

### QUARTER LEE NOTE

As we enter 2025, the industrial market remains resilient despite the trends reflected in our latest statistics. In our prior reports, we anticipated that vacancy rates would continue their upward trend while rental rates would hold steady. This quarter's data has confirmed both expectations, with the total market vacancy rising to 8.65% and rental rates maintaining their strength across most property types. The market absorbed 803,399 SF this quarter, a sharp rebound from the negative absorption seen in the last two quarters of 2024. For the first time in three quarters, we have seen quarterly absorption more in-line with historical averages of recent years. Interestingly, leasing activity for leases over 100,000 SF picked up substantially with 6 leases being completed in the first quarter. The leases under sub-50,000 SF, dropped off significantly this quarter. That is something we are monitoring closely as record high rental rates seem to be impacting smaller tenants.

Sale transactions were down significantly in Q1; however, there were some larger national and regional portfolio sales with buildings in Orange and Seminole County that traded.

Looking ahead, the market remains in a period of recalibration. Uncertainty surrounding the economy and broader macroeconomic conditions continue to weigh on tenant decision-making, though core industrial fundamentals remain sound. While vacancy has increased, much of it is tied to larger existing large blocks of space and new deliveries.

### MARKET TRENDS: CHANGES FROM PREVIOUS QUARTER



### WHAT YOU NEED TO KNOW

- Direct vacancy increased to 8.65%, primarily due to several new deliveries
- Absorption rebounded with 803,399 SF positive absorption, breaking two consecutive quarters of negative absorption.
- Rental rates remain steady, even as 1.52M SF of new space was delivered, adding to available inventory.
- The industrial sector remains active, albeit at a more measured pace compared to the aggressive growth cycles of recent years. The long-term outlook remains positive, and the advent of notable larger transactions getting done this quarter bodes well for the market.

### UNDERSTANDING THE REPORT

We do not track ancillary smaller buildings. Lee & Associates tracks all industrial buildings 20,000 square feet and greater within Orange and Seminole counties. Condominium and self-storage properties are not included in this report. Among the buildings tracked, there are four categories: flex, bulk/distribution, manufacturing and office/warehouse. Flex space is defined as a building that provides a configuration allowing tenants a flexible amount of office/showroom area in combination with manufacturing, warehouse and distribution space. Flex buildings will have a higher parking ratio than office/warehouse or bulk buildings, are typically grade level and have an office finish greater than 30 percent. Bulk/distribution is defined as a building which has a clear height of 22' or greater, has a minimum depth of 160' and typically has less than 10 percent office finish. Manufacturing denotes a property used for conversion or assembly of raw or partially raw materials into goods/products. Office/warehouse is defined as buildings that have a clear height of up to 21', have a maximum depth of up to 160' and typically have a higher office finish of 10-25 percent more than bulk buildings. The term "industrial" combines all categories with the exception of flex space, which is tracked and reported separately.

All rental rates reported do not include operating expenses or CAM charges and are reported on a triple net basis. In addition, sublet space is not included in the overall absorption or weighted average rental rates. Buildings that are partially pre-leased are included in positive absorption at the time construction begins. Lee & Associates tracks over 2,000 buildings in Orange and Seminole County which total approximately 134 million square feet. The flex inventory makes up 11 percent of the total space within the market, while the industrial product makes up 89 percent. We end our statistical gathering of data approximately one week prior to the end of each quarter.

### MARKET SNAPSHOT

COMPARISON RENTAL RATES PSF:		
	1Q-25	4Q-24
FLEX	\$14.66	\$14.92
BULK/DISTRIBUTION	\$8.63	\$8.82
MANUFACTURING	\$10.82	\$8.43
OFFICE/WAREHOUSE	\$12.68	\$12.05
TOTAL MARKET	\$9.74	\$9.54

COMPARISON OF MARKET VACANCY:		
	1Q-25	4Q-24
DIRECT	7.96%	7.51%
SUBLET	0.69%	0.53%
TOTAL MARKET	8.65%	8.04%

COMPARISON OF ABSORPTION IN SF:		
	1Q-25	4Q-24
QUARTERLY AMOUNT	803,399	-154,378
YEAR-TO-DATE	803,399	1,026,540

CONSTRUCTION PIPELINE: 20,000 SF+		
	1Q-25	4Q-24
U/C (SPECULATIVE & BTS)	2,387,148	3,394,959
DELIVERED (BY QTR)	1,519,017	469,803
DELIVERED YTD	1,519,017	3,489,053

BUILDING SALES:		
	1Q-25	4Q-24
QUARTERLY TOTAL	\$23M	\$152M
AVERAGE PRICE PSF	\$131.60	\$161.14

If you have any questions regarding this report, please contact:

William "Bo" Bradford, CCIM, SIOR	President   Principal	321.281.8502	Ryan Griffith	Vice President	321.281.8512
Derek Riggleman, SIOR	Senior Vice President   Principal	321-281.8507	Christopher "CJ" Griffith, SIOR	Vice President	321-281.8508
Tim Perry, CCIM, SIOR	Senior Vice President   Principal	321.281.8515	Brock Holston	Associate	321.281.8505

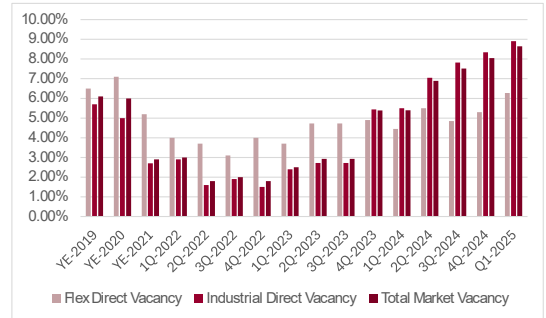
**There is currently 2,387,148 SF of speculative development under construction or imminent. These buildings include:**

- Stonemont's remaining four buildings in 429 Business Center in Ocoee, totaling 198,268 SF
- McCraney's two buildings at Commerce 429 totaling 169,802 SF
- McCraney's two buildings at Logistics 429 at Apopka Ridge of 116,323 SF and 146,904 SF
- Prologis' 110,772 SF in AIPO
- Ambrose's three buildings in LeeVista of 103,000, 219,000 and 351,000 SF
- Constellation's three buildings on Boggy Creek totaling 972,079 SF

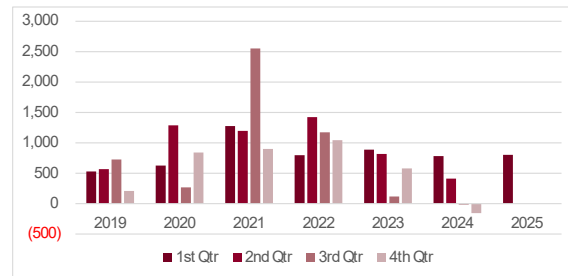
**There was a total of 1,519,017 SF delivered, which included:**

- KKR's McCoy Commerce Center, totaling 223,013 SF
- Trammell Crow's Apopka Business Center Building 100 and 200 at 120,192 SF and 146,974 SF, respectively
- Whitley Capital's 89,305 SF on John Young Parkway
- Link's 334,000 SF at Mahogany Point in LeeVista
- Foundry's Princeton Oaks Building 900 of 87,504 SF
- Prologis AIPO building totaling 137,197 SF
- Blue Scope's Mid Florida Logistics Park South building of 352,268 SF
- Stonemont's 429 Business Center Buildings 100 & 150 totaling 28,564

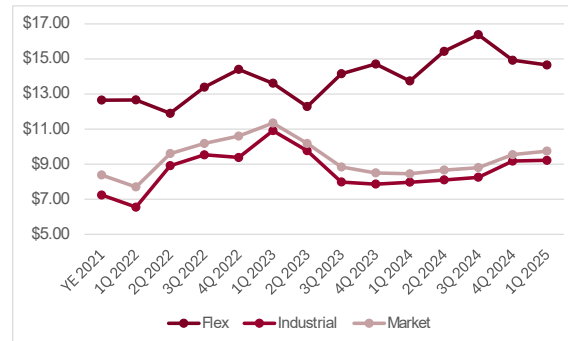
### VACANCY



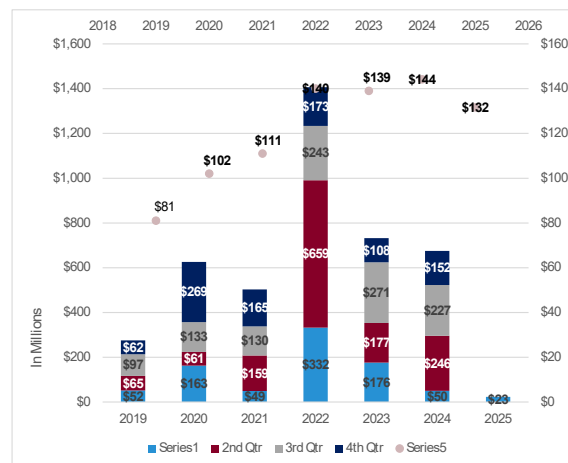
### ABSORPTION




### RENTAL RATES



### SALES & AVERAGE PRICE PSF



### TOP FIRST QUARTER LEASE TRANSACTIONS (RANKED BY SQUARE FEET)

BUILDING NAME	TENANT	TOTAL SF	SUBMARKET	TYPE
5101 Wesley Road	Legendary White Tail	283,170	Orange NW	New
401 Gills Drive	E Recycling Solutions	216,478	Airport/SE	New
8673 Transport Drive	Nassal	143,000	Airport/SE	New
2008 Transport Drive	Star Pipe Products	137,230	Airport/SE	New
2622 Consulate Drive	Hildrup	116,252	SW	New
4554 Portier Blvd.	Walmart	107,783	Airport/SE	New
3425 WD Judge Road	Express Parts	87,604	Silver Star	Renewal/ Expansion
650 Marshall Lake Road	NWS Holdings	84,165	Orange NW	New
McCracken Road	PHD Holdings	81,330	Sanford	New
4271 Apopka Logistics Blvd	Pep Boys	78,375	Northwest	New
531 Codisco Way	Strada	60,420	Sanford	New
3503 Saint Johns Parkway	Eckart Supply 	56,288	Longwood/Lake Mary/ Sanford	New
7576 Brokerage Drive	Purple Moon 	41,800	OCP	New

### TOP FIRST QUARTER SALE TRANSACTIONS (RANKED BY SQUARE FEET)

BUILDING NAME	SUBMARKET	TOTAL SF	BUYER	SELLER	SALE PRICE	PSF
6605 E Colonial	SE Orange	41,855 SF	BMVP Investments	Private Seller	\$3,300,000	\$78.84
Chancellor Square	SW Orange	135,192 SF	Basis Industrial	B Group	\$20,000,000	\$147.94

Submarket	# of Bldgs	Total RSF	Direct Vacant SF	Direct Vacancy	Sublet Vacant SF	Sublet Vacancy	Total Vacancy	Quarterly Absorption	Year-To-Date Absorption	Dir Wtd Avg. Asking Rate
<b>NORTHWEST</b>										
Bulk/Distribution	48	12,091,690 SF	5,487,758 SF	45.38%	249,850 SF	2.07%	47.45%	461,078 SF	461,078 SF	\$7.64
Flex	22	499,077 SF	16,440 SF	3.29%	0 SF	0.00%	3.29%	35,360 SF	35,360 SF	\$16.85
Manufacturing	17	1,128,063 SF	1,500 SF	0.13%	0 SF	0.00%	0.13%	-1,500 SF	-1,500 SF	\$19.00
Office/Warehouse	109	6,252,743 SF	449,363 SF	7.19%	0 SF	0.00%	7.19%	66,104 SF	66,104 SF	\$12.86
<b>Submarket Total</b>	<b>196</b>	<b>19,971,573 SF</b>	<b>5,955,061 SF</b>	<b>29.82%</b>	<b>249,850 SF</b>	<b>1.25%</b>	<b>31.07%</b>	<b>561,042 SF</b>	<b>561,042 SF</b>	<b>\$8.12</b>
<b>AIRPORT / SOUTHEAST</b>										
Bulk/Distribution	136	25,120,560 SF	1,996,344 SF	7.95%	193,968 SF	0.77%	8.72%	672,300 SF	672,300 SF	\$9.86
Flex	80	3,206,546 SF	94,095 SF	2.93%	3,784 SF	0.12%	3.05%	-29,635 SF	-29,635 SF	\$15.23
Office/Warehouse	271	17,986,602 SF	205,237 SF	1.14%	158,616 SF	0.88%	2.02%	-169,670 SF	-169,670 SF	\$12.33
<b>Submarket Total</b>	<b>487</b>	<b>46,313,708 SF</b>	<b>2,295,676 SF</b>	<b>4.96%</b>	<b>356,368 SF</b>	<b>0.77%</b>	<b>5.73%</b>	<b>472,995 SF</b>	<b>472,995 SF</b>	<b>\$10.53</b>
<b>SOUTHWEST</b>										
Bulk/Distribution	17	3,019,987 SF	0 SF	0.00%	0 SF	0.00%	0.00%	116,252 SF	116,252 SF	\$0.00
Flex	17	764,292 SF	22,411 SF	2.93%	12,315 SF	1.61%	4.54%	1,511 SF	1,511 SF	\$19.89
Office/Warehouse	36	3,407,805 SF	32,004 SF	0.94%	0 SF	0.00%	0.94%	-6,892 SF	-6,892 SF	\$17.40
<b>Submarket Total</b>	<b>70</b>	<b>7,192,084 SF</b>	<b>54,415 SF</b>	<b>0.76%</b>	<b>12,315 SF</b>	<b>0.17%</b>	<b>0.93%</b>	<b>110,871 SF</b>	<b>110,871 SF</b>	<b>\$18.70</b>
<b>ORLANDO CENTRAL</b>										
Bulk/Distribution	52	8,710,706 SF	449,629 SF	5.16%	81,050 SF	0.93%	6.09%	-130,029 SF	-130,029 SF	\$10.24
Flex	37	1,420,437 SF	36,315 SF	2.56%	0 SF	0.00%	2.56%	36,239 SF	36,239 SF	\$14.47
Manufacturing	1	64,146 SF	0 SF	0.00%	0 SF	0.00%	0.00%	0 SF	0 SF	\$0.00
Office/Warehouse	79	4,954,127 SF	49,502 SF	1.00%	0 SF	0.00%	1.00%	-9,326 SF	-9,326 SF	\$15.09
<b>Submarket Total</b>	<b>169</b>	<b>15,149,416 SF</b>	<b>535,446 SF</b>	<b>3.53%</b>	<b>81,050 SF</b>	<b>0.54%</b>	<b>4.07%</b>	<b>-103,116 SF</b>	<b>-103,116 SF</b>	<b>\$10.88</b>
<b>NORTH CENTRAL</b>										
Flex	34	961,038 SF	68,623 SF	7.14%	0 SF	0.00%	7.14%	-10,878 SF	-10,878 SF	\$14.20
Manufacturing	9	393,189 SF	16,900 SF	4.30%	0 SF	0.00%	4.30%	0 SF	0 SF	\$8.50
Office/Warehouse	45	1,595,195 SF	74,692 SF	4.68%	0 SF	0.00%	4.68%	-7,051 SF	-7,051 SF	\$12.68
<b>Submarket Total</b>	<b>88</b>	<b>2,949,422 SF</b>	<b>160,215 SF</b>	<b>5.43%</b>	<b>0 SF</b>	<b>0.00%</b>	<b>5.43%</b>	<b>-17,929 SF</b>	<b>-17,929 SF</b>	<b>\$12.89</b>
<b>CENTRAL ORLANDO</b>										
Flex	10	330,496 SF	1,200 SF	0.36%	0 SF	0.00%	0.36%	-1,200 SF	-1,200 SF	\$15.00
Manufacturing	16	811,387 SF	0 SF	0.00%	0 SF	0.00%	0.00%	0 SF	0 SF	\$0.00
Office/Warehouse	86	3,358,857 SF	184,102 SF	5.48%	0 SF	0.00%	5.48%	-64,741 SF	-64,741 SF	\$11.51
<b>Submarket Total</b>	<b>112</b>	<b>4,500,740 SF</b>	<b>185,302 SF</b>	<b>4.12%</b>	<b>0 SF</b>	<b>0.00%</b>	<b>4.12%</b>	<b>-65,941 SF</b>	<b>-65,941 SF</b>	<b>\$11.53</b>
<b>33RD STREET</b>										
Bulk/Distribution	6	792,091 SF	0 SF	0.00%	0 SF	0.00%	0.00%	0 SF	0 SF	\$0.00
Flex	32	1,012,581 SF	39,620 SF	3.91%	7,752 SF	0.77%	4.68%	-2,205 SF	-2,205 SF	\$16.16
Office/Warehouse	82	3,746,591 SF	87,667 SF	2.34%	2,500 SF	0.07%	2.41%	-28,327 SF	-28,327 SF	\$12.83
<b>Submarket Total</b>	<b>120</b>	<b>5,551,263 SF</b>	<b>127,287 SF</b>	<b>2.29%</b>	<b>10,252 SF</b>	<b>0.18%</b>	<b>2.48%</b>	<b>-30,532 SF</b>	<b>-30,532 SF</b>	<b>\$14.00</b>
<b>SILVER STAR</b>										
Bulk/Distribution	18	3,745,938 SF	270,918 SF	7.23%	0 SF	0.00%	7.23%	-157,918 SF	-157,918 SF	\$10.45
Flex	29	1,066,297 SF	60,132 SF	5.64%	4,040 SF	0.38%	6.02%	311 SF	311 SF	\$14.89
Manufacturing	24	2,020,660 SF	16,270 SF	0.81%	0 SF	0.00%	0.81%	-16,270 SF	-16,270 SF	\$14.50
Office/Warehouse	185	9,504,679 SF	173,338 SF	1.82%	0 SF	0.00%	1.82%	174,383 SF	174,383 SF	\$12.10
<b>Submarket Total</b>	<b>256</b>	<b>16,337,574 SF</b>	<b>520,658 SF</b>	<b>3.19%</b>	<b>4,040 SF</b>	<b>0.02%</b>	<b>3.21%</b>	<b>506 SF</b>	<b>506 SF</b>	<b>\$11.63</b>
<b>LONGWOOD / LAKE MARY / SANFORD</b>										
Bulk/Distribution	22	2,726,637 SF	264,744 SF	9.71%	56,123 SF	2.06%	11.77%	165 SF	165 SF	\$10.38
Flex	72	2,697,541 SF	270,632 SF	10.03%	18,425 SF	0.68%	10.72%	-103,993 SF	-103,993 SF	\$14.76
Manufacturing	49	3,181,785 SF	48,000 SF	1.51%	0 SF	0.00%	1.51%	132,000 SF	132,000 SF	\$10.00
Office/Warehouse	171	6,929,356 SF	172,291 SF	2.49%	0 SF	0.00%	2.49%	16,892 SF	16,892 SF	\$13.01
<b>Submarket Total</b>	<b>314</b>	<b>15,535,319 SF</b>	<b>755,667 SF</b>	<b>4.86%</b>	<b>74,548 SF</b>	<b>0.48%</b>	<b>5.34%</b>	<b>45,064 SF</b>	<b>45,064 SF</b>	<b>\$12.29</b>
<b>EAST SIDE</b>										
Bulk/Distribution	6	904,402 SF	337,632 SF	37.33%	0 SF	0.00%	37.33%	0 SF	0 SF	\$11.00
Flex	40	1,584,560 SF	65,004 SF	4.10%	128,607 SF	8.12%	12.22%	-112,347 SF	-112,347 SF	\$12.87
Manufacturing	13	602,309 SF	34,108 SF	5.66%	0 SF	0.00%	5.66%	983 SF	983 SF	\$11.00
Office/Warehouse	55	2,246,056 SF	23,157 SF	1.03%	43,350 SF	1.93%	2.96%	-58,197 SF	-58,197 SF	\$12.62
<b>Submarket Total</b>	<b>114</b>	<b>5,337,327 SF</b>	<b>459,901 SF</b>	<b>8.62%</b>	<b>171,957 SF</b>	<b>3.22%</b>	<b>11.84%</b>	<b>-169,561 SF</b>	<b>-169,561 SF</b>	<b>\$11.74</b>
<b>TOTALS</b>										
<b>TOTAL BULK</b>	<b>305</b>	<b>57,112,011 SF</b>	<b>8,807,025 SF</b>	<b>15.42%</b>	<b>580,991 SF</b>	<b>1.02%</b>	<b>16.44%</b>	<b>961,848 SF</b>	<b>961,848 SF</b>	<b>\$8.63</b>
<b>TOTAL FLEX</b>	<b>373</b>	<b>13,542,865 SF</b>	<b>674,472 SF</b>	<b>4.98%</b>	<b>174,923 SF</b>	<b>1.29%</b>	<b>6.27%</b>	<b>-186,837 SF</b>	<b>-186,837 SF</b>	<b>\$14.66</b>
<b>TOTAL MANUFACTURING</b>	<b>129</b>	<b>8,201,539 SF</b>	<b>116,778 SF</b>	<b>1.42%</b>	<b>0 SF</b>	<b>0.00%</b>	<b>1.42%</b>	<b>115,213 SF</b>	<b>115,213 SF</b>	<b>\$10.82</b>
<b>TOTAL OFFICE/WAREHOUSE</b>	<b>1,119</b>	<b>59,982,011 SF</b>	<b>1,451,353 SF</b>	<b>2.42%</b>	<b>204,466 SF</b>	<b>0.34%</b>	<b>2.76%</b>	<b>-86,825 SF</b>	<b>-86,825 SF</b>	<b>\$12.68</b>
<b>TOTAL MARKET</b>	<b>1,926</b>	<b>138,838,426 SF</b>	<b>11,049,628 SF</b>	<b>7.96%</b>	<b>960,380 SF</b>	<b>0.69%</b>	<b>8.65%</b>	<b>803,399 SF</b>	<b>803,399 SF</b>	<b>\$9.74</b>
<b>TOTAL INDUSTRIAL SPACE</b>	<b>1,553</b>	<b>125,295,561 SF</b>	<b>10,375,156 SF</b>	<b>8.28%</b>	<b>785,457 SF</b>	<b>0.63%</b>	<b>8.91%</b>	<b>990,236 SF</b>	<b>911,861 SF</b>	<b>\$9.22</b>
*Note that total industrial space excludes Flex										