

# Tampa Bay

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## Leasing activity continues to rise as the region's unemployment rate remains low

The Tampa Bay area recorded 1.2 million square feet (msf) of leasing activity during the first quarter of the year, representing a significant 18.7% increase from the prior quarter. The level of Q1 leasing activity is also above the five-year quarterly average for the third consecutive quarter, an indicator of continued steady demand by occupiers. Tampa-based Masonite Inc., a window and door manufacturer, signed a 128,000-square-foot, long-term lease representing a consolidation of several leased spaces into a single-tenant, Class A building. Fisher Investments, a Texas-based firm, also expanded its presence in Tampa with a renewal and substantial expansion across two buildings, making the firm one of Westshore's largest tenants with over 179,000 square feet (sf) leased.

### Availability drops again to start the new year

The steady uptick in Tampa Bay leasing activity resulted in the overall availability rate dropping again in Q1 2024, down 90 basis points (bps) year over year from 21.1% to 20.2%. Westshore Class A availability had a more dramatic drop of 330 bps year over year from 21.5% in Q1 2023 to 18.2% in Q1 2024. Tampa CBD Class A availability held flat at 16.2% year over year. Sublease space availability held steady on the quarter, with approximately 2.8 msf, thus reflecting the constant ebb and flow of new sublease space to the market despite several large sublease spaces recently being absorbed.

### Slightly lower asking rents in some submarkets

Overall asking rents increased year over year, up 2.3% from \$28.41 per square foot (psf) a year ago to \$29.05 in Q1 2024. Class A rates saw a 1.3% decline from \$32.67 psf reported in Q1 2023 to \$32.24 psf this quarter. The primary reason for the decline is the continued struggle in suburban markets like Northwest Tampa, where the Class A asking rental rate was down 21% from the prior quarter while Northeast Tampa was down 1.2% for the same period. Landlords in these submarkets continue to grapple with high vacancies due to the dominant occupier trend in choosing smaller spaces in highly amenitized properties in more desirable submarkets such as Westshore and the Tampa CBD, respectively.

### Key Statistics

	Q1 2023	Q1 2024	Y-0-Y
Inventory	53.0 msf	53.8 msf	+0.8 msf
Availability Rate	21.1%	20.2%	-90 bps
Asking Rental Rate	\$28.41	\$29.05	+2.3%
Class A Asking Rental Rate	\$32.67	\$32.24	-1.3%
Quarterly Leasing Activity	0.9 msf	1.2 msf	+0.3 msf
Available Sublease Space	2.9 msf	2.8 msf	-0.1 msf

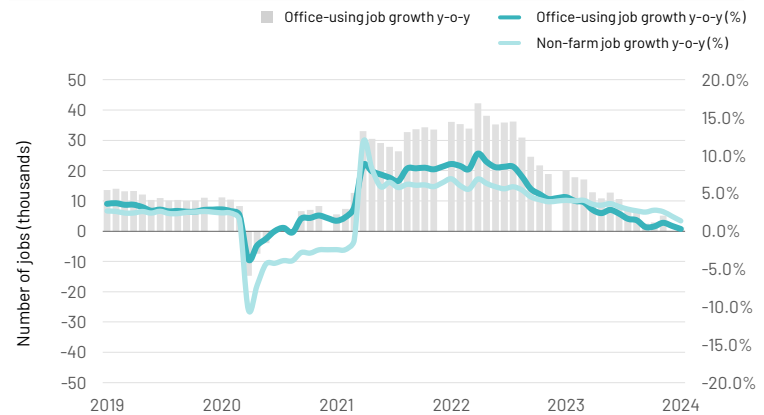
### Outlook

**01** Total office-using job growth slowed during the first quarter in the region, and although positive at 0.3%, the slowdown is expected to continue through the rest of the year

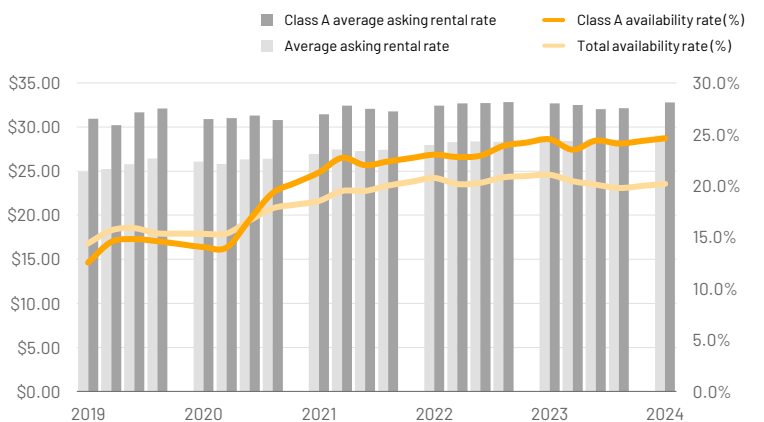
**02** The Tampa CBD and Westshore submarkets continue to retain existing occupiers, as well as attract new companies from outside of the region

**03** Population growth remains strong as three Tampa Bay counties landed in the top 15 fastest-growing in the country: Polk County (No.5), Hillsborough County (No. 11) and Pasco County (No. 15)

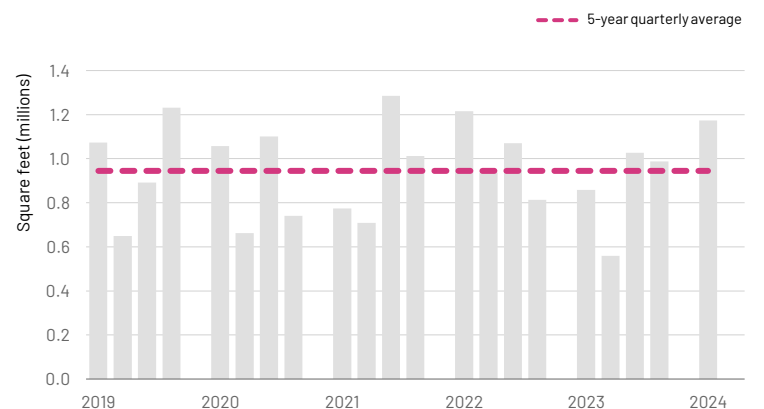
## Office-using Employment Growth



## Asking Rent and Availability



## Leasing Activity



# Top Transactions

\*Trophy Building

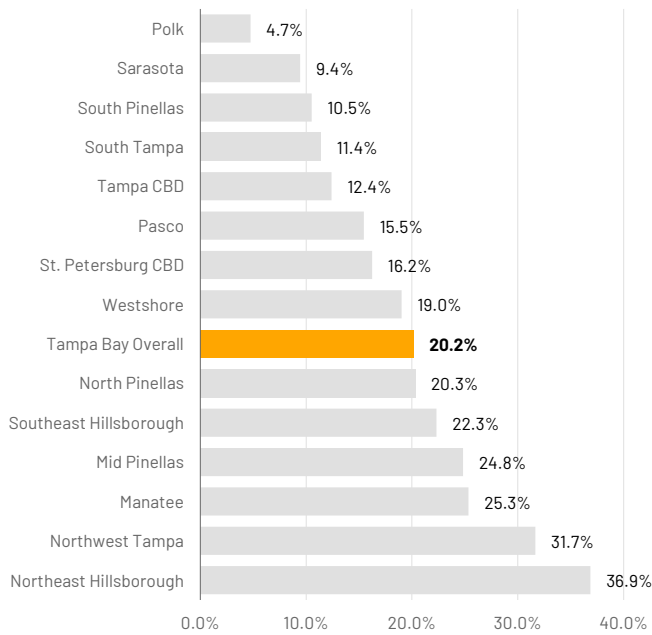
\*\*Sublease

Source: Savills Research

TENANT	INDUSTRY	SUBMARKET	ADDRESS	SIZE (SF)	TRANSACTION TYPE
Masonite	● Manufacturing	Tampa CBD	1001 E Palm Avenue	128,000	New Location
Fisher Investments	● Financial Services and Insurance	Westshore	3109 W Dr Martin Luther King Boulevard	121,042	Renewal and Expansion
Fisher Investments	● Financial Services and Insurance	Westshore	3405 W Dr Martin Luther King Boulevard	58,142	Renewal
MarineMax	● Personal Services And Recreation	North Pinellas	501 Brooker Creek Boulevard	49,507	New Location**
Immunologix	● Healthcare	Westshore	4919 Memorial Highway	48,523	New Location
CACI International	● Business, Professional and Consulting Services	Sarasota	7050 Professional Parkway	46,693	New Location
Northrup Grumman	● Manufacturing	Westshore	5401 W Kennedy Boulevard	41,326	Renewal and Expansion
Drug Enforcement Administration	● Government	Northwest Tampa	5570 Idlewild Avenue	27,000	New Location
Greenberg Traurig	● Legal Services	Tampa CBD	101 E Kennedy Boulevard*	20,155	Renewal
Residential Homes	● Real Estate	Tampa CBD	401 E Jackson Street*	20,000	New Location

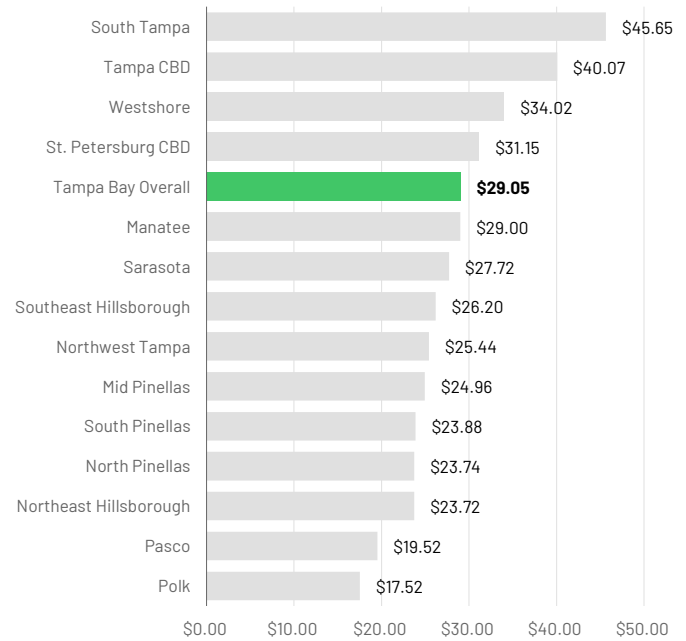
## Availability Rate Comparison (%)

TAMPA BAY SUBMARKETS



## Rental Rate Comparison (\$/sf)

TAMPA BAY SUBMARKETS



## Tampa Bay Q1 2024 - Office

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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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