2Q25

Tampa Industrial Market Overview

NEWMARK

Market Observations

Economy

- The unemployment rate rose by 36 basis points year over year to 3.8%, yet remains below the five-year average of 3.9%, signaling continued labor market resilience.
- Job growth moderated to 1.1% year over year—a slowdown from recent peaks—but after dipping below the national average in June 2024, regional employment has since realigned with U.S. trends.
- Nine of the ten major employment sectors posted job gains over the past year, led by the mining and construction industry, which recorded a robust 3.1% increase.
- Industrial-using jobs in the market demonstrated steady year-over-year growth, with increases ranging from 0.7% in trade/transportation/utilities to 3.1% in mining and construction sector over the past 12 months.

Leasing Market Fundamentals

- The market reported 47,861 SF of positive absorption in the second quarter of 2025, the lowest quarterly occupancy gain in the last 20 years.
- Overall rental rates in Tampa's industrial market rose 3.2% year over year in the second quarter of 2025, reaching a record high of $8.99/SF, despite the ongoing supply and demand imbalance in the market.
- The construction pipeline recorded 1.8 MSF of deliveries at the end of the second quarter of 2025. Meanwhile, under construction activity decreased to 3.5 MSF, marking the fifth consecutive quarter of decline.
- Tampa's industrial vacancy rate rose 110 basis points year over year to 8.2%, continuing a trend of supply and demand imbalance over the past two years.

Major Transactions

- FS Builder Resources signed the largest deal of the quarter at 6020 Powell Rd, leasing 159,659 SF to support its rapidly growing construction service business in the Tampa market. Their new location also strengthens their ability to meet surging demand from single and multifamily construction activity.
- Of the five largest deals signed, four were new leases, with three of those exceeding 100,000 SF, indicating there is still an appetite for larger industrial spaces in the market.
- Three of the five largest lease deals were signed in SE Hillsborough & E Hillsborough/Plant City, underscoring the submarkets growing appeal to industrial users.

Outlook

- Ongoing development in the Tampa market currently represents 1.4% 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 rates are expected to stabilize in the near to mid-term, as the pace of new deliveries slows, and tenants begin occupying spaces from leases signed in early 2025.
- While leasing activity and rent growth have moderated, asking rents are expected to remain stable due to the influx of high-quality new product in the pipeline, which commands higher pricing.

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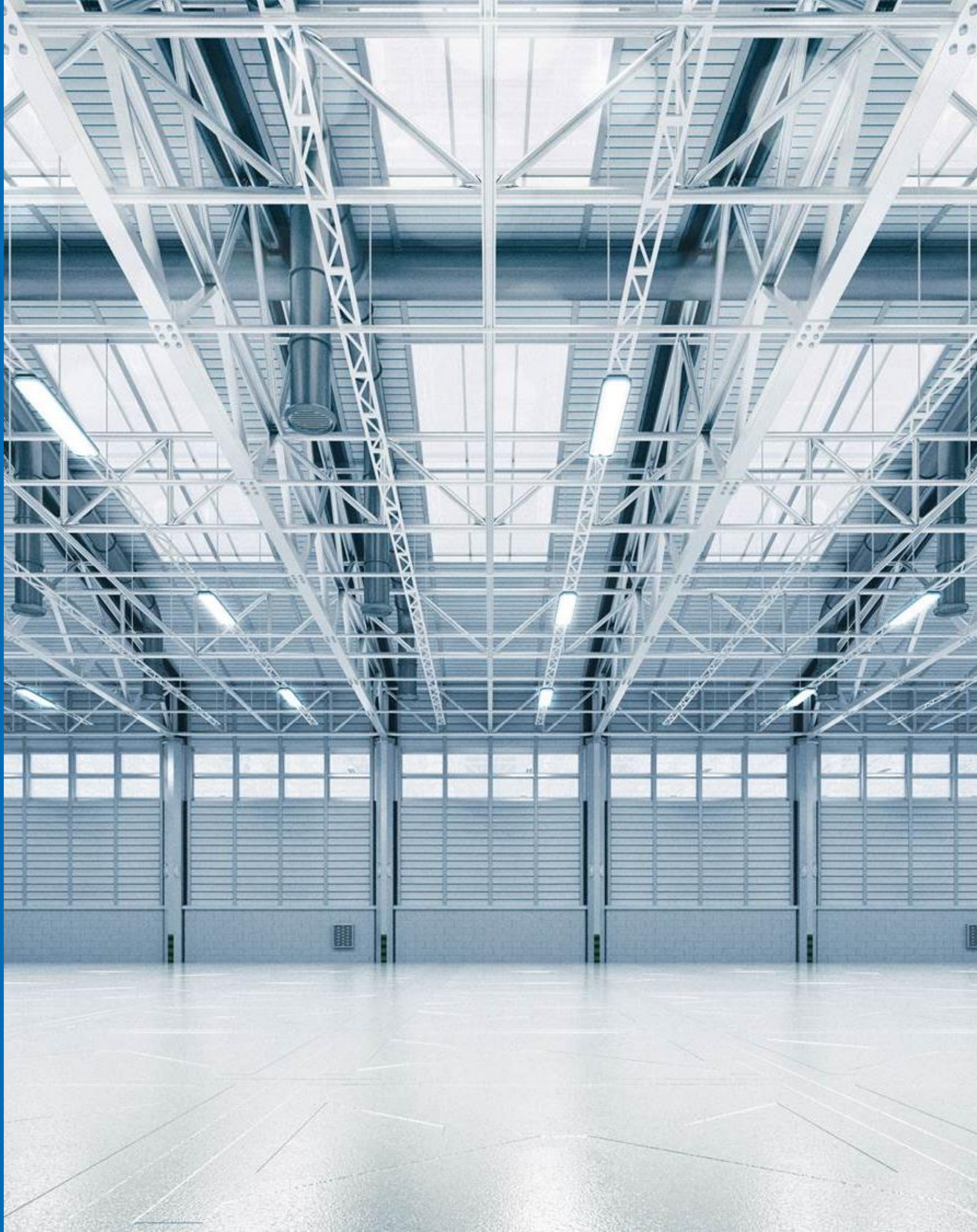
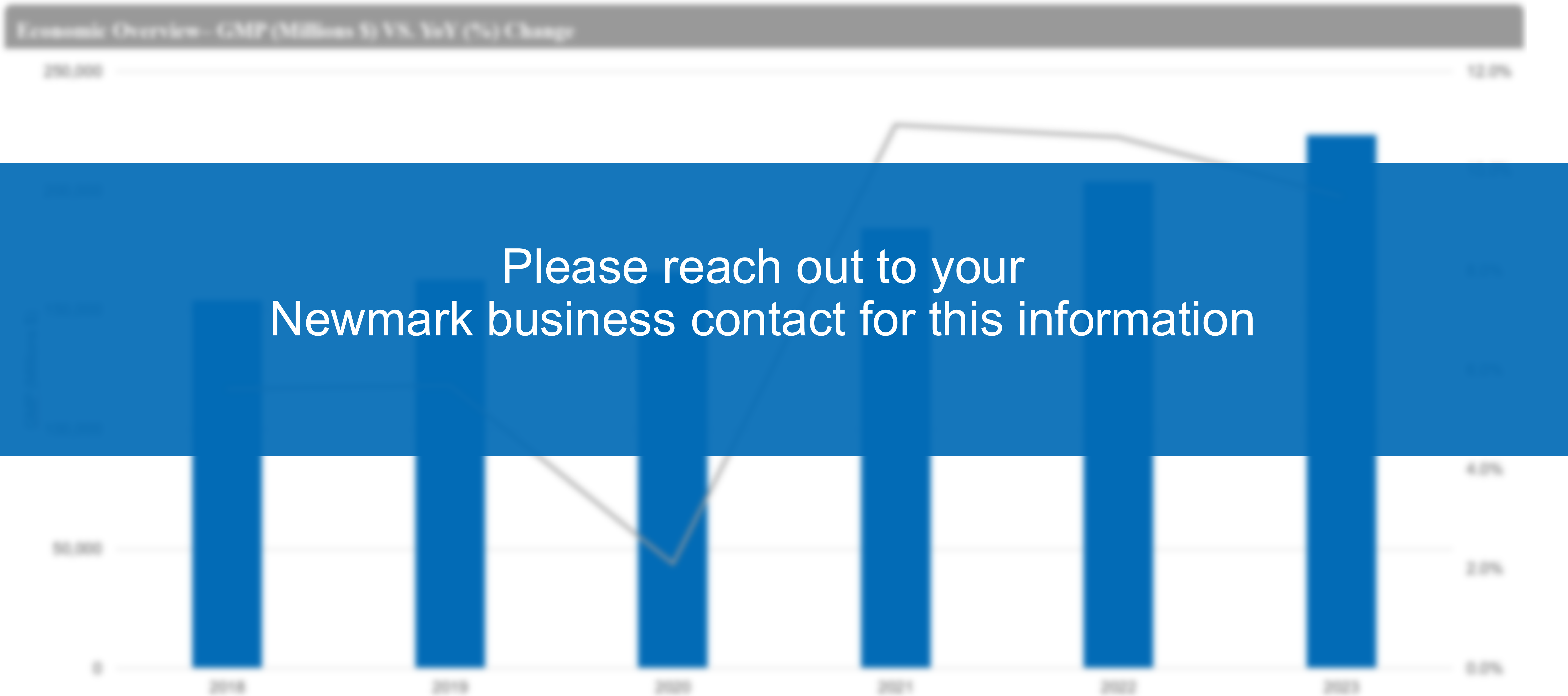


Tampa Gross Metropolitan Product

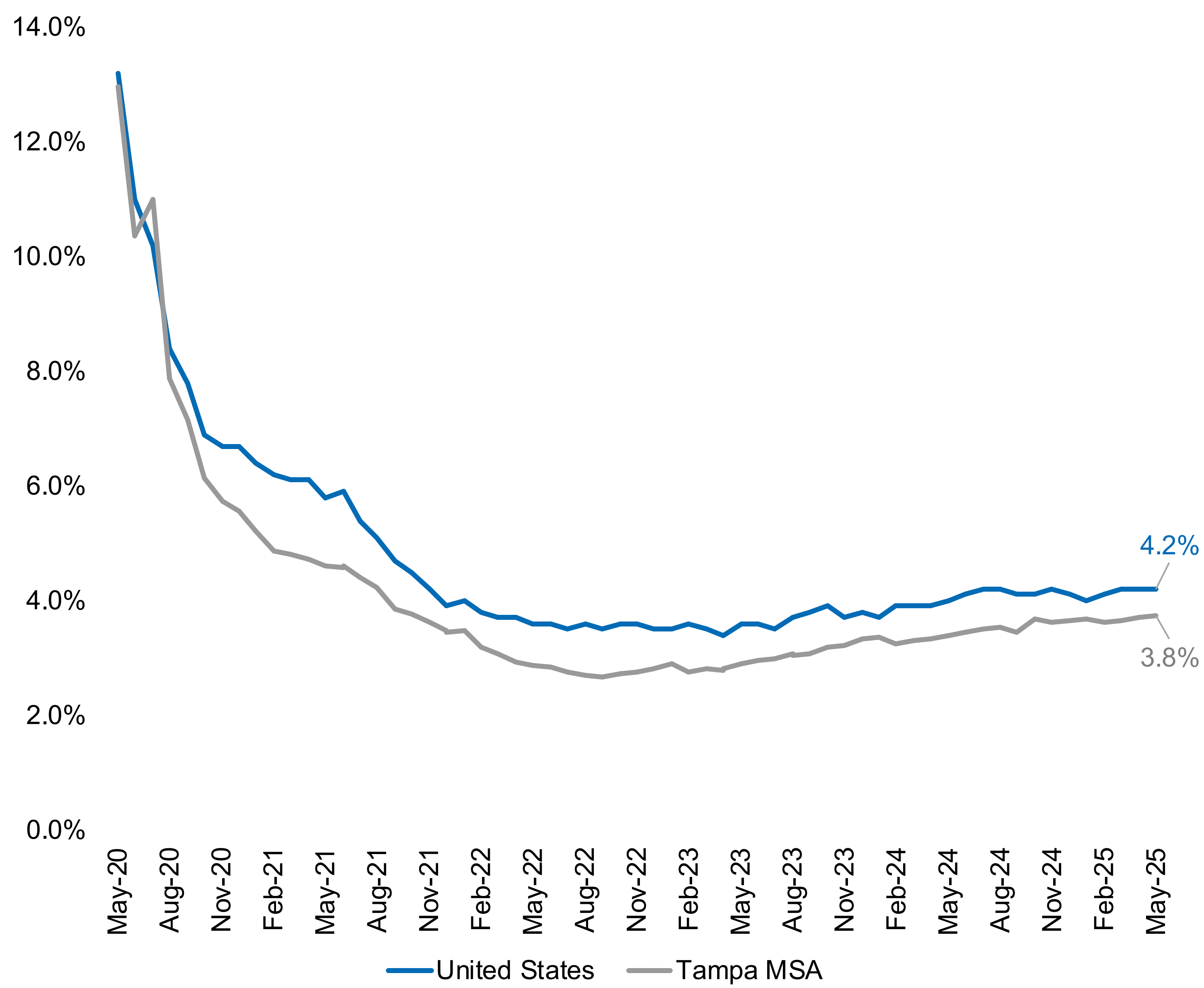


Source: Moody's Analytics

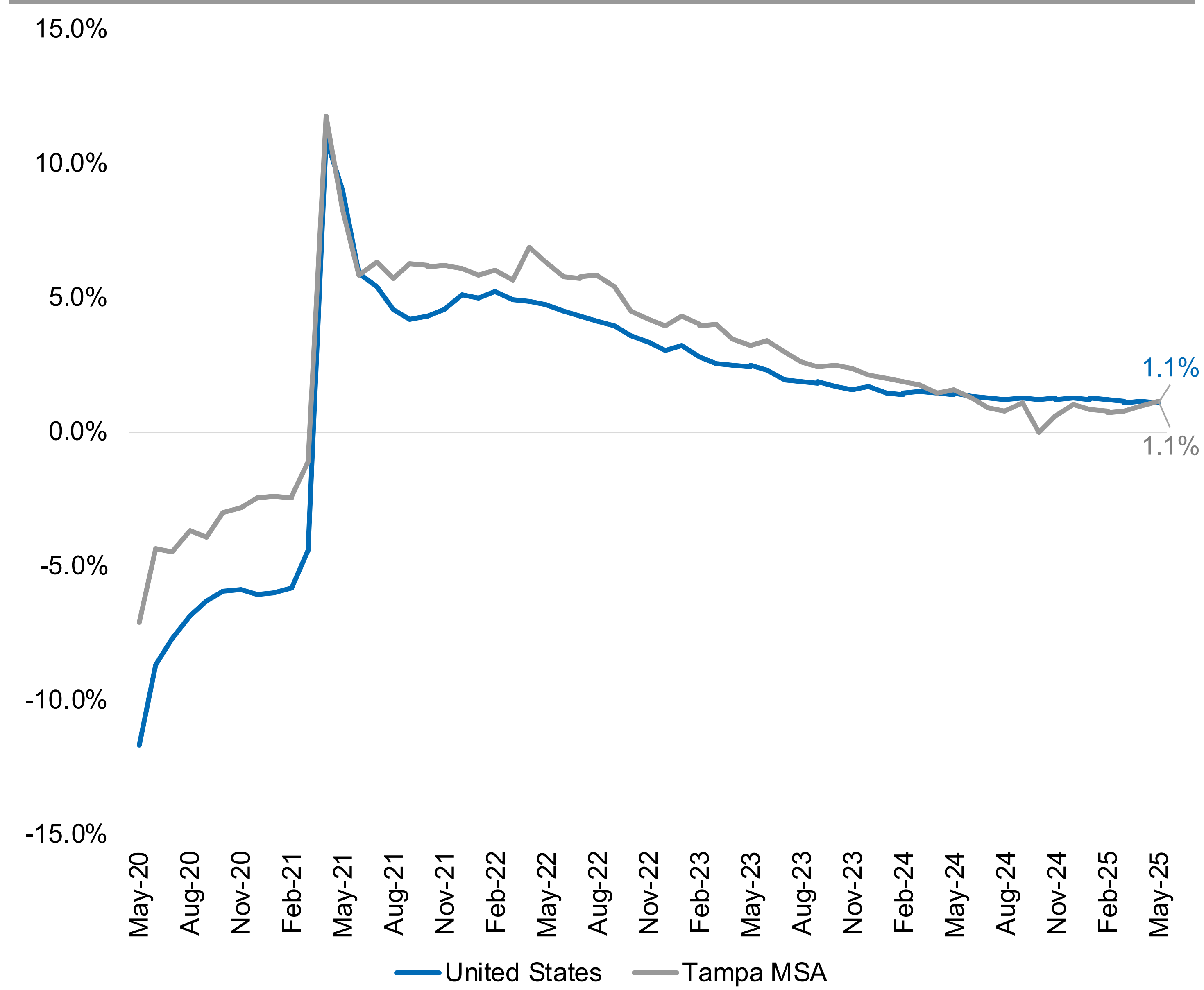
Metro Employment Growth Rebounds to Align with National Pace

Tampa has historically maintained an unemployment rate below the national average, while consistently outperforming in year-over-year employment growth. However, ongoing economic headwinds have begun to affect the local labor market. Over the past year, Tampa's unemployment rate has risen by 36 basis points, while employment growth has decelerated by 43 basis points. After dipping below the national average in June 2024, regional employment growth has, over the past year, rebounded to align with the national pace—driven by gains in nine of the ten employment sectors.

Unemployment Rate, Seasonally Adjusted



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

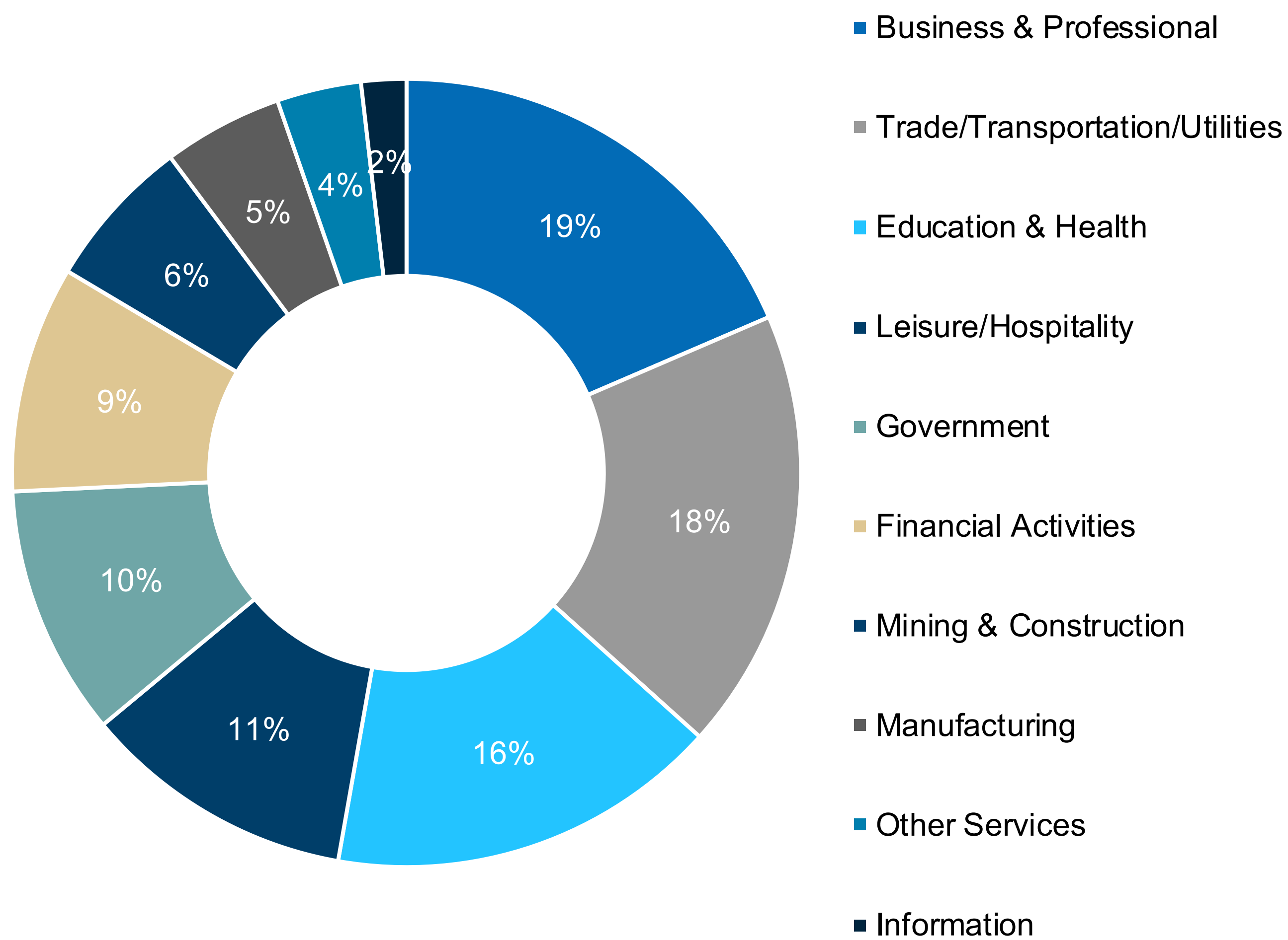


Source: U.S. Bureau of Labor Statistics, Tampa MSA

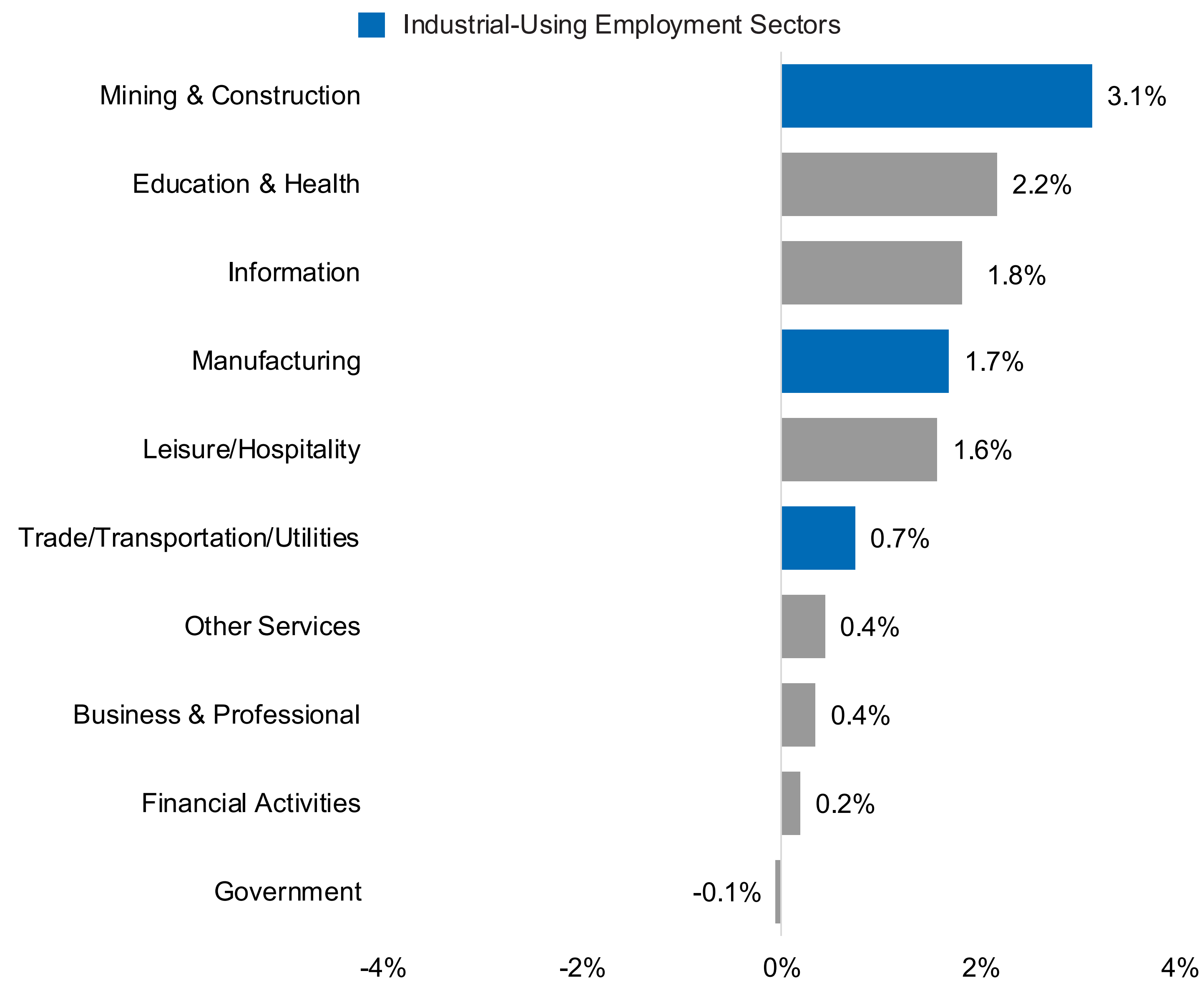
Industrial-Sector Employment Up Across All Industries

Tampa's two largest employment sectors collectively represent 36.6% of the metro's job base. The trade/transportation/utilities sector, which is integral to industrial employment, is the second-largest sector, representing 18.1% of the workforce. Over the past year, key industrial-using industries—including mining & construction, manufacturing, and trade/transportation/utilities sectors—have all posted employment gains. The steady expansion underscores the market's underlying resilience while highlighting a gradual shift toward last-mile logistics, cold-storage operators, and specialized manufacturing occupiers.

Employment by Industry, May 2025



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

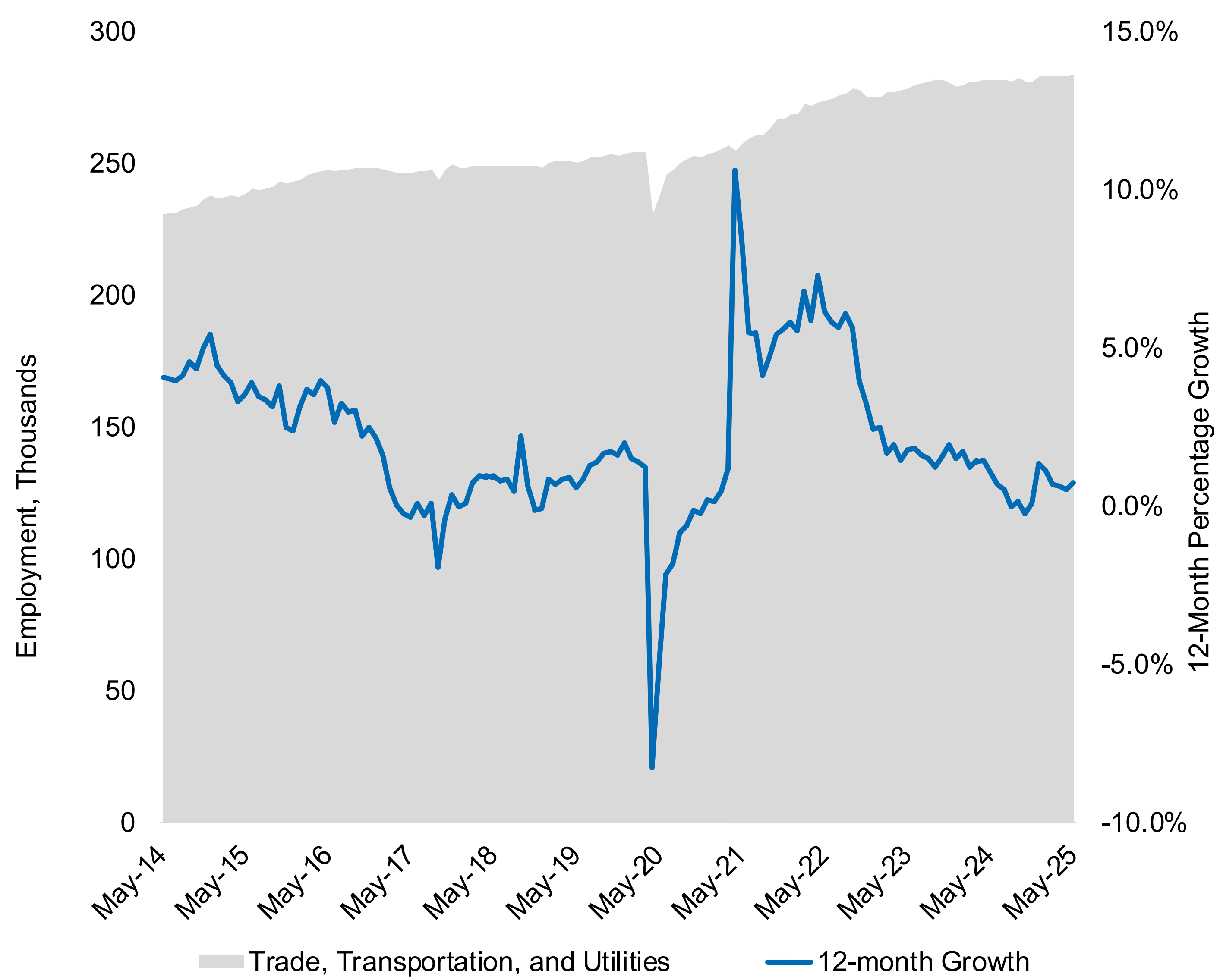


Source: U.S. Bureau of Labor Statistics, Tampa MSA

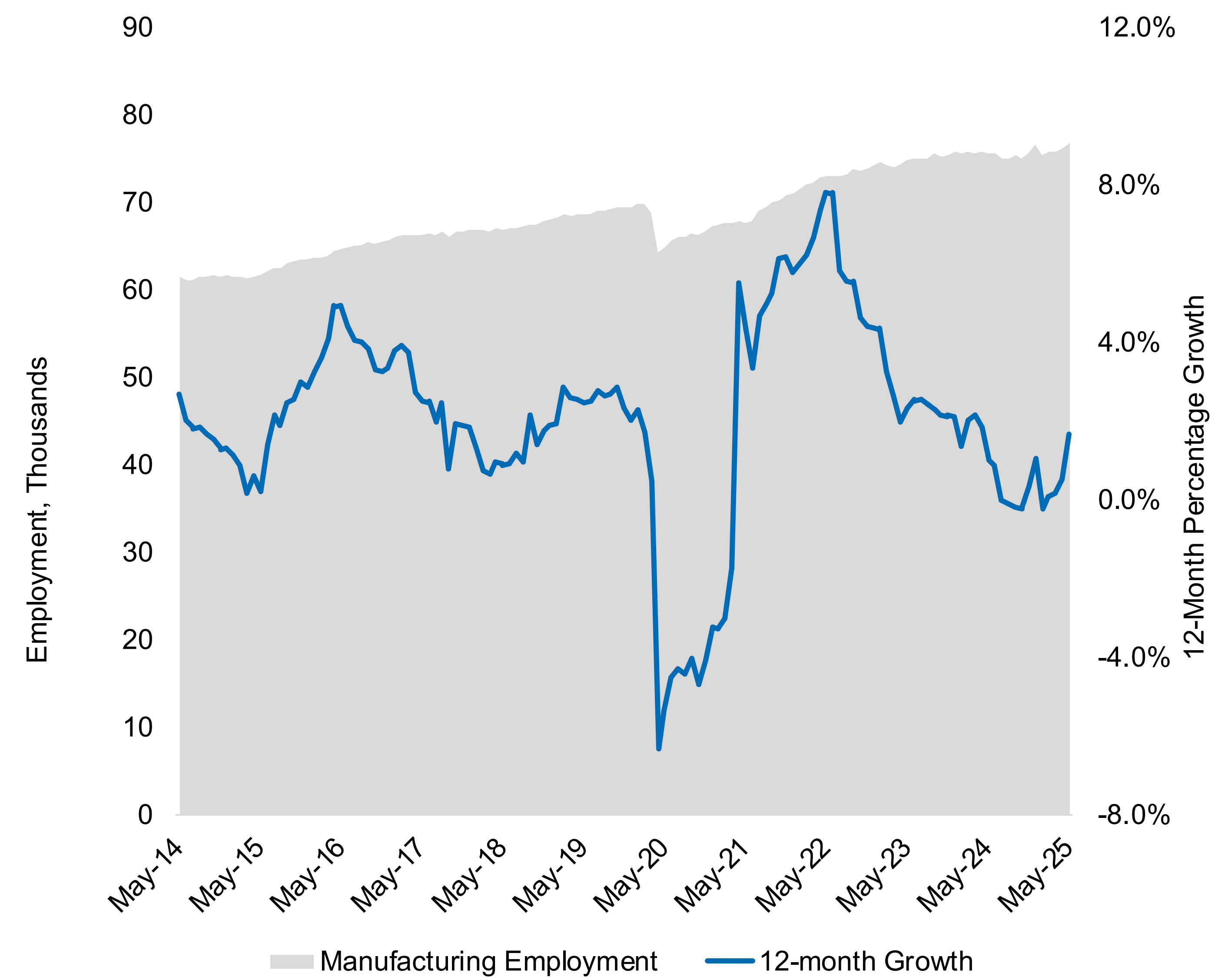
Industrial Employment Hit Record Highs

As of May 2025, employment in Tampa's trade/transportation/utilities sector reached a new record high of 283,985 employees, underscoring the region's economic resilience. Manufacturing payrolls likewise climbed to an all-time high of 76,837 employees—a 1.7% year-over-year increase that surpasses the previous December 2024 peak by 0.3%. While industrial-related jobs continue to expand overall, growth in the trade/transportation/utilities sector has begun to moderate even as manufacturing shows renewed momentum.

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

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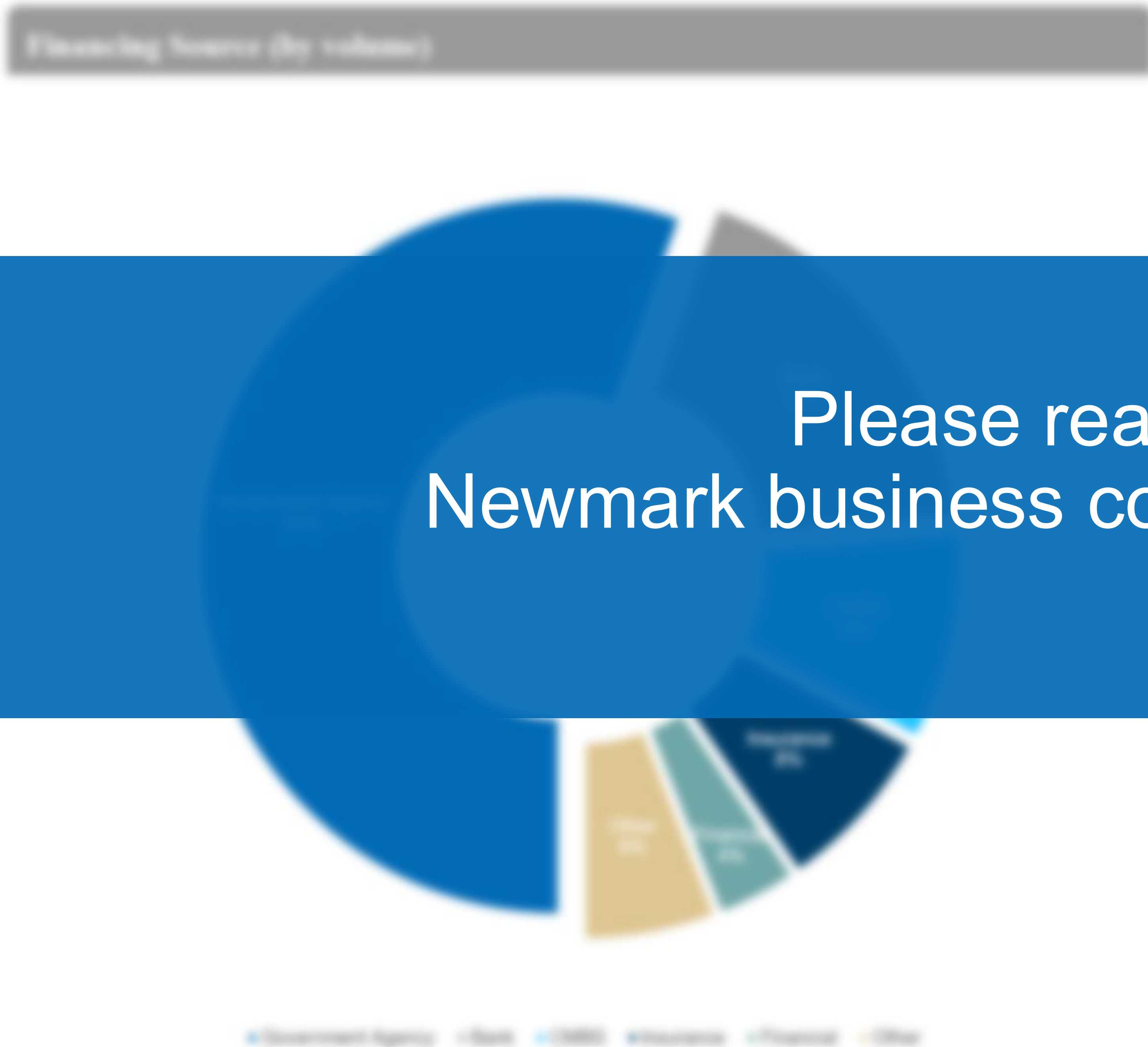
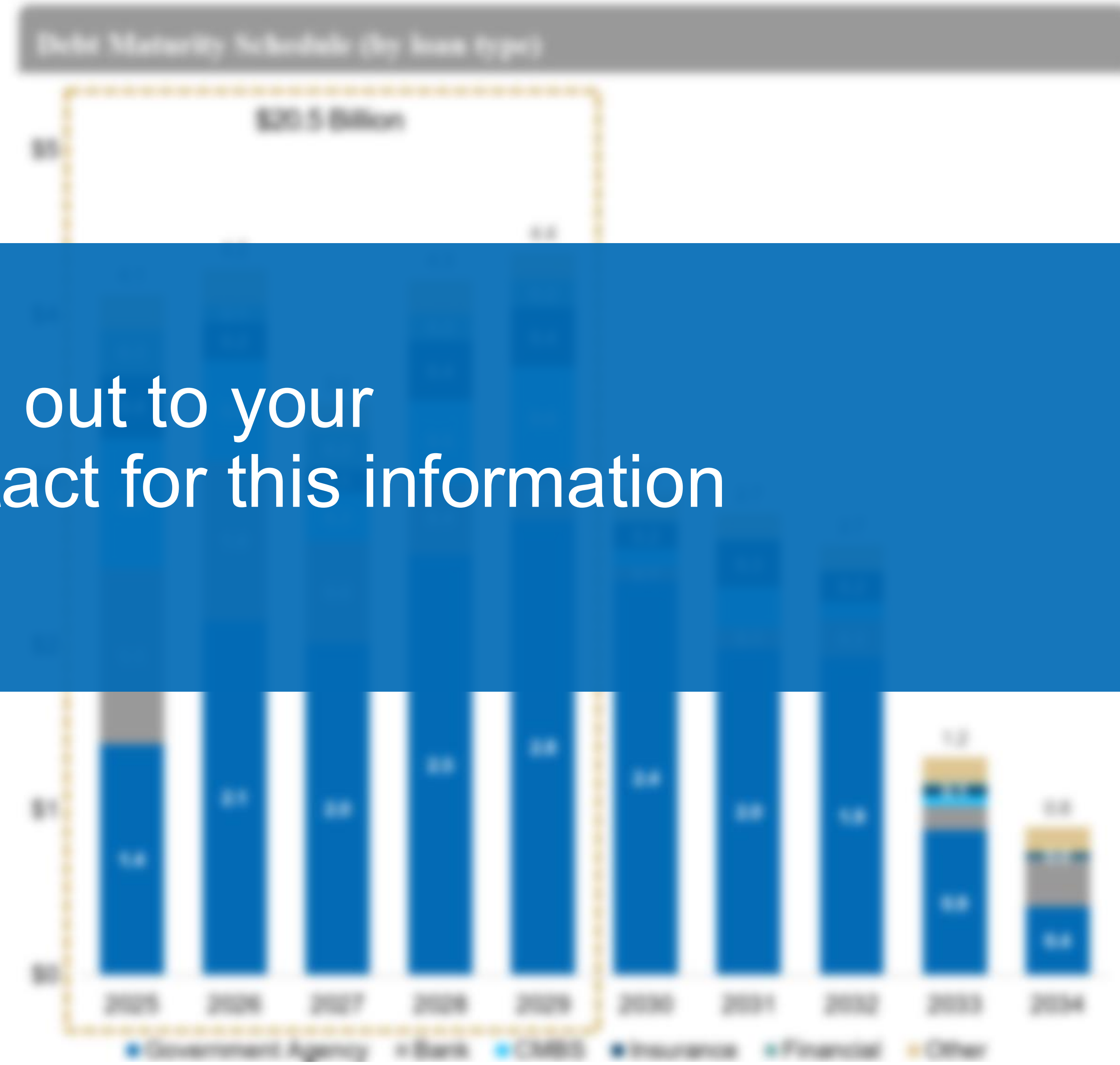
Debt/Capital Markets

Higher Loan Volume Due in 2026, 2028 and 2029





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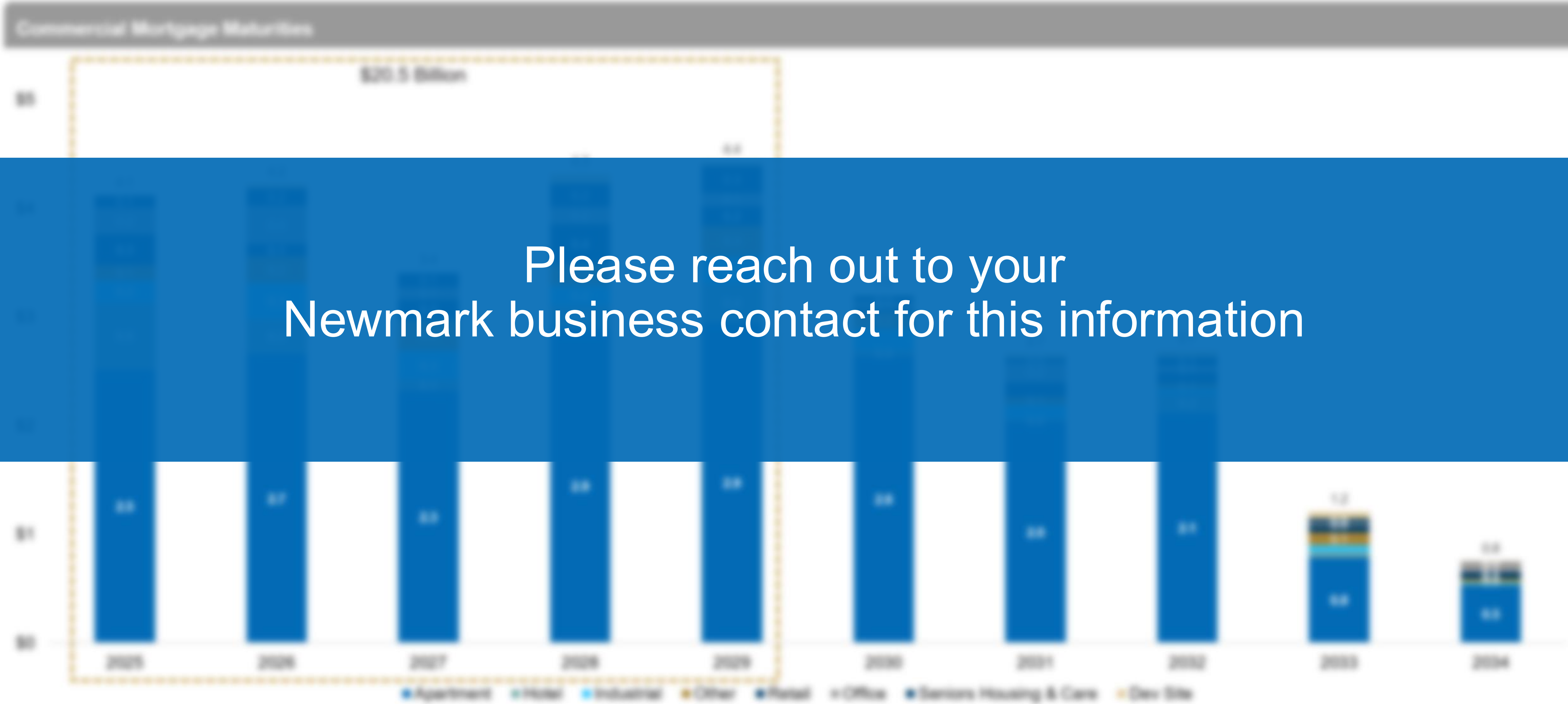
Source: Newmark Research, RCA

Multifamily Maturities Particularly Elevated Through 2029, Office Not So Much



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Source: Newmark Research, RCA

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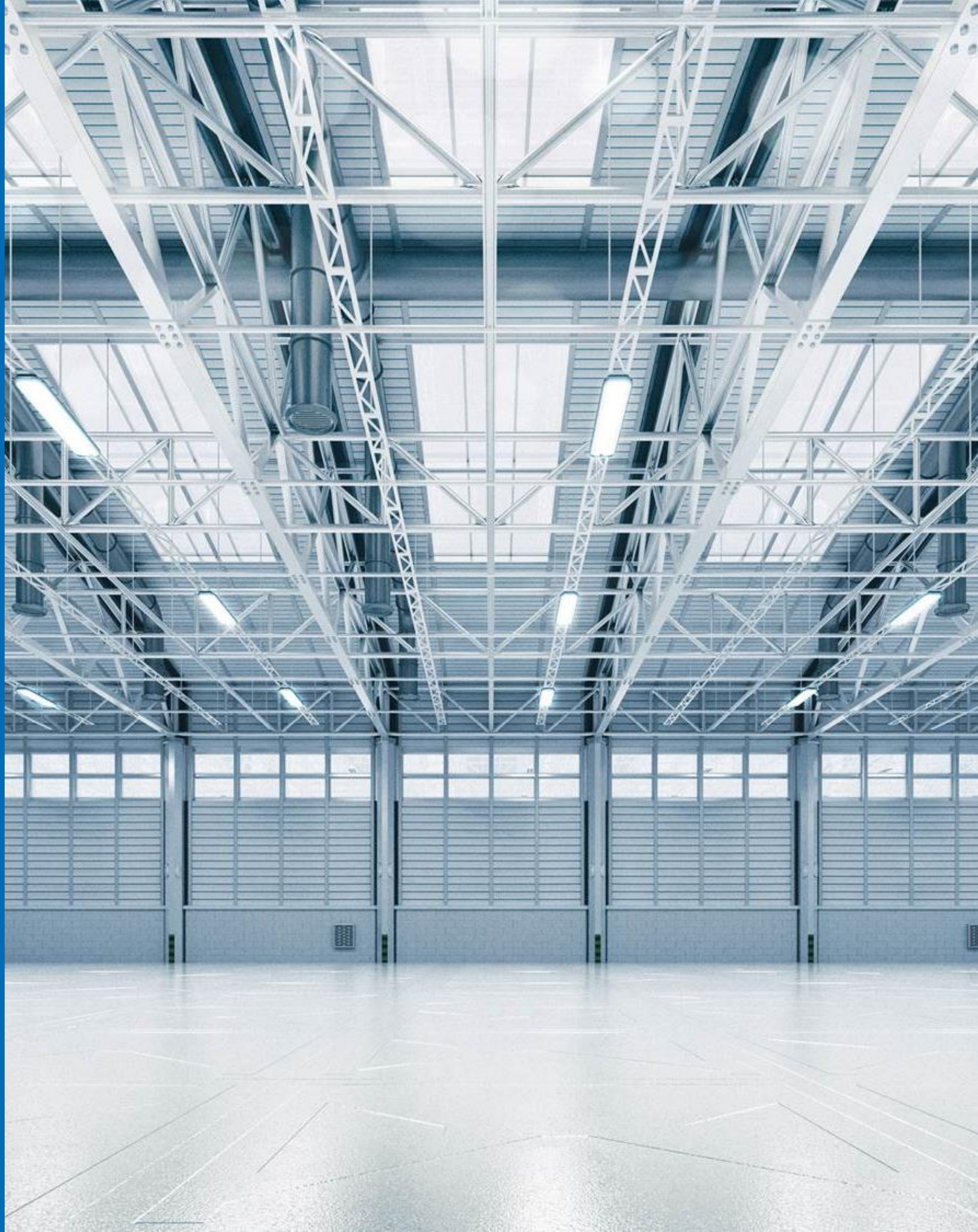
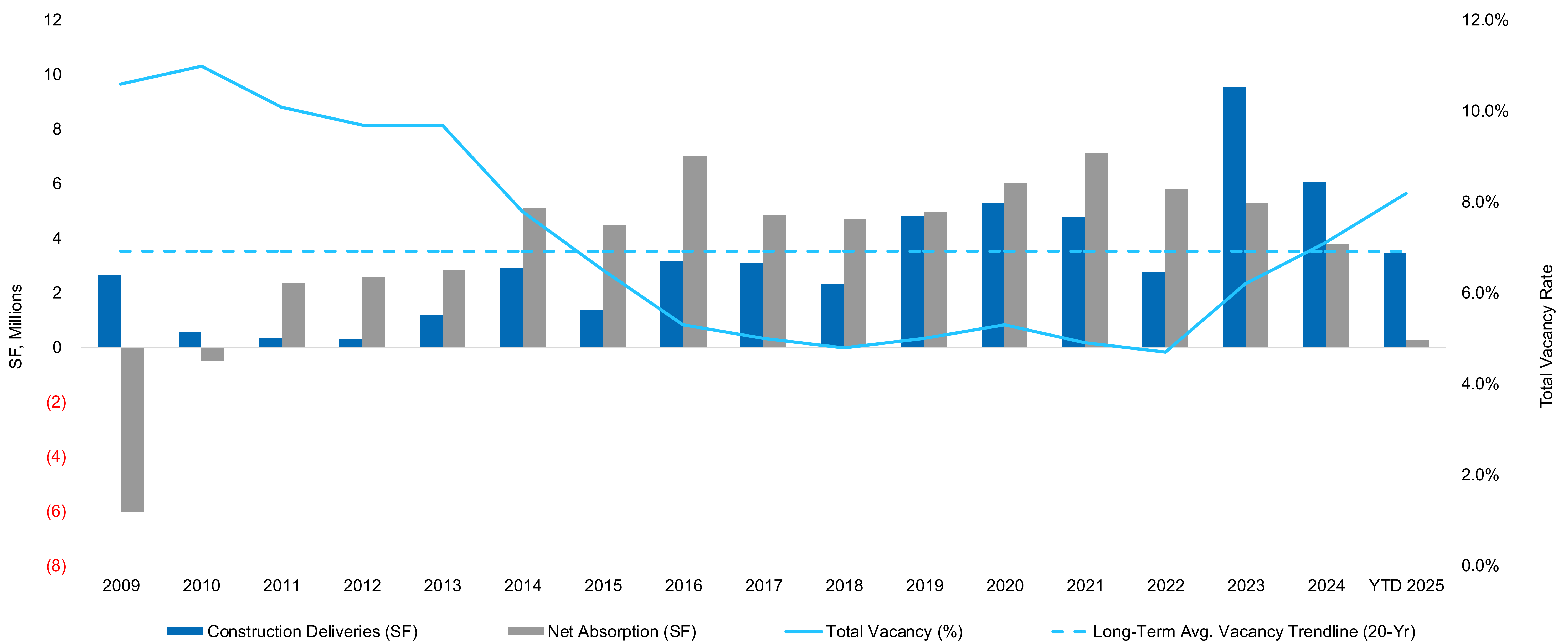
Leasing Market Fundamentals



Influx of Speculative Deliveries Drives Vacancy Higher

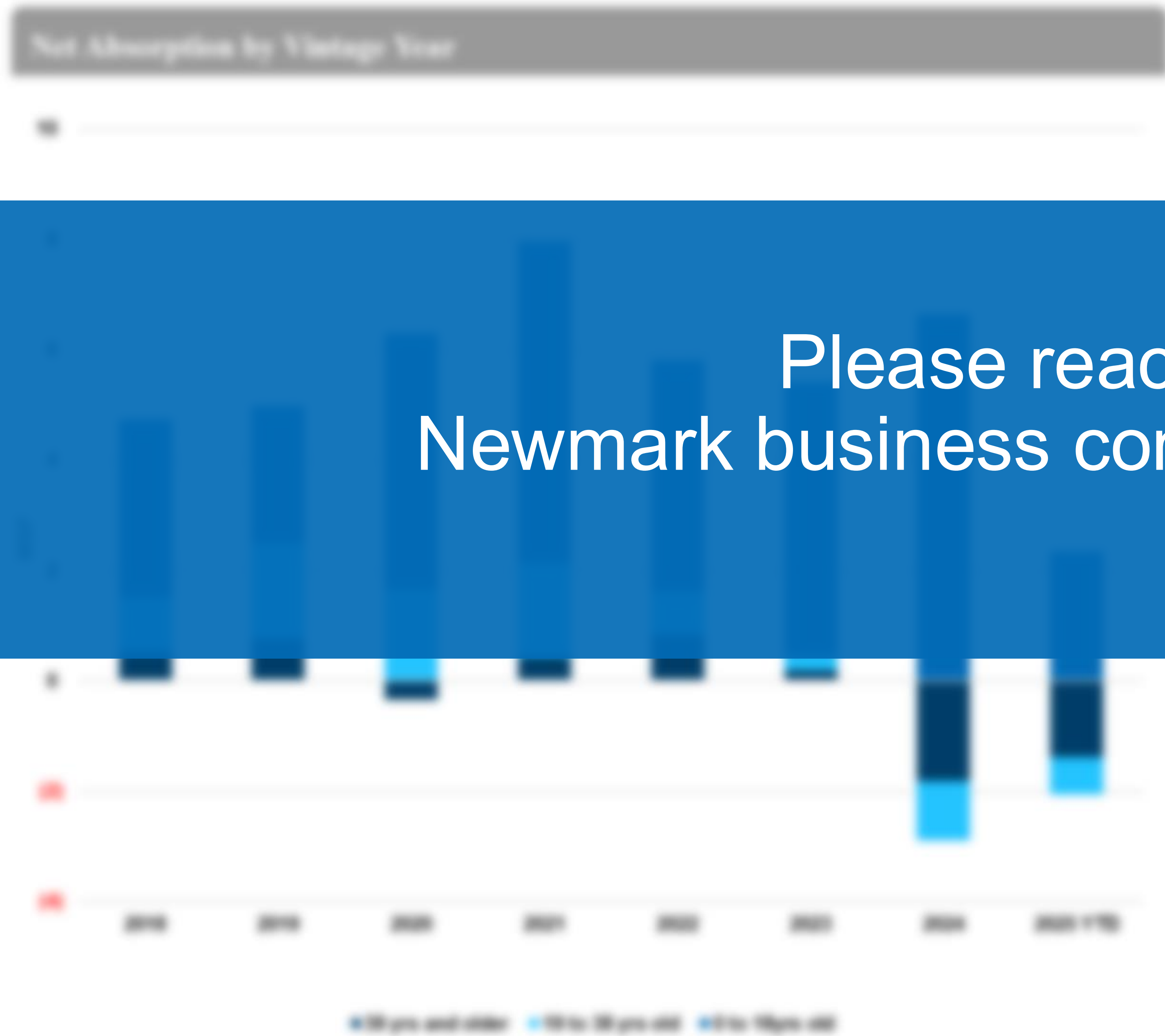
In the second quarter of 2025, Tampa's industrial vacancy rate rose 60 basis points quarter over quarter to 8.2%, driven by 1.8 MSF of largely speculative deliveries due to developers wagering on e-commerce and port-related logistics growth. Since 2023, cumulative new supply has outpaced absorption by 9.7 MSF—fueling a 330-basis point increase in vacancy amid a slowdown in build-to-suit activity and modest tenant uptake. Year over year, vacancy is up 110 basis points due to a 6.1 MSF surplus of product ve rsus net absorption, further underscoring the market's supply and demand imbalance.

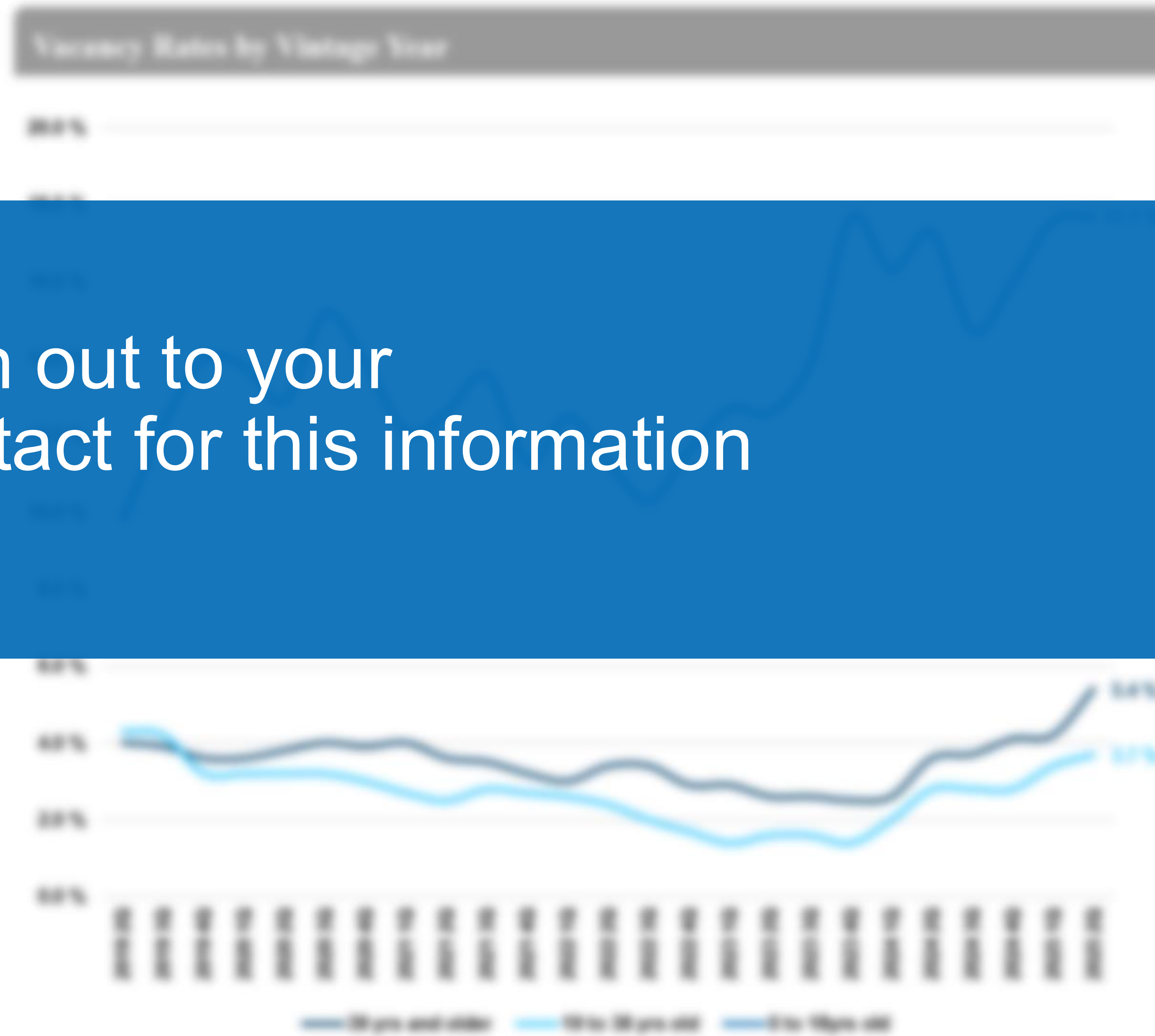
Historical Construction Deliveries, Net Absorption, and Vacancy



Source: Newmark Research, CoStar

Preference for Modern Industrial Buildings Drives Demand





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Source: Newmark Research, CoStar

Large Buildings Continue to Drive Absorption Despite Higher Vacancy Rates

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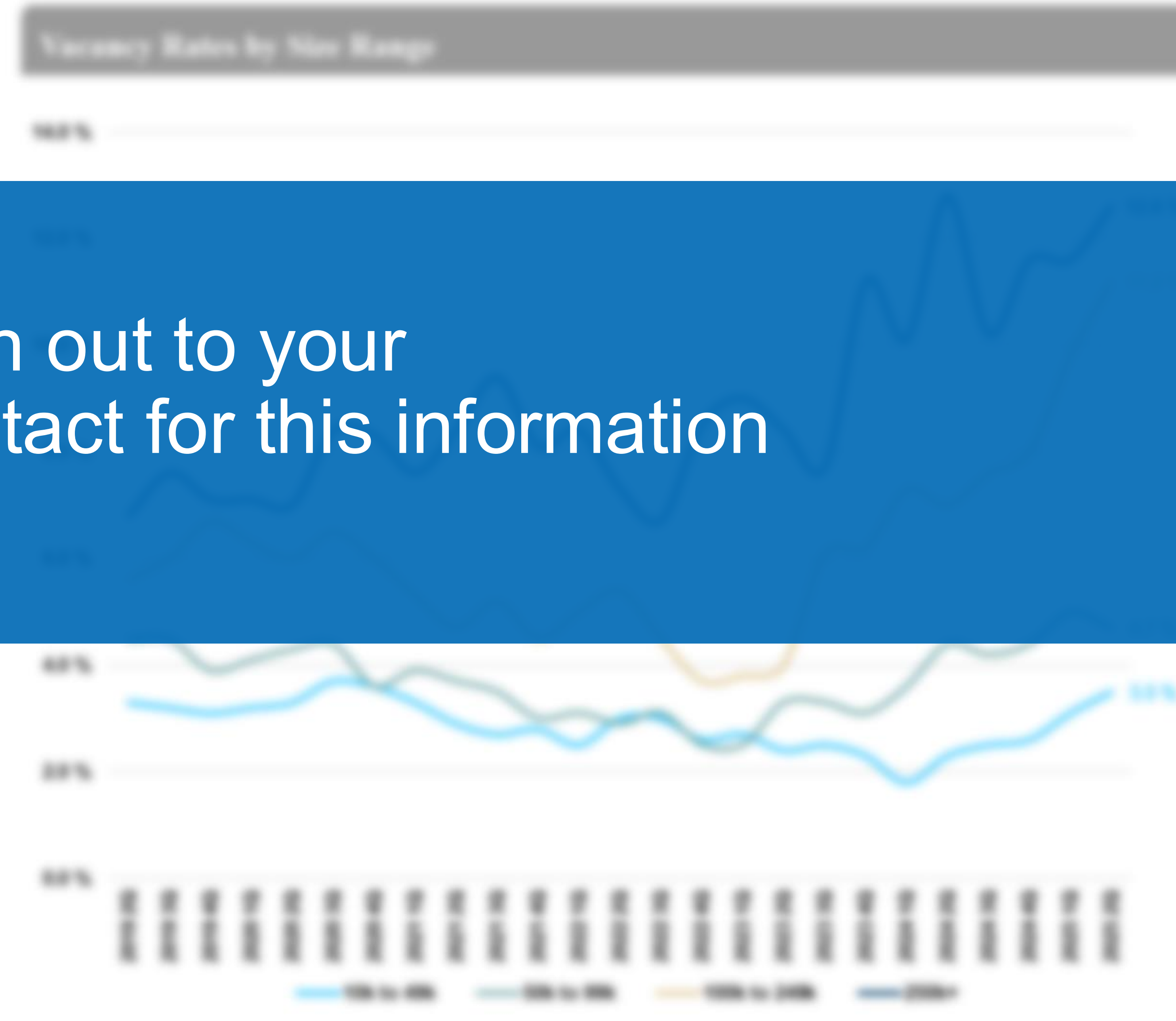
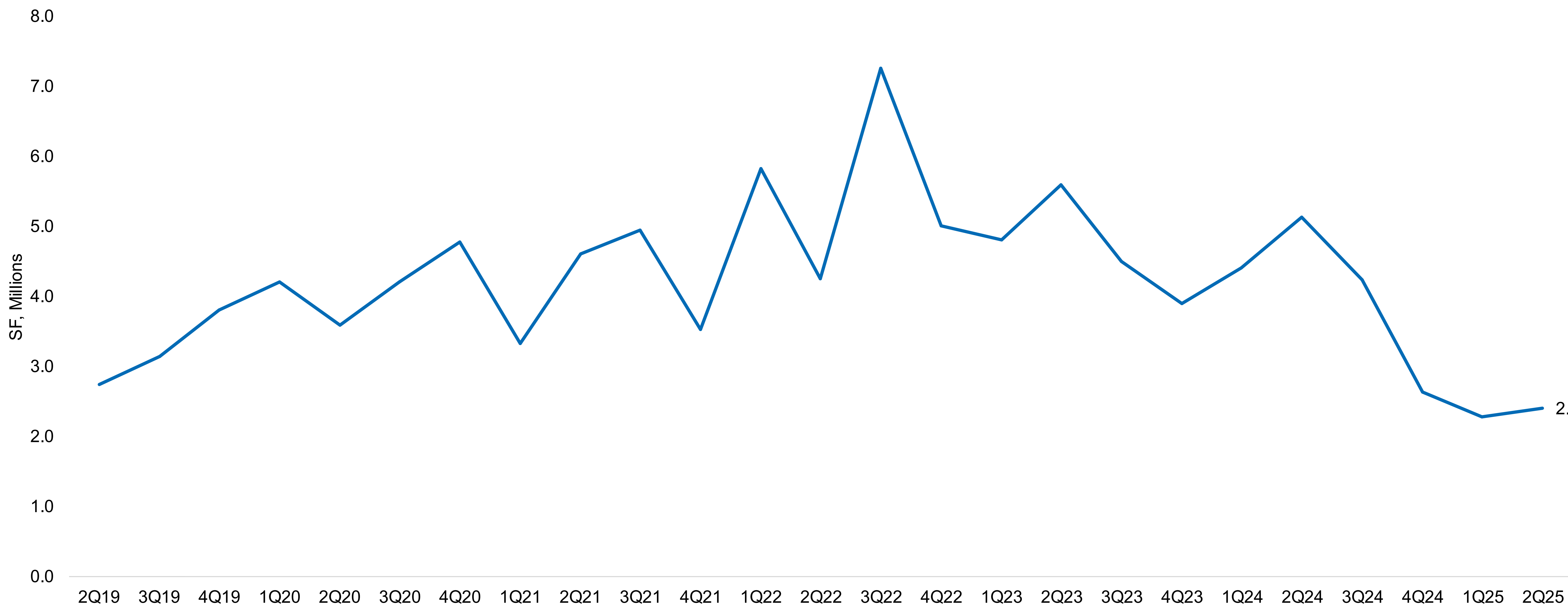


Source: Newmark Research, CoStar

Industrial Leasing Activity Continues to Decelerate

In the second quarter of 2025, Tampa's leasing market remained subdued, with just 2.4 MSF transacted. Year-to-date leasing activity stands at 4.7 MSF, down 51% compared to the same time last year. A key contributor to this slowdown is the relative lack of large leases, with the average deal size in the first half of 2025 at 8,287 SF, reflecting a 47.4% year over year decline. Despite this pullback, leasing volume over the past 12 months remains approximately 3.7% above the pre-pandemic average from 2012 to 2019, underscoring the market's resilience.

Total Leasing Activity (SF)

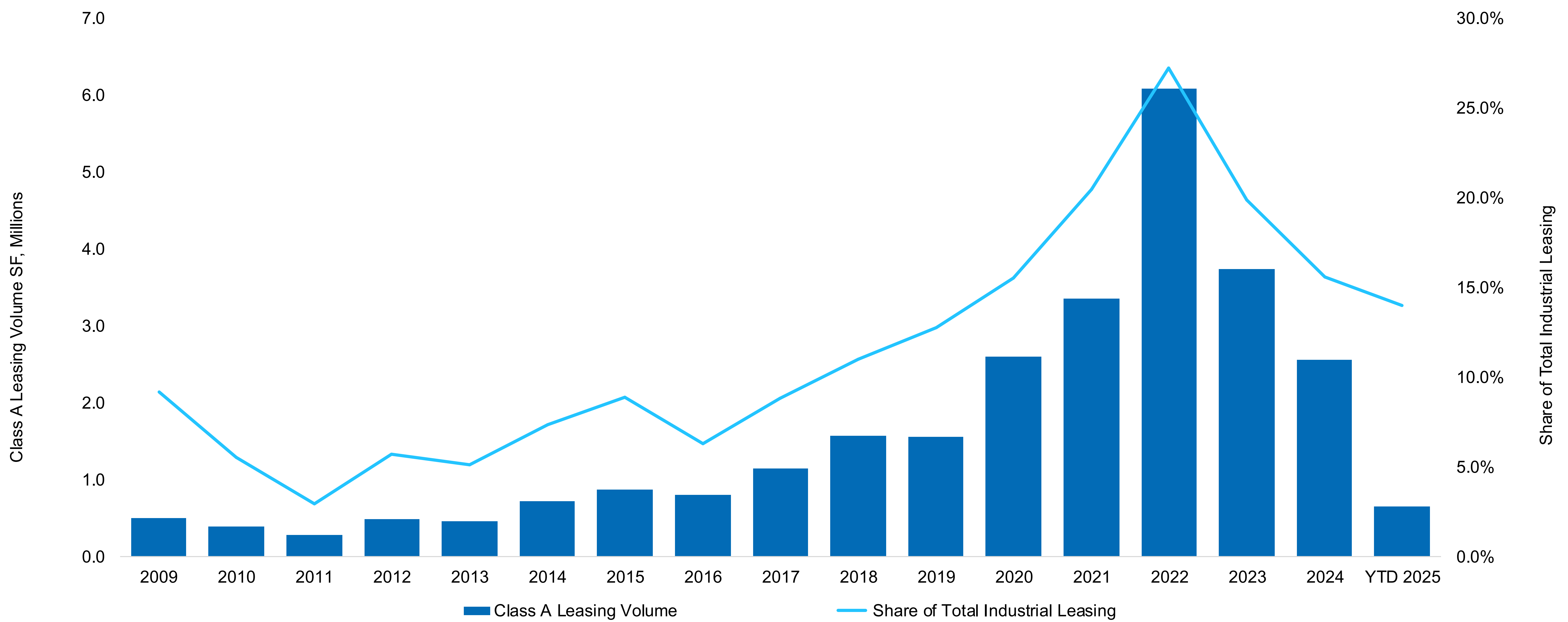


Source: Newmark Research, CoStar

Class A Warehouse Leasing Declines but Remains Above Pre-Pandemic Quarterly Average

Leasing activity for Class A warehouse space has declined from a peak of 2.6 MSF in the third quarter of 2022 to just 481,539 SF in the second quarter of 2025. Year-to-date Class A leasing stands at 657,039 SF—a 43.2% decline versus the same period last year. Although the post-pandemic influx of high-quality deliveries initially fueled a surge in leased square footage, recent economic uncertainty has prompted occupiers to pause space requirements. Even so, Class A warehouse leases represented 14.0% of total activity in the first half of 2025, up from 12.1% in the first half of 2024.

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

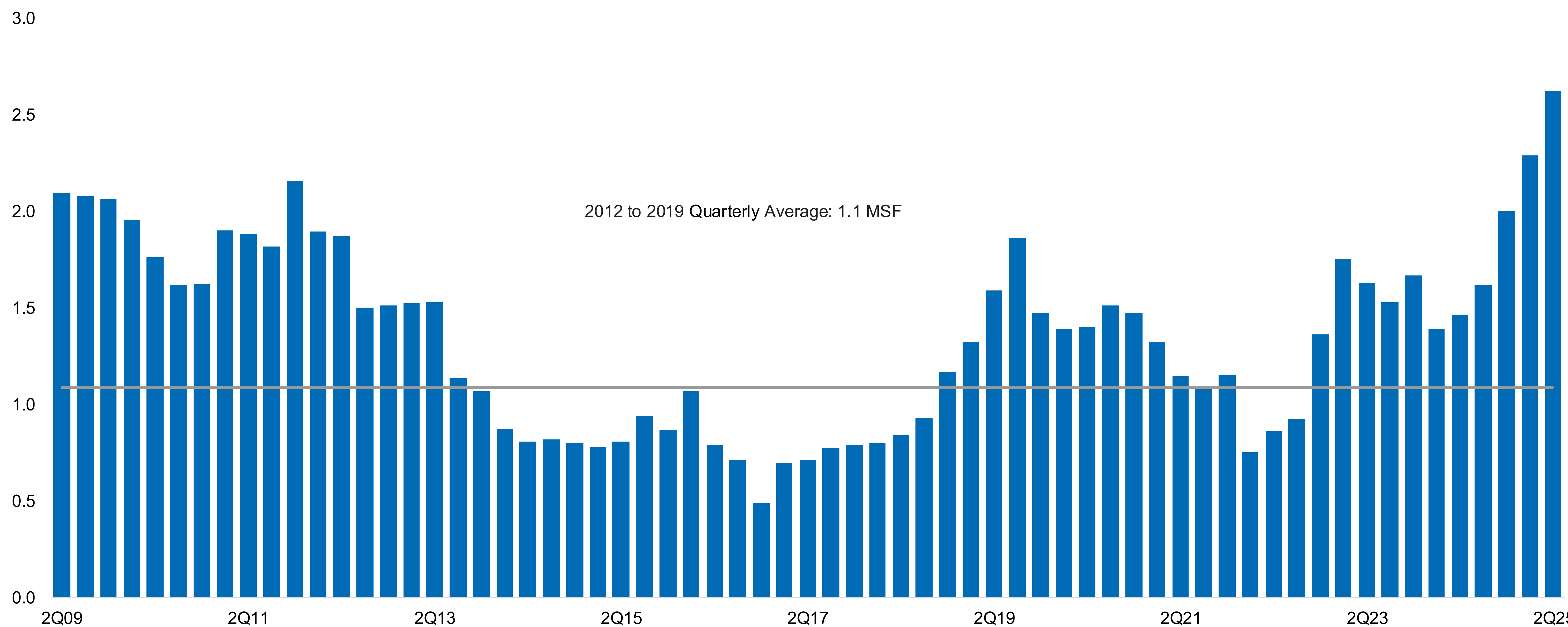


Source: Newmark Research, CoStar

Industrial Sublease Availability Continues to Rise

Sublease availability increased for the fifth consecutive quarter, reaching 2.6 MSF at the end of the second quarter of 2025. This represents a 14.3% quarter-over-quarter rise and a 79.1% year-over-year increase driven by the addition of United Natural Foods' 762,963 square-foot space at 6100-6284 McIntosh Rd. in the Sarasota submarket. The rise in sublease space reflects broader market conditions, including high interest rates, inflation, and declining consumer demand. Many companies that over-leased during the pandemic are now shedding underutilized space to adjust to more normalized demand.

Available Industrial Sublease Volume (msf)

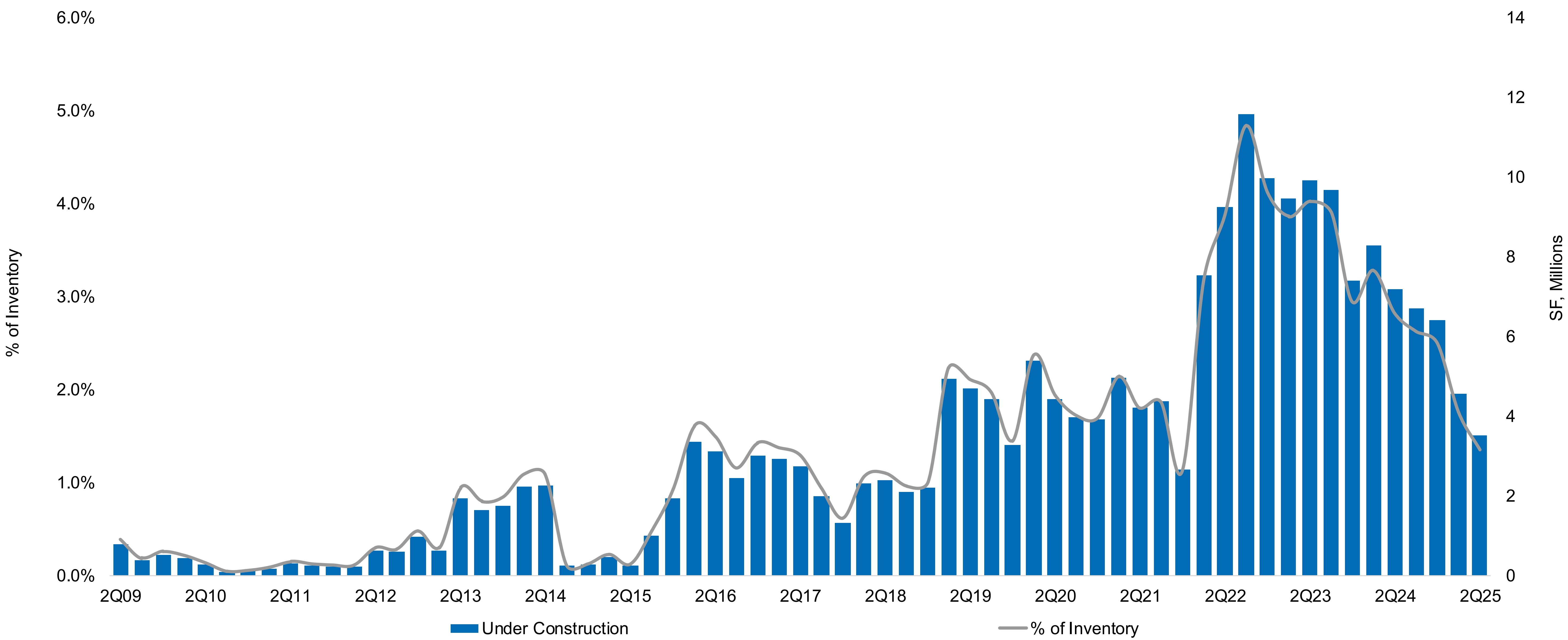


Source: Newmark Research, CoStar

Construction Pipeline Shrinks as Projects Deliver

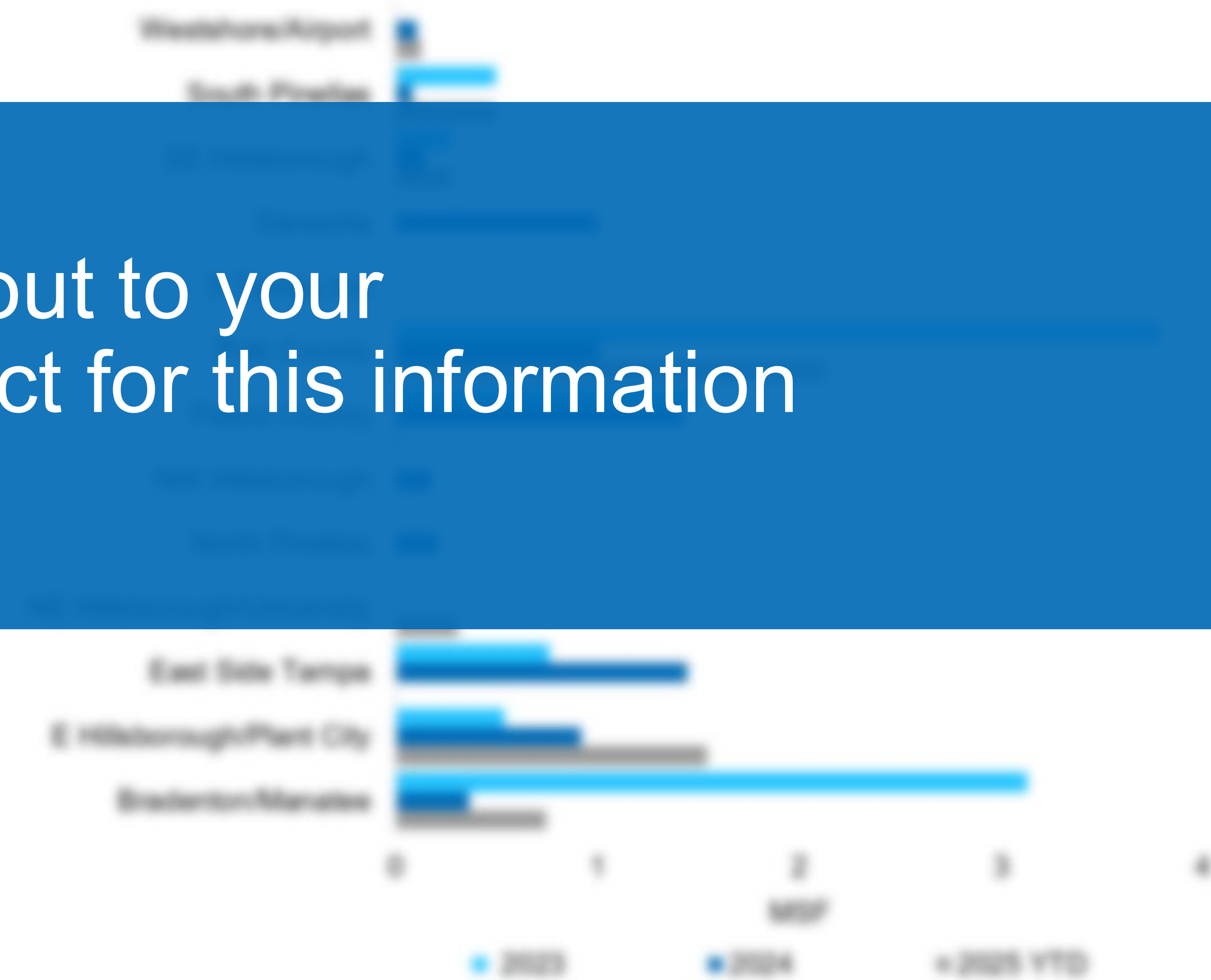
Following a peak of 11.6 MSF in the third quarter of 2022, the construction pipeline has gradually declined to 3.5 MSF at the close of the second quarter of 2025. While this reduction marks a return to more typical levels, current construction activity remains higher than the pre-pandemic average of 2.0 MSF from 2012 to 2019. More importantly, with only 1.4% of existing inventory under construction, the risk of overbuilding remains limited—though rising vacancy and softer demand suggest the market warrants close, cautious monitoring.

Industrial Under Construction and % of Inventory



Source: Newmark Research, CoStar

Pasco County Leads Under Construction; Polk County Tops Recent Deliveries



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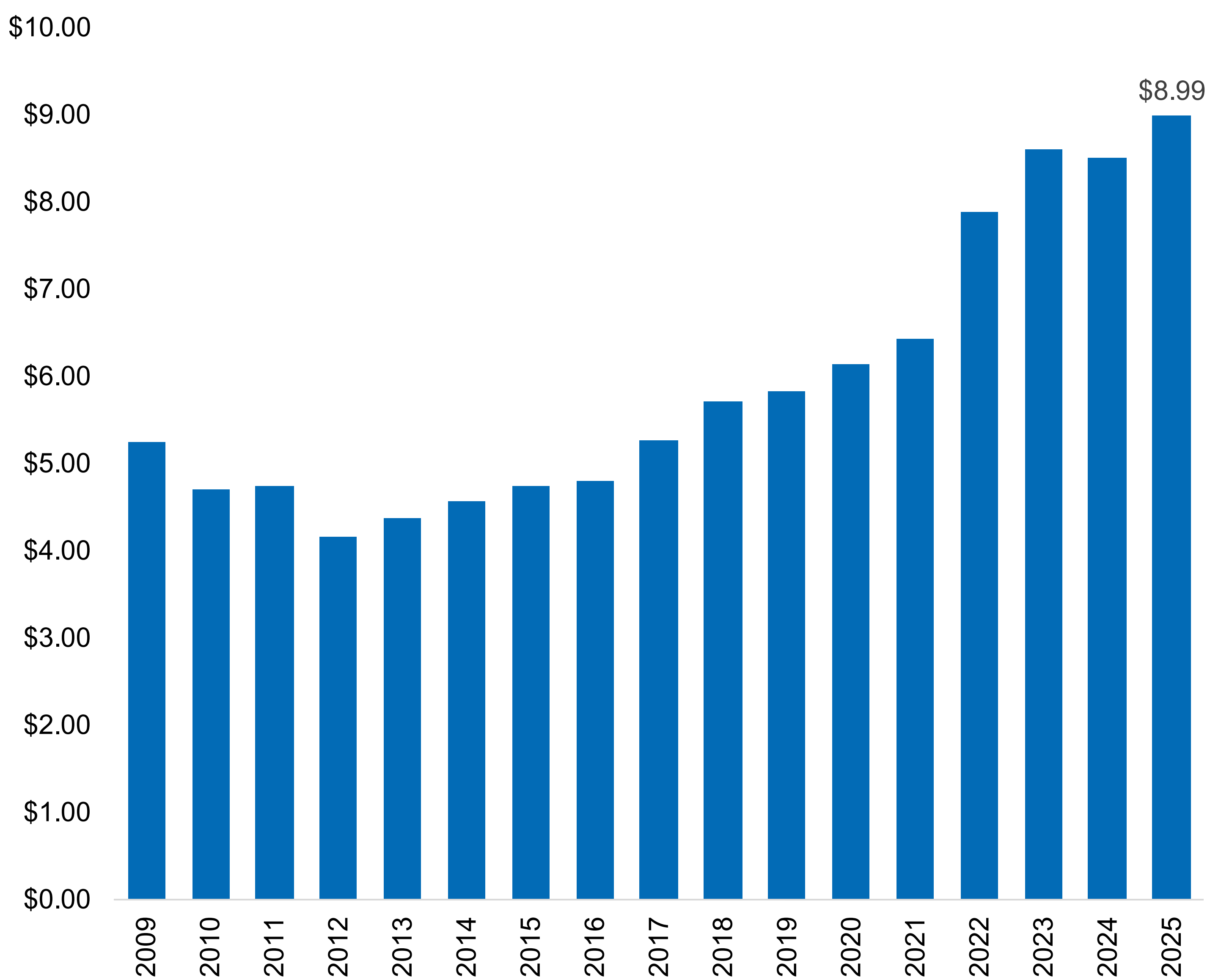
Source: Newmark Research, CoStar

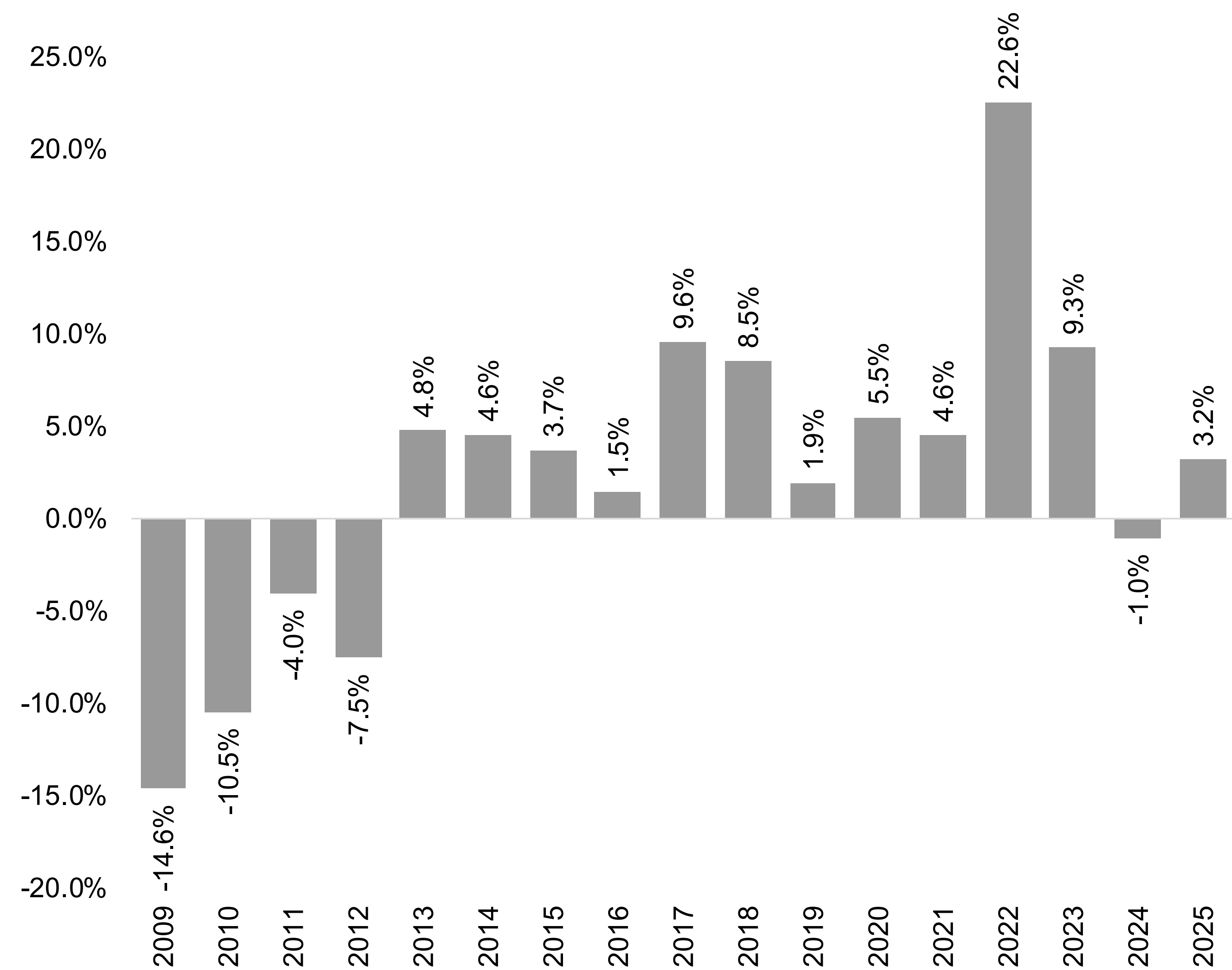
Asking Rents Remain Elevated Despite Slower Year-Over-Year Rent Growth

Asking rent growth in Tampa's industrial market has cooled, as the pace of leasing activity has slowed from historic highs. At the close of the second quarter of 2025, the average industrial asking rent stood at $8.99/SF, marking a 3.2% year-over-year increase. This growth is notably subdued when compared to the double-digit gains seen in 2022 and nearly double-digit growth in 2023. Furthermore, Tampa's year-over-year rental growth reflects a return to long-term market norms, when compared to the 2012 to 2019 pre-pandemic average growth rate of 3.1%.

Industrial Average Asking Rent, $/SF, NNN



Year-over-Year Asking Rent Growth Rate % Change



Source: Newmark Research, CoStar

Notable 2Q25 Lease Transactions

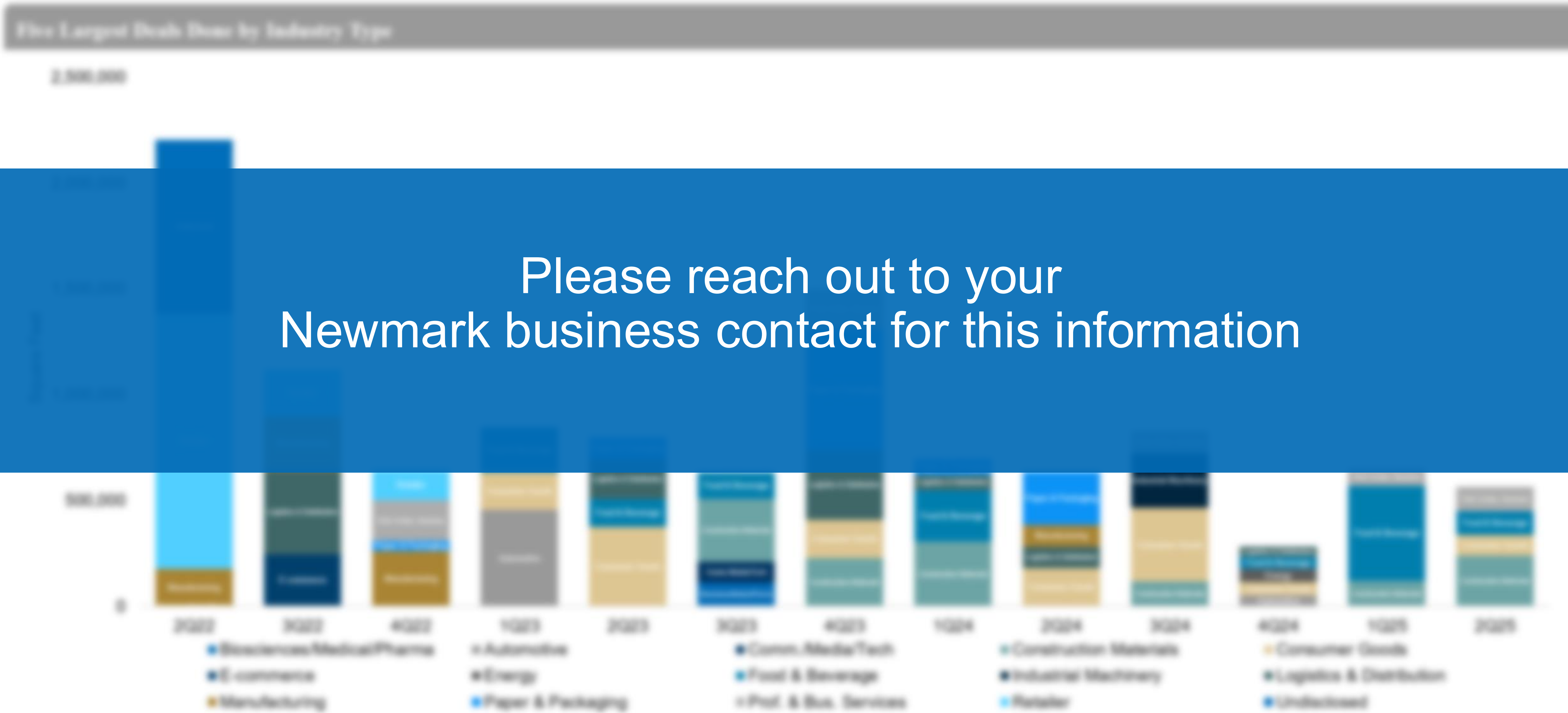
Leasing activity in the industrial market was 2.4 MSF in the second quarter of 2025, with leases under 100,000 SF comprising most of the activity. However, industrial tenants leasing spaces greater than 100,000 SF have demonstrated a strong preference for newer buildings. Notably, all the top lease transactions over 100,000 SF in the second quarter of 2025 involved tenants leasing space in buildings constructed after 2022. Currently, projects under construction are 8.9% preleased, with buildings under 100,000 SF seeing a higher prelease rate of 41.0%, compared to buildings over 100,000 SF with no preleasing in place.

Notable 2Q25 Lease Transactions

Tenant	Building	Submarket	Type	Square Feet
FS Builder Resources	6020 Powell Rd	SE Hillsborough	Direct New	159,659
The building products company signed a lease at 6200 Powell Rd to occupy the entire building, with an expected move-in date of November 2025, and will remain in the building through May 2031.				
CheckSammy	I-4 Midway Logistics	E Hillsborough/Plant City	Direct New	114,571
The waste removal company signed a lease at 2451-2465 S County Line Rd for 114,571 SF, with an expected move-in date in December 2025. The company leased the space to bolster their same-day bulk waste removal recycling and landfill diversion operations.				
Roland Foods	Lakeside Logistics Phase II – Building 2	SE Hillsborough	Direct New	112,809
The food service contractor signed a lease to occupy half the building at 3010 Coronet Rd, with the lease set to commence October 2025.				
Eagle Labs, Inc	Starkey Lakes South	South Pinellas	Direct New/Expansion	96,374
The nutritional supplements and skin care product manufacturer headquartered in Saint Petersburg signed a lease at 8515 126th Ave to expand regional reach. The company now has seven locations across the state of Florida.				
Town & Country Industries, Inc	5302 E Adamo Dr	East Side Tampa	Renewal	80,923
The wholesale distributor of aluminum and building products renewed their lease to occupy the entire building through December 2031. The company has been at this location since March 2020.				

Source: Newmark Research

Top Five Largest Deals Done by Industry Type



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Source: Newmark Research, CoStar

Tampa Industrial Submarket Overview

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Source: Newmark Research

Tampa Industrial Market

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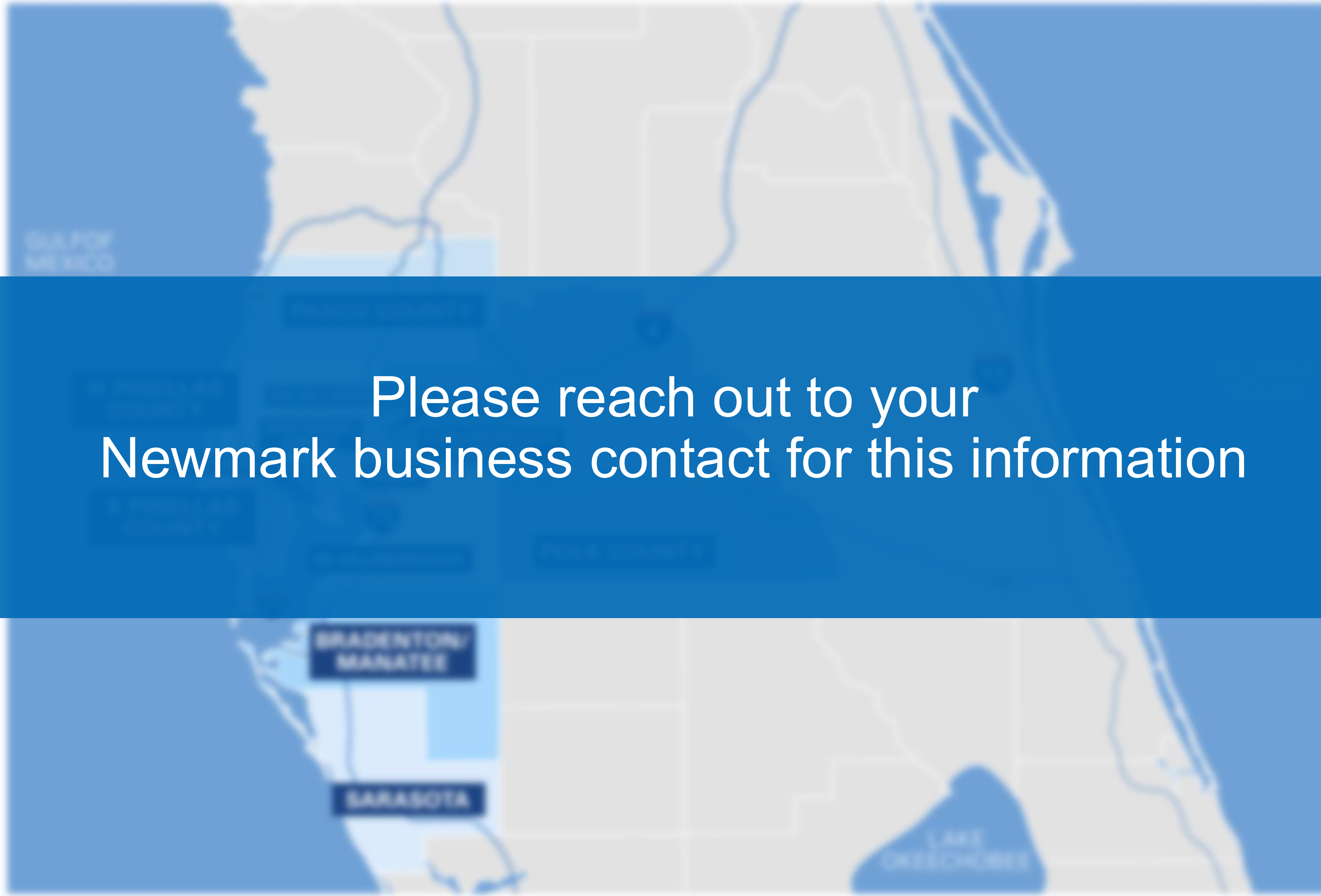
Tampa Industrial Submarket Map



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Newmark business contact for this information

Source: Newmark Research

For more information:

Jamil Harkness
Senior Research Analyst
Jamil.Harkness@nmrk.com

Kirsten Kempf
Senior Research Analyst
Kirsten.Kempf@nmrk.com

Ching-Ting Wang
Head of Southeast Research
ChingTing.Wang@nmrk.com

Tampa
4221 W Boy Scout Blvd
Suite 440
Tampa, FL 33607
t 813-639-1111

New York Headquarters
125 Park Ave.
New York, NY 10017
t 212-372-2000

nmrk.com