

Q2 2025

ORANGE & SEMINOLE COUNTY INDUSTRIAL MARKET REPORT

QUARTER LEE NOTE

The Central Florida industrial market posted 1.73 million SF of positive net absorption in Q2 2025, bringing vacancy down to 7.69% and pushing average asking rents to a high \$9.93 PSF. While these headline numbers signal strength, nearly 70% of net absorption stemmed from a single 1.2 million SF lease, masking weaker activity among smaller tenants.

While in some instances demand seems to be waning on smaller spaces, smaller spaces between 10,000 to 50,000 SF still account for most transactions this quarter (35%), but only accounted for roughly 11% of the positive absorption. Under 10,000 SF was the most active segment by deal volume, but caused some slight negative absorption to the tune of 28,357 SF.

On the investment side, Q2 saw \$186 million in closed transactions - down from the same period last year but still reflective of a healthy investment environment. Average pricing remained elevated, with values topping \$160 per square foot. Activity included several larger transactions, signaling continued interest in quality industrial product despite broader economic uncertainty.

Looking ahead, core indicators like vacancy and rental rates remain healthy, reflecting continued resilience in the industrial sector. However, with economic uncertainty lingering and muted activity from smaller tenants, the depth of market strength remains uneven, warranting close monitoring in the quarters ahead.

MARKET SNAPSHOT

COMPARISON RENTAL RATES PSF:		
	2Q-25	1Q-25
FLEX	\$15.58	\$14.66
BULK/DISTRIBUTION	\$8.75	\$8.63
MANUFACTURING	\$11.70	\$10.82
OFFICE/WAREHOUSE	\$13.32	\$12.68
TOTAL MARKET	\$9.93	\$9.74

COMPARISON OF MARKET VACANCY:		
	2Q-25	1Q-25
DIRECT	7.38%	8.02%
SUBLET	0.31%	0.69%
TOTAL MARKET	7.69%	8.71%

COMPARISON OF ABSORPTION IN SF:		
	2Q-25	1Q-25
QUARTERLY AMOUNT	1,729,200	725,024
YEAR-TO-DATE	2,454,224	725,024

CONSTRUCTION PIPELINE: 20,000 SF+		
	2Q-25	1Q-24
U/C (SPECULATIVE & BTS)	2,096,060	2,387,148
DELIVERED (BY QTR)	618,049	1,519,017
DELIVERED YTD	2,137,066	1,519,017

BUILDING SALES:		
	2Q-25	1Q-25
QUARTERLY TOTAL	\$186M	\$23M
AVERAGE PRICE PSF	\$162.87	\$131.60

MARKET TRENDS: CHANGES FROM PREVIOUS QUARTER

			
ASKING RENTAL RATES \$9.93 PSF	TOTAL MARKET VACANCY 7.69%	TOTAL NET ABSORPTION 1,729,200 SF	CONSTRUCTION PIPELINE 2,096,060 SF

WHAT YOU NEED TO KNOW

- Vacancy dropped to 7.69%, as new leasing activity offset move-outs and deliveries.
- Absorption increased with 1.79M SF of positive absorption, though 70% of that total came from large single tenant.
- Rental rates held steady at \$9.93 PSF as vacancy continued to trend downward, reflecting solid tenant demand across much of the market.
- The industrial sector remains active but uneven, with growth driven primarily by large-format users. The return of major lease transactions is encouraging, though overall demand appears selective and concentrated.

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 139 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.

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

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There is currently 2,096,060 SF of speculative development under construction or imminent. These buildings include:

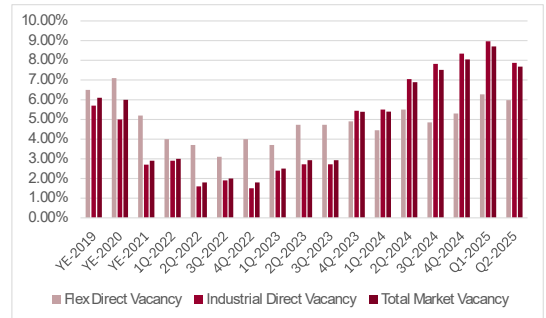
- Ambrose's Orlando Logistics Park at Lee Vista - Buildings I, II, and III, totaling 673,000 SF
- McCraney's Logistics 429 - Buildings 100 and 200 totaling 263,227 SF
- McCraney's 603 Hennis Road - Buildings 100, 200, and 300, totaling 187,754
- Constellation's Tract D at AIPO - Buildings 100, 200, and 300, totaling 972,079 SF

There was a total of 618,757 SF delivered, which included:

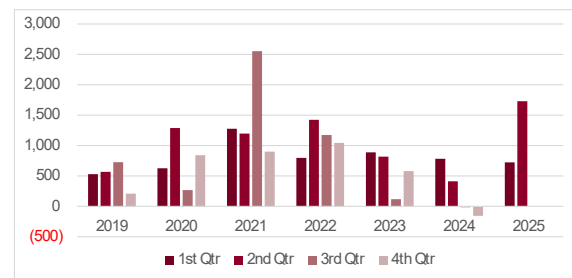
- Stonemont's 429 Business Center- Buildings 300, 400, 500, and 600 totaling 198,976 SF
- McCraney's Commerce 429 Logistics Park- Buildings 700 and 800 totaling 171,802 SF
- Prologis Buildings 100 & 200 at 2050 Tradeport Drive totaling 247,979 SF



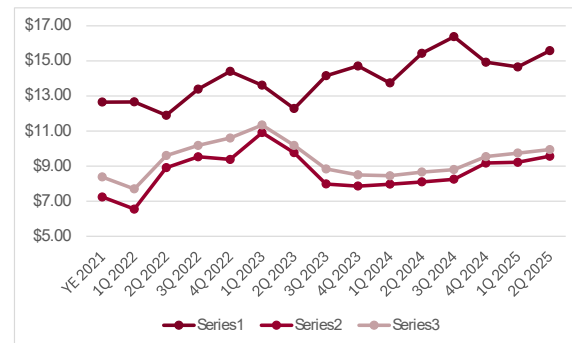
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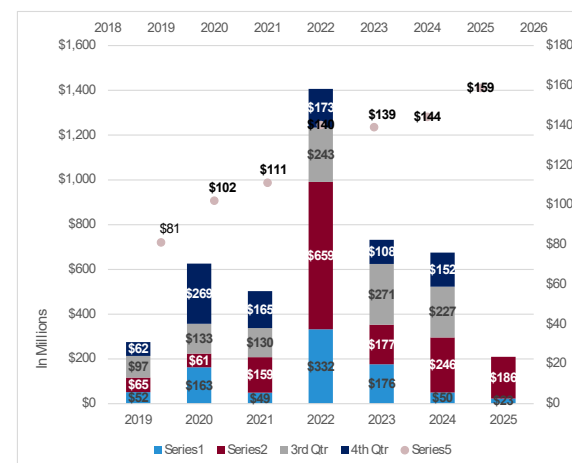
ABSORPTION





RENTAL RATES



SALES & AVERAGE PRICE PSF



TOP SECOND QUARTER LEASE TRANSACTIONS (RANKED BY SQUARE FEET)

BUILDING NAME	TENANT	TOTAL SF	SUBMARKET	TYPE
4661 Apopka Logistics Pky	Undisclosed 3PL	1,199,374	Northwest	New
301 Gills Dr	Twinmed 	79,879	Airport / Southeast	New
4721 Apopka Logistic Pky	Pep Boys	78,375	Northwest	New
537 Prosperity Farms Road	Wilson Art	69,536	Northwest	New
8200 McCoy Rd	SCP	52,068	Airport / Southeast	New
9485 S John Young Pky	Cosmo Tire	44,653	Southwest	New
7443 Emerald Dunes Dr	Goodwill 	33,476	Airport / Southeast	New

TOP SECOND QUARTER SALE TRANSACTIONS (RANKED BY SQUARE FEET)

BUILDING NAME	SUBMARKET	TOTAL SF	BUYER	SELLER	SALE PRICE	PSF
33rd Street Industrial Portfolio	33rd Street	489,891 SF	BKM Capital Partners	Link Logistics	\$98,500,000	\$201.07
Mid Florida Logistics Park	Northwest	246,460 SF	High Street Logistics	Dogwood	\$31,800,000	\$129.03
2101 E Lake Mary	Longwood/Lake Mary/Sanford	116,340 SF	Crystal Photonics	Industrial Commercial Prop.	\$15,275,000	\$131.30
998 N. John Young Pky	Silver Star	73,084 SF	Bridge Logistics Properties	Frito Lay	\$11,000,000	\$150.51
Former Banker Steel South	Silver Star	61,316 SF	Mid-state Metals LLC	Store Capital Corporation	\$3,100,000	\$50.56
Former UPS	Airport/Southeast	45,588 SF	Gmt Properties LLC	New Britain LLC	\$6,200,000	\$136.00
841 Drive Buick Ave.	Silver Star	42,400 SF	Legacy Capital Partners	PRR Real Estate LLC	\$3,700,000	\$87.26
Former Joissu	33rd Street	36,930 SF	Dzee Textiles	4627 LB McLeod LLC	\$7,555,000	\$204.58
101 Central Florida Pky.	Airport/Southeast	30,182 SF	Academy Bus	McNulty Group, Inc.	\$8,900,000	\$294.88

Submarket	# of Bldgs	Total RSF	Direct Vacant SF	Direct Vacancy	Sublet Vacant SF	Sublet Vacancy	Total Vacancy	Quarterly Absorption	Dir Wtd Avg. Asking Rate
NORTHWEST									
Bulk/Distribution	48	12,091,690 SF	4,223,370 SF	34.93%	83,970 SF	0.69%	35.62%	1,508,643 SF	\$7.98
Flex	22	499,077 SF	17,800 SF	3.57%	0 SF	0.00%	3.57%	-1,360 SF	\$16.22
Manufacturing	17	1,128,063 SF	1,500 SF	0.13%	0 SF	0.00%	0.13%	0 SF	\$24.00
Office/Warehouse	109	6,346,777 SF	396,560 SF	6.25%	4,885 SF	0.08%	6.33%	160,950 SF	\$13.46
Submarket Total	196	20,065,607 SF	4,639,230 SF	23.12%	88,855 SF	0.44%	23.56%	1,668,233 SF	\$8.45
AIRPORT / SOUTHEAST									
Bulk/Distribution	136	25,231,342 SF	2,231,732 SF	8.85%	121,653 SF	0.48%	9.33%	84,906 SF	\$9.69
Flex	80	3,206,546 SF	55,962 SF	1.75%	7,542 SF	0.24%	1.98%	34,375 SF	\$15.47
Office/Warehouse	271	17,986,602 SF	294,269 SF	1.64%	32,877 SF	0.18%	1.82%	-36,540 SF	\$13.23
Submarket Total	487	46,424,490 SF	2,581,963 SF	5.56%	162,072 SF	0.35%	5.91%	82,741 SF	\$10.32
SOUTHWEST									
Bulk/Distribution	17	3,019,987 SF	18,512 SF	0.61%	0 SF	0.00%	0.61%	-18,512 SF	\$16.50
Flex	17	764,292 SF	11,873 SF	1.55%	12,315 SF	1.61%	3.16%	10,538 SF	\$18.00
Office/Warehouse	36	3,407,805 SF	32,804 SF	0.96%	0 SF	0.00%	0.96%	-800 SF	\$17.51
Submarket Total	70	7,192,084 SF	63,189 SF	0.88%	12,315 SF	0.17%	1.05%	-8,774 SF	\$17.42
ORLANDO CENTRAL PARK									
Bulk/Distribution	37	1,420,437 SF	42,573 SF	3.00%	0 SF	0.00%	3.00%	-6,258 SF	\$15.50
Flex	1	64,146 SF	0 SF	0.00%	0 SF	0.00%	0.00%	0 SF	\$0.00
Office/Warehouse	78	4,928,448 SF	43,256 SF	0.88%	0 SF	0.00%	0.88%	-1,054 SF	\$16.48
Submarket Total	168	15,123,737 SF	560,458 SF	3.71%	16,450 SF	0.11%	3.81%	32,288 SF	\$11.18
NORTH CENTRAL									
Flex	34	961,038 SF	65,885 SF	6.86%	0 SF	0.00%	6.86%	2,738 SF	\$15.01
Manufacturing	9	393,189 SF	21,900 SF	5.57%	0 SF	0.00%	5.57%	-5,000 SF	\$0.00
Office/Warehouse	45	1,595,195 SF	94,031 SF	5.89%	2,000 SF	0.13%	6.02%	-21,339 SF	\$15.28
Submarket Total	88	2,949,422 SF	181,816 SF	6.16%	2,000 SF	0.07%	6.23%	-23,601 SF	\$15.04
CENTRAL ORLANDO									
Flex	10	330,496 SF	2,300 SF	0.70%	0 SF	0.00%	0.70%	-1,100 SF	-
Manufacturing	16	811,387 SF	0 SF	0.00%	0 SF	0.00%	0.00%	0 SF	-
Office/Warehouse	86	3,358,857 SF	234,581 SF	6.98%	0 SF	0.00%	6.98%	-6,479 SF	\$12.07
Submarket Total	112	4,500,740 SF	236,881 SF	5.26%	0 SF	0.00%	5.26%	-7,579 SF	\$12.16
33RD STREET									
Bulk/Distribution	6	792,091 SF	0 SF	0.00%	0 SF	0.00%	0.00%	0 SF	-
Flex	32	1,012,581 SF	67,310 SF	6.65%	21,979 SF	2.17%	8.82%	-41,917 SF	\$17.92
Office/Warehouse	82	3,746,591 SF	97,357 SF	2.60%	2,500 SF	0.07%	2.67%	-9,690 SF	\$13.76
Submarket Total	120	5,551,263 SF	164,667 SF	2.97%	24,479 SF	0.44%	3.41%	-51,607 SF	\$15.10
SILVER STAR									
Bulk/Distribution	18	3,745,938 SF	246,718 SF	6.59%	0 SF	0.00%	6.59%	24,200 SF	\$10.34
Flex	29	1,066,297 SF	104,190 SF	9.77%	0 SF	0.00%	9.77%	-40,018 SF	\$14.95
Manufacturing	24	2,020,660 SF	16,270 SF	0.81%	0 SF	0.00%	0.81%	0 SF	-
Office/Warehouse	185	9,504,679 SF	236,326 SF	2.49%	0 SF	0.00%	2.49%	-62,988 SF	\$12.71
Submarket Total	256	16,337,574 SF	603,504 SF	3.69%	0 SF	0.00%	3.69%	-78,806 SF	\$12.14
LONGWOOD / LAKE MARY / SANFORD									
Bulk/Distribution	22	2,726,637 SF	289,840 SF	10.63%	0 SF	0.00%	10.63%	31,027 SF	\$9.27
Flex	72	2,697,541 SF	254,899 SF	9.45%	4,900 SF	0.18%	9.63%	29,258 SF	\$14.57
Manufacturing	49	3,181,785 SF	49,250 SF	1.55%	0 SF	0.00%	1.55%	-1,250 SF	\$10.08
Office/Warehouse	171	6,929,356 SF	107,597 SF	1.55%	0 SF	0.00%	1.55%	64,694 SF	\$12.70
Submarket Total	314	15,535,319 SF	701,586 SF	4.52%	4,900 SF	0.03%	4.55%	123,729 SF	\$11.79
EAST SIDE									
Bulk/Distribution	6	904,402 SF	337,632 SF	37.33%	0 SF	0.00%	37.33%	0 SF	\$0.00
Flex	40	1,584,560 SF	70,094 SF	4.42%	70,140 SF	4.43%	8.85%	53,377 SF	\$20.82
Manufacturing	13	602,309 SF	34,108 SF	5.66%	0 SF	0.00%	5.66%	0 SF	\$0.00
Office/Warehouse	55	2,246,056 SF	83,958 SF	3.74%	43,350 SF	1.93%	5.67%	-60,801 SF	\$13.87
Submarket Total	114	5,337,327 SF	525,792 SF	9.85%	113,490 SF	2.13%	11.98%	-7,424 SF	\$15.59
TOTALS									
TOTAL BULK	305	57,222,793 SF	7,822,433 SF	13.67%	222,073 SF	0.39%	14.06%	1,669,864 SF	\$8.75
TOTAL FLEX	373	13,542,865 SF	692,886 SF	5.12%	116,876 SF	0.86%	5.98%	39,633 SF	\$15.58
TOTAL MANUFACTURING	129	8,201,539 SF	123,028 SF	1.50%	0 SF	0.00%	1.50%	-6,250 SF	\$11.70
TOTAL OFFICE/WAREHOUSE	1,118	60,050,366 SF	1,620,739 SF	2.70%	85,612 SF	0.14%	2.84%	25,953 SF	\$13.32
TOTAL MARKET	1,925	139,017,563 SF	10,259,086 SF	7.38%	424,561 SF	0.31%	7.69%	1,729,200 SF	\$9.94
TOTAL INDUSTRIAL SPACE	1,552	125,474,698 SF	9,566,200 SF	7.62%	307,685 SF	0.25%	7.87%	1,689,567 SF	\$9.57
*Note that total industrial space excludes Flex									