

MARKETBEAT ORLANDO

OFFICE Q2 2025



MARKET FUNDAMENTALS

	YOY Chg	Outlook
16.8% Vacancy Rate	▲	▼
-77K YTD Net Absorption, SF	▼	▲
\$27.52 Asking Rent, PSF <i>(Overall, All Property Classes)</i>	▲	▼

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.5M Orlando Employment	▲	▲
3.6% Orlando Unemployment Rate	▲	▲
4.2% United States Unemployment Rate <i>Source: BLS</i>	▲	▲

ECONOMY

Orlando's unemployment rate ended Q2 at 3.6%, marking an increase of 30 basis points (bps) year-over-year (YOY). However, it remained below the national average of 4.2%. Job growth continued at a steady pace, with non-farm employment increasing by 30,400 jobs, reflecting a 2.2% YOY rise.

DEMAND

Leasing volume reached 499,000 square feet (sf) in Q2, a slight dip of 0.3% quarter-over-quarter (QOQ) and the lowest total within the past year. The Lake Mary/Heathrow submarket led the region in Q2 leasing activity, accounting for 25.2% of all new deals despite making up just 12.2% of total inventory, reflecting a 138.2% YOY increase. This growth was driven by the quarter's largest lease, a 66,300-sf deal signed by Abbott at 1101 Greenwood Boulevard, which accounted for 52.8% of all leasing activity in the submarket. Leasing activity within the Central Business District (CBD) settled at 182,100 sf year-to-date, marking a 48.2% decrease from the same period a year ago.

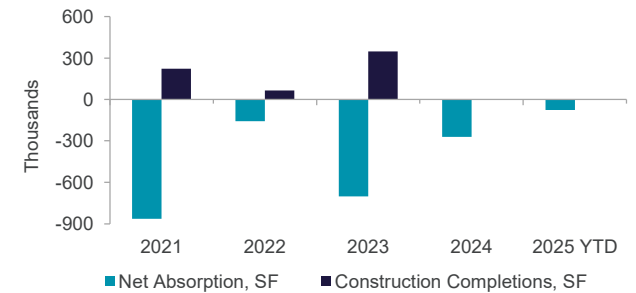
SUPPLY

The overall vacancy rate in Orlando remained stable YOY settling at 16.8% in Q2. The Orlando CBD posted the largest improvement in vacancy, down 190 bps QOQ. This was primarily driven by nearly 41,000 sf of net occupancies during Q2, led by Vaxcare's relocation/expansion of 39,800 sf and Advent Health occupying 16,500 sf. The Airport/Lake Nona submarket recorded the highest vacancy rate reaching 27.8%, a 210-bp increase YOY. Orlando recorded 48,000 sf of occupancy losses in Q2, driven by 128,600 sf of move-outs in the Lake Mary/Heathrow submarket. Though a major contributor was Duro's departure from 66,300 sf at 1101 Greenwood Blvd, Abbott is expected to occupy the space later this year.

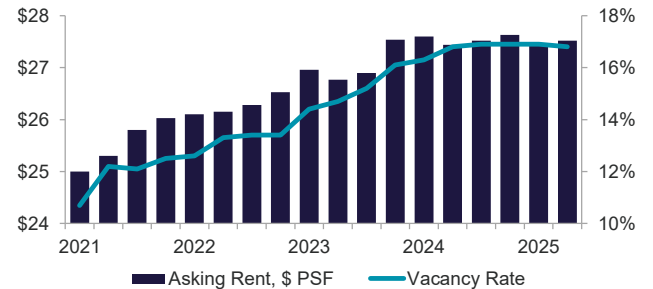
PRICING

Overall rents remained stable at \$27.52 per square foot (psf). Class B rents rose by 1.4% YOY to \$23.78 psf, while Class A rates fell by 0.5% to \$29.64 psf. As a result, the rent delta between classes narrowed to 21.9% from 23.8% a year ago. The Airport/Lake Nona submarket recorded the largest annual decline, down 3.0% YOY to \$34.12 psf, likely influenced by limited demand following two consecutive quarters without a new lease signed. Among submarkets 4.0 million square feet and larger, University/Research Park and Tourist Corridor/Celebration had the largest uptick in asking rents, rising 2.2% and 2.3% YOY, respectively.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Maitland	5,630,956	910,634	118,836	18.3%	-10,967	-56,107	121,563	0	\$24.88	\$26.92
Altamonte Springs	923,399	183,543	42,087	24.4%	-15,387	-6,193	25,703	0	\$21.64	\$22.82
Longwood	704,707	167,986	0	23.8%	4,445	5,553	35,588	0	\$19.82	N/A
Lee Road	682,166	93,708	0	13.7%	5,242	-5,357	12,513	0	\$23.85	N/A
University/Research Park	4,113,315	466,506	171,114	15.5%	42,598	23,517	105,366	0	\$26.06	\$27.96
436 Corridor	1,667,764	219,054	0	13.1%	-11,164	-10,435	60,748	0	\$23.46	N/A
Winter Park	1,164,853	46,848	2,110	4.2%	2,189	6,357	15,014	0	\$31.76	\$36.82
Airport/Lake Nona	1,630,311	401,445	51,542	27.8%	-2,670	20,884	0	0	\$34.12	\$34.12
Tourist Corridor	6,487,388	665,546	264,456	14.3%	24,842	33,889	81,003	0	\$28.64	\$31.84
Lake Mary/Heathrow	4,473,279	879,573	133,416	22.7%	-128,583	-87,297	299,654	0	\$26.74	\$26.86
Millenia/Metrowest	1,949,755	180,278	5,718	9.5%	77	14,343	73,420	0	\$28.98	\$29.32
NON-CBD TOTALS	29,427,893	4,215,121	789,279	17.0%	-89,378	-60,846	830,572	0	\$26.84	\$29.09
CBD/Downtown/Uptown	7,173,598	1,005,668	122,861	15.7%	40,990	-15,774	182,149	0	\$31.85	\$32.35
ORLANDO TOTALS	36,601,491	5,220,789	912,140	16.8%	-48,388	-76,620	1,012,721	0	\$27.52	\$29.64

*Rental rates reflect full service asking

CLASS	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	DIRECT AVG ASKING RENT	OVERALL AVG ASKING RENT
CLASS A	21,925,084	3,223,540	833,068	18.5%	-64,149	-138,677	577,696	0	\$29.51	\$29.64
CLASS B	14,676,407	1,997,249	79,072	14.2%	15,761	62,057	435,025	0	\$23.76	\$23.78
ORLANDO TOTALS	36,601,491	5,220,789	912,140	16.8%	-48,388	-76,620	1,012,721	0	\$27.22	\$27.52

KEY LEASE TRANSACTIONS Q2 2025

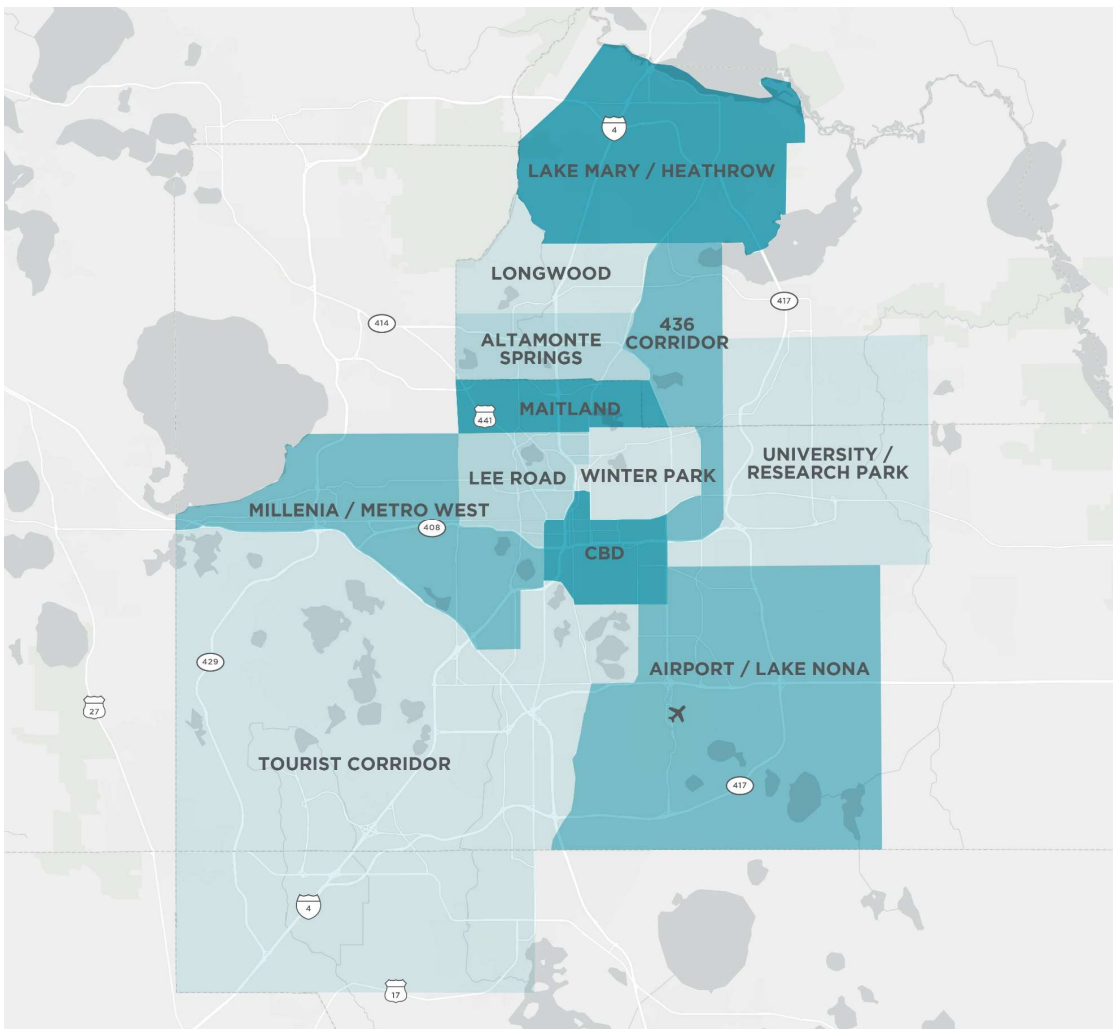
PROPERTY	SUBMARKET	TENANT	SF	TYPE
1101 Greenwood Blvd	Lake Mary/Heathrow	Abbott	66,330	New
200 S Orange Ave	CBD/Downtown/Uptown	Orange County	49,307	Renewal*
3501 Quadrangle Blvd	University/Research Park	Advanced Micro Devices, Inc	44,000	Renewal*

*Renewals not included in leasing statistics

KEY SALE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
3210 Lake Emma Rd	Lake Mary/Heathrow	Exeter Property Group / Banyan Street Capital	91,974	\$6.0M / \$65

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