

# West Palm Beach

## Industrial market snapshot | Q1 2025

West Palm Beach's industrial market is recalibrating as tenant demand remains focused on smaller infill product. Larger bulk space continues to lag, widening the vacancy spread and highlighting a shift in leasing velocity by size. Asking rents are holding firm despite the uneven leasing landscape, suggesting tenant confidence in core locations remains intact. Meanwhile, the narrowing flex premium points to evolving occupier priorities, as functionality and affordability take precedence over format. With nearly 1 million square feet under construction, the market's next phase will depend on how quickly new space is absorbed across size tiers.

## 8.3%

Vacancy inched up 14 basis points from 8.17% in Q4 2024, signaling relative stability despite ongoing new deliveries.

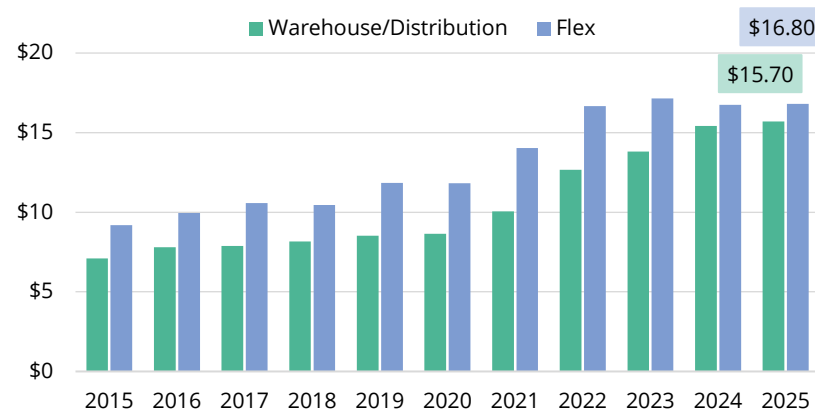
## 980k sf

West Palm Beach has 980,000 square feet under construction as of Q1 2025. Availability remains elevated as the market continues adjusting to recent deliveries.

## \$15.96 psf

Asking rents rose to \$15.96 per square foot (psf) NNN in Q1 2025, up nearly 5% since Q2 2024, reflecting steady pricing strength despite a slower pace of growth.

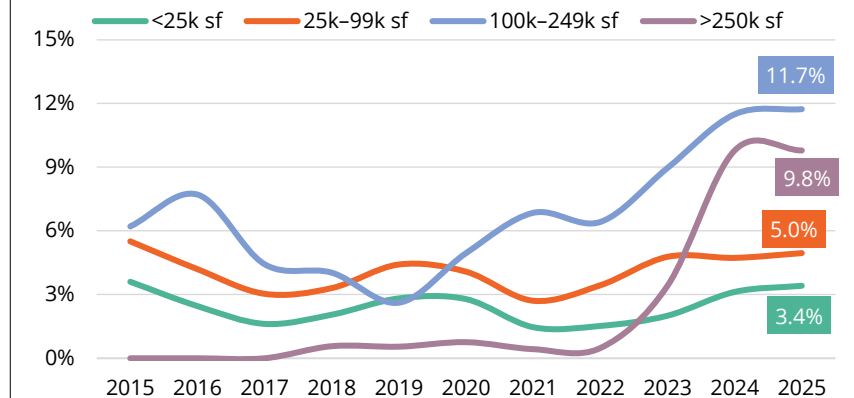
Record-narrow gap between warehouse and flex rates



Flex rents in West Palm Beach averaged \$16.80 psf NNN in Q1 2025, just \$1.10 above warehouse/distribution rates—the narrowest gap on record. As warehouse pricing continues to rise, steady flex rents suggest a shift in tenant demand dynamics and a possible recalibration of the premium typically held by flex space.

Source: Avison Young Market Intelligence, CoStar

Vacancy shows a widening split by square footage



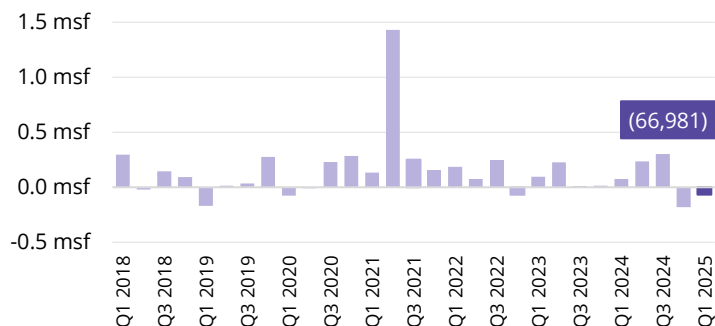
Vacancy continues to diverge by building size. Buildings under 100,000 square feet (sf) remain healthy and well-leased, at 5% and 3.4% vacancy in Q1 2025. Larger product tells a different story—spaces in the 100,000 to 250,000-sf range climbed to 11.7%, with spaces above 250,000 sf at 9.8%. Demand remains concentrated in smaller buildings and infill space, leaving larger options slower to move.

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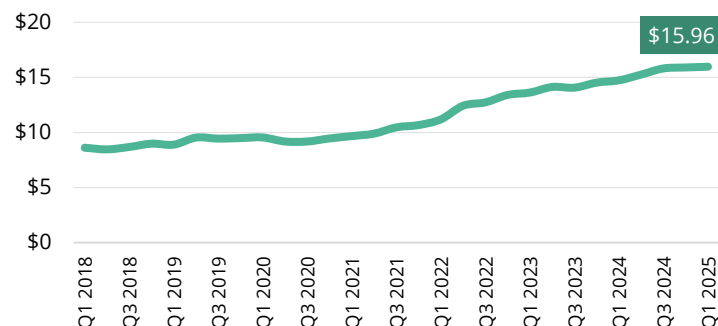
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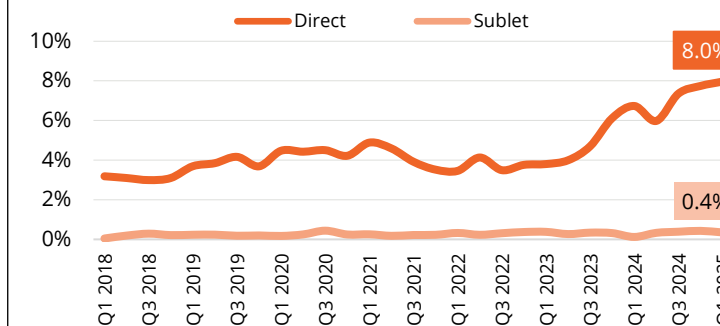
Net absorption (sf)



Direct asking rents (psf/NNN)



Vacancy



Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Ideal Nutrition	6017 Southern Blvd	43,200	New	Direct
Exclusive Flooring Company of SFL	1377 Clint Moore Rd	18,000	New	Direct
Above the Mark International	7880 Central Industrial Dr	15,000	New	Direct
Platinum Collection	975 S Congress Ave	11,200	New	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Statewide Windows & Doors	1160 S Rogers Cir	\$12,050,000	\$282	High Street Properties
CE Design Concepts	1601 N Congress Ave	\$3,477,000	\$306	Dorsey Tennant
Griffith Braddock	3725 Investment Ln	\$3,400,000	\$262	Statewide Windows & Doors
Tuna Properties	218-224 SE 6th Ave	\$2,000,000	\$193	Violet Folsom

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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 (1QTD)	Net absorption (YTD)	Annual direct asking rent psf NNN
West Palm Beach	19,080,260	-	81,922	6.4%	0.3%	6.7%	0.6%	27,483	27,483	\$15.89
Boca Raton	6,369,362	-	106,029	6.8%	0.0%	6.8%	2.4%	(103,963)	(103,963)	\$18.23
North Palm Beach	5,626,533	-	110,022	23.6%	1.0%	24.6%	13.4%	1,707	1,707	\$14.54
Wellington	3,237,839	-	-	5.2%	0.0%	5.2%	3.1%	3,691	3,691	\$16.98
Delray Beach	3,130,718	-	682,552	2.0%	0.6%	2.6%	(10.7%)	(13,177)	(13,177)	\$16.86
Boynton Beach	2,581,635	-	-	5.4%	0.6%	6.0%	(4.3%)	2,200	2,200	\$17.35
Lake Worth	2,530,647	-	-	1.6%	0.0%	1.6%	(1.4%)	15,078	15,078	\$14.10
Market total	42,556,994	-	980,525	8.0%	0.4%	8.3%	1.8%	(66,981)	(66,981)	\$15.96

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Warehouse/Distribution	32,881,715	-	873,524	8.7%	0.5%	9.1%	2.1%	(6,447)	(6,447)	\$15.70
Flex	9,675,279	-	107,001	5.3%	0.2%	5.5%	0.3%	(60,534)	(60,534)	\$16.80
Market total	42,556,994	-	980,525	8.0%	0.4%	8.3%	1.8%	(66,981)	(66,981)	\$15.96