



MULTIFAMILY REPORT

Orlando Steps Up Its Game

July 2022

Price per Unit Sees Record Increase

Rent Gains Among Highest in US

Solid Pipeline One Step Behind Demand

ORLANDO MULTIFAMILY



Job Growth, Deal Volume Maintain Momentum

After two highly uncommon years—one defined by steep losses and the other by unprecedented growth—Orlando's rental market is one step closer to finding its footing. Rates grew by 1.2% on a trailing three-month basis through May, to \$1,796, while the national average climbed to \$1,680, up 1.0%. Backed by strong in-migration, the multifamily market is expected to remain healthy.

All but one sector—mining, logging and construction—added jobs in the 12 months ending in March. Employment expanded by 8.2%, outperforming the U.S. rate by 350 basis points. Leisure and hospitality, Central Florida's economic backbone, accounted for half of the 114,000 positions added. Several infrastructure projects are expected to help accommodate the needs of the rebounding travel industry. The \$2.7 billion, 170-mile extension of the Brightline rail route from West Palm Beach to Orlando is scheduled to be completed this year, while Orlando International Airport's \$2.8 billion South Terminal C is expected to open in September.

Developers had 21,744 units under construction as of May, but deliveries marked a slowdown. Meanwhile, investment activity remained elevated in the first five months of the year, with \$2.5 billion in multifamily assets trading. Going forward, due to debt becoming more expensive as a result of the surge in interest rates, investors and lenders will most likely pay closer attention when underwriting new deals.

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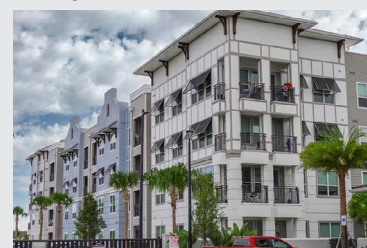
Recent Orlando Transactions

Chatham Square



City: Orlando, Fla.
Buyer: Bascom Group
Purchase Price: \$151 MM
Price per Unit: \$337,054

Prime



City: Kissimmee, Fla.
Buyer: Brass Enterprises
Purchase Price: \$108 MM
Price per Unit: \$317,647

SkyHouse Orlando



City: Orlando, Fla.
Buyer: Langdon Street Capital
Purchase Price: \$101 MM
Price per Unit: \$316,406

Eight at East



City: Orlando, Fla.
Buyer: Starlight Investments
Purchase Price: \$92 MM
Price per Unit: \$347,538