

DOWNTOWN ORLANDO

Market Report Summary First Quarter 2022



1Q22 GAI Market Report Summary

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 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 are still under the influence of COVID-19 Pandemic Policies in some cases. 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 of Orlando 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 Michael.Whiteman@downtownorlando.com.

DOWNTOWN ORLANDO

Business and Employment First Quarter 2022



Business and Employment

Licensure

For the 1st quarter of 2022, 54 business licenses were issued within downtown Orlando; this is a 35% increase from the 4th quarter of 2021 and remained the same as the 1st quarter of the previous year. The increase in licenses over the previous quarter may be due to a slight increase in year-end renewals and new business openings. Approximately 54% of the licenses issued within the CRA were for professional establishments.

Employment

Downtown Orlando's employees increased to 87,250 in the 1st quarter, with the three largest employment sectors being, Educational Services with 25,624 jobs (29.4% of total jobs), Public Administration with 18,113 jobs (20.8% of total jobs), and Professional, Scientific and Technical Services with 14,184 jobs (16.3% of total jobs).

Sales Tax

Sales tax collections for 2021 showed that nearly \$88.7 million was collected within the CRA, which is a 35% increase compared to the 2020 annual sales tax collections. The three largest sales tax collection sectors were Hotel/Motel Accommodations with \$15.7 million, Lease and Rental of Commercial Property with \$15.1 million and Communications, Telephone, Telegraph, Radio, and Television Stations with \$10.4 million. Other remaining sales tax categories totaled the remaining \$47.5 million⁽¹⁾.

⁽¹⁾Not all sales are subject to sales tax; for instance, sales tax is not collected on the purchase of groceries and medication along with certain services.

Expenditures

In 2021, total expenditures within the CRA were estimated at \$791 million, with consumers spending about \$262.8 million (33.2%) on housing, \$224.7 million (28.4%) on retail goods, \$96.3 million (12.2%) on food, \$57 million (7.2%) on healthcare, and \$30.9 million (3.9%) on entertainment and recreation.

DOWNTOWN ORLANDO

Hospitality and Tourism First Quarter 2022



Hospitality and Tourism

Hotel Rooms

With 2,237 available hotel rooms, approximately 131,600 guests were lodged in downtown Orlando's hotels for the 1st quarter of 2022. This is an increase of 7.26% from the previous quarter and an 59% increase compared to the same quarter of the previous year. The downtown Orlando's hotels represent approximately 1.7% and 2.2% of Metro Orlando and the County's hotel room supply, respectively. The Central Business District contains approximately 50% of downtown hotel rooms, while Parramore and North Quarter both represent 24%. The Eola sub-market contains the smallest shares of hotel rooms at just 0.9%.

Hotel Occupancy

The average hospitality occupancy rate for the 1st quarter of 2022 was 65.4%, which significantly increased from the previous quarter by 20%. The average hospitality occupancy rate also increased approximately 43% from the same quarter of the previous year.

Average Daily Rate

Downtown Orlando's average daily rate (ADR) was \$185.78, which is the highest when compared to the City of Orlando with an ADR of \$170.95, Orange County with \$167, and Metro Orlando with \$156.67. Additionally, downtown Orlando's ADR saw a 30% increase from the previous quarter and a 54% increase from the same quarter of the previous year.

DOWNTOWN ORLANDO

Residential Markets First Quarter 2022



Residential Markets

For Sale Housing

Total residential dwelling unit sales in the 1st quarter of 2022 reached 135 sales, which is 32% higher than the 102 sales reported in the 4th quarter of 2021. Total residential unit sales also rose 32% from the same quarter of the previous year. Over 88% of the total residential dwelling unit sales in downtown Orlando were condominium units. Average sales price per square foot for residential units in downtown Orlando was \$247, a 12% decrease from the previous quarter. Additionally, the average sales price per residential unit was approximately \$285,210.

Condominium Unit Sales

There were 109 total condominium sales⁽¹⁾ within downtown Orlando's major condominium buildings, representing 88% of all residential sales. Condominium sales significantly increased 45% from the 1st quarter of 2021 and 31% from the previous quarter. The average sales price within major condominium buildings was \$278,998 per unit, which was a 5% decrease from the previous quarter and a 16% decrease year-over-year.

⁽¹⁾Major condominium buildings were determined to be market-rate buildings with at least 50 units

Residential Housing Sales

For the 1st quarter of 2022, downtown Orlando totaled approximately \$38.5 million in residential unit sales. This was an 11% increase from the \$35 million in sales in the previous quarter.

Apartment Rental Occupancy

Downtown Orlando totals 6,893 total apartments throughout 24 major apartment buildings, compared to 6,773 units throughout 23 buildings in the previous quarter⁽¹⁾. Total apartments has also increased 15% year-over-year. The apartment occupancy rate of downtown Orlando for the 1st quarter of 2022 was 92.1%. This is a 2% increase over the prior quarter and a 0.3% increase year-over-year. When excluding new apartments that are still filling with residents (lease-up) and income-restricted housing, downtown Orlando had a 95% occupancy rate, up from 93% the previous quarter using the same parameters.

⁽¹⁾The increase in apartment units is due to the inclusion of Parramore Oaks, a mixed-income apartment building. Traditionally, major apartment building data collections only included market-income units, but as of 1Q 2022, Parramore Oaks will be included into the report.

Apartment Rental Rate

Among rental apartments surveyed during the 1st quarter of 2022, the average rent was \$2,006 per month, which is 1.9% higher than the previous quarter with an average of \$1,969 per month. For the 1st quarter of 2022, the average price per SF was \$2.19, which is a 1% increase from the previous quarter and a 5% increase year-over-year. The highest average rent per SF was for Mondrian on Lake Eola at \$2.94 and Radius Apartments at \$2.79. The lowest average rent per SF was for Lexington Court at \$1.29 and Amelia Court at \$1.49.

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Retail Market

First Quarter 2022



Retail Market

Retail Statistics

With a supply of 1.37 million SF of retail space, the occupancy rate in downtown Orlando was 93.7%, which is lower than that of the occupancy for the city (96.1%) and for Orange County (95.9%). The average rental rate was \$36.50 per SF, which is an 11% increase over the prior quarter. Orange County saw a rental rate increase of 2%, and the City of Orlando saw an increase of 8%. Downtown Orlando's market sales price per SF was approximately \$234, which is unchanged from the prior quarter and year-over-year. In the City of Orlando and Orange County, the sales price per SF increased year-over-year by 10% and 11%, respectively.

Downtown Retail Benchmarks

Benchmarked against comparable major Florida cities, downtown Orlando had the second highest retail occupancy rate (93.7%) which is lower than that of Tampa (96%), but higher than that of Jacksonville (93.7%), Ft. Lauderdale (93.5%), and Miami (83.6%). Downtown Orlando had the third highest retail rental rate (\$36.50) which is lower than that of Miami (\$41.96) and Fort Lauderdale (\$37.02), but higher than that of Jacksonville (\$18.71) and Tampa Bay (\$18.61).

DOWNTOWN ORLANDO

Office Market

First Quarter 2022



Office Market

Office Statistics

In the 1st quarter of 2022, the office occupancy rate in downtown Orlando was 88.4%, which is a 4% decrease from the previous quarter (88.9%) and a 12% decrease year-over-year. It is also significantly lower than that of the city (92.7%) and that of Orange County (91.6%). The average price per SF was \$25.85, which is 2% higher than the average price of \$25.33 per SF reported for the 4th quarter of 2022 and 3% higher than the \$24.62 per SF reported for the same quarter of the previous year. Office sales price per SF also reached \$212, a 9% increase year-over-year and a slight increase of 3% from the previous quarter.

Office Class

Office Space categorized as “Class A” had the largest percent (63%) contribution in downtown Orlando while office space categorized as “Class C” had the highest occupancy rate (95.7%). There were six major lease transactions (above 5,000 SF) totaling 58,314 SF that occurred within the CRA during the 1st quarter of 2022. There were also 26 minor leases (less than 5,000 SF) within the CRA in multiple commercial buildings. Total leasing activity within the CRA during the 1st quarter of 2022 was approximately 115,605 SF, down nearly 45% from the previous quarter and 9% from the same quarter of the prior year.

Downtown Office Benchmark

When benchmarked against other comparable downtowns in Florida, downtown Orlando had the third-highest office occupancy rate (88.4%) for CBD office buildings, which is higher than that of Ft. Lauderdale (83.7%) and Miami (83.9%), but lower than that of Tampa (88.6%) and Jacksonville (89.4%). Downtown Orlando had the fourth-lowest rental rate per SF at \$25.85, which is higher than that of Jacksonville (\$22.65), but lower than that of Tampa (\$32.20), Ft. Lauderdale (\$47.73), and Miami (\$47.73).

DOWNTOWN ORLANDO

Major Downtown Developments First Quarter 2022



Major Downtown Developments

There are 13 currently proposed projects in downtown Orlando with approximately \$1.3 billion in new investment, 2,114 residential units, 1,162 hotel rooms, 180,960 SF of retail space, and 630,605 SF of office space. Additionally, there are currently 8 projects underway representing approximately \$226 million in investment. These projects include approximately 795 residential units, 50,091 SF of retail space, and 162,437 SF of office space.

Downtown Projects – Proposed

Development	Investment	Residential Units	Hotel Rooms	Retail (SF)	Office (SF)	Other (SF)	Stories	Parking Spaces
550 Mariposa	TBD	223	-	19,512	-	-	16	425
802 W. Church Street	\$ 3,000,000	-	-	2,500	12,000	-	3	-
Cambria Suites Hotel	\$ 20,000,000	-	155	-	-	-	8	82
IRMA Apartments	\$ 6,000,000	21	-	-	-	-	4	-
Magnolia Mixed Use Development	\$ 64,500,000	232	-	6,000	15,875	-	26	280
Mariposa Grove	\$ 22,000,000	138	-	10,500	-	-	14	235
Monarch Tower	\$ 42,800,000	400	140	14,500	-	-	30	460
Parcel X, X-1, Y	\$ 275,000,000	326	180	-	185,000	500	-	-
Pine and Lake Mixed-Use	\$ 60,000,000	129	228	11,500	-	63,605	33	741
Sports Entertainment District	\$ 500,000,000	300	250	100,000	200,000	80,000	-	2,400
The Edge at Church Street	\$ 275,000,000	19	209	2,500	210,500	60,000	32	350
The Signature	\$ 90,000,000	182	-	6,908	7,230	-	19	242
Vive on Lake Eola	TBD	144	-	7,040	-	-	13	120
Totals	\$ 1,358,300,000	2,114	1,162	180,960	630,605	204,105	198	5,335

Downtown Projects – In Progress

Development	Investment	Residential Units	Hotel Rooms	Retail (SF)	Office (SF)	Other (SF)	Stories	Parking Spaces
Art2	\$ 4,500,000	-	-	1,200	-	-	-	-
Bumby Arcade Food Hall	TBD	-	-	16,000	3,437	-	-	-
Luminary Green at Creative Village	\$ 10,500,000	-	-	-	-	-	-	-
Orlando Magic Training Facility	\$ 70,000,000	-	-	-	45,000	100,000	-	230
Parramore Oaks (Phase 2)	\$ 17,330,000	91	-	-	-	-	-	71
Society Orlando	\$ 85,000,000	704	-	32,891	-	-	28	828
The 500	\$ 39,000,000	-	-	-	114,000	-	5	362
Under-i	TBD	-	-	-	-	-	-	-
Totals	\$ 226,330,000	795	0	50,091	162,437	100,000	33	1,491

Downtown Development Information in

Major Developments Report: <https://www.downtownorlando.com/Business/Profile/Research-Insights>

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Major Projects Completed First Quarter 2022



Major Downtown Developments Completed Since 2017

Since 2017, downtown Orlando has overseen approximately \$4.9 billion in completed major projects. These projects include over 3,000 residential units, 400 hotel rooms, 228,000 SF in retail space, 401,000 SF in office space, and 730,000 SF for other uses.

Development	Investment	Residential Units	Hotel Rooms	Retail (SF)	Office (SF)	Other (SF)
107 Hillcrest	\$ 20,000,000	-	-	108,954	1,519	-
Amelia Court	\$ 60,000,000	256	-	-	-	-
Camden Lake Eola	\$ 88,000,000	363	-	20,126	-	-
Camping World Stadium Renovations	\$ 60,000,000	-	-	-	-	-
Colonial Drive Overpass	\$ 9,100,000	-	-	-	-	-
Dr. Phillips Center for the Performing Arts	\$ 613,000,000	-	-	-	-	-
EA Orlando	\$ 60,000,000	-	-	-	175,940	-
Eola North	\$ 4,600,000	12	-	-	-	-
Exploria Stadium	\$ 155,000,000	-	-	600	17,000	15,000
Fountain Vu 5	\$ 4,500,000	5	-	-	-	-
Hilton Garden Inn Orlando Downtown and Home2 Suites by Hilton Orlando Downtown	\$ 36,000,000	-	224	3,191	-	-
I-4 Ultimate Improvement Project	\$ 2,300,000,000	-	-	-	-	-
Irving on Park	\$ 4,000,000	21	-	-	-	-
MAA Robinson Apartments	\$ 65,000,000	369	-	-	-	-
Modera at Creative Village	\$ 75,000,000	292	-	10,000	-	-
Mondrian on Lake Eola	\$ 90,000,000	350	-	13,465	-	19,688
Novel Lucrene	\$ 62,000,000	373	-	32,515	-	-
OCPS Academic Center for Excellence	\$ 41,300,000	-	-	-	-	329,985
Parramore Oaks (Phase 1)	\$ 27,300,000	120	-	-	-	-
Radius Apartment Tower	\$ 95,000,000	389	-	14,000	-	-
SunRail	\$ 615,000,000	-	-	-	-	-
The Julian	\$ 108,000,000	409	-	5,899	-	-
The Olive Townhouses	\$ 5,500,000	6	-	-	-	-
Truist Plaza at Church Street Station	\$ 125,000,000	-	180	8,200	206,600	-
UCF Dr. Phillips Academic Commons	\$ 65,000,000	-	-	-	-	261,158
Union West	\$ 105,000,000	126	-	12,000	-	105,000
Totals	\$ 4,893,300,000	3,091	404	228,950	401,059	730,831