

# Sales activity regains momentum to close 2025

## CONSTRUCTION ACTIVITY



UNDER CONSTRUCTION **11,815**

UNITS DELIVERED (YTD) **8,525**

## MARKET FUNDAMENTALS



VACANCY RATE **8.0%**

YEAR-OVER-YEAR CHANGE **+80bps**

ASKING RENTS **\$1,709**

YEAR-OVER-YEAR CHANGE **-0.1%**

## TRANSACTION ACTIVITY (YTD)



MEDIAN PRICE PER UNIT **\$185,400**

TAMPA MULTIFAMILY  
Q4 2025

## HIGHLIGHTS

- Operating conditions in Tampa softened through the second half of the year, with vacancy trending higher and a dip in asking rents offsetting earlier gains. New multifamily construction has eased from 2024 peak levels.
- After improving by 40 basis points in the first half of 2025, vacancy trended higher through the second half. The vacancy rate increased by 40 basis points during the fourth quarter to 8.0%. Year over year, vacancy is up 80 basis points.
- Asking rents in Tampa began 2025 with positive growth but lost momentum midyear. Average rent fell 0.5% during the fourth quarter to \$1,709 per month. Year over year, average asking rents declined 0.1%.
- Multifamily sales in 2025 kept pace with 2024, but a slow third quarter pushed annual transaction volume down 22% by year-end. In 2025, the median sale price was \$185,400 per unit, with an average cap rate of 5.7%.

## TAMPA MULTIFAMILY MARKET OVERVIEW

The Tampa multifamily market posted divergent performance in the two halves of 2025. Rents and vacancies improved during the first two quarters as renter demand fueled the lease-up of units delivered during the 2024 supply surge. Conditions reversed course in the second half, with vacancies pushing higher and rents creeping lower. For the full year, vacancy rose 80 basis points, although rents ended 2025 essentially unchanged from one year earlier. One factor supporting rents for much of the year was net absorption, which totaled approximately 5,700 units for the year, offsetting some of the new supply entering the market. Pasco County alone accounted for nearly 40% of area-wide net move-ins.

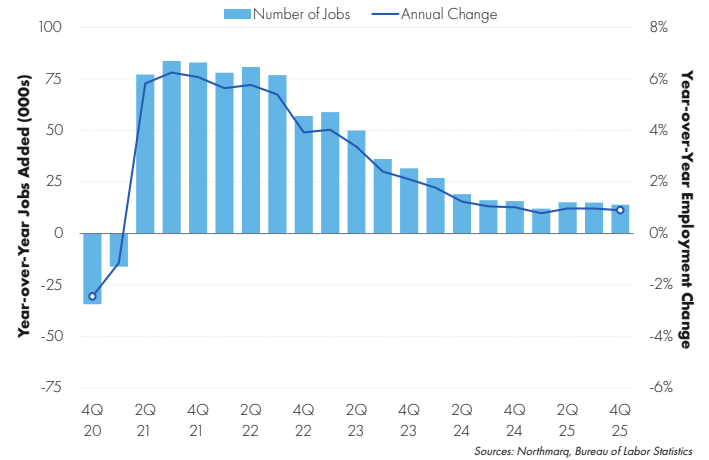
The multifamily investment market in Tampa faced headwinds in 2025 that extended beyond the broader rate environment. Hurricane-related distress emerged as a meaningful factor, as elevated insurance costs and tightening building standards narrowed the buyer pool for affected assets and pushed pricing lower on storm-impacted assets. The median sale price for the full year was \$185,400 per unit, down 23% from 2024, a steeper decline than most comparable Sun Belt markets. Annual transaction volume finished 22% below the prior year. Cap rates averaged 5.7% across 2025 closings, up from the 5.5% range that prevailed for much of 2024. Central Pinellas remained the market's most active submarket, accounting for roughly 36% of total sales for the year.

## EMPLOYMENT

- Employment growth in Tampa remained positive, though slower than the trailing five-year average. In 2025, employers added roughly 14,000 jobs, increasing payrolls by 0.9% year over year.
- Most employment sectors recorded gains during 2025. Leisure and hospitality remained one of the top growth sectors, adding 3,400 new workers for a 2.0% year-over-year increase. Professional and business services also added 1,900 jobs in 2025.
- One of the country’s largest urban redevelopment projects, Water Street Tampa, is set to complete its final phase in 2027. The \$4 billion mixed-use mega-project has employed 3,000 tradespeople annually over the five-year buildout and is estimated to create 12,000 permanent jobs. The first phase is already generating an annual economic impact of \$520 million.
- **FORECAST:** Employment growth in 2026 is expected to tick slightly higher than the 0.9% annual growth recorded in 2025. Employers are forecast to expand payrolls by 1.2%, adding approximately 16,000 new positions.

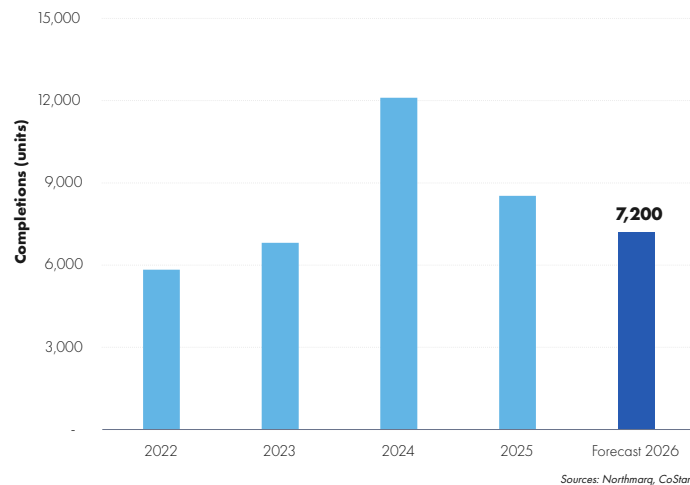
*In 2025, employers added roughly 14,000 jobs.*

### EMPLOYMENT OVERVIEW



*Deliveries are down 30% from the previous year.*

### DEVELOPMENT TRENDS

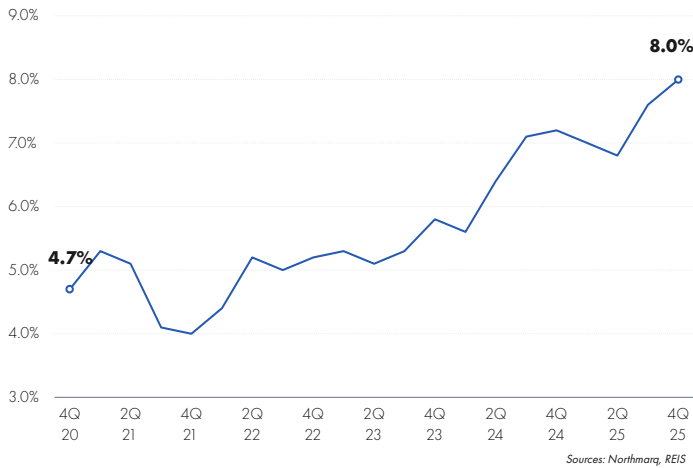


## DEVELOPMENT & PERMITTING

- Multifamily developers slowed activity in 2025 following peak completions in 2024. Deliveries totaled approximately 8,500 units, down 30% from the previous year. Despite the decline, development activity remained elevated compared with historical averages.
- The construction pipeline has tightened somewhat, with 11,815 units under construction at the end of 2025, down 7% annually. Outer Pasco County is the most active submarket with projects under construction totaling roughly 3,300 units.
- Developers pulled building permits for 8,800 multifamily units in 2025, up 43% from 2024. While this represents a sizeable annual increase, it is only 12% above the average annual permitting activity during the trailing five years.
- **FORECAST:** The pace of multifamily deliveries is expected to slow in 2026. Roughly 7,200 units are scheduled for completion, a 16% decline from 2025 totals. The Downtown Tampa and Pasco County submarkets are expected to receive the greatest share of new units delivered in 2026.

## Absorption in Tampa totaled 5,700 units in 2025.

### VACANCY TRENDS



### VACANCY

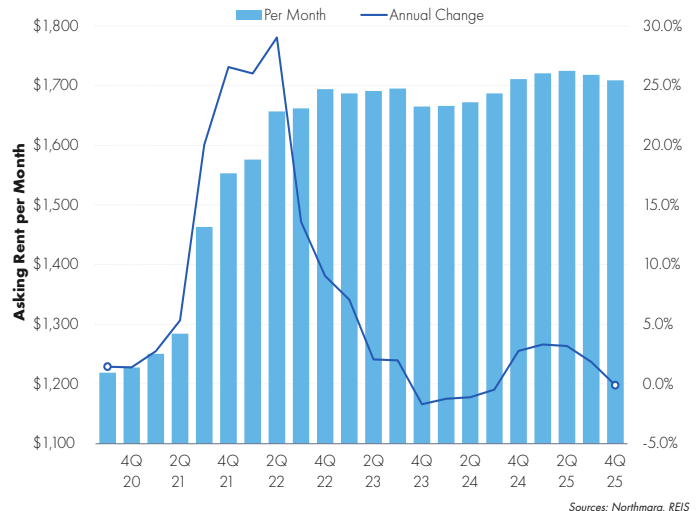
- After a modest improvement in the first half, vacancy ended 2025 higher. During the fourth quarter, the rate rose 40 basis points to 8.0%. Year over year, vacancy increased 80 basis points.
- While vacancy generally shifted higher across submarkets, some key areas recorded improvements. In Pasco County, vacancy dropped 150 basis points year-over-year to 12.3%. The University North submarket recorded an annual decline of 110 basis points to 7.5%.
- Multifamily absorption in Tampa totaled 5,700 units in 2025. The Pasco County submarket alone accounted for more than 2,200 net move-ins, nearly 40% of total market absorption. Central Tampa recorded the second-highest annual absorption at 867 units.
- **FORECAST:** The current trend of rising vacancy is forecast to begin reversing sometime in 2026, though early improvements are likely to be modest. By year-end 2026, vacancy is forecast to decrease 30 basis points to 7.7%.

### RENTS

- Asking rents posted gains in the first half, but those increases were offset by declines in the second half. Asking rents fell 0.5% during last three months of the year to \$1,709 per month. Average asking rents dipped 0.1% in 2025.
- The Pinellas Beaches submarket led local rent growth, posting a 3.8% year-over-year increase to \$1,737 per month. University South followed closely with 3.3% annual growth, reaching \$1,221 per month. Clearwater also recorded a 1.7% gain, bringing asking rents to \$1,670 per month.
- Class A properties in Central Tampa, the most expensive submarket in the metro area, recorded annual rent growth of 2.7%, reaching an average of \$2,872 per month.
- **FORECAST:** With new supply slowing and vacancy expected to tighten, asking rents are expected to tick higher in 2026. By year-end, average rents in Tampa are projected to reach \$1,716 per month, a 0.3% annual increase.

## The Pinellas Beaches submarket led local rent growth.

### RENTS TRENDS

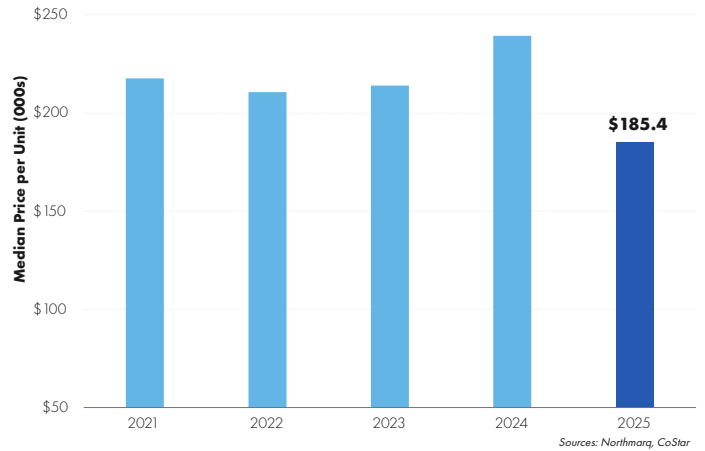


## MULTIFAMILY SALES

- After slowing in the third quarter, investment activity rebounded at the end of 2025. More than one-third of the total transaction activity in 2025 closed in the final three months of the year. Larger transactions accounted for much of the recent surge; more than 40% of the properties that sold in the fourth quarter traded for \$90 million or more.
- Multifamily pricing is down compared to recent years. The median sale price in 2025 was \$185,400 per unit, down 23% from last year. The decline was partly driven by an uptick in distressed acquisitions related to hurricane damage. Higher insurance costs and more stringent building codes have forced tighter underwriting, resulting in discounted trades.
- By asset class, the share of Class A properties in the sales mix is down 10% from 2024, while the share of Class B sales is up 14%. By submarket, Central Pinellas was the most active, accounting for 36% of total sales for the year.

The median sale price in 2025 was \$185,400 per unit.

### INVESTMENT TRENDS



## RECENT TRANSACTIONS MULTIFAMILY SALES ACTIVITY

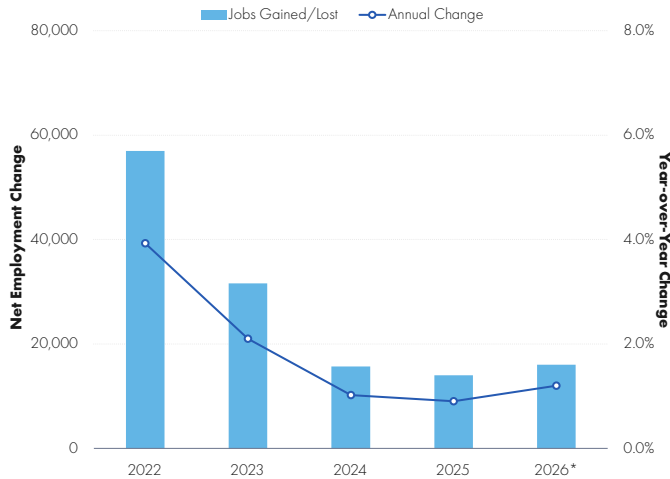
PROPERTY NAME	STREET ADDRESS	YEAR BUILT	UNITS	SALES PRICE	PRICE/UNIT
Residences at Westshore Marina	5350 Bridge St., Tampa	2019	351	\$100,440,000	\$286,154
The Brooke at Rocky Point	4108 George Road, Tampa	2024	277	\$95,000,000	\$342,960
Luxe at 1820	1820 Crosstown Club Place, Tampa	2009	300	\$62,700,000	\$209,000
Enclave on East	3660 E Bay Drive, Largo	1986	196	\$34,000,000	\$173,469
Central Park at East Bay	301 Seacrest Drive, Largo	1973	111	\$14,000,000	\$126,126

## LOOKING AHEAD

Operating conditions in the Tampa multifamily market are expected to gradually improve in 2026 as the supply-side pressures that have emerged in recent years begin to ease. Approximately 7,200 units are scheduled for delivery in the coming year, after more than 33,000 units came online from 2022 to 2025. The easing pace of new development should occur at a time when the local labor market gains some momentum after a sluggish pace of expansion in 2025. The anticipated employment gains should sustain absorption levels in the year ahead, and the market is forecast to record its first calendar year vacancy decline since 2021, when the Tampa area posted some of the strongest multifamily performance in the country. Pasco County should lead some of the recovery. The submarket carries the highest vacancy rate in the metro but has consistently recorded the strongest absorption. The submarket could be positioned for rapid recovery in the coming quarters.

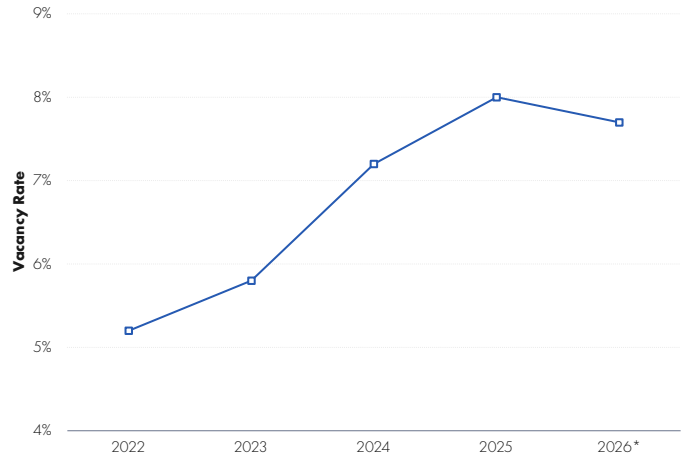
The investment outlook is expected to improve as hurricane-related distress works through the transaction pipeline. As properties impacted by storm damage are acquired for repositioning, the sharp pricing discounts that defined 2025 should recede, allowing valuations to more accurately reflect underlying market fundamentals. Cap rates, which widened to 5.7% in 2025, may compress modestly if improving occupancy trends draw a broader pool of buyers to the market. Transaction volume is expected to recover from last year's levels, with Central Pinellas likely to remain the most active submarket. Pasco County and North Tampa could also see increased interest, given strong demand fundamentals and a development pipeline that is beginning to thin. As the distressed sale overhang fades and fundamentals stabilize, Tampa may begin to regain its footing as one of the more closely watched Sun Belt investment markets.

### EMPLOYMENT FORECAST



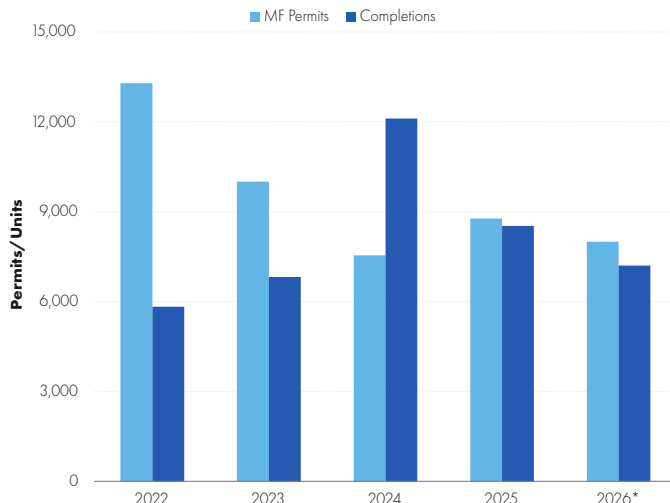
\* Year End Forecast  
Sources: Northmarq, Bureau of Labor Statistics

### VACANCY FORECAST



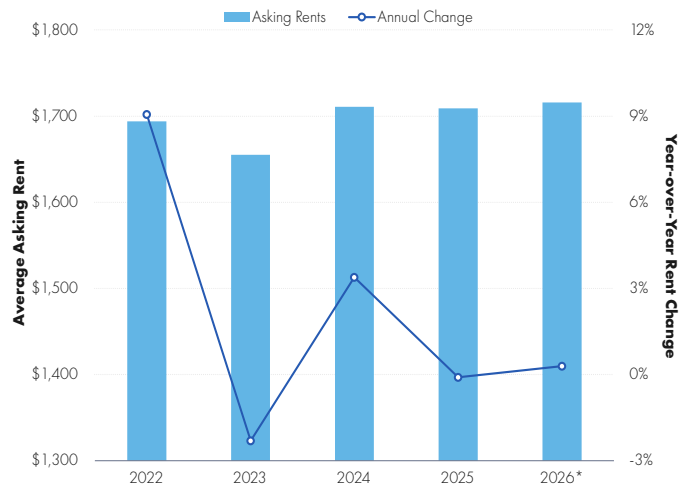
\* Year End Forecast  
Sources: Northmarq, REIS

### CONSTRUCTION & PERMITTING FORECAST



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

### RENTS FORECAST



\* Year End Forecast  
Sources: Northmarq, REIS



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