

WEST PALM BEACH OFFICE REPORT

Yardi® Matrix

Market Analysis

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Growing Economy Spurs Development



West Palm Beach is currently in the middle of an economic surge. Area employment grew at a swift pace and roughly 18,200 jobs were added in the 12 months ending in July. Companies willing to relocate into the metro are lured by the strong local economy and the lack of a state income tax. Moreover, the city of West Palm Beach has been attracting employers through incentive packages offering firms more than 10-year tax breaks for creating new, high-paying jobs.

The market's total office inventory encompasses more than 25 million square feet, and roughly **6 million square feet** is under various phases of development. No major office project has come online since 2008, but market dynamics are poised to shift, with substantial new commercial developments planned for the coming years. In the aftermath of Hurricane Irma, Florida's prime office markets reported minimal impact.

Rates were highest in the Central Business District of West Palm Beach, where leases hit an average of \$30.33 per square foot, while Boynton Beach claimed an average rate of \$27.40 as of September. Leasing activity remained moderate in more established submarkets, such as West and North Boca Raton.

Investor interest led to more than **\$555 million in office asset trades** in the 12 months ending in September. Buyers focused their attention on financial cores, purchasing properties in Downtown West Palm Beach and Boca Raton in an effort to strengthen their local presence.