



YoY Chg 12-Mo. Forecast

17.1%

Vacancy Rate



-1.2M

YTD Net Absorption, SF



\$29.40

Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS Q4 2021

YoY Chg 12-Mo. Forecast

1.4M

Tampa Bay MSA Employment



3.4%

Tampa Bay MSA Unemployment Rate



4.2%

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 3.4% in November 2021. This was 20 basis points (bps) lower than the state average and 80 bps lower than the region's rate from one year ago. Nonagricultural employment was 1,433,300, an increase of 72,000 jobs, or 5.3%, over the year. Tampa Bay had the second highest annual job growth in office using employment sectors out of Florida's major markets with 24,800 jobs added including 18,900 jobs in Professional & Business Service and 5,000 jobs in Financial Activities.

SUPPLY

Tampa Bay's overall vacancy was 17.1% at the end of the year, up 260 bps year-over-year (YOY). The majority of new space added consisted of Class A availabilities, which rose 350 bps over the past twelve months to 17.7%. The Tampa Central Business District (CBD) and Westshore submarkets had some of the highest vacancy increases for Class A assets at 330 bps and 510 bps, respectively, but both have large tenant move-ins expected in 2022. The St. Petersburg CBD was one of only three submarkets to see a decrease in vacancy YOY, ending 2021 at 6.1%, a 330-bps decline. Class B assets had a modest increase in overall vacancy YOY, up 80 bps to 16.7%. The I-75 Corridor was the only submarket to deliver new construction, as the USF Research Park delivered 120,000 square feet (sf) of vacant Class A office space. This contributed to the submarket having the highest Class A vacancy rate, up 580 bps to 21.4%. There was 75,000 sf of office space under construction which is expected to deliver during the first quarter of 2022.

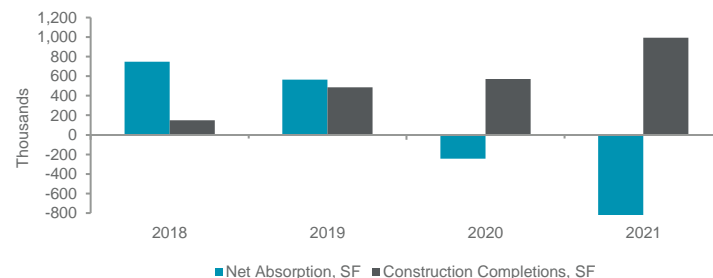
DEMAND

New leasing activity for 2021 was nearly 3.5 million square feet (msf), up 70% YOY, surpassing pre-pandemic levels and reaching the highest yearly totals since 2014. The flight to quality continued as Class A assets comprised over 51% of leasing activity for the year, totaling 1.8 msf. The Tampa CBD had a historically great year, amassing over 750,000 sf of new leasing activity, the most recorded in a single year. The St. Petersburg CBD saw a 111% increase in leasing activity YOY, totaling 185,000 sf. The drastic increase in leasing activity was not enough to alleviate multiple large spaces that became vacant pushing overall absorption to -1.2 msf.

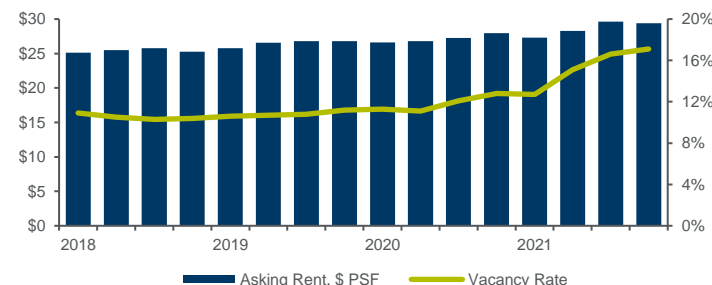
MARKET PRICING

Overall rents increased 7.1% YOY, ending the fourth quarter at \$29.40 per square foot (psf) full service. Class A rents ended the year at \$33.47 psf, up 8.6% YOY, while Class B rents were \$25.56 psf, an increase of 5.8% over the past twelve months. Top line rents from \$57 to \$59 psf at Thousand & One helped push Tampa CBD rents up 9.5% YOY, while the St. Petersburg CBD saw a 1.8% decline in rents as vacancy dropped and premium space came off the market.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET 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	7,395,390	1,191,927	133,174	17.9%	-66,261	-75,770	750,032	0	\$37.43	\$44.38
Tampa Non CBD	26,484,915	3,871,980	975,732	18.3%	42,639	-724,118	2,020,981	75,000	\$30.61	\$33.72
Hyde Park	349,758	0	0	0.0%	1,379	17,144	30,576	0	N/A	N/A
I-75 Corridor	8,065,942	1,580,272	98,656	20.8%	-46,000	-215,043	280,195	0	\$26.94	\$29.18
Northwest Area	4,303,469	465,681	266,148	17.0%	72,963	-150,815	392,307	75,000	\$25.66	\$26.68
Southwest Area	306,381	33,717	2,254	11.7%	3,483	-1,251	39,161	0	\$18.61	N/A
Westshore	13,242,617	1,778,806	608,674	18.0%	10,814	-360,649	1,233,742	0	\$33.28	\$37.64
Ybor City	216,748	0	13,504	6.2%	0	-13,504	45,000	0	\$29.00	N/A
TAMPA TOTALS	33,880,305	5,063,907	1,108,906	18.2%	-23,622	-799,888	2,771,013	75,000	\$30.99	\$35.56
St. Pete CBD	2,119,142	99,080	30,142	6.1%	-16,512	13,823	184,634	0	\$29.90	\$30.51
St. Pete Non CBD	9,900,923	1,430,953	93,805	15.4%	-51,949	-388,674	532,627	0	\$24.11	\$25.86
Bayside	1,424,026	254,140	6,233	18.3%	-1,729	-54,257	77,382	0	\$24.24	\$24.88
Clearwater Downtown	675,490	49,196	0	7.3%	-3,508	-7,940	6,635	0	\$20.39	\$18.00
Countryside	1,170,733	133,929	0	11.4%	13,060	7,568	49,999	0	\$22.49	\$21.08
Mid Pinellas/Gateway	4,705,209	741,355	54,446	16.9%	-31,882	-185,869	308,672	0	\$25.90	\$27.39
North Pinellas	1,103,200	101,750	33,126	12.2%	-25,143	-88,316	59,723	0	\$22.81	\$23.47
South St. Petersburg	822,265	150,583	0	18.3%	-2,747	-59,860	30,216	0	\$18.75	N/A
PINELLAS TOTALS	12,020,065	1,530,033	123,947	13.8%	-68,461	-374,851	717,261	0	\$24.41	\$26.21
TAMPA BAY TOTALS	45,900,370	6,593,940	1,232,853	17.1%	-92,083	-1,174,739	3,488,274	75,000	\$29.40	\$33.47

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS 2021

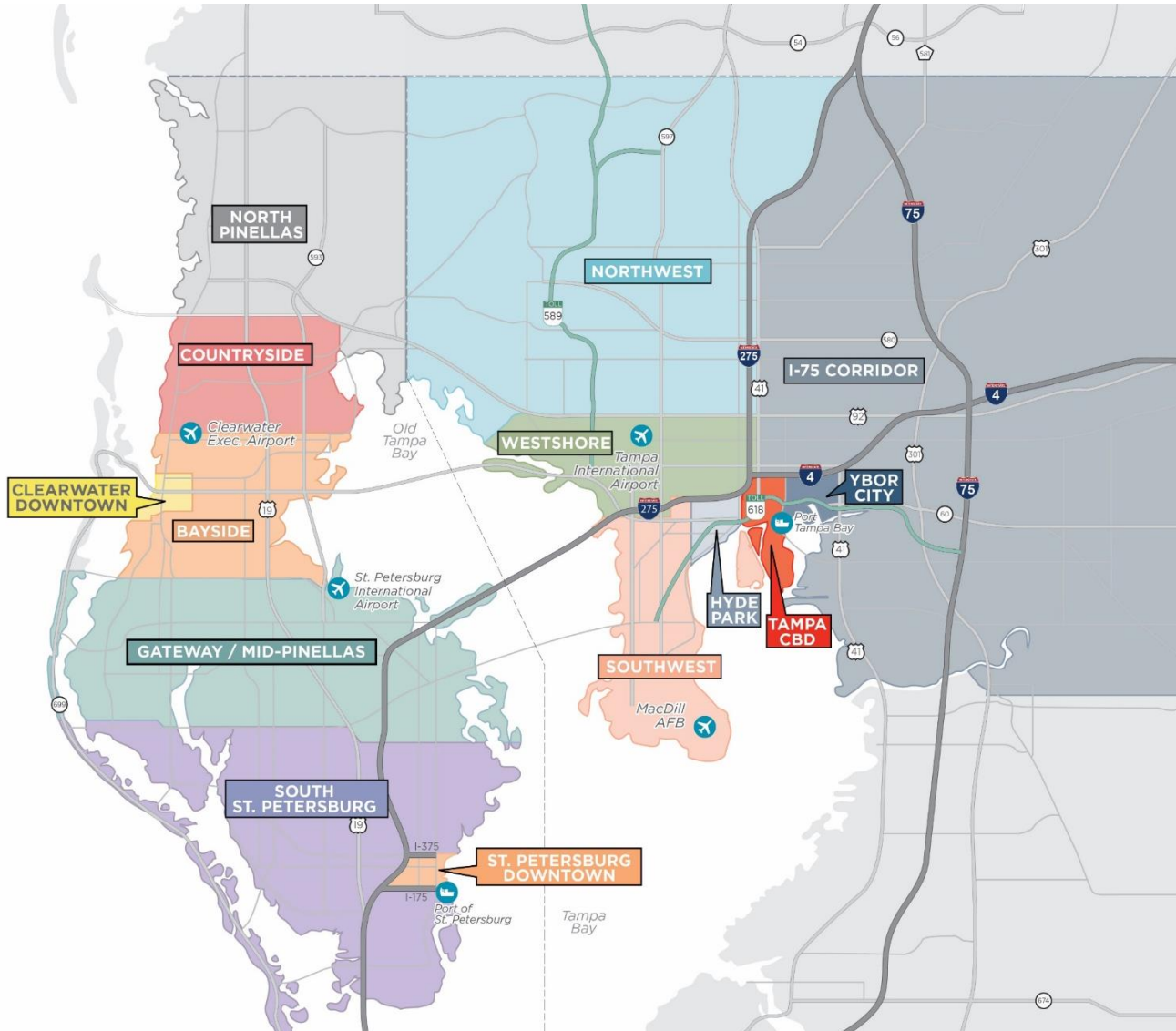
PROPERTY	SUBMARKET	TENANT	RSF	TYPE
1001 Water Street	Tampa CBD	ReliaQuest	144,465	New
6550 West Hillsborough Avenue	Northwest Area	ID.me Inc	103,072	New
100 Carillon Parkway	Mid Pinellas/Gateway	General Dynamics	77,955	New
5701 E Hillsborough Avenue	Southeast Area	Wipro Technologies	77,050	Renewal
5129 Eisenhower Boulevard	Westshore	United HealthCare	73,786	New
400 N Tampa Street	Tampa CBD	ConnectWise	65,559	New
5411 SkyCenter Drive	Westshore	Simply HealthCare	63,320	New
600 N Westshore Blvd	Westshore	Progressive Insurance	55,107	Renewal

*Renewals are not included in leasing activity

TAMPA BAY

Office Q4 2021

OFFICE SUBMARKETS



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