



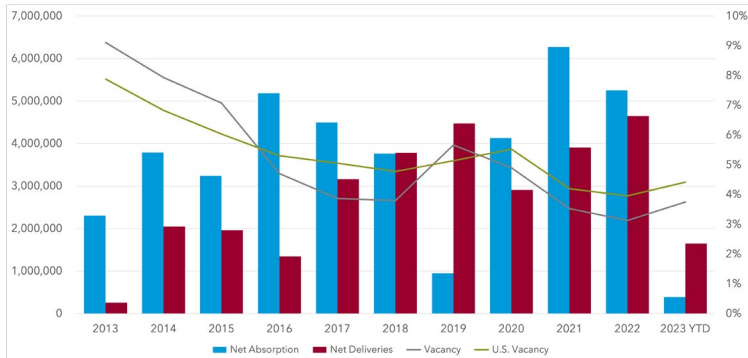
INDUSTRIAL MARKET OVERVIEW

DEREK RIGGLEMAN, *Senior Vice President, Principal*

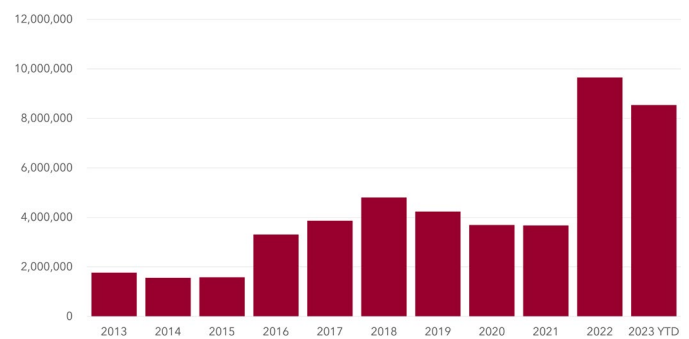
Absorption was light this quarter compared to the most recent prior quarters, but still healthy overall. We expect absorption to pick up in Q2/Q3 as buildings get delivered. Vacancies ticked up this quarter, primarily due to new sublease spaces and some new deliveries, mainly in Northwest Orange County, and the Airport/Southeast submarkets. Despite rising vacancy, rental rates have increased significantly, mainly due to almost zero vacancy in small bay product. As expected, sales volume went down significantly from the prior quarter as a result of tighter lending policies and interest rate hikes. Looking forward, we expect smaller spaces to have low vacancy and maintain high rental rates, while larger spaces will seek quick occupancy and get competitive on rental rates.

MARKET INDICATORS	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
▼ Qtrly Net Absorption SF	4,319,660	5,252,748	5,222,649	6,157,096	6,546,182
▲ Vacancy Rate	3.60%	3.10%	3.60%	3.30%	3.60%
▲ Avg NNN Asking Rate PSF	\$12.51	\$12.00	\$11.55	\$11.08	\$10.67
▼ SF Under Construction	8,998,550	9,653,561	10,200,998	8,671,296	4,858,842
▲ Inventory SF	192,372,638	191,179,336	189,408,675	188,310,278	187,866,706

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
Butters Avenue Sanford, FL	547,753 SF	\$65,170,000 \$118.98 PSF	BentallGreenOak Butters/McCraney	Class A
Taft Vineland Avenue Orlando, FL	140,641 SF	\$26,000,000 \$184.87 PSF	Universal Technical Institute Prologis	Class A
1700 Avenue B Kissimmee, FL	96,000 SF	\$18,000,000 \$187.50 PSF	Provender Partners Performance Food Group	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
88 W Taft Vineland Orlando, FL	540,399 SF	Brookfield	Sealy	Consumer Goods
995 N Old Lake Wilson Road Kissimmee, FL	291,875 SF	EastGroup	Performance Food Group	Food and Beverage
2550 American Way Groveland, FL	144,023 SF	UBS	Niagara Bottling	Food and Beverage

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