

QUARTER LEE NOTE

The Central Florida industrial market posted approximately 142,596 SF of positive net absorption in Q3 2025, bringing year-to-date absorption to roughly 2.6 million SF. Vacancy rose 24 basis points to 7.92%, driven primarily by increasing sublease availability despite positive absorption in direct space. Average asking rents edged down slightly by \$0.11 to \$9.82 per SF, reflecting a market that has, for now, leveled off.

While overall leasing activity remained relatively steady, deal volume continued to lean toward smaller transactions. A total of 72 new leases were executed in Q3, with 31% falling in the 10,000–50,000 SF range and 6% between 50,000–100,000 SF. The majority of deals (63%) were for spaces under 10,000 SF, though this segment collectively recorded a slight negative absorption of (42,510) SF, reflecting more small spaces being vacated than leased.

There was a total of \$154 million in sales transactions this quarter including IOS and some outlier user sales. Removing outliers, there was just over \$100 million in volume at \$157/SF, indicating the sales market has maintained stability from quarter to quarter.

While absorption this quarter seemed paltry, there were three large move-outs totaling 469,926 SF. Had it not been for those, absorption would have been 612,522 SF, which is more on-par with historical quarterly performance. Our market continues to be stable, but deals remain slow to transact and tenants are feeling that they are in a “tenant’s” market, though that is frequently not the case. Moving forward we have seen good signs to come for Q4, but are carefully monitoring interest rates, and effects of the global economy and political climate.

MARKET TRENDS: CHANGES FROM PREVIOUS QUARTER



WHAT YOU NEED TO KNOW

- Vacancy increased to 7.92%, driven by higher sublease availability despite positive absorption.
- There was 142,596 SF of positive absorption. Three large move-outs totaled 469,926 SF of negative absorption. Without those, there would have been 612,522 SF of positive absorption.
- Rental rates held fairly steady at \$9.82/SF as vacancy ticked up slightly.
- 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.

MARKET SNAPSHOT

COMPARISON RENTAL RATES PSF:		
	3Q-25	2Q-25
FLEX	\$15.47	\$15.58
BULK/DISTRIBUTION	\$8.71	\$8.75
MANUFACTURING	\$11.06	\$11.70
OFFICE/WAREHOUSE	\$13.45	\$13.32
TOTAL MARKET	\$9.82	\$9.93

COMPARISON OF MARKET VACANCY:		
	3Q-25	2Q-25
DIRECT	7.23%	7.38%
SUBLET	0.69%	0.31%
TOTAL MARKET	7.92%	7.69%

COMPARISON OF ABSORPTION IN SF:		
	3Q-25	2Q-25
QUARTERLY AMOUNT	142,596	1,729,200
YEAR-TO-DATE	2,596,820	2,454,224

CONSTRUCTION PIPELINE: 20,000 SF+		
	3Q-25	2Q-24
U/C (SPECULATIVE & BTS)	2,169,144	2,096,060
DELIVERED (BY QTR)	263,227	618,049
DELIVERED YTD	2,400,293	2,137,066

BUILDING SALES:		
	3Q-25	2Q-25
QUARTERLY TOTAL	\$154M	\$186M
AVERAGE PRICE PSF	\$157.00	\$162.87

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 **2,169,144 SF** of speculative development under construction or imminent. These buildings include:

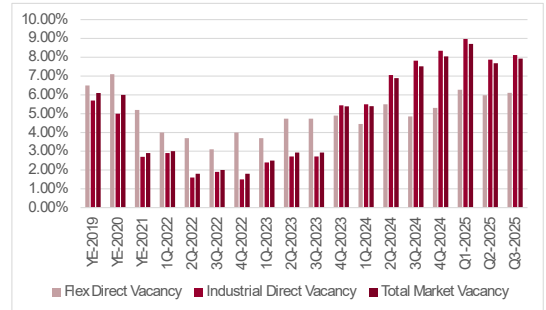
- McCraney's 603 Hennis Road - Buildings 100, 200 & 300 totaling 187,754 SF
- Ambrose's Orlando Logistics Park at Lee Vista - Buildings I, II, and III, totaling 673,000 SF
- Constellation's Tract D at AIPO - Buildings 100, 200, and 300, totaling 972,079 SF
- Whitley Capital's Logisticcenter (Sanford)- totaling 115,982 SF
- Clarion's Gateway Logistics- totaling 220,329 SF

There was a total of **263,227 SF** delivered, which included:

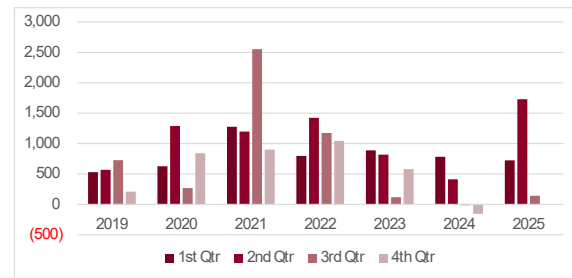
- McCraney's Logistics 429 at Apopka Ridge- Buildings 100 & 200 totaling 263,227 SF



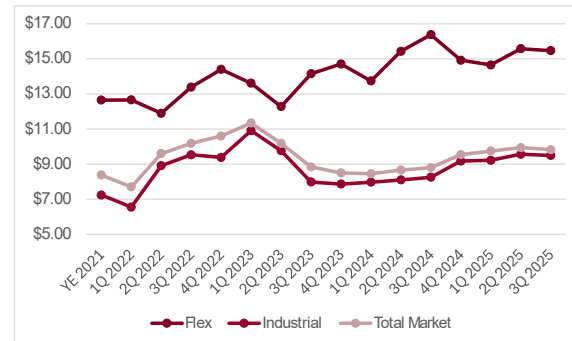
VACANCY



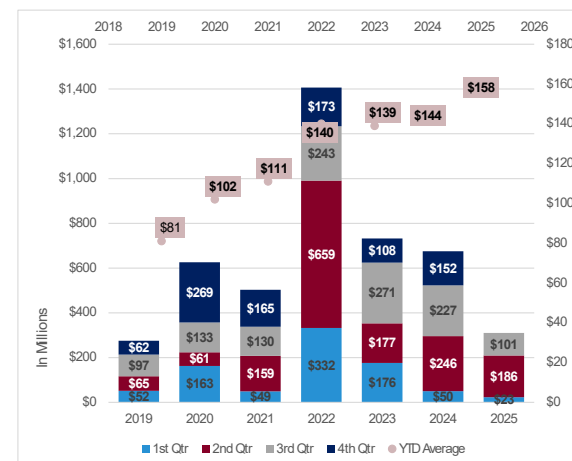
ABSORPTION





RENTAL RATES



SALES & AVERAGE PRICE PSF



TOP THIRD QUARTER LEASE TRANSACTIONS (RANKED BY SQUARE FEET)

BUILDING NAME	TENANT	TOTAL SF	SUBMARKET	TYPE
1260 Northland Lane	Confidential Retailer	237,648	Apopka (Northwest)	New
4510 Portier Boulevard	Speed Xpress	62,008	Orlando (Airport/SE)	New
4554 Portier Boulevard	Hastens	52,355	Orlando (Airport/SE)	New
4201 Shader Road	J.J. Haines & Company, LLC 	136,655	Silver Star	Renewal/ Expansion
770 Gills	CCR Solutions	54,000	Airport Southeast	New
300 Hermit Smith Rd.	Simplot	40,367	Northwest	New
7415 Emerald Dunes Drive	Siemens Gamesa 	39,600	Airport Southeast	Renewal
6550 Hazeltine National Dr	New Source Corporation	36,129	Airport Southeast	New

TOP THIRD QUARTER SALE TRANSACTIONS (RANKED BY SQUARE FEET)

BUILDING NAME	SUBMARKET	TOTAL SF	BUYER	SELLER	SALE PRICE	PSF
Apopka Business Complex	Northwest	311,046 SF	Livetrends Industrial Holdings Company	Little Brownie Properties, Inc.	\$31,750,000	\$102.07
Central Florida Resource Center	East Side/ University	210,613 SF	LCR Properties	Terra Cap Management	\$33,250,000	\$157.87
Cypress Park	Airport / Southeast	162,107 SF	McCraney Property Company	Veyer, LLC	\$23,000,000	\$141.88
4127 Silver Star Rd.	Silverstar	60,360 SF	Fort	Williams Company	\$9,400,000	\$155.73
500 W Orange Blossom	Northwest	38,756 SF	Taylor Cotton & Ridley	Peen Industries	\$4,000,000	\$103.21
Class Collision	Airport / Southeast	36,920 SF	1111 E. Landstreet LLC	BK Holdings - Orlando LLC	\$23,000,000	\$141.88
6962 Edgewater Dr.	Silverstar	29,919 SF	Excel Edgewater 	South Paw	\$5,050,000	\$168.79
4351 35th St.	33rd Street	24,700 SF	Murphy Plains LLC	CCR Solutions Inc.	\$5,200,000	\$210.53

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	12,092,269 SF	3,939,355 SF	32.58%	355,468 SF	2.94%	35.52%	284,015 SF	\$7.85
Flex	22	499,077 SF	18,927 SF	3.79%	0 SF	0.00%	3.79%	-1,127 SF	\$14.55
Manufacturing	17	1,128,063 SF	1,500 SF	0.13%	0 SF	0.00%	0.13%	0 SF	\$18.00
Office/Warehouse	114	6,780,874 SF	260,784 SF	3.85%	75,210 SF	1.11%	4.96%	208,181 SF	\$13.68
Submarket Total	201	20,500,283 SF	4,220,566 SF	20.59%	430,678 SF	2.10%	22.69%	491,069 SF	\$8.19
AIRPORT / SOUTHEAST									
Bulk/Distribution	137	25,231,309 SF	2,015,025 SF	7.99%	88,116 SF	0.35%	8.34%	141,485 SF	\$9.69
Flex	80	3,206,546 SF	82,731 SF	2.58%	8,422 SF	0.26%	2.84%	-26,769 SF	\$16.36
Office/Warehouse	271	17,988,620 SF	222,808 SF	1.24%	161,869 SF	0.90%	2.14%	65,461 SF	\$13.63
Submarket Total	488	46,426,475 SF	2,320,564 SF	5.00%	258,407 SF	0.56%	5.55%	180,177 SF	\$10.33
SOUTHWEST									
Bulk/Distribution	17	3,019,987 SF	18,512 SF	0.61%	21,681 SF	0.72%	1.33%	0 SF	\$14.35
Flex	17	764,292 SF	27,561 SF	3.61%	12,315 SF	1.61%	5.22%	-15,688 SF	\$18.05
Office/Warehouse	35	3,407,805 SF	4,800 SF	0.14%	0 SF	0.00%	0.14%	-2,400 SF	\$17.50
Submarket Total	69	7,192,084 SF	50,873 SF	0.71%	33,996 SF	0.47%	1.18%	-18,088 SF	\$16.32
ORLANDO CENTRAL PARK									
Bulk/Distribution	52	8,710,706 SF	930,055 SF	10.68%	0 SF	0.00%	10.68%	-455,426 SF	\$9.69
Flex	37	1,420,437 SF	51,300 SF	3.61%	0 SF	0.00%	3.61%	24,271 SF	\$16.58
Manufacturing	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	44,900 SF	0.91%	0 SF	0.00%	0.91%	-1,644 SF	\$15.76
Submarket Total	168	15,123,737 SF	1,026,255 SF	6.79%	0 SF	0.00%	6.79%	-432,799 SF	\$10.27
NORTH CENTRAL									
Flex	34	961,038 SF	54,875 SF	5.71%	0 SF	0.00%	5.71%	11,010 SF	\$14.13
Manufacturing	9	393,189 SF	21,900 SF	5.57%	0 SF	0.00%	5.57%	0 SF	\$0.00
Office/Warehouse	45	1,595,195 SF	65,905 SF	4.13%	0 SF	0.00%	4.13%	24,326 SF	\$14.28
Submarket Total	88	2,949,422 SF	142,680 SF	4.84%	0 SF	0.00%	4.84%	35,336 SF	\$14.16
CENTRAL ORLANDO									
Flex	10	330,496 SF	1,100 SF	0.33%	0 SF	0.00%	0.33%	1,200 SF	\$18.00
Manufacturing	16	811,387 SF	42,192 SF	5.20%	0 SF	0.00%	5.20%	-42,192 SF	\$0.00
Office/Warehouse	86	3,358,857 SF	182,631 SF	5.44%	0 SF	0.00%	5.44%	-2,050 SF	\$12.68
Submarket Total	112	4,500,740 SF	225,923 SF	5.02%	0 SF	0.00%	5.02%	-43,042 SF	\$12.74
33RD STREET									
Bulk/Distribution	6	792,091 SF	0 SF	0.00%	0 SF	0.00%	0.00%	0 SF	\$0.00
Flex	32	1,012,581 SF	71,536 SF	7.06%	11,329 SF	1.12%	8.18%	-4,226 SF	\$16.86
Office/Warehouse	82	3,746,591 SF	141,144 SF	3.77%	4,488 SF	0.12%	3.89%	-43,787 SF	\$13.36
Submarket Total	120	5,551,263 SF	212,680 SF	3.83%	15,817 SF	0.28%	4.12%	-48,013 SF	\$14.33
SILVER STAR									
Bulk/Distribution	18	3,745,938 SF	246,718 SF	6.59%	58,800 SF	1.57%	8.16%	0 SF	\$10.34
Flex	29	1,066,297 SF	45,174 SF	4.24%	0 SF	0.00%	4.24%	59,016 SF	\$15.50
Manufacturing	24	2,020,660 SF	10,500 SF	0.52%	0 SF	0.00%	0.52%	5,770 SF	\$15.49
Office/Warehouse	185	9,504,679 SF	283,423 SF	2.98%	17,850 SF	0.19%	3.17%	-28,919 SF	\$13.11
Submarket Total	256	16,337,574 SF	585,815 SF	3.59%	76,650 SF	0.47%	4.05%	35,867 SF	\$12.15
LONGWOOD / LAKE MARY / SANFORD									
Bulk/Distribution	22	2,726,637 SF	233,716 SF	8.57%	0 SF	0.00%	8.57%	0 SF	\$9.10
Flex	72	2,697,541 SF	264,715 SF	9.81%	4,900 SF	0.18%	9.99%	-9,816 SF	\$14.44
Manufacturing	49	3,178,710 SF	91,000 SF	2.86%	0 SF	0.00%	2.86%	-1,750 SF	\$10.44
Office/Warehouse	171	6,929,356 SF	154,731 SF	2.23%	34,800 SF	0.50%	2.74%	-47,134 SF	\$12.57
Submarket Total	314	15,532,244 SF	744,162 SF	4.79%	39,700 SF	0.26%	5.05%	-58,700 SF	\$11.87
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	110,709 SF	6.99%	61,855 SF	3.90%	10.89%	-7,095 SF	\$17.55
Manufacturing	13	602,309 SF	20,091 SF	3.34%	0 SF	0.00%	3.34%	14,017 SF	\$0.00
Office/Warehouse	55	2,246,056 SF	91,303 SF	4.07%	43,350 SF	1.93%	6.00%	-6,133 SF	\$14.75
Submarket Total	114	5,337,327 SF	559,735 SF	10.49%	105,205 SF	1.97%	12.46%	789 SF	\$16.05
TOTALS									
TOTAL BULK	306	57,223,339 SF	7,721,013 SF	13.49%	524,065 SF	0.92%	14.41%	-29,926 SF	\$8.71
TOTAL FLEX	373	13,542,865 SF	728,628 SF	5.38%	98,821 SF	0.73%	6.11%	30,776 SF	\$15.47
TOTAL MANUFACTURING	129	8,198,464 SF	187,183 SF	2.28%	0 SF	0.00%	2.28%	-24,155 SF	\$11.06
TOTAL OFFICE/WAREHOUSE	1,122	60,486,481 SF	1,452,429 SF	2.40%	337,567 SF	0.56%	2.96%	165,901 SF	\$13.45
TOTAL MARKET	1,930	139,451,149 SF	10,089,253 SF	7.23%	960,453 SF	0.69%	7.92%	142,596 SF	\$9.82
TOTAL INDUSTRIAL SPACE	1,557	125,908,284 SF	9,360,625 SF	7.43%	861,632 SF	0.68%	8.12%	111,820 SF	\$9.49
*Note that total industrial space excludes Flex									