



YoY  
Chg

12-Mo.  
Forecast

**11.6%**

Vacancy Rate

**-366K**

YTD Net Absorption, SF

**\$45.75**

Asking Rent, PSF



(Overall, All Property Classes)

#### ECONOMIC INDICATORS Q3 2023

YoY  
Chg

12-Mo.  
Forecast

**681K**Palm Beach County  
Employment**2.7%**Palm Beach County  
Unemployment Rate**3.7%**U.S.  
Unemployment Rate

Source: BLS

#### ECONOMY

The unemployment rate in Palm Beach County was 2.7% in Q3 2023, on par with unemployment a year ago. Nonagricultural employment was 681,300, a 1.4% increase year-over-year (YOY) or 9,300 jobs added. Office-using employment including professional and business services, financial activities, and information had a combined decrease of 3,700 jobs in the last 12 months. The government, education and health services, and trade, transportation, and utilities sectors added the most jobs in Palm Beach.

#### SUPPLY

Overall vacancy was 11.6% at the end of the third quarter, up slightly from the previous quarter and 100 basis points (bps) YOY. Class A vacancy was 12.0%, up 190 bps YOY, but just 20 bps from last quarter. Class B product remained at 11.2%, on par with the previous quarter's vacancy. Palm Beach had no projects complete, but multiple deliveries are expected heading into early next year which will offer new Class A space in the market.

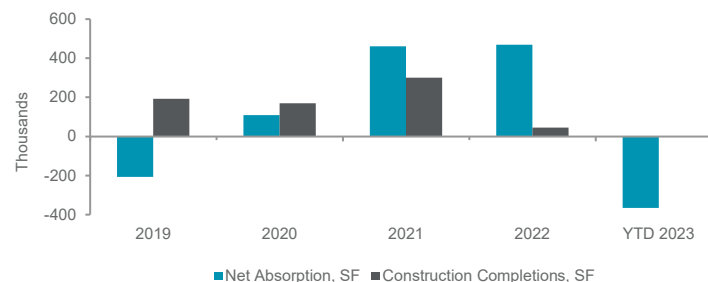
#### DEMAND

Palm Beach County year-to-date (YTD) leasing activity totaled 1.0 million square feet (msf), down 37.6% from 2022. New deal activity leveled off toward the five-year market average after record activity in the previous two years. The largest Q3 leases included the 63,570-square-foot (sf) renewal/expansion of Cole, Scott & Kissane and the 32,601-sf renewal of the Office of Attorney General, both in the markets Central Business District (CBD). Net occupancy losses persisted in Palm Beach County with -365,637 sf of net absorption YTD. Quarterly supply just outweighed demand, with Q3 ending at -27,684 sf. The move-outs of Cross County Healthcare for 26,230 sf and Regus for 17,613 sf swung third quarter absorption negative.

#### MARKET PRICING

Overall asking rents rose to \$45.75 per square foot (psf) full-service gross, up 6.7% YOY. Class A product recorded a 3.4% increase in the same period, finishing Q3 at \$52.83 psf. CBD overall rates rose to \$63.74 psf while Class A product in the submarket reached \$77.29 psf. Suburban rents increased to \$42.25 psf, a new market high, and Q3 marked the second straight quarter with non-CBD rates over the \$42.00 psf mark.

#### SPACE DEMAND / DELIVERIES



#### OVERALL VACANCY & ASKING RENT



## Palm Beach

Office Q3 2023



CUSHMAN &amp; WAKEFIELD

## MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION**	YTD OVERALL 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	3,756,079	387,010	62,619	12.0%	-9,041	-51,537	100,070	585,007	\$63.74	\$77.29
Suburban Palm Beach County	19,416,932	1,947,366	284,623	11.5%	-18,643	-314,100	934,115	90,903	\$42.25	\$48.39
SUBURBAN WPB	3,311,514	372,659	8,464	11.5%	-11,790	-33,178	128,359	0	\$36.32	\$37.73
Suburban West Palm Beach	2,726,510	359,844	8,464	13.5%	-9,961	-32,849	123,873	0	\$34.61	\$37.73
Palm Beach	585,004	12,815	0	2.2%	-1,829	-329	4,486	0	\$81.40	N/A
NORTH PALM BEACH	3,461,631	317,265	7,827	9.4%	-1,784	39,276	177,960	0	\$42.07	\$50.40
Palm Beach Gardens/North Palm Beach	2,655,910	258,130	7,827	10.0%	-1,444	28,915	138,532	0	\$42.86	\$53.50
Jupiter/Tequesta/Juno	805,721	59,135	0	7.3%	-340	10,361	39,428	0	\$38.53	\$41.99
SOUTH PALM BEACH	1,734,601	58,541	11,447	4.0%	7,351	-19,550	38,359	90,903	\$29.05	N/A
Lake Worth	432,117	18,650	0	4.3%	-3,169	-11,546	3,496	0	\$28.58	N/A
Boynton Beach	441,889	4,031	0	0.9%	7,144	20,284	22,628	0	\$23.30	N/A
Delray Beach	860,595	35,860	11,447	5.5%	3,376	-28,288	12,235	90,903	\$29.96	N/A
BOCA RATON	10,909,186	1,198,901	256,885	13.3%	-12,420	-300,648	589,437	0	\$44.31	\$49.83
Glades Road	2,818,864	259,954	111,290	13.2%	6,174	-83,565	85,711	0	\$54.04	\$56.08
Federal Highway Corridor	1,212,142	44,606	7,972	4.3%	9,571	7,280	26,242	0	\$41.22	\$38.81
Northwest Boca Raton	5,491,125	764,594	110,216	15.9%	-21,809	-220,928	419,945	0	\$39.21	\$45.28
Southwest Boca Raton	364,122	11,507	0	3.2%	4,850	4,471	24,482	0	\$35.93	\$39.45
Downtown Boca Raton	1,022,933	118,240	27,407	14.2%	-11,206	-7,906	33,057	0	\$53.83	\$47.65
<b>PALM BEACH TOTALS</b>	<b>23,173,011</b>	<b>2,334,376</b>	<b>347,242</b>	<b>11.6%</b>	<b>-27,684</b>	<b>-365,637</b>	<b>1,034,185</b>	<b>675,910</b>	<b>\$45.75</b>	<b>\$52.83</b>

Starting in Q1 2022, office statistics for Miami-Dade, Broward, and Palm Beach counties no longer include Class C assets.

\*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 CONSTRUCTION (SF)	DIRECT AVG ASKING RENT	OVERALL AVG ASKING RENT
CLASS A	10,131,243	1,040,349	179,506	12.0%	-25,332	-289,234	635,933	675,910	\$52.83	\$52.83
CLASS B	13,041,768	1,294,027	167,736	11.2%	-2,352	-76,403	398,252	0	\$40.11	\$39.65
<b>PALM BEACH TOTALS</b>	<b>23,173,011</b>	<b>2,334,376</b>	<b>347,242</b>	<b>11.6%</b>	<b>-27,684</b>	<b>(365,637)</b>	<b>1,034,185</b>	<b>675,910</b>	<b>\$45.67</b>	<b>\$45.75</b>

## Key Lease Transactions Q3 2023

PROPERTY	SUBMARKET	TENANT	SF	TYPE
222 Lakeview Ave	West Palm Beach CBD	Cole, Scott & Kissane	63,570	Renewal/Expansion
1515 N Flagler Dr	West Palm Beach CBD	State of Florida Office of the Attorney General	32,215	Renewal
2751 S Dixie Highway	West Palm Beach CBD	Palm Beach Atlantic University	17,929	New Lease

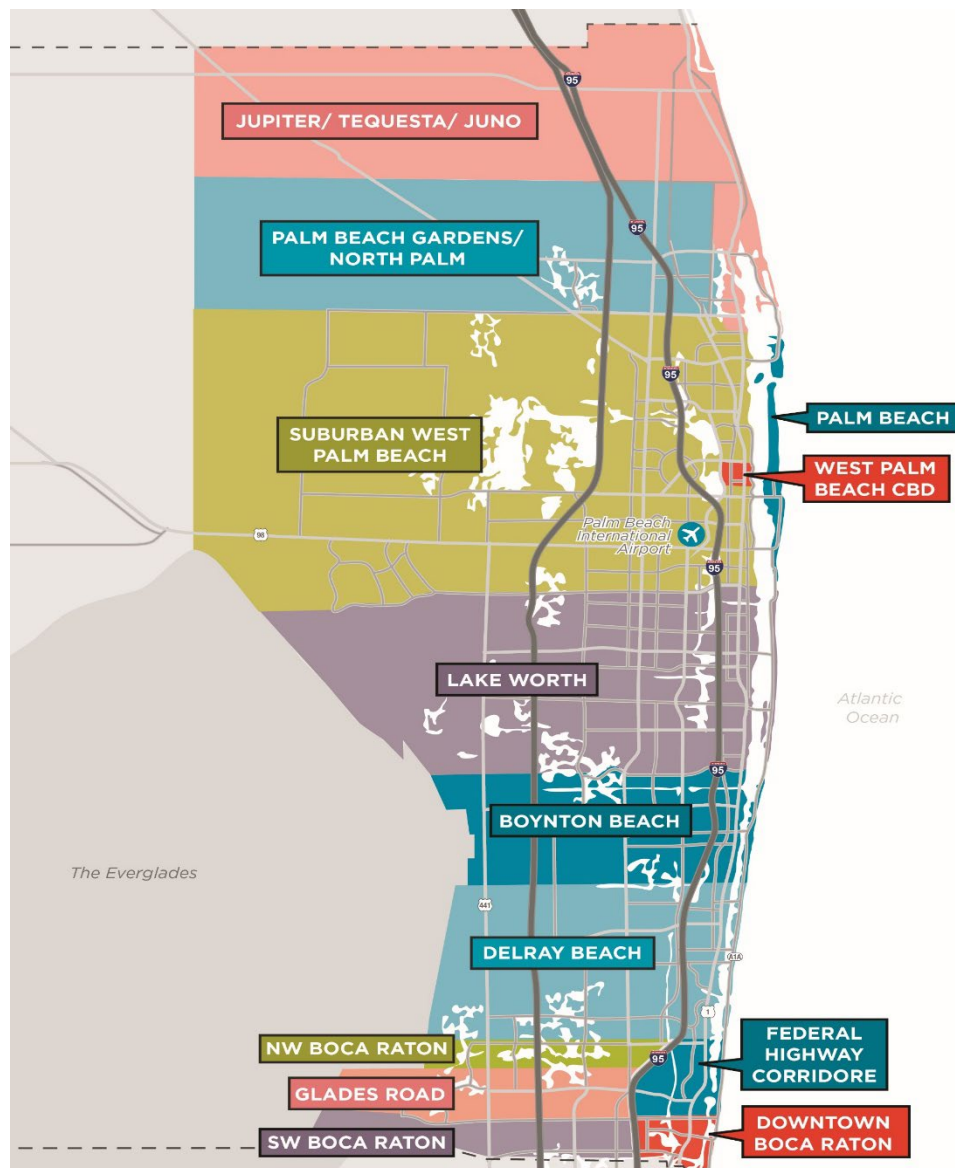


# Palm Beach

Office Q3 2023

**CUSHMAN &  
WAKEFIELD**

## OFFICE SUBMARKETS

**Connor Salzman***Research Analyst*

Tel: +1 954 892 7000

[connor.salzman@cushwake.com](mailto:connor.salzman@cushwake.com)**Eric Messer***Senior Research Manager*

Tel: +1 954 377 0519

[eric.messer@cushwake.com](mailto:eric.messer@cushwake.com)**A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION**

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