

YoY Chg 12-Mo. Forecast

4.7%
Vacancy Rate



1.7M
YTD Absorption, SF



\$8.05
Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS Q3 2022

YoY Chg 12-Mo. Forecast

1.5M
Tampa Bay MSA Employment



2.7%
Tampa Bay MSA Unemployment Rate



3.5%
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 2.7% in August 2022. This was 160 basis points (bps) lower than the region's rate from one year ago. Nonagricultural employment was 1.5 million, an increase of 63,900 jobs, or 4.6%, year-over-year (YOY). Industrial-using employment sectors gained jobs including Trade, Transportation & Utilities at 14,600 jobs, Construction with 1,700 jobs, and Manufacturing with 4,100 jobs added.

SUPPLY

The Tampa Bay industrial market continued to see supply decrease, as overall vacancy dropped 40 bps YOY to 4.7%. Hillsborough and Pinellas counties both saw vacancy decline over the past twelve months, down 60 bps and 10 bps, respectively. Although warehouse/distribution space had a 10 bps decrease in overall vacancy over the past year, it was up 110 bps from the previous quarter as the Southern Oaks and Grand Oaks 75 buildings delivered over 912,000 square feet (sf) of vacant space. In total, more than 1.3 million square feet (msf) of warehouse/distribution space delivered during the third quarter across Tampa Bay. An additional 4.7 msf remains under construction, of which 62.9% is already pre-leased.

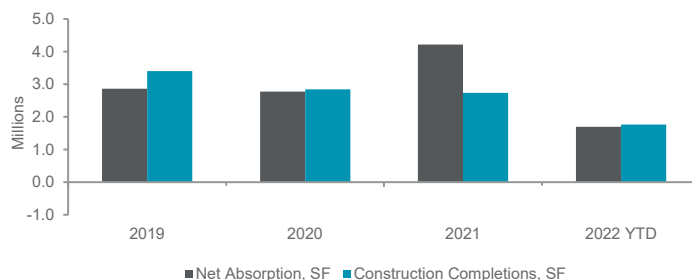
DEMAND

As supply remained limited, industrial leasing activity through the first three quarters was down 15.7% YOY. Hillsborough County had a 1.8% YOY decrease in new deals signed, while Pinellas continued to yield scarce activity due to lack of available space, down 50.4%. Warehouse/distribution demand remained dominant, accounting for 78.8% of year-to-date (YTD) leasing activity. Users continued to target space in the Eastside submarket due to its central location and excellent linkages to the surrounding transportation network. This was evident as Ball leased all four of the buildings under construction at the Tampa Commerce Center, totaling nearly 600,000 sf. The Eastside submarket also accounted for 80.4% of net absorption during the third quarter, as large users like FedEx, Ryder Logistics, and Atosa moved into new space.

MARKET PRICING

Industrial rents in Tampa Bay continued to skyrocket, ending the third quarter up 11.7% YOY. Both Hillsborough and Pinellas counties saw significant YOY rental rate increases, 17.0% and 16.2% respectively. Asking rents within warehouse/distribution assets grew 9.1% over the past twelve months, but had a 4.6% decrease from the previous quarter. This was driven by the Plant City submarket making up 40.2% of available space, the majority at Southern Oaks with an asking rate of \$5.45 per square foot (psf) triple net, much lower than new construction in the Eastside and Westside submarkets. The Airport submarket had the highest warehouse/distribution rents, with some mid-size spaces asking \$16.00 psf triple net. Office services/flex asking rents were up 14.3% over the past twelve months, with the Gateway submarket recording the largest increase up 22.3% to \$12.78 psf.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q3 2022

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	YTD CONSTRUCTION COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Eastside	50,418,395	1,924,364	3.8%	685,425	2,431,400	925,133	506,344	N/A	\$13.69	\$7.58
Westside	13,273,937	667,619	5.0%	143,088	794,444	245,000	297,254	N/A	\$12.45	\$12.57
South Tampa	819,449	0	0.0%	0	0	0	0	N/A	N/A	N/A
Plant City	13,882,503	1,600,942	11.5%	503,031	1,683,157	3,279,530	727,610	N/A	N/A	\$5.51
Hillsborough Totals	78,394,284	4,192,925	5.4%	1,331,544	4,909,001	4,449,663	1,531,208	N/A	\$13.45	\$6.69
Gateway/Mid-Pinellas	24,809,199	714,657	2.9%	178,091	390,525	258,068	100,000	\$9.43	\$12.78	\$7.96
North Pinellas	5,227,156	68,743	1.3%	98,582	122,785	0	130,000	\$12.15	\$10.95	\$9.95
South Pinellas	5,588,132	350,498	6.3%	90,891	394,619	0	0	\$8.54	\$11.00	\$6.75
Pinellas Totals	35,624,487	1,133,898	3.2%	367,564	907,929	258,068	230,000	\$8.86	\$12.62	\$7.86
Tampa Bay Totals	114,018,771	5,326,823	4.7%	1,699,108	5,816,930	4,707,731	1,761,208	\$8.86	\$13.04	\$6.85

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

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

KEY LEASE TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
Tampa Commerce Center – Buildings 100-400	Eastside	Ball	599,976	New
4902 West Waters Avenue	Westside	E-Commerce Company	247,216	New
3102 Queen Palm Drive	Eastside	RC Moore, Inc.	229,605	Renewal
4130 W Gandy Boulevard	South Tampa	Z Brothers Express Inc.	145,600	Renewal
2401 Police Center Drive	Plant City	Sysco International Food Group, Inc	121,565	Renewal
4531 Madison Industrial Ln	Eastside	Cirkul	105,000	New

*Renewals are not included in leasing activity

KEY SALE TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
13 Property Portfolio	Eastside / Westside	Thor Equities Redstone Investments	424,811	\$37.3M \$88
Park West at Gateway	Gateway	Alder Real Estate Partners Z Asset Management	133,232	\$24.5M \$184
8419 Sunstate St & 5601 Anderson Rd	Westside	Global Widget Lightstone Group	89,886	\$15.2M \$169

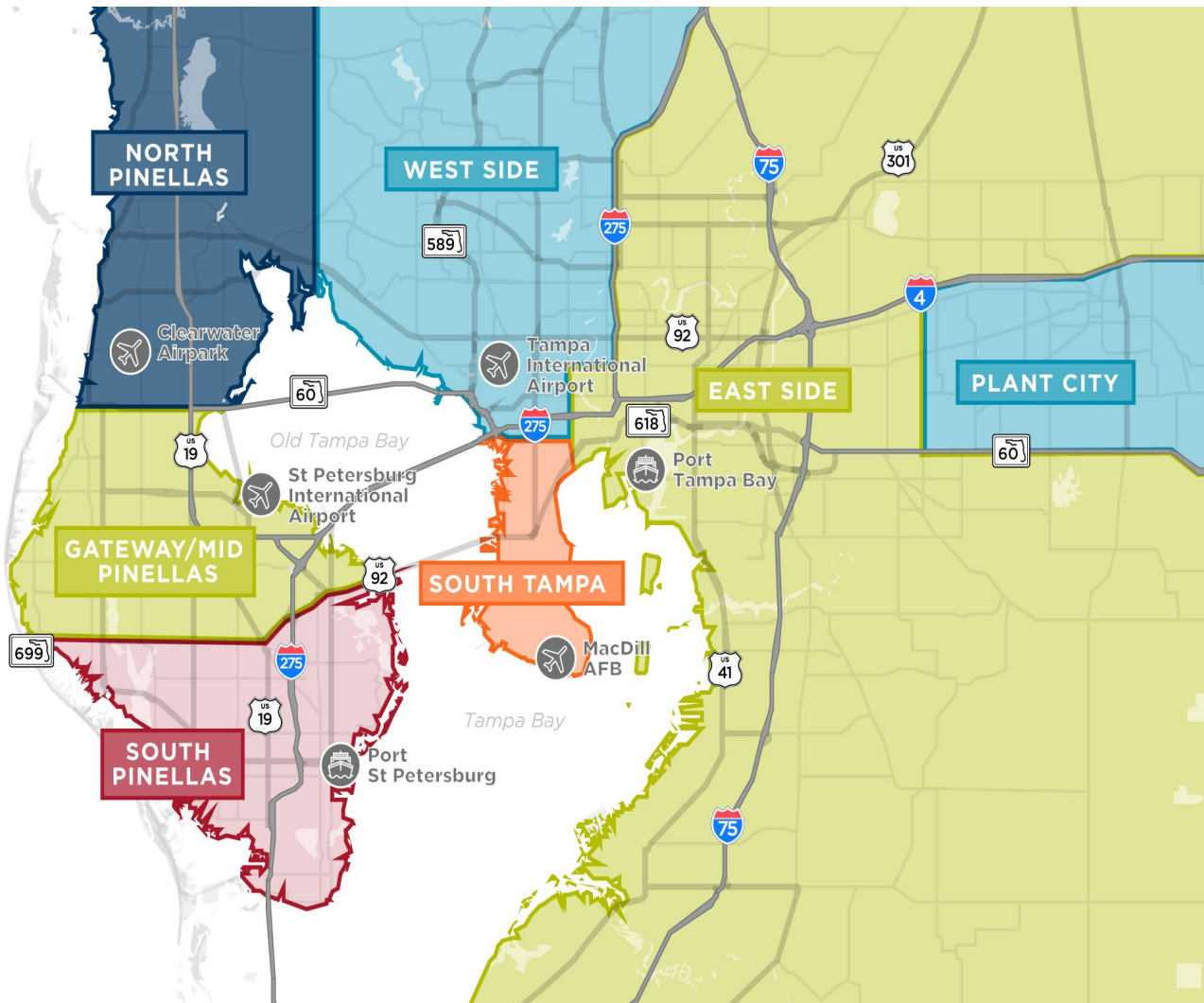
KEY CONSTRUCTION COMPLETIONS Q3 2022

PROPERTY	SUBMARKET	MAJOR TENANTS	SF	OWNER
Southern Oaks Business Park - Building 1	Plant City	Vacant	727,610	The Sudler Companies
Tampa Airport Logistics Center	Westside	Peak Nutritional Banko Overhead	196,318	Northpoint Development
Grand Oaks 75 Business Center - Building IV	Eastside	Vacant	184,512	EastGroup Properties
Brooker Creek South	North Pinellas	Edmund Optics Future Development and Design Belac's Chromalloy	130,000	Harrod Properties

TAMPA BAY

Industrial Q3 2022

INDUSTRIAL SUBMARKETS



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