

## Fourth Quarter 2017

### 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.

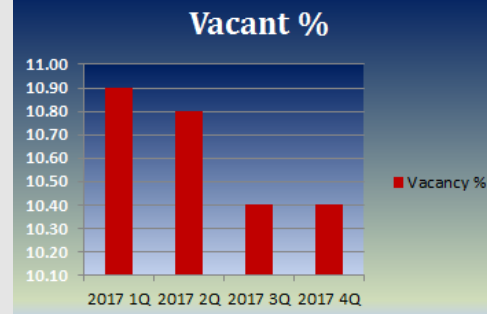
*Flat vacancy rates over the last 2 quarters, and negative net absorption in the 4th quarter, could signal a plateau or stabilization in the Palm Beach office market. The next several quarters will be telling.*

- Michael Feuerman  
Managing Director

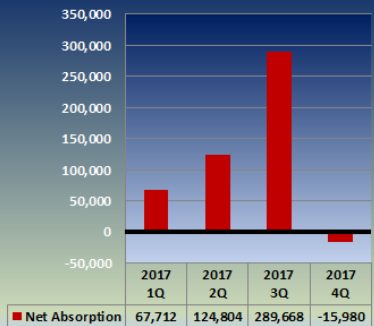
Period	Total RBA	Vacancy %	Asking Rates	Net Absorption
2017 1Q	55,161,361	10.90	27.78	67,712
2017 2Q	55,198,861	10.80	28.42	124,804
2017 3Q	55,267,729	10.40	28.69	289,668
2017 4Q	55,278,578	10.40	29.10	-15,980

\*2,838 Properties

From a survey taken of 2,838 Palm Beach County office properties, vacancy has remained at 10.4%, unchanged from last quarter. Net absorption in the fourth quarter was negative 15,980 s.f.

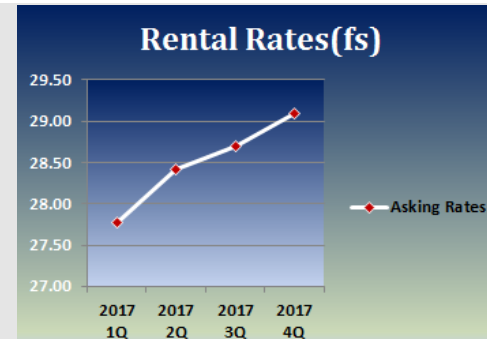


#### Net Absorption



Among the largest office lease signings in the 3rd quarter were The Bridge Direct, Inc's lease of 24,860 s.f. at FNBCC Plaza, 301 E Yamato Rd, Boca Raton and Modernizing Medicine's 22,714 s.f. lease at 4850 T Rex Ave, Boca Raton. Among the largest sales in the Palm Beach office market in the fourth quarter were Crocker Partners, LLC's sale of the 50,017 square foot office building located at 125 Worth Avenue in Palm Beach, FL to Frisbie Group for \$30.7 million, or approximately \$614 per square foot. The property was 75% occupied at the time of sale, a 4.4% cap rate was reported. On November 1, 2017 SunTrust Bank sold a 27,500 s.f. office building at 302 E Atlantic Ave and a 18,491 s.f. parking lot located in Delray Beach, to Canyon Partners LLC for \$18.01 million, approximately \$624.02 per s.f. The property was 100% leased at the time of sale.

Direct asking rental rates increased \$0.41/SF from the previous quarter to \$29.10/s.f., despite negative absorption in the quarter.



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.