



CONSTRUCTION ACTIVITY



UNDER CONSTRUCTION **9,976**

UNITS DELIVERED (YTD) **4,805**

MARKET FUNDAMENTALS



VACANCY RATE **8.5%**

YEAR-OVER-YEAR CHANGE **+10bps**

ASKING RENTS **\$1,689**

YEAR-OVER-YEAR CHANGE **-0.1%**

TRANSACTION ACTIVITY (YTD)



MEDIAN PRICE PER UNIT **\$198,700**

ORLANDO MULTIFAMILY Q2 2026

MARKET INSIGHTS

Permitting and construction decline

HIGHLIGHTS

- Orlando multifamily fundamentals improved during the second quarter as deliveries slowed. Renter demand outpaced new deliveries on a quarterly basis for just the second time since early 2023, while labor market gains are supporting renter demand.
- Vacancy fell 20 basis points from the prior quarter to 8.5% but remains 10 basis points above the year-ago level. Despite recent improvements, the rate remains above the trailing five-year average of 7.3%.
- After declining at the start of the year, asking rents resumed modest growth in recent months. Rents increased 0.3% during the second quarter to \$1,689 per month but remained down 0.1% year over year.
- Multifamily sales transactions in the first half were ahead of the pace established in recent years. Class B properties accounted for 80% of year-to-date transactions, while the median sale price was \$198,700 per unit.

ORLANDO MULTIFAMILY MARKET OVERVIEW

The Orlando multifamily market is showing signs of a slow and steady recovery. Vacancy has begun to tighten in phases. Class B and Class C properties reached their vacancy peak at the end of 2024 and have improved steadily since. Vacancies in the Class A segment did not begin to improve until this year, but the rate in the top tier has improved modestly since peaking at the end of 2025. Renter demand outpaced new deliveries during the quarter, reversing a pattern that largely defined the past two years. Reinforcing this trend is a labor market that regained momentum after a weak 2025, with Orlando now accounting for roughly half of Florida's job growth.

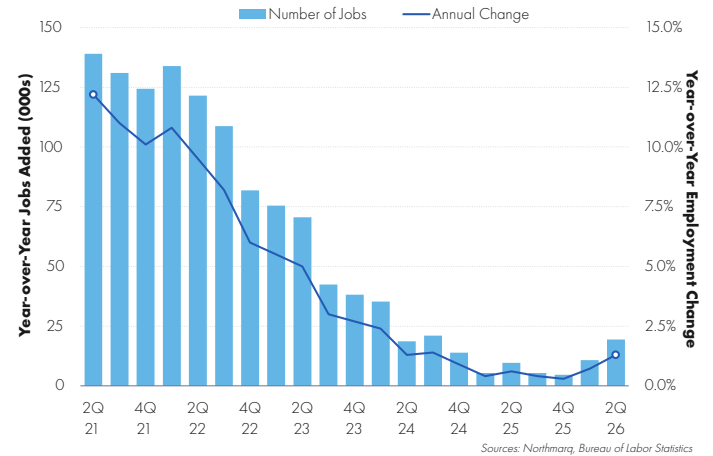
Investment activity has gained momentum in recent years and sales velocity in the first half of 2026 was elevated compared to levels from prior periods. Class B properties have accounted for a larger share of year-to-date transactions than their historical share. Multifamily sales this year have been primarily located in the North, East, and Osceola County submarkets. Cap rates have remained stable since the start of 2025 even as pricing has moved lower. Pricing now sits well below the 2022 peak, while steady cap rates and growing transaction activity point to improving investment market conditions.

EMPLOYMENT

- After a period of modest growth in 2025, employers in Orlando added 19,400 new jobs during the past year, representing 1.3% growth. Orlando remains one of Florida's strongest job markets, accounting for roughly half of all jobs added statewide.
- The leisure and hospitality sector remained a key driver of job growth, adding 10,700 positions during the past year, an increase of 3.6%. Professional and business services also gained momentum, with employers adding 6,500 jobs.
- European chipmaker Magics Technologies has selected Orlando for its U.S. headquarters. The Belgium-based semiconductor company will support U.S. space, defense, and nuclear programs, joining a growing roster of tier-one aerospace and defense firms with a significant presence in the area.
- **FORECAST:** Healthcare, education, and tourism-related sectors are expected to support area hiring activity. Employers are projected to add approximately 24,000 new jobs in 2026, an annual increase of 1.6%.

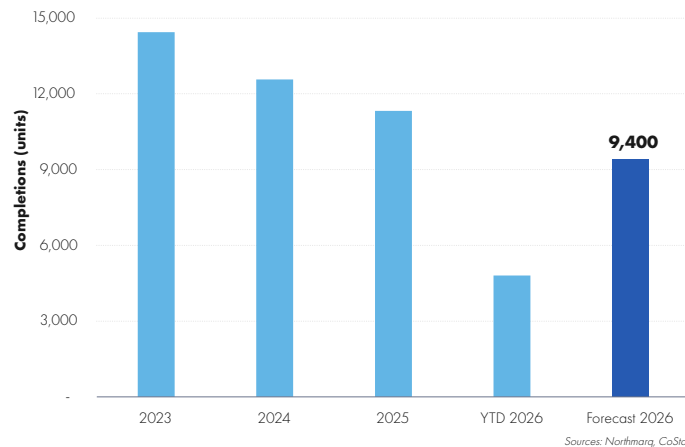
Employers added 19,400 new jobs during the past year.

EMPLOYMENT OVERVIEW



The construction pipeline contracted 13% year over year.

DEVELOPMENT TRENDS

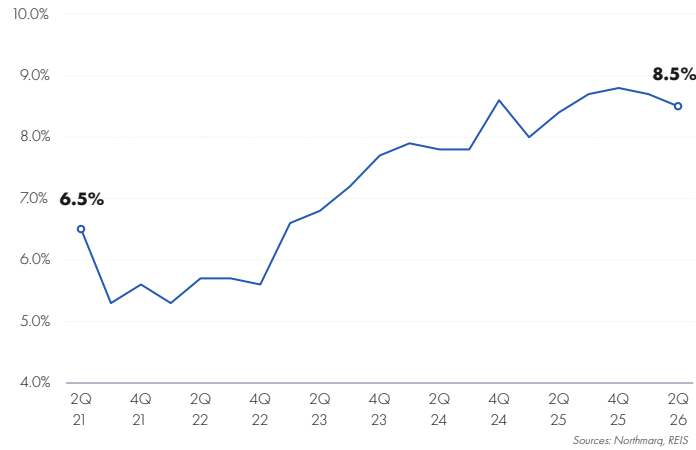


DEVELOPMENT & PERMITTING

- Multifamily development activity continues to trend lower from the peak in 2023. Approximately 4,800 new units were delivered in the first half of 2026, a 26% reduction from the same period in 2025.
- The construction pipeline contracted 13% year over year, with fewer than 10,000 units underway at the end of the second quarter. New multifamily development remains concentrated in the International Drive and Northwest submarkets.
- Permits were issued for roughly 3,000 multifamily units during the first half of the year. That total falls well below the first-half average of 6,100 units recorded over the past five years.
- **FORECAST:** New supply is projected to total roughly 9,400 units in 2026, representing a 17% decline from 2025.

The vacancy rate fell 20 basis points to 8.5%.

VACANCY TRENDS



VACANCY

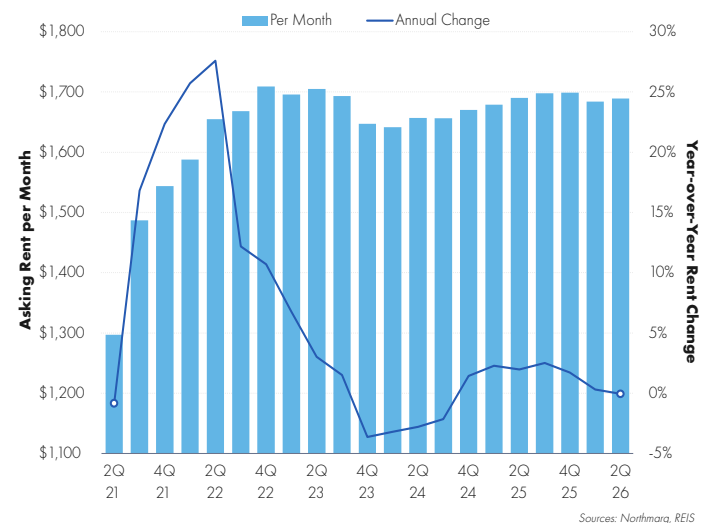
- The vacancy rate fell 20 basis points from the previous quarter to 8.5%. Overall vacancy is just 10 basis points higher than a year ago, as new supply moderately outpaced absorption.
- Since peaking at 11.0% at the end of 2025, Class A vacancy has declined 60 basis points to 10.4% year to date.
- The Northwest and Kissimmee/Osceola submarkets posted the greatest vacancy improvements during the past 12 months. Year over year, the rate in the Northwest trended lower by 210 basis points to 7.1%, while vacancy in Kissimmee/Osceola declined 140 basis points to 13.8%.
- FORECAST:** The vacancy rate is expected to continue its current trend of modest improvement through the second half of the year. Vacancy is forecast to close 2026 at 8.4%, down 40 basis points from one year earlier.

RENTS

- Asking rents increased 0.3% during the second quarter to \$1,689 per month but remained 0.1% below the year-ago level. Since reaching a recent low in the first quarter of 2024, rents have risen 2.9%, reflecting a gradual upward trend.
- The Lake County submarket led rent growth, increasing 2.7% year over year to \$1,554 per month. The Southwest submarket recorded the largest decline, with rents in the area falling 1.5% annually to \$1,811 per month.
- Class A rents posted a modest quarterly gain but remained below the year-ago level. Average asking rents reached \$1,924 per month during the second quarter, up 0.3% quarter over quarter but down 0.5% year over year.
- FORECAST:** Average asking rents are expected to close 2026 at \$1,695 per month, nearly identical to the year-end 2025 figure.

Class A rents rose 0.3% quarter over quarter.

RENTS TRENDS

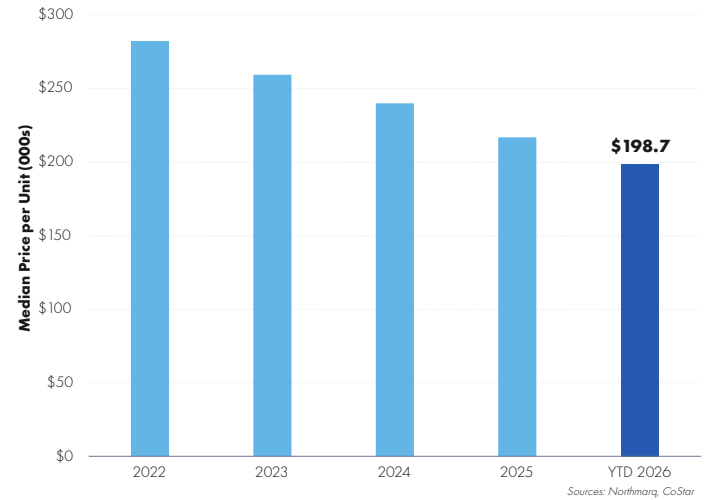


MULTIFAMILY SALES

- Transaction counts in the first half of 2026 were ahead of the pace recorded during the same period in 2025. More properties sold in the second quarter than traded in the first three months of the year.
- The year-to-date median sale price is \$198,700 per unit, down 9% from 2025 and 31% below the peak reached in 2022.
- Cap rates have remained relatively stable since the beginning of 2025. Depending on asset class and submarket, multifamily properties are generally trading at cap rates around 5.2%.

The year-to-date median sale price is \$198,700 per unit.

INVESTMENT TRENDS



RECENT TRANSACTIONS MULTIFAMILY SALES ACTIVITY

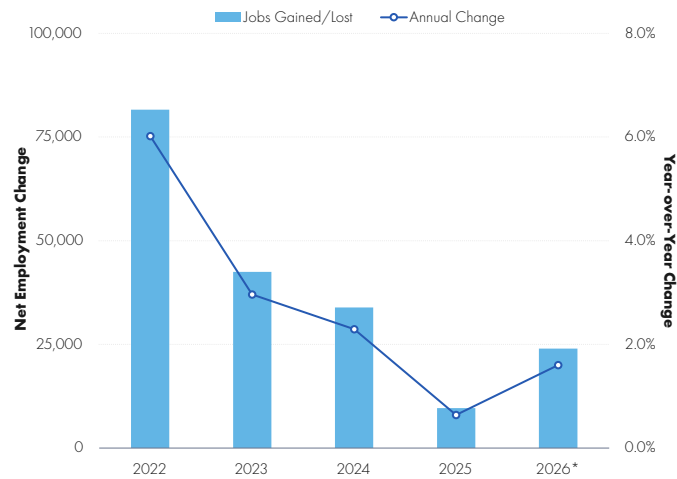
PROPERTY NAME	STREET ADDRESS	YEAR BUILT	UNITS	SALES PRICE	PRICE/UNIT
Camden at Lake Nona	12855 Sunstone Ave., Orlando	2018	288	\$82,300,000	\$285,764
Waterleigh Village	16200 Ascend Village Lane, Winter Garden	2025	280	\$64,000,000	\$228,571
Cypress Run	7100 Gateshead Circle, Orlando	1988	248	\$39,750,000	\$160,282
Ibis Park at Harmony West	7110 Sandhill Crane Way, Saint Cloud	2024	101	\$29,400,000	\$291,089
Soraya	1485 Ash Circle, Casselberry	1972	184	\$21,000,000	\$114,130

LOOKING AHEAD

The forward supply picture in Orlando is improving as project completions are set to decline again this year, easing the pressure that has weighed on occupancy since 2023. Permitting has fallen to roughly half its five-year average pace and is on track for a sharp decline in 2026, signaling construction activity will likely be reduced for the next few years. Demand is expected to remain healthy, supported by a local employment market that is gaining momentum. Vacancies and rents are forecast to remain near current levels through the end of this year with the prospect of improving performance more likely in 2027.

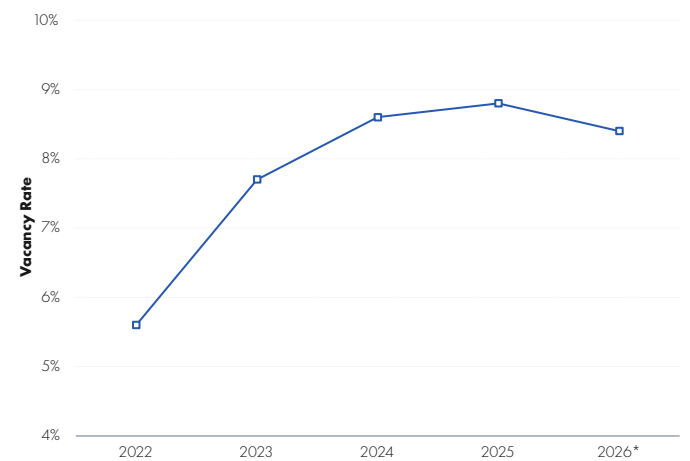
To this point in 2026, investment activity has been concentrated primarily in Class B assets, but the sales mix will eventually broaden to include newer assets as conditions improve. Class A properties have historically represented about 25% of total transaction activity, but that figure has fallen in recent periods. Transactions will likely occur in larger numbers as newer assets move through lease-up, a factor that should be supported by further improvements in Class A vacancy rates. Investors will likely factor in the local market's strong economic growth when assessing acquisition opportunities.

EMPLOYMENT FORECAST



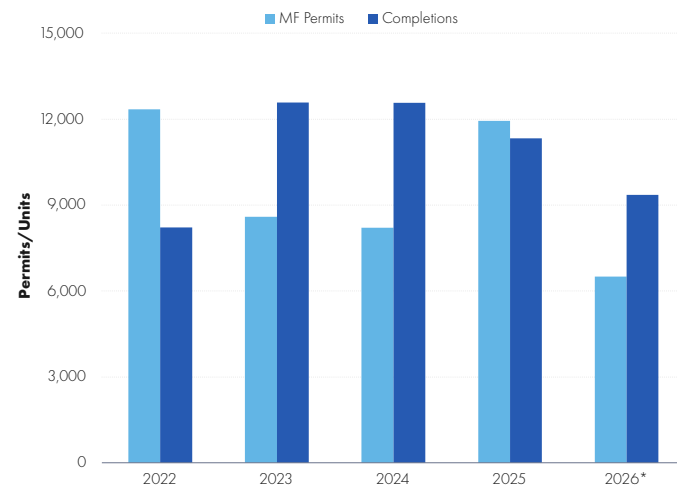
*Year-End Forecast
Sources: Northmarq, Bureau of Labor Statistics

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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