

FIGURES | POLK COUNTY INDUSTRIAL | Q1 2026

Disciplined development and tenant demand bring vacancy to a two-year low

▼ 7.3%
Vacancy Rate

▼ 289,278
SF Net Absorption

▼ 46,800
SF Construction Delivered

▲ 2.2M
SF Under Construction

▼ \$8.36
NNN/YR Direct Lease Rate

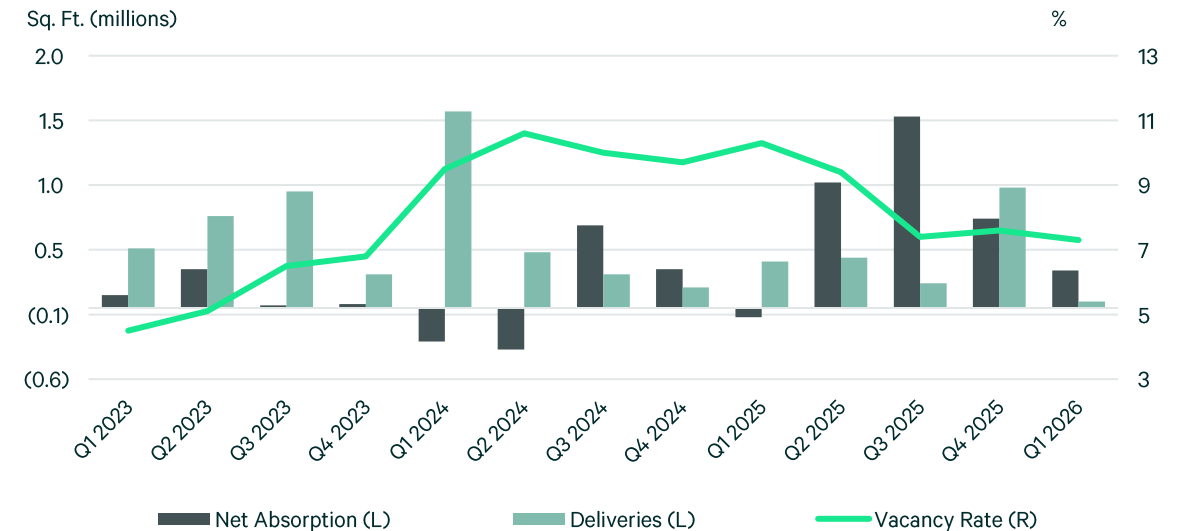
Note: Arrows indicate change from previous quarter.

Market Overview

Polk County's industrial market continues to trend toward equilibrium following a period of elevated vacancy and uneven demand. Recent quarters have marked a clear tightening phase, driven by sustained absorption and a limited pace of new deliveries. Market conditions have normalized across most size segments, with a notable improvement at the upper end of the market, where availability has narrowed quickly after several years of softness.

Leasing activity, steady rent growth, and a restrained construction pipeline point to a market returning to disciplined development and targeted demand. New supply entering the market has been largely pre-committed, reducing near-term risk and reinforcing landlord confidence. With sublease availability remaining negligible and developer caution persisting around speculative bulk construction, Polk County is positioned to maintain stable fundamentals.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2026

Availability Rate

Polk County’s industrial market continues to demonstrate a true “bell-curve” recovery, with vacancy trending back below 7% as absorption once again outpaced new supply in Q1 2026. Construction deliveries during the quarter were limited, totaling just 46,800 sq. ft., allowing demand to further tighten market conditions. Availability rates have seen a bit more of a leveling off in recent quarters but also remain below their early 2025 peaks.

One of the most notable shifts has been the rapid tightening at the top end of the size spectrum. After several years of softness, availability in buildings exceeding 500,000 sq. ft.—and particularly those over 750,000 sq. ft.—has been largely absorbed. As a result, options for very large occupiers along the I-4 corridor have become increasingly scarce, prompting several to pursue build-to-suit solutions to meet their space requirements.

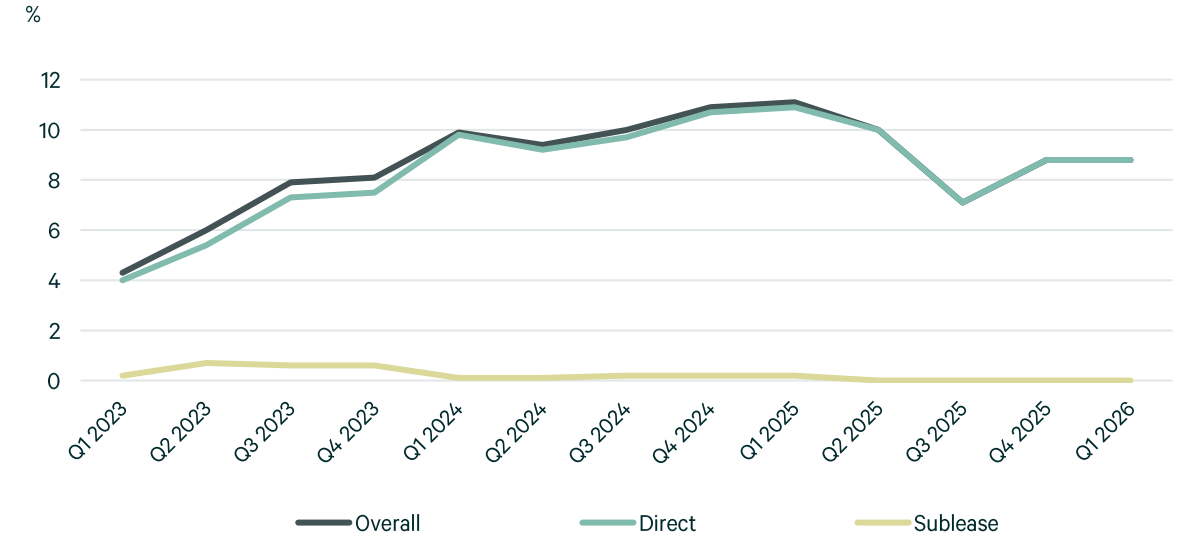
Sublease availability remains negligible in Polk County, continuing to play an immaterial role in overall market dynamics.

Asking Rent

Average asking rents in Polk County reached \$8.36 per sq. ft. in Q1 2026, declining slightly by 0.5% quarter-over-quarter but posting a strong 12.4% increase year-over-year. Over the past three years, rental growth has been substantial, with the market average rising 32.3% since Q1 2023.

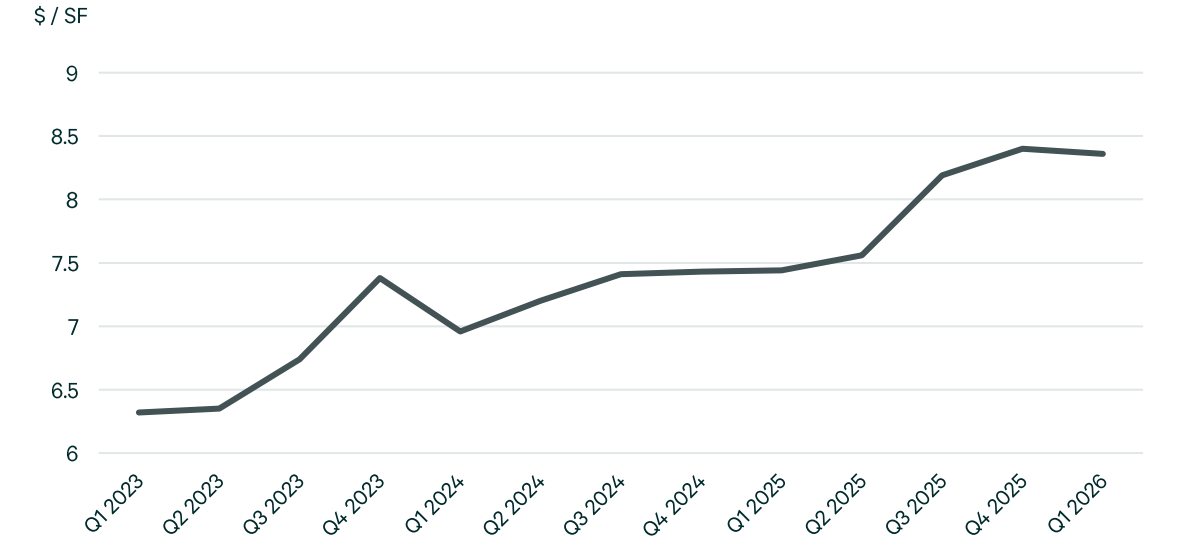
Recent absorption of lower-priced, bulk industrial space has played a meaningful role in shaping market averages, both through its direct impact on weighted rent calculations and by improving landlord leverage. As long-standing availabilities are absorbed, owners can gain more confidence in maintaining steadier asking rents, even amid broader market normalization.

Figure 2: Availability Rates



Source: CBRE Research, Q1 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q1 2026

Net Absorption

Net absorption totaled 289,000 sq. ft. in Q1 2026, extending the market’s recent run of positive demand. This brought rolling 12-month net absorption to 3.4 million sq. ft., while cumulative absorption over the past three years reached 4.1 million sq. ft., as strong gains throughout 2025 more than offset prior periods of softness.

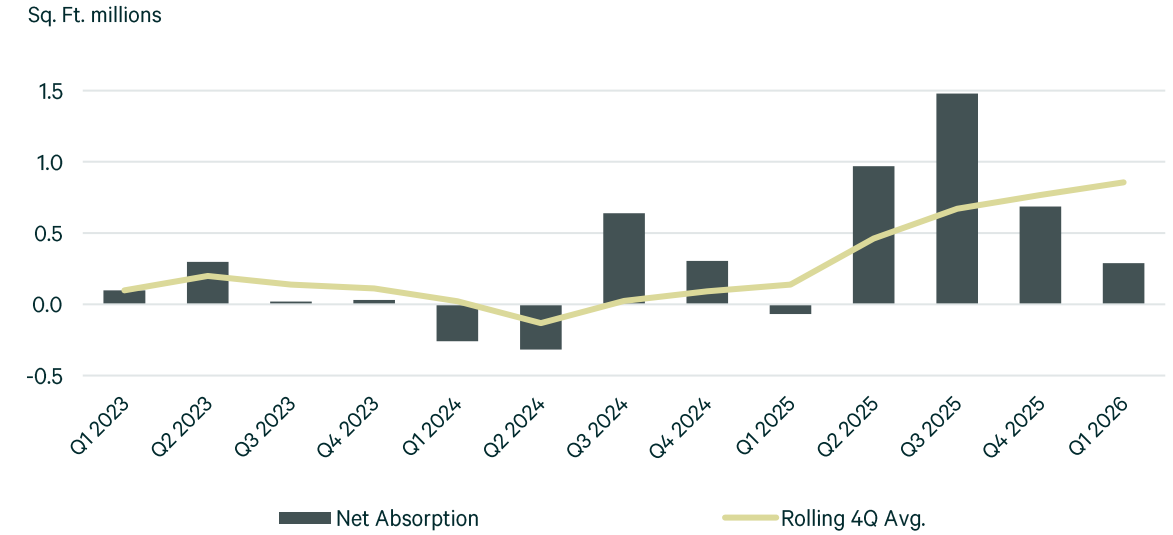
Net absorption during the quarter was concentrated primarily in Western Polk County, where tenant demand has closely tracked new construction activity. By comparison, Eastern Polk County submarkets—such as Davenport—remain well leased, offering fewer opportunities for incremental absorption despite continued interest.

Construction Activity

Construction deliveries remained limited during Q1 2026, totaling just 46,800 sq. ft. Looking ahead, an additional 568,000 sq. ft. is scheduled to deliver in Q2 2026; however, only 264,000 sq. ft. of this pipeline is currently available for lease, signaling strong pre-leasing momentum and restrained near-term supply risk.

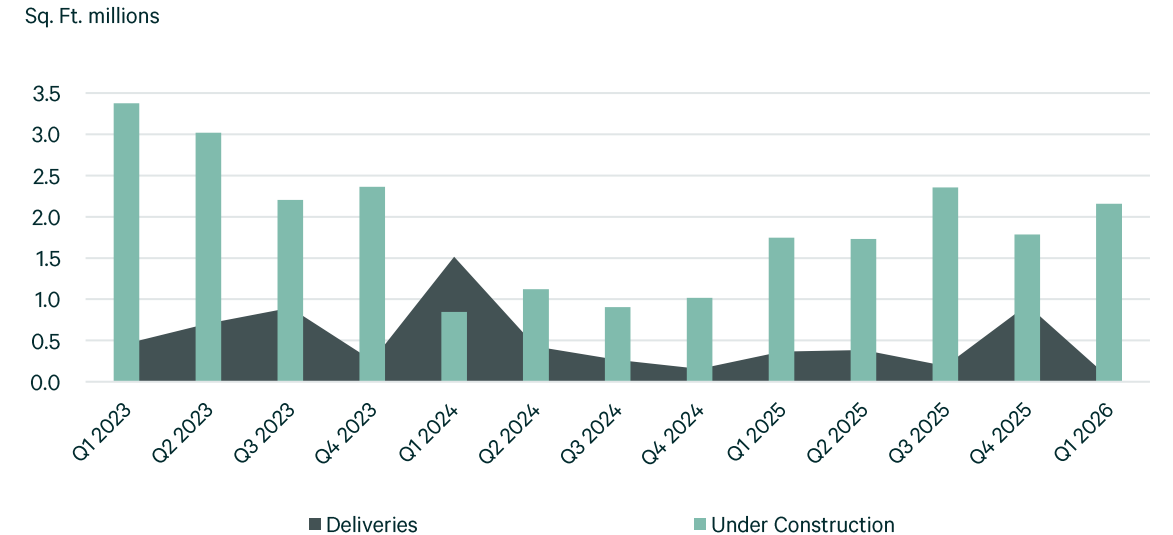
The largest speculative project underway is a 261,000 sq. ft. building at Lakeland Central Park, underscoring developers’ continued caution toward speculative bulk construction. Despite the rapid tightening of availability in larger size ranges, development activity suggests that builders remain selective, favoring pre-committed projects over broader speculative exposure.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 5: Construction Activity



Source: CBRE Research, Q1 2026

Market Statistics by Size

Figure 6

Size Range	Net Rentable Area (MSF)	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 (MSF)
Under 100,000 sq. ft.	13.57	6.7	8.1	7.9	0.1	12.90	(186,000)	(186,000)	47,000	0.31
100,000-199,999 sq. ft.	8.03	6.8	9.3	9.3	-	9.81	111,000	111,000	-	0.55
200,000-299,999 sq. ft.	8.89	10.9	11.5	11.5	-	9.09	(19,000)	(19,000)	-	0.99
300,000-499,999 sq. ft.	11.63	10.9	13.2	13.2	-	6.99	383,000	383,000	-	0.31
500,000-749,999 sq. ft.	8.66	7.0	10.8	10.8	-	6.97	-	-	-	-
750,000 sq. ft.	15.03	3.2	3.2	3.2	-	7.00	-	-	-	-
Total	65.80	7.3	8.8	8.8	0.0	8.36	289,000	289,000	47,000	2.16

Source: CBRE Research, Q1 2026

Market Statistics by Product Type

Figure 7

Product Type	Net Rentable Area (MSF)	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 (MSF)
Distribution/Logistics	57.98	8.0	9.6	9.6	0.0	8.31	304,000	304,000	-	2.03
Manufacturing - General	7.24	0.9	2.1	2.1	-	15.00	-	-	-	0.05
R&D/Flex	0.59	13.6	14.9	14.9	-	16.52	(15,000)	(15,000)	47,000	0.08
Total	65.80	7.3	8.8	8.8	0.0	8.36	289,000	289,000	47,000	2.16

Source: CBRE Research, Q1 2026

Market Statistics by Submarket

Figure 8

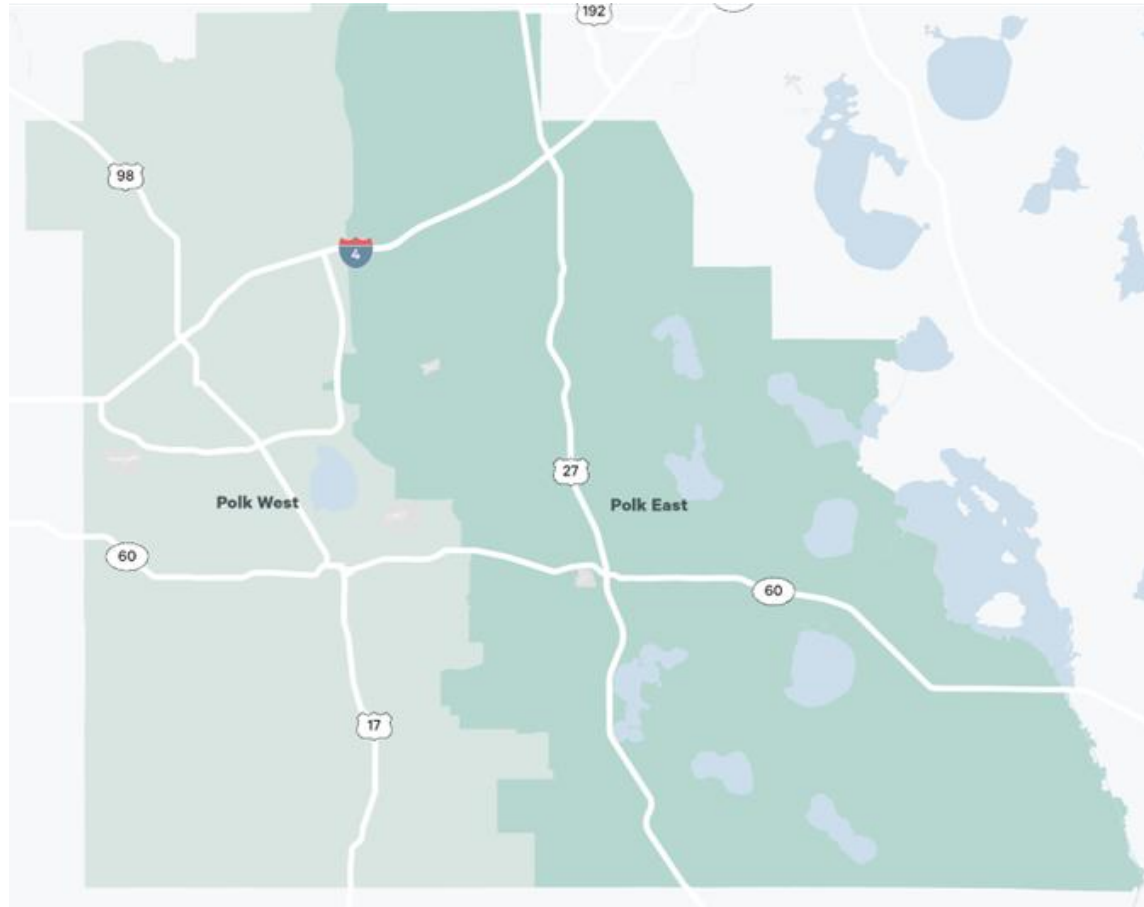
Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (MSF)
Polk East	21.57	4.0	4.2	4.2	-	9.10	13,000	13,000	-	0.86
Polk West	44.24	8.8	11.1	11.0	0.0	8.20	276,000	276,000	47,000	1.30
Total	65.80	7.3	8.8	8.8	0.0	8.36	289,000	289,000	47,000	2.16

Source: CBRE Research, Q1 2026

Economic Overview

The current business cycle may be five years old, but U.S. growth appears resilient, despite clear risks on the horizon. GDP growth should average 2.1%, matching 2025 and exceeding peer economies. America’s aggressive build-out of AI infrastructure is a unique edge. Hyperscaler capex is nearing 3% of GDP—just below residential investment. Concerns about the sustainability of this growth and its broader impact are rattling both credit and equity markets. Operation Epic Fury and global energy prices are also a concern. Assuming the conflict is resolved quickly, and U.S. oil prices stay in the \$80/bbl range, the impact on U.S. growth should be minimal. The impact on headline inflation, which is forecast to average 3.2% this year, up from the mid-2% range in February, will be material. Should the conflict escalate, this would elevate inflation and long-term yields and would likely impact the commercial real estate market.

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 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.

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