

DOWNTOWN ORLANDO

Market Report Summary Fourth Quarter 2021



4Q21 GAI Market Report Summary

The Downtown Development Board/Community Redevelopment Agency (DDB/CRA) retained GAI Consultants, Inc. to prepare summaries of downtown Orlando market activity on a quarterly basis. Due to the length of the document, the DDB/CRA prepares a market report summarization to condense the information found in the full report. Areas that are covered include:

- Business
- Hospitality and Tourism
- Residential Market
- Retail Market
- Commercial Office Market
- Major Downtown Developments

The data included in the following market report summary are still under the influence of COVID-19 Pandemic Policies in some cases. Additionally, please note that the section “Major Downtown Developments” is the only part of this report in which the data provided was not obtained from the GAI report. Instead, this information is compiled by the DDB/CRA staff using information gathered by various City of Orlando boards, along with communications from project representatives.

For more information regarding downtown projects, economic reports, available retail locations, and DDB growth statistics, visit <https://www.downtownorlando.com/Business/Profile/Research-Insights>. Although every reasonable effort is made to present current and accurate information as of time of writing, the DDB/CRA makes no guarantees of any kind to the accuracy or completeness of information, text, renderings, plans, or other items contained within this document.

If you have questions regarding the information contained herein, or to request a copy of the full GAI report, please contact Miles Leindecker at 407.246.3909 or Miles.Leindecker@downtownorlando.com.

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Business and Employment

Licensure

For the 4th quarter of 2021, 40 business licenses were issued within downtown Orlando; this is a 24% decrease from the third quarter of 2021 and is a 52% decrease from the same quarter of the previous year. This year-over-year decrease may be attributed to the prolonged effects from the COVID-19 pandemic. Approximately 65% of the licenses issued within the CRA were for professional establishments.

Employment

Downtown Orlando's employment did not change from 87,200 jobs from the previous quarter. The three largest employment sectors in downtown Orlando remained Educational Services with 25,624 jobs (29.3% of total jobs), Public Administration with 18,113 jobs (20.8% of total jobs), and Professional, Scientific and Technical Services with 14,184 jobs (16.3% of total jobs).

Sales Tax

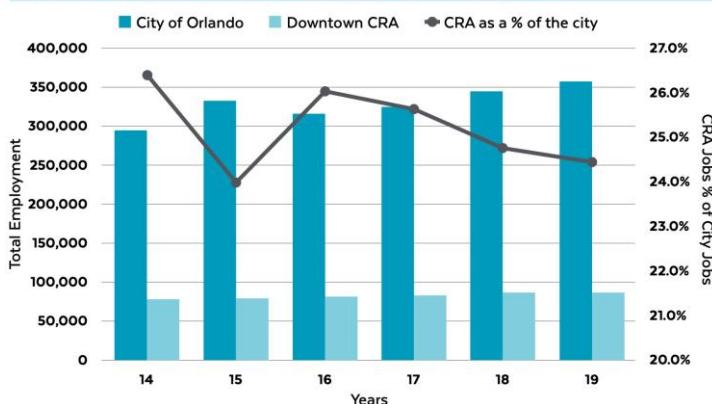
Sales tax collections for 2020 showed that \$65.9 million were collected within the CRA, which is a 26.5% decrease compared to the 2019 annual sales tax collections. The three largest sales tax collection sectors were Lease and Rental of Commercial Property with \$14.1 million, Hotel/Motel Accommodations with \$6.6 million, and Restaurants, Lunchrooms, and Catering Services with \$5.6 million.

**Not all sales are subject to sales tax; for instance, sales tax is not collected on the purchase of groceries and medication along with certain services.*

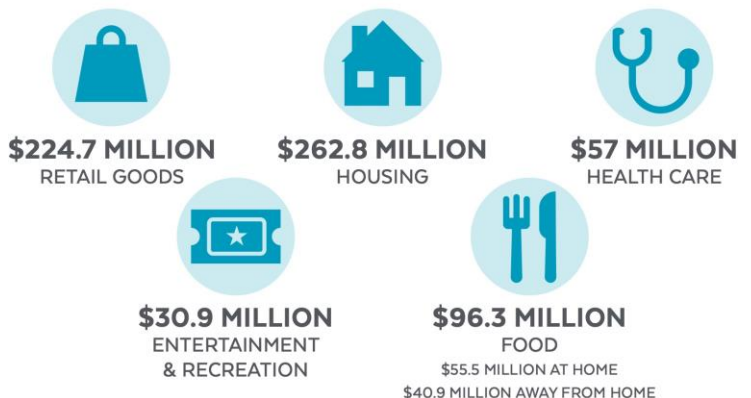
Expenditures

In 2021, total expenditures within the CRA were estimated at \$791 million, with consumers spending about \$262.8 million (33.2%) on housing, \$224.7 million (28.4%) on retail goods, \$96.3 million (12.2%) on food, \$57 million (7.2%) on healthcare, and \$30.9 million (3.9%) on entertainment and recreation.

ANNUAL EMPLOYMENT TRENDS



CONSUMER SPENDING, 2021



See GAI Pages:

Figure 1: Annual Employment Trends, Page 7

Figure 2: Consumer Spending, 2021, Page 7

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Hospitality and Tourism

Hotel Rooms

With 2,237 available hotel rooms, approximately 122,695 guests were lodged in downtown Orlando's hotels for the 4th quarter of 2021 which is an increase of 12.3% from the previous quarter and an 88% increase compared to the same time last year.

Hotel Occupancy

The average hospitality occupancy rate for the fourth quarter of 2021 was 54.7%, which increased from the previous quarter by 3%. The average hospitality occupancy rate decreased by 24.9% compared to the same quarter in 2019; however, the average hospitality occupancy rate increased by 41% compared to the same quarter in 2020.

Average Daily Rate

Downtown Orlando's average daily rate (ADR) was \$142.59, which is the highest when compared to the City of Orlando with an average daily rate of \$140.24, Metro Orlando with \$121.40, and Orange County with \$128.07. Additionally, downtown Orlando's ADR saw a 7% increase from the previous quarter and a 4.8% increase from the previous year.

KEY STATISTICS SNAPSHOT

**TOTAL
INVENTORY**
2,237 Units



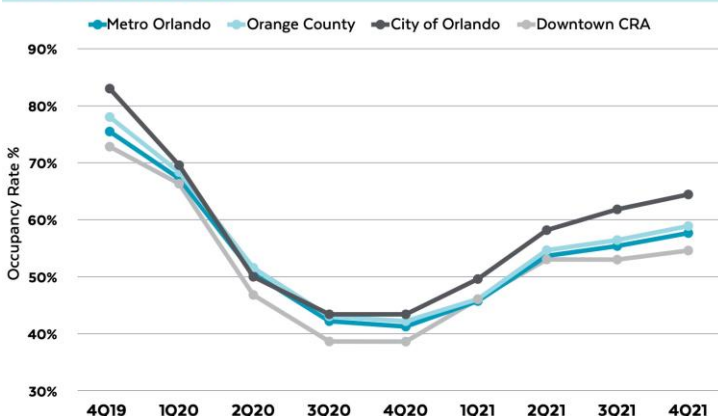
OCCUPANCY
54.7%



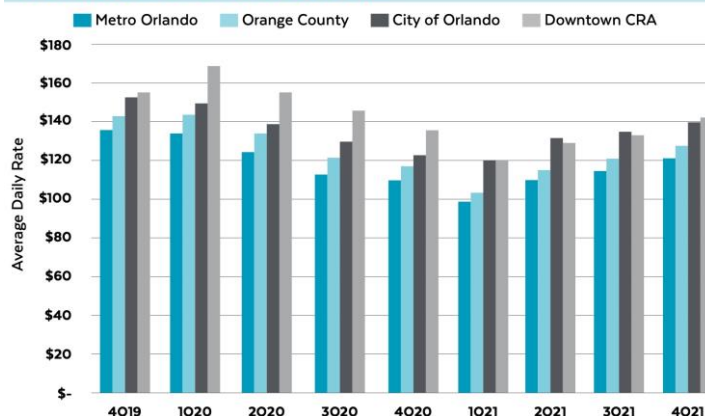
**AVERAGE
DAILY RATE**
\$142.59



OCCUPANCY



AVERAGE DAILY RATE



See GAI Pages:

Figure 1: Occupancy, Page 8

Figure 2: Average Daily Rate, Page 8

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Residential Markets

Residential Units

During the 4th quarter of 2021, the average sales price per SF for residential units in downtown Orlando was \$277, which is significantly higher than that of Orange County at \$213 and that of the city at \$211. Over 88% of the total residential dwelling unit sales in downtown Orlando were condominium units; total residential dwelling unit sales were 102, which is lower than the 144 sales reported in the 3rd quarter of 2021. Total residential dwelling unit sales increased by 5% compared to the 4th quarter of 2020, marking the first time since pre-pandemic that sales prices rose year-over-year in all 4 planning areas. Additionally, the average sales price per residential unit was approximately \$288,548.

Condo Units

There were 83 total condominium sales within downtown Orlando's major condo buildings, representing 81% of all residential sales. Condominium sales rose 8% from the fourth quarter 2020 but significantly declined from the previous quarter at 26%. The average sales price within major condominium buildings was \$294,140 per unit, which was a 7% decrease from the previous quarter and a 1% decrease from the same quarter of the previous year.

**Major condominium buildings were determined to be market-rate buildings with at least 50 units*

KEY STATISTICS SNAPSHOT

**TOTAL
INVENTORY**
3,804 Units



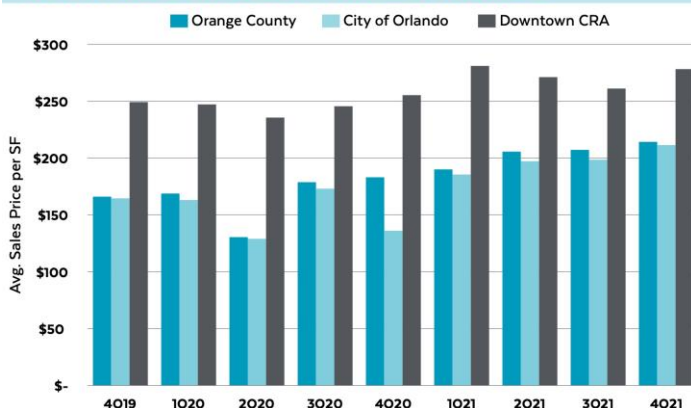
**TOTAL SALES
PRICE**
\$35 million



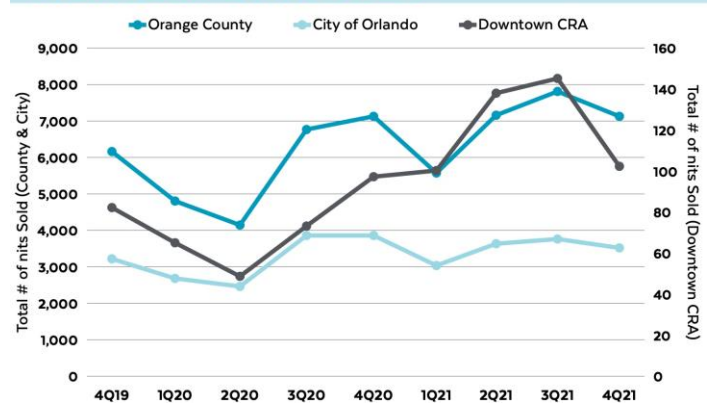
TOTAL SALES
102



AVERAGE SALES PRICE TRENDS



TRENDS IN UNIT SALES



See GAI Pages:

Figure 1: Average Sales Price Trend, Page 10

Figure 2: Trends in Unit Sales, Page 10

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Residential Markets

Rental Occupancy

Downtown Orlando totals 6,773 total apartments throughout 23 major apartment buildings, compared to 6,352 units throughout 22 buildings in the previous quarter. Overall, the rental market in downtown Orlando saw a slight dip with an average occupancy rate of 90%. This is a 4% decrease compared to the 93.4% occupancy of the 3rd quarter of 2021, but a 3% increase over the previous year.. When excluding new apartments that are still filling with residents (lease-up) and income-restricted housing, downtown Orlando had a 93% occupancy rate, down from 94% the previous quarter using the same parameters.

Rental Rate

Among rental apartments surveyed during the 4th quarter of 2021, the average rent was \$1,969 per month, which is higher than the 3rd quarter of 2021 with an average of \$1,964 per month. For the 4th quarter of 2021, the average price per SF was \$2.18, which is a 1% increase from the previous quarter and a 31.6% increase year-over-year. The highest average rent per SF was for The Julian at Creative Village and Skyhouse at \$2.93 and \$2.72, respectively.

KEY STATISTICS SNAPSHOT

TOTAL INVENTORY

6,773 Units



OCCUPANCY

90.0%

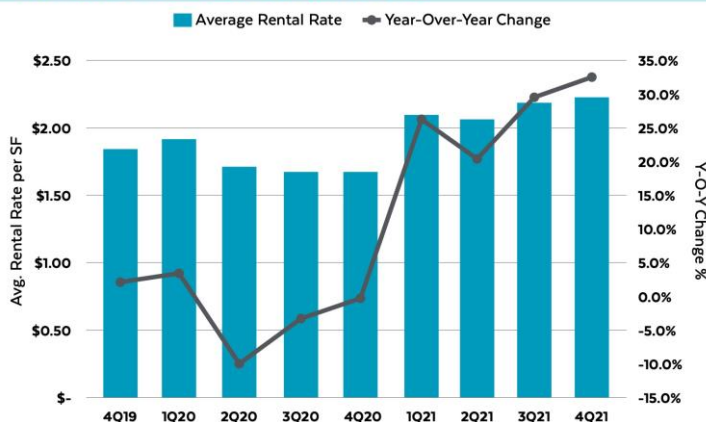


TOTAL SALES

\$2.18 per SF



AVERAGE RENTAL RATE



CRA SUB-MARKET INVENTORY, 4Q21



See GAI Pages:

Figure 1: Average Rental Rate, Page 13

Figure 2: CRA Sub-Market Inventory 4Q21, Page 12

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Retail Market

Retail Space

With a supply of 1.4 million SF of retail space, the occupancy rate in downtown Orlando was 93.9%, which is lower than that of the occupancy for the city (96.2%) and for Orange County (96%). The average rental rate was \$32.80 per SF, which is lower than the previous quarter by 1%. Over the same period, Orange County saw a rental rate increase of 7%, and the City of Orlando saw an increase of 5%. Downtown Orlando's market sales price per SF was approximately \$234, which is a 1% decrease from the same quarter of the previous year and a .4% increase from the previous quarter. In the City of Orlando and Orange County, the sales price per SF increased by 7%, year-over-year.

Downtown Benchmarks

Compared to other major Florida cities, downtown Orlando had the highest retail occupancy rate (96.3%) which is higher than Ft. Lauderdale (93.7%), Tampa (96.3%), Jacksonville (94%), and Miami (82.4%). Downtown Orlando had the third highest rental rate (\$32.80) which is lower than that of Miami (\$42.77) and Fort Lauderdale (\$36.41), but higher than that of Tampa (\$19.55) and Jacksonville (\$18.56).

KEY STATISTICS SNAPSHOT

TOTAL INVENTORY

1.4 Million SF



VACANCY

6.1%

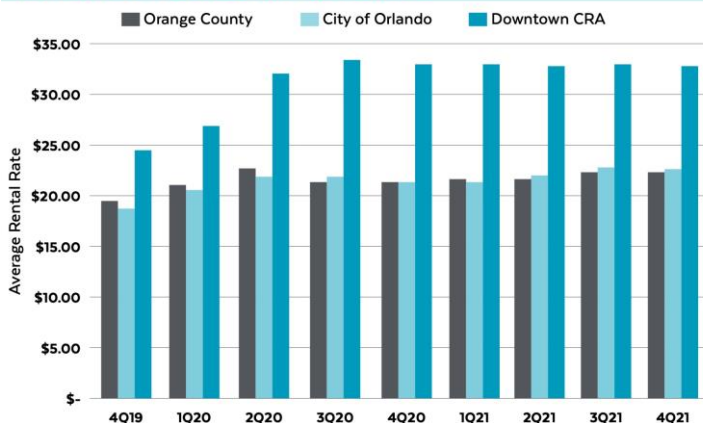


AVERAGE RENTAL RATE

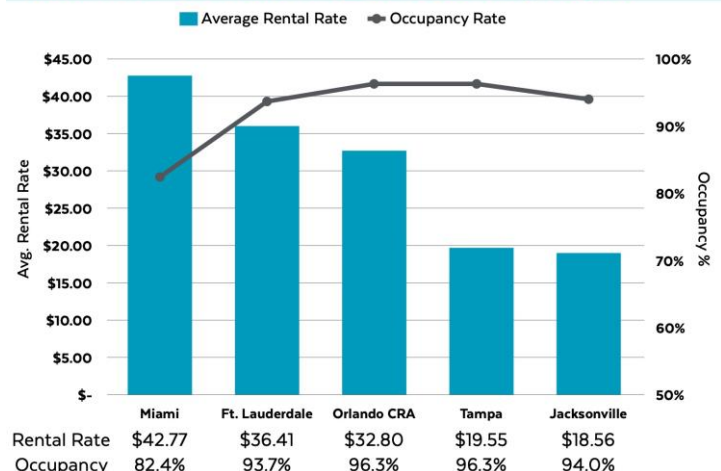
\$32.80



AVERAGE RENTAL RATE



MAJOR BUSINESS DISTRICTS, 4Q21



See GAI Pages:

Figure 1: Average Rental Rate, Page 14

Figure 2: Major Business Districts 4Q21, Page 15

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Office Market

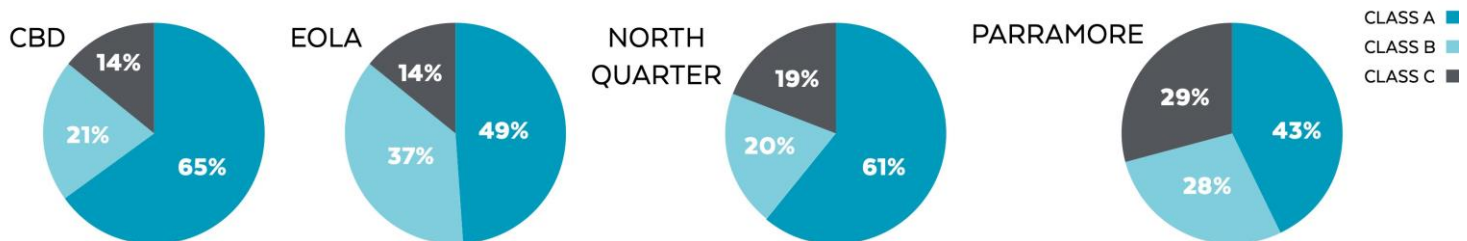
Office Statistics

In the fourth quarter of 2021, the office occupancy rate in downtown Orlando was 88.9%, which is higher than the previous quarter (88.3%). It is also lower than that of the city (92.7%) and that of Orange County (91.3%). The average price per SF was \$25.33, which is higher than the average price of \$24.84 per SF reported for the 3rd quarter of 2021 and the average price of \$24.62 reported for the same quarter last year.

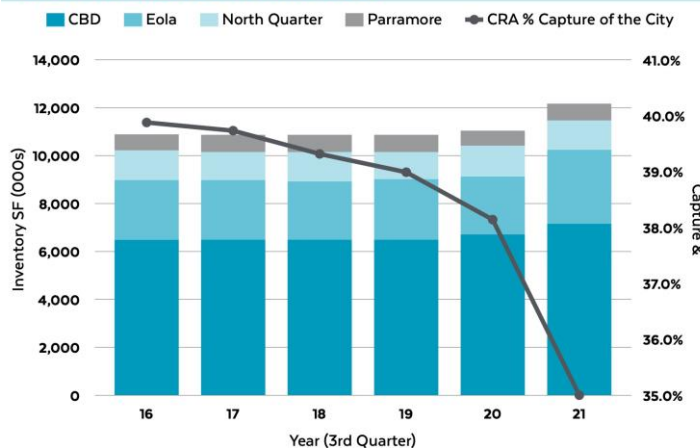
Office Class

Office Space categorized as Class A had the largest percentage (59.2%) contribution in downtown Orlando while office space categorized as Class C had the highest occupancy rate (96.5%). There were nine major lease transactions (above 5,000 SF) totaling 98,900 SF that occurred within the CRA during the 4th quarter of 2021. The seven largest transactions were GSA (16,778 SF), Foley & Gardner (13,734 SF), CLA (35,149 SF), Graham Smith (8,298 SF), G&M Holdings (8,282 SF), Insight Global (5,845 SF), and Spectrum (5,461 SF). There were also 43 minor leases (less than 5,000 SF) within the CRA in multiple commercial buildings. Total leasing activity within the CRA during the 4th quarter of 2021 was approximately 206,000 SF.

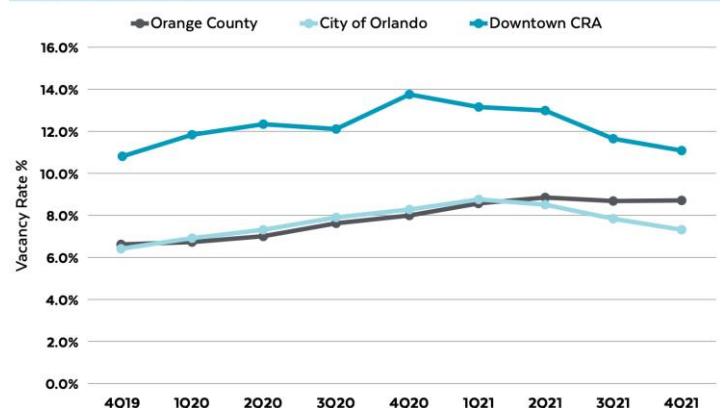
RENTABLE AREA DISTRIBUTION BY DOWNTOWN CRA SUB-MARKETS, 4Q21



ANNUAL INVENTORY



VACANCY



See GAI Pages:

Figure 1: Annual Inventory Over Time, Page 16

Figure 2: Major Business Districts Comparison 3Q21, Page 17

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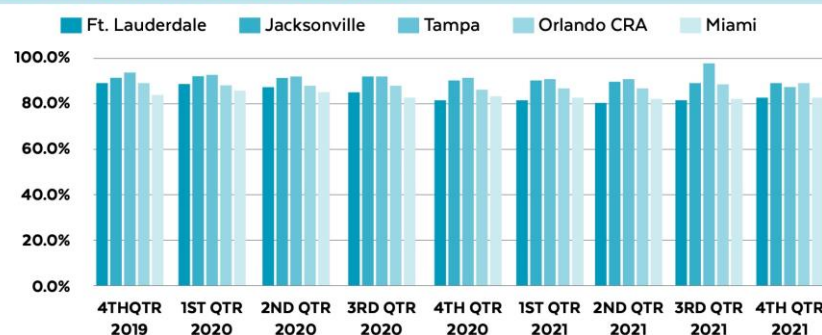


Office Market

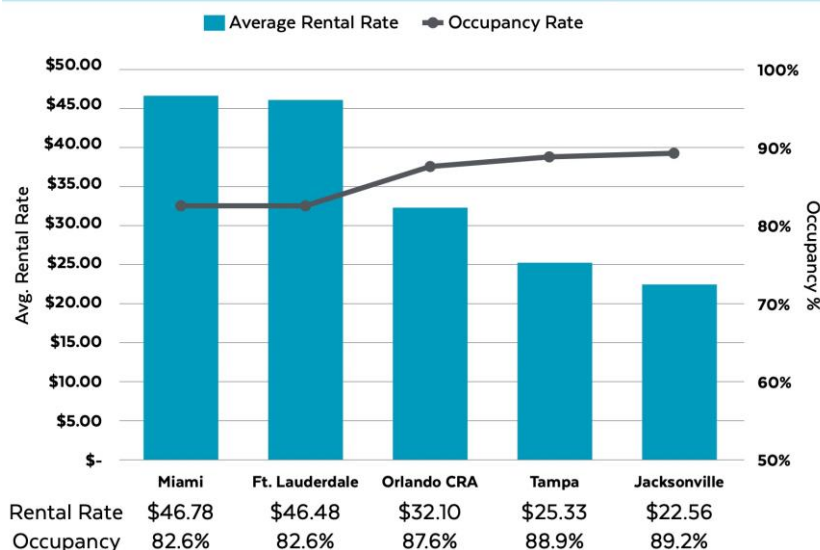
Downtown Benchmark

Compared to other major cities in Florida, downtown Orlando had the second-highest occupancy rate (89%) for CBD office buildings, which is higher than that of Fort Lauderdale (87.6%) and Miami (82.6%) and Tampa (87.6%), but lower than that of Jacksonville (89.2%). Downtown Orlando had the fourth-lowest rental rate (\$25.33) per SF, which is higher than that of Jacksonville (\$22.56), but lower than that of Tampa (\$32.10), Fort-Lauderdale (\$46.28), and Miami (\$46.78).

OCCUPANCY RATE BY MAJOR BUSINESS DISTRICT



MAJOR BUSINESS DISTRICTS, 4Q21



KEY STATISTICS SNAPSHOT

TOTAL INVENTORY

12.7 Million SF

VACANCY

11.1%

AVERAGE RENTAL RATE

\$25.33

LEASING ACTIVITY

211,008 SF

SALE PRICE PER SF

\$205

See GAI Pages:

Figure 2: Major Business Districts, Page 17

Figure 3: Key Statistics Snapshot, Page 17

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Major Downtown Developments

There are 12 currently proposed projects in downtown Orlando with approximately \$1 billion in new investment, 1,776 residential units, 773 hotel rooms, 149,448 SF of retail space, and 731,755 SF of office space. Additionally, there are currently 11 projects underway representing approximately \$2.7 billion (\$340 million in private and \$2.36 billion in public) in investment. These projects include approximately 1,358 residential units, 180 hotel rooms, 59,200 SF of retail space, and 233,437 SF of office space.

Downtown Projects – Proposed

Development	Investment	Residential Units	Hotel Rooms	Retail (SF)	Office (SF)	Other (SF)
802 West Church Street	\$ 3,000,000	-	-	2,500	12,000	-
Cambria Suites Hotel	\$ 20,000,000	-	155	-	-	-
IRMA Apartments	\$ 6,000,000	21	-	-	-	-
Magnolia Mixed Use Development	\$ 64,500,000	232	-	6,000	15,875	-
Mariposa Grove	\$ 22,000,000	138	-	18,500	-	-
Monarch Tower	\$ 42,800,000	400	140	15,000	-	-
Pine and Lake Mixed-Use	\$ 60,000,000	129	228	11,500	-	-
Sports Entertainment District	\$ 500,000,000	300	250	78,000	380,000	80,000
The 500	\$ 39,000,000	-	-	-	116,650	-
The Edge at Church Street	\$ 275,000,000	230	-	4,000	200,000	60,000
The Signature	TBD	182	-	6,908	7,230	-
Vive on Lake Eola	\$ 30,000,000	144	-	7,040	-	-
Totals	\$1,062,300,000	1,776	773	149,448	731,755	203,605

Downtown Projects – In Progress

Development	Investment	Residential Units	Hotel Rooms	Retail (SF)	Office (SF)	Other (SF)
Art2	\$ 1,800,000	-	-	1,200	-	-
Bumby Arcade Food Hall	TBD	-	-	16,000	3,437	-
Camping World Stadium Renovation	\$ 60,000,000	-	-	-	-	-
Fountain Vu 5	\$ 4,500,000	5	-	-	-	-
I-4 Ultimate Improvement Project	\$ 2,300,000,000	-	-	-	-	-
Luminary Green at Creative Village	\$ 10,500,000	-	-	-	-	-
Modera at Creative Village	\$ 75,000,000	292	-	10,000	-	-
Orlando Magic Training Facility	\$ 70,000,000	-	-	-	45,000	100,000
Parcel X, X-1, Y	\$ 100,000,000	326	180	-	185,000	500
Parramore Oaks (Phase 2)	\$ 17,330,000	91	-	-	-	-
Society Orlando	\$ 85,000,000	644	-	32,000	-	-
Totals	\$ 2,724,130,000	1,358	180	59,200	233,437	100,500

Downtown Development Information in

Major Developments Report: <https://www.downtownorlando.com/Business/Profile/Research-Insights>