



MARKET AT A GLANCE



OCCUPANCY RATE **96.0%**
Down **60 bps** since 1Q18



EFFECTIVE RENT **\$1,234**
Up **5.5%** since 1Q18

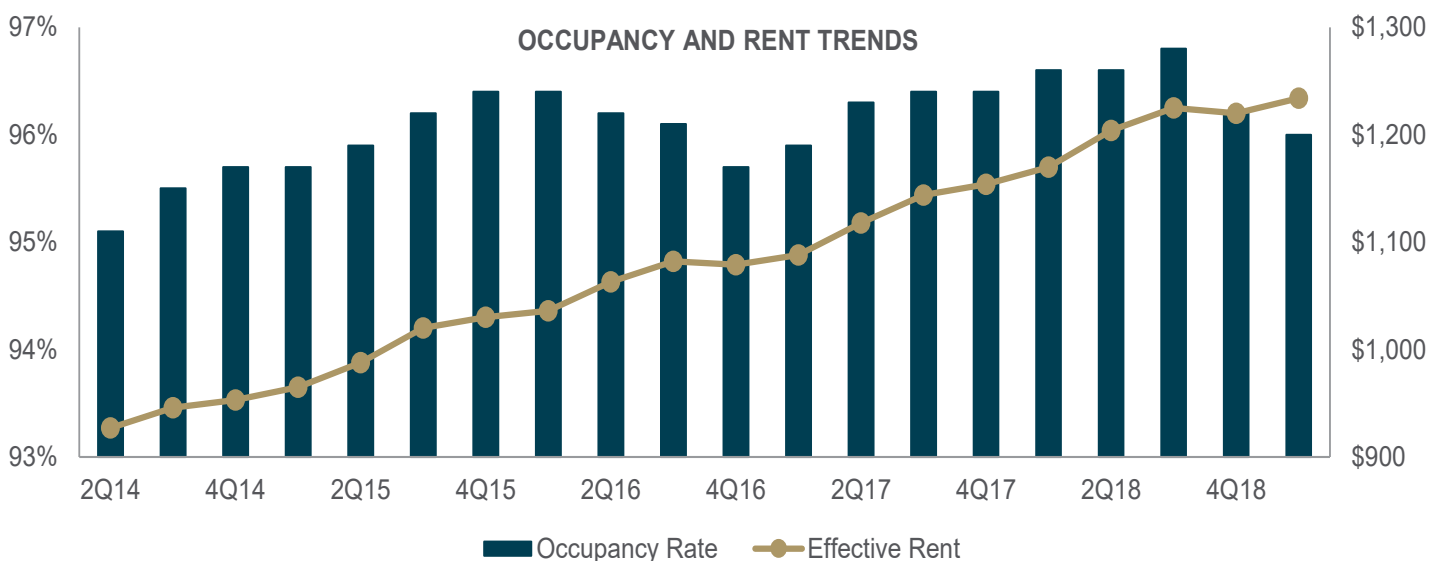


TOTAL INVENTORY **232,990**

OCCUPANCY AND RENT TRENDS

MAJOR DEVELOPMENTS EXPECTED TO PERPETUATE APARTMENT DEMAND

Orlando apartment fundamentals remained among the healthiest in the nation, though the intense apartment development over the last few years started to reveal slight softening in rent growth. Effective rent grew at a 5.5% annual rate, reaching \$1,234 per month at the end of the first quarter of 2019, decelerating from 7.5% year-over-year appreciation one year prior. The rate of rent growth in the two highest-rent submarkets—Central Orlando and South Orange County—was among the lowest of the 15 submarkets in the area, resulting from increased concessions following a wave of new apartments—mostly Class A—over the last several years. The average occupancy of Class A apartments metrowide was about 250 basis points lower than Class B units. Much of this difference had to do with the 20% rent premium of the upper-tier apartments compared the mid-tier units. Class A apartment communities also faced challenges among higher-income renters, who for slightly more money each month could take on homeownership. Overall, apartment absorption remained brisk since March 2018, though trailed deliveries by 25%, fueling a 60-basis-point annual reduction in occupancy to 96.0% in March 2019.



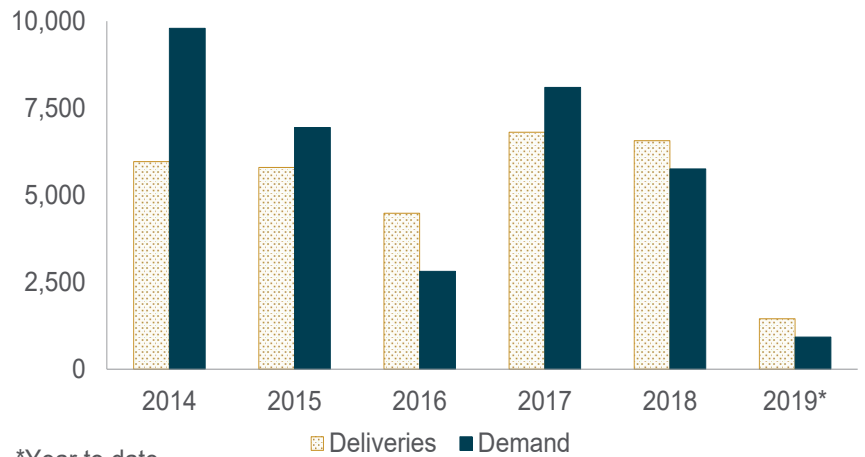
DELIVERIES AND DEMAND



DELIVERIES 1,451
Units YTD



NET ABSORPTION 924
Units YTD



ECONOMIC TRENDS

2018 **3.5%** **UNEMPLOYMENT*** 2019 **3.1%**
-40 BPS CHANGE

2018 **1.28m** **EMPLOYMENT*** 2019 **1.32m**
3.5% CHANGE

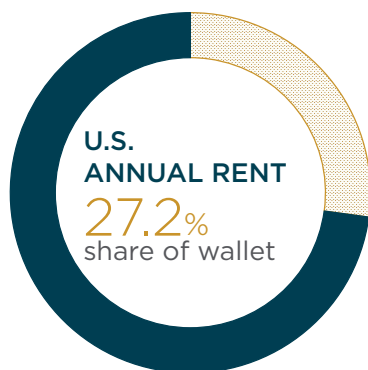
2018 **46.9k** **EXISTING SFH SALES**** 2019 **44.6k**
-4.9% CHANGE

2018 **\$261.4k** **MEDIAN SFH PRICE**** 2019 **\$269.8k**
3.2% CHANGE

2018 **2.84%** **10-YEAR TREASURY**** 2019 **2.57%**
-30 BPS CHANGE

*January; **March

Numerous major developments planned and underway bode well for the local apartment market. Employment expanded 3.5% since January 2018 as 44,500 workers were hired across the metro. Professional and business services sector employment surged 9.2% annually with 20,700 additional workers, many at companies locating at new commercial developments in Lake Nona. New attractions at the area's world-famous theme parks boosted metrowide leisure and hospitality industry employment with 9,500 additional workers, a 3.6% annual gain. Large projects underway, including the University of Central Florida Lake Nona Medical Center and AdventHealth's \$200 million hospital in Winter Garden, will support a combined 1,000 new jobs upon completion. The trade, transportation, and utilities sector will be boosted by 410 additional workers after the 375,000-square-foot Kroger-Ocado Fulfillment Center in Groveland is finished in 2021. Walt Disney Company's upcoming resort and 900-room hotel at the former River Country water park will support hundreds of leisure and hospitality jobs when finished in 2022.



ORLANDO

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q19	ANNUAL	1Q19	ANNUAL
Altamonte Springs/Apopka	96.3%	95.5%	6.9%	6.0%	\$1,157	\$1,226	105	-50	46	76
Casselberry/Winter Springs/Oviedo	95.0%	95.3%	7.5%	7.1%	\$1,233	\$1,320	228	477	183	468
Central Orlando	94.9%	94.4%	3.5%	1.6%	\$1,656	\$1,683	115	624	162	725
East Orange County	96.2%	95.2%	9.5%	5.3%	\$1,289	\$1,357	18	309	92	467
East Orlando	97.0%	96.3%	8.5%	6.0%	\$1,096	\$1,162	40	-140	0	0
Kissimmee/Osceola County	97.4%	96.4%	7.4%	4.9%	\$1,072	\$1,124	-49	427	111	707
North Lake County	98.5%	97.8%	3.5%	2.9%	\$886	\$912	-38	-53	0	0
Northwest Orlando	97.3%	96.2%	5.1%	7.5%	\$915	\$984	-17	72	102	260
Ocoee/Winter Garden/Clermont	96.3%	95.9%	4.9%	7.1%	\$1,229	\$1,316	-53	751	0	835
Sanford/Lake Mary	96.3%	95.9%	7.0%	5.0%	\$1,139	\$1,196	-68	199	0	263
South Orange County	96.3%	95.8%	9.9%	3.8%	\$1,352	\$1,403	152	1,022	51	1,196
Southwest Orlando	96.8%	96.4%	8.7%	6.2%	\$1,025	\$1,089	152	196	260	272
University	95.1%	95.6%	5.1%	5.2%	\$1,165	\$1,226	-24	40	0	0
West Orlando	97.1%	96.3%	10.9%	5.8%	\$1,185	\$1,254	0	-152	0	0
Winter Park/Maitland	96.4%	96.2%	5.2%	6.9%	\$1,142	\$1,221	363	1,218	444	1,291
TOTALS	96.6%	96.0%	7.5%	5.5%	\$1,170	\$1,234	924	4,940	1,451	6,560



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