

West Palm Beach Office Figures Report



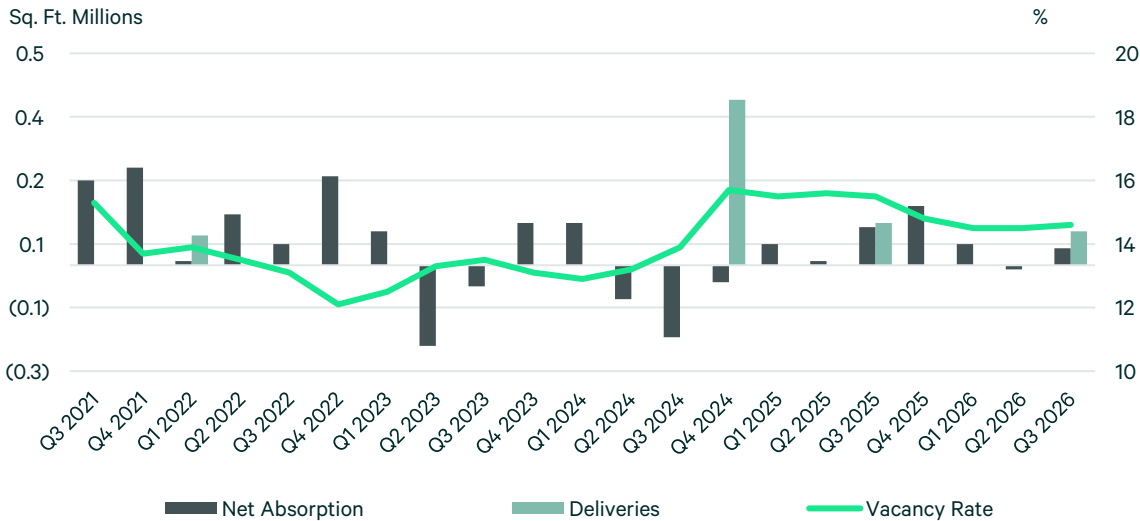
Note: Arrows indicate change from previous quarter.

Market Overview

The Palm Beach County office market continued to gain momentum this quarter, recording 39,000 sq. ft. of positive absorption and remaining on pace to post a second consecutive year of occupancy growth. Vacancy and availability continued to trend downward as tenants absorbed existing space and renewed leases, limiting the amount of product returning to the market. Leasing activity remained robust, surpassing 700,000 sq. ft. for the quarter and highlighted by Fiserv’s 250,000 sq. ft. commitment in North Boca, the largest office lease signed in South Florida since 2020 and one of the largest office transactions ever recorded in the South Florida market.

In the CBD, demand for premium office space remains strong despite nearly 700,000 square feet of new supply delivered since 2020. Direct vacancy for Class A properties stands at 12.4%, while the Class A+ segment is slightly tighter at 11.7%. However, both figures are influenced by a large block of leased but not yet occupied space at 300 Banyan. Availability provides a more accurate measure of current market conditions, with Class A availability falling to 9.0% and Class A+ availability dropping to just 6.5%, highlighting the limited inventory of high-quality space available in the market.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



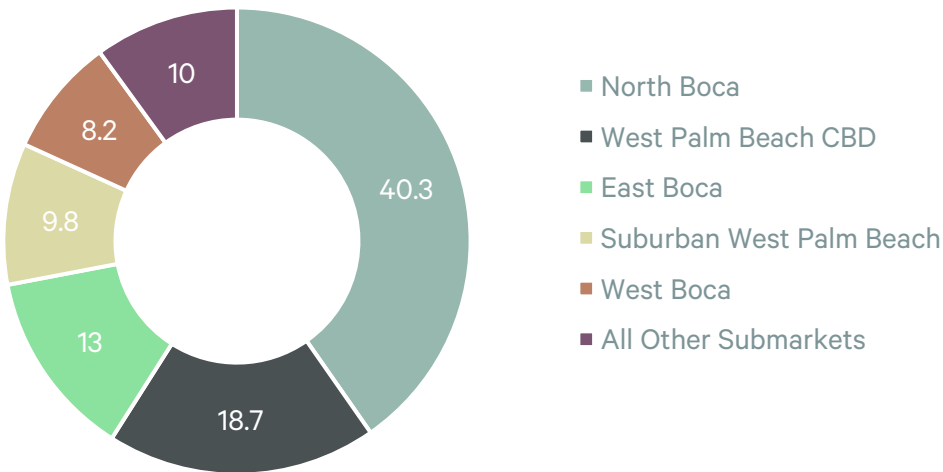
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Leasing Activity

In Q3 2026, total leasing activity reached 726,000 sq. ft., while 2026 year-to-date leasing volume totaled 1.8 million sq. ft. Quarter-over-quarter, activity increased from 666,000 sq. ft. in Q2 2026, a 9.0% gain. Year-over-year, leasing in the quarter declined from 1.1 million sq. ft. in Q3 2025, a 33.1% reduction from the elevated levels in Q3 2025.

Leasing activity in the quarter was highest in North Boca and West Palm Beach CBD, which recorded 293,000 sq. ft. and 136,000 sq. ft. of combined Class A and Class B leasing, respectively. Positive leasing also occurred in East Boca (95,000 sq. ft.), Suburban West Palm Beach (71,000 sq. ft.), West Boca (60,000 sq. ft.), Palm Beach Gardens (46,000 sq. ft.), Palm Beach (12,000 sq. ft.), Jupiter (11,000 sq. ft.), and Delray Beach (3,000 sq. ft.), underscoring the breadth of activity across the broader market.

Figure 3: Leasing by Submarket (% of Total Activity)



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Figure 2: Leasing Activity Trend



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Figure 4: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Fiserv	254,000	New Lease	4700 Exchange Ct	North Boca
RBC Capital Markets	16,000	Renewal	3801 Pga Blvd	Palm Beach Gardens
Esquire Law Services	13,000	Renewal	1645 Palm Beach Lakes Blvd	Suburban West Palm Beach
Zen Offices WPB	12,000	Renewal	1645 Palm Beach Lakes Blvd	Suburban West Palm Beach
Raymond James	11,000	Renewal	3399 Pga Blvd	Palm Beach Gardens

Source: CBRE Research, Q3 2026

Vacancy

In Q3 2026, overall vacancy in the West Palm Beach office market moved only modestly, with Class A and Class B space showing different but broadly stable trends. Class A overall vacancy edged up quarter-over-quarter, rising 60 basis points to 14.7%, while Class B vacancy decreased 30 bps to 14.6%. Year-over-year, vacancy improved for both quality tiers, as Class A overall vacancy was 120 bps lower and Class B vacancy was 40 bps lower than their Q3 2025 readings. Relative to Q3 2023, Class A vacancy was 10 bps lower, suggesting fairly steady conditions over the past three years, whereas Class B vacancy was 250 bps higher, pointing to a notable increase in empty mid-tier space over that longer horizon.

Net Absorption

In Q3 2026, the market recorded total net absorption of 39,000 sq. ft., reflecting modest net occupancy gains. Total net absorption of 39,000 sq. ft. this quarter, exceeding Q2 2026 on a quarter-over-quarter basis, rose from negative 8,000 sq. ft. as occupiers took more space than they returned. Year-over-year, net absorption of 39,000 sq. ft. this quarter was below the 86,000 sq. ft. recorded in Q3 2025, indicating softer net demand than in Q3 2025. Class A space contributed 13,000 sq. ft. of positive net absorption this quarter, while Class B space added 26,000 sq. ft. Within the market, Delray Beach and West Palm Beach CBD posted the strongest positive net absorption this quarter.

Figure 5: Vacancy Rates by Class



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Figure 6: Net Absorption Trend



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Asking Rent

In Q3 2026, asking rents were higher across the office market than five years ago, with strong pricing in both the overall inventory and Class A space. Overall average asking rent reached \$40.35 per sq. ft., 10.8% higher year-over-year and 0.4% lower quarter-over-quarter, up from \$28.37 per sq. ft. in Q3 2021. Class A average asking rent rose from \$32.04 per sq. ft. in Q3 2021 to \$46.66 per sq. ft., a 45.6% increase over the series and maintaining a clear premium to the overall market.

Submarket-level pricing in the latest quarter showed wide dispersion, with Palm Beach and West Palm Beach CBD posting the highest asking rents. Class B space in Palm Beach averaged \$89.40 per sq. ft., while Class A space in West Palm Beach CBD reached \$87.39 per sq. ft. and Class B space there commanded \$49.84 per sq. ft. Across the rest of the market, Class A asking rents ranged from \$26.50 per sq. ft. in Suburban West Palm Beach to \$60.00 per sq. ft. in Delray Beach, with West Boca at \$49.22 per sq. ft., Palm Beach Gardens at \$46.07 per sq. ft., North Boca at \$36.29 per sq. ft. and East Boca at \$42.44 per sq. ft. Class B rates were generally lower, from \$25.49 per sq. ft. in Suburban West Palm Beach, \$26.09 per sq. ft. in East Boca and \$27.43 per sq. ft. in Jupiter to \$31.13 per sq. ft. in Palm Beach Gardens, \$32.45 per sq. ft. in North Boca, \$33.39 per sq. ft. in West Boca and \$40.50 per sq. ft. in Delray Beach.

Construction Activity

Construction activity in Q3 2026 remained elevated, with the market reporting 1.7 million sq. ft. under construction and 79,000 sq. ft. of space delivered at Sundry Village in Delray this in the quarter, which also represented calendar year-to-date deliveries.

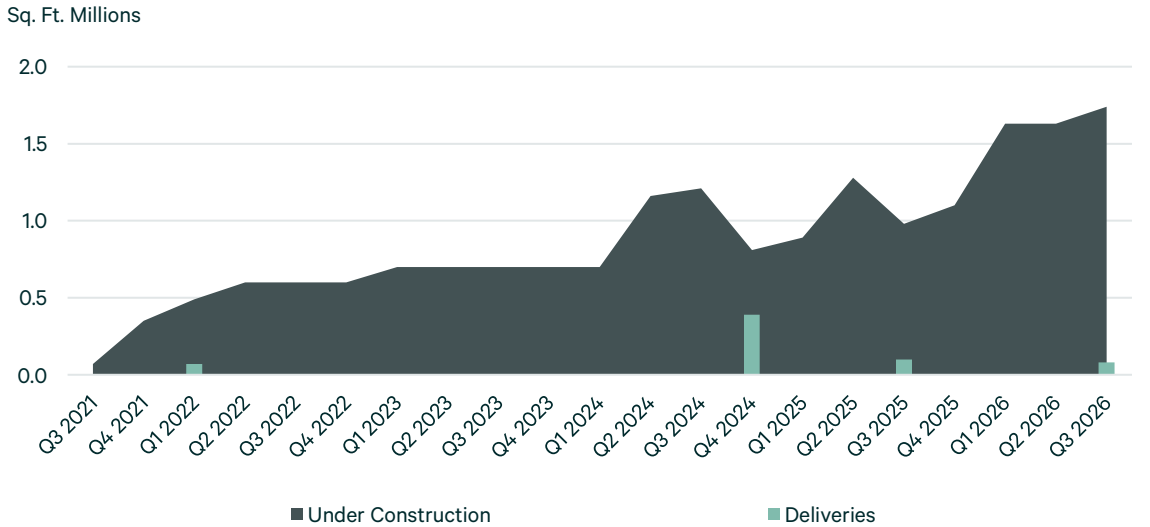
The West Palm Beach CBD accounted for the vast majority of the pipeline, with four general office projects totaling 1.6 million square feet currently under construction. One West Palm, a 200,000-square-foot building, is the first project expected to deliver, with completion anticipated by year-end 2026. Following that, 10 CityPlace and 15 CityPlace — two heavily preleased projects totaling approximately one million square feet — are both slated for late 2027 delivery. West Palm Point, at 392,000 square feet, rounds out the pipeline with an expected 2028 delivery.

Figure 7: Average Direct Asking Rate by Class



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Figure 8: Construction Activity



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Market Statistics by Class

Figure 9: Metro Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	12.15M	14.7	18.3	15.5	2.8	46.66	13,000	47,000	79,000	1.74M
Class B	9.71M	14.6	18.0	16.3	1.7	32.34	26,000	37,000	-	-
Total	21.86M	14.6	18.2	15.9	2.3	40.35	39,000	84,000	79,000	1.74M

Source: CBRE Research, Q3 2026

Market Statistics

Figure 10: Suburban Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	9.46M	14.9	20.5	17.4	3.1	40.73	11,000	78,000	79,000	192,000
Class B	8.60M	15.4	18.8	16.9	1.8	30.91	10,000	(6,000)	-	-
Total	18.06M	15.2	19.7	17.2	2.5	36.26	21,000	73,000	79,000	192,000

Source: CBRE Research, Q3 2026

Figure 11: Urban Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	2.69M	13.7	10.7	8.8	1.8	87.39	2,000	(32,000)	-	1.55M
Class B	1.11M	8.4	12.2	11.5	0.7	49.84	16,000	43,000	-	-
Total	3.80M	12.1	11.1	9.6	1.5	75.42	18,000	12,000	-	1.55M

Source: CBRE Research, Q3 2026

Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate	Class A Asking Rent (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Delray Beach	923,000	12.8	15.3	6.1	9.1	43.84	60.00	90,000	110,000	79,000	50,000
East Boca	2.48M	18.5	22.8	21.2	1.6	38.89	42.44	(1,000)	(77,000)	-	142,000
Jupiter	548,000	5.1	10.9	8.6	2.3	27.43	-	8,000	-	-	-
North Boca	5.41M	18.5	26.5	24.6	1.9	34.68	36.29	(54,000)	92,000	-	-
Palm Beach	970,000	4.7	2.4	2.0	0.4	89.40	-	1,000	(11,000)	-	-
Palm Beach Gardens	2.08M	7.5	11.2	9.4	1.8	43.91	46.07	11,000	(29,000)	-	-
Suburban West Palm Beach	2.34M	21.5	23.2	20.7	2.4	25.58	26.50	-	4,000	-	-
West Boca	3.32M	13.0	16.8	13.3	3.5	42.71	49.22	(34,000)	(15,000)	-	-
West Palm Beach CBD	3.80M	12.1	11.1	9.6	1.5	75.42	87.39	18,000	12,000	-	1.55M
Total	21.86M	14.6	18.2	15.9	2.3	40.35	46.66	39,000	84,000	79,000	1.74M

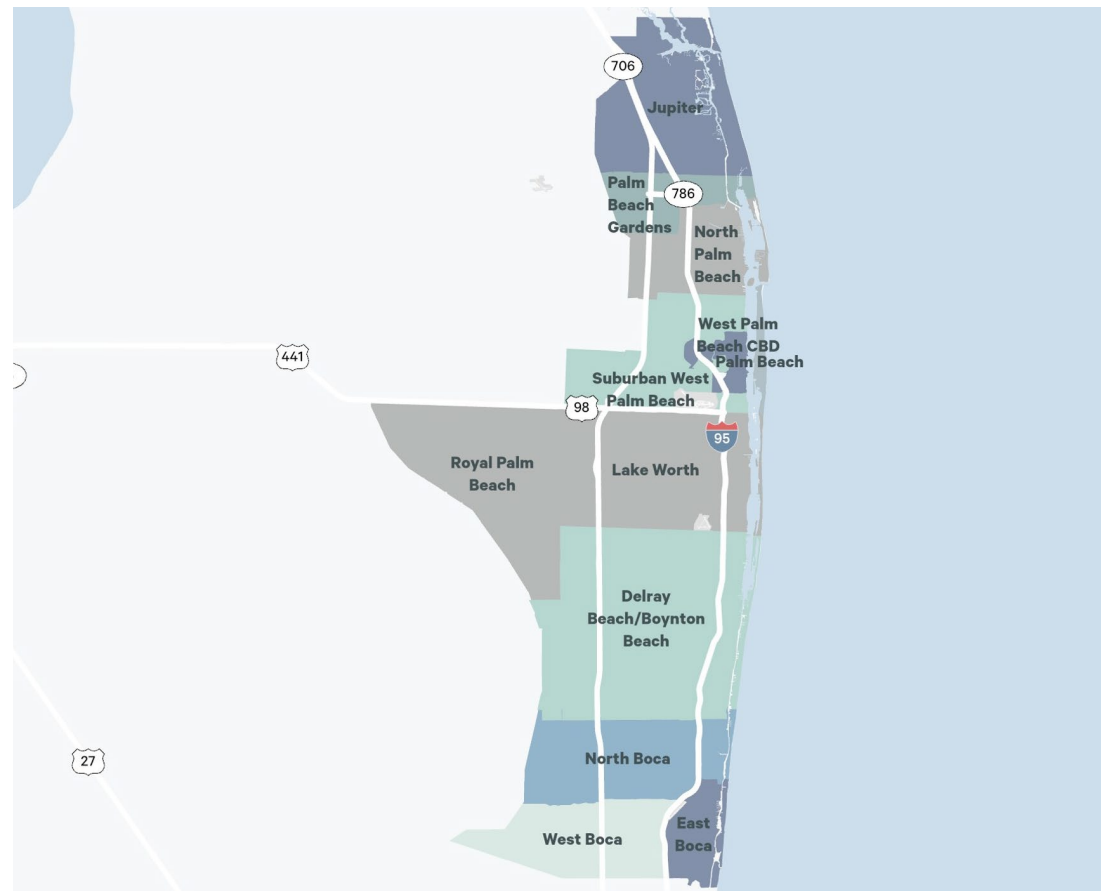
Source: CBRE Research, Q3 2026

Economic Overview

Notable challenges persist, from elevated energy costs and interest rates to lingering geopolitical and technological uncertainties. Despite these concerns, the U.S. economy remains on track to grow by over 2% during 2026, supported by impressive AI-driven business investment. Also, a generally stable labor market continues to underpin consumer activity, providing a cushion against other risks.

The final months of 2026 could prove pivotal. While economic growth supports healthy CRE occupier market fundamentals, the investment side of the market must contend with 5% Treasury yields. Signals from the Federal Reserve, inflation data, and global fixed-income markets suggest rates will remain elevated for the foreseeable future. A key upside catalyst would be a de-escalation in the U.S./Iran conflict, which could ease inflation and provide the Fed with more flexibility.

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days. Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

Survey Criteria

Includes all competitive Class A and Class B office buildings 30,000 sq. ft. and greater in size in Palm Beach County. Beginning Q1 2022, single tenant non-owner-occupied buildings have been added to the set and their inclusion is reflected historically in the data. Excludes: government and medical buildings..

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