



Underlying population and corporate growth trends favor Tampa Bay

Florida saw its population increase by nearly 1.0% in the first half of 2021 with Texas being the only state in the country to record a larger influx of new residents. As the impact of the pandemic is hopefully becoming more distant in the rearview mirror, the corporate migration and rapid population growth is not expected to let up. Unsurprisingly, investor interest in the area is bullish as reflected by the recent sale of Heights Union, a two-building, 294,000-square-foot (sf) complex located within the Tampa CBD submarket. Heights Union delivered in early 2021 and sold in October for \$492 per square foot (psf) - an astounding figure for the Tampa Bay market - to Atlanta-based REIT, Cousins Properties. Heights Union is a part of a mixed-use district anchored by Armature Works, a dynamic public market housed in a historic, fully renovated, former streetcar storage facility built in 1910 that now offers multiple fine restaurants and event space, as well as outdoor food and recreational space.

Corporate confidence up despite slight dip in leasing activity

While quarterly leasing in Tampa Bay did not keep pace with the prior quarter's record-breaking figure of 1.3 msf, with 1.0 msf leased, it was on-par for typical Tampa Bay activity. Midtown Tampa, a new \$500 million, 22-acre mixed-use district secured several significant leases during the fourth quarter. One of Tampa Bay's largest public companies, Primo Water Corporation, will move its global headquarters to 44,000 sf at Midtown West in the district. Kforce, a publicly traded, Tampa-based staffing agency also announced a headquarters move to Midtown West with a 22,000-sf lease. In addition, Savills itself will relocate its Central Florida headquarters to Midtown West.

Availability ticks up but mostly due to new development projects

Tampa Bay's overall availability rate showed a slight 50 basis points (bps) increase, quarter over quarter, from 19.5% to 20.0%. The region's largest submarkets, Westshore and Tampa CBD, recorded opposite impacts to availability, with delivery of new inventory affecting Westshore's availability far more than that of Tampa CBD. Westshore Class A availability rates ticked up 140 basis points (bps), quarter over quarter, to 20.5% while in Tampa CBD availability saw a slight drop of 130 bps to 16.4%. When compared quarterly, Class A asking rental rates increased 0.6% in Westshore to \$37.12 psf and Tampa CBD average asking rate at \$36.57 psf posted a 3.8% decrease.

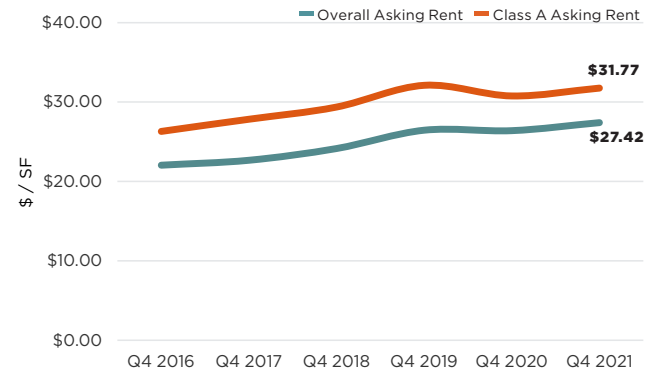
Outlook

- The Tampa Bay Economic Development Council reported that over the past five years nearly 60 new companies have either relocated or expanded operations to Tampa Bay creating more than 8,000 jobs and \$876 million in capital investment
- Zillow named the Tampa metro area as the hottest housing market for 2022 and the record buyer demand is only expected to continue throughout the year
- The Westshore business district is not only Tampa Bay's largest office submarket but also a major transportation hub for the entire region; massive road infrastructure projects are underway to create a more efficient transportation system

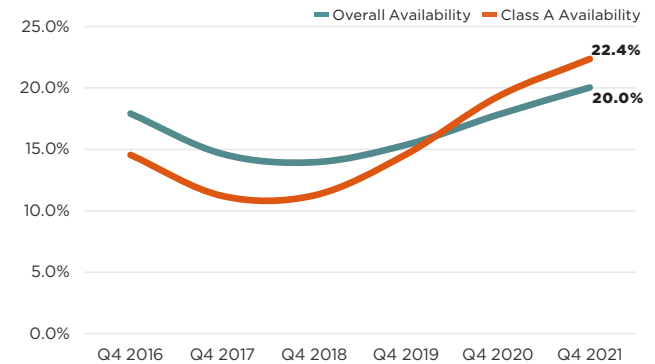
KEY STATISTICS

	Q4 2020	Q4 2021	y-o-y Change
Inventory	52.0 MSF	52.7 MSF	▲
Availability Rate	17.8%	20.0%	▲
Asking Rental Rate	\$26.41	\$27.42	▲
Class A Asking Rental Rate	\$30.78	\$31.77	▲
Quarterly Leasing Activity	0.7 MSF	1.0 MSF	▲

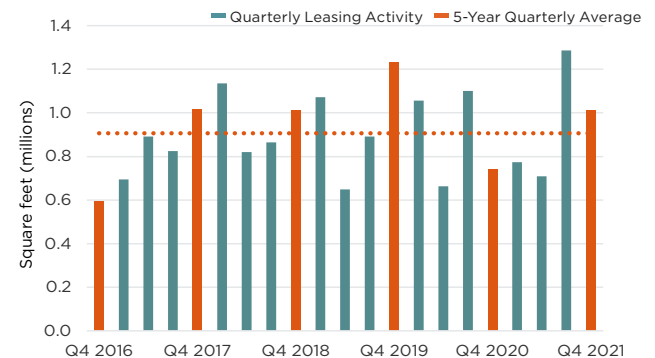
ASKING RENT TRENDS



AVAILABILITY TRENDS



LEASING ACTIVITY



MAJOR TRANSACTIONS

31.8%

of major transactions were **relocations** by square footage

36.7%

of large transactions occurred in the **Westshore** submarket by square footage

22.6%

Manufacturing sector tenants represented 22.6% of major transactions by square footage

Tenant	Square feet	Address	Transaction type	Submarket	Industry
Coca-Cola Beverages Florida	63,000	10117 Princess Palm Avenue	Renewal and Expansion	Southeast Hillsborough	Manufacturing
Primo Water Corporation	44,464	1150 Assembly Drive	Relocation	Westshore	Retail
Quintairos, Prieto, Wood & Boyer, P.A.	35,598	1410 N Westshore Boulevard	Renewal	Westshore	Legal Services
Kforce	22,232	1150 Assembly Drive	Relocation	Westshore	Professional Services
Kimley-Horn and Associates	21,893	201 N Franklin Street	Relocation	Tampa CBD	Engineering
Second Avenue	20,000	401 E Jackson Street	New Location	Tampa CBD	Real Estate
Merrill Lynch	19,361	1819 Main Street	Renewal	Sarasota	Financial Services
Maxim Healthcare	18,391	4631 Woodland Corporate Boulevard	New Location	Northwest Tampa	Healthcare
Provest LLC	17,898	7702 Woodland Center Boulevard	New Location	Northwest Tampa	Legal Services
WSP	15,582	5411 SkyCenter Drive	New Location	Tampa CBD	Engineering

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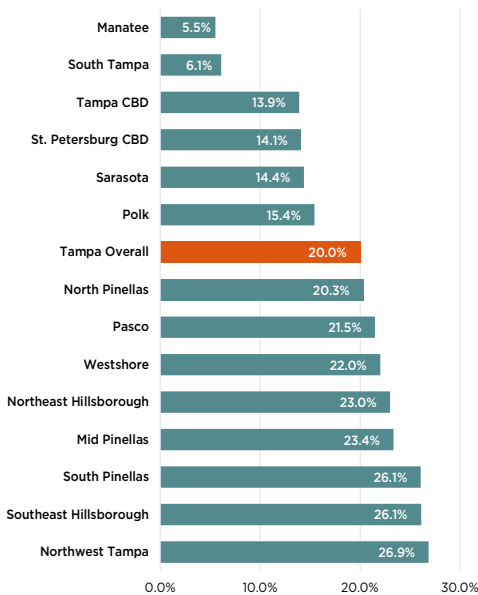
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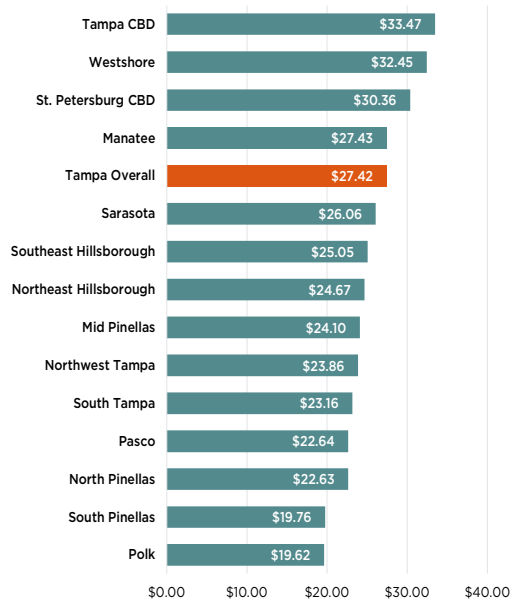
AVAILABILITY RATE COMPARISON

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.

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