

WEST PALM BEACH OFFICE MARKET Yardi® Matrix

Market Analysis

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Construction Bolsters Market Dynamics



West Palm Beach–Boca Raton's office sector continues to expand gradually, as it draws on healthy market fundamentals such as a tax-friendly business environment, steady job growth and solid tenant demand. Palm Beach County has had the fastest job growth statewide in the financial activities sector, according to CareerSource Palm Beach County and the Florida Department of Economic Opportunity report. The sector also led gains in the metro's office-using industries, adding some 3,400 positions, for a 3% expansion.

The metro's booming development pipeline is underpinned by solid demand for modern product. According to the Palm Beach County Business Development Board, 70 financial services firms have moved from New York City to the county in the last three years, and the board gained 15 more as of September. A combined 249,000 square feet of office space came online in the first nine months of the year, equal to 25% of the past decade's total completions. As construction velocity shifted gears, developers broke ground on two new mixed-use projects year-to-date through September, aiming to match growing tenant demand.

Investor interest remains steady, with local and national buyers infusing capital into the metro. Acquisition yields for top-rated properties in the tri-county Miami area hovered in the 5% to 6.5% range. More than 1.6 million square feet traded for a combined \$368 million year-to-date through September.