

CONSTRUCTION ACTIVITY



UNDER CONSTRUCTION **12,890**

UNITS DELIVERED (YTD) **4,506**

MARKET FUNDAMENTALS



VACANCY RATE **6.8%**

YEAR-OVER-YEAR CHANGE **+40bps**

ASKING RENTS **\$1,725**

YEAR-OVER-YEAR CHANGE **+3.2%**

TRANSACTION ACTIVITY (YTD)



MEDIAN PRICE PER UNIT **\$187,000**

TAMPA MULTIFAMILY
2Q 2025

MARKET INSIGHTS

Rent growth fueled by ongoing demand

HIGHLIGHTS

- Shifts in multifamily operating conditions in Tampa remained positive during the second quarter, with vacancy conditions improving and asking rents continuing to trend higher. The pace of deliveries remains elevated compared to historical norms, but supply growth has tapered off from peak levels recorded in 2024.
- After rising rapidly in the last nine months of 2024, vacancy has trended lower in consecutive quarters to start 2025. The vacancy rate decreased by 20 basis points during the past three months to 6.8%. Year over year, the vacancy rate is up by 40 basis points.
- Asking rents in Tampa trended higher for the sixth consecutive quarter, rising 0.2% during the second quarter to \$1,725 per month. During the past 12 months, local asking rents have increased by 3.2%.
- The pace of multifamily sales in Tampa accelerated in recent months, bringing total transaction volume during the first half of this year in line with the first half of 2024. Year to date, the median sale price is \$187,000 per unit at an average cap rate of 5.5%.

TAMPA MULTIFAMILY MARKET OVERVIEW

Following improvements during the opening months of the year, the Tampa multifamily market continued to record positive shifts in operational performance. The recovery in operating conditions was driven by elevated demand for apartments in the area. Over the past 12 months, there have been net move-ins for approximately 10,000 units in Tampa. This supported the recent improvement in vacancy and softened the impact of the peak levels of supply growth recorded in 2024. There was also a dip in the number of units delivered in the second quarter, with just 1,400 units coming online compared to more than 3,100 in the opening months of the year. This dip may be attributed to the impact that Hurricane Milton had on the construction pipeline, suppressing the rapid pace of deliveries that the market recorded last year. This slowdown, combined with high demand, gave operators room to continue to increase rents, though at a slower rate than they did in recent periods.

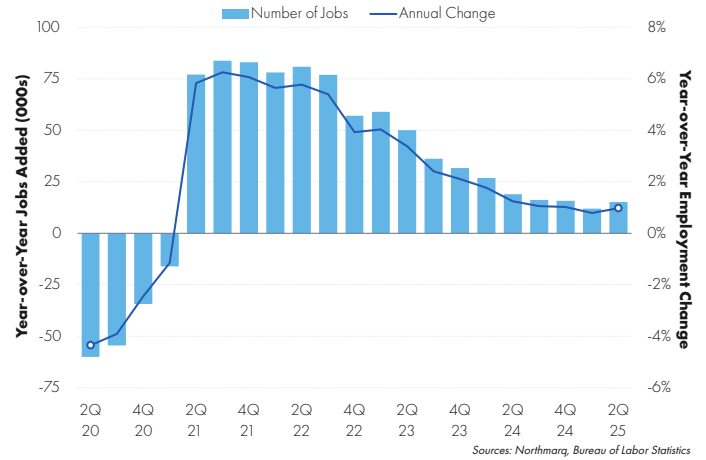
The multifamily investment sales market in Tampa posted increased activity in recent months. While there was a slow start to the year, the accelerated pace of transactions during the second quarter brought the total number of trades to this point in the year in line with the same period during 2024. Still, activity is down from pre-2023 levels. The largest share of activity has been in the Central Pinellas County area, which contains 31% of all sales this year. Pricing has trended lower in recent quarters. Year to date, the median price is \$187,000 per unit, down 22% from 2024. This reduction in pricing was primarily driven by Class B sales. Middle-tier assets have accounted for 40% of transactions thus far in 2025, but the median price for Class B properties to this point in the year is down 27% from 2024. Pricing in lower-tier assets also trended lower, but at a less extreme rate. Although pricing is down for Class B and Class C properties, Class A assets are trading at a premium while also accounting for roughly 40% of all sales to this point in the year. The median price for top-tier assets is \$298,500 per unit year to date, up 16% from last year.

EMPLOYMENT

- Employment growth in Tampa remains light compared to the faster pace of expansion recorded in recent years. Over the past 12 months, employers added 15,100 jobs, increasing payrolls by 1.0%.
- Payroll expansion was recorded in nearly every major employment sector. Retail trade was one of the leading sources of new employment. Year over year, employers in this industry hired 2,300 new workers, an increase of 1.4%.
- Employment gains in the leisure and hospitality sector also began to pick up in recent periods. Year over year, employment in this sector rose by 2,600 positions, increasing payrolls by 1.5%.
- **FORECAST:** Employment growth is expected to maintain the current pace throughout the remainder of the year. Employers are forecast to expand payrolls by 1.0% in 2025, filling roughly 15,000 new positions in the area.

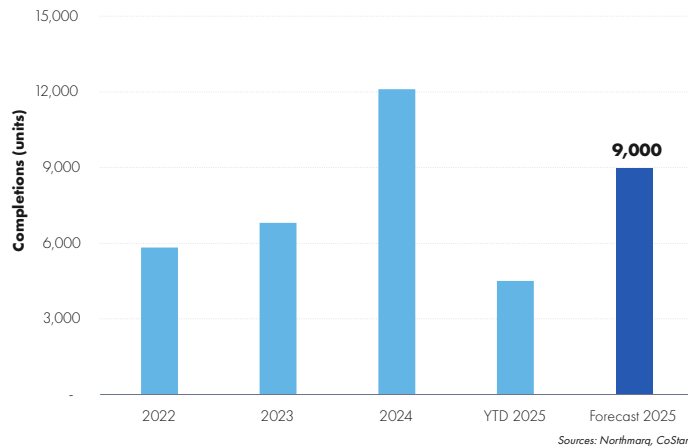
Over the past 12 months, employers added 15,100 jobs.

EMPLOYMENT OVERVIEW



Year to date, approximately 4,500 units have come online.

DEVELOPMENT TRENDS

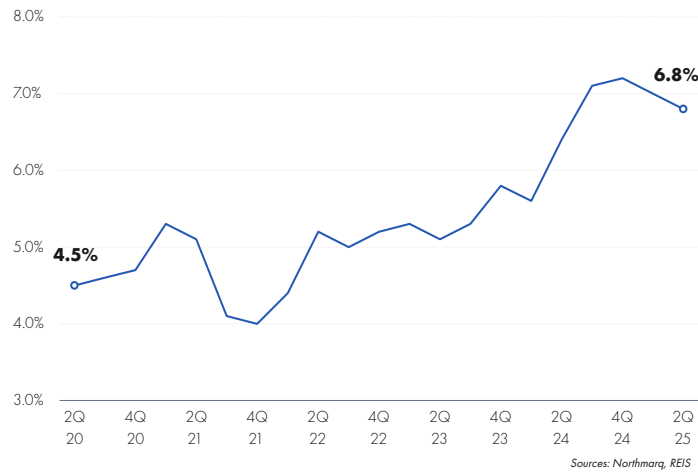


DEVELOPMENT & PERMITTING

- The pace of multifamily deliveries has slowed to this point in the year following peak completions in 2024. Year to date, approximately 4,500 units have come online, down 38% from the same period of last year. While this is down from the first half of 2024, it is elevated compared to historical averages.
- The construction pipeline has expanded in recent months. There are roughly 12,900 units currently under construction, up 15% from one year ago. The greatest concentration of construction is in Downtown Tampa where projects totaling roughly 2,600 units have broken ground.
- Multifamily permitting has picked up in recent months. Developers pulled permits for more than 2,600 units during the second quarter, up 38% from the previous three months. Year to date, permitting is closely tracking levels recorded during the same period of 2024.
- **FORECAST:** The pace of multifamily deliveries set during the first half is expected to continue through the end of the year. In total, roughly 9,000 units are on pace for completion in 2025, down 25% from last year, but still representing a sizable addition to area inventory levels.

Vacancy decreased by 20 basis points to 6.8%.

VACANCY TRENDS



VACANCY

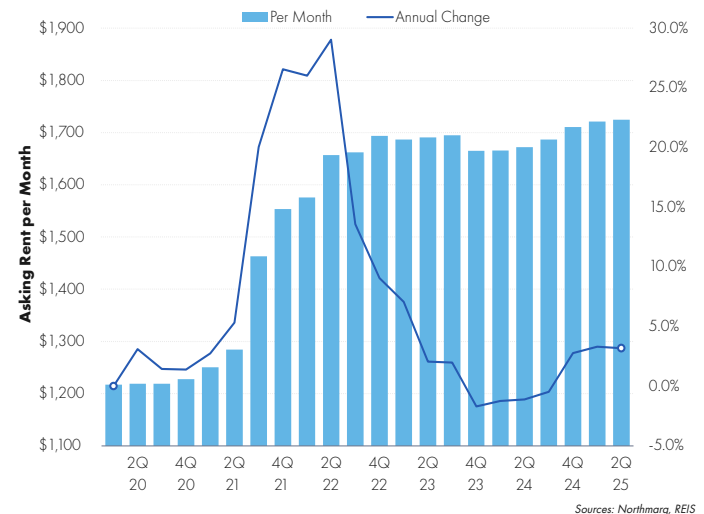
- The vacancy rate in Tampa has trended lower during the first half after rising in most of 2024. During the past three months, local vacancy decreased by 20 basis points to 6.8%. Year over year, the vacancy rate is up 40 basis points.
- While vacancy shifts were mixed across submarkets, some areas posted substantial improvements in recent periods. During the past 12 months, the vacancy rate in Pasco County dropped 370 basis points to 11.7%.
- Absorption during the first six months of 2025 reached its strongest total in Tampa since the first half of 2021. Since the beginning of the year, there have been net move-ins for roughly 4,300 units in the area.
- FORECAST:** The current trend of tightening vacancy should continue through the end of the year, though further improvements will likely be modest. In 2025, the vacancy rate is forecast to decrease by 60 basis points to 6.6%.

RENTS

- Rents in Tampa inched higher during the second quarter, rising by 0.2% to \$1,725 per month following greater gains in prior periods. Year over year, asking rents in Tampa increased by 3.2%.
- The Central Tampa submarket, the most expensive submarket in the region, led local rent growth with a 5.2% year-over-year increase, reaching \$2,557 per month.
- Pasco County trailed close behind Central Tampa in rent growth. Rents in this submarket are currently \$1,677 per month, up 4.9% annually. This follows a slight dip in rents in this submarket from 2023 to 2024.
- FORECAST:** Asking rents are expected to rise in the second half, though total rent growth in 2025 should still lag 2024 levels. By the end of the year, asking rents in Tampa are forecast to reach roughly \$1,750 per month, an annual increase of 2.5%. Last year, rents advanced by 3.4%.

Year over year, asking rents in Tampa increased by 3.2%.

RENTS TRENDS

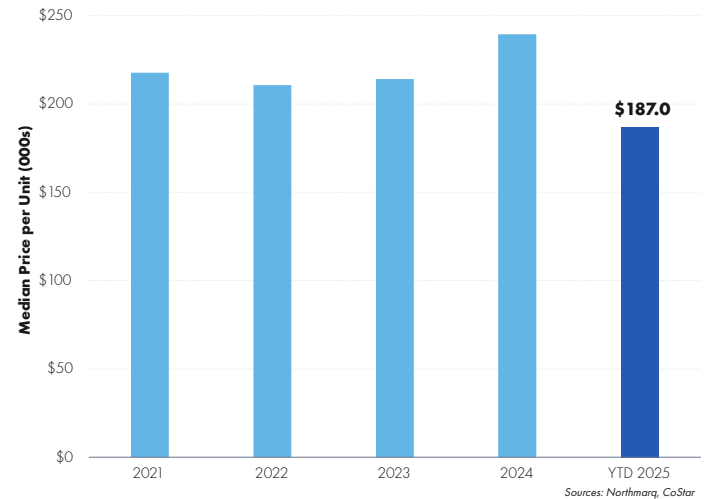


MULTIFAMILY SALES

- Transaction activity picked up during the second quarter, bringing the total number of sales in the first half of 2025 in line with the first half of 2024. Sales in 2023 were especially light. There have been more than twice as many sales during the first six months of this year than in the first six months of 2023.
- Multifamily pricing is down compared to recent years. Year to date, the median sale price is \$187,000 per unit, down 22% from last year.
- Cap rates on multifamily sales in Tampa have averaged roughly 5.5% from early 2024 through the second quarter of 2025. This reflects an increase of 50 to 100 basis points compared to early 2023.

Year to date, the median sale price is \$187,000 per unit.

INVESTMENT TRENDS



RECENT TRANSACTIONS MULTIFAMILY SALES ACTIVITY

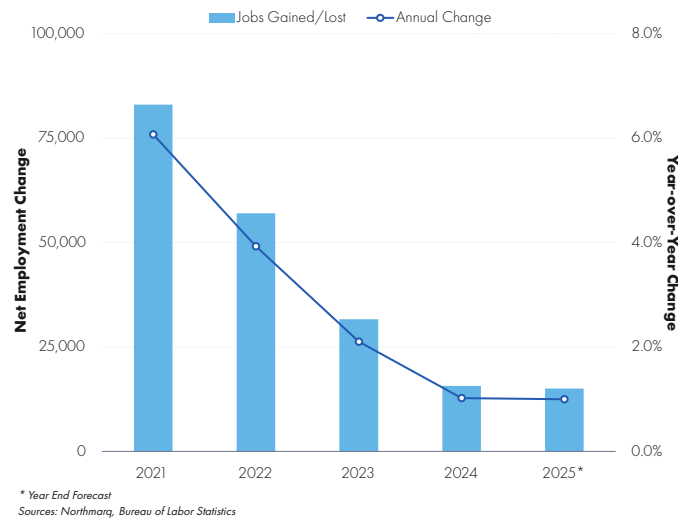
PROPERTY NAME	STREET ADDRESS	YEAR BUILT	UNITS	SALES PRICE	PRICE/UNIT
Camden Clearwater	19355 US Highway 19 N., Clearwater	2020	360	\$139,000,000	\$386,111
Windsor Central Arts	151 7th Sreet S., Saint Petersburg	2017	348	\$104,460,000	\$300,172
Amelia at Westshore	6608 South West Shore Blvd., Tampa	2013	246	\$73,000,000	\$296,748
The Brady at Tampa Palms	5100 Live Oaks Blvd., Tampa	1988	770	\$97,000,000	\$125,974

LOOKING AHEAD

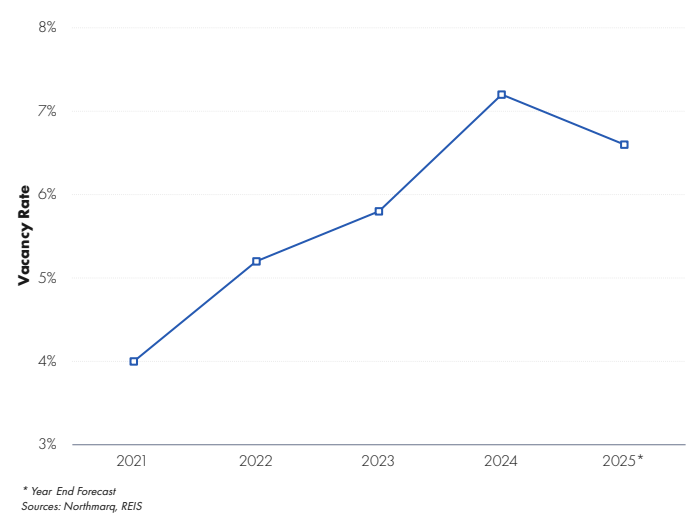
The Tampa multifamily market is poised to maintain its recent trajectory throughout the remainder of the year. Sustained demand should continue to allow for improving operational performance. For the full year, renter demand is expected to outpace deliveries for the first time since 2021. Vacancy is expected to close 2025 at 6.6%, down 60 basis points annually. This would end three consecutive years of the rate trending higher. Asking rents are expected to gain ground, but annual growth will likely be below long-term levels. Beyond the next six months, supply growth is expected to taper off again in 2026, which could lead to stronger rent gains. Strong absorption levels in Pasco County should continue in the coming quarters, leading to further vacancy improvement and rent growth.

Stabilizing multifamily market conditions in Tampa should keep transaction activity elevated through the second half of 2025. While sales activity for the full year is expected to exceed levels recorded in 2024, total sales will likely lag historic metrics. There could be an uptick in activity in the North Tampa submarket, as this area usually contains some of the strongest activity levels in the region. However, the Central Pinellas submarket is projected to remain the leading area for multifamily sales activity in Tampa this year. A majority of publicly listed properties are Class B and Class C assets, which will likely dilute the share of Class A properties in the transaction mix. Cap rates are not expected to record significant movement this year, falling within the same range that they have remained in since early 2024.

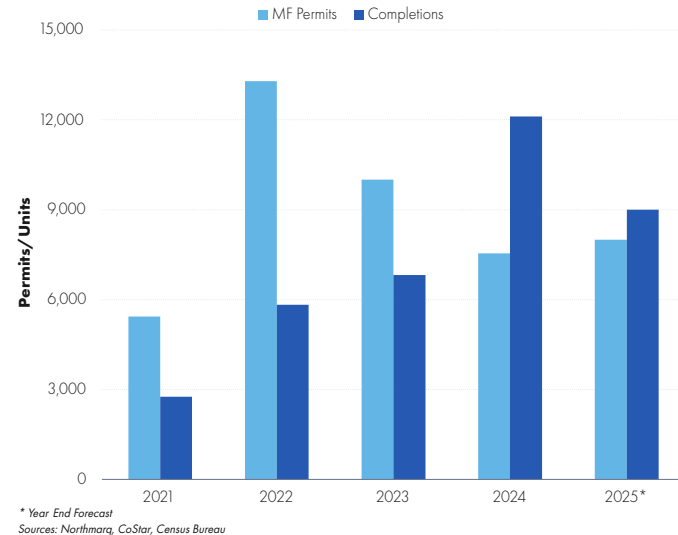
EMPLOYMENT FORECAST



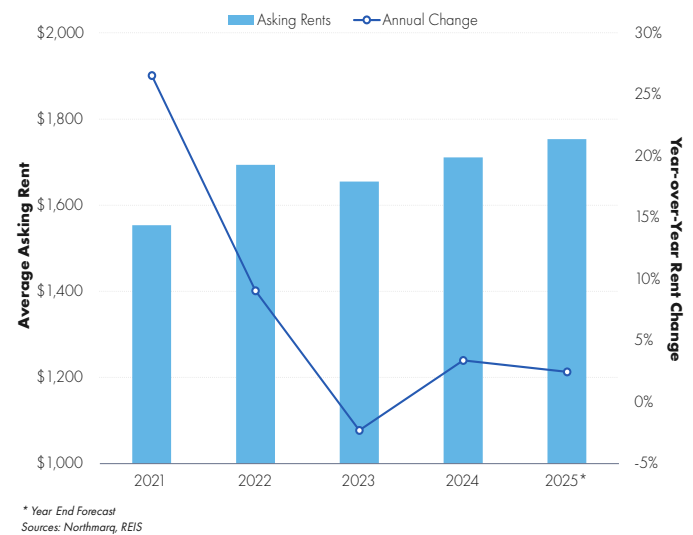
VACANCY FORECAST



CONSTRUCTION & PERMITTING FORECAST



RENTS FORECAST





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