

FIGURES | PALM BEACH INDUSTRIAL | Q4 2025

A Calmer Supply Environment Positions the Market for Stability in 2026

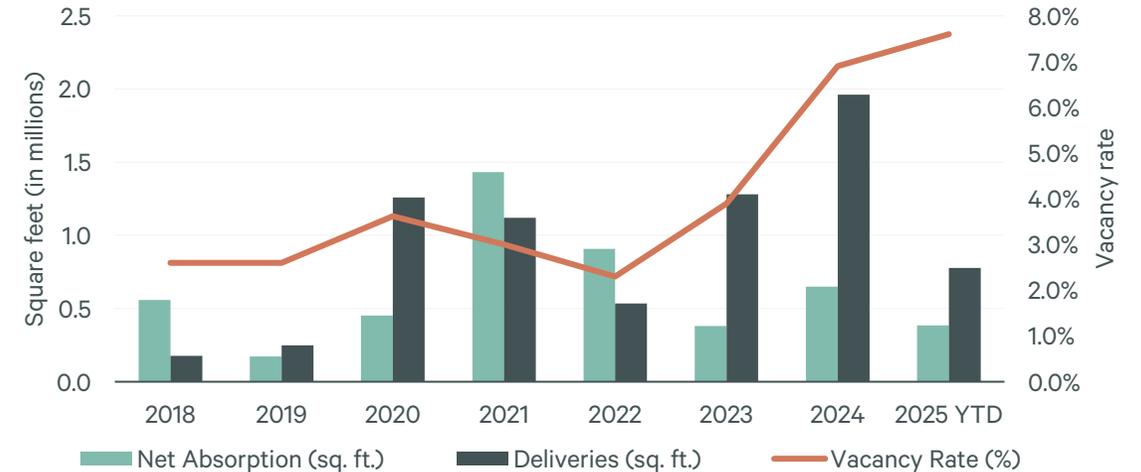


Note: Arrows indicate change from previous quarter.

Market highlights

- Leasing activity at year-end remained concentrated in logistics-oriented submarkets, with demand favoring newer, institutional-quality product near airport and turnpike corridors. Mid- to large-bay requirements drove most transactions, while older and less functional space experienced slower absorption and longer marketing periods.
- Vacancy continued to rise as new inventory entered the market, though increases were driven by recent deliveries rather than a pullback in tenant demand. As availability expanded, tenants became more selective, prioritizing building efficiency, location, and economics, resulting in longer lease-up timelines across select submarkets.
- Rent growth decelerated but remained supported by limited land availability and replacement costs. Competition among new deliveries has shifted negotiations toward more balanced terms, setting the stage for steadier income performance in 2026.

FIGURE 1: Historical Absorption, Deliveries and Vacancy



Source: CBRE.com

Demand & Supply

Palm Beach County closed 2025 with positive but moderating industrial demand, reflecting a year-end environment marked by steady leasing activity and slower tenant decision-making. Net absorption totaled 189,318 square feet in Q4, bringing full-year absorption to 385,301 square feet. Leasing during the quarter was driven primarily by new lease executions, with demand concentrated in mid- to large-bay requirements, particularly within logistics-oriented submarkets.

Notable Q4 transactions included a 102,960-square-foot lease at Jupiter Logistics Center, along with continued absorption at institutional developments in West Palm Beach, including Prologis Airport Center and Royal Palm Logistics. Tenant demand remained strongest among logistics, automotive, aerospace, and specialty distribution users, supporting year-end activity despite longer deal timelines.

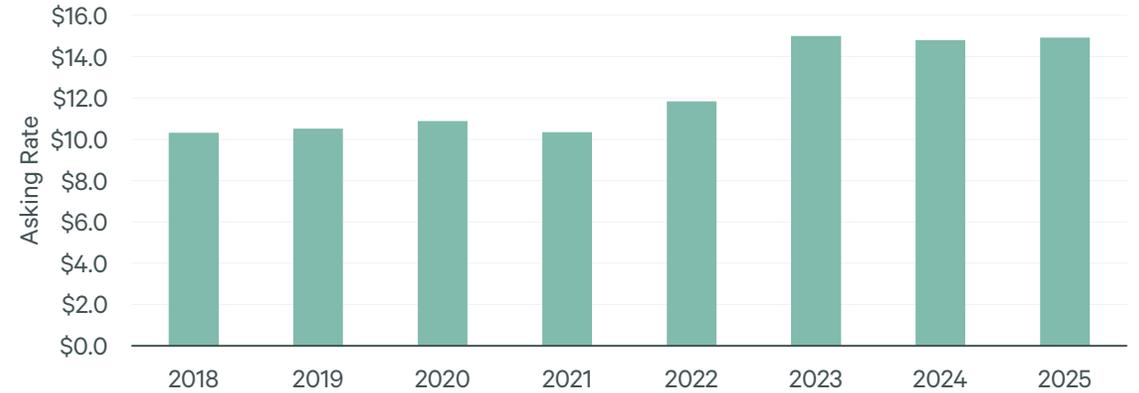
Supply was front-loaded late in the year, with 657,396 square feet completed in Q4, bringing total 2025 deliveries to 777,381 square feet. While Q4 deliveries were elevated, annual construction volumes declined meaningfully from 2023 and 2024 levels, indicating that development activity has already begun to trend lower as the market moves toward balance.

Vacancy & Pricing

Vacancy continued to rise as new inventory entered the market, closing Q4 at 7.6%. The increase reflects recent deliveries outpacing absorption rather than a deterioration in tenant demand. Vacancy growth remained uneven across the county, with availability concentrated outside the core logistics submarkets, while West Palm Beach maintained lower vacancy levels supported by sustained leasing activity.

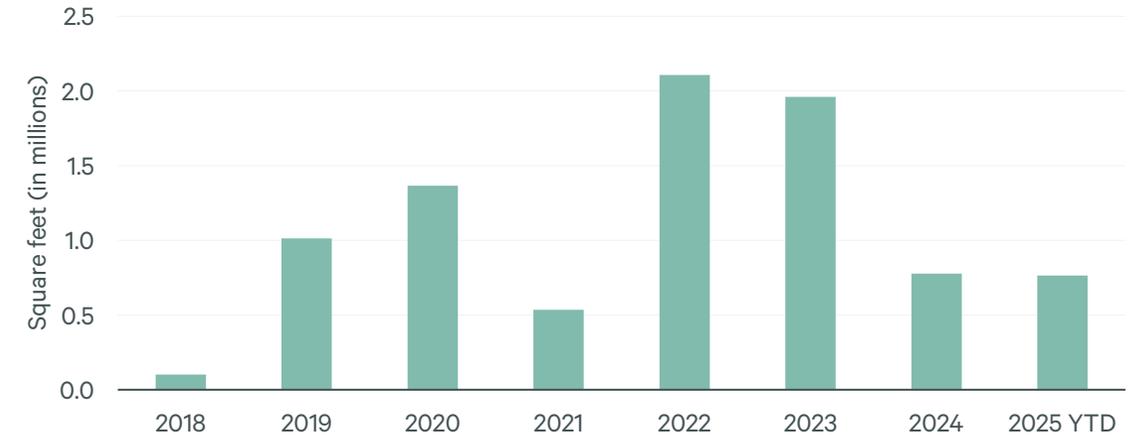
Pricing remained resilient at year-end, with NNN asking rents averaging \$14.93 per square foot. However, rent growth slowed meaningfully from prior peaks as competition increased among newly delivered projects. Landlords are experiencing longer lease-up timelines and greater pricing sensitivity, particularly for larger blocks of space, signaling a more balanced negotiating environment entering 2026.

FIGURE 2: Asking Rates



Source: CBRE.com

FIGURE 2: Under Construction



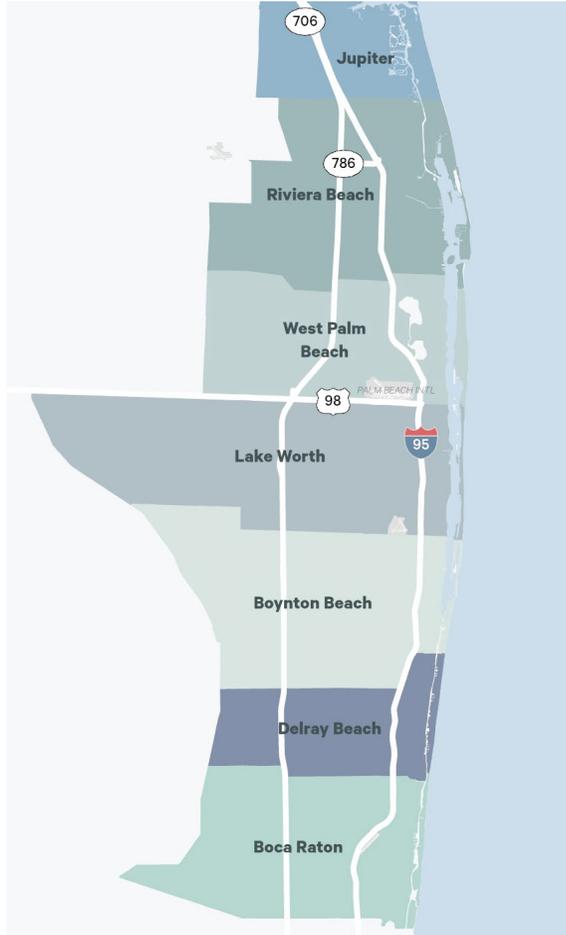
Source: CBRE.com

FIGURE 2: Statistical Snapshot Q4 2025

Submarket	Total Inventory (SF)	Total Vacancy Rate (%)	Q4 2025 Net Absorption (SF)	YTD Net Absorption (SF)	Under Construction (SF)	Q4 2025 Deliveries (SF)	YTD Deliveries (SF)	Avg. Asking Lease Rate (\$/NNN)
Boca Raton	7,360,416	3.55 %	22,188	-83,917	0	0	0	\$16.44
Boynton Beach	4,982,739	11.7 %	12,905	6,482	473,991	457,396	457,396	\$16.63
Delray Beach	3,177,711	9.89 %	25,221	67,899	200,000	200,000	269,963	\$16.60
Jupiter	1,659,179	1.43 %	-3,000	2,808	0	0	0	\$21.10
Lake Worth	3,875,625	1.05 %	9,206	-3,046	0	0	0	\$21.54
Out of Submarket	5,154,632	29.18 %	-106,414	99,771	0	0	0	\$12.82
Riviera Beach	12,727,664	4.8 %	13,787	48,625	0	0	50,022	\$18.47
West Palm Beach	14,733,873	4.94 %	215,425	246,679	90,998	0	0	\$16.03
Total	53,671,839	7.5 %	189,318	385,301	764,989	657,396	777,381	\$14.93

Note: All figures reflect the most current data and are revised each quarter. Prior reports may not reflect updated statistics. All stated rents are estimates subject to size, credit, TI, and term.

Market Area Overview



CBRE Economic House View

The U.S. economy is sending some mixed signals. Financial markets are focused on the upside, particularly AI’s sizable contribution to growth in recent quarters. Some indicators of business activity, such as capital goods orders, are improving, and strengthening credit markets are helping to usher real estate into a new cycle.

The picture gets more melancholy when looking at households. Consumer confidence remains weak, with spending reportedly driven by a smaller segment of affluent households. This mosaic of data suggests that annual average GDP growth will be steady in 2026, at 2%, but a touch softer than in 2025. A key catalyst is a softer labor market, as companies are ‘slow to hire, slow to fire’—a trend that is likely to last a few quarters. A consequence of this outlook is softer inflation and long-term bond yields trending just below 4% by H2 2026.

Erik Rodriguez

Research Manager
 +1 305 381 6492
 erik.rodriquez@cbre.com

Marc L. Miller

Associate Field Research Director
 +1 305 381 6428
 marc.miller1@cbre.com

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