

NEWMARK

JUNE 2024

OFFICE INVESTMENT OPPORTUNITY

4 PROPERTY PORTFOLIO

1. 860 U.S. Hwy 1
North Palm Beach, FL 33408
2. 200 Knuth Road
Boynton Beach, FL 33436
3. 4701 N. Federal Hwy.
Pompano Beach, FL 33064
4. 4699 N. Federal Hwy.
Pompano Beach, FL 33064

EXCLUSIVE CONTACT:

Alan H. Long
Managing Director
t 561-893-6283
Alan.Long@nmrk.com

TEASER



CONFIDENTIALITY & CONDITIONS

Newmark Southern Region, LLC, a Georgia limited liability company, d/b/a Newmark (the "Agent") has been engaged as the exclusive sales representative for the sale of 200 Knuth Road, Boynton Beach, Florida 33436 (the "Property") by South Florida Property Ventures (the "Seller").

This Memorandum does not constitute a representation that the business or affairs of the Portfolio or Seller since the date of preparation (January 2024) of this Memorandum have remained the same. Analysis and verification of the information contained in this Memorandum are solely the responsibility of the prospective purchaser.

Additional information and an opportunity to inspect the Portfolio will be made available upon written request of interested and qualified prospective purchasers. Seller and Agent each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Portfolio, and/or terminate discussions with any party at any time with or without notice. Seller reserves the right to change the timing and procedures for the Offering process at any time in Seller's sole discretion. Seller shall have no legal commitment or obligations to any party reviewing this Memorandum, or making an offer to purchase the Portfolio, unless and until such offer is approved by Seller, and a written agreement for the purchase of the Portfolio has been fully executed and delivered by Seller and the Purchaser thereunder.

This Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting this Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not forward, photocopy or duplicate it, that you will not disclose this Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make a proposal and from whom you have obtained an agreement of confidentiality) without the prior written authorization of Seller or Agent, and that you will not use this Memorandum or any of the contents in any fashion or manner detrimental to the interest of Seller or Agent.

EXECUTIVE SUMMARY

Rare opportunity to own a 4 building office portfolio strategically located in Palm Beach County and Broward County with a strong tenant mix including medical, legal, and professional uses. The assets offer easy access to major highways, restaurants, beaches, shopping, and other entertainment.

BUILDING HIGHLIGHTS

1. 860 U.S. HWY 1
NORTH PALM BEACH, FL 33408



PROPERTY SNAPSHOT

Address	860 U.S. Highway 1 North Palm Beach, FL 33408
Size	27,630 SF
Floors	2
Type	Class B, Office
Occupancy	90.5%
Year Built	1995
Parking Ratio	4.17/1,000 SF
Submarket	North Palm Beach

BUILDING OVERVIEW

Property	Gentry Building
County	Palm Beach
Parcel Number	68-43-42-09-01-070-0100
Property Type	Class B, Office
Submarket	North Palm Beach
Year Built	1995
No. of floors	2
Building Size	27,630 SF
Property Size	1.75 acres
Zoning	C-MU
Parking Ratio	4.17/1,000 SF

BUILDING PHOTOS

1. 860 U.S. HWY 1
NORTH PALM BEACH, FL 33408



AERIAL OVERVIEW

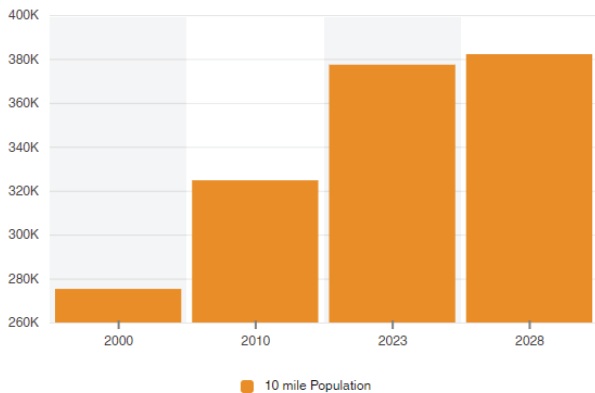
1. 860 U.S. HWY 1
NORTH PALM BEACH, FL 33408



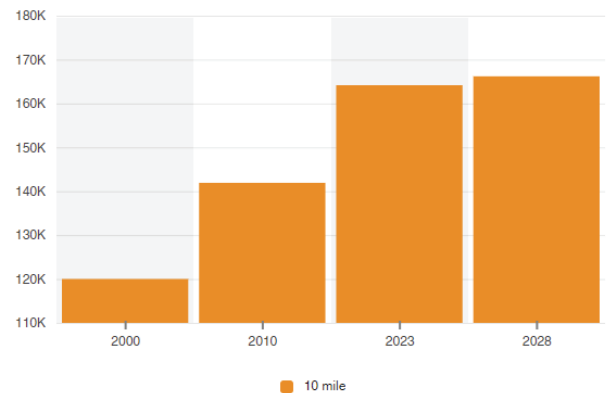
10 MILE RADIUS DEMOGRAPHICS

North Palm Beach, FL

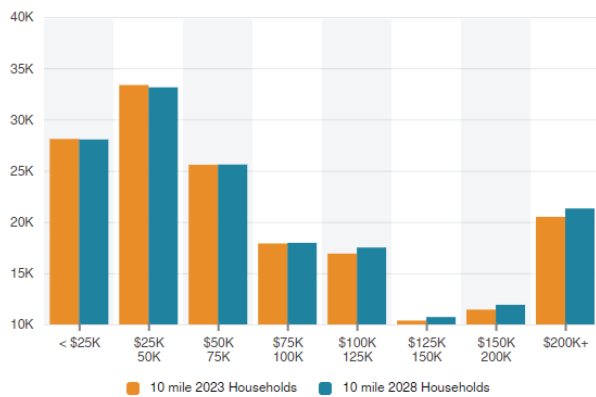
Population



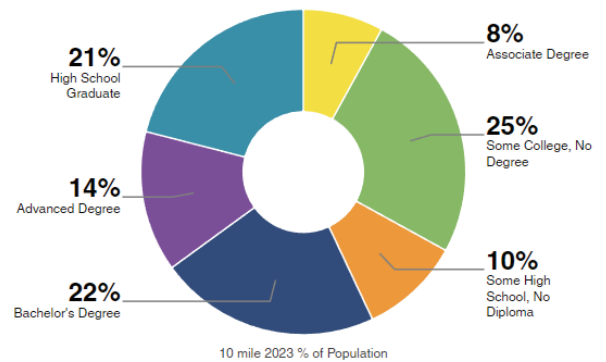
Households



Household Income



Educational Attainment



BUILDING HIGHLIGHTS

2. 200 KNUTH ROAD
BOYNTON BEACH, FL 33436



PROPERTY SNAPSHOT

Address	200 Knuth Road Boynton Beach, FL 33436
Size	31,680 SF
Floors	2
Type	Class B, Office
Occupancy	92.8%
Year Built	1987
Parking Ratio	4.77/1,000 SF
Submarket	Boynton/Lantana

BUILDING OVERVIEW

Property	Knuth Road Office Center
County	Palm Beach
Parcel Number	08-43-45-30-01-025-0011
Property Type	Class B, Office
Submarket	Boynton/Lantana
Year Built	1987
No. of floors	2
Building Size	31,680 SF
Property Size	1.66 acres
Zoning	C1
Parking Ratio	4.44/1,000 SF

BUILDING PHOTOS

2. 200 KNUTH ROAD
BOYNTON BEACH, FL 33436



AERIAL OVERVIEW

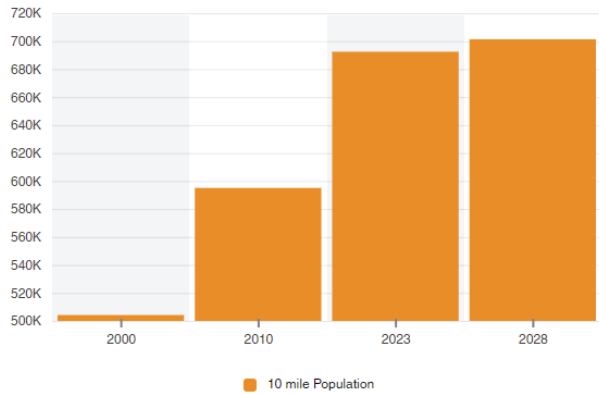
2. 200 KNUTH ROAD
BOYNTON BEACH, FL 33436



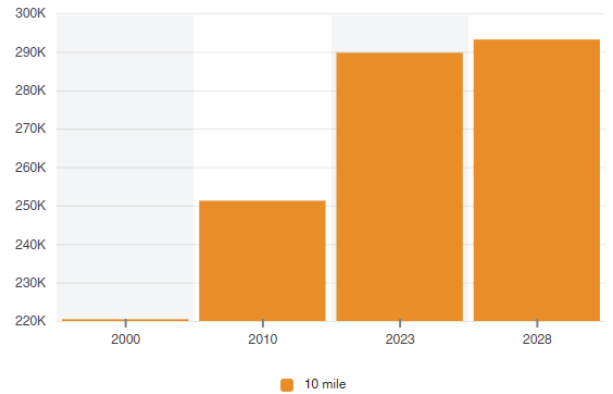
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Boynton Beach, FL

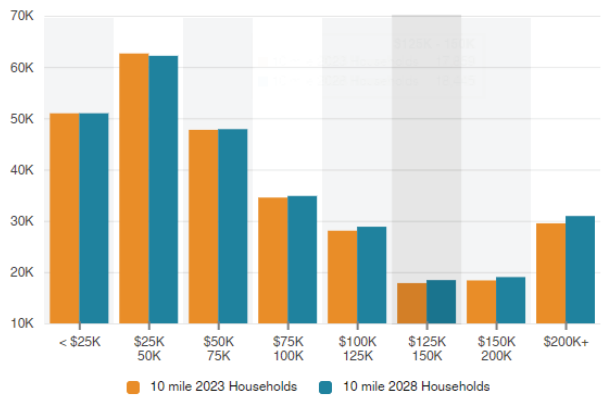
Population



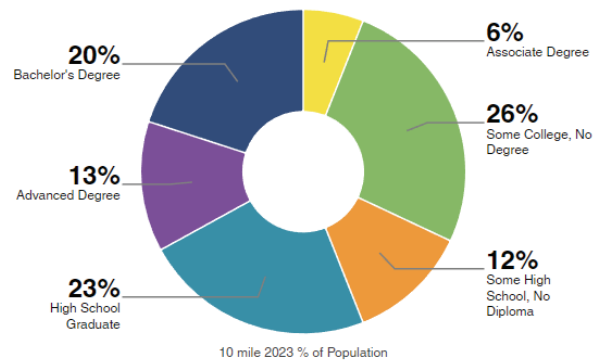
Households



Household Income



Educational Attainment



BUILDING HIGHLIGHTS

3. 4701 N. FEDERAL HIGHWAY
POMPANO BEACH, FL 33064



PROPERTY SNAPSHOT

Address	4701 N. Federal Highway Pompano Beach, FL 33064
Size	24,554 SF
Floors	4
Type	Class B, Office
Occupancy	82.5%
Year Built	1992
Parking Ratio	4.37/1,000 SF
Submarket	Pompano Beach

BUILDING OVERVIEW

Property	Advantage Point
County	Broward
Parcel Number	48-43-18-37-0010
Property Type	Class B, Office
Submarket	Pompano Beach
Year Built	1992
No. of floors	4
Building Size	24,554 SF
Property Size	1.14 acres
Zoning	B-3
Parking Ratio	4.37/1,000 SF

BUILDING PHOTOS

3. 4701 N. FEDERAL HIGHWAY
POMPANO BEACH, FL 33064



BUILDING HIGHLIGHTS

4. 4699 N. FEDERAL HIGHWAY
POMPANO BEACH, FL 33064

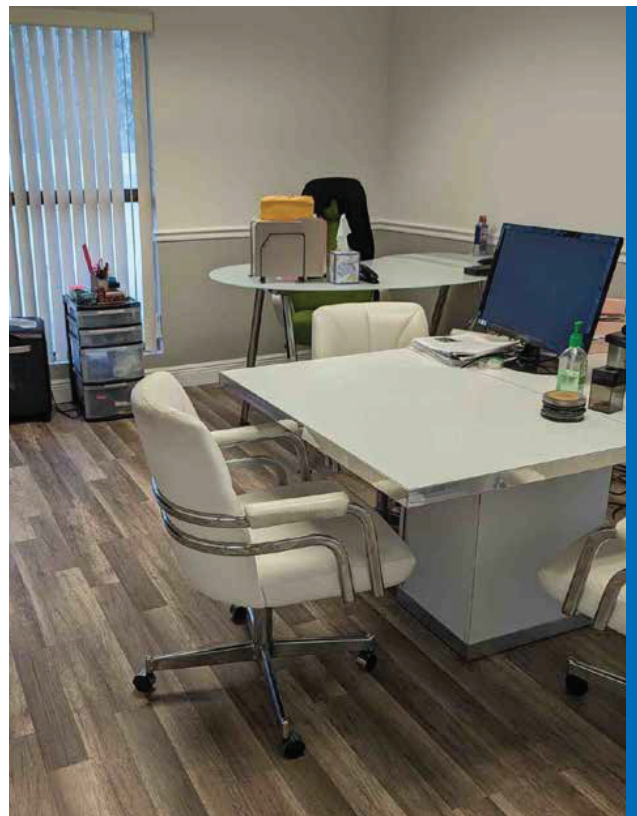


PROPERTY SNAPSHOT

Address	4699 N. Federal Highway Pompano Beach, FL 33064
Size	29,557 SF
Floors	2
Type	Class B, Office
Occupancy	87.0%
Year Built	1995
Parking Ratio	4.17/1,000 SF
Submarket	Pompano Beach

BUILDING OVERVIEW

Property	Vantage Point
County	Broward
Parcel Number	48-41-25-03-2155
Property Type	Class B, Office
Submarket	Pompano Beach
Year Built	1995
No. of floors	2
Building Size	29,557 SF
Property Size	1.65 acres
Zoning	B-3
Parking Ratio	4.17/1,000 SF



AERIAL OVERVIEW

3&4.

4701 & 4699 N. FEDERAL HWY.
POMPANO BEACH, FL 33064



bealls
OUTLET

HENDRICK HONDA
POMPANO BEACH



target

DANDEE DONUT FACTORY

Little Caesars

DEGROFF PARK



HILLSBORO
OCEAN CLUB

A1A DOCK

SHEEDAN CADILLAC

FURNITURE
WORLD

WAL*MART
SUPERCENTER



ADDICTION KITCHEN

KOSTA'S GREEK
EATERY & PIZZERIA

4701 N. FEDERAL HWY.



4699 N. FEDERAL HWY.

DAN WITT PARK

PAPA'S RAW BAR

TOP GEAR AUTO ROUP



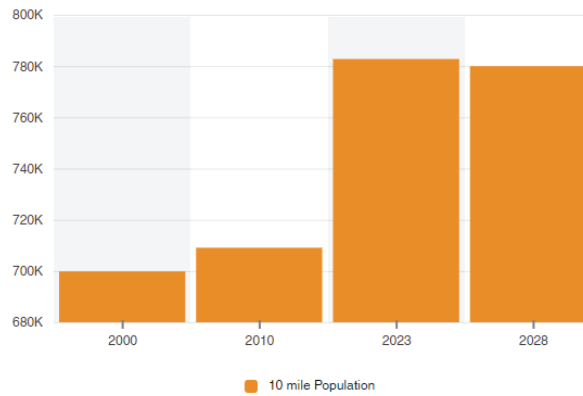
PAMPA GAUCHO STEAKHOUSE



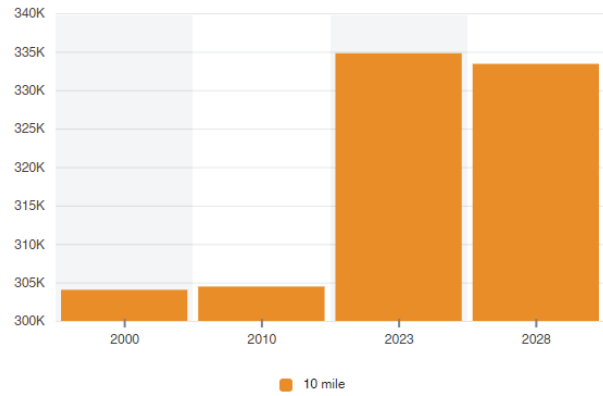
10 MILE RADIUS DEMOGRAPHICS

Pompano Beach, FL

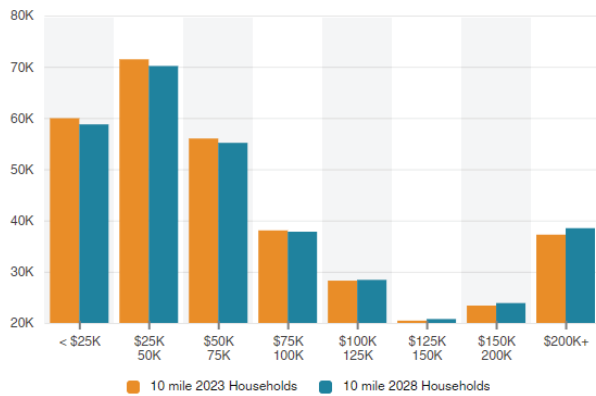
Population



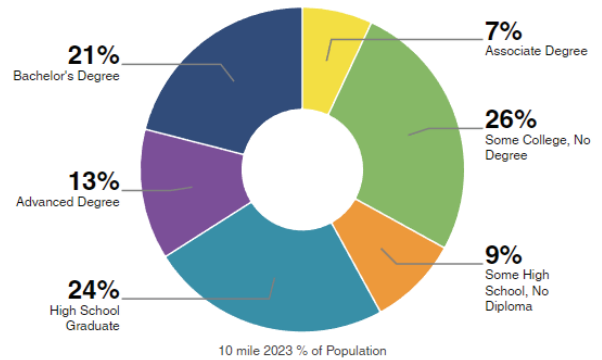
Households



Household Income



Educational Attainment



ABOUT PALM BEACH COUNTY

PALM BEACH COUNTY

Palm Beach County is the third most populous county in the state of Florida consisting of 38 cities and towns. A distinctive balance of calm suburban communities and fast-paced metropolitan districts, offers unique business opportunities. Palm Beach County provides an array of different activities that are sure to please both business owners and employees.

DOWNTOWN WEST PALM BEACH

Opened in 2004, the Palm Beach County Convention Center offers state-of-the-art amenities for conventions, trade shows, meetings and social events. This 350,000 square foot, modern convention center is a popular event venue with its 100,000 square foot exhibit hall, 22,000 square foot ballroom and 23,000 square feet of flexible breakout space. Adjacent to the Convention Center is the Kravis Center for the Performing Arts, which is a premier multi-purpose facility in the Southeast. It includes the 2,195-seat Dreyfoos Hall, 305-seat Rinker Playhouse, 1,400-seat Grossman Theater, and the Cohen Pavilion with a total of 25,000 square feet of meeting and event space.

SHOPPING

Adjacent to the Convention Center is CityPlace, a European-style town center featuring more than 100 shops, restaurants and entertainment venues. If you are looking for a good deal, the newly opened Palm Beach Premium Outlet Center offers an outdoor shopping experience with a range of shops from Saks Fifth Avenue to the Gap. If a traditional mall is more suited to your tastes, The Gardens Mall, is just a short drive away. Located in Palm Beach Gardens, the mall offers 160 retail shops and restaurants. For those looking for a bit of luxury, just over the bridge to Palm Beach lays one of the most beautiful shopping venues in the country, Worth Avenue. The avenue's romantic views and celebrated boutiques offers the best of fashion, art, antiques and fine dining in an atmosphere rich with charm and historic glamour.

TRAVEL

Palm Beach International Airport serves over six million passengers each year through 14 domestic and international airlines. Port of Palm Beach is the fourth busiest port in Florida, visitors can sail away for weekend getaways to the Bahamas on a Celebration Cruise, or just have a night of fun on the Island Breeze Casino which leaves port twice daily for lunch and dinner cruises.

ABOUT BROWARD COUNTY

BROWARD COUNTY

Broward County, located in southeastern Florida, is known for its diverse culture, vibrant communities, and as a popular destination for tourists seeking sunny beaches and an expansive network of waterways. As the second-most populous county in Florida, it hosts a bustling economy with a strong real estate market, making it a key area for both residential and commercial investments.

DOWNTOWN FORT LAUDERDALE

Downtown Fort Lauderdale is on the rise as a vibrant, coastal urban center and is one of the only beach downtowns in the country. The area is currently experiencing a resurgence in public spaces as part of a more extensive \$350 million program of citywide park enhancements, with more than \$100 million in park improvements underway. Downtown Fort Lauderdale has a substantial economic impact of \$35.7 billion, a \$6 billion increase from 2019. The Broward County Convention Center hosts numerous conferences, trade shows, and corporate events throughout the year, attracting business professionals from various industries. The convention center offers state-of-the-art facilities, meeting rooms, and exhibition spaces, making it a prime destination for business gatherings in the area.

SHOPPING

There's no shortage of shopping destinations throughout Broward County. Perhaps the most iconic experience is Sawgrass Mills in Sunrise, and with more than 350 stores, it consistently ranks among the largest shopping malls in the country. Another open-air shopping mall is the new Dania Pointe in Dania Beach. Other malls include Promenade at Coconut Creek, The Shops at Pembroke Gardens, The Galleria in Fort Lauderdale, and the Broward Mall in Plantation. Residents and visitors of Broward County are increasingly choosing Las Olas Boulevard due to the availability of world-class dining experiences and a thriving arts and cultural scene. There are 32% more restaurants per square mile than Downtown Nashville as well as a 28% increase in new eateries over the last five years.

TRAVEL

Fort Lauderdale Hollywood International Airport facilitates the travels of over 32 million passengers annually with plans to invest \$2 billion to enhance the visitor experience, positioning the airport to serve more than 55 million passengers by 2035. Port Everglades stands as the 4th busiest port in the world, serving 4 million passengers annually and beginning in 2023 the second home in Florida for Disney Cruise Line. According to the Fort Lauderdale Downtown Development Authority economic report, Las Olas Boulevard now sees 5 million visitors annually, a 30% increase since 2017 and a 10% increase year-over-year. Coming soon to Las Olas is The Whitfield, Downtown Fort Lauderdale's first boutique five-star hotel. Sports teams such as the Florida Panthers and Inter Miami have invested more than \$120 million to build world-class venues in Fort Lauderdale.

SALE COMPARABLES

MAP #:					
ADDRESS:	800 NW 17th Ave Delray Beach FL 33445	2701 Boca Raton Blvd Boca Raton FL 33431	3945 W Atlantic Ave Delray Beach FL 33445	1499 Forest Hill Blvd W Palm Beach FL 33406	1301 N Congress Ave Boynton Beach FL 33426
BUILDING SIZE:	19,563 SF	23,000 SF	14,093 SF	10,859 SF	40,210 SF
YEAR BUILT:	1999	2003	1988	1983	1986
BUILDING CLASS:	Office	Office	Office	Office	Medical
SALE DATE:	6/29/2023	2/22/2023	1/31/2023	6/23/2022	5/11/2022
PURCHASE PRICE:	\$6,485,875	\$6,350,000	\$4,100,000	\$2,211,482	\$11,000,000
PRICE PER SF:	\$332/SF	\$276/SF	\$291/SF	\$204/SF	\$274/SF

COMPARABLES MAP



LEGEND | LEASE COMPARABLES
 SALE COMPARABLES

1Q 2024 PALM BEACH OFFICE MARKET REPORT



ECONOMY

The market's unemployment rate increasing by 57 basis points year over year to 3.4% but remained well below the five-year average of 4.3%.

Job growth pace has slowed compared with recent highs to 2.0% year over year, but still exceeds pre-pandemic levels, with 2019 growth averaging 1.7%.

All sectors, except business and professional, other services, and information, reported employment growth, with education and health leading job gains at 5.8% over the past 12 months.

Office-using jobs in the market declined by 1.7% from the peak in June 2023 to 195,305 employees but still reflect 13.8% growth since 2019.



MAJOR TRANSACTIONS

Dycom Industries signed the largest new lease of the quarter for their new headquarters totaling 43,673 SF at the Banyan & Olive, bringing the under-construction property to 50% pre-leased.

Flight to quality continues to remain a central theme in some of the largest and most notable deals signed in the quarter, with Class A leases averaging 5,169 SF and all leases averaging 3,470 SF.

The Boca Raton and West Palm Beach CBD submarkets were notable locational picks, with six of the ten largest deals signed located in the two submarkets.



LEASING MARKET FUNDAMENTALS

Annual full-service asking rental rates increased to a historical high of \$51.38/SF, a 19.9% increase year over year.

Net absorption in the first quarter of 2024 was positive at 41,042 SF, however vacancy has increased by 150 basis points year over year to 13.6%.

The under-construction pipeline continued to remain active, with 602,000 SF in progress.

Total leasing activity closed the quarter at 759,998 SF, averaging 3,470 SF per deal and reflecting an increase in deal size by 16.5% quarter over quarter and an increase of 25.0% year over year.



OUTLOOK

The Palm Beach office market will likely see more muted growth this year, impacted by national economic headwinds and the uncertainty surrounding the upcoming elections. Office investment activity will remain low in the near term due to elevated inflation and a steeper cost of debt.

Asking rents are expected to remain elevated and are likely to continue increasing due to tightening supply of quality space prior to upcoming high-quality deliveries.

In the near term, as more deliveries hit the market and continue to push supply to outpace demand, vacancy rates are projected to increase.

1Q 2024 BROWARD OFFICE MARKET REPORT



ECONOMY

The market's unemployment rate ticked up by 51 basis points year over year to 3.3% at the end of February 2024 but remained below the national average of 3.9%.

Despite recent national economic headwinds, jobs in Broward grew by 2.4% year over year to 927,500 by the end of February 2024.

Most employment sectors reported year-over-year growth except manufacturing, business and professional and information, with the other services sector leading job gains at 8.6% over the past twelve months.

Office-using jobs decreased 1.2% year over year to 262,500 employees, easing off the all-time historical high of 267,160 employees in December 2022.



MAJOR TRANSACTIONS

Logistics company Seabulk inked the largest deal of the quarter, signing a new lease for 31,216 at the Design Center of the Americas in the CBD submarket.

Four of the largest five deals signed in the first quarter of 2024 were new leases, indicating that there is still an appetite for office space in the market.

Each of the top five deals were in different submarkets, which included Fort Lauderdale CBD, Southwest Broward, Cypress Creek, Sawgrass Park and Hollywood, signaling continued office demand across several submarkets.



LEASING MARKET FUNDAMENTALS

Annual full-service asking rental rates increased to a new historical high of \$37.62/SF, a 9.2% increase year over year.

Vacancy increased 20 basis points year over year, ending the first quarter of 2024 at 15.5%, which also represents the average vacancy rate over the past seven quarters since the third quarter of 2022.

Under-construction remained flat at 384,790 SF in progress for the past three quarters.

Total leasing activity closed the quarter at 665,683 SF, which is 14.3% lower than the average first quarter leasing activity over the past 16 years at 777,044 SF. Leases signed averaged 2,762 SF per deal, continuing a trend of smaller lease deals compared to the pre-pandemic deal size of 3,639 SF.



OUTLOOK

The Broward County office market will continue to see muted growth, driven by national economic headwinds as reflected in the unemployment rate. Office investment activity will remain low in the near term due to a steeper cost of debt.

Rents will continue to increase, driven by demand for Class A space.

Although the rent spread between Class A & Class B assets ticked up in the first quarter of 2024, the gap has generally been closing, which will likely push more tenants to shed unused space and lease smaller footprints in higher-quality assets.

Demand is expected to continue remaining in balance with supply, keeping vacancy rates stable.

THANK YOU

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