



Orlando office market report

Q1 2022

**AVISON
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Office market trends

01

Orlando outpaces other Florida metros in job growth

Orlando continues to show a strong recovery post-pandemic as it leads the way for job growth at the start of 2022. Private sector year-over-year job growth was the highest in Orlando at 9.4% as the MSA added back 114,200 jobs as of January 2022, outpacing all other Florida metros. The unemployment rate in Orlando has recovered to 3.8% from a peak high of 22.6% in May 2020. Orlando has almost recovered to its pre-pandemic levels of around 3%. The sector with the most job growth year-over-year was the leisure and hospitality sector, which accounted for about 50% of annual job growth.

02

Sublease availability is at a record high in Orlando

Companies continue to reconsider their future needs for space as they seek to downsize and consolidate existing floor plates. Sublease availability accounts for 4.8% of the total inventory in the market, which is the largest amount on record for the metro and a 110-basis point increase from year-end 2021. This was mostly attributed to the sublease space added at Rinehart Ridge II from Farmer's Insurance. As companies continue to evaluate their space needs as they return to the office, it is possible that sublease space may rise.

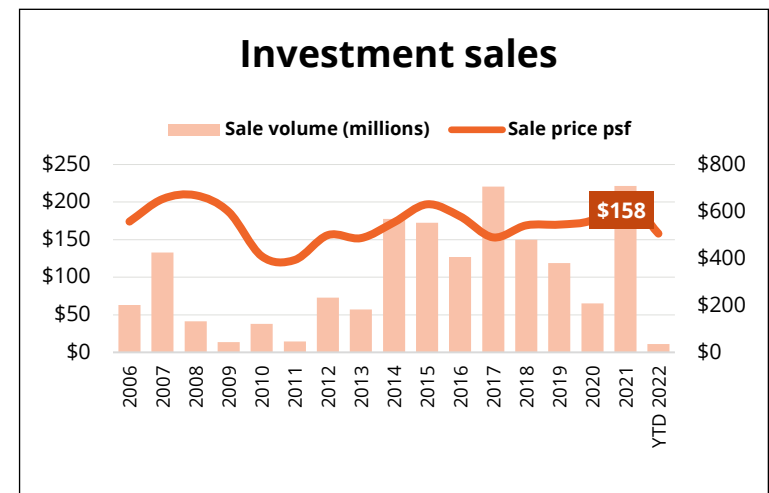
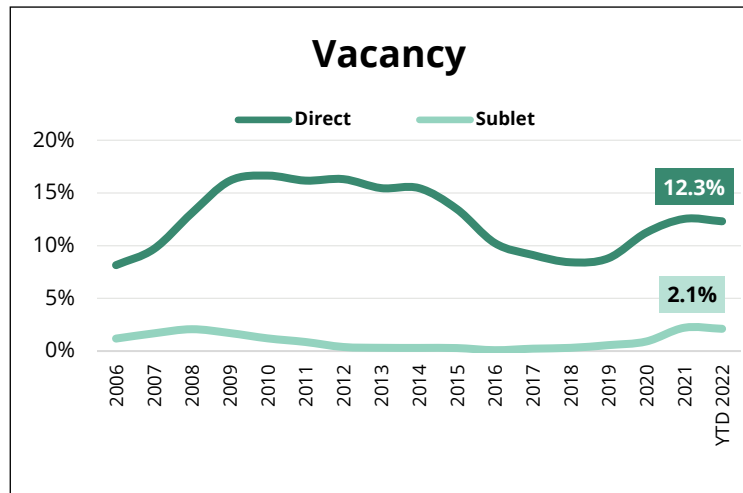
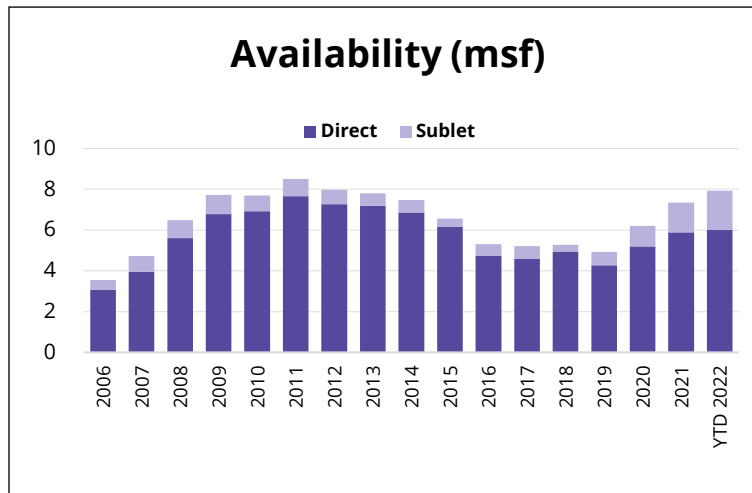
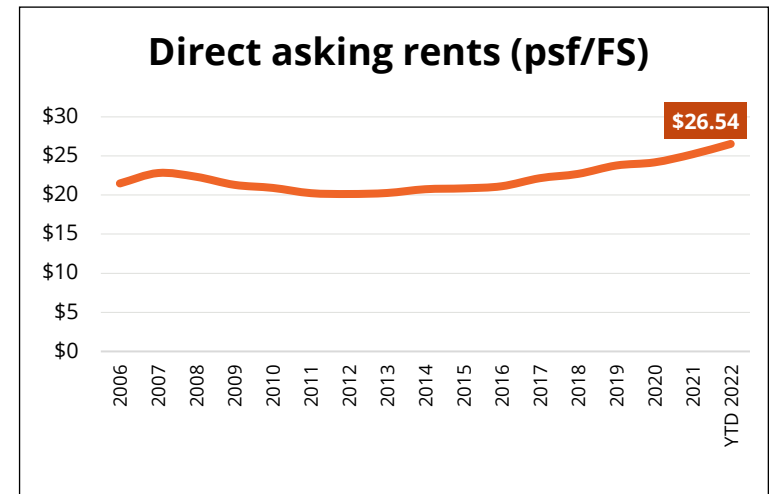
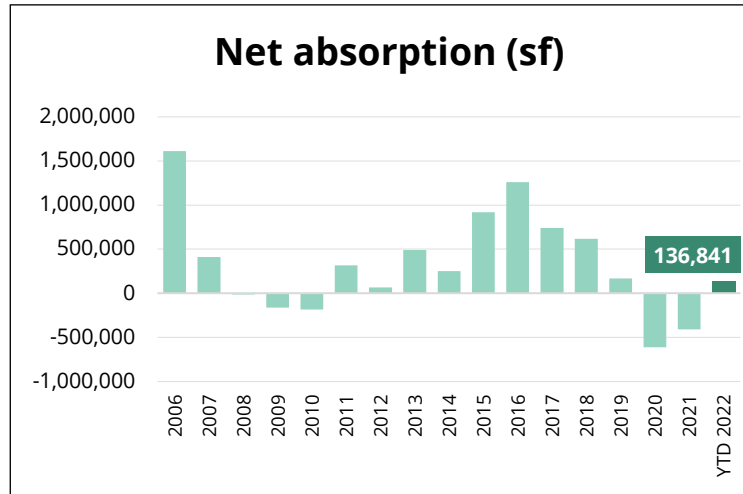
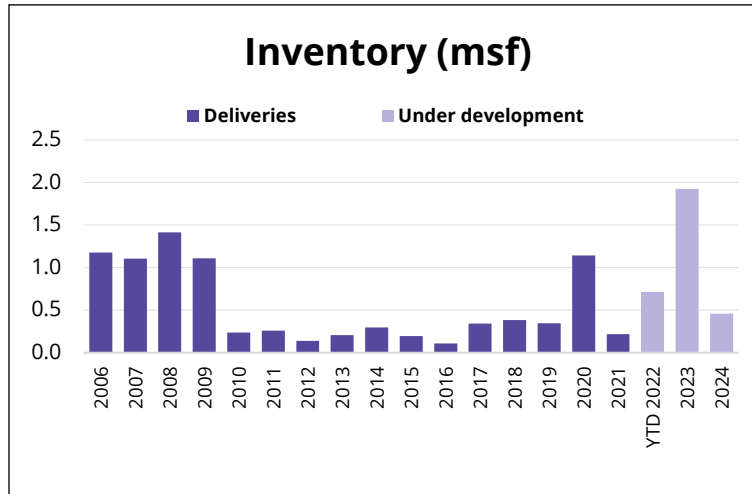
03

Net absorption and leasing activity rebound

The Orlando market is off to a solid start to the new year, recording positive absorption in the first quarter. Southwest Orlando and University/Research submarkets showed strong activity amongst other submarkets. Top tenants for these submarkets included Atlantic Key Energy and Insta Natural. Leasing activity was relatively strong in the first quarter with just under 1 million square feet (msf) leased, which is 14% higher than the first quarter of 2021.



Office market indicators



Office market activity

Recent leasing activity

Tenant name	Address	Sign date	Size	Transaction type	Lease type	Submarket
Astronics Test Systems	12700 Ingenuity Drive	Jan. 2022	68,703	New	Direct	University/Research
Universal Studios	8523 Commodity Circle	March 2022	66,166	Renewal	Direct	Southwest Orlando
DiSTI	12249 Science Drive	Jan. 2022	21,152	New	Direct	University/Research
Dnata	13495 Veterans	Feb. 2022	16,060	New	Direct	Airport/Lake Nona/SE Orlando
Productive Playhouse	7800 Southland Boulevard	March 2022	12,844	New	Direct	Southwest Orlando

Recent sales activity

Buyer	Address	Sale date	Building Size	Sale price	Sale price psf	Seller
Denholtz Properties	618 East South Street	March 2022	105,000	\$32,500,000	\$303	Ustler Properties, Inc.
Titan VanGuard	6252 Lee Vista Boulevard	Feb. 2022	63,000	\$14,000,000	\$222	Modiv Inc.
SomeraRoad	3861 Shader Road	Feb. 2022	33,618	\$8,000,000	\$84	AIC Ventures
Kenneth Naim	1540 International Parkway	Jan. 2022	30,360	\$7,500,000	\$247	Gurbux S Saini
Zen Wellness	3000 Discovery Drive	March 2022	25,209	\$7,100,000	\$281	EquityPartners

Significant Construction Activity

Property	Address	Delivery Date	Building Size	% Preleased	Developer	Submarket
O-Town West	Palm Parkway	July 2023	299,520	100%	Unicorp	Southwest Orlando
Lake Nona – Building B	13410 Veterans Way	Nov. 2022	278,917	0%	Travistock	Airport/Lake Nona/SE Orlando
13495 Veterans Way	13495 Veterans Way	April 2022	68,398	22%	Travistock	Airport/Lake Nona/SE Orlando

Office market stats by submarket

By Submarket	Inventory (sf)	Total %	Vacancy		Net Absorption		SF Under	Average Asking Rent		
			Class A	Class B	1Q22	YTD	Construction	Total	Class A	Class B
Downtown Orlando	7,266,757	15.8%	21.7%	7.8%	24,551	24,551	-	\$31.47	\$30.72	\$26.00
Urban Subtotal	7,266,757	15.8%	21.7%	7.8%	24,551	24,551	-	\$31.47	\$30.72	\$26.00

By Submarket	Inventory (sf)	Total %	Class A	Class B	1Q22	YTD	Construction	Total	Class A	Class B
436 Corridor/East Orlando	1,831,713	12.8%	12.0%	13.8%	8,891	8,891	-	\$27.58	\$28.45	\$25.85
Airport/Lake Nona/SE Orlando	1,552,803	11.4%	15.4%	0.0%	4,118	4,118	347,315	\$30.87	\$30.87	-
Altamonte/Longwood	2,595,779	18.7%	18.8%	18.7%	1,102	1,102	-	\$19.45	\$27.64	\$19.40
Lake Mary/Heathrow	4,910,922	11.7%	12.2%	10.5%	-47,898	-47,898	-	\$26.28	\$26.55	\$24.35
Maitland	6,721,122	15.4%	16.2%	15.0%	17,785	17,785	-	\$23.81	\$29.95	\$20.79
Southwest Orlando	8,256,336	11.7%	10.5%	13.3%	50,927	50,927	300,000	\$25.97	\$28.73	\$22.51
University/Research	4,569,664	20.4%	40.4%	9.3%	63,963	63,963	68,149	\$26.83	\$27.06	\$26.47
Winter Park/Lee Road	1,772,618	6.1%	4.6%	6.5%	13,402	13,402	-	\$21.97	\$25.00	\$21.90
Suburban Subtotal	32,210,957	14.0%	15.5%	12.7%	112,290	112,290	715,464	\$25.40	\$28.46	\$22.07
Market Total	39,477,714	14.3%	16.8%	11.9%	136,841	136,841	715,464	\$26.54	\$29.10	\$22.84

Office market stats by class

By Class	Inventory (sf)	Vacancy	1Q Absorption	YTD Absorption	SF Under Construction	Available Sublease
Class A	19,263,294	16.8%	-17,933	-17,933	715,464	1,460,822
Class B	20,214,420	11.9%	154,774	154,774	-	444,861
Market Total	39,477,714	14.3%	136,841	136,841	715,464	1,905,683

For more market insights
and information visit
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