

Populations growth continues to have positive effect on employment in Tampa Bay

Florida has seen a steady population increase year over year for the past decade and with corporate migration and continuing rapid occupier growth it is not expected to lose momentum. With nearly 1,100 people moving to Florida every day, Tampa Bay's current metro population is just shy of three million and counting. That is a 1.2% increase from 2021 already in Q1 of 2022 and it is a 1.3% increase since pre-pandemic levels. As the market evolves from the influx of transplants, it has made a significant impact on employment trends. In Florida, nearly 480,000 jobs have been created since the beginning of 2021 resulting in an annual increase of 5.6%. A large contributor to those escalating numbers is the tech industry presence that has been in the spotlight across many major markets in the U.S. over the past year. Tampa Bay saw an average of 11.8% growth over the past three quarters whereas prior to the pandemic, the tech industry was only averaging a 2.5% year over year increase. One of the larger deals done in Q1 2022 by information technology company Wipro, is a prime example, leasing 113,000 square feet (sf) and is forecasted to bring a significant number of jobs to the Tampa Bay area.

Tenant confidence continues as leasing volumes rise

While quarterly leasing activity in Tampa Bay did not reach record breaking numbers this quarter, the overall market saw leasing trend upward with 1.2 million square feet (msf) leased this quarter compared to 1.0 msf leased last quarter. Class A buildings recorded an 11.1% increase in leasing activity quarter-over-quarter and a staggering 107.0% increase year over year. The submarkets that saw the steepest increase in activity were Westshore, reflecting growth of 366.0% year over year and Tampa's CBD with 67.0% year over year. An example of this was SkyCenter One, a 275,000-sf Class A building in the Westshore submarket, secured two significant leases during this first quarter. Simply Healthcare Plans, a Florida-based healthcare organization and OPSWAT, a cybersecurity firm, will occupy nearly 92,000 sf combined.

Occupier demand for high quality space not slowing down

Tampa Bay's overall availability rate for Class A showed a slight increase quarter over quarter, increasing from 22.4% to 23.0%. In one of the largest submarkets in the area, Westshore, Class A availability increased 20 basis points (bps) quarter over quarter, from 20.5% to 20.7%. Tampa's CBD also exhibited an uptick of 260 bps in availability quarter over quarter going from 16.4% to 19.0% due to companies' relocations and downsizing. As a result of higher demand, property owners have been able to command an increase in the rental rates in Class A buildings, leading rates to be at an all-time high, with a 4.0% uptick year over year for the Westshore submarket.

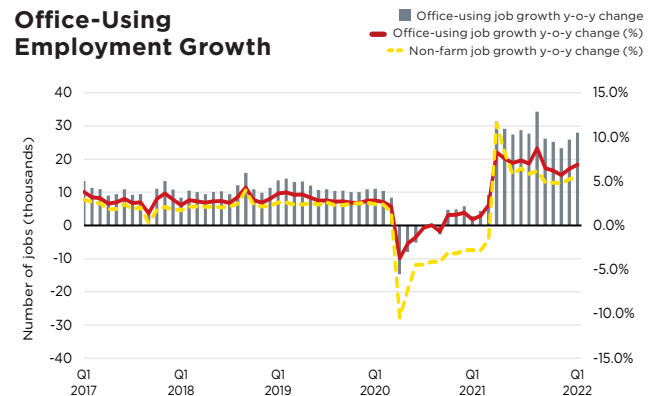
Outlook

- As demand for space in the Westshore submarket rises and the development of Midtown West has been deemed a success with 75.0% occupied since inception in July 2021, the New York developer, Bromley Cos., announced plans to construct the tallest building in the Westshore area, a 16-floor 400,000-sf Class A office tower, Midtown East
- NAR's Commercial Real Estate Market Reports noted that Florida is arguably the hottest commercial real estate market concluding 2021, boasting nine of the top 15 cities in the U.S.
- Expect office leasing activity to increase this year as both corporate relocations and organic growth from local companies drives space demand

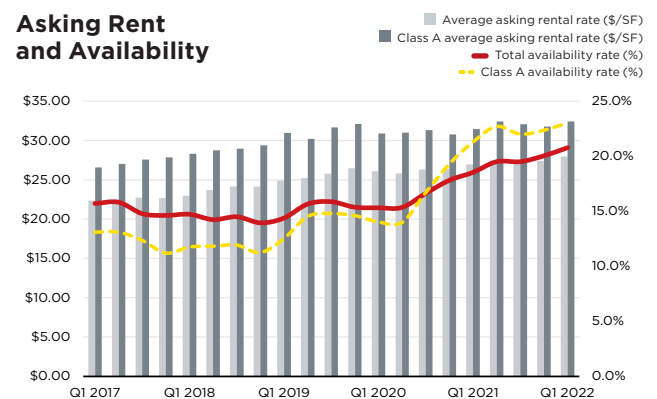
Key Statistics

	Q1 2021	Q1 2022	Y-o-y Change
Inventory	52.2 MSF	52.9 MSF	▲
Availability Rate	18.5%	20.8%	▲
Asking Rental Rate	\$26.97	\$27.96	▲
Class A Asking Rental Rate	\$31.47	\$32.43	▲
Quarterly Leasing Activity	0.8 MSF	1.2 MSF	▲
Available Sublease Space	1.6 MSF	2.3 MSF	▲

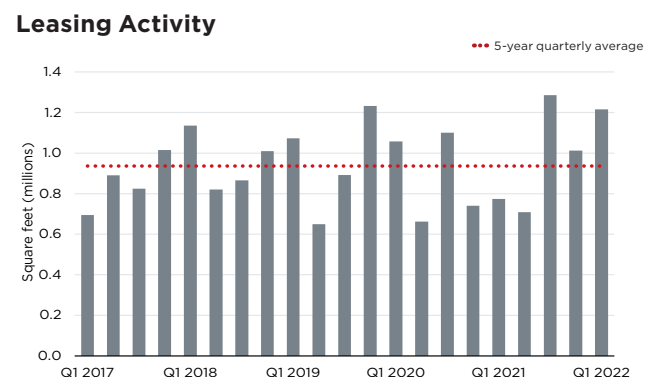
Office-Using Employment Growth



Asking Rent and Availability



Leasing Activity



By the Numbers

2.9%

Tampa Bay unemployment rate (as of Feb. 2022)

6.9%

Office-using employment growth year-over-year (as of Feb. 2022)

0.4 msf

Office space currently under construction

Top Transactions

Tenant	Square Feet	Address	Transaction Type	Submarket	Industry
Wipro Technologies	113,000	4110 George Road	New Location	Westshore	TAMI
Maxim Healthcare Services Inc.	71,484	5332 Avion Park Drive	New Location	Westshore	Healthcare
Simply HealthCare	63,320	5411 SkyCenter Drive	Relocation	Westshore	Healthcare
Wells Fargo Bank	44,856	100 S Ashley Drive	Renewal	Tampa CBD	Financial Services
Willis Towers Watson	42,615	7725 Woodland Center Boulevard	New Location	Northwest Tampa	Financial Services
Fisher Investments	38,568	3405 W Martin Luther King Boulevard	Renewal	Westshore	Financial Services
Opswat	31,660	5411 SkyCenter Drive	Relocation	Westshore	TAMI
Northrop Grumman	28,984	5401 W Kennedy Boulevard	Renewal	Westshore	Transportation
Ryan Specialty Group	26,283	3000 Bayport Drive	New Location	Westshore	Financial Services
Reliaquest	20,000	1001 Water Street	New Location	Tampa CBD	TAMI

Source: Savills Research

For more information, please contact us:

Savills
3000 Bayport Drive
Suite 485
Tampa, FL 33607
+1 813 675 7070

Michael E. Griffin
Executive Managing Director, Market Leader
mgriffin@savills.us

Amy Novak
Marketing & Research Manager
anovak@savills.us

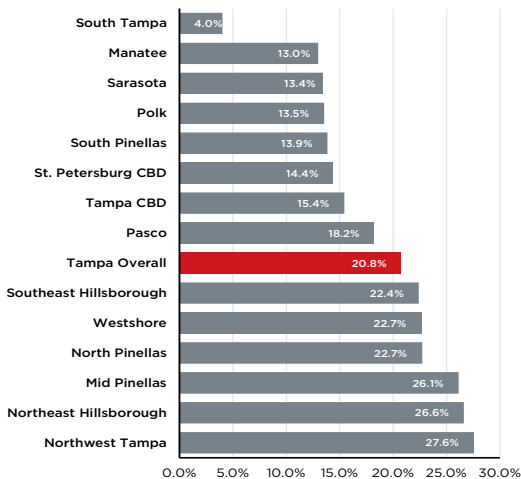
Sara Sharp-Henkel
Research Associate
ssharpshenkel@savills.us

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.

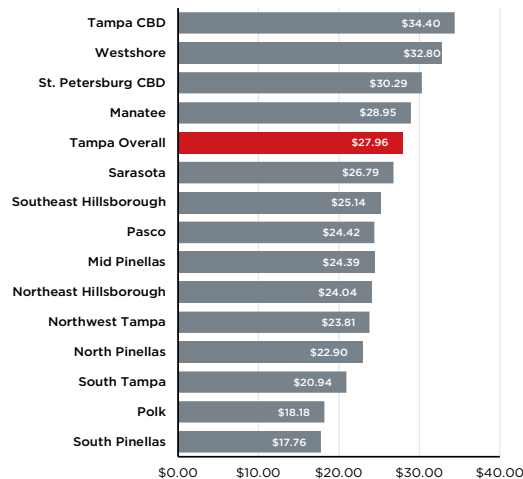
Availability Rate Comparison (%)

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 © 2022 Savills

