

The background of the entire page is a dark, blue-tinted photograph of a modern skyscraper with a glass facade. The building is viewed from a low angle, looking up. In the foreground, there are some trees and a metal railing, suggesting an elevated outdoor location. The overall mood is professional and urban.

2026 Q1 PALM BEACH INDUSTRIAL

MARKET REPORT

ABSORPTION & VACANCY

The Palm Beach County industrial market entered Q1 2026 with total rentable building area of approximately 57.5 million square feet, unchanged from Q4 2025. After expanding throughout 2025, driven by elevated deliveries of 536,593 square feet in Q3 and 199,476 square feet in Q4—development activity effectively paused in the most recent quarter, with no new product delivered. This marks a likely inflection point as the construction cycle winds down.

Despite the halt in new supply, the market continues to absorb the impact of prior deliveries. Vacancy held at 7.7% in Q1 2026, remaining elevated after rising from 6.6% in Q2 2025. Availability increased further to 7.1%, reflecting a growing pool of space still in lease-up—particularly among larger assets that have been that have leased up slower than smaller spaces.

Leasing momentum weakened during the quarter, with net absorption turning negative at -35,974 square feet, reversing three consecutive quarters of positive absorption in 2025. This shift, coupled with a slight decline in total occupied square footage, indicates a more cautious tenant base and a temporary imbalance between available space and active demand.

Pricing has begun to show early signs of sensitivity. Asking rents edged down to \$15.92 per square foot, from \$15.96 in Q4 2025, suggesting that landlords may be adjusting expectations as leasing velocity slows.

Overall, Q1 2026 reflects a market transitioning out of a supply-driven expansion phase and into a period of recalibration. While vacancy remains elevated and absorption has softened, the absence of new deliveries and a modest remaining pipeline position the market to gradually rebalance. Performance in the coming quarters will depend on the pace at which tenant demand re-engages and available inventory is absorbed, with well-located, functional assets expected to outperform.

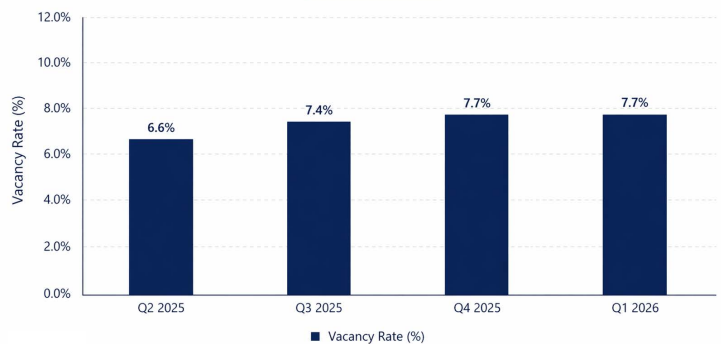
Key Indicators

Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliverables SF	Total Occupied SF
Q1 2026	57,457,291	7.7%	\$15.92	7.1%	(35,974)	0	52,665,618
Q4 2025	57,457,291	7.7%	\$15.96	6.9%	31,517	199,476	52,957,806
Q3 2025	57,257,815	7.4%	\$15.68	6.4%	61,485	536,593	52,879,159
Q2 2025	56,721,222	6.6%	\$15.84	5.5%	53,873	50,022	52,831,050

Net Absorption (SF) Trend



Vacancy Rate Trend



ASKING RENT PER SF

Asking rental rates in the Palm Beach County industrial market demonstrated modest fluctuation with an overall upward trend through 2025, followed by slight softening in Q1 2026. Rents increased from \$15.84 per square foot in Q2 2025 to a peak of \$15.96 per square foot in Q4 2025, reflecting steady pricing growth during a period of strong leasing activity and elevated new deliveries.

The most recent quarter marked a subtle shift. Asking rents declined slightly to \$15.92 per square foot in Q1 2026, representing a minor quarter-over-quarter decrease. While the adjustment is limited in magnitude, it coincides with negative net absorption and rising availability, suggesting early signs of pricing sensitivity as leasing momentum slows.

Despite this short-term movement, rental performance remains relatively stable when viewed across the full period. The overall increase from Q2 2025 to Q1 2026 reflects continued landlord confidence, supported by long-term supply constraints and the strategic positioning of Palm Beach County within the South Florida industrial market.

That said, the recent plateau in rent growth indicates a transition from upward pricing momentum to a more balanced environment. As available space continues to work through the market and tenant demand recalibrates, future rent growth is expected to be more measured, with performance increasingly tied to asset quality, location, and functionality.

In summary, the market has shifted from steady rent expansion to early-stage stabilization, with Q1 2026 signaling a potential inflection point where pricing may begin to align more closely with current leasing conditions.

Market Asking Rent Growth

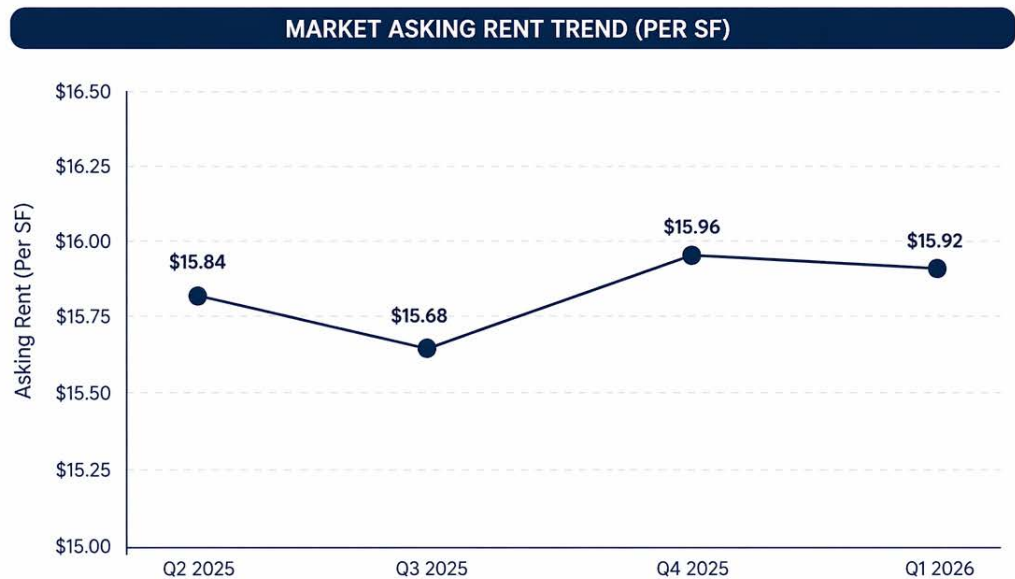
- 

Q1 2026 ASKING RENT
\$15.92
PER SF
- 

QUARTER-OVER-QUARTER CHANGE
(Q4 2025 - Q1 2026)
-0.3%
(-\$0.04 PSF)
- 

CHANGE FROM Q2 2025 - Q1 2026
+0.5%
(+\$0.08 PSF)
- 

PEAK ASKING RENT
Q4 2025
\$15.96
PER SF



MARKET REPORT



Turnpike Logistics Center

Address: 1715 Meathe Drive, West Palm Beach

Portfolio Price: \$79,600,000

Price/SF: \$176.69/SF

Portfolio SF: 133,006 SF



Gulf Stream Commercial Building

Address: 1205-295 SW 4th Ave, West Palm Beach

Sale Price: \$17,209,000

Price/SF: \$285.66

Building Size: 60,244 SF



12551 Floirida 7

Address: 12551 Florida 7, Boynton Beach

Sale Price: \$8,250,000

Price/SF: \$183.33

Building Size: 45,000 SF



1455 SW 4th Ave

Address: 1455 SW 4th Ave, Delray Beach

Sale Price: \$7,985,000

Price/SF: \$246.68

Building Size: 32,370 SF

MARKET REPORT



American Tire Distributors

Address: 601 103rd Ave N, Royal Palm Beach, FL 33411

Building Size: 124,420 SF

SF Leased: 124,000 SF



Multi Image Group

Address: 644-646 Park of Commerce Way, Boca Raton, FL 33487

Building Size: 119,117 SF

SF Leased: 42,038 SF



Premier Precast

Address: 1455 SW 4th Ave, Delray Beach, FL 33444

Building Size: 32,370 SF

Status: 32,370 SF



FORT LAUDERDALE

550 S. Andrews Avenue, Suite 400,
Fort Lauderdale, FL 33301
954.358.0900 | 954.358.0901

PALM BEACH

2240 Woolbright Road, Suite 300,
Boynton Beach, FL 33426
561.613.0900 | 561.877.8363



Lloyd C. Berger, SIOR
President

Phone: 954.358.0900

Fax: 954.358.0901

Email: LBerger@bergercommercial.com