MARKETBEAT
PALM BEACH
INDUSTRIAL Q2 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
6.4% Vacancy Rate	▲	▼
100K YTD Net Absorption, SF	▼	▲
$13.38 Asking Rent, PSF *(Overall, Net Asking Rent)*	▼	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
710K Palm Beach County Employment	▲	▲
3.7% Palm Beach County Unemployment Rate	▲	▲
4.2% U.S. Unemployment Rate	▲	▲

Source:BLS

SUPPLY

Palm Beach County's overall vacancy rate improved by a modest 20 bps quarter-over-quarter (QOQ) to 6.4% but remained up 110 bps YOY. Warehouse/distribution (W/D) product spurred this trend, up 120 bps YOY with a 20 bps drop from Q1 to finish the quarter at 7.7%. Meanwhile, vacancy within office services (OS) buildings recorded the same 120-bp annual increase but remained tighter at 5.6%. The Jupiter submarket continued to drive vacancy in Palm Beach County, with the influx of supply from 2024 yet to be absorbed. Gardens Innovation Center, the 50,022-square foot (sf) building, was completed in Q2, the year's only completion so far and the first in almost two years for the Riviera Beach submarket. At the midyear point, 726,670 sf remained under construction, split between the Boynton and Delray Beach submarkets, in Southern Palm Beach. No projects were under construction in the Northern half of the county, for the first time since 2013.

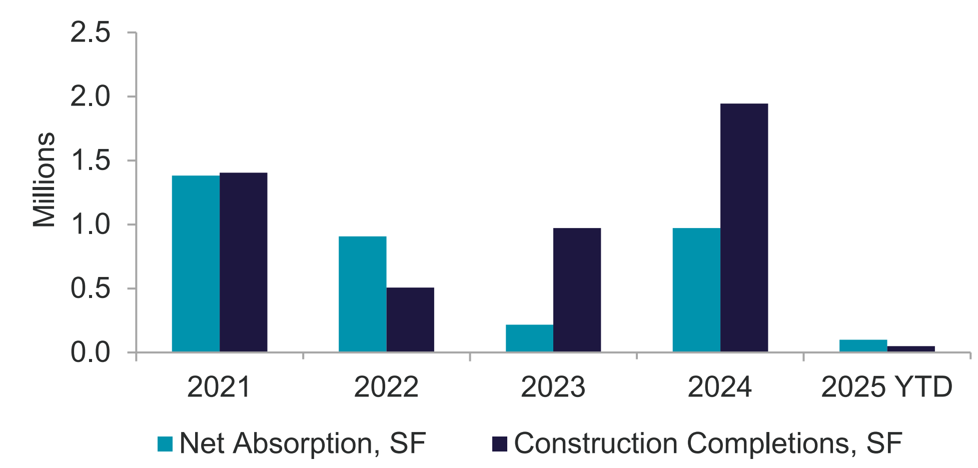
DEMAND

New leasing activity in Palm Beach County ended Q2 with a total of 842,225 sf year-to-date (YTD), in line with levels from one year ago. Nearly 565,000 sf of new deal activity in Q2 marked the highest quarterly total since Q1 2022, driven by strong demand in Jupiter, West Palm Beach, and Riviera Beach. Boca Raton's 131,000 sf of YTD leasing activity within OS product accounted for almost 77.0% of the total market demand, marking a 71.7% increase YOY. Following a slight net occupancy loss in Q1, improved gains in Q2 brought the YTD total to nearly 100,000 sf of absorbed space. Notable tenant move-ins included Ekhart's 56,000 sf at Lake Park Logistics and The Farmer's Dog's 19,500 sf at Meridian Center. With over 400,000 sf of leased availabilities currently slated for occupancy in Q3, absorption is expected to continue trending positively into the second half of the year.

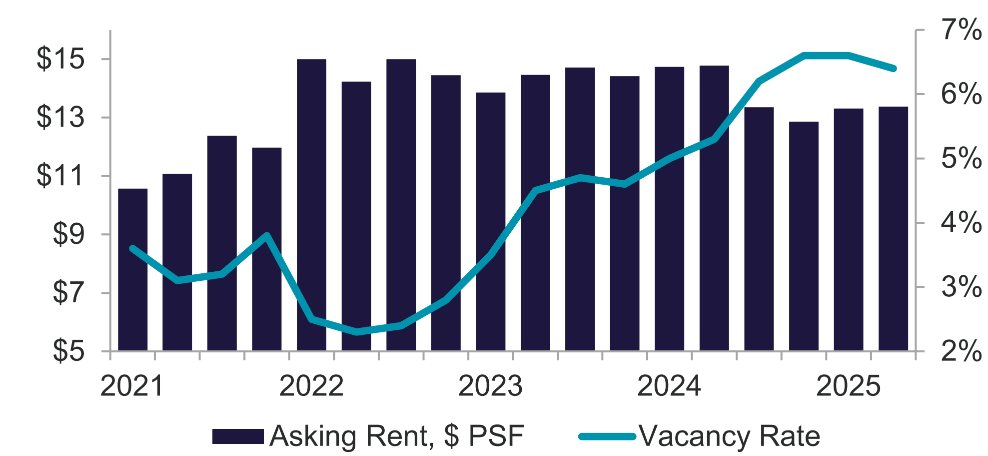
PRICING

Palm Beach County's overall average asking rental rate was $13.38 per square foot (psf) in Q2, down 9.8% YOY but up slightly QOQ, the second consecutive quarter with modest rent increases. W/D asking rates fell 12.7% to $12.92 psf YOY, while OS and MF rents increased 4.3% to $16.84 psf and 18.6% to $11.51 psf, respectively. The lease-up and occupancy of the lower priced big-box space delivered in 2024, along with the influx of new construction underway will have rents ticking up once again 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)	YTD CNSTR COMPL (SF)	OVERALL WEIGHTED AVG NET RENT (MF)**	OVERALL WEIGHTED AVG NET RENT (OS)**	OVERALL WEIGHTED AVG NET RENT (W/D)**	OVERALL WEIGHTED AVG NET RENT**
Boca Raton	7,192,758	268,271	3.7%	26,640	-60,374	162,774	0	0	$19.95	$17.82	$16.19	$17.45
Boynton Beach	3,119,863	36,993	1.2%	0	39,132	54,776	457,110	0	N/A	$16.95	$14.36	$14.75
Delray Beach	1,541,987	16,191	1.1%	0	-4,559	19,431	269,560	0	N/A	$14.50	$15.97	$15.42
Jupiter	5,665,555	1,292,876	22.8%	400	1,200	183,239	0	0	N/A	$12.75	$10.66	$10.77
Lake Worth	2,097,951	8,566	0.4%	1,087	-1,993	2,593	0	0	N/A	N/A	$22.97	$22.97
Riviera Beach	8,632,471	339,588	3.9%	50,031	75,031	82,121	0	50,022	$11.00	$18.75	$15.30	$15.68
West Palm Beach	14,967,485	815,069	5.5%	33,847	51,512	337,291	0	0	$9.93	$18.00	$16.19	$15.61
PALM BEACH TOTAL	**43,218,070**	**2,777,554**	**6.4%**	**112,005**	**99,949**	**842,225**	**726,670**	**50,022**	**$11.51**	**$16.84**	**$12.92**	**$13.38**

**Renewals not included in leasing statistics **Rental rates reflect weighted net asking $psf/year*

PRODUCT TYPE	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)	YTD CNSTR COMPL(SF)	OVERALL WEIGHTED AVG NET RENT**
Manufacturing	6,624,215	70,411	1.1%	9,600	-750	9,600	0	0	$11.51
Office Service	5,016,998	281,849	5.6%	27,550	-50,010	170,523	0	0	$16.84
Warehouse/Distribution	31,576,857	2,425,294	7.7%	74,855	150,709	662,102	726,670	50,022	$12.92

KEY LEASE TRANSACTIONS Q2 2025

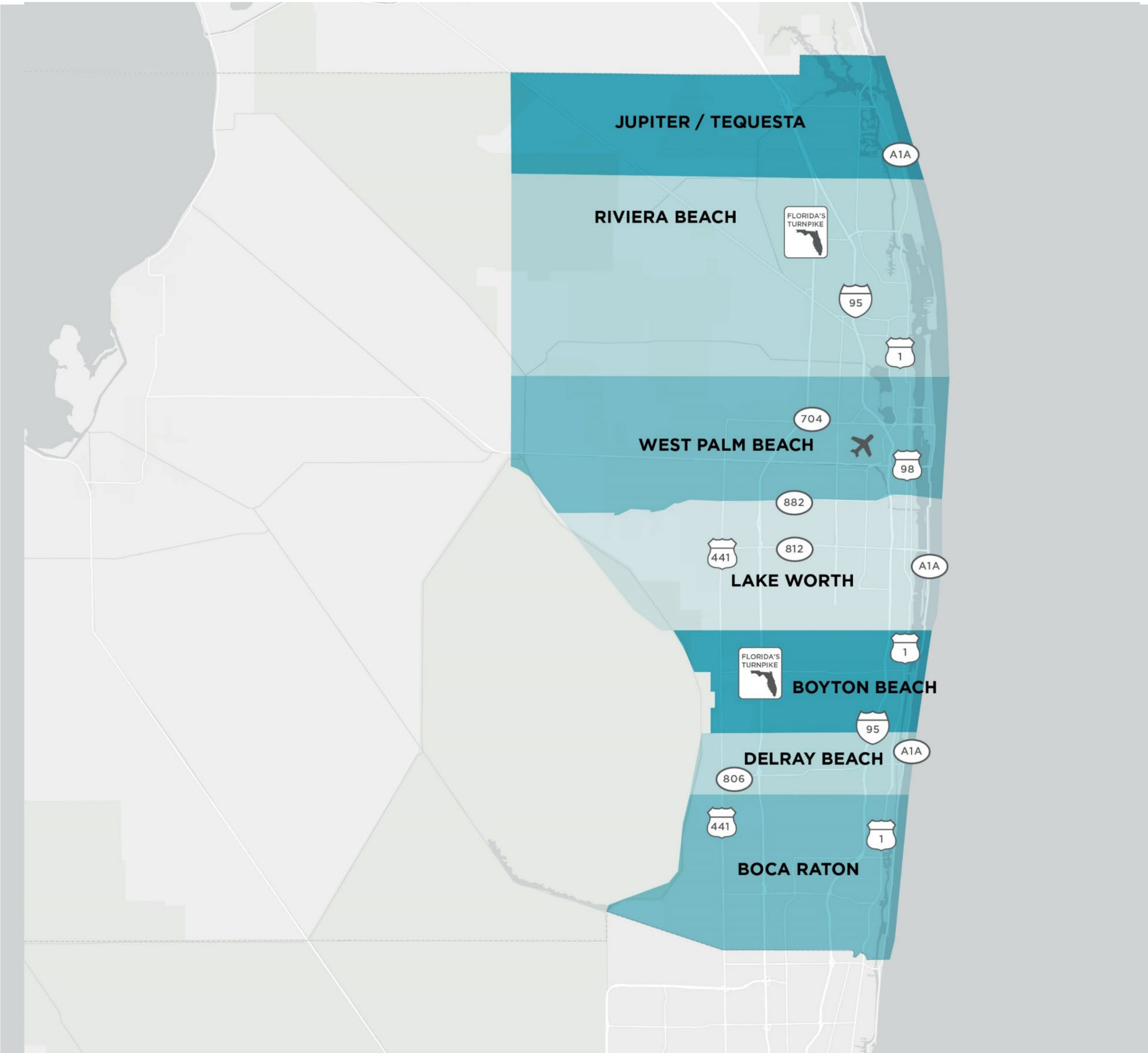
PROPERTY	SUBMARKET	TENANT	SF	TYPE
15810 Walgreens Dr	Jupiter	Niagara Bottling, LLC	182,839	New
601 103rd Ave N	West Palm Beach	American Tire Distributors, INC	124,800	Renewal*
201 Sansbury Way- Bldg 2	West Palm Beach	Goat Foods	68,099	New
1100 Old Dixie Highway	Riviera Beach	Eckart	55,831	New
1701-1743 Okeechobee Road	West Palm Beach	East Coast Mechanical, Inc.	31,810	New
3651 FAU Blvd	Boca Raton	Sandow	28,315	New

**Renewals not included in leasing statistics*

KEY SALE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
1830 Park Lane South	Jupiter	Triatomic Environmental, Inc. | Albers Land Company LLC	20,000	$8.5M | $425

INDUSTRIAL SUBMARKETS



CONNOR SALZMAN
Senior Research Analyst
Tel: +1 954 892 7000
Connor.Salzman@cushwake.com

ERIC MESSER
Senior Research Manager
Tel: +1 954 377 0519
Eric.Messer@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2024, the firm reported revenue of $9.4 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.