

Orlando Cools Down

March 2025



Supply Reaches Decade High

Rent Movement in the Red

Construction Starts Accelerate

ORLANDO MULTIFAMILY



Rent Movement Stays Negative

Orlando rent evolution was mostly negative last year and followed the same pattern at the start of 2025, pressured in the short run by record deliveries. Average advertised asking rents were down 0.3% on a trailing three-month basis through January, to \$1,755, while the national average was down 0.1%, to \$1,746. Year-over-year, Orlando rents slid 2.0%, registering one of the slowest rates of development among larger U.S. metros.

Orlando employment expanded 1.2% as of November, 10 basis points below the national rate. Leisure and hospitality led gains, accounting for 7,600 of the 20,100 net jobs added over 12 months. Metro unemployment stood at 3.0% as of December, 110 basis points below the U.S. rate, according to the Bureau of Labor Statistics. A \$1 billion retail and sports complex is moving forward, which will add more construction jobs. Montierre Development is developing the project, which is slated for delivery in 2027. The complex will include a sports facility, hotels, sports fields and commercial venues.

Orlando development continues to power through, with 23,325 units underway as of January. What's more, while most metros saw multifamily starts decelerate, Orlando recorded a more than 20% increase last year. Investment remained somewhat limited in 2024, totaling \$1.6 billion and clocking in significantly below the \$2.8 billion pre-pandemic five-year average.

Market Analysis | March 2025

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Recent Orlando Transactions

Corban Horizon West



City: Winter Garden, Fla.
Buyer: Bonaventure Senior Living
Purchase Price: \$110 MM
Price per Unit: \$315,000

Perla Gem Lake



City: Maitland, Fla.
Buyer: RREEF Property trust
Purchase Price: \$95 MM
Price per Unit: \$386,235

Serenza at Ocoee Village



City: Ocoee, Fla.
Buyer: Independence Realty Trust
Purchase Price: \$73 MM
Price per Unit: \$227,464

Maris Pointe

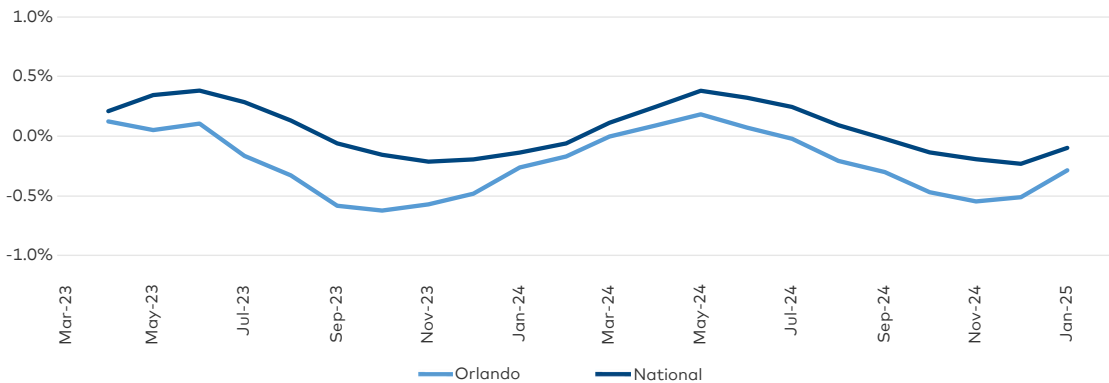


City: Orlando, Fla.
Buyer: TruAmerica Multifamily
Purchase Price: \$41 MM
Price per Unit: \$148,000

RENT TRENDS

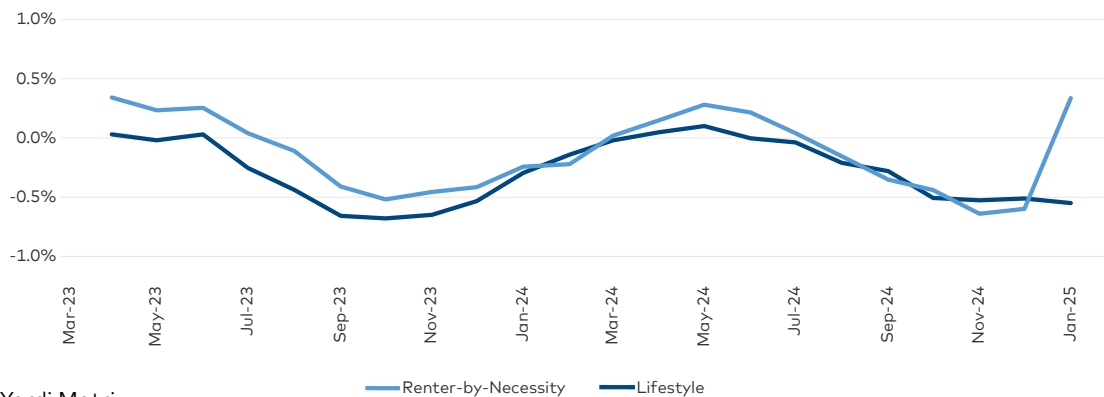
- ▶ Orlando's average advertised asking rent was down 0.3% on a trailing three-month (T3) basis as of January, to \$1,755. Meanwhile, the national average slid 10 basis points, to \$1,746.
- ▶ Year-over-year, Orlando asking rents were down 2.0%, only ahead of Atlanta (-2.2%), Phoenix (-2.4%), Raleigh-Durham (-3.5%) and Austin (-5.4) among larger U.S. metros. However, as demand pushes forward, the latest Yardi Matrix forecast projects a 1.9% expansion for Orlando in 2025.
- ▶ Working-class Renter-by-Necessity rates actually saw a spike in January, up 0.3%, on a T3 basis, to \$1,525. Lifestyle assets, down -0.5%, kept the overall average in the red for the sixth consecutive month. Prior to January, rents in both quality segments had been shrinking since August 2024.
- ▶ The metro's average overall occupancy rate in stabilized properties stood at 93.8% as of January, a 40-basis-point decrease year-over-year. The Lifestyle segment recorded a 20-basis-point contraction, to 94.0%. Meanwhile, occupancy in RBN assets registered a larger decline, down 90 basis points, to 93.4%.
- ▶ Of the 61 submarkets tracked by Yardi Matrix, 25 posted asking rent increases in the 12 months ending in January. Rates decreased in some of the most expensive urban core areas: Downtown (-3.2% to \$2,036), North Orange (-2.9% to \$2,217) and Colonial Town (-3.3% to \$1,988).

Orlando vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

Orlando Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

ECONOMIC SNAPSHOT

- Overall employment in Orlando improved 1.2% as of November 2024, just 10 basis points below the national rate of job growth. In the 12 months ending in November, the metro added 20,100 net jobs. Leisure and hospitality led growth with 7,600 new positions, while mining, logging and construction, and government each crossed the 4,000 mark. The metro also lost a combined 2,000 jobs, with the most significant contraction in manufacturing (-1,300), amid wider Florida layoffs in this sector.
- Orlando's unemployment rate stood at 3.0% as of December, 110 basis points below the U.S. figure, according to preliminary data from the Bureau of Labor Statistics. The rate placed the metro below the state (3.4%), but on par with Jacksonville. Orlando also outperformed Tampa (3.2%) but was still behind Miami (2.5%).
- The Ocoee City Commission approved rezoning for 150 acres to be used for the development of Dynasty. The retail and sports complex will take shape some 18 miles from Orlando and is slated for delivery in 2027. Proposed by Montierre Development, the \$1 billion project will feature 17 sports fields, a sports facility, two hotels and 350,000 square feet of commercial space. The development is expected to generate 10,000 construction jobs.

Orlando Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
70	Leisure and Hospitality	322.6	18.2%
15	Mining, Logging and Construction	115.6	6.5%
90	Government	170	9.6%
65	Education and Health Services	235.1	13.3%
80	Other Services	67.5	3.8%
40	Trade, Transportation and Utilities	320.4	18.1%
55	Financial Activities	99.6	5.6%
50	Information	29.8	1.7%
60	Professional and Business Services	324.9	18.3%
30	Manufacturing	86.2	4.9%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- Orlando gained 46,577 residents in 2022 alone. The 1.8% expansion was more than four times the 0.4% U.S.
- Since the 2020 Census, 46% of Orlando's population growth has been attributed to domestic migration.

Orlando vs. National Population

	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Orlando Metro	2,508,970	2,560,260	2,632,721	2,679,298

Source: U.S. Census

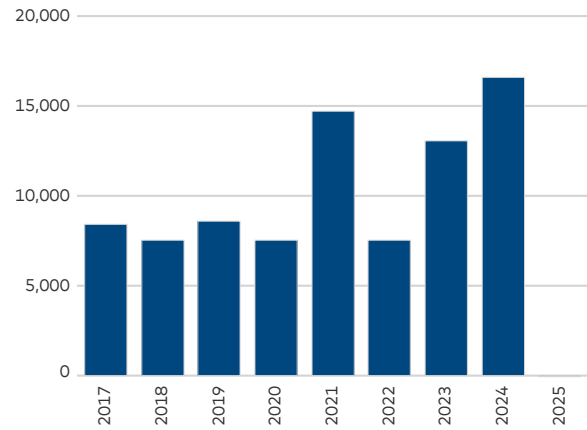
SUPPLY

- ▶ Developers completed 16,562 units, or 5.9% of existing stock, in 2024, an impressive 260 basis points above the U.S. rate of deliveries. Supply in Orlando has been on an upward trajectory since 2023. The number of new apartments has steadily increased, with last year marking a decade peak. Based on the current pipeline, Yardi Matrix expects another 14,000 units to come online in 2025
- ▶ Orlando's pipeline is still strong, with 23,325 units underway as of January. Another 134,000 were in the planning and prospective stages. The scale remains tilted toward upscale properties, with 88.1% of units in Lifestyle projects. RBN and fully affordable communities accounted for the remaining 11.9%.
- ▶ Construction starts are another outlier for Orlando. While nearly all markets saw a slow-down in construction starts, the metro recorded a more than 20% increase. Developers kicked off work on 45 Orlando projects totaling 11,447 units last year, compared to just 37 projects and 9,459 apartments in 2023.
- ▶ Of the 61 submarkets tracked by Yardi Matrix, only East Kissimmee had more than 2,000 units under construction, while six others crossed the

1,000-unit mark. Lake Bryan had 1,580 units underway, while Melbourne rounded out the top three, with 1,511 units under construction.

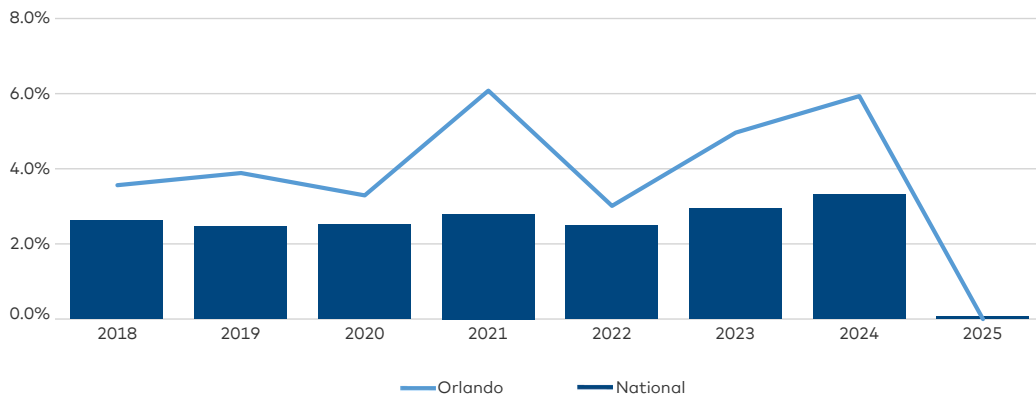
- ▶ At 420 units, Tuscany Village in Sanford is the largest project underway that will not be delivered this quarter. Royal Palm Cos. and Origin Investments are working on the 20-acre project with help from a \$68 million loan from City National Bank of Florida.

Orlando Completions (as of January 2025)



Source: Yardi Matrix

Orlando vs. National Completions as a Percentage of Total Stock (as of January 2025)

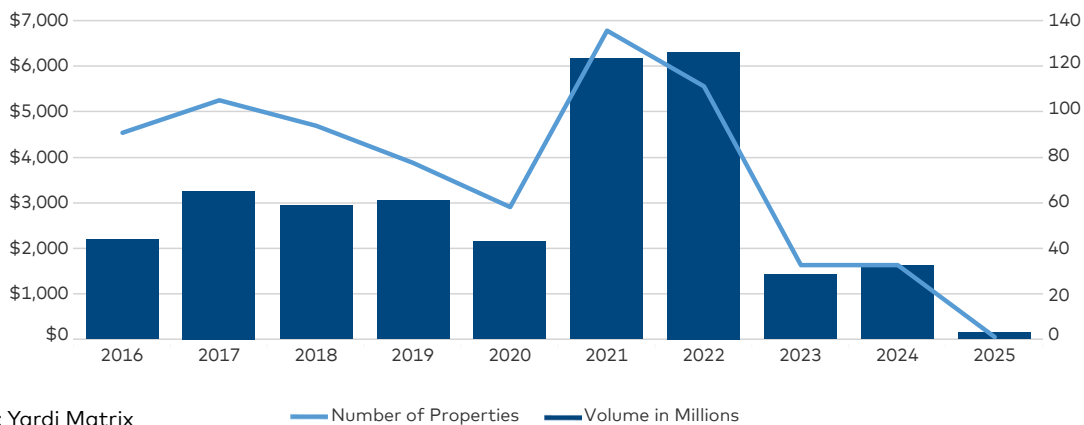


Source: Yardi Matrix

TRANSACTIONS

- ▶ Orlando multifamily investment volume remained on the low end in 2024, totaling \$1.6 billion, not far from 2023's \$1.4 billion. Both figures were still significantly below the \$2.8 billion pre-pandemic average recorded between 2015 and 2019.
- ▶ In 2024, the Orlando price per unit surpassed the \$200,000 mark for the third time in the past decade. The average, which landed at \$220,528, marked a 13% year-over-year gain and also topped the national figure, which clocked in at \$194,036 last year.
- ▶ Five submarkets crossed the \$100 million mark in the 12 months ending in January 2025. Lake Buena Vista led activity, with \$192 million in assets changing hands, followed by Hunter's Creek (\$185 million). Melbourne, which also recorded strong development activity, rounded out the top three with \$152 million.

Orlando Sales Volume and Number of Properties Sold (as of January 2025)



Source: Yardi Matrix

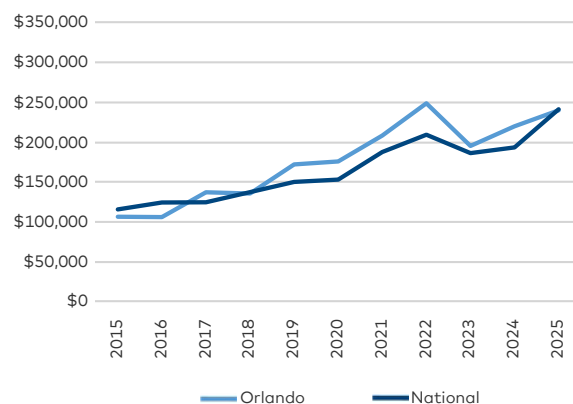
Top Submarkets for Transaction Volume¹

Submarket	Volume (\$MM)
Lake Buena Vista	192
Hunter's Creek	185
Melbourne	152
Weathersfield	132
Union Park	101
Maitland	95
Orange Lake	85

Source: Yardi Matrix

¹ From February 2024 to January 2025

Orlando vs. National Sales Price per Unit



Source: Yardi Matrix

Top 10 Markets for Multifamily Deliveries

By Tudor Scolca

In 2024, developers completed more than 550,000 units, Yardi Matrix data shows. The top 10 metros for multifamily deliveries had a combined 204,333 units come online—more than a third of the U.S.' entire completion volume—a number that highlights how uneven supply growth trends have become. The large number of multifamily units under construction will ensure sustained growth this year, as well. Here is our list of the top 10 markets for multifamily deliveries in 2024.

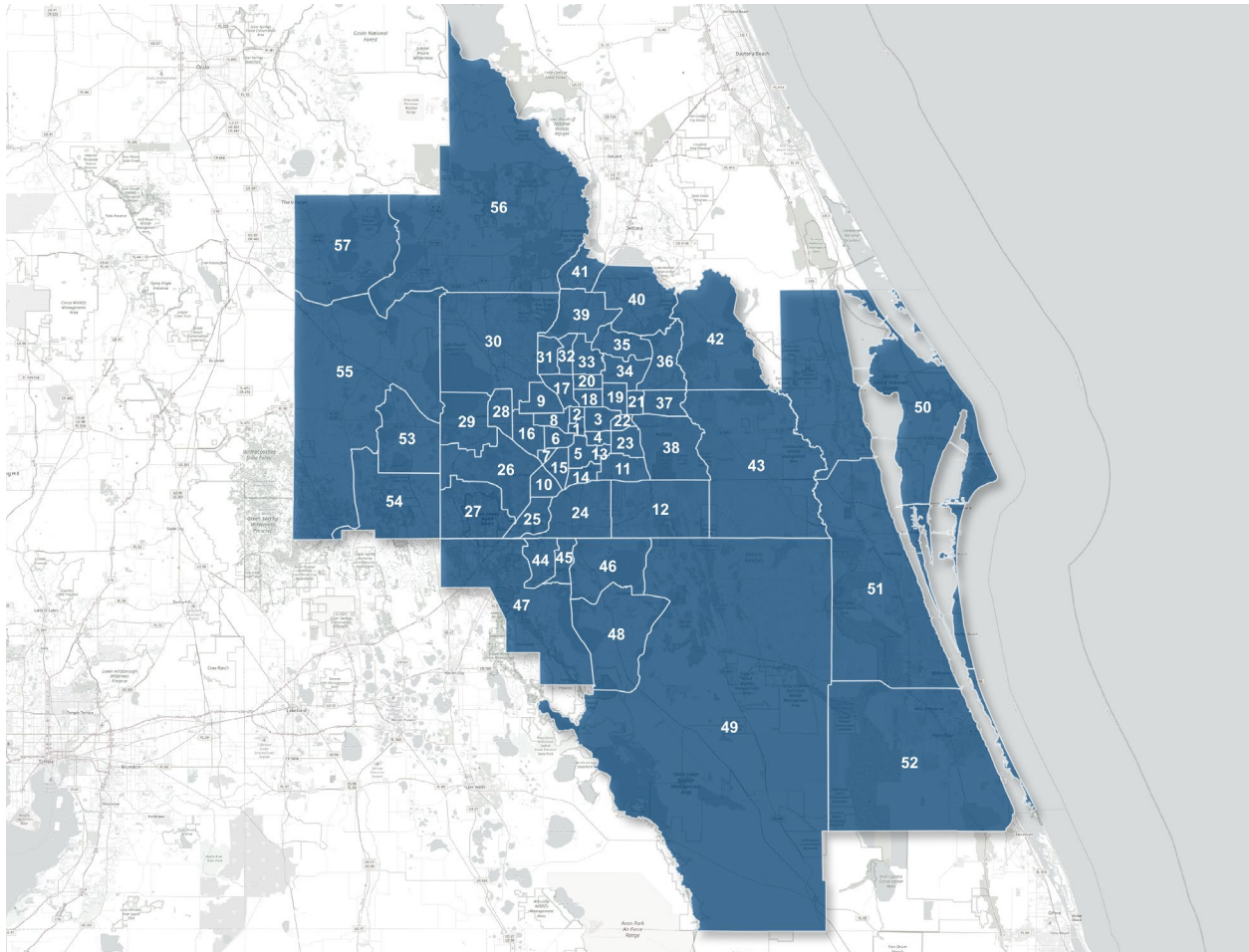
Rank	Metro	Units Delivered 2024	Construction Starts 2024	Units Delivered 2023
1	Dallas	33,276	18,836	26,025
2	Austin	25,217	11,682	18,571
3	Atlanta	23,596	13,646	23,586
4	Phoenix	21,504	17,718	17,104
5	Houston	21,283	9,116	18,168
6	Denver	18,248	6,678	12,140
7	Miami	16,507	9,988	17,502
8	Orlando	15,936	10,061	14,223
9	Charlotte	14,556	8,929	12,260
10	Tampa	14,210	7,335	10,979

Orlando, Fla.

The second Florida metro on this list, Orlando clocked in at the eighth spot for multifamily deliveries, with 15,936 units across 59 properties added last year. This was a 12% increase from 2023's volume. Orlando developers had 27,161 units under construction at the beginning of the year. In May last year, a joint venture of Royal Palms Cos. and Mattoni Group broke ground on Tuscany Village. At 420 units, it is one of the largest multifamily projects currently underway in the metro.



ORLANDO SUBMARKETS



Area No.	Submarket
1	Orlando–Downtown
2	Orlando–North Orange
3	Orlando–Colonial Town
4	Orlando–Azalea Park
5	Orlando–Edgewood
6	Orlando–Holden Heights
7	Orlando–Florida Center North
8	Orlando–Pine Hills
9	Orlando–Rosemont
10	Orlando–Florida Center
11	Orlando–Vista Park
12	Orlando–Southeast
13	Conway
14	Belle Isle
15	Oak Ridge
16	Metro West
17	Lockhart
18	Winter Park–West
19	Winter Park–East

Area No.	Submarket
20	Maitland
21	Goldenrod
22	Union Park
23	Edgewood Park
24	Hunter’s Creek
25	Lake Bryan
26	Lake Buena Vista
27	Orange Lake
28	Ocoee
29	Winter Garden
30	Apopka
31	Forest City
32	Weathersfield
33	Altamonte Springs
34	Red Bug Lake
35	Longwood
36	Oviedo
37	University Park
38	Stoneybrook

Area No.	Submarket
39	Lake Mary
40	Sanford
41	Woodruff Springs
42	Outlying Seminole County
43	Eastern Orange County
44	West Kissimme
45	East Kissimme
46	Fish Lake
47	Celebration
48	St Cloud
49	Outlying Osceola County
50	Titusville
51	Melbourne
52	Palm Bay
53	Clermont
54	Hancock Lake
55	Outlying Lake County
56	Mt Dora
57	Leesburg

DEFINITIONS

Lifestyle households (renters by choice) have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

Renter-by-Necessity households span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students*, who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households*, composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households*, which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

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