

### Third Quarter 2018

### Broward 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.

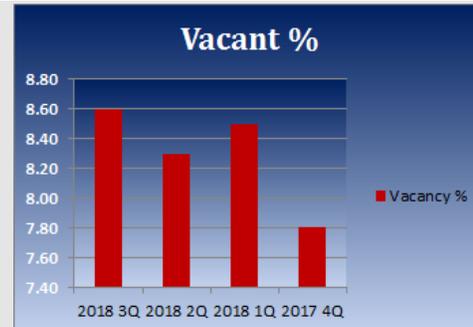
*"Vacancy rates are climbing, but rental rates remain strong. With very little new office construction, landlords can hover under 10% vacancy for the foreseeable future and continue to command high rents."*

-Lloyd C. Berger

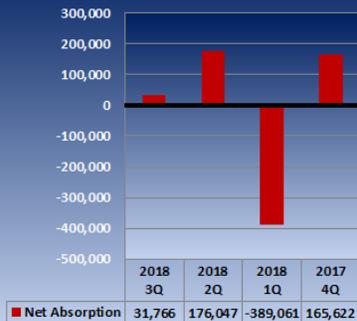
Period	Total RBA	Vacancy %	Asking Rate	Net Absorption
2018 3Q	71,217,964	8.60	\$28.74	31,766
2018 2Q	71,009,933	8.30	\$28.08	176,047
2018 1Q	70,953,990	8.50	\$27.12	-389,061
2017 4Q	70,840,246	7.80	\$26.60	165,622

4,089 Properties

From a survey of 4,089 Broward County office properties, it appears that the office market may be softening somewhat, although it is still in a very healthy (sub 10%) range for property owners. Vacancy has risen 80 basis points since Q4 2017. Third quarter vacancy for 2018 ended at 8.60%, and has risen 30 basis points from the previous quarter.



#### Net Absorption



Net absorption has decreased substantially, but is still positive despite the delivery of over 200,000 s.f. of new office product this quarter. Among the largest office lease signings in the third quarter were MacNeill Group's 37,818 s.f. lease at 1300 Sawgrass Corporate Pky., Sunrise; and Tambourine's 24,946 s.f. lease at 100 W. Cypress Creek Rd., Fort Lauderdale. Among the largest sales in the the Broward office market this quarter was CalSTRS/CBRE Global Investors' sale of the 261,676 square foot multi-tenant office building at 2400 E. Commercial Blvd., Fort Lauderdale, to Cardinal Point Real Estate for \$47.5 million, or approximately \$174.28 per square foot, at a reported 5.17% cap rate with 67% occupancy. In addition, Starwood Capital Group sold the 92,362 square foot office building at 1200 Sawgrass Corporate Pky., Sunrise, to a joint venture between Barron Collier Companies and Vanderbilt Partners for \$27.25 million, or approximately \$295 per square foot, with a reported cap rate of 7.34%. The purchaser reportedly bought as part of a 1031 exchange.

Quoted asking rental rates increased \$0.66/SF over the previous quarter to \$28.74/SF.

#### Rental Rates(fs)



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.