

West Palm Beach

Industrial market snapshot | Q1 2024

West Palm Beach's unemployment rate has experienced a slight uptick, increasing 70 basis points year-over-year, reaching 3.3%. In the first quarter, there was a 1.3% increase in total non-farm employment, with 1.4% growth in the trade, transportation and utilities sector, as well as a 2.8% rise in manufacturing occupations year-over-year.

3.9 mos.

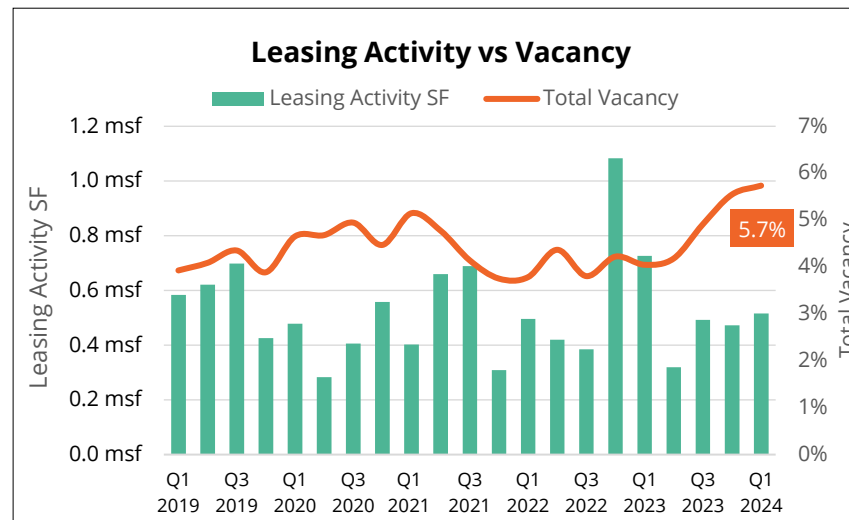
The average months on market for industrial space to lease in West Palm Beach is 3.9 months.

59.0%

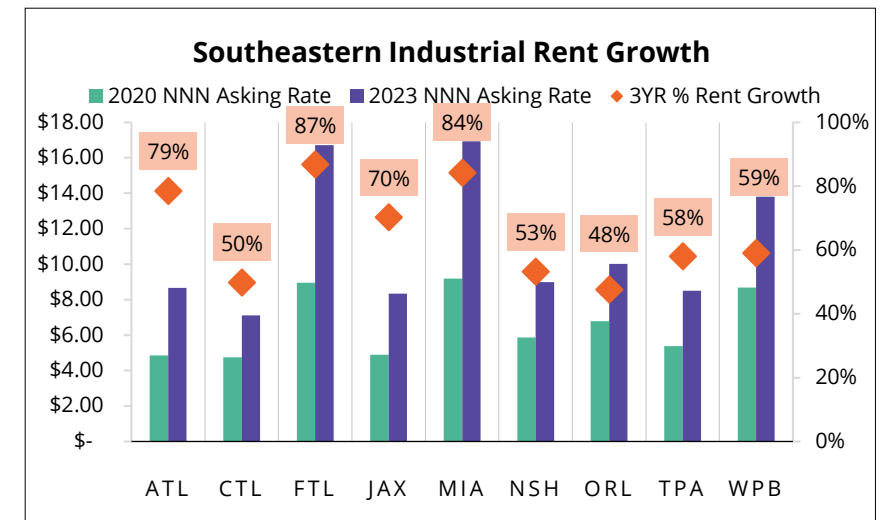
Average starting rents in West Palm Beach have increased an impressive 59% over a three-year span.

+ 114k sf

West Palm Beach's industrial market witnessed 114,177 square feet of positive net absorption during the first quarter.



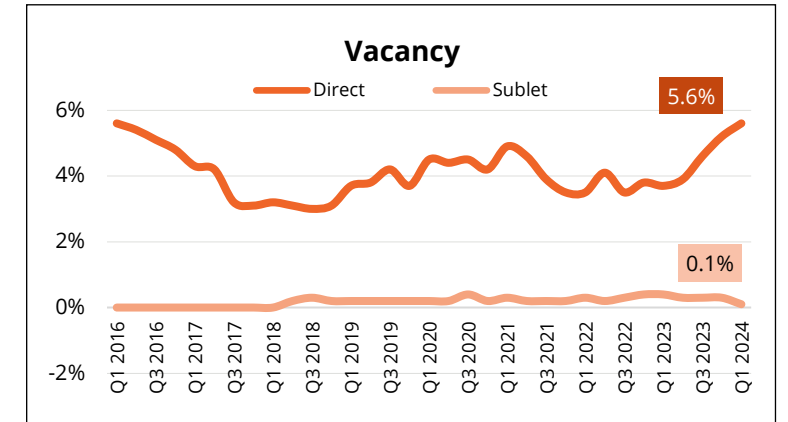
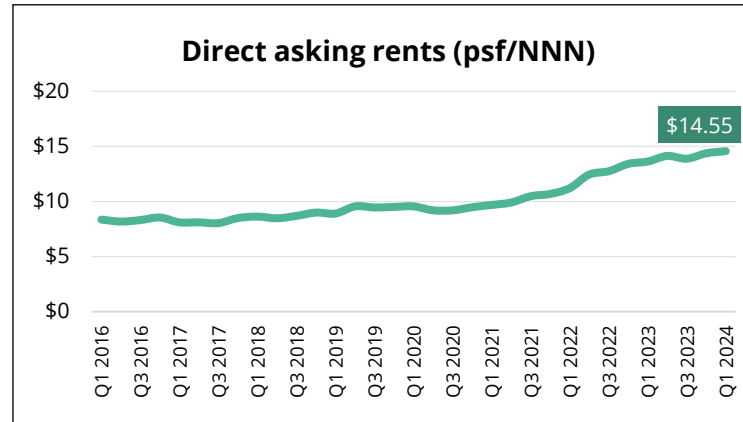
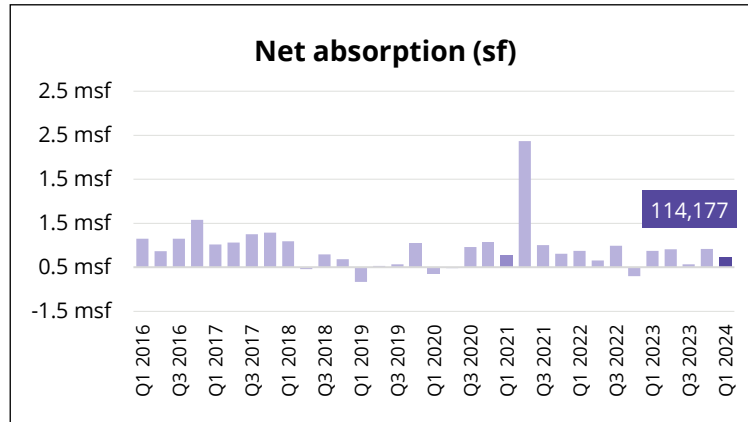
Leasing activity in West Palm Beach's industrial market has decreased 29% year-over-year while total vacancy has continued to climb during the same time span, reaching a new five-year high of 5.7%. The average time-to-lease has also seen a recent uptick, as the number of months on market for industrial space has risen to 3.9 months. Tenants may see this as an opportunity to negotiate additional concessions as demand resets to pre-pandemic levels.



West Palm Beach's industrial market has seen a significant rise in asking rates, increasing by 59% over a three-year period, reaching nearly \$14.00 per square foot. As of the end of 2023, asking rates in West Palm Beach were \$13.81 per square foot, rising to an average of \$14.55 by the end of the first quarter of 2024, reflecting a 5.35% quarter-over-quarter increase. With over 1.4 million sf under construction, upward pressure is expected on asking rates for newly delivered space.

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Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
National Millworks	1715 Meathe Dr	101,022	New	Direct
Anton Paar Quantatec	1900-1920 Corporate Dr	52,505	Renewal	Direct
Frost Lighting	701 Boutwell Rd	31,500	New	Direct
Wolves Food Service	1620 Silver Beach Rd	29,721	New	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Wheelock Street Capital	3800 S Congress Ave	\$37,733,333	\$300	Baptist Health SFL
BG Service Co.	1400 Alabama Ave	\$10,300,000	\$307	Burkhardt Construction
Brenda Katz	3761 N Interstate Park Rd N	\$5,500,000	\$183	Ronert Health
Properties of Elegant Distinction	1830 2 nd Ave N	\$4,070,000	\$184	Andler Packaging

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Get in touch

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	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption (1Q24)	Net absorption (YTD)	Annual direct asking rent psf NNN
West Palm Beach	19,108,835	-	167,740	5.4%	0.1%	5.5%	2.0%	24,289	24,289	\$13.80
Boca Raton	6,364,244	-	-	5.3%	0.1%	5.4%	1.9%	(7,104)	(7,104)	\$17.91
North Palm Beach	4,824,570	-	801,963	9.4%	0.0%	9.4%	7.8%	(174,866)	(174,866)	\$11.64
Delray Beach	3,277,320	-	-	3.1%	0.8%	3.8%	0.9%	4,718	4,718	\$16.71
Wellington	3,091,875	128,550	451,308	5.8%	0.0%	5.8%	(0.4%)	132,148	132,148	\$14.14
Boynton Beach	2,581,635	-	-	4.1%	0.0%	4.1%	(0.1%)	46,621	46,621	\$16.83
Lake Worth	2,468,790	75,989	-	5.5%	0.0%	5.5%	2.5%	88,371	88,371	\$14.39
Market total	41,717,269	204,539	1,421,011	5.6%	0.1%	5.7%	1.7%	114,177	114,177	\$14.55

	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption (1Q24)	Net absorption (YTD)	Annual direct asking rent psf NNN
Warehouse/Distribution	31,904,508	204,539	1,421,011	6.0%	0.1%	6.1%	2.1%	165,761	165,761	\$13.53
Flex	9,812,761	-	-	4.2%	0.3%	4.5%	0.2%	(51,584)	(51,584)	\$17.26
Market total	41,717,269	204,539	1,421,011	5.6%	0.1%	5.7%	1.7%	114,177	114,177	\$14.55