

INVESTMENT FORECAST

Retail
Orlando

IPA
INSTITUTIONAL
PROPERTY
ADVISORS

2026

Rapid Population Growth Continues Boosting Select Counties as Supply Remains Limited

Leasing skews toward quality spaces. Following a first half marked by weakening net absorption, Orlando's retail market enters 2026 with renewed positive momentum. As the metro's vacancy rate remains 140 basis points below its long-term average, last year's deceleration largely reflects on-going tenant preference for a limited supply of new, well-located available spaces. As such, leasing activity may remain positive but measured in 2026 as the construction pipeline thins notably, with over 70 percent of incoming space already accounted for as of January, highlighted by a community center over 400,000 square feet and anchored by Target in Lake Nona. Limited availability is more notable in several submarkets. Southern outlying suburbs and Osceola County remain exceptionally well positioned, with vacancy near 2 percent late last year and Osceola ranking as Florida's second-fastest-growing county by population since 2020. Lake County also stands out as one of Florida's fastest-growing counties by population, with rapid growth in asking rent and vacancy near 4 percent heading into 2026.

Western corridor appeal increases. Population growth over the past four years, ranking second among major metros, continues to buoy investor interest. While power and neighborhood centers may continue facing demand-side pressure, strip centers have continued to outperform. The western corridor spanning Sky Lake-Pine Hills-Winter Garden may see heightened investor appeal for these assets, given a sharply declining multi-tenant vacancy rate in 2025. Single-tenant vacancy near 4 percent here may further attract buyers seeking smaller storefronts, restaurants, and fast-food concepts. The aforementioned areas of high population growth are also likely to continue accounting for a sizable share of metro investment across tenancy types.

2026 MARKET FORECAST

+0.4%



Employment: Employment growth nearly matches last year's level as the metro welcomes 6,500 new roles. This pace remains well below the trailing decade's 2.6 percent annual average.

1,010,000
sq. ft.



Construction: Total inventory is expected to grow by 0.8 percent in 2026, in line with the trailing half-decade average, keeping Orlando among the six fastest-growing major markets.

+20 bps



Vacancy: The metro's vacancy continues to rise at a pace similar to that of the past two years. Still, at 4.4 percent come year-end, the rate remains 40 basis points below its 2015-2019 average.

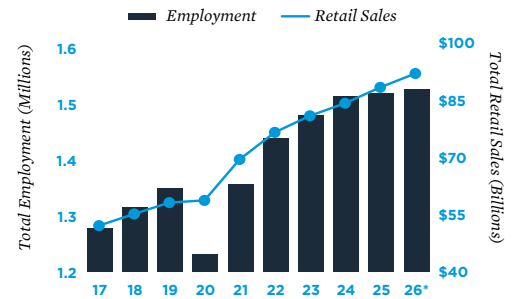
+1.0%



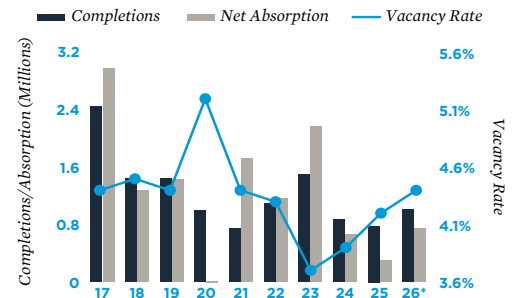
Rent: While asking-rent growth cools slightly in 2026, the metro will remain among the 10 fastest-growing major markets over the trailing five years, with rents reaching \$25.40 per square foot.

INVESTMENT: *Long-term appeal for single-tenant properties in Kissimmee may rise as segment vacancy holds near 4 percent, supported by sustained population growth and proximity to the region's tourism corridor.*

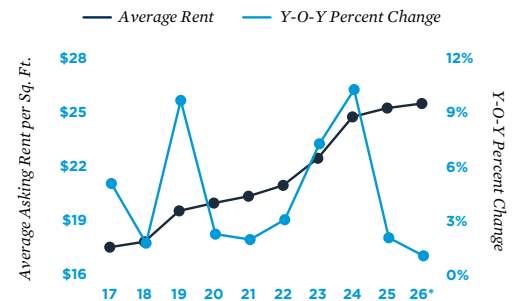
Economic Trends



Supply and Demand



Rent Trends



* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

IPA Retail

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Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of January 2026. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Sales data includes transactions valued at \$1,000,000 and greater unless otherwise noted. Forecasts for employment and office data are made during the fourth quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.