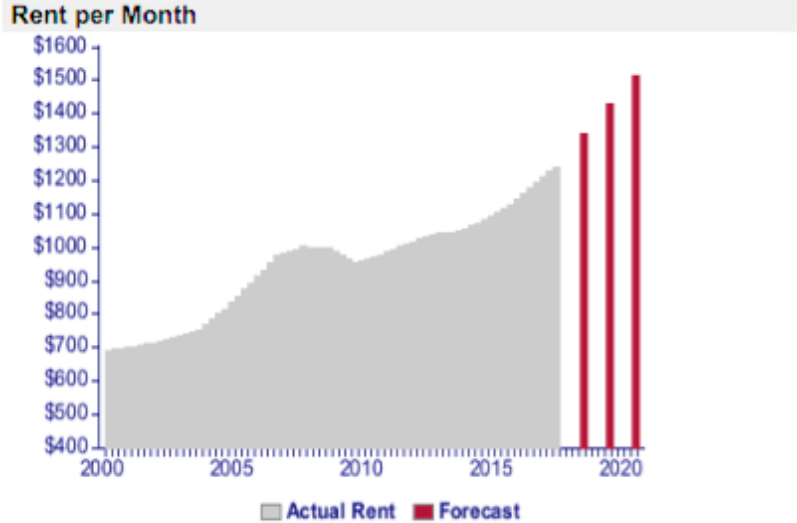


Third Quarter 2017. Population growth has been high. Rents are high compared to home prices, presenting investment opportunities. Expect a strong housing market the next few years.

Last Update: 9/30/17

Investment Score: 9.1



Local Investment Rating	
Under 0	DANGEROUS
0 – 3	SPECULATIVE
3.1 – 6.0	MEDIUM RISK
Over 6	LOW RISK

Home Price Forecast

Home values for Orlando- Kissimmee are forecast to increase by 11 percent over the next 12 months. Nationally, prices are forecast to increase by 4.6 percent. In the second and third year, prices are forecast to increase 12% and 9%, respectively.

Rents

We forecast rents to increase 22% over the next three years in this market, to an average of \$1,513 per month.

Rents rarely decrease, but shard job losses and falling home prices can push them down. Rents are closely related to local income. Monthly rent on average is 2% of local per capita income, but there is a lot of variation

Country-Level Forecast

County	Year 1	Year 2	Year 3	Cumulative
Lake	10.3%	12.2%	8.9%	31.4%
Orange	9.8%	11.7%	8.5%	30%
Osceola	11.5%	12.6%	9.3%	33.4
Seminole	9.1%	11.4%	8.1%	28.6%

Population

The population in this market grew 2.5% in 2016, while the US population grew 0.7%. Population growth - or the lack of it - has the strongest effect on local demand for housing. Average population growth in the US is 1% per year. Investments are usually less risky in markets with above-average growth, though more risky in small markets with very high population growth.

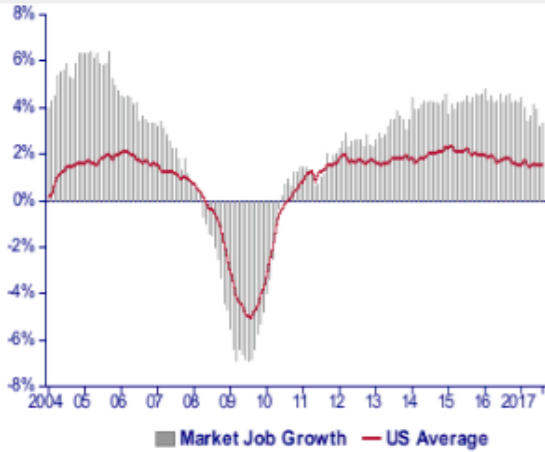
Home Prices

Home prices in this market peaked in Q1 2007 at \$296,336. Since their peak, prices have fallen by 17%. In the last 12 months, prices have gone up by 12 percent. The average home price in this market is currently \$245,160.

Equilibrium Home Price

The Equilibrium Home Price in this market is currently \$221,617. The Equilibrium Home Price shows where home prices would be in the absence of market distortions. If actual home prices rise well above the Equilibrium Prices, they ALWAYS eventually come back down.

Job Growth Rate



Job Growth

In the past 12 months, jobs in this market have grown by 3.3%. This compares to a national increase of 1.5%

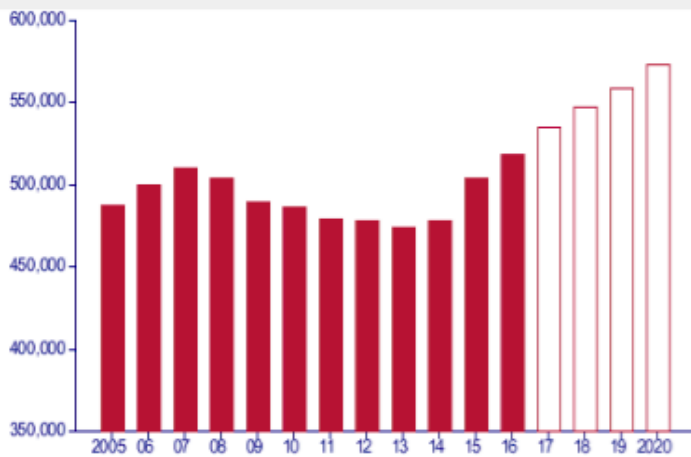
Job growth is our most immediate guide to the demand for housing. New jobs spur population in-migration while jobs regained in a recovery create new households. Investments are riskier when job growth is falling, less risky when job growth is strong

Owner-Occupied Housing Units

These include single-family homes and condos. Nationally, owner-occupancy peaked in 2005 at 69% and has steadily declined to less than 64%.

Owner-Occupied Housing Units

Orlando-Kissimmee-Sanford, FL Metro Area



Renter-Occupied Housing Units

These include apartments and single-family homes that are rented. Demand for rentals increased in many markets as home ownership became less desirable.

Renter-Occupied Housing Units

Orlando-Kissimmee-Sanford, FL Metro Area

