

**YARDI®** Matrix

# Tourism Sparks Orlando's Boom

Multifamily Report Spring 2017

**Diversified Economy  
Fuels Demand**

**Construction  
Activity Soars**

**Suburbs Lead  
Rent Surge**



# ORLANDO MULTIFAMILY

**YARDI®** Matrix

## Market Analysis

Spring 2017

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## Record Growth Drives Construction

Orlando's multifamily market is expanding rapidly as a result of its strengthening economic fundamentals. Its increasing population and employment make it one of the country's fastest-growing cities. The rental market benefits from an inflow of young professionals, which are drawn to affordable housing, a growing job base and a high quality of life.

The city added 54,000 jobs in 2016, up 4% year-over-year—a figure nearly twice the national average. Tourism remains Orlando's economic pillar: The leisure and hospitality segment created the most new jobs. However, other employment segments are seeing robust expansion, thanks to increasing economic diversification. For example, the education and health care and the construction sectors each added more than 10,000 jobs in 2016.

Rapid economic expansion sparked a flurry of activity in the multifamily market. Construction is booming, with more than 7,000 multifamily units coming online in 2016 and 10,000 under construction. Supply was concentrated in the suburbs to the north and south of the city center. Investor demand is robust, with more than \$2 billion in properties changing hands during each of the past two years. We expect strong demand for housing to persist, with rents rising 5.8% in 2017, though the amount of supply will temper growth to some extent.

## Recent Orlando Transactions

525 Avalon Park



City: Orlando  
Buyer: Preferred Apartment Communities  
Purchase Price: \$93 MM  
Price per Unit: \$189,938

Allora at Lake Lotus



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

The Parkway at Hunter's Creek



City: Orlando  
Buyer: Milestone Group  
Purchase Price: \$78 MM  
Price per Unit: \$157,661

ARIUM Windermere



City: Ocoee, Fla.  
Buyer: Carroll Organization  
Purchase Price: \$71 MM  
Price per Unit: \$157,718