

YARDI **M**ATRIX
Data provided by **Pierce**-Eislen

Orlando

Multifamily Outlook

Spring 2015

Supply, Job Growth
Sustaining Orlando

Economy Boosted by
Record Tourism

Rents Up as
In-Migration Gains



ORLANDO MULTIFAMILY

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Market Analysis

Spring, 2015

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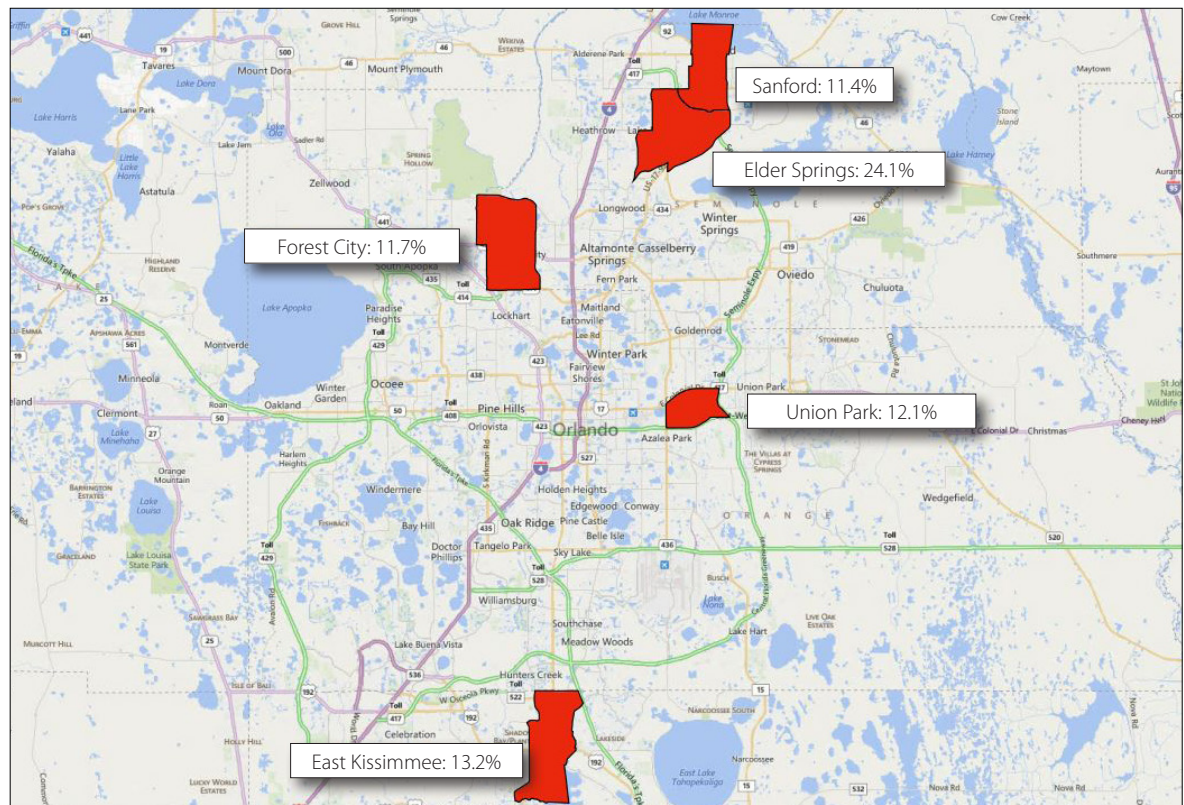
Supply, Job Growth Sustaining Orlando

Orlando's multifamily market is in a positive stretch, driven by exceptionally strong job and population growth. The metro is among the top performers in the nation in those categories, which are traditional measures of apartment performance. However, the market faces questions in regard to low wages, housing affordability issues and growth in supply.

Economically, Orlando is thriving, adding 4.3% to its workforce year-over-year, nearly double the national average. The economy is led by the tourism industry, which had a record 60 million visitors in 2014, leading to a record 32 million hotel room rights sold, according to the Orlando Business Journal. The economy is diversifying, helped by infrastructure projects such as improvements to I-4, SunRail and All Aboard Florida service that connects the city to South Florida. Young people are moving to the metro, which is adding population at nearly three times the national rate.

However, all is not sunshine, as wage growth remains weak and new supply is concentrated in higher-end assets. As a result, there is a growing gap in affordability, especially for low-wage hospitality workers. Some 7,000 units are expected to be completed this year, 4% of stock, so absorption will have to remain healthy to prevent an uptick in vacancies. Investor demand in the market has boosted transactions and prices. Rent growth has been strong, up 8.1% year-over-year through May, and we expect rents to rise another 6% in 2015.

Top 5 Submarkets for Rent Growth (Fall 2014 to Spring 2015¹)



¹ YardiMatrix™ surveys over 1,000 properties in Orlando, three times a year during the Spring, Summer & Fall.

On the Cover: Orlando skyline image by rgaydos/iStockphoto.com; roller coaster by Skyhobo/iStockphoto.com