



TAMPA BAY LAND MARKET OVERVIEW

QUARTERLY REPORT

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IN THIS REPORT

Erhardt's Quick Look at the Land Market	2	Tampa Industrial Market Overview	12
Tampa Bay Multifamily Market Overview	6	Land Sales.....	13
Tampa Bay Hospitality Market Overview.....	9		
Tampa Bay Retail Market Overview.....	9		



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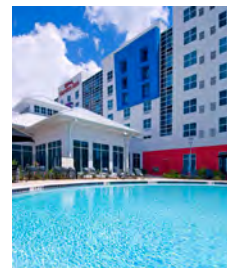
The following represents excerpts from economic and real estate journals, notes from conventions, seminars and other meetings I attended, along with personal opinions of my own and others that affect the land market in the Tampa Bay Region. Previous Market Overviews can be found at www.cushwakelandfl.com/tampa.

ERHARDT'S QUICK LOOK AT THE LAND MARKET

- **MULTIFAMILY** – Same as the last 29 quarters, rental sites continue to be very active especially in the suburbs. Rental townhomes and single family are contracting and closing on sites. 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 36 quarters, builders and developers are closing and making offers on A and B locations. There are some land buys for entry level outside the A/B market like Hudson, Zephyrhills and Plant City. North Manatee is hot.
- **RETAIL** – Mainly tenant driven, grocery in particular and location driven. Outparcel subdivisions and unanchored strips in A locations 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+. Last mile sites are in demand.
- **OFFICE** – Same as last 24 quarters, users and B-T-S only, but spec development has started, with deliveries in 2019 and 2020. Developers are looking at Pasco County because of the reverse commute, and government assistance. Medical office building (MOBs) construction by providers continues to be active especially in Pasco.
- **HOSPITALITY** – Same as the last 17 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 five to six years left, with solid growth for the next three years. Population growth and job gains are the main drivers. The only headwind is construction costs rising faster than rents.



Erhardt Comment: *This is my third boom cycle, the only one not fueled by financial engineering.*





Black Creek Research Cycle Monitor – Real Estate Market Cycles, Second Quarter 2018, Cycle Monitor, Glenn Mueller 303-953- 3872 [Click Here](#)

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

Important note: point 11 on the cycle graphs is the point of equilibrium in the cycle, where demand and supply are growing at the same rate. This is the most ideal point in the cycle as it represents a balanced market, which can be sustained for potentially years. The green shading represents the growth phase of the cycle, indicating which markets have strong growth fundamentals. Please review pages two and eight of this report for the details of how the cycle model works.



Office occupancy was flat in 2Q18 and rents grew 0.3% for the quarter and 1.8% annually



Retail occupancy increased 0.4% in 2Q18 and rents grew 0.5% for the quarter and 1.6% annually



Industrial occupancy increased 0.1% in 2Q18 and rents grew 1.3% for the quarter and 6.2% annually

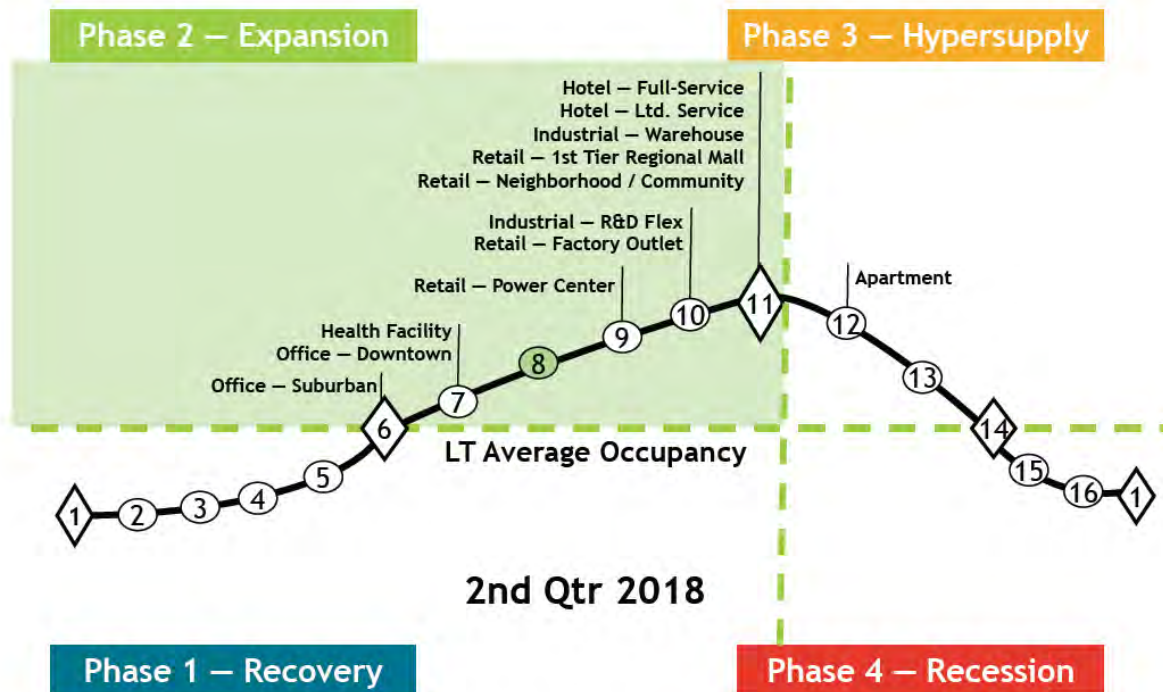


Hotel occupancy declined 0.01% in 2Q18 and room rates grew 4.0% for the quarter and 3.8% annually



Apartment occupancy increased 0.1% in 2Q18 and rents grew 1.6% for the quarter and 3.1% annually

National Property Type Cycle Locations



Source: Mueller, 2018

Office Market Cycle Analysis

The national office market occupancy levels remained flat in 2Q18 and increased 0.2% year-over-year. As seen in the 2Q18 cycle graph 49 of 54 markets are in the growth phase of the market cycle. Economic expansion with 4%+ GDP growth is driving strong job growth in office-using jobs. In most markets, rising construction costs and interest rates require stronger development underwriting, which keeps supply in balance with demand. Rents are rising with the strong demand and average national rents increased 0.3% in 2Q18 which produced a 1.8% increase year-over-year.

For the third quarter Tampa is at level 10, which is high rent growth in a tight market. With Tampa is Jacksonville and Orlando. Behind Tampa is Atlanta, Charlotte, Ft. Lauderdale, Norfolk, Palm Beach and Richmond. Ahead of Tampa is Austin, Nashville and Raleigh-Durham.

Industrial Market Cycle Analysis

Industrial occupancy levels increased 0.1% in 2Q18 and were up 0.4% year-over-year. 51 of 54 markets are now at equilibrium point #11 in the cycle graph, which means supply is keeping up with demand, and is the indicator of a balanced market. Continued moderate job growth near 200,000 new jobs per month along with 4%+ GDP growth in 2Q18 are driving consumer spending and demand for industrial space. The forecast does not show the potential for hyper-supply in the next few years, as demand remains strong from growing e-commerce retailers' need for additional distribution and last-mile warehouse space. Industrial national average rents increased 1.3% in 2Q18 and increased 6.2% year-over-year.

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

Apartment Market Cycle Analysis

The national apartment occupancy levels increased 0.1% in 2Q18 and were up 0.1 year-over-year. Job growth averaging near 200,000 per month continues to create robust demand for apartments. Increasing construction costs and construction labor shortages in many markets caused starts to finally decelerate slightly in May and if this continues the market could come back into equilibrium by 2020. Rising mortgage interest rates are also helping to slow purchases and price increases that justify new construction. Note that 22 markets are at point #11 where markets

Erhardt Comment:

Population growth and the single family deliveries still being below the 20 year average, will keep the apartment market steady.

are in equilibrium. Average national apartment rent growth increased 1.6% in 2Q18 and 3.1% year-over-year.

Tampa is at level 12 the hyper supply phase of rent growth, positive but declining. With Tampa is Charlotte, Memphis, Miami and Raleigh-Durham. Behind Tampa is Ft. Lauderdale and Jacksonville. Ahead of Tampa is Atlanta, Nashville and Palm Beach. With no one ahead.

Retail Market Cycle Analysis

Retail occupancy levels improved 0.04% 2Q18 and were up 0.2% year-over-year. As the cycle chart shows, 51 of 54 retail markets are in the growth phase of the cycle. 40 of the 54 markets are at equilibrium point #11 on the cycle graph and only three markets are in the hypersupply phase of the cycle. Experiential-based retailers and e-commerce retailers are creating strong demand for retail space that is easily absorbing failed older retail formats. New retail construction also remains at less than half the historic growth rate, which helps to keep markets in balance. Average national retail rent growth increased 0.5% in 2Q18 and 1.6% year-over-year.

For the third quarter Tampa is at level 11, the demand/supply equilibrium point. With Tampa is Atlanta, Ft. Lauderdale, Jacksonville, Palm Beach, Miami, Nashville, Orlando and Raleigh-Durham. Behind Tampa is Charlotte, Memphis and Norfolk. With one ahead.

Hotel Market Cycle Analysis

Hotel occupancy levels decreased 0.1% in 2Q18 but increased 0.2% year-over-year. 36 of 54 markets are in the growth phase of the cycle. While strong GDP growth of 4%+ in 2Q18 helped propel both business and leisure hotel demand further, new completions in some markets were higher than that increased demand. Branding and new hotel concept tiers are appearing to appeal to niche markets and in unique locations. The national average hotel room rate increased 4.0% in 2Q18 and 3.8% year-over-year.

Single Family Market Overview Provided by Landmark Reports 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	Hernando	199	\$45,125,135	\$226,759	2,090	68
2	Hillsborough	5,386	\$1,553,335,838	\$288,402	2,377	49
3	Manatee	1,653	\$640,232,362	\$387,315	2,293	56
4	Pasco	2,898	\$964,112,990	\$332,682	2,480	54
5	Pinellas	336	\$132,245,371	\$393,857	2,175	35
6	Sarasota	1,802	\$672,467,673	\$373,179	2,098	52

Closings By County Submarket

	County	# of closings	Avg Closing Price
1	Citrus Park/NW Tampa	486	\$557,725
2	Hernando	199	\$226,759
3	I-4/Plant City	238	\$248,037
4	North of SR 64	240	\$363,949
5	North of the river	439	\$294,266
6	SR 54/Trinity	956	\$368,425
7	South Hillsborough	4,424	\$269,739
8	Wesley Chapel/New Tampa	1,348	\$361,451
9	West of I-75 infill	221	\$342,302
10	Zephyrhills	283	\$230,869

Top 10 By Community

	County	# of closings	Avg Closing Price	Avg HSF	Avg FF
1	Waterset	274	\$335,425	2,521	52
2	Bexley South	263	\$328,466	2,346	50
3	Islandwalk at the West Villages	234	\$368,695	1,878	46
4	Villages of Starkey Ranch	225	\$412,591	2,671	51
5	Epperson Ranch South	220	\$310,079	2,393	58
6	Fishhawk Ranch West	220	\$360,773	2,507	48
7	Connerton Village	219	\$289,819	2,606	54
8	Union Park	190	\$344,577	2,559	48
9	Oak Creek	189	\$186,001	1,614	25
10	Cypress Creek	188	\$209,273	2,140	48

Notes From Zonda Frame Tampa 9/20/19

National

- Existing home sales 85% of national market
- New homes up 12.8% nationally
- Mtg rate 5.1% in 2019
- Median home size 2,400 SF. In 2000 it was 2,100 SF
 - 31% 1,000-1,499
 - 27% 1,500-1,999
 - 58%
- Challenges - affordable
 - Pasco 3,800
 - Pinellas 800
 - Hernando 500
- Lakeland up 16%, new home affordable YOY. Tampa is up 2%
- Tampa 2.3 months supply new homes should be 3x's that and 6 months is balanced
- Tampa 1.49/job to permits Lakeland 1.09
- Demand is pushing prices up 8% in Tampa and 4% in Lakeland
- Home Prices
 - 38% below \$250k
 - 49% \$250-\$450k

Local

- Permits last 12 months
 - Hillsborough 8,000

TAMPA BAY MULTIFAMILY MARKET OVERVIEW

Axiometrics, Inc. Market Performance Summary, Q2-2018, Tampa – St. Petersburg – Clearwater, Florida Metropolitan Statistical Area

Apartment Performance

Effective rent increased 2.6% from \$1,158 in 1Q18 to \$1,188 in 2Q18, which resulted in an annual growth rate of 4.5%. Annual effective rent growth is forecast to be 3.2% in 2019, and average 2.6% from 2020 to 2022. Annual effective rent growth has averaged 2.7% since 3Q96.

The market's annual rent growth rate was above the national average of 2.5%. Out of the 120 markets ranked by Axiometrics nationally, Tampa-St. Petersburg-Clearwater, FL Metro Area was 33rd for quarterly effective rent growth, and 22nd for annual effective rent growth for 2Q18.

The market's occupancy rate increased from 95.2% in 1Q18 to 95.6% in 2Q18, and was up from 95.0% a year ago. The market's occupancy rate was above the national average of 94.9% in 2Q18. For the forecast period, the market's occupancy rate is expected to be 95.3% in 2019, and average 94.8% from 2020 to 2022. The market's occupancy rate has averaged 94.0% since 3Q95.

Market Survey Results and Forecasts

	Sequential				Month	Annual						
	3Q17	4Q17	1Q18	2Q18	June-18	2016	2017	2018F	2019F	2020F	2021F	2022F
Effective Rent Per Unit	\$1,152	\$1,151	\$1,158	\$1,188	\$1,207	\$1,109	\$1,140	\$1,187	\$1,225	\$1,250	\$1,288	\$1,323
Per Sq. Ft	\$1.22	\$1.22	\$1.22	\$1.25	\$1.28	\$1.17	\$1.20	\$1.25	\$1.28	\$1.32	\$1.36	\$1.40
Effective Rent Growth - Annually	2.4%	2.9%	3.4%	4.5%	4.6%	5.6%	2.8%	4.1%	3.2%	2.1%	3.0%	2.7%
Effective Rent Growth - Quarterly	1.3%	-0.1%	0.6%	2.6%								
Occupancy Rate	95.2%	95.0%	95.2%	95.6%	95.5%	95.3%	95.0%	95.5%	95.3%	94.8%	95.0%	94.5%
Occupancy Change - Annually	-0.2%	0.3%	0.4%	0.7%	0.6%	-0.2%	-0.3%	0.5%	-0.2%	-0.6%	0.3%	-0.5%
Occupancy Change - Quarterly	0.2%	-0.2%	0.2%	0.5%								
Economic Concessions												
Concession Value	\$-4.01	\$-5.33	\$-4.98	\$-2.58	\$-3.03	\$-4.47	\$-5.51					
As a % of Asking Rent	-0.4%	-0.5%	-0.4%	-0.2%	-0.3%	-0.4%	-0.5%					



Demand and Supply

According to the Bureau of Labor Statistics, job growth in Tampa-St. Petersburg-Clearwater, FL Metro Area was 2.2% in June 2018, reflecting 28,900 jobs added during a 12-month period. The metro job growth figure was above the national number of 1.6%.

Axiometrics forecasts Tampa-St. Petersburg-Clearwater, FL Metro Area's job growth to be 2.2% in 2019, with 29,120 jobs added. Job growth is expected to average 1.1% from 2020 to 2022, with an average of 15,003 jobs added each year.

On the supply side, permits for 3,774 multifamily units were issued in the 12 months ending in June 2018, down -1,715 units from the prior year's sum. In terms of total residential housing, 17,030 units were permitted in the 12 months ending June 2018, a decrease of -1,250 units from the prior year's total.

Multifamily Absorption and Supply

	Annual			1Q18		Annual Forecast				
	2015	2016	2017	Market	National	2018F	2019F	2020F	2021F	2022F
Total Units Absorbed	5,620	1,727	5,199	5,737	250,129	6,799	2,099	919	3,670	922
New Supply	3,987	4,704	4,646	4,771	367,765	5,284	3,235	3,066	2,460	3,830
Inventory Growth	1.3%	1.5%	1.5%	1.5%	1.5%	1.6%	1.0%	0.9%	0.7%	1.1%

Identified Supply

As of July 29, 2018, Axiometrics has identified 4,839 apartment units scheduled for delivery in 2018, of which, 2,376 have been delivered. As a comparison, there were 4,419 apartment units delivered in 2017. Properties delivered to the market in the last 12 months have achieved an average asking rent of \$1,829 per unit, or \$1.87 per square foot. Effective rent has averaged \$1,724, or \$1.76 per square foot, resulting in an average concession value of \$-104.98. As a comparison, existing properties in the market had an average asking rent of \$1,190 per unit (\$1.26 per square foot) and an average effective rent of \$1,188 per unit, or \$1.25 per square foot, in 2Q18. Concessions for existing properties averaged \$-2.58.

Submarket Delivery Schedule

	Pipeline Delivery Schedule				Pipeline Lease Up Trend					
	Sequential				Units Absorbed		Asking Rent		Effective Rent	
Top Submarkets	2016	2017	2018	Total	Totals	PPM	Per Unit	PSF	Per Unit	PSF
Brandon/Plant City	204	36	425	665	10	1	\$1,283	\$1.12	\$1,283	\$1.12
Central St. Petersburg	458	248	514	1,220	229	11	\$2,206	\$2.33	\$2,174	\$2.29
Central Tampa	766	2,232	1,011	4,009	1,356	13	\$2,129	\$2.17	\$1,980	\$2.00
North Hillsborough	177	37	576	790	167	17	\$1,396	\$1.34	\$1,380	\$1.33
Pasco County	348	240	772	1,360	131	8	\$1,307	\$1.32	\$1,289	\$1.30
Other	1,249	1,626	1,541	4,416	1,048	15	\$1,510	\$1.55	\$1,434	\$1.47
Tampa-St. Petersburg-Clearwater, FL	3,202	4,419	4,839	12,460	2,941	13	\$1,835	\$1.87	\$1,731	\$1.77

*Based on 2018 deliveries

*Trend based on a trailing 12 month period

Cushman & Wakefield, Tampa Multifamily Insight Report 2Q-2018 [Click Here](#)

Tampa Bay

Population	3.0M	Average Asking Rent	\$1,181
Number of Units	106,683	Deliveries (mid-year 2018)	3,377
Vacancy	4.3%		

Cap Rate

- Tampa Bay 5.7%

Construction

- To date Tampa Bay added 3,277 new units.
- Going forward, look to trade uncertainty and increases in commodity prices to mitigate and large increases in construction activity. Higher construction and land costs have already delayed the start of some projects. This trend is being felt across the board and even in higher-end Class A product with initial rents at the top of the market. Short-term vacancies and concessions have increased in the first half of the year and can still fluctuate depending on the month and seasonal activity. Higher-end product in certain submarkets were still experiencing an influx of new competing projects in quick succession while new, Class B and affordable product remained drastically underserved

Tampa Bay Submarket

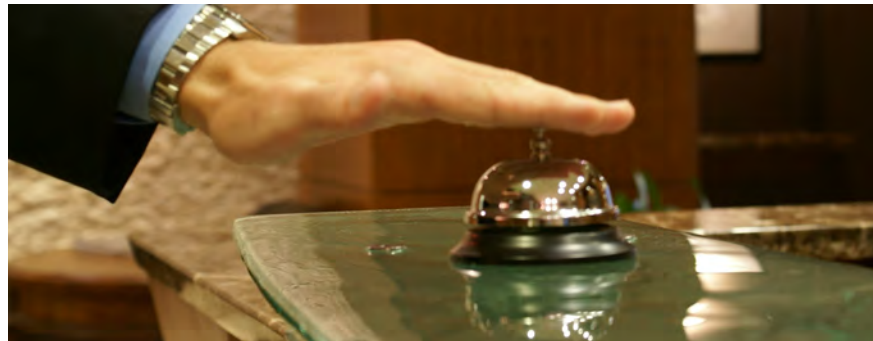
Submarket	Units	Complexes	Average Unit Size	Asking Rents	Asking Rent Growth	Effective Rent	Effective Rent RSF	Occupancy	Inventory Changes (Units)
Brandon/Plant City	13,641	48	1,003	\$1,178	4.9%	\$1,176	\$1.17	95.5%	1,257
Central St. Petersburg	2,769	10	761	\$1,298	2.3%	\$1,293	\$1.70	94.8%	-
Central Tampa	8,075	29	925	\$1,658	5.5%	\$1,654	\$1.79	95.1%	1,473
Clearwater	6,936	30	947	\$1,163	5.2%	\$1,163	\$1.23	95.8%	1,434
Hernando County	563	3	1,211	\$1,014	6.2%	\$988	\$0.82	96.2%	-
Largo	3,991	18	862	\$1,028	2.8%	\$1,025	\$1.19	96.5%	1,050
MacDill Air Force Base	2,420	13	844	\$1,262	1.3%	\$1,257	\$1.49	96.5%	321
North Hillsborough	12,040	33	965	\$1,197	4.4%	\$1,194	\$1.24	95.9%	722
North Hillsborough County	1,976	6	1,138	\$1,265	2.7%	\$1,259	\$1.11	96.4%	-
North Pinellas	4,306	13	1,008	\$1,243	5.2%	\$1,243	\$1.23	96.0%	-
North St. Petersburg	5,739	20	939	\$1,290	4.3%	\$1,287	\$1.37	96.0%	1,064
Pasco County	8,570	30	994	\$1,087	3.3%	\$1,085	\$1.09	96.3%	778
Pinellas Beaches	2,473	9	874	\$1,042	4.0%	\$1,042	\$1.19	93.1%	176
Pinellas Park/Seminole	3,359	11	956	\$1,235	4.3%	\$1,232	\$1.29	96.3%	749
South Hillsborough County	720	3	1,014	\$1,397	9.0%	\$1,374	\$1.35	96.3%	-
Sulphur Springs	6,293	23	859	\$1,035	5.3%	\$1,033	\$1.20	96.6%	1,487
Temple Terrace	2,189	9	985	\$1,022	5.5%	\$1,022	\$1.04	96.8%	288
University North	9,506	36	907	\$993	4.5%	\$992	\$1.09	95.1%	1,786
University South	3,399	13	911	\$979	5.0%	\$978	\$1.07	94.8%	472
Westshore	7,718	23	972	\$1,241	3.9%	\$1,240	\$1.28	94.6%	(357)
Total/Average	106,683	380	954	\$1,181	4.5%	\$1,177	\$1.25	95.7%	635

- The Tampa Bay MSA's population has grown by 231,000 new residents over the past 5 years, or 1.7% annually. By 2023, the population is projected to increase by more than 261,000.
- Over the last 12 months, the Tampa Bay MSA has had a positive net migration of 39,800.
- Through mid-year 2018, 3,277 units have been delivered, an increase of 3.1% of the total inventory.
- The 3-year total for new construction was nearly 15,000 units, or a 14.0% increase in total inventory.
- The overall market vacancy rate remained relatively flat year-over-year dropping from 4.7% to 4.3%.
- Tampa Bay's overall vacancy rate dropped from 5.1% to 4.3% since 2007.
- The effective rental rate has increased year-over-year by 3.6% from \$1,143 to \$1,185.
- Average asking rental rates improved by 3.5% from \$1,147 to \$1,187 per unit.
- At the close of June 2018, over 12,600 units were under construction, over 7,000 of which are expected to be delivered by 2018.
- The majority of new units are being built in garden-style complexes in the suburbs.

TAMPA BAY HOSPITALITY MARKET OVERVIEW

Year to Date August 2018, Tampa/Hillsborough County Hospitality Statistics, Visit Tampa Bay

Occupancy Rate YTD	75.2%
Room Rates	ADR \$125.95
Room Expenditures	RevPAR \$94.77
Supply	5,400,000
Demand	4,010,000
Revenue	\$512,900,000



TAMPA BAY RETAIL MARKET OVERVIEW

Q2-2018 Tampa / St. Petersburg Retail Market Report, CoStar Group, Inc.

The Tampa/St Petersburg retail market did not experience much change in market conditions in the second quarter 2018. The vacancy rate went from 4.5% in the previous quarter to 4.5% in the current quarter. Net absorption was positive 209,818 square feet, and vacant sublease space increased by 13,513 square feet. Quoted rental rates increased from first quarter 2018 levels, ending at \$15.41 per square foot per year. A total of 25 retail buildings with 466,073 square feet of retail space were delivered to the market in the quarter, with 1,234,312 square feet still under construction at the end of the quarter.



Net Absorption

Retail net absorption was slightly positive in Tampa/St Petersburg second quarter 2018, with positive 209,818 square feet absorbed in the quarter. In first quarter 2018, net absorption was positive 238,580 square feet, while in fourth quarter 2017, absorption came in at positive 1,221,062 square feet. In third quarter 2017, negative (618,243) square feet was absorbed in the market.



Vacancy

Tampa/St Petersburg's retail vacancy rate changed in the second quarter 2018, ending the quarter at 4.5%. Over the past four quarters, the market has seen an overall decrease in the vacancy rate, with the rate going from 4.7% in the third quarter 2017, to 4.4% at the end of the fourth quarter 2017, 4.5% at the end of the first and second quarter 2018.

The amount of vacant sublease space in the Tampa/St Petersburg market has trended up over the past four quarters. At the end of the third quarter 2017, there were 187,900 square feet of vacant sublease space. Currently, there are 212,013 square feet vacant in the market.



Rental Rates

Average quoted asking rental rates in the Tampa/St Petersburg retail market are up over previous quarter levels, and up from their levels four quarters ago. Quoted rents ended the second quarter 2018 at \$15.41 per square foot per year. That compares to \$14.81 per square foot in the first quarter 2018, and \$14.66 per square foot at the end of the third quarter 2017. This represents a 4.1% increase in rental rates in the current quarter, and a 4.87% increase from four quarters ago.



Inventory & Construction

During the second quarter 2018, 25 buildings totaling 466,073 square feet were completed in the Tampa/St Petersburg retail market. Over the past four quarters, a total of 1,608,924 square feet of retail space has been built in Tampa/ St Petersburg. In addition to the current quarter, 37 buildings with 413,164 square feet were completed in first quarter 2018, 29 buildings totaling 508,168 square feet completed in fourth quarter 2017, and 221,519 square feet in 33 buildings completed in third quarter 2017. There were 1,234,312 square feet of retail space under construction at the end of the second quarter 2018.



Some of the notable 2018 deliveries include: Goodwill, a 212,000-square-foot facility that delivered in second quarter 2018 and is now 100% occupied, and Gulf to Bay Shopping Center, a 101,760-square-foot building that delivered in first quarter 2018 and is now 100% occupied. Total retail inventory in the Tampa/St Petersburg market area amounted to 244,166,786 square feet in 20,700 buildings and 2347 centers as of the end of the second quarter 2018.



Shopping Center

The Shopping Center market in Tampa/St Petersburg currently consists of 2290 projects with 93,481,127 square feet of retail space in 3,927 buildings. In this report the Shopping Center market is comprised of all Community Center, Neighborhood Center, and Strip Centers.

After absorbing 67,326 square feet and delivering 80,950 square feet in the current quarter, the Shopping Center sector saw the vacancy rate go from 6.9% at the end of the first quarter 2018 to 6.9% this quarter.

Over the past four quarters, the Shopping Center vacancy rate has gone from 7.4% at the end of the third quarter 2017, to 6.9% at the end of the fourth quarter 2017 and the first and second quarter 2018.

Rental rates ended the second quarter 2018 at \$13.72 per square foot, up from the \$13.55 they were at the end of first quarter 2018. Rental rates have trended up over the past year, going from \$13.02 per square foot a year ago to their current levels.

Net absorption in the Shopping Center sector has totaled 388,492 square feet over the past four quarters. In addition to the positive 67,326 square feet absorbed this quarter, positive 240,102 square feet was absorbed in the first quarter 2018, positive 549,877 square feet was absorbed in the fourth quarter 2017, and negative (468,813) square feet was absorbed in the third quarter 2017.



Power Centers

The Power Center average vacancy rate was 4.8% in the second quarter 2018. With negative (107,834) square feet of net absorption and no new deliveries, the vacancy rate went from 3.7% at the end of last quarter to 4.8% at the end of the second quarter.

In the first quarter 2018, Power Centers absorbed positive 16,626 square feet, delivered no new space, and the vacancy rate went from 3.9% to 3.7% over the course of the quarter. Rental started the quarter at \$26.70 per square foot and ended the quarter at \$21.96 per square foot.

A year ago, in second quarter 2017, the vacancy rate was 4.1%. Over the past four quarters, Power Centers have absorbed a cumulative (69,625) square feet of space. Vacant sublease space has gone from 2,516 square feet to 4,000 square feet over that time period, and rental rates have gone from \$24.88 to \$23.68.

At the end of the second quarter 2018, there were 7,800 square feet under construction in the Tampa/St Petersburg market. The total stock of Power Center space in Tampa/St Petersburg currently sits at 10,419,076 square feet in 28 centers comprised of 169 buildings. A total of 7,800 square feet of space was under construction at the end of the second quarter 2018.

Cushman & Wakefield's Retail Inventory for Tampa and St. Petersburg CBD's

Retail Inventory

	Downtown Tampa	Downtown St. Petersburg
Overview		
GLA	1,095,741 SF	1,894,282 SF
Vacancy Rate	4.10%	5.60%
Quoted Rental Rates	\$17.29 PSFNNN	\$31.68 PSF NNN
Tenants		
Bars/Restaurants	57	136
Salon/Spa	9	16
Financial Institutions	12	22
Medical	4	6
Business Service	5	11
Gas Station/Convenience/Auto	5	11
Fitness	4	10
Professional Offices	11	13
Apparel	0	29
Miscellaneous	15	48

TAMPA CUSHMAN & WAKEFIELD OFFICE MARKET OVERVIEW

- **WESTSHORE OFFICE OVERVIEW:** Overall vacancy at the end of the third quarter of 2018 is 11.8% compared to 10.1% last year and 10.9% last quarter. Class A is at 10.1% compared to 9.1% last year and 9.2% last quarter.
- **I-75 OFFICE OVERVIEW:** Overall vacancy at the end of the third quarter of 2018 is at 10.5% compared to 15.9% a year ago and 12.1% last quarter. Class A is at 7.7% compared to 8.8% a year ago and 5.5% last quarter.
- **TAMPA CENTRAL BUSINESS DISTRICT:** Overall vacancy at the end of the third quarter of 2018 is at 11.2% compared to 14.4% a year ago and 14.4% last quarter. Class A is at 8.0% compared to 10.5% a year ago and 8.3% last quarter.



TAMPA CUSHMAN & WAKEFIELD INDUSTRIAL MARKET OVERVIEW

- **WEST TAMPA INDUSTRIAL OVERVIEW:** The overall vacancy at the end of the third quarter of 2018 is 5.0% compared to the third quarter of 2017 5.1% a year ago and 5.0 last quarter.
Warehouse distribution is at 2.6% vacancy compared to 2.7% a year ago and 3.3% last quarter.
Office Service Center is at 9.98.3% vacancy compared to 7.311.0% a year ago and 8.711.0% last quarter.
- **EAST TAMPA INDUSTRIAL OVERVIEW:** The overall vacancy at the end of the third quarter of 2018 was 5.8 compared to 6.0% a year ago and 6.1 last quarter.
Warehouse distribution is at 5.9 vacancy compared to 6.04% a year ago and 6.84% last quarter.
Office Service Center is at 8.0% vacancy compared to 10.0% last year and 8.8% last quarter.
- **PLANT CITY INDUSTRIAL MARKET OVERVIEW:** The overall vacancy at the the end of the second quarter of 2018 was 6.3% vacancy compared to 1.0% a year ago and 6.9% last quarter.
Warehouse distribution is at 8.7% vacancy compared to 1.0% a year ago and 9.6% last quarter.
- **LAKELAND INDUSTRIAL MARKET OVERVIEW:** The overall vacancy at the end of the second quarter of 2018 was 3.8% vacancy compared to 3.9% a year ago and 4.5% last quarter.
Warehouse distribution is at 4.6% vacancy compared to 4.6% a year ago and 5.6% last quarter.



LAND SALES

Multifamily

- NRP purchased 9.2 acres in Downtown Bradenton for \$7,200,000 which is \$17.96 Per land foot. They plan on building 302 apartment units or \$23,841 per unit. The density is 32.8 units per gross acre.
- BREC Development purchased 11.2 acres in Lakewood Ranch for \$5,840,000. They plan on building 300 units which is \$19,466 per unit, \$11.97 per land foot. The density is 26.8 units per gross acre.
- ContraVest Development Partners purchased 24 acres in South Cent Pasco County for \$4,758,500 for 307 rental apartments. That is \$15,498 per unit, \$4.55 per land foot, not developed. The density is 12.8 per gross acre.

Single family

- Ariel Homes purchased 18,000 sf at 205 E Fortune Street in Downtown Tampa for \$111.11 psf. They plan on building 14 (4) story townhomes which equals \$142,875 per unit. The townhomes will sell for \$700,000 - \$1,200,000. This was a Cushman & Wakefield listings
- David Weekly Homes purchased 20 developed lots in Dunedin, FL \$112,000 per lot. They plan on selling homes for \$560,000-\$655,000.

Agricultural

- El Maximo Ranch Holdings LLC. purchased 38,453 acres in Osceola county for \$136,000,500 or \$3,555 per gross acre.
- Frogmore Ranch purchased 348.38 acres for 13,657 per acre on Old Johnson Rd, Dade City, Pasco County, FL.
- United States purchased 530,000,000 acres from France in 1803 for \$2.8 cents per acre.

Industrial

- CH 55 Fund Steadfast 54 Northpoint LLC purchased 4.97 acres for \$1,400,000 or \$6.47 psf, not developed. They plan on building a self-storage facility. This was a Cushman & Wakefield listing

Visit the Cushman & Wakefield land web site:
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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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