

FIGURES | ORLANDO OFFICE | Q3 2026

Occupancy Improves As Net Absorption Turns Positive



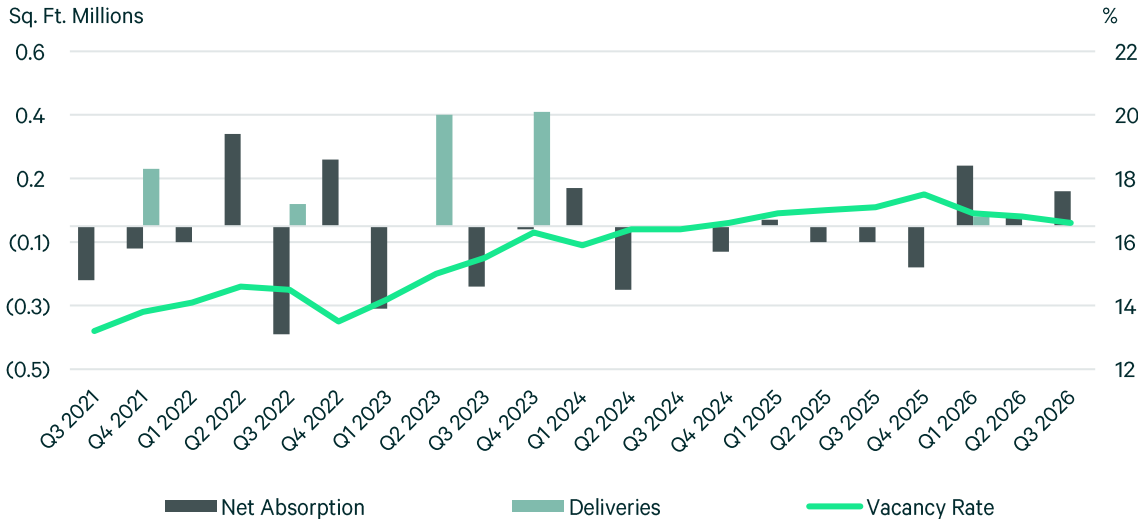
Note: Arrows indicate change from previous quarter.

Market Overview

Conditions in Q3 2026 showed firmer occupancy and moderating leasing activity compared with Q2 2026. Net absorption improved to 112,000 sq. ft., up from 32,000 sq. ft., marking a third consecutive positive quarter in 2026. Vacancy fell 20 basis points quarter-over-quarter, from 16.8% to 16.6%, while availability declined 100 bps to 19.5%, indicating occupiers took more space than they returned. Leasing volume eased to 520,000 sq. ft., down from 890,000 sq. ft., yet above any quarter in 2023, and average asking rent increased to \$29.67 per sq. ft., up from \$28.34 per sq. ft., with a modest pipeline of 40,000 sq. ft. under construction and no deliveries.

Over the full period from Q3 2021 through Q3 2026, the market moved from rising vacancy to easing availability and improving demand. Vacancy rose from 13.2% in Q3 2021 to 17.5% in Q4 2025 before edging down to 16.6% in Q3 2026, while availability climbed to 21.9% in Q2 2023 and then decreased to 19.5%. Net absorption was negative in most quarters between 2021 and 2025, with notable losses in 2022 and 2023, before turning consistently positive in 2026. Construction activity moderated as the development pipeline was delivered, with new space totaling 979,000 sq. ft. by Q3 2026. Despite elevated vacancy, average asking rates steadily increased from \$25.66 per sq. ft. in Q3 2021 to \$29.67 per sq. ft., and leasing activity strengthened from 2022–2023 levels to a high of 1.03 million sq. ft. in Q3 2025, with 2026 volumes above 2023 levels.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



CBRE Research

Vacancy

In Q3 2026, Orlando's office market posted mixed vacancy trends by property class, with modest improvement over the past year but vacancy still above levels in Q3 2023. Class A overall vacancy was 17.7%, down from 18.2% in Q2 2026, a 50 basis points decrease quarter-over-quarter, and 40 bps lower year-over-year. Class B vacancy stood at 15.0%, compared with 14.8% in Q2 2026, reflecting a 20 bps quarter-over-quarter increase, though it was 80 bps lower year-over-year. Over the three-year period since Q3 2023, overall vacancy rose 90 bps for Class A, from 16.8% to 17.7%, and 130 bps for Class B, from 13.7% to 15.0%, indicating that longer-term occupancy remained weaker even as recent year-over-year trends improved.

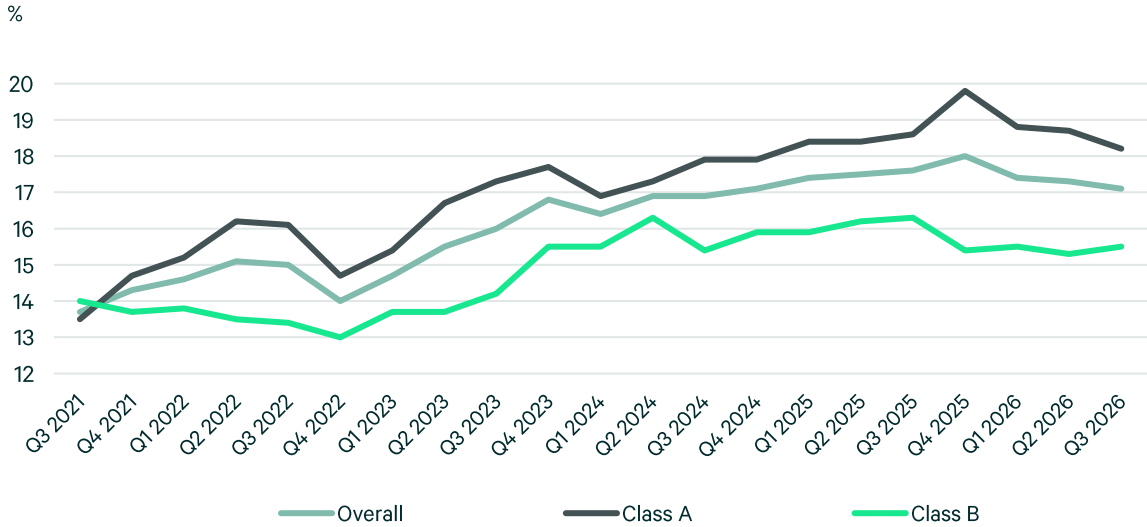
Vacancy rates this quarter varied widely across Orlando's major office submarkets, shaping different availability dynamics for users depending on location. East Orlando recorded the lowest overall vacancy at 8.9%, followed by Downtown Orlando at 10.8%, offering comparatively tighter options for space. At the other end of the spectrum, Airport/Lake Nona posted the highest overall vacancy at 32.9%, while several other submarkets, including Lake Mary/Heathrow, Maitland Center, North Orlando, South Orlando, Southwest Orlando, and University/Research Park, posted overall vacancy levels between 14.0% and 20.1%, signaling deeper availability in those areas.

Asking Rent

In Q3 2026, the overall average asking rent was \$29.67 per sq. ft., and office asking rents continued to trend higher with both overall and Class A rates reaching their highest levels in the data series. The overall rate in Q3 2026 was up quarter-over-quarter from \$28.34 per sq. ft. in Q2 2026 and year-over-year from \$28.14 per sq. ft. in Q3 2025, and stood \$4.01 per sq. ft. above the \$25.66 per sq. ft. recorded in Q3 2021. Class A space commanded \$33.55 per sq. ft. in Q3 2026, compared with \$31.49 per sq. ft. in Q2 2026 and \$30.70 per sq. ft. in Q3 2025, and was \$4.44 per sq. ft. above its Q3 2021 level of \$29.11 per sq. ft., underscoring a consistent pricing premium over the overall market throughout the period.

In Q3 2026, Class A asking rents were highest in East Orlando and Downtown Orlando, at \$41.58 per sq. ft. and \$37.48 per sq. ft., respectively. Southwest Orlando and Airport/Lake Nona also posted elevated Class A rents of \$35.57 per sq. ft. and \$32.54 per sq. ft., while South Orlando was at \$32.05 per sq. ft., contrasting with more moderate Class A pricing of \$29.74 per sq. ft. in University/Research Park and \$28.05 per sq. ft. in both Lake Mary/Heathrow and Maitland Center, and \$26.00 per sq. ft. in North Orlando. In most submarkets, Class B asking rents were lower than Class A, ranging from \$19.18 per sq. ft. in University/Research Park to \$29.42 per sq. ft. in Downtown Orlando, with most submarkets, including Lake Mary/Heathrow at \$20.22 per sq. ft. and Maitland Center at \$21.92 per sq. ft., reinforcing the gap between Class A and Class B pricing.

Figure 2: Vacancy Rates by Class



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Figure 3: Average Direct Asking Rate by Class



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Net Absorption

In Q3 2026, total office net absorption across Class A and Class B space was 111,000 sq. ft., indicating that occupiers took more space than they returned. This level exceeded the 32,000 sq. ft. of net absorption recorded in Q2 2026, signaling a stronger quarter-over-quarter expansion in occupied space. It also exceeded the negative 50,000 sq. ft. recorded in Q3 2025, marking a year-over-year swing from contraction to growth. Class A space drove most of the gain with 103,000 sq. ft. of net absorption, while Class B added 8,000 sq. ft., together reinforcing the improvement in demand across quality segments.

At the submarket level, Downtown Orlando posted the highest positive net absorption at 111,000 sq. ft., followed by Lake Mary/Heathrow with 45,000 sq. ft. Among the remaining submarkets with meaningful gains, University/Research Park recorded 34,000 sq. ft. of positive net absorption and North Orlando added 30,000 sq. ft., contributing additional occupancy growth. On the downside, Southwest Orlando posted the largest occupancy loss with negative net absorption of 116,000 sq. ft., while Maitland Center followed with negative 14,000 sq. ft., highlighting pockets of significant vacancy expansion.

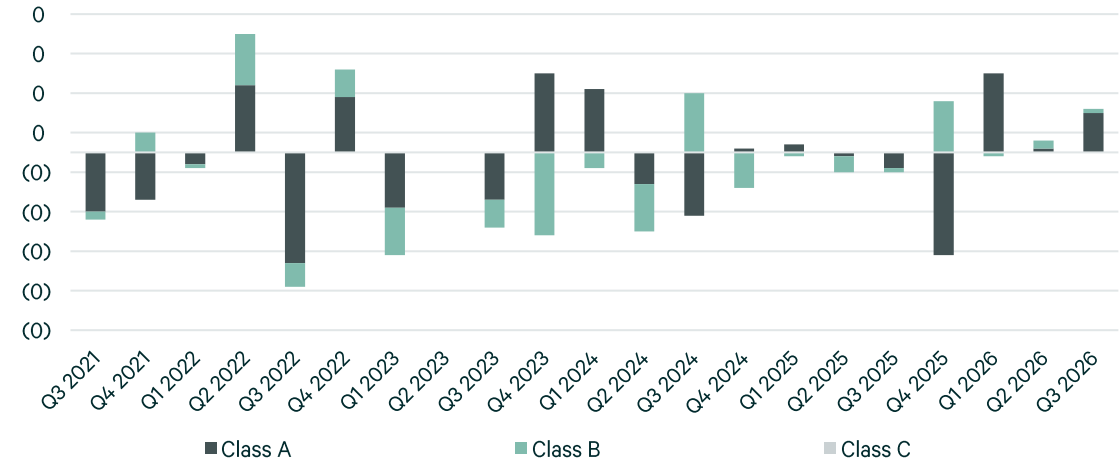
Construction Activity

In Q3 2026, the market recorded 40,000 sq. ft. under construction and no construction delivered, reflecting a modest level of development activity. Under construction space was unchanged quarter-over-quarter but fell by 30,000 sq. ft. year-over-year, while construction delivered remained at 0 sq. ft. on both a quarter-over-quarter and year-over-year basis, underscoring a very limited flow of new product even as 2026 year-to-date deliveries totaled 30,000 sq. ft.

In the submarket detail, North Orlando had a project underway, the 2255 S Orange Blossom Trail general office development totaling 40,000 sq. ft., which is scheduled for delivery in Q4 2026. North Orlando was the only submarket with under construction space.

Figure 4: Net Absorption Trend

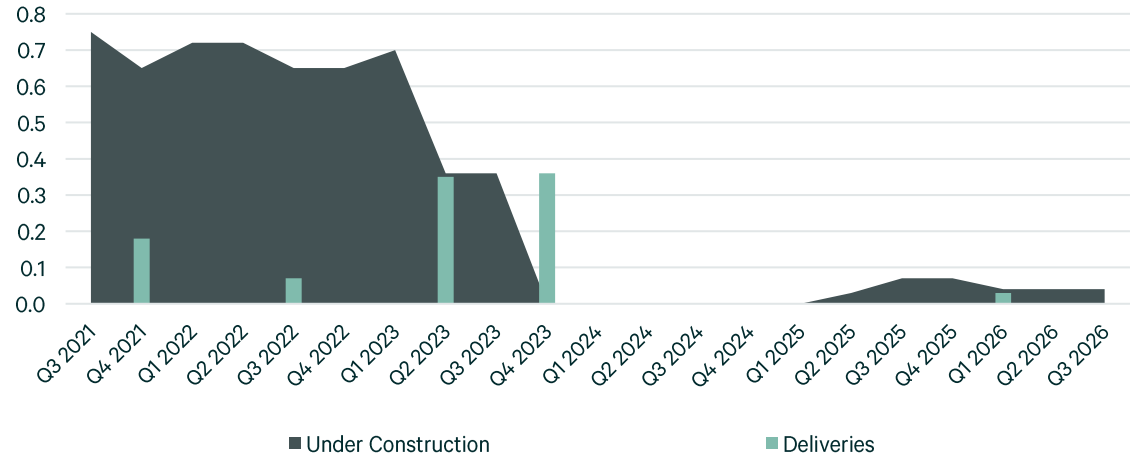
Sq. Ft. (millions)



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Figure 5: Construction Activity

Sq. Ft. Millions



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Leasing Activity

Leasing activity moderated in Q3 2026 following elevated 2025 leasing volumes. Tenants leased 347,000 sq. ft. in the quarter, while calendar year 2025 volume totaled 2.63 million sq. ft. across all property classes. Quarter-over-quarter, leasing declined from 889,000 sq. ft. in Q2 2026, a 60.9% decrease, and year-over-year it was down 66.2% compared with 1.03 million sq. ft. in Q3 2025.

Southwest Orlando and North Orlando saw the strongest leasing activity in the quarter among the tracked submarkets. Southwest Orlando recorded 90,000 sq. ft. of combined Class A and Class B leasing, while North Orlando posted 69,000 sq. ft. of Class B deals. Maitland Center (66,000 sq. ft.), Downtown Orlando (45,000 sq. ft.), University/Research Park (39,000 sq. ft.), Lake Mary/Heathrow (27,000 sq. ft.) and East Orlando (10,000 sq. ft.) also registered positive leasing activity.

Economic Overview

Notable challenges persist, from elevated energy costs and interest rates to lingering geopolitical and technological uncertainties. Despite these concerns, the U.S. economy remains on track to grow by over 2% during 2026, supported by impressive AI-driven business investment. Also, a generally stable labor market continues to underpin consumer activity, providing a cushion against other risks.

The final months of 2026 could prove pivotal. While economic growth supports healthy CRE occupier market fundamentals, the investment side of the market must contend with 5% Treasury yields. Signals from the Federal Reserve, inflation data, and global fixed-income markets suggest rates will remain elevated for the foreseeable future. A key upside catalyst would be a de-escalation in the U.S./Iran conflict, which could ease inflation and provide the Fed with more flexibility.

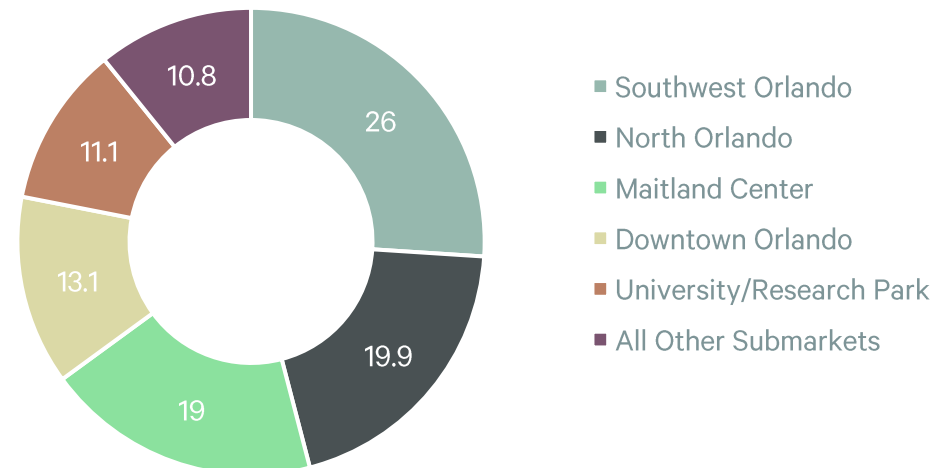
Figure 6: Leasing Activity Trend

Sq. Ft. (millions)



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Figure 7: Leasing by Submarket (% of Total Activity)



Market Statistics

Figure 8: Suburban Market Statistics by Class

Property Class	Net Rentable Area (SF)	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	15.65M	20.6	22.9	17.5	5.4	31.33	(8,000)	133,000	-	40,000
Class B	14.24M	15.5	19.3	17.1	2.2	22.91	10,000	(44,000)	-	-
Total	29.90M	18.2	21.2	17.3	3.9	27.36	2,000	89,000	-	40,000

Source: CBRE Research, Q3 2026

Figure 9: Urban Market Statistics by Class

Property Class	Net Rentable Area (SF)	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	6.54M	10.7	14.1	13.3	0.8	37.48	111,000	177,000	-	-
Class B	1.57M	11.1	10.7	10.7	-	29.42	(1,000)	67,000	-	-
Total	8.11M	10.8	13.5	12.8	0.6	36.46	110,000	244,000	-	-

Source: CBRE Research, Q3 2026

Market Statistics by Class

Figure 10: Metro Market Statistics by Class

Property Class	Net Rentable Area (SF)	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	22.19M	17.7	20.3	16.3	4.0	33.55	103,000	310,000	-	40,000
Class B	15.82M	15.0	18.4	16.5	2.0	23.46	8,000	23,000	-	-
Total	38.01M	16.6	19.5	16.3	3.2	29.67	112,000	333,000	-	40,000

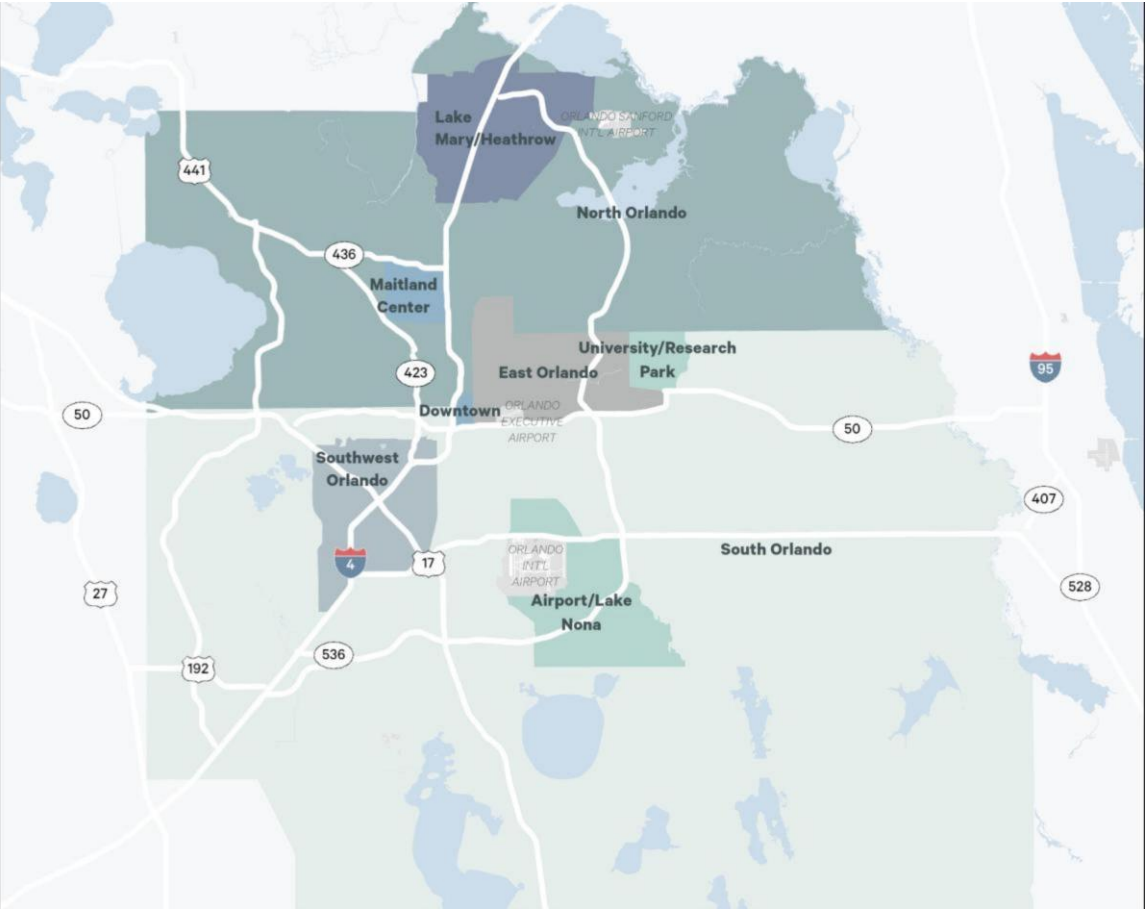
Market Statistics by Submarket

Figure 11

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate	Class A Asking Rent (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Airport/Lake Nona	1.46M	32.9	20.7	20.7	-	32.54	32.54	(4,000)	(10,000)	-	-
Downtown Orlando	8.11M	10.8	13.5	12.8	0.6	36.46	37.48	110,000	244,000	-	-
East Orlando	2.09M	8.9	15.1	14.2	1.0	27.14	41.58	(9,000)	23,000	-	-
Lake Mary/Heathrow	5.61M	17.8	24.2	22.8	1.4	26.03	28.05	41,000	30,000	-	-
Maitland Center	4.48M	16.8	18.4	15.1	3.3	23.43	28.05	(6,000)	7,000	-	-
North Orlando	2.95M	17.2	15.7	14.2	1.5	23.32	26.00	47,000	87,000	-	40,000
South Orlando	2.71M	14.0	15.1	14.8	0.3	31.55	32.05	1,000	11,000	-	-
Southwest Orlando	6.35M	20.1	21.5	16.2	5.3	31.93	35.57	(103,000)	(108,000)	-	-
University/Research Park	4.25M	19.9	30.2	18.1	12.1	28.94	29.74	35,000	49,000	-	-
Total	38.01M	16.6	19.5	16.3	3.2	29.67	33.55	112,000	333,000	-	40,000

Source: CBRE Research, Q3 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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