

CONSTRUCTION ACTIVITY



UNDER CONSTRUCTION **14,997**

UNITS DELIVERED (YTD) **1,884**

MARKET FUNDAMENTALS



VACANCY RATE **8.0%**

YEAR-OVER-YEAR CHANGE **+100bps**

ASKING RENTS **\$1,687**

YEAR-OVER-YEAR CHANGE **-1.1%**

TRANSACTION ACTIVITY (YTD)



MEDIAN PRICE PER UNIT **\$257,100**

TAMPA MULTIFAMILY Q1 2026

MARKET INSIGHTS

Large deals drive first-quarter sales volume

HIGHLIGHTS

- The multifamily market started 2026 navigating a supply cycle that appears more prolonged than earlier forecasts suggested. While first-quarter deliveries fell 40% from the prior year, units under construction jumped 21%, signaling that supply pressure is likely to persist through 2026.
- Vacancy held flat from the prior quarter at 8.0%, though the rate is up 100 basis points year over year. Performance ranged widely across individual submarkets.
- Asking rents declined, falling 1.3% from the prior quarter to \$1,687 per month. Year over year, rents declined 1.1% as operators compete for tenants.
- Transaction volume in the first quarter reached its highest first-quarter level since 2022. The year-to-date median sale price climbed to \$257,100 per unit, up 39% from 2025, driven by a higher share of newer-vintage, quality asset trades.

TAMPA MULTIFAMILY MARKET OVERVIEW

Tampa's multifamily market entered 2026 with a clearer view of ongoing supply-side pressures. Vacancy held steady from the prior quarter, though that stability masks an environment adjusting to elevated delivery expectations. The development pipeline expanded 21% year over year to nearly 15,000 units, marking a reversal of the contraction trend recorded through much of 2025. With a higher volume of units scheduled for delivery and demand remaining positive but lagging new supply, expectations have shifted toward modest upward pressure on vacancy. Labor market conditions have softened, with employment declining for the first time since 2021 as Tampa employers shed approximately 5,000 positions, reflecting a moderation in hiring momentum rather than a sharp contraction. At the same time, rent performance has adjusted, with asking rents falling 1.3% in the first quarter, the largest quarterly decline since late 2023. Concessions remain widespread, primarily in Class C properties, as operators continue to prioritize occupancy.

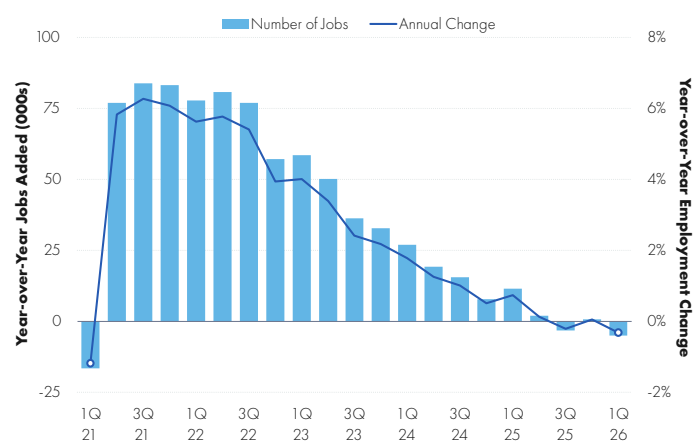
Multifamily investment activity in Tampa remained active during the first quarter, with transaction volume reaching approximately \$372 million, up 78% year over year and marking the strongest first-quarter performance since 2022. Activity was largely supported by two sales exceeding \$100 million, which accounted for a significant share of total volume. The median sale price rose to \$257,100 per unit, though the increase was driven primarily by the composition of trades. Several of the quarter's largest transactions involved newer-vintage Class A properties, including assets built within the last decade, highlighting investor preference for high-quality product. Pricing remained segmented by asset age and location, with newer communities commanding a substantial premium over older properties. First-quarter cap rates ranged from 4.2% to 5.7% across disclosed deals, with newer Class A assets trading in the mid-4% range and older suburban properties trading in the mid to upper 5% range.

EMPLOYMENT

- Tampa employment lost ground in recent months after generally trending higher from 2021 to early 2025. Total employment contracted by 5,000 positions year over year, a decrease of 0.3%.
- Nearly every sector in Tampa recorded annual job losses. Education and health services was the main exception, adding 7,900 jobs for a 3.1% increase, while professional and business services posted modest growth of 0.2%, or 500 workers.
- Gasworx, a 50-acre mixed-use development connecting Ybor to downtown Tampa, reached a major milestone with the topping out of a six-story, 145,000-square-foot office building. The building will serve as Grow Financial's headquarters, bringing hundreds of workers to downtown Tampa.
- FORECAST:** Despite a first-quarter contraction, employment is expected to grow 0.8% in 2026, adding 12,400 jobs. The outlook rests on a diversified economy spanning finance, healthcare, defense, logistics, and tourism.

Education and health services added 7,900 jobs.

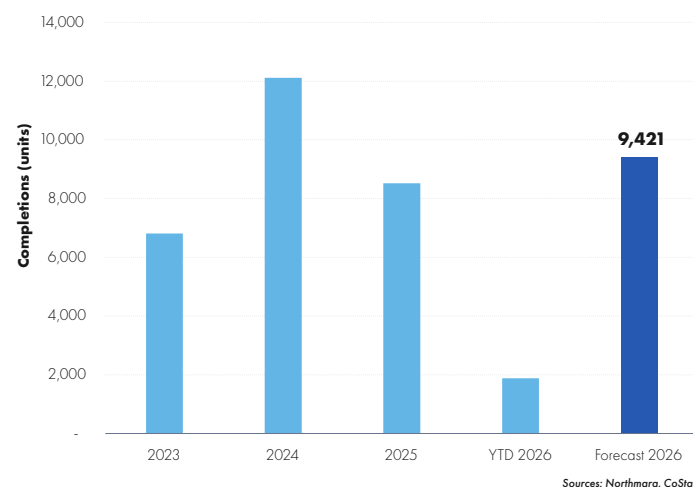
EMPLOYMENT OVERVIEW



Sources: Northmarq, Bureau of Labor Statistics

The development pipeline expanded to begin the year.

DEVELOPMENT TRENDS



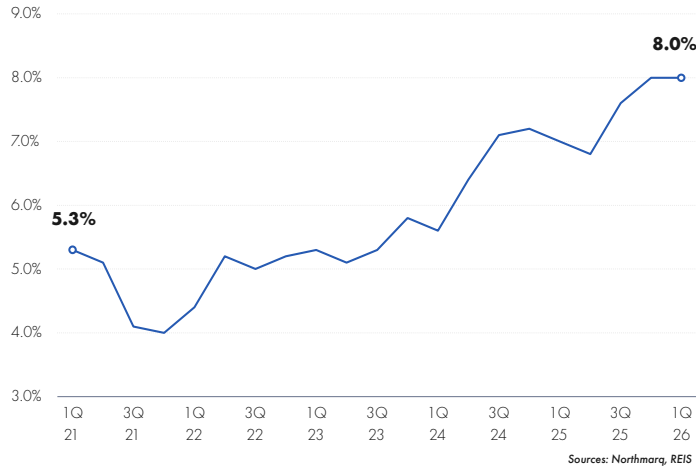
Sources: Northmarq, CoStar

DEVELOPMENT & PERMITTING

- Completions were modest to begin the year as development continues to slow from the peak levels of 2024. Deliveries totaled approximately 1,900 units during the first quarter, down nearly 40% from the same period one year ago.
- After contracting in 2025, the development pipeline expanded to begin the year as starts picked up. Projects totaling roughly 15,000 units were under construction as of the end of the first quarter, up 21% from one year ago.
- Developers pulled permits for 1,100 multifamily units in the first quarter, down 41% from the same period last year. Full-year permitting is estimated to total 4,500 units, more conservative than the 8,800 units authorized in 2025 and closer to historical averages.
- FORECAST:** Deliveries are forecast to total approximately 9,400 units in 2026, keeping new supply elevated for another year. The sharp pullback in permitting points to a thinner pipeline ahead, with completions likely to slow after 2026.

Vacancy held flat during the first quarter at 8.0%.

VACANCY TRENDS



VACANCY

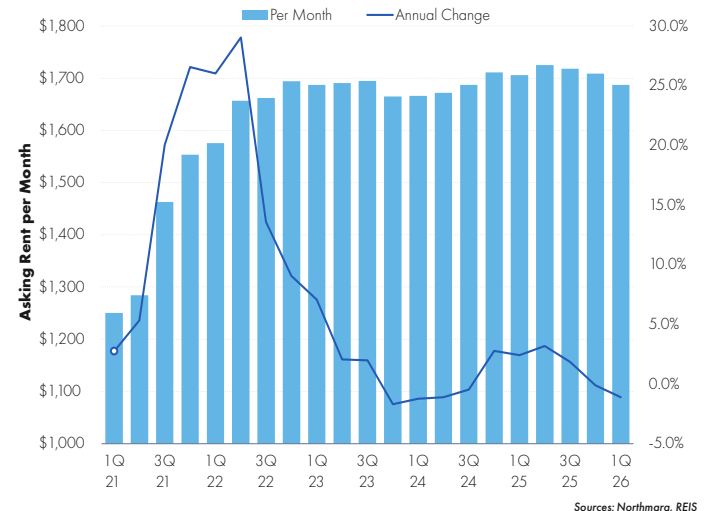
- After climbing through the second half of 2025, the vacancy rate held flat during the first quarter at 8.0%, up 100 basis points year over year. While the regional rate was steady this quarter, several submarkets recorded notable swings over the past year.
- In both the Clearwater and North Pinellas submarkets, the vacancy rate increased 240 basis points during the past year to 8.1% and 6.1%, respectively. The Pinellas Beaches submarket recorded an annual decline of 320 basis points to 9.0%.
- Vacancy in stabilized Class A assets increased 20 basis points annually to 9.7%, while Class B and Class C vacancy increased 80 basis points to 6.0%. The largest year over year vacancy improvement was recorded in the Class A segment of Central Tampa, falling 230 basis points to 10.5%.
- **FORECAST:** Vacancy is forecast to increase 40 basis points in 2026 to 8.4%, as elevated new supply outpaces demand. Barring a surprise surge in demand, a meaningful decline is unlikely until deliveries slow beyond 2026.

RENTS

- Posting a third consecutive quarterly decline, asking rents fell 1.3% to \$1,687 per month. Apartment rents in Tampa declined 1.1% year over year as operators compete for occupancy.
- The University South submarket led local rent growth, posting a 3.2% year-over-year increase to \$1,209 per month. Central St. Petersburg followed at 0.7%, reaching \$2,160 per month, while the North Pinellas fell 4.6% to \$1,606 per month.
- The Class A segment in Tampa recorded an annual rent decline of 1.3%, falling to an average of \$2,038 per month, while the Class B and Class C segment declined 1.0% to \$1,271 per month. Class A assets currently make up 54% of market inventory.
- **FORECAST:** Even as new supply continues to hit the market and vacancy ticks up, asking rents are forecast to hold flat in 2026, closing the year at roughly \$1,710 per month, essentially unchanged from year-end 2025.

The University South submarket led local rent growth.

RENTS TRENDS

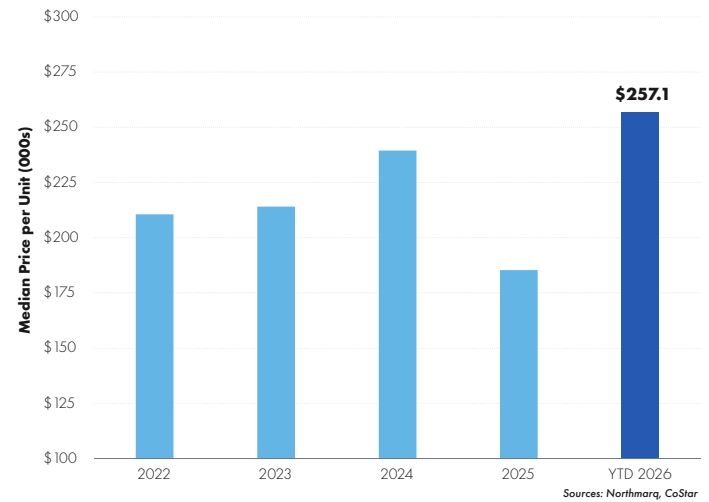


MULTIFAMILY SALES

- Sales volume in the first quarter reached approximately \$372 million, up 78% year over year. Two transactions topped \$100 million, accounting for much of that total, compared with just four deals of that size in all of 2025.
- First-quarter multifamily pricing came in well above recent periods, with a median sale price of \$257,100 per unit, up 39% from 2025. That jump reflects the sales mix rather than a broad rise in values, as a greater share of deals were newer Class A assets.
- Cap rates ticked higher during the past year, settling in the range of 5.25% to 5.75%. Within first-quarter transactions, cap rates ranged from 4.2% to 5.7% across disclosed deals, with newer Class A assets trading in the mid-4% range and older suburban properties trading in the mid to upper 5% range.

The first quarter median sale price was \$257,100 per unit.

INVESTMENT TRENDS



RECENT TRANSACTIONS MULTIFAMILY SALES ACTIVITY

PROPERTY NAME	STREET ADDRESS	YEAR BUILT	UNITS	SALES PRICE	PRICE/UNIT
Beacon 430	4303rd Ave S., Saint Petersburg	2014	327	\$131,000,000	\$400,612
Marlowe South Tampa	7210 Interbay Blvd., Tampa	2024	350	\$100,500,000	\$287,143
Niche at North Hyde Park	1116 W Carmen St., Tampa	2024	251	\$57,000,000	\$227,092
Summit West	11500 Summit West Blvd., Tampa	1972	266	\$36,400,000	\$136,842

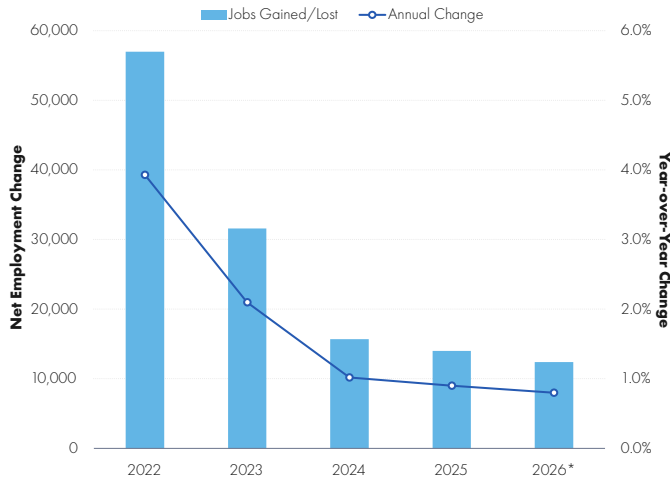
LOOKING AHEAD

The operating outlook for Tampa has shifted meaningfully from what was anticipated entering the year. With 15,000 units under construction at the end of the first quarter, above prior estimates, and full-year deliveries forecast at 9,400 units, the supply-demand imbalance is expected to persist through at least 2026 before relief emerges. Permitting activity offers a longer-term signal; first-quarter permits fell 41% from the prior year, and the full-year pace points toward a more decisive supply slowdown beyond 2026.

Employment is expected to recover from its first-quarter contraction, supported by a diversified economic base. Grow Financial Credit Union's anchor commitment at Gasworx, where construction recently topped out, is the kind of corporate investment that sustains long-term renter demand in urban core submarkets. Near-term, however, vacancy is expected to climb to 8.4% and rents to hold at \$1,710 per month, limiting operators' upside for the rest of the year.

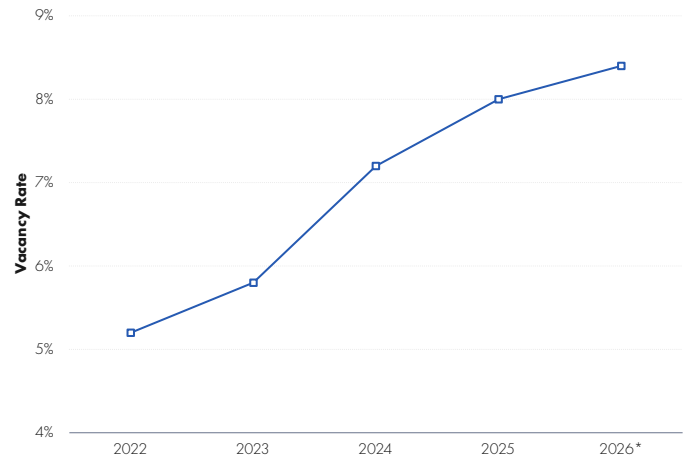
Investment activity should continue to build through 2026, helped by the seasonal push in the third and fourth quarters and by investors looking past current weakness toward the lighter supply pipeline expected in 2027 and 2028. Private and institutional capital should remain active on both sides of the market, with operators viewing soft operating fundamentals as both a potential entry and exit point. Cap rates have ticked higher over the past year, to 5.25% to 5.75%, and while vacancy and rents remain a headwind, well-located assets may hold pricing better than the broader market. If cap-rate movement stays contained, owners who have held through the downturn could begin testing the market, lifting volume into year-end. The clearest basis for optimism is supply itself. With first quarter permits down 41% year over year, 2027 and 2028 deliveries should fall well below the current cycle, giving capital reason to position ahead of recovery.

EMPLOYMENT FORECAST



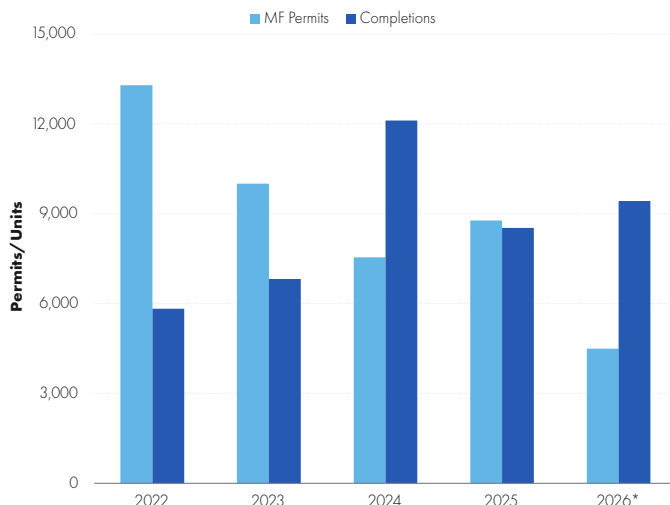
* Year End Forecast
Sources: Northmarq, Bureau of Labor Statistics

VACANCY FORECAST



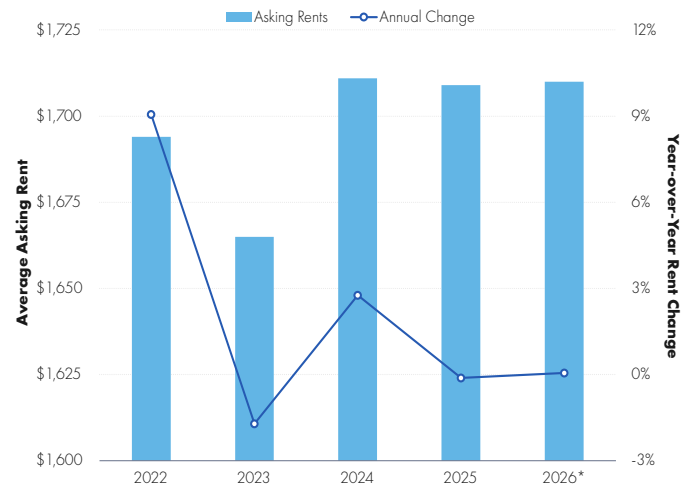
* Year End Forecast
Sources: Northmarq, REIS

CONSTRUCTION & PERMITTING FORECAST



* Year End Forecast
Sources: Northmarq, CoStar, Census Bureau

RENTS FORECAST



* Year End Forecast
Sources: Northmarq, REIS



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