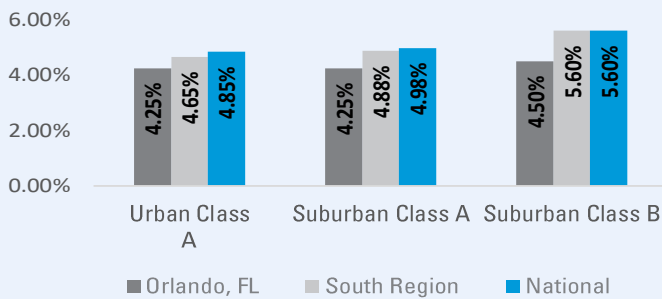


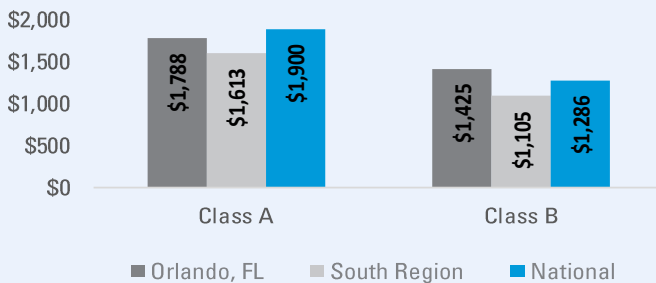
Market Rate Indicators (Y/Y)

Categories	Class A	Class B
Going In Cap Rate (%)	▼	↔
Asking Rent (\$/Unit)	▲	▲
Vacancy Rate (%)	▲	▼

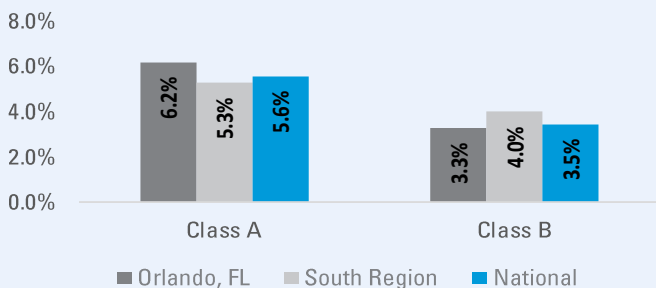
Going In Cap Rate Comparisons (%)



Asking Rents (\$/Unit)



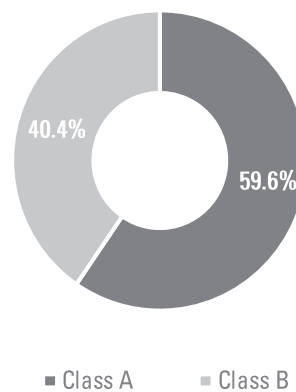
Vacancy Rates (%)



Orlando, FL Multifamily Market Overview

The Orlando apartment market is comprised of 182,622 units and continues to be in expansion stage. Since 2019, over 18,000 have been added to the market and Moody's Analytics projects nearly 15,000 more unit will be developed over the next five years. In the ten-year since Q4 2012, the Maitland/ Winter Park submarket has experienced the largest growth, amounting to 15.2% of all new market inventory. Orlando is ranked in the top 15 markets by population growth, and is expected to increase 78.5% by year 2060, continuing to fuel the demand for multifamily housing. The average rent growth since 2018 has been 6.8%, with the highest rent growth in the year 2021 at 23.1%. The Orlando market has an expected rent growth at an average of 4.3% over the next five years. Five of the top ten metros with the fastest rising year-over-year rents are in Florida, with Orlando ranking 5th highest. Absorption remains positive in the market with over 8,300 net units absorbed over the past year. IRR continues to observe absorption at new projects throughout the area in the 15 to 25+ units per month range. Vacancy rates have remained stable, averaging 5.3% since 2018, and are projected to remain around 5% through year end 2022. Over the next five years, it is projected that the vacancy rate is to remain stable between 5.1% and 5.6%, even though a substantial amount of new supply is projected. Although the rising interest rates have had an effect on the market, the multifamily sector has seen the least amount of impact. The spike in interest rates have resulted in capitalization rate increases of 25 to 50 basis points, with the Class A sector seeing the least amount of impact. Capitalization rates are expected to raise, 50 to 75 basis points by 2023 due to the higher commercial mortgage rates. An increasing trend in the Orlando multifamily market is build for rent communities. Build for rent communities are typically a smaller, cottage-style house with private yards and community amenities that would be expected within a traditional, Class A multifamily complex. These communities are an attractive housing option for those who want the lifestyle of a single-family house; however, cannot afford to buy, or want a maintenance free living with more responsive management. Build for rent communities are one of the fastest growing trends in the multifamily real estate segment today. Orlando will remain one of the primary markets for investor activity in Florida over the foreseeable future and job growth should continue to create demand for multifamily properties. As tourism and service-related employment continues to improve, the need for additional rental housing will increase and the long-term outlook is positive.

Distribution of Total Inventory



182,622 Units
Multifamily Inventory

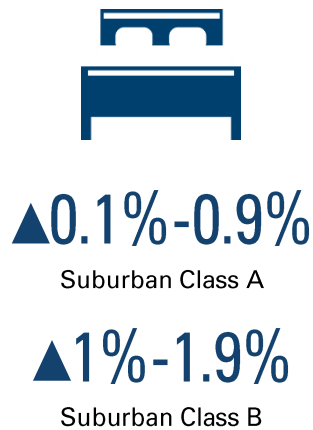
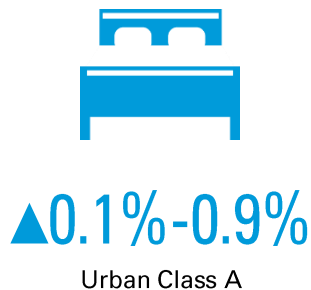
2.02% - 12 Mo. Proj.
Construction/Inventory

2023 ORLANDO, FL MULTIFAMILY ANNUAL REPORT

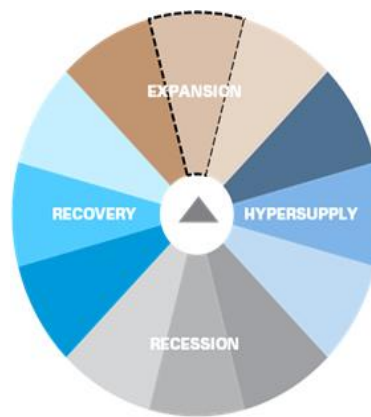
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Change In Value Next 12 Months



Market Cycle: Expansion Stage 2



- Moderate/High New Construction
- Moderate/High Employment Growth
- Med/High Rental Rate Growth
- Decreasing Vacancy Rates
- High Absorption

Forecasts

Orlando, FL 12-Month Multifamily Forecasts

Categories	Urban Class A	Suburban Class A	Suburban Class B
Going-In Cap Rates	Increase 25-49 bps	Increase 25-49 bps	Increase 25-49 bps
Discount Rate	Increase 25-49 bps	Increase 25-49 bps	Increase 25-49 bps
Reversion Rate	Increase 25-49 bps	Increase 25-49 bps	Increase 25-49 bps
Construction (Units)	3,688		
Market Rent Change	+5.00%	+5.00%	+5.00%
Expense Rate Change	+3.00%	+3.00%	+3.00%
Years to Balance	In Balance		

Orlando, FL 36-Month Multifamily Forecasts

Categories	Urban Class A	Suburban Class A	Suburban Class B
Market Rent Change	+15.76%		
Change in Value	Increase 5%-9.9%	Increase 5%-9.9%	Increase 5%-9.9%

Integra Realty Resources (IRR) is the largest independent commercial real estate valuation and consulting firm in North America, with over 165 MAI-designated members of the Appraisal Institute among 600+ professionals based in our 50+ offices throughout the United States and the Caribbean. Founded in 1999, the firm specializes in real estate appraisals, feasibility and market studies, expert testimony, and related property consulting services across all local and national markets. Our valuation and counseling services span all commercial property types and locations, from individual properties to large portfolio assignments.

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