



MARKET FUNDAMENTALS

	YOY Chg	Outlook
5.2% Vacancy Rate	▲	▼
2.4M YTD Net Absorption, SF	▼	▲
\$10.38 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.6M Tampa Bay Employment	▲	▲
3.6% Tampa Bay Unemployment Rate	▲	▲
4.2% U.S. Unemployment Rate <i>Source:BLS</i>	▲	▲

ECONOMY

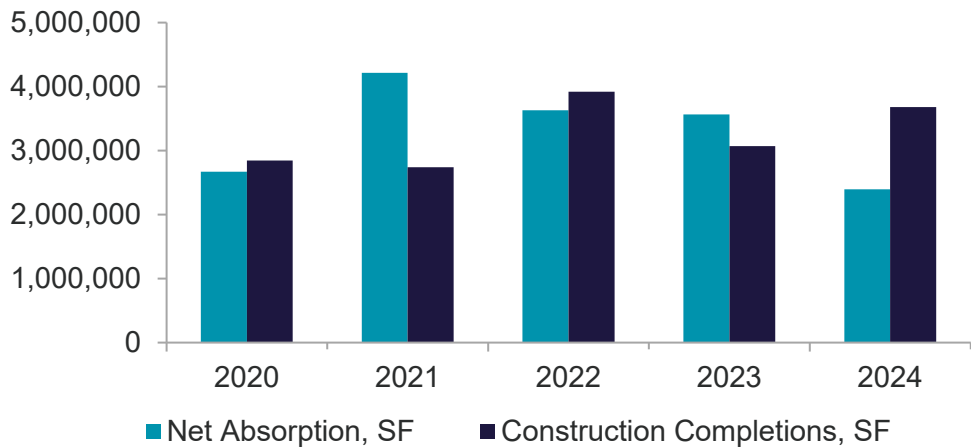
The Tampa Bay labor market exhibited modest growth, with nonfarm employment rising by 0.7% year-over-year (YOY), equating to an addition of 10,700 jobs. Despite a 40-basis-point (bp) increase in the unemployment rate to 3.6% YOY, it remained below the national average of 4.2%. Industrial-related sectors showed particularly strong performance, making up more than half of the total jobs added in the region with 5,800 new positions YOY, including 400 in the manufacturing industry, more than any other metro in the state.

SUPPLY

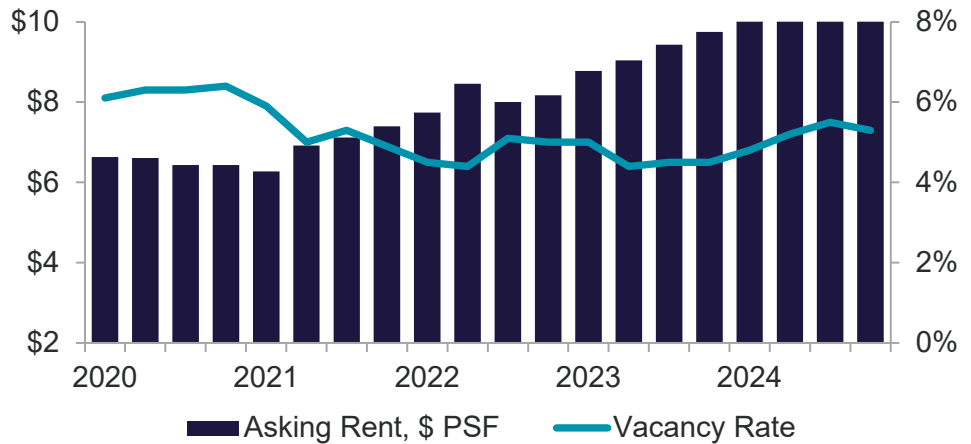
Overall vacancy ended the year with a 30-bp quarter-over-quarter (QOQ) decline, reaching 5.2%. While this represented an 80-bp YOY increase, it remained significantly below the Q4 2019 pre-pandemic rate of 6.4%, reflecting the sustained health of the market. Vacancy rates in both Hillsborough and Pinellas counties rose YOY, with Hillsborough climbing by 50 bps to 5.5% and Pinellas by 140 bps to 4.7%. In the warehouse/distribution (W/D) sector, vacancy ticked marginally higher YOY to 5.7%, though it remained below the five-year average of 5.9%. A primary factor contributing to this uptick was the addition of 1.3 million square feet (msf) of new product during Q4, the majority of which was delivered in the Eastside submarket. This included the completion of Tampa Regional Industrial Park – Buildings 100 and 200, which added 298,400 square feet (sf) of W/D space without any preleasing activity. This influx contributed to the W/D vacancy rate in the Eastside increasing by 110 bps YOY to 4.8%. However, the submarket also recorded the most notable delivery of the year with Coca-Cola Beverages Florida's new 800,000-sf Central Florida distribution hub. Over 2.6 msf of new projects were under construction at year-end, underscoring continued interest in the market.

Overall absorption for the year totaled 2.4 msf of net occupancy gains, with strong activity during Q4 driving this performance. Key move-ins during the quarter included Coca-Cola's new building and ReadySpaces occupying 130,300 sf at Hanna Distribution Center in the Eastside submarket. The Plant City submarket also had significant activity with notable move-ins including Axis Redistribution occupying 180,300 sf at County Line Distribution Center, TD Redman taking 63,000 sf at County Line Logistics Center, and Hajoca moving into 63,000 sf at Lakeside Logistics. These occupancies drove the Plant City submarket to achieve the largest YOY decline in vacancy, dropping 390 bps to 6.6%. This marked the first time since Q3 2019 that the submarket's vacancy rate fell below 7.0%, emphasizing its strong performance.

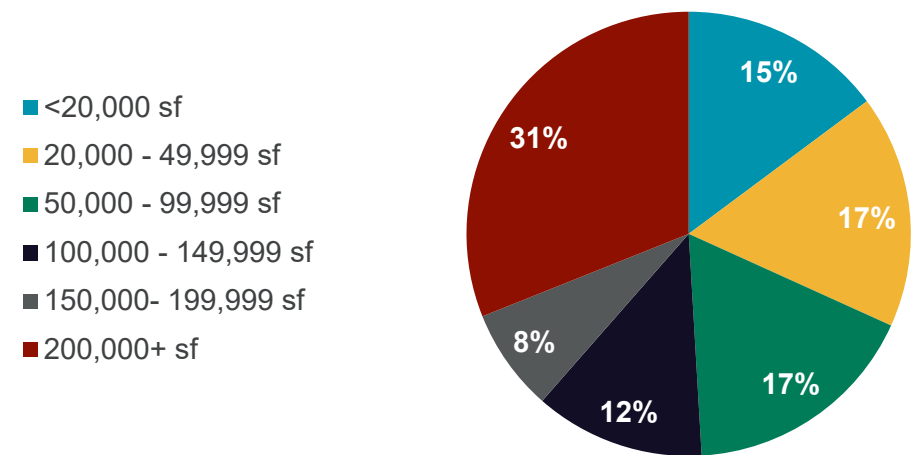
SPACE DEMAND / DELIVERIES



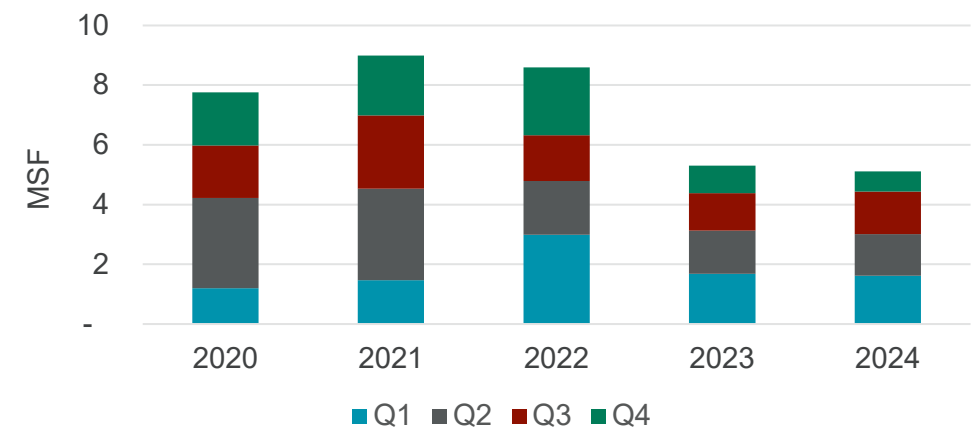
OVERALL VACANCY & ASKING RENT



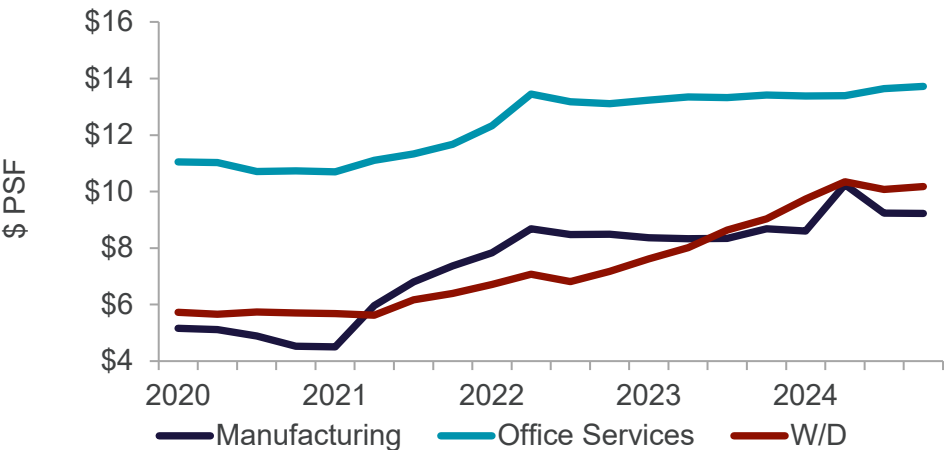
Q4 VACANT SPACE BY SIZE RANGE (sf)



NEW LEASING ACTIVITY



ASKING RENT COMPARISON



DEMAND

Leasing activity in 2024 posted a slight decline, ending the year with 5.1 msf of new deals signed, representing a 3.7% YOY dip. The decrease was driven by a slowdown in Hillsborough County, which had a 15.3% YOY drop with 3.6 msf of deals signed. Conversely, Pinellas County posted an impressive 41.3% YOY increase, with 1.5 msf of new leases signed. The decline in Hillsborough County can largely be attributed to the softening of larger lease transactions in W/D assets. The 121 new deals signed in Hillsborough County was marginally lower than 2023, reflecting a 22.6% drop in deal volume in 2024 (2.9 msf), the lowest total since 2017. Total leasing activity in Tampa Bay decelerated markedly in Q4, with only 678,000 sf of new deals signed, the lowest quarterly volume since Q1 2019. The largest lease of the quarter was The Lithium Battery Company taking 60,000 sf in the South Tampa submarket.

Among the submarkets, the Eastside recorded the highest leasing activity in 2024, with 1.8 msf of deals signed. However, this represented a 15.0% YOY decrease. The Gateway-Mid Pinellas submarket ranked second in leasing volume and achieved the largest YOY improvement, rising 56.8% to 1.4 msf driven by strong demand for new construction. The Westside submarket also posted solid performance, with a 3.2% YOY rise to 769,300 sf. This growth was bolstered by a strong Q4, which included the full lease-up of the newly delivered 101,200-sf Hangar Court, secured by tenants Lykes Cartage and Lubeworks. The Plant City submarket posted a notable dip in leasing activity, down 30.4% YOY, failing to eclipse the 1.0-msf mark for the first time since 2021 with only 948,000 sf of new deals signed.

MARKET PRICING

Industrial direct asking rents closed the year at \$10.37 per square foot (psf), reflecting a 6.7% YOY surge. However, the pace of growth has slowed significantly compared to previous years. The rise was primarily driven by Hillsborough County, where rents rose by 9.9% YOY to \$10.41 psf, while Pinellas County had a 2.9% YOY decline, ending the year at \$10.25 psf.

A notable rise was recorded in W/D assets, up 12.7% YOY, reaching \$10.18 psf. This growth was largely attributed to the delivery of new product with asking rates ranging between \$11.00 and \$12.00 psf. The Eastside submarket exhibited the most significant impact, with W/D rents edging higher by 3.4% YOY to \$10.73 psf, reflecting the heightened demand for high-quality industrial space.

OUTLOOK

- The Tampa Bay industrial market remains well-positioned for 2025, supported by resilient demand and strong market fundamentals. Despite broader economic uncertainties, the region's industrial sector continued to demonstrate stability, upheld by strategic development and tenant interest in new product.
- The influx of high-quality inventory delivered over the past year, alongside an active development pipeline exceeding 2.6 msf, should continue to reshape the competitive landscape. As tenant preferences increasingly favor modern, functional spaces that provide more efficient operations, new product will dominate leasing demand.
- While rent growth is expected to moderate compared to recent years, asking rates for W/D spaces are likely to remain elevated, particularly for premium assets in high-demand submarkets. This stabilization will provide tenants with greater predictability in occupancy costs; it should also ensure consistent returns for developers and landlords.

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)	OVERALL WEIGHTED AVG NET RENT
Eastside	53,222,248	2,568,345	4.8%	1,198,476	1,786,918	418,491	2,025,318	\$9.17	\$14.04	\$10.73	\$10.92
Westside	14,470,962	855,434	5.9%	251,701	769,332	100,698	563,822	\$11.50	\$14.46	\$13.28	\$13.06
Plant City	17,706,064	1,169,374	6.6%	1,196,916	947,755	1,663,742	757,158	N/A	N/A	\$7.49	\$7.49
South Tampa	902,253	142,548	15.8%	-82,548	60,000	0	0	\$11.00	N/A	N/A	\$11.00
HILLSBOROUGH TOTALS	86,301,527	4,735,701	5.5%	2,564,545	3,564,005	2,182,931	3,346,298	\$10.72	\$14.26	\$9.93	\$10.42
Gateway-Mid Pinellas	25,511,536	1,189,260	4.7%	-208,237	1,386,698	455480	287,041	\$7.50	\$12.98	\$11.11	\$9.95
North Pinellas	5,162,259	153,573	3.0%	-106,372	35,725	0	0	\$10.00	\$10.09	\$12.91	\$12.28
South Pinellas	5,656,604	358,162	6.3%	143,517	122,814	0	47,900	\$8.98	N/A	\$12.07	\$10.04
PINELLAS TOTALS	36,330,399	1,700,995	4.7%	-171,092	1,545,237	455,480	334,941	\$8.13	\$12.52	\$11.73	\$10.25
TAMPA BAY TOTALS	122,631,926	6,436,696	5.3%	2,393,453	5,109,242	2,638,411	3,681,239	\$9.23	\$13.70	\$10.18	\$10.38

*Rental rates reflect weighted net asking \$psf/year

KEY LEASE TRANSACTIONS 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE	QTR SIGNED
Lakeside Logistics Park - Phase 1 - Building 1	Plant City	Sonoco	252,580	New Lease	Q2
Tampa Regional Industrial Park - Bldg 200	East Side	Republic National Distributing	242,932	Renewal*	Q1
I-4 Midway Logistics	Plant City	Polyglass USA, Inc.	215,889	New Lease	Q1
4506 Acline Drive East	East Side	Refresco Beverages	175,920	Renewal*	Q3
3001 Tech Drive	Gateway	Koozie Group	152,496	Sale-Leaseback	Q2
Southern Oaks Business Park - Building 1	Plant City	AramSCO	135,923	New Lease	Q3
Hanna Distribution Center	East Side	ReadySpaces	130,330	New Lease	Q3
Crossroads Industrial Center - East Building 1	East Side	Crown Equipment Corp	123,429	New Lease	Q3

*Renewals not included in leasing statistics

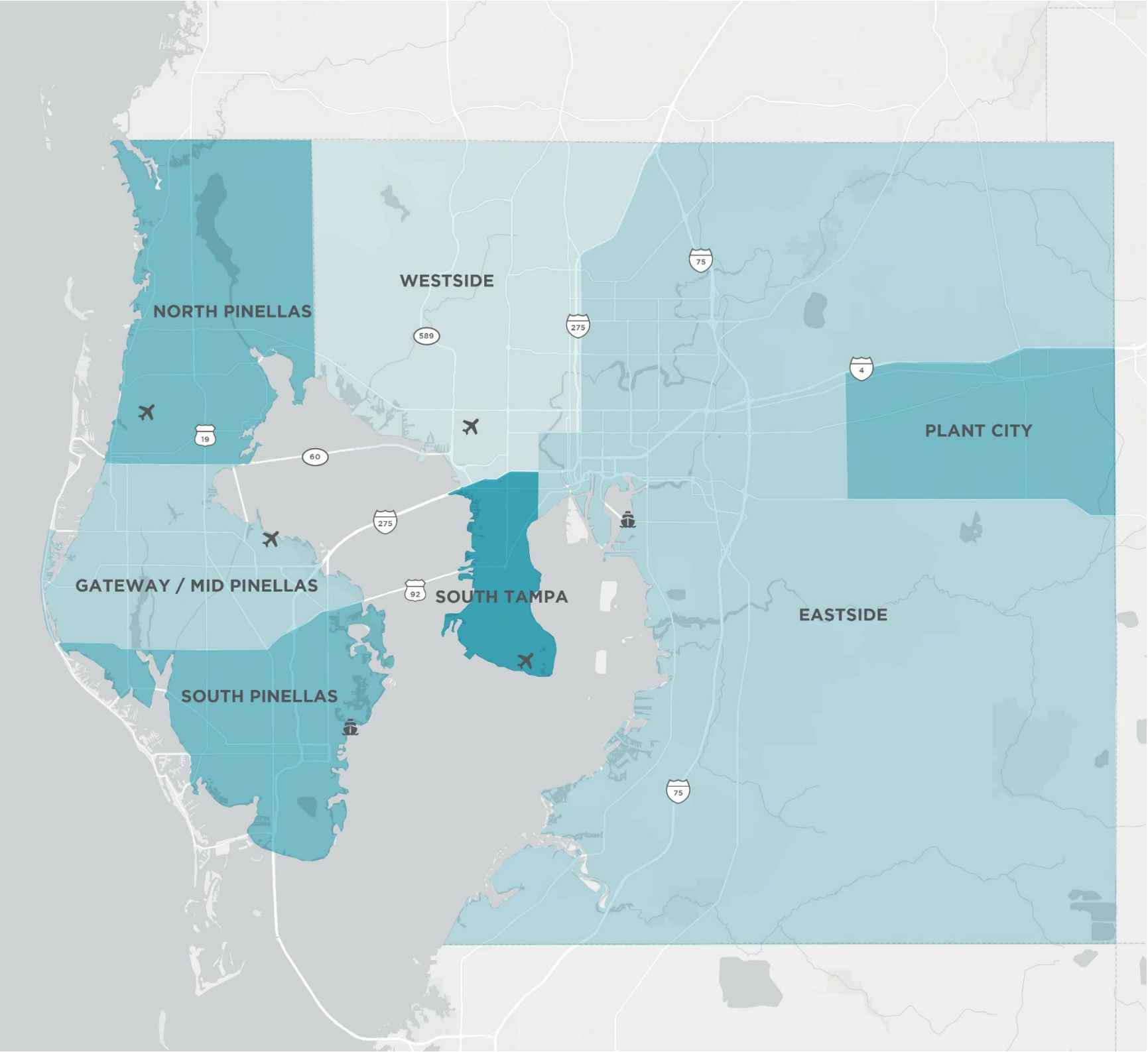
KEY SALE TRANSACTIONS 2024

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF	QTR SOLD
Tampa Commerce Center – Buildings 100-400	Eastside	Hines / Blackstone	600,920	\$94.5M / \$157	Q2
Seaboard Terminal	Eastside	HighBrook Investors / EQT Exeter	434,034	\$49.2M / \$113	Q1
Peak Logistics Center I & II	Plant City	TA Realty / EQT Exeter	400,833	\$56.5M / \$141	Q4
TIA Logistics	Westside	Scannell / Clarion Partners	245,000	\$49.0M / \$200	Q1

KEY CONSTRUCTION COMPLETIONS 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER	QTR COMPLETED
Coca-Cola Distribution	Eastside	Coca-Cola Beverages Florida	800,000	Coca-Cola Beverages Florida	Q4
Lakeside Logistics – Phase III	Plant City	None	533,347	Stockbridge Capital	Q3
Tampa Regional Industrial Park – Buildings 100 & 200	Eastside	None	298,380	Trammell Crow Company	Q4
East Tampa Commerce Center – Buildings 100-300	Eastside	Roc Cabinetry / Rolled Alloys	262,440	Graham & Co	Q1

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