BERGER COMMERCIAL REALTY
COMMERCIAL BROKERAGE AND PROPERTY MANAGEMENT

2026 Q2

PALM BEACH OFFICE

MARKET REPORT

ABSORPTION & VACANCY

The Palm Beach County office market closed Q2 2026 with approximately 60.6 million square feet of inventory. Market conditions strengthened during the quarter, as leasing activity continued at a healthy pace and vacancy continued its downward trend, signaling improving demand and greater occupancy stability across the market.

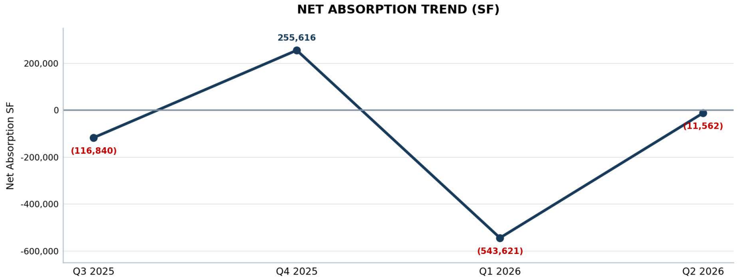
Net absorption totaled 261,750 square feet in Q2, a significant increase from 44,954 square feet in Q1 2026. The quarter marked the fourth consecutive period of positive absorption and the strongest absorption performance of the past four quarters, indicating that tenant move-ins meaningfully outpaced move-outs during the second quarter.

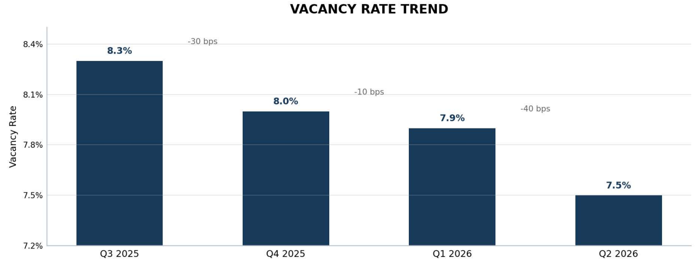
Vacancy declined to 7.5% in Q2, representing a 40-basis-point decrease from 7.9% in Q1. The improvement continues a steady downward trend from 8.3% in Q3 2025 and 8.0% in Q4 2025. Availability also declined from 7.0% to 6.6% quarter-over-quarter, marking 4 staright quarters of decline and further supporting signs of tightening market conditions. With no new deliveries recorded during the quarter, leasing activity was concentrated within existing office inventory.

Overall, Q2 2026 reflected continued strengthening in the Palm Beach County office market, characterized by accelerating absorption, declining vacancy, and reduced availability. The combination of sustained positive absorption and a 40-basis-point quarter-over-quarter decline in vacancy points to improving market fundamentals. As the market moves through the second half of 2026, well-located and modernized office properties remain best positioned to capture tenant demand and benefit from increasingly competitive occupancy conditions.

Key Indicators

Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliverables SF	Total Occupied SF
Q2 2026	60,578,956	7.5%	$52.75	6.6%	261,750	0	55,673,115
Q1 2026	60,578,956	7.9%	$50.30	7.0%	44,954	0	55,385,734
Q4 2025	60,578,956	8.0%	$48.76	7.1%	190,840	5,720	55,313,020
Q3 2025	60,573,236	8.3%	$46.15	7.4%	21,284	35,400	55,162,889





ASKING RENT PER SF

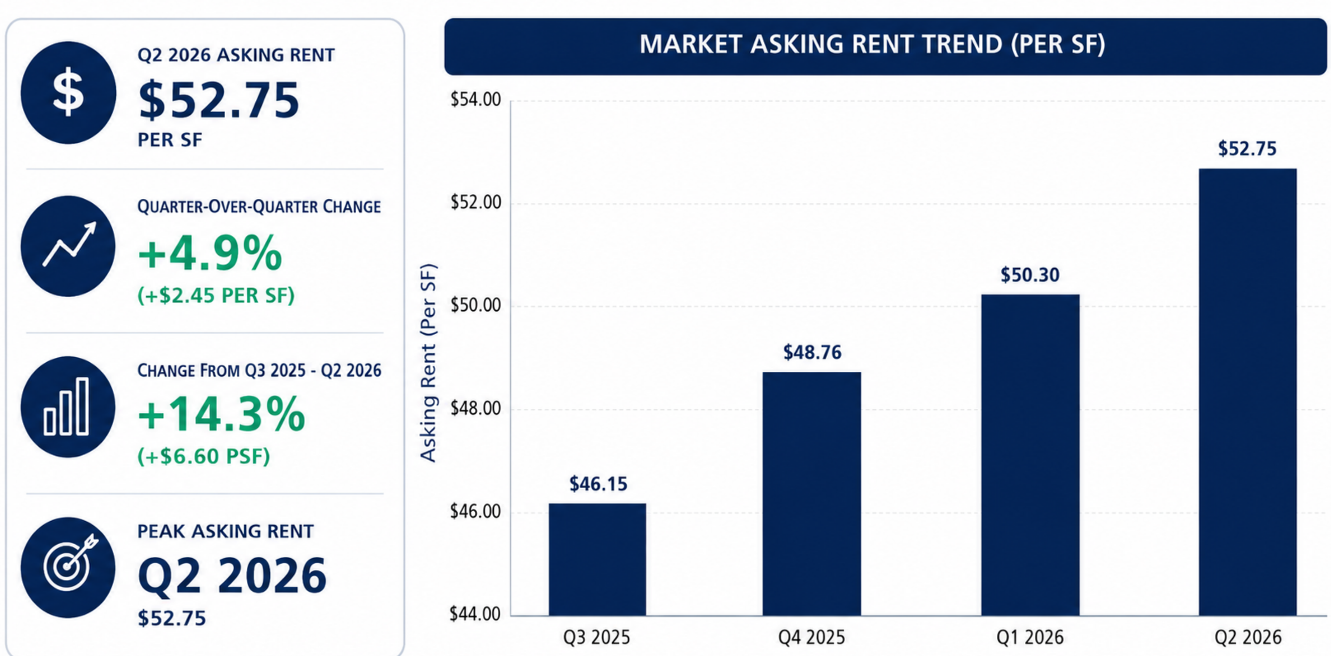
Asking rental rates in the Palm Beach County office market continued to rise in Q2 2026, with average rents increasing to $52.75 per square foot from $50.30 per square foot in Q1. The $2.45 quarter-over-quarter increase represents growth of approximately 4.9% and continues the upward rental trend observed over the past six quarters.

The increase in asking rents coincides with strengthening market fundamentals, including accelerating net absorption and declining vacancy. With vacancy falling to 7.5% and availability declining to 6.6%, tightening space conditions have supported landlord pricing and contributed to continued rent growth across the market.

Rental performance remains influenced by the ongoing flight-to-quality, as tenants continue to prioritize modern, well-located office environments with upgraded amenities and efficient space configurations. Class A and recently renovated properties remain best positioned to capture demand and command premium rental rates, particularly in highly desirable office submarkets.

The absence of new office deliveries during the quarter has also supported existing inventory. With tenant demand concentrated within the current supply base, landlords of competitive assets have been able to maintain stronger pricing expectations. This dynamic has further widened the performance gap between high-quality office properties and older buildings that may require capital improvements or more aggressive leasing strategies to remain competitive.

Overall, Q2 2026 rental trends reflect continued strength in the Palm Beach County office market. Rising asking rents, positive absorption, and declining vacancy point to improving market fundamentals, with rental performance likely to remain closely tied to asset quality, location, and the availability of modern office space as the market progresses through the second half of the year.



2026 Q2

TOP SALES

MARKET REPORT

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Bank of America Plaza - (Part of a 2 Property Sale)

Address: 2000 Glades Rd, Boca Raton, FL 33431

Portfolio Price: $26,150,000

Price/SF: $354.38

Portfolio Size: 73,791 SF

River Plaza

Address: 900 S US Highway 1, Jupiter, FL 33477

Portfolio Price: $14,500,000

Price/SF: $391.89

Portfolio Size: 37,000 SF

The Park at Broken Sound

Address: 1095 Broken Sound Pky, Boca Raton, FL 33487

Sale Price: $12,700,000

Price/SF: $211.49

Building Size: 60,050 SF

Fountains of Camino Real- (Part of a 7 Property Sale)

Address: 7100 W Camino Real, Boca Raton, FL 33433

Sale Price: $40,000,000

Price/SF: $211.04

Building Size: 189,542 SF

2026 Q2 TOP LEASES

MARKET REPORT

One Town Center

Address: 1 Town Center Rd, Boca Raton, FL 33486

Building Size: 257,030 SF

SF Leased: 61,400 SF

The Park at Broken Sound

Address: 5201 Congress Ave, Boca Raton, FL 33487

Building Size: 205,000 SF

SF Leased: 24,653 SF

205 Datura St

Address: 205 Datura St, West Palm Beach, FL 33401

Building Size: 71,694 SF

SF Leased: 19,455 SF

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