

MARKETBEAT TAMPA BAY

Industrial Q3 2021



CUSHMAN &
WAKEFIELD

YoY
Chg

12-Mo.
Forecast

4.9%

Vacancy Rate



1.8M

YTD Absorption, SF



\$6.94

Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS Q3 2021

YoY
Chg

12-Mo.
Forecast

1.4M

Tampa Bay MSA
Employment



4.5%

Tampa Bay MSA
Unemployment Rate



5.2%

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 4.5% in August 2021. This was 50 basis points (bps) lower than the state average and 270 bps lower than the region's rate from one year ago. The Tampa Bay region had the third highest year-over-year (YOY) nonagricultural job growth rate in the state with 67,600 new jobs added, a 5.1% increase. The industry sectors gaining the most jobs were Trade, Transportation & Utilities at 7,300 jobs, Construction with 2,900 jobs, and Manufacturing with 1,300 jobs added, the second highest annual growth in the state. Leisure & Hospitality showed further signs of resurgence, adding 24,200 new positions.

SUPPLY

Overall vacancy ended the third quarter at 4.9%, down 100 bps from the previous quarter and 220 bps YOY. The Eastside saw the submarket's lowest vacancy rate since 2007 at 4.1%, while the Westside had the lowest rate ever recorded for the submarket at 1.9%. The Plant City submarket had the highest vacancy rate as 194,000 square feet (sf) of new construction delivered vacant in the third quarter, resulting in a 120 bps YOY increase in vacancy to 12.3%. The Gateway submarket had warehouse/distribution vacancy rates drop to 3.0%, the lowest since the fourth quarter of 2017. There was 4.8 million square feet (msf) under construction at the end of the quarter.

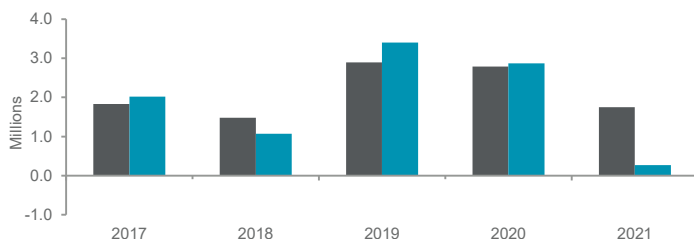
DEMAND

Leasing activity totaled 5.6 msf year-to-date (YTD), up 6.5% from this point last year. Pinellas County saw a 67.6% YOY increase in leasing activity through the first three quarters, while Hillsborough County had a 6.2% decrease. The Eastside and Gateway submarkets continued to be the most active submarkets, accounting for 75.6% of total leased space YTD. Demand for warehouse/distribution space remained strong, as there was over 4.2 msf leased YTD, comprising 74.8% of leasing activity. Both Hillsborough and Pinellas counties posted positive absorption in the third quarter, bringing YTD overall absorption to nearly 1.8 msf.

MARKET PRICING

Overall rents were \$6.94 per square foot (psf) triple net (NNN) to end the third quarter, up 1.5% from the previous quarter. Hillsborough County asking rents were \$6.38 psf NNN, down 3.1% YOY, while Pinellas County rents were \$8.45 psf NNN, up 15.3%. Manufacturing and office services/flex space both saw rental rates increase over the past twelve months, up 20.4% and 9.9%, respectively. As vacancy rates dropped and premium spaces came off the market, warehouse/distribution space had rents decrease 1.0% YOY, ending the quarter at \$5.67 psf. The Airport Area submarket saw the largest rental rate increase over the past year, up 33.4% to \$11.85 psf NNN, with rates expected to rise next year as 668,000 sf of speculative projects deliver.

SPACE DEMAND / DELIVERIES



■ Net Absorption, SF ■ Construction Completions, SF

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	48,622,272	2,005,241	4.1%	367,479	898,840	1,652,032	74,123	\$4.72	\$12.40	\$5.70
Westside	13,165,954	252,370	1.9%	47,656	273,640	667,654	0	N/A	\$11.68	\$9.79
South Tampa	1,464,449	84,900	5.8%	0	7,100	0	0	N/A	N/A	\$8.52
Plant City	11,963,395	1,476,890	12.4%	-30,500	471,200	2,150,967	193,590	N/A	N/A	\$5.16
Tampa Totals	75,216,070	3,819,401	5.1%	384,635	1,650,780	4,470,653	267,713	\$4.72	\$12.17	\$5.49
Gateway/Mid-Pinellas	24,828,650	1,354,710	5.5%	129,072	58,089	177,868	0	\$8.04	\$10.45	\$7.52
North Pinellas	5,066,105	65,127	1.3%	-925	-41,223	130,000	0	\$7.93	\$9.11	\$6.25
South Pinellas	5,535,744	179,992	3.3%	21,998	86,646	0	0	\$7.08	\$10.00	\$3.98
Pinellas Totals	35,430,499	1,599,829	4.5%	150,145	103,512	307,868	0	\$7.78	\$10.35	\$6.89
Tampa Bay Totals	110,646,569	5,419,230	4.9%	534,780	1,754,292	4,778,521	267,713	\$6.78	\$11.27	\$5.67

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

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

KEY LEASE TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
6750 Bryan Dairy Road	West Pinellas - Central	Hit Promotional Products Inc	315,456	New
1820 Massaro Boulevard	East side/Central-South	Gopher Resources LLC	206,382	New
4726 Eisenhower Boulevard	Airport Area	Smiths Interconnect	117,018	Renewal
5416 Sligh Avenue	Airport Area	Peak Nutritional Products, LLC	89,048	New
3608 Queen Palm Drive	East side/Central-South	LaserShip	81,298	New
4555 118th Avenue North	Gateway	Goodman Distribution, Inc	77,868	New

*Renewals not included in leasing statistics

KEY SALE TRANSACTIONS Q3 2021

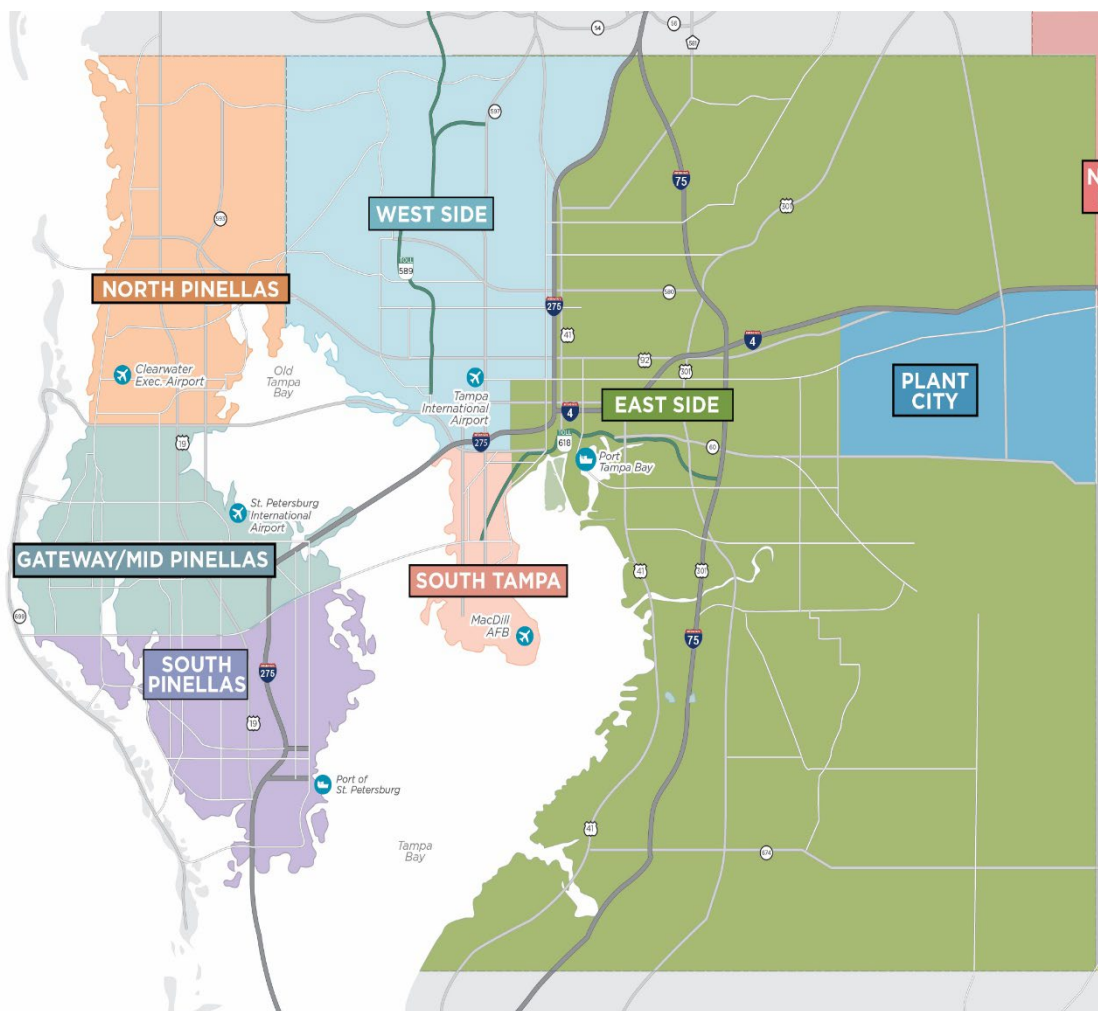
PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
6708 Harney Road	East side/North	Seaboard Warehouse Terminals HighBrook Investors	442,440	\$37.3M \$84
11316 46th Street North	East side/North	The Federated Companies Alliance Partners HSP, LLC	379,880	\$32.0M \$84
4902 West Waters Avenue	Airport Area	Perry Ellis International, Inc. Xebec Realty Partners	305,249	\$32.0M \$105
1301 North 34th Street	South Pinellas	Tampa Bay Times Twenty Lake Management, LLC	173,120	N/A N/A

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**CUSHMAN &
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INDUSTRIAL SUBMARKETS

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