

Orlando

Office market snapshot | Q2 2024

The Orlando unemployment rate decreased by 30 basis points since last quarter to 2.9%, remaining lower than the national average of 4.0%. Noteworthy growth has occurred in specific sectors, with Leisure and Hospitality employment increasing 2.2% and Education and Health Services increasing 2.1% year-over-year. Meanwhile, Financial Activities employment experienced a 2.1% decrease over that same time.

20.3%

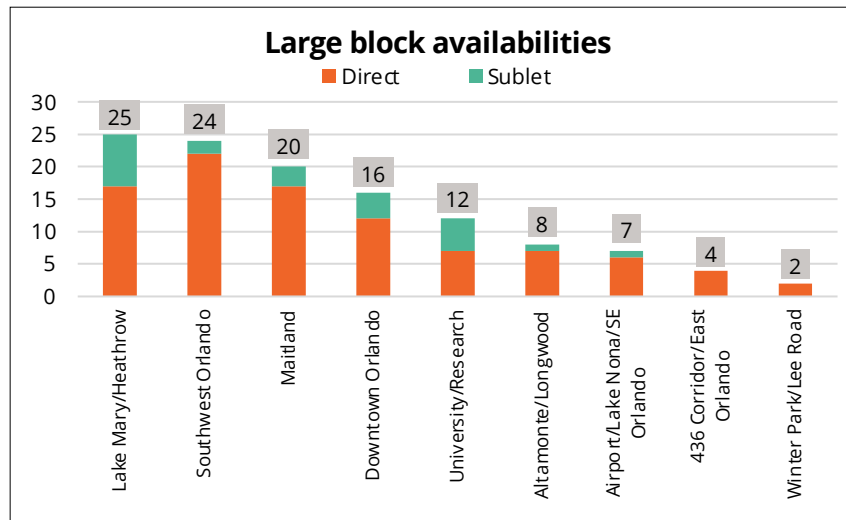
Sublease availabilities account for 20.3% of all 118 large block availabilities in Orlando.

\$24.00

The average direct FS asking rent for Class B buildings currently sits at \$24.00, a 20% discount compared to Class A buildings.

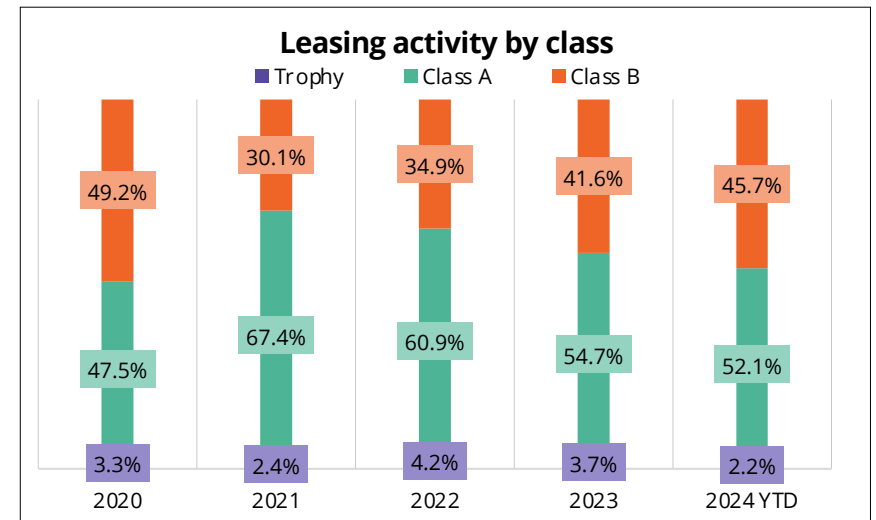
74.1%

Trophy and Class A buildings have attracted large tenants, accounting for 74.1% of all leases over 10,000 square feet.



There are currently a total of 118 large block availabilities in Orlando spread among 92 properties, with a total size of 7 million square feet. This represents a 11.9% year-over-year decrease from the 134 large block availabilities present at this time last year. The Southwest Orlando submarket notably saw large block availabilities decrease 20% over that time.

Source: AVANT by Avison Young, CoStar, U.S. Bureau of Labor Statistics

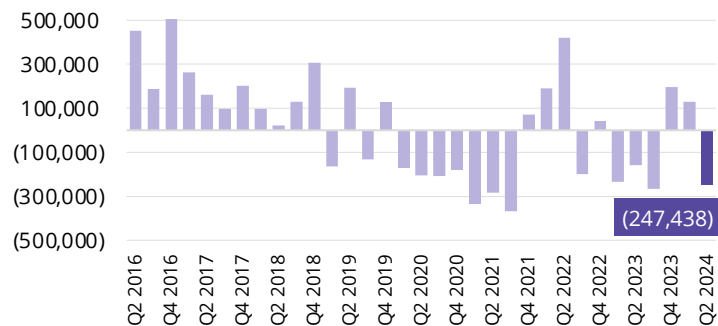


Demand for Class B space has gradually increased since 2021, with leasing activity reaching a 5-year high of 45.7% through the first half of this year, totaling 561,000 square feet for those properties. While Trophy and Class A buildings have seen less activity, their average lease size is 9,379 square feet, compared to 3,148 square feet in Class B buildings.

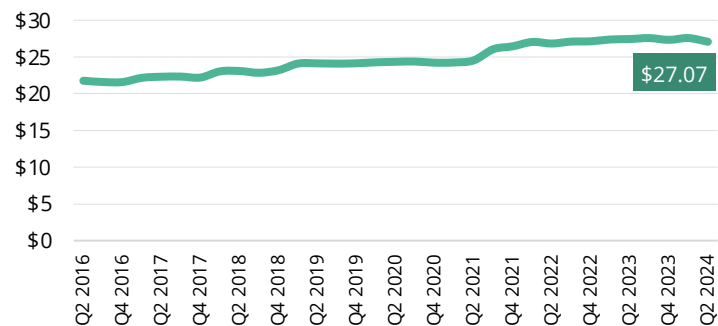
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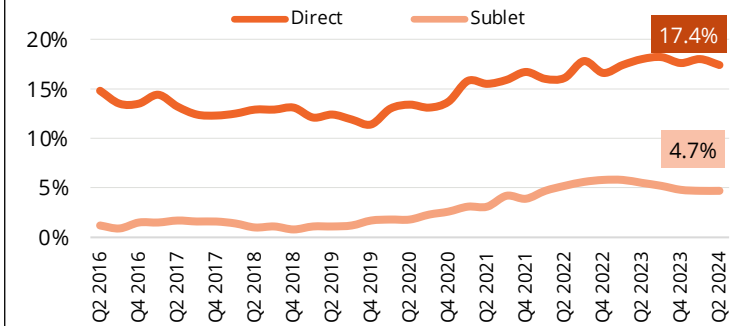
Net absorption (SF)



Direct asking rents (psf/FS)



Availability



Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Travel + Leisure	501 W Church St	182,461	New	Direct
Phoenix Defense	12792 Research Pky	48,493	New	Direct
JLM Windows	30 Keller Rd	27,357	New	Direct
ARS Rescue Scooter	975 Keller Rd	25,080	New	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Easterly Government Properties	6643 Hazeltine National Dr	\$9,200,000	\$152	Procacci Development
Jonathan Pineda	1500 Park Center Dr	\$2,700,000	\$132	Richard Robbins

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Get in touch

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Location	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption (2Q24)	Net absorption (YTD)	Annual direct asking rent psf FS
Southwest Orlando	8,662,214	-	-	11.9%	3.3%	15.2%	1.5%	15,568	31,907	\$29.28
Downtown Orlando	7,299,371	-	-	13.8%	1.3%	15.1%	0.4%	(193,526)	(260,139)	\$31.80
Maitland	6,747,142	-	-	16.8%	1.3%	18.1%	1.4%	21,134	33,020	\$24.60
Lake Mary/Heathrow	4,918,329	-	-	14.9%	3.3%	18.2%	(3.8%)	(32,958)	155,835	\$27.75
University/Research	4,694,840	-	-	12.8%	6.5%	19.4%	6.8%	(37,137)	(98,479)	\$27.04
Altamonte/Longwood	2,625,193	-	-	21.4%	0.7%	22.1%	3.5%	(34,686)	(23,870)	\$21.30
436 Corridor/East Orlando	1,869,158	-	-	15.2%	0.1%	15.4%	(0.7%)	15,669	44,463	\$28.20
Winter Park/Lee Road	1,772,618	-	-	12.1%	0.1%	12.2%	2.4%	(10,384)	(14,623)	\$26.38
Airport/Lake Nona/SE Orlando	1,766,869	-	-	22.7%	1.8%	24.5%	13.5%	8,882	12,694	\$30.80
Market total	40,355,734	-	-	14.8%	2.5%	17.3%	1.8%	(247,438)	(119,192)	\$27.07

Type	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption (2Q24)	Net absorption (YTD)	Annual direct asking rent psf FS
Trophy	1,287,214	-	-	9.3%	4.5%	13.8%	(10.1%)	3,060	(935)	\$35.69
Class A	18,678,052	-	-	14.8%	4.1%	18.9%	2.0%	(123,830)	139,937	\$29.97
Class B	20,390,468	-	-	15.9%	0.8%	16.0%	2.4%	(126,668)	(258,194)	\$24.00
Market total	40,355,734	-	-	14.8%	2.5%	17.3%	1.8%	(247,438)	(119,192)	\$27.07