



COMMERCIAL BROKERAGE AND PROPERTY MANAGEMENT

2025 Q4 PALM BEACH OFFICE

MARKET REPORT

ABSORPTION & VACANCY

The Palm Beach County office market closed Q4 2025 with a total inventory of 2,973 office buildings, reflecting the county's established and diverse office landscape. Leasing activity stayed strong, exceeding 1 million SF for the 2nd consecutive quarter, and exceeding 750,000 SF for the 4th consecutive quarter.

Net absorption totaled 198,885 square feet in Q4, a substantial increase from 7,890 square feet in Q3 2025. The sharp improvement signals renewed leasing momentum and suggests that tenant decision-making accelerated toward year-end, particularly within well-located and higher-quality office assets.

Vacancy declined to 7.0% in Q4, representing a 30-basis-point decrease from 7.3% in Q3. The reduction in vacancy alongside strong positive absorption indicates that leasing activity outpaced new availability during the quarter, contributing to improved market balance.

Overall, Q4 2025 reflected a market regaining momentum, characterized by accelerating absorption, declining vacancy, and strengthening tenant demand. As the market enters 2026, performance will likely be influenced by continued economic stability, employer growth, and landlords' ability to offer modernized space and flexible leasing structures.

Key Indicators

Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliverables SF	Total Occupied SF
Q4 2025	61,452,081	7.9%	\$48.75	7.0%	198,885	5,720	56,159,313
Q3 2025	61,446,361	8.3%	\$46.26	7.3%	7,890	48,300	56,001,137
Q2 2025	61,398,061	8.2%	\$44.87	7.6%	(79,319)	147,390	55,916,431
Q1 2025	61,250,671	7.9%	\$44.15	7.3%	(69,786)	10,898	56,012,773

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	0.6% (YOY)	10.3%	9.3%	16.0%	2010 Q3	6.0%	2000 Q2
Net Absorption SF	(236K)	517,502	387,530	2,135,086	2004 Q4	(1,113,596)	2008 Q1
Deliverables SF	211K	739,673	668,819	3,542,699	2008 Q4	30,000	2024 Q2
Market Asking Rent Growth	3.9%	3.1%	1.8%	10.0%	2022 Q3	-6.3%	2009 Q4
Sales Volume	\$837M	\$703.9M	N/A	\$2.3B	2022 Q1	\$99.9M	2009 Q4

ASKING RENT PER SF

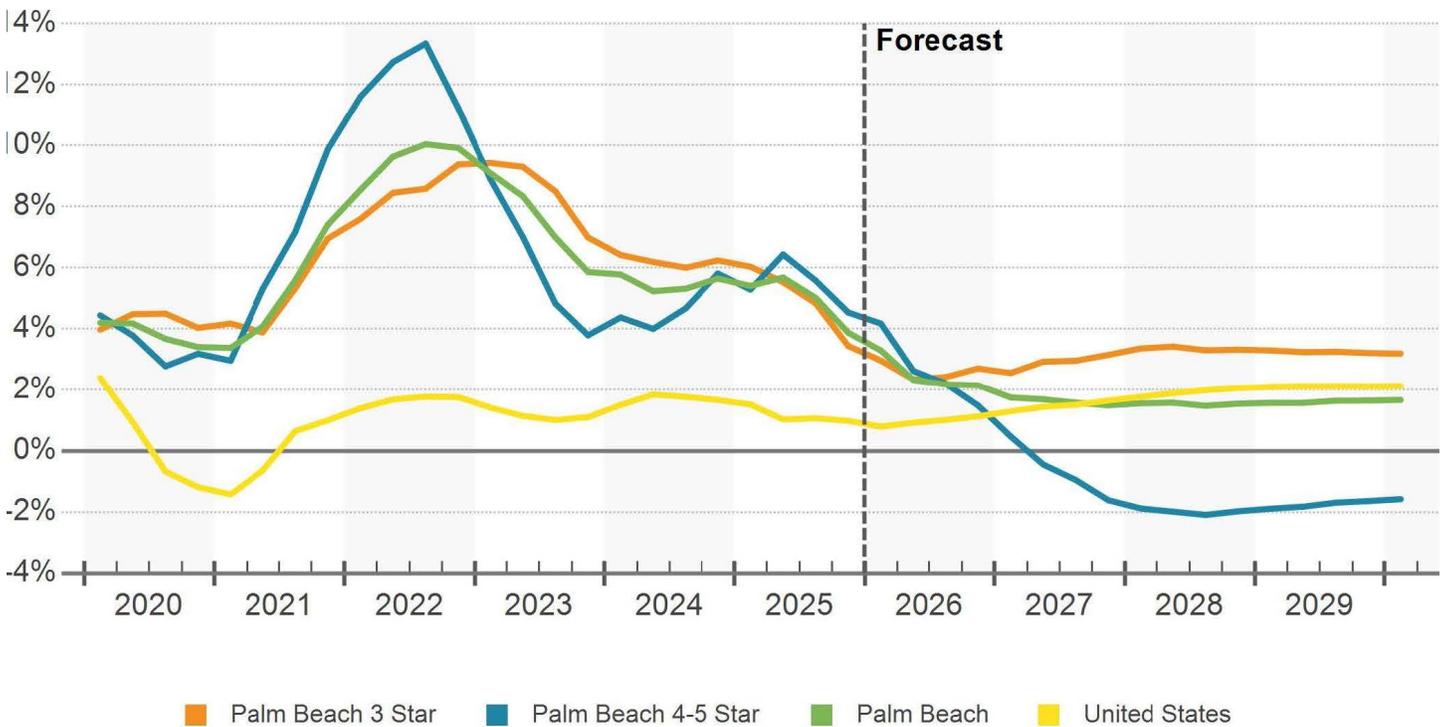
Asking rental rates in the Palm Beach County office market increased meaningfully in Q4 2025, with average full-service rents rising to \$48.75 per square foot, up from \$46.26 per square foot in Q3. The quarter-over-quarter increase reflects improved leasing demand and renewed pricing confidence among landlords.

Rent growth has been driven by demand for Class A and well-renovated office properties, particularly those offering modern amenities, efficient layouts, and proximity to employment centers. Higher-quality assets continue to outperform, allowing landlords to push rents selectively without sacrificing leasing momentum.

While tenant decision-making remains value-conscious, the combination of rising rents and declining vacancy suggests a market shifting back toward landlord-favorable dynamics in select submarkets. Older or less competitive buildings may face continued pressure, but broader rent softening has not emerged.

Overall, Q4 rental trends indicate a strengthening office market, with pricing performance increasingly differentiated by asset quality and location.

Market Asking Rent Growth



MARKET REPORT



250 S Australian Ave - One Clearlake Centre

Address: 250 S Australian Ave, West Palm Beach, FL 33401

Sale Price: \$55,300,000

Price/SF: \$249.48

Building Size: 221,661 SF



1150 Broken Sound Pky NW

Address: 1150 Broken Sound Pky NW, Boca Raton, FL 33487

Sale Price: \$23,750,000

Price/SF: \$309.40

Building Size: 76,761 SF



6551 Park Of Commerce Blvd NW - Meridian Office Center South

Address: 6551 Park Of Commerce Blvd NW, Boca Raton, FL 33487

Sale Price: \$17,400,000

Price/SF: \$247.14

Building Size: 70,406SF



4440 PGA Blvd - 4440 PGA

Address: 4440 PGA Blvd, Palm Beach Gardens, FL 33410

Sale Price: \$15,850,000

Price/SF: \$337.23

Building Size: 47,000 SF

MARKET REPORT

**Modernizing Medicine, Inc****Address:** 4700 Exchange Ct, Boca Raton, FL 33431**Building Size:** 396,000 SF**SF Leased:** 127,821 SF**Cleveland Clinic****Address:** 15 City Pl, West Palm Beach, FL 33401**Building Size:** 490,000 SF**SF Leased:** 120,000 SF**All Star Healthcare Solutions****Address:** 5050 Conference Way N, Boca Raton, FL 33431**Building Size:** 81,031 SF**SF Leased:** 42,697 SF**FORT LAUDERDALE**

550 S. Andrews Avenue, Suite 400,
Fort Lauderdale, FL 33301
954.358.0900 | 954.358.0901

PALM BEACH

2240 Woolbright Road, Suite 300,
Boynton Beach, FL 33426
561.613.0900 | 561.877.8363



Lloyd C. Berger, SIOR
President

Phone: 954.358.0900

Fax: 954.358.0901

Email: LBerger@bergercommercial.com