

Fourth Quarter 2020

Palm Beach Office

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

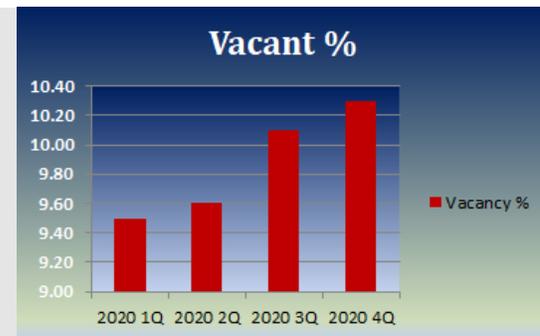
"Palm Beach County's average office rental rates increased for the 19th straight quarter despite COVID headwinds, indications of strong tenant demand and strong underlying market fundamentals. Vacancy rates increased very little over the past 12 months, also a good sign for a strong recovery post-COVID."

-Michael Feuerman
Managing Director

Period	Total RBA	Vacancy %	Asking Rates	Net Absorption
2020 4Q	57,135,262	10.30	\$ 34.89	-96,451
2020 3Q	57,123,862	10.10	\$ 34.24	-180,372
2020 2Q	57,015,076	9.60	\$ 33.91	4,131
2020 1Q	56,919,076	9.50	\$ 33.19	759,552

*2,915 Properties

From a survey taken of 2,915 Palm Beach County office properties, vacancy has increased 20 basis points from the previous quarter to 10.3%. Net absorption was in the red again, but only at about half the level of the previous quarter. Leasing activity was at 628,500 s.f., similar to Q3, but there was no new space delivered in 4Q, helping to improve the net absorption. The amount of available sublease space dropped by about 8% to 333,542 s.f.

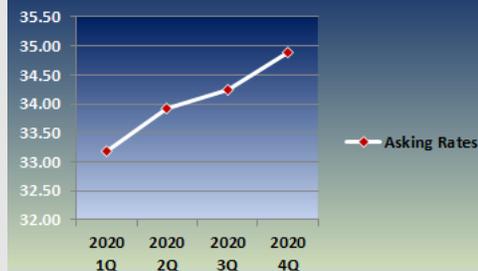


Net Absorption



Among the largest office lease signings in the fourth quarter were Baptist Health's 37,982 SF lease at the Boca Raton Innovation Campus, 4950 Communication Ave.; and InCapital Holdings, LLC's 18,066 SF lease at 25 SE 4th Ave, Delray Beach. Among the largest sales in the Palm Beach office market this quarter were SF Partners' sale of the Concept Towers, a two-building office complex totaling 96,674 s.f., built in 1985. The properties sold to Allen Chelminsky for \$10,900,000 (\$113/s.f.), and were 82% occupied at the time of sale. In addition, Anasca sold the 49,708 square foot medical office building located at 7593 West Boynton Beach Boulevard in Boynton Beach, FL to Woodside Health for \$13.4 million (\$270/sq.ft). The property was built in 2005, and was only 66.4% leased at the time of the sale.

Rental Rates(fs)



Direct asking rental rates rose \$0.65 from the previous quarter, continuing strong growth (up \$1.70/s.f. for the year).

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

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