Rents rise despite increased availability as new construction remains manageable

▲10.1%
Vacancy Rate

▲356,849
SF Net Absorption

▼672,535
SF Construction Delivered

▲2.1M
SF Under Construction

▲$10.01
NNN/YR Direct Lease Rate

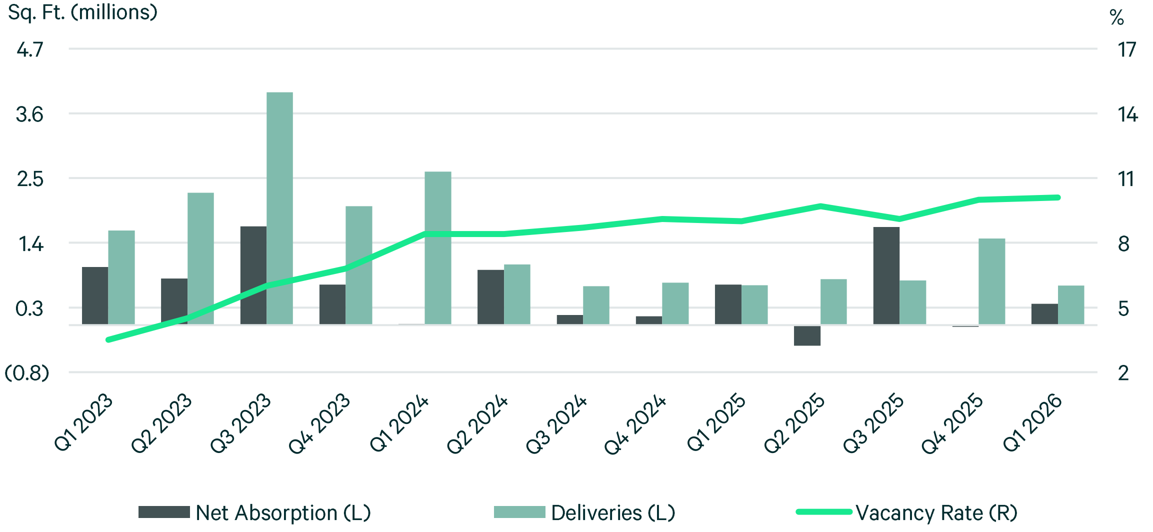
Note: Arrows indicate change from previous quarter.

Market Overview

The market in Q1 2026 recorded positive net absorption but higher vacancy and availability than a year earlier. Net absorption was 357,000 sq. ft., a 386,000 sq. ft. improvement from Q4 2025 but 330,000 sq. ft. below Q1 2025. Vacancy was 10.1%, up 0.1 percentage points quarter-over-quarter and 1.1 percentage points year-over-year, while availability reached 12.8%, increasing 1.8 percentage points from Q4 2025 and 2.1 percentage points from Q1 2025. Average asking rents rose to $10.01 per sq. ft., advancing 7.4% quarter-over-quarter and 12.4% year-over-year.

Construction metrics showed lower volumes than prior years despite a quarter-over-quarter increase. Space under construction totaled 2.1 million sq. ft., higher than Q4 2025 but 37.4% below the 3.3 million sq. ft. in Q1 2025 and below the 4.6 million sq. ft. recorded in Q4 2023. Q1 2026 deliveries were 673,000 sq. ft., 54.2% below the 1.5 million sq. ft. completed in Q4 2025. Overall, Q1 2026 closed with vacancy and availability above year-earlier levels, rents materially higher, and construction activity well below peak 2023 levels.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2026

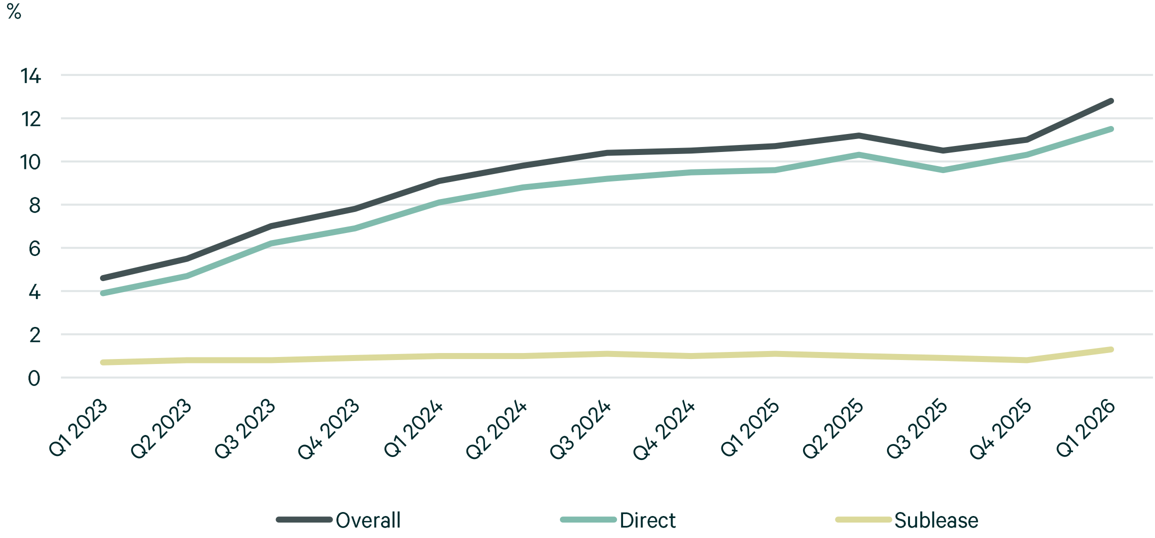
Availability Rate

The industrial market availability rate finished Q1 2026 at 12.8%, up from 11.0% in Q4 2025. Availability rose year-over-year from 10.7% in Q1 2025 to 12.8% in Q1 2026. Over the past three years, the overall availability rate has climbed from 4.6% in Q1 2023 to 12.8%.

Seminole County recorded the lowest availability rate in the metro at 5.2%, followed by Osceola County at 7.8%. Lake County posted the highest availability rate at 21.4%.

Sublease space availability increased in Q1 2026, with a rate of 1.3% compared to 0.8% in Q4 2025. In total, there was approximately 1.9 million sq. ft. of sublease space on the market in Q1 2026.

Figure 2: Availability Rates



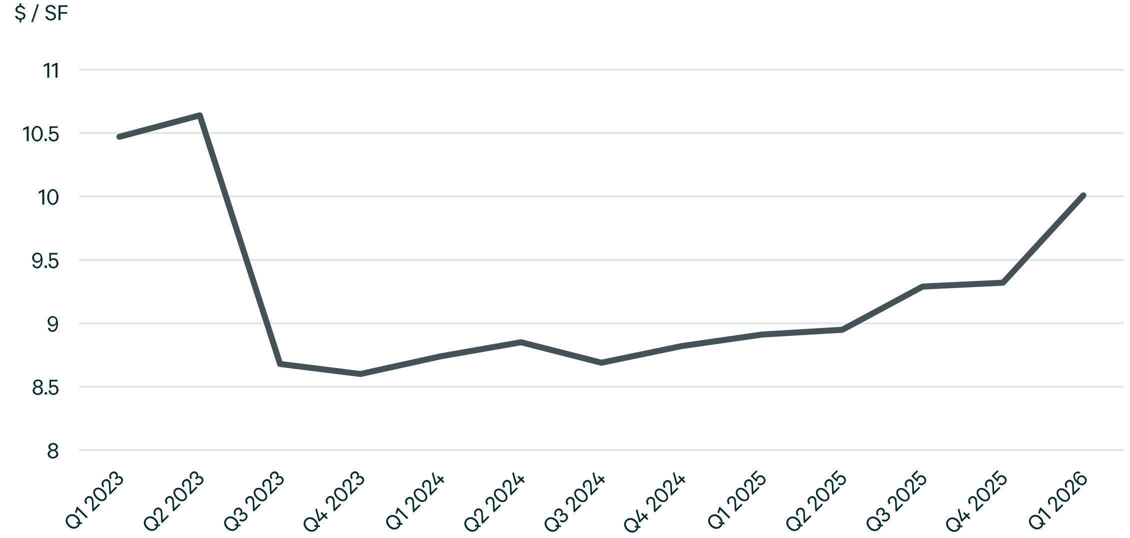
Source: CBRE Research, Q1 2026

Asking Rent

Average asking rent reached $10.01 per sq. ft. in Q1 2026. This represented a 7.4% increase quarter-over-quarter and a 12.4% increase year-over-year. Although some of this growth has been the result of bulk leasing removing relatively lower rents from the calculation, straight (unweighted) average asking rents are still up 10.5% year-over-year, demonstrating organic rental rate growth.

In Q1 2026, North East Orange County recorded the highest average asking lease rate at $16.83 per sq. ft., followed by Seminole County at $13.79 per sq. ft., Osceola County at $11.84 per sq. ft., South West Orange County at $11.28 per sq. ft., South East Orange County at $11.26 per sq. ft., North West Orange County at $9.52 per sq. ft., and Lake County at $6.87 per sq. ft.

Figure 3: Average Direct Asking Rate



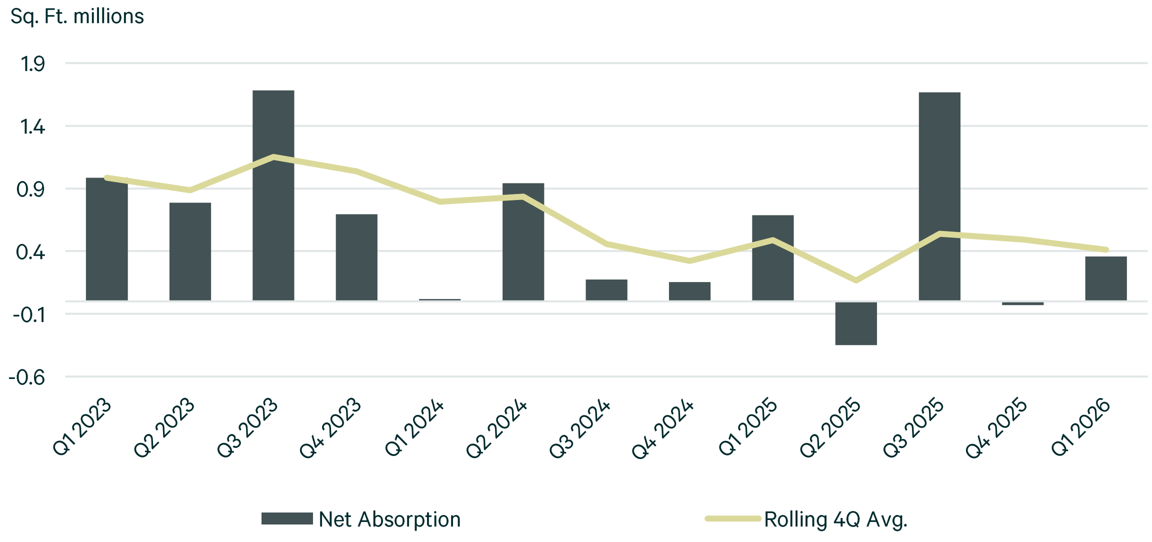
Source: CBRE Research, Q1 2026

Net Absorption

Net absorption was positive 357,000 sq. ft. in Q1 2026, up from negative 29,000 sq. ft. in the previous quarter. However, this total was below the 687,000 sq. ft. recorded in Q1 2025, a negative 48.0% year-over-year change, highlighting continued volatility in quarterly demand. Major occupancies by Keystone Automotive Industries (237,648 sq. ft.), Waymo (130,400 sq. ft.), VistaPark Industries (68,240 sq. ft.), Kenpat (58,107 sq. ft.), Florida Freight Lines (58,000 sq. ft.) and AssistRX (54,292 sq. ft.) contributed to the positive absorption total during first quarter.

Positive net absorption for Q1 2026 was concentrated primarily in the North West Orange County submarket with 496,000 sq. ft. for the quarter, and the North East Orange County submarket with 34,000 sq. ft. South West Orange County and South East Orange County were the other submarkets recording positive net absorption with 28,000 sq. ft. and 16,000 sq. ft., respectively. Three submarkets recorded negative net absorption, Lake County with negative 180,000 sq. ft., Osceola County with negative 21,000 sq. ft., and Seminole County with negative 17,000 sq. ft.

Figure 4: Net Absorption Trend



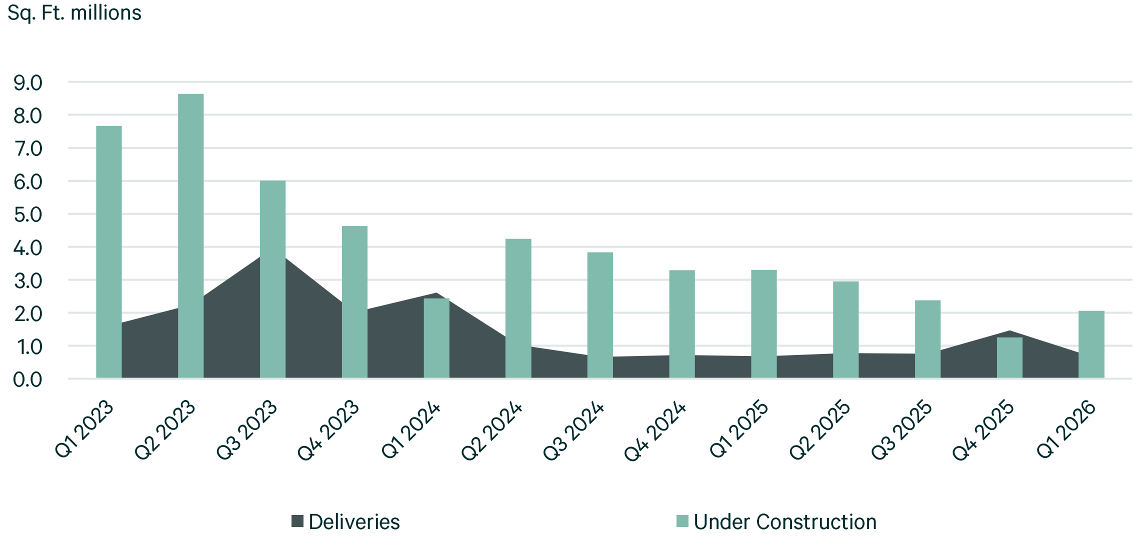
Source: CBRE Research, Q1 2026

Construction Activity

In Q1 2026, the market had 2.1 million sq. ft. under construction and 673,000 sq. ft. of new product delivered. Under construction volume increased 64.0% quarter-over-quarter but was 37.5% lower than a year earlier, while deliveries fell by 54.2% versus the prior quarter and by 1.0% year-over-year.

Groundbreakings this quarter included Venture Park Beachline II totaling 747,824 sq. ft. between two buildings in South East Orange County, Camp Lake Commerce Center totaling 378,892 sq. ft. between two buildings in Lake County and Lake Mary Technology Center totaling 238,173 sq. sf. between four buildings in Seminole County.

Figure 5: Construction Activity



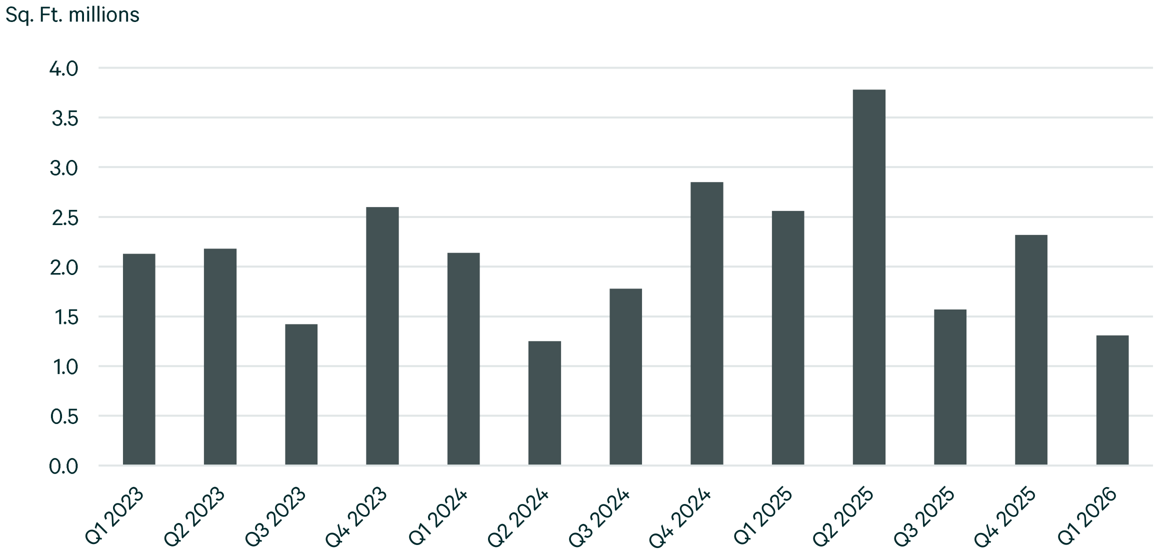
Source: CBRE Research, Q1 2026

Leasing Activity

At the close of Q1 2026, leased area was 1.3 million sq. ft., down 43.8% quarter-over-quarter and down 49.1% year-over-year. Compared with Q1 2023, activity is down 38.7% and remains well below the Q2 2025 peak of 3.8 million sq. ft.

South West Orange County and South East Orange County record the highest leased areas at 515,000 sq. ft. and 321,000 sq. ft., respectively, reflecting the strongest submarket activity. North West Orange County (212,000 sq. ft.), Seminole County (196,000 sq. ft.), and Osceola County (63,000 sq. ft.) also post positive leasing, though at meaningfully lower volumes.

Figure 6: Leasing Activity Trend

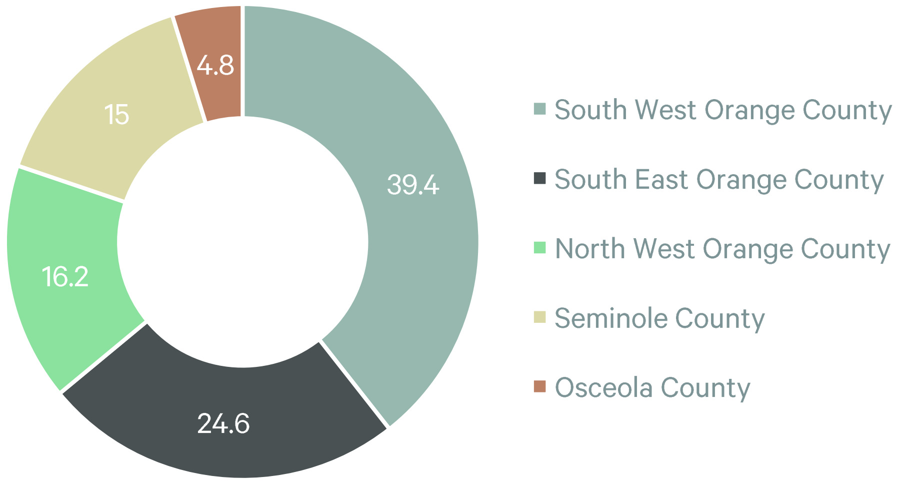


Source: CBRE Research, Q1 2026

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.

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



Source: CBRE Research, Q1 2026

Market Statistics by Size

Figure 8

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.	72.02	6.0	7.4	6.7	0.7	12.86	(262,000)	(262,000)	233,000	0.46
100,000-199,999 sq. ft.	37.00	9.4	12.8	10.5	2.3	10.53	314,000	314,000	-	0.61
200,000-299,999 sq. ft.	14.56	16.4	21.5	18.6	2.9	9.92	(28,000)	(28,000)	440,000	0.25
300,000-499,999 sq. ft.	15.40	16.3	21.9	21.9	-	9.63	332,000	332,000	-	0.75
500,000-749,999 sq. ft.	8.20	25.2	27.5	25.2	2.3	7.14	-	-	-	-
750,000 sq. ft.	7.35	11.9	11.9	11.9	-	6.00	-	-	-	-
Total	**154.53**	**10.1**	**12.8**	**11.5**	**1.3**	**10.01**	**357,000**	**357,000**	**673,000**	**2.06**

Source: CBRE Research, Q1 2026

Market Statistics by Product Type

Figure 9

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	121.56	11.5	14.5	13.0	1.5	9.71	481,000	481,000	673,000	1.79
Manufacturing - General	23.18	5.2	5.9	5.9	-	9.15	(47,000)	(47,000)	-	-
R&D/Flex	9.79	5.5	7.0	6.2	0.8	17.09	(77,000)	(77,000)	-	0.27
Total	**154.53**	**10.1**	**12.8**	**11.5**	**1.3**	**10.01**	**357,000**	**357,000**	**673,000**	**2.06**

Source: CBRE Research, Q1 2026

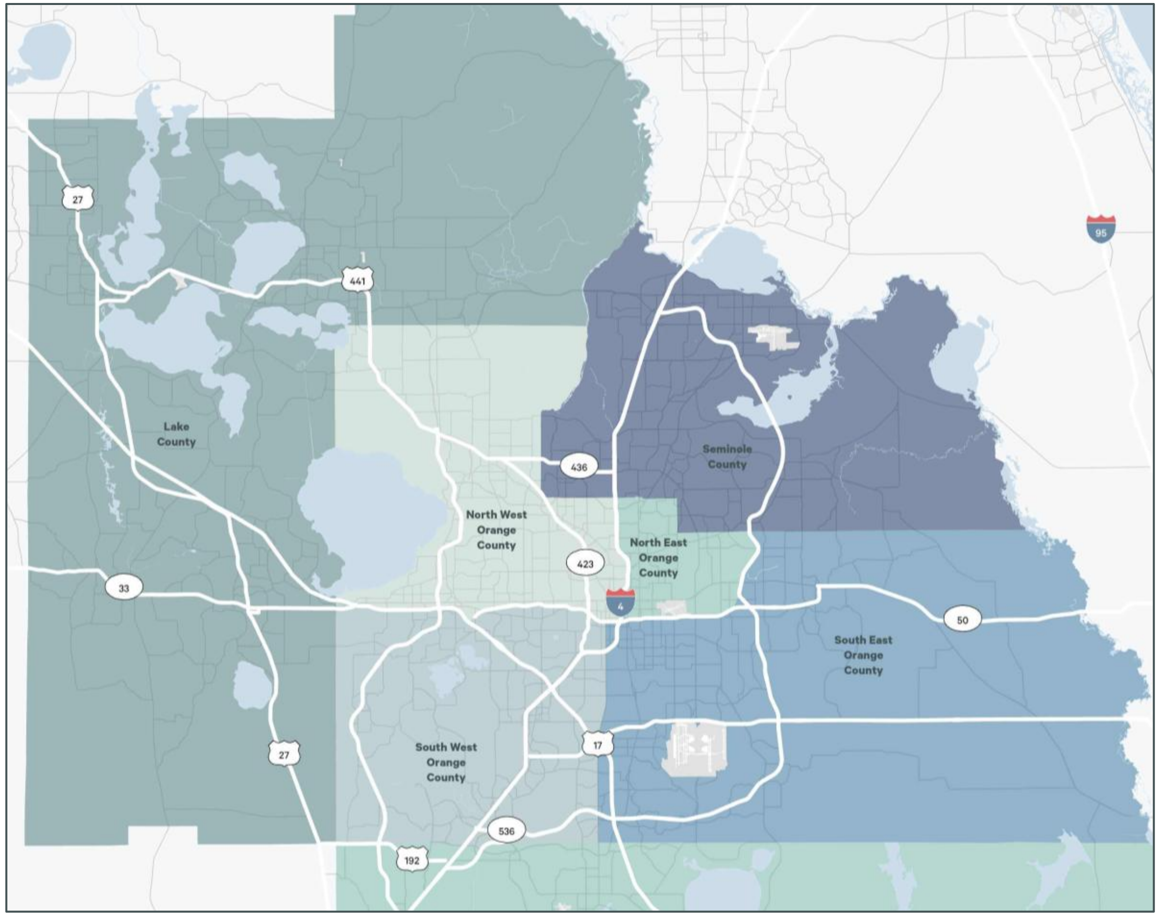
Market Statistics by Submarket

Figure 10

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)
Lake County	12.79	19.0	21.4	19.4	1.9	6.87	(180,000)	(180,000)	-	0.44
North East Orange County	5.39	8.5	8.8	8.4	0.4	16.83	34,000	34,000	-	-
North West Orange County	32.71	14.4	15.5	13.2	2.3	9.52	496,000	496,000	208,000	0.10
Osceola County	8.30	7.3	7.8	7.7	0.1	11.84	(21,000)	(21,000)	220,000	0.11
Seminole County	17.40	5.5	5.2	4.8	0.4	13.79	(17,000)	(17,000)	25,000	0.38
South East Orange County	49.42	9.3	13.5	12.5	1.0	11.26	16,000	16,000	220,000	1.00
South West Orange County	28.52	6.7	11.2	10.1	1.1	11.28	28,000	28,000	-	0.03
Total	**154.53**	**10.1**	**12.8**	**11.5**	**1.3**	**10.01**	**357,000**	**357,000**	**673,000**	**2.06**

Source: CBRE Research, Q1 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

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).

Contacts

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

Kennedy Parrish
Senior Research Analyst
+1 407 404 5074
kennedy.parrish@cbre.com

CBRE