

DOWNTOWN ORLANDO

Market Report Summary

Fourth 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 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.

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Business

For the 4th quarter 2020, 83 business licenses were issued within downtown Orlando; this is a 63% increase from the third quarter of 2020 and an 80% increase compared to the same quarter last year. Approximately 53% of the licenses issued within the CRA were for professional establishments.

Downtown Orlando's employment increased from 82,924 to 85,503 jobs, an increase of approximately 3%. 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 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 2020, total expenditures within the CRA were estimated at \$783.2 million, an increase of approximately 6.1% when compared to 2019. During the year, consumers spent about \$258 million (33.0%) on housing, \$223 million (28.5%) on retail goods, \$96 million (12.3%) on food, \$53 million (6.8%) on healthcare, and \$31 million (4.0%) on entertainment and recreation.

See Figure:

Figure 1: Jobs by Industry Sector

Hospitality and Tourism

With 1,833 available hotel rooms, approximately 65,380 guests were lodged in downtown Orlando's hotels for the 4th quarter 2020, which is an increase of 20,810 guests from the previous quarter and a 47% decrease compared to the same time last year. The average hospitality occupancy rate remained at 38.7%, the same as the previous quarter. Moreover, the average hospitality occupancy rate for the 4th quarter 2020 decreased by about 47% compared to the same quarter in both 2018 and 2019.

Downtown Orlando's average daily rate (ADR) was \$136.03, which is the highest when compared to Metro Orlando with an average daily rate of \$109.74, Orange County with \$117.14, and the City with \$122.99. Additionally, downtown Orlando's average daily rate (ADR) decreased by 11.2% and 12.5% 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 4th quarter 2020, the average sales price per square foot for residential units in downtown Orlando was \$255, which is higher than that of Orange County at \$182 and that of the City at \$136. Approximately 88% of the total residential dwelling unit sales in downtown Orlando were condominium units; total residential dwelling unit sales were 97, which is lower than the 72 sales reported in the 3rd quarter 2020. Total residential dwelling unit sales increased by about 16% compared to the 4th quarter 2019.

Overall, the rental market in downtown Orlando continued to perform well with an average occupancy rate of 87.5%. This is a decrease compared to the 90.6% occupancy of the 4th quarter 2019. Among rental apartments surveyed during the 4th quarter 2020, the average rent was \$1,517 per month, which is lower than the 4th quarter 2019 average of \$1,689 per month. For the 4th quarter 2020, the average price per square foot was \$1.66, which is a 9.3% decrease compared to the same quarter 2019 of \$1.83 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 95.5%, which is lower than that the occupancy for the City (96.4%) and lower than the occupancy for Orange County (95.6%). The average rental rate was \$32.86 per square foot, which is an increase of about 34% compared to the same quarter last year. Over the same period, Orange County saw a rental rate increase of 9% and the City of Orlando saw an increase of 13%. There were no notable lease transactions in the CRA during the 4th quarter 2020.

Compared to other major Florida cities, downtown Orlando had the second highest retail occupancy rate (95.5%) which is below Ft. Lauderdale (95.7%), but higher than Tampa (95.2%), Jacksonville (89.8%), and Miami (79.4%). Downtown Orlando had the third lowest rental rate (\$32.86) per square foot compared to Jacksonville (\$15.75), Tampa (\$21.14), Ft. Lauderdale (\$35.43) and Miami (\$42.13)

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 4th quarter 2020, the office occupancy rate in downtown Orlando was 86.4%, which is lower than the previous quarter (87.9%). It is also lower than that of the City (91.8%) and that of Orange County (92.1%). The average price per square foot was \$24.62, which is lower than both the average price of \$26.61 per square foot reported for the 3rd quarter of 2020, but higher than the average price of \$23.81 reported for the same quarter last year. Office Space categorized as Class A had the largest percentage (61%) contribution in downtown Orlando while office space categorized as Class C had the highest occupancy rate (95.1%). There were 6 major lease transactions (above 5,000 sq. ft.) totaling 77,200 sq. ft. that occurred in within the CRA during the 4th quarter 2020. The three largest transactions include a property located at 1000 Legion Pl. (20,736), a property located at 301 E. Pine St. (12,812 sq. ft.), as well as another property also located at 301 E. Pine St. (21,453 sq. ft.).

Compared to other major cities in Florida, downtown Orlando had the third highest occupancy rate (86.4%) for CBD office buildings compared to Miami (83.3%), Fort-Lauderdale (81.6%), Jacksonville (90.4%) and Tampa (91.2%). Downtown Orlando had the fourth lowest rental rate (\$24.62) per square foot compared to Jacksonville (\$22.21), Tampa (\$31.90), Miami (\$41.53) and Fort-Lauderdale (\$44.93).

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 19 projects underway in downtown Orlando representing \$4.4 billion (\$1.2 billion in private and \$2.3 billion in public) in investment. There are 9 projects currently in-progress representing about \$3.2 billion in investment, and will include 1,119 residential units, 102,800 sq. ft. of retail space, 224,377 sq. ft. of office space, and 100,000 sq. ft. of space for the Orlando Magic Training Facility currently underway. Furthermore, there are 10 proposed projects representing more than \$1.2 billion in investment, 1,634 residential units, 1,054 hotel rooms, 159,500 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)
Creative Village - Luminary Green	\$ 5,300,000	-	-	-	-	-
Creative Village - EA Orlando	\$ 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	-	-	-	-	-
I-4 Ultimate Improvement Project	\$ 2,300,000,000	-	-	-	-	-
Society Orlando (Phases I & II)	\$ -	464	-	70,000	-	-
Totals	\$ 3,148,300,000	1,119	-	102,800	224,377	100,000

Downtown Projects - Proposed

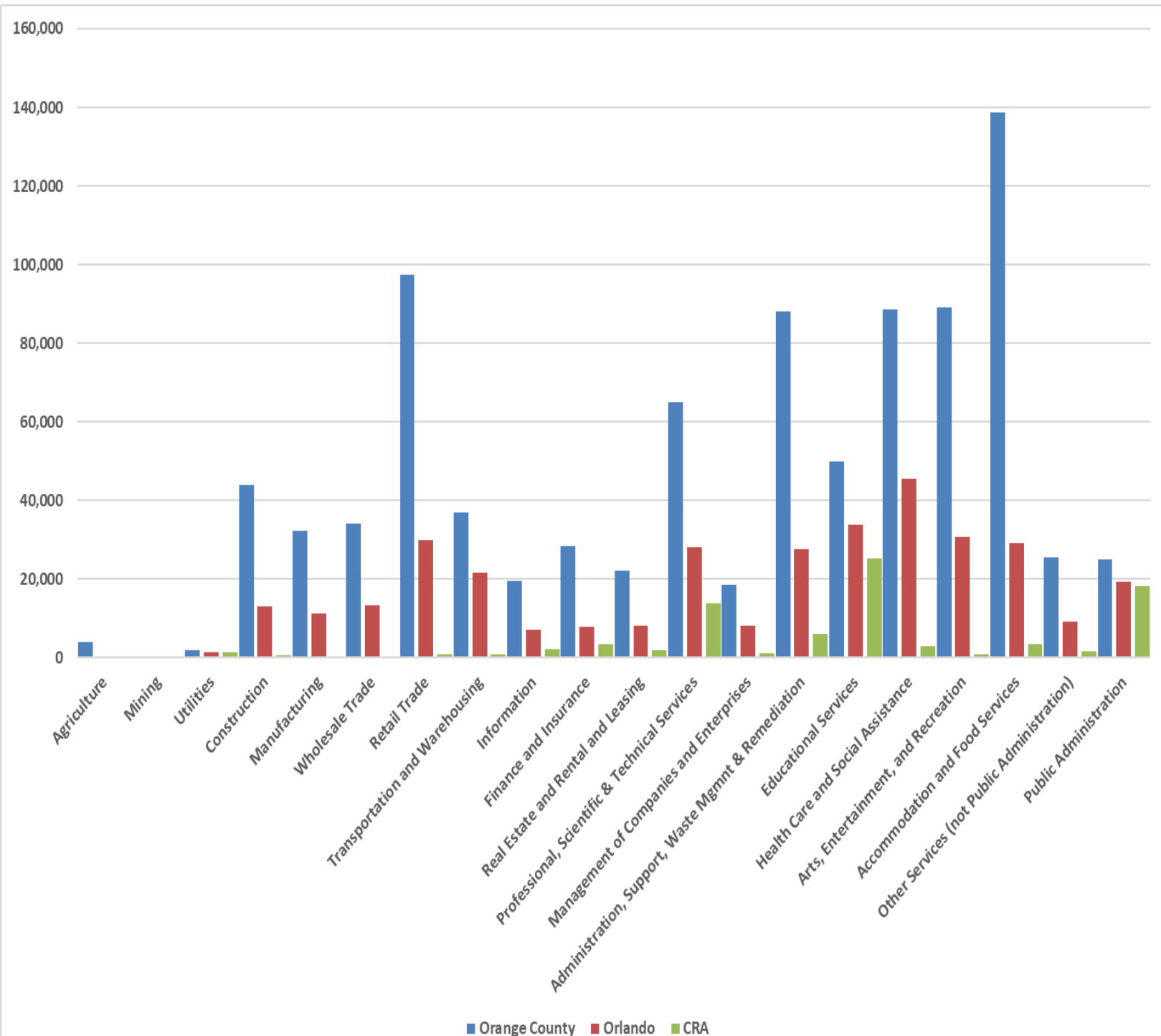
Project	Investment	Residential Units	Hotel Rooms	Retail (SF)	Office (SF)	Other (SF)
Cambria Suites Hotel	\$ 20,000,000	-	155	-	-	-
Church Street Tower Phase 2	\$ 275,000,000	-	228	2,500	210,500	-
DXV Central	\$ 78,800,000	189	-	7,500	65,688	-
Magnolia Mixed-Use Development	\$ 64,500,000	232	-	6,000	16,000	-
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	-
Totals	\$ 1,220,400,000	1,634	1,054	159,500	972,838	-

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Figure 1
Orange County, City of Orlando and Downtown CRA
Jobs by Industry Sector Annual 2018
4th Quarter 2020

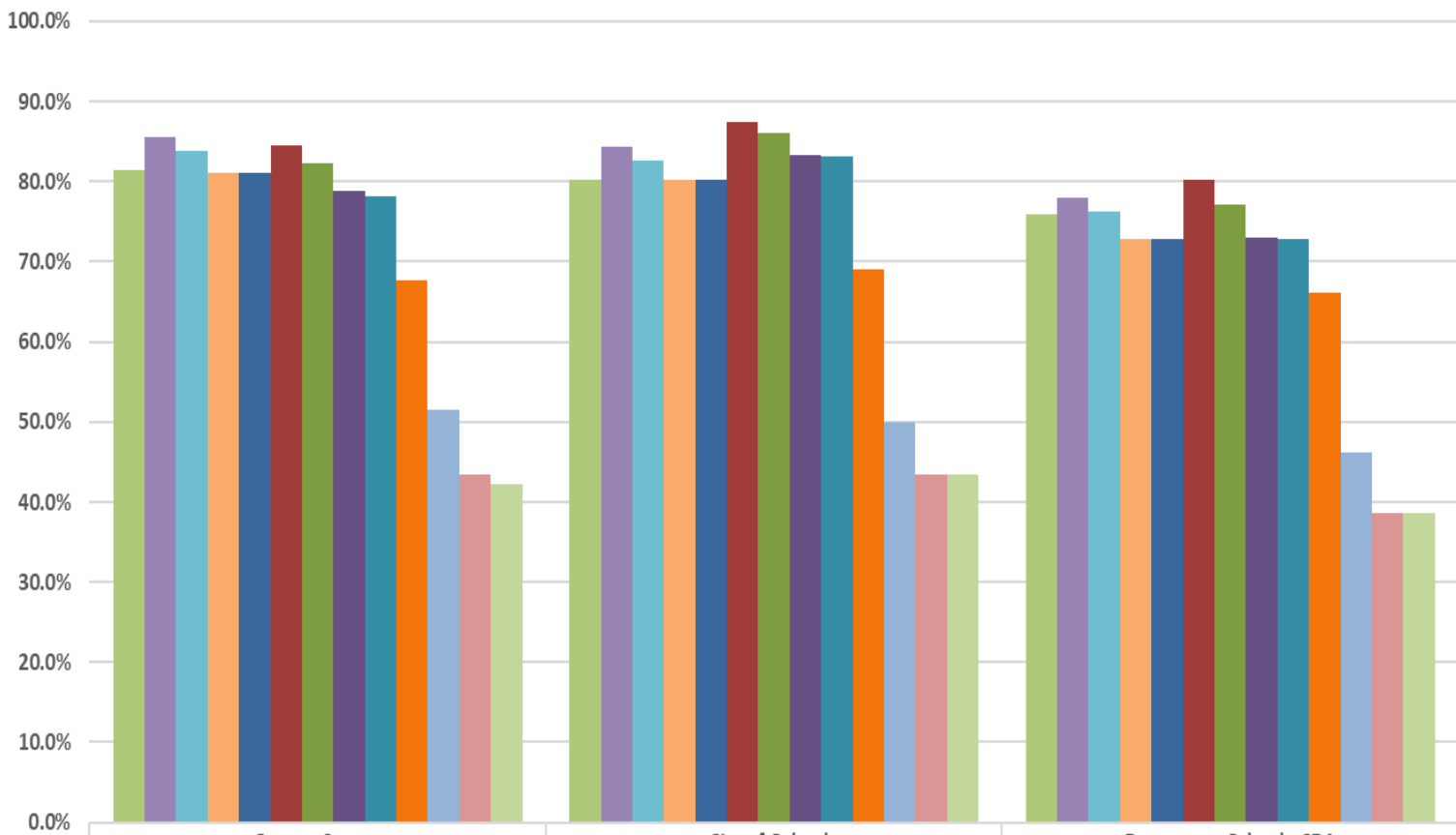


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Figure 2
Orange County, City of Orlando and Downtown CRA
Hotel Occupancy Comparison
4th Quarter 2020



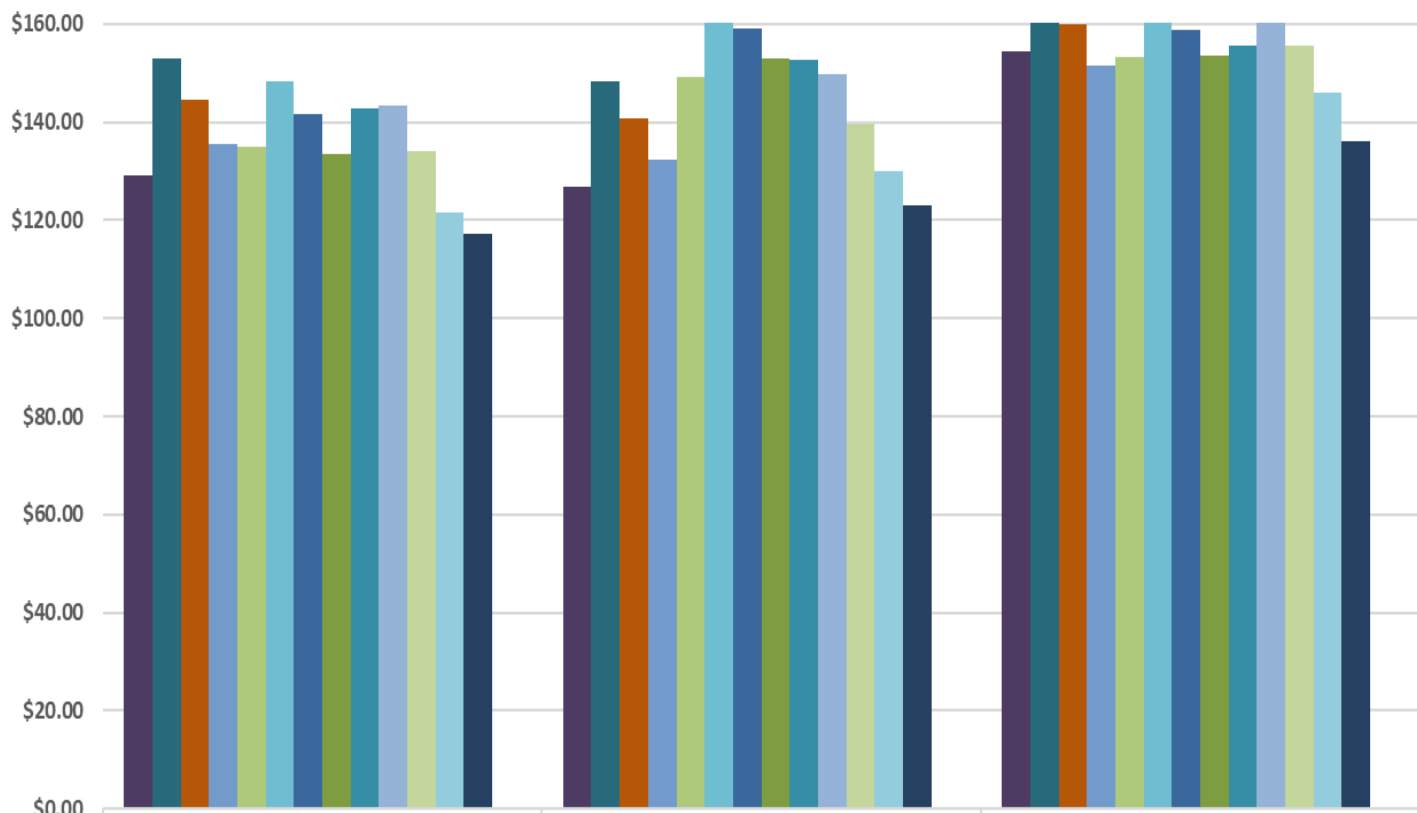
	Orange County	City of Orlando	Downtown Orlando CRA
4th Qtr 2017	81.4%	80.2%	75.9%
1st Qtr 2018	85.5%	84.3%	77.9%
2nd Qtr 2018	83.8%	82.6%	76.2%
3rd Qtr 2018	81.1%	80.3%	72.8%
4th Qtr 2018	81.10%	80.30%	72.80%
1st Qtr 2019	84.50%	87.50%	80.20%
2nd Qtr 2019	82.20%	86.00%	77.10%
3rd Qtr 2019	78.90%	83.30%	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%
4th Qtr 2020	42.3%	43.4%	38.7%

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Figure 3
Orange County, City of Orlando and Downtown CRA
Hotel Room Average Daily Rate (ADR) Comparison
4th Quarter 2020



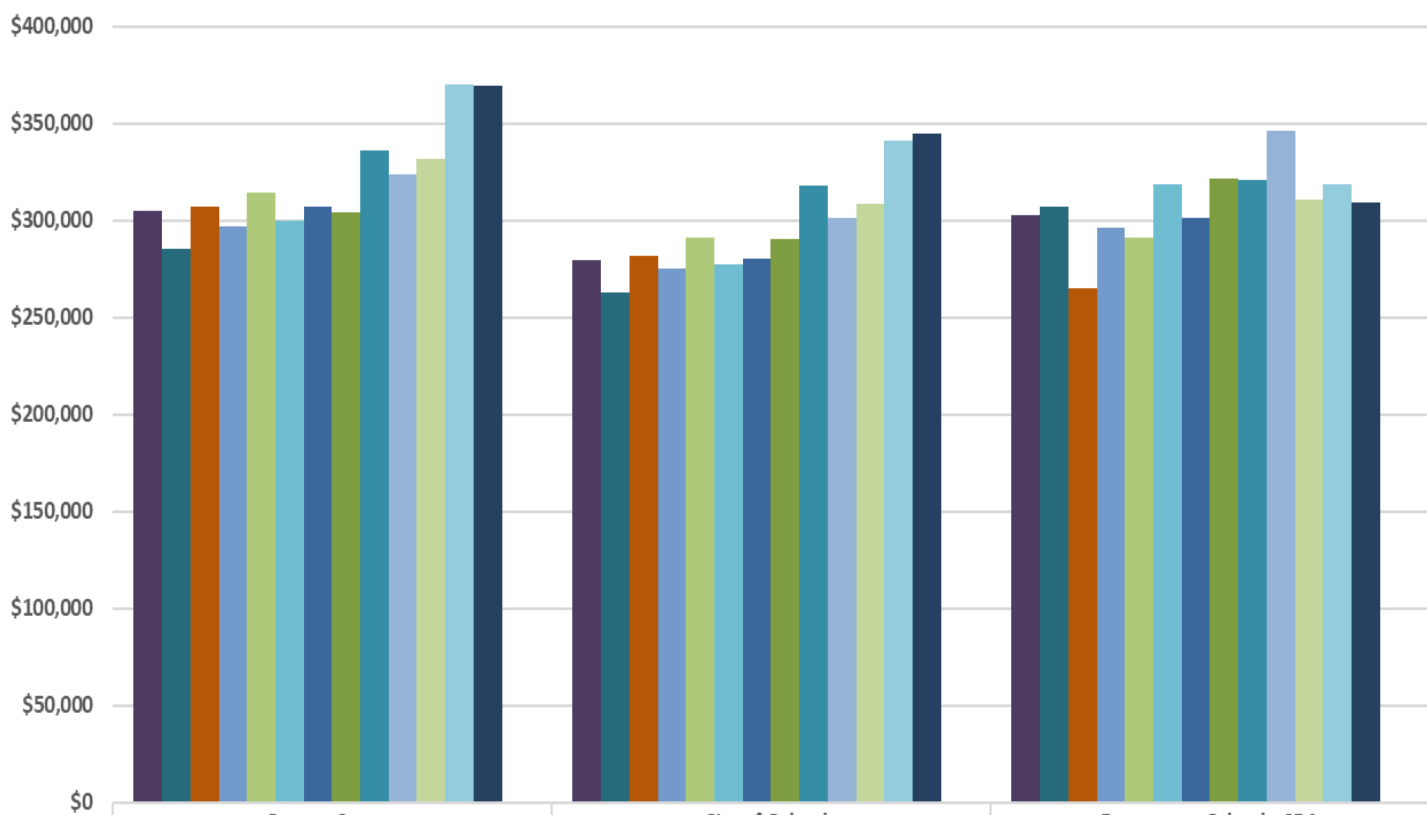
	Orange County	City of Orlando	Downtown Orlando CRA
■ 4th Qtr 2017	\$129.28	\$126.88	\$154.43
■ 1st Qtr 2018	\$152.88	\$148.31	\$171.42
■ 2nd Qtr 2018	\$144.42	\$140.74	\$159.86
■ 3rd Qtr 2018	\$135.48	\$132.37	\$151.61
■ 4th Qtr 2018	\$134.94	\$149.19	\$153.26
■ 1st Qtr 2019	\$148.38	\$161.68	\$171.61
■ 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
■ 4th Qtr 2020	\$117.14	\$122.99	\$136.03
■ % Change 4Q19 to 4Q20	-18.0%	-19.5%	-12.5%

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



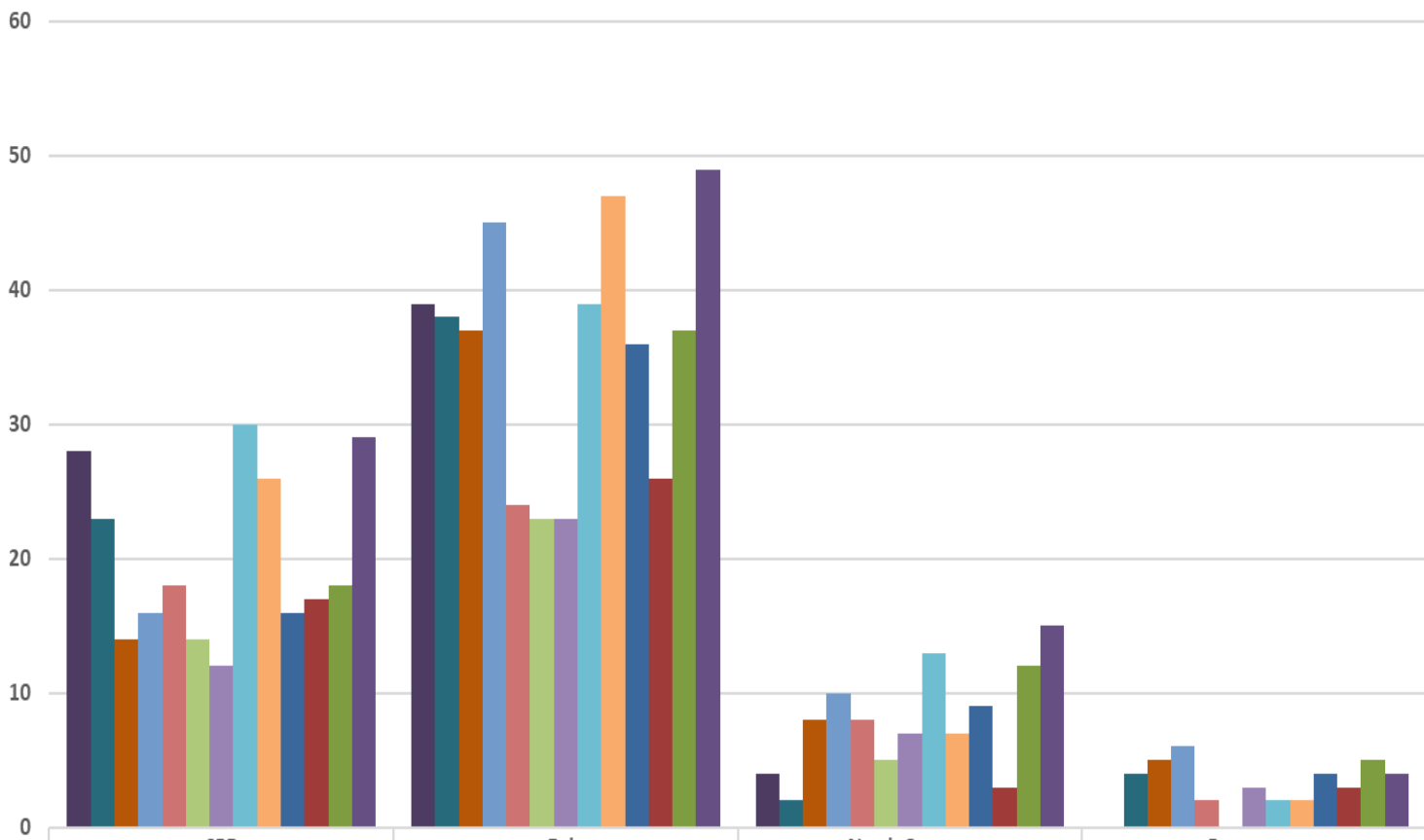
	Orange County	City of Orlando	Downtown Orlando CRA
■ 4th Qtr 2017	\$304,691	\$279,382	\$303,162
■ 1st Qtr 2018	\$285,172	\$262,704	\$307,218
■ 2nd Qtr 2018	\$306,857	\$281,702	\$265,367
■ 3rd Qtr 2018	\$296,992	\$275,387	\$296,549
■ 4th Qtr 2018	\$314,178	\$291,140	\$291,075
■ 1st Qtr 2019	\$299,701	\$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
■ 4th Qtr 2020	\$369,467	\$344,550	\$309,292
■ % Change 4Q19 to 4Q20	10.0%	8.5%	-3.6%

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Figure 5
Total Residential Sales
Downtown Orlando CRA Planning Areas by Units Sold
4th Quarter 2020



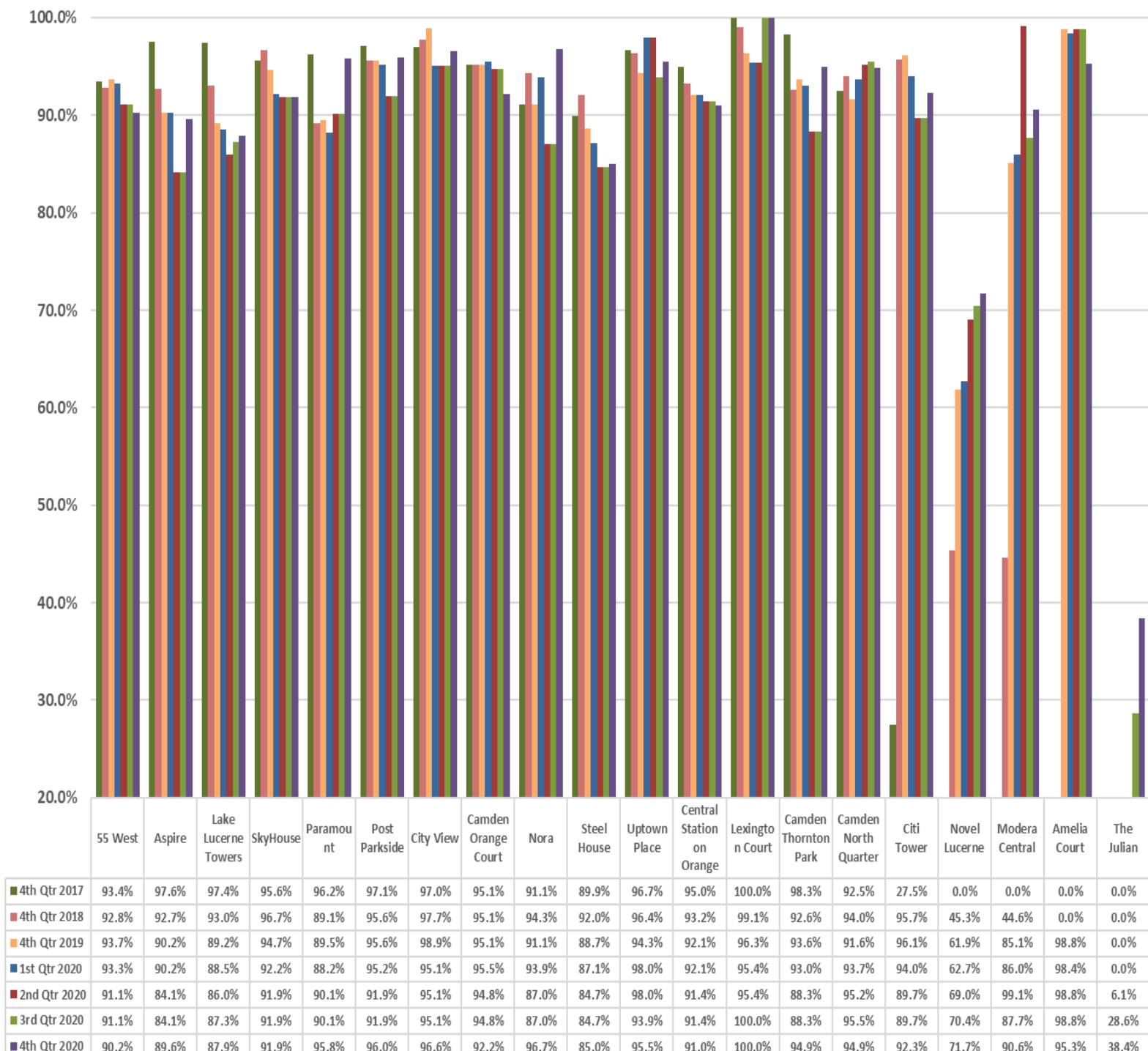
	CBD	Eola	North Quarter	Parramore
■ 4th Qtr 2017	28	39	4	0
■ 1st Qtr 2018	23	38	2	4
■ 2nd Qtr 2018	14	37	8	5
■ 3rd Qtr 2018	16	45	10	6
■ 4th Qtr 2018	18	24	8	2
■ 1st Qtr 2019	14	23	5	0
■ 2nd Qtr 2019	12	23	7	3
■ 3rd Qtr 2019	30	39	13	2
■ 4th Qtr 2019	26	47	7	2
■ 1st Qtr 2020	16	36	9	4
■ 2nd Qtr 2020	17	26	3	3
■ 3rd Qtr 2020	18	37	12	5
■ 4th Qtr 2020	29	49	15	4

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Figure 6
Downtown Orlando CRA
Occupancy of Major Apartment Buildings
4th Quarter 2020

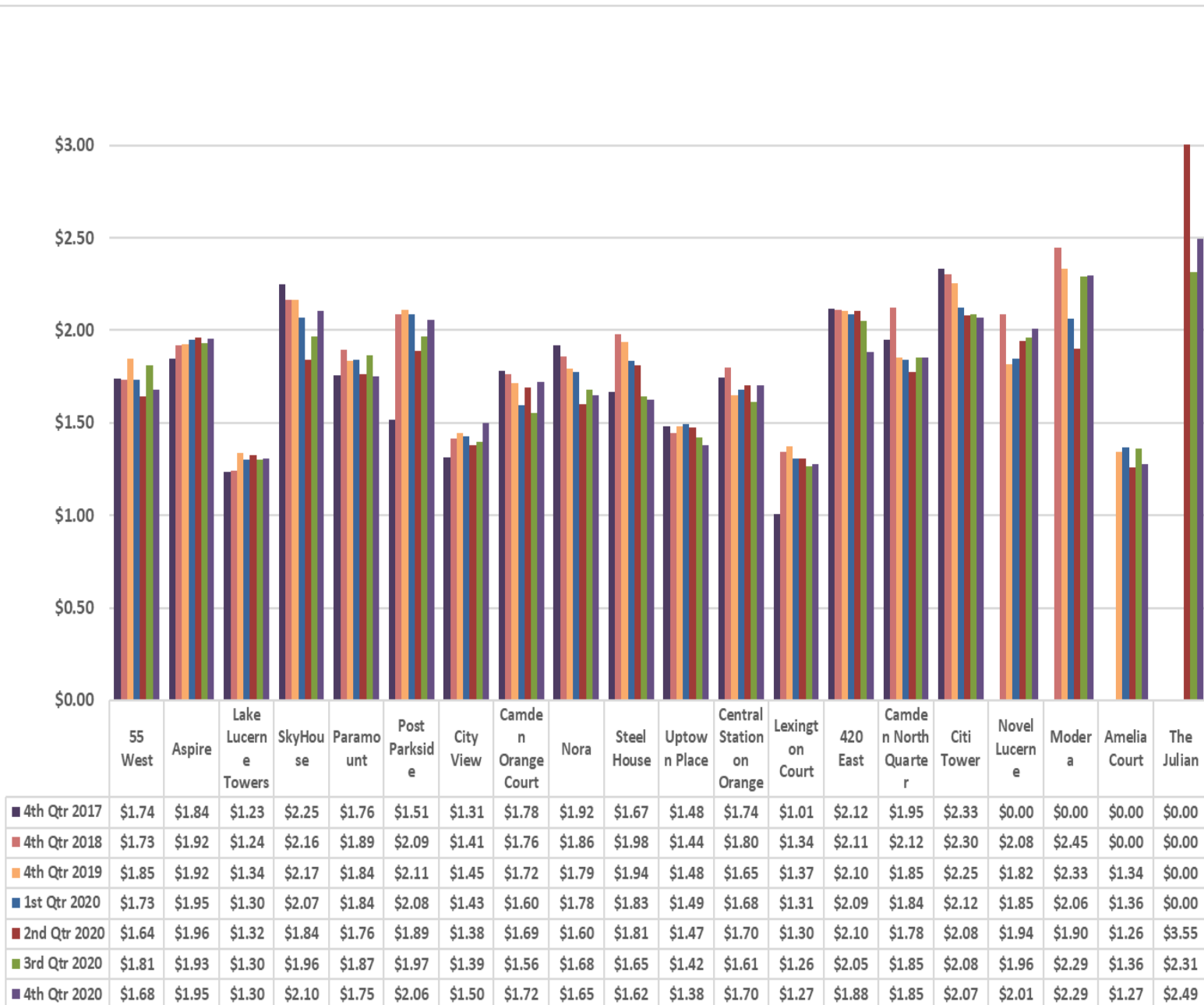


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Figure 7
Downtown Orlando CRA
Average Rental Rate Per Square Foot of Major Apartment Buildings
4th Quarter 2020

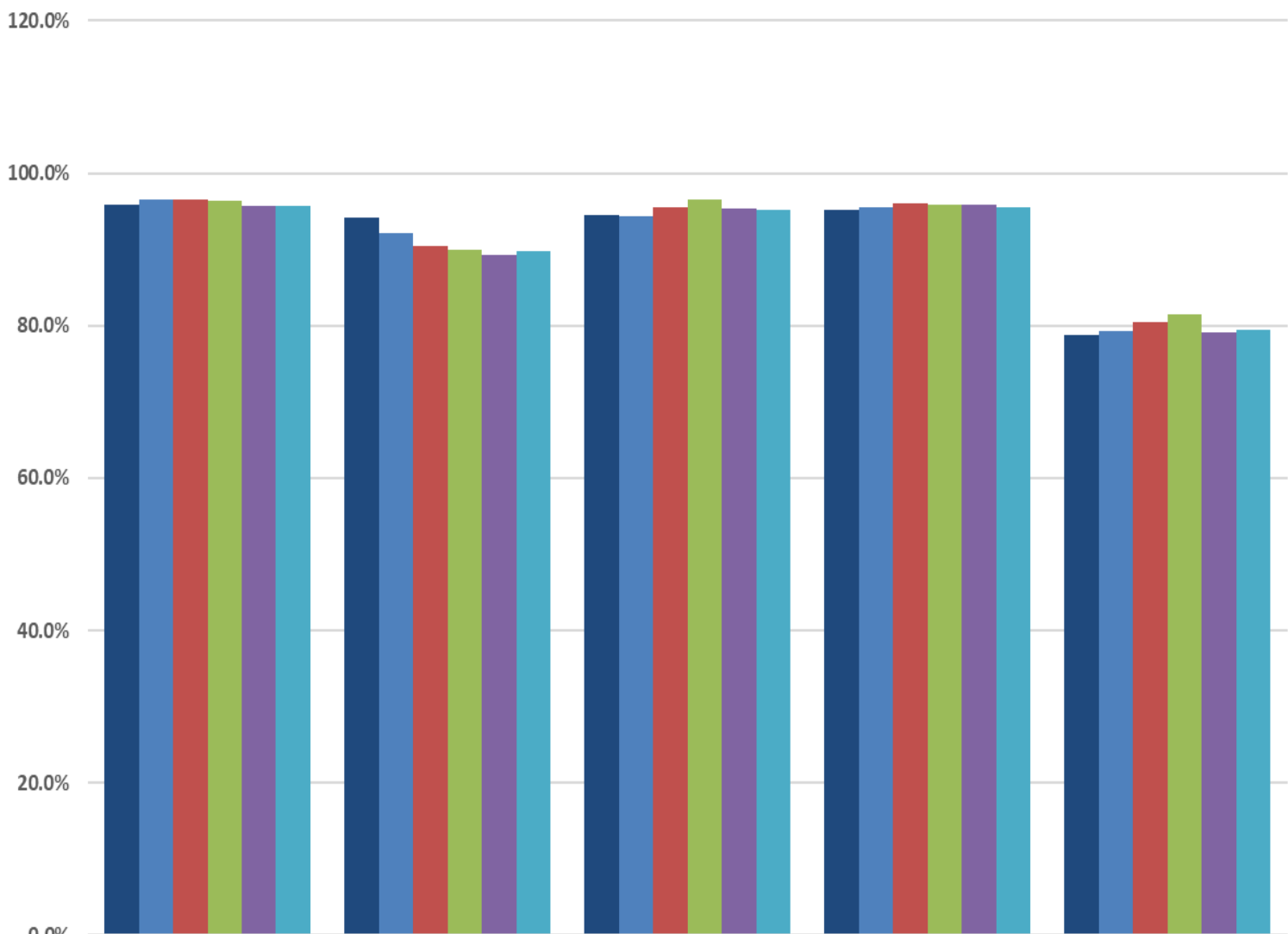


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Figure 8
Comparable CBD Retail Buildings
Percent Occupancy
4th Quarter 2020



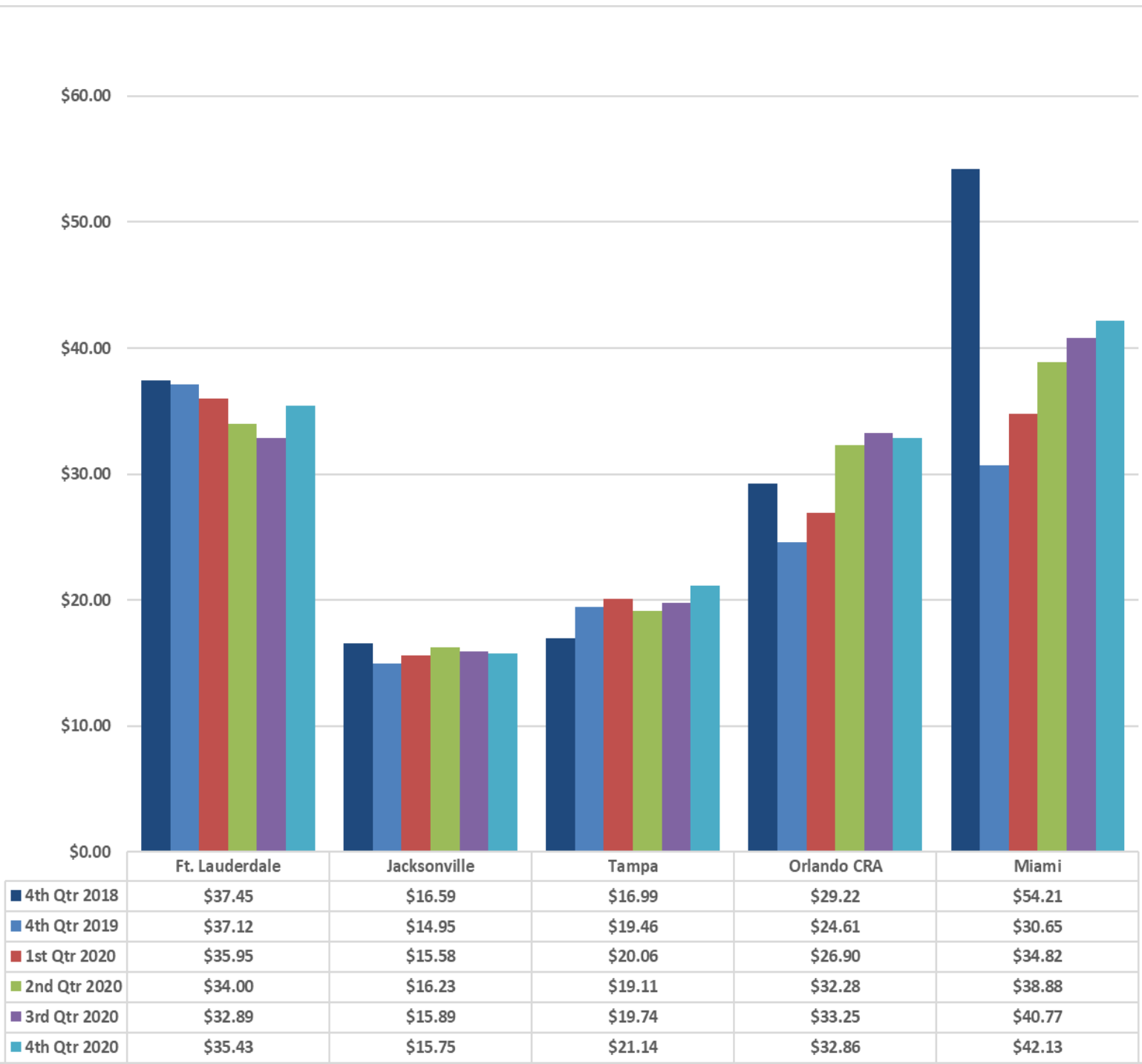
	Ft. Lauderdale	Jacksonville	Tampa	Orlando CRA	Miami
■ 4th Qtr 2018	95.9%	94.1%	94.6%	95.2%	78.8%
■ 4th Qtr 2019	96.5%	92.2%	94.3%	95.6%	79.3%
■ 1st Qtr 2020	96.6%	90.4%	95.5%	96.1%	80.4%
■ 2nd Qtr 2020	96.3%	90.0%	96.5%	95.8%	81.4%
■ 3rd Qtr 2020	95.7%	89.2%	95.4%	95.8%	79.1%
■ 4th Qtr 2020	95.7%	89.8%	95.2%	95.5%	79.4%

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Figure 9
Comparable CBD Retail Buildings
Rental Rate per Square Feet
4th Quarter 2020

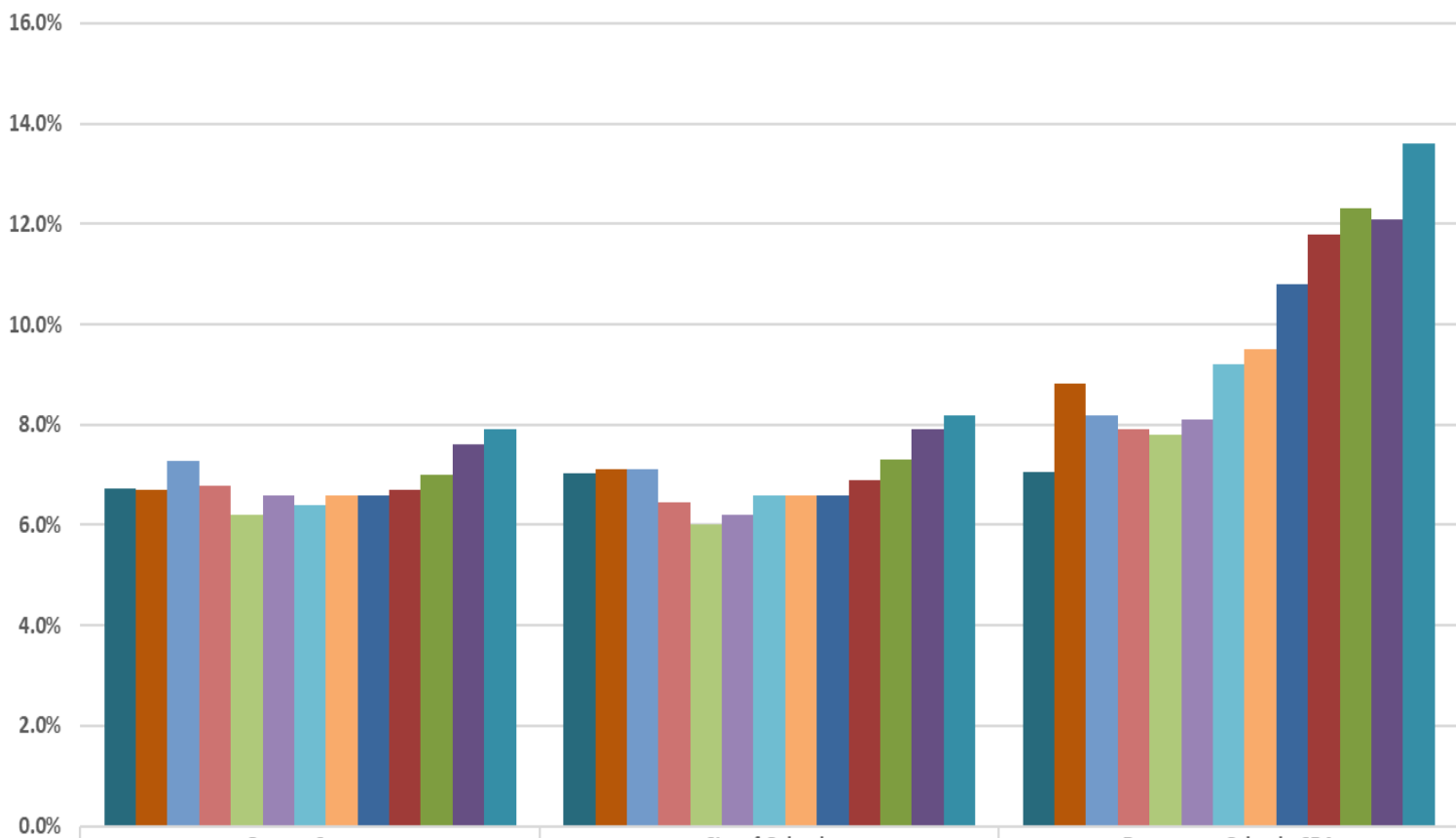


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Figure 10
Orange County, City of Orlando and Downtown Orlando CRA
Office Vacancy Rate Comparison
4th Quarter 2020



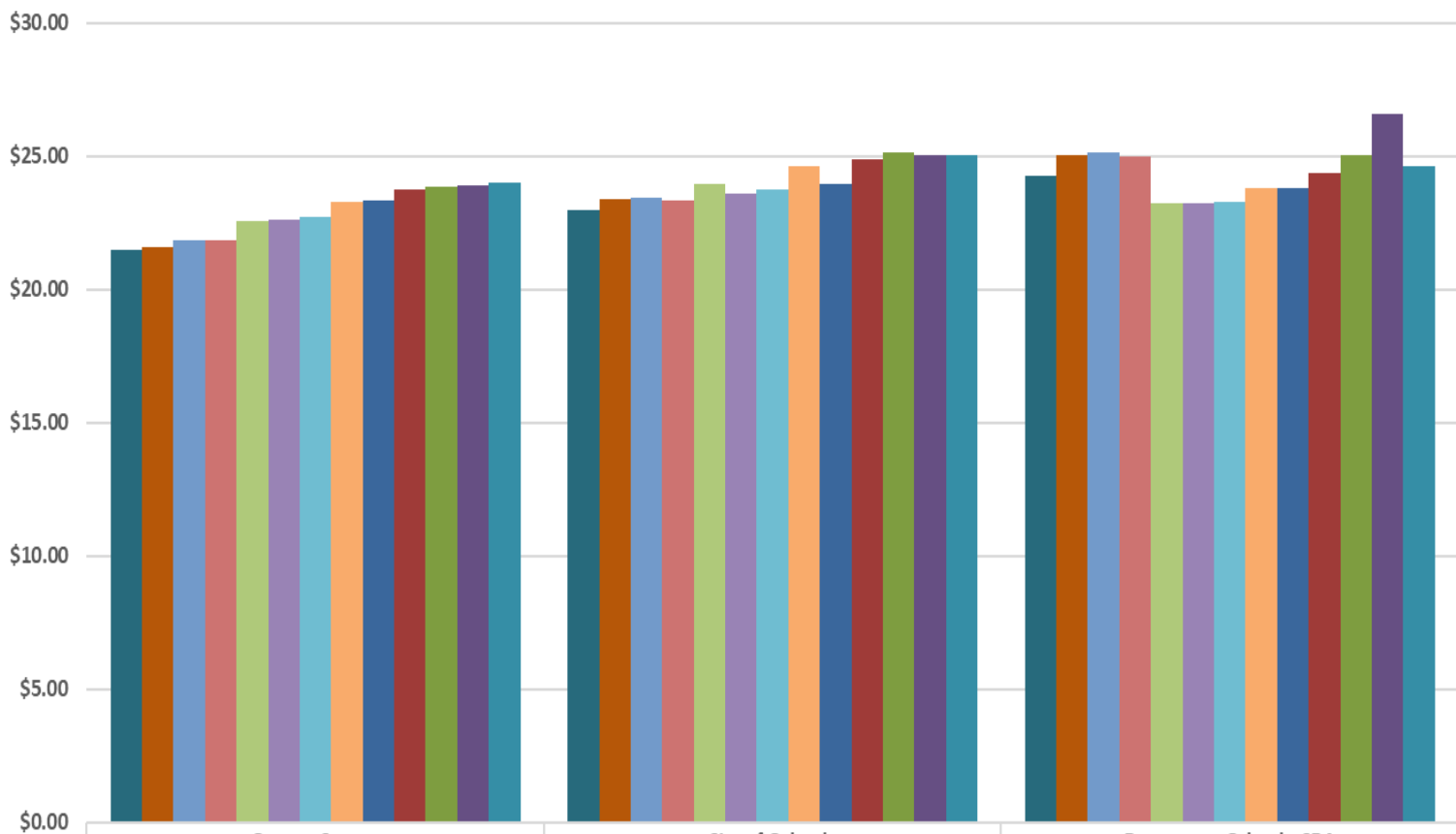
	Orange County	City of Orlando	Downtown Orlando CRA
■ 4th Qtr 2017	6.7%	7.0%	7.1%
■ 1st Qtr 2018	6.7%	7.1%	8.8%
■ 2nd Qtr 2018	7.3%	7.1%	8.2%
■ 3rd Qtr 2018	6.8%	6.4%	7.9%
■ 4th Qtr 2018	6.2%	6.0%	7.8%
■ 1st Qtr 2019	6.6%	6.2%	8.1%
■ 2nd Qtr 2019	6.4%	6.6%	9.2%
■ 3rd Qtr 2019	6.6%	6.6%	9.5%
■ 4th Qtr 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%
■ 4th Qtr 2020	7.9%	8.2%	13.6%

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Figure 11
Orange County, City of Orlando and Downtown Orlando CRA
Average Office Rental Rate per Square Feet
4th Quarter 2020



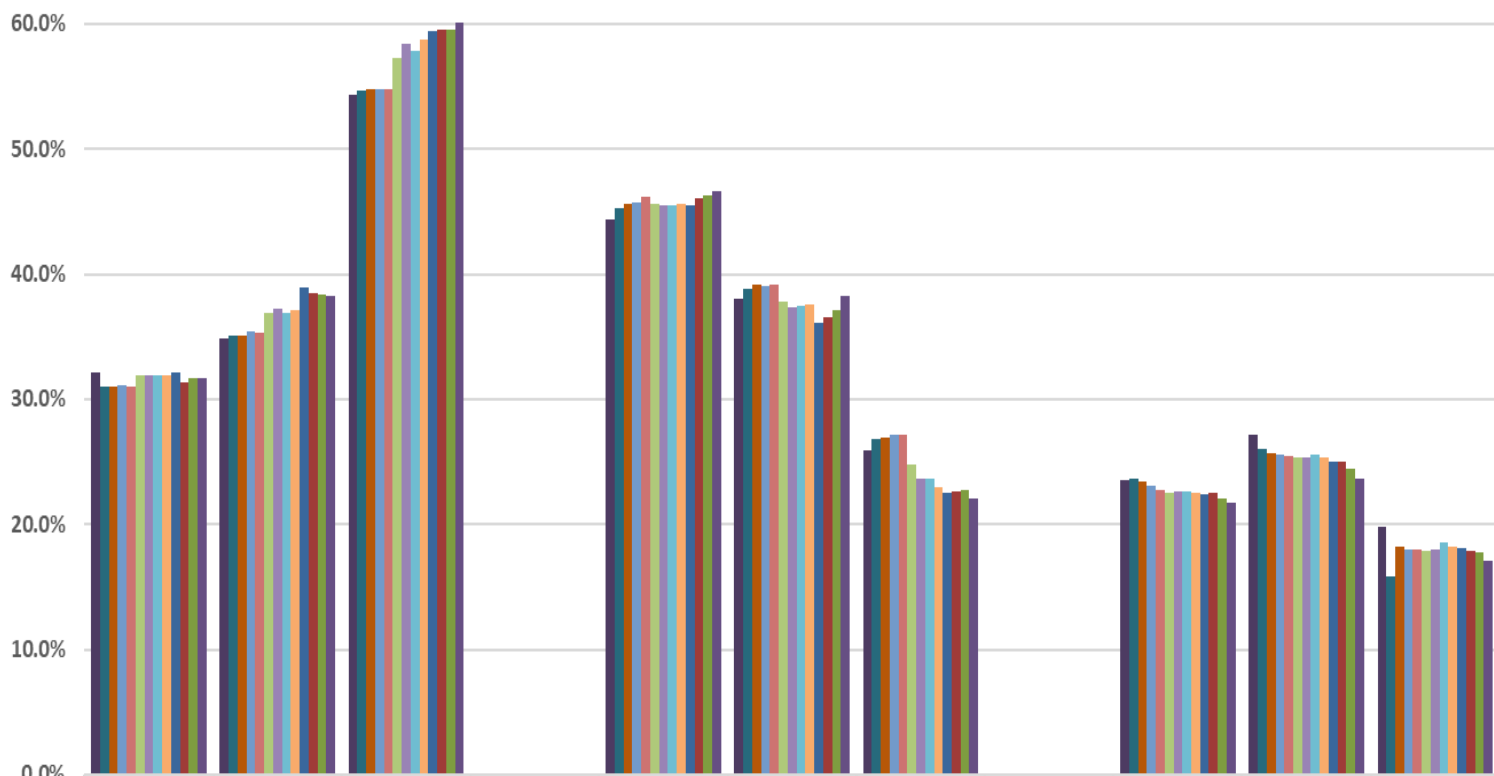
	Orange County	City of Orlando	Downtown Orlando CRA
■ 4th Qtr 2017	\$21.48	\$22.97	\$24.29
■ 1st Qtr 2018	\$21.58	\$23.41	\$25.06
■ 2nd Qtr 2018	\$21.84	\$23.44	\$25.17
■ 3rd Qtr 2018	\$21.84	\$23.32	\$24.97
■ 4th Qtr 2018	\$22.55	\$23.97	\$23.24
■ 1st Qtr 2019	\$22.62	\$23.58	\$23.23
■ 2nd Qtr 2019	\$22.74	\$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
■ 4th Qtr 2020	\$24.01	\$25.06	\$24.62

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Figure 12
Orange County, City of Orlando and Downtown Orlando CRA
Office Space Distribution as Percentage of All Classes
4th Quarter 2020



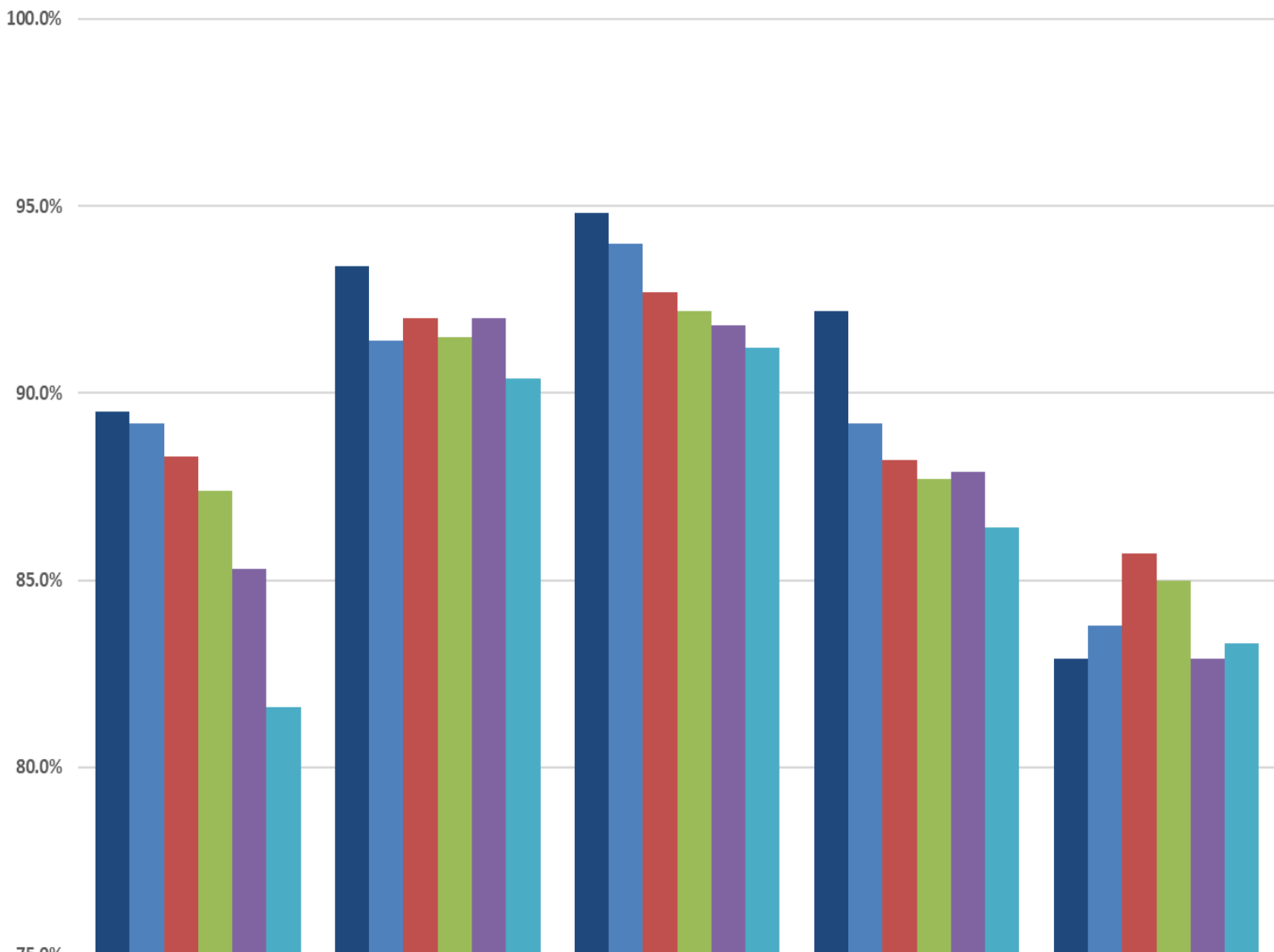
	Orange County	City of Orlando Class A	CRA	Orange County	City of Orlando Class B	CRA	Orange County	City of Orlando Class C	CRA
■ 4th Qtr 2017	32.2%	34.9%	54.3%	44.3%	38.0%	25.9%	23.5%	27.1%	19.8%
■ 1st Qtr 2018	31.0%	35.1%	54.7%	45.3%	38.8%	26.8%	23.7%	26.0%	15.8%
■ 2nd Qtr 2018	31.0%	35.1%	54.8%	45.6%	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%
■ 4th Qtr 2020	31.7%	38.2%	60.8%	46.6%	38.2%	22.1%	21.7%	23.7%	17.1%

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Figure 13
Comparable CBD Office Buildings
Percent Occupancy
4th Quarter 2020



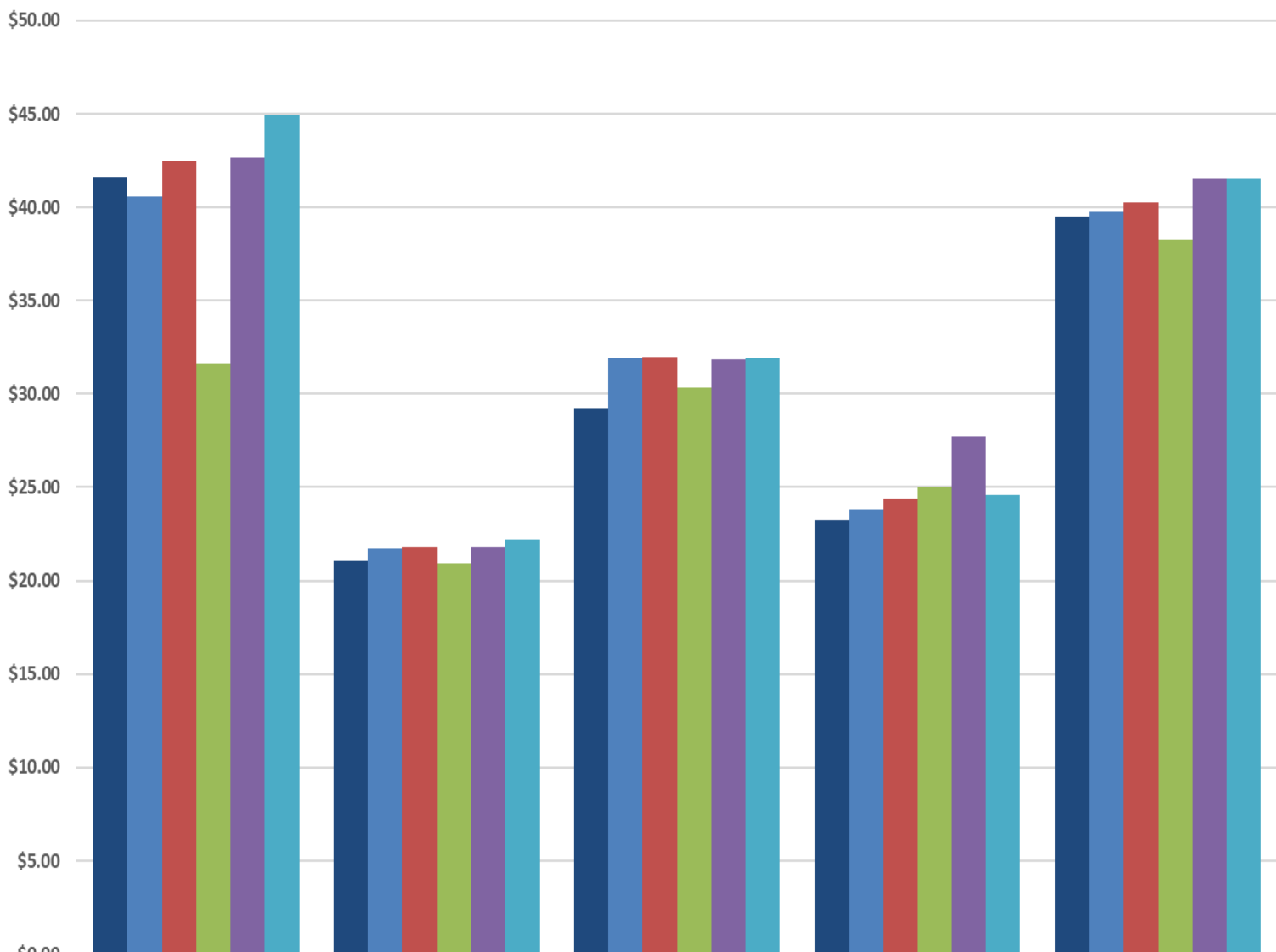
	Ft. Lauderdale	Jacksonville	Tampa	Orlando CRA	Miami
■ 4th Qtr 2018	89.5%	93.4%	94.8%	92.2%	82.9%
■ 4th Qtr 2019	89.2%	91.4%	94.0%	89.2%	83.8%
■ 1st Qtr 2020	88.3%	92.0%	92.7%	88.2%	85.7%
■ 2nd Qtr 2020	87.4%	91.5%	92.2%	87.7%	85.0%
■ 3rd Qtr 2020	85.3%	92.0%	91.8%	87.9%	82.9%
■ 4th Qtr 2020	81.6%	90.4%	91.2%	86.4%	83.3%

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Figure 14
Comparable CBD Office Buildings
Rental Rate per Square Feet
4th Quarter 2020



	Ft. Lauderdale	Jacksonville	Tampa	Orlando CRA	Miami
■ 4th Qtr 2018	\$41.58	\$21.02	\$29.19	\$23.24	\$39.53
■ 4th Qtr 2019	\$40.58	\$21.73	\$31.89	\$23.81	\$39.75
■ 1st Qtr 2020	\$42.46	\$21.78	\$31.96	\$24.38	\$40.25
■ 2nd Qtr 2020	\$31.60	\$20.90	\$30.37	\$25.06	\$38.25
■ 3rd Qtr 2020	\$42.64	\$21.83	\$31.83	\$27.72	\$41.52
■ 4th Qtr 2020	\$44.93	\$22.21	\$31.90	\$24.62	\$41.53