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Q3 2026

Palm Beach Industrial Market Report

Demand rebounds sharply, but a wave of new supply keeps vacancy moving higher.

01 · MARKET OVERVIEW

Industrial demand rebounds as new supply pushes vacancy higher.

Palm Beach County's industrial market posted a meaningful rebound in demand in Q3 2026, recording 517,067 SF of direct net absorption, the strongest quarterly total since Q3 2024. Including sublease activity, net absorption reached 552,501 SF, reversing the negative absorption recorded in the first two quarters of the year.

Despite the improvement in demand, new supply continued to put upward pressure on vacancy. Ten buildings totaling 816,329 SF were delivered during the quarter, exceeding direct absorption by approximately 299,000 SF. The direct vacancy rate rose 40 basis points to 8.4%, while total vacancy, including sublease space, reached 9.0%. Leasing activity totaled approximately 610,000 SF, down 16% from Q2.

INVENTORY
57.1M SF
1,213 buildings

OCCUPIED
52.0M SF
+552,501 SF vs. Q2

TOTAL VACANCY
9.0%
Incl. sublease · +40 bps

LEASING ACTIVITY
610K SF
−16% vs. Q2

Key Indicators

Trailing five quarters

Quarter	Inventory SF	Vacancy	Availability	Asking Rent	Net Absorption SF	Delivered SF	Occupied SF
Q3 2026	**57,120,054**	**8.4%**	**7.6%**	**$16.14**	**517,067**	**816,329**	**51,987,829**
Q2 2026	56,303,725	8.0%	7.2%	$15.34	(53,340)	45,000	51,435,328
Q1 2026	56,258,725	7.8%	7.2%	$15.88	(40,273)	0	51,503,098
Q4 2025	56,258,725	7.8%	7.0%	$15.91	26,085	199,476	51,799,585
Q3 2025	56,059,249	7.5%	6.5%	$15.63	106,062	536,593	51,726,370

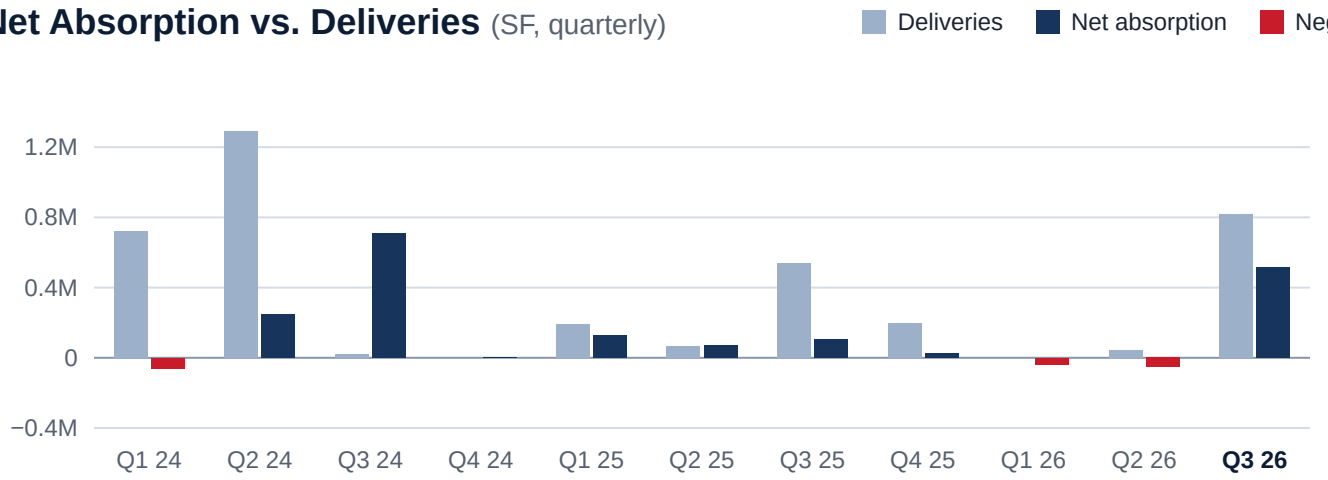
Vacancy, availability, asking rent (NNN) and net absorption reflect direct space; occupied SF includes sublease. Prior quarters reflect CoStar revisions as of October 6, 2026.

02 · SUPPLY & DEMAND

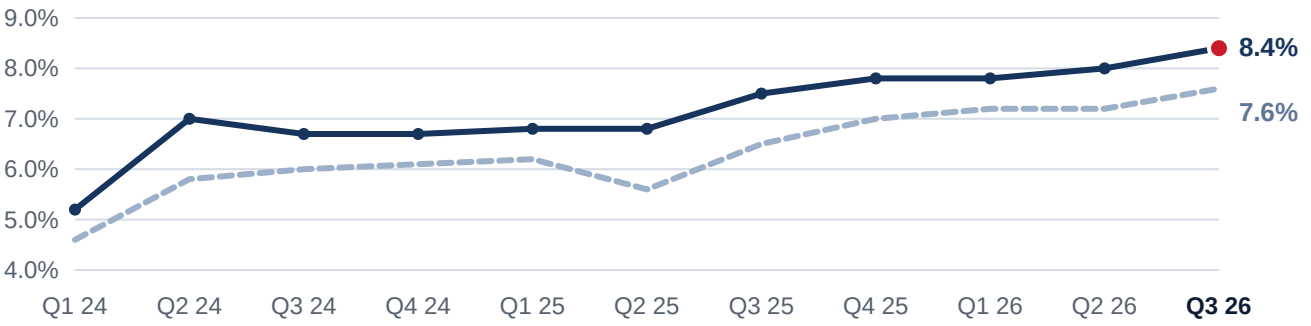
Strong Q3 absorption was outweighed by a surge in new supply.

Industrial demand strengthened considerably in Q3, with 517,067 SF of direct net absorption more than offsetting the losses recorded in the first half of 2026 and bringing year-to-date absorption to 423,454 SF. However, supply growth remained the dominant factor shaping market conditions. More than 1.06 million SF has delivered over the past four quarters, including 816,329 SF in Q3 alone. Because quarterly deliveries exceeded absorption by approximately 299,000 SF, direct vacancy increased to 8.4% and availability rose to 7.6%.

Net Absorption vs. Deliveries (SF, quarterly)



Vacancy & Availability (direct, % of inventory)



+423,454 SF
2026 year-to-date direct net absorption

1,060,805 SF
Delivered over the trailing four quarters

+299,262 SF
Increase in direct vacant space vs. Q2

03 · ASKING RENTS

Asking rents reset higher to $16.14/SF, a historic high.

QUARTER-OVER-QUARTER

+$0.80

+5.2% vs. $15.34 in Q2 2026

YEAR-OVER-YEAR

+$0.51

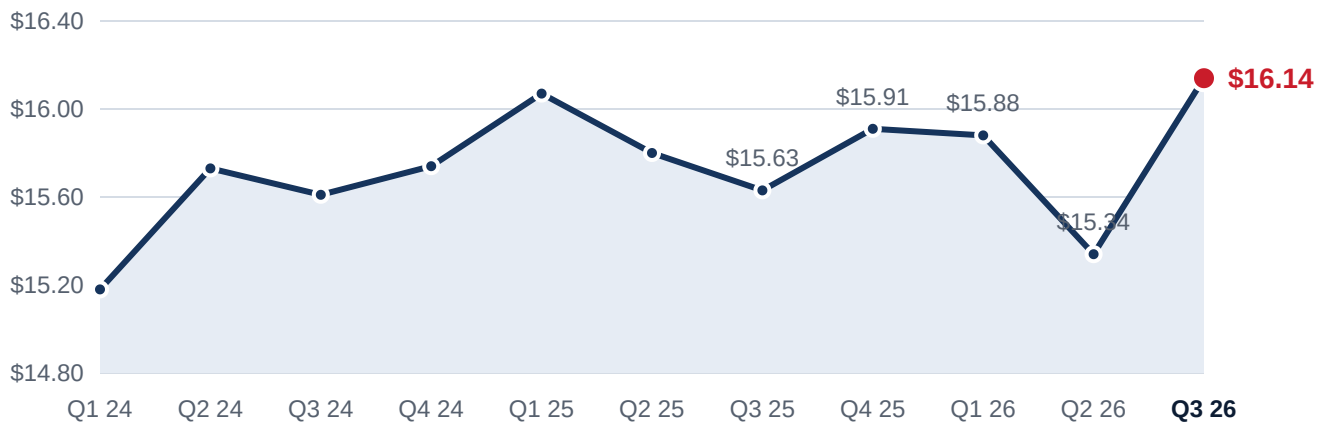
+3.3% vs. $15.63 in Q3 2025

SERIES HIGH

$16.14

Highest direct asking rent since at least Q1 2024

Direct Asking Rent ($/SF NNN, quarterly)



Direct industrial asking rents increased sharply in Q3, rising $0.80 to $16.14/SF NNN from $15.34/SF in the previous quarter. The 5.2% quarterly increase more than reversed the decline recorded in Q2 and pushed asking rents to the highest level since CoStar started tracking the market. Compared with Q3 2025, direct asking rents increased $0.51/SF, or 3.3%.

The delivery of newer industrial product during the quarter may be contributing to the higher marketwide asking rate as recently completed space enters the market. Sublease space continued to offer a lower-cost alternative, averaging $13.56/SF, approximately $2.58/SF below the direct asking rate.

DIRECT VS. SUBLEASE ASKING RENT · Q3 2026

04 · TOP LEASES

New leases led featured activity.

The five featured transactions totaled 50,756 SF, led by Commercial Warehouse Solutions' 23,339 SF lease at Park of Commerce in Jupiter. Three new leases accounted for 39,656 SF, or 78% of featured volume, while one renewal and one sublease made up the remaining 11,100 SF. These deals are a selection of the quarter's activity, not the market's full 609,853 SF leasing total.

50,756 SF	39,656 SF	11,100 SF
Leased across the five deals below	Three new leases · 78% of total	One renewal, one sublease · 22% of total

01 Commercial Warehouse Solutions NEW LEASE
15501 Park of Commerce Blvd, Jupiter
Building 26 · Park of Commerce
Signed 07/10/2026 · 10-yr term · $12.00/SF NNN
23,339 SF
of 212,184 SF building

02 The Parts House NEW LEASE
3750 Investment Ln, Riviera Beach
Central Industrial Park N
Signed 07/01/2026 · Exp. 09/01/2031 · $17.50/SF MG
9,917 SF
of 32,450 SF building

03 Ask Media RENEWAL
2100-2118 Corporate Dr, Boynton Beach
Boynton Commerce Center
Signed 07/01/2026 · Exp. 06/30/2031 · Class B
6,600 SF
of 61,033 SF building

04 Re-Play Recycled NEW LEASE
7788 Central Industrial Dr, Riviera Beach
Central Industrial Park
Signed 09/11/2026 · Exp. 11/09/2028 · $19.00/SF IG
6,400 SF
of 105,263 SF building

05 PYRA Promotions SUBLEASE
2211 Vista Pky N, West Palm Beach
Vista Distribution Center, Building 1
Signed 08/04/2026 · $24.50/SF · Class B
4,500 SF
of 51,400 SF building

Ranked by square feet leased. Leases signed 07/01/2026 – 09/30/2026.

05 · TOP SALES

The six featured sales closed in Q3 totaled approximately $44.3 million across 191,497 SF of building area, a weighted average of $231.34/SF. Florida Research Park in Jupiter was the largest transaction at $19.25 million, accounting for more than 40% of featured volume. Pricing varied widely across the remaining deals, reflecting differences in property size, location, site value, occupancy and redevelopment potential.

01

Florida Research Park

15132 Park of Commerce Blvd, Jupiter
Sold 09/15/2026 · Built 2008
Buyer: Disaster Management Group

$19,250,000
$187.80/SF · 102,503 SF
80.5% leased at sale

02

Technology Place

2658 Electronics Way, West Palm Beach
Sold 08/13/2026 · Built 1996
Buyer: Tawil Electronics Way Investment LLC

$7,750,000
$185.70/SF · 41,735 SF

03

190 SE 2nd Ave

Delray Beach, FL 33444
Sold 07/16/2026 · Built 1947
Buyer: Glensen Delray D4

$5,500,000
$415.09/SF · 13,250 SF

04

Sadler Addition

1425 Wilkins Ave, West Palm Beach
Sold 08/18/2026 · Built 1967
Buyer: Rampart Real Estate Partners

$4,850,000
$673.61/SF · 7,200 SF
1.80-acre site

05

390 SE 2nd Ave

Delray Beach, FL 33483
Sold 08/03/2026 · Built 1956
Buyer: One Off Real Estate LLC

$3,650,000
$578.54/SF · 6,309 SF

06

426 Claremore Dr

West Palm Beach, FL 33401
Sold 07/13/2026 · Built 1925
Buyer: SBDC Holdings

$3,300,000
$160.98/SF · 20,500 SF
Vacant at sale

Ranked by sale price. Sales closed 07/01/2026 – 09/30/2026. Three comps were still in CoStar research at publication.

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Methodology: vacancy, availability, asking rent (NNN) and net absorption reflect direct space unless noted. Historical figures reflect CoStar data as of October 6, 2026 and may differ from previously published reports due to revisions.

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