



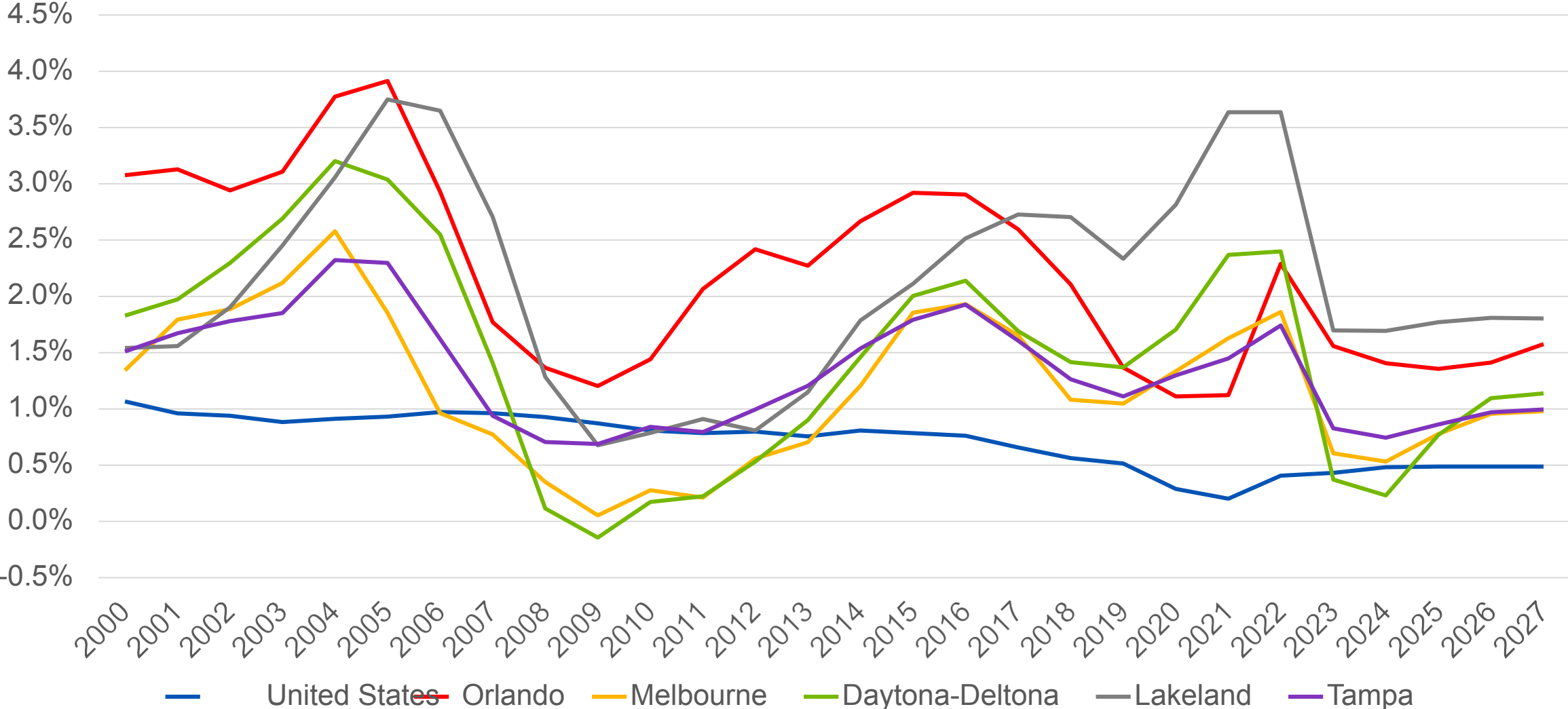
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# The State of the Retail Market in the I-4 Corridor

September 2023



# Population Growth in Central Florida



Source: Oxford Economics, CoStar, June 2023

# Where Are High Earning Households Moving?

## Biggest Gainers

Rank	State	Inflow	Outflow	Net Migration
1	Florida	40,134	12,567	27,567
2	Texas	22,751	13,743	9,008
3	North Carolina	11,437	5,991	5,446
4	Arizona	9,763	5,200	4,563
5	South Carolina	7,312	2,802	4,510

## Biggest Losers

Rank	State	Inflow	Outflow	Net Migration
1	California	18,237	45,578	-27,341
2	New York	11,690	31,485	-19,795
3	Illinois	5,731	14,862	-9,131
4	Massachusetts	6,623	9,741	-3,118
5	New Jersey	10,920	13,537	-2,617



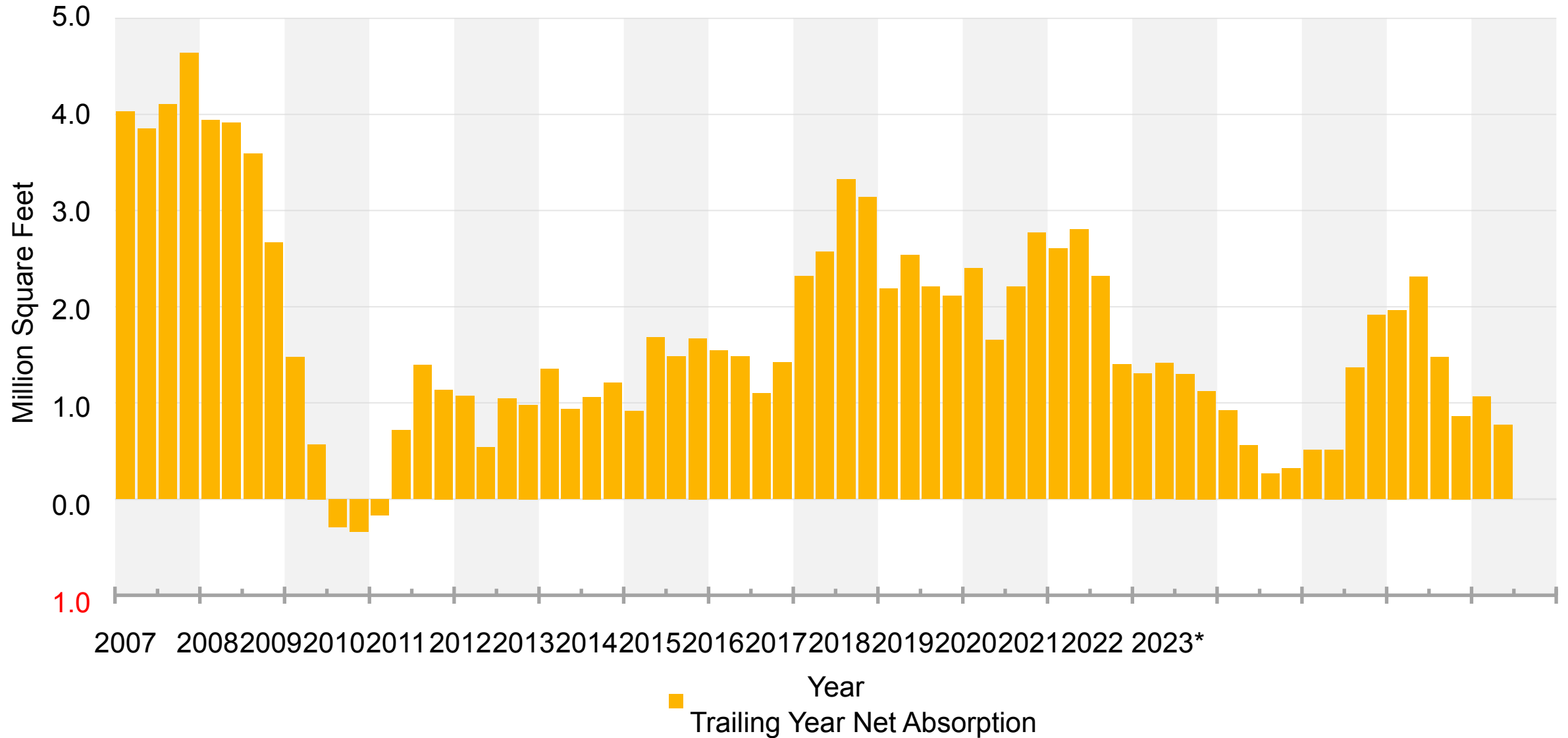
Sources: SmartAsset, July 2023.

Note: This is data from 2020 and 2021 using tax returns that indicated annual earnings exceeding \$200,000.

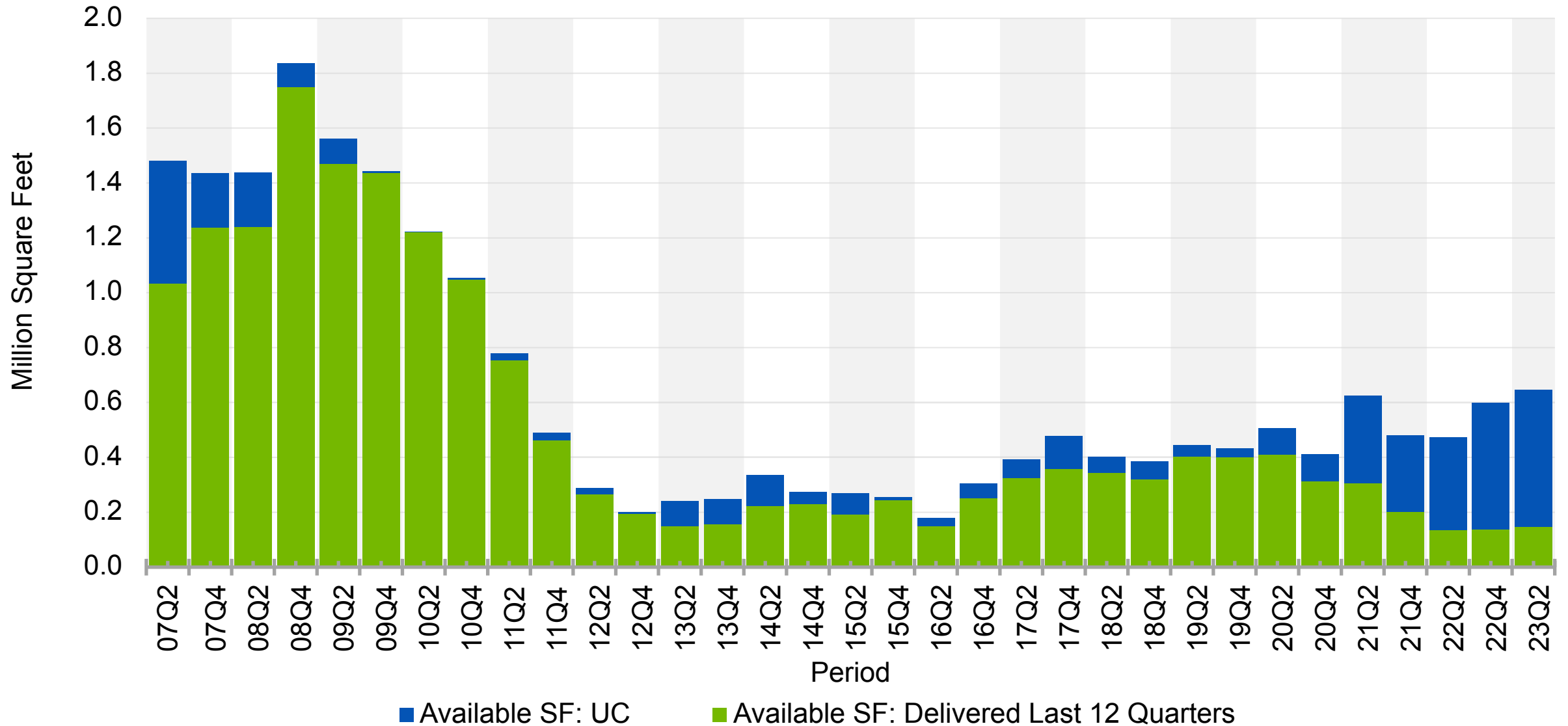
# Orlando Retail Update



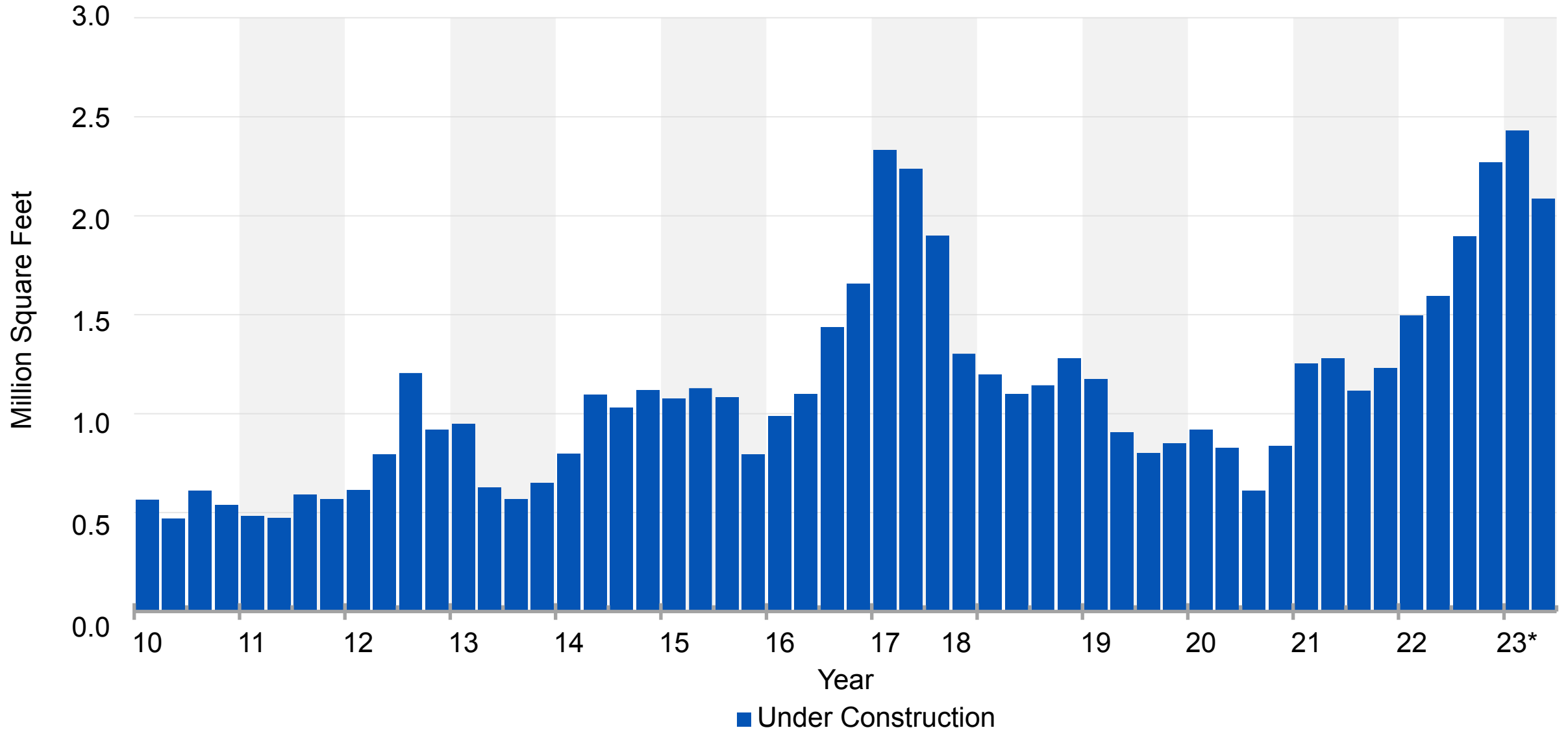
# Retail Demand Hindered Only by Lack of Available Space



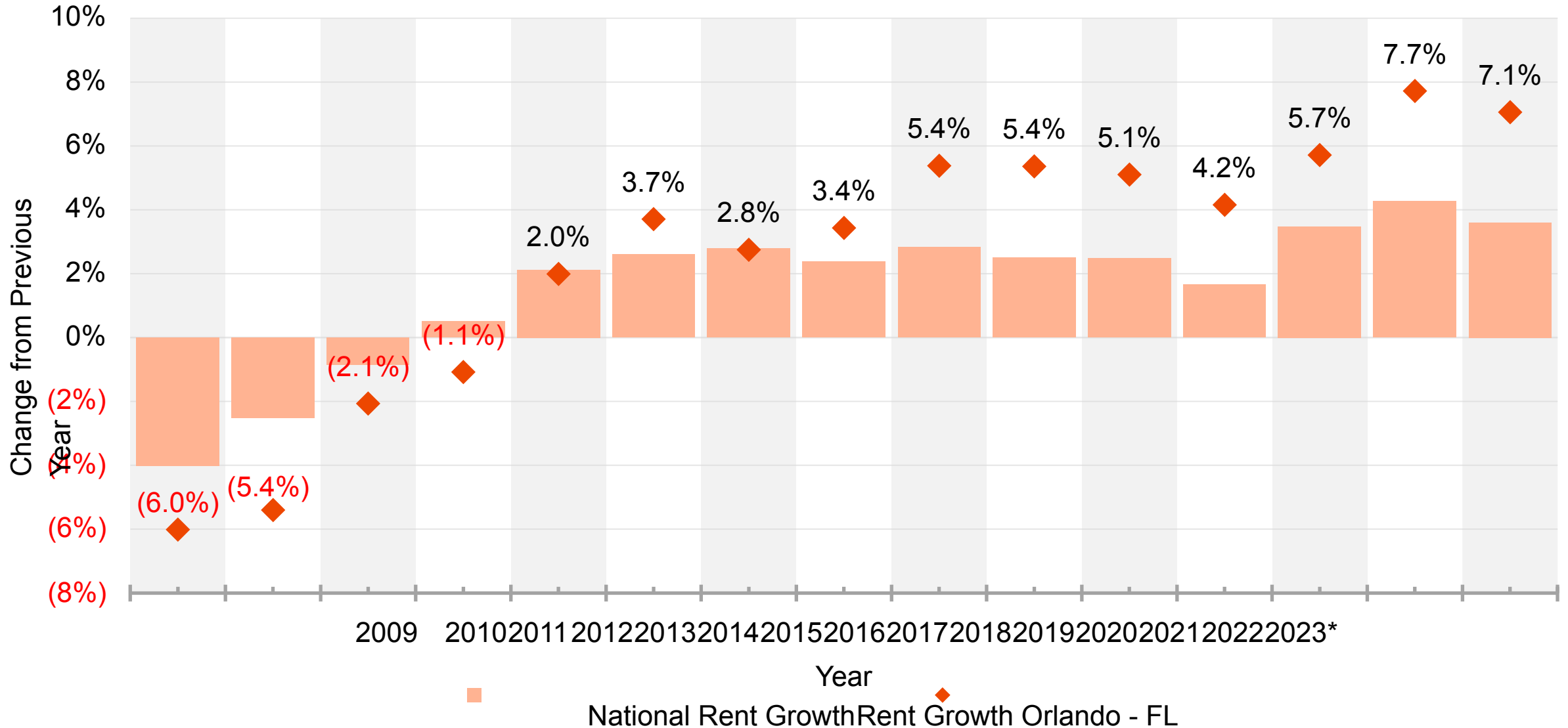
# Retail Space Availability in Newly Built Projects



# New Supply Pipeline Healthy, But Is It Enough?



# Retail Rent Growth Has Outpaced the U.S. for the Last Decade

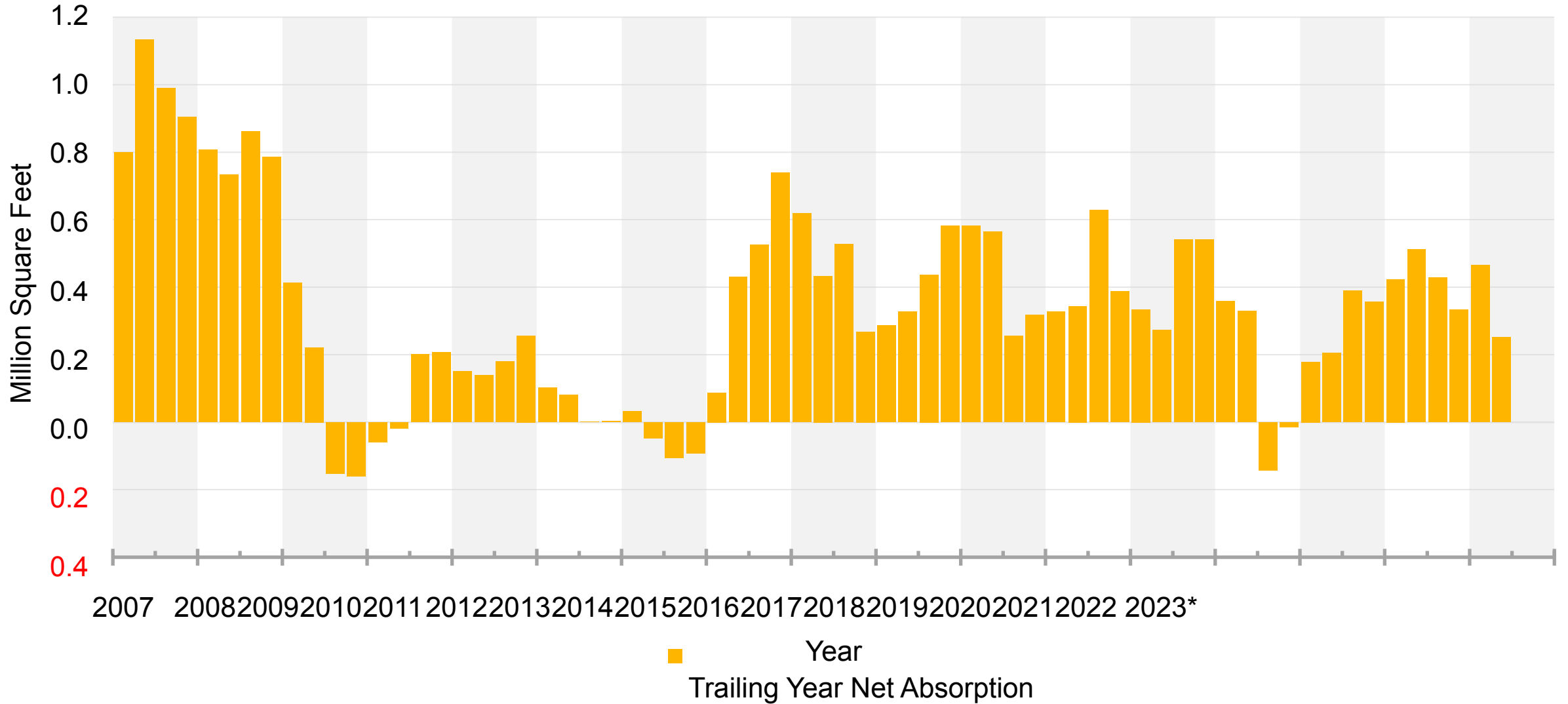




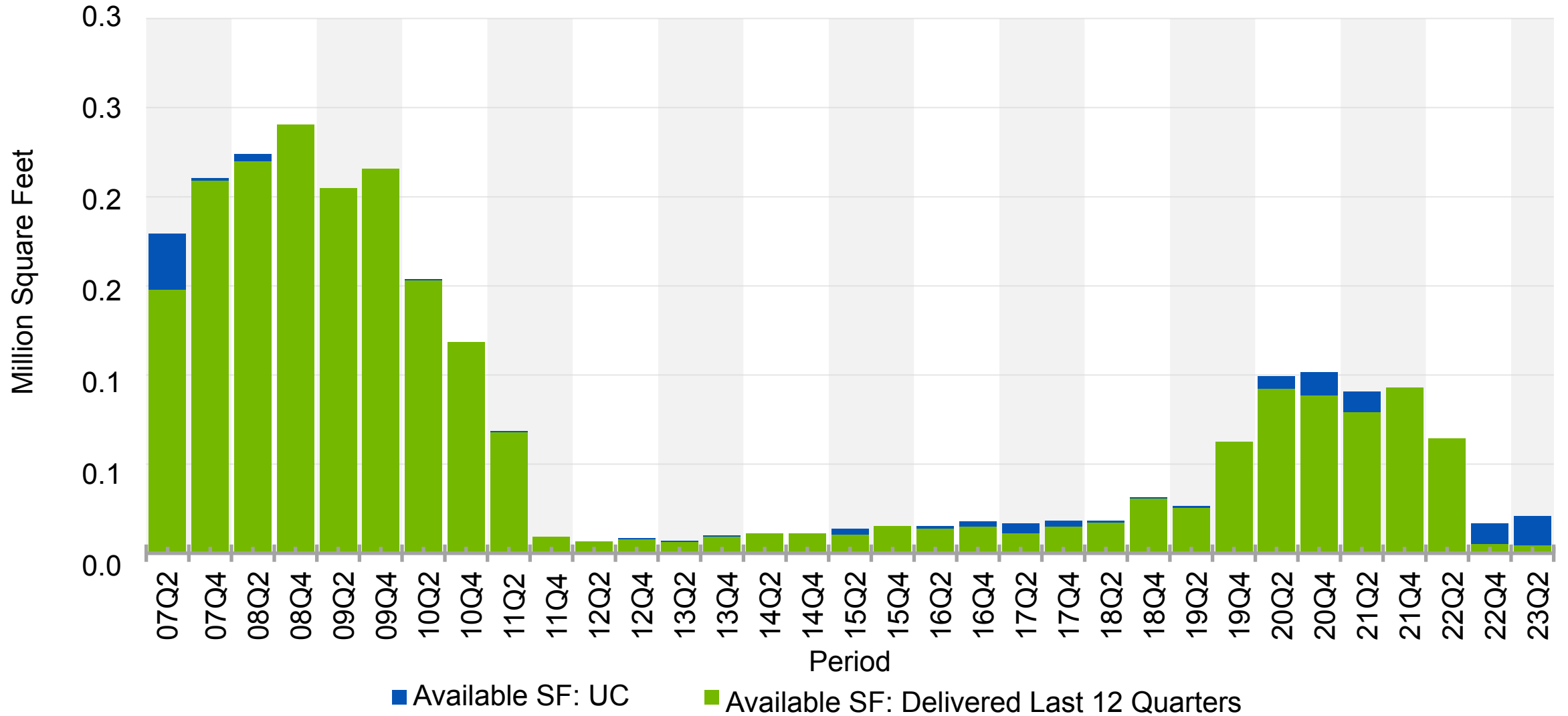
# Lakeland Retail Update



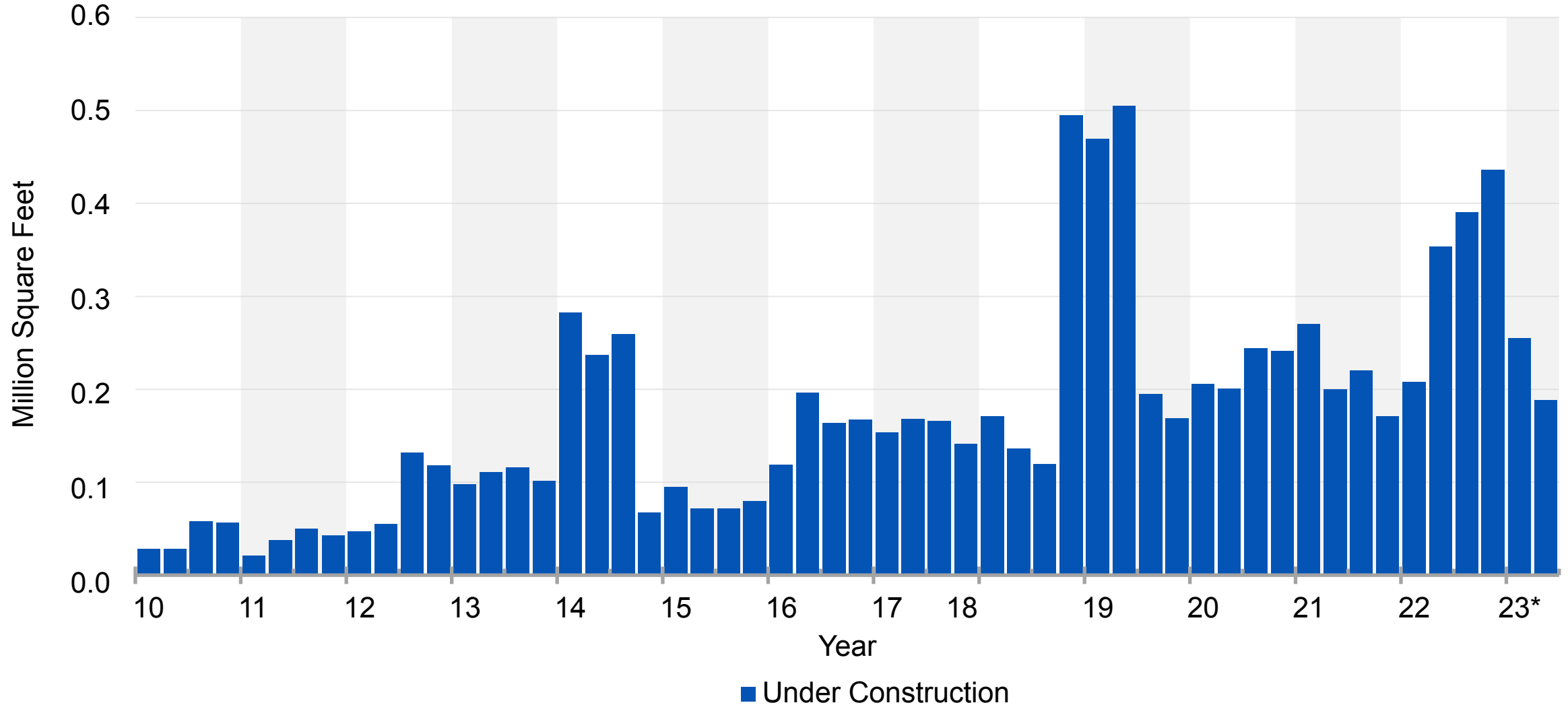
# Quarterly Renter Demand in the Past Year Roughly 370,000 SF



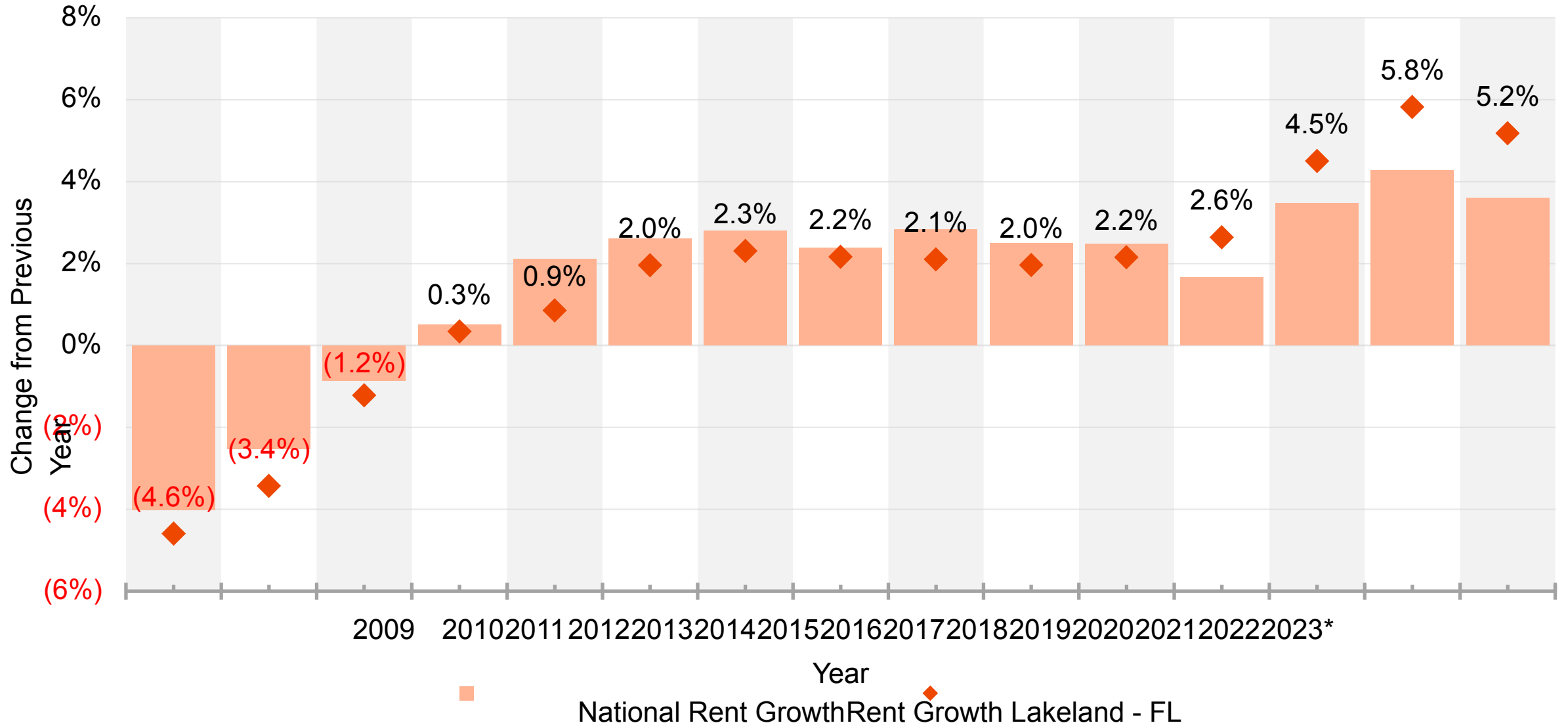
# Dearth of Available Space in Newly Delivered Projects



# Very Little Active Construction Underway



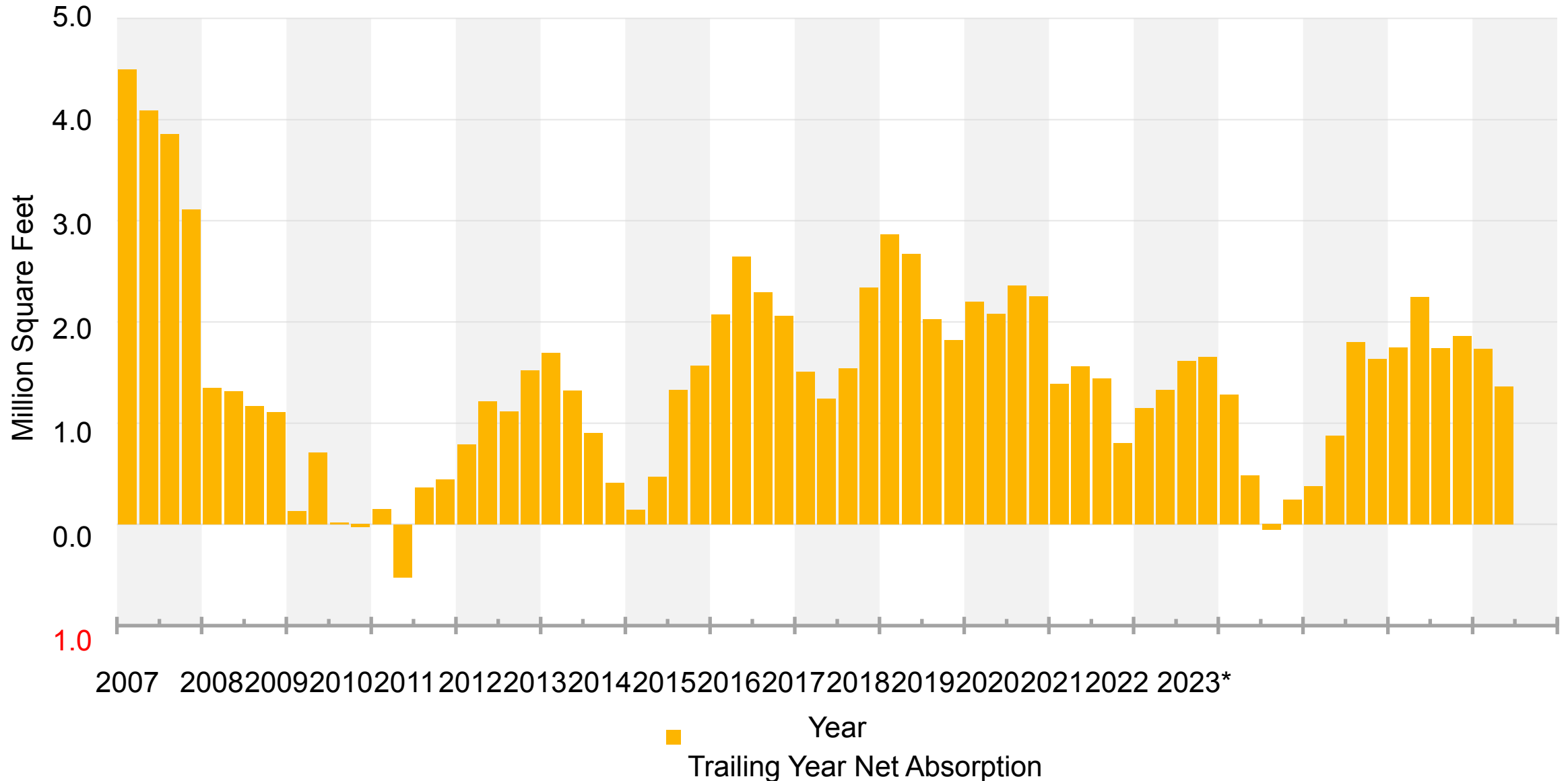
# Rents in Lakeland Rising Slower Than Orlando & Tampa



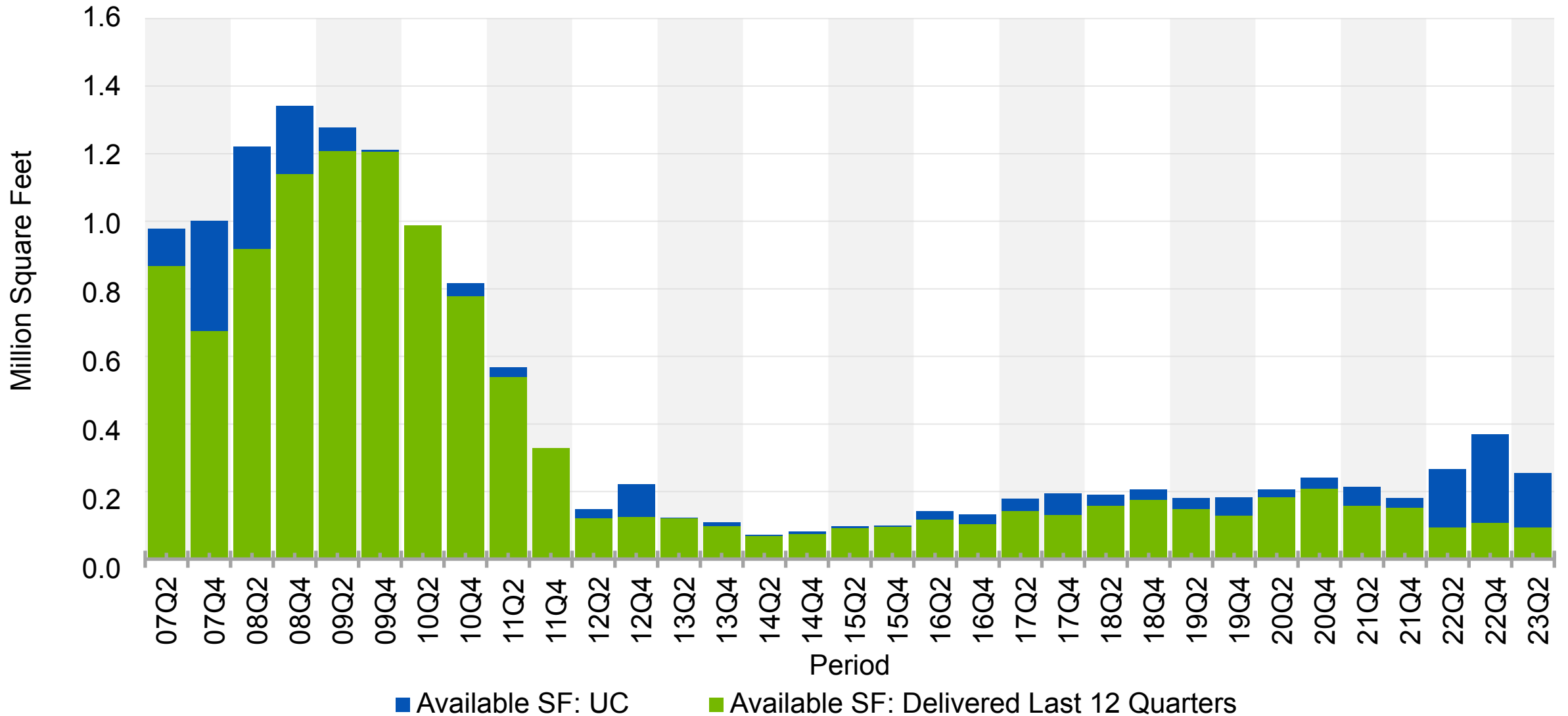
# Tampa Retail Update



# Renter Demand Has Been Steady Since 2H-2021

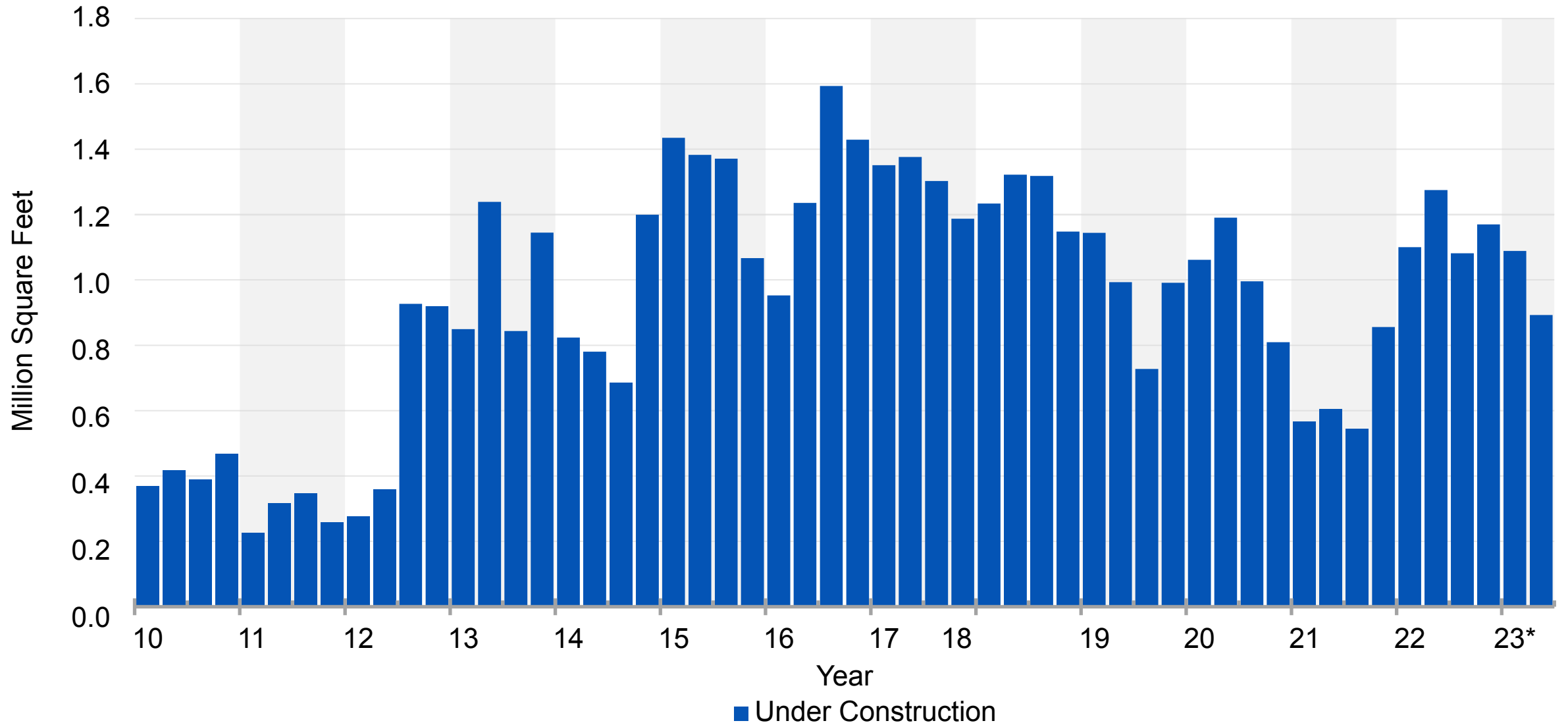


# Limited Development Means Limited Leasing Opportunity

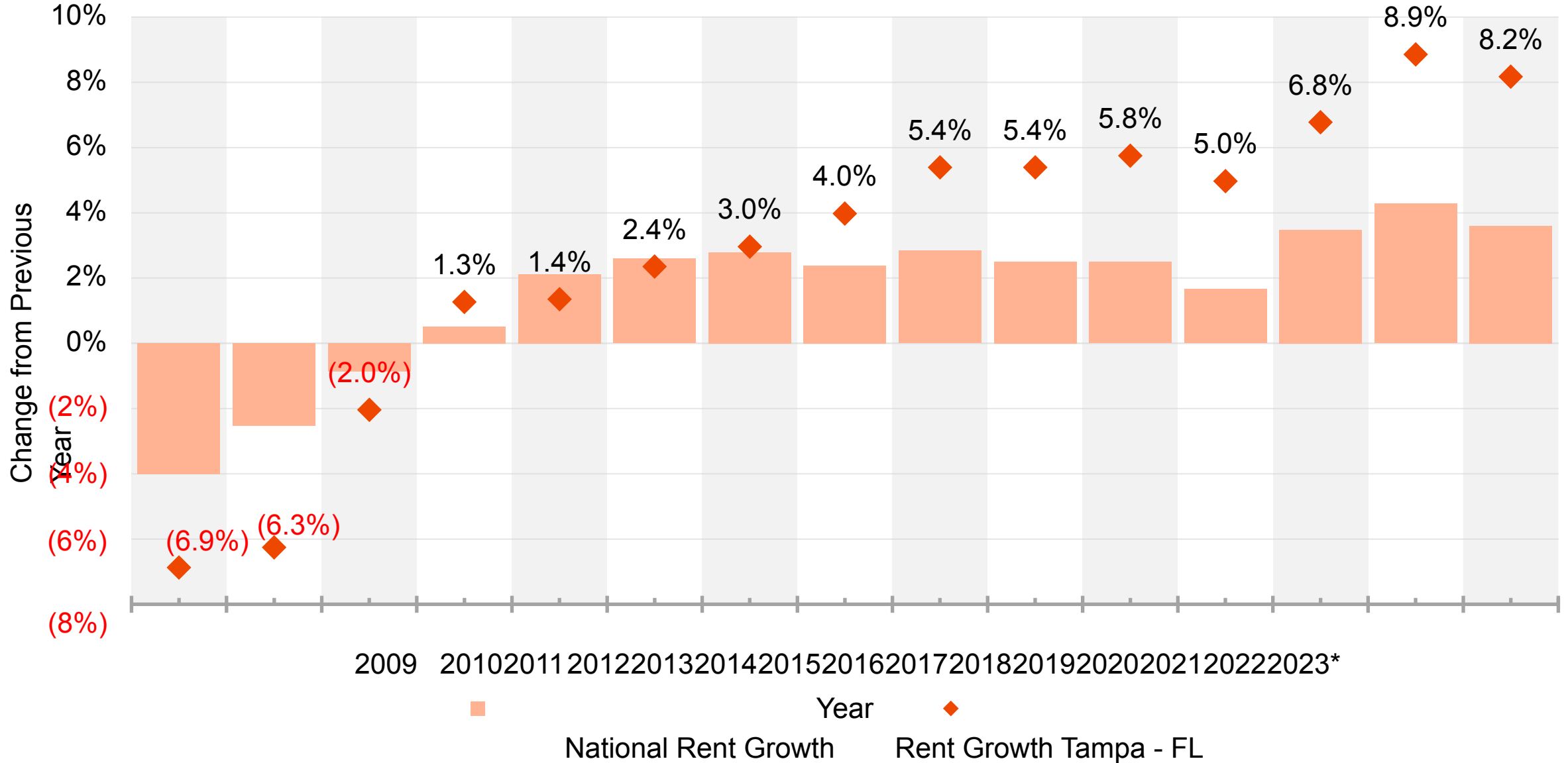




# Construction Pipeline Remains Below Pre-Pandemic Levels



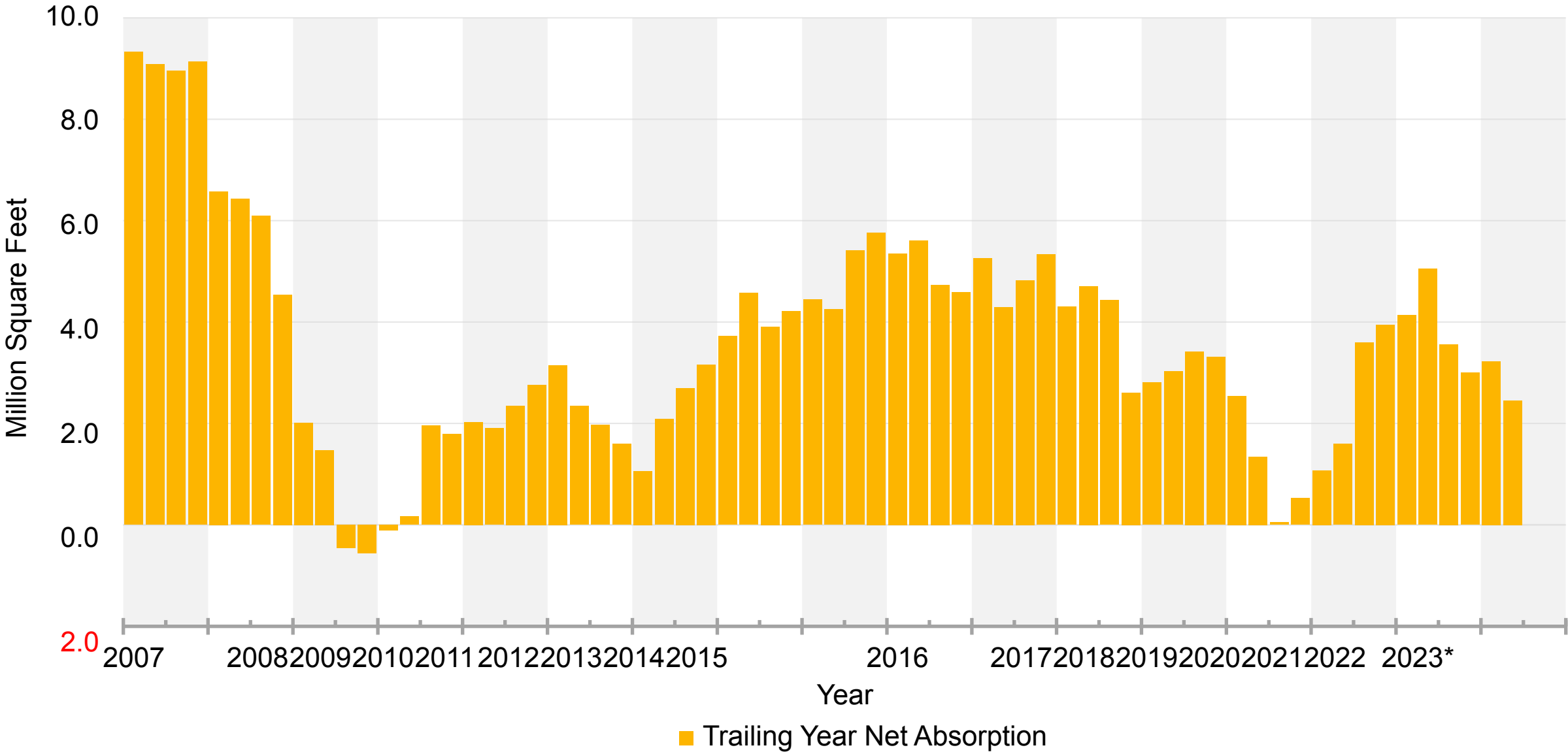
# Rent Growth Has Been Strongest in Tampa in the Past Year



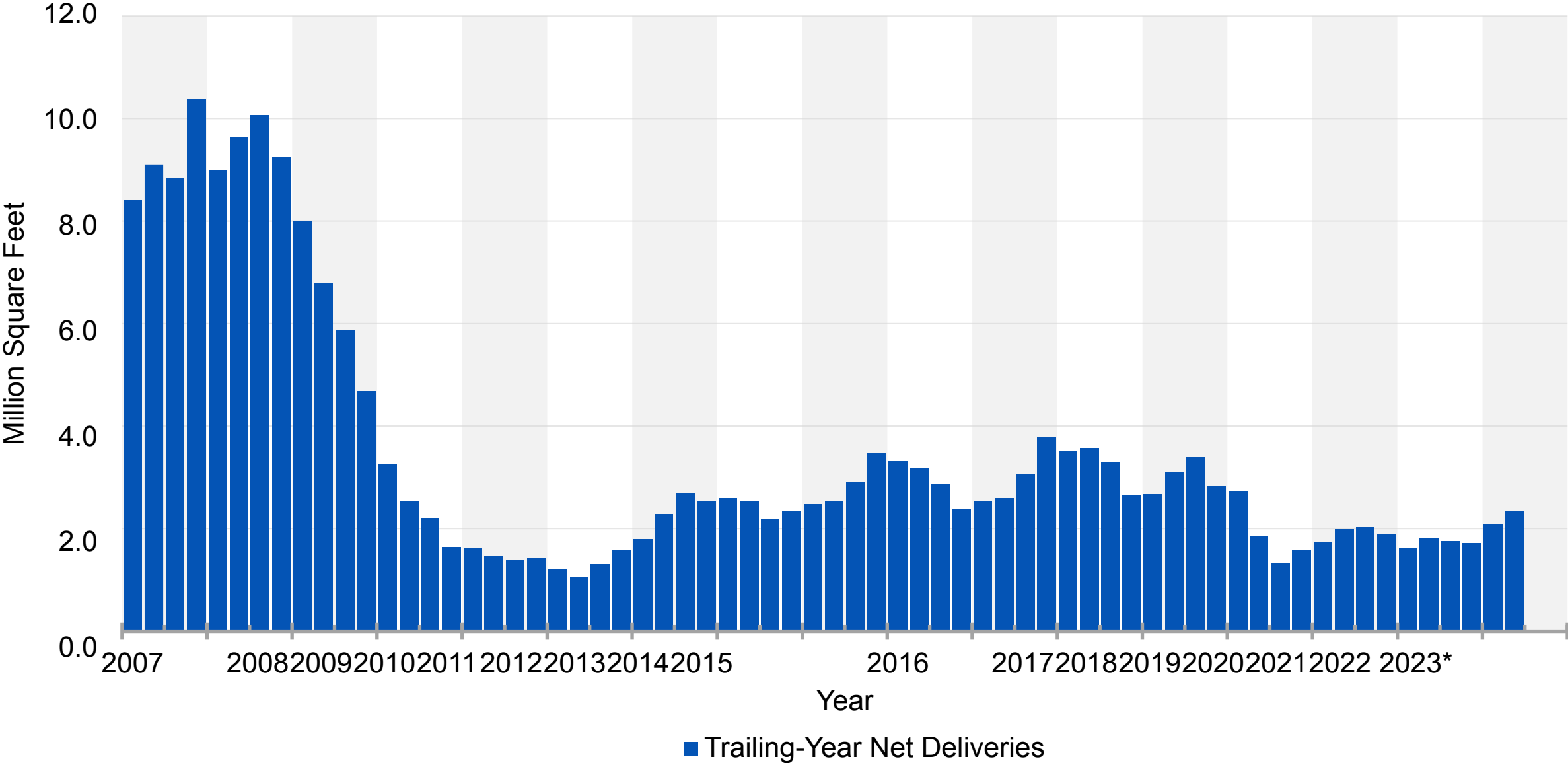


# I-4 Corridor Retail Market

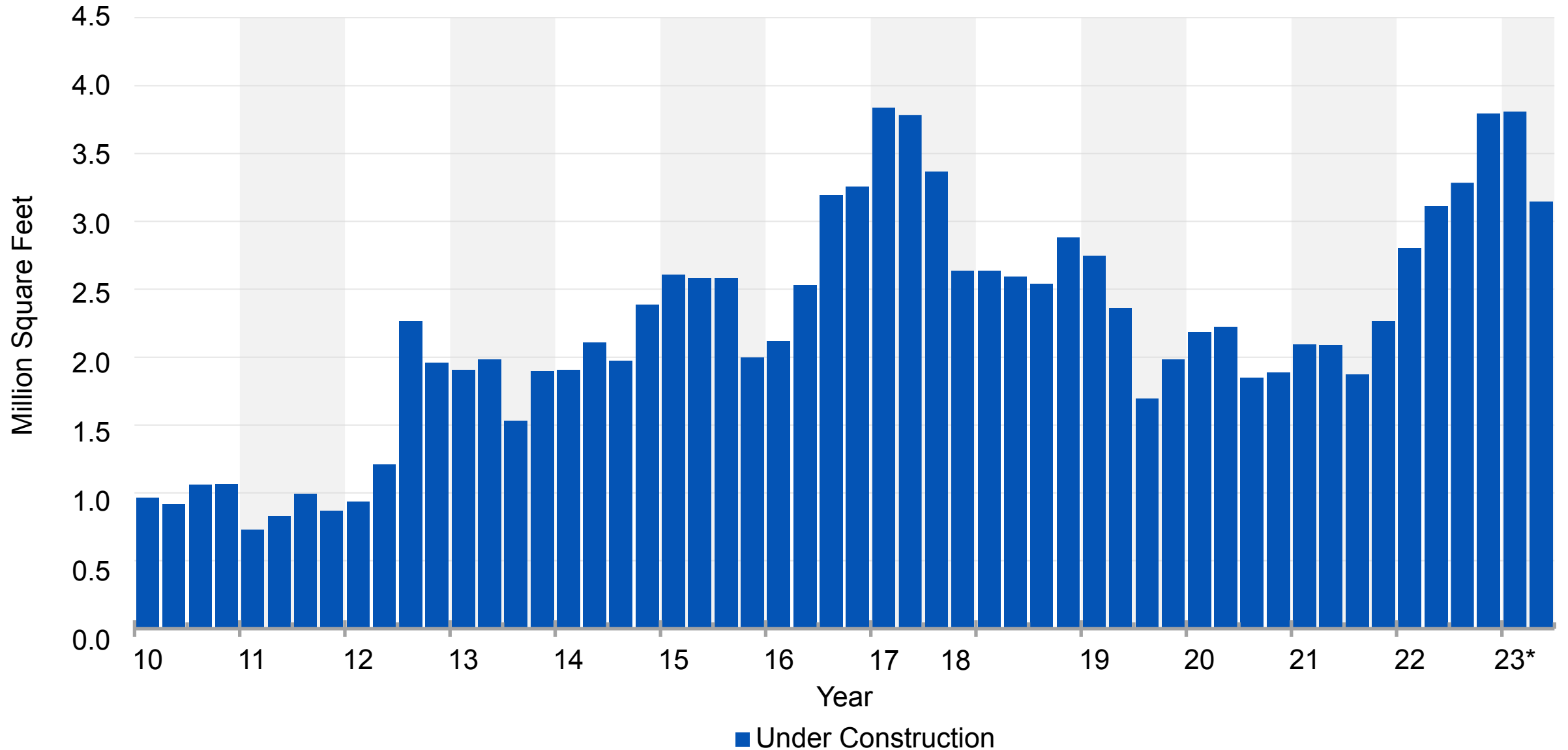
# Retail Demand in the I-4 Corridor



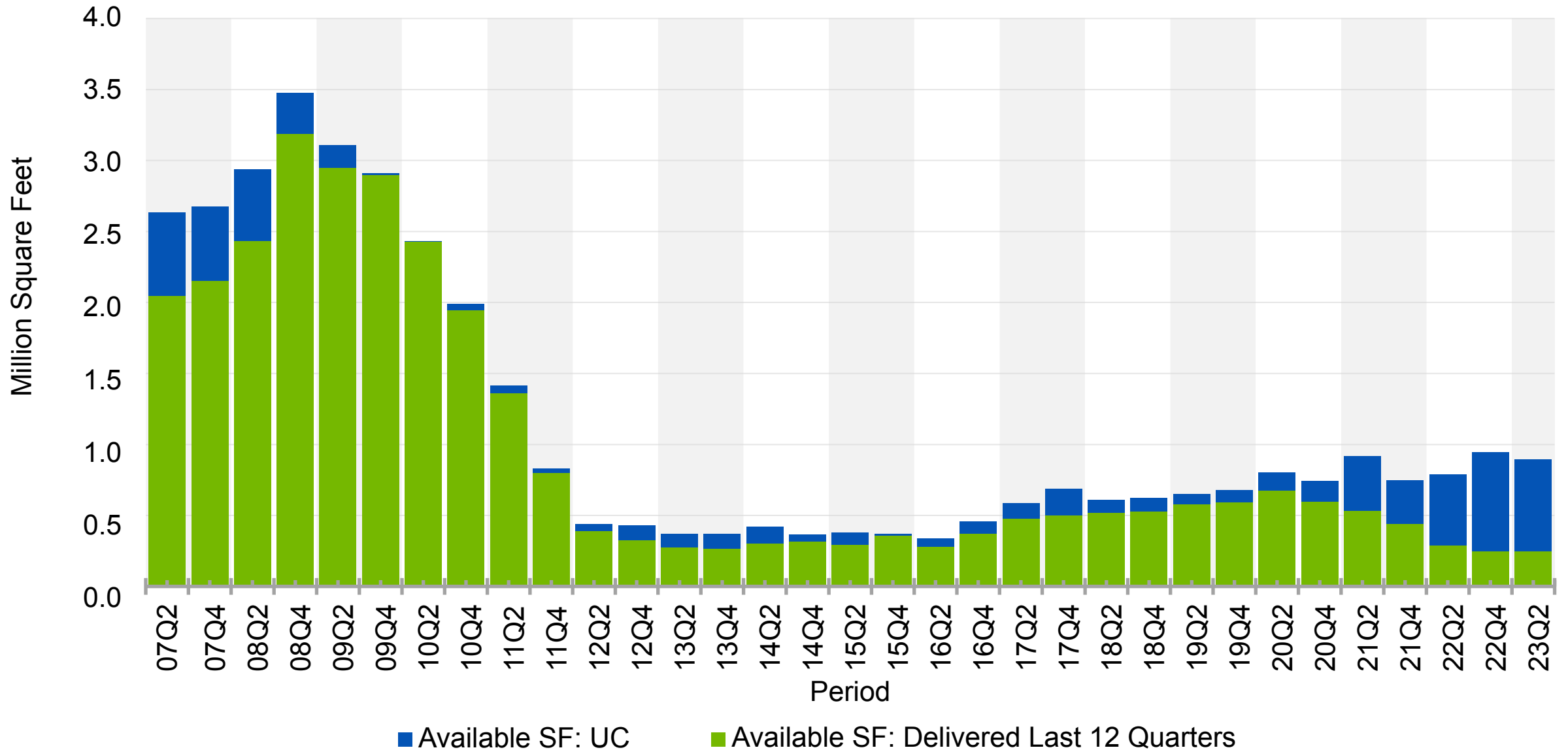
# New Supply Delivered in the Last Year



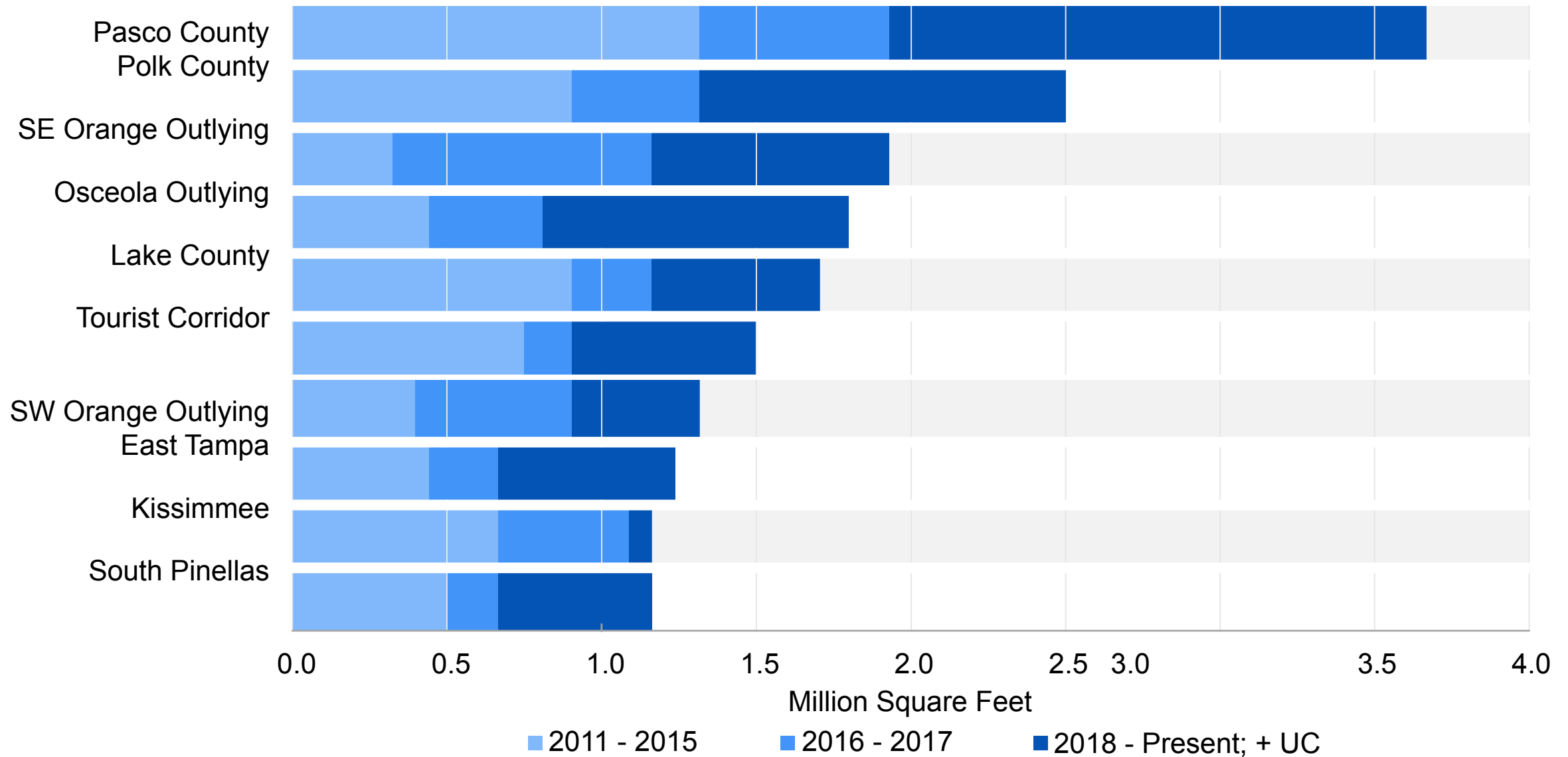
# Current Construction Pipeline Totals Just Over 3 MSF



# Total Availability Within Newly Delivered Retail Projects

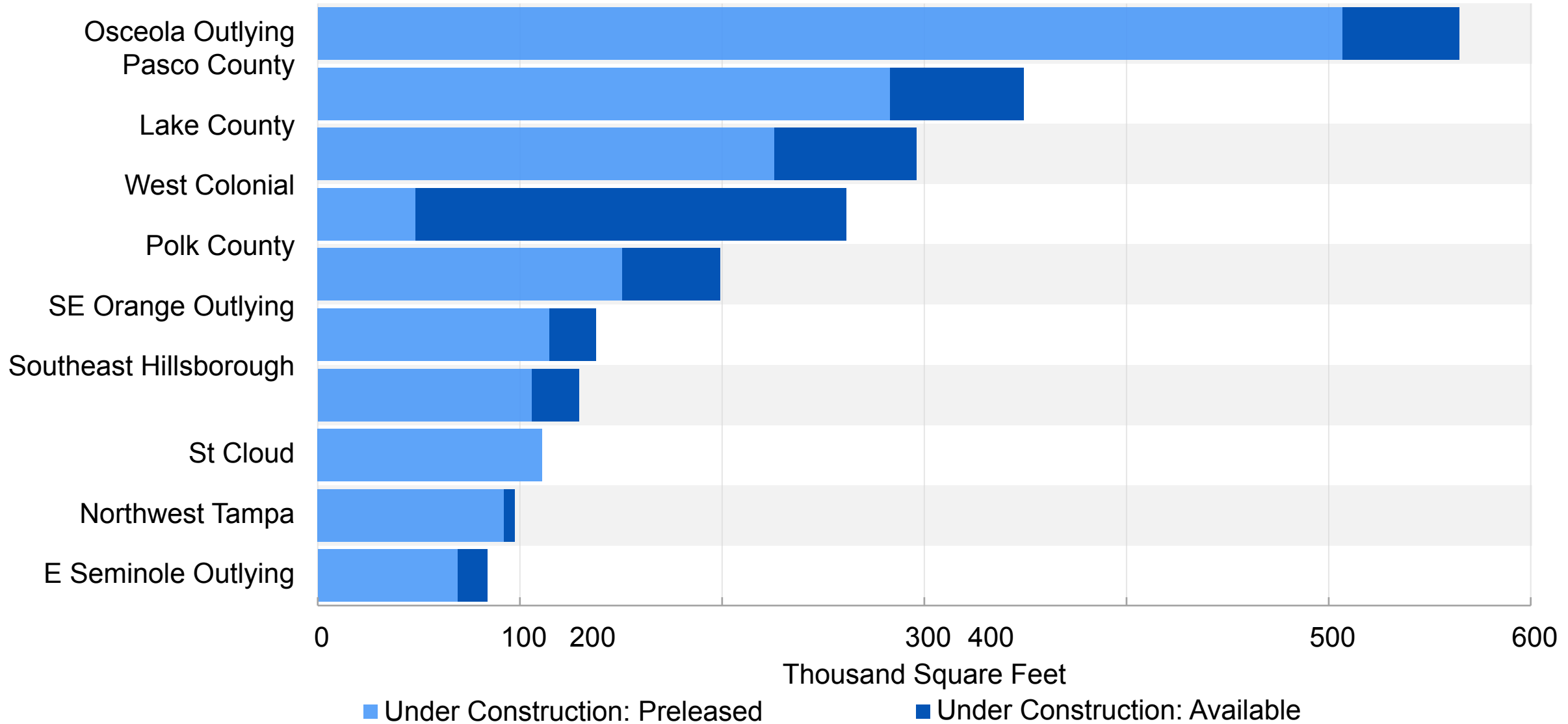


# Pace of Recent Development Fastest in Pasco and Polk Counties

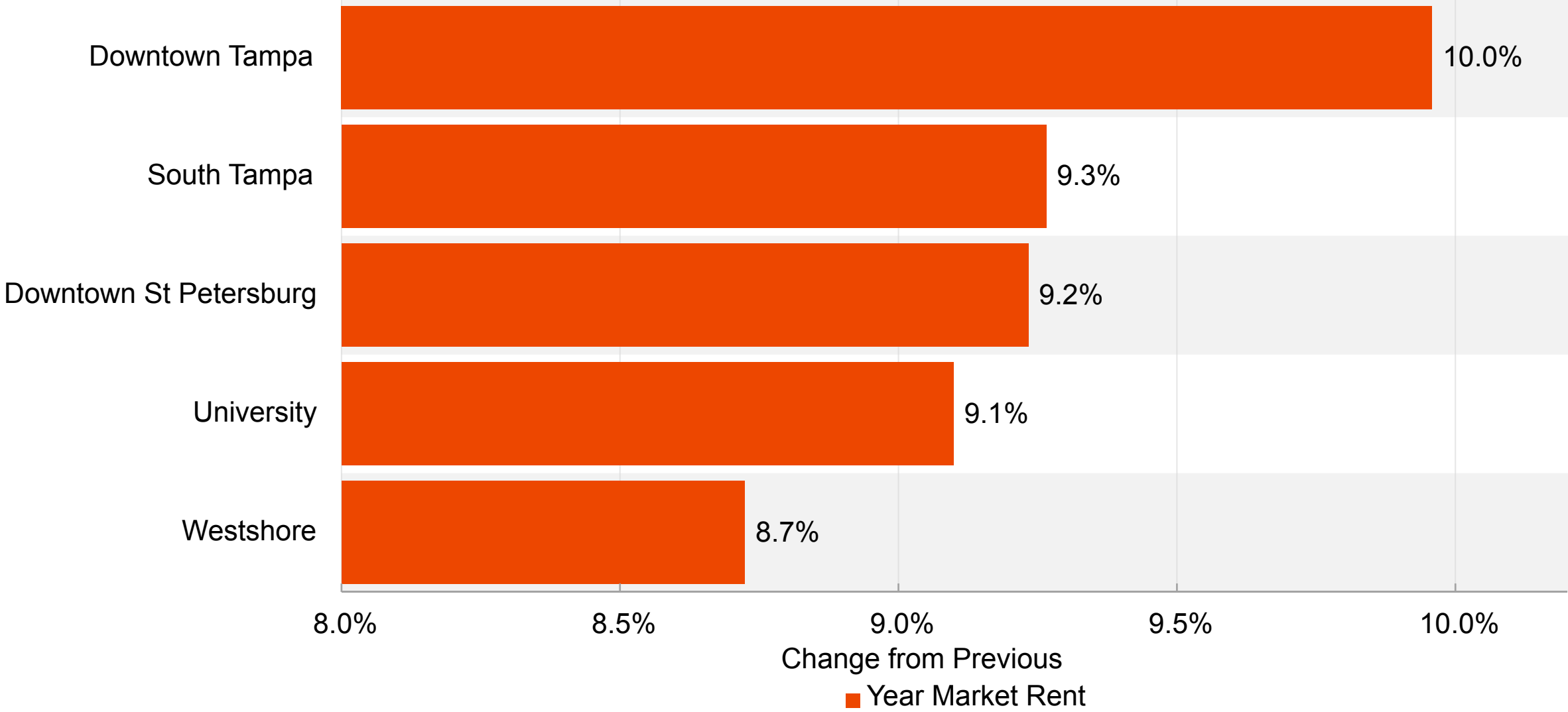




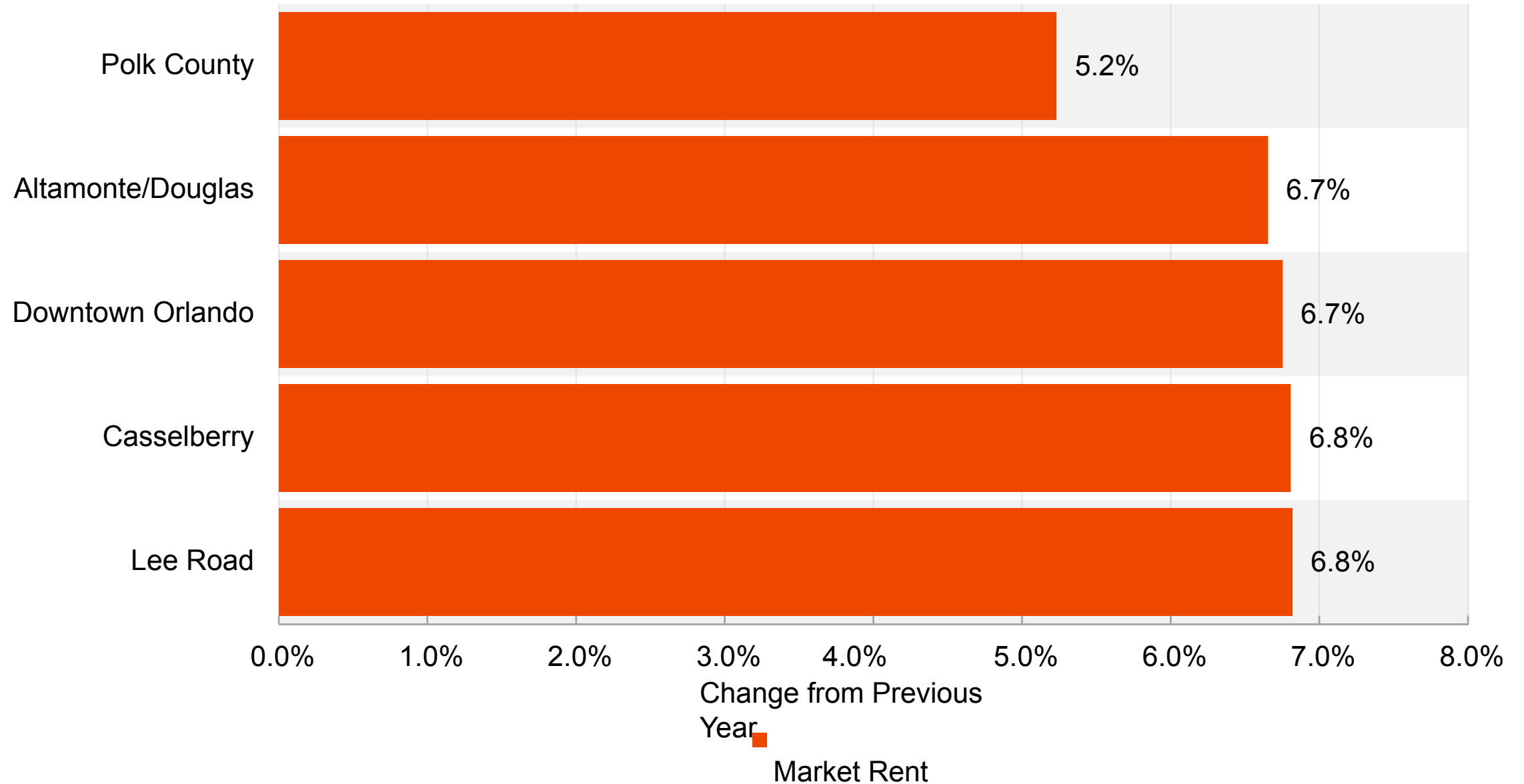
# Where Retail Construction is Concentrated



# Tampa Dominates Top Submarkets for YOY Rent Growth



# Lakeland and Orlando Home to the “Weakest” Performers



# Near-Term Outlook and Key Takeaways

- Development activity remains challenging as issues with price discovery are still prevalent. Construction costs remain high, labor remains a challenge, and fast rising insurance rates are going to keep putting pressure on CAM.
- Transactions have been taking longer in many cases and there has been an increase in the number of unproven new-to-market concepts with uncertain financials. With that said, Central Florida is a kind of testing ground, especially for restaurant concepts, and the changing demographic profile is helping to elevate appetite for concepts that offer something different.
- The restrained construction pipeline will keep vacancy compressed in the I-4 Corridor during 2024. For now, vacancy is hovering in the low 3% range in all three metro areas and the near-term outlook has it staying in that range through 2025.
- Prospects for rent growth won't be as strong in the next year. Lakeland is projected to decline to an annual pace of 1.5% by YE-2024, and Tampa and Orlando are expected to be roughly double that number.



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# Thank You!

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