

The analysis presented in this report was completed before the release of the 2020 decennial census; therefore, the current estimates may not reflect the true change since April 1, 2010; however, the direction and magnitude of trends in the data are presumed to be accurate. HUD will provide an updated report in the future that incorporates the 2020 decennial census.

COMPREHENSIVE HOUSING MARKET ANALYSIS

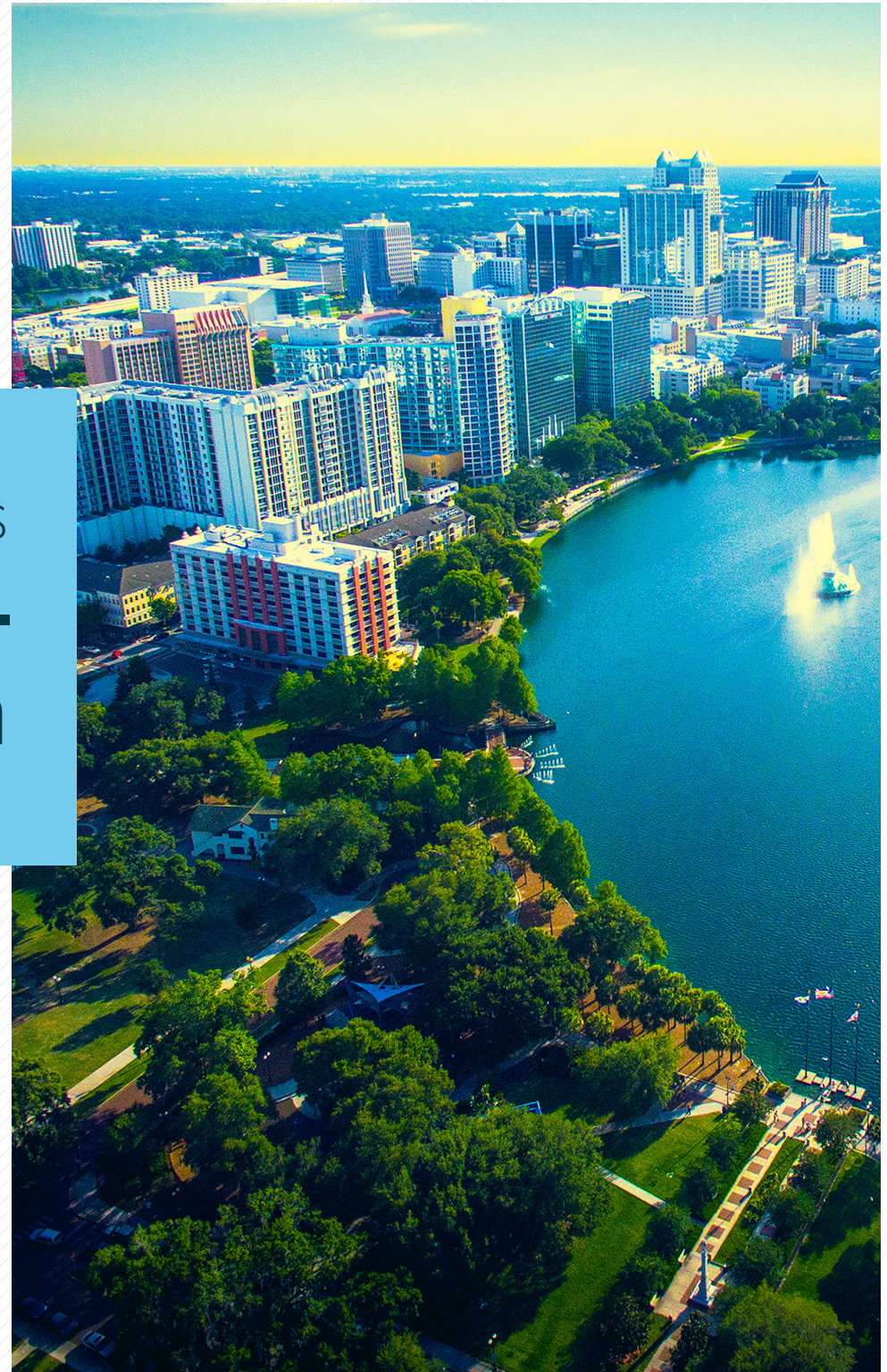
Orlando-Kissimmee-Sanford, Florida

U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of August 1, 2021



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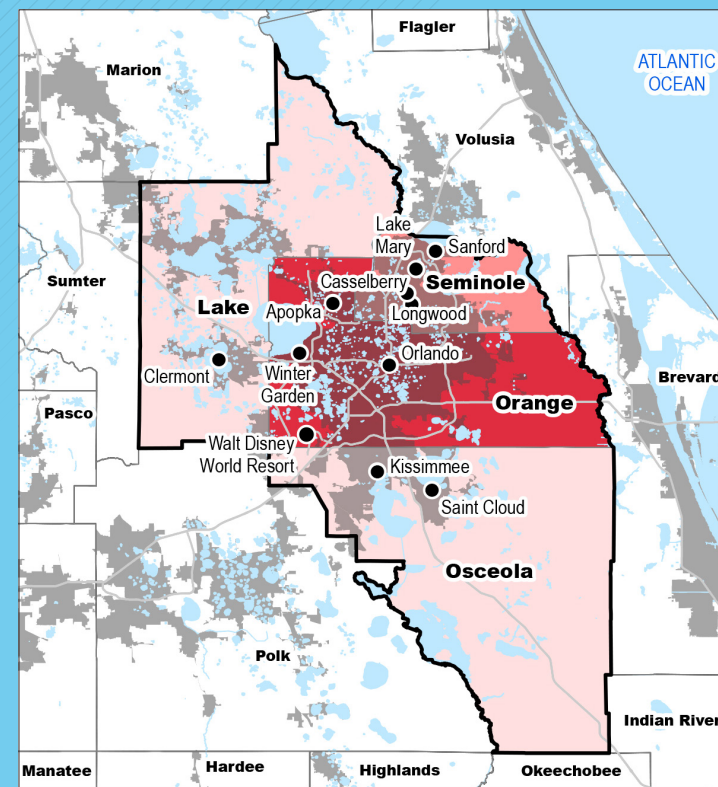
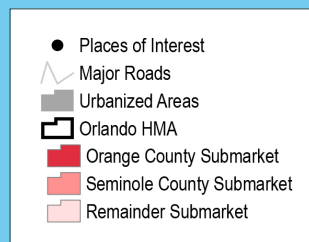


Executive Summary

Housing Market Area Description

The Orlando-Kissimmee-Sanford Housing Market Area (hereafter, Orlando HMA) is coterminous with the Metropolitan Statistical Area (MSA) of the same name and includes four counties (Lake, Orange, Osceola, and Seminole) in central Florida. For this analysis, the HMA is divided into three submarkets. The Orange County submarket includes the principal city of Orlando and Apopka and Winter Garden. The Seminole County submarket includes the cities of Casselberry, Lake Mary, Longwood, and Sanford. The Remainder submarket is defined as Lake County, which includes the city of Clermont, and Osceola County, which includes the cities of Kissimmee and St. Cloud.

The current population of the HMA is estimated at 2.71 million.



Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's [Market-at-a-Glance tool](#).

Additional data for the HMA can be found in this report's [supplemental tables](#).

For information on HUD-supported activity in this area, see the [Community Assessment Reporting Tool](#).

Market Qualifiers

Economy



Weak but Improving: Nonfarm payrolls in the HMA declined during the 12 months ending July 2021; however, analysis of monthly data shows that recovery from job losses associated with the COVID-19 pandemic is underway.

Nonfarm payrolls in the Orlando HMA declined by 82,600 jobs, or 6.5 percent, during the 12 months ending July 2021. As of July 2021, however, 50 percent of the jobs lost in the HMA from March through May 2020 had been recovered (monthly data; not seasonally adjusted). By comparison, nationally, 79 percent of the jobs lost during the early stages of the pandemic during March and April 2020 had been recovered as of July 2021. Economic conditions in the HMA are expected to improve significantly during the next 3 years, with nonfarm payrolls expected to increase an average of 4.0 percent a year and surpass the prepandemic high by the third year of the forecast period.

Sales Market



Balanced: There was an approximately 1.2-month supply of for-sale inventory in the Orlando HMA during July 2021, down from a 2.3-month supply a year ago.

The sales vacancy rate in the HMA is estimated at 1.9 percent as of August 1, 2021, less than one-half of the 4.1-percent rate in April 2010, when the sales market was soft. During the 12 months ending July 2021, home sales totaled approximately 73,050, up 16 percent from the previous 12 months. The average sales price also rose 16 percent, to \$335,200 (Zonda). As of July 2021, 3.9 percent of home loans in the HMA were seriously delinquent or had transitioned into real estate owned (REO) status, down from 6.3 percent a year ago. Demand is expected for 40,875 new homes during the forecast period. The 11,850 homes currently under construction will meet some of that demand.

Rental Market



Balanced: The average rent in the Orlando HMA was estimated at \$1,475 during July 2021, up 13 percent from a year ago (RealPage, Inc., with adjustments by the analyst).

Despite high levels of apartment construction since the mid-2010s, the rental housing market in the Orlando HMA is balanced. The overall rental vacancy rate is currently estimated at 7.2 percent, well below the 13.3-percent rate in April 2010. The apartment market is also balanced, with a 5.2-percent vacancy rate during July 2021, down from 6.8 percent a year ago (RealPage, Inc., with adjustments by the analyst). During the forecast period, demand is expected for 25,300 new rental units in the HMA, although the approximately 20,675 rental units under construction will satisfy all the demand during the next 2 years.

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3-Year Housing Demand Forecast

	Sales Units				Rental Units			
	Orlando HMA Total	Orange County Submarket	Seminole County Submarket	Remainder Submarket	Orlando HMA Total	Orange County Submarket	Seminole County Submarket	Remainder Submarket
Total Demand	40,875	14,900	5,825	20,150	25,300	14,450	3,425	7,425
Under Construction	11,850	4,700	1,200	5,950	20,675	12,200	3,025	5,450

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of August 1, 2021. The forecast period is August 1, 2021, to August 1, 2024.

Source: Estimates by the analyst



Economic Conditions

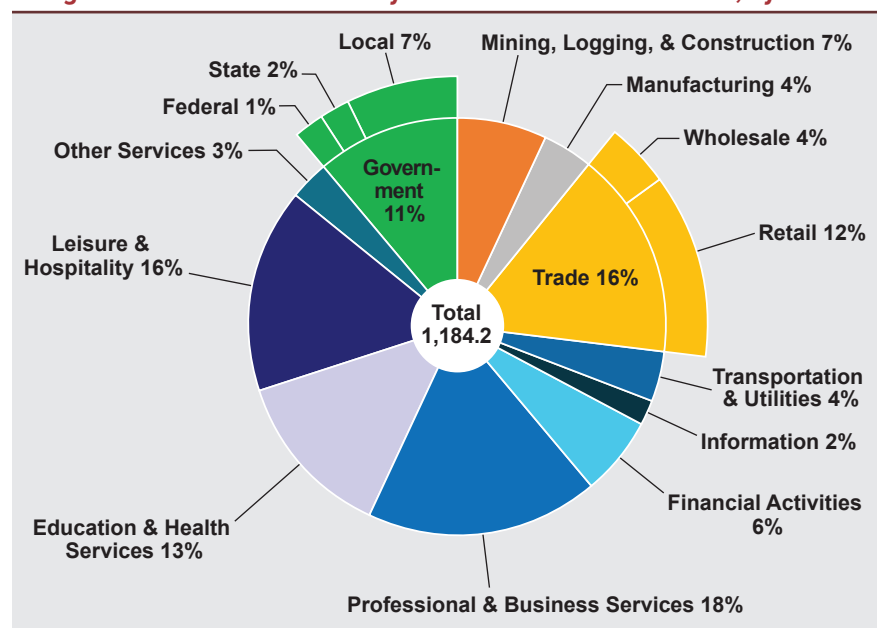
Largest Sector: Professional and Business Services

Due to significant pandemic-related job losses in the leisure and hospitality sector, the professional and business services sector, which currently accounts for 18 percent of total nonfarm payrolls, has been the largest sector in the HMA since 2020 (Figure 1).

Primary Local Economic Factors

The Orlando HMA is one of the premier tourist destinations in the nation, particularly for families. Before the impact of COVID-19, tourism in the HMA generated an estimated \$75.2 billion in annual economic impact, including

Figure 1. Share of Nonfarm Payroll Jobs in the Orlando HMA, by Sector

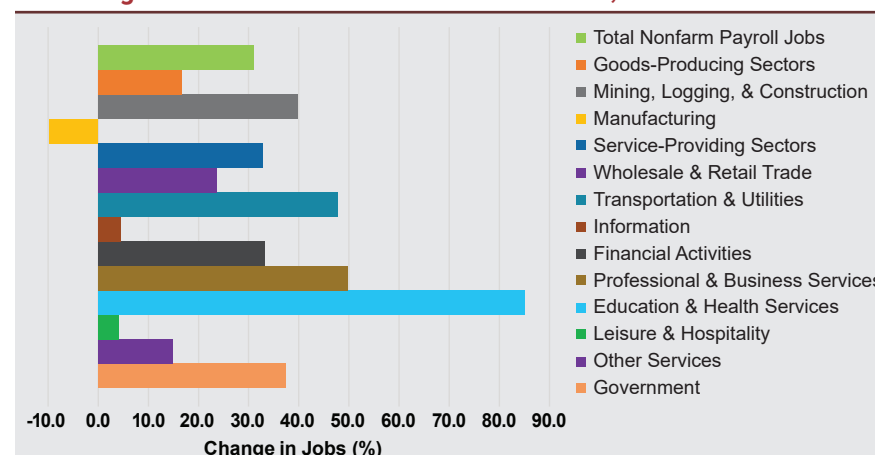


Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through July 2021. Source: U.S. Bureau of Labor Statistics

\$5.8 billion in local and state tax revenue (Visit Orlando, 2018). Tourism supports more than 400,000 jobs in the HMA, including 59,000 and 21,000 at Walt Disney World Resort (hereafter, Walt Disney World) and Universal Studios Florida at Universal Orlando Resort (hereafter, Universal Orlando), respectively. Due in large part to the impact of tourism, the leisure and hospitality sector was the largest sector in the HMA from 2000 through 2019, a period when the sector accounted for an average of 20 percent of total nonfarm payrolls. By comparison, during that same period, the leisure and hospitality sector accounted for an average of only 10 percent of total nonfarm payrolls nationally.

The warm climate of the HMA, combined with relatively affordable housing and a lack of state income taxes, have made it an increasingly attractive destination for those relocating from other states, which has contributed to rising demand for healthcare services during the past 2 decades. As a result, the education and health services sector has been the fastest growing sector in the HMA since 2001 (Figure 2) and was the only sector in the HMA to add jobs each year from 2001 through 2019. The sector currently includes two of the four

Figure 2. Sector Growth in the Orlando HMA, 2001 to Current



Note: The current date is August 1, 2021. Source: U.S. Bureau of Labor Statistics

largest employers in the HMA—AdventHealth, with 37,000 employees, and Orlando Health, with 19,500 employees (Table 1).

Current Conditions— Nonfarm Payrolls

Economic conditions in the HMA are currently weak but improving. The significance of tourism in the HMA contributed to severe job losses during the early stages of the COVID-19 pandemic, although recent monthly data show that a recovery is underway. During the 12 months ending July 2021, nonfarm payrolls in the HMA declined by 82,600 jobs, or 6.5 percent, compared with a decline of only 1.7 percent nationally. The number of jobs in the leisure and hospitality sector fell by 54,100, or 22.7 percent, during the 12 months ending July 2021, which accounted for nearly two-thirds of all jobs lost in the HMA during the period (Table 2). A significant decline in visitor volume, which fell 54 percent during 2020, contributed to losses in the sector (Visit Orlando). Job losses were also notable in the professional and business services sector, which declined by 12,200 jobs, or 5.4 percent, during the 12 months ending July 2021. The administrative support and waste management and remediation services industry fell 10.7 percent, accounting for all of the losses in the sector, because a sharp increase in telecommuting reduced demand for services associated with office work.

Table 1. Major Employers in the Orlando HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Walt Disney World Resort	Leisure & Hospitality	59,000
AdventHealth	Education & Health Services	37,000
Universal Studios Florida at Universal Orlando Resort	Leisure & Hospitality	21,000
Orlando Health	Education & Health Services	19,500
Orlando International Airport	Government	16,000
Publix Super Markets, Inc.	Wholesale & Retail Trade	15,500
University of Central Florida	Government	12,500
Lockheed Martin Corporation	Manufacturing	10,000
Siemens	Manufacturing	5,500
Westgate Resorts, Inc.	Leisure & Hospitality	5,000

Note: Excludes local school districts.

Sources: Orlando Sentinel Book of Lists; Orlando Economic Partnership; Orlando Business Journal; estimates by the analyst

Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Orlando HMA, by Sector

	12 Months Ending July 2020	12 Months Ending July 2021	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	1,266.8	1,184.2	-82.6	-6.5
Goods-Producing Sectors	134.2	131.6	-2.6	-1.9
Mining, Logging, & Construction	85.1	84.1	-1.0	-1.2
Manufacturing	49.1	47.5	-1.6	-3.3
Service-Providing Sectors	1,132.6	1,052.6	-80.0	-7.1
Wholesale & Retail Trade	190.1	185.7	-4.4	-2.3
Transportation & Utilities	44.8	43.6	-1.2	-2.7
Information	24.9	24.5	-0.4	-1.6
Financial Activities	78.2	76.7	-1.5	-1.9
Professional & Business Services	226.5	214.3	-12.2	-5.4
Education & Health Services	160.0	158.4	-1.6	-1.0
Leisure & Hospitality	238.3	184.2	-54.1	-22.7
Other Services	42.1	40.2	-1.9	-4.5
Government	127.7	125.1	-2.6	-2.0

Notes: Based on 12-month averages through July 2020 and July 2021. Numbers may not add to totals due to rounding. Data are in thousands.

Source: U.S. Bureau of Labor Statistics



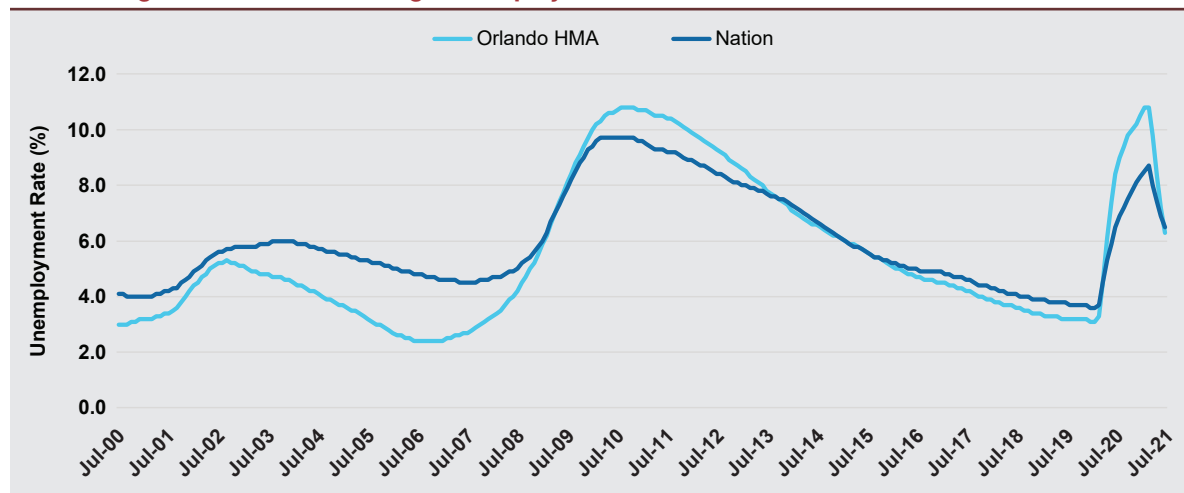
Although the HMA lost jobs during the 12 months ending July 2021, analysis of monthly data shows that the gradual relaxing of restrictions enacted to limit the spread of COVID-19 has contributed to the start of an economic recovery. Following the declaration of a pandemic by the World Health Organization on March 11, 2020, Florida issued a shelter-in-place order on April 3, 2020. Among other restrictions, the order resulted in the closure of all schools, restaurant dining rooms, barber shops, bars, and gyms in the state and required that all businesses deemed nonessential limit their activity to minimum basic operations. The order was relaxed in early May 2020, and restrictions have continued to become less stringent, allowing most businesses to return to prepandemic operations. Nonfarm payrolls totaled 1.22 million in the HMA during July 2021, up 6.5 percent from 1.14 million during July 2020 (not seasonally adjusted); that increase was faster than the 5.3-percent gain for the nation. The HMA lost jobs for 3 months during the early stages of the pandemic, however, as compared with only 2 months for the nation, and the share of jobs that have since been recovered remains relatively low. Approximately 127,600 jobs, or 50 percent, of the

253,600 jobs lost in the HMA from March through May 2020 had been recovered through July 2021. By comparison, nationally, 79 percent of the jobs lost during March and April 2020 had been recovered as of July 2021.

Current Conditions—Unemployment

The average unemployment rate in the Orlando HMA declined to 6.3 percent during the 12 months ending July 2021, down from 8.4 percent a year earlier. The decline occurred despite a 3.8-percent decrease in resident employment as the labor force fell 5.9 percent. The current unemployment rate is nearly double the 3.2-percent rate during the 12 months ending July 2019, but it is well below the high of 10.8 percent, which occurred during the 12 months ending November 2010 during the Great Recession (Figure 3).

Figure 3. 12-Month Average Unemployment Rate in the Orlando HMA and the Nation



Note: Based on the 12-month moving average.
Source: U.S. Bureau of Labor Statistics

Economic Periods of Significance

Early and Mid-2000s

Following 2 years of job losses in the early 2000s, the number of jobs in the HMA expanded rapidly through the mid-2000s. Nonfarm payrolls in the HMA declined by an average of 3,500 jobs, or 0.4 percent, from 2001 through 2002, when the number of jobs in the nation declined an average of 0.5 percent each year. Five of 11 sectors in the HMA lost jobs during the period, led by the leisure and hospitality sector, which fell by an average of 6,000 jobs, or 3.4 percent, annually. The HMA added jobs at a very strong rate, however, during the subsequent 5 years. Nonfarm payrolls in the HMA rose by an average of 37,100 jobs, or 3.8 percent, a year from 2003 through 2007. By comparison, nonfarm payrolls declined 0.2 percent nationally during 2003 before increasing an average of only 1.4 percent a year from 2004 through 2007. Job growth in the HMA during the 2003-through-2007 period was led by an average annual increase of 7,200 jobs, or 4.5 percent, in the professional and business services sector, which benefited from the completion of several large-scale commercial projects, including nearly 500,000 square feet of office space at The Plaza mixed-use development in downtown Orlando in 2007. The fastest job growth in the HMA during much of the early and mid-2000s was in the mining, logging, and construction sector, which expanded by an average of 7,500 jobs, or 10.4 percent, from 2003 through 2006. Several major projects associated with tourism contributed to gains in the sector during the period, including the addition of more than 150,000 square feet of meeting space at the Orlando World Center Marriott, which began in 2005. Payrolls in the sector declined by 5,700 jobs, or 6.3 percent, during 2007, however, as residential construction declined approximately 38 percent.

The Great Recession—2008 Through 2010

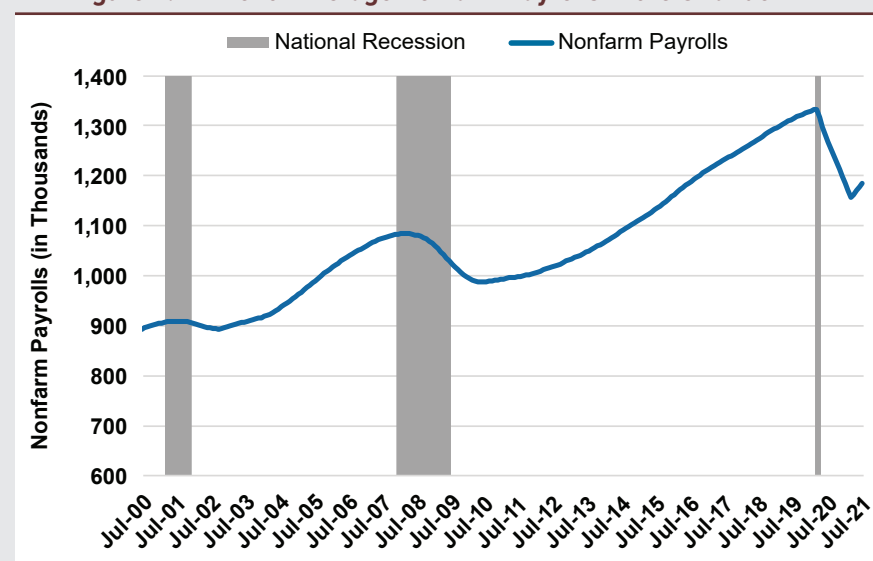
The impact of The Great Recession was significant in the HMA, which lost an average of 30,300 jobs, or 2.9 percent of total nonfarm payrolls, each year from 2008 through 2010, a period when nonfarm payrolls declined at an average annual rate of 1.9 percent nationally. The mining, logging, and construction sector accounted for 40 percent of all jobs lost in the HMA

from 2008 through 2010, due in part to a 69-percent decline in residential construction during the period. The sector lost an average of 12,600 jobs, or 17.7 percent, a year from 2008 through 2010, the largest and fastest decline in the HMA. Overall job losses in the HMA were partially offset by gains in 2 of 11 sectors, with the most significant gains in the education and health services sector, which added an average of 2,700 jobs, or 2.4 percent. Those gains were partly due to the completion of the \$140 million Ginsburg Tower at the main AdventHealth campus in downtown Orlando in 2008. The 15-story tower includes 455 beds, an emergency department, and one of the largest cardiac catheterization labs in the nation.

Economic Recovery and Expansion—2011 Through 2019

The subsequent period of economic recovery and expansion was notably strong in the Orlando HMA, which added jobs at a fast rate during much of the 2010s (Figure 4). From 2011 through 2019, nonfarm payrolls in the HMA

Figure 4. 12-Month Average Nonfarm Payrolls in the Orlando HMA

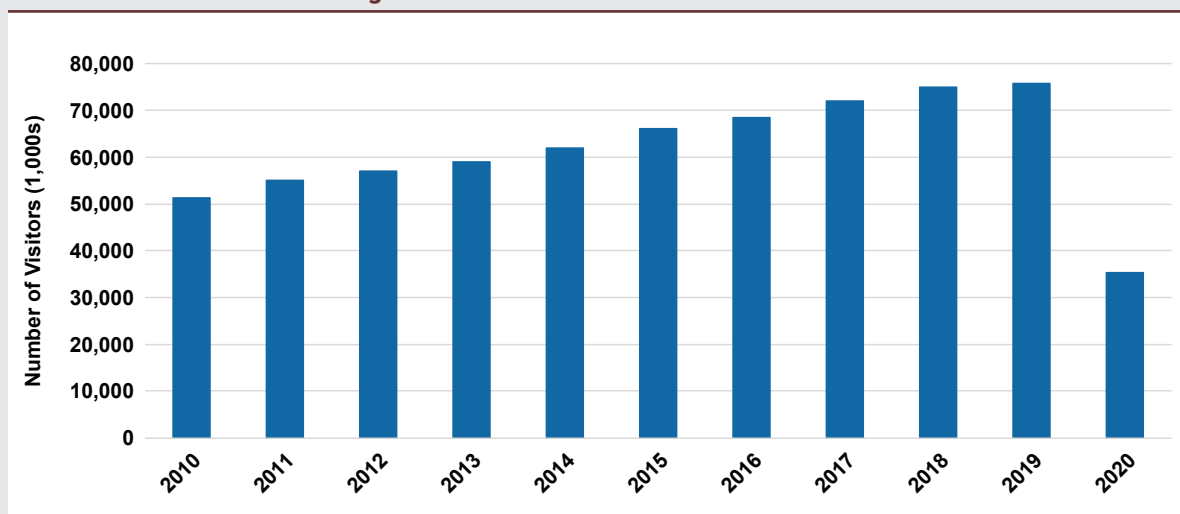


Note: 12-month moving average.

Sources: National Bureau of Economic Research; U.S. Bureau of Labor Statistics

expanded by an average of 37,200 jobs, or 3.3 percent, annually, more than double the national growth rate of 1.6 percent during the period. The leisure and hospitality and the professional and business services sectors accounted for nearly one-half of the job growth in the HMA from 2011 through 2019, expanding by averages of 9,000 and 8,300 jobs, or 3.9 and 4.3 percent, each year, respectively. A nearly 50-percent increase in visitor volume, from 51.4 million during 2010 to 75.8 million during 2019, contributed to gains in the leisure and hospitality sector (Figure 5). The sector also benefited from the approximately 3,500 combined jobs created when The Wizarding World of Harry Potter™—Diagon Alley™ and the Cabana Bay Beach Resort opened at Universal Orlando in 2014. Several office relocations and expansions in the city of Orlando contributed to gains in the professional and business services sector during the period, including the International Association of Amusement Parks and Attractions, which moved approximately

Figure 5. Visitor Volume in the Orlando HMA



Note: Data include Lake, Orange, and Osceola Counties.
Source: Visit Orlando

50 jobs from its previous global headquarters in Virginia to the HMA in 2017, and Lockheed Martin Corporation, which added 500 employees at a new 255,000-square-foot office facility in 2018. The mining, logging, and construction sector added jobs at the fastest rate in the HMA from 2011 through 2019, increasing by an average of 4,300 jobs, or 6.8 percent, a year, due in part to a significant increase in residential permitting, which was more than four times higher during 2019 than in 2010.

Commuting Patterns

The Orange County submarket encompasses much of the economic core of the HMA, including Walt Disney World and Universal Orlando, and it currently accounts for an estimated 66.2 percent of all nonfarm payrolls (Table 3). Approximately 65.6 percent of all employed residents in the HMA commute to jobs within the Orange County submarket, compared with 15.3 percent for the Remainder submarket and 15.0 percent for the Seminole County submarket (Table 4). More than 4.0 percent of the employed residents of the HMA commute to jobs outside the HMA.

Forecast

During the 3-year forecast period, nonfarm payrolls are expected to increase an average of 4.0 percent annually in the HMA. Job gains are expected to accelerate during the first and second years of the forecast period but moderate in the third year as nonfarm payrolls surpass the prepandemic high. The leisure and hospitality sector is expected to add jobs at a strong rate due to rising visitor volume levels; the sector will also gain approximately 2,000 jobs when The Walt Disney Company headquarters relocates

Table 3. Current Estimated Share of Nonfarm Payrolls in the Orlando HMA, by Submarket

Orange County Submarket	66.2%
Seminole County Submarket	16.9%
Remainder Submarket	16.8%

Sources: U.S. Bureau of Labor Statistics; estimates by the analyst

Table 4. Jobs by Place of Worker Residence in the Orlando HMA

Worker Residence	Location of Primary Job			
	Orange County Submarket (%)	Seminole County Submarket (%)	Remainder Submarket (%)	Outside the HMA (%)
Orange County Submarket	87.1	6.2	4.0	2.7
Seminole County Submarket	39.8	55.2	0.9	4.1
Remainder Submarket	35.8	2.3	54.2	7.7
HMA Total	65.6	15.0	15.3	4.2

Note: Columns may not add to 100 percent due to rounding.

Source: 2015 U.S. Census Journey to Work

to the HMA from California within the next 18 months. The education and health services sector is also expected to contribute significantly to job growth in the HMA. Anticipated growth in that sector is due in part to several new Orlando Health facilities, including a 95-bed patient tower at the Center for Women's Health at South Lake Hospital in the city of Clermont, which will open in 2022, and the 75-bed Orlando Health Jewett Orthopedic Institute in the city of Orlando, which will open in 2023. The professional and business services sector is also expected to add payrolls during the forecast period, including as many as 1,000 jobs at the new headquarters of Electronic Arts Inc., the developer of popular video games such as Madden and Apex Legends. The 175,000-square-foot facility is underway in the city of Orlando, with completion expected by late 2021.

Population and Households

Current Population: 2.71 Million

The Orlando HMA currently accounts for an estimated 12 percent of the statewide population of Florida, up from 11 percent in 2010.

Population Trends

Strengthening economic conditions contributed to rapid population growth in the HMA for much of the 2010s, with Osceola County (11th), Lake County (53rd), and Orange County (57th) all ranking among the 100 fastest growing counties in the nation from 2011 to 2018 (Census Bureau Population Estimates as of July 1). The rate of population growth in the HMA, however, began to slow during the late 2010s and has subsequently slowed further since the early stages of the pandemic. As of August 1, 2021, the population of the HMA is estimated at 2.71 million (Table 5), an average annual increase of 33,350 people, or 1.3 percent, since 2018. Net in-migration to the HMA has averaged 25,700 people a year since 2018, down from the average of 50,400 people a year from 2011 to 2018, when total population growth averaged 61,750 people, or 2.6 percent, annually (Figure 6). Net natural increase has also slowed since the late 2010s, due in part to the ongoing impact of the pandemic. Since 2018, net natural increase has averaged only 7,650 a year,

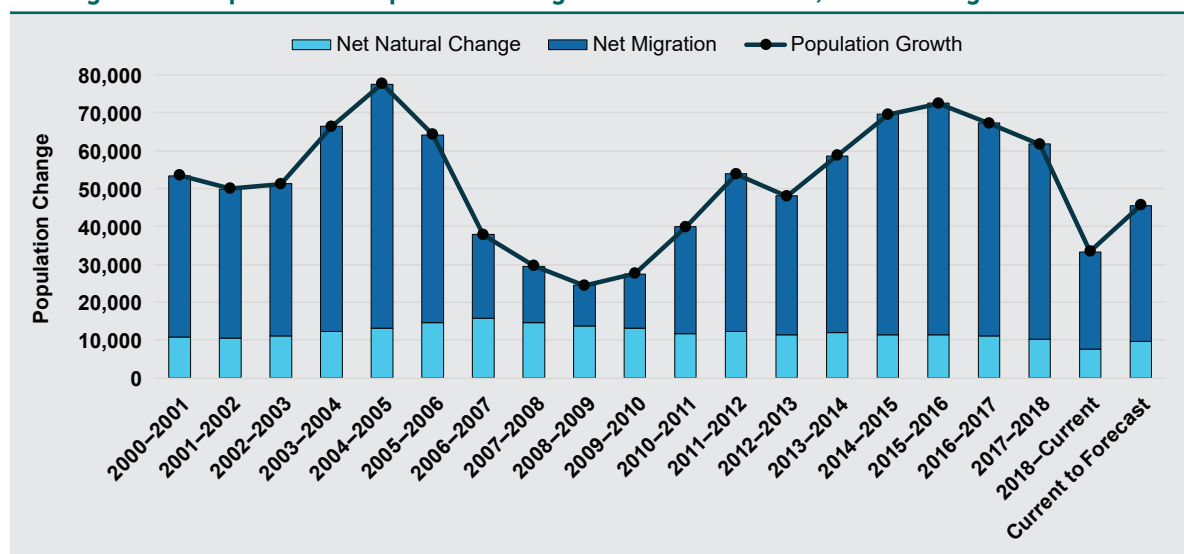
Table 5. Orlando HMA Population and Household Quick Facts

Population Quick Facts	2010	Current	Forecast
	Population	2,134,411	2,714,000
	Average Annual Change	49,000	51,150
	Percentage Change	2.6	2.1
Household Quick Facts	2010	Current	Forecast
	Households	798,445	1,020,000
	Average Annual Change	17,300	19,600
	Percentage Change	2.5	2.2

Notes: Average annual changes and percentage changes are based on averages from 2000 to 2010, 2010 to current, and current to forecast. The forecast period is from the current date (August 1, 2021) to August 1, 2024.

Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by the analyst

Figure 6. Components of Population Change in the Orlando HMA, 2000 Through the Forecast



Notes: Data displayed are average annual totals. The forecast period is from the current date (August 1, 2021) to August 1, 2024.

Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

down from 11,350 annually from 2011 to 2018. Population growth averaged 30,350 people, or 1.4 percent, annually in the HMA from 2007 to 2011, when weak economic conditions during part of that period limited net in-migration to an average of only 17,100 people a year and net natural change averaged 13,250 annually. By comparison, the population of the HMA rose by an average of 61,600 people, or 3.2 percent, a year during

the period of economic expansion from 2003 to 2007, when net in-migration and net natural increase averaged 47,650 and 13,950 each year, respectively.

Population Trends by Geography

Orange County Submarket

As of August 1, 2021, the Orange County submarket, which includes much of the economic core of the HMA, is also the most populous in the HMA, with an estimated population of 1.45 million, or 53 percent of the total population of the HMA. The population of the submarket has increased by an average of 13,050 people, or 0.9 percent, a year since 2018, down from the average of 33,500 people, or 2.6 percent, annually from 2011 to 2018. Net in-migration and net natural increase in the submarket have averaged 5,300 and 7,750, respectively, since 2018, down from respective averages of 24,800 and 8,700 each year from 2011 to 2018. By comparison, net in-migration and net natural increase in the submarket averaged 8,675 and 9,375 people a year, respectively, from 2007 to 2011, when total population growth averaged 18,050 people, or 1.6 percent, annually. Before the Great Recession, net in-migration and net natural increase in the submarket averaged 20,650 and 9,700, respectively, a year from 2003 to 2007, which resulted in average population growth of 30,350 people, or 3.0 percent, annually.

Seminole County Submarket

The Seminole County submarket has had the slowest population growth in the HMA since 2000 because high housing costs relative to the Remainder submarket have limited in-migration by residents who commute to jobs in the Orange County submarket. As of August 1, 2021, the population of the submarket is estimated at 472,900, an average annual increase of 2,425 people, or 0.5 percent, since 2018. The submarket currently accounts for approximately 17 percent of the total population of the HMA. Population growth in the submarket averaged 5,600 people, or 1.3 percent, annually from 2011 to 2018, up from an average of 3,150 people, or 0.8 percent, a year from 2007 to 2011 but below the average rate of 6,350 people, or 1.6 percent, from 2003 to 2007. Net in-migration averaged 4,300 annually during the

2003-to-2007 and 2011-to-2018 periods but only 1,300 a year from 2007 to 2011. Since 2018, net in-migration has averaged 2,500 a year and accounted for all of the population growth in the submarket. Net natural change has trended consistently downward in the submarket since the late 2000s, due in part to a notable increase in the share of residents age 55 and older. After averaging 2,050 a year from 2003 to 2007, net natural increase in the submarket declined to an average of 1,850 a year from 2007 to 2011; net natural increase declined further to an average of 1,300 from 2011 to 2018. Partly because of the ongoing impact of the pandemic, net natural decline has averaged 75 a year in the submarket since 2018.

Remainder Submarket

The Remainder submarket, which currently has both the lowest average home sales price and the lowest average rent of the three submarkets in the HMA, has had the fastest population growth in the HMA during the past 2 decades. Population growth in the submarket was particularly rapid, averaging 24,850 people, or 5.2 percent, annually from 2003 to 2007, when net in-migration averaged 22,700 people a year and accounted for 91 percent of total population growth. Net in-migration to the submarket slowed during the late 2000s and early 2010s, but it subsequently accelerated as economic conditions in the HMA strengthened. From 2007 to 2011, the population of the submarket expanded by an average of 9,125, or 1.6 percent, annually, when net in-migration averaged only 7,100 people a year, or 78 percent of total population growth. From 2011 to 2018, however, the population of the submarket expanded by an average of 22,650 people, or 3.5 percent, annually, including average net in-migration of 21,300 a year, which accounted for 94 percent of total population growth. The population of the submarket is estimated at 793,800 as of August 1, 2021, representing an average annual increase of 17,900 people, or 2.4 percent, since 2018. Net in-migration has accounted for all of the population growth in the submarket during this period. The submarket currently accounts for approximately 29 percent of the total population of the HMA, up from approximately 27 percent in 2011.

Migration Trends

During most of the past 2 decades, strong job growth in the HMA has contributed to significant net in-migration, particularly from outside the state of Florida. Residents who relocated from outside of the state accounted for approximately 55 percent, or 70,732, of the domestic in-migration to the HMA from 2015 to 2019, while those leaving the state accounted for only 50 percent, or 55,398, of the domestic out-migration (U.S. Census Bureau County-to-County Migration Flows). In combination, these figures resulted in an overall net in-flow of residents from outside of Florida of 15,334 (Table 6). Housing costs are notably lower in many parts of Florida than in the HMA, which has limited net in-migration from other counties within the state. Residents who relocated to the HMA from other areas within Florida accounted for 45 percent of all domestic in-migration to the HMA from 2015 to 2019. Residents of the HMA moving to other areas within the state accounted for 50 percent of all domestic out-migration, however, resulting in a net in-flow of only 1,999 residents from 2015 to 2019. During the same period, people relocating from outside the United States accounted for approximately 23 percent of all in-migration to the HMA.

Age Cohort Trends

The share of the population in the HMA age 55 and older is relatively low compared with the nation; however, the warm climate and lack of state income taxes have made some parts of the HMA increasingly popular with retirees (Figure 7).

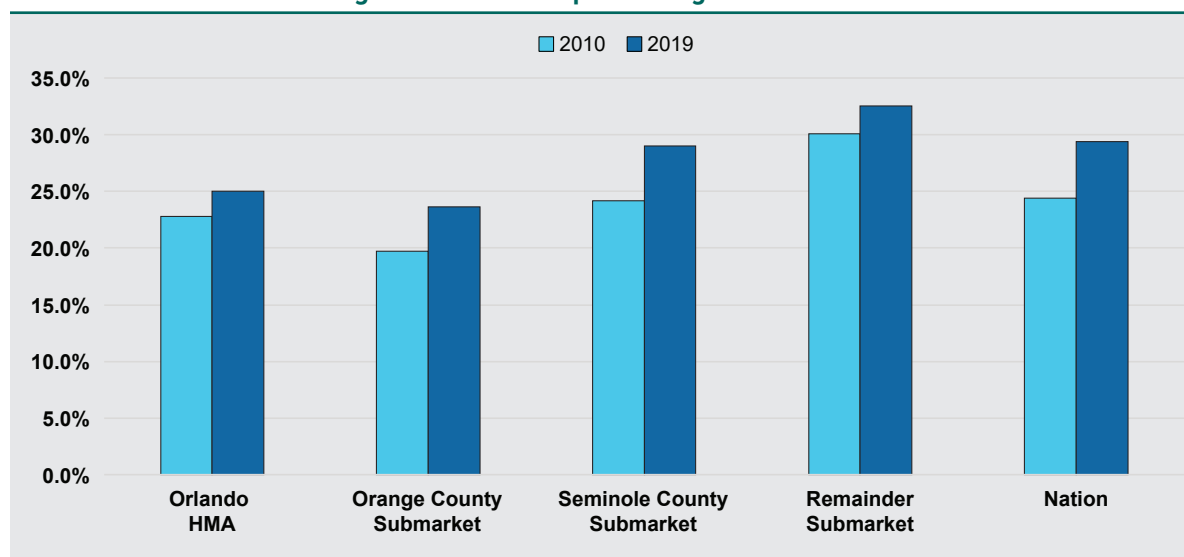
Table 6. County-to-County Migration Flows in the Orlando HMA: 2015–19

	Into the HMA	Out of the HMA	Net
Remainder of Florida	58,335	56,336	1,999
Remainder of United States	70,732	55,398	15,334
Outside of United States	38,090	NA	NA

NA = data not available.

Source: U.S. Census Bureau Migration Flows, 2015–19 American Community Survey 5-year data

Figure 7. Share of Population Age 55 and Older



Source: American Community Survey 1-year data

In total, 25.0 percent of all residents of the HMA were ages 55 or older as of 2019, up from 22.8 percent in 2010 but below the figure for the nation, which rose from 24.4 percent in 2010 to 29.4 percent in 2019 (American Community Survey [ACS], 1-year data). Older residents are notably concentrated outside of the economic core of the HMA, with the highest share of residents ages 55 and older, 32.5 percent, in the Remainder submarket, and the largest increase since 2010, from 24.2 percent to 29.0 percent, in the Seminole County submarket. Residents ages 55 years and older accounted for 23.6 percent of the total population of the Orange County submarket as of 2019, up from 19.7 percent in 2010.

Household Trends

Household growth has generally mirrored population growth in the Orlando HMA since 2000. The number of households in the HMA is currently estimated at 1.02 million, an average annual increase of 19,600, or 2.2 percent, from 798,445 households in 2010. By comparison, household growth in the HMA averaged 2.5 percent a year from 2000 to 2010. There are currently an estimated 534,900 households in the Orange County submarket, representing an average annual increase of 2.1 percent since 2010. In the Remainder submarket, the number of households is currently estimated at 296,700, an average annual increase of 3.0 percent from 211,892 in 2010. Household growth has exceeded population growth in the Seminole County submarket since 2010, due in part to the significant influx of retirees, who generally reside in smaller households. The number of households in the submarket is currently estimated at 188,800, an average annual increase of 1.2 since 2010, compared with average population growth of 1.0 percent annually during the period. The average household size in the submarket declined consistently during the 2010s and is currently estimated at 2.48, down from 2.55 in 2010.

Household Trends by Tenure

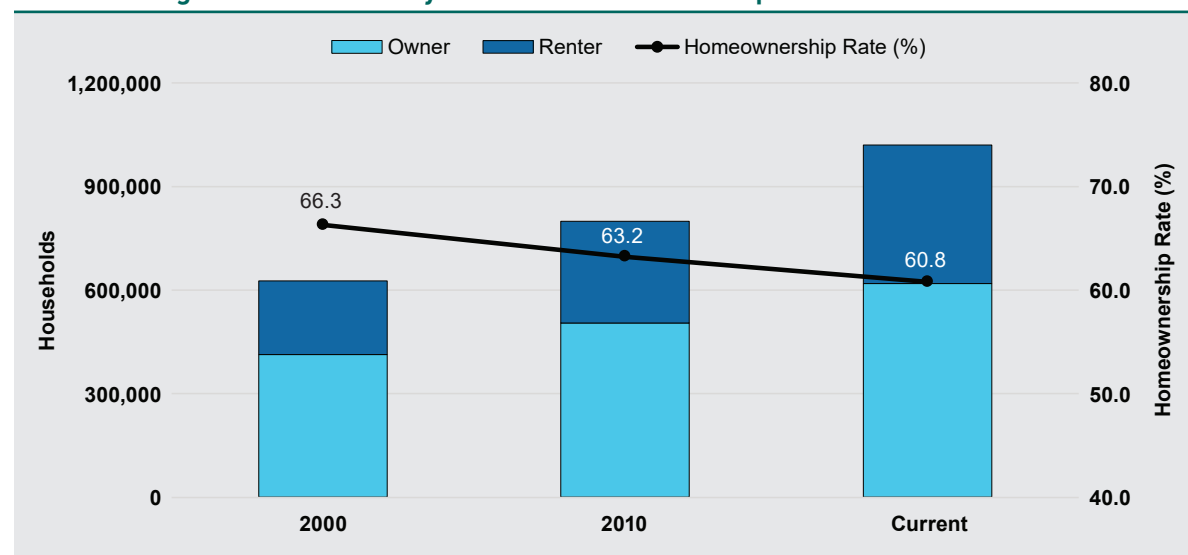
Partly because of tightened lending requirements following the housing crisis in the late 2000s, renter household growth has exceeded owner household growth in the Orlando HMA since 2010.

The number of renter households in the HMA is estimated to have risen an average of 2.8 percent annually since 2010, compared with an average annual increase of 1.8 percent for owner households. As a result, the homeownership rate in the HMA is currently estimated at 60.8 percent, down from 63.2 percent in 2010 (Figure 8). As of August 1, 2021, 55.9 percent of the households in the Orange County submarket and 58.7 percent of households in the Seminole County submarket are estimated to be homeowners, down from 57.8 and 66.5 percent, respectively, in 2010. The Remainder submarket has the highest homeownership rate of the three submarkets. Average home sales prices in the Remainder submarket are currently 22 percent below the average for the Orange County submarket and 13 percent below the average for the Seminole County submarket. As of August 1, 2021, the homeownership rate in the Remainder submarket was estimated at 70.8 percent, down from 71.4 percent in 2010.

Forecast

During the next 3 years, population growth in the HMA is expected to average 45,550 people, or 1.7 percent, annually. Population growth is expected to increase during each of the next 3 years, with net in-migration

Figure 8. Households by Tenure and Homeownership Rate in the Orlando HMA



Note: The current date is August 1, 2021.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by the analyst

accelerating significantly as economic conditions in the HMA improve. Net natural increase is also expected to rise as the effects of the pandemic moderate. The fastest population growth in the HMA is expected in the Remainder submarket, with an average annual rate of 2.5 percent. Respective population growth rates of 1.4 and 1.0 percent annually are anticipated in the Orange County and Seminole County submarkets. Household growth in the

HMA is expected to average 1.7 percent annually, with rates of 2.5, 1.4, and 1.2 percent a year in the Remainder, Orange, and Seminole County submarkets, respectively. Owner household growth is expected to exceed renter household growth in all three submarkets during the forecast period, and the homeownership rate in the HMA is expected to increase modestly.



Home Sales Market Sales Market— Orlando HMA

Market Conditions: Balanced

Although the number of homes permitted in the Orlando HMA increased during the past year, the supply of for-sale inventory declined, and sales housing market conditions remain balanced.

Current Conditions

As of August 1, 2021, the overall sales vacancy rate in the HMA was estimated at 1.9 percent (Table 7), down from the 4.1-percent rate during April 2010, when sales market conditions were soft. The inventory of available homes in the HMA was a 1.2-month supply during July 2021, down from a 2.3-month supply during July 2020 and well below the July high of 4.9 months during 2014 (CoreLogic, Inc.).

Home Sales Trends

After increasing for much of the 2010s, home sales in the HMA declined sharply during the early stages of the COVID-19 pandemic, when many sellers were hesitant to allow prospective buyers into their homes. The number of homes sold in the HMA increased during the past year, however, as economic conditions improved (Figure 9). The number of homes sold in the

Table 7. Home Sales Quick Facts in the Orlando HMA

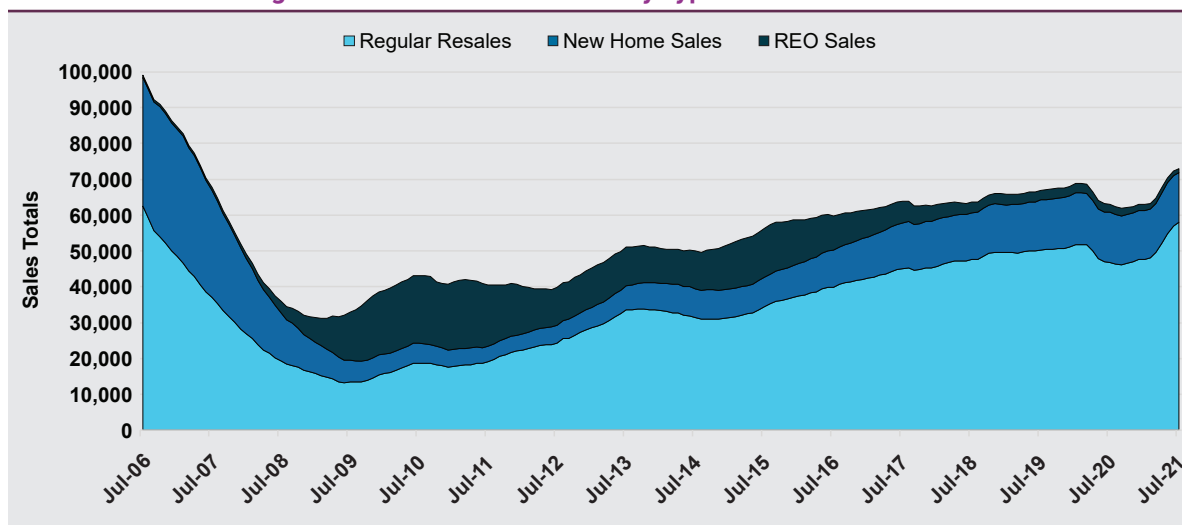
	Orlando HMA	Nation
Vacancy Rate	1.9%	NA
Months of Inventory	1.2	1.5
Total Home Sales	73,050	6,524,000
1-Year Change	16%	15%
New Home Sales Price	\$390,300	\$425,200
1-Year Change	6%	4%
Existing Home Sales Price	\$322,400	\$380,800
1-Year Change	21%	21%
Mortgage Delinquency Rate	3.9%	2.9%

NA = data not available.

Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending July 2021; and months of inventory and mortgage delinquency data are as of July 2021. The current date is August 1, 2021.

Sources: Vacancy rate—estimates by the analyst; months of inventory—CoreLogic, Inc.; HMA home sales and prices—Zonda; national home sales and prices—National Association of Realtors® and Census Bureau/HUD

Figure 9. 12-Month Sales Totals by Type in the Orlando HMA



REO = real estate owned.
Source: Zonda

HMA peaked at 106,300 in 2005 but declined an average of 33 percent annually, to a low of 31,600 in 2008 (Zonda). Total home sales (hereafter, home sales) in the HMA subsequently increased during 10 of the next 11 years, reaching 68,000 during 2019 before declining to 62,950 during 2020. During the 12 months ending July 2021, a total of 73,050 homes were sold in the HMA, up 16 percent from 63,050 during the 12 months ending July 2020.

REO Properties

Before the housing crisis, the number of REO (real estate owned) sales in the HMA averaged 760 a year from 2005 through 2006, which accounted for only 1 percent of existing home sales. Those figures rose sharply during the late 2000s, peaking at 18,350 homes during 2010 and 53 percent of all existing home sales during 2009, respectively, but have subsequently declined significantly during much of the period since. The number of REO sales totaled 1,275, or 2 percent of all existing home sales, during the 12 months ending July 2021, down from 2,250, or 5 percent of existing home sales, during the previous 12 months.

Seriously Delinquent Mortgages

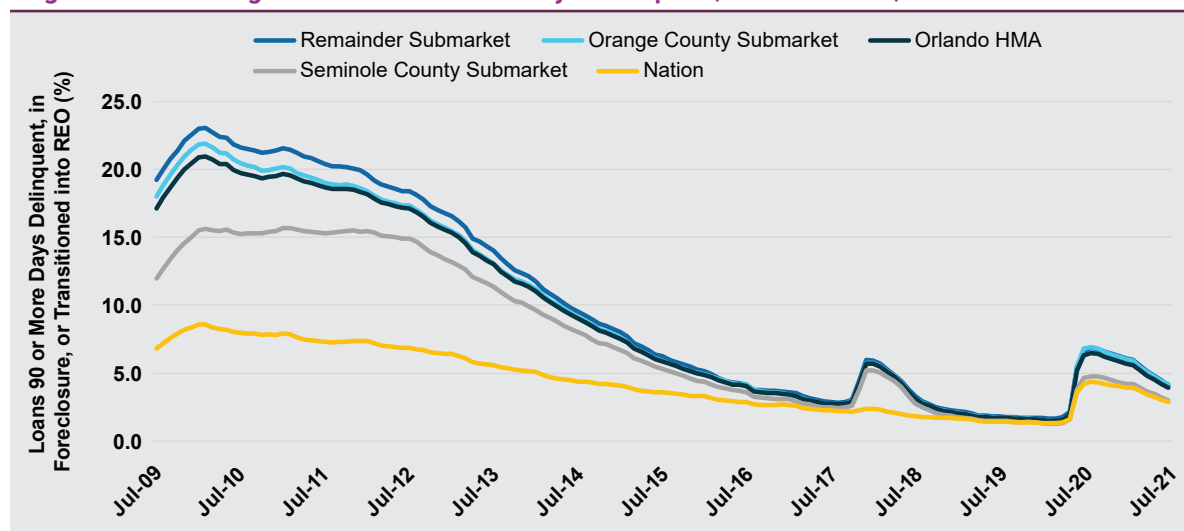
The impact of the foreclosure crisis was severe in the HMA. The rate of seriously delinquent mortgages and REO properties in the HMA peaked at 21.0 percent during February 2010, more than double the peak rate of 8.6 percent for the nation,

which also occurred during February 2010. The rate fell rapidly in the HMA during much of the early and mid-2010s although damage associated with Hurricane Irma contributed to a brief increase in late 2017. The rate declined again during 2018 and 2019, however, before rising sharply in mid-2020 because of the impact of COVID-19. As of July 2020, the rate of seriously delinquent mortgages and REO properties in the HMA was 6.3 percent, up from 1.7 percent during July 2019 (Figure 10). The entire increase in the rate was due to delinquent mortgages, however, because many homeowners were able to avoid foreclosure and REO status via mortgage forbearance programs. During the past year, the rate declined as economic conditions improved. As of July 2021, 3.9 percent of mortgages in the HMA were seriously delinquent or had transitioned into REO status. By comparison, the rate for the nation rose to 4.2 percent during July 2020, up from 1.4 percent during July 2019, but that rate subsequently declined to 2.9 percent during July 2021.

Home Sales Price Trends

The average home sales price in the HMA declined sharply during the housing crisis in the late 2000s, but it has since increased significantly as the amount of for-sale inventory has trended downward. After declining at an average annual rate of 27 percent, from a peak of \$276,700 during 2007 to a low of \$109,900 during 2010, the average home sales price in the HMA rose an average of 11 percent annually from 2011 through 2020, surpassing the prerecessionary high during 2019 (Zonda). During the 12 months

Figure 10. Percentage of Loans 90 or More Days Delinquent, in Foreclosure, or Transitioned into REO



Source: CoreLogic, Inc.

ending July 2021, the average home sales price in the HMA was \$335,200, up 16 percent from \$289,500 during the previous 12 months. Figure 11 shows the change in prices for new home sales, regular resales, and REO sales since mid-2006. During the 12 months ending July 2021, homes priced from \$250,000 to \$350,000 accounted for nearly 32 percent of all homes sold (Figure 12).

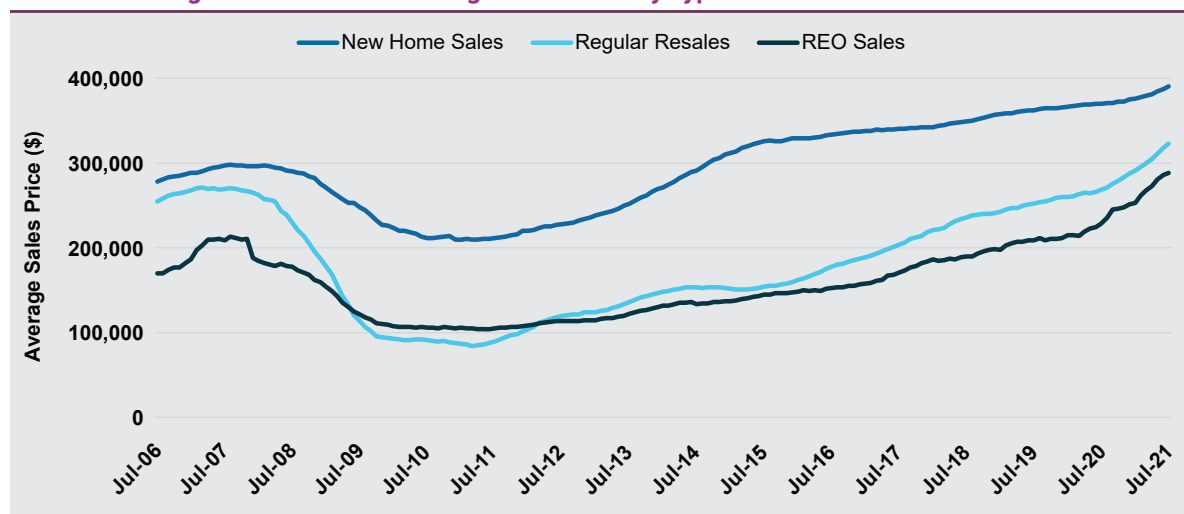
Sales Construction Activity

Sales construction activity in the HMA, as measured by the number of single-family homes, townhomes, and condominiums (hereafter, homes) permitted, rose throughout much of the 2010s (Figure 13). The number of homes permitted fell sharply, from an average of 28,500 homes annually from 2003 through 2006 to 14,300 units in 2007 and again to an average of only 4,600 homes a year from 2008 through 2011. Sales construction activity increased during each of the subsequent 7 years, however, reaching 16,900 homes permitted during 2018 before declining to 16,050 homes during 2019. During the 12 months ending July 2021, 16,650 homes were permitted in the HMA, an 8-percent increase from 15,400 during the previous 12 months (preliminary data and estimates by the analyst).

Housing Affordability

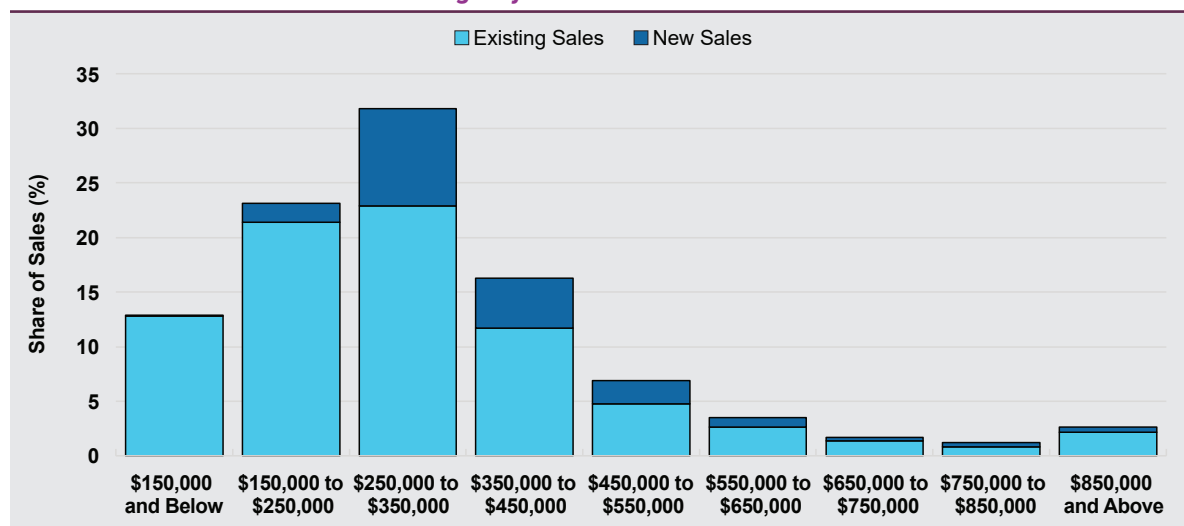
Homeownership has become less affordable in the HMA since the early 2010s, with home sales prices generally increasing faster than incomes.

Figure 11. 12-Month Average Sales Price by Type of Sale in the Orlando HMA



REO = real estate owned.
Source: Zonda

Figure 12. Share of Overall Sales by Price Range During the 12 Months Ending July 2021 in the Orlando HMA

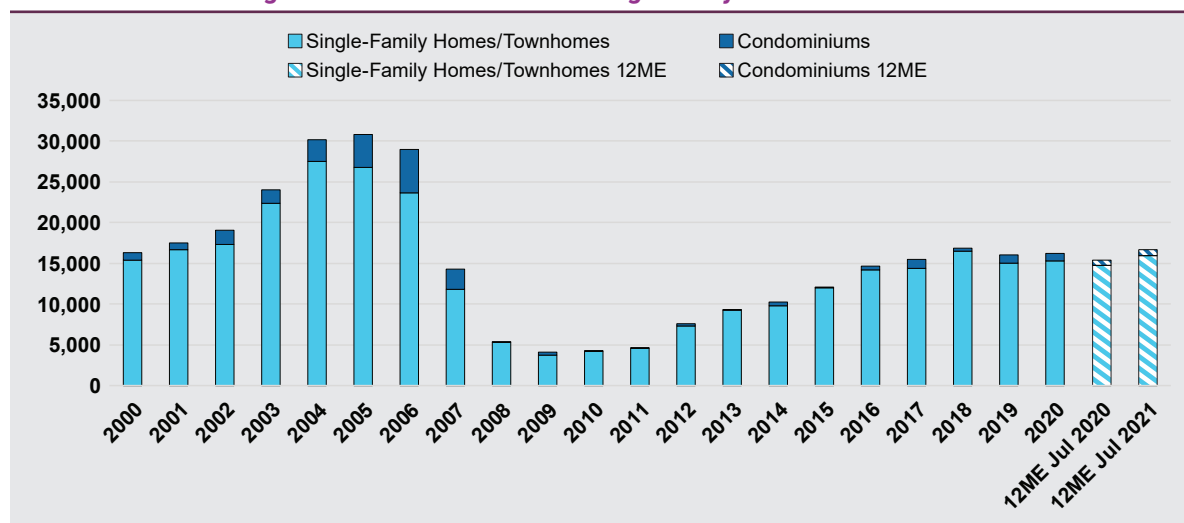


Note: New and existing sales include single-family homes, townhomes, and condominium units.
Source: Zonda

The National Association of Home Builders (NAHB)/Wells Fargo Housing Opportunity Index (HOI) for the Orlando HMA, which represents the share of homes sold that would have been affordable to a family earning the median income, was 57.7 during the second quarter of 2021, down from 62.1 during the second quarter of 2020 and well below the second quarter high of 82.4 in 2012 (Figure 14). Approximately 64 percent of the 236 ranked metropolitan areas were more affordable than the HMA during the second quarter of 2021. Homeownership remains relatively affordable in the HMA, however, when compared with many similarly sized metropolitan areas, including Las Vegas, Denver, Portland, and San Diego, where the respective HOIs were 53.7, 53.3, 44.9, and 16.8 during the second quarter of 2021.

Since the early 2010s, homeownership in the HMA has become less affordable for households in the 25-to-44-year age cohort, a prime group for first-time homebuyers, than in the nation as a whole. The HUD First-Time Homebuyer Affordability Index measures the median household income for householders age 25 to 44 years old relative to the income needed to purchase the 25th-percentile-priced home. From a level of 2.21 in 2011, the index for the HMA declined during 6 of the next 7 years, to 1.38 in 2018 (Figure 15). Nationally, the index rose from 2.20 during 2011 to 2.29 during 2012 before declining during each of the next 6 years, to 1.81 in 2018. In 2019, the HMA index rose to 1.47 because of low interest rates

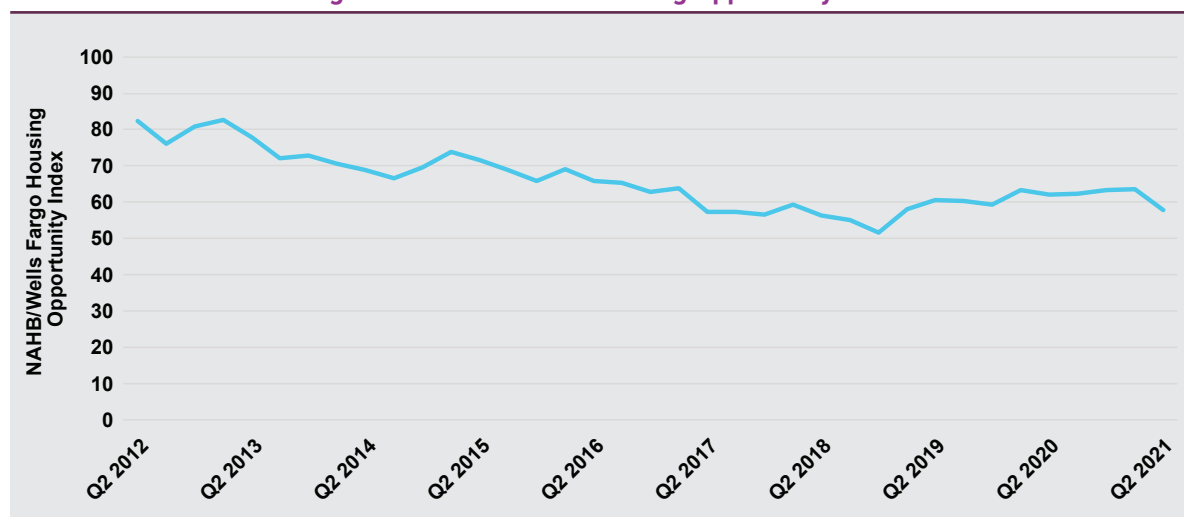
Figure 13. Annual Sales Permitting Activity in the Orlando HMA



12ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–2020 final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Figure 14. Orlando HMA Housing Opportunity Index



NAHB = National Association of Home Builders. Q2 = second quarter.

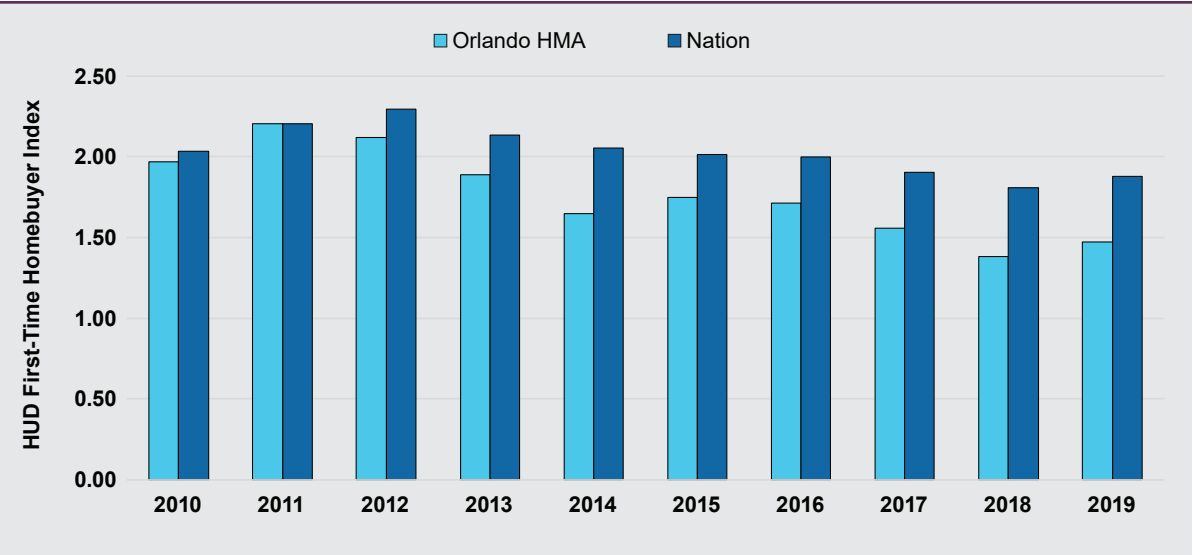
Sources: NAHB; Wells Fargo

and increased household income. The index for the HMA remained notably below the figure for the nation, however, which increased to 1.88 in 2019. When more recent data are released, the HUD First-Time Homebuyer Affordability Index for both the HMA and the nation are expected to indicate a decline in affordability for first-time homebuyers for 2020 and 2021 because of strong home sales price increases but only moderate income growth.

Forecast

During the 3-year forecast period, demand is expected for an estimated 40,875 new homes in the HMA (Table 8). Demand for new homes in the HMA is expected to increase each year of the forecast period as economic conditions in the HMA recover from the impact of COVID-19. The 11,850 new homes under construction will meet much of the forecast demand in the HMA during the first year.

Figure 15. Orlando HMA HUD First-Time Homebuyer Index



Sources: American Community Survey 1-year data; Federal Housing Finance Agency; Zonda

Table 8. Demand for New Sales Units in the Orlando HMA During the Forecast Period

Sales Units	
Demand	40,875 Units
Under Construction	11,850 Units

Note: The forecast period is from August 1, 2021, to August 1, 2024.
Source: Estimates by the analyst



Sales Market—Orange County Submarket

Market Conditions: Balanced

Despite a decline in for-sale inventory, home sales in the Orange County submarket rose 21 percent during the past year.

Current Conditions

As of August 1, 2021, the overall sales vacancy rate in the Orange County submarket was estimated at 2.5 percent (Table 9), down from the 4.2-percent rate during April 2010. The inventory of available homes in the submarket in July 2021 was a 1.2-month supply, down from a 2.2-month supply during July 2020 and well below the July high of 4.6 months during 2014 (CoreLogic, Inc.).

Home Sales Trends

Despite rapidly declining numbers of REO sales in the submarket during the period, home sales generally trended upward in the early and mid-2010s as economic conditions in the HMA strengthened (Figure 16). After peaking at 53,100 in 2005, the number of homes sold in the submarket declined an average of 33 percent during each of the next 3 years, to a low of only 15,750 in 2008 (Zonda). From 2009 through 2013, however, the number of homes sold increased an average of 10 percent a year, to 25,450. Total home sales declined modestly, 2 percent, in the submarket during 2014 but rose during 4 of the next 5 years and totaled 30,900 during 2019. The number of homes sold in the submarket increased 21 percent to 33,250 during the 12 months ending July 2021, following a decline of 11 percent during the 12 months ending July 2020, a period that included the early stages of the pandemic, when home sales activity was severely limited.

REO Properties

Before the housing crisis during the late 2000s, the number of REO sales in the submarket averaged 390 a year from 2005 through 2006, which accounted for only 1 percent of existing home sales. Those figures rose significantly during the housing crisis. The share of existing home sales peaked in 2009, when the 9,950 REO sales accounted for 57 percent of all existing home sales. The number of

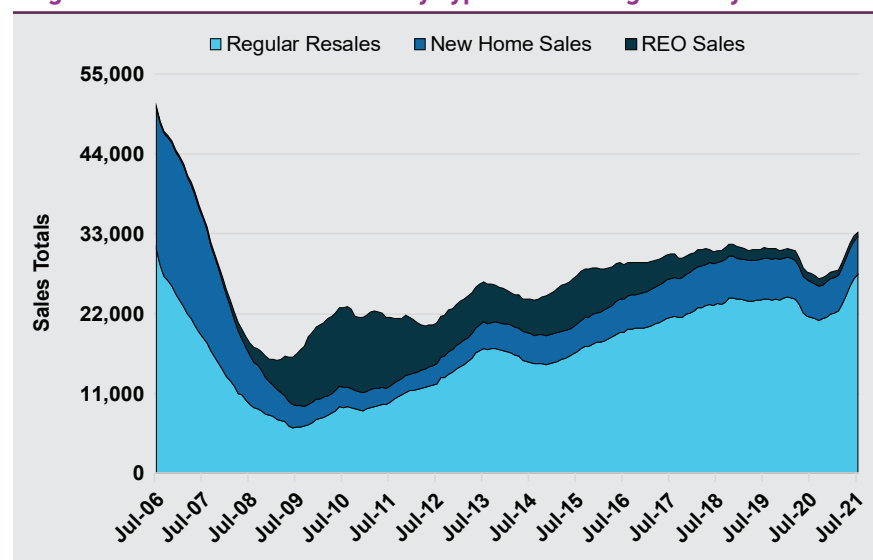
Table 9. Home Sales Quick Facts in the Orange County Submarket

	Orange County Submarket	Orlando HMA
Vacancy Rate	2.5%	1.9%
Months of Inventory	1.2	1.2
Total Home Sales	33,250	73,050
1-Year Change	21%	16%
New Home Sales Price	\$453,600	\$390,300
1-Year Change	4%	6%
Existing Home Sales Price	\$359,200	\$322,400
1-Year Change	23%	21%
Mortgage Delinquency Rate	4.2%	3.9%

Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending July 2021; and months of inventory and mortgage delinquency data are as of July 2021. The current date is August 1, 2021.

Sources: Vacancy rate—estimates by the analyst; months of inventory—CoreLogic, Inc.; home sales and prices—Zonda

Figure 16. 12-Month Sales Totals by Type in the Orange County Submarket



REO = real estate owned.

Source: Zonda

REO sales peaked a year later at 10,350 during 2010, which accounted for 55 percent of existing home sales. Both the number of REO sales and their share of existing home sales subsequently declined sharply in the submarket during much of the 2010s, with the total of 1,225 REO sales during 2019 accounting for 5 percent of all existing homes sales. During the 12 months ending July 2021, the number of REO sales in the submarket totaled 640 sales, or 2 percent of existing home sales, down from 1,100, or 5 percent of existing home sales, during the 12 months ending July 2020.

Seriously Delinquent Mortgages

After peaking at 21.9 percent during February 2010, the rate of seriously delinquent mortgages and REO properties declined rapidly in the submarket during much of the 2010s, reaching a low of 1.5 percent during February 2020 before increasing during the early stages of COVID-19. Despite a decline during the past year, the rate in the submarket remains notably higher than the rate for the nation. As of July 2021, the rate of seriously delinquent mortgages and REO properties in the submarket was 4.2 percent, down from 6.8 percent during July 2020. By comparison, the rate for the nation was 2.9 percent during July 2021, down from 4.2 percent during July 2020.

Home Sales Price Trends

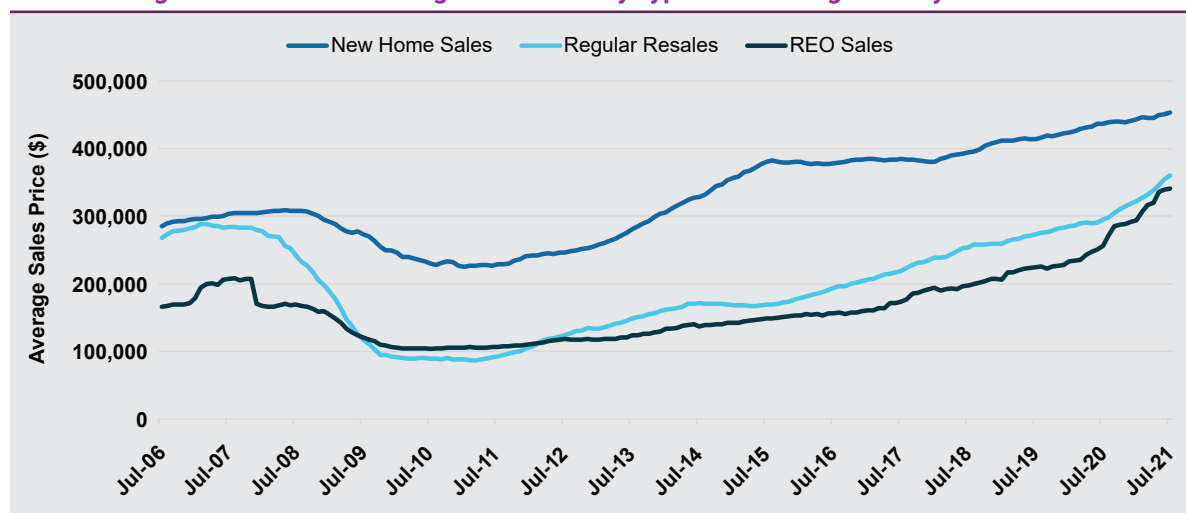
After declining sharply in the late 2000s, the average home sales price in the submarket has

increased each year since 2012, whereas the available for-sale inventory has declined. The average home sales price in the submarket peaked at \$287,400 during 2007, but it declined 24 percent, to \$219,100, during 2008 and averaged only \$117,800 from 2009 through 2011 (Zonda). A relatively high share of REO sales, which sold for an average of only \$107,100 from 2009 through 2011, contributed significantly to the very low average home sales price during the period. The average home price increased an average of 12 percent annually during the subsequent 9 years, however, surpassing the prerecessionary high during 2019 and reaching \$339,200 during 2020. During the 12 months ending July 2021, the average home sales price in the submarket was \$373,900, up 17 percent from \$318,500 during the 12 months ending July 2020. Figure 17 shows the change in prices for new home sales, regular resales, and REO sales since mid-2006. Approximately 28 percent of all homes sold in the submarket during the most recent 12 months were priced from \$250,000 to \$350,000 (Figure 18).

Sales Construction Activity

Sales construction activity in the Orange County submarket has generally trended upward since the early 2010s (Figure 19), including a modest increase during the most recent 12 months. Before the housing market crisis, sales construction activity in the submarket averaged 13,750 homes permitted annually from 2004

Figure 17. 12-Month Average Sales Price by Type in the Orange County Submarket



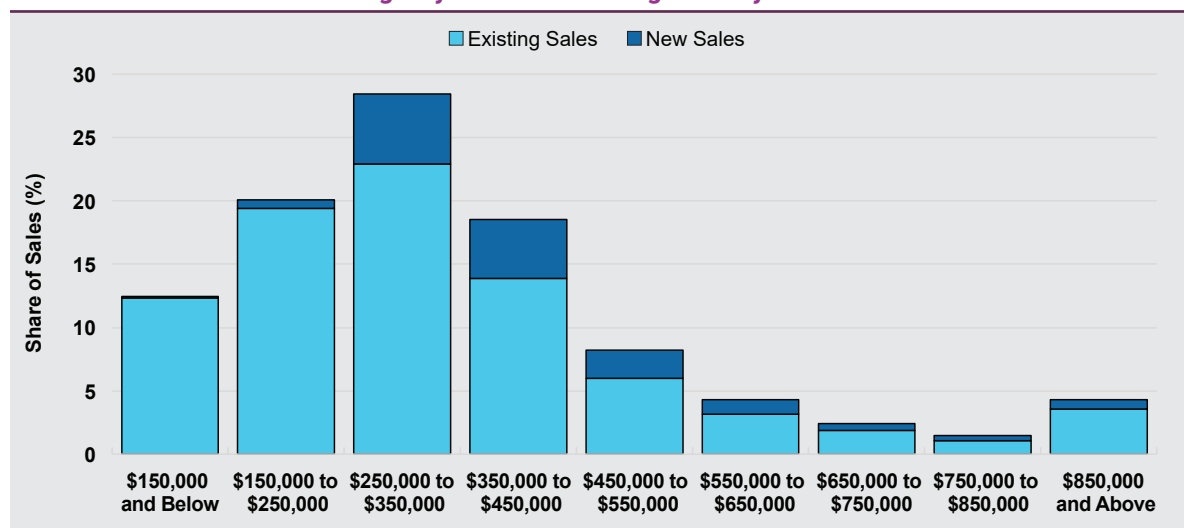
REO = real estate owned.
Source: Zonda

through 2006. The number of homes permitted subsequently fell an average of 47 percent annually, to a low of 2,050 in 2009, as builders responded to declining home prices associated with a significant increase in distressed inventory. Home construction remained limited to an average of only 2,300 homes permitted annually during 2010 and 2011 but subsequently rose an average of 17 percent a year, to 7,375, during 2018 before moderating to an average of 5,900 homes a year during 2019 and 2020. During the 12 months ending July 2021, 5,575 homes were permitted in the submarket, a 1-percent increase from the previous 12 months (preliminary data and estimates by the analyst).

The Orange County submarket is home to Lake Nona, which encompasses 17 square miles approximately 20 miles southeast of downtown Orlando and is one of the most active master-planned communities in the nation. The more than 400 homes that have sold at the development since the start of 2021 represent the 19th highest total in the nation and the 6th highest total in the state of Florida (Robert Charles Lesser & Co.). Prices at the development, which began sales in the late 1990s and will eventually encompass as many as 10,000 homes, currently range from the mid-\$300,000s to the mid-\$800,000s for new homes ranging in size from 1,375 to 5,375 square feet.

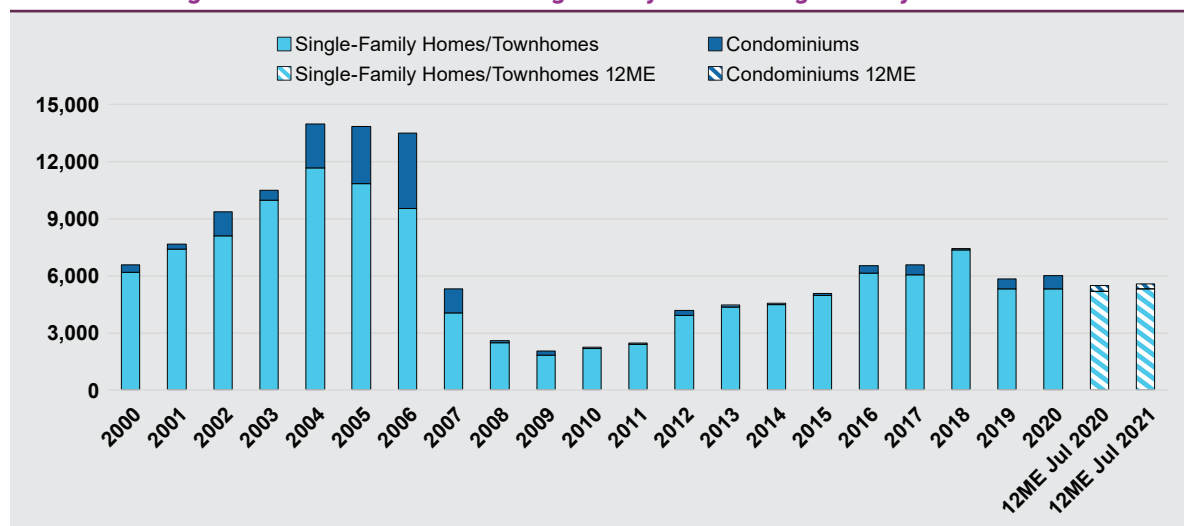
Condominium construction, which accounted for an estimated 22 percent of all new homes

Figure 18. Share of Overall Sales by Price Range During the 12 Months Ending July 2021 in the Orange County Submarket



Source: Zonda

Figure 19. Annual Sales Permitting Activity in the Orange County Submarket



12ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–2020 final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst



permitted from 2004 through 2006, declined significantly in the submarket during the late 2000s and much of the 2010s, although some notable condominium projects have since entered the development pipeline. Summa Development Group is expected to begin construction on an as-yet-unnamed mixed-use tower in downtown Orlando by the end of 2021. The 33-story mixed-use building will include 300 condominium units, a 232-room luxury hotel, restaurants, approximately 71,850 square feet of meeting and convention space, and a gallery associated with the Orlando Museum of Art. Completion of the tower is expected by the end of 2023.

Forecast

During the 3-year forecast period, demand is expected for an estimated 14,900 new sales units in the submarket, which accounts for 36 percent of the estimated demand for new homes in the HMA (Table 10). The 4,700 new homes under construction in the submarket, which represent 40 percent of the homes under construction in the HMA, will meet much of the forecast demand during the next year. Demand for new homes in the submarket is expected to increase each year of the forecast period as economic conditions in the HMA improve.

Table 10. Demand for New Sales Units in the Orange County Submarket During the Forecast Period

Sales Units	
Demand	14,900 Units
Under Construction	4,700 Units

Note: The forecast period is from August 1, 2021, to August 1, 2024.

Source: Estimates by the analyst

Sales Market—Seminole County Submarket

Market Conditions: Balanced

Sales housing market conditions in the Seminole County submarket are currently balanced, with both the number of home sales and the average home sales price increasing during the past year.

Current Conditions

As of August 1, 2021, the overall sales vacancy rate was estimated at 1.0 percent, down from the 3.1-percent rate during April 2010 (Table 11). There was a 1.0-month supply of homes for sale in the submarket in July 2021, down from the 1.7-month supply during July 2020 (CoreLogic, Inc.).

Home Sales Trends

After declining sharply during the housing crisis in the late 2000s, total home sales in the submarket generally trended upward during the 2010s as economic

Table 11. Home Sales Quick Facts in the Seminole County Submarket

	Seminole County Submarket	Orlando HMA
Vacancy Rate	1.0%	1.9%
Months of Inventory	1.0	1.2
Total Home Sales	11,500	73,050
1-Year Change	13%	16%
New Home Sales Price	\$420,600	\$390,300
1-Year Change	-2%	6%
Existing Home Sales Price	\$320,900	\$322,400
1-Year Change	18%	21%
Mortgage Delinquency Rate	3.0%	3.9%

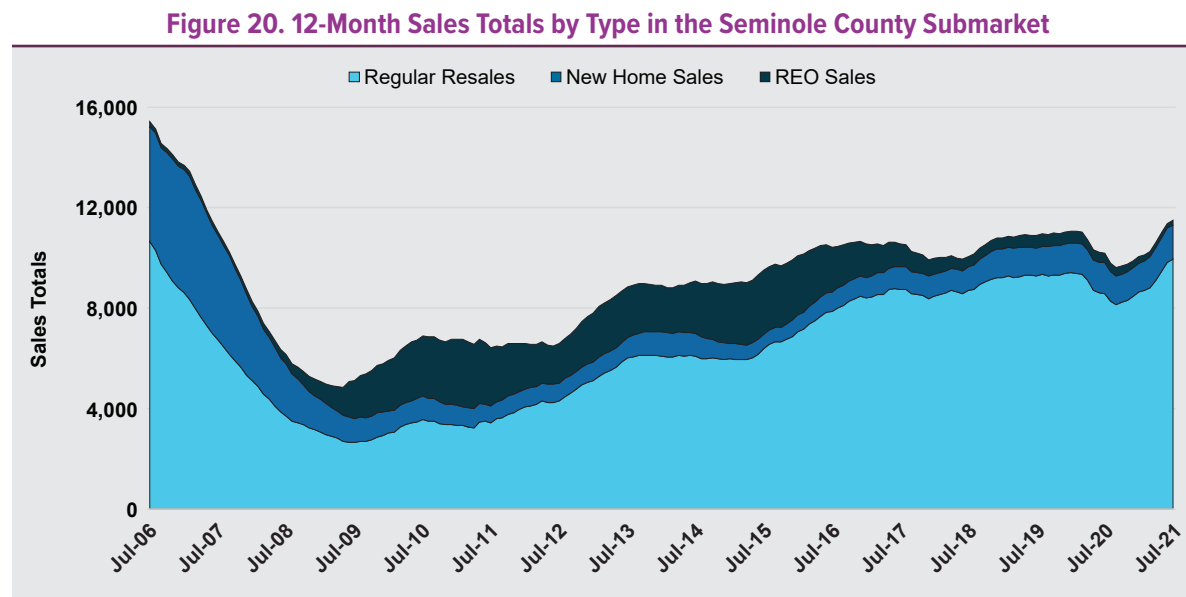
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending July 2021; and months of inventory and mortgage delinquency data are as of July 2021. The current date is August 1, 2021.

Sources: Vacancy rate—estimates by the analyst; months of inventory—CoreLogic, Inc.; home sales and prices—Zonda

conditions in the HMA strengthened (Figure 20). The number of homes sold in the submarket peaked at 15,900 during 2005, but that number declined an average of 31 percent annually, to a low of only 5,150 in 2008 (Zonda). Total home sales in the submarket subsequently increased during 9 of the next 11 years, reaching 11,000 during 2019 before moderating to 9,900 homes during 2020. The number of homes sold in the submarket rose to 11,500 during the 12 months ending July 2021, up 13 percent from the previous 12 months, when home sales activity was limited by measures taken to limit the spread of COVID-19.

REO Properties

From 2005 through 2007, the number of REO sales in the submarket averaged 170 a year, which accounted for only 2 percent of existing home sales. The number of REO sales more than doubled during each of the next 3 years, however, to a high of 2,575, or 43 percent of existing home sales, during 2010. REO sales remained at elevated levels until the mid-2010s, averaging 2,075 a year, or 27 percent of existing home sales, from 2011 through 2015. REO sales then declined sharply during 4 of the next 5 years, to 270, or 3 percent of existing sales, during 2020, because low levels of sales construction eventually allowed for absorption of excess inventory. During the 12 months ending July 2021, the number of REO sales totaled 170,



REO = real estate owned.
Source: Zonda

or 2 percent of existing home sales, down from 370, or 4 percent of existing home sales, during the 12 months ending July 2020, which included the early stages of the pandemic.

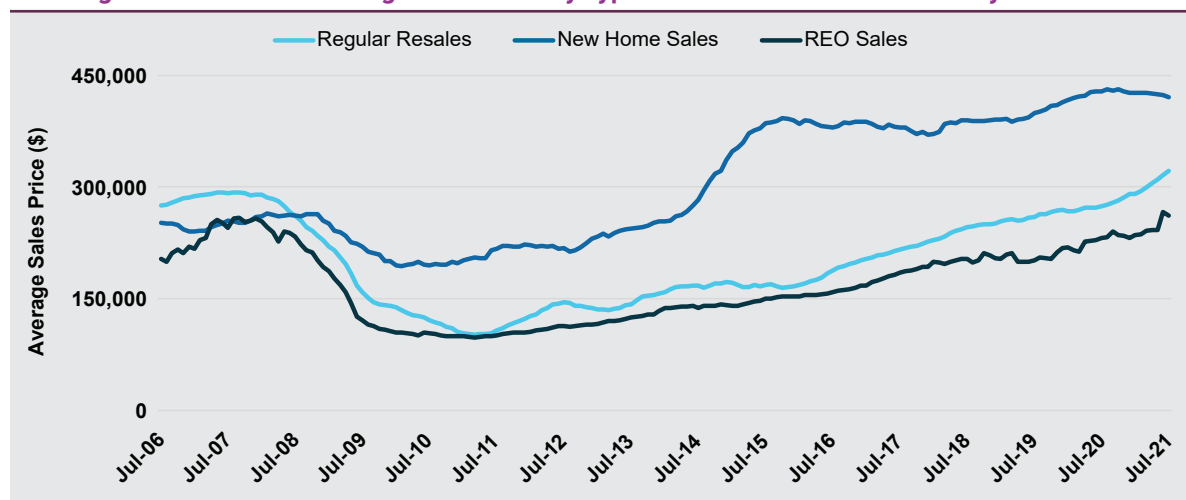
Seriously Delinquent Mortgages

The impact of the foreclosure crisis was relatively modest in the submarket compared with the HMA. The rate of seriously delinquent mortgages and REO properties peaked at 15.6 percent during February 2010, notably lower than the 21.0-percent peak for the HMA but still nearly double the national high of 8.6 percent. After decreasing during much of the 2010s, the rate in the submarket increased significantly during the early stages of the COVID-19 pandemic before declining as economic conditions in the HMA began to improve. As of July 2021, the rate of seriously delinquent mortgages and REO properties in the submarket was 3.0 percent, down from 4.6 percent during July 2020 but higher than the recent low of 1.3 percent, which occurred in February 2020. By comparison, the respective rates for the HMA and the nation were 3.9 and 2.9 percent during July 2021, down from 6.3 and 4.2 percent a year ago.

Home Sales Price Trends

After reaching a high of \$277,900 during 2007, the average home sales price in the submarket declined an average of 26 percent annually, to a low of \$114,200, during 2010 as economic conditions in the HMA weakened and a significant number of REO properties entered the market. The average home sales price in the submarket increased at an average annual rate of 10 percent during the next 10 years, however, to \$304,300 during 2020. During the 12 months ending July 2021, the average home sales price in the submarket was \$332,700, up 14 percent from the previous 12 months. That increase was due entirely to an 18-percent increase in the average sales price for existing homes, which rose to \$320,900 (Zonda). The average sales price for new homes declined 2 percent, to \$420,900 (Figure 21), during the past year, due largely to a 7-percent decline in the average size of new homes sold, from approximately 2,600 square feet to approximately 2,425 square feet. Existing home sales prices in the submarket were heavily concentrated in the mid-\$100,000s to the mid-\$300,000s range during the 12 months ending July 2021, with most new home sales prices ranging from the mid-\$200,000s to the mid-\$400,000s. More than 22 percent of all homes sold in the submarket were priced from \$150,000 to \$250,000 with an additional 30 percent priced from \$250,000 to \$350,000 (Figure 22).

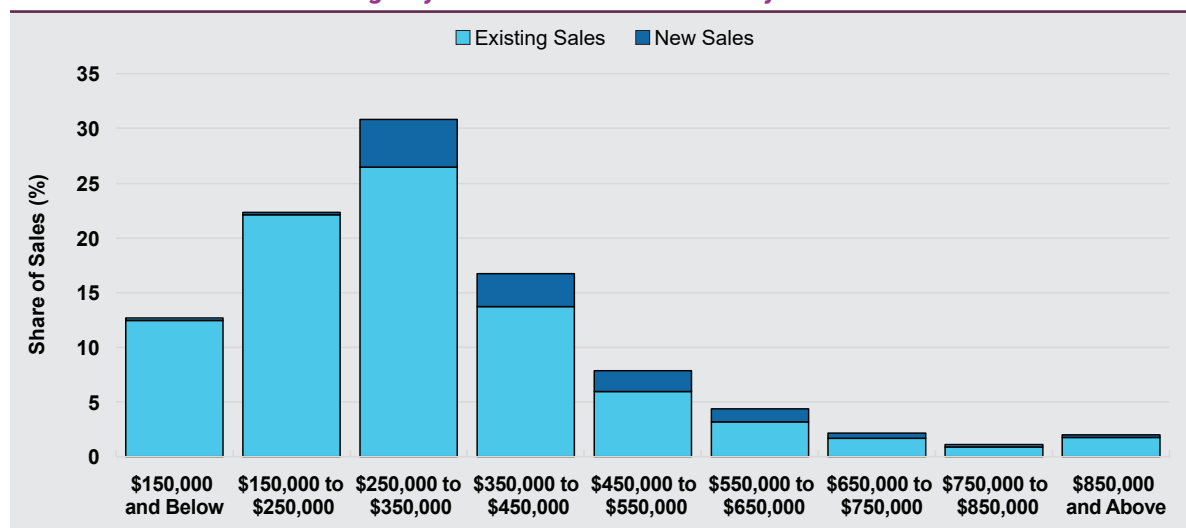
Figure 21. 12-Month Average Sales Price by Type of Sale in the Seminole County Submarket



REO = real estate owned.

Source: Zonda

Figure 22. Share of Overall Sales by Price Range During the 12 Months Ending July 2021 in the Seminole County Submarket



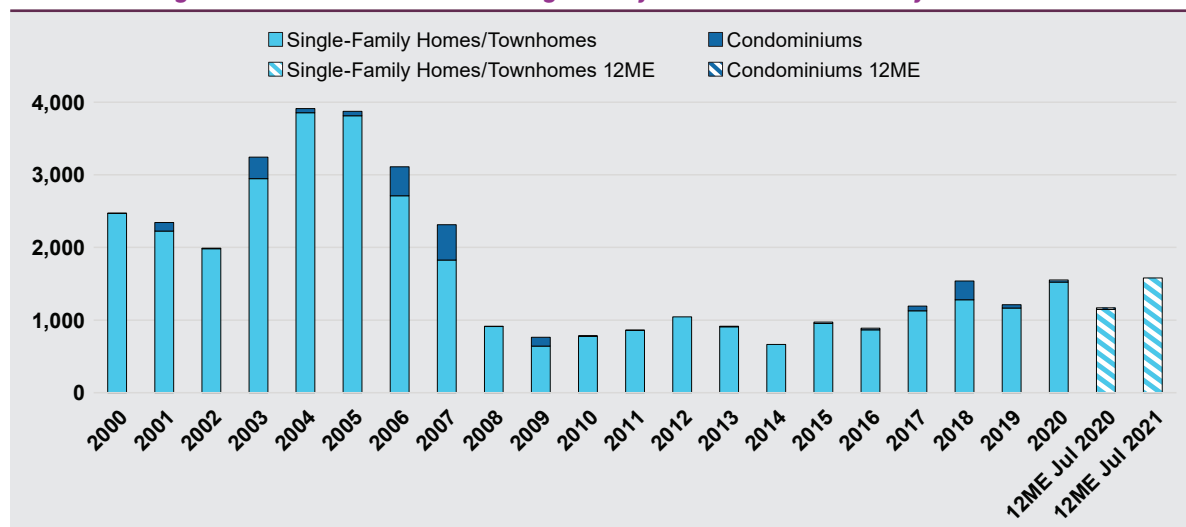
Source: Zonda

Sales Construction Activity

Sales construction activity in the Seminole County submarket has generally trended upward since the mid-2010s, including a significant increase during the past year (Figure 23). An average of 3,525 homes were permitted annually from 2003 through 2006. During 2007, the number of homes permitted declined sharply, to 2,300 homes, and averaged only 850 homes each year from 2008 through 2014. Sales construction subsequently rose to an average of 1,225 homes annually from 2015 through 2020 as builders responded to rising home prices associated with declining levels of for-sale inventory. During the 12 months ending July 2021, 1,575 homes were permitted in the submarket, a 34-percent increase from 1,175 homes during the 12 months ending July 2020 (preliminary data and estimates by the analyst).

Recent new home construction has generally been concentrated in areas with convenient access to the economic core of the HMA, particularly in and around the city of Sanford, which is located along the Interstate 4 corridor, approximately 30 miles northeast of the city of Orlando. Several notable master-planned communities are underway in the area, including Cadence Park, which began sales in 2020. Construction of the 95 homes in the development is nearly complete, with prices starting in the low \$400,000s for homes ranging in size from approximately 1,750 to 3,550 square feet.

Figure 23. Annual Sales Permitting Activity in the Seminole County Submarket



12ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–2020 final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Forecast

During the 3-year forecast period, demand is expected for an estimated 5,825 new sales units in the submarket, which accounts for 14 percent of the estimated demand for new homes in the HMA (Table 12). Demand for new homes in the submarket is expected to increase each year during the forecast period. The 1,200 new homes under construction in the submarket, which represent only 10 percent of the homes under construction in the HMA, will meet some of the demand during the first year of the forecast.

Table 12. Demand for New Sales Units in the Seminole County Submarket During the Forecast Period

Sales Units	
Demand	5,825 Units
Under Construction	1,200 Units

Note: The forecast period is from August 1, 2021, to August 1, 2024.

Source: Estimates by the analyst

Sales Market—Remainder Submarket

Market Conditions: Balanced

The number of home sales in the Remainder submarket increased 12 percent, to 28,350, during the past year, while the average home sales price rose 13 percent, to \$290,400.

Current Conditions

The overall sales vacancy rate in the Remainder submarket was estimated at 1.6 percent as of August 1, 2021, down from 4.8 percent during April 2010 (Table 13). The inventory of available homes in the submarket in July 2021 was a 1.7-month supply, down from a 2.7-month supply a year ago (CoreLogic, Inc.).

Home Sales Trends

Total home sales have trended upward in the Remainder submarket since the early 2010s because of strong job growth in the HMA during much of the period. After peaking at 37,300 in 2005, the number of homes sold in the submarket declined an average of 34 percent during each of the next 3 years, to a low of only 10,650 in 2008 (Zonda). Total home sales averaged 12,600 a year from 2009 through 2011 before increasing at an average annual rate of 10 percent during the next 8 years, to 26,100 during 2019. A total of 28,350 homes were sold in the submarket during the 12 months ending July 2021, a 12-percent increase from the previous 12 months, when the early stages of the pandemic limited total home sales to 25,350 (Figure 24).

REO Properties

REO sales in the submarket rose sharply, from a low of 130, or less than 1 percent of existing home sales, during 2006 to a high of 5,675, or 53 percent of existing home sales, during 2009. The number of REO sales declined during 8 of the subsequent 11 years, however, and totaled only 620, or 3 percent of existing home sales, during 2020. During the 12 months ending July 2021, the number of REO sales totaled 460, or 2 percent of existing home sales, down from 770, or 4 percent of existing home sales, during the previous 12 months.

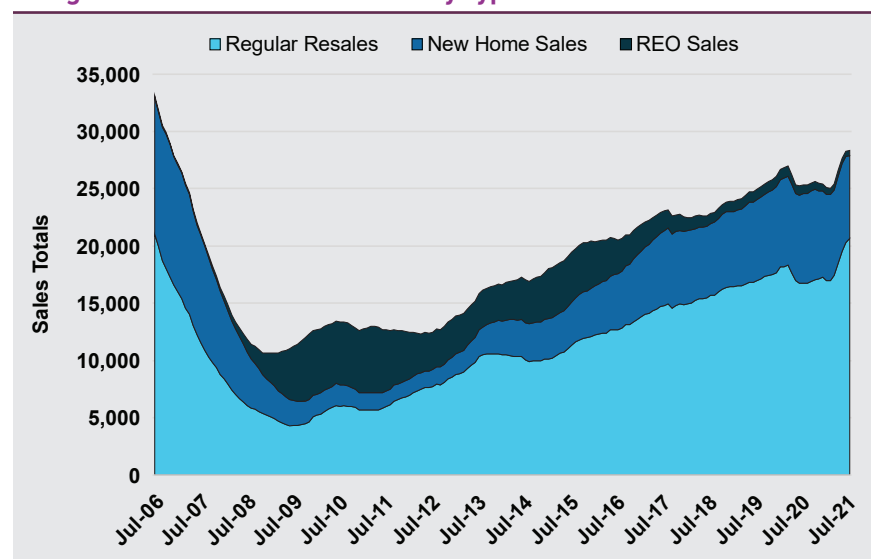
Table 13. Home Sales Quick Facts in the Remainder Submarket

	Remainder Submarket	Orlando HMA
Vacancy Rate	1.6%	1.9%
Months of Inventory	1.7	1.2
Total Home Sales	28,350	73,050
1-Year Change	12%	16%
New Home Sales Price	\$338,500	\$390,300
1-Year Change	6%	6%
Existing Home Sales Price	\$274,100	\$322,400
1-Year Change	19%	21%
Mortgage Delinquency Rate	4.1%	3.9%

Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending July 2021; and months of inventory and mortgage delinquency data are as of July 2021. The current date is August 1, 2021.

Sources: Vacancy rate—estimates by the analyst; months of inventory—CoreLogic, Inc.; home sales and prices—Zonda

Figure 24. 12-Month Sales Totals by Type in the Remainder Submarket



REO = real estate owned.

Source: Zonda

Seriously Delinquent Mortgages

The rate of seriously delinquent mortgages and REO properties in the Remainder submarket was the highest in the HMA during the housing crisis, but that rate declined sharply during much of the 2010s and is currently below the rate for the Orange County submarket. After peaking at 23.0 percent during February 2010, the rate of seriously delinquent mortgages and REO properties in the submarket declined during all but 1 of the next 10 years, reaching a low of 1.6 percent during February 2020, before the onset of COVID-19. As of July 2021, the rate of seriously delinquent mortgages and REO properties in the submarket was 4.1 percent, down from 6.6 percent during July 2020. The current rate in the submarket remains higher than the 3.9-percent rate for the HMA, but it is below the 4.2-percent rate for the Orange County submarket.

Home Sales Price Trends

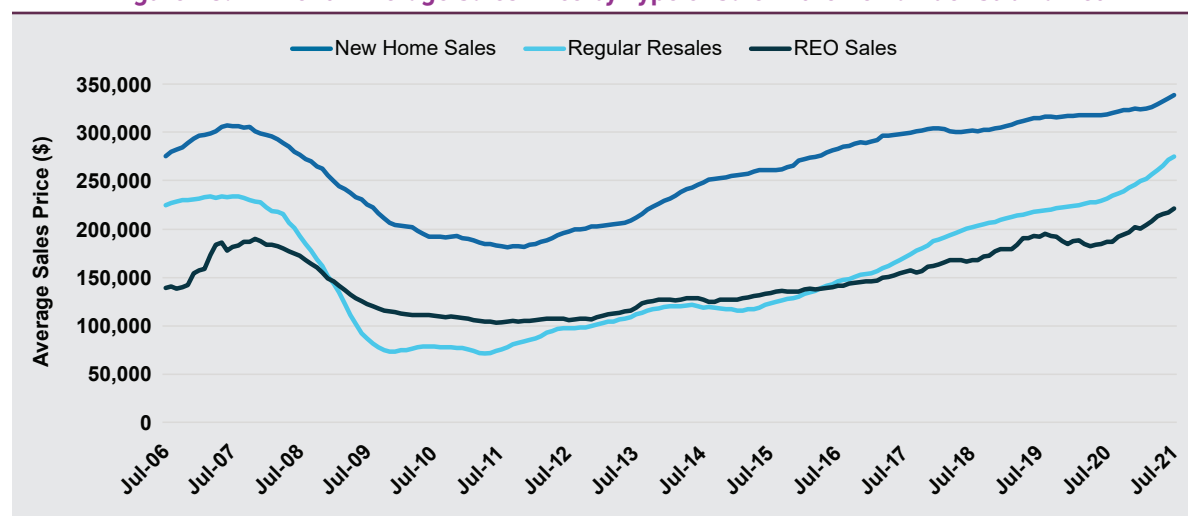
Home sales prices in the Remainder submarket have increased each year since 2012 but remain the lowest in the HMA. During the housing crisis, the average homes sales price in the submarket declined at an average annual rate of 21 percent, from a high of \$258,400 during 2007 to a low of \$103,100 during 2011, due in part to elevated levels of REO sales (Zonda). From 2012 through 2020, however, the average home sales price in the submarket rose an average of 11 percent

annually, to \$267,700. During the 12 months ending July 2021, the average home sales price in the submarket was \$290,400, up 13 percent from \$257,100 during the 12 months ending July 2020. Figure 25 shows the change in prices for new home sales, regular resales, and REO sales since mid-2006. During the most recent 12 months, nearly 36 percent of all home sales in the submarket were priced from \$250,000 to \$350,000 (Figure 26). Nearly 14 percent of all homes sold in the submarket were priced at \$150,000 or less, higher than the respective shares in the Orange County and Seminole County submarkets, 12 and 13 percent, respectively.

Home Sales Prices by Geography

During the most recent 12 months, home sales prices in Lake and Osceola Counties, which averaged \$278,000 and \$306,100, respectively, were both below the \$335,200 average for the HMA. Home sales prices varied notably within the submarket, however, with higher prices generally concentrated in areas with convenient access to the economic core of the HMA. The average sales price in the city of Clermont in Lake County, approximately 25 miles west of downtown Orlando, was \$331,500 during the 12 months ending

Figure 25. 12-Month Average Sales Price by Type of Sale in the Remainder Submarket



REO = real estate owned.
Source: Zonda

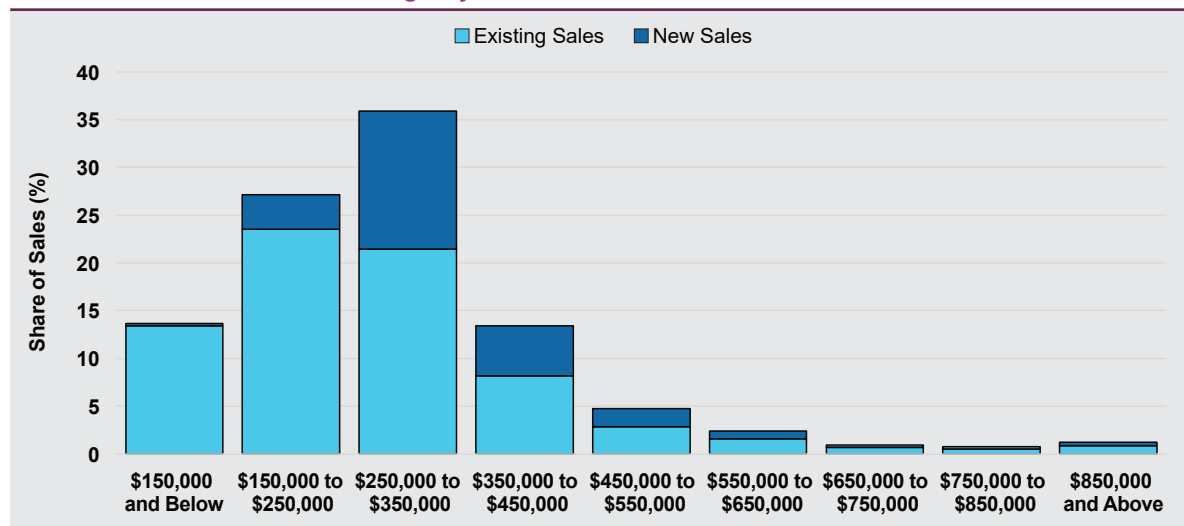
July 2021 (Zonda). St. Cloud, a city approximately 30 miles southeast of downtown Orlando in Osceola County, had an average sales price of \$311,300 during the most recent 12 months.

Sales Construction Activity

Sales construction activity in the Remainder submarket rose each year from 2012 through 2019 (Figure 27). The number of homes permitted in the submarket fell from an average of 12,000 homes annually from 2003 through 2006 to 6,675 units in 2007 and again to an average of only 1,475 homes a year from 2008 through 2011. From 2012 through 2019, however, the number of homes permitted rose an average of 26 percent a year, to 9,000 homes. Sales construction activity declined 3 percent, to 8,700, during 2020, due in part to the impact of measures taken to control the spread of COVID-19, but sales construction has since rebounded as developers responded to the decline in for-sale inventory. During the 12 months ending July 2021, 9,525 homes were permitted in the submarket, a 9-percent increase from 8,725 homes during the previous 12 months (preliminary data and estimates by the analyst).

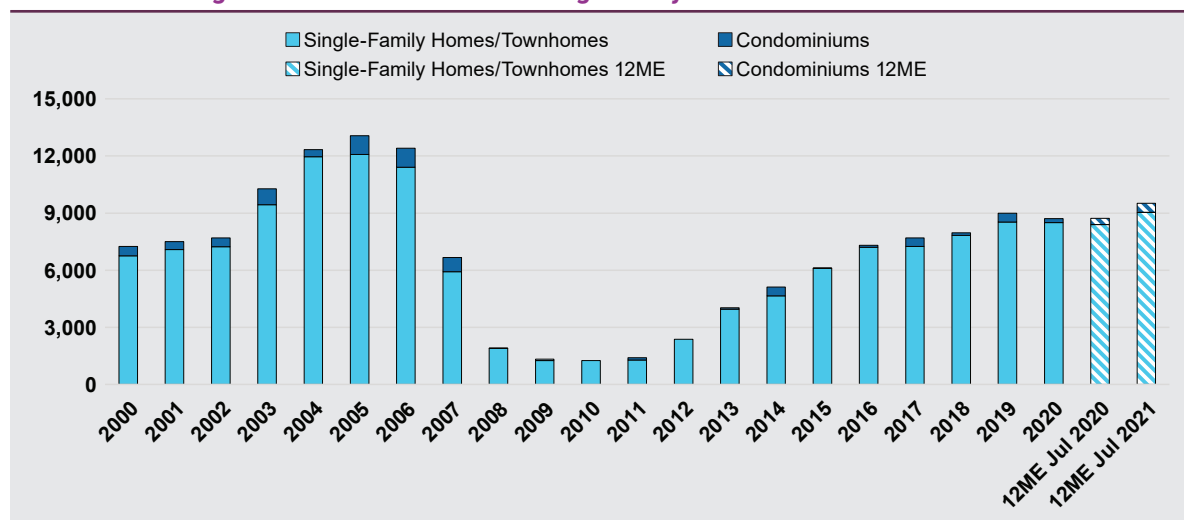
Recent new home construction in the submarket has been concentrated in areas with convenient access to the economic core of the HMA. In the city of Clermont, sales at Serenoa, a 1,600-home master-planned community, began in 2018. To date, approximately 580 homes have sold in

Figure 26. Share of Sales by Price Range During the 12 Months Ending July 2021 in the Remainder Submarket



Source: Zonda

Figure 27. Annual Sales Permitting Activity in the Remainder Submarket



12ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–2020 final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

the development, with prices currently ranging from the mid-\$350,000s to the high \$500,000s for homes ranging in size from 1,575 to 4,200 square feet. Significant new home construction has also occurred in Osceola County, including Sunbridge, a 24,000-acre master-planned community located approximately 2 miles east of the Lake Nona development, which broke ground in 2018 and will eventually include more than 7,000 homes. The 4,800-home first phase of the development includes Del Webb Sunbridge, a 1,200-home active adult community where prices currently range from the low \$300,000s to the mid-\$500,00s for homes ranging from 1,575 to 2,800 square feet.

Forecast

During the 3-year forecast period, demand is expected for an estimated 20,150 new sales units in the submarket, which accounts for 49 percent of the estimated demand for new homes in the HMA (Table 14). The 5,950 new homes currently under construction in the submarket, representing 50 percent of the homes currently under construction in the HMA, will meet some of the demand during the first year of the forecast. Demand for new homes in the submarket is expected to increase each year of the forecast period as strong population growth continues.

Table 14. Demand for New Sales Units in the Remainder Submarket During the Forecast Period

Sales Units	
Demand	20,150 Units
Under Construction	5,950 Units

Note: The forecast period is from August 1, 2021, to August 1, 2024.
Source: Estimates by the analyst

Rental Market

Rental Market—Orlando HMA

Market Conditions: Balanced

Strong renter household growth contributed to significant absorption of existing inventory in the Orlando HMA during much of the previous decade, although high levels of rental construction have put some upward pressure on vacancy rates since the late 2010s.

Current Conditions and Recent Trends

The overall rental vacancy rate in the HMA is currently estimated at 7.2 percent, down from 13.3 percent in April 2010, when the rental market was soft (Table 15). Single-family homes, which accounted for 36.6 percent of occupied rental units in the HMA in 2010, currently account for approximately 33.9 percent of all occupied rental units.

Table 15. Rental and Apartment Market Quick Facts in the Orlando HMA

Rental Market Quick Facts		2010 (%)	Current (%)
	Rental Vacancy Rate	13.3	7.2
		2010 (%)	2019 (%)
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	36.6	33.9
	Multifamily (2–4 Units)	11.0	11.2
	Multifamily (5+ Units)	48.9	51.1
	Other (Including Mobile Homes)	3.5	3.8
Apartment Market Quick Facts		Jul-21	YoY Change
	Apartment Vacancy Rate		
	HMA	5.2	-1.6
	Nation	2.8	-1.5
	Average Rent		
	HMA	\$1,475	13
	Nation	\$1,575	10

YoY= year-over-year.

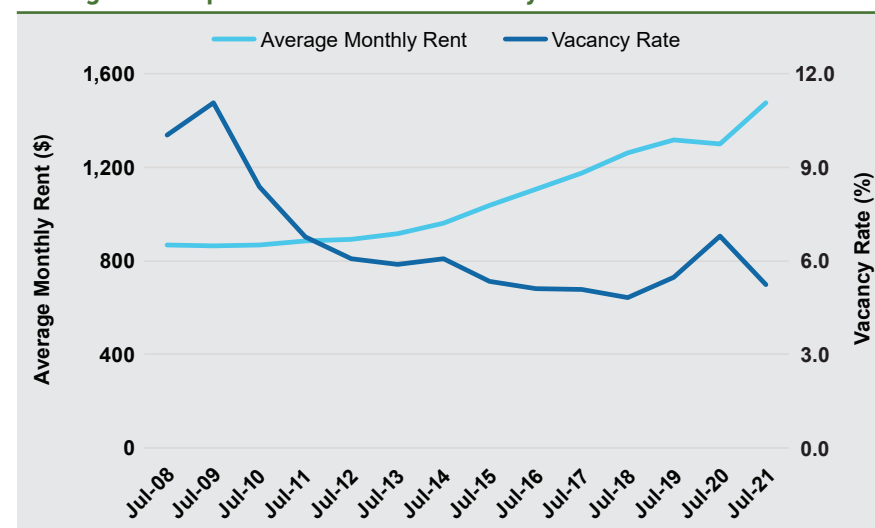
Notes: The current date is August 1, 2021. Percentages may not add to 100 due to rounding.

Sources: 2010 vacancy rate—2010 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2019 American Community Survey 1-year data; apartment data—RealPage, Inc., with adjustments by the analyst

Apartment Market Conditions

The apartment market in the HMA is also balanced. After reaching a July high of 11.1 percent in 2009, the apartment vacancy rate in the HMA declined nearly every year, to a low of 4.8 percent in July 2019. The apartment vacancy rate decreased to 5.2 percent in July 2021, down from 6.8 percent a year ago, when a notably high number of apartment units were in lease up, particularly in and around the city of Orlando (RealPage, Inc., with adjustments by the analyst). Following a modest decrease during 2020, the average rent in the HMA rose sharply during the past year, resuming a general trend of strong rent growth since the mid-2010s. The average rent in the HMA was \$1,475 during July 2021, up 13 percent from a year ago, whereas the average rent for the nation increased approximately 10 percent, to \$1,575. The average rent in the HMA rose an average of 6 percent annually from July 2013 to July 2019 before declining 1 percent from July 2019 to July 2020 (Figure 28). By comparison, the average rent for the nation is estimated to have increased an average annual rate of 5 percent from July 2013 to July 2019 and was largely unchanged during July 2020.

Figure 28. Apartment Rents and Vacancy Rates in the Orlando HMA



Source: RealPage, Inc., with adjustments by the analyst

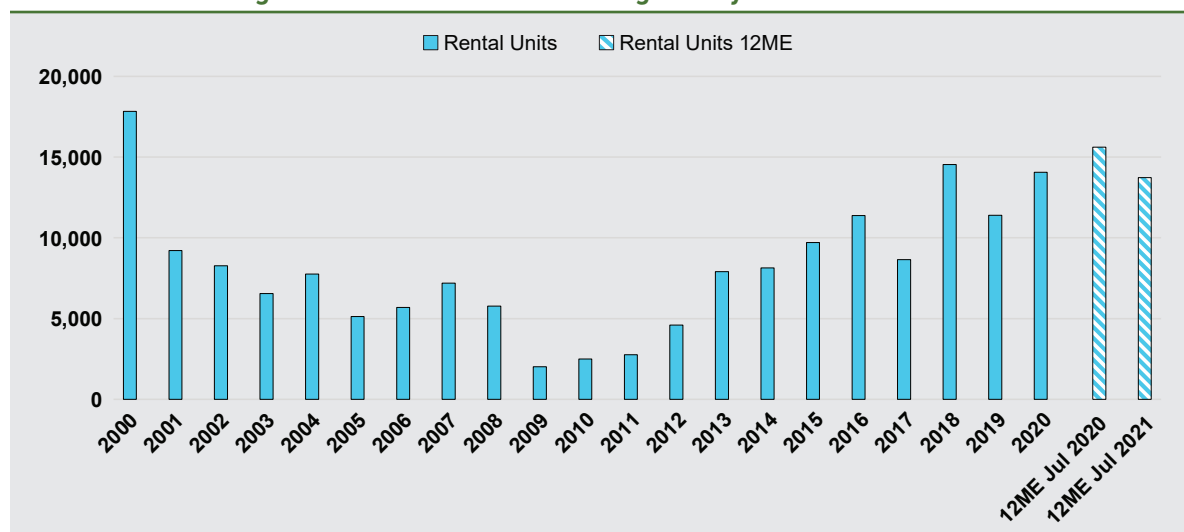
Rental Construction Activity

As measured by the number of units permitted, rental construction activity in the Orlando HMA has generally been at high levels since the mid-2010s. From 2013 through 2020, an average of 10,700 rental units were permitted in the HMA each year, below the average of 11,750 units a year from 2000 through 2002 but well above the respective averages of 6,350 units a year from 2003 through 2008 and 2,975 units annually from 2009 through 2012 (Figure 29). Rental construction activity in the Orlando HMA declined during the past year but remained elevated compared with historical averages. During the 12 months ending July 2021, 13,750 rental units were permitted in the HMA, down from 15,600 units during the previous 12 months (preliminary data and estimates by the analyst).

Rental Affordability

Rental affordability in the Orlando HMA trended upward during much of the 2010s, with the median income for renter households increasing at a faster rate than the median gross rent during 5 of the 8 years from 2012 to 2019. As a result, the HUD Gross Rent Affordability Index, a measure of median renter household income relative to qualifying income for the median-priced rental unit, was 87.3 in 2019, below the peak level of 87.8 in 2016 but well above the 2011 figure, 80.0 (Figure 30). By comparison, the national Gross Rent Affordability Index has been above 90.0 since 2013 and was 96.8 in 2019.

Figure 29. Annual Rental Permitting Activity in the Orlando HMA

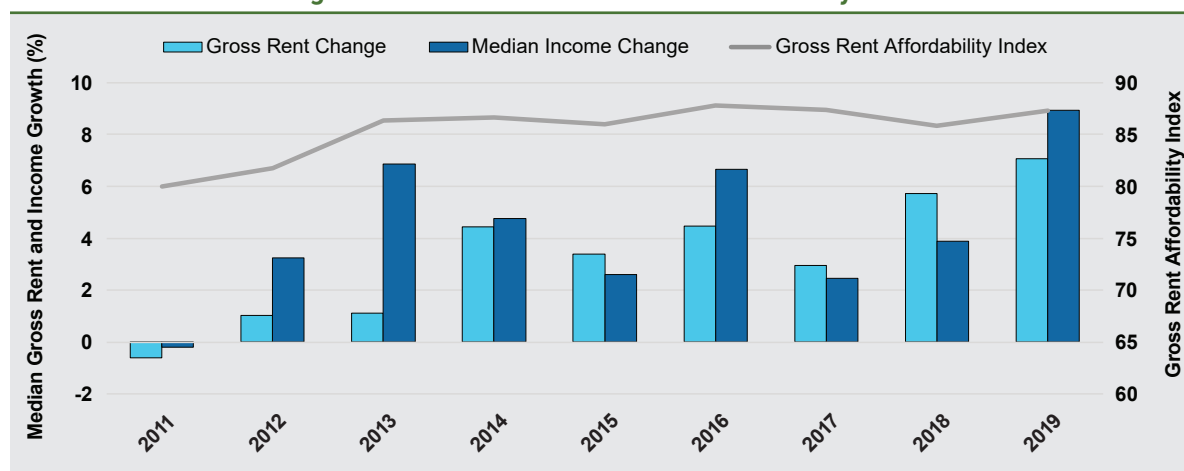


12ME = 12 months ending.

Note: Includes apartments and units intended for rental occupancy.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–2020 final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Figure 30. Orlando HMA Gross Rent Affordability Index



Note: The Gross Rent Affordability Index differs from the HUD Rental Affordability Index published on the U.S. Housing Market Conditions website in that it is based on combined rent and utilities expenditure.

Source: American Community Survey, 1-year data

Renter Cost Burdens

Although rental affordability has trended upward since the early 2010s, a large percentage of all renter households in the HMA were cost burdened during the 2014-through-2018 period (Table 16). An estimated 25.4 percent of all renter households were spending between 31 and 50 percent of their income on rent, whereas 25.3 percent of renter households in the HMA were severely cost burdened, spending 51 percent or more of their income toward rent. Nationally, lower proportions of renter households experienced moderate to high cost burden and severe cost burden, 21.8 and 22.6 percent, respectively, than in the HMA. A significantly larger share of lower income renter households in the HMA, those with incomes less than 50 percent of the area median family income (AMFI), had severe cost burdens. Approximately 67.7 percent of renter households with incomes less than 50 percent of the AMFI in the HMA were paying 51 percent or more of their incomes toward rent, compared with 51.2 percent nationally.

Homelessness

More than 2,000 people throughout the Orlando HMA were homeless in 2020 (Point-in-Time Count). Of that number, 23 percent were unsheltered, which is a notably lower proportion than the approximately 39-percent share throughout the nation, Puerto Rico, and the U.S. territories.

Table 16. Percentage of Cost-Burdened Renter Households by Income, 2018

	Moderate to High Cost Burden: 31–50 Percent of Income Toward Housing Costs		Severe Cost Burden: 51 Percent or More of Income Toward Housing Costs	
	Orlando HMA	Nation	Orlando HMA	Nation
Renter Households with Income <50% HAMFI	15.5	24.7	67.7	51.2
Total Renter Households	25.4	21.8	25.3	22.6

CHAS = Comprehensive Housing Affordability Strategy. HAMFI = HUD Area Median Family Income.

Source: Consolidated Planning/CHAS Data, 2018 American Community Survey 5-year estimates (huduser.gov)

Current Affordable Housing Options: LIHTC, PBRA, HCV

The Low-Income Housing Tax Credit (LIHTC) program is the primary source of funding for new affordable rental housing in the nation. Since 2010, 6,750 LIHTC units have been placed in service in the HMA, compared with 17,650 units during the 2000s. Approximately 30 percent of all LIHTC units placed in service in the HMA since 2000 have been in the Orange County submarket.

In addition to LIHTC, income-eligible residents may qualify for project-based rental assistance (PBRA) or housing choice vouchers (HCVs) through the local public housing authorities (PHAs). The PHAs in the HMA administered more than 8,425 HCVs in 2020, more than double the total of 3,550 in 2010 (Table 17). Nearly 12,700 subsidized units are available through project-based rental assistance and other programs, a 6.8-percent increase since 2010 (Picture of Subsidized Households). By comparison, nationally, the total number of voucher households has increased 13.4 percent, and the number of subsidized units has risen 3.9 percent.

Table 17. Picture of Subsidized Households, 2020

	Orlando HMA	HMA Change Since 2010	National Total	National Change Since 2010
Total Assisted Households (2020)	12,686	6.8%	4,599,832	3.9%
Total Housing Voucher Households (2020)	8,436	137.5%	2,313,166	13.4%
Average HCV Tenant Monthly Contribution	\$426	NA	\$386	-0.3%
Average Monthly HUD Subsidy	\$1,091	NA	\$834	0.3%

HCV = housing choice voucher. NA = data not available.

Note: Dollar changes are inflation adjusted using the Consumer Price Index for All Urban Consumers (CPI-U).

Source: HUD Picture of Subsidized Households



Forecast

During the 3-year forecast period, demand is expected for an estimated 25,300 rental units in the HMA (Table 18). Demand for new rental units in the HMA is expected to be relatively stable during the forecast period. The 20,675 units under construction and an additional 3,550 units in planning are expected to satisfy much of the rental demand during the next 2 years.

Table 18. Demand for New Rental Units in the Orlando HMA During the Forecast Period

Rental Units	
Demand	25,300 Units
Under Construction	20,675 Units

Note: The forecast period is August 1, 2021, to August 1, 2024.

Source: Estimates by the analyst

Rental Market—Orange County Submarket

Market Conditions: Balanced

An estimated 3,825 apartment units were in lease up in the Orange County submarket during July 2021, down from approximately 5,175 units a year ago.

Rental Market Conditions and Recent Trends

As of August 1, 2021, the overall rental vacancy rate in the Orange County submarket is estimated at 7.4 percent, down from 13.1 percent in April 2010 (Table 19). Single-family homes, which accounted for 35.7 percent of occupied rental units in the submarket in 2010, accounted for only 31.6 percent of all occupied rental units in 2019.

Apartment Market Conditions

The apartment market in the submarket is also balanced, with strong rental household growth contributing to a general trend of declining vacancy rates

Table 19. Rental and Apartment Market Quick Facts in the Orange County Submarket

Rental Market Quick Facts	2010 (%)	Current (%)
	Rental Vacancy Rate	13.1
	2010 (%)	2019 (%)
	Occupied Rental Units by Structure	
	Single-Family Attached & Detached	35.7
Apartment Market Quick Facts	Multifamily (2–4 Units)	10.1
	Multifamily (5+ Units)	52.3
	Other (Including Mobile Homes)	1.8
	Jul-21	YoY Change
	Apartment Vacancy Rate	5.0
	Central Orlando	11.2
	East Orlando	2.5
	West Orlando	4.8
	Northwest Orlando	5.9
	Southwest Orlando	4.2
	Apopka	3.1
	Maitland-Winter Park	4.1
	Ocoee-Winter Garden	6.3
	East Orange County	5.7
	South Orange County	4.6
	Average Rent	\$1,500
	Central Orlando	\$1,950
	East Orlando	\$1,375
	West Orlando	\$1,450
	Northwest Orlando	\$1,250
	Southwest Orlando	\$1,325
	Apopka	\$1,425
	Maitland-Winter Park	\$1,425
	Ocoee-Winter Garden	\$1,600
	East Orange County	\$1,625
	South Orange County	\$1,650

YoY= year-over-year.

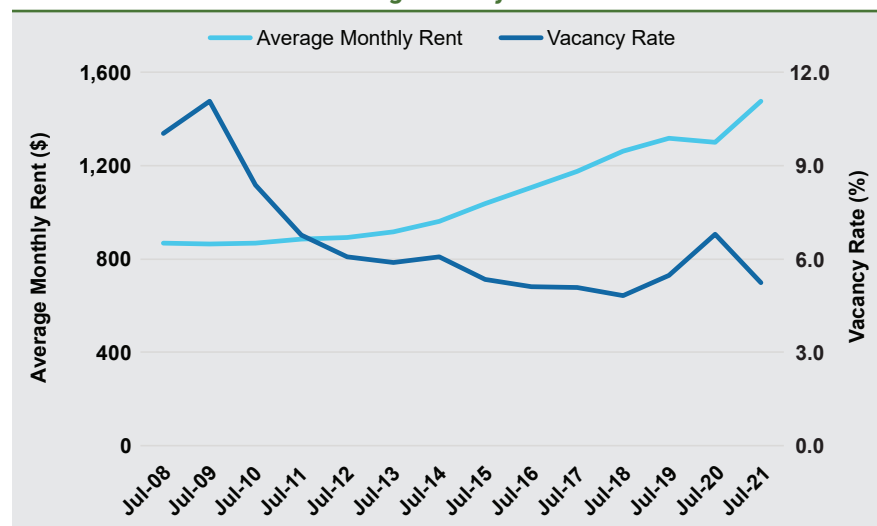
Notes: The current date is August 1, 2021. Percentages may not add to 100 due to rounding.

Sources: 2010 vacancy rate—2010 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2019 American Community Survey 1-year data; apartment data—RealPage, Inc., with adjustments by the analyst

since the early 2010s. The apartment vacancy rate in the submarket was 5.0 percent during July 2021, down from 7.1 percent a year ago, when a significant number of new apartment units entered lease up (RealPage, Inc., with adjustments by the analyst). Apartment vacancy rates declined throughout most market areas during the past year, with the largest decline, from 11.6 to 4.1 percent, in the Maitland-Winter Park market area, where the number of units in lease up declined to approximately 200 during July 2021, down from approximately 900 during July 2020. The highest vacancy rate, 11.2 percent, was in the Central Orlando market area, where more than one-third of the units currently in lease up in the submarket are located.

Rent growth has generally been strong in the submarket since the mid-2010s, and the average apartment rent rose sharply during the past year. From July 2013 to July 2019, the average apartment rent in the submarket increased an average of 6 percent annually, to \$1,350 (Figure 31). After declining 2 percent to \$1,325 from

Figure 31. Apartment Rents and Vacancy Rates in the Orange County Submarket



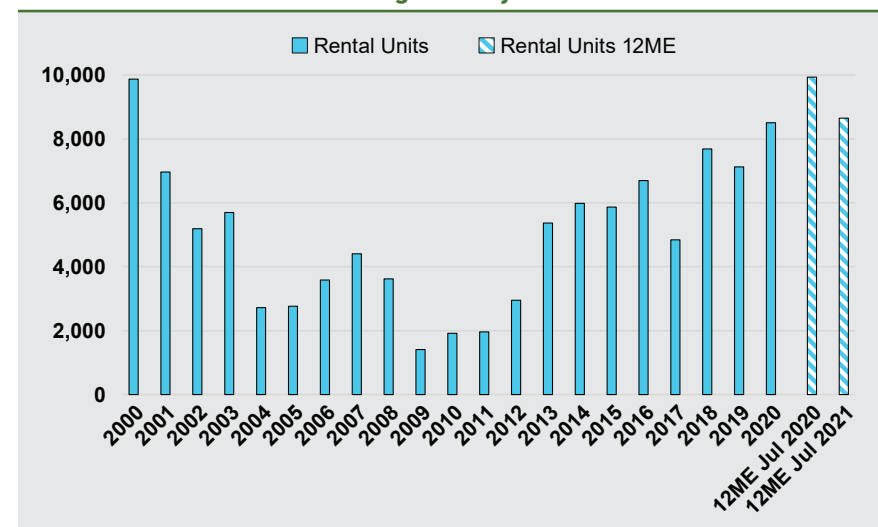
Source: RealPage, Inc., with adjustments by the analyst

July 2019 to July 2020, the average rent in the submarket increased 13 percent, to \$1,500, from July 2020 to July 2021. Average rents increased significantly throughout much of the submarket during the past year, with the fastest growth rate, 21 percent, in the Apopka market area, which had the second lowest apartment vacancy rate in the submarket, 3.1 percent. The highest average rent in the submarket, \$1,950, was in the Central Orlando market area, and the lowest average rent, \$1,250, was in the Northwest Orlando market area.

Rental Construction Activity

Rental construction activity in the submarket has generally been at high levels since the mid-2010s (Figure 32). An average of 6,500 units were permitted each year from 2013 through 2020, more than triple the average of 2,050 units permitted each year from 2009 through 2012. By comparison, averages of 6,925 and 3,425 units were permitted annually from 2000 through 2003 and from 2004 through 2008, respectively. Rental permitting declined in the

Figure 32. Annual Rental Permitting Activity in the Orange County Submarket



12ME = 12 months ending.

Note: Includes apartments and units intended for rental occupancy.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–2020 final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst



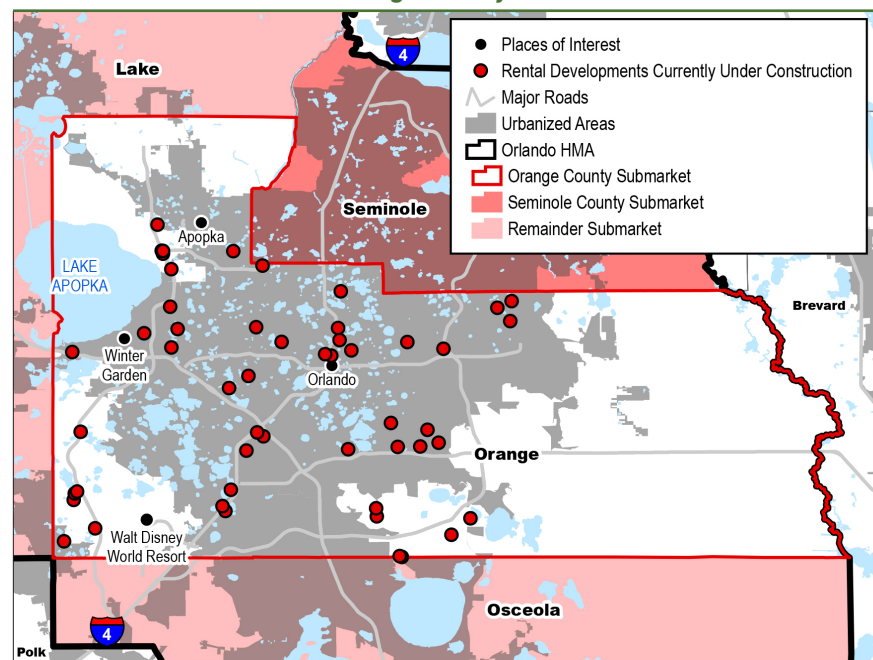
submarket during the past year but remained relatively high. Approximately 8,650 rental units were permitted in the submarket during the 12 months ending July 2021, down from 9,950 units during the 12 months ending July 2020 (preliminary data and estimates by the analyst).

The city of Orlando has accounted for approximately 75 percent of all rental units permitted in the submarket since 2018, with the RealPage-defined Central Orlando market area accounting for more than one-third of the units currently in lease up. Recently completed rental properties in the market area include The Julian, a 409-unit development that began lease up in early 2021 and currently offers studio, one-bedroom, two-bedroom, and three-bedroom units with rents starting at \$1,425, \$1,875, \$2,550, and \$2,950, respectively. Notable new apartment construction is also occurring to the south and west of downtown Orlando (Map 1). The Lake Nona neighborhood, which is located approximately 20 miles southeast of downtown Orlando, encompasses several new apartment developments, including Bainbridge Narcoossee Cove, a 354-unit property that began lease up in early 2021, and Futura At Nona Cove, a 260-unit development that is expected to be completed in 2022. Rents at Bainbridge Narcoossee Cove average approximately \$1,750 for one-bedroom units, \$2,175 for two-bedroom units, and \$2,400 for three-bedroom units; initial rents for Futura At Nona Cove have yet to be released. Recent development in the western part of the submarket has been concentrated in and around the city of Winter Garden, which is approximately 15 miles west of downtown Orlando. The city accounts for approximately 20 percent of all units in lease up in the submarket, including The Westerly Apartments, a 352-unit development that began lease up in mid-2021. Rents at the property currently average approximately \$1,600 for one-bedroom units, \$1,950 for two-bedroom units, and \$2,250 for three-bedroom units.

Forecast

During the 3-year forecast period, demand is expected for an estimated 14,450 rental units in the submarket, which accounts for 57 percent of the estimated demand for new rental units in the HMA (Table 20). The 12,200 units under

Map 1. Rental Developments Currently Under Construction in the Orange County Submarket



Source: Estimates by the analyst

Table 20. Demand for New Rental Units in the Orange County Submarket During the Forecast Period

Rental Units	
Demand	14,450 Units
Under Construction	12,200 Units

Note: The forecast period is August 1, 2021, to August 1, 2024.

Source: Estimates by the analyst

construction, which represent 59 percent of the units under construction in the HMA, and 2,050 additional units in planning are expected to satisfy much of the rental demand in the submarket during the forecast period.

Rental Market—Seminole County Submarket

Market Conditions: Balanced

Strong renter household growth contributed to significant absorption of existing rental inventory in the Seminole County submarket during the early and mid-2010s, although relatively high levels of apartment construction have put upward pressure on vacancy rates since 2020.

Rental Market Conditions and Recent Trends

The overall rental market in the Seminole County submarket is currently balanced. As of August 1, 2021, the overall rental vacancy rate is estimated at 7.3 percent, down from 11.0 percent in April 2010, when conditions were soft (Table 21). Single-family homes, which accounted for 27.8 percent of occupied rental units in the submarket in 2010, accounted for approximately 31.4 percent of all occupied rental units in 2019.

Apartment Market Conditions

Although the apartment vacancy rate has increased modestly during the past 2 years, the apartment market in the submarket is balanced. During July 2021, the apartment vacancy rate was 5.6 percent, up from both the 5.3-percent rate a year ago and the 4.6-percent rate during July 2019 but well below the July high of 9.2 percent

Table 21. Rental and Apartment Market Quick Facts in the Seminole County Submarket

Rental Market Quick Facts	2010 (%)	Current (%)
	Rental Vacancy Rate	11.0
		7.3
	2010 (%)	2019 (%)
	Occupied Rental Units by Structure	
	Single-Family Attached & Detached	27.8
Apartment Market Quick Facts		31.4
	Multifamily (2–4 Units)	10.7
		11.2
	Multifamily (5+ Units)	59.3
		55.1
	Other (Including Mobile Homes)	2.1
		2.4
	Jul-21	YoY Change
	Apartment Vacancy Rate	5.6
		0.3
	Altamonte Springs	4.2
		-1.6
	Casselberry	6.7
		0.3
	Lake Mary	11.8
		7.7
	Longwood	11.0
		5.6
	Oviedo	3.3
		-2.5
	Sanford	3.5
		-0.8
	Winter Springs	3.3
		-2.1
	Average Rent	\$1,450
		14
	Altamonte Springs	\$1,375
		13
	Casselberry	\$1,475
		17
	Lake Mary	\$1,600
		13
	Longwood	\$1,625
		16
	Oviedo	\$1,700
		12
	Sanford	\$1,300
		13
	Winter Springs	\$1,525
		15

YoY= year-over-year.

Notes: The current date is August 1, 2021. Percentages may not add to 100 due to rounding.

Sources: 2010 vacancy rate—2010 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2019 American Community Survey 1-year data; apartment data—RealPage, Inc., with adjustments by the analyst

during 2009 (RealPage, Inc., with adjustments by the analyst). The upward trend in the apartment vacancy rate during the past 2 years has been partly due to increasing numbers of units in lease up, which rose from approximately 400 units during July 2019 to approximately 1,025 units during July 2020 and rose again to approximately 1,550 units during July 2021. The cities of Lake Mary and Longwood, which account

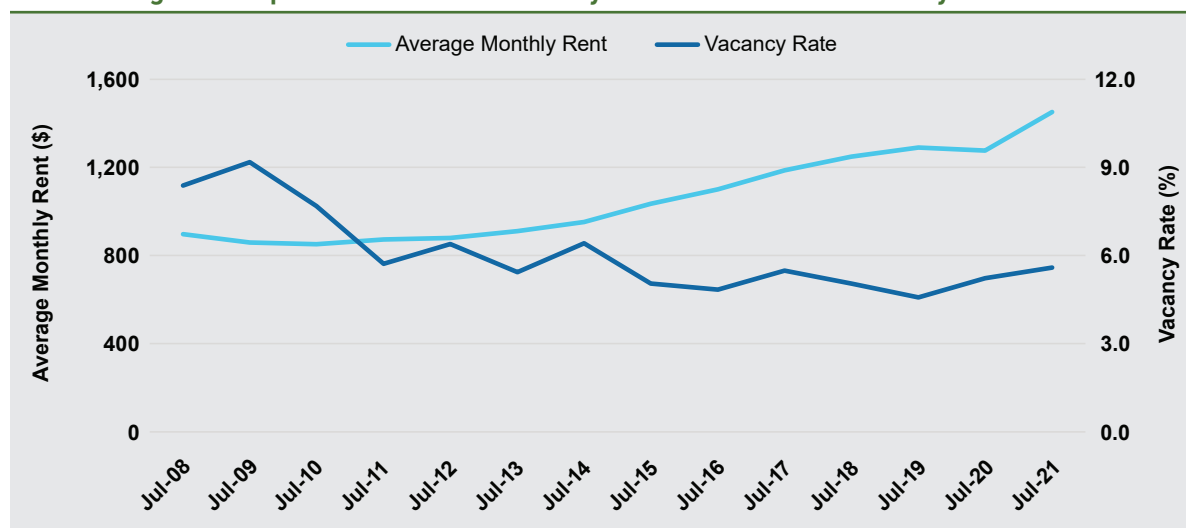
for a combined 850 units in lease up, had the highest vacancy rates in the submarket during July 2021, at 11.8 and 11.0 percent, respectively.

The average apartment rent in the submarket increased an average of 6 percent annually, from \$880 during July 2012 to \$1,300 during July 2019 (Figure 33). Following a modest decline of 1 percent, to \$1,275, during July 2020, the average apartment rent in the submarket rose 14 percent, to \$1,450, during the past year. Rents increased significantly throughout the submarket, with the fastest growth, 17 percent, in the city of Casselberry, which is approximately 13 miles northeast of Orlando.

Rental Construction Activity

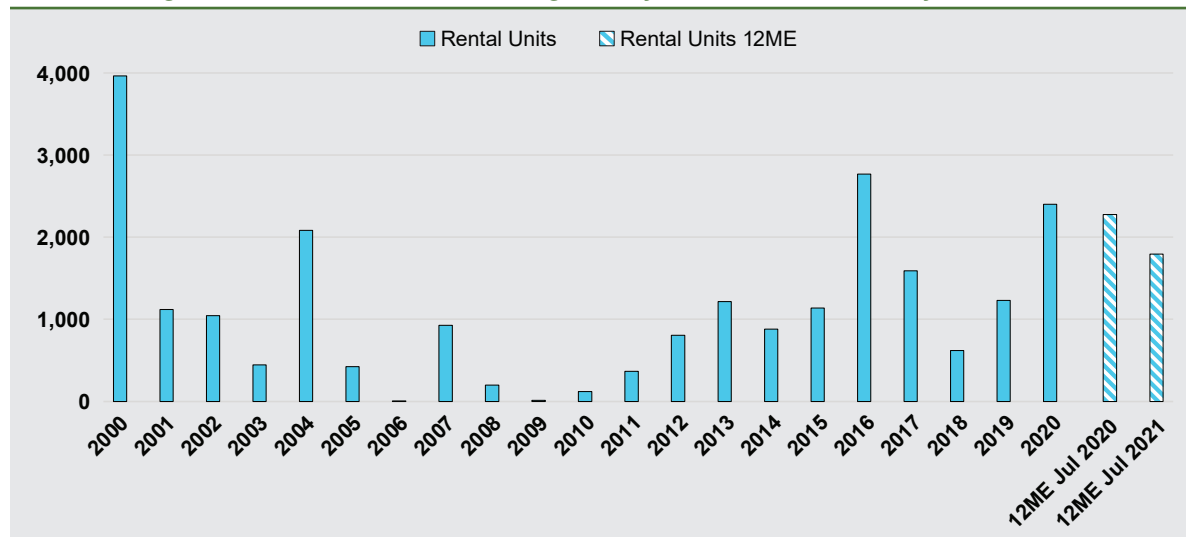
Rental construction activity in the submarket was at low levels for much of the 2000s and early 2010s, but it has generally been at high levels since accelerating sharply in 2016 (Figure 34). An average of 1,725 units were permitted each year from 2016 through 2020, up significantly from the average of 550 units permitted each year from 2005 through 2015 and equal to the average of 1,725 units permitted each year from 2000 through 2004. Rental construction moderated during the past year, however, as developers responded to the rising apartment vacancy rate in the submarket. Approximately 1,800 rental units were permitted in the submarket during the 12 months ending July 2021, down from 2,275 units during the previous 12 months (preliminary data and estimates by the analyst).

Figure 33. Apartment Rents and Vacancy Rates in the Seminole County Submarket



Source: RealPage, Inc., with adjustments by the analyst

Figure 34. Annual Rental Permitting Activity in the Seminole County Submarket



12ME = 12 months ending.

Note: Includes apartments and units intended for rental occupancy.

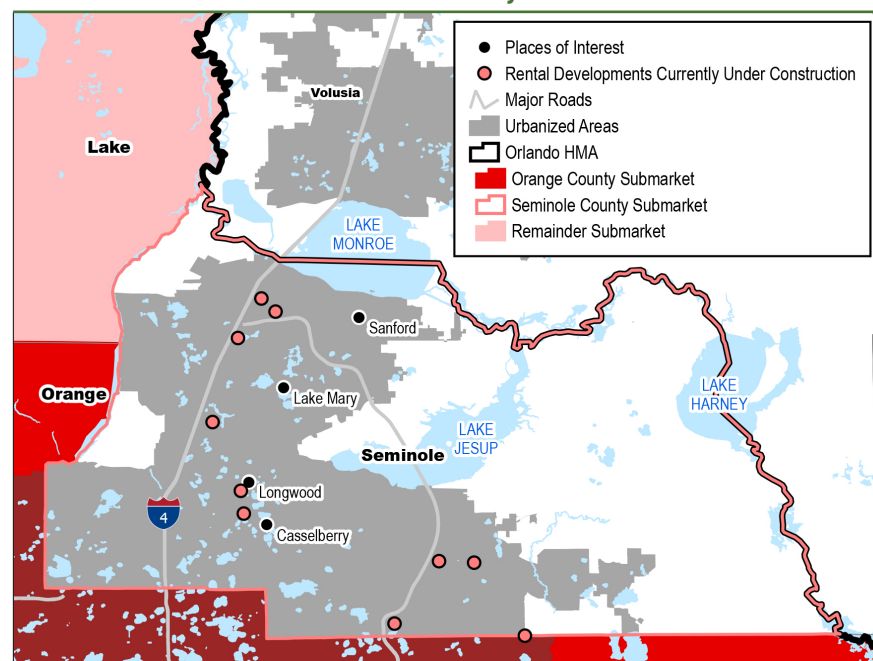
Sources: U.S. Census Bureau, Building Permits Survey; 2000–2020 final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Recent rental construction in the submarket has been heavily concentrated along the Interstate 4 corridor to the northeast of Orlando, with the cities of Lake Mary and Longwood accounting for more than one-half of all units in lease up and approximately one-fourth of the units under construction (Map 2). Recently completed properties in the submarket include Alta Longwood, a 263-unit property in Longwood, which began lease up in early 2021. Rents at the property average approximately \$1,400 for one-bedroom units, \$1,800 for two-bedroom units, and \$2,450 for three-bedroom units. The Helix At Lake Mary, in the city of Lake Mary, is also currently in lease up and has 300 units, with rents starting at \$1,600 for one-bedroom units, \$2,025 for two-bedroom units, and \$2,850 for three-bedroom units.

Forecast

Demand is expected for an estimated 3,425 rental units in the submarket during the 3-year forecast period, accounting for 14 percent of the estimated demand for new rental units in the HMA (Table 22). The 3,025 units under construction, which represent 15 percent of the units under construction in the HMA, are expected to satisfy most of the rental demand in the submarket during the next 2 years.

Map 2. Rental Developments Currently Under Construction in the Seminole County Submarket



Source: Estimates by the analyst

Table 22. Demand for New Rental Units in the Seminole County Submarket During the Forecast Period

Rental Units	
Demand	3,425 Units
Under Construction	3,025 Units

Note: The forecast period is August 1, 2021, to August 1, 2024.

Source: Estimates by the analyst

Rental Market— Remainder Submarket

Market Conditions: Balanced

The apartment vacancy rate in the Remainder submarket decreased during the past year because a significant number of the 1,550 units that were in lease up during July 2020 were absorbed.

Rental Market Conditions and Recent Trends

The overall rental market in the Remainder submarket is currently balanced. The overall rental vacancy rate is estimated at 6.4 percent as of August 1, 2021, down from 16.1 percent in April 2010, when rental market conditions were soft (Table 23). Single-family homes accounted for 44.4 percent of occupied rental units in the submarket in 2010, a figure that declined to 41.5 percent in 2019.

Apartment Market Conditions

The apartment market in the submarket is also balanced. During July 2021, the apartment vacancy rate was estimated at 6.0 percent, down from both the 7.2-percent rate a year ago and a high of 13.1 percent during July 2009, when the apartment market was soft (RealPage, Inc., with adjustments by the analyst). Within the submarket, apartment vacancy rates ranged from a low of 1.5 percent in the North Lake County market area,

Table 23. Rental and Apartment Quick Facts in the Remainder Submarket

Rental Market Quick Facts		2010 (%)	Current (%)
	Rental Vacancy Rate	16.1	6.4
		2010 (%)	2019 (%)
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	44.4	41.5
	Multifamily (2–4 Units)	13.5	9.2
	Multifamily (5+ Units)	33.0	41.3
	Other (Including Mobile Homes)	9.0	7.9
Apartment Market Quick Facts		Jul-21	YoY Change
	Apartment Vacancy Rate	6.0	-1.2
	Clermont	2.8	-2.2
	Kissimmee-St. Cloud	7.9	-1.3
	North Lake County	1.5	0.8
	Average Rent	\$1,375	13
	Clermont	\$1,400	11
	Kissimmee-St. Cloud	\$1,425	15
	North Lake County	\$1,075	7

YoY= year-over-year.

Notes: The current date is August 1, 2021. Percentages may not add to 100 due to rounding.

Sources: 2010 vacancy rate—2010 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2019 American Community Survey 1-year data; apartment data—RealPage, Inc., with adjustments by the analyst

where recent rental construction has been very limited, to a high of 7.9 percent in the Kissimmee-St. Cloud market area, where much of the recent rental construction in the submarket has occurred.

The average rent in the submarket has increased at a relatively strong rate during much of the period since the mid-2010s. After increasing at an average annual rate of 2 percent, from \$790 during July 2009 to \$870 during July 2014, the average rent in the submarket rose an average of 7 percent a year during each of the subsequent 5 years, to \$1,200 during July 2019 (Figure 35). After slowing to only 1 percent during 2020, rent growth accelerated during the past year. The average rent in the submarket was \$1,375 during July 2021, up 13 percent from \$1,225 during July 2020. Average rents in the submarket are generally linked with distance from the economic core of the HMA, with the highest rents in the Kissimmee-St. Cloud and Clermont market areas, which are directly south and west of the Orange County submarket, respectively. During July 2021, the average rents in the market areas rose 11 percent, to \$1,400, and 15 percent, to

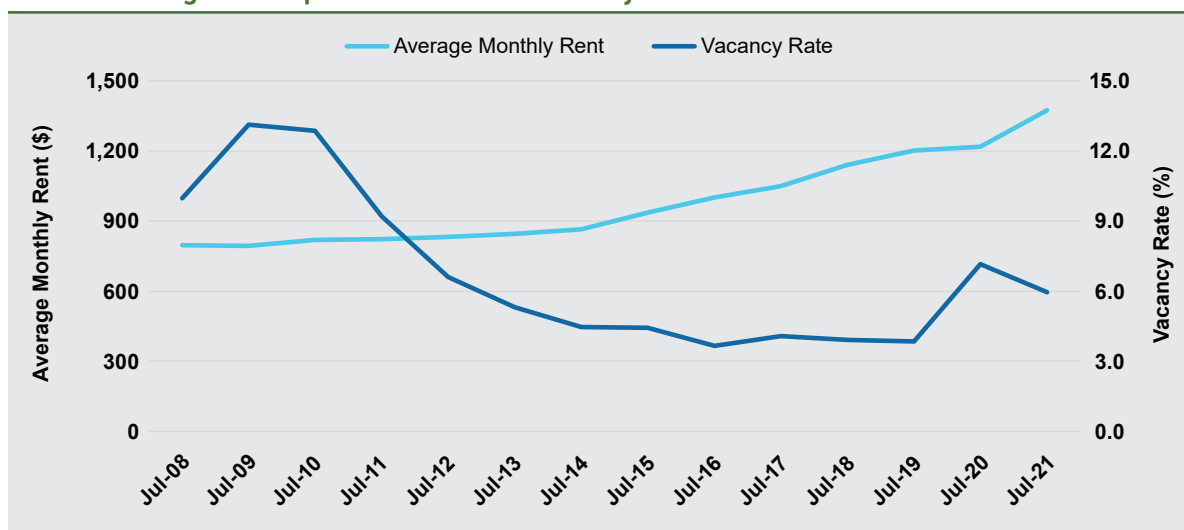
\$1,425, respectively. In the North Lake County market area, which includes much of the outlying part of the submarket, the average rent was \$1,075 during July 2021, an increase of 7 percent from July 2020.

Rental Construction Activity

Developers have responded to the general trend of strong rent growth and declining apartment vacancy rates in the submarket with relatively high levels of rental construction activity, as measured by the number of rental units permitted, since the mid-2010s (Figure 36). An average of 3,200 units were permitted each year from 2015 through 2020, up significantly from the average of 2,050 units permitted each year from 2000 through 2008 and nearly four times the average of only 820 units permitted each year from 2009 through 2014. Approximately 3,275 rental units were permitted in the submarket during the 12 months ending July 2021, down 3 percent from the 3,400 units permitted during the 12 months ending July 2020 (preliminary data and estimates by the analyst).

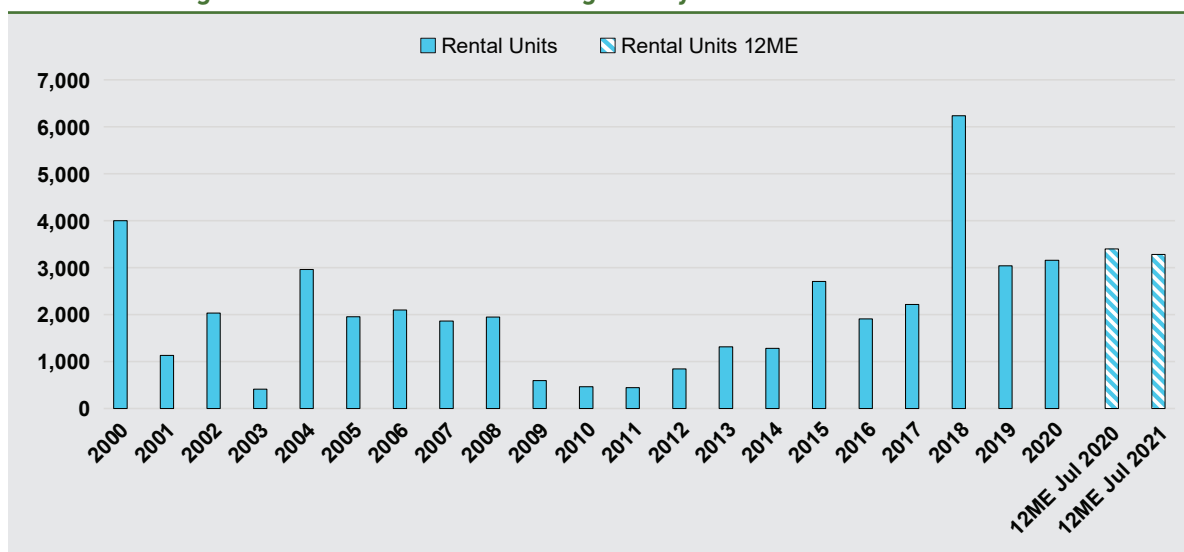
Recent rental development in the submarket has generally been concentrated in areas with convenient access to the economic core of the HMA, including the city of Kissimmee, which is directly south of the Orange County submarket and only 15 miles southeast of Walt Disney World (Map 3). The city accounts for approximately 70 percent of the rental units under construction in the submarket and more than two-thirds of the units in lease up. Recent developments in the city

Figure 35. Apartment Rents and Vacancy Rates in the Remainder Submarket



Source: RealPage, Inc., with adjustments by the analyst

Figure 36. Annual Rental Permitting Activity in the Remainder Submarket



12ME = 12 months ending.

Note: Includes apartments and units intended for rental occupancy.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–2020 final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

include the 340-unit Prime Apartments, which began in lease up in early 2021 and currently has rents starting at \$1,500, \$1,950, and \$2,550 for one-, two-, and three-bedroom units, respectively.

Forecast

Demand is expected for an estimated 7,425 rental units in the submarket during the 3-year forecast period, which accounts for 29 percent of the estimated demand for new rental units in the HMA (Table 24). The 5,450 units under construction, which represent 26 percent of the units under construction in the HMA, and the 1,500 units in planning are expected to satisfy most of the rental demand in the submarket during the next 2 years.

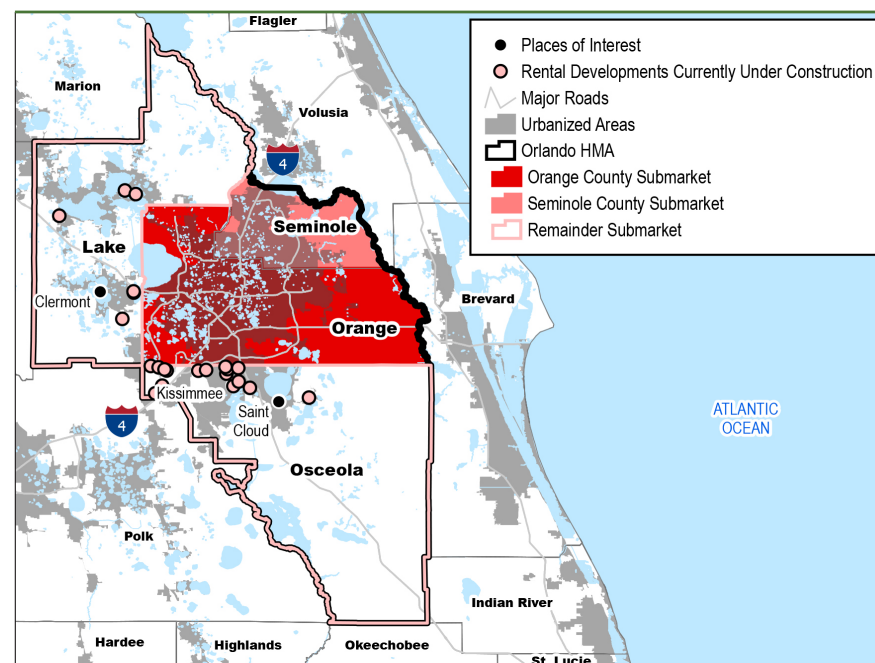
Table 24. Demand for New Rental Units in the Remainder Submarket During the Forecast Period

Rental Units	
Demand	7,425 Units
Under Construction	5,450 Units

Note: The forecast period is August 1, 2021, to August 1, 2024.

Source: Estimates by the analyst

Map 3. Rental Developments Currently Under Construction in the Remainder Submarket



Source: Estimates by the analyst

Terminology Definitions and Notes

A. Definitions

Building Permits/ Homes or Units Permitted	Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily homes permitted.
Cost Burdened	Spending more than 30 percent of household income on housing costs.
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 under construction or units in the development pipeline.
Existing Home Sales	Includes regular resales and REO sales.
Forecast Period	8/1/2021–8/1/2024—Estimates by the analyst.
Home Sales/ Home Sales Prices	Includes single-family, townhome, and condominium sales.
Net Natural Increase	Resident births minus resident deaths.

Regular Resales	These are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party and include short sales.
Rental Market/ Rental Vacancy Rate	Includes apartments and other rental units, such as single-family, multifamily, and mobile homes.
Sales Construction Activity	The number of single-family homes, townhomes, and condominiums permitted.
Seriously Delinquent Mortgages	Mortgages 90+ days delinquent or in foreclosure.

B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
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C. Additional Notes

1.	The NAHB/Wells Fargo Housing Opportunity Index represents the share of homes sold in the HMA that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria.
2.	This analysis has been prepared for the assistance and guidance of 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.

3.	<p>The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. 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.</p>
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D. Photo/Map Credits

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