

Orlando's retail sector has held up relatively well during the ongoing pandemic. After some softening in the second and third quarters of 2020, retail demand bounced back in Q420. The average vacancy rate has remained virtually unchanged since Q120 and remains less than 50 basis points above the lowest mark on record. The metropolitan area entered the pandemic on solid footing and was one of the strongest retail markets in the nation which appears to have allowed Orlando retail a sense of resiliency.

Orlando generally experienced positive retail trends in the second half of 2020. Leasing activity bounced back in both the third and fourth quarters - a strong reversal from the dismal second quarter. The second half also saw generally accelerating activity on a monthly basis, providing optimism for continued success in 2021.

There could be loosening retail fundamentals on the horizon due to the lagged absorption and vacancy hits looming from announced retail closures. Additionally, available retail space has increased by roughly 700,000 SF over the past year. On the other hand, available sublet space has declined during this time frame.

Supply has also become a relative bright spot. With roughly 920,000 SF delivering in the past twelve months, Orlando had some of the highest relative retail supply in the nation. Retail starts have slowed with sparse groundbreakings in the second half of 2020. While there is approximately 900,000 SF still underway, the relative level is moving towards normalizing to the national average. Lessened supply should help temper future lagged pandemic impacts.

Retail annual rent growth has taken a beating from the pandemic, dropping almost 400 basis points since Q120. Landlords appear hesitant to push asking rents in this environment. However, Orlando has long been one of the strongest retail rent growth markets in the nation and that has continued despite the compression over the past three quarters. The metropolitan area's annual rent growth is still positive and well above the national average which is now contracting on an annual basis at -0.6%.

Investment activity picked up in the second half of 2020 and the third quarter posted a total of more than four times the sales volume of the bleak second quarter. Monthly retail sales volume from July through December normalized to the five-year average. Despite the second half rebound, Orlando's retail sales volume finished the lowest in nearly a decade. Prior to 2020, retail sales volume had increased over each of the past four years, culminating in a record total in 2019.

Source: CoStar Property

## ORLANDO MSA Retail Market



Total Retail Space  
146,914,799 SF



Under Construction  
922,734 SF



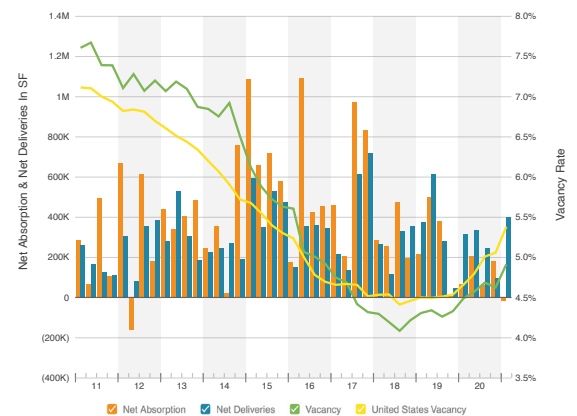
8 Shopping Centers  
1,000,000 SF+

Orlando MSA (Orange, Seminole, Lake & Polk Counties) | Source: CoStar Property

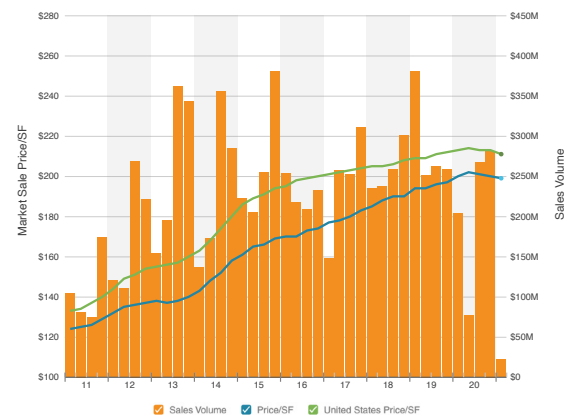
## Quarterly Trends



### Net Absorption, Net Deliveries & Vacancy



### Sales Volume & Market Sale Price Per SF



### Total Retail Market Statistics

Fourth Quarter 2020

Orlando MSA (Lake, Orange, Osceola & Seminole Counties)								
Market	Existing Inventory		Vacancy		YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Total Available SF	Avail %				
436 Corridor	683	9,300,541	626,101	6.7%	236,557	11,172	0	\$20.42
Altamonte/Douglas	409	5,589,327	535,902	9.6%	(57,310)	34,000	0	\$24.15
Apopka	230	3,281,058	221,573	6.7%	3,738	7,653	3,685	\$19.94
Casselberry	464	7,164,775	531,616	7.4%	39,646	10,721	11,050	\$21.47
Downtown Orlando	249	1,889,492	136,353	7.2%	29,069	45,420	0	\$27.15
East Seminole Outlying	206	2,263,896	165,634	7.0%	(9,260)	10,900	105,940	\$23.37
Kissimmee	514	8,577,784	499,266	5.8%	7,400	59,710	6,500	\$19.63
Lake County	1,629	19,533,576	940,061	4.8%	71,137	138,855	120,074	\$18.94
Lake Mary	235	3,392,539	223,405	6.6%	28,108	55,000	0	\$27.12
Lee Road	140	1,474,953	94,715	6.4%	(76,187)	1,325	0	\$17.27
Longwood	187	1,863,872	103,599	5.6%	21,462	3,000	0	\$17.02
Maitland	59	947,065	136,738	14.4%	(47,777)	0	0	\$24.26
Maitland Center	187	2,568,033	129,181	5.0%	(10,787)	0	0	\$19.87
Metro West	293	2,660,898	105,566	4.0%	73,211	73,500	0	\$23.34
NW Orange Outlying	117	1,125,633	111,391	9.6%	63,396	76,400	29,900	\$19.95
Orlando Airport	101	1,436,133	81,570	5.7%	(40,612)	0	0	\$26.54
Orlando Central Park	462	9,517,513	615,144	6.5%	234,548	31,200	0	\$26.80
Osceola Outlying	535	7,980,568	336,465	4.2%	27,561	35,715	23,035	\$24.12
Sanford	450	5,468,441	698,604	12.7%	(45,500)	35,700	19,840	\$23.18
SE Orange Outlying	462	6,527,046	395,683	5.9%	105,580	128,235	136,850	\$25.91
South Orange	308	2,419,976	203,325	8.4%	28,729	55,674	0	\$19.95
St. Cloud	205	2,100,966	109,191	5.2%	(16,932)	8,260	10,000	\$19.88
SW Orange Outlying	172	3,577,367	129,361	3.5%	2,584	46,821	143,408	\$31.83
Tourist Corridor	593	13,113,382	943,061	7.1%	(106,162)	128,804	83,460	\$30.23
University	58	662,558	129,555	19.3%	(71,158)	0	9,100	\$29.89
University Research	56	722,622	77,184	10.7%	(8,536)	0	0	\$25.25
W Seminole Outlying	87	1,335,743	152,461	11.4%	(15,839)	0	0	\$17.68
West Colonial	908	12,284,032	1,050,052	8.4%	(37,869)	(14,313)	204,500	\$19.64
West University	246	4,672,892	144,959	3.1%	93,118	0	0	\$25.35
Winter Park	406	3,462,118	250,072	7.2%	(11,535)	8,280	15,392	\$32.00
<b>Totals</b>	<b>10,651</b>	<b>146,914,799</b>	<b>9,877,788</b>	<b>6.7%</b>	<b>510,380</b>	<b>992,032</b>	<b>922,734</b>	<b>\$23.21</b>

Brevard, Polk & Volusia Counties (Adjacent)								
Market	Existing Inventory		Vacancy		YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total GLA	Total Available SF	Avail %				
Brevard County	2,954	36,192,201	2,693,872	7.4%	33,977	228,997	122,906	\$15.36
Polk County	2,825	31,572,210	1,888,716	6.0%	6,465	139,339	137,675	\$15.40
Volusia County	3,916	39,826,452	2,993,924	7.5%	(151,789)	81,427	58,904	\$15.71

Period	Asset Value	Vacancy Rate	Availability Rate	Market Rent/SF	Annual Rent Growth	Inventory SF	Under Constr SF	Under Constr %	12 Month Net Absorption SF	Market Price/SF	Sales Volume
2020 4q	\$29.4 B	4.6%	6.7%	\$23.21	2.0%	146.9 M	0.9 M	0.6%	0.5 M	\$189	\$248 M
2020 3q	\$29.6 B	4.7%	6.8%	\$23.04	2.3%	146.8 M	0.9 M	0.6%	0.3 M	\$216	\$267 M
2020 2q	\$29.6 B	4.6%	6.4%	\$23.08	3.8%	146.4 M	1.1 M	0.7%	0.7 M	\$277	\$74 M
2020 1q	\$29.2 B	4.5%	6.1%	\$22.99	4.7%	146.1 M	1.3 M	0.9%	1.0 M	\$187	\$204 M

Orlando MSA (Lake, Orange, Osceola & Seminole Counties)									
	Period	Existing Inventory		Vacancy		Net Absorption	Deliveries Total GLA	Under Const GLA	Quoted Rates
		# Blds	Total GLA	Total Avail SF	Avail %				
General Retail	2020 4q	8,110	65,072,690	2,591,903	4.0%	991,508	836,003	464,660	\$21.97
	2020 3q	8,099	64,982,956	2,718,684	4.2%	811,869	753,284	450,620	\$21.81
	2020 2q	8,085	64,585,795	2,625,185	4.0%	994,506	724,862	657,892	\$21.79
	2020 1q	8,068	64,335,278	2,721,337	4.2%	880,291	911,443	793,274	\$21.73
Mall Market	2020 4q	157	12,820,056	1,391,967	10.7%	(230,331)	5,885	203,000	\$32.51
	2020 3q	156	12,814,171	1,330,493	10.2%	(233,096)	0	208,885	\$32.34
	2020 2q	156	12,814,171	1,121,843	8.6%	(83,903)	15,650	208,885	\$32.51
	2020 1q	156	12,814,171	1,077,271	8.3%	(81,608)	23,150	208,885	\$32.27
Shopping Centers	2020 4q	1,323	46,051,698	4,365,466	9.4%	(126,513)	54,250	213,174	\$21.99
	2020 3q	1,323	46,051,698	4,424,199	9.6%	(116,530)	95,448	153,587	\$21.82
	2020 2q	1,322	46,047,054	4,291,332	9.3%	(275,718)	156,474	148,231	\$21.88
	2020 1q	1,315	46,004,248	4,012,311	8.7%	(92,797)	125,668	191,037	\$21.78
Total Retail	2020 4q	10,654	146,930,313	9,877,788	6.7%	510,380	992,032	922,734	\$23.21
	2020 3q	10,642	146,834,694	10,055,315	6.8%	336,451	944,626	854,992	\$23.04
	2020 2q	10,623	146,409,685	9,402,920	6.4%	656,315	977,280	1,080,112	\$23.08
	2020 1q	10,594	146,072,862	8,936,507	6.1%	952,354	1,257,845	1,284,300	\$22.99

Brevard, Polk & Volusia Counties (Adjacent) - 4th Quarter 2020									
	County	Existing Inventory		Vacancy		Net Absorption	Deliveries Total GLA	Under Const GLA	Quoted Rates
		# Blds	Total GLA	Total Avail SF	Avail %				
General Retail	Brevard	2,435	19,134,961	904,755	4.7%	53,725	77,442	28,450	\$14.73
	Polk	2,388	17,288,278	590,240	3.4%	83,248	113,564	88,838	\$14.54
	Volusia	3,300	22,323,935	1,057,696	4.7%	13,831	89,527	58,904	\$15.11
Mall Market	Brevard	24	3,612,483	142,138	3.9%	(114,506)	0	0	\$20.12
	Polk	37	2,282,975	337,813	14.8%	(132,990)	8,200	0	\$21.36
	Volusia	20	1,409,702	238,062	16.9%	(4,817)	0	0	\$21.30
Shopping Centers	Brevard	209	9,330,438	1,329,616	14.2%	61,395	151,555	40,916	\$15.04
	Polk	229	8,912,417	834,032	9.4%	52,350	0	0	\$14.49
	Volusia	313	11,661,790	1,266,349	10.9%	(71,775)	(8,100)	0	\$15.84
Total Retail	Brevard	2,954	36,192,201	2,693,872	7.4%	33,977	228,997	122,906	\$15.36
	Polk	2,825	31,572,210	1,888,716	6.0%	6,465	139,339	137,675	\$15.40
	Volusia	3,916	39,826,452	2,993,924	7.5%	(151,789)	81,427	58,904	\$15.71

