Three Big Predictions For Central Florida Retail

MARCH 4, 2016 | BY JENNIFER LECLAIRE

ORLANDO—Jorge Rodriguez, director of retail services for Colliers in Central Florida, offers trends worth thinking about as the market evolves.

Church Street Station is a historic train station and commercial development in Orlando.

ORLANDO—In nearly all Central Florida **retail** submarkets, landlords have the upper hand. According to **Colliers International**, existing retailers are expanding and new retailers are seeking space to enter the market.

Concessions are shrinking and tenants are regularly replaced with competitors bearing superior creditworthiness and who will pay higher rent. This, Colliers reports, is due to a low supply of quality product and the thriving Central Florida economy. This trend is expected to continue through 2016.

Jorge Rodriguez, director of retail services for Colliers in Central Florida, offers a stat worth noting: 424,000 square feet of **retail** space is currently under construction in Central Florida. Since that's 18 months worth of absorption, the market could become softer over the next 12 months.

"There are four trending tenant categories in the Central Florida **retail** market right now: boutique fitness, fast casual restaurants, grocery stores, and convenience stores," Rodriguez tells GlobeSt.com. "In addition, there a number of tenant categories that are growing quickly in the area, including quick service and sit down restaurants, wireless carriers and soft goods."

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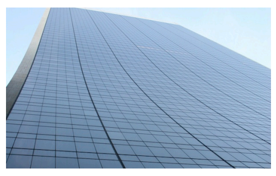

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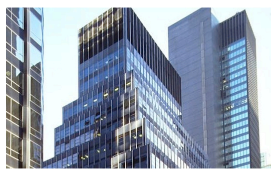

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With all of the data from 2015, he says forecasting for the coming year is a natural progression. Based on what we he is seeing the Central Florida **retail** market right now, he is making three big predictions.

1. Growth in the omnichannel retail provider. "For these users," he says, "the storefront, the webpage, the catalog and even the delivery experience all have to be similar to give the same level of customer experience."

2. Shrinking space needs from retail users. Inline and junior box tenants are all leasing less space, he says, not because they are doing less business, but because of the costly price of **commercial real estate**.

"Retailers are learning to optimize their space and their footprint to save money," Rodriguez says. "In addition, technology that helps retailers determine the number of SKUs to offer is now available at a price point that is attainable by smaller retailers—not just the Targets and the Walmarts of the world. That technology helps determine best-selling products and thus retailers can match square footage needs to this data."

3. A new focus on "internet resiliency." In the **retail** investment world, he says, there is a new focus on internet resiliency, or taking into account what percentage of a shopping center's tenants could be negatively affect by e-commerce or Internet retailing. "As a result," Rodriquez concludes, "investors are seeking a balanced mix or a majority of tenants not overly exposed to the success of exclusively online retailing in their space."

Jennifer LeClaire ›

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