

Market Report

Orlando ranked in the top five cities nationwide for population growth last year, which economists equate to the sign of a healthy city. This growth is evident by the numerous construction sites throughout the MSA. Additionally, Orlando's income growth has outperformed the national average according to the latest United States Census Bureau estimates. This has led to abundant consumer consumption and has driven retail rent growth up 6.1% year-over-year, the strongest retail rent growth nationwide. Industrial rent growth has been strong as well, with several new developments delivering recently. Only the office sector is seeing a lack of speculative development despite rental increases.



Rental and Vacancy Rates

Direct Asking Rent (\$/SF)	Total Vacancy Rate	YoY Change
\$28.29	CBD Class A 9.4%	▲ 0.8%
\$22.58	CBD Class B 13.7%	▲ 1.8%
\$25.30	Total CBD 9.6%	▲ 1.0%
\$26.59	Submarket Class A 6.0%	▼ 0.2%
\$20.04	Submarket Class B 7.9%	▼ 0.4%
\$21.31	Total Submarket 6.6%	▼ 0.3%
\$10.41	Industrial Flex 6.5%	▼ 1.0%
\$6.29	Industrial Warehouse 4.6%	▲ 0.4%
\$7.02	Total Industrial 4.9%	▲ 0.1%

Recent Transactions

Tenant	Size	Submarket	Type	Sector
1 Lockheed Martin	136,700 SF	South Orlando	Office	Defense
2 WeWork	71,344 SF	CBD	Office	Coworking
3 AssistRX Holdings, Inc	16,107 SF	CBD	Office	Pharma
4 TelAffects	9,996 SF	Lake Mary	Office	Sales
5 Allscripts	8,343 SF	Millenia	Office	Pharma
6 Lucky's Market	120,388 SF	Orlando Central	Industrial	Grocer
7 Keller Logistics	62,744 SF	Groveland	Industrial	3PL
8 Buckeye Diamond Logistics	36,000 SF	Orlando	Industrial	Supply services
9 Team 27 Ventures	25,200 SF	Longwood	Industrial	Business Services
10 JR Hobbs	23,000 SF	Ocoee	Industrial	Home Services
11 Impact Lighting	20,400 SF	NW Orange Co.	Industrial	Event Lighting

Occupier's Perspective

As WeWork prepares to open in Orlando, competition revs up in the coworking space. Orlando lags the major metros with the number and size of coworking space, so we predict further growth in this sector.

With the sheer number of public and private construction projects, both permitting, and construction timetables as well as pricing are stretched from norm.

Even though it's currently a landlord's market, 'white-boxing' and marketing your former space along with the cost of vacancy is expensive to a landlord. You have power as a tenant, and a qualified tenant-rep can help you leverage it.

Market Trends



Boeing has announced that they will be moving its Space and Launch Division Headquarters to Titusville, FL this year from Arlington, VA; another big win for Florida in the private space sector.

Orlando's medical office and healthcare sector is seeing booming growth with new medical centers under construction in several Orlando submarkets, such as SW Orange, Oviedo, Casselberry, Leesburg and Lake Nona.

Construction on Phase 2 of The Edison in Lake Mary is about to begin. This is one of the very few speculative office buildings currently being built in Central Florida and is scheduled for completion in March 2020.