



MULTIFAMILY REPORT

Orlando's Slow Progress

July 2023

Job Gains Outpace Nation

Occupancy Matches US Average

Transactions, Deliveries Decelerate

ORLANDO MULTIFAMILY



Central Florida Holds Steady

The multifamily market in Orlando continues to stabilize, with fundamentals still sound, due to steady demographic and employment growth. As of May, the average rent was \$1,827, with rates plateauing on a trailing three-month basis, while U.S. figures improved by 0.3%, to \$1,716. Year-over-year, rents grew by just 0.9%, well below the 2.6% national growth rate. Meanwhile, occupancy in stabilized assets clocked in at 95.0% as of April, on par with the national figure.

Orlando added 70,100 jobs in the 12 months ending in March, for a 5.2% expansion. Despite being on a decelerating path, job growth outperformed the 3.1% U.S. figure. Unsurprisingly, leisure and hospitality led employment gains with 28,200 jobs added, followed by education and health services with 12,800 positions. Universal Orlando announced plans to fill an extra 2,500 full-time, part-time and seasonal positions at its theme parks. Meanwhile, in an effort to cut \$5.5 billion in costs, The Walt Disney Co. intends to lay off 7,000 employees worldwide.

Through May, both transaction activity and deliveries decelerated, mainly due to worsening lending conditions. Multifamily sales totaled only \$515 million, a sixth of the deal volume recorded over the same period in 2022. Developers brought 3,016 units online, well below the 4,226 units that were added to the metro's stock in the first five months of the previous year.

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Recent Orlando Transactions

The Estates at Park Avenue



City: Orlando, Fla.
Buyer: Covenant Capital Group
Purchase Price: \$90 MM
Price per Unit: \$207,221

The Wesley



City: Orlando, Fla.
Buyer: McKinley Properties
Purchase Price: \$87 MM
Price per Unit: \$217,500

Reef Club



City: Kissimmee, Fla.
Buyer: Phoenix Realty Group
Purchase Price: \$74 MM
Price per Unit: \$132,589

The Lofts @ Savannah Park



City: Sanford, Fla.
Buyer: The Burlington Capital Group
Purchase Price: \$37 MM
Price per Unit: \$264,493