

MARKETBEAT Orlando

INDUSTRIAL Q3 2024



MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
8.1% Vacancy Rate	▲	▼
-422K YTD Net Absorption, SF	▼	▲
\$10.29 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
1.5M Orlando Employment	▲	▲
3.3% Orlando Unemployment Rate	▲	▲
4.1% United States Unemployment Rate <i>Source: BLS</i>	▲	▼

ECONOMY

Orlando recorded an unemployment rate of 3.3% in Q3 2024, 30 basis points (bps) higher than the rate from one year ago but still below the national average of 4.1%. Job growth held steady in Orlando despite rising unemployment with 21,100 nonfarm jobs added, marking a 1.4% increase year-over-year (YOY).

SUPPLY

Overall vacancy ended Q3 at 8.1%, marking an increase of 290 bps YOY and the highest rate since Q1 2015. This rise was primarily due to 4.7 million square feet (msf) of new deliveries YTD which delivered 71.8% vacant. Only 592,000 square feet (sf) of space was delivered in Q3 allowing for a portion of the previously completed construction to absorb into the market. New construction starts have surged again with 2.3 msf currently under construction, up 65.1% quarter over quarter (QOQ).

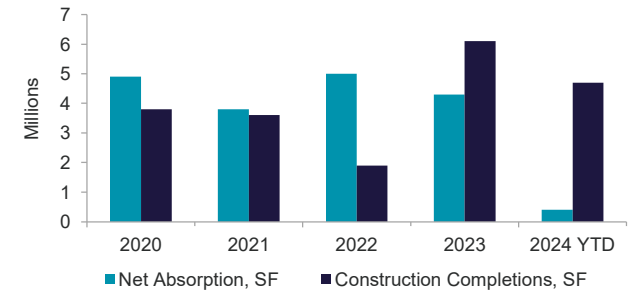
DEMAND

The market closed with 1.4 msf of new deals signed in Q3, an increase of 36.5% QOQ. Orlando remained a centrally located target market to companies looking for a strategic position within the growing state of Florida. Orlando posted a quarterly absorption of nearly 170,000 sf after two quarters of net losses. The largest move-ins for the quarter were Grimco and CORT Furniture Rental occupying two spaces for a combined 262,000 sf at 8550 McCoy Road. Absorption is expected to remain steady through Q4 as demand rebounds but is offset by the robust construction pipeline.

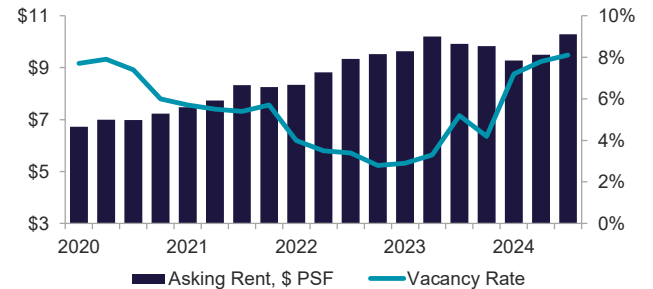
PRICING

The overall average asking rate climbed 9.1% QOQ to \$10.36 per square foot (psf). This rise was mainly attributed to the completion of new properties commanding premium asking rents, with the average rate for buildings completed in Q3 at \$11.88 per square foot. This trend was most pronounced in the CBD/Winter Park/Maitland submarket, which recorded an 81.0% YOY increase in asking rents to \$14.81 psf.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	CURRENT QTR UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)*	OVERALL WEIGHTED AVG NET RENT (OS)*	OVERALL WEIGHTED AVG NET RENT (W/D)*
CBD/Winter Park/Maitland	2,930,066	88,899	3.0%	3,050	-64,125	0	0	\$16.00	\$15.64	\$12.00
Silver Star/Apopka	21,976,895	4,814,995	21.9%	-110,697	68,029	315,774	2,812,310	\$10.91	\$13.76	\$8.80
Altamonte/Longwood	4,171,124	130,827	3.1%	-26,304	-68,375	0	0	\$9.57	\$14.18	\$8.43
Lake Mary/Sanford	9,061,407	672,481	7.4%	-59,325	120,443	0	27,120	\$9.34	\$10.24	\$8.97
E. Orange/University/Forsyth	4,606,075	421,416	9.1%	-11,945	-113,764	0	246,580	-	\$19.45	\$11.48
NE/Winter Springs/Oviedo	787,444	34,622	4.4%	22,550	3,803	0	0	-	\$13.19	\$19.00
Michigan/S Orange Ave	2,275,638	39,347	1.7%	2,575	-2,756	0	0	-	\$9.75	\$13.07
Airport/Lake Nona	23,548,903	1,294,976	5.5%	57,570	106,597	1,522,378	693,048	-	\$14.21	\$8.39
33 rd Street/LB Mcleod	5,111,365	311,281	6.1%	-14,358	-83,977	0	0	\$17.50	\$16.19	\$10.18
Regency/Turnpike	18,111,627	371,755	2.1%	104,504	-35,891	0	0	\$8.95	\$13.75	\$10.61
Orlando Central Park	22,065,082	982,206	4.5%	154,178	-608,127	89,305	0	\$14.90	\$15.50	\$9.37
Osceola/Kissimmee	6,416,961	461,401	7.2%	67,654	236,296	84,886	481,944	\$13.00	\$18.75	\$9.78
West Orange/Winter Garden	3,788,375	520,577	13.7%	-19,535	19,744	274,557	412,620	-	-	\$10.43
ORLANDO TOTALS	124,850,962	10,144,783	8.1%	169,917	-422,103	2,286,900	4,673,622	\$11.55	\$14.35	\$9.56

*Rental rates reflect NNN \$psf/year

PRODUCT TYPE	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CNSTR COMPLETIONS (SF)	YTD CNSTR COMPLETIONS (SF)	DIRECT WEIGHTED AVG NET RENT*	OVERALL WEIGHTED AVG NET RENT*
Manufacturing	13,539,789	427,019	3.2%	-19,121	-279,557	0	0	0	\$11.55	\$11.55
Office Service	12,361,393	800,867	6.5%	-58,164	-41,081	0	0	0	\$14.45	\$14.35
Warehouse/Distribution	98,949,780	8,916,897	9.0%	247,202	-101,465	2,286,900	592,875	4,673,622	\$14.18	\$8.43
ORLANDO TOTALS	124,850,962	10,144,783	8.1%	169,917	-422,103	2,286,900	592,875	4,673,622	\$10.36	\$10.29

*Rental rates reflect NNN \$psf/year

KEY LEASE TRANSACTIONS Q3 2024

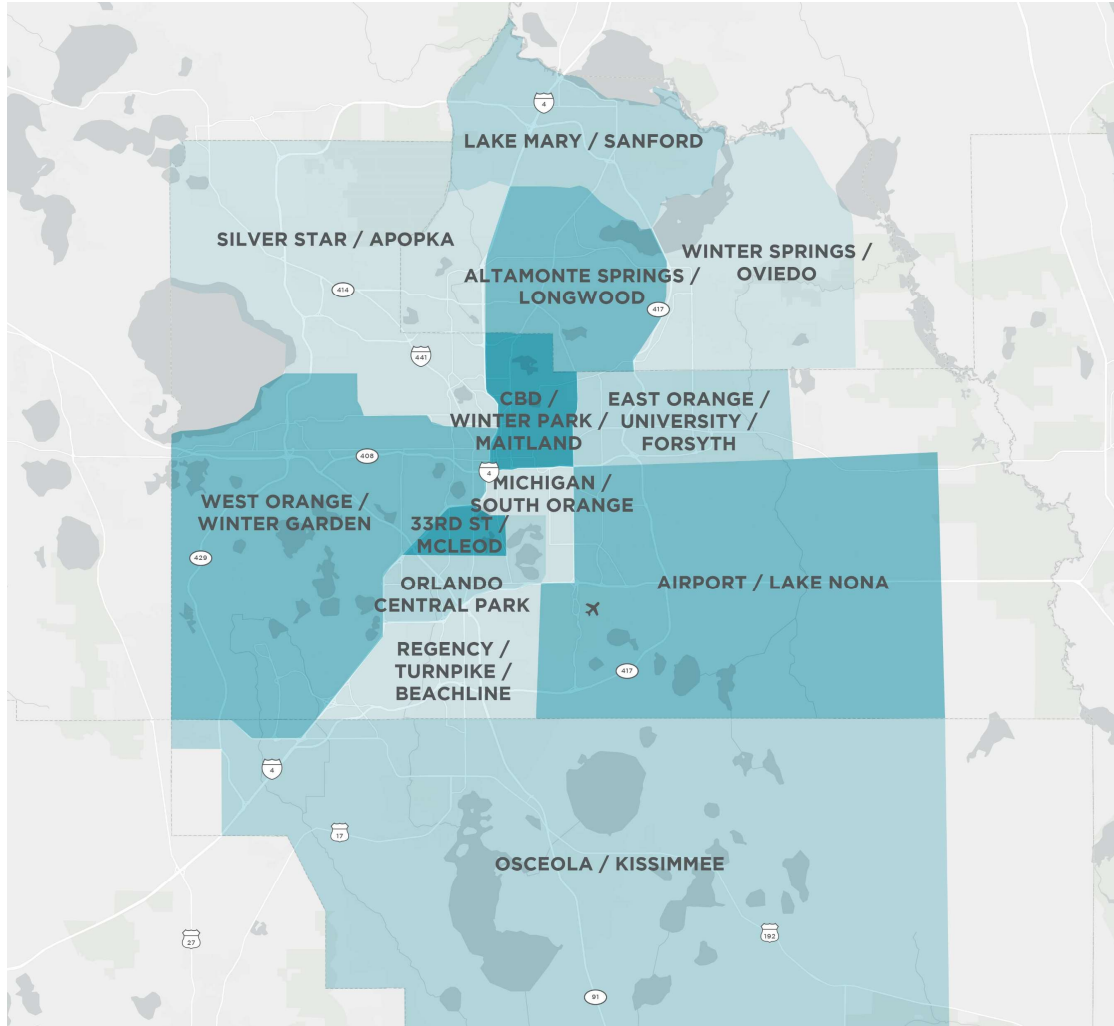
PROPERTY	SUBMARKET	TENANT	SF	TYPE
7650 Amsterdam Drive	Airport/Lake Nona	Aerospace One	220,853	New
2351 Investors Row	Orlando Central Park/Southpark	Evolution Electric Vehicles	156,000	New
2001 Directors Row	Orlando Central Park/Southpark	DCD Vehicle Corp	102,430	New
1451 Ocoee-Apopka Road	Silver Star/Apopka	Crown Packaging	100,221	Renewal*

*Renewals not included in leasing statistics

KEY SALE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
7475 Chancellor Drive	Orlando Central Park/Southpark	Walgreens / EQT Exeter	212,900	\$23.0M / \$108
2292 W Sand Lake Road	Orlando Central Park/Southpark	Apollo Global Mgmt / IP Capital Partners	149,570	\$40.8M / \$273
2963 Stonewall Place	Lake Mary/Sanford	Waterfall Industries / N/A	109,610	\$15.8M / \$144

INDUSTRIAL SUBMARKETS



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