



## Availability holds fairly flat, options expand in class A space

Availability in Tampa remains stable, with overall availability holding flat while options and opportunities expand some in class A space. Overall availability saw a mere 30-basis-point decrease over the year, ending Q1 at 14.5%, while class A availability increased by 90 basis points over the same period to 12.7%. Availability in the Tampa CBD saw very little change with just a 10-basis-point increase over the year to 11.5%. With an increase in options in class A space, average asking rents are being pushed higher. Overall asking rents increased 11.5% year-over-year to \$25.27 per square foot (psf) with class A asking rents following a similar trend, increasing 11.6% over the same period to \$31.26 psf.

### Leasing activity is in line with the five-year average

Total Q1 leasing activity stood at 1.1 million square feet (msf), on par with Q1 2018, and amongst the stronger first-quarter totals seen in the past five years. Transaction size averaged 5,500 square feet (sf) per lease, with only a handful of leases over 50,000 sf signed. The most active submarkets were Westshore (35.4% of total leased sf), Tampa CBD (20.9% of total leased sf), Southeast Hillsborough (9.8% of total sf leased), and Mid Pinellas (9.0% of total sf leased). Protect My Car inked the largest lease of the first quarter, with 80,000 sf at 570 Carillon Parkway in the Mid Pinellas submarket. Healthsystems signed the second largest for 61,870 sf at 5405 Cypress Center Drive in the Westshore submarket.

### Coworking enters and expands within the market

Coworking giant WeWork entered the Tampa market this quarter, committing to two new locations within the Tampa CBD and accounting for a large percentage of new growth in the market. WeWork committed to its first area location in January, taking 50,000 sf at 2002 North Tampa Street at Tampa Heights. It followed up with an additional 60,000 sf at 501 East Kennedy Drive which will be renamed WeWork Place once the location opens. These two leases alone accounted for 26.1% of major transaction activity.

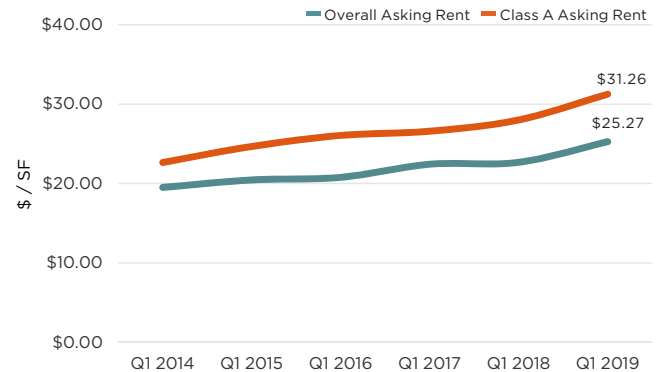
### Outlook

- Overall availability is holding flat, seeing some increase in class A options - providing tenant opportunities
- Development was low in 2018 with only one new office project breaking ground in Westshore; watch for activity to ramp up as plans for the Water Street redevelopment take hold
- Tampa employment is expected to grow by 1.5% per year over the next five years, resulting in an aggregate of new 101,500 jobs by year-end 2023

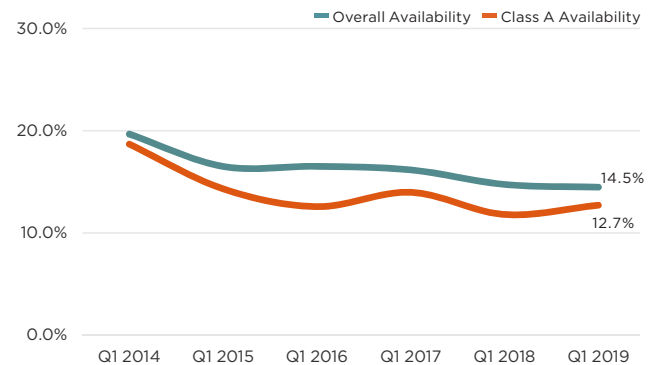
### KEY STATISTICS

	Q1 2018	Q1 2019	y-o-y Change
Inventory	50.3 MSF	<b>50.6 MSF</b>	▲
Availability Rate	14.7%	<b>14.5%</b>	▼
Asking Rental Rate	\$22.22	<b>\$25.27</b>	▲
Class A Asking Rental Rate	\$28.01	<b>\$31.26</b>	▲
Quarterly Leasing Activity	1.1 MSF	<b>1.1 MSF</b>	◀▶

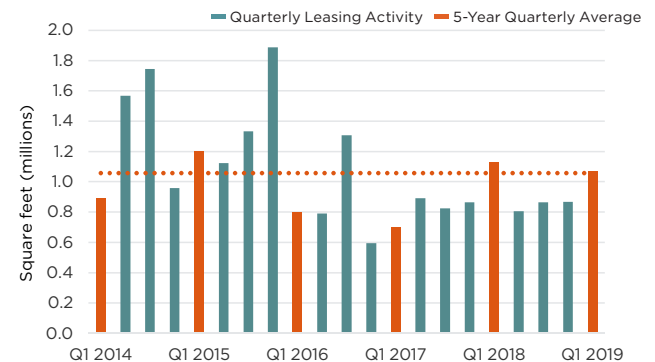
### ASKING RENT TRENDS



### AVAILABILITY TRENDS



### LEASING ACTIVITY



MAJOR TRANSACTIONS

75.5%

major transactions were **new market entrants or relocations**

26.1%

of large transactions occurred in the **Tampa CBD** submarket

26.1%

**Coworking** represented 26.1% of major transactions

Tenant	Square feet	Address	Transaction type	Submarket	Industry
Protect My Car	80,000	570 Carillon Parkway	New Location	Mid Pinellas	Financial Services & Insurance
Healthsystems	61,870	5404 Cypress Center Drive	New Location	Westshore	Financial Services & Insurance
WeWork	60,000	501 E Kennedy Drive	New Location	Tampa CBD	Coworking
WeWork	50,000	2004 N Tampa Street	New Location	Tampa CBD	Coworking
Shutts & Bowen	46,832	4301 W Boy Scout Boulevard	Renewal	Westshore	Legal Services
Clarity Services Inc	32,603	15550 Lightwave Drive	Renewal	North Pinellas	Financial Services & Insurance
Opis Senior Services Group	23,617	10150 Highland Manor Drive	Renewal	Southeast Hillsborough	Healthcare
TCM Bank, N.A.	22,251	3501 E Frontage Road	Relocation	Westshore	Financial Services & Insurance
Early Learning Coalition of Hillsborough County	21,918	6302 E Dr Martin Luther King Jr Boulevard	Relocation	Northeast Hillsborough	Associations and Non-Profits
Infosys	20,460	10150 Highland Manor Drive	Sublease	Southeast Hillsborough	TAMI

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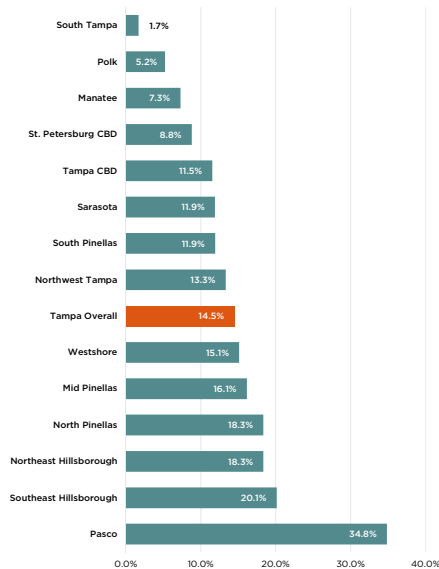
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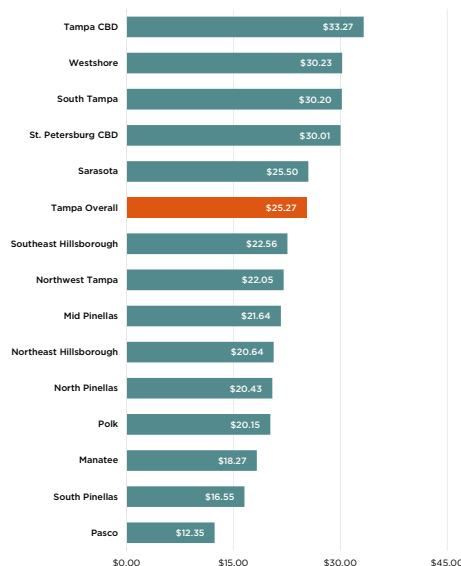
AVAILABILITY RATE COMPARISON

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 psf. 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 compiled with the support of The CoStar Group.

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