

|                                       | YoY Chg | 12-Mo. Forecast |
|---------------------------------------|---------|-----------------|
| <b>3.0%</b><br>Vacancy Rate           | ▼       | ▼               |
| <b>352K</b><br>YTD Net Absorption, SF | ▲       | ▬               |
| <b>\$11.43</b><br>Asking Rent, PSF    | ▲       | ▲               |

*Overall, Net Asking Rent*

### ECONOMIC INDICATORS Q1 2022

|   | YoY Chg | 12-Mo. Forecast |
|---|---------|-----------------|
| <b>656K</b><br>Palm Beach Employment        | ▲       | ▲               |
| <b>2.6%</b><br>Palm Beach Unemployment Rate | ▼       | ▼               |
| <b>3.6%</b><br>U.S. Unemployment Rate       | ▼       | ▼               |

Source: BLS, numbers above are monthly figures, FL Dept. Economic OPP.

### ECONOMY

The unemployment rate in Palm Beach County was 2.6% in March 2022, down 230 basis points (bps) from 12 months prior. Nonagricultural employment was 659,700, a 5.2% increase year-over-year (YOY) or 32,700 jobs added. Business and Services was the only non-Government employment sector in Palm Beach County to not gain jobs over the year. Leisure & Hospitality recorded the most jobs gained over the year, up 13.4% with 10,800 jobs added. Industrial-using employment which included Construction, Manufacturing, Trade, Transportation & Utilities had a combined increase of 9,800 jobs over the year.

### SUPPLY

Overall vacancy was 3.0% at the end of the quarter, down 140 bps YOY. Warehouse/distribution's overall vacancy decreased by 190 bps over the year to 3.4%. There were no new industrial completions to inventory in the first quarter. Palm Beach County had approximately 1.3 million square feet (msf) under construction at the end of the first quarter in the Boca Raton, Riviera Beach, and West Palm Beach submarkets by the end of the year. Over 90% of all projects were expected to complete before the end of the year.

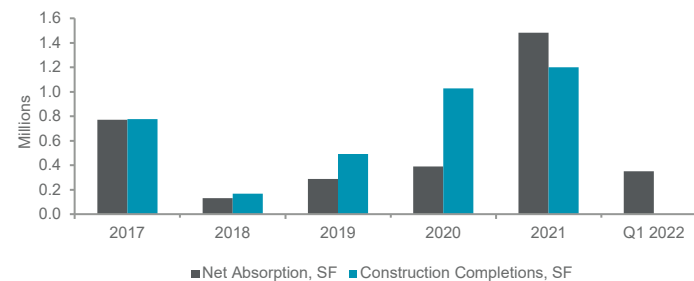
### DEMAND

Year-to-date (YTD) new leasing activity reached 495,000 square feet (sf), up 59% YOY. Close to 50% of all leasing in the first quarter occurred in the Boca Raton submarket. Warehouse/distribution space accounted for over 65% of all new leasing activity this quarter with over 322,000 sf signed, 37% higher than the same period one year ago. Overall net absorption was 352,000 sf YTD, the second-highest recorded quarter in the last 6 years. Ecommerce companies, as well as logistic firms, played a key part in the increased absorption in the last 12 months.

### MARKET PRICING

Overall asking rental rates increased historically from \$10.43 per square foot (psf), or 9.6% YOY to \$11.43 psf triple net. Even as tenants signed leases and took possession of vacant space priced at the high end of the market, asking rates continued to rise throughout the quarter due to owner confidence in elevated demand outpacing existing and newly built supply. The Delray Beach and Boca Raton submarkets had the highest asking rates at \$13.81 psf and \$15.36 psf, respectively. Limited supply, high barriers to entry, and a larger mix of office services/flex space allowed landlords to raise rates to historic highs. Overall market and warehouse/distribution rates reached their highest mark since the second quarter of 2019.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

| SUBMARKET                | INVENTORY (SF)    | OVERALL VACANT (SF) | OVERALL VACANCY RATE | YTD OVERALL NET ABSORPTION (SF) | YTD LEASING ACTIVITY (SF) | UNDER CONSTRUCTION (SF) | YTD CONSTR COMPLETIONS (SF) | OVERALL WEIGHTED AVG NET RENT (MF) | OVERALL WEIGHTED AVG NET RENT (OS) | OVERALL WEIGHTED AVG NET RENT (W/D) |
|--------------------------|-------------------|---------------------|----------------------|---------------------------------|---------------------------|-------------------------|-----------------------------|------------------------------------|------------------------------------|-------------------------------------|
| Boca Raton               | 6,703,275         | 197,637             | 3.00%                | -4,122                          | 247,077                   | 259,117                 | 0                           | \$15.75                            | \$15.77                            | \$14.75                             |
| Jupiter                  | 4,578,040         | 212,575             | 4.60%                | 153,981                         | 165,356                   | 0                       | 0                           | N/A                                | \$16.75                            | \$8.50                              |
| Delray Beach             | 1,823,390         | 18,303              | 1.00%                | -761                            | 3,035                     | 0                       | 0                           | N/A                                | \$13.50                            | \$15.00                             |
| Boynton Beach            | 3,254,576         | 62,826              | 1.90%                | 54,743                          | 7,196                     | 0                       | 0                           | N/A                                | N/A                                | \$10.74                             |
| Lake Worth               | 1,565,111         | 0                   | 0                    | 0                               | 0                         | 0                       | 0                           | N/A                                | N/A                                | N/A                                 |
| Riviera Beach            | 8,049,110         | 88,850              | 1.10%                | 10,740                          | 18,000                    | 371,949                 | 0                           | \$8.72                             | N/A                                | \$7.23                              |
| West Palm Beach          | 13,971,927        | 627,845             | 4.50%                | 137,102                         | 55,071                    | 652,291                 | 0                           | \$7.99                             | \$13.24                            | \$10.46                             |
| <b>PALM BEACH TOTALS</b> | <b>39,945,429</b> | <b>1,208,036</b>    | <b>3.00%</b>         | <b>351,683</b>                  | <b>495,735</b>            | <b>1,283,357</b>        | <b>0</b>                    | <b>\$8.93</b>                      | <b>\$15.21</b>                     | <b>\$10.83</b>                      |

\*Rental rates reflect weighted net asking \$psf/year

MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

| PRODUCT TYPE             | INVENTORY (SF)    | OVERALL VACANT (SF) | OVERALL VACANCY RATE | QTR OVERALL NET ABSORPTION (SF) | YTD OVERALL NET ABSORPTION (SF) | YTD LEASING ACTIVITY (SF) | UNDER CONSTRUCTION (SF) | YTD CONSTR COMPLETIONS (SF) | OVERALL WEIGHTED AVG NET RENT |
|--------------------------|-------------------|---------------------|----------------------|---------------------------------|---------------------------------|---------------------------|-------------------------|-----------------------------|-------------------------------|
| Manufacturing            | 6,661,205         | 102,732             | 1.50%                | -37,112                         | -37,112                         | 0                         | 0                       | 0                           | \$8.93                        |
| Office Services/Flex     | 4,965,976         | 133,597             | 2.70%                | 30,074                          | 30,074                          | 173,288                   | 0                       | 0                           | \$15.21                       |
| Warehouse/Distribution   | 28,318,248        | 971,707             | 3.40%                | 358,721                         | 358,721                         | 322,447                   | 1,283,357               | 0                           | \$10.83                       |
| <b>PALM BEACH TOTALS</b> | <b>39,945,429</b> | <b>1,208,036</b>    | <b>3.00%</b>         | <b>351,683</b>                  | <b>351,683</b>                  | <b>495,735</b>            | <b>1,283,357</b>        | <b>0</b>                    | <b>\$11.43</b>                |

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KEY LEASE TRANSACTIONS Q1 2022

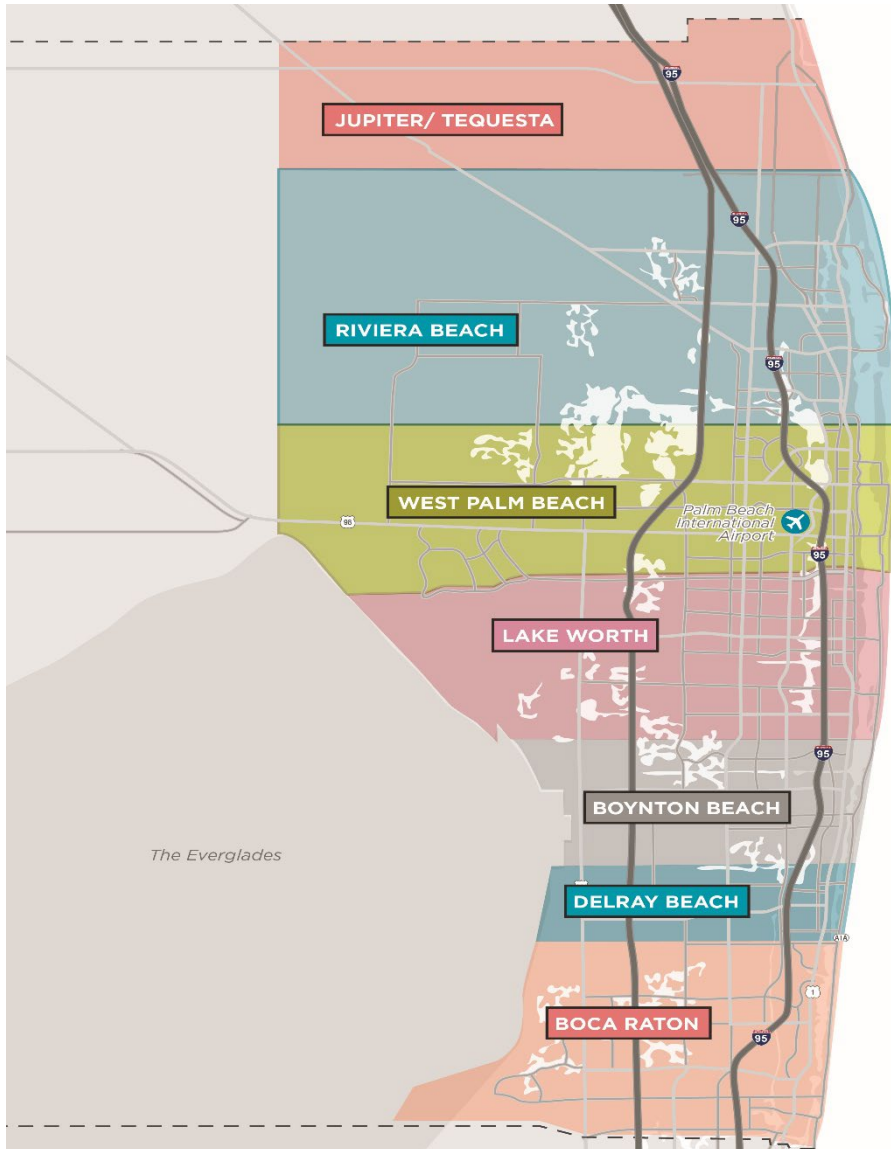
| PROPERTY                         | SUBMARKET  | TENANT                               | RSF     | TYPE      |
|----------------------------------|------------|--------------------------------------|---------|-----------|
| 15601 Park of Commerce Boulevard | Jupiter    | Exacore Fabrication, LLC             | 164,806 | New Lease |
| 5600 Broken Sound Blvd NW        | Boca Raton | Nations Safe Driver (Sale/Leaseback) | 143,530 | New Lease |
| 160 Yamato Road                  | Boca Raton | Tamko- N B Handy Company             | 50,000  | New Lease |

\*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2022

| PROPERTY                  | SUBMARKET       | SELLER / BUYER                                       | SF      | PRICE/\$ PSF    |
|---------------------------|-----------------|--|---------|-----------------|
| 1601 Hill Avenue          | West Palm Beach | Alliance Partners   Avid Asset Management, LLC       | 220,625 | \$22.0M   \$100 |
| 5600 Broken Sound Blvd NW | Boca Raton      | Nation Safe Drivers   Oak Street Real Estate Capital | 93,358  | \$15.6M   \$168 |
| 1400 Northpoint Parkway   | West Palm Beach | Prologis   Equus Capital Partners, Ltd.              | 83,520  | \$19.5M   \$234 |

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