

**CONSTRUCTION
ACTIVITY**



UNDER CONSTRUCTION **11,018**

UNITS DELIVERED (YTD) **11,329**

**MARKET
FUNDAMENTALS**



VACANCY RATE **8.8%**

YEAR-OVER-YEAR CHANGE **+20bps**

ASKING RENTS **\$1,699**

YEAR-OVER-YEAR CHANGE **+1.7%**

**TRANSACTION
ACTIVITY (YTD)**



MEDIAN PRICE PER UNIT **\$216,700**

**ORLANDO MULTIFAMILY
Q4 2025**

MARKET INSIGHTS

Transaction activity accelerates in second half

HIGHLIGHTS

- Operating conditions were mixed during 2025, with vacancy rising slightly while asking rents increased. New supply tapered slightly, with the number of units delivered down 10% annually.
- The vacancy rate increased 10 basis points during the fourth quarter to 8.8%. During the past 12 months, vacancy trended higher by 20 basis points.
- By the end of 2025, asking rents recorded six consecutive quarters of growth, with the average increasing 1.7% year over year to \$1,699 per month.
- Investment sales rebounded sharply in 2025, marking the most active second half by transaction count and volume since 2022. Through the fourth quarter, the median sale price was approximately \$216,700 per unit, down 10% from 2024.

ORLANDO MULTIFAMILY MARKET OVERVIEW

The Orlando multifamily market continued to record mixed property performance during the current expansion of new supply. Area vacancies have increased, but strong demand has kept increases modest while supporting rent gains for the past several quarters. During the five-year period ending in 2024, the population in the Orlando metro area spiked by 12.7%, one of the fastest rates of expansion for large markets in the country. This ongoing population growth continues to support net absorption, which has totaled approximately 8,000 units during the past 12 months. While demand remains elevated, the pace of new supply has slowed from the 2023 peak. The current construction pipeline contains roughly 40% fewer units under construction than a year ago. As supply and demand move into better balance, further increases in vacancy should be limited.

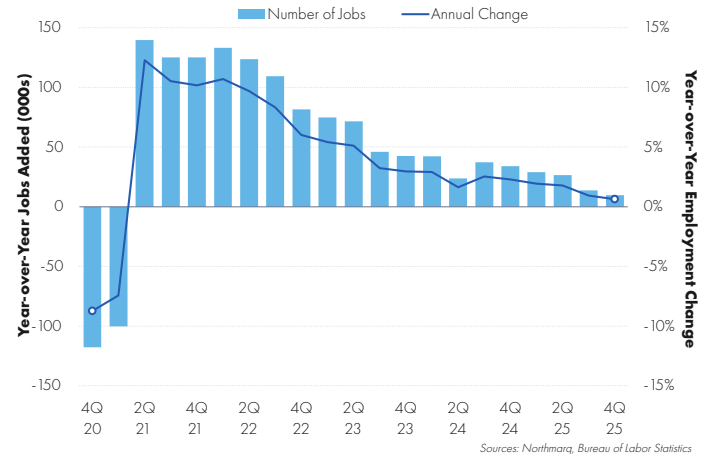
Investment activity accelerated materially in 2025, with transaction velocity and volume reaching the highest levels since 2022. During the year, transaction activity was dominated by large Class A and Class B properties built since 2000, with nearly all assets trading above \$50 million. Despite the recent surge in sales of newer vintages, the median per-unit price has declined this year, continuing a downward trend that has persisted since 2022. This pricing adjustment reflects the current cap rate environment. Since 2022, cap rates have increased by roughly 100 basis points, with multifamily assets currently trading at average cap rates of approximately 5.0% to 5.5%, depending on asset class and submarket.

EMPLOYMENT

- Between 2021 and 2024, Orlando’s job market surged, with growth outpacing the national average. In 2025, growth moderated. Year over year, employers added roughly 9,600 jobs, an annual increase of 0.6%.
- By year-end, the education and health services sector continued to outperform all major sectors, with growth steadily increasing to 5.0% year over year.
- Siemens Energy announced plans to relocate its U.S. headquarters to Orlando’s walkable and connected district at Lake Nona, investing in a new campus for nearly 3,000 local employees. The campus is expected to break ground in 2027.
- **FORECAST:** Healthcare, education, and tourism-related sectors are expected to lead near-term growth. Employers are expected to add approximately 15,000 new jobs in 2026, an annual increase of 1.0%.

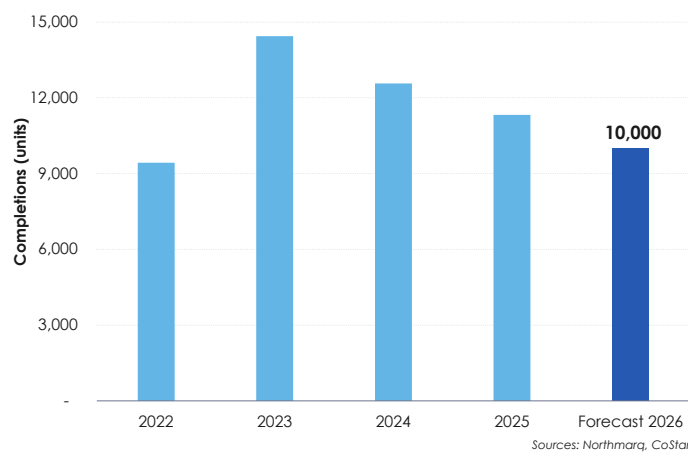
Year over year, employers added roughly 9,600 jobs.

EMPLOYMENT OVERVIEW



Units under construction are down 40% from one year ago.

DEVELOPMENT TRENDS

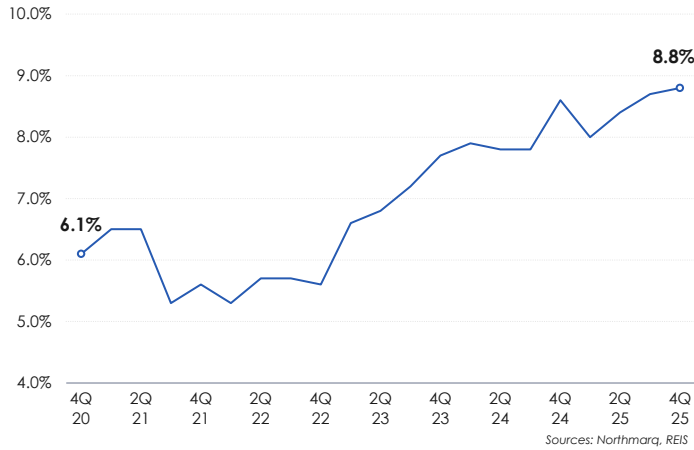


DEVELOPMENT & PERMITTING

- Multifamily development activity trended downward in 2025. Approximately 11,300 units were delivered during the year, down 10% from the 12,570 units completed in 2024.
- Apartments under construction total approximately 11,000 units, representing a 40% decline from one year ago. The largest concentration of new construction remains in the International Drive and Northwest Orlando submarkets, accounting for 40% of the total pipeline.
- Building permits were issued for an estimated 11,900 multifamily units in 2025. This followed back-to-back years where permitting volumes averaged about 8,400 units. The spike in permitting could cause a rise in supply in 2027 and later as these permitted units come online.
- **FORECAST:** Approximately 10,000 units are expected to be completed by the end of 2026, continuing the supply expansion in the Orlando multifamily market, though at a slower pace than previous years.

Year over year, overall vacancy is up 20 basis points.

VACANCY TRENDS



VACANCY

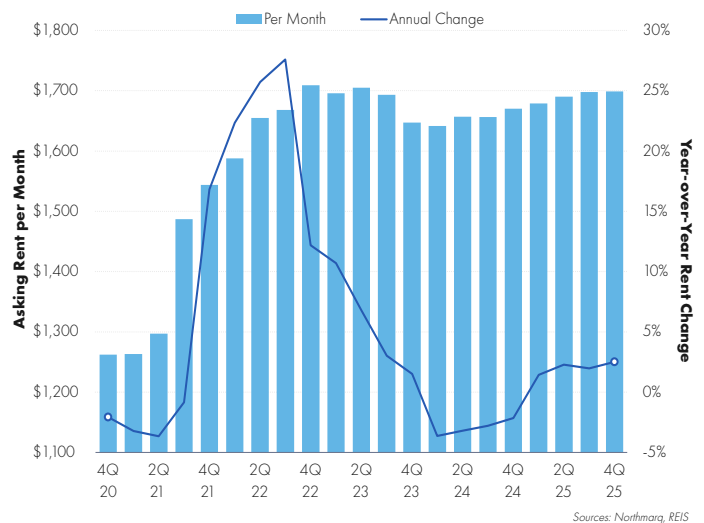
- Vacancy increased 10 basis points quarter over quarter to 8.8% as new deliveries outpaced demand. Year over year, overall vacancy is up 20 basis points.
- Over the past 12 months, Class A vacancy rose 170 basis points from 8.5% to 10.2%, while the combined Class B and Class C vacancy fell 60 basis points to 6.1%.
- Annually, vacancy in the Far North submarket improved by 130 basis points to 5.6%, supported by limited new supply. Vacancy in the Southeast/Airport submarket increased 130 basis points to 6.7%, with nearly 1,000 new units added to inventory.
- **FORECAST:** The vacancy rate is expected to increase slightly during 2026, with deliveries outpacing absorption by a modest margin. Vacancy is forecast to reach 8.9% by year-end, representing an annual increase of 10 basis points.

RENTS

- The final three months of the year marked the sixth consecutive quarter of positive rent growth, with average rents reaching \$1,699 per month, up 0.1% from the previous quarter. Annually, average asking rents increased 1.7%.
- Rents in the Northwest Orlando submarket grew 7.0% year over year, reaching \$1,430 per month, while the Lake County submarket recorded rent growth of 3.3%, rising to \$1,518 per month. Nearly all Orlando submarkets recorded annual rent growth.
- Through year-end, Class A rents reached an average of \$1,935 per month, posting 1.3% annual growth. Class B and Class C rents averaged \$1,336 per month, recording 3.2% growth for the year.
- **FORECAST:** Asking rents in Orlando are expected to rise to \$1,720 per month by year-end 2026, reaching a full recovery above the previous high in 2022 and representing a 1.2% increase from 2025.

Annually, average asking rents increased 1.7%.

RENTS TRENDS

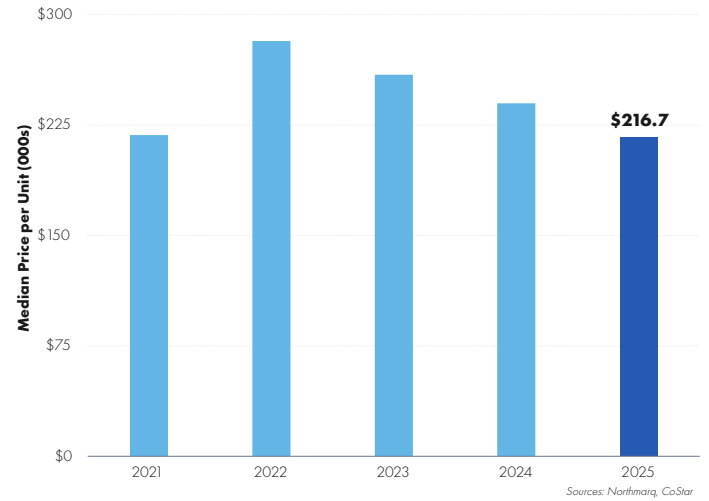


MULTIFAMILY SALES

- Multifamily investment activity in 2025 reached its highest level since 2022, with the number of property transactions rising 56% year over year.
- Through the fourth quarter of 2025, the median sale price was approximately \$216,700 per unit. This represents a 9.7% decline from 2024 and 23% below the peak reached in 2022. Properties traded in 2025 had an average vintage of 2009.
- Cap rates have remained steady compared with 2024 levels. Depending on asset class and submarket, assets are trading at average cap rates of 5.0% to 5.5%. Compared with 2022, current cap rates are up roughly 100 basis points.

Investment activity reached its highest level since 2022.

INVESTMENT TRENDS



RECENT TRANSACTIONS MULTIFAMILY SALES ACTIVITY

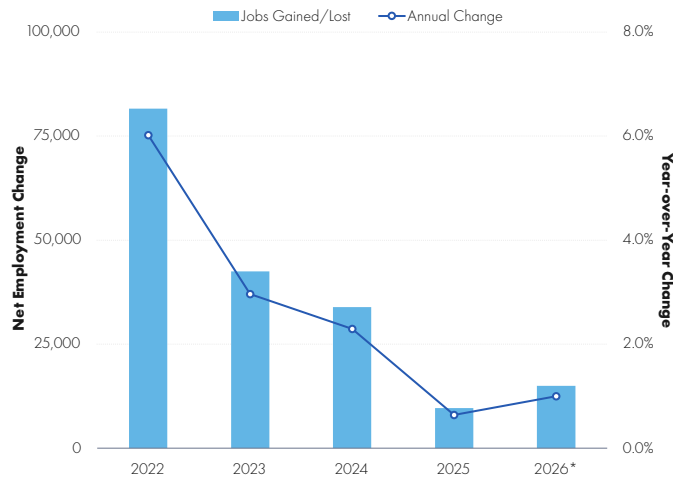
PROPERTY NAME	STREET ADDRESS	YEAR BUILT	UNITS	SALES PRICE	PRICE/UNIT
Trelago Apartments	601 Trelago Way, Maitland	2018	350	\$111,250,000	\$317,857
NOVEL Nona	11929 Pioneers Way, Orlando	2023	260	\$84,000,000	\$323,077
The Watson	6677 Tanglewood Bay Drive, Orlando	1987	408	\$80,000,000	\$196,078
Camden Lake Buena Vista	11833 Westwood Blvd., Orlando	2018	322	\$65,928,000	\$204,745
Evergreen Mills 50	1647 E Colonial Drive, Orlando	2023	245	\$64,000,000	\$261,224

LOOKING AHEAD

Orlando’s multifamily fundamentals are well positioned for balance as new supply continues to taper and demand remains elevated. Deliveries in 2025 declined 10% from 2024, and the supply pipeline indicates that 2026 will see another year of elevated, but more moderate, deliveries. Sustained renter demand is expected to offset most of the impact from additional supply. Current absorption should support lease-up velocity for recently delivered Class A assets in high-growth submarkets such as Kissimmee and Osceola, while maintaining strong occupancy across Class B and C properties in submarkets like Northwest Orlando. As new units are absorbed, overall vacancy is expected to remain nearly flat at 8.9% through 2026. Rent growth in Orlando is projected to remain positive, with average asking rents expected to increase approximately 1.2% by year-end 2026.

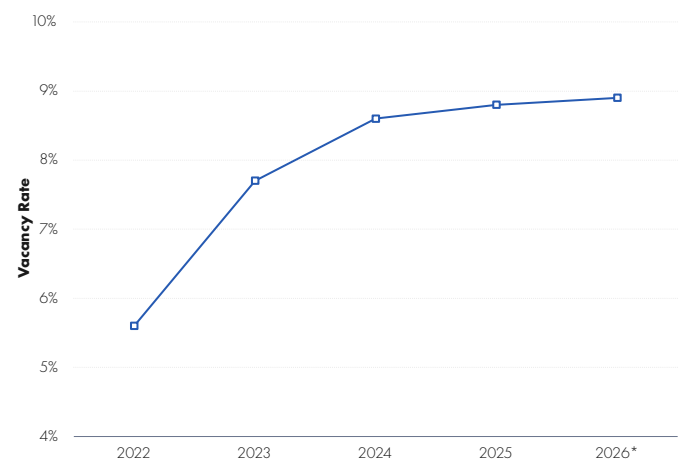
Anticipated declines in interest rates could support modest cap rate compression in 2026. Cap rates are forecast to stabilize near the lower end of the current 5.0% to 5.5% range. Multifamily transaction activity increased 56% year over year in 2025. An improved interest rate environment could further boost investment activity. As one of the fastest-growing metropolitan areas in the nation, Orlando continues to offer upside opportunities for multifamily investors seeking strong population growth and rent gains. The median price per unit has declined by approximately 25% from 2022 to 2025, presenting an attractive price point for new investors to the market. Motivated sellers offering discounted pricing are creating selective transaction opportunities, particularly for well-located assets serving the region’s workforce.

EMPLOYMENT FORECAST



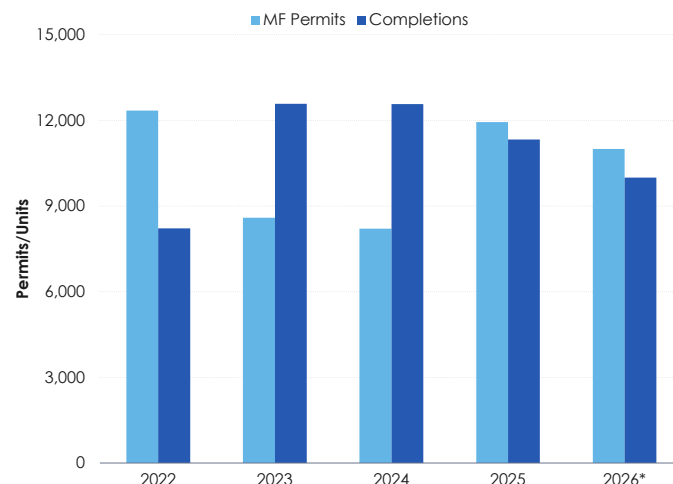
* Year End Forecast
Sources: Northmarq, Bureau of Labor Statistics

VACANCY FORECAST



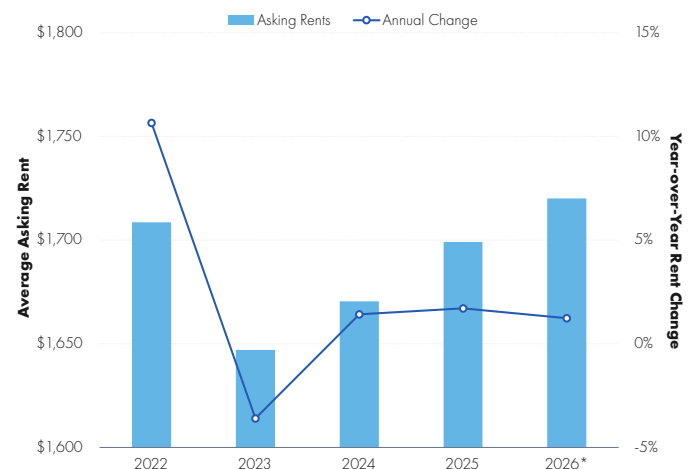
* Year End Forecast
Sources: Northmarq, REIS

CONSTRUCTION & PERMITTING FORECAST



* Year End Forecast
Sources: Northmarq, CoStar, Census Bureau

RENTS FORECAST



* Year End Forecast
Sources: Northmarq, REIS



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