

2022 MID-YEAR

# TAMPA-ST. PETERSBURG FL

Multifamily Report

**BERKADIA**<sup>®</sup>

a Berkshire Hathaway and Jefferies Financial Group company





## Jobs Added / Lost

### LAST 12 MONTHS

67,000

↑ 4.8%

### NEXT 12 MONTHS\*

40,400

↑ 2.8%

## Unemployment

### MID-YEAR 2022

2.6%

↓ 190 BPS YOY

### MID-YEAR 2023\*

2.8%

↑ 20 BPS YOY

\*Projected

# TAMPA-ST PETERSBURG, FL EMPLOYMENT

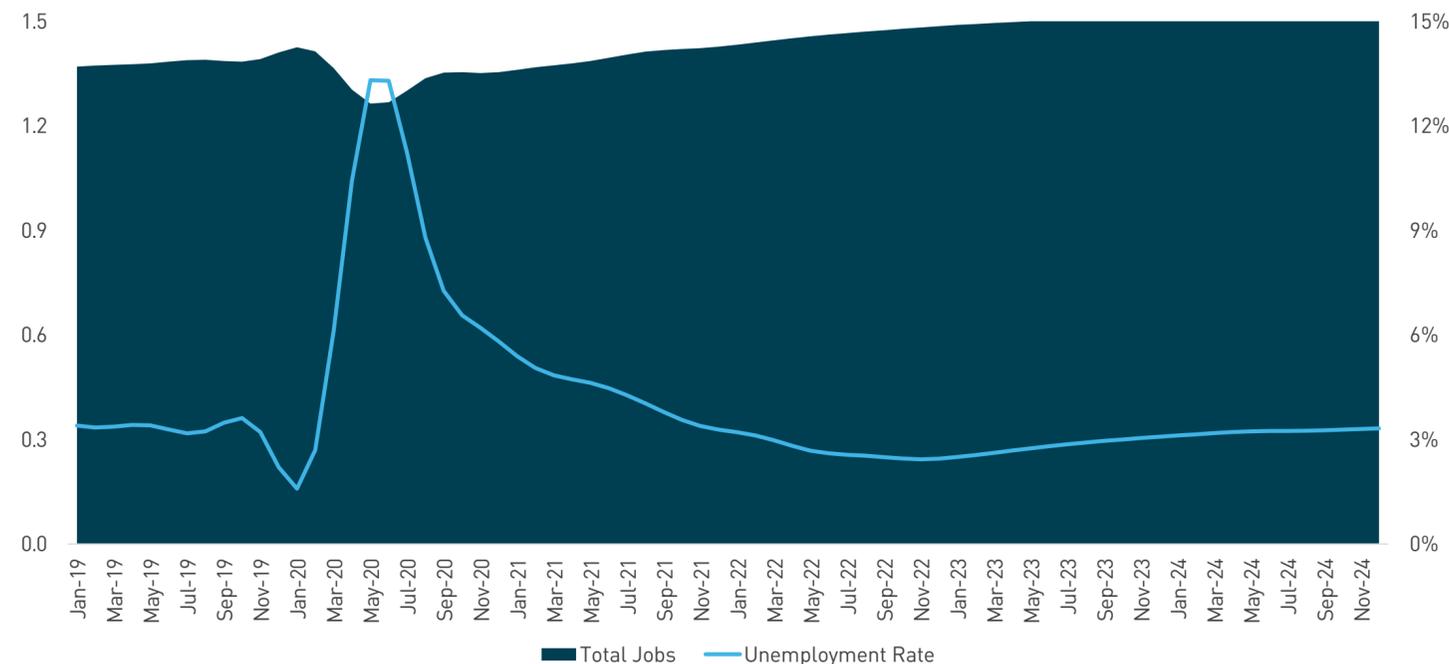
Metro Tampa is one of the top housing markets in the U.S. for 2022 amid a thriving economy and large net domestic migration gains. Companies and job seekers alike were attracted to a collaborative business climate, excellent quality of life, and no personal income tax. Independent workers were among the newcomers who flocked to the area and generated an estimated \$2.8 billion in revenue in 2021, up from \$2.4 billion the prior year.

The local tourism industry rebounded from the COVID-19 pandemic and shattered new records. For example, tourism is the lifeblood of Pinellas County, home to St. Petersburg and Clearwater. Hotel revenue was up 43% from March 2021 to March 2022, with hoteliers making

a collected \$156.8 million in revenue. The leisure and hospitality sector led annual employment growth at 9.6%, compared to the metro average of 4.8% through June 2022.

Of the 67,000 net jobs added metrowide, 15,300 were in the trade, transportation, and utilities sector. Contributing to the rise was Port Tampa Bay, the largest and most diversified seaport in the state as well as the largest economic engine in West Central Florida. Container tonnage increased by 14% in the first quarter of 2022 as the port took maximum advantage of Asian shipping traffic moving from the West to the East Coast.

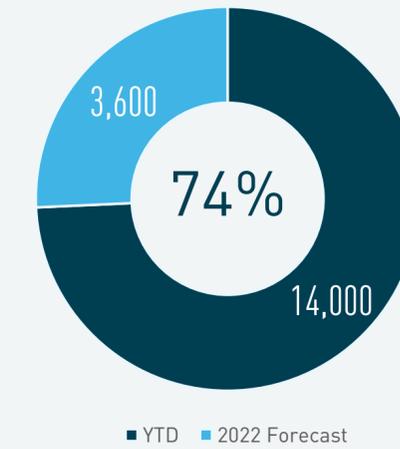
## Employment Trends



SOURCE: Moody's Analytics

## Who's Hiring?

### TRADE, TRANSPORTATION, & UTILITIES INDUSTRY



19%  
OF ALL JOBS IN THE METRO

\$36,100  
AVERAGE ANNUAL SALARY

## Top Trade, Transportation, & Utilities Employers



## In The News

- Accenture and Microsoft joint venture to add 500 jobs
- AFC Logistics relocates to Tampa hiring 150 employees
- Home Depot hiring over 2,000 workers in the Tampa Bay Area



# TAMPA-ST PETERSBURG, FL

## DELIVERIES & ABSORPTION

2022 Units\*

**DELIVERIES**

7,714

**ABSORPTION**

3,651

2023 Units\*

**DELIVERIES**

6,527

**ABSORPTION**

5,574

\*Projected

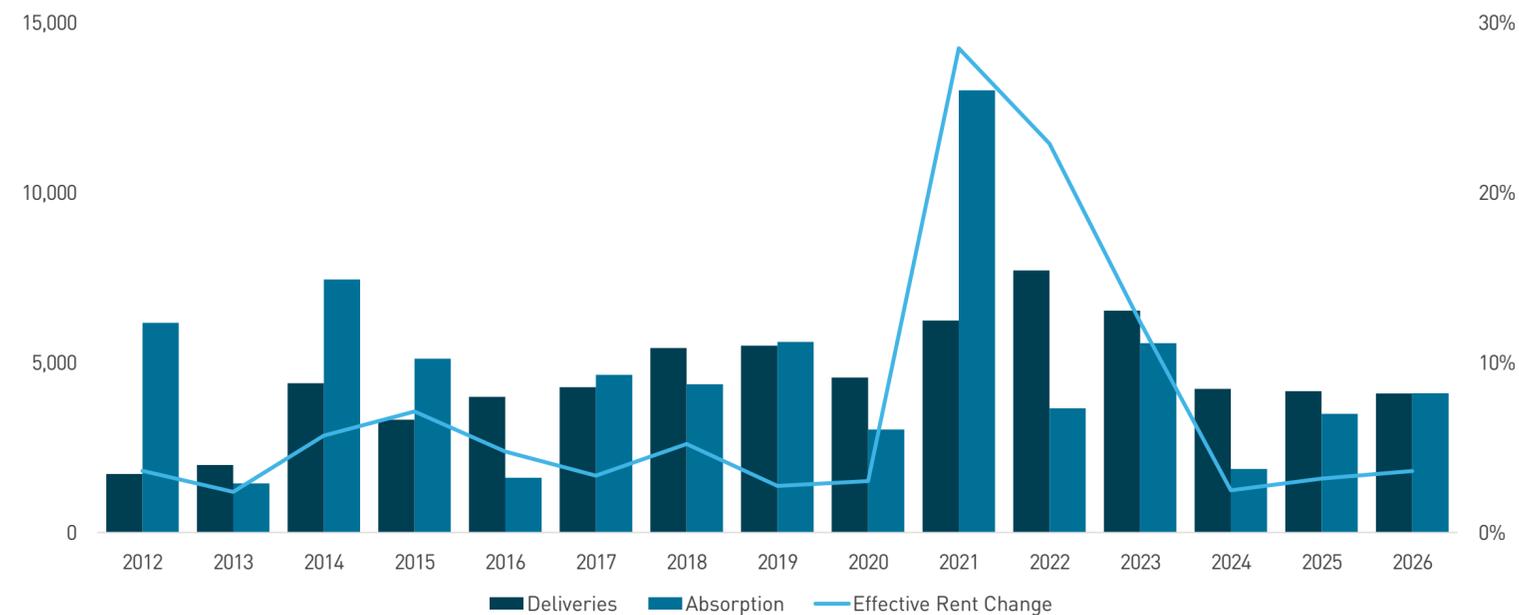
The Tampa Bay area is No. 3 on a list of top U.S. cities people are looking to move to, according to Redfin. Approximately 34,720 more people moved in from other U.S. communities than moved out since June 2021. To support the people looking for a new place to call home, multifamily development continued inventory expansion. Builders delivered 7,166 apartments in the past year with another 36,669 planned or under construction at the midpoint of 2022. Tampa's annual supply wave is the largest in more than two decades.

Development activity was highest in the Central Tampa submarket as builders worked to meet pent-up demand. For young professionals and college students, the

downtown district offers a short drive to the beaches and beach communities, good universities, good sports, and a good place to work. Multifamily construction is part of the more than \$13 billion being invested in Downtown Tampa.

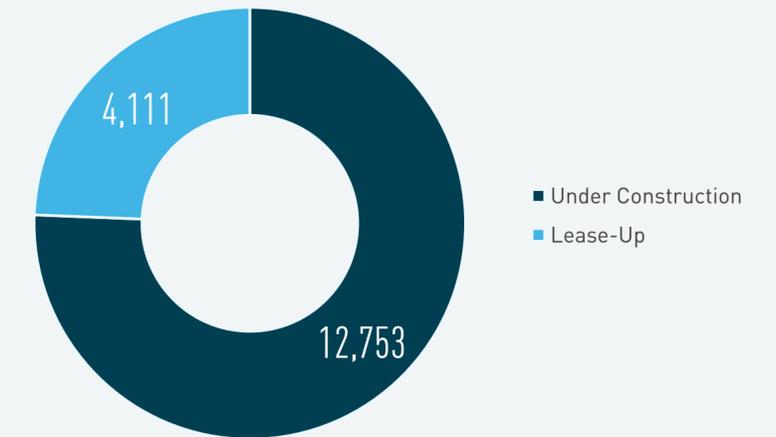
Leasing activity has been very strong for the past several quarters, as several companies and their employees traded New York City and Silicon Valley for metro Tampa. Operators reported that 6,534 new apartments were signed in the past year, nearly matching elevated construction during the same time. Tampa's median listing home price, up 26.1% to \$435,000 in June 2022, bolstered apartment leasing. On average, renting was \$707 less than a monthly mortgage.

### Deliveries, Absorption, & Effective Rent Change

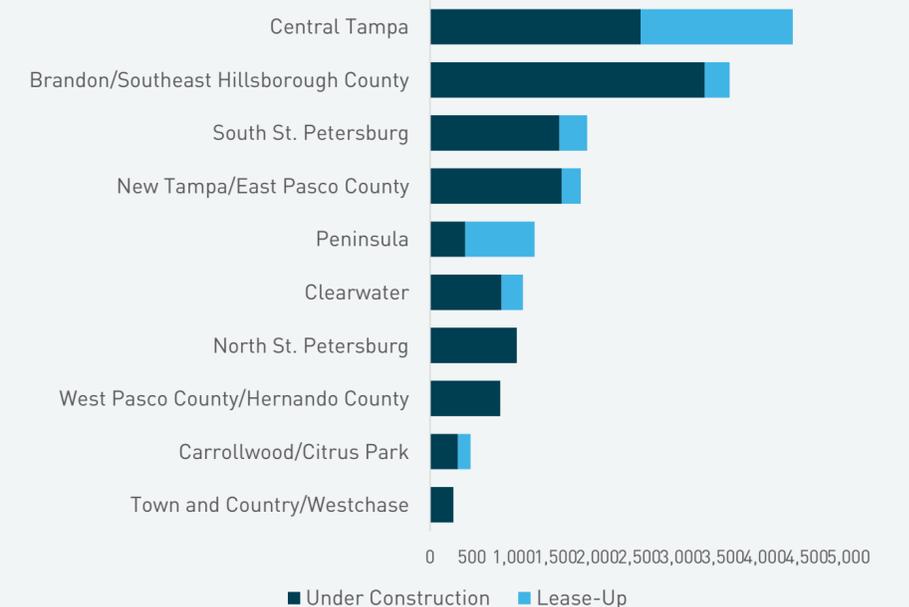


Source: RealPage

### Market Pipeline



### Top 10 Submarket Pipelines

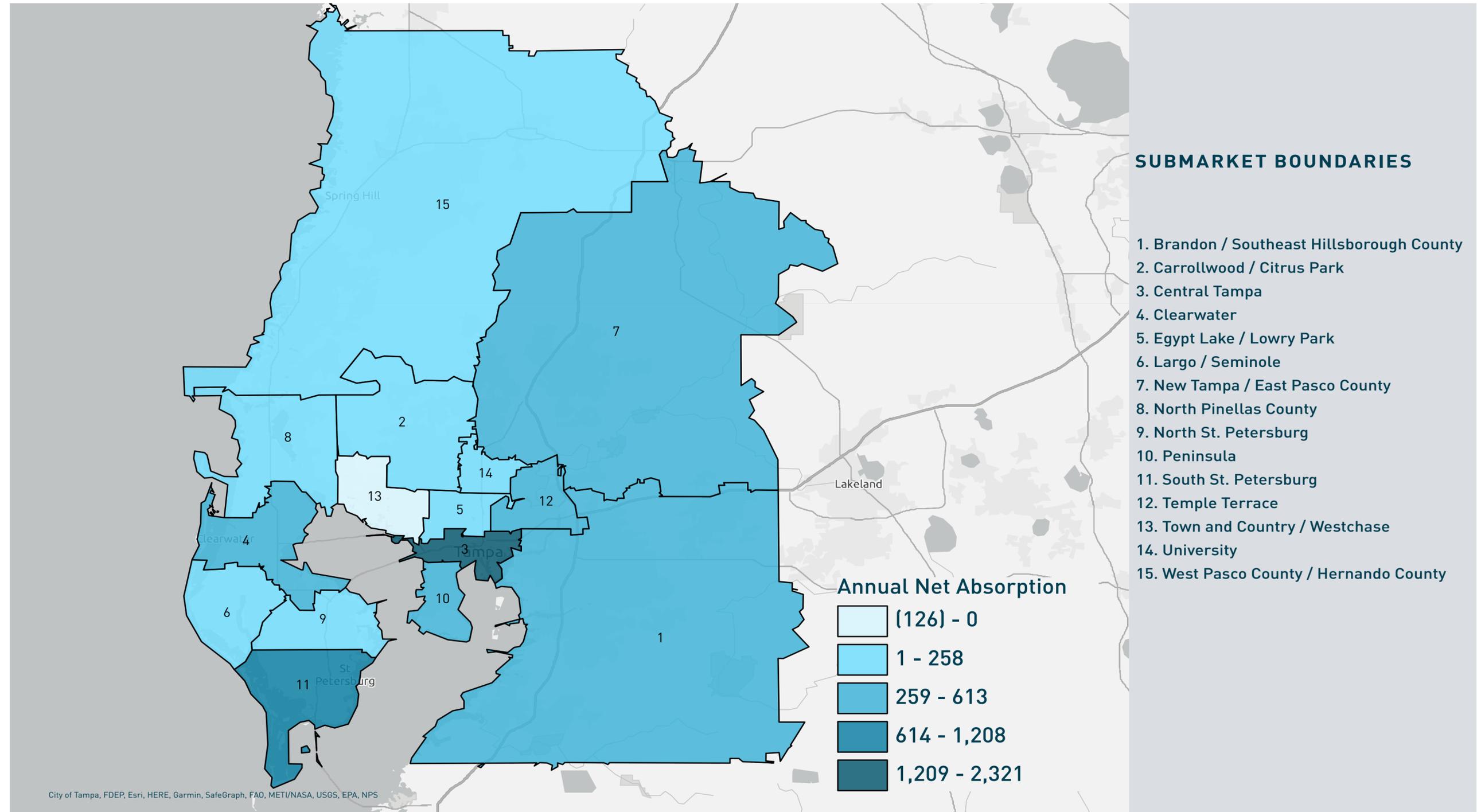




## TAMPA-ST PETERSBURG, FL

# SUBMARKET ANNUAL ABSORPTION

Tampa's Central Business District is growing at a strong clip with an influx of talent and residents in search of housing. The neighborhood of Downtown Tampa is known for the iconic Tampa Riverwalk, Curtis Hixon waterfront park, and numerous top-rated museums. It is also the chief financial district. Landlords observed a surge in multifamily demand as new renters were attracted to the upscale apartments being delivered in the urban core. With a growing number of young professionals moving to the Central Tampa apartment submarket, annual net absorption of 2,321 units nearly matched heightened deliveries. Drawing renters to Tampa's vibrant urban oasis are major employers such as the 1,041-bed Tampa General Hospital, the University of Tampa with 10,000 students, and Bank of America. Supporting continued interest in downtown living is the \$3.5 billion, 53-acre Water Street Tampa mixed-use district slated to complete in 2027.





# TAMPA-ST PETERSBURG, FL RENT & OCCUPANCY

## Effective Rent

2Q 2022

\$1,786

↑ 26.1% YOY

## Occupancy

2Q 2022

96.7%

↓ 20 BPS YOY

Many flocked to Tampa-St. Petersburg in search of more affordable housing, relocating from not only major northern markets, but cities in Southern Florida, such as Miami, Fort Lauderdale, and West Palm Beach. In metro Tampa, the average effective rent was \$1,786 per month in the second quarter of 2022. Greater Tampa's effective rent appreciated by 26.1% year over year, well above the 14.8% national rate. Despite the robust rent growth, monthly rent is still budget-friendly compared to Boston at \$2,786, San Diego at \$2,530, and Washington, D.C., at \$2,002, while offering enjoyable lifestyle amenities.

With Tampa's demand surge, the average occupancy rate remained elevated at 96.7% in the second quarter of

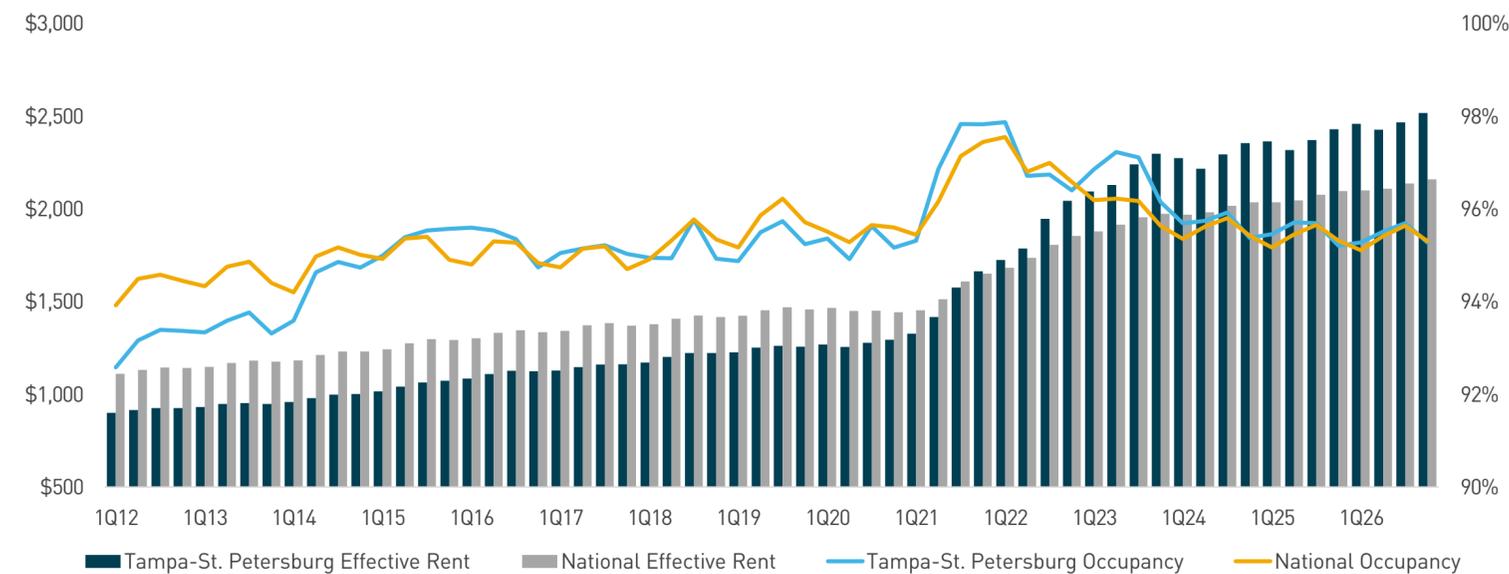
2022. Among Tampa's 15 submarkets, average occupancy rates ranged from 95.1% in Peninsula to 98.2% in South St. Petersburg. Downtown St. Petersburg's rental boom has been spurred by the EDGE District known for its restaurants, bars, and boutiques. Housing also became highly sought-after as people desired to live in the most walkable downtown in Florida.

With construction expected to outweigh demand through the end of the year, the average occupancy rate is projected to finish the year at or near 96.4% in metro Tampa.

## Submarket Performance

SUBMARKET NAME	2022 OCCUPANCY	YOY (BPS)	2022 EFFECTIVE RENT	YOY
Brandon/Southeast Hillsborough County	96.0%	-40	\$1,832	27.8%
Carrollwood/Citrus Park	96.4%	-90	\$1,657	26.7%
Central Tampa	96.4%	-10	\$2,462	23.9%
Clearwater	96.5%	-60	\$1,795	24.0%
Egypt Lake/Lowry Park	96.9%	30	\$1,493	31.7%
Largo/Seminole	97.7%	0	\$1,665	26.0%
New Tampa/East Pasco County	96.6%	-30	\$1,840	27.6%
North Pinellas County	96.8%	-40	\$1,815	22.4%
North St. Petersburg	96.8%	-50	\$1,829	26.8%
Peninsula	95.1%	-70	\$1,849	21.2%
South St. Petersburg	98.2%	140	\$1,917	27.4%
Temple Terrace	96.8%	-20	\$1,451	24.1%
Town and Country/Westchase	95.9%	-90	\$1,873	29.4%
University	96.8%	60	\$1,377	26.1%
West Pasco County/Hernando County	97.5%	-40	\$1,415	18.0%

## Tampa-St. Petersburg vs. National Effective Rent & Occupancy



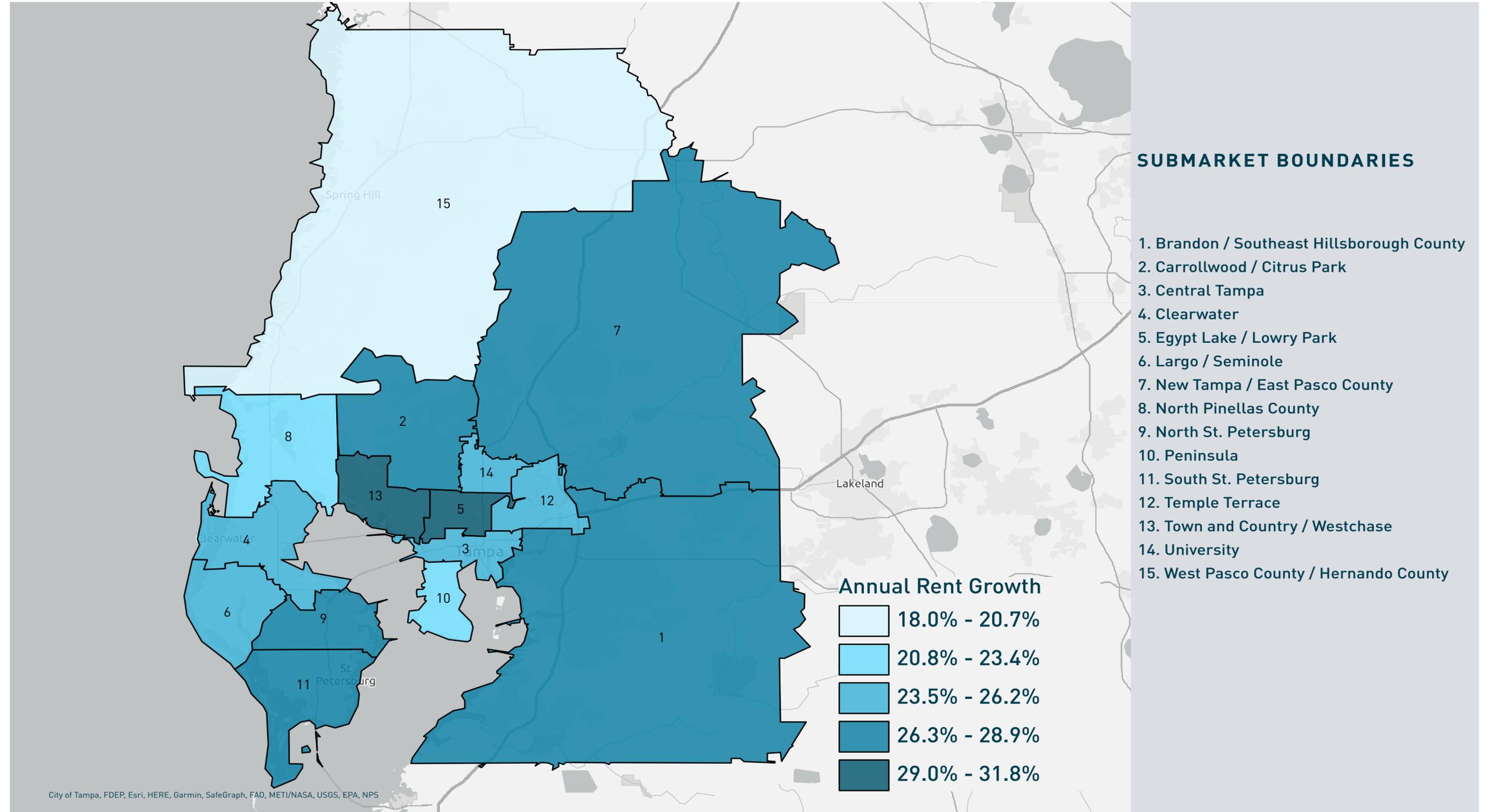
Source: RealPage



## TAMPA-ST PETERSBURG, FL

# SUBMARKET ANNUAL RENT CHANGE

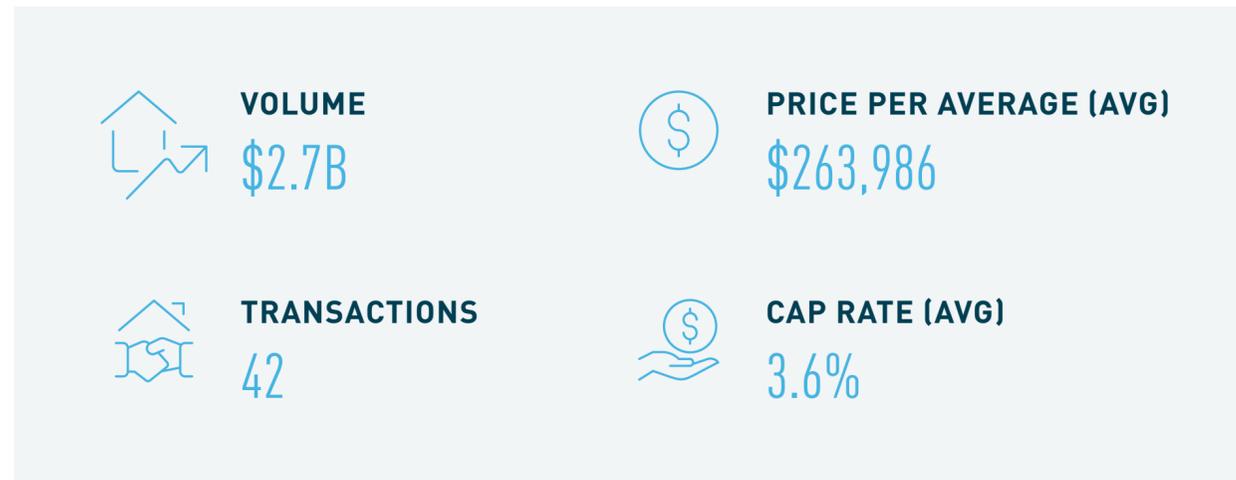
Rent growth was strong across metro Tampa's 15 apartment submarkets—both urban and suburban units are growing at unprecedented rates, ranging from 18.0% to 31.7% on a year-over-year basis. Among the in-demand Central Tampa and South St. Petersburg submarkets, landlords noted that rent rose 27.4% and 23.9%, respectively. The boost came as Pfizer Tampa leased 100,000 square feet in downtown creating hundreds of new jobs. Adding to the walkability of downtown living is the expansion underway at Tampa Riverwalk, a hot spot for those who want to be close to the water for hiking, cycling, and boating. Effective rent in South St. Petersburg reached \$1,917 per month, amid a metro-leading 140 basis point increase in occupancy to 98.2%. Underpinning the increase in occupancy and rent was the inflow of younger residents attracted to the vibrant downtown culture of nightlife, restaurants, and its proximity to beaches.



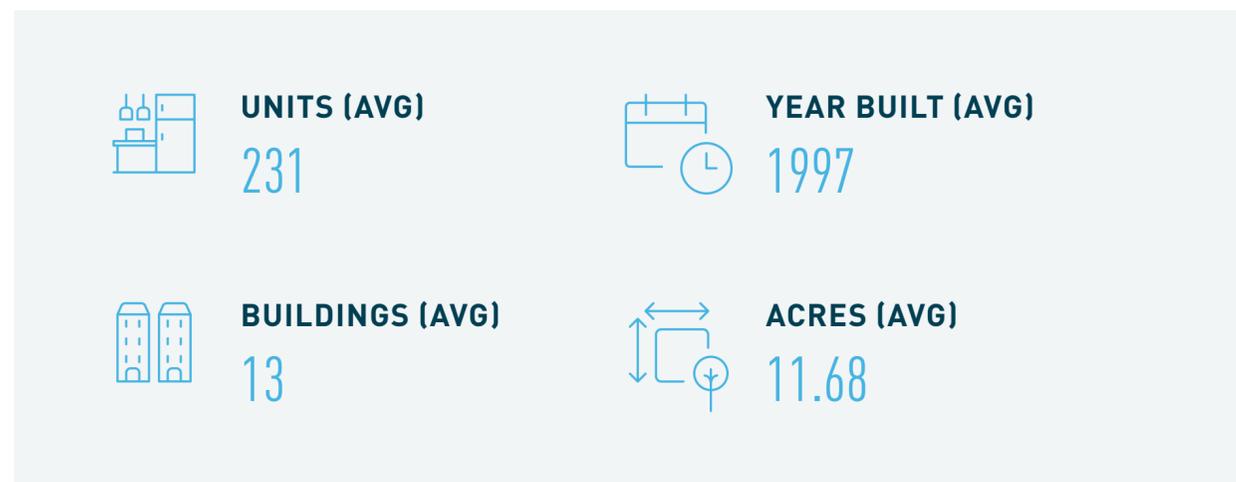


# TAMPA-ST PETERSBURG, FL SALES

2022 Year to Date\*



What's Trading?\*



Source: Real Capital Analytics  
\*\$10m+

Top Buyers\*\*

BUYER	LOCATION
Blackstone Real Estate Income Trust	New York, NY
LURIN	Dallas, TX
Cortland	Atlanta, GA
TrueAmerica Multifamily	Los Angeles, CA
Bridge Investment Group	Sandy, UT

Top Sellers\*\*

SELLER	LOCATION
The Related Companies	New York, NY
Preferred Apartment Communities	Atlanta, GA
The Bainbridge Companies	Wellington, FL
Crescent Communities	Charlotte, NC
Arlington Properties	Birmingham, AL

\*\*Past 24 Months

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Sources: RealPage; Moody's Analytics; Real Capital Analytics

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