

REAL ESTATE INVESTMENT IN ORLANDO



Properties set within integrated resort environments in Orlando, the world's most famous theme park destination, are selling fast as investors capitalize on the benefits of professionally managed vacation home rentals.

With on-site family amenities such as waterparks, restaurants and shopping, home owners and guests benefit equally from their immediate environment, as well as being in reach of Florida's prime entertainment district.

Professional and highly experienced resort management companies also drive visitor numbers through vacation operators, thereby maximizing occupancy rates, boosting bookings throughout the seasons and raising income levels for home owners.

WHY ORLANDO?

As the theme park capital of the world, Orlando is a thriving tourism destination attracting visitors from across the globe. With significant healthcare, education and technology sectors, the broad-based, prospering local economy underpins a diverse and expanding community of 2.36 million residents. They live, work and retire in the Sun-Belt while also enjoying the area's global connectivity, excellent local infrastructure and continued investment. All these factors build a compelling rationale for investing in the local residential real estate market.

DYNAMIC LOCAL ECONOMY

With more than 68 million visitors in 2016, Orlando in Florida is the US' Number One family tourist destination with world-class entertainment, hospitality, sporting and conferencing facilities.

The tourism sector is an integral driver of the local economy, with ongoing investment in the area including Universal Orlando Resort's 2017 Volcano Bay water park and Walt Disney World Resort's upcoming World of Avatar. With its favourable business tax climate, Orlando is also home to the headquarters of numerous international corporations and associations. Boasting a dynamic business environment, new companies to the area contribute to the 3,500 new jobs created here each month. They attract new residents to the area, propelling population growth and generating demand for homes.



1 in 5 international visitors to the US comes to Florida

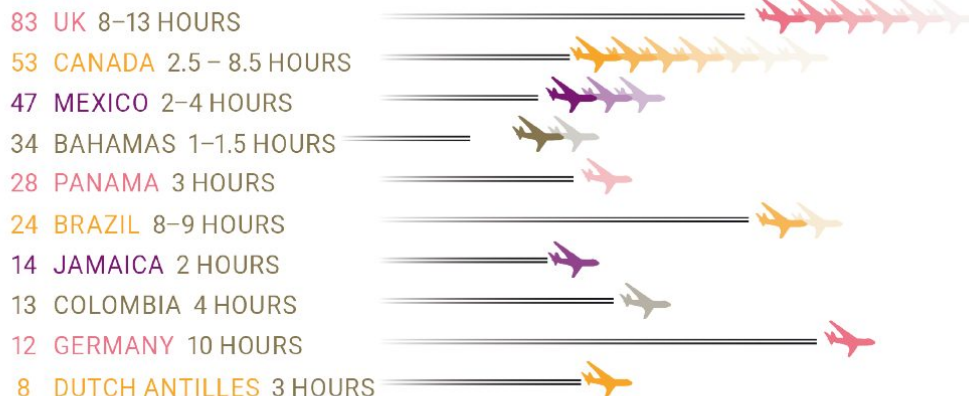
VISIT FLORIDA

CONTINUED INVESTMENT INTO ORLANDO

While already enjoying excellent local, regional and international connectivity, Orlando is also benefiting from \$9 billion in infrastructure construction. This includes the improvement of the Interstate Highway 'I-4', the expansions of both Orlando International Airport and Orlando Sanford International Airport, as well as commuter train, SunRail's new southern routes to include four new stations. Orlando is therefore firmly ranked in the Top 10 large US cities for infrastructure according to Foreign Direct Investment (fDi) Magazine, 2016.

Top 10 countries with most direct flights to Orlando

FLIGHTS PER WEEK | FLIGHT TIME



GREATER ORLANDO AVIATION AUTHORITY, ORLANDO SANFORD INTERNATIONAL AIRPORT. JUNE 2017

ORLANDO IN FIGURES



Florida is the 4th best state in the US for business tax climate

TAX FOUNDATION, 2015

4th



Florida is home to 3 US National Parks: Everglades, Biscayne and Dry Tortugas.

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Employment at Walt Disney World Resort

74,000

ORLANDO ECONOMIC PARTNERSHIP

Orlando's nicknames have included City Phenomenal and City of Light. It is currently known as The City Beautiful.

CITY OF ORLANDO



44%

Population growth 2000 - 2016
Orlando MSA
(Metropolitan Statistical Area)

US CENSUS BUREAU

ORLANDO BENEFITS FROM A BOOMING TOURISM SECTOR AND A FLOURISHING ECONOMIC ENVIRONMENT, PROVIDING AN IDEAL INVESTMENT CLIMATE.



THE US IN CONTEXT

1ST

With more than 1,250 courses, Florida has the most golf courses in the United States.

VISIT FLORIDA

2ND

With 75.6 million international tourists in 2016, the US is the **world's second most-visited country** after France with 82.6 million visitors.

UNWTO

1ST

When it comes to international visitor spend on accommodation, food, drink, entertainment and shopping, the US tops the global charts with **US\$205.9 billion in tourism receipts**.

UNWTO

7

Orlando is home to seven of the world's top theme parks.

VISIT ORLANDO

80%+

More than 80% of tourists staying in holiday homes have **visited the area more than three times**.

UCF 2016 SURVEY

450

NUMBER OF HOTELS IN ORLANDO.

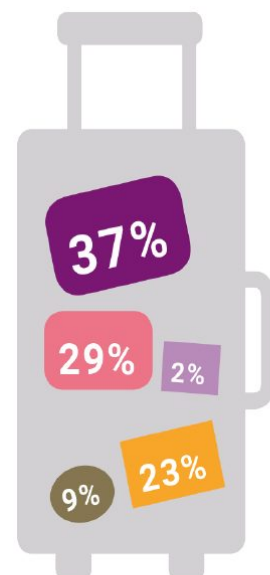
VISIT ORLANDO

DIVERSE VISITOR PROFILE

With a 59% rise in overseas visitors (and 27% growth in Canadian tourists) to Florida between 2009 and 2016, Orlando is set to profit from ever increasing levels of demand for visitor accommodation. Canada (3.79 million), followed by the UK (1.69 million) comprise the largest single source markets for visitors. However, accounting for 37% of all overseas tourists, Latin America as a region dominates the visitor profile, with Brazil, Argentina and Colombia leading the way. A 5% rise in visitors from the Asia / Oceania region was also recorded in 2016, led by a surge in Chinese visitors, up 7% annually to 312,000.

ORIGIN OF INTERNATIONAL TOURISTS VISITING FLORIDA 2016

- South America, Central America, Caribbean & Mexico
- Europe
- Canada
- Asia / Oceania
- Middle East / Africa



VISIT FLORIDA

FLORIDA 1ST FOR FOREIGN INVESTORS

Florida is the top destination for overseas residential investment in the US, accounting for US\$24.2 billion or 15% of home sales in 2017, according to the National Association of Realtors. The Orlando area follows Miami as the first choice for buyers. While Canadians comprise the single largest investor market and the UK is the third largest buyer source, as a region, Latin American and Caribbean buyers dominate the market (34% of all purchases). The median price paid by foreign buyers for Florida properties was US\$259,400 in 2017, with 72% paying with cash only.

Investment from Asia and Oceania has expanded from 3% of the Florida market in 2008 to 10% in 2017, with Chinese buyers alone accounting for 3% of purchases. Chinese overseas residential investment activity is also expected to rise this year as China, the world's second largest economy, adopts tax changes and OECD reporting practices.

RESIDENTIAL INVESTMENT

Home owners in Orlando can capitalize on rental demand from the region's rising number of affluent, long-stay visitors and expanding year-round business tourism sector. Orlando offers unrivalled global connectivity, in particular to key source markets in Latin America, North America and Europe. Properties within professionally managed resort environments, surrounded by high levels of on-site amenities and excellent services, also benefit from greater demand, price premiums and higher rates of occupancy.

SIGNIFICANT INCOME POTENTIAL

The opportunities for home owners to let their properties to Orlando visitors and generate revenue from their investments are ever more exciting. Investors seeking the best returns are turning to properties located in highly-amenitized resort environments with branded, well-known professional management companies. Respected and trusted operators with decades of experience in the US market, drive guest numbers via larger scale tour and vacation companies, ensuring strong demand for integrated resort homes.

Florida attracts more visitors who fall within the 'affluent family' and 'affluent mature' categories than the US as a whole,

and seek high quality vacation experiences. In a professionally managed resort environment, they gain all the comfort and space of home, with the advantage of leisure amenities and hospitality services on their doorstep. In-resort features such as water sports, restaurants, spas, golf, waterparks and children's activities benefit visitors seeking not only to experience Orlando's theme parks, but also to enjoy a longer stay in the resorts themselves. Those offering conferencing and business tourism facilities also boost occupancy in quieter leisure seasons. For home owners renting their properties, this means greater occupancy levels, a premium over other accommodation options and higher income levels.

"As one of America's foremost destinations, Orlando boasts a highly competitive hospitality sector. Differentiating the guest experience from the rest is therefore the key to driving demand. At Benchmark, we ensure a stay that is personalized to the guest with flexible and uniquely spacious suites, entertainment and activities that are tailored to their individual requirements, and full staff and services to accommodate guests' needs.

Professional management solutions are therefore essential to optimizing guests' experiences in both the leisure and group travel markets. In return, this enables home owners to capitalize on their investment".

Bill Lee, Benchmark Hospitality International

ORLANDO IN FIGURES



Florida has a higher average hotel occupancy rate than the US as a whole: 72% in 2015, compared to 65.6% nationally

VISIT FLORIDA



16.9% of housing stock is for seasonal, recreational or occasional use in Osceola County

2010 US CENSUS

22% of all foreign buyers investing in US residential property chose Florida in 2016

NAR



'Proximity to theme parks and attractions' is the prime motivating factor in choosing a vacation home

UCF SURVEY



73.5% average occupancy rate of properties under property management operations in the Osceola / Kissimmee area

US CENSUS BUREAU

ORLANDO HAS BENEFITED FROM SIGNIFICANT HOUSE PRICE GROWTH IN THE LAST FIVE YEARS WITH LOCATIONS AROUND THE MOST VISITED THEME PARKS ATTRACTING THE HIGHEST PRICE PREMIUMS AND GREATEST INVESTMENT ACTIVITY.

INVESTOR OPPORTUNITIES

In the first three quarters of 2017, more than 42,800 homes were sold across the Orlando region. Demand is increasing with sales volumes up 5.8% compared to the same period last year (January to August), and investors have already benefited from 62% capital appreciation in the Orlando region over the last five years.

Orange County, home to Walt Disney World commands a 17% price premium over average prices within the Orlando region, with an average price of US\$282,135 achieved in 2017 (to August). Popular among local residents, vacation home buyers and investors seeking to let their properties, Orange County is also where most transactions take place, accounting for more than a third (35%) of all sales in the region so far in 2017.

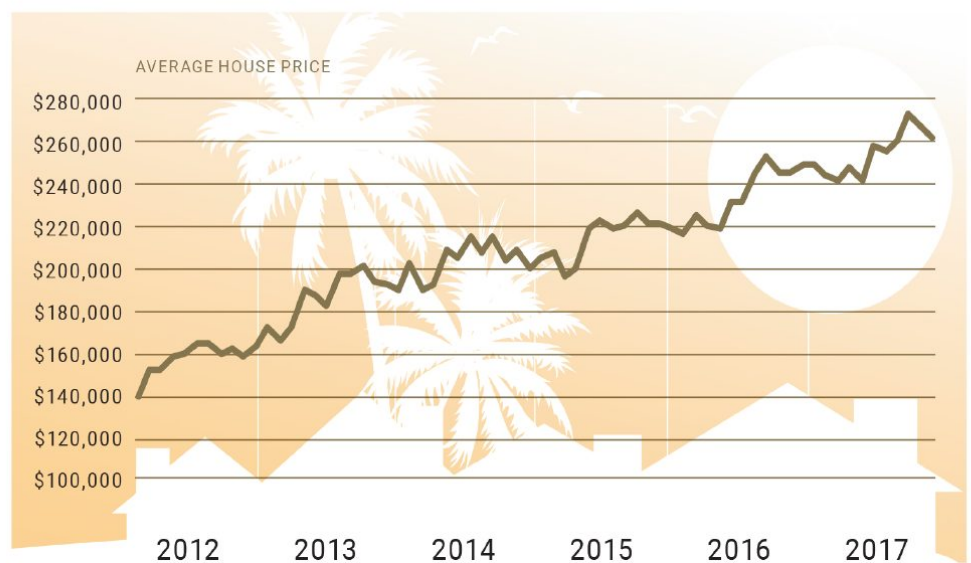
Disney World is the top theme park visited, followed by Universal and SeaWorld.

EXPERIENCE KISSIMMEE

63.2%

Neighboring Osceola County, which is also home to the world famous theme park, accounted for a further 12% of sales in the same time period, although values here are typically 6% below the regional average.

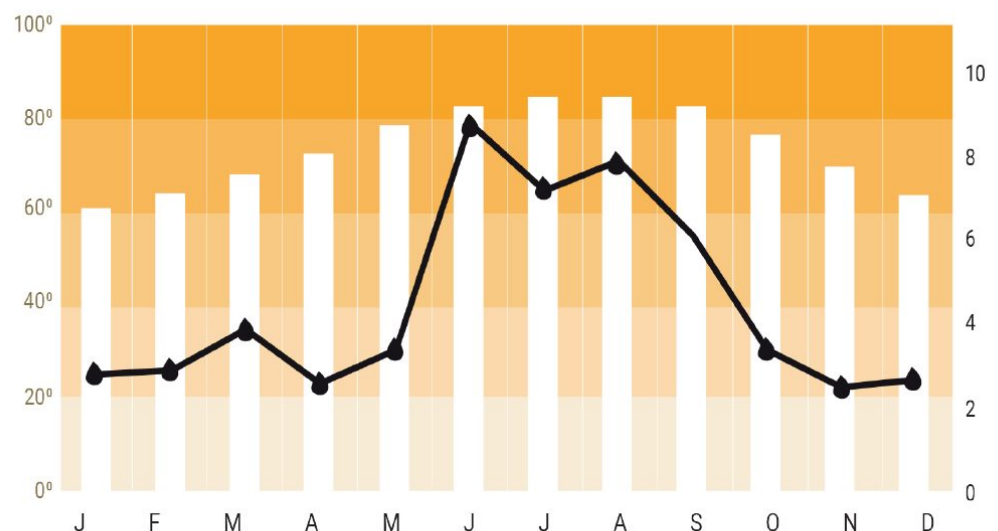
PRICES ACROSS ORLANDO HAVE RISEN STEADILY OVER THE PAST FIVE YEARS



ORLANDO REGIONAL REALTOR ASSOCIATION, 2017

ORLANDO IS A YEAR ROUND DESTINATION

AVERAGE TEMPERATURE (FAHRENHEIT) ● AVERAGE RAINFALL (INCHES)



ORLANDO IN CONTEXT

Florida is the first choice of all the US states for overseas property investors. With the housing market gathering momentum at both national and regional level, investors are seizing the opportunity to capitalize on rising values as well as income returns in hotspots such as Orlando. In contrast to other major US cities, Orlando is also a price accessible location to invest and live in, making it attractive for investors, vacation home buyers and retirees.

UNIVERSAL APPEAL

Orlando house price growth has been outstripping the national average, recording 10% annual growth in the first quarter (Q1) of 2017, compared to 7% across the US as a whole in the same period. Orlando prices are also much more accessible than other major US cities. In June 2017, Orlando's median house price was recorded at US\$230,000, while San

Francisco Metropolitan Statistical Area (MSA) was 3.5 times more expensive and Miami MSA was 38% pricier.

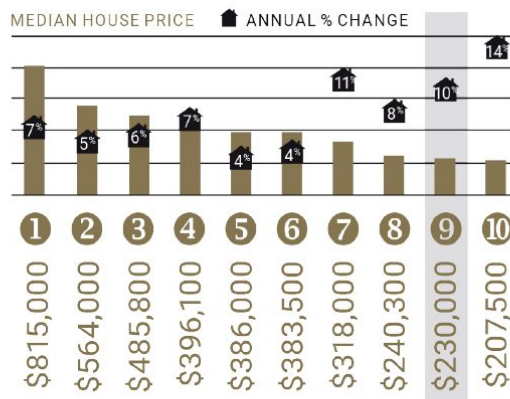
Living in Orlando is also more cost-effective than other major cities. While life in New York is on average 2.3 times more expensive than the national average, in Orlando, grocery, housing and transportation costs are typically 4% below.

Spent by
visitors on
average per
day in 2015



VISIT FLORIDA

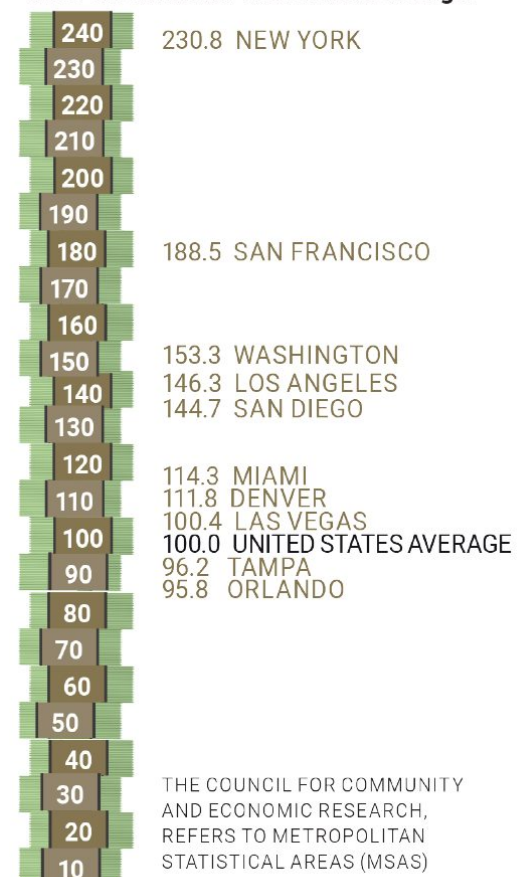
ORLANDO IS LESS EXPENSIVE TO INVEST



- 1 SAN FRANCISCO-OAKLAND-HAYWARD, CA
- 2 SAN DIEGO-CARLSBAD, CA
- 3 LOS ANGELES-LONG BEACH-GLENDALE, CA
- 4 DENVER-AURORA-LAKEWOOD, CO
- 5 NEW YORK-NEWARK-JERSEY CITY, NY-NJ-PA
- 6 WASHINGTON-ARLINGTON-ALEXANDRIA, DC-VA-MD-WV
- 7 MIAMI-FORT LAUDERDALE-WEST PALM BEACH, FL
- 8 LAS VEGAS-HENDERSON-PARADISE, NV
- 9 ORLANDO-KISSIMMEE-SANFORD, FL
- 10 TAMPA-ST. PETERSBURG-CLEARWATER, FL

ORLANDO LIFE IS CHEAPER

Index of living costs (2016). Numbers less than 100 are below the national average.



THE COUNCIL FOR COMMUNITY AND ECONOMIC RESEARCH, REFERS TO METROPOLITAN STATISTICAL AREAS (MSAS)

SOLID HOUSE PRICE GROWTH ACROSS THE US,
COUPLED WITH ITS REPUTATION AS A SAFE,
STABLE AND TRUSTED DESTINATION SUPPORT
INVESTOR CONFIDENCE IN THE MARKET.

THE US IN GLOBAL CONTEXT

In the last five years, the US has recorded 34% house price growth, substantially above the performance of many European markets that continue to be in downturn. While not as fast-paced as some emerging markets, the perception of the US as safe and secure, with trusted legal and banking sectors

are factors which attract overseas property buyers.

There are fewer barriers to investment than in other countries such as the UK's recent adoption of a 3% additional taxation surcharge on second homes. Based on the average price of a property sold in the UK, this adds an additional £7,000 in property taxation.

**Non-stop
worldwide
destinations
to / from
Orlando's two
international airports**



175+

ORLANDO ECONOMIC PARTNERSHIP

FIVE-YEAR HOUSE PRICE CHANGE

SELECTED COUNTRIES

80% AND OVER 60%–80% 30%–60% 0%–30% -30%–0%

