

# CoStar Office Statistics

Year - End 2017

## Palm Beach County Office Market



**CoStar**<sup>TM</sup>  
The knowledge market

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## Methodology

The CoStar Office Report, unless specifically stated otherwise, calculates office statistics using CoStar Group's entire database of existing and under construction office buildings in each metropolitan area. Included are office, office condominium, office loft, office medical, all classes and all sizes, and both multi-tenant and single-tenant buildings, including owner-occupied buildings. CoStar Group's global database includes approximately 119 billion square feet of coverage in 5.4 million properties. All rental rates reported in the CoStar Office Report have been converted to a Full Service equivalent rental rate.

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## Terms & Definitions

**Availability Rate:** The ratio of available space to total rentable space, calculated by dividing the total available square feet by the total rentable square feet.

**Available Space:** The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

**Build-to-Suit:** A term describing a particular property, developed specifically for a certain tenant to occupy, with structural features, systems, or improvement work designed specifically for the needs of that tenant. A build-to-suit can be leased or owned by the tenant. In a leased build-to-suit, a tenant will usually have a long term lease on the space.

**Buyer:** The individual, group, company, or entity that has purchased a commercial real estate asset.

**Cap Rate:** Short for capitalization rate. The Cap Rate is a calculation that reflects the relationship between one year's net operating income and the current market value of a particular property. The Cap Rate is calculated by dividing the annual net operating income by the sales price (or asking sales price).

**CBD:** Abbreviation for Central Business District. (See also: Central Business District)

**Central Business District:** The designations of Central Business District (CBD) and Suburban refer to a particular geographic area within a metropolitan statistical area (MSA) describing the level of real estate development found there. The CBD is characterized by a high density, well organized core within the largest city of a given MSA.

**Class A:** A classification used to describe buildings that generally qualify as extremely desirable investment-grade properties and command the highest rents or sale prices compared to other buildings in the same market. Such buildings are well located and provide efficient tenant layouts as well as high quality, and in some buildings, one-of-a-kind floor plans. They can be an architectural or historical landmark designed by prominent architects. These buildings contain a modern mechanical system, and have above-average maintenance and management as well as the best quality materials and workmanship in their trim and interior fittings. They are generally the most attractive and eagerly sought by investors willing to pay a premium for quality.

**Class B:** A classification used to describe buildings that generally qualify as a more speculative investment, and as such, command lower rents or sale prices compared to Class A properties. Such buildings offer utilitarian space without special attractions, and have ordinary design, if new or fairly new; good to excellent design if an older non-landmark building. These buildings typically have average to good maintenance, management and tenants. They are less appealing to tenants than Class A properties, and may be deficient in a number of respects including floor plans, condition and facilities. They lack prestige and must depend chiefly on a lower price to attract tenants and investors.

**Class C:** A classification used to describe buildings that generally qualify as no-frills, older buildings that offer basic space and command lower rents or sale prices compared to other buildings in the same market. Such buildings typically have below-average maintenance and management, and could have mixed or low tenant prestige, inferior elevators, and/or mechanical/electrical systems. These buildings lack prestige and must depend chiefly on a lower price to attract tenants and investors.

**Construction Starts:** Buildings that began construction during a specific period of time. (See also: Deliveries)

**Contiguous Blocks of Space:** Space within a building that is, or is able to be joined together into a single contiguous space.

**Deliveries:** Buildings that complete construction during a specified period of time. In order for space to be considered delivered, a certifi-

cate of occupancy must have been issued for the property.

**Delivery Date:** The date a building completes construction and receives a certificate of occupancy.

**Developer:** The company, entity or individual that transforms raw land to improved property by use of labor, capital and entrepreneurial efforts.

**Direct Space:** Space that is being offered for lease directly from the landlord or owner of a building, as opposed to space being offered in a building by another tenant (or broker of a tenant) trying to sublet a space that has already been leased.

**Existing Inventory:** The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.

**Flex Building:** A type of building designed to be versatile, which may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses. A typical flex building will be one or two stories with at least half of the rentable area being used as office space, have ceiling heights of 16 feet or less, and have some type of drive-in door, even though the door may be glassed in or sealed off.

**Full Service Rental Rate:** Rental rates that include all operating expenses such as utilities, electricity, janitorial services, taxes and insurance.

**Gross Absorption:** The total change in occupied space over a given period of time, counting space that is occupied but not space that is vacated by tenants. Gross absorption differs from leasing Activity, which is the sum of all space leased over a certain period of time. Unless otherwise noted Gross Absorption includes direct and sublease space.

**Growth in Inventory:** The change in size of the existing square footage in a given area over a given period of time, generally due to the construction of new buildings.

**Industrial Building:** A type of building adapted for such uses as the assemblage, processing, and/or manufacturing of products from raw materials or fabricated parts. Additional uses include warehousing, distribution, and maintenance facilities. The primary purpose of the space is for storing, producing, assembling, or distributing product.

**Landlord Rep:** (Landlord Representative) In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the owner/landlord is referred to as the Landlord Rep.

**Leased Space:** All the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

**Leasing Activity:** The volume of square footage that is committed to and signed under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity in planned, under construction, or under renovation buildings.

**Market:** Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building-type specific, and are non-overlapping contiguous geographic designations having a cumulative sum that matches the boundaries of the entire Region (See also: Region). Markets can be further subdivided into Submarkets. (See also: Submarkets)

**Multi-Tenant:** Buildings that house more than one tenant at a given time. Usually, multi-tenant buildings were designed and built to accommodate many different floor plans and designs for different

tenant needs. (See also: Tenancy).

**Net Absorption:** The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.

**Net Rental Rate:** A rental rate that excludes certain expenses that a tenant could incur in occupying office space. Such expenses are expected to be paid directly by the tenant and may include janitorial costs, electricity, utilities, taxes, insurance and other related costs.

**New Space:** Sometimes called first generation space, refers to space that has never been occupied and/or leased by a tenant.

**Occupied Space:** Space that is physically occupied by a tenant. It does not include leased space that is not currently occupied by a tenant.

**Office Building:** A type of commercial building used exclusively or primarily for office use (business), as opposed to manufacturing, warehousing, or other uses. Office buildings may sometimes have other associated uses within part of the building, i.e., retail sales, financial, or restaurant, usually on the ground floor.

**Owner:** The company, entity, or individual that holds title on a given building or property.

**Planned/Proposed:** The status of a building that has been announced for future development but not yet started construction.

**Preleased Space:** The amount of space in a building that has been leased prior to its construction completion date, or certificate of occupancy date.

**Price/SF:** Calculated by dividing the price of a building (either sales price or asking sales price) by the Rentable Building Area (RBA).

**Property Manager:** The company and/or person responsible for the day-to-day operations of a building, such as cleaning, trash removal, etc. The property manager also makes sure that the various systems within the building, such as the elevators, HVAC, and electrical systems, are functioning properly.

**Quoted Rental Rate:** The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates paid by tenants following the negotiation of all terms and conditions in a specific lease.

**RBA:** Abbreviation for Rentable Building Area. (See also: Rentable Building Area)

**Region:** Core areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are further divided into market areas, called Markets. (See also: Markets)

**Relet Space:** Sometimes called second generation or direct space, refers to existing space that has previously been occupied by another tenant.

**Rentable Building Area:** (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally RBA includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

**Rental Rates:** The annual costs of occupancy for a particular space quoted on a per square foot basis.

**Sales Price:** The total dollar amount paid for a particular property at a particular point in time.

**Sales Volume:** The sum of sales prices for a given group of buildings in a given time period.

**Seller:** The individual, group, company, or entity that sells a particular commercial real estate asset.

**SF:** Abbreviation for Square Feet.

**Single-Tenant:** Buildings that are occupied, or intended to be occupied by a single tenant. (See also: Build-to-suit and Tenancy)

**Sublease Space:** Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation. Sublease space is sometimes referred to as sublet space.

**Submarkets:** Specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set, or peer group. Submarkets are building type specific (office, industrial, retail, etc.), with distinct boundaries dependent on different factors relevant to each building type. Submarkets are non-overlapping, contiguous geographic designations having a cumulative sum that matches the boundaries of the Market they are located within (See also: Market).

**Suburban:** The Suburban and Central Business District (CBD) designations refer to a particular geographic area within a metropolitan statistical area (MSA). Suburban is defined as including all office inventory not located in the CBD. (See also: CBD)

**Tenancy:** A term used to indicate whether or not a building is occupied by multiple tenants (See also: Multi-tenant) or a single tenant. (See also: Single-tenant)

**Tenant Rep:** Tenant Rep stands for Tenant Representative. In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the tenant is referred to as a Tenant Rep.

**Time On Market:** A measure of how long a currently available space has been marketed for lease, regardless of whether it is vacant or occupied.

**Under Construction:** Buildings in a state of construction, up until they receive their certificate of occupancy. In order for CoStar to consider a building under construction, the site must have a concrete foundation in place. Abbreviated UC.

**Vacancy Rate:** A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory. Under construction space generally is not included in vacancy calculations.

**Vacant Space:** Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done, would also be considered vacant space.

**Weighted Average Rental Rate:** Rental rates that are calculated by factoring in, or weighting, the square footage associated with each particular rental rate. This has the effect of causing rental rates on larger spaces to affect the average more than that of smaller spaces. The weighted average rental rate is calculated by taking the ratio of the square footage associated with the rental rate on each individual available space to the square footage associated with rental rates on all available spaces, multiplying the rental rate by that ratio, and then adding together all the resulting numbers. Unless specifically specified otherwise, rental rate averages include both Direct and Sublet available spaces.

**Year Built:** The year in which a building completed construction and was issued a certificate of occupancy.

**YTD:** Abbreviation for Year-to-Date. Describes statistics that are cumulative from the beginning of a calendar year through whatever time period is being studied.

# Palm Beach County Office Market



Overview

## Palm Beach County's Vacancy Increases to 10.8% Net Absorption Negative (118,809) SF in the Quarter

The Palm Beach County Office market ended the fourth quarter 2017 with a vacancy rate of 10.8%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (118,809) square feet in the fourth quarter. Vacant sublease space increased in the quarter, ending the quarter at 155,670 square feet. Rental rates ended the fourth quarter at \$29.28, an increase over the previous quarter. A total of two buildings delivered to the market in the quarter totaling 10,849 square feet, with 281,433 square feet still under construction at the end of the quarter.

### Absorption

Net absorption for the overall Palm Beach County office market was negative (118,809) square feet in the fourth quarter 2017. That compares to positive 212,880 square feet in the third quarter 2017, positive 103,536 square feet in the second quarter 2017, and positive 52,418 square feet in the first quarter 2017.

The Class-A office market recorded net absorption of positive 2,104 square feet in the fourth quarter 2017, compared to positive 61,849 square feet in the third quarter 2017, positive 36,828 in the second quarter 2017, and positive 109,190 in the first quarter 2017.

The Class-B office market recorded net absorption of negative (143,616) square feet in the fourth quarter 2017, compared to positive 196,124 square feet in the third quarter 2017, positive 48,750 in the second quarter 2017, and positive 9,453 in the first quarter 2017.

The Class-C office market recorded net absorption of positive 22,703 square feet in the fourth quarter 2017 com-

pared to negative (45,093) square feet in the third quarter 2017, positive 17,958 in the second quarter 2017, and negative (66,225) in the first quarter 2017.

Net absorption for Palm Beach County's central business district was negative (3,754) square feet in the fourth quarter 2017. That compares to positive 60,042 square feet in the third quarter 2017, positive 38,503 in the second quarter 2017, and negative (23,786) in the first quarter 2017.

Net absorption for the suburban markets was negative (115,055) square feet in the fourth quarter 2017. That compares to positive 152,838 square feet in third quarter 2017, positive 65,033 in the second quarter 2017, and positive 76,204 in the first quarter 2017.

### Vacancy

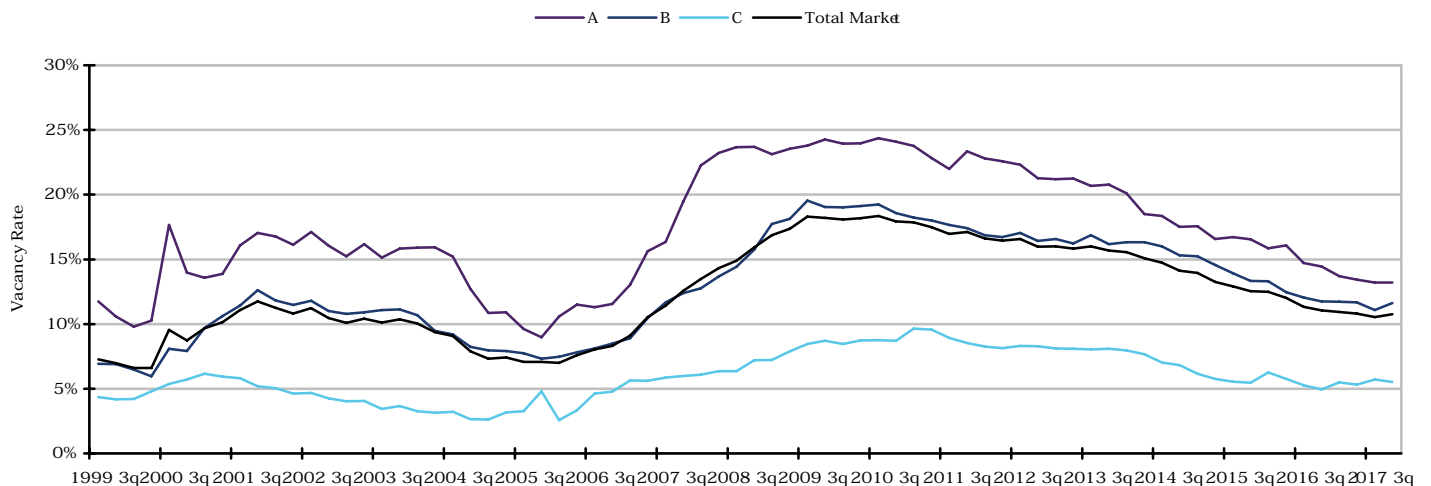
The office vacancy rate in the Palm Beach County market area increased to 10.8% at the end of the fourth quarter 2017. The vacancy rate was 10.5% at the end of the third quarter 2017, 10.8% at the end of the second quarter 2017, and 10.9% at the end of the first quarter 2017.

Class-A projects reported a vacancy rate of 13.2% at the end of the fourth quarter 2017, 13.2% at the end of the third quarter 2017, 13.4% at the end of the second quarter 2017, and 13.7% at the end of the first quarter 2017.

Class-B projects reported a vacancy rate of 11.6% at the end of the fourth quarter 2017, 11.1% at the end of the third quarter 2017, 11.7% at the end of the first and second quarter 2017.

Class-C projects reported a vacancy rate of 5.5% at the end of the fourth quarter 2017, 5.7% at the end of third quarter

## Vacancy Rates by Class 1999-2017



Source: CoStar Property®



# Palm Beach County Office Market

Overview

2017, 5.3% at the end of the second quarter 2017, and 5.5% at the end of the first quarter 2017.

The overall vacancy rate in Palm Beach County’s central business district at the end of the fourth quarter 2017 changed to 10.3%. The vacancy rate was 10.3% at the end of the third quarter 2017, 10.7% at the end of the second quarter 2017, and 11.0% at the end of the first quarter 2017.

The vacancy rate in the suburban markets increased to 10.9% in the fourth quarter 2017. The vacancy rate was 10.6% at the end of the third quarter 2017, 10.8% at the end of the second quarter 2017, and 10.9% at the end of the first quarter 2017.

## Largest Lease Signings

The largest lease signings occurring in 2017 included: the 40,286-square-foot lease signed by Modernizing Medicine at 4850 T Rex Ave in the Boca Raton market; the 37,000-square-foot deal signed by Shoes For Crews at 5000 T Rex Ave in the Boca Raton market; and the 24,914-square-foot lease signed by The Geo Group at Boca Village Corporate Center - Tower 1 in the Boca Raton market.

## Sublease Vacancy

The amount of vacant sublease space in the Palm Beach County market increased to 155,670 square feet by the end of the fourth quarter 2017, from 109,582 square feet at the end of the third quarter 2017. There was 110,243 square feet vacant at the end of the second quarter 2017 and 90,315 square feet at the end of the first quarter 2017.

Palm Beach County’s Class-A projects reported vacant sublease space of 91,105 square feet at the end of fourth quarter 2017, up from the 55,933 square feet reported at the end of the third quarter 2017. There were 37,178 square feet of sublease space vacant at the end of the second quarter 2017, and 43,052 square feet at the end of the first quarter 2017.

Class-B projects reported vacant sublease space of

55,269 square feet at the end of the fourth quarter 2017, up from the 44,353 square feet reported at the end of the third quarter 2017. At the end of the second quarter 2017 there were 70,500 square feet, and at the end of the first quarter 2017 there were 43,433 square feet vacant.

Class-C projects reported no vacant sublease space from the third quarter 2017 to the fourth quarter 2017. Sublease vacancy went from 9,296 square feet to 9,296 square feet during that time. There was 2,565 square feet at the end of the second quarter 2017, and 3,830 square feet at the end of the first quarter 2017.

Sublease vacancy in Palm Beach County’s central business district stood at 44,432 square feet at the end of the fourth quarter 2017. It was 30,631 square feet at the end of the third quarter 2017, 41,359 square feet at the end of the second quarter 2017, and 23,305 square feet at the end of the first quarter 2017.

Sublease vacancy in the suburban markets ended the fourth quarter 2017 at 111,238 square feet. At the end of the third quarter 2017 sublease vacancy was 78,951 square feet, was 68,884 square feet at the end of the second quarter 2017, and was 67,010 square feet at the end of the first quarter 2017.

## Rental Rates

The average quoted asking rental rate for available office space, all classes, was \$29.28 per square foot per year at the end of the fourth quarter 2017 in the Palm Beach County market area. This represented a 1.6% increase in quoted rental rates from the end of the third quarter 2017, when rents were reported at \$28.81 per square foot.

The average quoted rate within the Class-A sector was \$33.73 at the end of the fourth quarter 2017, while Class-B rates stood at \$27.57, and Class-C rates at \$23.86. At the end of the third quarter 2017, Class-A rates were \$33.69 per square foot, Class-B rates were \$27.03, and Class-C rates were \$23.67.

The average quoted asking rental rate in Palm Beach County’s CBD was \$29.79 at the end of the fourth quarter 2017, and \$29.11 in the suburban markets. In the third quarter 2017, quoted rates were \$29.79 in the CBD and \$28.45 in the suburbs.

## Deliveries and Construction

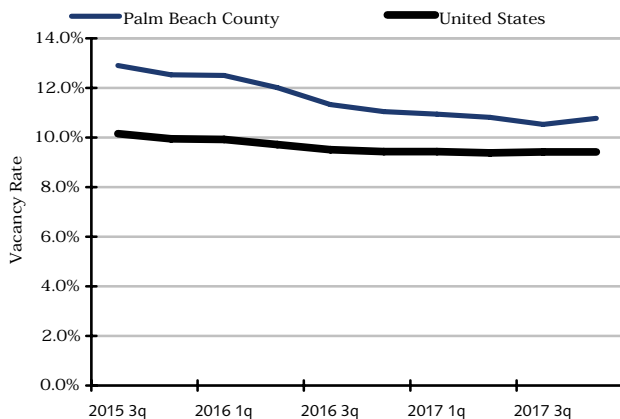
During the fourth quarter 2017, two buildings totaling 10,849 square feet were completed in the Palm Beach County market area. This compares to three buildings totaling 33,400 square feet that were completed in the third quarter 2017, one building totaling 37,500 square feet completed in the second quarter 2017, and nothing completed in the first quarter 2017.

There were 281,433 square feet of office space under construction at the end of the fourth quarter 2017.

## Inventory

## U.S. Vacancy Comparison

Past 10 Quarters



Source: CoStar Property®



# Palm Beach County Office Market



Overview

Total office inventory in the Palm Beach County market area amounted to 54,930,563 square feet in 2,835 buildings as of the end of the fourth quarter 2017. The Class-A office sector consisted of 14,387,808 square feet in 137 projects. There were 1,144 Class-B buildings totaling 29,151,951 square feet, and the Class-C sector consisted of 11,390,804 square feet in 1,554 buildings. Within the Office market there were 105 owner-occupied buildings accounting for 2,557,446 square feet of office space.

## Sales Activity

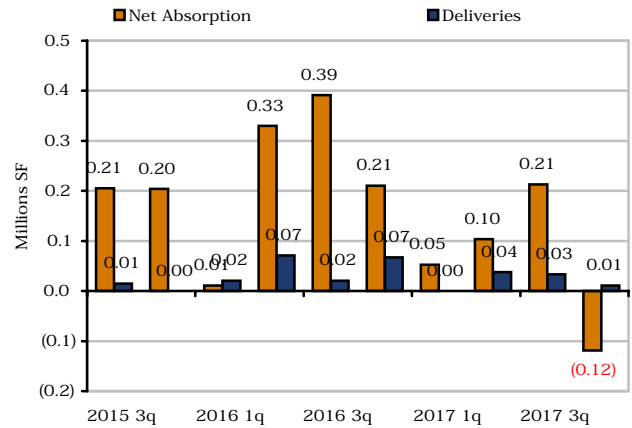
Tallying office building sales of 15,000 square feet or larger, Palm Beach County office sales figures rose during the third quarter 2017 in terms of dollar volume compared to the second quarter of 2017.

In the third quarter, eight office transactions closed with a total volume of \$301,112,000. The eight buildings totaled 1,518,699 square feet and the average price per square foot equated to \$198.27 per square foot. That compares to eight transactions totaling \$118,260,200 in the second quarter 2017. The total square footage in the second quarter was 671,361 square feet for an average price per square foot of \$176.15.

Total office building sales activity in 2017 was up compared to 2016. In the first nine months of 2017, the market saw 27 office sales transactions with a total volume of \$511,884,614. The price per square foot averaged \$186.74. In the same first

## Absorption & Deliveries

Past 10 Quarters



Source: CoStar Property®

nine months of 2016, the market posted 40 transactions with a total volume of \$494,832,255. The price per square foot averaged \$204.27.

Cap rates have been higher in 2017, averaging 7.32% compared to the same period in 2016 when they averaged 6.75%.

Reports compiled by: Alfredo Negron and David Spragg, CoStar Research Managers.





## CoStar Submarkets

In analyzing metropolitan areas, CoStar has developed geographic designations to help group properties together, called Markets, Submarket Clusters and Submarkets. Markets are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Markets are then divided into Submarket Clusters, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

Submarket Clusters
Boca Raton
Boynton/Lantana
Delray Beach
Jupiter
North Palm Beach*
Palm Beach*
Palm Springs/Lake Worth
Royal Palm Bch./Wellington
West Palm Beach**

\* Submarkets comprising the CBD. For statistics reference the CBD vs Suburban Figures at a Glance Page.

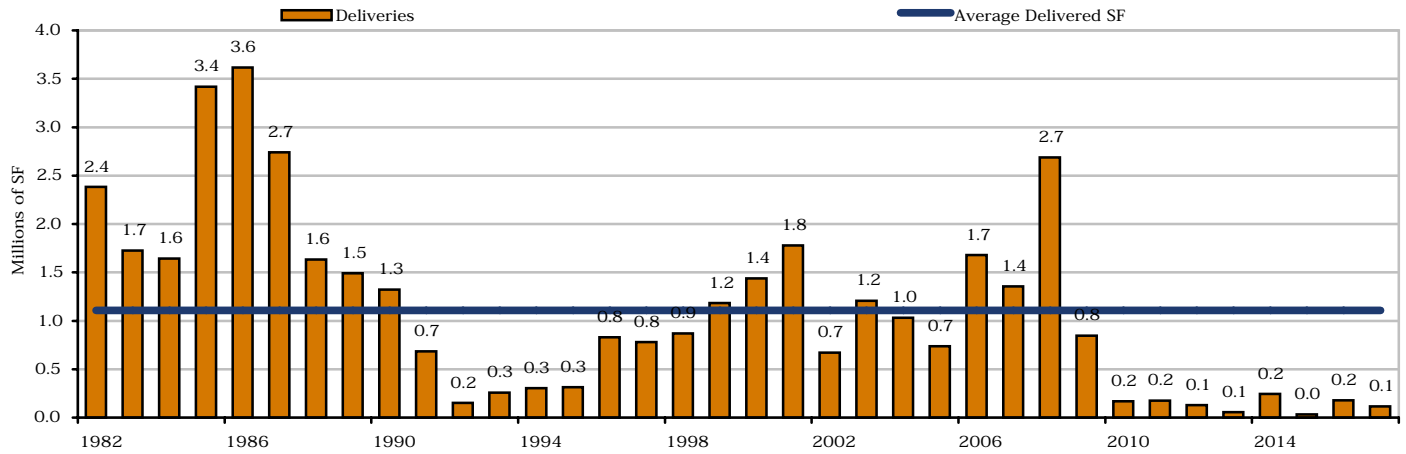
# Palm Beach County Office Market



Inventory & development

## Historical Deliveries

1982 - 2017



Source: CoStar Property® \* Future deliveries based on current under construction buildings.

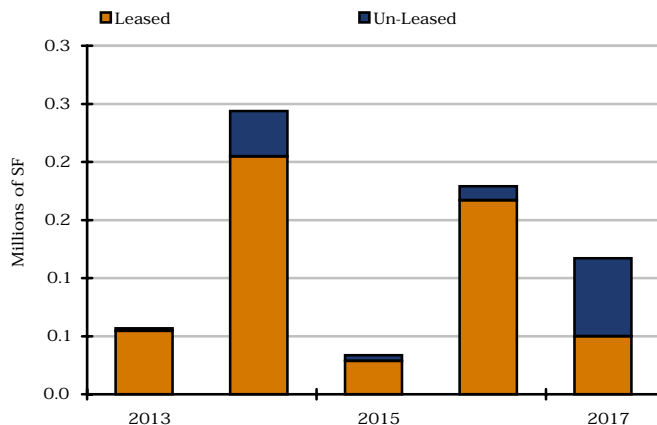
## CONSTRUCTION ACTIVITY Markets Ranked by Under Construction Square Footage

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
North Palm Beach	1	111,972	111,972	100.0%	21,835	111,972
Delray Beach	1	84,300	64,068	76.0%	10,661	84,300
Palm Beach	6	58,999	44,599	75.6%	16,329	9,833
Royal Palm Bch/Wellington	2	26,162	8,800	33.6%	20,883	13,081
West Palm Beach	0	0	0	0.0%	16,376	0
Boca Raton	0	0	0	0.0%	36,962	0
Boynton/Lantana	0	0	0	0.0%	13,068	0
Palm Springs/Lake Worth	0	0	0	0.0%	8,627	0
Jupiter	0	0	0	0.0%	16,351	0
<b>Totals</b>	<b>10</b>	<b>281,433</b>	<b>229,439</b>	<b>81.5%</b>	<b>19,376</b>	<b>28,143</b>

Source: CoStar Property®

## Recent Deliveries

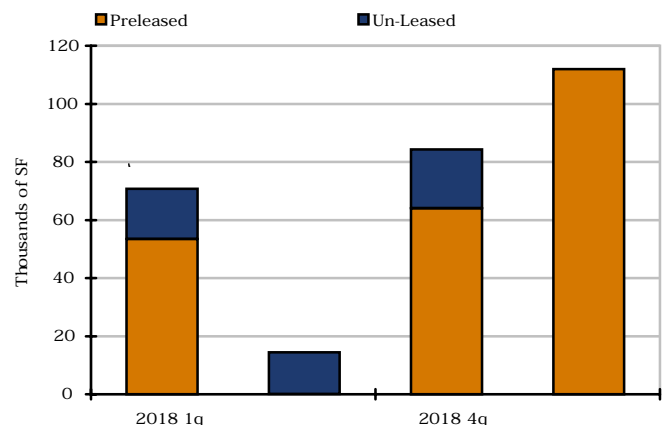
Leased & Un-Leased SF in Deliveries Since 2013



Source: CoStar Property®

## Future Deliveries

Preleased & Un-Leased SF in Properties Scheduled to Deliver



Source: CoStar Property®

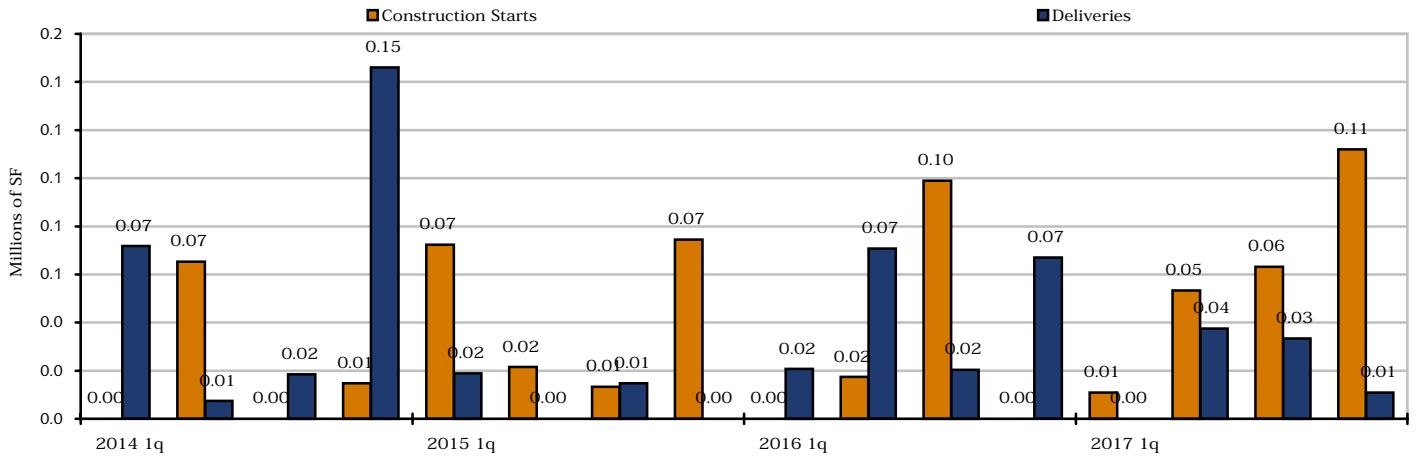


# Palm Beach County Office Market

Inventory & development

## Historical Construction Starts & Deliveries

Square Footage Per Quarter Starting and Completing Construction



Source: CoStar Property®

## RECENT DELIVERIES BY PROJECT SIZE Breakdown of Year-to-Date Development Based on RBA of Project

Building Size	# Bldgs	RBA	SF Leased	% Leased	Avg Rate	Single-Tenant	Multi-Tenant
< 50,000 SF	7	117,217	49,993	42.6%	\$30.31	7,400	109,817
50,000 SF - 99,999 SF	0	0	0	0.0%	\$0.00	0	0
100,000 SF - 249,999 SF	0	0	0	0.0%	\$0.00	0	0
250,000 SF - 499,999 SF	0	0	0	0.0%	\$0.00	0	0
>= 500,000 SF	0	0	0	0.0%	\$0.00	0	0

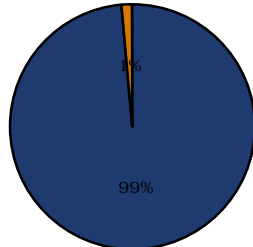
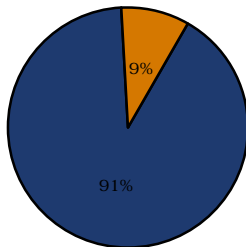
Source: CoStar Property®

## Recent Development by Tenancy

Based on RBA Developed for Single & Multi Tenant Use

2017 Deliveries

Currently Under Construction



■ Multi ■ Single

■ Multi ■ Single

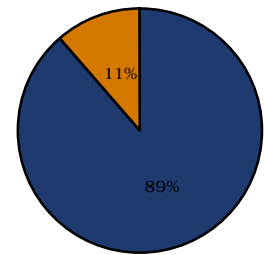
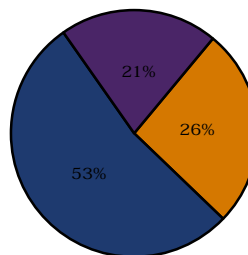
Source: CoStar Property®

## Existing Inventory Comparison

Based on Total RBA

By Class

By Space Type



■ Class A ■ Class B ■ Class C

■ Multi ■ Single

Source: CoStar Property®

# Palm Beach County Office Market



Inventory &amp; development

## Select Year-to-Date Deliveries

Based on Project Square Footage

<b>1. 354 Hiatt Dr</b> Submarket: <b>Palm Beach</b> RBA: <b>37,500</b> # Floors: <b>2</b> Class: <b>B</b> Occupied: <b>32%</b> Quoted Rate: <b>\$28.07</b> Grnd Brk Date: <b>Third Quarter 2016</b> Deliv Date: <b>Second Quarter 2017</b> Leasing Co: <b>NAI/Merin Hunter Codman, Inc.</b> Developer: <b>N/A</b> Architect: <b>N/A</b>	<b>2. 348 Hiatt Dr</b> Submarket: <b>Palm Beach</b> RBA: <b>35,468</b> # Floors: <b>2</b> Class: <b>A</b> Occupied: <b>0%</b> Quoted Rate: <b>\$30.57</b> Grnd Brk Date: <b>Third Quarter 2016</b> Deliv Date: <b>First Quarter 2017</b> Leasing Co: <b>NAI/Merin Hunter Codman, Inc.</b> Developer: <b>N/A</b> Architect: <b>N/A</b>	<b>3. East Building</b> Submarket: <b>Delray Beach</b> RBA: <b>13,000</b> # Floors: <b>1</b> Class: <b>B</b> Occupied: <b>77%</b> Quoted Rate: <b>\$40.57</b> Grnd Brk Date: <b>Third Quarter 2016</b> Deliv Date: <b>Third Quarter 2017</b> Leasing Co: <b>CBRE</b> Developer: <b>Caster Developers</b> Architect: <b>N/A</b>
<b>4. West Building</b> Submarket: <b>Delray Beach</b> RBA: <b>13,000</b> # Floors: <b>1</b> Class: <b>B</b> Occupied: <b>100%</b> Quoted Rate: <b>N/A</b> Grnd Brk Date: <b>Third Quarter 2016</b> Deliv Date: <b>Third Quarter 2017</b> Leasing Co: <b>CBRE</b> Developer: <b>Caster Developers</b> Architect: <b>N/A</b>	<b>5. West Settlers Service Center</b> Submarket: <b>Delray Beach</b> RBA: <b>7,400</b> # Floors: <b>2</b> Class: <b>B</b> Occupied: <b>100%</b> Quoted Rate: <b>N/A</b> Grnd Brk Date: <b>Fourth Quarter 2015</b> Deliv Date: <b>Third Quarter 2017</b> Leasing Co: <b>Delray Beach Housing Authority</b> Developer: <b>N/A</b> Architect: <b>N/A</b>	<b>6. 330 Winchester Park Blvd</b> Submarket: <b>Boynton/Lantana</b> RBA: <b>7,099</b> # Floors: <b>1</b> Class: <b>B</b> Occupied: <b>54%</b> Quoted Rate: <b>\$35.57</b> Grnd Brk Date: <b>First Quarter 2017</b> Deliv Date: <b>Fourth Quarter 2017</b> Leasing Co: <b>The Keyes Company</b> Developer: <b>N/A</b> Architect: <b>N/A</b>
<b>7. 202 Lake Ave</b> Submarket: <b>Palm Springs/Lake Worth</b> RBA: <b>3,750</b> # Floors: <b>1</b> Class: <b>B</b> Occupied: <b>100%</b> Quoted Rate: <b>N/A</b> Grnd Brk Date: <b>First Quarter 2017</b> Deliv Date: <b>Fourth Quarter 2017</b> Leasing Co: <b>JPMorgan Chase Bank, National Assoc</b> Developer: <b>N/A</b> Architect: <b>N/A</b>		

## Select Top Under Construction Properties

Based on Project Square Footage

<p><b>1. 3874 Kyoto Gardens Dr</b></p> <p>Submarket: <b>North Palm Beach</b>            RBA: <b>111,972</b>            # Floors: <b>1</b>            Class: <b>A</b>            Preleased: <b>100%</b>            Quoted Rate: <b>N/A</b>            Grnd Brk Date: <b>Fourth Quarter 2017</b>            Deliv Date: <b>First Quarter 2019</b>            Leasing Co: <b>Gardens Corporate Center, LLC</b>            Developer: <b>Cypress Realty of Florida, Inc.</b>            Architect: <b>Kelly Design &amp; Architecture</b></p>	<p><b>2. 4th &amp; 5th Delray</b></p> <p>Submarket: <b>Delray Beach</b>            RBA: <b>84,300</b>            # Floors: <b>4</b>            Class: <b>B</b>            Preleased: <b>76%</b>            Quoted Rate: <b>\$48.57</b>            Grnd Brk Date: <b>Third Quarter 2017</b>            Deliv Date: <b>Fourth Quarter 2018</b>            Leasing Co: <b>Avison Young</b>            Developer: <b>N/A</b>            Architect: <b>N/A</b></p>	<p><b>3. Offices at Wellington Parc</b></p> <p>Submarket: <b>Palm Beach</b>            RBA: <b>30,000</b>            # Floors: <b>1</b>            Class: <b>B</b>            Preleased: <b>100%</b>            Quoted Rate: <b>N/A</b>            Grnd Brk Date: <b>Second Quarter 2017</b>            Deliv Date: <b>First Quarter 2018</b>            Leasing Co: <b>N/A</b>            Developer: <b>MAS Development Corp.</b>            Architect: <b>N/A</b></p>
<p><b>4. 33 W Avenue A</b></p> <p>Submarket: <b>Palm Beach</b>            RBA: <b>14,599</b>            # Floors: <b>3</b>            Class: <b>B</b>            Preleased: <b>100%</b>            Quoted Rate: <b>N/A</b>            Grnd Brk Date: <b>Second Quarter 2017</b>            Deliv Date: <b>First Quarter 2018</b>            Leasing Co: <b>N/A</b>            Developer: <b>N/A</b>            Architect: <b>N/A</b></p>	<p><b>5. 3197 S Jog Rd</b></p> <p>Submarket: <b>Royal Palm Bch/Wellington</b>            RBA: <b>8,800</b>            # Floors: <b>1</b>            Class: <b>B</b>            Preleased: <b>100%</b>            Quoted Rate: <b>N/A</b>            Grnd Brk Date: <b>Second Quarter 2017</b>            Deliv Date: <b>First Quarter 2018</b>            Leasing Co: <b>N/A</b>            Developer: <b>N/A</b>            Architect: <b>N/A</b></p>	<p><b>6. 227 Professional Way</b></p> <p>Submarket: <b>Palm Beach</b>            RBA: <b>3,600</b>            # Floors: <b>1</b>            Class: <b>B</b>            Preleased: <b>0%</b>            Quoted Rate: <b>\$31.07</b>            Grnd Brk Date: <b>Third Quarter 2017</b>            Deliv Date: <b>Second Quarter 2018</b>            Leasing Co: <b>Rett Waldman</b>            Developer: <b>N/A</b>            Architect: <b>N/A</b></p>
<p><b>7. 225 Professional Way</b></p> <p>Submarket: <b>Palm Beach</b>            RBA: <b>3,600</b>            # Floors: <b>1</b>            Class: <b>B</b>            Preleased: <b>0%</b>            Quoted Rate: <b>Negotiable</b>            Grnd Brk Date: <b>Third Quarter 2017</b>            Deliv Date: <b>Second Quarter 2018</b>            Leasing Co: <b>Rett Waldman</b>            Developer: <b>N/A</b>            Architect: <b>N/A</b></p>		

# Palm Beach County Office Market



Figures at a Glance

## Class A Market Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Boca Raton	67	7,804,797	1,186,498	1,236,779	15.8%	30,500	0	0	\$33.39
Boynton/Lantana	3	311,632	13,108	13,108	4.2%	52,834	0	0	\$24.47
Delray Beach	1	30,845	0	0	0.0%	0	0	0	\$0.00
Jupiter	11	654,414	34,703	34,703	5.3%	(1,286)	0	0	\$33.00
North Palm Beach	24	1,702,437	132,265	165,397	9.7%	8,212	0	111,972	\$33.69
Palm Beach	3	83,518	43,233	44,346	53.1%	(6,460)	0	0	\$35.96
Palm Springs/Lake Worth	1	50,577	0	0	0.0%	0	0	0	\$0.00
Royal Palm Bch/Wellington	3	124,705	6,561	6,561	5.3%	(1,194)	0	0	\$33.96
West Palm Beach	24	3,624,883	392,048	398,627	11.0%	127,365	0	0	\$35.11
<b>Totals</b>	<b>137</b>	<b>14,387,808</b>	<b>1,808,416</b>	<b>1,899,521</b>	<b>13.2%</b>	<b>209,971</b>	<b>0</b>	<b>111,972</b>	<b>\$33.73</b>

Source: CoStar Property®

## Class B Market Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Boca Raton	229	7,715,760	893,776	905,923	11.7%	6,937	0	0	\$26.04
Boynton/Lantana	81	1,852,266	228,961	231,356	12.5%	72,341	7,099	0	\$24.59
Delray Beach	122	2,565,119	759,686	765,004	29.8%	6,698	33,400	84,300	\$29.14
Jupiter	117	2,309,661	141,075	144,035	6.2%	11,869	0	0	\$26.21
North Palm Beach	172	5,270,440	337,278	341,833	6.5%	6,648	0	0	\$27.70
Palm Beach	90	1,840,206	231,508	237,427	12.9%	18,559	37,500	58,999	\$44.79
Palm Springs/Lake Worth	35	570,805	28,294	28,294	5.0%	19,343	3,750	0	\$29.36
Royal Palm Bch/Wellington	48	1,195,647	73,954	73,954	6.2%	(11,237)	0	26,162	\$27.65
West Palm Beach	250	5,832,047	637,077	659,052	11.3%	(20,447)	0	0	\$24.74
<b>Totals</b>	<b>1,144</b>	<b>29,151,951</b>	<b>3,331,609</b>	<b>3,386,878</b>	<b>11.6%</b>	<b>110,711</b>	<b>81,749</b>	<b>169,461</b>	<b>\$27.57</b>

Source: CoStar Property®

## Class C Market Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Boca Raton	175	1,888,478	89,990	89,990	4.8%	(4,849)	0	0	\$26.61
Boynton/Lantana	123	541,232	13,922	13,922	2.6%	1,723	0	0	\$23.47
Delray Beach	246	1,338,084	87,647	87,647	6.6%	(50,568)	0	0	\$29.01
Jupiter	92	633,105	27,929	28,379	4.5%	(1,061)	0	0	\$25.72
North Palm Beach	198	1,630,085	76,530	76,530	4.7%	(22,655)	0	0	\$23.46
Palm Beach	68	705,216	39,512	46,243	6.6%	(14,382)	0	0	\$23.01
Palm Springs/Lake Worth	82	396,650	33,284	33,284	8.4%	(10,789)	0	0	\$23.05
Royal Palm Bch/Wellington	33	433,810	8,813	8,813	2.0%	8,200	0	0	\$24.89
West Palm Beach	537	3,824,144	241,842	243,957	6.4%	23,724	0	0	\$22.12
<b>Totals</b>	<b>1,554</b>	<b>11,390,804</b>	<b>619,469</b>	<b>628,765</b>	<b>5.5%</b>	<b>(70,657)</b>	<b>0</b>	<b>0</b>	<b>\$23.86</b>

Source: CoStar Property®

## Total Office Market Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Boca Raton	471	17,409,035	2,170,264	2,232,692	12.8%	32,588	0	0	\$30.10
Boynton/Lantana	207	2,705,130	255,991	258,386	9.6%	126,898	7,099	0	\$24.52
Delray Beach	369	3,934,048	847,333	852,651	21.7%	(43,870)	33,400	84,300	\$29.11
Jupiter	220	3,597,180	203,707	207,117	5.8%	9,522	0	0	\$27.14
North Palm Beach	394	8,602,962	546,073	583,760	6.8%	(7,795)	0	111,972	\$28.95
Palm Beach	161	2,628,940	314,253	328,016	12.5%	(2,283)	37,500	58,999	\$40.45
Palm Springs/Lake Worth	118	1,018,032	61,578	61,578	6.0%	8,554	3,750	0	\$26.68
Royal Palm Bch/Wellington	84	1,754,162	89,328	89,328	5.1%	(4,231)	0	26,162	\$28.02
West Palm Beach	811	13,281,074	1,270,967	1,301,636	9.8%	130,642	0	0	\$27.00
<b>Totals</b>	<b>2,835</b>	<b>54,930,563</b>	<b>5,759,494</b>	<b>5,915,164</b>	<b>10.8%</b>	<b>250,025</b>	<b>81,749</b>	<b>281,433</b>	<b>\$29.28</b>

Source: CoStar Property®



# Palm Beach County Office Market

Figures at a Glance

## Class A Market Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	26	3,672,933	399,813	407,505	11.1%	120,905	0	0	\$35.52
Suburban	111	10,714,875	1,408,603	1,492,016	13.9%	89,066	0	111,972	\$33.31
<b>Totals</b>	<b>137</b>	<b>14,387,808</b>	<b>1,808,416</b>	<b>1,899,521</b>	<b>13.2%</b>	<b>209,971</b>	<b>0</b>	<b>111,972</b>	<b>\$33.73</b>

Source: CoStar Property®

## Class B Market Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	281	6,544,034	784,110	812,004	12.4%	(51,710)	0	0	\$29.93
Suburban	863	22,607,917	2,547,499	2,574,874	11.4%	162,421	81,749	169,461	\$26.76
<b>Totals</b>	<b>1,144</b>	<b>29,151,951</b>	<b>3,331,609</b>	<b>3,386,878</b>	<b>11.6%</b>	<b>110,711</b>	<b>81,749</b>	<b>169,461</b>	<b>\$27.57</b>

Source: CoStar Property®

## Class C Market Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	563	4,152,249	257,025	265,871	6.4%	1,810	0	0	\$22.63
Suburban	991	7,238,555	362,444	362,894	5.0%	(72,467)	0	0	\$24.95
<b>Totals</b>	<b>1,554</b>	<b>11,390,804</b>	<b>619,469</b>	<b>628,765</b>	<b>5.5%</b>	<b>(70,657)</b>	<b>0</b>	<b>0</b>	<b>\$23.86</b>

Source: CoStar Property®

## Class A & B Market Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	307	10,216,967	1,183,923	1,219,509	11.9%	69,195	0	0	\$31.78
Suburban	974	33,322,792	3,956,102	4,066,890	12.2%	251,487	81,749	281,433	\$29.50
<b>Totals</b>	<b>1,281</b>	<b>43,539,759</b>	<b>5,140,025</b>	<b>5,286,399</b>	<b>12.1%</b>	<b>320,682</b>	<b>81,749</b>	<b>281,433</b>	<b>\$30.02</b>

Source: CoStar Property®

## Total Office Market Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
CBD	870	14,369,216	1,440,948	1,485,380	10.3%	71,005	0	0	\$29.79
Suburban	1,965	40,561,347	4,318,546	4,429,784	10.9%	179,020	81,749	281,433	\$29.11
<b>Totals</b>	<b>2,835</b>	<b>54,930,563</b>	<b>5,759,494</b>	<b>5,915,164</b>	<b>10.8%</b>	<b>250,025</b>	<b>81,749</b>	<b>281,433</b>	<b>\$29.28</b>

Source: CoStar Property®



# Palm Beach County Office Market



Figures at a Glance

## Class A Market Statistics

Year-End 2017

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2017 4q	137	14,387,808	1,808,416	1,899,521	13.2%	2,104	0	0	1	111,972	\$33.73
2017 3q	137	14,387,808	1,845,692	1,901,625	13.2%	61,849	0	0	0	0	\$33.69
2017 2q	136	14,352,340	1,890,828	1,928,006	13.4%	36,828	0	0	1	35,468	\$33.11
2017 1q	136	14,352,340	1,921,782	1,964,834	13.7%	109,190	0	0	1	35,468	\$33.48
2016 4q	136	14,352,340	2,035,551	2,074,024	14.5%	62,743	1	31,030	1	35,468	\$33.13
2016 3q	135	14,321,310	2,046,195	2,105,737	14.7%	195,642	0	0	2	66,498	\$32.92
2016 2q	135	14,321,310	2,230,463	2,301,379	16.1%	(31,648)	0	0	1	31,030	\$32.66
2016 1q	135	14,321,310	2,233,177	2,269,731	15.8%	99,724	0	0	1	31,030	\$32.53
2015	135	14,321,310	2,324,084	2,369,455	16.5%	136,501	0	0	1	31,030	\$32.63
2014	135	14,321,310	2,457,781	2,505,956	17.5%	550,018	3	99,691	0	0	\$31.19
2013	132	14,221,619	2,916,691	2,956,283	20.8%	67,942	0	0	3	99,691	\$30.54
2012	132	14,221,619	2,988,184	3,024,225	21.3%	335,263	1	50,577	0	0	\$30.34
2011	131	14,171,042	3,231,847	3,308,911	23.3%	209,807	3	136,840	1	50,577	\$30.80
2010	128	14,034,202	3,261,606	3,381,878	24.1%	47,000	1	30,845	3	136,840	\$30.49
2009	127	14,003,357	3,184,085	3,398,033	24.3%	312,613	4	391,381	2	62,845	\$32.66
2008	121	13,488,094	2,937,758	3,195,383	23.7%	959,424	11	1,604,240	6	515,263	\$33.43

Source: CoStar Property®

## Class B Market Statistics

Year-End 2017

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2017 4q	1,144	29,151,951	3,331,609	3,386,878	11.6%	(143,616)	2	10,849	9	169,461	\$27.57
2017 3q	1,142	29,141,102	3,188,060	3,232,413	11.1%	196,124	3	33,400	11	180,310	\$27.03
2017 2q	1,140	29,108,122	3,325,057	3,395,557	11.7%	48,750	1	37,500	9	115,010	\$26.89
2017 1q	1,139	29,070,622	3,363,374	3,406,807	11.7%	9,453	0	0	7	99,111	\$25.88
2016 4q	1,139	29,070,622	3,382,777	3,416,260	11.8%	113,573	2	36,000	5	88,262	\$25.93
2016 3q	1,137	29,034,622	3,445,595	3,493,833	12.0%	144,118	2	20,384	7	124,262	\$25.84
2016 2q	1,135	29,014,238	3,580,088	3,617,567	12.5%	305,218	2	70,805	6	81,146	\$25.35
2016 1q	1,133	28,943,433	3,818,685	3,851,980	13.3%	(840)	3	20,750	7	134,589	\$24.81
2015	1,131	28,948,684	3,832,188	3,856,391	13.3%	607,547	3	33,732	10	155,339	\$24.76
2014	1,128	28,914,952	4,399,027	4,430,206	15.3%	361,802	9	144,157	4	38,482	\$24.12
2013	1,120	28,775,877	4,629,645	4,652,933	16.2%	(17,931)	5	56,832	8	102,502	\$23.70
2012	1,118	28,880,747	4,711,775	4,739,872	16.4%	288,031	2	50,324	4	64,582	\$23.17
2011	1,117	28,885,546	4,955,971	5,032,702	17.4%	362,021	1	30,000	2	50,324	\$23.46
2010	1,115	28,850,504	5,275,744	5,359,681	18.6%	247,813	7	138,858	1	30,000	\$23.92
2009	1,108	28,711,646	5,278,253	5,468,636	19.0%	(686,963)	9	158,359	5	66,874	\$23.97
2008	1,095	28,408,775	4,304,551	4,478,802	15.8%	(280,977)	30	632,389	14	342,871	\$25.62

Source: CoStar Property®

## Total Office Market Statistics

Year-End 2017

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2017 4q	2,835	54,930,563	5,759,494	5,915,164	10.8%	(118,809)	2	10,849	10	281,433	\$29.28
2017 3q	2,833	54,919,714	5,675,924	5,785,506	10.5%	212,880	3	33,400	11	180,310	\$28.81
2017 2q	2,831	54,851,986	5,820,415	5,930,658	10.8%	103,536	1	37,500	10	150,478	\$28.58
2017 1q	2,830	54,814,486	5,906,379	5,996,694	10.9%	52,418	0	0	8	134,579	\$28.07
2016 4q	2,832	54,820,483	5,979,688	6,055,109	11.0%	210,588	3	67,030	6	123,730	\$27.95
2016 3q	2,830	54,755,205	6,084,600	6,200,419	11.3%	391,378	2	20,384	9	190,760	\$27.77
2016 2q	2,829	54,738,821	6,458,709	6,575,413	12.0%	329,756	2	70,805	7	112,176	\$27.47
2016 1q	2,827	54,668,016	6,741,014	6,834,364	12.5%	10,643	3	20,750	8	165,619	\$27.01
2015	2,825	54,673,267	6,772,419	6,850,258	12.5%	899,389	3	33,732	11	186,369	\$26.99
2014	2,822	54,639,535	7,625,631	7,715,915	14.1%	1,046,992	12	243,848	4	38,482	\$26.16
2013	2,814	54,408,720	8,452,610	8,532,092	15.7%	73,967	5	56,832	11	202,193	\$25.64
2012	2,812	54,513,590	8,638,269	8,710,929	16.0%	641,906	3	100,901	4	64,582	\$25.38
2011	2,812	54,478,022	9,145,384	9,317,267	17.1%	591,522	4	166,840	3	100,901	\$25.66
2010	2,807	54,306,140	9,511,870	9,736,907	17.9%	285,132	8	169,703	4	166,840	\$25.93
2009	2,801	54,144,681	9,437,492	9,860,580	18.2%	(520,910)	13	549,740	7	129,719	\$26.28
2008	2,782	53,299,247	8,040,753	8,494,236	15.9%	550,310	43	2,246,082	21	886,934	\$27.97

Source: CoStar Property®

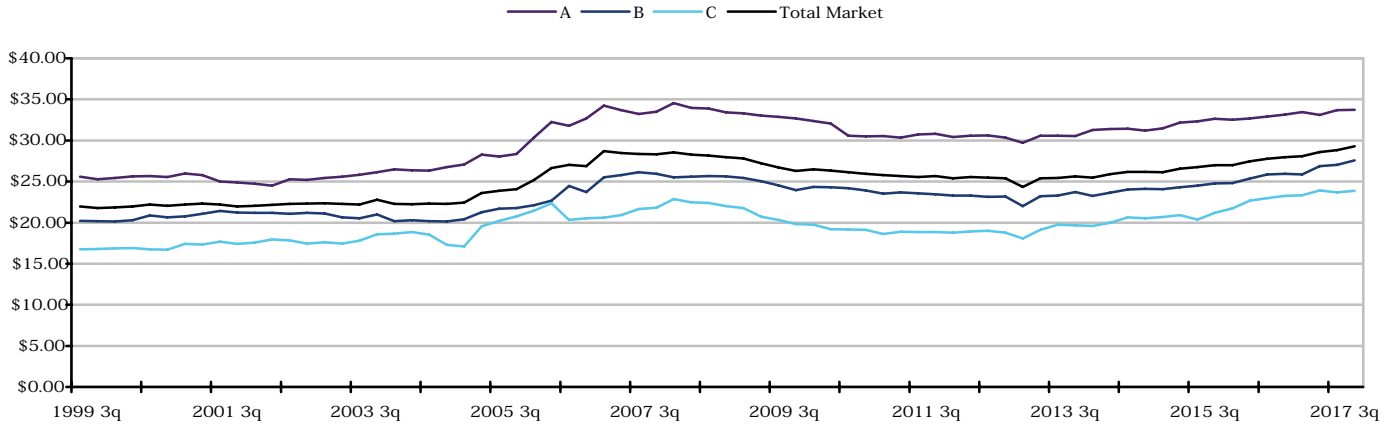


# Palm Beach County Office Market

Leasing Activity

## Historical Rental Rates

Based on Full-Service Equivalent Rental Rates



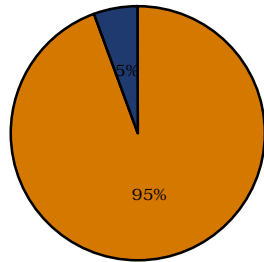
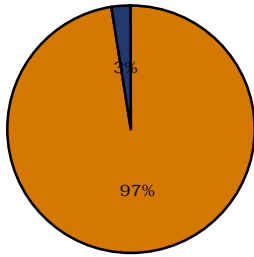
Source: CoStar Property®

## Vacancy by Available Space Type

Percent of All Vacant Space in Direct vs. Sublet

Palm Beach County

United States



Direct Sublet

Direct Sublet

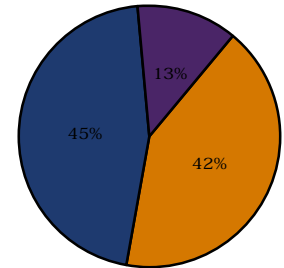
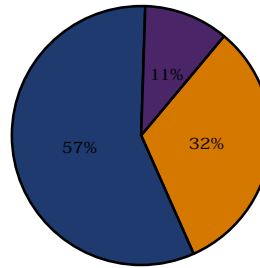
Source: CoStar Property®

## Vacancy by Class

Percent of All Vacant Space by Class

Palm Beach County

United States



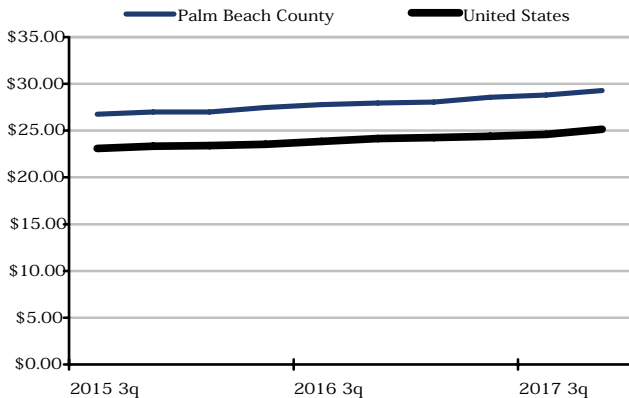
Class A Class B Class C

Class A Class B Class C

Source: CoStar Property®

## U.S. Rental Rate Comparison

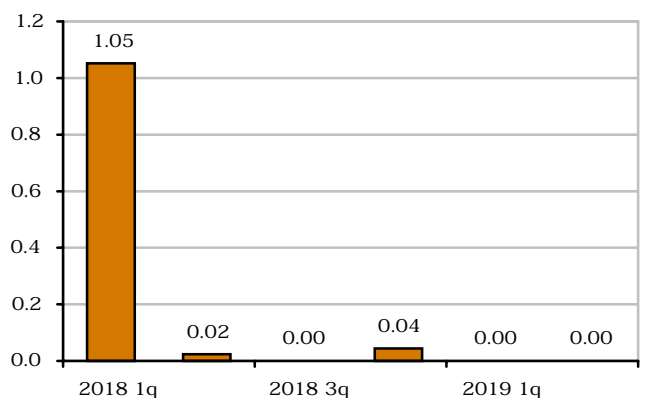
Based on Full-Service Equivalent Rental Rates



Source: CoStar Property®

## Future Space Available

Space Scheduled to be Available for Occupancy\*



\* Includes Under Construction Spaces

Source: CoStar Property®

# Palm Beach County Office Market



Leasing Activity

## Select Top Office Leases Based on Leased Square Footage For Deals Signed in 2017

Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company	
1	4560 Communication Ave	Boca Raton North	67,685	2nd	N/A	N/A	CBRE
2	North 40	Boca Raton North	43,427	4th	N/A	N/A	Avison Young
3	4850 T Rex Ave	Boca Raton North	40,286	1st	Modernizing Medicine	N/A	CBRE
4	5000 T Rex Ave	Boca Raton North	37,000	2nd	Shoes For Crews	Cushman&Wakefield,BlancaCommer	CBRE
5	3301 Quantum Blvd	Boynton/Lantana	35,000	4th	N/A	N/A	Cushman & Wakefield
6	1100 Northpoint Pky	North Palm Beach	26,780	4th	N/A	N/A	NAI/Merin Hunter Codman, Inc.
7	FNBC Plaza @ 301 Yamato	Boca Raton East	25,275	2nd	N/A	N/A	Stoltz Realty Co. of Florida, Inc.
8	Boca Village Corporate Center - Tower 1	Boca Raton North	24,914	3rd	The Geo Group	Whelchel Partners	Cushman & Wakefield
9	FNBC Plaza @ 301 Yamato	Boca Raton East	24,860	4th	The Bridge Direct, Inc	N/A	Morning Calm Management
10	4700 Exchange Ct	Boca Raton North	23,630	3rd	Integrated Dermatology Group	N/A	Cushman & Wakefield
11	4850 T Rex Ave	Boca Raton North	22,714	4th	Modernizing Medicine	N/A	CBRE
12	4910 Communication Ave	Boca Raton North	22,614	4th	IDA	N/A	CBRE
13	1756 N Congress Ave	West Palm Beach	20,760	3rd	Southeastern College	Direct Deal	Touchstone Webb Realty Company
14	5829 Corporate Way	North Palm Beach	17,962	2nd	N/A	N/A	Nationwide -RE
15	500 Columbia Dr	West Palm Beach	16,693	3rd	BHI Energy	Cushman & Wakefield	Paul Hanna Management, Inc.
16	Lynn Financial Center - 1905	Boca Raton West	16,408	4th	Broad and Cassel	NAI/MIAMICommercialRealEstateSe	Avison Young
17	Lost Tree Village Financial Center*	North Palm Beach	15,100	4th	Ameriprise Financial Services, Inc.	Cushman & Wakefield	Lost Tree Village Corporation
18	Fairway Office Center - Phase II - Fairway*	North Palm Beach	13,475	3rd	Anesthetix Holdings, LLC	N/A	NAI/Merin Hunter Codman, Inc.
19	2440 Metrocentre Blvd	West Palm Beach	12,252	4th	N/A	N/A	Strategic Realty Services, LLC
20	1661 Worthington Rd	West Palm Beach	11,970	4th	Brown & Brown of Florida	N/A	NAI/Merin Hunter Codman, Inc.
21	Sabre Centre II	Boca Raton North	11,656	2nd	N/A	Direct Deal	Stoltz Realty Co. of Florida, Inc.
22	Mizner Park Office Tower	Boca Raton East	11,486	3rd	N/A	N/A	Cushman & Wakefield
23	Mizner Park Office Tower	Boca Raton East	11,486	3rd	N/A	N/A	Cushman & Wakefield
24	Beacon Square Professional Campus	Boca Raton North	11,423	2nd	Functional Rehab Solutions	N/A	East Resources Inc.
25	4101 Parker Ave	West Palm Beach	10,449	2nd	N/A	N/A	Rebel Cook Real Estate
26	South City Plaza	Boca Raton East	10,293	4th	N/A	N/A	Penn-Florida Realty Corporation
27	Fairway Office Center - Phase II - Fairway*	North Palm Beach	10,180	3rd	Schwed, Adams, Sobel & McGinley, PA	N/A	NAI/Merin Hunter Codman, Inc.
28	The Atrium at Broken Sound	Boca Raton North	10,170	1st	N/A	N/A	Cushman & Wakefield
29	One Lincoln Place	Boca Raton West	10,011	1st	COSuites	N/A	JLL
30	North 40	Boca Raton North	10,000	1st	Mainstreet Cv North 40 LLC	N/A	Avison Young
31	Boca Colonnade	Boca Raton North	9,872	2nd	N/A	N/A	Workspace Property Trust
32	Sabadell Building	West Palm Beach	9,795	1st	Trilogy Home Healthcare	N/A	JLL
33	Yamato Office Center - Building 2	Boca Raton North	9,648	2nd	Phoenix Tower	Direct Deal	CBRE
34	Bank of America Tower	Boca Raton East	9,632	3rd	N/A	N/A	Cushman & Wakefield
35	Watterson & Zappolo	North Palm Beach	9,624	2nd	Chromalloy Gas Turbine LLC.	N/A	Cushman & Wakefield
36	Old School Square Office Bldg	Delray Beach	9,621	1st	Specialized Healthcare Partners LLC	Direct Deal	CBRE
37	Fairway Office Center - Phase I	North Palm Beach	9,320	3rd	Locus Solutions Llc	N/A	NAI/Merin Hunter Codman, Inc.
38	Boca Center Tower I	Boca Raton West	8,924	2nd	Bbt Management, Inc	N/A	Tower Commercial Real Estate
39	7741 N Military Trl	North Palm Beach	8,245	1st	Prodigy Capital LLC	N/A	Willard Development
40	Centrepark 1450*	West Palm Beach	8,104	3rd	Paychex North America	N/A	NAI/Merin Hunter Codman, Inc.

Source: CoStar Property®

\* Renewal

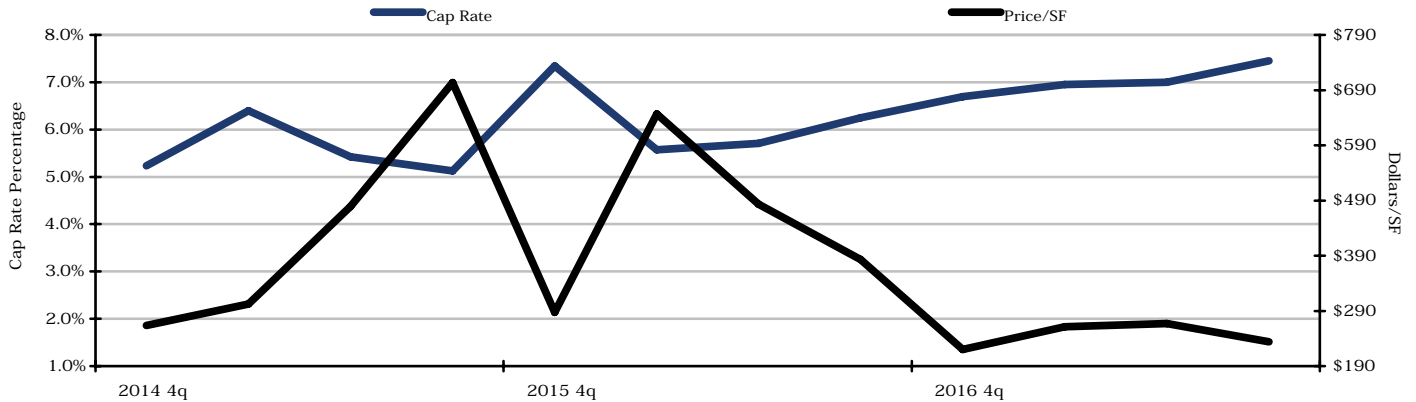


# Palm Beach County Office Market

Sales Activity

## The Optimist Sales Index

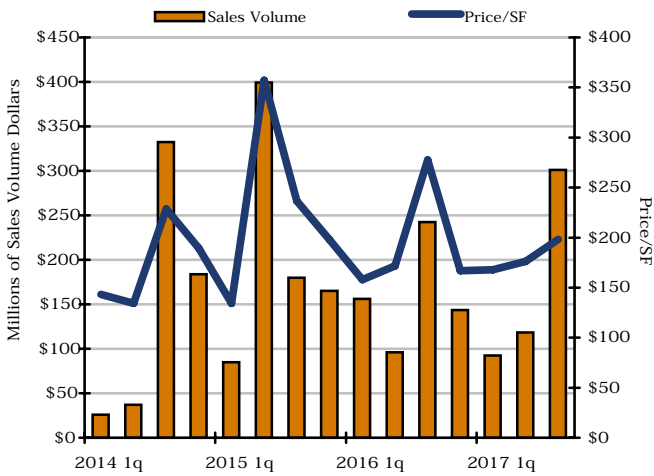
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



Source: CoStar COMPS®

## Sales Volume & Price

Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

## Sales Analysis by Building Size

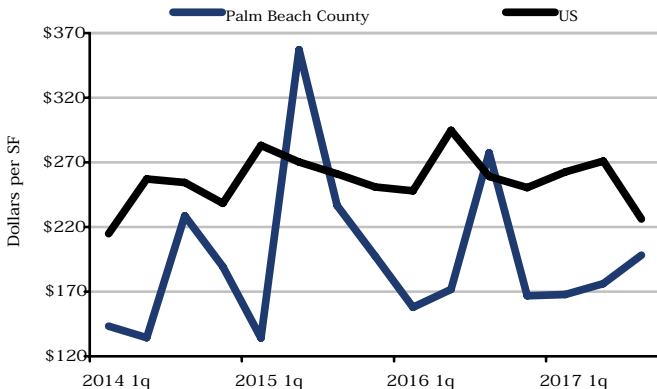
Based on Office Building Sales From Oct. 2016 - Sept. 2017

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 50,000 SF	71	801,724	\$150,118,569	\$ 187.24	7.35%
50K-249K SF	18	2,230,103	\$409,122,000	\$ 183.45	7.47%
250K-499K SF	1	304,009	\$48,700,000	\$ 160.19	6.69%
>500K SF	1	625,000	\$132,050,000	\$ 211.28	-

Source: CoStar COMPS®

## U.S. Price/SF Comparison

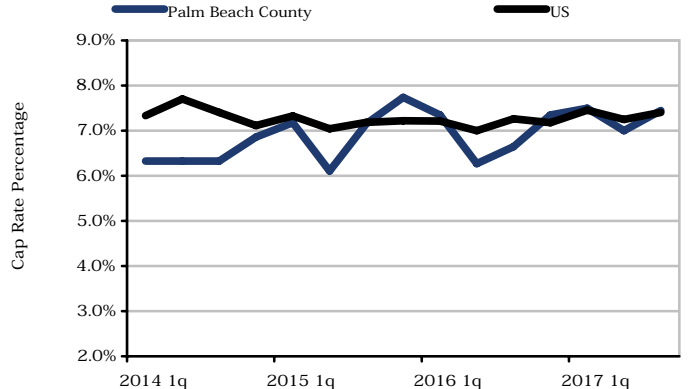
Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

## U.S. Cap Rate Comparison

Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

# Palm Beach County Office Market



Sales Activity

## Select Top Sales

Based on Sales from October 2016 Through December 2017

### 1. The Park at Broken Sound - Office D



#### Boca Raton

Price: **\$132,050,000**  
 Price/SF: **\$211.28**  
 Cap Rate: **N/A**  
 RBA: **625,000**  
 Date: **8/8/2017**  
 Year Built: **2008**  
 Buyer: **Office Depot, Inc.**  
 Seller: **Equity Commonwealth**

### 2. Peninsula Executive Center



#### Boca Raton

Price: **\$59,750,000**  
 Price/SF: **\$319.25**  
 Cap Rate: **6%**  
 RBA: **187,158**  
 Date: **6/15/2017**  
 Year Built: **1999**  
 Buyer: **C. Talanian Realty Co., Inc.**  
 Seller: **CDR Realty, L.L.C.**

### 3. Centrepark East



#### West Palm Beach

Price: **\$48,700,000**  
 Price/SF: **\$160.19**  
 Cap Rate: **6.69%**  
 RBA: **304,009**  
 Date: **11/1/2016**  
 Year Built: **1988**  
 Buyer: **Colonnade Properties, LLC**  
 Seller: **J.P. Morgan Investment Management Inc.**

### 4. One Clearlake Centre



#### West Palm Beach

Price: **\$42,300,000**  
 Price/SF: **\$193.63**  
 Cap Rate: **N/A**  
 RBA: **218,461**  
 Date: **7/20/2017**  
 Year Built: **1986**  
 Buyer: **Velocis**  
 Seller: **AEW Capital Management**

### 5. FNBC Plaza @ 301 Yamato



#### Boca Raton

Price: **\$38,937,000**  
 Price/SF: **\$188.61**  
 Cap Rate: **6.5%**  
 RBA: **206,447**  
 Date: **7/20/2017**  
 Year Built: **1986**  
 Buyer: **Morning Calm Management**  
 Seller: **Stoltz Realty Co. of Florida, Inc.**

### 6. 125 Worth Ave



#### Palm Beach

Price: **\$30,700,000**  
 Price/SF: **\$613.79**  
 Cap Rate: **4.4%**  
 RBA: **50,017**  
 Date: **10/31/2017**  
 Year Built: **1974**  
 Buyer: **Frisbie Group**  
 Seller: **Crocker Partners, LLC**

### 7. Centurion Tower



#### West Palm Beach

Price: **\$26,000,000**  
 Price/SF: **\$180.60**  
 Cap Rate: **8%**  
 RBA: **143,966**  
 Date: **10/20/2016**  
 Year Built: **1988**  
 Buyer: **C-III Capital Partners LLC**  
 Seller: **TA Realty**

### 8. Centrepark West



#### West Palm Beach

Price: **\$23,300,000**  
 Price/SF: **\$132.78**  
 Cap Rate: **6.7%**  
 RBA: **175,473**  
 Date: **11/1/2016**  
 Year Built: **2002**  
 Buyer: **Colonnade Properties, LLC**  
 Seller: **J.P. Morgan Investment Management Inc.**

### 9. 625 N Flagler Dr



#### West Palm Beach

Price: **\$23,000,000**  
 Price/SF: **\$212.02**  
 Cap Rate: **7%**  
 RBA: **108,482**  
 Date: **10/14/2016**  
 Year Built: **1984**  
 Buyer: **FRI Investors, Inc.**  
 Seller: **Napleton Automotive Group**

Source: CoStar COMPS®



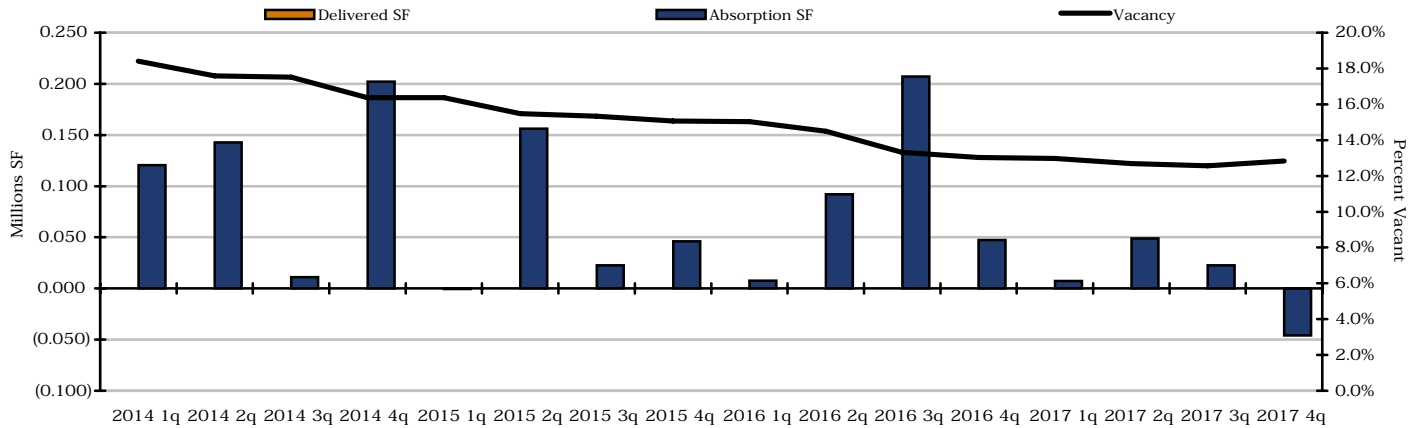
# Palm Beach County Office Market

## Boca Raton Market

Market Highlights – Class “A, B & C”

### Deliveries, Absorption & Vacancy

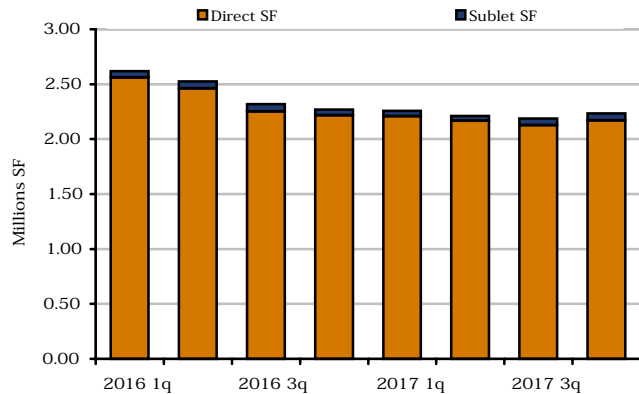
### Historical Analysis, All Classes



Source: CoStar Property®

### Vacant Space

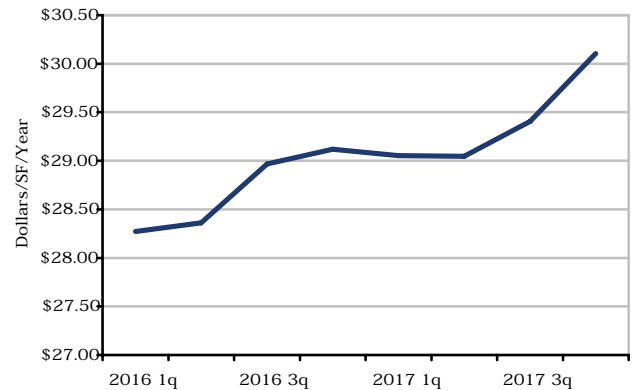
#### Historical Analysis, All Classes



Source: CoStar Property®

### Quoted Rental Rates

#### Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	471	17,409,035	2,232,692	12.8%	(45,961)	0	0	0	0	\$30.10
2017 3q	471	17,409,035	2,186,731	12.6%	22,533	0	0	0	0	\$29.41
2017 2q	471	17,409,035	2,209,264	12.7%	48,738	0	0	0	0	\$29.05
2017 1q	471	17,409,035	2,258,002	13.0%	7,278	0	0	0	0	\$29.05
2016 4q	472	17,413,270	2,269,515	13.0%	47,171	0	0	0	0	\$29.12
2016 3q	473	17,415,022	2,318,438	13.3%	207,123	0	0	0	0	\$28.97
2016 2q	473	17,415,022	2,525,561	14.5%	92,008	0	0	0	0	\$28.36
2016 1q	473	17,415,022	2,617,569	15.0%	7,737	0	0	0	0	\$28.27
2015 4q	473	17,415,022	2,625,306	15.1%	46,048	0	0	0	0	\$28.20
2015 3q	473	17,415,022	2,671,354	15.3%	22,688	0	0	0	0	\$28.20
2015 2q	473	17,415,022	2,694,042	15.5%	156,213	0	0	0	0	\$27.62
2015 1q	473	17,415,022	2,850,255	16.4%	(426)	0	0	0	0	\$27.14
2014 4q	473	17,415,022	2,849,829	16.4%	202,028	0	0	0	0	\$27.01
2014 3q	473	17,415,022	3,051,857	17.5%	11,016	0	0	0	0	\$26.85
2014 2q	473	17,415,022	3,062,873	17.6%	142,597	0	0	0	0	\$26.49
2014 1q	473	17,415,022	3,205,470	18.4%	120,542	0	0	0	0	\$26.25

Source: CoStar Property®

# Palm Beach County Office Market

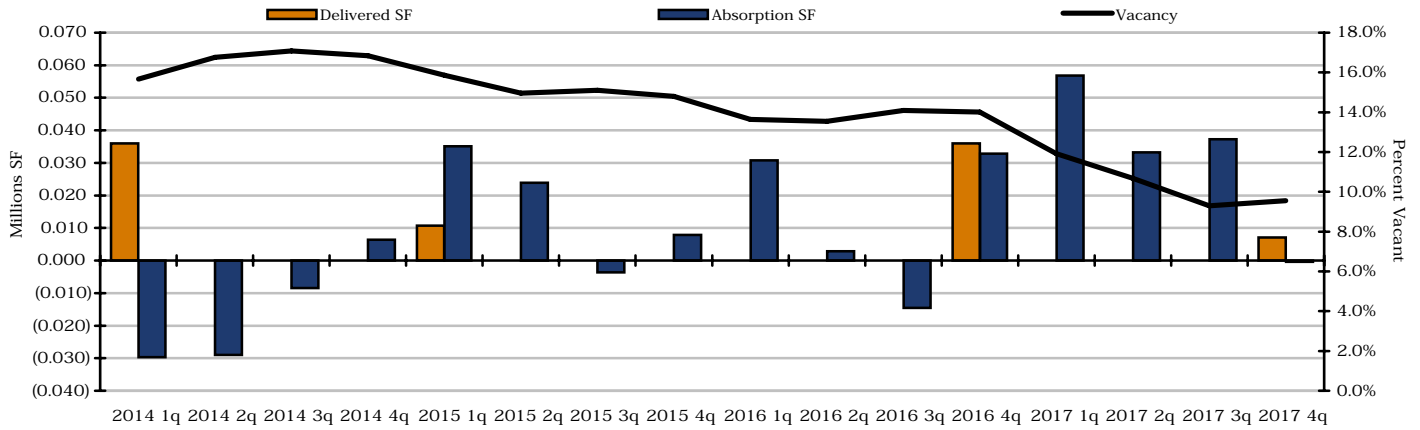


## Boynton/Lantana Market

Market Highlights – Class "A, B & C"

### Deliveries, Absorption & Vacancy

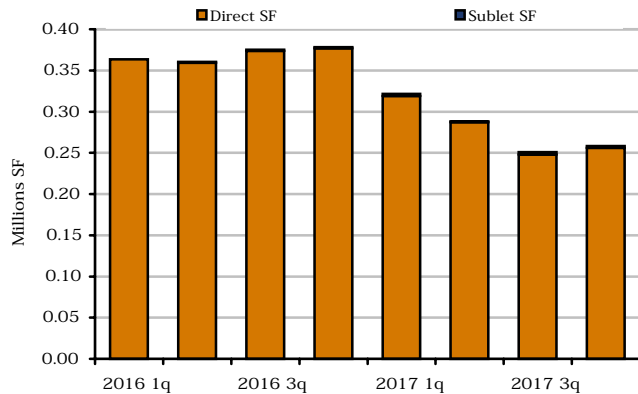
### Historical Analysis, All Classes



Source: CoStar Property®

### Vacant Space

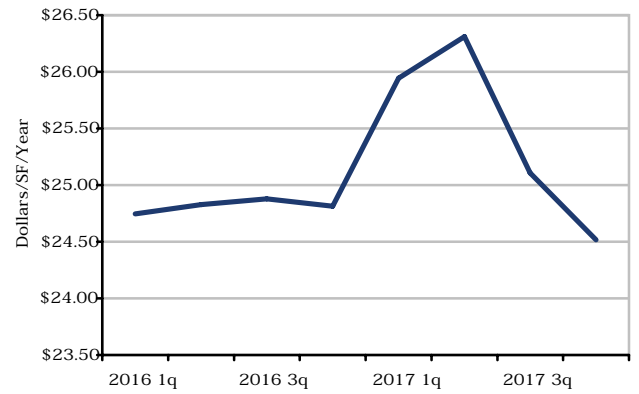
#### Historical Analysis, All Classes



Source: CoStar Property®

### Quoted Rental Rates

#### Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	207	2,705,130	258,386	9.6%	(368)	1	7,099	0	0	\$24.52
2017 3q	206	2,698,031	250,919	9.3%	37,246	0	0	1	7,099	\$25.11
2017 2q	206	2,698,031	288,165	10.7%	33,239	0	0	1	7,099	\$26.31
2017 1q	206	2,698,031	321,404	11.9%	56,781	0	0	1	7,099	\$25.94
2016 4q	206	2,698,031	378,185	14.0%	32,870	2	36,000	0	0	\$24.81
2016 3q	204	2,662,031	375,055	14.1%	(14,551)	0	0	2	36,000	\$24.88
2016 2q	204	2,662,031	360,504	13.5%	2,816	0	0	2	36,000	\$24.83
2016 1q	204	2,662,031	363,320	13.6%	30,807	0	0	2	36,000	\$24.75
2015 4q	204	2,662,031	394,127	14.8%	7,842	0	0	2	36,000	\$24.15
2015 3q	204	2,662,031	401,969	15.1%	(3,627)	0	0	0	0	\$24.25
2015 2q	204	2,662,031	398,342	15.0%	23,900	0	0	0	0	\$24.40
2015 1q	204	2,662,031	422,242	15.9%	35,105	1	10,718	0	0	\$24.52
2014 4q	203	2,651,313	446,629	16.8%	6,427	0	0	1	10,718	\$24.34
2014 3q	203	2,651,313	453,056	17.1%	(8,491)	0	0	1	10,718	\$24.03
2014 2q	203	2,651,313	444,565	16.8%	(28,999)	0	0	1	10,718	\$23.32
2014 1q	203	2,651,313	415,566	15.7%	(29,644)	1	36,000	0	0	\$21.02

Source: CoStar Property®





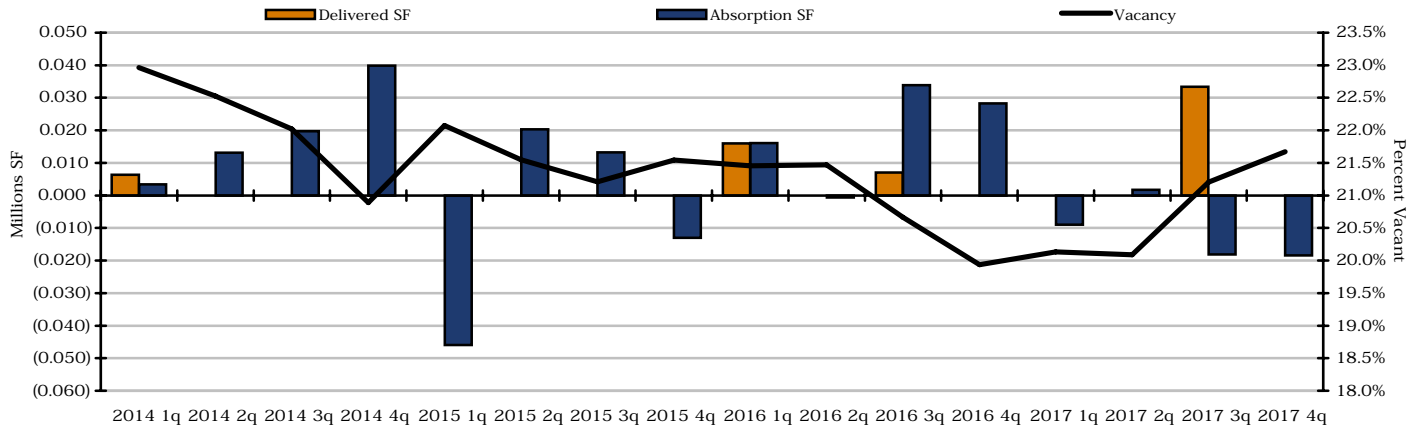
# Palm Beach County Office Market

## Delray Beach Market

Market Highlights – Class “A, B & C”

### Deliveries, Absorption & Vacancy

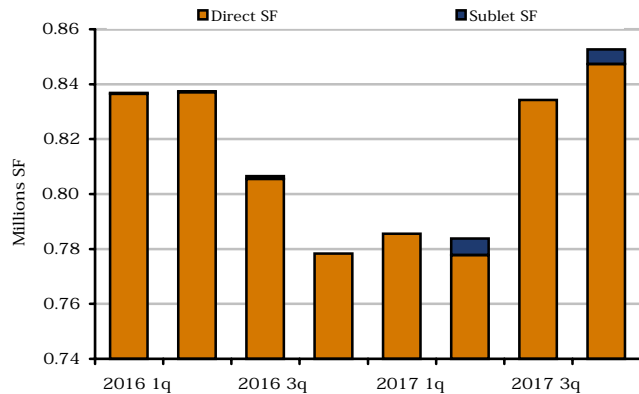
### Historical Analysis, All Classes



Source: CoStar Property®

### Vacant Space

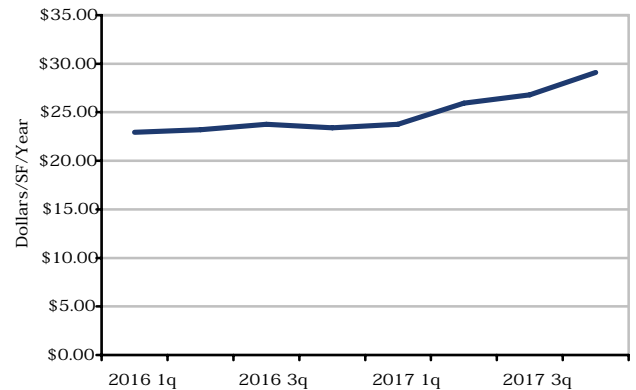
#### Historical Analysis, All Classes



Source: CoStar Property®

### Quoted Rental Rates

#### Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	369	3,934,048	852,651	21.7%	(18,397)	0	0	1	84,300	\$29.11
2017 3q	369	3,934,048	834,254	21.2%	(18,170)	3	33,400	1	84,300	\$26.80
2017 2q	368	3,901,788	783,824	20.1%	1,705	0	0	3	33,400	\$25.93
2017 1q	368	3,901,788	785,529	20.1%	(9,008)	0	0	3	33,400	\$23.78
2016 4q	369	3,903,550	778,283	19.9%	28,290	0	0	3	33,400	\$23.41
2016 3q	369	3,903,550	806,573	20.7%	33,916	1	7,042	3	33,400	\$23.75
2016 2q	369	3,900,508	837,447	21.5%	(639)	0	0	2	14,442	\$23.21
2016 1q	369	3,900,508	836,808	21.5%	16,083	2	16,000	2	14,442	\$22.92
2015 4q	367	3,884,508	836,891	21.5%	(13,054)	0	0	4	30,442	\$22.80
2015 3q	367	3,884,508	823,837	21.2%	13,277	0	0	3	23,042	\$22.76
2015 2q	367	3,884,508	837,114	21.6%	20,326	0	0	3	23,042	\$22.85
2015 1q	367	3,884,508	857,440	22.1%	(45,920)	0	0	1	10,000	\$22.81
2014 4q	367	3,884,508	811,520	20.9%	39,905	0	0	0	0	\$22.67
2014 3q	368	3,889,590	856,507	22.0%	19,682	0	0	0	0	\$22.70
2014 2q	368	3,889,590	876,189	22.5%	13,161	0	0	0	0	\$22.34
2014 1q	369	3,894,590	894,350	23.0%	3,377	1	6,310	0	0	\$22.02

Source: CoStar Property®

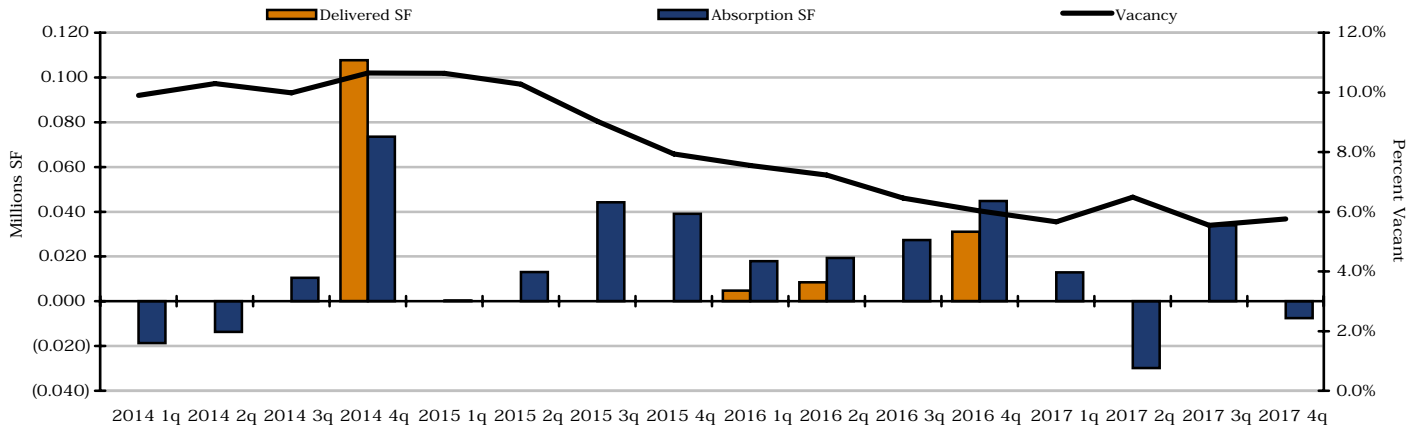
# Palm Beach County Office Market



## Jupiter Market Market Highlights – Class “A, B & C”

### Deliveries, Absorption & Vacancy

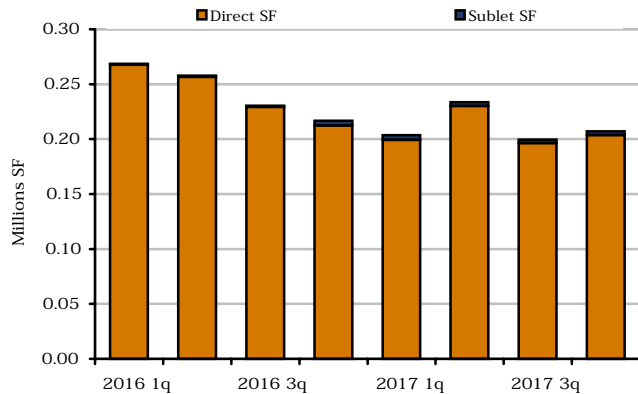
### Historical Analysis, All Classes



Source: CoStar Property®

### Vacant Space

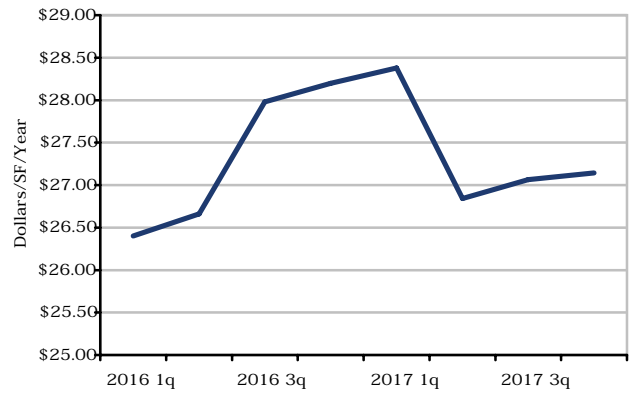
#### Historical Analysis, All Classes



Source: CoStar Property®

### Quoted Rental Rates

#### Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	220	3,597,180	207,117	5.8%	(7,517)	0	0	0	0	\$27.14
2017 3q	220	3,597,180	199,600	5.5%	33,884	0	0	0	0	\$27.06
2017 2q	220	3,597,180	233,484	6.5%	(29,820)	0	0	0	0	\$26.84
2017 1q	220	3,597,180	203,664	5.7%	12,975	0	0	0	0	\$28.38
2016 4q	220	3,597,180	216,639	6.0%	44,775	1	31,030	0	0	\$28.20
2016 3q	219	3,566,150	230,384	6.5%	27,378	0	0	1	31,030	\$27.98
2016 2q	219	3,566,150	257,762	7.2%	19,377	1	8,500	1	31,030	\$26.66
2016 1q	218	3,557,650	268,639	7.6%	17,915	1	4,750	2	39,530	\$26.40
2015 4q	217	3,552,900	281,804	7.9%	39,070	0	0	3	44,280	\$26.32
2015 3q	217	3,552,900	320,874	9.0%	44,149	0	0	2	13,250	\$25.60
2015 2q	217	3,552,900	365,023	10.3%	12,992	0	0	2	13,250	\$26.05
2015 1q	217	3,552,900	378,015	10.6%	330	0	0	1	4,750	\$26.41
2014 4q	217	3,552,900	378,345	10.6%	73,488	4	107,691	1	4,750	\$25.60
2014 3q	213	3,445,209	344,142	10.0%	10,498	0	0	5	112,441	\$25.92
2014 2q	213	3,445,209	354,640	10.3%	(13,721)	0	0	5	112,441	\$26.20
2014 1q	213	3,445,209	340,919	9.9%	(18,694)	0	0	4	104,441	\$25.70

Source: CoStar Property®



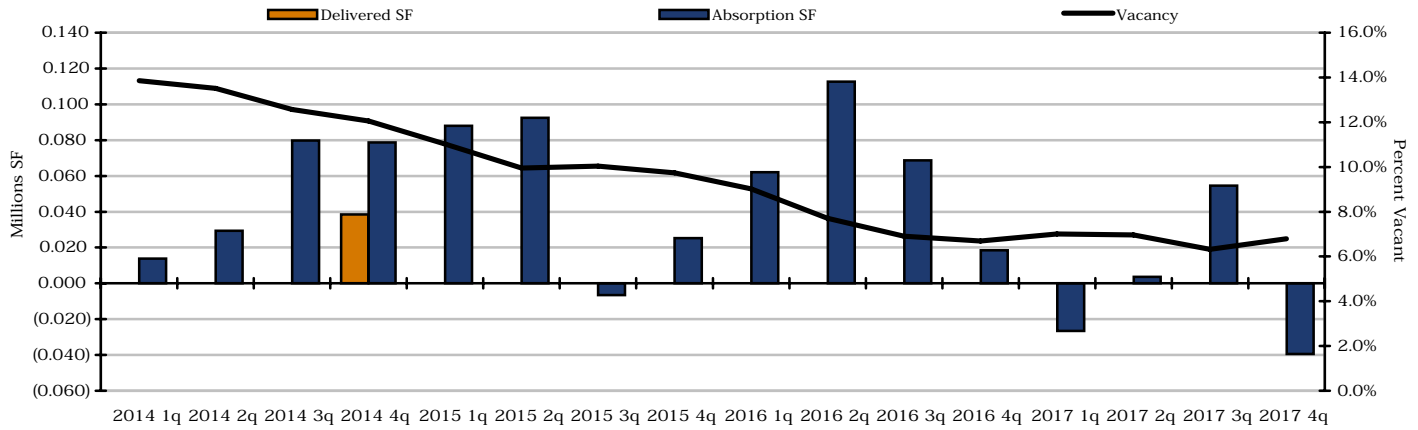
# Palm Beach County Office Market

North Palm Beach Market

Market Highlights – Class “A, B & C”

## Deliveries, Absorption & Vacancy

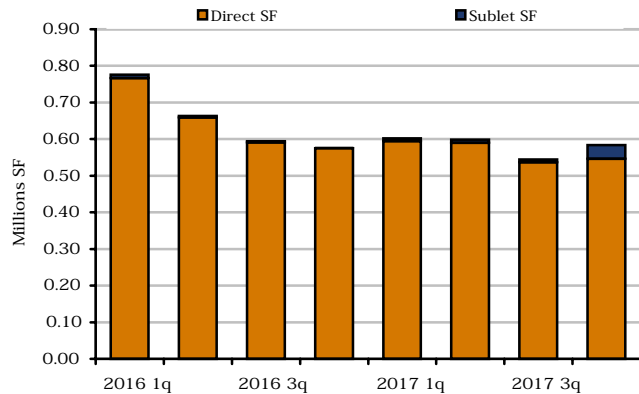
Historical Analysis, All Classes



Source: CoStar Property®

## Vacant Space

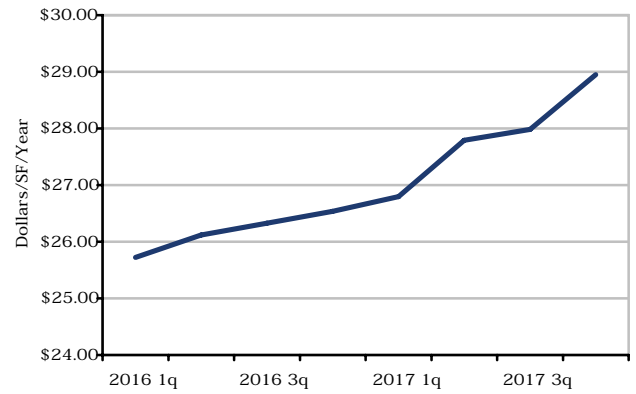
Historical Analysis, All Classes



Source: CoStar Property®

## Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	394	8,602,962	583,760	6.8%	(39,477)	0	0	1	111,972	\$28.95
2017 3q	394	8,602,962	544,283	6.3%	54,505	0	0	0	0	\$27.98
2017 2q	394	8,602,962	598,788	7.0%	3,687	0	0	0	0	\$27.79
2017 1q	394	8,602,962	602,475	7.0%	(26,510)	0	0	0	0	\$26.80
2016 4q	394	8,602,962	575,965	6.7%	18,440	0	0	0	0	\$26.54
2016 3q	394	8,602,962	594,405	6.9%	68,634	0	0	0	0	\$26.33
2016 2q	394	8,602,962	663,039	7.7%	112,621	0	0	0	0	\$26.12
2016 1q	394	8,602,962	775,660	9.0%	62,048	0	0	0	0	\$25.72
2015 4q	394	8,602,962	837,708	9.7%	25,321	0	0	0	0	\$25.51
2015 3q	394	8,602,962	863,029	10.0%	(6,630)	0	0	0	0	\$24.81
2015 2q	394	8,602,962	856,399	10.0%	92,436	0	0	0	0	\$25.49
2015 1q	394	8,602,962	948,835	11.0%	87,907	0	0	0	0	\$25.41
2014 4q	394	8,602,962	1,036,742	12.1%	78,666	1	38,405	0	0	\$24.70
2014 3q	393	8,564,557	1,077,003	12.6%	79,799	0	0	1	38,405	\$25.04
2014 2q	393	8,564,557	1,156,802	13.5%	29,389	0	0	1	38,405	\$25.18
2014 1q	393	8,564,557	1,186,191	13.8%	13,742	0	0	0	0	\$24.87

Source: CoStar Property®

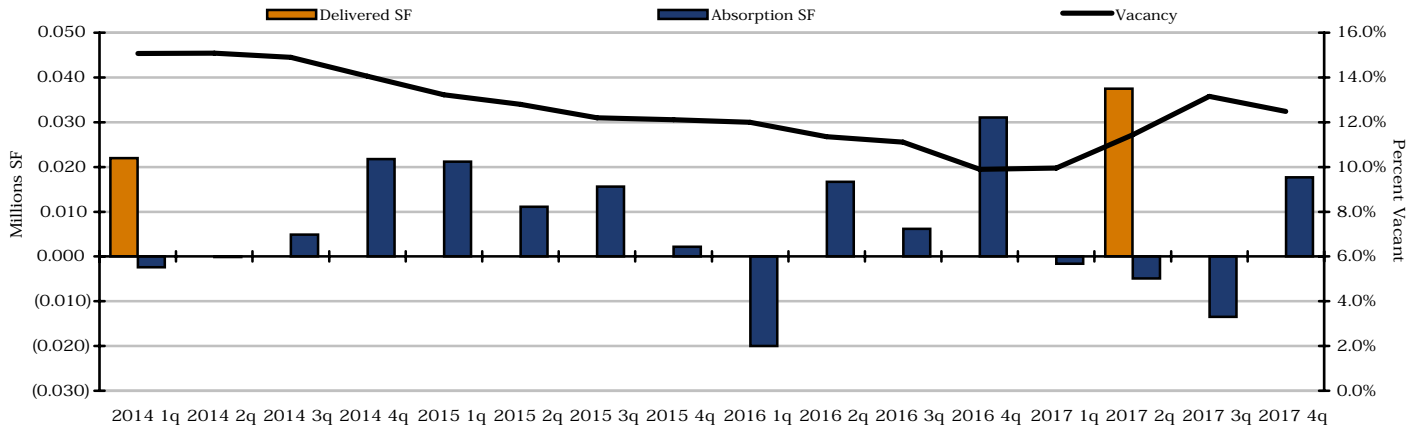
# Palm Beach County Office Market



Palm Beach Market  
Market Highlights – Class “A, B & C”

## Deliveries, Absorption & Vacancy

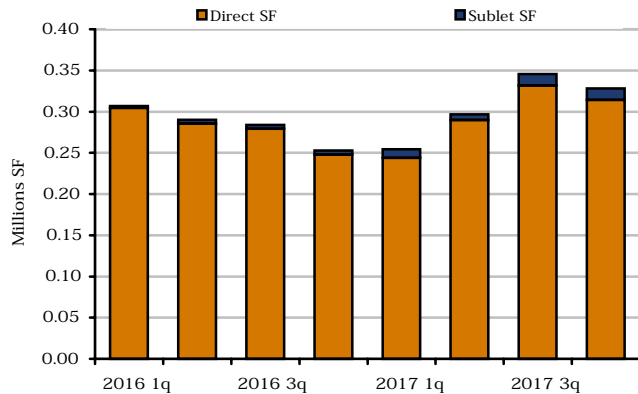
### Historical Analysis, All Classes



Source: CoStar Property®

## Vacant Space

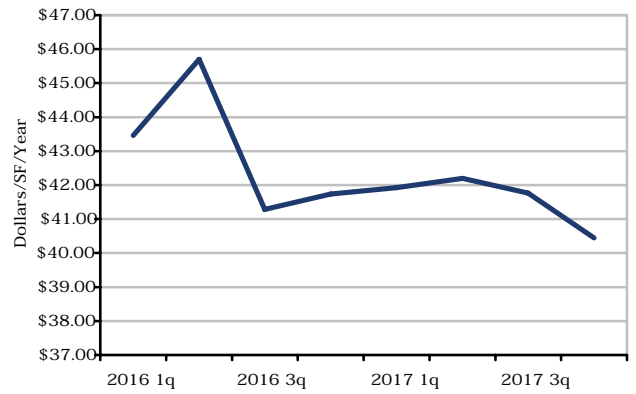
### Historical Analysis, All Classes



Source: CoStar Property®

## Quoted Rental Rates

### Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	161	2,628,940	328,016	12.5%	17,720	0	0	6	58,999	\$40.45
2017 3q	161	2,628,940	345,736	13.2%	(13,490)	0	0	6	58,999	\$41.76
2017 2q	160	2,593,472	296,778	11.4%	(4,927)	1	37,500	3	80,067	\$42.20
2017 1q	159	2,555,972	254,351	10.0%	(1,586)	0	0	2	72,968	\$41.93
2016 4q	159	2,555,972	252,765	9.9%	31,055	0	0	2	72,968	\$41.74
2016 3q	159	2,555,972	283,820	11.1%	6,209	0	0	2	72,968	\$41.28
2016 2q	159	2,555,972	290,029	11.3%	16,668	0	0	0	0	\$45.70
2016 1q	159	2,555,972	306,697	12.0%	(20,008)	0	0	0	0	\$43.46
2015 4q	160	2,581,973	312,690	12.1%	2,154	0	0	0	0	\$40.57
2015 3q	160	2,581,973	314,844	12.2%	15,623	0	0	0	0	\$41.40
2015 2q	160	2,581,973	330,467	12.8%	11,100	0	0	0	0	\$40.13
2015 1q	160	2,581,973	341,567	13.2%	21,156	0	0	0	0	\$38.93
2014 4q	160	2,581,973	362,723	14.0%	21,783	0	0	0	0	\$38.07
2014 3q	160	2,581,973	384,506	14.9%	4,875	0	0	0	0	\$38.30
2014 2q	160	2,581,973	389,381	15.1%	(83)	0	0	0	0	\$33.90
2014 1q	160	2,581,973	389,298	15.1%	(2,373)	1	22,000	0	0	\$34.38

Source: CoStar Property®



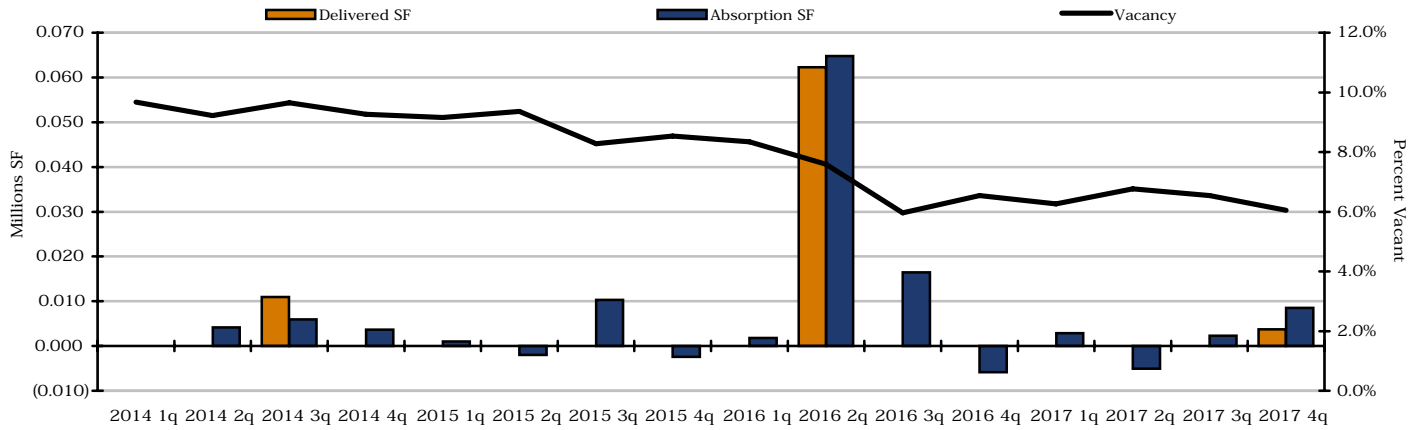
# Palm Beach County Office Market

## Palm Springs/Lake Worth Market

Market Highlights – Class “A, B & C”

### Deliveries, Absorption & Vacancy

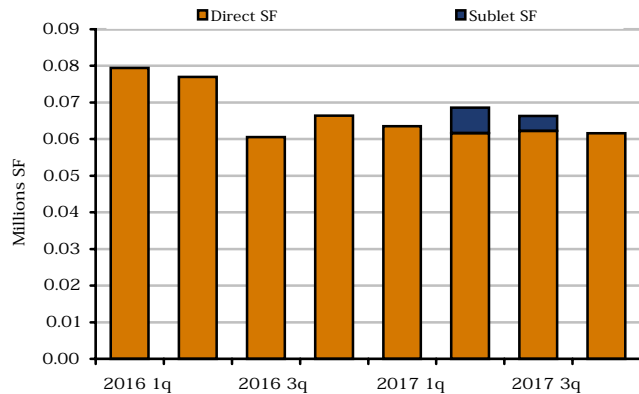
### Historical Analysis, All Classes



Source: CoStar Property®

### Vacant Space

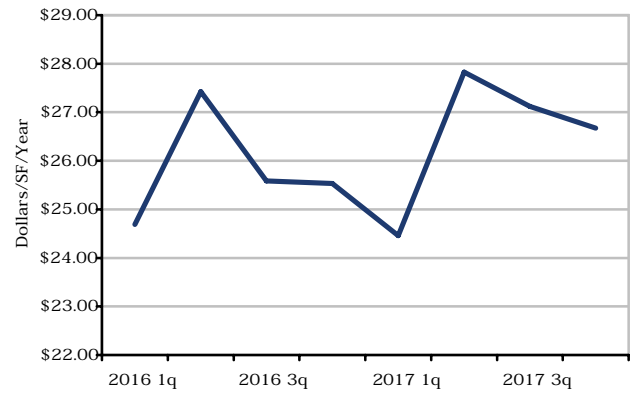
#### Historical Analysis, All Classes



Source: CoStar Property®

### Quoted Rental Rates

#### Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	118	1,018,032	61,578	6.0%	8,511	1	3,750	0	0	\$26.68
2017 3q	117	1,014,282	66,339	6.5%	2,267	0	0	1	3,750	\$27.12
2017 2q	117	1,014,282	68,606	6.8%	(5,091)	0	0	1	3,750	\$27.83
2017 1q	117	1,014,282	63,515	6.3%	2,867	0	0	1	3,750	\$24.46
2016 4q	117	1,014,282	66,382	6.5%	(5,856)	0	0	0	0	\$25.53
2016 3q	117	1,014,282	60,526	6.0%	16,441	0	0	0	0	\$25.59
2016 2q	117	1,014,282	76,967	7.6%	64,753	1	62,305	0	0	\$27.42
2016 1q	116	951,977	79,415	8.3%	1,830	0	0	1	62,305	\$24.69
2015 4q	116	951,977	81,245	8.5%	(2,430)	0	0	1	62,305	\$24.50
2015 3q	116	951,977	78,815	8.3%	10,328	0	0	1	62,305	\$24.41
2015 2q	116	951,977	89,143	9.4%	(1,962)	0	0	1	62,305	\$23.82
2015 1q	116	951,977	87,181	9.2%	1,038	0	0	1	62,305	\$22.01
2014 4q	116	951,977	88,219	9.3%	3,623	0	0	0	0	\$21.61
2014 3q	116	951,977	91,842	9.6%	5,919	1	10,942	0	0	\$21.69
2014 2q	115	941,035	86,819	9.2%	4,177	0	0	1	10,942	\$23.50
2014 1q	115	941,035	90,996	9.7%	3	0	0	1	10,942	\$23.72

Source: CoStar Property®

# Palm Beach County Office Market

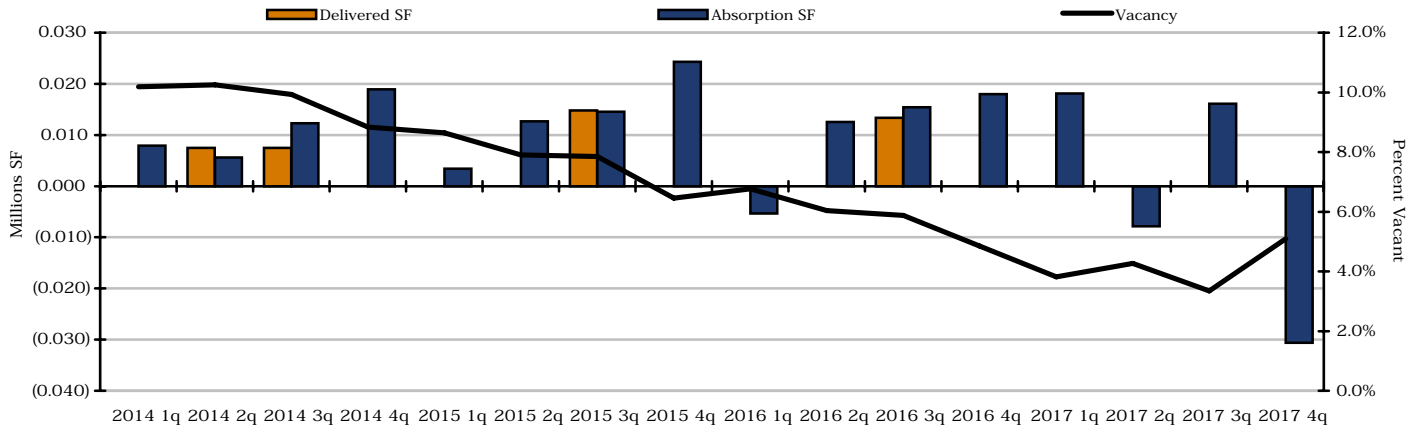


Royal Palm Bch / Wellington Market

Market Highlights – Class "A, B & C"

## Deliveries, Absorption & Vacancy

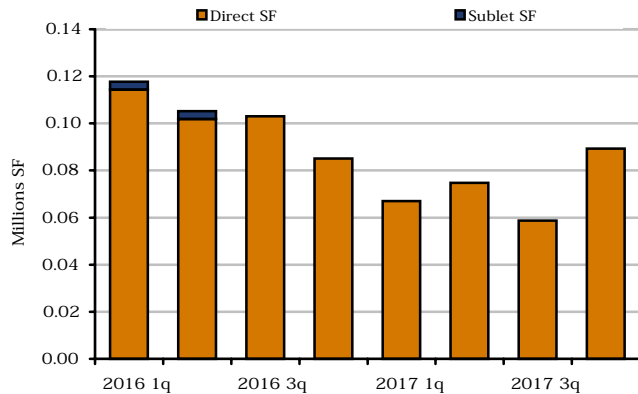
### Historical Analysis, All Classes



Source: CoStar Property®

## Vacant Space

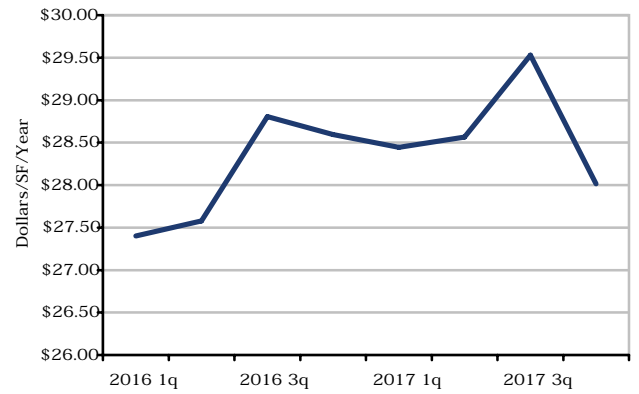
### Historical Analysis, All Classes



Source: CoStar Property®

## Quoted Rental Rates

### Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	84	1,754,162	89,328	5.1%	(30,619)	0	0	2	26,162	\$28.02
2017 3q	84	1,754,162	58,709	3.3%	16,114	0	0	2	26,162	\$29.53
2017 2q	84	1,754,162	74,823	4.3%	(7,823)	0	0	2	26,162	\$28.57
2017 1q	84	1,754,162	67,000	3.8%	18,097	0	0	1	17,362	\$28.44
2016 4q	84	1,754,162	85,097	4.9%	17,995	0	0	1	17,362	\$28.60
2016 3q	84	1,754,162	103,092	5.9%	15,397	1	13,342	1	17,362	\$28.81
2016 2q	83	1,740,820	105,147	6.0%	12,562	0	0	2	30,704	\$27.58
2016 1q	83	1,740,820	117,709	6.8%	(5,337)	0	0	1	13,342	\$27.40
2015 4q	83	1,740,820	112,372	6.5%	24,282	0	0	1	13,342	\$27.38
2015 3q	83	1,740,820	136,654	7.8%	14,564	1	14,814	1	13,342	\$29.19
2015 2q	82	1,726,006	136,404	7.9%	12,691	0	0	1	14,814	\$27.60
2015 1q	82	1,726,006	149,095	8.6%	3,417	0	0	1	14,814	\$26.43
2014 4q	82	1,726,006	152,512	8.8%	18,957	0	0	1	14,814	\$25.95
2014 3q	82	1,726,006	171,469	9.9%	12,279	1	7,500	0	0	\$26.83
2014 2q	81	1,718,506	176,248	10.3%	5,623	1	7,500	1	7,500	\$25.44
2014 1q	80	1,711,006	174,371	10.2%	7,893	0	0	2	15,000	\$25.70

Source: CoStar Property®



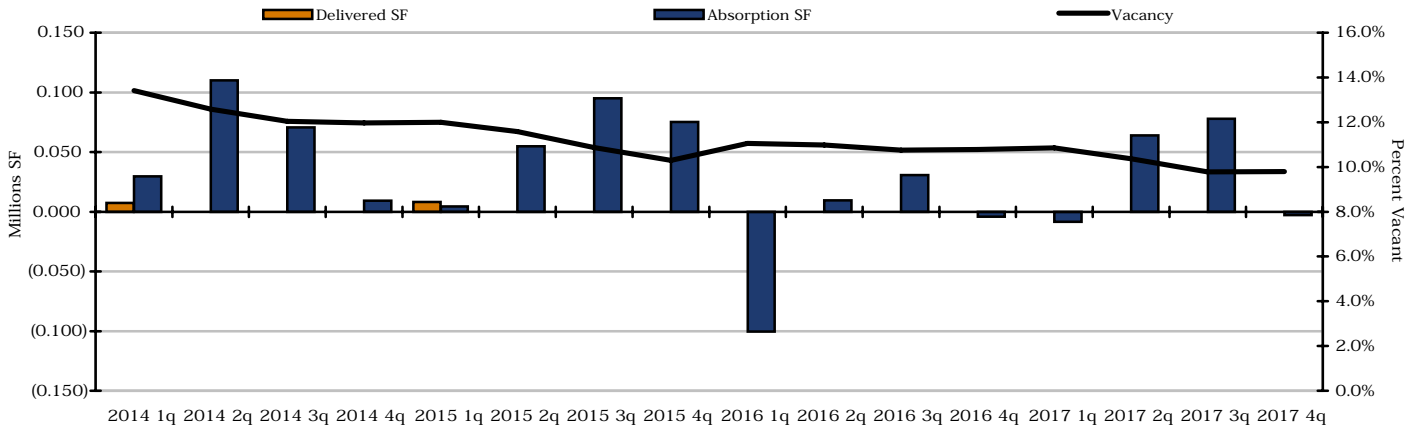
# Palm Beach County Office Market

West Palm Beach Market

Market Highlights – Class “A, B & C”

## Deliveries, Absorption & Vacancy

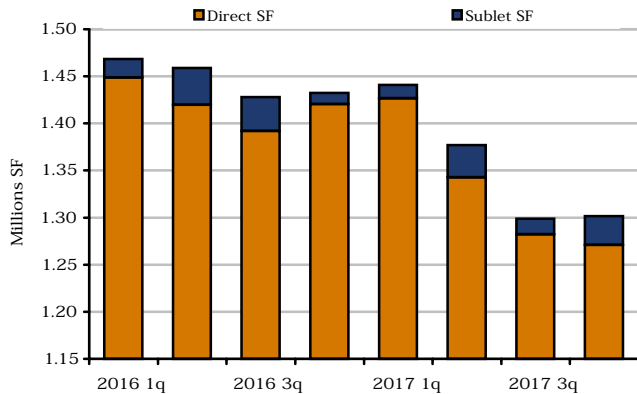
Historical Analysis, All Classes



Source: CoStar Property®

## Vacant Space

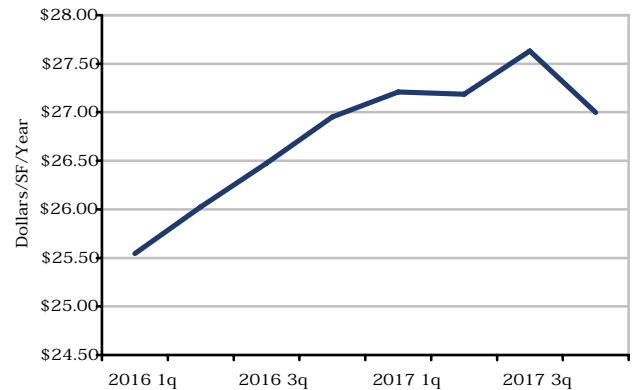
Historical Analysis, All Classes



Source: CoStar Property®

## Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	811	13,281,074	1,301,636	9.8%	(2,701)	0	0	0	0	\$27.00
2017 3q	811	13,281,074	1,298,935	9.8%	77,991	0	0	0	0	\$27.63
2017 2q	811	13,281,074	1,376,926	10.4%	63,828	0	0	0	0	\$27.18
2017 1q	811	13,281,074	1,440,754	10.8%	(8,476)	0	0	0	0	\$27.21
2016 4q	811	13,281,074	1,432,278	10.8%	(4,152)	0	0	0	0	\$26.95
2016 3q	811	13,281,074	1,428,126	10.8%	30,831	0	0	0	0	\$26.48
2016 2q	811	13,281,074	1,458,957	11.0%	9,590	0	0	0	0	\$26.03
2016 1q	811	13,281,074	1,468,547	11.1%	(100,432)	0	0	0	0	\$25.55
2015 4q	811	13,281,074	1,368,115	10.3%	75,081	0	0	0	0	\$25.99
2015 3q	811	13,281,074	1,443,196	10.9%	95,106	0	0	0	0	\$25.48
2015 2q	811	13,281,074	1,538,302	11.6%	54,798	0	0	0	0	\$25.23
2015 1q	811	13,281,074	1,593,100	12.0%	4,496	1	8,200	0	0	\$24.60
2014 4q	810	13,272,874	1,589,396	12.0%	9,205	0	0	1	8,200	\$25.64
2014 3q	810	13,272,874	1,598,601	12.0%	70,670	0	0	1	8,200	\$25.64
2014 2q	810	13,272,874	1,669,271	12.6%	110,139	0	0	1	8,200	\$25.83
2014 1q	810	13,272,874	1,779,410	13.4%	29,534	1	7,500	0	0	\$25.11

Source: CoStar Property®