

ORL- Q3 2022

INDUSTRIAL REPORT

MARKET AT A GLANCE

FLEX VACANCY RATE

5.1 %

LOGISTICS VACANCY

3.5%

SPECIALIZED VACANCY

2.8%

VACANCY RATES BY TYPE



The Orlando industrial market has maintained strong demand in Q3 2022. The e-commerce sector was already growing, and the pandemic exacerbated that growth. With an increase in e-commerce, new delivery trends requiring more space for same-day and two-hour deliveries have also increased. With the continued supply chain issues, having the appropriate amount of industrial storage space for materials or inventory

is now key to avoiding supply shortages. Orlando's geographical location along the I-4 Corridor allows for same-day trips to a large portion of the state, causing increased competition for industrial space in this market. The three main types of industrial space, flex, logistics and specialized, have an average vacancy rate of 3.8% and we expect this trend of low vacancy rates to continue into 2023.



—SARAH CARRION

Associate, Office & Industrial



“We have seen significant demand from users looking for flex industrial spaces, that combine open warehouse space with small offices that can be used for administrative duties. Outdoor storage space is also in high demand, with many occupiers seeking space to safely park trucks and trailers. We expect to see a steady increase in industrial inventory as developers continue to accelerate industrial construction to meet tenant demand. Rents are also expected to continue rising throughout the rest of 2022 and into 2023, although perhaps at a slower pace.”



FLEX RPSF

\$14.97



LOGISTICS RPSF

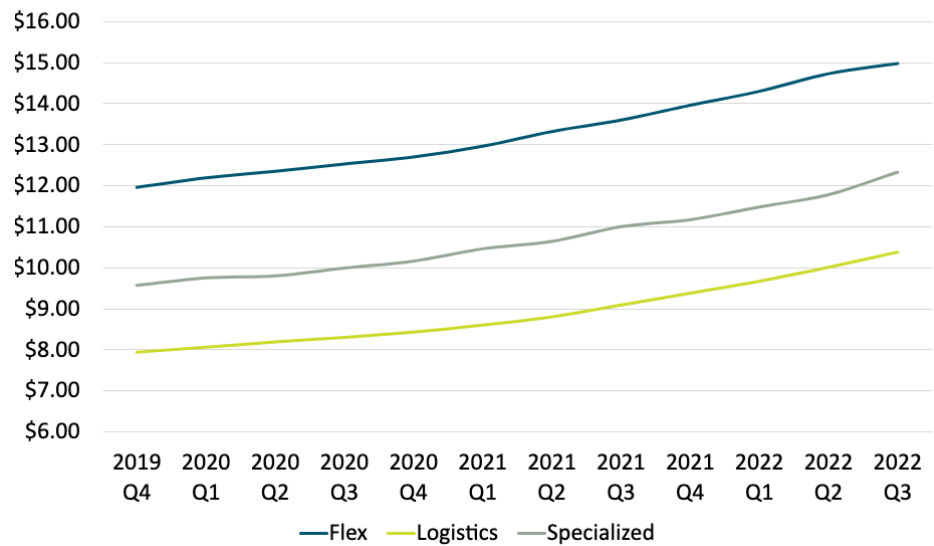
\$10.37



SPECIALIZED VACANCY

\$12.32

RENT PER SQUARE FOOT



Increasing competition in the Orlando industrial space has driven rent per square foot to new heights. The average rent per square foot rate for industrial spaces in Orlando is currently \$12.55, which is higher than the

national average of \$10.77. With the continued rise in e-commerce demand, largely driven by population growth, we expect these rates to continue their upward trajectory.



—SCOTT EDWARDS

Director, Office & Industrial



“The increased need for suppliers to store products closer to consumers has drawn numerous industrial occupiers to the centrally located I-4 Corridor to meet the e-commerce demand. The Orlando market in particular offers proximity to major connector highways and Orlando’s toll road “beltway” (State Road 429), which extends almost 23 miles from US Highway 441 in Apopka to I-4 in Osceola County. This has led to strong industrial growth in Apopka and some of Orlando’s other northern suburbs.”

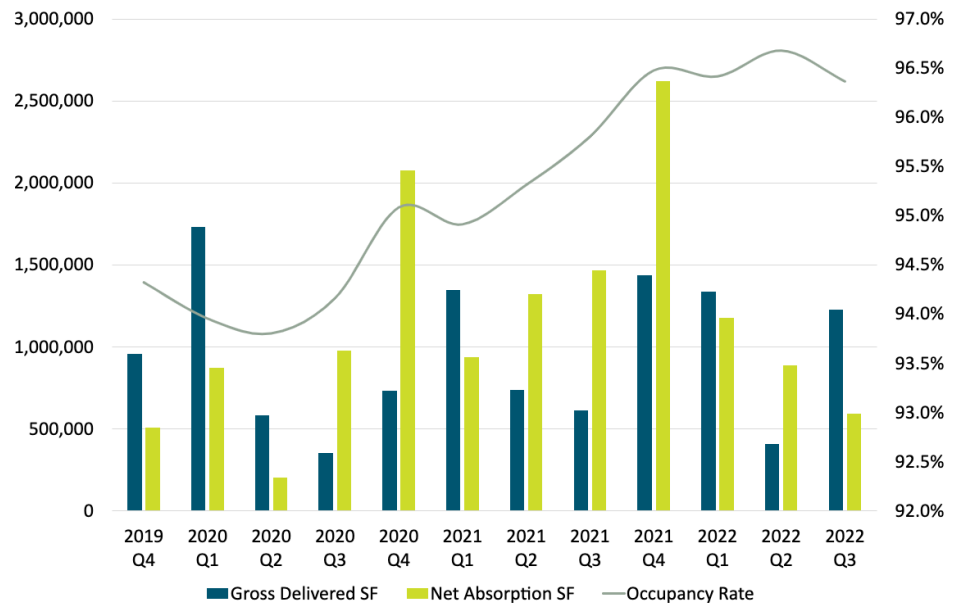


Q3 DELIVERED SF
1,226,627

ABSORBED SF
592,397

OCCUPANCY RATE
96.4%

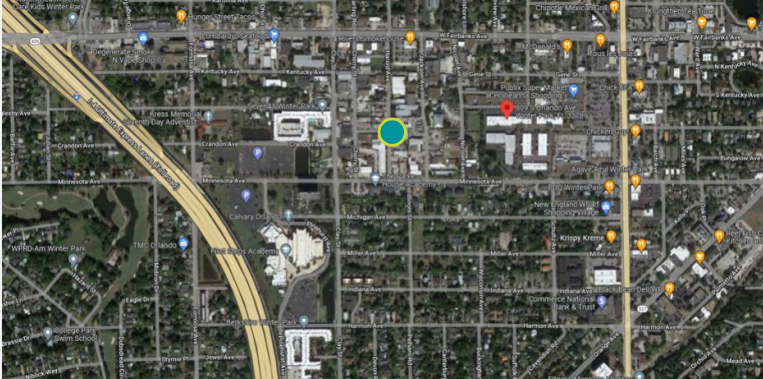
SUPPLY & DEMAND



Orlando's industrial market saw impressive growth in Q3 2022. Although occupancy rates dipped slightly in the quarter, they are still above 96%, which we consider to be healthy. Additionally, we attribute the decline in occupancy

to the influx of space recently delivered to the market. We are expecting this level of industrial asset demand to persist throughout the year and into 2023.

RECENT TRANSACTIONS



WINTER PARK BUSINESS CENTER \$27,750,000

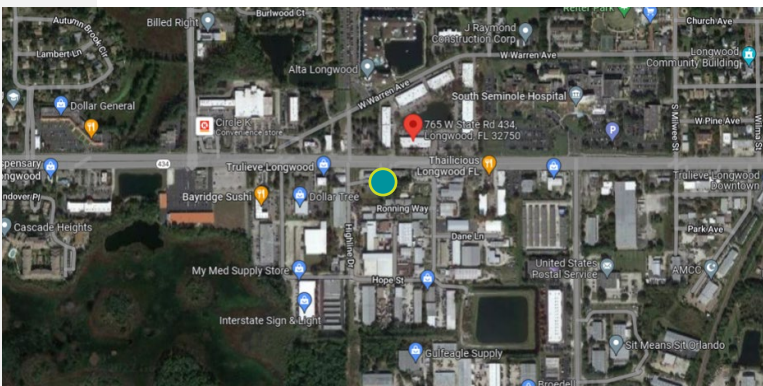
WINTER PARK, FL

119,883 SF

809 S ORLANDO AVE

OWNER ASANA PARTNERS

SELLER TOWER REALTY



LONGWOOD BUSINESS CENTER N/A

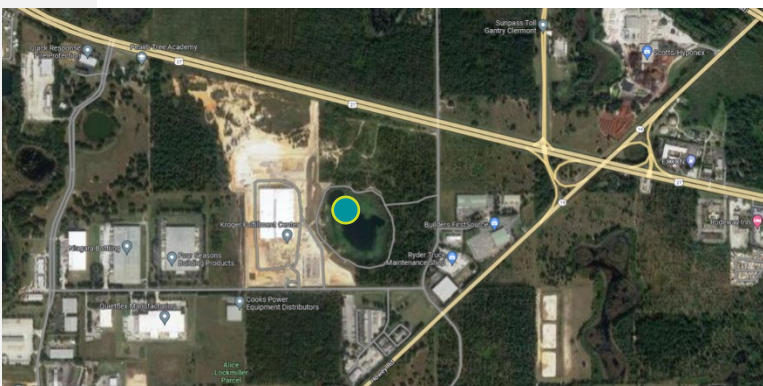
LONGWOOD, FL

129,679 SF

765 STATE RD 434 W

OWNER INFINITY HERITAGE PARK LLC

SELLER REAL CAPITAL SOLUTIONS



19952 INDEPENDENCE BLVD \$20,000,000

GROVELAND, FL

265, 516 SF

19952 INDEPENDENCE BLVD

OWNER LEGACY CAPITAL PARTNERS

SELLER ARTHUR V RANEY

FLEX

Geography Name	Inventory SF	Vacancy Rate	Gross Delivered SF	Net Absorption SF	Market Rent/SF	Market Cap Rate
Lake County	1,163,507	1.6%	0	-4,561	\$12.52	6.4%
NE Orange County	632,646	0.1%	0	-793	\$18.74	6.2%
NW Orange County	3,851,165	4.3%	0	5,359	\$14.03	6.3%
Osceola County	727,332	9.1%	0	4,355	\$17.29	5.8%
SE Orange County	5,919,263	4.7%	0	86,903	\$15.47	6.1%
Seminole County	5,914,464	6.8%	0	-11,701	\$13.61	6.0%
SW Orange County	5,351,454	4.8%	0	61,970	\$16.56	6.1%
N Fulton/ Forsyth County	20,890,615	2.1%	148,934	52,378	\$10.96	5.9%
Pike County	98,800	0.3%	0	-298	\$7.37	7.4%
S Clayton/ Henry County	60,630,561	3.6%	601,044	847,596	\$5.67	5.9%
SE Cobb Cnty/ Marietta	20,526,605	1.8%	7,600	-27,236	\$9.77	6.0%

LOGISTICS

Geography Name	Inventory SF	Vacancy Rate	Gross Delivered SF	Net Absorption SF	Market Rent/SF	Market Cap Rate
Lake County	8,898,073	5.9%	440,120	-15,496	\$8.51	6.2%
NE Orange County	1,006,223	0.3%	0	16,746	\$13.22	6.2%
NW Orange County	32,187,881	3.6%	336,646	300,563	\$10.45	5.7%
Osceola County	6,263,822	3.1%	20,000	9,787	\$10.26	5.9%
SE Orange County	45,987,606	2.2%	407,740	793,604	\$10.28	5.8%
Seminole County	17,232,107	1.3%	0	55,629	\$11.23	6.3%
SW Orange County	27,100,531	4.1%	0	64,522	\$10.12	5.7%

SPECIALIZED

Geography Name	Inventory SF	Vacancy Rate	Gross Delivered SF	Net Absorption SF	Market Rent/SF	Market Cap Rate
Lake County	2,222,482	10.3%	0	-228,607	\$8.88	5.8%
NE Orange County	205,182	9.5%	0	-288	\$13.65	6.4%
NW Orange County	6,066,767	4.8%	55,871	64,428	\$12.61	5.8%
Osceola County	1,496,897	0.1%	0	-2,006	\$14.04	5.7%
SE Orange County	8,282,451	0.8%	0	37,899	\$13.50	5.8%
Seminole County	5,914,459	2.5%	0	19,038	\$11.27	6.1%
SW Orange County	2,560,977	0.1%	0	29,882	\$12.13	5.8%



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