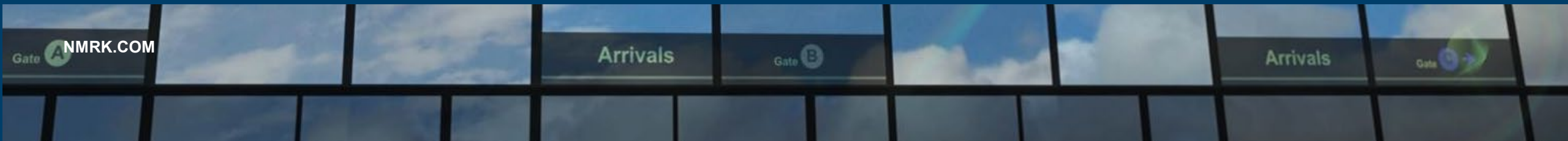
Market Overview

Tampa Industrial

1Q26



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Market Observations

Economy

- The unemployment rate rose by 77 basis points year over year to 4.4% in December 2025, edging above the five-year average of 4.2% and signaling a softening labor market.
- Job growth moderated to 0.9% year over year, a 12-basis-point slowdown; however, after dipping below the national average in July 2024, the region has since surpassed the national pace.
- Seven of the ten major employment sectors posted job gains over the past year, led by the education and healthcare industry, which recorded a robust 4.2% increase.
- Industrial-using employment contracted 0.6% year over year, driven by a 1.5% decline in trade/transportation/utilities, while manufacturing and mining and construction grew by 0.1% and 1.3%, respectively.

Leasing Market Fundamentals

- The market reported 419,690 SF of occupancy gains in the first quarter of 2026, driven primarily by Primo Brands' 290,966-SF move-in in the E Hillsborough/Plant City submarket.
- Overall industrial asking rents in Tampa rose 5.1% year over year in the first quarter of 2026, reaching a record high of $9.14/SF. The increase in rents is large attributed to the ongoing influx of new, higher-quality supply and the strong preference for state-of-the-art facilities by most tenants.
- The under-construction pipeline declined 18.9% year over year to 4.8 MSF, reflecting the lowest quarterly level since the fourth quarter of 2021. Projects are currently 29.3% preleased.
- Tampa's industrial vacancy rate rose a recent high, increasing by 93 basis points year over year to 8.7%, driven by an influx of deliveries since 2023.

Major Transactions

- JW Fulfilment inked the quarter's largest deal, a 252,580-SF new lease at Lakeside Logistics' Building 1. The location will focus on processing and storing goods.
- Three of the five largest deals signed were at least 100,000 SF, with the fourth just shy of the threshold. These leases highlight continued demand for large, efficient facilities capable of supporting modern distribution and operational needs.
- Two of the largest deals signed were in the E Hillsborough/Plant City submarket while another two were in Polk County, reinforcing strong demand for industrial product along the I-4 corridor.

Outlook

- Ongoing development in the Tampa market currently represents 1.9% of total inventory. The development pipeline is expected to contract further in the near term, as fewer projects break ground and existing developments near completion.
- Vacancy is poised to level off over the next several quarters as the delivery pace tapers and tenants begin to occupy previously leased space, supporting steady, backfill-driven absorption.
- Market fundamentals continue to attract distribution and manufacturing users seeking access to Florida's expanding consumer base. As development activity moderates, Tampa is well positioned to maintain sustained industrial demand over time.

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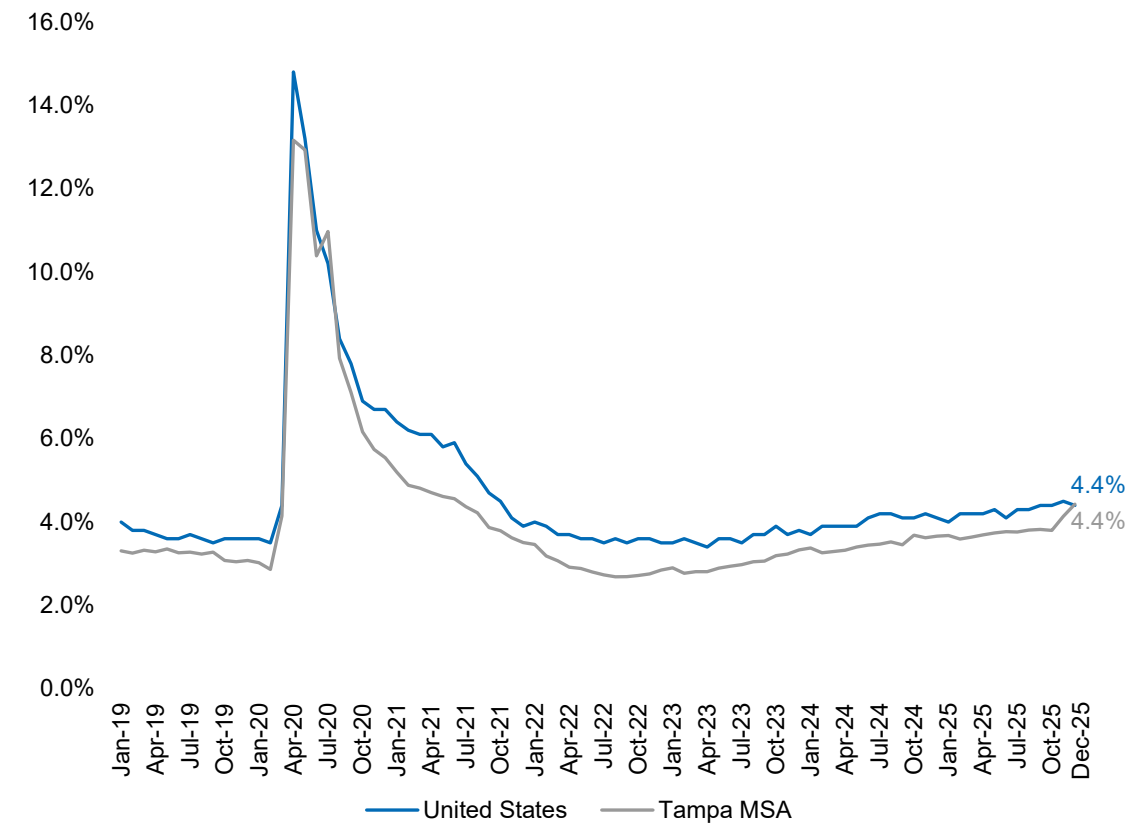
Economy

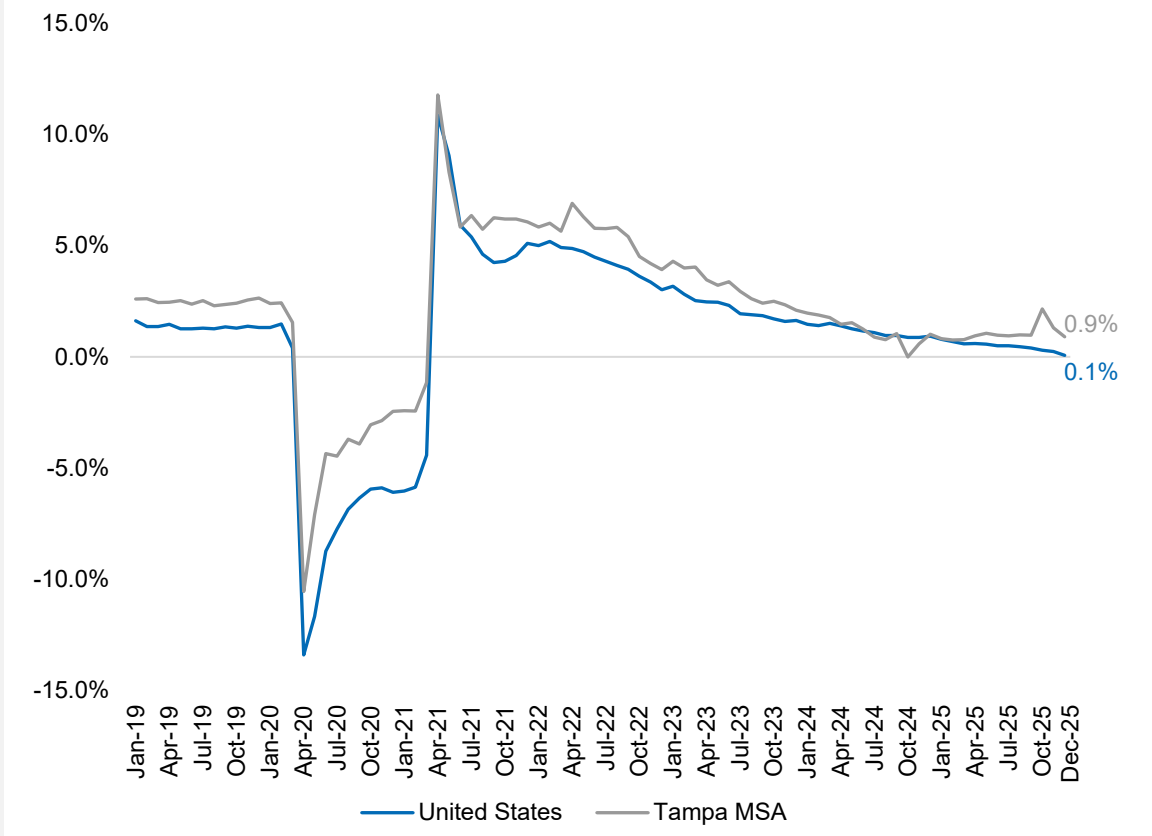
Metro Matches Nation on Unemployment, Outpaces in Job Growth

Tampa has historically maintained an unemployment rate below the national average, while generally outperforming in year-over-year employment growth. However, ongoing economic headwinds have begun to affect the local labor market. In December 2025, Tampa's unemployment rate ticked up 77 basis points year over year to 4.4% as job growth declined by 12 basis points year over year to 0.9%. After dipping below the national average in July 2024, regional employment growth has, over the past year, rebounded slightly and surpassed the national pace, driven by gains in the education and health sector.

Unemployment Rate*, Seasonally Adjusted



Nonfarm Payroll Employment, Seasonally Adjusted, 12-Month % Change

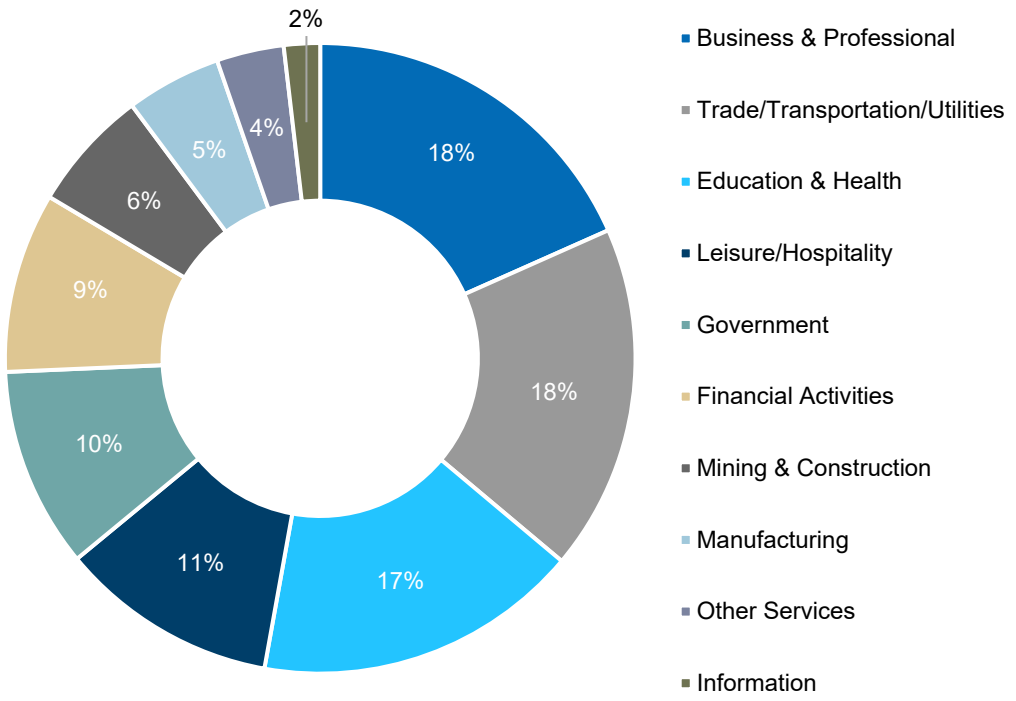


Source: U.S. Bureau of Labor Statistics, Tampa MSA
*October 2025 government shutdown missing data addressed with duplicating September 2025's data

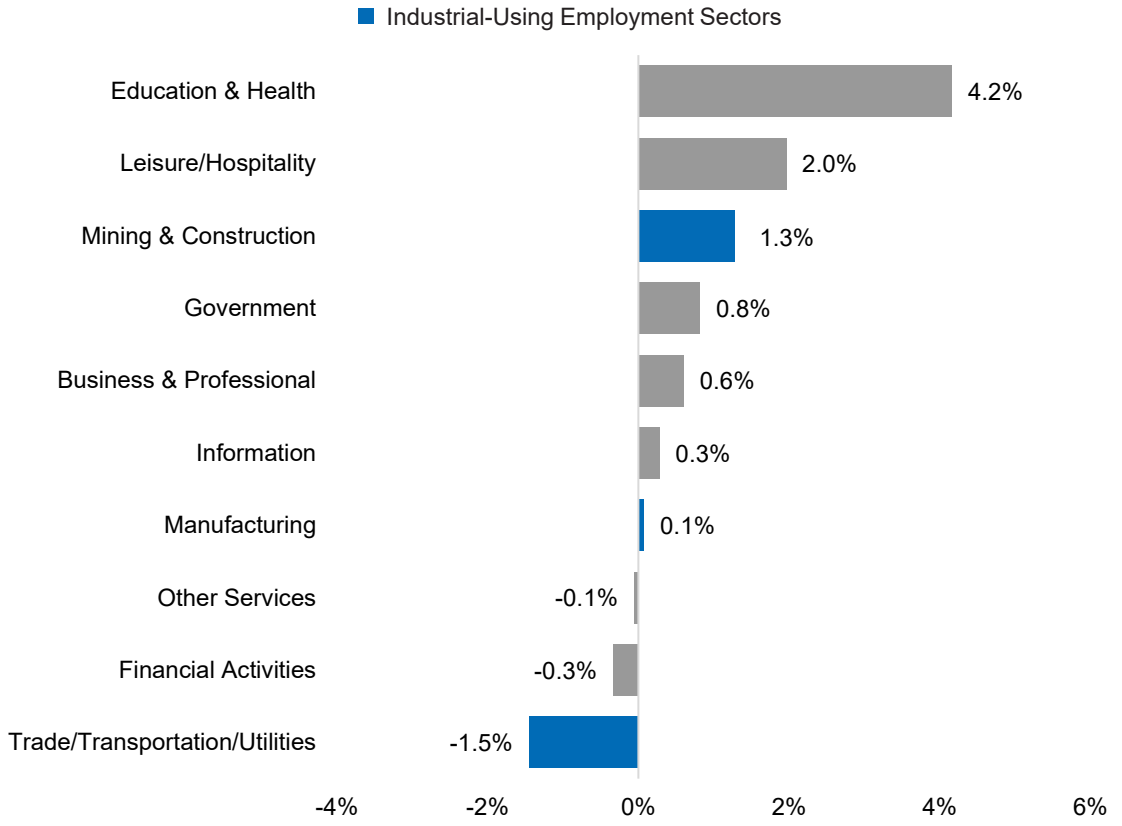
Two of Three Industrial-Using Sectors Post Year-Over-Year Gains

Tampa's two largest employment sectors collectively represent 36.1% of the metro's job base, with trade/transportation/utilities, the primary industrial-using sector, accounting for the second-largest share at 17.8%. Seven of the ten major employment sectors posted job gains over the past 12-months, led by the education and health industry, which recorded a 4.2% increase. Over the past year, two key industrial-using industries posted employment growth, ranging from 0.1% in the manufacturing sector to 1.3% in the mining and construction sector, while trade/transportation/utilities employment declined by 1.5% year over year. Continued employment growth is mainly propelled by specialized, service-oriented occupiers.

Employment by Industry, December 2025



Employment Growth by Industry, 12-Month % Change, December 2025

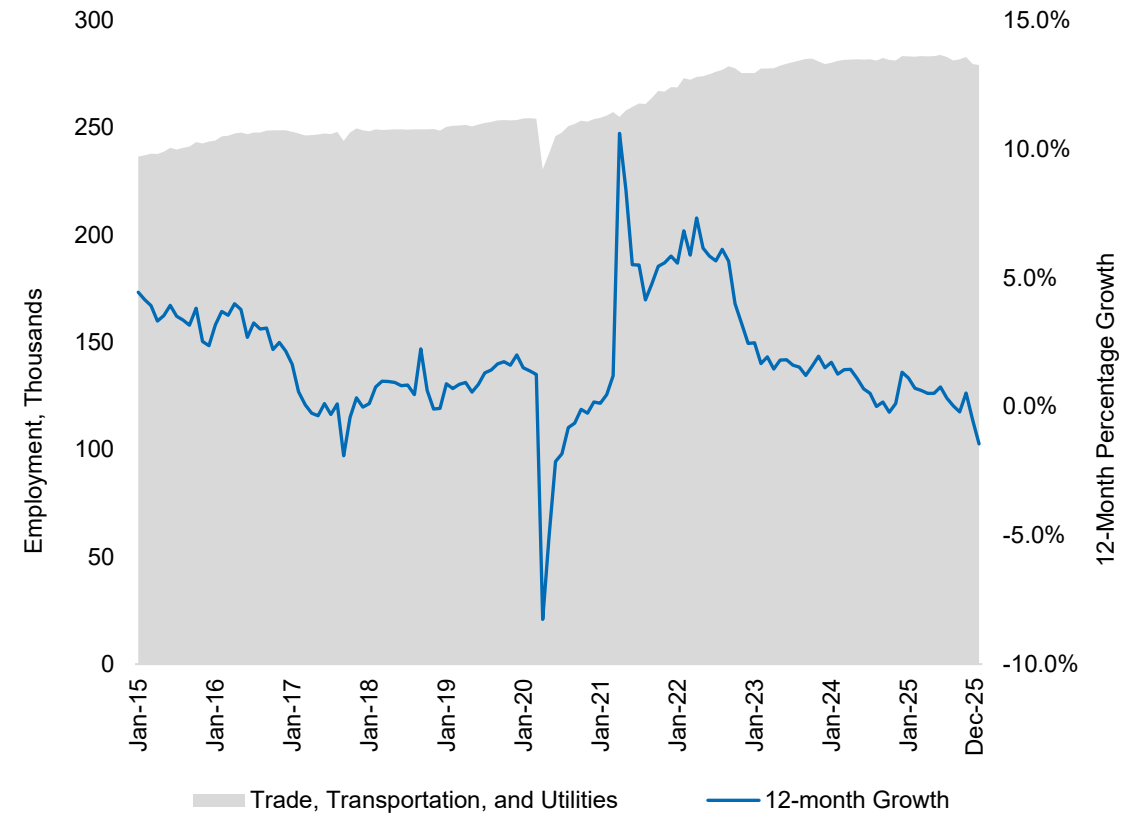


Source: U.S. Bureau of Labor Statistics, Tampa MSA

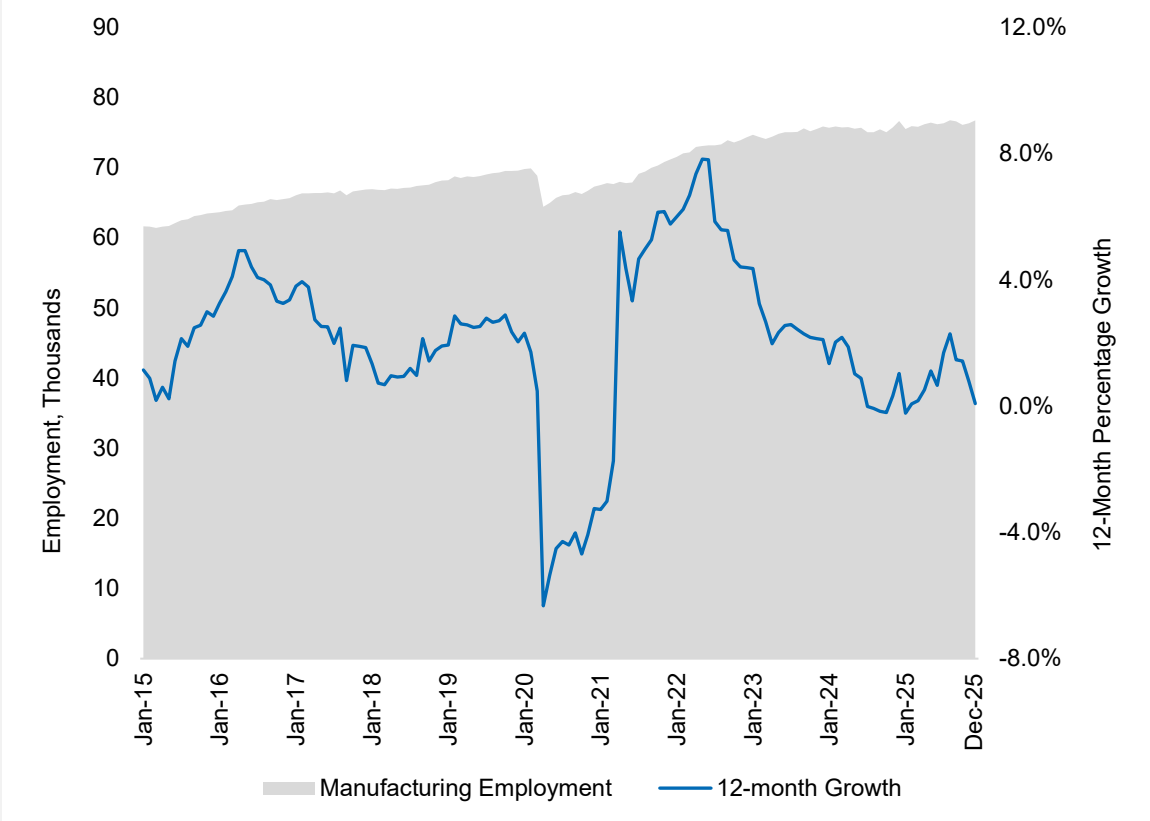
Industrial-Using Jobs Contract as Trade Jobs Decline and Manufacturing Remains Flat

As of December 2025, Tampa's trade/transportation/utilities sector employed 279,175 workers, down by 1.5% year over year and reflecting the second consecutive month of contractions. Despite the pullback, the sector's employment remained elevated at just 1.6% below its June 2025 peak. Meanwhile, manufacturing payrolls reached 76,706, up 0.1% year over year and just 0.1% below the August 2025 high. Overall, industrial-using sectors reported a net loss of 2,807 jobs over the past year and may indicate the early stages of a shift in demand from bulk distribution to manufacturing-oriented assets.

Total Employment and 12-Month Growth Rate, Trade/Transportation/Utilities



Total Employment and 12-Month Growth Rate, Manufacturing



Source: U.S. Bureau of Labor Statistics, Tampa MSA

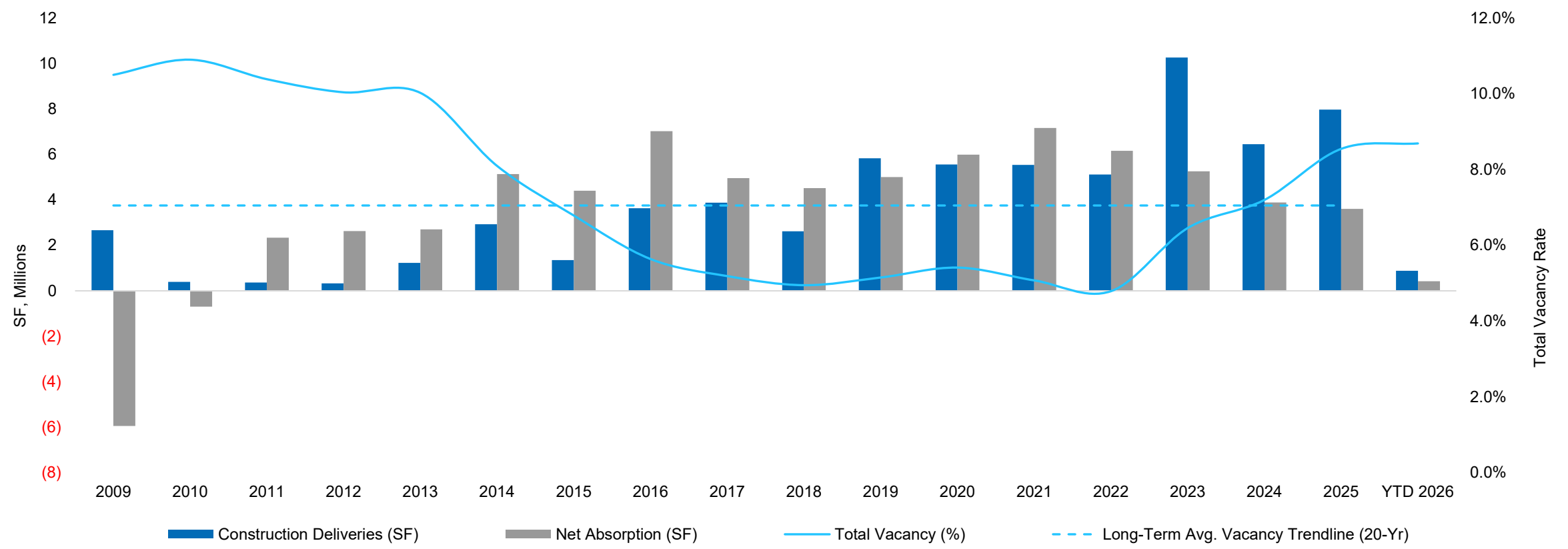
02

Leasing Market Fundamentals

Vacancy Reaches Recent High as Deliveries Continue Outpacing Demand

Tampa's industrial vacancy ended the first quarter of 2026 at a recent high of 8.7%, down 14 basis points quarter over quarter but up 93 basis points year over year. Vacancy has trended higher amid an influx of deliveries since 2023. Meanwhile, the market still posted solid quarterly absorption of 419,690 SF, including 290,966 SF from Primo Brands in the E Hillsborough/Plant City submarket. However, new supply continued outpacing demand by more than twice the pace, pushing vacancy to a recent peak. Absorption is expected to remain positive, and as completions slow, supply pressure should moderate, allowing vacancy—though still elevated—to trend lower.

Historical Construction Deliveries, Net Absorption, and Vacancy



Source: Newmark Research, CoStar

Large Buildings Drive Demand as Smaller-Bay Fundamentals Soften

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Source: Newmark Research

Preference for Modern Industrial Buildings Drives Demand

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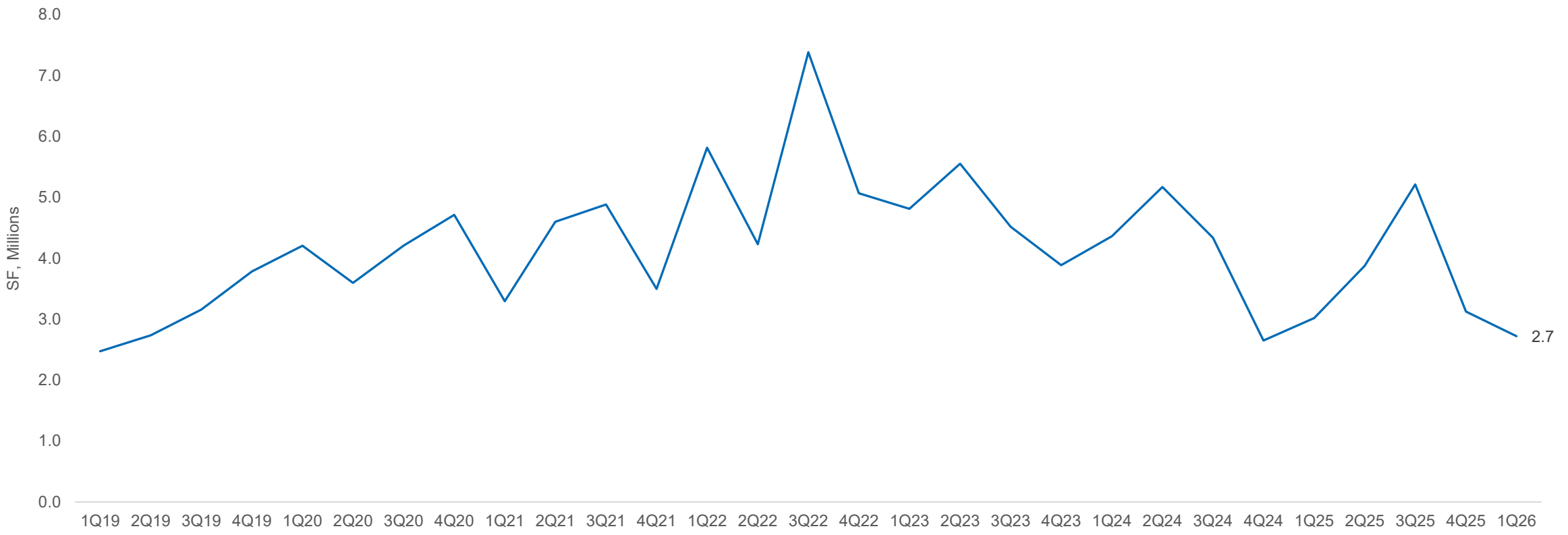
Source: Newmark Research, CoStar

Quarterly Leasing Volume Declines as Deal Activity Ticks Up

Leasing activity slowed in the first quarter of 2026, declining 12.9% quarter over quarter to 2.7 MSF, the lowest level since the fourth quarter of 2024 and the weakest first-quarter total since 2019. Despite the decline in square footage leased, transaction activity rose by 3.6% quarter over quarter to 286 deals. The slowdown is largely attributed to a needs-based demand rather than a structural pullback, indicating the market remains active.

Total Leasing Activity (SF)

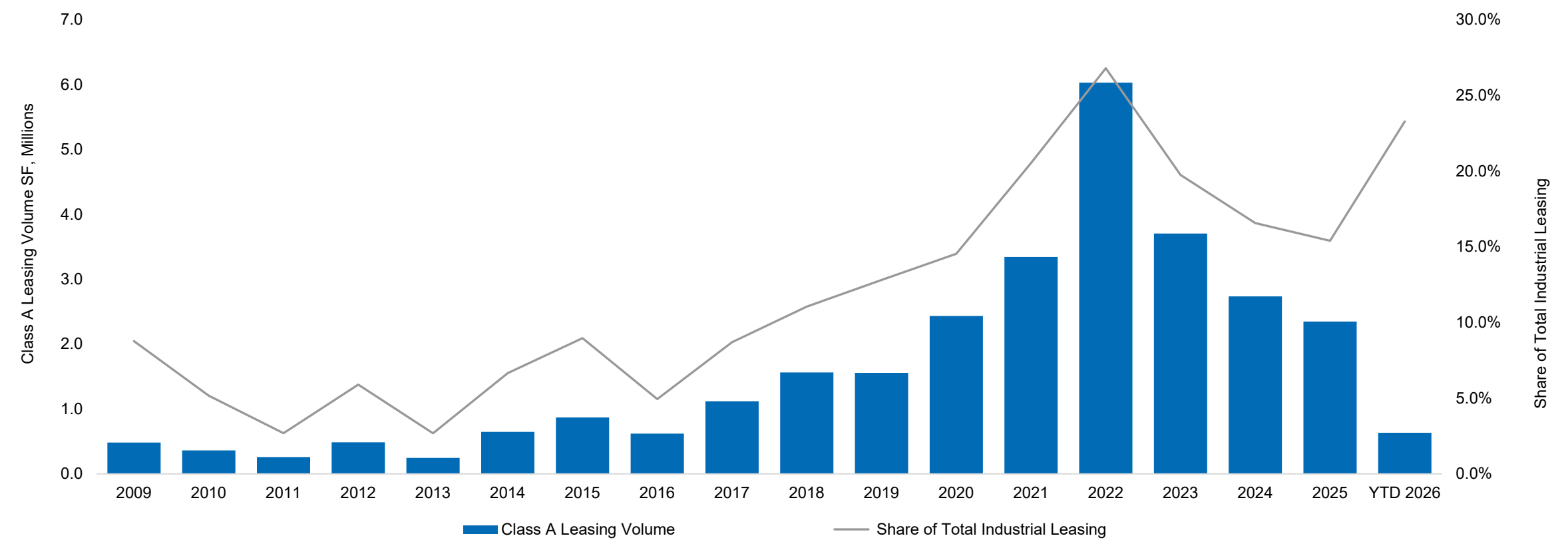


Source: Newmark Research, CoStar

Class A Warehouse Quarterly Leasing Spikes as Share Increase

Class A leasing activity totaled 633,372 SF in the first quarter of 2026, up a significant 180.9% year over year. Meanwhile, Class A represents 23.3% of all leasing in the quarter, higher than the 7.5% in the same period last year and the 16-year first-quarter average of 9.4%. This rising share underscores a clear flight to quality as tenants are prioritizing modern specs—power, clear heights, dock packages, and location efficiency—to streamline operations, a trend that should support pricing and absorption for newer assets even as overall demand normalizes. Although Class A leasing volumes remain subdued, expectations are for that share to increase as tenant decision-making improves and absorption of recently delivered product progresses. Class A space is well positioned to lead the next phase of leasing recovery, supported by sustained demand for modern, efficient facilities.

Industrial Class A Leasing Volume and Percentage of Total Industrial Leasing Volume

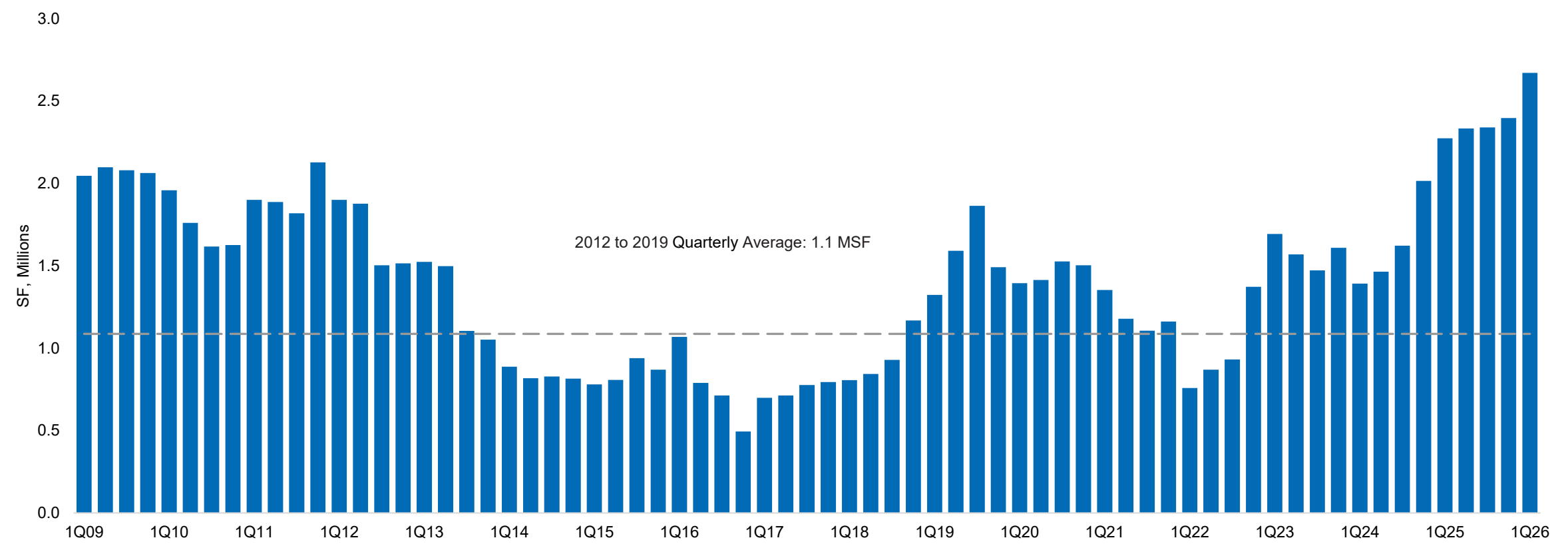


Source: Newmark Research, CoStar

Subleases Hit New Historic High Amid Eighth Consecutive Quarterly Increase

Sublease availability reached a record high of 2.7 MSF at the end of the first quarter of 2026, increasing by 11.5% quarter over quarter and 17.5% year over year, marking an eighth consecutive quarterly increase. The market's largest available sublease is a cold storage facility at 6100-6284 McIntosh Rd., where United Natural Foods is subleasing approximately half of the 930,132-SF building. Current sublease levels are more than double the 2012 to 2019 pre-pandemic quarterly average of 1.1 MSF, as many tenants that expanded aggressively post pandemic are now right-sizing footprints after revising growth assumptions, while the influx of new supply enables upgrades into newer, more efficient space.

Available Industrial Sublease Volume (MSF)

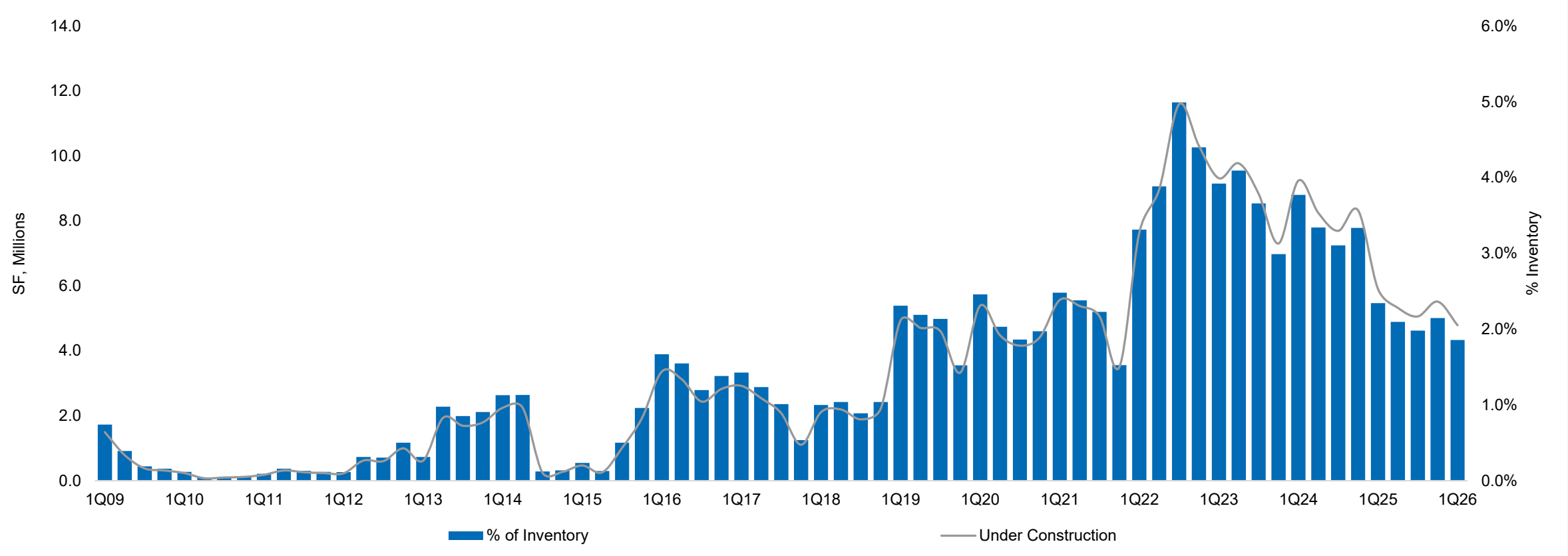


Source: Newmark Research, CoStar

Construction Pipeline Declines, Remains Below Historical Average

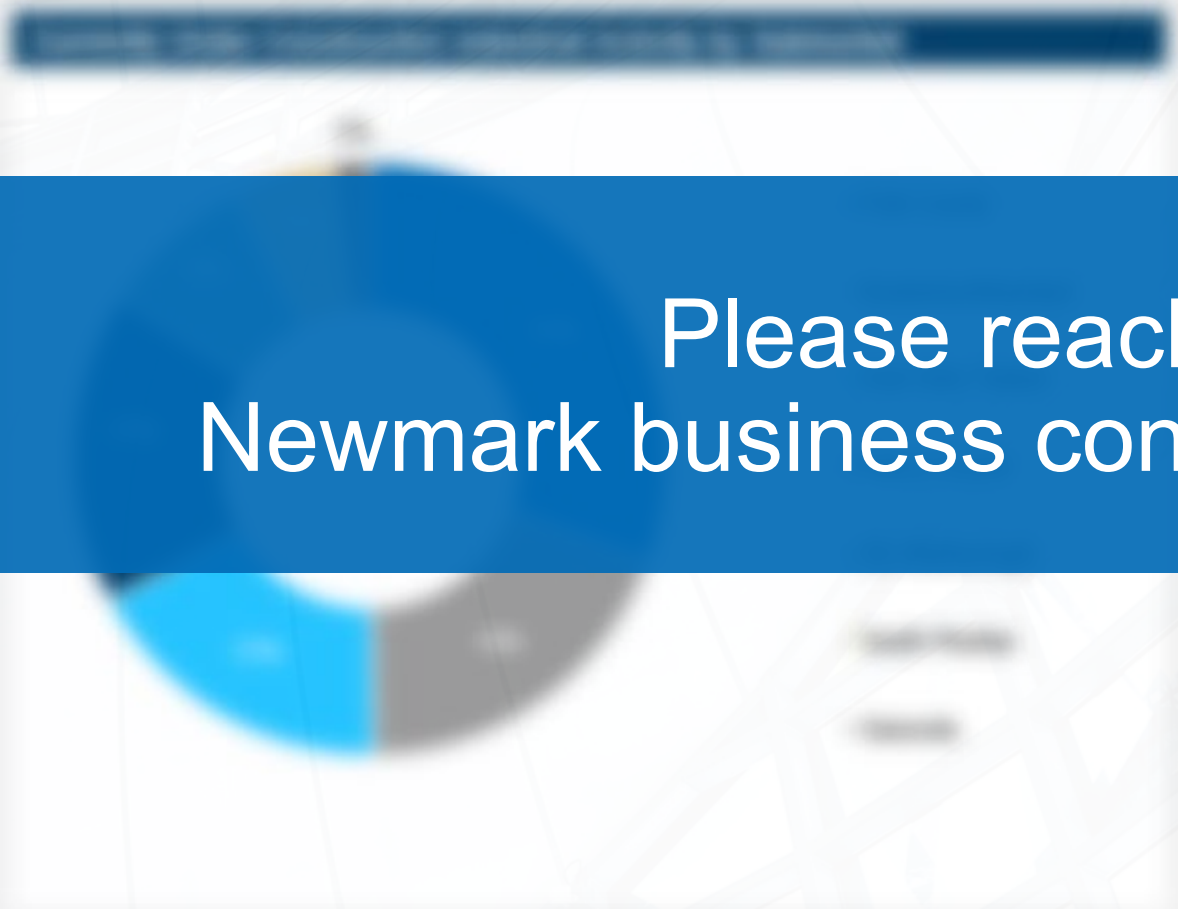
The construction pipeline in the first quarter of 2026 totaled 4.8 MSF, reflecting a decline of 13.2% quarter over quarter and 18.9% year over year, marking the lowest level since the fourth quarter of 2021. Projects currently under construction are 29.3% preleased and account for just 1.9% of total inventory. The development pipeline remains below the 10-year historical quarterly average of 5.3 MSF, as many projects that broke ground in 2024 have since been completed in 2025. As more developments near completion, it is anticipated that the pipeline will remain below historical levels, as new construction starts dwindle further. While the pullback in new construction should help limit future supply pressure, elevated vacancy tied to prior deliveries may continue to weigh on near-term market fundamentals.

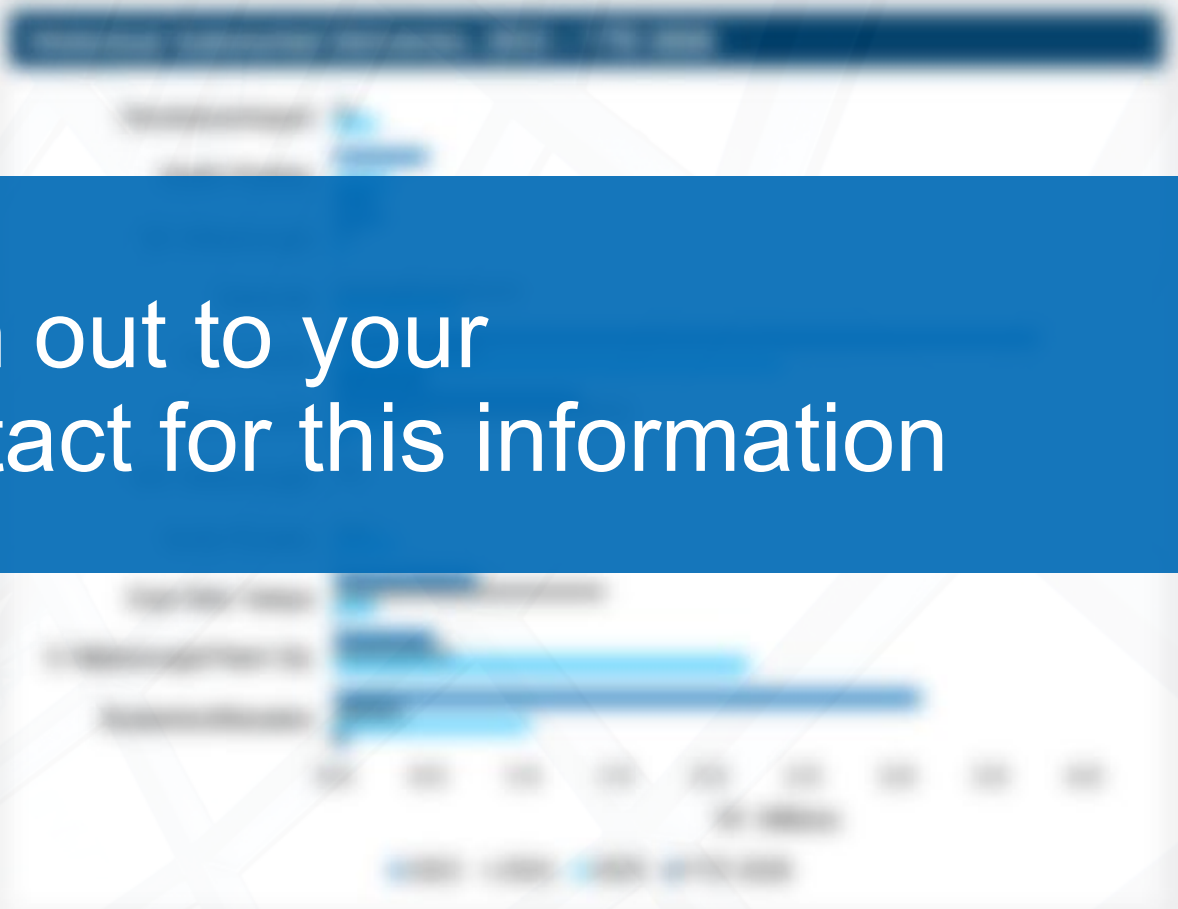
Industrial Under Construction and % of Inventory



Source: Newmark Research, CoStar

Polk County Leads Both Under-Construction Pipeline and Recent Deliveries





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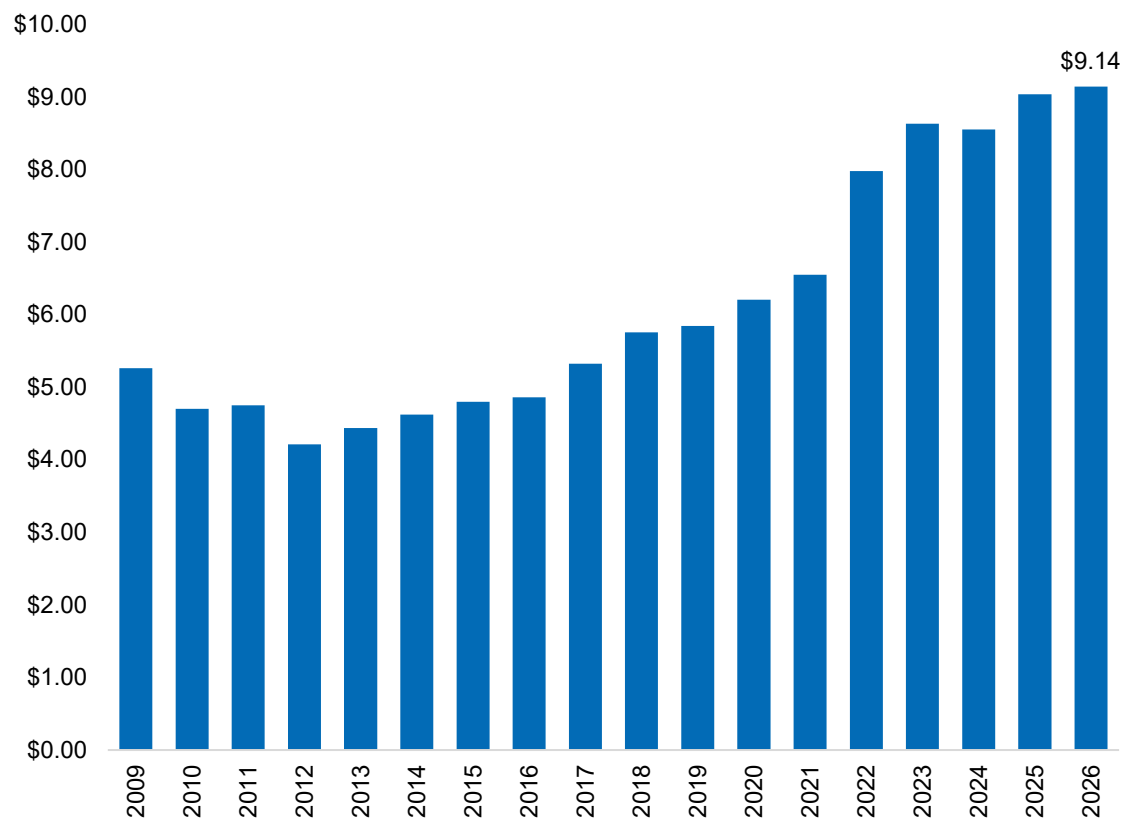
Source: Newmark Research, CoStar

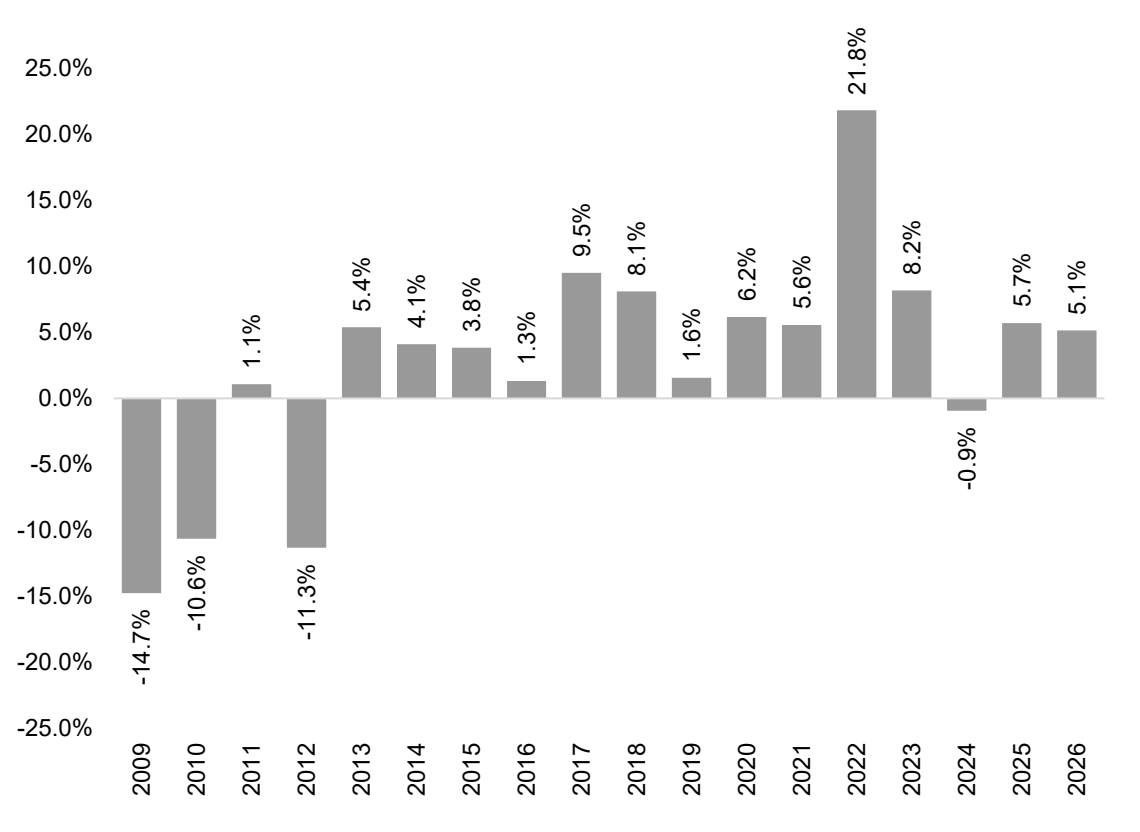
Rents Reach New Record High as Growth Pace Holds Steady

Industrial average asking rents reached a new historical high of $9.14/SF in the first quarter of 2026, up 1.2% quarter over quarter and 5.1% year over year, though growth has continued at a more measured pace. Rent gains can be attributed to the ongoing influx of new, higher-quality supply delivering and the strong preference for modern facilities by most tenants. However, as the remaining 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.

Industrial Average Asking Rent, $/SF, NNN



Year-over-Year Asking Rent Growth Rate % Change



Source: Newmark Research, CoStar

Five Largest Deals Done by Industry Type

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Source: Newmark Research, CoStar

Top Transactions Driving 1Q26 Activity

In the first quarter of 2026, Tampa's industrial leasing totaled 2.7 MSF, with the five largest deals contributing 746,200 SF or 27.4% of quarterly volume. Three of the five largest deals signed were at least 100,000 SF, with the fourth just shy of the threshold, indicating strong demand for large, efficient facilities capable of supporting modern distribution and operational needs. Meanwhile, two out of the top five deals signed were in the E Hillsborough/Plant City submarket while another two in Polk County, reinforcing strong demand for industrial product along the I-4 corridor.

Notable 1Q26 Lease Transactions

Tenant	Building	Submarket	Type	Square Feet
JW Fulfillment	Lakeside Logistics—Building 1	E Hillsborough/Plant City	Direct New	252,580
The third-party logistics provider signed a 252,580-SF new lease at 2727 Henderson Way. The location is focused on processing and storing goods.				
PECO Pallet	Lakeland Logistics Center	Polk County	Direct New	211,284
PECO Pallet, a pallet rental services company, signed a new lease to relocate within Lakeland from 5200 Region Ct. to 3075 Whitten Rd., establishing a permanent location after operating under a sublease at its previous site.				
Piedmont National	Airport Industrial Park—Building 5	Westshore/Airport	Renewal	108,401
The packaging company renewed its 108,401-SF lease at 5501 Airport Blvd. The company first moved into the building in 2006 prior to expanding to occupy the entire building in 2019.				
Aries EV	Park 4 Logistics Center—Building 200	E Hillsborough/Plant City	Direct New	96,540
Aries EV, a new-to-market tenant, signed a 96,540-SF lease at 1540 N Frontage Rd in Plant City. The transaction represents a lease-up of 39.0% of the recently delivered Class A building, providing a meaningful boost in a submarket where vacancy has remained elevated.				
Undisclosed	The Ruthvens at Pace Innovation Center—Building 500	Polk County	Direct New	77,395
The tenant signed a new lease to occupy part of the 163,372-SF warehousing building at 1050 Pace Center Dr.				

Source: Newmark Research

03

Market Statistics & Map

Tampa Industrial Submarket Map

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Source: Newmark Research

Tampa Industrial Submarket Overview

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Source: Newmark Research

1Q26 Central Florida Industrial Market Overview

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Source: Newmark Research; CoStar

04

Supplemental Analysis

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Tampa Gross Metropolitan Product

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Source: Moody's Analytics

Loan Maturity Volume Peaks in 2026 and 2030

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Source: RCA, Newmark Research

Multifamily Maturities Particularly Elevated Through 2030, Industrial Not So Much

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Source: RCA, Newmark Research

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