<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. industrial drivers</td>
<td>3</td>
</tr>
<tr>
<td>Miami industrial market fundamentals</td>
<td>9</td>
</tr>
<tr>
<td>Fort Lauderdale industrial market fundamentals</td>
<td>25</td>
</tr>
<tr>
<td>West Palm Beach industrial market fundamentals</td>
<td>41</td>
</tr>
<tr>
<td>Tampa industrial market fundamentals</td>
<td>57</td>
</tr>
<tr>
<td>Orlando industrial market fundamentals</td>
<td>72</td>
</tr>
<tr>
<td>Jacksonville industrial market fundamentals</td>
<td>86</td>
</tr>
<tr>
<td>Looking forward</td>
<td>100</td>
</tr>
<tr>
<td>Get in touch</td>
<td>102</td>
</tr>
</tbody>
</table>

© 2022 Avison Young – Florida, LLC. All rights reserved.
E. & O.E.: The information contained herein was obtained from sources which we deem reliable and, while thought to be correct, is not guaranteed by Avison Young.
Let’s look at U.S. industrial drivers

Supply chain disruptions have taken the spotlight at the end of 2021, but industrial real estate fundamentals remain strong.
Online sales as a percentage of total retail activity have continued to normalize over the course of the year, but remain significantly elevated over 2019 levels. This underscores a resetting of consumer buying habits as e-commerce spending remains sustainable and supports continued demand for industrial space in most U.S. markets.
Industrial sector job gains and losses

3.6%

change in transportation and warehousing employment, February 2020 to November 2021.

The transportation & warehousing employment sector has been resilient throughout the pandemic and performed ahead of other sectors in the latter part of this year. Manufacturing, construction and wholesale trade comprise similar proportions of total U.S. employment, but jobs have continued to contract since February 2020.

Note: Seasonally adjusted data
Source: Bureau of Labor Statistics
Construction material costs have continued to surge throughout 2021, pressuring industrial new construction pro forma rents. While the third quarter offered some reprieve in pricing, scarcity and supply chain disruptions have injected additional uncertainties.

Note: Data not seasonally adjusted
Source: Bureau of Labor Statistics
Fuel costs and freight trucking driver wages

+45.2%

uptick in diesel fuel prices since October 2020.

Rising diesel fuel prices and wage rates, for both short- and long-haul trucking, are exacerbating pressures on shipping costs for companies that may have also faced international supply chain disruptions and continued constraints from driver shortages.

Source: Bureau of Labor Statistics, U.S. Energy Information Administration; AVANT by Avison Young
Loaded import container volumes

+9.9%

year-over-year increase in cargo volumes, despite supply chain disruptions and port congestion.

Through November, loaded imports at major U.S. seaports are up significantly over the same period last year. Despite heavy reporting in mainstream news and solutions still being conceptualized, throughput activity is being processed and moving into domestic supply chains.

Note: Includes Los Angeles, Long Beach, New York / New Jersey, Savannah, Virginia, Houston, Charleston, Oakland, Seattle / Tacoma, Miami, Baltimore, Jacksonville ports; Source: individual port authority websites
Let’s look at the industrial market fundamentals in Miami
Key industrial takeaways

Economic conditions

- Miami’s economy bounced back tremendously during 2021 with the **unemployment rate dropping to 3.7%** from a high of 15.2% in July of 2020, nearly making full recovery. Over the same time period, Miami added back 228,345 jobs across all sectors.

- Between February 2020 and November 2021, industrial sector jobs in South Florida contracted slightly by 0.5%. The transportation, warehousing and utilities sector grew by 3.1%, while wholesale trade jobs decreased by 3.4%.

Recovery rate

- Miami is “open for business” and has made a strong recovery across all industry sectors since lockdown began. According to the overall post-Covid rate of recovery based on extrapolated cell phone data across the industry sectors of office, retail, transit, healthcare, education, hospitality and tourism, government, and residential retail, **Miami has recovered by 86.4%—well above the U.S. average of 66.6%**.

Industrial demand

- Coming off an already strong year in 2020, Miami’s **leasing activity reached an all-time high in 2021 with total volume reaching 17.8 million square feet**. Demand continues to be dominated by logistics, e-commerce, retail and wholesale tenants.

- **Total net absorption for 2021 smashed previous records with more than 7.6 msf absorbed**, surpassing the prior record of 4.5 msf in 2015 by 70%.
Key industrial takeaways

Industrial supply

- Miami’s overall **vacancy reached a record low of 3.2%**, despite 3.9 msf of new industrial space being delivered to the market during 2021.
- After a brief pause in 2020, construction activity came back in full force during 2021. **At the close of 2021, 6.4 msf remained under construction** in Miami with the most notable deliveries for 2022 within the Northwest Dade and Medley submarkets.

Pricing trends

- Miami’s industrial **asking rents—excluding flex space—have risen by 22.1% year-over-year to $10.39 per sf**. Landlords continue pushing rates to new heights in the $10-$11 NNN range. Developers have also been increasingly bullish on rates due to a dwindling supply of developable land in South Florida.

Capital markets

- Miami’s industrial investment surpassed the previous record set in 2019 with **investment volume totaling $1.7B during 2021**. Industrial investment was also up by 58.6% from year-end 2020.
- Amid an influx of industrial investment sales, **industrial asset pricing has risen by 43.5% year-over-year**. Industrial investors remain bullish on industrial assets located in densely populated areas and an uptick in acquisitions of cold storage facilities has also placed upward pressure on pricing.
Miami’s economy is back in full swing as the unemployment rate dropped to 3.7% in November 2021 from its peak of 15.2% in July 2020. The job recovery this recession cycle has been swift when compared to the job recovery from the financial crisis.
The South Florida metro has experienced a slight decline of 0.5% in industrial jobs since February 2020. Transportation, warehousing and utilities jobs saw the strongest growth of 3.1% while wholesale trade jobs contracted by 3.4% since the onset of the pandemic.
Consumer prices and inflation rates

+7.1%

year-over-year change in Consumer Price Index for South Florida, all items.

South Florida consumer prices skyrocketed at the end of 2021 with overall consumer prices on all items rising 7.1% in December. While housing and food prices increased significantly by 5.4% and 3.1%, the sharpest increases were within transportation (+23.2%) and energy prices (+29.3%).

Note: Not seasonally adjusted Metropolitan Statistical Area data
Source: Bureau of Labor Statistics
Supply chain disruptions, including labor shortages and congestion at major ports, have caused visitor volumes at e-commerce distribution facilities to decline in most North American markets.

Note: Not seasonally adjusted Metropolitan Statistical Area data
Source: Bureau of Labor Statistics
Freight rail and intermodal facilities

Heatmap of U.S. Intermodal Freight Facilities

[Map showing freight rail and intermodal facilities with color legend]

Blue Collar
0.00% - 19.62%
19.63% - 32.34%
32.35% - 45.61%
45.62% - 59.30%
59.31% - 100.00%

South and Central Florida Freight Lines
- CFRC
- FCEN
- FEC
- FMID
- SCF
- SFRC
Miami’s industrial market smashed previous leasing records at the end of 2021 amid unrelenting tenant demand. Leasing volume for the year totaled 17.8 million sf, up 29.1% from an already strong year in 2020. Demand continues to be fueled by logistics, e-commerce, retail and wholesale tenants.
Overall net absorption reached an all-time high in Miami in 2021 with 7.6 msf absorbed into the market. While Home Depot’s move-in of 1.1 msf at the beginning of 2021 was a large contributor, a handful of Amazon move-ins during the year, as well as the deliveries of new industrial projects with strong pre-leasing activity, boosted absorption numbers at the end of the year.
Despite new space being delivered to the market, Miami's overall vacancy continued to decline to a record low of 3.2%, down from 5.0% at year-end 2020. There has been robust tenant demand for new industrial product, particularly assets with clear heights of 36 or greater. Of the 7.1 msf that delivered during 2020 and 2021, only 12.8% remains available at year-end 2021.
Industrial development pipeline

94 properties
proposed, under construction

13.0%
share of inventory

6.4 msf
under construction in Miami

3.9 msf
delivered in Miami during 2021

Number of projects

<table>
<thead>
<tr>
<th>Size Range</th>
<th>Number of Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;100k sf</td>
<td>9</td>
</tr>
<tr>
<td>100 - 250k sf</td>
<td>11.3</td>
</tr>
<tr>
<td>250 - 500k sf</td>
<td>4.6</td>
</tr>
<tr>
<td>500 - 750k sf</td>
<td>2</td>
</tr>
<tr>
<td>&gt;750k sf</td>
<td>6</td>
</tr>
</tbody>
</table>

Total size (msf)

<table>
<thead>
<tr>
<th>Size Range</th>
<th>Total Size (msf)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;100k sf</td>
<td>0.6</td>
</tr>
<tr>
<td>100 - 250k sf</td>
<td>11.3</td>
</tr>
<tr>
<td>250 - 500k sf</td>
<td>4.6</td>
</tr>
<tr>
<td>500 - 750k sf</td>
<td>2</td>
</tr>
<tr>
<td>&gt;750k sf</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: AVANT by Avison Young
Overall industrial asking rental rates

+18.1%

year-over-year increase in overall asking rents for industrial assets.

Overall asking rents in Miami grew by 18.1% year-over-year as landlords continue to push rents toward the $10-$11 NNN range. Rising asking rates continued to be fueled by robust demand from e-commerce and logistics users, as well as the dwindling supply of developable land in Miami-Dade County.
Industrial asking rental rates

+22.1%

year-over-year increase in asking rents for industrial assets.

Industrial rents—excluding flex space—grew at a slightly faster clip than the overall asking rent. Industrial asking rates grew by 22.1% year-over-year to $10.39 per sf.
Industrial investment dollar volume

$1.7B

Miami industrial dollar volume during 2021.

Industrial investment sales activity surpassed the previous record set in 2019 with total investment volume reaching $1.7 billion in 2021. Investment volume was also up 58.6% from year-end 2020. Investors remain bullish on well-located industrial assets.
Industrial asset pricing has increased dramatically year-over-year by 43.5% due to a surge of industrial investment sales. Investors continue to pay top dollar for industrial assets located in dense areas. An uptick in acquisitions of cold storage facilities has also placed upward pressure on industrial asset pricing.
Let’s look at the industrial market fundamentals in Fort Lauderdale
Key industrial takeaways

Economic conditions

- Fort Lauderdale’s economy made a strong recovery in 2021 with the unemployment rate dropping to 3.8% in November 2021 from a peak of 17.4% in May 2020. Construction jobs saw an increase of 12.1% year-over-year.

- Between February 2020 and November 2021, industrial sector jobs in South Florida contracted slightly by 0.5%. The transportation, warehousing and utilities sector grew by 3.1%, while wholesale trade jobs decreased by 3.4%.

Recovery rate

- Florida’s “open for business” attitude has resulted in strong GDP growth during 2021. According to third quarter data released by the Bureau of Economic Analysis, Florida’s GDP grew by 3.7% annually, placing the state well above the US average growth of 2.3% and among the top 10 states in the country with the strongest GDP growth.

Industrial demand

- Industrial leasing activity reached an all-time high in Fort Lauderdale with leasing volume totaling 10 million square feet in 2021, up 34.7% from 2020 and greatly surpassing the previous record of 7.9 msf set in 2015.

- Fort Lauderdale’s net absorption also rose to a new height of 4.5 msf in 2021. Amazon contributed to more than 1.0 msf of positive absorption in 2021 due to several large-scale move-ins following a wave of lease signings during 2020.
Key industrial takeaways

Industrial supply

- After two years of record speculative construction deliveries in Fort Lauderdale, vacancy began to trend downward in 2021 as demand out-paced supply. **Overall vacancy declined to 5.1% at the end of 2021**, down from 7.7% at the end of 2020.

- Industrial **deliveries remained steady during 2021 with 2.0 msf** of new industrial space added to the market. Buildings H and G at the Hillsboro Technology Center in Northeast Broward delivered during the fourth quarter. The submarkets that had the largest number of new deliveries were Southwest Broward and Pompano Beach.

Pricing trends

- Fort Lauderdale’s direct average asking rate, excluding flex space, increased by **13.0% year-over-year to $10.13 per sf**. Landlords and developers remain bullish on asking rents in South Florida amid an influx of new industrial product and a dwindling supply of developable land.

Capital markets

- **Industrial investment volume in Fort Lauderdale surged to $1.3B during 2021**, surpassing the previous high of $1.1B set in 2019. Investors were particularly interested in industrial assets within the Southwest Broward and Pompano Beach submarkets.

- Following an uptick in industrial investment during 2021, **industrial asset pricing rose significantly by 38.4% year-over-year to $169 per sf**.
Fort Lauderdale's economy made a strong recovery during 2021 with the unemployment rate dropping to 3.8% in November 2021 from a peak of 17.4% in May 2020. The job recovery this recession cycle has been swift when compared to the job recovery from the financial crisis.
The South Florida metro has experienced a slight decline of 0.5% in industrial jobs since February 2020. Transportation, warehousing and utilities jobs saw the strongest growth of 3.1% while wholesale trade jobs contracted by 3.4% since the onset of the pandemic.
Consumer prices and inflation rates

+7.1%

year-over-year change in Consumer Price Index for South Florida, all items.

South Florida consumer prices skyrocketed at the end of 2021 with overall consumer prices on all items rising 7.1% in December. While housing and food prices increased significantly by 5.4% and 3.1%, the sharpest increases were within transportation (+23.2%) and energy prices (+29.3%).

Note: Not seasonally adjusted Metropolitan Statistical Area data
Source: Bureau of Labor Statistics
Supply chain disruptions, including labor shortages and congestion at major ports, have caused visitor volumes at e-commerce distribution facilities to decline in most North American markets.

<table>
<thead>
<tr>
<th>Visitor Volumes</th>
<th>Change vs. 2019</th>
<th>Change vs. 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021 Cyber Monday facility visitor volumes in Fort Lauderdale</td>
<td>-67.7%</td>
<td>-57.1%</td>
</tr>
</tbody>
</table>

Note: Not seasonally adjusted Metropolitan Statistical Area data

Source: Bureau of Labor Statistics
Freight rail and intermodal facilities

Heatmap of U.S. intermodal freight facilities
Industrial leasing activity

$+34.7\%$

increase in industrial leasing activity from 2020 to 2021.

Industrial leasing activity reached an all-time high in Fort Lauderdale with leasing volume totaling 10 msf during 2021, outpacing 2020’s volume by 34.7%. Leasing volume also blew past the previous high of 7.9 million set in 2015. Leasing activity for 2021 was bolstered by e-commerce, pharmaceutical/healthcare, wholesale and logistics tenants.

Source: CoStar
Industrial net absorption

+4.4%

Net absorption also broke records in Fort Lauderdale during 2021 with 4.5 million sf absorbed in the market. The uptick in positive absorption was largely due to several move-ins by Amazon during 2021, accounting for over 1.0 msf in positive net absorption.
Following two years of record construction deliveries and rising vacancy in Fort Lauderdale, vacancy was on a downward trend in 2021 as demand out-paced supply. Fort Lauderdale’s overall vacancy declined to 5.1% at the end of 2021, down from 7.7% at year-end 2020.
Industrial development pipeline

26 properties
proposed, under construction

6.7%
share of inventory

1.3 msf
under construction in Fort Lauderdale

2.0 msf
delivered in Fort Lauderdale during 2021

Source: AVANT by Avison Young
Overall industrial asking rental rates

+13.3%

year-over-year increase in asking rents for industrial assets.

The overall direct average asking rate has risen significantly year-over-year by 13.3%. A combination of new construction deliveries, as well as a dwindling supply of developable land has placed upward pressure on asking rents.

Source: AVANT by Avison Young
Industrial asking rental rates

+13.0%

year-over-year increase in asking rents for industrial assets.

Industrial rates, excluding flex space, have also risen at a similar pace to the overall industrial rate. Industrial asking rents rose 13.0% year-over-year to $10.13 per sf.

Source: AVANT by Avison Young
Industrial investment dollar volume

$1.3B

Fort Lauderdale industrial dollar volume during 2021.

Industrial investment activity surged to $1.3 billion in Fort Lauderdale in 2021, surpassing the previous high of $1.1 billion in 2019. Investors were particularly interested in the Southwest Broward and Pompano Beach submarkets.
An influx of industrial investment sales contributed to a boost in industrial asset pricing with the average price per sf rising by 38.4% year-over-year to $169 per sf. Investors remain bullish on high-quality, well-located industrial assets.
Let’s look at the industrial market fundamentals in West Palm Beach
Key industrial takeaways

Economic conditions

- West Palm Beach's economy has recovered to near pre-pandemic levels with the **unemployment rate dropping to 3.5%** from a high of 14.7% in April 2020. The strongest year-over-year job gains were within the leisure and hospitality sector (+13.9%).

- Between February 2020 and November 2021, industrial sector jobs in South Florida contracted slightly by 0.5%. The **transportation, warehousing and utilities sector grew by 3.1%**, while wholesale trade jobs decreased by 3.4%.

Recovery rate

- Florida’s “open for business” attitude has resulted in strong GDP growth during 2021. According to third quarter data released by the Bureau of Economic Analysis, Florida’s **GDP grew by 3.7% annually, placing the state well above the U.S. average growth of 2.3%** and among the top 10 states in the country with the strongest GDP growth.

Industrial demand

- Industrial leasing activity began to pick up in West Palm Beach during 2021 with **leasing volume totaling 2.3 million square feet for the year, up 31.5% from year-end 2020**, and recovering to near pre-pandemic levels. Demand continues to be driven by logistics and e-commerce tenants.

- West Palm Beach’s industrial **net absorption reached an all-time high during 2021 with 2.1 msf absorbed** to the market. The large boost in positive absorption is attributable to Amazon taking occupancy of over 1.0 msf earlier in the year.
Key industrial takeaways

Industrial supply

- Overall vacancy began to decline in 2021 after a slight uptick in 2020 amid a wave of new construction deliveries. At the end of 2021, overall vacancy declined to 4.1%, down from 6.1% at year-end 2020.

- Although 1.3 msf of new industrial product hit the market during 2021, the new supply was almost entirely made of Amazon's 1.0 msf built-to-suit facility in the Palm Beach Park of Commerce, which has helped keep vacancy in check. The largest speculative delivery was Building 26 (+212,188 sf) at the Palm Beach Park of Commerce in Jupiter.

Pricing trends

- West Palm Beach’s industrial rent growth resumed its upward momentum in 2021 after plateauing slightly in 2020. The industrial average asking rate, excluding flex space, increased by 10.9% year-over-year to $10.11 per sf. While rates in West Palm Beach are on a steady rise, the industrial rates of both Miami and Fort Lauderdale have now outpaced West Palm Beach.

Capital markets

- Industrial investment sales reached the highest point in history in West Palm Beach with investment volume totaling $0.6B. The largest sale of the quarter was Realterm Logistics’ acquisition of a seven-building portfolio in Riviera Beach for $127.5 million.

- Industrial asset pricing in West Palm Beach has risen by 12.1% year-over-year to $163 per sf. Driven by strong demand by e-commerce and logistics users, investors remain bullish on industrial assets in West Palm Beach.
West Palm Beach's economy made a strong recovery during 2021 with the unemployment rate dropping to 3.5% in November from a peak of 14.7% in April 2020. The job recovery this recession cycle has been swift when compared to the job recovery from the financial crisis.
The South Florida metro has experienced a slight decline of 0.5% in industrial jobs since February 2020. Transportation, warehousing and utilities jobs saw the strongest growth of 3.1% while wholesale trade jobs contracted by 3.4% since the onset of the pandemic.
Consumer prices and inflation rates

+7.1%

year-over-year change in Consumer Price Index for Chicago, all items.

South Florida consumer prices skyrocketed at the end of 2021 with overall consumer prices on all items rising 7.0% in December. While housing and food prices increased significantly by 5.4% and 3.1%, the sharpest increases were within transportation (+23.2%) and energy prices (+29.3%).
Last-mile distribution facility visitor volumes

-82.9%

change in visitor volumes since 2019.

Supply chain disruptions, including labor shortages and congestion at major ports, have caused visitor volumes at e-commerce distribution facilities to decline in most North American markets.

Note: Not seasonally adjusted Metropolitan Statistical Area data
Source: Bureau of Labor Statistics
Freight rail and intermodal facilities

Heatmap of U.S. Intermodal Freight Facilities
Industrial leasing activity

+31.5%

increase in industrial leasing activity from 2020 to 2021.

Industrial leasing activity began to pick up in West Palm Beach during 2021 with leasing volume totaling 2.3 msf for the year. Leasing activity was up 31.5% year-over-year and has recovered to pre-pandemic levels.
Industrial net absorption

+5.0%

Net absorption reached an all-time high in West Palm Beach during 2021 with 2.1 msf absorbed to the market. The boost in positive net absorption was largely driven by Amazon taking occupancy of more than 1.0 msf at their newly-delivered built-to-suit facility in the Palm Beach Park of Commerce in Jupiter.

Source: CoStar
Industrial vacancy rate

4.1%

West Palm Beach industrial vacancy rate as of year-end 2021.

Overall industrial vacancy in West Palm Beach was on the decline at the end of 2021 with total vacancy falling to 4.1% from 6.1% at year-end 2020. The most active leasing continues to take place within high-quality, class A industrial product.

Source: CoStar
**Industrial development pipeline**

**13 properties**
proposed, under construction

**4.4%**
share of inventory

**0.5 msf**
under construction in West Palm Beach

**1.3 msf**
delivered in West Palm Beach during 2021

Source: AVANT by Avison Young
West Palm Beach's industrial rent growth resumed its upward momentum in 2021 after plateauing slightly in 2020. The overall industrial asking rate increased by 8.6% year-over-year to $10.70 per sf. While rates in West Palm Beach are on a steady rise, the industrial rates of both Miami and Fort Lauderdale have now outpaced West Palm Beach.

Source: AVANT by Avison Young
Industrial asking rental rates

+10.9%

year-over-year increase in asking rents for industrial assets.

West Palm Beach’s industrial asking rate—excluding flex space—rose at a slightly stronger pace than the overall rate. The industrial asking rate increased by 10.9% year-over-year to $10.11 per sf.
Industrial investment dollar volume

$0.6B

West Palm Beach industrial dollar volume during 2021.

Industrial investment sales reached the highest point in history in West Palm Beach with investment volume totaling $0.6 billion. The largest sale of the quarter was Realterm Logistics’ acquisition of a seven-building portfolio in Riviera Beach for $127.5 million—more than quadrupling in value from the last sale of the portfolio for $29.5 million in 2005.
Industrial asset pricing

+12.1%

increase in industrial asset pricing in West Palm Beach from 2020 to 2021.

Industrial asset pricing in West Palm Beach has risen by 12.1% year-over-year to $163 per sf. Driven by strong demand by e-commerce and logistics users, investors remain bullish on industrial assets in West Palm Beach.
Let’s look at the industrial market fundamentals in Tampa
Key industrial takeaways

**Economic conditions**
- Economic fundamentals continued to strengthen in Tampa at year-end 2021 with the unemployment rate dropping to 3.4% from a high of 13.9% in April 2020. Construction jobs grew by 6.8% year-over-year.
- Tampa’s industrial employment grew by 2.5% since the onset of the pandemic—the strongest growth occurring within the transportation, warehousing, and utilities sector, which is up 9.7%.

**Recovery rate**
- Florida’s “open for business” attitude has resulted in strong GDP growth during 2021. According to third quarter data released by the Bureau of Economic Analysis, Florida’s GDP grew by 3.7% annually, placing the state well above the U.S. average growth of 2.3% and among the top 10 states in the country with the strongest GDP growth.

**Industrial demand**
- Industrial leasing activity in Tampa has been at its highest point on record during the last two years. Although leasing activity was down by 16% in 2021 from a record-breaking year in 2020, total volume still outpaced the previous high set in 2018.
- Total net absorption reached an all-time high in the Tampa/Lakeland area during 2021 with 8.5 million square feet absorbed. The strong increase was due to several large-scale build-to-suit projects that completed at the end of the year in Lakeland and Plant City.
Key industrial takeaways

Industrial supply

- Tampa’s overall vacancy continued its downward momentum to 5.2%—the lowest vacancy recorded in 15 years.
- Tampa had the strongest year on record for industrial deliveries with more than 5.9 msf of new space delivering during 2021. Just over 3 msf alone delivered in the Lakeland submarket during that same time period. Build-to-suit projects made up 52.6% of the deliveries, propelling net absorption numbers at the end of the year. Completions included several Amazon facilities, ACE Hardware, Home Depot, and Rooms To Go.

Pricing trends

- The average direct asking rate in Tampa increased by 2.1% year-over-year to $6.34 per sf. Asking rates have been on a steady upward trend over the last 10 years amid robust leasing activity and an influx of new construction deliveries.

Capital markets

- Industrial sales skyrocketed in Tampa at the end of the year with sales volume totaling $2.7B in 2021—the highest sales volume on record for the metro and more than double the previous highs set in 2019 and 2020. There has been a strong up-tick in investor interest along the I-4 Corridor in Lakeland and Plant City as investors remain bullish on high-quality, well-located assets.
- Due to an influx of investment sales at the end of the year, industrial asset pricing has risen 19.6% year-over-year to $110 per sf.
Employment and unemployment rate

3.4%

Tampa unemployment rate as of November 2021, reaching almost pre-pandemic levels.

As economic fundamentals continued to improve in the latter half of 2021, Tampa’s unemployment has made nearly a full recovery to pre-pandemic unemployment levels. As of November 2021, the unemployment rate fell to 3.4% from the peak of 13.9% in April 2020.

Source: Bureau of Labor Statistics
Tampa job gains have increased by a steady 2.5% since the start of the pandemic through November 2021. The transportation, warehousing & utilities sector experienced the strongest growth of 9.7%, while manufacturing jobs still lagged by 2.6%.

Source: Bureau of Labor Statistics
Consumer prices and inflation rates

+8.0%

year-over-year change in Consumer Price Index for Tampa, all items.

Tampa consumer prices skyrocketed near the end of the year by 8.0%. Lingering supply chain disruptions have impacted many sectors with the energy and transportation sectors leading the pack and increasing by 34.4% and 20.3%, respectively. Food prices also saw an increase of 4.1% during the year.
Last-mile distribution facility visitor volumes

-68.8%

change in visitor volumes since 2019.

Supply chain disruptions, including labor shortages and congestion at major ports, have caused visitor volumes at e-commerce distribution facilities to decline in most North American markets.

Note: Not seasonally adjusted Metropolitan Statistical Area data
Source: Bureau of Labor Statistics
Freight rail and intermodal facilities

Heatmap of U.S. Intermodal Freight Facilities

<table>
<thead>
<tr>
<th>Blue Collar</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00% - 23.84%</td>
</tr>
<tr>
<td>23.85% - 35.07%</td>
</tr>
<tr>
<td>35.08% - 45.38%</td>
</tr>
<tr>
<td>45.39% - 57.07%</td>
</tr>
<tr>
<td>57.08% - 100.09%</td>
</tr>
</tbody>
</table>
Industrial leasing activity

-16.0%


Although leasing activity was down 16% from a record-smashing year in 2020, levels remain at an all-time high for the Tampa/Lakeland area. Total leasing volume during 2021 slightly outpaced the previous high set in 2018.
Tampa’s total net absorption blew through the previous record set in 2018 and ended the year with 8.5 msf absorbed, representing 4.6% of total inventory. The large boost in net absorption was due to several large built-to-suit projects that delivered throughout the year, particularly within the I-4 Corridor in Lakeland and Plant City.
Tampa's overall vacancy rate continued its downward momentum at the end of 2021 and dropped to the lowest point in Tampa in 15 years at 5.2%. Strong economic fundamentals and several large-scale move-ins from record leasing activity in 2020 placed downward pressure on vacancies throughout 2021.
**Industrial development pipeline**

**83 properties**
proposed, under construction / renovation

**12.6%**
proposed, under construction / renovation

**5.5 msf**
Under construction in Tampa

**5.9 msf**
delivered in Tampa during 2021

Source: AVANT by Avison Young
Industrial asking rental rates

+2.1%

year-over-year increase in asking rents for industrial assets.

Direct average asking rents increased steadily in Tampa by 2.1% year-over-year to $6.34 per sf. Robust demand and new construction completions have kept rent growth on an upward trajectory for the last decade.

Source: AVANT by Avison Young
Industrial investment dollar volume

$2.7B

Tampa industrial dollar volume during 2021.

Industrial investment volume skyrocketed in Tampa during the last half of 2021. Total investment volume reached its highest point on record totaling $2.7 billion, which is more than double the annual totals for both 2019 and 2020. Investors remain bullish on high-quality, well-located assets along the I-4 Corridor in Lakeland and Plant City.
A surge in industrial investment sales in Tampa has pushed asset pricing to new heights, with the average price per sf rising 19.6% from year end 2020 to $110 psf. Several class A, bulk distribution industrial assets traded hands near the end of the year, placing upward pressure on pricing.
Let’s look at the industrial market fundamentals in Orlando
Key industrial takeaways

**Economic conditions**

- Orlando’s economy made a substantial recovery at the end of 2021, with the overall unemployment rate plummeting from a high of 22.6% in April 2020 to 3.9% in November 2021.
- Between February 2020 and November 2021, industrial sector jobs in Orlando increased slightly by 0.1%. The strongest job gain was within the transportation, warehousing and utilities sector, which grew by 4.7%, while manufacturing jobs decreased by 4.0%.

**Recovery rate**

- Florida’s “open for business” attitude has resulted in strong GDP growth during 2021. According to third quarter data released by the Bureau of Economic Analysis, Florida’s GDP grew by 3.7% annually, placing the state well above the U.S. average growth of 2.3% and among the top 10 states in the country with the strongest GDP growth.

**Industrial demand**

- Industrial leasing activity picked up significantly during 2021 with total leasing volume reaching 10.3 million square feet, up 17.3% year-over-year and nearing close to the record high set in 2017.
- Industrial net absorption rose to 5.1 msf during 2021—the highest level since 2016. Positive net absorption has been fueled by robust leasing activity at newly delivered industrial assets over the last two years.
Key industrial takeaways

Industrial supply
- Orlando's overall vacancy continued on a downward trend at the end of 2021 as demand outpaced supply. Orlando’s industrial vacancy declined to 4.1% at year-end 2021, down from 5.7% at the end of 2020.
- Nearly 3.0 msf of industrial space delivered in Orlando during 2021, however demand for newly delivered, high-quality logistics space has been strong. Out of the 5.6 msf of industrial space that has delivered over the last two years, only 19.9% remains available.

Pricing trends
- Orlando’s overall direct average asking rate has accelerated at a rapid pace over the last several years, amid robust tenant demand and an influx of new industrial product to the market. During 2021, the overall industrial rate rose by 11.9% year-over-year to $8.24 per sf.

Capital markets
- Industrial investment sale activity was on a steady climb in Orlando during 2021, with industrial investment volume totaling $1.0 billion, up by 58.8% year-over-year and surpassing the previous high set in 2019.
- There were several large industrial trades that occurred along the I-4 corridor, contributing to a 33.6% increase in industrial asset pricing year-over-year. Investors remain bullish on high-quality, well-located industrial assets.
Orlando's economy made a strong recovery at the end of the year, with the overall unemployment rate plummeting from a high of 22.6% to 3.9% as of November 2021. The leisure and hospitality sector made one of the strongest recoveries in Q4, with jobs up 15.8% year-over-year as of November 2021.

**Orlando unemployment rate as of November 2021, reaching almost pre-pandemic levels.**

Source: Bureau of Labor Statistics
Employment and unemployment rate

+0.1%

change in Orlando industrial employment sectors since February 2020.

Orlando experienced a slight increase of 0.1% in industrial sector jobs since February 2020. Transportation, warehousing and utilities jobs saw the strongest growth of 4.7% while manufacturing jobs contracted by 4.0% since the onset of the pandemic.

Source: Bureau of Labor Statistics
Last-mile distribution facility visitor volumes

-39.6%

change in visitor volumes since 2019.

Supply chain disruptions, including labor shortages and congestion at major ports, have caused visitor volumes at e-commerce distribution facilities to decline in most North American markets.

View vitality index

2021 Cyber Monday facility visitor volumes in Orlando
% change when compared to previous year

vs. 2020

-24.6% change in visitor volumes

vs. 2019

-39.6%

Note: Not seasonally adjusted Metropolitan Statistical Area data
Source: Bureau of Labor Statistics
Freight rail and intermodal facilities

Heatmap of U.S. Intermodal Freight Facilities

Blue Collar

6.27% - 23.14%
23.15% - 33.16%
33.17% - 42.55%
42.56% - 54.29%
54.30% - 72.80%

South and Central Florida Freight Lines

CFCR
FCEN
FEC
FMID
SCCF
SFRC
Industrial leasing activity picked up significantly during 2021 with total leasing volume reaching 10.3 msf, nearing close to the record high set in 2017. Leasing activity was particularly strong within the Airport/Southeast Orlando and Orlando Central Park submarkets, where there has been a large concentration of new construction deliveries over the last two years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Avg. leasing activity (msf)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>5.6</td>
</tr>
<tr>
<td>2001</td>
<td>5.9</td>
</tr>
<tr>
<td>2002</td>
<td>4.7</td>
</tr>
<tr>
<td>2003</td>
<td>5.8</td>
</tr>
<tr>
<td>2004</td>
<td>6.8</td>
</tr>
<tr>
<td>2005</td>
<td>4.9</td>
</tr>
<tr>
<td>2006</td>
<td>4.8</td>
</tr>
<tr>
<td>2007</td>
<td>3.7</td>
</tr>
<tr>
<td>2008</td>
<td>4.9</td>
</tr>
<tr>
<td>2009</td>
<td>4.4</td>
</tr>
<tr>
<td>2010</td>
<td>8.5</td>
</tr>
<tr>
<td>2011</td>
<td>7.5</td>
</tr>
<tr>
<td>2012</td>
<td>7.0</td>
</tr>
<tr>
<td>2013</td>
<td>7.0</td>
</tr>
<tr>
<td>2014</td>
<td>8.5</td>
</tr>
<tr>
<td>2015</td>
<td>9.0</td>
</tr>
<tr>
<td>2016</td>
<td>10.5</td>
</tr>
<tr>
<td>2017</td>
<td>8.8</td>
</tr>
<tr>
<td>2018</td>
<td>8.3</td>
</tr>
<tr>
<td>2019</td>
<td>8.8</td>
</tr>
<tr>
<td>2020</td>
<td>10.3</td>
</tr>
</tbody>
</table>

Source: CoStar
Orlando's industrial market saw strong positive absorption in 2021 with 5.1 msf absorbed in the market, making it the strongest year for net absorption since 2016. Demand for newly delivered industrial space boosted net absorption figures throughout 2021. Out of the 5.6 msf of industrial product delivered during the last two years, only 19.9% remains available.
Orlando’s overall vacancy continued its downward trend at the end of 2021, despite almost 3.0 msf of industrial space being delivered to the market. Orlando’s overall vacancy declined to 4.1% from 5.7% at year-end 2020.
Industrial development pipeline

52 properties
proposed, under construction

5.8%
share of inventory

2.0 msf
under construction in Orlando

3.0 msf
delivered in Orlando during 2021
Overall industrial asking rental rates

+11.9%

year-over-year increase in asking rents for industrial assets.

Orlando’s overall direct average asking rate has been accelerating at a rapid pace over the last several years due to robust demand and an influx of new industrial product. Orlando’s overall industrial asking rate increased by 11.9% since the end of 2020.

Source: AVANT by Avison Young
Industrial investment dollar volume

Orlando industrial dollar volume during 2021.

Industrial investment activity in Orlando was on a steady climb in 2021, reaching $1.0 billion in total investment volume for the year. Sales were up 58.8% from year-end 2020 and surpassed the previous high of $0.9 billion set in 2019.
An influx of investment activity in Orlando boosted industrial asset pricing by 33.6% year-over-year to $129 per sf. Several large trades took place along the I-4 corridor as investors continue to pay top-dollar for well-located, high-quality assets.
Let’s look at the industrial market fundamentals in Jacksonville
Jacksonville’s economy has recovered to near pre-pandemic levels with the unemployment rate dropping to 3.3% from a high of 11.5% in April 2020. The strongest year-over-year job gains were within leisure and hospitality sector (+7.0%) and the construction sector (+6.0%).

Between February 2020 and November 2021, industrial sector jobs in Jacksonville rose by 3.3%. The transportation, warehousing and utilities sector grew by 5.8%, while manufacturing jobs decreased by 1.5%.

Florida’s “open for business” attitude has resulted in strong GDP growth during 2021. According to third quarter data released by the Bureau of Economic Analysis, Florida’s GDP grew by 3.7% annually, placing the state well above the US average growth of 2.3% and among the top 10 states in the country with the strongest GDP growth.

Industrial leasing activity reached an all-time high in Jacksonville with leasing volume totaling 9.1 million square feet. Leasing demand was concentrated in the Westside and Northside submarkets.

Jacksonville’s total net absorption for 2021 reached 4.7 msf. Tenant demand for newly delivered industrial assets has driven much of the increase in absorption. Of the 5.4 msf of industrial space delivered over the last two years, only 11.5% remains available.
Key industrial takeaways

Industrial supply

- Jacksonville’s overall vacancy made a substantial decline to 4.0% in 2021, reaching its lowest point since 2018. Market fundamentals have tightened after a wave of new deliveries places upward pressure on vacancy over the last three years.

- There has been an influx of new industrial supply in Jacksonville in recent years with 10.2 msf being delivered to the market since 2019. In 2021, 2.7 msf of new industrial space was delivered in Jacksonville. Construction activity picked up near the end of the year with the strongest activity occurring in the Westside and Northside submarkets.

Pricing trends

- Jacksonville’s tightening market fundamentals have translated into strong rent growth over the last two years. The overall direct average industrial asking rate increased by 14.3% year-over-year to $5.65 per sf. Growing demand from e-commerce and logistics tenants have fueled rent growth in Jacksonville over the last few years due to an abundant supply of land, proximity to the state’s largest container port, and convenient access to major rail and roadways that provides transportation throughout the state, including the Florida East Coast Railway, and Interstate 10 and 95.

Capital markets

- Jacksonville’s industrial sales surged to $0.7 billion in 2021, up 29.8% from year-end 2020 and surpassing the previous high set in 2018. Investors were particularly interested in high-quality logistics assets in well-located areas along the I-10 and I-95 corridors in the Westside and Northside submarket.

- Industrial asset pricing has been on a steady rise in Jacksonville since 2016, however pricing began to soften slightly during 2021. The average price per sf decreased by 4.9% year-over-year to $68 per sf.
Jacksonville's economy made a strong recovery during 2021 with the unemployment rate dropping to 3.3% in November 2021 from a peak of 11.5% in April 2020. The job recovery this recession cycle has been swift when compared to the job recovery from the financial crisis.

Jacksonville unemployment rate as of November 2021, nearing pre-pandemic levels.

Source: Bureau of Labor Statistics
Jacksonville experienced a steady increase of 3.3% in industrial sector jobs since February 2020. Transportation, warehousing and utilities jobs saw the strongest growth of 5.8% while manufacturing jobs contracted by 1.5% since the onset of the pandemic.

Source: Bureau of Labor Statistics
Freight rail and intermodal facilities

Heatmap of U.S. Intermodal Freight Facilities

Blue Collar
- 5.46% - 22.79%
- 22.80% - 33.10%
- 33.11% - 42.98%
- 42.09% - 52.52%
- 52.53% - 69.11%

South and Central Florida Freight Lines
- CFCR
- FCEN
- FEC
- FMID
- SCXF
- SFRC
Industrial leasing activity

+2.6%

increase in industrial leasing activity from 2020 to 2021.

Industrial leasing activity has reached an all-time high in Jacksonville with total leasing volume reaching 9.1 msf. Strong leasing demand was concentrated in the Westside and Northside submarkets. The largest deals that took place during 4Q21 were Iron Mountain (486,146 sf), Mittera Group (218,885 sf), Athena Brands (218,625 sf), and Malnove (124,416 sf).

Source: CoStar
Jacksonville’s total net absorption for the year reached 4.7 msf. Tenant demand for newly delivered industrial assets has been driving much of the positive net absorption in the market. Of the 5.4 msf of industrial space delivered over the last two years, only 11.5% remains available.
Industrial vacancy rate

4.0%

Jacksonville industrial vacancy rate as of year-end 2021.

Jacksonville's overall vacancy made a substantial decline to 4.0% during 2021, reaching its lowest point since 2018. Jacksonville has seen a wave of new construction deliveries over the last three years, placing upward pressure on vacancy rates. However, market fundamentals have tightened and demand is outpacing supply.

Source: CoStar
Industrial development pipeline

49 properties
proposed, under construction

12.4%
share of inventory

4.7 msf
under construction in Jacksonville

2.7 msf
delivered in Jacksonville during 2021

Source: AVANT by Avison Young
Jacksonville's tightening market fundamentals have translated into strong rent growth over the last two years. The overall direct average asking rate increased by 14.3% year-over-year to $5.65 per sf. Growing demand from e-commerce and logistics tenants has also fueled rent growth in Jacksonville over the last few years.
Jacksonville industrial sales surged to $0.7 billion during 2021, up 29.8% from year-end 2020 and surpassing the previous high set in 2018. Investors were particularly interested in high-quality logistics assets in well-located areas along the I-10 and I-95 corridors in the Westside and Northside submarket.
Industrial asset pricing

-4.9%

decrease in industrial asset pricing in Jacksonville from 2020 to 2021.

Industrial asset pricing has been on a steady rise in Jacksonville since 2016, however pricing began to soften slightly during 2021. The average price per sf decreased by 4.9% year-over-year to $68 per sf.
Now, let’s see what we can expect looking forward
Here’s what we can expect looking forward

- Florida’s industrial market is showing no signs of slowing down and demand for logistics space will remain robust as the state continues to benefit from a boom in population growth and a rapidly expanding economy.

- Developers remain bullish on Florida’s industrial market with more than 19.2 msf delivering across the state of Florida during 2021. While development in South Florida remains strong, record construction completions are also occurring with markets with less land constraints like Tampa and Jacksonville.

- Industrial rents will continue to experience rapid growth, particularly in the South Florida markets where developable land remains scarce. As a result of rent growth, lease terms are beginning to shorten as landlords are hesitant to lock themselves into a long-term rent commitments and miss out on future growth.

- Although headwinds remain on the horizon due to on-going supply chain disruption and labor shortages throughout the country, Florida’s port systems may benefit in the near-term as the state seeks opportunities to alleviate port congestion on the East Coast by re-routing cargo ships to any of the state’s 15 ports.
You have questions. We have answers.
Get in touch

Randy Buddemeyer
Principal
Managing Director - Florida
+1 813 444 5333

Evie Linger
Florida Regional Lead,
Innovation & Insight
+1 954 903 3714
Industrial insights
glossary of terms

Demand
- **Leasing activity**: total square footage of relocations, renewals, expansions and subleases expressed when the leases are signed, not when tenants take physical occupancy of the space
- **Absorption**: period-over-period change in occupied square footage

Supply
- **Industrial inventory**: existing industrial properties that are 50,000+ square feet, including owner-occupied properties and excluding data centers, telecom facilities and government owner-occupied properties
- **Direct vacancy rate**: space operated by landlords that is ready for immediate occupancy
- **Sublease vacancy rate**: space operated by sublandlords that is ready for immediate occupancy
- **Total vacancy rate**: sum of direct vacancy rate and sublease vacancy rate
- **Availability rate**: space that is vacant plus space that will become vacant over an indefinite time horizon, including spaces that are occupied by vacating tenants and under-construction properties

Industrial rents and concessions
- **Asking rents**: pricing guidance provided by landlords to tenants for available space expressed as triple-net (NNN)
- **Base rents**: fair market value of market-level lease pricing based on representative executed leases, expressed as triple-net (NNN)
- **Free rent period**: months of free rent that are typically provided upfront by landlords to tenants as a concession to offset the total cost of a lease and/or the construction timeline of an industrial space
- **Net effective rent**: base rents discounted by the dollar values of tenant improvement allowance and free rent concessions expressed as triple-net (NNN)
- **Tenant improvement allowance**: an allowance expressed in dollars per square foot provided from landlords to tenants to offset build-out, engineering, space planning and related permit costs

Capital markets
- **Investment volume**: industrial sales dollars expressed when the transactions close and inventory thresholds; partial-interest sale dollar amounts are not grossed-up to reflect the 100% value of the sale
- **Asset pricing**: unweighted average per-square-foot asset pricing of market-level closed sales
- **Cap rate**: net operating income divided by sale price; this measurement of market-level investment returns is calculated as an unweighted average based on closed investment sales

Vitality Index
- **Visitor volumes**: based on extrapolated, anonymized cell phone pings provided by Orbital Insight at custom, geofenced locations, the Vitality Index tracks visitor volumes at representative areas of interest across cities; for the Retail Vitality Index, 3-10 representative areas of interest were isolated for each retail experience (10-minute dwell times) and last-mile distribution centers (one-minute dwell times) were geofenced to demonstrate online shopping habits
Explore the latest data and insights

The retail vitality index
Measuring retail activity and how people shop
Our team analyzes how in-person and online shopping habits have evolved across North America using cell phone mobility data.

Deep-dive into the thought capital shaping real estate

U.S. employment overview
Tracking trends in real-time
Employment data of U.S. metropolitan statistical areas and industries are analyzed across cycles for a real-time and historical look at economic conditions.
For even more market insights and information visit avisonyoung.com