

Tampa

Office market snapshot

Q3 2023

As of August, the unemployment rate in Tampa increased to 3.2%, up from 2.9% in August 2022. Nevertheless, it still sits just below the U.S. national unemployment rate of 3.8%. The professional and business services sector experienced the most significant employment growth, rising by 3.8% year-over-year.

3.4 msf

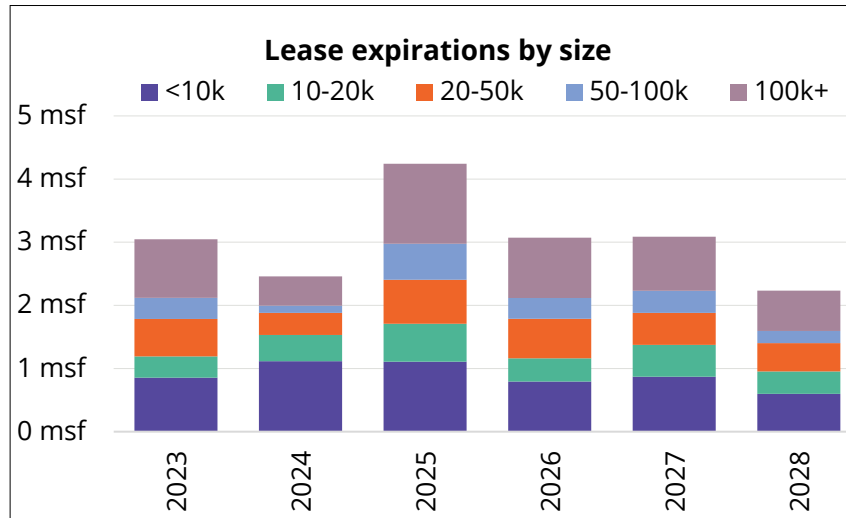
Upcoming large lease expirations will pressure landlords due to a shift in leasing demand. Since April 2020, 79% of office leases have been for spaces under 10,000 square feet.

\$53.21

Tenant improvement (TI) allowances have increased as high-end spaces and amenities continue to hold high importance for employers looking to incentivize employees to return to the office.

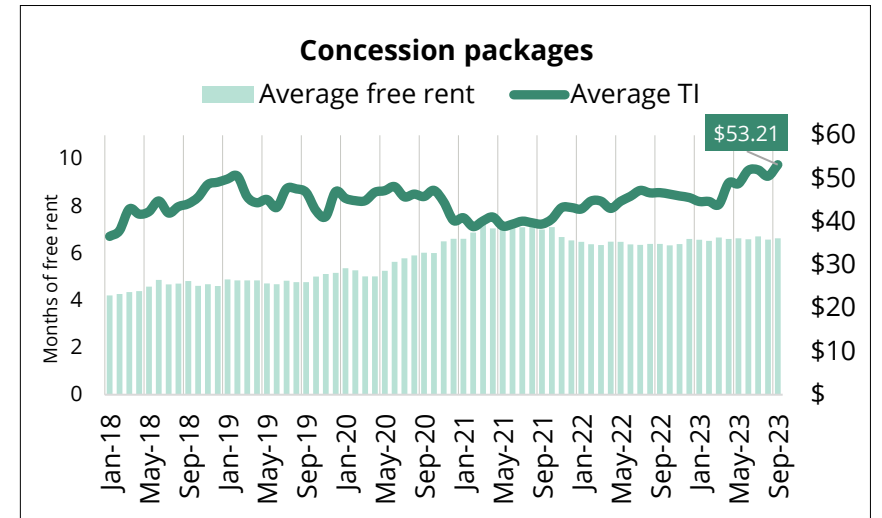
107k sf

Office net absorption in Tampa was positive for the second consecutive quarter, suggesting a potential convergence of office demand and supply.



At least 7.4 million square feet of office leases is set to expire by the end of 2025, with 3.4 million square feet comprising spaces over 20,000 square feet. These expirations will result in an increase in larger, less desirable spaces, prompting landlords to reconfigure them into smaller floorplans to attract tenant demand.

Sources: AVANT by Avison Young, U.S. Bureau of Labor Statistics



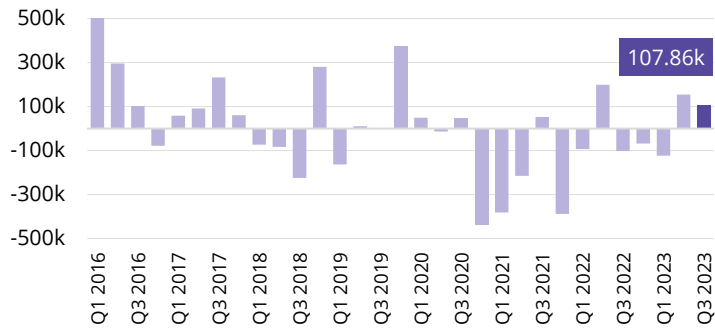
Office tenant improvement allowances were \$53.21 per square foot at the end of August, a surge of 18.5% since pre-Covid levels in March 2020. Consequently, free rent has stabilized, with companies prioritizing the provision of high-quality spaces to encourage employees' return to the office, boosting the tenant improvement allowance.

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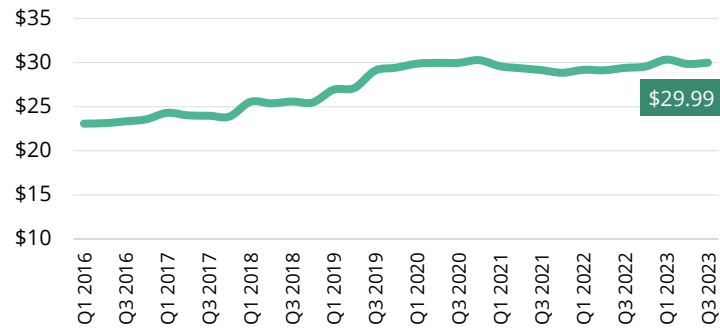
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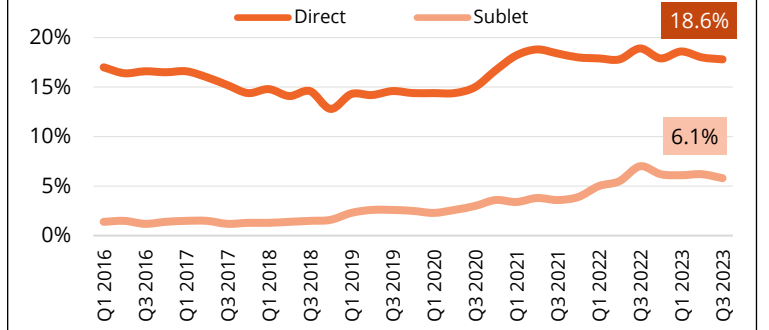
Net absorption (sf)



Direct asking rents (psf/FS)



Availability



Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Cirkul	3620 Queen Palm Dr.	120,500	New	Sublease
Grow Financial Credit Union	1315 E. Fifth Ave.	50,000	New	Direct
Johnson & Johnson	4301 W. Boy Scout Blvd.	32,723	New	Sublease
L'Oreal USA	2202 N. Westshore Blvd.	32,599	New	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Alliant Partners	5901 E. Fowler Ave.	\$13,275,000	\$157.61	H&R Real Estate Investment Trust
Alliant Partners	2000 E. 11 th Ave.	\$9,250,000	\$252.46	Ally Capital Group
First Baptist Church of Clearwater	3000 Gulf to Bay Blvd.	\$3,600,000	\$122.75	Nickel Plate Properties

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Get in touch

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	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption (3Q23)	Net absorption (YTD)	Annual direct asking rent psf FS
Bayside	1,973,331	-	-	18.4%	0%	18.4%	0%	4,481	(55,155)	\$25.01
Gateway	4,126,214	-	-	21.5%	0.2%	21.7%	0.5%	27,071	(26,217)	\$25.87
I-75 Corridor	8,580,278	-	-	22.4%	5.4%	27.8%	2.7%	118,423	(88,457)	\$26.05
Mid-Pinellas	575,487	-	-	14.1%	15.7%	29.8%	8.2%	7,059	(11,760)	\$21.93
North Pinellas	2,182,628	-	-	14.3%	0%	14.3%	(1.4%)	491	17,288	\$23.29
Northwest Tampa	4,658,253	75,000	-	14%	6.2%	20.2%	(0.1%)	(28,070)	63,551	\$27.48
South Pinellas	761,357	-	-	6%	0%	6%	(3%)	4,890	9,969	\$18.87
South Tampa	498,289	-	-	5.5%	1.2%	6.7%	1.5%	(17,588)	(13,346)	\$25.37
St. Petersburg CBD	2,521,463	-	-	3.5%	1.7%	5.2%	0%	(11,218)	(14,698)	\$34.14
Tampa CBD	7,282,182	-	-	9.5%	1.5%	11%	(3.5%)	20,151	173,557	\$36.41
Westshore	13,491,113	-	428,929	14.2%	3.3%	17.5%	(0.1%)	(17,835)	84,349	\$35.11
Market total	46,650,595	75,000	428,929	15%	3.1%	18.1%	0%	107,855	139,081	\$29.99

	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption (3Q23)	Net absorption (YTD)	Annual direct asking rent psf FS
Class A	26,239,209	75,000	428,429	13.6%	4.1%	17.6%	(1.2%)	144,094	189,189	\$33.14
Class B	20,411,386	-	-	16.8%	1.9%	18.7%	1.4%	(36,239)	(50,108)	\$25.73
Market total	46,650,595	75,000	428,429	15%	3.1%	18.1%	0%	107,855	139,081	\$29.99