MARKETBEAT

FLORIDA PANHANDLE

MULTIFAMILY Q3 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
8.5% Market Vacancy Rate (Market vacancy excludes properties in lease-up)	▼	▼
3,169 YTD Net Absorption, units	▲	▲
$1.50 Effective Rent, PSF	▼	▲
$83,200 Median Household Income	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
431.0K FL Panhandle Employment	▲	▲
4.7% FL Panhandle Unemployment Rate	▲	▼
1.4% FL Panhandle Household Growth Rate YOY		
0.5% U.S. Household Growth Rate YOY		

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

SUPPLY AND DEMAND

The Florida Panhandle multifamily market demonstrated healthy fundamentals in Q3 2026 as renter demand continued to absorb new supply and vacancy moved lower across the region. Development activity moderated further during the quarter, with 2,150 units under construction, down 12.6% quarter-over-quarter (QOQ) and 46.3% year-over-year (YOY). The sharp reduction in the construction pipeline reflected a slower pace of new development following several years of elevated building activity.

Deliveries remained active during the quarter, totaling 579 units and bringing year-to-date (YTD) completions to 2,364 units, a 20.0% increase from the same period in 2025. Despite the continued influx of new inventory, apartment demand remained resilient. Net absorption reached 1,007 units during Q3, extending YTD absorption to 3,169 units and surpassing the pace recorded through the first nine months of 2025.

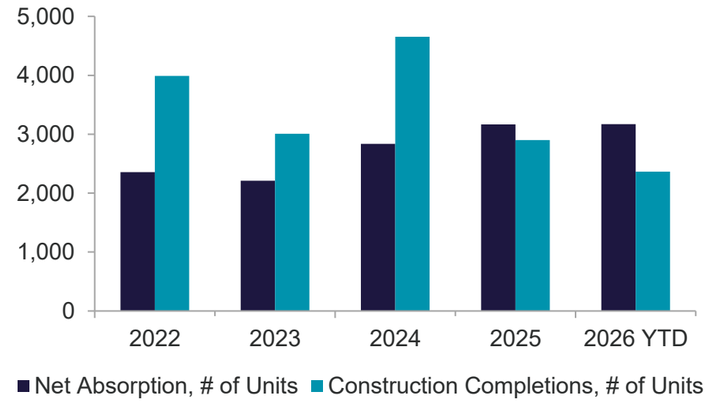
Demand remained strongest in Pensacola and Walton County, which collectively accounted for the majority of leasing activity across the region. The broad-based nature of demand enabled the market to absorb more units than were delivered through the first nine months of the year, supporting continued improvement in occupancy levels.

Market vacancy declined to 8.5% in Q3 2026, improving 40 basis points (bps) QOQ and 80 bps YOY. Vacancy has now fallen nearly 170 bps from its recent peak of 10.1% in Q1 2026, underscoring the market's ability to absorb new supply delivered during the current development cycle. Improving occupancy trends, combined with a shrinking construction pipeline, supported increasingly balanced market conditions across the Panhandle.

PRICING

Strong absorption and improving occupancy helped sustain market performance as newly delivered communities continued to lease up. With vacancy trending lower and the development pipeline contracting meaningfully from year-ago levels, fundamentals appeared increasingly supportive of rent stabilization moving forward.

DEMAND / DELIVERIES



MARKET VACANCY & EFFECTIVE RENT



© 2026 Cushman & Wakefield

FLORIDA PANHANDLE
MULTIFAMILY Q3 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	20,804	857	4.3%	881	1,073	8.3%	-150	$1,492	$1.45	-0.2%
Walton County	13,691	1,225	9.8%	1,185	1,430	10.7%	100	$1,702	$1.69	0.5%
Panama City MSA	13,336	282	2.2%	84	666	6.9%	-140	$1,445	$1.38	-2.9%
TOTAL MARKET	**47,831**	**2,364**	**5.2%**	**2,150**	**3,169**	**8.5%**	**-80**	**$1,540**	**$1.50**	**-0.7%**

KEY RECENT TRANSACTIONS

PROPERTY	MARKET	UNITS	YEAR BUILT
Northwoods Apartments	Pensacola	432	1980
The Maren	Pensacola	200	1983
The Aria Apartments	Walton County	108	1998
The Laurel	Pensacola	96	1974
The Presidio	Pensacola	132	1969
The Park at Woodlands	Pensacola	324	2024
Ember Ridge	Pensacola	112	1984
City North	Pensacola	96	2024

KEY RECENT CONSTRUCTION HIGHLIGHTS

PROPERTY	MARKET	UNITS	DELIVERY
Ellison at Main	Pensacola	323	Q4 2027
The Heights of Fort Walton Beach	Walton County	268	Q4 2027
Arbours at Emerald Springs	Walton County	84	Q4 2027
Arcadia Altos 20	Walton County	353	Q3 2027
Abrazo at Pathstone	Pensacola	214	Q2 2027
Kupfrian Manor	Pensacola	94	Q2 2027
Avery Place Apartments	Pensacola	112	Q2 2027
Exchange at Owls Head	Walton County	300	Q1 2027
Anchor Apartments	Walton County	72	Q4 2026
Tiger Point Place	Pensacola	120	Q4 2026

OUTLOOK

- A declining construction pipeline is expected to reduce future supply pressure, supporting continued occupancy gains as recently delivered communities stabilize.
- Demand is anticipated to remain healthy across the region, supported by population growth, in-migration, and a diversified employment base.
- Defense-related growth tied to Eglin Air Force Base and Hurlburt Field is expected to continue supporting high-wage employment growth and housing demand across the Walton County market.
- Expansion activity at Pensacola International Airport and within the region's aerospace and aviation sectors is expected to support additional job creation and renter demand.
- Improving supply-demand balance is expected to provide a foundation for rent stabilization as the market moves beyond the current development cycle.

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