POLK COUNTY

INDUSTRIAL Q3 2025

MARKET FUNDAMENTALS

	YOY Chg	Outlook
6.8% Vacancy Rate	▼	▼
2.4M YTD Net Absorption, SF	▲	▲
$8.00 Asking Rent, PSF	▲	▲

(Overall, Net Asking Rent)

ECONOMIC INDICATORS

	YOY Chg	Outlook
279K Polk County Employment	▲	▲
4.7% Polk County Unemployment Rate	▲	▲
4.3% U.S. Unemployment Rate	▲	▲

Source: BLS

ECONOMY

Polk County's unemployment rate increased 30 basis points (bps) year-over-year (YOY) to 4.7% and remained above the 4.3% national rate. Nonfarm employment growth was modest, increasing 0.5% with 1,665 jobs added YOY, with the construction industry contributing 200 new jobs and manufacturing creating 400 additional positions.

SUPPLY & DEMAND

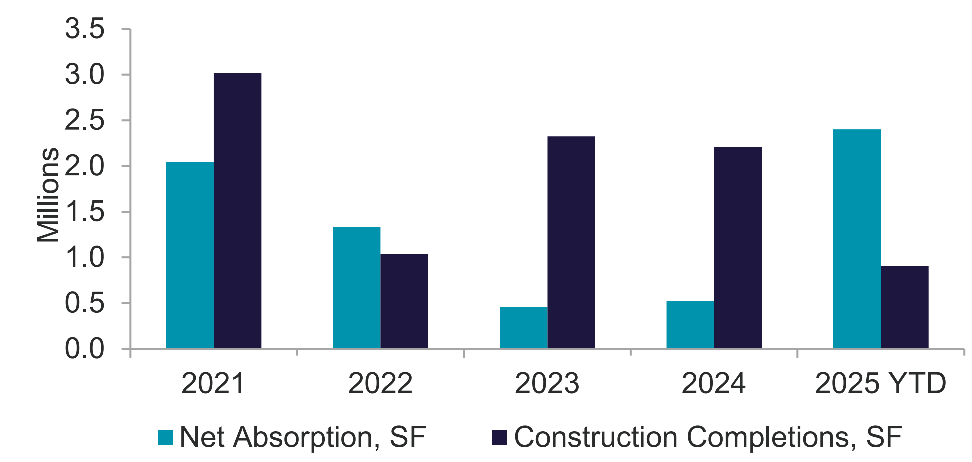
Warehouse/distribution (W/D) product recorded a notable improvement in Q3 with vacancy declining by 210 bps quarter-over-quarter (QOQ) to 7.8%, driven by the lease of Central Florida Integrated Logistics Park – Building 1 to PepsiCo. The 1.2-million-square-foot (msf) facility was the largest available space in the market since the building's delivery in Q1 2024. The removal of the building's vacancy yielded a dramatic 640-bp QOQ decrease in vacancy within the East Polk submarket, bringing the rate down to 5.0%. Additionally, reLink Medical's occupancy of 52,500 square feet (sf) at Lakeland Logistics Center – Building 200 in Northwest Lakeland contributed to overall positive absorption totaling 1.3 msf in Q3, marking the highest quarterly total since Q4 2020. At the close of Q3, 816,000 sf of W/D product remained under construction, down 79.7% from the peak reported in mid-2022. This sharp reduction in new development will alleviate near-term supply pressures and allow recently delivered projects additional time to stabilize, which could support continued vacancy compression through the first half of 2026.

Leasing activity ramped up in Q3, with 1.7 msf of new deals signed, more than double the volume recorded across Q1 and Q2 combined. In addition to PepsiCo's 1.2-msf transaction, a single tenant leased the entire 349,929-sf Key Logistics Center – Building 300 in Southwest Lakeland. These large transactions drove the year-to-date total to 2.5 msf, representing an 11.5% decrease compared to the same point one year ago.

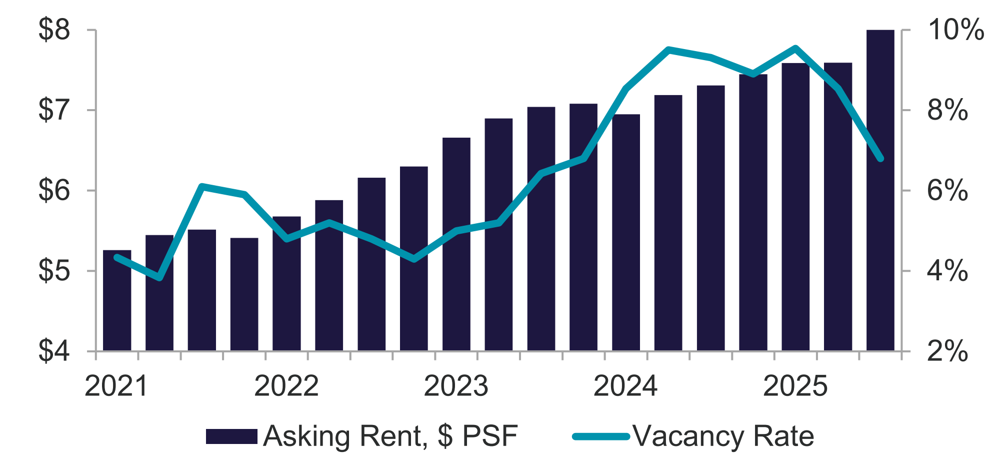
MARKET PRICING

The average asking rent for W/D space rose to $7.99 per square foot (psf) in Q3, reflecting a 9.3% YOY increase. The East Polk submarket posted the most significant gain, with average W/D asking rents climbing 26.6% YOY to $8.86 psf once the market's largest vacancy — which was priced lower than mid-sized blocks — was no longer listed. With no construction completions in Q3, landlords are likely to shift focus toward leasing recently delivered product, potentially adjusting pricing or offering concessions to accelerate absorption and backfill vacant space.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	CURRENT QTR LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (W/D)	OVERALL WEIGHTED AVG NET RENT (ALL TYPES)*
Davenport	6,854,235	132,832	1.9%	-83,232	78,401	66,401	0	0	$9.71	$9.71
East Polk	19,107,455	963,699	5.0%	1,365,000	1,275,450	1,216,800	659,808	386,000	$8.86	$8.86
South Polk	7,580,132	505,424	6.7%	41,600	26,000	0	0	46,800	$6.04	$6.04
EAST POLK TOTALS	**33,541,822**	**1,601,955**	**4.8%**	**1,323,368**	**1,379,851**	**1,283,201**	**659,808**	**432,800**	**$7.91**	**$7.91**
Northeast Lakeland	13,593,268	1,345,338	9.9%	-68,920	143,237	0	0	0	$7.33	$7.33
Northwest Lakeland	9,405,613	347,355	3.7%	65,305	93,800	52,500	0	0	$8.36	$8.36
Southeast Lakeland	2,684,470	110,848	4.1%	-15,210	42,150	7,300	0	0	$8.86	$8.86
Southwest Lakeland	15,148,656	1,635,223	10.8%	1,097,195	889,118	371,829	156,386	473,955	$8.65	$8.69
LAKELAND TOTALS	**40,832,007**	**3,438,764**	**8.4%**	**1,078,370**	**1,168,305**	**431,629**	**156,386**	**473,955**	**$8.02**	**$8.04**
POLK COUNTY TOTALS	**74,373,829**	**5,040,719**	**6.8%**	**2,401,738**	**2,548,156**	**1,714,830**	**816,194**	**906,755**	**$7.99**	**$8.00**

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

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Central Florida Integrated Logistics Park	East Polk	PepsiCo	1,216,800	New Lease
Key Logistics Center – Bldg. 300	Southwest Lakeland	Confidential	349,929	New Lease
Lakeland Logistics Center - Bldg. 200	Northwest Lakeland	reLink Medical	52,500	New Lease

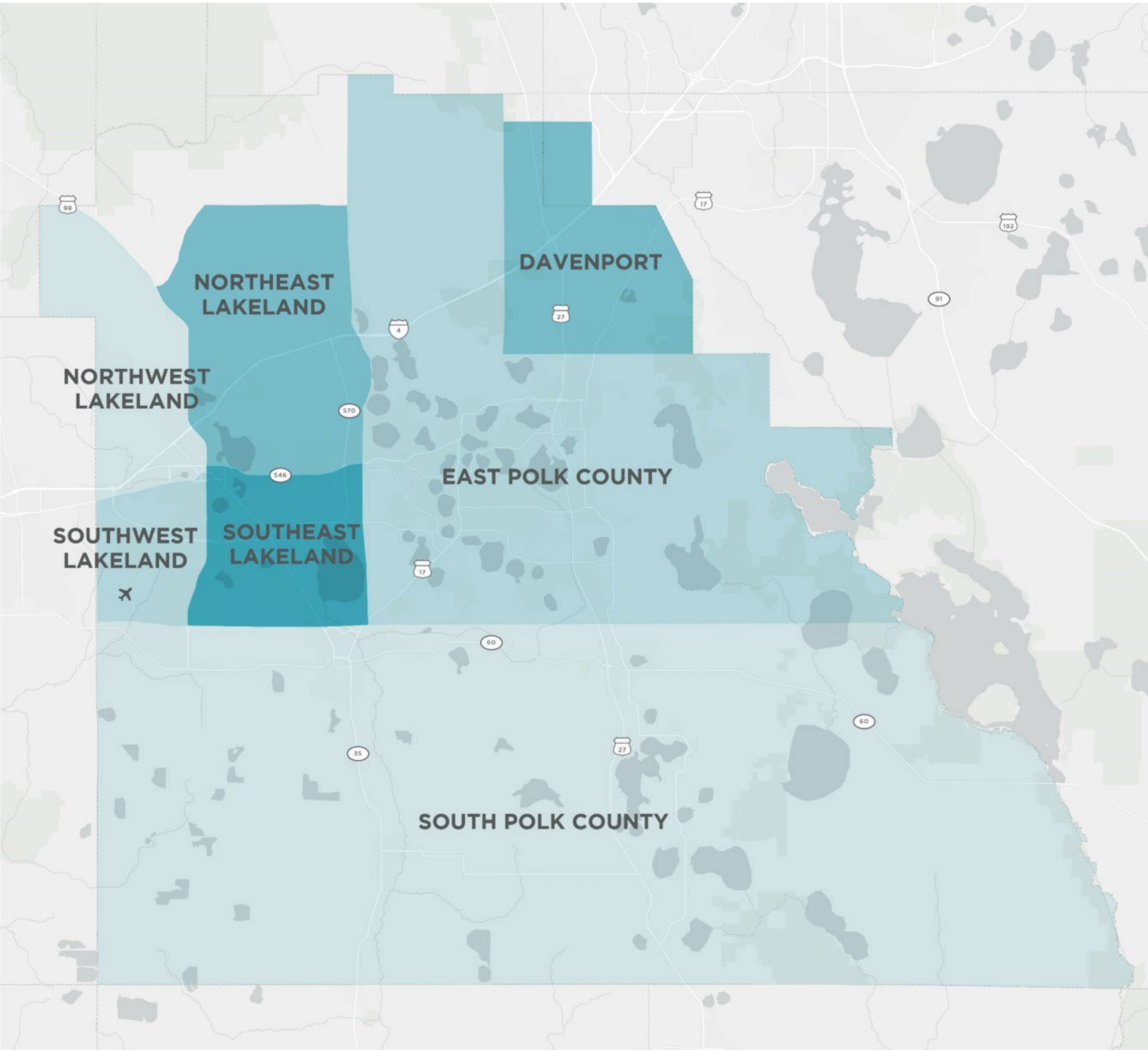
KEY SALE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
2910 Maine Avenue	Southeast Lakeland	DSZ Group, Inc. | Legacy Capital Partners	51,739	$3.6M / $70
3395 W Memorial Blvd.	Northwest Lakeland	Memorial Interstate Properties | Flowers Foods	40,094	$6.0M / $150
3025 Whitten Road	Southwest Lakeland	Lakeside Properties of Florida | TBI Re Holdings	22,500	$4.8M / $211

UNDER CONSTRUCTION PROJECTS Q3 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER
Pace Innovation Center 4 - 810 Pace Road	East Polk	None	270,866	Lincoln Property Company
Pace Innovation Center 3 - 820 Pace Road	East Polk	None	225,570	Lincoln Property Company
The Ruthvens at Pace Innovation Center – Building 500	East Polk	None	163,372	Intersect Development Group
4210 Pipkin Road South	Southwest Lakeland	None	156,386	Johnson Development Associates

INDUSTRIAL SUBMARKETS



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