

ORLANDO



OVERVIEW

Demand outstripping supply with vacancies at an all-time low has been the talk regarding Orlando's office market for fiscal year 2019. Such vacancies have allowed an overall rent growth in the market but have cooled over the cyclic peak. Landlords and owners however still push rental rates at over twice the long-term trend. Orlando's office-using employment is strongly driven by the defense sector, with over 12% of the market being used by defense-related companies. Along with that, there has been a surge in medical office and healthcare construction in the area, along with a boom in the tech market as Orlando is home to one of the nation's top STEM job growth metros. Such trends have resulted in the construction of over 1.5 million SF of office space for 2019.

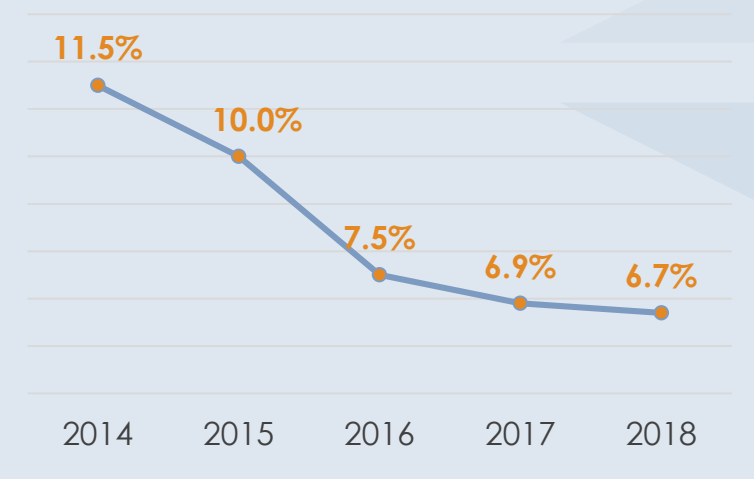
FUNDAMENTALS

Forecast

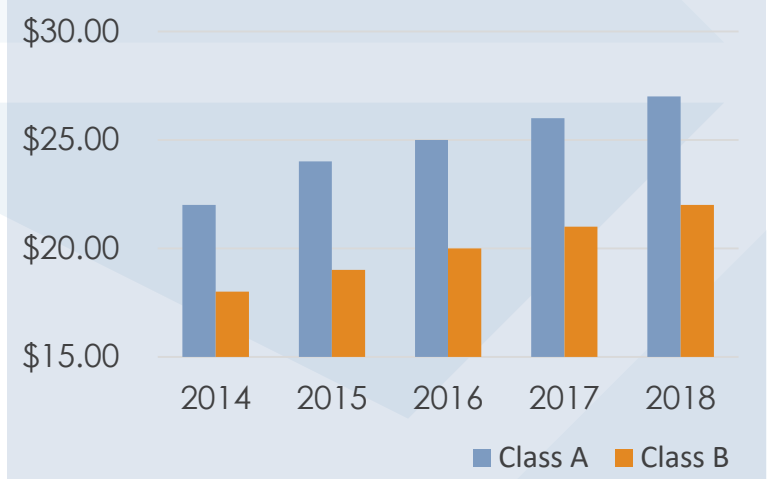
YTD net absorption	380,000 SF	▲
Under construction	1,800,00 SF	▲
Average asking rent (gross)	\$23.37	▲
Concessions	Flat	▶

<p>Market Size 94 M SF</p>	<p>Largest Office Deal 800,000 SF</p>	<p>Total Vacancy 6.7%</p>
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TOTAL VACANCY



AVERAGE ASKING RENTS



OUTLOOK

- Vacancy rates have dipped to 6.7%, a historical low for the Orlando Metro area.
- Lack of large blocks of space makes potential corporate relocations difficult, with most options being buildings built before 2000.
- Leasing activity tends to still cluster in close proximity to I-4, with the bulk activity stemming from the Tourist Corridor, Downtown Orlando, and Maitland Center submarkets.
- The most notable project underway is SunTrust Plaza at Church Street Station. The project will include a Marriott Hotel on top floors and approximately 214,000 SF of new office space with a Grand Central Station-style lobby connected to the Sunrail's Church Street Station.

For more information, please contact:

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