MARKET REPORT

MULTIFAMILY 2Q/26

Fort Lauderdale Metro Area

Marcus & Millichap

2026 FORECAST

EMPLOYMENT

6,000 Jobs will be created

0.7% Increase Y-O-Y

CONSTRUCTION

3,700 Units will be added

1.7% Inventory increase Y-O-Y

VACANCY

4.9% Vacancy rate

10 BPS decrease Y-O-Y

RENT

$2,500 Average effective rent by year-end

2.4% Increase Y-O-Y

Central Broward Leasing Underpins Resilient Multifamily Absorption

Demand stands out among Florida peers. Fort Lauderdale's vacancy fell 30 basis points year-over-year to 4.8 percent in March, the fastest tightening among Florida's major markets even as demand growth softened. Net absorption declined just 30 percent over the past year, the 10th-smallest pullback nationally and far below the roughly 60 percent average drop across other large Florida metros. A deep young-adult renter base, lower reliance on international migration than Miami, and high ownership barriers have supported demand. However, affordability pressure and concession usage may continue to temper rent growth.

CBD strength masks outer divergence. Downtown Fort Lauderdale is leading performance, with vacancy down more than 100 basis points over the past year as renter demand strengthened near Las Olas Boulevard. Vacancy in suburbs such as Plantation and Sunrise also tightened by at least 50 basis points, supported by central job nodes and limited supply pressure. In contrast, employment headwinds may be limiting higher-end absorption in Hollywood and Pompano Beach, where Class A vacancy stayed above 7 percent. Hollywood-Dania Beach may face added risk as the submarket will record the metro's fastest supply growth, while Spirit Airlines' closure affects roughly 3,000 nearby jobs.

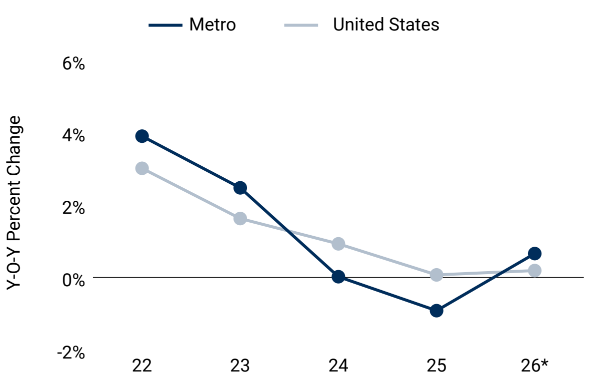
Employment

Fort Lauderdale's labor market is improving after the metro posted net job losses in 2025, driven by a pullback in traditionally office-using sectors. Employment growth has returned across several industries in early 2026, positioning the metro to outpace the national job growth rate this year. Though gains are likely to remain modest, a rebound in white-collar hiring should support absorption of higher-end rentals. At the same time, continued growth in health care and construction may reinforce demand for mid-tier apartments.

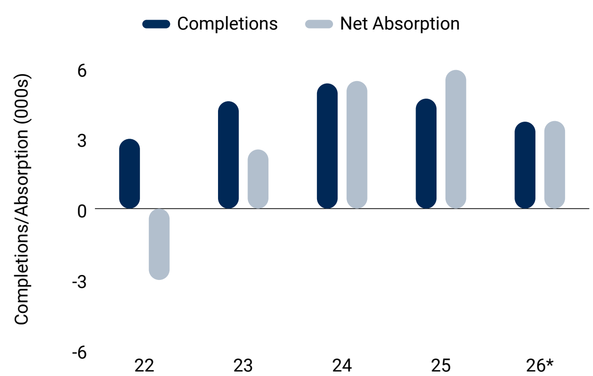
Construction

Completions are forecast to fall by about 20 percent year-over-year in 2026, bringing inventory growth to its slowest pace in four years. Fort Lauderdale will also record the slowest supply growth among major Florida markets, helping keep supply and demand in balance. Downtown Fort Lauderdale is expected to post the sharpest decline in development, with deliveries falling about 50 percent year-over-year. Completions in Plantation-Davie-Weston will decline slightly again in 2026, before the local pipeline expands in 2027.

EMPLOYMENT TRENDS



CONSTRUCTION TRENDS



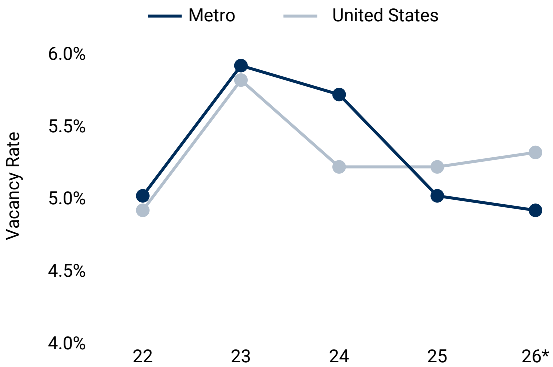
* Forecast

Sources: BLS; CoStar Group, Inc.; RealPage, Inc.

Vacancy

Vacancy may inch up over the rest of the year as demand remains uneven, though the rate is still expected to end 2026 slightly below its 2025 level. This will place Fort Lauderdale's vacancy as the lowest among major Florida markets outside Miami and roughly 40 basis points below the U.S. rate. Class A properties may lead momentum as fewer deliveries ease upper-tier pressure, following a 70-basis-point vacancy decline over the year ended in March. Class B and C vacancy also tightened over that span, though less sharply.

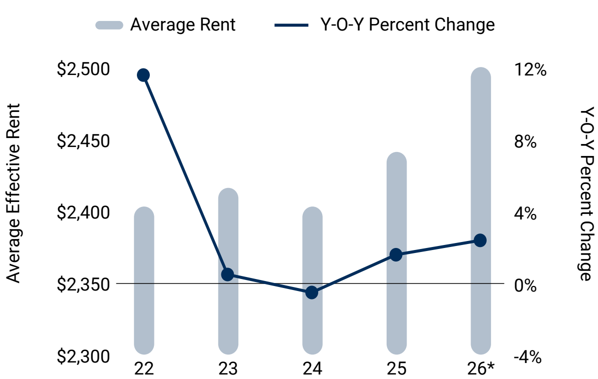
VACANCY TRENDS



Rent

Rent growth is expected to firm gradually as vacancy realigns with the past decade's average. Concession usage remains a constraint, however, with about 17 percent of units offering incentives in early 2026, slightly above the prior 10-year norm. Downtown Fort Lauderdale, Hollywood, and Pompano Beach each posted rent growth above 2 percent over the past year ended March, supported by tight Class B and C fundamentals even as upper-tier trends diverged. Every other submarket recorded flat to declining rents.

RENT TRENDS



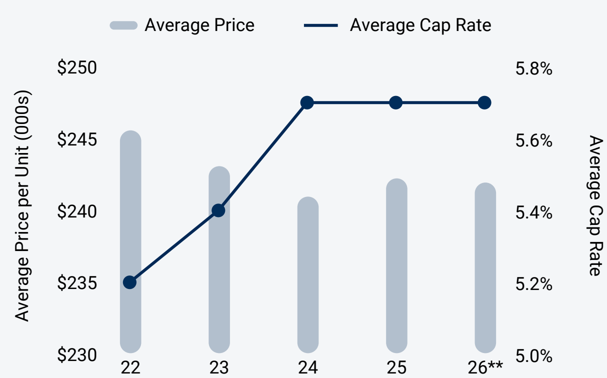
INVESTMENT HIGHLIGHTS

- Institutional investors stayed active in Fort Lauderdale over the past year, while private acquisitions also gained momentum, underscoring broader conviction in the market. In contrast to national trends, trading improved in the first quarter of 2026, reaching the highest quarterly count since mid-2022. Geopolitical uncertainty may temper near-term activity, but buyer interest should remain intact, with greater clarity around inflation and interest rates likely to reaccelerate deal flow.

- Despite Class A pressure in Hollywood and Pompano Beach, Class B and C vacancy remained tight in both areas. Class C rates were especially low in March, at 3.0 percent in Hollywood and 2.1 percent in Pompano Beach, the tightest levels in the metro. This has supported private-buyer activity, particularly in Hollywood, where trading neared all-time highs. Buyers were also more active along the Pompano Beach beachfront, where Ritz-Carlton and Waldorf Astoria residential projects are strengthening the area's luxury identity and lifting interest in older low-rise assets.

- Institutions have increasingly targeted Downtown Fort Lauderdale in 2026, as it has maintained the tightest Class A vacancy in the metro despite recent supply additions, underscoring durable demand from higher-income renters. The area also stands out nationally as the only major CBD with both inventory growth above 2 percent and overall vacancy below 5 percent. That has drawn private-buyer interest in older infill assets, where dense renter pools and access to amenities have helped preserve occupancy across classes.

SALES TRENDS



* Forecast ** Through 1Q

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

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