

MARKETBEAT

FLORIDA PANHANDLE

MULTIFAMILY Q1 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
10.5% Market Vacancy Rate	▲	—
627 YTD Net Absorption, units	—	—
$1.53 Effective Rent, PSF	▼	—
$81,800 Median Household Income	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
425.6K FL Panhandle Employment	▲	▲
3.2% FL Panhandle Unemployment Rate	▲	▼
1.1% FL Panhandle Household Growth Rate YOY	▲	▲
0.8% U.S. Household Growth Rate YOY	▲	▲

Source: BLS Q4 2025, BOC, Moody's Analytics, CoStar, Cushman & Wakefield Research

SUPPLY AND DEMAND

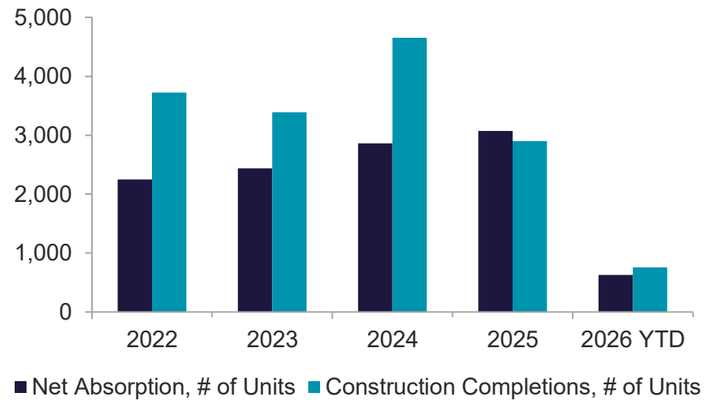
The Florida Panhandle multifamily market entered 2026 with improving fundamentals as construction activity continued to slow and demand remained steady across the region. After several years of elevated development, the active pipeline contracted significantly in Q1 2026. Units under construction totaled roughly 2,450 units, down from more than 4,300 units one year earlier, representing a 43.2% year-over-year (YOY) decline. The slowdown in development activity reflected a shift toward more measured supply growth following an extended expansion cycle. Deliveries also moderated, totaling nearly 760 units during the quarter, down 26.0% YOY.

Leasing activity remained resilient during Q1 2026, supported by continued population growth, military-related employment, and tourism-driven economic activity throughout the Panhandle. Occupancy gains reached almost 630 units during the quarter, reflecting healthy demand for recently delivered communities. Fort Walton led the region with nearly 400 units absorbed, benefiting from steady defense and aerospace-related employment tied to Eglin Air Force Base.

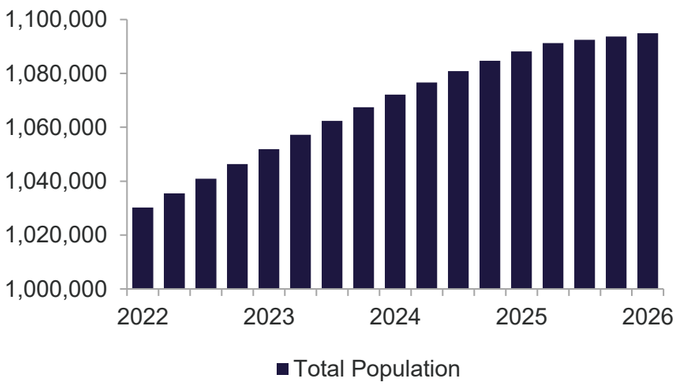
PRICING

Effective rents averaged $1,564 per unit and $1.53 per square foot during the quarter, reflecting a modest 1.9% YOY decline. While operators continued to navigate competitive conditions from elevated new supply and ongoing lease-up activity in select submarkets, overall pricing remained relatively durable compared to many higher-supply Sun Belt markets. Fort Walton continued to achieve the highest rent levels in the region, with average effective rents reaching $1,728 per unit, supported by strong income levels and stable military-driven demand. Pensacola and Panama City also continued to benefit from favorable demographic trends, including steady population growth and relative affordability compared to many larger coastal Florida markets.

DEMAND / DELIVERIES



TOTAL POPULATION



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MULTIFAMILY Q1 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	20,367	228	1.1%	1,117	163	10.7%	90	$1,511	$1.47	-0.2%
Fort Walton	12,997	531	4.3%	1,102	396	11.3%	90	$1,728	$1.72	-2.3%
Panama City	13,287	0	0.0%	230	68	9.4%	150	$1,477	$1.42	-4.2%
TOTAL MARKET	**46,651**	**759**	**1.7%**	**2,449**	**627**	**10.5%**	**110**	**$1,564**	**$1.53**	**-1.9%**

KEY RECENT TRANSACTIONS

PROPERTY	MARKET	UNITS	YEAR BUILT
Ember Ridge	Pensacola	112	1984
10X Retreat at PCB	Panama City	360	2008
10x Breakfast Point	Panama City	360	2007
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

KEY RECENT CONSTRUCTION HIGHLIGHTS

PROPERTY	MARKET	UNITS	DELIVERY
The Flats at Ransley	Pensacola	296	Q2 2026
Valora Cottages at Crestview	Fort Walton	232	Q2 2026
The Romero	Pensacola	282	Q3 2026
The Oasis at Seahaven	Panama City	230	Q4 2026
Exchange at Owls Head	Fort Walton	300	Q1 2027
Avery Place Apartments	Pensacola	112	Q2 2027
Kupfrian Manor	Pensacola	94	Q2 2027
Abrazo at Pathstone	Pensacola	213	Q2 2027
Arbours at Emerald Springs	Fort Walton	84	Q4 2027
Tiger Point Place	Pensacola	120	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.

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