

	YoY Chg	12-Mo. Forecast
14.5% Vacancy Rate	▲	▲
-579K YTD Net Absorption, SF	▼	▼
\$27.44 Asking Rent, PSF	▲	▼

(Overall, All Property Classes)

ECONOMIC INDICATORS Q4 2020

	YoY Chg	12-Mo. Forecast
1.3M Tampa Bay MSA Employment	▼	▲
5.7% Tampa Bay MSA Unemployment Rate	▲	▼
6.7% U.S. Unemployment Rate	▲	▼

Source: BLS. Numbers above are monthly figures, FL Dept. Economic OPP.

ECONOMY

The Tampa Bay region, which includes Hillsborough and Pinellas counties, had an unemployment rate of 5.7% in November 2020, up 30 basis points (bps) from the previous month as well as 320 bps higher than the region's rate from one year ago. Nonagricultural employment was 1.35 million, a decrease of 56,400 jobs, or 4.0%, over the year. Three employment sectors that gained jobs year-over-year (YOY) were Manufacturing, Wholesale Trade and Other Services, adding a combined 2,600 new jobs in 2020. Leisure & Hospitality led other sectors in jobs lost last year, with 27,500 gone, followed by Professional & Business Services which had payroll declines of 9,000 positions. Office-using employment in Tampa Bay remained impacted by overall economic conditions as area companies reassessed space needs.

SUPPLY

Overall vacancy ended the fourth quarter at 14.5%, an increase of 360 bps when compared to the end of 2019. Class A vacancy rose by 180 bps YOY to 14.2% with space in Class B climbing by 30 bps to 15.9%. Multiple blocks of vacant sublease space came to the market in 2020 as well as new construction deliveries. Both negatively impacted Tampa Bay's vacancy rate in the last six months. Over 570,000 square feet (sf) was delivered in 2020, the most in annual deliveries since 2008. In the CBD, Heights Union West and Sparkman Wharf delivered, adding 307,000 sf of new office product. In the Northwest submarket, the 115,000-sf Renaissance Center VII delivered completely vacant. Close to 1.0 million square feet (msf) was currently under construction at the yearend, split between projects in the CBD and Westshore submarkets.

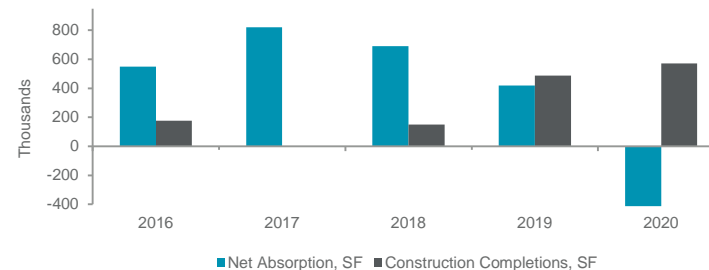
DEMAND

New leasing demand for 2020 between Hillsborough and Pinellas counties was off by 59% compared to the level of activity in 2019. Only 500,000 sf of the 2.1 msf in total leasing volume occurred in the last six months of the year. Both Hillsborough and Pinellas counties recorded the least amount of quarterly leasing activity in the last 12 years. Class A buildings year-to-date (YTD) had the most leasing activity, accounting for over 1.1 msf compared to 741,000 sf in Class B assets. Absorption trended downward through the year, recording approximately -579,000 sf YTD almost all from suburban submarkets. The Tampa CBD recorded positive absorption of 122,000 sf on tenants moving in in Class A space while St. Petersburg CBD recorded -6,194 sf on minimal move ins/move outs.

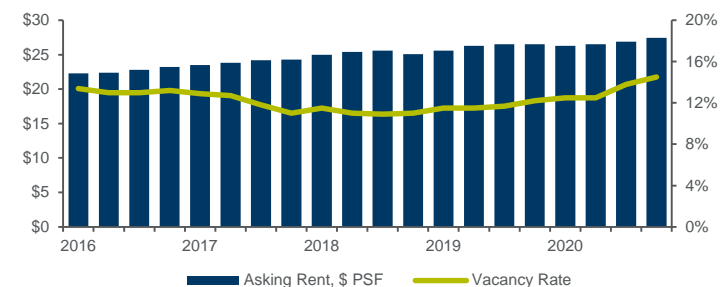
MARKET PRICING

Overall asking rents increased 3.5% YOY to \$27.44 per square foot (psf) full service. For Class A assets, rental gains achieved cycle highs in the third quarter, rising to \$30.81 psf, up 1.9% YOY and the third consecutive quarter Class A asking rents averaged above \$30.00 psf in Tampa Bay. In the last 12-months, gains in the Tampa/Hillsborough market were up 5.3% to \$29.00 psf while overall rents contracted in Pinellas County by 4.4% to \$24.66 psf.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Tampa CBD	6,543,531	89,968	903,187	15.2%	121,294	64,038	345,349	375,000	\$34.18	\$38.18
Tampa Non CBD	25,449,207	752,472	3,054,505	15.0%	-240,005	-167,166	1,393,683	581,845	\$27.55	\$30.87
Westshore	12,712,189	316,726	1,492,696	14.2%	-216,097	-280,529	715,198	461,845	\$32.30	\$35.91
Northwest Area	4,207,528	205,122	437,083	15.3%	47,607	27,420	240,607	0	\$24.38	\$25.78
I-75 Corridor	7,717,505	224,775	1,083,749	17.0%	-68,258	96,795	405,955	120,000	\$23.57	\$25.78
Southwest Area	306,381	0	20,653	6.7%	-1,195	-14,729	14,789	0	\$19.37	N/A
Hyde Park	335,456	5,849	17,184	6.9%	-2,062	-5,472	17,134	0	\$32.84	N/A
Ybor City	170,148	0	3,140	1.8%	0	9,349	0	0	\$28.00	N/A
TAMPA TOTALS	31,992,738	842,440	3,957,692	15.0%	-118,711	-103,128	1,739,032	956,845	\$29.00	\$32.92
St. Pete CBD	2,038,302	32,873	158,700	9.4%	-6,194	-61,735	87,682	0	\$30.46	\$31.63
St. Pete Non CBD	9,528,592	170,882	1,147,264	13.8%	-125,718	-414,269	276,019	0	\$22.46	\$23.44
Gateway	4,527,426	94,964	612,419	15.6%	-76,802	-160,012	182,334	0	\$22.89	\$23.50
Bayside	1,310,373	4,368	161,551	12.7%	-8,034	-36,625	23,918	0	\$24.81	\$25.23
Countryside	1,173,052	0	157,834	13.5%	-8,016	-42,029	36,232	0	\$21.66	\$20.98
North Pinellas	1,125,836	71,550	57,498	11.5%	-3,029	-104,445	0	0	\$21.16	\$22.47
Clearwater CBD	661,725	0	42,714	6.5%	-16,169	-17,459	3,189	0	\$19.55	\$18.00
South St. Pete	730,180	0	115,248	15.8%	-13,668	-53,699	30,346	0	\$19.51	N/A
PINELLAS TOTALS	11,566,894	203,755	1,305,964	13.1%	-131,912	-476,004	363,701	0	\$23.18	\$24.66
TAMPA BAY TOTALS	43,559,632	1,046,195	5,263,656	14.5%	-250,623	-579,132	2,102,733	956,845	\$27.44	\$30.81

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS 2020

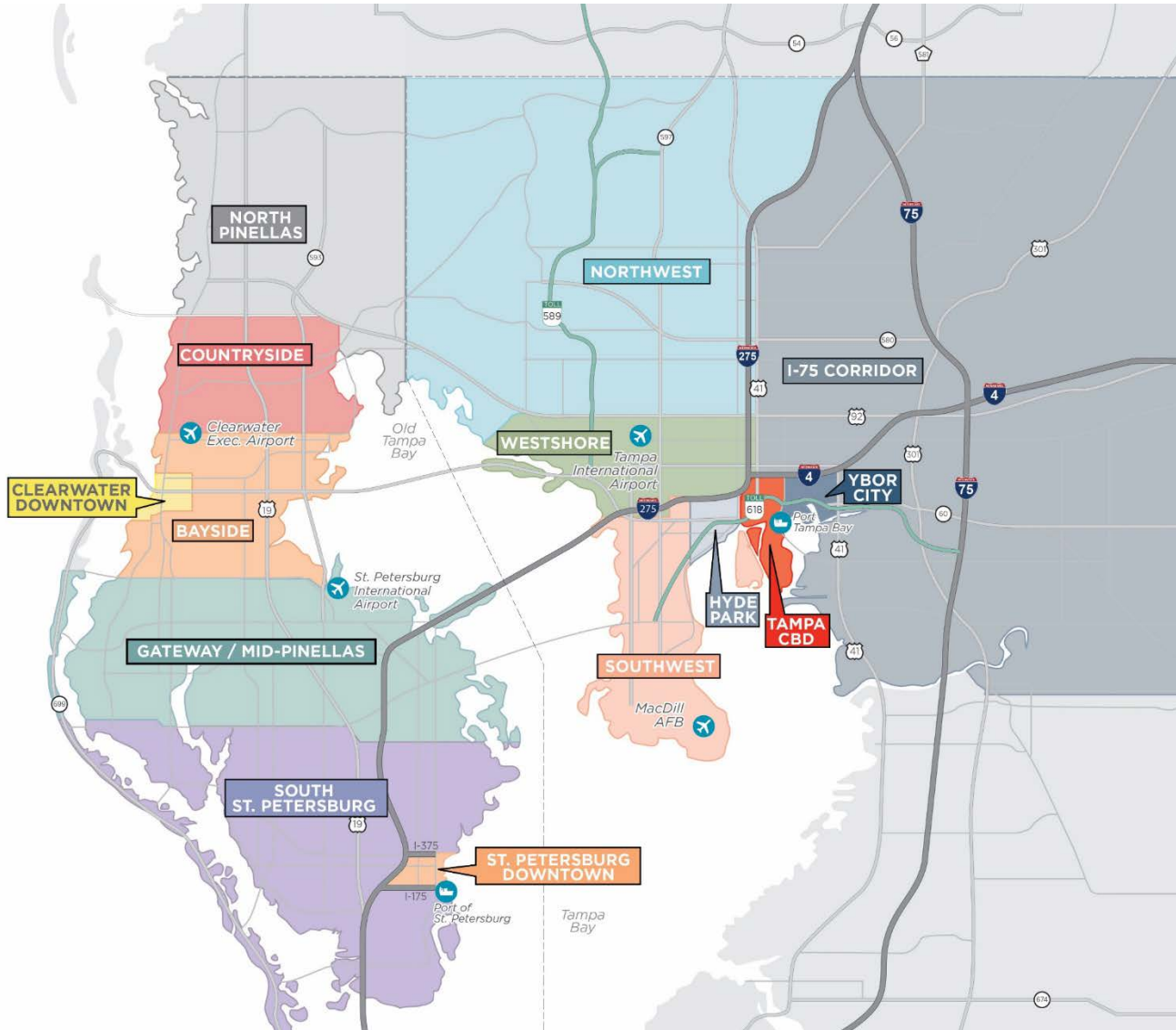
PROPERTY	SUBMARKET	TENANT	RSF	TYPE
3620 Queen Palm Drive	Southeast Area	Ford Motor Credit	120,500	Renewal*
5525 West Gray Street	Westshore	Federal Bureau of Investigation	137,000	Renewal*
5701 E Hillsborough Avenue	Southeast Area	Maximus	147,111	New
1401 N Westshore Blvd.	Westshore	Heritage Insurance	85,074	New

*Renewals are not included in leasing activity

TAMPA BAY

Office Q4 2020

OFFICE SUBMARKETS



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