

FIGURES | POLK COUNTY INDUSTRIAL | Q4 2025

Absorption hits five year high, outpacing deliveries and providing momentum for 26'

▼ 7.6%
Vacancy Rate

▲ 657,671
SF Q4 Net Absorption

▲ 1,547,466
SF Under Construction

▲ 930,859
SF Q4 Deliveries

▲ \$8.40
Triple Net / Lease Rate

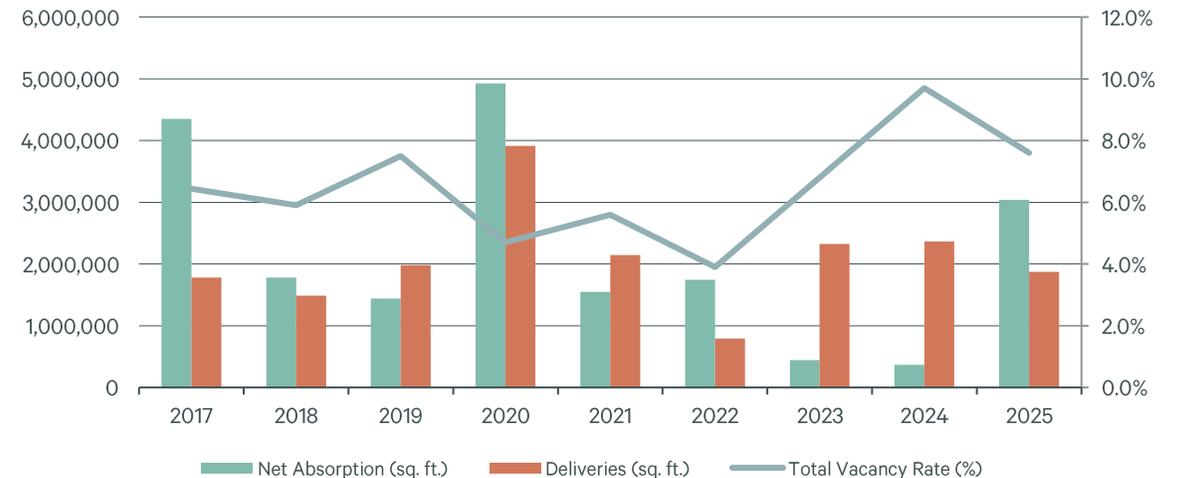
Note: Arrows indicate change from previous year.

OVERVIEW

- Net absorption pushed past the 3 million square foot milestone for the year, driven by an additional 650,000 square feet of net gains in the fourth quarter
- Vacancy closed the year at 7.6%, down 270 basis points from Q1, as new groundbreakings slowed to just 345,000 square feet—signaling a more manageable pipeline of upcoming deliveries
- Average asking rents are up 13% year-over-year thanks to a combination of bulk leasing and the delivery of new, shallow-bay space at relatively higher market rates

Just under 1 million square feet of available space is currently expected to come online in 2026 via the construction pipeline, which could provide further opportunity for demand to outpace supply in the new year. This outlook is reinforced by more than 9 million square feet of active tenant requirements currently in the market, signaling strong potential for additional occupancy gains in the coming quarters. While many of these requirements span the entire I-4 Corridor from Tampa to Orlando, Polk County remains well-positioned to capture a significant share thanks to its strategic central location and competitive pricing advantage.

FIGURE 1: Historical Absorption, Deliveries and Vacancy



Source: CBRE Research

DEMAND

Thanks to another quarter of solid positive net absorption, the annual total topped 3 million square feet—the highest level since 2020 and double the five-year average of 1.5 million square feet. A key driver of this performance was the resurgence of bulk leasing in Polk County, fueled by major commitments from food and beverage, logistics, and retail/wholesale occupiers through both leases and acquisitions. Future demand stemming from both small bay and bulk users would only bolster the recovery of industrial fundamentals in the county, especially if those users target some of the lingering vacancies that remain.

VACANCY

2025 marked the first full year since 2022 where absorption outpaced new deliveries, helping reduce overall vacancy from its Q2 2024 peak of 10.5% to 7.6% by year-end. Construction activity continued to moderate, with 1.5 million square feet underway—the lowest quarterly total of 2025, though still slightly above year-end 2024 levels. Meanwhile, the fourth quarter saw 930,000 square feet of new deliveries, the highest since Q1 2024. Like neighboring Tampa and Orlando markets, groundbreakings were minimal, totaling just 345,000 square feet as the pace of new development slows nationwide.

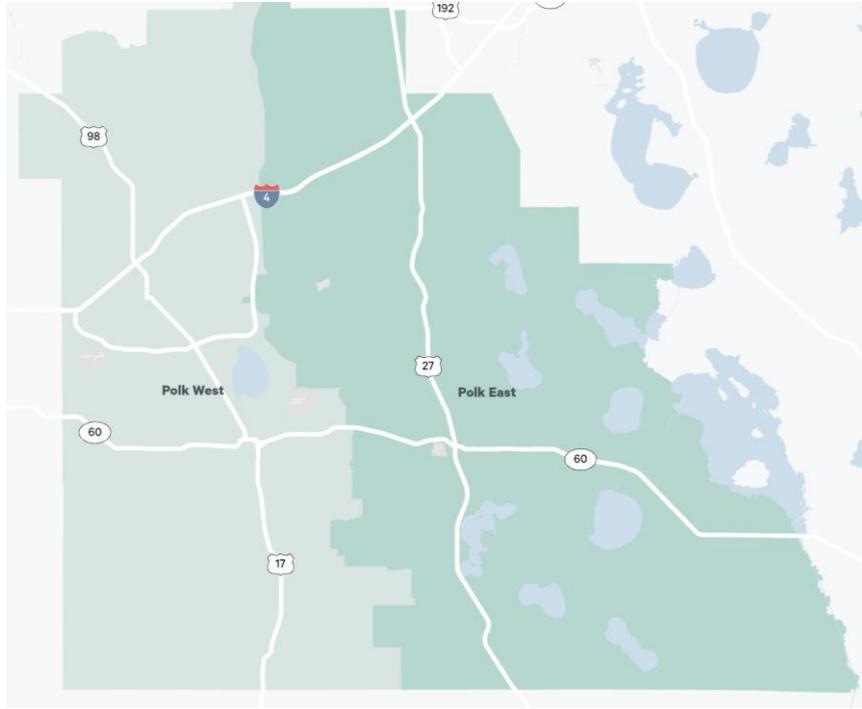
PRICING

Average asking rents in Polk have officially doubled over the past decade after climbing 2.5% quarter-over-quarter to \$8.40 per square foot NNN. This represents a 13% annual increase, driven in part by bulk leasing activity that removed lower-priced options from the market. With smaller bay product accounting for a growing share of available inventory, upward pressure on rental rates could continue.

FIGURE 2: Statistical Snapshot Q4 2025

Submarket	Total Inventory (Sq. Ft.)	Direct Vacancy (%)	Total Vacancy (%)	Q4 2025 Net Absorption (Sq. Ft.)	2025 Net Absorption (Sq. Ft.)	Under Construction (Sq. Ft.)	Avg. Asking Lease Rate (\$/SF/NNN)
Polk East	21,576,677	4.1%	4.1%	53,000	1,228,850	607,475	\$9.03
Manufacturing	2,918,225	1.8%	1.8%	29,000	(24,000)	0	N/A
Warehouse/Distribution	18,658,452	4.4%	4.4%	24,000	1,252,850	607,475	\$9.03
Polk West	44,564,401	9.3%	9.3%	604,671	1,808,670	939,991	\$8.27
Manufacturing	4,686,973	0.2%	0.2%	0	11,200	0	\$15.00
Warehouse/Distribution	39,334,782	10.5%	10.5%	604,671	1,764,870	814,037	\$8.23
R&D/Flex	542,646	3.4%	3.4%	0	32,600	125,954	\$17.25
Polk County Total	66,141,078	7.6%	7.6%	657,671	3,037,520	1,547,466	\$8.40
Manufacturing	7,605,198	0.8%	0.8%	29,000	(12,800)	0	\$15.00
Warehouse/Distribution	57,993,234	8.6%	8.6%	628,671	3,017,720	1,421,512	\$8.36
R&D/Flex	542,646	3.4%	3.4%	0	32,600	125,954	\$17.25

Market Area Overview



ECONOMIC OUTLOOK

The U.S. economy is sending some mixed signals. Financial markets are focused on the upside, particularly AI’s sizable contribution to growth in recent quarters. Some indicators of business activity, such as capital goods orders, are improving, and strengthening credit markets are helping to usher real estate into a new cycle.

The picture gets more melancholy when looking at households. Consumer confidence remains weak, with spending reportedly driven by a smaller segment of affluent households. This mosaic of data suggests that annual average GDP growth will be steady in 2026, at 2%, but a touch softer than in 2025. A key catalyst is a softer labor market, as companies are ‘slow to hire, slow to fire’—a trend that is likely to last a few quarters. A consequence of this outlook is softer inflation and long-term bond yields trending just below 4% by H2 2026.

Survey Criteria: Includes all competitive industrial buildings 10,000 sq. ft. and greater in size in Polk County. East Polk includes Auburndale, Davenport, Dundee, Eagle Lake, Fort Meade, Frostproof, Haines City, Highland Park, Hillcrest Heights, Lake Alfred, Lake Hamilton, Lake Wales and Winter Haven. West Polk includes Bartow, Lakeland, Mulberry and Polk City.

Contact

Mike DiBlasi

Managing Director
+1 813 273 8400
mike.diblasi@cbre.com

Marc L. Miller

Field Research Director
+1 305 381 6428
marc.miller1@cbre.com

Kyle Koller

Field Research Manager
+1 813 273 8422
kyle.koller@cbre.com

