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CoStar Insight

Brevard County's aerospace boom meets industrial bottleneck

Central Florida's manufacturing sector is primed for growth but undersupplied



Blue Origin has a 750,000-square foot Orbital Launch System manufacturing facility at Kennedy Space Center. (CoStar)

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Brevard County, Florida, is rapidly emerging as one of the nation's most important aerospace hubs. Since the rise of private actors in the space industry, the region has attracted a wave of space exploration and defense contractors, including Blue Origin, SpaceX, Northrop Grumman, L3Harris Technologies and Lockheed Martin. These firms have anchored their operations in and around Cape Canaveral, drawn by proximity to launch infrastructure, a skilled labor pool and Florida's business-friendly environment.

Yet despite this momentum, Melbourne's industrial market faces a critical challenge: a severe lack of available, high-quality space. Many of the early entrants developed and occupied their own facilities, leaving little inventory for new users.

Today, the region is experiencing a second wave of demand — this time driven by population growth, logistics expansion and even international interest from aerospace players based in Spain, France and Italy, given its location in the Eastern time zone.

The importance of manufacturing in Brevard County

The shortage is particularly acute for manufacturing space, which accounts for the bulk of new industrial space requirements in [Brevard County](#). Existing facilities are already occupied by major tenants such as Knights Armament Co. and SMTC Corp., and the vacancy rate as of September is only 3.9%, which represents a decline of 110 basis points in the past 12 months. While there is modest development activity with just over 240,000 square feet underway, none of it is manufacturing space.

There is a solid case for development, but as investor attention has turned more toward Brevard County in recent years, land has gotten more expensive. The demographics are certainly there to support business expansion, and Brevard's manufacturing workforce is nearly double the national average on a per-capita basis. The market is an ideal location for advanced manufacturing and research and development, and several localities are streamlining their permitting and entitlement processes to incentivize dealmaking. Yet the lack of inventory remains a major hurdle, and while the need for space is clear, speculative development is nearly absent in this pivotal area.

Speculative development is well short of demand

Outside of a single [640,000-square-foot project planned by Hines](#) at Space Coast Innovation Park in Titusville, there is virtually no new product on the horizon available to lease. The result is a market where companies seeking move-in-ready space are left with few options. Many are forced to lease in adjacent markets like Orlando or explore alternative aerospace hubs in Alabama, Texas, California, Washington, Arizona and Colorado.

Brevard County offers strategic advantages for aerospace and industrial users, but the lack of speculative development and available inventory presents a significant barrier to entry. For investors and developers, this represents both a challenge and an opportunity: to meet surging demand in a market that is primed for growth but constrained by supply.

Multiple owner-user projects are moving forward

Several major projects should break ground in the coming months, though they are mostly build-to-suit developments. Among the most significant projects:

- Blue Origin is planning a multiphase manufacturing facility in Titusville that is expected to boost employment and economic growth. The company is seeking permits to build a light manufacturing warehouse complex on a 67.33-acre site at 7980 Grissom Parkway. Founder Jeff Bezos announced in September that the company has plans to launch from Florida by the end of the decade.

- Amazon has been announced as an anchor for Project Zeppelin, a 117-acre industrial and retail project in West Melbourne. The first-mile logistics hub will total more than 650,000 square feet and employ nearly 1,000 upon completion.
- Embraer plans a \$90 million expansion of its facilities at Melbourne-Orlando International Airport.

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