

Palm Beach County, Florida



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Metropolitan Area Economic Overview

2010 Population	1,294,546
2015 Estimated Population	1,318,909
Employment Population	509,032
Household Average Income	\$79,764
Median Household Income	\$58,922
Total Population	
Median Age	45

The local economy continues to be stagnant. The rate of descent in the local markets has slowed, but stubbornly high unemployment—above 12%—continues to hold growth down. The market is beginning to see positive indicators as population net in-migration to Florida has resumed. A resolution to the foreclosure volume will begin to further stabilize the market.

The volume of sales of income-producing property is well below historical levels. There are few quality properties for sale as banks and special servicers seem more inclined to “pretend and extend” rather than liquidate assets. One sector of the market that is strong is multifamily housing. When quality properties become available they are selling quickly and in some cases at cap rates of 6% or lower.

The industrial, retail and office markets continue to be negatively affected by the unemployment picture and the demise of the residential market. Housing continues to struggle and foreclosures are an ongoing issue. The lack of new residential construction continues to plague small space industrial properties and the lack of job growth negatively impacts the office market. Many large office users have vacant desks that will need to be filled before there is an increase in demand for office space. There has been some activity, particularly in Boca Raton, from large office users who are taking advantage of the economic incentives that are in the market.

General interest has picked up during the year but completed transactions have been slow to occur in all sectors as expressed uncertainty about future business conditions is a recurring negative in the market. Vacancy rates in all sectors have begun to stabilize. We expect to see a continuation of this trend in 2011 with most forecasts pointing to an improvement by the end of the year. Trade and South American investment and in-migration continue to be positive economic factors. There is virtually no new speculative development activity.

Palm Beach County At A Glance

(Rent/SF/YR)	Low	High	Effective Avg.	Vacancy
DOWNTOWN OFFICE				
Premium (AAA)	N/A	N/A	N/A	N/A
Class A (Prime)	\$ 19.50	\$ 45.00	\$ 28.50	24.00%
Class B (Secondary)	\$ 9.00	\$ 36.00	\$ 20.50	24.00%
SUBURBAN OFFICE				
New Construction (AAA)	\$ 33.00	\$ 38.50	\$ 35.00	21.00%
Class A (Prime)	\$ 19.00	\$ 47.00	\$ 32.00	22.00%
Class B (Secondary)	\$ 12.60	\$ 40.00	\$ 26.00	28.00%
INDUSTRIAL				
Bulk Warehouse	\$ 3.50	\$ 7.00	\$ 5.25	10.80%
Manufacturing	\$ 4.50	\$ 7.50	\$ 6.00	11.30%
High Tech/R&D	\$ 7.00	\$ 9.00	\$ 8.00	13.20%
RETAIL				
Downtown	\$ 10.00	\$ 40.00	\$ 25.00	15.00%
Neighborhood Service Centers	\$ 10.00	\$ 33.00	\$ 20.00	13.00%
Community Power Center	\$ 16.00	\$ 25.00	\$ 20.50	14.00%
Regional Malls	N/A	N/A	N/A	N/A
DEVELOPMENT LAND				
	Low/Acre	High/Acre		
Office in CBD	N/A	N/A		
Land in Office Parks	N/A	N/A		
Land in Industrial Parks	N/A	N/A		
Office/Industrial Land - Non-park	N/A	N/A		
Retail/Commercial Land	N/A	N/A		
Residential	N/A	N/A		