

INVESTMENT FORECAST

Multifamily
Orlando

IPA
INSTITUTIONAL
PROPERTY
ADVISORS

2026

Rent Growth Prospects Strengthening Amid Rising Demand for Class A Assets

Submarkets see shifting development patterns. Bolstered by the nation's second-fastest rate of net in-migration in 2025, Orlando's apartment market enters 2026 on a solid footing, though population gains are beginning to moderate. The metro also must contend with an inventory that has grown more than 20 percent over the past five years, one of the 10 fastest paces among major markets. The longer-term outlook is promising, given that the number of units under construction fell by late 2025 to its lowest level since at least 2020. But areas such as Winter Garden, the Interstate 4 corridor between the CBD and Williamsburg, and Kissimmee will still face notable supply pressure in the months ahead. In contrast, areas like the CBD and Northwest Orlando maintain favorable positioning after recording some of 2025's largest declines in vacancy and anticipate limited supply pressure in the coming years. Metrowide, mean effective rent declines have narrowed each year since 2022. As vacancy continues to tighten for a third consecutive year in 2026, a return to rent growth appears imminent.

Market set for large-scale trading. After a slow start to the year, investment sales accelerated in the second half of 2025, with the largest relative jump among trades about \$20 million. As such, activity was more evenly distributed across asset classes than in 2024, when Class C deals accounted for more than half of all transactions. Despite the influx of new supply over recent years, Class A properties remain well positioned, having recorded the steepest vacancy decline among tiers and reduced concession usage in 2025 — in contrast to modest increases across lower-quality tiers. Submarkets such as North Orlando, the Winter Garden area, and the key transportation corridor stretching from Northeast Lake Buena Vista to Oak Ridge along Interstate 4 captured a sizable share of Class A and 100-plus-unit property trading last year. Each of these locations demonstrated strong absorption of new supply. As metrowide rent-growth prospects continue to improve, investor interest in upper-tier assets across these nodes is likely to remain elevated through 2026.



21.1%

2025 share of local population between 20 and 34 years old



33.6%

of local population hold bachelor's degree or higher*



\$436,200

2025 median home price*

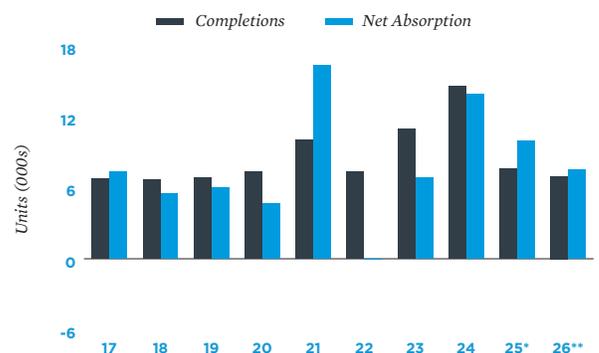
Employment Trends



Housing Affordability Gap



Supply and Demand



* Estimate ** Forecast * Through 3Q
*2025: 25+ years old

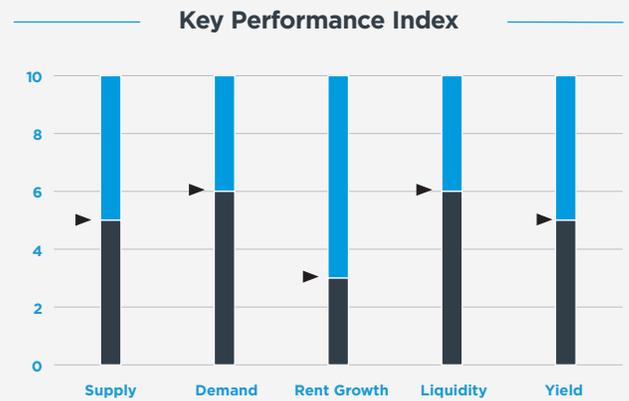
Sources: IPA Research Services; BLS; Freddie Mac; National Association of Realtors; RealPage, Inc.

Investment Outlook

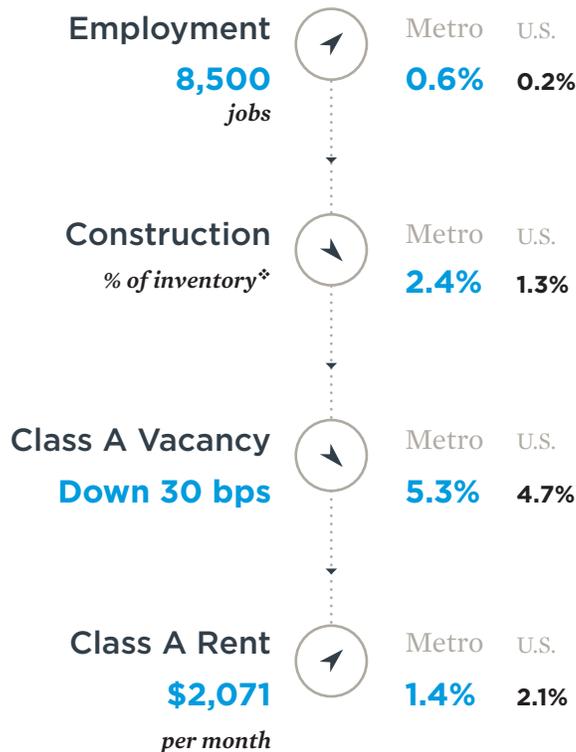
Orlando stands out as the only market in the KPI with a rent score of 3 and a demand score of 6. While renter demand has kept pace with supply additions over the past three years, pushing vacancy lower, the increase in options for renters has held the average rent relatively flat since one of the nation's stronger gains in 2021.

Orlando's ties with San Antonio as having the highest liquidity score this year of any market with a sub-4 rent KPI. The metro's yield value of 5 is in line with most other major Florida markets.

Note: The Key Performance Index provides a metro-level relational benchmark scaled from 1-10 for five key metrics.



2026 INVESTMENT OUTLOOK



IPA Multifamily

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* Estimate ** Forecast
 * Arrow reflects completions trend compared with 2025
 Sources: IPA Research Services; CoStar Group, Inc.; RealPage, Inc.; Real Capital Analytics