

MARKETBEAT

FLORIDA PANHANDLE

MULTIFAMILY Q2 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
9.4% Market Vacancy Rate	—	▼
1,941 YTD Net Absorption, units	▲	—
$1.52 Effective Rent, PSF	▼	▲
$74,100 Median Household Income	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
431.0K FL Panhandle Employment	▲	▲
3.3% FL Panhandle Unemployment Rate	▲	▼
0.9% FL Panhandle Household Growth Rate YOY	▼	▲
0.4% U.S. Household Growth Rate YOY	▼	▲

Source: BLS, BOC, Moody's Analytics, CoStar, Cushman & Wakefield Research

SUPPLY AND DEMAND

The Florida Panhandle multifamily market continued to stabilize during Q2 2026 as strong renter demand helped absorb a significant volume of new supply while development activity moderated further. The construction pipeline contracted to just over 2,300 units underway, nearly half of the more than 4,600 units under construction one year earlier and the lowest level recorded since Q4 2019. Deliveries remained active during the quarter, totaling nearly 730 units and bringing first-half deliveries to almost 1,500 units, a 44.7% increase from the first half of 2025.

Leasing activity accelerated during Q2 2026. Net absorption totaled nearly 1,200 units, up from nearly 760 units in Q1 2026 and representing the strongest quarterly demand performance since Q2 2024. First-half absorption reached almost 2,000 units, exceeding the same period in 2025 by 14.1% and highlighting the region's continued ability to absorb newly delivered inventory. Fort Walton Beach (+941 units) led year-to-date absorption, followed by Pensacola (+626 units) and Panama City (+373 units).

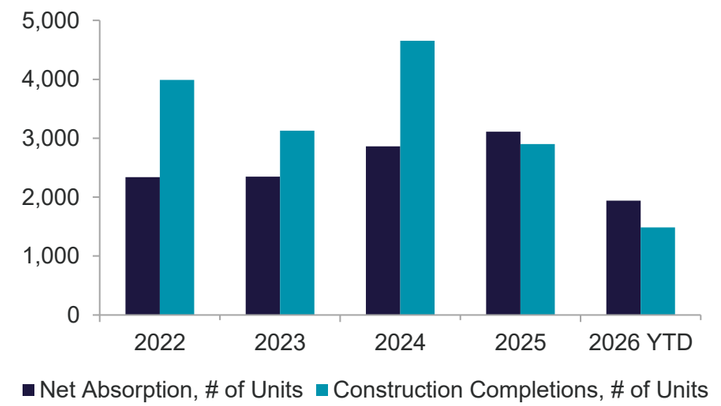
Market vacancy registered 9.4% in Q2 2026, improving 40 basis points (bps) from Q1 2026 but remaining 10 bps above the year-ago level. Panama City reported the region's lowest vacancy rate at 8.1%, while Pensacola maintained a relatively stable 9.2% vacancy rate despite receiving more than 500 units of new supply during the first half of 2026. Overall, robust absorption and a shrinking construction pipeline suggested the market continued to make progress in absorbing the significant volume of units delivered during the recent development cycle.

PRICING

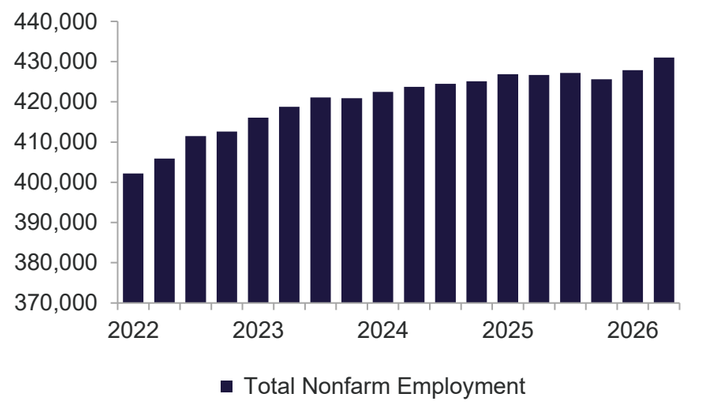
Rent performance showed signs of strengthening during Q2 2026 as strong demand and moderating development activity supported healthier market conditions. Effective rents averaged $1,551 per unit and $1.52 per square foot, rebounding from Q1 2026 and reaching their highest level in four quarters. While rents remained 1.0% below the year-ago level, annual rent declines moderated considerably from the steeper losses recorded throughout much of 2025, indicating that pricing pressures continued to ease.

Performance varied across submarkets. Fort Walton Beach continued to command the region's highest rents at $1,688 per unit, with Pensacola remaining the only major market to post positive annual rent growth (0.3%). Rent performance in Fort Walton Beach (-1.5%) and Panama City (-2.2%) remained pressured by recent supply additions, while improving occupancy and a shrinking construction pipeline suggested that pricing conditions continued to stabilize across the region.

DEMAND / DELIVERIES



TOTAL NONFARM EMPLOYMENT



© 2026 Cushman & Wakefield

FLORIDA PANHANDLE
MULTIFAMILY Q2 2026

MARKET STATISTICS

SUBMARKET	INVENTORY (UNITS)	YTD DELIVERIES (UNITS)	YTD % INVENTORY GROWTH	UNDER CNSTR (UNITS)	YTD NET ABSORPTION (UNITS)	MARKET VACANCY RATE	YOY VACANCY RATE CHANGE (BPS)	AVG EFFECTIVE RENT / UNIT	AVG EFFECTIVE RENT PSF	YOY % EFFECTIVE RENT GROWTH
Pensacola	20,649	510	2.5%	887	626	9.2%	-60	$1,510	$1.47	0.3%
Fort Walton	13,159	693	5.6%	1,449	941	11.5%	100	$1,688	$1.68	-1.5%
Panama City	13,624	282	2.1%	0	373	8.1%	50	$1,475	$1.42	-2.2%
TOTAL MARKET	**47,432**	**1,485**	**3.2%**	**2,336**	**1,941**	**9.4%**	**10**	**$1,551**	**$1.52**	**-0.9%**

KEY RECENT TRANSACTIONS

PROPERTY	MARKET	UNITS	YEAR BUILT
Ember Ridge	Pensacola	112	1984
City North	Pensacola	96	2024
Davis Gardens Apartments	Pensacola	75	1985
The Waypoint	Pensacola	136	1972
Aztec Villa Apartments	Panama City	128	1974
Thrive on 9th	Pensacola	90	1966
The Hangar	Pensacola	336	2023
Walker Heights	Pensacola	77	2024
Marina SOL	Pensacola	172	1966
Pines at Warrington	Pensacola	160	2007

KEY RECENT CONSTRUCTION HIGHLIGHTS

PROPERTY	MARKET	UNITS	DELIVERY
Valora Cottages at Crestview	Ft Walton Beach	232	Q3 2026
Anchor Apartments	Ft Walton Beach	72	Q4 2026
Tiger Point Place	Pensacola	120	Q4 2026
Exchange at Owls Head	Ft Walton Beach	300	Q1 2027
Kupfrian Manor	Pensacola	94	Q2 2027
Avery Place Apartments	Pensacola	112	Q2 2027
Abrazo at Pathstone	Pensacola	214	Q2 2027
Arcadia Altos 20	Ft Walton Beach	353	Q3 2027
Arbours at Emerald Springs	Ft Walton Beach,	84	Q4 2027
The Heights of Fort Walton Beach	Ft Walton Beach	268	Q4 2027

OUTLOOK

- Defense-related growth tied to Eglin air force base and Hurlburt Field is expected to continue supporting high-wage employment growth and sustained housing demand across the Fort Walton market.
- Expansion activity at Pensacola International Airport and ST Engineering is expected to further strengthen Pensacola's aerospace and aviation sectors while supporting additional job creation and renter demand.
- Proposed shipbuilding and maritime investment at the Port of Pensacola is expected to generate significant high-paying employment, reinforcing long-term housing demand across the region.
- Ongoing investment at Northwest Florida Beaches International Airport, including a planned aircraft engine repair and testing facility, is expected to create hundreds of skilled aerospace and aviation-related jobs in Bay County.
- Population growth and continued in-migration to Northwest Florida are expected to support long-term renter demand across the Florida Panhandle region.

SHERRA GILBERT
Senior Research Manager
Tel: +1 713 260 0282
sherra.gilbert@cushwake.com

©2026 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield ("CWK"). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK's securities.
You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.

© 2026 Cushman & Wakefield