

Second Quarter 2018

Palm Beach Office

Berger Commercial Realty is dedicated to the consistent delivery and execution of commercial real estate services while continually embracing the clients' individual business goals. We are rewarded by powerful and enduring relationships due directly to the level of service and benefits we offer to each client.

"The Palm Beach office market has reversed direction, as vacancy rates dropped and net absorption was once again positive. This is a good sign that the market continues to gain strength, with strong demand for office space."

- Michael Feuerman
Managing Director

Period	Total RBA	Vacancy %	Asking Rate	Net Absorption
2018 2Q	55,496,413	9.80	29.52	42,625
2018 1Q	55,492,813	9.90	29.26	-60,277
2017 4Q	55,471,858	9.70	29.10	-58,333
2017 3Q	55,461,009	9.60	28.67	200,165

*2,862 Properties

From a survey taken of 2,862 Palm Beach County office properties, vacancy has gone down 10 basis points from the previous quarter. Net absorption is positive for the first time since Q3 2017. These are positive signs in an office market that was sliding the wrong direction for two consecutive quarters.

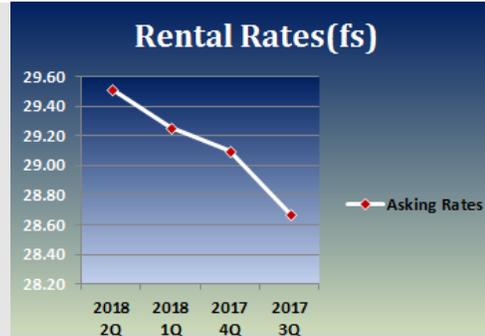


Net Absorption



Among the largest office lease signings in the 2nd quarter were Mobile Health's lease of 54,000 s.f at Boca Raton Innovation Campus, 5050 Conference Way, Boca Raton; and Hair Club's 23,130 s.f. lease at Interstate Plaza, 1499 W Palmetto Park Rd in Boca Raton. Among the largest sales in the Palm Beach office market in the 2nd quarter were RAIT Financial Trust's sale of the 171,490 square foot office building at 1501 Yamato Road, Boca Raton, FL to a joint venture between Pebb Enterprises and Tortoise Properties for \$42.05 million, or approximately \$245/ SF. The property is 100% occupied by ADT, with a portion subleased to another tenant. T-Rex Borrower, LLC sold the Boca Raton Innovation Campus (fka T-Rex Corporate Park), totaling 1.67 million rentable square feet, to a joint venture between Crocker Partners, LLC, Siguler Guff, and Rialto Capital Management LLC for \$179.3 million, or approximately \$107.00 per square foot. It was 28% vacant at the time of sale. The property last sold in 2015 for \$115 million.

Direct asking rental rates increased \$0.26/SF from the previous quarter to \$29.52 s.f. The increase in rates indicates strong demand.



While information is believe true, no guaranty is made of accuracy. Data is subject to revision.

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Berger Commercial Realty, founded in 1998, is a full service commercial real estate firm. As a local, independent and privately owned firm, we can customize our services and quickly adapt to our clients' needs as well as the continually changing real estate markets. We invite you to experience the power of market knowledge.