

West Palm Beach

Industrial market snapshot | Q3 2024

West Palm Beach's unemployment rate has seen a slight increase over the last year—up 30 basis points, reaching 3.8%. Nonfarm employment growth has remained positive with a 1.8% annual increase. The construction sector experienced a 7% increase in employment, while the trade, transportation, and utilities sector saw only a 0.9% rise and the manufacturing sector experienced a 0.5% increase in employment.

\$15.81 psf

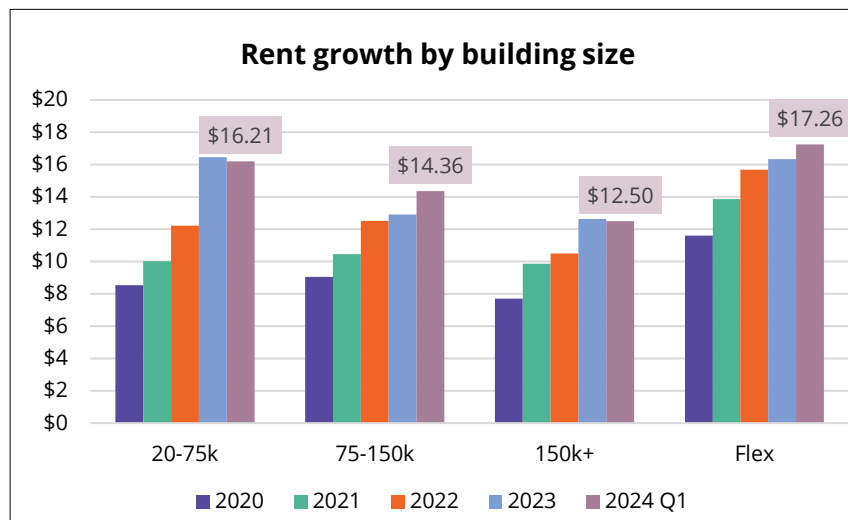
Industrial asking rates are up 12% at \$15.81 per square foot NNN year over year in West Palm Beach.

376k sf

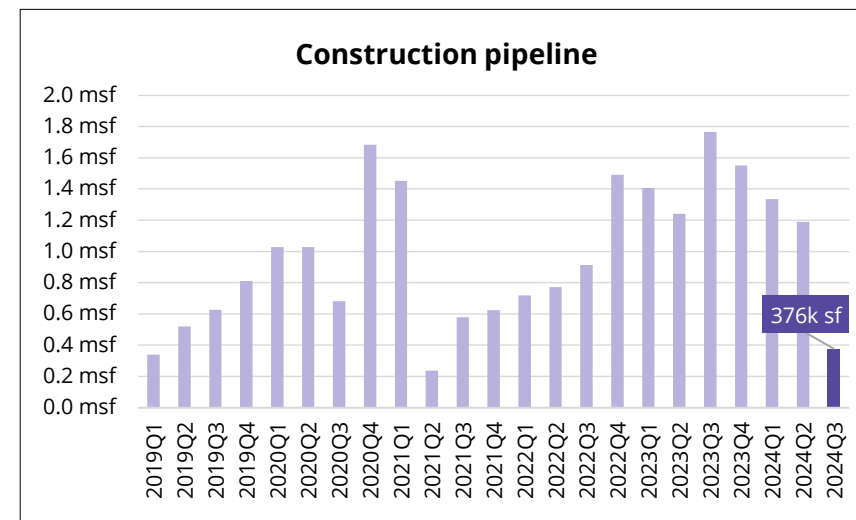
Development activity cooled down at the end of the third quarter with only 376,000 square feet under development.

301k sf

Net absorption remained positive again for the third quarter at just over 301,000 square feet.



Overall, industrial asking rates have risen 12% year over year to \$15.81 per square foot NNN; however, rent growth varies by building size. Larger properties over 150,000 square feet have seen rents stabilize, with a slight decline of 1.2%. In contrast, buildings between 75,000 and 150,000 square feet have experienced an 11% increase in asking rates over the same period. Flex buildings have shown steady rate growth, up 5% year over year.

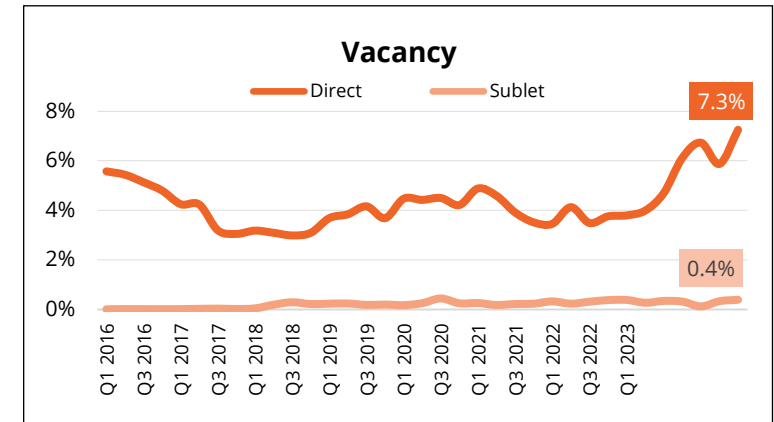
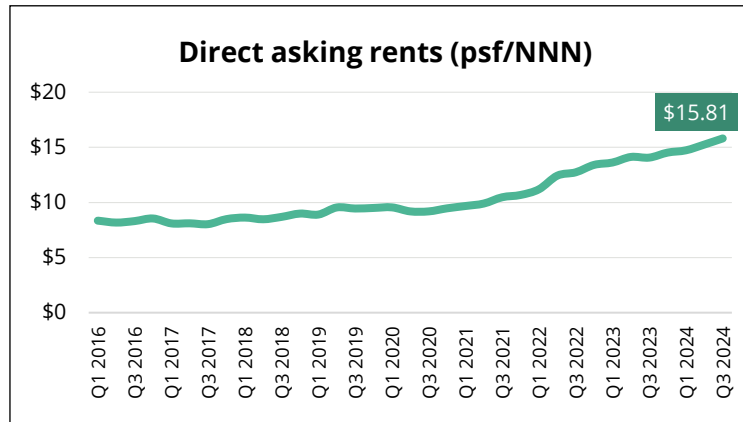
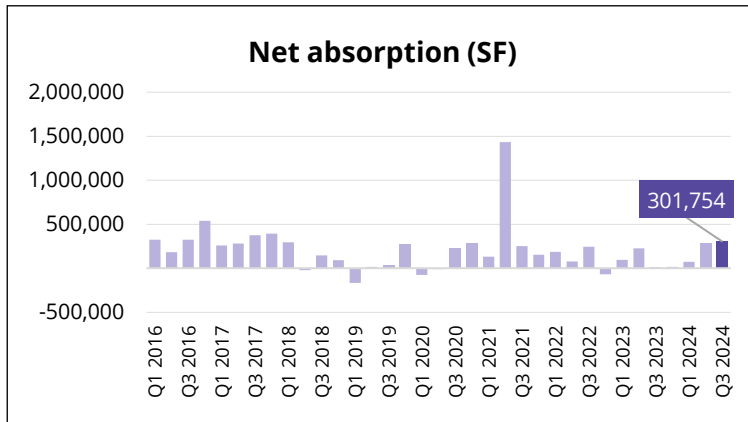


The construction pipeline has slowed to just 376,000 square feet currently under development; however, 1.3 million square feet of new inventory has been delivered to the market this year. Elevated interest rates, rising material costs, and weakened demand have led developers to pause new projects, awaiting clearer economic signals from the Federal Reserve on potential rate reductions and the outcome of the upcoming election.



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Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Good Greek Moving	1333 N Jog Rd	53,250	Renewal	Direct
The American Bottling Co.	4895 Park Ridge Blvd	47,588	Renewal	Direct
Protech Ledged Eyewear	7960 Central Industrial Dr	45,000	New	Direct
Velocity Impact Products	1177 W Blue Heron Blvd	44,961	New	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Fit Ventures	701 Park of Commerce Blvd	\$18,695,000	\$239	Darrielle Singerman

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Get in touch

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Location	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption (3Q24)	Net absorption (YTD)	Annual direct asking rent psf NNN
West Palm Beach	19,163,166	229,751	81,922	6.1%	0.3%	6.4%	0.6%	70,447	109,232	\$15.74
Boca Raton	6,369,362	-	44,686	3.6%	0.1%	3.7%	-1.8%	62,685	126,084	\$15.97
North Palm Beach	5,626,533	801,963	50,022	23.1%	1.0%	24.1%	21.3%	45,332	-186,443	\$15.65
Delray Beach	3,277,320	-	200,077	2.0%	0.6%	2.6%	-0.9%	10,963	15,078	\$17.32
Wellington	3,237,839	274,514	-	5.4%	0.0%	5.5%	-0.7%	141,616	442,332	\$15.16
Boynton Beach	2,581,635	-	-	4.8%	0.7%	5.5%	3.7%	-21,955	-19,773	\$18.41
Lake Worth	2,530,647	75,989	-	1.9%	0.0%	1.9%	-4.4%	-7,334	174,530	\$14.33
Market total	42,786,502	1,382,217	376,707	7.3%	0.4%	7.6%	3.3%	301,754	661,040	\$15.81

Type	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption (3Q24)	Net absorption (YTD)	Annual direct asking rent psf NNN
Warehouse/Distribution	33,111,223	1,382,217	294,785	8.3%	0.4%	8.7%	4.5%	225,492	597,139	\$15.10
Flex	9,675,279	-	81,922	3.8%	0.3%	4.2%	(0.4%)	76,262	63,901	\$17.26
Market total	42,786,502	1,382,217	376,707	7.3%	0.4%	7.6%	3.3%	301,754	661,040	\$15.81