

# INVESTMENT FORECAST

Office  
West Palm Beach Metro Area

IPA  
INSTITUTIONAL  
PROPERTY  
ADVISORS

2026

## Leasing Momentum Builds Countywide as Urban Core Lays Groundwork for Long-Term Expansion

**Downtown positioned for future towers as core submarkets tighten.** Palm Beach County enters 2026 with strong momentum after posting near-record leasing across its main office corridors in late 2025, while proposed New York City tax hikes may accelerate firm relocations southward. Downtown is poised to capture rising corporate interest after three offices totaling 1.5 million square feet broke ground for 2027-2028 delivery. Pre-leasing is already active, with ServiceNow taking 200,000 square feet for its innovation hub and AI institute. The CBD's 10.6 percent vacancy rate — the second tightest among major U.S. downtowns — and the lack of any available blocks over 50,000 square feet underscores the need for new supply. Elsewhere, vacancy fell by more than 100 basis points in 2025 in Boca Raton and North Palm Beach, the latter dropping below 8 percent. Stronger Class B/C absorption further signals broadening demand. While move-outs in smaller hubs and soft hiring may weigh on activity, limited near-term deliveries and steady corporate in-migration are expected to support further tightening in 2026.

**Stabilized small offices lead investment surge.** Sales activity is expected to hold firm after the metro posted the second-largest increase in trading among major markets in 2025. Well-leased post-1980 assets under 50,000 square feet should stay in focus, supported by sub-7-percent vacancy and stable cash flows with limited capital needs. North Palm Beach and Jupiter are likely to draw sustained interest amid tight fundamentals, including Class A vacancy in North Palm Beach falling to all-time lows under 5 percent. Boca Raton and Delray Beach should also be targets, with Florida Atlantic University the fastest-growing university in the state, while BioStem Technologies' recent land acquisition for a future headquarters near campus underscores the area's corporate appeal.

## 2026 MARKET FORECAST

+0.8%



**Employment:** Metro employers create 6,000 new roles in 2026, including roughly 1,500 in office-using industries. Palm Beach County's overall job growth rate will rank seventh among major markets.

150,000  
sq. ft.



**Construction:** Deliveries will fall to roughly half of the past decade's average, led by an 80,000-square-foot office in Delray Beach and a few smaller medical buildings in Wellington and Greenacres.

-60 bps



**Vacancy:** Minimal new supply and strong leasing will drive one of the nation's sharpest vacancy declines this year, bringing the metro's rate to 11.2 percent — just 30 basis points above its all-time low.

+3.1%

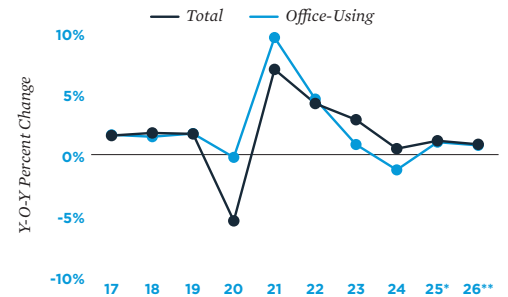


**Rent:** Palm Beach County is expected to record rent growth in 2026 that ranks third nationally, bringing the market's average asking rate to \$33.75 per square foot by year-end.

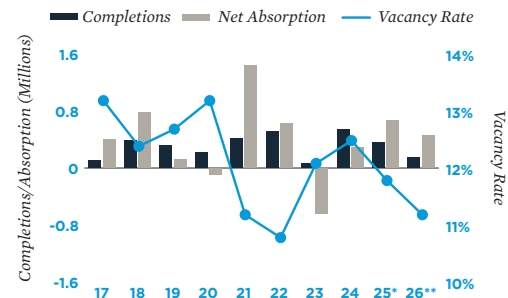
### INVESTMENT:

*Strong population gains in Lake Worth, Greenacres, and Wellington — the metro's fastest-growing multifamily corridors — may draw more office tenants, while office vacancy under 7 percent supports investment.*

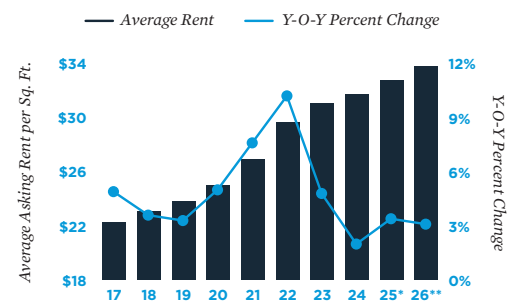
### Employment Trends



### Supply and Demand



### Rent Trends



\* Estimate \*\* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

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Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of January 2026. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Sales data includes transactions valued at \$1,000,000 and greater unless otherwise noted. Forecasts for employment and office data are made during the fourth quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.