

Q4
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 34 quarters, rental sites continue to be very active especially in the suburbs. Starting to see smaller, 100-150 units in the suburbs and under 100 units in the urban markets. For sale townhomes and condominiums (entry level and luxury) are under contract or construction in urban and suburban markets and continue to gain momentum. I see a shortage of A sites.



SINGLE FAMILY

As for the last 41 quarters, builders and developers are closing and making offers on A, B and C+ locations. North Manatee is seeing contracts, closings and development. For rent single family is active.

Please note Hillsborough County impact fees are going up 20% to 100%, single family proposed fees are over \$20,000/unit. [\(See Attached\)](#)

MULTIFAMILY

Same as the last 34 quarters with continued activity in urban, suburban and now tertiary markets for work force product. We are aware of over 35 rental sites under contract during this quarter, in the Tampa Bay area. Condo and town home builders are very active. The shortage of infill sites is forcing assemblages.

RETAIL

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

MIXED USE

Midtown, the Heights and Water Street currently have 8 cranes.

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+. I see a shortage of A sites.

OFFICE

There are now 7 class A office buildings under construction totaling 1.36 million square feet. Proposed rents are \$40-\$50 per square feet, gross. Some developers are quoting NNN rents.

MEDICAL

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. We predict we will see more hospitals built. BayCare is going to build in Wesley Chapel, on a site they have owned since 2006.

HOSPITALITY

Same as the last 22 quarters, development activity continues in urban, suburban and highway 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

Cushman & - Engage Tampa Bay Q3-2019

TO TAKE A LOOK AT AN OVERVIEW ON TAMPA BAY

Top-Selling Master-Planned Communities of 2019 | RCLCO Real Estate Advisors

| RANK | MPC | MSA (City, State) | DEVELOPER | SALES | | |
|------|-------------------------|--|-------------------------------|---------|---------|------|
| | | | | 2019 MY | 2018 MY | -10% |
| 1 | The Villages** | The Villages (The Villages, FL) | The Villages | 2,134 | 1,115 | -10% |
| 2 | Lakewood Ranch | North Port-Sarasota-Bradenton (Sarasota, FL) | Schroeder-Manatee Ranch, Inc. | 1,648 | 826 | 0% |
| 4 | West Villages | North Port-Sarasota-Bradenton (Venice, FL) | West Villages | 1,273 | 648 | 5% |
| 6 | Nocatee* | Jacksonville (Ponte Vedra, FL) | PARC Group | 928 | 507 | 6% |
| 21 | Viera* | Palm Bay-Melbourne-Titusville (Melbourne, FL) | The Viera Company | 507 | 292 | -13% |
| 27 | Tradition | Port St. Lucie (St. Lucie, FL) | Mattamy Homes | 457 | 234 | -1% |
| 29 | Starkey Ranch | Tampa-St. Petersburg-Clearwater (Land O Lakes, FL) | Wheelock Communities | 450 | 155 | 46% |
| 32t | Lake Nona* | Orlando-Kissimmee-Sanford (Orlando, FL) | Tavistock Development Co. | 420 | 266 | -18% |
| 34 | Latitude Margaritaville | Deltona-Daytona Beach-Ormond Beach (Daytona Beach, FL) | Minto Communities | 414 | 173 | 19% |
| 35t | Bartram Park* | Jacksonville (Jacksonville, FL) | Eastland Development Group | 410 | - | - |
| 39t | Bexley | Tampa-St. Petersburg-Clearwater (Land O Lakes, FL) | Newland Communities | 401 | 157 | 23% |

Erhardt Comment: Out of the 20 Top Selling MPCs in 2019, 11 are located in Florida and 5 are in our market.

TO VIEW THE FULL LIST

USF AND UT RANKED AMONG THE NATION'S TOP ENTREPRENEURSHIP PROGRAMS - TAMPA BAY BUSINESS JOURNAL

The University of South Florida and University of Tampa's entrepreneurship programs have hit major milestones, according to the Princeton Review.

The USF entrepreneurship graduate program hit the top 10 in the nation and UT's undergraduate program placed on the list for the first time on the organization's 2020 list. Potential students use lists like these to determine where they want to attend college

TO VIEW THE ENTIRE ARTICLE



MULLER REAL ESTATE MARKET CYCLE MONITOR Q3 2019

Cycle Monitor, Glenn Mueller, Ph.D

TO VIEW

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

Job growth continued at a constrained rate that has averaged 157,000 jobs per month over the last 9.5 years. Consumption continued at a 2% rate and the Consumer Price Index also continued at the 2% level. This moderate economic growth and inflation level bode well for a continued economic expansion. The 10-year treasury rate remains below 2% as well, producing low interest rates for commercial real estate. Equilibrium point #11 level occupancy continues in many markets in most property types with some bouncing back and forth between the expansion and hyper-supply phases of the cycle.



OFFICE OCCUPANCY

was flat% in 3Q19, and rents grew 0.8% for the quarter and 2.4% annually.



RETAIL OCCUPANCY

was flat in 3Q19, and rents grew for the quarter and 1.5% annually.



INDUSTRIAL OCCUPANCY

declined -0.1% in 3Q19, and rents grew 1.0% for the quarter and 4.0% annually.



APARTMENT OCCUPANCY

increased 0.1% in 3Q19, but rents declined 0.4% for the quarter, and 2.5% annually.

National Property Type Cycle Locations



Source: Mueller, 2019

Office Market Cycle Analysis

The national office market occupancy level was flat in 3Q19 and up 2.4% year-over-year. Good demand growth continued and produced 13 million square feet of net absorption for the quarter. Completions were similar keeping the national market at the same occupancy level. Only five markets moved higher in the cycle chart as slow employment growth has not created fast cyclical office demand movement. Some fast growth tech driven markets like Austin, Charlotte, Nashville, and San Jose may see high levels of new supply. Average national rents increased 0.8% in 3Q19 and produced a 2.4% rent increase year-over-year.

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

Industrial Market Cycle Analysis

Industrial occupancies declined 0.1% in 3Q19 and were down 0.4% year-over-year. Demand was strong with internet fulfillment centers continuing to be the major user in need of space. Construction levels increased further creating the minor oversupply that tipped occupancy levels down slightly in some markets. The better logistics markets like Las Vegas and Sacramento saw rent growth of over 9%. Industrial average rents nationally increased 1.1% in 3Q19 and increased 4.4% year-over-year over twice the rate of inflation.

For a second quarter Tampa is at level 12, which is increasing vacancy new construction. Behind Tampa is Atlanta, Charlotte, Memphis, Miami, Norfolk, Nashville, Raleigh-Durham and Richmond. With Tampa is Ft. Lauderdale, Jacksonville, Orlando and Palm Beach.

Apartment Market Cycle Analysis

The national apartment occupancy average improved 0.1% in 3Q19 and improved 0.3% year-over-year. Demand continues at sustainable levels and the US home ownership rate has declined back to the long-term average 64% from a peak 69% in 2004, which helps maintain the renter pool. The oversupply has been market specific, and 3 more markets found their demand/supply balance that brought them back to their peak/equilibrium Point #11 occupancy level on the cycle chart this quarter. Average national apartment rent growth declined -0.4% in 3Q19, while national average rents increased 2.4% year-over-year.

For the second quarter Tampa is at level 11, which is the demand/supply equilibrium point after 4 quarters at level 12. With Tampa is Jacksonville, Norfolk and Raleigh-Durham. Ahead of Tampa is Charlotte, Ft. Lauderdale, Nashville, Memphis, Orlando, Palm Beach, Richmond, Atlanta and Miami.

Retail Market Cycle Analysis

Retail occupancies were flat in 3Q19 and were flat year-over-year. New demand was focused on smaller space as more retailers' stored goods in cheaper industrial space than the back room of the store. Retail starts have steadily declined since 2016, and retail space is being taken out of the available supply, as it is being converted into office, close in warehouse and apartments. This space conversion has helped kept many markets at peak/equilibrium occupancy levels. Discounters, grocery and fitness businesses have been the major tenants to backfill big box retail space that vacated space. National average retail rents increased 0.1% in 3Q19 and were up 1.5% year-over-year.

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

TAMPA BAY SINGLE FAMILY MARKET OVERVIEW

Metrostudy Quarterly Housing Summit Webcast 3Q19

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

TO VIEW METROSTUDY

- This quarter, 3,626 new lots were delivered to the Tampa market. This same quarter a year ago, we delivered 2,722 lots. Vacant developed lot inventory stands at 31,276 lots, an increase of 7.3% compared to 29,138 lots last year. Based upon the annual start rate, this level of lot inventory represents a 30.2 month supply, down 1.1 months from last year. Overall the market is at equilibrium, but both of the two major production counties: Hillsborough and Pasco Counties are under-supplied. For the Tampa market 24 – 36 months is considered an equilibrium level of lot supply.
- The Tampa market is carrying 1,327 finished vacant units, which is up 311 units from 3Q2018. In 3Q 2005, there were 1,685 FV units. The fundamentals are stronger today than 2005 and FV inventory shouldn't dictate market pricing as months of supply is up slightly from 1.1 last year to 1.3 months. Metrostudy considers 1.0 – 1.5 months as an equilibrium level of finished vacant units. Once you get above 1.5 months the caution light begins to flash, and the light turns red at over 2.0 months of supply.
- The VDL supply throughout all of Hillsborough County stood at 15.3 months as of 3Q 2019, up from 13.1 months as of 3Q 2018. The VDL supply in Pasco stood at 18.9 months as of September 30, 2019. One year ago, Pasco had a 19.2-month supply of vacant developed lots. Both of these two major counties have seen development of lots lag behind housing starts, constraining supply and while Hillsborough County added some much needed supply over the last twelve months, lot development could almost double before we reach an equilibrium level within the County.
- The table below ranks the top ten Master Planned Communities in the Tampa market by annual starts.
- Hillsborough County remained the most active county within the Tampa market. Over the last 90 days, Hillsborough lost market share, down from 59.4% for 2Q19 to 58.9% for 3Q19. Market share in Pasco grew from 28.9% for 2Q19 to 29.3% for 3Q19, as quarterly starts grew from 855 in 2Q19 to 1,021 for 3Q19.

| | |
|-----------------|-----|
| Cypress Creek | 377 |
| Bexley | 368 |
| Wiregrass | 344 |
| Southfork Lakes | 321 |
| Waterset | 305 |
| South Fork | 293 |
| Triple Creek | 267 |
| Union Park | 263 |
| Epperson | 254 |

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 | 6,542 | \$1,893,243,811 | \$289,398 | 2,418 | 49 |
| 2 Polk | 3,449 | \$866,963,213 | \$251,367 | 2,101 | 57 |
| 3 Pasco | 3,282 | \$1,116,963,108 | \$340,330 | 2,468 | 53 |
| 4 Sarasota | 2,088 | \$837,952,859 | \$401,318 | 2,213 | 51 |
| 5 Manatee | 2,024 | \$806,335,462 | \$398,387 | 2,264 | 53 |
| 6 Pinellas | 354 | \$158,815,200 | \$448,631 | 2,593 | 46 |
| 7 Hernando | 291 | \$65,619,858 | \$225,498 | 2,046 | 76 |

CLOSINGS BY COUNTY SUBMARKET

| Submarket | No. of Closings | Aggregate Closings | Avg Closing Price | Avg HSF | Avg FF |
|------------------------|-----------------|--------------------|-------------------|---------|--------|
| 1 South Hillsborough | 5,250 | \$1,416,023,912 | \$269,719 | 2,349 | 48 |
| 2 Wes Chapel/New Tampa | 1,374 | \$502,174,202 | \$365,483 | 2,536 | 52 |
| 3 SR 54/Trinity | 1,333 | \$494,848,117 | \$371,229 | 2,510 | 53 |
| 4 Venice/Englewood | 1325 | \$481,242,073 | \$363,202 | 2,091 | 52 |
| 5 NE Polk | 1083 | \$277,153,957 | \$255,913 | 2,127 | 51 |
| 6 Lakewood Ranch | 978 | \$487,322,243 | \$498,285 | 2,307 | 55 |
| 7 New Eastern Polk | 807 | \$170,701,929 | \$211,527 | 1,949 | 61 |
| 8 North of the River | 766 | \$240,993,771 | \$314,613 | 2,229 | 53 |
| 9 Citrus Park/NW Tampa | 655 | \$253,385,538 | \$386,848 | 2,647 | 45 |
| 10 US 41/SR 52 | 530 | \$158,754,418 | \$299,537 | 2,528 | 57 |

TOP 10 BY COMMUNITY

| Community | No. of Closings | Total Closing Price | Avg Closing Price | Avg HSF | Avg FF |
|------------------------------------|-----------------|---------------------|-------------------|---------|--------|
| 1 Villages of Starkey Ranch | 332 | \$133,108,229 | \$400,928 | 2,647 | 54 |
| 2 Cypress Creek | 328 | \$68,845,658 | \$209,895 | 2,029 | 40 |
| 3 Carlton Lakes (Southfork Lakes) | 286 | \$74,205,196 | \$259,459 | 2,454 | 52 |
| 4 Epperson Ranch South | 265 | \$84,300,929 | \$318,117 | 2,352 | 56 |
| 5 Triple Creek | 252 | \$74,278,427 | \$294,756 | 2,650 | 51 |
| 6 Belmont | 247 | \$67,709,700 | \$274,128 | 2,619 | 55 |
| 7 South Fork | 244 | \$74,944,628 | \$307,150 | 2,762 | 54 |
| 8 Union Park | 239 | \$65,612,100 | \$274,528 | 2,169 | 43 |
| 9 Bexley South | 233 | \$81,763,871 | \$350,918 | 2,488 | 51 |
| 10 Islandwalk at the West Villages | 219 | \$81,906,700 | \$374,003 | 1,916 | 48 |

TAMPA BAY/MULTIFAMILY/ MARKET OVERVIEW

Axiometrics, Inc. Market Performance Summary, Q3-2019, Tampa - St. Petersburg - Clearwater, Florida Metropolitan Statistical Area

APARTMENT PERFORMANCE

Effective rent increased 0.8% from \$1,220 in 2Q19 to \$1,233 in 3Q19, which resulted in an annual growth rate of 2.6%. Annual effective rent growth has averaged 2.7% since 2Q96.

The market's annual rent growth rate was below the national average of 3.0%. Out of the 150 markets ranked by RealPage nationally, Tampa-St. Petersburg-Clearwater, FL was 96th for quarterly effective rent growth, and 101st for annual effective rent growth for 3Q19.

The market's occupancy rate increased from 95.7% in 2Q19 to 95.8% in 3Q19 but was down from 96.0% a year ago. The market's occupancy rate was below the national average of 96.4% in 3Q19. The market's occupancy rate has averaged 93.9% since 2Q96.

MARKET SURVEY RESULTS AND FORECASTS

| | Sequential | | | | Month | Annual | | | | | | |
|-----------------------------------|------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2Q18 | 3Q18 | 4Q18 | 1Q19 | Mar-19 | 2017 | 2018 | 2019F | 2020F | 2021F | 2022F | 2023F |
| Effective Rent Per Unit | \$1,196 | \$1,199 | \$1,223 | \$1,233 | \$1,237 | \$1,132 | \$1,181 | \$1,220 | \$1,254 | \$1,271 | \$1,301 | \$1,333 |
| Per Sq. Ft. | \$1.29 | \$1.29 | \$1.31 | \$1.32 | \$1.33 | \$1.22 | \$1.27 | \$1.31 | \$1.35 | \$1.36 | \$1.40 | \$1.43 |
| Effect Rent Growth - Annually | 4.4% | 4.2% | 3.7% | 2.6% | 2.5% | 3.0% | 4.4% | 3.0% | 2.5% | 1.7% | 2.9% | 2.4% |
| Effective Rent Growth - Quarterly | -0.3% | 0.3% | 2.0% | 0.8% | | | | | | | | |
| Occupancy Rate | 95.3% | 95.1% | 95.6% | 95.8% | 95.7% | 95.0% | 95.5% | 95.5% | 95.0% | 94.3% | 95.5% | 95.6% |
| Occupancy Change - Annually | 0.3% | 0.0% | -0.1% | -0.2% | -0.1% | 0.3% | 0.3% | 0.2% | -1.2% | -0.2% | 1.8% | -0.6% |
| Occupancy Change - Quarterly | -0.6% | -0.2% | 0.5% | 0.2% | | | | | | | | |
| Economic Concessions | | | | | | | | | | | | |
| Concession Value | \$44.00 | \$42.00 | \$33.00 | \$38.00 | \$80.00 | \$32.50 | \$36.00 | | | | | |
| As a % of Asking Rent | 3.7% | 3.5% | 2.7% | 3.1% | 6.4% | 3.0% | 3.1% | | | | | |

DEMAND AND SUPPLY

According to the Bureau of Labor Statistics, job growth in Tampa-St. Petersburg-Clearwater, FL was 1.6% in August 2019, reflecting 21,700 jobs added during a 12-month period. The metro job growth figure was above the national number of 1.4%.

RealPage forecasts Tampa-St. Petersburg-Clearwater, FL's job growth to be 1.2% in 2020, with 16,101 jobs added. Job growth is expected to average 0.8% from 2021 to 2023, with an average of 11,873 jobs added each year.

On the supply side, permits for 6,481 multifamily units were issued in the 12 months ending in August 2019, up 3,395 units from the prior year's sum. In terms of total residential housing, 21,077 units were permitted in the 12 months ending August 2019, an increase of 3,664 units from the prior year's total.

MULTIFAMILY ABSORPTION AND SUPPLY

| | Annual | | | | 2Q19 | Annual Forecast | | | | |
|----------------------|--------|-------|-------|--------|----------|-----------------|-------|-------|-------|-------|
| | 2016 | 2017 | 2018 | Market | National | 2019F | 2020F | 2021F | 2022F | 2023F |
| Total Units Absorbed | 2,150 | 4,415 | 5,873 | 3,644 | 273,742 | 4,607 | 1,503 | 3,938 | 8,207 | 2,142 |
| New Supply | 4,151 | 4,183 | 5,474 | 4,962 | 251,993 | 4,787 | 4,598 | 4,734 | 3,808 | 3,953 |
| Inventory | 1.6% | 1.7% | 2.2% | 1.8% | 1.2% | 1.9% | 1.8% | 1.8% | 1.4% | 1.5% |

IDENTIFIED SUPPLY

As of October 9, 2019, RealPage has identified 4,782 apartment units scheduled for delivery in 2019, of which, 3,823 have been delivered. As a comparison, there were 5,534 apartment units delivered in 2018. Properties delivered to the market in the last 12 months have achieved an average asking rent of \$1,692 per unit, or \$1.81 per square foot. Effective rent has averaged \$1,594, or \$1.71 per square foot, resulting in an average concession value of \$164.10. As a comparison, existing properties in the market had an average asking rent of \$1,240 per unit (\$1.33 per square foot) and an average effective rent of \$1,233 per unit, or \$1.32 per square foot, in 3Q19. Concessions for existing properties averaged \$38.00.

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 | 241 | 360 | 594 | 1,195 | 341 | 15 | \$1,466 | \$1.49 | \$1,353 | \$1.37 |
| Central Tampa | 1,948 | 1,500 | 514 | 3,962 | 1,012 | 17 | \$1,985 | \$2.35 | \$1,828 | \$2.16 |
| New Tampa/East Pasco County | 173 | 543 | 571 | 1,287 | 332 | 18 | \$1,549 | \$1.62 | \$1,499 | \$1.58 |
| Peninsula | 288 | 1 | 1,238 | 1,527 | 529 | 28 | \$1,764 | \$1.86 | \$1,656 | \$1.75 |
| South St. Petersburg | 371 | 392 | 552 | 1,315 | 399 | 14 | \$2,063 | \$2.29 | \$1,936 | \$2.15 |
| Other | 1,162 | 2,738 | 1,313 | 5,213 | 1,478 | 13 | \$1,503 | \$1.50 | \$1,438 | \$1.44 |
| Tampa-St. Petersburg-Clearwater, FL | 4,183 | 5,334 | 4,782 | 14,499 | 4,091 | 14 | \$1,692 | \$1.81 | \$1,594 | \$1.71 |

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



TAMPA BAY HOSPITALITY MARKET OVERVIEW

November 2019, Tampa/Hillsborough County Hospitality Statistics, www.visittampabay.com

| | |
|---------------------------------|----------------------|
| OCCUPANCY RATE | 69.8 (+1.3%) |
| ROOM RATES ADR | \$111.12 (-0.6%) |
| ROOM EXPENDITURES RevPAR | \$77.52 (+0.7) |
| SUPPLY | 707,820 (+5.9%) |
| DEMAND | 493,811 (+7.3%) |
| REVENUE | \$54,872,917 (+6.7%) |



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 significant lift provided by a vibrant tourism industry. After outperforming the nation for the past five years with both tighter vacancies and stronger rent growth, the market continues to see both metrics improve. In 2019, both the average vacancy rate and annual rent growth established record levels.

While Tampa's retail trade employment has been one of the highest growth sectors over the past two years, with over 5% job growth, retail trades has slowed substantially and even shed over 1,000 jobs over the past twelve months. This may be having a lagged impact on net absorption which has started to gradually taper off, though this could as easily be a function of a market at full occupancy with vacancies sitting near record lows.

RENT

Tampa is one of the strongest retail rent growth markets in the nation and has remained so for roughly the past six years. Annual gains have shown few signs of slowing, with the market establishing a record growth rate in 2019. Though there has been some relative cooling since then, the current growth rate is still roughly four times the national average and well above the long term trend.

Despite a relative uptick in recent and current construction, the metro has seen little impact on rent growth. The moderate supply and expected continued strong demand levels should insulate rent growth from significant downward pressure. Furthermore, retail starts slowed in 2019, though the proposed pipeline remains active.

Rent growth throughout the entire metro is elevated, with even the outlying submarkets such as Pasco County, Southeast Hillsborough County, and Hernando County seeing growth well above their historical averages. Even the lowest retail rent growth submarker is also drastically outperforming the national average. Westshore, home to some of Tampa's premier shopping districts, maintains the highest asking rents in the metro. The other top rent growth submarkets include perennial performers such as Downtown Tampa and Downtown St. Petersburg.

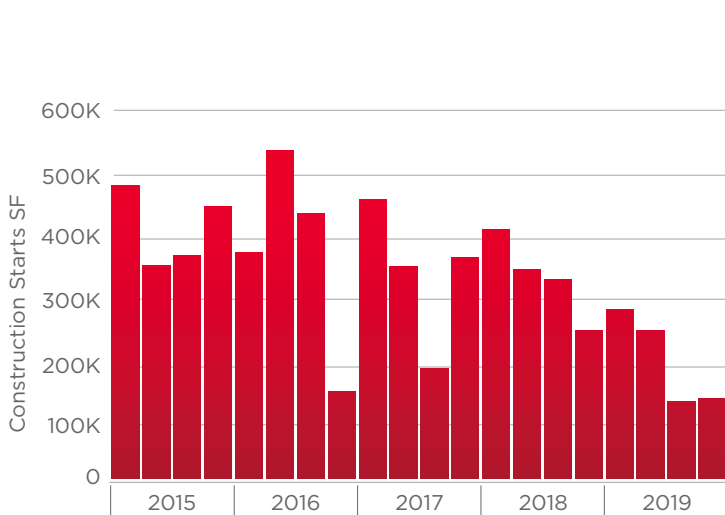
CONSTRUCTION

Developers and lenders have been bullish in Tampa this cycle compared to national trends, though retail construction is still significantly down compared to historical standards. Starts in 2019 slowed, even compared to this cycle's low standards, and the market expects to see the fewest deliveries in six years.

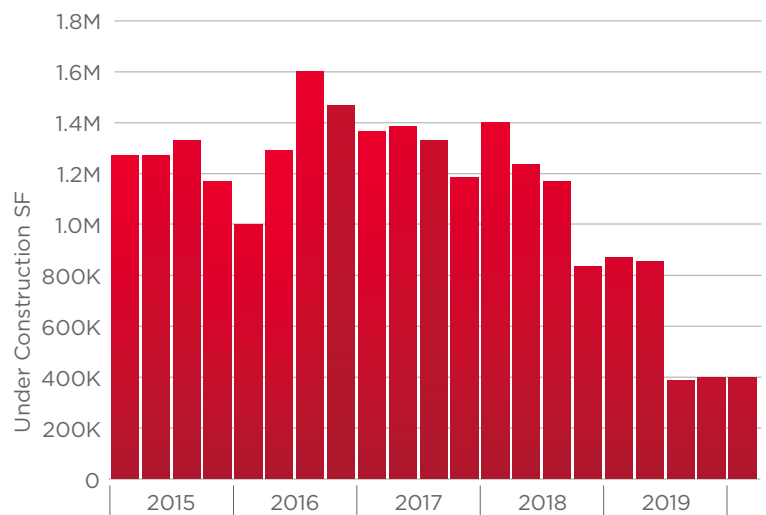
Part of the reason for limited new supply has been less need due to the amount of space added back to the market through well-publicized store closures. This is a trend seen all across the nation, though Tampa has had comparatively greater success filling the empty spaces.

Looking forward, the pipeline is expansive, including several large projects that could reshape entire submarkets.

Construction Starts (Last 5 Years)



Under Construction (Last 5 Years)



TAMPA BAY OFFICE MARKET OVERVIEW

Cushman & Wakefield Market Overview - Tampa

- **WESTSHORE OVERVIEW:** Overall vacancy at the end of 2019 is 12.5% compared to 11.0% last year and 12.8% last quarter. Class A is at 12.3% compared to 10.3% last year and 12.3% last quarter.
- **I-75 OVERVIEW:** Overall vacancy at the end of 2019 is at 21.1% compared to 17.0% a year ago and 21.5% last quarter. Class A is at 15.9% compared to 14.5% a year ago and 16.4% last quarter.
- **TAMPA CENTRAL BUSINESS DISTRICT:** Overall vacancy at the end of 2019 is at 9.8% compared to 9.5% a year ago and 10.1% last quarter. Class A is at 9.5% compared to 6.8% a year ago and 9.3% last quarter.



TAMPA BAY INDUSTRIAL MARKET OVERVIEW

WEST TAMPA INDUSTRIAL OVERVIEW:

The overall vacancy at the end of 4Q19 is 3.9% compared to 4.3% a year ago and 3.9% last quarter. Warehouse distribution is at 2.3% vacancy compared to 2.7% a year ago and 2.4% last quarter. Office Service Center is at 7.4% vacancy compared to 8.8% a year ago and 7.7% last quarter.

EAST TAMPA INDUSTRIAL OVERVIEW:

The overall vacancy at the end of 4Q19 was 7.4% compared to 5.8% a year ago and 8.3% last quarter. Warehouse distribution is at 7.8% vacancy compared to 6.0% a year ago and 8.9% last quarter. Office Service Center is at 11.0% vacancy compared to 10.7% last year and 10.7% last quarter.

PLANT CITY INDUSTRIAL MARKET OVERVIEW:

The overall vacancy at the end 4Q19 was 10.0% vacancy compared to 4.2% a year ago and 5.6% last quarter. Warehouse distribution is at 12.5% vacancy compared to 5.6% a year ago and 7.4% last quarter.

LAKELAND INDUSTRIAL MARKET OVERVIEW:

The overall vacancy at the end of 4Q19 was 7.6% vacancy compared to 3.8% a year ago and 7.4% last quarter. Warehouse distribution is at 9.9% vacancy compared to 4.9% a year ago and 9.7% last quarter.



LAND SALES

Multifamily

- Wingspan Development Group purchased 1.85 acres at 608 N Willow Avenue, North SOHO District to build 192 units, 103.8 units per acre for \$15,625 per unit.
- Kolter Urban purchased 1.65 acres in Downtown St. Petersburg adjacent to the Hilton Hotel for \$243.48 per square foot. They plan on building 192 condo units or \$91,145 per unit.

Industrial

- Brennan Investment Group purchased 165 acres at Exit 38 (SR33) along I-4 for \$75,757 per gross acre. They plan on building 1,500,000 square feet of warehouse for \$8.33 per building foot.
- Delton purchased 243 acres zoned for 2,800,000 east of Orlando Airport for 15,500,000, which is \$63,786 per gross acre and \$5.53 per building foot. C&W represented Delton.

Retail

- An unnamed buyer purchased 0.92 acres located at 103 N Howard Avenue just north of Kennedy Blvd. for \$57.39 cents per square foot.
- Blue Water Wash LLC purchased 0.62 acres at 4545 West Gandy Blvd in South Tampa for \$39.62 cents per square foot to develop a Woodies Wash Shack.
- Montage Engagement Land Trust purchased 1.74 acres at 3011 West Gandy Blvd just west of MacDill South Tampa for \$35.62 per square foot.





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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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