



Market Commentary

There is a lot of red on the Market Trends chart on the next page. Investor and user caution is driving a market shift, with stricter underwriting standards, and concern over the increase in the federal funds rate, and the subsequent increase in lending rates. There is still some strong market activity, much of it driven by 1031 requirements and large funds, but the rampant escalation of pricing has started to subside.

Retail absorption saw a massive decrease due to large “big box” retailers shuttering locations with no one to replace them. Industrial is still the CRE darling, with historically low vacancy rates, increasing lease rates, and limited new supply. There are several new projects under construction across each asset type, but very little has been delivered. For investors, finding reasonably priced opportunities are few and far between. Many assets are being marketed based on proforma projections of continued NOI growth, which is unlikely over a 5 to 10 year period. That being said, there are still opportunities for solid long term investments, but investors need to be diligent and patient to uncover them.

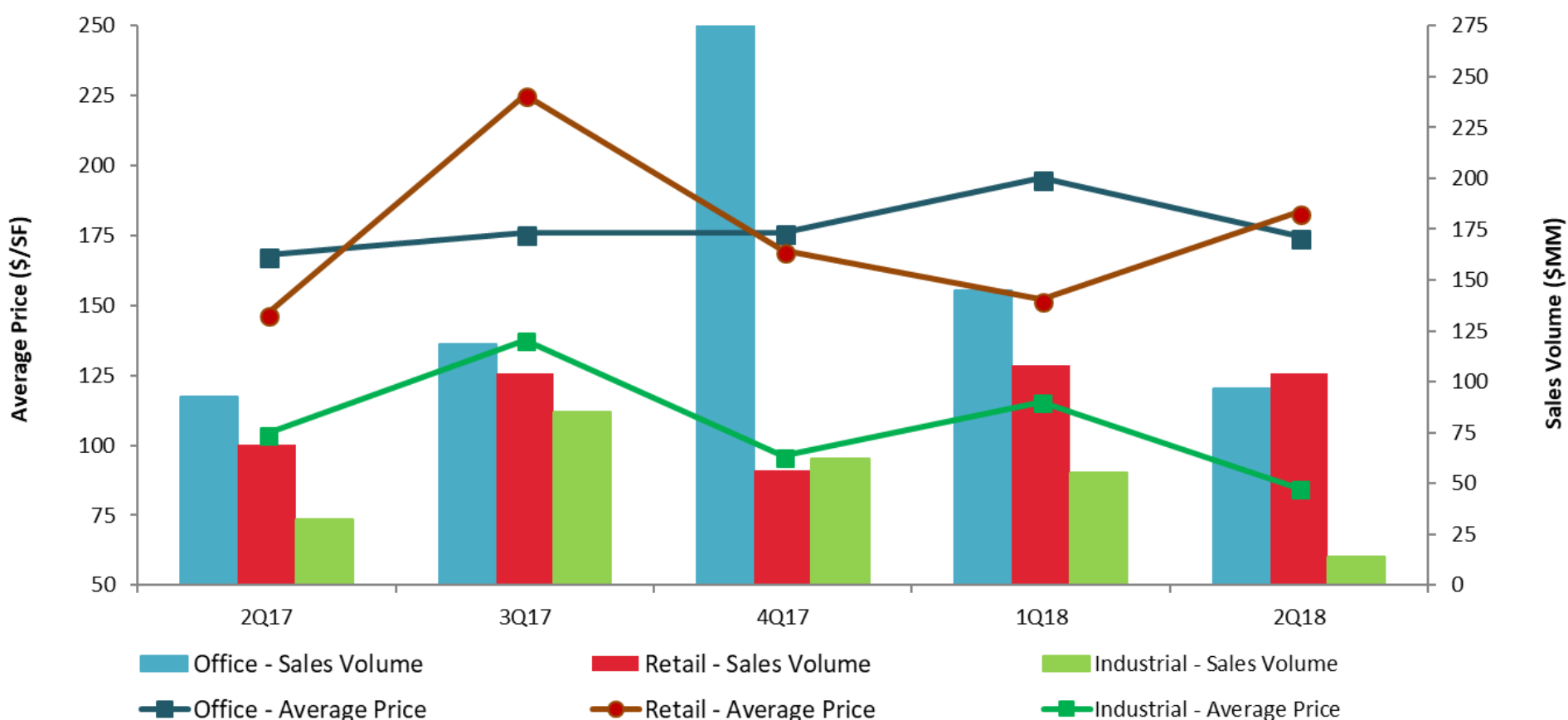
Recent Sales Data

Property Address	Property Type	Size (SF)	Sale Price	Price/SF
1750 Clint Moore Road Boca Raton	Office	50,000	\$13,000,000	\$260.00
4956 Le Chalet Blvd. Boynton Beach	Retail Center	70,555	\$9,900,000	\$140.32
5500 Village Blvd. West Palm Beach	Office	32,274	\$7,500,000	\$201.21
11300 Fortune Circle West Palm Beach	Industrial	16,455	\$1,700,000	\$103.31
351 S. US Hwy 1 Jupiter	Retail Center	18,976	\$5,150,000	\$271.40
6403 W. Rogers Circle Boca Raton	Industrial	42,094	\$4,250,000	\$100.96

Market Trends: (1Q18 to 2Q18)

		Retail		Office		Industrial
Absorption (SF)	↓	(314,841)	↑	10,367	↑	76,016
Vacancy	↑	4.40%	↓	10.20%	↓	2.70%
Lease Rate (\$/SF)	↓	\$23.84	↑	\$29.73	↓	\$10.33
Sales (Millions)	↓	\$104.08	↓	\$96.60	↓	\$14.20
Price/SF	↑	\$183.36	↓	\$174.73	↓	\$84.67
YTY Price Change	↑	24.90%	↑	4.07%	↓	(18.63%)
Construction (SF)	↓	362,281	↑	547,573	↑	258,342
Deliveries (SF)	↓	39,561	↓	3,600	↓	0

(Data compiled from CoStar)



Contact Us For Your Free Broker Opinion of Value

Similar to an appraisal, your comprehensive BOV will help you understand your property's position in the market, allowing you to make informed decisions related to long term financial planning, sale-leaseback options, refinancing, or selling. **Commercial real estate typically represents the largest asset of any business. Even if you aren't interested in selling, you should know what your property is worth.**

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