

# DOWNTOWN ORLANDO

## Market Report Summary Second Quarter 2020



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 currently 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 is adversely impacted by the economic shutdown due to the COVID-19 pandemic. 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 boards, along with communications from project representatives.

If you have questions regarding the information contained herein, or to request a copy of the full GAI report, please contact Hunter McFerrin at 407.246.3909 or at [Hunter.McFerrin@DowntownOrlando.com](mailto:Hunter.McFerrin@DowntownOrlando.com).

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### Business

For the 2nd quarter 2020, 20 business licenses were issued within downtown Orlando; this is a 45.9% decrease from the first quarter of 2020 and a 51.2% decrease compared to the same quarter last year. This is likely a direct result of the uncertainty surrounding business activities due to the COVID-19 pandemic. Approximately 40% of the licenses issued within the CRA were for professional establishments.

Downtown Orlando's employment remained at 82,924 jobs. The three largest employment sectors in downtown Orlando remained Educational Services with 24,703 jobs (30.3% of total jobs), Public Administration with 17,388 jobs (22.1% of total jobs), and Professional, Scientific and Technical Services with 13,314 jobs (15.5% of total jobs).

Sales tax collections for 2019 showed that \$89.7 million were collected within the CRA, which is a 13% increase compared to the 2018 annual sales tax collections. The three largest sales tax collection sectors were Lease and Rental of Commercial Property with \$16.7 million, Hotel/Motel Accommodations with \$16 million, and Restaurants, Lunchrooms, and Catering Services with \$11 million. Not all sales are subject to sales tax; for instance, sales tax is not collected on purchase of groceries and medication along with certain services.

In 2019, total expenditures within the CRA were estimated at \$738 million, with consumers spending about \$241 million (32.7%) on housing, \$209 million (28.3%) on retail goods, \$91 million (12.4%) on food, \$53 million (7.2%) on healthcare, and \$31 million (4.2%) on entertainment and recreation.

*See Figure:*

*Figure 1: Jobs by Industry Sector*

### Hospitality and Tourism

With 1,906 available hotel rooms, approximately 32,676 guests were lodged in downtown Orlando's hotels for the 2nd quarter 2020 which is a decrease of 82,479 guests from the previous quarter and a 71.6% decrease compared to the same time last year. The average hospitality occupancy rate decreased from 66.2% to 46.2% compared to the previous quarter. Moreover, the average hospitality occupancy rate for the 2nd quarter 2020 decreased by 39.4% and 40.1% compared to the same quarter in 2018 and 2019, respectively. The decrease in occupancy rates were likely a direct result of government-mandated stay-at-home orders that were in place across the country in March and April, which resulted in decreases in travel and tourism.

Downtown Orlando's average daily rate (ADR) was \$155.70, which is the highest when compared to Metro Orlando with an average daily rate of \$124.18, Orange County with \$134.08, and the City with \$139.51. Additionally, downtown Orlando's average daily rate (ADR) decreased by 2.6% and 2.0% compared to the same quarter in 2018 and 2019, respectively.

*See Figures:*

*Figure 2: Hotel Occupancy Comparison*

*Figure 3: Hotel Room Average Daily Rate Comparison*

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### Residential Market

During the 2nd quarter 2020, the average sales price per square foot for residential units in downtown Orlando was \$236, which is higher than that of Orange County at \$130 and that of the City at \$128. Approximately 82% of the total residential dwelling unit sales in downtown Orlando were condominium units; total residential dwelling unit sales were 49, which is lower than the 65 sales reported in the 1st quarter 2020. Total residential dwelling unit sales increased by 8.1% compared to the 2nd quarter 2019.

Overall, the rental market in downtown Orlando continued to perform well with an average occupancy rate of 91.6%, excluding Novel Lucerne which is still in lease up. This is an increase of 1.2% occupancy of the 1st quarter 2020. Among rental apartments surveyed during the 2nd quarter 2020, the average rent was \$1,592 per month, which is lower than the 1st quarter 2020 average of \$1,642 per month. For the 2nd quarter 2020, the average price per square foot was \$1.72, which is a 9.3% decrease compared to the same quarter 2019 of \$1.90 per square foot.

*See Figures:*

*Figure 4: Average Residential Sales Price Per Unit*

*Figure 5: Total Residential Sales, Downtown CRA Planning Areas by Average Price per Unit*

*Figure 6: Occupancy of Major Apartment Buildings in downtown Orlando CRA*

*Figure 7: Average Rental Price per Square Foot, Major Apartment Buildings in downtown Orlando CRA*

### Retail Market

With a supply of 1.4 million square feet of retail, the occupancy rate in downtown Orlando was 95.8%, which is lower than that the occupancy for the City (95.9%) but higher than the occupancy for Orange County (95.5%). The average rental rate was \$32.28 per square foot, which is an increase of 39.6% compared to the same quarter last year. Over the same period, Orange County saw a rental rate increase of 14.4% and the City of Orlando saw an increase of 12.7%.

Compared to other major Florida cities, downtown Orlando had the third highest retail occupancy rate (95.8%), which is below Ft. Lauderdale (96.3%) and Tampa (96.5%), but higher than Jacksonville (90.0%), and Miami (81.4%). Downtown Orlando had the third lowest rental rate (\$32.28) per square foot compared to Jacksonville (\$16.23), Tampa (\$19.11), Miami (\$38.88), and Ft. Lauderdale (\$34.00).

*See Figures:*

*Figure 8: Comparable CBD Retail Buildings, Percent Occupancy*

*Figure 9: Comparable CBD Retail Buildings, Rental Rate Per Square Feet*

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### Commercial Office Market

In the 2nd quarter 2020, the office occupancy rate in downtown Orlando was 87.7%, which is lower than the previous quarter (88.2%). It is also lower than that of the City (92.7%) and that of Orange County (93.0%). The average price per square foot was \$25.06, which is higher than both the average price of \$24.38 per square foot reported for the 1st quarter of 2020 and the average price of \$23.27 reported for the same quarter last year. Office Space categorized as Class A had the largest percentage (59.5%) contribution in downtown Orlando while office space categorized as Class C had the highest occupancy rate (94.6%). There were four notable lease transactions (above 5,000 sq. ft.) totaling 52,366 sq. ft. that occurred within the CRA during the 2nd quarter 2020.

Compared to other major cities in Florida, downtown Orlando had the third highest occupancy rate (87.7%) for CBD office buildings compared to Miami (85.0%), Fort-Lauderdale (87.4%), Jacksonville (91.5%), and Tampa (92.2%). Downtown Orlando ranked fourth on this list in terms of rental rates (\$25.06) per square foot, compared to Jacksonville (\$20.90), Tampa (\$30.37), Miami (\$38.25), and Fort-Lauderdale (\$31.60).

*See Figures:*

*Figure 10: Office Vacancy Rate Comparison within downtown Orlando CRA*

*Figure 11: Average Office Rental Rate per Square Foot within downtown Orlando CRA*

*Figure 12: Office Space Distribution as Percentage of All Classes*

*Figure 13: Comparable CBD Office Buildings, Percent Occupancy*

*Figure 14: Comparable CBD Office Buildings, Rental Rate per Square Foot*

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### Major Downtown Developments

There are currently 14 projects underway in downtown Orlando representing \$3.4 billion (\$1.1 billion in private and \$2.3 billion in public) in investment. These projects include 2,267 residential units, 420 hotel rooms, 130,185 sq. ft. of retail space, and 206,500 sq. ft. of office space. Furthermore, there are 17 proposed projects representing \$2.2 billion in investment. These projects include 2,633 residential units, 1,054 hotel rooms, 161,407 sq. ft. of retail space and 1,592,278 sq. ft. of office space.

### Downtown Projects – In Progress

Project	Investment	Residential Units	Hotel Rooms	Retail (sq ft)	Office (sq ft)	Other (sq ft)
409 N Magnolia	\$ 20,000,000	-	240	3,191	-	-
520 East	\$ 88,000,000	363	-	6,800	-	-
Dr. Phillips Center for the Performing Arts (Phases 1 & 2)	\$ 550,000,000	-	-	-	-	-
Eola North	\$ 4,600,000	12	-	-	-	-
I-4 Ultimate Improvement Project	\$ 2,300,000,000	-	-	-	-	-
Irving on Park	\$ 4,000,000	21	-	-	-	-
Moderat at Creative Village	\$ 75,000,000	292	-	10,000	-	-
Orange & Robinson Apartments	\$ 65,000,000	325	-	11,494	-	-
Radius Apartment Tower	\$ 95,000,000	389	-	14,000	-	-
Society Orlando (Phases 1 & 2)	\$ -	464	-	70,000	-	-
SunTrust Plaza at Church Street Station	\$ 125,000,000	-	180	8,200	206,500	-
The Julian	\$ 108,000,000	390	-	6,500	-	-
The Olive Townhouses	\$ 5,500,000	6	-	-	-	-
Fountain Vu 5	\$ 4,000,000	5	-	-	-	-
<b>Totals</b>	<b>\$ 3,444,100,000</b>	<b>2,267</b>	<b>420</b>	<b>130,185</b>	<b>206,500</b>	<b>-</b>

### Downtown Projects – Proposed

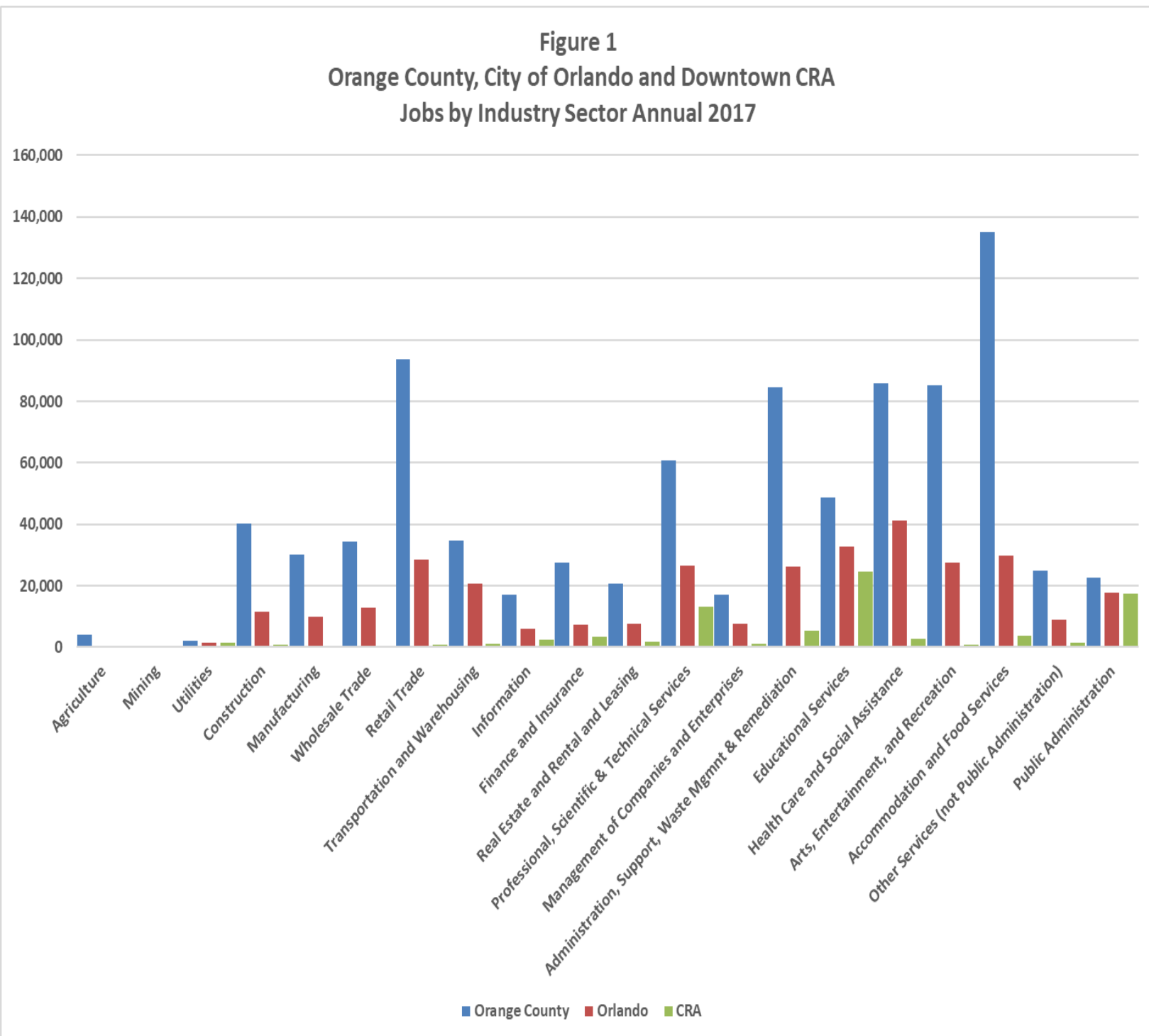
Project	Investment	Residential Units	Hotel Rooms	Retail (sq ft)	Office (sq ft)	Other (sq ft)
811 E. Washington Street	\$ -	4	-	607	-	2,477
Cambria Suites Hotel	\$ 20,000,000	-	155	-	-	-
Church Street Tower Phase 2	\$ -	-	228	2,500	210,500	-
Creative Village - Central Park	\$ 3,500,000	-	-	-	-	-
Creative Village - EA Orlando	\$ 60,000,000	-	-	-	175,940	-
DXV Central	\$ 78,800,000	189	-	7,500	65,688	-
Magnolia Mixed-Use Development	\$ 64,500,000	232	-	6,000	13,750	-
Monarch Tower	\$ 42,800,000	400	160	15,000	-	-
Orlando Health Corporate Office	\$ 18,000,000	-	-	-	46,000	-
Orlando Magic Training Facility	\$ 70,000,000	-	-	-	100,000	-
Pine & Lake Mixed-Use Tower	\$ 60,000,000	-	-	-	-	-
Sports Entertainment District	\$ 500,000,000	310	300	110,000	420,000	-
Summit Radisson	\$ -	75	211	-	-	-
The 500	\$ 36,000,000	-	-	-	116,650	-
Vertical Medical City	\$ 1,100,000,000	995	-	6,000	350,000	3,580
Vive on Eola	\$ -	128	-	3,800	13,750	-
389 North	\$ 140,000,000	300	-	10,000	80,000	-
<b>Totals</b>	<b>\$ 2,193,600,000</b>	<b>2,633</b>	<b>1,054</b>	<b>161,407</b>	<b>1,592,278</b>	<b>6,057</b>

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**Figure 1**  
**Orange County, City of Orlando and Downtown CRA**  
**Jobs by Industry Sector Annual 2017**





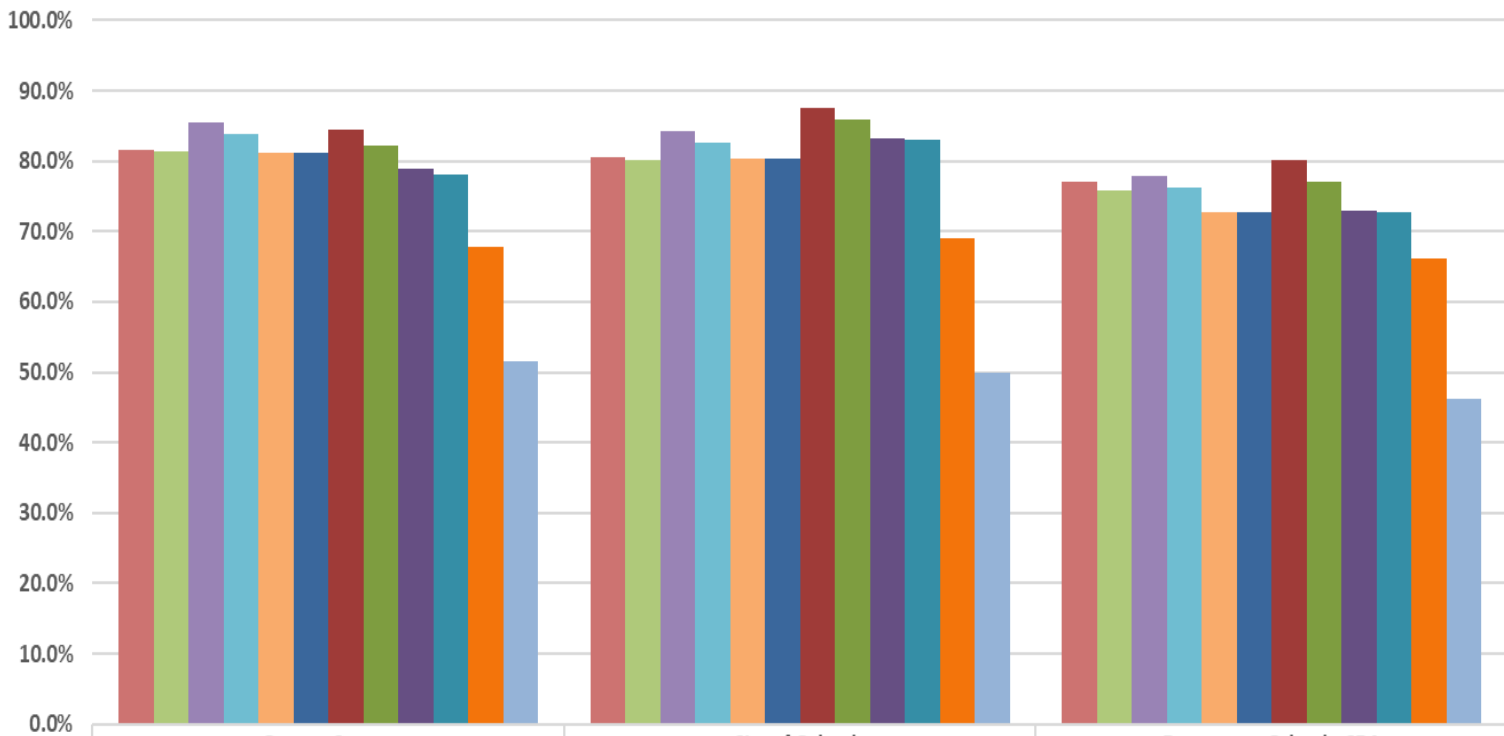
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**Figure 2**  
**Orange County, City of Orlando and Downtown CRA**  
**Hotel Occupancy Comparison**

**Figure 2**  
**Orange County, City of Orlando and Downtown CRA**  
**Hotel Occupancy Comparison**



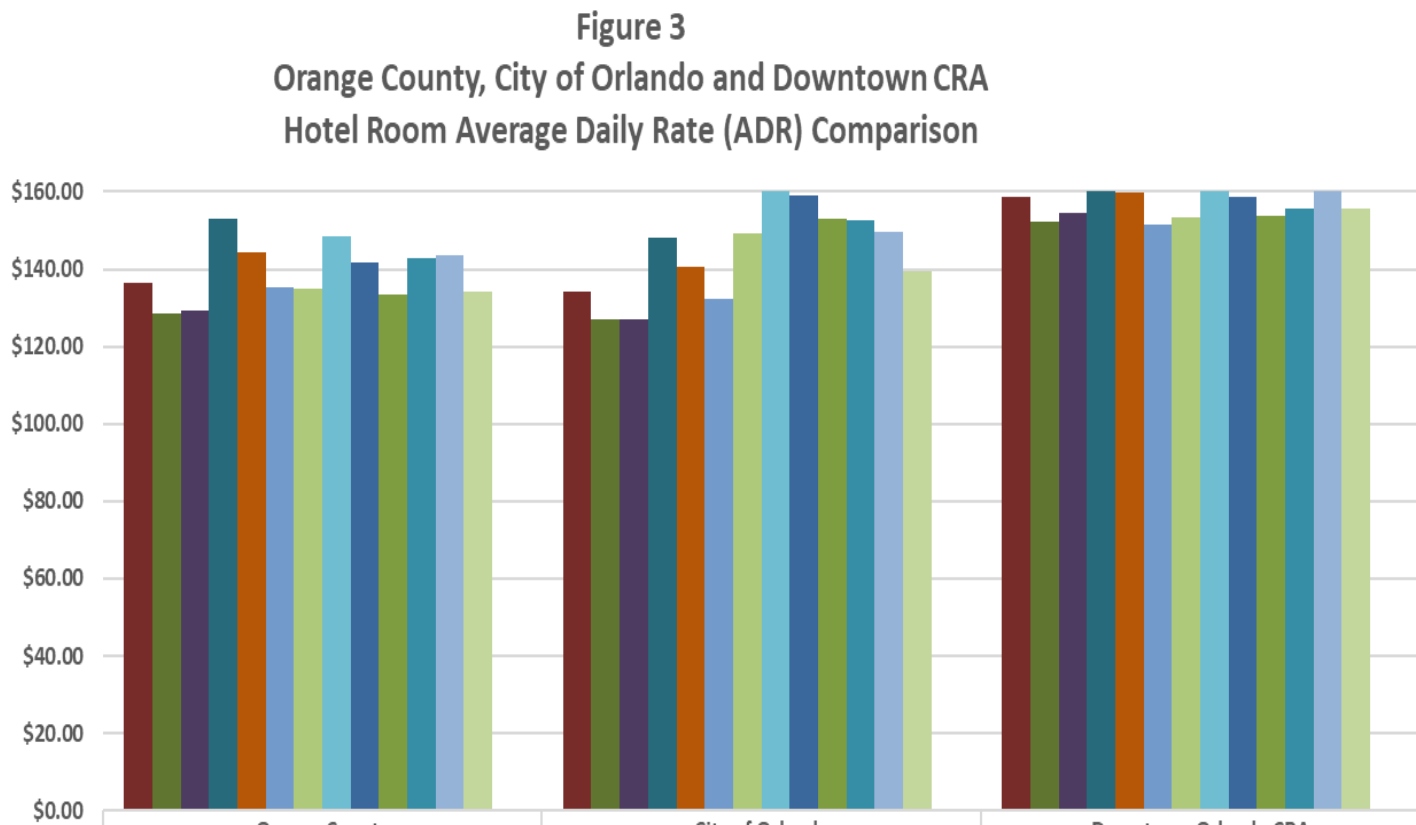
	Orange County	City of Orlando	Downtown Orlando CRA
3rd Qtr 2017	81.6%	80.6%	77.1%
4th Qtr 2017	81.4%	80.2%	75.9%
1st Qtr 2018	85.5%	84.3%	77.9%
2nd Qtr 2018	83.8%	82.6%	76.2%
3rd Qtr 2018	81.1%	80.3%	72.8%
4th Qtr 2018	81.10%	80.30%	72.80%
1st Qtr 2019	84.50%	87.50%	80.20%
2nd Qtr 2019	82.20%	86.00%	77.10%
3rd Qtr 2019	78.90%	83.30%	73.00%
4th Qtr 2019	78.1%	83.1%	72.8%
1st Qtr 2020	67.7%	69.0%	66.2%
2nd Qtr 2020	51.5%	50.0%	46.2%

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**Figure 3**  
**Orange County, City of Orlando and Downtown CRA**  
**Hotel Room Average Daily Rate (ADR) Comparison**



	Orange County	City of Orlando	Downtown Orlando CRA
2nd Qtr 2017	\$136.41	\$134.16	\$158.73
3rd Qtr 2017	\$128.55	\$127.11	\$152.25
4th Qtr 2017	\$129.28	\$126.88	\$154.43
1st Qtr 2018	\$152.88	\$148.31	\$171.42
2nd Qtr 2018	\$144.42	\$140.74	\$159.86
3rd Qtr 2018	\$135.48	\$132.37	\$151.61
4th Qtr 2018	\$134.94	\$149.19	\$153.26
1st Qtr 2019	\$148.38	\$161.68	\$171.61
2nd Qtr 2019	\$141.60	\$159.17	\$158.85
3rd Qtr 2019	\$133.47	\$153.06	\$153.63
4th Qtr 2019	\$142.85	\$152.83	\$155.54
1st Qtr 2020	\$143.51	\$149.73	\$169.50
2nd Qtr 2020	\$134.08	\$139.51	\$155.70
% Change 2Q19 to 2Q20	-5.3%	-12.4%	-2.0%

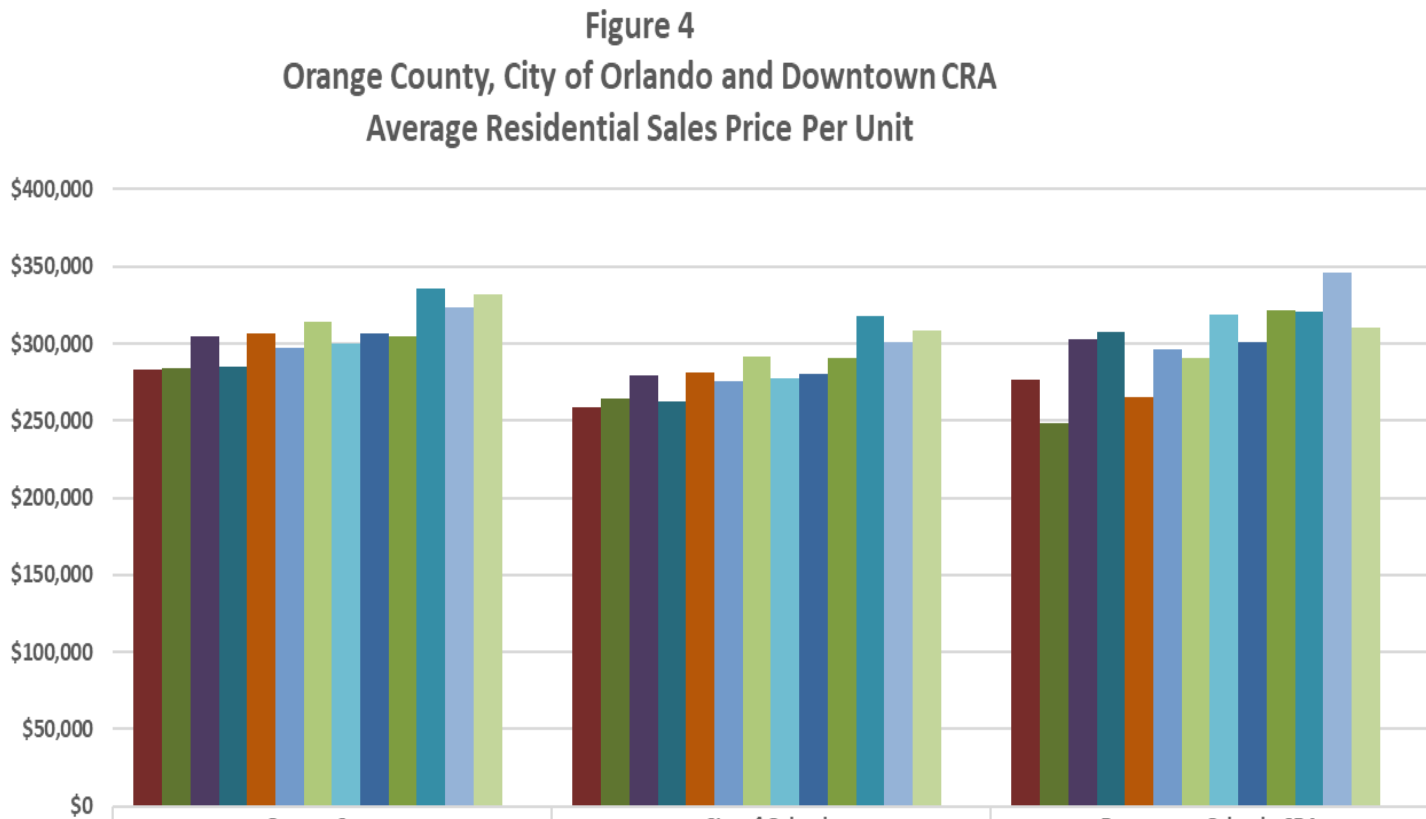


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**Figure 4**  
**Orange County, City of Orlando and Downtown CRA**  
**Average Residential Sales Price Per Unit**



	Orange County	City of Orlando	Downtown Orlando CRA
2nd Qtr 2017	\$283,001	\$259,135	\$276,407
3rd Qtr 2017	\$284,372	\$264,374	\$248,838
4th Qtr 2017	\$304,691	\$279,382	\$303,162
1st Qtr 2018	\$285,172	\$262,704	\$307,218
2nd Qtr 2018	\$306,857	\$281,702	\$265,367
3rd Qtr 2018	\$296,992	\$275,387	\$296,549
4th Qtr 2018	\$314,178	\$291,140	\$291,075
1st Qtr 2019	\$299,701	\$277,477	\$318,560
2nd Qtr 2019	\$306,970	\$280,583	\$301,000
3rd Qtr 2019	\$304,532	\$290,463	\$321,505
4th Qtr 2019	\$335,965	\$317,677	\$320,993
1st Qtr 2020	\$323,749	\$301,256	\$346,435
2nd Qtr 2020	\$331,556	\$308,824	\$310,751
% Change 2Q19 to 2Q20	8.0%	10.1%	3.2%

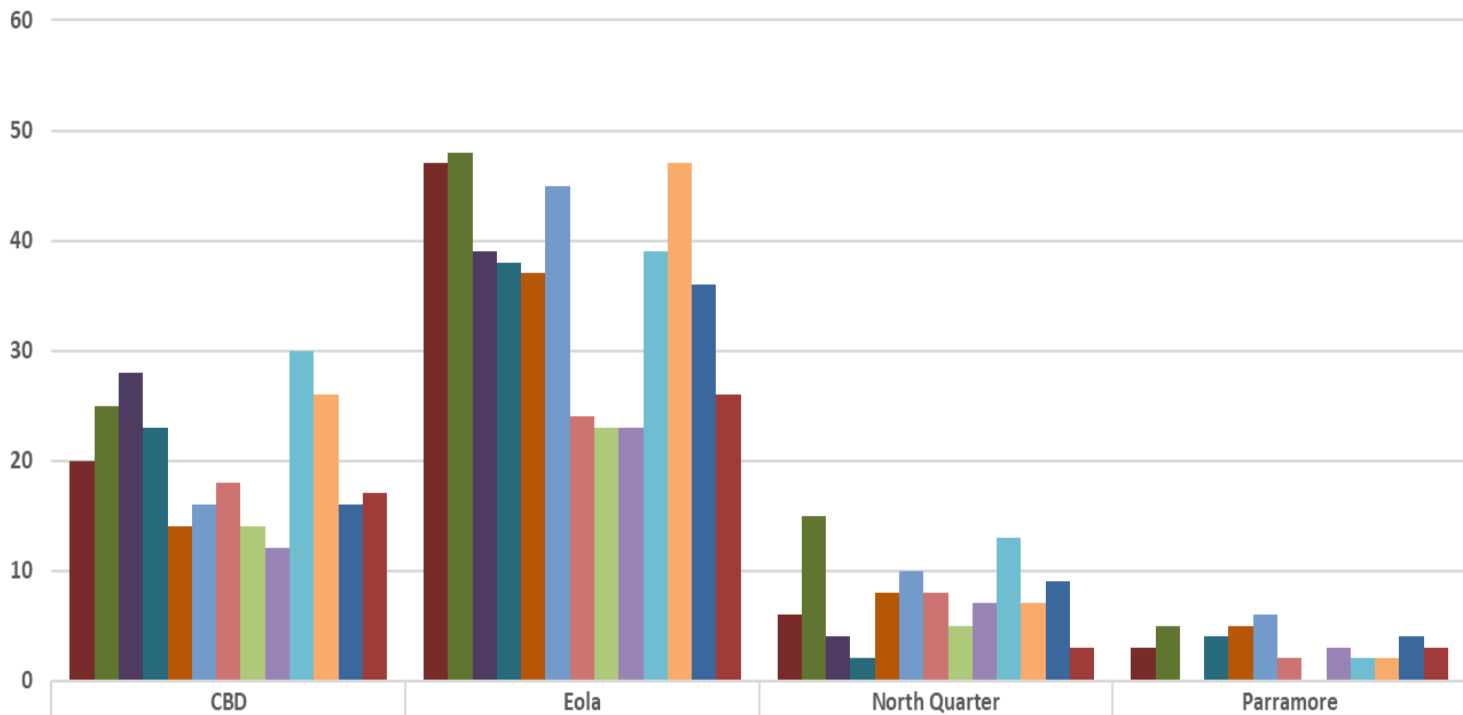
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**Figure 5**  
**Total Residential Sales**  
**Downtown Orlando CRA Planning Areas by Units Sold**

**Figure 5**  
**Total Residential Sales**  
**Downtown Orlando CRA Planning Areas by Units Sold**



	CBD	Eola	North Quarter	Parramore
2nd Qtr 2017	20	47	6	3
3rd Qtr 2017	25	48	15	5
4th Qtr 2017	28	39	4	0
1st Qtr 2018	23	38	2	4
2nd Qtr 2018	14	37	8	5
3rd Qtr 2018	16	45	10	6
4th Qtr 2018	18	24	8	2
1st Qtr 2019	14	23	5	0
2nd Qtr 2019	12	23	7	3
3rd Qtr 2019	30	39	13	2
4th Qtr 2019	26	47	7	2
1st Qtr 2020	16	36	9	4
2nd Qtr 2020	17	26	3	3

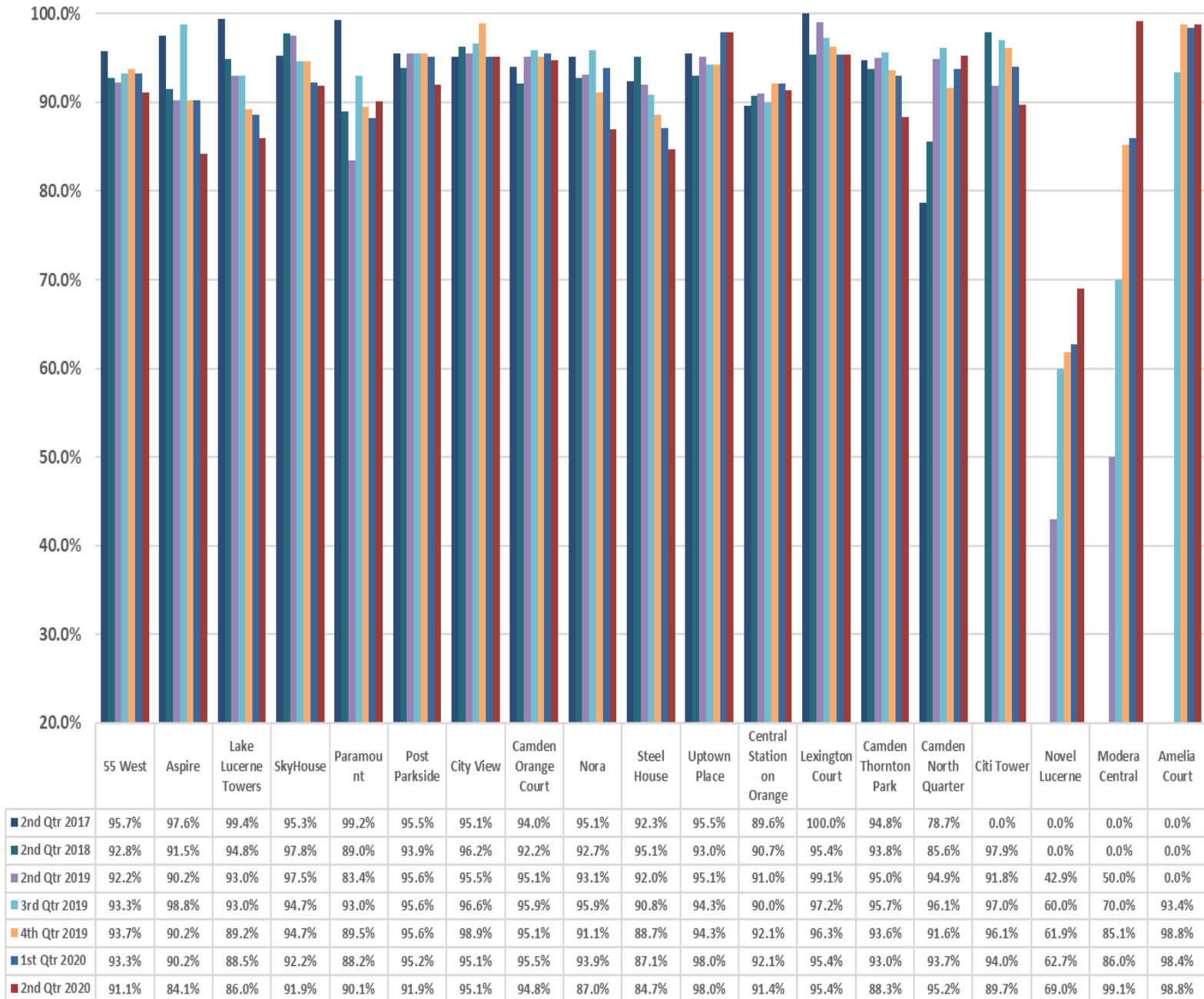
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**Figure 6**  
**Downtown Orlando CRA**  
**Occupancy of Major Apartment Buildings**

Figure 6  
Downtown Orlando CRA  
Occupancy of Major Apartment Buildings

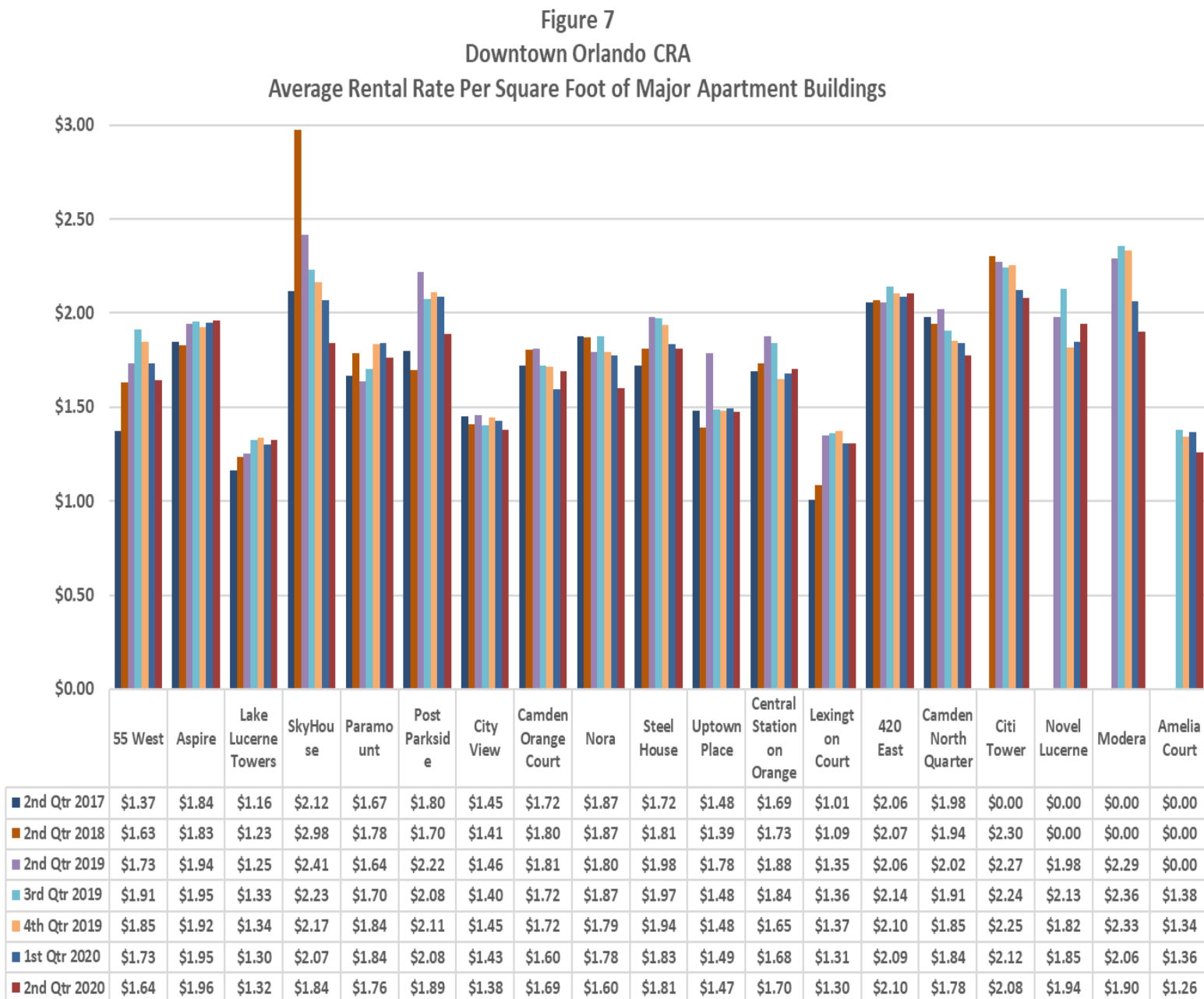


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## Market Report Summary Second Quarter 2020



**Figure 7**  
**Downtown Orlando CRA**  
**Average Rental Rate Per Square Foot of Major Apartment Buildings**



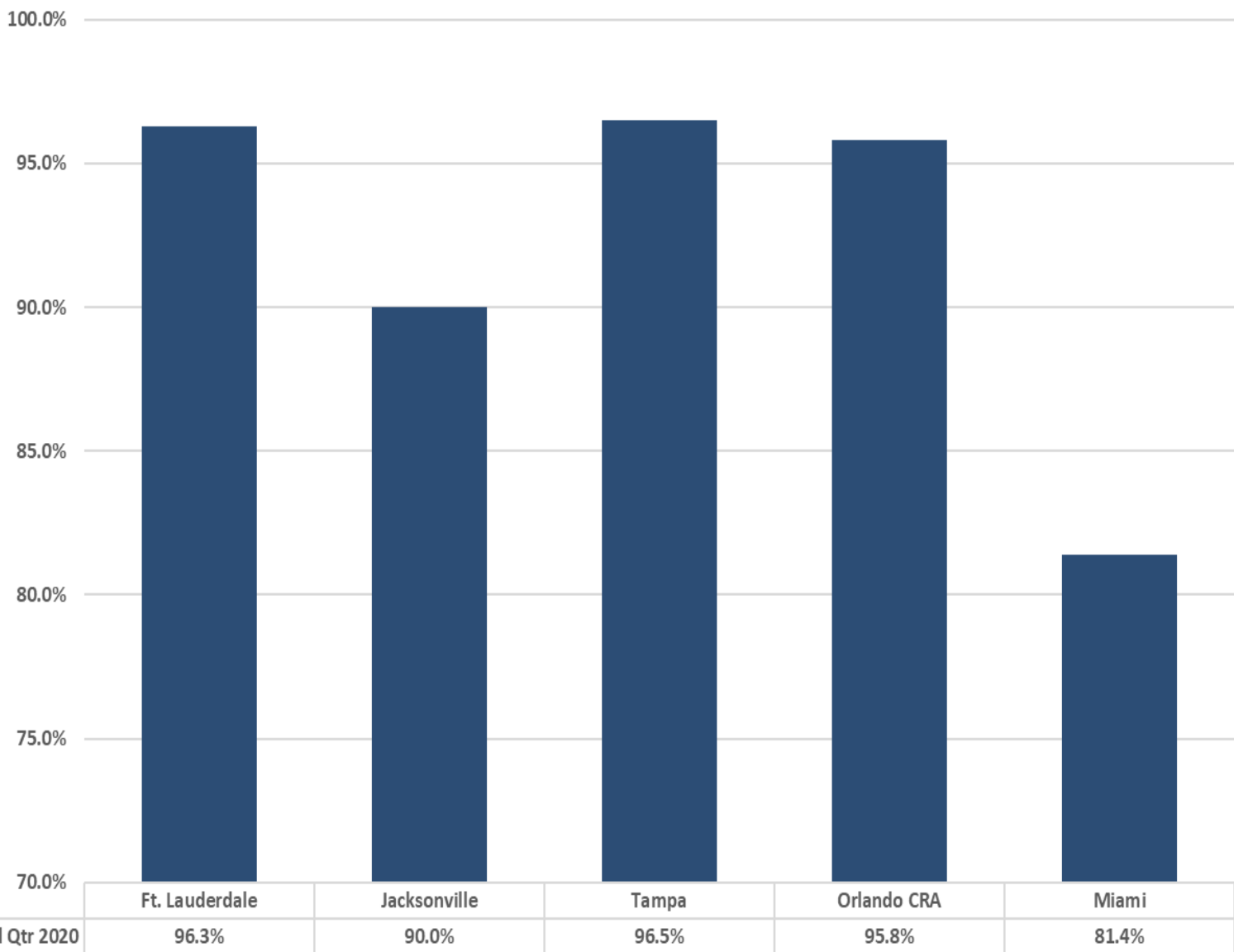
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**Figure 8**  
**Comparable CBD Retail Buildings**  
**Percent Occupancy**  
**2nd Quarter 2020**

**Figure 8**  
**Comparable CBD Retail Buildings**  
**Percent Occupancy**  
**2nd Quarter 2020**



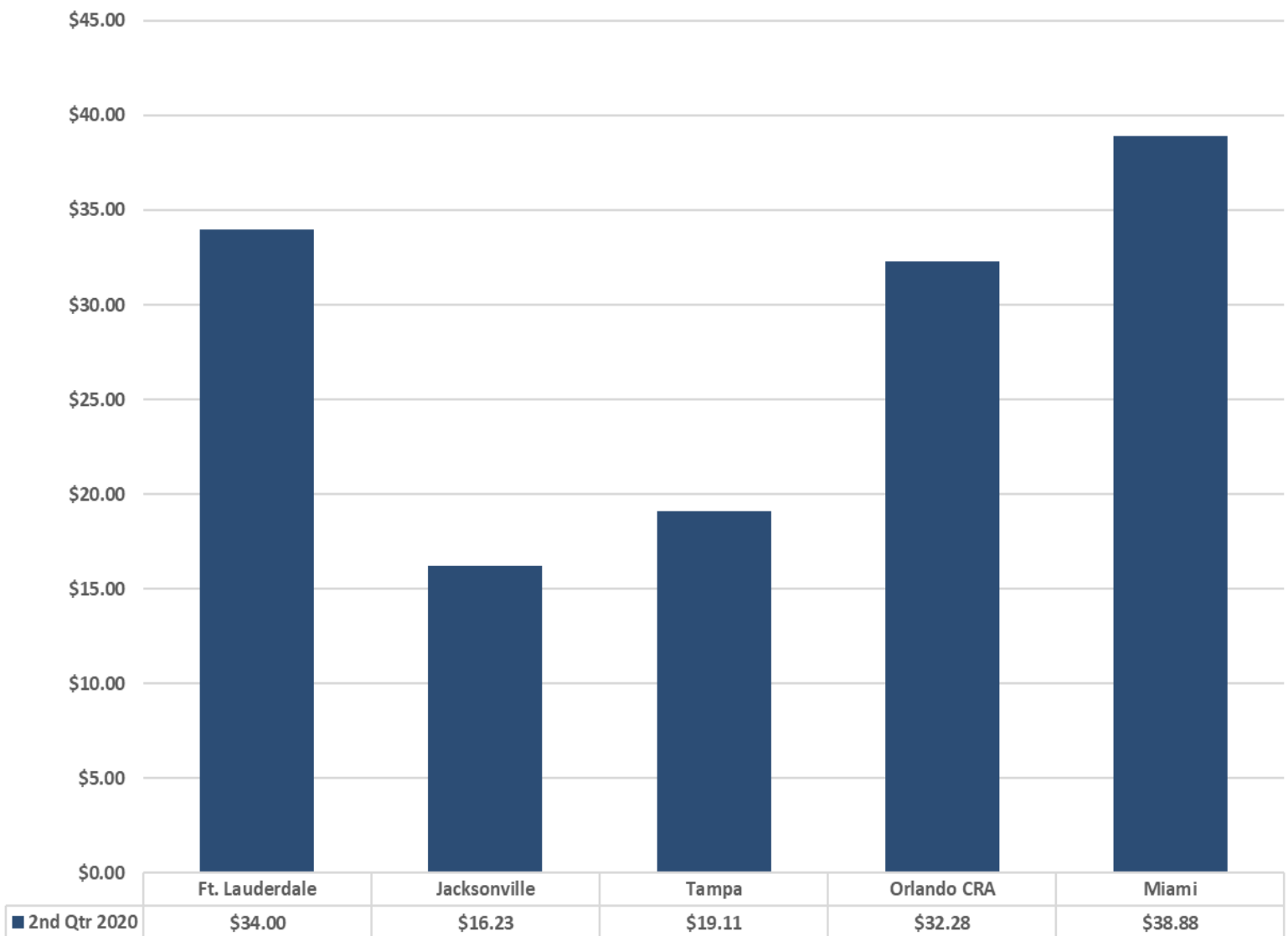
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**Figure 9**  
**Comparable CBD Retail Buildings**  
**Rental Rate per Square Feet**  
**2nd Quarter 2020**

**Figure 9**  
**Comparable CBD Retail Buildings**  
**Rental Rate per Square Feet**  
**2nd Quarter 2020**





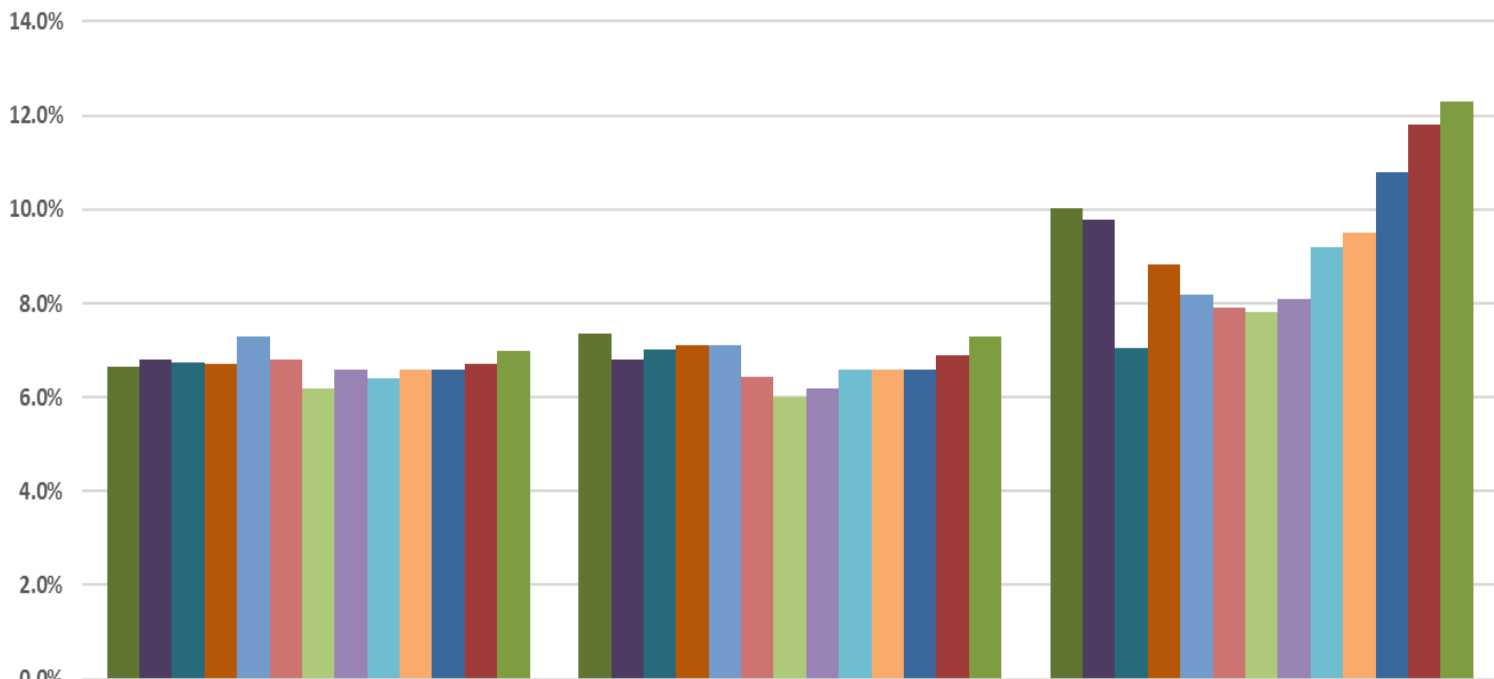
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**Figure 10**  
**Orange County, City of Orlando and Downtown Orlando CRA**  
**Office Vacancy Rate Comparison**

**Figure 10**  
**Orange County, City of Orlando and Downtown Orlando CRA**  
**Office Vacancy Rate Comparison**



	Orange County	City of Orlando	Downtown Orlando CRA
2nd Qtr 2017	6.7%	7.3%	10.0%
3rd Qtr 2017	6.8%	6.8%	9.8%
4th Qtr 2017	6.7%	7.0%	7.1%
1st Qtr 2018	6.7%	7.1%	8.8%
2nd Qtr 2018	7.3%	7.1%	8.2%
3rd Qtr 2018	6.8%	6.4%	7.9%
4th Qtr 2018	6.2%	6.0%	7.8%
1st Qtr 2019	6.6%	6.2%	8.1%
2nd Qtr 2019	6.4%	6.6%	9.2%
3rd Qtr 2019	6.6%	6.6%	9.5%
4th Qtr 2019	6.6%	6.6%	10.8%
1st Qtr 2020	6.7%	6.9%	11.8%
2nd Qtr 2020	7.0%	7.3%	12.3%

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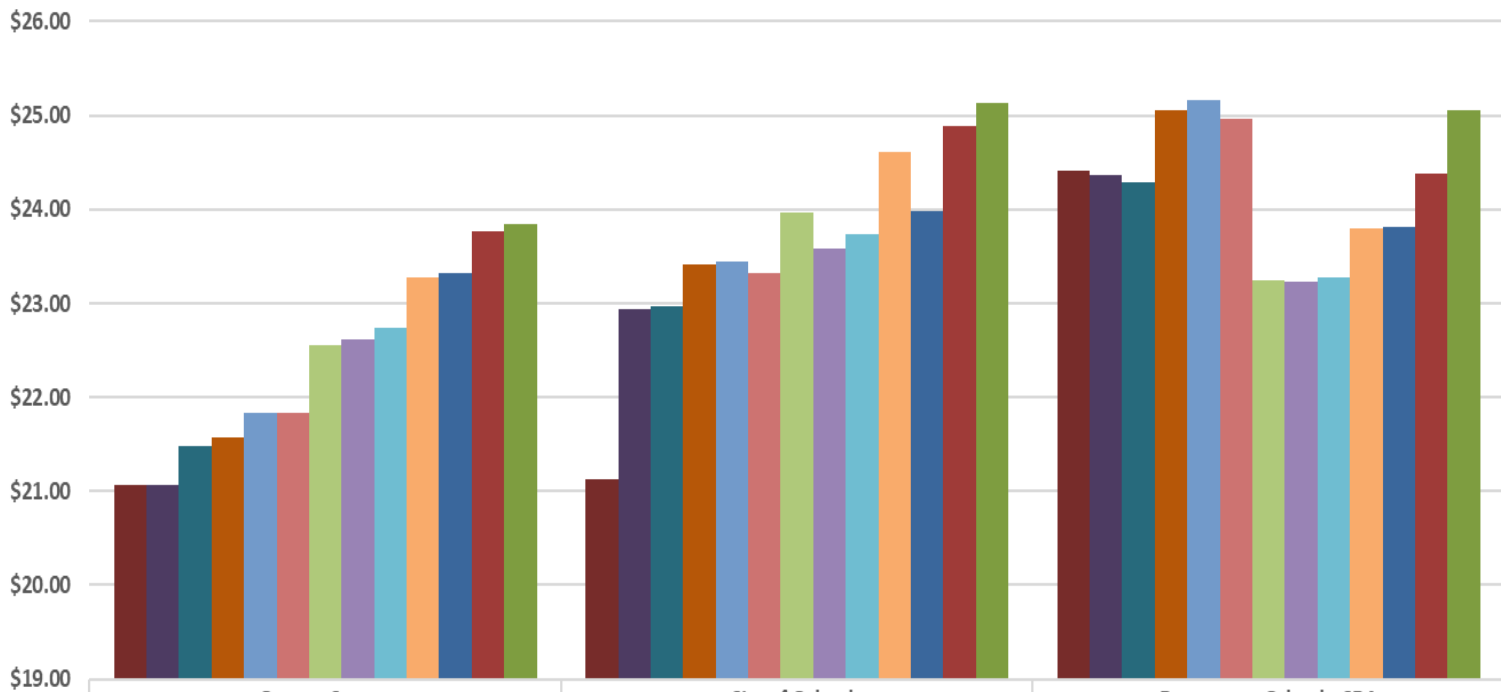
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**Figure 11**

### Orange County, City of Orlando and Downtown Orlando CRA Average Office Rental Rate per Square Feet

**Figure 11**  
Orange County, City of Orlando and Downtown Orlando CRA  
Average Office Rental Rate per Square Feet



	Orange County	City of Orlando	Downtown Orlando CRA
2nd Qtr 2017	\$21.07	\$21.12	\$24.41
3rd Qtr 2017	\$21.07	\$22.94	\$24.37
4th Qtr 2017	\$21.48	\$22.97	\$24.29
1st Qtr 2018	\$21.58	\$23.41	\$25.06
2nd Qtr 2018	\$21.84	\$23.44	\$25.17
3rd Qtr 2018	\$21.84	\$23.32	\$24.97
4th Qtr 2018	\$22.55	\$23.97	\$23.24
1st Qtr 2019	\$22.62	\$23.58	\$23.23
2nd Qtr 2019	\$22.74	\$23.73	\$23.27
3rd Qtr 2019	\$23.28	\$24.61	\$23.80
4th Qtr 2019	\$23.32	\$23.98	\$23.81
1st Qtr 2020	\$23.76	\$24.89	\$24.38
2nd Qtr 2020	\$23.84	\$25.14	\$25.06

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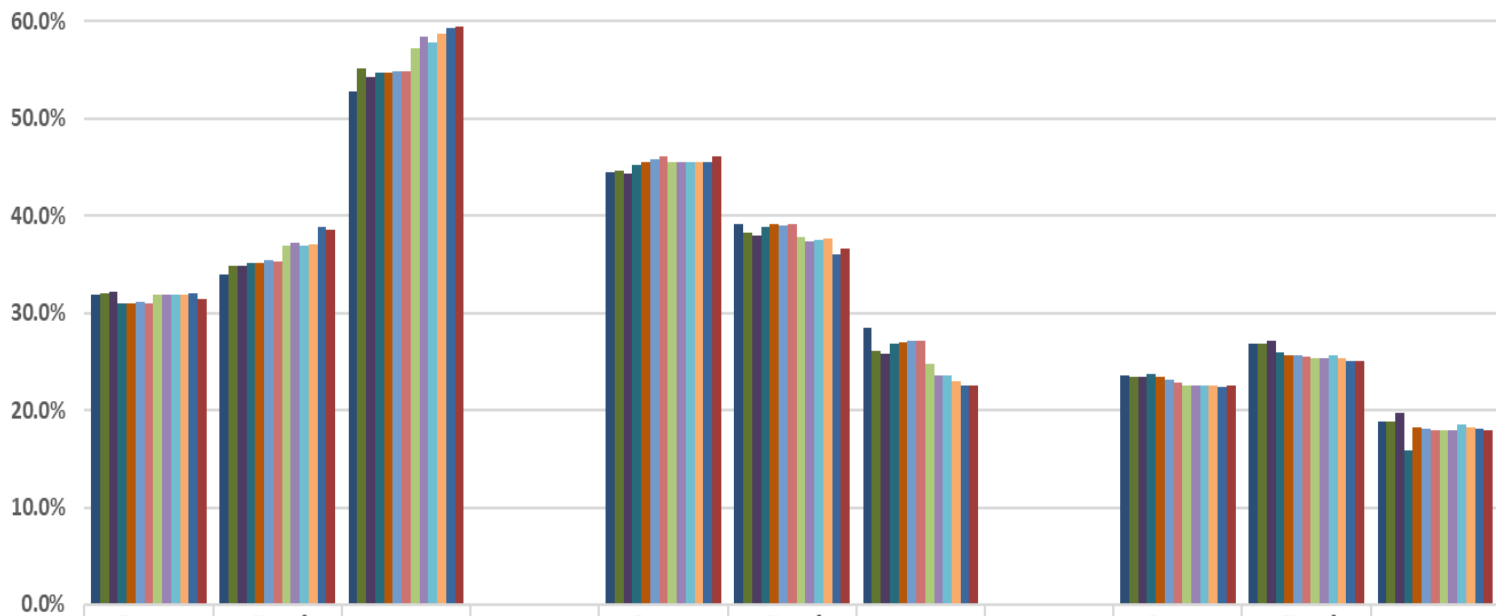
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**Figure 12**

### Orange County, City of Orlando and Downtown Orlando CRA Office Space Distribution as Percentage of All Classes

**Figure 12**  
Orange County, City of Orlando and Downtown Orlando CRA  
Office Space Distribution as Percentage of All Classes



	Orange County	City of Orlando	CRA		Orange County	City of Orlando	CRA		Orange County	City of Orlando	CRA
	Class A				Class B				Class C		
■ 2nd Qtr 2017	31.9%	33.9%	52.8%		44.5%	39.2%	28.4%		23.6%	26.9%	18.8%
■ 3rd Qtr 2017	32.0%	34.9%	55.1%		44.6%	38.2%	26.1%		23.4%	26.8%	18.8%
■ 4th Qtr 2017	32.2%	34.9%	54.3%		44.3%	38.0%	25.9%		23.5%	27.1%	19.8%
■ 1st Qtr 2018	31.0%	35.1%	54.7%		45.3%	38.8%	26.8%		23.7%	26.0%	15.8%
■ 2nd Qtr 2018	31.0%	35.1%	54.8%		45.6%	39.2%	27.0%		23.4%	25.7%	18.3%
■ 3rd Qtr 2018	31.1%	35.4%	54.8%		45.8%	39.0%	27.1%		23.1%	25.6%	18.0%
■ 4th Qtr 2018	31.0%	35.3%	54.8%		46.2%	39.2%	27.2%		22.8%	25.5%	18.0%
■ 1st Qtr 2019	31.9%	36.9%	57.3%		45.6%	37.8%	24.8%		22.5%	25.3%	17.9%
■ 2nd Qtr 2019	31.9%	37.2%	58.4%		45.5%	37.4%	23.6%		22.6%	25.4%	18.0%
■ 3rd Qtr 2019	31.9%	36.9%	57.8%		45.5%	37.5%	23.6%		22.6%	25.6%	18.6%
■ 4th Qtr 2019	31.9%	37.1%	58.8%		45.6%	37.6%	23.0%		22.5%	25.3%	18.2%
■ 1st Qtr 2020	32.1%	38.9%	59.4%		45.5%	36.1%	22.5%		22.4%	25.0%	18.1%
■ 2nd Qtr 2020	31.4%	38.5%	59.5%		46.1%	36.6%	22.6%		22.5%	25.0%	17.9%

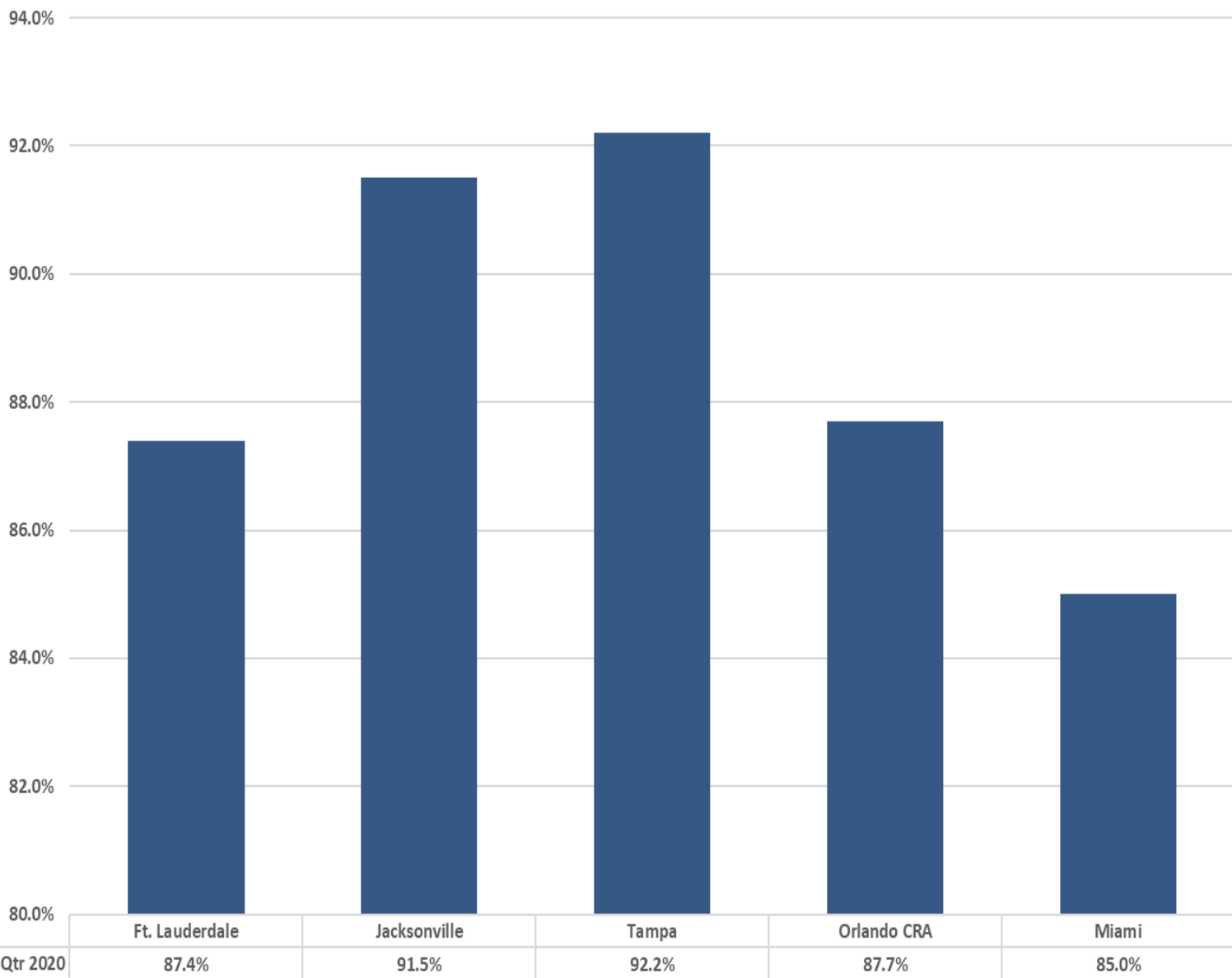
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**Figure 13**  
**Comparable CBD Office Buildings**  
**Percent Occupancy**  
**2nd Quarter 2020**

**Figure 13**  
**Comparable CBD Office Buildings**  
**Percent Occupancy**  
**2nd Quarter 2020**



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**Figure 14**  
**Comparable CBD Office Buildings**  
**Rental Rate per Square Feet**  
**2nd Quarter 2020**

**Figure 14**  
**Comparable CBD Office Buildings**  
**Rental Rate per Square Feet**  
**2nd Quarter 2020**

