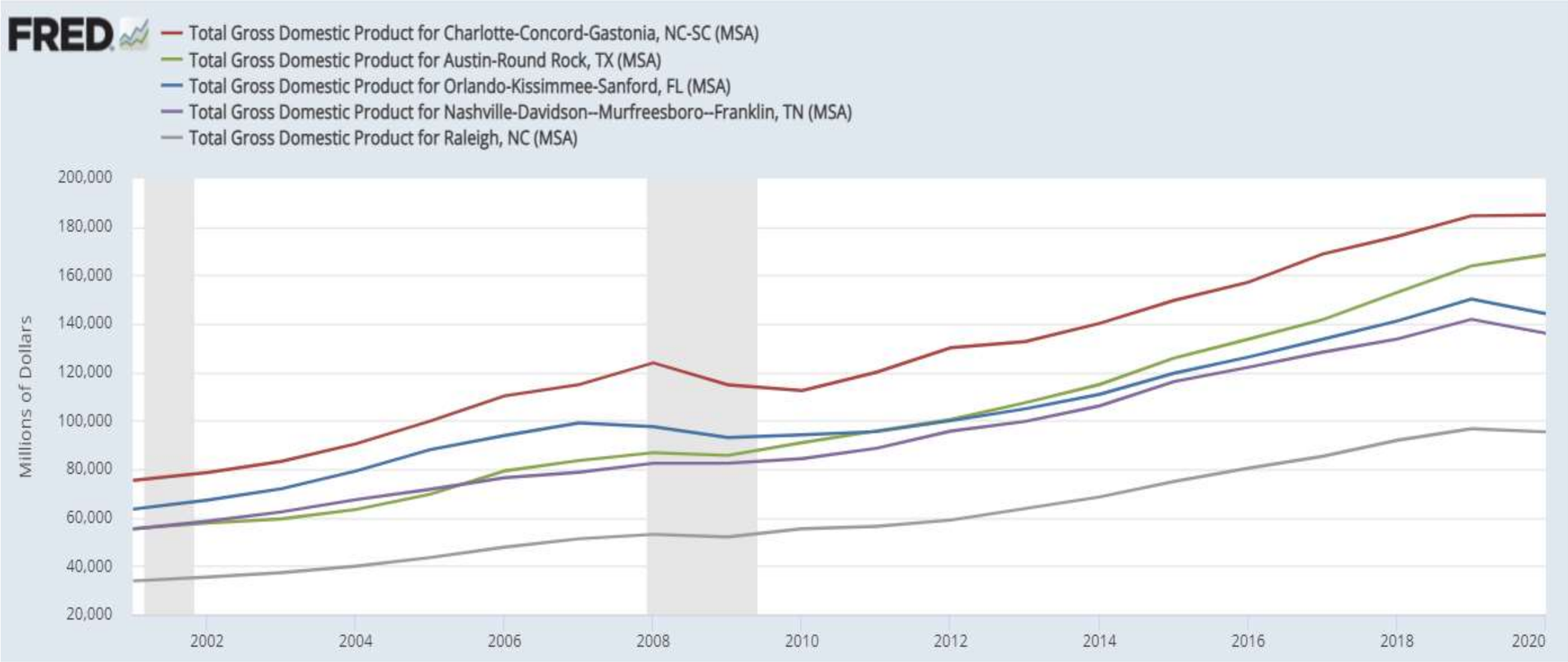
LARGE ECONOMY COMPARED TO OUR PEER CITIES



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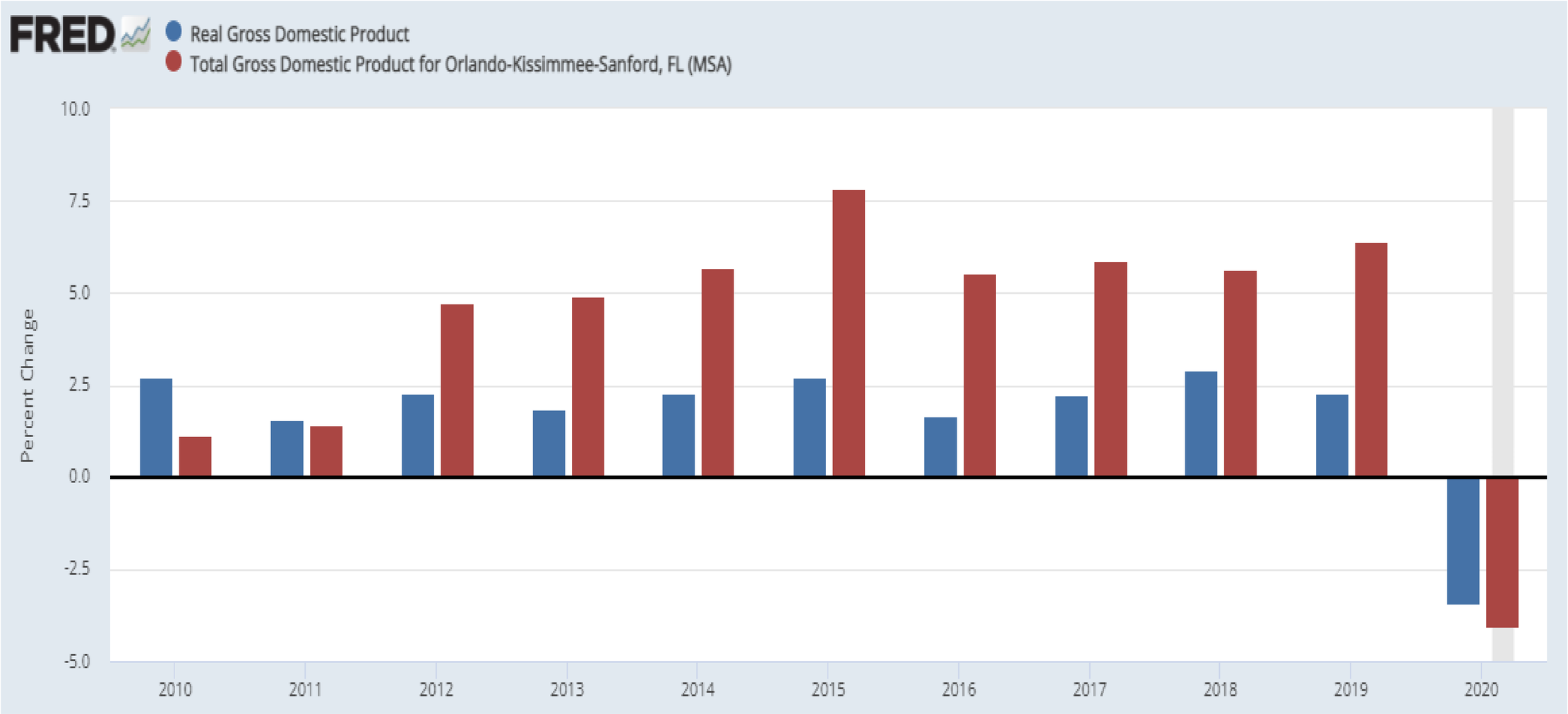
GDP GROWTH WILL REMAIN AMONGST THE HIGHEST IN THE COUNTRY



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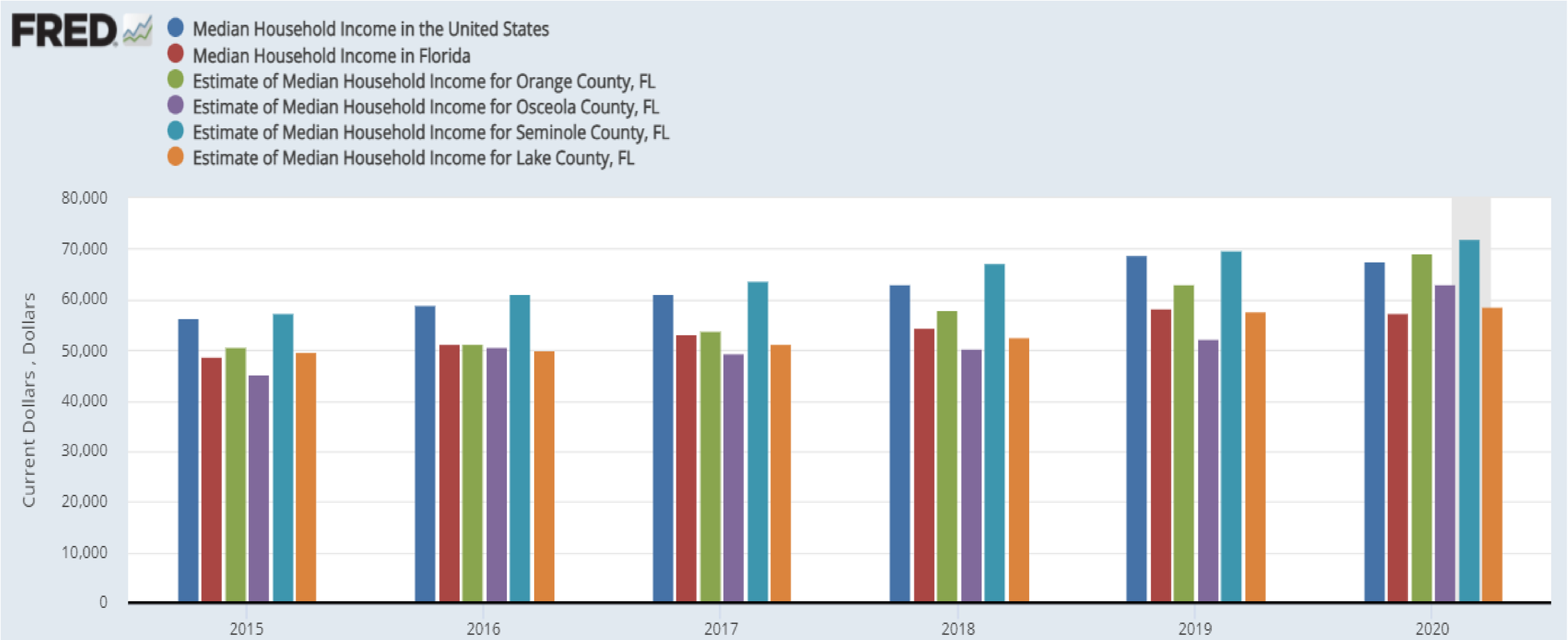
HOUSEHOLD INCOME GROWTH CONTINUES TO HOLD US BACK



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HOUSEHOLD INCOME STILL LAGS COMPETITORS

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INFLATION IS AT A 40 YEAR HIGH

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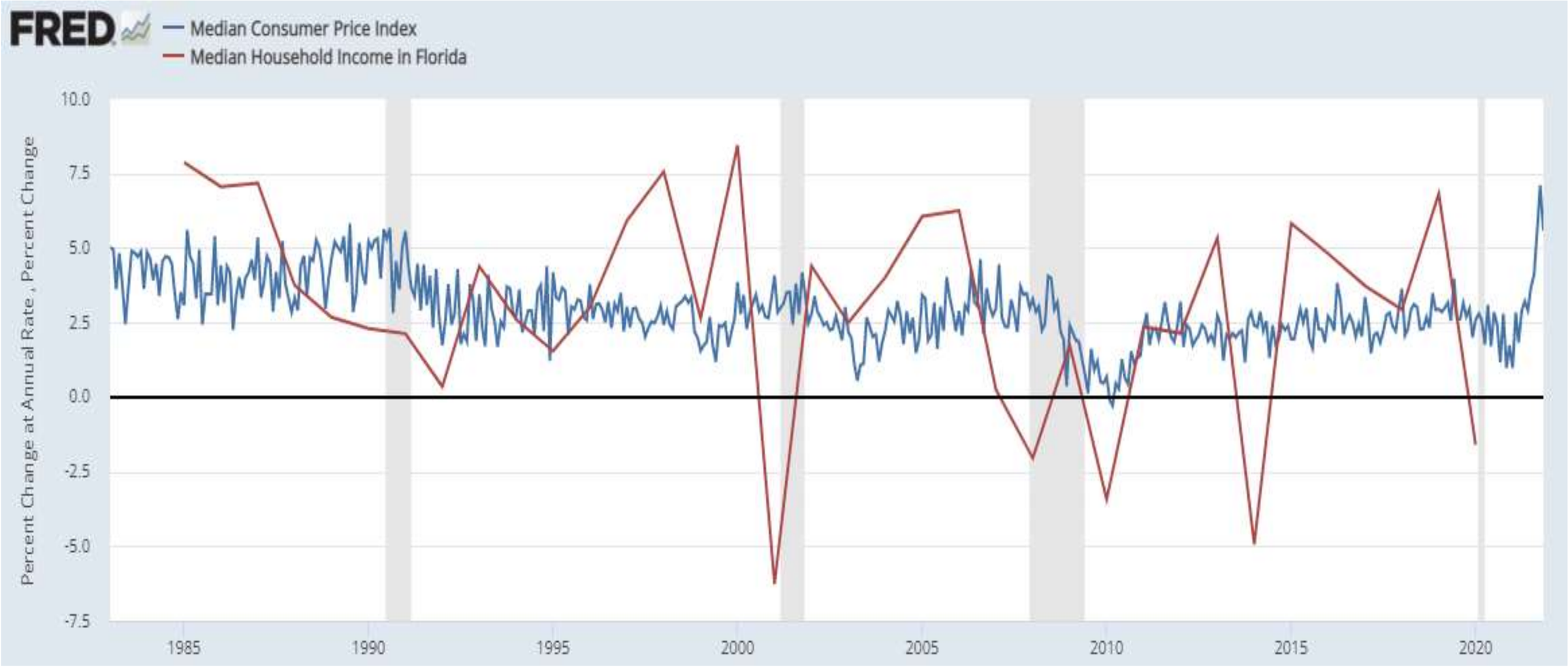
INFLATION IS OUTPACING HOUSEHOLD INCOME GROWTH



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LET'S TALK REAL ESTATE…

COMMERCIAL REAL ESTATE TRENDS

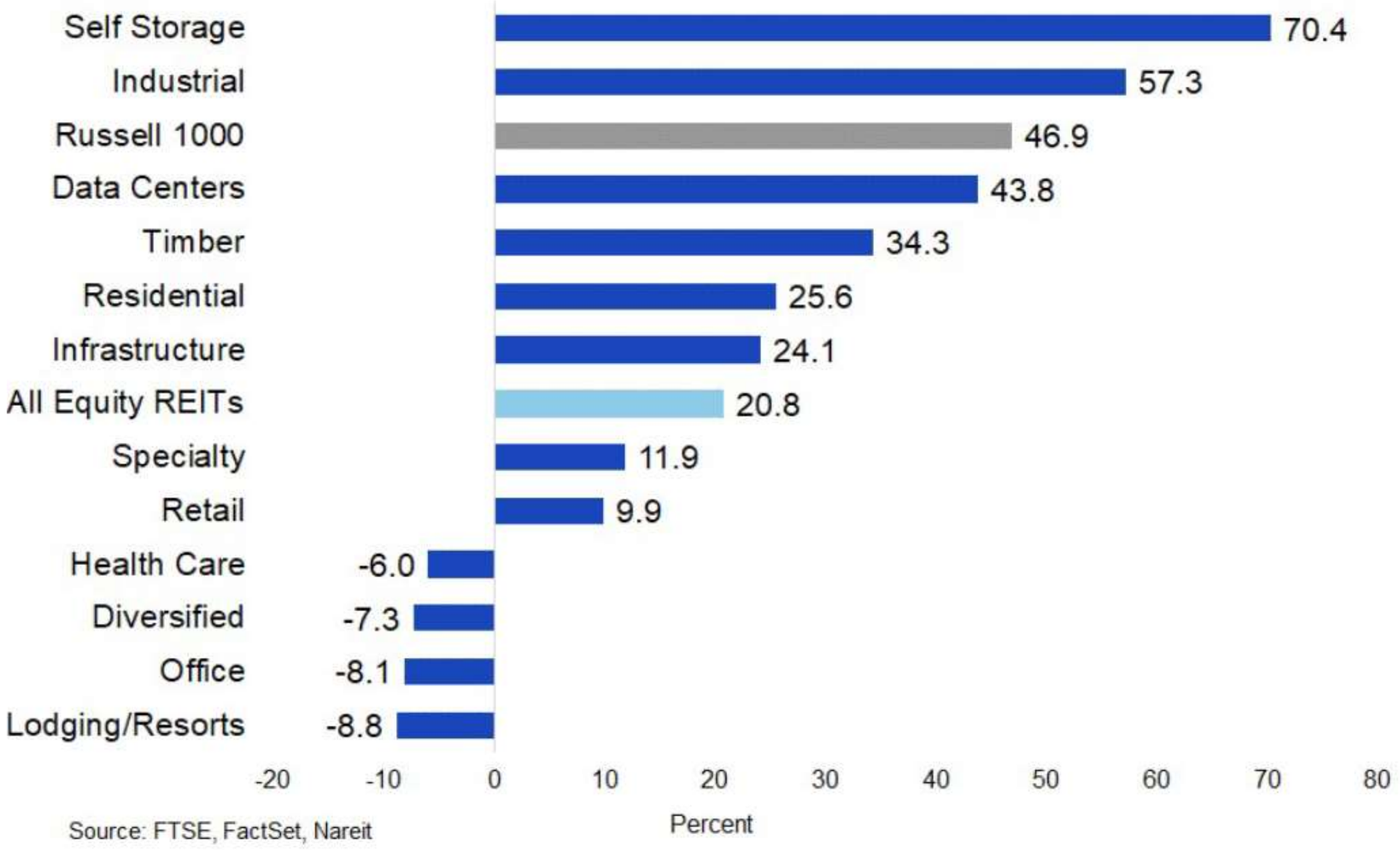
1. **REAL ESTATE PERFORMANCE**
   - HEDGE AGAINST INFLATION
2. **CONSTRUCTION COSTS**
3. **INSURANCE RATES**
4. **INTEREST RATES**
5. **PRODUCT TYPE UPDATES**
   - MULTIFAMILY
   - OFFICE
   - RETAIL
   - INDUSTRIAL

FINANCIAL DESIGN STUDIO, INC.
ASSET CLASS "HEAT MAP"

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 YTD*
Gold +29.2%	Inflation Bonds +13.6%	Emerging Mkts +18.2%	US Small Cap +38.8%	Real Estate +28.7%	Real Estate +4.4%	US Small Cap +21.3%	Emerging Mkts +37.3%	Muni Bonds +1.3%	US Large Cap +31.5%	Gold +25.2%	Real Estate +23.7%
US Small Cap +26.9%	Muni Bonds +10.7%	Real Estate +18.1%	US Large Cap +32.4%	US Large Cap +13.7%	Muni Bonds +3.3%	US High Yield +17.1%	Int'l Developed +25.0%	US Gov't Bonds +0.9%	Real Estate +29.2%	US Small Cap +20.0%	US Large Cap +23.2%
Real Estate +26.7%	US Gov't Bonds +9.8%	Int'l Developed +17.3%	Int'l Developed +22.8%	Muni Bonds +9.1%	US Large Cap +1.4%	US Large Cap +12.0%	US Large Cap +21.8%	Gold -1.2%	US Small Cap +25.5%	US Large Cap +18.4%	US Small Cap +12.3%
Emerging Mkts +18.9%	Real Estate +9.5%	US Small Cap +16.4%	US High Yield +7.4%	US Corp Bonds +8.6%	US Gov't Bonds +0.8%	Emerging Mkts +11.2%	US Small Cap +14.7%	Inflation Bonds -1.3%	Int'l Developed +22.0%	Emerging Mkts +18.3%	Int'l Developed +5.8%
US High Yield +15.1%	US Corp Bonds +9.3%	US Large Cap +16.0%	Real Estate -0.5%	US Gov't Bonds +5.1%	US Corp Bonds +0.7%	Gold +7.7%	Gold +12.6%	US High Yield -2.1%	Gold +18.8%	Inflation Bonds +11.0%	Inflation Bonds +5.6%
US Large Cap +15.1%	Gold +8.9%	US High Yield +15.8%	Muni Bonds -2.6%	US Small Cap +4.9%	Int'l Developed -0.8%	US Corp Bonds +5.8%	Real Estate +9.2%	Real Estate -2.1%	Emerging Mkts +18.4%	US Corp Bonds +9.9%	US High Yield +3.3%
US Corp Bonds +10.9%	US High Yield +5.0%	US Corp Bonds +11.4%	Emerging Mkts -2.6%	Inflation Bonds +3.6%	Inflation Bonds -1.4%	Real Estate +5.5%	US High Yield +7.5%	US Corp Bonds -2.3%	US Corp Bonds +15.5%	US Gov't Bonds +8.0%	Muni Bonds +1.4%
Int'l Developed +7.8%	US Large Cap +2.1%	Gold +8.3%	US Gov't Bonds -2.8%	US High Yield +2.5%	US Small Cap -4.4%	Inflation Bonds +4.7%	US Corp Bonds +6.1%	US Large Cap -4.4%	US High Yield +14.3%	Int'l Developed +7.8%	US Gov't Bonds -1.8%
Inflation Bonds +6.3%	US Small Cap -4.2%	Inflation Bonds +7.0%	US Corp Bonds -2.9%	Gold +0.1%	US High Yield -4.5%	US Gov't Bonds +1.0%	Muni Bonds +5.5%	US Small Cap -11.0%	Inflation Bonds +8.4%	US High Yield +7.1%	US Corp Bonds -2.0%
US Gov't Bonds +5.9%	Int'l Developed -12.1%	Muni Bonds +6.8%	Inflation Bonds -8.6%	Emerging Mkts -2.2%	Gold -11.3%	Int'l Developed +1.0%	Inflation Bonds +3.0%	Int'l Developed -13.8%	Muni Bonds +7.5%	Muni Bonds +5.2%	Emerging Mkts -4.3%
Muni Bonds +2.4%	Emerging Mkts -18.4%	US Gov't Bonds +2.0%	Gold -27.3%	Int'l Developed -4.9%	Emerging Mkts -14.9%	Muni Bonds +0.3%	US Gov't Bonds +2.3%	Emerging Mkts -14.6%	US Gov't Bonds +6.9%	Real Estate -2.8%	Gold -6.7%

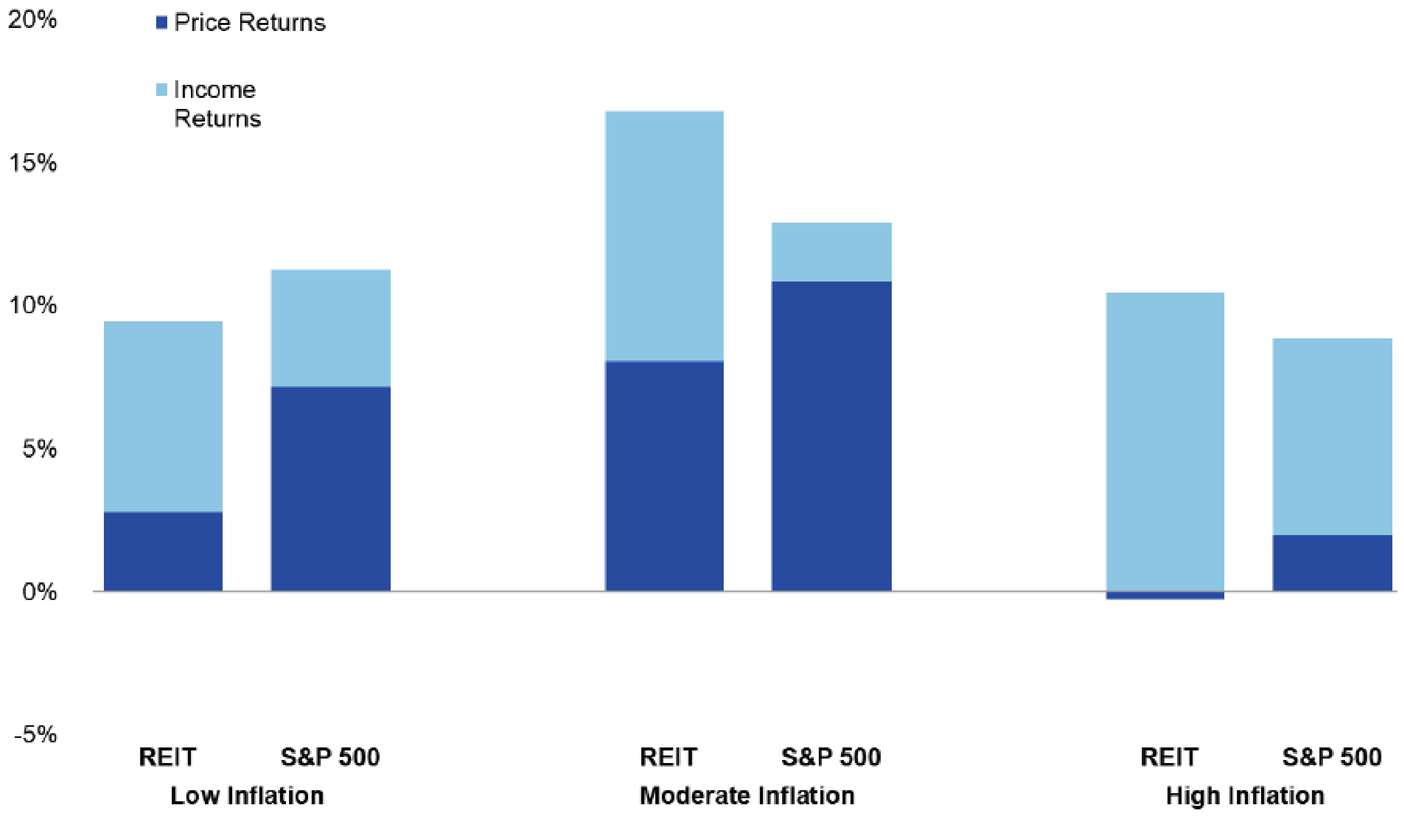
* 2021 YTD is through November 30, 2021

U.S REIT PROPERTY SECTOR PERFORMANCE
PANDEMIC-TO-DATE TOTAL RETURN THROUGH NOVEMBER 2021



Source: FTSE, FactSet, Nareit

REIT RETURNS COMPARED TO S&P 500 RETURNS DURING DIFFERENT INFLATION PERIODS



Note: Low inflation includes the years where inflation was 2.5% or lower, moderate inflation is between 2.5% and 6.9% (one standard deviation over the average), and high inflation is for years with inflation of 6.9% and higher.
Source: Nareit analysis of prices for the FTSE Nareit All Equity REIT Index and S&P 500 Index; 1972-2020; inflation measured for all items, all urban consumers.

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CONSTRUCTION COSTS

CONSTRUCTION COSTS

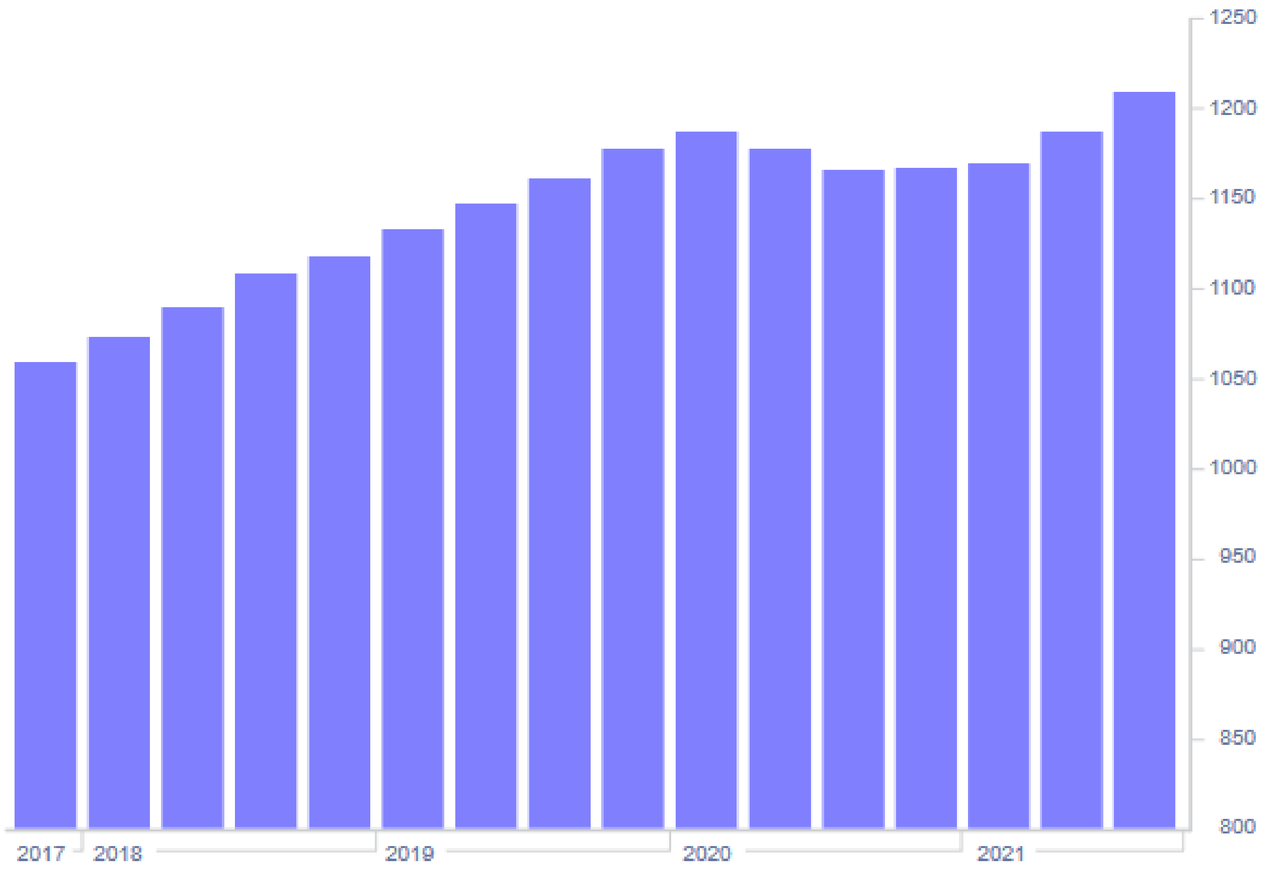
1 CONSTRUCTION COSTS REMAIN HIGH

- SUPPLY CHAIN DISRUPTIONS CONTINUE TO IMPACT LEAD TIMES FOR KEY CONSTRUCTION MATERIALS.
- INFLATIONARY ENVIRONMENT. SINCE Q3-20, NON-RESIDENTIAL BUILDING CONSTRUCTION COSTS HAVE INCREASED 3.07%.

2 MOST NOTICEABLE INCREASES ON MATERIALS

- LUMBER PRICES HAVE EXPERIENCED A SIGNIFICANT REDUCTION.
- STEEL, COPPER, AND ALUMINUM REMAIN AT ALL-TIME HIGHS.

TURNER CONSTRUCTION INDEX REACHES ALL TIME HIGH



Quarter	Index	△%
3rd Quarter 2021	**1207**	**1.68**
2nd Quarter 2021	1187	1.28
1st Quarter 2020	1172	0.09
4th Quarter 2020	1171	0.00

Year	Average Index	△%
2020	1177	1.8
2019	1156	5.5
2018	1096	5.6
2017	1038	5.0
2016	989	4.8
2015	943	4.5
2014	902	4.4
2013	864	4.1
2012	830	2.1
2011	812	1.6
2010	799	-4.0
2009	832	-8.4
2008	908	6.3

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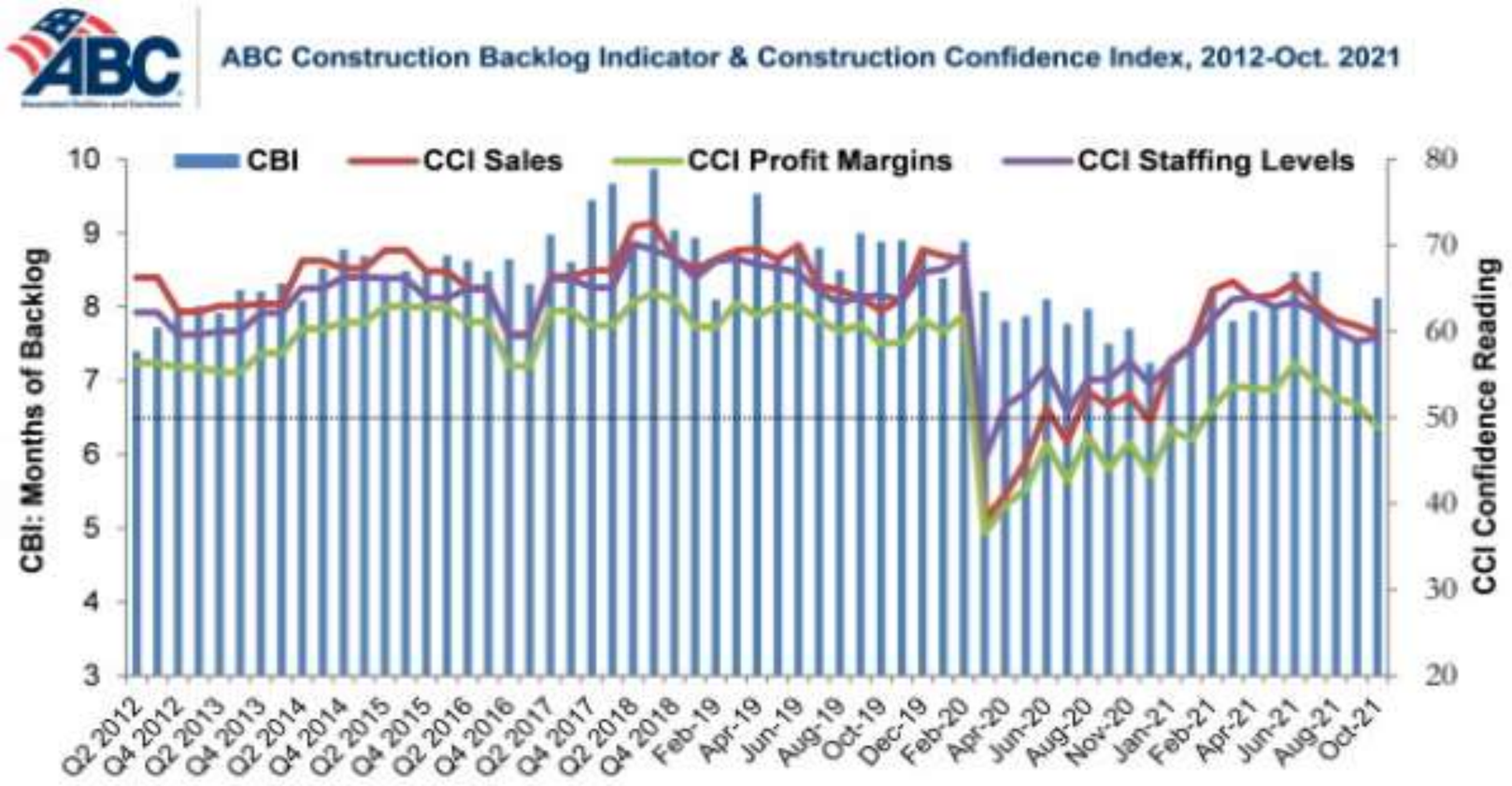
CONSTRUCTION DEMAND HIGH, STAFFING IS A MAJOR PROBLEM



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CONSTRUCTION CONFIDENCE INDEX

Response	October 2021	September 2021	October 2020
		CCI Reading	
Sales	59.7	60.7	52.7
Profit Margins	48.9	51.6	47.1
Staffing	59.2	58.9	56.6
		Sales Expectations	
Up Big	9.0%	6.8%	8.3%
Up Small	44.7%	49.4%	35.4%
No Change	27.0%	25.3%	23.3%
Down Small	14.8%	16.9%	24.8%
Down Big	4.5%	1.7%	8.3%
		Profit Margins Expectations	
Up Big	3.7%	2.5%	2.4%
Up Small	30.3%	33.3%	27.7%
No Change	32.0%	36.7%	32.0%
Down Small	25.8%	22.8%	31.6%
Down Big	8.2%	4.6%	6.3%
		Staffing Level Expectations	
Up Big	4.9%	3.4%	3.4%
Up Small	44.7%	43.0%	38.8%
No Change	34.8%	40.9%	41.3%
Down Small	13.5%	11.0%	13.6%
Down Big	2.0%	1.7%	2.9%

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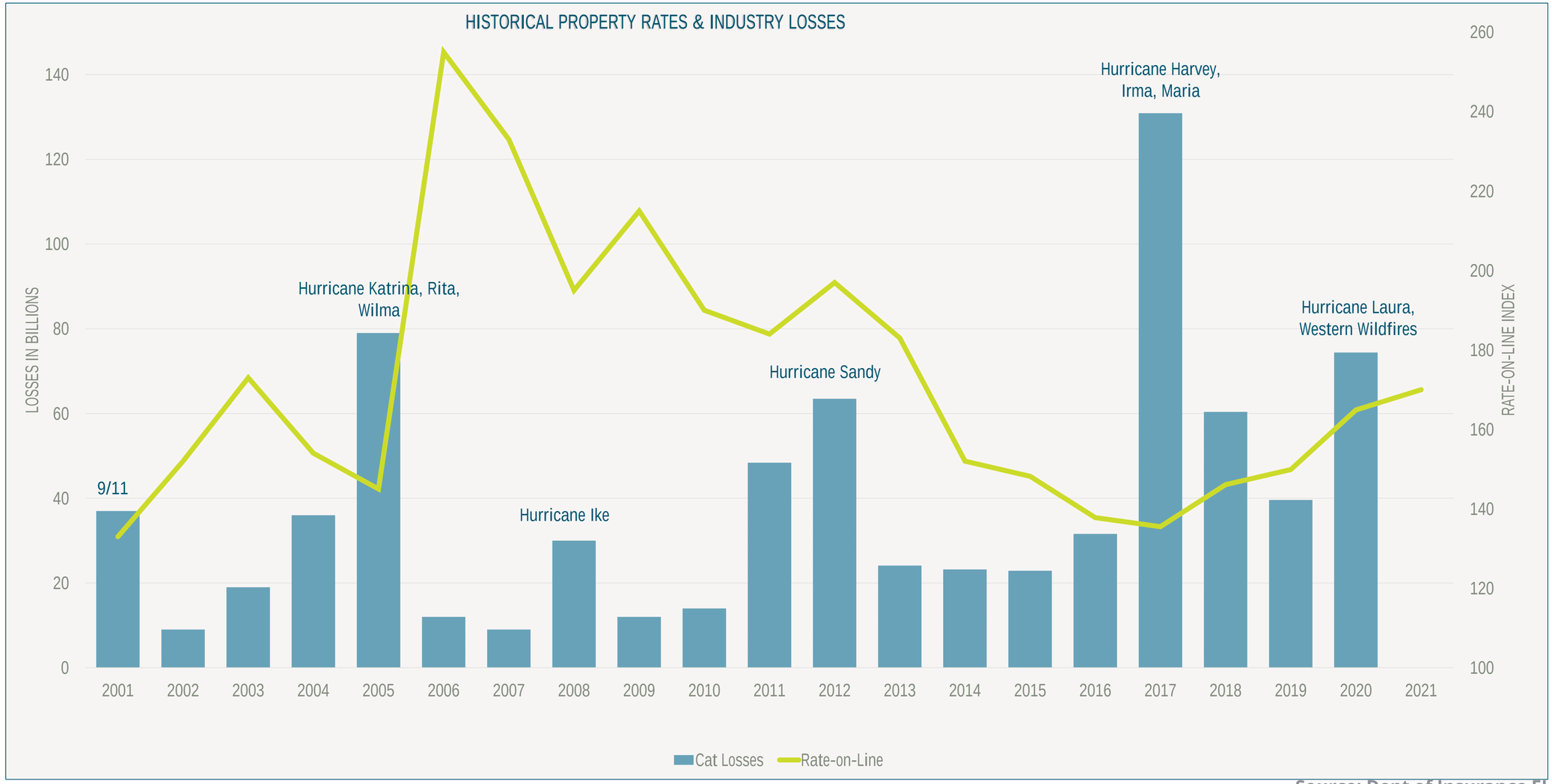
INSURANCE RATES

INSURANCE RATES WILL PUT PRESSURE ON REAL ESTATE

1. WE REMAIN IN THE MOST CHALLENGING INSURANCE MARKET FOR COMMERCIAL REAL ESTATE IN RECENT HISTORY
2. RATE INCREASES ARE IMPACTING BOTH PROPERTY & LIABILITY LINES
3. RATE INCREASES CAN AVERAGE 15% - 25% WITH HIGHER INCREASES FOR LOSS AFFECTED PORTFOLIOS
4. THIS CORRECTION TRACES BACK TO THE BEGINNING OF 2017 WHEN THE INDUSTRY WAS IN A SOFT MARKET WITH RATES AT A 15-YEAR LOW
5. CARRIERS ARE EXITING THE MARKET AND THOSE REMAINING ARE INCREASING RATES, DEDUCTIBLES AND REDUCING COVERAGES
6. CARRIERS ARE SEEKING TO WRITE THE “BEST-IN-CLASS” RISKS, WHICH MEANS A GREATER EMPHASIS ON DATA

INSURANCE RATES ARE INCREASING



Source: Dept of Insurance FL

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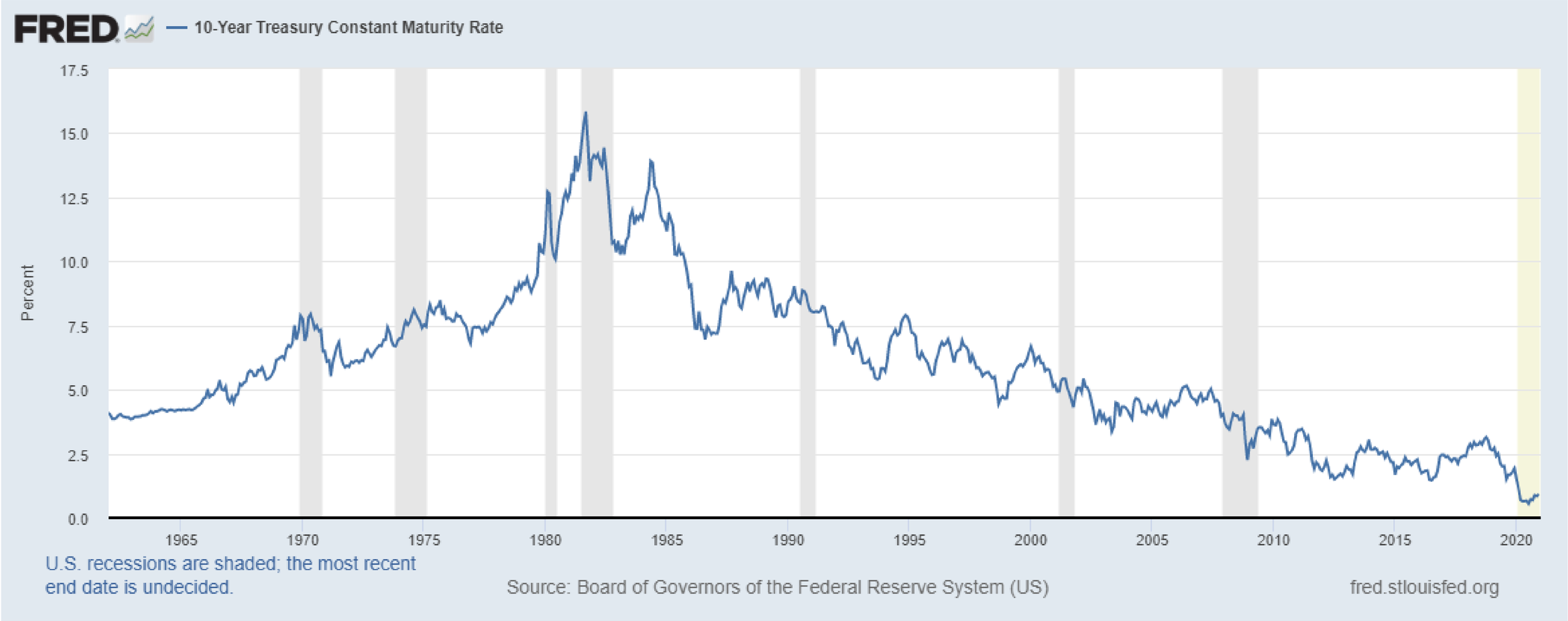
INTEREST RATES

HISTORICALLY LOW INTEREST RATES



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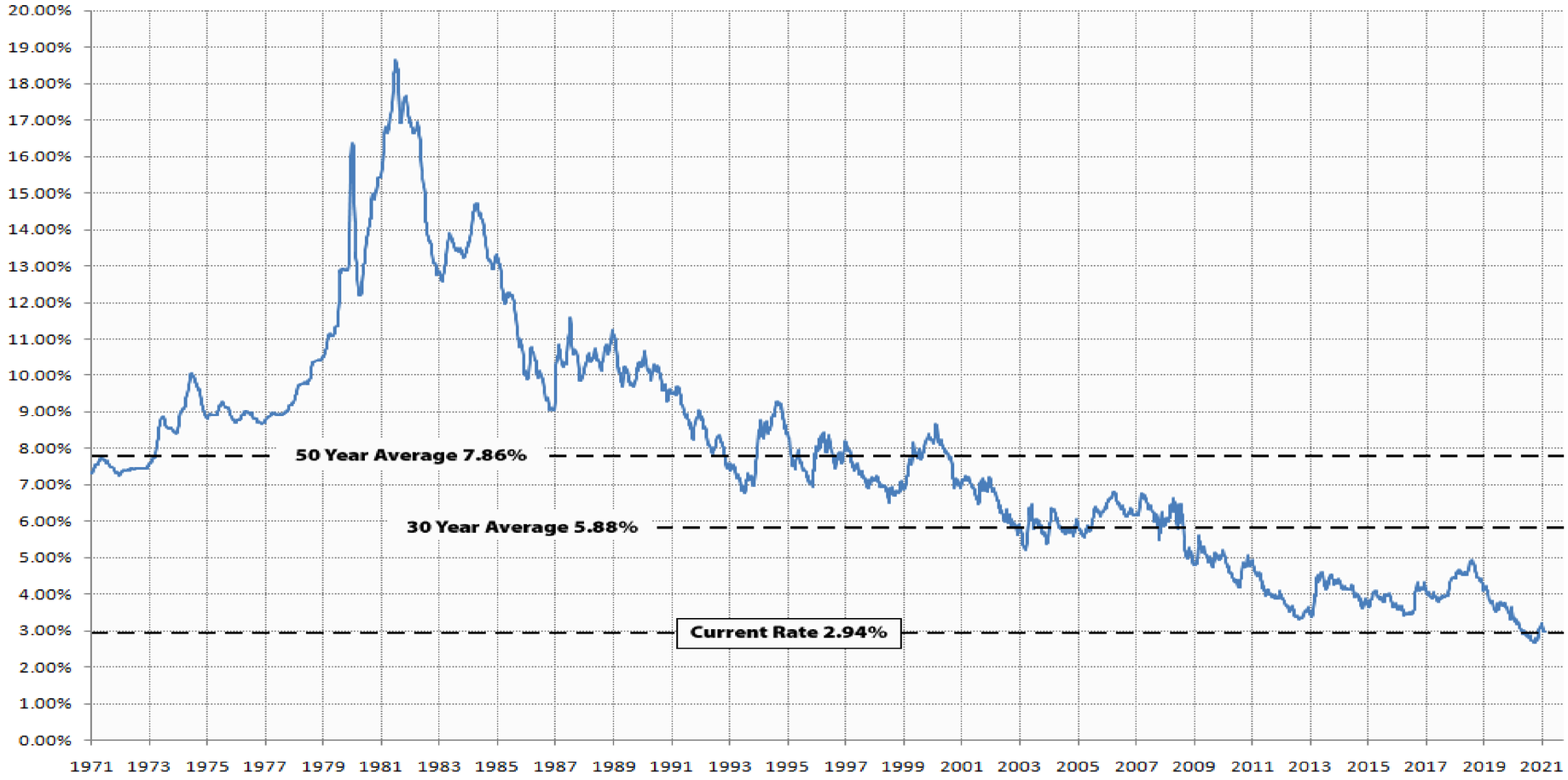
RATES INCREASED IN 2021 AFTER A 70% DROP IN 2020

FRED
Market Yield on U.S. Treasury Securities at 30-Year Constant Maturity
Market Yield on U.S. Treasury Securities at 10-Year Constant Maturity
Market Yield on U.S. Treasury Securities at 5-Year Constant Maturity
Percent
4.0
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021

AVERAGE YEAR 30-YEAR MORTGAGE RATE, 1971-2021

SOURCE: FREDDIE MAC CIA SOCKETSITE.COM



INTEREST RATES WILL RISE IN 2022

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SINGLE FAMILY HOUSING

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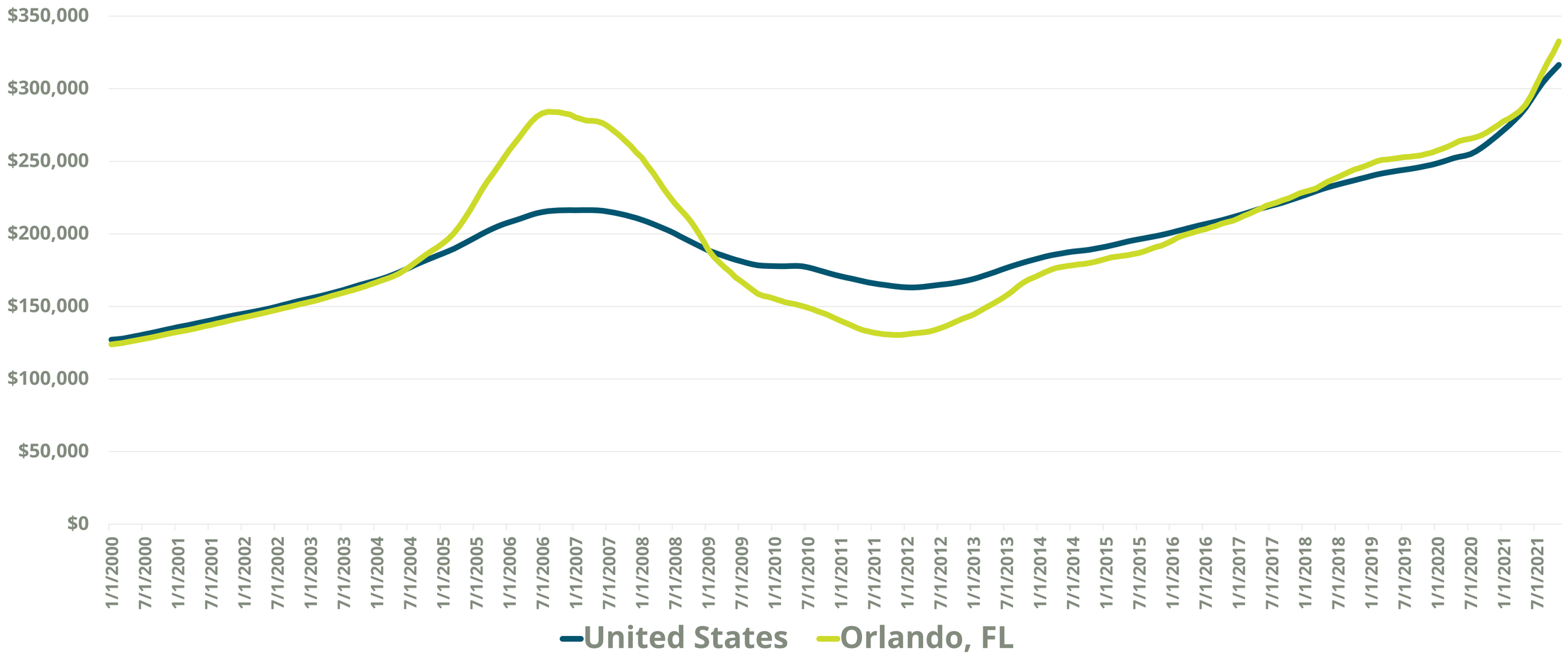
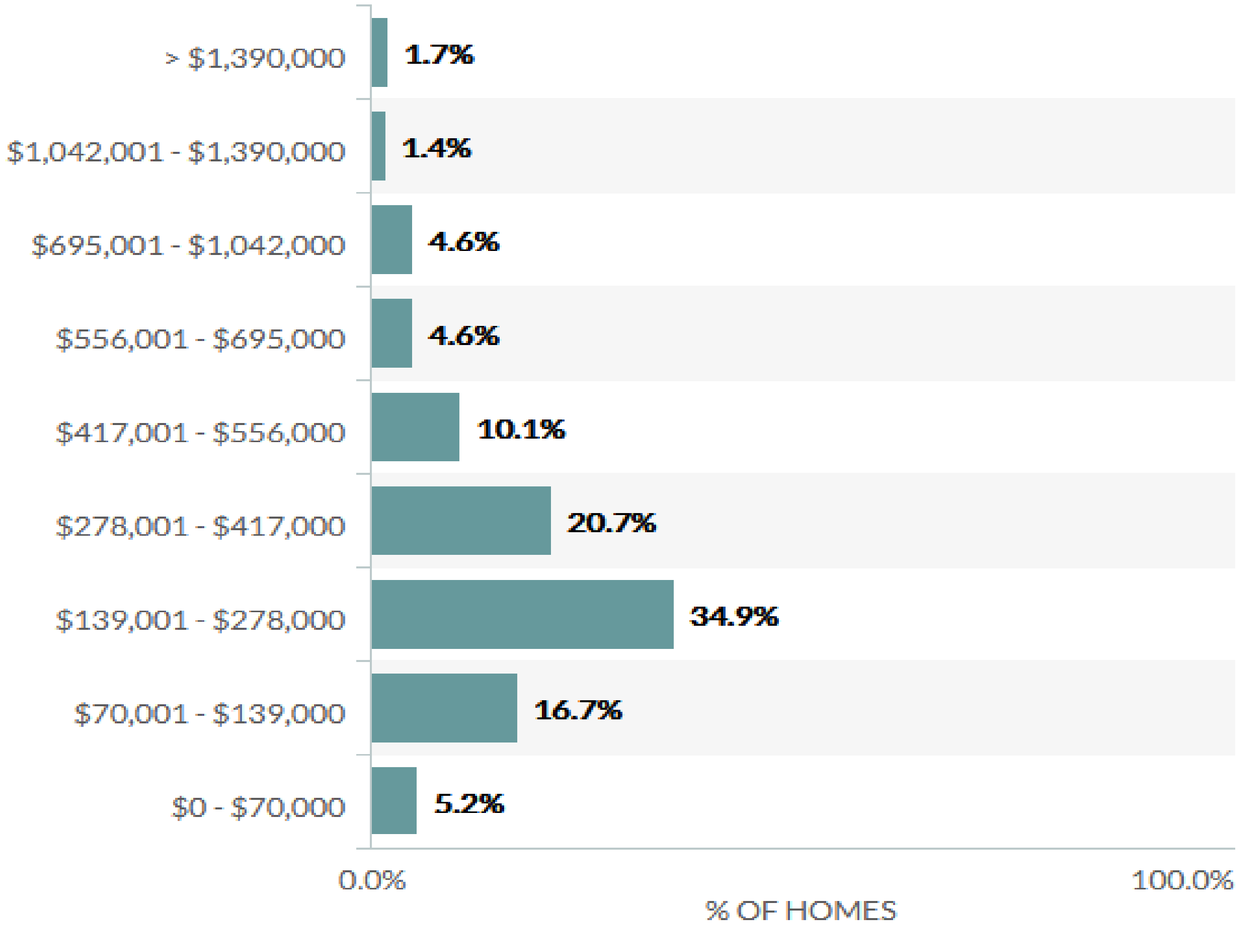
ZILLOW MSA HOME VALUE INDEX



Source: Zillow

ORLANDO, FL HOME PRICES



Source: Neighborhood Scout

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PRODUCT TYPE UPDATES

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POPULATION GROWTH

+

GDP GROWTH

+

SUPPLY CONSTRAINTS

=

RENT GROWTH

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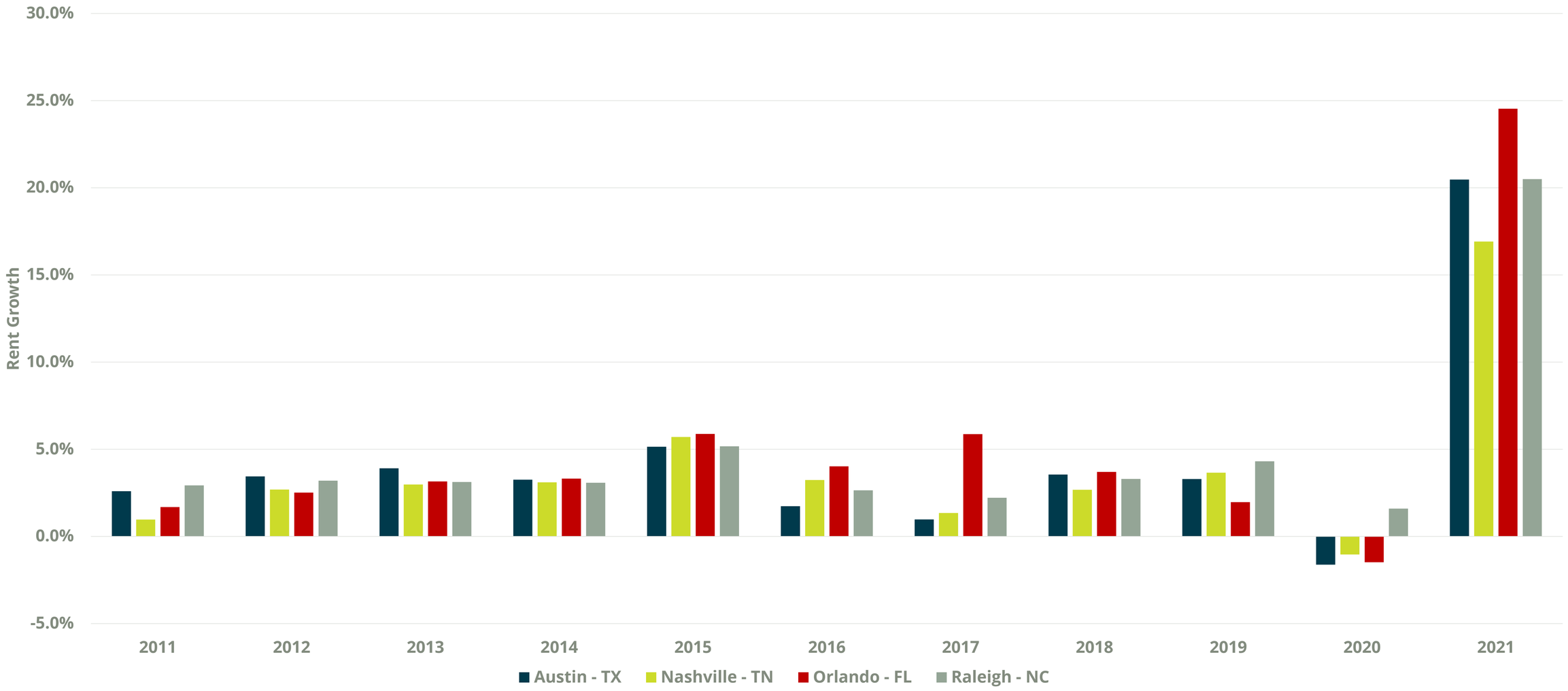
MULTIFAMILY

MULTIFAMILY 2022 FORECASTS

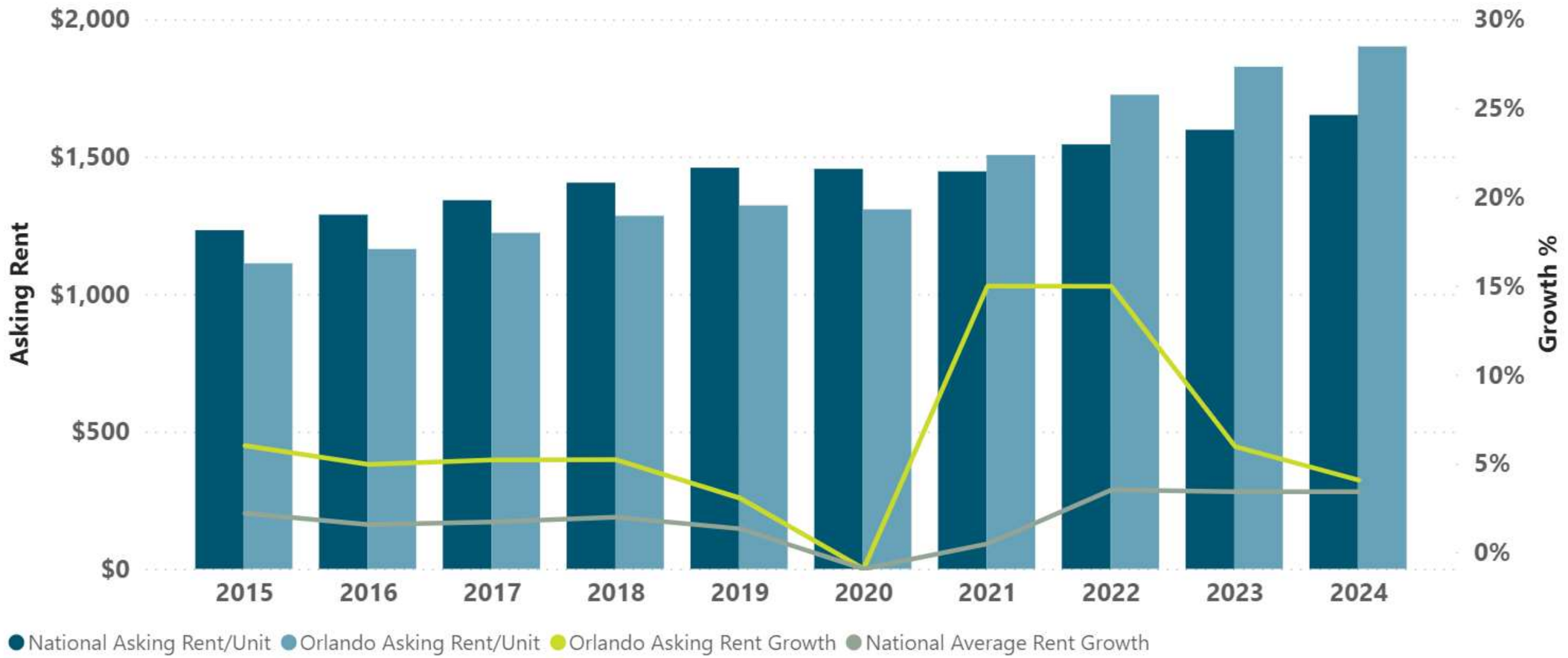
1. RENTAL RATES WILL CONTINUE TO INCREASE. ALTHOUGH AT A SLOWER PACE THAN A RECORD 2021
2. VACANCY WILL REMAIN LOW
3. NEW DEVELOPMENT WILL CONTINUE AT A STEADY PACE
4. SALES VOLUME WILL BE HIGH
   - MULTIFAMILY WILL CONTINUE TO BE THE MOST SOUGHT-AFTER ASSET TYPE ALONG WITH INDUSTRIAL

YoY MULTIFAMILY MARKET RENT GROWTH



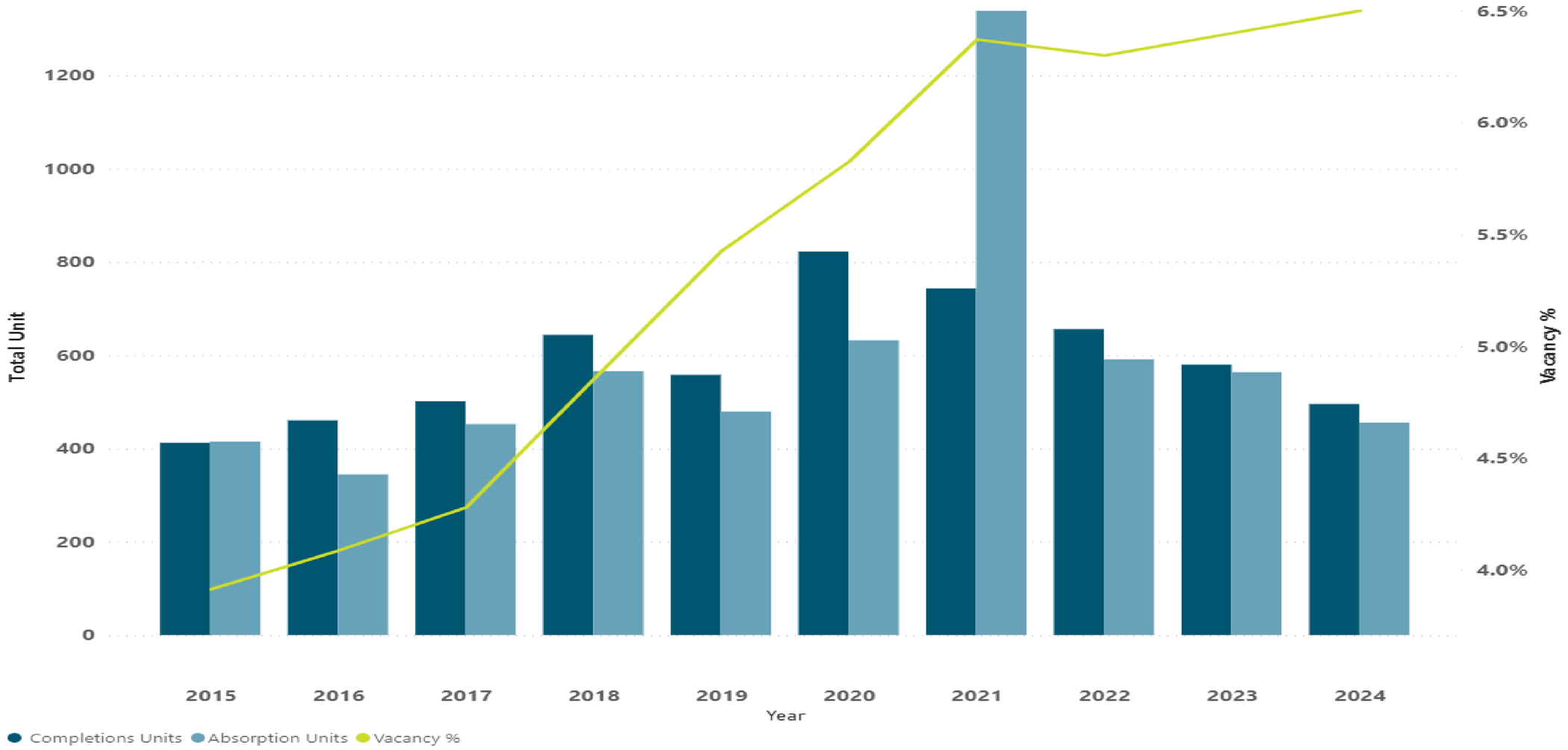
Source: CoStar

STRONG MARKET PERFORMANCE



Source: REIS

MARKET SUPPLY & DEMAND



Source: CoStar

MARKET INVENTORY

Year	Quarter	Inventory Per Unit	Completions Per Unit	Inventory % Growth	Vacant Stock In Units	Occupied Stock In Units	Net Absorption In Units
2018	Q1	147,975	964	0.7%	6,476	141,499	1,302
2018	Q2	151,229	3,254	2.2%	7,272	143,957	2,458
2018	Q3	153,658	2,429	1.6%	7,934	145,724	1,767
2018	Q4	155,567	1,909	1.2%	8,256	147,311	1,587
2018	Y	155,567	8,556	5.8%	8,256	147,311	7,114
2019	Q1	164,213	1,502	5.6%	9,250	154,963	7,652
2019	Q2	165,305	1,092	0.7%	8,858	156,447	1,484
2019	Q3	167,779	2,474	1.5%	9,303	158,476	2,029
2019	Q4	168,399	620	0.4%	9,691	158,708	232
2019	Y	168,399	5,688	8.2%	9,691	158,708	11,397
2020	Q1	169,825	1,426	0.8%	9,703	160,122	1,414
2020	Q2	171,307	1,482	0.9%	10,194	161,113	991
2020	Q3	172,307	1,000	0.6%	10,659	161,648	535
2020	Q4	173,964	1,657	1.0%	10,789	163,175	1,527
2020	Y	173,964	5,565	3.3%	10,789	163,175	4,467
2021	Q1	175,683	1,719	1.0%	11,875	163,808	633
2021	Q2	176,322	639	0.4%	11,526	164,796	988
2021	Q3	177,121	799	0.5%	8,844	168,277	3,481

STRONG MARKET PERFORMANCE

Year	Quarter	Asking Rent Per Unit	Asking Rent % Change	Effective Rent Per Unit	Effective Rent % Change	% Vacant	% Vacant Change in BPS
2018	Q1	$1,195	2.1%	$1,133	2.2%	4.4%	-20
2018	Q2	$1,222	2.3%	$1,160	2.4%	4.8%	40
2018	Q3	$1,247	2.1%	$1,182	1.9%	5.2%	40
2018	Q4	$1,257	0.8%	$1,191	0.7%	5.3%	10
2018	Y	$1,257	7.4%	$1,191	7.4%	5.3%	70
2019	Q1	$1,267	0.7%	$1,199	0.7%	5.6%	30
2019	Q2	$1,281	1.1%	$1,212	1.0%	5.4%	-20
2019	Q3	$1,296	1.2%	$1,225	1.1%	5.5%	10
2019	Q4	$1,300	0.3%	$1,229	0.3%	5.8%	30
2019	Y	$1,300	3.4%	$1,229	3.2%	5.8%	50
2020	Q1	$1,307	0.6%	$1,237	0.6%	5.7%	-10
2020	Q2	$1,303	-0.3%	$1,234	-0.2%	6.0%	30
2020	Q3	$1,269	-2.6%	$1,200	-2.8%	6.2%	20
2020	Q4	$1,256	-1.0%	$1,189	-0.8%	6.2%	0
2020	Y	$1,256	-3.3%	$1,189	-3.2%	6.2%	40
2021	Q1	$1,255	-0.1%	$1,187	-0.2%	6.8%	60
2021	Q2	$1,285	2.4%	$1,217	2.5%	6.5%	-30
2021	Q3	$1,473	14.6%	$1,409	15.8%	5.0%	-150

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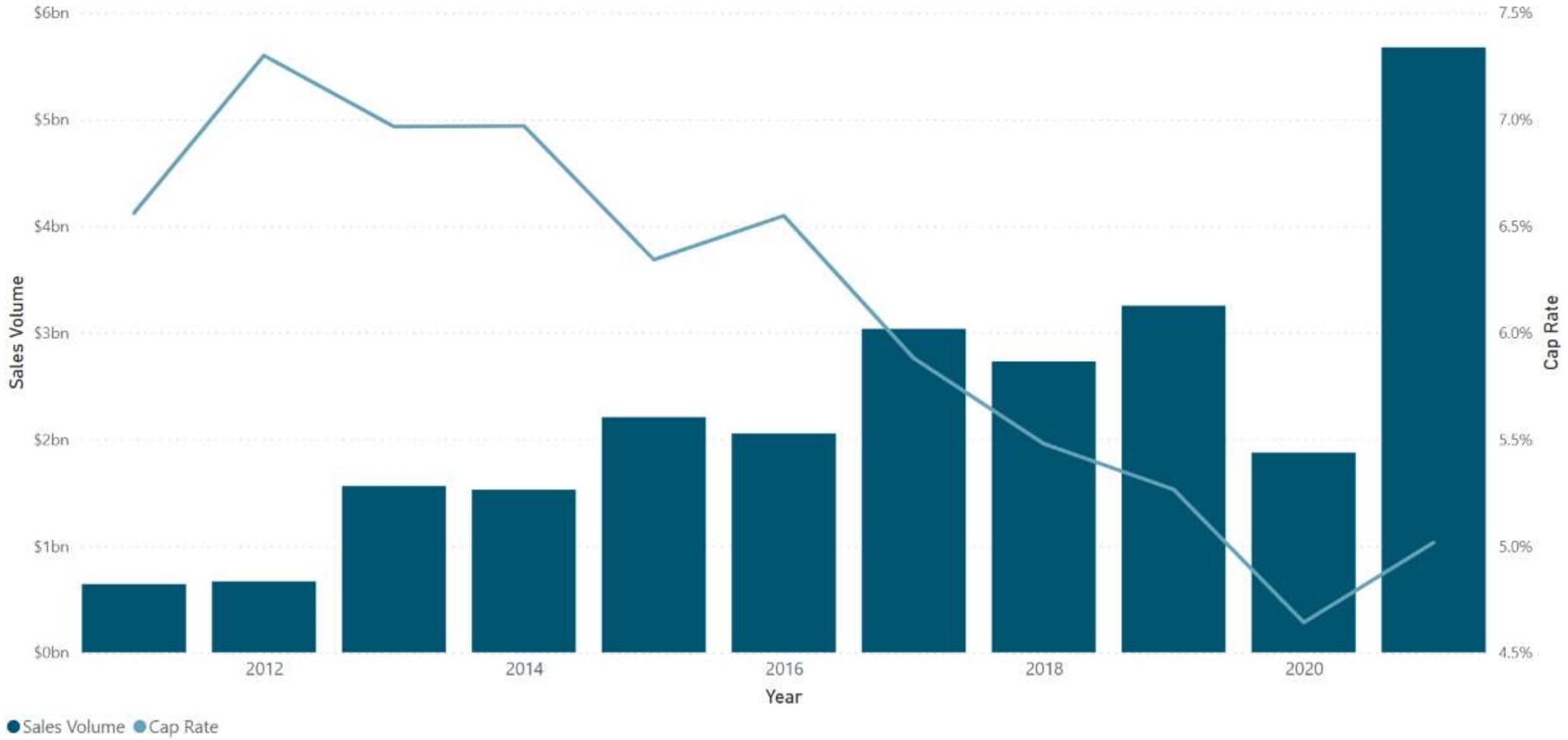
INCREASING SALES VOLUME AND DECREASING CAP RATES



Source: CoStar & REIS

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OFFICE

OFFICE
2022 FORECASTS

1. **RENTS WILL CONTINUE TO RISE STEADILY**
   - PARTICULARY IN THE B/V CLASS DUE TO THE MARKET LIFT FROM NEW DEVELOPMENT

2. **NEW SUPPLY WILL CONTINUE TO GET ABSORBED**

3. **NEW DEVELOPMENT WILL SLOW**
   - STILL A LARGE SUPPLY OF NEW DEVELOPMENT THAT NEEDS TO BE ABSORBED.

4. **SALES VOLUME WILL INCREASE**
   - INVESTORS WILL BEGIN FOCUSING ON OPPORTUNITIES FOR HIGHER RETURNS IN THIS ASSET CLASS AS THE RECOVERY PICKS UP

5. **PEOPLE WILL RETURN TO WORK IN OFFICE**
   - TEAM, TRAINING AND RELATIONSHIPS

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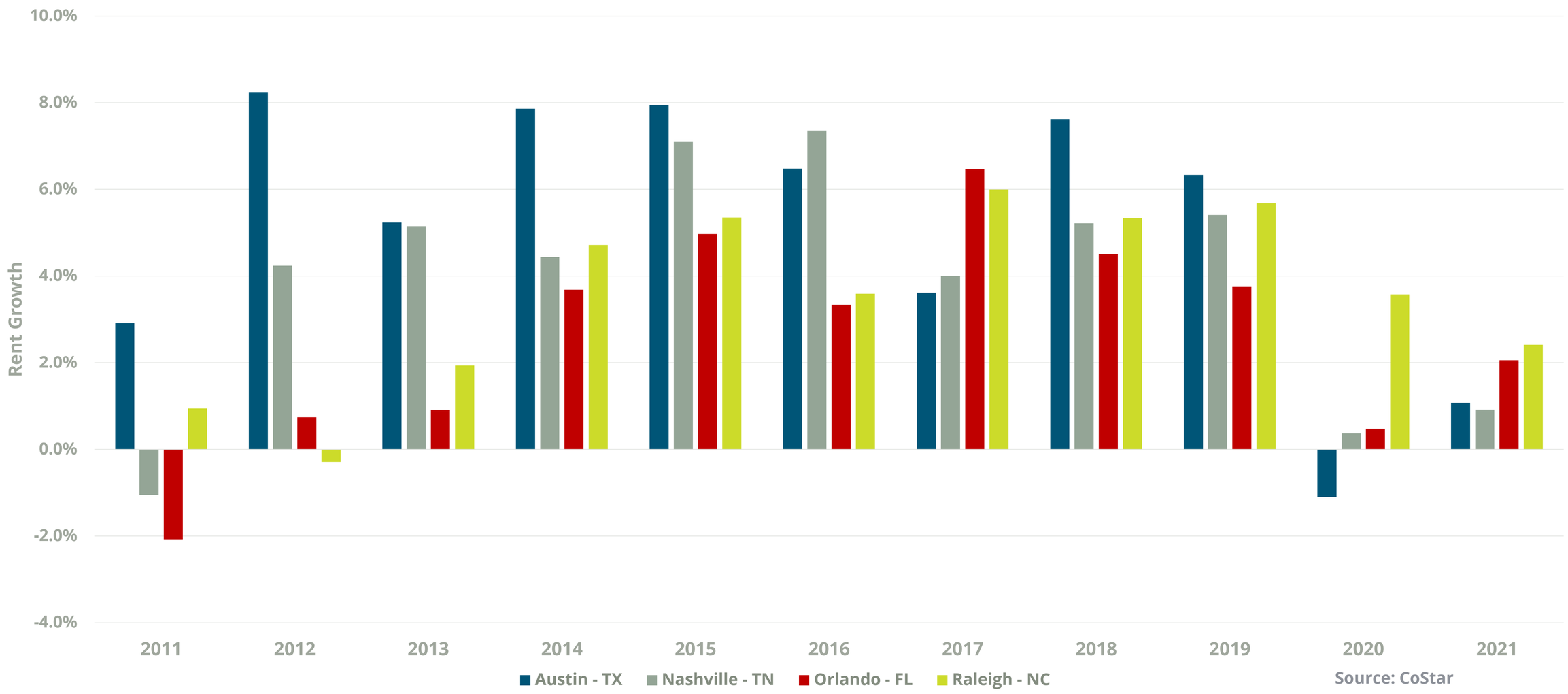
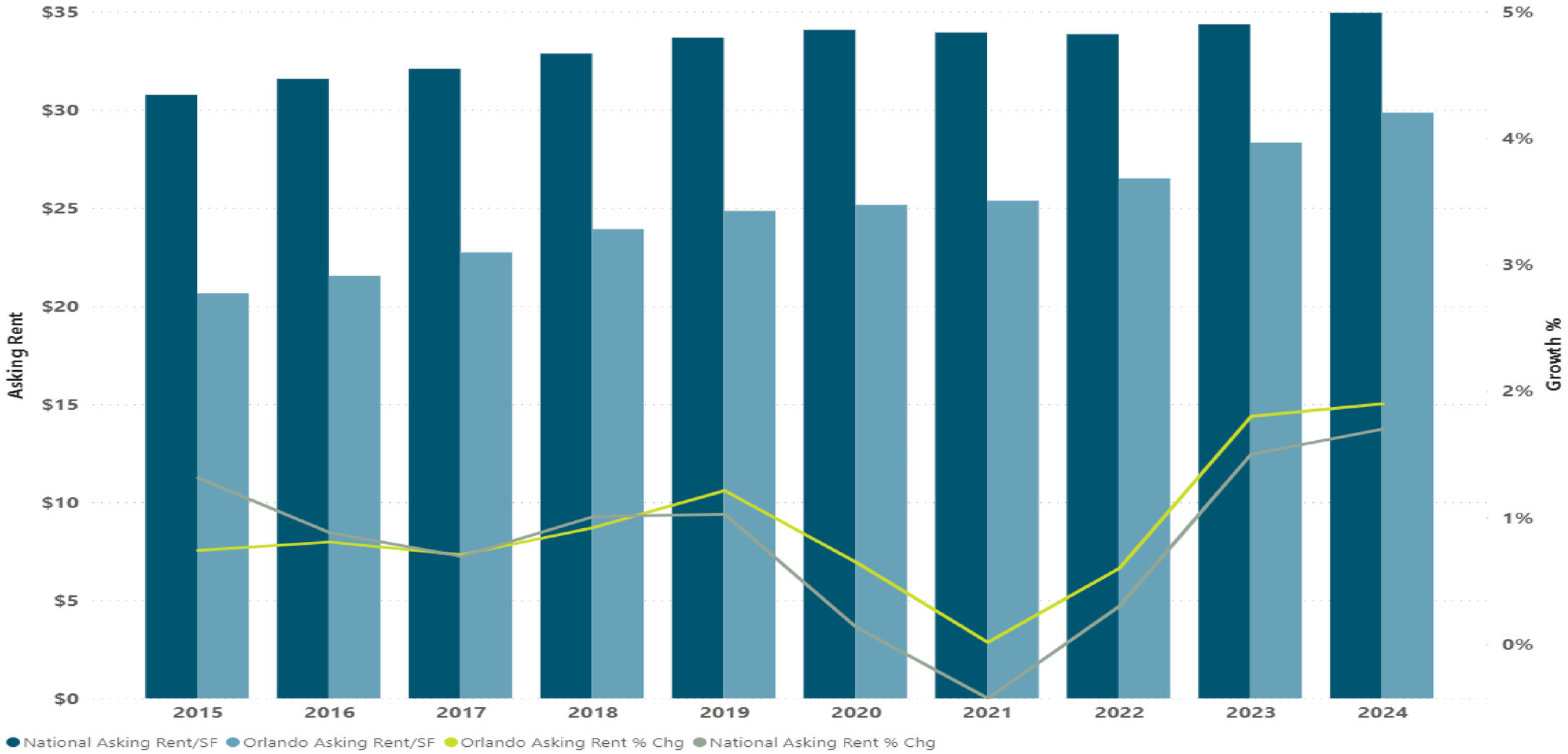
YoY OFFICE MARKET RENT GROWTH



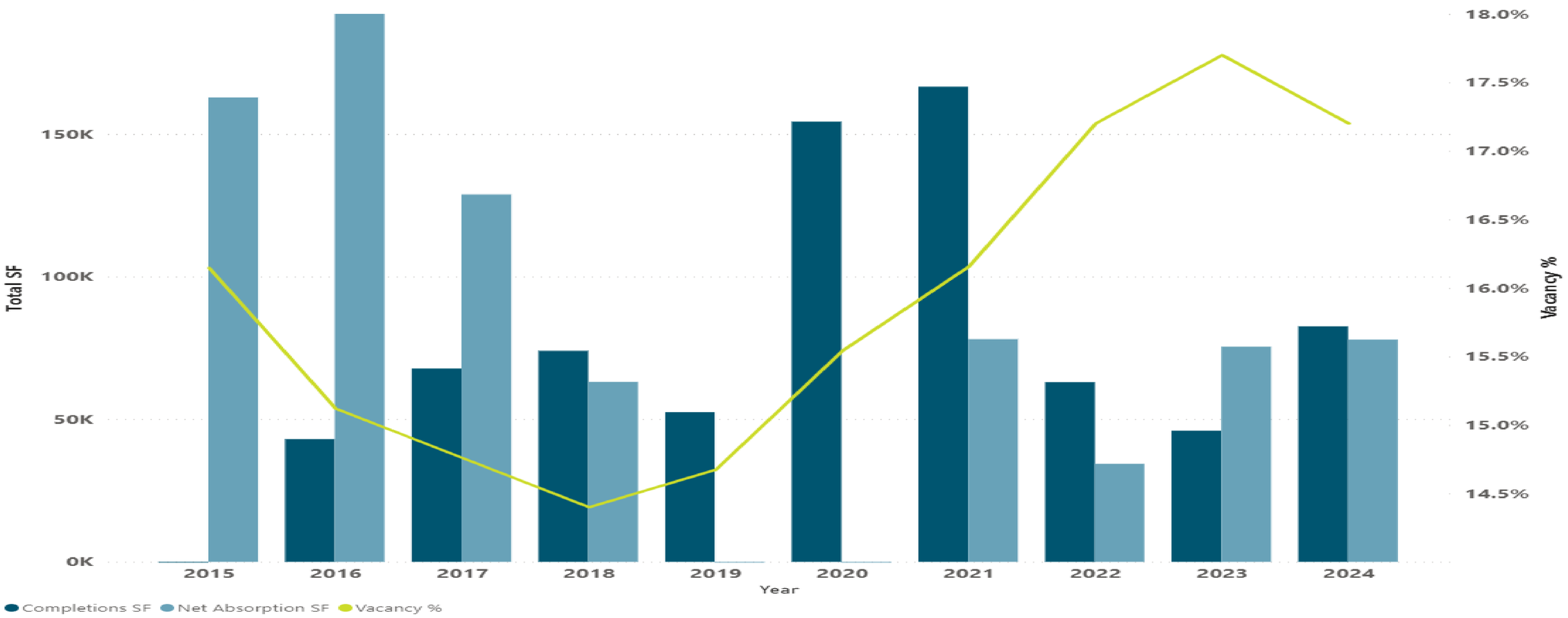
Source: CoStar

MARKET PERFORMANCE



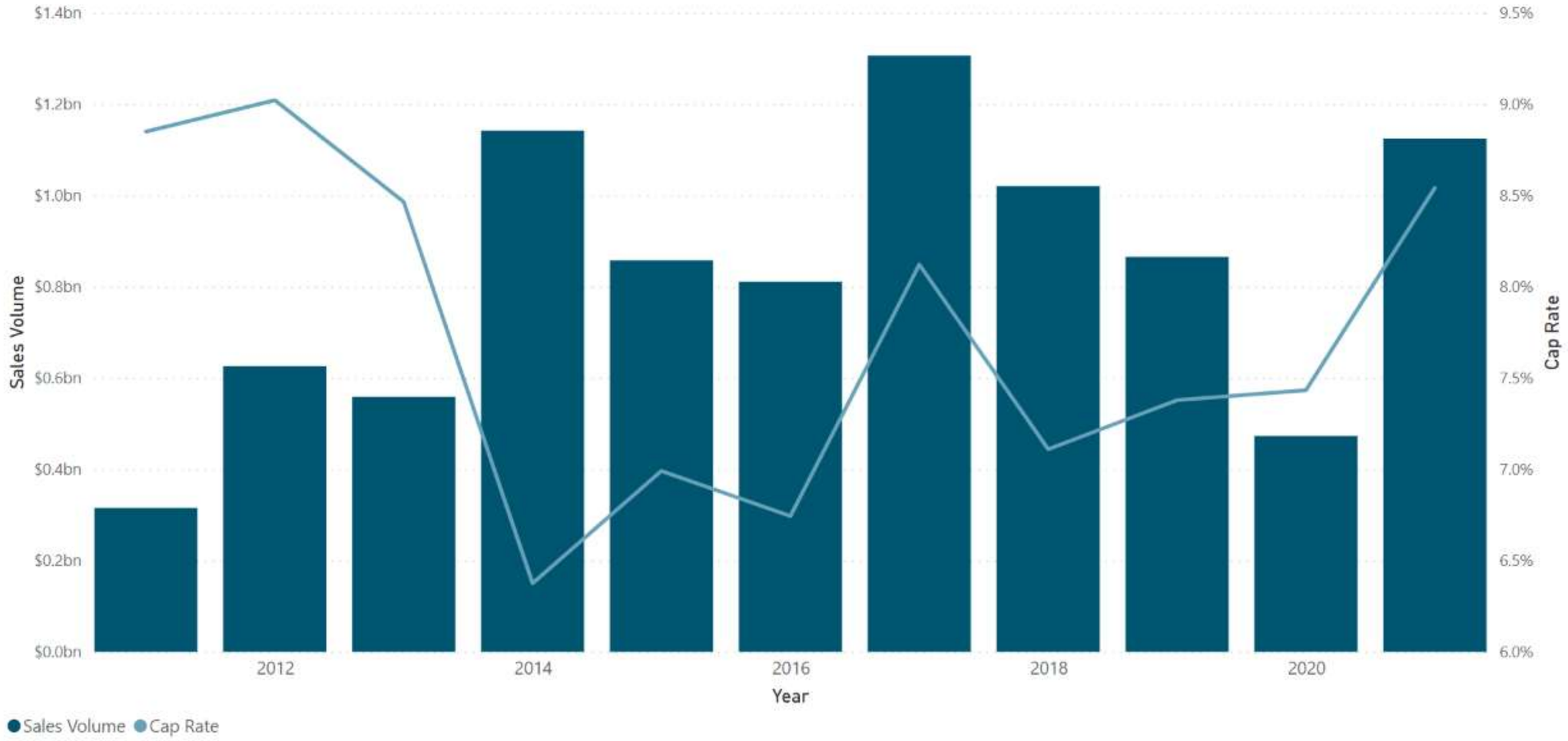
Source: REIS

ABSORPTION NEEDS TO CATCH UP WITH COMPLETIONS



Source: CoStar

SALES VOLUME WILL BEGIN TO GROW FROM LOWS



Source: CoStar & REIS

MARKET INVENTORY

Year	Quarter	Inventory Per SF	Completions Per SF	Inventory % Growth	Vacant Stock In SF	Occupied Stock In SF	Net Absorption In SF
2018	Q1	32,413,000	221,000	0.7%	4,669,000	27,744,000	180,000
2018	Q2	32,308,000	0	-0.3%	4,624,000	27,684,000	-60,000
2018	Q3	32,308,000	0	0.0%	4,591,000	27,717,000	33,000
2018	Q4	32,463,000	155,000	0.5%	4,726,000	27,737,000	20,000
2018	Y	32,463,000	376,000	0.8%	4,726,000	27,737,000	173,000
2019	Q1	32,571,000	108,000	0.3%	4,812,000	27,759,000	22,000
2019	Q2	32,696,000	125,000	0.4%	4,858,000	27,838,000	79,000
2019	Q3	32,911,000	215,000	0.7%	4,800,000	28,111,000	273,000
2019	Q4	32,911,000	0	0.0%	4,784,000	28,127,000	16,000
2019	Y	32,911,000	448,000	1.4%	4,784,000	28,127,000	390,000
2020	Q1	32,911,000	0	0.0%	4,787,000	28,124,000	-3,000
2020	Q2	33,032,000	121,000	0.4%	5,095,000	27,937,000	-187,000
2020	Q3	33,032,000	0	0.0%	5,246,000	27,786,000	-151,000
2020	Q4	33,042,000	10,000	0.0%	5,265,000	27,777,000	-9,000
2020	Y	33,042,000	131,000	0.4%	5,265,000	27,777,000	-350,000
2021	Q1	33,042,000	0	0.0%	5,429,000	27,613,000	-164,000
2021	Q2	33,169,000	127,000	0.4%	5,279,000	27,890,000	277,000
2021	Q3	33,169,000	0	0.0%	5,186,000	27,983,000	93,000

OFFICE COMEBACK IN 2022?

Year	Quarter	Asking Rent Per SF	Asking Rent % Change	Effective Rent Per SF	Effective Rent % Change	% Vacant	% Vacant Change in BPS
2018	Q1	$23.15	0.6%	$18.43	0.6%	14.4%	0
2018	Q2	$23.24	0.4%	$18.50	0.4%	14.3%	-10
2018	Q3	$23.29	0.2%	$18.55	0.3%	14.2%	-10
2018	Q4	$23.56	1.2%	$18.73	1.0%	14.6%	40
2018	Y	$23.56	2.4%	$18.73	2.2%	14.6%	20
2019	Q1	$23.77	0.9%	$18.91	1.0%	14.8%	20
2019	Q2	$23.91	0.6%	$19.02	0.6%	14.9%	10
2019	Q3	$24.16	1.0%	$19.24	1.2%	14.6%	-30
2019	Q4	$24.29	0.5%	$19.34	0.5%	14.5%	-10
2019	Y	$24.29	3.1%	$19.34	3.3%	14.5%	-10
2020	Q1	$24.35	0.2%	$19.40	0.3%	14.5%	0
2020	Q2	$24.39	0.2%	$19.33	-0.4%	15.4%	90
2020	Q3	$24.52	0.5%	$19.35	0.1%	15.9%	50
2020	Q4	$24.68	0.7%	$19.45	0.5%	15.9%	0
2020	Y	$24.68	1.6%	$19.45	0.6%	15.9%	140
2021	Q1	$24.74	0.2%	$19.42	-0.2%	16.4%	50
2021	Q2	$24.80	0.2%	$19.53	0.6%	15.9%	-50
2021	Q3	$24.81	0.0%	$19.59	0.3%	15.6%	-30

MAJOR PROJECT COMPLETED OR UNDER CONSTUCTION

Property Name	Property Type	Size sqft	Construction Status	Expected Completion	Expected Groundbreak	Developer
123 E Central Pkwy, Altamonte Springs, FL, 32701						
The Majesty Building	Office--Owner Occ.	240,000	Under Constr.	01/01/2022	2/2001	Super Channel
13485 Veterans Way, Orlando, FL, 32827						
Lake Nona Town Center Ph 2 Bldg 1	Office	120,000	Under Constr.	-	-	Travistock Development
150 N Orange Ave, Orlando, FL, 32801						
Fulcrum	Office	141,000	Complete	06/01/2021	-	-
15500 W Colonial Dr, Winter Garden, FL, 34787						
Tucker Oaks Commercial	Office	84,400	Under Constr.	-	-	-
412 Rinehart Rd, Lake Mary, FL, 32746						
Orlando Health Medical Pavilion	Medical Office	60,000	Complete	10/01/2019	-	-
600 W Amelia St, Orlando, FL, 32801						
EA Orlando Creative Village	Office	175,940	Under Constr.	-	-	Ustler Development
6555 Sanger Rd, Orlando, FL, 32827						
KPMG Campus	Office--Owner Occ.	800,000	Complete	12/01/2019	-	-
730 Primera Blvd, Lake Mary, FL, 32746						
The Edison at Primera Ph 2	Multi-Tenant	110,000	Complete	04/01/2020	-	TPA Group
9301 Lake Nona Blvd, Orlando, FL, 32827						
KPMG Lakehouse	Office--Owner Occ.	780,000	Complete	01/01/2020	-	Tavistock Development
Palm Pkwy & Daryl Carter Pkwy, Orlando, FL, 32836						
Boardwalk at O Town West	Office	250,000	Under Constr.	-	-	Unicorp National Developments Inc

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ABSORPTIONS SLOWING AS COMPLETIONS INCREASE

Year	Absorption (SF)	Completions (SF)
2006	1,401,000	762,000
2007	-93,000	724,000
2008	-293,000	480,000
2009	-1,345,000	312,000
2010	-508,000	0
2011	-76,000	309,000
2012	166,000	147,000
2013	178,000	86,000
2014	352,000	40,000
2015	73,000	93,000
2016	201,000	50,000
2017	113,000	135,000
2018	173,000	376,000
2019	390,000	448,000
2020	-350,000	131,000
2021	104,000	0
2021 YTD	283,000	127,000
2022	-214,000	29,000
2023	45,000	96,000
2024	300,000	216,000
2025	340,000	233,000
2026	311,000	234,000

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RETAIL

RETAIL 2022 FORECASTS

1. **NOT ALL RETAIL IS CREATED EQUAL**
   - WELL-LOCATED INSULATED AND EXPERIENCED BASED WINS
   - E-COMMERCE WILL CONTINUE TO PUT PRESSURE ON TRADTIONAL MALLS AND RETAILERS OF GOODS
   - MEDICAL RETAIL WILL CONTINUE TO BLOSSOM

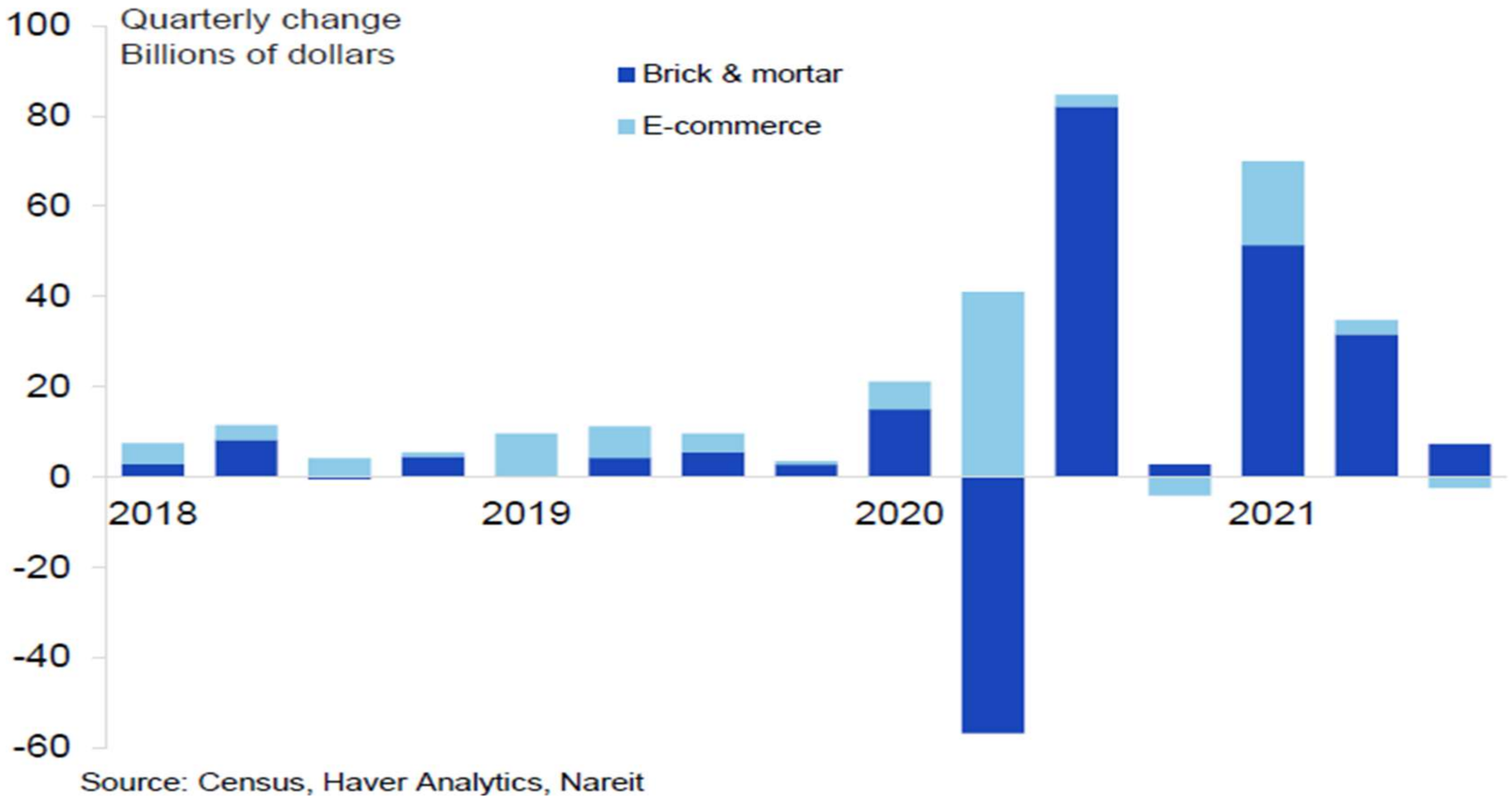
2. **RENTS WILL CONTINUE TO RISE**

3. **NEW CONSTRUCTION**
   - NEW CONSTRUCTION WILL PICK UP AS NEW SUBURBAN SINGLE-FAMILY COMMUNITIES ARE DEVELOPED
   - REPURPOSING OF FAILING REGIONAL MALLS
   - MIXED-USE DEVELOPMENT CONTINUES

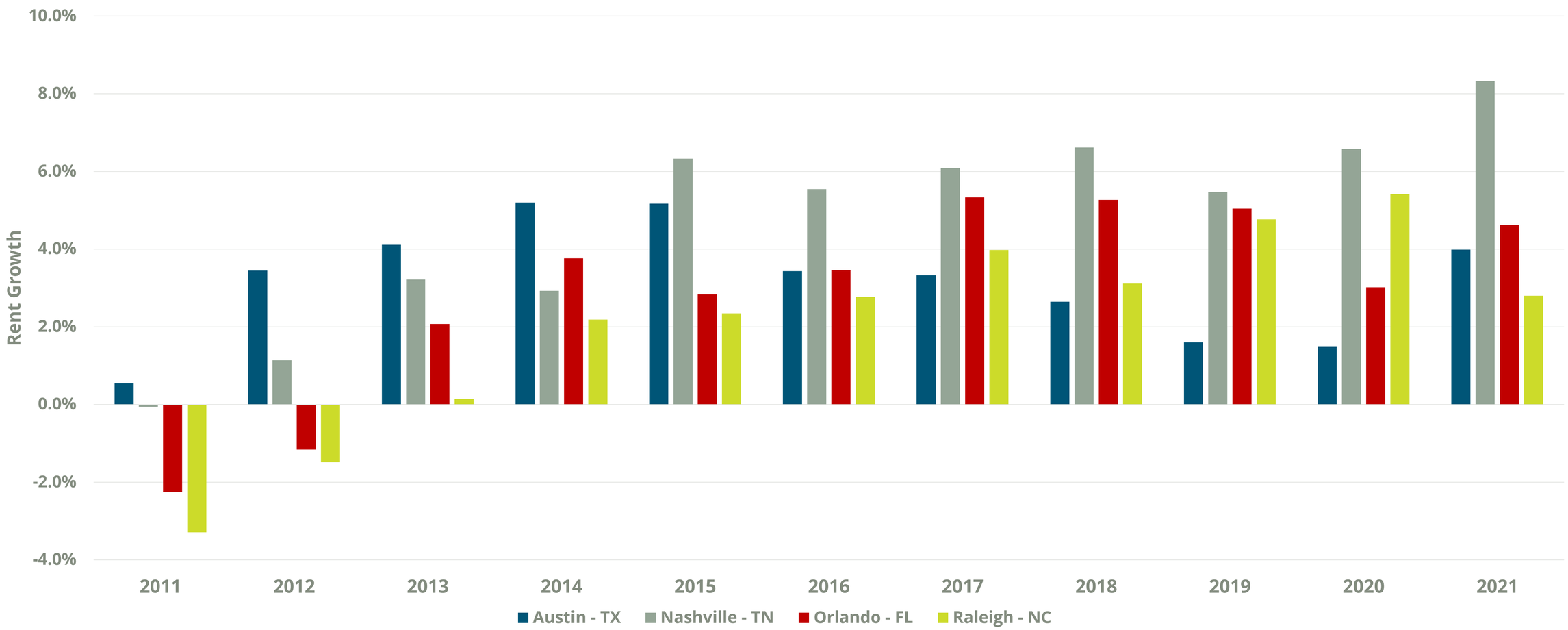
4. **SALES VOLUME WILL BE STRONG**

PENT UP DEMAND… HOW LONG WILL IT LAST

RETAIL SALES

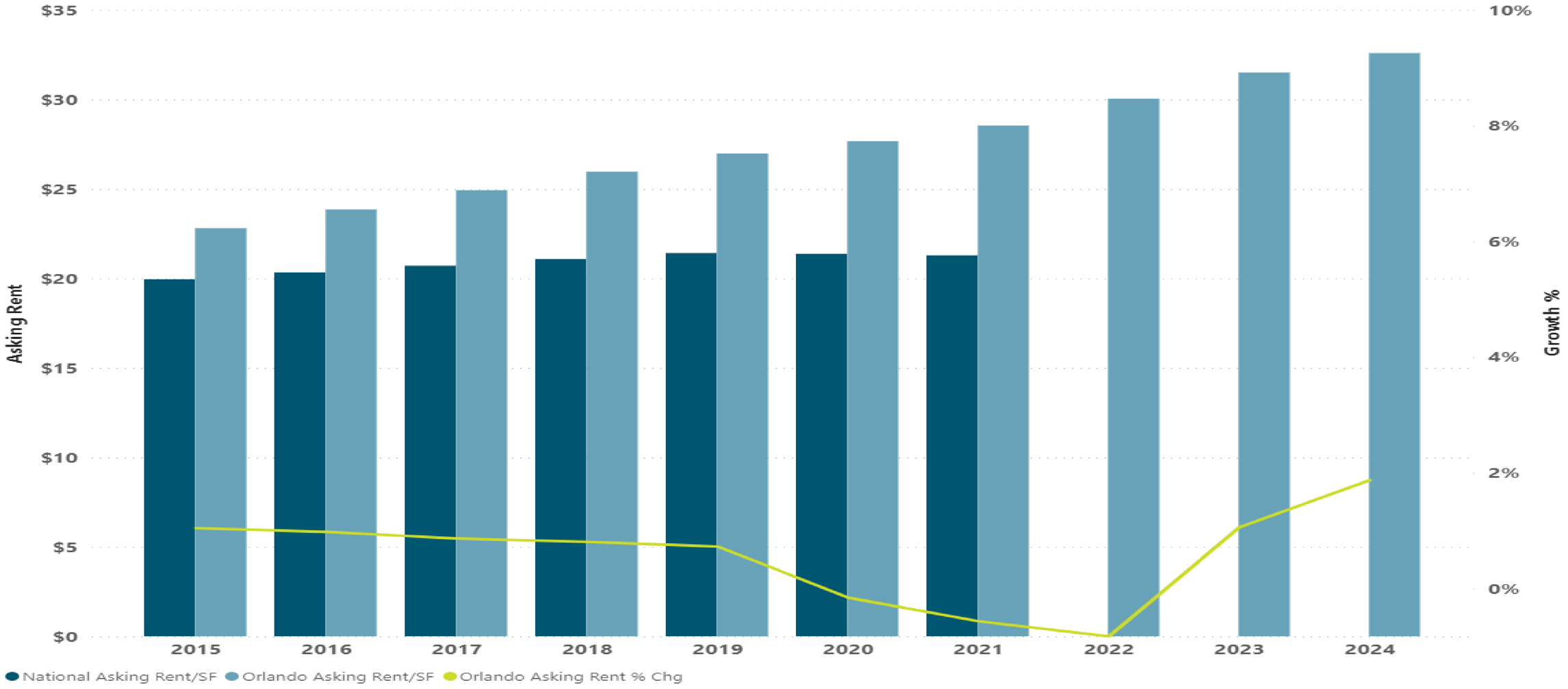


YoY RETAIL MARKET RENT GROWTH



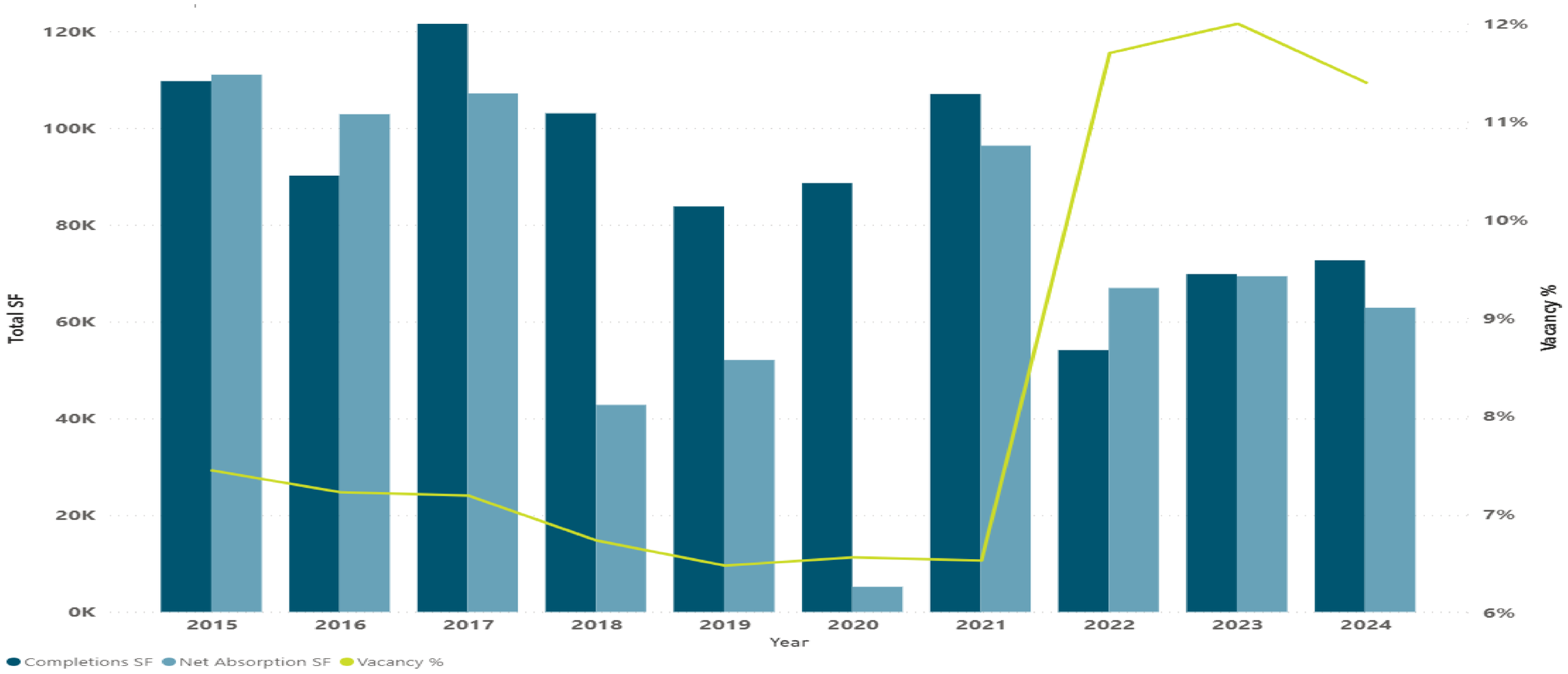
Source: CoStar

MARKET PERFORMANCE



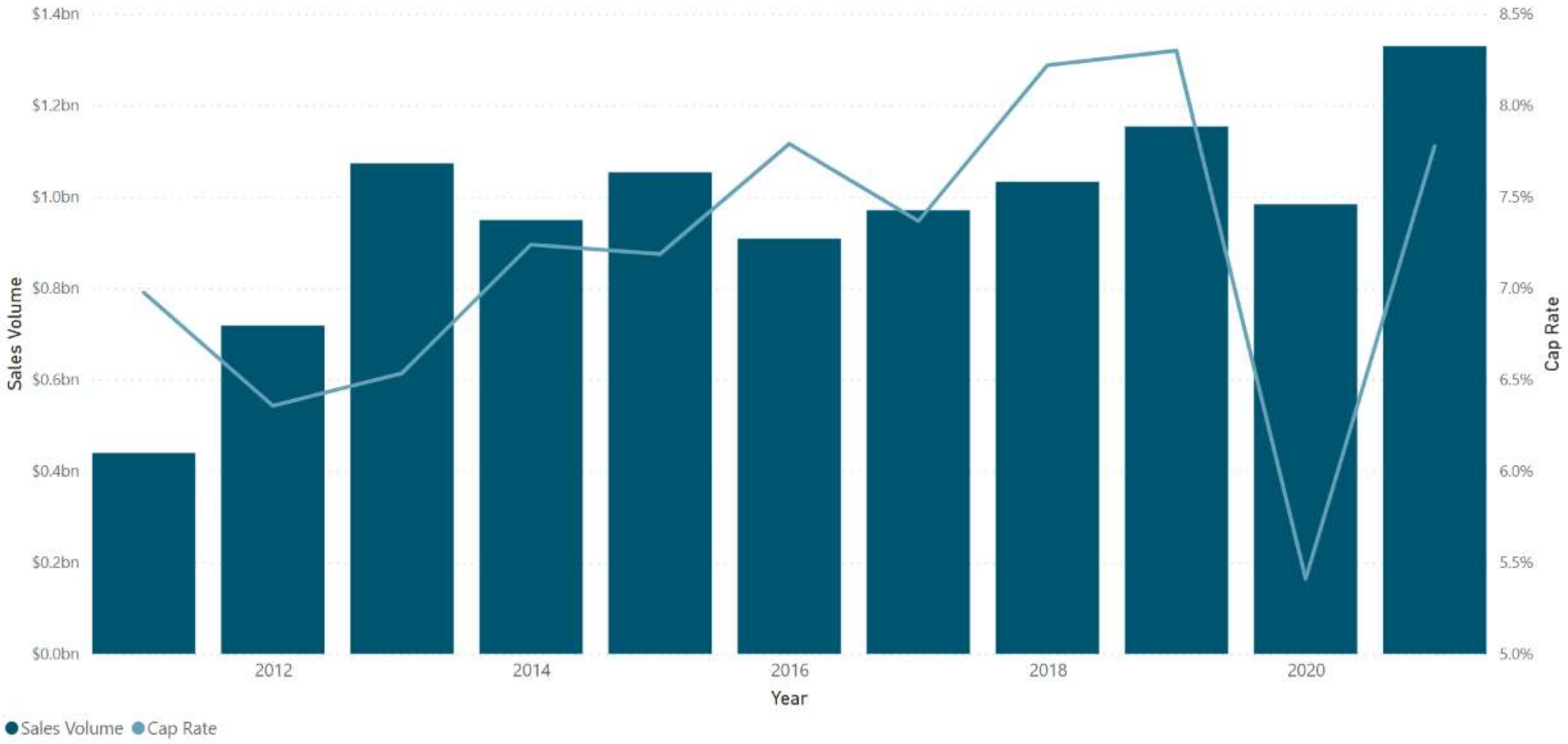
Source: REIS

RETAIL ABSORPTIONS AND COMPLETIONS



Source: CoStar

SALES VOLUME AND CAP RATE



Source: CoStar & REIS

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MARKET INVENTORY

Year	Quarter	Inventory Per SF	Completions Per SF	Inventory % Growth	Vacant Stock In SF	Occupied Stock In SF	Net Absorption In SF
2018	Q1	35,391,000	120,000	0.3%	3,754,000	31,637,000	196,000
2018	Q2	35,395,000	202,000	0.0%	3,780,000	31,615,000	-22,000
2018	Q3	35,395,000	0	0.0%	3,621,000	31,774,000	159,000
2018	Q4	35,588,000	193,000	0.5%	3,494,000	32,094,000	320,000
2018	Y	35,588,000	515,000	0.9%	3,494,000	32,094,000	653,000
2019	Q1	38,018,000	15,000	6.8%	3,739,000	34,279,000	2,185,000
2019	Q2	38,212,000	229,000	0.5%	3,782,000	34,430,000	151,000
2019	Q3	38,268,000	56,000	0.1%	3,809,000	34,459,000	29,000
2019	Q4	38,268,000	0	0.0%	3,748,000	34,520,000	61,000
2019	Y	38,268,000	300,000	7.5%	3,748,000	34,520,000	2,426,000
2020	Q1	38,268,000	0	0.0%	3,664,000	34,604,000	84,000
2020	Q2	38,388,000	120,000	0.3%	3,782,000	34,606,000	2,000
2020	Q3	38,388,000	0	0.0%	3,866,000	34,522,000	-84,000
2020	Q4	38,388,000	0	0.0%	3,926,000	34,462,000	-60,000
2020	Y	38,388,000	120,000	0.3%	3,926,000	34,462,000	-58,000
2021	Q1	38,412,000	24,000	0.1%	3,909,000	34,503,000	41,000
2021	Q2	38,412,000	0	0.0%	3,821,000	34,591,000	88,000
2021	Q3	38,412,000	0	0.0%	3,759,000	34,653,000	62,000

MARKET PERFORMANCE

Year	Quarter	Asking Rent Per SF	Asking Rent % Change	Effective Rent Per SF	Effective Rent % Change	% Vacant	% Vacant Change in BPS
2018	Q1	$19.71	1.3%	$17.00	1.4%	10.6%	-30
2018	Q2	$19.77	0.3%	$17.05	0.3%	10.7%	10
2018	Q3	$19.93	0.8%	$17.19	0.8%	10.2%	-50
2018	Q4	$20.20	1.4%	$17.43	1.4%	9.8%	-40
2018	Y	$20.20	3.8%	$17.43	3.9%	9.8%	-110
2019	Q1	$20.14	-0.3%	$17.35	-0.5%	9.8%	0
2019	Q2	$20.13	0.0%	$17.35	0.0%	9.9%	10
2019	Q3	$20.24	0.5%	$17.45	0.6%	10.0%	10
2019	Q4	$20.33	0.4%	$17.53	0.5%	9.8%	-20
2019	Y	$20.33	0.6%	$17.53	0.6%	9.8%	0
2020	Q1	$20.37	0.2%	$17.56	0.2%	9.6%	-20
2020	Q2	$20.23	-0.7%	$17.40	-0.9%	9.9%	30
2020	Q3	$20.26	0.1%	$17.38	-0.1%	10.1%	20
2020	Q4	$20.16	-0.5%	$17.25	-0.7%	10.2%	10
2020	Y	$20.16	-0.8%	$17.25	-1.6%	10.2%	40
2021	Q1	$19.97	-0.9%	$17.12	-0.8%	10.2%	0
2021	Q2	$19.95	-0.1%	$17.13	0.1%	9.9%	-30
2021	Q3	$20.03	0.4%	$17.24	0.6%	9.8%	-10

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INDUSTRIAL

INDUSTRIAL 2022 FORECASTS

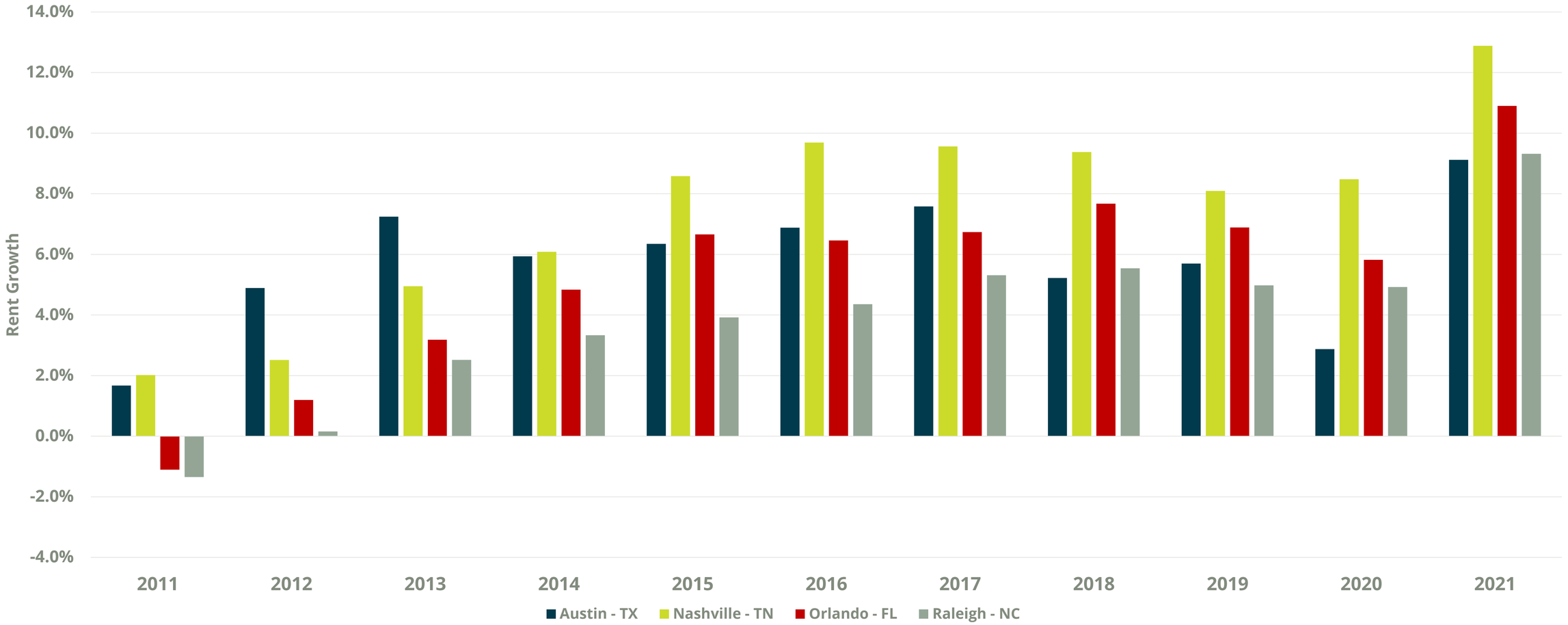
1. **RENT GROWTH WILL REMAIN STRONG**
   - ALL-TIME HIGH RENT GROWTH IN 2021

2. **VACANCY WILL CONTINUE TO DECLINE**
   - RECORD LOW VACANCY

3. **SALES VOLUME REMAINS HIGH**
   - DEMAND FOR LOGISTICS, DISTRIBUTION AND WAREHOUSE SPACE REMAINS STRONG.

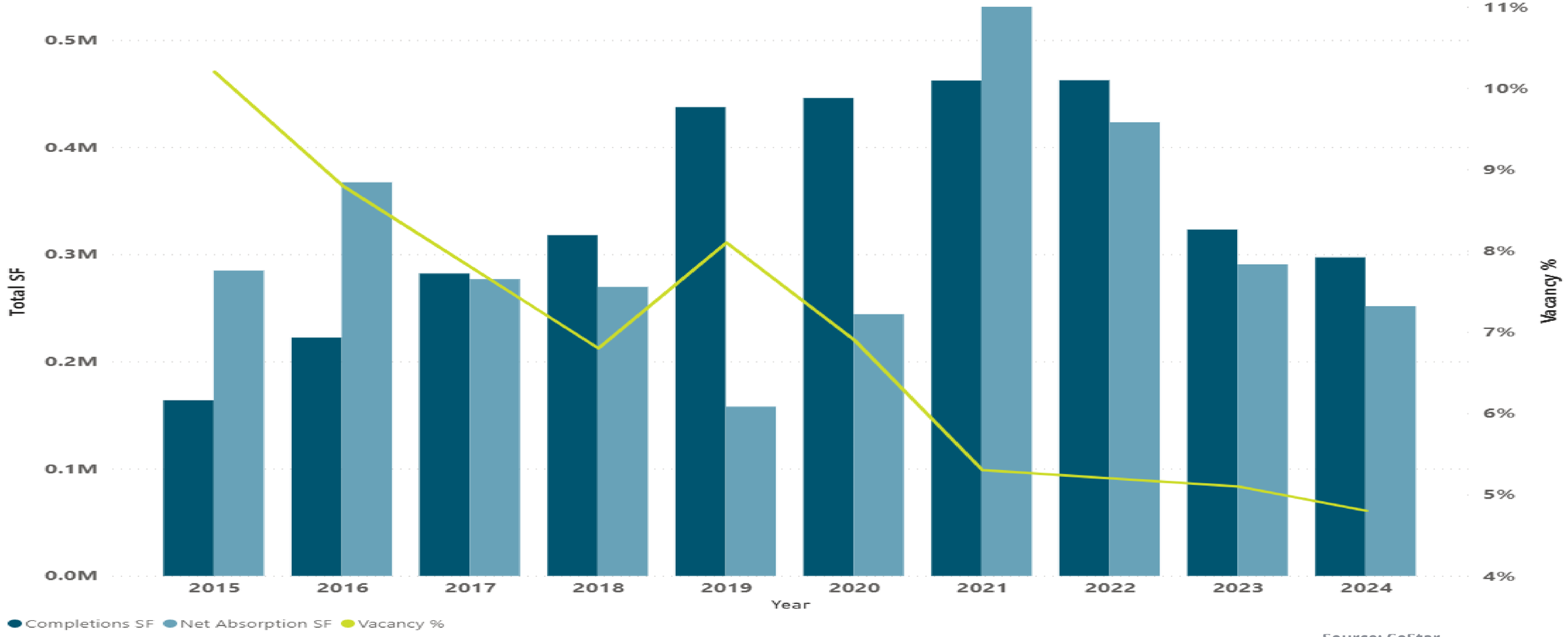
4. **NEW DEVELOPMENT WILL CONTINUE AT SLOWER PACE**
   - LACK OF DEVELOPMENT AND HIGHER LAND COSTS

YoY INDUSTRIAL MARKET RENT GROWTH



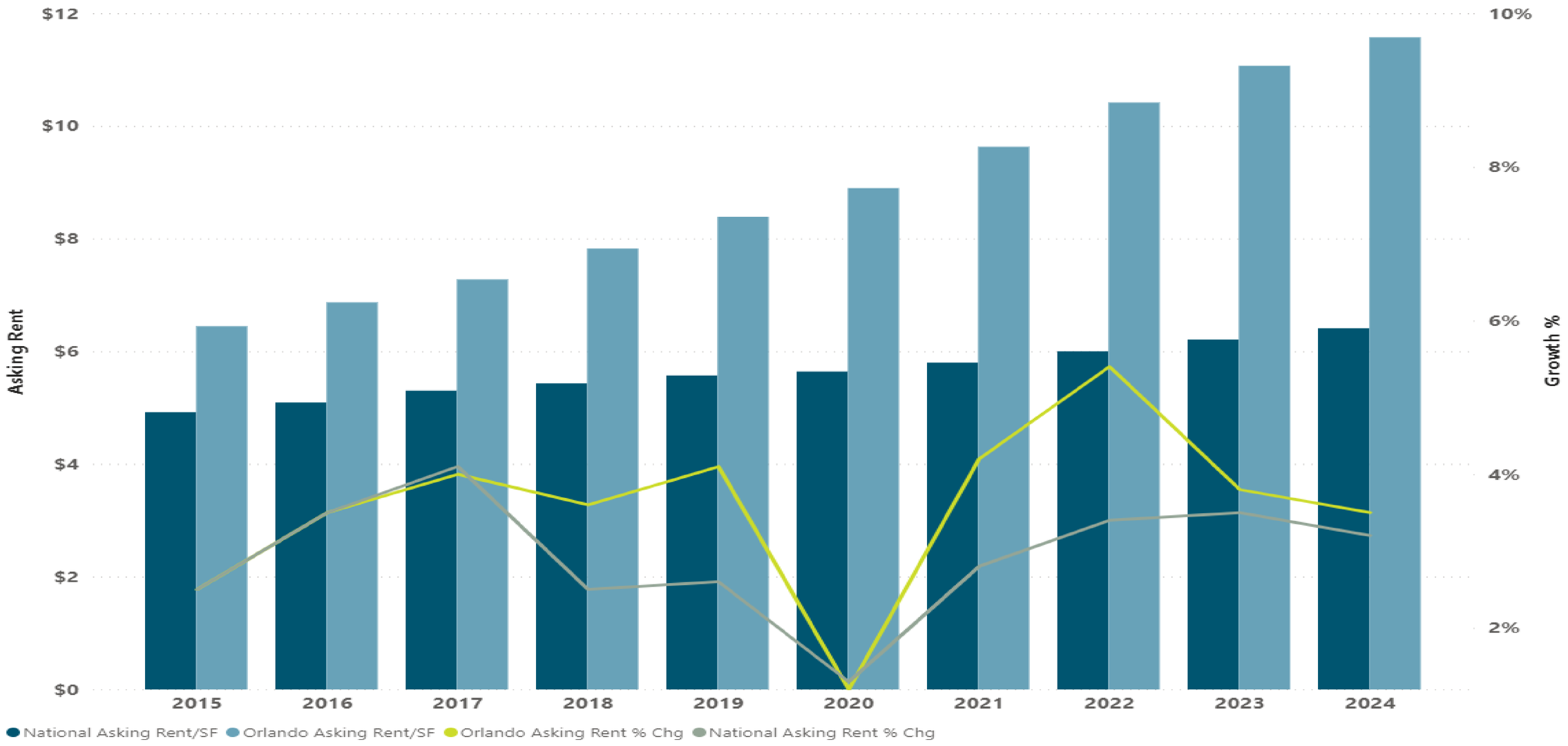
Source: CoStar

MARKET SUPPLY & DEMAND



Source: CoStar

ASKING RENTS & VACANCIES



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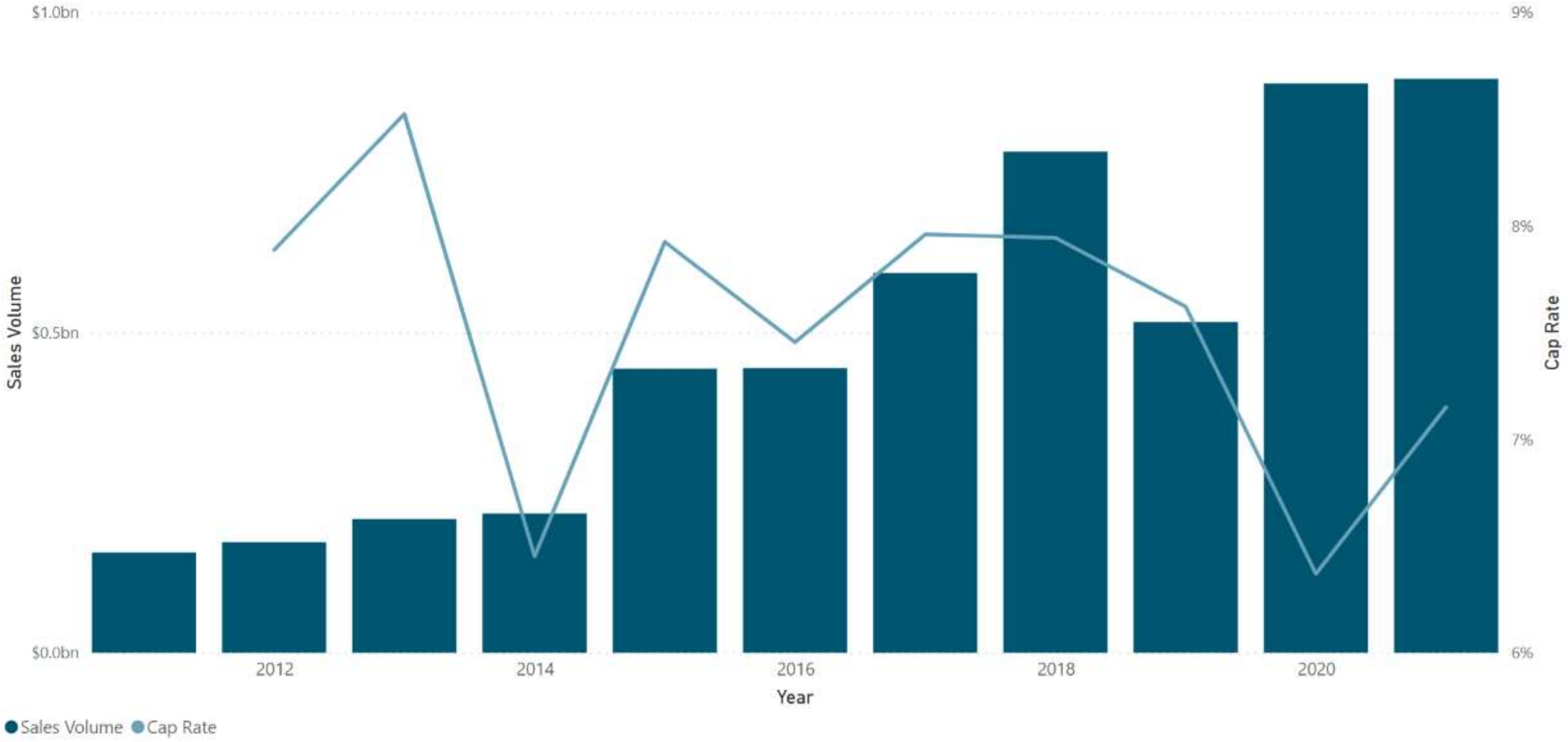
MARKET PERFORMANCE

Year	Quarter	Transaction Volume ($)	Number of Transactions	12 Month Rolling Cap Rate	Mean Sale Price	Median Sale Price	Mean Transaction Cap Rate	Median Transaction Cap Rate
2018	Q1	$70.825M	14	8.3%	$73.84	$71.98	8.0%	7.2%
2018	Q2	$164.841M	24	8.1%	$65.82	$71.13	7.1%	6.4%
2018	Q3	$184.63M	14	8.3%	$56.85	$64.45	10.2%	7.8%
2018	Q4	$87.896M	14	7.9%	$68.18	$77.12	6.9%	6.6%
2019	Q1	$96.028M	13	8.1%	$110.48	$110.53	9.9%	9.5%
2019	Q2	$74.805M	13	8.4%	$74.03	$96.95	7.6%	8.2%
2019	Q3	$106.457M	16	7.6%	$109.12	$96.15	6.5%	6.0%
2019	Q4	$45.882M	12	7.6%	$71.08	$80.53	7.1%	6.8%
2020	Q1	$165.102M	17	6.8%	$99.16	$102.27	7.1%	6.3%
2020	Q2	$43.39M	7	6.4%	$109.75	$106.30	5.5%	5.5%
2020	Q3	$91.176M	14	6.6%	$71.59	$102.10	6.9%	6.5%
2020	Q4	$295.019M	25	6.4%	$123.65	$118.77	6.2%	6.0%
2021	Q1	$54.36M	8	6.6%	$86.27	$83.36	6.9%	6.5%
2021	Q2	$196.849M	22	7.2%	$141.54	$128.06	7.5%	6.2%
2021	Q3	$15.06M	3	7.1%	$77.32	$64.48	-	-

MAJOR PROJECTS COMPLETED OR UNDER CONSTRUCTION

Property Name	Property Type	Size sqft	Construction Status	Expected Completion	Expected Groundbreak	Developer	Developer Phone
2001 W Oak Ridge Rd, Orlando, FL, 32809							
Oak Ridge Bldg 1	Warehouse/ Distribution	295,600	Complete	08/01/2021	-	Lincoln Property Company	(407) 872 - 3500
20501 Independence Blvd, Groveland, FL, 34736							
DFL8 Groveland Last Mile	Warehouse/ Distribution	201,475	Complete	03/01/2021	-	Seefried Industrial Properties	(678) 904 - 1917
3001 Shelby Industrial Dr, Apopka, FL, 32703							
Mid Florida Logistics Park Goya Bldg 1	Warehouse/ Distribution	332,500	Complete	07/01/2020	-	Bluescope Properties Group	(816) 245 - 6970
3201 Peterson Rd, Apopka, FL, 32703							
Mid Florida Logistics Park Bldg 5 Coca Cola	Warehouse/ Distribution	289,939	Complete	07/01/2020	9/2019	Bluescope Properties Group	(816) 245 - 6970
4600 Wetherbee Rd, Orlando, FL, 32824							
Prologis Orlando Airport Park Bldg 200	Warehouse/ Distribution	380,510	Complete	08/01/2021	-	Prologis	(407) 648 - 9292
576 Logistics Ln, Ocoee, FL, 34787							
Distribution 429 Bldg 300	Warehouse/ Distribution	402,582	Complete	09/01/2020	2/2020	Mccraney Property Company	(407) 852 - 0701
7925 American Way, Groveland, FL, 34736							
Kroger Advanced Robotics Customer Fufillment Center	Warehouse/ Distribution	375,000	Complete	12/01/2020	8/2019	-	-
831 N Old Lake Wilson Rd, Kissimmee, FL, 34747							
New Horizon West Bldg 4	Warehouse/ Distribution	295,460	Under Constr.	09/01/2022	-	-	-
Innovation Way & Highway 528 E Toll, Orlando, FL, 32831							
Sunbridge Industrial	N/A	2,900,000	Under Constr.	-	5/2021	Tavistock Development	(407) 313 - 8233
Sec General Electric Rd & Hermit Smith Rd, Apopka, FL, 32703							
Mid Florida Logistics Park Bldg 4	Warehouse/ Distribution	655,200	Under Constr.	02/01/2022	-	Bluescope Properties Group	(816) 245 - 6970

INDUSTRIAL SALES VOLUME & CAP RATE



Source: CoStar & REIS

CLOSING THOUGHTS

1. WE ARE IN THE BEST PLACE IN THE COUNTRY
2. POPULATION GROWTH WILL DRIVE RENTS HIGHER IN ALL ASSET CLASSES
3. LONG-TERM INFLATION WILL EASE
4. INTEREST RATES WILL GO UP
5. REAL ESTATE WILL REMAIN A HIGHLY SOUGHT-AFTER INVESTMENT

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THANK YOU

PRESENTED BY ANDREW WRIGHT, CEO & MANAGING PARTNER

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