



MARKET AT A GLANCE



OCCUPANCY RATE **95.9%**
Up **40 bps** since 3Q16



ASKING RENT **\$1,224**
Up **4.4%** since 3Q16

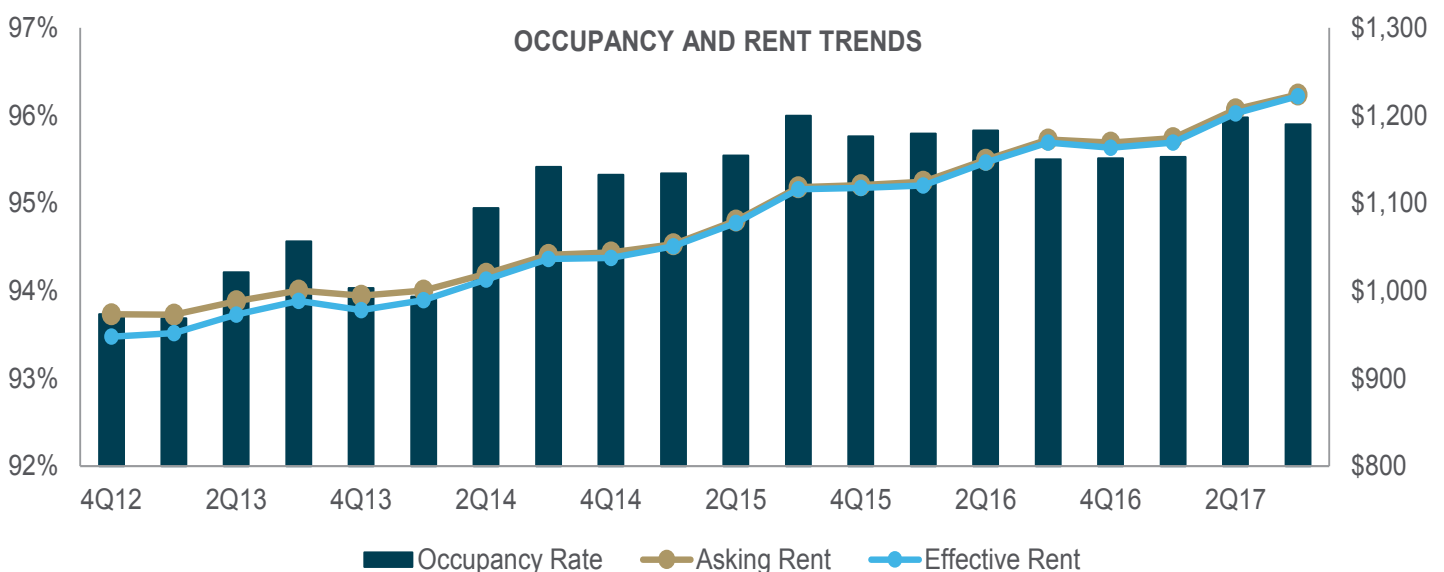


CONCESSIONS **0.2%**
Down **10 bps** since 3Q16

OCCUPANCY AND RENT TRENDS

APARTMENT FUNDAMENTALS BOOSTED BY JOB AND HOUSEHOLD GROWTH

Robust annual household and job growth supported healthy apartment fundamentals in the Orlando metro area. By September of this year, annual household growth of 3.7% outpaced nearly every major metro area in the country, while employment increased 3.2% compared to national job growth of 1.4%. These developments promoted elevated apartment demand as renters occupied 8,514 additional units in the last 12 months, a 54% gain over the prior 12-month period. More than one-quarter of absorption occurred among the neighboring South Central/527/441 and Far South/Lake Buena Vista submarkets. The heightened metrowide leasing activity eclipsed the 7,948 new units delivered since September of 2016. At the end of the third quarter of this year, metrowide occupancy was 95.9%, 40 basis points higher than the same period in 2016. The occupancy rate rose in 12 of the 14 submarkets. On an annual basis, asking rent increased in every submarket. Overall asking rent advanced 4.4%, reaching \$1,224 per month in September. Meanwhile, the average concession dipped 10 basis points to 0.2% of asking rent, driving effective rent to \$1,222 per month, a 4.5% increase.



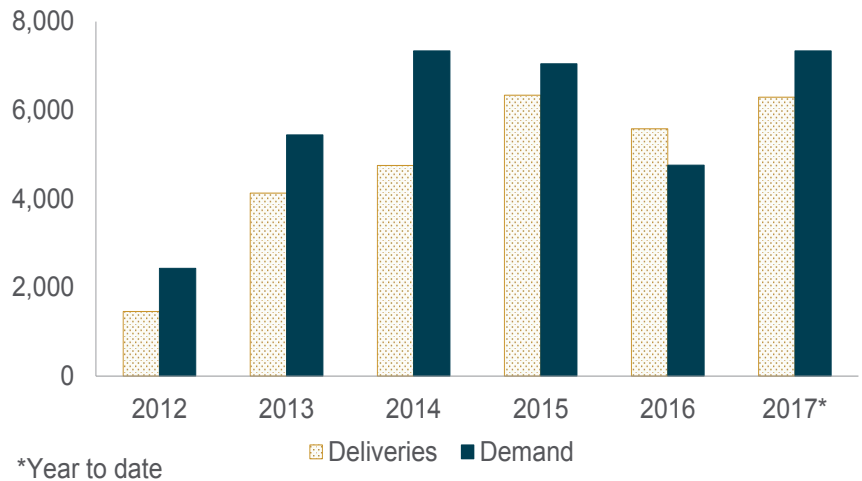
DELIVERIES AND DEMAND



DELIVERIES 6,295
Units YTD



NET ABSORPTION 7,338
Units YTD



ECONOMIC TRENDS

2016 4.5% **UNEMPLOYMENT*** 2017 3.7%
-80 BPS CHANGE

2016 1.21m **EMPLOYMENT*** 2017 1.25m
3.2% CHANGE

2016 44.8k **EXISTING SFH SALES**** 2017 51.3k
14.5% CHANGE

2016 \$229.9k **MEDIAN SFH PRICE**** 2017 \$243.1k
5.7% CHANGE

2016 1.63% **10-YEAR TREASURY**** 2017 2.20%
60 BPS CHANGE

In the 12-month period ending in August of this year, employment expanded in eight of the 11 job sectors. Employment in the natural resources and mining segment was unchanged, while losses were limited to the government and information sectors. Employment in the metro area grew 3.2% annually as employers hired 39,300 additional workers. Approximately 68 million people visited the Orlando area in 2016, a record total that bolstered the leisure and hospitality industry, where 11,500 workers were added through August, a 4.6% year-over-year gain. Trade, transportation, and utilities employment grew 2.5% as 5,800 jobs were created. In the professional and business services segment, 7,500 positions were filled, a 3.6% increase. Numerous large-scale projects in the metro area generated vigorous hiring in the construction industry, an 8.8% expansion following the creation of 6,000 jobs. These projects included the \$2.1 billion expansion of the Orlando International Airport and the \$430 million KPMG Global Training Center development in Lake Nona.

*August; **September



ORLANDO

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	3Q16	3Q17	3Q16	3Q17	3Q16	3Q17	3Q17	ANNUAL	3Q17	ANNUAL
East Altamonte/Casselberry	95.8%	95.7%	4.2%	4.0%	\$1,146	\$1,192	373	656	359	709
Far North	96.3%	96.4%	6.1%	5.3%	\$1,187	\$1,250	58	60	59	59
Far South/Lake Buena Vista	95.0%	95.5%	4.2%	2.6%	\$1,314	\$1,348	292	1,107	347	1,084
Kissimmee/Osceola	96.4%	96.8%	4.5%	5.4%	\$1,079	\$1,137	47	460	72	381
Lake County	97.1%	97.4%	14.1%	0.3%	\$1,088	\$1,092	72	716	54	701
Maitland/Winter Park	94.5%	95.2%	7.5%	4.1%	\$1,338	\$1,393	25	581	37	519
Northeast/436/551	95.8%	96.5%	2.6%	2.3%	\$1,173	\$1,199	58	503	0	412
Northwest/441	96.7%	97.0%	5.6%	7.6%	\$854	\$919	234	325	150	293
Orange County/Other	94.7%	95.5%	2.1%	8.8%	\$1,326	\$1,442	163	530	149	519
Osceola County/Other	93.0%	92.9%	2.8%	4.0%	\$1,226	\$1,276	258	476	294	523
South Central/527/441	94.9%	95.6%	3.0%	7.0%	\$1,131	\$1,210	454	1,146	398	956
Southeast/Airport/436/15	95.3%	95.5%	8.5%	3.1%	\$1,218	\$1,256	-24	795	0	784
Southwest/435	96.4%	96.7%	5.9%	3.6%	\$1,158	\$1,199	96	83	0	0
West Altamonte Springs	95.1%	96.1%	6.9%	3.2%	\$1,093	\$1,127	403	1,077	473	1,008
TOTALS	95.5%	95.9%	5.6%	4.4%	\$1,172	\$1,224	2,508	8,514	2,392	7,948



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