

Investment Opportunity For Sale

Fully Built-Out Medical Suite in Move-In Ready Condition

1000 NW 9th Court, Suite 103 | Boca Raton, FL 33486



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Introduction

Turnkey Medical Office Suite for Sale in Daniel Medical Center

Discover an exceptional investment opportunity with this medical office condo, strategically positioned just two blocks from the prestigious Baptist Boca Raton Regional Hospital. Boasting upscale finishes and modern amenities, including a landscaped courtyard and new HVAC units, this property offers a prime location and attractive features, making it a compelling choice for investors seeking stability and growth in the thriving healthcare sector.



Investment Highlights



Prime Location

Situated just two blocks from the renowned Baptist Boca Raton Regional Hospital, providing convenient access for medical professionals and patients alike.



Move-In Ready Condition

Fully built-out medical suite with upscale finishes, reducing the time and cost required for tenant improvements.



Modern Amenities

Equipped with new HVAC units and enhanced infrastructure, ensuring a comfortable and efficient environment for healthcare operations.



Landscaped Courtyard

Offers a welcoming and professional atmosphere, enhancing the appeal for tenants and their patients.



Strong Demand in a Thriving Market

Located in a high-demand medical community with consistent growth, offering stable income potential for investors.



Proximity to Major Transportation Routes

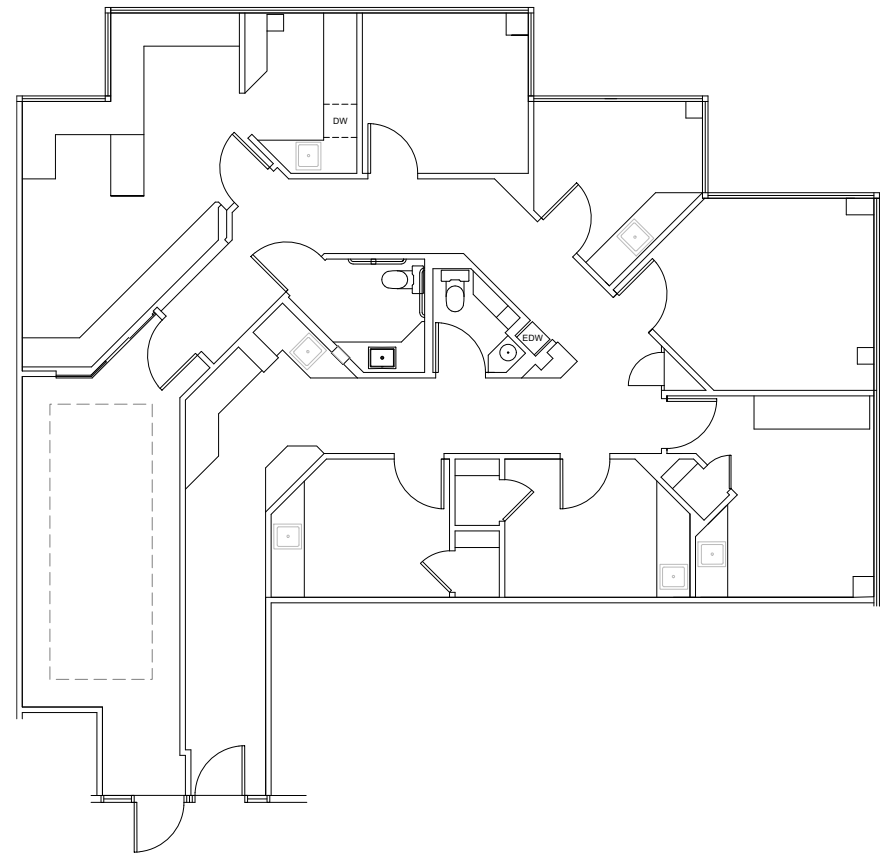
Easy access to main roads and highways, providing convenience for staff and patients.



Property Highlights

Civic Address	1000 NW 9th Court, Suite 103
Parcel No.	06-42-47-24-36-000-1030
Total Area	±2,250 SF
Exam Rooms	4 (Includes one large procedure room)
Offices	2 (With one plumbed)
Building Class	C
Year Built	1990
RBA	30,000 SF
Typical Floor	15,000 SF
Stories	2
Construction	Masonry
AC Lot	2.12
Parking Ratio	3.6/1,000 SF
Surface Parking	112 Spaces

Floor Plan



Neighborhood Context

 Subject property

 Boca Raton Airport

 Baptist Health Boca Raton Regional Hospital

Entertainment

- 1 Mizner Park Amphitheater
- 2 Boca Raton Museum of Art
- 3 iPIC Theaters

Shopping

- 1 Publix
- 2 Dollar Tree
- 3 Barnes & Nobles
- 4 Nordstrom Rack
- 5 Whole Foods

Restaurants

- 1 Dunkin
- 2 Starbucks
- 3 Jamba Juice
- 4 PF Chang's
- 5 J. Alexanders
- 6 Kapow! Noodle Bar
- 7 American Social
- 8 Shake Shack
- 9 Pollo Tropical



Palm Beach County Market Overview

Key Takeaways

- The vacancy rate improved to 8.7%, down 10 BPS, reflecting the County's durability.
- Rental rates adjusted slightly, decreasing a minimal 0.1% QOQ, averaging \$39.43 PSF.
- Investment sales have been limited due to persistent economic headwinds and an evolving office landscape.

Palm Beach County Office Shifting Market Conditions

The office market in Palm Beach County demonstrated shifts in performance in the second quarter of 2024. The vacancy rate decreased to 8.7%, a 10 basis point improvement from the previous quarter but unchanged over the year. Net absorption recorded positive 49,776 square feet in Q2 yet remained negative year-to-date. Despite this, the market saw 30,000 square feet in new deliveries and remains active with 740,413 square feet under construction. Rental rates remained stable, averaging \$39.58 per square foot full service, a slight decrease of 0.1% QOQ, with Class A spaces asking \$43.94 per square foot full service, up 0.4% QOQ. Nevertheless, landlords are offering historically greater concessions to win the limited sizable active deals.

Market Indicators



3.3%
Unemployment Rate



3.1%
GDP - Quarterly % change yr/yr



4.402%
U.S. 10 Year Treasury Note

Historic Comparison

	23Q2	24Q1	24Q2
Total Inventory (in Thousands of SF)	53,192.1	53,017.6	53,047.6
New Supply (in Thousands of SF)	52.1	20.0	30.0
Net Absorption (in Thousands of SF)	(325.9)	(169.7)	49.8
Overall Vacancy	8.7%	8.8%	8.7%
Under Construction (in Thousands of SF)	790.4	770.4	740.4
Overall Direct Asking Lease Rates (FS)	\$39.37	\$39.60	\$39.58

Market Graph



In the second quarter of 2024, the Palm Beach County office market saw a slight improvement. The vacancy rate decreased to 8.7%, down 10 basis points from the previous quarter. Net absorption was positive at around 49,800 square feet, indicating a rise in leasing activity compared to the negative absorption of the previous quarter. With 30,000 square feet of new deliveries and approximately 740,400 square feet under construction, the market is expected to continue experiencing similar trends as new spaces are completed and become available for leasing.

Market Snapshot



Vacancy Rate

8.7%

YOY

—

FORECAST

—



Under Construction

740K SF

YOY

▼

FORECAST

—



Net Absorption

+50K SF

YOY

▲

FORECAST

—



Direct Class A Asking Lease Rates (FS)

\$43.94/SF

YOY

▼

FORECAST

▲

Executive Summary

In Q2 2024, Palm Beach County's office market made slow progress. Leasing activity totaled 660,209 square feet, 27.9% below the five-year average. The market did, however, record positive net absorption of 49,776 square feet for the quarter, indicating some recovery from negative absorption seen over the past 12 months. In tandem, the vacancy rate fell 10 basis points to 8.7% compared to last quarter, reflecting a rebound for office space. Major leases for the quarter included Geosyntec Consultants securing 25,532 square feet at Boca Colonnade I and Bessemer Trust leasing 19,787 square feet at One Flagler.

Despite challenges, 740,413 square feet of new construction was underway, aimed at enhancing the quality and availability of office space. The lion share of projects are taking place in West Palm Beach's CBD with 81.6% of the space, or 604,320 square

feet, underway in the submarket. As the region adapts, continued interest in prime locations suggests potential for future growth and stabilization.

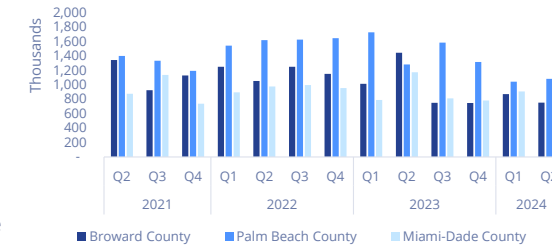
Investment sales in Palm Beach County were slim amid ongoing market challenges. A standout transaction was the acquisition of The Greenhouse, a 93,281-square-foot office campus, by Bark Management for \$15.68 million, reflecting a price of \$168 per square foot. This property, 96% leased and catering to startups and small businesses, highlights Palm Beach County's demand for flexible office spaces. Additionally, JEM Capital Management purchased First Republic Bank's fully leased property in Jupiter for \$6.1 million, or \$632 per square foot. As the investment sale environment tightens from economic pressures, emphasis on stabilized assets with strong fundamentals will likely increase.

South Florida Still Outperforming Amid National Slowdown

In the face of a decelerating economy and a constrained labor market across the U.S., office demand has seen a tempering effect. Nevertheless, continued interest from tenants, along with a scarcity of fresh space, has maintained a stable level of leasing activity in South Florida. In the preceding three years, there was a marginal reduction in leasing activities, averaging a decrease of 31.1%. Leasing patterns in South Florida have aligned with national trends, focusing on an overall downsizing in space to smaller footprints in more high quality and amenity rich properties. Nonetheless, South Florida's tight labor market and strong return to office policies have outperformed the national average. This strength has favorably influenced the region's office market dynamics. As a result, South Florida has experienced a more gradual reduction in business activities relative to the downturn witnessed in other markets across the U.S.

Historical Office Leasing Activity

South Florida Office 3-Year Leasing Activity (SF)

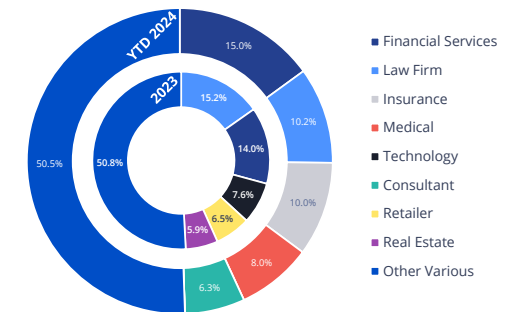


Consistent Industry Leasing in South Florida

South Florida's office landscape is known for high-caliber tenants of varying sizes creating a diverse market of occupiers. Leasing across the tri-county area was approximately 5.3 million square feet leased in the first half of 2024. Top industries in South Florida have consistently been Financial Services followed by Law Firms accounting for 14.0% and 15.2%, respectively in 2023. Similarly, 2022 recorded 17.9% and 14.8%, respectively, for those industries showing a deeper trend over the two and a half year period. Now, after the first half of 2024, we see the trend continuing as Financial Services and Law Firms dominate the share of leasing showing 15.0% and 10.2%, respectively. This trend is bolstered by the corporate migration following 2020, when major financial industry firms and law firms planted new footprints in South Florida.

Office Industry Leasing

South Florida Office Tenants (%)



Recent Transactions



Lease
Boca Colonnade I
Boca North | 26k SF



Lease
One Flagler
WPB CBD | 20k SF



Lease
5300 Broken Sound
Boca North | 19k SF



Sale
The Greenhouse
Boca East | \$168/SF



Sale
First Republic Bank
Jupiter | \$632/SF



Sale
Good Samaritan Med. Cntr.
WPB | \$314/SF



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