

## ECONOMY

The unemployment rate in Palm Beach County was 3.4% at quarter end, up 30 basis points (bps) from Q3 2023. This was still 70 bps lower than the 4.1% national rate, while nonfarm employment increased 1.4% year-over-year (YOY) with 9,500 jobs added.

## SUPPLY

Overall vacancy ended Q3 at 12.5%, stable quarter-over-quarter (QOQ) after rising for six consecutive quarters from its five-year low. Despite a modest 30-bp increase YOY, Palm Beach continued to boast the lowest rate in Florida. The market's Central Business District (CBD) had vacancy decrease 120 bps YOY, while vacant space in the suburban submarkets increased, including Newell and NCCI move-outs, causing market vacancy to rise. No construction completions occurred in Q3, with 300 Banyan, One Flagler, and Phase I of the Sundy Village projects expected to complete by year end. While all three projects had strong preleasing with only 51.5% remaining available, the expected completions in Q4 will push vacancy upward heading into 2025.

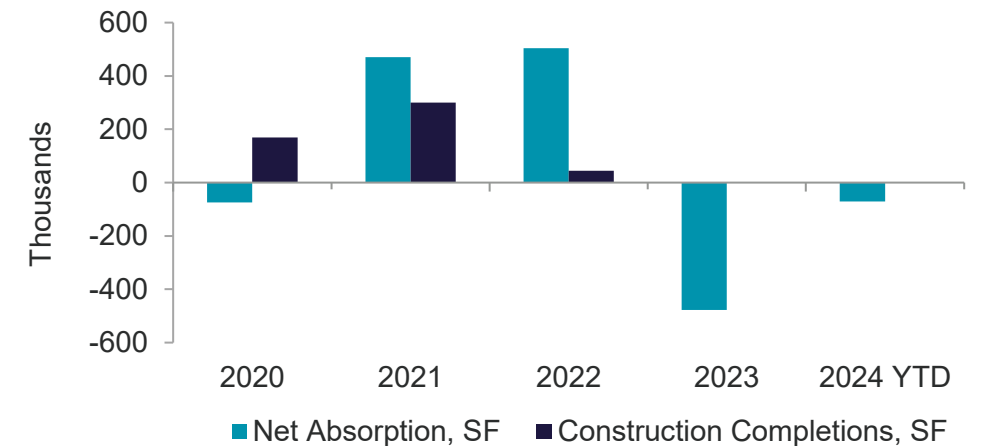
## DEMAND

Leasing activity in Palm Beach totaled nearly 867,000 square feet (sf) at quarter close, down 25.1% from one year ago. Although the suburban submarkets experienced a 34.0% YOY decrease, new deal activity in the CBD was up 64.4%, with preleasing at 300 Banyan and One Flagler driving demand. Overall quarterly net absorption was slightly in the red as GeoSyntech's 50,794-sf occupancy at Boca Colonade was offset by NCCI -90,000 sf partial building vacancy at 901 Peninsula Corporate Center. With over 200,000 sf of preleased space set to be completed next quarter, the market's YTD absorption is expected to trend positive.

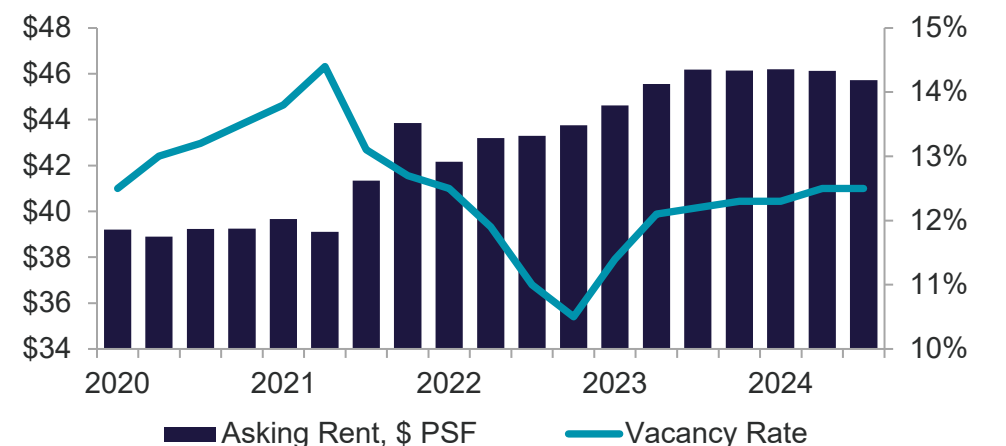
## PRICING

The overall average asking rate was \$45.72 psf, down 1.0% from a year ago. Despite the slowdown, Palm Beach trailed only Miami in overall asking rates. Asking rates in Palm Beach peaked in Q1 2024 and have decreased modestly for three straight quarters. A combination of landlords decreasing rents and a rise in second-tier product have caused rates to stagnate. With 300 Banyan and One Flagler completing next quarter, average rates could rebound at year-end.

## SPACE DEMAND / DELIVERIES



## OVERALL VACANCY & ASKING RENT



Source: (Add 3<sup>rd</sup> party data source if applicable)

## MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
<b>12.5%</b> Vacancy Rate	▲	▲
<b>-70,853</b> YTD Net Absorption, SF	▲	▲
<b>\$45.72</b> Asking Rent, PSF <i>(Overall, All Property Classes)</i>	▼	—

## ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
<b>702K</b> Palm Beach County Employment	▲	▲
<b>3.4%</b> Palm Beach County Unemployment Rate	▲	▲
<b>4.1%</b> United States Unemployment Rate <i>Source: BLS</i>	▲	▼

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)*	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)**	OVERALL AVG ASKING RENT (CLASS A)**
<b>West Palm Beach CBD</b>	<b>3,579,759</b>	<b>365,526</b>	<b>22,396</b>	<b>10.8%</b>	<b>15,065</b>	<b>171,249</b>	<b>585,007</b>	<b>\$63.40</b>	<b>\$80.48</b>
<b>SUBURBAN WPB</b>	<b>3,311,514</b>	<b>336,883</b>	<b>0</b>	<b>10.2%</b>	<b>-986</b>	<b>125,656</b>	<b>0</b>	<b>\$38.19</b>	<b>\$40.78</b>
Suburban West Palm Beach	2,726,510	331,649	0	12.2%	-2,486	117,656	0	\$38.19	\$40.78
Palm Beach	585,004	5,234	0	0.9%	1,500	8,000	0	N/A	N/A
<b>NORTH PALM BEACH</b>	<b>3,461,631</b>	<b>279,556</b>	<b>8,544</b>	<b>8.3%</b>	<b>-7,671</b>	<b>134,848</b>	<b>0</b>	<b>\$42.00</b>	<b>\$48.61</b>
Palm Beach Gardens	2,655,910	220,203	8,544	8.6%	384	91,645	0	\$42.59	\$50.34
Jupiter/Tequesta/Juno	805,721	59,353	0	7.4%	-8,055	43,203	0	\$39.23	\$41.99
<b>SOUTH PALM BEACH</b>	<b>1,734,601</b>	<b>72,359</b>	<b>11,447</b>	<b>4.8%</b>	<b>3,080</b>	<b>38,586</b>	<b>56,549</b>	<b>\$34.73</b>	<b>\$57.50</b>
Lake Worth	432,117	9,415	0	2.2%	2,003	10,706	0	\$29.79	N/A
Boynton Beach	441,889	9,010	0	2.0%	-2,013	2,394	0	\$26.63	\$24.50
Delray beach	860,595	53,934	11,447	7.6%	3,090	25,486	56,549	\$36.52	\$68.25
<b>BOCA RATON</b>	<b>11,203,605</b>	<b>1,631,509</b>	<b>174,027</b>	<b>16.1%</b>	<b>-36,487</b>	<b>396,470</b>	<b>0</b>	<b>\$44.57</b>	<b>\$49.27</b>
Glades Road	2,818,864	332,116	64,031	14.1%	8,459	113,791	0	\$53.69	\$56.85
Federal Highway Corridor	1,212,142	109,259	0	9.0%	-1,127	39,697	0	\$43.82	\$42.95
Northwest Boca Raton	5,785,544	1,046,603	86,596	19.6%	-34,902	229,888	0	\$40.41	\$43.97
Southwest Boca Raton	364,122	11,328	0	3.1%	-1,536	7,137	0	\$35.97	\$39.00
Downtown Boca Raton	1,022,933	132,203	23,400	15.2%	-7,381	5,957	0	\$55.21	\$53.48
<b>Suburban Palm Beach</b>	<b>19,711,351</b>	<b>2,320,307</b>	<b>194,018</b>	<b>12.8%</b>	<b>-42,064</b>	<b>695,560</b>	<b>56,549</b>	<b>\$42.94</b>	<b>\$48.37</b>
<b>PALM BEACH TOTALS</b>	<b>23,291,110</b>	<b>2,685,833</b>	<b>216,414</b>	<b>12.5%</b>	<b>-26,999</b>	<b>866,809</b>	<b>641,556</b>	<b>\$45.72</b>	<b>\$52.43</b>

\*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)	OVERALL AVG ASKING RENT (ALL CLASSES)**	OVERALL AVG ASKING RENT (CLASS A)**
Class A	10,249,342	1,199,381	122,189	12.9%	-26,892	-66,896	498,190	641,556	\$52.68	\$52.43
Class B	13,041,768	1,486,452	94,225	12.1%	-107	-3,957	368,619	0	\$40.89	\$40.71

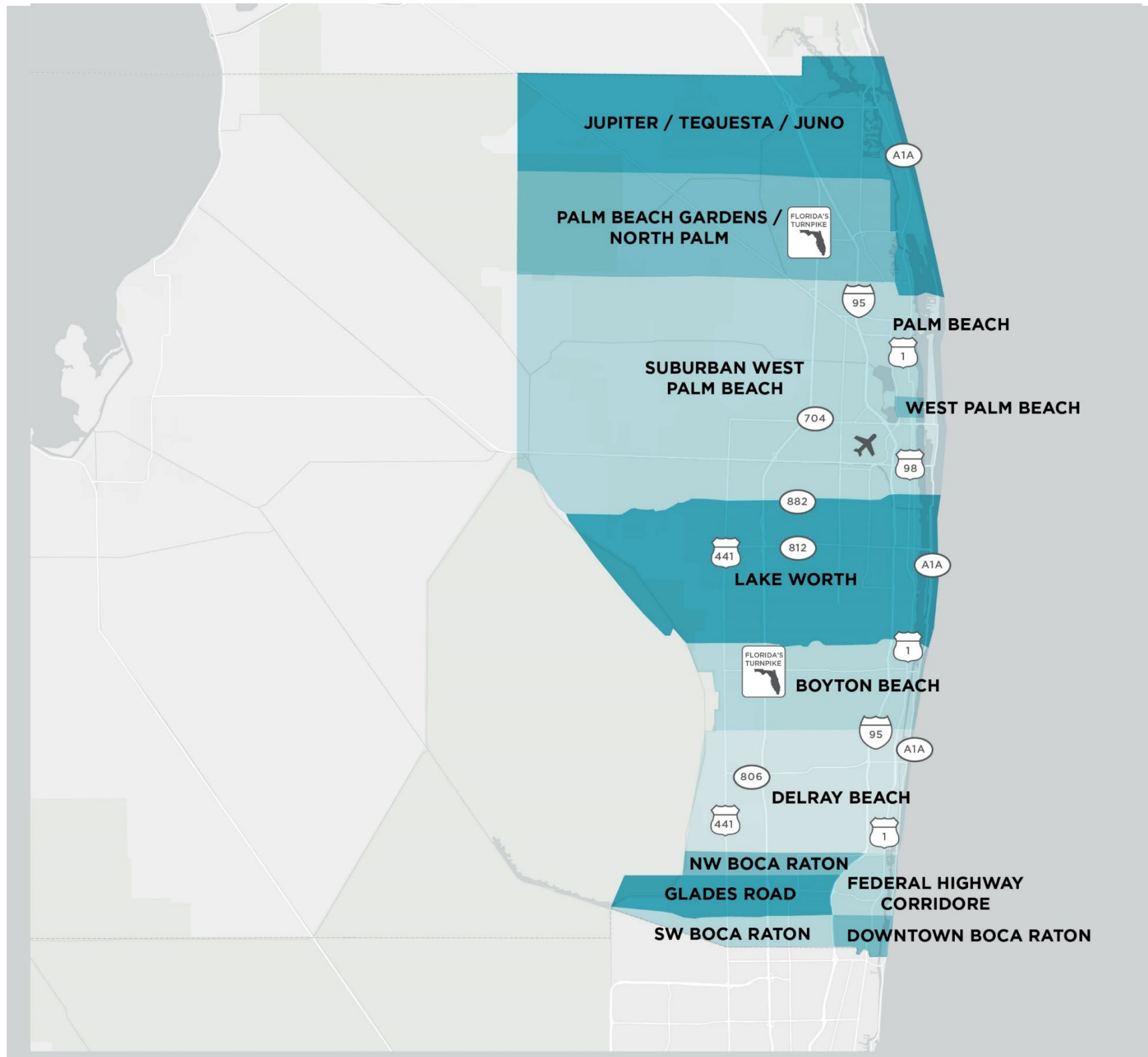
KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
2381 Executive Center Drive	Glades Road	Celsius	50,312	New
5201 Congress Ave	Northwest Boca Raton	Digital Risk	26,756	Renewal*
4300 TBC Way	Palm Beach Gardens/North Palm Beach	Lytal, Reiter, Smith, Ivey & Fronrath	19,593	Renewal*

KEY SALE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
1 Town Center Rd	Glades Road	Prime US REIT   Gatsby Enterprises	191,294	\$82.0M   \$429
2751 S Dixie Highway	West Palm Beach CBD	Tricera Capital   WPB Press LLC	170,000	\$53.0M   \$312
5550 Glades Road	Glades Road	TOWN T LLC   Schmier Property Group	86,069	\$32.0M   \$372

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**

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com).

©2024 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield (“CWK”). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK’s securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK’s affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.