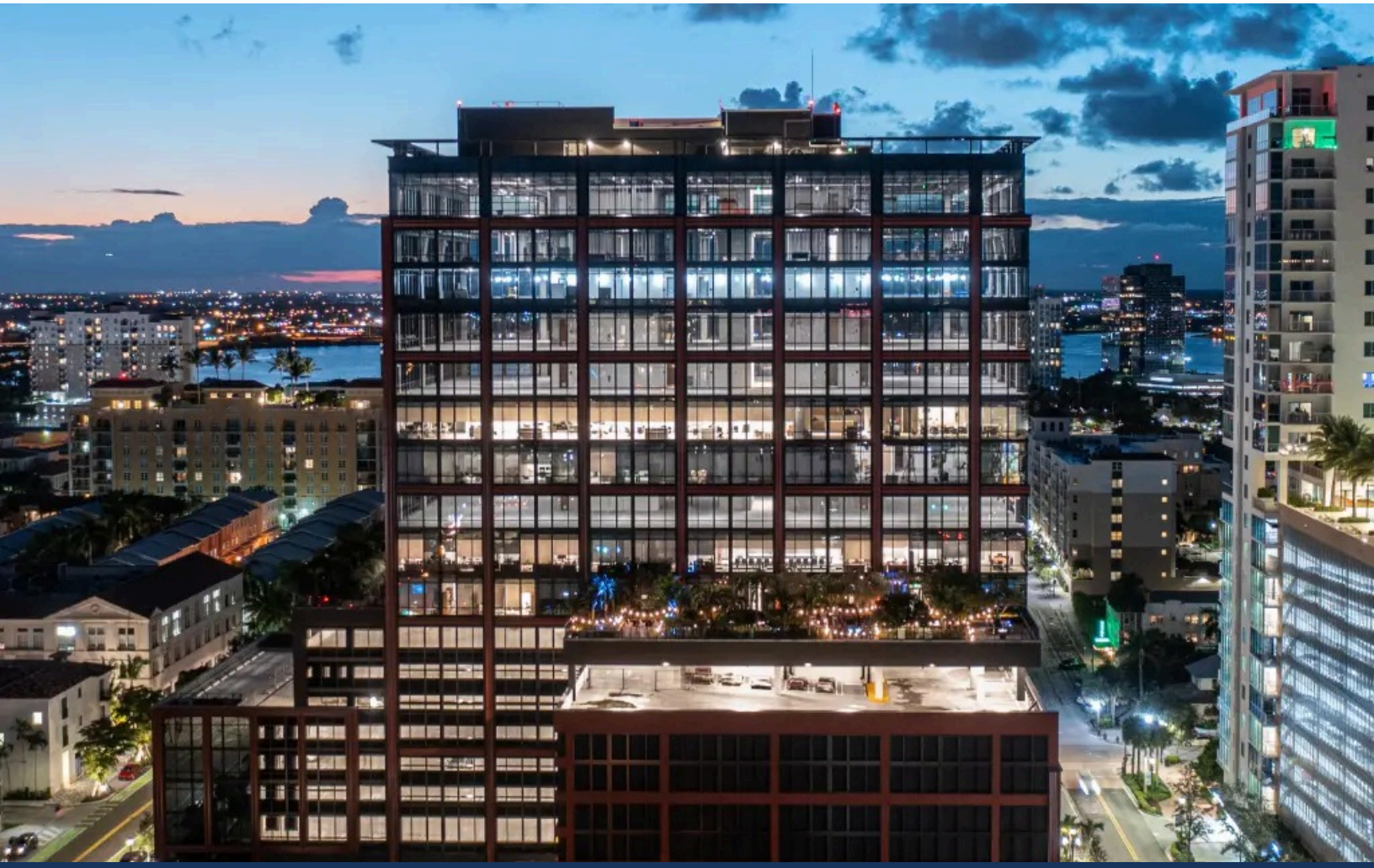
BERGER COMMERCIAL REALTY
COMMERCIAL BROKERAGE AND PROPERTY MANAGEMENT

BERGERCOMMERCIAL.COM

Q3 2026

Palm Beach Office Market Report

A modest occupancy setback, but leasing accelerates and rents hold near historic highs.



01 · MARKET OVERVIEW

Leasing accelerates, but occupancy slips after a strong Q2.

Palm Beach County's office market saw a modest occupancy setback in Q3 following a strong second quarter, with direct net absorption totaling negative 28,273 SF compared with positive 266,124 SF in Q2. Sublease space accounted for most of the decline, bringing total net absorption, including sublease, to negative 114,043 SF.

Despite the quarterly pullback, fundamentals remain relatively stable. Direct vacancy increased just 10 basis points to 7.6% and remains 80 basis points below its Q3 2025 level. With only 6,500 SF delivered, new supply had little impact on vacancy. Meanwhile, leasing activity strengthened to approximately 1.05 million SF, a 25% increase from Q2.

INVENTORY
60.3M SF
2,958 buildings

OCCUPIED
55.3M SF
−114,043 SF vs. Q2

TOTAL VACANCY
8.3%
Incl. sublease · +20 bps

LEASING ACTIVITY
1.05M SF
+25% vs. Q2

Key Indicators

Trailing five quarters

Quarter	Inventory SF	Vacancy	Availability	Asking Rent	Net Absorption SF	Delivered SF	Occupied SF
Q3 2026	**60,296,169**	**7.6%**	**6.9%**	**$52.53**	**(28,273)**	**6,500**	**55,271,258**
Q2 2026	60,289,669	7.5%	6.6%	$52.72	266,124	0	55,385,301
Q1 2026	60,289,669	8.0%	7.0%	$50.24	44,954	0	55,093,546
Q4 2025	60,289,669	8.1%	7.1%	$48.70	190,840	5,720	55,020,832
Q3 2025	60,283,949	8.4%	7.5%	$46.10	21,284	35,400	54,870,701

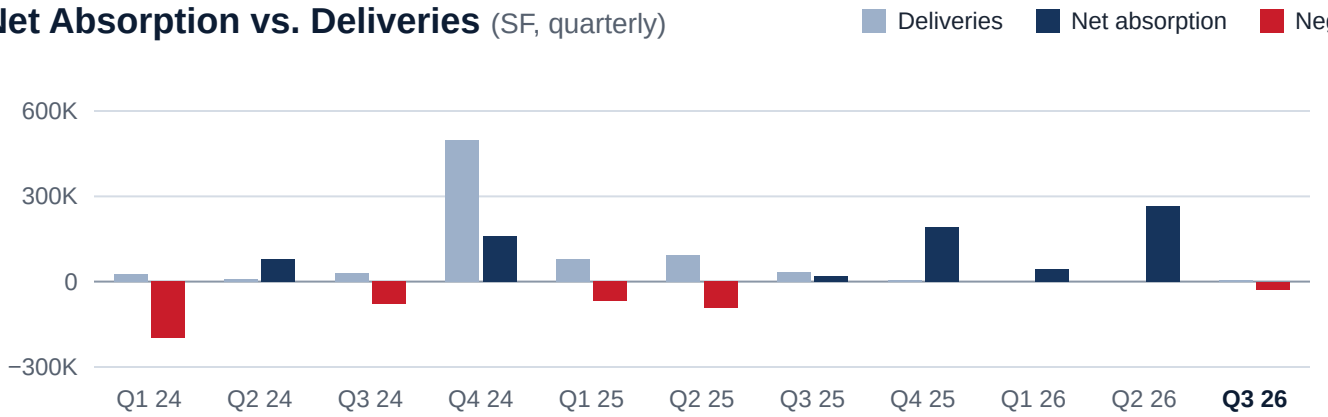
Vacancy, availability, asking rent (full service) and net absorption reflect direct space; occupied SF includes sublease. Prior quarters reflect CoStar revisions as of October 6, 2026.

02 · SUPPLY & DEMAND

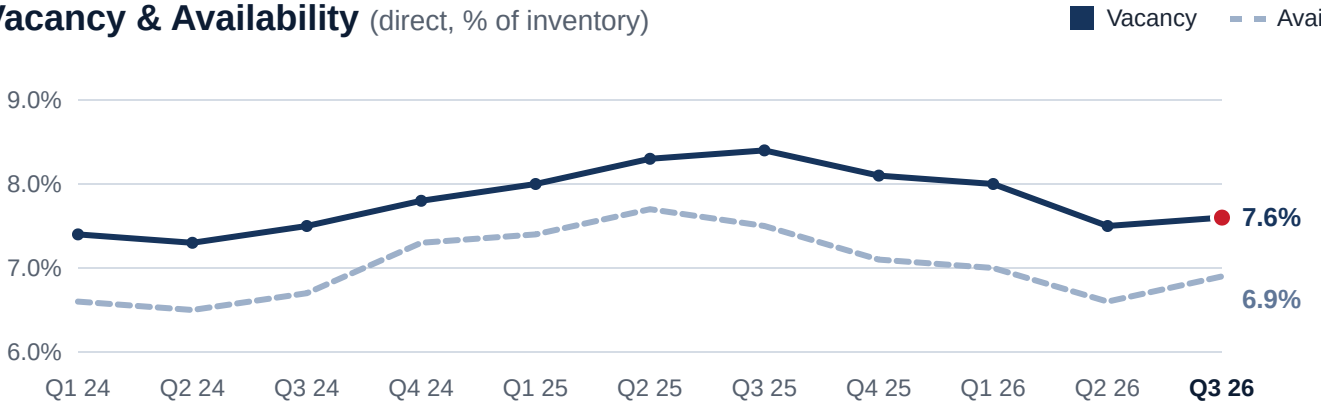
With supply on hold, vacancy remains below 2025 levels.

Limited new construction continues to support Palm Beach County's office fundamentals. Only 6,500 SF was delivered in Q3, bringing deliveries over the past four quarters to just 12,220 SF. With little new supply entering the market, vacancy continues to be driven primarily by tenant demand. Direct net absorption remains positive at 282,805 SF year to date, helping keep direct vacancy at 7.6%, 80 basis points below Q3 2025. Although negative absorption pushed vacancy up 10 basis points from Q2, the market remains tighter than a year ago. Direct availability ended the quarter at 6.9%.

Net Absorption vs. Deliveries (SF, quarterly)



Vacancy & Availability (direct, % of inventory)



+282,805 SF
2026 year-to-date direct net absorption

12,220 SF
Delivered over the trailing four quarters

−80 bps
Change in direct vacancy rate vs. Q3 2025

03 · ASKING RENTS

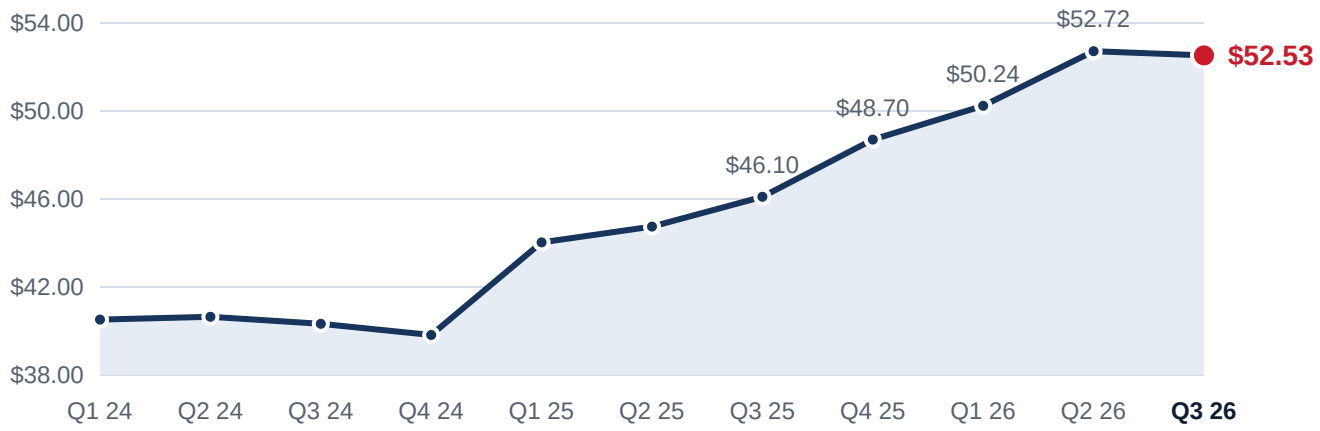
Asking rents hold near historic highs at $52.53/SF.

QUARTER-OVER-QUARTER
−$0.19
−0.4% vs. $52.72 in Q2 2026

YEAR-OVER-YEAR
+$6.43
+13.9% vs. $46.10 in Q3 2025

SINCE Q4 2024
+31.9%
Up from $39.82/SF in Q4 2024

Direct Asking Rent ($/SF full service, quarterly)



Direct asking rents averaged $52.53/SF full service in Q3, down just $0.19 from the historic market high of $52.72/SF reached in Q2. The slight decline ended six consecutive quarters of rent growth but left asking rents 13.9% above their Q3 2025 level.

Rates have risen nearly 32% since Q4 2024, underscoring the market's sharp repricing. Q3 looks more like a stabilization in rents than a meaningful reversal. Sublease asking rents averaged $52.34/SF, nearly matching direct space and offering tenants little pricing advantage.

DIRECT VS. SUBLEASE ASKING RENT · Q3 2026

04 · TOP LEASES

New leases made up most of featured activity.

The six largest featured transactions totaled 104,657 SF in Q3. New leases accounted for 60,820 SF, or 58% of featured volume, while renewals represented the remaining 43,837 SF. The largest deal was UBS's 32,446 SF renewal at 1800 Boca Center. Among new leases, Andreessen Horowitz committed to 21,160 SF at CityPlace Office Tower at $90.00/SF, and The Nicollette Mayer Collection leased 12,452 SF across two suites at Congress Corporate Plaza.

104,657 SF	60,820 SF	43,837 SF
Leased across the six deals below	Four new leases · 58% of total	Two renewals · 42% of total

01	**UBS** RENEWAL 1800 N Military Trl, Boca Raton 1800 Boca Center Signed 07/01/2026 · $52.00/SF · Class B	**32,446** SF of 146,400 SF building	
02	**Andreessen Horowitz** NEW LEASE 525 Okeechobee Blvd, West Palm Beach CityPlace Office Tower Signed 08/28/2026 · $90.00/SF · Class A	**21,160** SF of 306,027 SF building	
03	**Suffolk** NEW LEASE 205 Datura St, West Palm Beach West Palm Beach CBD Signed 07/22/2026 · $68.00/SF NNN (est.) · Class A	**19,455** SF of 71,694 SF building	
04	**The Nicollette Mayer Collection** NEW LEASE 902 Clint Moore Rd, Boca Raton Congress Corporate Plaza II · Suites 112 & 114 Signed 09/11/2026 · $21.00/SF · Class B	**12,452** SF of 53,153 SF building	
05	**Raymond James** RENEWAL 3399 PGA Blvd, Palm Beach Gardens PGA Financial Plaza Signed 08/26/2026 · Exp. 08/25/2028 · $50.00/SF NNN (est.)	**11,391** SF of 72,612 SF building	
06	**Gilbane Construction** NEW LEASE 625 N Flagler Dr, West Palm Beach West Palm Beach CBD Signed 08/13/2026 · $70.00/SF NNN (est.) · Class A	**7,753** SF of 108,482 SF building	

Ranked by square feet leased. Leases signed 07/01/2026 – 09/30/2026.

05 · TOP SALES

125 Worth leads Q3 sales at $86 million.

The six featured office sales totaled approximately $210.0 million across 272,958 SF, a weighted average of $769.33/SF. The largest was 125 Worth in Palm Beach, which L3 Capital and Blackstone acquired for $86 million, or $1,720/SF. Thor Equities followed at $62 million for Two Town Center in Boca Raton, 90% leased at sale, while 317 Peruvian Ave set the high-water mark on a per-foot basis at $2,788.97/SF.

01

125 Worth

125 Worth Ave, Palm Beach
Sold 08/06/2026 · Built 1974/2017
Buyer: L3 Capital / Blackstone

$86,000,000
$1,720.00/SF · 50,000 SF

02

Two Town Center

5355 Town Center Rd, Boca Raton
Sold 09/04/2026 · Built 1986/1999
Buyer: Thor Equities

$62,000,000
$406.82/SF · 152,400 SF
90% leased at sale

03

770 Northpoint Pky

West Palm Beach, FL 33407
Sold 07/01/2026 · Built 1999
Buyer: Blue Owl Capital

$20,270,804
$806.00/SF · 25,150 SF
Allocated portfolio price

04

317 Peruvian Ave

Palm Beach, FL 33480
Sold 08/27/2026 · Built 2002
Buyer: Kolonial Holdings LLC

$18,000,000
$2,788.97/SF · 6,454 SF

05

3602 Kyoto Gardens Dr

Palm Beach Gardens, FL 33410
Sold 08/25/2026 · Built 2003
Buyer: Lincoln Property Co. / PGIM

$16,400,000
$804.47/SF · 20,386 SF
100% leased at sale

06

3000 North Military Trail

Boca Raton, FL 33431
Sold 07/01/2026 · Built 2000
Buyer: 3000 N Military Trail LLC

$7,325,000
$394.50/SF · 18,568 SF

Ranked by sale price. Sales closed 07/01/2026 – 09/30/2026. 770 Northpoint Pky reflects CoStar's allocated portfolio price.

BERGER COMMERCIAL REALTY

COMMERCIAL BROKERAGE AND PROPERTY MANAGEMENT

LET'S TALK PALM BEACH OFFICE.

Michael Feuerman, Esq., SIOR, CCIM

MANAGING DIRECTOR, PALM BEACH COUNTY

561.613.0900

MFeuerman@bergercommercial.com

FORT LAUDERDALE

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

PALM BEACH

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

Methodology: vacancy, availability, asking rent (full service) and net absorption reflect direct space unless noted. Historical figures reflect CoStar data as of October 6, 2026 and may differ from previously published reports due to revisions.

The information contained in this report is compiled from CoStar. Berger Commercial Realty Corp makes no warranty, representation or guarantee as to the content of any of the information provided herein. © 2026 CoStar Group.