

## Industrial Q4 2021

**9.8%**  
Vacancy Rate



**1.5M**  
YTD Absorption, SF



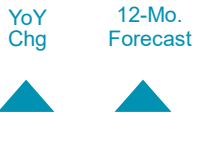
**\$5.42**  
Asking Rent, PSF



Overall, Net Asking Rent

### ECONOMIC INDICATORS Q4 2021

**253K**  
Polk County Employment



**4.4%**  
Polk County Unemployment Rate



**4.2%**  
U.S. Unemployment Rate



Source: BLS, Numbers above are monthly figures, FL Dept. Economic OPP.

### ECONOMY

Lakeland, park of Polk County, had an unemployment rate of 4.4% in November 2021, down 40 basis points (bps) from the previous month and 100 bps year-over-year (YOY). Nonagricultural employment was 253,200, an increase of 9,600 jobs, or 3.9%, YOY. The three industrial-using employment sectors that gained jobs over the past year included Trade, Transportation & Utilities with 3,300, Construction at 200, and Manufacturing with another 200 new positions.

### SUPPLY

Overall vacancy ended the year at 9.8%, up 370 bps YOY and 30 bps over the previous quarter. Warehouse/distribution vacancy increased 480 bps over the past twelve months to 11.5%. This increase can be attributed to 61% of the 3.0 million square feet (msf) of warehouse/distribution space that delivered in 2021 remaining vacant, fueling a 440 bps increase in vacancy since the first quarter. There was another 2.6 msf of warehouse/distribution space under construction at the end of the year that could further increase vacancy in the first half of 2022. Although the Northeast Lakeland submarket had the largest increase in vacancy YOY, up 680 bps to 9.6%, it was a 90 bps decrease from the third quarter. All office services/flex and manufacturing assets were occupied to end the year.

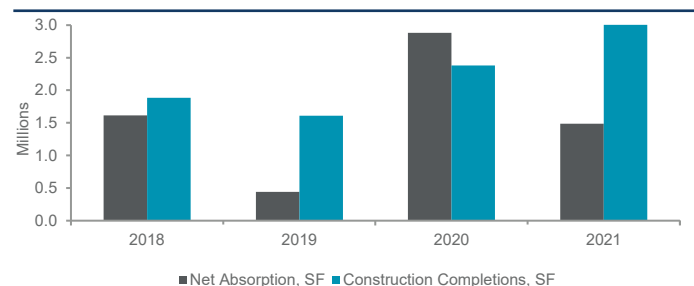
### DEMAND

New leasing activity totaled 963,000 square feet (sf) to end 2021, down 62% from the historic levels reached during 2020. Warehouse/distribution accounted for 97% of leasing activity over the past twelve months but saw a 63% decline YOY. The Southeast Lakeland submarket had the most activity comprising 44% of new leases signed in 2021 with 428,000 sf. Overall absorption was 1.5 msf for the year, with the Northeast Lakeland submarket accounting for nearly 1.4 msf of positive absorption.

### MARKET PRICING

Warehouse/distribution rental rates increased 2% YOY to \$5.42 per square foot (psf) triple net, the highest rate ever recorded in the market. New construction deliveries helped fuel the increase and could rise further as 2.2 msf currently under construction delivers in 2022. The Northwest Lakeland submarket had the highest increase in warehouse/distribution rents YOY up 55% to \$5.48 psf, an all-time high. Although Northeast Lakeland was the only submarket to see a decline in warehouse/distribution rents YOY, rates remained relatively stable down only one-tenth of a percent to \$5.26 psf.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



## Industrial Q4 2021

## MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Northeast Lakeland	11,478,933	1,105,807	9.6%	87,890	1,377,857	397,143	2,190,707	N/A	N/A	\$5.26
Northwest Lakeland	8,361,784	547,165	6.5%	-27,125	-273,883	0	0	N/A	N/A	\$5.48
Southeast Lakeland	2,001,110	74,680	3.7%	17,500	82,220	1,394,254	100,000	N/A	N/A	\$7.53
Southwest Lakeland	14,139,079	1,812,826	12.8%	62,540	299,681	812,100	730,581	N/A	N/A	\$5.44
<b>LAKELAND TOTALS</b>	<b>35,980,906</b>	<b>3,540,478</b>	<b>9.8%</b>	<b>140,805</b>	<b>1,485,875</b>	<b>2,603,497</b>	<b>3,021,288</b>	<b>N/A</b>	<b>N/A</b>	<b>\$5.42</b>

\*Rental rates reflect weighted net asking \$psf/year

MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

## KEY LEASE TRANSACTIONS 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
5020-5044 Great Oak Drive	Northwest Lakeland	Star Distribution	121,859	Renewal
1770 Interstate Drive	Northwest Lakeland	Ross Stores, Inc.	100,000	New
5275 Drane Field Rd.	Southwest Lakeland	Americana Tire & Wheel	68,420	New
6070 US Highway 98 South	Southeast Lakeland	Tampa Maid Foods	57,600	New

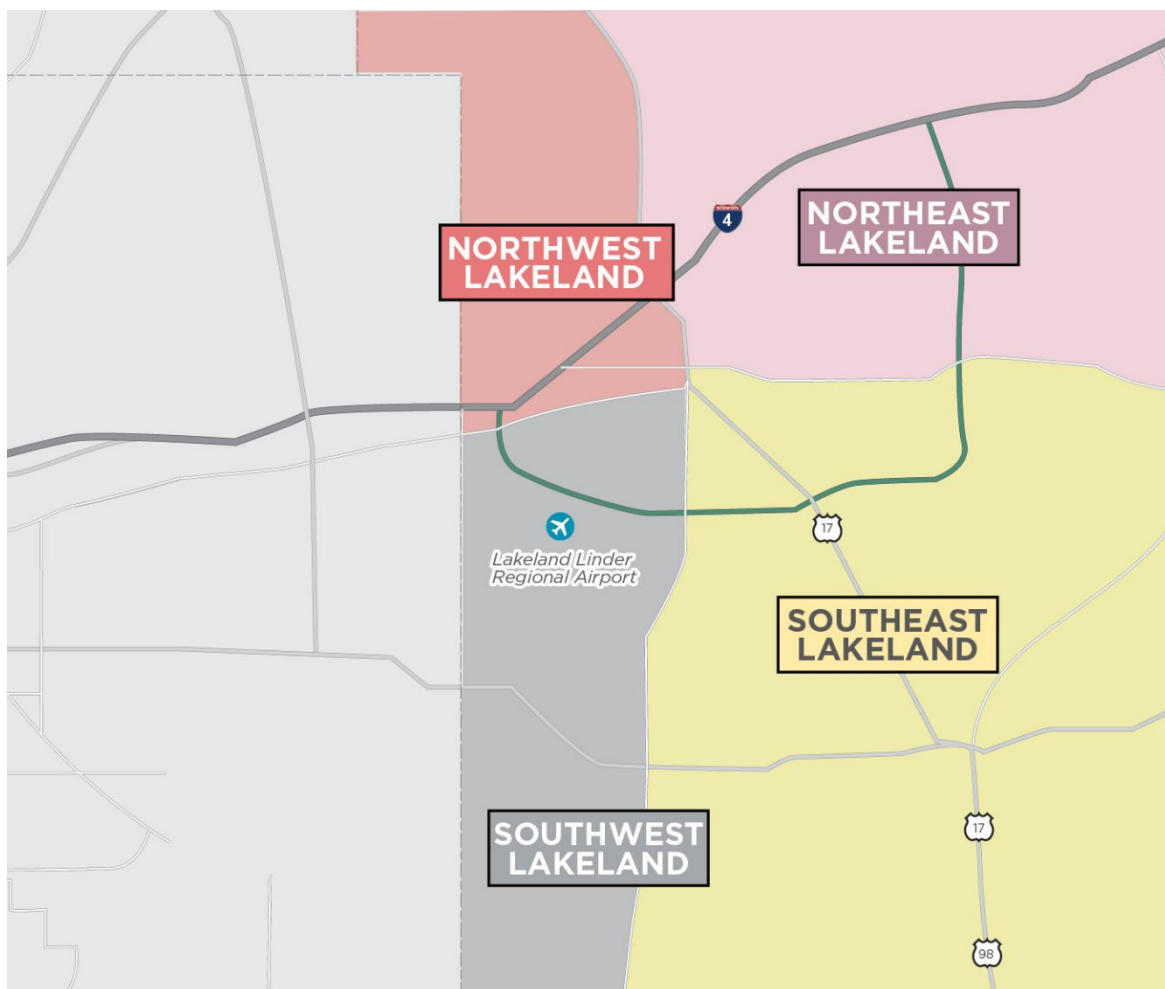
## KEY SALES TRANSACTIONS 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
676 C Fred Jones Blvd	Northeast Lakeland	Prologis, Inc.   Easton Vance Real Estate	1,078,000	\$170.0M   \$158
6200 State 33 Rd	Northeast Lakeland	Transwestern Development   AEW Capital	713,343	\$100.8M   \$141
8100 State Road 33 N	Northeast Lakeland	Ackerman & Co.   Intercontinental Real Estate Corp.	711,000	\$108.7M   \$153
5275 Drane Field Rd.	Southwest Lakeland	Bobeck Real Estate Company   Lexington Realty Trust	221,875	\$22.3M   \$100

## KEY CONSTRUCTION COMPLETIONS 2021

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
676 C Fred Jones Blvd	Northeast Lakeland	Amazon	1,078,000	Easton Vance / Prologis, Inc.
8565 State Road 33	Northeast Lakeland	None	1,011,697	Greenfield Partners  Brennan Investment
3075 Whitten Road	Southwest Lakeland	None	404,040	Xebec   N/A
900 North Chestnut Road	Southwest Lakeland	None	178,702	Native Development Group   N/A

## INDUSTRIAL SUBMARKETS

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