



Prior to the coronavirus, Orlando's retail market was one of the strongest in the United States. It could prove to be one of the most resilient, but the near-term effects of the virus, which has put a complete stop to traveling for pleasure for now, will be felt strongly here.

The market is already seeing limited new retail construction, which should help keep vacancies low. The rate has so far only slightly risen from historical lows. New retail groundbreakings are unlikely to move forward in the coming months, which should at least slightly cushion the coronavirus's blow to the market's retail vacancy rate.

The market recorded some of the strongest rent growth in the nation in the past 12 months, thanks to the until recently constant stream of demand from tourists visiting the area. But growth has begun to slow and will continue to do so in the coming quarters.

In addition to the demand from tourists, population and job growth have both been very strong in Orlando in recent years, fueling personal consumption. In addition, the metro is also one of the tightest labor markets in the country, with an unemployment rate that is one of the best in Florida. This has helped drive income growth rates above the national average, further strengthening purchasing power. But, this could change as retail, leisure and tourism-related job growth wavers in the aftermath of the coronavirus.

Investment activity has picked up in recent years and annual sales volume hit a 10-year high of \$1.2 billion in 3Q19. In the past 12 months, volume has stayed over \$1 billion. The coronavirus will probably put a stop to this bull-run which lasted more than six years, as investors could pivot to markets with less tourism exposure. They could seek out higher yields as well as those in Orlando are at decade-lows and recently dipped below the national average for the first time.

Source: CoStar Property®

ORLANDO MSA Retail Market



Total Retail Space
145,020,585 SF



Under Construction
878,500 SF



20 Shopping Centers
500,000 SF+

Orlando MSA (Orange, Seminole, Lake & Polk Counties) | Source: CoStar Property

Trends for 1Q20



NET ABSORPTION



VACANCY RATE

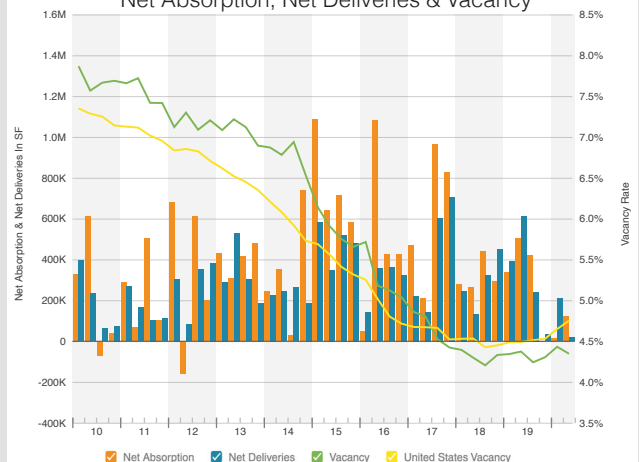


CONSTRUCTION

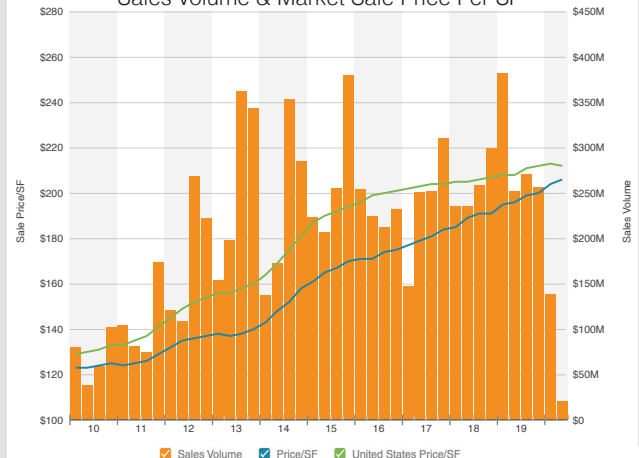


ASKING RATES

Net Absorption, Net Deliveries & Vacancy



Sales Volume & Market Sale Price Per SF



Total Retail Market Statistics

First Quarter 2020

Orlando MSA (Lake, Orange, Osceola & Seminole Counties)

Market	Existing Inventory		Vacancy		YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
436 Corridor	682	9,085,946	462,870	6.5%	(26,674)	18,300	9,000	\$20.56
Altamonte/Douglas	406	5,462,369	273,809	5.0%	85,709	38,200	0	\$24.33
Apopka	227	3,271,493	183,833	5.7%	1,486	14,183	10,485	\$19.91
Casselberry	455	7,126,367	356,813	5.6%	23,807	(9,752)	21,771	\$21.56
Downtown Orlando	247	1,889,109	59,423	4.5%	275,090	202,562	0	\$27.78
East Seminole Outlying	206	2,393,642	124,164	5.2%	(24,832)	9,300	100,150	\$22.78
Kissimmee	508	8,701,436	239,554	4.4%	(5,838)	13,300	96,006	\$19.73
Lake County	1,610	19,284,111	500,940	2.6%	211,813	45,225	67,455	\$18.94
Lake Mary	234	3,364,352	167,993	5.1%	32,840	0	76,075	\$27.08
Lee Road	138	1,462,319	32,724	2.4%	97,492	0	0	\$17.33
Longwood	185	1,847,959	77,048	4.7%	19,453	10,000	0	\$17.17
Maitland	59	942,327	77,869	8.3%	29,417	0	0	\$24.54
Maitland Center	188	2,596,684	82,397	3.5%	6,354	0	0	\$19.48
Metro West	271	2,582,444	82,105	3.3%	102,088	122,420	6,800	\$23.48
NW Orange Outlying	101	1,008,811	77,619	7.8%	14,199	9,002	17,500	\$20.56
Orlando Airport	102	1,413,591	38,416	2.7%	(787)	0	0	\$26.99
Orlando Central Park	454	9,565,856	610,094	7.5%	(250,209)	34,210	0	\$26.97
Osceola Outlying	525	7,732,089	189,230	2.5%	85,203	78,406	28,000	\$24.26
Sanford	446	5,447,381	332,985	6.2%	(68,353)	30,000	0	\$23.31
SE Orange Outlying	443	6,438,970	100,280	1.8%	201,682	218,717	89,885	\$26.14
South Orange	301	2,443,795	171,672	7.7%	(58,157)	0	0	\$20.15
St Cloud	204	2,123,607	52,877	2.5%	5,244	9,536	0	\$19.52
SW Orange Outlying	161	3,596,899	38,598	1.2%	92,228	61,320	78,931	\$31.30
Tourist Corridor	581	12,706,837	357,311	2.9%	267,191	189,294	37,950	\$30.74
University	58	662,229	38,771	5.9%	16,258	0	9,100	\$29.41
University Research	56	712,682	14,231	2.0%	93,329	91,700	4,500	\$25.35
W Seminole Outlying	86	1,078,759	124,014	11.5%	(4,056)	10,000	0	\$21.22
West Colonial	897	11,984,685	539,751	4.9%	(155,202)	(59,767)	200,000	\$19.85
West University	246	4,651,487	185,890	5.5%	(50,140)	(3,189)	0	\$25.92
Winter Park	404	3,442,349	152,903	4.6%	(11,193)	(4,407)	24,892	\$30.39
Totals	10,481	145,020,585	5,746,184	4.4%	1,005,442	1,128,560	878,500	\$23.32

Brevard, Polk & Volusia Counties (Adjacent)

Market	Existing Inventory		Vacancy		YTD Net	YTD	Under	Quoted
	# Blds	Total GLA	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Brevard County	2,910	34,815,272	1,919,602	5.7%	1,083	2,938	67,077	\$14.84
Polk County	2,758	31,167,720	1,131,161	4.2%	118,986	320,125	208,893	\$15.27
Volusia County	3,903	39,551,599	1,697,730	4.4%	500,578	242,028	126,618	\$15.63

Total Orlando MSA Retail Market Statistics by Quarter

Period	Asset Value	Vacancy Rate	Availability Rate	Market Rent/SF	Annual Rent Growth	Inventory SF	Under Constr SF	Under Constr % of Inventory	12 Month Net Absorption SF	Market Price/SF	Sales Volume
2020 1q	\$29.2 B	4.4%	6.1%	\$23.32	6.1%	145.0 M	879 K	0.6%	1.0 M	\$308.95	\$129 M
2019 4q	\$28.7 B	4.3%	6.0%	\$23.01	6.5%	144.8 M	669 K	0.5%	1.3 M	\$198.19	\$257 M
2019 3q	\$28.4 B	4.2%	6.1%	\$22.77	6.7%	144.7 M	684 K	0.5%	1.6 M	\$159.93	\$271 M
2019 2q	\$28.1 B	4.4%	6.5%	\$22.37	6.7%	144.5 M	809 K	0.6%	1.6 M	\$176.60	\$252 M

Orlando MSA (Lake, Orange, Osceola & Seminole Counties)

	Period	Existing Inventory		Vacancy		Net Absorption	Deliveries Total GLA	Under Const GLA	Quoted Rates
		# Blds	Total GLA	Total SF	Vac %				
General Retail	2020 1q	7,963	62,908,153	1,854,023	3.1%	731,865	781,578	529,159	\$21.84
	2019 4q	7,955	62,747,831	1,860,486	3.1%	600,639	805,498	595,381	\$21.56
	2019 3q	7,951	62,746,625	1,748,074	3.1%	869,526	1,054,007	577,788	\$21.35
	2019 2q	7,933	62,550,163	1,869,049	3.3%	620,984	1,041,127	686,135	\$20.95
Mall Market	2020 1q	157	13,297,071	467,575	3.5%	38,079	31,050	203,000	\$32.59
	2019 4q	157	13,297,071	517,677	3.9%	70,820	77,421	3,000	\$32.00
	2019 3q	157	13,297,071	487,970	3.7%	169,928	205,407	0	\$31.63
	2019 2q	156	13,281,421	493,577	3.8%	230,854	301,933	15,650	\$31.24
Shopping Centers	2020 1q	1,313	45,918,847	2,504,676	6.3%	(10,934)	118,348	134,841	\$22.16
	2019 4q	1,312	45,911,847	2,530,279	6.1%	237,480	122,148	41,691	\$21.88
	2019 3q	1,306	45,841,649	2,508,793	5.9%	327,563	117,950	77,198	\$21.64
	2019 2q	1,304	45,812,499	2,532,151	5.7%	628,582	135,705	99,348	\$21.25
Total Retail	2020 1q	10,481	145,020,585	5,746,184	4.4%	1,005,442	1,128,560	878,500	\$23.32
	2019 4q	10,470	144,824,073	5,847,094	4.3%	1,336,303	1,321,496	669,262	\$23.01
	2019 3q	10,460	144,752,669	5,702,201	4.2%	1,602,911	1,698,778	684,176	\$22.77
	2019 2q	10,437	144,503,803	5,980,074	4.4%	1,633,040	1,792,575	808,737	\$22.37

Brevard, Polk & Volusia Counties (Adjacent) - 1st Quarter 2020

	Period	Existing Inventory		Vacancy		Net Absorption	Deliveries Total GLA	Under Const GLA	Quoted Rates
		# Blds	Total GLA	Total SF	Vac %				
General Retail	Brevard	2,398	19,036,645	605,961	3.2%	(34,987)	(12,912)	8,486	\$14.23
	Polk	2,326	16,867,143	429,209	3.2%	(184,104)	63,688	184,218	\$14.17
	Volusia	3,287	21,872,050	607,110	2.8%	310,439	237,628	126,618	\$15.07
Mall Market	Brevard	23	2,158,361	23,206	1.1%	(5,206)	0	0	\$20.43
	Polk	33	2,335,844	96,756	4.1%	208,359	173,400	5,500	\$23.48
	Volusia	20	1,409,702	40,105	2.8%	(11,606)	0	0	\$21.98
Shopping Centers	Brevard	207	9,515,729	994,923	11.0%	(111,654)	15,850	47,391	\$14.93
	Polk	227	8,873,430	507,707	6.5%	224	0	0	\$14.19
	Volusia	317	11,897,208	866,426	7.4%	155,129	4,400	0	\$15.66
Total Retail	Brevard	2,911	34,818,942	1,919,602	5.7%	1,083	2,938	67,077	\$14.84
	Polk	2,758	31,167,720	1,131,161	4.2%	118,986	320,125	208,893	\$15.27
	Volusia	3,903	39,551,599	1,697,730	4.4%	500,578	242,028	126,618	\$15.63

