MARKETBEAT

ORLANDO

RETAIL Q3 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
$84,100 Median HH Income	▲	▲
2.2% Population Growth	▼	▲
3.6% Unemployment Rate	▲	▲

Source: BLS

U.S. ECONOMIC INDICATORS

	YOY Chg	Outlook
0.7% GDP Growth	▼	▲
1.6% Consumer Spending Growth	▼	▲
-0.4% Retail Sales Growth	▼	–

Sources: BEA, Census Bureau

SUPPLY

At the end of the third quarter, Orlando had less than 6.0 million square feet (msf) of vacant retail inventory, resulting in a low overall vacancy rate of 3.8%. Vacancy declined through 2023 before reversing course and trending upward, driven largely by power center vacancies, which have increased by 220 basis points (bps) over the past three years. Malls recorded the highest vacancy rate among all property types at 6.7%, even after a 270-bp decline over the past three years. Only 880,000 square feet (sf) of new retail product has delivered over the past 12 months, with another 1.2 million square feet (msf) still under construction. Of the space delivered in 2025, only 13.6% of the space remained available. Despite facing elevated construction costs and limited financing options, Orlando ranked among the top 10 U.S. metros for retail development activity.

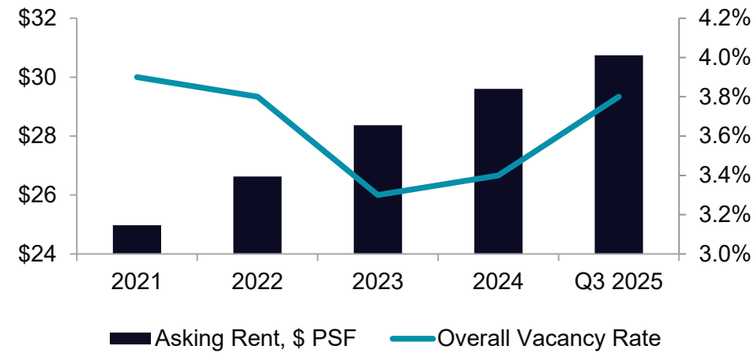
DEMAND

In 2025 year-to-date (YTD), more than 2.9 msf of retail space was leased, marking an 18.4% increase from the same period last year. EoS Fitness signed the largest lease in Q3, taking 42,800 sf in the 436 Corridor submarket. Net absorption turned positive with occupancy gains nearing 71,000 sf YTD and a 12-month rolling total of 643,000 sf. Despite this improvement, leasing volume in Q3 declined 23.9% quarter-over-quarter as overall demand was constrained by supply. A major issue many tenants are facing is the limited availability of newer high-end retail spaces. Of the 6.9 msf of current availabilities, only 5.0% was built in the last five years. This mismatch between tenant requirements and existing supply has stalled expansion efforts and slowed leasing. Recent bankruptcies by a number of national retailers—such as Jo-Ann's, which plan to close nine Orlando stores—could help loosen supply constraints, but this has yet to come to fruition.

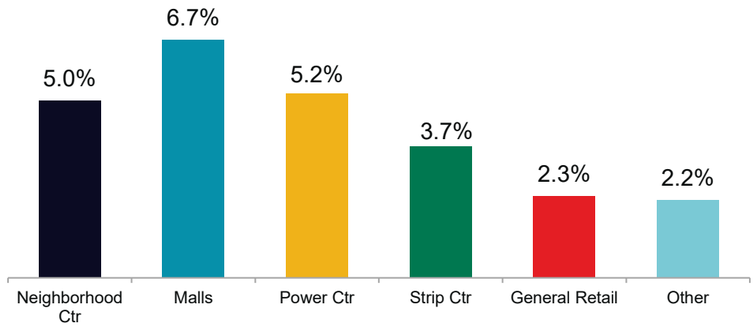
PRICING

The overall average asking rent for Orlando retail space stood at $30.74 per square foot (psf) in Q3, up 4.5% YOY. Orlando rents sat about 19.2% higher than the national average, reflecting the strength of Orlando's consumer base and limited availability of high-quality space despite the aging inventory. Orlando recorded the second strongest rent growth in Florida, only behind Tampa, positioning itself as a top 10 retail market nationally. The SW Orange Outlying submarket posted the highest overall rents, benefiting from proximity to major tourist destinations.

ASKING RENT & VACANCY RATE



VACANCY BY PRODUCT TYPE



Source: CoStar

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INVESTMENT SALES

Orlando's retail investment market continued to show resilience in Q3, supported by a strong tourism base and steady consumer spending, even as operational costs remained high. Total transaction volume reached nearly $971 million YTD, up 19.7% from the same period in 2024, reflecting improving economic sentiment and greater investor confidence. Over the past three years, nearly $4.0 billion in retail properties have traded, positioning Orlando among the top 15 U.S. markets for investment activity. Of the 570 retail properties that changed hands in 2025, more than 70.0% fell below $5 million, while large-scale deals over $10 million remained limited. There were only 10 transactions that exceeded $10 million, primarily involving grocery-anchored neighborhood centers, community centers, and big-box retail assets. Nearly 70.0% of Q3's total investment volume came from freestanding retail and power centers, while malls accounted for just $31.4 million of investment activity, highlighting their diminished importance in the investment landscape. The average sale price rose to $280 psf, a 4.1% increase YOY. The SW Orange Outlying submarket led investment activity YTD with $220 million in value sold, bolstered by the $165 million sale of Winter Garden Village.

Cap rates in Q3 ranged between 4.0% and 16.0%, averaging 6.6%, which is well below the U.S. average of 7.2%. As broader economic conditions stabilize, investor participation is expected to strengthen further, boosting investor confidence and in turn, investment volume. While pricing showed a modest year-over-year uptick, values are projected to remain elevated through 2025, supported by the Fed decreasing interest rates, strong market conditions, and a limited development pipeline. Although there are some growing concerns with economic uncertainty due to tariff policies and the impacts on the retail sector, Orlando is well-positioned for investment opportunities to continue to grow into 2026.

KEY SALES TRANSACTIONS Q3 2025

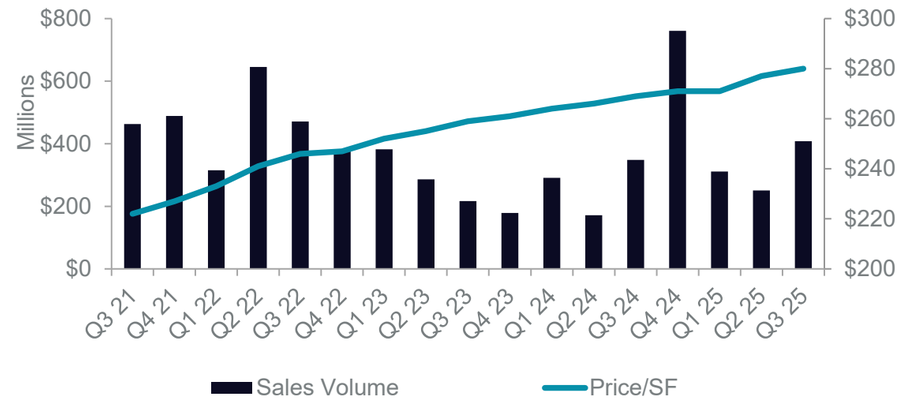
PROPERTY	SUBMARKET	BUYER	SF	PRICE / $ PSF
Winter Garden Village	SW Orange Outlying	DWS Group	629,300	$165.0M / $262
Shoppes at South Semoran	436 Corridor	Newport Capital Partners	105,500	$24.0M / $228
1345 E Osceola Pky	Osceola Outlying	W.P. Carey Inc.	42,800	$14.3M / $340

KEY LEASE TRANSACTIONS Q3 2025

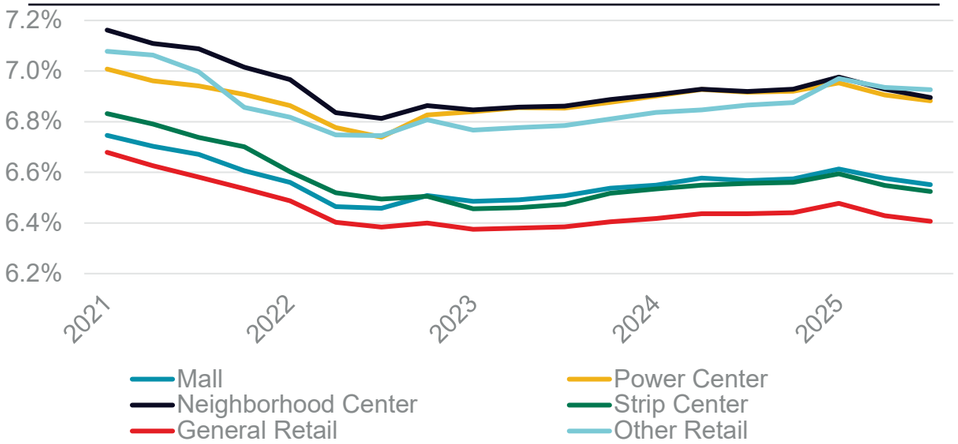
PROPERTY	SUBMARKET	TENANT	SF	TYPE
Colonial Plaza	436 Corridor	EoS Fitness	42,800	New
Waterbridge Downs	Tourist Corridor	Sky Zone	42,100	New
Home Furnishing Center	SE Orange Outlying	Undisclosed	36,300	New
Colonial Plaza	436 Corridor	HomeGoods	30,000	New
1920 State Rd 436	Casselberry	Original Mattress Co	27,200	New
Apopka Land Shopping Center	SE Orange Outlying	dd's Discounts	26,400	New
ICON Park	Tourist Corridor	Undisclosed	26,000	New

Sources: CoStar, Moody's

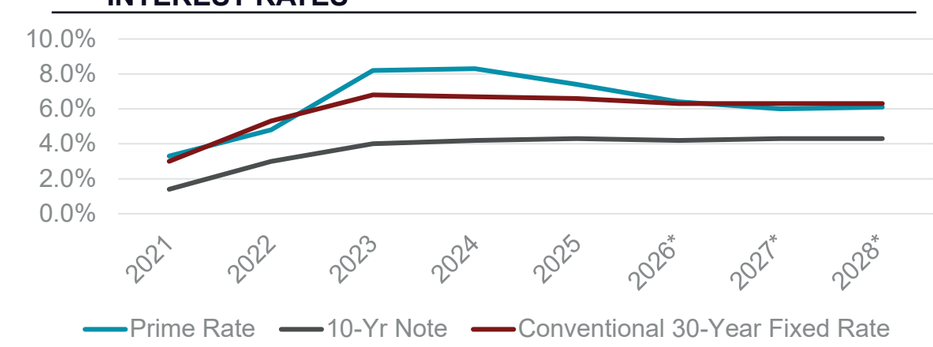
SALES VOLUME AND MARKET PRICE/SF



CAP RATES BY PROPERTY TYPE



INTEREST RATES



**Forecasted Data*

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MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	OVERALL AVG ASKING RENT*	YOY RENT GROWTH %	UNDER CNSTR (SF)	12-MONTH ROLLING ABSORPTION (SF)
436 Corridor	9,269,934	354,874	3.8%	$26.76	4.5%	-	135,537
Altamonte/Douglas	5,341,996	384,789	7.2%	$31.58	3.9%	9,081	-46,206
Apopka	3,613,703	79,203	2.2%	$25.85	4.4%	-	23,649
Casselberry	7,855,876	418,516	5.3%	$27.32	4.3%	17,283	8,306
Downtown Orlando	1,412,487	115,289	8.2%	$31.93	3.5%	-	14,630
E Seminole Outlying	2,513,880	106,862	4.3%	$31.33	4.3%	-	-22,923
Kissimmee	9,112,817	337,576	3.7%	$27.89	4.8%	31,895	119,444
Lake County	21,996,454	733,249	3.3%	$25.51	4.7%	149,576	4,470
Lake Mary	3,440,874	187,606	5.5%	$35.67	4.6%	21,678	-45,109
Lee Road	1,415,629	73,133	5.2%	$24.69	3.3%	85,221	2,870
Longwood	1,885,410	101,192	5.4%	$22.33	4.6%	-	-40,302
Maitland	942,705	114,144	12.1%	$31.75	4.8%	-	-25,892
Maitland Center	3,299,468	199,754	6.1%	$26.95	4.7%	-	-90,047
Metro West	2,985,233	70,887	2.4%	$30.97	4.2%	-	-31,460
NW Orange Outlying	1,429,769	12,403	0.9%	$30.41	4.8%	89,247	19,927
Orlando Airport	1,728,293	27,047	1.6%	$35.44	4.9%	-	-3,803
Orlando Central Park	9,427,052	408,389	4.3%	$35.81	4.4%	-	76,350
Osceola Outlying	8,955,699	217,301	2.4%	$32.56	4.7%	250,760	123,807
Sanford	5,813,348	407,597	7.0%	$29.96	5.0%	-	136,967
SE Orange Outlying	7,070,289	119,810	1.7%	$34.16	4.9%	410,077	-3,951
South Orange	2,356,763	39,213	1.7%	$28.00	4.4%	19,041	7,319
St Cloud	2,199,645	20,455	0.9%	$26.68	4.2%	2,640	7,507
SW Orange Outlying	5,184,878	61,456	1.2%	$43.87	4.8%	32,146	94,193
Tourist Corridor	13,983,460	493,024	3.5%	$38.63	4.5%	11,187	39,937
University	471,353	30,153	6.4%	$39.70	2.9%	-	39,578
University Research	785,588	10,950	1.4%	$33.80	4.5%	-	11,611
W Seminole Outlying	1,398,346	18,887	1.4%	$23.39	5.5%	-	21,080
West Colonial	12,726,520	458,883	3.6%	$25.74	4.1%	24,180	254,287
West University	5,027,761	228,753	4.5%	$32.75	5.0%	10,056	-160,013
Winter Park	3,472,297	133,314	3.8%	$40.27	4.3%	-	-28,579
ORLANDO TOTALS	**157,117,527**	**5,964,709**	**3.8%**	**$30.74**	**4.5%**	**1,164,066**	**643,184**

PROPERTY TYPE STATISTICS Q3 2025

PROPERTY TYPE	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	OVERALL AVG ASKING RENT*	YOY RENT GROWTH %	UNDER CNSTR (SF)	YTD ABSORPTION (SF)
Malls	13,252,388	889,761	6.7%	$42.46	4.3%	-	174,418
Power Center	11,200,071	585,462	5.2%	$32.08	5.3%	-	-40,322
Neighborhood Center	46,645,485	2,355,060	5.0%	$29.13	5.3%	42,500	-142,633
Strip Center	10,015,902	369,980	3.7%	$29.30	4.7%	44,964	27,201
General Retail	72,566,782	1,689,591	2.3%	$29.20	3.9%	1,076,602	59,073
Other	3,436,899	74,855	2.2%	$40.06	5.2%	-	-6,911
ORLANDO TOTALS	**157,117,527**	**5,964,709**	**3.8%**	**$30.74**	**4.5%**	**1,164,066**	**70,826**

**Rental rates reflect NNN asking*

Source: CoStar

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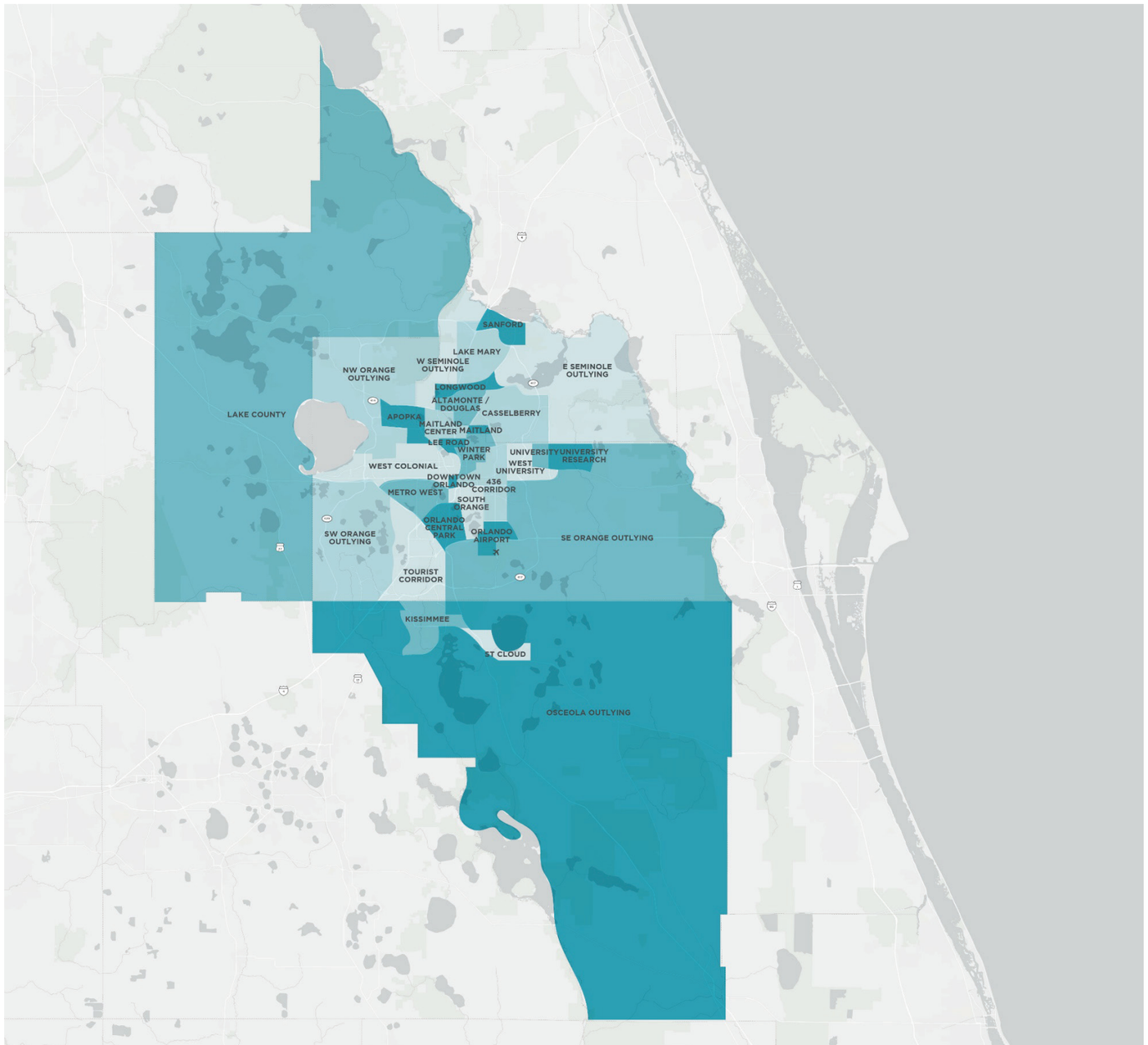
RETAIL SUBMARKETS



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