MARKETBEAT
PALM BEACH
INDUSTRIAL Q3 2024

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
6.6% Vacancy Rate	▲	▼
787K YTD Net Absorption, SF	▲	▲
$15.70 Asking Rent, PSF	▲	▲

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
702K Broward County Employment	▲	▲
3.4% Broward County Unemployment Rate	▲	▲
4.1% U.S. Unemployment Rate	▲	▼

Source: BLS

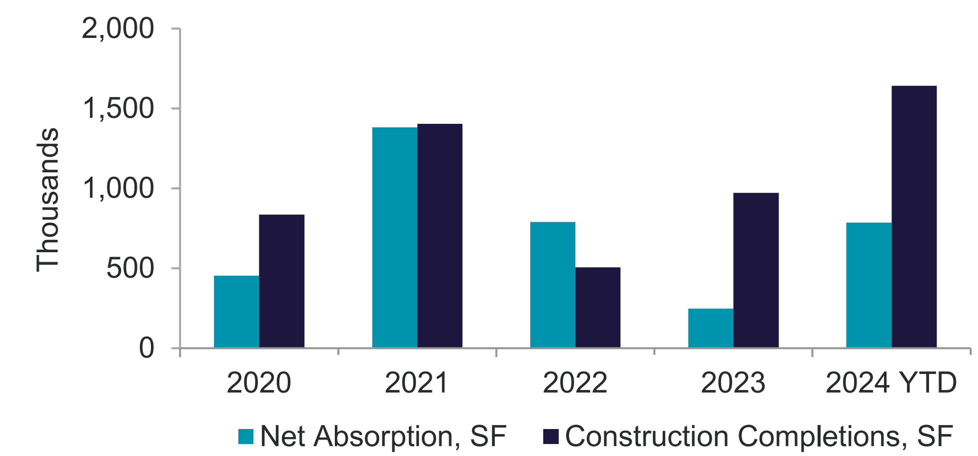
ECONOMY
The unemployment rate in Palm Beach County was 3.4%, 30 basis points (bps) higher than one year ago, but 70 bps lower than the national rate.

SUPPLY
Palm Beach County's overall vacancy rate was 6.6% at the end of Q3, up 170 bps year-over-year (YOY). Warehouse/Distribution (W/D) vacancy was 8.3%, up 240 bps in the same period. After boasting one of the lowest rates in the state in 2022, new industrial inventory added over the past two years caused vacancy to rise. Year-to-date (YTD) deliveries totaled over 1.6 million square feet (msf), predominately in the Jupiter and West Palm Beach submarkets. Over 83.0% of Palm Beach's new supply remained available for lease, pushing the county to the third highest vacancy rate in the state. Despite the spike in unoccupied space, conditions remained in line with a more normalized market. Projects under construction totaled 353,386 square feet (sf), the lowest total since 2018. Construction starts have halted in the northern part of the county, while ticking upward in the southern submarkets. The expected stabilization of the market's new supply paired with a diminishing development pipeline will cause vacancy to trend downward heading into 2025.

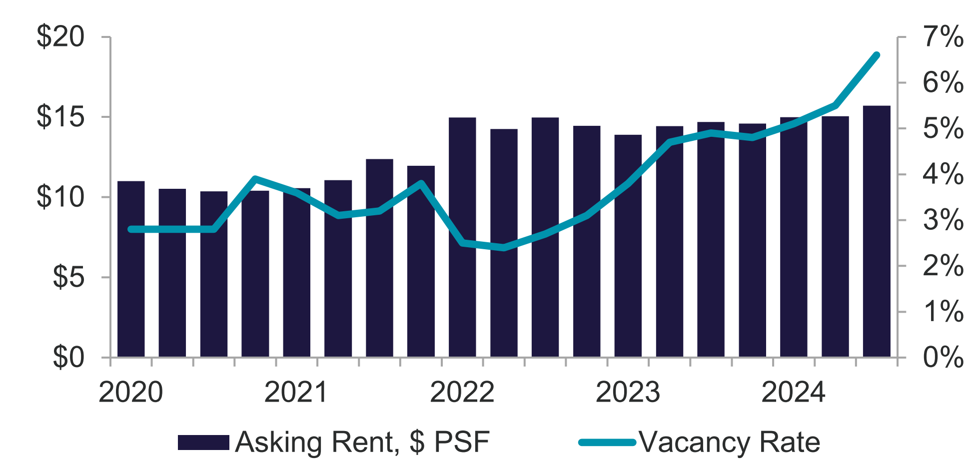
DEMAND
Palm Beach was the only county in South Florida to post a YOY increase for YTD new leasing activity, up 9.1% to 1.1 msf. W/D leasing activity rose 20.4% over the last year, finishing Q3 at 882,652 sf. Q3 absorption totaled 377,289 sf bringing the market's total to 786,642 sf of net occupancies YTD. The largest move-in for the quarter was National Millwork's 101,022 sf occupancy in West Palm Beach. An additional driver of the quarter's positive absorption included tenants occupying space in the county's newly delivered buildings, including Global Furniture (47,257 sf), Panor (23,384 sf), and the owner-occupied portion of 17035 Persimmon Blvd (92,114 sf).

PRICING
The average asking rate in Palm Beach County rose 6.8% YOY to $15.70 per square foot (psf) in Q3. The W/D average had the largest increase of the market's industry types, rising 7.0% to $15.91 psf. Continued supply chain issues and economic uncertainty could cause rates to hold heading into next year.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)*	UNDER CNSTR (SF)	CONSTRUCTION COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)**	OVERALL WEIGHTED AVG NET RENT (OS)**	OVERALL WEIGHTED AVG NET RENT (W/D)**
Boca Raton	7,192,758	252,767	3.5%	16,190	4,504	130,008	0	0	N/A	$18.38	$15.43
Boynton Beach	3,119,863	32,056	1.0%	11,311	10,926	130,951	0	0	N/A	$21.75	$14.63
Delray Beach	1,541,987	8,152	0.5%	8,049	10,787	26,158	0	0	N/A	$14.50	$17.50
Jupiter	5,362,191	1,001,752	18.7%	47,257	40,659	70,265	303,364	801,963	N/A	$12.75	N/A
Lake Worth	2,097,951	21,050	1.0%	-6,188	98,411	61,075	0	75,000	$20.25	$16.00	$24.09
Riviera Beach	8,582,449	452,261	5.3%	24,184	16,547	196,483	50,022	0	N/A	N/A	$15.51
West Palm Beach	14,966,485	1,043,373	7.0%	276,486	604,808	450,160	0	764,569	$9.85	$22.12	$15.98
PALM BEACH TOTAL	**42,863,684**	**2,811,411**	**6.6%**	**377,289**	**786,642**	**1,065,100**	**353,386**	**1,641,532**	**$10.84**	**$16.30**	**$15.91**

**Renewals not included in leasing statistics **Rental rates reflect triple net asking*

PRODUCT TYPE	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)*	UNDER CONSTRUCTION (SF)	CONSTRUCTION COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT**
Manufacturing	6,624,215	41,702	0.6%	-4,000	15,200	37,886	0	0	$10.84
Office Service	4,965,976	178,391	3.6%	30,530	43,748	144,562	50,022	0	$16.30
Warehouse/Distribution	31,273,493	2,591,318	8.3%	350,759	727,694	882,652	303,364	1,641,532	$15.91
PALM BEACH TOTAL	**42,863,684**	**2,811,411**	**6.6%**	**377,289**	**786,642**	**1,065,100**	**353,386**	**1,641,532**	**$15.70**

KEY LEASE TRANSACTIONS Q3 2024

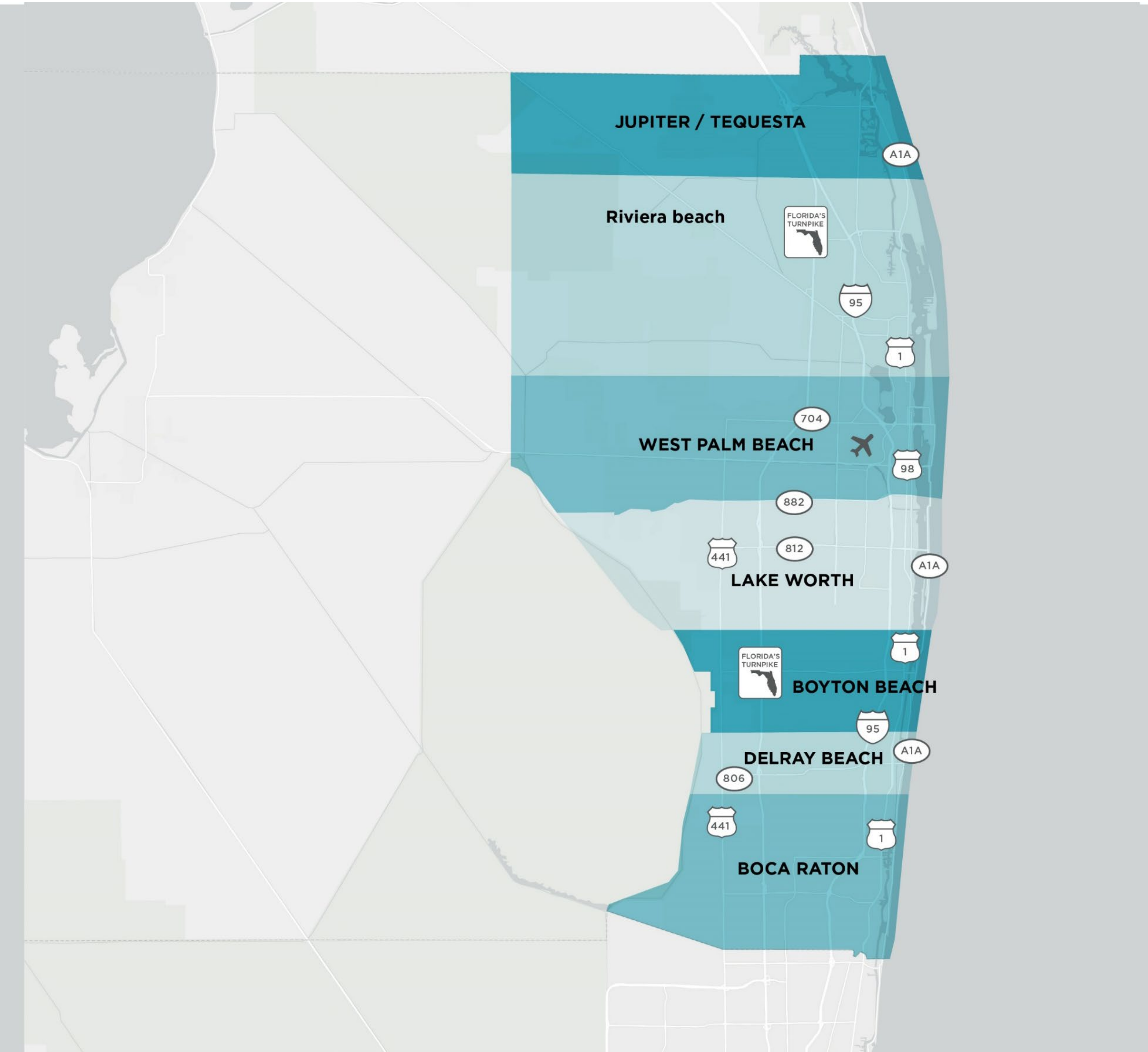
PROPERTY	SUBMARKET	TENANT	SF	TYPE
1315 N Jog Rd	West Palm Beach	Good Greek Moving	53,250	Renewal*
4895 Park Ridge Boulevard	Boynton Beach	The American Bottling	47,588	Renewal*
7960 Central Industrial Dr N	Riviera Beach	Protech Leaded Eyewear	45,000	New
1177 Blue Heron Boulevard	Riviera Beach	Velocity Impact Windows	44,961	New
1155 Broken Sound Parkway	Boca Raton	Boston Proper Inc	42,563	Renewal*
1333 N Jog Rd	West Palm Beach	Good Greek Moving	31,276	New
377 N Cleary Rd	West Palm Beach	International Supply Cool Inc	27,920	New
1333 N Jog Rd	West Palm Beach	Good Greek Moving	31,276	New

**Renewals not included in leasing statistics*

KEY SALE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
645 Park of Commerce Way	Boca Raton	DRA Advisors | Brookfield Properties	113,191	$25.7M | $227
701 Park of Commerce Boulevard	Boca Raton	Darielle Singerman | Fit Ventures	79,642	$18.7M | $235
1301 W 13th St	Riviera Beach	DRA Advisors | Brookfield Properties	46,942	$8.0M | $170

INDUSTRIAL SUBMARKETS



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