2026

ORLANDO

MULTIFAMILY FORECAST REPORT

MARKET SNAPSHOT

AVERAGE RENT **$1,742** Q4 2025	**-0.9%** ANNUAL CHANGE	AVERAGE RENT **$1,726** Q4 2026
OCCUPANCY RATE **91.6%** Q4 2025	**-30 BPS** ANNUAL CHANGE	OCCUPANCY RATE **91.3%** Q4 2026
COMPLETIONS **11,315** 2025	**9,011** 10 YR. AVG. ANNUAL COMPLETIONS	COMPLETIONS **6,016** 2026
NET ABSORPTION **7,972** 2025	**7,393** 10 YR. AVG. ANNUAL NET ABSORPTION	NET ABSORPTION **5,148** 2026

Source: CoStar

KEY MARKET THEMES FOR 2026

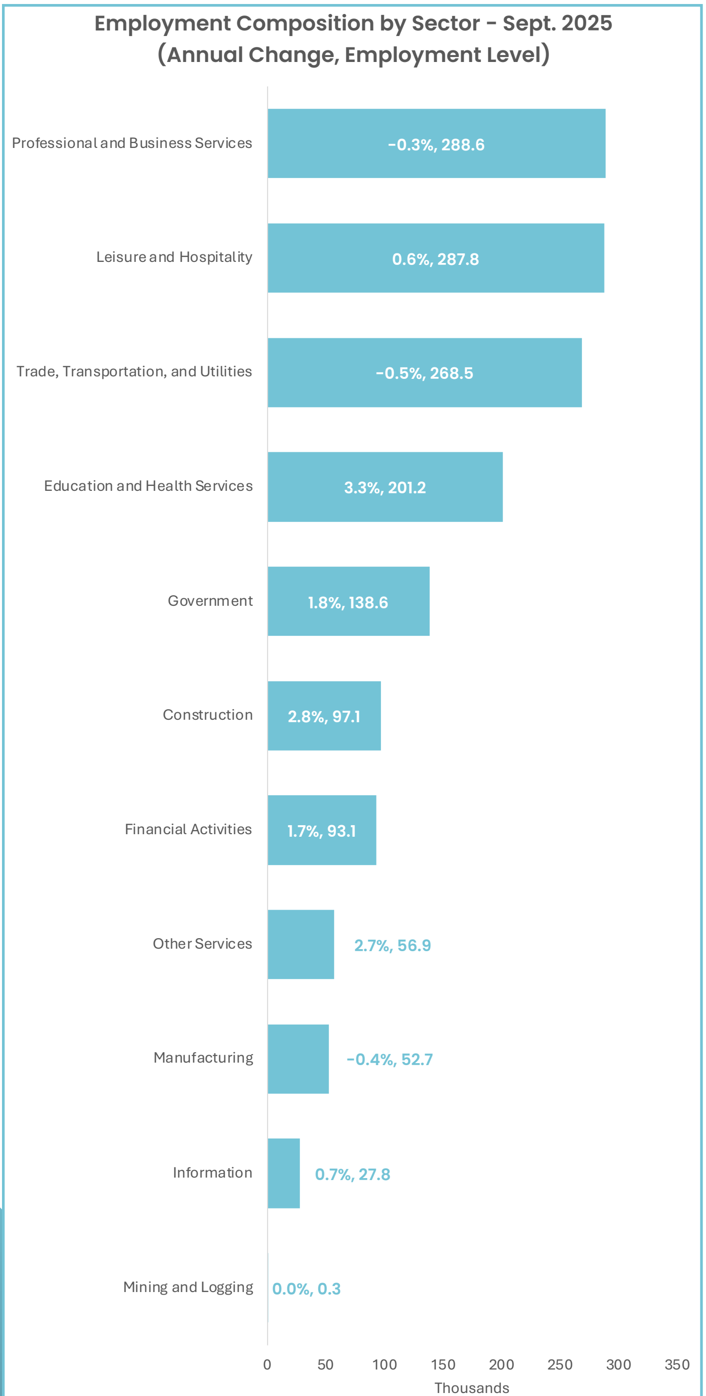
1. Rent performance is expected to stabilize through 2026, with declines slowing as the market shifts from broad-based concessions to more selective, submarket-driven pricing. Nevertheless, Orlando is anticipated to continue underperforming most regional peer markets for rent growth in 2026.

2. Occupancy should hold near current levels and bottom in 2026 as improving supply-demand balance limits further softening and supports gradual stabilization. Similar to many other tourism-based markets in the Sun Belt, Orlando's average occupancy rate will remain below the national average.

3. The construction pipeline is contracting meaningfully, which should relieve supply pressure and improve fundamentals over time. However, outcomes will remain uneven, with delivery-heavy submarkets lagging and lower-supply areas outperforming.

ECONOMIC & WORKFORCE TRENDS

// EMPLOYMENT COMPOSITION BY SECTOR - SEPT. 2025



Source: Bureau of Labor Statistics

Orlando's economy is expanding but normalizing. Momentum remains positive, though the labor market is less tight than it was, reflecting a shift from the post-pandemic surge to a more sustainable pace. Job growth is being led by healthcare and education, construction, government, and financial services—supportive of resilience tied to in-migration and household formation. Meanwhile, more cyclical areas such as professional services, logistics-related employment, and manufacturing have softened, consistent with rate sensitivity and more cautious business activity.

Looking ahead, the metro's overall health is supported by durable drivers: strong population growth, a globally scaled visitor economy, and a deepening base of healthcare and institutional investment. Tourism and entertainment development continues to reinforce Orlando's national destination status, with major projects strengthening the forward pipeline—including Universal's Epic Universe expansion and healthcare capital formation such as AdventHealth's new Lake Nona hospital. Overall, fundamentals remain solid with a constructive medium-term outlook, even as conditions point to a more balanced environment where growth is steadier, talent competition is less intense, and results depend more on sector mix and execution than broad-based tailwinds.

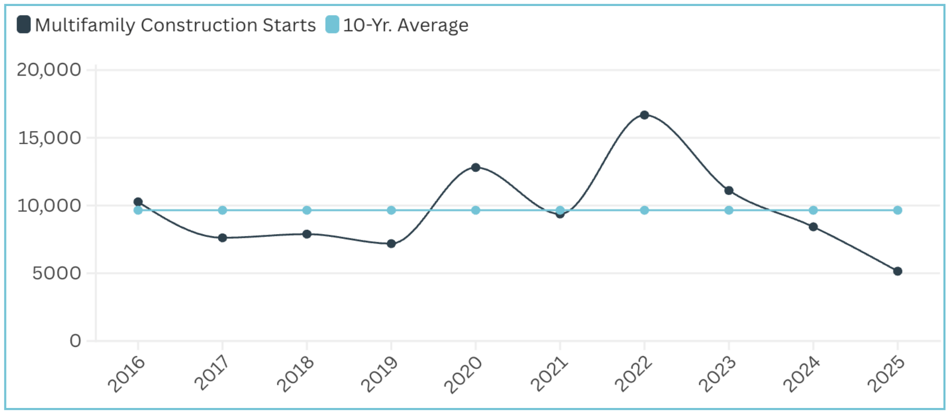
2026 SUPPLY TRENDS

MULTIFAMILY STARTS DECREASED IN 2025

2024: 8,428 units > 2025: 5,152 units

Annual Decrease of 3,276 units or -39%

10-Yr. Historical Annual Average: 9,652 units

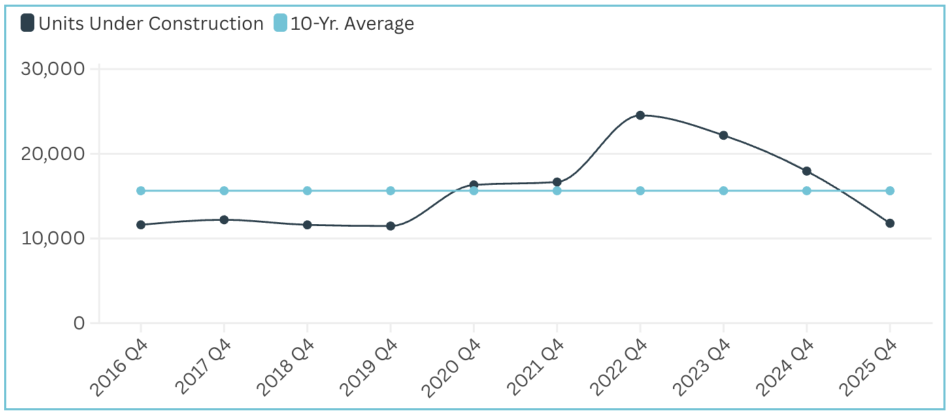


UNITS UNDER CONSTRUCTION TRENDING BELOW THE 10 YEAR AVERAGE

11,796 units under construction as of December, 31st 2025

10-Yr. Historical Annual Average Units UC: 15,638

25% Lower than historical average

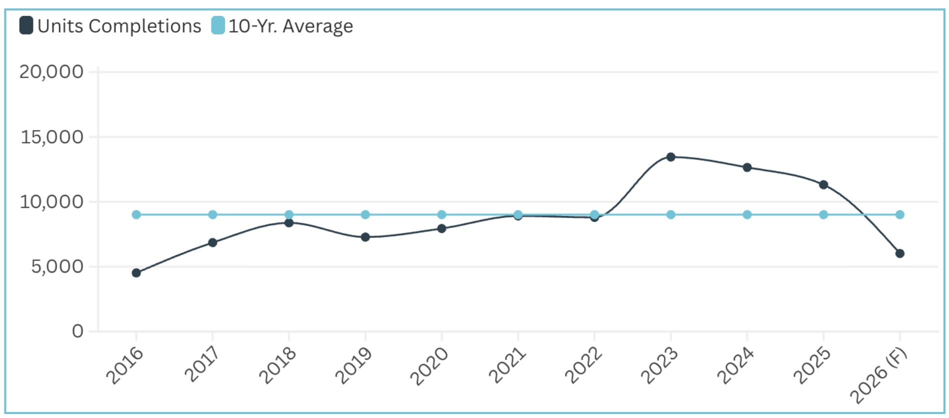


UNIT COMPLETIONS PROJECTED TO DECREASE IN 2026

2025: 11,315 units > 2026: 6,016 units

Annual Decrease of 5,299 units or -47%

10-Yr. Avg. Annual Completions: 9,011



After three consecutive years of unit completions exceeding 10,000 annually, deliveries are forecast to decline to around 6,000 in 2026, representing nearly a 50% drop from a year ago and the lowest level since 2016. This projection reflects multifamily starts falling roughly 40% between 2024 and 2025, to about 5,150 units, which has pushed the under construction inventory below the market's long-term average of around 15,650 for the first time since before the pandemic. The construction pipeline is already 25% smaller than last year and is expected to contract further due to the drop in groundbreakings. Together, these factors should provide much needed supply-side relief and support tighter market fundamentals in the coming year.

Construction remains elevated in the I Drive and South Orlando submarkets, which are each expected to deliver around 1,300 units in 2026, or just under half of the market's projected completions. Lake Nona and Southwest Orlando are secondary development hotspots, with 500 to 600 units slated to come online in these submarkets in 2026. Notably, Downtown and East Orlando have no scheduled deliveries for the year despite being two of the metro's largest submarkets, and are therefore expected to outperform other areas in 2026.

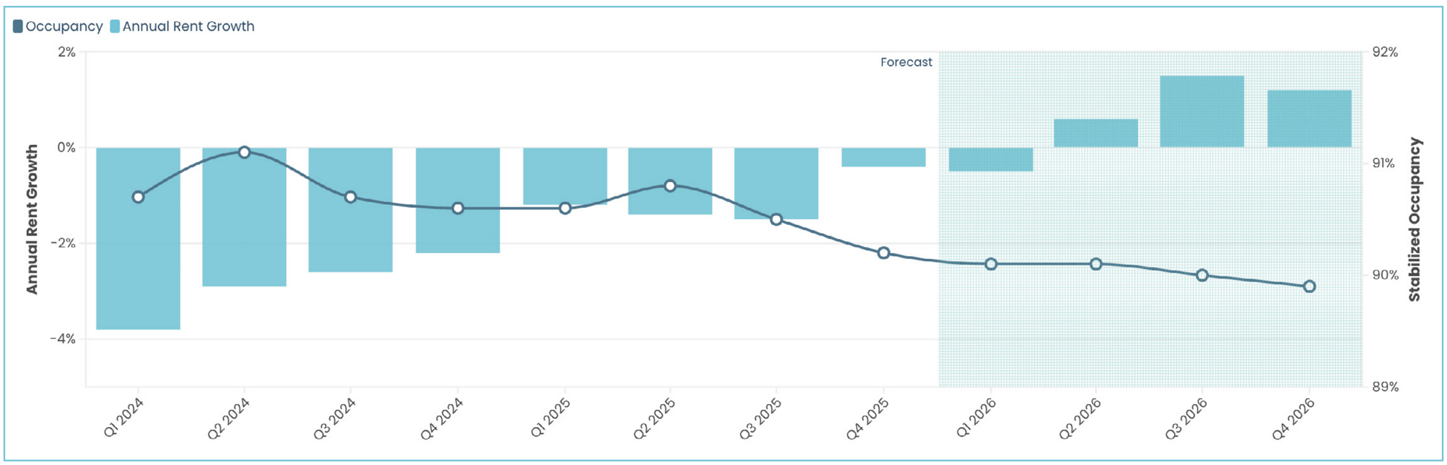
RENT & OCCUPANCY

RENT TRENDS

Orlando's average effective rent stood at $1,742 at the end of 2025, essentially on par with the U.S. average of $1,737, yet Orlando is entering 2026 from a somewhat weaker recent rent-growth position. Annual rent growth ended 2025 at -1.3%, versus +0.3% nationally, reflecting a market that has been resetting after an unusually active supply cycle. However, the correction is expected to lose momentum through 2026, with annual rent growth improving over the course of the year and ending 2026 at approximately -0.9%. This decline places Orlando in the bottom 10 large metros for rent growth and Tampa is the only Florida market anticipated to see a greater decline in the coming year. In practical terms, the outlook is not for a sharp rebound, but for a transition from broad-based rent cuts to a more stable pricing environment where concessions and effective rent reductions become more targeted and less aggressive.

Submarket dynamics will drive most of the variation in outcomes. Higher-rent, more insulated pockets such as Windermere, Lake Nona, Downtown, and East Outlying are positioned to hold pricing better, with several expected to post flat to modestly positive growth by late 2026. By contrast, submarkets facing heavier near-term deliveries should experience more persistent softness, even as the metro trend improves. I Drive and South Orlando stand out, each projected to deliver roughly 1,300 units in 2026, which will keep effective rents under pressure relative to the metro. Other areas with softer projected rent performance include West Orlando (-3.0%), Southwest Orlando (-2.5%), and Eastside (-2.6%). Overall, the forecast is best framed as a year of decelerating rent declines and increasing dispersion by submarket, with higher-barrier, higher-income nodes stabilizing sooner.

// ANNUAL RENT GROWTH & OCCUPANCY



DEMAND & OCCUPANCY TRENDS

Orlando's demand profile remains constructive, even as quarterly absorption has cooled from the post-pandemic peak. Over the last 12 months, the market absorbed 7,972 units, modestly above its 10-year Q4 average of 7,393, indicating that annual leasing volume is still quite healthy. Although annual absorption is expected to decline alongside the shrinking construction pipeline, it is projected to exceed deliveries on a quarterly basis beginning in mid-2026, and this dynamic should persist for the foreseeable future. Overall, demand appears steady enough to work through new supply, but it is doing so at a more normalized pace, which keeps the market sensitive to the timing and concentration of deliveries.

Occupancy is expected to improve only gradually, with the market still working back toward its prior equilibrium. Orlando's stabilized occupancy stood at 91.6% at year-end 2025, below both its pre-pandemic average of 94.5% and the national benchmark of 93.1%. Shifting supply-demand dynamics are expected to limit further declines, with average occupancy projected to stabilize near current levels and end Q4 2026 at 91.3%. In other words, 2026 reads as a bottoming year for occupancy, with conditions stabilizing as supply pressure fades. Downtown is forecast to tighten to 92.9% (a +40 bps gain), while Osceola County is expected to improve the most to 92.6% (a +110 bps gain). Conversely, several delivery-heavy areas are expected to remain under pressure, including I Drive and Windermere, which could see 50 to 80 bps declines. Higher-occupancy pockets such as East Outlying should remain comparatively healthy even with modest softening, reinforcing that Orlando's 2026 occupancy trajectory will be driven less by a broad demand reset and more by where and how much new product is delivered.

2025 INCOME & EXPENSE ANALYSIS

12-month period ending November 2025

INCOME

Income Assumptions	Value / Unit	Year Change (%)
Rental Income / Occupied Unit	$20,017.02	-0.4%
Recoverable Expenses / Occupied Unit	$1,025.95	7.5%
Other Income / Occupied Unit	$1,199.99	2.1%
Total Income / Occupied Unit	**$22,242.96**	**0.1%**
Operating Income		
Rental Income	$18,617.41	-0.6%
Recoverable Expenses	$954.20	7.3%
Other Income	$1,116.07	1.9%
Total Income	**$20,687.69**	**-0.1%**

EXPENSES

Operating Expenses	Value / Unit	Year Change (%)
Payroll	$1,781.26	4.2%
Repairs & Maintenance	$611.95	5.6%
Leasing	$641.08	2.3%
General	$528.23	5.0%
Marketing & Advertising	$288.05	5.8%
Repairs & Maintenance	$1,338.19	3.0%
Cleaning	$236.18	0.6%
Roads & Grounds	$259.03	0.2%
General	$842.98	4.5%
Administrative	$569.53	4.6%
Security	$74.09	1.0%
General	$495.44	5.2%
Management Fees	$626.99	-1.8%
Utilities	$1,106.03	3.8%
Electric	$235.57	2.6%
Gas	$14.29	-5.4%
Water/Sewer	$856.16	4.4%
Real Estate & Other Taxes	$2,442.62	-2.8%
Insurance	$1,044.83	-7.9%
Other Operating Expenses	$109.42	
Total Operating Expense	**$9,306.91**	**0.3%**
Net Operating Income	**$11,380.78**	**-0.4%**

Note: Income and Expense data is sourced from a variety of third-party providers, including CoStar, Yardi Matrix, and our internal databases, and reflect professionally managed multifamily properties with 50 or more units for the 12-month period ending November 2025.

MARKET OUTLOOK

Orlando's short-term rental market outlook is supported by durable demand drivers that should keep the market on a steady path toward stabilization. The metro continues to benefit from population growth and household formation, and the economy is still expanding even as it normalizes.

Importantly, demand is not solely tourism-driven, as recent job gains have been led by healthcare and education, construction, government, and financial services, providing a more stable foundation for renter demand. At the same time, Orlando's globally scaled visitor economy remains a meaningful tailwind, with major tourism and entertainment expansions and continued healthcare and institutional investment supporting in-migration and employment formation.

Near-term conditions are improving as the supply pipeline resets. Starts fell materially in 2025 and under construction inventory has moved below its longer-run norm, setting up a sharp downshift in deliveries in 2026. This should provide needed supply-side relief and allow rent declines to decelerate through the year as pricing becomes more selective. The principal caveat is that, similar to other tourism-oriented Sun Belt markets, Orlando is expected to remain below many national averages through 2026, with a gradual recovery rather than a rapid snap-back. Overall, 2026 is best framed as a transition year, with incremental improvement that will depend heavily on submarket delivery concentration and continued execution of the region's core demand drivers.

To gain further insights into the Orlando market, contact our local team:

Jhamil Moore
Senior Advisor
jhamil.moore@mmgrea.com
407.484.2783

Michael Barrett
Associate
michael.barrett@mmgrea.com
603.809.0997

Gonzalo Rivera
Associate
gonzo.rivera@mmgrea.com
787.671.2677

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// SUBMARKET RENT & OCCUPANCY

#	Submarket	Inventory Units As Of Jan-2026	2026 Forecasted Annual Completions (Units)	Q4 2025 Stabilized Occupancy Rate	Forecasted Occupancy Change (BPS)	Q4 2026 Stabilized Occupancy Rate	Q4 2025 Rent/Unit	Projected Annual Rent Growth	Q4 2026 Rent/Unit
1	East Outlying	3,630	251	93.8%	-30	93.6%	$1,950	3.6%	$2,021
2	Downtown Orlando	14,088	0	92.6%	40	92.9%	$1,905	0.9%	$1,922
3	Windermere	5,736	259	92.7%	-80	91.9%	$2,079	0.5%	$2,090
4	East Orlando	21,976	0	91.1%	-30	90.8%	$1,664	0.5%	$1,672
5	North Orlando	40,533	249	92.1%	-30	91.9%	$1,715	-0.2%	$1,711
6	Osceola County	3,656	376	91.5%	110	92.6%	$2,076	-0.8%	$2,060
7	I Drive Orlando	39,264	1307	90.8%	-50	90.3%	$1,853	-0.8%	$1,837
8	Eastside	13,443	224	93.2%	-20	92.9%	$1,714	-1.0%	$1,697
9	Northwest Orlando	16,570	437	91.9%	-40	91.4%	$1,726	-1.3%	$1,704
10	South Orlando	29,613	1301	92.0%	-40	91.6%	$1,577	-2.1%	$1,543
11	Southwest Orlando	22,217	532	90.0%	-40	89.7%	$1,707	-2.5%	$1,663
12	West Orlando	17,759	92	91.2%	-50	90.7%	$1,529	-3.0%	$1,484
13	Lake Nona	10,053	601	91.7%	-30	91.4%	$1,987	-3.0%	$1,928