



MULTIFAMILY REPORT

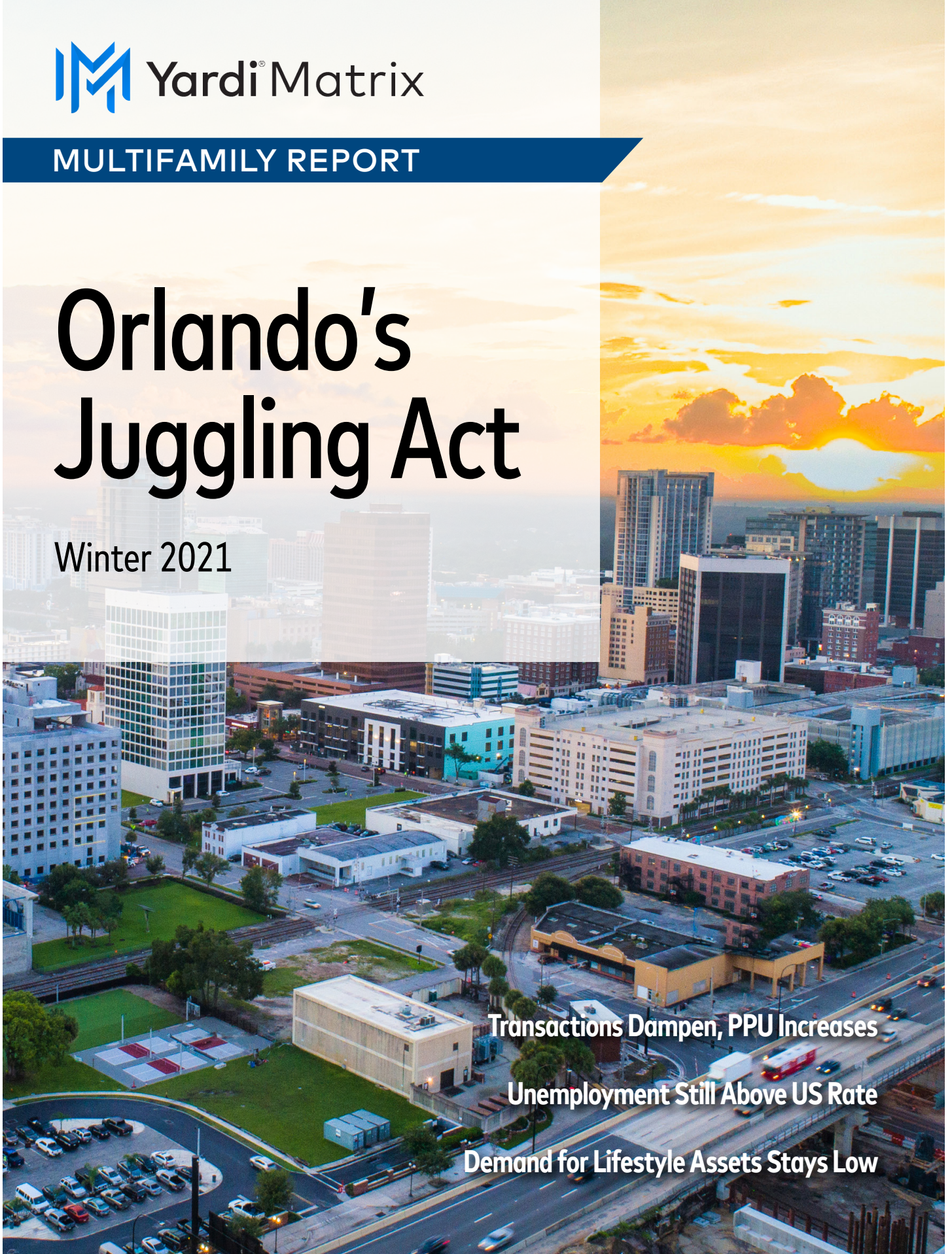
Orlando's Juggling Act

Winter 2021

Transactions Dampen, PPU Increases

Unemployment Still Above US Rate

Demand for Lifestyle Assets Stays Low



ORLANDO MULTIFAMILY



Central Florida's Rent Woes Continue

The road to full recovery in the Orlando multifamily market is set to be long and fraught with challenges. Rent growth started to decelerate at the end of 2019, which, combined with a job market affected by the health crisis, could continue to curb rates. In the three months ending in January, rents dropped 0.2% to an average of \$1,336.

Gradual efforts to reopen the metro's tourism-dependent economy brought the unemployment rate to 7.7% in November, down from an all-time high of 21.1% in May, but still 100 basis points above the national rate. The leisure and hospitality sector lost a third of its workforce in the 12 months ending in November. However, Orlando's reputation as one of the world's most popular tourist and theme-park destinations has encouraged some developers to go on with their development plans. Dart Interests is set to break ground on Evermore Orlando Resort, a \$1.5 billion project near Disney World, and BTI Partners intends to move ahead with its plans to expand the Grove Resort & Water Park.

The ongoing economic volatility has softened investment activity, with only \$63 million in assets changing hands in the first month of 2021. As of January, developers had 18,593 units under construction, most of them across high-end projects. Yardi Matrix expects rents to rise 1.5% by year-end.

Market Analysis | Winter 2021

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Recent Orlando Transactions

Lakeside Villas



City: Orlando, Fla.
Buyer: LivCor
Purchase Price: \$63 MM
Price per Unit: \$182,081

Lake Vue



City: Orlando, Fla.
Buyer: Nuveen Real Estate
Purchase Price: \$45 MM
Price per Unit: \$227,847

Orlando on the Lake



City: Orlando, Fla.
Buyer: Dasmen Residential
Purchase Price: \$18 MM
Price per Unit: \$95,238

The Overlook at Monroe



City: Sanford, Fla.
Buyer: Equity Management Partners
Purchase Price: \$14 MM
Price per Unit: \$74,185