

MEMORANDUM

To: Valerie Vaught, CRA Manager, City of Lakeland
Shelley Guiseppi, Project Manager, City of Lakeland
Jessica Rossi, AICP, Kimley-Horn

From: Kelley Klepper, AICP, Kimley-Horn
Jackie Peters, AICP, Kimley-Horn

Date: 18 February 2026

Subject: Dixieland Market Analysis Summary

1. Introduction

The real estate market summary provides demographic trends, economic indicators, and housing characteristics in the Dixieland CRA. It also highlights key performance metrics and recent development activity across the multifamily, retail, office, and hospitality sectors. This memo documents current market conditions from a real estate perspective and provides a benchmark to help guide future development opportunities. As directed by the City of Lakeland, all demand forecasts for Dixieland CRA are based on estimates prepared by Florida Economic Advisors.

2. Summary of Lakeland Redevelopment Area Economic and Market Analysis (*Florida Economic Advisors*)

Findings for the Dixieland Community Redevelopment Area (CRA) are based on the *Lakeland Redevelopment Area Economic and Market Analysis*, prepared by Florida Economic Advisors (FEA) for the City of Lakeland in 2025. The report, which is summarized in this section, provides market demand estimates for residential and commercial real estate sectors for the CRA Local Area, which was defined to include each of the CRA boundaries and surrounding properties. The Local Area geography captures the population, workforce, and real estate activity, most likely to generate near- and mid-term demand for residential and non-residential uses within the City's CRAs. As such, it provides a more precise measure of local market dynamics than broader countywide trends.



The City of Lakeland is positioned within one of Central Florida’s most dynamic growth corridors, benefiting from its location at the center of Polk County and along the I-4 regional economic axis between Tampa–St. Petersburg and Orlando. Polk County has evolved over the past several decades from an agriculture-based economy to a diversified regional marketplace anchored by logistics, healthcare, education, retail, and business services. As of 2025, the County is home to approximately 837,100 residents and nearly 398,000 jobs, with long-term forecasts indicating continued population and employment growth through 2050. This growth is characterized by increasing household incomes, a diversifying population, and a gradual shift toward older age cohorts, alongside continued in-migration of working-age households and families. These economic and demographic trends form a strong foundation for sustained real estate demand across multiple sectors.

Within this regional context, the Lakeland CRA Local Area has experienced particularly strong recent growth. Since 2020, the CRA Local Area has added nearly 9,000 residents (an 11.1% increase), with growth projected to continue through 2030. As of 2025, the Local Area is estimated to have nearly 90,000 residents. While household incomes within the CRA Local Area remain below countywide averages, they are steadily increasing, and employment density within and surrounding the Local Area is significant, with more than 46,000 jobs located in proximity. Retail trade, healthcare and social assistance, educational services, and accommodation and food services dominate the local employment base, reinforcing the CRA Local Area’s role as a mixed-use urban center serving both residents and a broader regional workforce.

Residential market conditions reflect both strong underlying demand and clear redevelopment opportunity. Countywide and Local Area trends indicate sustained household formation, declining apartment vacancy rates, and continued absorption of new multifamily product. The prepared market analysis indicates capacity for a meaningful level of new residential development within the three CRAs over the next decade, particularly rental apartments and condominium products that can serve workforce households, downsizing seniors, and new residents seeking walkable, centrally located neighborhoods.

The CRA Local Area is expected to generate demand for approximately 5,000 housing units over the next decade, or approximately 500 units per year. This represents about 12% of the forecasted growth in Polk County. More specifically, according to FEA, the three CRAs should experience demand of 200-250 units of high-density residential per year over the next ten years, nearly one-half of the total Local Area demand. This demand is expected to be split 65% rental and 35% ownership/ condominium.

Non-residential market conditions further reinforce the Local Area’s redevelopment potential. The office market is shaped by a growing base of healthcare, professional services, and institutional employers, with future demand favoring well-located, modern space that supports smaller users and flexible configurations. Industrial demand across Polk County remains strong, driven by the region’s logistics and distribution advantages, though opportunities within

the individual CRAs are more targeted toward employment-supportive and adaptive reuse formats. Retail and commercial activity are closely tied to population growth, rising household incomes, and the Local Area’s role as a service hub; future demand is expected to favor experiential, neighborhood-serving, and food-and-beverage uses that complement residential growth and downtown activity. The lodging market benefits from regional tourism, business travel, and event-driven visitation, suggesting opportunities for appropriately scaled hotel development that supports downtown Lakeland and CRA revitalization objectives.

Table 1 describes the forecasted 10-year demand across all three CRA’s. It considers County and Local Area growth. These forecasts are gross, and do not consider projects that are known to be either under construction or announced as proposed, which could reduce the total 10-year demand.

Table 1: Summary of Demand by Sector for the Lakeland CRAs

Real Estate Sector	Lakeland CRAs		
	10-Year Demand		Additional Description
Residential	2,000 - 2,500	Units	Mix of high-density for-sale (35%) and rental (65%) units.
Retail	170,000 - 295,000	Square Feet	Supported by CRA household growth and underserved categories.
Office	256,000 - 320,000	Square Feet	Well-positioned to capture up to 20% of County growth.
Industrial	130,000 - 160,000	Square Feet	Tech industrial would be a good fit for the CRAs.
Hospitality	350 - 450	Rooms	Small/midsize business class of 80-120 units/property.

Source: Florida Economic Advisors

Taken together, the economic, demographic, and real estate fundamentals outlined in this report suggest that the Lakeland CRA Local Area is well positioned for reinvestment and redevelopment. Continued population and employment growth, strengthening household incomes, and tightening market conditions across several real estate sectors are expected to drive demand for new residential, commercial, and mixed-use development. Strategic reinvestment within the individual CRAs can capture this demand, address existing market gaps, and support broader community redevelopment goals by aligning future development with the area’s economic trajectory and urban character.

3. Dixieland CRA Socioeconomic Characteristics

Demographics

An estimated 444 residents live in the Dixieland CRA as of 2025, accounting for nearly 0.4% of City’s total population (**Table 2**). Since 2010, Dixieland has grown modestly, adding 54 new residents for an increase of 13.8%. This represents a compound annual growth rate (CAGR) of 0.9%, lower than 1.4% for the City of Lakeland. The CRA captured 0.2% of the 2010-2025 City of Lakeland growth, indicating that other areas of the City are attracting more growth and development than the CRA. This reflects the established land uses within the CRA, where other areas of Lakeland offer more substantial greenfield development opportunities.

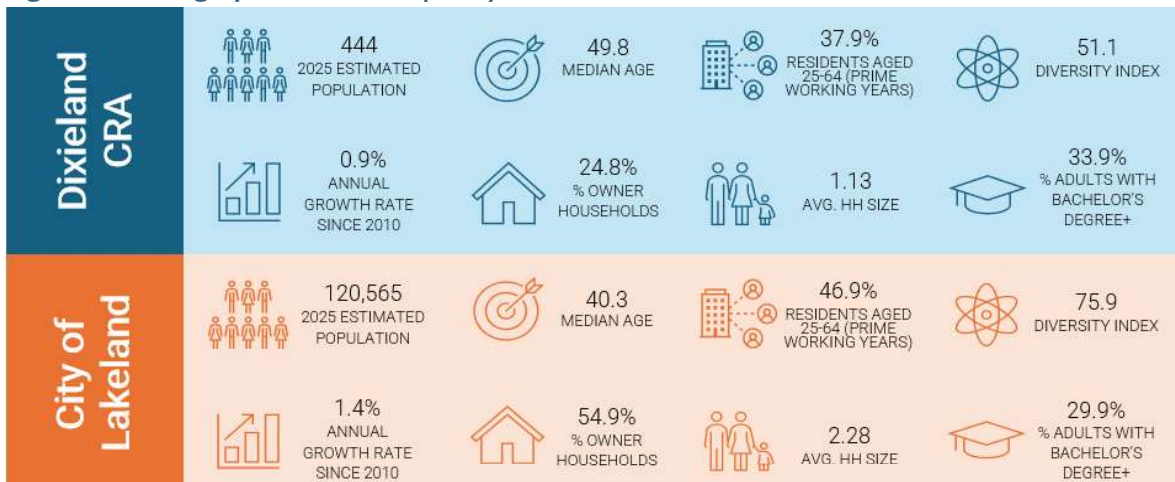
Table 2: Comparison of Population Trends, 2010-2025

Area	2010	2020	2025	2010-2025 Δ		
				#	%	CAGR
Dixieland CRA	390	407	444	54	13.8%	0.9%
City of Lakeland	97,396	112,641	120,565	23,169	23.8%	1.4%
Study Area % City	0.4%	0.4%	0.4%	0.2%		

Source: ESRI BAO; Kimley-Horn

Residents of the Dixieland CRA tend to be older when compared to Lakeland, with a median age of 49.8. This is nearly ten years older than the City average, reflecting the area’s popularity with retirees and seniors. This trend is further reflected in the lower share of residents in prime working years (37.9%) and smaller average household size (1.13). The City also has a higher rate of owner-occupied housing at 54.9%, indicating more variety in housing product when compared to the CRA. Educational attainment in Dixieland is comparatively high, with more than one-third of adults holding a bachelor’s degree or higher, surpassing the City share of 29.9%.

Figure 1: Demographic Overview (2025)



Source: ESRI BAO; Kimley-Horn

Dixieland is less racially diverse, with a diversity index of 51.1 compared to 75.9 Countywide. ESRI’s diversity index is a demographic metric measuring the racial and ethnic diversity of a specific geographic area on a scale from 0 to 100. It represents the probability that two people chosen at random belong to different race/ethnic groups, where 0 indicates no diversity and 100 represents maximum diversity.

Although population increased in the CRA, households have declined, signaling a gradually increasing household size. As shown in **Table 3**, households in the CRA declined slightly from 349 to 328 between 2010 and 2025. During the same time, the City of Lakeland added nearly

8,600 new households, increasing by 21.0% to 49,322 in 2025. The CRA’s share of the total households in the City has declined from 0.9% in 2010 to 0.7% in 2025.

Table 3: Comparison of Household Trends, 2010-2025

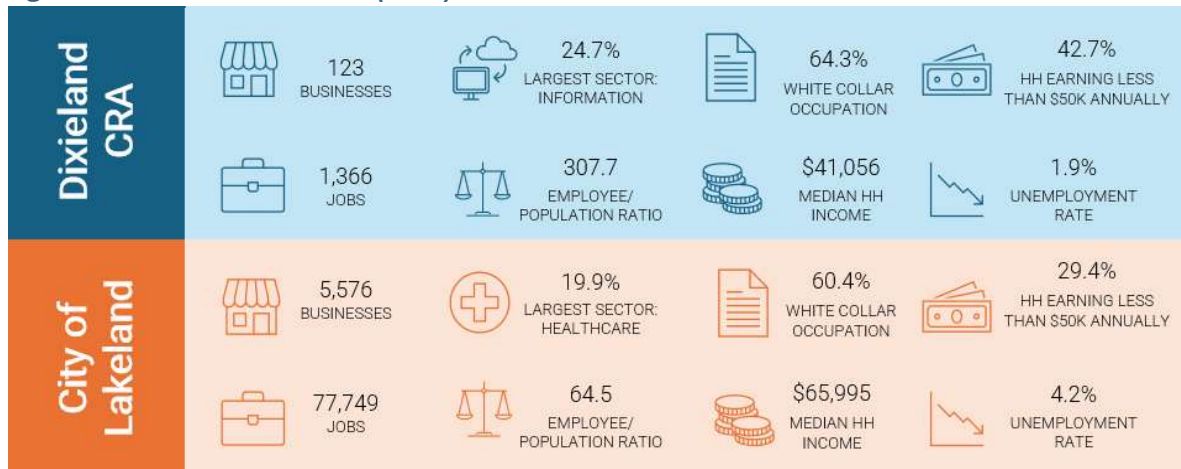
Area	2010	2020	2025	2010-2025 Δ		
				#	%	CAGR
Dixieland CRA	349	311	328	-21	-6.0%	-0.4%
City of Lakeland	40,759	45,636	49,322	8,563	21.0%	1.3%
Study Area % City	0.9%	0.7%	0.7%	-0.2%		

Source: ESRI BAO; Kimley-Horn

Employment

The Dixieland CRA hosts 123 businesses with a total of approximately 1,366 jobs. This results in an employee to population ratio of 307.7. Comparatively, the City of Lakeland hosts more than 77,000 jobs, with the most dominant industry being Healthcare. Dixieland has a slightly higher share of white-collar occupations (64.3%) compared to the City average (60.4%). However, the median household income of \$41,056 in the CRA is lower than the City’s \$65,995. With an older median age, incomes in the CRA are likely influenced by households that are living off retirement savings. More than 42% of CRA households earn less than \$50,000 annually.

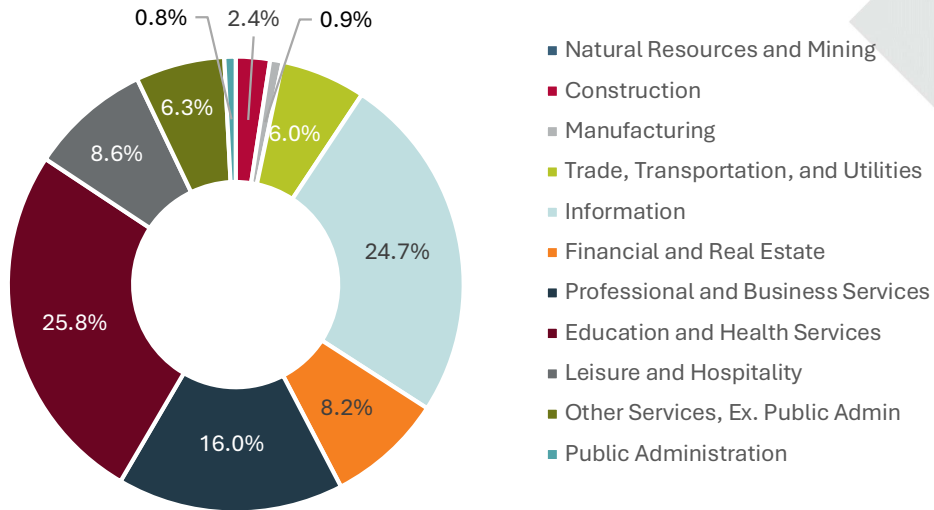
Figure 2: Economic Overview (2025)



Source: ESRI BAO, Kimley-Horn

As shown in **Graph 1**, the Dixieland CRA hosts a variety of jobs across multiple sectors. Approximately 24.7% of the jobs in the CRA are in Information. An additional 25.8% of the jobs are split across two sectors: Healthcare and Social Assistance and Education Services. Other notable industries include Professional and Business Services (16.0%), Leisure and Hospitality (8.6%), and Finance and Real Estate (8.2%).

Graph 1: Share of Jobs by Sector, Dixieland CRA, 2025



Source: ESRI BAO, Kimley-Horn

As of 2023, nearly 590 people traveled to the Dixieland CRA for work daily, with 159 employed residents traveling out, demonstrating an in-commuting pattern. Very few people (estimated at four) live and work in the CRA. This commuting pattern reflects the high employee-to-population ratio of the CRA. It also supports demographic data that suggests a higher-than-average age with higher shares of older residents that may be exiting the workforce. Approximately 22.3% of those who commute out of the CRA for work stay within the City of Lakeland. The most common locations where workers commute from into the CRA include elsewhere in Lakeland (30.9%), Bartow (8.8%), Tampa (6.1%), Highland City (2.8%), and Orlando (2.1%).

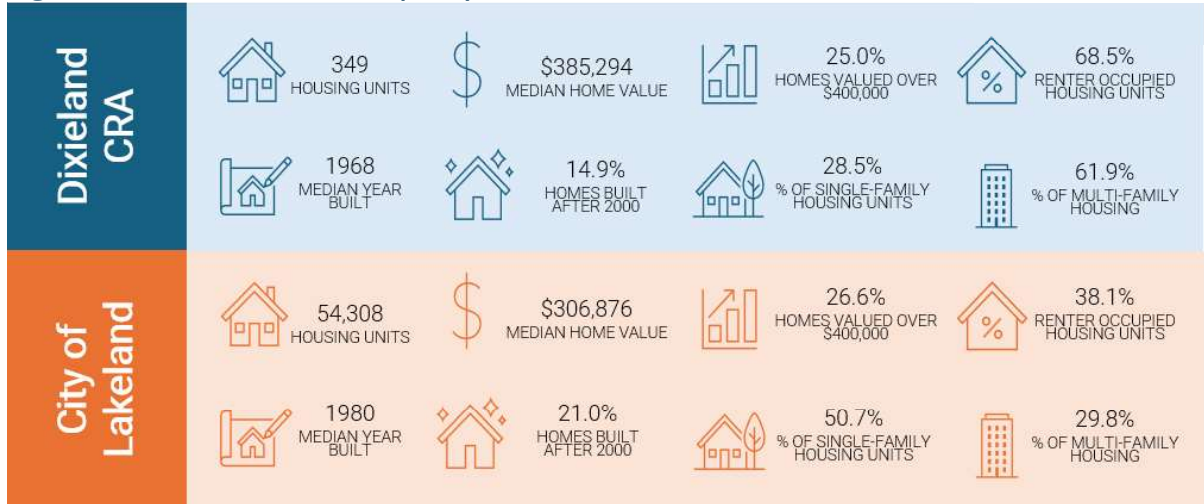


4. Dixieland CRA Real Estate Characteristics

Residential

The housing inventory in the CRA represents approximately 0.6% of the City’s supply. Roughly 15% of housing units in the Dixieland CRA were completed after 2000, and the median year built was approximately 1968. The residential units around Dixieland represent long-established historic neighborhoods, many with smaller lots. Bolstered by the locational advantage and amenities, the median home value for the CRA is approximately 25.6% higher than Lakeland’s median. An estimated 25% of homes are valued above \$400,000, compared to the 26.6% share reported for the City. Single-family housing makes up less than 30% of the residential inventory in Dixieland, while about 68.5% is multi-family housing.

Figure 3: Residential Overview (2025)

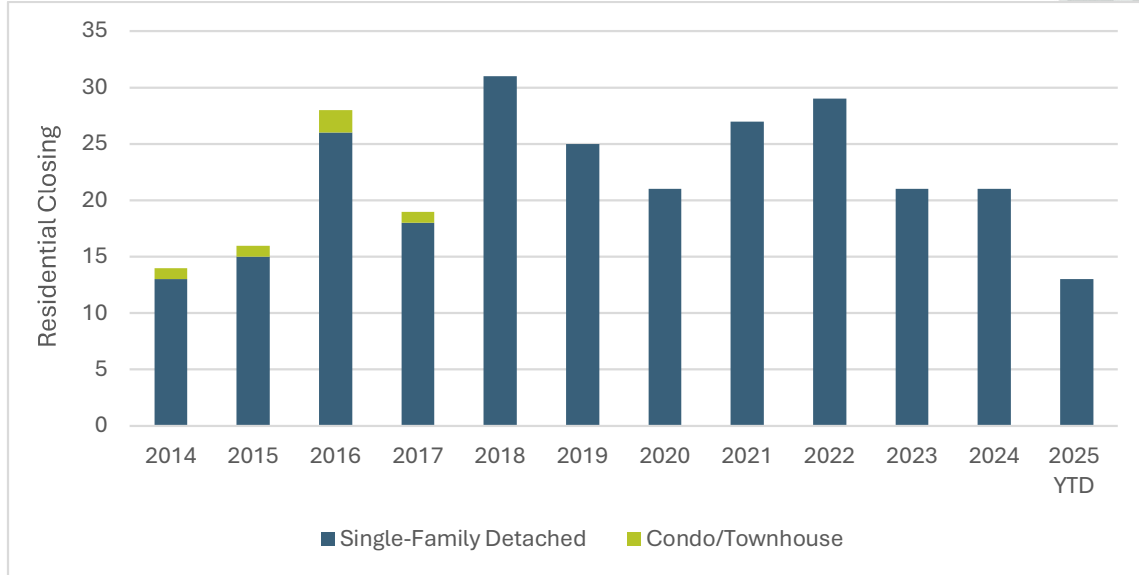


Source: ESRI BAO; Kimley-Horn

For-Sale Residential

High-level for-sale residential performance trends for the past five years have been provided for the Dixieland CRA. Data is based on tax parcel data that tracks sale dates and prices from the Polk County Property Appraiser. For-sale housing activity in the CRA has primarily been driven by a modest number of single-family detached closings, peaking at just over 30 in 2018. Between 2014 and September 2025 there were 265 total closings across single-family detached homes and townhomes/condos (**Graph 2**). Single-family detached homes comprised 98% of all closings with condominiums/townhouses representing only five total residential transactions since 2014.

Graph 2: For-Sale Residential Closings, Dixieland CRA, 2014-2025 (YTD)

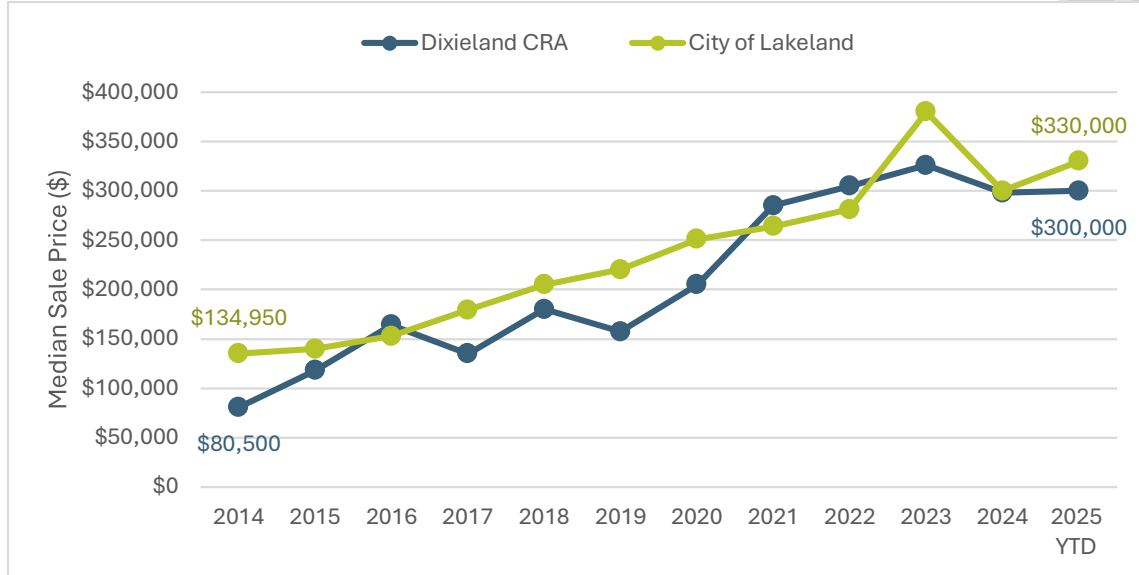


Source: Polk County Property Appraiser; Kimley-Horn

It should be noted that between 2014 and September 2025, the City of Lakeland reported approximately 32,900 residential closings. Closings peaked in 2020 at more than 3,900 in an annual period before slowing slightly in more recent years. This is consistent with national and regional trends. The CRA represented 0.8% of the total for-sale residential closings since 2014. Single-family detached transactions comprised 87.3% of all sales in the City of Lakeland between 2014 and 2025.

Median home sale prices in the CRA and the City of Lakeland have risen substantially since 2014 (*Graph 3*). As of September 2025, the median sale price in the CRA was \$300,000, compared to \$330,000 in the City of Lakeland. Between 2014 and September 2025, the median closing price in the CRA increased from \$80,500 to \$300,000. While there were only five attached residential closings in the CRA since 2014, these units typically generate a premium over the single-family detached averages.

Graph 3: Comparison of For-Sale Closing Price, 2014- 2025 (YTD)



Source: Polk County Property Appraiser; Kimley-Horn

Multifamily Rentals

According to CoStar, there are 52 multifamily rentals in professionally managed communities with at least ten units. As shown in **Table 4**, approximately 77.0% of the units were built before 1970, with another 23% completed in the 1970s. There has been no change in inventory more than four decades. Dixieland CRA multifamily consistently remains highly occupied with limited movement in annual net absorption. The CRA’s multifamily inventory comprises 0.3% of both the City-wide and CRA local area totals.

Table 4: Multifamily Inventory, Dixieland CRA, 2025

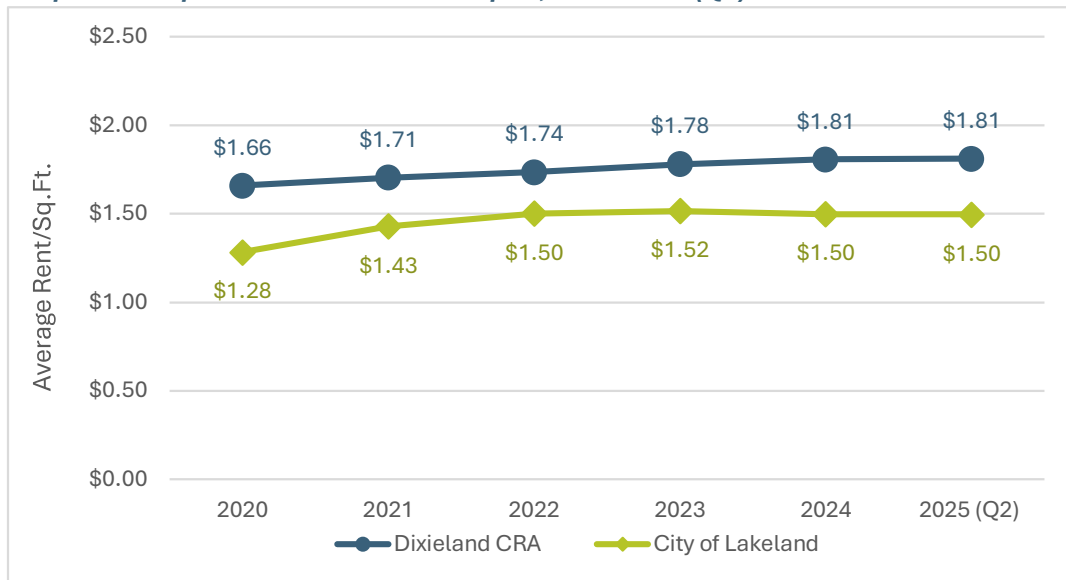
Decade Completed	Units	% of Total
Before 1970	40	76.9%
1970s	12	23.1%
1980s	0	0.0%
1990s	0	0.0%
2000s	0	0.0%
2010s	0	0.0%
2020s	0	0.0%
Total	52	100.0%

Source: CoStar; Kimley-Horn

The average rent per square foot in the Dixieland CRA has consistently exceeded that of the City since 2020 (**Graph 4**). Rents have increased in the CRA by 9.1% since 2020. Comparably, rents

in the City of Lakeland grew quickly between 2020 and 2022, tapering off as communities offered concessions to lease up new properties. The City of Lakeland has added nearly 2,500 new units since 2020.

Graph 4: Comparison of Retail Rent/Sq.Ft., 2020- 2025 (Q2)



Source: CoStar; Kimley-Horn

Residential Demand and Opportunities

Residential could play a role in supporting future development opportunities for the Dixieland CRA. New rooftops could help to activate the area and drive demand for commercial uses, most notably retail. The buildings can also be leveraged to help create the form and massing desired for the CRA, while also creating a buffer between commercial uses and nearby single-family neighborhoods.

For the entire Lakeland community, future residential demand will likely continue to be accommodated in a variety of product types. While approximately one-half of the housing inventory is single-family detached, momentum has been building in the construction of multifamily developments. As the community continues to grow, it is important to expand the types, tenures, and price points of available housing in order to attract new residents and businesses. Depending on the availability of suitable lots, multifamily residential can play a critical role in supporting the diversification of housing and creating a unique activity node where residents can live, work, and play.

Based on the demand forecasts prepared by FEA, demand for residential across the three Lakeland CRAs is expected to be 2,000 to 2,500 units over the next decade. Dixieland currently comprises a small share, less than 5%, of the total inventory of multifamily residential, the most likely development type for this area. Based on a 5% capture of the future demand projected by

FEA, Dixieland would generate demand for up to **125 residential units over the next ten years**. This influx would represent a strong growth rate over the 52 units that currently exist. New units would largely gravitate towards multifamily residential, with rental representing the most immediate opportunity for the CRA. Site assemblage would likely represent the most notable challenge to delivering this product in project sizes that would be attractive to developers.

Historically, vacancy rates for the CRA’s rental product have been very low. Rates have grown modestly, limited by a lack of new, modern supply. Multifamily can be delivered in densities that quickly increase rooftops and drive demand for commercial uses that create a walkable live-work-play environment. As the CRA evolves and price points rise, residential units could be incorporated on upper floors in mixed-use developments containing ground-floor retail. However, initially residential will likely be single use with adjacencies to the commercial core.

Longer-Term Patience or Public Investment/Incentives Likely Required

Short-Term Market Demand for Private Investment

<u>Target Residential Profile</u>	<u>Product Types</u>	<u>Typical Rent/Sq.Ft. (2026 \$)</u>
Singles	Townhouses (infill)	\$1.75-\$2.00 per square foot
Younger Couples	Missing Middle (infill)	
Empty Nesters / Retirees	3-4 story multifamily	
	Mixed-use above retail	

Barriers to Entry

- Lack of new supply in the CRA could limit momentum in the short-term
- Land assemblage for substantial development sites
- Price points for mixed-use units above retail may not yet be supported based on local market dynamics

Retail

As shown in **Table 5**, there is currently 172,683 square feet of retail space in the Dixieland CRA. This inventory makes up 1.1% of the City of Lakeland total and 2.5% of the CRA Local Area, as reported by FEA. Most of the retail space in the CRA was built prior to 1970, representing 72.5% of the total. The next most active decade of completion was the 2000s, adding more than 30,000 square feet of space. No new retail projects have been completed in the current decade.

Table 5: Retail Inventory, Dixieland CRA, 2025

Decade Completed	Sq. Ft	% of Total
Before 1970	125,149	72.5%
1970s	7,300	4.2%
1980s	7,230	4.2%
1990s	0	0.0%
2000s	30,064	17.4%
2010s	2,940	1.7%
2020s	0	0.0%
Total	172,683	100.0%

Source: CoStar; Kimley-Horn

Vacancy rate and price point data for retail space in the CRA is limited as much of the space is owner-occupied or is not reporting data to CoStar. No new space has been built in recent years and annual net absorption for retail space has averaged 2,000 square feet per year. This absorption rate is likely limited from the lack of new supply. As of the second quarter of 2025, the reported vacancy rate for retail space in the Dixieland CRA is 2.5%, indicating a very tight market. While rents are not widely reported for the CRA, an inventory of more modern spaces indicate that renovated space typically has price points in the \$20-\$30 per square foot range depending on size and use.

Retail Gaps in the CRA

The 2025 commercial and retail gap analysis for the Lakeland CRA Local Area evaluates the balance between consumer purchasing power and existing retail and restaurant supply. Overall, the analysis indicates that the broader trade area is highly competitive and, in aggregate, somewhat oversupplied with retail space. However, this does not suggest that new retail development is unwarranted within the CRA. Rather, it highlights that only select retail and food-and-beverage categories demonstrate measurable unmet demand when purchasing power is compared to existing sales. These gaps represent targeted opportunities for additional square footage in formats that align with urban, mixed-use environments rather than large-format or auto-oriented retail.

For the Dixieland CRA specifically, these findings reinforce the importance of strategic, corridor-scaled retail positioning rather than broad retail expansion. Categories showing unmet demand—such as specialty food stores, apparel and accessory boutiques, liquor and beverage-oriented uses, small-format sporting or household goods, and snack or beverage-focused establishments—are well suited to Dixieland’s historic, walkable character and proximity to downtown. These uses complement an emerging mix of residential, office, and cultural activity and support incremental storefront activation along a historic corridor. While the market does not support large-scale retail growth, Dixieland is well positioned to capture

niche, experience-oriented retail and food-and-beverage demand that enhances corridor identity, supports local entrepreneurship, and strengthens connections between downtown Lakeland and surrounding neighborhoods.




Retail Demand and Opportunities

A critical part of community amenities, commercial development is important to activate space and draw in visitors and shoppers. While some commercial uses, primarily office and hospitality, will require development momentum to be displayed before they are viable uses, retail can be incorporated into mixed- or multi-use projects to provide a short-term opportunity.

The Dixieland CRA offers opportunities for a variety of retail types, including ground-floor offerings and free-standing spaces. Many of the tenants that are likely to gravitate here are likely to be small, locally or regionally owned businesses that will seek smaller suites and are typically price sensitive. Retail buildings should be appropriately scaled to support multi-modal activity, most importantly creating nodes of pedestrian movement. Often time, retail and office users can share similar building formats, but retail should be prioritized for ground-level uses on key corridors of the CRA area.

Based on the demand forecasts prepared by FEA, demand for retail across the three Lakeland CRAs is expected to be 170,000 to 295,000 square feet over the next decade. Dixieland currently comprises a small share, less than 5%, of the total inventory of retail space in the CRA Area as defined by FEA. This analysis assumes the CRA's capture of future retail need would be higher at 10% given its proximity to downtown, Florida Southern University, and established higher-income neighborhoods. Recent retail renovations have proven successful in attracting tenants and the CRA is likely more limited by product than actual demand. Based on a 10% capture of the future demand projected by FEA, Dixieland would generate demand for up to **29,500 square feet of retail over the next ten years.**

Community-serving retail presents a strong opportunity for non-residential development in the CRA as vacancy for retail has remained extremely tight in recent years. The continued growth in rooftops in Lakeland will help drive greater demand for new retail to be added. Increases in young families and retiree households will help to support destination retail that offers experience through development form, community spaces, and walkability. These features are often coupled with a unique atmosphere that cannot be easily duplicated in new suburban developments. The retail space should be designed to be appropriately scaled and pedestrian friendly. Spaces should be small, keeping price points in line and not overburdening locally owned companies with excess space. The retail developments could also incorporate some upper floor residential over time.

Longer-Term Patience or Public Investment/Incentives Likely Required

Short-Term Market Demand for Private Investment

<u>Target Tenant Profile</u>		<u>Typical Rent/Sq.Ft. (2026 \$)</u>
Restaurants	Ice Cream/Gelato	\$25.00-\$30.00 per square foot
Bar/Brewery/Nightlife	Fitness	
Coffee Shop	Health/Beauty Services	
Café/Bakery	Gift Boutique/Shopping	

Barriers to Entry

- Price points required for modern mixed-use spaces are likely more than small, local business owners can afford
- Lack of new inventory and data points may be challenging to underwrite deals

Office

As shown in **Table 6**, there is approximately 330,000 square feet of office space in the Dixieland CRA. This inventory makes up 3.9% of the City of Lakeland total and 7.8% of the CRA Local Area, as reported by FEA. Most of the office space in the CRA was built prior to 1970, representing almost 60% of the total. The next most active decade of completion was the 1990s, adding nearly 100,000 square feet of space. No new retail projects have been completed since 2010.

Table 6: Office Inventory, Dixieland CRA, 2025

Decade Completed	Sq. Ft .	% of Total
Before 1970	197,495	59.8%
1970s	18,714	5.7%
1980s	98,896	30.0%
1990s	3,652	1.1%
2000s	11,395	3.5%
2010s	0	0.0%
2020s	0	0.0%
Total	330,152	100.0%

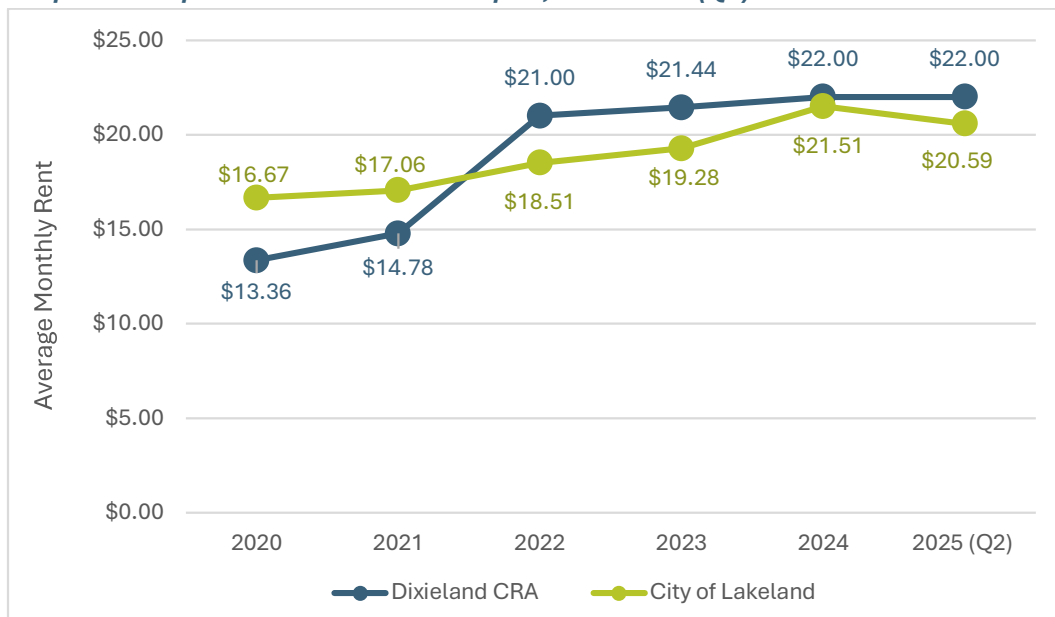
Source: CoStar; Kimley-Horn

Office market conditions within the Dixieland CRA have been consistently tight, underscoring the area’s appeal to small and mid-sized users seeking character-driven space near downtown. Vacancy rates have remained low over the past five years, declining from approximately 5% percent in 2020 to just 1% percent as of the second quarter of 2025. Even during periods of

broader market adjustment, vacancy in Dixieland has remained below stabilized market norms, indicating limited available inventory and steady absorption. This pattern suggests that demand for office space in the corridor is being constrained less by market interest and more by the availability of suitable buildings and floorplates.

Rental rate trends further reinforce this dynamic. Base rents have climbed steadily over the period, increasing from the mid-teens to approximately \$22.00 per square foot, reflecting improving revenue potential even within largely older, adapted building stock (*Graph 5*). These price points are indicative of a market that is rewarding well-located, distinctive office environments, particularly those offering walkability, architectural character, and proximity to downtown amenities.

Graph 5: Comparison of Office Rent/Sq.Ft., 2020- 2025 (Q2)



Source: CoStar; Kimley-Horn


Office Demand and Opportunities

For the Dixieland CRA, these conditions point to a clear market niche rather than large-scale office expansion. The corridor is well positioned to support incremental, adaptive reuse-oriented office development, including professional services, creative firms, medical or quasi-medical offices, and nonprofit or institutional users who value location and identity over large, Class A formats. This space will likely co-locate with retail offerings. Persistently low vacancy and rising rents suggest that modest reinvestment in existing buildings—through renovations, flexible layouts, and improved streetscape connectivity—could be absorbed quickly. As downtown Lakeland continues to evolve, Dixieland’s role as a complementary, character-rich

office corridor is likely to strengthen, supporting reinvestment strategies aligned with historic preservation and mixed-use revitalization.

Office development in Dixieland represents a mid- to long-term opportunity as other real estate sectors help to create a more integrated land use pattern that would be attractive to tenants. Anchoring office uses can be leveraged to spur future development. In the interim, retail space could also include a small amount of professional office space, which could be accommodated on upper floors of the buildings. This office space would likely be limited to users that are seeking to be close to possible clients. As the CRA evolves, mixed-use spaces with second-floor offices could emerge as a potential use.

Based on the demand forecasts prepared by FEA, demand for office across the three Lakeland CRAs is expected to be 256,000 to 320,000 square feet over the next decade. This analysis assumes the CRA’s capture of future retail need would be approximately 5% given its proximity to downtown and established higher-income neighborhoods. Based on a 5% capture of the future demand projected by FEA, Dixieland would generate demand for up to **16,000 square feet of office over the next ten years**. Again, much of this space will likely co-locate in retail developments, supporting smaller businesses that are seeking space near current or future clients.



Longer-Term Patience or Public Investment/Incentives Likely Required

Short-Term Market Demand for Private Investment

<u>Target Tenant Profile</u>	<u>Typical Rent/Sq.Ft. (2026 \$)</u>
Professional Services	\$25.00-\$30.00 per square foot
Law	
Insurance	
Finance	
Smaller Medical Practices	

Barriers to Entry

- Price points for CRA office spaces are likely not high enough to support mixed-use development
- Tenant upfits costs may be prohibitive for smaller, early tenants

Hospitality

There are currently no hotel properties in the CRA so no trends are available to report from a historic standpoint. Based on data provided by FEA, the Lakeland CRA Local Area functions as the primary lodging hub for the community, capturing more than 30% of Polk County’s hotel

inventory and nearly three-quarters of the Lakeland Electric Service Area supply. Recent performance metrics indicate a healthy and stable lodging market, with average occupancy of approximately 67% and average daily rates near \$114, slightly outperforming countywide conditions. While hotel development activity within the CRA has been modest over the past decade, the area has accounted for all new room deliveries over the past year, signaling renewed interest and strengthening fundamentals. Limited near-term hotel construction in the broader market further suggests constrained supply and favorable conditions for well-positioned new lodging investment.

For the Dixieland CRA, these findings point toward selective, small-to-mid-scale lodging opportunities in the long-term, outside of the ten-year forecast period. As such, **no demand for hotel room is assumed for the next ten years**, leaving the limited demand to be allocated across the other two CRA boundaries. Dixieland's historic character, proximity to downtown Lakeland, nearby employment centers, cultural venues, and local institutions align well with boutique, lifestyle, or adaptive-reuse hotel concepts that emphasize walkability and neighborhood identity. As we look beyond a ten-year horizon, when integrated into thoughtfully planned mixed-use environments, lodging in Dixieland could reinforce downtown visitation, support local retail and dining, and enhance the corridor's role as a complementary destination rather than a competing hotel district.

5. Demand Summary and Conclusion

The Dixieland Community Redevelopment Area occupies a distinct position within Lakeland's broader redevelopment framework. While the CRA represents a relatively small share of the City's population and building inventory, its historic character, proximity to downtown, and concentration of employment-supportive uses position it to capture a targeted share of future market demand. Based on forecasts prepared by Florida Economic Advisors and refined through this market analysis, Dixieland's development opportunities over the next ten years are best understood as incremental, corridor-scaled, and context-sensitive, rather than large-format or high-intensity redevelopment.




Over the next decade, Dixieland is projected to support demand for approximately 125 residential units, primarily in multifamily rental formats, with limited ownership opportunities emerging over time as price points rise. While this represents a modest share of overall CRA residential demand, it would constitute a meaningful increase relative to the existing residential base and would help introduce new rooftops that support commercial activity along the corridor. New residential development in Dixieland is most likely to occur through small-scale infill, missing-middle formats, or multifamily projects on assembled sites, with mixed-use configurations becoming more viable in the longer term as the district continues to mature.

Retail demand in Dixieland is similarly focused and strategic. Based on a projected capture of approximately 10 percent of future CRA retail demand, Dixieland could support up to 29,500 square feet of additional retail space over the next ten years. Given persistently low vacancy, an aging building stock, and limited new construction, the primary opportunity lies in the

renovation and repositioning of existing storefronts rather than net new square footage. Retail demand is best suited to neighborhood-serving, experiential, and food-and-beverage uses that align with Dixieland’s walkable, historic corridor character and complement downtown Lakeland rather than compete with it.

Office development represents a modest but important secondary opportunity for Dixieland. With consistently low vacancy and rising rents, the corridor is positioned to capture up to 16,000 square feet of office demand over the next decade, primarily through adaptive reuse and small-format professional space. Office uses are most likely to co-locate with retail or occupy upper floors in mixed-use or rehabilitated buildings, serving professional services, creative firms, and small medical or institutional users seeking proximity to clients and downtown amenities.

Hospitality demand within Dixieland is not assumed within the ten-year forecast horizon. While the broader CRA Local Area functions as Lakeland’s primary lodging hub, near-term hotel demand is expected to be absorbed within the other CRA boundaries. Over the longer term, Dixieland’s historic fabric and central location could support boutique or adaptive-reuse lodging concepts as part of mixed-use destinations; however, such opportunities are anticipated to emerge beyond the current planning horizon.

Dixieland CRA Ten-Year Demand Summary				
	 HOUSING	 RETAIL	 OFFICE	 HOTEL
Lakeland CRA Demand Forecast (FEA)	2,000 – 2,500 Units	170,000 – 295,000 Square Feet	256,000 – 320,000 Square Feet	350-450 Rooms
Dixieland CRA Capture Rate	5.0%	10.0%	5.0%	0.0%
Dixieland CRA Demand Forecast	125 Units	29,500 Square Feet	16,000 Square Feet	0 Rooms

In summary, Dixieland’s market outlook supports a measured reinvestment strategy focused on residential infill, small-scale retail activation, and adaptive reuse of office space. Continued public investment in streetscapes, infrastructure, and building rehabilitation—paired with targeted incentives—can help unlock private investment, reduce development barriers, and reinforce Dixieland’s role as a complementary, character-rich corridor connecting downtown Lakeland to surrounding neighborhoods. This approach aligns market demand with historic preservation goals and positions Dixieland for sustainable, incremental revitalization over time.