

	YoY Chg	12-Mo. Forecast
<b>20.4%</b> Vacancy Rate	▲	▼
<b>-1.2M</b> YTD Net Absorption, SF	▼	▲
<b>\$29.48</b> Asking Rent, PSF	▼	▲

*(Overall, All Property Classes)*

**ECONOMIC INDICATORS Q4 2022**

	YoY Chg	12-Mo. Forecast
<b>1.5M</b> Tampa Bay MSA Employment	▲	▲
<b>2.6%</b> Tampa Bay MSA Unemployment Rate	▼	▲
<b>3.7%</b> U.S. Unemployment Rate	▼	▲

*(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%. The region continued to receive recognition for its workforce, with Lightcast naming Florida the #1 state and Hillsborough the #8 county for Talent Attraction in 2022. Nonfarm employment reached 1.5 million, an increase of 73,600 jobs, or 5.1% YOY.

**SUPPLY**

Vacancy in Tampa Bay increased 250 bps YOY to 20.4%. The main driver for this jump was an additional 900,000 square feet (sf) of vacant sublease space added to the market by large users like Wellcare, Moffitt, AAA, and MetLife. Class A and B assets both had 240-bps upticks in vacancy over the year. The Tampa and St. Pete Central Business Districts (CBDs) continued to outperform the suburban submarkets, with vacancy decreasing 180 bps YOY to 12.5%. The suburban markets had a 290-bps increase in vacancy over the past year, with several large blocks of second-generation space fueling the increase. The Ybor City submarket had the largest rise in vacancy over the past twelve months, as the professional staffing services company Kforce vacated its 128,000-sf corporate headquarters and moved into Midtown West in Westshore, reducing its office footprint to only 22,000 sf.

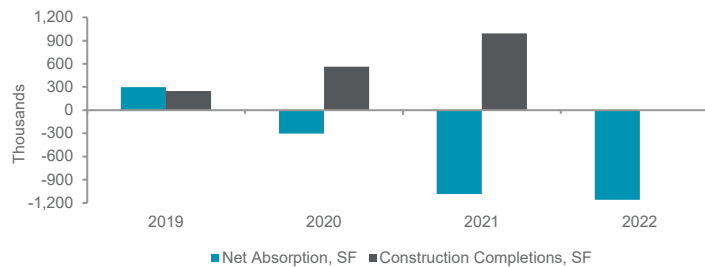
**DEMAND**

Leasing activity remained strong in 2022 at 3.3 million square feet (msf) but fell short of 2021's record-breaking volume by 4.2%. Hillsborough County accounted for 82.4% of leasing activity with 2.8 msf, up 3.0% YOY, while Pinellas County had a drastic decline with only 591,000 sf of new deals signed. The flight-to-quality persisted with Class A assets accounting for two-thirds of leasing activity during 2022 with over 1.8 msf, up 32.7% YOY. Westshore was by far the top performing submarket for the year accounting for 42.1% of new deals signed and the only one to surpass 1.0 msf of leasing activity with over 1.4 msf. Overall absorption totaled -87,600 sf during the fourth quarter. This was driven by large move-outs by CitiGroup, Moffit, and Kforce totaling 315,000 sf of negative absorption, which offset positive absorption from large move-ins by FEMA and Rapid-7. This brought year end absorption to nearly -1.2 msf, the lowest amount since 2008.

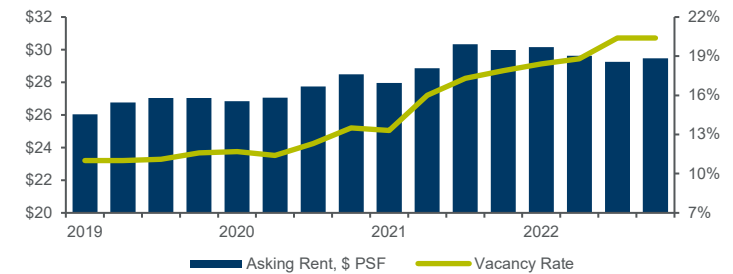
**MARKET PRICING**

Direct rents were up 1.3% over the past year to \$30.34 per square foot (psf), but a large influx of lower-tier sublease space dropped overall rents to \$29.48 psf, down 1.7% during the same period. Class A asking rents decreased 3.5% YOY to \$32.48 psf as new construction that delivered in 2021 became 84.1% leased, taking top rents off the market. Class B asking rates rose 1.0%, with growth most pronounced in St. Petersburg's CBD, where rents increased 21.1% over the past twelve months as landlords hiked rents and vacancy dropped below 3.0%. Tampa's CBD continued to see healthy demand and had the highest asking rates to end 2022 at \$40.07 psf, a 37.3% premium over the Tampa Bay average.

**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>917,598</b>	<b>84,589</b>	<b>14.9%</b>	<b>38,609</b>	<b>144,551</b>	<b>571,725</b>	<b>0</b>	<b>\$40.07</b>	<b>\$42.74</b>
<b>Tampa Non-CBD</b>	<b>24,492,040</b>	<b>4,358,294</b>	<b>1,606,434</b>	<b>24.4%</b>	<b>-171,463</b>	<b>-1,150,303</b>	<b>2,184,158</b>	<b>75,000</b>	<b>\$29.19</b>	<b>\$31.95</b>
Hyde Park	257,225	0	0	0.0%	0	0	8,971	0	N/A	N/A
I-75 Corridor	7,609,743	1,650,841	409,825	27.1%	-53,495	-365,944	451,808	0	\$26.08	\$27.22
Northwest Area	3,700,978	519,024	791,420	35.4%	-3,561	-627,995	294,326	75,000	\$26.47	\$28.19
Southwest Area	143,447	11,270	0	7.9%	-4,341	-6,404	4,419	0	\$23.82	N/A
Westshore	12,435,899	2,035,655	405,189	19.6%	17,934	-21,960	1,410,032	0	\$34.09	\$38.81
Ybor City	344,748	141,504	0	41.1%	-128,000	-128,000	14,602	0	\$37.00	\$37.0
<b>TAMPA TOTALS</b>	<b>31,220,758</b>	<b>5,275,892</b>	<b>1,691,023</b>	<b>22.3%</b>	<b>-132,854</b>	<b>-1,005,752</b>	<b>2,755,883</b>	<b>75,000</b>	<b>\$30.47</b>	<b>\$33.68</b>
<b>St. Pete CBD</b>	<b>2,058,323</b>	<b>68,358</b>	<b>26,970</b>	<b>4.6%</b>	<b>25,009</b>	<b>15,195</b>	<b>116,206</b>	<b>45,000</b>	<b>\$32.25</b>	<b>\$32.91</b>
<b>St. Pete Non-CBD</b>	<b>9,044,517</b>	<b>1,402,282</b>	<b>183,780</b>	<b>17.5%</b>	<b>20,237</b>	<b>-170,214</b>	<b>474,307</b>	<b>0</b>	<b>\$25.49</b>	<b>\$27.42</b>
Bayside	1,376,426	256,361	17,015	19.9%	18,137	-49,320	100,811	0	\$24.29	\$24.85
Clearwater Downtown	597,689	40,675	0	6.8%	1,400	6,866	11,862	0	\$19.77	\$18.00
Countryside	954,218	109,544	0	11.5%	7,766	3,237	45,134	0	\$23.52	\$22.26
Mid Pinellas/Gateway	4,326,392	842,406	133,639	22.6%	-9,826	-144,245	268,146	0	\$26.79	\$29.57
North Pinellas	1,141,777	93,862	33,126	11.1%	3,391	1,830	5,903	0	\$25.15	\$26.32
South St. Petersburg	648,015	59,434	0	9.2%	-631	11,418	42,451	0	\$19.54	N/A
<b>PINELLAS TOTALS</b>	<b>11,102,840</b>	<b>1,470,640</b>	<b>210,750</b>	<b>15.1%</b>	<b>45,246</b>	<b>-155,019</b>	<b>590,513</b>	<b>45,000</b>	<b>\$25.89</b>	<b>\$27.93</b>
<b>TAMPA BAY TOTALS</b>	<b>42,323,598</b>	<b>6,746,532</b>	<b>1,901,773</b>	<b>20.4%</b>	<b>-87,608</b>	<b>-1,160,771</b>	<b>3,346,396</b>	<b>120,000</b>	<b>\$29.48</b>	<b>\$32.48</b>

\*Rental rates reflect full service asking

### KEY LEASE TRANSACTIONS 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
Netpark at Tampa Bay	I-75 Corridor	Maximus	147,111	Renewal
636 Grand Regency	I-75 Corridor	FEMA	120,756	New
Renaissance Center VII	Northwest Area	New York Life Insurance Company	114,807	New
Independence Park I	Westshore	WiPro	112,382	New
6302 Corporate Center	I-75 Corridor	Concentrix	81,134	Renewal

\*Renewals are not included in leasing activity

### KEY SALE TRANSACTIONS 2022

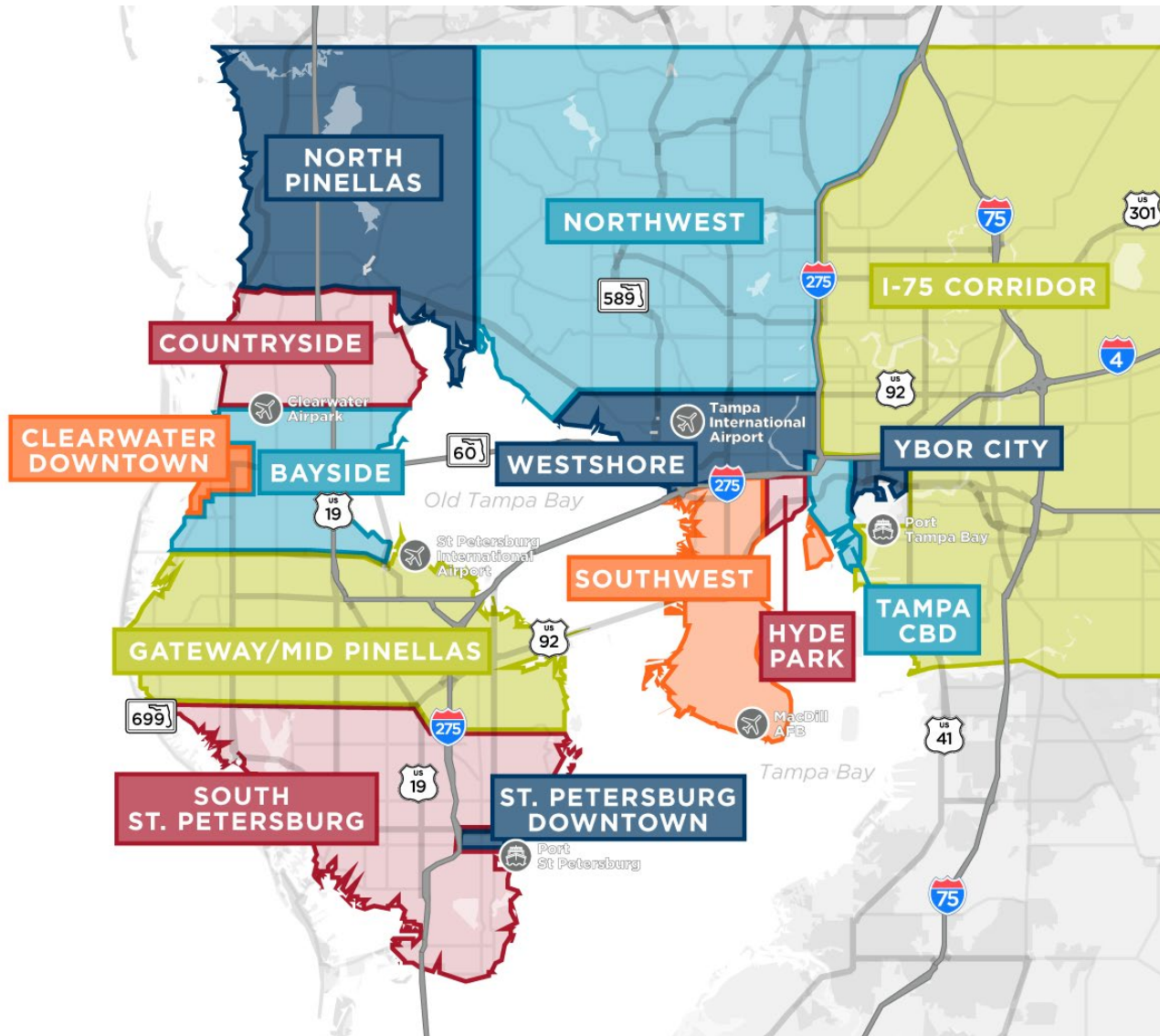
PROPERTY	SUBMARKET	SELLER   BUYER	SF	PRICE/\$ PSF
Wells Fargo Center	Tampa CBD	The Feil Organization   Feldman Equities	387,477	\$120.0M   \$310
200 Carillon Parkway	Mid Pinellas/Gateway	Webull Financial   Catalina Marketing	157,755	\$29.5 M   \$187
FBI Building	Westshore	Easterly Government Properties   Highwoods	138,000	\$ 70.4 M   \$510

# TAMPA BAY

Office Q4 2022



OFFICE SUBMARKETS



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