



Orlando-Kissimmee-Sanford, Florida

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of January 1, 2011



Housing Market Area



The Orlando-Kissimmee-Sanford Housing Market Area (HMA) is located in central Florida and comprises Lake, Orange, Osceola, and Seminole Counties. Drawn to the area by numerous tourist attractions and a warm climate, more than 51 million people visited the HMA in 2010. Home to Walt Disney World Resort, SeaWorld Orlando, and Universal Orlando Resort, the HMA received \$27.6 billion from tourist spending in the local economy in 2009. This report breaks the HMA into three submarkets: Orange County, Seminole County, and Lake and Osceola Counties combined.

Summary

Economy

During 2010, 4,000 nonfarm payroll jobs were lost in the Orlando-Kissimmee-Sanford HMA, a decline of 0.4 percent from 2009, to 1,002,000 jobs, with the construction sector losing the most jobs during that time. The education and health services sector and the leisure and hospitality sector were the only sectors to record growth. During the next 3 years, the number of nonfarm payroll jobs is expected to increase by an average of 0.8 percent annually.

Sales Market

The sales market is currently soft but improving, with an estimated vacancy rate of 3.6 percent. According to Florida Realtors®, during 2010, the number of existing homes sales in the HMA increased by 12 percent to 26,800 homes, but the average sales

price fell 9 percent to \$131,400, due to the increasing number of distressed home sales. During the 3-year forecast period, demand is expected for approximately 28,700 new homes (see Table 1). A portion of the 83,800 other vacant units may return to the market and satisfy some of the demand.

Rental Market

The rental market is currently soft, with an estimated vacancy rate of 10.9 percent, down from 13 percent a year ago. The rental market has improved during the past year as construction of new rental units has slowed. Average rents decreased by 0.3 percent from a year ago. Due to excess vacancies in most of the HMA, demand is expected only in the Orange County submarket. During the next 3 years, demand is expected for 1,125 new rental units (see Table 1).

Market Details

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Table 1. Housing Demand in the Orlando-Kissimmee-Sanford HMA, 3-Year Forecast, January 1, 2011 to January 1, 2014

	Orlando-Kissimmee-Sanford HMA		Orange County Submarket		Seminole County Submarket		Lake and Osceola Counties Submarket	
	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units
Total Demand	28,700	1,125	15,950	1,125	4,600	0	8,175	0
Under Construction	2,225	780	1,150	540	420	100	650	140

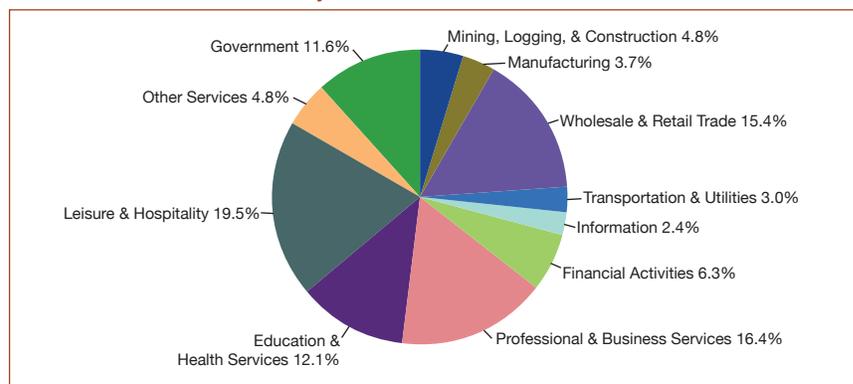
Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of January 1, 2011. A portion of the estimated 83,800 other vacant units in the HMA may satisfy some of the forecast demand. Sales demand in the Lake and Osceola Counties Submarket includes demand for 810 mobile homes.

Source: Estimates by analyst

Economic Conditions

The Orlando-Kissimmee-Sanford HMA has an economy that is dominated by the service industry, relying heavily on the leisure and hospitality sector. Providing approximately 20 percent of the total employment, the leisure and hospitality sector is the largest sector in the HMA (see Figure 1). Orlando has the second highest number of hotel rooms in the nation, after Las Vegas, enough to accommodate the millions of annual visitors. According to the Orlando/Orange County Convention and Visitors Bureau, Inc., more than 51 million people visited

the HMA in 2010. Preliminary data projects that tourism was up nearly 7 percent in 2010 from the previous year, due to a number of newly opened area attractions. As a result, the leisure and hospitality sector added 5,400 jobs, an increase of 2.8 percent, during the past year, a significant improvement from 2009 when 9,400 jobs, or 4.7 percent, were lost. The top employer in the HMA (see Table 2), The Walt Disney Company, which employs an estimated 60,200 people, contributed to the 2009 loss, laying off approximately 1,400 workers in 2009.

Figure 1. Current Nonfarm Payroll Jobs in the Orlando-Kissimmee-Sanford HMA, by Sector

Note: Based on 12-month averages through December 2010.

Source: U.S. Bureau of Labor Statistics

Although the leisure and hospitality sector is the largest in the HMA, the local economy includes a diverse mix of industries. Other top employers include Wal-Mart Stores, Inc., with 16,750 workers, and Florida Hospital, with 16,000 employees. Employment peaked in 2007, when nonfarm payrolls totaled 1,091,000 jobs, but, as the local economy weakened, employment declined by an average of 29,650 jobs, or 2.7 percent, annually from 2007 to the current date. During 2009, total nonfarm payrolls posted record

losses, declining by 66,300 jobs from 2008, or 6.2 percent, to a total of 1,006,000 jobs. Economic conditions in the HMA have improved during the past year, however, and the rate of job loss has slowed significantly. The HMA lost 4,000 jobs during 2010, a decline of 0.4 percent from the previous year. During the last 3 months of 2010, average nonfarm payrolls increased by 12,750 jobs, or 1.3 percent, compared with the last 3 months of 2009. The unemployment rate increased from 10.2 percent in 2009 to 11.4 percent in 2010 (see Figure 2).

Aside from the leisure and hospitality sector, the education and health services

sector was the only other sector to gain jobs during 2010, increasing by 2,700 jobs, or 2.3 percent. In July 2009, Kaplan University announced that it would be adding 400 employees to its student support center by 2011. Table 3 shows 12-month average nonfarm payroll job growth by sector. During 2010, the construction sector led all job losses, declining by 12.5 percent, or 6,800 jobs, as a result of the weak housing market. The trade sector lost 1,300 jobs, a 0.8-percent decline from 2009. Albertsons, a grocery store chain, laid off 180 workers in February 2010. The second largest employer in the HMA, Wal-Mart Stores, Inc., also laid off 150 workers in February 2010. Figure 3 shows the percentage change in nonfarm payroll jobs by sector, from 2000 to the current date.

The local economy is expected to stabilize during the next 3 years. During the 3-year forecast period, nonfarm payrolls are estimated to increase by an average of 7,675 jobs, or 0.8 percent, annually. The leisure and hospitality and the education and health services sectors are expected to remain the leaders in job creation. The Lake Nona Medical City, a 600-acre life sciences cluster currently under construction, which includes the University of Central Florida College of Medicine, Orlando VA Medical Center, Sanford-Burnham Medical Research Institute, MD Anderson Cancer Center Orlando, and the Nemours Children's Hospital, is expected to phase in approximately 30,000 jobs and have an economic impact of \$7.6 billion by 2017, according to the University of Central Florida.

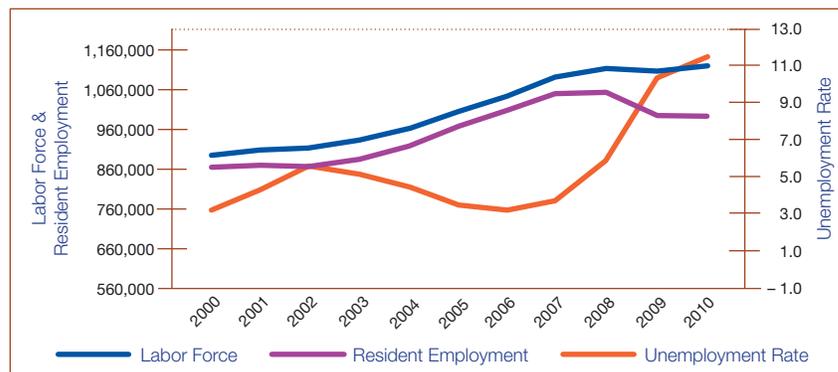
Table 2. Major Employers in the Orlando-Kissimmee-Sanford HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Walt Disney World Company	Leisure & Hospitality	60,200
Wal-Mart Stores, Inc.	Wholesale & Retail Trade	16,750
Florida Hospital	Education & Health Services	16,000
Publix Supermarkets, Inc.	Wholesale & Retail Trade	15,600
Orlando Regional Healthcare System	Education & Health Services	13,000
Universal Orlando Resort	Leisure & Hospitality	13,000
University of Central Florida	Government	9,550
Winn-Dixie Stores, Inc.	Wholesale & Retail Trade	8,775
SeaWorld of Orlando	Leisure & Hospitality	7,300
Lockhead Martin Corporation	Manufacturing	7,200

Note: Excludes local school districts.

Source: Economy.com

Figure 2. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Orlando-Kissimmee-Sanford HMA, 2000 to 2010



Source: U.S. Bureau of Labor Statistics

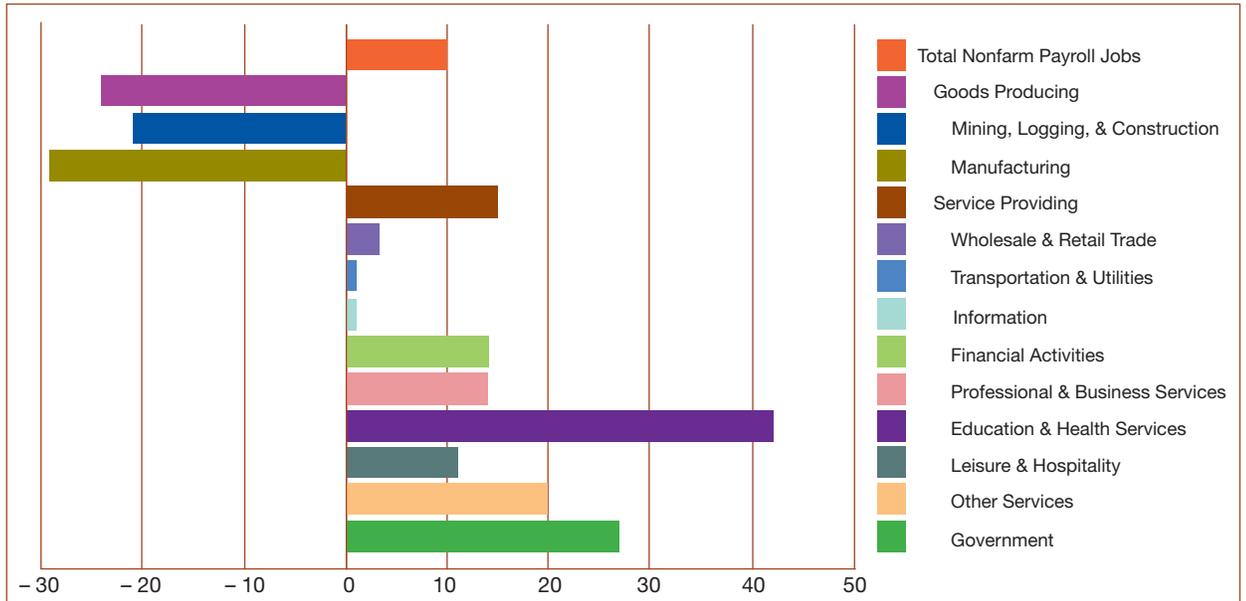
Table 3. 12-Month Average Nonfarm Payroll Jobs in the Orlando-Kissimmee-Sanford HMA, by Sector

	12 Months Ending December 2009	12 Months Ending December 2010	Percent Change
Total Nonfarm Payroll Jobs	1,006,000	1,002,000	- 0.4
Goods Producing	93,200	85,200	- 8.6
Mining, Logging, & Construction	54,500	47,700	- 12.5
Manufacturing	38,700	37,500	- 3.1
Service Providing	913,100	916,400	0.4
Wholesale & Retail Trade	156,000	154,700	- 0.8
Transportation & Utilities	30,100	29,700	- 1.3
Information	24,900	23,800	- 4.4
Financial Activities	64,000	63,300	- 1.1
Professional & Business Services	165,100	163,900	- 0.7
Education & Health Services	118,500	121,200	2.3
Leisure & Hospitality	190,200	195,600	2.8
Other Services	48,000	47,800	- 0.4
Government	116,500	116,400	- 0.1

Notes: Based on 12-month averages through December 2009 and December 2010. Numbers may not add to totals because of rounding.

Source: U.S. Bureau of Labor Statistics

Figure 3. Sector Growth in the Orlando-Kissimmee-Sanford HMA, Percentage Change, 2000 to Current



Note: Current is based on 12-month averages through December 2010.

Source: U.S. Bureau of Labor Statistics

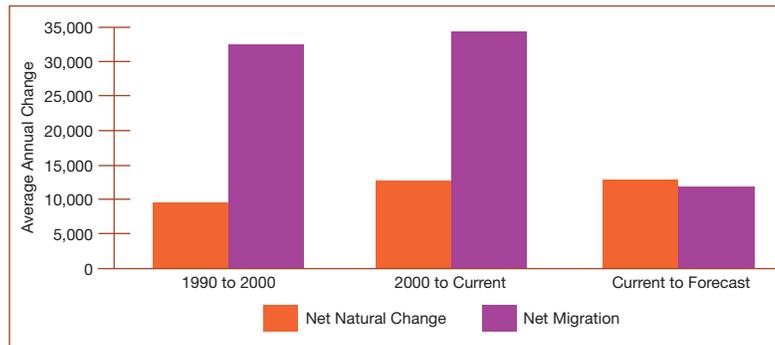
Population and Households

The population of Orlando-Kissimmee-Sanford HMA was estimated at approximately 2,152,000 as of January 1, 2011 (see Table DP-1). The largest submarket, Orange County, had a population of 1,157,000, accounting for 54 percent of the total HMA population. The Lake and Osceola

Counties submarket, with a population of 570,700, accounted for 27 percent of the population, and the Seminole County submarket, with a population of 424,700, accounted for the remaining 19 percent. Since 2000, the total population of the HMA has increased annually by an average of 2.5 percent, with net in-migration accounting for 73 percent of the total growth. The Lake and Osceola Counties submarket had the fastest population growth, increasing by 3.8 percent annually due to greater housing affordability relative to the other submarkets. During the period of strongest job creation, from 2004 through 2005, the total HMA population increased by 4.5 percent a year, mostly due to net in-migration. The employment level peaked in 2005, and population growth has slowed, averaging just 1 percent a year from 2009 to the current date. Figure 4 shows the components of population change since 1990. During the next 3 years, the population is expected to increase annually by 24,800 people, or 1.1 percent, when job growth begins to return to the HMA (see Figure 5).

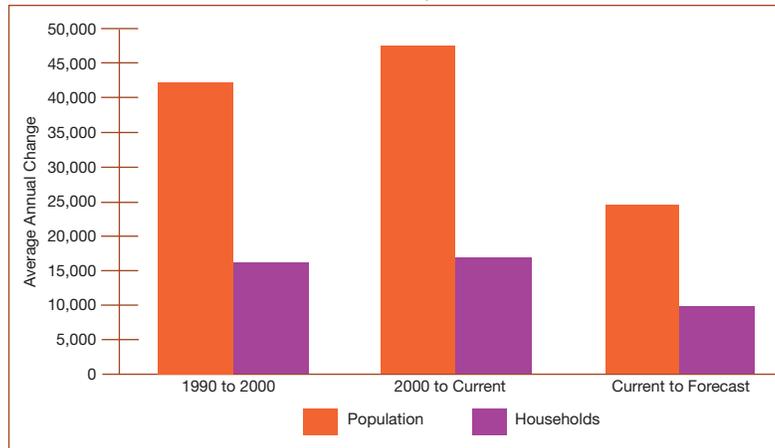
As of January 1, 2011, an estimated 805,700 households are located in the HMA. The number of households increased by an average of 17,300 annually, or 2.7 percent, from 2000 to 2010. Due to slower population growth from 2010 to the current date, the number of households grew by 7,325, or 0.9 percent. Orange County leads the submarkets in number of households, with 426,300 households. Figure 6 shows the number of households in the Orange County submarket by tenure since 1990. The Orange County submarket had the fastest household growth from 2000 to 2010, increasing by 8,550 households, or 2.5 percent, annually, and increased

Figure 4. Components of Population Change in the Orlando-Kissimmee-Sanford HMA, 1990 to Forecast



Sources: 1990 and 2000–1990 Census and 2000 Census; current and forecast—estimates by analyst

Figure 5. Population and Household Growth in the Orlando-Kissimmee-Sanford HMA, 1990 to Forecast



Sources: 1990 and 2000–1990 Census and 2000 Census; current and forecast—estimates by analyst

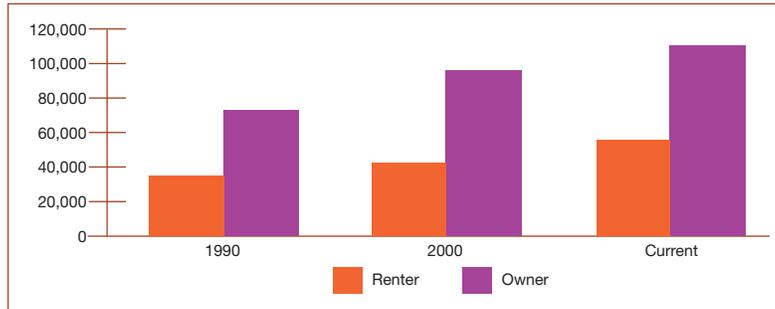
Figure 6. Number of Households by Tenure in the Orange County Submarket, 1990 to Current



Sources: 1990 and 2000–1990 Census and 2000 Census; current—estimates by analyst

Population and Households *Continued*

Figure 7. Number of Households by Tenure in the Seminole County Submarket, 1990 to Current



Sources: 1990 and 2000—1990 Census and 2000 Census; current—estimates by analyst

Figure 8. Number of Households by Tenure in the Lake and Osceola Counties Submarket, 1990 to Current



Sources: 1990 and 2000—1990 Census and 2000 Census; current—estimates by analyst

by 4,450, or 1.1 percent, from 2010 to the current date. The Seminole County submarket currently has 165,500 households, having increased annually by 2,525 households, or 1.5 percent, from 2000 to 2010, and by 820 households, or 0.5 percent, from 2010 to the current date (see Figure 7). The Lake and Osceola Counties submarket grew annually by an average of 6,250 households, or 4.2 percent, from 2000 to 2010, and by 2,025, or 1 percent, from 2010 to the current date to total 213,900. This submarket also has the highest proportion of owner households (see Figure 8). During the forecast period, the total number of households in the HMA is expected to increase annually by an average of 9,800 households, or 1.2 percent.

Housing Market Trends

Sales Market—Orange County Submarket

Despite a recent increase in the number of single-family homes sold in the Orange County submarket, the sales market is currently soft with an estimated vacancy rate of 3.5 percent, up significantly from 1.7 percent in 2000 (see Table DP-2), but down from the 4.2-percent rate reported by the 2010 U.S. Census. According to the Orlando Regional REALTOR® Association, the total number of existing home sales in the Orange County submarket peaked in 2005 when 18,800 homes were sold, and the average home sales price peaked in 2007 at \$320,000.

From 2006 through 2008, sales declined to an average of 11,900 homes annually as mortgage underwriting requirements became more stringent. Although at relatively low levels, existing home sales finally increased in 2009 by approximately 81 percent from the level recorded in 2008, and continued to increase in 2010, mainly due to the homebuyer tax credit and historically low mortgage interest rates.

During 2010, 11,900 existing single-family homes sold in the Orange County submarket, which is an

Housing Market Trends

Sales Market—Orange County Submarket *Continued*

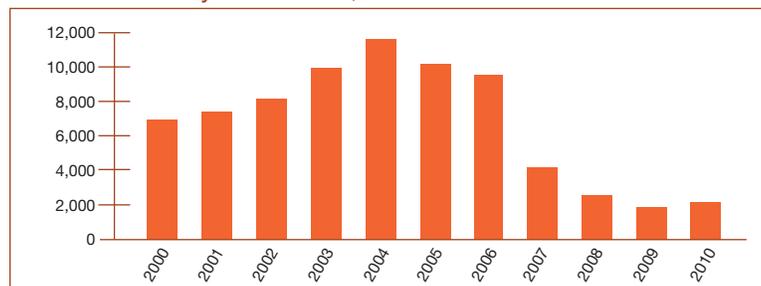
increase of 9 percent compared with 10,850 homes sold during 2009. As a result of increased purchases of distressed properties, the average existing home sales price declined from \$197,000 in 2009 to \$189,000 in 2010. The average sales price for REO (Real Estate Owned) sales was \$136,100 in 2009 and \$131,300 in 2010, according to Hanley Wood, LLC. The percentage of loans 90 or more days delinquent, in foreclosure, or in REO decreased, however, down from 22 percent in December 2009 to 20 percent in December 2010, according to LPS Applied Analytics. The high number of foreclosed condominiums on the market brought condominium sales prices down, and, due to the

lower prices, multifamily home sales, including condominiums, townhomes, and villas, increased during the past year. During 2010, the number of existing multifamily home sales increased by 35 percent to 7,125 units sold. The average multifamily sales price was \$74,250, a decrease when compared with the \$82,050 sales price during 2009. According to Hanley Wood, LLC, the number of new single-family home sales in 2010 declined by 8.3 percent, to 2,100 homes sold, compared with 1,925 sold in 2009, and the average sales price declined from \$185,100 to \$175,700.

After years of steady declines in homebuilding, builders began to react to increased home sales activity by increasing single-family home construction, as measured by the number of building permits issued, during the past year. The issuance of single-family permits peaked in 2004, when 11,700 homes were permitted (see Figure 9). From 2005 to 2009, as home sales declined and unsold inventory increased, homebuilding declined to an average of 5,750 homes annually. According to preliminary data, during 2010, an estimated 2,150 single-family homes were permitted, up 19 percent from the 1,800 homes permitted during 2009.

During the 3-year forecast period, demand is expected for an estimated 15,950 new homes in the Orange County submarket. A portion of demand could be met by some of the estimated 32,000 other vacant units becoming available for sale during the forecast period. Demand is expected to be highest in the \$140,000-to-\$159,999 price range. Table 4 shows the estimated demand by price range.

Figure 9. Single-Family Building Permits Issued in the Orange County Submarket, 2000 to 2010



Notes: Includes only single-family units. Includes data through December 2010.

Source: U.S. Census Bureau, Building Permits Survey

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Orange County Submarket, January 1, 2011 to January 1, 2014

Price Range (\$)		Units of Demand	Percent of Total
From	To		
140,000	159,999	4,000	25.0
160,000	179,999	2,400	15.0
180,000	199,999	1,600	10.0
200,000	249,999	3,200	20.0
250,000	299,999	1,425	8.9
300,000	349,999	1,275	8.0
350,000	399,999	1,125	7.0
400,000	and higher	960	6.0

Note: A portion of the estimated 32,000 other vacant units in the submarket, as well as the 1,150 units currently under construction, may satisfy some of the forecast demand.

Source: Estimates by analyst

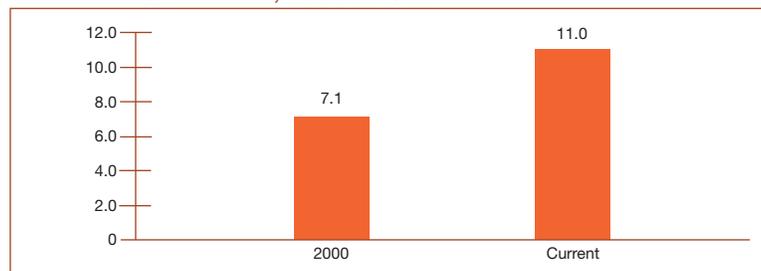
Rental Market—Orange County Submarket

The rental market in the Orange County submarket is currently soft, with an estimated rental vacancy rate of 11 percent. Figure 10 shows the rental vacancy rate in the Orange County submarket from 2000 to the current date. A significant number of condominium conversions have been reverted back to rental units, and this reversion has contributed to the high rental vacancy rate. The wave of conversions that began in late 2004 peaked in 2005, when approximately 19,000 apartment units in the HMA were converted to condominiums, according to CB Richard Ellis. Vacancy rates are improving for most areas in the Orange County submarket, as new construction has slowed significantly. According to MPF Research, in the Winter Park-Maitland area, the apartment vacancy rate of 9 percent

was down from 14 percent recorded during the fourth quarter of 2009. During the fourth quarter of 2010, the average rent decreased 4 percent to \$795. The East Orange County area recorded a vacancy rate of 5.6 percent for the fourth quarter of 2010, down from 8 percent during the same quarter of 2009. The average rent during the fourth quarter of 2010 was \$1,025, relatively unchanged from the previous year. The Southwest Orange County area had a vacancy rate of 5.7 percent in the fourth quarter of 2010, down from the 10.6-percent rate the previous year, and the average rent increased by 2 percent to \$925.

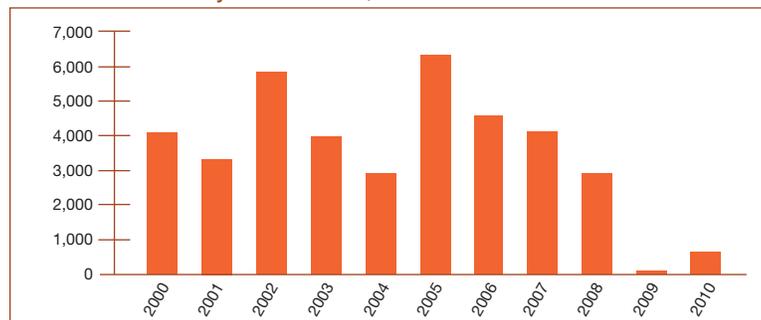
Multifamily construction, as measured by the number of multifamily units permitted, increased significantly during the past year; however, construction levels remain near historic lows. During 2010, 700 multifamily units were permitted compared with 120 during 2009, an increase of 580 units, according to preliminary data. Multifamily permits peaked in 2005 when 6,350 units were permitted, mostly from condominium construction. From the peak in 2005, the number of permits declined every year, averaging 3,875 units from 2006 to 2008, and in 2009, reached a record low. Since 2000, approximately 20 percent of multifamily building permits were for condominiums and townhomes. Figure 11 shows the number of multifamily units permitted annually, from 2000 to the current date. Landmark at Universal, a \$42 million apartment complex, was recently completed near the Universal Orlando Resort. This 312-unit project consists of one-, two-, and three-bedroom units with rents that range from \$900 to \$1,400 a month.

Figure 10. Rental Vacancy Rates in the Orange County Submarket, 2000 to Current



Sources: 2000–2000 Census; current—estimates by analyst

Figure 11. Multifamily Building Permits Issued in the Orange County Submarket, 2000 to 2010



Notes: Includes all multifamily units in structures with two or more units. Includes data through December 2010.

Source: U.S. Census Bureau, Building Permits Survey

Housing Market Trends

Rental Market—Orange County Submarket *Continued*

During the next 3 years, demand is estimated for 1,125 new rental units. Due to the number of excess vacancies and units currently under construction, deliveries should be

timed to enter the market during the third year of the forecast period. Table 5 shows demand by number of bedrooms and rent in the Orange County submarket.

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Orange County Submarket, January 1, 2011 to January 1, 2014

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
900 to 1,099	200	1,175 to 1,374	250	1,375 to 1,574	60
1,100 to 1,299	160	1,375 to 1,574	140	1,575 to 1,774	40
1,300 to 1,499	40	1,575 to 1,774	110	1,775 to 1,974	30
1,500 to 1,699	0	1,775 to 1,974	60	1,975 to 2,174	20
1,700 or more	0	1,975 or more	0	2,175 or more	20
Total	400	Total	560	Total	170

Note: A portion of the 540 units currently under construction may satisfy some of the forecast demand.

Source: Estimates by analyst

Sales Market—Seminole County Submarket

Due to a recent increase in the number of home sales, the sales market in the Seminole County submarket has improved; however, the market remains slightly soft, with an estimated owner vacancy rate of 2.5 percent. This is down slightly from 3 percent reported in the 2010 Census. See Table DP-3 for the owner vacancy rates from 1990 to the current date. According to Hanley Wood, LLC, the number of home sales in the Seminole County submarket increased in 2010, in part from the homebuyer tax credit and in part from the lower sales prices, which resulted from sales of distressed properties which increased by 53 percent from the previous year. According to the Orlando Regional REALTOR® Association, during 2010, 3,625 existing single-family homes were sold, an increase of 9 percent compared with the 3,325 homes sold during 2009. The average home sales price was \$201,100, an 11-percent decrease compared with the \$225,300 price recorded during the previous year. According to Hanley Wood, LLC, the number of new single-family home sales increased by

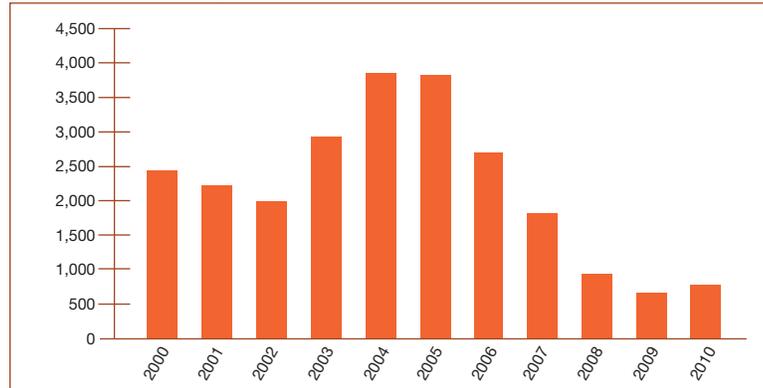
13 percent in 2010 to 800 homes sold, up from 710 homes sold in 2009. The average sales price decreased from \$212,600 in 2009 to \$186,600 in 2010. Existing multifamily home sales followed the same trend, increasing by 730 units, or 51 percent, from 2009, to 2,150 units sold in 2010, when the average sales price was \$69,700, a decrease compared with the \$88,750 sales price during the previous year. In December 2010, the number of loans 90 or more days delinquent, in foreclosure, or in REO remained the same as the previous year at 15 percent of total loans, according to LPS Applied Analytics.

The total number of home sales in the Seminole County submarket reached its highest level in 2005 when 7,050 homes were sold. From 2005, the number of home sales declined in each subsequent year, averaging 4,825 homes sold annually, reaching its lowest recorded level of 3,375 in 2008. Sales increased by 31 percent in 2009, and the average sales price peaked in 2007, at \$302,600.

Housing Market Trends

Sales Market—Seminole County Submarket *Continued*

Figure 12. Single-Family Building Permits Issued in the Seminole County Submarket, 2000 to 2010



Notes: Includes only single-family units. Includes data through December 2010.

Source: U.S. Census Bureau, Building Permits Survey

Table 6. Estimated Demand for New Market-Rate Sales Housing in the Seminole County Submarket, January 1, 2011 to January 1, 2014

Price Range (\$)		Units of Demand	Percent of Total
From	To		
140,000	159,999	1,150	25.0
160,000	179,999	690	15.0
180,000	199,999	460	10.0
200,000	249,999	920	20.0
250,000	299,999	410	8.9
300,000	349,999	370	8.0
350,000	399,999	320	7.0
400,000	and higher	280	6.1

Note: A portion of the estimated 8,000 other vacant units in the submarket, as well as the 420 units currently under construction, may satisfy some of the forecast demand.

Source: Estimates by analyst

Although the number of home sales remains historically low, a recent increase in the number of sales has led to an increase in single-family home-building. According to preliminary data, during 2010, 780 single-family home permits were issued, an increase of 140 homes, or 22 percent, compared with 640 permits issued in 2009. In 2004, construction of single-family homes was at its highest level at 3,850 homes permitted. From 2005 to 2009, the number of permits declined to an average of 1,975 annually because of the weakened economy. Figure 12 shows the number of single-family permits issued from 2000 to the current date.

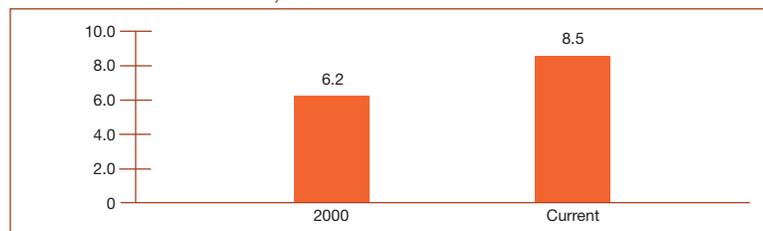
Demand is expected for approximately 4,600 new homes during the next 3 years. A portion of demand could be met by some of the estimated 8,000 other vacant units becoming available for sale during the forecast period. The strongest demand is expected in the price range of \$140,000 to \$159,999. Table 6 shows the estimated demand by price range for new sales housing.

Rental Market—Seminole County Submarket

The rental market in the Seminole County submarket is currently soft, with a vacancy rate of 8.5 percent (see Figure 13). The apartment market has improved slightly during the past year because fewer new units came on the market. Three areas located in

the Seminole County submarket had apartment vacancy rates of less than 7 percent in the fourth quarter of 2010. According to MPF Research, the Winter Springs-Casselberry area recorded an apartment vacancy rate of 9.3 percent for the fourth quarter of 2010, an increase compared with 8.2 percent during the previous year. The average rent in the Winter Springs-Casselberry area during the fourth quarter of 2010 was \$770, an increase of 2 percent from the previous year. In the Altamonte Springs-Longwood area, the vacancy rate decreased from 8 percent during the fourth quarter of 2009 to 6.4 percent

Figure 13. Rental Vacancy Rates in the Seminole County Submarket, 2000 to Current



Sources: 2000–2000 Census; current—estimates by analyst

Housing Market Trends

Rental Market—Seminole County Submarket *Continued*

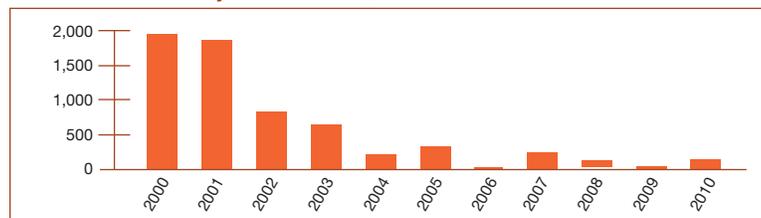
during the fourth quarter of 2010, with an average rent of \$810, an increase of 3 percent from the previous year. The North-East Seminole County area had an apartment vacancy rate of 6.4 percent during the fourth quarter of 2010 compared with 9.9 percent recorded during the fourth quarter of 2009. The average rent during the same period increased in this submarket by 2 percent, to \$870.

Construction of multifamily units in Seminole County increased during the past year; however, permitting levels remained low. According to preliminary data, 150 multifamily units were permitted during 2010, an increase from the 20 units permitted during 2009. Multifamily construction

peaked in 2000 when 1,950 units were permitted. An estimated 30 percent of the units permitted within the past decade were intended for owner occupancy. From 2001 to 2009, the number of multifamily permits issued averaged 480 units annually, declining by an average of 230 units, or 12 percent, annually. Figure 14 shows the number of multifamily units permitted in the Seminole County submarket from 2000 to 2010. Howell Branch Cove is a \$7 million, 56-unit townhome rental development recently completed in Winter Springs with income-restricted rents starting at \$300 and market-rate rents ranging from \$750 to \$1,200 a month.

The Seminole County submarket currently has a large surplus of rental units. To achieve balanced rental market conditions in the submarket, the excess vacant inventory needs to be absorbed. Based on current and anticipated rental market conditions, and accounting for the excess vacancies, no demand is expected for additional rental units during the 3-year forecast period.

Figure 14. Multifamily Building Permits Issued in the Seminole County Submarket, 2000 to 2010



Notes: Includes all multifamily units in structures with two or more units. Includes data through December 2010.

Source: U.S. Census Bureau, Building Permits Survey

Sales Market—Lake and Osceola Counties Submarket

The sales market in the Lake and Osceola Counties submarket is soft with a vacancy rate of 4.5 percent, a slight improvement from the 4.9-percent vacancy rate reported in the 2010 Census. See Table DP-4 for the owner vacancy rate from 1990 to the current date. Contributing to the tightening of the market was an increase in existing single-family home sales. According to the Orlando Regional REALTOR® Association, during 2010, 8,400 existing single-family homes were sold, an increase of 3 percent compared with

8,175 homes sold during 2009. As the number of distressed home sales increased during this time period, the average home sales price decreased by 5 percent, from \$145,400 to \$138,200, the lowest average sales price of all the submarkets in the HMA. The average sales price for REO sales was \$120,000 in 2009 and \$117,400 in 2010, according to Hanley Wood, LLC. Multifamily home sales also increased, from 1,750 in 2009 to 2,250 in 2010, an increase of 29 percent. The average home sales price in 2010 decreased to \$83,200

Housing Market Trends

Sales Market—Lake and Osceola Counties Submarket *Continued*

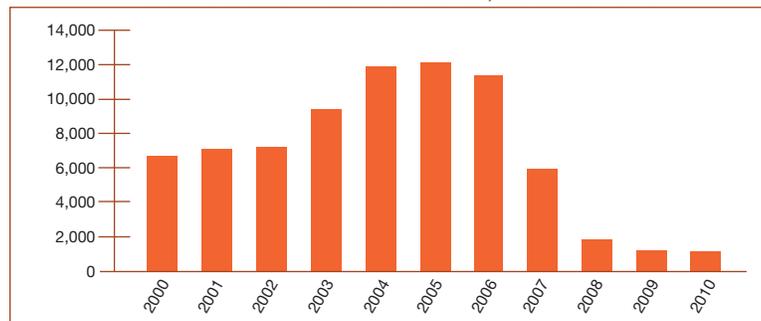
from \$96,600 during 2009. The total number of existing home sales in the submarket peaked in 2005 when 11,650 homes were sold. Home sales declined every year from 2006 to 2009, averaging 7,100 homes sold annually. According to LPS Applied Analytics, loans 90 or more days delinquent, in foreclosure, or in REO, decreased to 19 percent of total loans in December 2010 from 20 percent in December 2009. According to Hanley Wood,

LLC, the number of new single-family home sales declined in 2010 by 12 percent to 1,475 homes sold compared with 1,675 sold in 2009. The average sales price decreased by 7 percent, from \$141,700 in 2009 to \$132,100 in 2010.

During the past year, single-family homebuilding levels in the Lake and Osceola Counties submarket remained constant with the previous year. According to preliminary data, approximately 1,250 single-family building permits were issued during 2010, relatively unchanged from 2009. From 2000 to 2005, the number of single-family homes permitted averaged 9,100 homes annually, increasing by an average of 1,075 homes, or 16 percent, annually, reaching a peak of 12,100 homes permitted in 2005. Permit levels declined to an average of 5,125 homes annually from 2006 to 2009 (see Figure 15).

During the 3-year forecast period, demand is estimated for 8,175 new single-family homes (see Table 7), 810 of which will be met by mobile homes. A portion of demand could be met by some of the estimated 43,800 other vacant units becoming available for sale during the forecast period. Demand is expected to be highest in the \$110,000-to-\$119,999 price range. Because many existing vacant homes are on the market, construction for new homes should start no earlier than the second year of the forecast period.

Figure 15. Single-Family Building Permits Issued in the Lake and Osceola Counties Submarket, 2000 to 2010



Notes: Includes only single-family units. Includes data through December 2010.

Source: U.S. Census Bureau, Building Permits Survey

Table 7. Estimated Demand for New Market-Rate Sales Housing in the Lake and Osceola Counties Submarket, January 1, 2011 to January 1, 2014

Price Range (\$)		Units of Demand	Percent of Total
From	To		
110,000	119,999	1,850	25.1
120,000	139,999	1,475	20.0
140,000	159,999	1,100	14.9
160,000	179,999	740	10.0
180,000	199,999	660	8.9
200,000	249,999	590	8.0
250,000	299,999	520	7.1
300,000	and higher	440	6.0

Notes: A portion of the estimated 43,800 other vacant units in the submarket, as well as the 650 units currently under construction, may satisfy some of the forecast demand. Excludes demand for mobile homes.

Source: Estimates by analyst

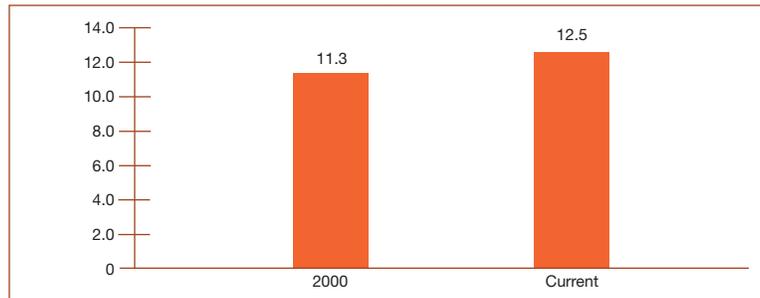
Rental Market—Lake and Osceola Counties Submarket

The rental market in the Lake and Osceola Counties submarket is currently soft, with a vacancy rate of 12.5 percent (see Figure 16). The apartment market in the submarket has the highest number of vacancies in the HMA, due to net move-outs. As of the fourth quarter of 2010, according to MPF Research, the apartment vacancy rate in Osceola County increased to 12.6 percent, down from the 12.2-percent rate the previous year. The average rent in Osceola County increased by 1 percent from 2009, to \$740 in 2010. The Northwest Orange County-Lake County area had an apartment vacancy rate of 10.9 percent, down from 12.3 percent the previous year. The average rent decreased by 3 percent from the fourth quarter of 2009, to \$750.

From 2000 to 2008, multifamily permitting levels in the Lake and Osceola Counties submarket were relatively high, averaging 2,425 units annually, with the peak in 2000 at an estimated 3,500 units permitted (see Figure 17). Since 2000, approximately 25 percent of multifamily permits were issued for owner occupancy. In 2009, the number of multifamily permits issued totaled 640 units, dropping by 1,250 units, or 66 percent from the previous year due to weak economic conditions, and the number of permits continued to decline during the past year. According to preliminary data, during 2010, 190 multifamily units were permitted, a decline of 450 units, or 70 percent, from 2009. Currently under construction is The Fountains at San Remo Court in Osceola County. Similar to the Howell Branch Cove property in Seminole County, this \$13 million apartment complex will have income-restricted rents starting at \$300, and market-rate rents ranging from \$750 to \$1,200 a month, totaling 130 units. The project's completion is expected in November 2011.

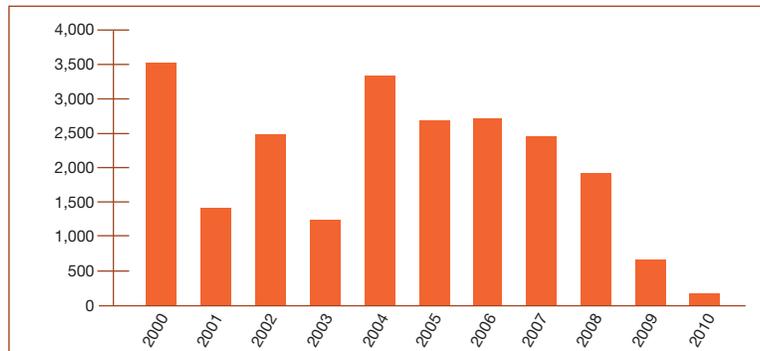
The Lake and Osceola Counties submarket currently has a large surplus of rental units. To achieve balanced rental market conditions in the submarket, the excess vacant inventory needs to be absorbed. Based on current and anticipated rental market conditions, and accounting for the excess vacancies, no demand is expected for additional rental units in the submarket during the 3-year forecast period.

Figure 16. Rental Vacancy Rates in the Lake and Osceola Counties Submarket, 2000 to Current



Sources: 2000–2000 Census; current—estimates by analyst

Figure 17. Multifamily Building Permits Issued in the Lake and Osceola Counties Submarket, 2000 to 2010



Notes: Includes multifamily units in structures with two or more units. Includes data through December 2010.

Source: U.S. Census Bureau, Building Permits Survey

Data Profiles

Table DP-1. Orlando-Kissimmee-Sanford HMA Data Profile, 1990 to Current

	1990	2000	Current	Average Annual Change (%)	
				1990 to 2000	2000 to Current
Total Resident Employment	648,576	867,184	993,400	2.9	1.4
Unemployment Rate	5.8%	3.1%	11.4%		
Nonfarm Payroll Jobs	579,300	909,300	1,002,000	4.6	1.0
Total Population	1,224,852	1,644,561	2,152,000	3.0	2.5
Total Households	465,275	625,248	805,800	3.0	2.4
Owner Households	298,634	414,496	505,500	3.3	1.9
Percent Owner	64.2%	66.3%	62.7%		
Renter Households	166,641	210,752	300,300	2.4	3.3
Percent Renter	35.8%	33.7%	37.3%		
Total Housing Units	524,197	683,551	945,000	2.7	3.1
Owner Vacancy Rate	3.1%	1.8%	3.6%		
Rental Vacancy Rate	11.1%	7.7%	10.9%		
Median Family Income	\$37,500	\$47,760	\$60,700	2.4	2.3

Notes: Employment data represent annual averages for 1990, 2000, and the 12 months through December 2010. Median family incomes are for 1989, 1999, and 2009.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Table DP-2. Orange County Submarket Data Profile, 1990 to Current

	1990	2000	Current	Average Annual Change (%)	
				1990 to 2000	2000 to Current
Total Population	677,491	896,344	1,157,000	2.8	2.4
Total Households	254,852	336,286	426,300	2.8	2.2
Owner Households	151,062	204,195	244,000	3.1	1.7
Percent Owner	59.3%	60.7%	57.2%		
Rental Households	103,790	132,091	182,300	2.4	3.0
Percent Renter	40.7%	39.3%	42.8%		
Total Housing Units	282,686	361,349	489,700	2.5	2.9
Owner Vacancy Rate	3.0%	1.7%	3.5%		
Rental Vacancy Rate	10.7%	7.1%	11.0%		
Median Family Income	NA	NA	NA	NA	NA

NA = not available.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Table DP-3. Seminole County Submarket Data Profile, 1990 to Current

	1990	2000	Current	Average Annual Change (%)	
				1990 to 2000	2000 to Current
Total Population	287,529	365,196	424,700	2.4	1.4
Total Households	107,657	139,572	165,500	2.6	1.6
Owner Households	72,003	96,949	110,000	3.0	1.2
Percent Owner	66.9%	69.5%	66.5%		
Rental Households	35,654	42,623	55,500	1.8	2.5
Percent Renter	33.1%	30.5%	33.5%		
Total Housing Units	117,845	147,079	181,500	2.2	2.0
Owner Vacancy Rate	3.1%	1.3%	2.5%		
Rental Vacancy Rate	10.7%	6.2%	8.5%		
Median Family Income	NA	NA	NA	NA	NA

NA = not available.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Table DP-4. Lake and Osceola Counties Submarket Data Profile, 1990 to Current

	1990	2000	Current	Average Annual Change (%)	
				1990 to 2000	2000 to Current
Total Population	259,832	383,021	570,700	4.0	3.8
Total Households	102,766	149,390	213,900	3.8	3.4
Owner Households	75,569	113,352	151,450	4.1	2.7
Percent Owner	73.5%	75.9%	70.8%		
Rental Households	27,197	36,038	62,480	2.9	5.3
Percent Renter	26.5%	24.1%	29.2%		
Total Housing Units	123,666	175,123	273,780	3.5	4.2
Owner Vacancy Rate	3.3%	2.4%	4.5%		
Rental Vacancy Rate	13.3%	11.3%	12.5%		
Median Family Income	NA	NA	NA	NA	NA

NA = not available.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Data Definitions and Sources

1990: 4/1/1990—U.S. Decennial Census

2000: 4/1/2000—U.S. Decennial Census

Current date: 1/1/2011—Analyst's estimates

Forecast period: 1/1/2011–1/1/2014—Analyst's estimates

Demand: The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

Other Vacant Units: In HUD's analysis, other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as "other" vacant by the Census Bureau.

For additional data pertaining to the housing market for this HMA, go to www.huduser.org/publications/pdf/CMARtables_OrlandoFL_11.pdf.

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This analysis has been prepared for the assistance and guidance of the U.S. Department of Housing and Urban Development (HUD) in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to
www.huduser.org/publications/econdev/mkt_analysis.html.