

TOPAZ MARKET OVERVIEW

ORLANDO-
KISSIMMEE-
SANFORD
MSA - FL

RESEARCH & INSIGHTS DIVISION




TOPAZ
CAPITAL GROUP
GROWING WEALTH. ENHANCING COMMUNITIES.



POPULATION & ECONOMY

Topaz Capital Group recognizes multi-family properties in the Orlando-Kissimmee-Sanford Metropolitan Statistical Area (MSA) as a highly attractive asset class, providing significant potential rewards with minimal long-term downside risk.

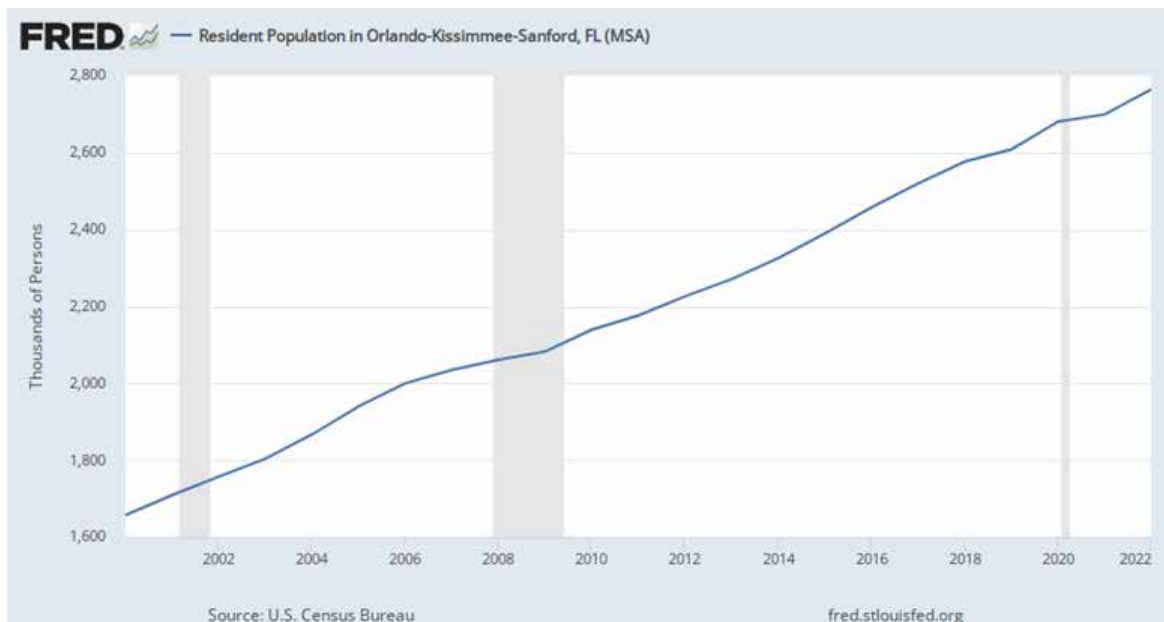
The population, economic, and market trends indicate continued growth in the region while investor interest and limited supply will drive demand.





The Orlando-Kissimmee-Sanford Metropolitan Statistical Area (MSA) in Florida has experienced population growth in recent years. According to the U.S. Census Bureau, the population of the Orlando-Kissimmee-Sanford MSA was approximately 2.63 million in 2021.¹ This reflects a 2.83% increase compared to the population of 2.56 million in 2020.¹

According to a recent report by Woods & Poole Economics, Inc., the population of the Orlando-Kissimmee-Sanford area is predicted to grow by 75.3% over the next few decades, from 2,737,800 in 2022 to 4,800,100 in 2060.² The median household income in the area also grew by 6.3% between 2020 and 2021, from \$61,229 to \$65,086.²






ECONOMY & JOB GROWTH

As of October 2023, the unemployment rate for the Orlando-Kissimmee-Sanford area stands at 3.1%. The area is projected to experience a future job growth rate of 50.3% over the next ten years, surpassing the US average of 33.5%.³ The Orlando- Kissimmee- Sanford area has a sales tax rate of 6.8%, which is lower than the national average of 7.3%. Like the rest of Florida, there is no state income tax in Orlando-Kissimmee-Sanford.

INCOME AND SALARIES

According to the U.S. Bureau of Labor Statistics, the average (mean) hourly wage in the Orlando-Kissimmee-Sanford area was \$25.89 in May 2022, which is approximately 13% below the nationwide average of \$29.76.⁹ However, it's important to note that income and salaries can vary across different occupations and industries within the area.






GDP (GROSS DOMESTIC PRODUCT)

REAL ESTATE MARKET

According to Redfin,¹⁰ the median sale price for homes in Orlando is \$355,750, which is approximately 5% lower than the national average. The median listing home price in Orlando, FL was \$395K.¹¹



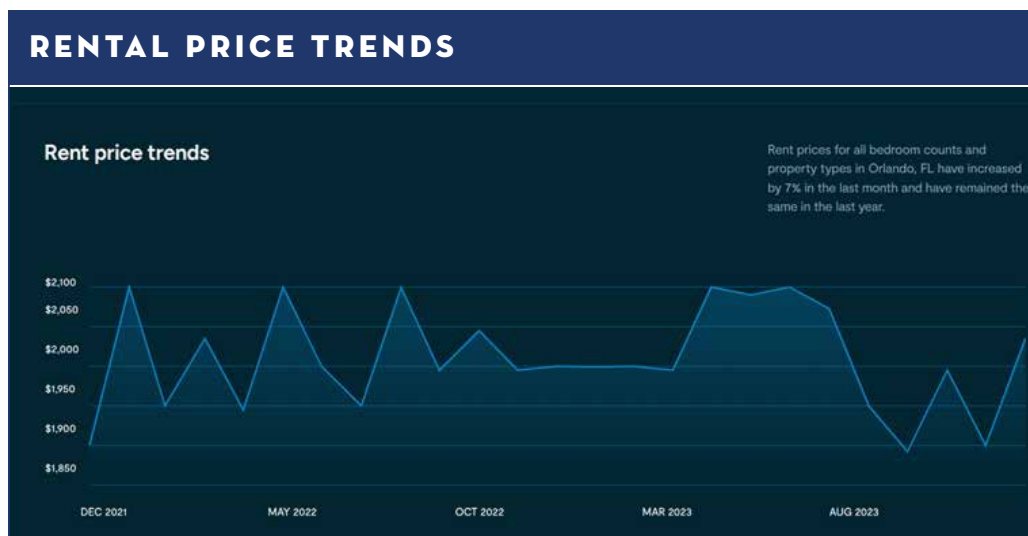
Some Housing Stats:

- New listings in Orlando decreased by 7.8%
- The median sale price is down 1.2% since last year
- The inventory of available homes has decreased by 3.4%
- The sale-to-list price ratio was 97.2%, which means that homes were selling very close to their asking prices.
- Five-year change in home prices: 76.3%

Over the next few years, a steady stream of new jobs and residents combined with ultra-low supply should help keep the Orlando-Kissimmee-Sanford housing market strong. Zillow projects a 6.5% increase in home values in the area over the next year. However, there are some factors that could cool the market, such as rising interest rates and a potential recession. These factors may also affect markets nationally and are not unique to the Orlando-Kissimmee-Sanford MSA.

RENTAL

Orlando was ranked as one of the best places to buy rental property in 2022, based on key investment criteria such as cash flow, affordable property prices, and a growing population and job market. The median rent in Orlando is \$2,190 per month for a 3-bedroom home, according to Zumper (as of June 2022).¹²



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MULTIFAMILY INVESTMENT

The multifamily market in Orlando is expanding quickly due to steady inbound migration and job growth and the rental market has experienced dramatic year-over-year rent growth. Rents in metropolitan Orlando increased by 16% over the last year¹³ and during the last 12 months, demand for multifamily units has increased, bringing the vacancy rate down to 7.7 percent.¹⁶

There are currently 3,500 vacant units available for over 1.5 million residents in Orlando. Additionally, there are 5,800 units under construction, which will be completed in the coming months. The supply additions in Orlando's multi-family market are expected to be the third-largest among all the main U.S. markets. This 4.6% increase in stock would be Orlando's biggest stock growth to date.¹⁶

CONCLUSION

Topaz Capital Group will continue to view multifamily properties in the Orlando area as a highly attractive asset class. We believe that recognizing multi-family properties in Orlando areas as a highly attractive asset class, providing significant potential rewards with minimal long-term downside risk. And investors are taking note: The city's due to steady inbound migration and job growth make it an appealing destination for investors and buyers from other states. In fact, out-of-state investors accounted for over 60% of all transactions in the past year, driving the demand for multi-family properties in the market.

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