



MULTIFAMILY REPORT

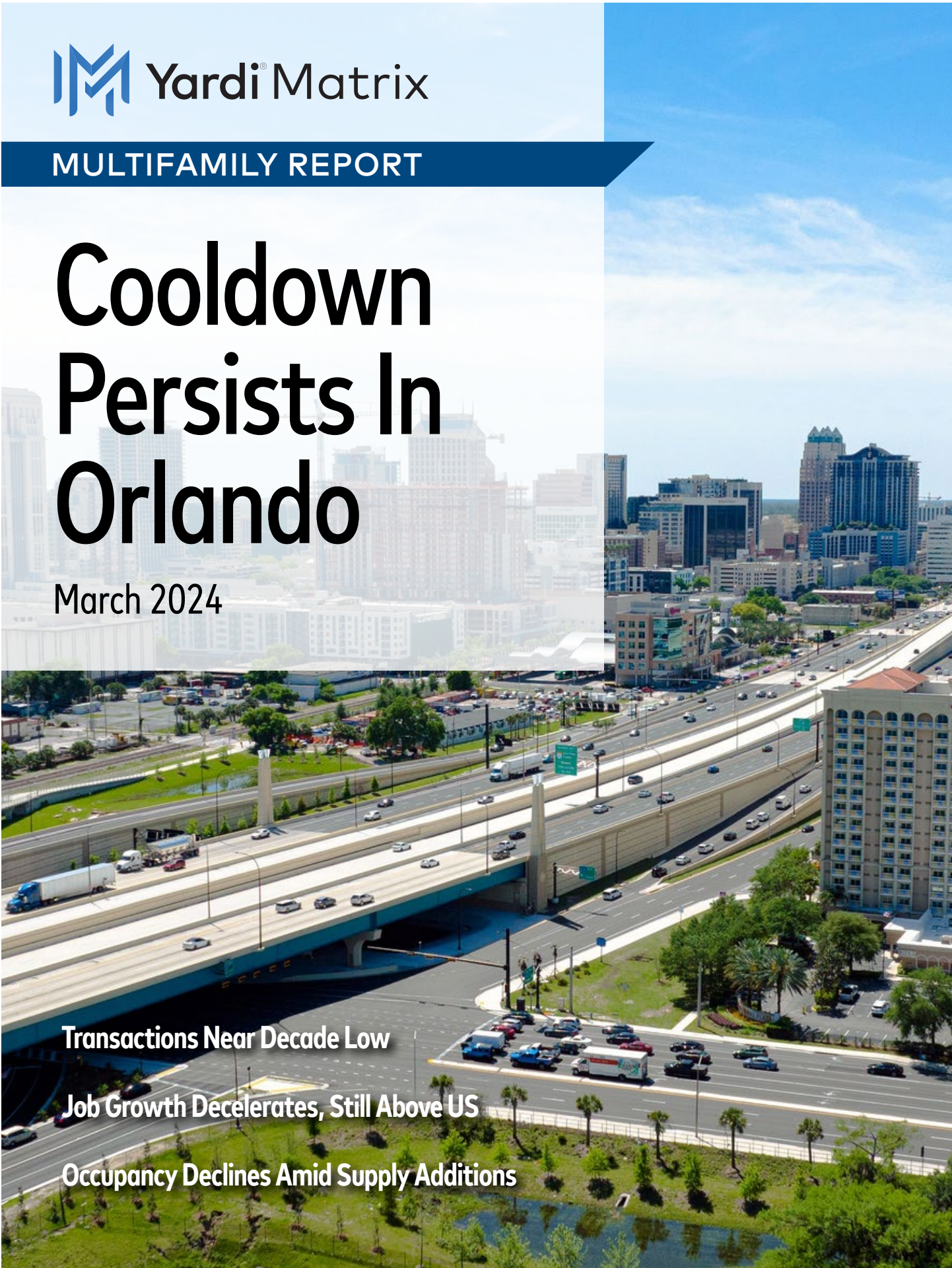
Cooldown Persists In Orlando

March 2024

Transactions Near Decade Low

Job Growth Decelerates, Still Above US

Occupancy Declines Amid Supply Additions



ORLANDO MULTIFAMILY



Wave of Deliveries Keeps Rent Movement Negative

Orlando rent growth has been steadily softening since late 2021, recording negative movement for nearly all of 2023 and into this year. Rates contracted 0.5% on a trailing three-month basis through January, to \$1,758, while national averages were down only 0.2%, to \$1,710. On a year-over-year basis, rent deceleration in Central Florida was among the steepest in the country, with rates declining 3.6%, second only to Austin (-6.0%). However, this isn't surprising, considering developers last year delivered the second-largest annual volume since 2016.

The metro's employment market expanded 2.4% in the 12 months ending in November but was still 20 basis points above the U.S. figure. The leisure and hospitality sector, Orlando's economic backbone, could get a major boost from the expansion planned at Orlando International Airport. The Greater Orlando Aviation Authority intends to add 16 to 24 gates to the recently completed Terminal C, as passenger traffic continues to rebound. According to its latest activity report, the airport saw a 15.1% increase in traffic in 2023 compared to 2022.

With 28,864 units underway, Orlando's development pipeline remained sturdy. After the 11,960 units that came online last year, another 654 units were delivered in January. However, construction activity will likely cool until lending conditions improve.

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Recent Orlando Transactions

Ascend Hammock Landing



City: West Melbourne, Fla.
Buyer: Venterra Realty
Purchase Price: \$79 MM
Price per Unit: \$264,000

Encore Metro at Millenia



City: Orlando, Fla.
Buyer: Invictus Real Estate Partners
Purchase Price: \$57 MM
Price per Unit: \$263,953

Bridgewater



City: Orlando, Fla.
Buyer: Trion Partners
Purchase Price: \$44 MM
Price per Unit: \$129,302

Century Vista Palms



City: Orlando, Fla.
Buyer: Centennial Holding Co.
Purchase Price: \$43 MM
Price per Unit: \$179,625