

	YoY Chg	12-Mo. Forecast
<b>4.1%</b> Vacancy Rate	▲	▬
<b>126K</b> YTD Net Absorption, SF	▲	▲
<b>\$14.98</b> Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

### ECONOMIC INDICATORS Q3 2023

	YoY Chg	12-Mo. Forecast
<b>681K</b> Palm Beach Employment	▲	▲
<b>2.7%</b> Palm Beach Unemployment Rate	▬	▲
<b>3.7%</b> U.S. Unemployment Rate	▲	▲

Source: BLS

### ECONOMY

The unemployment rate in Palm Beach County was 2.7% in the third quarter, on par with rates from one year ago and 100 basis points (bps) lower than the national rate. Nonagricultural employment increased 1.4% year-over-year (YOY) with 9,300 jobs added. Industrial-using employment which included construction, manufacturing, trade, transportation & utilities had a combined increase of 3,500 jobs YOY.

### SUPPLY

Palm Beach County's overall vacancy finished the quarter at 4.1%, up 20 bps from the previous quarter and 190 bps YOY. Warehouse/distribution (W/D) vacancy finished the quarter at 4.9%, up 250 bps YOY. For the first time, vacancy rates surpassed the five-year high recorded in Q4 2021. The rise in vacancy can be attributed to 833,946 square feet (sf) of construction deliveries in 2023, with much of this product remaining available for lease. New supply in the market has helped alleviate record low vacancy from early last year, when W/D rates sat at 2.2%. Expected completions in Q4 and early next year will continue to offer new high-quality space in the market.

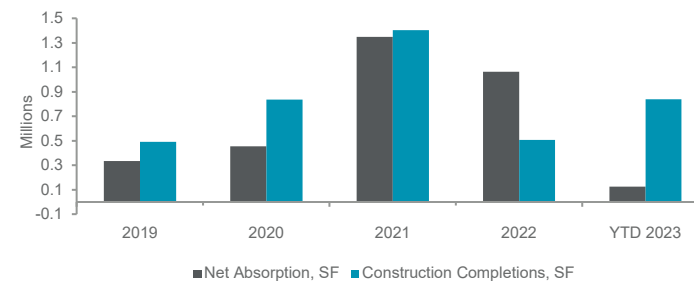
### DEMAND

New leasing activity within Palm Beach County measured 822,581 sf year-to-date (YTD). Deal volume was down 47.3% from last year's historic activity, as market demand began to normalize. Despite a slow in YTD leasing activity, demand outweighed supply, with overall absorption remaining positive at 126,335 sf YTD. The largest tenant occupancies for the quarter included NeoG and Florida Pneumatic occupying a combined 59,440 sf at one of the newly delivered Silver Beach buildings and Southwest Surplus occupying 30,000 sf in the West Palm Beach submarket.

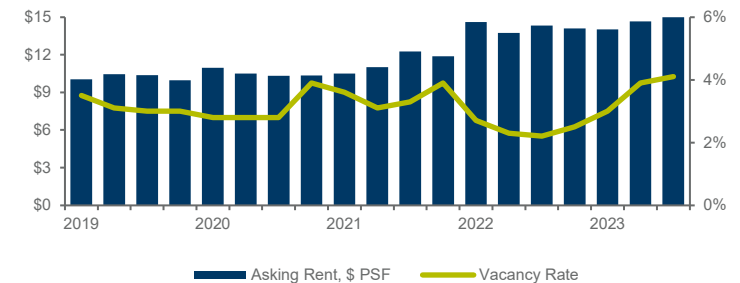
### MARKET PRICING

Palm Beach County asking rental rates continued to rise, ending the quarter at \$14.98 per square foot (psf) triple net (NNN), up 4.6% YOY. W/D rates finished the quarter at \$15.11 psf, up 10.8% from a year ago. Palm Beach County continued a trend of increased rental rates dating back to the market's post-pandemic industrial boom. Despite economic uncertainty, the delivery of new high-quality space will continue to push rents upwards in a market where demand outweighs supply.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



**MARKET STATISTICS**

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (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	6,962,392	320,129	4.6%	7,138	13,453	0	119,117	\$16.50	\$17.25	\$15.82
Boynton Beach	3,254,576	45,932	1.4%	0	13,570	0	0	N/A	\$13.95	\$12.82
Delray Beach	1,823,390	50,469	2.8%	-610	-27,947	0	0	N/A	\$14.50	\$17.99
Jupiter	4,590,228	13,520	0.3%	1,400	-9,350	1,105,327	0	N/A	\$20.87	N/A
Lake Worth	1,565,111	0	0	0	1,000	75,000	0	N/A	N/A	N/A
Riviera Beach	8,552,449	554,780	6.5%	66,845	79,910	0	556,829	N/A	N/A	\$16.78
West Palm Beach	14,340,700	716,958	5.0%	-8,650	55,699	758,115	163,000	\$8.50	\$15.08	\$14.08
<b>PALM BEACH TOTALS</b>	<b>41,088,846</b>	<b>1,701,788</b>	<b>4.1%</b>	<b>66,123</b>	<b>126,335</b>	<b>1,938,442</b>	<b>838,946</b>	<b>\$10.49</b>	<b>\$16.69</b>	<b>\$15.11</b>

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

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

**MARKET STATISTICS BY ASSET TYPE**

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	6,624,215	75,757	1.1%	30,000	-47,016	102,561	0	0	\$10.49
Office Service	4,965,976	186,891	3.8%	-6,850	-35,611	108,569	0	0	\$16.69
Warehouse/Distribution	29,498,655	1,439,140	4.9%	42,973	208,962	611,451	1,938,442	838,946	\$15.11
<b>PALM BEACH TOTALS</b>	<b>41,088,846</b>	<b>1,701,788</b>	<b>4.1%</b>	<b>66,123</b>	<b>126,335</b>	<b>822,581</b>	<b>1,938,442</b>	<b>838,946</b>	<b>\$14.98</b>

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

**KEY LEASE TRANSACTIONS Q3 2023**

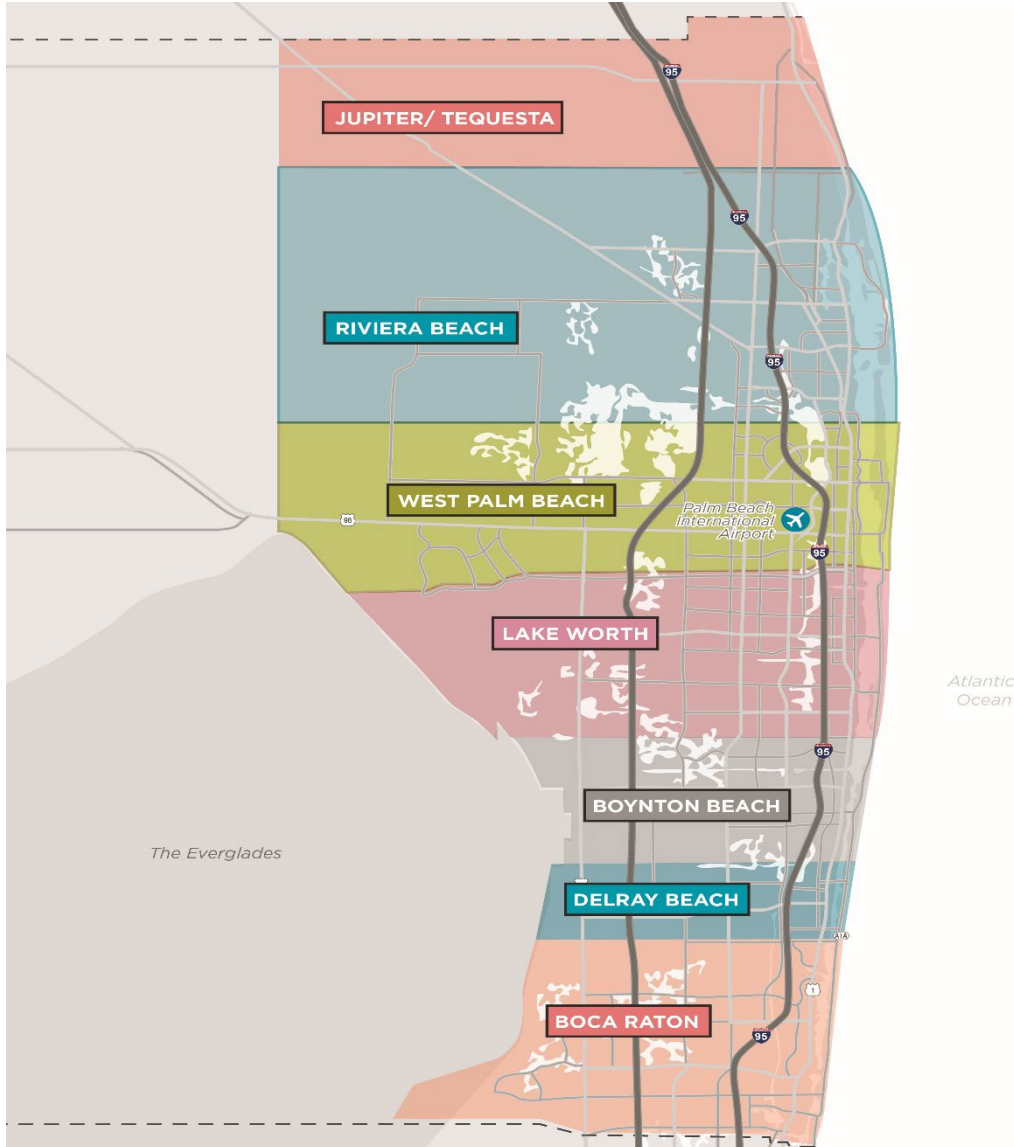
PROPERTY	SUBMARKET	TENANT	SF	TYPE
1939 7th Avenue North	Lake Worth	Foundation Building Materials	50,283	New Lease
951 Clint Moore Rd	Boca Raton	Woodfield Distribution	48,097	Renewal
1620 Silver Beach Rd	Riviera Beach	Latricrete International	47,673	New Lease
1131 North State Road 7	West Palm Beach	Novo Aero Services LLC	24,373	New Lease
401 N Cleary Rd	West Palm Beach	Reso Inc	23,292	New Lease
1701-1743 Okeechobee Road	West Palm Beach	Rexel USA, Inc	22,202	Renewal

\*Renewals not included in leasing statistics

**KEY SALES TRANSACTIONS Q3 2023**

PROPERTY	SUBMARKET	SELLER / BUYER	RSF	PRICE/\$ PSF
6461 Garden Road	Riviera Beach	Planned Land Dev Corp   FP Riviera, LLC	38,979	\$5.9M   \$152
1155 South Congress Avenue	Delray Beach	Eckols 77 LTD   Trammel Crow Residential	29,888	\$12.7M   \$424

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