



NEWMARK

Market Overview

Orlando Industrial

1Q26

NMRK.COM

Market Observations



Economy

- During the first quarter of 2026, the unemployment rate in the Orlando market rose by 88 basis points year over year to 4.2% and remains below the current national average of 4.4%.
- In December 2025, Orlando's year-over-year job growth was 0.3%, slightly outperforming the 0.1% national average. However, annual job growth declined by 196 basis points year over year.
- Five of the ten major employment sectors posted job gains over the past year, led by the education and health industry, which recorded a robust 5.3% increase.
- Industrial employment in the market continued to decelerate year over year, with manufacturing down 1.4% and trade/transportation/utilities down 1.7%. Meanwhile, mining and construction grew by a modest 0.1%.



Leasing Market Fundamentals

- Overall rental rates rose 0.9% year over year to \$11.23/SF but fell from the previous quarter's all-time high of \$11.47/SF.
- New deliveries totaled 426,754 SF in the first quarter of 2026, the second lowest in recent quarters. Meanwhile, the market realized 267,064 SF of positive absorption during the quarter, continuing a trend seen since the pandemic.
- As a result of new supply outpaced demand by 159,690 SF, the vacancy rate rose by 70 basis points quarter over quarter and by 60 basis points year over year to 9.2%.
- The under-construction pipeline is now 1.0 MSF, or just 0.6% of total inventory as new starts slowed to its lowest level since 2015. Currently, 35.2% of space underway is preleased.



Major Transactions

- Iberia Foods executed the quarter's largest lease, signing a 159,000-SF sublease at 10601 Southport Drive in the SE Orange County submarket.
- The quarter reported a mix of lease types, with two of the largest deals being renewals and two others being direct new leases. Activity was centered around the SE Orange County submarket where three of the top five deals were signed.
- This quarter's notable deals spanned a wide range of industries, including several that are not typically represented among the largest transactions, such as food and beverage, manufacturing, and professional and business services. The breadth of activity underscores a resilient market, with occupiers targeting strategic, well-located facilities to support operations, particularly within the manufacturing sector.



Outlook

- Orlando's under-construction pipeline is now at its lowest point in more than a decade, setting the stage for a near-term supply and demand rebalancing.
- Vacancy will continue to decline as move-ins outpace a smaller construction pipeline, with absorption supported by solid preleasing and tenants backfilling spaces.
- Asking rents are expected to rise at a slower pace, driven by high-quality new product commanding premium pricing.

Table of Contents

Economy	4
Leasing Market Fundamentals	8
Submarket Map & Statistics	20
Supplemental Analysis	24

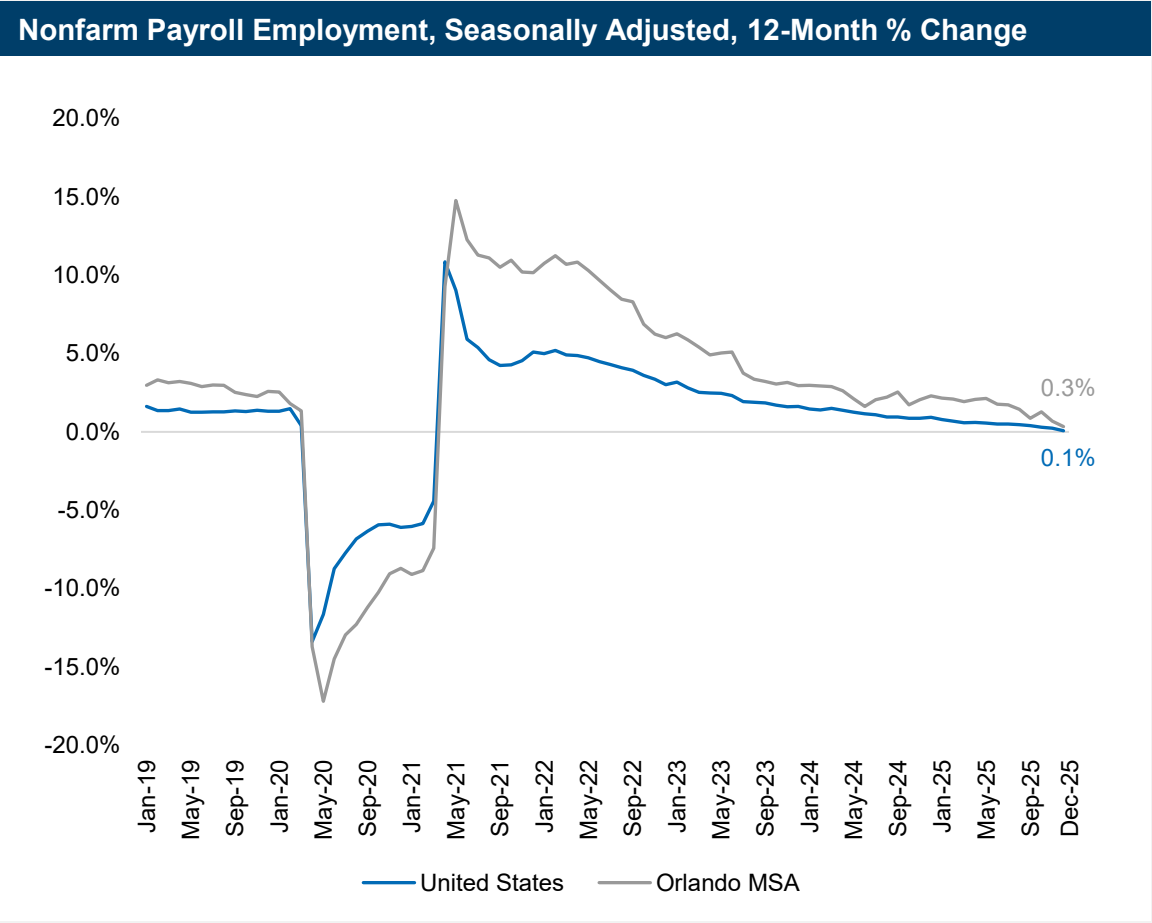
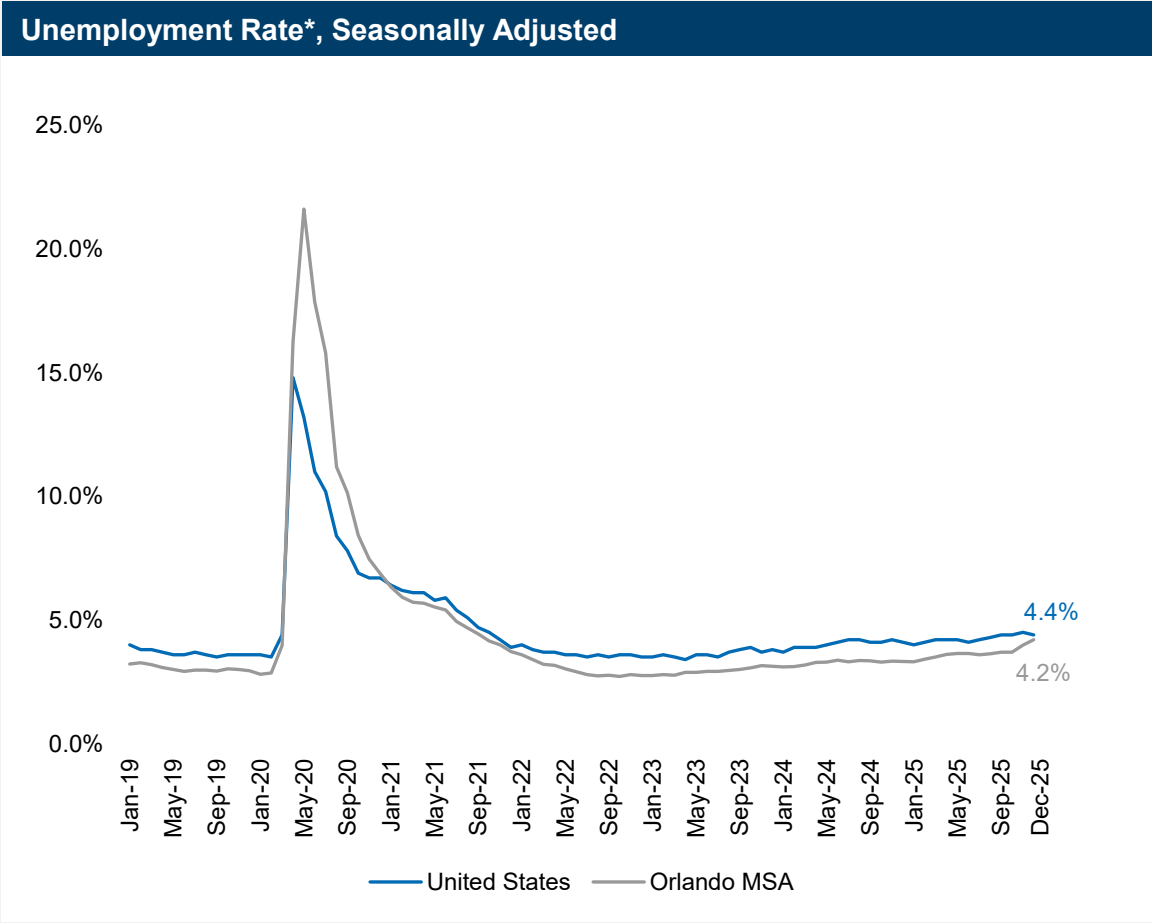
01

Economy



Employment Trends Continue to Outperform the National Average

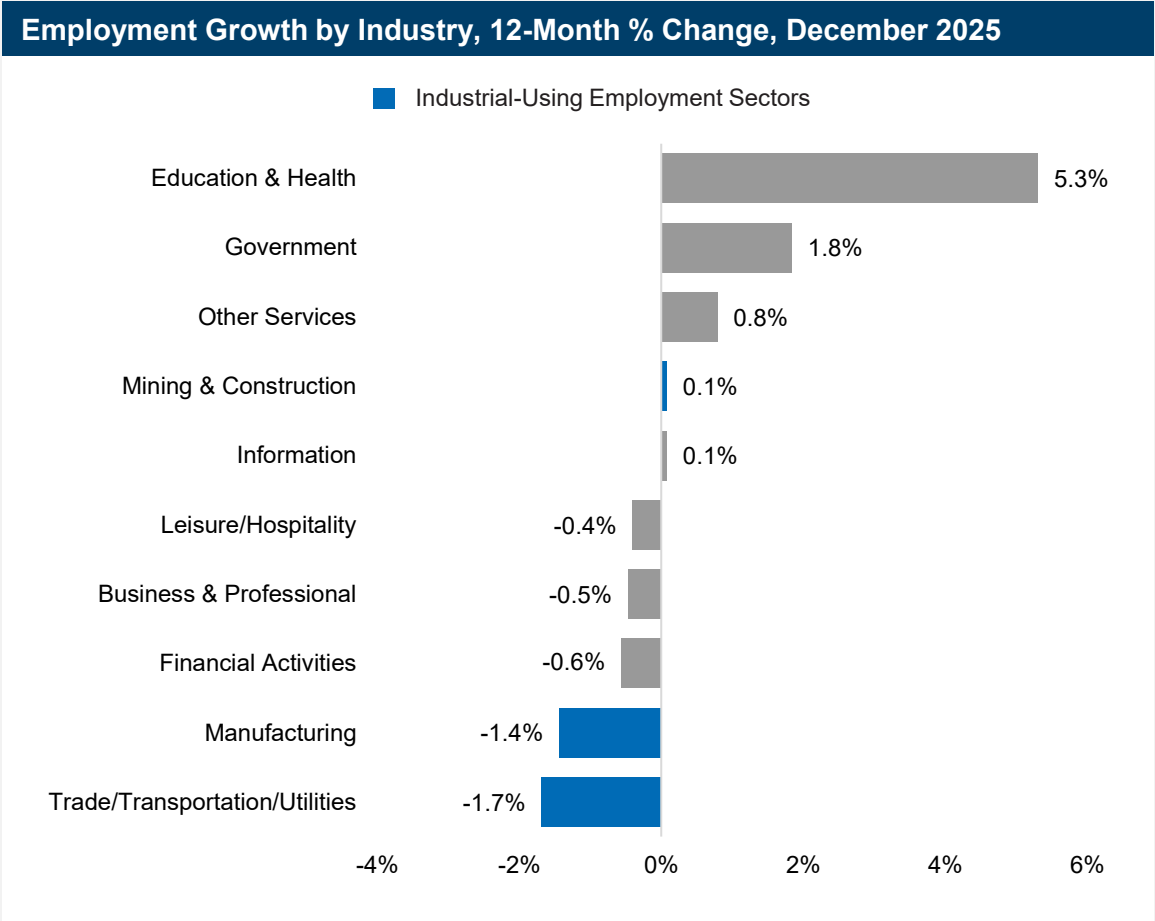
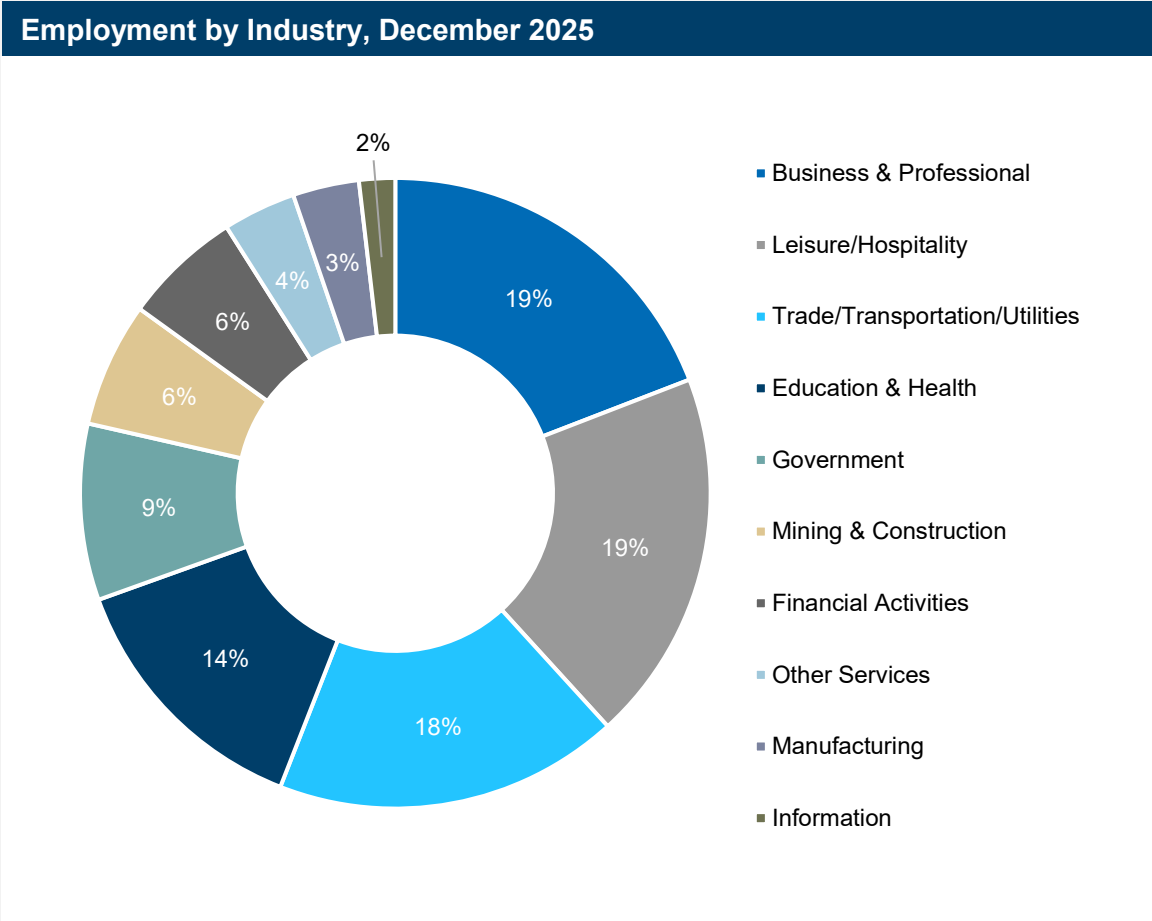
The Orlando market has generally outperformed the national average in both employment growth and unemployment rates since mid-2021. In the face of national economic headwinds that have negatively impacted the job market, the Orlando metro continues to demonstrate resilience and post below-average unemployment rates and above-average job growth. Over the past year, the unemployment rate in the Orlando metro increased by 88 basis points to 4.2% in December 2025 but remains below the current national average of 4.4%. Additionally, as of the end of 2025, annual employment growth in Orlando was 0.3%, representing a 196-basis-point decline year over year, yet remaining 26 basis points above the national rate of 0.1%.



Source: U.S. Bureau of Labor Statistics, Orlando MSA
*October 2025 government shutdown missing data addressed with duplicating September 2025's data

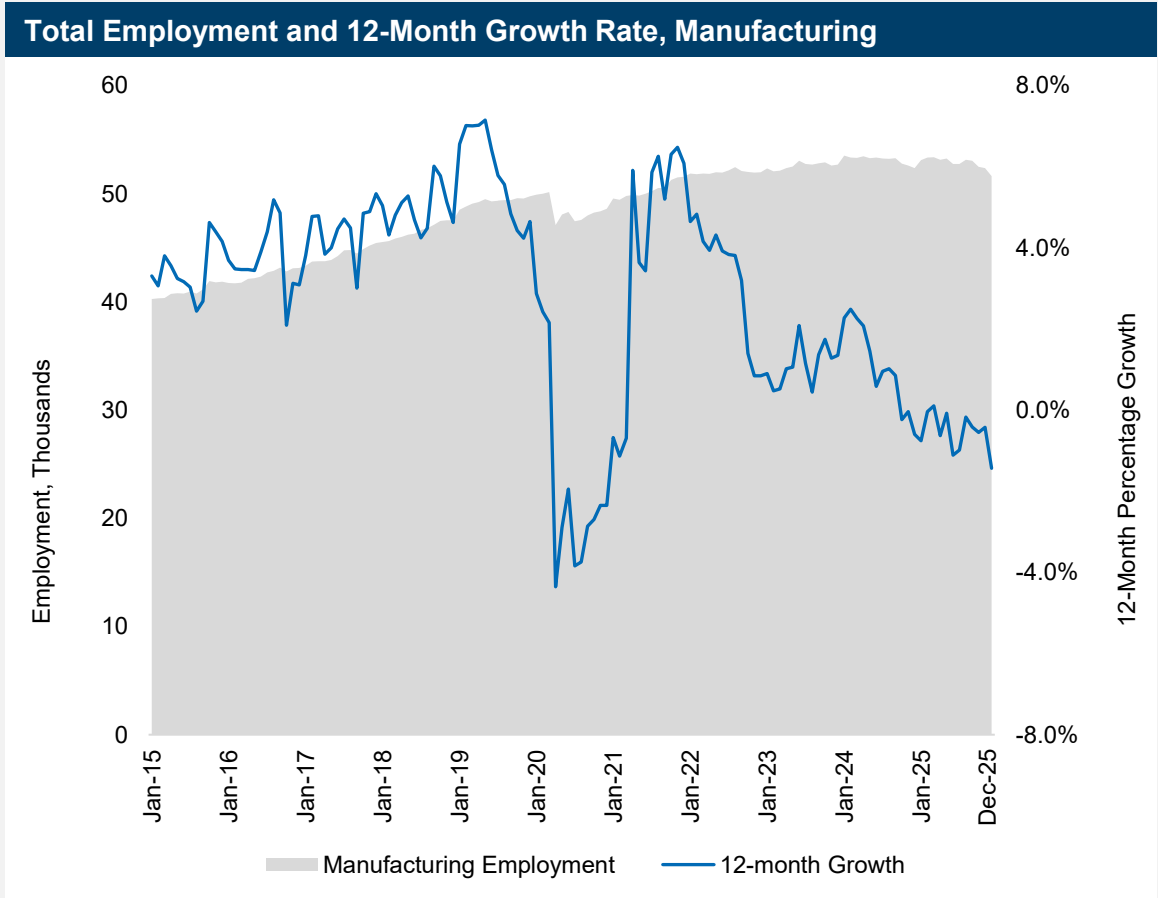
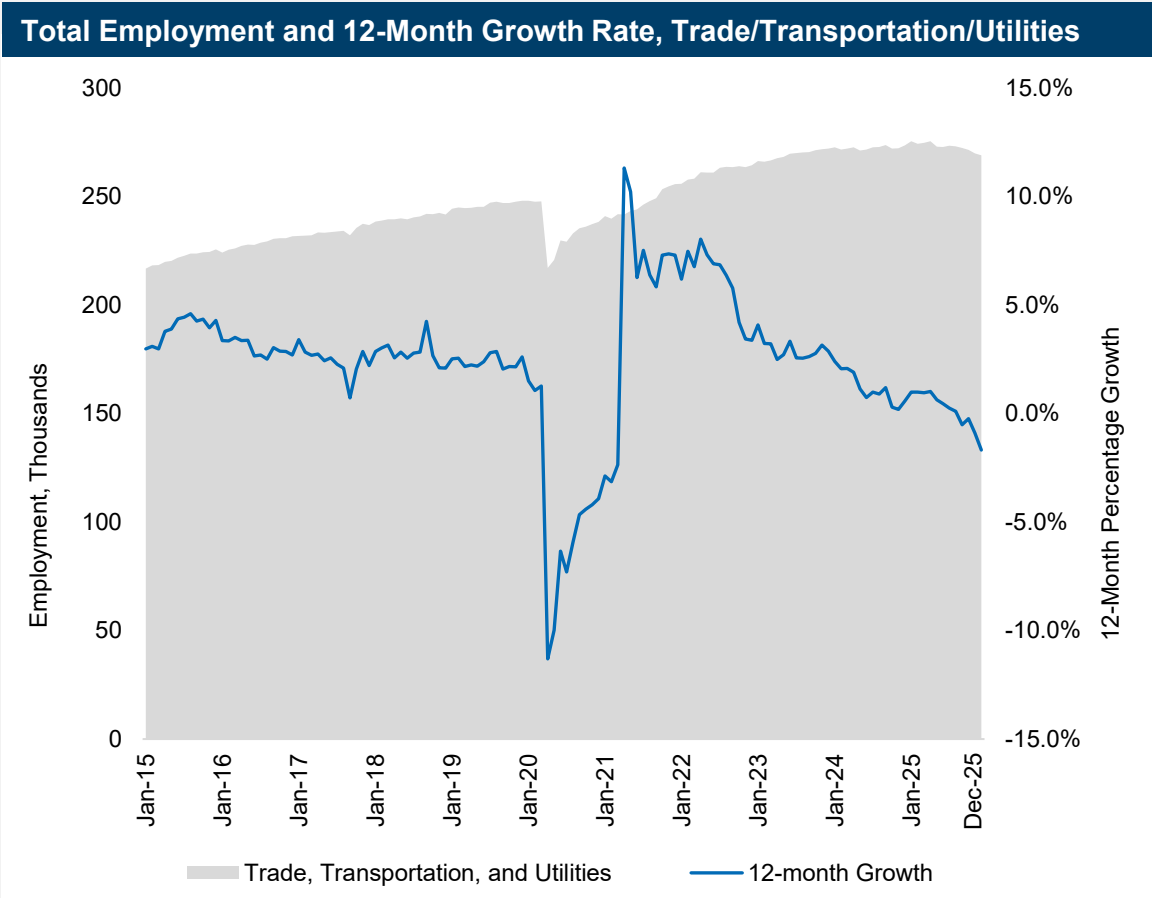
Industrial Employment Report Mixed Growth

Known for its tourism sector, the Orlando market’s top two employment industries account for 38.2% of the total market share. The industrial-using trade/transportation/utilities sector is the third largest industry in the market, accounting for 17.7% of the workforce. Five of the ten major employment sectors posted job gains over the past 12 months, led by the education and health industry, which recorded a 5.3% increase. Over the past year, industrial-using sectors posted mixed results: mining and construction jobs grew at 0.1% while manufacturing and trade/transportation/utilities employment declined by 1.4% and 1.7%, respectively.



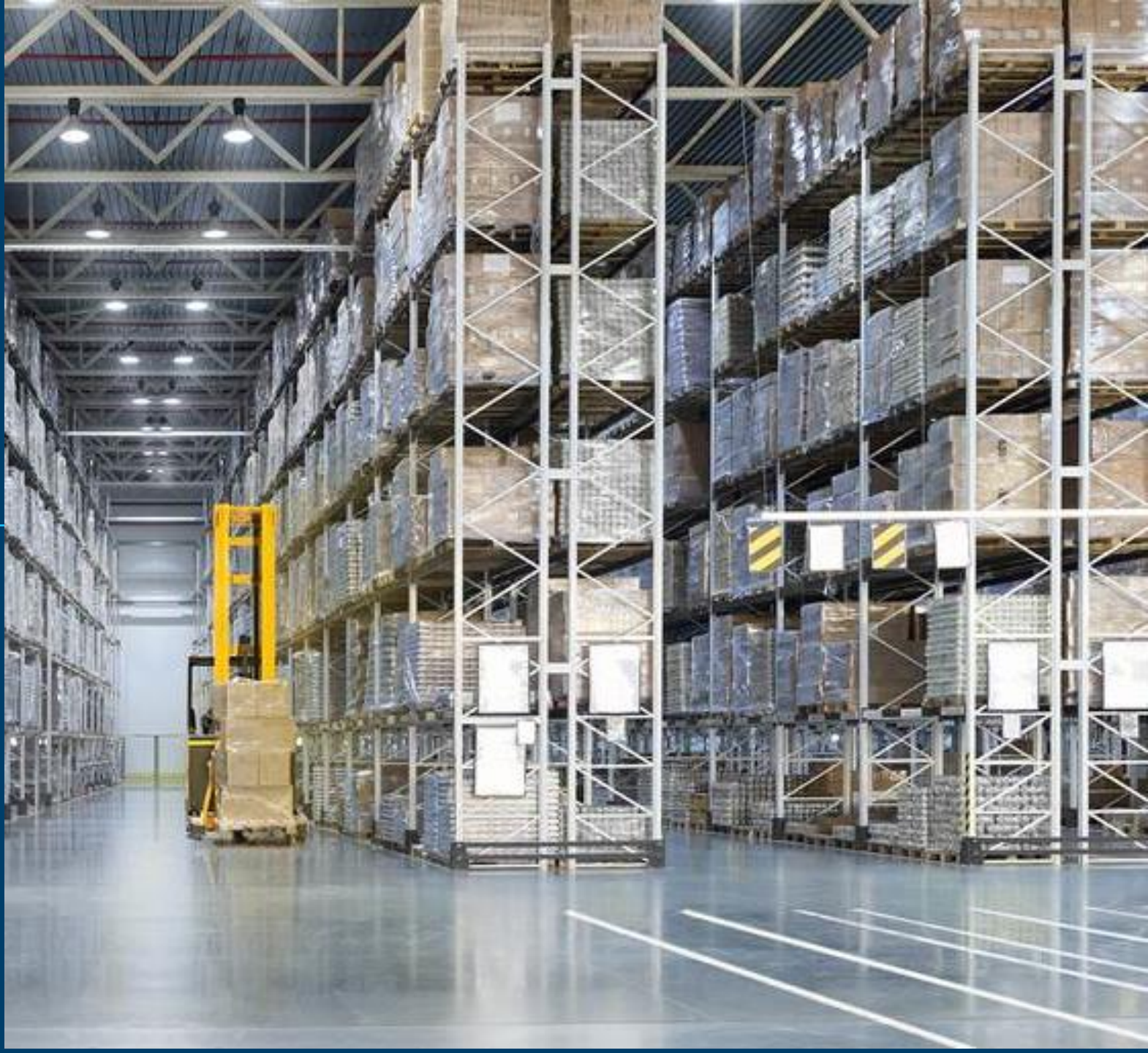
Manufacturing and Trade Jobs Continue to Contract

As of December 2025, trade/transportation/utilities employment was 269,008, down 1.7% year over year, continuing a downward trend that began in September 2025. Despite the pullback, the sector’s employment remained elevated, reflecting a 2.4% decline from the April 2025 peak. Meanwhile, manufacturing posted the ninth consecutive month of negative year-over-year growth, down 1.4% to 51,624 employees. Together, these trends point to a modest recalibration: freight-related employment remains elevated but is beginning to ease, while manufacturing payrolls have declined from the January 2024 peak of 53,522 amid ongoing cost discipline.



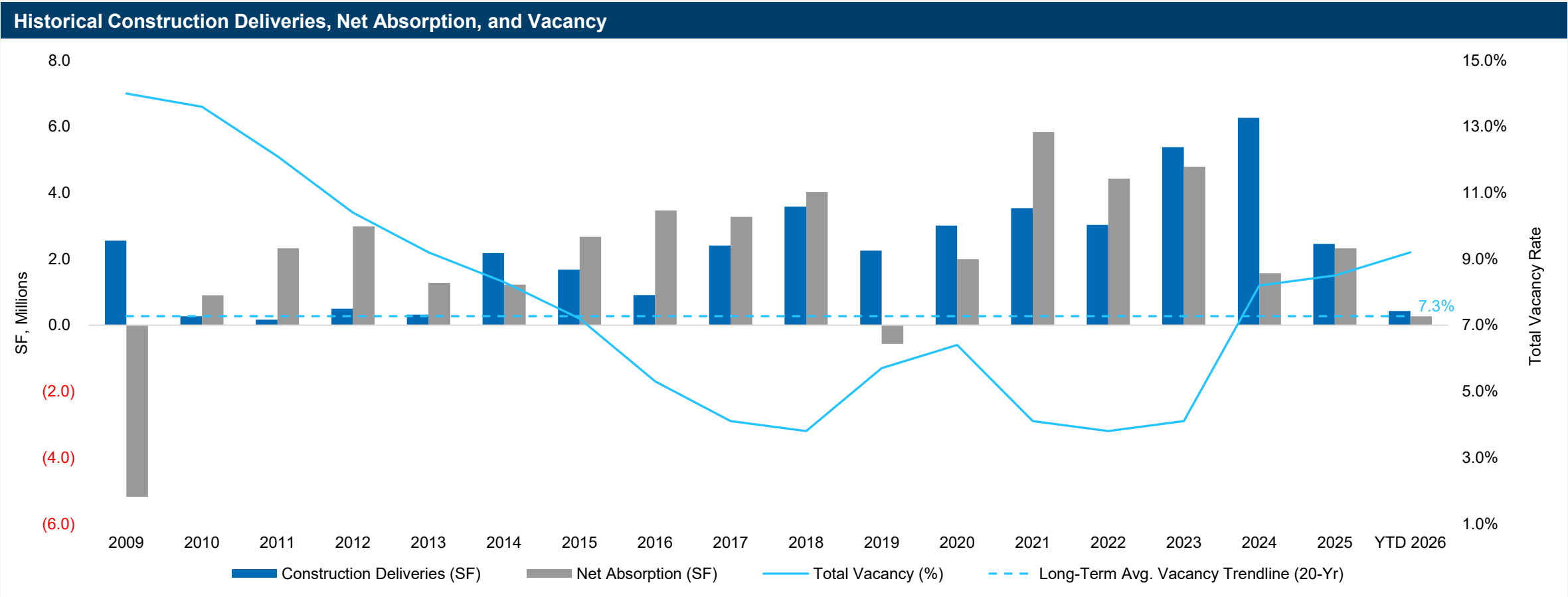
02

Leasing Market Fundamentals



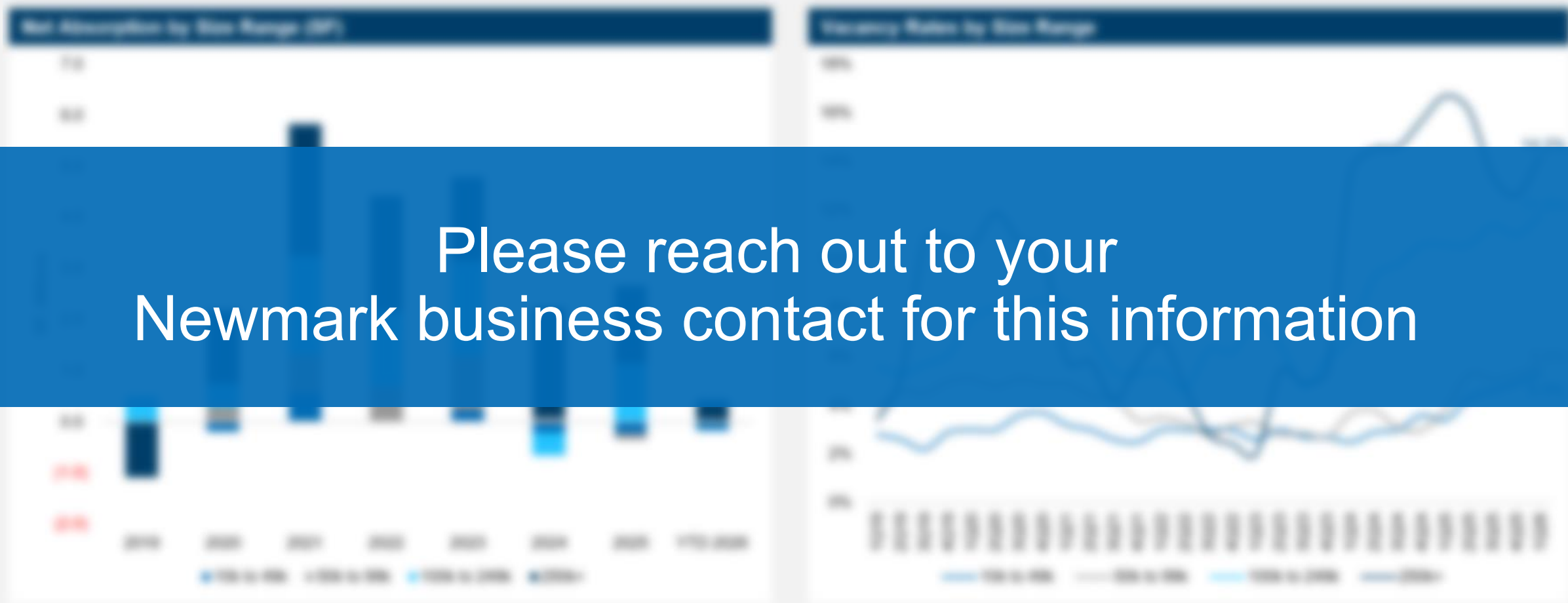
Vacancy Rises to Recent Peak as Supply Outpaces Demand

In the first quarter of 2026, Orlando’s industrial vacancy rate rose 70 basis points quarter over quarter and 60 basis points year over year to 9.2%, the highest level since the third quarter of 2013. While the market posted solid quarterly absorption of 267,064 SF, it also added 426,754 SF of new inventory, resulting in an oversupply of 159,690 SF and leading to the rise. Absorption is expected to remain positive, and as completions slow, supply pressure should moderate, allowing vacancy—though still elevated—to trend lower.



Demand for Large Buildings Drives Occupancy Gains Despite Elevated Vacancy

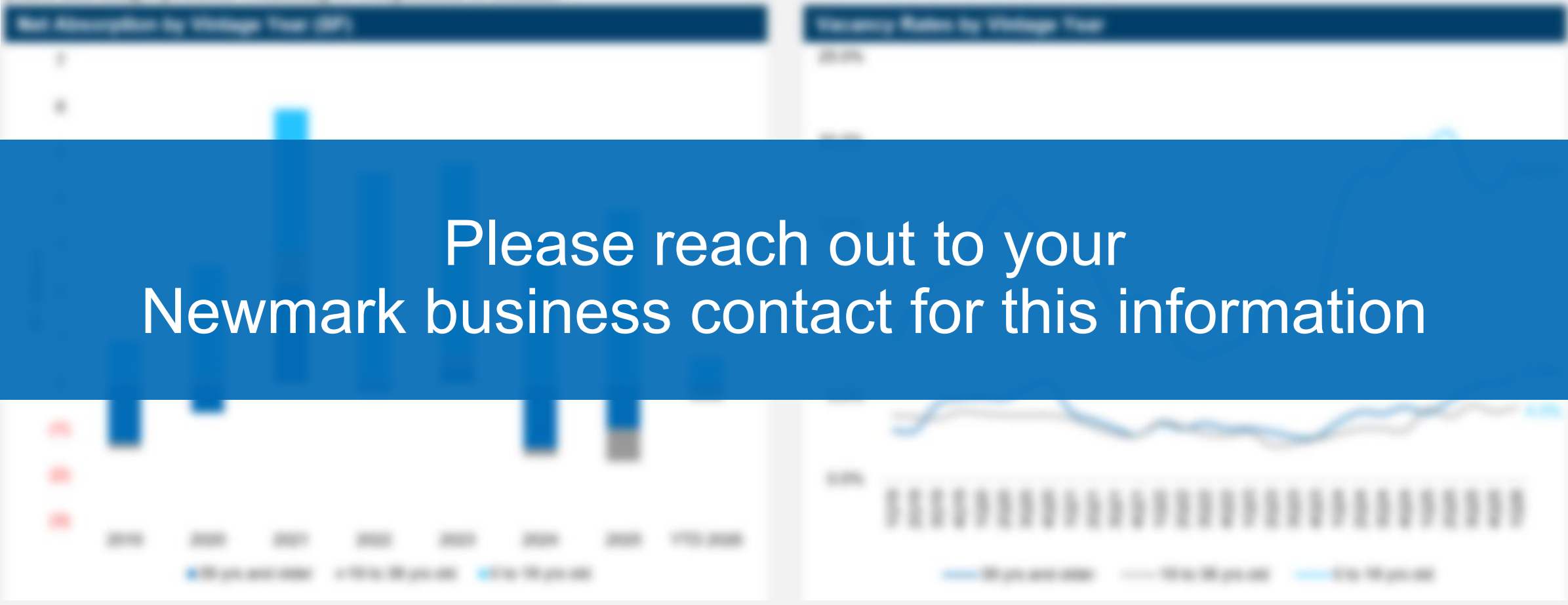
Offshore's industrial demand remains skewed to larger assets, particularly buildings 250,000 SF and larger, which have driven 52.7% of absorption since 2016. Most recently, buildings 250,000 SF and above realized 175,433 SF of occupancy gains during the first quarter of 2020 while reporting the highest vacancy rate in the market at 14.2%. Mid-sized buildings in the 100,000 to 250,000 SF segment reported negative demand of 16,322 SF, leading vacancy to rise by 120 basis points year over year to 11.8%. Even with vacancy elevated, large format buildings will continue to capture most of the market's demand as the market recovers through its pipeline.



Please reach out to your Newmark business contact for this information

Preference for Modern Industrial Buildings Drives Demand

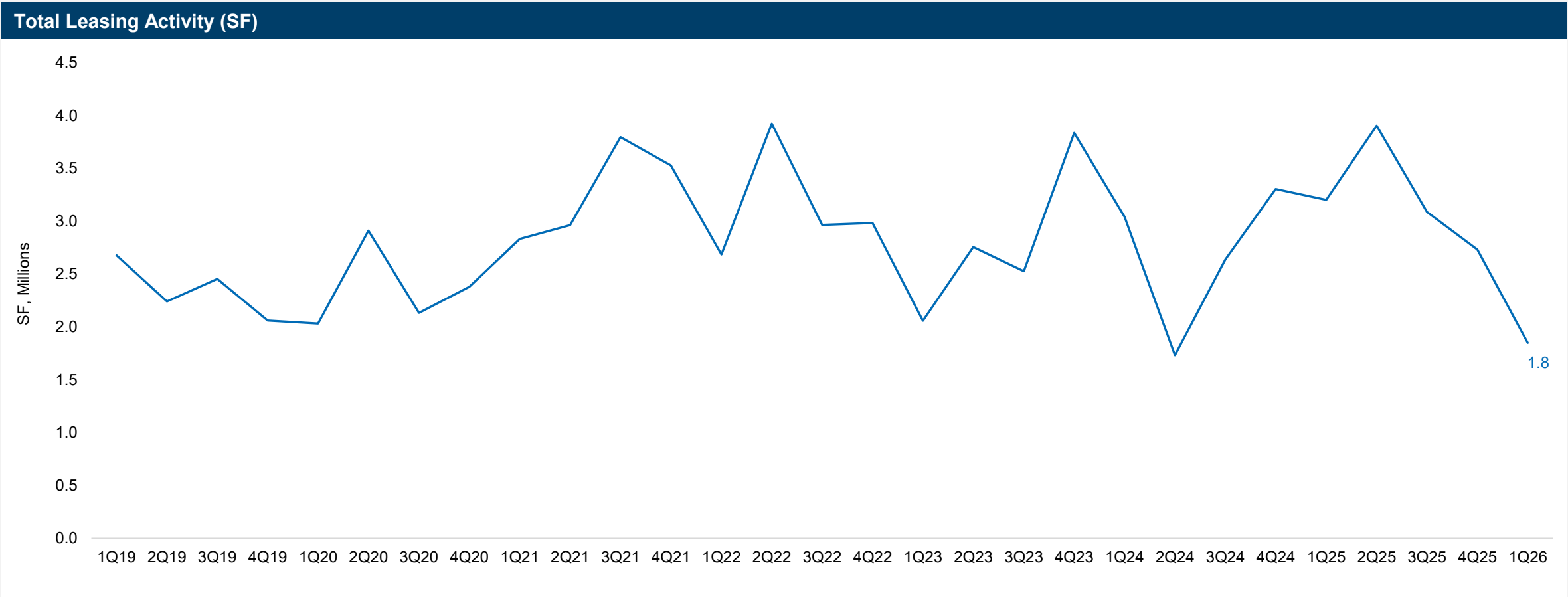
Modern industrial buildings, those aged 15 years or younger, currently account for 46.7% of the total vacant space in the market. Moreover, all positive net absorption since 2019 has been absorbed in modern industrial buildings, highlighting strong new demand for newer facilities. Although vacancy in modern warehouses rose by 175 basis points quarter over quarter to 18.4% as of the first quarter of 2024, it remained 40 basis points lower year over year. The higher vacancy rate for modern warehouses is largely supply driven from the influx of new deliveries coming online in 2024. Meanwhile, the gradual rise in vacancy among legacy industrial properties is a result of sustained negative net absorption over the past two years, reflecting a potential weakening or compression of demand.



Please reach out to your Newmark business contact for this information

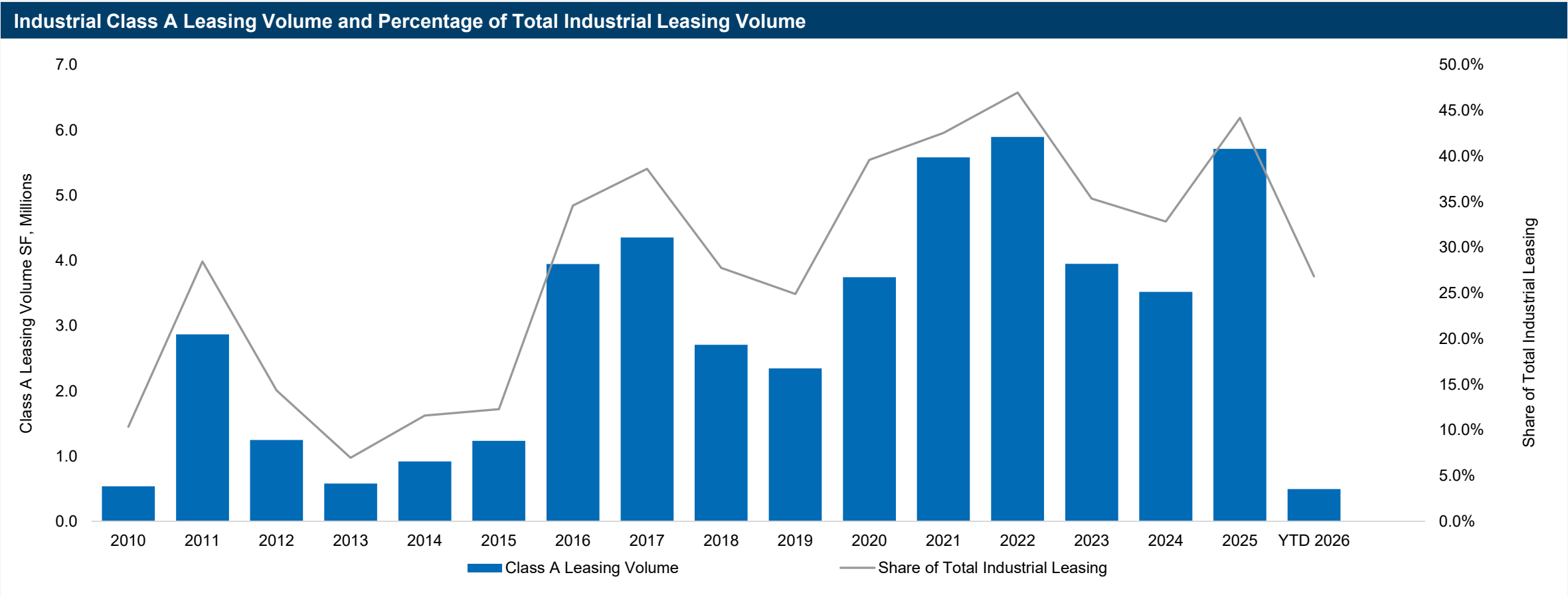
Industrial Quarterly Leasing Continues to Drop

Leasing activity declined for the third consecutive quarter, falling 32.3% quarter over quarter and 42.3% year over year to 1.8 MSF in the first quarter of 2026. Leasing volume nevertheless remained 6.7% above the cycle low of 1.7 MSF recorded in the second quarter of 2024. The slowdown largely reflects fewer large one-off transactions and normal deal-timing effects. Taken together, these trends point to a market that is still active but choppier from quarter to quarter, with potential for more consistent absorption as tenants begin to occupy recently leased spaces.



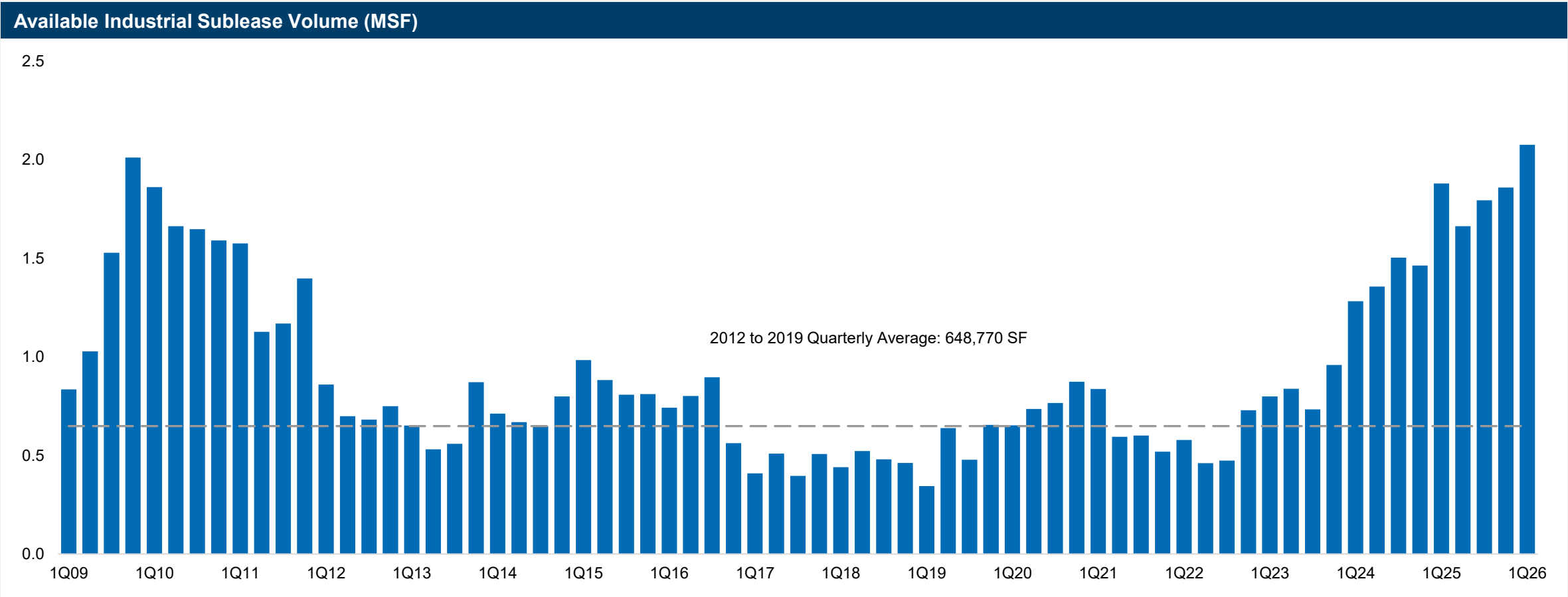
Class A Warehouse Leasing Falls, but Remains Above Historical Average

Class A leasing activity totaled 495,959 SF in the first quarter of 2026, down 42.0% quarter over quarter. Class A leasing activity now comprises 26.8% of all leasing, reflecting a dip from the 31.3% share recorded in the previous quarter. Despite the dip, Class A leasing activity’s share of total leasing activity remains 30 basis points above the historical 16-year average of 26.5%. Despite the slip in leasing activity this quarter, demand for high quality spaces remains high and will continue to be a major driver of leasing in the future.



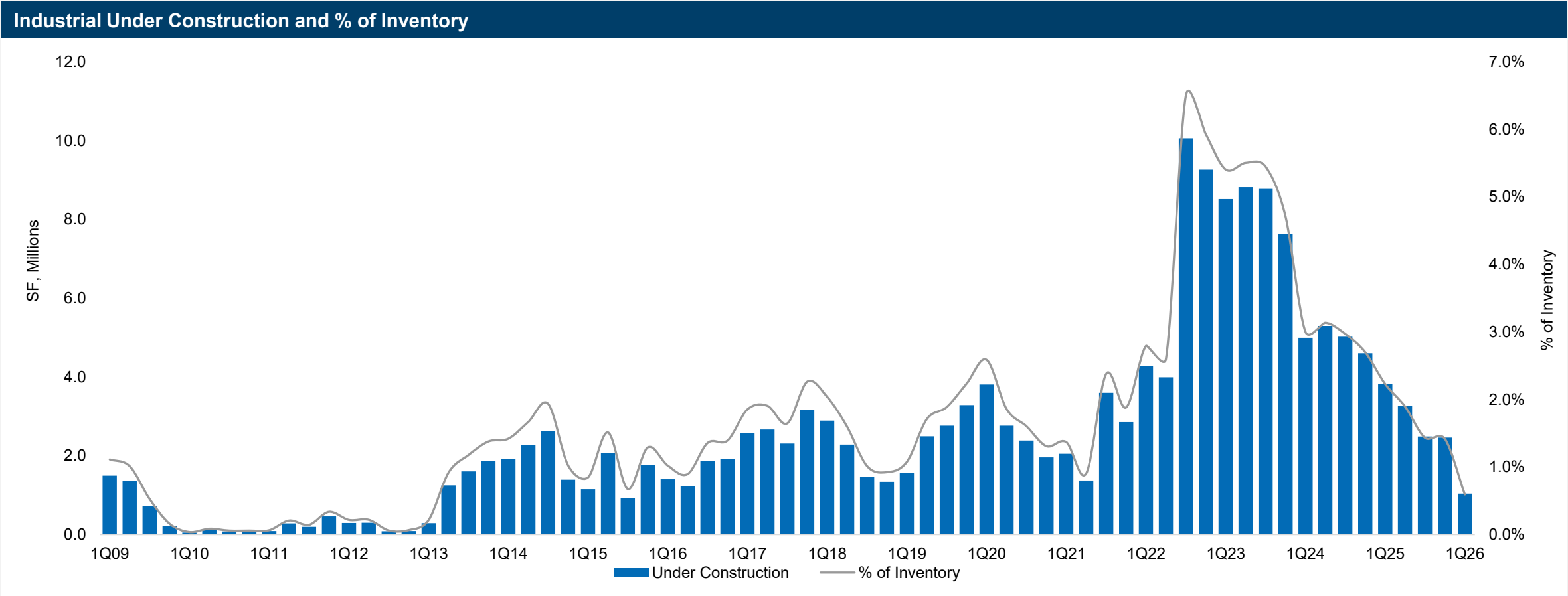
Industrial Sublease Availability Rises For Third Consecutive Quarter to Record High

As of the first quarter of 2026, sublease availabilities in the Orlando industrial market reached a new record high of 2.1 MSF, representing quarterly and annual increases of 11.7% and 10.5%, respectively. Notable subleases listed on the market during the quarter include Samsung’s 191,899-SF space at 19925 Independence Boulevard and Skyline Displays’ 127,344-SF listing at Crews Commerce Center. The rise in sublease availabilities is indicative of a broader shift within the market, with current levels more than three times greater than the pre-pandemic average of 648,770 SF recorded from 2012 to 2019. This increase in sublease availability is likely the result of businesses continuing to adapt to new economic conditions, choosing to list excess space in an effort to cut costs and streamline operations.



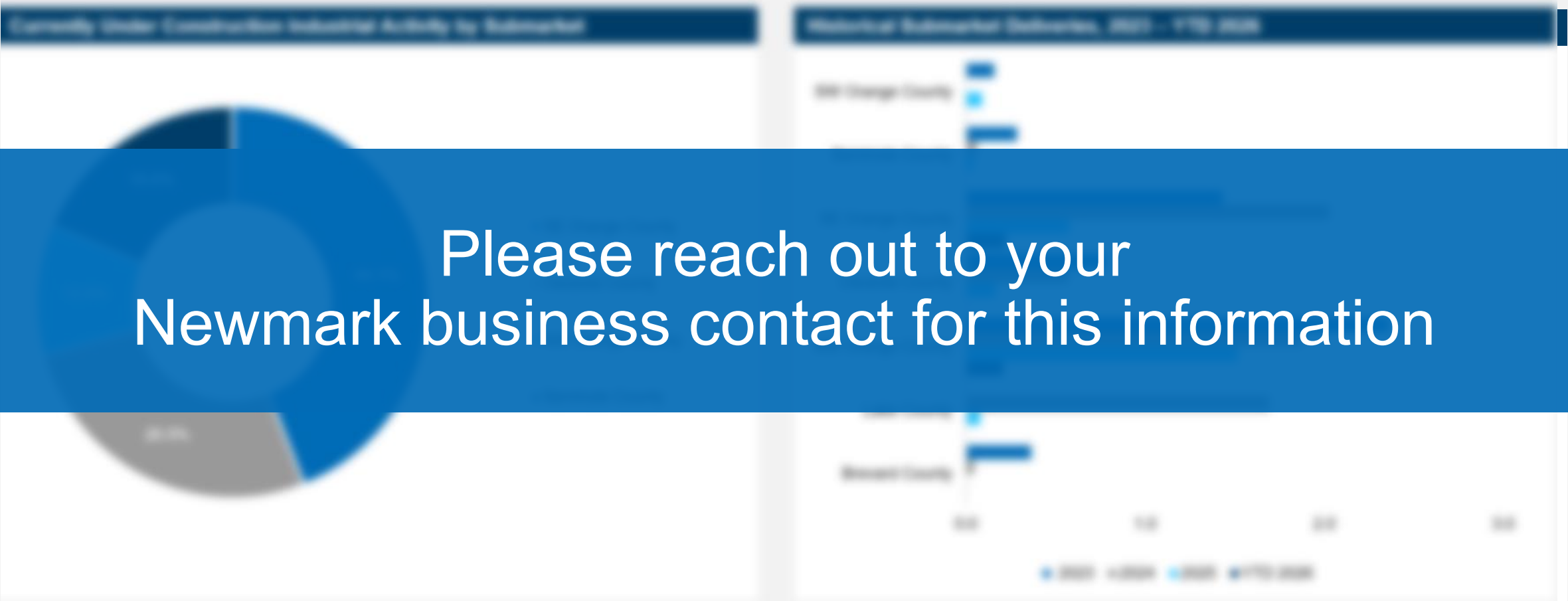
Construction Pipeline Drops to Lowest Level in a Decade

Under-construction volume in the first quarter of 2026 totaled 1.0 MSF, representing substantial declines of 57.8% quarter over quarter, 72.9% year over year and marking the lowest level since 2015. As a result, the declining pipeline closed the quarter 63.5% below the 15-year historical quarterly average of 2.8 MSF. This marks the third consecutive quarter that the pipeline has closed below the 15-year historical quarterly average. As more developments near completion, it is likely that construction activity will remain below historical levels as new construction starts continue to dwindle. Currently, 35.2% of space underway is preleased.



SE Orange County Drives New Development; NW Orange County Leads in Deliveries

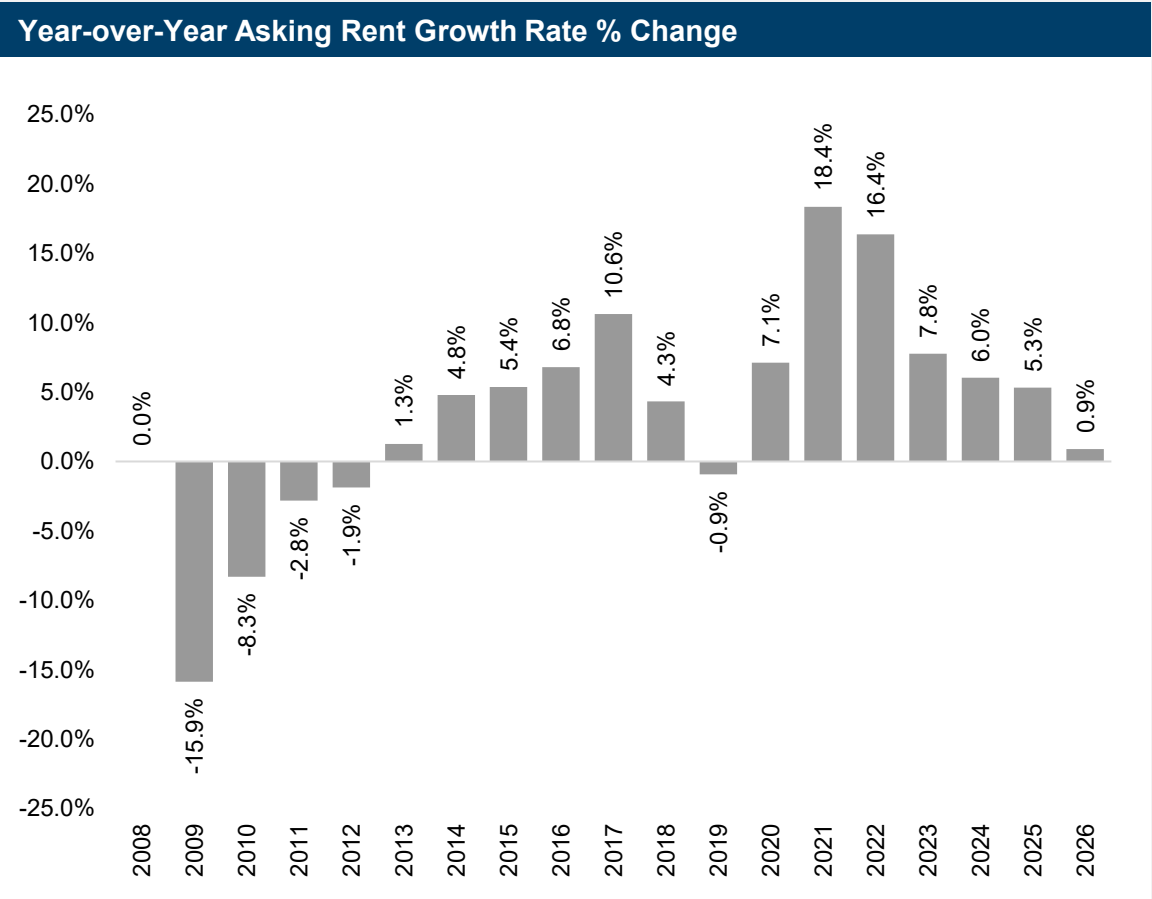
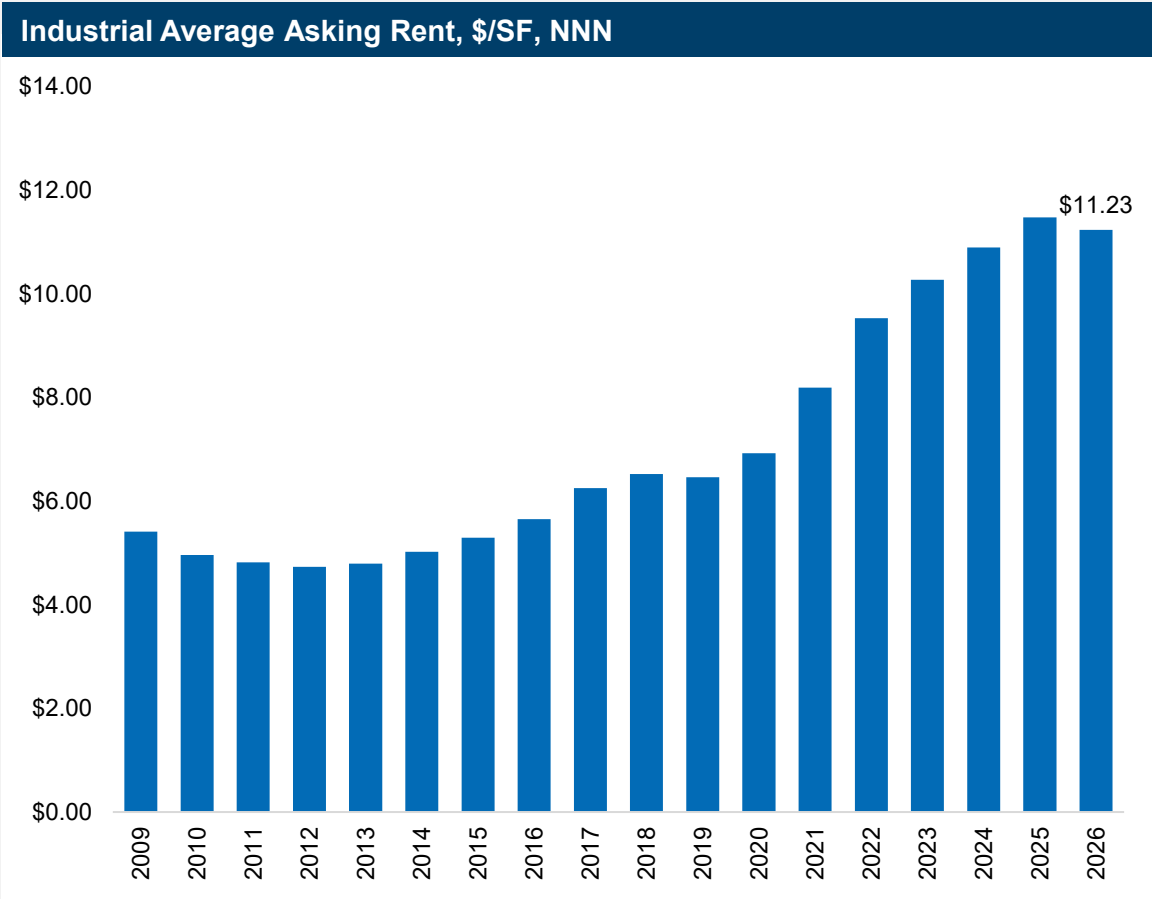
Within the Orlando suburban market, the SE Orange County submarket leads in construction activity, with 476,000 SF underway, representing 46.1% of the total pipeline and highlighting current position as a preferred location and distribution hub. Meanwhile, the NW Orange County submarket has delivered 1.1 million SF of new product since 2015, or 42.1% of all deliveries over the same period. However, the NW Orange County submarket currently has only 207,174 SF under construction, or 18.8% of the market's pipeline, reflecting a shift in development activity to the south after leading secondary growth in recent years.



Please reach out to your Newmark business contact for this information

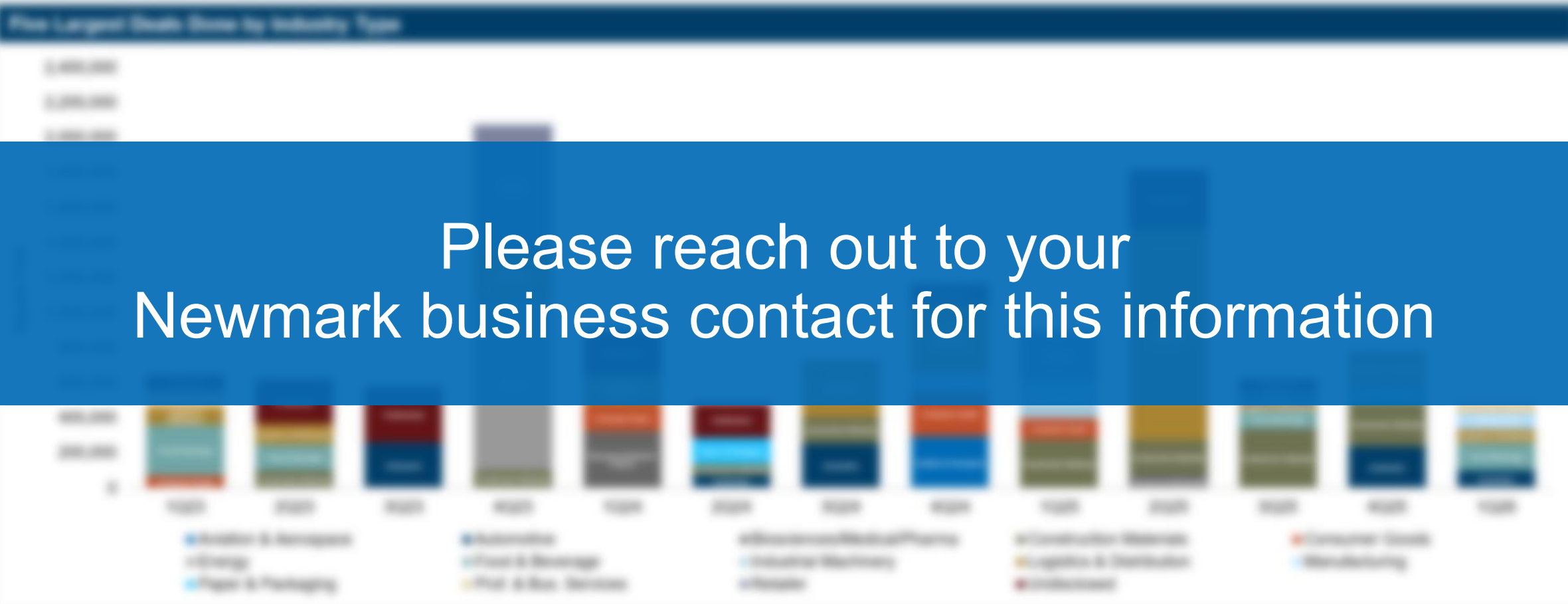
Asking Rents Cool, But Remain Near Historical Highs

Industrial average asking rents declined in the first quarter of 2026 to \$11.23/SF, falling 2.1% from the previous quarter’s historical high of \$11.47/SF. Annual rental rate growth has slowed significantly since 2021, rising by only 0.9% year over year in the first quarter of 2026. Rent gains in recent years can be attributed to the ongoing influx of new, higher-quality supply and a strong preference for modern facilities by most tenants. However, as the dwindling stock of new supply delivers, the pace of rent growth is expected to moderate further, with future increases likely driven more by localized demand and limited availability of high-quality space rather than widespread market-wide supply.



Top Five Largest Deals Done by Industry Type

Industry representation among the market's five largest deals has gradually shifted over time. Since 2015, the Logistics and Distribution sector has most frequently appeared in the largest deals. Moreover, the first quarter of 2020 included several industries rarely seen in the top five largest deals in the market, such as professional and business services and manufacturing. Food and beverage made the list of top five largest deals for the third consecutive quarter.



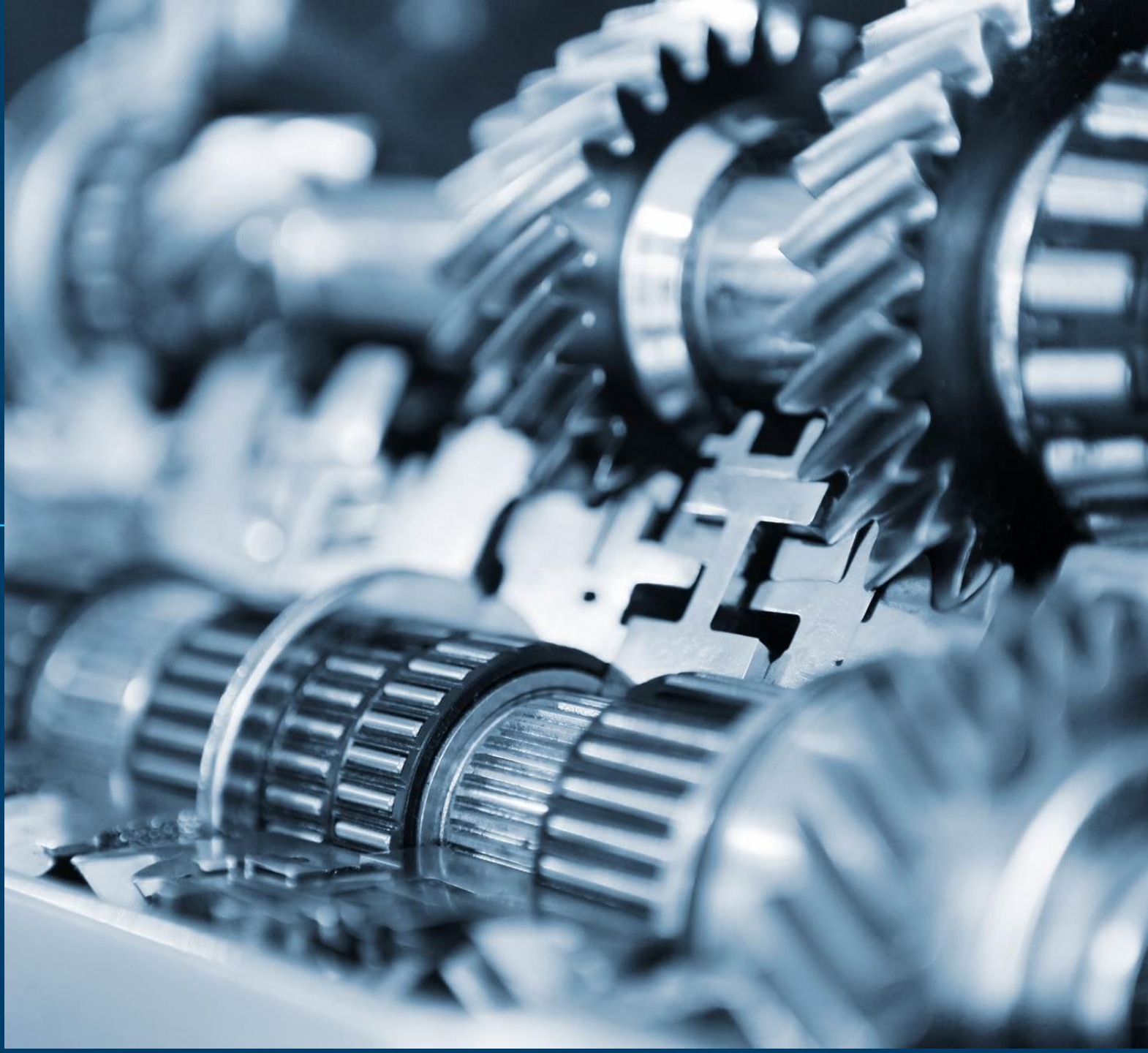
Southeast Orange County Anchors the Quarter’s Largest Transactions

Leasing activity declined 32.3% quarter over quarter and 42.3% year over year to 1.8 MSF in the first quarter of 2026. Despite the slowdown, the market was still led by new leases and expansions, with four of the five largest transactions falling into these categories. Three of those top five deals were completed in the Southeast Orange County submarket, highlighting the depth of demand there. Notably, four of the five were signed by tenants in sectors not typically represented among the largest deals, including food and beverage, manufacturing, and professional and business services.

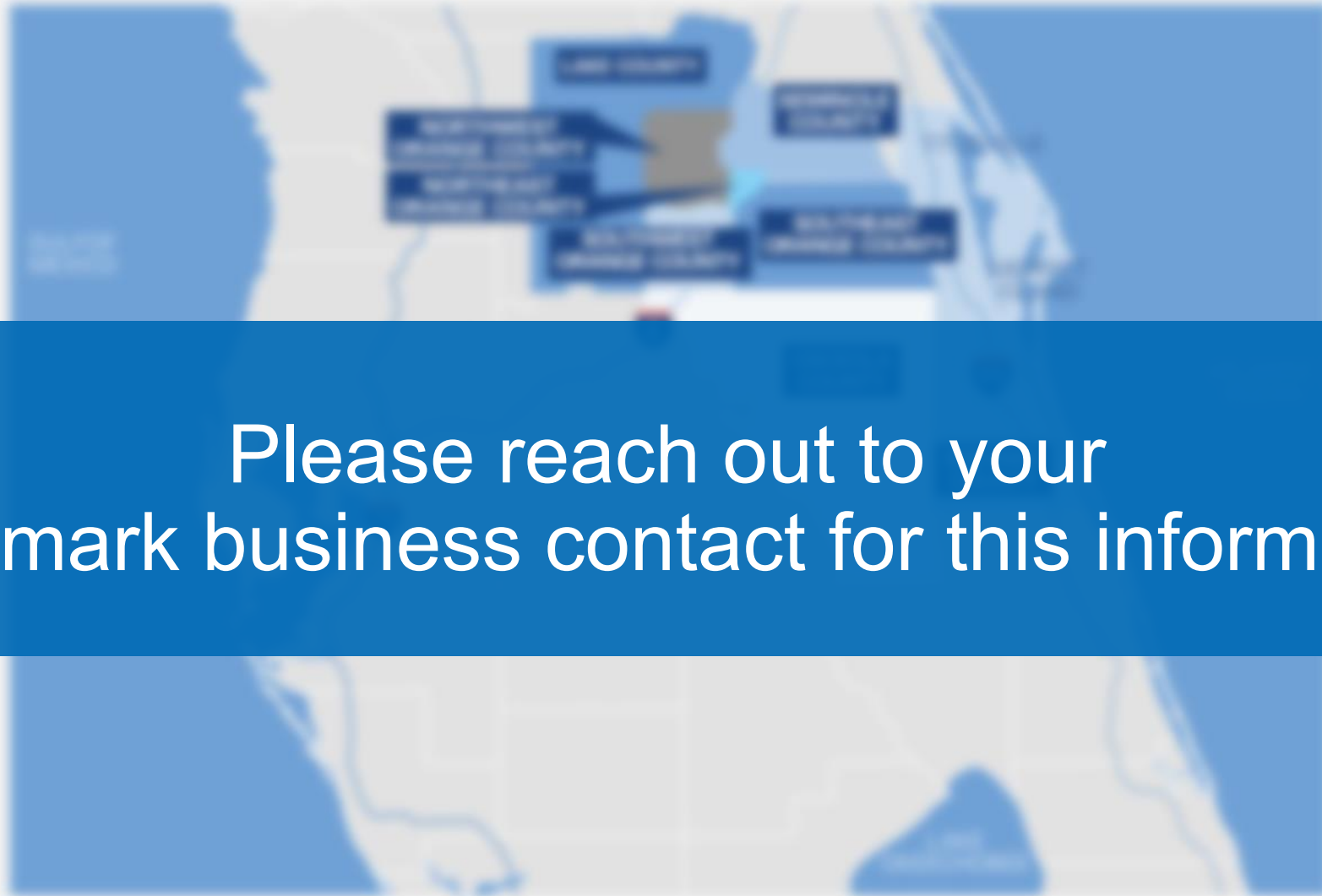
Notable 1Q26 Lease Transactions				
Tenant	Building	Submarket	Type	Square Feet
Iberia Foods	10601 Southport Drive	SE Orange County	Sublease	159,000
<i>Iberia Foods, a food and beverage distributor serving U.S. Hispanic and Caribbean markets, signed a 32-month sublease.</i>				
Uber	7575 Chancellor Drive	SW Orange County	Direct New	100,800
<i>The rideshare company inked a deal securing 50% of 7575 Chancellor Drive, with occupancy scheduled for October 2026.</i>				
Blue Hippo	1090 Gills Drive	SE Orange County	Renewal/ Expansion	91,318
<i>The custom fabrication and display company has been a tenant in the building since November 2020 and recently renewed and expanded its footprint by 86,486 SF, bringing its total occupancy to 61.9% of the building.</i>				
Hildrup	10850 Lee Vista Blvd	SE Orange County	Direct New	79,840
<i>The logistics company provides relocation and last-mile delivery services, and as of February 2026, occupies 56.3% of the property, sharing the building with marketing firm Czarnowski and interior design company Interior Logic Group.</i>				
Access	1451 Ocoee Apopka Rd & State Hwy 414	NW Orange County	Renewal/ Expansion	70,058
<i>The HR solutions firm has been a tenant at this location since September 2018 and recently expanded its footprint by 30,000 SF, bringing its occupancy to 35% of the building which now houses 70 employees.</i>				

03

Submarket Map & Statistics



Orlando Industrial Submarket Map



Orlando Industrial Submarket Overview

Submarket Statistics - All Classes								
	Total Inventory SQ FT	2022 Construction SQ FT	2022 Inventory Vac	2022 Inventory Vac %	2022 Inventory Vac %	2022 Inventory Vac %	2022 Inventory Vac %	2022 Inventory Vac %
Orange County	25,000,000	0	0%	0%	0%	0%	0%	0%
Volusia County	10,000,000	0	0%	0%	0%	0%	0%	0%

Please reach out to your
Newmark business contact for this information

Orange County	25,000,000	0	0%	0%	0%	0%	0%	0%
Volusia County	10,000,000	0	0%	0%	0%	0%	0%	0%
Market Total	35,000,000	0	0%	0%	0%	0%	0%	0%

1Q26 Central Florida Industrial Market Overview

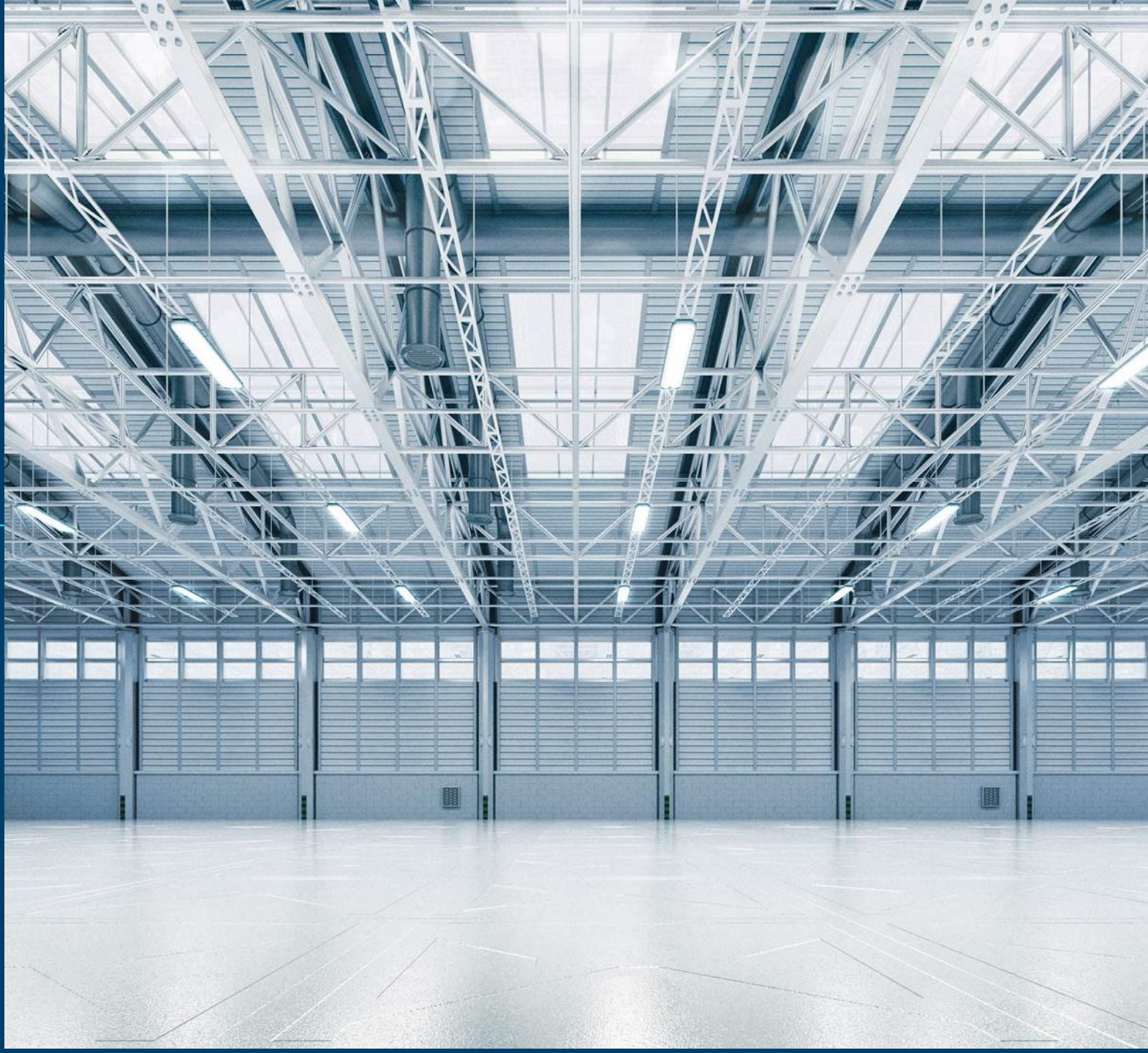


Please reach out to your
Newmark business contact for this information

1750 Industrial	100,000	100,000
Other Building Type (2000)	200,000	200,000
Other Building Type (2000)	200,000	200,000
Other Building Type (2000)	200,000	200,000
Other Building Type (2000)	200,000	200,000

04

Supplemental Analysis



Orlando Industrial Market



Strengths

- Orlando's economic foundation is bolstered by strong population growth, tourism, defense, and a growing health and tech sector.
- Orlando remains one of the best U.S. office markets with solid rent growth over the past decade, outperforming national trends.
- Strong connections to major firms in high demand in the Southeast (banks and law firms) continue, highlighting continued demand for office space in well-located areas.



Weaknesses

- Greater vacancy and availability continue to weigh on the market despite recent signs of stabilization.
- Strong demand remains selective, with many companies demanding, consolidating, or delaying decisions.
- The fight to qualify is widening the gap between top-tier assets and older, less competitive buildings.

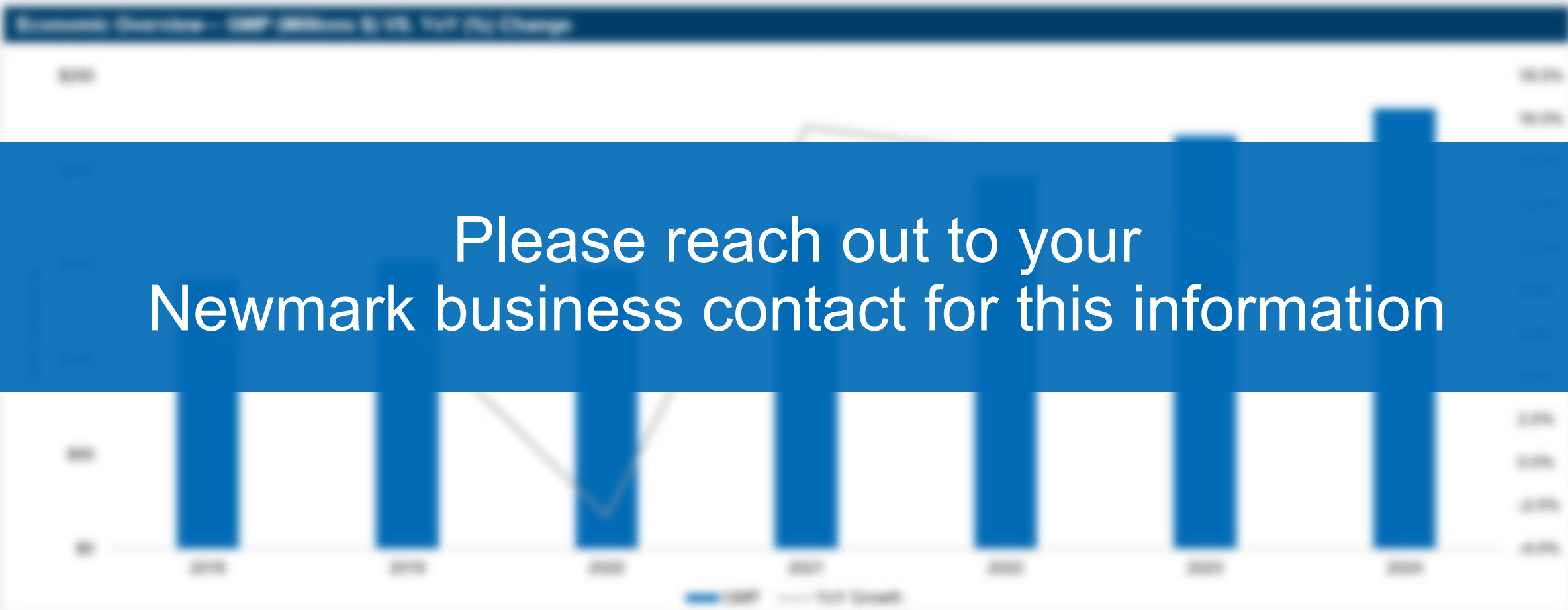
Please reach out to your Newmark business contact for this information

- Greater supply of freight and flex in properties creates negotiating leverage for landlords with high-quality inventory.
- Strong relationships with major tenants and strong fundamentals present opportunities for leasing.
- Orlando's fast-growing and well-educated population, combined with an expanding job base, continue to challenge long-term market demand.

- Many tenants are transitioning to alternative working and meeting needs, or seeking alternatives, leading to long or non-term occupancy and increasing the vacancy risk.
- Older buildings are competing primarily on price and convenience and to maintain occupancy, which may compromise overall market value.
- The high volume of new inventory due through the end of 2025 could place additional pressure on development activity, further widening the already existing construction pipeline.

Orlando Gross Metropolitan Product

Despite economic headwinds, gross metropolitan product continues to increase, albeit at a slower pace. Most recently, gross metropolitan product rose 0.8% year over year to reach a new all-time high of \$171.2 billion.



Please reach out to your Newmark business contact for this information

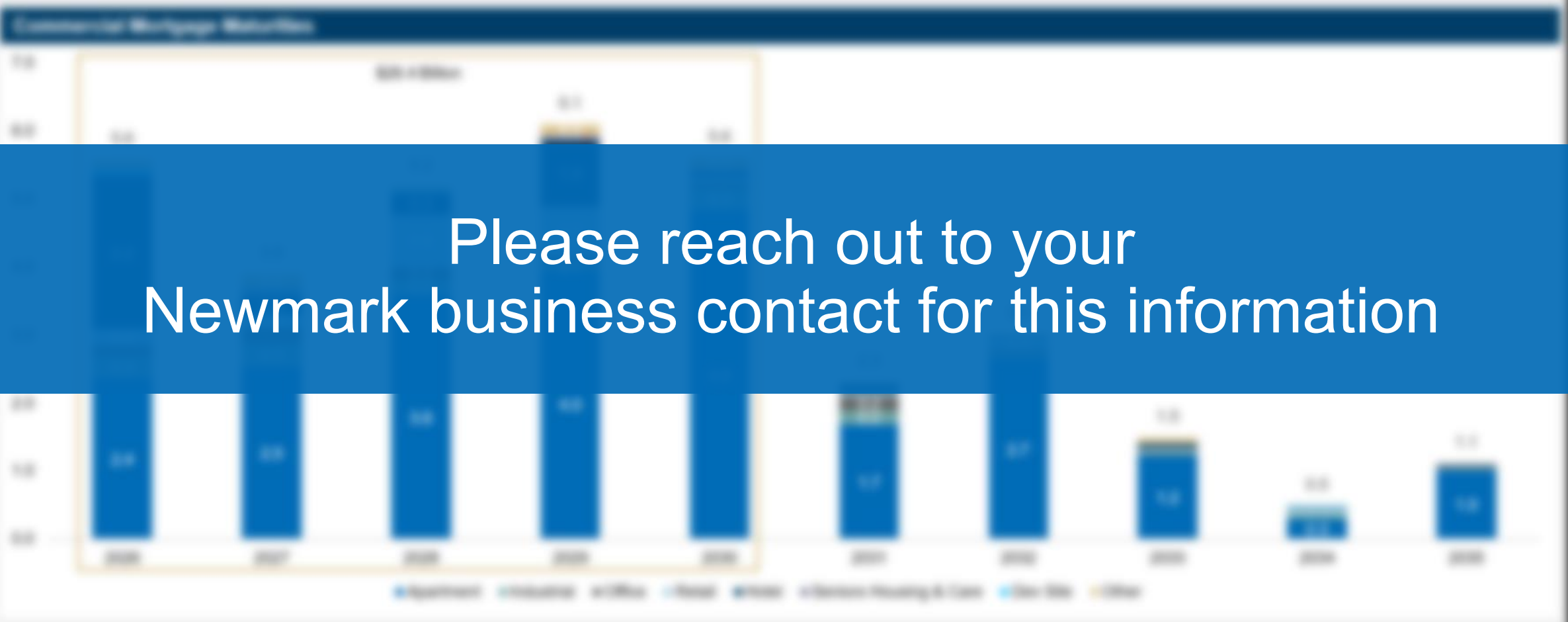
Higher Loan Volume Due in 2029

In the first quarter of 2025, CMBB remained the leading source of debt financing, accounting for 71.4% of the total volume. Government agency securities are first traded at \$1.1 billion through 2029 followed by CMBB securities at \$0.7 billion and bank securities at \$0.3 billion. Across all debt sources, the peak maturity year is 2029 at \$6.1 billion, underscoring the importance of evaluating upcoming maturities as a gauge of future market economic health. The concentration of near-term maturities highlights refinancing risk in a higher rate environment, reflecting the importance of credit quality and capital planning over the next cycle.



Multifamily Maturities Particularly Elevated Through 2030, Industrial Not So Much

As of the first quarter of 2025, office loans comprise 1.0% of the upcoming \$25.4 billion of loans maturing within the next five years, representing the exposure to the office sector's challenges. By contrast, multifamily accounts for 60.0% of near-term maturities, but refinancing risk remains relatively manageable given the sector's stronger performance and continued lender appetite. This divergence highlights a more selective capital market, one increasingly focused on asset quality and operational resilience.



Please reach out to your Newmark business contact for this information

Christopher Bryant*Senior Research Analyst*Christopher.Bryant@nmrk.com**Andrew Cook***Research Analyst*Andrew.Cook@nmrk.com**Wyatt Horn***Senior Research Analyst*Wyatt.Horn@nmrk.com**Joycelyn Jezreel***Senior Research Analyst*Jezreel.Joycelyn@nmrk.com**Kirsten Kempf***Senior Research Analyst*Kirsten.Kempf@nmrk.com**Alain Perez***Senior Research Analyst*Alain.Perez@nmrk.com**Neil Mathee***Research Manager*Neil.Mathee@nmrk.com**Ching-Ting Wang***Head of Southeast Research*ChingTing.Wang@nmrk.com**Orlando**

400 S Park Ave

Suite 220

Winter Park, FL 32789

T: 321-316-3030

New York Headquarters

125 Park Ave.

New York, NY 10017

t 212-372-2000

nmrk.com

Newmark has implemented a proprietary database and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents. Newmark Research Reports are available at nmrk.com/insights.

All information contained in this publication (other than that published by Newmark) is derived from third party sources. Newmark (i) has not independently verified the accuracy or completeness of any such information, (ii) does not make any warranties or representations, express or implied, concerning the same and (iii) does not assume any liability or responsibility for errors, mistakes or inaccuracies of any such information. Further, the information set forth in this publication (i) may include certain forward-looking statements, and there can be no guarantee that they will come to pass, (ii) is not intended to, nor does it contain sufficient information, to make any recommendations or decisions in relation to the information set forth therein and (iii) does not constitute or form part of, and should not be construed as, an offer to sell, or a solicitation of any offer to buy, or any recommendation with respect to, any securities. Any decisions made by recipient should be based on recipient's own independent verification of any information set forth in this publication and in consultation with recipient's own professional advisors. Any recipient of this publication may not, without the prior written approval of Newmark, distribute, disseminate, publish, transmit, copy, broadcast, upload, download, or in any other way reproduce this publication or any of the information it contains with any third party. This publication is for informational purposes only and none of the content is intended to advise or otherwise recommend a specific strategy. It is not to be relied upon in any way to predict market movement, investment in securities, transactions, investment strategies or any other matter. If you received this publication by mistake, please reply to this message and follow with its deletion, so that Newmark can ensure such a mistake does not occur in the future.