



MULTIFAMILY REPORT

Orlando Regains Stability

March 2023

Construction Activity Moderates

Job Growth Decelerates, Still Above U.S.

Investment Slows Following Record Year

ORLANDO MULTIFAMILY



Tight Job Market Amid Seasonal Slowdown

Following two extraordinary years, Orlando's rental market is returning to a more sustainable pace of growth. With household formation weakening, housing affordability issues persisting and the U.S. economy heading toward a mild correction, rent development has been steadily softening. Both Central Florida and national rates contracted by 0.3% on a trailing three-month basis through January. Year-over-year, Orlando rents were up 6.5%, to \$1,813, while the U.S. average increased by only 5.5%, to \$1,701.

Job expansion was still strong, with the metro adding 71,000 positions in the 12 months ending in November. Despite the 5.0% growth rate being 110 basis points above the national figure, employment expansion has been gradually slowing down from the 10.9% peak it hit in September 2021. The metro's backbone sector, leisure and hospitality, led gains with 32,100 jobs added. After reporting record annual earnings, Comcast plans to spend \$1.2 billion more on its Universal theme park division this year, which will most likely further boost the metro's entertainment sector. Comcast is currently building Epic Universe, a new, 750-acre theme park set to open in 2025 near Sand Lake Road and Universal Boulevard.

Only two projects encompassing 520 units were delivered in January, with construction activity continuing to decelerate due to lending conditions. Developers broke ground on just 150 units in January, compared to 1,922 in the same month in 2022.

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Recent Orlando Transactions

Vida at Health Village



City: Orlando, Fla.
Buyer: Conti Organization
Purchase Price: \$107 MM
Price per Unit: \$375,439

Apex South Creek



City: Orlando, Fla.
Buyer: Versity Invest
Purchase Price: \$100 MM
Price per Unit: \$333,333

Bell at Universal



City: Orlando, Fla.
Buyer: Treeline Partners
Purchase Price: \$98 MM
Price per Unit: \$316,935

Canterbury Cove



City: Orlando, Fla.
Buyer: Covenant Capital Group
Purchase Price: \$66 MM
Price per Unit: \$221,585