

Metropolitan Area Economic Overview**POPULATION**

Total Est. 2006	158,197
Population Growth Index – 2011	1.32
Income Index	0.91
Affordability Index	1.12
Education Index	0.94
Age Index	1.06

EMPLOYMENT

Total Est. 2006	73,005
Office Index	0.88
Health Services Index	1.21
Government Index	1.23
Retail Services Index	1.25
Wholesale Index	0.53

Panama City At-A-Glance

(Rent/Square foot/Year)	Low	High	Effective Avg.	Vacancy
DOWNTOWN OFFICE				
New Construction (AAA)	\$ 23.00	\$ 28.00	\$ 25.00	5.0%
Class A (Prime)	\$ 19.00	\$ 24.00	\$ 20.00	10.0%
Class B (Secondary)	\$ 14.00	\$ 19.00	\$ 16.00	20.0%
SUBURBAN OFFICE				
New Construction (AAA)	\$ 18.00	\$ 24.00	\$ 21.00	15.0%
Class A (Prime)	\$ 15.00	\$ 18.00	\$ 16.00	10.0%
Class B (Secondary)	\$ 12.00	\$ 16.00	\$ 14.00	15.0%
INDUSTRIAL				
Bulk Warehouse	\$ 3.00	\$ 8.00	\$ 5.00	10.0%
Manufacturing	\$ 4.00	\$ 9.00	\$ 6.00	5.0%
High Tech/R&D	N/A	N/A	N/A	N/A
RETAIL				
Downtown	\$ 12.00	\$ 20.00	\$ 16.00	10.0%
Neighborhood Service Centers	\$ 10.00	\$ 18.00	\$ 14.00	15.0%
Community Power Center	\$ 18.00	\$ 24.00	\$ 21.00	15.0%
Regional Malls	\$ 28.00	\$ 35.00	\$ 31.00	5.0%

DEVELOPMENT LAND

	Low (Price/Acre)	High (Price/Acre)
Office in CBD	\$ 300,000	\$ 600,000
Land in Office Parks	\$ 200,000	\$ 400,000
Land in Industrial Parks	\$ 250,000	\$ 800,000
Office/Industrial Land - Non-park	\$ 250,000	\$ 1,000,000
Retail/Commercial Land	\$ 20,000	\$ 50,000
Residential	\$ 500,000	\$ 850,000

Market Overview

■ Located in the heart of Florida's Great Northwest and overlooking the beautiful Gulf of Mexico, Panama City is well known for its sugary white sand beaches and recent development boom. With an estimated \$626 million in new construction, Panama City and the entire Bay County area, has enjoyed tremendous growth during the past 36 months.

Construction is scheduled to begin in the spring of 2007 on the new Panama City – Bay County International Airport. Expansion of highways, the international port, and rail systems reflect an aggressive response by local governments to the recent market growth.

The West Bay project is quickly becoming not only one of the best economic development opportunities in Florida today, but also America. With over 75,000 acres, it is one of the largest mixed-use, planned communities. In addition to the International airport, plans for West Bay include commercial, office, and industrial entitlements that total approximately 4.4 million square feet; development of marinas and other recreational areas and residential communities with approximately 5,480 dwelling units.

In the past year Bay County has continued to expand its retail market with the opening of Pier Park, bringing in a one million square foot lifestyle center which includes a new Target, and a sixteen screen cinema as well as the first Panera Bread and Old Navy in this market. At the end of 2006, several additional national retailers were negotiating for position in this exciting

project, with specific dates and locations yet to be announced.

Lowe's Home Improvement and Home Depot have each opened second locations in the market. Walgreen's is opening its third store in the market place and is continuing to look for additional locations aggressively.

Late in 2006, the St. Joe Company was in the process of doing a retail feasibility report for the entire Northwest Florida area with an emphasis on bringing additional retail to the Bay County area as well as Tallahassee and Leon County. This report was expected to be out before the end of the year.

Although condominium and new home sales have been leveling off, several multi-million dollar residential and mixed use developments are planned and in various stages of construction. Driven by the increased property values and thousands of new residential and condominium units, the demand for commercial and retail support is clearly the next phase of this exciting growth period.

Bay County is committed to economic development and is proud to be the homes of over 132 small and large manufacturers. Companies seeking a productive southeast location for new manufacturing facilities can gain a number of important operating advantages in Bay County because of economic and key plant location variables such as labor, transportation, markets, and support services, business climates, and lifestyle considerations.

Source: NAI Emerald Coast