CUSHMAN & WAKEFIELD

VANTAGE POINT

SOUTHEAST INDUSTRIAL SPECULATIVE CONSTRUCTION

MID-YEAR 2025

KEY TAKEAWAYS

The Southeast has emerged as a leading region for industrial development, with over 573.4 million square feet (msf) of warehouse/distribution (W/D) deliveries since 2020, accounting for 30.3% of new supply nationwide. Three-fourths of that product—429.7 msf—was built on a speculative (spec) basis.

Developers have been drawn to the Southeast by its strategic logistics infrastructure, population growth, and proximity to major ports—factors that continue to support long-term demand for modern distribution space.

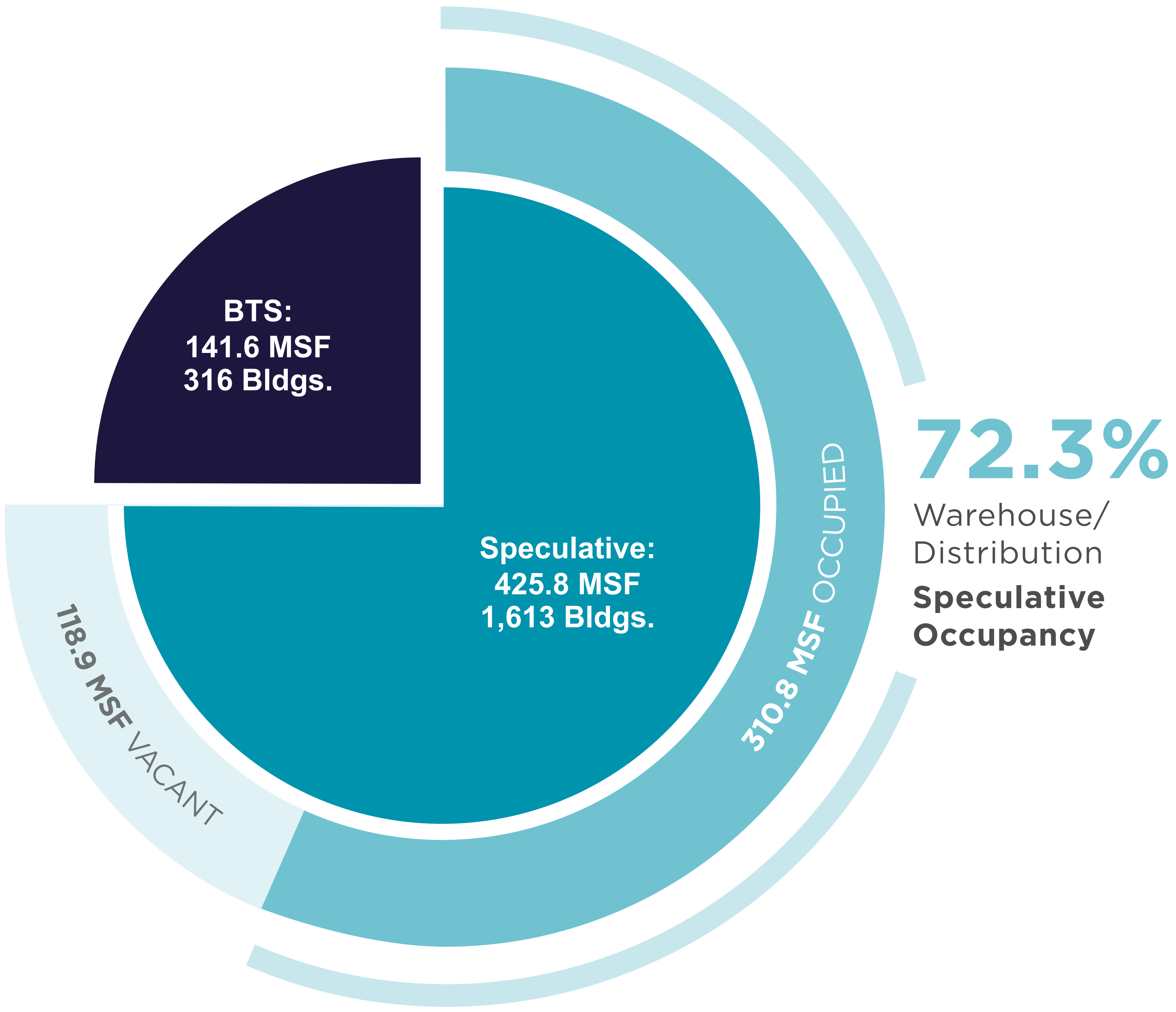
Despite a slowdown in construction due to its elevated vacancy and interest rates, 39.5 msf of spec W/D space remains under construction as of mid-2025, with the bulk concentrated in mid-size buildings (100,000-299,999 sf). Key markets like Atlanta and Savannah and emerging markets like South Florida and Jacksonville host a bulk of the active pipeline.

Tenant demand for big-box space has been driven by e-commerce, 3PLs, and other logistics-heavy users who seek modern facilities that support automation, operational efficiency, and increased power capacity.

As the pipeline contracts and spec development moderates, future growth will likely be shaped by build-to-suit activity, smaller footprints, and targeted investment in undersupplied segments such as small-bay facilities.

SOUTHEAST REGION
MARKET OVERVIEW

Southeast Construction Deliveries 2020 - H1 2025



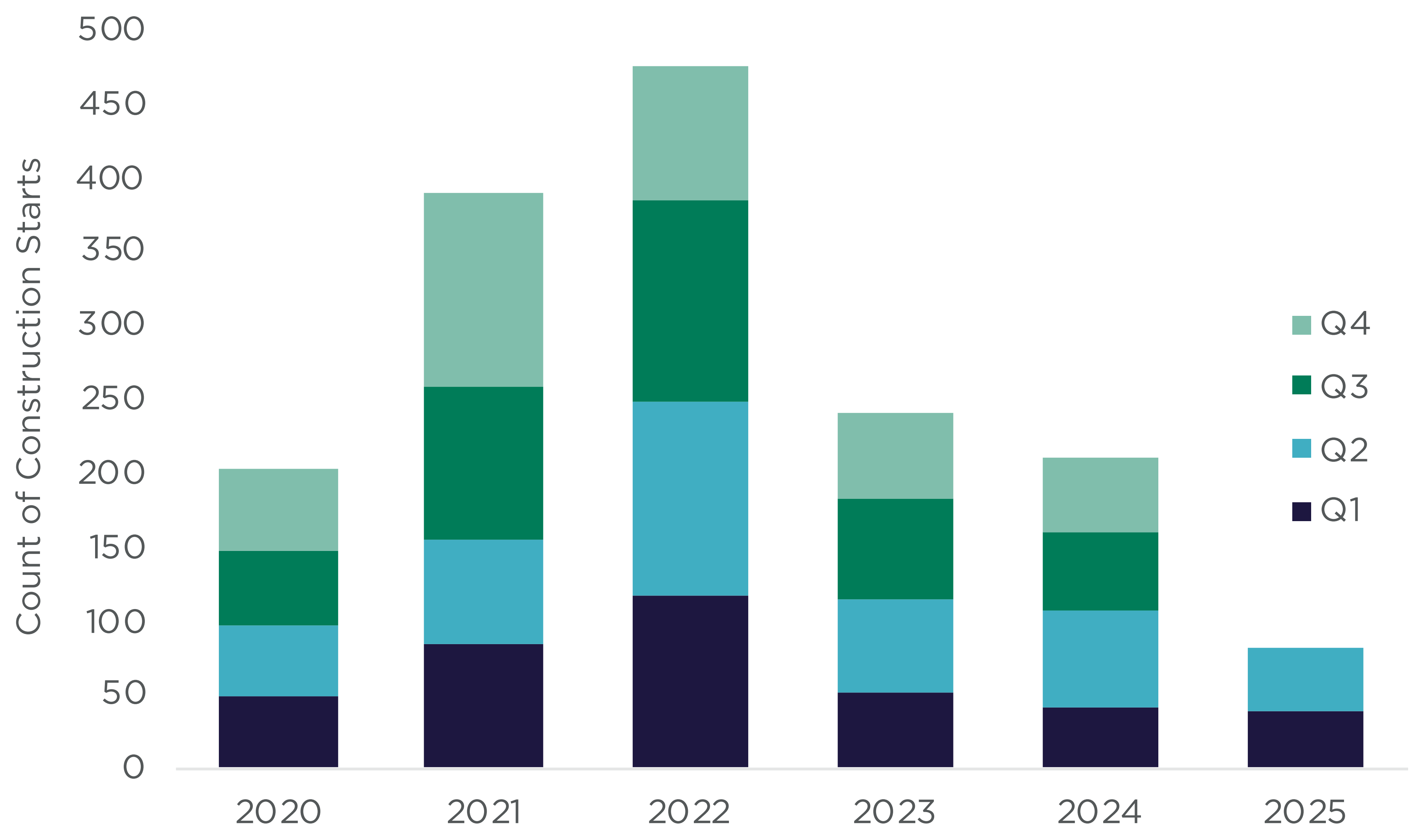
Source: Cushman & Wakefield Research

SOUTHEAST CONSTRUCTION ACTIVITY: **A SHIFTING LANDSCAPE**

The Southeast currently leads the nation in W/D development despite construction activity trending downward, in line with national patterns. The region recorded 475 groundbreakings* in 2022 on a spec basis—projects initiated without preleasing or a designated end user—averaging more than 119 per quarter. This count was cut in half by 2023 and the decline has persisted into 2025, with just 40 starts per quarter on average through the first half of the year. Second quarter groundbreakings were down 68.1% from the region's peak three years ago.

**Groundbreakings/construction starts are defined by Cushman & Wakefield as the point when concrete slab or footings are poured.*

Warehouse/Distribution Speculative Groundbreakings



While construction starts reflect developer sentiment and market expectations, project completions more directly impact market fundamentals. Nationally, new deliveries have fallen to a five-year low. The active construction pipeline dissipated to its lowest level since the close of 2017 and is expected to contract further amidst high borrowing costs, elevated vacancy, and increased economic uncertainty.

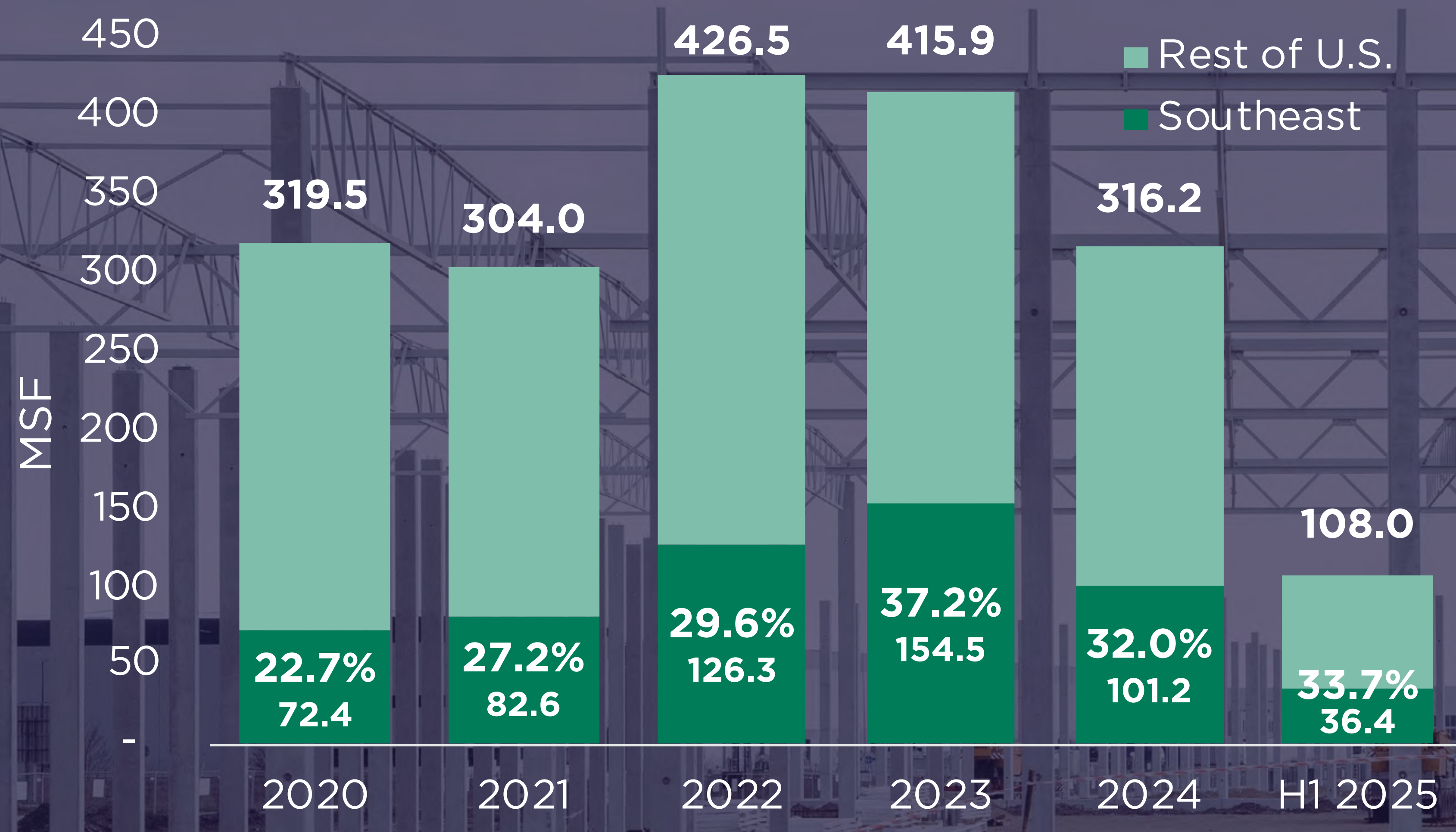
Deliveries in the Southeast peaked in 2023 when the region contributed 154.5 msf of new W/D space—36.0% of the national total. Since then, the regional pipeline has also tapered substantially.

National Deliveries & Southeast Share of U.S. Total New Supply

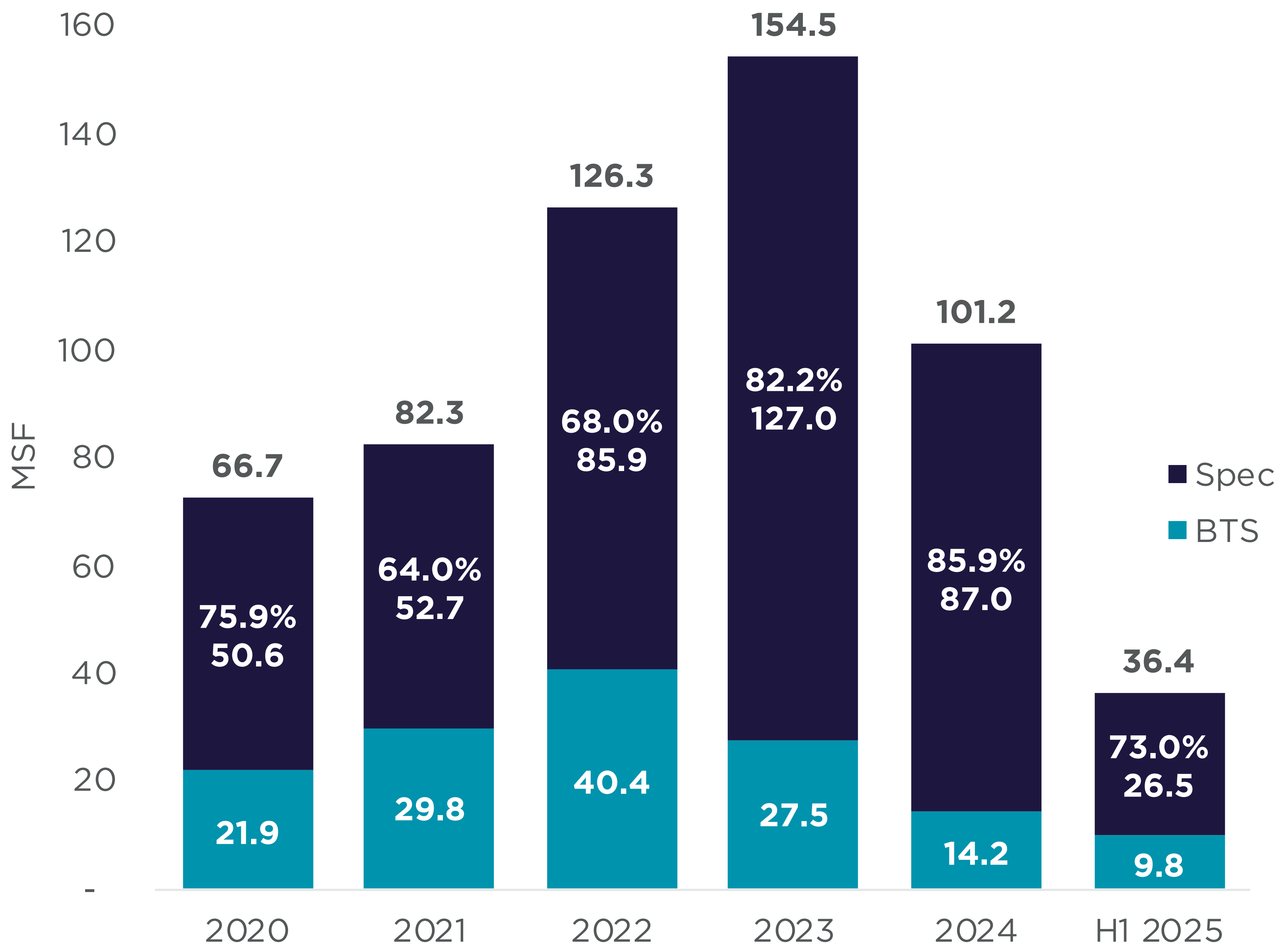
Build-to-suit (BTS) projects—developments constructed for specific end users—are included in industrial inventory but have minimal impact on vacancy rates. In contrast, spec assets dominated the development landscape in recent years, exerting upward pressure on W/D vacancy rates as space delivered without preleasing. Since 2020, spec development has accounted for 75.0% of all W/D deliveries in the Southeast—429.7 msf of the region's 573.4 msf in total.

Nationally, spec deliveries ranged from 73.0% to 83.0% of all deliveries between 2022 and 2024, but that share has declined to 70.0% in the first half of 2025. The Southeast remains more spec-heavy, with 85.9% of 2024 deliveries and 82.9% of space currently under construction falling into this category, compared to just 63.0% nationally.

Atlanta leads the region in recent development, contributing 109.9 msf of new spec supply since 2020—25.6% of the Southeast total. Averaging 20.0 msf annually, Atlanta's inventory has grown more each year than half of its regional peers. However, the most dramatic impact occurred in Savannah, where W/D inventory expanded by 54.9% since 2020.



Southeast BTS v. Speculative Composition



Significant manufacturing investment throughout the Southeast has also spurred W/D demand by suppliers and related industries nearby. This dynamic highlights the interplay between BTS manufacturing facilities and spec warehouse space. Key projects include Toyota Battery Manufacturing and Wolfspeed Project Voyager in North Carolina, Hyundai Motor Group's Metaplant and Rivian's EV Plant in Georgia, and Ford BlueOval City in Tennessee—all in various stages of planning, construction, or operation.

SIZE SEGMENTATION: **SHIFTING DEMAND IN THE SOUTHEAST**

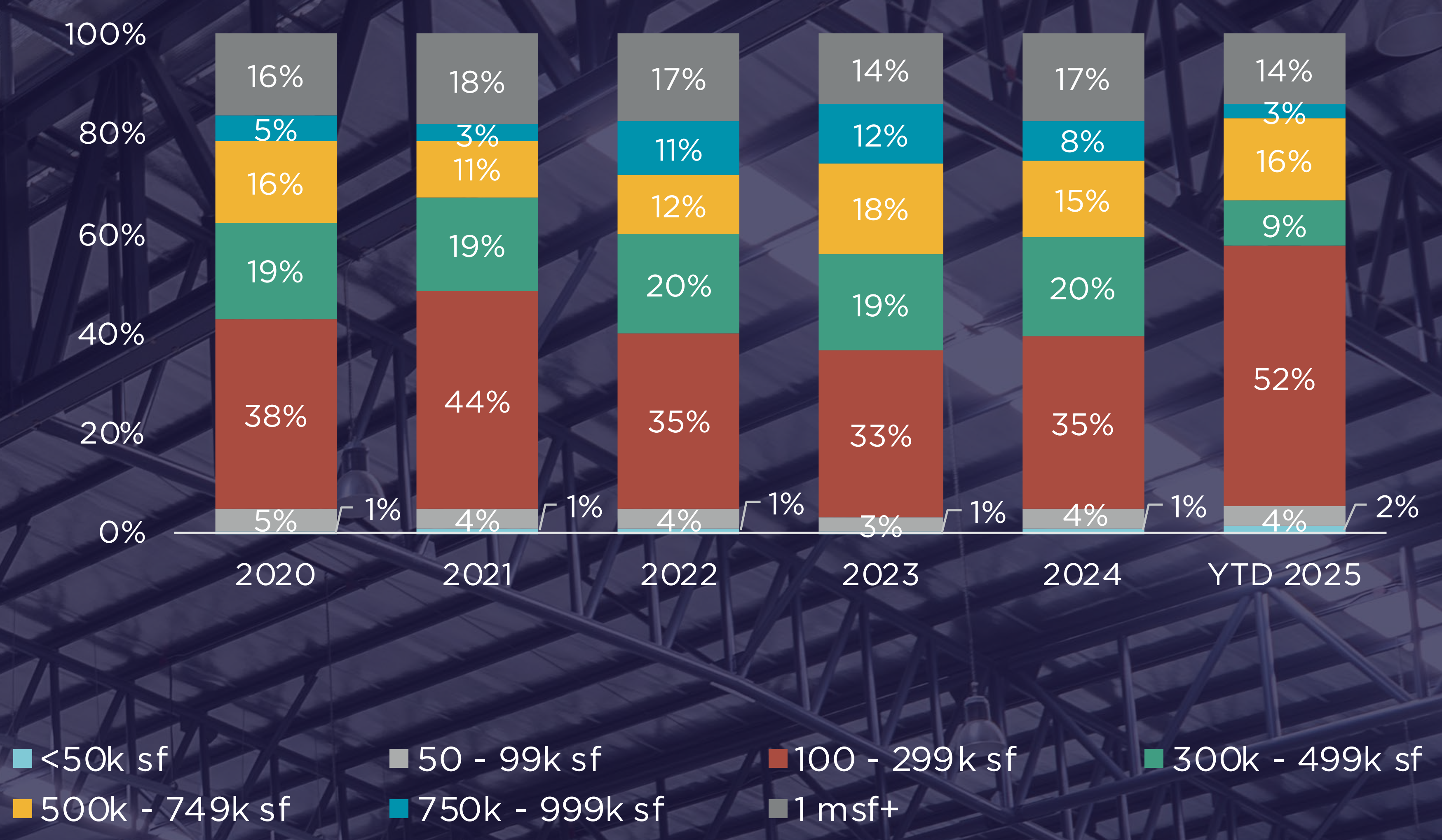
As construction slows, the composition of new spec deliveries is shaped by evolving tenant preferences. The 100,000-299,999-sf segment remains the most favorable size range for development, driven by robust demand by warehouse users of this size and smaller. While this trend is evident nationwide, it is more pronounced in the Southeast where more than half of buildings delivered in the first half of 2025 fell within this range—compared to 37.1% nationally. Since 2023, this size bracket has captured a growing share of the region's new supply, reflecting its alignment with persistent tenant demand.

Leasing activity across Southeast markets continues to meet or exceed pre-pandemic averages. More than three-fourths of all new leasing since 2023 occurred in deals under 300,000 sf, while interest in big-box transactions over 1.0 msf has waned. Desirable infill sites capable of accommodating large-format development have become both increasingly scarce and costly, competing with other high-growth uses such as manufacturing and data centers. Nationally, demand for these larger footprints has softened, prompting many W/D users to pursue BTS options. In response, landlords have begun demising large spec buildings to attract tenants.

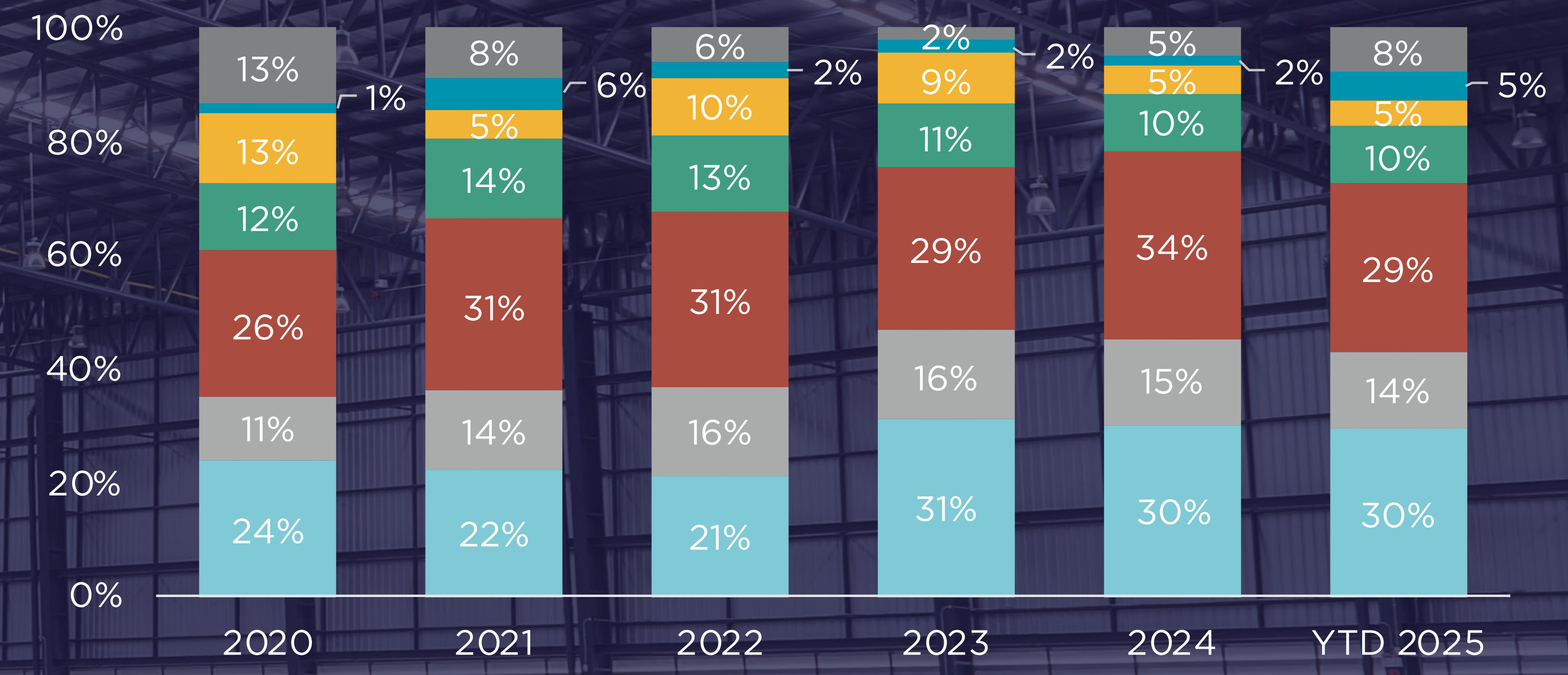
Despite this shift, four new leases exceeding 1.0 msf were signed in the Southeast during the first half of 2025, matching the full-year total for 2024 and doubling the count from 2023. Notably, three of these transactions involved first-generation spec assets.

Meanwhile, small-bay facilities remain undersupplied amid tight vacancy rates. Buildings under 100,000 sf represent just 4.6% of the Southeast's active construction pipeline, compared to 8.3% nationally. Yet, leases in this size range accounted for 43.1% of new demand recorded through the first half of 2025. These trends underscore the importance of aligning development strategies with tenant demand, particularly in undersupplied small-bay segments.

Speculative Deliveries by Size



Direct New Leasing* by Size



*Leasing analysis is based upon data from 13 internally-tracked markets; does not incorporate Alliance Offices of Hampton Roads, Richmond, Memphis, and Savannah.

OUTLOOK: ON THE HORIZON FOR SOUTHEAST DEVELOPMENT

Spec construction will remain muted compared to 2021-2024 levels as developers respond to elevated vacancy rates, limited preleasing, and ongoing economic uncertainty. BTS projects and smaller footprints are expected to gain traction to better align with tenant demand.

Mid-size buildings (100,000–299,999 sf) will continue to dominate the development pipeline, with 105 such projects currently underway—reflecting strong leasing activity and sustained demand in this size range.

Big-box development is slowing, with only two spec projects over 1.0 msf currently under construction. While demand for large-format space has softened, select first-generation spec assets are still attracting major tenants.

Small-bay facilities remain critically undersupplied, despite deals of this size accounting for 43.1% of new leasing demand in H1 2025. Their limited representation in the construction pipeline (4.6%) signals a mismatch between supply and tenant needs.

Four key markets—Atlanta, South Florida, Savannah, and Jacksonville—are leading the region's spec activity, comprising nearly half (45.9%) of the Southeast's pipeline. These hubs will continue to shape regional development trends.

Vacancy rates may stabilize but not significantly improve in the near term, as healthy leasing in first-generation space offsets some pressure. However, the lack of preleasing and broader economic headwinds will keep recovery gradual.

RICHMOND

Rapid Growth Driven by Strategic Location
Richmond's W/D inventory has grown 20.2% since 2020—more than the prior 15 years combined—fueled by its emergence as a mid-Atlantic distribution hub and expansions from major players like Amazon and Lowe's. Historic low vacancy rates and sustained rent growth combined with the availability of zoned and entitled sites has put the market on the map for developers.

I-95 Corridor and Airport Area Lead Development
Hanover County (I-95 North Corridor) has led recent development, while Chesterfield County (I-95 South) and its ample developable land is now the focus for spec projects. The Airport area remains a key industrial base, with major data center expansions from QTS and Meta.

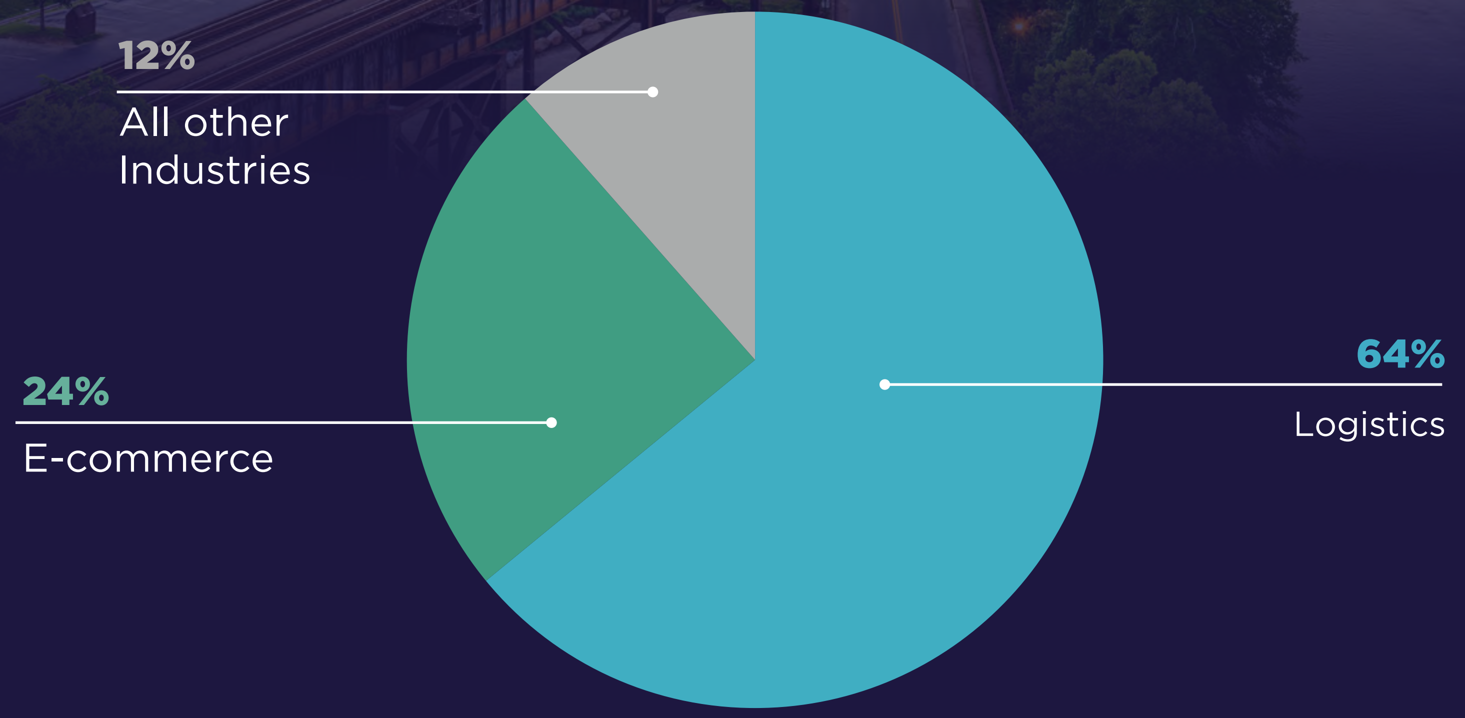
Diverse Tenant Base and Strong Demand
Richmond's economy spans financial services, tech, and advanced manufacturing. Logistics and e-commerce tenants account for more than 82.2% of active demand, supported by growth in data center-related industries.

Spec Development Slowing but Still Active
Construction starts have eased since the 2022 peak with no spec projects kicking off in 2024, but 4.5 msf of spec space is expected by 2026. Future activity is likely to return to historic norms, with development remaining steady.

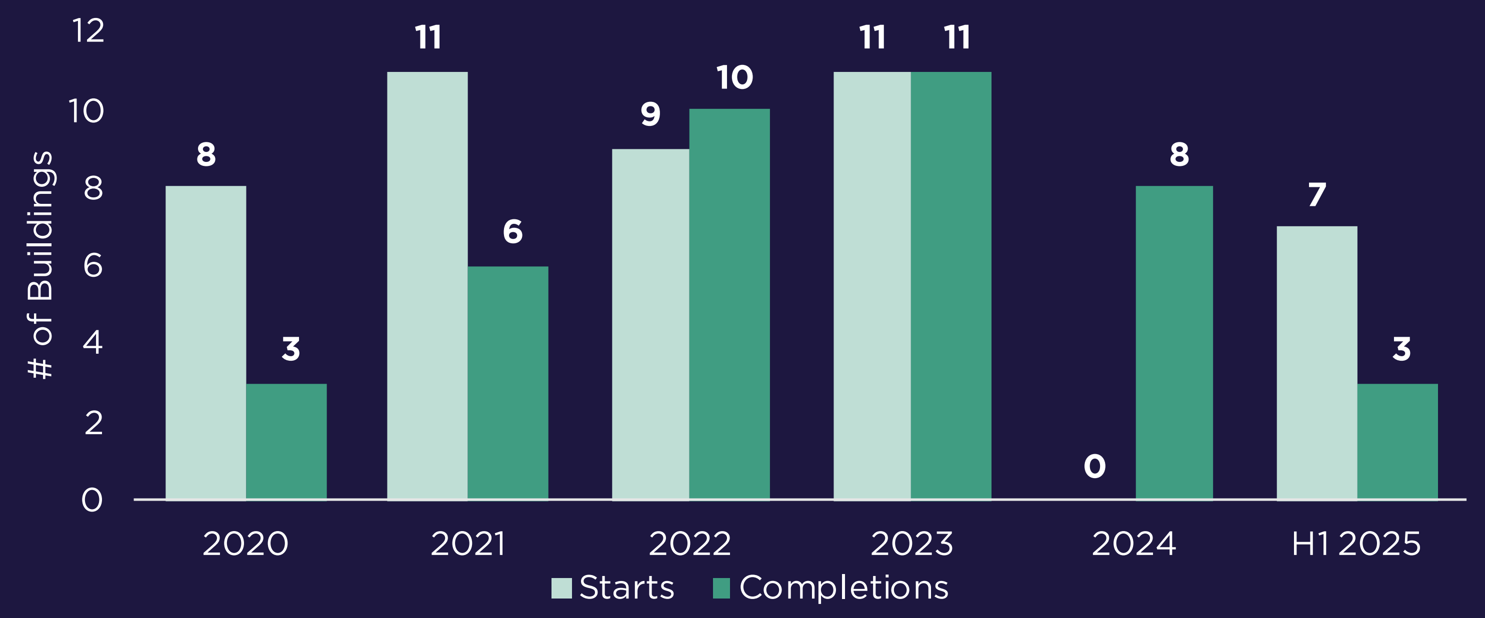
88.5%
W/D SPECULATIVE OCCUPANCY

Dataset includes buildings delivered between 2020 and H1 2025.

Active Tenant Requirements By Industry



Speculative W/D Groundbreakings & Deliveries



HAMPTON ROADS

Port Investment Fuels Rapid Growth

The W/D inventory has grown 21.5% since 2020—more than the prior 15 years combined—driven by $1.4 billion in Port of Virginia upgrades and $5.8 billion in regional transportation projects, including the Hampton Roads Bridge Tunnel expansion. Vacancy has remained tight across the market as absorption has kept pace with deliveries, rising incrementally over the last four quarters as demand has softened.

Southside and Peninsula Lead Development

South Suffolk recorded the bulk of new construction, including a 3.8-msf Amazon facility, while Copeland Industrial Park led activity on the Peninsula. Land constraints are pushing development west toward Suffolk, James City County, and Williamsburg.

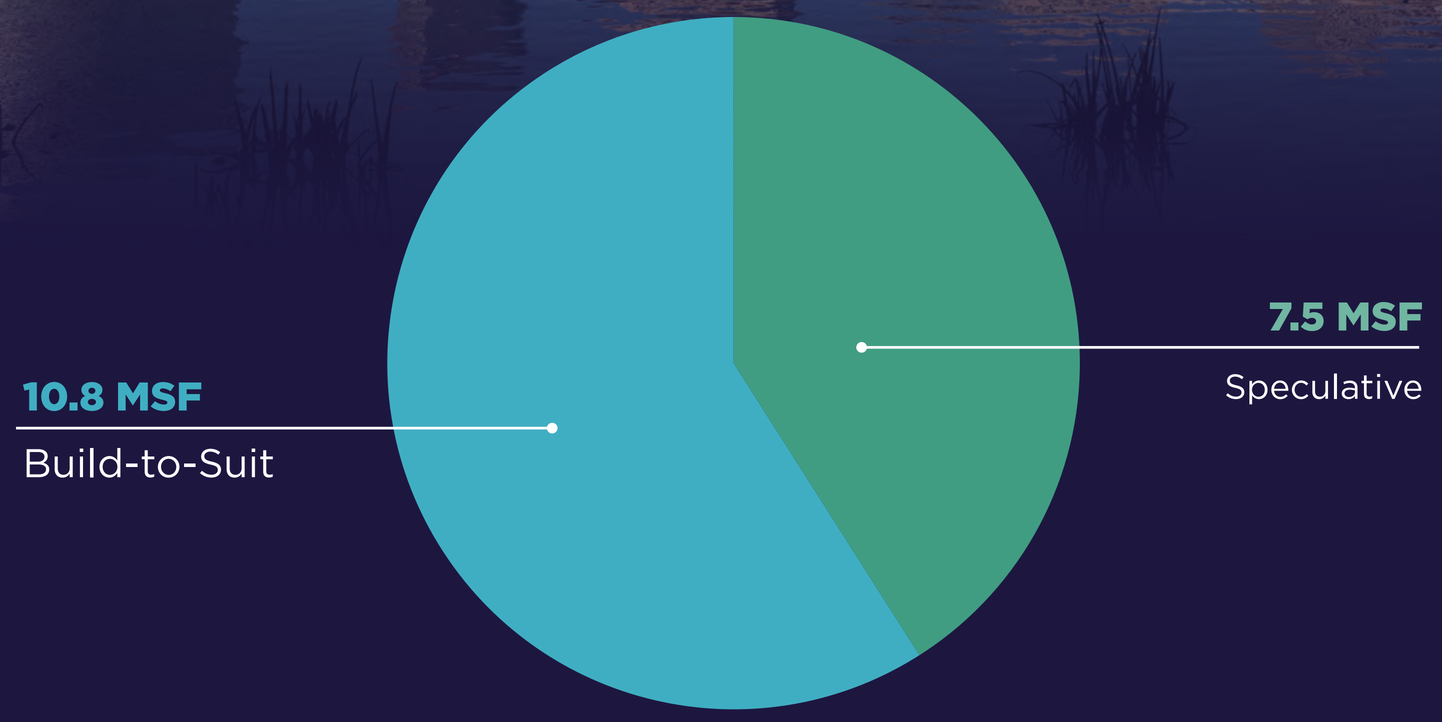
Diverse Demand Drivers

Key industries include port logistics, government spending, and food & beverage (notably the coffee industry). Tenant demand ranges from small infill users serving the local economy to large-scale operations on the market's outskirts.

Spec Development Slows Amid Rising Vacancy

With vacancy inching up, developers are reevaluating spec projects. While 10 spec projects totaling 2.5 msf delivered in H1 2025, only one groundbreaking occurred, slowing the pipeline over the next 12 months.

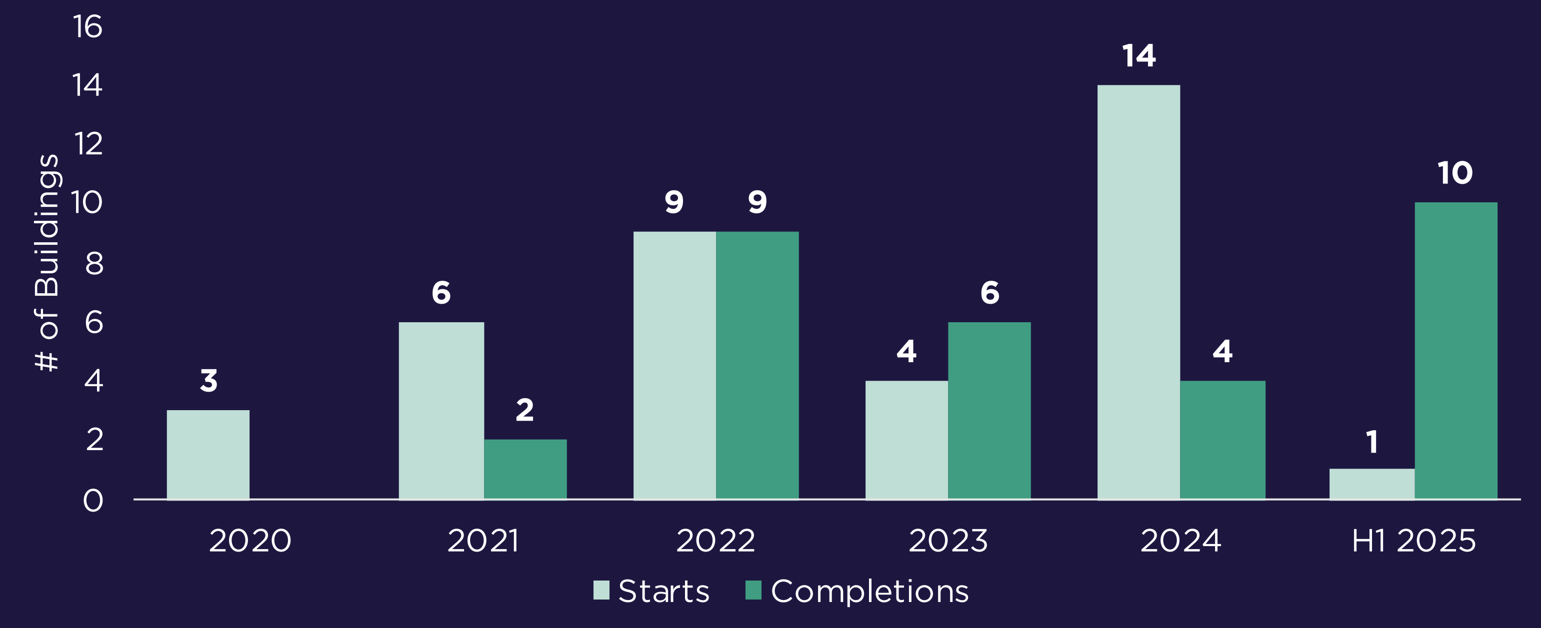
Composition of New Supply



67.0%

W/D SPECULATIVE OCCUPANCY

Speculative W/D Groundbreakings & Deliveries



Dataset includes buildings delivered between 2020 and H1 2025.

RALEIGH/DURHAM

Post-Pandemic Development Surge Moderates Amid Market Shifts

Raleigh/Durham experienced a significant wave of industrial development beginning in 2020, driven by rising e-commerce demand and pandemic-related supply chain pressures. However, as demand normalized and interest rates rose, many developers paused spec construction in late 2023. There is a noticeable flight to quality as users increasingly favor new Class A space despite premium rents, and spec construction starts are on the rise again in H1 2025.

I-40 Corridor Anchors Geographic Expansion

Development has been concentrated along the outer edges of the I-40 corridor, with the strongest growth southeast of Raleigh in Eastern Wake and Johnston County, and northwest of Durham in Orange County. Despite this outward expansion, Raleigh remains a relatively compact market, and no submarket shows signs of overbuilding as absorption has remained healthy across the region.

Tenant Mix Led by Construction-Related and Life Sciences Suppliers

While third-party logistics providers have been less active recently, there is steady demand from construction-related users—such as landscaping and cabinetry firms—as well as suppliers serving the life sciences sector, which continues to be a key driver in the region.

Spec Development Rebounding, But at a Measured Pace

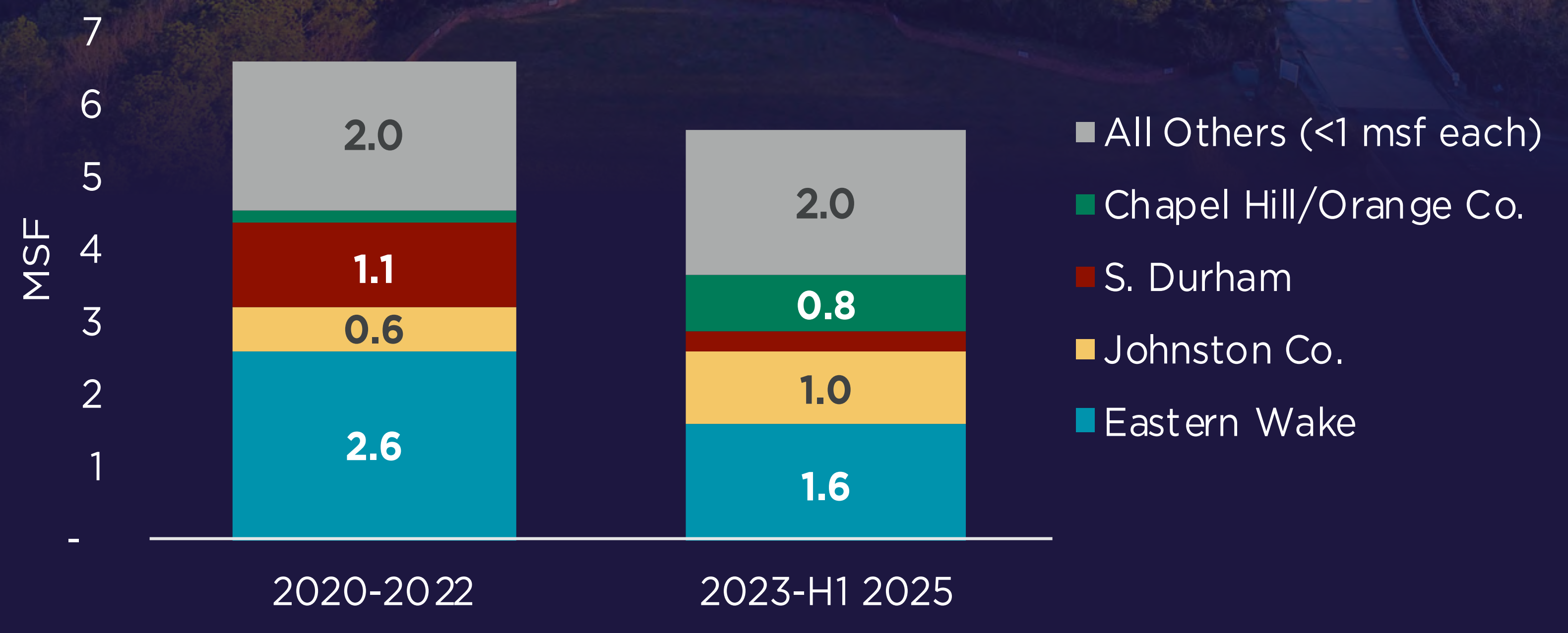
The first half of 2025 has already recorded as many spec construction starts as the 2024 annual total. Potential interest rate cuts are expected to further support new project starts, particularly those that had been delayed due to financing constraints.

80.6%

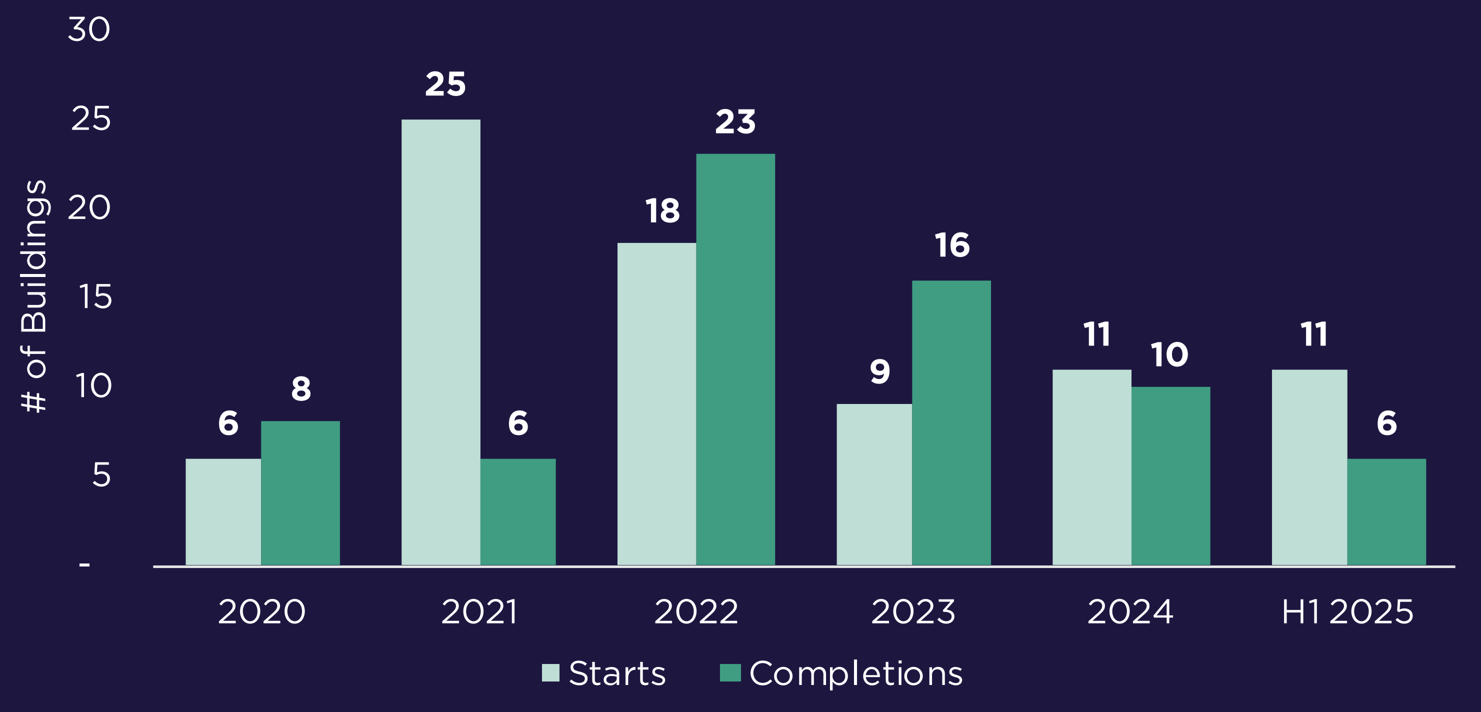
W/D SPECULATIVE OCCUPANCY

Dataset includes buildings delivered between 2020 and H1 2025.

Speculative Supply By Submarket



Speculative W/D Groundbreakings & Deliveries



CHARLOTTE

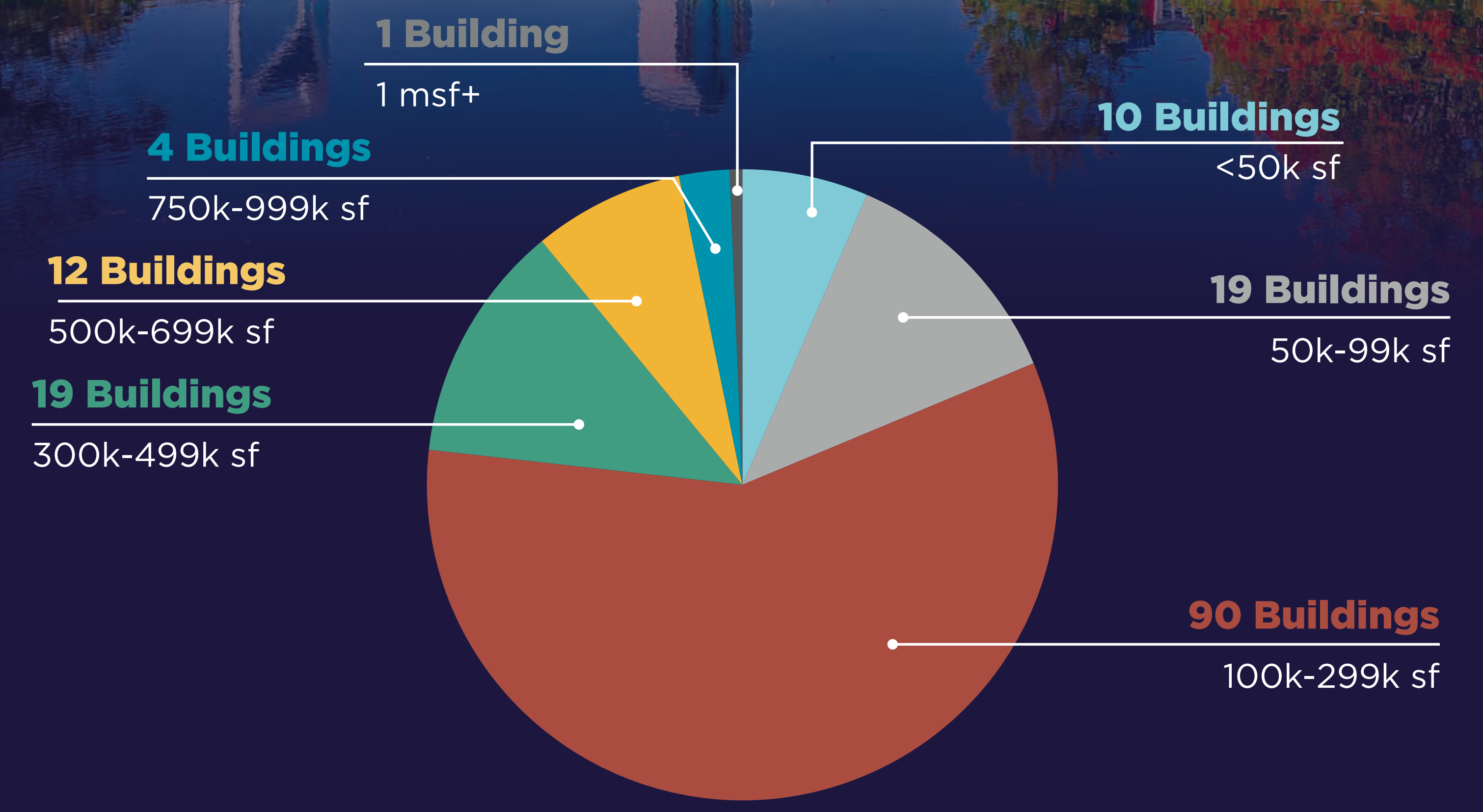
Post-Pandemic Development Surge Moderates Amid Market Shifts
Charlotte's W/D inventory has expanded by 51.0 msf since 2020—a 22.7% increase—fueled by strong demand from third-party logistics providers and e-commerce tenants, as well as the metro's 20.0% population growth since 2010.

Outlying Counties Lead in Development, But Oversupply Emerges
Charlotte's outlying counties—led by Gaston, York, and Rowan—have accounted for 60.2% of all spec deliveries over the past five years, totaling 22.5 msf due to their strategic locations along the I-85 and I-77 corridors. However, Gaston's vacancy rate surged in Q2 2025, raising concerns about oversupply as new product remains unleased. Submarkets closer to the traditional metro core added 14.8 msf of spec product in that time.

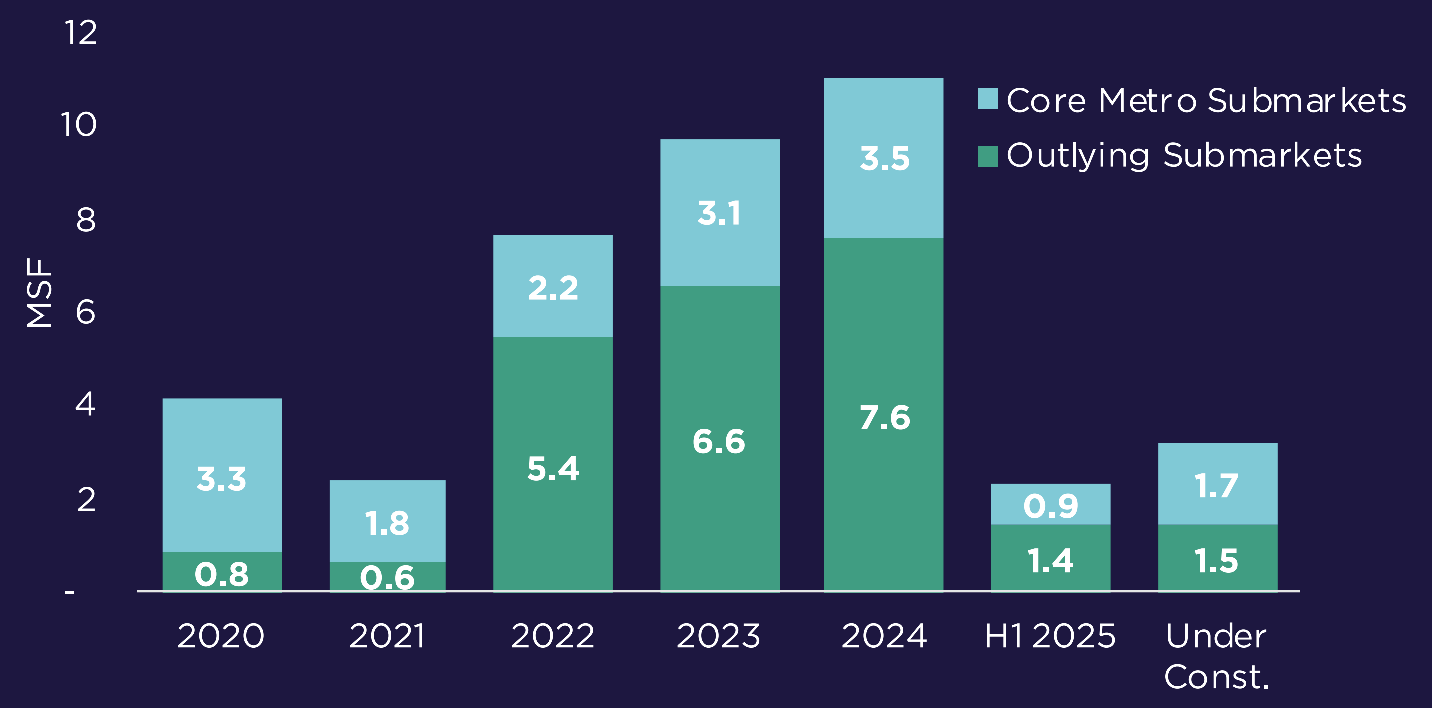
Diverse Tenant Base Anchored by Key Industries
Charlotte's industrial market benefits from a broad tenant mix, with manufacturing, third-party logistics, e-commerce, and wholesale/retail trade companies continuing to establish operations to leverage the region's infrastructure and growing consumer base.

Construction Pipeline Contracts But Shows Signs of Recovery
The construction pipeline fell sharply from its Q2 2023 peak of 21.2 msf —an 82.0% decline—due to rising vacancies and macroeconomic uncertainty. Despite this, the pipeline has begun to rebound, with developers continuing to view Charlotte as a premier industrial market.

Speculative Deliveries by Building Size



New Speculative Supply



63.0%
W/D SPECULATIVE OCCUPANCY

Dataset includes buildings delivered between 2020 and H1 2025.

GREENSBORO/WINSTON-SALEM

Steady Inventory Growth Supported by Strategic Location

Over the past five years, the Greensboro/Winston-Salem (Triad) market has added 16.4 msf of W/D space—62.4% of which was built on a spec basis. Its central location between Charlotte and Raleigh, combined with a cost-efficient labor force, has attracted 3PLs and wholesale/retail trade tenants seeking proximity to major population centers.

Airport/W Guilford Submarket Leads Development Activity

Due to its central location and access to the airport, the Airport/W Guilford submarket has recorded the largest share of W/D development at 5.0 msf. This total includes 2.7 msf of spec space—26.0% of the Triad's spec completions over the past five years.

Diversifying Tenant Base with Advanced Manufacturing and Biotech

The Triad has a strong historical base of textile and furniture manufacturing but in recent years, the emergence of advanced manufacturing from both aerospace and automotive as well as biotechnology has provided the region with a diverse tenant mix.

Composition of Pipeline Evolves Substantially

After several years of record-breaking construction deliveries, new spec supply began to taper in 2024. Though an uptick in groundbreakings signal a tempered return of spec development, BTS opportunities are gaining prominence and comprise nearly three-quarters of the active pipeline.

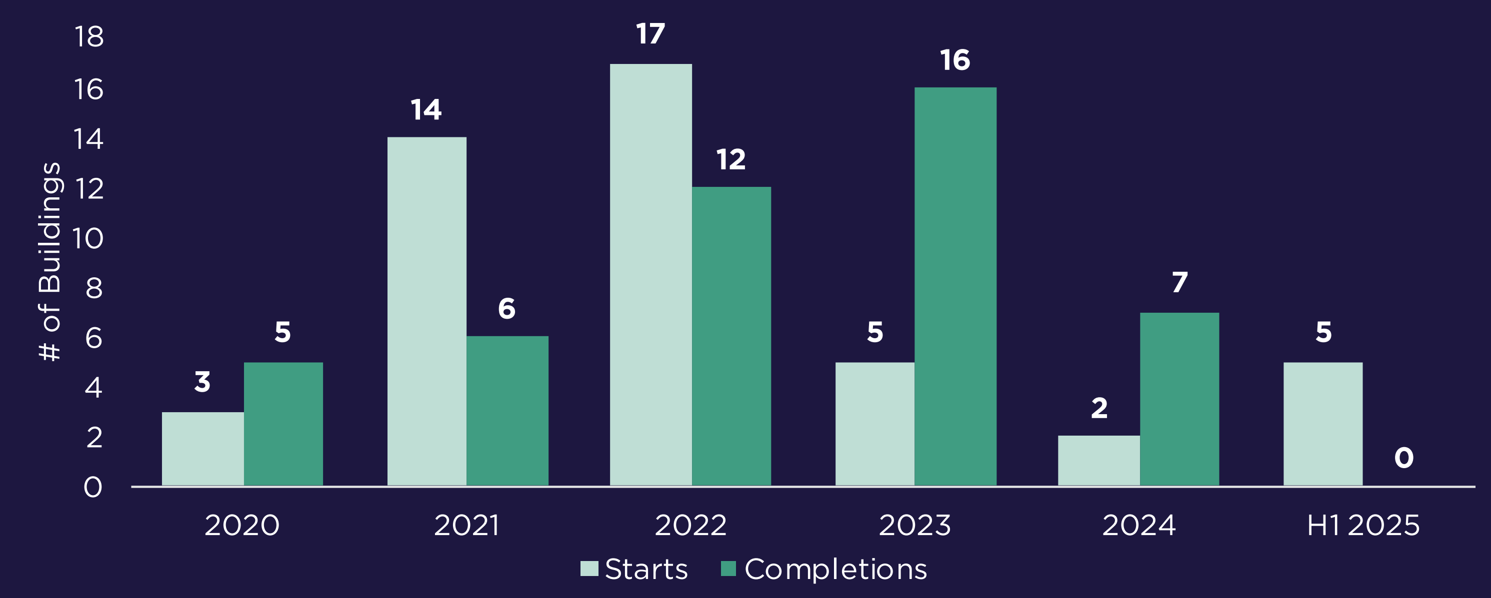
74.9%

W/D SPECULATIVE OCCUPANCY

Dataset includes buildings delivered between 2020 and H1 2025.

Construction Deliveries

Speculative W/D Groundbreakings & Deliveries



GREENVILLE/SPARTANBURG

Rapid Inventory Growth

Over the past five years, Greenville/Spartanburg's industrial sector has added 40.1 msf of W/D space—88.3% of which was built on a spec basis—driven by its strategic connectivity to major markets. An abundance of new development pushed vacancy rates from below 2.0% to nearly 17.0% by 2024. However, vacancy is now declining as the market absorbs excess space, particularly in buildings greater than 500,000 sf. In Q2 2025, the market recorded the third-highest positive absorption volume in the U.S., signaling the potential for continued vacancy compression in the quarters ahead.

I-85 Corridor Submarkets Lead Development Activity

Submarkets along the I-85 corridor—including Northern Spartanburg and the Greer/Hwy 101 Corridor—have captured the bulk of recent development due to their prime interstate access. Following a surge of oversupply in 2023, development has slowed significantly.

Diverse Industry Base with Emerging Solar Sector

Greenville's industrial demand is anchored by e-commerce, automotive (driven by BMW's presence), and manufacturing. Recently, solar energy has emerged as a growing sector, contributing to further diversification.

Development Outlook: Rebound Expected Amid Leasing Momentum

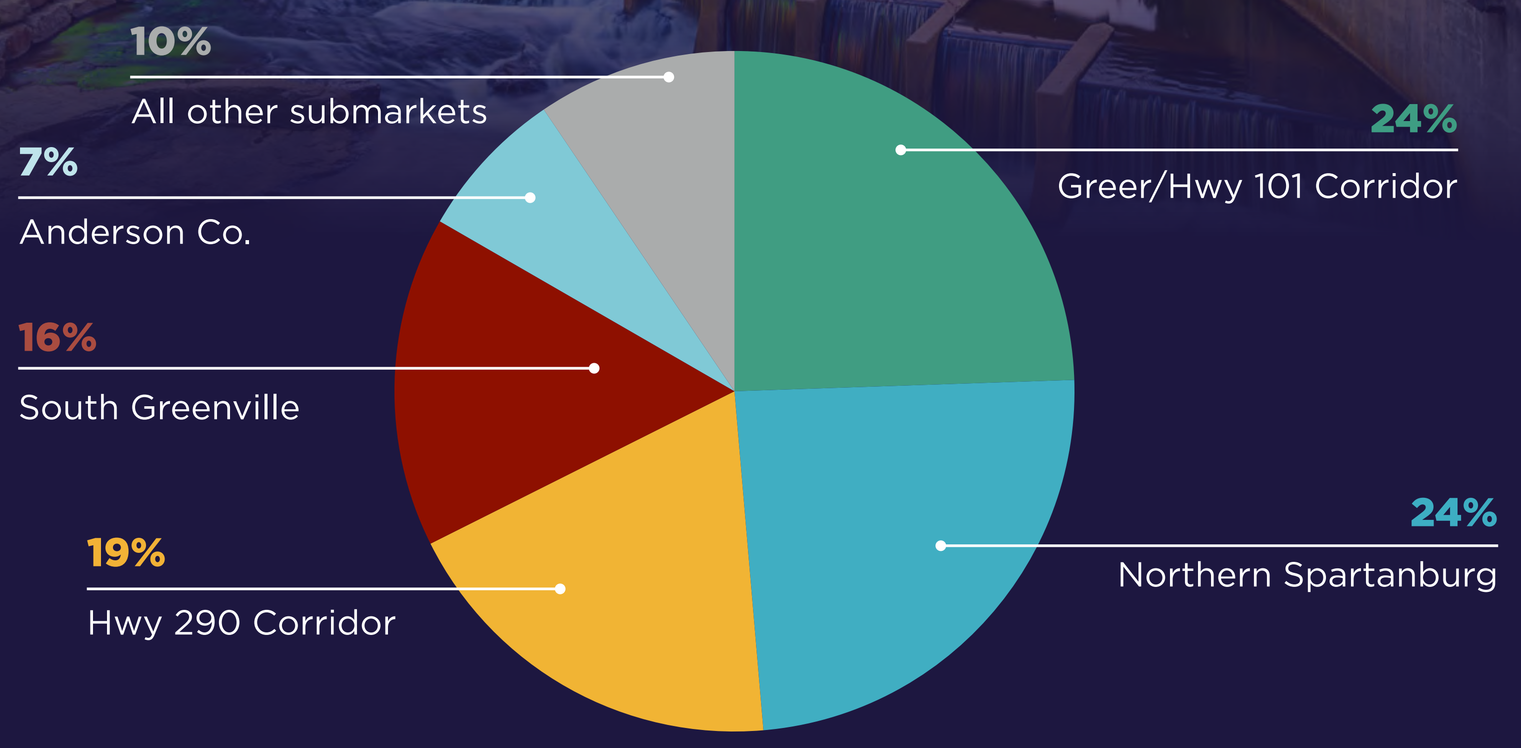
With activity currently at historic lows, development is expected to increase over the next 12 to 24 months. Strong leasing momentum is reigniting developer interest, and with favorable demographics and available land, spec development is likely to return as market conditions stabilize, though build-to-suit projects are expected to gain prominence in the short term.

76.3%

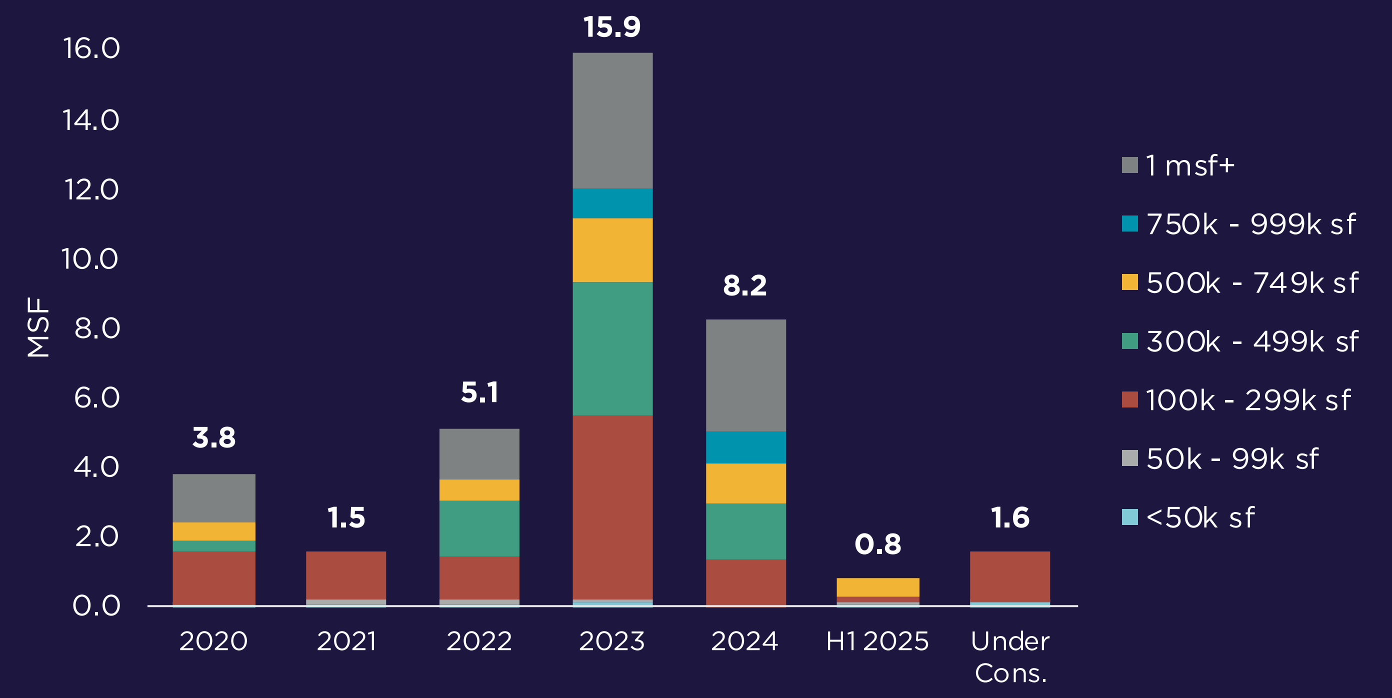
W/D SPECULATIVE OCCUPANCY

Dataset includes buildings delivered between 2020 and H1 2025.

Speculative Deliveries By Submarket



Speculative W/D Deliveries by Size



CHARLESTON

Rapid Inventory Growth Driven by Migration and Port Activity

Charleston's W/D inventory has expanded by over 27.4 msf since 2020—a 38.2% increase—fueled by demographic shifts, lifestyle-driven migration, and post-pandemic e-commerce growth. Rising import volumes through the Port of Charleston have further positioned the region as a key logistics hub in the Sunbelt.

I-26 Corridor Submarkets Lead Development Amid Land Constraints

With limited developable land near the urban core, developers have focused on submarkets along the I-26 corridor to maintain port access and inland connectivity. Summerville/Jedburg, Charleston/N Charleston/Ladson, and Ridgeville have recorded the bulk of development, but a wave of overbuilding post-2022 pushed vacancy to 19.0%, curbing future development prospects.

Industry Base Anchored by E-Commerce, Aerospace, and Automotive

Charleston's industrial demand is led by e-commerce, supported by port proximity and East Coast connectivity. Aerospace is a major player due to Boeing's presence, while automotive activity is driven by Volvo and BMW logistics operations linked to the port.

Development Outlook: Subdued But Stabilizing

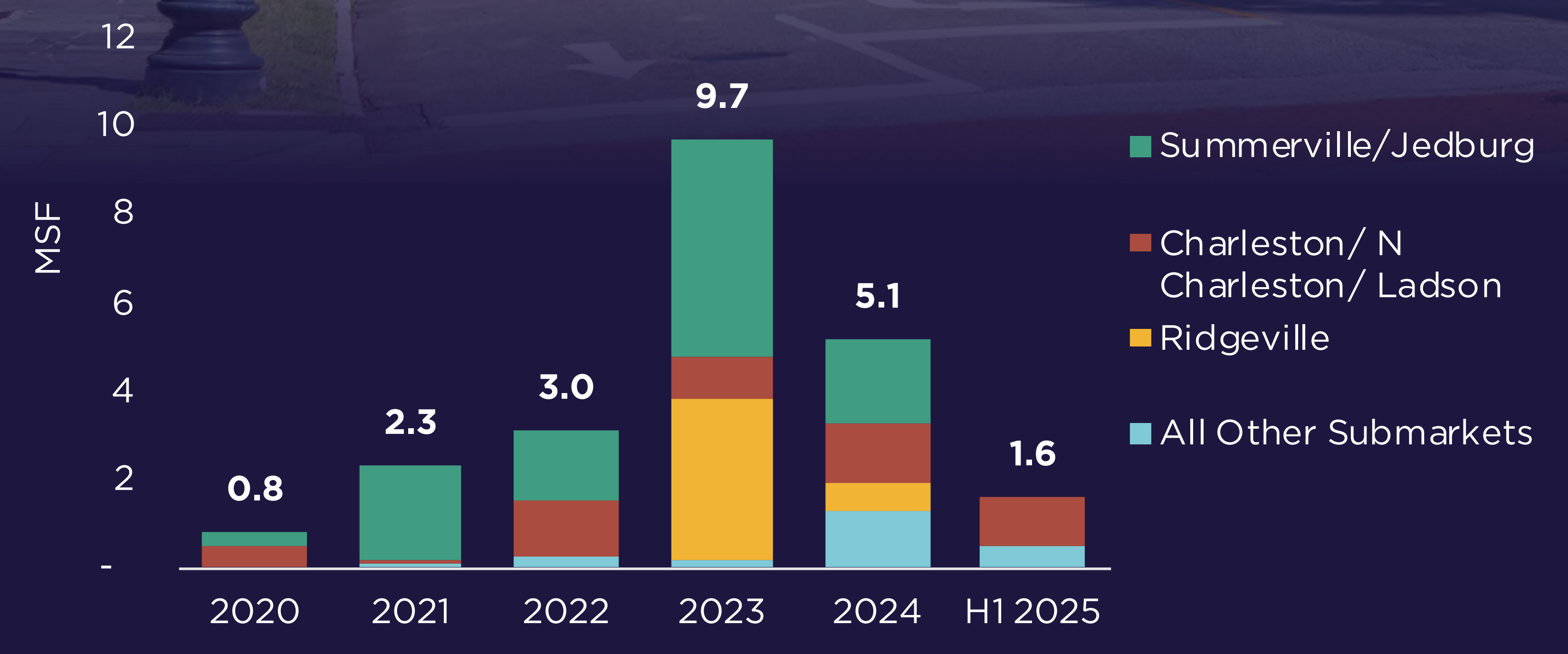
Development has slowed in recent quarters as the market works through elevated vacancy levels. With a lean construction pipeline and cautious sentiment amid subdued transaction activity, new projects are expected to remain limited to build-to-suit opportunities or parks with sustained tenant momentum.

57.6%

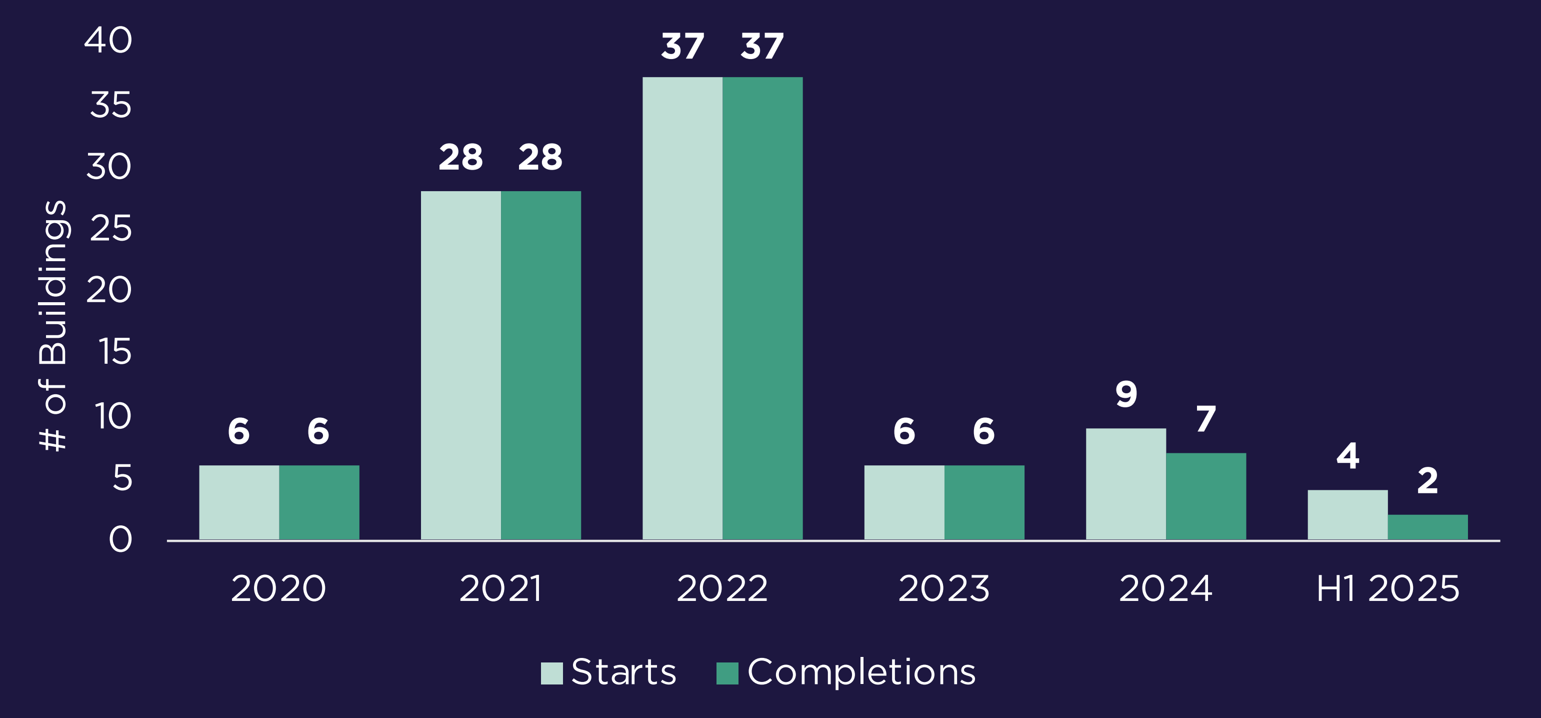
W/D SPECULATIVE OCCUPANCY

Dataset includes buildings delivered between 2020 and H1 2025.

Speculative Development By Submarket



Speculative W/D Groundbreakings & Deliveries



NASHVILLE

Significant Inventory Growth Balanced by Strong Tenant Demand

Since 2020, Nashville has added nearly 36.0 msf of W/D space to its inventory, 77.9% of which was built on a spec basis. Tenant demand has kept pace with 46.1 msf of new deals signed over that period. Vacancy has increased modestly from the historic lows of 2020 though the market remains supply-constrained in critical size segments—specifically shallow bay product under 100,000 sf.

East Submarket Dominates Development Activity

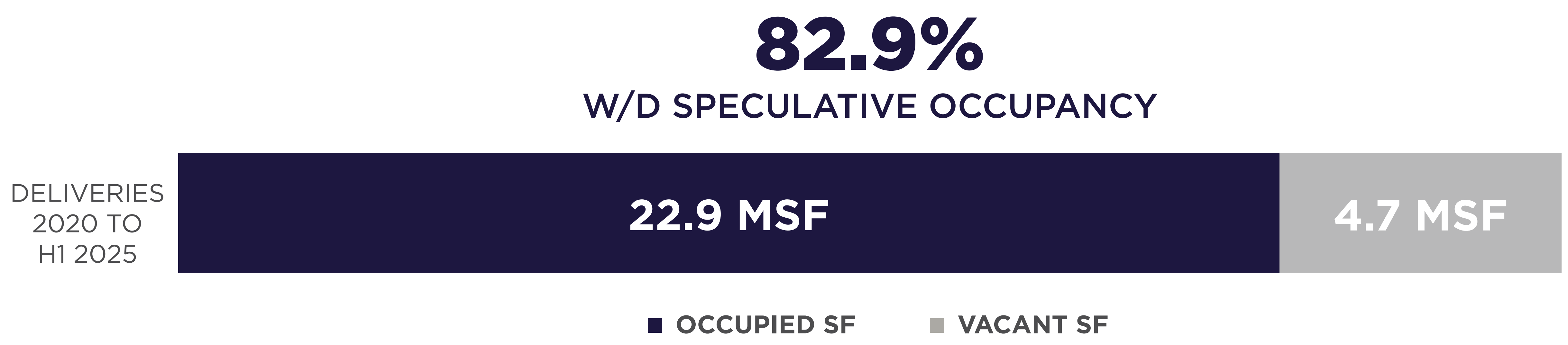
The East submarket has led the region in product deliveries over the past five years accounting for more than half of Nashville's new supply and continues to hold the largest share of space under construction. While overbuilding is not a major concern, there is a need for thoughtful planning in future developments to more closely align with the segment with strongest tenant demand, spaces under 100,000 sf.

Key Industry Drivers: Manufacturing, E-Commerce, Automotive

Leasing activity in Nashville is primarily driven by tenants in manufacturing, e-commerce, and automotive sectors, which continue to shape the region's industrial demand profile.

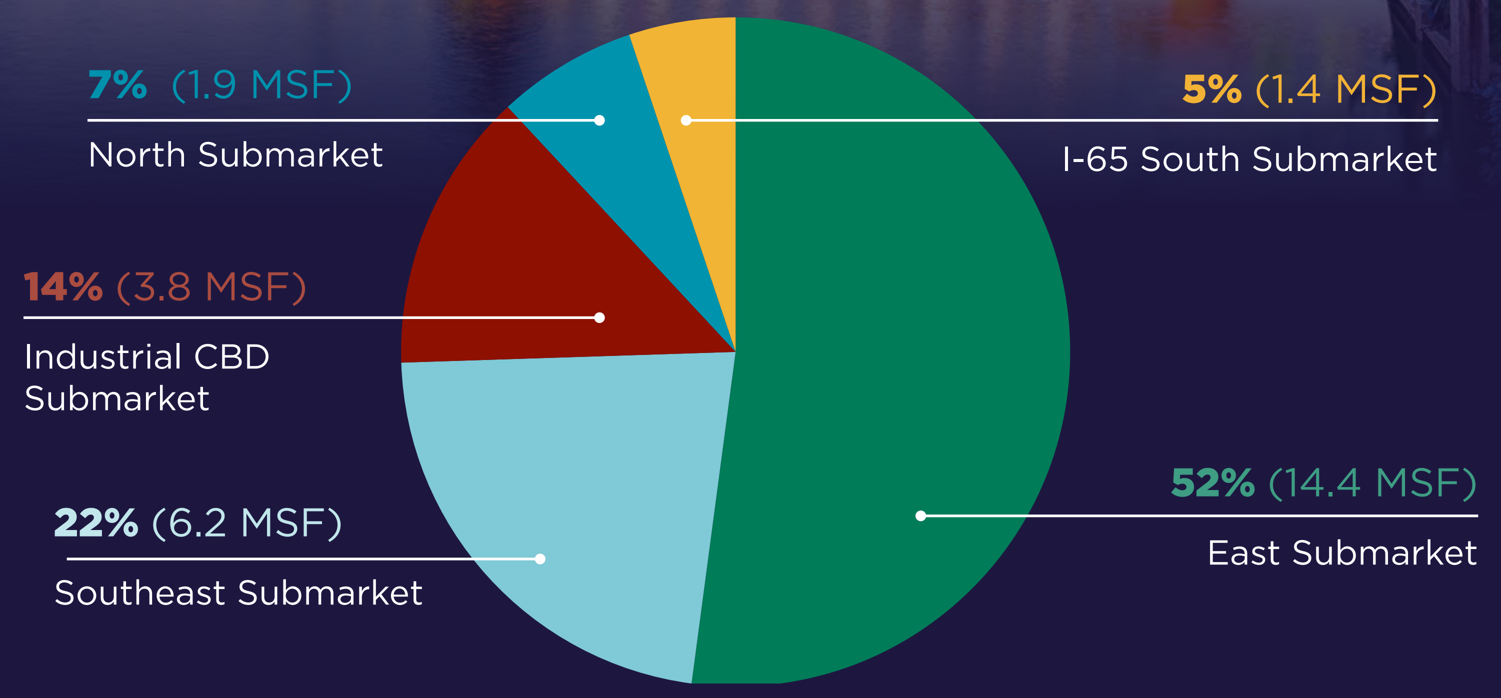
Development Outlook: Slowing Amid Land Constraints

Industrial development is expected to decelerate over the next 12 to 24 months due to limited availability of viable land opportunities and cautious developer sentiment.

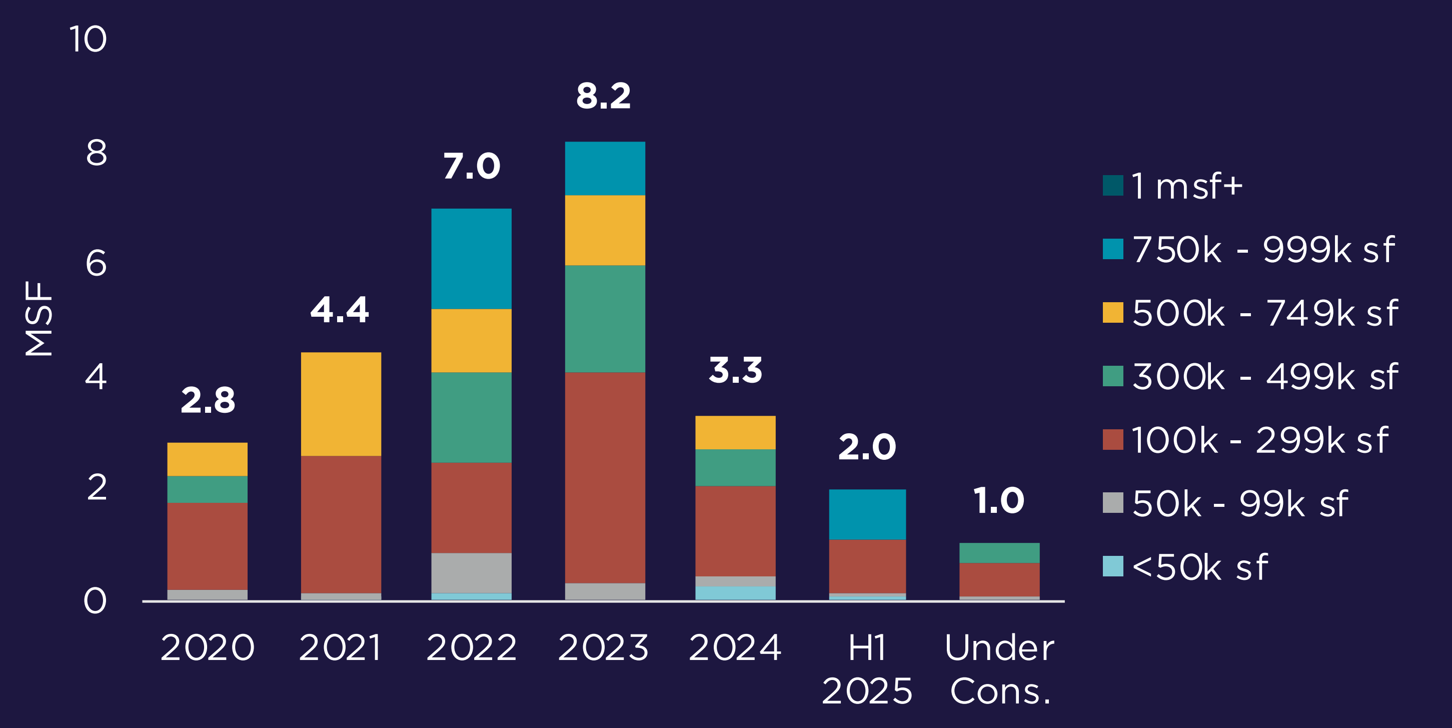


Dataset includes buildings delivered between 2020 and H1 2025.

Speculative Development By Submarket



Speculative W/D Deliveries by Size



MEMPHIS

Spec Development Surged, Then Paused

From 2020–2023, 27.1 msf of spec space was delivered, driven by e-commerce, 3PLs, and supply chain shifts. Spec construction starts halted in 2023 as market momentum slowed and no new starts are planned for the foreseeable future.

Build-to-Suits and Data Centers Lead Current Activity

BTS projects continue, including a 2.0-msf Amplify Cell battery plant and a 933,000-sf Amazon IXD. Data center growth surged in 2024 and 2025, with xAI's supercomputers occupying 1.8 msf across two buildings—the world's first gigawatt+ training cluster.

Logistics Powerhouse with Expanding Industry Base

Anchored by FedEx's global hub, Memphis is the largest U.S. air cargo center and third-largest globally. Supported by five Class I railroads and a major trucking corridor, key industries include logistics, e-commerce, 3PLs, battery manufacturing, and AI/data centers.

Development Outlook: Slower But Strategic

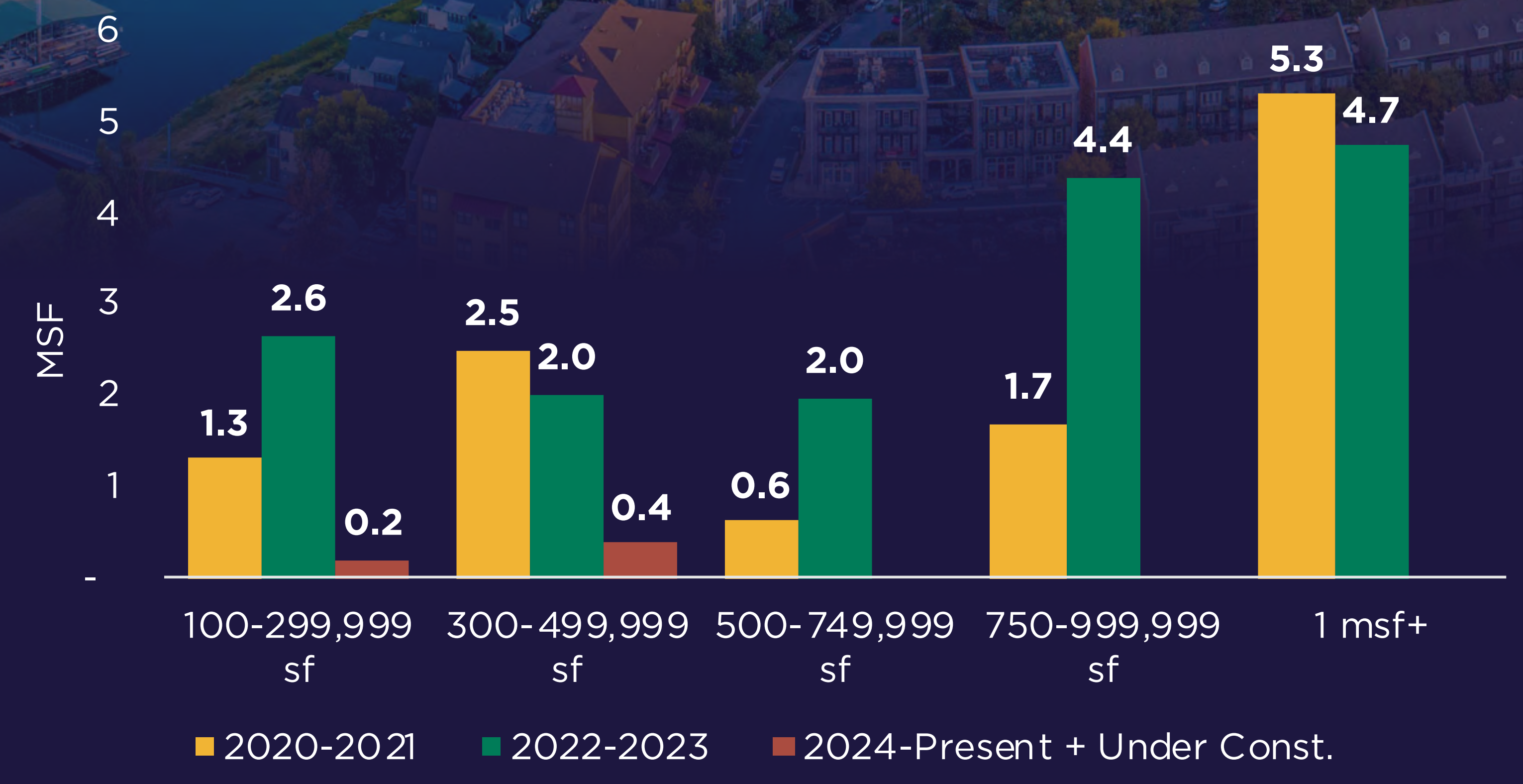
With spec development paused and BTS active, developers are cautious but well-positioned. Ample land and infrastructure support future growth as demand evolves.

76.0%

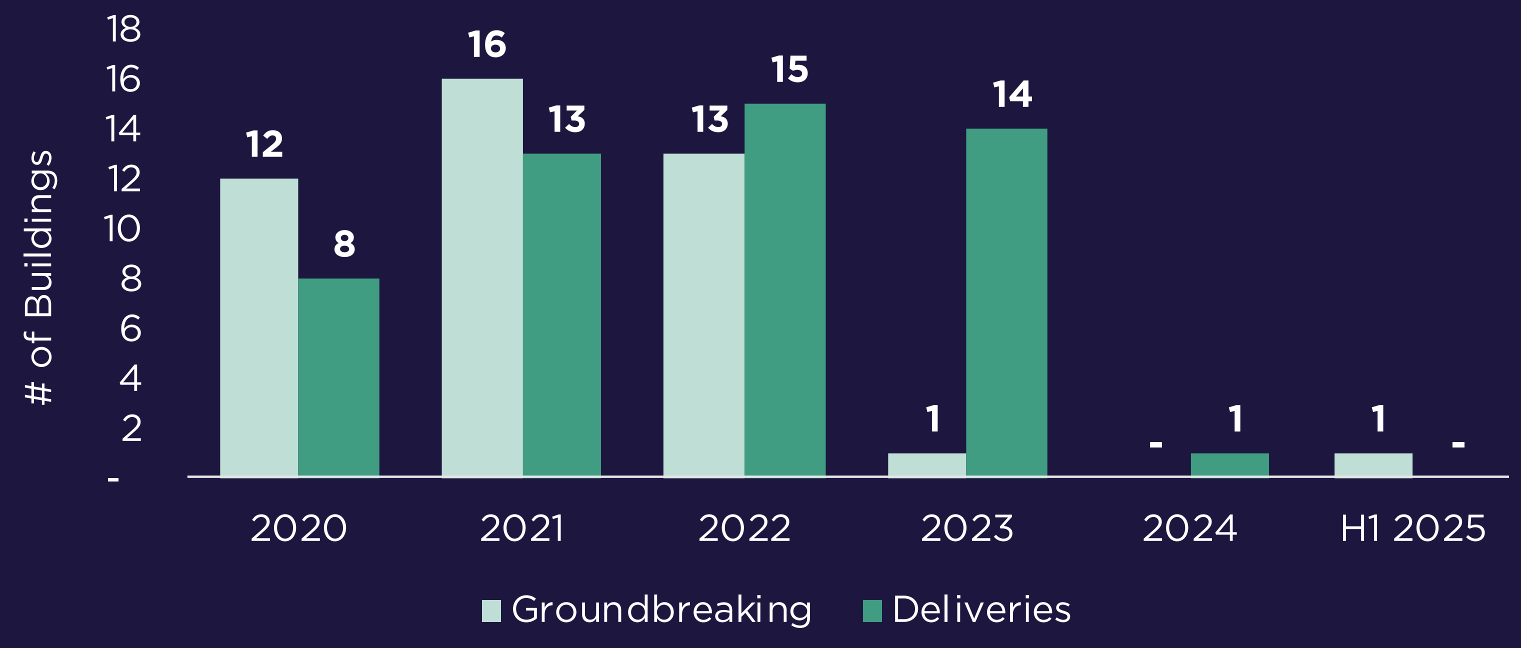
W/D SPECULATIVE OCCUPANCY

Dataset includes buildings delivered between 2020 and H1 2025.

Speculative Deliveries By Size



Speculative W/D Groundbreakings & Deliveries



ATLANTA

Post-Pandemic Expansion and Recent Slowdown

Following the pandemic, unprecedented leasing demand from retail trade and 3PL companies, combined with historically low vacancy rates fueled the expansion of Atlanta's W/D pipeline over the past six years. Following its peak in 2023, Atlanta's development activity slowed considerably. In the first half of 2025, the volume of delivered space declined by nearly 70% compared to the same period in 2023.

I-85 South Submarket Signals Potential Overbuilding

In the first half of the year, the I-85 South submarket led all others in W/D product deliveries. The combination of substantial new supply, elevated vacancy, and an absence of Q2 leasing activity suggests potential overbuilding. However, the pipeline has tapered as only two mid-sized projects remain under construction.

Logistics and Retail Tenants Drive Major Leasing Activity

Third-party logistics providers, manufacturers, and retail/wholesale tenants have driven more than 70.0% of leasing activity among Atlanta's largest deals since 2020.

Construction Pipeline Contracts But Starts Expected to Rise

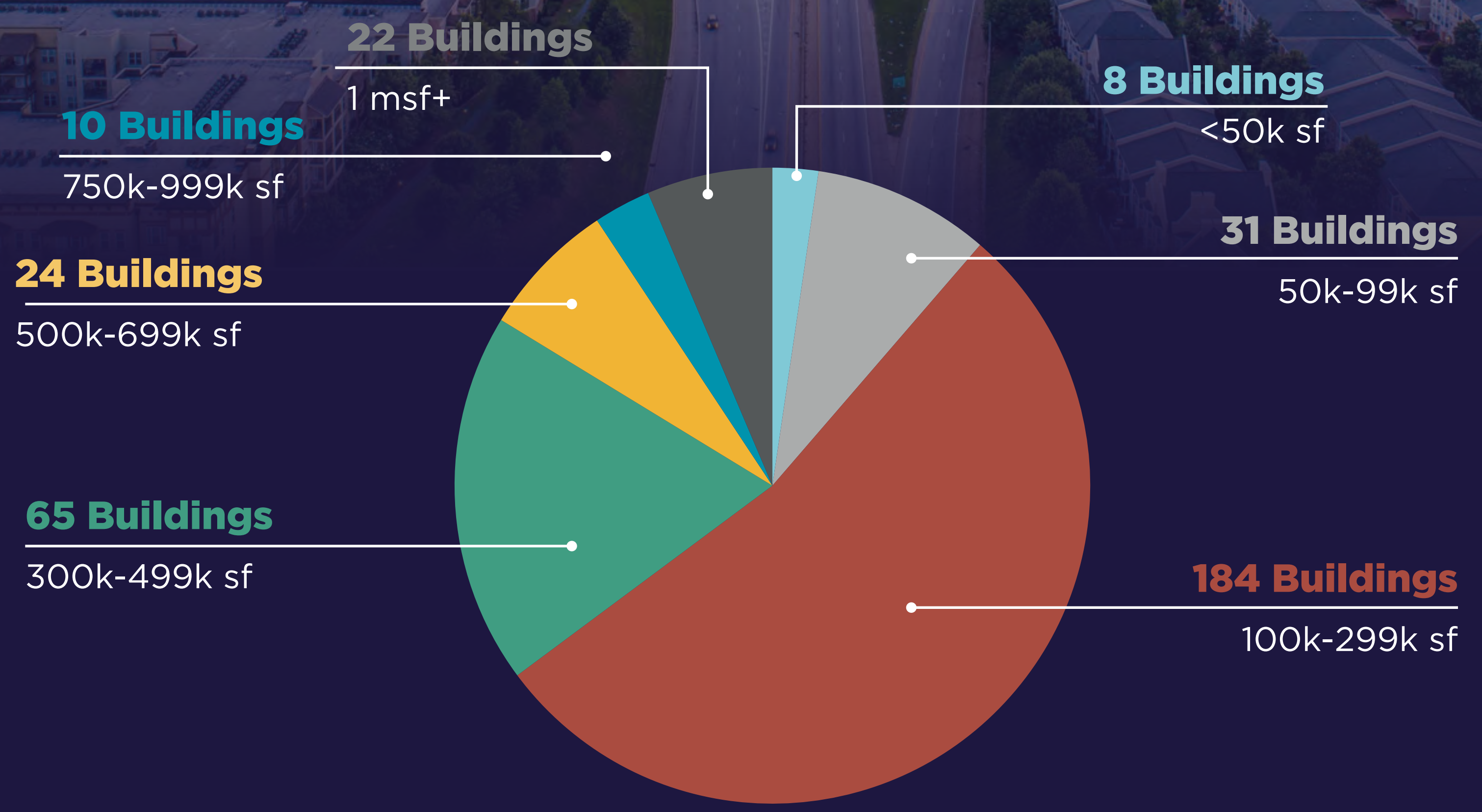
Product under construction tapered at the midpoint of 2025 to 4.9 msf—half of the active pipeline total one year prior. While developers have remained cautious, breaking ground on only four projects in H1 2025, starts are expected to increase throughout the year.

72.3%

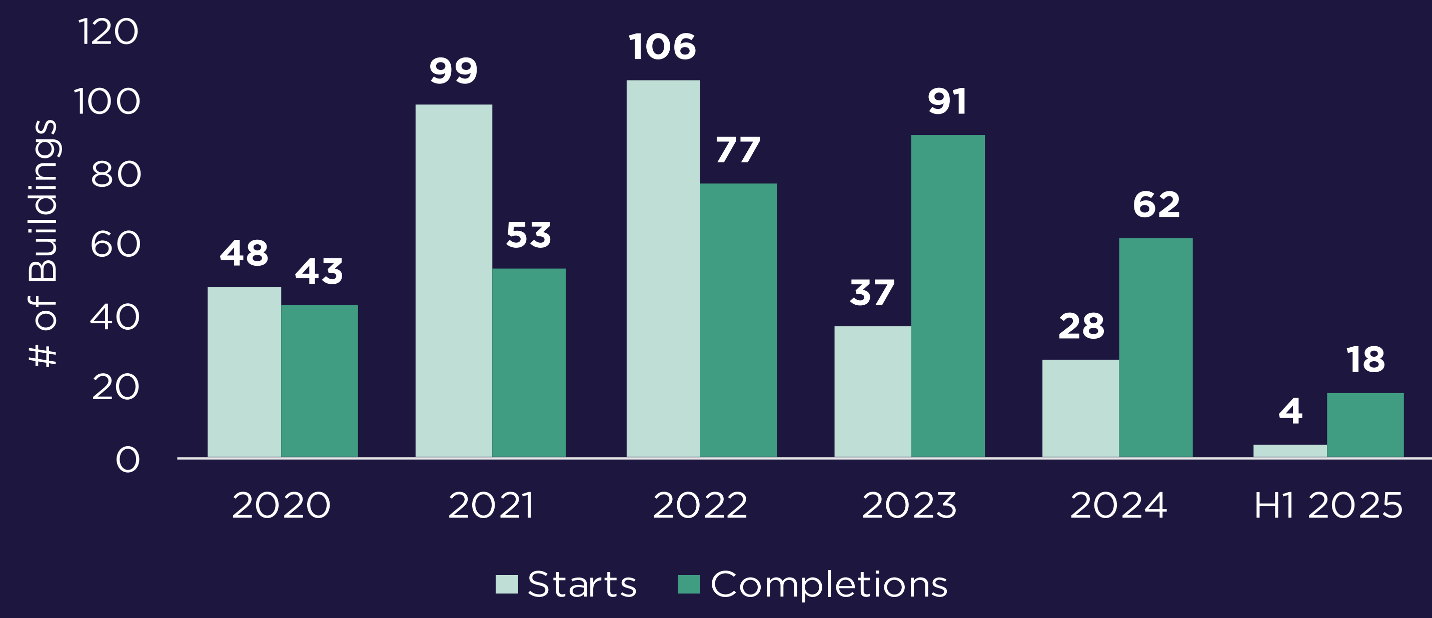
W/D SPECULATIVE OCCUPANCY

Dataset includes buildings delivered between 2020 and H1 2025.

of Speculative Deliveries by Size Range



Speculative W/D Groundbreakings & Deliveries



SAVANNAH

Shift Toward Smaller Bay Development
A boom of construction activity has grown Savannah's W/D inventory by 54.5% since 2020. Development has transitioned from bulk buildings (500,000 sf+) from 2020-2023 to smaller bay product in the 150,000–300,000-sf range, reflecting evolving tenant demand.

I-16 West Submarket Leads Activity
The I-16 West is the most active submarket, providing direct access to the Georgia Ports and serving as the preferred freight route inland to Atlanta's population center. Concern for overbuilding is confined to the outer limits of the Highway 21 Corridor and I-95 South.

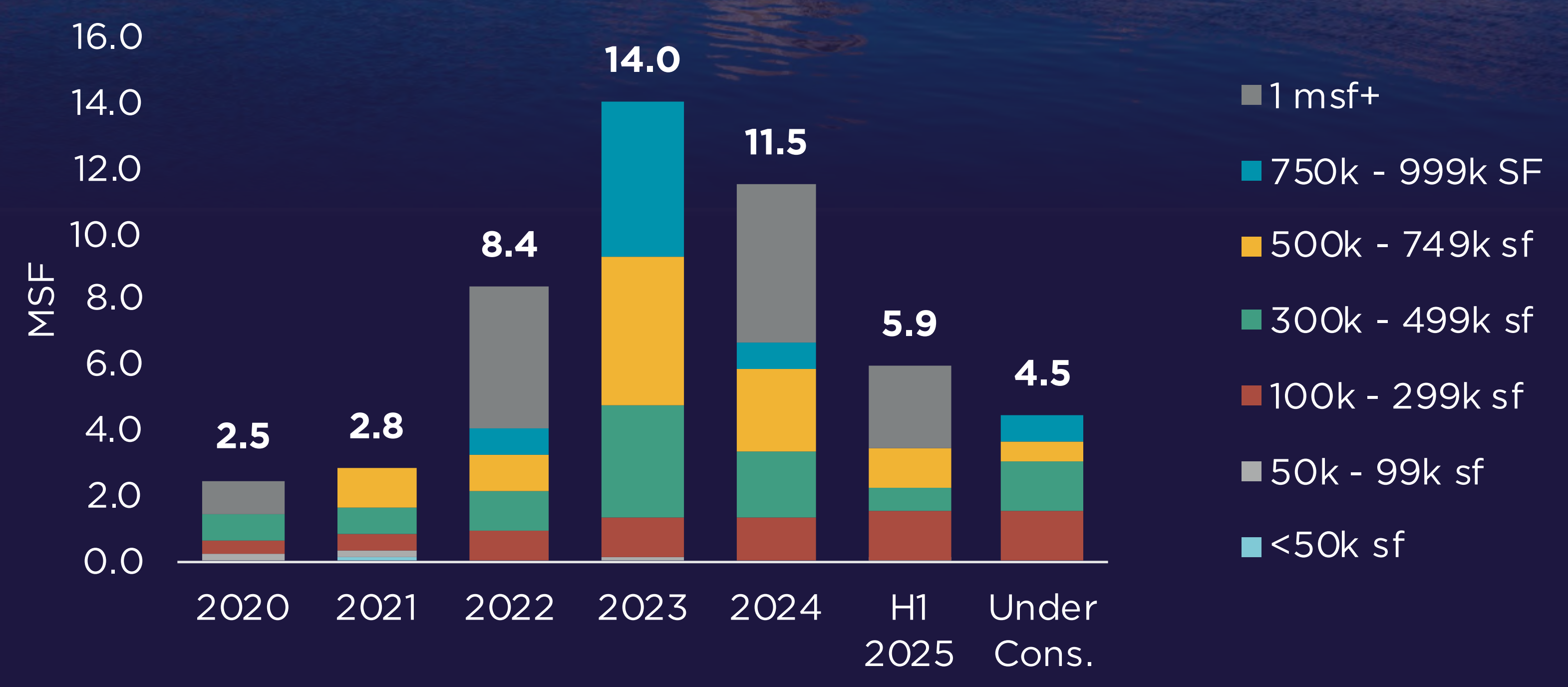
Port-Driven Demand and Expanding Manufacturing Base
Demand continues to be driven by port-related import warehousing (3PLs). Manufacturing and supporting industries are key growth sectors with the recent opening of the Hyundai EV Plant and the continued growth of Gulfstream Aerospace.

Development Expected to Rebound with No Entitlement Barriers
After reaching the lowest active pipeline levels in several years, construction is expected to pick back up. Developers control ample supply of land that is ready for immediate development with no barriers to entitlement, allowing for quick project starts as market conditions improve.

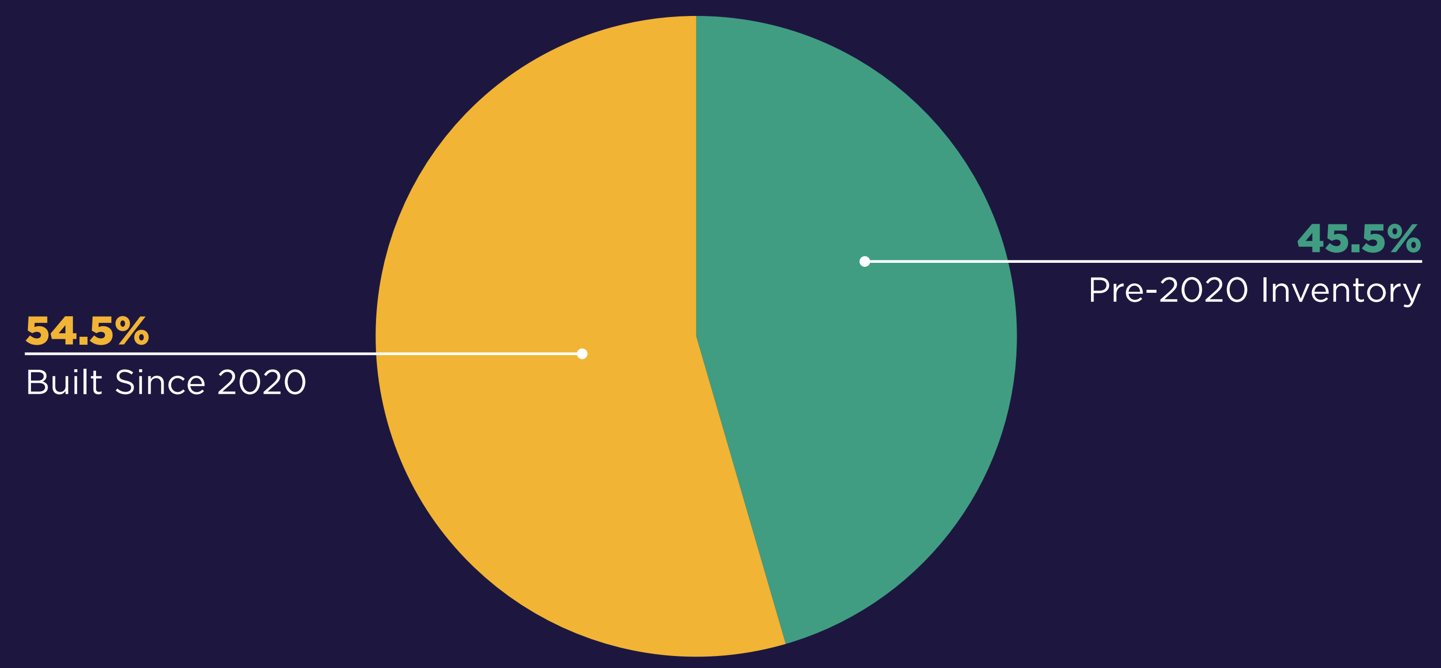
68.0%

W/D SPECULATIVE OCCUPANCY

Speculative Deliveries By Size



Warehouse/Distribution Composition



Dataset includes buildings delivered between 2020 and H1 2025.

JACKSONVILLE

Surge in Inventory Driven by Port Proximity and Migration

Jacksonville recorded a major influx of W/D space over the past two years, with 13.3 msf delivered since Q1 2023—86.1% of which was built on a spec basis. This growth has been fueled by the city's proximity to a major port and strong population migration following the pandemic.

Northside Submarket Leads Development Activity

The Northside is currently the hotspot for industrial development, accounting for 66.6% of H1 2025 W/D deliveries—the majority of which were built on a spec basis—and 44.5% of all projects underway. The Westside has also emerged as a key submarket, closely trailing with 41.5% of the active pipeline. While absorption has remained steady, the lease-up period has slowed as more space enters the market.

Logistics and Warehousing Anchor Tenant Demand

The industrial market is primarily driven by logistics and warehousing operations, supported by the strategic advantage of the city's port and regional connectivity.

Development Outlook: Elevated But Moderating

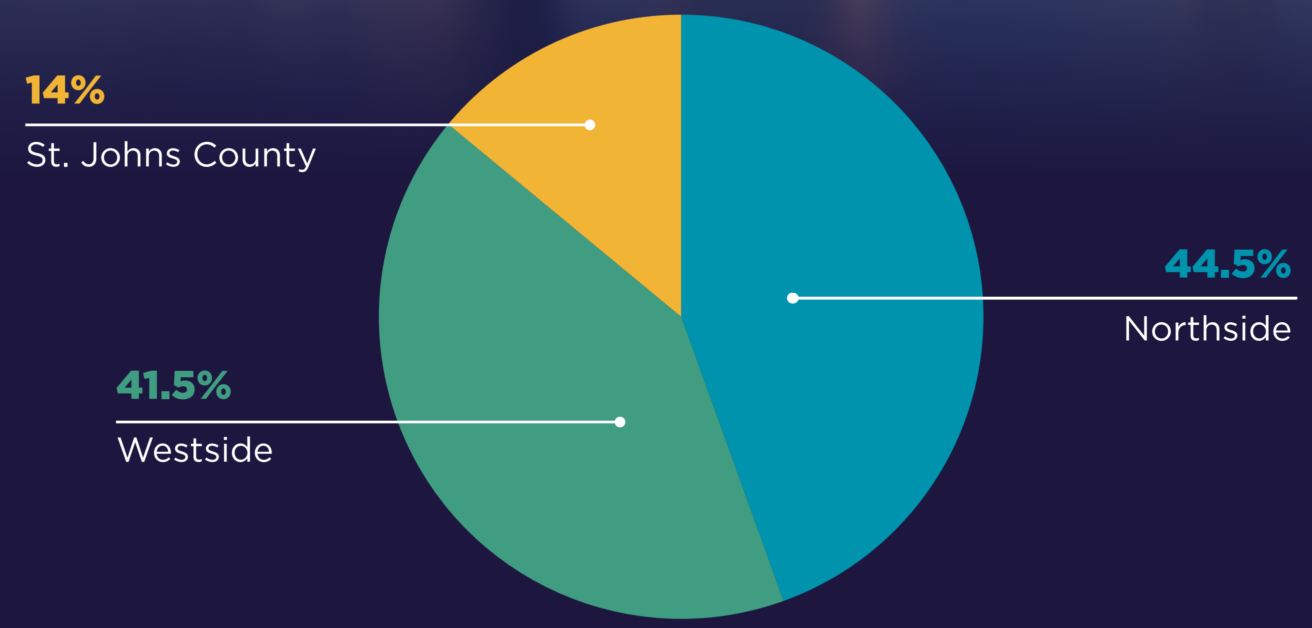
Jacksonville's W/D inventory will increase 4.5% when the 4.2 msf of projects currently underway complete construction—the highest pipeline impact on a market in the Southeast. However, new starts are likely to moderate over the next 12 to 24 months to allow time for existing inventory to be absorbed.

76.9%

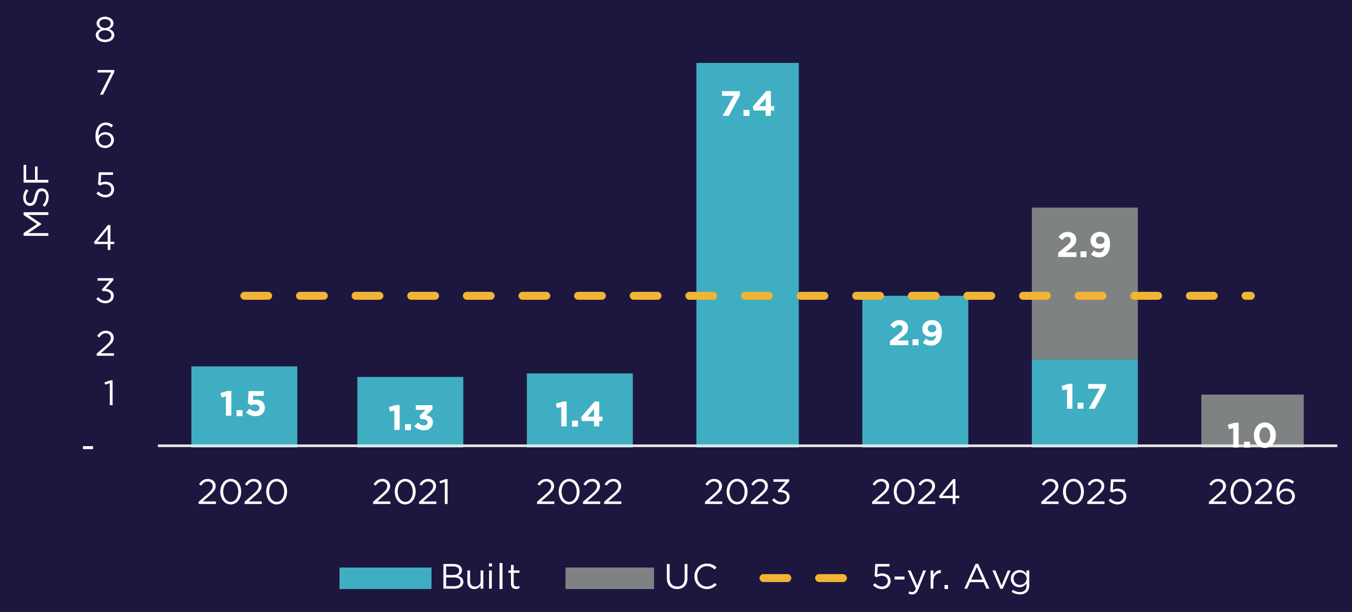
W/D SPECULATIVE OCCUPANCY

Dataset includes buildings delivered between 2020 and H1 2025.

Active Speculative Pipeline By Submarket



Speculative Deliveries By Year



ORLANDO

Post-Pandemic Industrial Boom

Rising e-commerce demand and in-migration drove a 21.8% increase in Orlando's W/D inventory since 2020. Consistent tenant interest has largely sustained the robust spec development.

Industrial Momentum in Orlando Submarkets

The Airport/Lake Nona area is the leading hub for W/D development, supported by population growth, airport access, and proximity to major transportation routes. On the other hand, initial concerns of overbuilding in Silver Star/Apopka have eased following Ryder Logistics' lease of nearly 1.2 msf of vacant space which will be occupied in H2 2025.

Logistics and Warehousing Dominate User Base

Orlando's large population and central location make it ideal for logistics and warehousing users, offering a stable workforce and statewide connectivity.

Market Slows Amid High New Deliveries

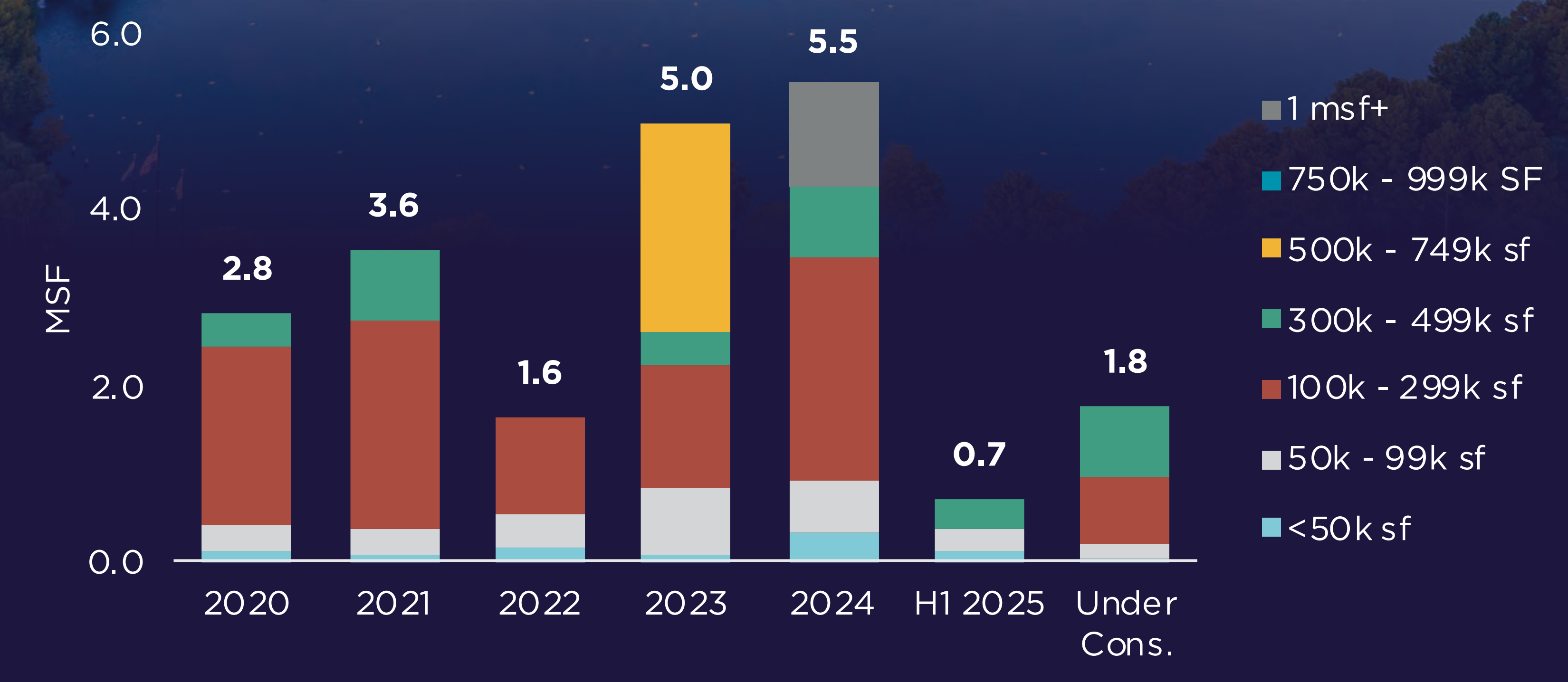
A slowdown has already begun as 10.5 msf of new spec product delivered between 2023-2024 has led to longer lease-up times, with most vacancies concentrated in newly built properties.the highest pipeline impact on a market in the Southeast. However, new starts are likely to moderate over the next 12 to 24 months to allow time for existing inventory to be absorbed.

75.9%

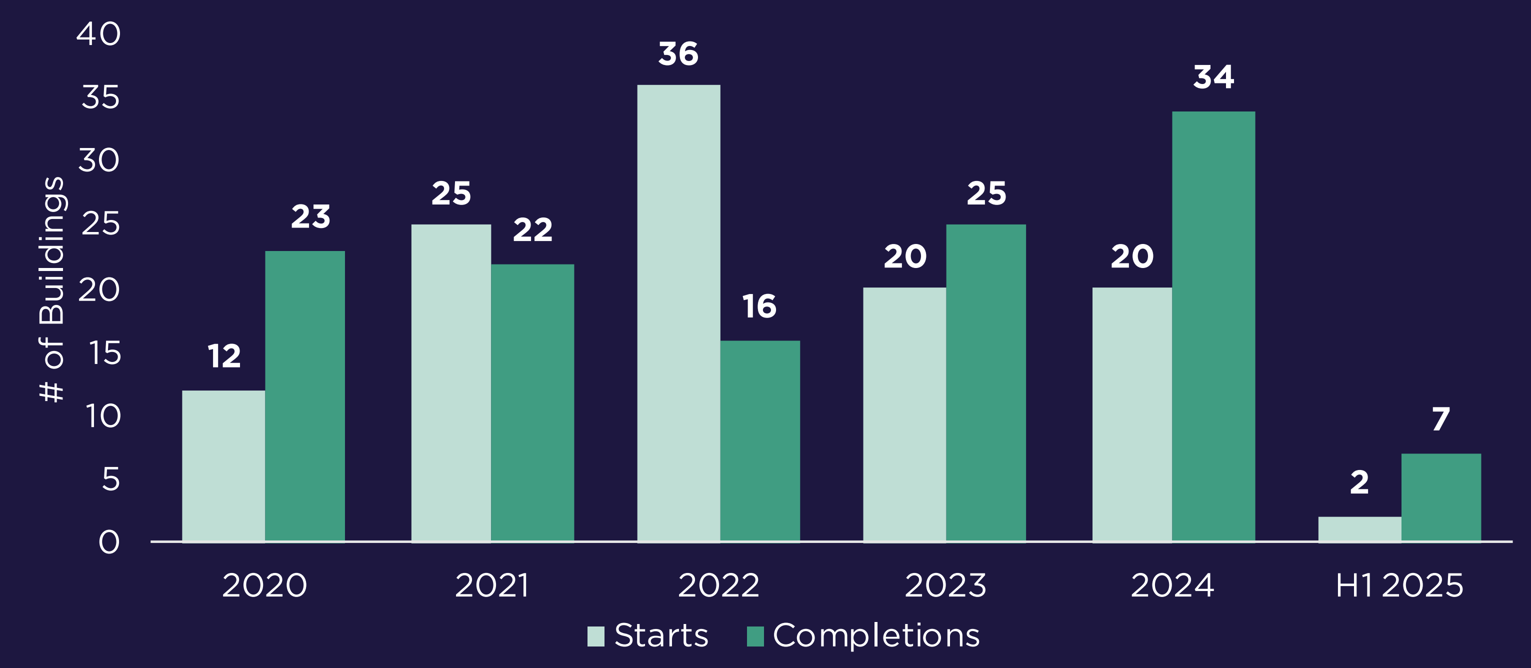
W/D SPECULATIVE OCCUPANCY

Dataset includes buildings delivered between 2020 and H1 2025.

Speculative Deliveries By Size



Speculative W/D Groundbreakings & Deliveries



TAMPA

Rapid Growth in Tampa Bay's W/D Inventory
Since 2020, Tampa Bay's W/D inventory has expanded by 24.8%, fueled primarily by sustained e-commerce growth and robust demand from 3PL providers.

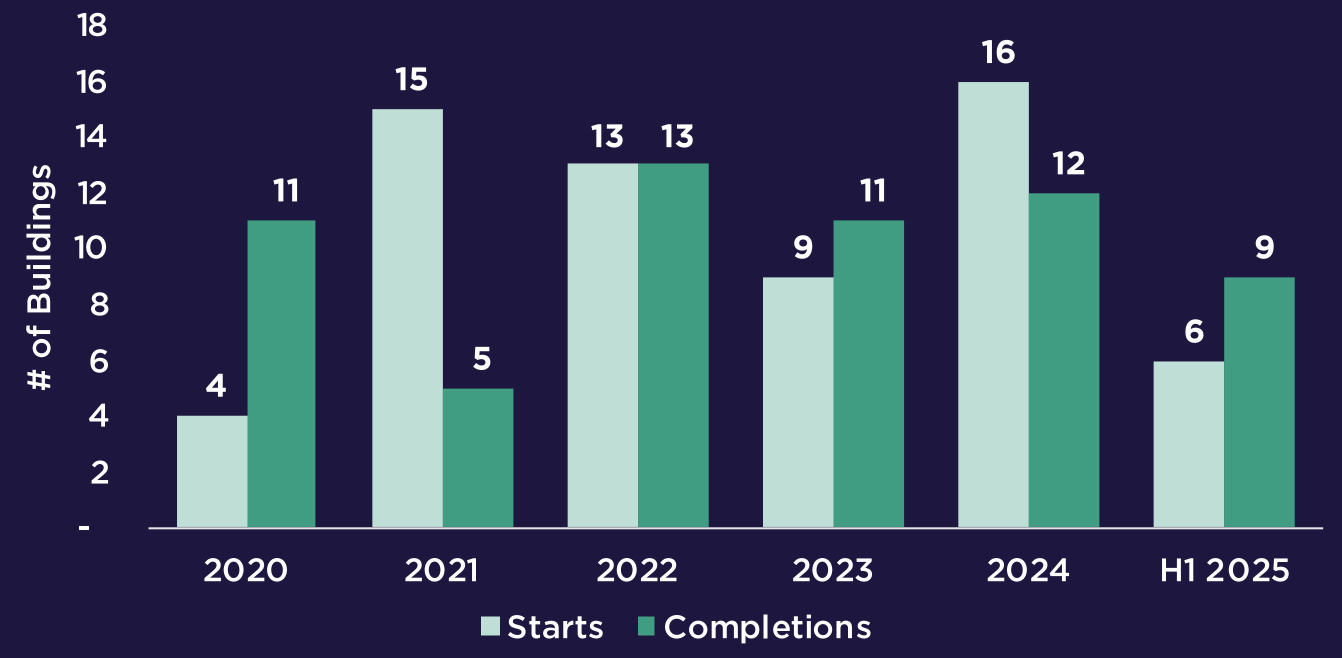
Plant City Leads New Development
Plant City is the most active submarket, benefiting from available land and its strategic I-4 location, enabling large-format projects. While construction volume raised oversupply concerns, strong leasing has helped mitigate absorption risks.

Strong Demand From Key Industrial Users
Market activity is anchored by 3PL providers, building materials and supply distributors, and e-commerce operators, reflecting the region's industrial strength.

Future Development May Slow
Although construction completions are rising for a second year, limited land availability is expected to moderate the pace of new project starts over the long term.

New Speculative Supply By Submarket

Speculative W/D Groundbreakings & Deliveries



68.7%
W/D SPECULATIVE OCCUPANCY

Dataset includes buildings delivered between 2020 and H1 2025.

LAKELAND/POLK CO.

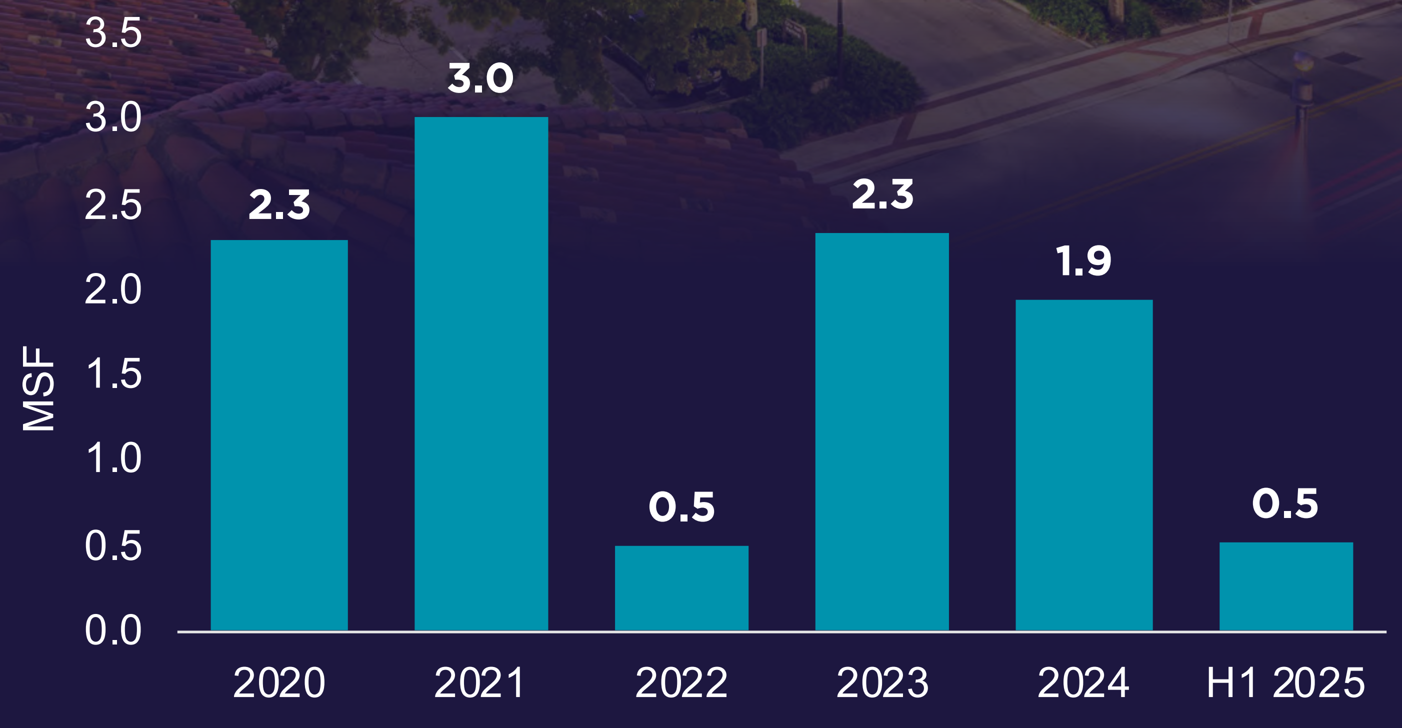
Strategic Location Fuels Rapid Inventory Growth
Since 2020, Polk County's W/D inventory has surged by 52.8%, driven by its strategic position between Tampa and Orlando—two markets experiencing strong in-migration and consumption growth.

Lakeland Leads Development Along I-4 Corridor
Lakeland has emerged as the center of new development, supported by its central location along the I-4 Corridor, ample land availability, and proximity to major population hubs. Despite elevated construction activity, steady demand from regional and national occupiers has helped mitigate concerns around overbuilding.

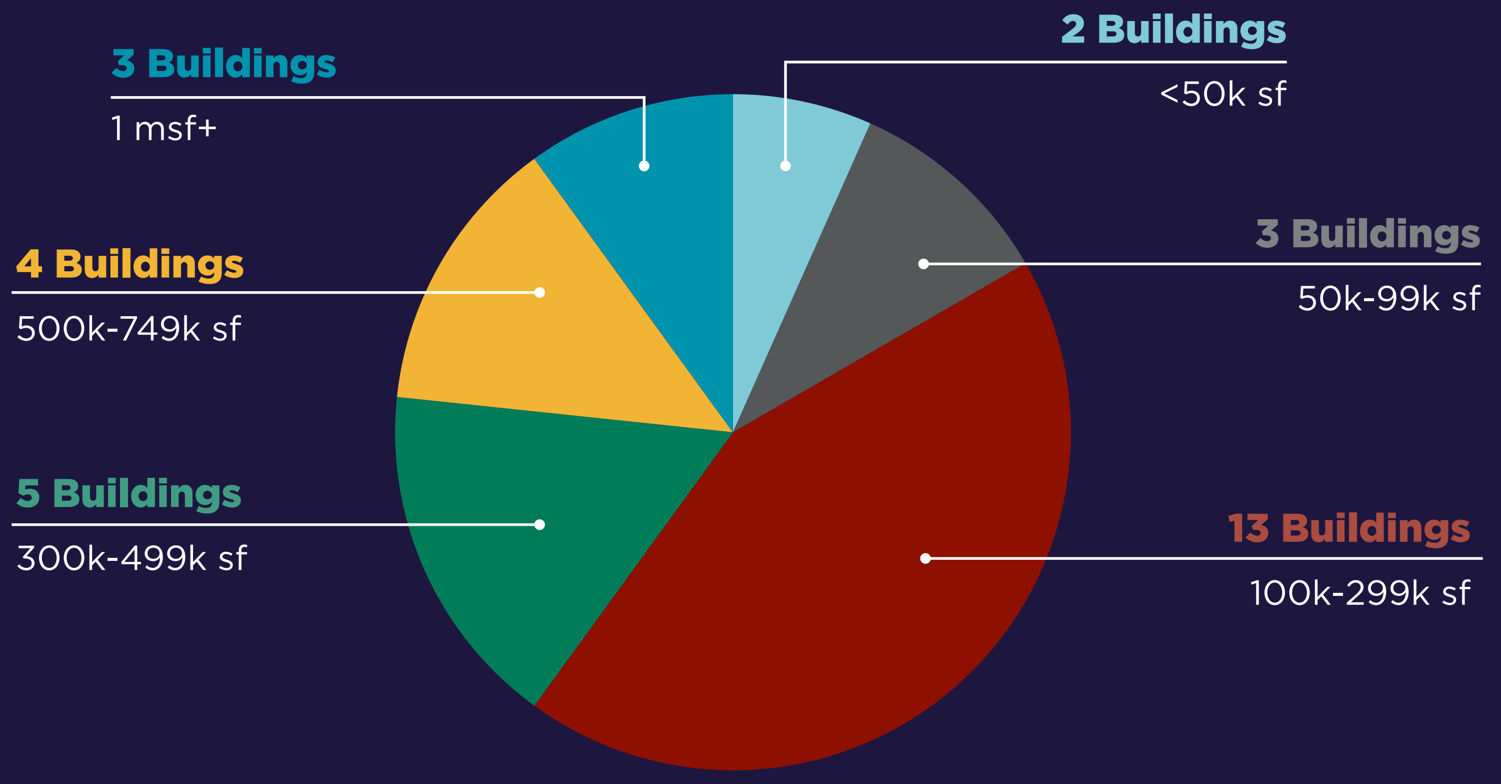
Tenant Demand Anchored by Logistics and Retail Distribution
Demand in Polk County has been led by 3PL providers, large national retailers, and wholesale distributors, all capitalizing the county's central distribution advantage within Central Florida.

Moderating Construction with Rebound Expected
After peaking with 3.0 msf delivered in 2021, spec construction has moderated. However, continued population growth and rising consumption in Central Florida are expected to drive a rebound in new project starts over the next 12 to 24 months.

Speculative Deliveries By Year



of Speculative Deliveries by Size Range



65.8%
W/D SPECULATIVE OCCUPANCY

Dataset includes buildings delivered between 2020 and H1 2025.

SOUTH FLORIDA

Post-Pandemic Growth Spurs Inventory Surge

Since 2020, South Florida has added 36.3 msf of W/D space—14.2% of the region's total inventory—83.2% of which was built on a spec basis. Driven by post-pandemic migration of residents, businesses, and capital, the region maintains low vacancy and some of the highest rents in the country, even as leasing demand normalizes from recent record highs.

Submarket Activity Highlights Diverging Development Patterns

Airport West in Miami-Dade remains a development hotspot, with Bridge Point Doral's first phase set to deliver in late 2025. In Broward, Pompano Beach leads spec construction, accounting for 75.2% of current activity. Meanwhile, Jupiter's vacancy rate rose to 22.8% due to recent inventory growth, but overbuilding concerns are limited given concentrated availability and a lack of new construction elsewhere.

Diverse Industry Base Anchors Regional Demand

South Florida's industrial market is driven by a mix of logistics and distribution, aviation/aerospace, manufacturing, and food & beverage sectors, which continue to capitalize on the region's strategic location, infrastructure, and growing consumer base.

Development Slows But Poised for Rebound

As of midyear, under-construction projects totaled just under 5.0 msf—the lowest level since 2018. With only 515,812 sf of new starts in H1, development has slowed significantly. However, activity is expected to accelerate over the next 12 to 24 months as market conditions stabilize and developer confidence returns.

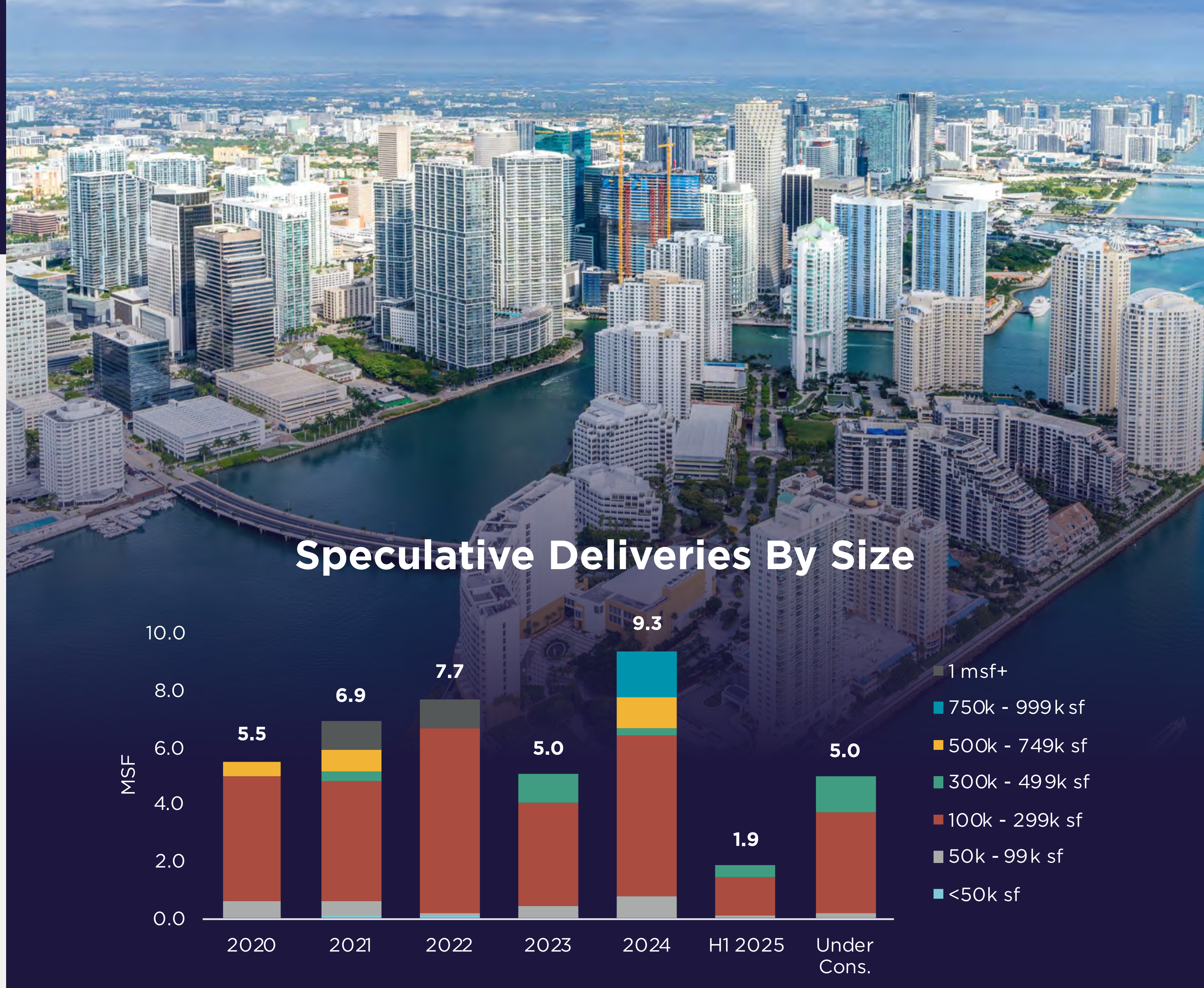
75.0%

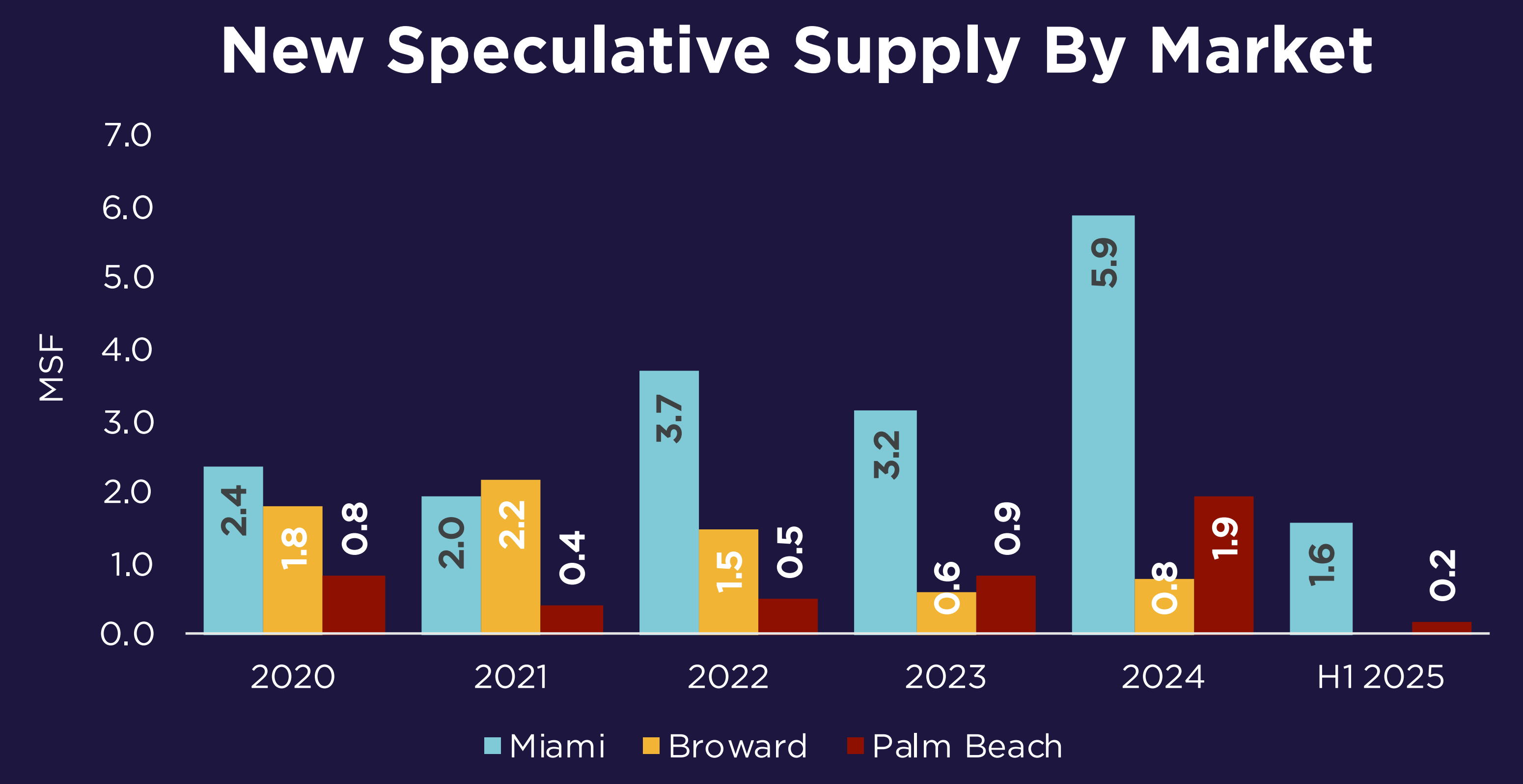
W/D SPECULATIVE OCCUPANCY

DELIVERIES 2020 TO H1 2025: **22.7 MSF** (OCCUPIED SF) | **7.5 MSF** (VACANT SF)

■ OCCUPIED SF ■ VACANT SF

Dataset includes buildings delivered between 2020 and H1 2025.





**SFL: Miami, Palm Beach, & Broward*

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