

Orlando

Office market snapshot | Q1 2024

The Orlando unemployment rate as of January 2024 sat at 3.2%, up 20 basis points from last quarter but still notably lower than the 3.9% national average. Orlando's nonfarm employment saw a 1.8% year-over-year increase, with leisure and hospitality employment up 2.9% over that time.

\$36.62

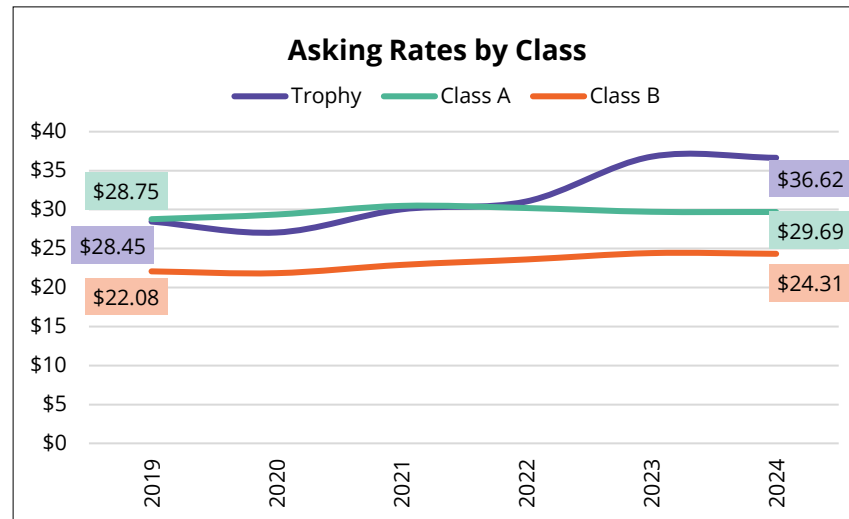
Trophy properties have seen recent significant hikes in asking rent as employers seek top-quality assets to incentivize the return-to-office movement.

21.8%

Job postings for office-using jobs saw a 21.8% increase since last quarter, ending a streak of seven consecutive quarters of decreasing postings.

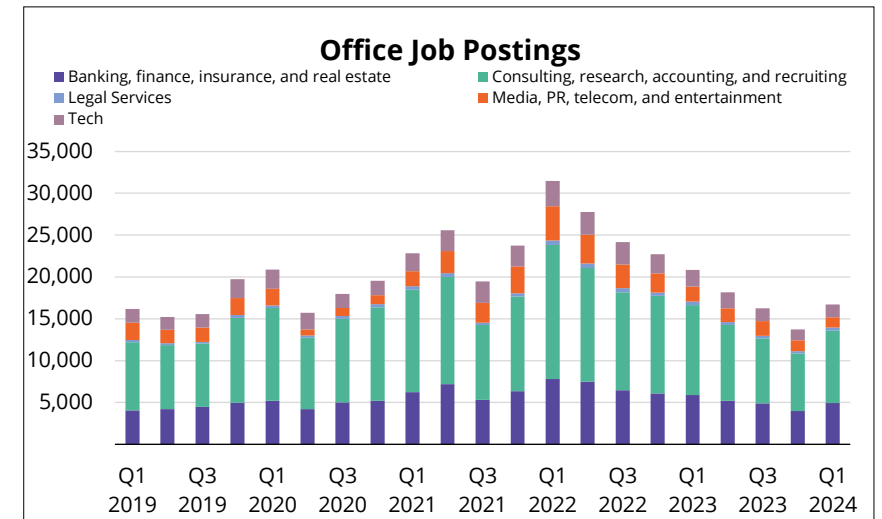
288k sf

Class A buildings held a strong quarterly absorption of 288,000 square feet, driven by BNY Mellon occupying 203,000 square feet at Colonial Center 600.



Trophy asking rates in Orlando have witnessed a recent surge compared to the increases seen by class A and class B buildings. Since 2022, trophy asking rates have increased 18.1%. Overall average asking rates have remained steady, increasing 1.4% over the past two years to the current average of \$27.41.

Source: AVANT by Avison Young, CoStar, EMSI, US Bureau of Labor Statistics

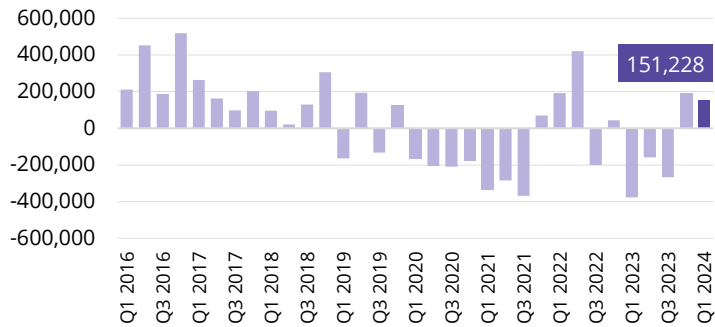


The consulting, research, accounting, and recruiting sector saw a sharp rise in job postings, up 26.1% from last quarter. The banking, finance, insurance, and real estate sector also saw a strong increase in job postings of 23.4% since last quarter.

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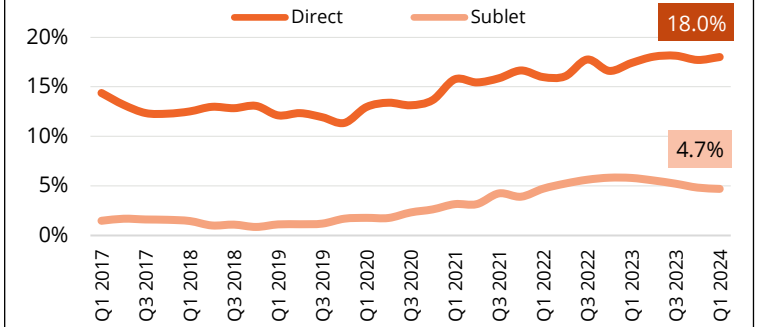
Net absorption (SF)



Direct asking rents (psf/FS)



Availability



Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Galen College of Nursing	12650 Ingenuity Dr	43,261	New	Direct
CACI International*	12661 Challenger Pky	26,816	Expansion	Direct
Avant Healthcare	2301 Lucien Way	24,779	New	Direct
WELBRO*	2301 Maitland Center Pky	21,391	Renewal	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Allen Chelminsky	1211 State Road 436	\$8,000,000	\$101	Realty Capital Advisors
Advocates & Guardians for the Elderly & Disabled	1024 Florida Central Pky	\$2,500,000	\$101	Transformco

Note: * Avison Young represented the transaction
Source: AVANT by Avison Young, CoStar

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Get in touch

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	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption (1Q24)	Net absorption (YTD)	Annual direct asking rent psf FS
Southwest Orlando	8,662,214	-	-	11.8%	3.4%	15.2%	2.7%	29,725	29,725	\$ 27.23
Downtown Orlando	7,299,371	-	-	13.1%	1.4%	14.5%	(2.5%)	(66,613)	(66,613)	\$ 31.80
Maitland	6,747,142	-	-	17.2%	1.2%	18.4%	1.7%	11,886	11,886	\$ 23.83
Lake Mary/Heathrow	4,918,329	-	-	12.6%	4.9%	17.5%	(3.4%)	188,793	188,793	\$ 27.68
University/Research	4,694,840	-	-	12.4%	6.1%	18.5%	7.4%	(55,611)	(55,611)	\$ 28.29
Altamonte/Longwood	2,625,193	-	-	20.0%	0.8%	20.8%	1.4%	10,816	10,816	\$ 20.44
436 Corridor/East Orlando	1,869,158	-	-	16.2%	0.0%	16.2%	(0.3%)	32,659	32,659	\$ 27.91
Winter Park/Lee Road	1,772,618	-	-	11.5%	0.1%	11.6%	3.1%	(4,239)	(4,239)	\$ 27.89
Airport/Lake Nona/SE Orlando	1,766,869	-	-	25.0%	0.0%	25.0%	15.5%	3,812	3,812	\$ 28.43
Market total	40,355,734	-	-	14.4%	2.5%	16.9%	1.6%	151,228	151,228	\$27.41

	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption (1Q24)	Net absorption (YTD)	Annual direct asking rent psf FS
Trophy	1,287,214	-	-	8.9%	5.2%	14.1%	(9.6%)	(3,995)	(3,995)	\$36.62
Class A	18,678,052	-	-	14.4%	4.4%	18.8%	1.4%	288,815	288,815	\$29.69
Class B	20,390,468	-	-	14.7%	0.6%	15.3%	2.5%	(132,962)	(132,962)	\$24.31
Market total	40,335,734	-	-	14.4%	2.5%	16.9%	1.6%	151,228	151,228	\$27.41

Available Space | The total amount of space that is currently being marketed for lease. It includes space that is vacant or also space that is currently occupied but will be vacant in the future. Available space can include both direct and sublet space.

Vacant Space | Inventory that is not currently occupied.

Source: AVANT by Avison Young

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