

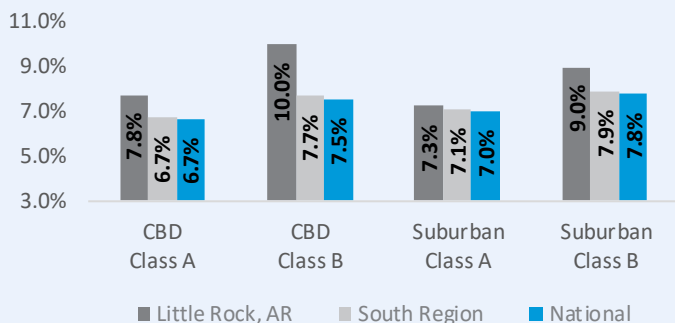
2019 LITTLE ROCK, AR OFFICE MID-YEAR REPORT

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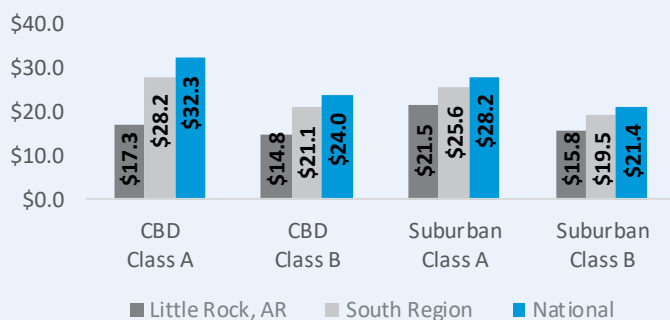
Market Rate Indicators (Y/Y)

| Categories | Suburban Class A | |
|-----------------------|------------------|---|
| | CBD Class A | A |
| Going In Cap Rate (%) | ▼ | ▼ |
| Asking Rent (\$/SF) | ▼ | ▲ |
| Vacancy Rate (%) | ▼ | ▲ |

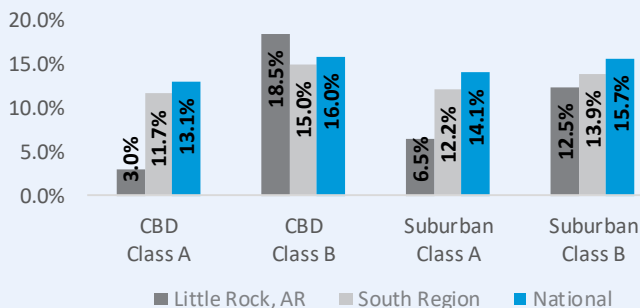
Going In Cap Rate Comparisons (%)



Asking Rents (\$/SF)



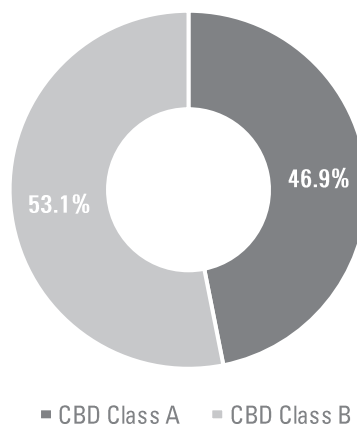
Vacancy Rates (%)



Little Rock, AR Office Market Overview

The Little Rock MSA Office Market continues to experience significant differences in between the central business district (CBD) and the suburban office market. The low vacancy within the CBD is expected to remain steady. The limited absorption will continue to hold vacancy rates steady in the suburban office market. There are several projects (i.e. the Bank of the Ozarks operation center) in the suburban office market that will promote absorption activity within the suburban market.

Distribution of Total Inventory



5,231,000 SF
CBD Office Inventory
N/A - 12 Mo. Proj.
Construction/Inventory

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Change In Value Next 12 Months



+/- 0%
CBD Class A

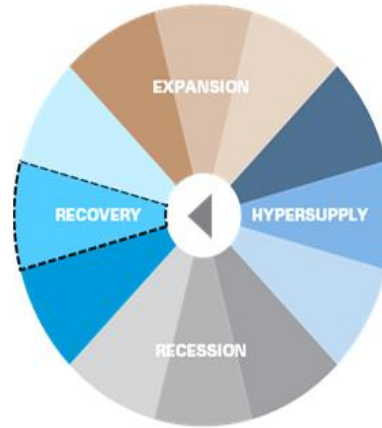
+/- 0%
CBD Class B



+/- 0%
Suburban Class A

+/- 0%
Suburban Class B

Market Cycle: Recovery Stage 2



- Low New Construction
- Neg/Low Rental Rate Growth
- Moderate Absorption
- Low/Moderate Employment Growth
- Decreasing Vacancy Rates

Forecasts

Little Rock, AR 12-Month Office Forecasts

| Categories | CBD Class A | CBD Class B | Suburban Class A | Suburban Class B |
|--------------------|-------------------|-------------------|-------------------|-------------------|
| Going-In Cap Rates | Increase 1-24 bps | Increase 1-24 bps | Increase 1-24 bps | Increase 1-24 bps |
| Discount Rate | Increase 1-24 bps | Increase 1-24 bps | Increase 1-24 bps | Increase 1-24 bps |
| Reversion Rate | Increase 1-24 bps | Increase 1-24 bps | Increase 1-24 bps | Increase 1-24 bps |
| Construction (SF) | | | | |
| Years to Balance | In Balance | 3 | In Balance | 1 |

Little Rock, AR 36-Month Office Forecasts

| Categories | CBD Class A | CBD Class B | Suburban Class A | Suburban Class B |
|------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Market Rent Change | 2.00% | 2.00% | 2.00% | 2.00% |
| Expense Rate Change | 2.00% | 2.00% | 2.00% | 2.00% |
| Change in Value | Remain Steady - no change | Remain Steady - no change | Remain Steady - no change | Remain Steady - no change |
| Annual Absorption (SF) | 10,000 | 7,500 | 7,500 | 25,000 |

Integra Realty Resources (IRR) is the largest independent commercial real estate valuation and consulting firm in North America, with over 175 MAI-designated members of the Appraisal Institute among 600+ professionals based in our 50+ offices throughout the United States and the Caribbean. Founded in 1999, the firm specializes in real estate appraisals, feasibility and market studies, expert testimony, and related property consulting services across all local and national markets. Our valuation and counseling services span all commercial property types and locations, from individual properties to large portfolio assignments.

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