

FIGURES | ORLANDO INDUSTRIAL | Q2 2026

# Moderate Absorption Amid Elevated Vacancy and Firming Rents

▲ 10.2%

Vacancy Rate

▲ 252,095

SF Net Absorption

▼ 362,152

SF Construction Delivered

▲ 2.9M

SF Under Construction

▲ \$10.29

FSG/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

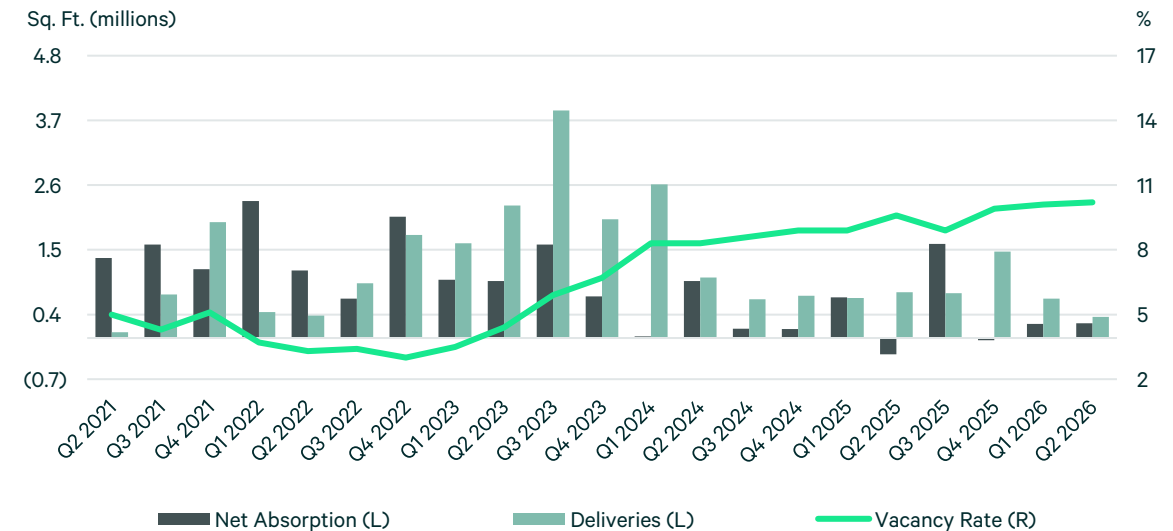
## Market Overview

The market in Q2 2026 posted positive net absorption of 252,000 sq. ft., extending the modest gain of 243,000 sq. ft. in Q1 2026. Vacancy edged up quarter-over-quarter from 10.1% to 10.2% and is up from 9.6% year-over-year, while availability eased slightly quarter-over-quarter from 12.9% to 12.7% but remains above the 11.2% recorded a year earlier. Average asking rents continued to firm, increasing to \$10.29 per sq. ft., up from \$10.25 quarter-over-quarter and from \$9.17 year-over-year. Construction activity remains active, with 2.9 million sq. ft. under construction and 362,000 sq. ft. delivered during the quarter.

Over the longer period, conditions have shifted from the tight 3.0%–3.5% vacancy range seen through 2022 and early 2023 to the current double-digit vacancy environment, even as average asking rents have risen from \$7.97 in Q2 2021 to \$10.29 in Q2 2026. Availability has followed a similar trajectory as sustained development and a series of sizable deliveries since 2023 have expanded inventory faster than occupancy growth.

During the current quarter, new leasing was anchored by three large transactions totaling 258,000 sq. ft. The largest was a 105,000 sq. ft. commitment by a confidential tenant in Osceola County and South East Orange County recorded two sizable deals.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2026

## Vacancy Rate

Overall vacancy reached 10.2% in Q2 2026, up 10 basis points quarter-over-quarter from 10.1%, reflecting a 1.0% increase in vacant space. Year-over-year, overall vacancy rose 60 basis points from 9.6% in Q2 2025, a 6.3% increase, while direct vacancy climbed 70 basis points to 9.6% from 8.9%. Compared with Q2 2023, when overall vacancy was 4.4%, the market has experienced a 580 basis point expansion in vacancy over three years.

At the district level, the single reported district in Q2 2026 posted an overall vacancy rate of 10.2%, with direct vacancy at 9.6%. With direct vacant space totaling 14.8 million sq. ft., this district simultaneously represents both the lowest and highest vacancy position in the dataset, and its sublease vacancy rate of 0.6% is the sole district-level sublease observation.

In Q2 2026, sublease vacancy increased from 0.5% to 0.6%, a rise of 10 basis points quarter-over-quarter and a 20.0% increase in the sublease rate, but remains 10 basis points below its 0.7% level a year earlier, a negative 14.3% change year-over-year. This equates to 958,251 sq. ft. of sublease space standing vacant in the current quarter.

## Asking Rent

Average asking rent reached \$10.29 in Q2 2026, up 0.4% on a quarter-over-quarter basis and 12.2% year-over-year. Over the full data series, average asking rent increased from \$7.97 in Q2 2021 to \$10.29 in Q2 2026, a cumulative rise of about 29.1%. The path between these points has been uneven, with strong gains through 2022, a pullback in 2023, and a steady firming of rents from late 2024 through 2026.

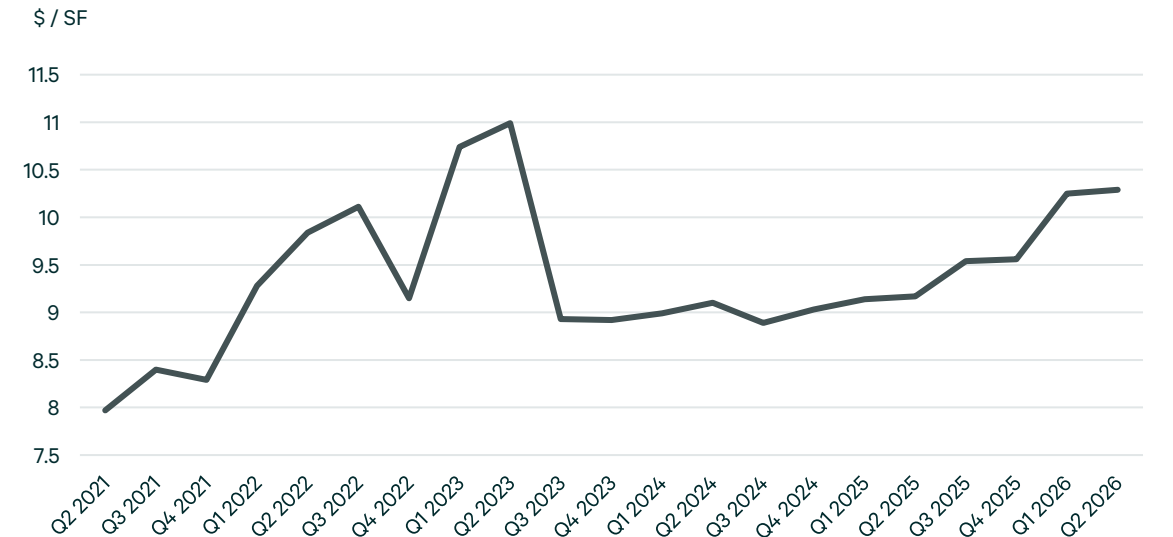
For Q2 2026, the only location-related entry shows an aggregate asking lease rate of \$10.29 tied to an unspecified district field, matching the overall market average for that quarter. Because the information is not broken out by named districts or prior-period district histories, year-over-year changes and relative movements at the district level cannot be quantified from the current data.

Figure 2: Vacancy Rate



Source: CBRE Research, Q2 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q2 2026

## Construction Activity

In Q2 2026, the market recorded 2.9 million sq. ft. under construction and 362,000 sq. ft. delivered. Under construction volume rose 28.0% quarter-over-quarter but was negative 1.4% year-over-year, while deliveries declined 46.2% quarter-over-quarter and 53.8% year-over-year. Even with this recent uptick, space under construction is well below the Q3 2022 peak of 9.5 million sq. ft., reflecting a materially smaller development pipeline than in prior years.

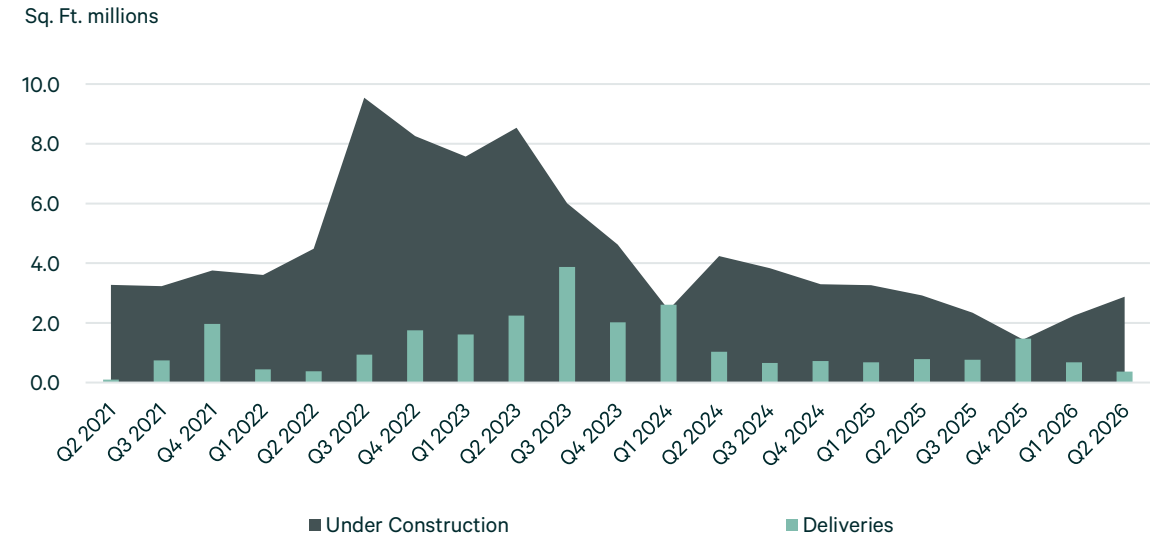
In Q2 2026, South East Orange County has 1.8 million sq. ft. under construction across five industrial projects. The largest buildings underway are First 417 Logistics Park – Building 300 at 542,000 sq. ft. and Venture Park Beachline II – Building 200 at 408,000 sq. ft., both 0.0% pre-leased, while four speculative projects totaling 1.6 million sq. ft. contrast with Prologis Park at AIPO at 249,000 sq. ft., which is 100.0% pre-leased with delivery scheduled for Q3 2026.

## Net Absorption

Net absorption in Q2 2026 totaled 252,000 sq. ft., modestly exceeding Q1 2026 by 3.7% on a quarter-over-quarter basis. However, it remained 188.7% below the level recorded in Q2 2025, underscoring how pronounced the swings have been over the past year. The rolling four-quarter average reached 514,000 sq. ft., exceeding the prior quarter by 35.3% and standing 182.8% above the same period last year, reflecting the influence of earlier quarters that ranged from negative 284,000 sq. ft. in Q2 2025 to 1.6 million sq. ft. in Q3 2025.

The single reported district, which holds absorption rank 1, recorded positive net absorption of 252,000 sq. ft. in Q2 2026. Year-to-date, this district has absorbed 495,000 sq. ft., matching the combined net absorption for Q1 and Q2 2026. With no other districts reported, the first-half 2026 absorption profile is fully captured within this market-level figure.

Figure 4: Construction Activity



Source: CBRE Research, Q2 2026

Figure 5: Net Absorption Trend



Source: CBRE Research, Q2 2026

## Leasing Activity

In Q2 2026, leasing activity totaled 977,000 sq. ft., down from 1.8 million sq. ft. in Q1 2026. Over the past four quarters, tenants leased 6.6 million sq. ft., compared with 10.9 million sq. ft. during the preceding year, underscoring a broad slowdown in deal volume. The latest quarter registered a negative 46.9% change quarter-over-quarter and a negative 74.2% shift year-over-year.

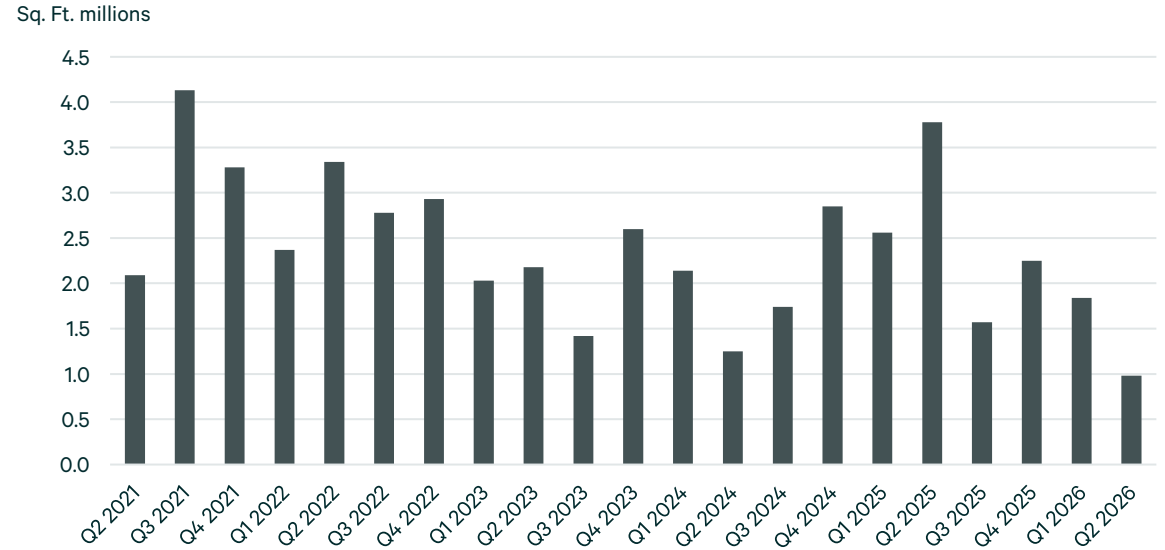
At the submarket level, the single reported district accounted for 977,000 sq. ft. of leasing in Q2 2026, anchoring all recorded activity. No other districts with positive leasing activity are reported for the quarter, so this one area simultaneously represents both the highest and lowest level of leasing in the market snapshot.

## Economic Overview

The U.S. economy enters mid-2026 navigating crosscurrents but growing at a healthy pace, with CBRE projecting GDP growth averaging 2.2%, broadly in line with 2025. The AI investment boom is certainly a key driver of this expansion. Concerns surrounding the sustainability of this growth are valid, but we expect AI-related business investment to continue.

The more pressing concern in recent months has been the U.S./Iran conflict and its impact on world energy prices, which recently pushed U.S. inflation to 4.2%. Should the prospective peace deal announced in June come to fruition, inflation would fall to the upper 3% range by year-end as energy prices slowly decrease. Stickier inflation has pushed Treasury yields well above 4%, complicating real estate markets. On the upside, the prospect for peace and normal trade flows in the Persian Gulf could refresh the optimism the CRE market felt at the beginning of the year.

Figure 6: Leasing Activity Trend



Source: CBRE Research, Q2 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address
Confidential Tenant	105,000	New Lease	N Old Lake Wilson Road
JD Logistics United States	99,000	New Lease	4545 Portier Blvd
Event Source	54,000	New Lease	1401-1419 Flora Blvd
Goodwill Industries	48,000	New Lease	9700 Satellite Blvd
Southeast Exhibits & Events	46,000	New Lease	1020 Crews Commerce Dr
JD Logistics United States	45,000	New Lease	4545 Portier Blvd
Ryan Herco Products	45,000	Renewal	7001 Mccoy Rd

Source: CBRE Research, Q2 2026

## Market Statistics by Product Type

Figure 9

Product Type	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Distribution/Logistics	121.33M	11.6	14.4	13.0	1.4	9.98	303,000	631,000	362,000	2.60M
Manufacturing - General	23.09M	4.8	5.4	5.4	-	9.42	(55,000)	(63,000)	-	-
R&D/Flex	9.79M	5.9	8.3	7.3	1.0	17.72	4,000	(73,000)	-	268,000
<b>Total</b>	<b>154.21M</b>	<b>10.2</b>	<b>12.7</b>	<b>11.5</b>	<b>1.2</b>	<b>10.29</b>	<b>252,000</b>	<b>495,000</b>	<b>362,000</b>	<b>2.87M</b>

Source: CBRE Research, Q2 2026

## Market Statistics by Size

Figure 10

Size Range	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Below 50K SF	40.89M	5.2	6.9	6.4	0.5	14.80	6,000	(210,000)	26,000	317,000
50K-99,999 SF	30.09M	6.9	8.6	7.3	1.4	12.01	90,000	15,000	-	238,000
100K-249,999 SF	45.70M	11.1	14.2	12.6	1.7	10.62	157,000	358,000	336,000	740,000
250K-499,999 SF	21.98M	15.8	20.5	19.4	1.1	9.63	-	332,000	-	1.04M
500K-749,999 SF	8.20M	25.2	27.5	25.2	2.3	7.14	-	-	-	542,000
750,000 SF +	7.35M	11.9	11.9	11.9	-	6.00	-	-	-	-
<b>Total</b>	<b>154.21M</b>	<b>10.2</b>	<b>12.7</b>	<b>11.5</b>	<b>1.2</b>	<b>10.29</b>	<b>252,000</b>	<b>495,000</b>	<b>362,000</b>	<b>2.87M</b>

Source: CBRE Research, Q2 2026

## Market Statistics by Class

Figure 11

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	49.25M	18.2	20.8	19.2	1.7	9.25	342,000	745,000	142,000	1.73M
Institutional	39.42M	20.2	22.8	21.2	1.5	8.72	296,000	599,000	116,000	-
Other Class A	9.83M	10.1	13.2	11.0	2.2	12.94	46,000	146,000	26,000	1.73M
All Other Industrial	104.96M	6.5	8.8	7.9	0.9	11.96	(90,000)	(249,000)	220,000	1.15M
<b>Total</b>	<b>154.21M</b>	<b>10.2</b>	<b>12.7</b>	<b>11.5</b>	<b>1.2</b>	<b>10.29</b>	<b>252,000</b>	<b>495,000</b>	<b>362,000</b>	<b>2.87M</b>

Source: CBRE Research, Q2 2026

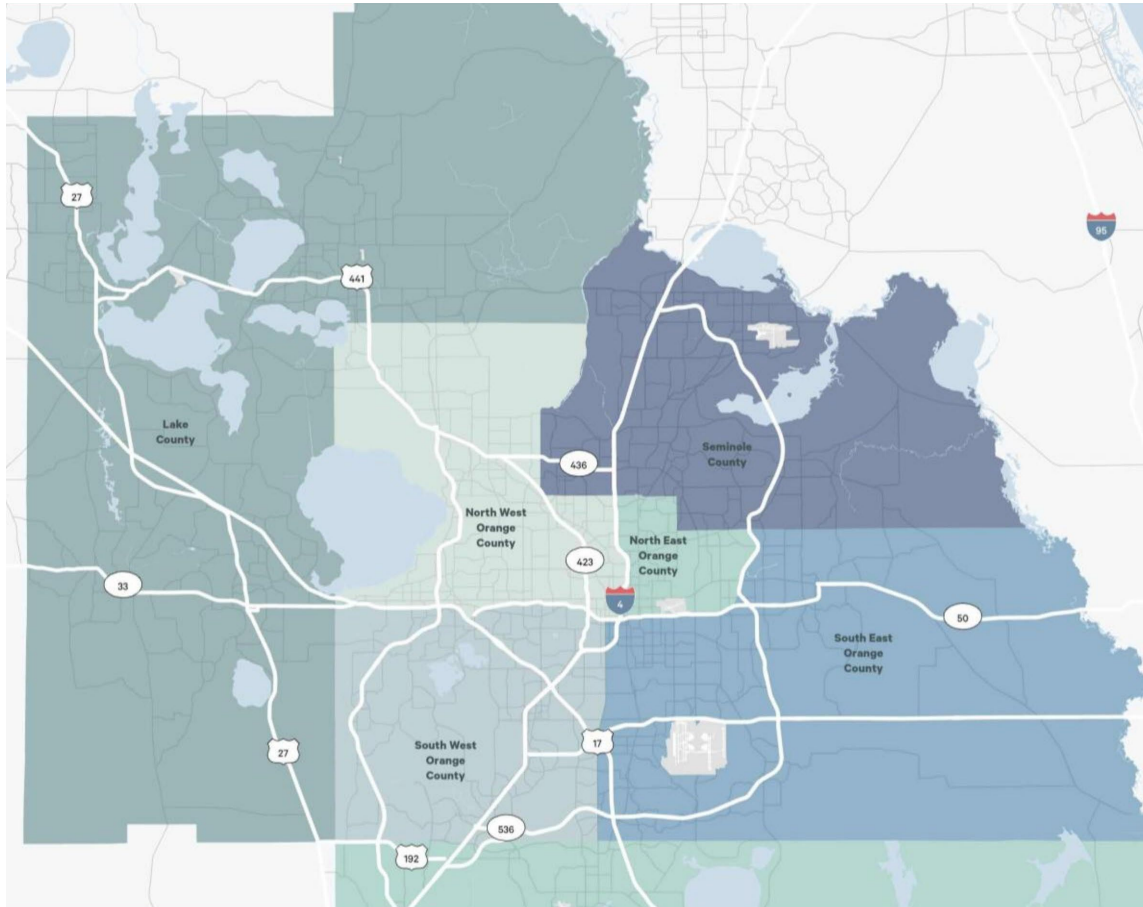
## Market Statistics by District

Figure 12

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Lake County	12.70M	19.3	22.2	19.4	2.8	7.00	(11,000)	(154,000)	26,000	379,000
North East Orange County	5.31M	8.6	8.8	8.4	0.4	16.06	(16,000)	18,000	-	-
North West Orange County	32.85M	13.7	14.8	13.0	1.8	9.70	31,000	519,000	-	100,000
Osceola County	8.40M	9.9	9.4	9.4	-	12.30	79,000	19,000	220,000	113,000
Seminole County	17.25M	4.5	5.0	4.5	0.5	14.07	268,000	263,000	116,000	264,000
South East Orange County	49.22M	9.6	13.1	12.1	1.1	11.55	(1,000)	(141,000)	-	1.99M
South West Orange County	28.49M	7.0	11.5	10.8	0.7	12.85	(98,000)	(28,000)	-	30,000
<b>Total</b>	<b>154.21M</b>	<b>10.2</b>	<b>12.7</b>	<b>11.5</b>	<b>1.2</b>	<b>10.29</b>	<b>252,000</b>	<b>495,000</b>	<b>362,000</b>	<b>2.87M</b>

Source: CBRE Research, Q2 2026

## 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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