

Yardi® Matrix

MULTIFAMILY REPORT

Orlando Shifts Down A Gear

Spring 2020

Deliveries Pump the Brakes

Transaction Activity Endures

Travel Restrictions Prompt Steep Job Cuts



ORLANDO MULTIFAMILY

Yardi® Matrix

Rent Growth Plummets Amid COVID-19 Crisis

With a consistently strong pipeline and unemployment claims concentrated in the leisure and hospitality sector—the backbone of the metro's economy—Orlando's multifamily market is facing a double threat. Rents contracted 0.4% year-over-year through April to an average of \$1,347, the steepest decline among major U.S. metros.

Tourism and entertainment were severely impacted by social distancing and shelter-in-place measures. Theme parks, resort hotels and conference centers have been shuttered since mid-March, which resulted in tens of thousands of furloughs, layoffs and pay-check reductions. However, the news is not all bad. HCA Healthcare Inc. and the University of Central Florida moved forward with their \$175 million teaching hospital in Lake Nona's burgeoning 650-acre Medical City life sciences hub, and aircraft company Aerion Supersonic revealed its plan to invest \$300 million in a new campus in Melbourne. In the meantime, as of May 17, some 900,000 Florida unemployment claims, out of a total of nearly 1.6 million submitted, were paid.

A little over 1,200 units came online, and \$994 million in multifamily assets traded in Orlando in the first four months of 2020. Amid elevated supply volumes and an economy facing dwindling jobs, rent growth is bound to deteriorate further in the near term.

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Recent Orlando Transactions

The Parkway at Hunter's Creek



City: Orlando, Fla.
Buyer: Priderock Capital Partners
Purchase Price: \$105 MM
Price per Unit: \$210,685

Indigo West



City: Orlando, Fla.
Buyer: LivCor
Purchase Price: \$91 MM
Price per Unit: \$198,465

Integra Sunrise Parc



City: Kissimmee, Fla.
Buyer: Bluerock Real Estate
Purchase Price: \$67 MM
Price per Unit: \$223,333

Enders Place at Baldwin Park



City: Orlando, Fla.
Buyer: TA Realty
Purchase Price: \$53 MM
Price per Unit: \$241,591