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2022 ECONOMIC OUTLOOK
JACKSONVILLE

PRESENTED BY ANDREW WRIGHT, CEO & MANAGING PARTNER

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IT'S ALL ABOUT POPULATION GROWTH

WELCOME
TO FLORIDA

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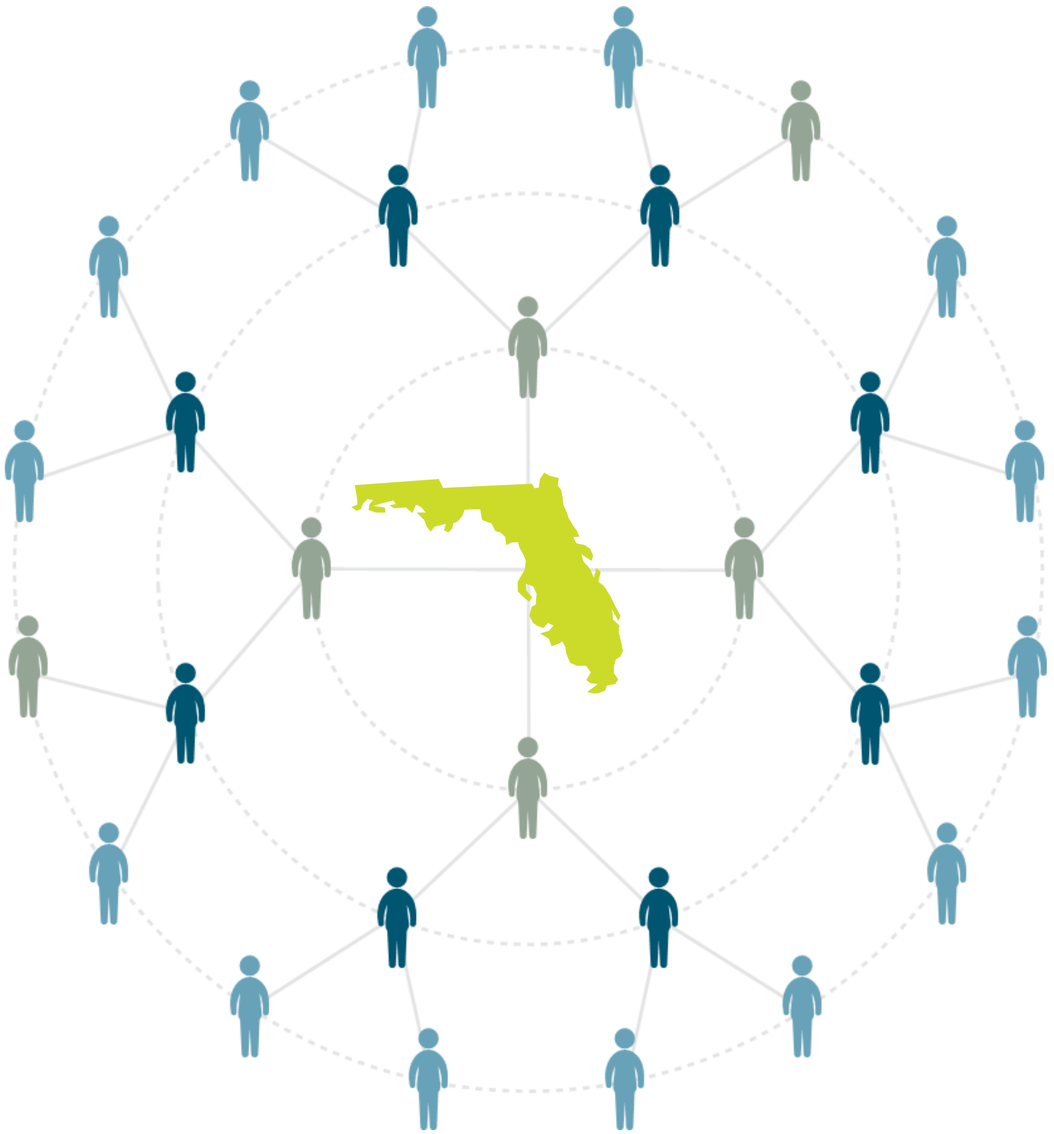
402,793

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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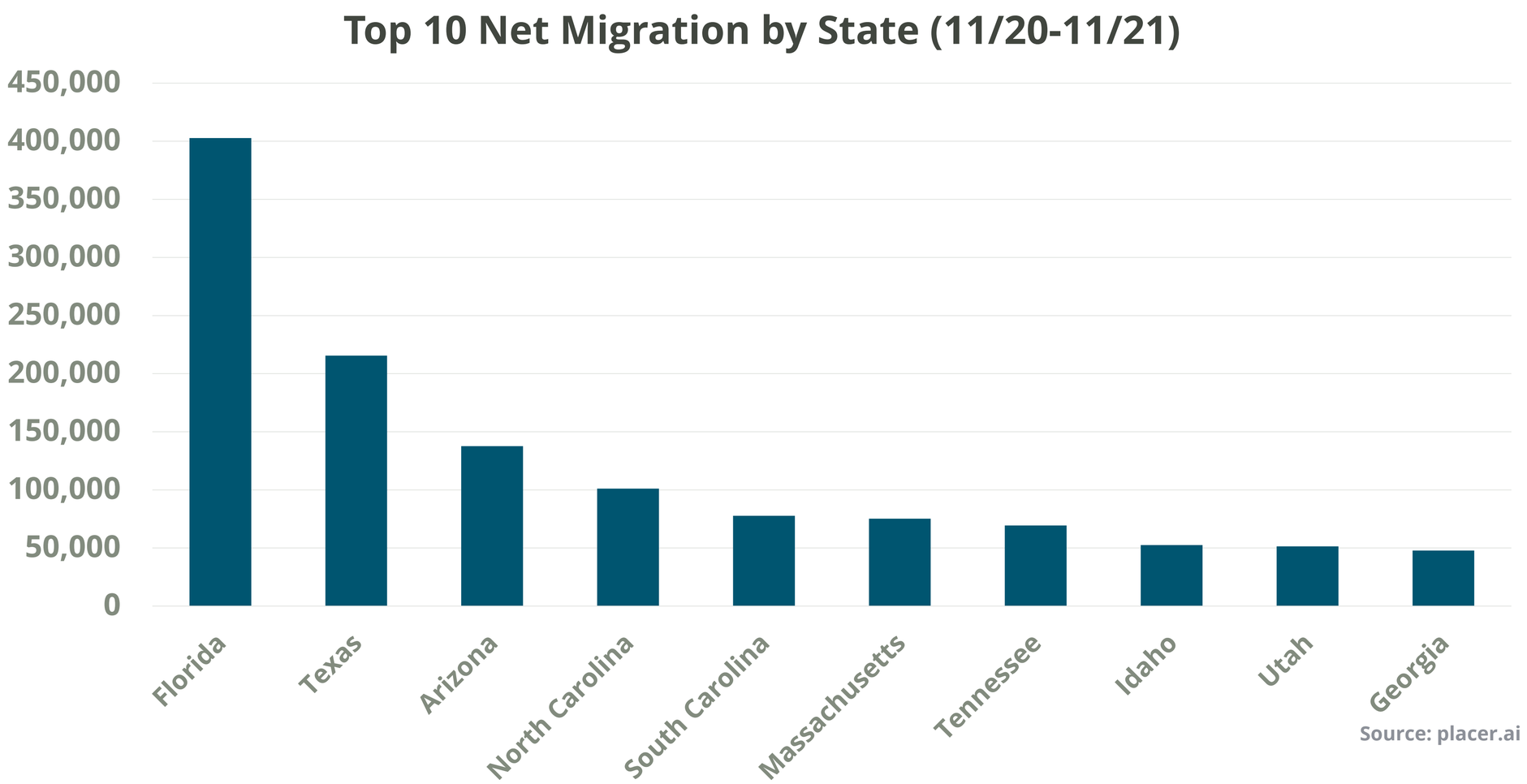
POPULATION GROWTH CONTINUES TO BE THE STORY

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)
450,000
400,000
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0
Florida
Texas
Arizona
North Carolina
South Carolina
Massachusetts
Tennessee
Idaho
Utah
Georgia
Source: placer.ai

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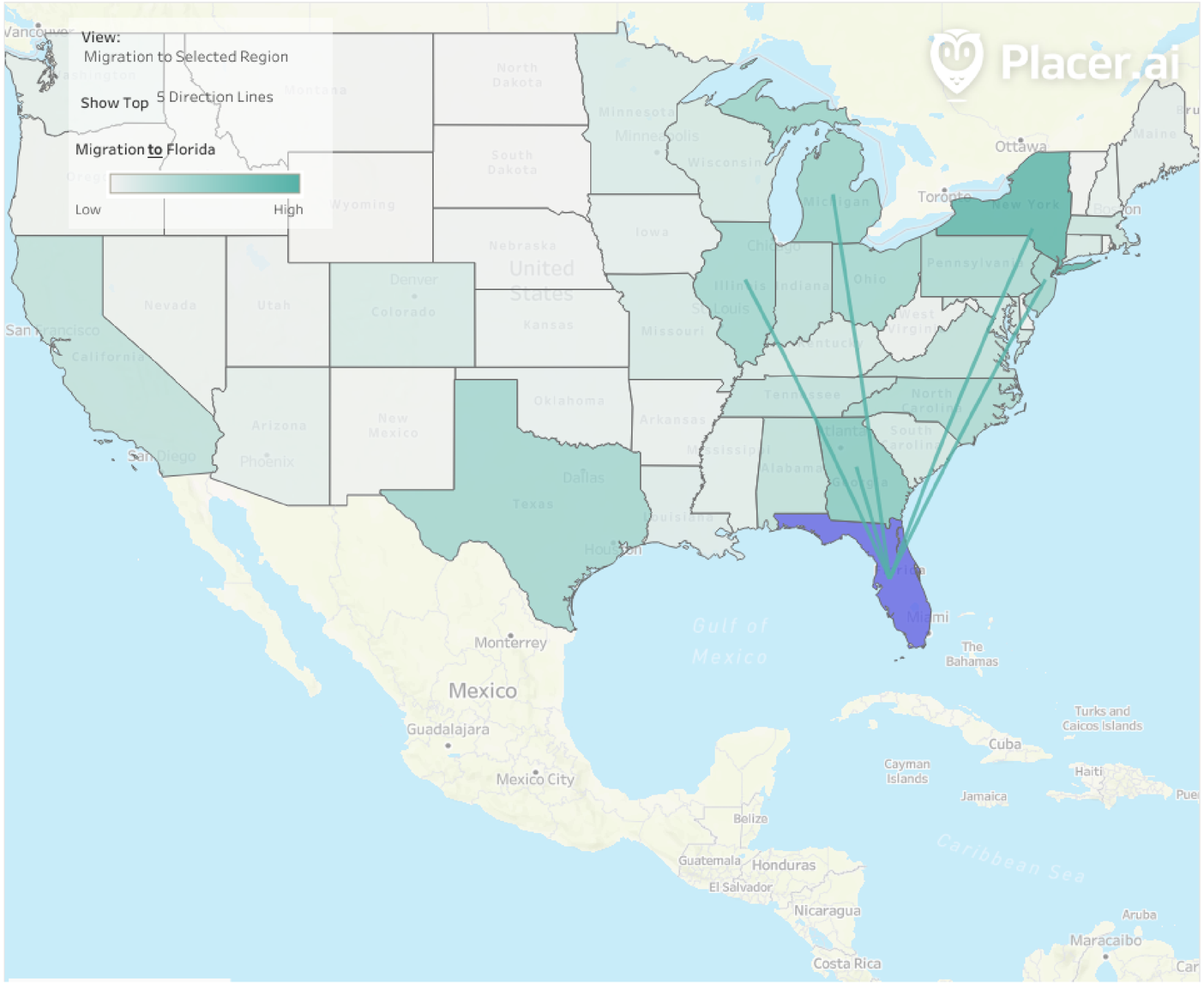
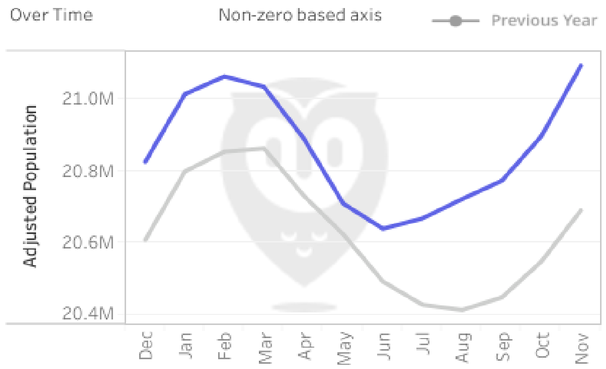




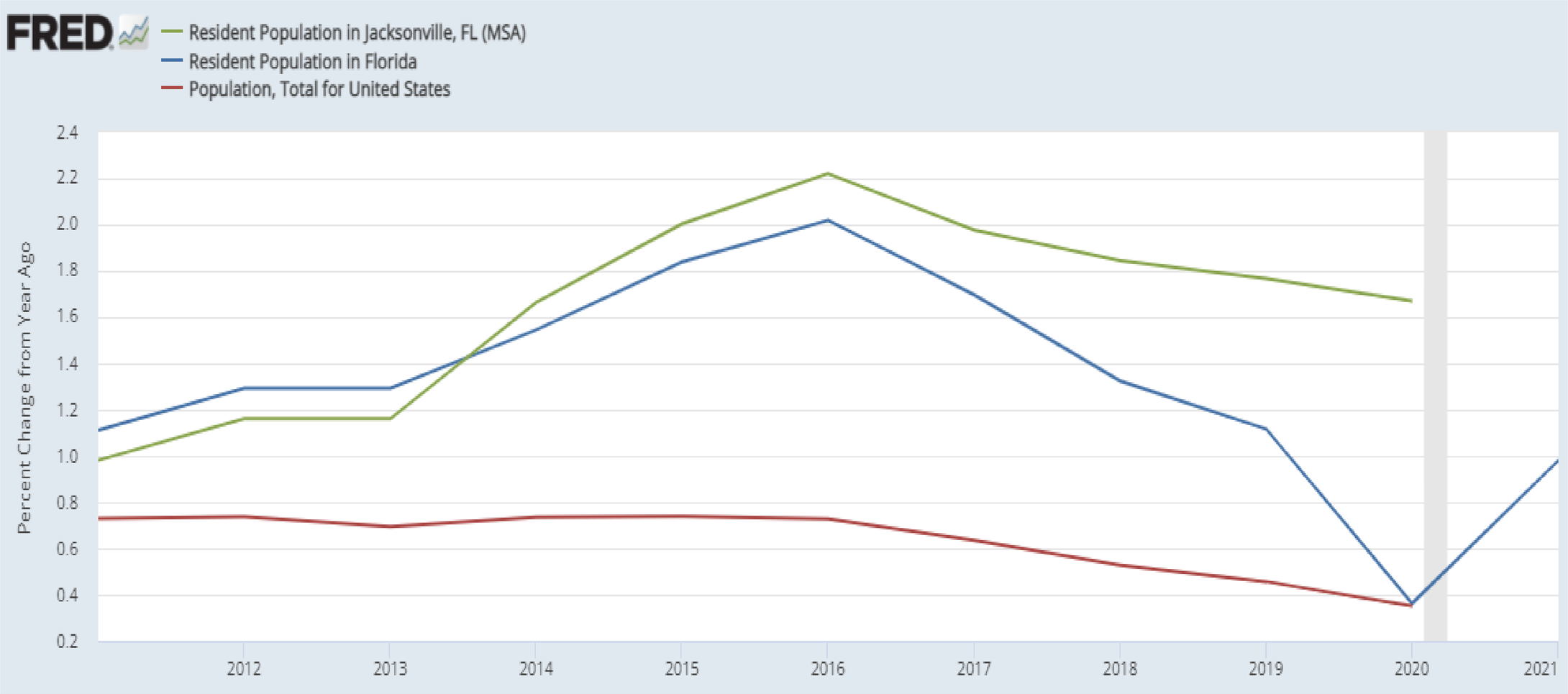
Migration to Florida from:

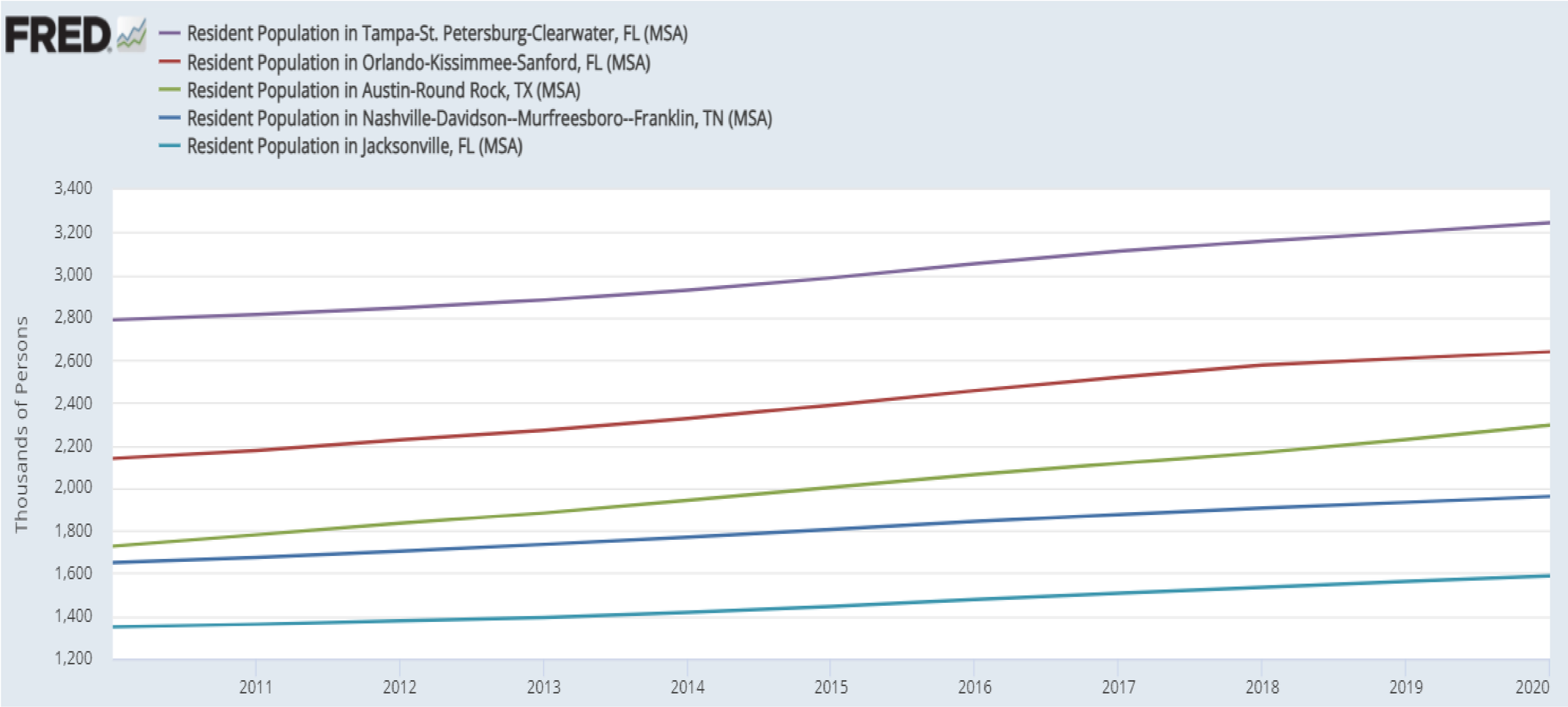
Origin Region	*Migrated Population*
New York	256,283
Georgia	174,113
Michigan	143,933
New Jersey	129,840
Illinois	126,719

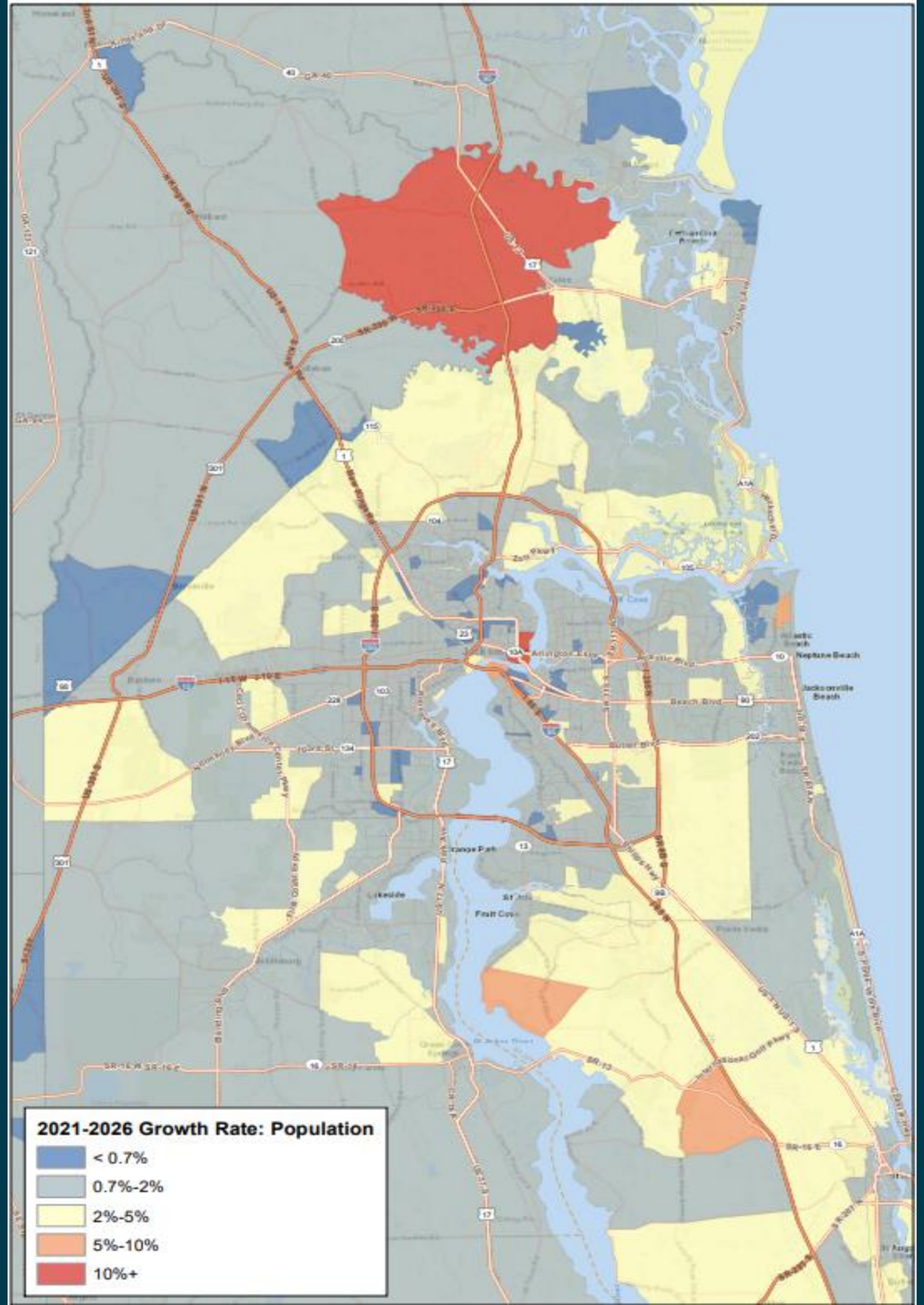
Migration from Florida to:

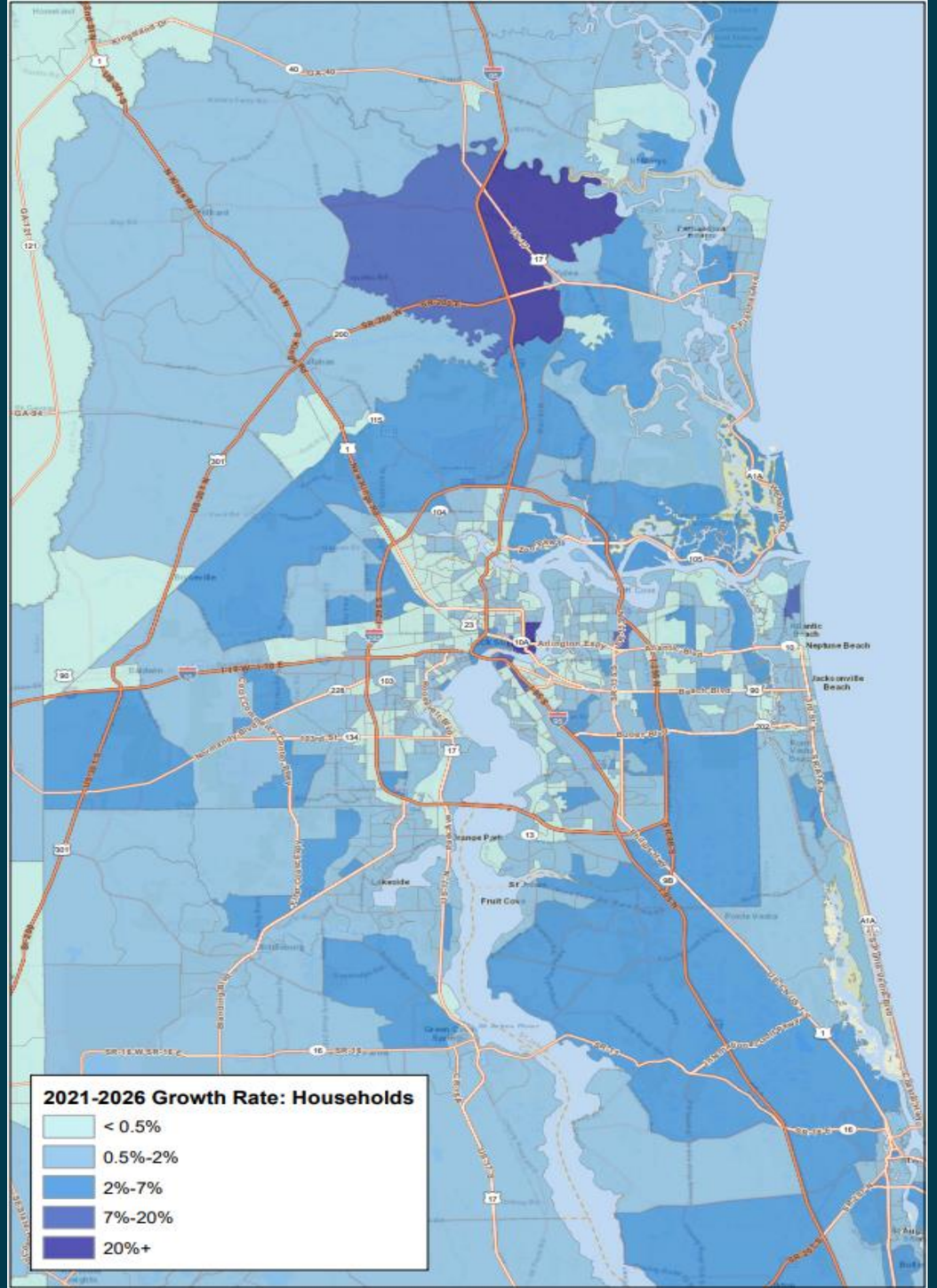
Destination Region	*Migrated Population*
New York	202,303
Georgia	170,014
Michigan	128,656
North Carolina	115,530
Texas	112,455

Source: placer.ai


FRED
Resident Population in Jacksonville, FL (MSA)
Resident Population in Florida
Population, Total for United States
Percent Change from Year Ago
2.4
2.2
2.0
1.8
1.6
1.4
1.2
1.0
0.8
0.6
0.4
0.2
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021


FRED
Resident Population in Tampa-St. Petersburg-Clearwater, FL (MSA)
Resident Population in Orlando-Kissimmee-Sanford, FL (MSA)
Resident Population in Austin-Round Rock, TX (MSA)
Resident Population in Nashville-Davidson--Murfreesboro--Franklin, TN (MSA)
Resident Population in Jacksonville, FL (MSA)
Thousands of Persons
3,400
3,200
3,000
2,800
2,600
2,400
2,200
2,000
1,800
1,600
1,400
1,200
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020


2021-2026 Growth Rate: Population
< 0.7%
0.7%-2%
2%-5%
5%-10%
10%+


2021-2026 Growth Rate: Households
< 0.5%
0.5%-2%
2%-7%
7%-20%
20%+
Neptune Beach
Jacksonville Beach
Atlantic Beach
Lakeside
Fruit Cove

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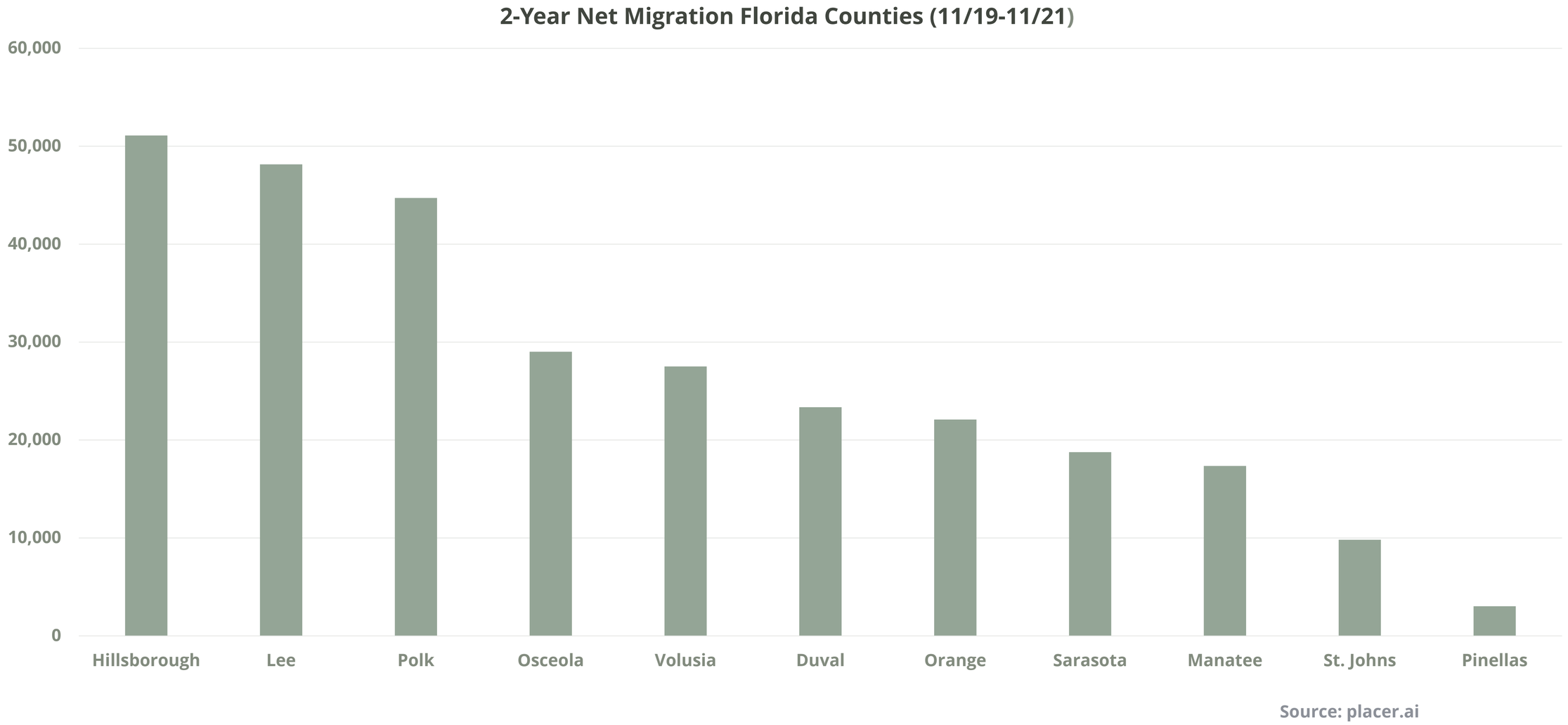
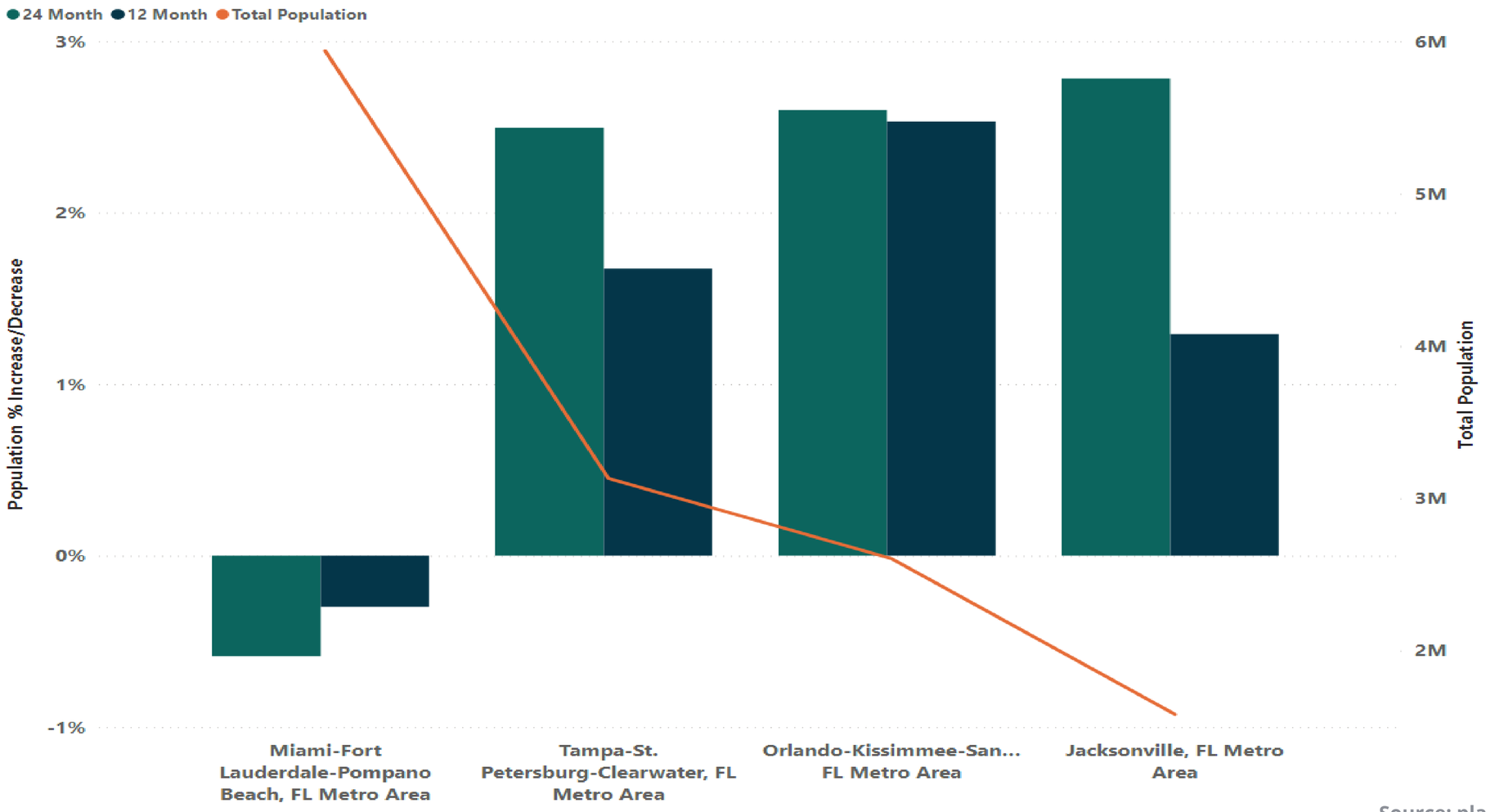


FL MAJOR MSA POPULATION CHANGE



Source: placer.ai

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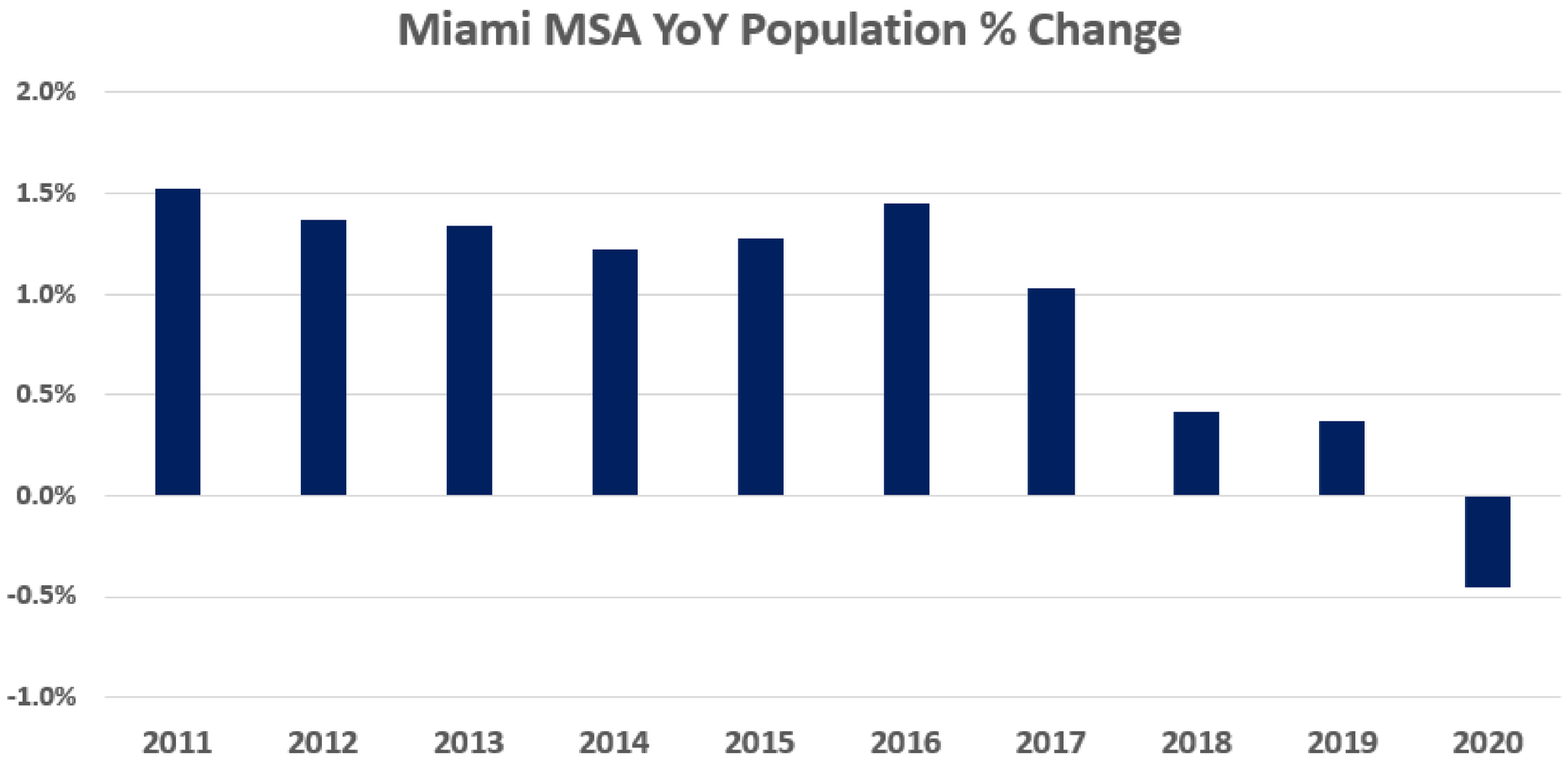

Source: US Census

TOP INDUSTRIES IN FLORIDA

Tourism

Agriculture

International Trade

Aerospace & Aviation

Life Sciences

Financial Services

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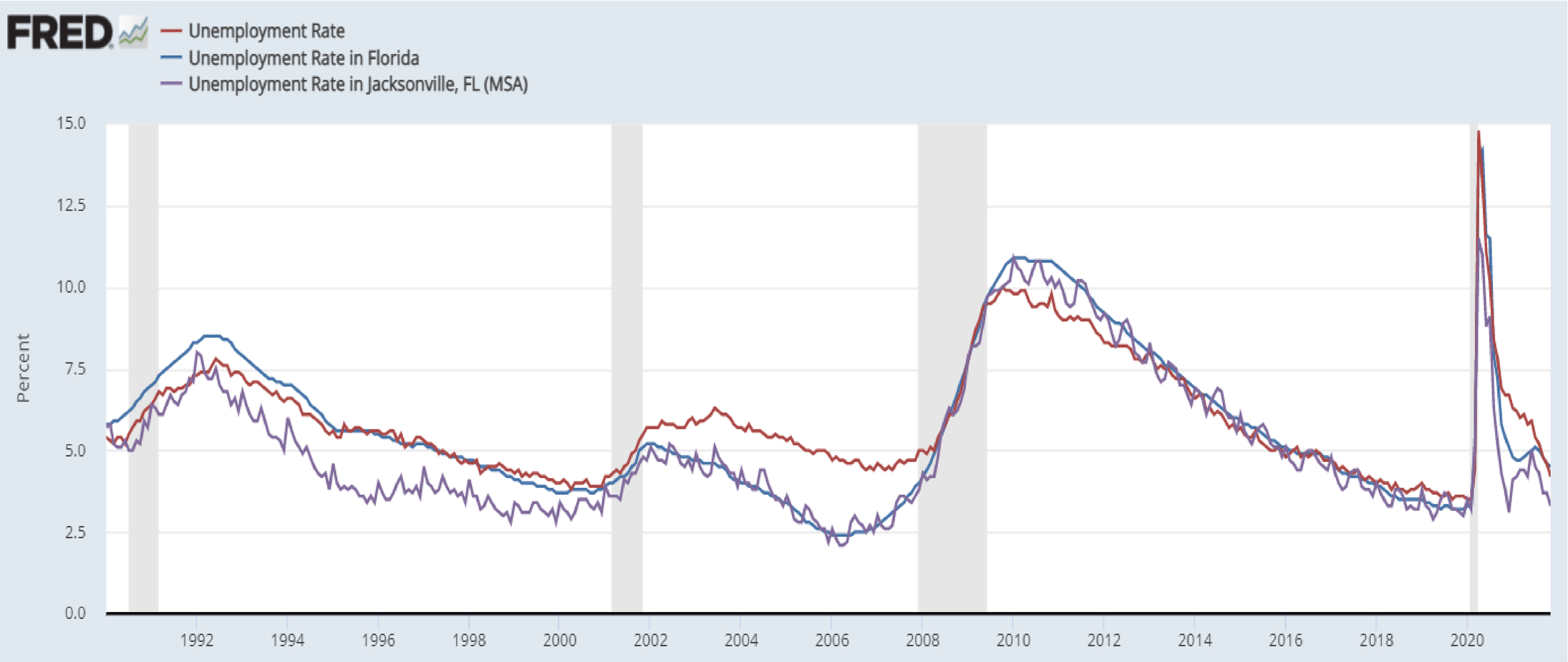
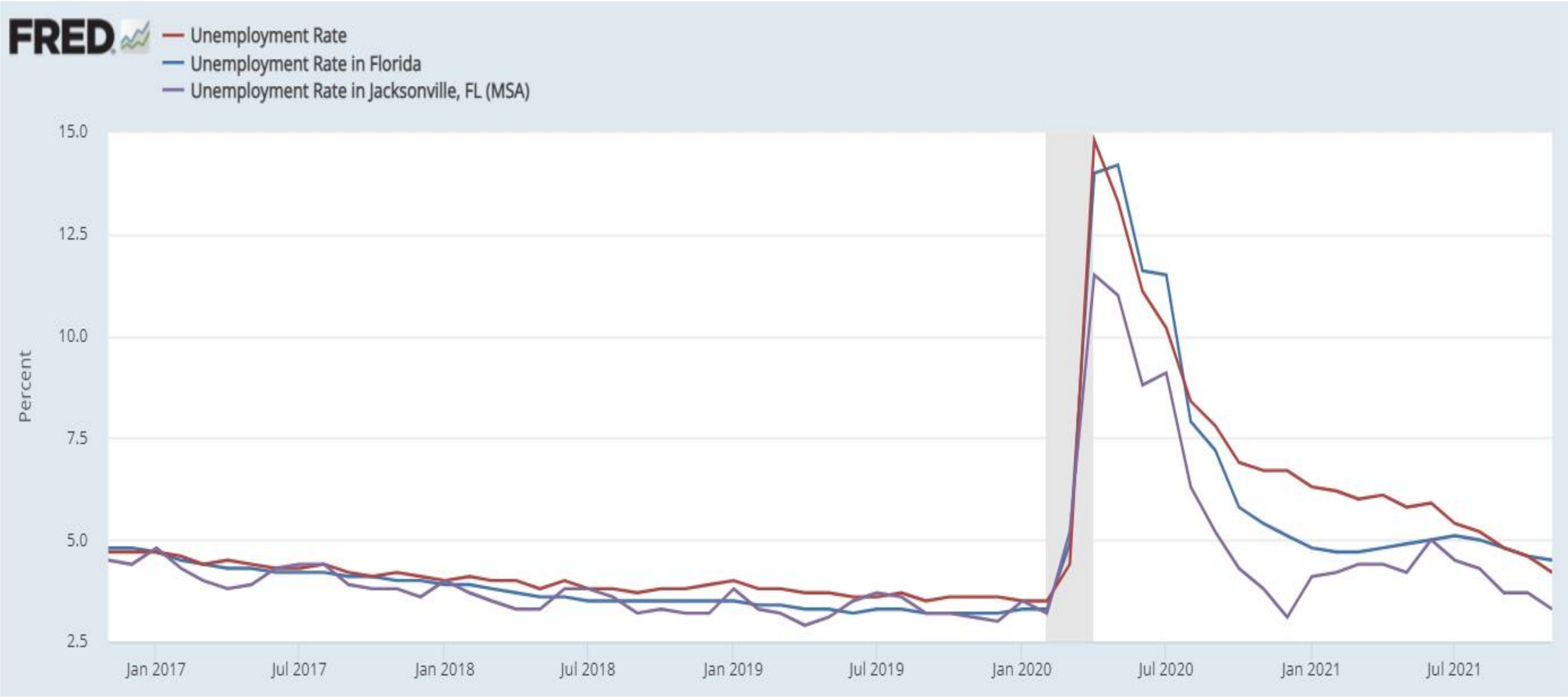
FASTEST EMPLOYMENT COLLAPSE IN HISTORY BUT JACKSONVILLE IS BOUNCING BACK




FRED
Unemployment Rate
Unemployment Rate in Florida
Unemployment Rate in Jacksonville, FL (MSA)
Percent
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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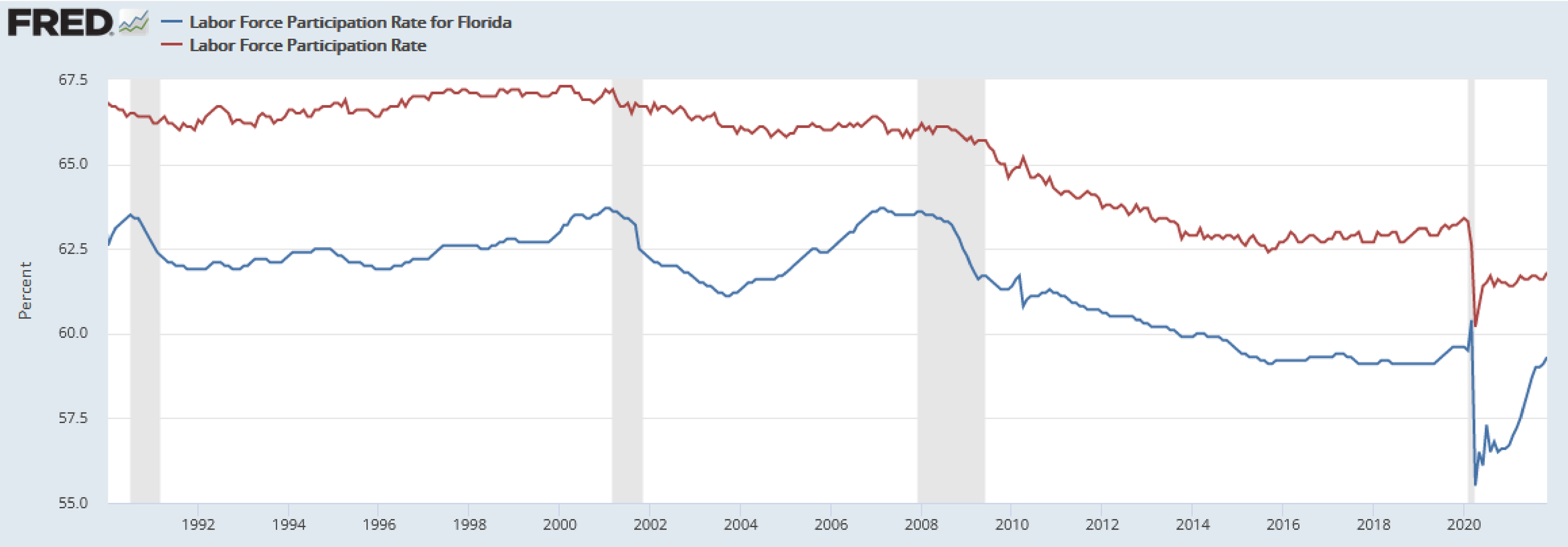
FLORIDA LABOR PARTICIPATION RATE COVID-19 CLOSE TO PRE-PANDEMIC



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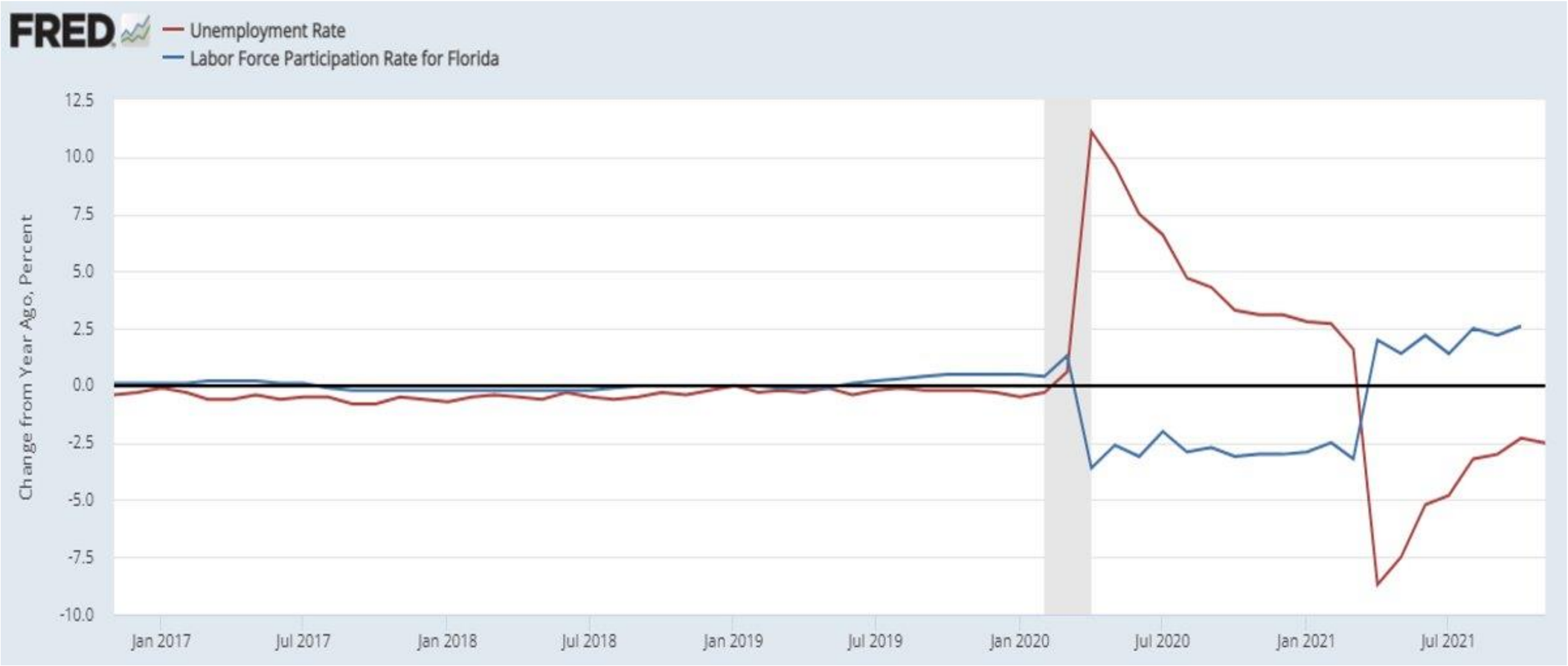
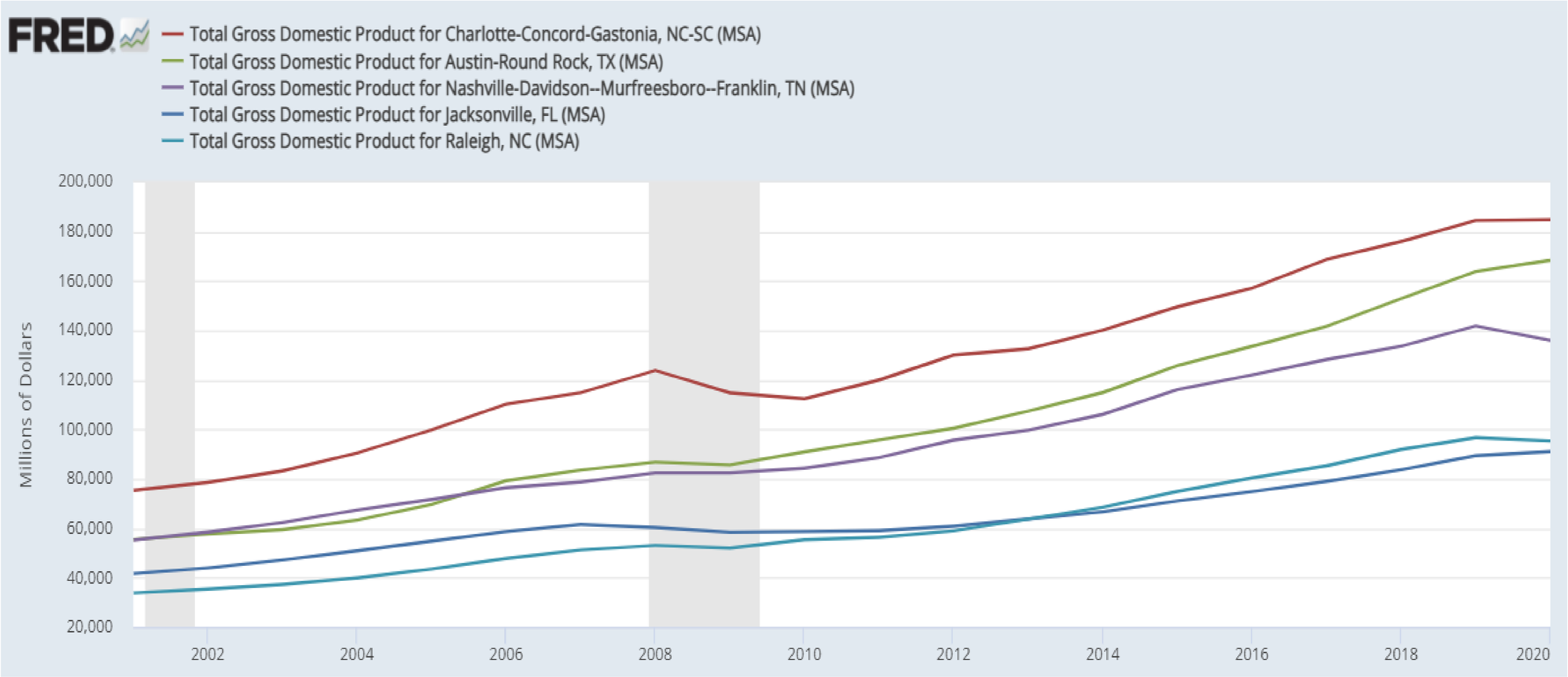
REAL GAINS IN EMPLOYMENT



ECONOMY COMPARED TO OUR PEER CITIES



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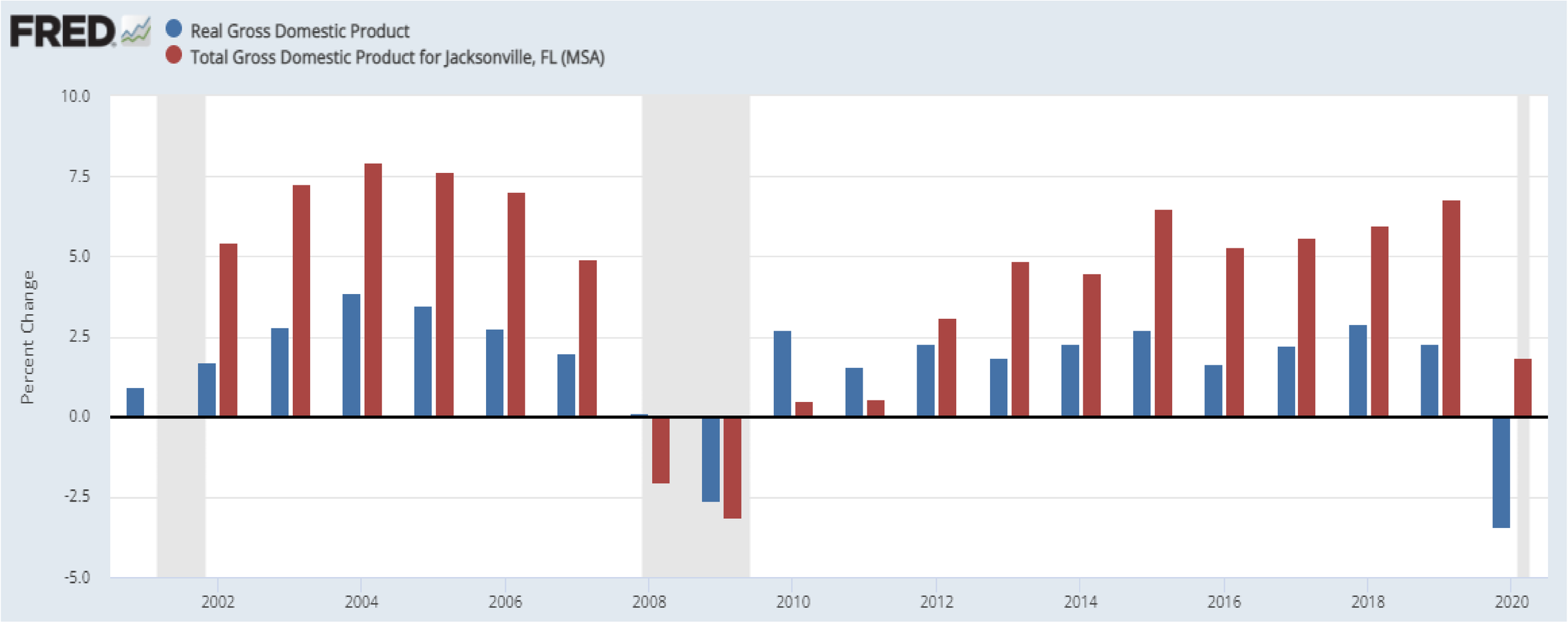
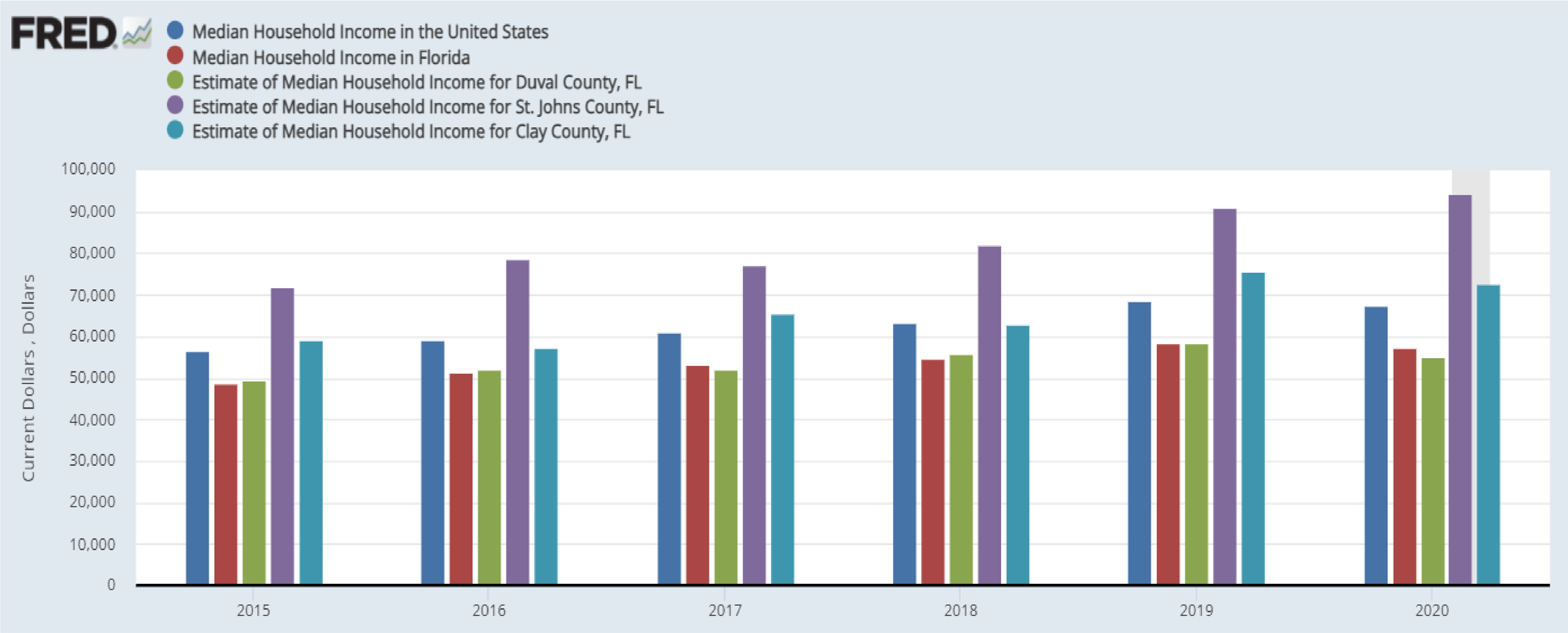
GDP GROWTH WILL REMAIN AMONGST THE HIGHEST IN THE COUNTRY



HOUSEHOLD INCOME GROWTH CONTINUES TO HOLD US BACK



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HOUSEHOLD INCOME STILL LAGS COMPETITORS

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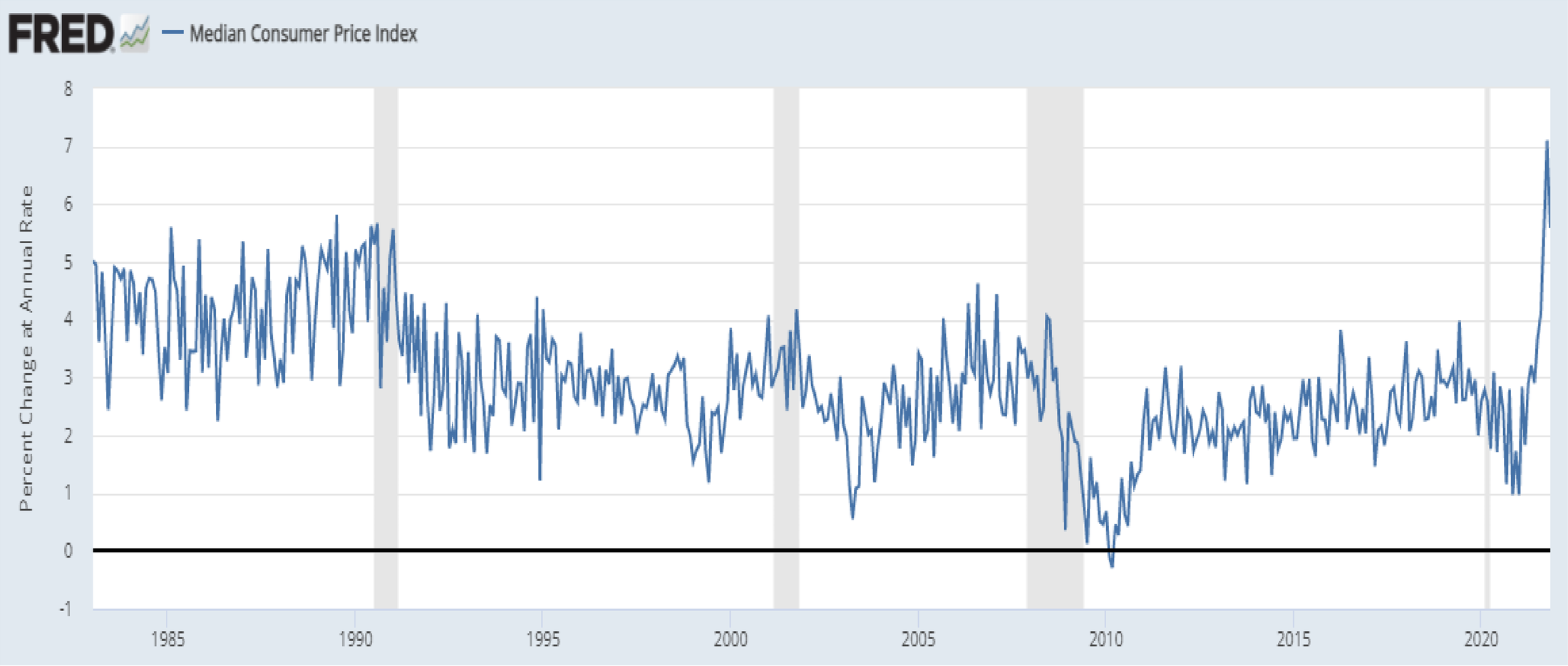
INFLATION IS AT A NEAR 40-YEAR HIGH



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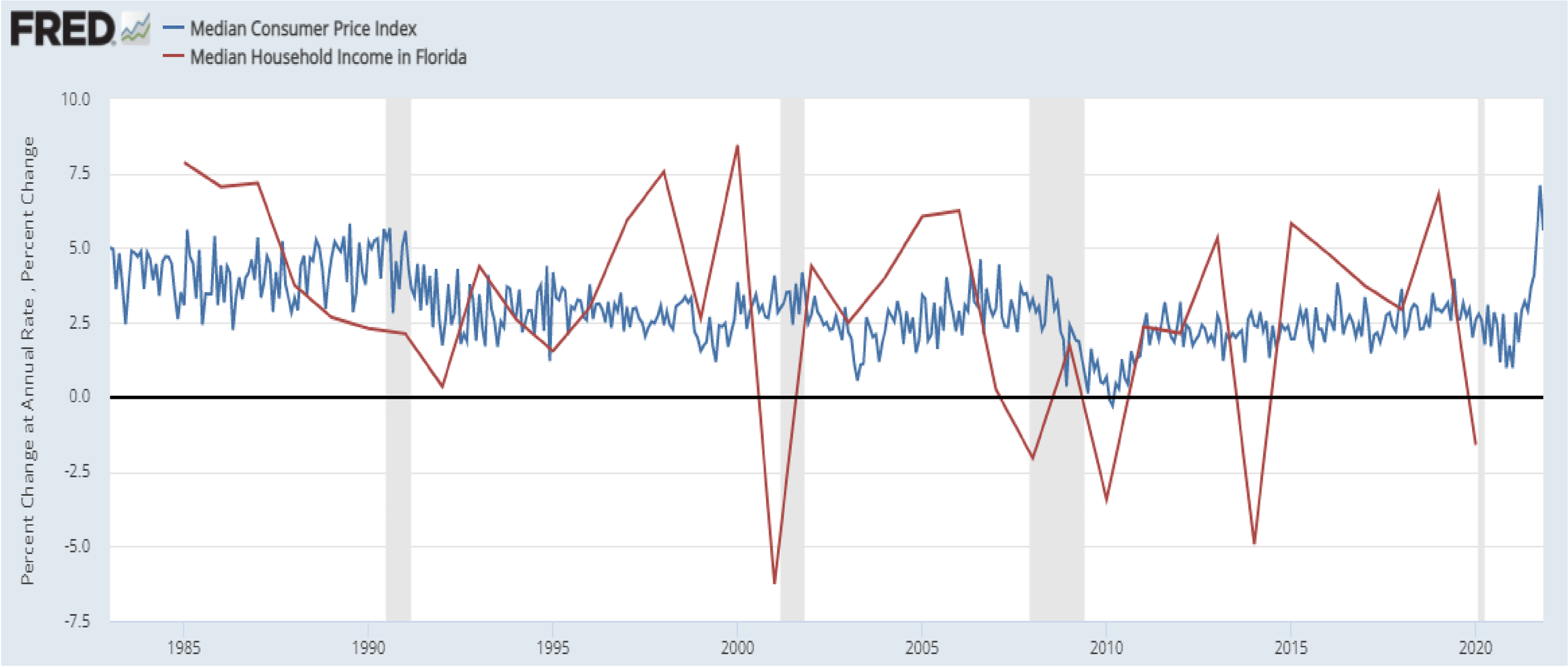
INFLATION IS OUTPACING HOUSEHOLD INCOME GROWTH



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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

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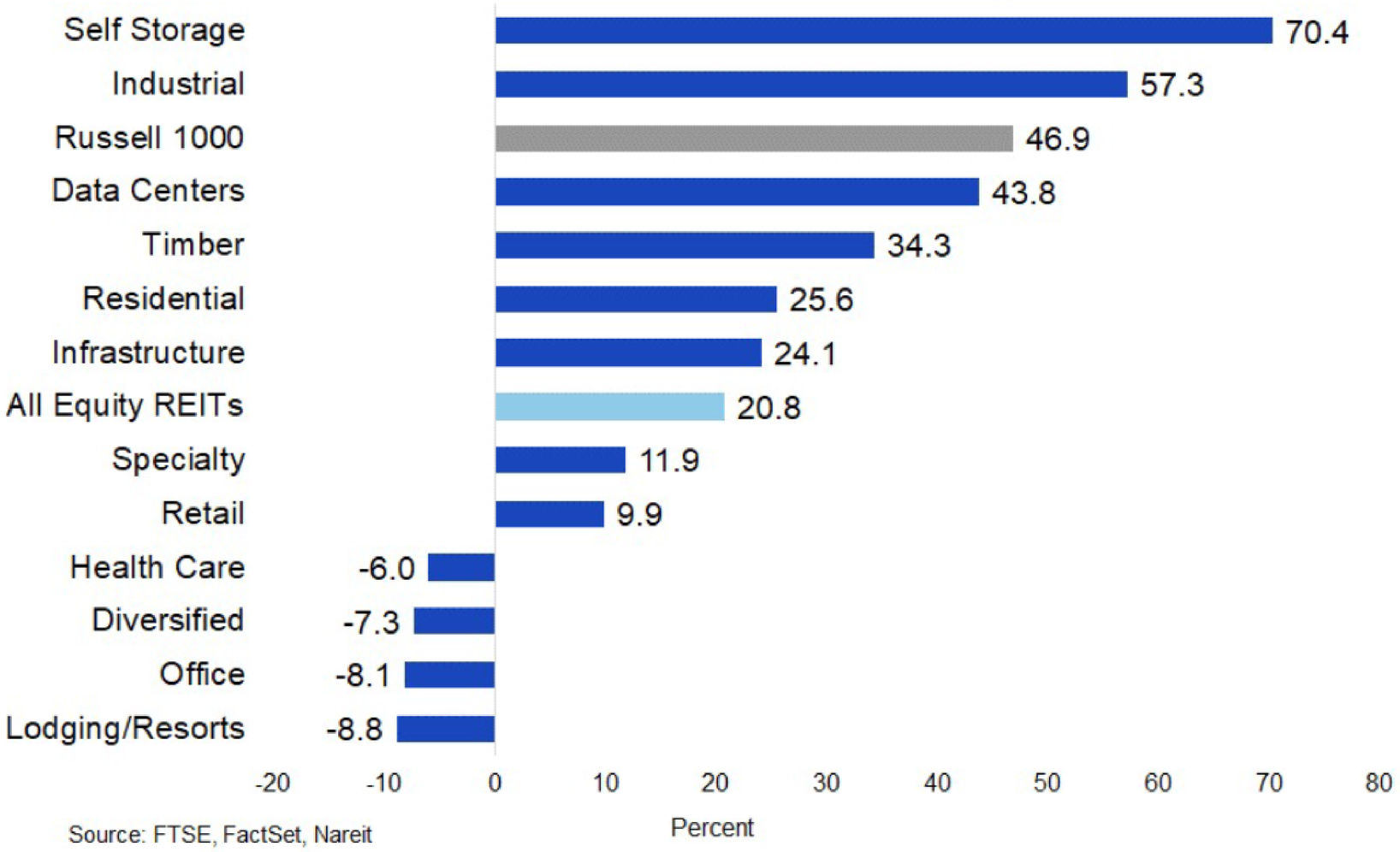
U.S. REIT PROPERTY SECTOR PERFORMANCE PANDEMIC-TO-DATE TOTAL RETURN THROUGH NOVEMBER 2021



Source: FTSE, FactSet, Nareit

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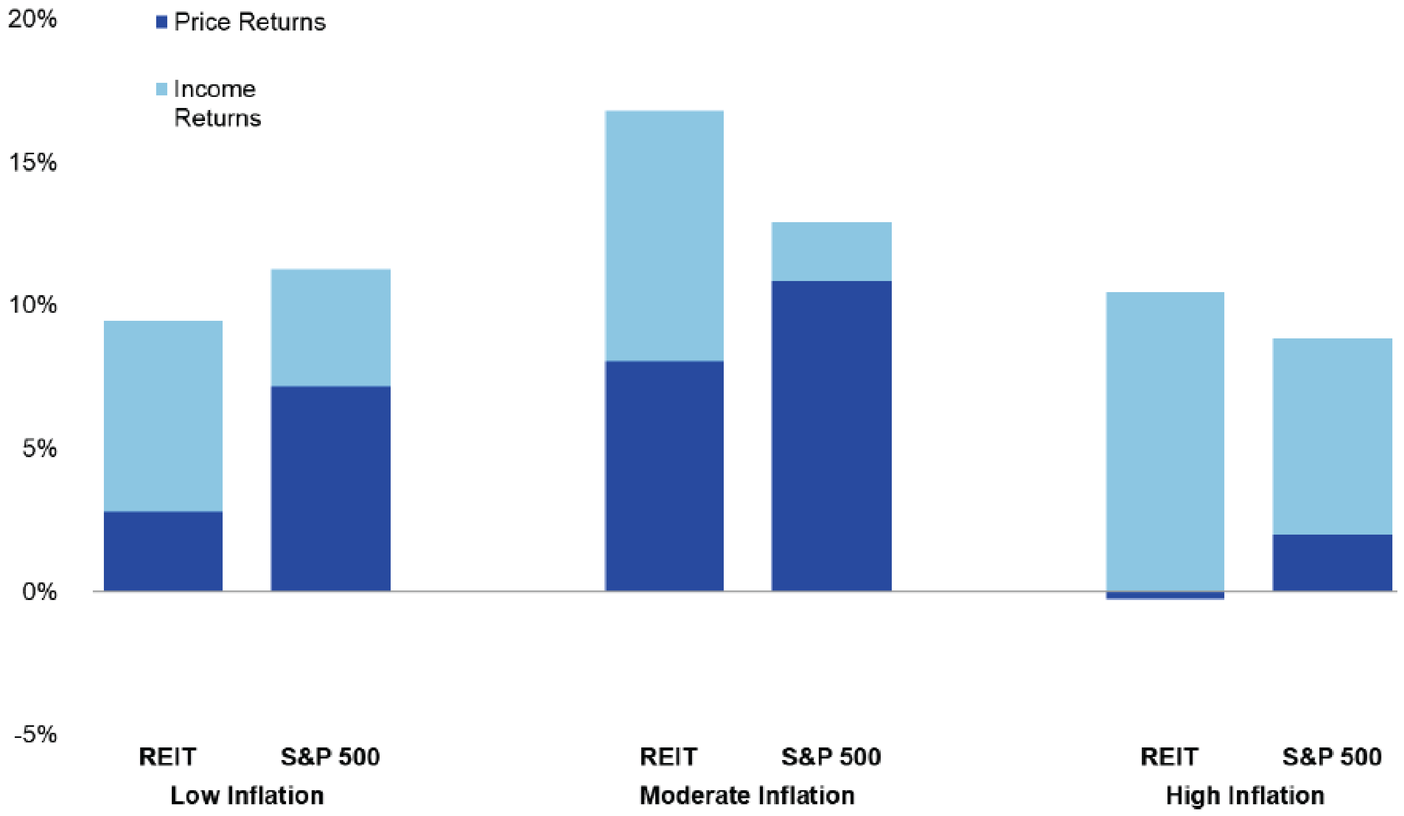
REIT Returns Compared to S&P 500 Returns During Different Inflation Periods



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

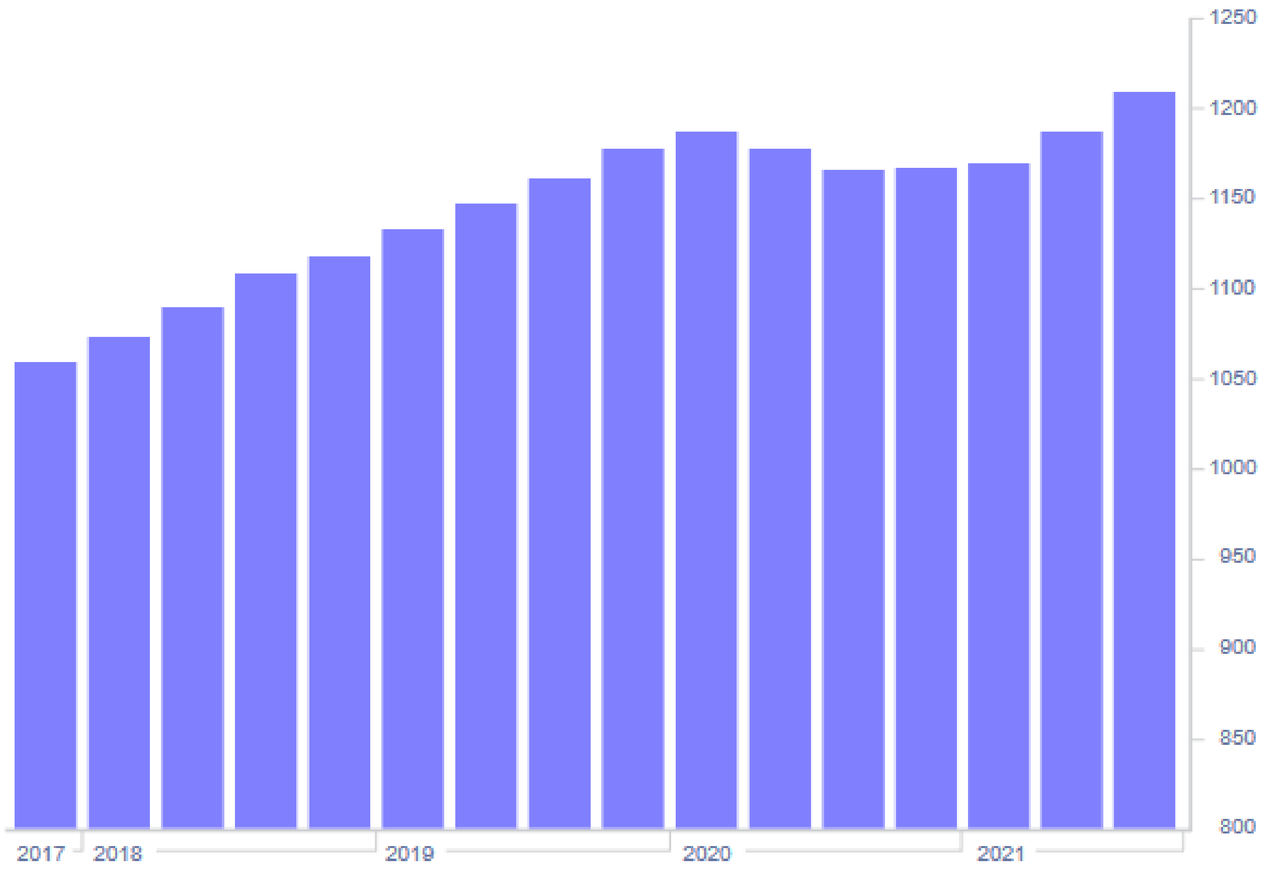
1 CONSTRUCTION COSTS REMAIN HIGH

- 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.

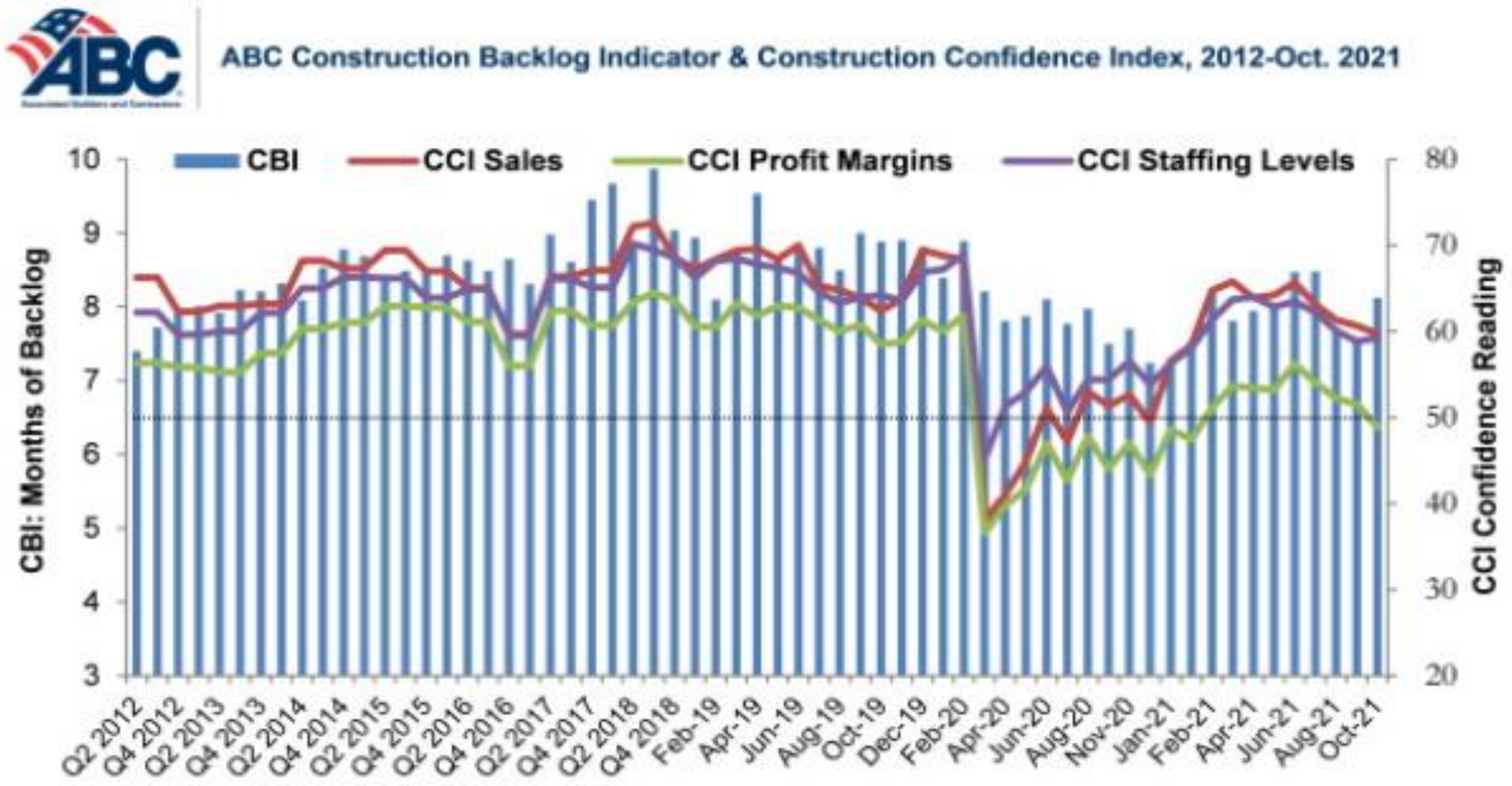
TURNER CONSTRUCTION INDEX REACHES ALL TIME HIGH



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

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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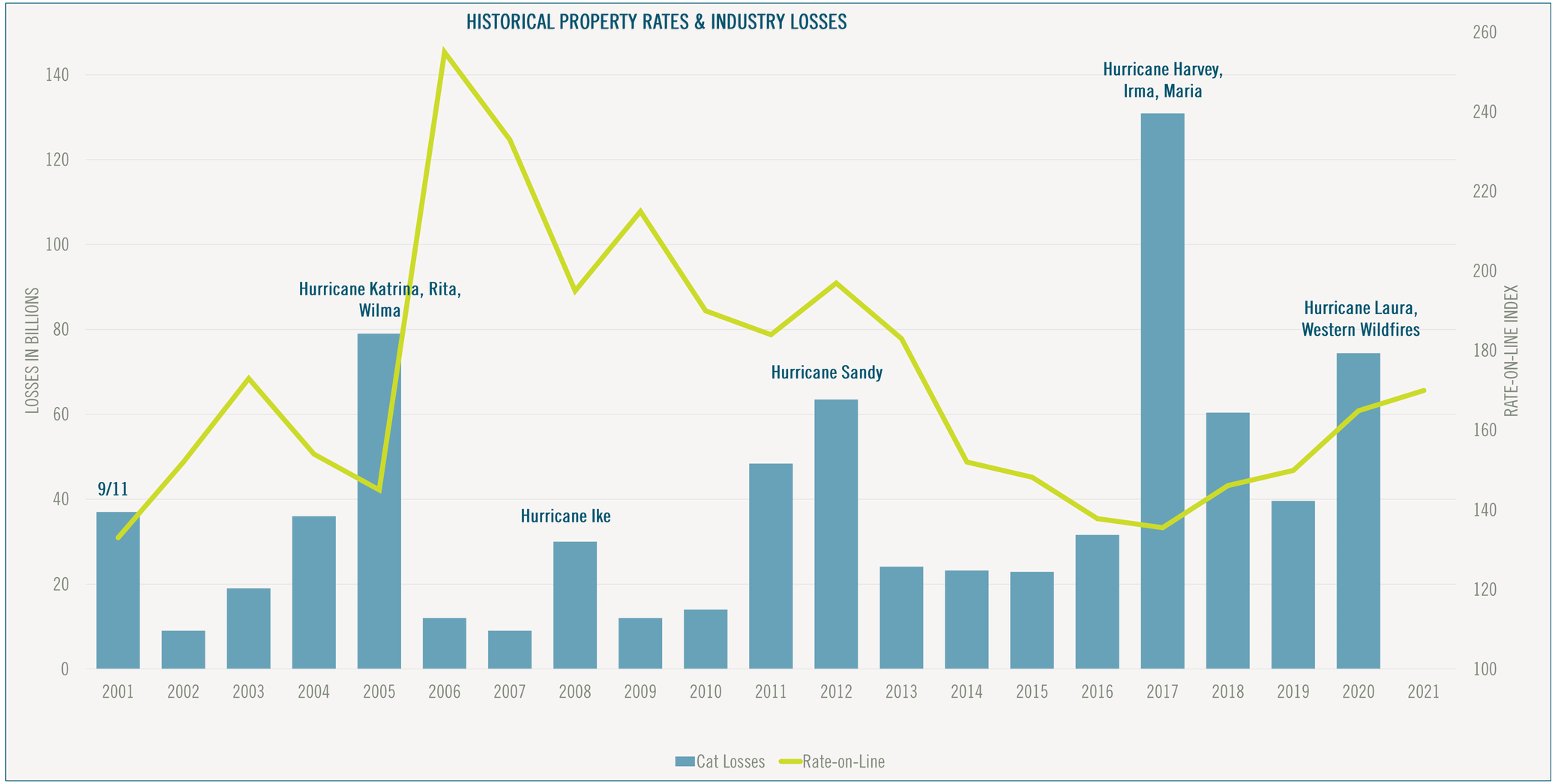
INSURANCE RATES

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

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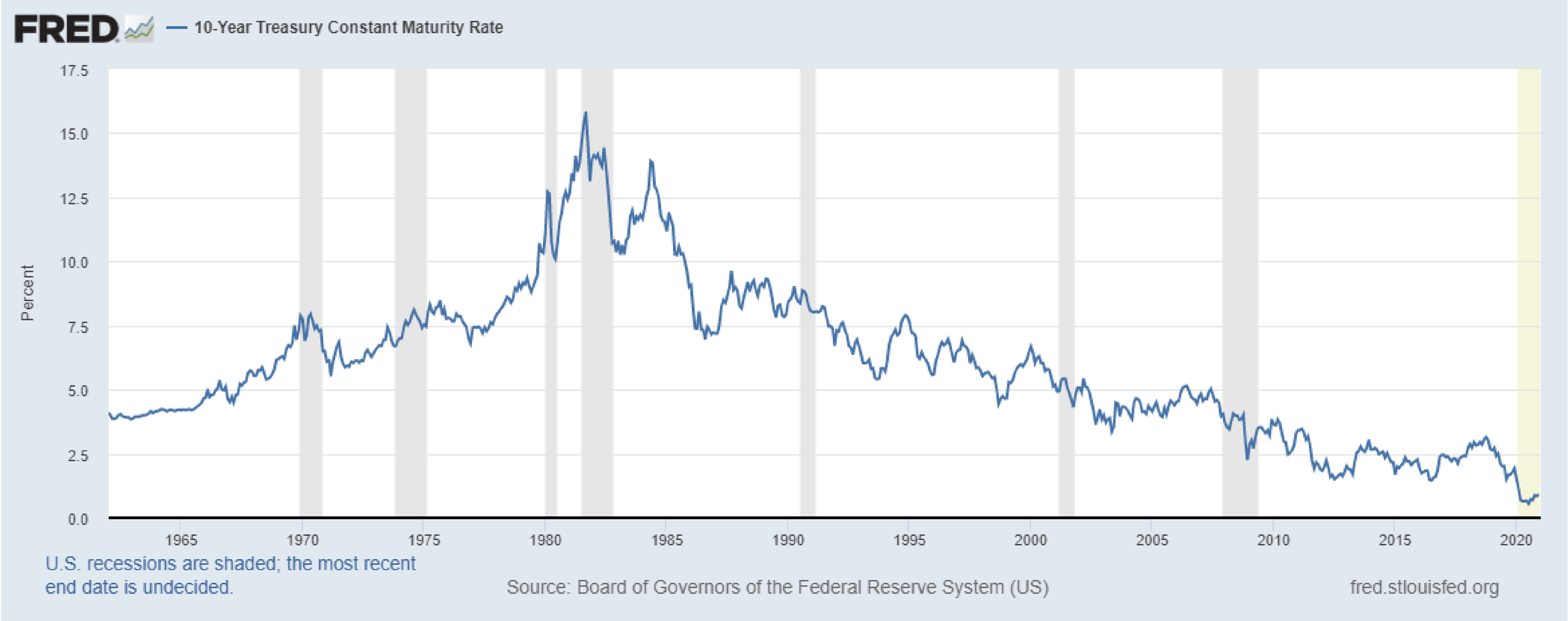
HISTORICALLY LOW INTEREST RATES



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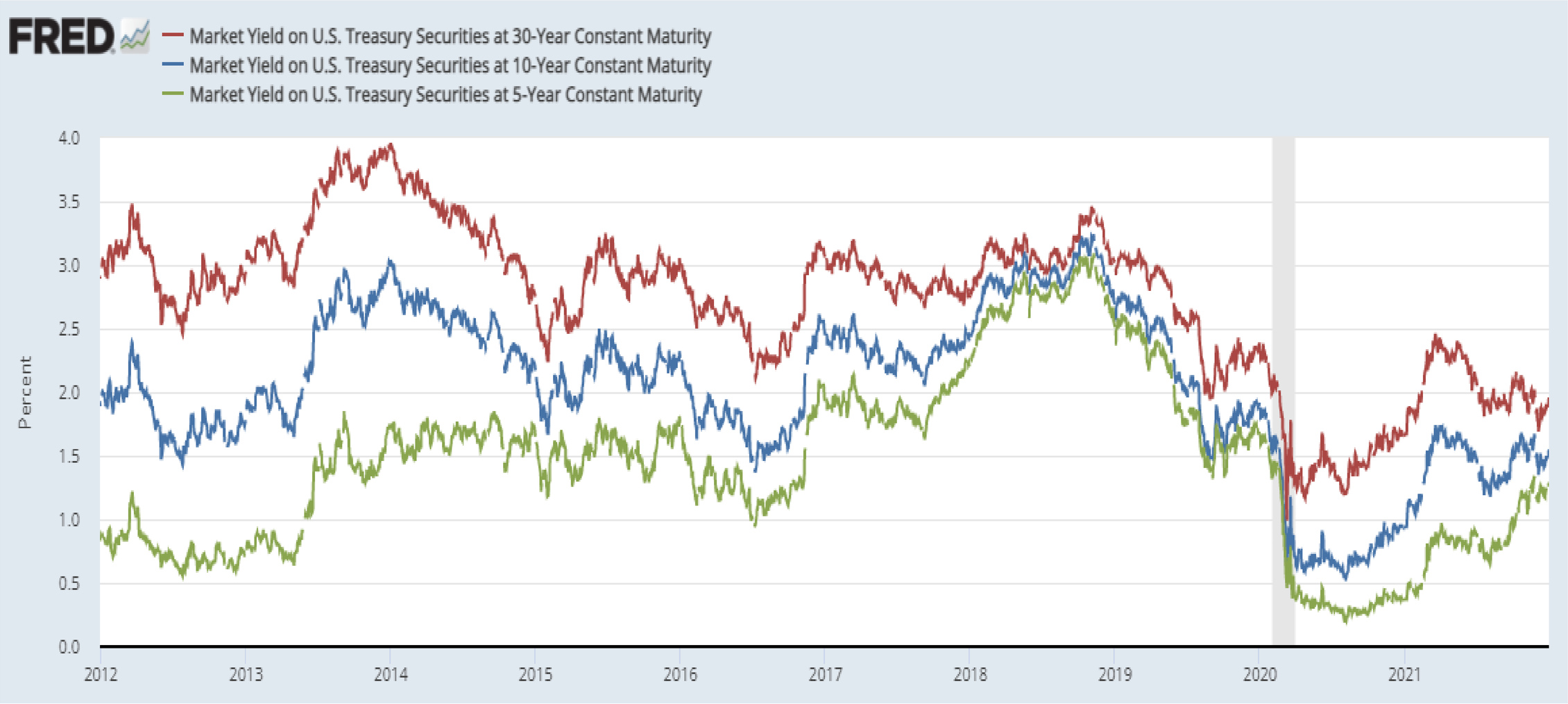
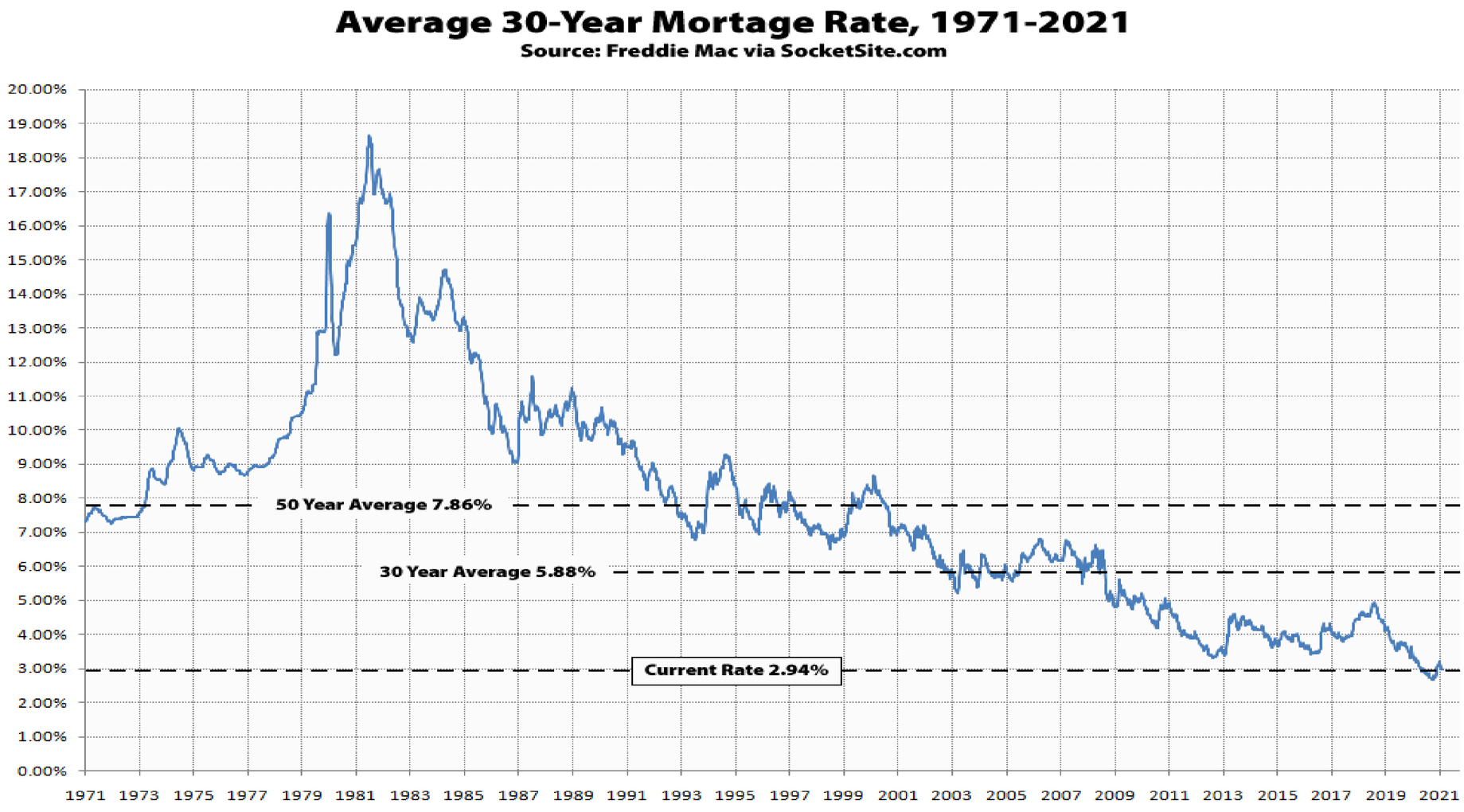
RATES INCREASED IN 2021 AFTER A 70% DROP IN 2020


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

FranklinStreet



INTEREST RATES WILL RISE IN 2022

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SINGLE FAMILY HOUSING

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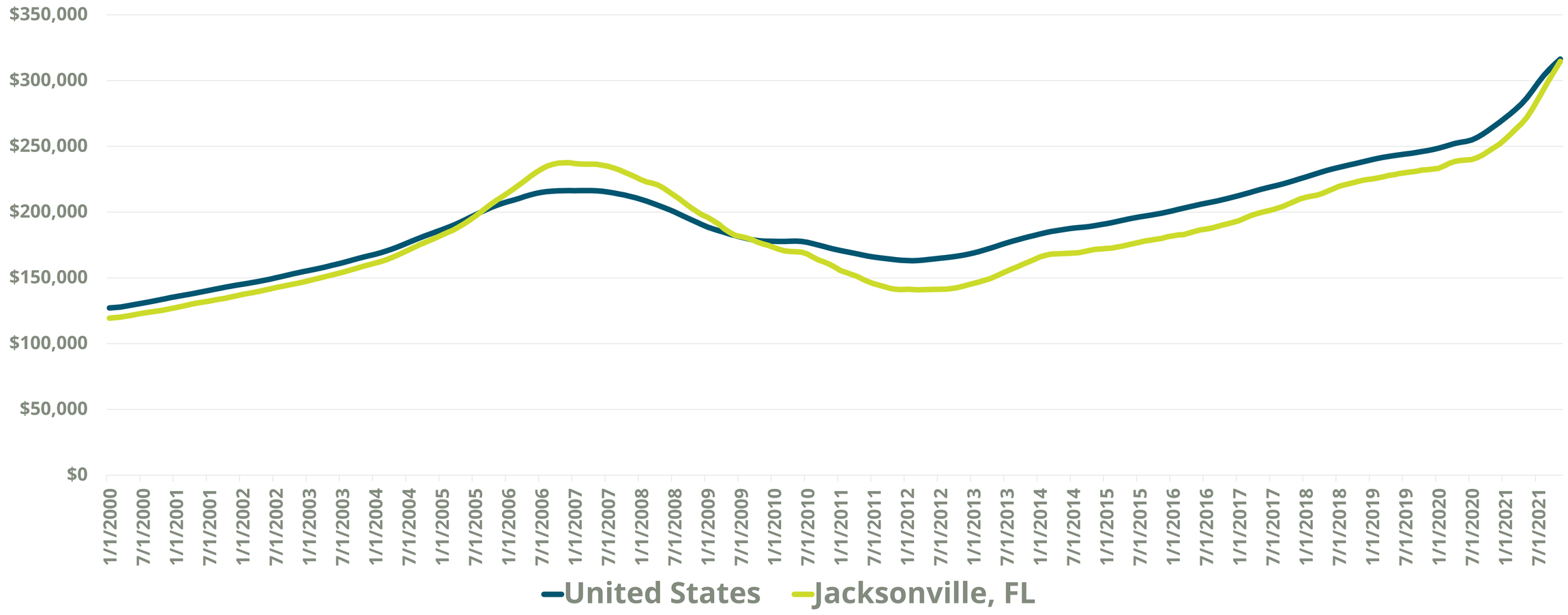
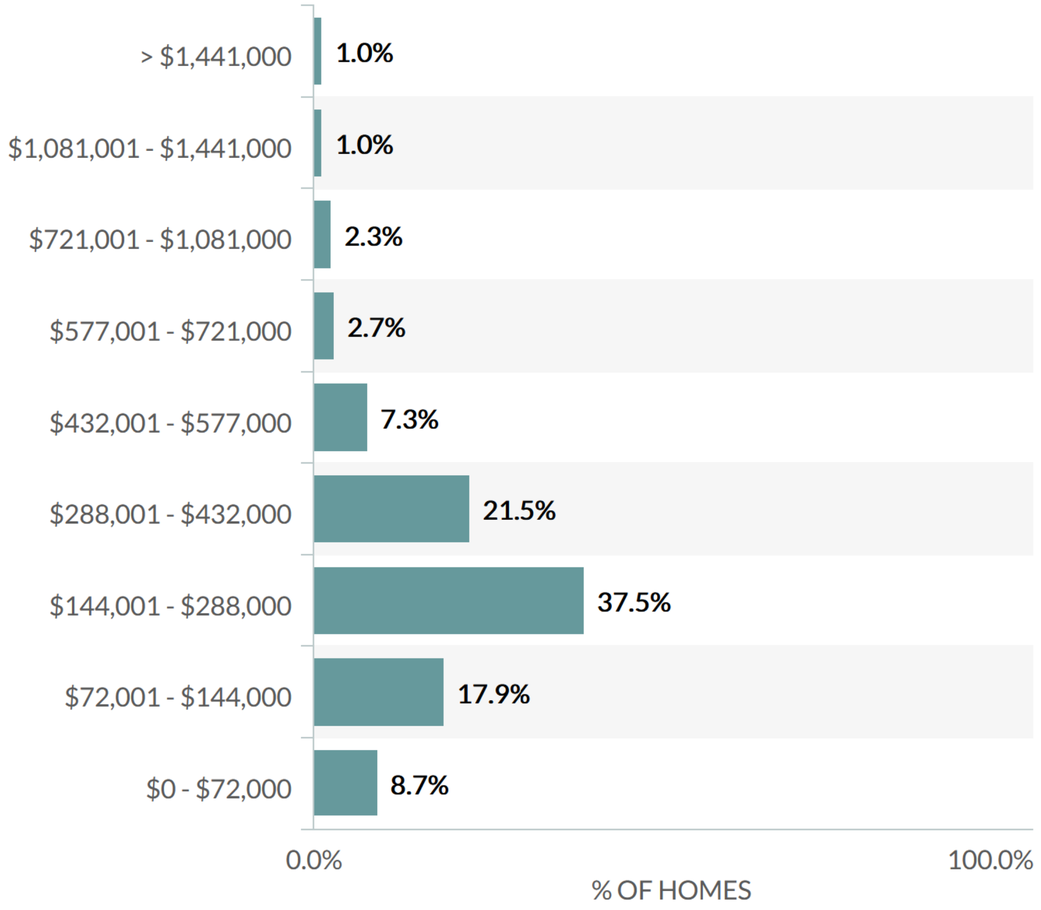
ZILLOW MSA HOME VALUE INDEX



Source: Zillow

JACKSONVILLE, FL HOME PRICES



Source: Neighborhood Scout

FranklinStreet

PRODUCT TYPE UPDATES

FranklinStreet

POPULATION GROWTH

+

GDP GROWTH

+

SUPPLY CONSTRAINTS

=

RENT GROWTH

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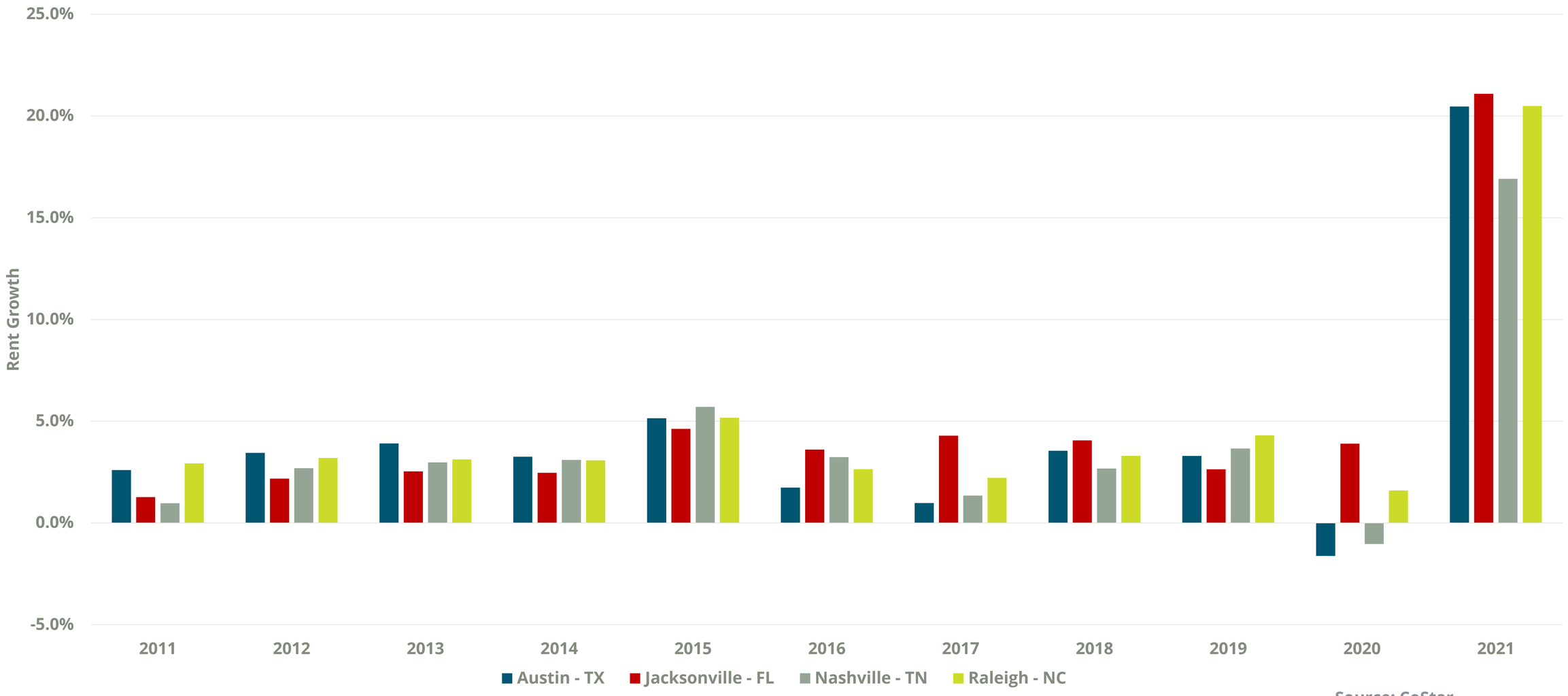
MULTIFAMILY

MULTIFAMILY 2022 FORECASTS

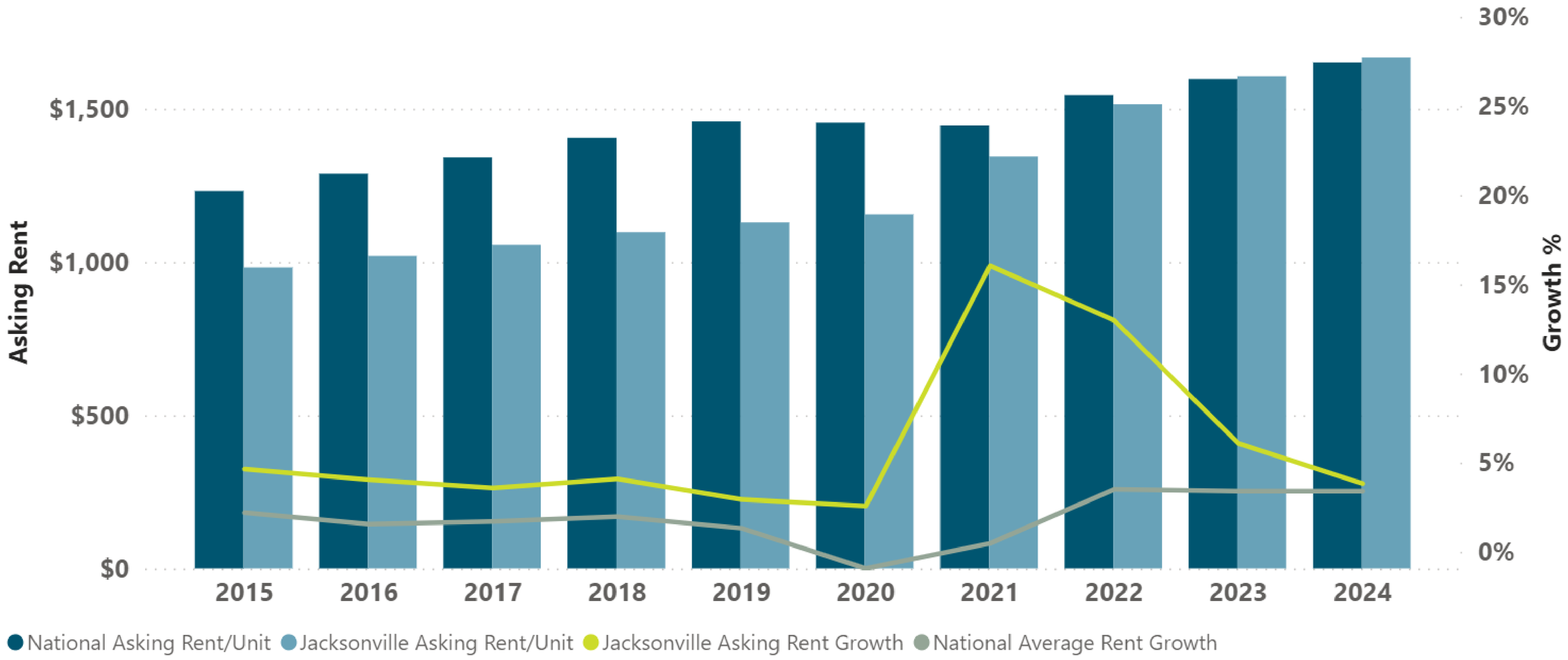
1. RENTAL RATES WILL CONTINUE TO INCREASE. ALTHOUGH AT A SLOWER PACE THAN A RECORD 2021
2. VACANCY WILL REMAIN LOW
3. NEW DEVELOPMENT WILL CONTINUE AT A STEADY PACE
4. SALES VOLUME WILL BE HIGH
   - MULTIFAMILY WILL CONTINUE TO BE THE MOST SOUGHT-AFTER ASSET TYPE ALONG WITH INDUSTRIAL

YoY MULTIFAMILY MARKET RENT GROWTH



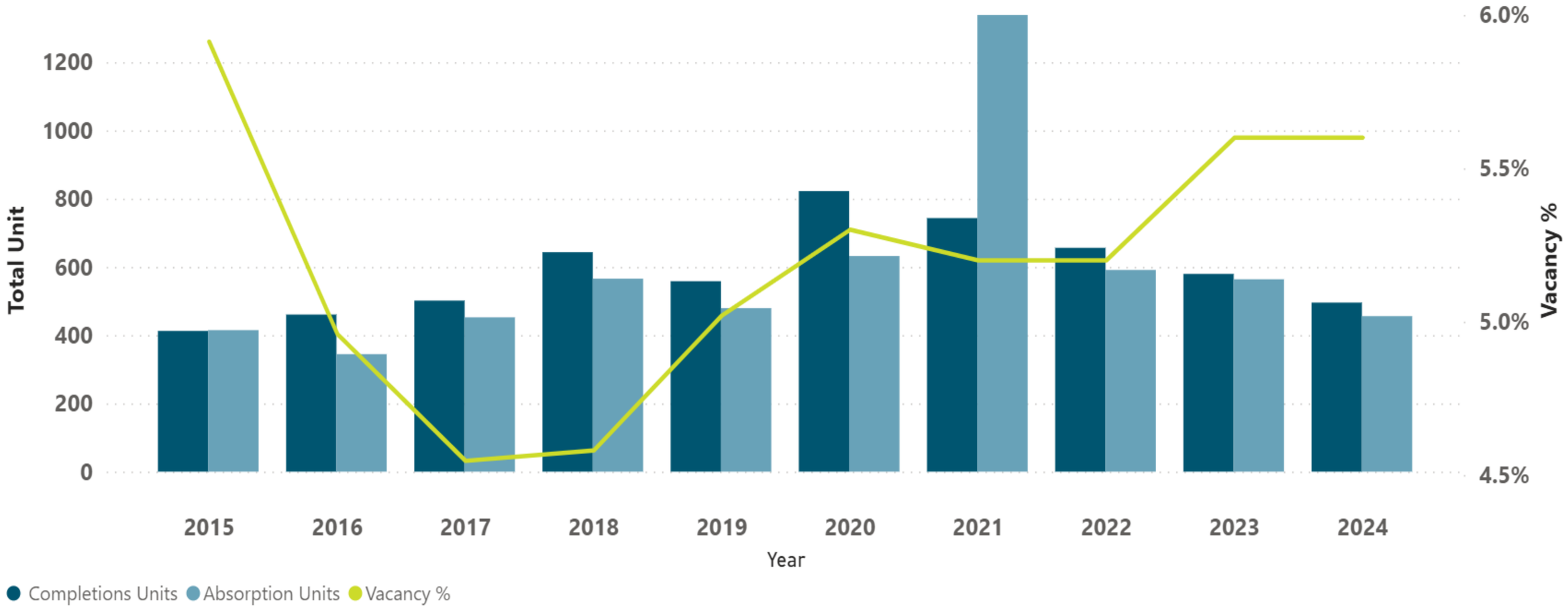
Source: CoStar

STRONG MARKET PERFORMANCE



Source: REIS

MARKET SUPPLY & DEMAND



Source: REIS

FranklinStreet

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	77,605	923	1.2%	3,514	74,091	693
2018	Q2	78,529	924	1.2%	3,550	74,979	888
2018	Q3	78,816	287	0.4%	3,492	75,324	345
2018	Q4	80,336	1,520	1.9%	3,797	76,539	1,215
2018	Y	80,336	3,654	4.8%	3,797	76,539	3,141
2019	Q1	80,580	244	0.3%	3,912	76,668	129
2019	Q2	81,586	1,006	1.2%	4,109	77,477	809
2019	Q3	82,997	1,411	1.7%	4,615	78,382	905
2019	Q4	83,397	400	0.5%	4,190	79,207	825
2019	Y	83,397	3,061	3.8%	4,190	79,207	2,668
2020	Q1	83,820	423	0.5%	4,324	79,496	289
2020	Q2	84,121	301	0.4%	4,402	79,719	223
2020	Q3	85,456	1,335	1.6%	4,667	80,789	1,070
2020	Q4	86,061	605	0.7%	4,735	81,326	537
2020	Y	86,061	2,664	3.2%	4,735	81,326	2,119
2021	Q1	86,236	175	0.2%	4,657	81,579	253
2021	Q2	86,859	623	0.7%	4,472	82,387	808
2021	Q3	87,729	870	1.0%	3,795	83,934	1,547

Source: REIS

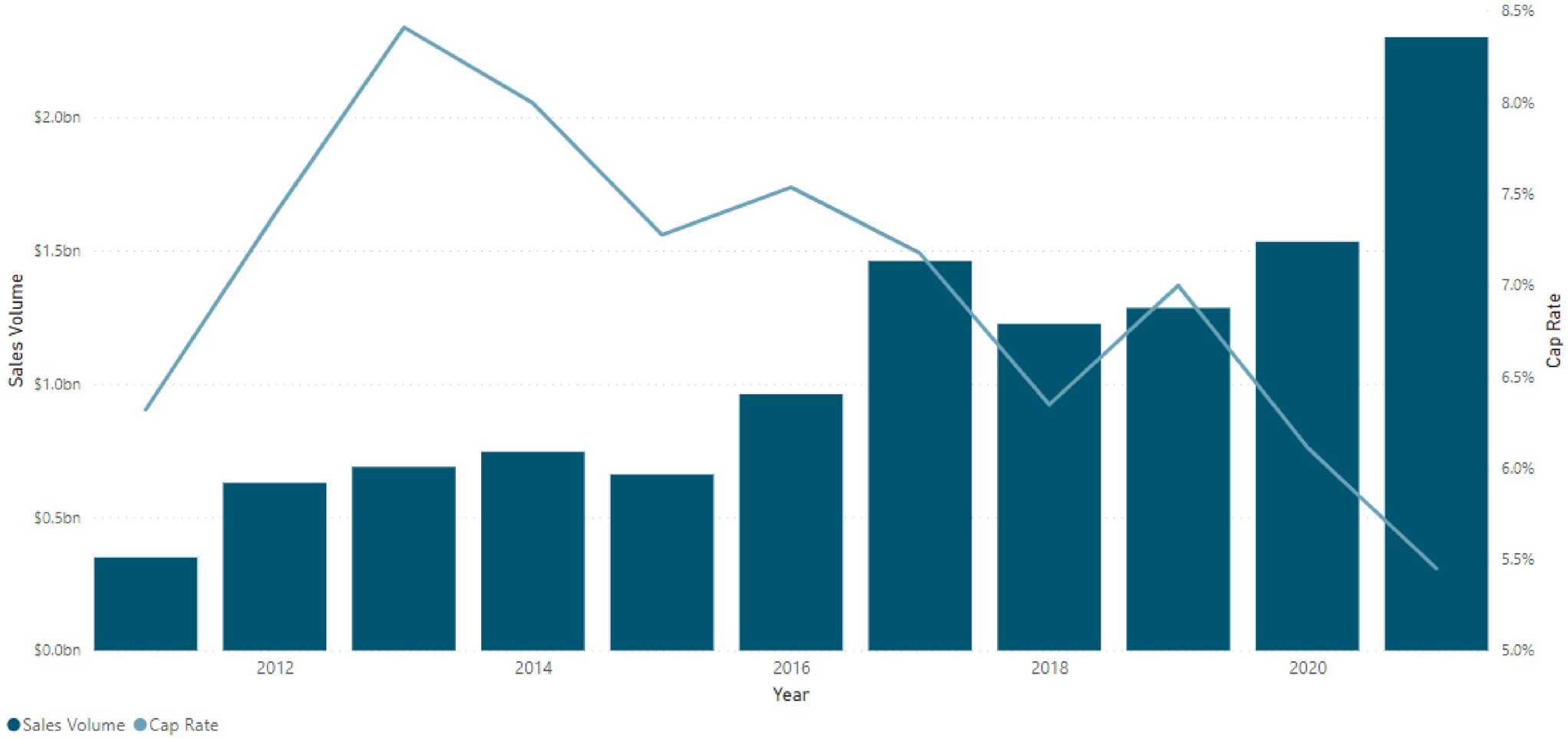
FranklinStreet

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	$991	1.4%	$957	1.4%	4.5%	20
2018	Q2	$1,000	0.9%	$966	0.9%	4.5%	0
2018	Q3	$1,022	2.2%	$983	1.8%	4.4%	-10
2018	Q4	$1,032	1.0%	$991	0.9%	4.7%	30
2018	Y	$1,032	5.6%	$991	5.1%	4.7%	40
2019	Q1	$1,035	0.3%	$991	0.0%	4.9%	20
2019	Q2	$1,057	2.1%	$1,010	1.9%	5.0%	10
2019	Q3	$1,071	1.3%	$1,022	1.2%	5.6%	60
2019	Q4	$1,077	0.6%	$1,028	0.6%	5.0%	-60
2019	Y	$1,077	4.4%	$1,028	3.7%	5.0%	30
2020	Q1	$1,084	0.7%	$1,035	0.7%	5.2%	20
2020	Q2	$1,083	0.0%	$1,035	0.1%	5.2%	0
2020	Q3	$1,089	0.5%	$1,038	0.3%	5.5%	30
2020	Q4	$1,087	-0.2%	$1,034	-0.4%	5.5%	0
2020	Y	$1,087	1.0%	$1,034	0.6%	5.5%	50
2021	Q1	$1,096	0.9%	$1,045	1.0%	5.4%	-10
2021	Q2	$1,118	2.0%	$1,067	2.1%	5.1%	-30
2021	Q3	$1,263	12.9%	$1,210	13.4%	4.3%	-80

Source: REIS

INCREASING SALES VOLUME AND DECREASING CAP RATES



Source: CoStar & REIS

FranklinStreet

OFFICE

OFFICE
2022 FORECASTS

1. **RENTS WILL CONTINUE TO RISE STEADILY**

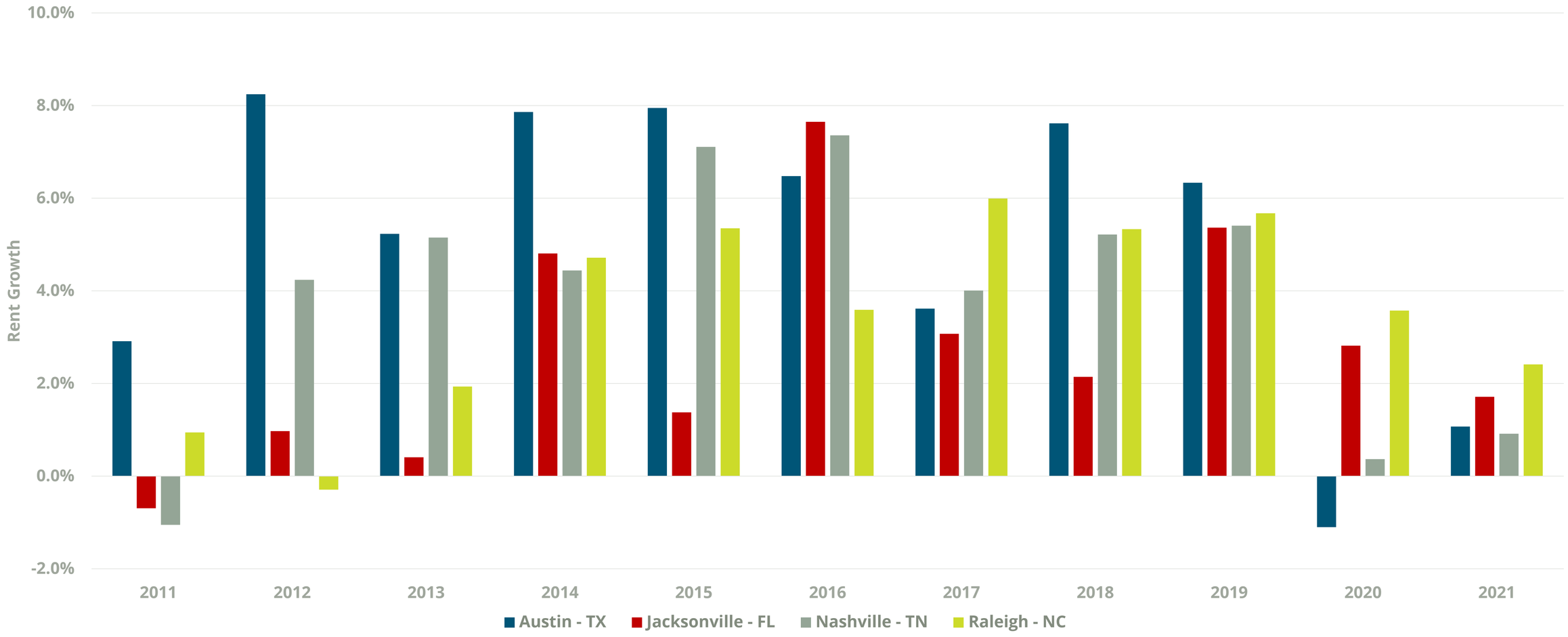
2. **NEW SUPPLY WILL CONTINUE TO GET ABSORBED**

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

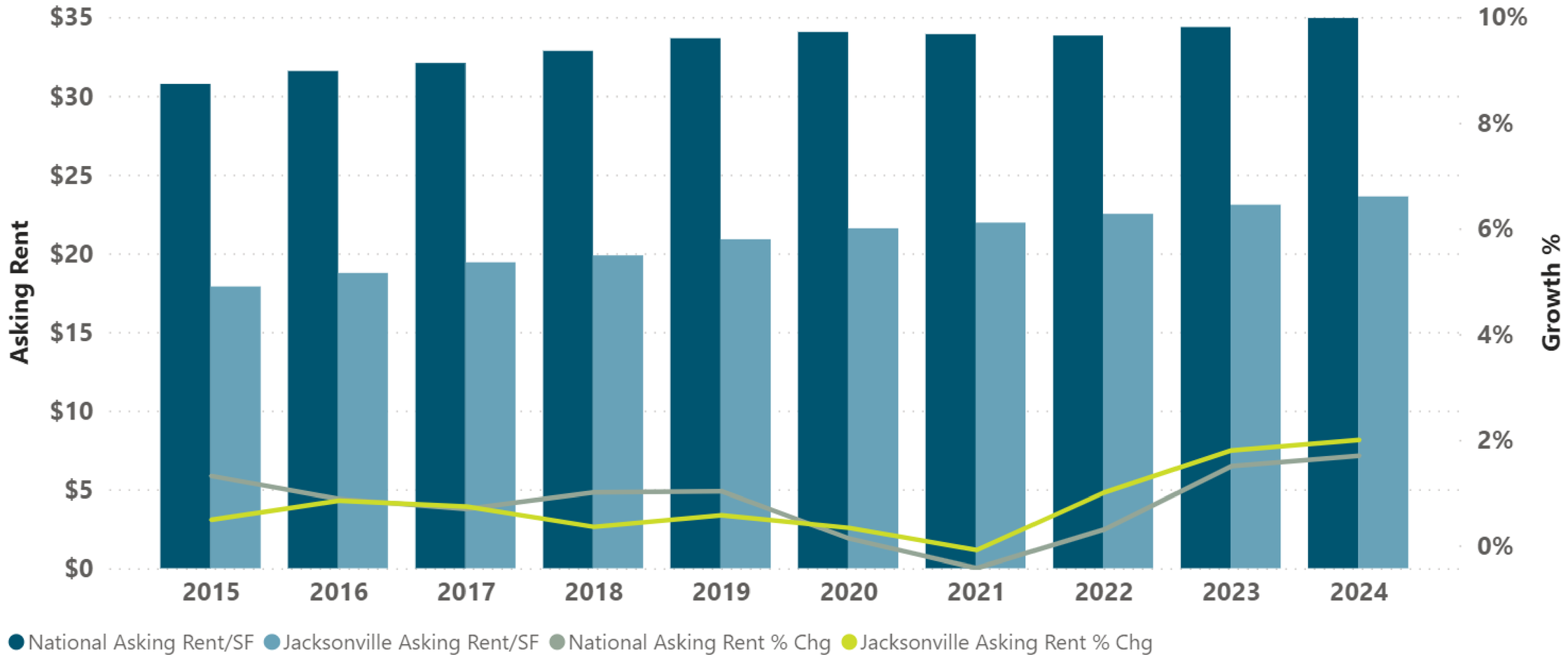
5. **PEOPLE WILL RETURN TO WORK IN OFFICE**
   - Team, Training and Relationships

YoY OFFICE MARKET RENT GROWTH



Source: CoStar

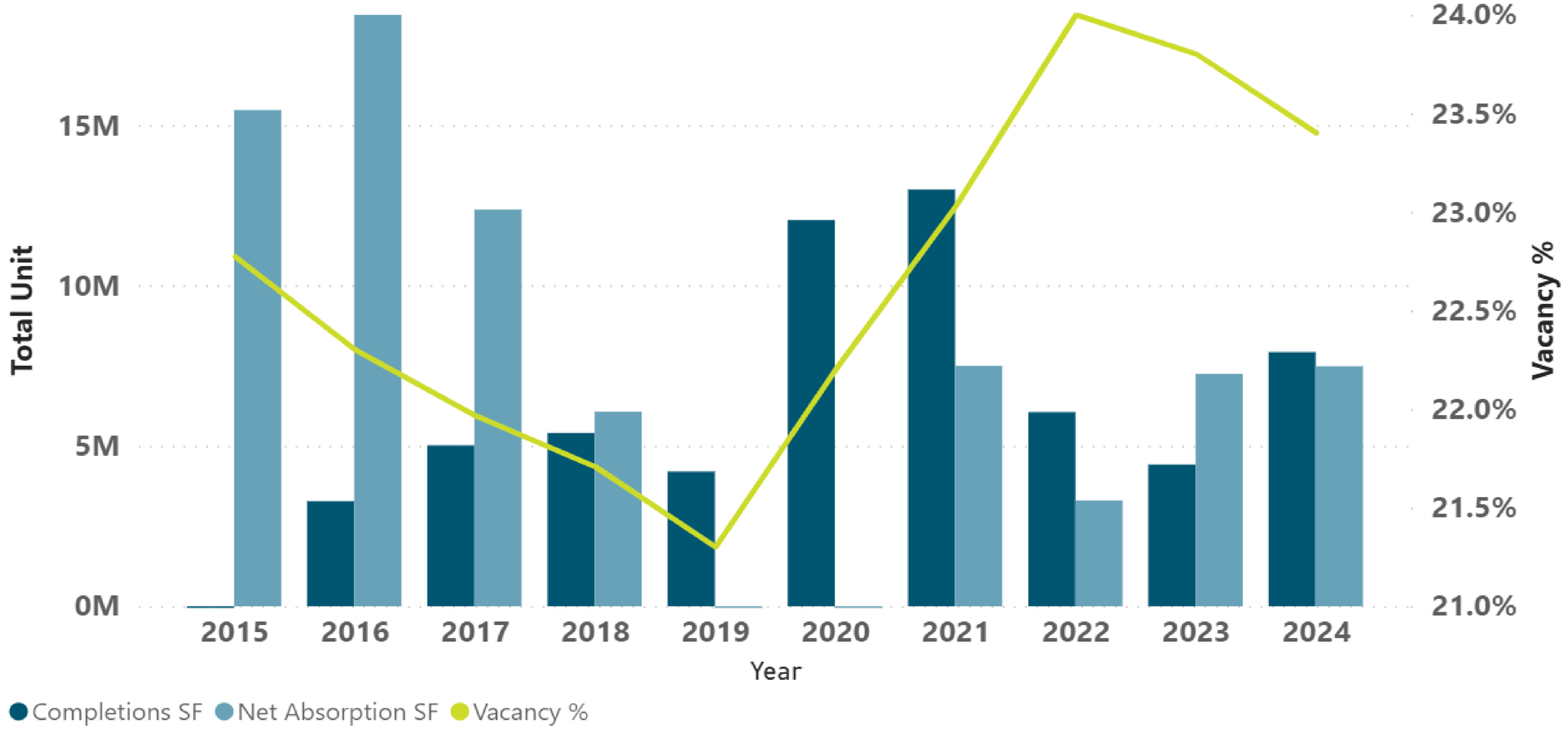
MARKET PERFORMANCE



Source: REIS

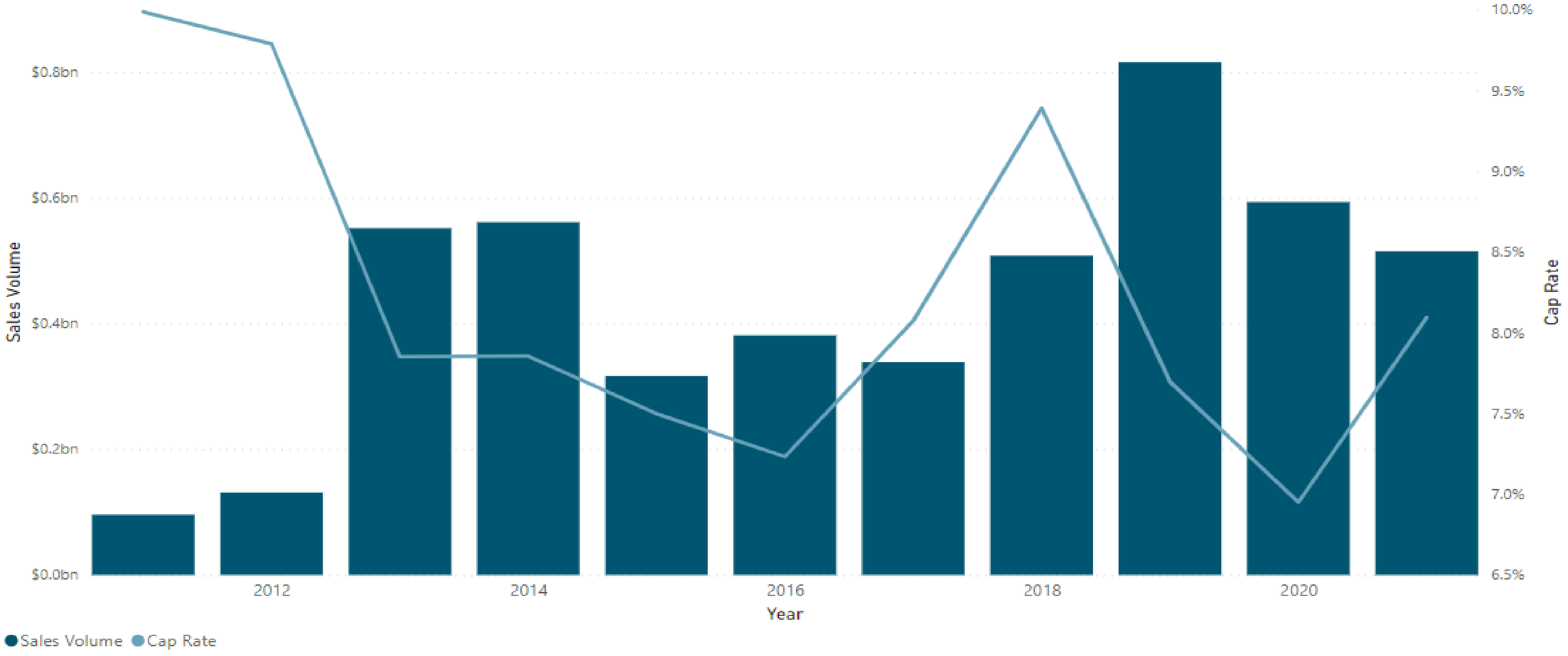
FranklinStreet

ABSORPTION NEEDS TO CATCH UP WITH COMPLETIONS



Source: REIS

SALES VOLUME WILL BEGIN TO GROW FROM LOWS



Source: CoStar & REIS

FranklinStreet

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	25,342,000	0	0.0%	5,627,000	19,715,000	-100,000
2018	Q2	25,503,000	161,000	0.6%	5,568,000	19,935,000	220,000
2018	Q3	25,553,000	50,000	0.2%	5,597,000	19,956,000	21,000
2018	Q4	25,553,000	0	0.0%	5,498,000	20,055,000	99,000
2018	Y	25,553,000	211,000	0.8%	5,498,000	20,055,000	240,000
2019	Q1	25,553,000	0	0.0%	5,472,000	20,081,000	26,000
2019	Q2	25,771,000	218,000	0.9%	5,444,000	20,327,000	246,000
2019	Q3	25,771,000	0	0.0%	5,461,000	20,310,000	-17,000
2019	Q4	25,771,000	0	0.0%	5,568,000	20,203,000	-107,000
2019	Y	25,771,000	218,000	0.9%	5,568,000	20,203,000	148,000
2020	Q1	25,771,000	0	0.0%	5,632,000	20,139,000	-64,000
2020	Q2	25,771,000	0	0.0%	5,647,000	20,124,000	-15,000
2020	Q3	25,771,000	0	0.0%	5,777,000	19,994,000	-130,000
2020	Q4	25,771,000	0	0.0%	5,814,000	19,957,000	-37,000
2020	Y	25,771,000	0	0.0%	5,814,000	19,957,000	-246,000
2021	Q1	25,771,000	0	0.0%	5,842,000	19,929,000	-28,000
2021	Q2	25,799,000	28,000	0.1%	5,976,000	19,823,000	-106,000
2021	Q3	25,799,000	0	0.0%	5,843,000	19,956,000	133,000

Source: REIS

FranklinStreet

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	$19.57	0.2%	$15.37	0.2%	22.2%	40
2018	Q2	$19.64	0.4%	$15.43	0.4%	21.8%	-40
2018	Q3	$19.65	0.1%	$15.45	0.1%	21.9%	10
2018	Q4	$19.71	0.3%	$15.50	0.3%	21.5%	-40
2018	Y	$19.71	0.9%	$15.50	1.0%	21.5%	-30
2019	Q1	$19.78	0.4%	$15.56	0.4%	21.4%	-10
2019	Q2	$19.92	0.7%	$15.68	0.8%	21.1%	-30
2019	Q3	$19.97	0.3%	$15.73	0.3%	21.2%	10
2019	Q4	$20.01	0.2%	$15.75	0.1%	21.6%	40
2019	Y	$20.01	1.5%	$15.75	1.6%	21.6%	10
2020	Q1	$20.08	0.3%	$15.81	0.4%	21.9%	30
2020	Q2	$20.06	-0.1%	$15.76	-0.3%	21.9%	0
2020	Q3	$20.14	0.4%	$15.76	0.0%	22.4%	50
2020	Q4	$20.18	0.2%	$15.85	0.6%	22.6%	20
2020	Y	$20.18	0.8%	$15.85	0.6%	22.6%	100
2021	Q1	$20.20	0.1%	$15.82	-0.2%	22.7%	10
2021	Q2	$20.21	0.0%	$15.79	-0.2%	23.2%	50
2021	Q3	$20.22	0.0%	$15.88	0.6%	22.6%	-60

Source: REIS

FranklinStreet

MAJOR OFFICE PROJECTS COMPLETED OR UNDER CONSTUCTION

Property Name	Property Type	Size sqft	Construction Status	Expected Completion	Expected Groundbreak	Developer
100 Lavilla Center Dr, Jacksonville, FL, 32218						
Jacksonville Regional Transportation Center	Government Office	67,000	Complete	05/01/2020	-	-
1505 Dennis St, Jacksonville, FL, 32204						
Dennis + Ives	Office	28,000	Complete	06/01/2021	3/2021	-
1524 Normandy Village Pkwy, Jacksonville, FL, 32221						
Normandy Village Parkway Office	Medical Office	8,360	Complete	03/01/2021	6/2020	-
447 Lee Rd, Jacksonville, FL, 32225						
447 Lee Road	Office--Owner Occ.	7,000	Complete	09/01/2021	9/2020	-
Longleaf Pine Pkwy & Heron Landing Rd, St Johns, FL, 32259						
Durbin Station	Office Condominiums	31,000	Under Constr.	12/01/2021	-	Stratagem Partners

Source: REIS

FranklinStreet

OFFICE ABSORPTIONS SLOWING AS COMPLETIONS DECREASE

Year	Absorption (SF)	Completions (SF)
2006	329,000	46,000
2007	317,000	490,000
2008	-600,000	389,000
2009	-885,000	77,000
2010	-28,000	0
2011	1,000	0
2012	54,000	61,000
2013	-338,000	0
2014	-62,000	0
2015	25,000	24,000
2016	156,000	63,000
2017	302,000	132,000
2018	240,000	211,000
2019	148,000	218,000
2020	-246,000	0
2021	-168,000	28,000
2021 YTD	34,000	28,000
2022	43,000	0
2023	64,000	86,000
2024	247,000	151,000
2025	280,000	167,000
2026	251,000	166,000

Source: REIS

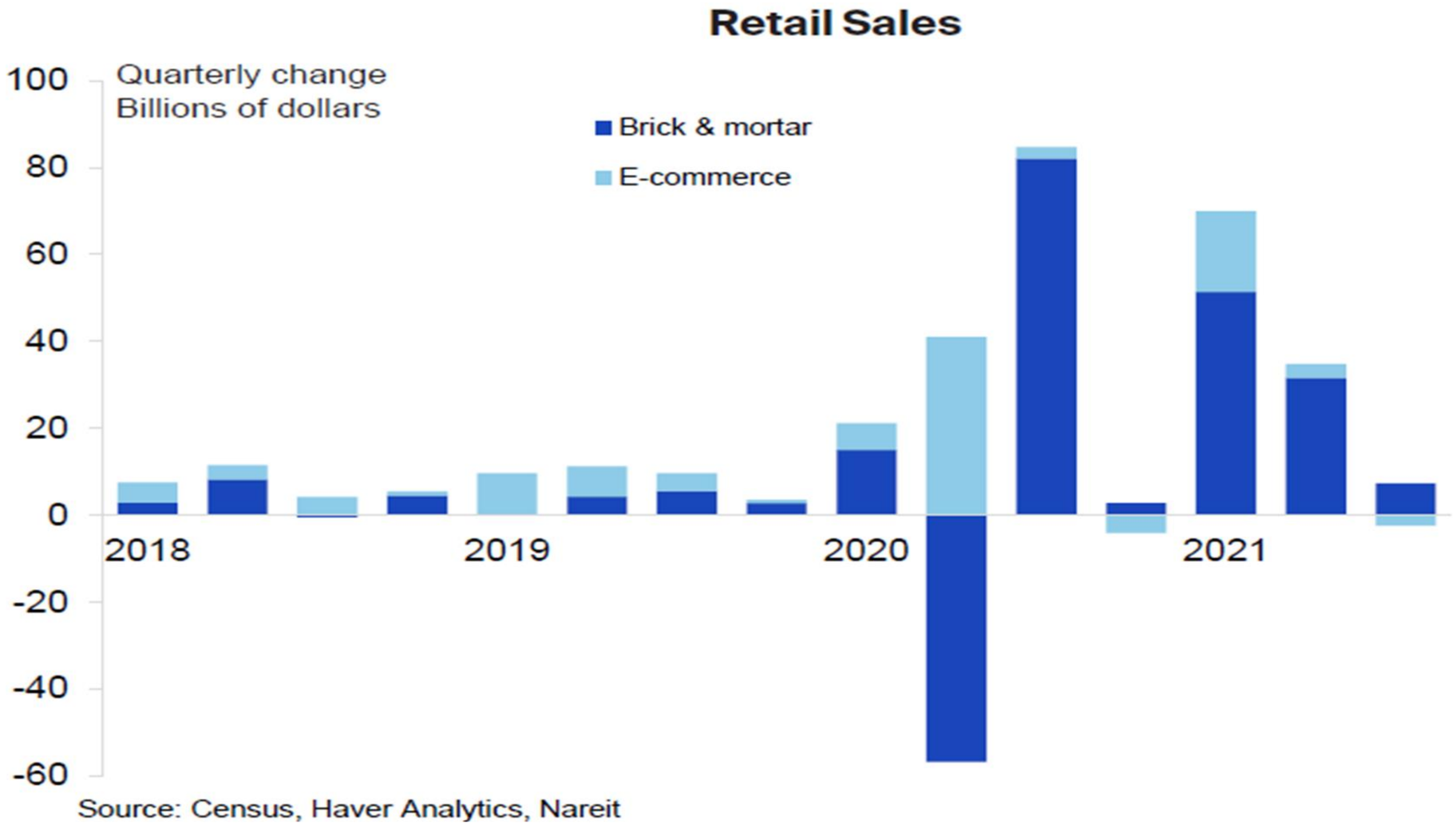
FranklinStreet

RETAIL

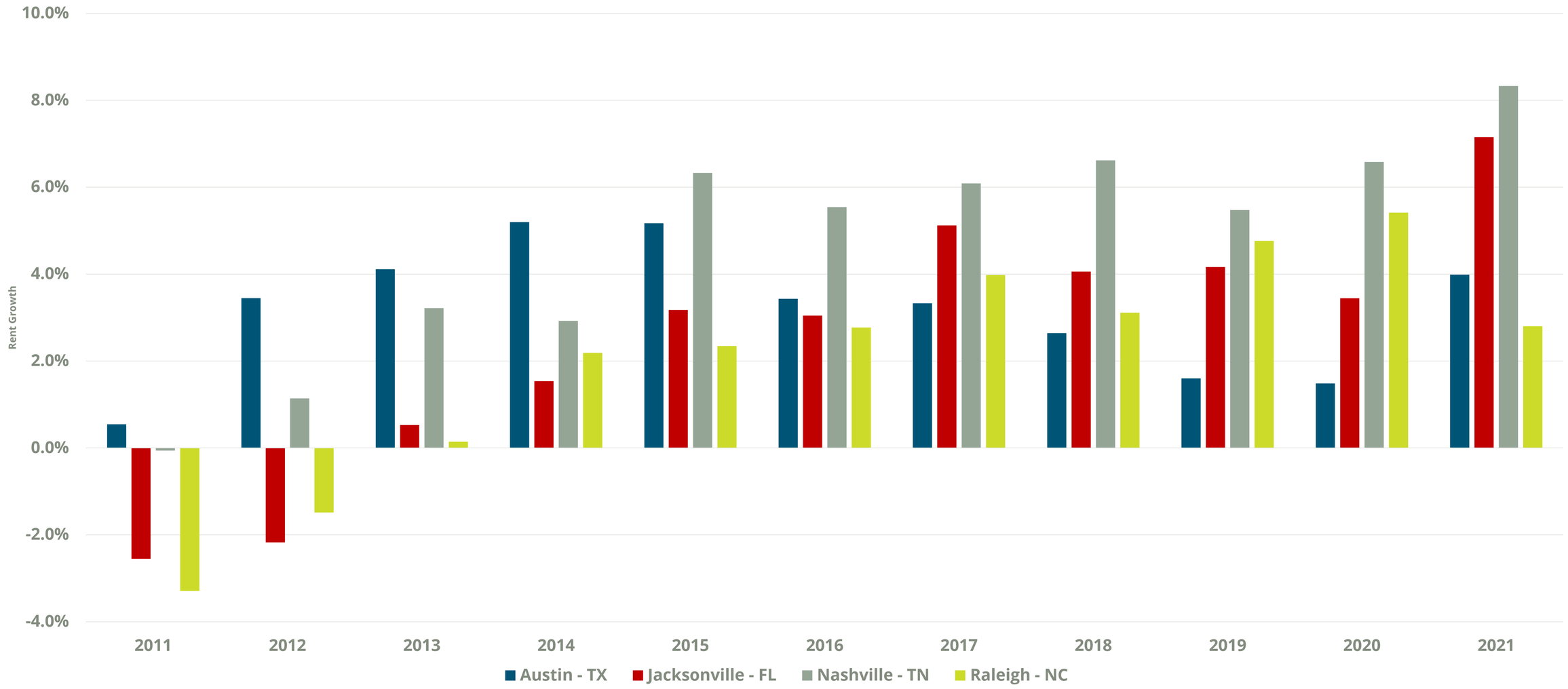
RETAIL 2022 FORECASTS

1. **NOT ALL RETAIL IS CREATED EQUAL**
   - Well-located, insulated and experienced based wins
   - E-commerce will continue to put pressure on traditional 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

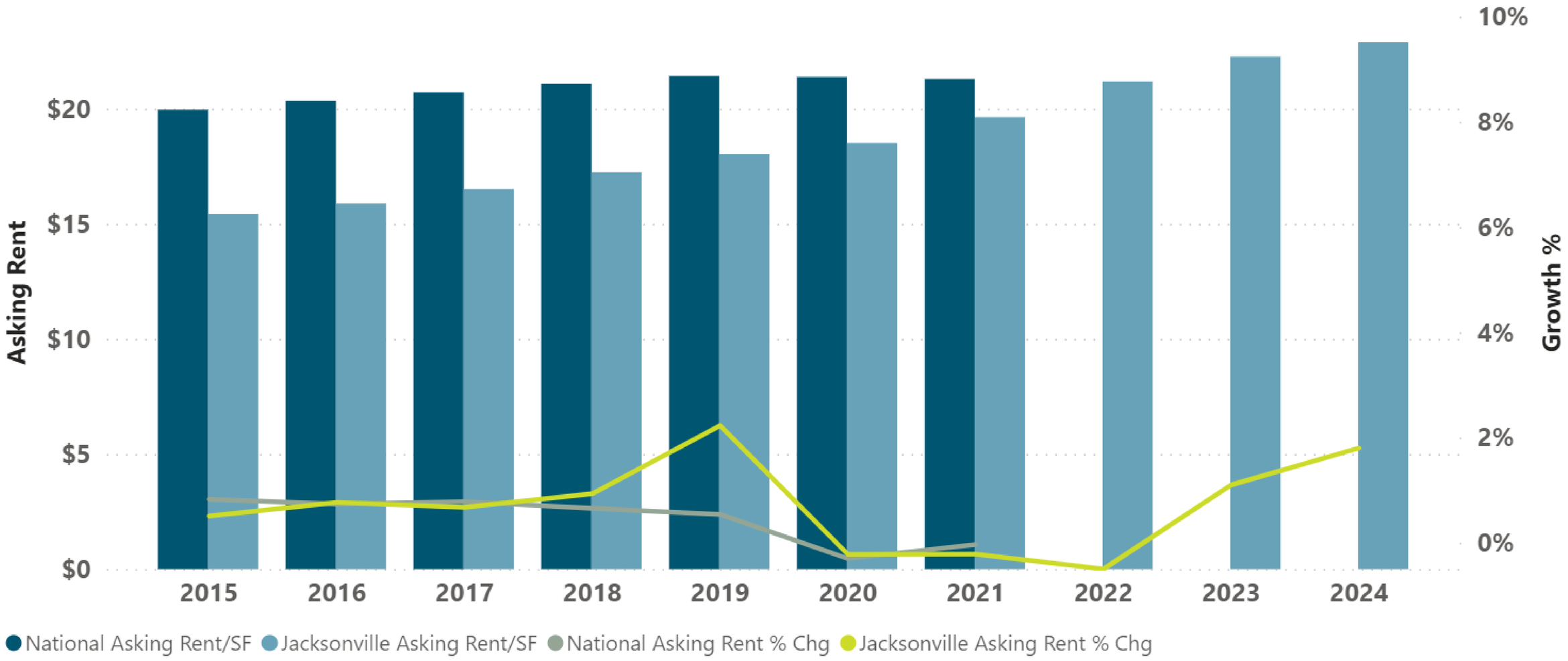


YoY RETAIL MARKET RENT GROWTH



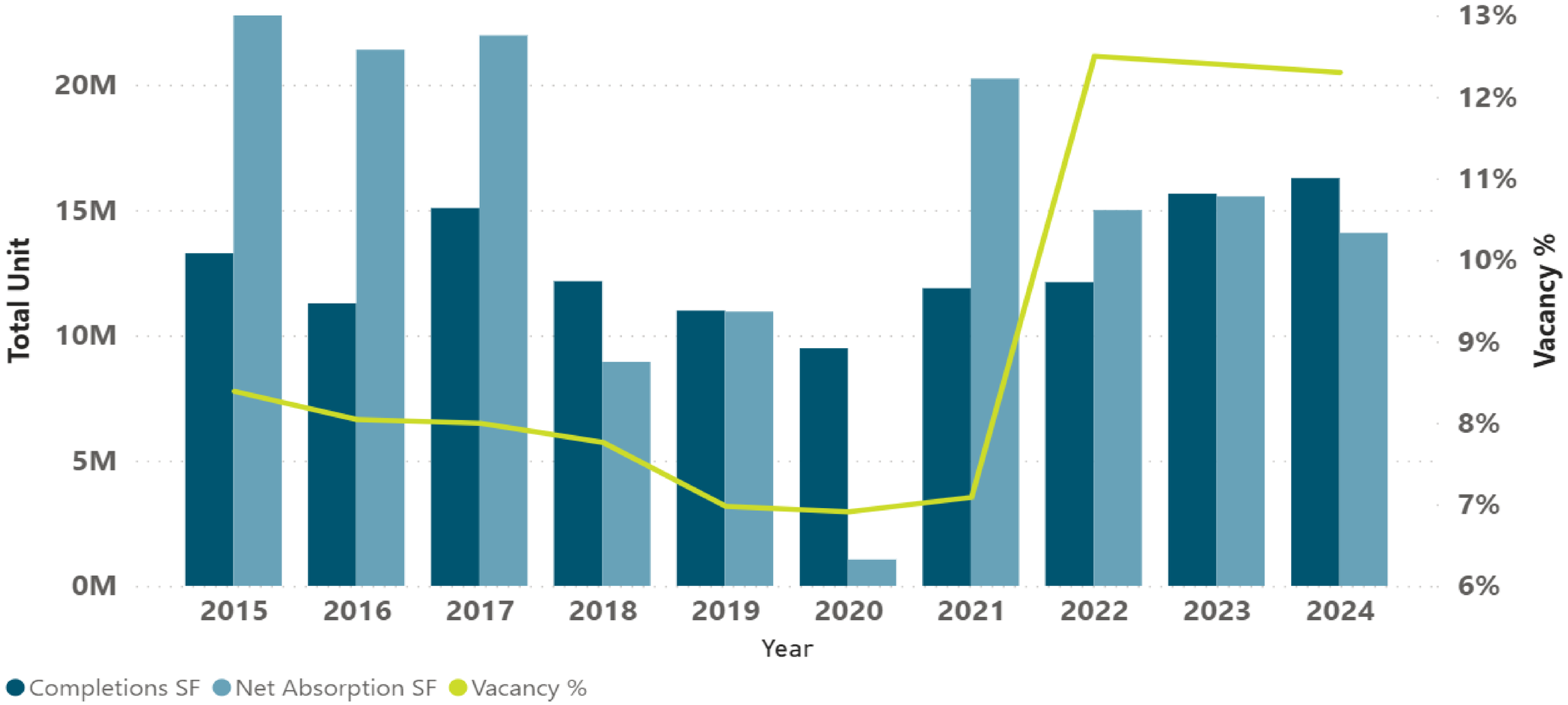
Source: CoStar

MARKET PERFORMANCE



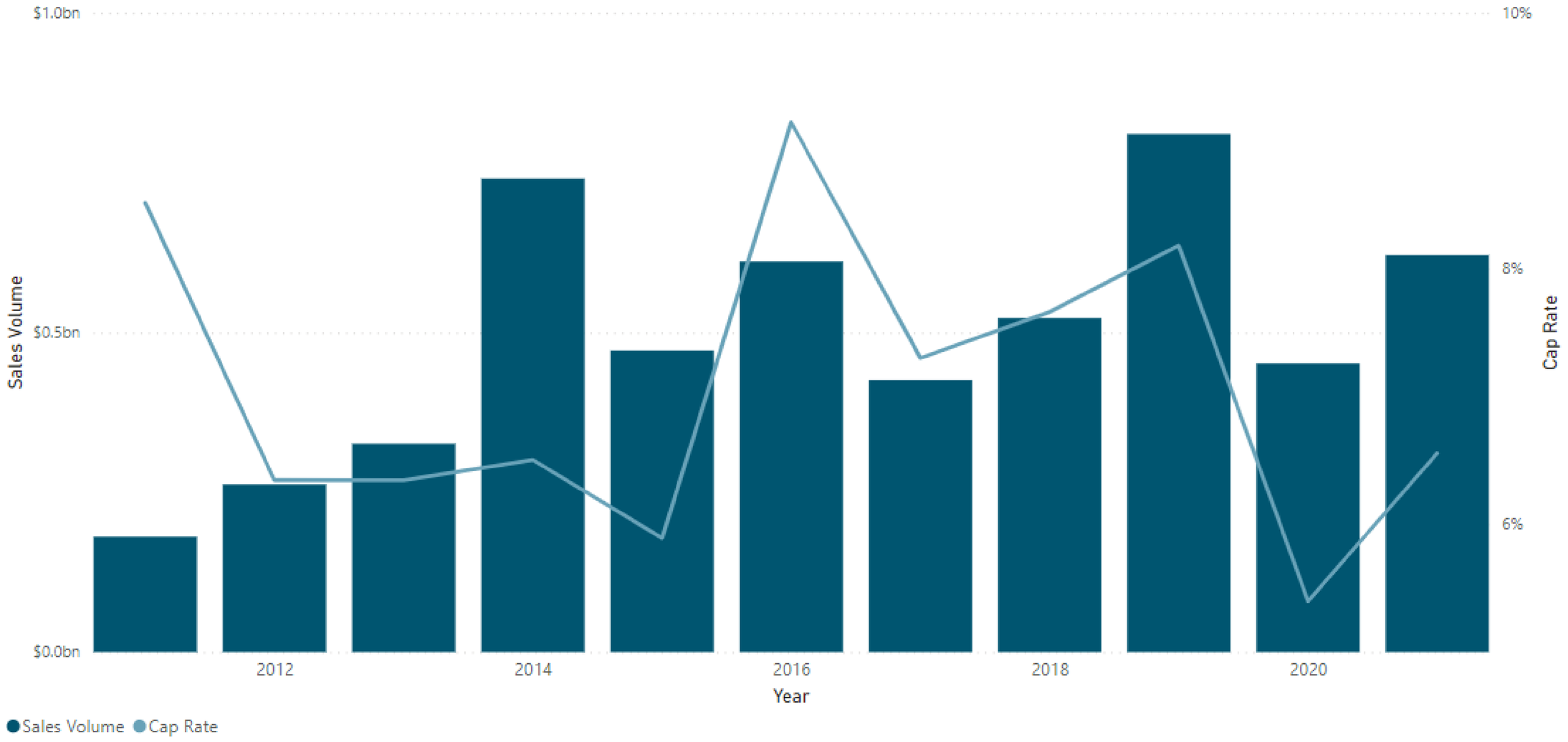
Source: REIS

RETAIL ABSORPTIONS AND COMPLETIONS



Source: REIS

SALES VOLUME AND CAP RATE



Source: CoStar & REIS

FranklinStreet

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	23,234,000	19,000	-0.6%	2,724,000	20,510,000	-11,000
2018	Q2	23,234,000	0	0.0%	2,859,000	20,375,000	-135,000
2018	Q3	23,249,000	15,000	0.1%	2,771,000	20,478,000	103,000
2018	Q4	23,249,000	0	0.0%	2,698,000	20,551,000	73,000
2018	Y	23,249,000	34,000	-0.5%	2,698,000	20,551,000	30,000
2019	Q1	25,807,000	0	11.0%	2,823,000	22,984,000	2,433,000
2019	Q2	25,822,000	15,000	0.1%	2,802,000	23,020,000	36,000
2019	Q3	25,828,000	6,000	0.0%	2,750,000	23,078,000	58,000
2019	Q4	25,828,000	0	0.0%	2,692,000	23,136,000	58,000
2019	Y	25,828,000	21,000	11.1%	2,692,000	23,136,000	2,585,000
2020	Q1	25,907,000	79,000	0.3%	2,688,000	23,219,000	83,000
2020	Q2	25,999,000	92,000	0.4%	2,722,000	23,277,000	58,000
2020	Q3	25,999,000	0	0.0%	2,746,000	23,253,000	-24,000
2020	Q4	25,999,000	0	0.0%	2,769,000	23,230,000	-23,000
2020	Y	25,999,000	171,000	0.7%	2,769,000	23,230,000	94,000
2021	Q1	25,999,000	0	0.0%	2,823,000	23,176,000	-54,000
2021	Q2	25,999,000	0	0.0%	2,833,000	23,166,000	-10,000
2021	Q3	26,061,000	62,000	0.2%	2,735,000	23,326,000	160,000

Source: REIS

FranklinStreet

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	$16.48	1.2%	$13.59	1.3%	11.7%	-50
2018	Q2	$16.45	-0.2%	$13.57	-0.1%	12.3%	60
2018	Q3	$16.59	0.9%	$13.69	0.9%	11.9%	-40
2018	Q4	$16.65	0.4%	$13.74	0.4%	11.6%	-30
2018	Y	$16.65	2.3%	$13.74	2.5%	11.6%	-60
2019	Q1	$17.41	4.6%	$14.43	5.0%	10.9%	-70
2019	Q2	$17.57	0.9%	$14.56	0.9%	10.9%	0
2019	Q3	$17.61	0.2%	$14.61	0.3%	10.6%	-30
2019	Q4	$17.58	-0.2%	$14.57	-0.3%	10.4%	-20
2019	Y	$17.58	5.6%	$14.57	6.0%	10.4%	-120
2020	Q1	$17.61	0.2%	$14.60	0.2%	10.4%	0
2020	Q2	$17.60	-0.1%	$14.56	-0.3%	10.5%	10
2020	Q3	$17.59	-0.1%	$14.52	-0.3%	10.6%	10
2020	Q4	$17.49	-0.6%	$14.42	-0.7%	10.7%	10
2020	Y	$17.49	-0.5%	$14.42	-1.0%	10.7%	30
2021	Q1	$17.56	0.4%	$14.48	0.4%	10.9%	20
2021	Q2	$17.60	0.2%	$14.53	0.3%	10.9%	0
2021	Q3	$17.64	0.2%	$14.61	0.6%	10.5%	-40

Source: REIS

FranklinStreet

INDUSTRIAL

INDUSTRIAL 2022 FORECASTS

1. **RENT GROWTH WILL REMAIN STRONG**
   - All time-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 sites and higher land costs

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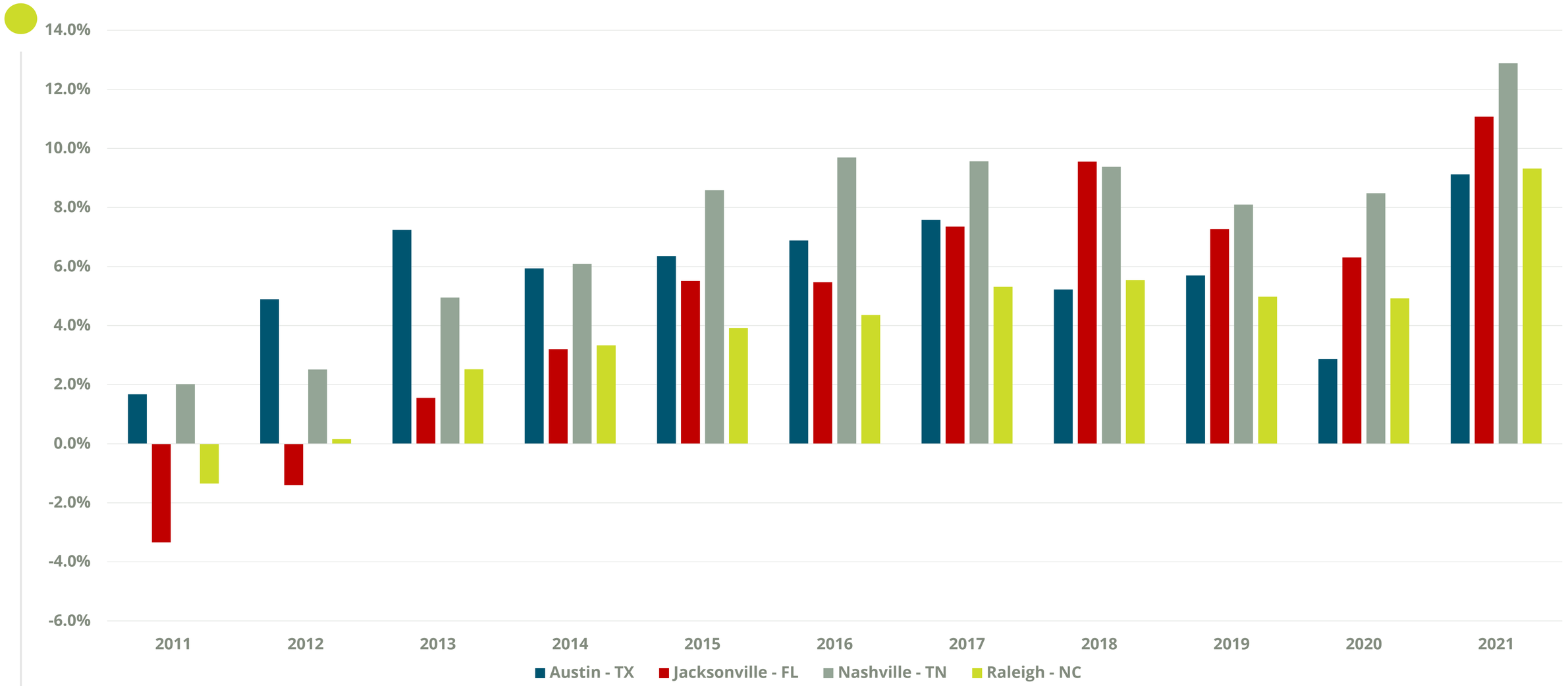
YoY INDUSTRIAL MARKET RENT GROWTH



Source: CoStar

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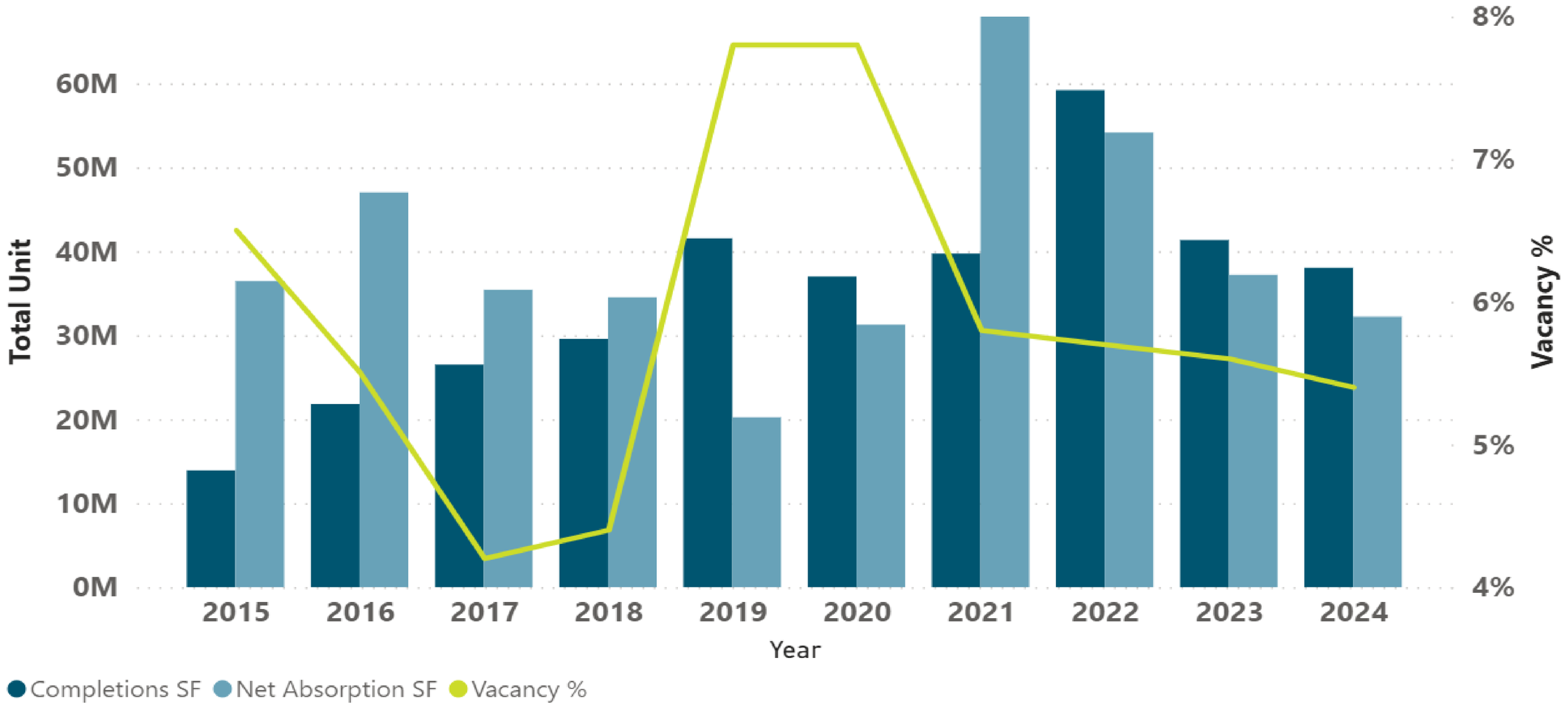
MARKET SUPPLY & DEMAND



Source: REIS

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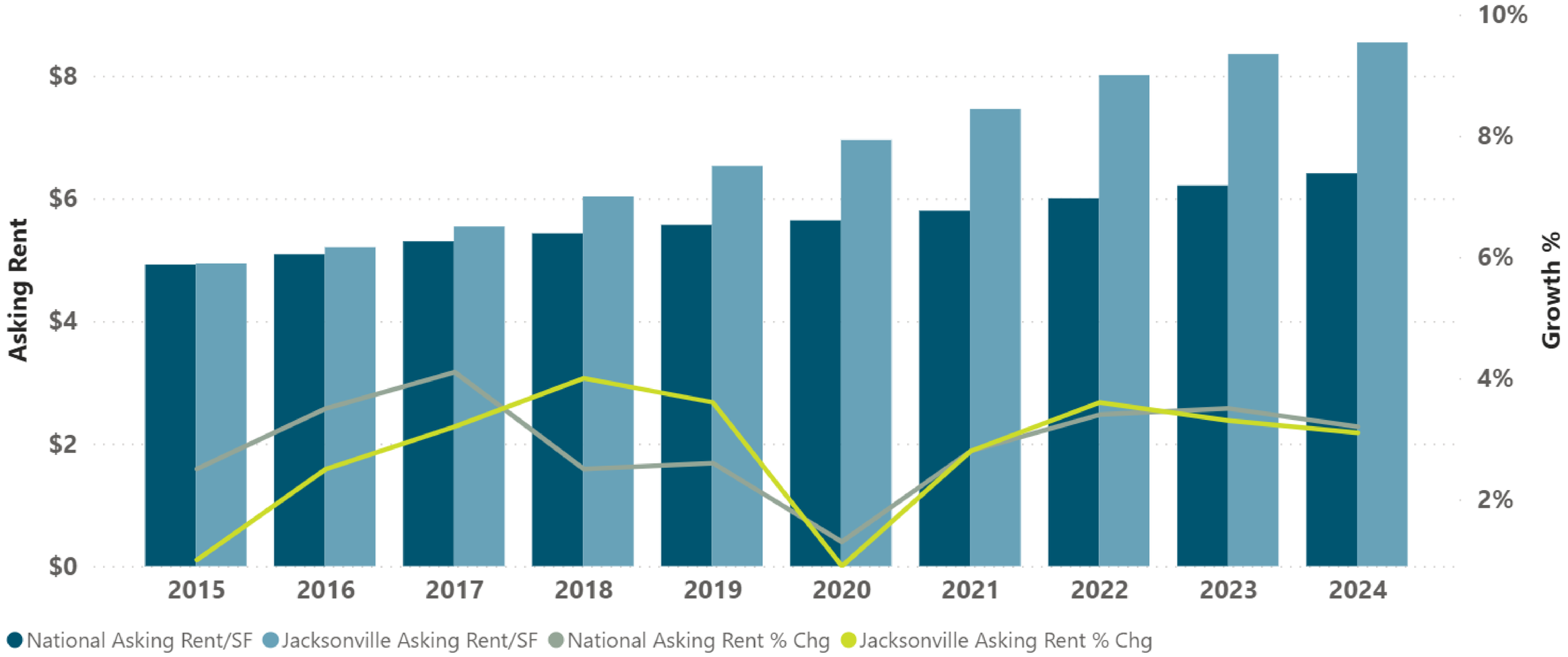
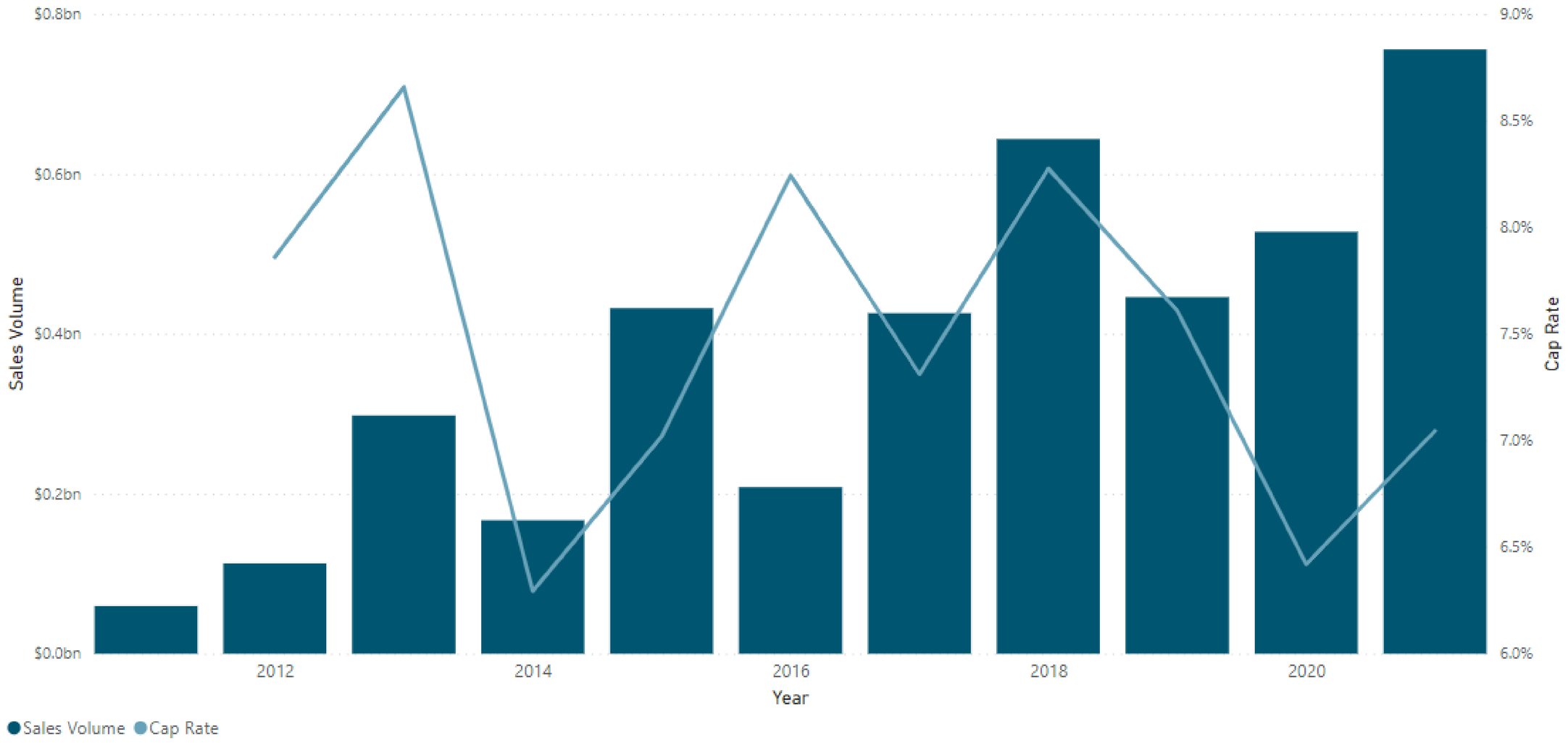
ASKING RENTS & VACANCIES



Source: REIS

INDUSTRIAL SALES VOLUME



Source: CoStar & REIS

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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	$191.311M	7	8.0%	$75.95	$67.45	5.8%	7.8%
2018	Q2	$121.968M	9	8.3%	$40.54	$60.43	8.8%	9.8%
2018	Q3	$25.762M	4	8.2%	$1,182.26	$1,149.67	-	-
2018	Q4	$154.451M	12	8.3%	$60.69	$76.97	7.7%	6.4%
2019	Q1	$184.225M	6	8.3%	$64.42	$64.42	7.1%	7.7%
2019	Q2	$47.69M	4	7.9%	$58.18	$47.75	8.1%	7.4%
2019	Q3	$105.125M	5	7.9%	$146.29	$82.63	7.9%	7.9%
2019	Q4	$92.005M	10	7.6%	$95.69	$91.45	6.1%	6.1%
2020	Q1	$154.659M	10	7.1%	$96.91	$85.42	6.9%	6.7%
2020	Q2	$12.423M	4	6.9%	$33.09	$49.42	-	-
2020	Q3	$216.912M	7	6.4%	$56.85	$70.38	5.2%	5.2%
2020	Q4	$209.648M	21	6.4%	$61.86	$66.17	6.3%	6.1%
2021	Q1	$76.473M	15	6.7%	$75.49	$72.81	6.4%	7.5%
2021	Q2	$59.018M	7	6.7%	$80.53	$140.00	-	-
2021	Q3	$35M	1	7.0%	$125.84	$125.84	-	-

Source: REIS

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MAJOR INDUSTRIAL PROJECTS COMPLETED OR UNDER CONSTRUCTION

Property Name	Property Type	Size sqft	Construction Status	Expected Completion	Expected Groundbreak	Developer	Developer Phone
10501 Cold Storage Rd, Jacksonville, FL, 32218							
Imeson Park Bldg E	Warehouse/ Distribution	1,063,684	Complete	12/01/2021	-	Vantrust Real Estate	(904) 489 - 3655
Imeson Park Bldg B	Warehouse/ Distribution	552,720	Complete	12/01/2021	-	Vantrust Real Estate	(904) 489 - 3655
-	Warehouse/ Distribution	552,720	Complete	06/01/2020	8/2019	Vantrust Real Estate	(904) 489 - 3655
13483 103rd St, Jacksonville, FL, 32221							
Wayfair at Cecil Commerce Center	Warehouse/ Distribution	1,012,567	Complete	12/01/2019	2/2019	Hillwood	(972) 201 - 2977
250 Busch Dr, Jacksonville, FL, 32218							
Imeson International Industrial Park	Warehouse/ Distribution	477,946	Complete	03/01/2020	-	Webb Companies	(904) 757 - 8000
2619 Ignition Dr, Jacksonville, FL, 32218							
Park 295 Bldg B	Warehouse/ Distribution	552,634	Complete	11/01/2019	-	Northpoint Development	(816) 888 - 7380
565 Atlantis Dr, Middleburg, FL, 32068							
Project Belle Ph 1	Manufacturing	554,095	Under Constr.	03/01/2022	-	-	-
Lem Turner Rd & I-295, Jacksonville, FL, 32218							
Sunport Industrial Park Bldg 2	Warehouse/ Distribution	944,000	Under Constr.	02/01/2022	-	Suncap Property Group	(843) 518 - 8974
Sunport Industrial Park Bldg 1	Warehouse/ Distribution	550,000	Under Constr.	02/01/2022	-	Suncap Property Group	(843) 518 - 8974
New World Ave & Waterworks St, Jacksonville, FL, 32221							
AllianceFlorida at Cecil Commerce Center Parcel F	Warehouse/ Distribution	517,510	Under Constr.	-	-	Hillwood	(972) 201 - 2977

Source: 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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