



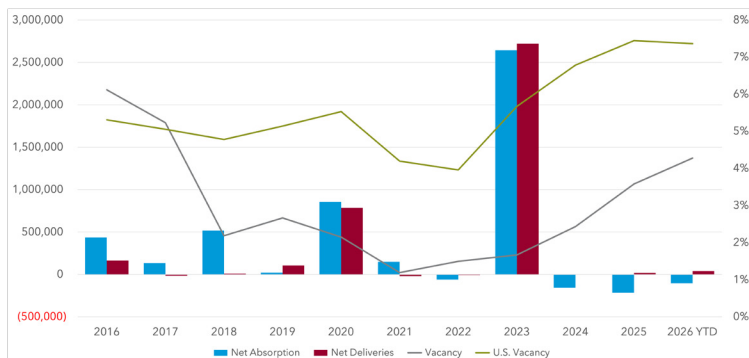
INDUSTRIAL MARKET OVERVIEW

JON THOMAS, Vice President

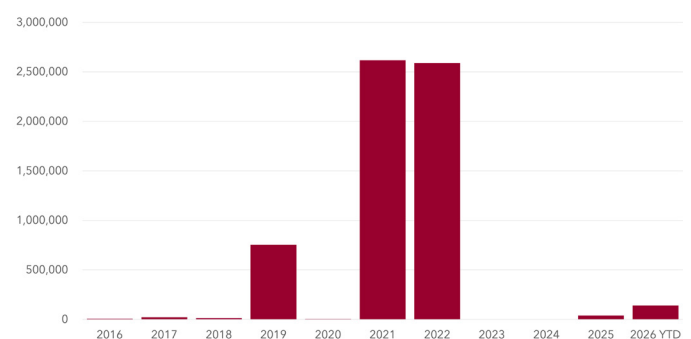
The Tallahassee industrial market continues to navigate soft conditions through the third quarter of 2026, with vacancy climbing to 4.1% – up from 2.8% a year ago and well above the market's historical averages. Net absorption has remained negative for several consecutive quarters, reflecting a market still working through a period of demand adjustment. On a more encouraging note, 140,500 SF is currently under construction, the highest level in recent years and a signal that developers retain confidence in the market's longer-term fundamentals. Rent growth of 3.0% year-over-year continues to outpace the national average of 1.4%, underscoring that landlords retain pricing power despite softer demand. Cap rates have edged up to 8.7%, above the national average of 7.5%, reflecting a market priced for caution.

MARKET INDICATORS	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
▲ 12 Mo. Net Absorption SF	(135,491)	(150,613)	(140,992)	(215,997)	(111,164)
◀ ▶ Vacancy Rate	4.1%	4.1%	3.8%	3.6%	3.0%
▲ Avg NNN Asking Rate PSF	\$9.74	\$9.71	\$9.63	\$9.55	\$9.45
▲ Sale Price PSF	\$114	\$112	\$111	\$110	\$108
◀ ▶ Cap Rate	8.7%	8.7%	8.7%	8.7%	8.7%
▲ Under Construction SF	140,500	60,500	30,500	39,000	87,000
◀ ▶ Inventory SF	20,372,088	20,372,088	20,372,088	20,333,088	20,289,947

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2929 Hartsfield Rd Tallahassee, FL	27,200 SF	\$3,907,600 \$143.66 PSF	InLight Real Estate Partners, LLC Ware Group Inc	Class B
2830 Industrial Plaza Dr Tallahassee, FL	12,000 SF	\$1,900,000 \$158.33 PSF	ZAS COMMERCIAL HOLDINGS LLC HornerXpress	Class C
890 Blountstown Hwy Tallahassee, FL	8,908 SF	\$800,000 \$89.81 PSF	Gulf Land Company Llc All Florida Electric Of Tallahassee Inc	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
644 Fortune Blvd Midway, Florida	22,500 SF	Steve Hittinger	Canteen Vending Services	Vending Machine Operator
4841 Commonwealth Blvd Tallahassee, Florida	11,570 SF	Paca Development	Not Disclosed	N/A
5040 Tharpe St Tallahassee, Florida	11,250 SF	Excelsior Capital	DalTile	Clay Building Material & Refractories Manufacturing

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