ORLANDO OFFICE MARKET

Yardi® Matrix

Market Analysis

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Aggregated and anonymized expense and lease expiration data is available to Yardi Matrix subscribers. Please contact us for details!

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Office Sector's Favorable Ride

Orlando's **office market is showing signs of improvement**, with growth beyond its traditionally strong vacation and retirement sectors. In fact, as the economy has diversified, its **3.2% job growth year-over-year through June** has ranked it among the top metros in the country. The expanding job market has attracted healthy net migration, resulting in strong population gains.

While job growth was led by old standbys in hospitality and education and health services (about 20,000 new jobs), office-using employment also rose by 11,000 jobs, led by professional business services and finance. Orlando is starting to get a reputation as a **technology employment center**, as firms seek to expand into markets with lower costs and a young workforce. Office-using employment now accounts for almost 26% of the metro's employment pool, the best level in the past decade.

Speculative office development has picked up in the metro over the past few quarters. Last year, a Brazilian investor completed the 134,000-square-foot second phase of Kirkman Point in the Tourist Corridor submarket and successfully leased it to Lockheed Martin and Disney. In Lake Mary, TPA Group is nearing completion of the first phase of Edison at Primera, a 115,000-square-foot building roughly 50% preleased. Only three properties totaling 329,000 square feet came online last year, and vacancy rates remained relatively unchanged. The office **vacancy rate was 11.6% as of July**, with Class A space significantly lower than Class B.

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