

YoY Chg 12-Mo. Forecast

**19.8%**  
Vacancy Rate ▲ ▼

**-920K**  
YTD Net Absorption, SF ▼ ▲

**\$29.29** Asking Rent, PSF ▼ ▲

(Overall, All Property Classes)

### 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 ▼ ▲

(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, substantially lower than the nation's rate of 3.5%. 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%, over the year. Out of Florida's major markets, Tampa Bay had the highest annual job growth in Financial Activities with 6,800 jobs. Office-using employment increased by 19,300 jobs in the last 12 months.

### SUPPLY

Tampa Bay's overall vacancy jumped 150 bps from the previous three months to 19.8%, marking the sixth consecutive quarterly increase and the highest rate since 2011 when it reached 20.3%. The major factor for this surge in vacant space was the decision by health insurance provider Wellcare to sublease over 556,000 square feet (sf) of its office space in the Northwest submarket. This pushed the sublease vacancy rate up 180 bps year-over-year (YOY) to 4.4%, the highest rate since 2002. Class A assets had vacancy increase 290 bps over the past twelve months, as the Tampa Central Business District (CBD) and Westshore submarkets were the only two to see Class A vacancy decline YOY. Class B buildings saw a milder rise during the same period, up 170 bps.

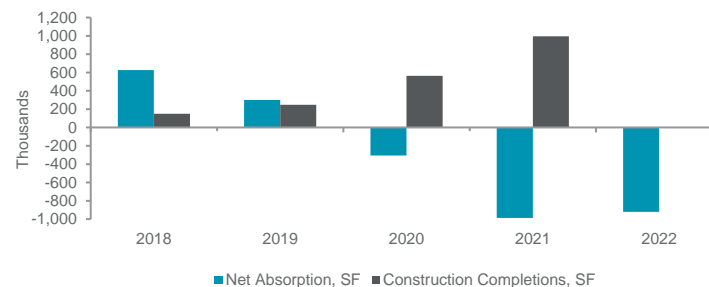
### DEMAND

Even as the amount of vacant space on the market continued to increase, tenant demand in Tampa Bay persisted as new leasing activity was up 10.1% YOY through the first three quarters. Although sublease space could continue to increase over the next year as companies determine their office space needs, these vacancies pique tenants' interest due to their lower asking rates and included furniture. This was evident by multiple tenants taking sublease space over 25,000 sf during the third quarter, including Mad Mobile, Banyan Medical, Gale Healthcare, and Spot Freight. Tenants continued to flock to quality, as Class A leasing activity was up 45.5% YOY through the first three quarters. Leasing activity was again focused in the premier Tampa CBD and Westshore submarkets, as they accounted for 69.2% of new deals. The Westshore submarket saw the most positive absorption during the third quarter as a result of multiple large tenant move-ins, including Primo Water and Fisher Investments.

### MARKET PRICING

Overall rents decreased 3.6% over the past twelve months, the first time in the last five years there was a YOY drop. Class A assets took a hit, down 7.1% YOY as a result of limited availability in recently constructed buildings with premium rents, allowing the large influx of sublease space to impact overall average asking rents. Hillsborough County, which contains most of these spaces, had an 8.6% YOY decrease in Class A rents. Pinellas County saw a 2.9% increase in Class A rents, as no submarket saw a YOY decline. Class B overall asking rents rose 2.4% during the same period, but were still 20.9% lower than the average Class A rent.

### 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)*
<b>Tampa CBD</b>	<b>6,728,718</b>	<b>916,183</b>	<b>103,231</b>	<b>15.2%</b>	<b>-49,017</b>	<b>112,706</b>	<b>478,635</b>	<b>0</b>	<b>\$40.47</b>	<b>\$43.30</b>
<b>Tampa Non-CBD</b>	<b>24,364,040</b>	<b>4,111,837</b>	<b>1,493,826</b>	<b>23.0%</b>	<b>-621,185</b>	<b>-870,804</b>	<b>1,791,502</b>	<b>75,000</b>	<b>\$28.96</b>	<b>\$31.58</b>
Hyde Park	257,225	0	0	0.0%	0	0	8,971	0	N/A	N/A
Northeast Area	2,978,201	563,625	188,337	25.3%	-48,856	-87,880	163,180	0	\$28.63	\$29.43
Northwest Area	3,700,978	525,104	794,444	35.7%	-603,562	-636,912	268,754	75,000	\$26.49	\$28.20
Southeast Area	4,631,542	1,049,621	120,500	25.3%	-94,330	-205,276	156,681	0	\$24.85	\$24.69
Southwest Area	143,447	6,929	0	4.8%	-3,480	-2,063	4,419	0	\$22.12	N/A
Westshore	12,435,899	1,953,054	390,545	18.9%	129,043	61,327	1,188,399	0	\$33.82	\$38.43
Ybor City	216,748	13,504	0	6.2%	0	0	1,098	0	\$36.00	N/A
<b>TAMPA TOTALS</b>	<b>31,092,758</b>	<b>5,028,020</b>	<b>1,597,057</b>	<b>21.3%</b>	<b>-670,202</b>	<b>-758,098</b>	<b>2,270,137</b>	<b>75,000</b>	<b>\$30.31</b>	<b>\$33.51</b>
<b>St. Pete CBD</b>	<b>2,058,323</b>	<b>75,387</b>	<b>48,231</b>	<b>6.0%</b>	<b>13,325</b>	<b>-13,095</b>	<b>65,438</b>	<b>45,000</b>	<b>\$31.68</b>	<b>\$32.20</b>
<b>St. Pete Non-CBD</b>	<b>8,882,566</b>	<b>1,367,450</b>	<b>186,980</b>	<b>17.5%</b>	<b>39,180</b>	<b>-149,068</b>	<b>363,052</b>	<b>0</b>	<b>\$25.42</b>	<b>\$26.94</b>
Bayside	1,376,426	277,100	17,015	21.4%	-39,139	-68,644	80,723	0	\$24.40	\$24.89
Clearwater Downtown	597,689	42,925	0	7.2%	6,793	5,466	11,862	0	\$19.78	\$18.00
Countryside	954,218	117,245	0	12.3%	257	-4,529	34,226	0	\$23.44	\$22.41
Mid Pinellas/Gateway	4,164,441	769,373	136,839	21.8%	60,556	-86,944	194,296	0	\$26.82	\$28.85
North Pinellas	1,141,777	102,158	33,126	11.9%	-2,747	-6,466	2,512	0	\$25.03	\$26.51
South St. Petersburg	648,015	58,649	0	9.1%	13,460	12,049	39,433	0	\$19.36	N/A
<b>PINELLAS TOTALS</b>	<b>10,940,889</b>	<b>1,442,837</b>	<b>235,211</b>	<b>15.3%</b>	<b>52,505</b>	<b>-162,163</b>	<b>428,490</b>	<b>45,000</b>	<b>\$25.80</b>	<b>\$27.44</b>
<b>TAMPA BAY TOTALS</b>	<b>42,033,647</b>	<b>6,470,857</b>	<b>1,832,268</b>	<b>19.8%</b>	<b>-617,697</b>	<b>-920,261</b>	<b>2,698,627</b>	<b>120,000</b>	<b>\$29.29</b>	<b>\$32.11</b>

\*Rental rates reflect full service asking

## KEY LEASE TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
101 E Kennedy Boulevard	Tampa CBD	Shumaker, Loop & Kendrick	60,739	Renewal / Expansion
4050 W Boy Scout Boulevard	Westshore	Mad Mobile	53,272	New / Sublease
3101 W Dr Martin Luther King Blvd	Westshore	Banyan Medical	40,267	New / Sublease
3101 W Dr Martin Luther King Blvd	Westshore	Gale Healthcare	39,205	New / Sublease
4050 W Boy Scout Boulevard	Westshore	Spot Freight, Inc.	26,636	New / Sublease

\*Renewals are not included in leasing activity

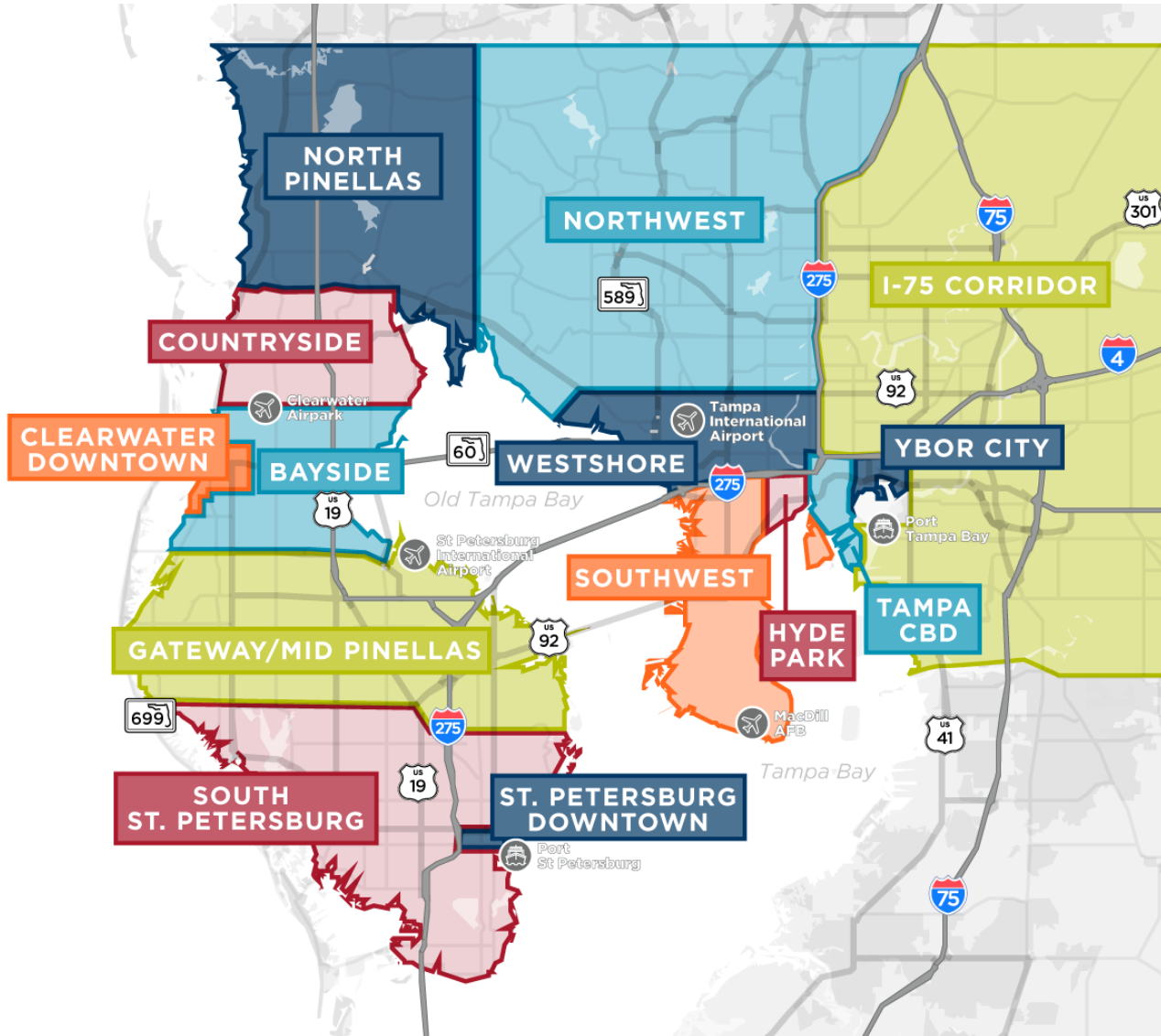
## KEY SALE TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	SELLER   BUYER	SF	PRICE/\$ PSF
100 S Ashley Drive	Tampa CBD	Feldman Equities, LLC.   The Feil Organization	387,477	\$120.0M   \$310

# TAMPA BAY

Office Q3 2022

OFFICE SUBMARKETS



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