

MARKET FUNDAMENTALS

	YOY Chg	Outlook
11.6% Vacancy Rate	▼	▲
279K YTD Net Absorption, SF	▲	▲
\$58.05 Asking Rent, PSF (Overall, All Property Classes)	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
706K Palm Beach County Employment*	▲	▲
4.6% Palm Beach County Unemployment Rate*	▲	▲
4.2% U.S. Unemployment Rate Source: BLS	▼	▲

SUPPLY

Overall vacancy stood at 11.6% at quarter-end, down 100 basis points (bps) year-over-year (YOY) and the lowest level in two years. Both Class A and Class B vacancy declined YOY, with the Class A improvement concentrated in the Central Business District (CBD), while all of Class B's decline came from the suburban submarkets. Overall CBD vacancy followed the broader trend, falling 110 bps YOY to 12.2%, its lowest level since One Flagler and 300 Banyan delivered at year-end 2024. With both buildings now fully leased, true submarket vacancy is closer to 8.5%. Palm Beach County's development pipeline rose to almost 1.7 million square feet (msf), with the start of The Modern, a 200,000-sf building slated for late 2027 delivery. Upcoming deliveries, led by the long-awaited One West Palm, are expected to bring much-needed relief to Florida's tightest office market.

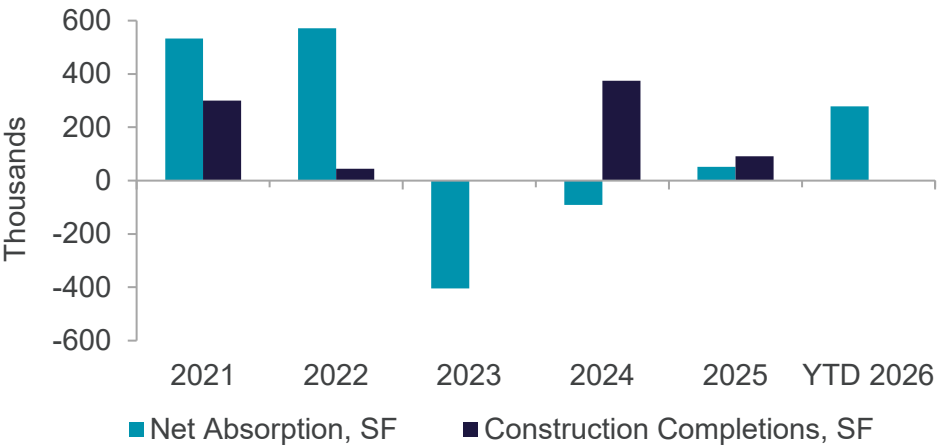
DEMAND

Overall leasing activity totaled nearly 1.2 msf through the third quarter, down slightly YOY. Q3 accounted for almost 508,000 sf of that total, the second-highest quarterly volume in the last three years, behind only the record set in Q3 2025. Northwest Boca Raton has captured roughly 36.0% of 2026 deal activity, led by Fiserv Solutions' 254,000-sf lease at BRIC, the largest in the county since 2023. Downtown has also been a key contributor, generating nearly 290,000 sf of YTD deal volume, supported by almost 75,000 sf of preleasing at 15 CityPlace in Q3 alone. Absorption remained positive for the third consecutive quarter, bringing YTD net absorption to nearly 279,000 sf. The CBD continued to benefit from the steady lease-up and occupancy of its trophy product, with Wells Fargo's 20,290-sf move-in the latest at One Flagler.

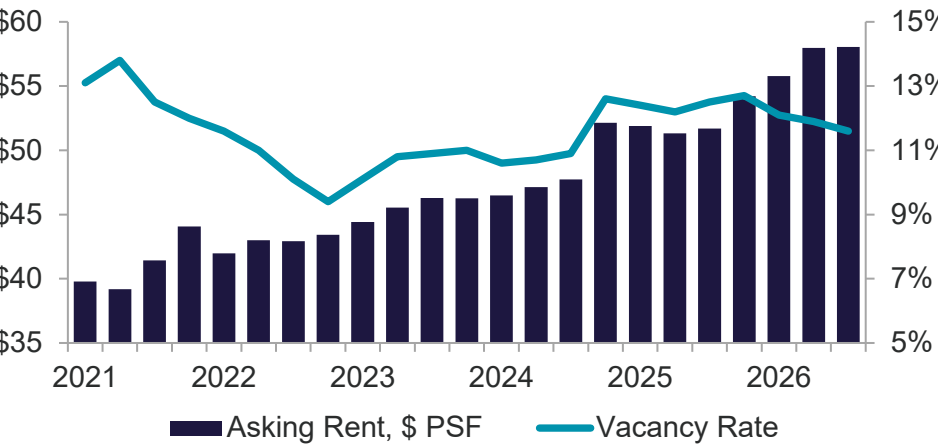
PRICING

Palm Beach County's overall average asking rental rate stood at \$58.05 per square foot (psf) at the end of Q3, up 12.3% YOY. CBD rents fell 3.0% quarter-over-quarter, as the continued lease-up of the submarket's premium-priced space pulled down the average. Despite the dip, the CBD's rate reached \$98.13 psf, up 15.4% YOY, with Class A at \$117.77 psf, up 15.3%. Suburban submarkets also posted double-digit rent growth, with rents averaging \$51.63 psf, an 11.2% increase. Landlords are expected to retain their pricing power, though asking rates may fluctuate quarter to quarter with the availability of trophy space. New supply beginning next quarter should further support overall market rents.

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	451,487	32,296	12.2%	14,082	49,288	289,569	1,241,450	\$98.13	\$117.77
SUBURBAN PALM BEACH	19,802,254	2,141,958	121,640	11.4%	60,570	229,452	869,136	453,694	\$51.63	\$57.63
SUBURBAN WPB	3,311,514	359,379	16,200	11.3%	18,409	9,681	109,380	0	\$42.26	\$42.71
Suburban West Palm Beach	2,726,510	332,042	8,600	12.5%	17,403	33,175	103,637	0	\$39.38	\$42.71
Palm Beach	585,004	27,337	7,600	6.0%	1,006	-23,494	5,743	0	\$113.55	N/A
NORTH PALM BEACH	3,461,631	222,210	19,680	7.0%	20,520	38,257	88,648	200,000	\$54.45	\$66.00
Palm Beach Gardens	2,655,910	203,311	12,443	8.1%	21,566	38,753	67,984	200,000	\$55.36	\$66.00
Jupiter/Tequesta/Juno	805,721	18,899	7,237	3.2%	-1,046	-496	20,664	0	\$46.69	N/A
SOUTH PALM BEACH	1,825,504	85,174	10,892	5.3%	-4,170	14,142	38,755	131,217	\$55.45	\$96.78
Lake Worth	432,117	3,300	0	0.8%	-1,600	1,924	6,764	0	N/A	N/A
Boynton Beach	441,889	8,202	0	1.9%	-665	1,808	5,682	0	\$29.00	N/A
Delray Beach	951,498	73,672	10,892	8.9%	-1,905	10,410	26,309	131,217	\$60.37	\$96.78
BOCA RATON	11,203,605	1,475,195	74,868	13.8%	25,811	167,372	632,353	122,477	\$53.07	\$57.47
Glades Road	2,818,864	290,207	49,022	12.0%	4,621	67,882	128,740	0	\$65.12	\$66.38
Federal Highway Corridor	1,212,142	122,532	0	10.1%	3,119	15,076	56,999	122,477	\$45.70	\$45.43
Northwest Boca Raton	5,785,544	882,090	11,923	15.5%	19,200	174,352	412,062	0	\$45.59	\$44.70
Southwest Boca Raton	364,122	4,131	0	1.1%	6,904	8,917	13,938	0	\$40.21	N/A
Downtown Boca Raton	1,022,933	176,235	13,923	18.6%	-8,033	-98,855	20,614	0	\$69.62	\$70.37
PALM BEACH TOTALS	23,757,020	2,593,445	153,936	11.6%	74,652	278,740	1,158,705	1,695,144	\$58.05	\$67.58

*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	1,416,623	97,825	14.1%	16,487	111,605	732,033	1,695,144	\$68.29	\$67.58
Class B	13,041,768	1,176,822	56,111	9.5%	58,165	167,135	426,672	0	\$48.45	\$48.21

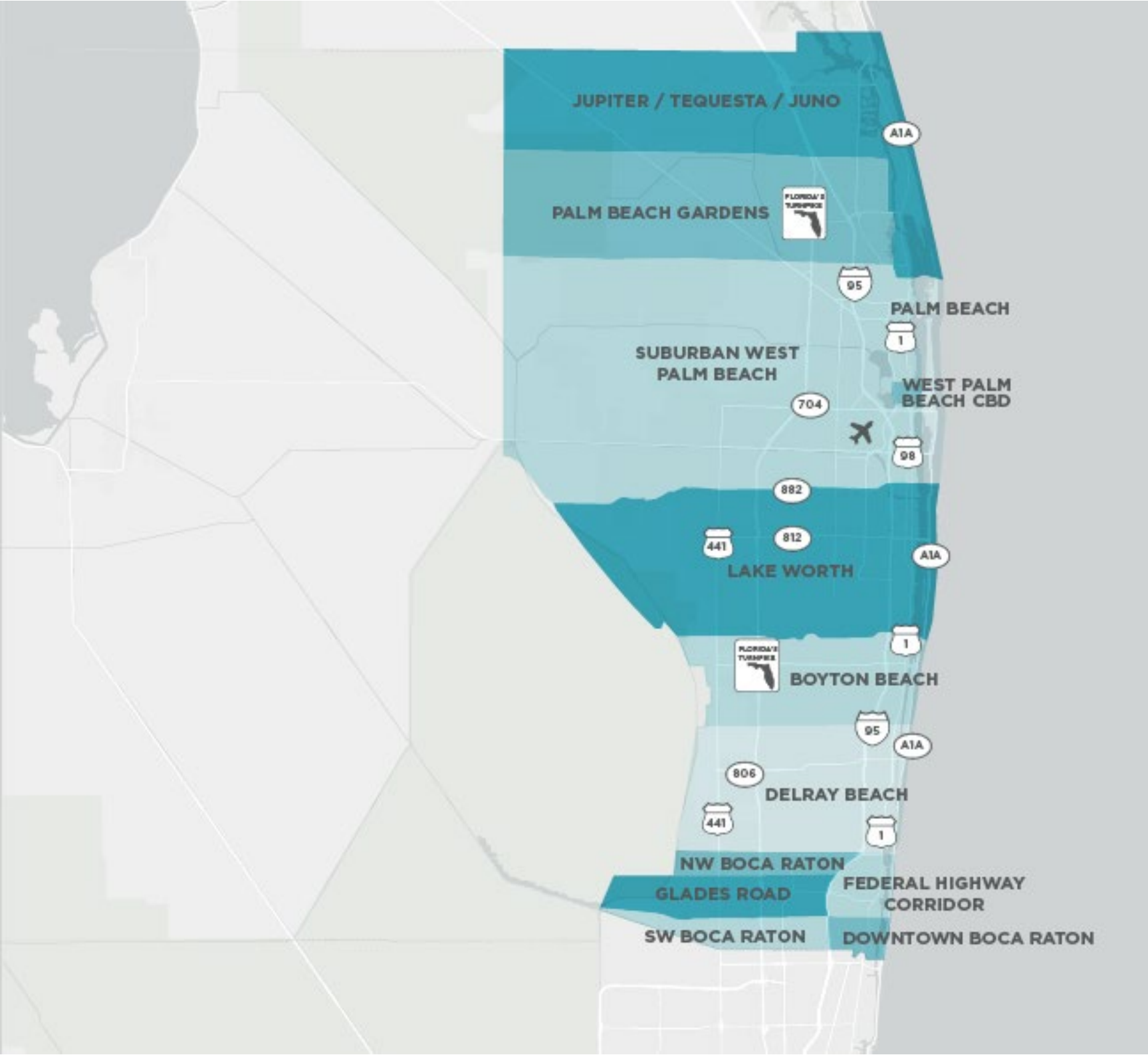
KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
4700 Exchange Ct	Northwest Boca Raton	Fiserv Solutions, LLCttt	254,269	New
15 City PI	West Palm Beach CBD	CDM Smith	25,485	New
15 City PI	West Palm Beach CBD	Greenberg Traurig	25,000	New
525 Okeechobee Boulevard	West Palm Beach CBD	ServiceNow, Inc.	21,160	New

KEY SALE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
Boca Raton Innovation Campus	Northwest Boca Raton	DRA Advisors Related Ross	1,781,645	Undisclosed
5355 Town Center Road	Glades Road	CP Group Thor Equities	152,400	\$62.0M \$407
125 Worth Ave	Palm Beach	Citadel Blackstone	50,017	\$86.0M \$1,719

OFFICE SUBMARKETS



CONNOR SALZMAN
Senior Research Analyst
Tel: +1 954 892 7000
Connor.Salzman@cushwake.com

ERIC MESSER
Director of Research
Florida & Texas
Tel: +1 954 377 0519
Eric.Messer@cushwake.com

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