



New Supply Sweeps Orlando

Multifamily Fall Report 2016

**Above-Average Rent Increases Likely to Compress
Construction Projects Fuel Sector Job Boom
Workforce Housing Piques Investor Interest**

ORLANDO MULTIFAMILY

YARDI® Matrix

Market Analysis

Fall 2016

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Orlando's Ongoing Supply Surge

With Orlando one of the country's fastest-growing metros based on population and employment, its multifamily market is expanding rapidly. The metro's strengthening economic fundamentals include a thriving hospitality industry, growing technology sector, and stout development and transaction activity.

Although tourism remains Orlando's economic pillar, this year other industries saw record growth, especially the construction sector. Development is booming, with more than \$15 billion worth of projects underway, including everything from infrastructure to mixed-use developments to the Major League Soccer stadium downtown. The improvements to the quality of life and growing job base are enticing young professionals to move to Orlando in record numbers. Some 28% of the metro's population are Millennials, ranking second among markets with equivalent economic growth.

As rents grow, the increasing lack of affordable housing is becoming an issue as many low-income workers spend more than half their income on housing. Rents average rents \$1,086, just \$130 shy of the \$1,216 national average, and as a result of the 6,900 units that are slated to come online this year, rent growth has somewhat stabilized. By year-end, we expect a 7.3% increase in rents.

Recent Orlando Transactions

The Village at Baldwin Park



City: Orlando
Buyer: PAC
Purchase Price: \$111 MM
Price per Unit: \$209,848

525 Avalon Park



City: Orlando
Buyer: PAC
Purchase Price: \$93 MM
Price per Unit: \$189,938

ARIUM Hunters Creek



City: Orlando
Buyer: Carroll Organization
Purchase Price: \$82 MM
Price per Unit: \$153,289

Allora at Lake Lotus



City: Altamonte Springs, Fla.
Buyer: Cortland Partners
Purchase Price: \$79 MM
Price per Unit: \$136,505