

	YoY Chg	12-Mo. Forecast
<b>5.9%</b> Vacancy Rate	▼	▼
<b>642K</b> YTD Absorption, SF	▲	▲
<b>\$6.84</b> Asking Rent, PSF	▲	▲

*Overall, Net Asking Rent*

### ECONOMY

The Tampa Bay region, which includes Hillsborough and Pinellas counties, had an unemployment rate of 4.6% in May 2021. This was 40 basis points (bps) lower than the state average and 860 bps lower than the region’s rate from one year ago. The Tampa Bay region had the second highest year-over-year (YOY) nonagricultural job growth rate in the state, with 97,600 new jobs added, a 7.6% increase, totaling around 1.38 million jobs. Some of the industries gaining the most jobs YOY were Trade and Transportation, adding 18,100 jobs, Construction with 4,600 jobs, and Manufacturing, which added 1,600 jobs. Leisure and Hospitality showed further signs of resurgence, adding 33,500 new positions as people began to return to pre-pandemic life.

### SUPPLY

Overall vacancy ended the second quarter at 5.9%, down 120 bps from the previous quarter and 70 bps YOY. Although the Eastside submarket had the most available space in the market at 2.4 million square feet (msf), the overall vacancy rate was down 150 bps from the previous quarter. This was a trend for most of the submarkets in the Tampa Bay region, as only the Gateway and North Pinellas submarkets had increases in overall vacancy from the first to second quarter of the year. The Plant City submarket had the highest vacancy rate at 11.4% but was down 220 bps from the first quarter and 360 bps YOY. Around 74,000 sf delivered in the second quarter, all in Eastside. All 4.5 msf under construction was warehouse/distribution space, 3.5 msf built-to-suit and 1 msf speculative and is expected to deliver later this year.

### DEMAND

Leasing activity picked up dramatically in the second quarter, with Hillsborough and Pinellas counties totaling 2.2 msf and 786,000 sf, respectively. This was an increase of 424.3% and 542.9% from the first quarter, as year-to-date (YTD) leasing activity totaled 3.6 msf. The Eastside accounted for 51.9% of leasing activity YTD with 2.1 msf leased, 92.8% of which was warehouse/distribution space retained by sizable tenants like Amazon and USPS. In Pinellas County, the Gateway submarket had the most leasing activity in the second quarter with over 442,000 square feet (sf) and was down 10.8% YOY. Overall net absorption totaled around 547,000 sf, as Hillsborough County posted positive absorption of 708,000 sf and Pinellas County was -161,000 sf.

### MARKET PRICING

Overall triple net asking rents for the region were \$6.84 per square foot (psf) to end the second quarter, up 5.2% from the first quarter. Both counties had overall rent decreases YOY, as Hillsborough County was down 2.2% and Pinellas County declined 3.4%. Office services/flex space in Hillsborough County and warehouse/distribution space in Pinellas County saw the largest growth in rents YOY, with increases of 5.9% and 6.9%, respectively. Warehouse/distribution rents were \$5.53 psf, down 4.3% YOY in Hillsborough County, but should rebound in the third and fourth quarters as new construction delivers.

### ECONOMIC INDICATORS Q2 2021

	YoY Chg	12-Mo. Forecast
<b>1.4M</b> Tampa Bay MSA Employment	▲	▲
<b>4.6%</b> Tampa Bay MSA Unemployment Rate	▼	▼
<b>5.9%</b> U.S. Unemployment Rate	▼	▼

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

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



## MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Eastside	48,624,976	2,406,262	5.0%	351,244	517,175	4,154,051	74,123	\$5.50	\$12.64	\$5.61
Westside	12,950,701	371,348	2.9%	120,133	156,047	297,254	0	\$4.95	\$10.67	\$7.41
South Tampa	1,466,815	84,900	5.8%	7,100	7,100	0	0	N/A	N/A	\$8.52
Plant City	11,780,381	1,342,760	11.4%	229,526	411,740	0	0	N/A	N/A	\$5.12
<b>Tampa Totals</b>	<b>75,126,429</b>	<b>4,205,270</b>	<b>5.6%</b>	<b>708,003</b>	<b>1,092,062</b>	<b>4,451,305</b>	<b>74,123</b>	<b>\$5.48</b>	<b>\$11.83</b>	<b>\$5.53</b>
Gateway/Mid-Pinellas	24,699,569	1,583,538	6.4%	-94,576	-70,846	0	0	\$4.93	\$10.85	\$7.58
North Pinellas	5,074,116	100,449	2.0%	-38,125	-43,898	0	0	\$7.15	\$9.57	\$6.25
South Pinellas	5,712,057	641,872	11.2%	-28,188	-335,234	0	0	\$6.02	N/A	\$4.91
<b>Pinellas Totals</b>	<b>35,485,742</b>	<b>2,325,859</b>	<b>6.6%</b>	<b>-160,889</b>	<b>-449,978</b>	<b>0</b>	<b>0</b>	<b>\$5.36</b>	<b>\$10.74</b>	<b>\$6.67</b>
<b>Tampa Bay Totals</b>	<b>110,612,171</b>	<b>6,531,129</b>	<b>5.9%</b>	<b>547,114</b>	<b>642,084</b>	<b>4,451,305</b>	<b>74,123</b>	<b>\$5.39</b>	<b>\$11.32</b>	<b>\$5.65</b>

\*Rental rates reflect weighted net asking \$psf/year

MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

## KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
3502 Fancy Farms Road	Plant City	DASI	166,206	New
6212 E Hillsborough Avenue #100	East side/North	Amazon	161,200	New
13010 Bay Industrial Dr.	East side/Central-South	Amazon	113,000	New
4720 Oak Fair Boulevard	East side/Central-South	USPS	103,754	New
3657 Fancy Farms Rd.	Plant City	Premier Packaging, LLC	99,550	New
500 S Falkenburg Road	East side/Central-South	Solstice Sleep Products, Inc.	90,000	Renewal
7935 114 <sup>th</sup> Ave N	South Pinellas	WPS Distribution, LLC	76,940	New
5501 D-Rio Vista Boulevard	Airport Area	Piedmont National Corporation	68,851	Renewal

\*Renewals not included in leasing statistics

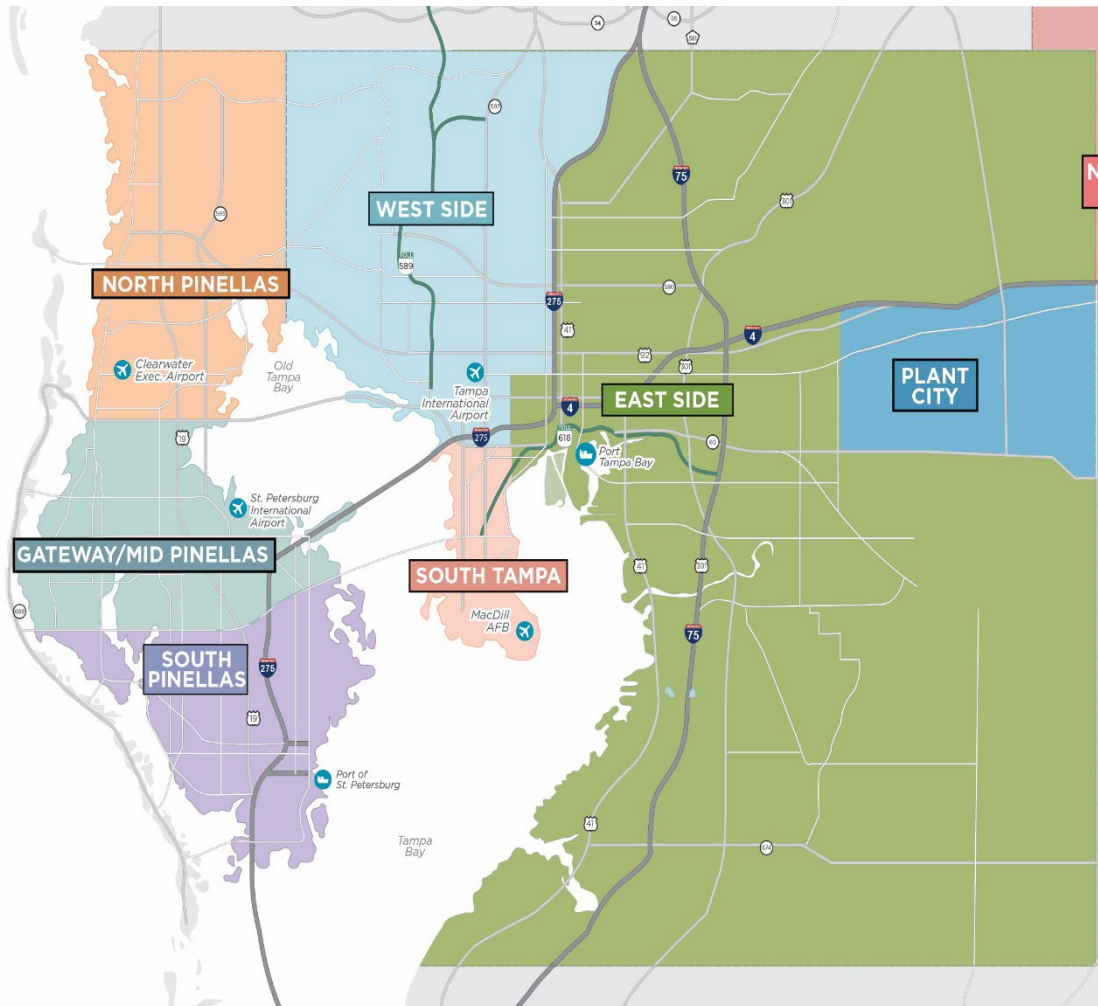
## KEY CONSTRUCTION COMPLETIONS Q2 2021

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
5601 Hartford Street	East side/Central South	Nitram-Owner	20,000	Franklin Property & Development Group LLC

# TAMPA BAY

Industrial Q2 2021

## INDUSTRIAL SUBMARKETS



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