

## Industrial Q3 2021

	YoY Chg	12-Mo. Forecast
<b>3.3%</b> Vacancy Rate	▼	▼
<b>1.0M</b> YTD Net Absorption, SF	▲	—
<b>\$11.07</b> Asking Rent, PSF	▲	▲
Overall, Net Asking Rent		

ECONOMIC INDICATORS  
Q3 2021

	YoY Chg	12-Mo. Forecast
<b>624K</b> Palm Beach Employment	▲	▲
<b>4.7%</b> Palm Beach Unemployment Rate	▼	▼
<b>5.2%</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 4.7% in August 2021, down 340 basis points (bps) from 12 months prior. Nonagricultural employment was 623,900, a 6.1% increase year-over-year (YOY) or 36,100 jobs added. All employment sectors in Palm Beach County gained jobs over the year. Leisure & Hospitality recorded the most jobs gained in the last 12 months with 14,200 jobs added. Industrial-using employment which included Construction, Manufacturing, Trade, Transportation & Utilities had a combined increase of 5,300 jobs over the year.

## SUPPLY

Overall vacancy was 3.3% at the end of the third quarter, down 20 bps YOY. Warehouse/distribution's overall vacancy increased slightly by 10 bps YOY to 3.8% but was down 120 bps when compared to the previous quarter. Palm Beach County had nearly 1.7 million square feet (msf) of new inventory added year to date (YTD), of which 1.0 msf was delivered in the third quarter of 2021. The 1.0 msf delivery was a build-to-suit project for an e-commerce occupier in Jupiter. Palm Beach County had approximately 368,000 square feet (sf) under construction at the end of September. An additional 991,000 sf was in the proposed pipeline with more projects expected to progress in the fourth quarter.

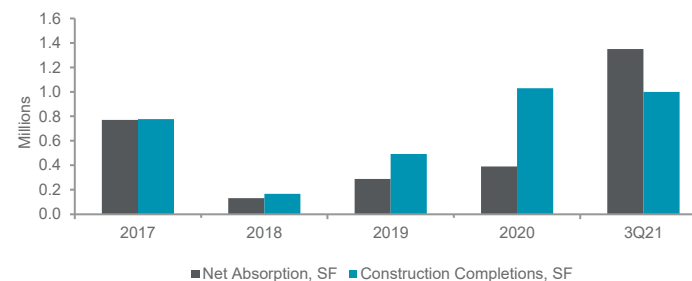
## DEMAND

New leasing activity reached over 1.0 msf YTD with over 420,000 sf recorded in the third quarter. New leasing activity through the third quarter was down by 63.5% when compared to this time last year. The largest lease in the third quarter was a new deal signed by Lasership in the West Palm Beach submarket for 63,000 sf. Overall net absorption climbed to over 1.3 msf YTD with over 1.0 msf recorded in the third quarter. Absorption was boosted from occupancy by an e-commerce built-to-suit project which accounted for 1.0 msf.

## MARKET PRICING

Overall asking rental rates increased by \$0.64, or 6.2% YOY to \$11.07 per square foot (psf) triple net. Asking rates increased steadily over the last three quarters as demand continued to outpace supply. The highest asking rental rates in Palm Beach were in the Jupiter submarket as there was only a few specialty small bay spaces available at rates upward to \$18.00 psf for warehouse/distribution product. Warehouse/distribution rates jumped to \$10.05 psf, a 4.1% increase YOY while office service/flex rents soared by 6.5% YOY to \$14.85 psf.

## SPACE DEMAND / DELIVERIES



## OVERALL VACANCY &amp; 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 CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Boca Raton	6,766,740	147,028	2.2%	85,560	133,464	0	0	N/A	\$14.94	\$14.81
Jupiter	4,399,855	12,600	0.3%	1,075,819	76,619	200,000	1,000,000	N/A	N/A	\$17.87
Delray Beach	1,823,390	3,035	0.2%	48,945	43,373	0	0	N/A	\$13.50	N/A
Boynton Beach	3,174,036	138,486	4.4%	-32,226	85,491	0	0	N/A	\$12.83	\$9.17
Lake Worth	1,565,111	0	0.0%	22,696	31,160	0	0	N/A	N/A	N/A
Riviera Beach	7,981,136	271,563	3.4%	-24,918	173,925	0	0	\$9.35	N/A	\$8.33
West Palm Beach	13,714,948	736,257	5.4%	173,448	481,750	167,740	0	\$8.41	\$15.39	\$9.72
<b>PALM BEACH TOTALS</b>	<b>39,425,216</b>	<b>1,308,969</b>	<b>3.3%</b>	<b>1,349,324</b>	<b>1,025,782</b>	<b>367,740</b>	<b>1,000,000</b>	<b>\$8.56</b>	<b>\$14.85</b>	<b>\$10.05</b>

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

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

## KEY LEASE TRANSACTIONS Q3 2021

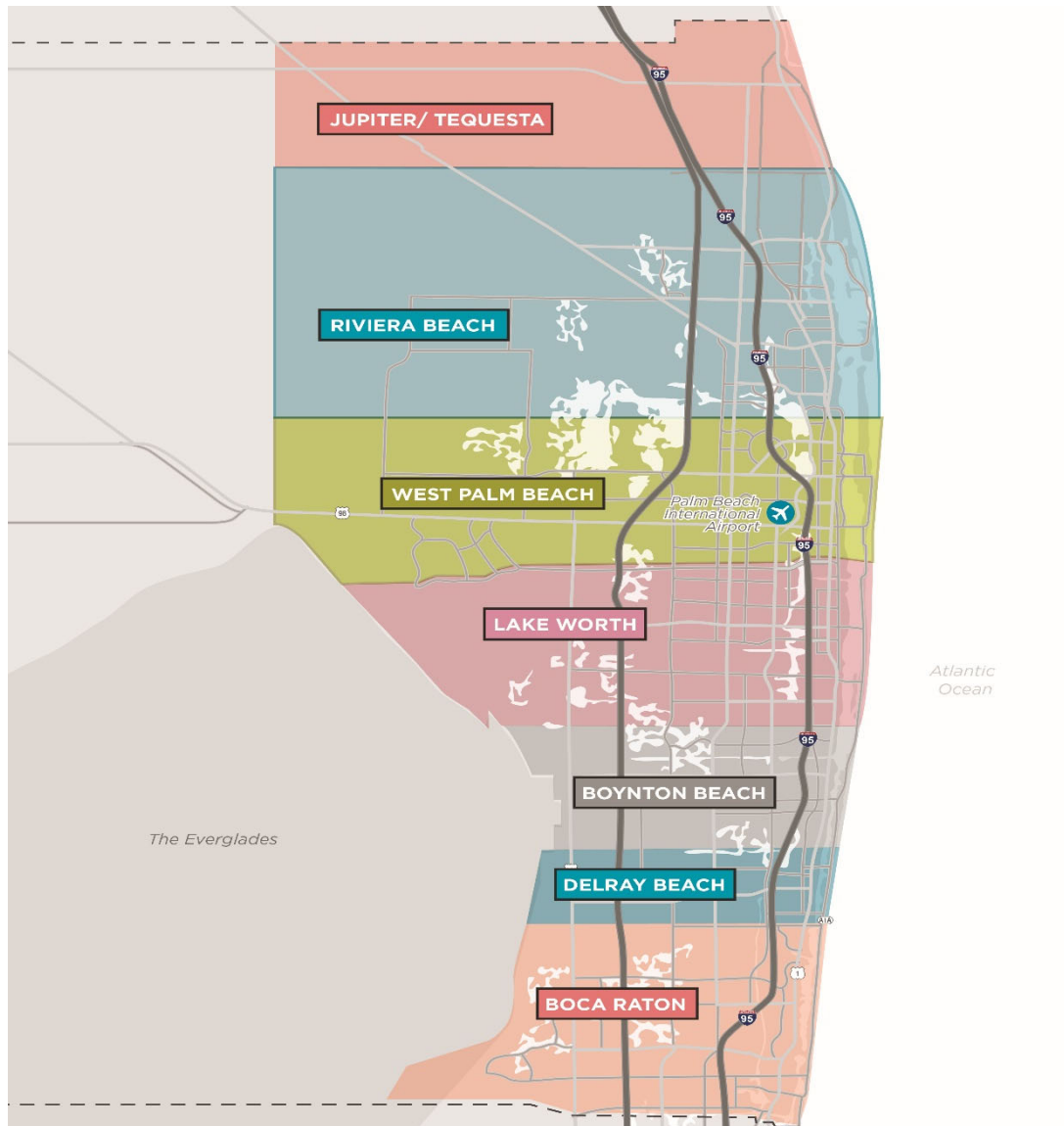
PROPERTY	SUBMARKET	TENANT	RSF	TYPE
362 Haverhill Road	West Palm Beach	Lasership	63,000	New Lease
1315 N Jog Road	West Palm Beach	Greek Moving	53,250	New Lease
6051 Southern Blvd S	West Palm Beach	Lansing Building Products	48,616	New Lease

\*Renewals not included in leasing statistics

## KEY SALES TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
1673 Meathe Drive (Center 1 & 2)	West Palm Beach	Florida Sunshine Investments Inc. / Dalfen Industrial	317,479	\$60.6M/\$190.88
1100-1500 N Florida Mango Road	West Palm Beach	DCM & Associates / Alliance Partners	196,897	\$34.0M / \$172.68
7233 North Seacrest Boulevard	Boynton Beach	Alliance Partners / The Home Depot	135,000	\$26.0M / \$192.59

## INDUSTRIAL SUBMARKETS

**Matt Ballard***Research Analyst*

Tel: +1 954 377 0493

[Matthew.Ballard@cushwake.com](mailto:Matthew.Ballard@cushwake.com)**Trey Davis***Associate Director*

Tel: +1 305 533 2846

[Trey.Davis@cushwake.com](mailto:Trey.Davis@cushwake.com)**A CUSHMAN & WAKEFIELD  
RESEARCH PUBLICATION**

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in over 400 offices and 60 countries. In 2020, the firm had revenue of \$7.8 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow [@CushWake](https://twitter.com/CushWake) on Twitter.

©2021 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.

[cushmanwakefield.com](http://cushmanwakefield.com)