

Ocean Views  
2655 North Ocean Drive  
Singer Island Florida



# Property Overview

Property Name	<b>Singer Island Corporate Center</b>
Address	<b>2655 N. Ocean Drive Singer Island, FL 33404</b>
Net Rentable Area (SF)	<b>45,198 SF</b>
Land Size	<b>1.6894 AC</b>
Year Built/Renovated	<b>1989 / 2002 / 2018 / 2023</b>
% Leased	<b>50.04%</b>
Number of Stories	<b>Five Stories</b>
Parking Ratio	<b>3.60 / 1,000 SF</b>

Hollis Realty Group

561-346-6400

Tony@hrg3.com

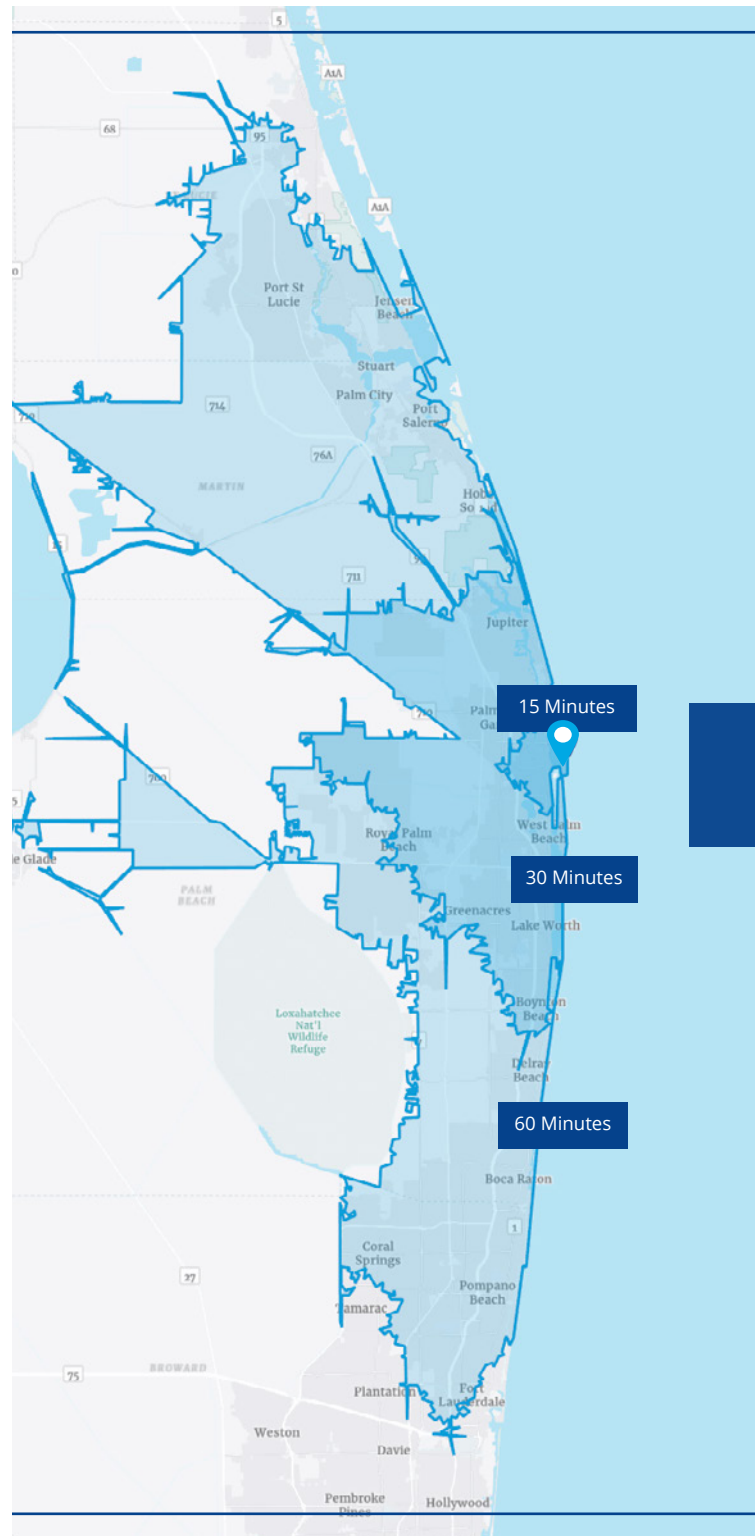




# Location Overview

The 2655 N Ocean Drive property on Singer Island is conveniently positioned right off North Ocean Drive at the east end of the Blue Heron Boulevard bridge that connects to the mainland of Riviera Beach. The subject property is due north of the Palm Beach International Airport (PBI) in the North Palm Beach submarket of Palm Beach County. The property offers excellent connectivity, with immediate access to US-1 and Interstate-95 to the west of the property. The property is surrounded by a myriad of residential neighborhoods as well as amenities catering to residents and visitors including seven miles of pristine beaches and upscale hotels and resorts. Located in the North Palm Beach off market, the properties are abounded by close to 8.2 million square feet of office inventory and is just a short 20-minute drive from the West Palm Beach Central Business District (CBD). The CBD's existing office market is composed of 5.3 million square feet of space across 82 buildings. The location is also served by three hospitals including HCA Florida North Hospital, Palm Beach Children's Hospital and Kindred Hospital of The Palm Beach

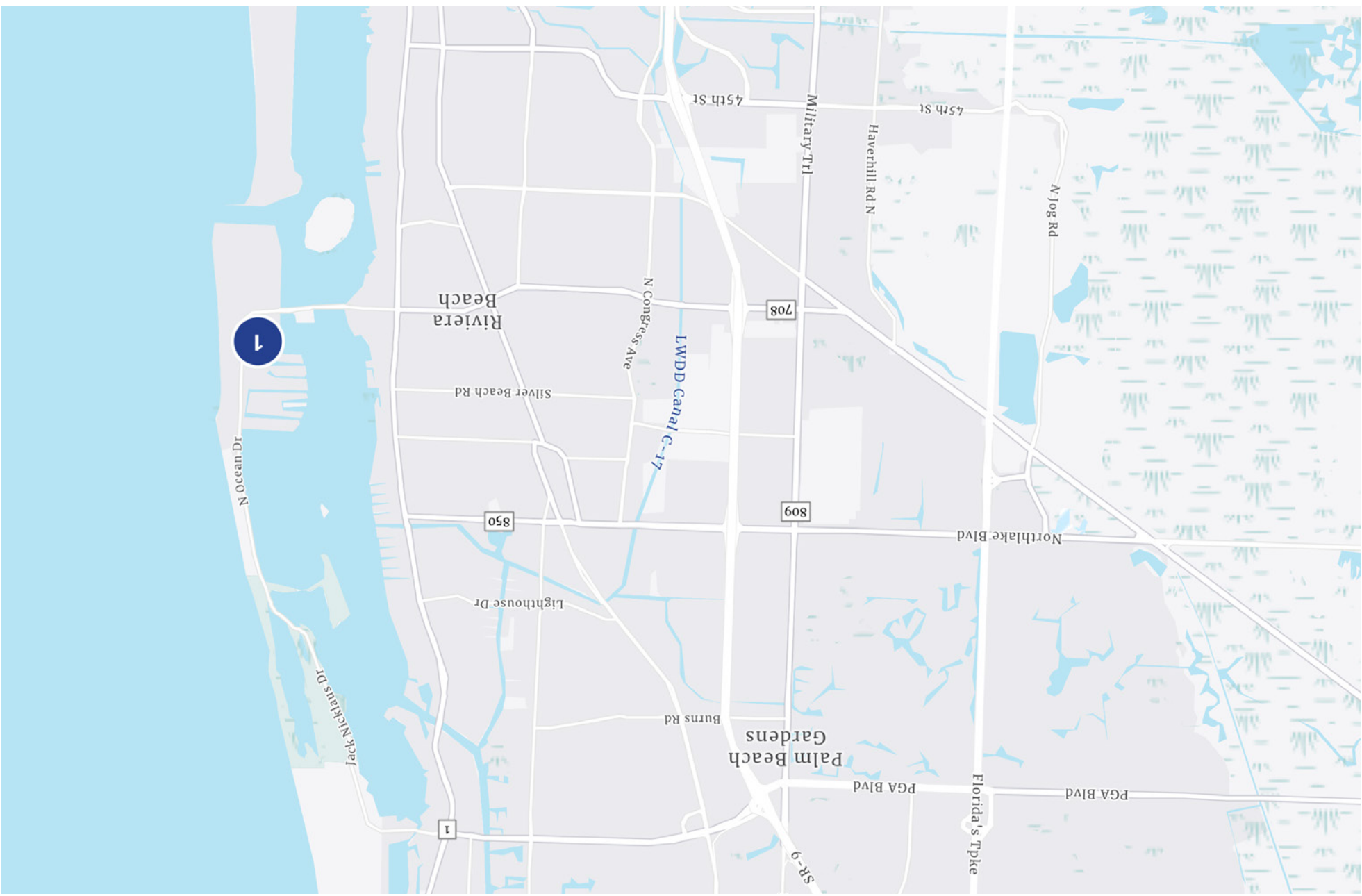
The property's proximity to local demand generators, major submarkets and roadways is shown below:



Demand Generators	Distance	Drive Time
Downtown Palm Beach Gardens	7.4 miles	16 minutes
PGA Boulevard	5.0 miles	9 minutes
Northlake Boulevard	3.1 miles	8 minutes
U.S. 1	1.3 miles	4 minutes
Port of Palm Beach	3.4 miles	9 minutes
Interstate 95	4.0 miles	10 minutes
Florida's Turnpike	6.4 miles	14 minutes
Palm Beach Brightline Station	6.5 miles	13 minutes
West Palm Beach CBD	6.7 miles	18 minutes
Palm Beach Convention Center	8.3 miles	21 minutes
Palm Beach International Airport	12.7 miles	20 minutes









# Aerial Photos







Exit

Clearance 8'-3"

Entrance

**ENTER  
ONLY**













# Property Information



## 2021 Assessed Value & Real Estate Taxes

**Folio Number** 56-43-42-27-02-003-0030;  
56-43-42-27-04-000-4940

### Total Assessed Value

**Millage Rate** \$21.7805 per \$1,000

**Ad Valorem Taxes** \$100,190.00

**Non-Ad Valorem Taxes** \$9,449.00

**Total Gross RE Tax Liability** \$109,639.00

**Address** 2655 N Ocean Drive, Singer Island, FL 33404

**County** Palm Beach County

**Net Rentable Area** 45,198 SF

**Land Area** 1.6894 AC

**Year Built / Renovated** 1989 / 2002 / 2018

**Number of Stories** 5 Stories

### Percent Leased

**Parking** 3.60/1,000 SF

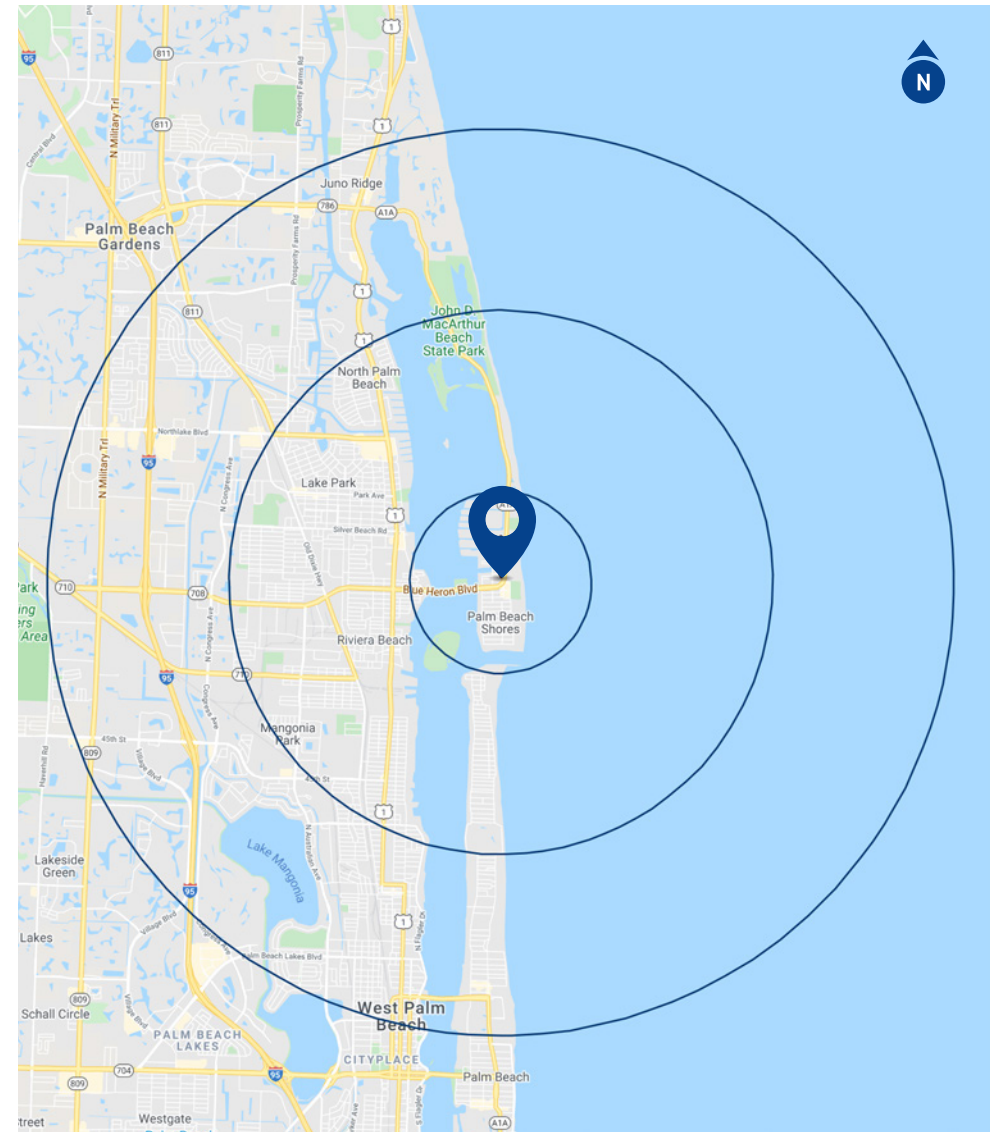
**Zoning** OP - Office Professional (56-RIVIERA BEACH )

### Real Estate Taxes

In Florida, real estate taxes are paid in arrears and are due March 31st for the previous calendar year. The tax liability is discounted 1.0% per month for early payment (up to 4.0% if paid in November).

# Demographics | 1, 3, 5-Mile Radius

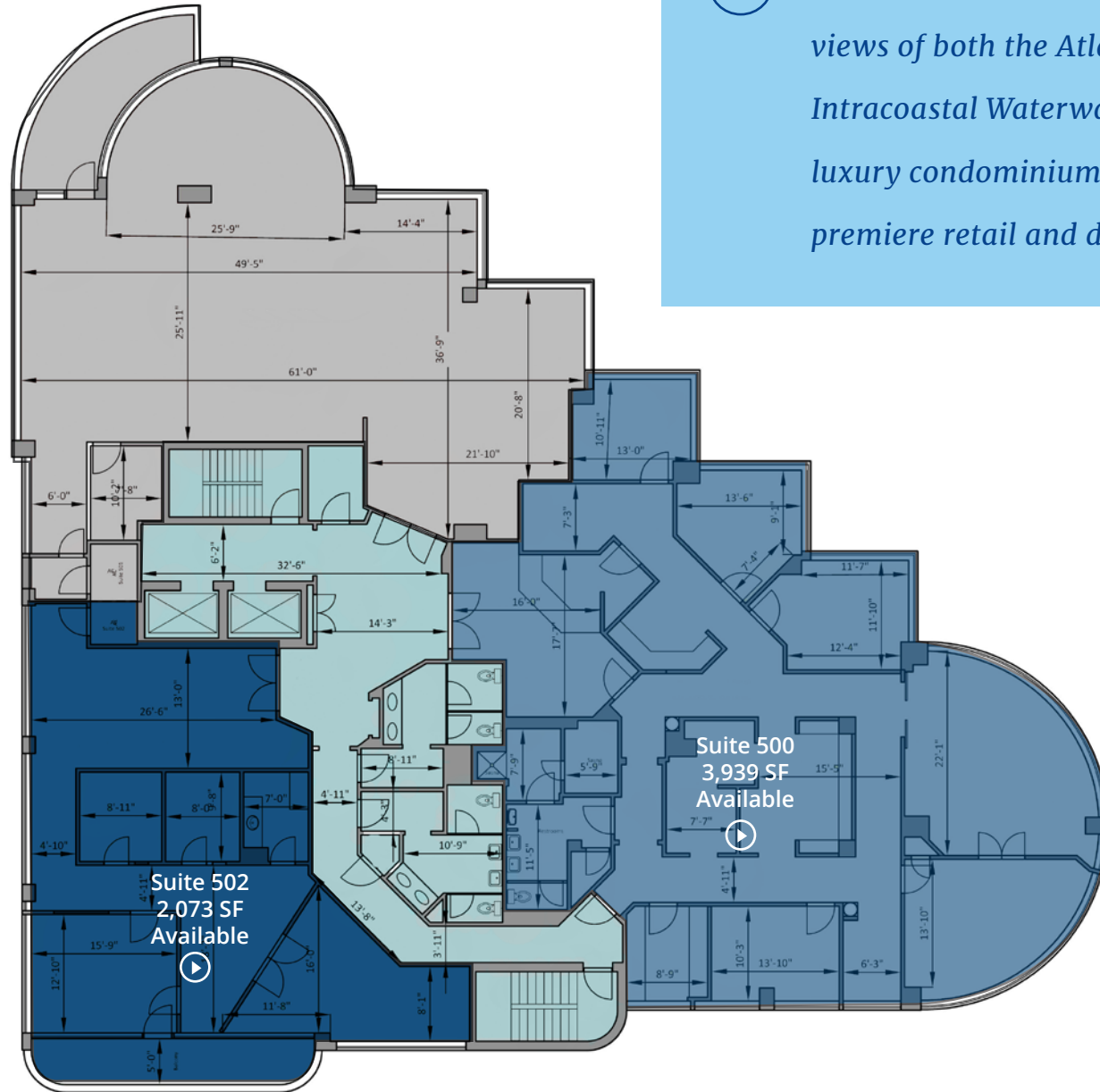
Population	1 Mile	3 Miles	5 Miles
2020 Total Population:	6,910	46,657	128,436
2025 Population:	7,543	49,205	135,590
Pop Growth 2020-2025:	9.16%	5.46%	5.57%
Average Age:	56.70	42.90	42.00
Households			
2025 Projection	4,218	20,302	56,415
2020 Estimate	3,867	19,283	53,689
2010 Census	2,632	17,320	48,851
Growth 2020 - 2025	9.08%	5.28%	5.08%
Growth 2010 - 2020	46.92%	11.33%	9.90%
Housing			
Median Home Value:	\$546,667	\$274,411	\$275,879
Median Year Built:	1976	1971	1976
Household Income			
2020 Avg Household Income	\$130,294	\$83,646	\$79,416
2020 Med Household Income	\$90,792	\$52,324	\$54,320
<\$25,000	374	4,631	11,944
\$25,000 - \$50,000	766	4,697	12,995
\$50,000 - \$75,000	510	3,123	9,616
\$75,000 - \$100,000	448	1,782	5,848
\$100,000 - \$125,000	348	1,338	3,997
\$125,000 - \$150,000	233	798	2,368
\$150,000 - \$200,000	295	1,013	2,979
\$200,000+	892	1,902	3,941







# Fifth Floor Plan



*Singer Island Corporate Center offers spectacular views of both the Atlantic Ocean and the Intracoastal Waterway and is steps away from luxury condominiums, hotels, and Ocean Walk premiere retail and dining destination.*

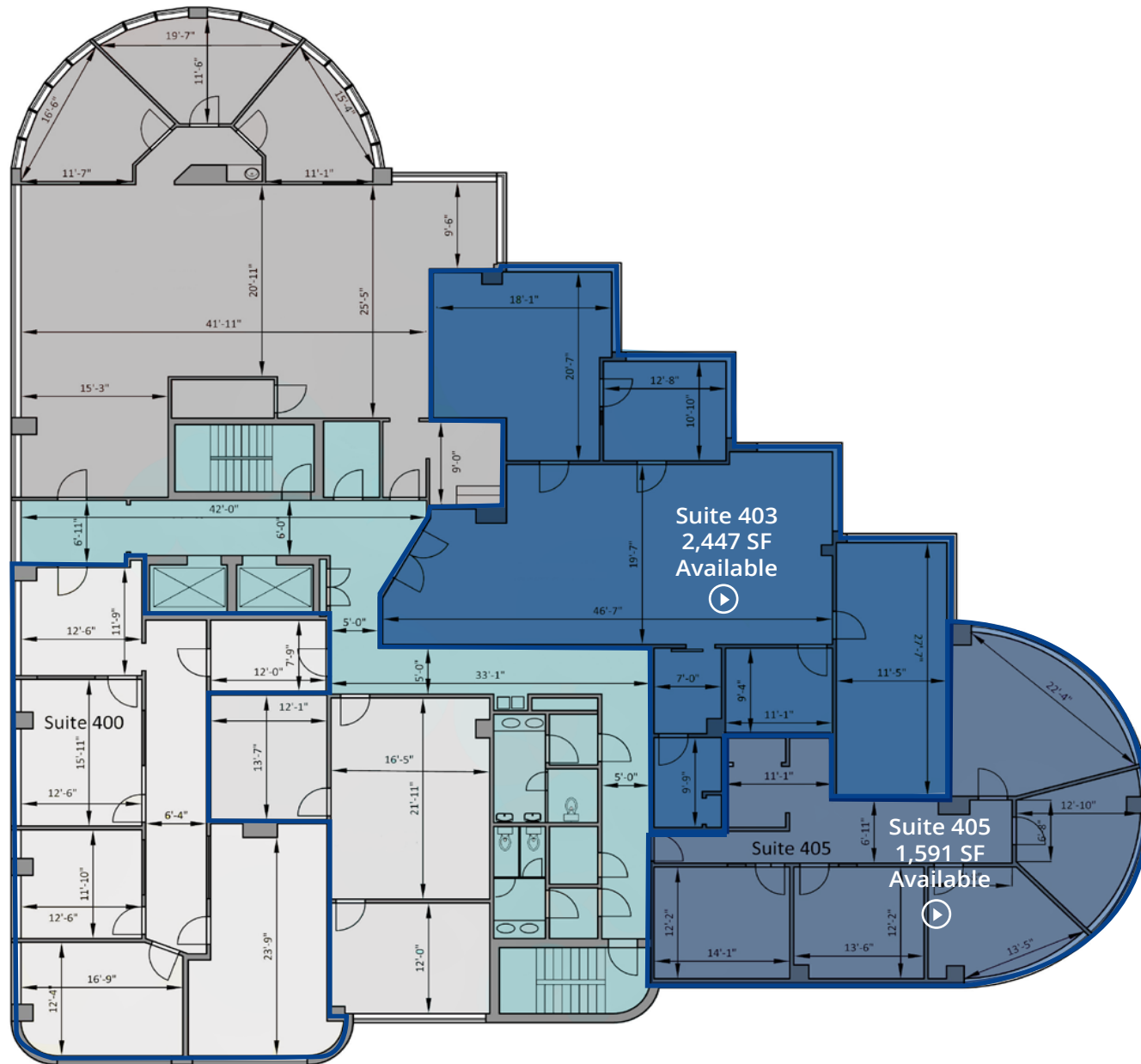
Suite 500  
3,939 SF  
Available



Suite 502  
2,073 SF  
Available



# Fourth Floor Plan

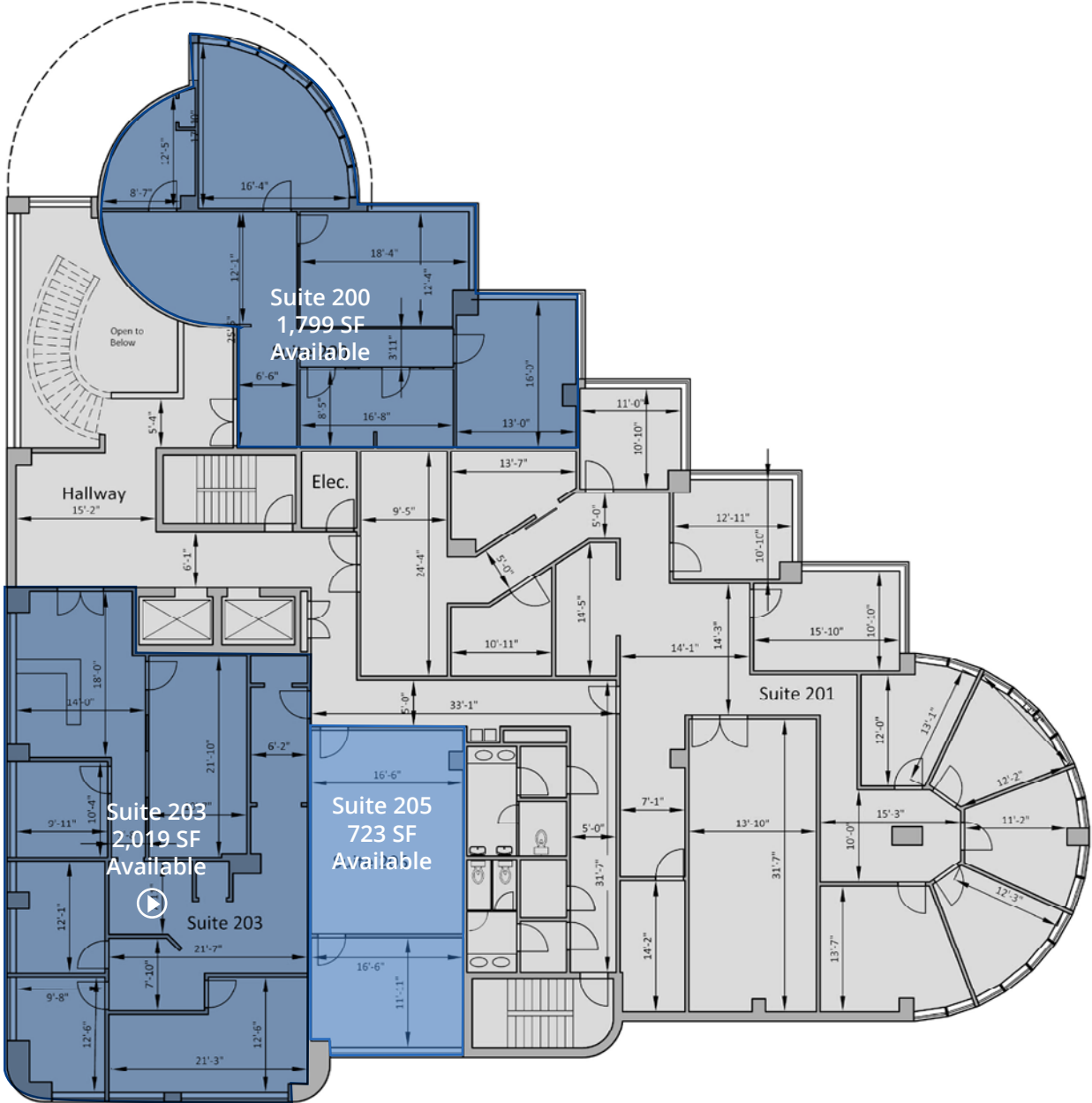


# Third Floor Plan





# Second Floor Plan







# Parcel Boundaries



--- Parcel Boundary - 56-43-42-27-04-000-4940

--- Parcel Boundary - 56-43-42-27-02-003-0030

# Cash Flow Projections

For Years Ending	\$ PSF	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
		<i>In-Place Until</i>	May-2024	May-2025	May-2026	May-2027	May-2028
Potential Base Rent	13.66	617,550	604,075	624,565	602,654	628,571	648,771
Absorption & Turnover Vacancy	-3.98	-179,805	-65,699	-16,723	-22,882	-35,880	-18,490
Free Rent	-0.09	-4,246	-18,732	-400	-682	-2,241	0
Total Expense Recoveries	2.23	100,928	361,868	445,579	456,508	456,954	490,840
Bellsouth Mobility, Inc.	0.62	28,000	4,968	0	0	0	0
Vacancy Allowance	0.00	0	-18,850	-36,764	-30,201	-27,193	-38,490
<b>Effective Gross Revenue</b>	<b>12.44</b>	<b>562,427</b>	<b>867,628</b>	<b>1,016,257</b>	<b>1,005,399</b>	<b>1,020,211</b>	<b>1,082,630</b>
Management Fees	0.80	36,000	37,080	38,192	39,338	40,518	41,734
General & Administrative	0.75	34,117	35,141	36,195	37,281	38,399	39,551
Payroll and Benefit Expense	0.53	24,000	24,720	25,462	26,225	27,012	27,823
Repairs and Maintenance	3.68	166,502	171,497	176,642	181,941	187,399	193,021
Utilities	1.32	59,807	61,601	63,449	65,353	67,313	69,333
Insurance	1.75	79,174	81,549	83,996	86,516	89,111	91,784
Real Estate Taxes	2.45	110,610	113,928	117,346	120,867	124,493	128,227
<b>Total Operating Expenses</b>	<b>11.29</b>	<b>510,210</b>	<b>525,516</b>	<b>541,282</b>	<b>557,520</b>	<b>574,246</b>	<b>591,473</b>
<b>Net Operating Income</b>	<b>1.16</b>	<b>52,217</b>	<b>342,112</b>	<b>474,975</b>	<b>447,878</b>	<b>445,965</b>	<b>491,157</b>
Tenant Improvements	0.29	13,215	362,727	15,659	25,930	79,526	1,420
Leasing Commissions	0.27	12,177	87,937	19,261	21,419	32,634	17,737
Capital Reserve	0.15	6,780	6,983	7,193	7,408	7,631	7,860
<b>Total Leasing &amp; Capital Costs</b>	<b>0.71</b>	<b>32,172</b>	<b>457,647</b>	<b>42,112</b>	<b>54,758</b>	<b>119,790</b>	<b>27,017</b>
<b>Cash Flow Before Debt Service</b>	<b>0.44</b>	<b>20,045</b>	<b>-115,535</b>	<b>432,863</b>	<b>393,121</b>	<b>326,175</b>	<b>464,140</b>

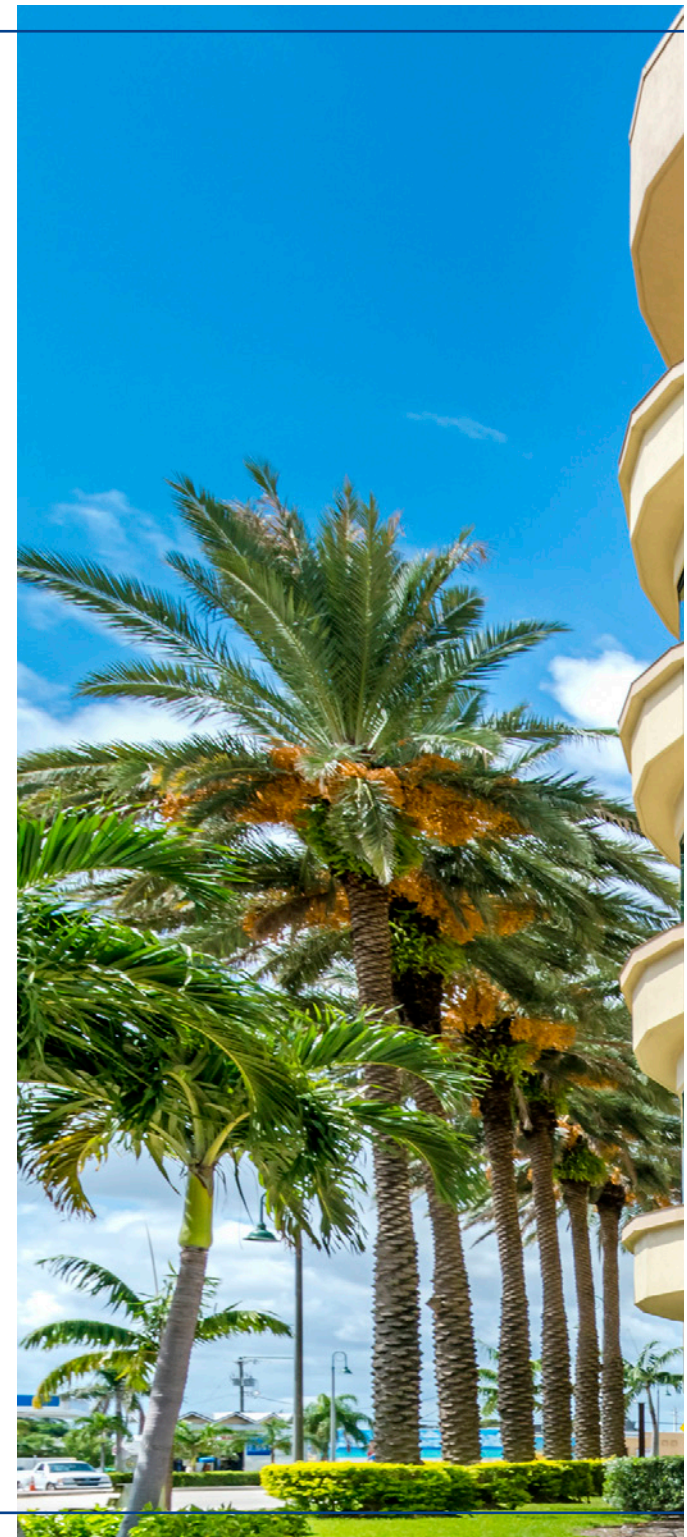


# Capital Improvements

In order to ensure a meticulously maintained premises, R.J. Finlay & Co. has spent in excess of \$1.5 million between 2014 and the present date. These extensive capital expenditures have resulted in no deferred maintenance and further bolster Singer Island Corporate Center's status as an immaculate office building, capable of accommodating various companies and individuals.

Item	Year Completed	Cost
Exterior Signage	2014	\$20,945
Cooling Tower Replacement	2015	\$132,855
Fire Alarm System	2017	\$127,575
Elevator Renovations	2017	\$242,960
Window Resealing	2017	\$115,000
Window Sealing	2018	\$120,750
Garage Renovation/Repairs	2018	\$599,579
<b>F</b> New Fire Pump	2019	\$35,165
Common Area/Restroom Upgrades	2019	\$89,869
New Roof - Small Building	2019	\$38,546
Glass Block Windows replaced	2018/2019	\$72,477
Main Building Roof Repairs/Coating	2022	\$46,000
Garage Concrete Restoration Project	2022	\$52,000

**2023 Further Substantial Capital Improvements**



# Area Overview



## Palm Beach County Overview

Located on the east coast of Florida, Palm Beach County is located within the South Florida metropolis, just north of Miami-Dade and Broward Counties. Together, the tri-county region is the eighth most populous metro area in the nation and the largest in the state of Florida, recording over 6.1 million residents and accounting for over one-third of the state's population. Palm Beach County is the third largest county in the state in terms of land area encompassing more than 2,000 square miles.

Historical economic statistics for the County point to a vibrant and healthy economy that is forecasted to recover from the COVID-19 pandemic through expanding economic sectors including luxury tourism, technology, manufacturing, and agriculture. In fact, for six consecutive months, there have been more job openings than unemployed people. According to Fitch reports, Palm Beach County is recognized as one of the nation's wealthiest counties, with per capita personal income levels nearly 50% higher than state and national averages and high ratings reflective of its diversifying economic base, sound financial position, and moderate debt levels. In addition, Palm Beach County also leads the state of Florida with the highest median wage out of all 67 counties at \$62,000.

Palm Beach County is one of the nation's leading tourist destinations offering white sand beaches, clear turquoise waters and internationally acclaimed shopping, dining and golfing venues that appeal to the masses. The County is served by Palm Beach International Airport, which historically welcomed over 6 million passengers annually and carried more than 5.2 million passengers in 2021. In addition, Tri-Rail commuter rail system and the Brightline express rail connects Palm Beach to Fort Lauderdale and Miami with construction connecting to Orlando underway. Furthermore, Palm Beach County offers a convenient transportation system, with major highways such as Interstate-95, and Florida's Turnpike plus signalized roads US-1 and US-441.

The three-major multibillion-dollar industries in Palm Beach County are tourism, healthcare, and agriculture. There are also many high-tech industries such as bioscience that contribute to the growing economy. Major employers in the county include Tenet Healthcare, NextEra Energy (the parent company of Florida Power & Light), Hospital Corporation of America (HCA), Florida Atlantic University (FAU), Florida Crystals Corporation, Office Depot, Bank of America, Wells Fargo & Company, Pratt & Whitney, and Zimmer Biomet.

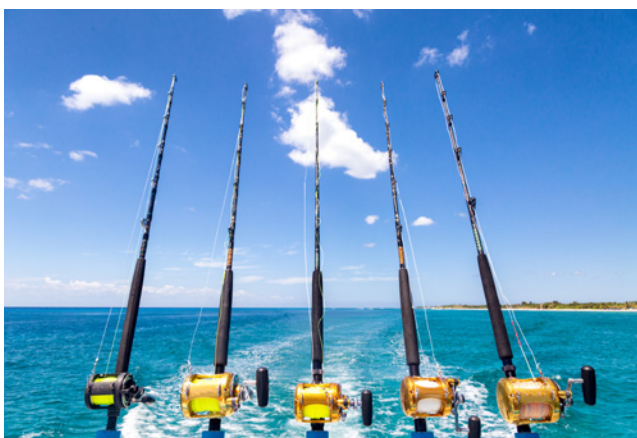


## Singer Island Overview

Singer Island is a peninsula off the Atlantic coast of Palm Beach County and is considered a prime oceanfront neighborhood in the city of Riviera Beach. Singer Island, including the entire zip code of 33404, is home to approximately 29,700 residents, making it one of the least populated areas of South Florida. Singer Island offers a high quality of life and is an idyllic vacation destination with an abundance of upscale hotels, resorts, restaurants, and shopping. The Island boasts seven miles of pristine beaches and also features the John D. MacArthur State Park where residents and visitors frequent for snorkeling, scuba diving, hiking, and biking adventures. For fishing enthusiasts, Singer Island is the closest spot in the United States to the Gulf Stream, which makes it one of the world's best deep-sea fishing spots. Spectators are drawn in during the months between May and November, where the beach serves as a natural host to one of the country's most important sites for nesting sea turtles.

Singer Island's proximity to U.S. 1, Interstate-95, the Palm Beach International Airport and Brightline Express make it highly accessible to the surrounding Palm Beach County market, as well as connected to the Central Business Districts of Fort Lauderdale and Downtown Miami to the South.

### Deep Sea Fishing



### MacArthur Beach State Park



### Ocean Walk



# Transportation Access

West Palm Beach has substantial access to interstate, seaport, rail and air infrastructure. Florida's Turnpike and I-95 bisects Palm Beach County offering multiple exits with major east-west thoroughfares for ease of access. The Tri-Rail Train system and the Brightline express train connect Palm Beach County with Fort Lauderdale and Miami offering passengers public transportation access to all submarkets in South Florida. The area is also served by Palm Beach International Airport with connections to Amtrak and Palm Tran Bus system.



## Tri-Rail Transit System

The Tri-Rail commuter line which links multiple markets throughout South Florida is managed by the South Florida Regional Transportation Authority and wholly owned by the Florida Department of Transportation. The rail travels as far north as Mangonia Park in Palm Beach County and as far south as the Government Center in Miami-Dade County with approximately seven stops in each County. The system has an average weekday ridership

of 15,000 and is 73.4 miles long with 18 stations along Florida's southeast coast. The Tri-Rail connects directly to Amtrak at numerous stations and furthering regional accessibility are connections to the Metrorail.

## Palm Tran Bus Service

The Palm Tran bus system serves residents and visitors of Palm Beach County and is operated by the County government. Standard adult fare is \$2.00 with reduced fares available for seniors and students. The bus system connects with major hubs that include Palm Beach International Airport, Tri-Rail System stops, major shopping mall and service to all colleges and universities in the area. With a daily ridership of approximately 35,000, the bus system operates 32 routes in conjunction with Tri-Rail to ensure sufficient coverage and public transportation is available to county residents.





### Brightline Express

Brightline is a Miami-based company that operates express intercity passenger rail service with stops in the downtowns of Miami, Fort Lauderdale and West Palm Beach. Construction to link Orlando to the line began in 2019 and is expected to be complete by the end of 2022 with service to Orlando coming soon after in 2023. Construction began in 2021 on the Aventura station and on the Boca Raton station in 2022, which is expected to be operational by the end of the year. Brightline also has plans for a station at PortMiami. With visitors to Florida exceeding 100 million, Brightline will connect four large tourist destinations, offering convenient transportation and encouraging extended visits in Florida. Recently, Brightline has been named in Fast Company's prestigious annual list of the World's Most Innovative Companies (MIC) for 2020.

### Palm Beach International Airport

Palm Beach International Airport (PBI) is a public airport and is approximately 20 minutes from the subject property with approximately 150 daily flights on 11 airlines offering non-stop service to over 30 destinations, with connecting service to destinations throughout the world. The airport served roughly 6 million passengers annually before the coronavirus years. PBI welcomed 6.9 million passengers in 2019, 3.1 million passengers in 2020, and more than 5.2 million passengers in 2021 as the tourism industry recovers. The airport is linked to the Palm Tran Bus line with free shuttle service to the Tri-Rail system and ranked high in many 2020-2021 awards, listed below.

- 7th Best Airport in the U.S., Conde Nast Traveler's 2021 Readers' Choice Awards
- 7th Best Airport in the World, Conde Nast Traveler's 2020 Readers' Choice Awards
- 8th Best Domestic Airport, Travel + Leisure Magazine's 2020 World's Best Awards
- 2nd Best Medium Airport, 2020 J.D. Power North America Airport Satisfaction Survey

- "Best in the U.S." for Shortest Overall TSA Wait Time, U.S. Customs and Border Protection

### Port of Palm Beach

The Port of Palm Beach is one of 15 ports in the state of Florida and is located 80 miles north of Miami in Riviera Beach. The Port of Palm Beach has the highest container volume per acre in the United States. Additionally, the Port of Palm Beach is the fourth busiest container port of Florida's 14 deep-water ports and is the 18th busiest container port in the United States. The cruise industry at the Port of Palm Beach provided 1,350 direct jobs and over \$100 million in revenue in 2020 and welcomes nearly 450,000 cruise ship passengers annually. In addition, the cargo industry at the Port of Palm Beach provides over 2,700 direct jobs and \$154 million in revenue with more than \$6 billion worth of commodities moving through the port each year.



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# Market Drivers - Palm Beach County

## Growing Population

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Population growth across South Florida has exceeded the national average for years, but of the three major metros, Palm Beach's population is growing the fastest. Over the last five years, Palm Beach County's population grew 5.2% while Miami-Dade and Broward grew 2.0% and 3.4%, respectively. Additionally, in the next five years, Palm Beach's population is expected to grow 7.8% while Miami-Dade's and Broward's are expected to grow 3.9% and 5.1%, respectively. The migration of companies, specifically new finance and investment firms, from Northeastern tax-burden states to South Florida was accelerated by the pandemic as seen in recent announcements by Goldman Sachs, Elliott Management, and Citadel; this influx has led to South Florida being dubbed the "Wall Street of the South". Palm Beach County is welcoming new companies by offering excellent incentive programs and a flexible Business Development Board. For a long time, Palm Beach has been a second home for many executives and now these same people are relocating their businesses here. These moves are driven by a number of push and pull factors, but the most prominent are the tax incentives, cost of living, and quality of life that Palm Beach offers, with COVID-19 being the final push for many.

## A Thriving Business Center

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Palm Beach County is among the nation's leading centers for the financial services industry with many top companies having a significant presence in the area such as UBS, JP Morgan Stanley, Merrill Lynch, and Charles Schwab. Furthermore, West Palm Beach was ranked by Forbes Magazine as the #1 city in Florida for business and careers. Its ease of access, excellent public transportation infrastructure, and abundance of nearby amenities are attracting investors and executives alike to this surging market. The West Palm Beach central business district provides corporate headquarters to some well-known companies, including Amazon Investment Group, CRL Media LLC, Branding Arc Inc, and Melchior Investments LLC. Other businesses including law firms, financial institutions and investment firms drawn to the CBD include Greenspoon Marder PA, RBC Wealth Management, Holland & Knight LLP, and Greenberg Traurig, LLP.

## Education

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Palm Beach County is home to the 10th largest school district in the nation, with approximately one-third of the population working towards graduating high school (10 percent) or already a high school graduate (20 percent). The County has 15 higher education institutions for the

school district to feed into upon graduating offering everything from technical certifications to doctorate degrees as well as dozens of vocational and technical institutions. Excellent quality of training and education at the colleges and universities in Palm Beach County result in high-quality, employment focused workforce training, progressive professional education, an enrichment opportunities to meet the changing needs of a diverse community.

## Pristine Beaches

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Palm Beach is home to nearly 30 tropical beach parks spanning 47 miles along the Atlantic Ocean from Jupiter to the north and Boca Raton to the south. The beaches cater to everyone's preferences, from the dog-friendly beaches of Ocean Cay Park in Jupiter and Atlantic Dunes Park in Delray Beach to the entertainment-oriented beaches found at the promenade at Singer Island Municipal Beach or the famous pier at Lake Worth Municipal Beach. Peanut Island offers a peak at history where a former Cold War bunker for John F. Kennedy can be found. More pristine beaches are located at John D. MacArthur Beach State Park in North Palm Beach and the family-friendly waters at Carlin Park in Jupiter and Red Reef Park in Boca Raton. For the more adventurous visitor, there are popular snorkeling spots at Coral Cove Park in



Tequesta and the Underwater Snorkel Trail at Phil Foster Park in Riviera Beach, as well as manatee spotting sites at Loggerhead Park in Juno Beach. Thousands of visitors are attracted to the Palm Beaches postcard perfect sandy shores each year.

## Tourism

Tourism is one of the largest industries in Palm Beach and took a hit in 2020 as the coronavirus pandemic caused economies to shut down and borders to close. However, tourism is expected to return stronger than before, reaching pre-pandemic levels in 2023, largely due to pent-up demand of quarantine years. In fact, domestic travel has started the recovery and Palm Beach has benefitted greatly thanks to its tropical climate, white sand beaches, and clear blue waters with Palm beach International Airport welcoming 5.2 million passengers in 2021, climbing closer to the 6.9 million passengers in pre-pandemic 2019.

## Arts and Culture

Beyond the scenic beauty of Palm Beach, the County is dotted with world-class museums and galleries, award-winning theaters and Broadway performances from Jupiter down to Boca Raton. Creative attractions abound in Palm Beach with year-round events held at the West Palm Beach Arts and Entertainment District and Harborside Place in Jupiter, concerts at the Kravis Center for

the Performing Arts in West Palm Beach, Tony Award winning musical performances at the Maltz Jupiter Theatre, and cabaret at the Crest Theatre in Delray Beach.

## Florida's Golfing Capital

There's an endless supply of public and private golf courses in Palm Beach leading many to call the County the world's golfing capital. With many of the world's greatest golfers living in the County, Palm Beach boasts more than 160 courses with year-round tee times, breathtaking views and courses designed by some of the best architects in the game. Located in Palm Beach Gardens is the PGA National Resort and Spa featuring 90 holes across five championship courses, including the famed Champion course designed by Jack Nicklaus and its "Bear Trap" that hosts the PGA Tour's annual Honda Classic. Other famous courses throughout the County include The Bear's Club, The Fountains Country Club, the Breakers Ocean Course, and North Palm Beach Country Club.

## Shopping and Dining

Palm Beach is renowned for its world-class shopping malls and restaurants from countless chain stores to boutiques and luxury brands. In Palm Beach Gardens alone, shoppers can choose between multiple upscale shopping center offerings including The Gardens Mall, anchored

by high end stores like Nordstrom Rack and Sak's Fifth Avenue as well as 160 other stores; District the Gardens, an outdoor lifestyle center offering enticing retail, restaurants, a movie theatre and outdoor entertainment; as well as PGA Commor offering a mix of award-winning restaurants, upscale boutiques, galleries, offices, and apartments. District at the Gardens is currently undergoing a major transformation adding hote office and residential offerings for round the clo patrons. Other popular shopping destinations throughout the County include Worth Avenue featuring designer stores, high-end shops and some of the finest gourmet restaurants in South Florida. Mizner Park in Boca Raton is another upscale shopping district, as well as Atlantic Avenue and Pineapple Grove in Delray Beach.



# Office Market Overview

## Palm Beach County Office Market Q1 2022

### Executive Summary

In the first quarter of 2022, office market fundamentals in Palm Beach County continued to strengthen. Asking rental rates in the market experienced an increase of 4.9 percent year-over-year, ending the first quarter at \$37.59 per square foot full service. In stark contrast, Class A asking rental rates in the West Palm Beach Central Business District (CBD) increased 27.4 percent year-over-year, ending the first quarter at \$71.47 per square foot. Continued demand for space has been pushing rental rates and stimulating a steady flow of new construction. At the end of first quarter, there was a total of 700,000 square feet of new supply under way. With steady leasing activity and vacancy rates dropping lower than pre-pandemic levels, it's expected that new deliveries will get absorbed quickly.

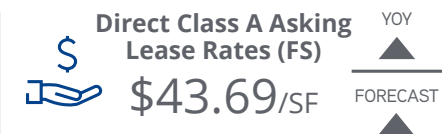
As rents continue to climb in the West Palm Beach CBD, many tenants looked for high-quality space outside of the urban core. The largest lease in the first quarter of 2022 was the 120,000 square foot lease signed by Unified Physicians Management at 1751 N Military Trail in Boca Raton. The second largest lease was the 48,899 square foot renewal signed by K. Hovnanian Companies in Quantum Park. Additionally, Polen Capital Management renewed 42,277 square feet at Lynn Financial and Industrious signed a new 27,128 square foot lease at Esperante Corporate Center.

Investment sales in Palm Beach County continued an upward trajectory in the first quarter, despite a slight uptick in interest rates. The largest office sale in the first quarter of 2022 was the Parmenter Realty Partners' purchase of the 224,663 square foot Fairway Office Center for \$81 million, or \$361 per square foot. The second largest sale was the joint venture with Related Companies, Key International and Wexford Real Estate Investors paying \$35 million, or \$270 per square foot, for the 129,253 square foot Reflections Buildings I & II. As the global financial markets cause the market to hit an inflection point there may be a little trepidation and pause among some investors. However, the strength of Palm Beach's office market, as well as population and employment growth, positions it well to capture the attention of more opportunistic buyers.



### Key Takeaways:

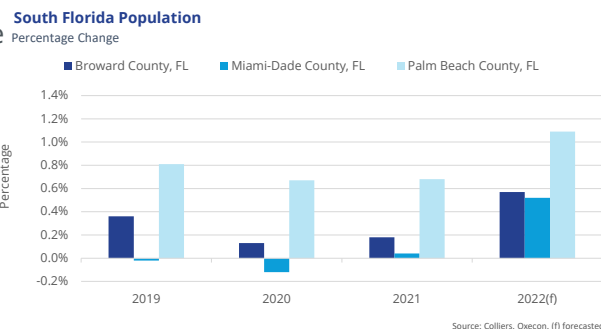
- Q1 2022 ended with positive net absorption as it prepares for 702,000 square feet of new office supply currently under construction.
- The vacancy rate was stabilized and stood at 9.6%, a 200-basis point drop YOY.
- Palm Beach County is the strongest among the tri-county region in terms of the population growth rate forecasted for 2022.



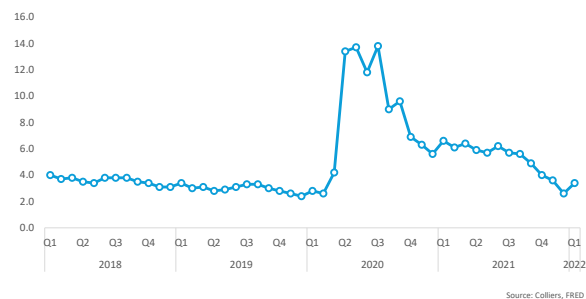


## ifting Demographics

There has been a significant shift in demographics over the last couple of years in South Florida. Despite the influx of new companies moving into the market and in-migration numbers being strong, the net population growth of Miami-Dade and Broward Counties is less striking. However, Palm Beach County continues to see significant increases. Over recent years, multiple firms from larger cities have been drawn to South Florida for the lenient tax structure and lower cost of office rents. In many cases, this has caused corporate branches (including higher earning executives) to relocate. Another dynamic within the region is a migration north, to Palm Beach, where more affordable residential developments are growing and the office market is strengthening.









South Florida Historical Unemployment



### A Return to Office is Imminent

A long-awaited return to the office is upon us and is likely to help tenants solidify their long-term leasing plans. After being paused by the Omicron variant, most companies have pivoted to responsibly coping with COVID-19's continued existence. Despite the work from home and/or hybrid models many companies adopted, confidence in the future of the South Florida office market remained strong. Net absorption in the first quarter of 2022 reached almost one million square feet, which was amplified with an increase of new-to-market tenants. Although occupancy in buildings has not returned to its full extent, the unemployment rate for Miami-Fort Lauderdale-West Palm Beach was at a low 3.4 percent in the first quarter of 2022.

## Recent Transactions

					
<b>Lease</b>	<b>Lease</b>	<b>Lease</b>	<b>Sale</b>	<b>Sale</b>	<b>Sale</b>
1751 N Military Trl Boca West   120k SF	Quantum Park Boynton/Lantana   49k SF	Lynn Financial Boca West   42k SF	Fairway Office Center North PB   \$361/SF	Reflections I & II WPB   \$270/SF	The Forum WPB   \$158/SF

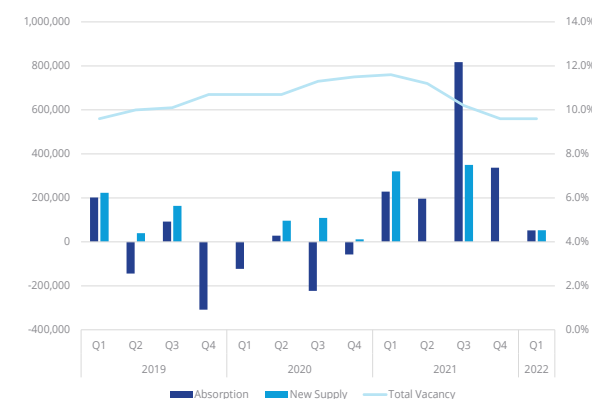
## Market Indicators

 <b>3.3%</b> Unemployment Rate	 <b>4.1%</b> GDP - Quarterly % change yr/yr	 <b>2.398%</b> U.S. 10 Year Treasury Note
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## Historic Comparison

	21Q1	21Q4	22Q1
<b>Total Inventory (in Thousands of SF)</b>	51,475.2	51,825.2	51,878.2
<b>New Supply (in Thousands of SF)</b>	320.8	0.0	53.0
<b>Net Absorption (in Thousands of SF)</b>	228.4	336.9	51.9
<b>Overall Vacancy</b>	11.6%	9.6%	9.6%
<b>Under Construction (in Thousands of SF)</b>	773.6	754.6	701.6
<b>Overall Direct Asking Lease Rates (FS)</b>	\$35.85	\$37.17	\$37.59

## Market Graph



The Palm Beach County office market had a strong start to 2022. Despite a steady flow of new supply over the last five years, the first quarter ended with positive net absorption. The vacancy rate was unchanged quarter-over-quarter, remaining at 9.6 percent, and is expected to decline as more new-to-market tenants absorb space throughout 2022.