



# Orlando industrial market report

Q1 2022

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# Industrial market trends

## 01

### Vacancy continues to decline to a record-low

In the first quarter of 2022, Orlando's vacancy rate decreased by 10% to an all-time quarterly low of 3.7%. Available space decreased by 48% year-over-year. At the close of the quarter, there were 19 industrial buildings under construction across Orlando, accounting for 1.7 million square feet (msf). With an average floor plate of 90,000 square feet (sf), many of these new developments will be well-suited to satisfy the uptick in e-commerce sales. In 2021, U.S. e-commerce retail sales totaled \$870 million—a 9.4% growth year-over-year that is showing no signs of slowing down.

## 02

### Demand accelerates in the Airport-Southwest submarket

Orlando recorded 1.1 msf of positive net absorption during the first quarter of 2022, 45% of which was concentrated in the Airport-Southwest submarket. Top move-ins for the quarter included Imperial Dade (380,510 sf) at 4600 Wetherbee Road and Fed Ex (201,291 sf) at 635 Ocoee Business Parkway. Orlando's warehousing and storage job sector saw a strong increase of 13.8% year-over-year further fueling demand for logistics companies. Meanwhile, Orlando's unemployment rate dropped 50% year-over-year from 5.8% in March 2021 to 2.9% in March 2022.

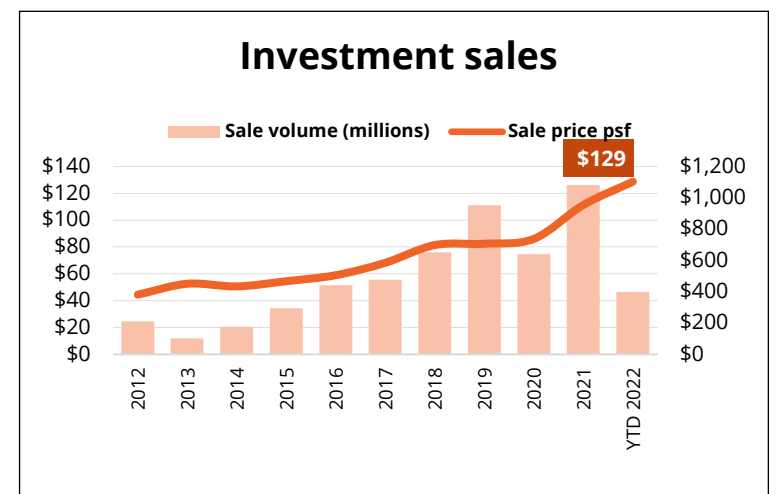
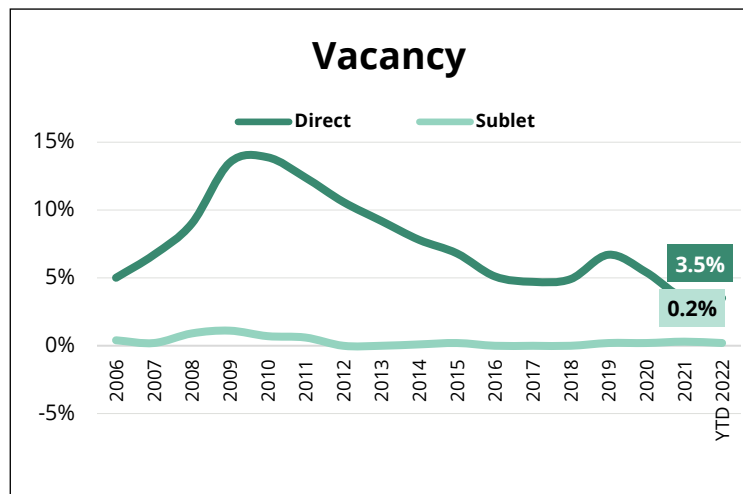
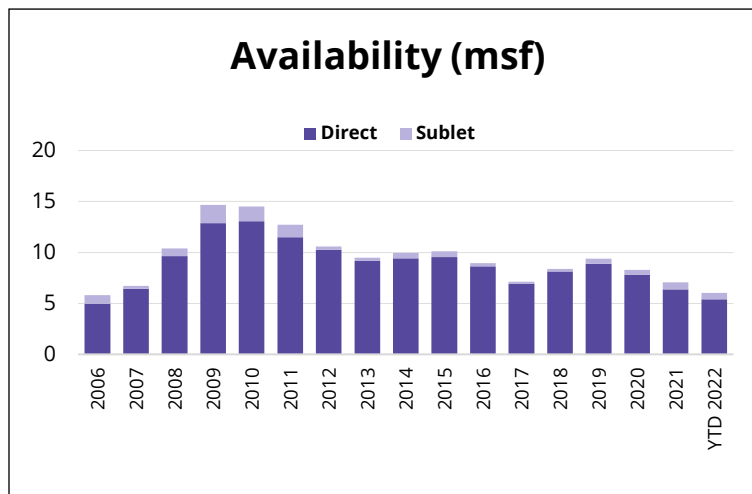
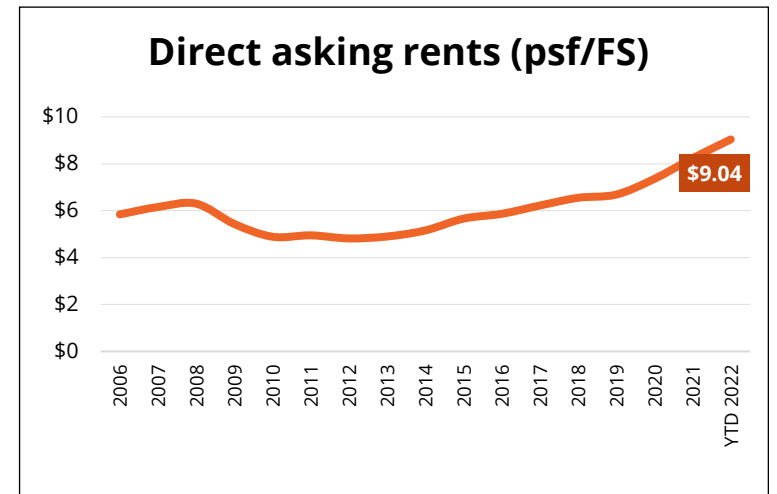
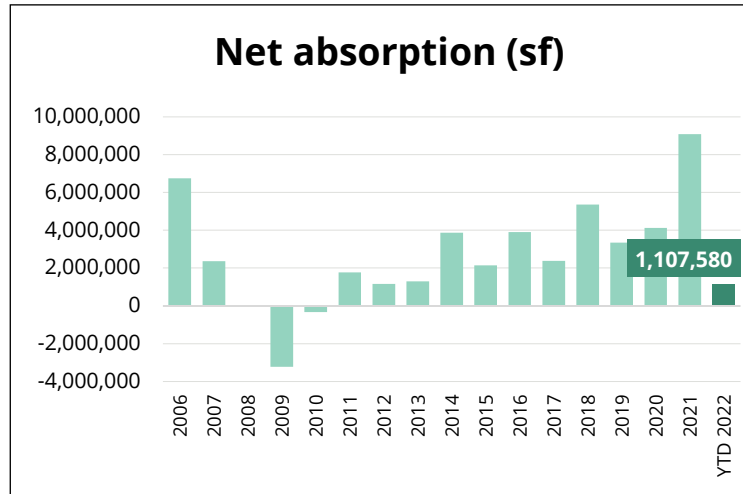
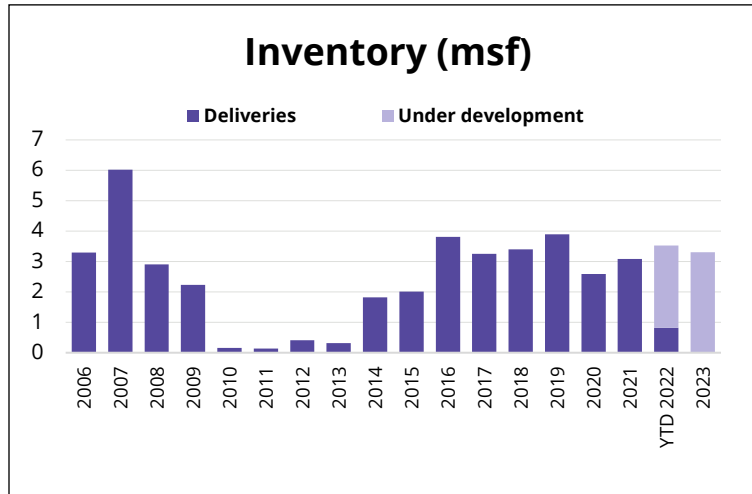
## 03

### Industrial rates keep climbing

Asking rents have increased by 11% year-over-year and have, for the most part, continued to trend upward over the last decade. Robust leasing and development activity specifically in the Airport-Southeast and the Northwest submarkets have paved the way for landlords to maintain upward pressure on rents while market fundamentals remain solid.



# Industrial market indicators



# Industrial market activity

## Recent leasing activity

Tenant name	Address	Sign date	Size	Transaction type	Lease type	Submarket
State Logistics Response Center	2701 Directors Row	March 2022	187,196	New	Renewal	Orlando Central Park
Veho Tech	1801 Boice Pond Drive	Jan. 2022	144,556	New	Direct	Southwest
Frito-Lay	2000 Parks Oaks Avenue	Feb. 2022	130,000	New	Direct	Silver Star Corridor
Live Nation	2001 West Oak Ridge Road	Feb. 2022	108,917	New	Direct	33rd Street
ReadySpaces	2507 Investors Row	Jan. 2022	94,400	New	Direct	Orlando Central Park

## Recent sales activity

Buyer	Address	Sale date	Building Size	Sale price	Sale price psf	Seller
Ares Real Estate Income Trust	Blackstone Portfolio	Feb. 2022	1,192,201	\$227,500,000	\$174	Blackstone
Fort Capital	Goldenrod/Hanging Portfolio	March 2022	172,846	\$27,000,000	\$156	Michael Kramer
SimpleCiti Holdings	11300 Space Boulevard	Jan. 2022	88,700	\$11,000,000	\$124	Yitchak Menaged
Jon Richards	9755 Delegates Drive	Jan. 2022	22,320	8,600,000	\$387	RRS & Company
Columbia Property Investors	2328 Montclair Road	March 2022	35,490	\$7,100,000	\$201	Regional Construction

## Significant Construction Activity

Property	Address	Delivery Date	Building Size	% Preleased	Developer	Submarket
Horizon West Logistics Park – Bldg 4	831 North Old Lake Wilson Road	Sept. 2022	295,460	0	HGR Construction	Osceola County
Airport Distribution Center – Bldg G	4752 Judge Road	June 2022	169,384	0	T&T Construction	Airport-Southeast
South Orange Logistics Center – Bldg 1	13643 South Orange Avenue	May 2022	149,940	0	Marcobay Construction	Airport-Southeast
ICP at Beachline – Bldg 1	8670 Transport Drive	June 2022	138,600	100	Whitley Capital	Airport-Southeast

# Industrial market stats by submarket

By Submarket	Inventory (sf)	Total %	Vacancy		Net Absorption		SF Under	Average Asking Rent		
			W / D	Flex	1Q22	YTD	Construction	Total	W / D	Flex
33rd Street	1,707,668	18.1%	27.3%	2.3%	110,787	110,787	-	\$7.38	\$7.15	\$11.71
Davenport	5,933,761	2.7%	2.7%	-	0	0	-	\$5.00	\$5.00	-
Longwood/Lake Mary/Sanford	11,798,702	2.7%	2.3%	5.8%	-18,173	-18,173	54,860	\$12.49	\$8.53	\$13.87
North Central	11,281,104	3.3%	2.9%	5.0%	90,100	90,100	30,000	\$10.97	\$11.31	\$9.55
Orlando Central Park	20,920,708	3.5%	2.9%	8.2%	73,155	73,155	-	\$9.20	\$7.63	\$11.78
Osceola County	5,733,866	4.1%	4.4%	0.0%	-18,993	-18,993	639,271	\$7.77	\$8.32	\$6.88
Silver Star Corridor	9,872,287	2.2%	1.8%	6.8%	56,577	56,577	280,800	\$12.06	\$10.06	\$17.15
University/East Side	5,055,094	4.4%	1.9%	10.2%	-12,336	-12,336	43,233	\$13.04	\$13.09	\$12.93
Central Orlando	11,720,002	6.3%	6.5%	5.1%	-6,197	-6,197	-	\$8.80	\$8.61	\$11.57
Northwest Orlando	9,157,752	2.9%	3.0%	2.5%	268,533	268,533	65,416	\$8.45	\$8.71	\$7.99
Airport-Southeast Orlando	36,072,582	4.0%	3.4%	10.9%	503,556	503,556	843,236	\$8.40	\$7.63	\$13.11
Southwest Orlando	10,570,377	1.4%	1.1%	3.3%	60,571	60,571	-	\$9.53	\$9.38	\$12.00
<b>Market Total</b>	<b>139,823,903</b>	<b>3.7%</b>	<b>3.3%</b>	<b>6.8%</b>	<b>1,107,580</b>	<b>1,107,580</b>	<b>1,956,816</b>	<b>\$9.04</b>	<b>\$8.32</b>	<b>\$12.15</b>

# Industrial market stats by product type

By Product Type	Inventory (sf)	Vacancy	1Q Absorption	YTD Absorption	SF Under Construction	Available Sublease
Warehouse / Distribution	124,632,874	3.3%	1,220,438	1,220,438	1,866,983	506,259
Flex	15,191,029	6.8%	-112,858	-112,858	89,833	123,011
<b>Market Total</b>	<b>139,823,903</b>	<b>3.7%</b>	<b>1,107,580</b>	<b>1,107,580</b>	<b>1,956,816</b>	<b>629,270</b>

For more market insights  
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