

	YoY Chg	12-Mo. Forecast
<b>3.6%</b> Vacancy Rate	▼	▼
<b>1.5M</b> YTD Net Absorption, SF	▲	▬
<b>\$10.77</b> Asking Rent, PSF	▲	▲

*Overall, Net Asking Rent*

### ECONOMIC INDICATORS Q4 2021

	YoY Chg	12-Mo. Forecast
<b>642K</b> Palm Beach Employment	▲	▲
<b>3.5%</b> Palm Beach Unemployment Rate	▼	▼
<b>4.2%</b> U.S. Unemployment Rate	▼	▼

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

### ECONOMY

The unemployment rate in Palm Beach County was 3.5% in November 2021, down 90 basis points (bps) from 12 months prior. Nonagricultural employment was 641,900, a 5.1% increase year-over-year (YOY) or 31,100 jobs added. All non-government employment sectors in Palm Beach County gained jobs over the year. Leisure & Hospitality recorded the most jobs gained over the year, up 13.9% with the 10,600 jobs added. Industrial-using employment which included Construction, Manufacturing, Trade, Transportation & Utilities had a combined increase of 7,300 jobs over the year.

### SUPPLY

Overall vacancy was 3.6% at the end of the year, down 80 bps YOY. Warehouse/distribution's overall vacancy decreased by 90 bps over the year to 4.3%. Palm Beach County had 1.2 million square feet (msf) of new warehouse/distribution inventory added in the past twelve months, with 1.0 msf delivered in the third quarter as a build-to-suit project for an e-commerce occupier in Jupiter. Palm Beach County had approximately 490,000 square feet (sf) under construction at the end of 2021.

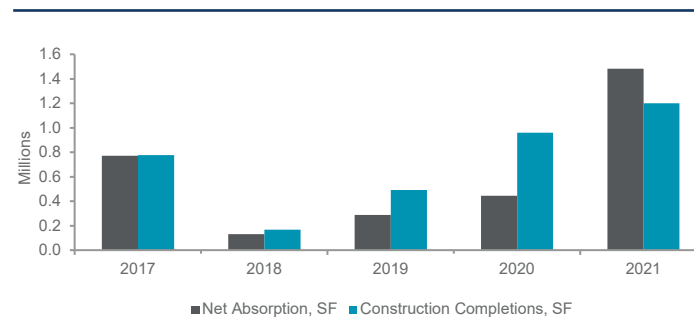
### DEMAND

Year-to-date (YTD) new leasing activity reached over 1.5 msf with over 55% recorded in the last six months of the year. New and expansion leasing activity was down YOY by -31.3%, however, a 1.0 msf lease was signed by an e-commerce company which bolstered the prior years numbers. Close to 50% of all leasing in 2021 occurred in the West Palm Beach submarket. The average deal size for the year was 12,300 sf, with the largest lease signed for 120,300 sf. Overall net absorption was 1.5 msf YTD with over 1.1 msf recorded in the last six months, or 78% of all activity for the year. E-commerce companies as well as logistic firms played a key part in the increases in absorption in 2021.

### MARKET PRICING

Overall asking rental rates increased by \$0.26, or 2.5% YOY to \$10.77 per square foot (psf) triple net. As tenants signed leases and took possession of vacant space priced at the high end of the market, asking rates fluctuated throughout the year due to demand outpacing existing and newly built supply. The Delray and Boca Raton submarkets had the highest asking rates at \$13.50 and \$15.12 psf, respectively. Limited supply, high barriers to entry and a larger mix of office services/flex space allowed landlords the confidence to raise rates to historic highs. Warehouse/distribution rates remained stable quarter-over-quarter, up \$0.02, to \$10.07 psf, a 3.8% increase YOY.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



## Industrial Q4 2021

## 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	6,728,015	175,466	2.6%	113,308	203,756	0	0	N/A	\$15.86	\$14.40
Jupiter	3,254,576	155,395	4.8%	1,074,619	82,514	0	0	N/A	\$14.75	\$9.40
Delray Beach	1,823,390	17,542	1.0%	34,438	52,573	0	0	N/A	\$13.50	N/A
Boynton Beach	4,578,040	213,800	4.7%	-57,925	169,072	0	1,200,000	N/A	\$17.87	\$8.50
Lake Worth	1,565,111	0	0.0%	22,696	31,160	0	0	N/A	N/A	N/A
Riviera Beach	8,042,636	108,105	1.3%	144,914	709,846	0	0	\$9.35	N/A	\$8.21
West Palm Beach	13,781,443	772,647	5.6%	150,540	274,181	489,612	0	\$8.22	\$13.88	\$10.29
<b>PALM BEACH TOTALS</b>	<b>39,773,211</b>	<b>1,442,955</b>	<b>3.6%</b>	<b>1,482,590</b>	<b>1,523,102</b>	<b>489,612</b>	<b>1,200,000</b>	<b>\$8.44</b>	<b>\$15.43</b>	<b>\$10.07</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	69,100	1.0%	7,020	30,696	53,676	0	0	\$8.44
Office Services/Flex	5,032,500	158,861	3.2%	-899	57,034	185,761	0	0	\$15.43
Warehouse/Distribution	28,079,506	1,214,994	4.3%	97,804	1,394,860	1,283,665	489,612	1,200,000	\$10.07
<b>PALM BEACH TOTALS</b>	<b>39,773,211</b>	<b>1,442,955</b>	<b>3.6%</b>	<b>103,925</b>	<b>1,482,590</b>	<b>1,523,102</b>	<b>489,612</b>	<b>1,200,000</b>	<b>\$10.77</b>

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

## KEY LEASE TRANSACTIONS 2021

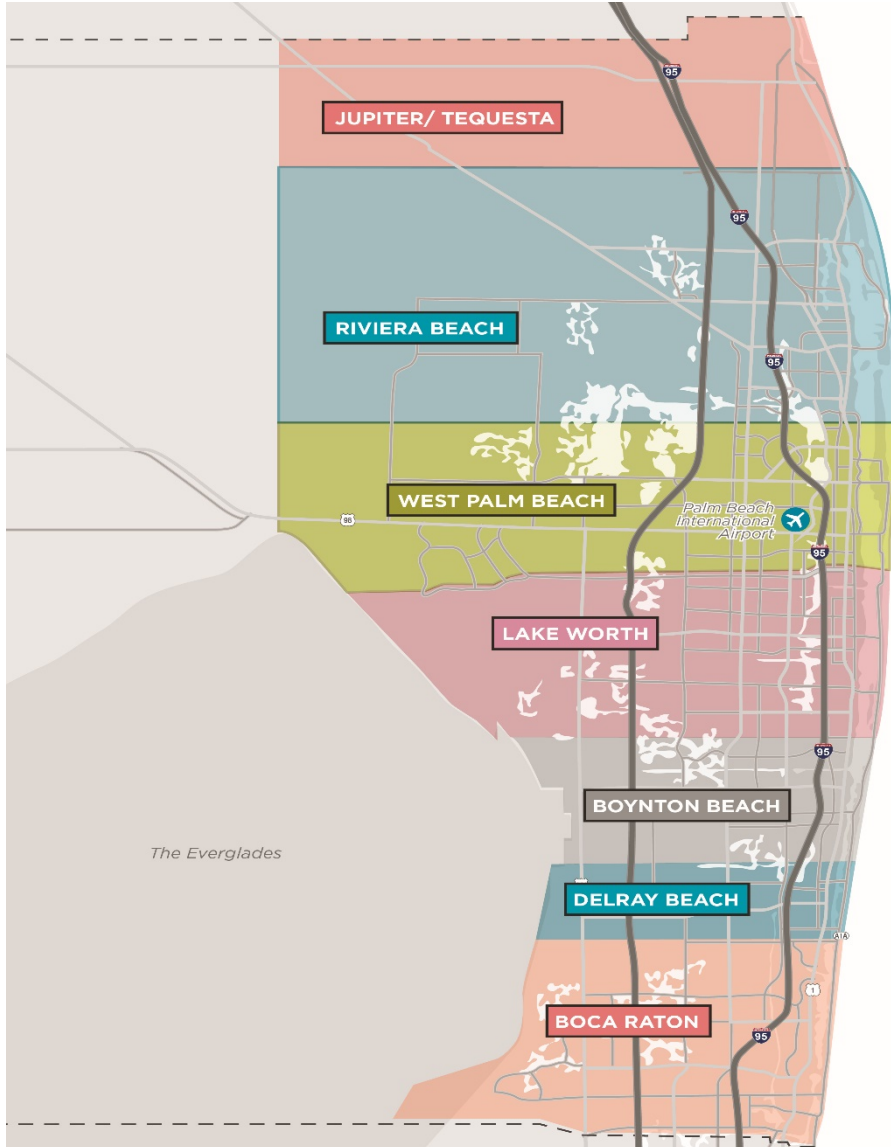
PROPERTY	SUBMARKET	TENANT	RSF	TYPE
1301 President Barack Obama Highway	Riviera Beach	Amazon	120,000	New Lease
362 Haverhill Road	West Palm Beach	Lasership	63,000	New Lease
1315 N Jog Road	West Palm Beach	Greek Moving	53,250	New Lease

\*Renewals not included in leasing statistics

## KEY SALES TRANSACTIONS 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
401/475 N Cleary Road (Portfolio Sale)	Boca Raton	Blackstone / Cabot Properties	449,000	NA/NA
1673 Meathe Drive (Center 1 & 2)	West Palm Beach	Florida Sunshine Investments Inc. / Dalfen Industrial	317,500	\$60.6M/\$191
1100-1500 N Florida Mango Road (Portfolio)	West Palm Beach	DCM & Associates / Alliance Partners	196,900	\$34.0M / \$173

## INDUSTRIAL SUBMARKETS



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