



MULTIFAMILY REPORT

Orlando Rents Decelerate

December 2023

Completions on the Upswing

Rents in Negative Territory

Job Growth Outperforms Nation

ORLANDO MULTIFAMILY



Orlando Fundamentals A Mixed Bag

After stabilizing during the first half of the year, Orlando's multi-family market returned to negative movement in July. An overall economic slowdown caused by rising inflation dented rent growth in the metro, leading to a short-term decrease of 0.5% on a trailing three-month basis as of October. The metro's average rate was \$1,788, some \$70 above the U.S. figure. On a year-over-year basis, Orlando rents contracted by 2.7%. Meanwhile, occupancy clocked in at 94.4%, down 70 basis points year-over-year as rental stock expanded at near-record levels.

The metro added 33,400 jobs in the 12 months ending in September, up 3.4% year-over-year and outperforming the national rate by 90 basis points. Two of the metro's economic drivers, trade, transportation and utilities and leisure and hospitality, added a combined 16,800 jobs. Meanwhile, professional and business services lost 4,400 positions, one of three sectors to see year-over-year contractions. City authorities are rolling out the Project DTO 2.0 initiative, which is focused on advancing downtown Orlando.

Through October, transaction activity decelerated, following national patterns, to just \$1.2 billion, putting the metro on track for its worst sales total in more than a decade. However, construction activity picked up in the 10 months ending in October, with 9,077 units coming online, while the volume of construction starts was in lockstep with 2022 levels, at 11,975 units.

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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: \$207,220

Harbortown



City: Orlando, Fla.
Buyer: PLK Communities
Purchase Price: \$86 MM
Price per Unit: \$201,109

Grandewood Pointe



City: Orlando, Fla.
Buyer: Hilltop Residential
Purchase Price: \$84 MM
Price per Unit: \$272,875

The Grove at Clermont



City: Clermont, Fla.
Buyer: Venterra Realty
Purchase Price: \$80 MM
Price per Unit: \$279,166