

DOWNTOWN ORLANDO

Market Report Summary First Quarter 2021



Business

For the 1st quarter 2021, 54 business licenses were issued within downtown Orlando; this is a 35% decrease from the fourth quarter of 2020 and a 46% increase compared to the same quarter last year. Approximately 56% of the licenses issued within the CRA were for professional establishments.

Downtown Orlando's employment remained at 85,503 jobs. The three largest employment sectors in downtown Orlando remained Educational Services with 25,401 jobs (29.7% of total jobs), Public Administration with 18,309 jobs (21.4% of total jobs), and Professional, Scientific and Technical Services with 13,801 jobs (16.1% of total jobs).

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 purchase of groceries and medication along with certain services.

In 2020, total expenditures within the CRA were estimated at \$783.2 million, with consumers spending about \$258 million (32.9%) on housing, \$222.7 million (28.4%) on retail goods, \$96.1 million (12.3%) on food, \$53.1 million (6.8%) on healthcare, and \$31.3 million (4.0%) on entertainment and recreation.

Hospitality and Tourism

With 2,013 available hotel rooms, approximately 82,539 guests were lodged in downtown Orlando's hotels for the 1st quarter 2021 which is an increase of 17,159 guests from the previous quarter and a 28.3% decrease compared to the same time last year. The average hospitality occupancy rate increased from 38.7% to 45.6% compared to the previous quarter. Moreover, the average hospitality occupancy rate for the first quarter 2021 decreased by 55.0% and 36.9% compared to the same quarter in 2019 and 2020, respectively.

Downtown Orlando's average daily rate (ADR) was \$120.50, which is the highest when compared to Metro Orlando with an average daily rate of \$99.27, Orange County with \$103.57, and the City with \$120.22. Additionally, downtown Orlando's average daily rate (ADR) decreased by 29.7% and 28.9% compared to the same quarter in 2019 and 2020 respectively.

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Residential Market

During the 1st quarter 2021, the average sales price per square foot for residential units in downtown Orlando was \$281, which is higher than that of Orange County at \$190 and that of the City at \$186. Approximately 86% of the total residential dwelling unit sales in downtown Orlando were condominium units; total residential dwelling unit sales were 102, which is higher than the 97 sales reported in the 4th quarter 2020. Total residential dwelling unit sales increased by 36% compared to the 1st quarter 2020.

Overall, the rental market in downtown Orlando continued to perform well with an average occupancy rate of 91.9%. This is an increase compared to the 90.4% occupancy of the 1st quarter 2020. Among rental apartments surveyed during the 1st quarter 2021, the average rent was \$1,780 per month, which is higher than the 4th quarter 2020 with an average of \$1,689 per month. For the 1st quarter 2021, the average price per square foot was \$2.09, which is an 17% increase compared to the same quarter 2020 of \$1.78 per square foot.

Retail Market

With a supply of 1.4 million SF of retail space, the occupancy rate in downtown Orlando was 93.3%, which is lower than that the occupancy for the City (96.3%) and lower than the occupancy for Orange County (95.5%). The average rental rate was \$32.87 per SF, which is an increase of 22% compared to the same quarter last year. Over the same period, Orange County saw a rental rate decrease of 8.0% and the City of Orlando also saw an increase of 8.0%.

Compared to other major Florida cities, downtown Orlando had the third highest retail occupancy rate (93.3%) which is lower than Ft. Lauderdale (95.4%) and Tampa (94.3%), but higher than that of Jacksonville (89.7%), and Miami (80.8%). Downtown Orlando had the third highest rental rate (\$ 32.87), but lower than that of Miami (\$43.17) and Fort Lauderdale (\$35.61), but higher than that of Tampa (\$20.34) and Jacksonville (\$16.49).

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Commercial Office Market

In the 1st quarter 2021, the office occupancy rate in downtown Orlando was 86.8%, which is higher than the previous quarter (86.4%). It is also lower than that of the City (91.4%) and that of Orange County (91.5%). The average price per square foot was \$24.95, which is higher than both the average price of \$24.62 per square foot reported for the 4th quarter of 2020 and the average price of \$24.38 reported for the same quarter last year. Office Space categorized as Class A had the largest percentage (58.9%) contribution in downtown Orlando while office space categorized as Class C had the highest occupancy rate (95.0%). There were 7 major lease transactions (above 5,000 sq. ft.) totaling 89,988 sq. ft. that occurred within the CRA during the 1st quarter 2021. The three largest transactions were Orlando Magic, Ltd. at CNL Center II at 420 S. Orange Ave. (23,711 SF), Insight Global at SunTrust Center – Church Street (14,716 SF), and SightPlan at The Plaza at 121-189 S. Orange Ave. (10,000 SF).

Compared to other major cities in Florida, downtown Orlando had the third highest occupancy rate (86.8%) for CBD office buildings, which is higher than that of Fort Lauderdale (81.4%) and Miami (82.6%), but lower than that of Jacksonville (90.3%) and Tampa (91.1%). Downtown Orlando had the fourth lowest rental rate (\$24.95) per SF, which is higher than that of Jacksonville (\$22.30), but lower than that of Tampa (\$31.27), Miami (\$43.98) and Fort-Lauderdale (\$47.07).

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Major Downtown Developments

There are currently 23 projects underway in downtown Orlando representing approximately \$4.5 billion (\$2.1 billion in private and \$2.4 billion in public) in investment. These projects include 3,137 residential units, 283,300 sq. ft. of retail space, and 1,206,715 sq. ft. of office space. Proposed projects represent 11 of the 23 projects with more than \$1.2 billion in new investment, 1,773 residential units, 1,054 hotel rooms, 178,000 sq. ft. of retail space, and 972,838 sq. ft. of office space.

Downtown Projects – In Progress

Project	Investment	Residential Units	Hotel Rooms	Retail (SF)	Office (SF)	Other (SF)
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	-	-	-	45,000	100,000
Bumby Arcade Food Hall	\$ -	-	-	16,000	3,437	-
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	-	-	-	-	-
Society Orlando (Phases I & II)	\$ 85,000,000	704	-	70,000	-	-
Interstruct	\$ 3,000,000	-	-	2,500	9,500	-
Camping World Stadium Renovations	\$ 60,000,000	-	-	-	-	-
Totals	\$ 3,300,300,000	1,364	-	105,300	233,877	100,000

Downtown Projects – Proposed

Project	Investment	Residential Units	Hotel Rooms	Retail (SF)	Office (SF)	Other (SF)
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	-
Vive on Eola	\$ -	128	-	7,000	14,000	-
Zoi House Orlando	\$ 140,000,000	300	-	10,000	130,000	-
Mariposa Grove	\$ 22,000,000	139	-	18,500	-	-
Totals	\$ 1,242,400,000	1,773	1,054	178,000	972,838	-