

Orlando

Industrial market snapshot | Q4 2023

Orlando's unemployment rate experienced a slight improvement since the third quarter, dropping 10 basis points to 3% as of November. Manufacturing employment saw a 2.3% year-over-year growth, while construction employment saw a modest 1.1% increase over that same time.

\$10.61 psf

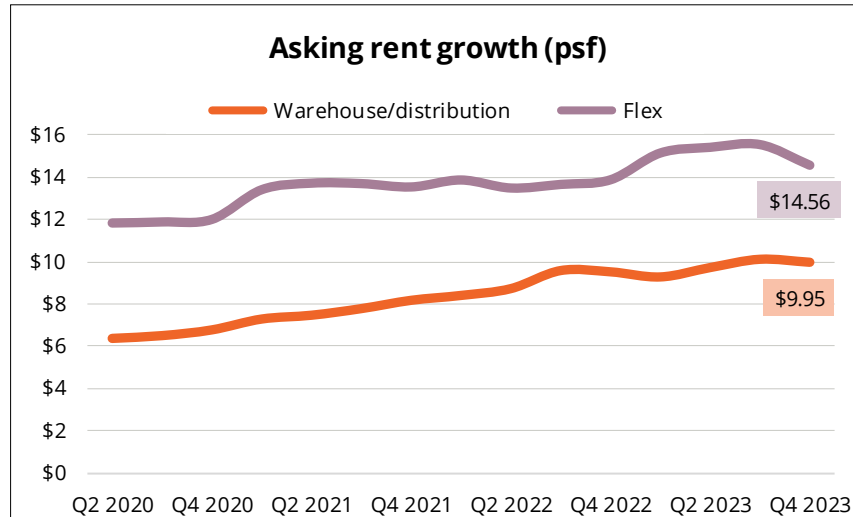
2023's average asking rent of \$10.61 per square foot reflects a 3.8% year-over-year increase and a 40.3% surge since 2020, suggesting that while rents continue to rise, they may be starting to stabilize.

6.7 msf

A wave of new product entered the market in 2023, with over 6.7 million square feet of new developments being delivered throughout the year.

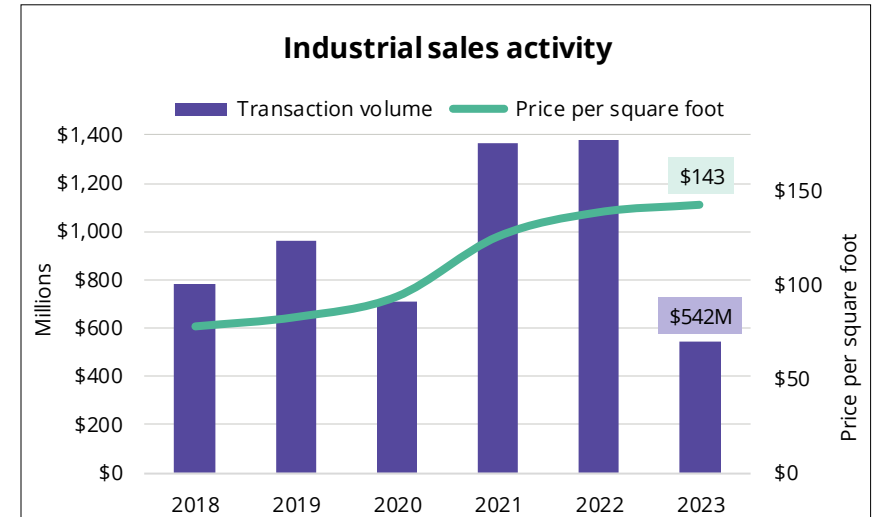
708k sf

The fourth quarter witnessed a positive total absorption of 708,546 square feet, contributing to the total for 2023, which stood at 4.09 million square feet in November.



Orlando's industrial sector experienced considerable growth in average asking rents, fueled by high demand and an exceptionally low vacancy rate of 4.8%. Warehouse/distribution and flex buildings saw impressive year-over-year increases of 4.7% and 5%, respectively. While vacancy rates ticked up by 1.6% from 2022 to 2023, the trajectory of rent increases in the coming months is yet to be determined.

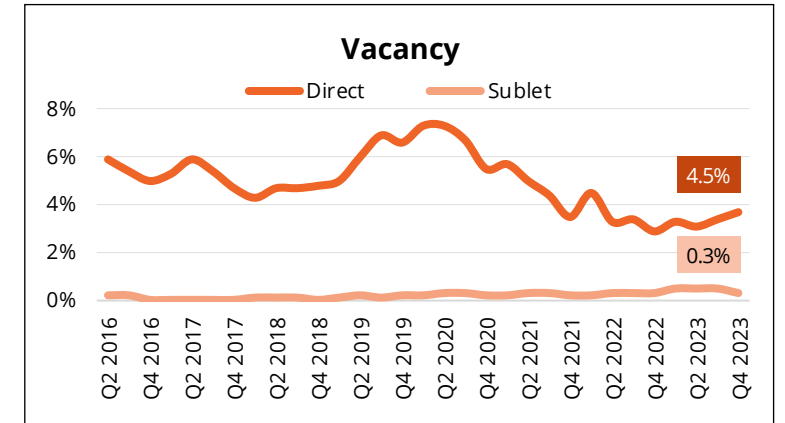
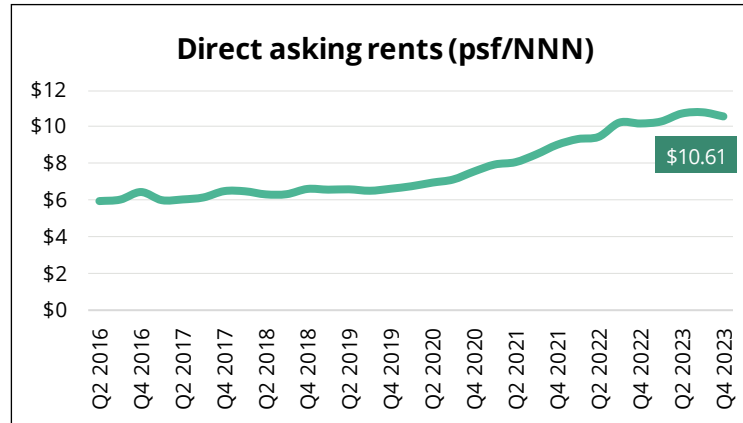
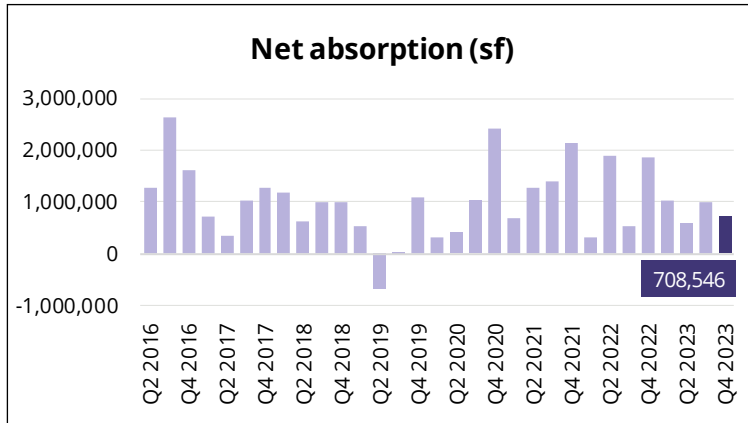
Sources: AVANT by Avison Young, CoStar, RCA, US Bureau of Labor Statistics



Following consecutive years of exceptionally high transaction volume, Orlando's overall industrial sales volume for 2023 plummeted by 60.6% year over year to \$542 million. Although pricing growth softened due to reduced sales activity, the average price per square foot, which stood at \$143 in November, still represented a 52.1% premium compared to the figures recorded in 2020.

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Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
McLane	5010 Industrial Lane	147,420	New	Direct
McLane	5030 Industrial Lane	133,360	New	Direct
Milestone Cabinetry	10963 Florida Crown Dr.	103,182	New	Direct
Penske	100 Sunport Lane	53,628	New	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Infinity Properties	Infinity Properties Portfolio	\$43,000,000	\$163	Longpoint Realty Partners
Basis Industrial	Basis Industrial Portfolio	\$42,750,000	\$157	Taurus Investment
Buligo Capital Partners	2840 W. Orange Ave.	\$7,850,000	\$112	Entertainment Retail Enterprises

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	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption sf (4Q23)	Net absorption sf (YTD)	Annual direct asking rent psf NNN
Airport-Southeast	39,259,305	1,165,280	1,426,561	2.3%	0.2%	2.5%	(0.7%)	206,287	1,393,595	\$10.89
Orlando Central Park	21,007,344	112,460		2.7%	0.4%	3.1%	(1.8%)	(88,194)	499,706	\$10.56
Northwest	15,841,382	3,368,031	825,966	16.6%	0.6%	17.2%	15.9%	54,092	801,158	\$9.32
Longwood/Lake Mary/Sanford	13,054,566	679,833	139,906	5.2%	0%	5.2%	2%	172,708	394,136	\$10.70
NE Orange County Ind	11,869,246			2.4%	1.6%	3.9%	0.1%	(49,099)	(15,211)	\$8.83
North Central	11,249,502			3.9%	0%	3.9%	0.2%	(13,960)	(31,438)	\$11.12
Southwest	10,810,944		188,400	1.7%	0.3%	1.9%	0.7%	(9,917)	(83,855)	\$13.89
Silver Star Corridor	10,438,552			4.4%	0%	4.5%	(0.2%)	24,116	22,801	\$10.26
Osceola County	7,143,515	1,154,319	481,944	4.2%	0%	4.2%	0.9%	391,513	1,051,691	\$12.70
Davenport	5,933,590			3.8%	0%	3.8%	3.8%	0	(224,096)	-
University/East Side	5,547,381	259,080		3.9%	0.2%	4.1%	(0.4%)	19,621	272,055	\$16.27
33rd Street	1,731,703			1.3%	0.4%	1.8%	(0.2%)	1,379	4,565	-
Market total	153,887,030	6,739,003	3,062,777	4.5%	0.3%	4.8%	1.6%	708,546	4,085,107	\$10.61

	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption (4Q2023)	Net absorption (YTD)	Annual direct asking rent psf NNN
Warehouse/Distribution	137,584,972	6,482,763	3,062,777	4.4%	0.4%	4.8%	1.8%	601,547	3,843,722	\$9.99
Flex	16,302,058	256,240	-	5%	0.2%	5.2%	0%	106,999	241,385	\$14.56
Market total	153,887,030	6,739,003	3,062,777	4.5%	0.3%	4.8%	1.6%	708,546	4,085,107	\$10.61