

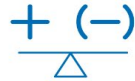
PALM BEACH

OFFICE MARKET | Q2 2025



31.0M

Inventory SF



30.4K

Net Absorption SF



10.2%

Direct Vacant Available Rate



18.4%

Total Availability



1.2M

Under Construction SF



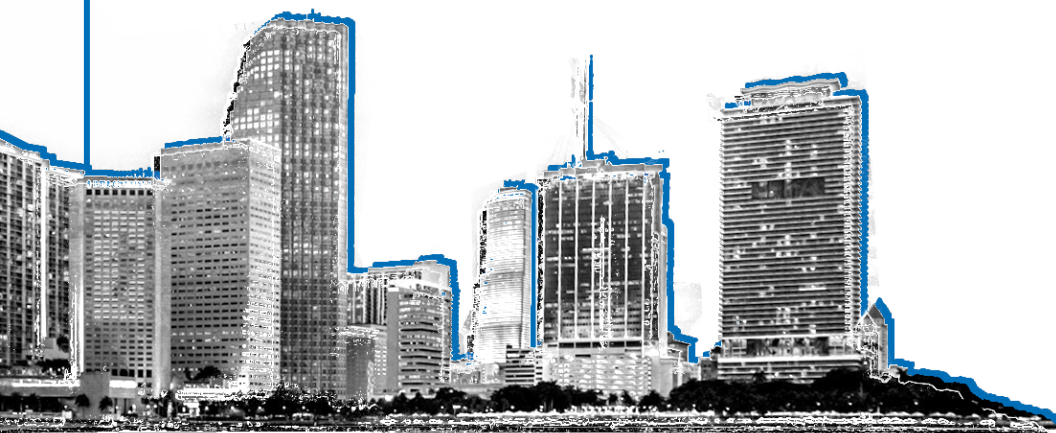
\$49.77

Asking Rent PSF

Palm Beach Bounces Back with Solid Second Quarter

Market Observations

- Vacancy and availability both fell in Q2 after sharp increases over the last year. Q1 of 2025 saw Palm Beach reach its highest vacancy rate since Q2 of 2021, while availability hit a high-water mark of 18.7% last seen in 2014. Three substantial subleases were inked in Q2 that lowered the availability rate, including Equity Land Title taking 21,160 SF at 525 Okeechobee Blvd in West Palm Beach.
- Net absorption totaled 30,407 SF in Q2 2025, a reversal from Q1 which saw a loss of 116,787 SF. Boca Raton and West Palm Beach were the best-performing submarkets in Q2, with positive absorption of 42,981 SF and 13,221 SF respectively. Over the past four quarters, West Palm Beach has led the market with a gain of 299,271 SF. Delray Beach and North Palm Beach are the only other submarkets with positive absorption year-over-year.
- Full-service rents averaged \$49.77 PSF in Q2 2025, up from \$49.11 PSF last quarter and \$48.31 PSF year-over-year. Jupiter has seen the largest rise in asking rents, with an 18.4% increase over the past four quarters.
- The construction pipeline was unchanged in Q2, with the two major Q1 groundbreakings still occupying the headlines. Located in the West Palm Beach submarket, 10 and 15 CityPlace are a combined 959,000 SF. The development from The Related Companies is slated for a 2028 completion.

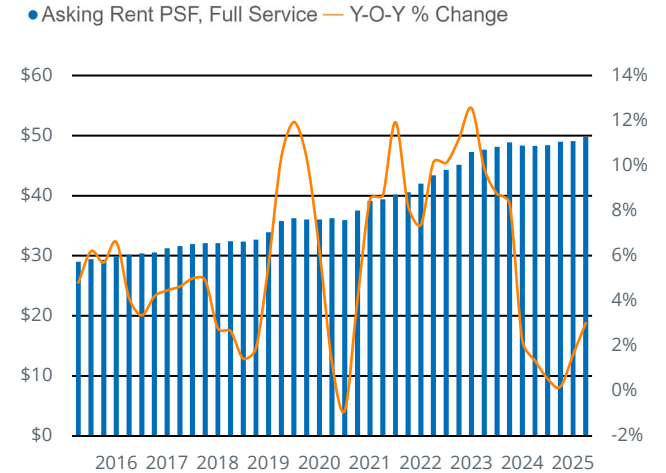




PALM BEACH OFFICE MARKET | Q2 2025

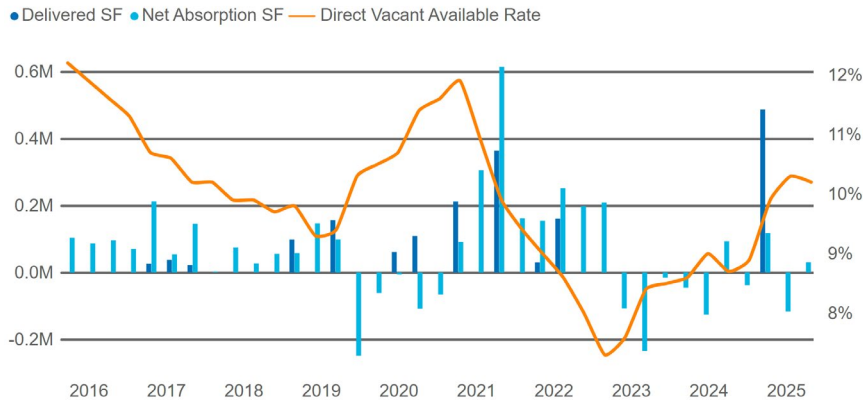
- Palm Beach's **direct vacant available rate** fell 10 basis points in Q2 of 2025 to 10.2%. This decrease is on the heels of three-consecutive quarters that saw the market's vacancy rise, an overall increase from 8.7% to 10.3%.
- Palm Beach saw positive **net absorption** of 30,407 SF in Q2 of 2025. Year-over-year has been effectively flat, with a slight negative absorption of 7,106 SF.
- **Full-service asking rents** in the Palm Beach market averaged \$49.77 PSF this quarter, a 3.0% increase year-over-year. The Palm Beach submarket boasts some of the highest rental rates in Florida, with an average asking rent of \$108.57 PSF.
- There are currently three buildings totaling 1,169,000 SF **under construction** in Palm Beach, all located in the West Palm Beach submarket. One West Palm at 550 N Quadrille Blvd is set to deliver in Q4 of 2025, while the other two new builds will not be completed until 2028.

ASKING RENT



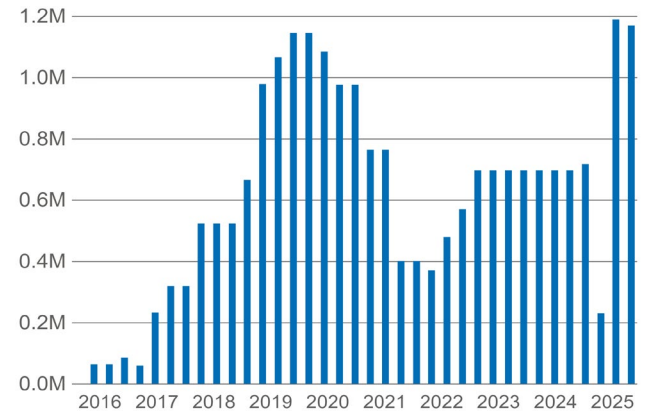
Source: CoStar, Transwestern

DELIVERY IMPACT ON KEY INDICATORS



Source: CoStar, Transwestern

UNDER CONSTRUCTION



Source: CoStar, Transwestern



PALM BEACH OFFICE MARKET | Q2 2025

OFFICE MARKET INDICATORS - ALL SPACE

MARKET	INVENTORY	DIRECT VACANT AVAILABLE SF	DIRECT VACANT AVAILABLE RATE	TOTAL AVAILABILITY RATE	UNDER CONSTRUCTION SF	QUARTERLY NET ABSORPTION SF	Y-O-Y NET ABSORPTION SF	ASKING RENT PSF, FULL SERVICE
Boca Raton	12,934,672	1,693,566	13.1%	21.8%	0	42,981	(313,632)	\$51.00
Boynton/Lantana	800,194	11,290	1.4%	1.7%	0	(875)	(5,483)	\$32.94
Delray Beach	1,515,404	125,179	8.3%	10.8%	0	(11,565)	59,478	\$41.57
Jupiter	925,910	59,616	6.4%	9.3%	0	(1,379)	(6,545)	\$41.96
North Palm Beach	3,787,508	331,276	8.7%	14.8%	0	(3,792)	4,113	\$40.57
Palm Beach	695,670	46,177	6.6%	9.5%	0	674	(22,364)	\$108.57
Palm Bch Cty Outlying	354,063	26,702	7.5%	16.6%	0	(6,129)	(19,907)	\$48.37
Palm Springs/Lake Worth	108,909	1,135	1.0%	1.0%	0	0	(1,135)	\$28.38
Royal Palm Bch/Wellington	631,645	5,950	0.9%	0.9%	0	(2,729)	(902)	\$54.85
West Palm Beach	9,233,705	854,519	9.3%	20.6%	1,169,000	13,221	299,271	\$51.38
Total	30,987,680	3,155,410	10.2%	18.4%	1,169,000	30,407	(7,106)	\$49.77

Source: CoStar, Transwestern



Research Methodology

The information in this report is the result of a compilation of information on key for lease office properties located in the Palm Beach metropolitan area. We compile our quarterly statistics based on a defined inventory of Class A and B office buildings of 20,000 SF or more in size and excluding all medical, government, owner-occupied and office condo buildings.

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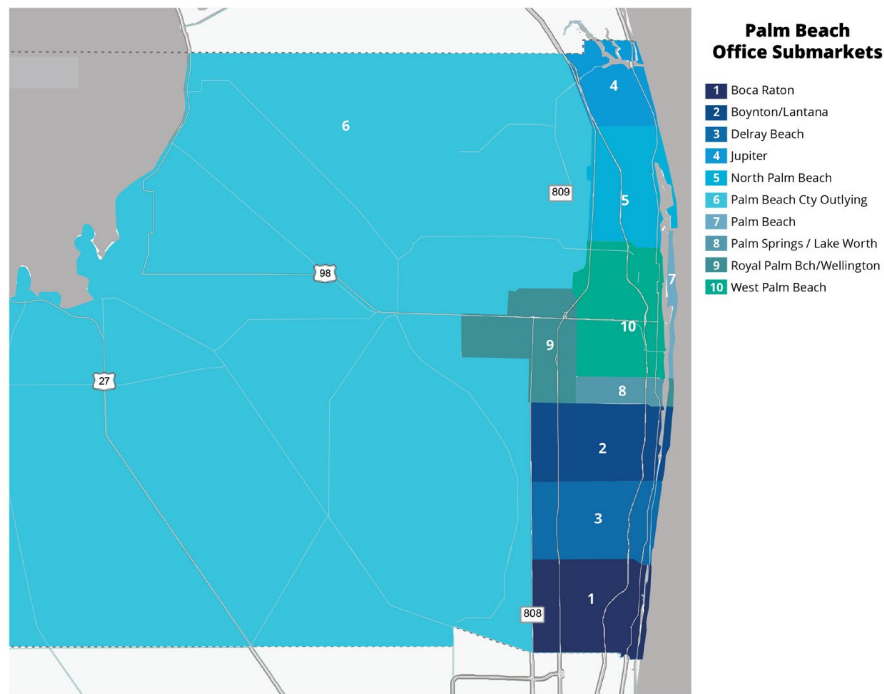
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