

# ORLANDO OFFICE MARKET

Yardi® Matrix

## Market Analysis

Second Quarter 2019

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## Strengthening Continues



Orlando's office fundamentals remain strong, bolstered by outstanding population and employment growth, as well as its business-friendly tax climate and rising tenant demand. While hospitality and health care are still the market's powerhouses, continued efforts toward a diversified economy are starting to pay off. KPMG and Deloitte are expanding their local operations across the metro—and so is coworking juggernaut Regus, which now has 12 locations totaling more than 130,000 square feet of shared office space throughout Orlando.

Nearly 42,000 jobs were added throughout 2018, and the metro remains the nation's fastest-growing job market. The office-using employment sector created some 23,600 positions for a 6.1% expansion year-over-year through February, followed by leisure and hospitality with 10,300 new positions. However, the accelerated employment growth is likely to be hindered by Orlando's relatively low wages and limited Class A office stock.

Development activity was tempered in 2018, as developers shifted their focus to hospitality opportunities. Only four projects totaling 395,000 square feet of office space came online last year, a 35.7% decrease compared to 2017. But the pace of development is set to quicken in 2019, as 697,000 square feet is scheduled for completion by year's end, including SuperChannel's 300,000-square-foot Majesty Building in Altamonte Springs. An additional 800,000 square feet is currently underway and scheduled for completion in early 2020.