



Introduction:

Downtown Orlando Market Report Summary for First 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 Kimberley Allonce at 407.246.2102 or at Kimberley.Allonce@DowntownOrlando.com.

Downtown Orlando Market Report Summary for First Quarter 2020

Business

For the 1st quarter 2020, 37 business licenses were issued within downtown Orlando; this is a 19.6% decrease from the fourth quarter of 2019 and a 3.8% decrease compared to the same quarter last year. Approximately 75.7% 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 115,155 guests were lodged in downtown Orlando's hotels for the 1st quarter 2020 which is a decrease of 10,961 guests from the previous quarter and a 15.3% decrease compared to the same time last year. The average hospitality occupancy rate decreased from 72.8% to 66.2% compared to the previous quarter. Moreover, the average hospitality occupancy rate for the first quarter 2020 decreased by 15.2% and 17.5% compared to the same quarter in 2018 and 2019 respectively.

Downtown Orlando's average daily rate (ADR) was \$169.5, which is the highest when compared to Metro Orlando with an average daily rate of \$134.39, Orange County with \$143.51, and the City with \$149.73. Additionally, downtown Orlando's average daily rate (ADR) decreased by 1% and 1.2% 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

Residential Market – median, mean, mode on condo homeownership

During the 1st quarter 2020, the average sales price per square foot for residential units in downtown Orlando was \$247, which is higher than that of Orange County at \$168 and that of the City at \$163. Approximately 80% of the total residential dwelling unit sales in downtown Orlando were condominium units; total residential dwelling unit sales were 65, which is lower than the 82 sales reported in the 4th quarter 2019. Total residential dwelling unit sales increased by 55% compared to the 1st quarter 2019.

Overall, the rental market in downtown Orlando continued to perform well with an average occupancy rate of 90.4%. This is a decrease compared to the 90.7% occupancy of the 4th quarter 2019. Among rental apartments surveyed during the 1st quarter 2020, the average rent was \$1,642 per month, which is lower than the 4th quarter 2019 average of \$1,689 per month. For the 1st quarter 2020, the average price per square foot was \$1.78, which is a 6.6% decrease compared to the same quarter 2019 of \$1.91 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 96.1%, which is lower than that the occupancy for the City (96.2%) but higher than the occupancy for Orange County (95.4%). The average rental rate was \$26.90 per square foot, which is an increase of 12.9% compared to the same quarter last year. Over the same period, Orange County saw a rental rate decrease of 0.3% and the City of Orlando saw an increase of 4%. There were 8 notable lease transactions in the CRA totaling 17,923 sq. ft. during the 1st quarter 2020.

Compared to other major Florida cities, downtown Orlando had the second highest retail occupancy rate (96.1%) which is below Ft. Lauderdale (96.6%), but higher than Tampa (95.5%), Jacksonville (90.4%), and only Miami (80.4%). Downtown Orlando had the third lowest rental rate (\$26.90) per square foot compared to Jacksonville (\$15.58), Tampa (\$20.06), Miami (\$34.82), and Ft. Lauderdale (\$35.95).

See Figures:

Figure 8: Comparable CBD Retail Buildings, Rental Rate Per Square Feet

Figure 9: Comparable CBD Retail Buildings, Percent Occupancy

Commercial Office Market

In the 1st quarter 2020, the office occupancy rate in downtown Orlando was 88.2%, which is lower than the previous quarter (89.2%). It is also lower than that of the City (93.1%) and that of Orange County (93.3%). The average price per square foot was \$24.38, which is higher than both the average

price of \$23.81 per square foot reported for the 4th quarter of 2019 and the average price of \$23.23 reported for the same quarter last year. Office Space categorized as Class A had the largest percentage (59.4%) contribution in downtown Orlando while office space categorized as Class C had the highest occupancy rate (93.9%). There were 9 major lease transactions (above 5,000 sq. ft.) totaling 80,333 sq. ft. that occurred in within the CRA during the 1st quarter 2020. The three largest transactions were *Advent Health Medical Group* at 320 E. South Street (16,452 sq. ft.), *City National Bank* at 390 N. Orange Avenue (13,500 sq. ft.), and *JLL* at 200 S. Orange Avenue (10,408 sq. ft.).

Compared to other major cities in Florida, downtown Orlando had the second lowest occupancy rate (88.2%) for CBD office buildings compared to Miami (85.7%), Fort-Lauderdale (88.3%), Jacksonville (92%), and Tampa (92.7%). Downtown Orlando had the second lowest rental rate (\$24.38) per square foot compared to Jacksonville (\$21.78), Tampa (\$31.96), Miami (\$40.25), and Fort-Lauderdale (\$42.46).

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

Major Downtown Developments

There are currently 13 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 2,262 residential units, 420 hotel rooms, 130,185 sq. ft. of retail space, and 206,500 sq. ft. of office space. Furthermore, there are 16 proposed projects representing more than \$2.09 billion in investment, 2,238 residential units, 894 hotel rooms, 147,407 sq. ft. of retail space, and 1,642,278 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	-	-	-	-
Modera 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	-	-	-	-
Totals	\$ 3,440,100,000	2,262	420	130,185	206,500	-

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	-
Fountain Vu 5	\$ 4,000,000	5	-	-	-	-
Magnolia Mixed-Use Development	\$ 64,500,000	232	-	6,000	13,750	-
Orlando Health Corporate Office	\$ 18,000,000	-	-	-	46,000	-
Orlando Magic Training Facility	\$ 70,000,000	-	-	-	100,000	-
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	-
Zoi House Orlando	\$ 140,000,000	300	-	10,000	130,000	-
Totals	\$ 2,094,800,000	2,238	894	146,407	1,642,278	6,057

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

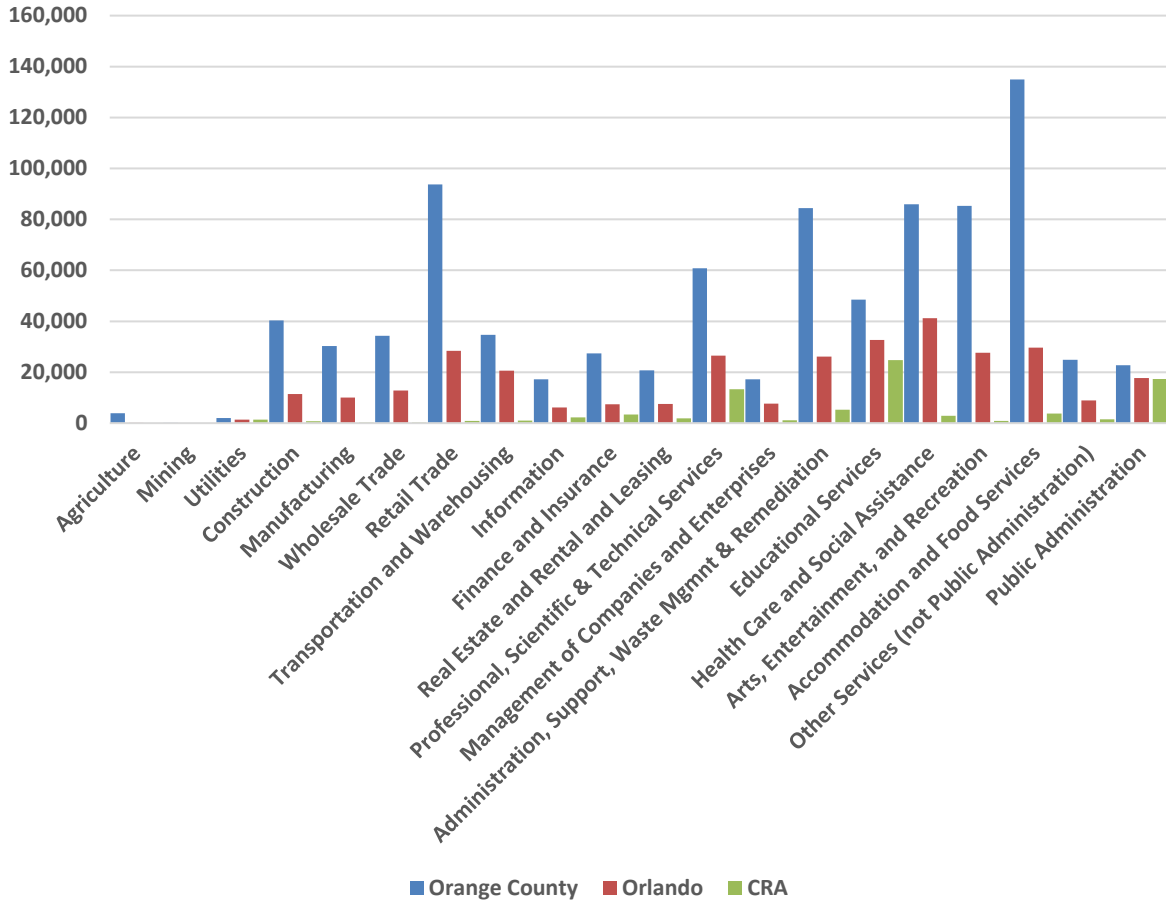
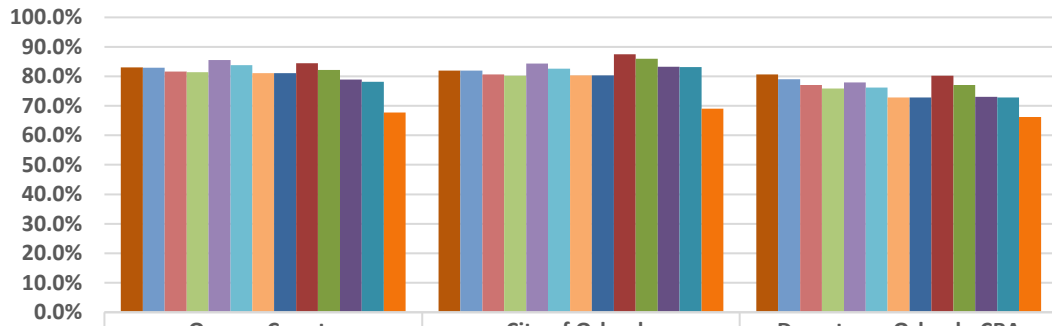
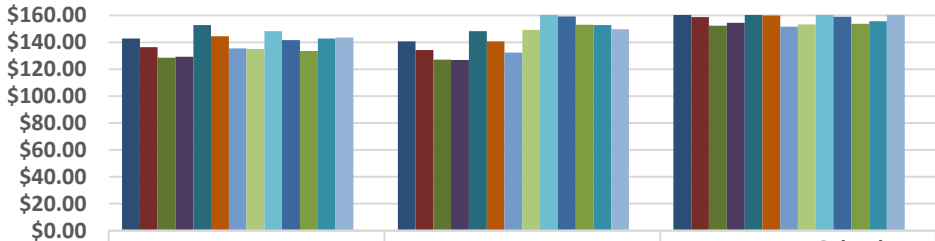


Figure 2
Orange County, City of Orlando and Downtown CRA
Hotel Occupancy Comparison



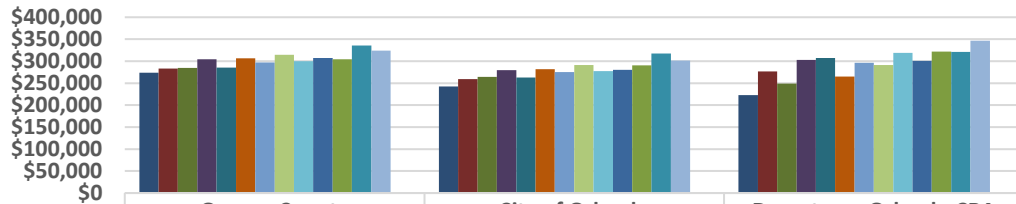
	Orange County	City of Orlando	Downtown Orlando CRA
■ 1st Qtr 2017	83.0%	81.9%	80.6%
■ 2nd Qtr 2017	82.9%	81.9%	79.0%
■ 3rd Qtr 2017	81.6%	80.6%	77.1%
■ 4th Qtr 2017	81.4%	80.2%	75.9%
■ 1st Qtr 2018	85.5%	84.3%	77.9%
■ 2nd Qtr 2018	83.8%	82.6%	76.2%
■ 3rd Qtr 2018	81.1%	80.3%	72.8%
■ 4th Qtr 2018	81.10%	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%

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



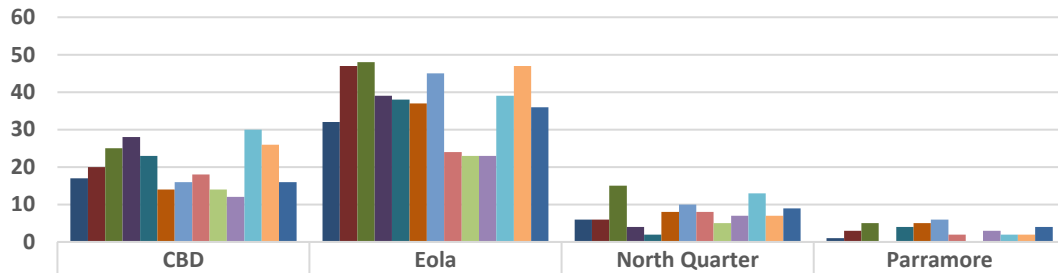
	Orange County	City of Orlando	Downtown Orlando CRA
1st Qtr 2017	\$142.73	\$140.73	\$170.20
2nd Qtr 2017	\$136.41	\$134.16	\$158.73
3rd Qtr 2017	\$128.55	\$127.11	\$152.25
4th Qtr 2017	\$129.28	\$126.88	\$154.43
1st Qtr 2018	\$152.88	\$148.31	\$171.42
2nd Qtr 2018	\$144.42	\$140.74	\$159.86
3rd Qtr 2018	\$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
% Change 1Q19 to 1Q20	-3.3%	-7.4%	-1.2%

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



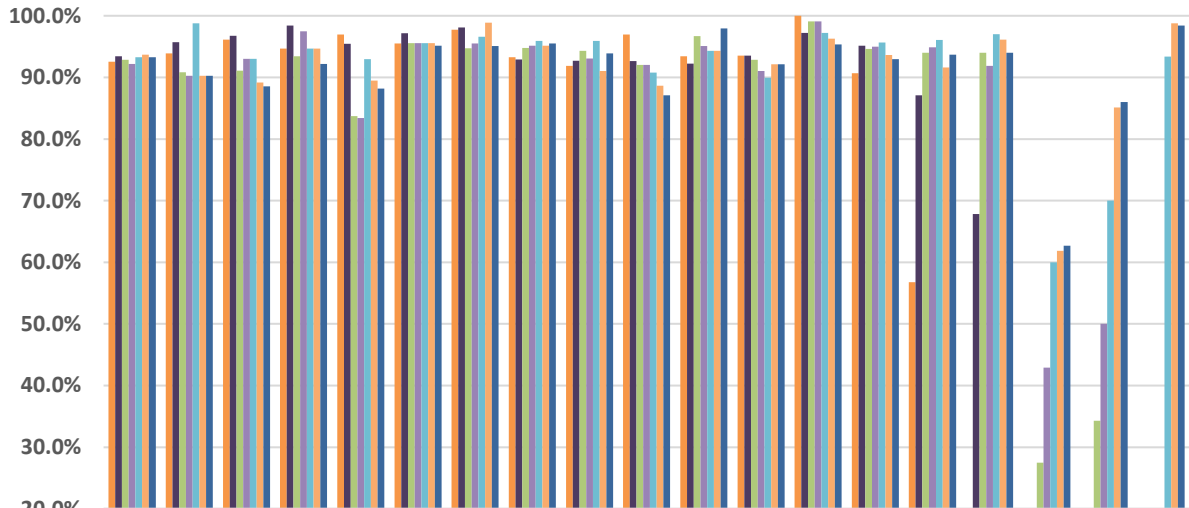
	Orange County	City of Orlando	Downtown Orlando CRA
■ 1st Qtr 2017	\$273,761	\$242,726	\$222,905
■ 2nd Qtr 2017	\$283,001	\$259,135	\$276,407
■ 3rd Qtr 2017	\$284,372	\$264,374	\$248,838
■ 4th Qtr 2017	\$304,691	\$279,382	\$303,162
■ 1st Qtr 2018	\$285,172	\$262,704	\$307,218
■ 2nd Qtr 2018	\$306,857	\$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
■ % Change 1Q19 to 1Q20	8.0%	8.6%	8.8%

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



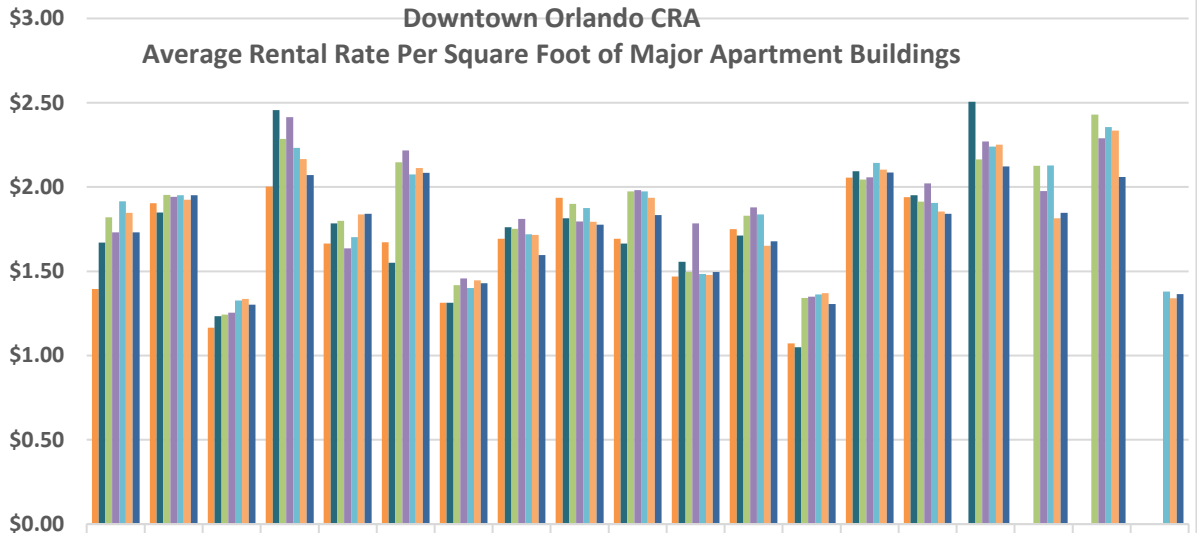
	CBD	Eola	North Quarter	Parramore
■ 1st Qtr 2017	17	32	6	1
■ 2nd Qtr 2017	20	47	6	3
■ 3rd Qtr 2017	25	48	15	5
■ 4th Qtr 2017	28	39	4	0
■ 1st Qtr 2018	23	38	2	4
■ 2nd Qtr 2018	14	37	8	5
■ 3rd Qtr 2018	16	45	10	6
■ 4th Qtr 2018	18	24	8	2
■ 1st Qtr 2019	14	23	5	0
■ 2nd Qtr 2019	12	23	7	3
■ 3rd Qtr 2019	30	39	13	2
■ 4th Qtr 2019	26	47	7	2
■ 1st Qtr 2020	16	36	9	4

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



	55 West	Aspire	Lake Lucerne Towers	SkyHouse	Paramount	Post Parkside	City View	Camden Orange Court	Nora	Steel House	Uptown Place	Central Station on Orange	Lexington Court	Camden Thornton Park	Camden North Quarter	Citi Tower	Novel Lucerne	Modera Central	Amelia Court
1st Qtr 2017	92.6%	93.9%	96.1%	94.7%	96.9%	95.5%	97.7%	93.3%	91.9%	96.9%	93.4%	93.5%	100.0%	90.7%	56.8%	0.0%	0.0%	0.0%	0.0%
1st Qtr 2018	93.4%	95.7%	96.8%	98.4%	95.5%	97.1%	98.1%	92.9%	92.7%	92.6%	92.2%	93.5%	97.2%	95.2%	87.1%	67.8%	0.0%	0.0%	0.0%
1st Qtr 2019	92.8%	90.9%	91.1%	93.4%	83.7%	95.6%	94.7%	94.8%	94.3%	92.0%	96.7%	92.8%	99.1%	94.6%	94.0%	94.0%	27.5%	34.3%	0.0%
2nd Qtr 2019	92.2%	90.2%	93.0%	97.5%	83.4%	95.6%	95.5%	95.1%	93.1%	92.0%	95.1%	91.0%	99.1%	95.0%	94.9%	91.8%	42.9%	50.0%	0.0%
3rd Qtr 2019	93.3%	98.8%	93.0%	94.7%	93.0%	95.6%	96.6%	95.9%	95.9%	90.8%	94.3%	90.0%	97.2%	95.7%	96.1%	97.0%	60.0%	70.0%	93.4%
4th Qtr 2019	93.7%	90.2%	89.2%	94.7%	89.5%	95.6%	98.9%	95.1%	91.1%	88.7%	94.3%	92.1%	96.3%	93.6%	91.6%	96.1%	61.9%	85.1%	98.8%
1st Qtr 2020	93.3%	90.2%	88.5%	92.2%	88.2%	95.2%	95.1%	95.5%	93.9%	87.1%	98.0%	92.1%	95.4%	93.0%	93.7%	94.0%	62.7%	86.0%	98.4%

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



	55 West	Aspire	Lake Lucerne Towers	SkyHouse	Paramount	Post Parkside	City View	Camden Orange Court	Nora	Steel House	Uptown Place	Central Station on Orange	Lexington Court	420 East	Camden North Quarter	Citi Tower	Novel Lucerne	Modera	Amelia Court
1st Qtr 2017	\$1.40	\$1.90	\$1.16	\$2.00	\$1.66	\$1.67	\$1.31	\$1.69	\$1.94	\$1.69	\$1.47	\$1.75	\$1.07	\$2.05	\$1.94	\$0.00	\$0.00	\$0.00	\$0.00
1st Qtr 2018	\$1.67	\$1.85	\$1.23	\$2.46	\$1.78	\$1.55	\$1.31	\$1.76	\$1.81	\$1.67	\$1.56	\$1.71	\$1.05	\$2.09	\$1.95	\$2.50	\$0.00	\$0.00	\$0.00
1st Qtr 2019	\$1.82	\$1.95	\$1.24	\$2.28	\$1.80	\$2.15	\$1.42	\$1.75	\$1.90	\$1.97	\$1.50	\$1.83	\$1.34	\$2.04	\$1.91	\$2.16	\$2.13	\$2.43	\$0.00
2nd Qtr 2019	\$1.73	\$1.94	\$1.25	\$2.41	\$1.64	\$2.22	\$1.46	\$1.81	\$1.80	\$1.98	\$1.78	\$1.88	\$1.35	\$2.06	\$2.02	\$2.27	\$1.98	\$2.29	\$0.00
3rd Qtr 2019	\$1.91	\$1.95	\$1.33	\$2.23	\$1.70	\$2.08	\$1.40	\$1.72	\$1.87	\$1.97	\$1.48	\$1.84	\$1.36	\$2.14	\$1.91	\$2.24	\$2.13	\$2.36	\$1.38
4th Qtr 2019	\$1.85	\$1.92	\$1.34	\$2.17	\$1.84	\$2.11	\$1.45	\$1.72	\$1.79	\$1.94	\$1.48	\$1.65	\$1.37	\$2.10	\$1.85	\$2.25	\$1.82	\$2.33	\$1.34
1st Qtr 2020	\$1.73	\$1.95	\$1.30	\$2.07	\$1.84	\$2.08	\$1.43	\$1.60	\$1.78	\$1.83	\$1.49	\$1.68	\$1.31	\$2.09	\$1.84	\$2.12	\$1.85	\$2.06	\$1.36

Figure 8
Comparable CBD Retail Buildings
Percent Occupancy
1st Quarter 2020

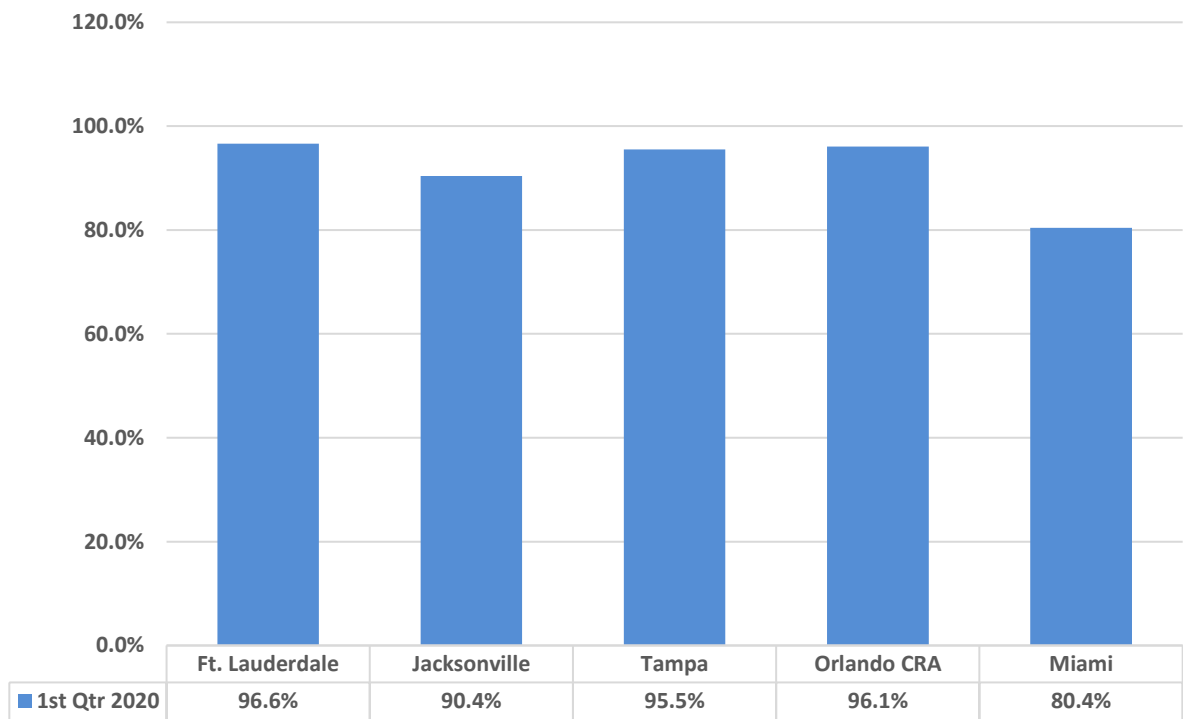
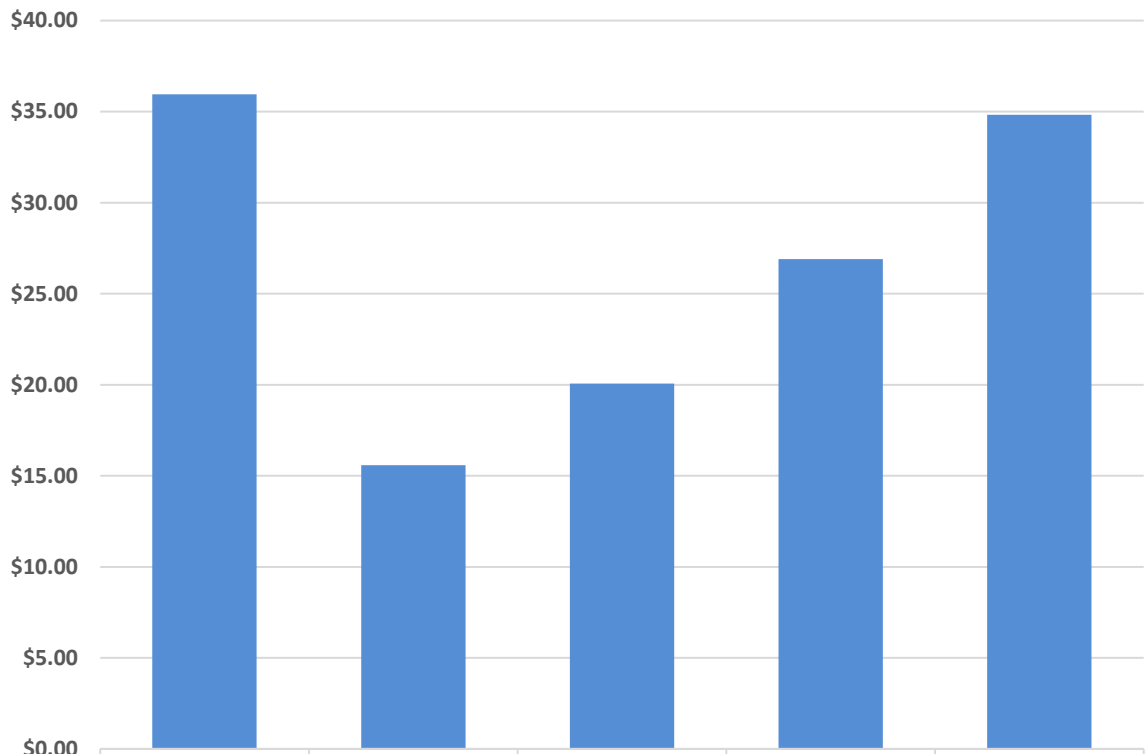


Figure 9
Comparable CBD Retail Buildings
Rental Rate per Square Feet
1st Quarter 2020



	Ft. Lauderdale	Jacksonville	Tampa	Orlando CRA	Miami
■ 1st Qtr 2020	\$35.95	\$15.58	\$20.06	\$26.90	\$34.82

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

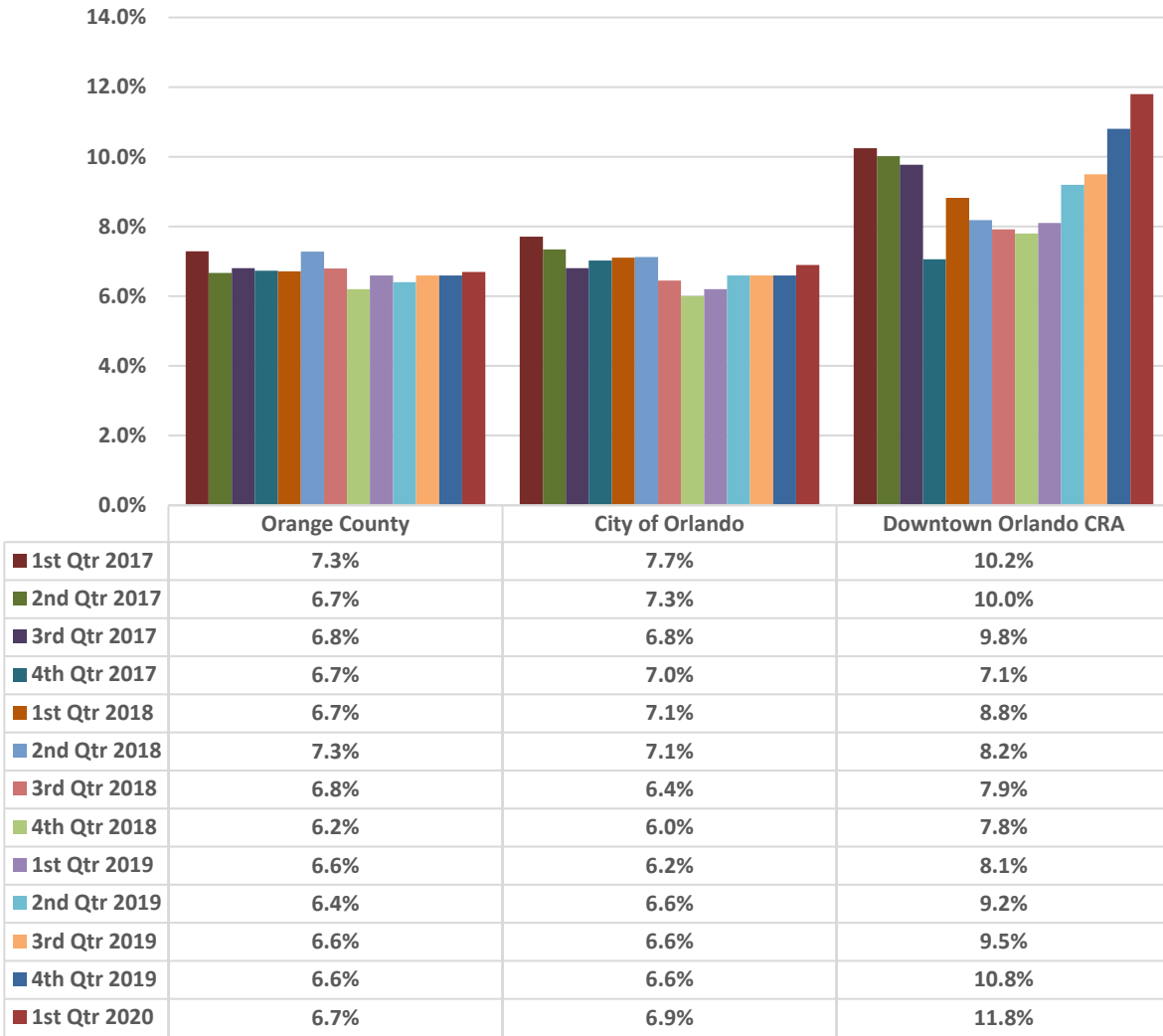
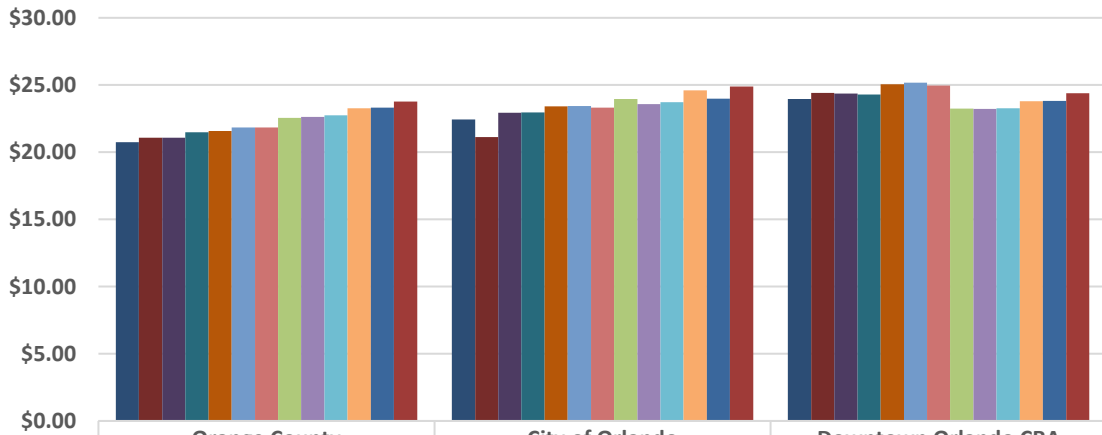


Figure 11
Orange County, City of Orlando and Downtown Orlando CRA
Average Office Rental Rate per Square Feet



	Orange County	City of Orlando	Downtown Orlando CRA
■ 1st Qtr 2017	\$20.75	\$22.43	\$23.96
■ 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

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

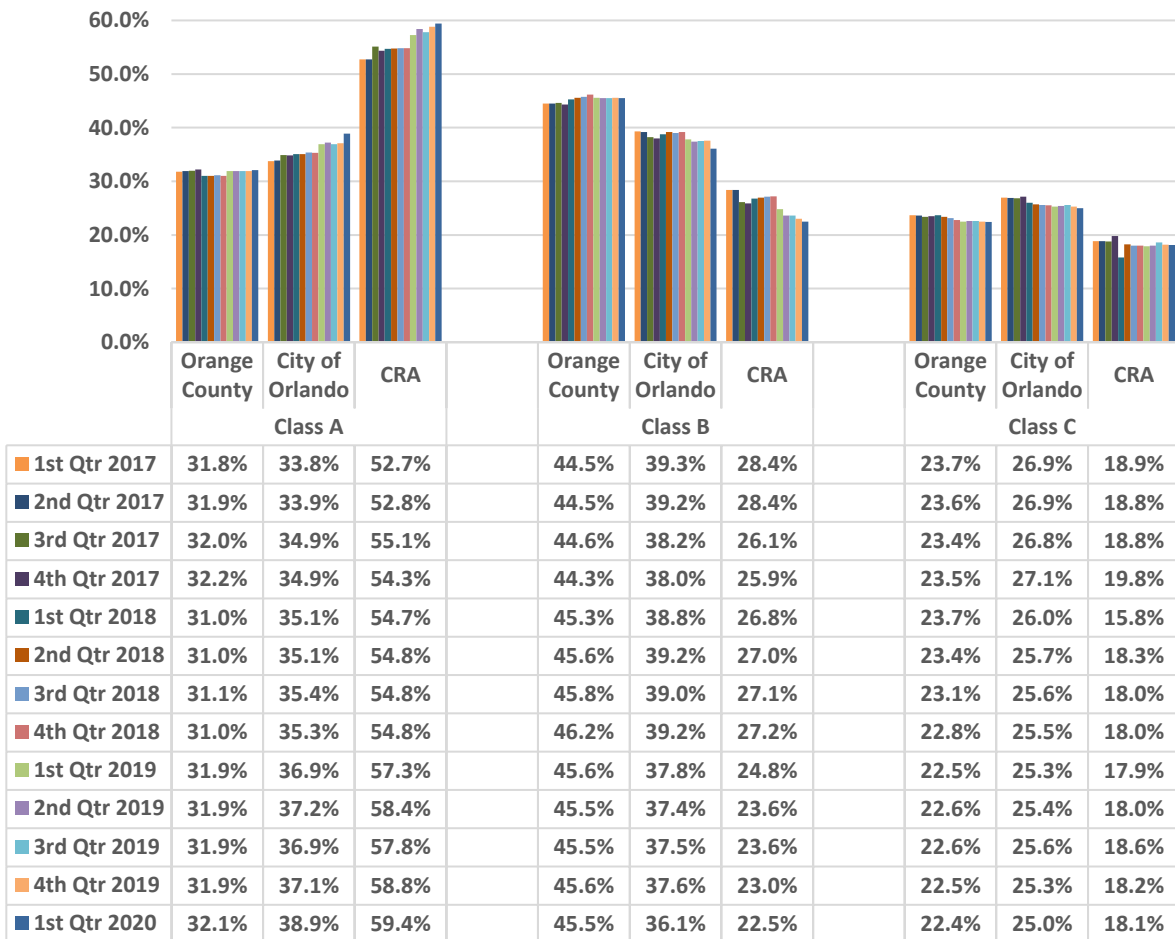


Figure 13
Comparable CBD Office Buildings
Percent Occupancy
1st Quarter 2020

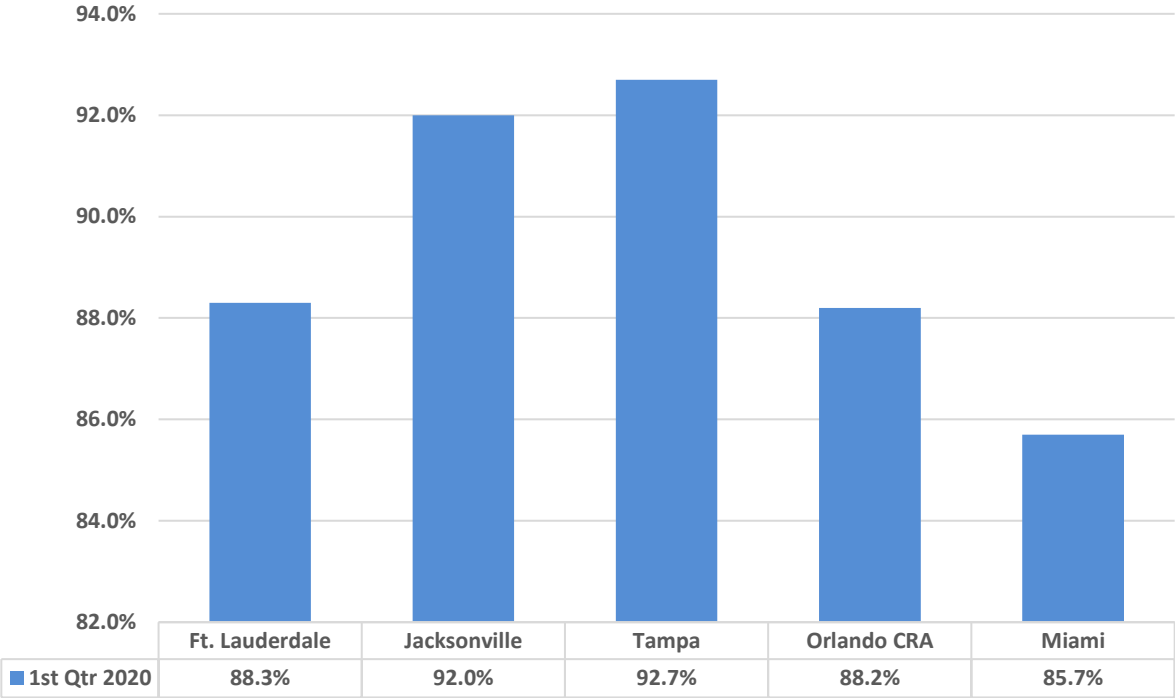


Figure 14
Comparable CBD Office Buildings
Rental Rate per Square Feet
1st Quarter 2020

