

TAMPA- ST. PETERSBURG, FL MULTIFAMILY REPORT

2023 | MIDYEAR



BERKADIA[®]



Jobs Added / Lost

LAST 12 MONTHS

55,800

↑ 3.8%

NEXT 12 MONTHS*

16,400

↑ 1.1%

Unemployment

MIDYEAR 2023

2.8%

↑ 10 BPS YOY

MIDYEAR 2024*

3.7%

↑ 90 BPS YOY

*Projected

TAMPA-ST PETERSBURG, FL EMPLOYMENT

Named one of the best cities to start a career, metro Tampa-St. Petersburg boasted one of the lowest unemployment rates in the nation. At midyear 2023, Tampa-St. Petersburg's unemployment rate was 2.8%, well below the national average of 3.6%.

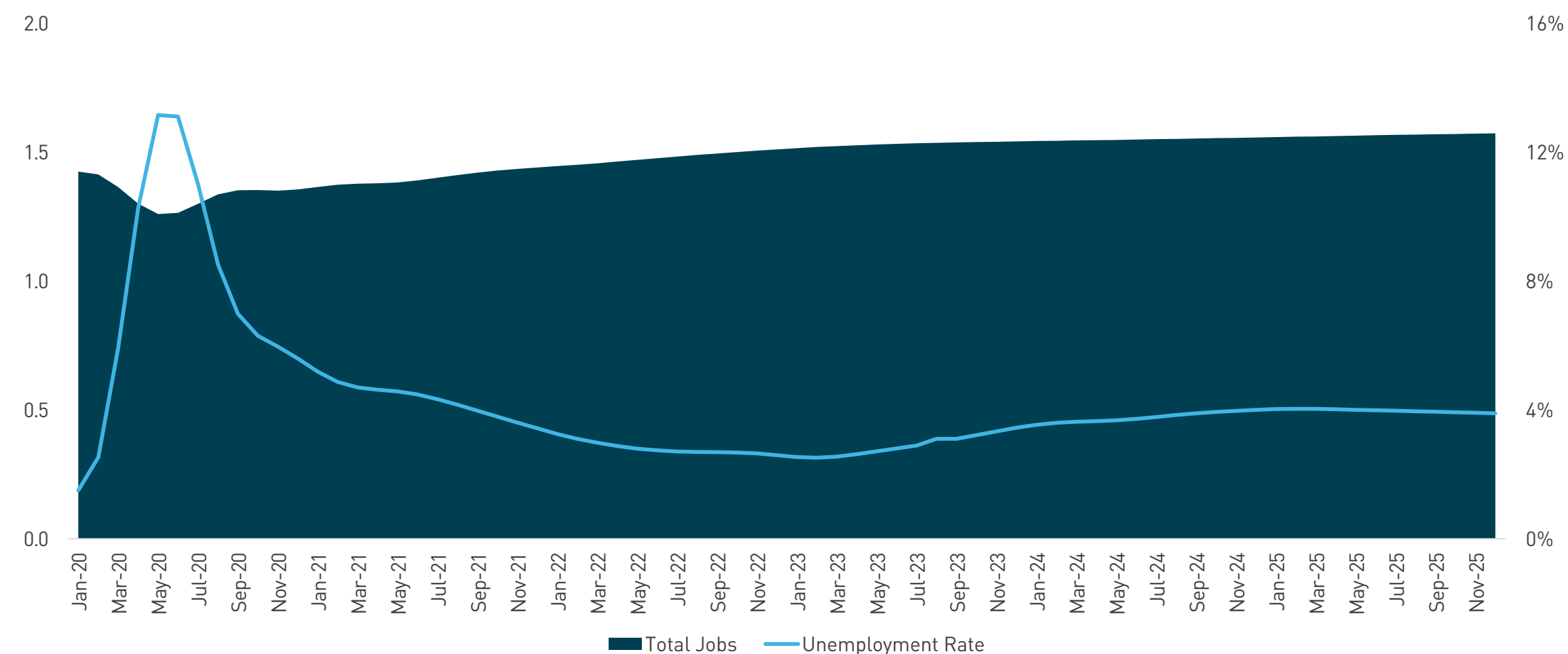
Over the past year, 55,800 net jobs were added to local payrolls, expanding employment 3.8%. Since midyear 2022, the professional and business services sector grew the most annually with the addition of 15,300 net jobs.

In April 2023, Florida had the biggest growth in the nation for tech jobs postings, specifically in Tampa. Tampa makes up 25% of Florida's tech employment, with more

than 50 related companies, including offices of Amazon, IBM, Apple, Oracle, and Uber. Beyond the tech scene, the private education and healthcare sector added the second-most jobs over the past year, with 14,500 new employees. The industry is expanding with CAN Community Health, a \$435 million nonprofit in Sarasota, moving their headquarters to Tampa. The company is planning to acquire Metro Inclusive Health's part of the building by fall 2024.

Meanwhile, ground broke on the \$1.6 billion first phase of the Speros FL medical city project in January. The development will be one of the largest medical cities on record, adding 14,000 employees upon completion.

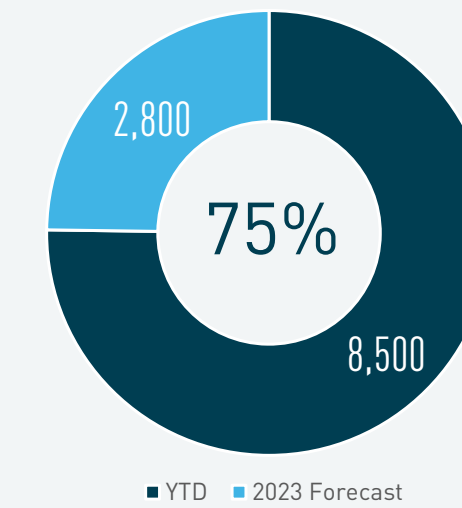
Employment Trends



Source: Moody's Analytics

Who's Hiring?

PROFESSIONAL & BUSINESS SERVICES INDUSTRY



20%
OF ALL JOBS IN THE METRO

\$77,900
AVERAGE ANNUAL SALARY

Top Professional & Business Services Employers

Publix	27,000 JOBS
KFORCE	7,300 JOBS
JPMorganChase	5,700 JOBS

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

2023 Units*

DELIVERIES

6,384

ABSORPTION

2,341

2024 Units*

DELIVERIES

11,235

ABSORPTION

8,535

*Projected

After negative absorption in 2022, Greater Tampa-St. Petersburg is projected to have 2,341 net move-ins by the end of 2023. Specifically, the Brandon/Southeast Hillsborough County and New Tampa/East Pasco County submarkets are popular with renters. Together, the suburban submarkets are forecast to have nearly 2,800 net move-ins by December 2023.

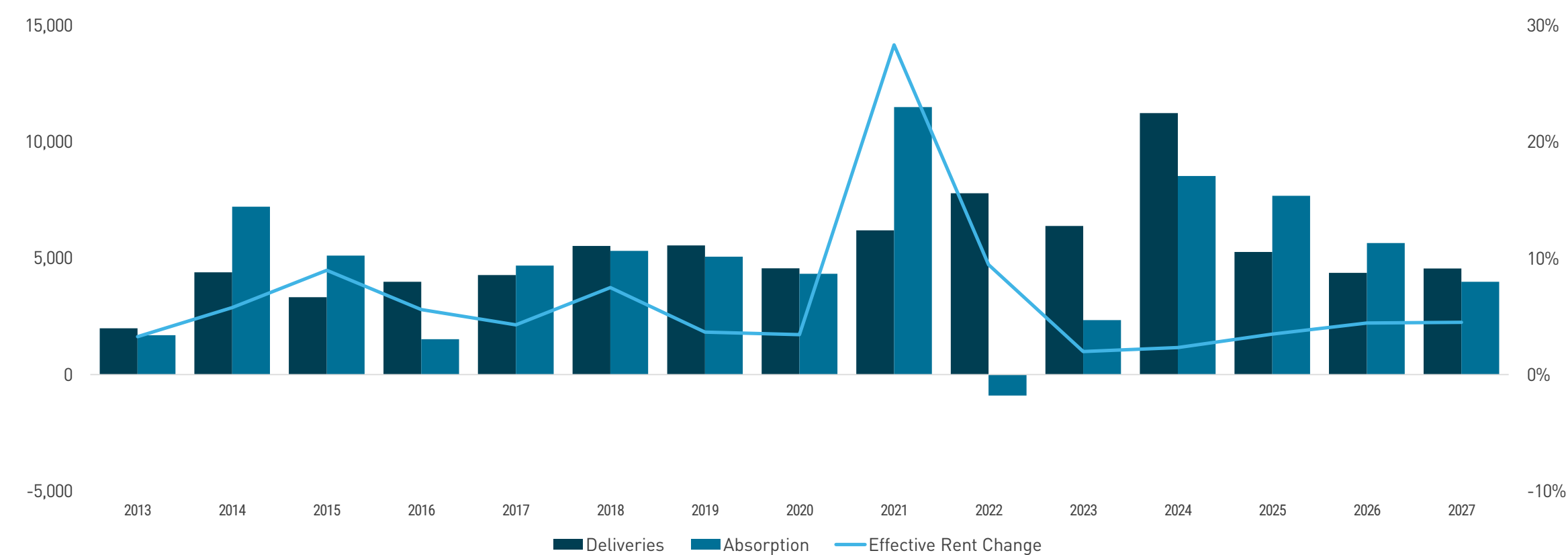
Both economic growth and positive net in-migration contributed to increased renter activity. Roughly 34,000 people moved to Tampa in 2022, the metro Forbes rated as the best place to live in Florida. The influx of new residents over the past few years created a tight single-family market and has increased median home prices in

the metro, which pushed more people to rent.

The heightened demand over the past few years encouraged a multifamily development frenzy. In 2022, 7,794 units, a record amount of inventory, hit the market. Though less deliveries are projected to come online in 2023, 6,384 units, it is still 2,000 more units above the metro's pre-pandemic five-year average.

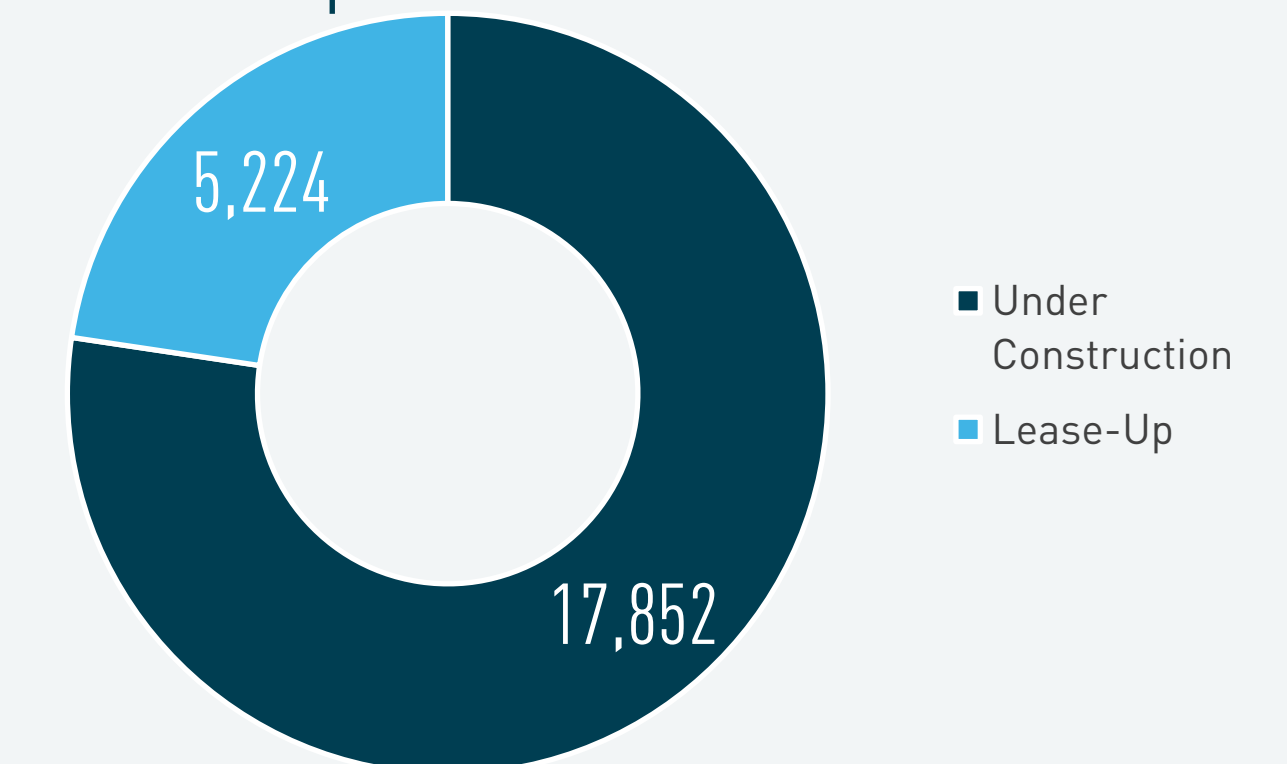
Currently, the pipeline is very active, with 17,852 units under construction. With these projects underway, 11,235 units are forecast to be delivered in 2024, the highest amount of new inventory in the past decade.

Deliveries, Absorption, & Effective Rent Change

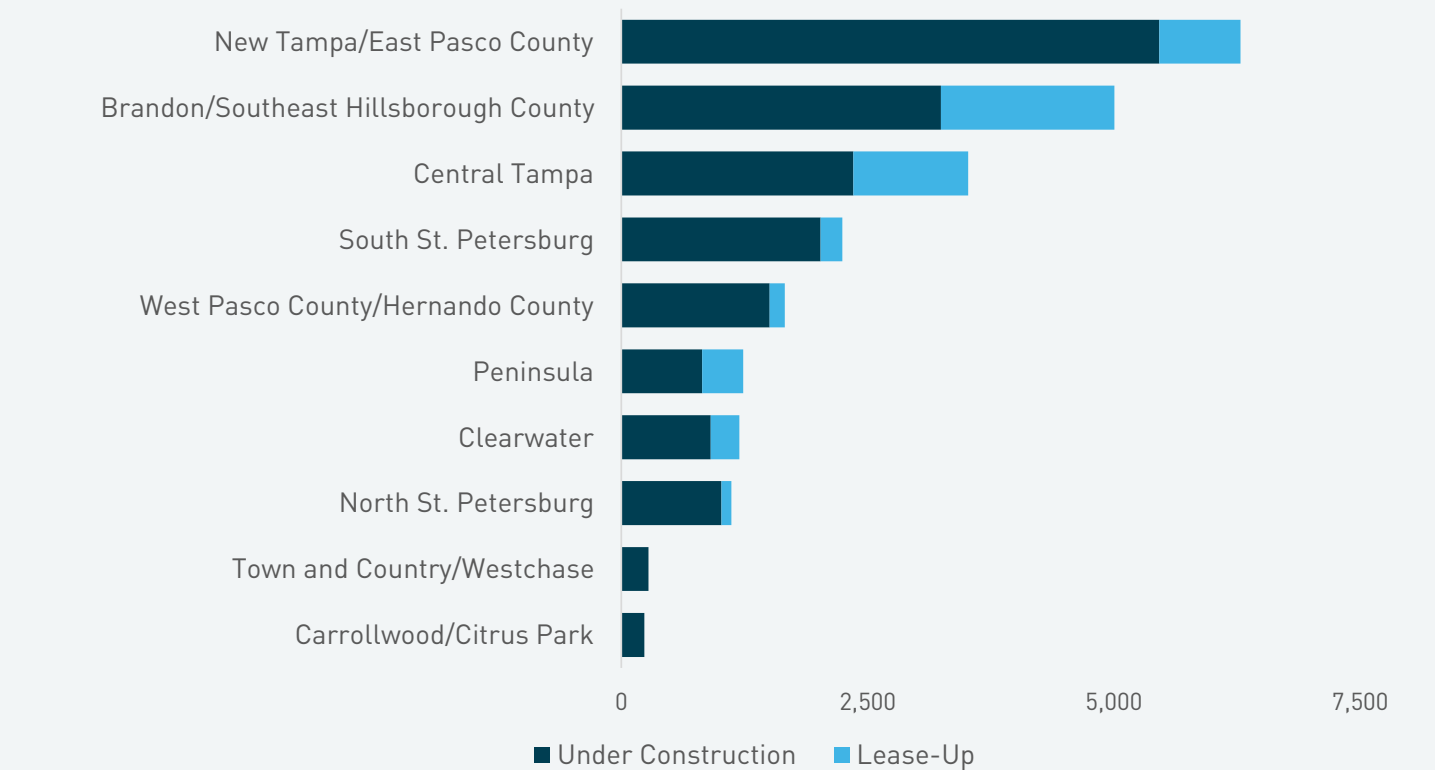


Source: RealPage

Market Pipeline



Top Submarket Pipelines

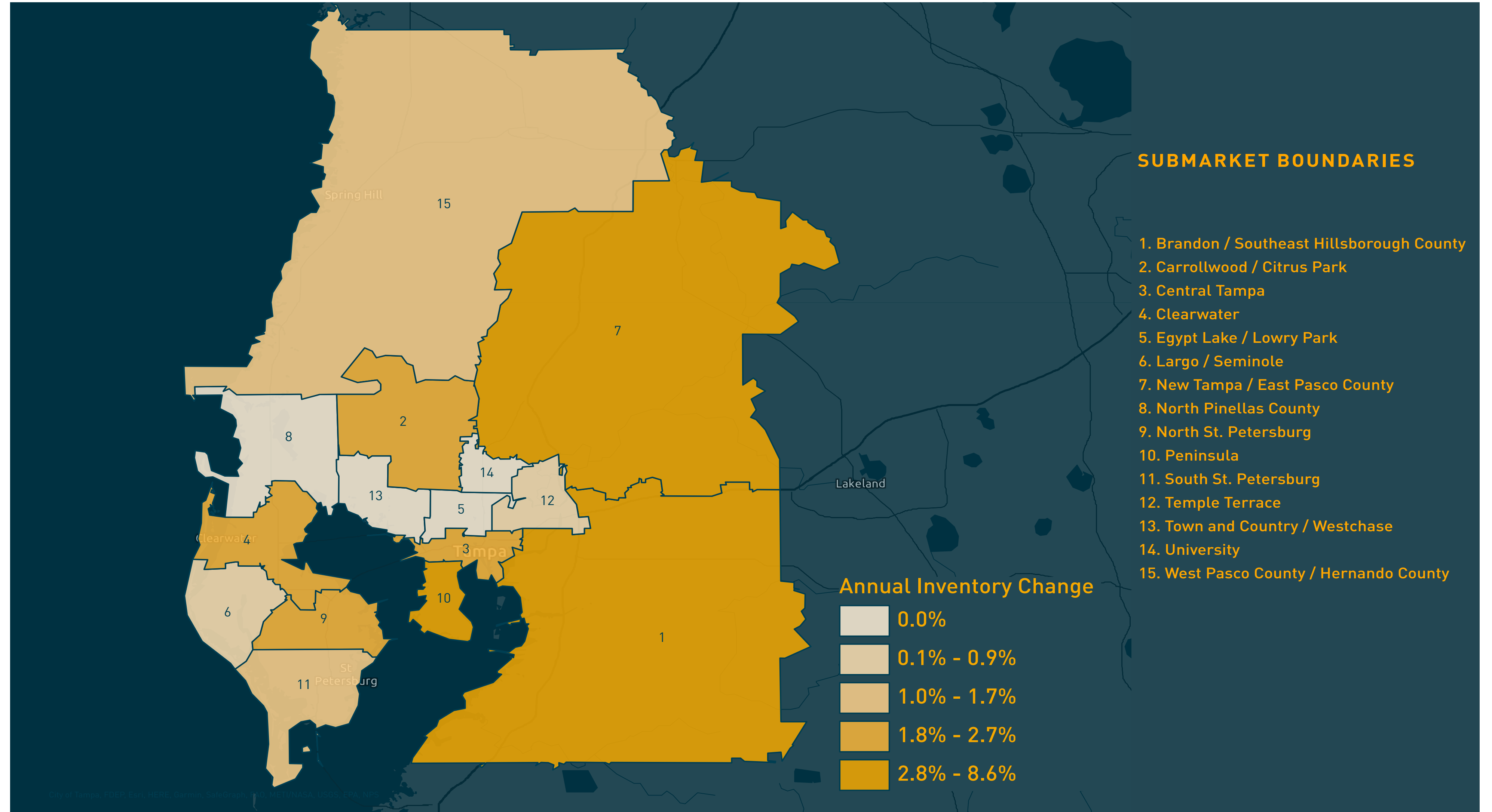




TAMPA-ST PETERSBURG, FL

SUBMARKET ANNUAL INVENTORY CHANGE

The suburban submarkets have had the lion's share of new development in the Metro Tampa-St. Petersburg. The New Tampa/East Pasco County submarket had the greatest inventory growth over the past year of 8.6% or 1,539 units. Development in the submarket started to pick up in the first quarter of 2022 and has been consistent since and is forecast to stay on pace for 2024. New Tampa/East Pasco County's development pipeline is the busiest compared to the other submarkets. Currently, 5,464 units are under construction in the submarket, accounting for 30% of the total amount of units under construction in Greater Tampa-St. Petersburg. Completing later in 2023, Douglas Grand Telecom Park, a 19- acre multifamily development, will feature two four-story apartment buildings and a three-story townhome building totaling 331-units. The robust development in the submarket is underpinned by strong and consistent demand.





TAMPA-ST PETERSBURG, FL

RENT & OCCUPANCY

Effective Rent

Q2 2023

\$1,837

↑ 2.5% YOY

Occupancy

Q2 2023

94.1%

↓ 250 BPS YOY

Over the past few years, the Tampa-St. Petersburg multifamily market was one of the most robust in the nation in terms of rent growth. After the market posted annual effective rent increases greater than 20% during the pandemic, Tampa-St. Petersburg's average effective rent growth cooled down recently.

Through the second quarter of 2023, effective rent grew 2.5% year over year to \$1,837 per month. Looking ahead, annual effective rent growth will remain lower than average due to the high volume of incoming inventory. The increased competition will limit apartment operators' ability to raise rent. With the recent expansions in supply, the number of apartment operators who have started to

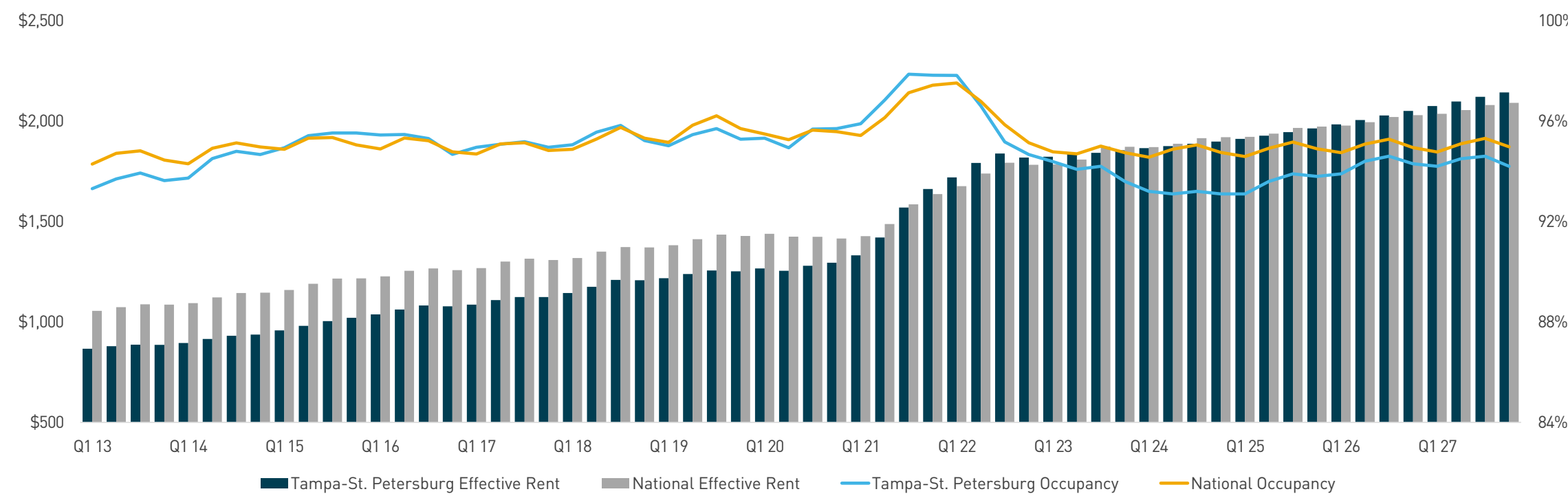
offer concessions has increased since the first quarter of 2022. As of the second quarter of 2023, 15.9% of landlords offered concessions, up from 5.0% during the same time the previous year. Though concessions were higher, they were still far below peak concessions during 2020, which averaged at 23.0%.

Similar to annual effective rent growth, the influx of units affected occupancy rates in the metro. At 94.1% at the end of second quarter of 2023, occupancy was down 250 basis points year over year. Though demand has been positive in Tampa, the amount of new units hitting the market has outpaced the amount of units that have been absorbed, keeping occupancy lower than usual.

Submarket Performance

SUBMARKET NAME	Q2 2023 OCCUPANCY	YOY (BPS)	Q2 2023 EFFECTIVE RENT	YOY
Brandon/Southeast Hillsborough County	93.4%	-270	\$1,796	-3.6%
Carrollwood/Citrus Park	93.9%	-250	\$1,764	6.4%
Central Tampa	94.3%	-230	\$2,499	1.6%
Clearwater	94.2%	-200	\$1,807	0.9%
Egypt Lake/Lowry Park	93.5%	-330	\$1,570	2.9%
Largo/Seminole	95.6%	-200	\$1,743	4.3%
New Tampa/East Pasco County	93.9%	-260	\$1,821	-1.2%
North Pinellas County	95.6%	-150	\$1,820	0.3%
North St. Petersburg	93.6%	-310	\$1,875	2.8%
Peninsula	93.5%	-160	\$1,833	-1.0%
South St. Petersburg	94.2%	-390	\$2,083	7.3%
Temple Terrace	94.2%	-270	\$1,537	5.3%
Town and Country/Westchase	93.7%	-220	\$1,864	-0.6%
University	94.1%	-260	\$1,461	6.9%
West Pasco County/Hernando County	95.5%	-200	\$1,499	5.6%

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



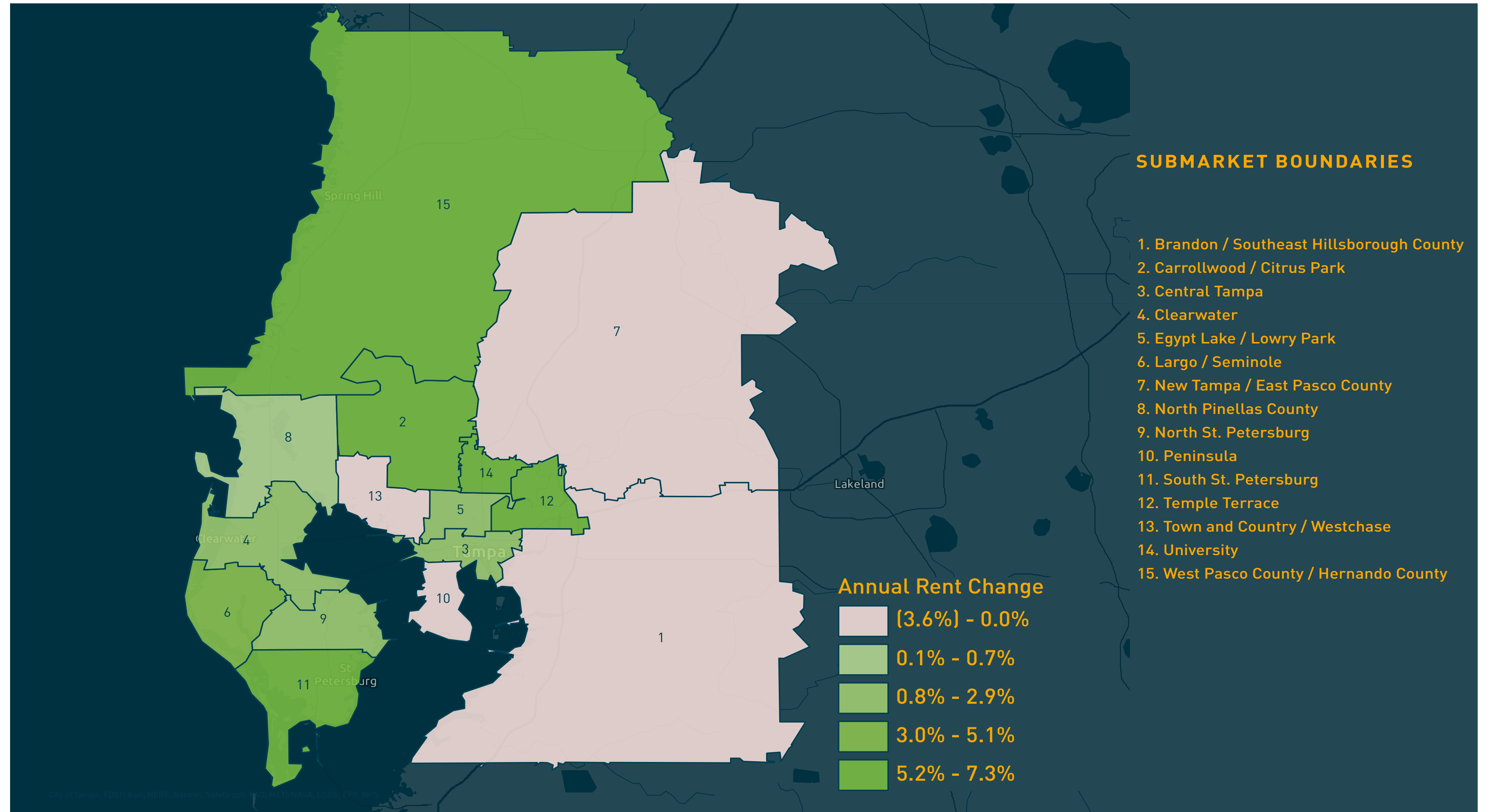
Source: RealPage



TAMPA-ST PETERSBURG, FL

SUBMARKET ANNUAL RENT CHANGE

Most submarkets in Tampa-St. Petersburg experienced positive annual effective rent changes. The South St. Petersburg submarket had the greatest increase year over year, rising 7.3% to \$2,083 per month during the second quarter of 2023. South St. Petersburg's multifamily market outperformed Tampa-St. Petersburg, with rent rising 480 basis points more annually and occupancy being 10 basis points higher. The submarket's growing effective rent and occupancy was underpinned by one of its major demand drivers, Downtown St. Petersburg. With the financial services industry is the largest employment sector in St. Petersburg, the submarket appeals to young professionals looking for high-paying white-collar jobs. Though smaller than Downtown Tampa, Downtown St. Petersburg offers a fun, centralized, and walkable downtown with restaurants, shopping, and a great nightlife scene with microbreweries, bars, and lounges.




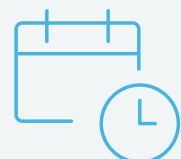
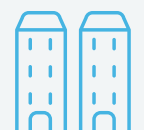
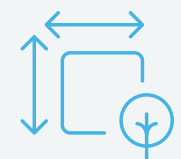


TAMPA-ST PETERSBURG, FL SALES

2023 Year to Date*

	VOLUME \$385.7M		PRICE PER UNIT (AVG) \$198,133
	TRANSACTIONS 9		CAP RATE (AVG) N/A

What's Trading?*

	UNITS (AVG) 182		YEAR BUILT (AVG) 1990s
	BUILDINGS (AVG) 14		ACRES (AVG) 17.81

Source: Real Capital Analytics
*\$10m+

Top Buyers**

BUYER	LOCATION
Blackstone	New York, NY
LURIN Capital	Dallas, TX
TruAmerica Multifamily	Los Angeles, CA
CBRE Investment Management	Los Angeles, CA
TLR Property Management	Tampa, FL

Top Sellers**

SELLER	LOCATION
Preferred Apartment Communities	Atlanta, GA
Relalted Companies	New York, NY
Cornerstone Group	Hollywood, FL
Bromley Companies	New York, NY
Crescent Communities	Charlotte, NC

**Past 24 Months

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

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