



Q2
2019

TAMPA BAY **LAND MARKET OVERVIEW**

QUARTERLY REPORT

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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 cushwakelandfl.com/tampa

ERHARDT'S QUICK LOOK AT THE LAND MARKET

MULTIFAMILY

Same as the last 32 quarters, rental sites continue to be very active especially in the suburbs. Construction and labor cost increases continue and now municipalities are increasing impact fees. For sale townhomes and condominiums (entry level and luxury) are under contract or construction in urban and suburban markets and continue to gain momentum.



SINGLE FAMILY

As for the last 39 quarters, builders and developers are closing and making offers on A and B locations. There are entry level deals in areas outside of the A/B markets like Hudson, San Antonio, Zephyrhills and Plant City. North Manatee is still hot.

Please note Hillsborough County impact fees are going up next year.

South Hillsborough county has a school concurrency problem. The solution of a concurrency fee has killed several deals

RETAIL

Mainly tenant driven, grocery in particular and location driven. Outparcel subdivisions and unanchored strips in A location are active.

MIXED USE

With a retail component is active.

INDUSTRIAL

New and local developers continue to contract and close land positions in Tampa, South and North Pasco, Lakeland, Plant City and Manatee/Lakewood Ranch. Spec buildings are getting larger - 500,000+.

OFFICE

Same as last 27 quarters, users, B-T-S only, but spec development has started in urban markets, with deliveries in 2019 and 2020. Developers are building in Pasco County because of the reverse commute, lower sales tax on leases, and in some cases, government assistance. Brandon is seeing interest from large users, and spec developers. Medical office building (MOBs) construction by providers continues to be active.

MEDICAL

In the new law that went into effect July 1st, new hospitals, standalone emergency rooms, no longer require a certificate of need (CON) from the state. Need is determined by the market and population growth.

HOSPITALITY

Same as the last 20 quarters, development activity continues in urban and suburban locations.

AGRICULTURAL LAND

Active. More buyers than sellers.

CYCLE

I'm still predicting the overall Tampa Bay land cycle has three to four years left, with solid growth for the next two years. Population growth and job gains are the main drivers. The only headwind is construction and labor costs, and impact fees rising faster than rents.

THE BIG PICTURE

RCLCO Top Selling Master Planned Communities mid-year 2019

Greg Logan glogan@rclco.com +1 407 515 4999

Of the top 50 MPC's, 11 are in Florida and 4 are in the Tampa Bay market. At the top in the Villages with 1,000 units, followed by Lakewood Ranch with 824 and West Villages with 679.

RANK	MPC	MSA (City, State)	DEVELOPER	SALES		
				2019 MY	2018 MY	-10%
1	The Villages	The Villages (The Villages, FL)	The Villages	1,000	1,115	-10%
2	Lakewood Ranch	North Port-Sarasota-Bradenton (Sarasota, FL)	Schroeder-Manatee Ranch, Inc.	824	826	0%
3	West Villages	North Port-Sarasota-Bradenton (Venice, FL)	West Villages	679	648	5%
5	Nocatee	Jacksonville (Ponte Verda, FL)	PARC Group	535	507	6%
25	Viera	Palm Bay-Melbourne-Titusville (Melbourne, FL)	The Viera Company	254	292	-13%
31	Bartram Park	Jacksonville (Jacksonville, FL)	Eastland Development Group	232	234	-1%
32	Bexley	Tampa-St. Petersburg-Clearwater (Land O Lakes, FL)	Newland Communities	227	155	46%
37	Lake Nona	Orlando-Kissimmee-Sanford (Orlando, FL)	Tavistock Development Co.	217	266	-18%
40	Starkey Ranch	Tampa-St. Petersburg-Clearwater (Land O Lakes, FL)	Wheelock Communities	206	173	19%
43	Kindred**	Orlando-Kissimmee-Sanford (Kissimmee, FL)	DR Horton	200	-	-
46	Tradition**	Port St. Lucie (St. Lucie, FL)	Mattamy Homes	193	157	23%

CUSHMAN AND WAKEFIELD FLORIDA POPULATION REPORT

- 1.5 million new residents in the past 5 years and 4.9 million expected in the next 5 years.
- Tampa grew by 54,000 in the last 12 months a 1.6% increase.
- Tampa MSA population today is 3.1 million will grow to 3.4 million in the next 5 years.
- 260,340 new residents are expected in the next 5 years.

Tampa Downtown Partnership Biennial Downtown Tampa Worker and Resident Study

- Units in 2008 were 2,362 and today there are 7,546.
Erhardt Comment: We are currently involved in transactions and know of others that will add another 2,000 units.
- Current population of residents in downtown, including Harbour Island is 8,104.

Workforce and Low-Income Housing

- The Sadowski act has been collecting doc stamps since 1993 specifically for workforce housing. Unfortunately, our state legislature uses these funds like their own piggy bank. It has been estimated that over two billion dollars, in the last 12 years, has been used for the states general fund and did not go to it's intended use.

Please contact your legislators in Tallahassee and urge them to stop stealing from this fund.

MULLER REAL ESTATE MARKET CYCLE MONITOR Q1 2019

Cycle Monitor, Glenn Mueller, Ph.D

Real Estate Physical Market Cycle Analysis of 5 Property Types in 54 Metropolitan Statistical Areas (MSAs).

The economic expansion has been solid with 1Q GDP growth at 3.1%, which also drove continued job and wage growth so far in 2019. Trade uncertainty moved investors toward safety and drove the 10-year treasury down to a 2.16% yield in May, which should help to keep mortgage interest rates low and real estate's positive financial leverage position very favorable. Demand and supply growth are in equilibrium balance in more markets and property types than ever before. We expect the moderate economic expansion to continue for a few years.



OFFICE OCCUPANCY

decreased 0.1% in 1Q19, and rents grew 0.5% for the quarter and 2.1% annually



RETAIL OCCUPANCY

was flat in 1Q19, and rents grew 0.1% for the quarter and 1.4% annually



INDUSTRIAL OCCUPANCY

decreased 0.1% in 1Q19, and rents grew 1.1% for the quarter and 5.6% annually



HOTEL OCCUPANCY

increased 0.3% in 1Q19, and room rates grew 2.5% for the quarter but grew 3.6% annually



APARTMENT OCCUPANCY

increased 0.1% in 1Q19, and rents grew 1.3% for the quarter, but grew 3.2% annually.

National Property Type Cycle Locations



Office Market Cycle Analysis

The national office market occupancy level decreased 0.1% in 1Q19 but was up 0.3% year-over-year. Continued GDP and employment growth are driving moderate office demand growth. More landlords are adopting short term rental programs to compete with WeWorks and other flex rental companies. Daily rental rates cost as much as four times long term lease rates but include furniture and support equipment. They are offering additional services as well to increase profitability. It has become the favored option for start-up companies and large firm expansions. New York has the highest amount of short-term office lease space in the country. New office supply continued at reasonable rates and six markets moved to peak / equilibrium occupancy levels. Only one market, Austin had too much supply growth that pushed it into the hyper-supply phase of the cycle. Average national rents increased 0.5% in 1Q19 and produced a 2.1% increase year-over-year.



Tampa has moved up to level 11, which is the demand/supply equilibrium point. With Tampa is Jacksonville, Nashville and Raleigh-Durham. Ahead of Tampa is Atlanta, Charlotte, Memphis, Miami, Norfolk, Ft. Lauderdale, Orlando, Palm Beach and Richmond. With no one ahead.

Industrial Market Cycle Analysis

Industrial occupancies declined 0.1% in 1Q19 and were flat year-over-year, as equilibrium occupancy levels continued in almost all markets. Only three markets experienced too much supply, moving them into the hyper-supply phase of the cycle. Expansion for internet fulfillment delivery by many retailers continues to be the top driving force in demand. We also see more demand in secondary markets for internet fulfillment and last mile delivery strategies. Building layout and location for last mile delivery has not yet become standardized, so many options are being tried. Industrial national average rents increased 1.1% in 1Q19 and increased 5.6% year-over-year.

For the seventh quarter, Tampa is at level 11, which is demand/supply equilibrium point. With Tampa is Atlanta, Charlotte, Jacksonville, Memphis, Miami, Nashville, Norfolk, Orlando, Palm Beach, Raleigh-Durham and Richmond. With Ft. Lauderdale ahead and no one behind.

Apartment Market Cycle Analysis

The national apartment occupancy average increased 0.1% in 1Q19 and improved 0.4% year-over-year. Moderate and stable demand growth continued with the expanding jobs market and increased GDP growth. Assuming no major challenging events, we expect this demand to continue for at least the next four years as the demographic wave of millennials graduating and getting jobs continues. However, the recent lower interest rates in May 2019 may allow more renters to purchase homes, putting a drag on demand growth. Supply growth moderated slightly in a number of markets, allowing them to move back to peak equilibrium occupancy levels. Average national apartment rent growth increased 1.3% in 1Q19 and national average rents increased 3.2% year-over-year.

For the fourth quarter Tampa is at level 12 the hyper supply phase of rent growth, positive but declining. With Tampa is Charlotte, Ft. Lauderdale, Miami, Orlando, Raleigh-Durham and Richmond. Behind Tampa is Jacksonville, Norfolk and Palm Beach. Ahead of Tampa is Atlanta, Memphis and Nashville.

Retail Market Cycle Analysis

Retail occupancies were flat in 1Q19 and up 0.1% year-over-year. Net supply growth was again moderate as non-functional space was converted to other uses and new concept space construction in good locations was moderate. More internet retailers are opening bricks and mortar stores to compete and have a location for both last mile pickups and returns to reduce their shipping costs. Downtown retail is doing well as millennials have chosen to live downtown. Amazon continues to try new store concepts and refine existing ideas. Trying to standardize offerings in Whole Foods grocery stores was a failure and Amazon quickly learned that local tastes are important in the grocery business. National average retail rents increased 0.1% in 1Q19 and increased 1.4% year-over-year.

For the sixth quarter Tampa is at level 11, the demand/supply equilibrium point. With Tampa is Atlanta, Charlotte, Ft. Lauderdale, Jacksonville, Palm Beach, Memphis, Miami, Nashville, Norfolk, Orlando, Raleigh-Durham and Richmond. With no one ahead or behind Tampa.

Hotel Market Cycle Analysis

Hotel occupancies increased 0.3% in 1Q19 and were up 0.4% year-over-year. Continued average occupancy levels above 70% in many markets creates great profitability and the push to produce more supply to capture that demand and create more profits. More unique concepts are surfacing and broader offerings from major brands are being developed, many are embraced by both leisure and business travelers. Many chains are also offering management for home rental (Air B-n-B) participants. The hassle of collecting and paying room taxes, as well as monitoring and controlling tenant activity to avoid local fines has turned off some home owner/rental participants. On the other hand – some apartment purchasers are doing nightly rentals to fill vacant apartment units. The national average hotel room rate increased 2.5% in 1Q19 and increased 3.6% year-over-year.

For the tenth quarter Tampa is at level 11, the demand/supply equilibrium point. With Tampa is Ft. Lauderdale, Jacksonville, Miami, Orlando, Palm Beach and Richmond. Behind Tampa is Memphis and Raleigh-Durham. Ahead of Tampa is Atlanta and Nashville.

TAMPA BAY SINGLE FAMILY MARKET OVERVIEW

Metrostudy Quarterly Housing Summit Webcast 2Q19 May 21, 2019

Tony Polito tpolito@metrostudy.com 813 888 5151 Ext. 811

- Mortgage rate will be 5.5% for a 30-year mortgage in 12-18 months
- Demand is below \$400k
- New home average is 2,380 SF
- Next cycle - more factory-built homes
- Amazon, Google, Apple & Tesla are getting into home building
- 2019-2024 there will be an under supply of new homes
- Recession 2023-2024 housing cycle is in the 8th inning
- There are 8,378 vacant developed lots in the Tampa Bay market, a 13.6 month supply

ERHARDT COMMENT:

An economic recession does not necessarily mean we have a real estate recession.

Single Family New Home Market Overview for Past 12 Months

Provided by Landmark Reports +1 813 810 4335, chris@landmarkreports.com

TAMPA NEW HOME CLOSINGS BY COUNTY

County	# of Closings	Aggregate Closings	Avg Closing Price	Avg HSF	Avg FF
1 Hillsborough	5,735	\$1,647,812,952	\$287,326	2,444	50
2 Pasco	2,462	\$829,152,484	\$336,780	2,533	55
3 Sarasota	1,830	\$725,252,332	\$396,313	2,249	51
4 Manatee	1,738	\$682,549,138	\$392,721	2,307	54
5 Pinellas	317	\$138,389,945	\$436,561	2,738	37
6 Hernando	160	\$37,061,980	\$231,637	2,100	76

CLOSINGS BY COUNTY SUBMARKET

Submarket	No. of Closings	Aggregate Closings	Avg Closing Price	Avg HSF	Avg FF
1 South Hillsborough	4,465	\$1,227,769,960	\$274,976	2,394	51
2 Venice/Englewood	1,193	\$417,145,639	\$349,661	2,065	50
3 Wes Chapel/New Tampa	1,023	\$379,916,959	\$371,375	2,626	55
4 SR 54/Trinity	959	\$352,584,019	\$367,658	2,551	53
5 Lakewood Ranch	766	\$379,725,585	\$495,725	2,370	54
6 North of the River	593	\$184,666,773	\$311,411	2,265	54
7 Citrus Park/NW Tampa	475	\$176,771,814	\$372,151	2,663	42
8 I-4/Plant City	412	\$109,641,319	\$266,120	2,285	54
9 US 41/SR 52	403	\$116,033,969	\$287,925	2,600	59
10 Sarasota South	336	\$162,924,895	\$484,896	2,365	54

TOP 10 BY COMMUNITY

Community	No. of Closings	Total Closing Price	Avg Closing Price	Avg HSF	Avg FF
1 Carlton Lakes (Southfork Lakes)	368	\$93,485,452	\$254,037	2,387	51
2 Villages of Starkey Ranch	302	\$121,777,571	\$403,237	2,682	54
3 Belmont	285	\$77,610,470	\$272,317	2,620	50
4 Epperson Ranch South	248	\$79,301,636	\$319,765	2,386	57
5 Triple Creek	241	\$70,628,250	\$293,063	2,752	52
6 Bexley South	233	\$74,840,557	\$321,204	2,428	47
7 Cypress Creek	233	\$52,166,488	\$223,891	2,107	49
8 South Fork	193	\$62,329,685	\$322,952	2,898	62
9 Islandwalk at the West Villages	192	\$71,042,511	\$370,013	1,898	48
10 Waterset	182	\$69,102,293	\$379,683	2,467	58

TAMPA BAY **MULTIFAMILY** MARKET OVERVIEW

Axiometrics, Inc. Market Performance Summary, Q1-2019, Tampa - St. Petersburg - Clearwater, Florida Metropolitan Statistical Area

APARTMENT PERFORMANCE

Effective rent increased 0.3% from \$1,184 in 4Q18 to \$1,191 in 1Q19, which resulted in an annual growth rate of 4.2%. Annual effective rent growth has averaged 2.7% since 2Q96.

The market's annual rent growth rate was above the national average of 3.3%. Out of the 150 markets ranked by RealPage nationally, Tampa-St. Petersburg-Clearwater, FL was 102nd for quarterly effective rent growth, and 39th for annual effective rent growth for 1Q19.

The market's occupancy rate decreased from 95.5% in 4Q18 to 95.3% in 1Q19 and was down from 95.5% a year ago. The market's occupancy rate was below the national average of 95.4% in 1Q19. The market's occupancy rate has averaged 94.1% since 2Q96

MARKET SURVEY RESULTS AND FORECASTS

	Sequential				Month	Annual						
	2Q18	3Q18	4Q18	1Q18	Mar-19	2017	2018	2019F	2020F	2021F	2022F	2023F
Effective Rent Per Unit	\$1,171	\$1,192	1,187\$	\$1,191	\$1,199	\$1,126	\$1,174	\$1,213	\$1,248	\$1,264	\$1,292	\$1,325
Per Sq. Ft.	\$1.25	\$1.28	\$1.27	\$1.27	\$1.28	\$1.20	\$1.25	\$1.30	\$1.33	\$1.35	\$1.38	\$1.42
Effect Rent Growth - Annually	4.4%	4.9%	4.5%	4.2%	4.2%	2.9%	4.5%	3.9%	1.9%	1.4%	2.5%	2.4%
Effective Rent Growth - Quarterly	2.4%	1.8%	-0.4%	0.3%								
Occupancy Rate	95.8%	96.0%	95.5%	95.3%	95.3%	95.2%	95.7%	95.6%	96.2%	96.3%	95.8%	96.0%
Occupancy Change - Annually	0.6%	0.6%	0.2%	-0.1%	-0.3%	0.4%	0.2%	0.2%	0.3%	-0.1%	-0.4%	0.4%
Occupancy Change - Quarterly	0.4%	0.2%	-0.5%	-0.2%								
Economic Concessions												
Concession Value	\$30.00	\$26.00	\$44.00	\$42.00	\$65.00	\$31.50	\$35.50					
As a % of Asking Rent	2.7%	2.2%	3.7%	3.5%	5.4%	2.9%	3.1%					

DEMAND AND SUPPLY

According to the Bureau of Labor Statistics, job growth in Tampa-St. Petersburg-Clearwater, FL was 2.2% in March 2019, reflecting 29,600 jobs added during a 12-month period. The metro job growth figure was above the national number of 1.7%.

RealPage forecasts Tampa-St. Petersburg-Clearwater, FL's job growth to be 1.2% in 2020, with 16,694 jobs added. Job growth is expected to average 0.9% from 2021 to 2023, with an average of 12,956 jobs added each year.

On the supply side, permits for 3,911 multifamily units were issued in the 12 months ending in February 2019, up 1,042 units from the prior year's sum. In terms of total residential housing, 18,472 units were permitted in the 12 months ending February 2019, an increase of 1,253 units from the prior year's total.

MULTIFAMILY ABSORPTION AND SUPPLY

	Annual				4Q18	Annual Forecast				
	2016	2017	2018	Market	National	2019F	2020F	2021F	2022F	2023F
Total Units Absorbed	1,672	4,727	5,655	4,574	299,310	4,739	5,219	4,132	2,349	4,890
New Supply	3,656	4,443	5,356	5,398	301,210	4,426	4,635	4,587	3,583	3,973
Inventory	1.4%	1.8%	2.2%	2.2%	1.6%	1.8%	1.8%	1.7%	1.3%	1.5%

IDENTIFIED SUPPLY

As of April 24, 2019, RealPage has identified 4,510 apartment units scheduled for delivery in 2019, of which, 1,040 have been delivered. As a comparison, there were 5,407 apartment units delivered in 2018. Properties delivered to the market in the last 12 months have achieved an average asking rent of \$1,703 per unit, or \$1.79 per square foot. Effective rent has averaged \$1,623, or \$1.70 per square foot, resulting in an average concession value of \$149.04. As a comparison, existing properties in the market had an average asking rent of \$1,197 per unit (\$1.28 per square foot) and an average effective rent of \$1,191 per unit, or \$1.27 per square foot, in 1Q19. Concessions for existing properties averaged \$42.00.

TAMPA BAY **MULTIFAMILY** MARKET OVERVIEW

SUBMARKET DELIVERY SCHEDULE

Top Submarkets	Pipeline Delivery Schedule				Pipeline Lease Up Trend					
	2017	2018	2019	Total	Units Absorbed		Asking Rent		Effective Rent	
					Totals	PPM	Per Unit	PSF	Per Unit	PSF
Carrollwood/Citrus Park	242	356	598	1,196	337	21	\$1,468	\$1.54	\$1,383	\$1.37
Central Tampa	2,227	1,319	930	4,476	1,391	18	\$1,956	\$2.24	\$1,815	\$2.07
New Tampa/East Pasco County	42	645	286	973	216	15	\$1,488	\$1.47	\$1,398	\$1.38
Peninsula	288	0	1,129	1,417	137	24	\$1,568	\$1.74	\$1,534	\$1.71
South St. Petersburg	250	511	514	1,275	325	22	\$2,263	\$2.40	\$2,102	\$2.23
Other	1,270	2,576	1,053	4,899	1,772	14	\$1,526	\$1.52	\$1,494	\$1.48
Tampa-St. Petersburg-Clearwater, FL	4,319	5,407	4,510	14,236	4,178	16	\$1,703	\$1.79	\$1,623	\$1.70

**Based on 2019 deliveries *Trends based on trailing 12 month period*



TAMPA BAY HOSPITALITY MARKET OVERVIEW

February 2019, Tampa/Hillsborough County Hospitality Statistics, Visit Tampa Bay

OCCUPANCY RATE	79.2 (+1.8%)
ROOM RATES ADR	\$138.23 (+1.1%)
ROOM EXPENDITURES RevPAR	\$109.49 (+2.9%)
SUPPLY	3,438,533 (+2.6%)
DEMAND	2,723,607 (+4.4%)
REVENUE	\$376,491,918 (+5.5%)



TAMPA BAY RETAIL MARKET OVERVIEW

Tampa / St. Petersburg Retail Market Report, CoStar Group, Inc.

SUMMARY

Tampa's retail market is flourishing, thanks to elevated personal consumption from the metro's robust population and wage growth, as well as a vibrant tourism industry. After outperforming the nation for generally the past five years, the market continues to be one of the healthiest in the country. In 2019, both the market fundamentals and annual rent growth remain at historical records.

While Tampa's retail trade employment has been one of the highest growth sectors over the past two years with approximately 5.5% job gains, net absorption has started to gradually taper off as vacancies are now at record lows. Although relatively low by long-term trends, construction has picked up with 2019 supply underway the largest in nearly a decade.

RENT

Tampa is one of the strongest rent growth markets in the nation. For the past five years, the strong demand and tight vacancies have kept the metro outperforming the national average. Annual gains have shown no sign of slowing, with a record growth rate established in 2019, a mark nearly six times the long-term trend.

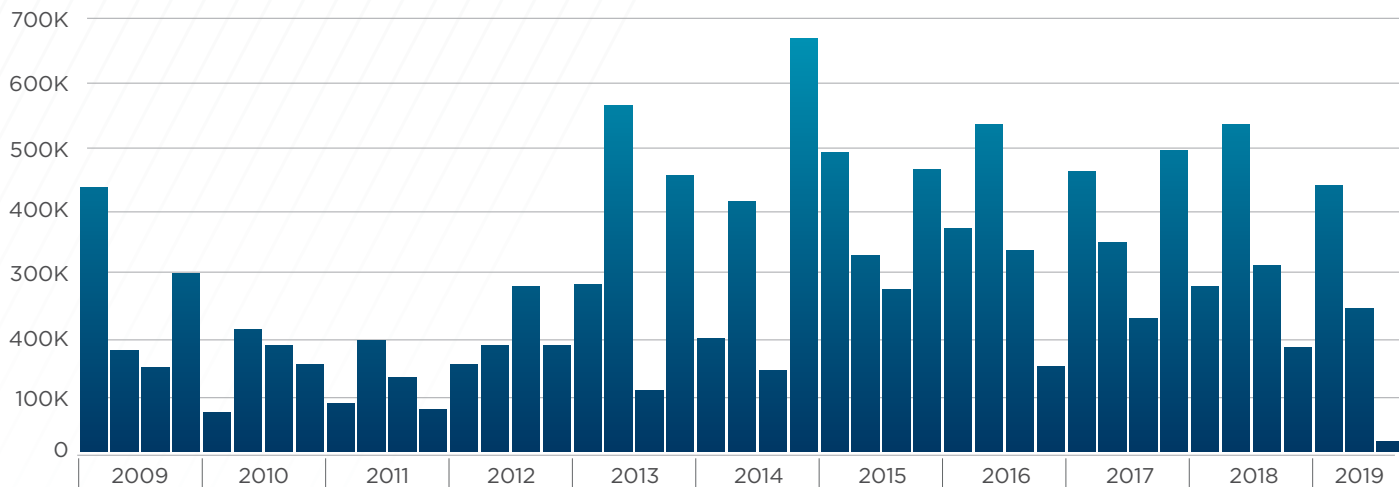
Despite a relative uptick in recent and current construction, the metro's has thus far seen little impact on rent growth. The still middling supply and expected continued elevated demand levels are likely to keep rent growth from experiencing significant downward pressure.

CONSTRUCTION

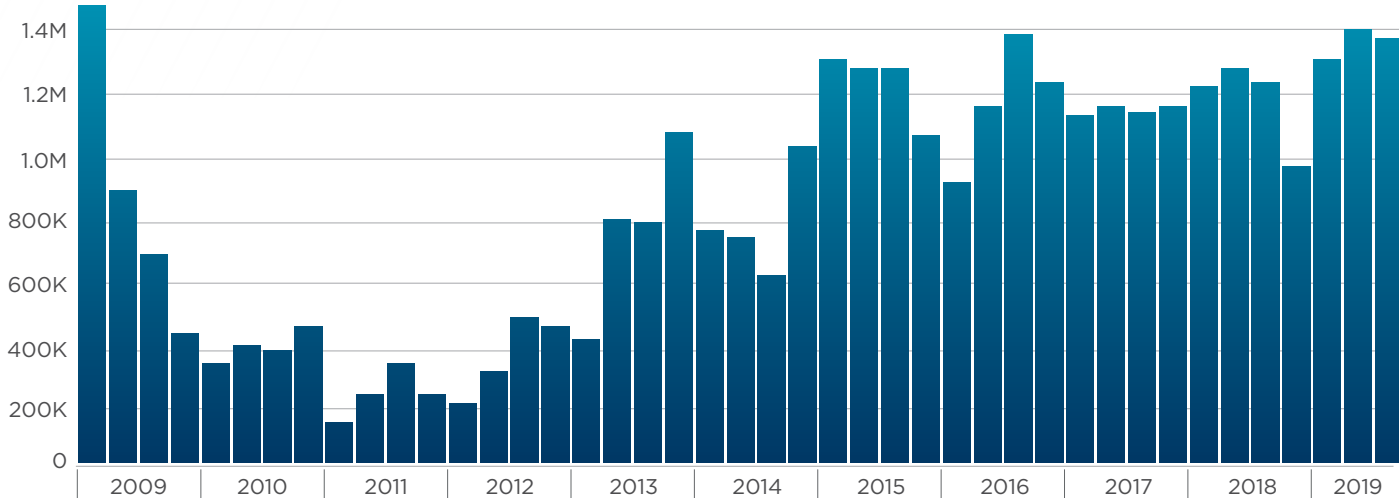
Construction has gradually crept up over the past two years, and currently is the highest it has been in roughly a decade. However, even at the elevated construction levels, the total square footage underway is still well below the metro's long-term average.

Part of the reason for limited new supply has been the amount of space added back to the market through well-publicized store closures. This is a trend seen all across the nation, though Tampa has had comparatively greater success filling the empty spaces. With the vacancy rate approaching an all-time low and store closures seeming to have tapered off over the last two quarters, the market could be primed for increased developer activity.

Construction Starts



Under Construction



TAMPA BAY OFFICE MARKET OVERVIEW

Cushman & Wakefield Market Overview - Tampa

- Westshore Office Overview: Overall vacancy at the end of 2Q19 is 12.9% compared to 10.9% last year and 11.4% last quarter. Class A is at 12.2% compared to 9.2% last year and 10.3% last quarter.
- I-75 Office Overview: Overall vacancy at the end of 2Q19 is at 18.6% compared to 12.1% a year ago and 15.3% last quarter. Class A is at 14.3% compared to 5.5% a year ago and 13.5% last quarter.
- Tampa Central Business District: Overall vacancy at the end of 2Q19 is at 9.1% compared to 11.3% a year ago and 9.2% last quarter. Class A is at 7.8% compared to 8.3% a year ago and 7.2% last quarter.



TAMPA BAY INDUSTRIAL MARKET OVERVIEW

Our Perception on the Market, Julia Rettig, Sr. Director, Industrial Brokerage, Chris Owen, Director, Florida Research and Jason McCormick, Research Analyst, Cushman & Wakefield of Florida, Inc.

JUST WHEN YOU THOUGHT IT WAS OVER ...The powerhouse that is the I-4 Corridor regained momentum after a relatively soft first quarter to remain at the mid-year point one of the Southeast's fastest growing industrial markets.

On the western terminus of I-4, Tampa Bay keeps on attracting prominent tenants who come to the region because of the explosive population and job growth. Several new-to-market tenants took multiple 500,000 square foot plus positions in several of our fast-growing industrial submarkets. We also have quite a few big box tenants in the market looking for larger blocks of space. This includes a national furniture retailer who is hunting for a million square foot land position that will require considerable frontage along a major highway to rival a well-known competitor. Another notable home improvement retailer is prepared to sign two leases totaling 1.3 msf. The expected land positions will include a rail served site in the Big Bend and US HWY41 area of Tampa as well as a site west of County Line Road in Plant City. Conn's Home Plus appears to be close to inking a deal in Xebec's \$39 million, 535,000-sf speculative, regional distribution center at the I-4 Logistics Hub.

National, regional and local developers pinpoint and look to Tampa Bay as an opportunity to build since tenants persist in flocking to premier I-4 corridor locations to better serve a growing customer base. Established developers delivering speculative product are scaling footprints to tenant expectations to remain competitive. One nimble builder is Foundry Commercial who recently announced the ground breaking of their first Plant City/Tampa industrial project. Lakeside Logistics, a 900-acre master planned development, will be built in phases based on tenant demand. Phase I will consist of a 505,000-sf cross-dock building. The first building will be followed by eight more over a period of years depending on tenant interest. Tampa Bay's industrial market is seeing unprecedented levels of development with nearly 5.0 msf currently under construction.

Why are we seeing this type of activity? It has to do with numbers. Almost a thousand people move to Florida each day. About half of them settle in the I-4 Corridor. These new additions support expansion by area construction firms and help the rise of e-commerce. The quest for just-in-time delivery means that increases in population will produce the need for last mile sites for quicker delivery. Net migration from Puerto Rico, tax refugees for states up north and a diversified economy generating jobs throughout the state means that the influx of new people is not going to change any time soon.

While the forecast is optimistic, in this chaotic world outside factors, including prolonged trade wars with China, means that some supply chains could be disrupted both in the short and long terms. This potentially could impact our regional economy and cause a reset by developers for new construction.

Providing clients with the insight to proactively respond to changing market conditions is what the team provides at Cushman & Wakefield.

Cushman & Wakefield Industrial Market Overview – Tampa

- **West Tampa Industrial Overview:** The overall vacancy at the end of 2Q19 is 4.0% compared to 5.0% a year ago and 4.8% last quarter.
Warehouse distribution is at 1.8% vacancy compared to 3.9% a year ago and 2.9% last quarter.
Office Service Center is at 9.2% vacancy compared to 8.7% a year ago and 9.7% last quarter.
- **East Tampa Industrial Overview:** The overall vacancy at the end of 2Q19 was 8.1% compared to 6.5% a year ago and 6.7% last quarter.
Warehouse distribution is at 8.9% vacancy compared to 6.8% a year ago and 7.1% last quarter.
Office Service Center is at 10.4% vacancy compared to 8.6% last year and 10.3% last quarter.
- **Plant City Industrial Market Overview:** The overall vacancy at the end 2Q19 was 6.1% vacancy compared to 6.9% a year ago and 4.7% last quarter.
Warehouse distribution is at 8.1% vacancy compared to 9.6% a year ago and 6.2% last quarter.
- **Lakeland Industrial Market Overview:** The overall vacancy at the end of 2Q19 was 5.7% vacancy compared to 4.5% a year ago and 4.2% last quarter.
Warehouse distribution is at 7.1% vacancy compared to 5.6% a year ago and 5.2% last quarter.



LAND SALES

Hong Kong

- 5 sites containing 1.8 million square feet of land recently traded for \$1,777 per land foot.

Multifamily

- Pollack Shores purchased 2.8 acres on North Rome in North Hyde Park Tampa for a 226-unit, 80 unites/acre apartment project. Unit price was \$28,318 per unit, land price was \$52.47 per square foot. Density was 80.7 units per acre.
- Auburn Land Cove Partners purchased 43.43 acres in Auburndale \$34,883 per acre. The property is zoned for 130 units which is \$11,538 per lot.
- Arlington properties purchased 10.87 acres south of the Brandon Town Center Mall Brandon, FL. Land price was \$9.50 per square foot and \$15,679 per unit with a density of 20 units per acre. They are building 287 unit.
- A subsidiary of Castos SE purchased a 230-unit multifamily site next to the USAA office building in Brandon, FL \$25,000 per unit, land developed. Density was 19.3 units per developed acre.

Single family

- Meritage Homes purchased 17.8 acres in Brandon for 64 lots paying \$39,843 per lot.
- Neal Communities purchased 450 acres on Fruitville in Sarasota County for \$47,888 per acre. Property is zoned for 900 units, or \$23,944 per unit.

Agricultural

- Lasso Citrus LLP purchased 431.69 acres in Parrish area of Manatee County for \$5,675 per acre.

Healthcare

- An unknown buyer rumored to be a hospital, purchased 19.24 acres at Sun Lake Blvd and 54 in south central Pasco County for \$12.41 per square foot not developed. Property needed substantial fill import.

Mixed Use

- Washington Prime Group the owner of Westshore Mall purchased the Bank America corner at Westshore and Kennedy Blvd. for \$49.36 per square foot approximately 2 acres.

Office

- Westview Holdings LLC. purchased 9.7 acres on Rio in the Westshore office market for \$21.51 per land foot. Property is zoned for 576,000 sf of office, or \$14.75 per building foot.





THE CUSHMAN & WAKEFIELD LAND ADVISORY GROUP

This group brings together teams of seasoned and knowledgeable professionals who have expertise in all aspects of buying and selling. These teams use their substantial experience and proprietary real-time local market information to analyze and develop appropriate strategies for individual sites or portfolios. By capitalizing on various resources within the company, Cushman & Wakefield is uniquely qualified to combine local real estate knowledge with experience in international and domestic capital markets through our Equity, Debt and Structured Finance Group.



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