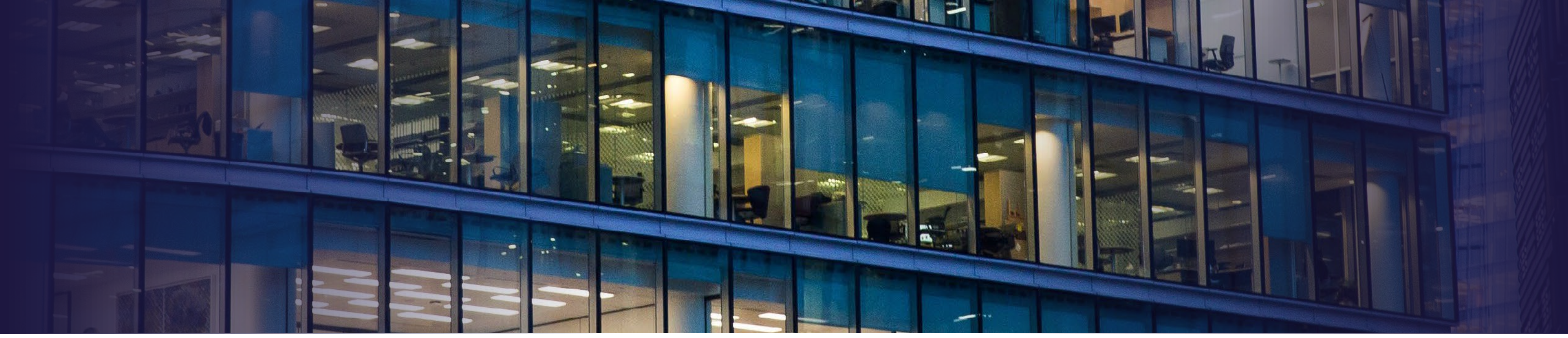
MARKETBEAT

PALM BEACH

OFFICE Q3 2025



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
13.5% Vacancy Rate	▲	▲
114K YTD Net Absorption, SF	▲	▲
$50.75 Asking Rent, PSF	▲	▼

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
709K Palm Beach County Employment	▲	▲
3.7% Palm Beach County Unemployment Rate	▲	▲
4.3% U.S. Unemployment Rate	▲	▲

Source:BLS

SUPPLY

Overall vacancy ticked up in Q3, rising 20 basis points (bps) quarter-over-quarter (QOQ) to 13.5%, driven by the delivery of the 90,903-square-foot (sf) Sundy Village project. Although partially occupied at completion, the added supply, along with the continued occupancy of the nearly fully leased One Flagler, kept vacancy just 10 bps below the post pandemic peak recorded during the construction delivery wave in Q4 2024. The new delivery pushed suburban vacancy up 40 bps QOQ to 13.5%, while CBD vacancy continued to decline, falling 70 bps QOQ and 300 bps since the deliveries of One Flagler and 300 Banyan. At quarter-end, more than 1.2 million square feet (msf) remained under construction, including the 210,000 sf One West Palm, slated for completion by year-end. 10 & 15 CityPlace continued to account for the majority of space underway in Palm Beach, with a surge of preleasing activity in both buildings helping drive a historic quarter for deal volume.

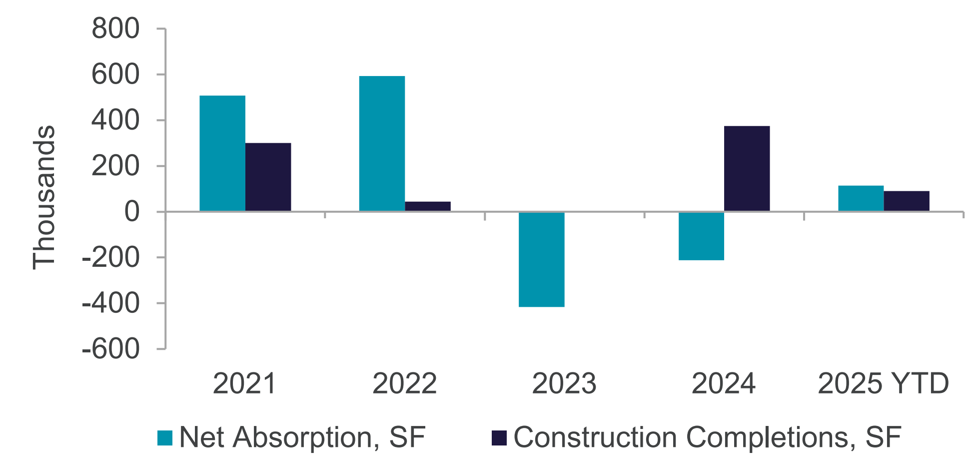
DEMAND

Third quarter new leasing activity totaled 690,511 sf, surpassing the previous market high set in Q3 2021. Preleasing at 10 & 15 CityPlace, including anchor tenants Cleveland Clinic (129,685 sf) and ServiceNow (202,929 sf), fueled deal volume and pushed year-to-date (YTD) leasing to nearly 1.4 msf, a 43.9% increase year-over-year (YOY). While preleasing momentum benefited the CBD, suburban submarkets also recorded YOY gains. Notably, the Boca Raton major market posted a 5.6% increase in deal activity, driven by leasing at BRIC and the former Office Depot headquarters. Overall absorption remained positive for the third consecutive quarter, bringing YTD net absorption over 113,000 sf. Class A space led occupancy growth, supported by Vertical Bridge's 43,815-sf relocation to Sundy Village and an additional 35,000 sf of occupancies at One Flagler. Despite 50,787 sf of move-outs in suburban Class B space, healthy activity in Downtown Class B product helped stabilize the segment.

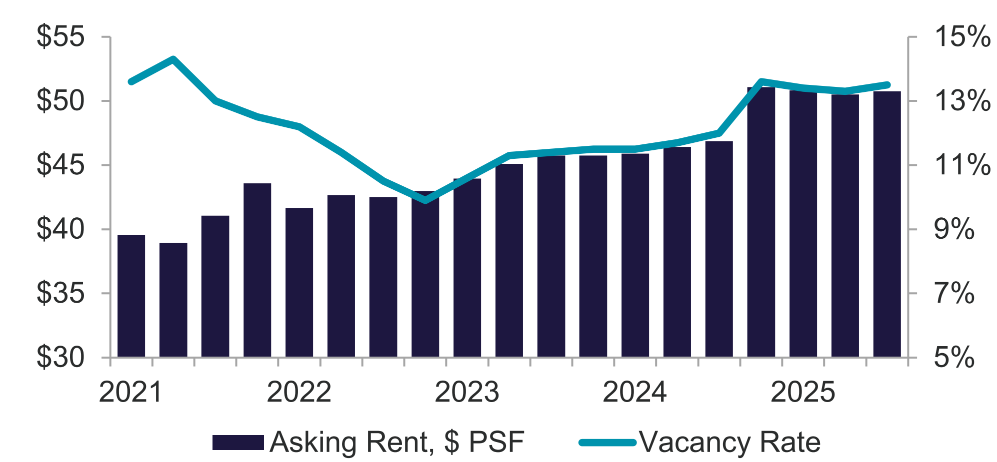
PRICING

Palm Beach County's overall average asking rate reached $50.75 per square foot (psf) at quarter end, an 8.3% increase YOY. The South Palm Beach submarket led growth, with rates jumping 21.9% QOQ and 31.2% YOY, driven by rent bumps associated with new Class A supply. In the CBD, average asking rents rose 2.4% from Q2 to $85.42 psf. While rents may trend downward in the short term as the remaining new product leases up and stabilizes, a limited supply of trophy space and continued strength in Class B Downtown rents, which climbed 22.2% YOY to $62.25 psf, are expected to keep any short-term declines modest.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)*	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)**	OVERALL AVG ASKING RENT (CLASS A)**
WEST PALM BEACH CBD	**3,954,766**	**490,803**	**43,239**	**13.5%**	**27,889**	**157,079**	**557,926**	**1,241,450**	**$85.42**	**$102.24**
SUBURBAN PALM BEACH	**19,802,254**	**2,502,264**	**167,828**	**13.5%**	**9,132**	**-43,253**	**799,021**	**0**	**$45.60**	**$52.29**
SUBURBAN WPB	**3,311,514**	**338,901**	**24,993**	**11.0%**	**-219**	**12,155**	**104,474**	**0**	**$40.77**	**$40.69**
Suburban West Palm Beach	2,726,510	326,152	24,993	12.9%	2,921	14,320	98,735	0	$39.79	$40.69
Palm Beach	585,004	12,749	0	2.2%	-3,140	-2,165	5,739	0	$84.47	N/A
NORTH PALM BEACH	**3,461,631**	**253,890**	**12,026**	**7.7%**	**-16,557**	**-31,364**	**164,644**	**0**	**$45.88**	**$61.37**
Palm Beach Gardens	2,655,910	230,927	12,026	9.1%	-14,439	-40,833	129,694	0	$46.47	$61.37
Jupiter/Tequesta/Juno	805,721	22,963	0	2.8%	-2,118	9,469	34,950	0	$40.46	N/A
SOUTH PALM BEACH	**1,825,504**	**123,155**	**0**	**6.7%**	**42,250**	**29,853**	**66,531**	**0**	**$49.09**	**$86.95**
Lake Worth	432,117	13,454	0	3.1%	-2,742	3,976	9,798	0	$33.30	$33.00
Boynton Beach	441,889	5,682	0	1.3%	1,780	1,700	9,312	0	$26.91	N/A
Delray beach	951,498	104,019	0	10.9%	43,212	24,177	47,421	0	$54.45	$91.79
BOCA RATON	**11,203,605**	**1,786,318**	**130,809**	**17.1%**	**-16,342**	**-53,897**	**463,372**	**0**	**$46.40**	**$52.23**
Glades Road	2,818,864	368,461	72,531	15.6%	3,407	-34,030	143,059	0	$57.83	$62.26
Federal Highway Corridor	1,212,142	151,619	0	12.5%	-514	688	28,724	0	$45.10	$44.60
Northwest Boca Raton	5,785,544	1,178,767	52,162	21.3%	-24,513	-48,243	235,954	0	$41.64	$44.40
Southwest Boca Raton	364,122	13,707	0	3.8%	0	-3,915	13,277	0	$40.78	N/A
Downtown Boca Raton	1,022,933	73,764	6,116	7.8%	5,278	31,603	42,358	0	$58.19	$58.95
PALM BEACH TOTALS	**23,757,020**	**2,993,067**	**211,067**	**13.5%**	**37,021**	**113,826**	**1,356,947**	**1,241,450**	**$50.75**	**$60.90**

**Renewals not included in leasing statistics **Rental rates reflect full service asking*

CLASS	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)*	UNDER CNSTR (SF)	DIRECT AVG ASKING RENT (ALL CLASSES)**	OVERALL AVG ASKING RENT (ALL CLASSES)**
Class A	10,715,252	1,487,848	131,608	15.1%	73,062	115,468	944,651	1,241,450	$60.82	$60.90
Class B	13,041,768	1,505,219	79,459	12.2%	-36,041	-1,642	412,296	0	$43.08	$42.93

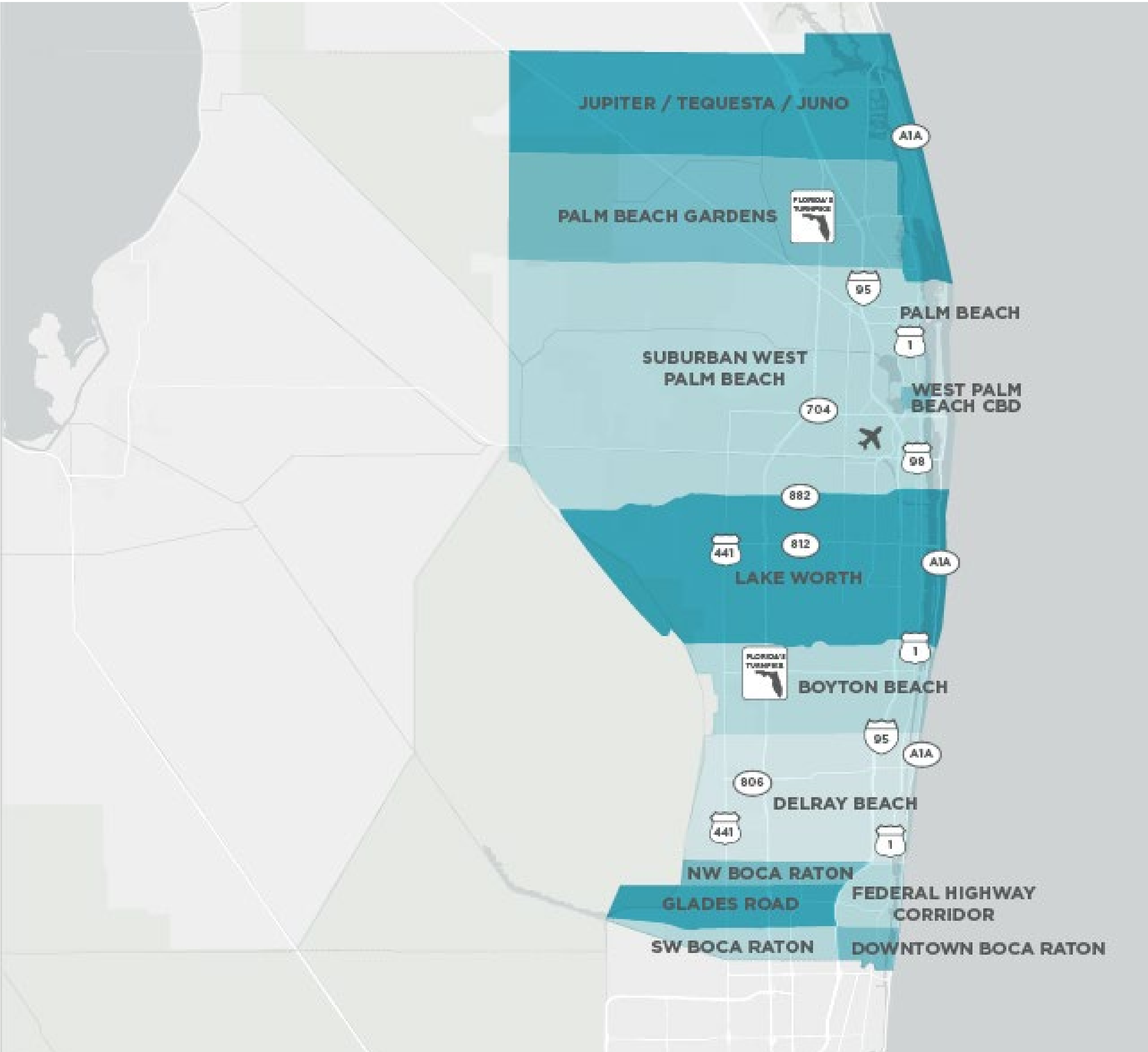
KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
10 City Pl	West Palm Beach CBD	ServiceNow	202,929	New
15 City Pl	West Palm Beach CBD	Cleveland Clinic	129,685	New
4700 Exchange Ct	Northwest Boca Raton	Modernizing Medicine	127,821	Renewal*
6600 Military Trail	Northwest Boca Raton	The Law Office of Kanner & Pintaluga	77,699	New
15 City Pl	West Palm Beach CBD	Related	53,378	New

KEY SALE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
1200 N Federal Highway	Federal Highway Corridor	Keystone Property Group | Casselberry Corporate Center LLC	137,021	$31.4M | $229
2655 N Ocean Drive	Suburban West Palm Beach	2655 NEXT GENERATION LLC | George R Johnnides	46,465	$7.5M | $161

OFFICE SUBMARKETS



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