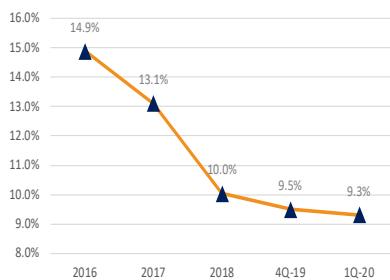


Tampa Bay

First quarter statistics serve as an indicator of the Tampa Bay office market's position prior to the COVID-19 crisis, which began to unfold locally with widespread social distancing measures in March. The leasing and sales environment has changed dramatically since that time, and those impacts will begin to materialize in the data in the second quarter.

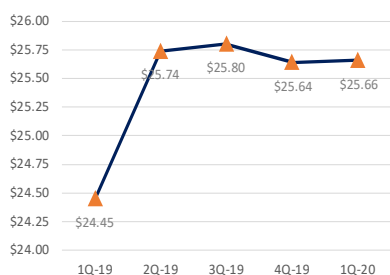
Vacancy Rate



YTD Net Absorption (SF)



Average Asking Rent Rate (\$/SF/FS)



Strong Leasing Propels the Office Market Through March While Second Quarter Outlook Remains Uncertain

- Leasing activity was brisk during the first quarter, with four large deals signed north of 50,000± sf, including PennyMac, Zelis Healthcare, Travelers Insurance and Florida Blue. The I-75 Corridor and Westshore markets were particularly strong during 1Q-2020.
- Rental rate growth continued to accelerate over the last year, rising 4.7% for the 12-month period ending 1Q-2020. Class A rents are up 6.0% over the same period.
- A significant block of high-quality and much-needed class A office space will be coming to Westshore after the announcement that the former Laser Spine Institute clinical space will be demolished and renovated as brand new speculative office space. Fanatics, Inc. previously announced plans to occupy the upper three floors in the six-story building.
- Co-working firm Industrious announced plans for a new 44,000-sf location in a former movie theatre location at Sparkman Wharf. The company planned to open during the third quarter of this year, however that may be delayed due to COVID-19.
- The \$500 million mixed-use development project known as Midtown Tampa remains on track for an early 2021 delivery in time for Super Bowl LV. The office building and dual-flag hotel topped out in March.

Trends to Watch



415,000 SF

There are three buildings scheduled to deliver during the second quarter in the Westshore and Northwest Tampa submarkets, which are already 66% preleased.



Changing Footprints

There may soon be a shift in the amount of square feet needed per employee, which could free up some elusive larger blocks of space.



\$350 Million

The first buildings are underway in the West River redevelopment. The project will revitalize West Tampa and is focused on affordable housing, transportation and sustainability.

41.1 MSF

Total office inventory in the Tampa Bay office market

162,829 SF

Direct Y-T-D net absorption as of 1Q-2020

10.88%

Overall Vacancy

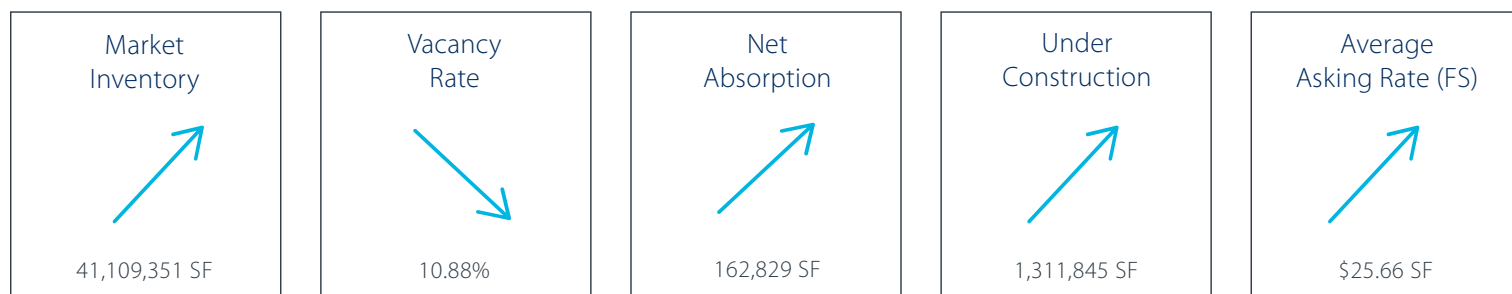
\$30.73/SF/FS

Average rental rate for class A space

| Tampa Bay MSA | | | | | | | | | | |
|---------------------|-------------------|------------------|------------------|----------------|---------------|-----------------|------------------|-----------------|--------------------|-----------------|
| Class Breakdown | Total RSF | Direct Vacant SF | Sublet Vacant SF | Asking Rate | % Occupied | % Direct Vacant | % Sublet Vacancy | % Total Vacancy | Under Construction | Net Absorption |
| Class A | 22,365,657 | 1,468,397 | 244,475 | \$30.73 | 93.43% | 6.57% | 1.09% | 7.66% | 1,311,845 | 141,981 |
| Class B | 18,743,694 | 2,356,893 | 404,101 | \$22.50 | 87.43% | 12.57% | 2.16% | 14.73% | 0 | 20,848 |
| Total | 41,109,351 | 3,825,290 | 648,576 | \$25.66 | 90.69% | 9.31% | 1.58% | 10.88% | 1,311,845 | 162,829 |
| HILLSBOROUGH COUNTY | | | | | | | | | | |
| I-75 Corridor | | | | | | | | | | |
| Class Breakdown | Total RSF | Direct Vacant SF | Sublet Vacant SF | Asking Rate | % Occupied | % Direct Vacant | % Sublet Vacancy | % Total Vacancy | Under Construction | Net Absorption |
| Class A | 2,744,201 | 327,378 | 21,437 | \$26.28 | 88.07% | 11.93% | 0.78% | 12.71% | 0 | 90,594 |
| Class B | 3,992,708 | 535,026 | 211,643 | \$21.28 | 86.60% | 13.40% | 5.30% | 18.70% | 0 | 78,543 |
| Total | 6,736,909 | 862,404 | 233,080 | \$23.18 | 87.20% | 12.80% | 3.46% | 16.26% | 0 | 169,137 |
| Northwest Tampa | | | | | | | | | | |
| Class Breakdown | Total RSF | Direct Vacant SF | Sublet Vacant SF | Asking Rate | % Occupied | % Direct Vacant | % Sublet Vacancy | % Total Vacancy | Under Construction | Net Absorption |
| Class A | 1,367,804 | 21,566 | 13,624 | \$24.74 | 98.42% | 1.58% | 1.00% | 2.57% | 115,000 | 49,814 |
| Class B | 2,934,774 | 358,933 | 94,095 | \$23.00 | 87.77% | 12.23% | 3.21% | 15.44% | 0 | (31,689) |
| Total | 4,302,578 | 380,499 | 107,719 | \$23.10 | 91.16% | 8.84% | 2.50% | 11.35% | 115,000 | 18,125 |
| South Tampa | | | | | | | | | | |
| Class Breakdown | Total RSF | Direct Vacant SF | Sublet Vacant SF | Asking Rate | % Occupied | % Direct Vacant | % Sublet Vacancy | % Total Vacancy | Under Construction | Net Absorption |
| Class A | 48,050 | 0 | 0 | \$0.00 | 100.00% | 0.00% | 0.00% | 0.00% | 0 | 0 |
| Class B | 279,023 | 21,127 | 0 | \$27.40 | 92.43% | 7.57% | 0.00% | 7.57% | 0 | (4,513) |
| Total | 327,073 | 21,127 | 0 | \$27.40 | 93.54% | 6.46% | 0.00% | 6.46% | 0 | (4,513) |
| Tampa CBD | | | | | | | | | | |
| Class Breakdown | Total RSF | Direct Vacant SF | Sublet Vacant SF | Asking Rate | % Occupied | % Direct Vacant | % Sublet Vacancy | % Total Vacancy | Under Construction | Net Absorption |
| Class A | 5,306,173 | 347,327 | 49,292 | \$32.81 | 93.45% | 6.55% | 0.93% | 7.47% | 405,000 | 3,370 |
| Class B | 1,064,056 | 34,138 | 23,954 | \$25.34 | 96.79% | 3.21% | 2.25% | 5.46% | 0 | (6,249) |
| Total | 6,370,229 | 381,465 | 73,246 | \$32.15 | 94.01% | 5.99% | 1.15% | 7.14% | 405,000 | (2,879) |
| Westshore | | | | | | | | | | |
| Class Breakdown | Total RSF | Direct Vacant SF | Sublet Vacant SF | Asking Rate | % Occupied | % Direct Vacant | % Sublet Vacancy | % Total Vacancy | Under Construction | Net Absorption |
| Class A | 7,772,003 | 438,186 | 106,329 | \$36.41 | 94.36% | 5.64% | 1.37% | 7.01% | 791,845 | 7,393 |
| Class B | 4,673,893 | 520,558 | 73,509 | \$27.36 | 88.86% | 11.14% | 1.57% | 12.71% | 0 | 81,378 |
| Total | 12,445,896 | 958,744 | 179,838 | \$31.50 | 92.30% | 7.70% | 1.44% | 9.15% | 791,845 | 88,771 |
| PINELLAS COUNTY | | | | | | | | | | |
| Bayside | | | | | | | | | | |
| Class Breakdown | Total RSF | Direct Vacant SF | Sublet Vacant SF | Asking Rate | % Occupied | % Direct Vacant | % Sublet Vacancy | % Total Vacancy | Under Construction | Net Absorption |
| Class A | 785,760 | 75,234 | 2,502 | \$24.60 | 90.43% | 9.57% | 0.32% | 9.89% | 0 | (15,755) |
| Class B | 979,079 | 230,827 | 0 | \$21.34 | 76.42% | 23.58% | 0.00% | 23.58% | 0 | (11,184) |
| Total | 1,764,839 | 306,061 | 2,502 | \$22.14 | 82.66% | 17.34% | 0.14% | 17.48% | 0 | (26,939) |
| Gateway | | | | | | | | | | |
| Class Breakdown | Total RSF | Direct Vacant SF | Sublet Vacant SF | Asking Rate | % Occupied | % Direct Vacant | % Sublet Vacancy | % Total Vacancy | Under Construction | Net Absorption |
| Class A | 1,726,806 | 97,474 | 39,134 | \$26.49 | 94.36% | 5.64% | 2.27% | 7.91% | 0 | (7,075) |
| Class B | 1,822,154 | 313,060 | 0 | \$20.26 | 82.82% | 17.18% | 0.00% | 17.18% | 0 | (34,865) |
| Total | 3,548,960 | 410,534 | 39,134 | \$21.74 | 88.43% | 11.57% | 1.10% | 12.67% | 0 | (41,940) |
| Mid Pinellas | | | | | | | | | | |
| Class Breakdown | Total RSF | Direct Vacant SF | Sublet Vacant SF | Asking Rate | % Occupied | % Direct Vacant | % Sublet Vacancy | % Total Vacancy | Under Construction | Net Absorption |
| Class A | 94,470 | 13,380 | 0 | \$24.00 | 85.84% | 14.16% | 0.00% | 14.16% | 0 | 0 |
| Class B | 849,223 | 137,561 | 0 | \$16.46 | 83.80% | 16.20% | 0.00% | 16.20% | 0 | 32,983 |
| Total | 943,693 | 150,941 | 0 | \$17.12 | 84.01% | 15.99% | 0.00% | 15.99% | 0 | 32,983 |
| North Pinellas | | | | | | | | | | |
| Class Breakdown | Total RSF | Direct Vacant SF | Sublet Vacant SF | Asking Rate | % Occupied | % Direct Vacant | % Sublet Vacancy | % Total Vacancy | Under Construction | Net Absorption |
| Class A | 970,075 | 80,320 | 8,991 | \$21.10 | 91.72% | 8.28% | 0.93% | 9.21% | 0 | (793) |
| Class B | 925,717 | 102,034 | 900 | \$20.76 | 88.98% | 11.02% | 0.10% | 11.12% | 0 | (54,848) |
| Total | 1,895,792 | 182,354 | 9,891 | \$20.91 | 90.38% | 9.62% | 0.52% | 10.14% | 0 | (55,641) |
| South Pinellas | | | | | | | | | | |
| Class Breakdown | Total RSF | Direct Vacant SF | Sublet Vacant SF | Asking Rate | % Occupied | % Direct Vacant | % Sublet Vacancy | % Total Vacancy | Under Construction | Net Absorption |
| Class A | 0 | 0 | 0 | \$0.00 | 0.00% | 0.00% | 0.00% | 0.00% | 0 | 0 |
| Class B | 648,792 | 80,792 | 0 | \$18.67 | 87.55% | 12.45% | 0.00% | 12.45% | 0 | (23,323) |
| Total | 648,792 | 80,792 | 0 | \$18.67 | 87.55% | 12.45% | 0.00% | 12.45% | 0 | (23,323) |
| St Petersburg CBD | | | | | | | | | | |
| Class Breakdown | Total RSF | Direct Vacant SF | Sublet Vacant SF | Asking Rate | % Occupied | % Direct Vacant | % Sublet Vacancy | % Total Vacancy | Under Construction | Net Absorption |
| Class A | 1,550,315 | 67,532 | 3,166 | \$32.25 | 95.64% | 4.36% | 0.20% | 4.56% | 0 | 14,433 |
| Class B | 574,275 | 22,837 | 0 | \$24.24 | 96.02% | 3.98% | 0.00% | 3.98% | 0 | (5,385) |
| Total | 2,124,590 | 90,369 | 3,166 | \$30.22 | 95.75% | 4.25% | 0.15% | 4.40% | 0 | 9,048 |
| CBD | | | | | | | | | | |
| Class Breakdown | Total RSF | Direct Vacant SF | Sublet Vacant SF | Asking Rate | % Occupied | % Vacant | % Sublet Vacancy | % Total Vacancy | Under Construction | Net Absorption |
| Class A | 6,856,488 | 414,859 | 52,458 | \$32.72 | 93.95% | 6.05% | 0.77% | 6.82% | 405,000 | 17,803 |
| Class B | 1,638,331 | 56,975 | 23,954 | \$24.90 | 96.52% | 3.48% | 1.46% | 4.94% | 0 | (11,634) |
| Total | 8,494,819 | 471,834 | 76,412 | \$31.78 | 94.45% | 5.55% | 0.90% | 6.45% | 405,000 | 6,169 |
| Non-CBD / Suburban | | | | | | | | | | |
| Class Breakdown | Total RSF | Direct Vacant SF | Sublet Vacant SF | Asking Rate | % Occupied | % Vacant | % Sublet Vacancy | % Total Vacancy | Under Construction | Net Absorption |
| Class A | 15,509,169 | 1,053,538 | 192,017 | \$29.94 | 93.21% | 6.79% | 1.24% | 8.03% | 906,845 | 124,178 |
| Class B | 17,105,363 | 2,299,918 | 380,147 | \$22.44 | 86.55% | 13.45% | 2.22% | 15.67% | 0 | 32,482 |
| Total | 32,614,532 | 3,353,456 | 572,164 | \$24.80 | 89.72% | 10.28% | 1.75% | 12.04% | 906,845 | 156,660 |

Reporting Methodology: This report includes all office buildings and parks 20,000 SF and greater in the Tampa Bay MSA that are not government owned. All rents are reported on a full-service gross basis and are direct weighted averages calculated on total available space. The information in this report has been collected by the Avison Young research team via sources that are deemed reliable but not guaranteed.

Leading Indicators (Y-O-Y 1Q-2019 to 1Q-2020)

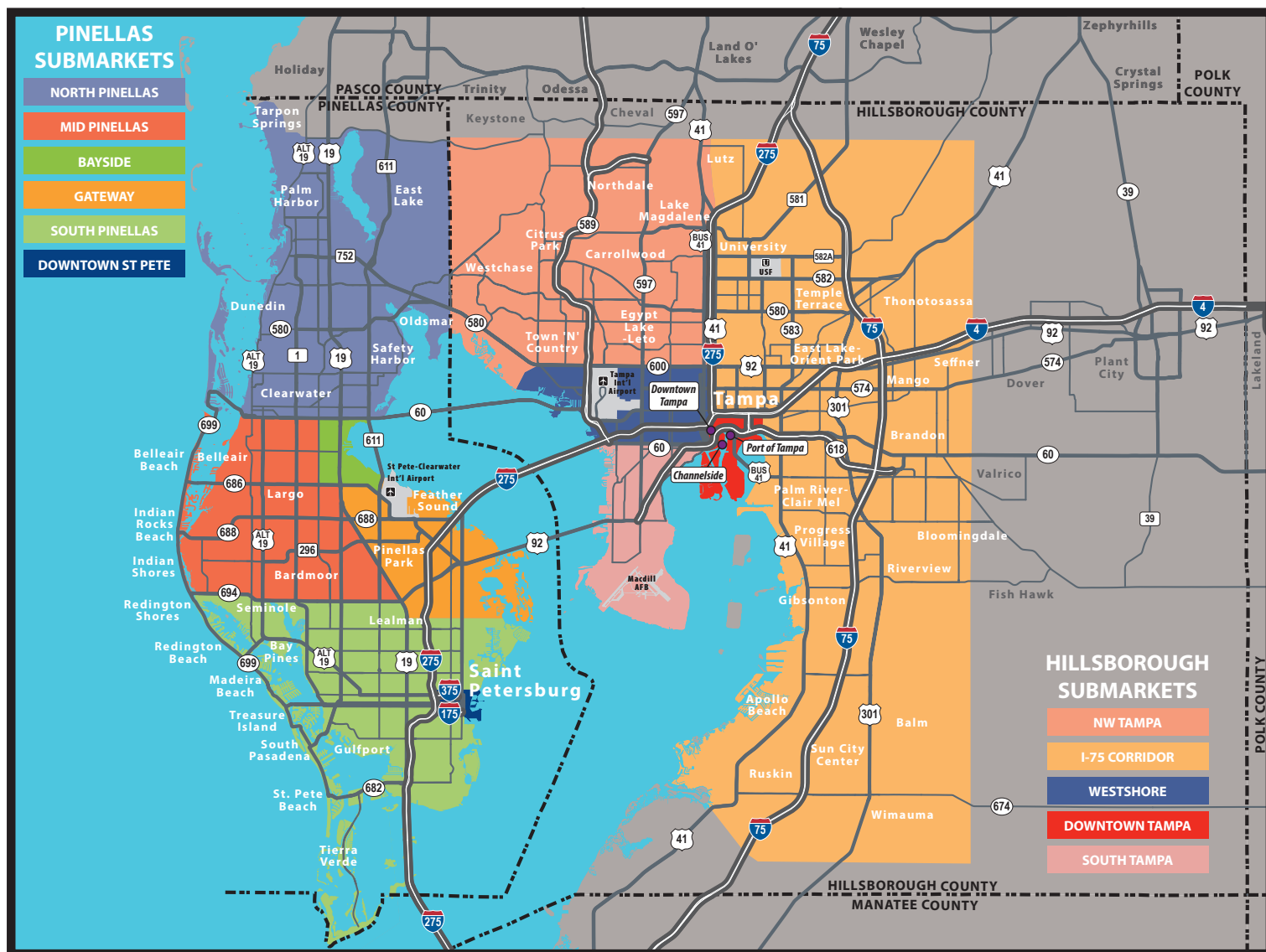


Significant First Quarter 2020 Lease Transactions - Sorted by SF

| Tenant | Property | Type | SF | Submarket |
|--|-----------------------------|-------------------|--------|-----------------|
| PennyMac | WestLake Corp Center II | Renewal/Expansion | 59,109 | Northwest Tampa |
| Zelis Healthcare | 570 Carillon Pky | New | 55,000 | Gateway |
| Travelers Insurance | Tampa Commons | Renewal | 53,386 | Westshore |
| Florida Blue | Airport Executive Center | New | 49,509 | Westshore |
| Herzing Nursing School | Corporate Center I | New | 33,937 | Westshore |
| Amgen | Corporate Center I | Sublease | 33,101 | Westshore |
| Aspen University | Tampa Oaks I | New | 29,562 | I-75 Corridor |
| Datis | Wells Fargo Center | New | 19,618 | Tampa CBD |
| Gunster | Suntrust Financial Center | Renewal/Expansion | 19,476 | Tampa CBD |
| Ashley Furniture | Interstate Corporate Center | New | 17,384 | I-75 Corridor |
| Florida Reliability Coordinating Council | Orion Center | New | 14,501 | Westshore |
| Charles Schwab | Tampa Oaks I | New | 13,803 | I-75 Corridor |

Significant First Quarter 2020 Sales Transactions - Sorted by Sale Price

| Property | SF | Sale Price | Price/SF | Cap Rate | Buyer | Submarket |
|---------------------------------|--------|--------------|----------|----------|----------------------------------|-------------------|
| Coastal Palms | 83,966 | \$12,600,000 | \$150 | NA | Melrose Coastal Holdings, LLC | North Pinellas |
| Northside Square | 87,033 | \$9,150,000 | \$105 | NA | Melrose Clearwater Holdings, LLC | North Pinellas |
| 333 3rd Ave N | 58,778 | \$6,900,000 | \$117 | NA | Novel Coworking | St Petersburg CBD |
| 4115 W Spruce St | 31,000 | \$5,250,000 | \$169 | NA | Paradise Ventures | Westshore |
| 3707 W Cherry St | 21,781 | \$3,200,000 | \$147 | 11.93% | Cherry Street Real Estate LLC | Westshore |
| Waters Edge Professional Center | 25,455 | \$3,200,000 | \$126 | NA | Elly Nesis Company, Inc. | Northwest Tampa |



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