

DOWNTOWN ORLANDO

Market Report Summary Third 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

Please note that Major Downtown Developments is the only section that does not originate from the GAI report. This information is compiled by the DDB/CRA staff through the use of 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 Michael Whiteman at 407.246.2102 or at Michael.whiteman@DowntownOrlando.com.

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Business

For the 3rd quarter 2020, 51 business licenses were issued within downtown Orlando; this is a 155% increase from the second quarter of 2020 and a 2.0% decrease compared to the same quarter last year. Approximately 45% 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 (29.8% of total jobs), Public Administration with 17,388 jobs (21.0% of total jobs), and Professional, Scientific and Technical Services with 13,314 jobs (16.1% 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 1,833 available hotel rooms, approximately 44,570 guests were lodged in downtown Orlando's hotels for the 3rd quarter 2020 which is an increase of 11,894 guests from the previous quarter and a 47.0% decrease compared to Q32019. The average hospitality occupancy rate decreased from 46.2% to 38.7% compared to the previous quarter. Moreover, the average hospitality occupancy rate for the third quarter 2020 decreased by 46.8% and 47.0% compared to the same quarter in 2018 and 2019 respectively. The decreases reflected were largely attributed to the economic impacts of the COVID-19 pandemic.

Downtown Orlando's average daily rate (ADR) was \$146.16, which is the highest when compared to Metro Orlando with an average daily rate of \$113.14, Orange County with \$121.64, and the City with \$129.90. Additionally, downtown Orlando's average daily rate (ADR) decreased by 3.6% and 4.9% 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 3rd quarter 2020, the average sales price per square foot for residential units in downtown Orlando was \$245, which is higher than that of Orange County at \$178 and that of the City at \$173. Approximately 78% of the total residential dwelling unit sales in downtown Orlando were condominium units; total residential dwelling unit sales were 72, which is higher than the 49 sales reported in the 2nd quarter 2020. Total residential dwelling unit sales decreased by 14.3% compared to the 3rd quarter 2019.

Overall, the rental market in downtown Orlando continued to perform well with an average occupancy rate of 85.2%. This is a decrease compared to the 90.1% occupancy of the 3rd quarter 2019. Among rental apartments surveyed during the 3rd quarter 2020, the average rent was \$1,523 per month, which is lower than the 2nd quarter 2020 average of \$1,592 per month. For the 3rd quarter 2020, the average price per square foot was \$1.67, which is a 7.2% decrease compared to the same quarter 2019 of \$1.80 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 95.2%, which is lower than that the occupancy for the City (96.2%) and the occupancy for Orange County (95.6%). The average rental rate was \$33.25 per square foot, which is an increase of 15% compared to the same quarter last year. Over the same period, Orange County saw a rental rate increase of 4% and the City of Orlando saw an increase of 11%.

Compared to other major Florida cities, downtown Orlando had the third highest retail occupancy rate (95.2%) which is lower Ft. Lauderdale (95.7%) and Tampa (95.4%), but higher than that of Jacksonville (89.2%) and Miami (79.1%). Downtown Orlando had the second highest rental rate (\$33.25) per square foot compared to Jacksonville (\$15.89), Tampa (\$19.74), Miami (\$40.77), and Ft. Lauderdale (\$32.89).

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 3rd quarter 2020, the office occupancy rate in downtown Orlando was 87.9%, which is higher than the previous quarter (87.7%). It is also lower than that of the City (92.1%) and that of Orange County (92.4%). The average price per square foot was \$26.61, which is higher than both the average price of \$25.06 per square foot reported for the 2nd quarter 2020 and the average price of \$23.80 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 (95.9%). There were 9 major lease transactions (above 5,000 sq. ft.) totaling 188,165 sq. ft. that occurred in within the CRA during the 3rd quarter 2020. The largest transaction accounted for 113,300 Sq. Ft. of this total and was for a property located at 500 N. Orange Ave., which was leased by the U.S. General Services Administration (GSA).

Compared to other major cities in Florida, downtown Orlando had the third highest occupancy rate (87.9%) for CBD office buildings compared to Miami (82.9%), Fort-Lauderdale (85.3%), Jacksonville (92%), and Tampa (91.8%). Downtown Orlando had the second lowest rental rate (\$27.72) per square foot compared to Jacksonville (\$21.83), Tampa (\$31.83), Miami (\$41.52), and Fort-Lauderdale (\$42.64).

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 25 projects underway in downtown Orlando representing \$5.7 billion (3.4\$ billion in private and \$2.3 billion in public) in investment. Projects currently in progress include 1,882 residential units, 240 hotel rooms, 123,437 sq. ft. of retail space, and 179,377 sq. ft. of office space. Furthermore, there are 12 proposed projects which include 2,593 residential units, 1,054 hotel rooms, 166,107 sq. ft. of retail space, and 1,322,838 sq. ft. of office space.

Downtown Projects – In Progress

Project	Investment	Resident ial Units	Hotel Rooms	Retail (sq ft)	Office (sq ft)	Other (sq ft)
Luminary Green at Creative Village	\$ 5,300,000	-	-	-	-	-
EA Orlando at Creative Village	\$ 60,000,000	-	-	-	175,940	-
Modera at Creative Village	\$ 75,000,000	292	-	10,000	-	-
Orlando Magic Training Facility	\$ 70,000,000	-	-	-	-	-
Bumby Arcade Food Hall	\$ -	-	-	16,000	3,437	-
409 N Magnolia	\$ 36,000,000	-	240	3,191	-	-
520 East	\$ 88,000,000	363	-	6,800	-	-
Dr. Phillips Center for the Performing Arts (Phase 2)	\$ 550,000,000	-	-	-	-	-
Fountain Vu 5	\$ 4,000,000	5	-	-	-	-
I-4 Ultimate Improvement Project	\$ 2,300,000,000	-	-	-	-	-
Orange & Robinson Apartments	\$ 65,000,000	369	-	3,446	-	-
Radius Apartment Tower	\$ 95,000,000	389	-	14,000	-	-
Society Orlando (Phases 1 & 2)	\$ -	464	-	70,000	-	-
Totals	\$ 3,348,300,000	1,882	240	123,437	179,377	-

Downtown Projects – Proposed

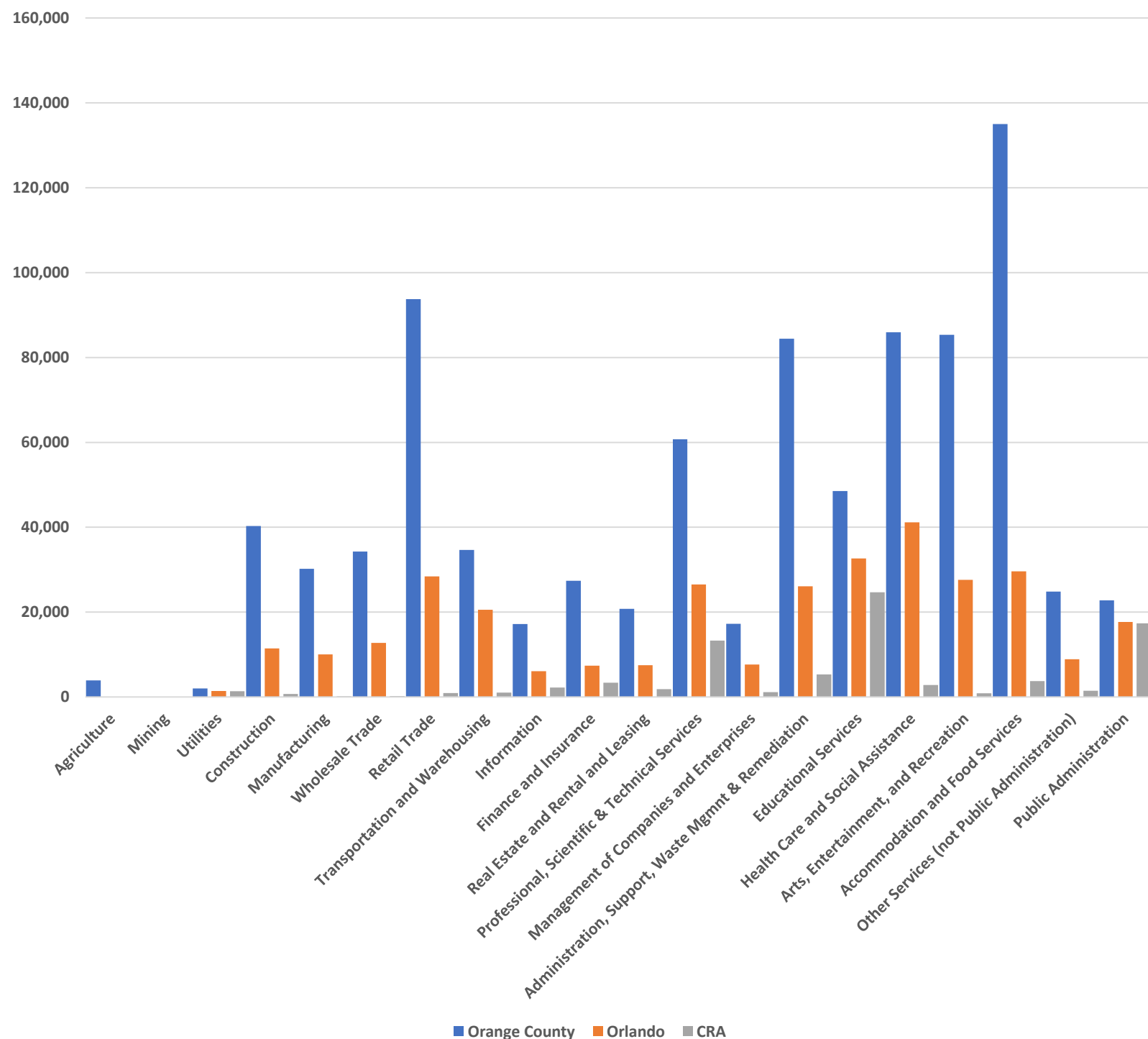
Project	Investment	Resident ial Units	Hotel Rooms	Retail (sq ft)	Office (sq ft)	Other (sq ft)
811 E. Washington Street	\$ 1,000,000	4	-	607	-	2,477
Cambria Suites Hotel	\$ 20,000,000	-	155	-	-	-
Church Street Tower Phase 2	\$ 275,000,000	-	228	2,500	210,500	-
DXV Central	\$ 78,800,000	189	-	7,500	65,688	-
Magnolia Mixed-Use Development	\$ 64,500,000	232	-	6,000	16,000	-
Monarch Tower	\$ 42,800,000	400	160	15,000		
Sports Entertainment District	\$ 500,000,000	310	300	110,000	420,000	-
Summit Radisson	\$ 63,300,000	75	211	-	-	-
The 500	\$ 36,000,000	-	-	1,500	116,650	-
Vertical Medical City	\$ 1,100,000,000	955	-	6,000	350,000	3,580
Vive on Eola	\$ -	128	-	7,000	14,000	
389 North	\$ 140,000,000	300	-	10,000	130,000	-
Totals	\$ 2,321,400,000	2,593	1,054	166,107	1,322,838	6,057

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Figure 1
Orange County, City of Orlando and Downtown CRA
Jobs by Industry Sector Annual 2017
3rd Quarter 2020

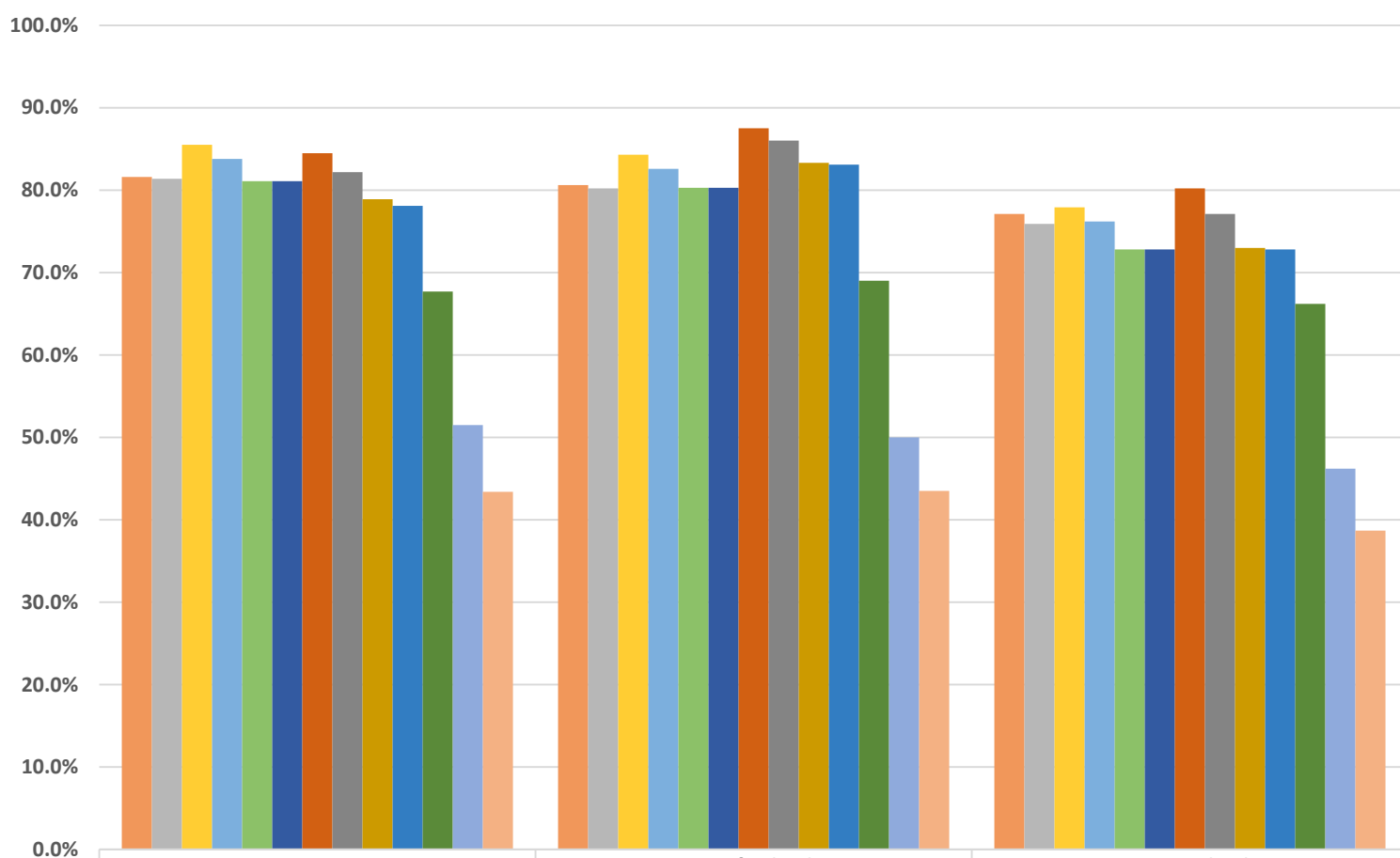


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Figure 2
Orange County, City of Orlando and Downtown CRA
Hotel Occupancy Comparison
3rd Quarter 2020



	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%
3rd Qtr 2020	43.4%	43.5%	38.7%

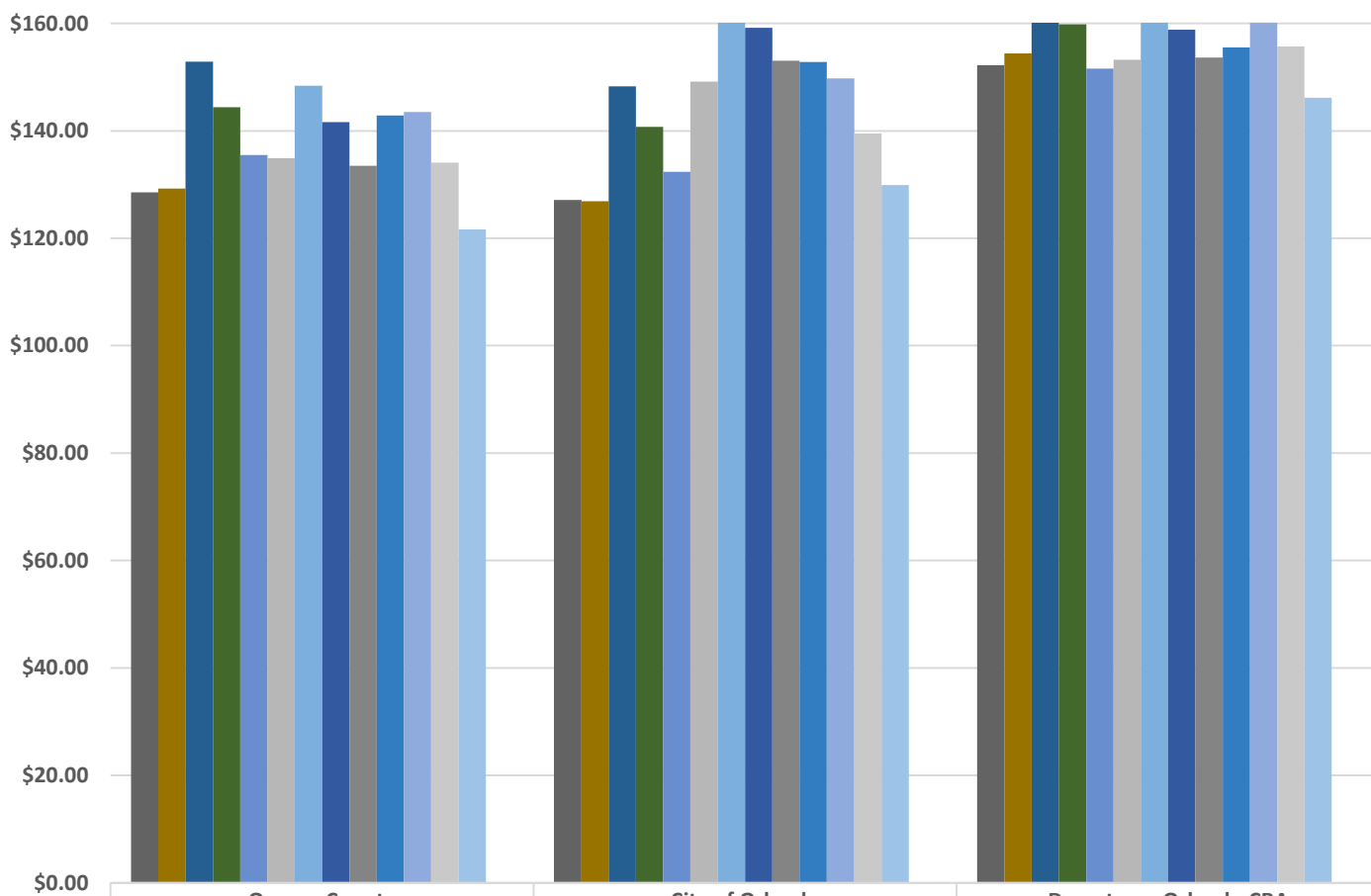
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Figure 3
Orange County, City of Orlando and Downtown CRA
Hotel Room Average Daily Rate (ADR) Comparison
3rd Quarter 2020



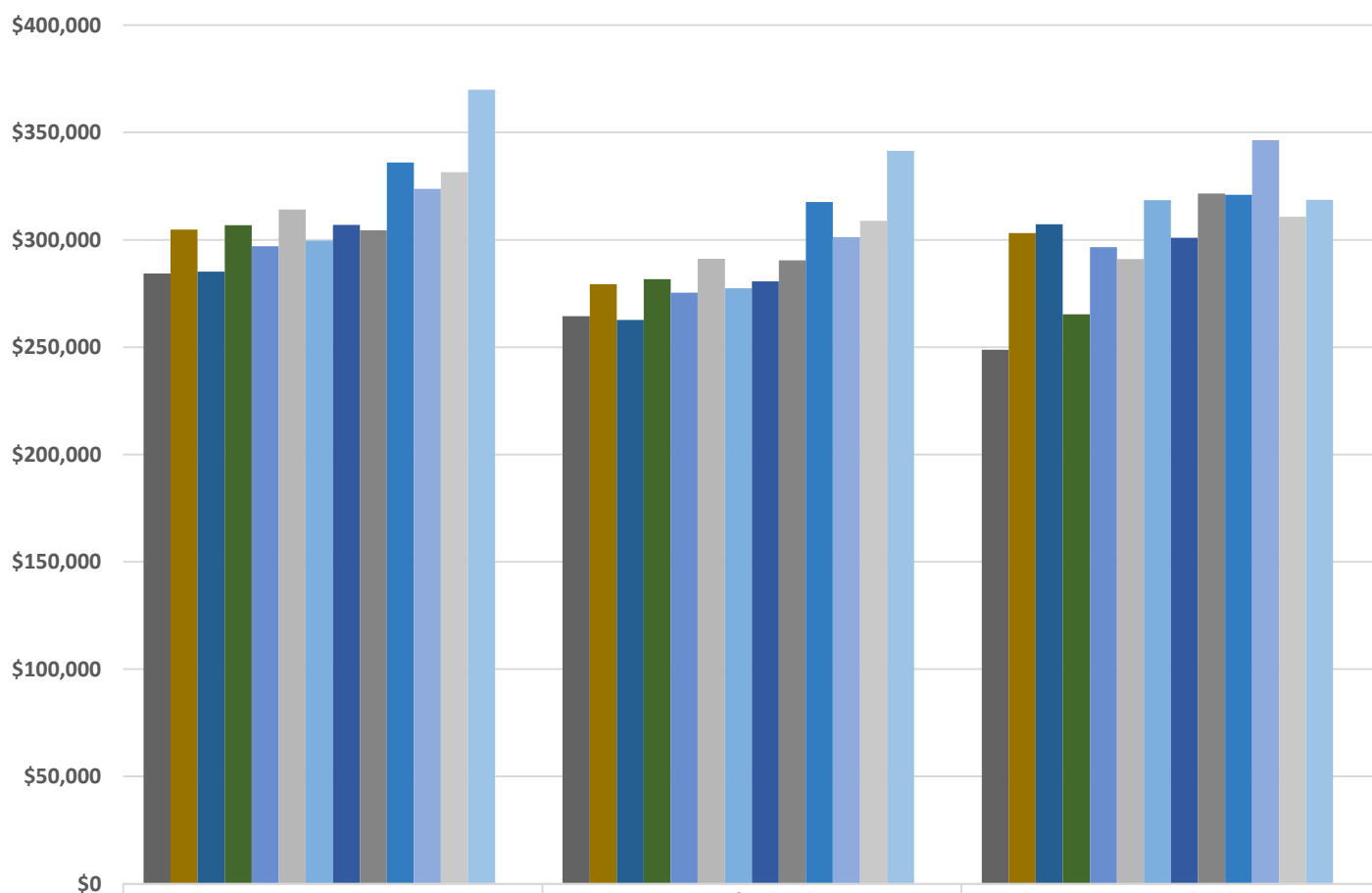
	Orange County	City of Orlando	Downtown Orlando CRA
■ 3rd Qtr 2017	\$128.55	\$127.11	\$152.25
■ 4th Qtr 2017	\$129.28	\$126.88	\$154.43
■ 1st Qtr 2018	\$152.88	\$148.31	\$171.42
■ 2nd Qtr 2018	\$144.42	\$140.74	\$159.86
■ 3rd Qtr 2018	\$135.48	\$132.37	\$151.61
■ 4th Qtr 2018	\$134.94	\$149.19	\$153.26
■ 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
■ 3rd Qtr 2020	\$121.64	\$129.90	\$146.16
■ % Change 3Q19 to 3Q20	-8.9%	-15.1%	-4.9%

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Figure 4
Orange County, City of Orlando and Downtown CRA
Average Residential Sales Price Per Unit
3rd Quarter 2020



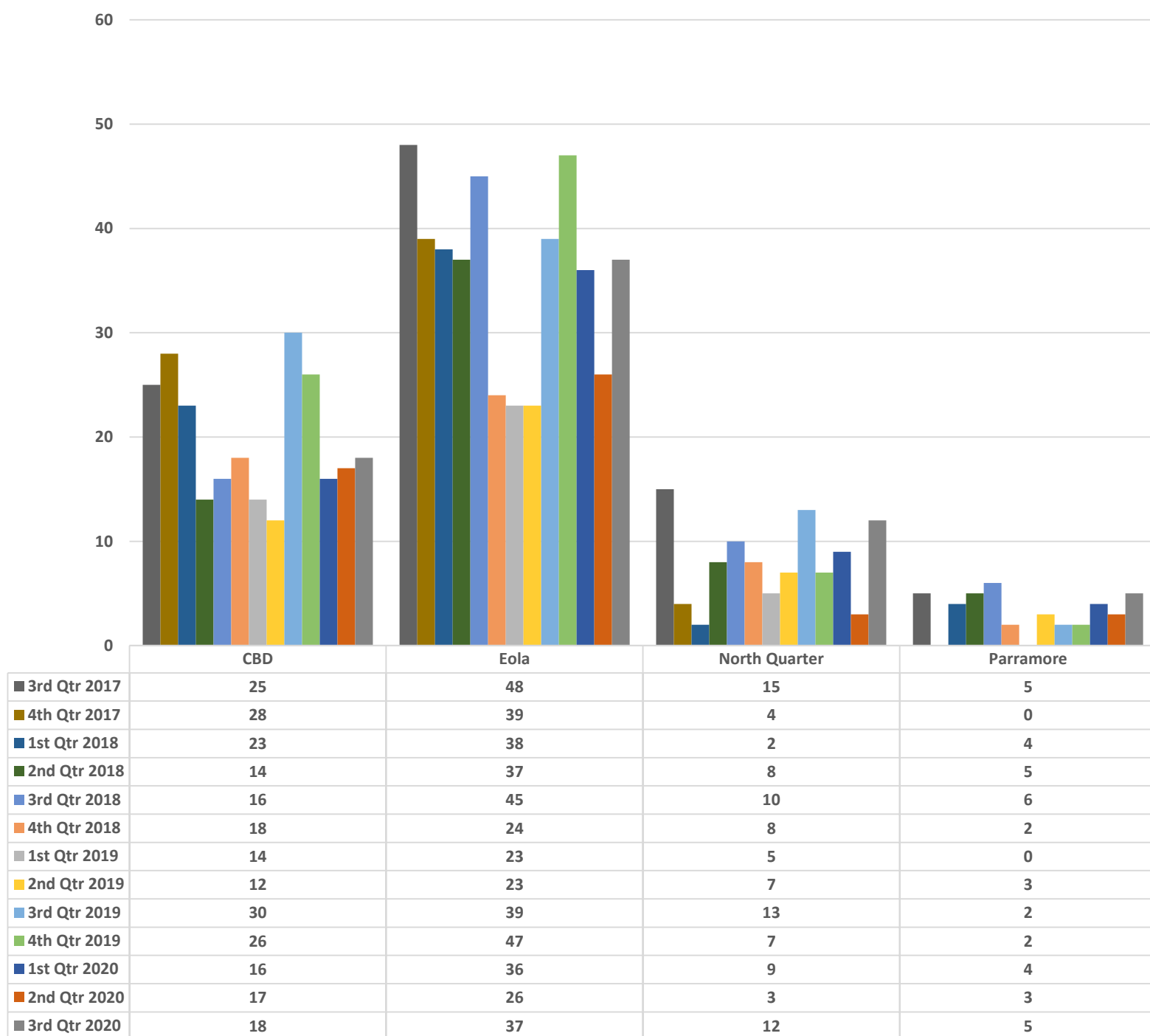
	Orange County	City of Orlando	Downtown Orlando CRA
■ 3rd Qtr 2017	\$284,372	\$264,374	\$248,838
■ 4th Qtr 2017	\$304,691	\$279,382	\$303,162
■ 1st Qtr 2018	\$285,172	\$262,704	\$307,218
■ 2nd Qtr 2018	\$306,857	\$281,702	\$265,367
■ 3rd Qtr 2018	\$296,992	\$275,387	\$296,549
■ 4th Qtr 2018	\$314,178	\$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
■ 3rd Qtr 2020	\$369,971	\$341,373	\$318,710
■ % Change 3Q19 to 3Q20	21.5%	17.5%	-0.9%

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Figure 5
Total Residential Sales
Downtown Orlando CRA Planning Areas by Units Sold
3rd Quarter 2020



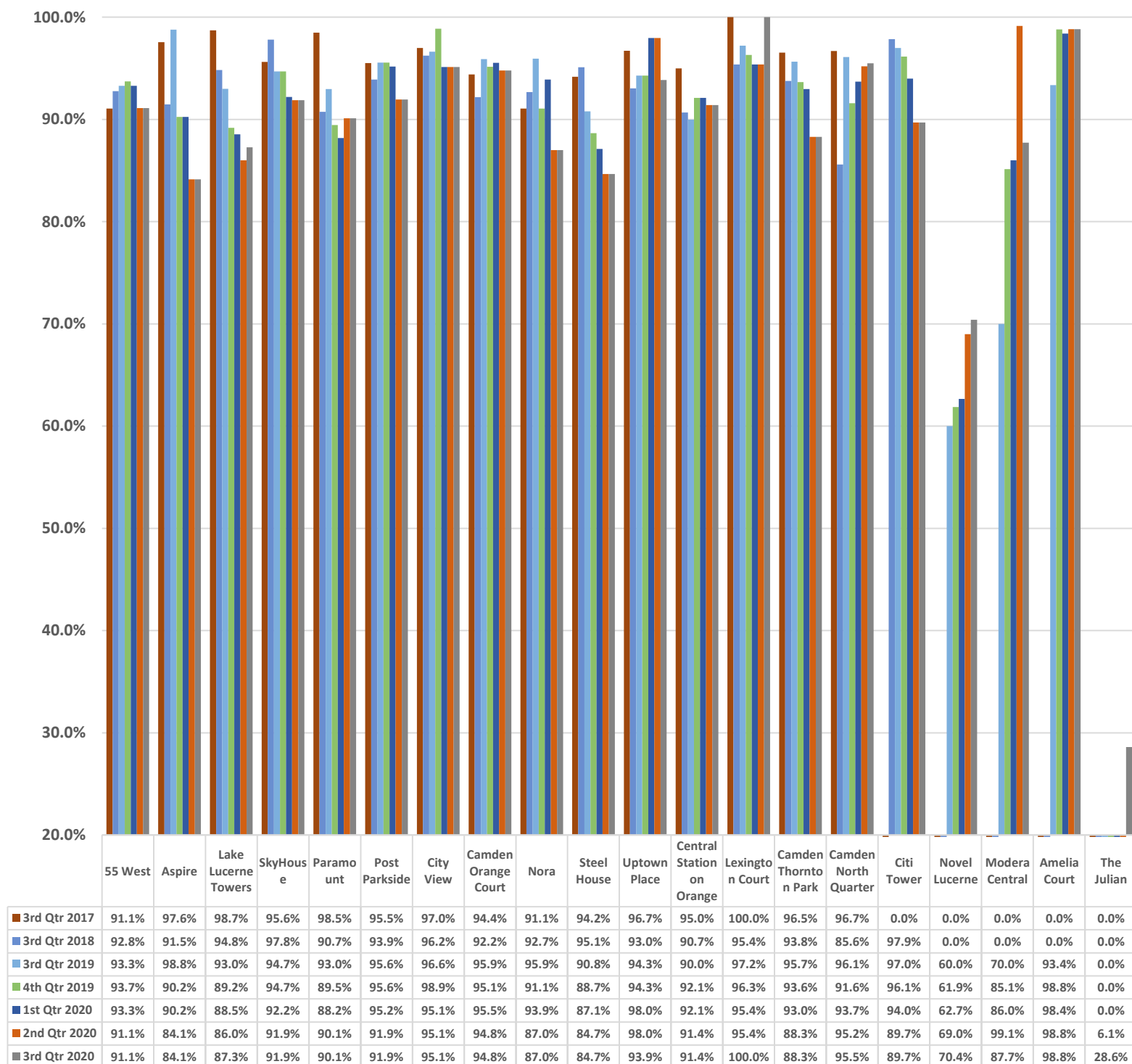
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Figure 6
Downtown Orlando CRA
Occupancy of Major Apartment Buildings
3rd Quarter 2020

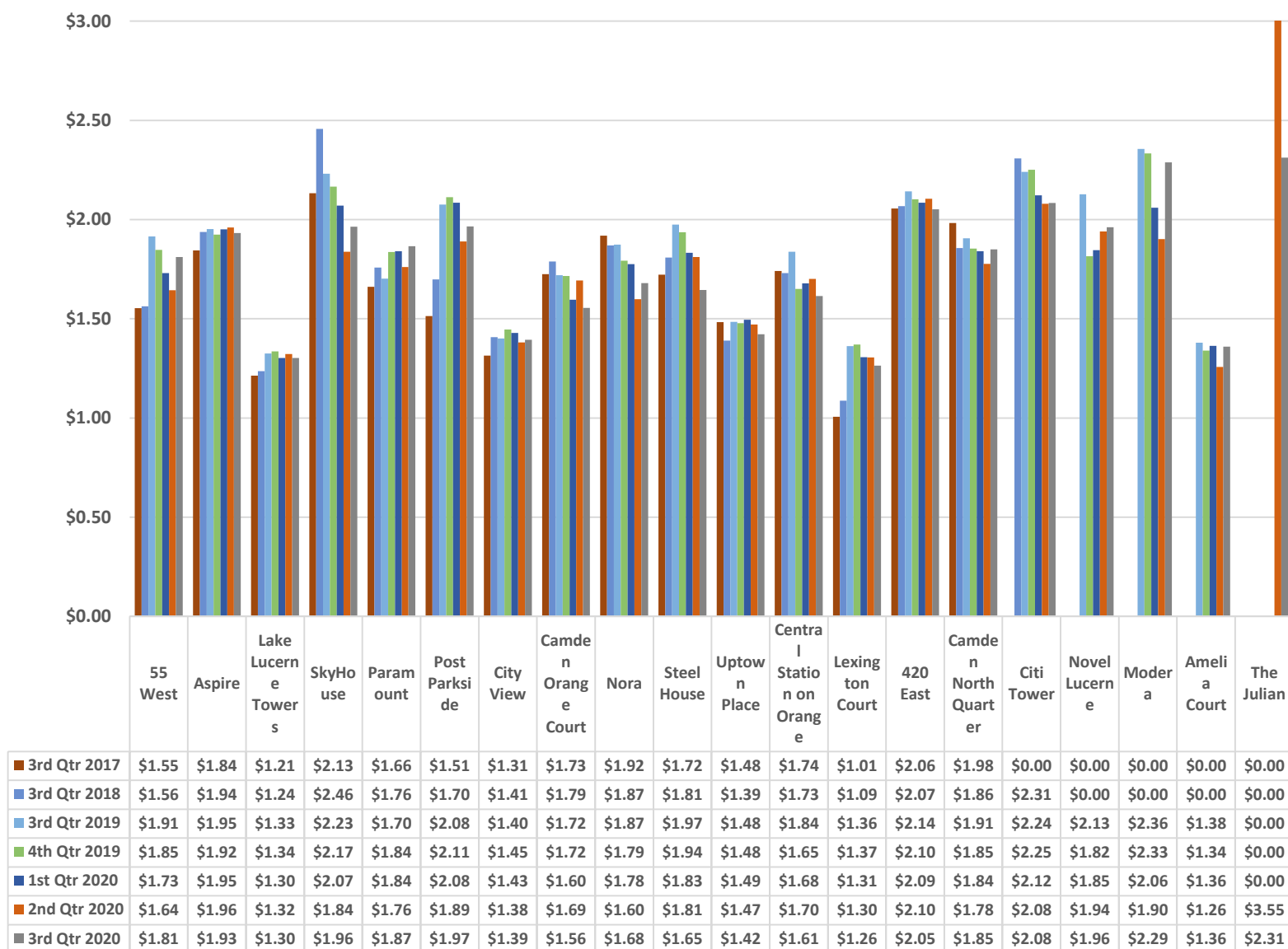


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Figure 7
Downtown Orlando CRA
Average Rental Rate Per Square Foot of Major Apartment Buildings
3rd Quarter 2020

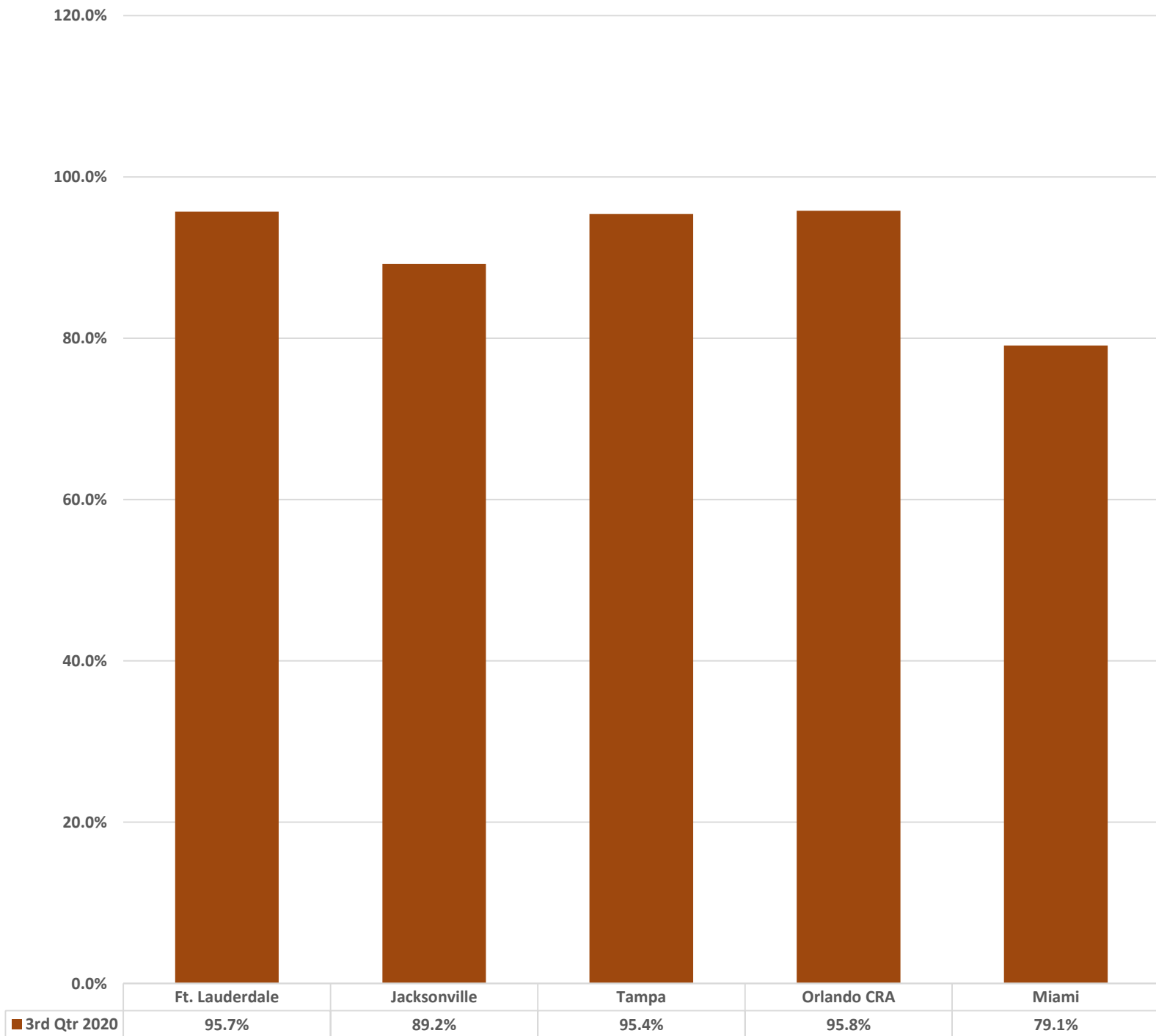


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Figure 8
Comparable CBD Retail Buildings
Percent Occupancy
3rd Quarter 2020

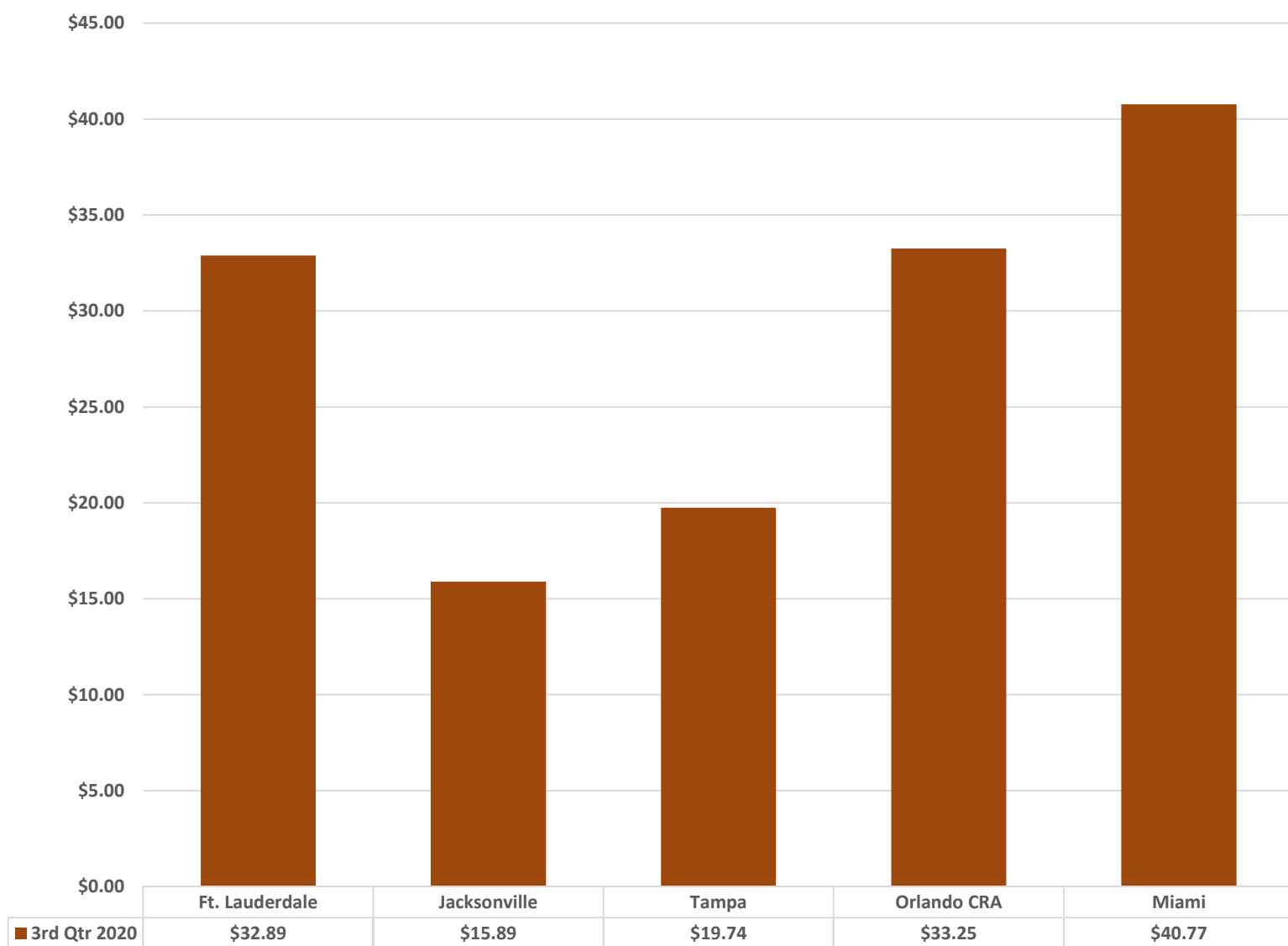


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Figure 9
Comparable CBD Retail Buildings
Rental Rate per Square Feet
3rd Quarter 2020

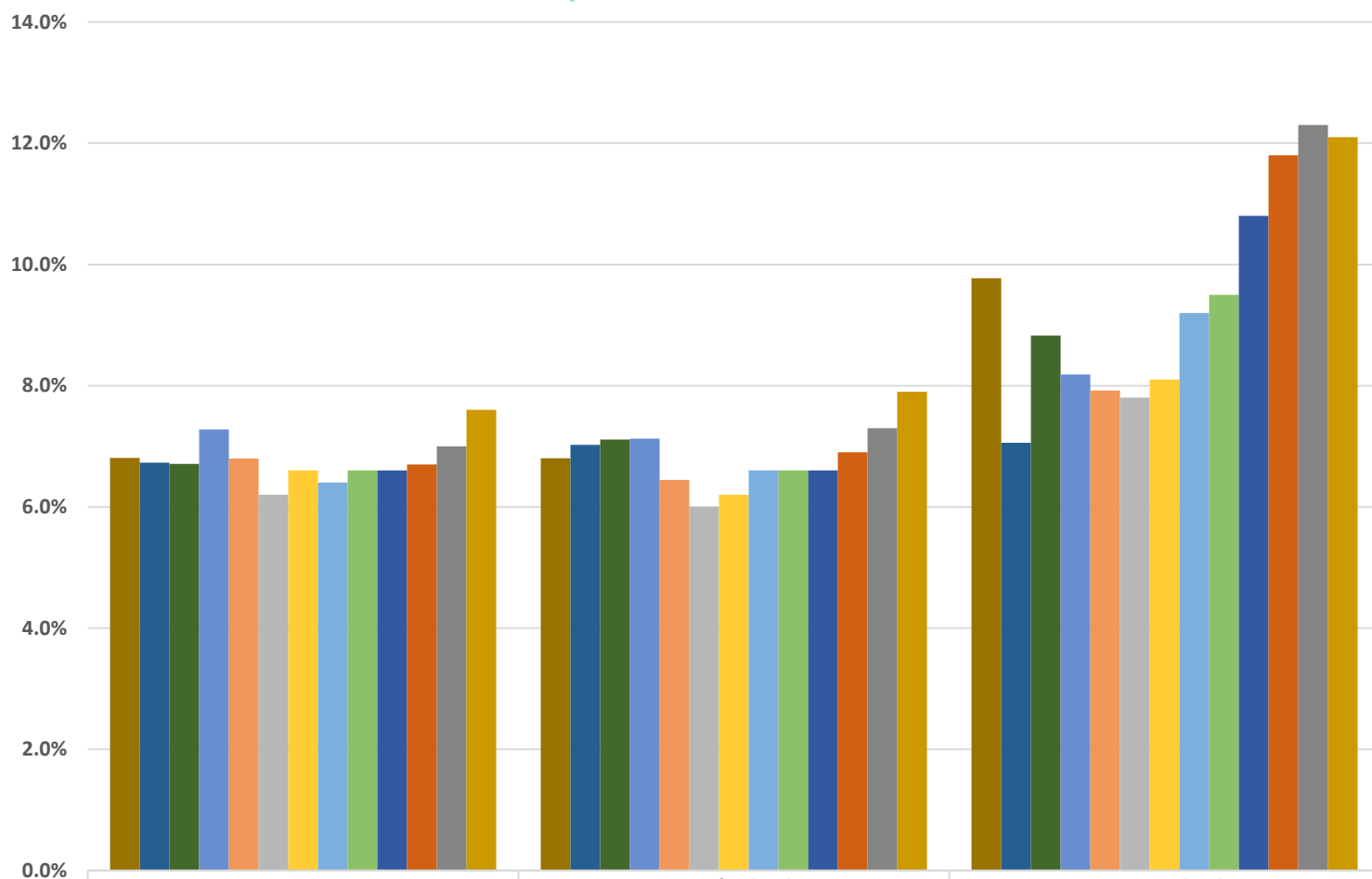


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Figure 10
Orange County, City of Orlando and Downtown Orlando CRA
Office Vacancy Rate Comparison
3rd Quarter 2020



Orange County

City of Orlando

Downtown Orlando CRA

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%

3rd Qtr 2020

7.6%

7.9%

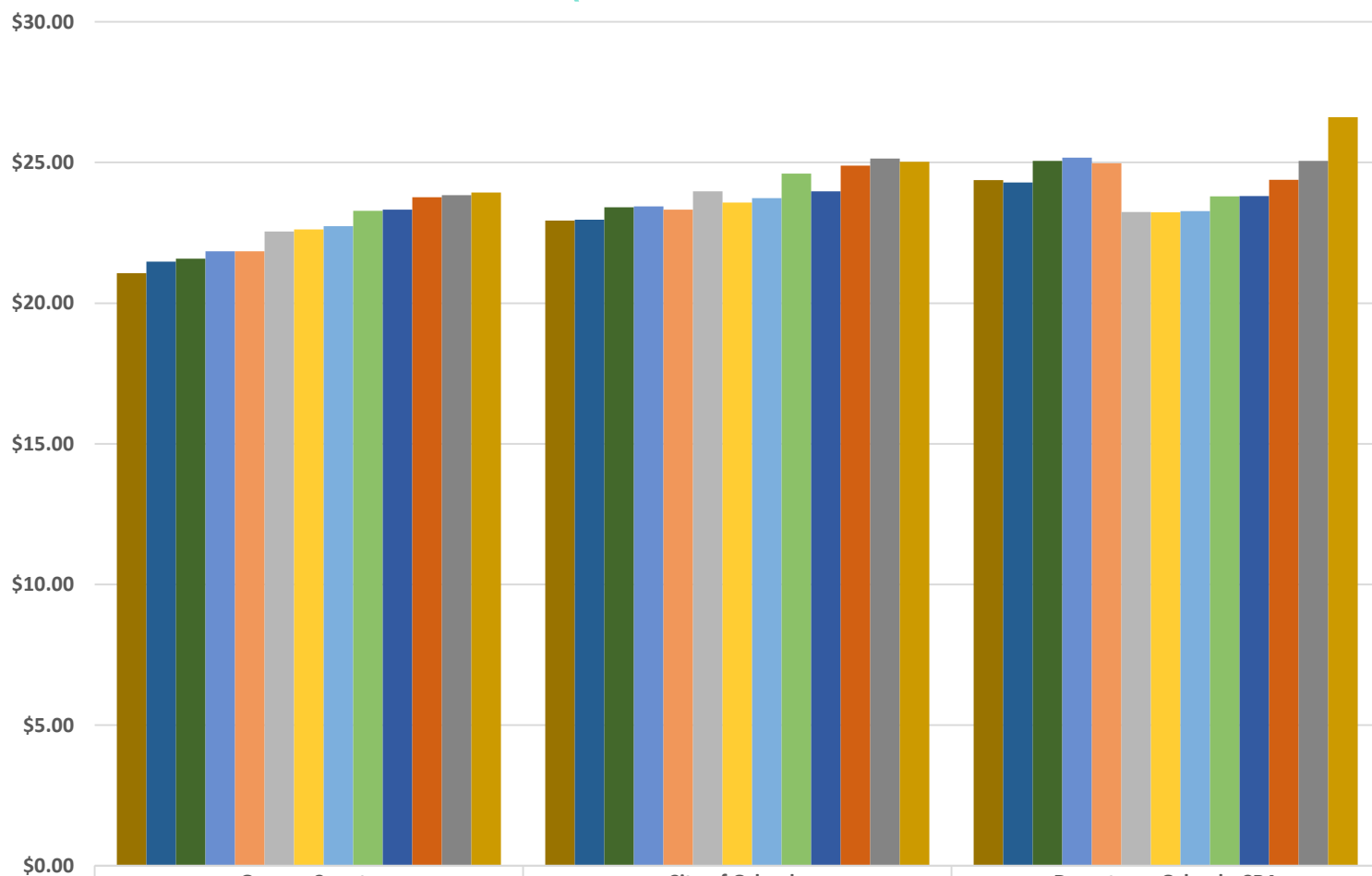
12.1%

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Figure 11
Orange County, City of Orlando and Downtown Orlando CRA
Average Office Rental Rate per Square Feet
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	Orange County	City of Orlando	Downtown Orlando CRA
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
3rd Qtr 2020	\$23.93	\$25.03	\$26.61

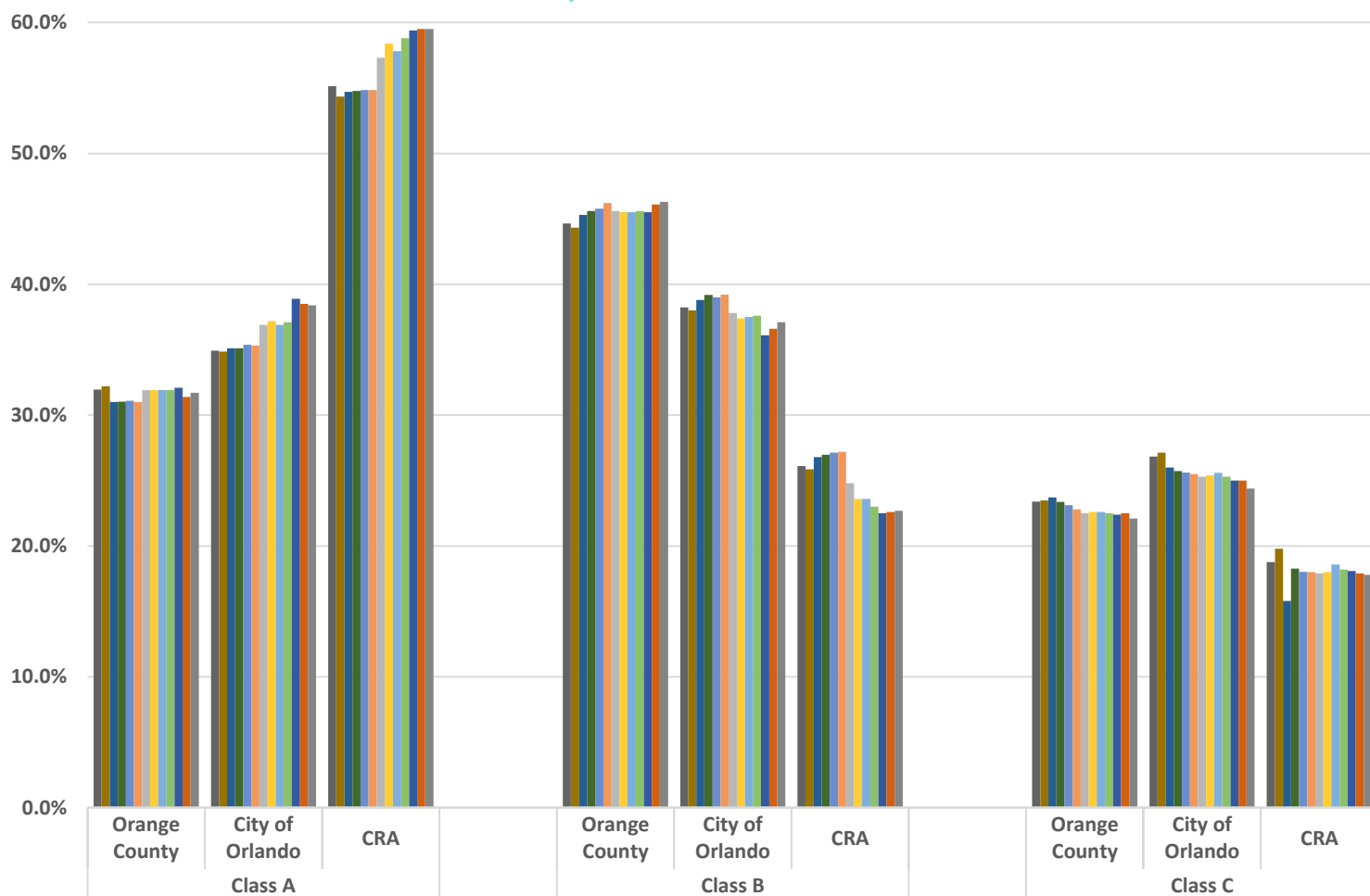
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Figure 12
Orange County, City of Orlando and Downtown Orlando CRA
Office Space Distribution as Percentage of All Classes
3rd Quarter 2020



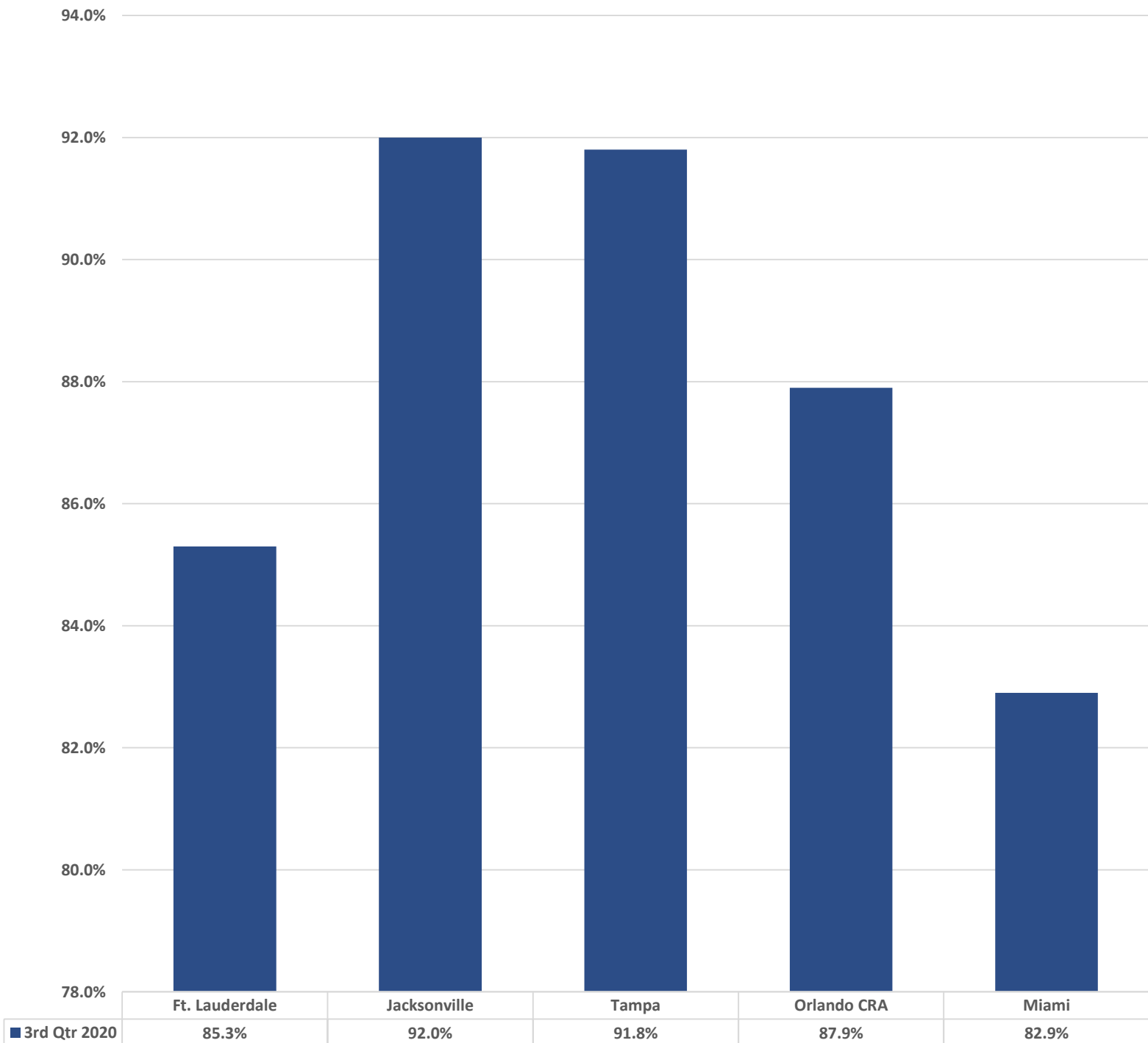
	Orange County	City of Orlando	CRA		Orange County	City of Orlando	CRA		Orange County	City of Orlando	CRA
■ 3rd Qtr 2017	32.0%	34.9%	55.1%		44.6%	38.2%	26.1%		23.4%	26.8%	18.8%
■ 4th Qtr 2017	32.2%	34.9%	54.3%		44.3%	38.0%	25.9%		23.5%	27.1%	19.8%
■ 1st Qtr 2018	31.0%	35.1%	54.7%		45.3%	38.8%	26.8%		23.7%	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%
■ 3rd Qtr 2020	31.7%	38.4%	59.5%		46.3%	37.1%	22.7%		22.1%	24.4%	17.8%

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Figure 13
Comparable CBD Office Buildings
Percent Occupancy
3rd Quarter 2020



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Figure 14
Comparable CBD Office Buildings
Rental Rate per Square Feet
3rd Quarter 2020

