

	YoY Chg	12-Mo. Forecast
17.1% Vacancy Rate	▲	▼
-201K YTD Net Absorption, SF	▼	▲
\$29.57 Asking Rent, PSF	▲	▲

(Overall, All Property Classes)

ECONOMIC INDICATORS Q1 2022

	YoY Chg	12-Mo. Forecast
1.4M Tampa Bay MSA Employment	▲	▲
2.9% Tampa Bay MSA Unemployment Rate	▼	▼
3.6% 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 2.9% in February 2022. This was 40 basis points (bps) lower than the previous month and 220 bps lower than the region's rate from one year ago. Nonagricultural employment was 1.4 million, an increase of 75,900 jobs, or 5.5%, over the year. Tampa Bay had the highest annual job growth in Financial Activities out of Florida's major markets with 9,800 jobs and third highest in Professional & Business Service with 15,800 jobs. Office-using employment increased by 28,000 jobs in the last 12 months.

SUPPLY

Tampa Bay's overall vacancy was 17.1% at the end of the first quarter, up 250 bps year-over-year (YOY). Class B space led the vacancy increase over the past year, up 280 bps to 18.0% with Class A assets rising 270 bps to 17.1%. The Tampa Central Business District (CBD) outperformed the suburban submarkets, with the CBD up 130 bps YOY to 15.0% compared to the suburban submarkets which increased 340 bps to 18.7%. The St. Petersburg CBD had a 350 bps decrease in vacancy, ending the quarter with an all-time low vacancy rate of 5.4%. There was 75,000 square feet (sf) of office space under construction in the Northwest submarket, which is expected to deliver during the third quarter of 2022. As more employees returned to the office and leasing demand continued to increase, new, large scale speculative projects such as Midtown East and Heights Tower, with a total of 680,000 sf between the two, were recently announced and expected to potentially break ground later in the year.

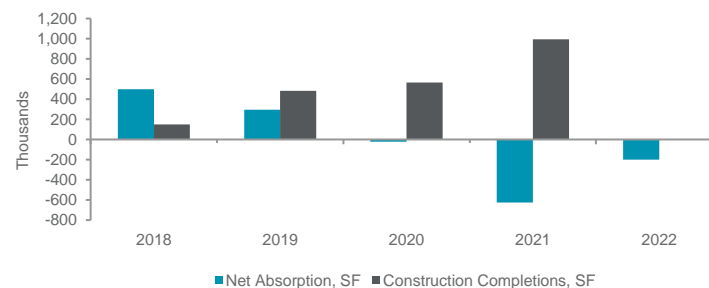
DEMAND

New leasing activity had a strong start in 2022, up 70% YOY to approximately 998,000 sf. The flight to quality continued as Class A assets comprised over 61% of leasing activity during the first quarter, totaling 606,000 sf. The Westshore submarket had the most leasing activity to start the year, up 165% YOY with 499,000 sf. After a year with minimal activity, the I-75 Corridor had one of the highest 12 month increases in leasing activity up 276% with 134,000 sf. The increase in leasing activity was not enough to alleviate multiple large spaces that became vacant, notably in the Gateway/Mid-Pinellas submarket, pushing overall absorption to -201,000 sf.

MARKET PRICING

Overall rents increased 8.4% YOY, ending the first quarter at \$29.57 per square foot (psf) full service. Class A rents ended the quarter at \$33.01 psf, up 9.5% YOY, while Class B rents were \$25.94 psf, an increase of 6.3% over the past twelve months. Top line rents continued to increase Class A rental rates in the CBDs, with the Tampa CBD up 21.1% to \$44.00 and the St. Petersburg CBD up 4.4% to \$32.74 psf. The Gateway/Mid-Pinellas submarket had the largest rental rate increase in Pinellas County, up 15.1% to \$27.12 psf, as newly vacant Class A space drove rates.

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	7,174,292	969,482	105,560	15.0%	52,357	52,357	141,955	0	\$40.11	\$44.00
Tampa Non-CBD	26,517,222	4,153,640	816,941	18.7%	-77,219	-77,219	740,469	75,000	\$29.22	\$32.66
Hyde Park	337,058	0	0	0.0%	0	0	4,780	0	N/A	N/A
Northeast Area	3,081,523	590,802	58,238	21.1%	-10,937	-10,937	34,796	0	\$29.41	\$30.53
Northwest Area	4,316,252	510,807	279,330	18.3%	-72,993	-72,993	86,831	75,000	\$25.43	\$26.38
Southeast Area	4,997,823	1,085,926	14,332	22.0%	-862	-862	99,200	0	\$24.95	\$26.12
Southwest Area	306,381	23,289	2,254	8.3%	9,828	9,828	14,526	0	\$18.74	N/A
Westshore	13,261,437	1,929,312	462,787	18.0%	-2,255	-2,255	499,238	0	\$33.47	\$38.32
TAMPA TOTALS	33,691,514	5,123,122	922,501	17.9%	-24,862	-24,862	882,424	75,000	\$30.82	\$34.96
St. Pete CBD	2,424,152	79,117	52,353	5.4%	-3,591	-3,591	10,521	0	\$31.69	\$32.74
St. Pete Non-CBD	9,583,473	1,414,012	210,651	17.0%	-172,371	-172,371	104,601	0	\$25.36	\$26.69
Bayside	1,424,026	242,090	23,248	18.6%	-27,441	-27,441	39,494	0	\$24.10	\$24.68
Clearwater Downtown	675,490	49,066	0	7.3%	130	130	2,526	0	\$20.43	\$18.00
Countryside	1,138,949	133,414	0	11.7%	-1,120	-1,120	4,565	0	\$22.49	\$21.08
Mid Pinellas/Gateway	4,413,824	826,307	148,277	22.1%	-145,744	-145,744	42,970	0	\$27.12	\$28.20
North Pinellas	1,181,777	94,902	39,126	11.3%	-5,210	-5,210	2,512	0	\$23.67	\$24.76
South St. Petersburg	749,407	68,233	0	9.1%	7,014	7,014	12,534	0	\$19.02	N/A
PINELLAS TOTALS	12,007,625	1,493,129	263,004	14.6%	-175,962	-175,962	115,122	0	\$25.70	\$27.22
TAMPA BAY TOTALS	45,699,139	6,616,251	1,185,505	17.1%	-200,824	-200,824	997,546	75,000	\$29.57	\$33.01

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q1 2022

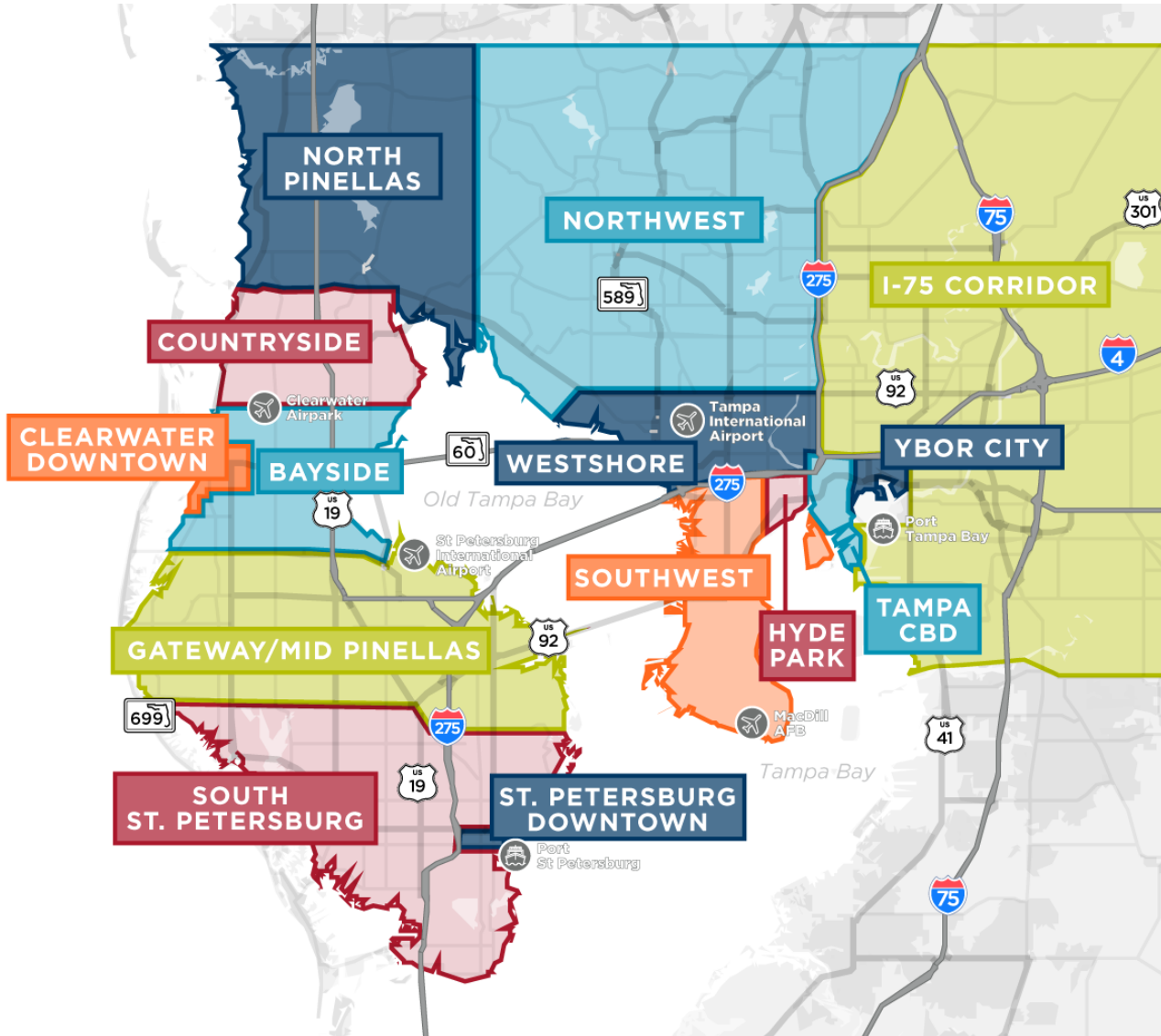
PROPERTY	SUBMARKET	TENANT	RSF	TYPE
4110 George Road	Westshore	WiPro	112,382	New
5332 Avion Park Drive	Westshore	Maxim Healthcare	70,760	New
5411 SkyCenter Drive	Westshore	OPSWAT	31,660	New
4221 West Boy Scout Boulevard	Westshore	Slide Insurance	30,006	New
7650 W Courtney Campbell Causeway	Westshore	Trellance, Inc.	29,119	Renewal
3000 Bayport Drive	Westshore	Ryan Specialty Group	26,823	New
4890 West Kennedy Boulevard	Westshore	Paradigm	24,555	New
7650 W Courtney Campbell Causeway	Westshore	Trellance, Inc.	21,676	New

*Renewals are not included in leasing activity

TAMPA BAY

Office Q1 2022

OFFICE SUBMARKETS



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