

INVESTMENT FORECAST

Marcus & Millichap

MULTIFAMILY

Fort Lauderdale Metro Area

2026

Steady Job Gains and Upscale Leasing Demand Anchor Local Apartment Outlook

Central Fort Lauderdale outperforms amid white-collar hiring. Expanding employment in financial and professional services is expected to bolster apartment demand in the metro despite broader economic headwinds. Office-using hiring helped downtown vacancy decline throughout 2025, and a sharp drop in 2026 deliveries here should support further tightening. Metrowide, Class A operators began achieving rent increases on new leases again in late 2025 — the first time since 2022 — indicating a more balanced supply-and-demand backdrop. Nevertheless, softer job creation in other industries and stricter immigration policies may temper leasing, particularly outside the core, where vacancy trended higher late last year. Hollywood's elevated construction pipeline could place some pressure on vacancy, though its relatively affluent renter base should help to absorb luxury units. Meanwhile, minimal construction in Pembroke Pines, Plantation, and Coral Springs will contain vacancy risk even if household formation slows.

Buyers target higher yields in established submarkets. A sharp decline in vacancy last year fueled stronger investment, and with the 2026 measure projected to stay about 100 basis points below its 2024 peak, trading momentum may continue to build. Hollywood is expected to remain a key focus for investors, as vacancy declined by more than 100 basis points in 2025 to its lowest level since 2022, settling below 6 percent. Buyers may continue to expand west along the Florida Turnpike into nearby Pembroke Pines, where higher household incomes and limited construction activity should support stable fundamentals. In Central Fort Lauderdale, uniformly tight vacancy across all asset classes could broaden the range of viable investment strategies. Investors are likely to favor stabilized assets to minimize downside risk amid lingering uncertainties, while properties priced below \$200,000 per unit should continue to offer attractive entry costs.

2026 MARKET FORECAST

+0.7%



Employment: Job growth in 2026 is expected to mirror last year's pace of hiring. The traditionally office-using sector will likely account for about half of all new positions for a second year in a row.

3,300

units



Construction: Deliveries in 2026 will mark the smallest total since 2022, roughly aligning with the past decade's average. Completions will concentrate in Central Fort Lauderdale and Hollywood.

-10 bps



Vacancy: A decline in openings and steady demand from higher-income households will help vacancy edge down slightly in 2026. At 4.9 percent, the rate will match the trailing 10-year average.

+3.3%

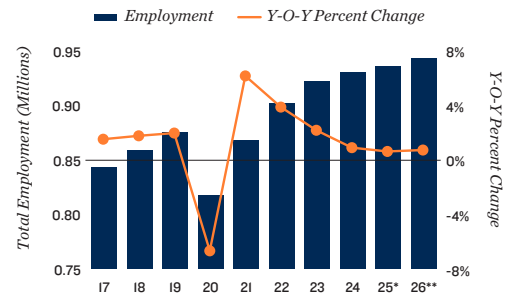


Rent: Fort Lauderdale is expected to record the fifth-fastest pace of rent growth among major metros in 2026, amid stabilizing fundamentals. The average effective rent will reach \$2,530 per month.

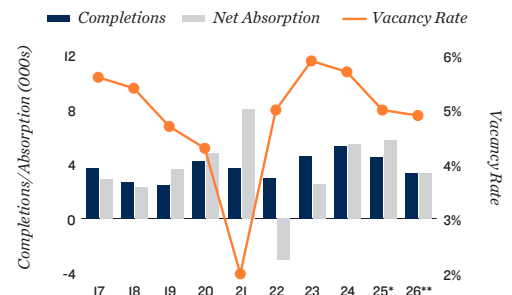
INVESTMENT:

A planned 60-acre tech-entertainment campus near Central Fort Lauderdale is expected to create more than 1,000 high-paying jobs, likely strengthening local rental demand and reinforcing investment.

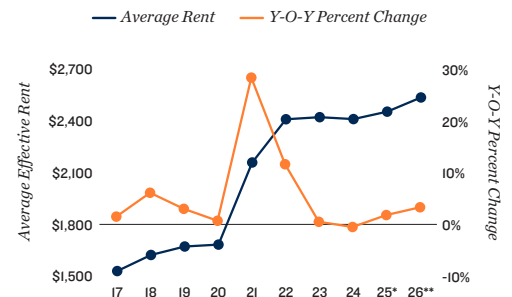
Employment Trends



Supply and Demand



Rent Trends



* Estimate; ** Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics; RealPage, Inc.

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Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of December 2024. Effective rent is equal to asking rent less concessions. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Sales data includes transactions valued at \$1,000,000 and greater unless otherwise noted. Forecasts for employment and apartment data are made during the fourth quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.