

	YoY Chg	12-Mo. Forecast
4.3% Vacancy Rate	▼	▼
762K YTD Absorption, SF	▲	▲
\$7.94 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

ECONOMY

The Tampa Bay region, which includes Hillsborough and Pinellas counties, had an unemployment rate of 2.5% in March 2022. This was 40 basis points (bps) lower than the previous month and 230 bps lower than the region's rate from one year ago. Nonagricultural employment was 1.4 million, an increase of 69,400 jobs, or 5.0%, year-over-year (YOY). Industrial-using employment sectors gained jobs including Trade, Transportation & Utilities at 16,600 jobs, Construction with 1,500 jobs, and Manufacturing with 3,800 jobs added, the highest annual growth in the state.

SUPPLY

Overall vacancy ended the first quarter at 4.3%, down 280 bps YOY and the lowest rate since 2007. Hillsborough County saw overall vacancy drop 240 bps over the past twelve months, as every submarket had a YOY decrease in vacancy. Pinellas County fell 380 bps from the first quarter of 2021 to 3.1%, the tightest the market has been in the last fifteen years. Warehouse/distribution space was down 280 basis points to 4.9%, as user demand remained strong. New product under construction reached an all-time high at 5.6 million square feet (msf), up 1.6 msf from the previous quarter. There was 262,000 square feet (sf) of new construction that delivered in the first quarter.

DEMAND

Leasing activity totaled 2.9 msf in the first quarter, a 99% increase YOY and the most ever recorded in a single quarter. Hillsborough and Pinellas counties both had YOY increases in leasing activity, up 129% to 2.5 msf and 20% to 483,000 sf, respectively. Warehouse/distribution accounted for 84% of all industrial leasing activity during the first quarter, for a total of 2.5 msf, up 98% YOY and a record high for a single quarter. The Plant City submarket had the most activity accounting for 54% of new leases signed with 1.6 msf, more than the highest yearly totals ever recorded in the submarket. The huge spike in activity was due to Lowe's signing the largest lease ever recorded in the market for a 1.2 msf build-to-suit warehouse. Overall absorption was 762,000 sf for the first quarter and was expected to go higher as tenants continue to move into space through the year.

MARKET PRICING

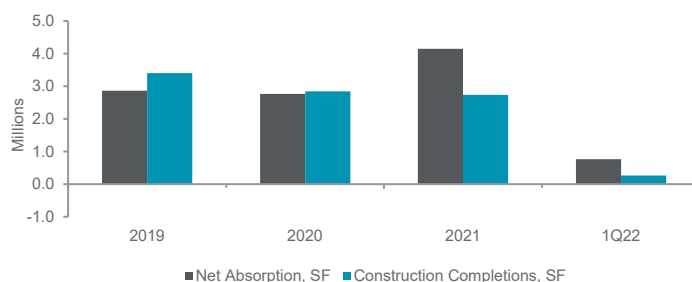
Overall asking rents continued to climb to record highs, ending the first quarter at \$7.94 per square foot (psf) triple net, up 6% from the previous quarter and 23% YOY. Hillsborough County overall rents reached all-time highs, ending the quarter at \$7.47 psf, up 22% YOY. Pinellas County also had overall rents increase over the past twelve months, up 30% to a record \$9.38 psf. All industrial product types had yearly rental rate increases as vacancy dropped and landlords aggressively raised rental rates, with manufacturing up 46%, office services/flex increasing 13%, and warehouse/distribution rising 24%.

ECONOMIC INDICATORS Q1 2022

	YoY Chg	12-Mo. Forecast
1.4M Tampa Bay MSA Employment	▲	▲
2.5% Tampa Bay MSA Unemployment Rate	▼	▼
3.6% U.S. Unemployment Rate	▼	▼

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

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q1 2022

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	50,041,269	2,195,277	4.4%	90,530	90,530	833,283	162,000	\$4.69	\$12.13	\$6.59
Westside	13,067,806	564,106	4.3%	23,690	23,690	542,254	0	N/A	\$12.16	\$9.46
South Tampa	819,449	0	0.0%	0.0%	0	0	0	N/A	N/A	N/A
Plant City	12,972,362	962,481	7.4%	413,882	413,882	3,792,397	0	N/A	N/A	\$5.58
Hillsborough Totals	76,900,886	3,721,864	4.8%	528,102	528,102	5,167,934	162,000	\$4.69	\$12.14	\$6.83
Gateway/Mid-Pinellas	24,778,829	694,894	2.8%	174,494	174,494	258,068	100,000	\$8.62	\$12.53	\$7.56
North Pinellas	5,097,156	70,816	1.4%	-33,491	-33,491	130,000	0	\$14.92	\$10.98	\$9.95
South Pinellas	5,591,321	350,698	6.3%	92,791	92,791	0	0	\$8.18	\$9.00	\$6.64
Pinellas Totals	35,467,306	1,116,408	3.2%	233,794	233,794	388,068	100,000	\$8.35	\$12.32	\$7.54
Tampa Bay Totals	112,368,192	4,838,272	4.3%	761,896	761,896	5,556,002	262,000	\$7.73	\$12.22	\$6.92

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

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

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
791 County Line Road	Plant City	Lowe's	1,204,632	New
3775 Fancy Farms Rd.	Plant City	Confidential	330,176	New
8824 E Adamo Dr	East side/Central-South	JB Hudco	94,773	New
6337 CR-579	East side/North	Ryder Logistics	83,736	New
9799 North International Court	Gateway	Olde World Cabinetry, Inc.	72,308	New
5450 Johns Road	Airport Area	Veho Tech	65,674	New

KEY SALE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
5210 S 16th Avenue South	East side/Central-South	RealOp Investments Exeter Property Group	360,000	\$39.3M \$109
13010 Bay Industrial Dr.	East side/Central-South	Duke Realty AGS	112,000	\$55.6M \$497
1551 102nd Avenue North	Gateway	Prologis Nuveen	91,676	\$27.4M \$299

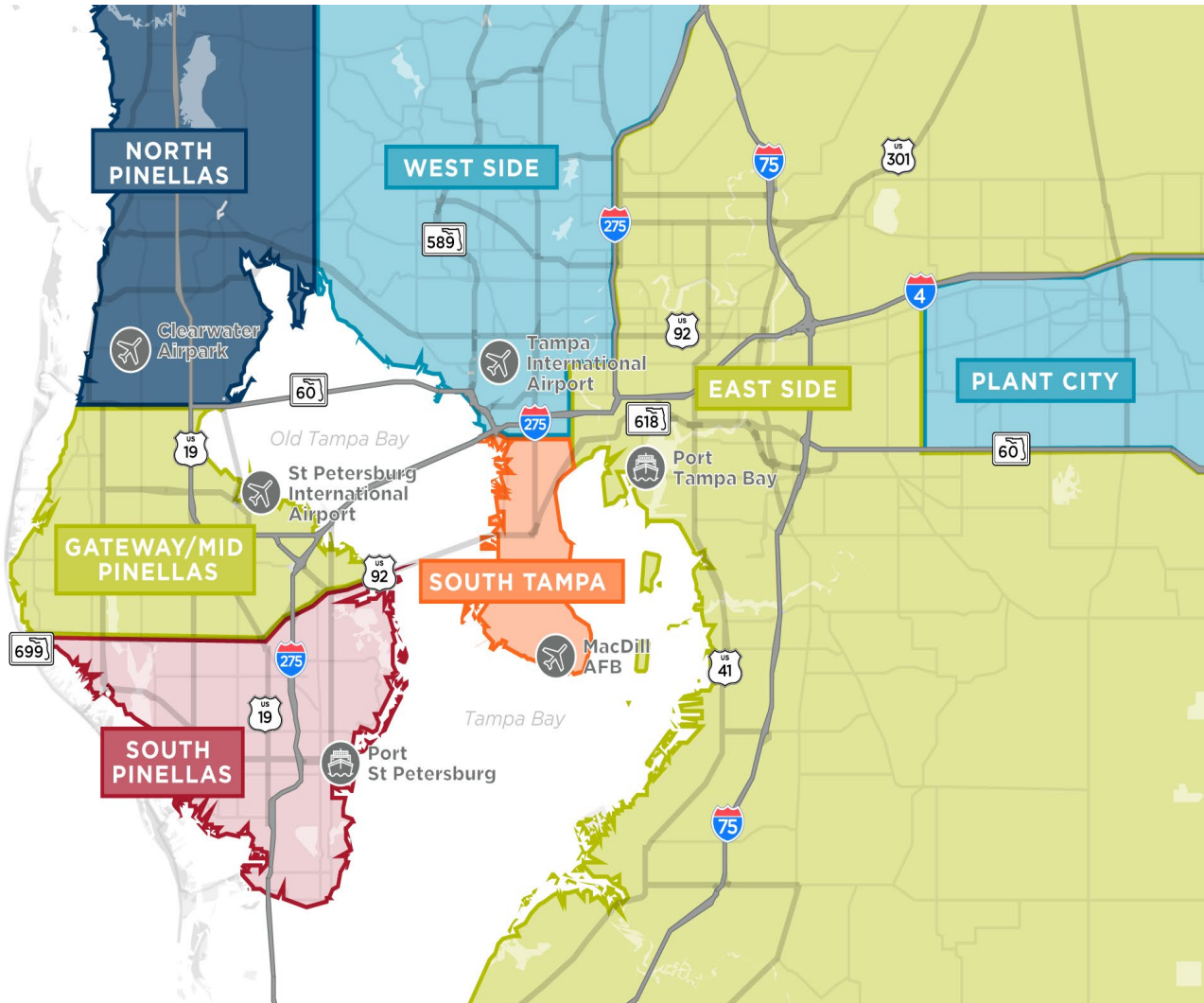
KEY CONSTRUCTION COMPLETIONS Q1 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
13010 Bay Industrial Dr.	East side/Central-South	Amazon	112,000	AGS N/A
3201 Gateway Centre Pky	Gateway	Amazon	100,000	Z Asset Management N/A
Port Redwing Rd	East side/Central-South	Ardent Mills	50,000	Tampa Port Authority N/A

TAMPA BAY

Industrial Q1 2022

INDUSTRIAL SUBMARKETS



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