BERKADIA®

ORLANDO

MULTIFAMILY MARKET REPORT | MID-YEAR

2025

SELECT MARKET

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Jobs Added / Lost

LAST 12 MONTHS
36,100

2.4% YOY

Unemployment

JUNE 2025
3.7%

30 BPS YOY

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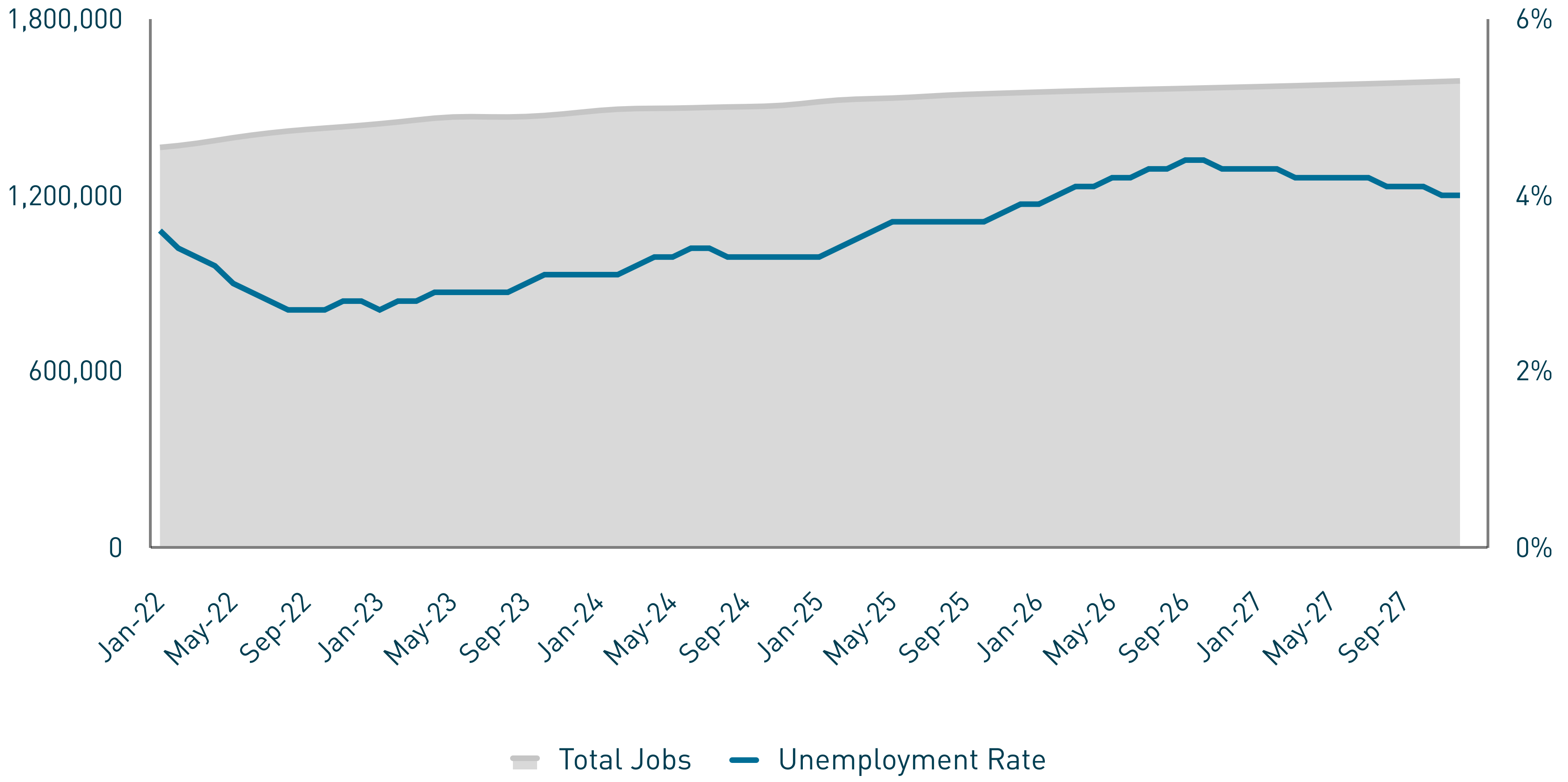
Employment

Significant entertainment investments are benefiting the Orlando payrolls in 2025. Orlando's largest employment segment, leisure and hospitality, expanded 4.8% in the last 12 months, with 13,800 net new workers. Much of this increase was attributed to the opening of Universal Studios' $1 billion Epic Universe theme park in May 2025. The sector's growth was part of 36,100 net new jobs created in the metro area since mid-2024, a 2.4% annual gain. Many of these jobs were filled by recent transplants to the area, totaling about 59,200 new residents in the last 12 months. Institutions in the private education and health services sector anticipated the needs of these residents by hiring 5,700 workers during that period, mostly among hospitals and other healthcare providers. Employment also grew in the white-collar sectors—professional and business services, financial activities, and information—as companies added 6,100 workers overall, a 1.5% year-over-year increase. Looking forward, employment in the local healthcare industry will be boosted by AdventHealth's $423 million hospital that will open in Lake Nona in 2026 and the $300 million expansion of Nemours Children's Hospital that will be completed in 2028, also in Lake Nona. Phased openings of attractions at Disney World over the next several years will boost leisure and hospitality sector payrolls. Additionally, Orlando Magic's Westcourt Orlando sports and entertainment district will support about 3,400 jobs when it opens in Downtown Orlando in 2028.

Employment Trends



Source: Moody's Analytics

In the News

OC Convention Center's $560M expansion set for 2026
[Read More]

$250M MB Resort Orlando set to open in 2028
[Read More]

AdventHealth's $145M Winter Garden hospital expansion to finish in 2026
[Read More]

Deliveries & Absorption

2025 Year to Date

DELIVERIES
3,560 UNITS

ABSORPTION
6,780 UNITS

2025 Total*

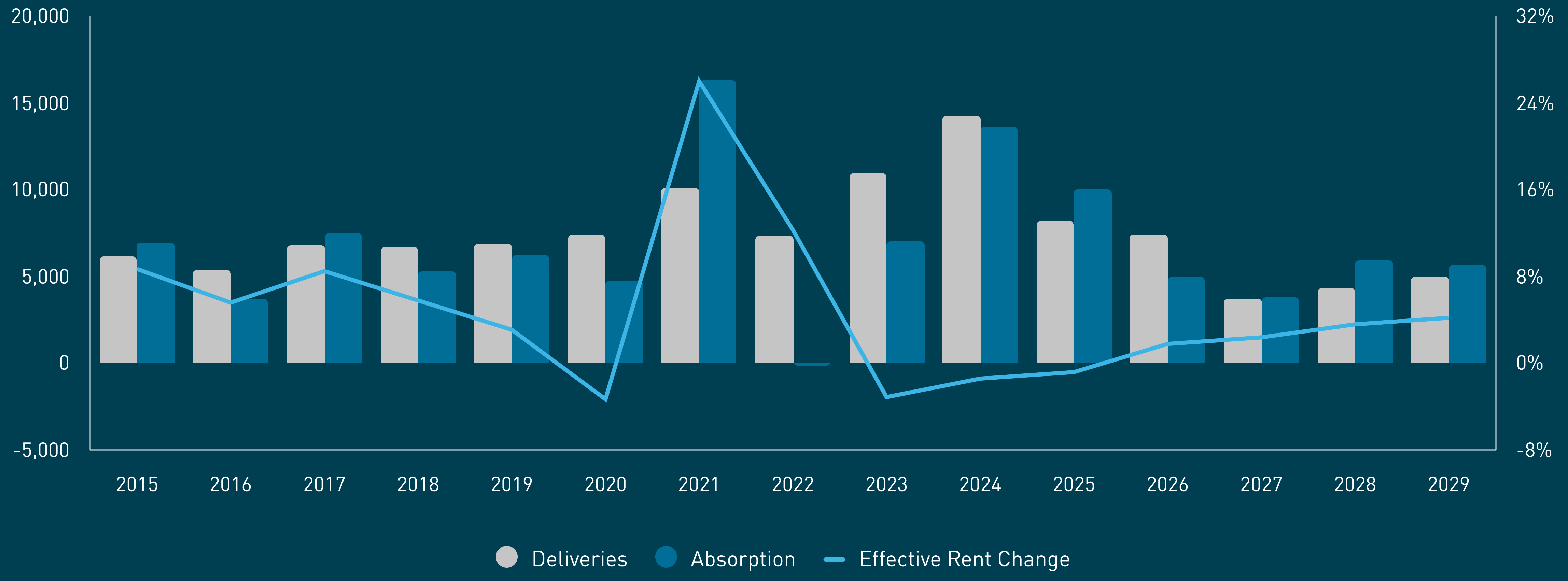
DELIVERIES
8,210 UNITS

ABSORPTION
10,036 UNITS

**Projected*

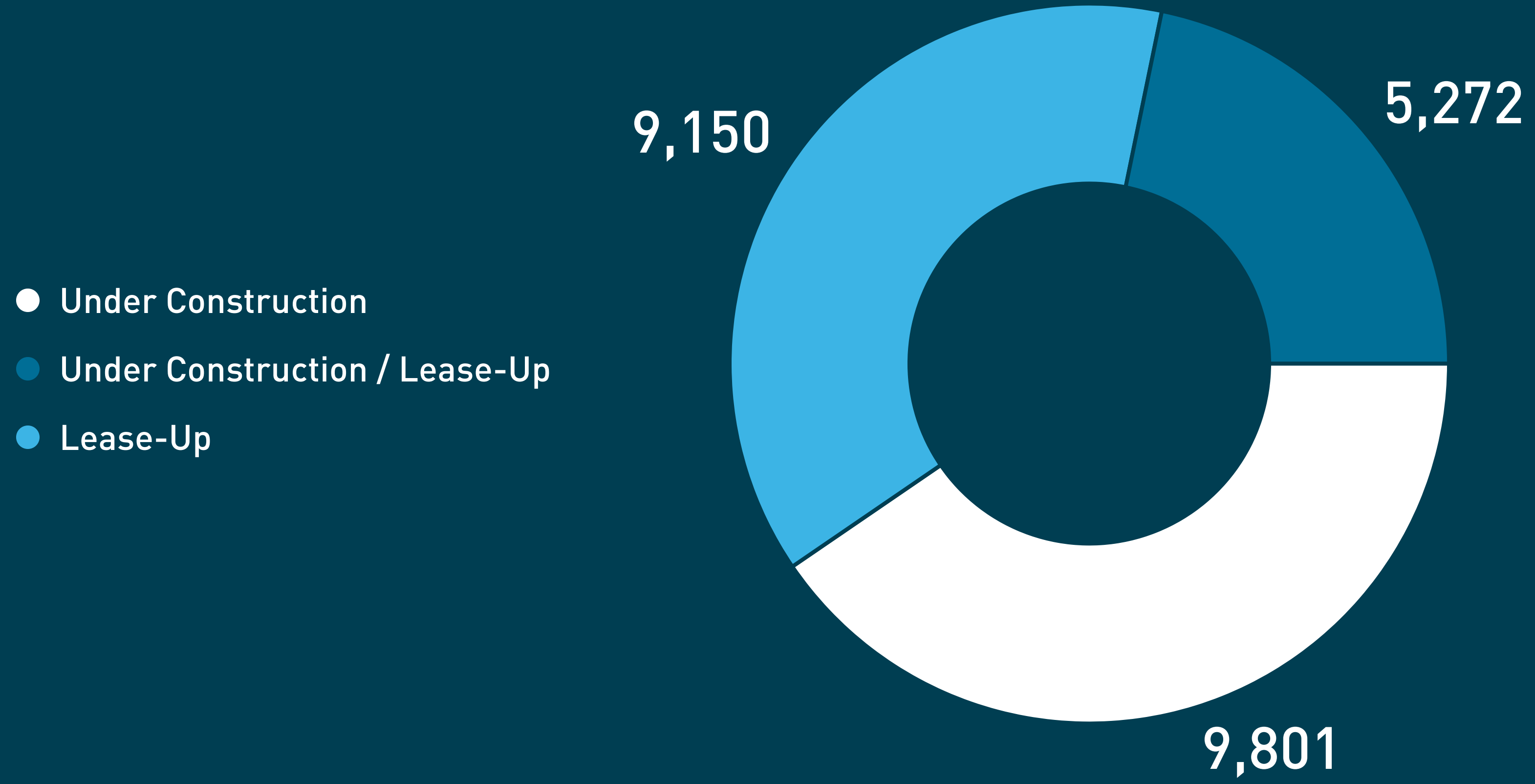
In the first half of 2025, builders completed 3,560 apartments in the Orlando metro area, about half the number of completions in the first half of 2024. Most new supply was concentrated in submarkets with easy access to Disney's theme parks: Ocoee/Winter Garden/Clermont, Kissimmee/Osceola County, and South Orange County. This trend is expected to continue through 2027. During the last half of 2025, metrowide completions are forecast to total 4,650 units. Deliveries are projected to total 7,438 units in 2026 as builders work through a thinning construction pipeline. Total deliveries in 2027 could be as little as half the number expected in 2026. In the first half of 2025, a net 6,780 apartments were newly leased. Positive net absorption occurred in 14 of the 15 submarkets, with the Kissimmee/Osceola County and South Orange County submarkets together accounting for over one-third of renter demand, driven by proximity to the area's theme parks. Annual demand across the metro is forecast to reach over 10,000 units by year-end, exceeding the new supply for the first time since 2021. Net apartment absorption is expected to decrease along with deliveries in the next few years, though it is still projected to average over 5,000 units annually. Long-term apartment demand will continue to be supported by healthy in-migration and homeownership costs that keep many households in the renter pool.

Deliveries, Absorption, & Effective Rent Change



Source: RealPage

Orlando Pipeline



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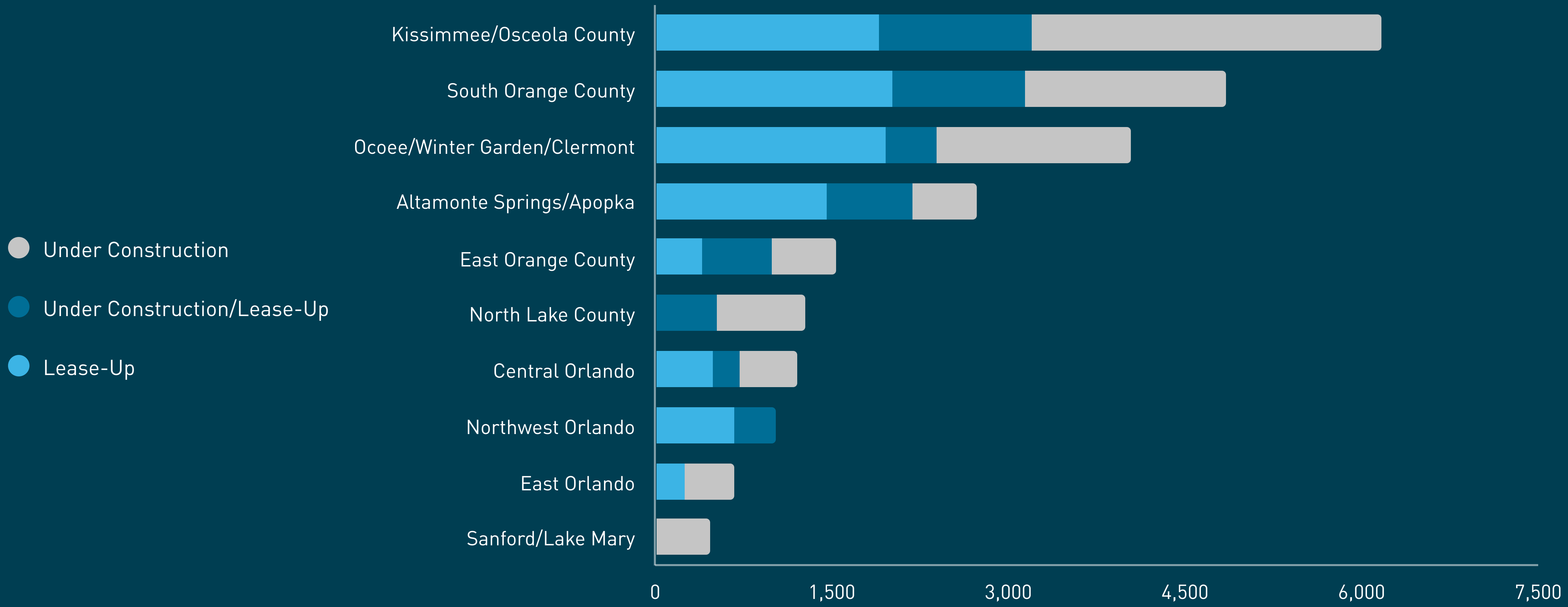
Largest Submarket Pipelines



Source: RealPage

Effective Rent

Q2 2025

$1,755

1.2% YOY

Occupancy

Q2 2025

95.1%

150 BPS YOY

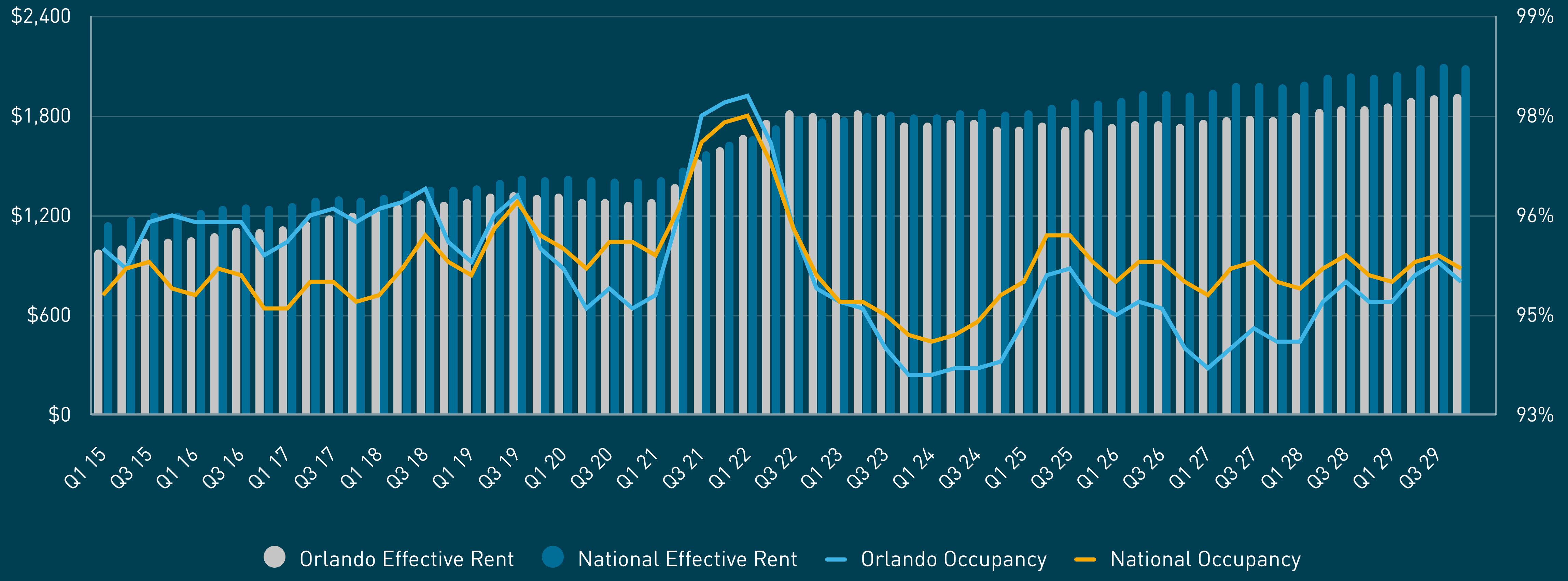
Rent & Occupancy

Leisure and hospitality workers account for nearly 20% of those employed locally, and they earn about 60% of the metro's average occupational wage. This segment of workers is typically on a strict budget and gravitates toward middle- and lower-tier apartments. Last year's rising cost of living propelled Class C demand in the metro area, as the occupancy rate rose 180 basis points annually to 95.6% in the second quarter of 2025. The Class C occupancy rate outpaced the Class B rate by 60 basis points and the Class A rate by 70 basis points. Class C average effective rent increased 1.6% from mid-2024 through mid-2025, the only apartment class to show a year-over-year gain. Class C effective rent was about 15% less than the average Class B effective rent.

For renters preferring a middle-tier apartment, Class B rent was typically 16% less than Class A effective rent. Overall apartment occupancy reached 95.1% in the second quarter of 2025, the highest occupancy rate in nearly three years. Like occupancy, metrowide effective rent began to rebound in the first half of 2025 following a decline in the last half of 2024. During the last two quarters of 2024, apartment deliveries were elevated, spurring heightened competition among apartment communities and a 2.5% decrease in effective rent by year-end. Net absorption in the metro area was brisk in the first half of 2025 as deliveries decelerated, supporting a 1.3% increase in effective rent in the last six months.

Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

Orlando Vs. National Effective Rent & Occupancy



Source: RealPage

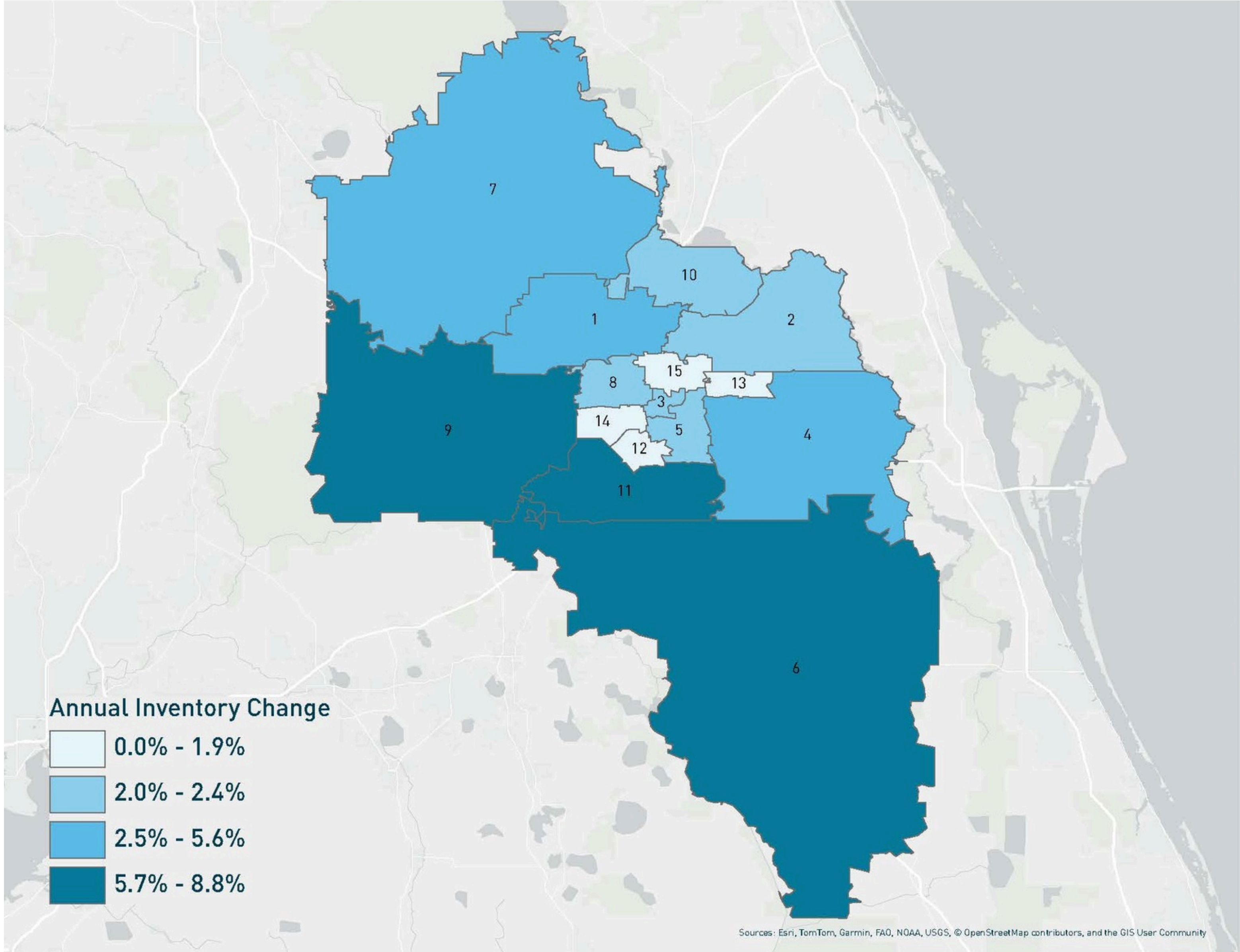
Rent & Occupancy

Submarket Performance

Submarket Name	Q2 25 Occupancy	YOY (BPS)	Q2 25 Effective Rent	YOY
Altamonte Springs/Apopka	94.8%	160	$1,666	-0.4%
Casselberry/Winter Springs/Oviedo	95.8%	190	$1,753	-0.3%
Central Orlando	95.7%	250	$2,125	0.9%
East Orange County	95.1%	150	$1,847	-2.4%
East Orlando	95.0%	90	$1,631	-2.5%
Kissimmee/Osceola County	94.6%	120	$1,715	-1.7%
North Lake County	94.9%	-80	$1,535	7.0%
Northwest Orlando	95.2%	170	$1,614	-1.3%
Ocoee/Winter Garden/Clermont	94.5%	140	$1,805	-2.0%
Sanford/Lake Mary	94.6%	90	$1,720	-1.3%
South Orange County	95.2%	120	$1,894	-3.0%
Southwest Orlando	95.7%	270	$1,588	0.3%
University	97.0%	190	$1,677	-0.9%
West Orlando	95.5%	150	$1,670	-3.6%
Winter Park/Maitland	95.8%	180	$1,711	0.2%

Source: RealPage

Submarket Mid-Year 2025 Annual Inventory Change

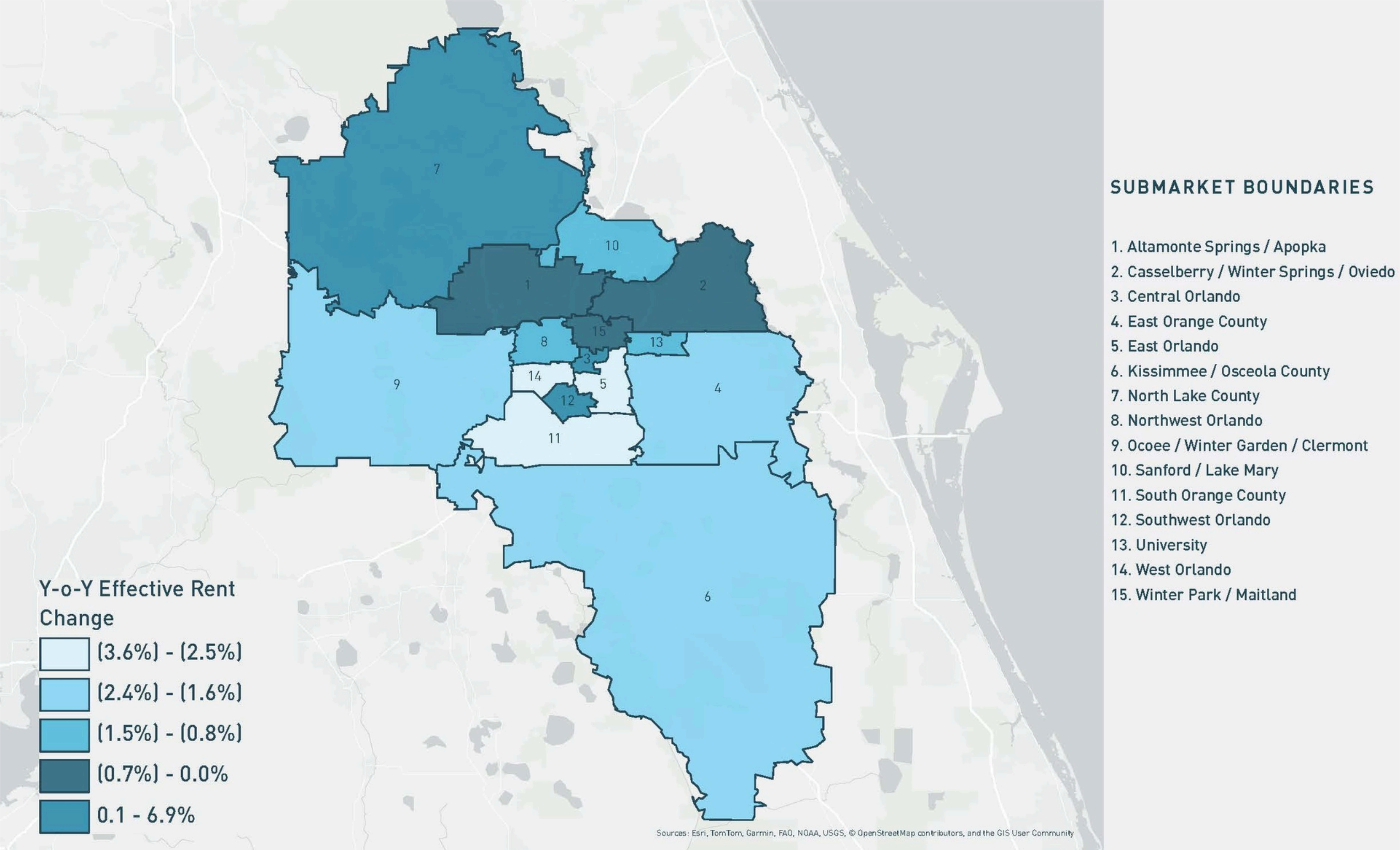


SUBMARKET BOUNDARIES

1. Altamonte Springs / Apopka
2. Casselberry / Winter Springs / Oviedo
3. Central Orlando
4. East Orange County
5. East Orlando
6. Kissimmee / Osceola County
7. North Lake County
8. Northwest Orlando
9. Ocoee / Winter Garden / Clermont
10. Sanford / Lake Mary
11. South Orange County
12. Southwest Orlando
13. University
14. West Orlando
15. Winter Park / Maitland

Source: RealPage

Submarket Mid-Year 2025 Annual Effective Rent Change



Source: RealPage

Sales

2025 Year to Date*	
Volume $797.9M	**Price Per Unit (Avg)** $359,291
Transactions 7	**Cap Rate (Avg)** 5.2%

What's Trading?*	
Units (Avg) 332	**Year Built (Avg)** 2020s
Buildings (Avg) 22	**Acres (Avg)** 20.27

*$50M+ Transactions

Sources: MSCI Real Capital Analytics; CoStar Group; Berkadia Research

Sales

Top Buyers*

Buyer	Location
Ashcroft Capital	New York, NY
Bell Partners	Greensboro, NC
Heitman	Chicago, IL
Silicon Valley Multifamily Group	Campbell, CA
Blue Sky Communities	St. Petersburg, FL

Top Sellers*

Seller	Location
SREIT	Miami Beach, FL
BREIT	New York, NY
Cortland	Atlanta, GA
Encore	Boca Raton, FL
P.A.C. Land Development	Winter Park, FL

*$50M+ Transactions

Sources: MSCI Real Capital Analytics; CoStar Group; Berkadia Research

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