

FIGURES | ORLANDO OFFICE | Q1 2026

Strong Start to 2026 for the Orlando Office Market

▼ 16.9%

Vacancy Rate

▲ 152,043

SF Net Absorption

▲ 29,500

SF Construction Delivered

▼ 40,000

SF Under Construction

▲ \$28.55

FSG/YR Direct Lease Rate

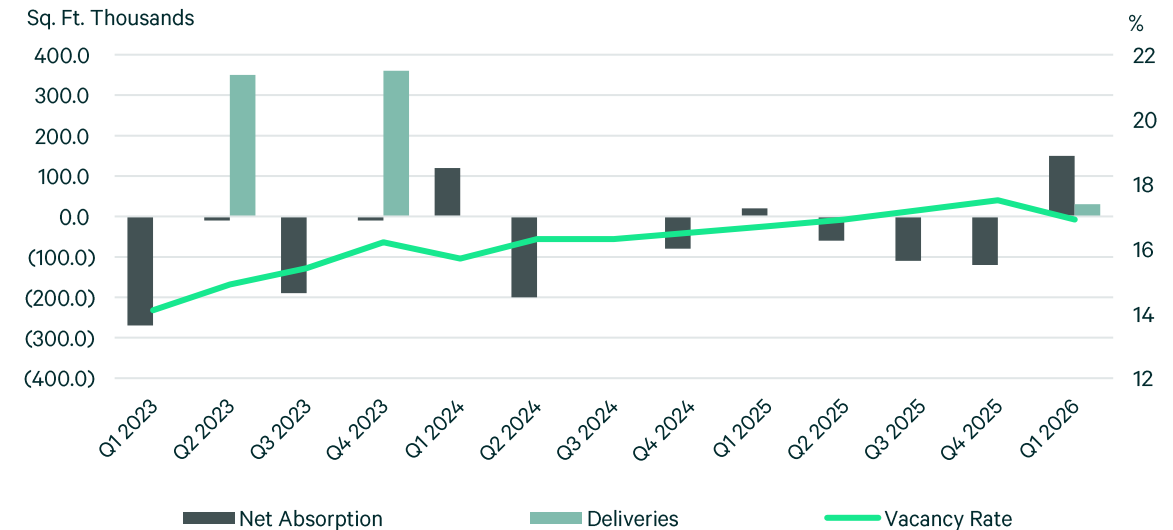
Note: Arrows indicate change from previous quarter.

Market Overview

The office market remained structurally soft but showed tentative improvement in Q1 2026. From 2023 through 2025, the market posted a cumulative 909,000 sq. ft. of negative net absorption and vacancy climbed from 14.1% in Q1 2023 to 17.5% by Q4 2025, even as new construction largely paused. Against that backdrop, Q1 2026 registered 152,000 sq. ft. of positive absorption, reversing a 118,000 sq. ft. loss in Q4 2025 and pulling vacancy down 0.6 percentage points to 16.9%. Availability held steady at 20.0%, indicating that the improvement came from occupied space rather than a shrinking options set.

Pricing continued to firm alongside declining vacancy. Average asking rents in Q1 2026 rose 0.5% quarter-over-quarter and 3.1% year-over-year to \$28.55 per sq. ft., extending an upward trend from early 2024. The construction pipeline remained modest, with just 40,000 sq. ft. underway and 30,000 sq. ft. delivered in the quarter, following virtually no deliveries in 2024 and 2025. Overall, Q1 2026 marked a shift toward healthier demand while underscoring that the market was still working through the excess space accumulated over the prior three years.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2026

Vacancy

Total vacancy in Class A buildings declined 60 bps quarter-over-quarter to 18.9% in Q1 2026, while total Class B vacancy fell 50 bps to 14.2%; year-over-year, Class A rose 110 bps and Class B decreased 100 bps. The vacancy spread between Class A and Class B widened to 470 bps from 260 bps in Q1 2025. Direct vacancy measured 15.9% in Class A and 13.0% in Class B, both down 50 bps on the quarter, with Class A up 150 bps and Class B down 130 bps compared with a year earlier. Sublease vacancy stood at 3.0% in Class A and 1.2% in Class B, respectively 40 bps lower and 30 bps higher than in Q1 2025.

Downtown Orlando and Lake Mary/Heathrow illustrate the range of submarket conditions. Downtown Orlando reports overall vacancy of 12.6% for Class A and 9.9% for Class B, versus 21.4% and 12.4%, respectively, in Lake Mary/Heathrow. The lowest reported vacancies are in East Orlando, where Class A overall vacancy is 3.4%, and South Orlando, where Class B overall vacancy is 6.4%, while Airport/Lake Nona records the highest Class A vacancy at 38.1% against 11.3% in Class B. Sublease availability totals 869,000 sq. ft. across the metro, including 310,000 sq. ft. of Class A space in Southwest Orlando, 129,000 sq. ft. in Downtown Orlando, 127,000 sq. ft. in Lake Mary/Heathrow, 118,000 sq. ft. in University/Research Park across Class A and B, and 109,000 sq. ft. in Maitland Center.

Asking Rent

The overall average direct asking lease rate in Q1 2026 is \$28.55 per sq. ft., up 0.5% from the prior quarter and 3.1% year-over-year. Class A office asking rents edged up from \$31.09 per sq. ft. to \$31.33 per sq. ft. quarter-over-quarter and are 1.9% higher than a year ago, lagging the overall market's annual pace. Class B asking rents eased slightly quarter-over-quarter to \$24.04 per sq. ft., but have risen 4.6% year-over-year, indicating the strongest annual rent growth among the major property classes.

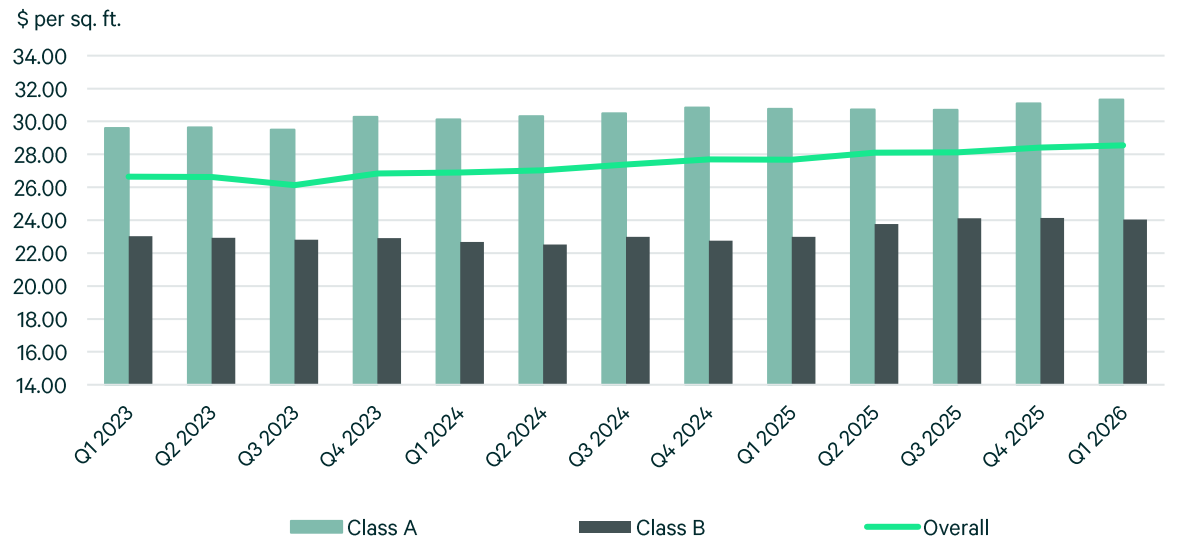
By submarket, Downtown Orlando posts the highest combined Class A and B average direct asking rate at \$33.29 per sq. ft., climbing to \$35.34 per sq. ft. for Class A space alone. East Orlando follows with a combined average of \$30.38 per sq. ft., underpinned by the market's highest Class A rate at \$36.42 per sq. ft. On the more affordable end, North Orlando records the lowest combined Class A and B average at \$23.69 per sq. ft., with Lake Mary/Heathrow close behind at \$24.22 per sq. ft., while Airport/Lake Nona's Class A product is quoted at \$29.50 per sq. ft. in the absence of reported Class B rates.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q1 2026

Figure 3: Average Direct Asking Rate by Class



Source: CBRE Research, Q1 2026

Net Absorption

Total office net absorption was 152,000 sq. ft. in Q1 2026, compared with negative 118,000 sq. ft. in Q4 2025 and 17,000 sq. ft. in Q1 2025. Class A space accounted for 81,000 sq. ft. of net absorption and all other classes contributed 71,000 sq. ft. for the quarter.

Positive net absorption for Q1 2026 was concentrated primarily in the Downtown Orlando submarket with 120,000 sq. ft. for the quarter and the Southwest Orlando submarket with 34,000 sq. ft. Maitland Center, North Orlando, and South Orlando were the other submarkets recording positive net absorption with 32,000 sq. ft., 17,000 sq. ft., and 6,000 sq. ft., respectively. Four submarkets recorded negative net absorption: Airport/Lake Nona with negative 24,000 sq. ft., Lake Mary/Heathrow with negative 22,000 sq. ft., East Orlando with negative 8,000 sq. ft., and University/Research Park with negative 2,000 sq. ft.

Construction Activity

At the end of Q1 2026, 40,000 sq. ft. was under construction, while 30,000 sq. ft. delivered during the quarter and 30,000 sq. ft. delivered over the last year. Under construction volume declined from 70,000 sq. ft. in Q4 2025, even as quarterly deliveries increased from no completions in the prior quarter and from none in Q1 2025. The active pipeline and recent deliveries are entirely Class A, with no Class B projects under way or completing.

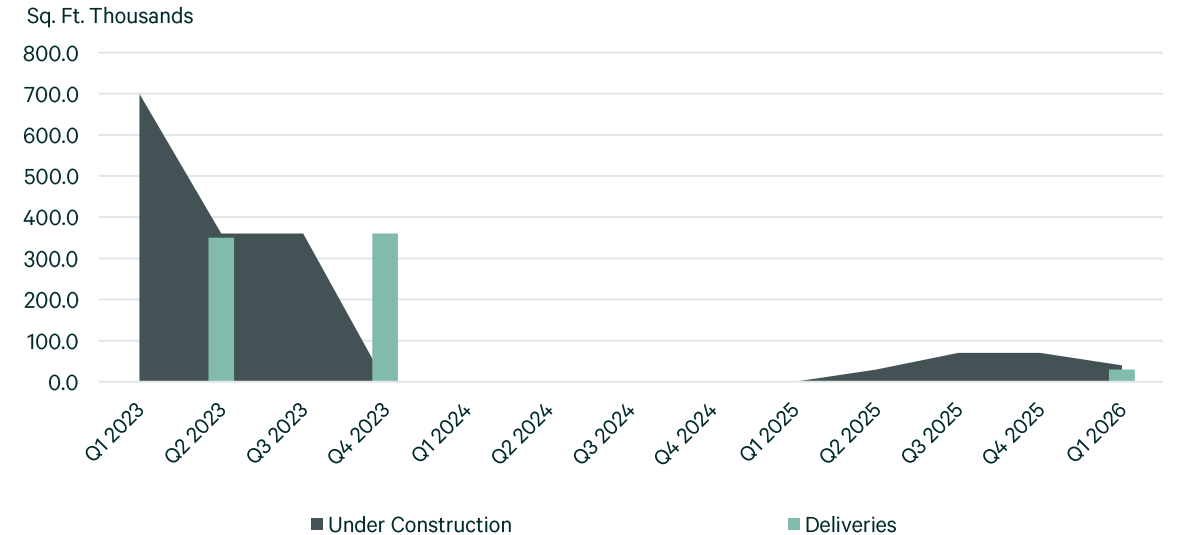
North Orlando is the only submarket with positive under construction activity in Q1 2026, with 40,000 sq. ft. underway at 2255 S Orange Blossom Trail, a Class A general office project that is 0.0% pre-leased and estimated to deliver in Q3 2026. No other tracked submarkets reported any space under construction during the quarter.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 5: Construction Activity



Source: CBRE Research, Q1 2026

Leasing Activity

Leasing activity totaled 416,000 sq. ft. in Q1 2026, down 77,000 sq. ft. or 15.6% from Q4 2025 and 52,000 sq. ft. or 11.1% below Q1 2025. On a rolling four-quarter basis, leasing reached 2.6 million sq. ft. in Q1 2026, a decline of 52,000 sq. ft. or 2.0% quarter-over-quarter but 683,000 sq. ft. or 36.1% above the prior year. Class A assets accounted for 1.9 million sq. ft., or 73.0% of this rolling total, with Class A leasing up 47.4% year-over-year compared with a 12.6% increase for Class B.

South Orlando posted the highest quarterly volume in Q1 2026 with 193,000 sq. ft. leased, followed by Downtown Orlando at 107,000 sq. ft. across both Class A and Class B space. Positive but more moderate activity was recorded in Maitland Center (44,000 sq. ft.), University/Research Park (24,000 sq. ft.), Southwest Orlando (19,000 sq. ft.), East Orlando (13,000 sq. ft.), and Lake Mary/Heathrow (14,000 sq. ft.).

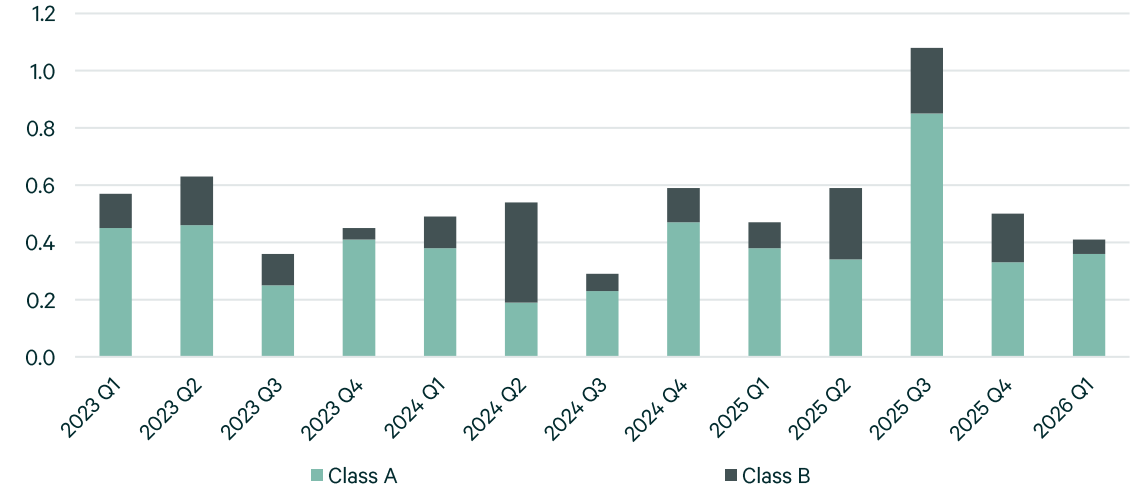
Economic Overview

The current business cycle may be five years old, but U.S. growth appears resilient, despite clear risks on the horizon. GDP growth should average 2.1%, matching 2025 and exceeding peer economies. America’s aggressive build-out of AI infrastructure is a unique edge. Hyperscaler capex is nearing 3% of GDP—just below residential investment. Concerns about the sustainability of this growth and its broader impact are rattling both credit and equity markets. Operation Epic Fury and global energy prices are also a concern.

Assuming the conflict is resolved quickly, and U.S. oil prices stay in the \$80/bbl range, the impact on U.S. growth should be minimal. The impact on headline inflation, which is forecast to average 3.2% this year, up from the mid-2% range in February, will be material. Should the conflict escalate, this would elevate inflation and long-term yields and would likely impact the commercial real estate market.

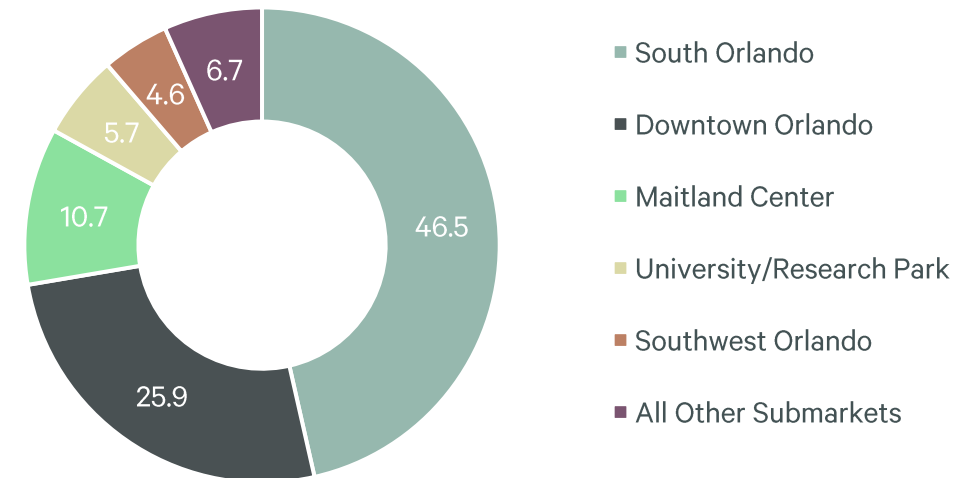
Figure 6: Leasing Activity Trend (10,000 sq. ft. and greater)

Sq. Ft. Millions



Source: CBRE Research, Q1 2026

Figure 7: Leasing by Submarket (% of Total Activity 10,000 sq. ft. and greater)



Source: CBRE Research, Q1 2026

Market Statistics

Figure 8: Suburban Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	16.14	21.4	24.3	17.9	6.4	29.48	16,000	16,000	30,000	40,000
Class B	14.44	14.8	19.2	16.9	2.4	23.40	16,000	16,000	-	-
Total	30.58	18.3	21.9	17.4	4.5	26.73	32,000	32,000	30,000	40,000

Source: CBRE Research, Q1 2026

Figure 9: Urban Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	6.54	12.6	13.8	12.0	1.8	35.34	65,000	65,000	-	-
Class B	1.79	9.9	9.8	9.8	-	31.24	55,000	55,000	-	-
Total	8.33	12.0	13.0	11.5	1.4	34.78	120,000	120,000	-	-

Source: CBRE Research, Q1 2026

Figure 10: Metro Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	22.68	18.9	21.3	16.2	5.1	31.33	81,000	81,000	30,000	40,000
Class B	16.23	14.2	18.2	16.1	2.1	24.04	71,000	71,000	-	-
Total	38.91	16.9	20.0	16.1	3.9	28.55	152,000	152,000	30,000	40,000

Source: CBRE Research, Q1 2026

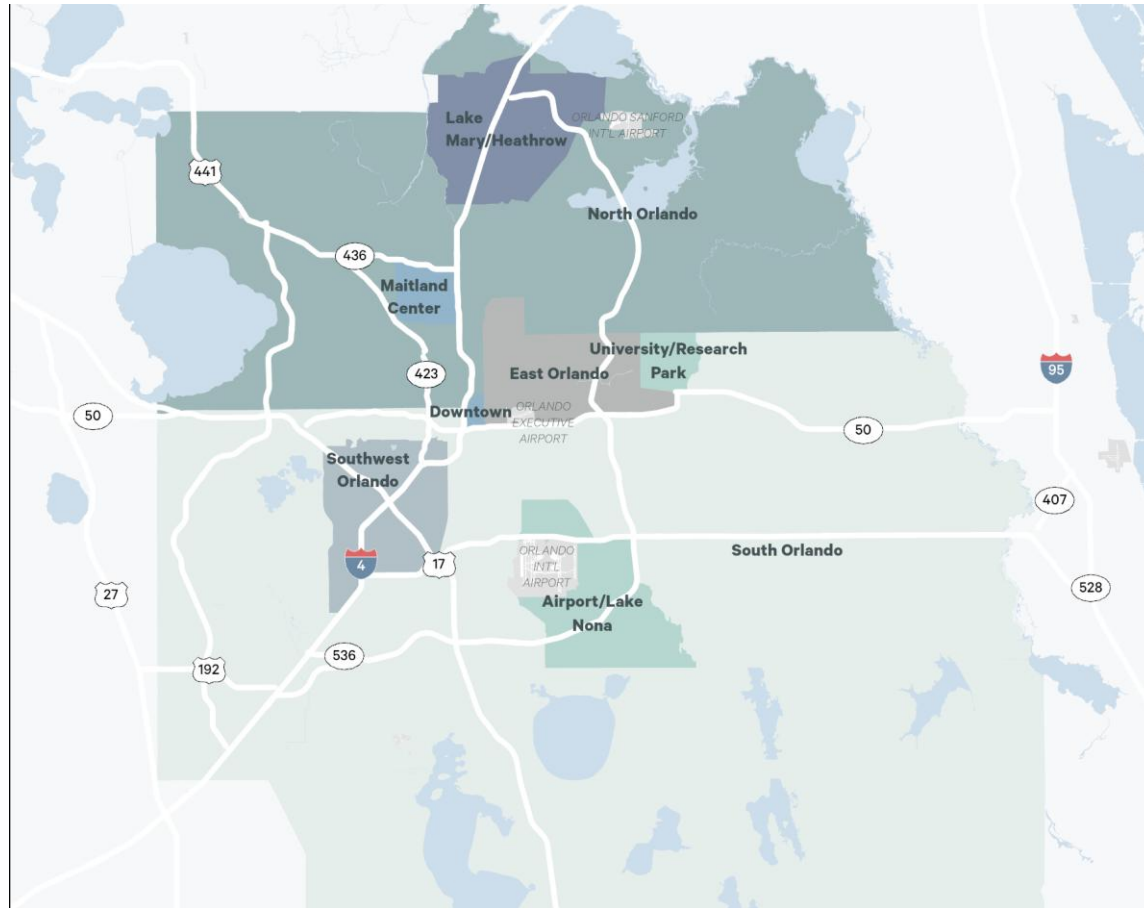
Market Statistics by Submarket

Figure 11

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Airport/Lake Nona	1.46	33.8	19.1	19.1	-	29.50	(24,000)	(24,000)	-	-
Downtown Orlando	8.33	12.0	13.0	11.5	1.4	34.78	120,000	120,000	-	-
East Orlando	2.09	10.4	12.7	11.5	1.2	25.26	(8,000)	(8,000)	30,000	-
Lake Mary/Heathrow	5.89	18.8	23.7	20.7	3.0	26.38	(23,000)	(23,000)	-	-
Maitland Center	4.74	16.2	19.2	16.1	3.0	23.88	32,000	32,000	-	-
North Orlando	2.95	18.6	21.9	18.2	3.7	24.30	16,000	16,000	-	40,000
South Orlando	2.71	14.1	14.4	14.1	0.3	31.41	5,000	5,000	-	-
Southwest Orlando	6.42	18.2	22.3	16.2	6.1	29.87	34,000	34,000	-	-
University/Research Park	4.32	20.8	32.0	20.0	12.0	28.68	(2,000)	(2,000)	-	-
Total	38.91	16.9	20.0	16.1	3.9	28.55	152,000	152,000	30,000	40,000

Source: CBRE Research, Q1 2026

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days. Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

Survey Criteria

Includes all competitive Class A and Class B office buildings 10,000 sq. ft. and greater in size in Orlando. Excludes: government and medical buildings.

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