

YoY
Chg

3.5%
Vacancy Rate



329k
YTD Net Absorption, SF



\$10.43
Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS Q3 2020

YoY
Chg

580k
Palm Beach
Employment



8.1%
Palm Beach
Unemployment Rate



8.8%
U.S.
Unemployment Rate



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

ECONOMY

Palm Beach County, part of the South Florida region, had an unemployment rate of 8.1% in August 2020, down 360 basis points (bps) from the previous month but up 350 bps higher than one year ago. Nonagricultural employment was 580,200, a decrease of 56,000 jobs, or 8.8%, over the year. Every major employment sector lost jobs except for Financial Activities which was zero. The top two sectors to lose jobs were in Leisure & Hospitality sector with 22,000 jobs gone and Professional & Business Services with a decrease of 10,700 jobs. Like other markets in South Florida, office-using employment throughout Palm Beach County continued to be impacted by the overall decrease in economic activity and loss of tourist visitors to the region.

SUPPLY

Overall vacancy ended the third quarter at 3.5%, a decrease of 20 bps over the year. Available space in warehouse/distribution recorded a slight increase of 10 bps year-over-year (YOY) to 3.7%. The increase in vacancy was attributed to sublease availabilities of almost 117,000 sf hitting the market, which was approximately double from twelve months prior. In addition, one building totaling nearly 185,000 sf delivered vacant and was the only completion in the third quarter. Palm Beach county had over 1.9 million square feet (msf) under construction at the end of the quarter which was inflated by the start of a built-to-suit project for 1.0 msf. The massive project broke ground at Palm Beach of Commerce in the Jupiter submarket, 100% preleased to an e-commerce company.

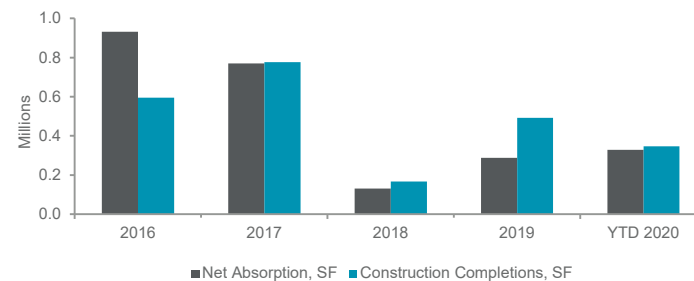
DEMAND

New leasing activity reached 1.8 msf year-to-date (YTD), 23% higher than the previous year. The increase in newly signed leases was bolstered by the 1.0 msf lease signed in the North Palm Beach major market. Tenant move-ins yielded positive absorption with nearly 330,000 sf YTD. Niagara Bottling moved-in for 114,000 sf at Palm Beach Park of Commerce and Home Depot took an entire building for 77,000 sf at Prologis Airport Center.

MARKET PRICING

Overall market rental rates rose by 0.5% YOY to \$10.43 per square foot (psf) triple net. Warehouse/distribution rates climbed 2.3% over the 12-month period to \$9.65 psf triple net. Higher-quality assets delivered YTD contributed to the steady increase in overall rents. The Delray Beach submarket had the highest increase reaching \$13.49 psf, or an 2.7% increase. This higher rate, in part was due to the submarket's vacancy rate of 1.4%, the lowest in the county.

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 CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Boca Raton	6,699,140	290,679	4.3%	2,824	117,627	0	0	\$11.95	\$14.78	\$13.14
Jupiter	2,881,855	137,332	4.8%	110,015	1,193,194	0	0	N/A	\$9.50	\$9.57
Delray Beach	1,794,390	26,004	1.4%	8,500	24,450	0	0	N/A	\$13.50	\$13.47
Boynton Beach	3,099,036	145,982	4.7%	27,770	62,067	0	0	N/A	\$11.85	\$8.77
Lake Worth	1,630,236	39,000	2.4%	3,250	0	0	0	N/A	N/A	\$7.95
Riviera Beach	7,789,822	123,390	1.6%	12,350	91,844	120,282	0	\$7.41	\$9.25	\$8.90
West Palm Beach	13,913,069	557,998	4.0%	164,736	347,722	1,850,019	346,405	\$9.25	\$12.35	\$9.26
PALM BEACH TOTALS	37,807,548	1,320,385	3.5%	329,445	1,836,904	1,970,301	346,405	\$8.35	\$13.95	\$9.65

*Rental rates reflect weighted net asking \$psf/year
 *YTD Leasing Activity does not reflect national stats

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

KEY LEASE TRANSACTIONS YTD 2020

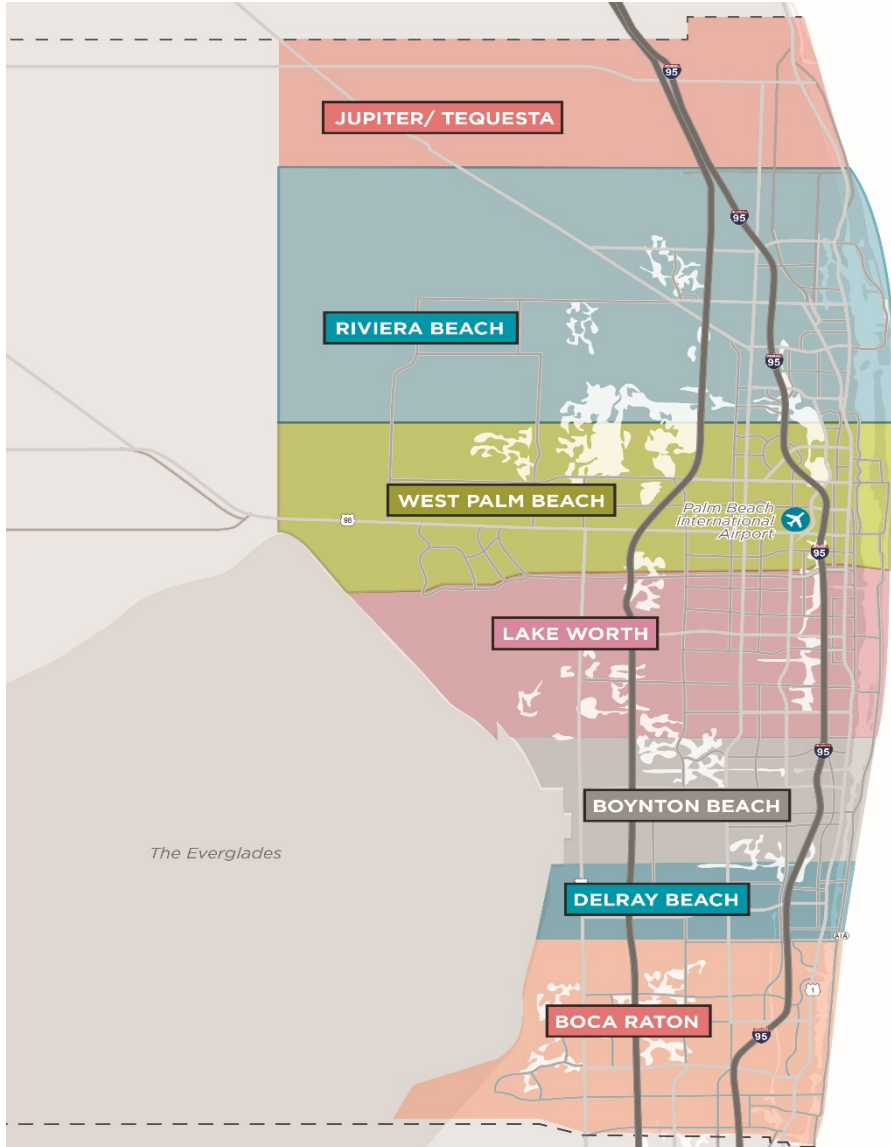
PROPERTY	SUBMARKET	TENANT	RSF	TYPE
Palm Beach Park of Commerce	Jupiter	e-commerce	1,000,000	New Lease
700 103 Ave	West Palm Beach	Millwork Sales	152,390	Renewal*
15335 Park of Commerce Boulevard	Jupiter	Niagara Bottling	114,536	New Lease
6043 Southern Boulevard	West Palm Beach	Home Depot	77,870	New Lease

*Renewals not included in leasing statistics
 *Key Lease Transactions YTD 2020 do not reflect national stats

KEY SALES TRANSACTIONS YTD 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
3774 Interstate Park Road	Riviera Beach	SSB Manufacturing / Dalfen Industrial	236,000	\$25.3M/\$107
1701 Military Trail	Jupiter	PointOne Holdings/ Pebb Enterprises	186,664	\$31.4M/\$168
700 Banyan Trail	Boca Raton	Leder Group / Brookfield Property Partners	175,625	\$31.4M/\$178
1177 Blue Heron Boulevard	Riviera Beach	Stateside Capital Group / Dalfen Industrial	152,190	\$18.3M/\$120

INDUSTRIAL SUBMARKETS



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