MARKETBEAT

TAMPA BAY

INDUSTRIAL Q3 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
6.8% Vacancy Rate	▲	▼
759K YTD Net Absorption, SF	▲	▲
$10.32 Asking Rent, PSF *(Overall, Net Asking Rent)*	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.1M Tampa Bay Employment	▲	▲
3.9% Tampa Bay Unemployment Rate	▲	▲
4.3% U.S. Unemployment Rate	▲	▲

Source:BLS

ECONOMY

Tampa Bay's unemployment rate increased 30 basis points (bps) year-over-year (YOY) to 3.9% but remained below the 4.3% national rate. Nonfarm employment increased 0.9% with 14,500 jobs added YOY, with the construction industry contributing 2,200 new jobs and manufacturing creating 1,300 additional positions.

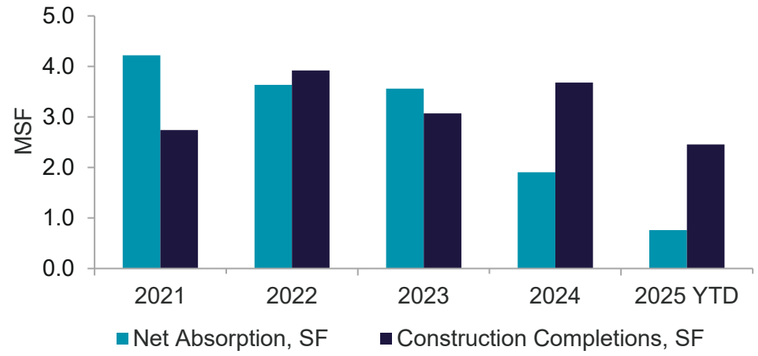
SUPPLY

Overall vacancy continued to rise, ending Q3 at 6.8%, on par with the highest level recorded six years prior. The increase was primarily driven by Hillsborough County, where vacancy rose 170 bps YOY to 7.7%, while Pinellas County posted a decrease of 40 bps to 4.8%. The Plant City submarket recorded the largest jump in warehouse/distribution (W/D) vacancy, increasing 220 bps quarter-over-quarter (QOQ) to 15.8%, the highest rate since Q4 2020. This was led by a wave of new deliveries hitting the market, including the 535,507-square-foot (sf) County Line Crossing. Plant City accounted for 21.8% of new supply in 2025 year-to-date (YTD) and posted 114,603 sf of positive absorption in Q3. The Westside submarket also contributed to the increase in W/D vacancy, up 40 bps QOQ to 4.3%.

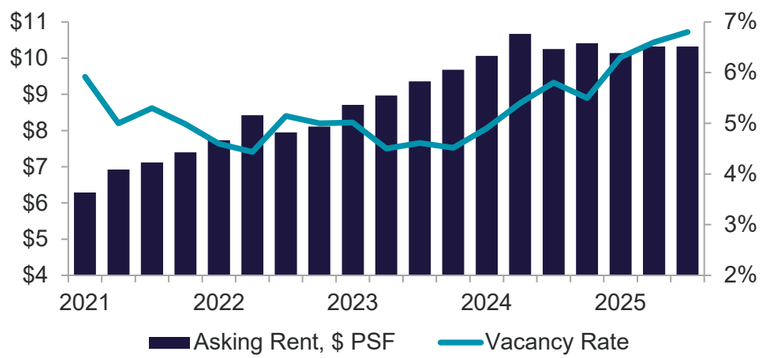
Despite the annual vacancy increase, the uptick in Q3 was modest, rising only 20 bps QOQ. The industrial market rebounded strongly from Q1 when negative absorption was recorded for the first time since 2018. Over 335,000 sf of net occupancy gains were recorded in Q3, the result of tenant move-ins to their preleased space in new deliveries. More than 600,000 sf of projects were completed in Q3, combining for nearly 2.5 million square feet (msf) so far in 2025. Approximately 36.0% of the new product completed in Q3 was occupied when built. The Eastside submarket recorded 529,000 sf of deliveries in 2025 YTD, with only 29.0% remaining available.

While the first three quarters marked the delivery of several buildings with strong preleasing, an additional 1.4 msf remained under construction and is slated to complete within the next year, 90.0% of which is still available. This pipeline could further elevate W/D vacancies in upcoming quarters.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



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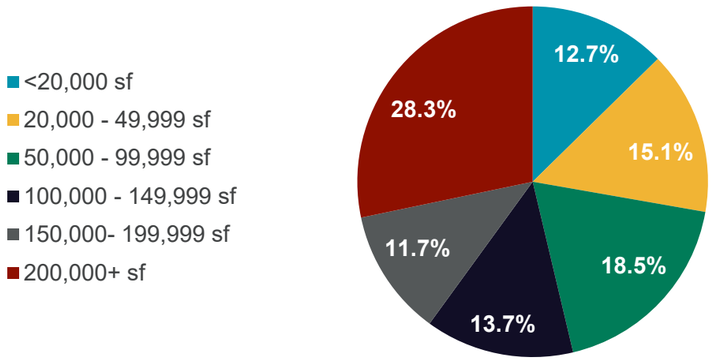
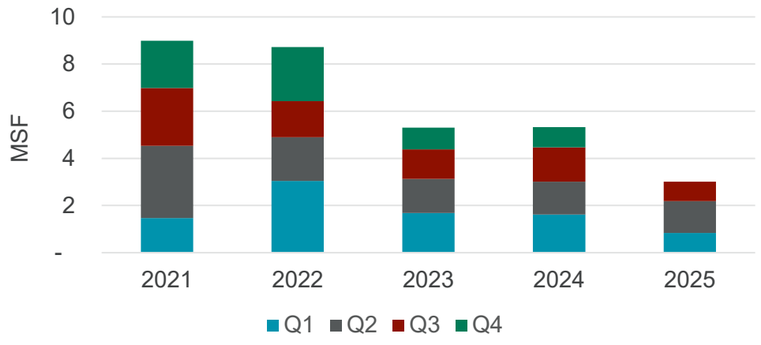
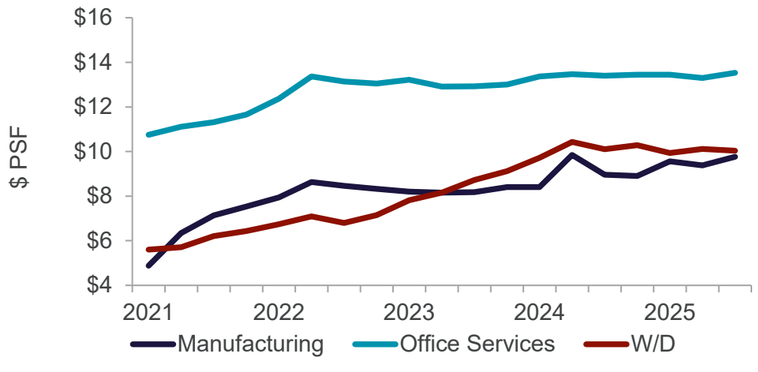
Q3 VACANT SPACE BY SIZE RANGE (sf)



NEW LEASING ACTIVITY



ASKING RENT COMPARISION



DEMAND

Leasing activity totaled to 829,000 sf in Q3, down 38.3% from the previous quarter and bringing YTD activity over 3.0 msf. This reflected a 32.5% YOY decline. The total number of deals signed in 2025 remained consistent with 2024, indicating that a higher volume of smaller transactions is driving new deal activity. The main driver of the yearly decline was manufacturing product, with just under 200,000 sf transacted in 2025, a 62.4% YOY decrease. W/D leasing volume was an additional factor, down 30.0%, with both Hillsborough and Pinellas County's posting YOY declines.

Large-block leasing was modest in Q3, with two leases exceeding 50,000 sf signed, matching activity in Q1, but down from the five deals inked in Q2. The largest lease of the quarter occurred in the Eastside submarket, where ID Logistics inked a deal for the 278,249 sf in Central 75, which has been vacant since its completion at the close of 2022. Despite this, leasing in the Eastside submarket was still down 9.8% YOY, with 1.5 msf of new deals signed YTD.

The Westside, North Pinellas, and South Pinellas submarkets were the only three to post YOY increases in new deals with 587,000 sf, marking a 15.4% annual increase; 43,000 sf, up 153.6%; and 131,000 sf, a rise of 118.5%; respectively.

MARKET PRICING

Industrial direct asking rents in Tampa Bay increased 3.1% YOY to $10.58 per square foot (psf), though they were slightly down from the all-time high of $10.67 psf recorded in Q2 2024. While rent growth has largely stabilized following a multi-year surge, the modest YOY increase is being supported by the uptick of available space with lower asking rents in second-tier space while landlords hold rates as negotiable for space in newly built facilities, dampening the impact on weighted averages. Hillsborough County recorded a 0.7% QOQ decrease to $10.38 psf, while Pinellas County posted a 2.1% rise to $11.23 psf, supported by strong demand and limited availability of functional space.

W/D assets held firm, ending Q3 at $10.35 psf. Gains were most notable in the Westside and Plant City submarkets, where rates climbed 15.0% YOY to $13.61 psf and 11.9% to $7.95 psf, respectively. Rental rates for W/D product are expected to trend upward, as the 1.4 msf of space currently under construction is commanding higher pricing, with an average asking rate of $11.06 psf. However, as nearly all of this space remained unleased, demand will need to materialize quickly to support continued rent growth in the final quarter of 2025.

OUTLOOK

- Vacancy rates are expected to elevate in the near term, particularly in Hillsborough County, as a growing supply of second-generation space enters the market. With a substantial amount of speculative product still under construction, vacancy will likely rise further if demand does not strengthen.
- Developers may face increased lease-up risk through the first half of 2026, with more than 1.4 msf of speculative space set to deliver into a market already experiencing rising availability. Projects that secure early commitments or are located in underserved submarkets will be better positioned to outperform.
- W/D rental rates are projected to remain stable or record modest increases, supported by premium pricing on new construction and continued tightness in infill locations. However, future rent growth will largely depend on how quickly newly delivered, unleased space is absorbed.
- Despite the dip in Q3, leasing activity could pick up in the fourth quarter as market momentum builds.

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MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	YTD 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	53,756,452	3,363,333	6.3%	197,604	1,502,660	275,026	529,403	$8.90	$14.48	$11.01	$11.06
Westside	14,579,688	752,835	5.2%	201,406	586,561	125,400	100,698	$13.14	$14.99	$13.61	$13.83
Plant City	19,223,059	2,572,625	13.4%	115,396	265,360	162,470	1,518,647	N/A	N/A	$7.79	$7.79
South Tampa	907,253	82,548	9.1%	65,000	0	404,772	0	$13.00	N/A	N/A	$13.00
HILLSBOROUGH TOTALS	**88,466,452**	**6,771,341**	**7.7%**	**579,406**	**2,354,581**	**967,668**	**2,148,748**	**$11.74**	**$14.79**	**$9.66**	**$10.06**
Gateway-Mid Pinellas	25,835,607	1,392,267	5.4%	189,537	483,932	478,342	308,941	$7.10	$12.86	$11.97	$11.12
North Pinellas	4,836,939	92,928	1.9%	68,804	42,728	0	0	$9.60	$10.51	$13.03	$11.47
South Pinellas	5,399,182	250,926	4.7%	-78,396	130,679	0	0	$9.83	$11.00	$16.10	$11.79
PINELLAS TOTALS	**36,071,728**	**1,736,121**	**4.8%**	**179,945**	**657,339**	**478,342**	**308,941**	**$8.03**	**$12.55**	**$12.34**	**$11.23**
TAMPA BAY TOTALS	**124,538,180**	**8,507,462**	**6.8%**	**759,351**	**3,011,920**	**1,446,010**	**2,457,689**	**$9.76**	**$13.53**	**$10.04**	**$10.32**

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

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Central 75 - Building 1	Eastside	ID Logistics	278,249	New Lease
Walden Distribution Center II	Plant City	Sysco International Food Group	121,565	Renewal*
Crossroads Commerce Center - Building 1	Eastside	Colonial Grocers, Inc.	113,279	Renewal*
580 Corporate Center - Building 400	Gateway-Mid Pinellas	Fulfillment Advantage Ventures, Inc.	94,000	Expansion/Renewal*
2701 75th Street N	Gateway-Mid Pinellas	Sensor Systems	73,588	New Lease

**Renewals not included in leasing statistics*

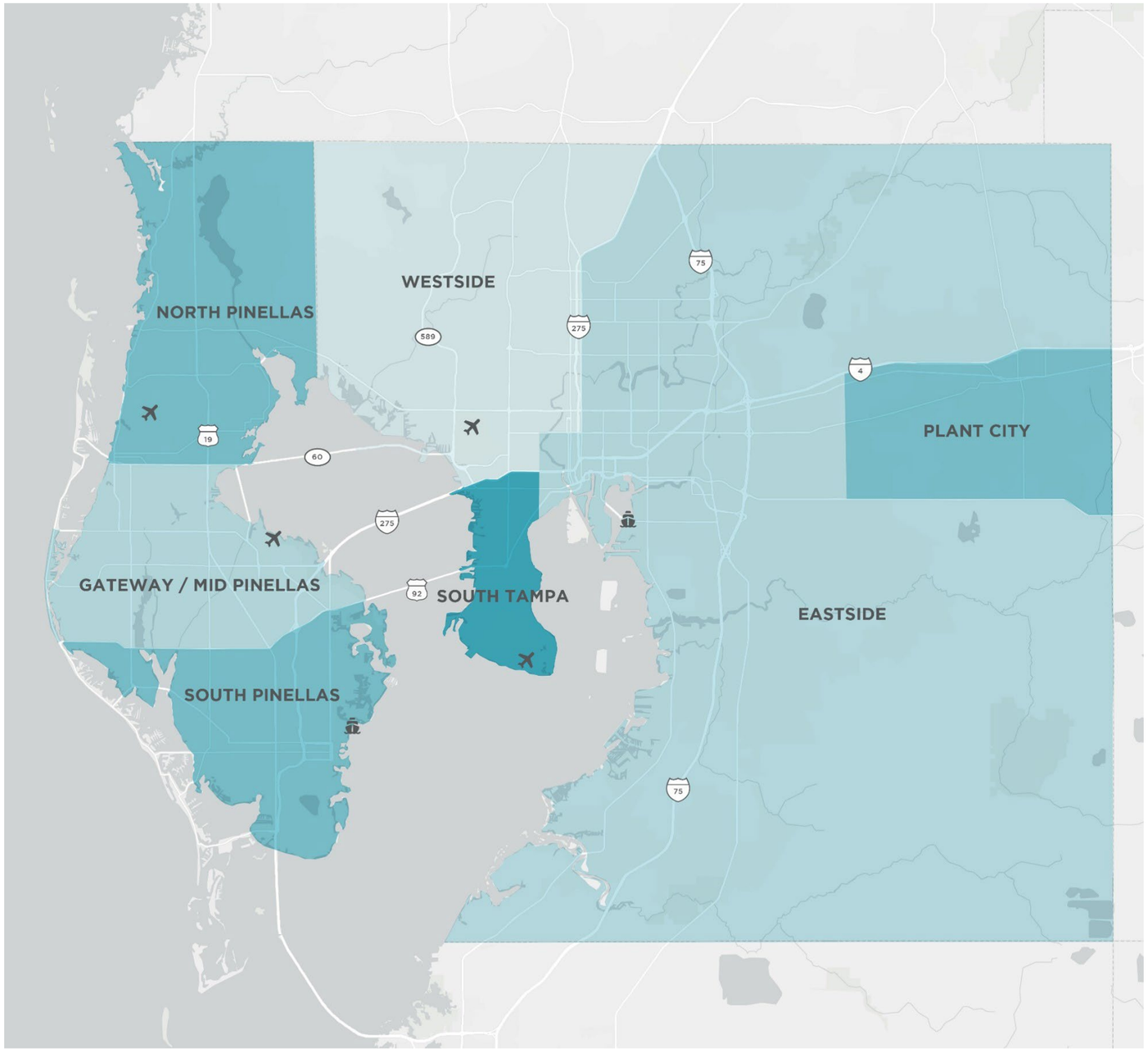
KEY CONSTRUCTION COMPLETIONS Q3 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER
County Line Crossing – 3017 S County Line Road	Plant City	None	535,507	Robinson Weeks Partners
TIA Executive Center - 6101 Johns Road	Westside	None	100,698	Stonemont

KEY PROJECTS UNDER CONSTRUCTION Q3 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER
Gateway Logistics Center - Buildings B/C/D/H	Gateway	None	478,342	Greystar
South Tampa Trade Center - Buildings A/B/C	South Tampa	None	404,772	LBA Logistics
Crossroads Industrial Center - West Building 2	Eastside	None	202,226	EastGroup Properties
Central Florida Commerce Center - Building 8	Plant City	Trulite Glass & Aluminum	162,470	LeFrois Development

INDUSTRIAL SUBMARKETS



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