

Orlando Multifamily Market

3, 4, and 5-Star Properties | Excluding SFR
Q1 2023 – Q4 2025 Analysis

📉 APPROACHING INFLECTION - RENT DECLINES MODERATING

The Story in Brief

Orlando experienced a moderate supply-driven correction from 2023 through mid-2025, landing between the extremes of Austin's severe downturn and Houston's remarkable stability. Vacancy rose 250 basis points from 7.8% to 10.3%, while effective rents declined 3.7%—painful but manageable compared to Austin's 12% rent collapse. Florida's continued population growth provided a demand buffer that other Sun Belt markets lacked.

The market is now approaching an inflection point. Rent declines have moderated dramatically: year-over-year rent growth improved from -2.0% in early 2024 to just -0.4% today, suggesting the bottom is near or already in. Vacancy has stabilized in the 10-10.5% range for three consecutive quarters, no longer climbing.

Looking ahead, Orlando's construction pipeline has collapsed 52%—from over 27,000 units in early 2023 to just 13,100 today. With deliveries running 40% below 2024 levels and absorption holding steady at 8,900+ units annually, the supply-demand equation is rebalancing. Orlando offers a compelling middle ground: more upside than Houston's already-stable market, less risk than Austin's deeper hole.

CURRENT VACANCY

10.3%

+250 bps from start

EFFECTIVE RENT

\$1,717

-3.7% from peak

RENT GROWTH (YOY)

-0.4%

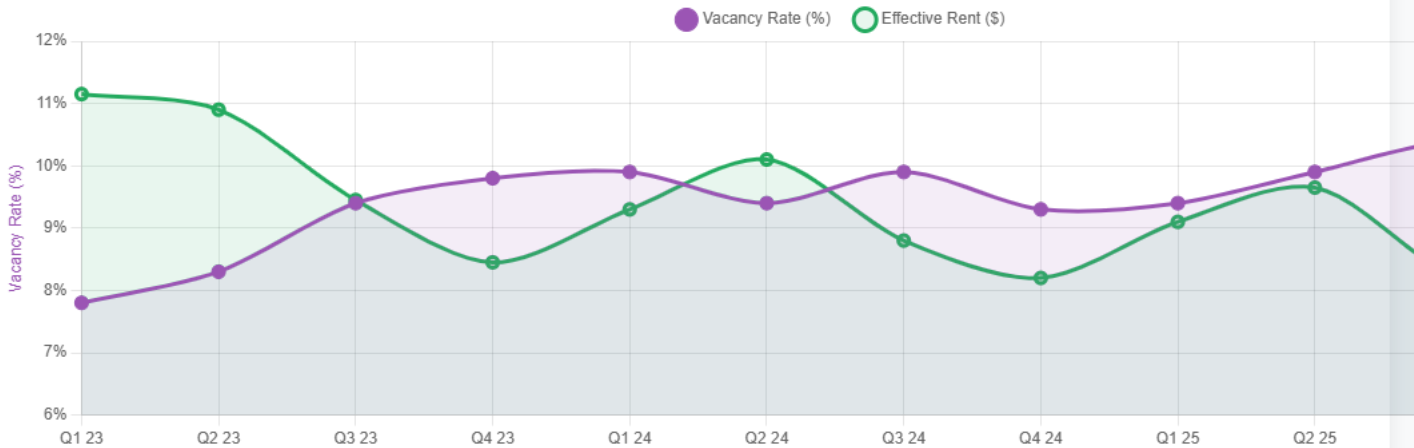
Improved from -2.0%

PIPELINE COLLAPSE

-52%

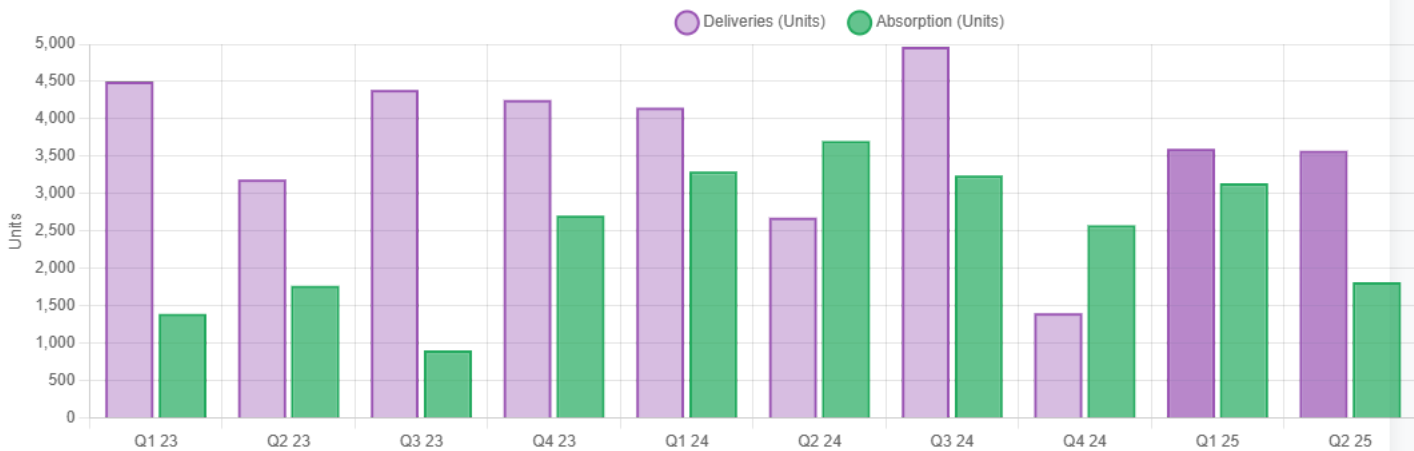
27K → 13K units

Vacancy Rate vs. Effective Rent (2023-2025)



Key Insight: Vacancy peaked in Q3 2025 at 10.4% and has since stabilized. More importantly, the rent decline trajectory has flattened significantly —the market is transitioning from correction to stabilization phase.

Supply vs. Demand: Deliveries and Absorption (2023-2025)



Key Insight: Orlando absorbed nearly 8,900 units in 2025 while deliveries dropped 40% year-over-year. Unlike 2023 when supply overwhelmed demand, the balance has fundamentally shifted. Florida's migration tailwind continues supporting absorption.

Key Metrics Comparison

Metric	Q1 2023 (Start)	Q3 2025 (Peak Vacancy)	Q4 2025 (Current)
Vacancy Rate	7.8%	10.4%	10.3%
Effective Rent	\$1,783	\$1,725	\$1,717
Rent Growth (YoY)	+3.6%	-0.6%	-0.4%
Quarterly Absorption	1,394 units	1,745 units	1,230 units
Under Construction	27,364 units	13,534 units	13,144 units

Investment Implications

 Goldilocks Positioning

Orlando offers a middle path: more recovery upside than Houston's already-stable market, with less downside risk than Austin's deeper correction. For investors seeking balanced risk-reward, Orlando hits the sweet spot.

 Florida Migration Tailwind

Unlike Texas markets relying primarily on job growth, Orlando benefits from Florida's continued domestic migration wave. This structural demand driver provides a floor under absorption that pure employment markets lack.

 Timing the Turn

With rent declines moderating to near-zero and vacancy stabilizing, Orlando appears 2-3 quarters ahead of Austin in the recovery cycle. Acquisitions today could capture the inflection point rather than waiting for it.

 Supply Relief Building

The 52% pipeline collapse ensures diminishing new competition through 2026-2027. With construction financing still constrained nationally, Orlando's supply outlook extends the recovery runway.

Multifamily Acquisition Advisors LLC

Data: CoStar | Analysis Period: Q1 2023 – Q4 2025 | Prepared: January 2026