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Tampa Bay Land Market Overview
1Q – 2012



The following represents excerpts from economic and real estate journals, notes from conventions, seminars and other meetings I attended, along with personal opinions of my own and others that affect the land market in the Tampa Bay Region. Previous Market Overviews can be found at www.cushwakelandfl.com/tampa.

Erhardt's Quick Look at the Land Market

On February 15th, I slapped the top of my desk and declared we've definitely turned the corner, beginning a real estate recovery in most products. The last time I made a declaration was in 1993, and we enjoyed a great run up to 2008.

The demographic machine is alive and well in the Tampa Bay Area.

- **Multifamily land** – For the 14th quarter, land for multifamily for sale product is not active, with the exception of investors. I only know of one builder with a townhome project. Rental is active, and for the first time in this cycle, developers are beginning to look at suburban A locations.
- **Single Family** – For the last ten quarters, builders and developers are closing and making offers on A and B locations. I talked to one engineer who just broke ground on two of his projects and has two more are in permitting for ground breaking in 90 days, all in Hillsborough County. We are definitely heading for a shortage of lots in A locations.
- **CDDs** – Bondholders continue to foreclose with special purpose entities taking title. The SPEs are charged with bringing in builders who will buy the lots and pay the bond obligations.
- **Retail** - Same as last 20 quarters, land prices are flat; however, I do not see them declining. Retail development continues to be driven by single tenant, necessity retail and investors.
- **Industrial** – No change, users only. There are several sizeable (one is 200 acres) in the market. Several developers have started finishing up the permitting for buildings on the shelf, to be ready for a build to suit or start speculative development.
- **Office** – No change, users only.
- **Hospitality** – The only new development is the announcement that the Bern's Steak House owners are breaking ground this summer on the Epicurean Hotel, across from the landmark restaurant.
- **Bank Deals** – I believe we have another three years to go before the bank land inventory is cleared. Some banks are more aggressive in disposing of these assets than others.

- **Agricultural Land** – Active, along with recreational land. The last 12 months has been extremely active in agricultural owners selling a conservation easement.

ERHARDT COMMENT:

- I believe everyone in the real estate business in the Tampa Bay Area is extremely optimistic going forward. It is going to be interesting to see which projects break ground this year.

March 2012, Florida Trend, Tampa/Hillsborough County

Vital Statistics

Population, Hillsborough County: 1.23 million – a 23% increase since 2000 vs. 18% in Florida overall. The county is the nation's 30th largest and fourth most populous in Florida. Cities include Tampa, Plant City and Temple Terrace.

White, non-Hispanic: 53.7%

Hispanic or Latino: 24.9%

Black: 16.7%

Unemployment: Hillsborough County's unemployment rate has fallen from 11% in June 2011 to 9.5% in December. Florida unemployment rate: 9.9%.

More than 40% of employment is in financial, professional, health and educational services. A tenth of the workforce is employed in leisure and hospitality.

Average Age: 36 vs. 40 in Florida.

Retail sales per capita: \$16,335 vs. \$14,353 in Florida overall.

Average home sales price (November 2011): \$150,266. The number of homes sold as of November 2011 – 20, 618 – represented a 13% increase compared to a year earlier.

Median household income: \$47,129 vs. \$44,755 in Florida.

Education levels for the population 25 and over:

14% have less than a high school diploma.

21% have some college.

29% have a bachelor's degree or higher.

Economic Outlook

Overall, moderate. Personal income growth is expected to average 4.3% until 2013. Employment growth, 2.2% annually. The region expects a big short term boost from the Republican National Convention in August.

A 2010 KPMG study ranked Tampa Bay as the most competitive large city in the United States when it comes to business operating costs.

A CFO.com article ranked Tampa as the most cost competitive large city for business in 2010.

By the end of 2011, 27 companies had committed to relocations or expansions, for a total of 4,116 new jobs.

TECO sees growth resuming and says it expects to build a \$700 million power plant in 2016-17.

Cushman & Wakefield Marketview 2012. The Year of Government Deleveraging

Cushman & Wakefield believes 2012 will be a reverse image of 2011. The global economy and real estate markets started out healthy in 2011 and slowed during the second half of the year under pressure from natural disasters and rising uncertainty about the resolution of sovereign debt issues in Europe and the U.S. We expect the opposite pattern of performance this year. The global economy is anticipated to start off slowly, as debt resolution issues remain a concern, and strengthen during the second half as underlying economic fundamentals come to the fore. For real estate markets we anticipate a sluggish beginning to the year followed by improvement during the latter half of 2012. Click on this link for the entire version:

http://www.cushmanwakefield.com/flyers/MarketView_March_14_2012.pdf

ERHARDT COMMENT:

- I believe the Tampa Bay Area is six months ahead of the global markets.

Notes from an Intermodal Presentation

- There is a need to integrate Florida's ports.
- Florida could become the next Singapore.
- Florida's market is Europe, South America, Central America and Africa.
- Florida will enjoy 20 billion consumers by 2035.

LinkedIn Today, March 2, 2012

- Housing crisis to end in 2012 as banks loosen standards - DSNews.com.
- Housing expected to add to GDP for the first time in seven years - RISMedia.com.
- Propose bill to speed up short sale process and prevent foreclosure - DSNews.com.
- Banks step up commercial property lending - Reuters.com.

The Coming Tech-Led Boom, The Wall Street Journal, January 30, 2012, by Mark P. Mills and Julio M. Ottino

- In 1912, emerging technologies were electrification, telephone, and the dawn of the automobile age, the invention of stainless steel and the radio amplifier. The 2012 three grand technological transformations are big data, smart manufacturing and the wireless revolution. The United States is still the world's largest economy. Youth are not to be underestimated, especially in the contexts of the other two great forces in the United States; our culture and educational systems.
- More than half of the World's Top 100 Universities remain in the U.S.
- What should our politicians do to help usher in this new era of entrepreneurial growth? Liquid financial markets, sensible tax and immigration policy, and balance regulations to allow the next boom to flourish.
- But the essential fuel is innovation.

CNNMoney.com, Top 10 Turnaround Towns, February 15, 2012

- Eight of the ten turnaround towns are in Florida, signifying a new beginning for the state. These towns are seeing new life breathed into them after being some of the hardest hit by the housing bust. Florida is an especially noteworthy contender after its cities experienced unusual foreclosure activity. Below are Realtors.com's Top 10 Turnaround Towns and their median home prices:
 - Miami – median home price: \$185,000
 - Phoenix – median home price: \$129,000
 - Orlando, FL – median home price: \$145,000
 - Fort Myers, FL – median home price: \$115,000
 - Sarasota, FL – median home price: \$181,000
 - Boise, ID – median home price: \$120,000
 - Naples, FL – median home price: \$218,000
 - Fort Lauderdale, FL – median home price: \$198,00
 - Lakeland, FL – median home price: \$100,000
 - Punta Gorda, FL – median home price: \$124,000

Click on this link for the entire article:

http://money.cnn.com/galleries/2012/real_estate/1201/gallery.turnaround-housing-markets/index.html

Site Selection Magazine Names Top State Business Climates

- Conway Survey of corporate site selectors asking what are the top 10 state business climates, taking into consideration such factors as lack of red tape, financial assistance and government officials cooperation. By this measure, Texas ranked first followed by North Carolina, Georgia, Florida, Tennessee and Virginia.

Urban Land Institute Real Estate Consensus Forecast, A survey of Leading Real Estate Economists/Analysts, March 2012

- CMBS issue expected to more than double in 2012.
- Vacancy rates are expected to drop between 1.2 and 3.7 percentage points for office, retail and industrial properties, and remain stable at low levels for apartments; hotel occupancy rates are expected to rise.
- Housing Starts - should nearly double by 2014, and home prices should begin to rise in 2013, with prices increasing by 3.5% in 2014.
- Employment is expected to increase by two million jobs in 2012, 2.5 million in 2013, and 2.75 million in 2014.

Click on this link for the entire report:

[http://www.cushmanwakefield.com/flyers/ULI Real Estate Consensus Forecast Report - March 2012.pdf](http://www.cushmanwakefield.com/flyers/ULI_Real_Estate_Consensus_Forecast_Report_-_March_2012.pdf)

ERHARDT COMMENT:

- *It is very refreshing when almost 100% of all real estate articles printed today are positive.*

Kiplinger Reports

February 3, 2012, Global Forecasts

GLOBAL FORECASTS		
GDP GROWTH	2012	2013
World	3.0%	3.4%
United States	2.3%	2.5%
Euro zone	-0.5%	1.3%
China	8.3%	8.9%
Japan	1.8%	2.0%
United Kingdom	0.5%	1.8%
Brazil	3.2%	3.5%
Russia	3.5%	3.5%
Canada	2.5%	2.4%
India	7.2%	7.7%
South Korea	3.4%	3.8%
Mexico	3.4%	3.9%

March 16, 2012, Economic Forecasts

- GDP Growth – rising by 2% - 2.3% this year, from 1.7% in 2011.
- Interest rates – 10 year treasuries near 2% for most of the year.
- Inflation – 2% in 2012 after hitting 3% in 2011, in spite of an energy bump.
- Unemployment – around 8% by year end, despite possible upticks earlier.
- Crude oil – highly volatile; topping \$110/bbl. by summer.
- Consumer confidence – high gasoline prices may cause a brief dip.

Physical Market Cycle Analysis of All Five Major Property Types in More Than 50 MSAs.

Recent job growth of 250,000 per month could mean that the economic recovery has accelerated, which bodes well for all property types. Technology and energy are the two highest growth industries. One of our major data sources, Property & Portfolio Research, was purchased by CoStar Group and we now have a more accurate and complete database – so our cycle charts now reflect a more complete view of the markets. All property sectors are expected to continue improvement in 2012.

- Office occupancies **improved** 0.2% in Q4-2011, and rents grew 0.2% for the quarter and were up 0.2% annually.
- Industrial occupancies **improved** 0.3% in Q4-2011, and rents grew 0.2% for the quarter, and were up 0.4% annually.
- Apartment occupancies **improved** 0.1% Q4-2011 and rents grew 0.1% for the quarter, and 4.6% annually.
- Retail occupancy **improved** 0.1% in Q4-2011, and rents declined 0.4% for the quarter and were down 2.0% annually.
- Hotel occupancies **improved** 0.6% in Q4-2011, while RevPAR fell 5.1% for the quarter, but grew 8.9% annually.

Office Market Cycle Analysis

The national office market occupancy level improved 0.2% for Q4-2011 and was up 0.6% year over year. 2011 was the year of haves and have-nots as there was a flight to quality, both in building types and markets. Top tier markets gained occupancy especially from technology and energy firms, with New York and San Francisco being the standouts. Many tenants moved up to Class A space from Class B space and CBD space outperformed suburban space. There was 38 million square feet of absorption for 2011 versus only 9 million for 2010 and new construction was near an all time low. Rents were up 0.2% for Q4-2011, but were down -0.2% year over year.

With Tampa at the end of the recession stage is Miami. Ahead of Tampa is Jacksonville, Charlotte, Orlando, Palm Beach, Raleigh/Durham, Atlanta, and Ft. Lauderdale.

Industrial Market Cycle Analysis

Industrial occupancies improved 0.3% in Q4-2011, which resulted in a 0.8% increase year over year. Industrial demand grew significantly in Q4-2011 and 110 million square feet were absorbed for the full year allowing all the space that was vacated in the recession to be released. Warehouse/distribution and logistics space took the majority of leasing with smaller improvements in second generation warehouse space. With the national occupancy rate above 90% landlords should now regain some pricing power in their rent negotiations, especially in port markets and major population centers. The industrial national average rents increased 0.2% in Q4-2011, and rents were up 0.4% for the year of 2011.

Tampa is still in the number 2 position in the recovery phase. With Tampa are Charlotte, Ft. Lauderdale, Jacksonville and Orlando. Behind is Nashville, and ahead are Miami, Palm Beach and Raleigh/Durham.

Apartment Market Cycle Analysis

The national apartment occupancy average increased 0.1% in Q4-2011 and was up 0.7% for the year 2011. Stronger new job creation of 250,000 per month recently helped to propel the national occupancy average to the highest point (5) in the recovery phase of the cycle. One of our major data sources Property & Portfolio Research was purchased by CoStar and now has a more accurate and complete database – so our apartment cycle now reflects a more complete view of the marketplace. Higher occupancies and rents have prompted new apartment starts, as apartments are the one property type where financing is now easily obtained. We continue to be cautious about the new supply coming on too quickly and the disposition of foreclosed homes may create competition as the government tries to push for a rental program for foreclosed homes. Average national apartment rents improved 0.1% in Q4-2011 and were up 4.6% for the year 2011.

Tampa is at the same spot as the last two quarters, at level 3 of the beginning of the recovery phase. With Tampa are Charlotte, Ft. Lauderdale, Jacksonville and Raleigh/Durham. Behind is Palm Beach. Ahead are Nashville and Miami.

Retail Market Cycle Analysis

Retail occupancies improved 0.1% in Q4-2011 and were up 0.4% for the year 2011. Retail sales were up 3.8% in 2011 which is not as good as the 5.2% growth in 2010 that started the retail recovery. Class A malls continued to be the top performer of the year with an occupancy average above 95%, power centers saw minor occupancy improvement and grocery anchored centers held even for the year. One of our major data sources Property & Portfolio Research was purchased by CoStar and now has a more accurate and complete database – so our retail cycle now reflects a more complete view of the marketplace. Tenants are still in the driver's seat as rents declined 0.4% and were down 2.0% for the year 2011.

Tampa, for the second quarter is at the second level of the recovery phase. With Tampa are Nashville and Orlando. Behind Tampa are Ft. Lauderdale, Jacksonville, Atlanta, Charlotte, Palm Beach and Miami. Ahead of Tampa is Raleigh-Durham.

Hotel Market Cycle Analysis

Hotel occupancies improved an average of 0.6% in Q4-2011 and were up 3.1% for the year 2011. This improvement was enough to move the national average to point 5 on the cycle graph, the end of the recovery phase of the cycle. One of our major data sources Property & Portfolio Research was purchased by CoStar and now has a more accurate and complete database – so our hotel cycle now reflects a more complete view of the marketplace. Fifteen of our 54 markets are now in the growth phase at point 6 or 7 in the cycle. We do not expect to see much increased new construction however as hotel investments are still low from the foreclosures of the last recession. National average Hotel RevPAR was down 5.1% in Q4-2011 with more leisure than business travelers, but was up 8.9% for the year 2011.

For the fourth quarter, Tampa is at level 2 of the recovery phase. With Tampa is Jacksonville. Ahead of Tampa are Raleigh/Durham, Charlotte, Palm Beach, Atlanta and Nashville. Ft. Lauderdale and Miami have entered the expansion phase.

Tampa Bay Retail Market Overview

Marcus & Millichap 2012 Market Outlook

- Employers will expand payrolls, triggering a rise in spending and decline of vacancy in Tampa Bay for the second consecutive year during 2012.
- Minimum construction will persist again in 2012 in single – tenant concepts will dominate construction activity for several years.
- **Employment Forecast:** Led by a surge in leisure and hospitality hiring and preparation for the Republican National Convention, employers will add 30,000 jobs in 2012, marking a 2.6% increase in total employment.
- **Construction Forecast:** Developers will complete only 180,000 square feet of space in 2012. An average 2.4 million square feet were completed in the five years after the recession.
- **Vacancy Forecast:** Following a decline of 90 basis points in 2011, restraining construction in decent demand will under pen an 80 basis point drop in vacancy this year to 8.3%.
- **Rent Forecast:** Rents fell last year but reduced vacancy will support a 0.7% increase in asking rents to \$13.80/per square foot during 2012. Effective rents will gain 1.3% to \$12.07/per square foot.

Notes From February 17, 2012, ICSC Convention in Tampa

- Bradenton / Sarasota – 87% occupied, \$14.50 average rent.
- Tampa / St. Petersburg – 90% occupied, \$13.67 average rent.
 - Clearwater – 94% occupied.
 - South Tampa – 92% occupied.
 - Pasco – 87% occupied.
- 2012 will see a continued improvement in fundamentals.

ERHARDT COMMENT:

- *Every broker, tenant and developer that I talked to, was upbeat.*

Tampa Bay Single Family Market Overview

Cushman & Wakefield Valuation and Advisory Publication – National Housing Market Analysis

Please click on the link below to access the National Housing Market Overview:
[http://www.cushmanwakefield.com/flyers/National Housing Market Overview.pdf](http://www.cushmanwakefield.com/flyers/National_Housing_Market_Overview.pdf)

- Home pricing – housing and analysts are suggesting pricing has reached a “bottom” with appreciation returning in 2013 and 2014.
- The large “ecoboomer” demographic now moving into the housing market.

ERHARDT COMMENT:

- *We are at a true bottom in U.S. housing and I have a positive outlook moving forward.*

John Burns Real Estate Consulting – Master Planned Community Development Picked Up in 2011, March 22, 2012, www.realestateconsulting.com

- Burns is forecasting a 21% increase in housing construction activity in 2012, with increases in single family permits up 23% and multifamily permits up 21%.
- Florida master planned communities in the top 50:

Development	Starts in 2011
Villages (North Orlando)	2,307
Lakewood Ranch, Sarasota, FL	391
Monterra, Broward County , FL	359
Nocatee, Jacksonville, FL	313
Valencia Reserve, Palm Beach, FL	281
FishHawk Ranch, Tampa, FL	229
Durbin Crossings, Jacksonville	167

Overall, the Villages was number 1, Lakewood Ranch was number 9, and FishHawk was number 31.

Lakewood Ranch

The new home sales last year were a 71% increase over 2010. The new home sales price in 2011 was \$397,149. There were 312 re-sales in Lakewood Ranch in 2011 with an average price of \$364,171. There are currently 18 builders with 180 homes under construction.

Wall Street Journal, February 17, 2012. John Burns Real Estate Consulting, The New Normal for New Single Family Homes

- Sales greater than \$500,000 have grown from 13% to 6% of the market.
- New homes priced under \$300,000 now count for 75% of all new single family sales.
- New homes under \$200,000 doubled their share to 24% in 2011. These drops have come as buyers have sought out smaller homes.
- All is not lost for luxury builders. There is less competition, and their share may pick back up if the economy continues to improve.

RCLCO Forecast: Understanding the Demand for New Housing, February 28, 2012

- 25 million Generation Ys will steadily increase and not just for rental housing. They comprise the biggest share of new household formations.

MetroStudy Tampa Executive Summary, Q4-2011, www.metrostudy.com, Tampa

Unemployment – 10.3% compared to 11% in Q3-2011.

The table below shows the price distribution of annual starts by price range:

Price Range	Starts	Closings
\$0 - \$149,999	729	820
\$150,000 to \$199,999	1,492	1,382
\$200,000 to \$249,000	844	831
\$250,000 to \$299,999	452	435
\$300,000 to \$349,999	188	182
\$350,000 to \$399,999	101	112
\$400,000 to \$449,999	66	61
\$450,000+	729	180

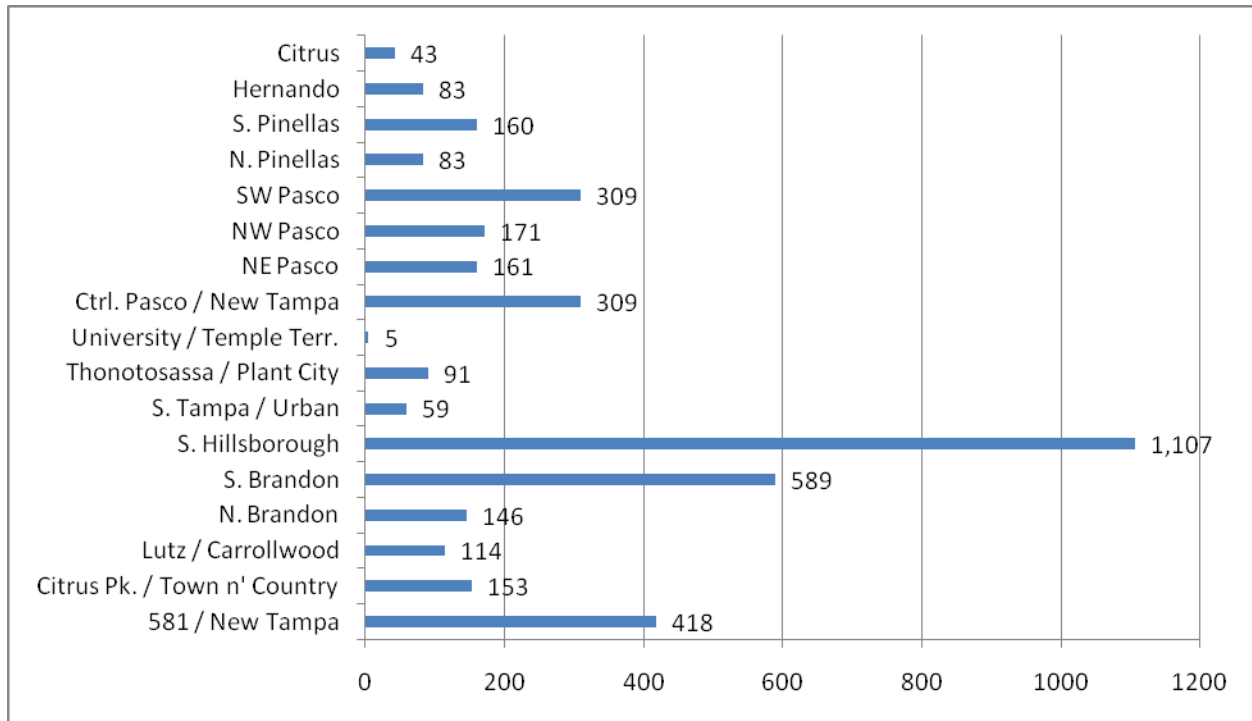
- Lot delivery – this quarter 606 lots were delivered to the Tampa market. The same quarter one year ago, we delivered 864 lots. Vacant developed lot inventory stands at 31,790 lots, a decrease of 7.2% one year ago.
- Based on the annual start rate, this level of lot inventory represents a 95.3 month supply, a decrease of 0.1 month, compared to one year ago.
- The market area based on annual starts as shown below.

Market Area	Ann Starts (% Chg)
Hillsborough	2,682 (+3.0%)
Pasco	950 (-9.1%)
Pinellas	243 (+37.3%)
Hernando	83 (-25.9%)

The table below ranks the top 10 communities in the market by annual starts:

Community (Area)	Ann. Starts
FishHawk Ranch	229
Live Oak Preserve	139
Concord Station	131
Bahia Lakes	128
Valencia Lakes	120
The Hammocks	104
Panther Trace	104
Ayersworth Glen	88
Harbour Isles	87
Magnolia Park	85

Annual Starts by Submarket



MetroStudy Tampa Executive Summary, Q4-2011, www.MetroStudy.com, Sarasota / Bradenton

- The November unemployment rate was 10.1%, compared to 12.6% a year ago.
- Starts – 485 single family units were started in Q4-2011. This represents an increase of 10.0% compared to one year ago of 441. The annual start rate compared to one year ago increased 2.2% to 1,932 annual starts.
- The table below shows the price distribution of annual starts by price range:

Price Range	Starts	Closings
\$0 - \$149,999	201	215
\$150,000 to \$199,999	488	534
\$200,000 to \$249,000	430	401
\$250,000 to \$299,999	315	324
\$300,000 to \$349,999	176	186
\$350,000 to \$399,999	81	84
\$400,000 to \$449,999	41	43
\$450,000+	200	199

- Lot delivery – This quarter, 179 lots were delivered to the Sarasota – Bradenton market. Vacant developed lot inventory starts at 39,522 lots, an increase of 6.0% compared to 37,269 one year ago, as we added more previously developed scattered lots into our south

Gulf Coast survey. Based on the annual start rate, this level of lot inventory represents a 245.5 month supply, an increase of 8.9 months compared to one year ago.

- At the end of Q4-2011, Manatee County had a 59.6 month supply of developed lots, down from a peak of 80.4 month supply of VDL in Q2-2009.
- Sarasota County had an 87.1 month supply at Q4-2011, down from a peak 188.0 months of supply recorded in Q4-2009.

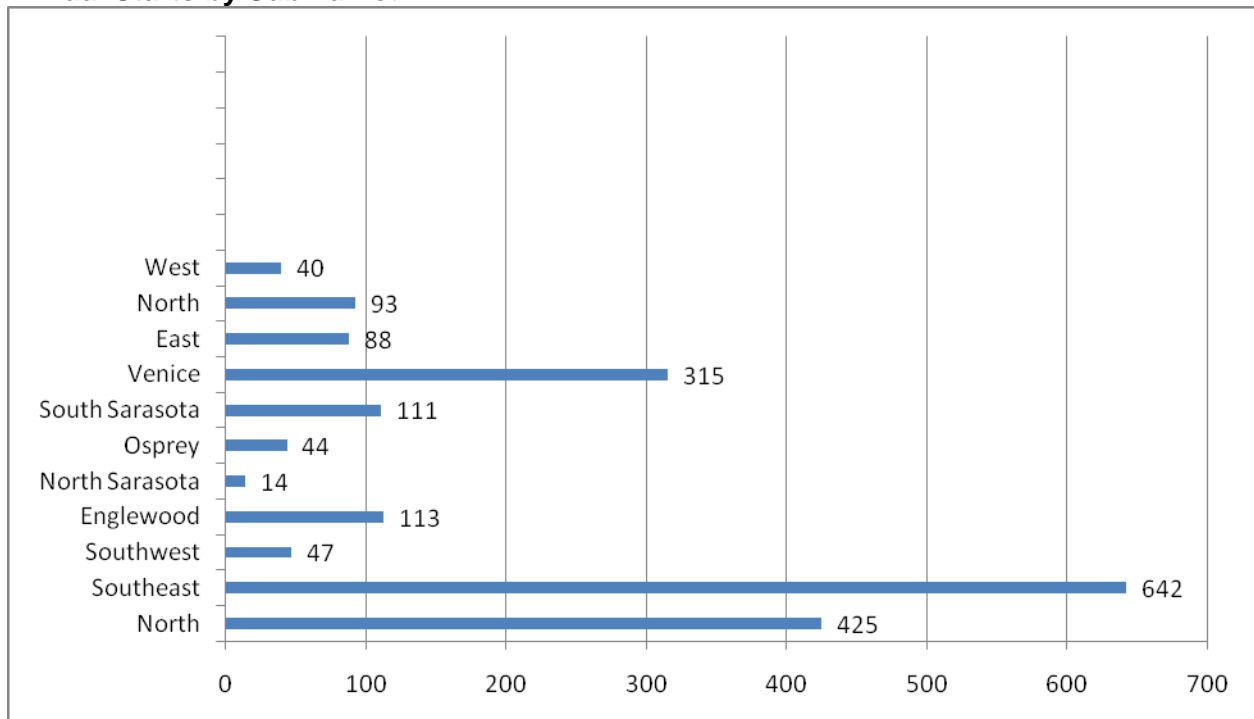
Market areas based on annual starts are shown below:

Market Area	Ann Starts (% Change)
Manatee	1,114 (+0.4%)
Sarasota	597 (+17.3%)
Charlotte	221 (-17.8%)

The table below ranks the top ten communities in the market by annual starts:

Community (Area)	Ann. Starts
Lakewood Ranch	186
Central Park	149
Forest Creek	68
Palmer Ranch	66
Harrison Ranch	63
Copperstone	58
Burnt Store	53
The Country Club	51
Woodhaven	50
Stoneybrook @ Venice	50

Annual Starts by Submarket



- The number of finished, vacant housing units has been dropping since Q4-2006. As of December, 2011, the months of supply of the units for Sarasota/Bradenton stood at 2.4 months. This was down from 2.4 months as of June 2010, and down even greater than the 3.2 months as of December 2010. County by county finished vacant lots supply indicates that Manatee County is very near an equilibrium level of FV supply of 2.1 months. Sarasota County is near equilibrium levels of 1.4 months.
- Both Sarasota and Manatee County could actually use some well priced, spec units. The reduced FV inventory is typically a first sign of future housing start increases.

Tampa Bay Multifamily Market Overview

January 2012 Apartment Newsletter, BeShears & Associates, www.beshears.net

- Tampa / St. Petersburg vacancy rate December 2011 – 9.1%.
- Tampa / St. Petersburg effective rate December 2011 - \$880.
- The highest priced per unit sale in the Tampa Bay Area was the Estates at Tuscan Ridge in Brandon. This 450 unit project sold for \$124,444 per unit.
- Another sale in Brandon, 300 unit Circle at Crosstown, was sold for \$117,500 per unit.

Telephone Interview with Michael Slater, TRIAD Research, www.triadresearch.net, 813-908-8844

- Urban and urban suburban are easier to finance than suburban. Connecting 10% rental growth career for the next three years.
- The Tampa Bay area will end the year in 2012 with occupancies north of 96%.
- Manatee County is currently 98%.
- Tampa CBD is currently at 97%.
- Several developers are currently discussing a new trend of installing elevators into three-story walk up product. Estimated cost is \$.07 per square foot in rent.
- The Element in downtown Tampa, a newer high rise failed condo project is currently renting between \$1.70 and \$1.80 per square foot.
- The United States is facing a 2.5 million rental unit shortage over the next five years.
- Predicts the six county Tampa Bay Area will be at 96% occupancy by the end of 2012.

Office Market Overview:

Cushman & Wakefield Market Overview - Tampa

- **Westshore Office Overview:** Overall vacancy at the end of 1st quarter 2012 is 15.1% compared to 18.7% last year and 16.5% last quarter. Class A is at 16.3% compared to 18.3% last year and 17.3% last quarter.

- **I-75 Office Overview:** Overall vacancy at the end of the 1st quarter 2012 is at 22.8% compared to 22.8% a year ago and 22.6% last quarter. Class A is at 22.2% compared to 20.8% a year ago and 21.0% last quarter.
- **Tampa Central Business District:** Overall vacancy at the end of the 1st quarter 2012 is at 16.8% compared to 17.6% a year ago and 16.5% last quarter. Class A is at 15.1% compared to 16.2% a year ago and 14.6% last quarter.

There is a 250,000 square foot build to suit with Price Waterhouse in the Tampa / Westshore market. Soon to break ground is a 130,000 square foot build to suit in Gateway.

Cushman & Wakefield Q1-2012 Tampa Bay MSA Office Statistics

Please click on the link below for Q1-2012 Tampa Bay Area Office Market Statistics:

http://www.cushmanwakefield.com/flyers/Q1-2012_Tampa_Office_Statistics_-_All_Classes.pdf

Industrial Market Overview:

Cushman & Wakefield Market Overview - Tampa

- **West Tampa Industrial Overview:** The overall vacancy at the end of the 1st quarter, 2012 is 8.9% compared to 10.5% a year ago and 8.7% last quarter.

Warehouse distribution is at 8.8% vacancy compared to 11.1% a year ago and 8.7% last quarter.

Office Service Center is at 12.3% vacancy compared to 13.6% a year ago and 11.8% last quarter.
- **East Tampa Industrial Overview:** The overall vacancy at the end of the 1st quarter 2012 was 8.6% compared to 9.8% a year ago and 8.5% last quarter.

Warehouse distribution is at 9.3% vacancy compared to 10.4% a year ago and 9.2% last quarter.

Office Service Center is at 15.7% vacancy compared to 19.0% last year and 15.2% last quarter.
- **Plant City Industrial Market Overview:** The overall vacancy at the end of the 1st quarter 2012 was 0.8% vacancy compared to 3.3% a year ago and 0.8% last quarter.

Warehouse distribution is at 8.8% vacancy compared to 11.1% a year ago and 8.7% last quarter.

- **Lakeland Industrial Market Overview:** The overall vacancy at the end of the 1st quarter 2012 was 4.5% vacancy compared to 6.6% a year ago and 4.5% last quarter.

Warehouse distribution is at 5.7% vacancy compared to 8.6% a year ago and 5.7% last quarter.

Service center is at 17.7% compared to 18.3% a year ago and 17.9% last quarter.

Of the 885,000 square feet under construction, 862,000 square feet is in Lakeland. These are Publix Super Markets – 562,000sf on County Line Road – Completion Date 12/2012 and Rooms-To-Go – 300,000sf at 1470 Airport Road – Completion Date 8/2012.

Cushman & Wakefield Q1-2012 Tampa Bay MSA Industrial Statistics

Please click on the link below for Q1-2012 Tampa Bay Area Industrial Market Statistics:

<http://www.cushmanwakefield.com/flyers/Q1-2012 Tampa Industrial Statistics.pdf>

Real Estate Lives

Real Estate Lives Chairman, Ron Weaver reported 925 people back to work, and over 165 large meetings, and 290 small group meetings, 1,900 trained, 30,000 phone bank calls, and 2050 jobs posted so far. Almost a hundred enjoyed a free Valentine's dinner with sparkling Frank Sinatra look alike entertainment. The Lightning gave 100 free tickets to those Real Estate Lives folks in transition to or from real estate. Website is Realestatelives.org. Next meeting is April 11, 9:30 a.m. Speaker is Al Higginbotham, former BOCC Chairman. Meeting is held at 2918 W. Kennedy, GTAR building. All meetings are free, of course. Drop by. Former NAIOP president, Jim Shapiro, teaches training course at 10:30 a.m., on the day of the meeting.

Please click on the links below to review changes in Florida's Growth Management laws:

2011 – 2012 Growth Management Updates

<http://www.cushmanwakefield.com/flyers/2011-2012 Growth Mgmt Updates.pdf>

House of Representatives, Final Bill Analysis

<http://www.cushmanwakefield.com/flyers/House of Representatives - Final Bill Analysis.pdf>

Hospitality

South Florida Sun-Centennial, March 12, 2012

- Florida hosted a record 12.6 million international visitors last year, 13%. That included roughly 3.3 million Canadians and 9.3 million from other countries. Brazil was number two source market, surpassing United Kingdom.
- Nearly 86 million total visitors came to Florida last year, a 4.4% increase.

Government Overview

King Facts, King Engineering, SWFWMD Adopts Rule to Allow No-cost Permit Extensions

The Southwest Florida Water Management District (SWFWMD) has revised Rule 40D-4.331 to allow Environmental Resource Permits (ERPs) that have been expired for two years or less to be extended for up to an additional permit term of five (5) years, provided the activities undertaken during the extension period will be in compliance with the SWFWMD's rules in effect at the time the extension application is submitted. Qualifying expired permits may be reauthorized and extended through use of the existing ERP Modification Short Form, which requires less information and no fee. The rule change also allows permittees to submit a permit extension request for any currently valid permit, regardless of the date of issuance or prior modifications/extensions.

The amended rule became effective on February 9, 2012 and is available on the SWFWMD's web site at www.watermatters.org.

Notes from 2012 ULI Trends Conference – Government Speakers

Pasco County, Richard Gehring

Gehring, who heads up Growth Management, told his staff to look at the county as if they were a developer of a 500,000 acre site.

Pasco Population Growth Projections:

2015 – 543,000

2020 – 660,300

2025 – 723,000

City of St. Petersburg, Dave Goodwin

The Planning and Economic Development Department is now over the following divisions:

Economic Development

Business Assistance

Urban Planning, Design and Historic Preservation

Development Review Services

Construction Services and Permitting

ERHARDT COMMENT:

- *Permitting and economic development under the same department head. All municipalities should consider this.*

Manatee County, John Osborne

Goal is to be more developer friendly.

Westshore Alliance - Ron Rotella

Currently introducing an overlay district with the assistance of Urban Land Institute. He predicts the Westshore market will be built out at the end of 2017.

ERHARDT COMMENT:

- *I recently counted 11 sites left for office / hotel, and two for multifamily.*

Tampa CBD

The City of Tampa has been involved in two ULI studies. The first was an advisory panel project covering West Tampa, Tampa Heights, West Bank, CBD, Convention Center, Channel District, and Ybor City.

Recommendations

Transit/Connectivity

Less Parking

Ride incentives to facilitate the desired development

Streamlining and expediting the development permitting process

To view the report, please click on the following link:

http://www.cushmanwakefield.com/flyers/Tampa_2011_2.pdf

The second ULI to do a study was on the area between Columbus and I-275, and east of North Rome Avenue. The majority of this land is Housing Authority or City of Tampa owned.

Tampa has been chosen to be a 2011-2012 Daniel Rose Fellow. The mission of the ULI Rose Center is to encourage and support excellence in land use decision making. By providing public officials with access to information, best practices, peer networks, and other sources, the Center seeks to foster creative, efficient, practical and sustainable land use policies. Tampa members are Mayor Bob Buckhorn, Economic Development Head Bob McDonough, Housing Authority Senior Vice President and COO Leroy Moore, and City Attorney James Shimberg.

Land Sales

Single Family

1. Meritage Homes recently purchased 86 lots in four different Tampa communities for \$63,581.40 per lot. These lots were developed lots in move up communities.
2. M/I Homes purchased 25 lots in Hampton Lakes Preserve, north Hillsborough County, for \$92,000 per lot.
3. Lennar purchased 34 lots in Live Oak, north Hillsborough County, for \$41,170 per lot, developed.
4. DR Horton purchased 17 residential units in Palmer Oaks (Sarasota County) for \$1,030,000 or \$60,735 per lot. Homes will be in the \$200,000's.
5. Medallion Homes purchased 289 acres from Heritage Harbour for \$16,263 per acre.
6. Ryland Group purchased 202 finished lots (55's and 75's) at Old Mill subdivision in Manatee County for \$34,000 per lot, from Taylor Morrison.
7. West Bay Homes purchased 12 developed lots in Watergrass, central Pasco County, for \$31,666 per lot for 75' lots for \$555 per front foot, plus CDD.

Agricultural

1. R & D Cattle Company purchased 450 acres for \$2,666 per acre, in the Alva area of Lee County.

Retail

1. Arcam Development purchased a 1.9 acre Northport over-sized Sarasota County retail lot for \$328,947 per acre (\$7.55 per square foot). This was an outparcel to a Wal-Mart / Home Depot anchored center.
2. Wal-Mart purchased a retail site in Polk County for \$2,000,000.
3. Bay Street Ventures purchased an outparcel on Bruce B. Downs in Wesley Chapel.
4. Discount Auto Parts purchased a retail site at Saddlebrook Corporate Center on S.R. 54 in central Pasco County for \$850,000.
5. Seven Eleven purchased a site in New Port Richey, western Pasco County, for \$1,335,000.

Medical

1. Mease Morton Plant purchased 4 acres in Trinity, Pasco County, contiguous to existing hospital for \$350,000 per acre (\$2.03 per square foot).
2. Public Hospital in Sarasota County purchased a site in Northport for \$2,884,571.

Industrial

1. Great Bay Distributors purchased 96.28 acres in the City of St. Petersburg (Gateway submarket) for \$9,750,000 or \$2.32 per gross square foot.
2. EastGroup purchased 18 vacant acres at Madison Business Park, the Riverview area of Hillsborough County, for \$2.77/sf, developed.

Government

1. Pasco County purchased 60.54 acres in the Holiday area, western Pasco County, for \$2,409,700 or \$39,803 per acre.
2. U.S. Army buys 15 acres for Cape Coral Reserve Center, \$50,000 per acre (\$3.44/sf).

Multifamily

1. Park at Barrington Place purchased 6.96 acres on Lynn Road, east of Anderson Road, Hillsborough County, for \$43,103 per acre. This will be a 62 unit senior care facility.
2. Crescent Resources purchased a 344 unit site in Brandon for \$12,209 per unit, semi-developed. This is Crescent's third site in Crosstown Center.

Mixed Use

1. Thornwood Associates purchased approximately 416 acres in the northeast quadrant of SR 54 and Curley Road, Pasco County, for \$4,500,000. The property is zoned for retail, office and multifamily uses.