



Prior to the coronavirus, Orlando's retail market was one of the strongest in the United States. Due to recent strength, the market could prove to be one of the most resilient but the effects of the virus, which put a complete stop to traveling for pleasure, will be felt strongly here. As the metro with the second-highest proportion of jobs in the retail trade and leisure and hospitality sectors among large US markets, Orlando is among the most vulnerable during this economic downturn and the retail sector is expected to be the hardest hit.

The market is already seeing limited new retail construction, which could keep vacancies low. The rate has so far only slightly risen from historical lows. Many 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. However, store closures are likely to ramp up due to the pandemic. JC Penney has already announced the permanent closure of the Orlando Fashion Square location.

The market recorded some of the strongest rent growth in the nation prior to the pandemic, thanks to the until recently constant stream of demand from tourists visiting the area. But growth is expected to slow in the coming quarters as the lack of tourists and the long-term shop closures take their toll on retailers.

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 but has slowed in recent quarters. Annual sales volume hit a 10-year high of \$1.2 billion in Q319 but Q120 was the lowest-volume quarter in six years and Q220 is on pace to be the lowest-volume quarter in a decade.

Source: CoStar Property®

ORLANDO MSA Retail Market



Total Retail Space
145,588,469 SF



Under Construction
1,343,590 SF



20 Shopping Centers
500,000 SF+

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

Quarterly Trends



NET ABSORPTION



VACANCY RATE

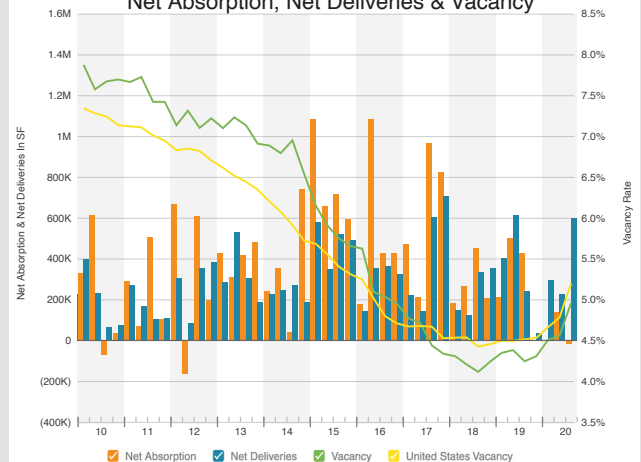


CONSTRUCTION

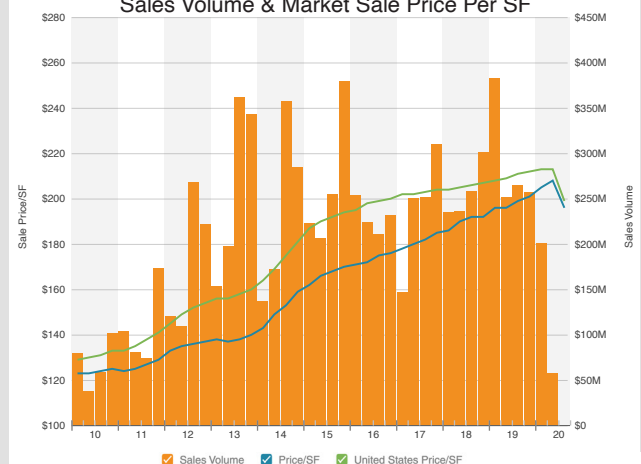


ASKING RATES

Net Absorption, Net Deliveries & Vacancy



Sales Volume & Market Sale Price Per SF



Total Retail Market Statistics

Second 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	683	9,254,519	483,224	6.6%	(61,150)	10,400	9,000	\$21.30
Altamonte/Douglas	407	5,490,454	326,631	6.0%	41,581	34,000	0	\$25.09
Apopka	228	3,278,293	195,353	6.0%	(14,363)	13,438	8,685	\$20.23
Casselberry	455	7,125,384	398,405	5.6%	4,779	(9,752)	21,771	\$22.19
Downtown Orlando	247	1,890,559	91,294	5.4%	126,128	52,562	0	\$28.33
East Seminole Outlying	206	2,262,879	141,763	6.3%	(24,681)	10,900	100,140	\$24.33
Kissimmee	513	8,657,032	351,412	4.1%	49,262	49,306	83,500	\$20.08
Lake County	1,616	19,371,423	622,204	3.2%	73,748	27,367	160,337	\$19.31
Lake Mary	234	3,346,084	187,220	5.7%	23,724	0	76,075	\$27.93
Lee Road	139	1,469,032	61,951	4.2%	(8,085)	1,325	0	\$17.47
Longwood	185	1,851,858	67,927	3.7%	23,661	0	0	\$17.54
Maitland	59	942,296	80,269	8.5%	(13,802)	0	0	\$25.43
Maitland Center	187	2,570,706	107,280	4.2%	(26,510)	0	0	\$20.53
Metro West	293	2,681,248	70,669	2.6%	228,694	215,920	23,300	\$24.09
NW Orange Outlying	107	1,058,794	88,694	8.5%	22,801	24,402	118,387	\$21.04
Orlando Airport	102	1,413,431	87,071	6.2%	(43,824)	0	0	\$27.56
Orlando Central Park	461	9,500,441	512,389	6.0%	(69,145)	34,210	0	\$27.72
Osceola Outlying	530	7,762,056	243,589	3.2%	84,533	55,043	36,500	\$24.66
Sanford	447	5,470,679	336,013	6.2%	(60,031)	18,800	0	\$24.11
SE Orange Outlying	453	6,445,676	108,709	2.0%	152,714	176,876	128,720	\$26.81
South Orange	307	2,416,123	174,175	7.2%	12,349	43,798	0	\$20.77
St Cloud	204	2,124,194	64,547	3.0%	4,503	6,543	0	\$19.82
SW Orange Outlying	163	3,608,529	44,747	1.3%	32,278	57,263	122,300	\$31.83
Tourist Corridor	583	12,723,072	393,359	3.1%	21,494	58,498	185,950	\$31.23
University	58	662,213	46,641	7.0%	8,465	0	9,100	\$29.35
University Research	56	712,682	13,031	1.8%	43,729	2,500	26,849	\$25.92
W Seminole Outlying	87	1,343,759	124,214	9.3%	(4,537)	10,000	0	\$18.71
West Colonial	911	12,063,692	528,508	4.8%	(39,616)	(76,567)	204,500	\$20.33
West University	246	4,659,455	159,231	4.8%	(17,814)	0	0	\$26.44
Winter Park	402	3,431,906	140,374	4.1%	655	(14,600)	28,476	\$31.21
Totals	10,569	145,588,469	6,250,894	4.6%	571,540	802,232	1,343,590	\$23.86

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	2,923	34,820,723	1,934,134	5.8%	71,530	13,924	127,281	\$14.89
Polk County	2,778	31,163,635	1,196,990	3.9%	199,261	373,389	190,970	\$15.24
Volusia County	3,907	39,608,089	1,874,236	4.8%	124,725	363,193	94,519	\$15.62

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 2q	\$30.34 B	4.6%	6.5%	\$23.86	6.6%	145.59 M	1.34 M	0.92%	572 K	\$301	\$56 M
2020 1q	\$29.76 B	4.5%	6.2%	\$23.46	6.6%	145.36 M	1.37 M	0.94%	917 K	\$184	\$201 M
2019 4q	\$29.14 B	4.3%	6.0%	\$23.08	6.8%	145.06 M	1.03 M	0.71%	1.09 M	\$198	\$257 M
2019 3q	\$28.87 B	4.2%	6.1%	\$22.77	6.8%	145.02 M	899 K	0.62%	1.30 M	\$171	\$265 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 2q	8,041	63,413,179	1,777,261	2.9%	938,516	628,314	929,302	\$22.13
	2020 1q	8,029	63,220,392	1,836,708	3.1%	821,737	865,488	975,906	\$21.83
	2019 4q	8,013	62,959,523	1,836,071	3.0%	589,842	768,461	903,007	\$21.53
	2019 3q	8,009	62,956,577	1,731,895	3.0%	758,771	921,230	790,953	\$21.29
Mall Market	2020 2q	158	13,410,619	578,722	4.5%	(80,270)	15,650	203,000	\$33.83
	2020 1q	158	13,410,619	575,729	4.3%	(70,075)	31,050	203,000	\$33.12
	2019 4q	158	13,410,619	528,677	4.0%	59,820	77,421	3,000	\$32.28
	2019 3q	158	13,410,619	498,770	3.7%	159,128	205,407	0	\$31.68
Shopping Centers	2020 2q	1,318	45,823,387	2,846,885	6.6%	(237,001)	152,474	165,640	\$22.84
	2020 1q	1,312	45,784,581	2,545,523	6.4%	(50,105)	125,668	204,446	\$22.40
	2019 4q	1,311	45,777,781	2,572,726	6.2%	69,263	142,928	107,786	\$22.06
	2019 3q	1,307	45,736,583	2,544,273	6.0%	192,513	167,730	98,588	\$21.75
Total Retail	2020 2q	10,570	145,600,864	6,252,394	4.6%	601,040	833,232	1,367,342	\$23.87
	2020 1q	10,552	145,369,271	5,882,750	4.5%	946,509	1,219,790	1,394,852	\$23.47
	2019 4q	10,533	145,072,412	5,882,806	4.3%	1,141,009	1,305,239	1,042,983	\$23.09
	2019 3q	10,525	145,028,268	5,735,982	4.2%	1,342,126	1,615,781	918,731	\$22.78

Brevard, Polk & Volusia Counties (Adjacent) - 2nd Quarter 2020

	County	Existing Inventory		Vacancy		Net Absorption	Deliveries Total GLA	Under Const GLA	Quoted Rates
		# Blds	Total GLA	Total SF	Vac %				
General Retail	Brevard	2,413	19,110,823	637,525	3.4%	54,383	(1,926)	22,850	\$14.31
	Polk	2,341	16,907,117	353,097	2.1%	40,219	107,777	181,720	\$14.36
	Volusia	3,291	22,073,851	692,062	3.2%	227,278	358,793	88,400	\$15.06
Mall Market	Brevard	23	2,342,218	53,739	2.9%	(49,739)	0	0	\$20.52
	Polk	38	2,301,157	250,056	10.9%	58,160	173,400	5,500	\$21.20
	Volusia	20	1,409,702	40,105	2.8%	(15,886)	0	0	\$21.71
Shopping Centers	Brevard	203	9,245,921	1,000,165	11.1%	(46,491)	15,850	47,391	\$14.77
	Polk	227	8,875,944	485,059	5.5%	23,002	0	0	\$14.29
	Volusia	317	11,866,838	848,135	7.2%	15,391	4,400	6,119	\$15.68
Total Retail	Brevard	2,925	34,827,630	1,934,634	5.8%	71,030	13,924	127,281	\$14.89
	Polk	2,778	31,163,235	1,196,990	3.9%	199,261	373,389	197,220	\$15.24
	Volusia	3,908	39,720,929	1,874,236	4.8%	124,725	363,193	94,519	\$15.62

