

# LAKELAND/POLK

## Industrial Q2 2022

	YoY Chg	12-Mo. Forecast
<b>5.1%</b> Vacancy Rate	▲	▼
<b>258K</b> YTD Absorption, SF	▼	▲
<b>\$5.88</b> Asking Rent, PSF	▲	▲

*Overall, Net Asking Rent*

### ECONOMIC INDICATORS Q2 2022

	YoY Chg	12-Mo. Forecast
<b>263K</b> Polk County Employment	▲	▲
<b>3.0%</b> Polk County Unemployment Rate	▼	▼
<b>3.6%</b> U.S. Unemployment Rate	▼	▼

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

### ECONOMY

Polk County had an unemployment rate of 3.0% in May 2022, down 250 basis points (bps) year-over-year (YOY). Nonagricultural employment was 262,500, an increase of 10,000 jobs, or 4.0%, YOY. Overall industrial-using employment grew by 2,700 new jobs over the last 12 months with Trade, Transportation & Utilities up 3,000 jobs and Manufacturing adding another 100 new positions. Construction was down 400 jobs in the last year

### SUPPLY

Overall vacancy remained relatively stable from the previous quarter, increasing 20 bps. The Lakeland submarket continued to have the highest concentration of available space, though overall vacancy fell for the second straight quarter to 8.8%, the lowest rate over the past year. The Southwest Lakeland submarket had the only construction completion for the quarter, a 150,000 square feet (sf) warehouse/distribution building that delivered 69% occupied. There was a record high 4.0 million square feet (msf) under construction, of which only 8% had been preleased. Polk County had nearly 2.3 msf of new construction which delivered over the past few years that has never been occupied and this number could drastically increase as new deliveries continue over the next year.

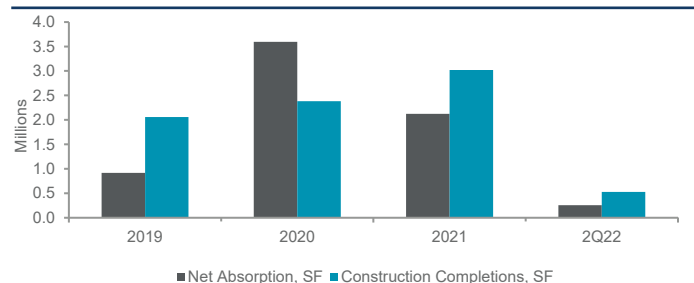
### DEMAND

Leasing activity slowed considerably from the previous quarter, down 53%, as users began to rethink space needs with a potential economic slowdown on the horizon. Most leasing activity was concentrated in Lakeland, which accounted for 64% of new deals signed in the second quarter and 81% year-to-date (YTD). Although Lakeland saw leasing activity slow during the second quarter, the volume of new deals signed through the first half of the year was up 178% compared to the same period in 2021. The Southwest submarket recorded the most leasing activity in the quarter in large part to Mission Foods' signing for the entire second building at the recently delivered Lakeland North Business Center.

### MARKET PRICING

Warehouse/distribution rents continued to see extreme growth, increasing 7% from the previous quarter, and should continue to rise as new construction delivers over the next year. East Polk had the highest warehouse/distribution asking rents, with some buildings in the submarket asking over \$12.00 psf. Lakeland rents maintained the trend of breaking the previous quarter's record high, increasing 4% from the first quarter.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



## Industrial Q2 2022

## MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (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)
Davenport	6,774,116	0	0.0%	92,000	92,000	0	0	N/A	N/A	N/A
East Polk County	17,410,527	320,850	1.8%	-139,260	138,547	1,706,799	0	\$12.00	N/A	\$8.27
South Polk	7,112,815	0	0.0%	379,504	0	0	379,504	N/A	N/A	N/A
<b>East Polk Totals</b>	<b>31,297,458</b>	<b>320,850</b>	<b>1.0%</b>	<b>332,244</b>	<b>230,547</b>	<b>1,706,799</b>	<b>379,504</b>	<b>\$12.00</b>	<b>N/A</b>	<b>\$8.27</b>
Northeast Lakeland	10,200,547	1,082,377	10.6%	-24,800	369,423	292,143	0	N/A	N/A	\$5.25
Northwest Lakeland	8,361,766	102,635	1.2%	23,490	143,810	0	0	N/A	N/A	\$5.96
Southeast Lakeland	2,145,684	108,680	5.1%	-49,000	48,880	1,216,800	0	N/A	N/A	\$7.18
Southwest Lakeland	14,341,610	1,793,344	12.5%	-23,860	418,773	809,420	150,000	N/A	N/A	\$5.92
<b>Lakeland Totals</b>	<b>35,049,607</b>	<b>3,087,036</b>	<b>8.8%</b>	<b>-74,170</b>	<b>980,886</b>	<b>2,318,363</b>	<b>150,000</b>	<b>N/A</b>	<b>N/A</b>	<b>\$5.69</b>
<b>Lakeland/Polk Totals</b>	<b>66,347,065</b>	<b>3,407,886</b>	<b>5.1%</b>	<b>258,074</b>	<b>1,211,433</b>	<b>4,025,162</b>	<b>529,504</b>	<b>\$12.00</b>	<b>N/A</b>	<b>\$5.87</b>

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

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

## KEY LEASE TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
210 Deen Still Road	Davenport	Ford Motor Company	275,000	Renewal
902 North Chestnut Road	Southwest Lakeland	Mission Foods	120,539	New
1070 County Line Road	Northwest Lakeland	Graham Packaging Company	80,000	Renewal
2200 3rd Street NW	East Polk County	Haven Building Products	61,900	New
300 Avenue P SW	East Polk County	Henry Company	60,390	New

\*Renewals are not included in leasing activity

## KEY SALES TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
5035 Drane Field Road	Southwest Lakeland	Blue Steel Development   Michael Medici	150,000	\$17.2M   \$114

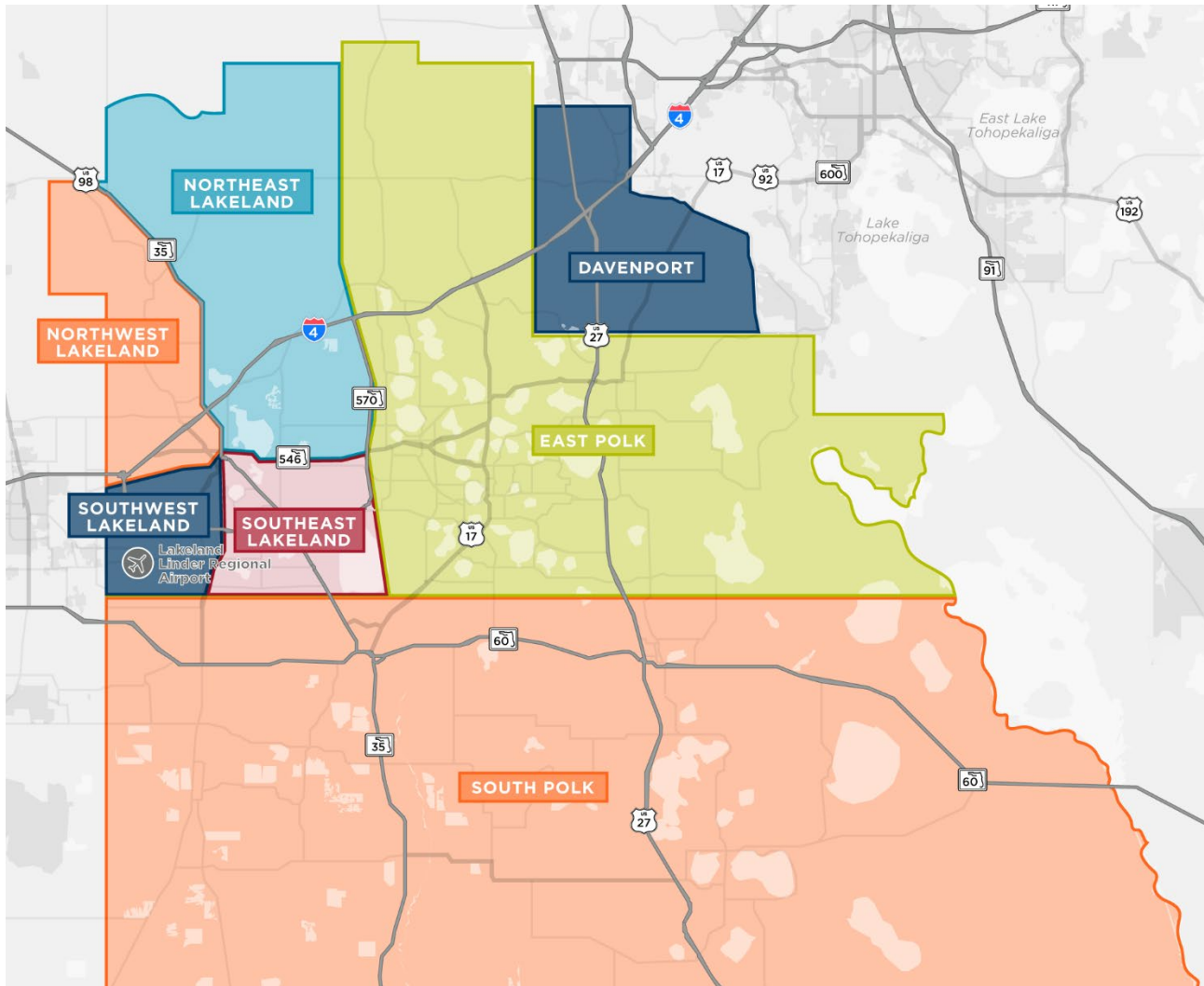
## KEY CONSTRUCTION COMPLETIONS YTD 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
US Highway 17 S	South Polk	Peace River Citrus Products	379,504	Peace River Citrus Products   N/A
5035 Drane Field Road	Southwest Lakeland	Premier Transportation	150,000	Michael Medici   N/A

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## INDUSTRIAL SUBMARKETS



### JOSH FAIRCLOTH

Senior Research Analyst

Tel: +1 813 424 3220

[joshua.faircloth@cushwake.com](mailto:joshua.faircloth@cushwake.com)

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