

# Orlando

 Strip Center Market Snapshot - 12/7/2021

Market Grade	Risk		CPPI	
A-	Volatility	Beta	Index	YoY Δ
	High	1.1	132.4	42.0%

Cap Rate		LT NOI Growth	Risk Adj. IRR
Current	YoY Δ	1.4%	6.1%
5.9%	-125 bps		

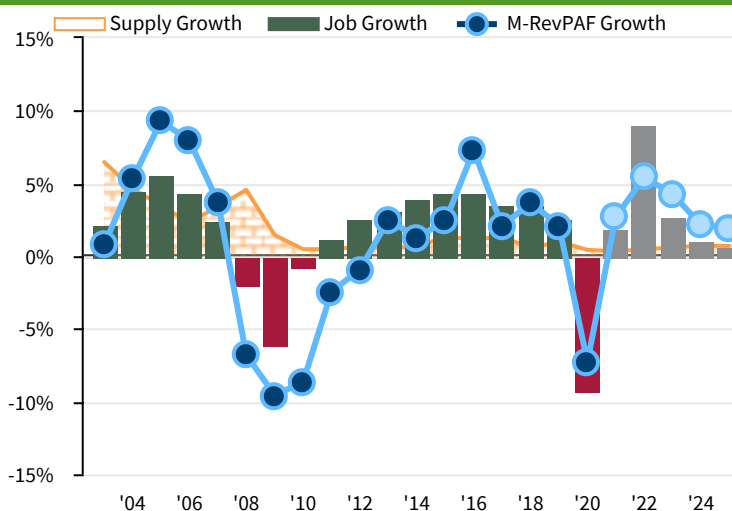
## MARKET METRICS

Metric	Current	Rank of 50
Avg. Effective Rents	\$17.20	20
Occupancy	89.5%	28
YOY M-RevPAF Growth	-0.7%	2
YOY Job Growth	8.0%	6
Median Income	\$64k	44
Households	923k	25
Med. Home Price	\$240k	36
Inventory (Sq. ft.)	50,000k	16
% College Degree	35%	36

## TOP 10 EMPLOYERS

- Walt Disney World Resort
- Orange County Public Schools
- Universal Orlando Resort
- AdventHealth
- Publix Super Markets
- Orlando International Airport
- Orlando Health
- University of Central Florida
- Orange County Government
- Lockheed Martin

## SUPPLY AND DEMAND



## MARKET OVERVIEW

**Orlando:** With the leisure and hospitality industries playing a vital role in Orlando's economy, the market's near-term outlook is sensitive to international travel and the rollout of Covid-19 vaccines. In recent years, Orlando's business-friendly environment and the growth of the University of Central Florida have attracted higher-wage jobs, largely in the professional services, health care, technology, and aerospace / defense industries, providing some insulation from the Covid-19 fallout. Since '18, Lockheed Martin added ~1k jobs to its Missiles and Fire Control center, and Luminar Technologies, an autonomous vehicle software firm, added 800 workers to its Orlando labor force. Downtown's Creative Village is now home to >7k students at UCF and Valencia College's downtown campuses and has become the center of corporate expansion in the metro with Electronic Arts' new \$62M, 180k SF HQ to open in '21. Top population and job growth forecasts and increased vaccine availability bode well for Orlando's near-term outlook, but muted tourism throughout '21 will weigh on the metro's recovery.

### Strengths

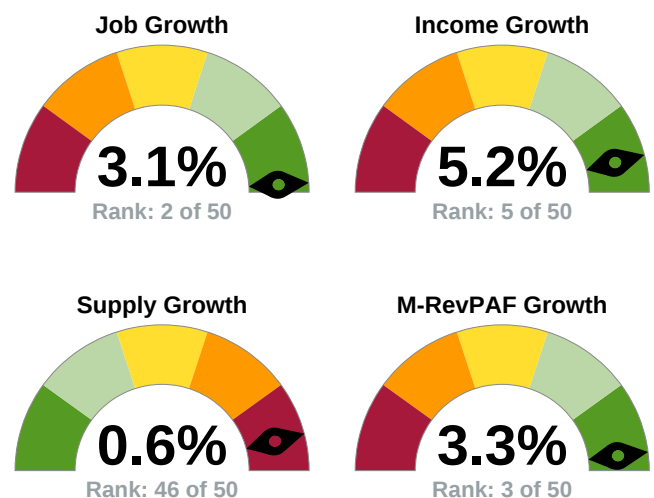
- + Orlando's weather, affordability, and amenities have attracted strong millennial in-migration
- + Robust population growth paired with the metro's affordability supports strong retail sales growth
- + Kroger and Sprouts Farmers Market are both expanding their presence, challenging dominant grocer Publix

### Weaknesses

- High commute times and lack of public transport limit retail accessibility
- Metro's outlook is subject to the volatile hospitality industry
- The Southwest Orange submarket, close to Orlando's theme parks, to suffer from muted tourism

## 5-YEAR FORECASTS

(Growth Rates Annualized; Rankings 1-50 w/ 1 being best)

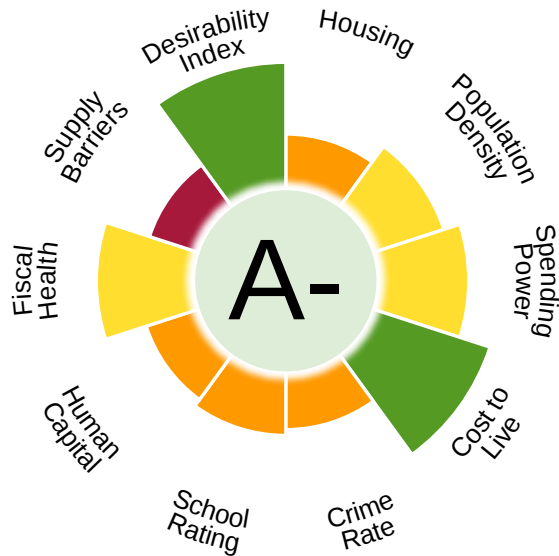


Sources: BLS, CBRE, Oxford Economics, U.S. Census Bureau, and Green Street.

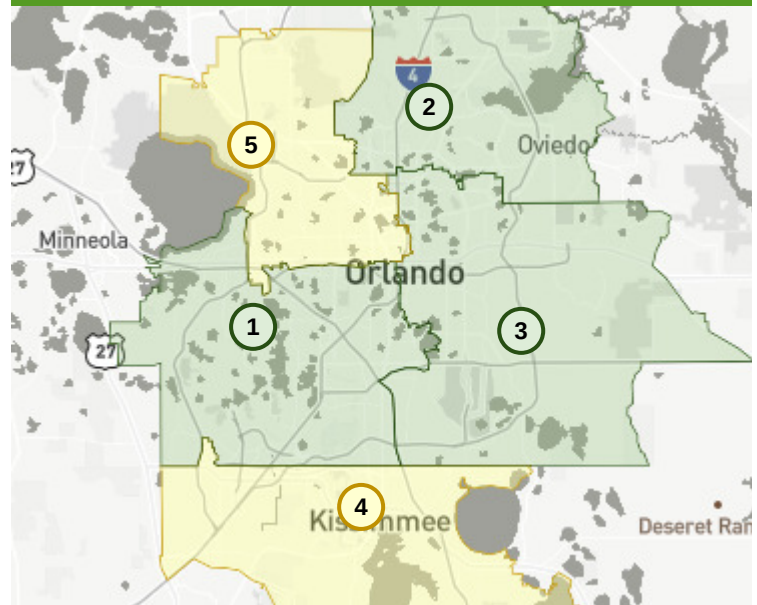
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## MARKET GRADE



## SUBMARKETS

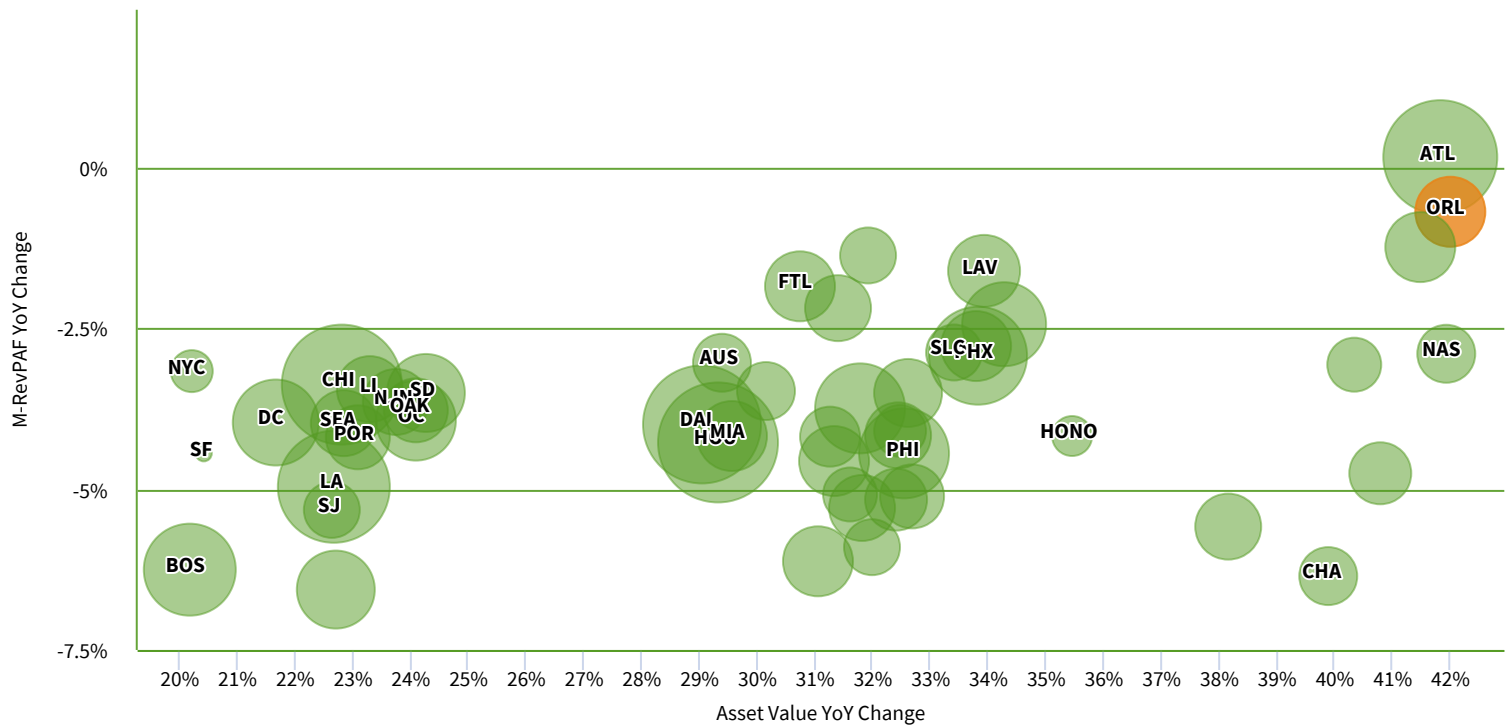


## SUBMARKETS (RANKED BY GRADE)

Submarket	Occ.	Rent	Med. Home Price	Affordability	Pop/Sq. Mi.	Spending Power per SF	Cost to Live	Crime Rate	School Rating	Med. HHI	% Coll. Deg.	Grade
1 Southwest Orange	92.1%	\$16.50	\$270k	Neutral	1,930	Average	\$43,000	40	5.1	\$67k	38%	A-
2 Seminole	90.1%	-	\$250k	Cheap	2,050	Average	\$45,100	31	6.1	\$71k	40%	A-
3 East Orange	91.6%	\$18.70	\$250k	Cheap	1,960	Average	\$43,100	47	5.2	\$66k	40%	A-
4 Kissimmee	92.4%	\$14.40	\$210k	Very Cheap	1,090	Average	\$40,800	43	4.6	\$55k	23%	B+
5 Northwest Orange	91.0%	\$14.50	\$200k	Very Cheap	1,940	Average	\$40,600	46	4.0	\$58k	26%	B+
<b>Orlando</b>	<b>89.5%</b>	<b>\$17.20</b>	<b>\$240k</b>	<b>Very Cheap</b>	<b>1,750</b>	<b>Average</b>	<b>\$42,800</b>	<b>42</b>	<b>5.0</b>	<b>\$64k</b>	<b>35%</b>	<b>A-</b>

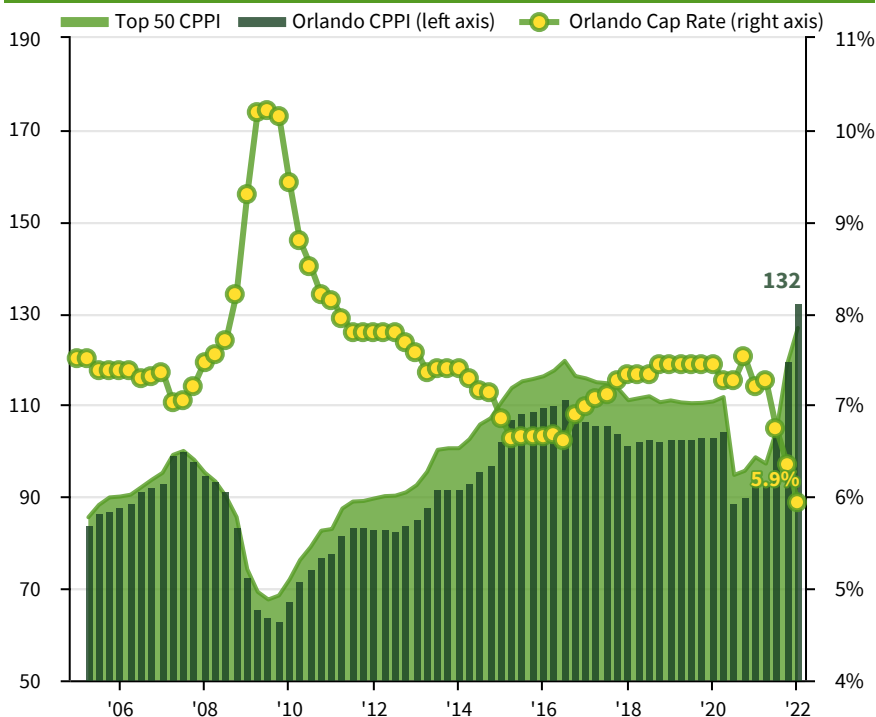
Sources: GreatSchools, U.S. Census Bureau, Walk Score, and Green Street.

## MOMENTUM



Note: Size of bubble represents size of market.

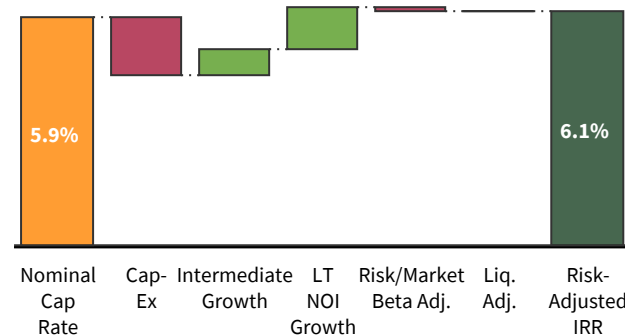
## ASSET VALUES



## MARKET VALUATION

Nominal Cap Rate	5.9%
Cap-Ex Reserve (% NOI)	-25.0%
Economic Cap Rate	4.5%
Intermediate NOI Growth ('21 - '25)	2.8%
Long-Term NOI Growth	1.4%
Unlevered IRR	6.2%
Sector Risk/Market Beta Adjustment	-0.1%
Liquidity Adjustment	0.0%
Risk-Adjusted IRR	6.1%

## Unlevered IRR Build-Up

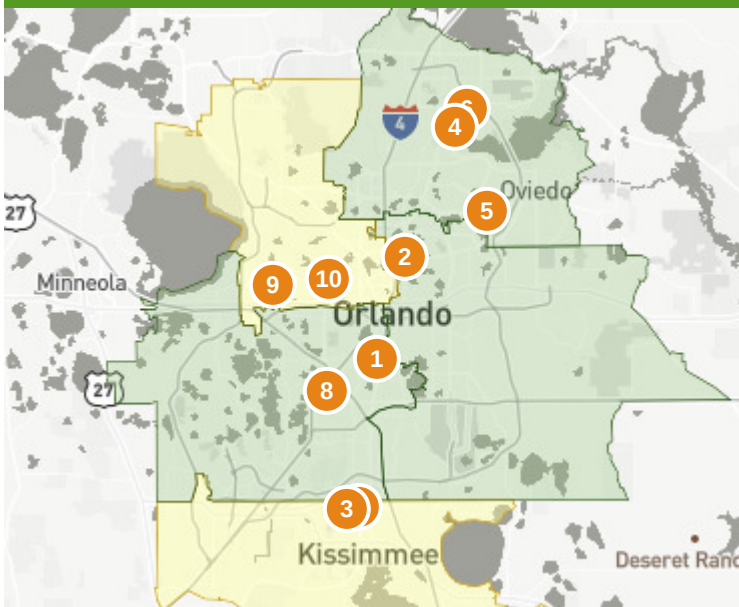


Source: Green Street.

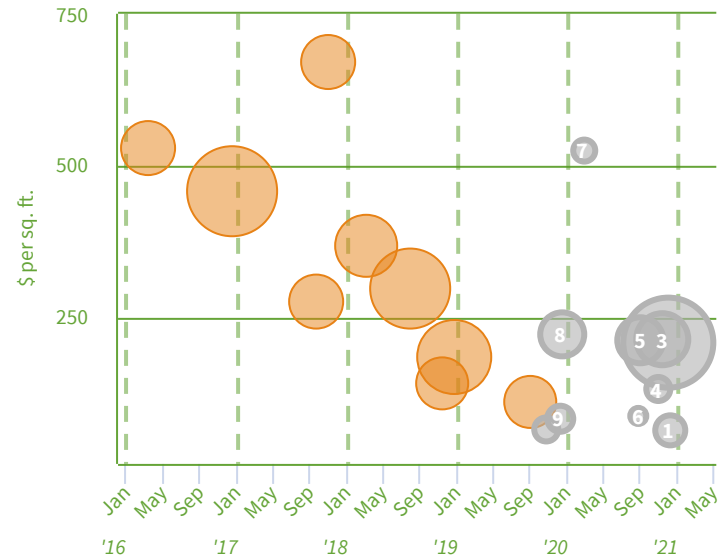
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## RECENT TRANSACTIONS





## TRANSACTION HISTORY



Note: Size of bubble represents transaction size

## RECENT TRANSACTIONS SUMMARY

Property Name Address	Sale Date	Sale Price	Sq. Ft.	Price / Sq. Ft.	Year Built	Submarket Grade	Zip Code Grade	Buyer	Seller
1 SOUTHGATE SHOPPING CENTER 4649 SOUTH ORANGE BLOSSOM TRAIL ORLANDO, FL, 32839 	12/10/20	\$9.1M	144k	\$63	1966	A-	B	-	MARX REALTY
2 WINTER PARK VILLAGE 510 ORLANDO AVENUE WINTER PARK, FL, 32789 	12/1/20	\$96.0M	462k	\$208	-	A-	A+	CASTO	JP MORGAN ASSET MANAGEMENT
3 OSCEOLA VILLAGE 3040 DYER BOULEVARD KISSIMMEE, FL, 34741 	11/16/20	\$26.3M	123k	\$213	2008	B+	B	EAST COAST ACQUISITIONS	GLENBOROUGH REALTY TRUST
4 LAKE MARY POINTE 601 WELDON BOULEVARD LAKE MARY, FL, 32746 	10/29/20	\$6.7M	51k	\$131	1999	A-	A	-	UNISON REALTY PARTNERS
5 RED WILLOW PLAZA 5920 RED BUG LAKE ROAD WINTER SPRINGS, FL, 32708 	9/4/20	\$19.9M	94k	\$212	-	A-	A-	-	-
6 VILLAGE AT MARKET PLACE OF LAKE MARY 3848 SOUTH ORLANDO DRIVE SANFORD, FL, 32773 	8/28/20	\$6.0M	69k	\$87	1982	A-	B	-	-
7 OSCEOLA SHOPPES 1310-1340 WEST OSCEOLA PARKWAY KISSIMMEE, FL, 34741 	2/28/20	\$6.3M	12k	\$524	2007	B+	B	ARTHUR W. KANERVIKO	-
8 INTERNATIONAL SHOPPES 5600 INTERNATIONAL DRIVE ORLANDO, FL, 32819 	12/18/19	\$18.6M	84k	\$221	1986	A-	A-	MEGAN DOWDY REALTY	ELLINGTON MANAGEMENT GROUP
9 LAKE OLYMPIA SQUARE 1485-1637 EAST SILVER STAR ROAD OCOE, FL, 34761 	12/10/19	\$7.2M	88k	\$82	-	B+	B+	-	-
10 SILVER HILLS 2702 NORTH PINE HILLS ROAD PINE HILLS, FL, 32808 	10/24/19	\$7.1M	109k	\$65	1964	B+	B-	-	-
<b>Average</b>	-	<b>\$20.3M</b>	<b>124k</b>	<b>\$181</b>	<b>1987</b>			-	-

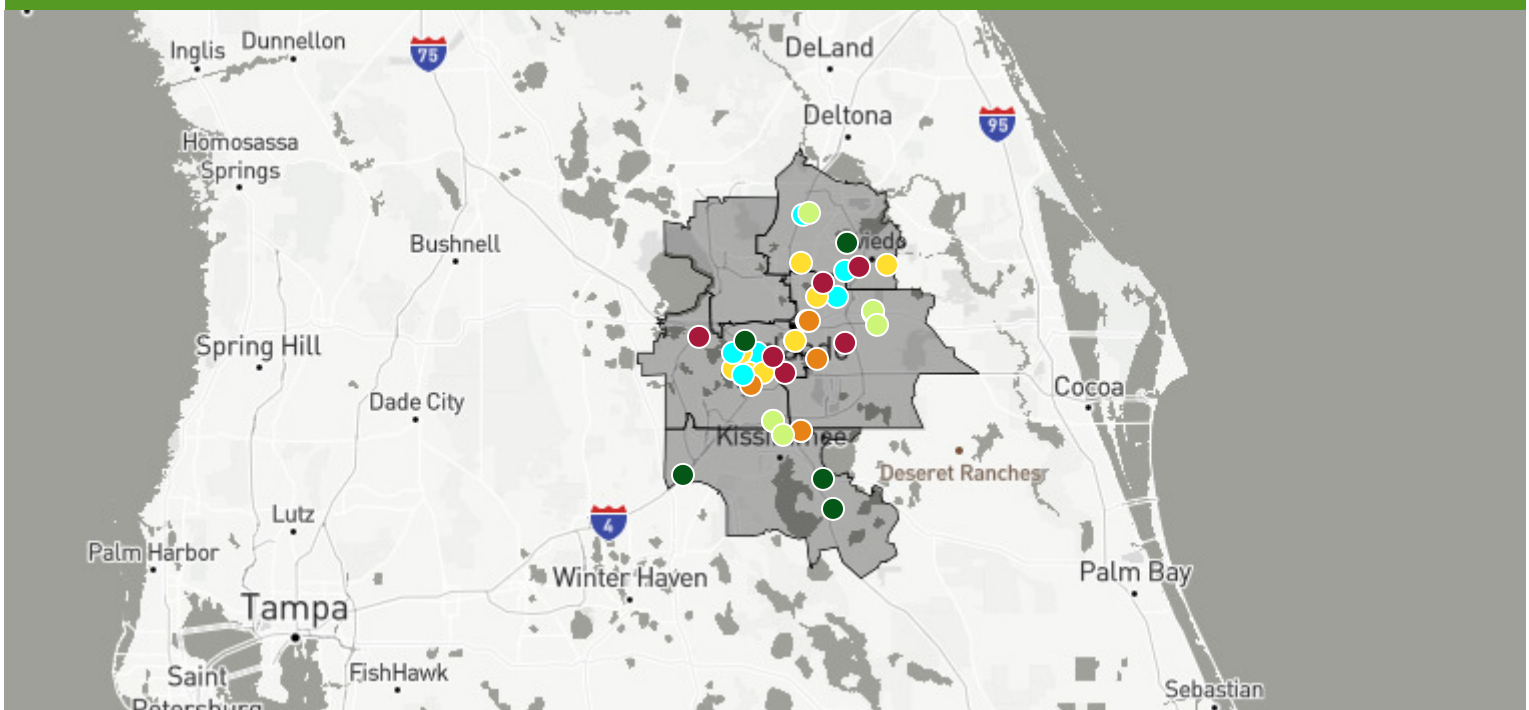
 = Signifies Verified Transaction

Sources: BLS, CBRE, Oxford Economics, U.S. Census Bureau, and Green Street.








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## REIT PROPERTIES



## ORLANDO PORTFOLIO SUMMARY

Name	Submarket Grade	Zip Code Grade	% of REIT NOI	# Props	Sq. Ft.	Nominal Cap Rate
 Weingarten Realty	A-	A-	4%	4	800k	6.4%
 Kimco Realty	A-	B+	2%	6	900k	5.4%
 Regency Centers	A-	A-	2%	8	1,200k	5.6%
 Brixmor Property Group	A-	A-	2%	5	800k	5.7%
 Kite Realty Group	A-	A-	1%	5	400k	5.7%
 Phillips Edison	A-	B+	1%	6	500k	5.6%
 Site Centers	A-	A-	<1%	9	2,100k	6.0%
<b>Total REIT Exposure</b>			<b>1%</b>	<b>39</b>	<b>5,800k</b>	<b>5.5%</b>



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