BERGER COMMERCIAL REALTY

COMMERCIAL BROKERAGE AND PROPERTY MANAGEMENT

2026 Q2

PALM BEACH INDUSTRIAL

MARKET REPORT

ABSORPTION & VACANCY

The Palm Beach County industrial market closed Q2 2026 with approximately 56.6 million square feet of inventory. Market conditions softened modestly during the quarter as negative net absorption continued and vacancy moved higher, reflecting a more measured leasing environment following stronger occupancy performance in late 2025.

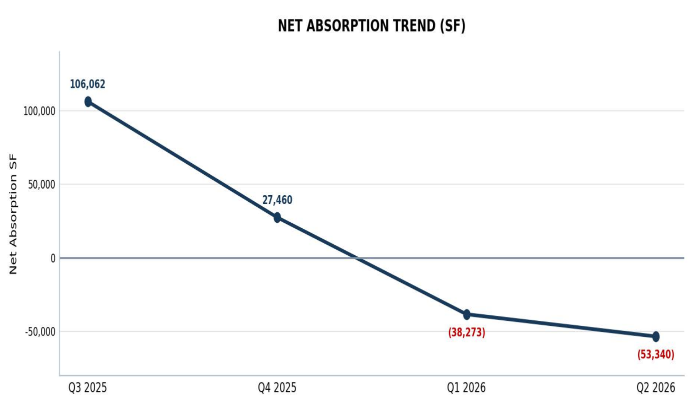
Net absorption totaled –53,340 square feet in Q2, declining from –38,273 square feet in Q1 2026. The second consecutive quarter of negative absorption represents a shift from the positive 27,460 square feet recorded in Q4 2025 and indicates that tenant move-outs and space givebacks continued to modestly outpace move-ins during the first half of the year.

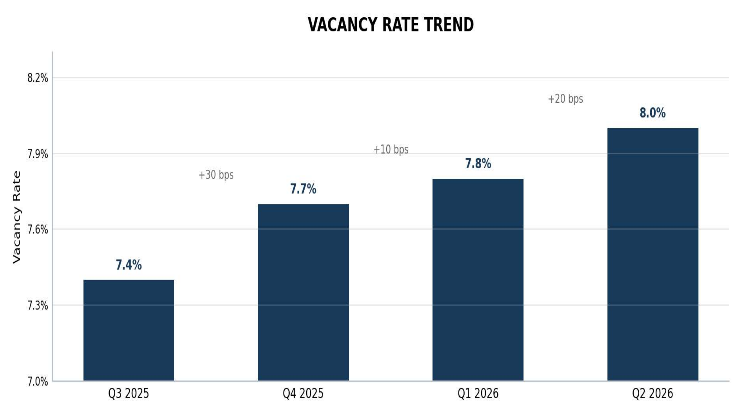
Vacancy increased to 8.0% in Q2, representing a 20-basis-point rise from 7.8% in Q1. Availability remained unchanged at 7.1% quarter-over-quarter, suggesting that the amount of space actively being marketed held relatively steady even as physical vacancy increased. The market also recorded 45,000 square feet of new deliveries during the quarter, adding incremental inventory amid softer absorption conditions. Notably, vacancy has increased slightly for the past 4 quarters, after holding steady at 6.7% from Q2 2024 through Q2 2025, reflecting a slow contraction.

Overall, Q2 2026 reflected a Palm Beach County industrial market navigating a period of gradual adjustment, with several consecutive quarters of negative absorption and rising vacancy. While the pace of occupancy losses remains measured, the continued increase in vacancy underscores a more competitive leasing environment. As the market moves through the second half of 2026, performance will likely depend on renewed tenant demand and the market's ability to absorb existing and recently delivered industrial space.

Key Indicators

Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliverables SF	Total Occupied SF
Q2 2026	56,616,200	8.0%	$15.32	7.1%	(53,340)	45,000	51,751,178
Q1 2026	56,571,200	7.8%	$15.87	7.1%	(38,273)	0	51,818,948
Q4 2025	56,571,200	7.7%	$15.91	7.0%	27,460	199,476	52,113,435
Q3 2025	56,371,724	7.4%	$15.63	6.5%	106,062	536,593	52,038,845





ASKING RENT PER SF

Asking rental rates in the Palm Beach County industrial market declined in Q2 2026, with average rents falling to $15.32 per square foot from $15.87 per square foot in Q1. The $0.55 quarter-over-quarter decrease represents a 3.5% decline and marks the second consecutive quarter of rent softening following the $15.91 per square foot recorded in Q4 2025. The decrease in asking rental rates is also the fifth rate decrease out of the last six quarter.

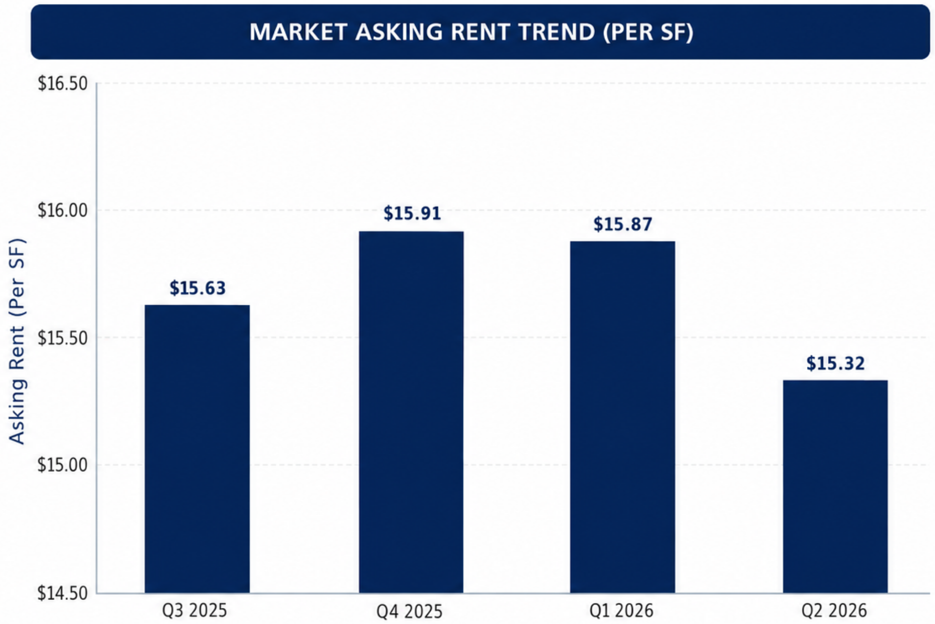
The decline in asking rents coincides with rising vacancy and consecutive quarters of negative net absorption, reflecting increased competition among landlords as tenants gain access to a broader range of available space. With vacancy reaching 8.0% during the quarter, owners are facing greater pressure to strategically position properties and respond to increasingly cost-conscious tenant requirements.

Rental performance continues to vary by asset quality, location, and functionality. Modern industrial facilities offering efficient loading, higher clear heights, adequate power, and access to major transportation corridors remain better positioned to preserve asking rates. Older or functionally constrained properties may face greater pricing pressure as tenants evaluate competing options and prioritize operational efficiency.

The market's recent supply growth has also influenced rental conditions. Following significant deliveries in 2025, the existing inventory base continues to work through newly introduced space while net absorption remains measured. This dynamic has contributed to greater tenant choice and a more competitive pricing environment, particularly for properties competing directly with newer industrial product.

Overall, Q2 2026 rental trends reflect a Palm Beach County industrial market undergoing a period of pricing adjustment. While the decline in asking rents signals softer near-term conditions, rental performance will likely remain highly differentiated by asset quality and location as landlords compete to capture tenant demand and the market works to absorb available industrial space.

Market Asking Rent Growth



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Gateway Center - (Part of a 8 Property Sale)

Address:	1920-1974 High Ridge Rd, Boynton Beach, FL 33426
Portfolio Price:	$195,900,000
Price/SF:	$244.51
Portfolio Size:	801,200 SF

Lewis Terminals - (Part of a 2 Property Sale)

Address:	2001 Austrailian Ave, Riviera Beach, 33404
Sale Price:	$20,790,000
Price/SF:	$167.63
Portfolio Size:	124,000 SF

Boca Commerce Center

Address:	1141 Rogers Circle, Boca Raton, FL 33487
Sale Price:	$15,000,000
Price/SF:	$211.49
Building Size:	70,927 SF

Jupiter Commerce Park

Address:	3126 Jupiter Park Drive, Jupiter, FL 33458
Sale Price:	$10,660,000
Price/SF:	$308.91
Building Size:	34,508 SF

TOP LEASES

MARKET REPORT

Corporate Logistics Center

Address: 15791 Corporate Cir, Jupiter, FL 33478

Building Size: 252,848 SF

SF Leased: 129,603 SF

Prologis Airport Center, Building 5

Address: 6059 Southern Blvd, West Palm Beach, FL 33413

Building Size: 199,274 SF

SF Leased: 43,332 SF

Prologis Airport Center, Building 1

Address: 6017 Southern Blvd, West Palm Beach, FL 33413

Building 140,400 SF

Size: Status: 43,200 SF

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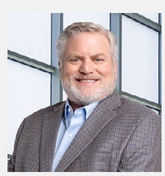

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