

Yardi® Matrix

Orlando Heats Up

Multifamily Report Summer 2018

Hospitality Leads Job Gains

Affordability Issues Mount

**Strong Demographics
Maintain Healthy Demand**

ORLANDO MULTIFAMILY

Yardi® Matrix

Market Analysis

Summer 2018

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Central Florida Leads US Rent Growth

With tourism and hospitality as its main economic drivers and backed by unprecedented population and employment growth, Orlando's multifamily market is thriving.

The metro added almost 47,000 jobs in the 12 months ending in May, keeping Orlando well above the U.S. average. With a record-breaking number of visitors last year, employment gains were highest in leisure and hospitality, the sector gaining 10,600 jobs. Orlando's year-round temperate weather, coupled with no state income taxes, continues to entice both domestic and foreign investors. A \$2.1 billion airport expansion is underway, with more than 500 workers on site daily. The new terminal is scheduled for completion in 2021 and will increase the capacity of the state's busiest airport to more than 50 million yearly passengers.

As job growth is concentrated in lower-paying employment sectors, an increasing number of households are seeking more affordable housing options. And with developers focused on upscale projects, renters are bound to feel the pressure. As of July, almost 90% of the 12,300 units underway in the metro fall within the Lifestyle segment. Moreover, with a 6.9% year-over-year increase in rates, Orlando is leading the nation in rent growth. We expect the average rent to increase 5.1% in 2018.

Recent Orlando Transactions

ARIUM Hunters Creek



City: Orlando
Buyer: Bluerock Real Estate
Purchase Price: \$98 MM
Price per Unit: \$183,271

Linden Audubon Park



City: Orlando
Buyer: Harbor Group International
Purchase Price: \$97 MM
Price per Unit: \$216,036

ARIUM Metrowest



City: Orlando
Buyer: Bluerock Real Estate
Purchase Price: \$86 MM
Price per Unit: \$168,627

The Retreat at Orlando



City: Orlando
Buyer: Preferred Apartment Communities
Purchase Price: \$82 MM
Price per Unit: \$369,779