

Orlando Metro 3Q19 Retail Report

Orlando's retail market is robust with vacancies among the tightest they have ever been recorded. Additionally, the market is one of the strongest rent growth metros in the nation and established an all-time rent growth high in 2019.

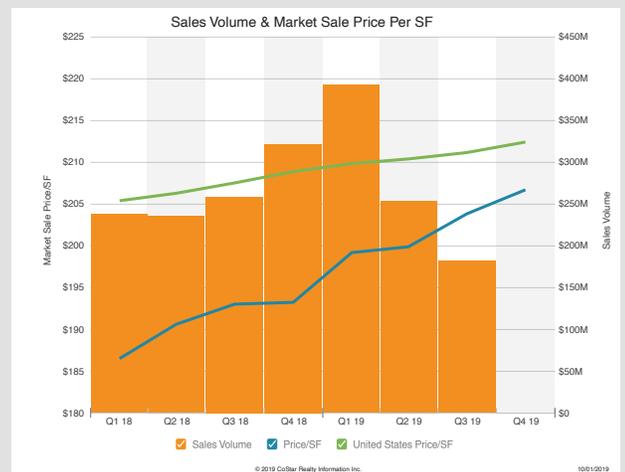
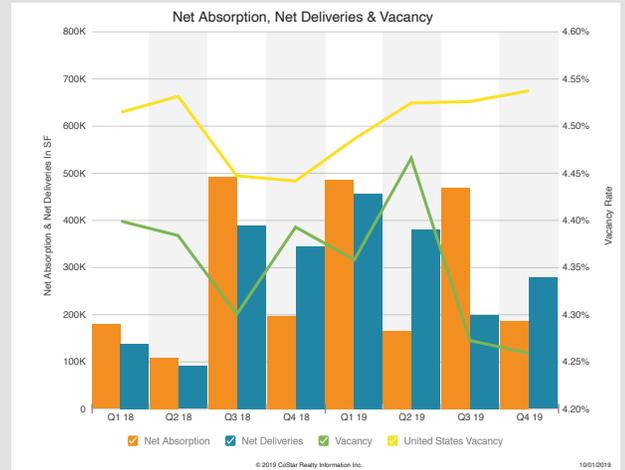
With record-breaking visitor volume and a thriving local economy fueled by one of the nation's highest population growth, Orlando's retail demand is continuously strong as the booming population growth fuels increasingly high personal consumption. In addition, the metro is also one of the tightest labor markets in the country, with an unemployment rate that is one of the best in Florida. This has helped drive income growth rates above the national average, further strengthening purchasing power.

The healthy fundamentals have also been assisted by the relatively diminished supply pipeline this cycle, even as construction activity has ramped up lately. Though the current construction of just over one million square feet is low historically, it is near the highest point in over a decade. Furthermore, even at the lower build levels this cycle, Orlando has added new inventory at a greater rate than most national metros.

Grocery concept expansions have been a big storyline and have assisted filling vacated space. Some of the recent entries into the metro include national chains such as EarthFare and Sprouts Farmers Market, with the latter agreeing in 2019 to another location in Bayhill Plaza. Food hall concepts have become a popular recent trend across the nation, and Orlando has been no exception as evidenced by Market on Magnolia. Orlando's first food hall quickly landed several eateries and has become a destination spot for the metro.

Investment activity has picked up in 2019, which is on pace to challenge the all-time record. This is especially impressive given the prior six years have all posted sales volumes well above the long-term average. Prices have also continued to climb with average cap rates compressing steadily to a low not seen in a decade.

Source: CoStar Property®



Trends for 3Q19

NET ABSORPTION

VACANCY RATE

CONSTRUCTION

ASKING RATES

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Orlando Metro 3Q19

Retail Report

Market Overview:

Total Retail Market Statistics

Third Quarter 2019

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %				
436 Corridor	655	9,030,910	550,447	552,668	6.1%	8,510	11,700	0	\$21.50
Altamonte/Douglas	405	5,888,864	287,532	293,716	5.0%	33,450	10,000	0	\$20.45
Brevard County	2,873	34,352,224	1,894,816	1,901,762	5.5%	3,762	41,485	126,852	\$13.32
Casselberry	453	7,182,645	372,088	376,532	5.2%	21,798	17,008	10,721	\$17.13
Downtown	206	1,706,521	90,123	90,123	5.3%	190,602	159,770	42,820	\$16.99
Kissimmee	503	8,740,193	349,328	349,328	4.0%	(3,882)	6,600	50,000	\$15.93
Lake County	1,598	19,343,262	597,236	614,446	3.2%	28,630	32,080	128,050	\$18.44
Lake Mary	232	3,355,127	148,214	163,664	4.9%	142,067	150,935	0	\$25.62
Lee Road	132	1,339,013	38,574	38,574	2.9%	100,399	0	0	\$12.09
Longwood	184	1,867,039	86,404	86,404	4.6%	22,458	0	0	\$15.68
Maitland	59	942,327	72,058	72,058	7.6%	(3,687)	0	0	\$20.09
Maitland Center	188	2,595,706	79,252	79,252	3.1%	10,255	0	0	\$13.76
Metro West	219	2,429,190	68,498	68,498	2.8%	93,317	119,950	3,300	\$18.88
North Outlier	389	4,442,217	311,377	314,989	7.1%	118,213	6,000	0	\$20.42
Orlando Airport	102	1,426,200	41,661	46,874	3.3%	(8,131)	0	6,500	\$27.99
Orlando Central Park	438	9,354,728	511,037	545,725	5.8%	(163,598)	0	36,200	\$17.31
Sanford	441	5,392,110	207,594	252,448	4.7%	25,231	30,000	0	\$12.60
South Orange	282	2,394,738	154,079	154,079	6.4%	99,058	99,700	0	\$21.05
South Outlier	1,095	17,556,361	338,773	338,773	1.9%	258,692	222,654	329,468	\$23.34
St Cloud	203	2,112,813	54,661	54,661	2.6%	(753)	2,993	0	\$16.84
Tourist Corridor	558	12,543,730	360,514	360,514	2.9%	129,884	1,460	27,950	\$31.32
University	58	679,473	34,223	34,223	5.0%	25,319	2,312	0	\$34.17
University Research	54	702,786	13,852	13,852	2.0%	93,108	92,500	2,500	\$28.27
West Colonial	822	11,930,054	700,786	716,793	6.0%	14,819	49,930	500,000	\$13.29
West Outlier	229	3,326,790	151,295	151,295	4.5%	(50,850)	12,631	0	\$17.70
West University	246	4,667,995	237,287	240,087	5.1%	(15,036)	8,700	0	\$21.01
Winter Park	400	3,419,700	157,693	157,693	4.6%	(42,480)	10,560	4,000	\$36.57
Totals	13,024	178,722,716	7,909,402	8,069,031	4.5%	1,131,155	1,088,968	1,268,361	\$18.25

	Period	Existing Inventory		Vacancy			Net Absorption	Deliveries Total GLA	Under Const GLA	Quoted Rates
		# Blds	Total GLA	Direct SF	Total SF	Vac %				
General Retail	2019 3q	10,040	80,464,205	2,405,463	2,443,730	3.0%	443,880	722,112	605,707	\$19.78
	2019 2q	9,990	80,420,856	2,502,095	2,549,484	3.2%	128,292	220,150	497,308	\$19.30
	2019 1q	9,981	80,200,706	2,394,811	2,457,626	3.1%	69,756	272,047	644,558	\$18.95
Mall Market	2019 3q	25	15,811,629	514,165	514,165	3.3%	98,534	75,371	500,000	\$39.71
	2019 2q	25	15,660,536	517,966	517,966	3.3%	(11,012)	13,350	515,650	\$39.37
	2019 1q	25	15,647,186	493,604	493,604	3.2%	90,095	46,371	529,000	\$28.35
Shopping Centers	2019 3q	1,426	67,597,396	4,463,759	4,540,955	6.7%	450,229	291,485	162,654	\$17.22
	2019 2q	1,425	67,439,756	4,291,984	4,391,393	6.5%	72,255	101,200	219,135	\$16.08
	2019 1q	1,424	67,239,384	4,267,054	4,362,448	6.5%	297,685	151,335	204,166	\$16.57
Total Retail	2019 3q	13,024	178,722,716	7,909,402	8,069,031	4.5%	1,131,155	1,088,968	1,268,361	\$18.25
	2019 2q	12,968	178,747,668	8,014,326	8,205,290	4.6%	224,955	334,700	1,232,093	\$17.84
	2019 1q	12,953	178,313,796	7,923,895	8,095,545	4.5%	426,838	469,753	1,377,724	\$17.68