

# South Florida Office Year-in-Review



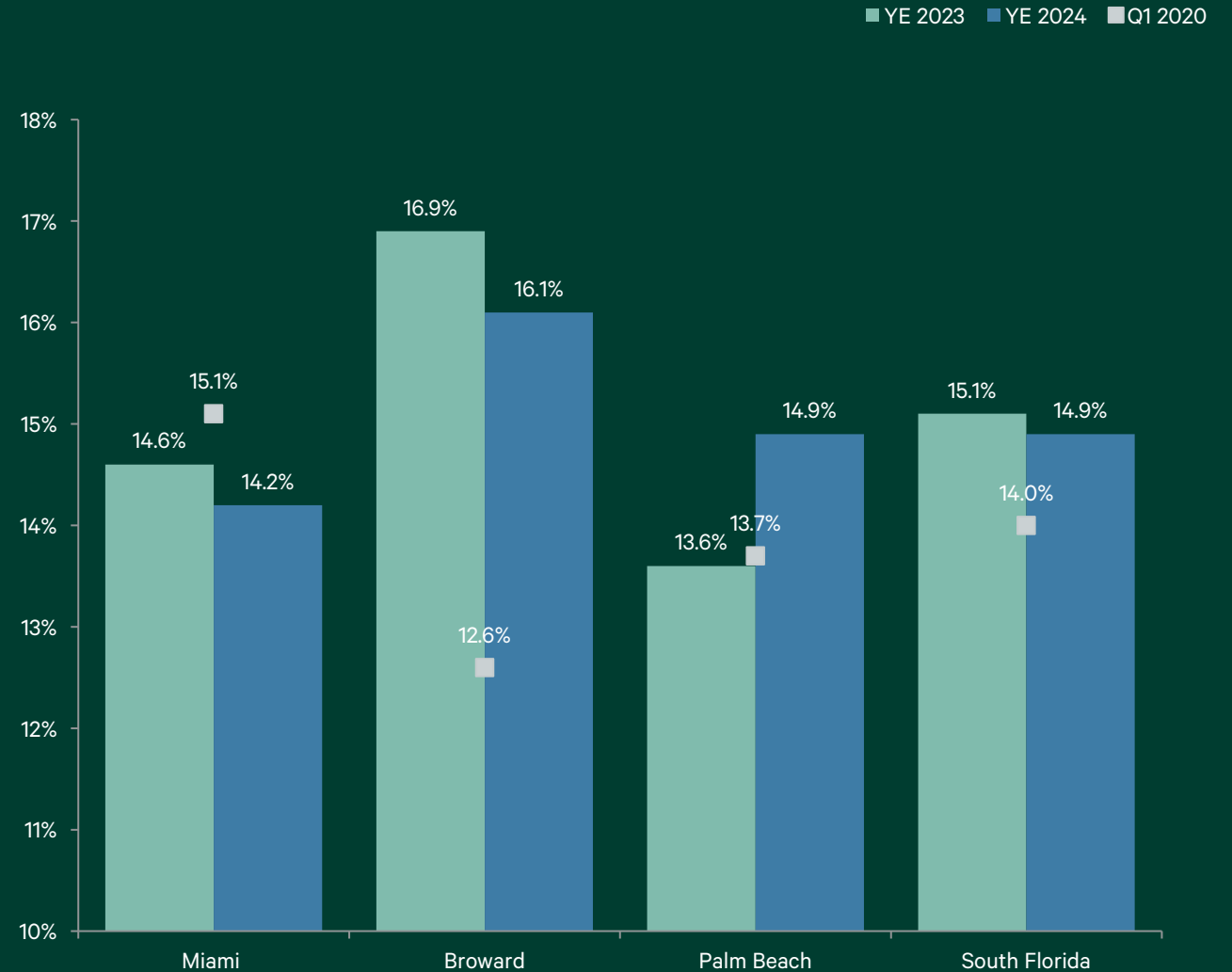
**CBRE**

# South Florida Office Trends

- Overall Direct Vacancy in South Florida fell from 15.1% at year-end 2023 to 14.9% in 2024 although it is still elevated compared with Q1 2020.
- Most of the uptick in vacancy in Palm Beach County came from the Boca Raton submarkets where a handful of large blocks came online.
- When Boca Raton is removed, South Florida direct vacancy has declined from 14.8% at year-end 2023 to 14.1% today (which is equal to Q1 2020). And Palm Beach County from 9.1% at year-end 2023 to 7.4% today (well below the 14.6% it was in Q1 2020).

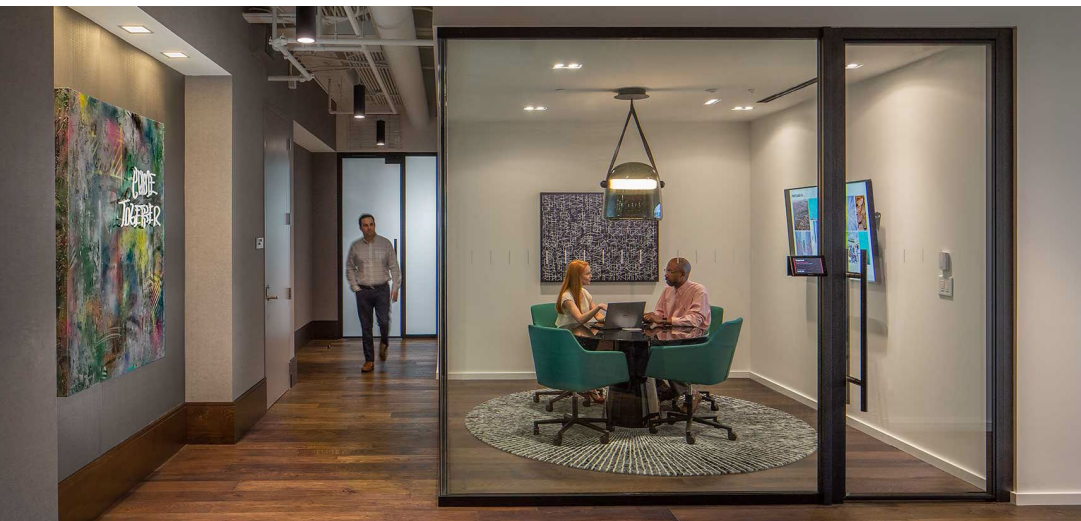
## SOUTH FLORIDA CLASS A OVERALL MARKET TRENDS

### DIRECT VACANCY



Note: This report is only Class A data and does not include buildings delivered in 2024 unless otherwise noted.

Source: CBRE Research

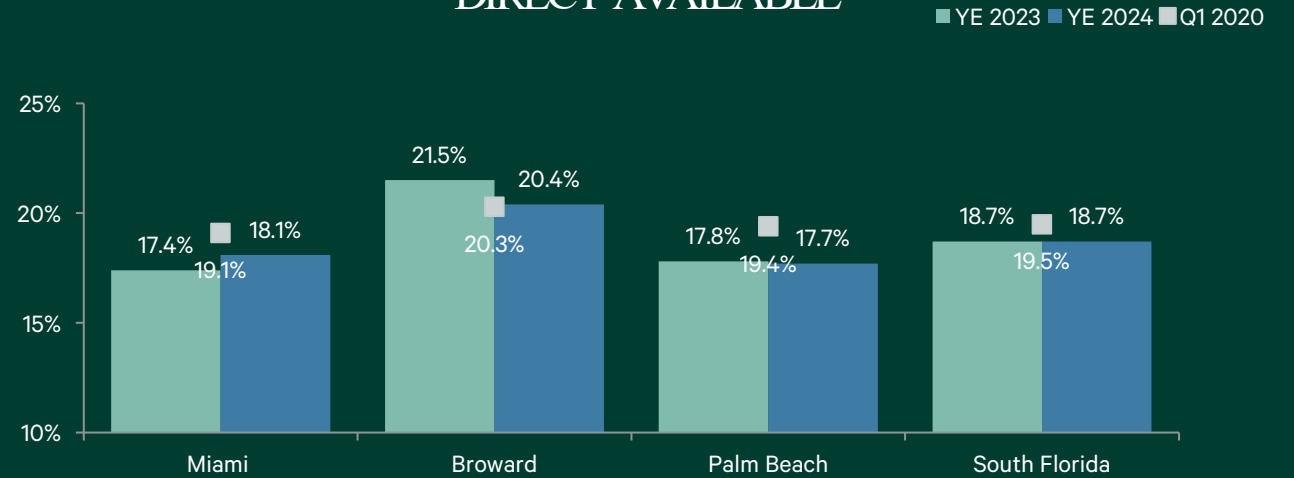


# South Florida Office Trends

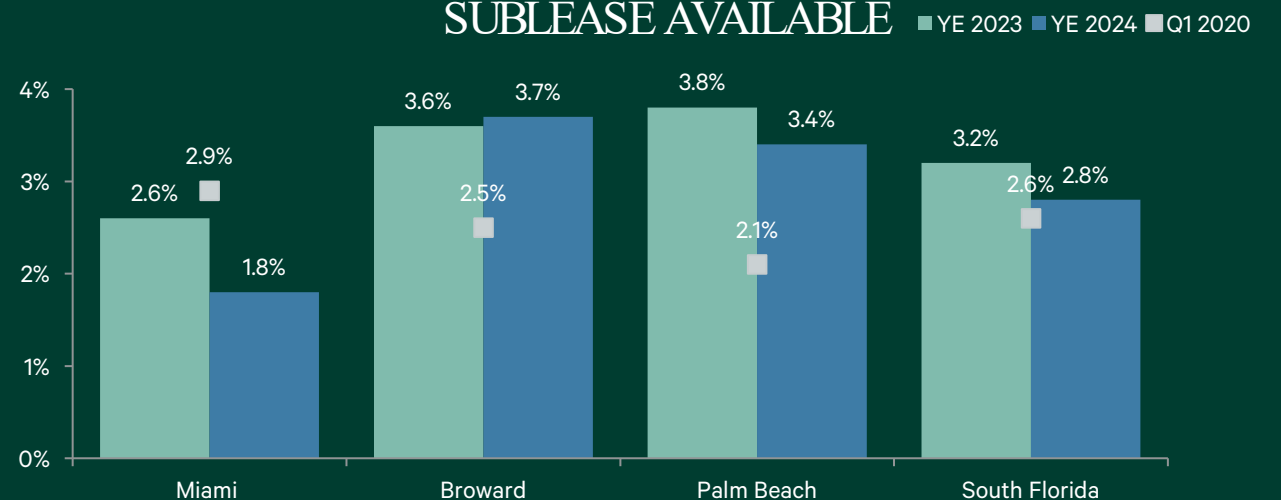
- Direct space being marketed has been flat in South Florida year-over-year.
- In Miami there has been an uptick in direct availability, mainly coming from Brickell and Aventura submarkets. Some of this is a result of reshuffling of tenants occupying new space at 830 Brickell and spaces being marketing in advance of upcoming lease expirations.
- Notably for sublease space, none of the markets saw a meaningful uptick in space being marketed year-over-year. And, overall sublease space being marketed in South Florida declined 40 bps year-over-year to 2.8%.

## SOUTH FLORIDA CLASS A TRENDS

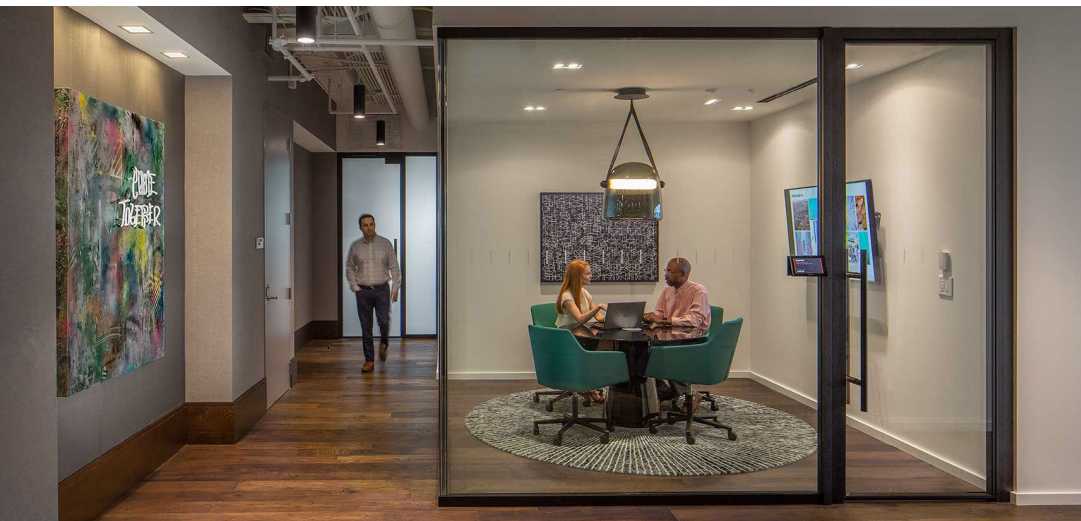
### DIRECT AVAILABLE



### SUBLEASE AVAILABLE



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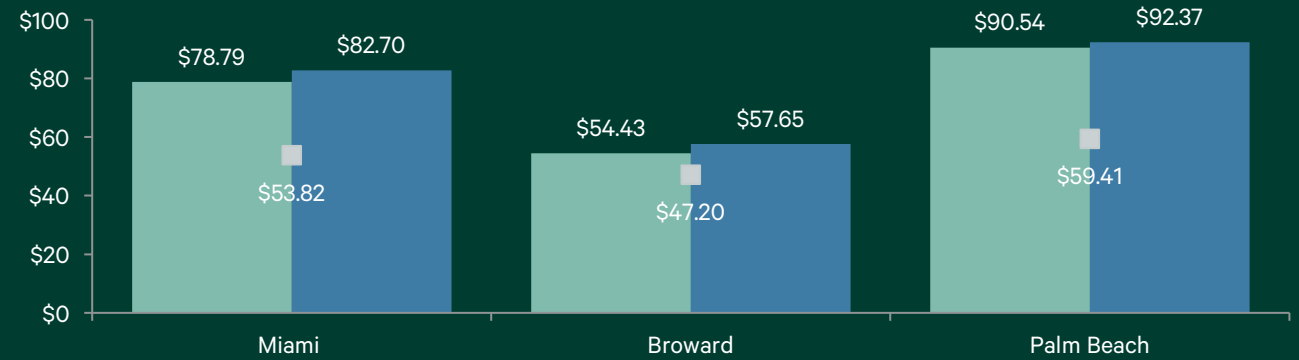


# South Florida Office Trends

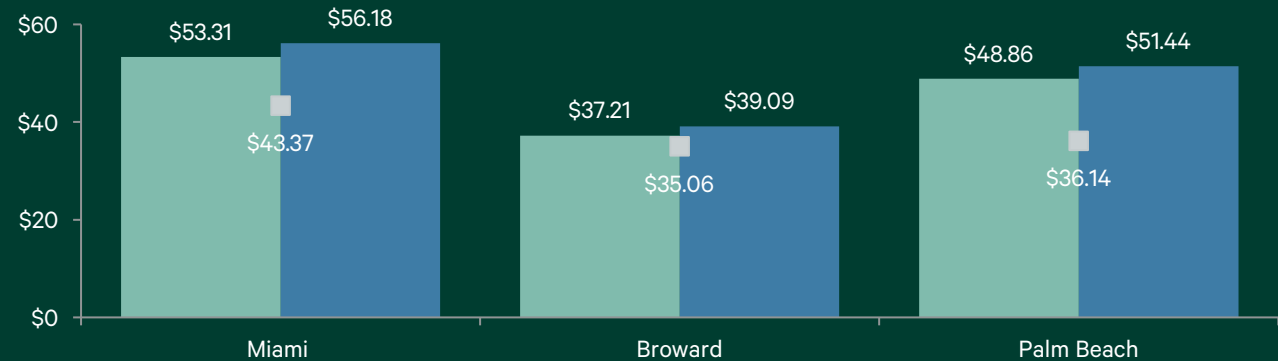
- Overall asking rents remained relatively stable with limited growth in 2024.
- Most of the growth came from the new-construction buildings not included in these tables. For example, while the average rate for Palm Beach Class A Downtown rents is \$92.07 FSG. The two new construction buildings in the market average much higher at \$110-\$120 per square foot.

## SOUTH FLORIDA CLASS A TRENDS

### DOWNTOWN RENT

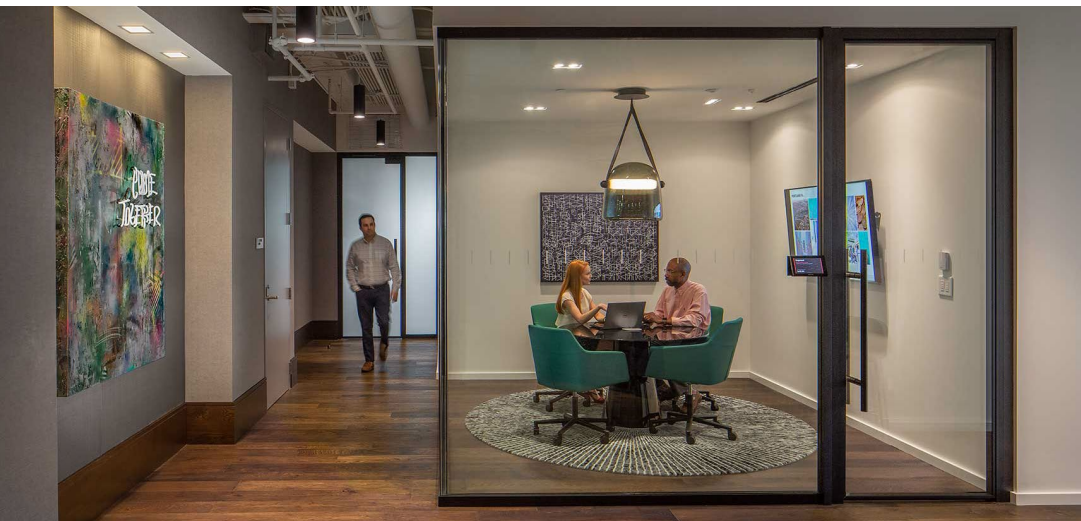


### SUBURBAN RENT



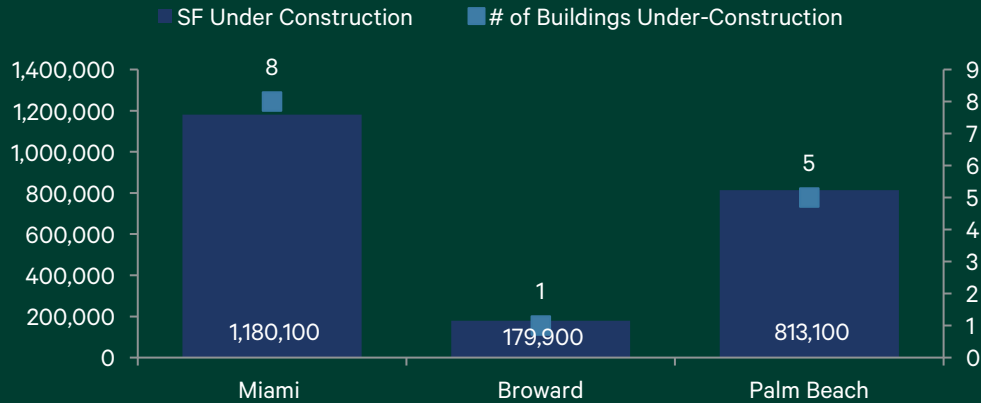
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Source: CBRE Research

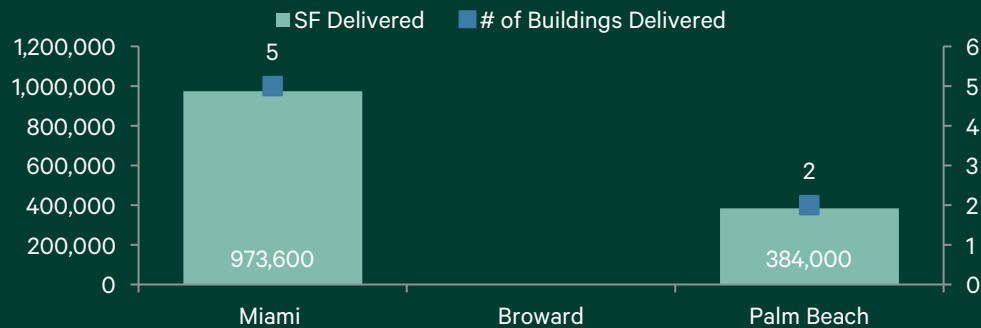


# South Florida Office Trends

## Under-Construction



## Delivered in 2024



## UNDER-CONSTRUCTION

Market	Property Name	Address	RBA	Submarket	Year Built	Owner
Miami	Wynwood Plaza	95 NW 29th St	279,400	Wynwood	2025	L&L Holding Co
Miami	3050 Aventura	3050 Aventura Blvd	113,700	Aventura	2025	Safra National Bank
Miami	The Offices at The Well	1177 1151 Kane Concourse	102,000	Miami Beach	2025	Terra Group
Miami	4225 Ponce de Leon	4225 Ponce de Leon Blvd	73,500	Coral Gables	2025	Terra Group
Miami	The Fifth South Beach	944 5th St	60,000	Miami Beach	2025	Sumaida + Khurana
Palm Beach	Sundy Village	20 W Atlantic Ave	56,700	Delray Beach/Boynton Beach	2025	Pebb Capital
Palm Beach	Sundy Village - #8 & 9	20 W Atlantic Ave	42,300	Delray Beach/Boynton Beach	2025	Pebb Capital
Palm Beach	15 CityPlace	545 Hibiscus St	454,000	West Palm Beach CBD	2026	The Related Group
Palm Beach	One West Palm	550 N Quadrille Blvd	210,000	West Palm Beach CBD	2026	Florida Sunshine Investments
Miami	2600 Biscayne	2600 Biscayne Blvd	181,500	Biscayne Blvd Corridor	2026	Oak Row Equities
Broward	FAT Village	501 N Andrews Ave	179,900	Fort Lauderdale CBD	2026	Hines
Miami	Park on Fifth's	710 Alton Rd	120,000	Miami Beach	2026	Terra Group
Palm Beach	Atlantic Crossing #2	777 E Atlantic Ave	50,000	Delray Beach/Boynton Beach	2026	Edwards Companies
Miami	Mercedes-Benz Places	1105 1133 SW 2nd Ave	250,000	Brickell	2027	JDS Development Group

## DELIVERED IN 2024

Market	Property Name	Address	Statistical	Submarket	% pre-leased at Delivery	Owner
Miami	830 Brickell	830 Brickell Plz	664,300	Brickell	100%	OKO GROUP
Palm Beach	One Flagler	154 Lakeview Ave	277,000	West Palm Beach CBD	73%	The Related Companies
Miami	601 Miami	159 NE 6th St	127,800	Downtown Miami	0%	Newgard Development Group
Palm Beach	300 Banyan Boulevard	300 Banyan Blvd	107,000	West Palm Beach CBD	55%	Brand Atlantic Real Estate Partners
Miami	Highley House	2115 N Miami Ave	73,400	Wynwood	0%	The Related Group
Miami	Eighteen Sunset	1733 1769 Purdy Ave	60,200	Miami Beach	71%	RWN Capital Management
Miami	Wyncatcher	2143 NW 1st Ave	47,900	Wynwood	100%	Morabito Properties

# Miami-Dade County Office Trends



## Overview

Asking Rent <b>+8.0%</b> YOY to <b>\$69.43</b>	Direct Vacancy <b>-10 bps</b> YOY to <b>14.5%</b>	Sublease Availability <b>-80 bps</b> YOY to <b>1.7%</b>
Asking Rent <b>+44.1%</b> Since Q1 2020	Direct Vacancy <b>-50 bps</b> Since Q1 2020	Sublease Availability <b>-110 bps</b> Since Q1 2020

With the pandemic acting as a catalyst, Miami-Dade county has experienced unprecedented growth primarily driven by new-to-market drivers. Since 2020 Miami has seen over 2.1 million square feet of leasing done by firms relocating to Miami-Dade. Typically coming from markets with much higher office premiums, these tenants have spurred meteoric rent growth leading to 2024 foreshadowing of what the future of Miami's market dynamics has to hold.

In 2024, Miami's office market saw a significant increase in inventory with over 970,000 sq. ft. of Class A space delivered across key submarkets. Primarily 830 Brickell (664,300 sq. ft.), 601 Miami (127,800 sq. ft.) in Downtown Miami, Eighteen Sunset (60,240 sq. ft.) in Miami Beach, and Wyncatcher (47,900sq. ft.) and Highley House (73,400 sq. ft.) in Wynwood.

2025 is expecting 5 buildings to deliver around 606,000 sq. ft. across submarkets (in order of size) Wynwood (266,000 sq. ft.), Miami Beach ( 153,700 sq.ft.), Aventura (113,700 sq. ft.), and Coral Gables ( 73,500 sq. ft.)

Despite these new deliveries, Class A availability remained stable at 20.0%. Rent growth was positive, with Class A Brickell rates rising by 5.7% to \$101.76/sq. ft. Miami-Dade Class A rose 8.0% year-over-year to \$69.43 with rates rising 44.1% since Q1 2020.

The market ended the year with a total positive absorption of 84,800 sq. ft., although Q4 experienced a negative absorption of 73,800 sq. ft. due to market reshuffling. Among all major markets in the United States, Miami has maintained the lowest sublease availability as a proportion of inventory which reflects tenant certainty amongst ever-growing market dynamics.

Major lease occupancies included Banco Santander, Thoma Bravo, and Aercap in Brickell. Followed by Ryder and FIFA in Coral Gables, Simply Healthcare in Airport/Doral, and Mindspace in Wynwood.

## Miami CBD

Asking Rent <b>+5.6%</b> YOY to <b>\$83.24</b>	Direct Vacancy <b>+100 bps</b> YOY to <b>14.9%</b>	Sublease Availability <b>-30 bps</b> YOY to <b>1.6%</b>
Asking Rent <b>+54.7%</b> Since Q1 2020	Direct Vacancy <b>-220 bps</b> Since Q1 2020	Sublease Availability <b>-150 bps</b> Since Q1 2020

With almost a million square feet of inventory across 24 buildings, the Miami CBD has undergone a truly transformative experience over the past five years. Not only are vacancy levels 2.2% lower than early 2020, but they are also 4.6% lower than the direct vacancy levels of the early 2010s which averaged 19.5% over that time frame. It should be noted that the early 2010s CBD had almost 10 less buildings and almost 300,000 less square feet.

Even though year-over-year direct vacancy has risen to 14.9% by 100 bps this is still well below its peak back in 2017 of 18.7%. Showcasing such demand for the CBD has translated into asking rents rising 54.7% to \$83.24 per square foot or \$31 a square foot more currently than in Q1 2020.

2024 saw in the CBD 792,100 square feet of deliveries with 664,300 square feet in Brickell at 830 Brickell and 127,800 square feet at 601 Miami in Downtown Miami.

On the horizon in 2027 is the completion of Mercedes-Benz Places project, expected to deliver approx. 250,000 square feet of new space. Anticipated proposed projects such as Santander Tower (1.6M) and Citadel HQ (1.7M) are foreseen to come to fruition by the end of this decade.

## Airport/Doral

Asking Rent	Direct Vacancy	Sublease Availability
<b>+7.4%</b>	<b>-30 bps</b>	<b>-230 bps</b>
YOY to <b>\$46.76</b>	YOY to <b>16.6%</b>	YOY to <b>0.5%</b>

Asking Rent	Direct Vacancy	Sublease Availability
<b>+18.9%</b>	<b>-70 bps</b>	<b>-200 bps</b>
Since Q1 2020	Since Q1 2020	Since Q1 2020

With its proximity to the Airport, Airport/Doral has always been known as a hub for a variety of industries ranging in all sizes from local businesses to international conglomerates. Such diversity insulated this submarket from major spikes in Class A vacancy. In fact, it is currently below 2019 levels, albeit just by 2-3%.

Such insulation has propelled a 7.4% year-over-year rent growth to \$46.76 per square foot and a 18.9% growth since early 2020. Showcasing this submarkets demand, sublease availability fell 2.3% year-over-year to 0.5%. The lowest ever seen in this submarket for Class A product.

The centrality to Miami's greater suburbs and proximity to the Airport has been conducive to this submarkets' resiliency.

## Aventura

Asking Rent	Direct Vacancy	Sublease Availability
<b>-4.8%</b>	<b>+250 bps</b>	<b>-190 bps</b>
YOY to <b>\$58.17</b>	YOY to <b>6.8%</b>	YOY to <b>1.3%</b>

Asking Rent	Direct Vacancy	Sublease Availability
<b>+20.8%</b>	<b>-200 bps</b>	<b>-120 bps</b>
Since Q1 2020	Since Q1 2020	Since Q1 2020

Historically, Class A Aventura has been known for its niche executive offices that has granted it a relatively stable vacancy over time. This is attributed to the submarkets' location in relation to luxury housing as well as its two-fold presence on the north end of Miami-Dade and southern portion of Broward County. Benefiting from this spillover effect from both counties, this submarket boasts one of the lowest Class A direct vacancies across Miami-Dade and Broward.

To emphasize this submarkets competitive advantage, its current 6.8% vacancy is virtually the same as the quarterly direct vacancy average of 6.5% from 2015 to 2019.

Despite having a 2.5% increase in direct vacancy year-over-year to 6.8%. It has still fallen by over half its 14.4 % peak in late 2020.



## Brickell

Asking Rent	Direct Vacancy	Sublease Availability
<b>+5.7%</b>	<b>+210 bps</b>	<b>-40 bps</b>
YOY to <b>\$101.76</b>	YOY to <b>13.0%</b>	YOY to <b>1.8%</b>

Asking Rent	Direct Vacancy	Sublease Availability
<b>+75.5%</b>	<b>+320 bps</b>	<b>-180 bps</b>
Since Q1 2020	Since Q1 2020	Since Q1 2020

Much of the growth seen across Miami submarkets can be traced back to the meteoric rise of new-to-market firms demand to be in Brickell. 39% or 792,000 square feet of all new-to-market leases have been signed in Brickell since 2020. Combined, The next three submarkets combined (Wynwood 14%), (Downtown Miami 13%) , and Miami Beach (9%) are still 3% below the level Brickell has experienced.

For context, when 830 Brickell began pre-leasing in late 2018 rates were \$55 – 80 per square foot and that has skyrocketed to leases signing as high as \$190 per square foot. This has directly correlated to the astounding 75.5% rent growth since early 2020.

Such momentum has translated into a spill over effect for other submarkets based of proximity and new product seen in impressive rent growth throughout submarkets such as Coconut Grove, Wynwood, Miami Beach and Downtown Miami

## Downtown Miami

Asking Rent	Direct Vacancy	Sublease Availability
<b>+7.7%</b>	<b>+10 bps</b>	<b>-130 bps</b>
YOY to <b>\$71.18</b>	YOY to <b>17.0%</b>	YOY to <b>4.1%</b>

Asking Rent	Direct Vacancy	Sublease Availability
<b>+38.9%</b>	<b>-760 bps</b>	<b>-110 bps</b>
Since Q1 2020	Since Q1 2020	Since Q1 2020

As Miami's oldest business district this submarket has stood the test of time despite some swings along the way. Granted that year-over-year vacancy has leveled off at 16-17% during 2024. This is still well below not only pandemic levels of around 25% but pre pandemic as well, where direct vacancy levels were around 23%.

The last time vacancy levels were at this level was 10 years ago where Class A Downtown Miami was comprised of only 4 buildings for 3.4M square feet. Today's set of 10 buildings spanning 4.6M square feet are only seeing increased demand as year-over-year rents have increased 7.7% to \$71.18 per square foot, up 38.9% since Q1 2020. The access to multi county transit such as the Brightline can be accredited to some of this new demand as many firms especially new-to-market ones have mandates aligned with such access to transportation. To that point, 13% or 266,300 square feet of new-to-market activity occurred in this submarket since 2020.



## Coconut Grove

Asking Rent	Direct Vacancy	Sublease Availability
<b>+0.0%</b>	<b>-290 bps</b>	<b>-40 bps</b>
YOY to <b>\$74.00</b>	YOY to <b>0.0%</b>	YOY to <b>4.0%</b>

Asking Rent	Direct Vacancy	Sublease Availability
<b>+40.3%</b>	<b>-2700 bps</b>	<b>+400 bps</b>
Since Q1 2020	Since Q1 2020	Since Q1 2020

Known for its walkability and local aesthetic, Coconut Grove has stood as the prime benefactor to the spillover effect of Brickell's ascent. Though its inventory is only 13% the size of Brickell's Class A, this has only magnified its stature as a premium office market.

As shown in its 2.9% decrease year-over-year to 0.0% and 27% decrease since early 2020. This is the third time in this submarkets history that it has achieved such a feat, only further highlighting the demand this submarket commands.

Of the 9 spaces available in this market, 8 are 5,000 square feet and below, with only one space above that asking \$74.00 per square foot for a 17,000 square foot contiguous space.

## Coral Gables

Asking Rent	Direct Vacancy	Sublease Availability
<b>+ 2.7%</b>	<b>-250 bps</b>	<b>+60 bps</b>
YOY to <b>\$56.89</b>	YOY to <b>13.2%</b>	YOY to <b>2.7%</b>

Asking Rent	Direct Vacancy	Sublease Availability
<b>+27.6%</b>	<b>+320 bps</b>	<b>-60 bps</b>
Since Q1 2020	Since Q1 2020	Since Q1 2020

Situated in the center of Miami-Dade this submarket stands well known for its premier suburban living. With the influx of new-to-market waves many local firms that were once situated in Miami CBD or other submarkets have sought out price discovery in the Coral Gables where many of the business' leaders had been living all along.

Class A leasing for Q4 2024 in Coral Gables at 151,000 square feet signed led all submarkets with Brickell being the only exception, which saw 171,000 square feet signed. Such leasing activity is impressive considering both Towers of the Plaza (totaling 454,000 square feet) are already virtually fully leased with only two 1,000 square foot spaces left available.

Despite direct vacancy 320 bps higher then Q1 2020 this is still well below its direct vacancy peak of 21.6% in late 2022. In fact, current direct vacancy levels at 13.2% have not been seen since in the mid 2010s. .



## Kendall

Asking Rent	Direct Vacancy	Sublease Availability
<b>+2.7%</b>	<b>+280 bps</b>	<b>-320 bps</b>
YOY to <b>\$47.77</b>	YOY to <b>12.2%</b>	YOY to <b>0.3%</b>

Asking Rent	Direct Vacancy	Sublease Availability
<b>+17.7%</b>	<b>+440 bps</b>	<b>-90 bps</b>
Since Q1 2020	Since Q1 2020	Since Q1 2020

Kendall is regarded as the most southwestern suburban submarket across Miami. To this extent, this submarket has experienced a similar rent growth behavior to that of Airport/Doral and below the Miami-Dade market average rent growth over the same period. Rents increased 2.7% year-over-year to \$47.77 per square feet and 17.7% since Q1 2020.

Much of this is due to the increased in direct vacancy as it is almost double what it was pre-pandemic at 7.6% with second generation large blocks coming online. However, this can be interpreted as a more cyclical behavior granted that current vacancy levels are lower, albeit by 30-60 bps, then in 2015.

## Miami Beach

Asking Rent	Direct Vacancy	Sublease Availability
<b>+3.6%</b>	<b>+330 bps</b>	<b>-430 bps</b>
YOY to <b>\$80.38</b>	YOY to <b>15.5%</b>	YOY to <b>0.9%</b>

Asking Rent	Direct Vacancy	Sublease Availability
<b>+61.6%</b>	<b>+720 bps</b>	<b>+250 bps</b>
Since Q1 2020	Since Q1 2020	Since Q1 2020

Boasting one of the highest rent growths since Q1 2020 at 61.6% to \$80.38 per square foot. This may seem contradictory to the 3.3% increase to direct vacancy to 15.5% and 7.2% increase since Q1 2020. The reason for this is because new developments have been pre-leasing at rates above \$100 per square foot which have only been seen in a handful of buildings in Brickell.

In turn older buildings in Miami Beach have raised their asking rates in tandem to levels in the \$70-80s which is in the same range of brand new product in Wynwood that is no more than 5 years old. Although the 4.3% drop in sublease availability does present some positive momentum for the submarket.

With Eighteen Sunset (60,200 square feet) and Starwood Capital HQ (136,000 square feet) both fully leased, the 273,000 square feet of prime product in the pipeline to deliver through 2026 should create some equilibrium as price discovery begins to take hold.



## Miami Lakes

Asking Rent	Direct Vacancy	Sublease Availability
<b>+1.8%</b>	<b>-550 bps</b>	<b>-110 bps</b>
YOY to <b>\$36.43</b>	YOY to <b>32.1%</b>	YOY to 0.0%

Asking Rent	Direct Vacancy	Sublease Availability
<b>+26.2%</b>	<b>+1100 bps</b>	<b>-280 bps</b>
Since Q1 2020	Since Q1 2020	Since Q1 2020

Miami Lakes has long been known as one of the most suburban of markets, primarily oriented towards local tenants. To that degree it has not undergone momentous shifts but has still retained stable rent growth, as seen throughout greater Miami since the pandemic.

Since 2020 Miami Lakes Class A product has increased 26.2% to \$36.43 per square foot. On the back of such rent growth so have direct vacancy levels, rising 11% in the same time frame. However, this is still 7% below its peak direct vacancy of 39.4% in late 2022.

## Wynwood

Asking Rent	Direct Vacancy	Sublease Availability
<b>+9.1%</b>	<b>-500 bps</b>	<b>-280 bps</b>
YOY to <b>\$89.14</b>	YOY to <b>27.0%</b>	YOY to <b>6.5%</b>

Asking Rent	Direct Vacancy	Sublease Availability
<b>+55.3%</b>	<b>-2440 bps</b>	<b>-950 bps</b>
Since Q1 2020	Since Q1 2020	Since Q1 2020

Since 2020, 7 buildings comprising over 774,000 square feet of new product has been added which shows the continued drops in vacancy truly an impressive feat. Since early 2020 direct vacancy has fallen 24% while year-over-year has dropped 5% to 27.0%. Despite the almost 25% rise in vacancy from in mid 2020 to 75.1%, Wynwood has consecutively dropped in vacancy quarter over quarter ever since.

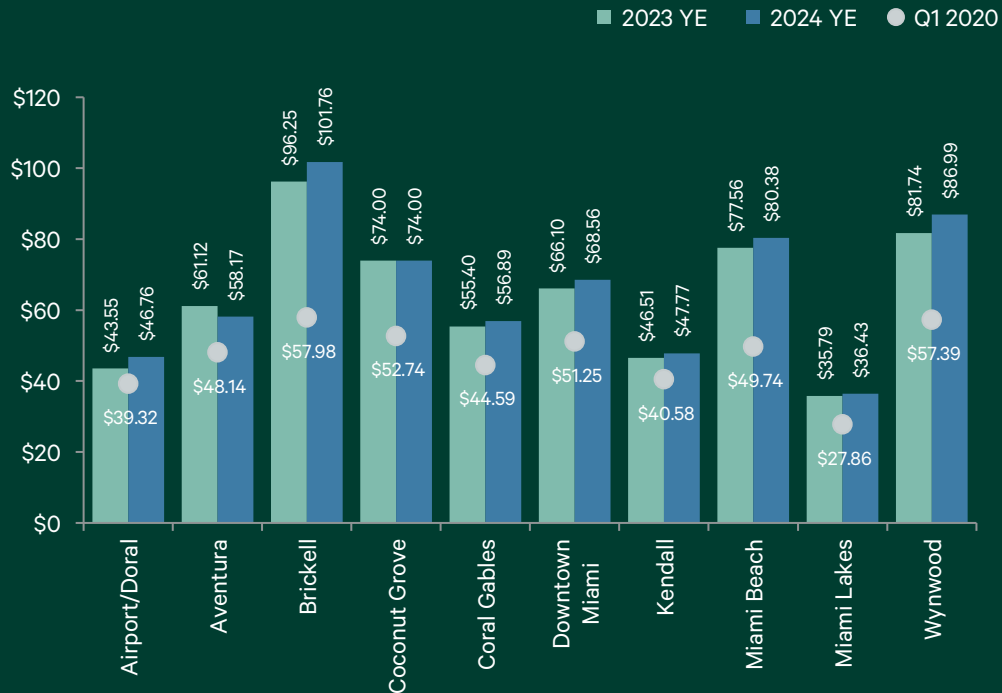
Such metrics combined with new buildings have led to Wynwood asking rents commanding the second highest rates across Miami, second only to Brickell. Ending 2024 with an average rate of \$89.14 while Brickell holds at \$98.15 per square foot.

To that degree Wynwood, like Brickell and Downtown Miami may be the most directly reflective market of broader new-to-market trends. This is most recently seen with Amazon's most recent lease in Wynwood setting a historic submarket record in size at over 50,000 square feet.

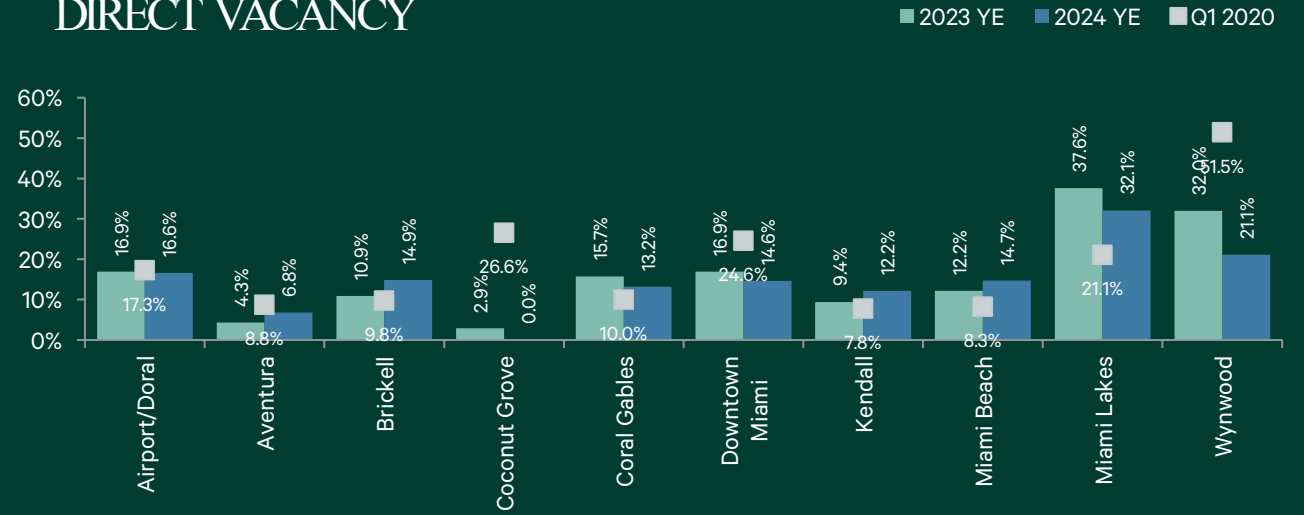


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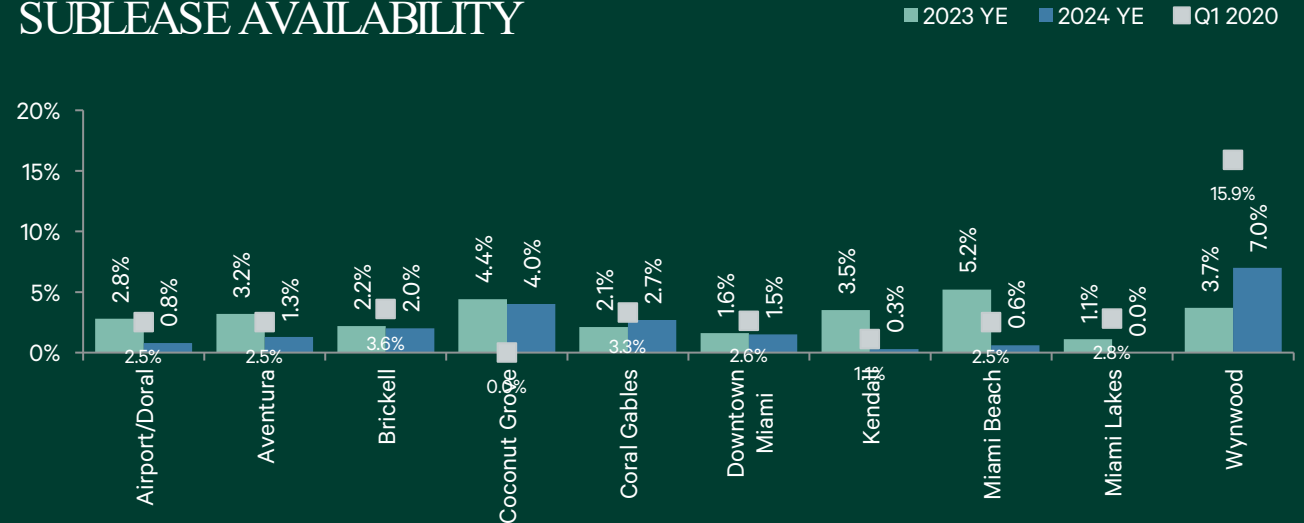
## BASE ASKING RENTS



## DIRECT VACANCY



## SUBLELEASE AVAILABILITY



Note: This report is only Class A data and does not include buildings delivered in 2024 unless otherwise noted. Biscayne Blvd is not included in the submarket breakdown since there is limited data with just 3 Class A buildings.

# Broward County Office Trends



## Overview

Asking Rent	Direct Vacancy	Sublease Availability
+ 3.9%	-80 bps	+ 10 bps
YOY to <b>\$46.82</b>	YOY to <b>16.1%</b>	YOY to <b>3.7%</b>
Asking Rent	Direct Vacancy	Sublease Availability
+14.9%	+350 bps	+ 120 bps
Since Q1 2020	Since Q1 2020	Since Q1 2020

Broward County has remained a relatively stable market in recent years, with few large fluctuations, post-pandemic. While Palm Beach and Miami have experienced unprecedented growth during this real estate cycle, Broward has remained more grounded, avoiding the significant fluctuations seen elsewhere.

The county has been influenced by broader market trends but not to the same extent as other South Florida regions. New-to-market activity has been more diverse, in line with Broward's broader tenant base, which includes both large institutional tenants and numerous local companies. These local businesses continue to drive the market's trends.

While many existing tenants are renewing leases, there has been a noticeable trend of downsizing, especially among larger tenants in suburban submarkets, driven in part by the rise of remote work. Currently, there are 23 large blocks of space available over 20,000 square feet in Class A suburban buildings. While several large blocks are sitting on the market, the pace at which they are being added has slowed.

In comparison, the market for premium office space remains limited, particularly in the downtown where only 7 blocks of space over 20,000 square feet are available. While five are within the trophy set three of the five are sublease spaces.

Development activity in 2024 was limited, with the most significant project being FAT Village's new development in Downtown, which broke ground on 180,000 square feet.

Overall, Broward's market has avoided the sustained downturns that have affected many other parts of the country post-pandemic, while also not experiencing the record-breaking growth seen in Palm Beach and Miami.

## Downtown Fort Lauderdale

Asking Rent	Direct Vacancy	Sublease Availability
+ 5.9%	-120 bps	+ 180 bps
YOY to <b>\$57.65</b>	YOY to <b>16.4%</b>	YOY to <b>5.4%</b>
Asking Rent	Direct Vacancy	Sublease Availability
+22.1%	-190 bps	+ 200 bps
Since Q1 2020	Since Q1 2020	Since Q1 2020

Downtown Fort Lauderdale has experienced notable rent growth, especially within its Trophy buildings, alongside a steady decline in vacancy rates over the past few years. Currently, direct vacancy in the submarket is 2% lower than it was in Q1 2020, despite the recent delivery of two new buildings. This reflects a strong, sustained demand for office space in the area.

With the full lease-up of The Main, the newest Trophy office building in the market, Hines has already broken ground, FAT Village, which is expected to add new premium office space to a tight market. This continued development reflects the area's growing appeal and the need for additional high-quality space.

While sublease availability among Class A properties has increased over the past 12 months, this uptick can be attributed to just a few new spaces being added to the market, rather than signaling a broader trend. This suggests that demand remains strong overall, with only isolated shifts in sublease availability.

## Cypress Creek

Asking Rent	Direct Vacancy	Sublease Availability
<b>+4.9%</b>	<b>+220 bps</b>	<b>- 30 bps</b>
YOY to <b>\$38.60</b>	YOY to <b>15.3%</b>	YOY to <b>2.4%</b>

Asking Rent	Direct Vacancy	Sublease Availability
<b>+19.3%</b>	<b>+10 bps</b>	<b>-50 bps</b>
Since Q1 2020	Since Q1 2020	Since Q1 2020

Cypress Creek has traditionally been one of the first submarkets to feel the impact during downturns and to recover, but it has shown more resilience in recent years. The Class A building set in Cypress Creek has recovered well during this cycle, despite the return of several large blocks to the market. Many of these spaces have since been leased, with 10 new leases over 20,000 square feet signed since 2020. Today, only seven large blocks remain available, and of those, only two have been on the market for more than 24 months.

In the last 12-months rent growth in Cypress Creek has remained relatively stable, with an average increase of 4.9%. Most of this growth has come from about half of the Class A buildings, which have seen rents rise by an average of 5.8%. The increase in vacancy this year is largely attributed to a few large tenants returning space. And, while sublease availability remains higher than pre-2020 levels, it is now 64% lower than its peak, indicating a significant improvement in the overall market.

## Plantation

Asking Rent	Direct Vacancy	Sublease Availability
<b>+ 5.3%</b>	<b>-630 bps</b>	<b>+ 20 bps</b>
YOY to <b>\$42.61</b>	YOY to <b>9.2%</b>	YOY to <b>1.7%</b>

Asking Rent	Direct Vacancy	Sublease Availability
<b>+19.3%</b>	<b>+270 bps</b>	<b>+ 20 bps</b>
Since Q1 2020	Since Q1 2020	Since Q1 2020

Although direct vacancy in the submarket remains elevated compared to pre-2020 levels, it has seen a year-over-year decline. It's important to note that the submarket entered the pandemic with vacancy rates slightly below its historical 5-year rolling average, positioning it relatively well in the face of the downturn.

In 2024, the market saw a significant year-over-year improvement, driven in part by the occupancy of Jazzwears, taking up 70,000 square feet. This aligns with broader market trends, as the submarket has secured six of the ten largest new leases in the county since 2020.

Back in Q1 2022, the availability rate stood at a high 32.3%, but today it has dropped to just 12.3%. Reflecting this improvement in occupancy, rents have continued to climb, confirming strong demand and a tightening market.

## Sawgrass Park

Asking Rent	Direct Vacancy	Sublease Availability
<b>+ 3.3%</b>	<b>+320 bps</b>	<b>+ 360 bps</b>
YOY to <b>\$37.69</b>	YOY to <b>20.2%</b>	YOY to <b>4.2%</b>

Asking Rent	Direct Vacancy	Sublease Availability
<b>+9.2%</b>	<b>+1530 bps</b>	<b>+ 300 bps</b>
Since Q1 2020	Since Q1 2020	Since Q1 2020

Before the pandemic, availability in Sawgrass was at historically low levels. Since then, the shift to remote work has impacted this submarket, which has historically been home to large block occupiers. Many occupiers have downsized or vacated their spaces. Unlike some other submarkets where premium properties have seen less turnover, Sawgrass has experienced vacancies across both high-end and more affordable Class A buildings.

As a result, rent growth in Sawgrass has been more moderate compared to other areas in Broward County, with rents increasing 9.2% since 2020 and 3.3% year-over-year, now averaging \$37.69 per square foot.

While market conditions have shifted, it's worth noting that both direct and sublease available space have declined from their peak levels.



## Southwest Broward

Asking Rent	Direct Vacancy	Sublease Availability
+ 1.8%	+170 bps	- 320 bps
YOY to <b>\$39.45</b>	YOY to <b>17.0%</b>	YOY to <b>4.1%</b>

Asking Rent	Direct Vacancy	Sublease Availability
+5.9%	+460 bps	+ 190 bps
Since Q1 2020	Since Q1 2020	Since Q1 2020

Southwest Broward is currently experiencing higher vacancy rates, a trend seen across several submarkets impacted by large tenants returning space. With fewer large block leases being signed, many spaces are staying on the market for longer.

Although sublease availability remains elevated, it has decreased significantly from its peak of 8.0% in mid-2021. Some of this reduction is due to spaces being listed directly as leases expire, but overall availability has been gradually declining over the past five quarters, though not sharply.

As a result of the higher vacancy rates, rent growth in this submarket has remained relatively limited. With a significant amount of space still available, landlords have had fewer opportunities to increase rents.

## Southeast Broward

Asking Rent	Direct Vacancy	Sublease Availability
+ 1.4%	-650 bps	0 bps
YOY to <b>\$39.44</b>	YOY to <b>26.0%</b>	YOY to <b>2.7%</b>

Asking Rent	Direct Vacancy	Sublease Availability
+17.0%	+1160 bps	+ 120 bps
Since Q1 2020	Since Q1 2020	Since Q1 2020

Some submarkets experienced an increase in direct vacancy due to the rise in sublease space as spaces switched direct upon lease expirations; however, Southeast Broward has been less affected by sublease availability compared to other submarkets in the county. Sublease availability in the market peaked at 3.0% during this cycle, but this is not a record, as the submarket has seen higher sublease rates during past cycles.

That said, a few large blocks of space have come online, pushing vacancy rates higher in recent years. A significant portion of the increased vacancy in this submarket can be attributed to Optima Onyx, located on the border of the Aventura submarket. When this building, which was delivered to the market largely vacant in 2021, is excluded, direct vacancy in the market drops to 13.9%. This represents a 50-basis-point decrease compared to pre-COVID levels and a substantial year-over-year decline of 640 basis points, as several tenants have taken up larger spaces, ranging from 15,000 to 25,000 square feet.

## Northwest Broward

Asking Rent	Direct Vacancy	Sublease Availability
+ 1.3%	-230 bps	- 320 bps
YOY to <b>\$38.79</b>	YOY to <b>9.7%</b>	YOY to <b>4.1%</b>

Asking Rent	Direct Vacancy	Sublease Availability
+9.9%	+ 310 bps	+ 190 bps
Since Q1 2020	Since Q1 2020	Since Q1 2020

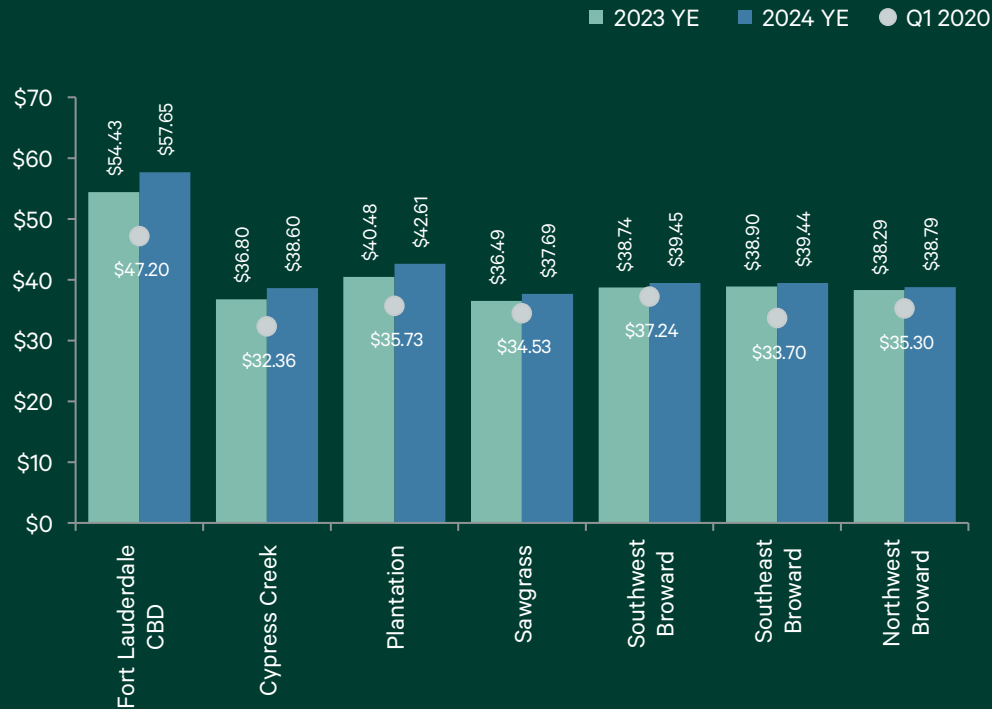
The submarket primarily serves local tenants and hasn't experienced major swings like we have seen in some other submarkets. While direct vacancy has increased by 3% since Q1 2020, it remains below the 10% threshold at 9.7%. The submarket has not been significantly impacted by sublease space either.

Rent growth in the market has been limited in recent years, rising 9.9% since Q1 2020 to \$38.79 per square foot. This growth rate is below the overall market average which makes sense given that Northwest Broward is not a primary submarket that typically drives broader market trends.

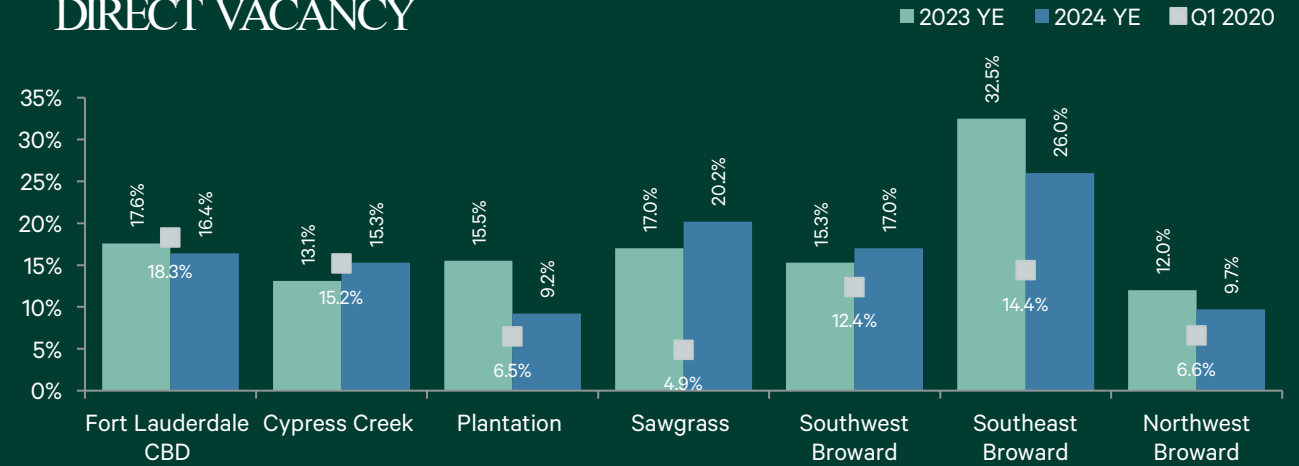


# Broward County Office Trends

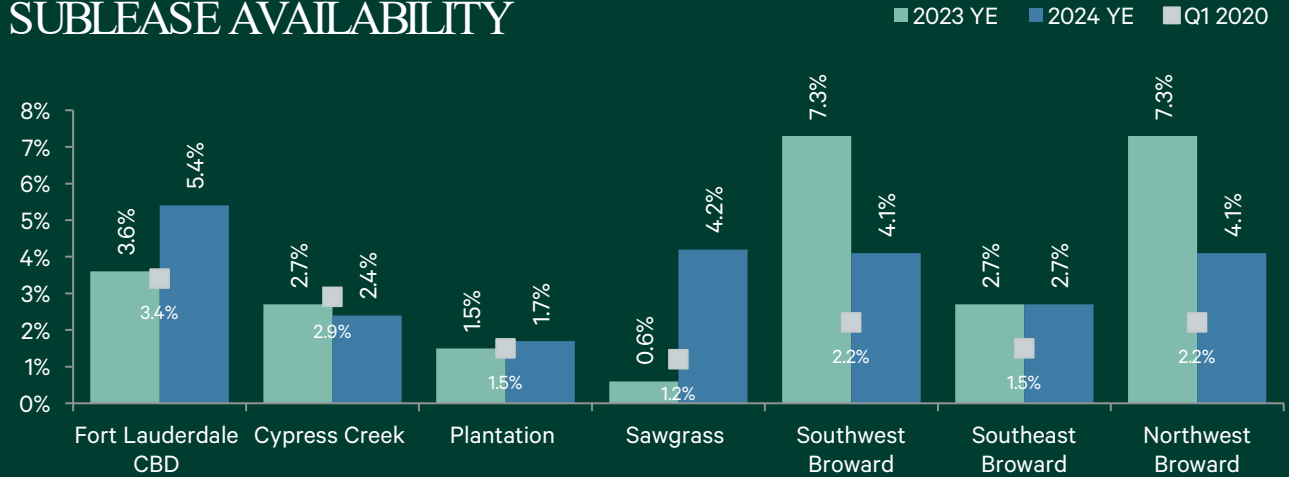
## BASE ASKING RENTS



## DIRECT VACANCY



## SUBLEASE AVAILABILITY



Note: This report is only Class A data and does not include buildings delivered in 2024 unless otherwise noted. Northeast Broward is not included in the submarket breakdown since there is limited data with 3 or less Class A buildings.

# Palm Beach County Office Trends

## Overview

Asking Rent <b>+ 9.6%</b> YOY to <b>\$59.75</b>	Direct Vacancy <b>+130 bps</b> YOY to <b>14.9%</b>	Sublease Availability <b>- 40 bps</b> YOY to <b>3.4%</b>
Asking Rent <b>+38.9%</b> Since Q1 2020	Direct Vacancy <b>+120 bps</b> Since Q1 2020	Sublease Availability <b>+ 130 bps</b> Since Q1 2020

Palm Beach County's office market showed continued growth in 2024, with strong demand for premium office spaces and new developments. North County posted positive absorption of 86,600 square feet, primarily driven by demand in the West Palm Beach CBD and Palm Beach Gardens. In contrast, South County faced volatility with a negative absorption of 204,400 square feet, largely due to North Boca. This area continues to struggle with fluctuating occupancy levels with large blocks lingering on the market.

Development activity remained high, with notable projects like One Flagler and 300 Banyan adding to West Palm Beach's downtown office inventory. These buildings, mostly pre-leased, reflect a strong demand for high-quality office spaces. Premium office space in the CBD continued to be quickly leased, leading to rising asking rents, especially in newly delivered Class A/Trophy buildings.

In sum, Palm Beach County's office market remains quite strong with new developments, high demand for premium spaces, and growth across multiple submarkets, positioning it as a dynamic hub for tenants and investors.

## West Palm Beach CBD

Asking Rent <b>+ 2.1%</b> YOY to <b>\$92.37</b>	Direct Vacancy <b>-80 bps</b> YOY to <b>7.8%</b>	Sublease Availability <b>- 10 bps</b> YOY to <b>4.9%</b>
Asking Rent <b>+55.5%</b> Since Q1 2020	Direct Vacancy <b>-860 bps</b> Since Q1 2020	Sublease Availability <b>+ 220 bps</b> Since Q1 2020

The West Palm Beach CBD submarket has seen significant growth in 2024, driven by the completion of premium office buildings such as One Flagler and 300 Banyan. Excluding these new buildings, direct vacancy decreased by 80 basis points to 7.8%. Although the buildings are pre-leased, tenants have not yet occupied them so the numbers would show significantly higher if included.

This influx of Trophy buildings, and their successful lease up has contributed to notable rent growth, with average asking rates reaching \$92.37 per square foot—55.5% higher than Q1 2020 levels. With 664,000 square feet of office space still under development, West Palm Beach's CBD continues to attract investment.

Despite a slowdown from the peak activity in 2021/2022, the submarket remains resilient, with nearly double the amount of Trophy inventory, limited availability and strong rent growth. This growth is a reflection of sustained demand for high-quality office space in the area.



## East Boca

Asking Rent	Direct Vacancy	Sublease Availability
<b>+6.6%</b>	<b>+360 bps</b>	<b>+140 bps</b>
YOY to <b>\$50.84</b>	YOY to <b>14.8%</b>	YOY to <b>2.4%</b>
Asking Rent	Direct Vacancy	Sublease Availability
<b>+27.4%</b>	<b>+350 bps</b>	<b>0 bps</b>
Since Q1 2020	Since Q1 2020	Since Q1 2020

East Boca, particularly around Mizner Park, is a highly desirable live-work-play area, driving rent growth. Asking rents have increased 27.4% since 2020 and 6.6% year-over-year to \$50.84 per square foot. Much of this demand is driven by smaller tenants leasing space, rather than large users.

Despite strong demand, East Boca posted negative absorption of 26,300 square feet in 2024, with direct vacancy increasing by 360 basis points due to a significant move-out at 980 N Federal Highway. Sublease availability remains limited, though it rose by 1.4% from 2023.

East Boca is well positioned with limited sizable blocks available. The submarket remains a resilient market with strong potential for future growth.

## North Boca

Asking Rent	Direct Vacancy	Sublease Availability
<b>+ 4.2%</b>	<b>+280 bps</b>	<b>- 190 bps</b>
YOY to <b>\$45.16</b>	YOY to <b>26.7%</b>	YOY to <b>1.4%</b>
Asking Rent	Direct Vacancy	Sublease Availability
<b>+28.2%</b>	<b>+1150 bps</b>	<b>+ 40 bps</b>
Since Q1 2020	Since Q1 2020	Since Q1 2020

North Boca's direct vacancy rate has surged since the pandemic, reaching 26.7% in 2024. This increase is primarily due to large block spaces over 20,000 square feet, as companies with remote work policies are less likely to occupy these spaces.

However, there are signs of stabilization in the submarket. Rents grew modestly by 4.2% year-over-year, and sublease availability dropped by 190 basis points. While the decrease in sublease availability coincided with an increase in direct vacancy, it is a positive trend that large-block listings have slowed, with only two large blocks over 20,000 square feet listed in 2024. If this trend continues, the market could become more balanced moving forward.

## West Boca

Asking Rent	Direct Vacancy	Sublease Availability
<b>+ 5.7%</b>	<b>+230 bps</b>	<b>- 130 bps</b>
YOY to <b>\$60.62</b>	YOY to <b>13.6%</b>	YOY to <b>5.3%</b>
Asking Rent	Direct Vacancy	Sublease Availability
<b>+34.6%</b>	<b>+120 bps</b>	<b>+ 300 bps</b>
Since Q1 2020	Since Q1 2020	Since Q1 2020

West Boca's Class A office market is stable and continues to cater primarily to local tenants. Rent growth has remained strong, with average asking rents increasing by 5.7% in 2024 to \$60.62 per square foot.

Although direct vacancy has risen by 120 basis points since Q1 2020 and 230 basis points year-over-year, it remains below peak levels at 13.6%. A significant move-out in 2024 contributed to this, but the market remains steady overall.

West Boca remains a desirable and attractive submarket for investment and tenants, with the lowest vacancy rate and highest rent growth since 2020 among Boca's submarkets.



## Palm Beach

Asking Rent	Direct Vacancy	Sublease Availability
<b>+ 17.2%</b>	<b>-380 bps</b>	<b>0 bps</b>
YOY to <b>\$131.12</b>	YOY to <b>3.1%</b>	YOY to <b>0.0%</b>

Asking Rent	Direct Vacancy	Sublease Availability
<b>+90.0%</b>	<b>-2500 bps</b>	<b>0 bps</b>
Since Q1 2020	Since Q1 2020	Since Q1 2020

Palm Beach Island remains one of the most expensive office markets in the U.S., catering to high-net-worth financial service firms. Asking rents on the island reached \$131.12 per square foot in 2024, a 90% increase since 2020 and a 17.2% increase year-over-year.

The island's inventory remains highly limited due to land constraints, and vacancy rates are consistently low. This premium pricing reflects the exclusive nature of office space on the island and the wealth of tenants that make up its base.

## Palm Beach Gardens

Asking Rent	Direct Vacancy	Sublease Availability
<b>+ 12.8%</b>	<b>-280 bps</b>	<b>+40 bps</b>
YOY to <b>\$54.74</b>	YOY to <b>5.3%</b>	YOY to <b>4.3%</b>

Asking Rent	Direct Vacancy	Sublease Availability
<b>+41.9%</b>	<b>-250 bps</b>	<b>+ 100 bps</b>
Since Q1 2020	Since Q1 2020	Since Q1 2020

Palm Beach Gardens stands out with one of the county's lowest direct vacancy rates. In 2024, rents increased by 12.8% year-over-year to \$54.74 per square foot, marking a 41.9% increase since Q1 2020.

Palm Beach Gardens offers a compelling alternative to the West Palm Beach CBD with lower rents and a convenient location. The combination of low vacancy rates and strong rent growth highlights its attractiveness for businesses seeking quality office spaces at more affordable prices.

## Suburban West Palm

Asking Rent	Direct Vacancy	Sublease Availability
<b>+ 3.3%</b>	<b>-320 bps</b>	<b>+410 bps</b>
YOY to <b>\$41.01</b>	YOY to <b>15.2%</b>	YOY to <b>4.1%</b>

Asking Rent	Direct Vacancy	Sublease Availability
<b>+20.0%</b>	<b>+40 bps</b>	<b>+ 270 bps</b>
Since Q1 2020	Since Q1 2020	Since Q1 2020

The Suburban West Palm Beach office market serves primarily local tenants and remains stable. Direct vacancy dropped by 320 basis points year-over-year to 15.2%, although it remains slightly higher than 2020 levels.

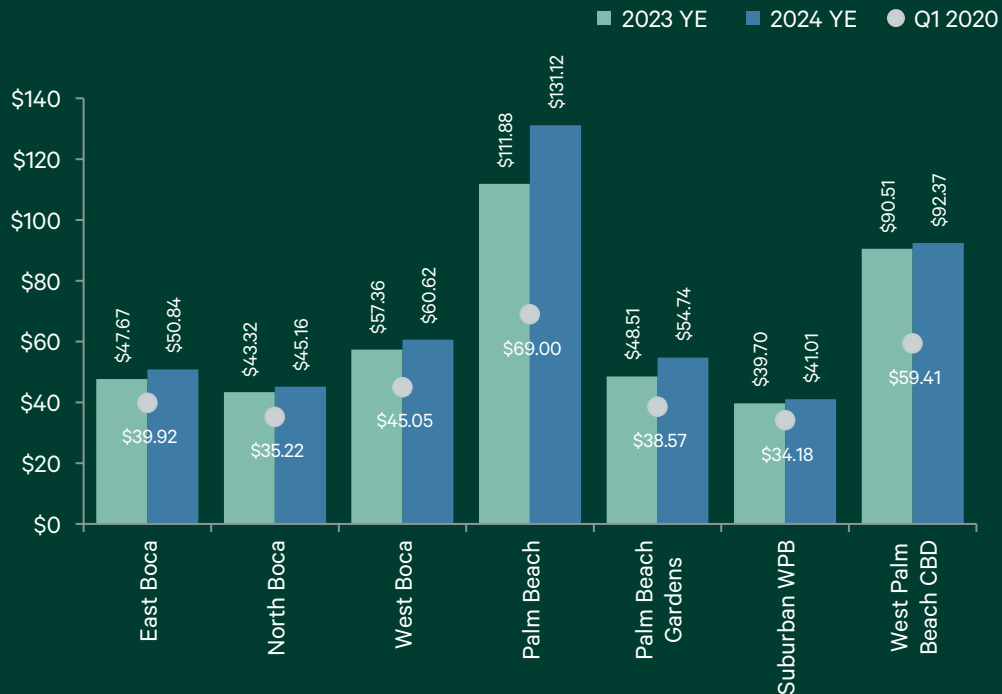
Sublease availability increased by 410 basis points to 4.1%, but this was mostly due to small subleases coming online, with only 14,000 square feet listed for sublease in total. Rent growth has been modest, with asking rents increasing by 3.3% since Q4 2023 to \$41.01 per square foot.

Suburban West Palm Beach remains a stable, reliable option for local tenants, with steady demand and minimal fluctuations.

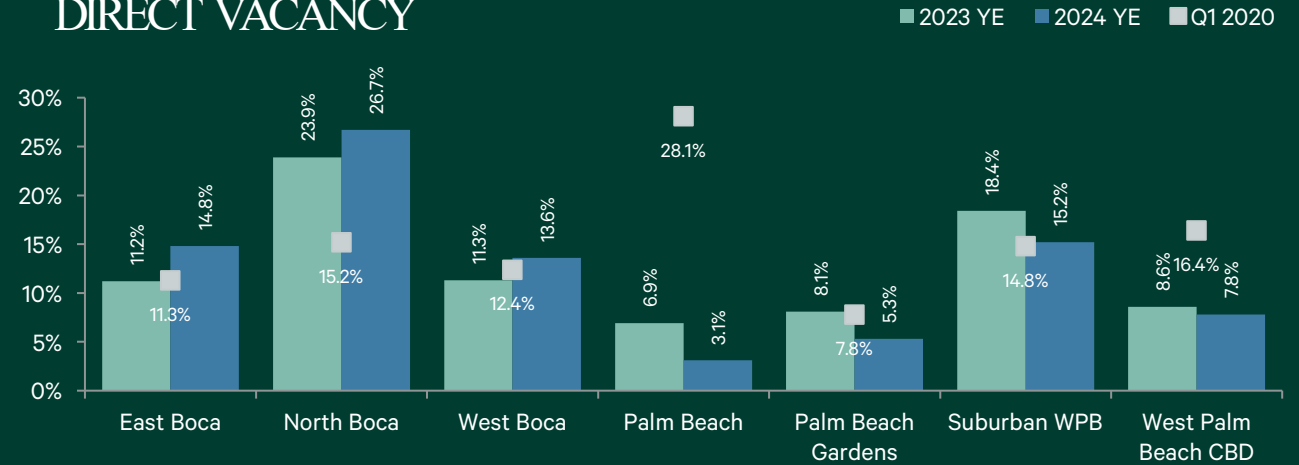


# Palm Beach County Office Trends

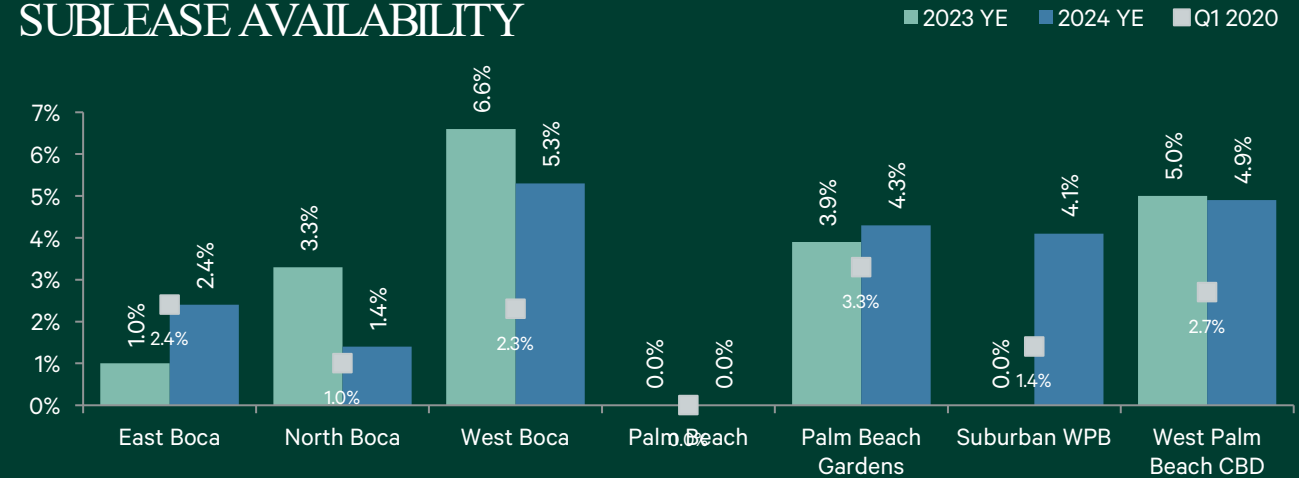
## BASE ASKING RENTS



## DIRECT VACANCY



## SUBLEASE AVAILABILITY



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