

FIGURES | ORLANDO INDUSTRIAL | Q3 2026

Rents Climb While Construction Deliveries Slow



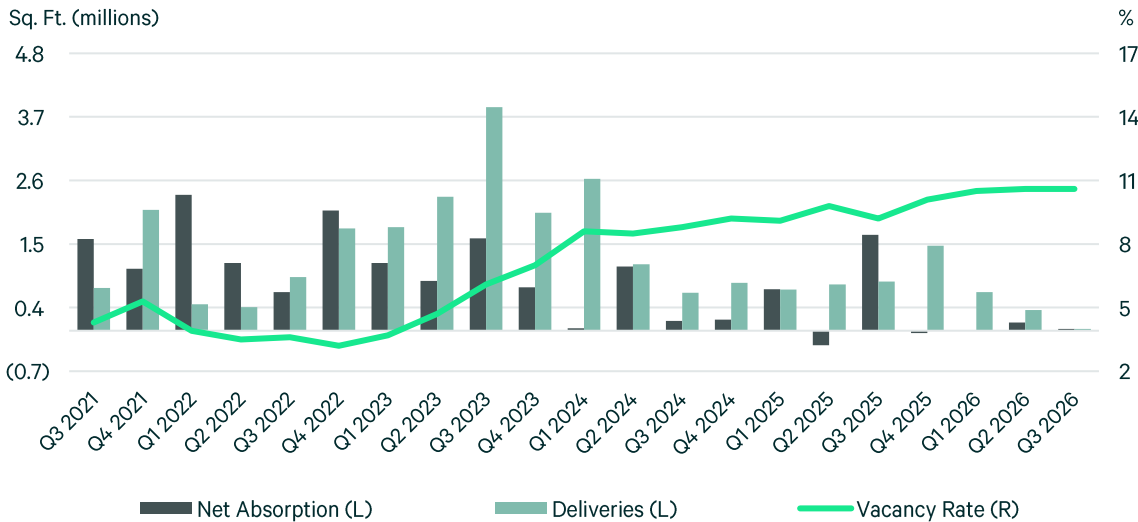
Note: Arrows indicate change from previous quarter.

Market Overview

In Q3 2026, market conditions were relatively stable as vacancy held flat while availability, rents and construction activity shifted modestly quarter-over-quarter. Vacancy remained at 10.6%, but availability improved from 12.8% in Q2 2026 to 11.9%, a 90 basis points decline, as net absorption totaled 25,000 sq. ft. compared with 143,000 sq. ft. in Q2 2026. Tenants signed 2.56 million sq. ft. of leases in Q3 2026, down from 3.46 million sq. ft. in Q2 2026, while the average asking rent rose from \$10.31 per sq. ft. to \$10.48 per sq. ft. The construction pipeline expanded, with space under construction increasing from 2.93 million sq. ft. to 3.29 million sq. ft. across 29 properties, even as new supply slowed sharply; deliveries fell from 362,000 sq. ft. to 26,000 sq. ft., and vacancy held flat at 10.6% while leasing softened.

Over the period from Q3 2021 through Q3 2026, the market shifted from tight, high-velocity conditions to a higher-vacancy environment and a smaller construction pipeline. Asking rents trended higher, rising from \$8.40 per sq. ft. to \$10.48 per sq. ft. and peaking at \$10.99 per sq. ft. in Q2 2023. Leasing volumes were strongest in 2022 at 12.08 million sq. ft., moderated to 9.00 million sq. ft. in 2023, then rebounded to 9.29 million sq. ft. in 2024 and 11.06 million sq. ft. in 2025, while the 8.25 million sq. ft. signed from Q1 2026 through Q3 2026 exceeded the 6.26 million sq. ft. and 5.97 million sq. ft. recorded over the same spans in 2023 and 2024, respectively.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



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Vacancy Rate

In Q3 2026, the market vacancy rate remained elevated but stable compared with Q2 2026. Overall vacancy was 10.6%, unchanged quarter-over-quarter from Q2 2026, reflecting a 0 basis points change. Year-over-year, overall vacancy rose from 9.2% in Q3 2025 to 10.6%, an increase of 140 bps. Compared with Q3 2023, when overall vacancy measured 6.1%, the market vacancy rate was higher by 450 bps, and direct vacancy ended the quarter at 10.0%, rising 10 bps quarter-over-quarter from 9.9% and 160 bps year-over-year from 8.4%, with a 450 bps increase versus the 5.5% recorded in Q3 2023.

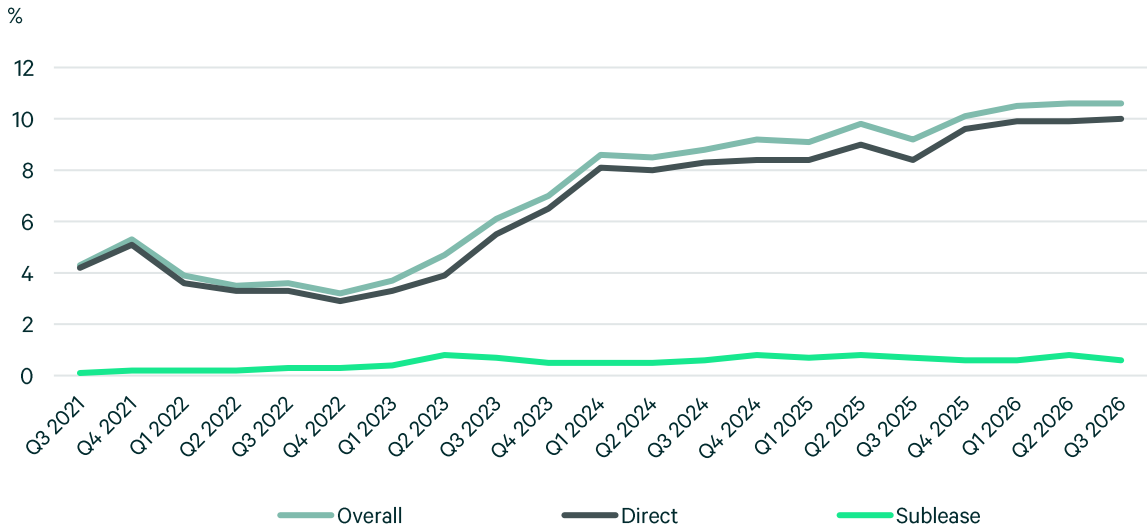
Vacancy conditions varied across submarkets, with Seminole County standing out as the tightest area and Lake County at the most available end of the spectrum. Seminole County posted the lowest overall vacancy rate at 4.7%, supported by a direct vacancy rate of 4.6%, while South West Orange County was the second lowest with overall vacancy of 8.1%. Lake County registered the highest overall vacancy rate at 18.5%, well above North West Orange County at 14.5% and South East Orange County at 10.0%, concentrating a sizable share of available space in those submarkets.

Asking Rent

In Q3 2026, the market’s average asking rent stood at \$10.48 per sq. ft., among the highest levels in the data series and slightly below the \$10.99 per sq. ft. peak recorded in Q2 2023. This represented a 1.7% increase quarter-over-quarter and a 9.6% gain year-over-year, extending the steady growth that followed the softer pricing period in 2023. Over the full period from Q3 2021, when rents averaged \$8.40 per sq. ft., the market experienced an initial rise through 2022, a temporary reset in 2023, and a renewed upward trend that brought current rents well above earlier levels.

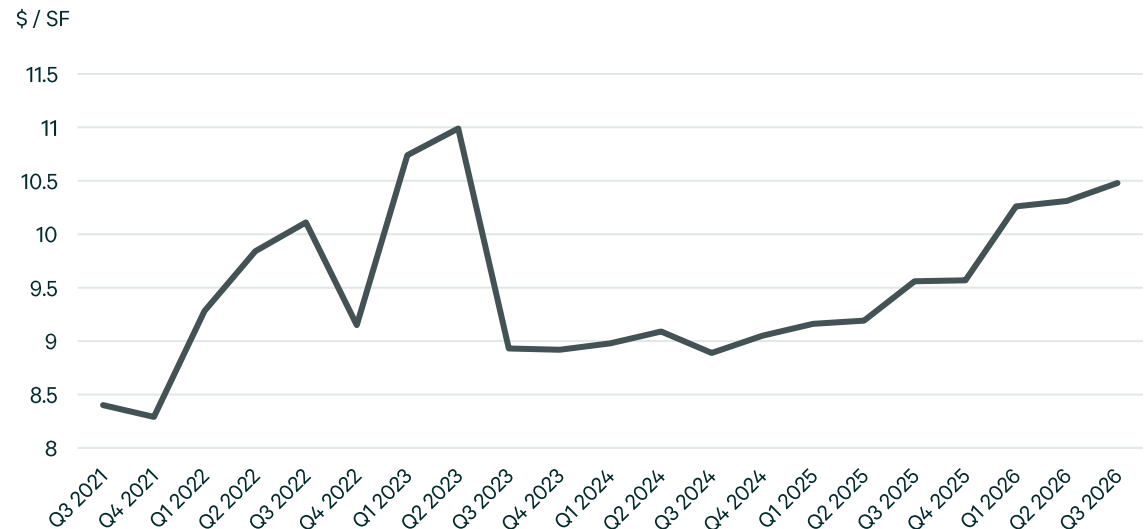
Within Q3 2026, North East Orange County and Osceola County were the highest-priced submarkets, with average asking rents of \$15.99 per sq. ft. and \$14.20 per sq. ft., respectively. Seminole County also priced near the upper tier at \$14.04 per sq. ft., while South West Orange County, South East Orange County and North West Orange County ranged from \$13.15 per sq. ft. to \$11.39 per sq. ft. and \$10.27 per sq. ft., and Lake County offered the lowest average asking rent at \$6.97 per sq. ft., underscoring a wide spread in available pricing options for occupiers and investors.

Figure 2: Vacancy Rate



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Figure 3: Average Direct Asking Rate



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Construction Activity

The market recorded 3.29 million sq. ft. under construction and 26,000 sq. ft. delivered in Q3 2026. Under construction volume increased 12.4% quarter-over-quarter and 40.7% year-over-year, while construction deliveries fell 92.8% quarter-over-quarter and 96.9% year-over-year. Even with this recent expansion in the pipeline, under construction space remained well below the 9.79 million sq. ft. peak reached in Q3 2022.

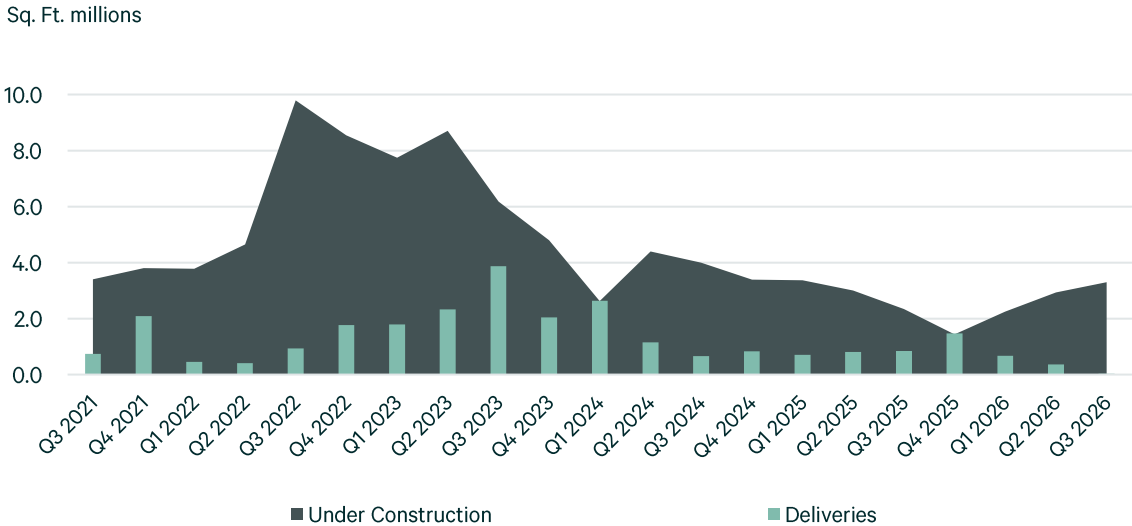
Within the construction pipeline, South East Orange County contained 1.83 million sq. ft., or 55.5% of under construction space across five industrial projects. The largest projects underway were First 417 Logistics Park - Building 300 at 542,000 sq. ft. and Venture Park Beachline II & III - Building 200 at 408,000 sq. ft., followed by VenturePark Beachline II & III - Building 100 at 340,000 sq. ft. and First 417 Logistics Park - Building 400 at 288,000 sq. ft., while Prologis Park at AIPO contributed 249,000 sq. ft. of fully pre-leased space at 100.0% pre-leased.

Net Absorption

Net absorption in Q3 2026 remained positive but modest, indicating only limited occupancy growth across the market. Tenants took an additional 25,000 sq. ft. in the quarter, below the 143,000 sq. ft. recorded in Q2 2026 and well below the 1.66 million sq. ft. achieved in Q3 2025. On a percentage basis, total net absorption declined 82.5% quarter-over-quarter and 98.5% year-over-year, underscoring how sharply demand cooled relative to recent peaks. These results came after prior quarters of pronounced swings in occupancy, including net absorption of 2.36 million sq. ft. in Q1 2022 and 1.66 million sq. ft. in Q3 2025, followed by periods of net contraction.

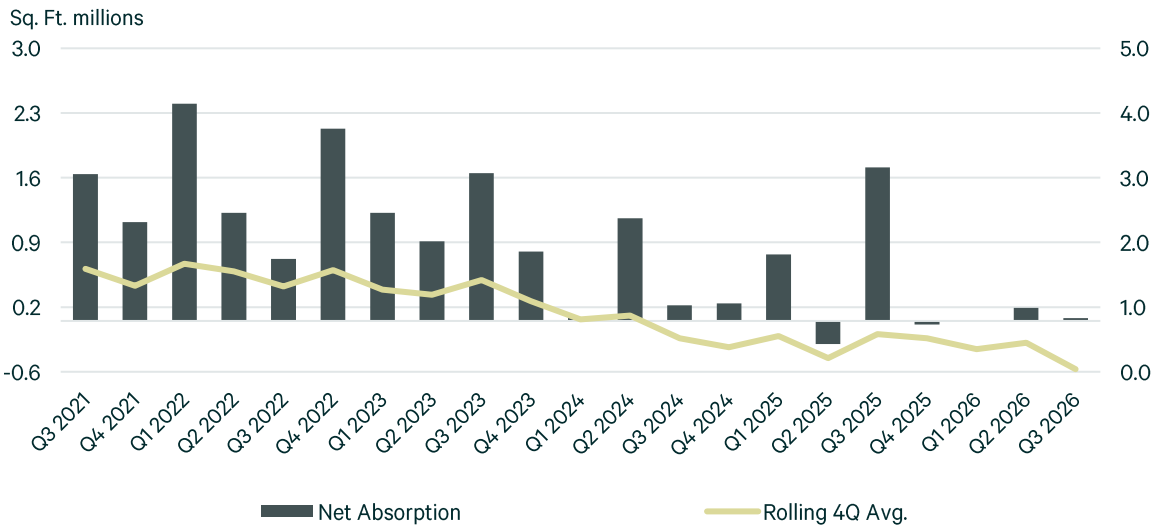
By submarket, Osceola County and North West Orange County posted the strongest occupancy gains in Q3 2026. Across the four areas with positive net absorption, Osceola County registered 103,000 sq. ft., North West Orange County 57,000 sq. ft., Seminole County 47,000 sq. ft., and Lake County 39,000 sq. ft. of additional occupied space. Conditions were weakest in South East Orange County, where net absorption was negative 158,000 sq. ft., and South West Orange County, which recorded negative 48,000 sq. ft., indicating meaningful occupancy contraction in those areas.

Figure 4: Construction Activity



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Figure 5: Net Absorption Trend



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Leasing Activity

In Q3 2026, leasing activity totaled 2.44 million sq. ft., while 2025 calendar-year leasing volume reached 10.20 million sq. ft. Leasing volume in Q3 2026 fell 21.2% quarter-over-quarter but rose 57.1% year-over-year, showing that occupiers took substantially more space than they did in Q3 2025 even as activity cooled relative to Q2 2026.

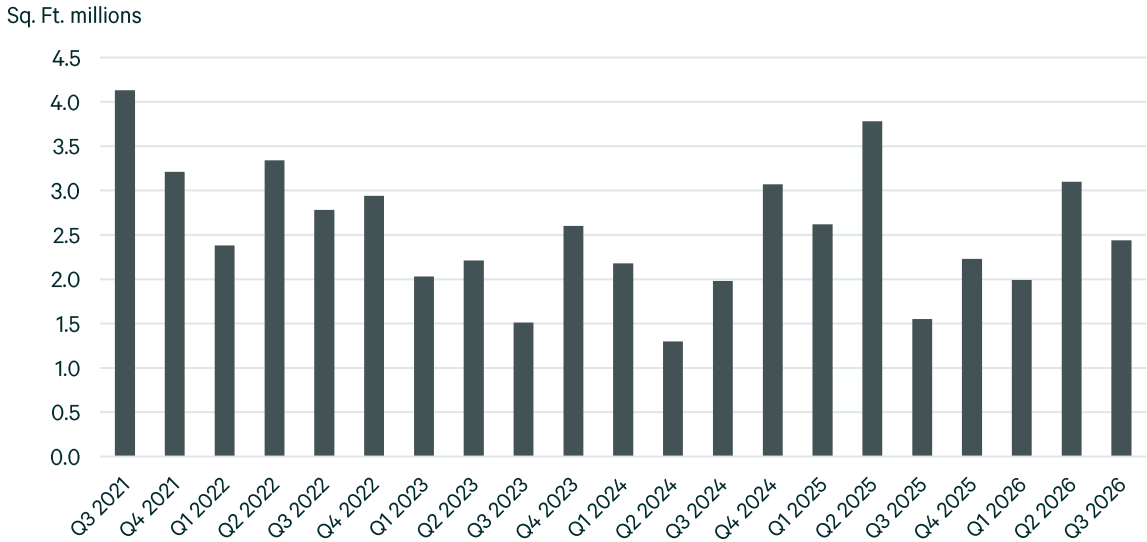
South East Orange County and North West Orange County recorded the strongest positive leasing activity, at 1.07 million sq. ft. and 822,000 sq. ft., respectively. Remaining submarkets with positive leasing included South West Orange County, Seminole County, and Osceola County, with leased volumes of 430,000 sq. ft., 75,000 sq. ft., and 43,000 sq. ft., respectively.

Economic Overview

Notable challenges persist, from elevated energy costs and interest rates to lingering geopolitical and technological uncertainties. Despite these concerns, the U.S. economy remains on track to grow by over 2% during 2026, supported by impressive AI-driven business investment. Also, a generally stable labor market continues to underpin consumer activity, providing a cushion against other risks.

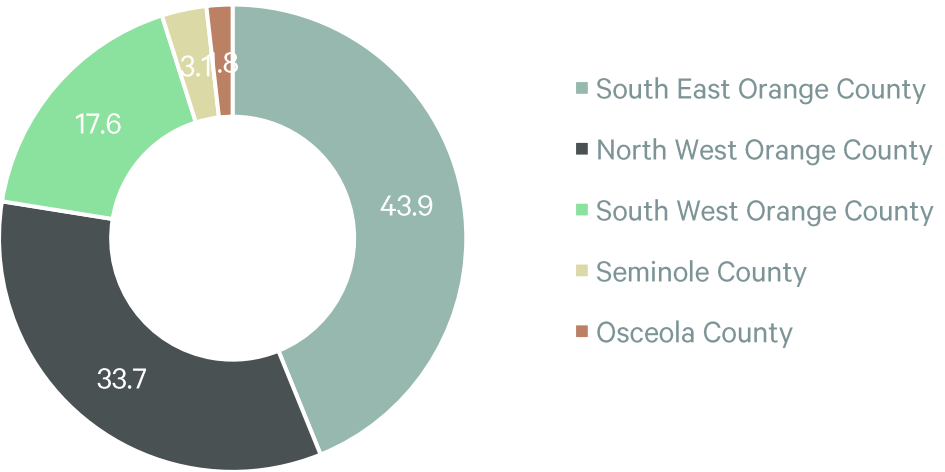
The final months of 2026 could prove pivotal. While economic growth supports healthy CRE occupier market fundamentals, the investment side of the market must contend with 5% Treasury yields. Signals from the Federal Reserve, inflation data, and global fixed-income markets suggest rates will remain elevated for the foreseeable future. A key upside catalyst would be a de-escalation in the U.S./Iran conflict, which could ease inflation and provide the Fed with more flexibility.

Figure 6: Leasing Activity Trend



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Figure 7: Leasing Activity by Submarket (% of Total Activity)



Market Statistics by Product Type

Figure 8

Product Type	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Distribution/Logistics	122.53M	11.7	13.1	11.8	1.3	10.07	138,000	529,000	26,000	2.94M
Manufacturing - General	23.16M	6.8	7.2	6.2	1.0	9.53	(81,000)	(247,000)	-	-
R&D/Flex	9.84M	6.3	8.5	7.5	1.0	17.46	(32,000)	(100,000)	-	355,000
Total	155.53M	10.6	11.9	10.7	1.2	10.48	25,000	181,000	26,000	3.29M

Source: CBRE Research, Q3 2026

Market Statistics by Size

Figure 9

Size Range	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Below 50K SF	41.61M	5.6	7.2	6.9	0.3	14.71	(46,000)	(332,000)	26,000	410,000
50K-99,999 SF	30.29M	6.8	8.7	7.3	1.4	12.68	63,000	39,000	-	452,000
100K-249,999 SF	46.10M	11.0	13.9	11.8	2.0	10.35	446,000	770,000	-	854,000
250K-499,999 SF	21.98M	18.6	19.3	18.5	0.8	9.82	(438,000)	(295,000)	-	1.04M
500K-749,999 SF	8.20M	25.2	16.5	14.1	2.3	7.25	-	-	-	542,000
750,000 SF +	7.35M	11.9	11.9	11.9	-	6.00	-	-	-	-
Total	155.53M	10.6	11.9	10.7	1.2	10.48	25,000	181,000	26,000	3.29M

Source: CBRE Research, Q3 2026

Market Statistics by Class

Figure 10

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	49.25M	17.8	17.9	16.5	1.4	9.29	470,000	1.12M	-	1.73M
Institutional	39.42M	19.5	19.2	17.9	1.3	8.60	451,000	1.03M	-	-
Other Class A	9.83M	10.6	12.9	11.0	2.0	13.58	19,000	90,000	-	1.73M
All Other Industrial	106.28M	7.3	9.1	8.0	1.1	12.08	(445,000)	(938,000)	26,000	1.57M
Total	155.53M	10.6	11.9	10.7	1.2	10.48	25,000	181,000	26,000	3.29M

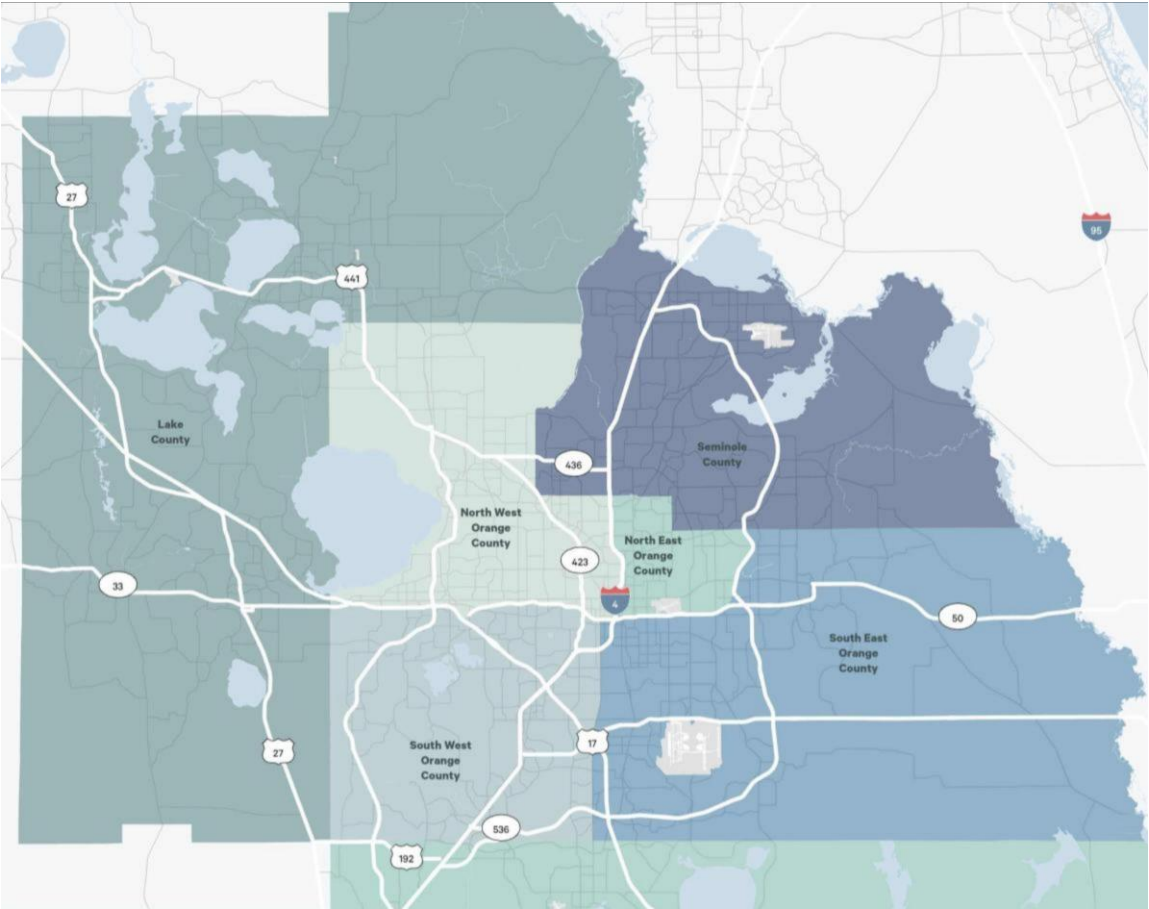
Source: CBRE Research, Q3 2026

Market Statistics by Submarket

Figure 11

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Lake County	12.74M	18.5	21.2	18.7	2.5	6.97	39,000	(50,000)	-	415,000
North East Orange County	5.33M	8.9	8.7	8.6	0.1	15.99	(14,000)	25,000	-	-
North West Orange County	33.30M	14.5	12.5	9.9	2.6	10.27	57,000	587,000	-	163,000
Osceola County	8.77M	8.9	8.0	8.0	-	14.20	103,000	84,000	-	113,000
Seminole County	17.41M	4.7	5.6	5.2	0.4	14.04	47,000	275,000	26,000	297,000
South East Orange County	49.50M	10.0	12.1	11.3	0.8	11.39	(158,000)	(420,000)	-	2.28M
South West Orange County	28.48M	8.1	12.4	11.6	0.8	13.15	(48,000)	(321,000)	-	30,000
Total	155.53M	10.6	11.9	10.7	1.2	10.48	25,000	181,000	26,000	3.29M

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days. Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

Survey Criteria

Includes all competitive industrial buildings 10,000 square feet and greater in size in Orange, Osceola, Seminole and Lake counties (excluding self-storage and industrial-condos).

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