



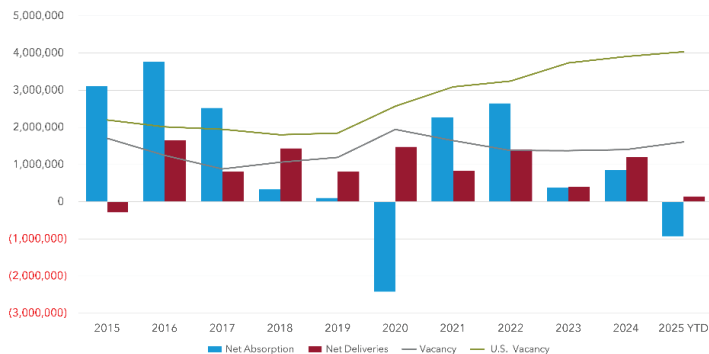
OFFICE MARKET OVERVIEW

ELIAS PORRAS, SIOR, *Principal*

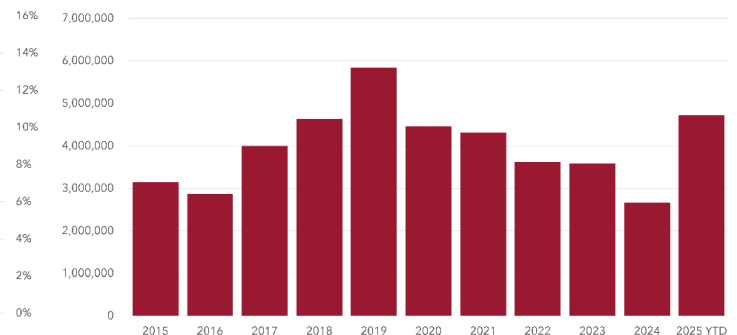
The South Florida office market continues to demonstrate robust activity. Notably, the financial and medical sectors are exhibiting stronger growth. Downtown West Palm Beach is experiencing significant expansion within its central business district, contributing to the overall 4.7 million sf of office space currently under construction across South Florida. Rental rates remain within the low-to-mid \$100 per sf range in both Miami and Palm Beach CBDs. Meanwhile, sales price per sf has remained stable and cap rates have compressed slightly, averaging 6.58%. The political environment continues to be a key factor influencing developments. South Florida is anticipated to benefit from increased population growth, especially as political dynamics evolve in the Northeast and Western United States.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Net Absorption SF	(144,113)	(382,634)	333,997	855,090	1,037,109
▼ Vacancy Rate	8.30%	8.70%	8.40%	8.20%	8.30%
▲ Avg NNN Asking Rent PSF	\$39.19	\$38.67	\$38.40	\$37.64	\$37.22
▼ Sale Price PSF	\$170.00	\$171.00	\$213.00	\$207.00	\$182.00
▲ Cap Rate	6.58%	6.27%	6.84%	7.53%	6.90%
▲ Under Construction	4,715,532	4,030,902	3,866,983	2,663,878	3,186,096
▼ Inventory	255,864,233	256,153,189	255,885,722	255,720,411	255,403,519

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1200 N. Federal Highway Boca Raton, FL	159,444 SF	\$31,414,000 \$197.02 PSF	Allen Chelmsky Keystone Development/Investment	Class A
3225 Aviation Avenue Coconut Grove, FL	140,125 SF	\$34,500,000 \$246.21 PSF	Azora Capital LP Madison Marquette R.E. Svc/Roseview	Class A
3250 Mary Street Coconut Grove, FL	132,295 SF	\$47,500,000 \$359.05 PSF	Azora Capital LP Madison Marquette R.E. Svc/Roseview	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
10 City Place West Palm Beach, FL	202,929 SF	Related Ross	ServiceNow	Software Publishers
703 NW 62nd Avenue Miami, FL	78,315 SF	PIMCO	ADP	Data Processing
6600 N. Military Trail Boca Raton, FL	77,697 SF	PEBB Manager LLC	Kanner & Pinaluga	Law Offices & Attorneys