

Orlando

Industrial market snapshot | Q2 2024

The Orlando unemployment rate has decreased by 30 basis points since last quarter, reaching 2.9% as of May. This rate is notably lower than the national average of 4.0%. Over the past year, nonfarm employment has grown by 1.4%, with construction employment seeing a significant increase of 2.9% during the same period.

800k sf

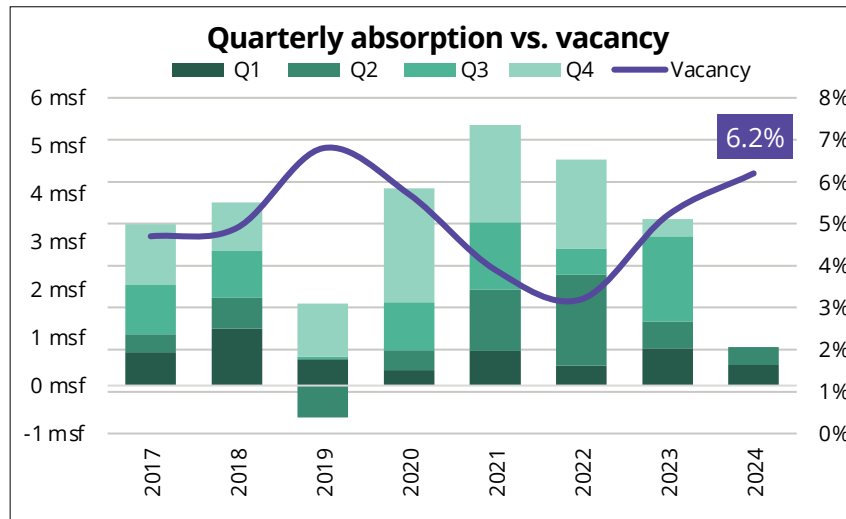
Total year-to-date net absorption is just over 800,000 square feet, the lowest midyear total since 2020.

\$11.05 NNN

Asking rates have begun to soften in Orlando after exceptional growth since the pandemic, witnessing a 2.6% year-over-year increase.

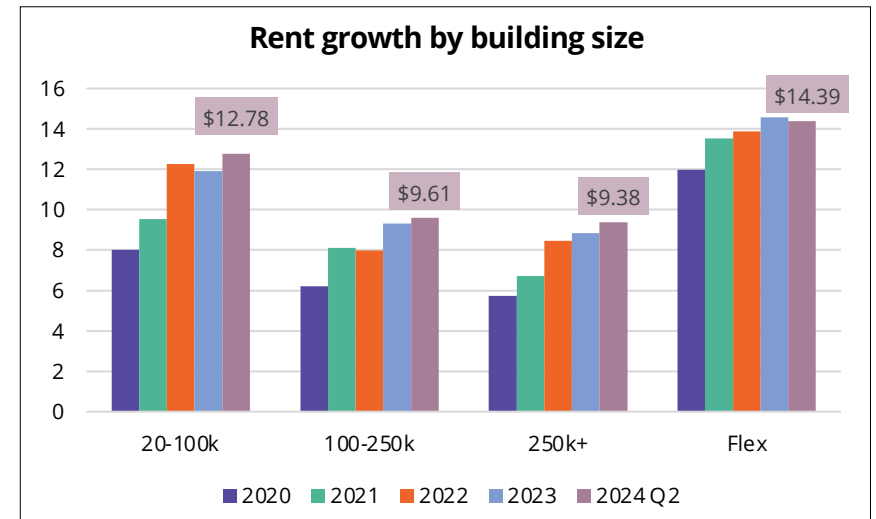
2.5 msf

Orlando continues to see strong development activity, with 2.5 million square feet delivered so far this year and another 2.7 million square feet under construction.



Orlando has maintained positive net absorption for 20 consecutive quarters, although year-to-date absorption has decreased by 40.8% compared to last year's midyear total. This slowdown in absorption is accompanied by a rise in vacancy rates, which have increased by 1.0% since last year and 3.0% since 2022.

Source: AVANT by Avison Young, CoStar, U.S. Bureau of Labor Statistics

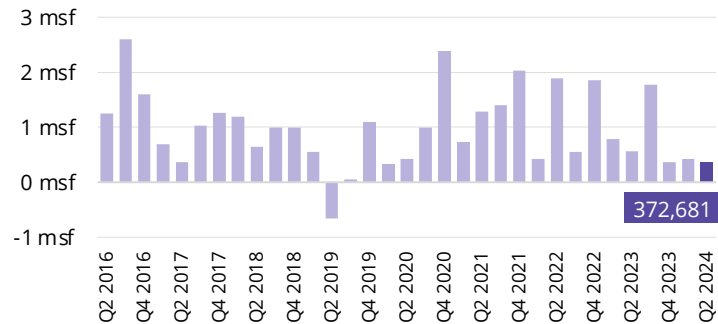


After significant rent growth since 2020, Orlando has experienced softened rent increases over the past year 18 months. Properties under 100,000 square feet rebounded with a 7% year-over-year increase following a decline last year. Flex buildings remained stable, with a 1% decrease year-over-year but a 6% increase over the past three years.

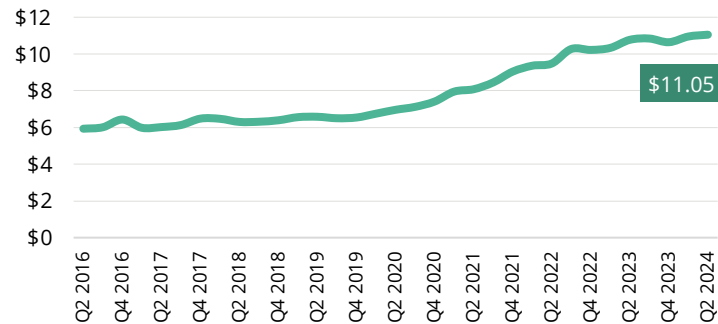
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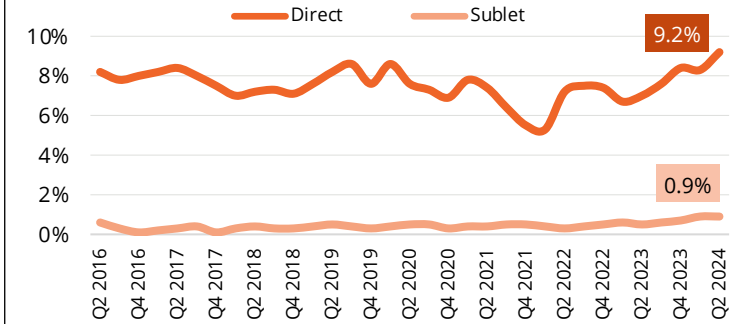
Net absorption (SF)



Direct asking rents (psf/NNN)



Availability



Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
ATR Commercial Flooring	350 Gills Dr	150,600	New	Direct
Undisclosed Tenant	2416 Sand Lake Rd	78,368	New	Direct
Architectural Glass	550 Marshall Lake Rd	58,600	New	Direct
Hytec Dealer Services	3600 Vineland Rd	57,595	Renewal	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
LBA Realty	Lee Vista Business Center - 4 bldg. portfolio	\$120,000,300	\$184	Blackstone
LBA Realty	Four Corners Business Park - 3 bldg. portfolio	\$104,000,100	\$130	Blackstone
Harbert	Cypress Park - 5 bldg. portfolio	\$40,500,000	\$157	Investcorp
Denholz Properties	Silver Star Commerce Center - 8 bldg. portfolio	\$36,500,000	\$143	Investcorp

*Note: Portfolio includes one office building at 3001 Tech Dr N sold for \$18.02 million
Source: AVANT by Avison Young, CoStar

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Get in touch

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Location	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption (2Q24)	Net absorption (YTD)	Annual direct asking rent psf NNN
Airport-Southeast	39,753,970	790,331	1,024,343	4.6%	0.2%	4.8%	1.7%	424,517	112,278	\$11.94
Orlando Central Park	21,007,344	-	-	3.3%	0.4%	3.6%	0.4%	9,880	(317,312)	\$11.47
Northwest	16,564,817	748,435	1,057,237	19.8%	0.6%	20.4%	13.5%	37,936	82,193	\$9.45
Longwood/Lake Mary/Sanford	13,147,158	139,906	50,000	5.6%	0.0%	5.6%	1.7%	(42,401)	81,517	\$9.78
NE Orange County Ind	11,869,246	-	-	2.7%	1.8%	4.5%	1.0%	(82,211)	(65,050)	\$9.28
North Central	11,249,502	-	-	3.6%	0.1%	3.6%	(0.6%)	38,823	33,188	\$11.71
Southwest	10,810,944	-	188,400	1.6%	0.3%	1.9%	0.9%	(18,697)	9,775	\$13.66
Silver Star Corridor	10,385,232	-	315,774	2.3%	0.7%	3.0%	(1.0%)	22,159	197,454	\$13.43
Osceola County	7,625,459	481,944	84,886	6.6%	0.0%	6.6%	2.4%	(13,660)	568,970	\$13.18
Davenport	6,013,590	80,000	-	5.1%	0.8%	5.8%	2.0%	(46,000)	(46,000)	\$9.23
University/East Side	5,773,413	246,580	-	9.8%	0.1%	9.9%	6.1%	48,430	163,552	\$15.09
33rd Street	1,619,675	-	-	2.7%	0.5%	3.1%	1.3%	(6,095)	(20,188)	\$16.00
Market total	155,820,350	2,487,196	2,720,640	5.8%	0.4%	6.2%	2.6%	372,681	800,377	\$11.05

Type	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption (2Q24)	Net absorption (YTD)	Annual direct asking rent psf NNN
Warehouse/Distribution	139,652,042	2,487,196	2,720,640	5.9%	0.4%	6.3%	2.8%	393,026	881,304	\$10.53
Flex	16,168,308	-	-	5.5%	0.3%	5.8%	0.9%	(20,345)	(80,927)	\$14.39
Market total	155,820,350	2,487,196	2,720,640	5.8%	0.4%	6.2%	2.6%	372,681	800,377	\$11.05