



Industrial Market Report

Lakeland - FL

PREPARED BY



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INDUSTRIAL MARKET REPORT

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12 Mo Deliveries in SF

2M

12 Mo Net Absorption in SF

1.5M

Vacancy Rate

5.5%

12 Mo Rent Growth

11.5%

The Lakeland industrial market, which encompasses all of Polk County, plays a pivotal role in the distribution of goods across Florida due to its location along the I-4 Corridor. Sandwiched between the population powerhouses of Tampa and Orlando, Lakeland serves as a regional or even state-wide hub for several Fortune 500 companies. Amazon, Walmart, Best Buy, Publix, PepsiCo, and Rooms to Go all have major distribution facilities in Lakeland. The area's popularity has exploded over the past few years, as e-commerce and heightened importance of efficient supply chains led to an expansion in new development activity.

Lakeland has maintained a sub-6% vacancy rate since mid-2019, despite nearly 10 million SF of deliveries over that same time. As of the second quarter of 2023 vacancy decreased 0.4% year over year to 5.5%. However, vacancy has spiked nearly 100 basis points since the end of 2022 due to over 1.2 million SF of

deliveries in first quarter of 2023.

Construction completions have been down when compared to the historical high reached in 2016. However, 2023 is on pace to have the most deliveries in seven years, with a projected 4 million SF. While the elevated construction pipeline will put some upward pressure on market vacancy, demand has been particularly strong and CoStar's baseline forecast has vacancy dipping below 4% by the start of 2024.

Low vacancy, coupled with premium new construction asking rates, has pushed market asking rents to historical levels. Industrial rents have increased by 11.5% over the past year. However, the market provides a significant discount when compared to neighboring Tampa and Orlando, where market asking rates average north of \$11/SF.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	61,790,373	7.0%	\$8.07	10.7%	(397,603)	8,500	2,670,299
Specialized Industrial	16,608,448	0.6%	\$7.68	0.5%	8,518	0	0
Flex	2,886,583	2.5%	\$11.75	3.1%	(48,400)	0	0
Market	81,285,404	5.5%	\$8.12	8.4%	(437,485)	8,500	2,670,299

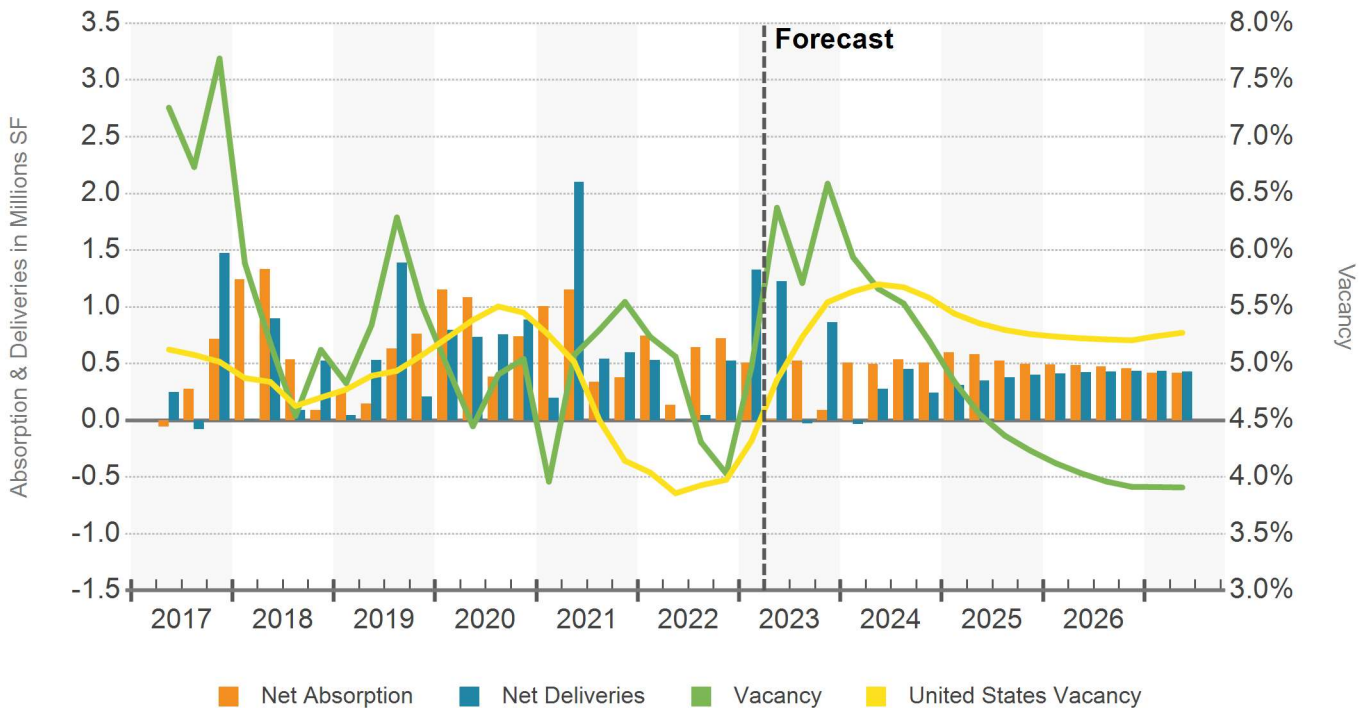
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.4%	7.5%	4.7%	13.4%	2010 Q1	2.0%	1999 Q4
Net Absorption SF	1.5M	1,460,141	1,824,351	5,196,230	2017 Q1	(2,254,952)	2010 Q1
Deliveries SF	2M	1,623,567	1,904,064	5,071,657	2016 Q4	3,024	2013 Q1
Rent Growth	11.5%	3.2%	4.9%	12.9%	2022 Q3	-4.4%	2010 Q1
Sales Volume	\$345M	\$158.5M	N/A	\$1.2B	2022 Q1	\$12.6M	2009 Q4

As of the second quarter of 2023 the market's vacancy rate has essentially remained unchanged over the past year, increasing a mere 0.4% year over year to 5.5%. Lakeland's overall vacancy rate would be lower were it not for an outsized proportion of big-box, 100,000-plus-SF, vacancies in the market. Over 60% of Lakeland's vacant square footage is located in just eight industrial buildings with over 100,000 SF of vacancies. CBRE Global Investor's 1 million-SF CenterState Logistics East is the largest vacancy in the market and has been vacant since it delivered in 2021. Followed by Xebec Realty Partner's 404,000-SF Logistix Hub at County Line, which also completed in 2021. These two buildings account for over 35% of the market's vacancy alone. These buildings, as well as other lingering spaces have kept the area's vacancy rate elevated. However, leasing activity over the past year has taken several big-box vacancies off the board, which will push tenants towards existing product and bring the market vacancy down.

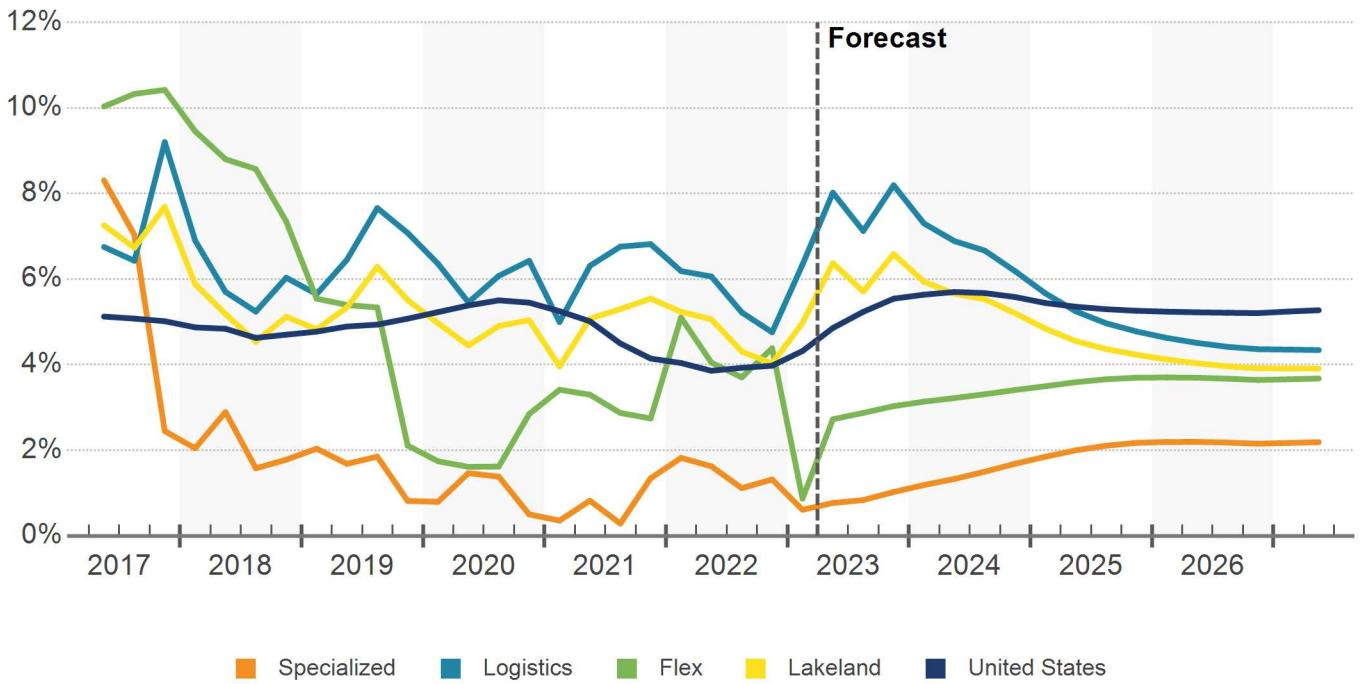
For example, Sealy & Company's Key Logistics Building 200 and 300 delivered in 2019 and were not fully leased until late 2022. List Logistics leased the entirety of the 350,000-SF Building 300. The new location will be the company's first location in Florida. For Building 200, Best Buy leased approximately 274,000 SF and Southern Glazers Wine & Spirits took the remaining 218,000 SF. Both companies have other distribution facilities in the market.

Despite a handful of persistent vacancies, on the whole space is leasing quickly in Lakeland. The average months to lease space in Lakeland is just under two months, down from over 12 in third quarter of 2023. CoStar is forecasting Lakeland's vacancy rate to climb over the next 12-to-18 months on nearly 3 million SF of expected construction deliveries before the end of the year.

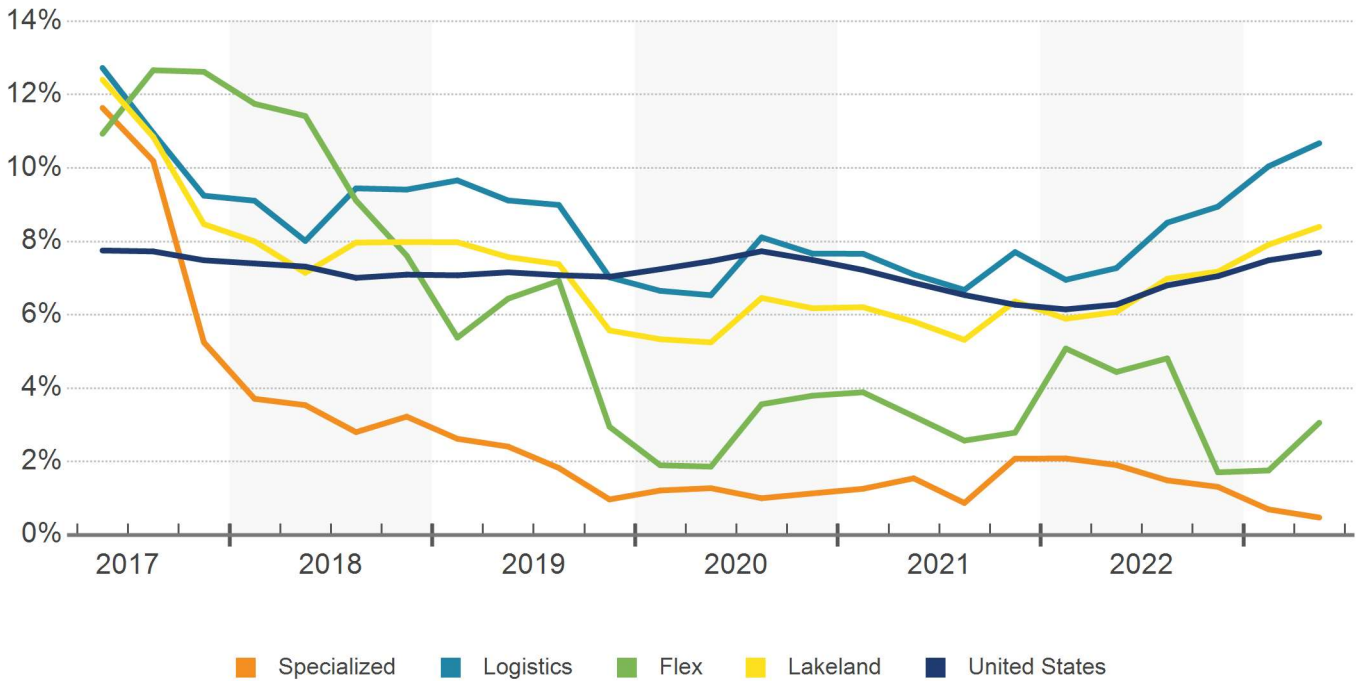
NET ABSORPTION, NET DELIVERIES & VACANCY



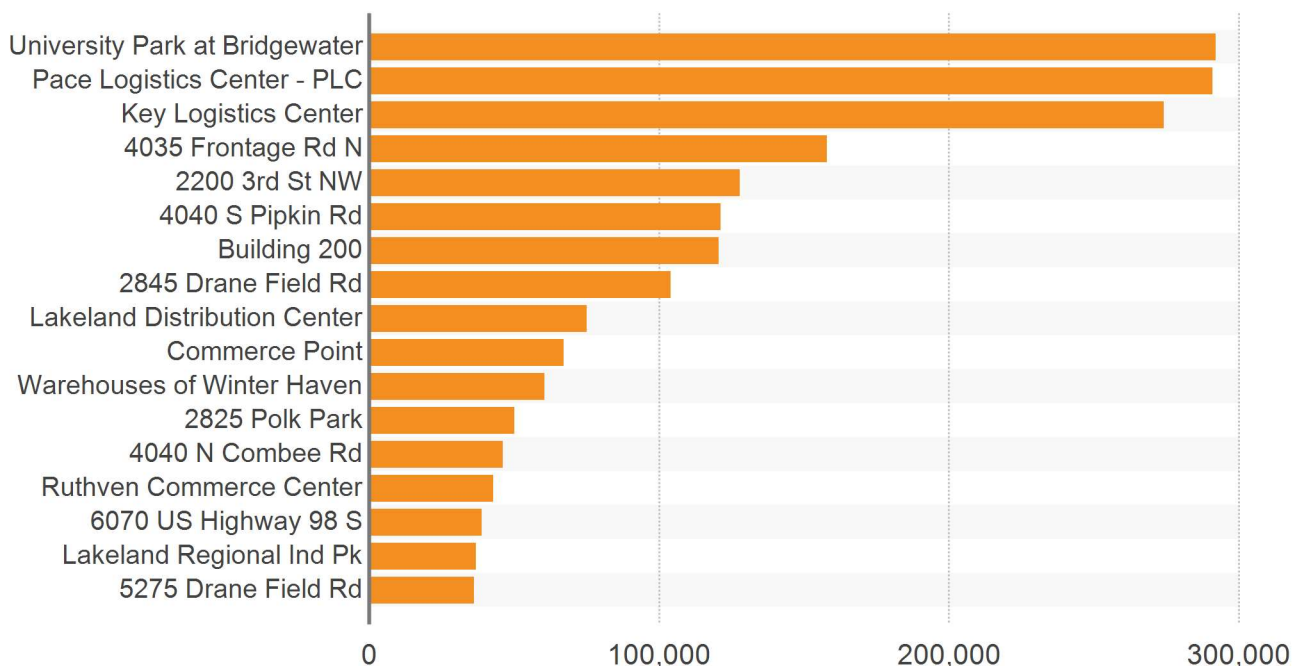
VACANCY RATE



AVAILABILITY RATE



12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
University Park at Bridgewater	Polk County Ind	292,143	0	0	0	0	0	292,143
Pace Logistics Center - PLC	Polk County Ind	464,400	173,400	0	291,000	0	0	291,000
Key Logistics Center	Polk County Ind	491,920	217,880	274,040	0	0	0	274,040
4035 Frontage Rd N	Polk County Ind	157,975	0	157,975	0	0	0	157,975
2200 3rd St NW	Polk County Ind	197,730	59,300	65,910	0	0	0	127,810
4040 S Pipkin Rd	Polk County Ind	121,600	0	0	0	0	0	121,220
Building 200	Polk County Ind	120,539	0	120,539	0	0	0	120,539
2845 Drane Field Rd	Polk County Ind	104,000	0	0	0	0	0	104,000
Lakeland Distribution Center	Polk County Ind	247,000	0	0	0	0	0	75,164
Commerce Point	Polk County Ind	67,088	0	67,088	0	0	0	67,088
Warehouses of Winter Haven	Polk County Ind	61,109	0	0	0	0	0	60,390
2825 Polk Park	Polk County Ind	50,000	0	0	0	0	0	50,000
4040 N Combee Rd	Polk County Ind	101,010	13,650	0	(8,190)	0	0	46,229
Ruthven Commerce Center	Polk County Ind	57,000	0	0	0	0	0	42,750
6070 US Highway 98 S	Polk County Ind	96,480	0	0	0	0	0	38,880
Lakeland Regional Ind Pk	Polk County Ind	42,423	0	42,423	0	0	0	36,875
5275 Drane Field Rd	Polk County Ind	222,134	0	0	0	0	0	36,274
Subtotal Primary Competitors		2,894,551	464,230	727,975	282,810	0	0	1,942,377
Remaining Lakeland Market		78,390,853	4,025,185	(221,415)	(720,295)	0	0	(456,345)
Total Lakeland Market		81,285,404	4,489,415	506,560	(437,485)	0	0	1,486,032

TOP INDUSTRIAL LEASES PAST 12 MONTHS

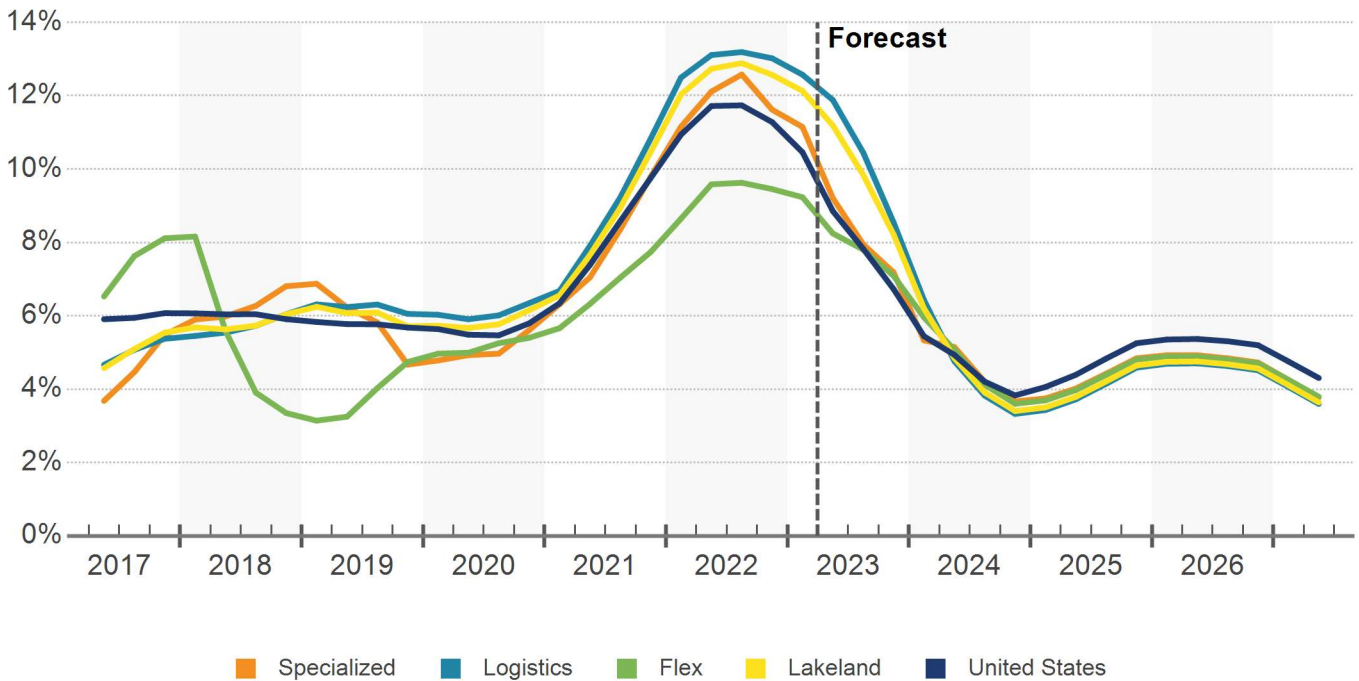
Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
45150 US Highway 27 N *	Polk County	448,500	Q1 23	Huttig Building Products	-	EQT Exeter
220 Deen Still *	Polk County	396,740	Q3 22	Mohawk Industries	JLL	Duke Realty Corp
5380 Allen K Breed Hwy	Polk County	349,929	Q3 22	List Logistics	Cushman & Wakefie...	CBRE
2155 42nd St NW	Polk County	304,168	Q3 22	Packaging Corporation Of...	-	-
1234 Pace Rd	Polk County	291,000	Q1 23	Hyundai	Savills	Colliers
5300 Allen K Breed Hwy	Polk County	273,920	Q3 22	Best Buy	Colliers	CBRE
5300 Allen K Breed Hwy	Polk County	217,880	Q4 22	Southern Glazer's Wine a...	JLL	CBRE
5101 Great Oak Dr *	Polk County	200,000	Q1 23	Star Distribution	-	Cushman & Wakefield
8401 State Road 33 N	Polk County	123,917	Q2 23	-	-	CBRE
902 N Chestnut Rd	Polk County	120,539	Q3 22	Mission Foods	-	Fortress Commercial R...
4500 Home Run Blvd *	Polk County	105,296	Q3 22	Sherwin-Williams	CBRE	CBRE
2845 Drane Field Rd	Polk County	104,000	Q3 22	-	-	The Ruthvens Inc.
500 McKean St	Polk County	100,600	Q1 23	U.S. LBM Holdings, LLC	The Ruthvens Inc.	The Ruthvens Inc.
4040 S Pipkin Rd	Polk County	95,360	Q3 22	Need It Now Delivers	JLL	CBRE
2314 Waverly Barn Rd	Polk County	91,030	Q3 22	Amazon	-	CBRE
1070 County Line Rd *	Polk County	77,000	Q2 22	Graham Packaging Co	Cushman & Wakefield	The Ruthvens Inc.
4720 Gateland Dr	Polk County	76,440	Q1 23	Miami Warehouse Logisti...	-	The Ruthvens Inc.
4130 Frontage Rd *	Polk County	76,440	Q4 22	PepsiCo Beverages	-	Colliers
2015 W Memorial Blvd	Polk County	70,000	Q1 23	Taylor Corporation	Cushman & Wakefield	Cushman & Wakefield;...
2443 Commerce Point Dr	Polk County	67,088	Q4 22	Inventory Management Inc	-	Steinbauer Associates,...
300 Avenue P SW	Polk County	61,109	Q2 22	Henry Company, LLC	CBRE	SVN Saunders Ralston...
301 Bert Schulz Blvd	Polk County	49,568	Q2 22	Mannlake Ltd	-	-
5035 Drane Field Rd	Polk County	46,500	Q4 22	Driscoll's	Colliers	CBRE
45150 US Highway 27 N	Polk County	46,000	Q4 22	-	-	Colliers
5300 Great Oak Dr	Polk County	42,423	Q1 23	Farm Cut, LLC	-	JLL
625 W Bridgers Ave	Polk County	40,000	Q1 23	Pinch A Penny	-	Steinbauer Associates,...
6550 New Tampa Hwy	Polk County	38,276	Q4 22	W Soule & Co Inc	Boutique National LLC	Boutique National LLC
6094 Us Highway 98 S	Polk County	38,000	Q3 22	-	-	27 State Realty LLC
5275 Drane Field Rd	Polk County	36,274	Q3 22	Werner Enterprises	JLL	Colliers
4130 Frontage Rd	Polk County	32,760	Q3 22	Amega Sciences, Inc	Boutique National LLC	Colliers
625 W Bridgers Ave	Polk County	32,110	Q4 22	-	-	The Ruthvens Inc.
1940 Longleaf Blvd	Polk County	32,000	Q3 22	-	Commerce Park Re...	Commerce Park Realty...
471 Mckean St	Polk County	30,000	Q4 22	-	-	The Ruthvens Inc.
625 W Bridgers Ave	Polk County	29,000	Q4 22	-	-	The Ruthvens Inc.
4720 Gateland Dr	Polk County	27,300	Q1 23	Century Cabinets Inc	-	The Ruthvens Inc.
3505 Reynolds Rd	Polk County	26,400	Q3 22	Totaline Carriers	-	The Ruthvens Inc.
4040 S Pipkin Rd	Polk County	26,240	Q3 22	Aspen Investment	Cushman & Wakefield	CBRE
2240 Commerce Point Dr	Polk County	24,515	Q2 22	-	-	SVN Saunders Ralston...
627 W Bridgers Ave	Polk County	22,792	Q4 22	-	-	The Ruthvens Inc.
4070 S Pipkin Rd *	Polk County	22,000	Q4 22	Ace Wine and Spirits, LLC	Buckner Commercia...	Colliers

*Renewal

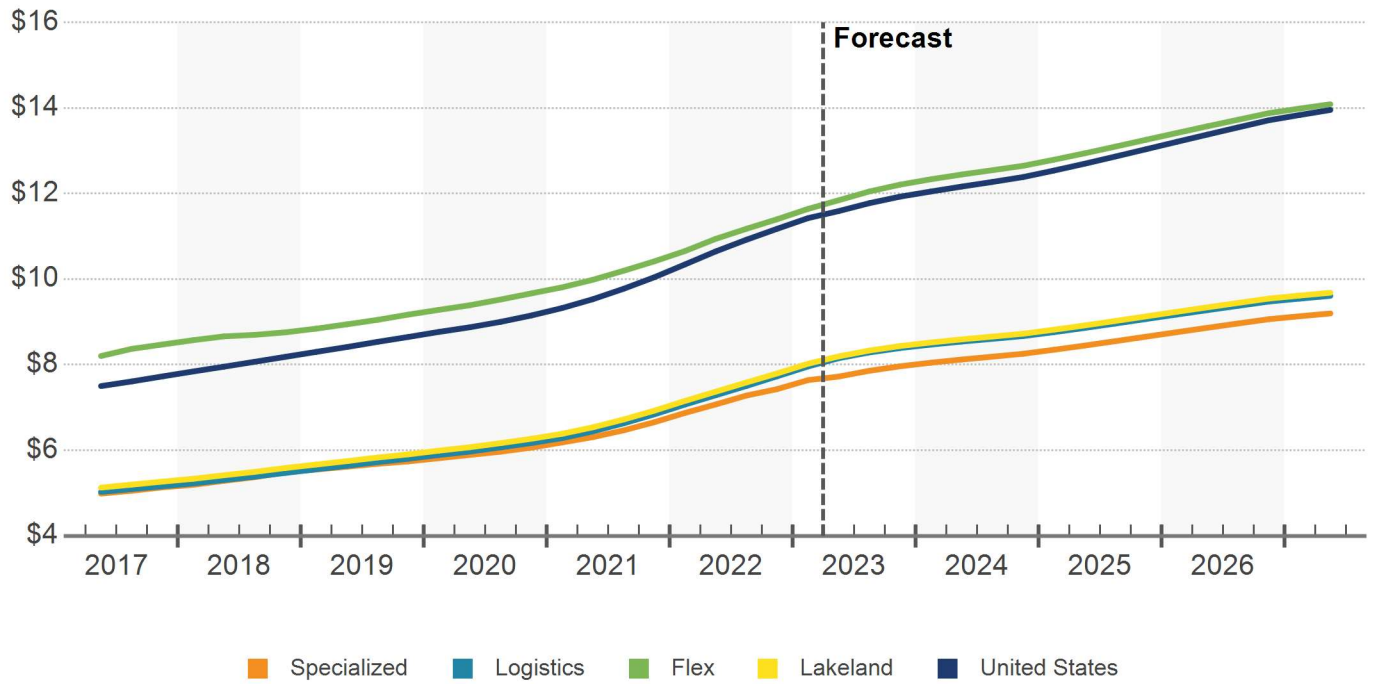
Asking rate gains in Lakeland continue to outpace the nation increasing 11.5% year over year to \$8.10/SF, well above the national average of 9.4%. However, the average asking rent is markedly lower than other markets in Central Florida, and that, coupled with a

greater availability of newly delivered industrial space, gives Lakeland a considerable advantage in the battle for tenants. CoStar is forecasting asking rent gains to slow throughout the remainder of 2023, ending the year with a growth rate of approximately 8%.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FEET



Lakeland's industrial sector has been expanding at a fast pace over the past several years, growing by more than 30% since 2010. Approximately 12 million SF has delivered in the previous five years, and the development pipeline is still elevated. As of the second quarter of 2023 2.7 million SF is under construction, comprising roughly 3.3% of total inventory, and 1.9 million SF has delivered over the past year.

While build-to-suit projects were prevalent in years past, speculative construction comprises all the market's active development. Large-scale, multi-phase developments are dominating the construction landscape, specifically Lakeland Central Park and Central Florida Integrated Logistics Park.

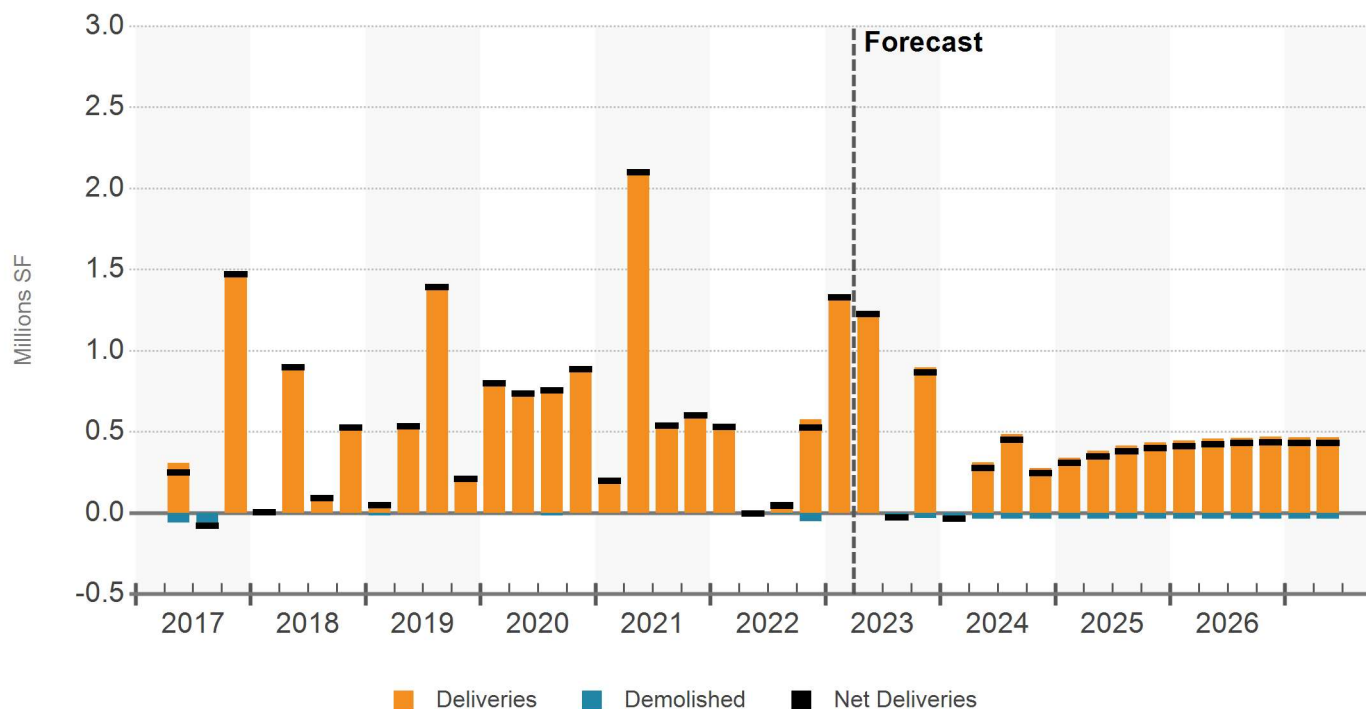
Lakeland Central Park will encompass 740-acres and include just over 5 million SF of modern build-to-suit and speculative industrial space, with 1.5 miles of frontage on Polk Parkway. Orlando-based Parkway Property Investments kicked off development in early

2022. Situated off Old Tampa Highway near Interstate 4 and the Polk Parkway in Lakeland, the first bulk distribution building totaling 705,000 SF delivered at the end of the first quarter of 2023. Three additional buildings are under construction ranging in size from 148,000 SF to 258,000 SF all set to deliver before the end of the year.

In addition, the 894-acre Central Florida Integrated Logistics Park in Winter Haven is also underway. The park is planned for 8 million SF of speculative industrial space upon build-out, and the first 1.2 million SF bulk distribution facility is scheduled to be completed in 2023.

There are also a couple of key projects underway on the eastern side of Lakeland in Auburndale. Dalfen Industrial started construction in late 2022 on Buildings 100 (422,200 SF) and 200 (474,600 SF) at Midpoint Florida Logistics Center, which are scheduled for delivery in 2024.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Polk County	6	2,670	0	0%	1	45,898	445,050	1
Totals		6	2,670	0	0%		45,898	445,050	

Under Construction Properties

Lakeland Industrial

Properties

Square Feet

Percent of Inventory

Released

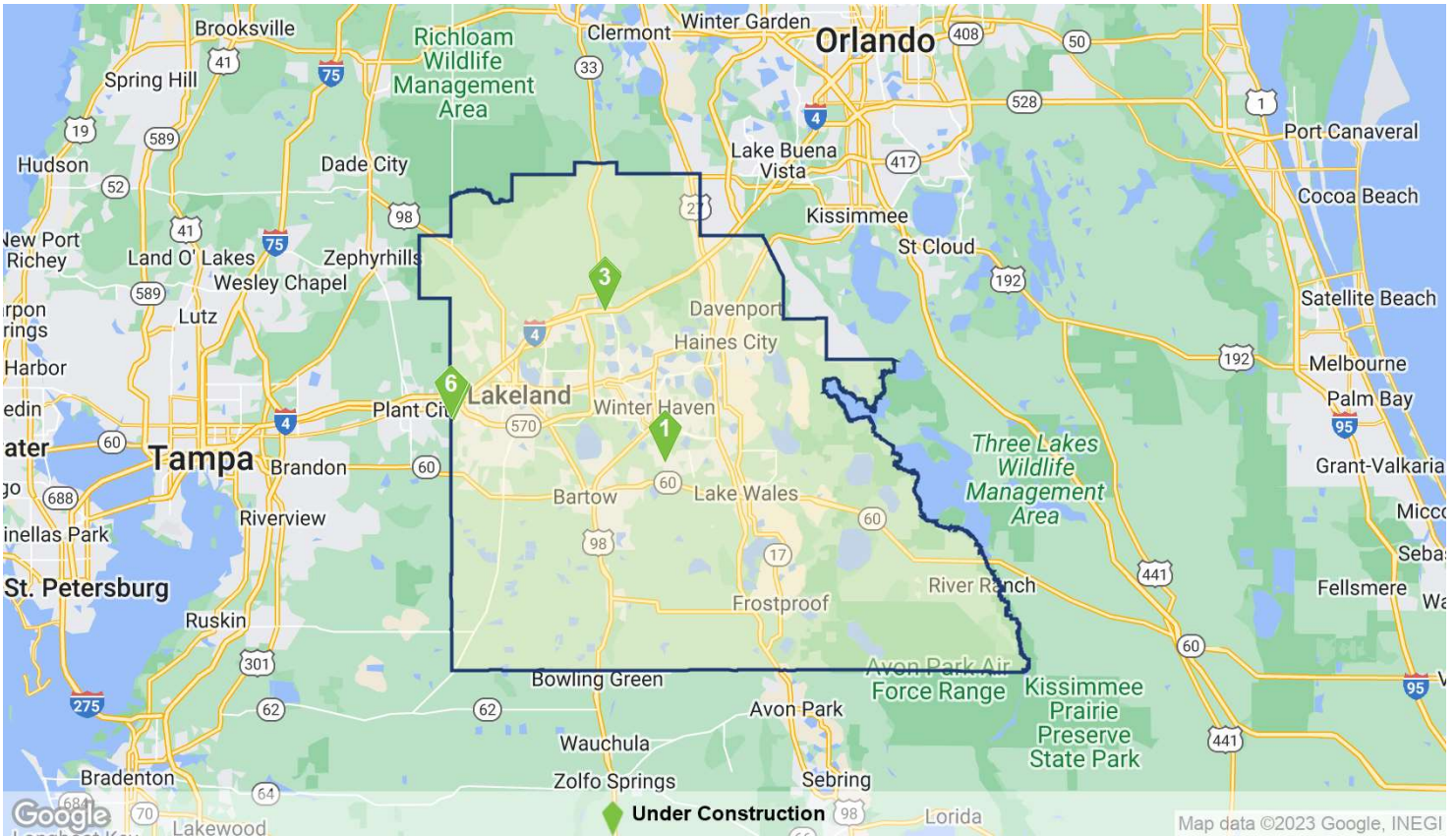
6

2,670,299

3.4%

0%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

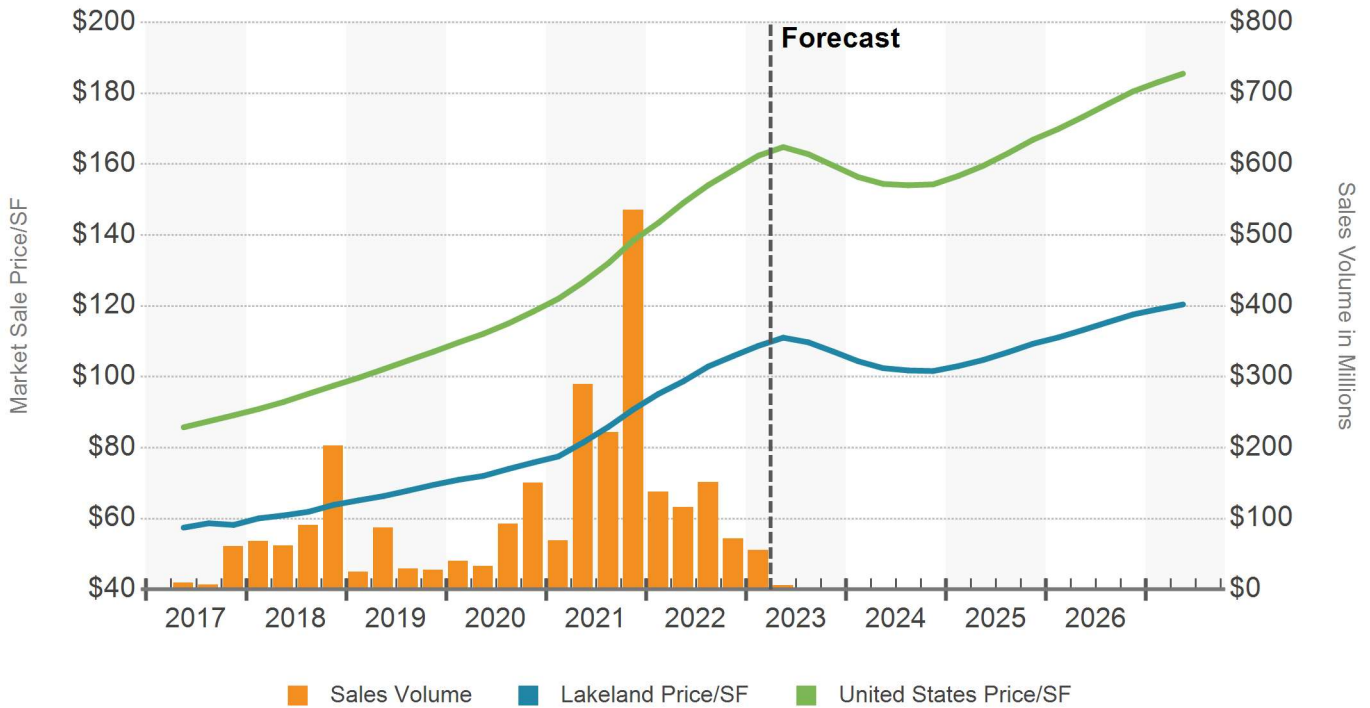
Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 Building 1 4100 Logistics Pky	★★★★☆	1,216,800	1	Sep 2022	Jun 2023	- Tratt Properties, LLC
2 Building 200 640 C. Fred Jones Blvd	★★★★★	474,600	1	Sep 2022	Dec 2023	Dalfen Industrial Dalfen Industrial
3 Building 100 660 C. Fred Jones Blvd	★★★★☆	422,199	1	Sep 2022	Dec 2023	Dalfen Industrial Dalfen Industrial
4 Lakeland Commerce Ce... Drane Field	★★★★☆	258,000	1	Mar 2023	Oct 2023	- LXP Industrial Trust
5 Lakeland Commerce Ce... Drane Field	★★★★☆	150,600	1	Jan 2023	Oct 2023	- LXP Industrial Trust
6 Lakeland Commerce Ce... Drane Field	★★★★☆	148,100	1	Jan 2023	Oct 2023	- LXP Industrial Trust

Strong leasing activity and the accompanying rent growth have attracted investor interest to the Lakeland market. Total transaction volume over the past year has reached \$331 million million, with 68 properties trading hands, the vast majority of which were sought-after logistics buildings. However, investment activity over the past several quarters has paled in comparison to the activity levels experienced in the fourth quarter of 2021, when the market recorded over \$500 million in total sales

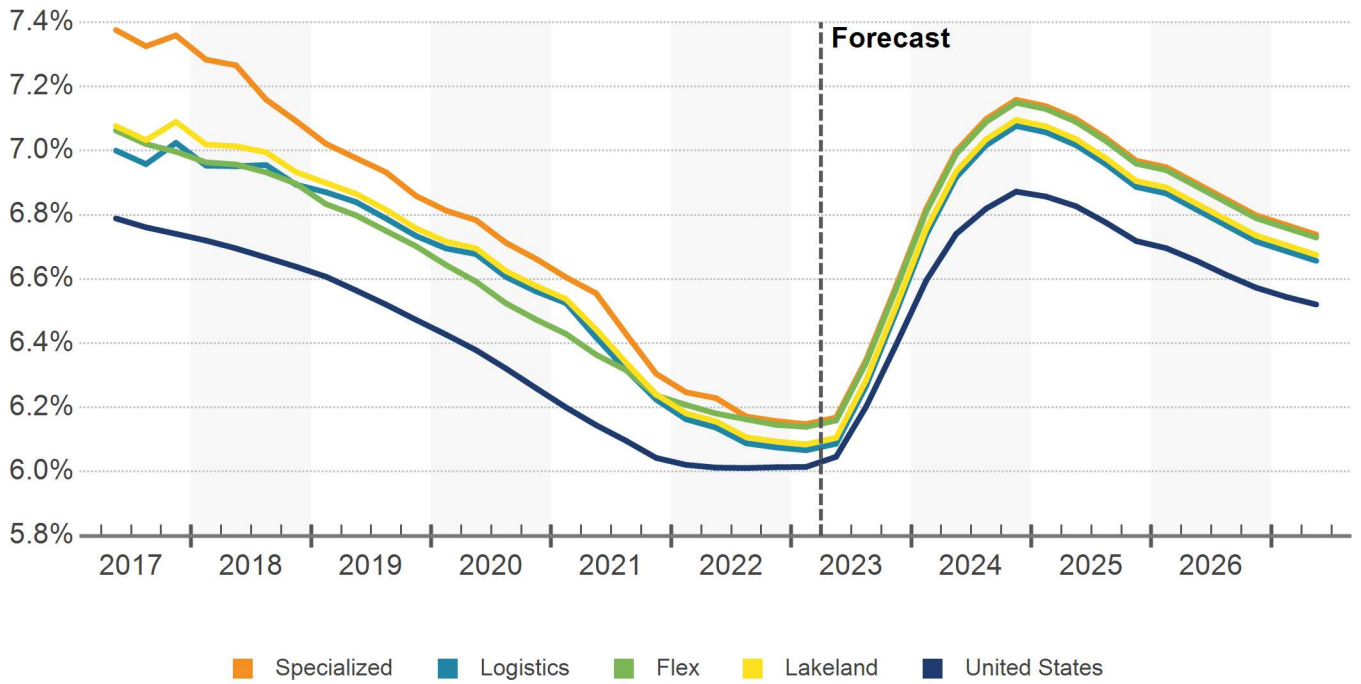
volume.

There have been no industrial sales in Lakeland over the past five quarters above \$100 million. That said, several large deals did close, including Pace Logistics Center Building 100 which sold in April 2023 to BentallGreenOak for \$50 million (\$108/SF). The 464,400-SF building recently wrapped up construction in January 2023 and Hyundai Motor Co. leased 291,000 SF.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE



Sales Past 12 Months

Lakeland Industrial

Sale Comparables

Avg. Cap Rate

Avg. Price/SF

Avg. Vacancy At Sale

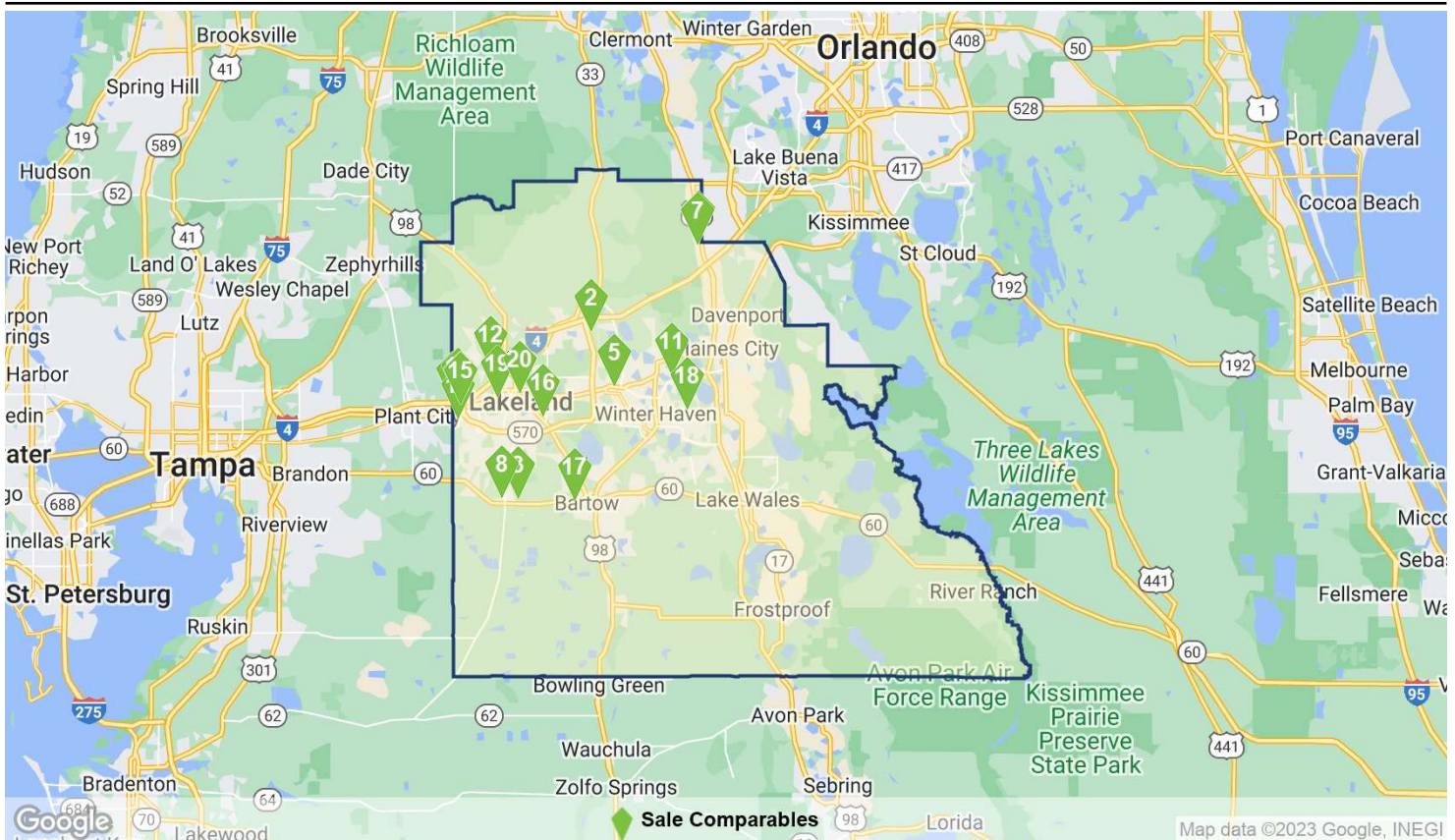
60

5.4%

\$104

41.5%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$100	\$6,509,527	\$899,000	\$53,454,600
Price/SF	\$0.01	\$104	\$79	\$312
Cap Rate	4.7%	5.4%	5.0%	6.6%
Time Since Sale in Months	0.3	6.9	7.6	12.0
Property Attributes	Low	Average	Median	High
Building SF	1,275	59,487	10,283	491,920
Ceiling Height	8'	21'10"	21'	44'
Docks	0	12	1	104
Vacancy Rate At Sale	0%	41.5%	0%	100%
Year Built	1910	1984	1984	2023
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.3	★ ★ ★ ★ ★	★ ★ ★ ★ ★

Sales Past 12 Months

Lakeland Industrial

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 Key Logistics Center - Bl... 5300 Allen K Breed Hwy	★★★★☆	2019	491,920	100%	8/12/2022	\$53,454,600	\$109	-
2 Building 100 1234 Pace Rd	★★★★★	2023	464,400	100%	3/14/2023	\$50,700,000	\$109	5.0%
3 201 Kid Ellis Rd	★★★★☆	1995	371,240	0%	6/17/2022	\$47,118,923	\$127	6.6%
4 Key Logistics Center - Bl... 5380 Allen K Breed Hwy	★★★★☆	2019	349,929	100%	8/12/2022	\$44,545,500	\$127	-
5 701 Mckean St	★★★☆☆	1960	254,000	0%	7/12/2022	\$31,500,000	\$124	-
6 Park 27 Distribution 220 220 Deen Still	★★★★★	2007	396,740	0%	10/3/2022	\$28,984,758	\$73	-
7 Park 27 Distribution 210 210 Deen Still Rd	★★★★☆	2003	275,000	0%	10/3/2022	\$20,090,761	\$73	-
8 308 NW 1st Ave	★★★★☆	1910	129,172	0%	8/2/2022	\$15,768,865	\$122	-
9 5300 Great Oak Dr	★★★★☆	1983	42,423	100%	10/4/2022	\$5,649,612	\$133	-
10 4920 Frontage Rd S	★★★★☆	2001	50,000	0%	6/16/2022	\$5,000,000	\$100	-
11 301 Bert Schulz Blvd	★★★☆☆	1988	49,568	0%	6/27/2022	\$4,219,700	\$85	-
12 Carry Co. 3020 Kathleen Rd	★★★★☆	1990	9,766	0%	10/31/2022	\$3,049,412	\$312	-
13 3025 Whitten Rd	★★★★☆	2000	22,500	0%	6/28/2022	\$3,000,000	\$133	-
14 Building 2 6550 New Tampa Hwy	★★★★☆	2000	38,726	77.4%	10/7/2022	\$2,913,225	\$75	-
15 Building 1 6530 New Tampa Hwy	★★★★☆	2000	33,750	97.0%	10/7/2022	\$2,886,775	\$86	-
16 2525 Mcjunkin Rd	★★★☆☆	1981	24,390	0%	5/5/2023	\$2,178,600	\$89	4.7%
17 1520 Centennial Blvd	★★★☆☆	1990	30,000	0%	10/17/2022	\$1,805,000	\$60	-
18 We Store It 4U 3260 Dundee Rd	★★★★☆	1987	12,182	0%	5/17/2023	\$1,435,000	\$118	-
19 Warehouse Adjacent to... 1755 W Olive St	★★★★☆	1981	16,370	0%	12/8/2022	\$1,400,000	\$86	-
20 905 E Rose St	★★★★☆	1978	14,800	0%	4/11/2023	\$1,172,800	\$79	-

Lakeland's economy has remained resilient in recent years, with job and population growth being the leading indicators of the market's success. According to the Census Bureau, from April 1st 2020 to July 1st 2022, Lakeland added more new residents than any other area in Florida, adding over 57,000 or 70 new residents every day. In the immediate aftermath of the pandemic, Lakeland lost 20,000 jobs and unemployment ballooned to 18%. Since then, employment has increased by over 45,000 jobs, and unemployment sits around 2.8% as of April 2023. Every sector has recorded year-over-year growth with education and health services, leisure and hospitality, and information leading the market over the past year. CoStar is forecasting that the pace at which the market is adding jobs will slow significantly and be essentially flat towards the tail end of 2023 going into 2024. Office-using employment sectors of business and professional services as well as information are projected to see job losses over the next five years.

Lakeland's location along the I-4 Corridor has made it a

magnet for companies looking to establish or expand their distribution hubs. Publix Supermarkets, Amazon, Saddle Creek Logistics Services, Rooms to Go, and Southern Glazer Wine & Spirits are all major employers in the market with a significant industrial presence. In addition, IKEA and UPS have all recently hired hundreds of employees for their new industrial facilities. However, Walmart announced that it will eliminate 400 positions at its Davenport facility as part of a 2,000 worker reduction in workforce across several of its distribution centers.

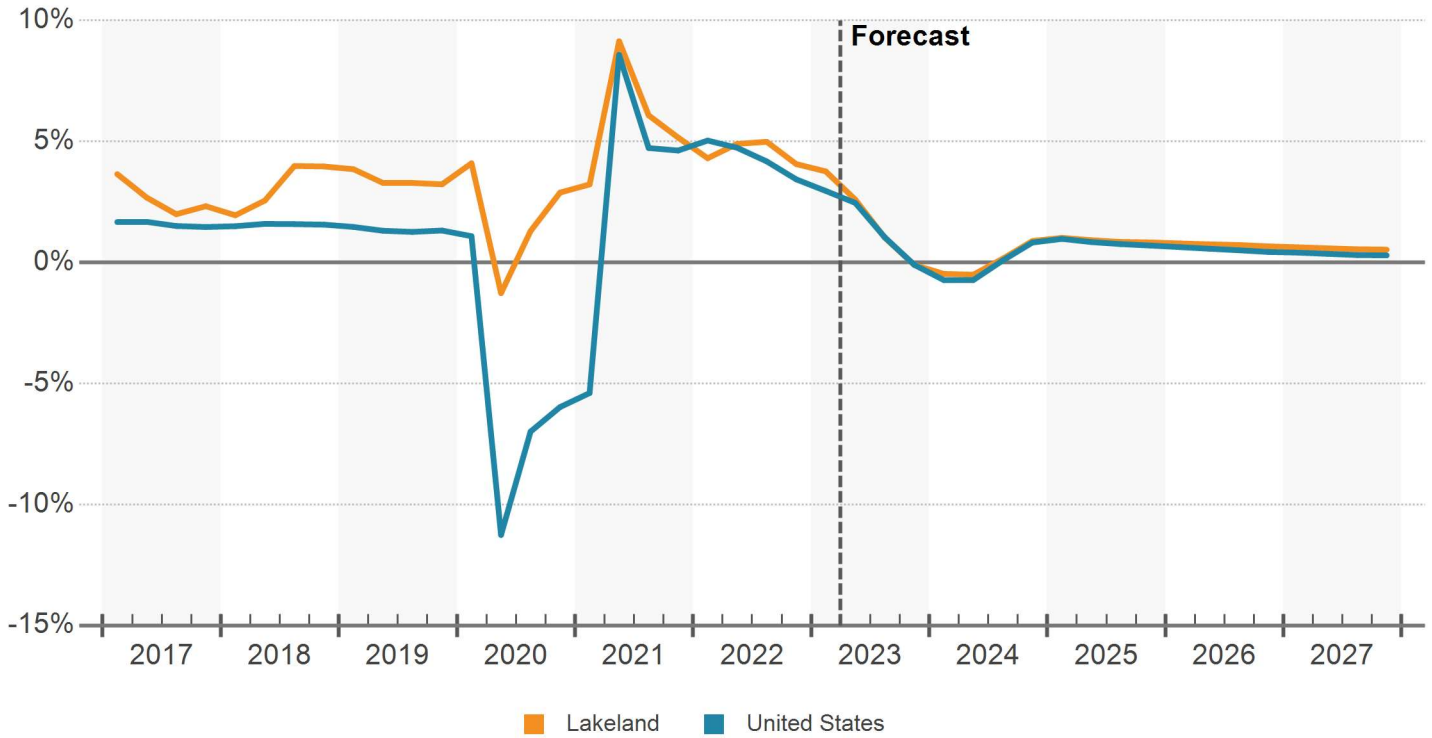
In addition to trade employment, a sizable office-using employment base exists. Publix Supermarkets, which is headquartered in Lakeland, is the area's largest private employer with more than 8,000 workers. Within the past few years, the company completed a 190,000 SF expansion to its corporate headquarters and added 700 high-wage workers. Insurance company Geico also expanded its regional office by 50,000 SF and hired 500 new employees, bringing its local employment base to 3,800.

LAKELAND EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	20	0.9	4.29%	1.99%	2.70%	0.80%	0.71%	-0.10%
Trade, Transportation and Utilities	75	1.5	0.44%	1.10%	4.61%	1.22%	0.41%	-0.02%
Retail Trade	32	1.2	0.59%	0.56%	2.64%	0.42%	0.77%	-0.01%
Financial Activities	17	1.1	3.44%	1.24%	3.98%	1.49%	0.20%	-0.02%
Government	28	0.7	1.83%	1.83%	0.19%	0.29%	0.75%	0.44%
Natural Resources, Mining and Construction	16	1.0	3.47%	3.31%	3.74%	2.54%	0.57%	0.10%
Education and Health Services	39	0.9	6.68%	3.97%	2.74%	1.77%	0.67%	0.55%
Professional and Business Services	38	1.0	3.28%	2.41%	3.81%	2.18%	-0.47%	0.23%
Information	2	0.5	3.69%	0.27%	4.42%	1.23%	-0.54%	0.04%
Leisure and Hospitality	27	0.9	4.99%	6.24%	3.52%	1.61%	1.36%	0.89%
Other Services	7	0.7	2.82%	3.21%	2.99%	0.68%	0.52%	0.19%
Total Employment	271	1.0	3.05%	2.65%	3.28%	1.37%	0.47%	0.28%

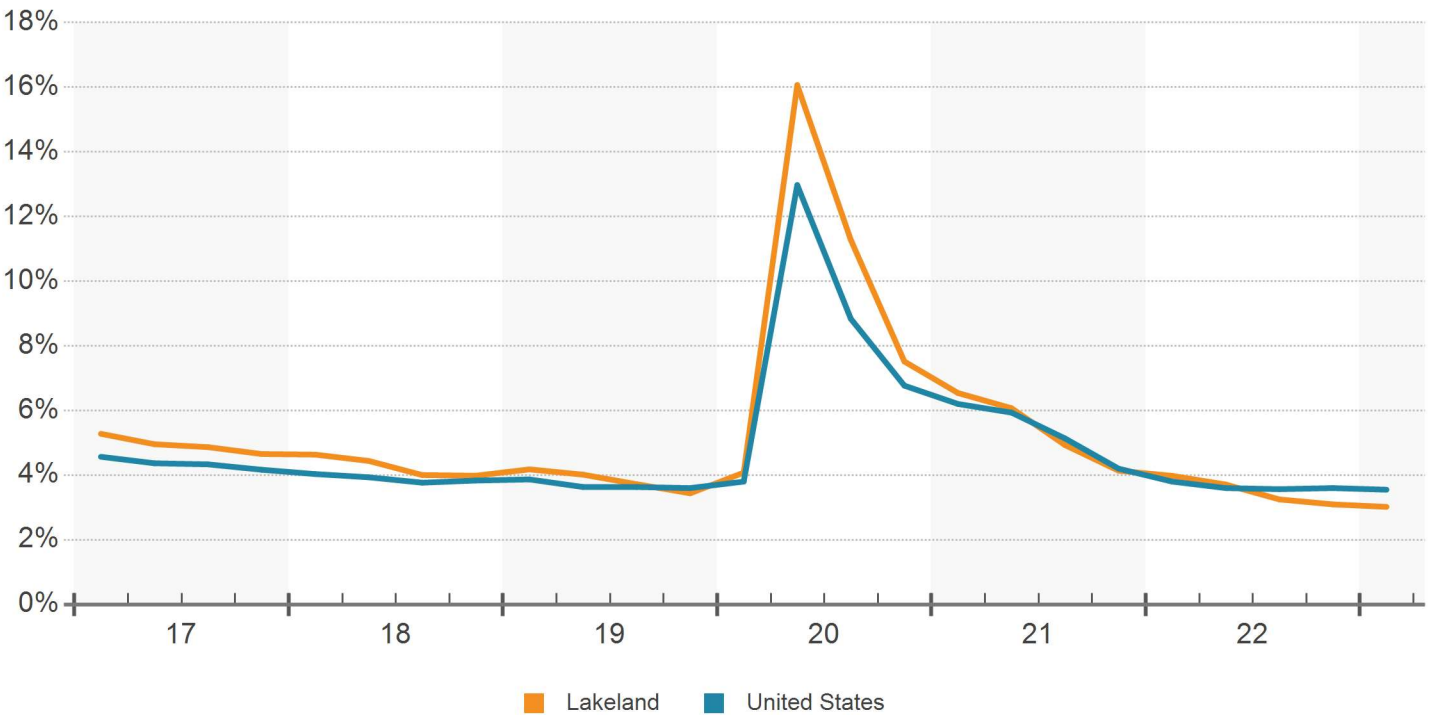
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

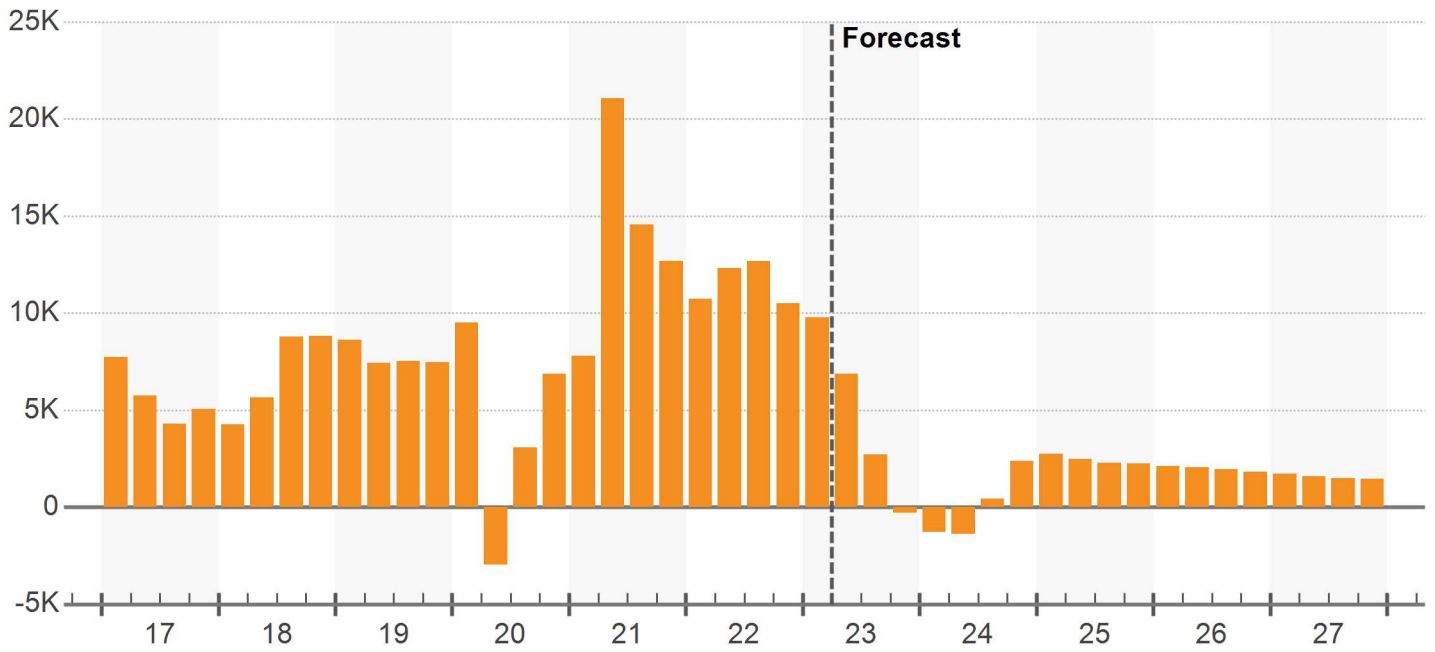


Source: Oxford Economics

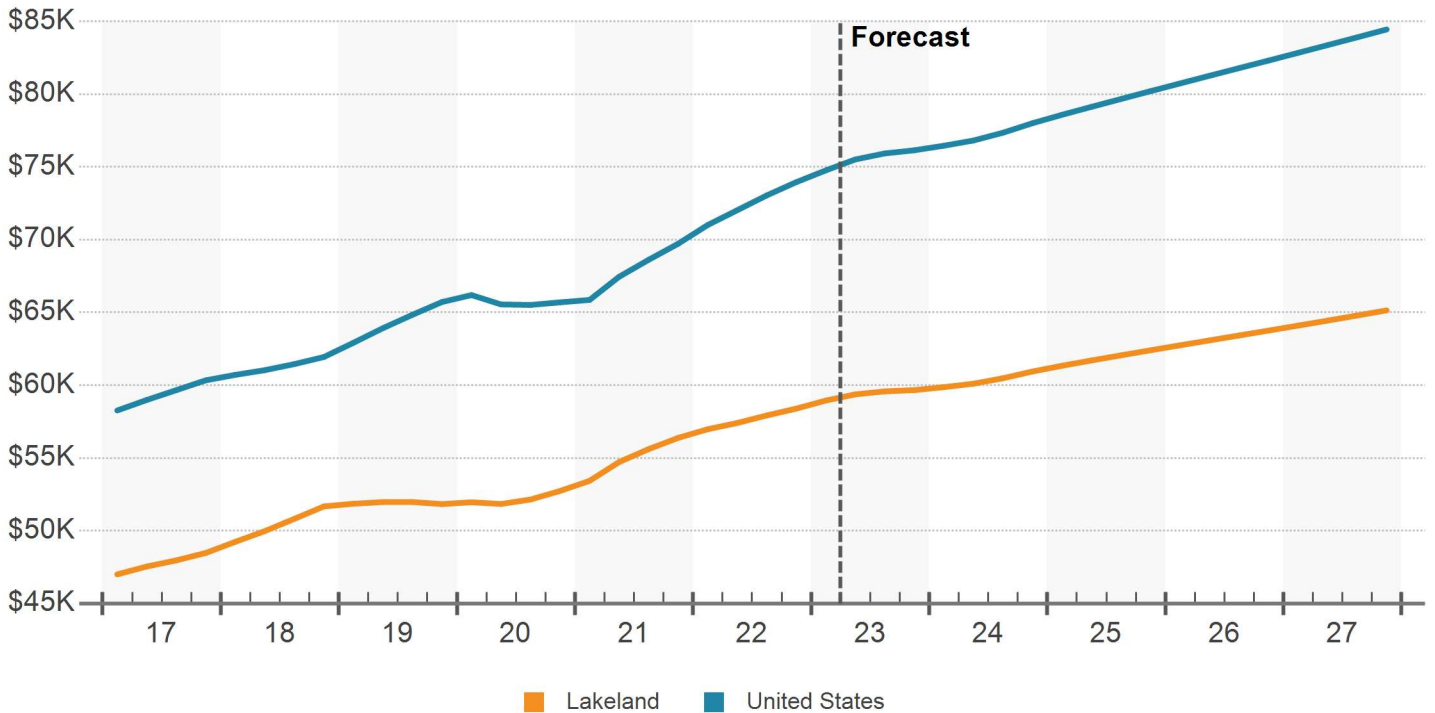
UNEMPLOYMENT RATE (%)



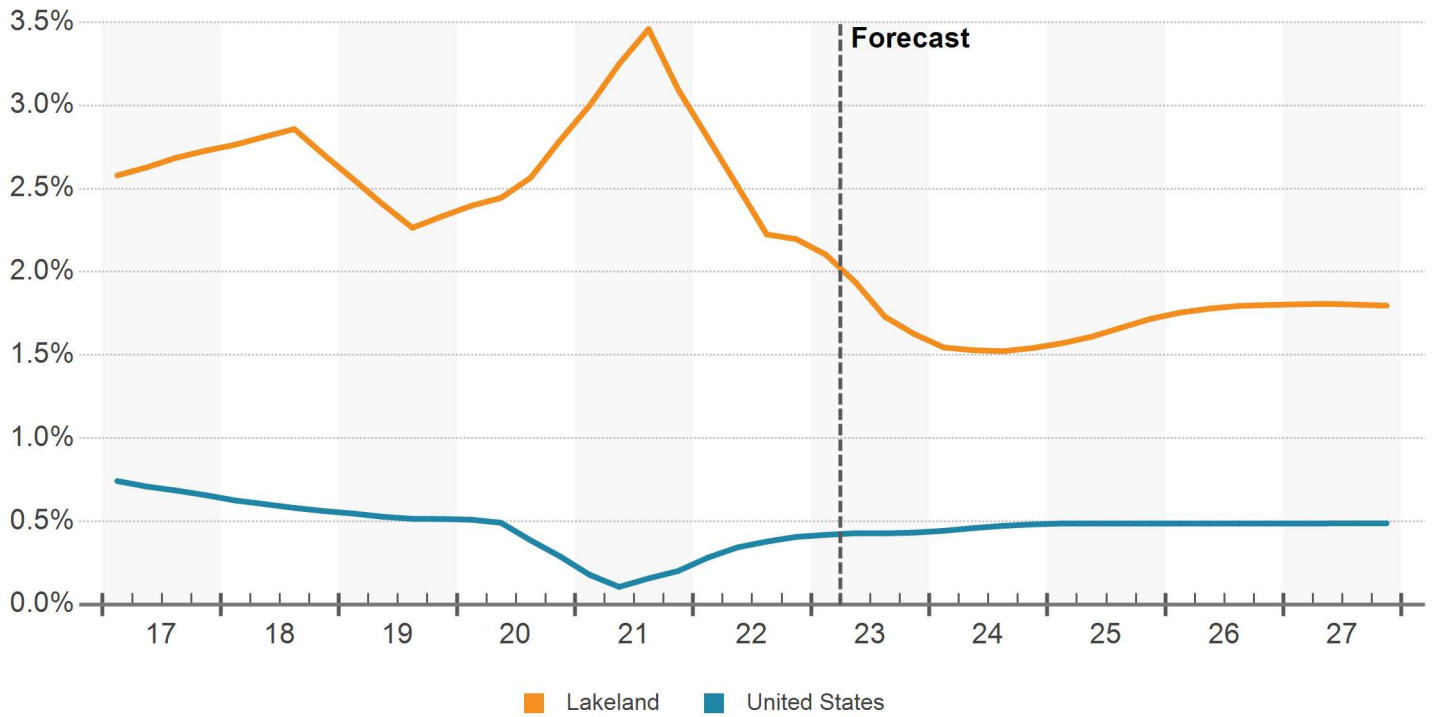
NET EMPLOYMENT CHANGE (YOY)



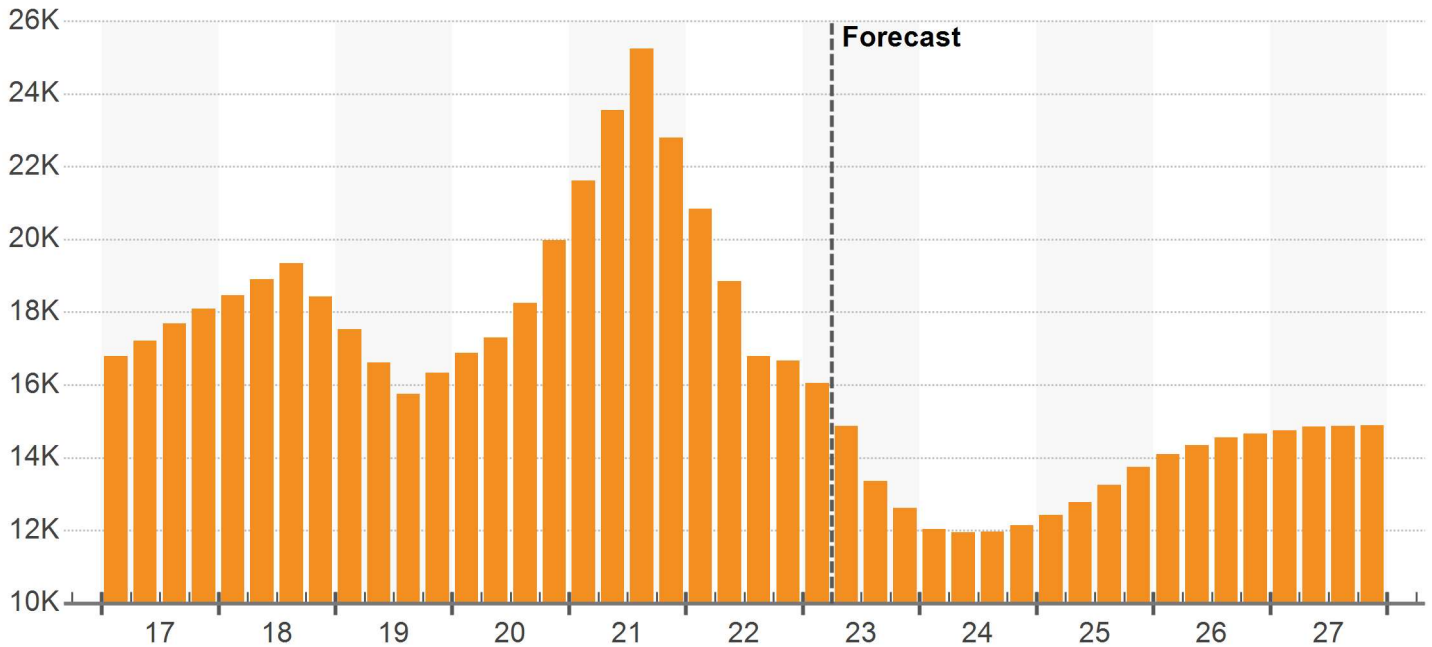
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

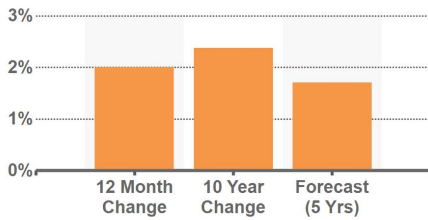


DEMOGRAPHIC TRENDS

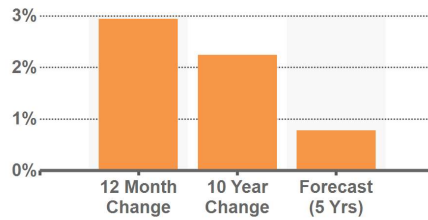
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	781,117	334,228,938	2.0%	0.4%	2.4%	0.6%	1.7%	0.5%
Households	289,500	129,727,383	2.4%	0.8%	2.4%	0.9%	1.8%	0.6%
Median Household Income	\$59,203	\$75,215	3.4%	5.0%	3.5%	3.8%	2.1%	2.6%
Labor Force	343,507	165,292,094	2.9%	0.8%	2.2%	0.6%	0.8%	0.4%
Unemployment	3.0%	3.5%	-0.8%	-0.1%	-0.6%	-0.4%	-	-

Source: Oxford Economics

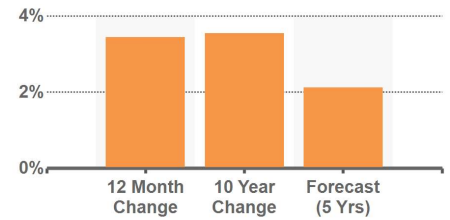
POPULATION GROWTH



LABOR FORCE GROWTH

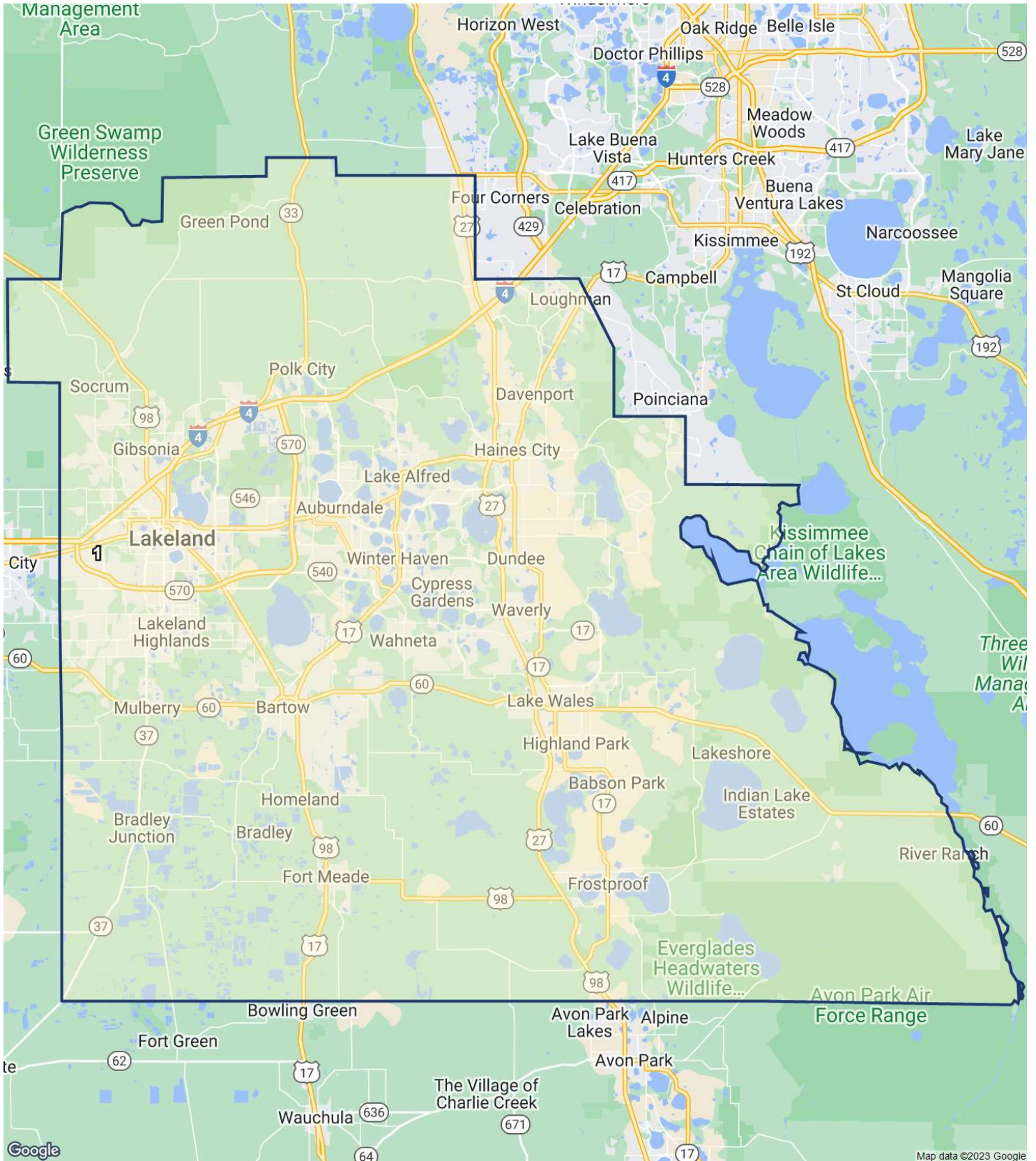


INCOME GROWTH



Source: Oxford Economics

LAKELAND SUBMARKETS



Submarkets

SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Polk County	1,771	81,285	100%	1	13	1,966	2.4%	1	6	2,670	3.3%	1

SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Polk County	\$8.12	1	11.5%	1	8.1%	1

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Polk County	4,489,415	5.5%	1	1,486,033	1.8%	1	1.3

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	89,109,721	1,707,304	2.0%	1,673,044	1.9%	1.0
2026	87,402,417	1,695,432	2.0%	1,905,501	2.2%	0.9
2025	85,706,985	1,431,515	1.7%	2,191,811	2.6%	0.7
2024	84,275,470	937,076	1.1%	2,042,694	2.4%	0.5
2023	83,338,394	3,389,285	4.2%	1,123,863	1.3%	3.0
YTD	81,285,404	1,336,295	1.7%	69,075	0.1%	19.3
2022	79,949,109	1,096,546	1.4%	2,243,332	2.8%	0.5
2021	78,852,563	3,432,146	4.6%	2,862,489	3.6%	1.2
2020	75,420,417	3,175,242	4.4%	3,352,475	4.4%	0.9
2019	72,245,175	2,174,609	3.1%	1,784,182	2.5%	1.2
2018	70,070,566	1,516,804	2.2%	3,199,328	4.6%	0.5
2017	68,553,762	1,794,781	2.7%	1,362,016	2.0%	1.3
2016	66,758,981	5,071,657	8.2%	4,568,004	6.8%	1.1
2015	61,687,324	671,133	1.1%	1,357,717	2.2%	0.5
2014	61,016,191	1,545,315	2.6%	2,983,863	4.9%	0.5
2013	59,470,876	39,480	0.1%	(323,308)	-0.5%	-
2012	59,431,396	55,439	0.1%	949,628	1.6%	0.1
2011	59,375,957	14,699	0%	575,624	1.0%	0

SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	16,913,123	106,735	0.6%	96,210	0.6%	1.1
2026	16,806,388	106,146	0.6%	107,759	0.6%	1.0
2025	16,700,242	87,750	0.5%	5,289	0%	16.6
2024	16,612,492	13,924	0.1%	(95,546)	-0.6%	-
2023	16,598,568	(9,880)	-0.1%	39,018	0.2%	-
YTD	16,608,448	0	0%	125,943	0.8%	0
2022	16,608,448	379,504	2.3%	379,269	2.3%	1.0
2021	16,228,944	306,378	1.9%	167,741	1.0%	1.8
2020	15,922,566	40,000	0.3%	89,711	0.6%	0.4
2019	15,882,566	0	0%	152,971	1.0%	0
2018	15,882,566	30,200	0.2%	135,934	0.9%	0.2
2017	15,852,366	(80,000)	-0.5%	654,990	4.1%	-
2016	15,932,366	256,731	1.6%	291,020	1.8%	0.9
2015	15,675,635	(20,618)	-0.1%	332,785	2.1%	-
2014	15,696,253	24,366	0.2%	261,554	1.7%	0.1
2013	15,671,887	0	0%	(223,853)	-1.4%	-
2012	15,671,887	0	0%	171,033	1.1%	0
2011	15,671,887	(17,850)	-0.1%	103,066	0.7%	-

LOGISTICS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	69,308,635	1,598,590	2.4%	1,575,554	2.3%	1.0
2026	67,710,045	1,587,290	2.4%	1,794,011	2.6%	0.9
2025	66,122,755	1,342,560	2.1%	2,193,420	3.3%	0.6
2024	64,780,195	925,324	1.4%	2,150,995	3.3%	0.4
2023	63,854,871	3,400,793	5.6%	1,047,240	1.6%	3.2
YTD	61,790,373	1,336,295	2.2%	(109,940)	-0.2%	-
2022	60,454,078	684,542	1.1%	1,879,854	3.1%	0.4
2021	59,769,536	3,125,768	5.5%	2,691,767	4.5%	1.2
2020	56,643,768	3,087,594	5.8%	3,237,207	5.7%	1.0
2019	53,556,174	2,174,609	4.2%	1,484,220	2.8%	1.5
2018	51,381,565	1,475,984	3.0%	2,967,655	5.8%	0.5
2017	49,905,581	1,932,781	4.0%	786,410	1.6%	2.5
2016	47,972,800	4,683,756	10.8%	4,114,560	8.6%	1.1
2015	43,289,044	691,751	1.6%	971,950	2.2%	0.7
2014	42,597,293	1,520,949	3.7%	2,692,150	6.3%	0.6
2013	41,076,344	39,480	0.1%	(85,528)	-0.2%	-
2012	41,036,864	55,439	0.1%	801,995	2.0%	0.1
2011	40,981,425	32,549	0.1%	478,873	1.2%	0.1

FLEX SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	2,887,963	1,979	0.1%	1,280	0%	1.5
2026	2,885,984	1,996	0.1%	3,731	0.1%	0.5
2025	2,883,988	1,205	0%	(6,898)	-0.2%	-
2024	2,882,783	(2,172)	-0.1%	(12,755)	-0.4%	-
2023	2,884,955	(1,628)	-0.1%	37,605	1.3%	-
YTD	2,886,583	0	0%	53,072	1.8%	0
2022	2,886,583	32,500	1.1%	(15,791)	-0.5%	-
2021	2,854,083	0	0%	2,981	0.1%	0
2020	2,854,083	47,648	1.7%	25,557	0.9%	1.9
2019	2,806,435	0	0%	146,991	5.2%	0
2018	2,806,435	10,620	0.4%	95,739	3.4%	0.1
2017	2,795,815	(58,000)	-2.0%	(79,384)	-2.8%	-
2016	2,853,815	131,170	4.8%	162,424	5.7%	0.8
2015	2,722,645	0	0%	52,982	1.9%	0
2014	2,722,645	0	0%	30,159	1.1%	0
2013	2,722,645	0	0%	(13,927)	-0.5%	-
2012	2,722,645	0	0%	(23,400)	-0.9%	-
2011	2,722,645	0	0%	(6,315)	-0.2%	-

OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$9.81	207	2.7%	25.8%	3,458,392	3.9%	0%
2026	\$9.55	201	4.6%	22.4%	3,421,097	3.9%	-0.3%
2025	\$9.13	193	4.6%	17.1%	3,628,119	4.2%	-1.0%
2024	\$8.72	184	3.4%	11.9%	4,385,265	5.2%	-1.4%
2023	\$8.44	178	8.2%	8.2%	5,488,594	6.6%	2.6%
YTD	\$8.12	171	11.5%	4.2%	4,489,415	5.5%	1.5%
2022	\$7.80	164	12.6%	0%	3,222,195	4.0%	-1.5%
2021	\$6.93	146	10.5%	-11.2%	4,371,581	5.5%	0.5%
2020	\$6.27	132	6.2%	-19.6%	3,801,924	5.0%	-0.5%
2019	\$5.91	125	5.7%	-24.2%	3,979,157	5.5%	0.4%
2018	\$5.59	118	6.0%	-28.3%	3,588,730	5.1%	-2.6%
2017	\$5.27	111	5.5%	-32.4%	5,271,254	7.7%	0.4%
2016	\$4.99	105	4.2%	-36.0%	4,838,489	7.2%	0.2%
2015	\$4.79	101	4.1%	-38.5%	4,334,836	7.0%	-1.2%
2014	\$4.60	97	3.5%	-40.9%	5,021,420	8.2%	-2.6%
2013	\$4.45	94	2.7%	-43.0%	6,459,968	10.9%	0.6%
2012	\$4.33	91	0.2%	-44.4%	6,097,180	10.3%	-1.5%
2011	\$4.32	91	-1.5%	-44.6%	6,991,369	11.8%	-0.9%

SPECIALIZED INDUSTRIAL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$9.32	190	2.9%	25.5%	373,206	2.2%	0.1%
2026	\$9.06	184	4.7%	22.0%	362,095	2.2%	0%
2025	\$8.65	176	4.8%	16.5%	363,155	2.2%	0.5%
2024	\$8.26	168	3.7%	11.1%	280,086	1.7%	0.7%
2023	\$7.96	162	7.2%	7.2%	170,229	1.0%	-0.3%
YTD	\$7.68	156	9.8%	3.3%	92,978	0.6%	-0.8%
2022	\$7.43	151	11.6%	0%	218,921	1.3%	0%
2021	\$6.66	135	9.8%	-10.4%	218,686	1.3%	0.8%
2020	\$6.06	123	5.6%	-18.4%	80,049	0.5%	-0.3%
2019	\$5.74	117	4.7%	-22.7%	129,760	0.8%	-1.0%
2018	\$5.48	112	6.8%	-26.2%	282,731	1.8%	-0.7%
2017	\$5.14	104	5.5%	-30.9%	388,465	2.5%	-4.6%
2016	\$4.87	99	3.3%	-34.5%	1,123,455	7.1%	-0.3%
2015	\$4.71	96	2.9%	-36.6%	1,157,744	7.4%	-2.2%
2014	\$4.58	93	3.0%	-38.4%	1,511,147	9.6%	-1.5%
2013	\$4.45	90	2.4%	-40.2%	1,748,335	11.2%	1.4%
2012	\$4.34	88	-0.9%	-41.6%	1,524,482	9.7%	-1.1%
2011	\$4.38	89	-2.3%	-41.1%	1,695,515	10.8%	-0.8%

LOGISTICS RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$9.73	213	2.7%	25.9%	2,979,106	4.3%	-0.1%
2026	\$9.48	207	4.5%	22.6%	2,953,869	4.4%	-0.4%
2025	\$9.07	198	4.6%	17.3%	3,158,361	4.8%	-1.4%
2024	\$8.67	189	3.3%	12.2%	4,006,916	6.2%	-2.0%
2023	\$8.39	183	8.5%	8.5%	5,230,907	8.2%	3.4%
YTD	\$8.07	176	12.1%	4.4%	4,322,897	7.0%	2.2%
2022	\$7.73	169	13.0%	0%	2,876,662	4.8%	-2.1%
2021	\$6.84	149	10.8%	-11.5%	4,074,574	6.8%	0.4%
2020	\$6.17	135	6.3%	-20.2%	3,640,573	6.4%	-0.6%
2019	\$5.80	127	6.1%	-24.9%	3,790,186	7.1%	1.0%
2018	\$5.47	120	6.0%	-29.2%	3,099,797	6.0%	-3.2%
2017	\$5.16	113	5.4%	-33.2%	4,591,468	9.2%	2.0%
2016	\$4.90	107	4.5%	-36.6%	3,445,097	7.2%	0.5%
2015	\$4.69	102	4.4%	-39.4%	2,875,901	6.6%	-0.8%
2014	\$4.49	98	3.7%	-41.9%	3,156,100	7.4%	-3.1%
2013	\$4.33	95	2.9%	-44.0%	4,327,301	10.5%	0.3%
2012	\$4.21	92	0.5%	-45.5%	4,202,293	10.2%	-1.8%
2011	\$4.19	92	-1.3%	-45.8%	4,948,849	12.1%	-1.1%

FLEX RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$14.28	194	2.9%	25.3%	106,080	3.7%	0%
2026	\$13.88	188	4.7%	21.7%	105,133	3.6%	-0.1%
2025	\$13.25	180	4.8%	16.3%	106,603	3.7%	0.3%
2024	\$12.65	171	3.6%	10.9%	98,263	3.4%	0.4%
2023	\$12.21	165	7.1%	7.1%	87,458	3.0%	-1.4%
YTD	\$11.75	159	8.5%	3.1%	73,540	2.5%	-1.8%
2022	\$11.40	155	9.5%	0%	126,612	4.4%	1.6%
2021	\$10.41	141	7.7%	-8.6%	78,321	2.7%	-0.1%
2020	\$9.67	131	5.4%	-15.2%	81,302	2.8%	0.7%
2019	\$9.17	124	4.7%	-19.5%	59,211	2.1%	-5.2%
2018	\$8.76	119	3.3%	-23.2%	206,202	7.3%	-3.1%
2017	\$8.47	115	8.1%	-25.7%	291,321	10.4%	1.0%
2016	\$7.84	106	3.3%	-31.3%	269,937	9.5%	-1.6%
2015	\$7.59	103	4.4%	-33.4%	301,191	11.1%	-1.9%
2014	\$7.27	99	2.7%	-36.2%	354,173	13.0%	-1.1%
2013	\$7.08	96	0.9%	-37.9%	384,332	14.1%	0.5%
2012	\$7.01	95	0.9%	-38.5%	370,405	13.6%	0.9%
2011	\$6.95	94	-1.3%	-39.0%	347,005	12.7%	0.2%

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$122.79	278	6.6%
2026	-	-	-	-	-	-	\$117.57	266	6.7%
2025	-	-	-	-	-	-	\$109.33	248	6.9%
2024	-	-	-	-	-	-	\$101.63	230	7.1%
2023	-	-	-	-	-	-	\$107.12	243	6.5%
YTD	17	\$62M	0.9%	\$4,429,314	\$103.86	4.9%	\$110.44	250	6.1%
2022	103	\$476.9M	6.3%	\$5,961,132	\$110	12.0%	\$105.87	240	6.1%
2021	115	\$1.1B	15.3%	\$11,255,405	\$106.78	7.2%	\$90.80	206	6.2%
2020	107	\$315.4M	6.4%	\$4,380,060	\$74.93	8.4%	\$75.83	172	6.6%
2019	94	\$168.1M	5.0%	\$2,366,930	\$61.68	6.5%	\$69.52	158	6.8%
2018	102	\$423.6M	9.6%	\$5,103,459	\$70.09	7.5%	\$63.86	145	6.9%
2017	99	\$102.1M	4.0%	\$1,524,334	\$43.43	7.3%	\$58.22	132	7.1%
2016	83	\$233.6M	6.7%	\$3,540,031	\$61.97	6.7%	\$56.20	127	7.1%
2015	99	\$96.8M	5.9%	\$1,363,396	\$44.22	12.7%	\$52.11	118	7.3%
2014	65	\$42M	2.2%	\$791,900	\$33.93	8.5%	\$48.98	111	7.5%
2013	65	\$53.1M	3.9%	\$1,061,428	\$34.77	10.0%	\$45.20	102	7.7%
2012	55	\$55.7M	3.6%	\$1,427,610	\$43.88	9.0%	\$43.51	99	7.8%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

SPECIALIZED INDUSTRIAL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$94.70	285	6.7%
2026	-	-	-	-	-	-	\$90.58	273	6.8%
2025	-	-	-	-	-	-	\$84.11	253	7.0%
2024	-	-	-	-	-	-	\$78.04	235	7.2%
2023	-	-	-	-	-	-	\$81.99	247	6.6%
YTD	2	\$2.5M	0.1%	\$1,260,000	\$107.78	-	\$84.61	255	6.1%
2022	8	\$45.1M	2.5%	\$6,437,802	\$111.81	-	\$81.03	244	6.2%
2021	22	\$38.9M	5.9%	\$2,161,928	\$43.24	-	\$68.90	207	6.3%
2020	16	\$42.9M	5.6%	\$3,067,010	\$49.28	7.0%	\$57.32	172	6.7%
2019	7	\$20.4M	2.5%	\$3,395,833	\$54.30	5.8%	\$52.37	158	6.9%
2018	18	\$36M	4.7%	\$2,402,559	\$49.26	10.0%	\$47.56	143	7.1%
2017	13	\$19M	6.1%	\$1,898,910	\$21.01	8.5%	\$41.80	126	7.4%
2016	24	\$12M	5.7%	\$632,263	\$18.84	-	\$40.39	122	7.3%
2015	14	\$9.3M	3.1%	\$718,538	\$19.43	-	\$37.30	112	7.5%
2014	16	\$12M	3.2%	\$854,813	\$24.64	8.5%	\$35.17	106	7.7%
2013	11	\$12.2M	3.7%	\$1,112,182	\$20.97	10.0%	\$32.70	98	8.0%
2012	13	\$6.5M	1.7%	\$587,883	\$25.54	-	\$31.53	95	8.1%

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(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

LOGISTICS SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$128.04	277	6.6%
2026	-	-	-	-	-	-	\$122.63	266	6.7%
2025	-	-	-	-	-	-	\$114.07	247	6.9%
2024	-	-	-	-	-	-	\$106.08	230	7.1%
2023	-	-	-	-	-	-	\$111.90	242	6.5%
YTD	14	\$59.5M	1.1%	\$4,957,533	\$103.70	4.9%	\$115.36	250	6.1%
2022	90	\$405.9M	7.3%	\$5,883,021	\$108.61	12.0%	\$110.60	240	6.1%
2021	84	\$1.1B	18.4%	\$14,324,023	\$112.36	7.2%	\$94.93	206	6.2%
2020	76	\$266.3M	6.8%	\$5,023,777	\$81.71	8.9%	\$79.19	172	6.6%
2019	77	\$136.3M	5.6%	\$2,350,000	\$62.44	7.2%	\$72.69	157	6.7%
2018	82	\$386.4M	11.6%	\$5,767,891	\$73.07	6.3%	\$66.94	145	6.9%
2017	75	\$76.6M	3.3%	\$1,444,911	\$55.42	6.9%	\$61.38	133	7.0%
2016	58	\$221.2M	7.4%	\$4,807,696	\$70.82	6.7%	\$59.36	129	7.0%
2015	76	\$78.3M	6.9%	\$1,597,504	\$49.42	12.7%	\$55.06	119	7.2%
2014	44	\$28.8M	1.9%	\$847,169	\$39.77	-	\$51.79	112	7.4%
2013	49	\$12.8M	2.8%	\$366,211	\$39.56	-	\$47.70	103	7.6%
2012	40	\$48M	4.5%	\$1,846,927	\$48.87	9.0%	\$45.91	99	7.8%

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FLEX SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$167.25	273	6.7%
2026	-	-	-	-	-	-	\$159.98	262	6.8%
2025	-	-	-	-	-	-	\$148.65	243	7.0%
2024	-	-	-	-	-	-	\$138.05	226	7.1%
2023	-	-	-	-	-	-	\$144.98	237	6.6%
YTD	1	\$0	0.6%	-	-	-	\$149.22	244	6.1%
2022	5	\$25.9M	7.0%	\$6,474,375	\$132.89	-	\$143.05	234	6.1%
2021	9	\$15.4M	3.8%	\$2,198,953	\$152.66	-	\$124.49	204	6.2%
2020	15	\$6.2M	3.6%	\$1,233,200	\$78.29	8.2%	\$107.28	175	6.5%
2019	10	\$11.4M	8.5%	\$1,625,296	\$68.29	6.8%	\$97.36	159	6.7%
2018	2	\$1.1M	0.9%	\$1,100,000	\$46.89	-	\$88.86	145	6.9%
2017	11	\$6.6M	4.1%	\$1,640,250	\$99.23	-	\$82.29	135	7.0%
2016	1	\$475K	0.3%	\$475,000	\$47.61	-	\$76.79	126	7.1%
2015	9	\$9.2M	4.6%	\$1,020,271	\$73.80	-	\$71.40	117	7.3%
2014	5	\$1.2M	1.0%	\$239,911	\$44.28	-	\$65.84	108	7.5%
2013	5	\$28M	22.8%	\$7,005,000	\$45.28	-	\$61.32	100	7.7%
2012	2	\$1.2M	1.2%	\$595,000	\$36.06	-	\$58.92	96	7.9%

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