



ORLANDO

MARKET INSIGHT REPORT

SPRING

2023



EMPLOYMENT / UNEMPLOYMENT

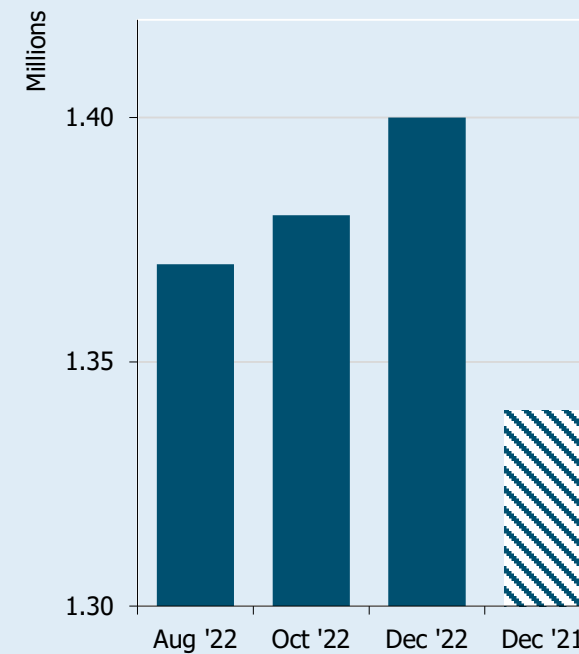
Steady in-migration, rapid population growth, and a talented labor force of roughly 1.5 million strong have aided in the formation of one of the most vibrant economies in Florida.

Orlando led the nation in technology job growth in the first half of 2022, with tech-related job openings increasing by 111% over the first half of 2021. There are about 3,400 tech-related businesses established in the Orlando area, and the technology sector has a direct economic impact of \$11.3 billion on the region's economy.

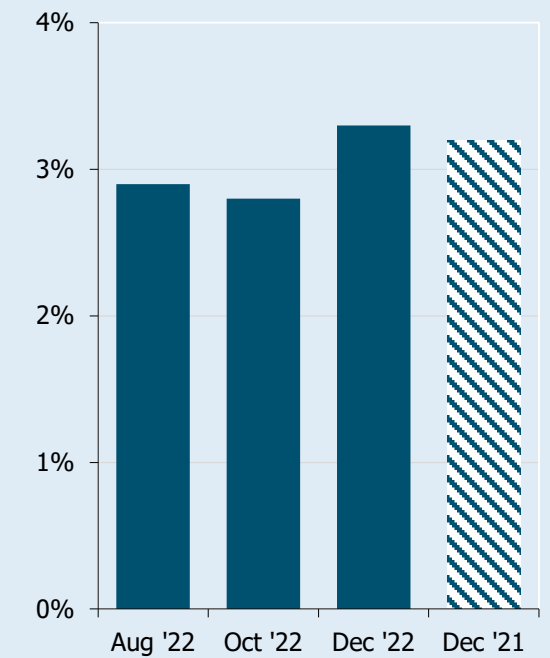
Other key industry sectors include professional and business services, health care, tourism, defense, finance, manufacturing, retail, and trade, transportation, and utilities. The largest employers in the Orlando area include Walt Disney World Resort with 58,000 area residents employed, AdventHealth, Universal Orlando, Orlando Health, and Publix Supermarkets, Inc.

- Over 53,000 jobs were added as of December 2022 a 4% year-over-year increase.
- The leisure and hospitality sector had the largest gains with 27,100 jobs added, a year-over-year increase of 10.8%.
- The unemployment rate decreased to 2.3% in December 2022, down from 3.2% in December 2021.

Total Employment



Unemployment



Metro Area Employment (Thousands)	December 2022	Change from December 2021	
		#	%
Total (Non-Farm)	1,395	53	4%
Leisure & Hospitality	277	27	11%
Trade, Transportation & Utilities	271	8	3%
Professional & Business Services	254	4	2%
Education & Health Services	174	10	6%
Government	129	3	3%
Financial Services	86	1	1%
Construction	76	-8	-9%
Manufacturing	55	4	8%
Other Services	46	4	10%
Information	27	0.2	1%

Sources: U.S. BLS, Current Employment Statistics

ORLANDO RENTAL MARKET

- The average asking market rent in Orlando is \$1,793 per month while the National Index is \$1,630 per month.
- The average rent for Class A properties is \$1,950 per month, lower than the national average of \$2,080 per month.
- The vacancy rate in 2023 is projected to range between 7.0% to 9.5% and coincide with the influx of new supply entering the market.
- Concessions are limited and concentrated in newly delivered communities still in the lease-up phase.



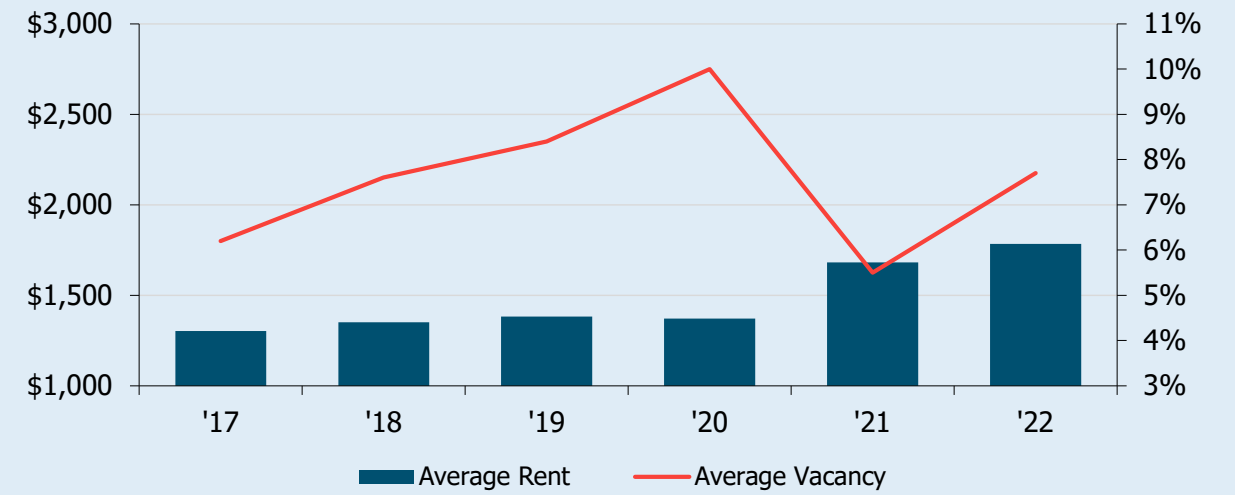
5.4%
12-Month Asking
Rent Growth YoY



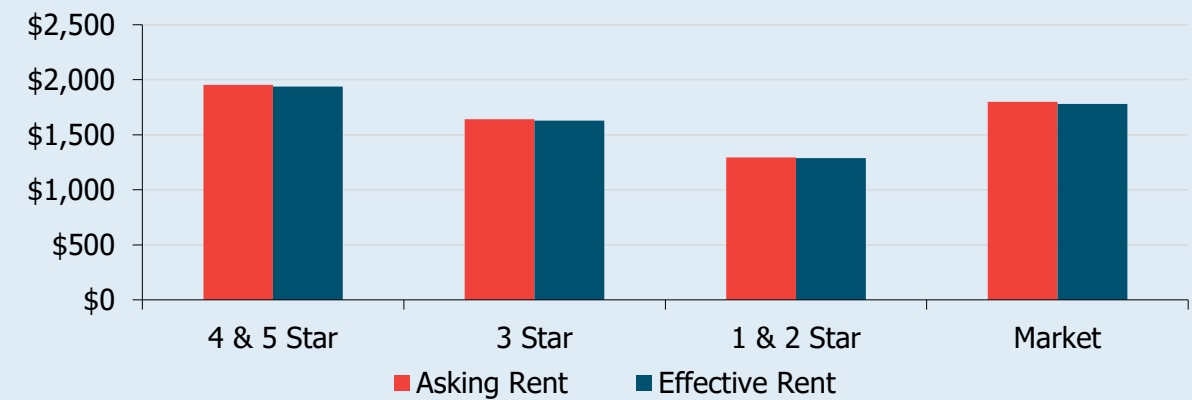
3%
Historical Asking
Rent Growth YoY

2%
Forecast Average Asking
Rent Growth YoY

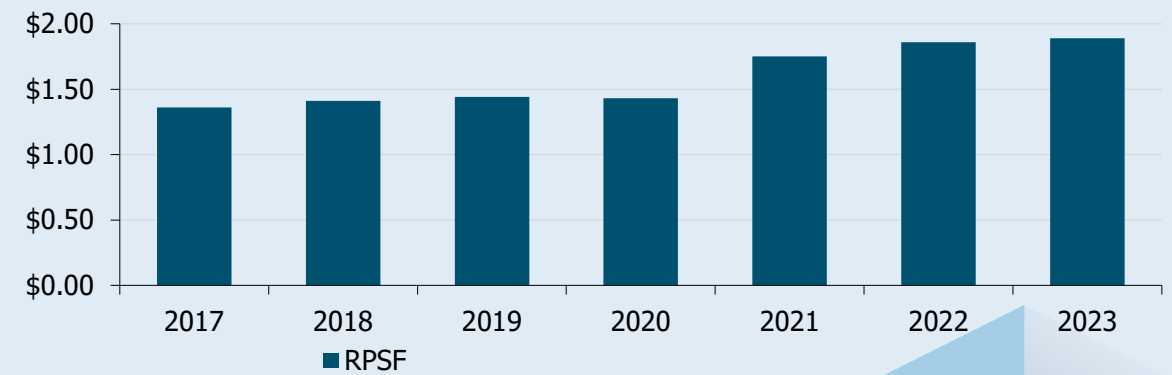
Average Rent / Vacancy



Asking Rent Comparison



Asking Rent / SF



Source: CoStar

MULTIFAMILY CONSTRUCTION

High in-migration, added new households, and overall steady job growth will keep multifamily demand strong in 2023. While Orlando comprises just 0.8% of the nation's population, it represents close to 2.5% of the multifamily units across the U.S. that are currently under construction to meet future demand. As greater Orlando's population continues to rise, the 24,000 units in the pipeline may not serve to completely thwart the supply and demand imbalance that exists.

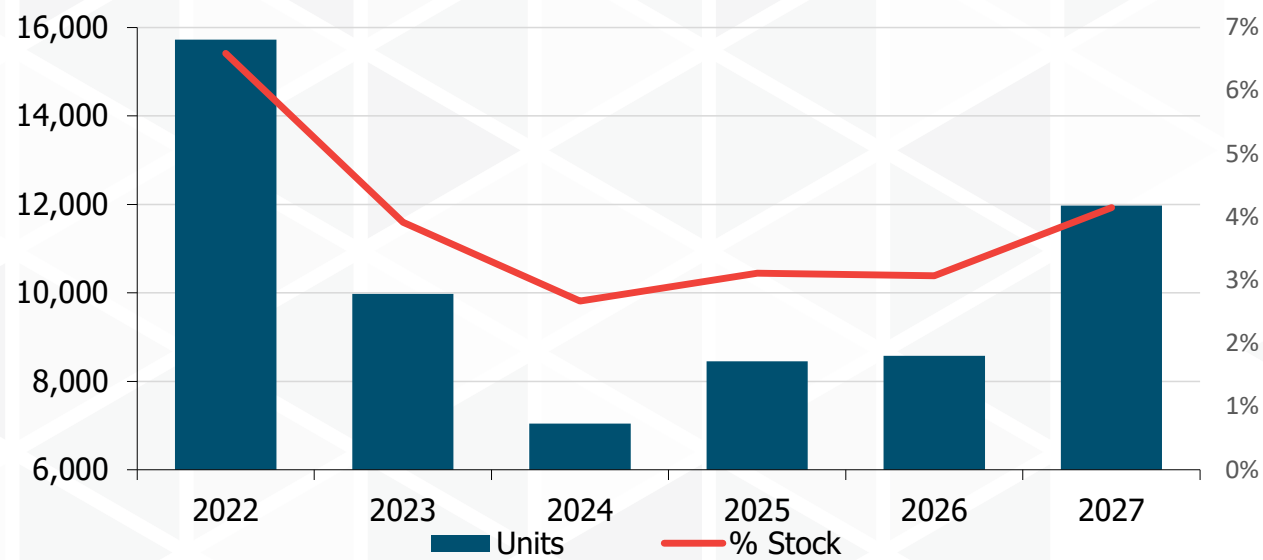
- The number of units under construction is projected to expand the Orlando Metro's existing inventory by 12%.
- The I-Drive submarket contains roughly 30% of new development underway.



9,978 New Units

2023 Expected Completions
7,048 New Units Will Follow in 2024

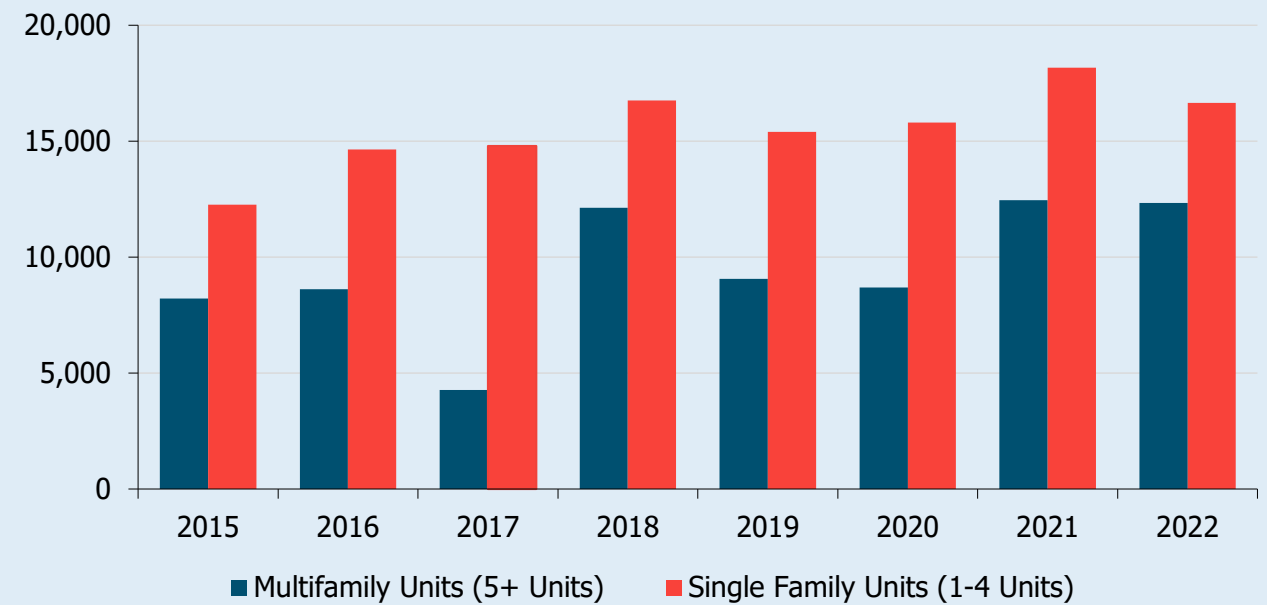
Completions



Source: Yardi Matrix (November 2022)

PERMITS

Total Residential Building Permits



Source: U.S. Census, Multifamily Includes Condos



16,650
Single Family Permits

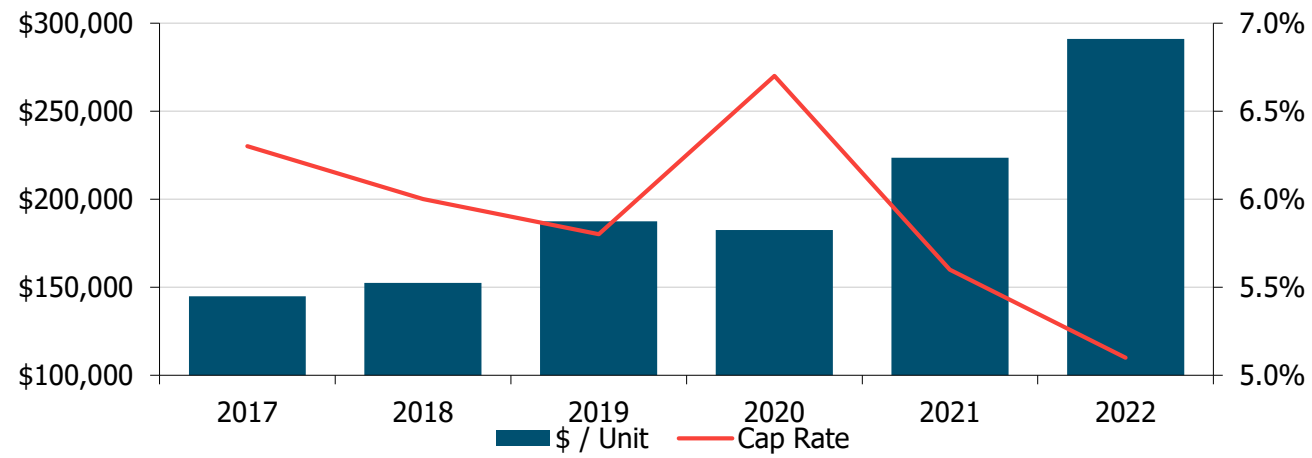
12,340
Multifamily Permits (5+ Units)



\$365K
Median Single Family Price
+3.9% YoY

MULTIFAMILY SALES

Average Sales PPU / Cap Rate



Source: CoStar

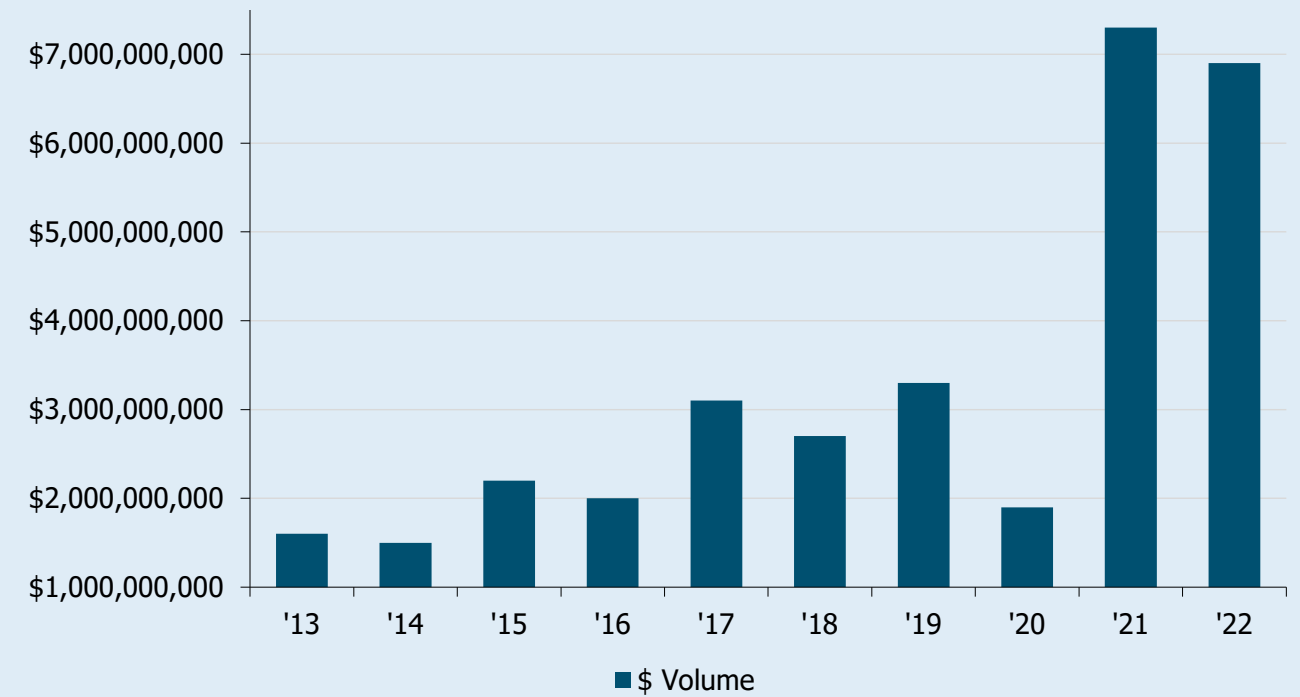


\$6.9B
Sales Volume



98%
Average Percentage
Leased at Sale

Apartment Sales Transactions



Source: CoStar



\$295,100
Avg. Sold Price / Unit
(12-Month Average)



4.1%
Market Cap Rate
(Average)



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Sources: GRE Research; National Multifamily Housing Council; CoStar

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