

South Orlando Multi-Family Submarket Report



South Orlando's significant increase in renter demand makes the community a thriving market for investors interested in class A (4-5 star) multifamily properties. In just a year, this area has had phenomenal growth with a nearly 300% increase in absorption units (726), a dramatic change from the area's average (388). South Orlando has the largest concentration of apartment units in the entire Orlando market, making it viable for individuals looking for major investments. The vacancy rate for multi-family class A properties in South Orlando is 8.3%, compared to the city average (9.9%) and the national average (6.6%), which also makes South Orlando an accessible market for active investors. This part of town also holds the highest vacancy rate for 4 & 5-star units (8.3%).

While vacancy rates rise, rent growth continues to decrease due to several factors. The pace of rent growth declined drastically from its peak of nearly 23% in Q1 2022 to a staggering 1.0% for Q1 2025. With the current percentage of renter demand in the area, it is predicted that these negative trends will remain until Q2 in 2025. Comparing these rates nationally, the rest of the United States' rent growth rates are at 3.8%, which is double that of the real median home values (1.8%). Taking the future of South Orlando's rent growth into consideration, this area would be a good investment for developing

multi-family 4 & 5-star units.

Construction activities in South Orlando are primarily focused on transportation components, major employment centers, and societal projects like gardens and parks. South Orlando is under development outside of its living areas, making it more marketable to yearning renters looking for a new home. Investors who are interested in Class A multifamily properties in Orlando should focus their business on the South Orlando area. They've shown an exceptional amount of growth in numerous areas and are forecasted to be a thriving area for investors interested in developing 4 & 5-star units.

References

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