

**4.7%**  
Vacancy Rate



**126K**  
YTD Net Absorption, SF



**\$14.53**  
Asking Rent, PSF



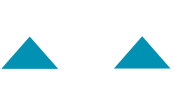
Overall, Net Asking Rent

### ECONOMIC INDICATORS Q1 2024

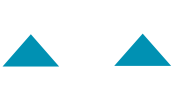
**696K**  
Palm Beach Employment



**3.4%**  
Palm Beach Unemployment Rate



**3.8%**  
U.S. Unemployment Rate



Source: BLS

### ECONOMY

The unemployment rate in Palm Beach County was 3.4% at the end of the first quarter, 60 basis points (bps) higher than one year ago but 40 bps lower than the national rate. Nonfarm employment increased 1.9% year-over-year (YOY) with 12,700 jobs added. Industrial-using employment, including construction, manufacturing, trade, transportation, and utilities, increased by 4,400 jobs YOY.

### SUPPLY

Palm Beach County's overall vacancy was 4.7% at the end of Q1, up 140 bps YOY and 20 bps quarter-over-quarter (QOQ). This marked the fifth consecutive quarter vacancy edged higher, reaching the highest rate since 2018. Warehouse/distribution (W/D) vacancy skyrocketed during the same period, up 220 bps to 5.9%. While no major tenant vacated space in the first quarter, the rise in vacancy can be attributed to multiple construction completions over the past twelve months. Project completions totaled almost 1.1 million square feet (msf), with 85.5% of that space still available for lease. First quarter 2024 completions included Royal Palm Logistics and 7th Avenue Logistics, totaling 203,550 square feet (sf) with just 17.4% still available to lease. The construction pipeline remained robust, with 1.8 msf under construction at quarter end. The influx of expected supply and a slowdown in market demand will push vacancy up over the next 12 months.

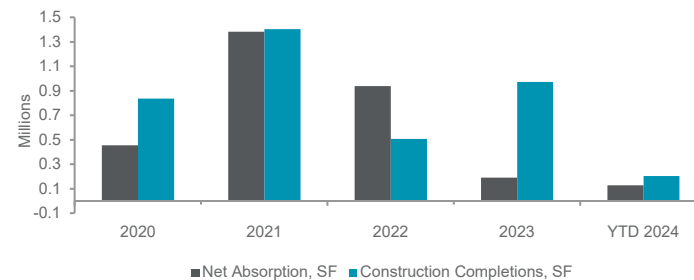
### DEMAND

Palm Beach County's new leasing activity totaled 286,355 sf during Q1, down 24.3% YOY but on par with the average activity over the past six quarters. W/D product accounted for 85.6% of all deals signed in the quarter, driving market activity. Overall absorption was positive with 126,480 sf of net occupancy gains recorded throughout the quarter. Although the market was mostly in equilibrium, a couple of large tenants dictated net occupancy for the quarter. Foundation Builders and 3 Brothers occupying a combined 58,183 sf at the recently completed 7th Avenue Logistics Center marked the largest move-ins for Q1.

### MARKET PRICING

The average asking rental rate in Palm Beach County rose to \$14.53 per square foot (psf) in the first quarter, up 4.1% YOY but down 1.8% since it peaked in Q3 2023. W/D product followed a similar suit, up 4.2% YOY to \$14.57 psf, while rates have decreased 1.6% since it peaked in Q2 2023. The Riviera Beach submarket yielded the largest annual rent growth, up 34.4% to \$16.86 psf. The Lake Worth submarket led the way at a staggering \$21.22 psf, with new construction driving those record high rates.

### 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	7,192,758	248,343	3.5%	23,016	23,016	0	0	N/A	\$18.26	\$15.54
Boynton Beach	3,119,863	38,672	1.2%	11,110	11,110	0	0	N/A	\$21.75	\$12.82
Delray Beach	1,541,987	21,889	1.4%	-2,950	-2,950	0	0	N/A	\$14.50	\$17.46
Jupiter	4,560,228	770	0.0%	12,632	12,632	1,105,327	0	N/A	\$18.75	N/A
Lake Worth	2,097,951	63,944	3.1%	55,517	55,517	0	75,000	N/A	\$16.00	\$24.45
Riviera Beach	8,582,449	476,883	5.6%	-1,009	-1,009	0	0	N/A	N/A	\$16.86
West Palm Beach	14,330,466	1,077,012	7.5%	28,164	28,164	695,279	128,550	\$8.50	\$18.25	\$13.43
<b>PALM BEACH TOTALS</b>	<b>41,425,702</b>	<b>1,927,513</b>	<b>4.7%</b>	<b>126,480</b>	<b>126,480</b>	<b>1,800,606</b>	<b>203,550</b>	<b>\$8.50</b>	<b>\$17.67</b>	<b>\$14.57</b>

An exercise was executed at the beginning of 2024 to realign inventory and submarkets. Historical data has been revised to reflect updates.

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

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

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	56,902	0.9%	0	0	5,636	0	0	\$8.50
Office Service	4,965,976	108,617	2.2%	39,123	39,123	35,557	0	0	\$17.67
Warehouse/Distribution	29,835,511	1,761,994	5.9%	87,357	87,357	245,162	1,800,606	203,550	\$14.57
<b>PALM BEACH TOTALS</b>	<b>41,425,702</b>	<b>1,927,513</b>	<b>4.7%</b>	<b>126,480</b>	<b>126,480</b>	<b>286,355</b>	<b>1,800,606</b>	<b>203,550</b>	<b>\$14.53</b>

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

KEY LEASE TRANSACTIONS Q1 2024

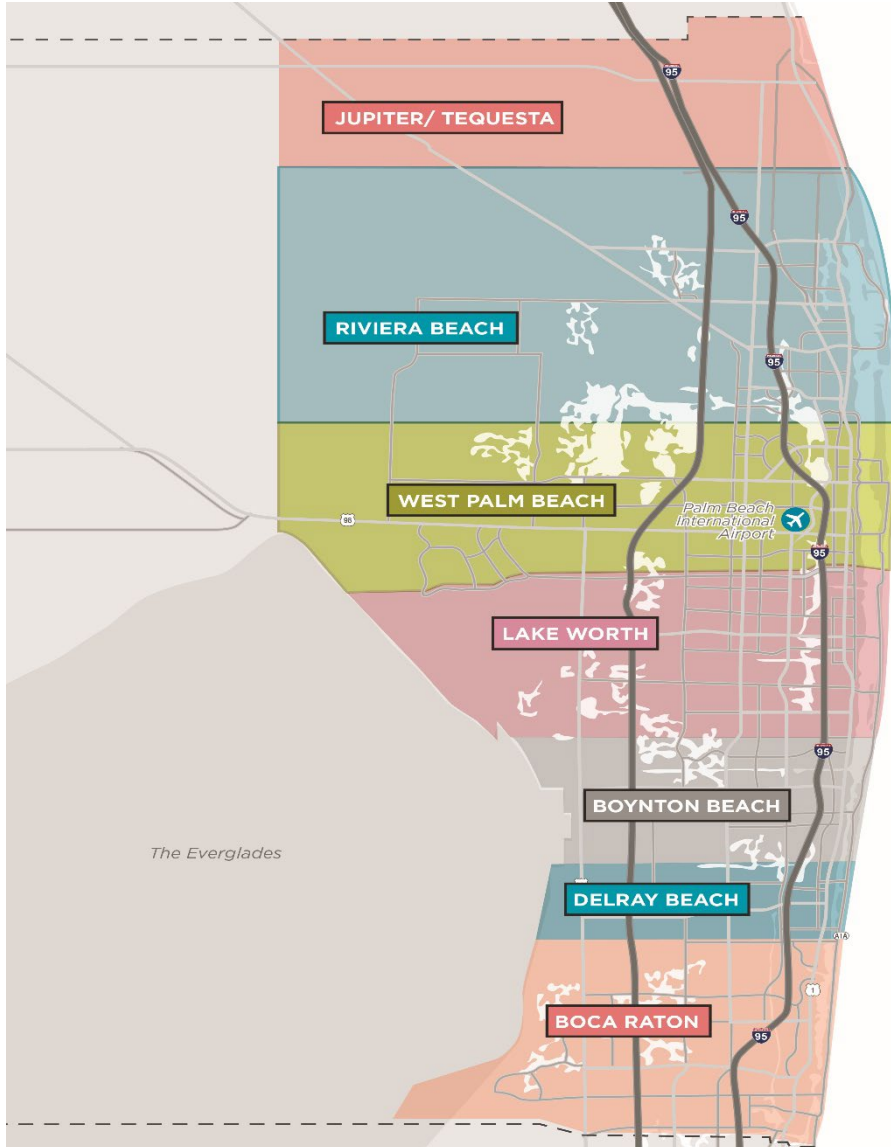
PROPERTY	SUBMARKET	TENANT	SF	TYPE
1715 Meathe Dr	West Palm Beach	National Millwork	101,022	New Lease
1900-1920 Corporate Dr	Boynton Beach	ANTON PAAR QUANTATEC INC.	52,505	Renewal
701 Boutwell Rd	Lake Worth	Frost Lighting Co	31,500	New Lease
100 ALDI Way	West Palm Beach	British Feed and Supplies	26,628	New Lease
1333 N Jog Rd	West Palm Beach	Avanti Development Co	25,925	New Lease
1333 N Jog Rd	West Palm Beach	OpusStone	21,687	Renewal
1939 7th Avenue North	Lake Worth	Storm Smart	16,817	New Lease

\*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2024

PROPERTY	SUBMARKET	SELLER / BUYER	RSF	PRICE/\$ PSF
3800 South Congress Avenue	Boynton Beach	Bethesda Hospital Inc   Foundry Commercial	125,970	\$37.8M   \$300

## INDUSTRIAL SUBMARKETS



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