

SOUTH FLORIDA OFFICE MARKET

THE TIDES MAY BE TURNING AS IMPACTS FROM COVID-19 SURFACED

Over 1.0 million square feet of negative absorption during the third quarter of 2020 as impacts from the pandemic surfaced. This was slightly higher than the 940,000-square-foot record set return of supply during second-quarter 2009 during the Great Recession. Overall vacancy increased 130 basis points from the previous quarter to settle at 12.5%, presenting tenants with choices of space not last seen since fourth-quarter 2016. Broward and Miami-Dade felt the brunt, while Palm Beach County's was less severe. Year to date, over 1.1 million square feet of negative absorption occurred in South Florida, with 97.2% of that occurring during the third quarter. The Class A segment recorded over 617,000 square feet of negative absorption so far in 2020, as the Class B sector followed with 262,000 square feet of returned supply. Lower-tier Class C office space trailed with 244,000 square feet of negative absorption. The majority of office space coming back to the market was from tenants under 5,000 square feet, smaller downsizes and consolidations. Landlords held asking rents level in all segments throughout the region. The completion of two Class A office buildings delivering over 400,000 square feet of available space in Miami-Dade and Palm Beach, coupled with the increase of upper-tier Class B availability aided the overall average to reach record levels at \$35.00/SF mark. During the previous downturn, it took five quarters after the initial onset of the financial crisis before landlords gave way and average asking rates began to move downward. South Florida landlords are largely made up of large institutions and investment firms, asking rental rates will likely hold steady until the equation of continued higher vacancy rates and lack of activity shift landlords to become proactive. In the meantime concessions are expected to rise as a means to attract new tenants however given the high cost of relocating such concessions are not expected to materially impact relocations but entice existing occupants to remain in place.

12-MONTH FORECAST

The market will likely remain in a wait-and-see approach through the first half of next year awaiting the effects from the pandemic along with the future economic outlook from results of the pending election. Factors which may prove to be a challenge could include a continued weakened economy and limited returns to the workplace could dissuade companies from finalizing real-estate decisions. Leasing activity will likely remain short-term renewals and lease extensions. Landlords will survey the economy for signs of life but if elevated vacancies continue from office closures, downsizes or relocations to more affordable space, asking rates may begin to dip toward the second half of 2021, but to what level will be determined by the speed to which the office sector begins to improve.

CURRENT CONDITIONS

Impacts from the Covid-19 global pandemic have begun as the region experienced its largest quarterly correction ever recorded.

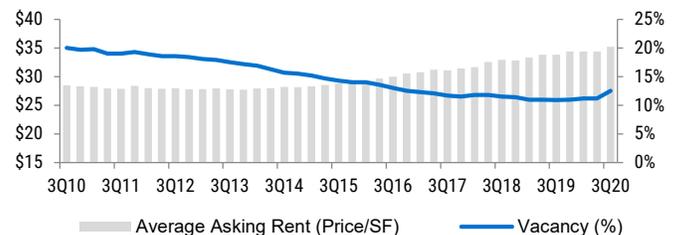
The majority of supply returned to the market came from Class A buildings as smaller downsizes and consolidations along with companies below 5,000 square feet closing offices or relocating were the key component of the increased supply.

The office sector will likely remain flat through the first half of next year as businesses navigate operations through the outcomes of the global pandemic and pending election.

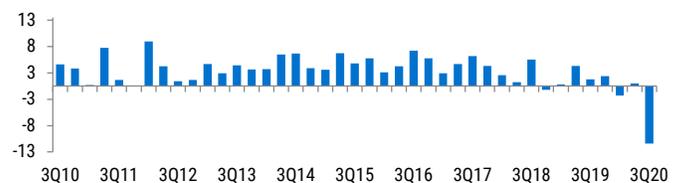
The direction of market fundamental should present a clearer picture during the second half of 2021.

MARKET ANALYSIS

Asking Rent and Availability



Net Absorption (SF, 100,000)



MARKET SUMMARY

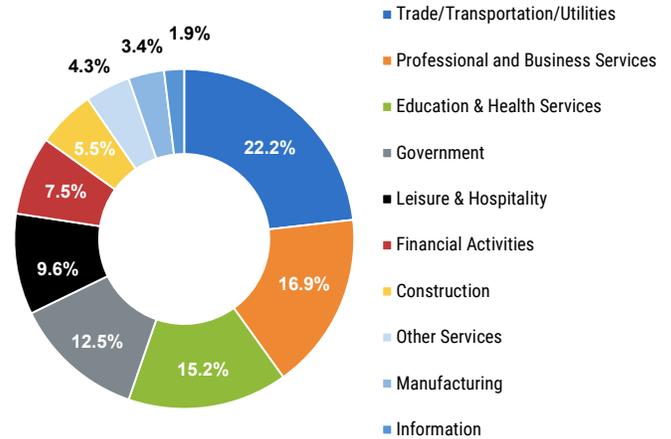
	Current Quarter	Prior Quarter	Year Ago Period	12 Month Forecast
Total Inventory	106.9 MSF	106.6 MSF	106.5 MSF	↑
Vacancy Rate	12.5%	11.2%	10.9%	↑
Quarterly Net Absorption	(1.1) MSF	49,959	125,270	↔
Average Asking Rent	\$35.22	\$34.40	\$33.84	↓
Under Construction	3.4 MSF	3.7 MSF	3.5 MSF	↔
Deliveries	409,971	102,287	0	↑

ECONOMIC CONDITIONS

South Florida's unemployment rate fell to 8.5% from the 13.4% peak back in April/May from the national shut down throughout the region in late March for three months. Year-over-year, a total of 207,100 jobs remained lost as a result from the Covid-19 pandemic outbreak. This was the just after South Florida recorded the lowest historical unemployment rate in first-quarter 2020. The unemployment rate did fall below the 11.3% peak rate recorded during the financial crisis in 2008. Broward County's 9.2% remained the highest in South Florida but fell the furthest after peaking at 15.2% in April. Palm Beach's rate of 8.1% was a 490 basis point drop from the to 12.0% peak in April, while Miami-Dade saw unemployment drop to 8.1% from the 12.0% high recorded in May. South Florida's strong ties to tourism continued to devastate the leisure and hospitality industry with 86,200 jobs lost from one year ago. The professional and business services industry moved into the second spot for job losses, totaling more than 32,000 from this time last year. All key industries continued to feel the impacts from the sudden economic downturn, with the Financial industry fairing the best with only 700 jobs lost from one year ago. Numbers are projected to improve as economic conditions slowly get back to normal.

EMPLOYMENT BY INDUSTRY

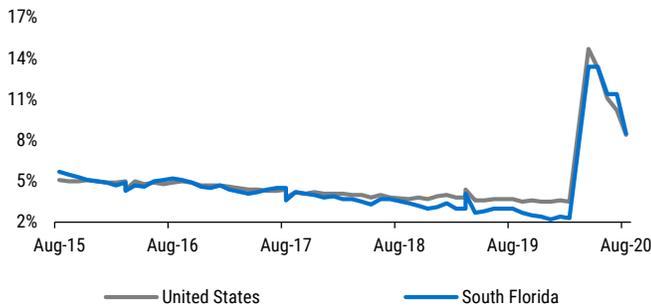
South Florida MSA, August 2020 Not Seasonally Adjusted



Source: U.S. Bureau of Labor Statistics

UNEMPLOYMENT RATE

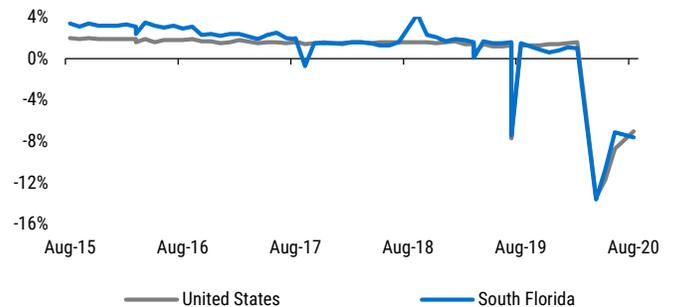
South Florida Not Seasonally Adjusted



Source: U.S. Bureau of Labor Statistics

PAYROLL EMPLOYMENT

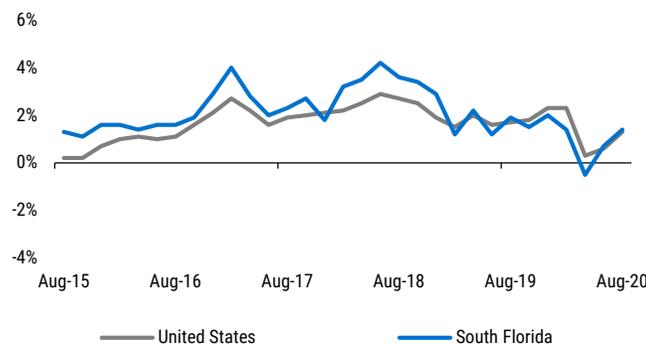
Total Nonfarm, Not Seasonally Adjusted, 12-Month % Change



Source: U.S. Bureau of Labor Statistics

CONSUMER PRICE INDEX (CPI)

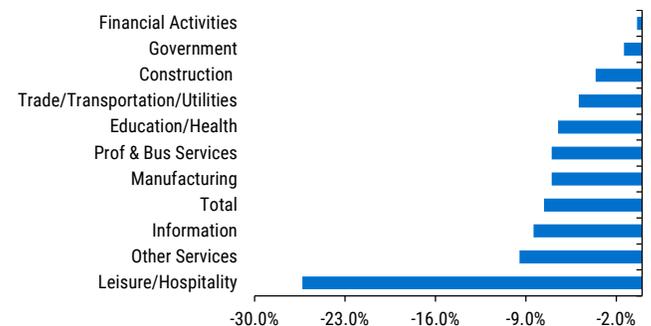
All Items, 12-Month % Change, Not Seasonally Adjusted,



Source: U.S. Bureau of Labor Statistics

EMPLOYMENT GROWTH BY INDUSTRY

South Florida, August 2020, MSA, 12-Month % Change, Not Seasonally Adjusted



Source: U.S. Bureau of Labor Statistics

MIAMI OFFICE MARKET

The third quarter saw over 424,000 square feet of supply returned to the market as the office sector saw its largest quarterly correction since 2009. Year-to-date, Miami-Dade County recorded over 391,000 square feet of negative absorption. Higher-end, Class A space saw over 173,000 square feet of negative absorption so far in 2020, while the Class B segment posted over 114,000 square feet of supply returned to the market. Lower-tier, Class C office space also reported 103,000 square feet of year-to-date negative absorption. No significant moveouts occurred throughout the county as most of the returned space came from smaller tenant office closures and companies downsizing as a result from the impacts of COVID-19. The overall vacancy rate increased 160 basis points from one year ago to close out third-quarter 2020 at 13.1%. The completion of 545 WYN, Miami's newest 298,000-square-foot Class A property in the trending Wynwood neighborhood, was a contributing factor to the rise in vacancy as the building was delivered fully available. This also aided the uptick in the Class A quoted average rate by \$0.36/SF higher than the previous quarter, to \$44.11/SF. The Class B sector experienced a more significant increase by \$1.44/SF to \$37.23/SF as a result from increased space availability, coupled with landlords not lowering asking rates in second-tier spaces despite current economic conditions. These factors contributed to the overall average asking rate, increasing by \$1.23/SF to \$38.53/SF from the previous quarter as most tenants paid rent during the COVID-19 shutdown. The office sector will likely remain in a holding pattern through the first half of 2021 as market fundamentals reset and a clearer picture of the economic impacts from the pandemic, coupled with the election results, come into view.

LEASING AND DEMAND

Leasing activity ticked upward from the previous quarter, totaling over 535,000 square feet and bringing year-to-date volume to 1.8 million square feet. This was down by 29.2% from the approximate 2.6 million square feet of activity from one year ago. Class A space accounted for 918,500 square feet of transaction activity, while Class B came in at 461,000 square feet through third-quarter 2020. Notably, the Class C segment improved, almost doubling to 454,000 square feet of activity from this time last year. Most deals came in the forms of renewals, lease extensions, consolidations and contractions. Legal companies took over the number-one spot with 209,400 square feet leased so far this year, as the business services sector moved into the number-two spot with 142,300 square feet. Financial companies dipped two spots to round out the top three, with 135,800 square feet.

INVESTMENT SALES

Investment activity ticked upward after coming to a halt during the second quarter with six sales totaling to 602,335 square feet, bringing 2020 investment activity to 896,734 square feet for a total value at \$265.5 million. This was significantly down from the 1.8 million square feet that sold for \$596.0 million last year during the same period. Notably, the price per square foot average improved from \$188/SF one year ago to \$296/SF at the close of third-quarter 2020. This can be attributed to the increase in Class A activity, totaling over 707,000 square feet of 2020 sales.

CURRENT CONDITIONS

The affects from the Covid-19 pandemic finally surfaced with a significant amount of supply returned to the Miami's office sector during third-quarter of 2020.

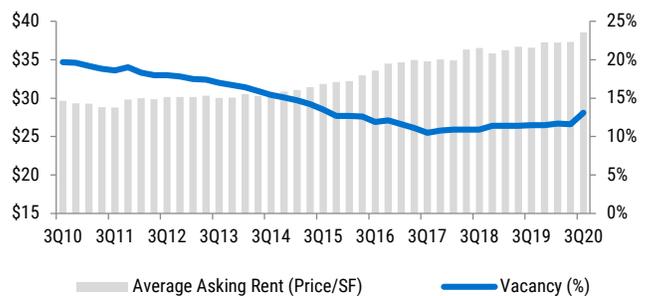
Asking average rates continued to climb above previous recorded levels as owners have yet to decrease rents and construction completion of new Class A inventory push the averages upward.

Leasing activity ticked upward during third-quarter, but year-to-date levels remain down by almost one-third from the transaction activity seen in the first three quarter of 2019.

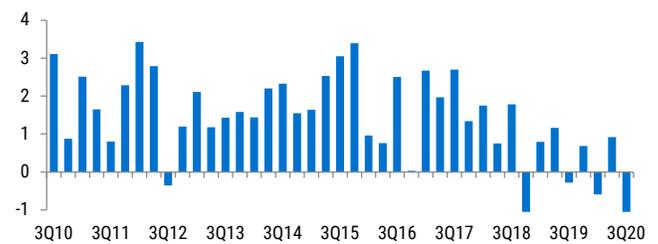
Miami's unemployment rate began the road to recovery after climb to the highest level dating back to the 1990's, dipping 390 basis points to 8.1%.

MARKET ANALYSIS

Asking Rent and Availability



Net Absorption (SF, 100,000)



MARKET SUMMARY

	Current Quarter	Prior Quarter	Year Ago Period	12-Month Forecast
Total Inventory	48.3 MSF	48.1 MSF	47.9 MSF	↑
Vacancy Rate	13.1%	11.6%	11.5%	↑
Quarterly Net Absorption	(424,332)	92,419	(27,988)	↑
Average Asking Rent	\$38.53	\$37.30	\$36.57	↓
Under Construction	1.9 MSF	2.1 MSF	1.7 MSF	↓
Deliveries	298,000	102,287	0	↑

MIAMI SUBMARKET STATISTICS

	Total Inventory (SF)	Under Construction (SF)	Total Vacancy Rate	Qtr Absorption (SF)	YTD Absorption (SF)	Class A Asking Rent (Price/SF)	Class B Asking Rent (Price/SF)	Total Asking Rent (Price/SF)
Brickell Avenue	6,678,223	664,300	13.0 %	-50,763	-42,822	\$56.79	\$41.79	\$50.05
Downtown Miami	7,379,689	0	16.7 %	-39,789	-26,384	\$47.84	\$41.20	\$40.39
CBD Total	14,057,912	664,300	14.9 %	-90,552	-69,206	\$51.74	\$41.43	\$44.01
Airport West	11,714,555	200,000	13.4 %	-166,686	-226,781	\$34.48	\$32.72	\$32.39
Biscayne Corridor	2,027,937	267,591	35.8 %	1,621	96,346	\$49.48	\$40.57	\$45.31
Coconut Grove	668,803	83,733	16.4 %	-10,696	41,797	N / A	\$43.97	\$40.63
Coral Gables	6,085,538	291,267	9.0 %	-54,733	-26,477	\$42.06	\$40.13	\$39.53
Coral Way	822,959	0	5.0 %	-1,387	-11,495	N / A	\$29.30	\$29.01
East Airport/Hialeah	781,697	135,000	9.1 %	2,842	936	N / A	\$27.25	\$25.98
Kendall/South Dade	4,185,715	0	8.4 %	-26,771	-51,627	\$44.04	\$31.65	\$33.44
Miami Beach	2,132,440	350,000	7.4 %	-30,376	-46,890	\$51.79	\$44.07	\$45.05
Miami Lakes	1,806,918	0	15.3 %	-13,449	-57,894	\$31.43	\$25.13	\$26.17
Northeast Dade	3,432,448	0	10.4 %	-23,053	-45,928	\$50.74	\$34.70	\$36.41
South Miami	561,200	0	4.1 %	-11,092	6,185	N / A	\$45.00	\$34.27
Suburban Total	34,220,210	1,327,591	12.4 %	-333,780	-321,828	\$40.07	\$35.19	\$35.83
Totals	48,278,122	1,991,891	13.1 %	-424,332	-391,034	\$44.11	\$37.23	\$38.53

MIAMI LEASE/USER TRANSACTIONS

Tenant	Building	Submarket	Type	Square Feet
Crown Castle	Flagler Corp Ctr-9250 W Flagler St	Airport West	Renewal	30,000
Lydecker Diaz	1221 Brickell-1221 Brickell Ave	Brickell	Renewal/Expansion	26,000
Kozyak Tropin & Throckmorton	2525 Ponce-2525 Ponce De Leon Blvd	Coral Gables	Renewal	22,656
Regus	Waterford @ Blue Lagoon-6303 Blue Lagoon Dr	Airport West	Renewal	20,700

SELECT SALE TRANSACTIONS

Building	Submarket	Sale Price	Price/SF	Square Feet
Centrum I & II Portfolio Sale-8750 NW 36 th	Airport West	\$43,000,000	\$154	279,161
Brickell City Centre II & III Portfolio Sale-78-98 SE 7 th St	Brickell	\$163,000,000	\$619	263,384
Capital Plaza I & II Portfolio Sale- 10700 N Kendall Dr	South Miami	\$16,750,000	\$280	59,790

BROWARD

The office market continued to see supply outpace demand, as the county led South Florida with over 486,000 square feet of negative net absorption recorded during third-quarter 2020. The rise in supply pushed vacancy rates up 140 basis points to 11.7% from the previous quarter. AT&T's 130,000-square-foot moveout at 8601 West Sunrise Boulevard in the Plantation submarket was the largest space returned to the market. This, coupled with smaller tenants below 5,000 square feet giving back space from closures and downsizing, resulted in the 603,000 square feet of year-to-date negative absorption recorded. All three class sectors saw supply outpace demand, as Class A space saw over 317,000 square feet of negative net absorption. The Class B segment gave back 125,600 square feet, while the Class C sector recorded over 160,600 square feet of negative net absorption year-to-date. Despite the three quarters of correction, Broward County still holds the lowest office vacancy in South Florida. The overall average asking rate ticked upward from the \$29.92/SF recorded during the previous quarter to a new high of \$30.24/SF. The increase from the previous high at the end of 2019 can be attributed to the addition of available high-end space having more of an impact on weighted rents at the close of the third quarter. This, despite the Class A segments average dipping by \$0.14/SF from the second quarter's rate to \$35.91/SF. These quarterly fluctuations signify more of a change in the amount of available space between higher-end and lower-tier space within each segment versus landlords' decreasing asking rents. The Class B segment saw rates inch downward as well to \$23.19/SF. Asking rents are not likely going to be reduced until the second half of 2021 and may not see significant impacts as landlords may opt to increase tenant concessions as an incentive versus discounting lease rates.

LEASING AND DEMAND

Broward County's office sector saw increased lease deals improve significantly from the second quarter with 550,000 square feet of activity for third-quarter 2020. Total year-to-date leasing came in at 1.2 million square feet, down by 37.6% from the activity seen at the same point last year. Class A space still led with 580,400 square feet, while Class B gained traction and trailed closely with 568,864 square feet. The lower-tier Class C office segment accounted for the fewest lease deals, with only 115,000 square feet leased. The legal industry jumped into the top spot with 126,000 square feet of leasing activity, followed by the insurance industry moving into the number-two slot with 94,500 square feet of deals so far in 2020. Technology companies fell one spot but still made the top three with 88,700 square feet of leases transacted.

INVESTMENT SALES

After no key office sales during section quarter, Broward County saw a slight improvement with three office buildings trade hands, totaling 483,166 square feet during third-quarter 2020. Overall sales for 2020 totaled 588,662 square feet valued at \$112.9 million, down from the 2.9 million square feet that sold at the same time last year. The decrease in Class A trophy properties seen in 2019, contributed to the dip in the average price per square foot to \$192/SF from \$242/SF one year ago.

CURRENT CONDITIONS

Broward County felt the sharpest correction during the quarter with almost a half-million square feet of supply returned to the market.

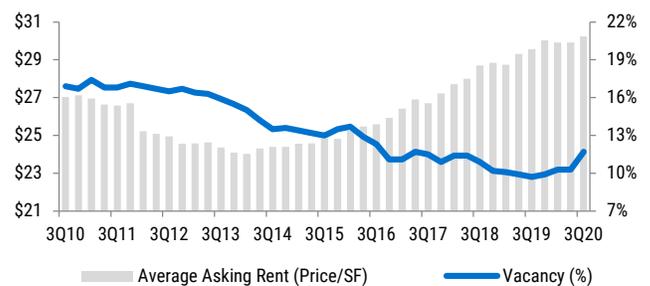
AT&T contributed to the largest moveout within South Florida, vacating 130,000 square feet in the Plantation submarket.

Asking rental averages saw little change, increasing slightly and is representative of increased availability in higher-end Class A space impacting the average while building owners for the most part held asking rents the same.

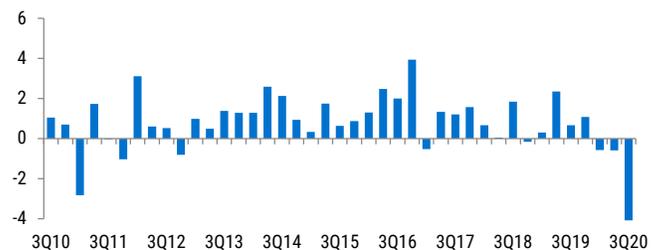
Leasing activity improved during third-quarter, but the majority of activity came in the form of short-term renewals and lease extensions as companies hold off on committing to longer terms in hopes that asking rates decrease and translate into lower rents.

MARKET ANALYSIS

Asking Rent and Availability



Net Absorption (SF, 100,000)



MARKET SUMMARY

	Current Quarter	Prior Quarter	Year Ago Period	12-Month Forecast
Total Inventory	33.5 MSF	33.5 MSF	33.5 MSF	↑
Vacancy Rate	11.7%	10.3%	9.7%	↑
Quarterly Net Absorption	(486,820)	(59,979)	67,219	↑
Average Asking Rent	\$30.24	\$29.92	\$29.56	↓
Under Construction	789,560	789,560	1.0 MSF	↔
Deliveries	0	0	0	↑

FORT LAUDERDALE / BROWARD COUNTY SUBMARKET STATISTICS

	Total Inventory (SF)	Under Construction (SF)	Total Vacancy Rate	Qtr Absorption (SF)	YTD Absorption (SF)	Class A Asking Rent (Price/SF)	Class B Asking Rent (Price/SF)	Total Asking Rent (Price/SF)
Ft. Lauderdale CBD	5,410,474	357,000	14.4 %	-56,511	-71,431	\$42.49	\$31.83	\$41.13
Commercial Blvd	1,753,050	0	11.4 %	-27,724	-65,259	\$24.67	\$22.99	\$22.20
Cypress Creek	4,657,695	0	9.8 %	-69,810	-60,756	\$32.63	\$22.02	\$27.05
Ft. Lauderdale Suburban	3,190,145	0	17.1 %	-49,226	-73,054	\$32.53	\$23.31	\$24.51
Hallandale	500,866	286,577	7.2 %	2,150	5,693	\$37.25	\$28.36	\$29.17
Hollywood	2,524,544	0	8.3 %	-29,057	-33,043	\$34.04	\$29.03	\$29.45
NW Broward/Coral Springs	1,721,839	0	13.7 %	-26,306	-24,559	\$28.55	\$20.53	\$26.31
Plantation	4,434,151	145,983	10.8 %	-172,728	-180,474	\$33.32	\$22.81	\$28.16
Pompano Beach	2,532,299	0	12.5 %	-34,173	-41,131	\$32.95	\$19.95	\$23.65
Sawgrass Park	2,935,448	0	9.9 %	-8,537	-24,113	\$34.34	\$22.19	\$31.88
SW Broward	3,819,517	0	9.7 %	-14,898	-35,184	\$34.80	\$24.32	\$31.79
Suburban Total	28,069,554	432,560	11.2 %	-430,309	-531,880	\$32.92	\$22.78	\$27.44
Totals	33,480,028	789,560	11.7 %	-486,820	-603,311	\$35.91	\$23.19	\$30.24

FORT LAUDERDALE LEASE/USER TRANSACTIONS

Tenant	Building	Submarket	Type	Square Feet
Greenspoon Marder	200 East Broward Blvd	Ft. Lauderdale CBD	Renewal/Contraction	61,994
Dept Of Juvenile Justice	Lakeshore Bus Ctr II-3201 W Commercial Blvd	Commercial	New	31,438
USPS	Huntington Square I-3400 Lakeside Dr	SW Broward	Renewal	22,076
Regus	Royal Palm @ Southpointe I-950 S Pine Island Dr	Plantation	Renewal	20,000

SELECT SALE TRANSACTIONS

Building	Submarket	Sale Price	Price/SF	Square Feet
Bayview Corporate Tower-6451 N Fedral Hwy	Ft. Lauderdale Suburban	\$82,500,000	\$368	413,426
McNab Executive Plz-1000 W McNab Rd	Cypress Creek	\$4,300,000	\$355	46,800
Nexus Business Ctr-5701 N Andrews Wy	Cypress Creek	\$3,125,000	\$280	22,940

PALM BEACH

Palm Beach's office sector fared a little better after the first half of 2020's pandemic shutdown, with the county recording over 181,000 square feet of negative absorption during third-quarter 2020. Only 229,000 square feet of supply has been returned to the market so far in 2020, the lowest throughout the region as the overall vacancy rate increased 130 basis points from one year ago to 12.5%. Palm Beach held the number-two spot for lowest vacancy in the region after reporting the highest vacancy in South Florida for 15 consecutive years. The Class A segment saw the largest correction with over 127,000 square feet of year-to-date negative net absorption, while the Class B sector saw only 22,000 square feet of added supply. Lower-tier, Class C space recorded the remaining 80,000 square feet of negative net absorption. No major moveouts contributed to the market corrections as closures from smaller tenants below 5,000 square feet and minimal downsizes accounted for the majority of supply outpacing demand.

Despite slowing economic conditions, the overall average asking rate continued to rise from the previous quarter and third-quarter 2019 due to the addition of high-end office availability. The Class A segment continued its record climb to \$42.12/SF, a \$0.90/SF increase from one year ago and well above the \$37.07/SF peak from the previous economic cycle. The Class B weighted average practically remained unchanged from the same time last year at \$29.36/SF. The trend of lower-tier office buildings appealing to tenants will likely continue as escalating rents in Class A properties push tenants to consider cost over quality. Developers remained disciplined on construction, with only one completion totaling 111,000 square feet so far in 2020 and three buildings totaling 650,000 square feet remaining under construction. The limited amount of new office development will likely aid a quicker rebound of market fundamentals than previously seen.

LEASING AND DEMAND

Leasing activity slightly improved from the previous quarter with 356,700 square feet, bringing totals to approximately 1.2 million square feet year-to-date. A strong first quarter in transactions helped Palm Beach almost reach the 1.3 million square feet of activity seen at the same time one year ago. Notably, Class B office space comprised 593,300 square feet, moving into the top spot for leasing transactions. Dropping to number two, Class A deal activity totaled over 532,500 square feet, while lower-end Class C space lagged with only 51,000 square feet of activity. The business services sector held top spot of midsize to large lease deals with 92,200 square feet, while law firm companies moved into number two with 57,800 square feet. The construction sector rounded out the top three with 48,500 square feet.

INVESTMENT SALES

Three building sales totaling 254,878 square feet closed in third-quarter 2020. This was a slight decrease from the previous quarter, bringing the combined total to 851,429 square feet sold for \$230.9 million. Over 638,000 square feet of investment activity were Class A office properties. As a result, the average price per square foot increased to \$271/SF from the \$249/SF seen this time last year.

CURRENT CONDITIONS

Palm Beach fared the best in South Florida with the least amount of supply returned to the office market during the quarter.

No major moveouts were reported as smaller tenants, similar downsizes and consolidations contributed to the negative absorption seen in the Class A and Class B segments.

Overall asking rents climbed higher as increased availability from Class A buildings and the completion of DiVosta's North Office Tower contributed to slight rise in the overall average.

Leasing activity improved slightly from the previous quarter, but is down by one-third from the deals leased through third-quarter 2019.

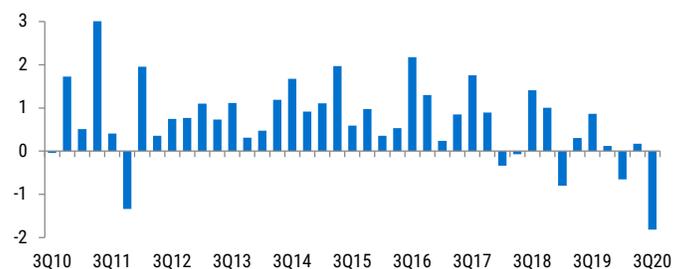
Three buildings totaling 650,000 square feet remained under

MARKET ANALYSIS

Asking Rent and Availability



Net Absorption (SF, 100,000)



MARKET SUMMARY

	Current Quarter	Prior Quarter	Year Ago Period	12-Month Forecast
Total Inventory	25.1 MSF	25.0 MSF	25.0 MSF	↑
Vacancy Rate	12.5%	11.4%	11.2%	↑
Quarterly Net Absorption	13,597	(52,433)	30,405	↑
Average Asking Rent	\$35.01	\$34.54	\$33.97	↑
Under Construction	650,000	621,971	733,943	↔
Deliveries	111,971	0	0	↑

PALM BEACH MARKET STATISTICS

	Total Inventory (SF)	Under Construction (SF)	Total Vacancy Rate	Qtr Absorption (SF)	YTD Absorption (SF)	Class A Asking Rent (Price/SF)	Class B Asking Rent (Price/SF)	Total Asking Rent (Price/SF)
W Palm Beach CBD	2,359,181	510,000	11.7 %	-27,450	-31,995	\$58.48	\$28.08	\$51.07
Boca Raton	11,655,106	0	12.8 %	-94,234	-19,917	\$39.42	\$29.21	\$35.34
Boynton/Lantana	712,398	0	8.6 %	476	30,657	N / A	\$25.45	\$23.01
Delray Beach	1,158,308	0	13.3 %	-48,492	-55,508	N / A	\$30.07	\$29.06
Jupiter	596,224	0	7.6 %	-1,302	13,668	N / A	\$22.85	\$22.85
N Palm Bch/Palm Bch Gardens	3,740,937	0	12.9 %	-22,968	-60,091	\$40.90	\$24.51	\$32.49
Palm Beach	822,706	0	12.9 %	6,785	11,055	N / A	\$60.82	\$60.82
Palm Springs/Lake Worth	238,131	0	16.1 %	11,220	-2,101	N / A	\$19.00	\$19.00
Royal Palm Bch/Wellington	304,640	0	5.7 %	-4,079	-8,654	N / A	\$26.41	\$25.08
W Palm Beach Suburban	3,539,553	140,000	13.5 %	-1,273	-6,576	\$36.25	\$27.76	\$29.34
Suburban Total	22,768,003	140,000	12.6 %	-153,867	-97,467	\$39.46	\$29.42	\$33.47
Totals	25,127,184	650,000	12.5 %	-181,317	-129,462	\$42.12	\$29.36	\$35.01

PALM BEACH LEASE/USER TRANSACTIONS

Tenant	Building	Submarket	Type	Square Feet
South University	University Centre I-9801 N Belvedere Rd	Royal Palm Bch/Wellington	Renewal	40,000
Hyper Network Solutions	Golden Bear N Tower-11780 US Hgwy 1	W Palm Beach Suburban	New	13,319
Media Direct	The Park @ Broken Sound-750 Pk of Commerce Blvd	Boca Raton	New	11,882
Planhub	Forum B-1665 PB Lakes Blvd	W Palm Beach Suburban	Renewal	9,463

SELECT SALE TRANSACTIONS

Building	Submarket	Sale Price	Price/SF	Square Feet
DiVosta North & South Tower Portfolio Sale-11760/11770 US Hgwy 1	N Palm Bch/Palm Bch Gardens	\$80,000,000	\$362	221,258
PGA Blvd Bld-3601 PGA Blvd	N Palm Bch/Palm Bch Gardens	\$11,302,648	\$336	33,620

SOUTH FLORIDA OFFICE SUBMARKETS

SOUTH FLORIDA

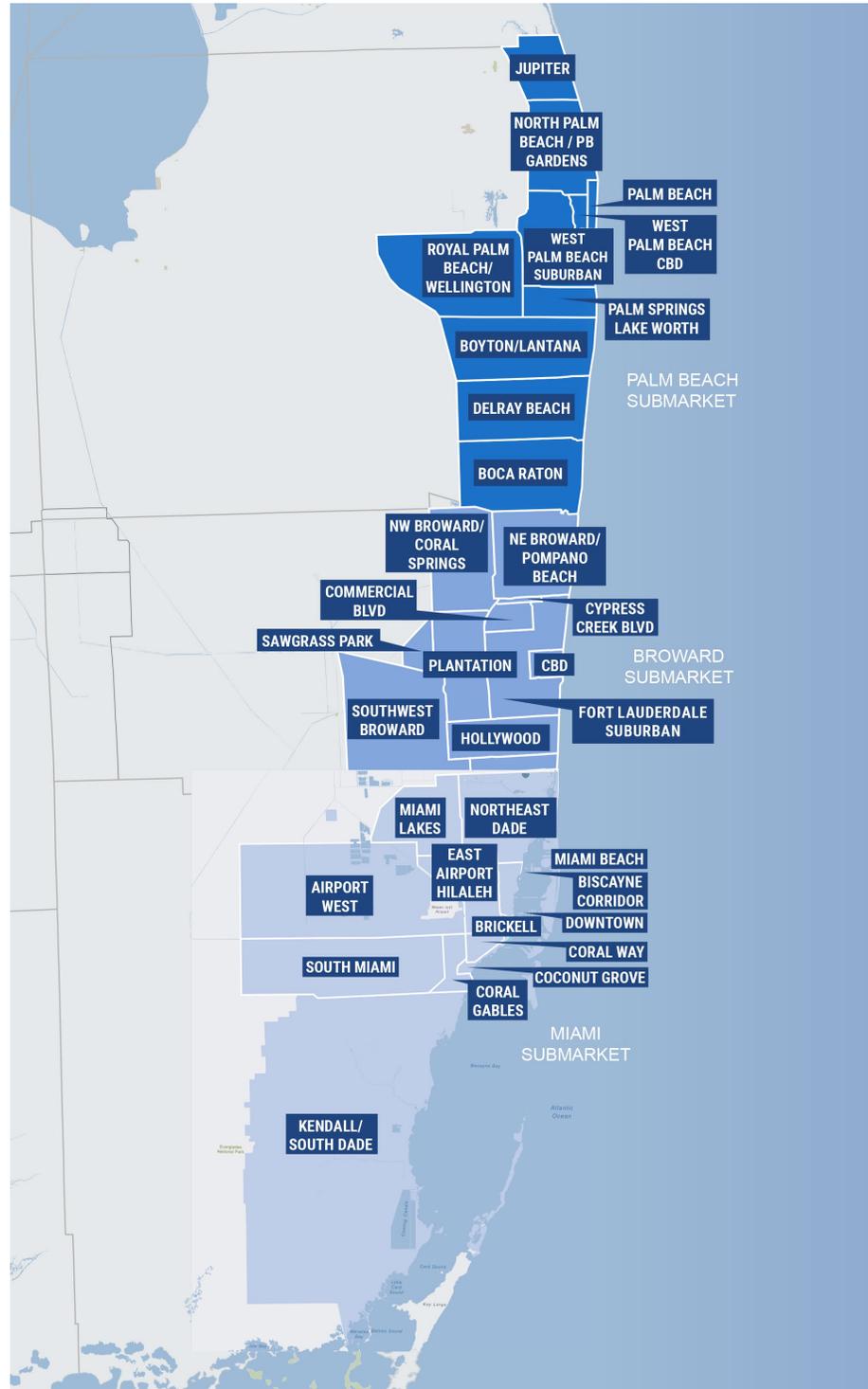
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Newmark Knight Frank has implemented a proprietary database and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents. Newmark Knight Frank Research Reports are available at www.ngkf.com/research

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