



## Availability is increasing, new construction will open even more options in the CBD

Tampa's overall availability rate increased by 130 basis points over the last year, ending Q2 2019 at 15.7%. Class A availability rose 240 basis points over the same period to 14.7%. Fundamentals in the Central Business District (CBD) submarkets are slightly tighter, with current availability at 12.7%, compared to 16.5% throughout the suburban submarkets. Submarket availabilities range from just 2.3% in South Tampa and 6.2% in Polk to 26.4% in Northeast Hillsborough and 28.2% in Pasco. More than 1.0 million square feet (msf) will be under construction by the end of this year, the most seen across the market in recent history.

### Asking rents increase across majority of submarkets, new construction drives CBD spike

Overall asking rents increased by 4.9% year over year across the Tampa region to \$25.04 per square foot (psf). Class A asking rents followed a similar trend, increasing 4.8% over the same period, to \$30.61 psf. Increases were much more pronounced in the Tampa CBD submarket. Rents in the Tampa CBD are now averaging \$33.64 psf for all classes and \$35.88 psf for class A space. With the majority of the construction pipeline concentrated in the Tampa CBD, this large supply of new space – with above-market pricing – is driving asking rents upwards.

### Pace of leasing activity slows significantly, Westshore garners bulk of demand

With very few large transactions signed and just under 650,000 square feet (sf) of total second-quarter activity, the market experienced its weakest leasing quarter in five years. The most active submarkets were Westshore (50.4% of total leased sf), Tampa CBD (14.1%), North Pinellas (7.8%), and St. Petersburg CBD (7.7%). Westshore saw the three largest leases in the quarter, including Big 4 accounting firm PwC's 79,908-sf lease at 4050 W. Boy Scout Boulevard, cyber security firm ReliaQuest's 31,087-sf commitment at 5426 Bay Center Drive, and health informatics solutions company M2Gen's 17,091-sf sublease at 4904 Eisenhower Boulevard.

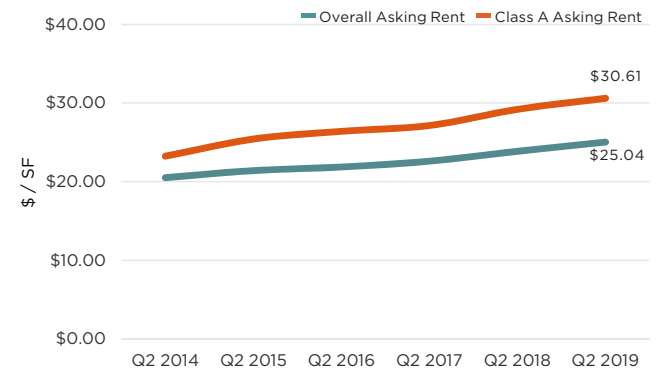
### Outlook

- Overall rents have steadily increased over the last five years as new product hit the pipeline, averaging 4.1% per annum
- Expect Westshore asking rents to creep upwards as its unmatched ability to accommodate larger tenants continues, at least until new product delivers
- Tampa MSA employment is projected to grow by 1.4% per year over the next five years, resulting in an aggregate of 93,174 new jobs through the first quarter of 2024

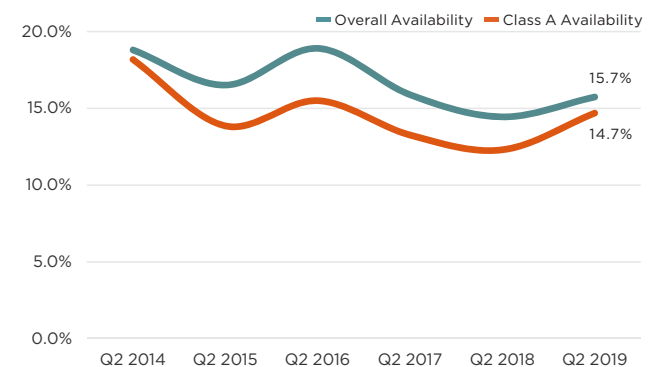
### KEY STATISTICS

	Q2 2018	Q2 2019	y-o-y Change
Inventory	50.3 MSF	<b>50.7 MSF</b>	▲
Availability Rate	14.4%	<b>15.7%</b>	▲
Asking Rental Rate	\$23.87	<b>\$25.04</b>	▲
Class A Asking Rental Rate	\$29.21	<b>\$30.61</b>	▲
Quarterly Leasing Activity	820,026 SF	<b>649,294 SF</b>	▼

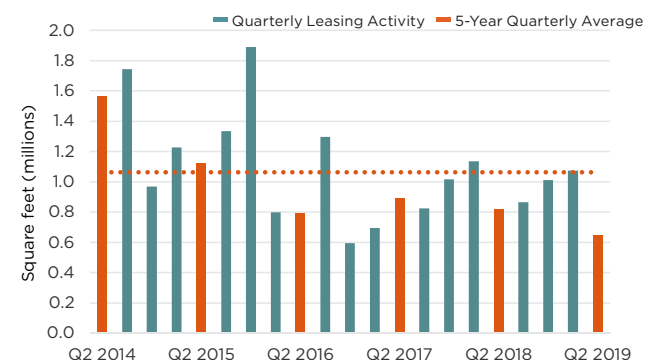
### ASKING RENT TRENDS



### AVAILABILITY TRENDS



### LEASING ACTIVITY



MAJOR TRANSACTIONS

92.6%

of major transactions were relocations or new locations

80.0%

of large transactions occurred in the Westshore submarket

53.6%

Professional services represented 53.6% of major transactions

Tenant	Square feet	Address	Transaction type	Submarket	Industry
PwC	79,908	4050 W Boy Scout Boulevard	Relocation	Westshore	Professional Services
ReliaQuest	31,087	5426 Bay Center Drive	Relocation	Westshore	TAMI
M2Gen	17,091	4904 Eisenhower Boulevard	Relocation	Westshore	TAMI
A-LIGN	16,369	400 N Ashley Drive	Renewal	Tampa CBD	Professional Services
Insurance Administrative Solutions	16,067	17757 US Highway 19 N	Relocation	North Pinellas	Financial Services & Insurance
Outcome Health	14,958	1 N Dale Mabry Highway	Relocation	Westshore	TAMI
Insight Global	12,743	4030 W Boy Scout Boulevard	Relocation	Westshore	Professional Services
Valic	12,160	4300 W Cypress Street	Relocation	Westshore	Financial Services & Insurance
Morgan & Morgan	11,146	111 2nd Avenue NE	Relocation	St. Petersburg CBD	Legal Services
RSM	9,546	615 Channelside Drive	Relocation	Tampa CBD	Professional Services

Source Savills Research

For more information, please contact us:

**Savills**  
4830 West Kennedy Blvd.  
Suite 700  
Tampa, FL 33609  
+1 813 675-7070

**Cheri M. O'Neil, CPM, CCIM**  
Senior Vice President  
coneil@savills.us

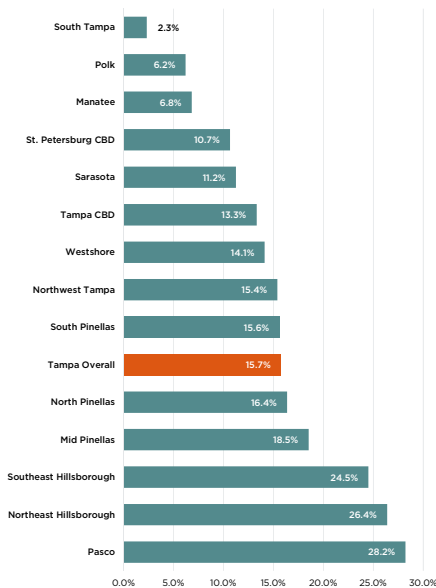
**Amy Novak**  
Marketing & Research  
Manager  
anovak@savills.us

**About Savills Inc.**  
Savills helps organizations find the right solutions that ensure employee success. Sharply skilled and fiercely dedicated, the firm's integrated teams of consultants and brokers are experts in better real estate. With services in tenant representation, workforce and incentives strategy, workplace strategy and occupant experience, project management, and capital markets, Savills has elevated the potential of workplaces around the corner, and around the world, for 160 years and counting.

For more information, please visit Savills.us and follow us on LinkedIn, Twitter, Instagram and Facebook.

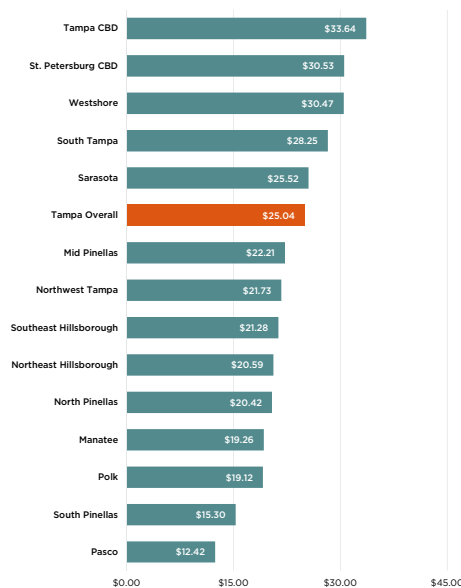
AVAILABILITY RATE COMPARISON

Tampa Bay Submarkets



RENTAL RATE COMPARISON (\$/SF)

Tampa Bay Submarkets



Unless otherwise noted, all rents quoted throughout this report are average asking gross (full service) rents per square foot. Statistics are calculated using both direct and sublease information. Current and historical availability and rent data are subject to change due to changes in inventory.

The information in this report is obtained from sources deemed reliable, but no representation is made as to the accuracy thereof. Unless otherwise noted, source for data is Savills research.

Copyright © 2019 Savills

