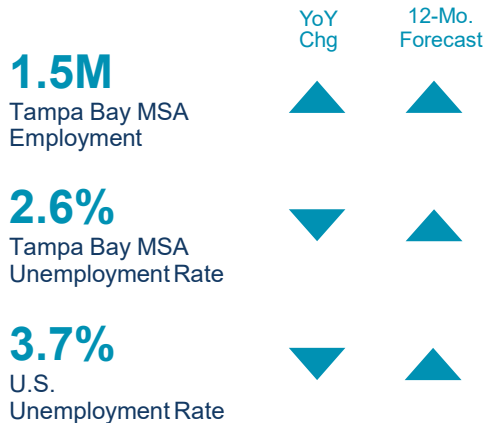


ECONOMIC INDICATORS Q4 2022



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

ECONOMY

The labor market in the Tampa Bay region remained tight with an unemployment rate of 2.6% through November 2022. This was down 50 basis points (bps) year-over-year (YOY), and significantly lower than the national rate of 3.7%. Port Tampa Bay continued to drive growth in industrial employment as a critical starting point for the supply chain that serves an expanding Central Florida population. Tampa reported the fastest annual job growth in the state for the trade, transportation, and utilities sector, up 7.1%.

SUPPLY

Tampa Bay's industrial market remained stable with overall vacancy ending the year at 4.8%, a 10 bps YOY increase. The Pinellas County market remained tight with vacancy at or below 3.2% for the past four quarters. Hillsborough County recorded a slight YOY uptick in vacancy, up a modest 20 bps to 5.6% despite the 1.1 million square feet (msf) which delivered vacant during the fourth quarter. In total nearly 2.2 msf delivered in Q4, bringing the annual total to 3.9 msf, up 43.1% YOY. The industrial pipeline remained strong with over 3.3 msf under construction, of which 42.3% is already pre-leased.

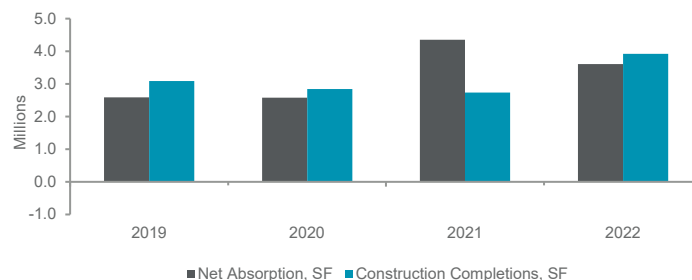
DEMAND

Leasing activity dipped for the third consecutive quarter bringing the annual total to 7.5 msf, down 16.4% from 2021's record-shattering volume of 8.9 msf. New leasing was still 37.2% higher than the 2019-year end total, showing demand for industrial product remained strong post pandemic. Hillsborough's leasing activity held fast throughout 2022 with 6.6 msf of new deals signed. Limited available space in Pinellas led to a 62.4% decline in leasing activity, but the county should register an uptick in 2023 as 528,000 sf of new inventory provides a much-needed boost to the market. The Eastside and Plant City submarkets were the only two that exceeded 1.0 msf of leasing activity in 2022, with 3.8 msf and 1.9 msf respectively. Multiple deals of 100,000 sf or greater signed during the fourth quarter, including Cirkul (152,000 sf) at 301 Logistics and 7-Eleven (147,000 sf) at the newly delivered Lakeside Logistics Phase II development. Overall absorption totaled 2.0 msf during the fourth quarter, the highest total in 2022, driven by the delivery of City Furniture's 1.1-msf warehouse in the Plant City submarket.

MARKET PRICING

Asking rents continued to surge, up 10.7% YOY to \$8.16 per square foot (psf) triple net, as every submarket posted a yearly increase. With high demand and limited supply, landlords also increased rent escalations, with 4.0% to 5.0% annual bumps the new status quo. Plant City was the only submarket with an average asking rate below \$8.00 psf, as most of its availabilities were spaces over 100,000 sf with lower rates. The Westside submarket yielded the largest YOY growth, 38.1% to \$13.88 psf, as demand for assets around Tampa International Airport remained robust. Warehouse/distribution product recorded a 12.1% rise in asking rates to \$7.21 psf, while manufacturing assets boasted the largest YOY rise of all product types, up 16.2% to \$8.60 psf.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q4 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	50,685,753	1,526,099	3.0%	1,361,820	3,774,331	1,107,908	784,474	\$8.75	\$13.84	\$8.62
Westside	13,259,632	272,490	2.1%	535,958	876,347	245,000	297,254	N/A	\$14.41	\$13.35
South Tampa	819,449	0	0.0%	0	0	0	0	N/A	N/A	N/A
Plant City	15,610,600	2,668,330	17.1%	1,483,771	1,942,557	1,419,375	2,587,765	N/A	N/A	\$6.15
Hillsborough Totals	80,375,434	4,466,919	5.6%	3,381,549	6,593,235	2,772,283	3,669,493	\$8.75	\$13.98	\$7.04
Gateway/Mid-Pinellas	24,935,251	674,193	2.7%	62,955	520,527	528,346	120,200	\$12.52	\$12.25	\$9.34
North Pinellas	5,227,156	85,187	1.6%	101,656	174,965	0	130,000	\$13.00	\$11.65	\$6.50
South Pinellas	5,578,053	375,748	6.7%	65,641	168,979	0	0	\$8.53	\$11.00	\$7.33
Pinellas Totals	35,624,487	1,133,898	3.2%	367,564	864,471	258,068	230,000	\$8.86	\$12.62	\$7.86
Tampa Bay Totals	116,115,894	5,602,047	4.8%	3,611,801	7,457,706	3,300,629	3,919,693	\$8.60	\$13.15	\$7.21

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

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

KEY LEASE TRANSACTIONS 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
791 County Line Road	Plant City	Lowe's	1,204,632	New
Tampa Commerce Center – Buildings 100-400	Eastside	Ball	599,976	New
3775 Fancy Farms Rd.	Plant City	Confidential	330,176	New
6708 Harney Road	Eastside	FedEx	308,237	New
4902 West Waters Avenue	Westside	E-Commerce Company	247,216	New

KEY SALE TRANSACTIONS 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
7075 US Highway 41	Eastside	Seeried Properties PNC Realty Investors	402,156	\$103.1M \$256
5210 S 16th Avenue South	Eastside	RealOp Investments Exeter Property Group	360,000	\$39.3M \$109
2451 County Line Road	Plant City	Butters Real Estate Bentall Green Oak	330,460	\$29.0M \$88
13010 Bay Industrial Dr.	Eastside	Duke Realty AGS	112,000	\$55.6M \$497

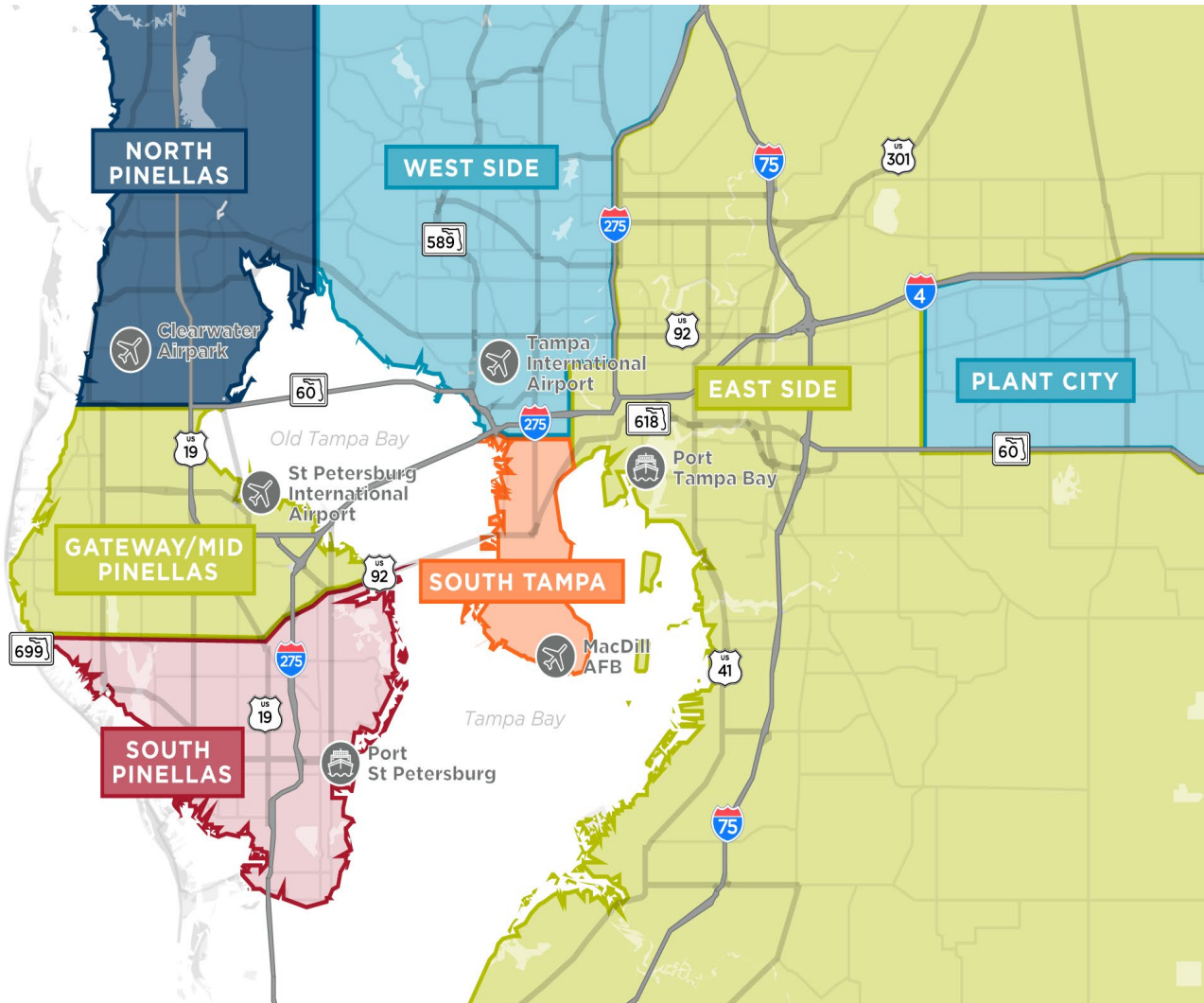
KEY CONSTRUCTION COMPLETIONS 2022

PROPERTY	SUBMARKET	MAJOR TENANTS	SF	OWNER
City Furniture Warehouse	Plant City	City Furniture	1,058,950	City Furniture
Southern Oaks Business Park - Building 1	Plant City	Vacant	727,610	The Sudler Companies
Lakeside Logistics Phase II – Buildings 1 & 2	Plant City	7-Eleven & Restaurant Technologies	414,000	Stockbridge & Foundry Commercial
I-4 Midway Logistics	Plant City	Vacant	330,460	Bentall Green Oak

TAMPA BAY

Industrial Q4 2022

INDUSTRIAL SUBMARKETS



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