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Tampa Commercial Real Estate Report on the Multi-Family Sector in Polk County

Executive Summary

Polk County's multifamily market, primarily tracked through the Lakeland-Winter Haven metropolitan area, is currently navigating a more competitive leasing environment following a significant wave of new construction. The recent influx of new apartment deliveries has led to an increase in vacancy rates and a moderation in rent growth across certain property types. However, the county's long-term demand fundamentals remain robust, supported by consistent population growth, an expanding employment base, and sustained in-migration linked to Central Florida's thriving logistics and service sectors. As the pace of new project initiations begins to slow, Polk County is well-positioned to absorb the current supply and transition towards a more balanced and stable operating environment.

Market Overview

Over the past several years, the apartment market in Lakeland and the broader Polk County has been focused on absorbing a substantial volume of new inventory. Approximately 4,400 new units were completed within a recent twelve-month period, a construction surge that has directly contributed to higher vacancy rates. Despite this, the area maintains its position as a relatively affordable alternative to the larger neighboring metropolitan areas of Tampa and Orlando. The county continues to experience positive economic momentum, with CareerSource Polk reporting a 1.3% year-over-year increase in nonagricultural employment as of August 2025. This job growth, coupled with a rising population that reached nearly 761,000 in 2023, provides a solid foundation for sustained renter demand.

Key Market Indicators

Metric	Value
Average Asking Rent	$1,530 / month
Recent Unit Completions (12-Month)	~4,400 units
Units Under Construction	~3,500 units
Vacancy Rate (200-500 Unit Properties)	13.4%
Rent Growth (200-500 Unit Properties)	-1.2%
QTD Sales Volume (200-500 Unit Properties)	$56.5 Million
QTD Sales Volume (50-200 Unit Properties)	$84.3 Million

Source: Data compiled from various public records

Notable Trends

The primary near-term trend in Polk County's multifamily sector is the digestion of new supply. The recent volume of deliveries has intensified competition among landlords, particularly for larger properties. This is evidenced by double-digit vacancy rates and slightly negative rent growth within the 200-500 unit segment. However, affordability continues to be a significant demand driver, with the average asking rent of approximately $1,530 per month remaining below that of many major Florida metros, which supports leasing activity as households compare regional living costs. The market's fundamentals are further bolstered by ongoing job and population growth, which provides a durable and expanding pool of potential renters over the long term.

Notable Transactions & Developments

Despite a more price-sensitive market in some segments, transaction activity continues to demonstrate ongoing liquidity, particularly for well-located properties. A notable recent transaction was the August 2025 sale of the 300-unit Bridgewater Grand apartment complex in Lakeland for $57.4 million. On the development side, several new projects are underway, especially in the Winter Haven area. 'The Breeze,' a 102-unit, six-story apartment building, is currently under construction in downtown Winter Haven and is slated for completion in the fall of 2025. Another significant downtown Winter Haven project is 'The Carl,' an 81-unit, eight-story complex that was approved for a 20-year tax break in April 2025. These developments reflect the city's focus on increasing the supply of multi-family housing to accommodate its growing population.

Market Outlook

The outlook for Polk County's multifamily market can be characterized as competitive in the short term but constructive in the long term. The market is currently working through a significant supply wave, which has resulted in higher vacancy rates and moderated rent growth. However, the county's sustained job and population expansion is expected to support the absorption of this new supply over time, especially as the development cycle cools and recently delivered communities stabilize. For investors, this period may present opportunities, particularly for well-located assets with convenient commuter access, properties with differentiated amenities that can compete effectively during lease-up cycles, and value-add acquisitions where any near-term market softness is already reflected in the pricing.