ON THE GROUND: ORLANDO, FLA.

Retail, tourism fuel a strong recovery

However many lives cats might reportedly possess, they seem to have little if anything on the Florida city of Orlando. Written off during the recession as a place "devoid of all hopes of an economic uplift," Orlando has recovered impressively to become one of the fastest-growing cities in America, notes Sean Glickman, head of the Glickman Retail Group at Coldwell Banker Commercial, in Orlando.

Forbes ranked Orlando first among American cities for job growth last year — at 4.6 percent. The jobless rate there, meanwhile, fell to 5.1 percent, and the area added in some 950,000 new homes in 2014. Perhaps the most telling data point is this: Taken against some 80 metro areas across the country, the Orlando retail market placed tenth as measured by decreasing vacancies and increasing rents; Orlando's vacancy rate last year eased by 3 percent, while the rents rose by nearly that same percentage, according to Glickman, who cites all this data.

Cushman & Wakefield's numbers for Orlando-area retail might seem a bit less aggressive, perhaps, but still positive: Vacancies there eased by 0.6 percent in 2014, to 6.5 percent overall, according to the firm, while lease asking rates rose slightly, by 7 cents per square foot, to $15.48 per square foot. Greater Orlando is a huge retail market, at 160 million square feet, and helping things along has been a lack of new construction — just 500,000 square feet in 2014, with most new projects measuring less than 20,000

square feet, according to Ray Hayhurst, Orlando-based senior director of capital markets for Cushman & Wakefield.

Though development will not be significant this year, what is coming online will change the average-asking-rate equation. East Orlando, around the University of Central Florida, and the area near Orlando International Airport will see new development that is to be "dramatically higher in asking rental rates," according to Hayhurst. "The new class-A product will have asking rents in the high-$20-to-low-$30-a-square-foot range, triple-net. Most class-A and class-B neighborhood, grocery-anchored shopping centers saw rental rates drop to the high-teens-to-mid-$20 range during the recession."

The two biggest new developments in the metro area are both power centers, Hayhurst says. DDR Corp. is building the 295,000-square-foot Lee Vista Promenade, which will boast an Epic Theatres cinema, a HomeGoods, a Marshalls, a Petco and a Ross Dress for Less. In nearby Kissimmee, the 427,000-square-foot first phase of the Crosslands Shopping Center is nearing completion. Its developers are Orlando-based Tupperware Brands Corp. and New York City–based O'Connor Capital Partners, and this project, too, has lined up many national brands, including Academy Sports, Hobby Lobby and PetSmart.

There seem to be lots of brands and eateries heading to Orlando, but Glickman issues a caveat: "There are more retailers chasing space than there is good class-A space available," he said. In part this dearth can be attributed to the expansion of the grocery and restaurant sectors. In the grocery space, Publix dominates the Orlando area, but Walmart and Fresh Market are expanding, Whole Foods has opened two stores, and Trader Joe's opened its first two within the past year. Furthermore, Sprouts Farmers Market and Lucky's Market are looking the area over as well, notes Hayhurst. And several restaurants are newly entering Orlando, Glickman says. In the burgers-and-sports-bar category alone, Orlando has seen Boardwalk Fresh Burgers & Fries, Burger 21, Cheddar's Casual Cafe, Duffy's Sports Grill, PDQ, Smashburger and Shula Burger all open restaurants. At the upper end of the eatery market, there are some 20 chains opening restaurants — Blue Martini, Itta Bena, Lafayette's and Mango's Tropical Cafe among them, according to Hayhurst.

The average household income in Orlando is now slightly less than $104,000, according to Moody's, and now those families will have more places to eat — if they can get in, anyhow: A record 62 million tourists visited the region last year, and these are famously hungry people. — Steve Bergsman