



# Tampa industrial market report

Q1 2022

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# Industrial market trends

## 01

### Leasing activity spikes

During the first quarter of 2022, Tampa experienced a record high of 4.2 million square feet (msf) leased, which is a 48% increase year-over-year. The number of deals signed throughout the quarter decreased by 16%, which indicates larger leases are being secured as companies adjust to supply chain delays and require additional space to store inventory. The quarter's largest lease was 791 County Line Road in Plant City with Lowe's to occupy 1.2 msf in a newly developed distribution center that is expected to finish construction in the first quarter of 2023.

## 02

### Development is booming

Over 600,000 square feet (sf) of industrial space was delivered in the first quarter of the year with the completion of Peak Logistics Center (298,967 sf). Meanwhile, 6.4 msf remains under construction in Tampa, in which almost 60% is concentrated in the Plant City/East Hillsborough submarket. Industrial developers continue to target Tampa due to its strong population growth, robust labor force, proximity to neighboring markets, and abundance of available land. To satisfy the growing demand, 8.6 msf of proposed industrial space is expected to break ground in the next three years.

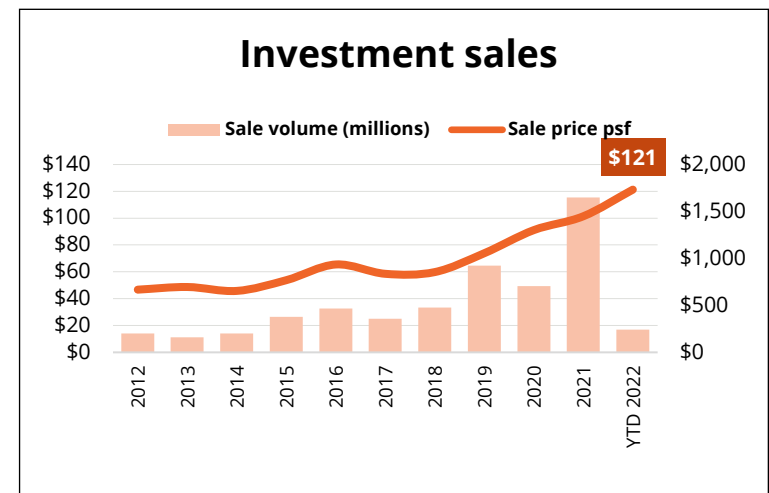
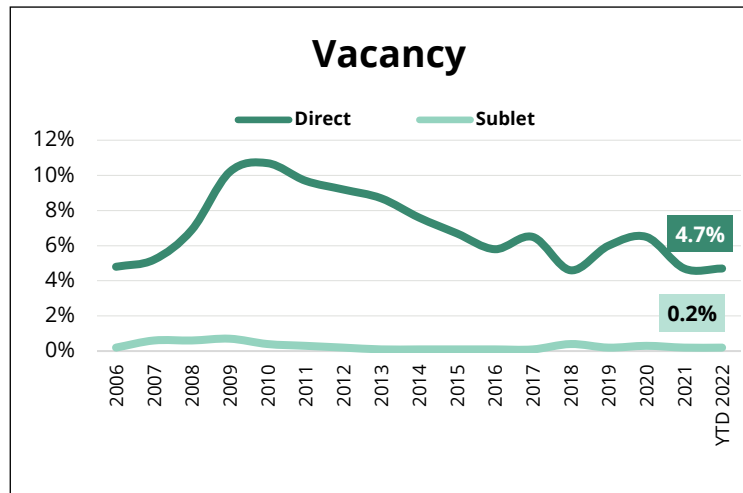
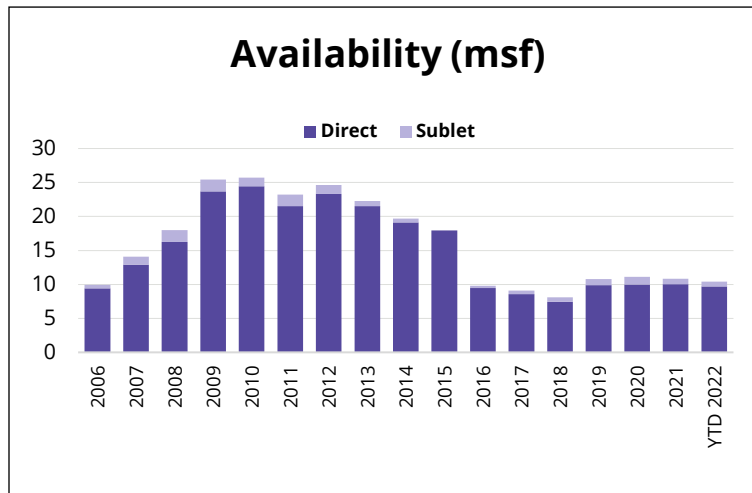
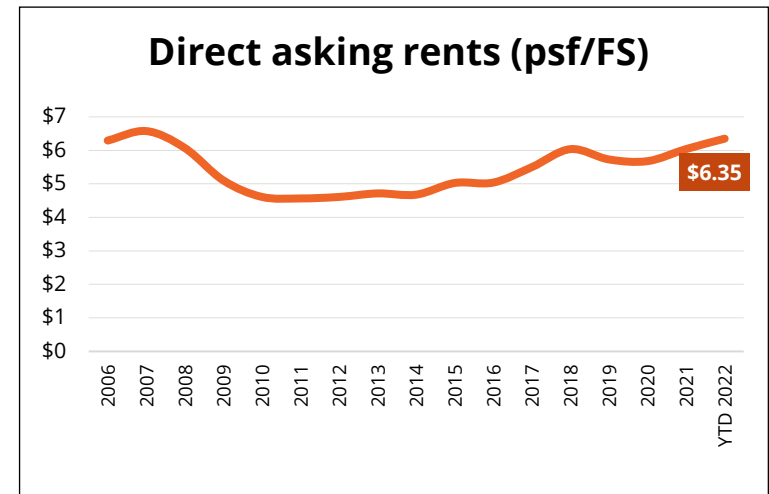
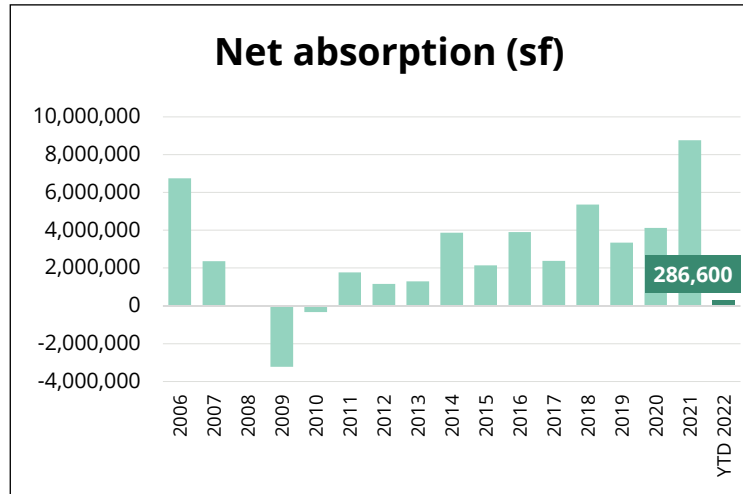
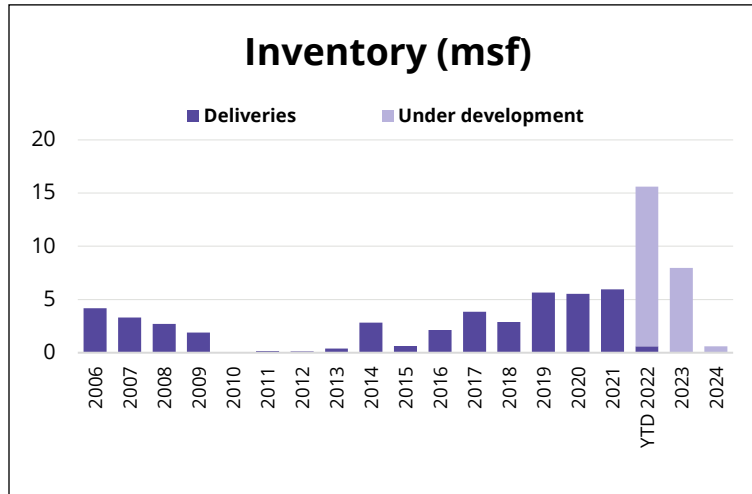
## 03

### Rates keep climbing

Asking rents have increased 13% year-over-year and have mostly trended upward over the last decade. Robust leasing and development activity, specifically in the Plant City and Lakeland submarkets, has paved the road for landlords to keep upward pressure on rents while market fundamentals remain solid.



# Industrial market indicators



# Industrial market activity

## Recent leasing activity

| Tenant name           | Address                     | Sign date  | Size      | Transaction type | Lease type | Submarket                    |
|-----------------------|-----------------------------|------------|-----------|------------------|------------|------------------------------|
| Lowe's                | 791 County Line Road        | Feb. 2022  | 1,204,632 | New              | Direct     | Plant City/East Hillsborough |
| Leggett & Platt       | 3775 Fancy Farms Road       | March 2022 | 330,176   | New              | Direct     | Plant City/East Hillsborough |
| Ta Chen International | 6200 State 33 Road          | March 2022 | 292,143   | New              | Direct     | Lakeland/Polk County         |
| Star Distribution     | 7105-7125 New Tampa Highway | Jan. 2022  | 190,207   | New              | Direct     | Lakeland/Polk County         |
| Frinsa                | 900 North Chestnut Road     | Feb. 2022  | 178,702   | New              | Direct     | Lakeland/Polk County         |

## Recent sales activity

| Buyer                            | Address  | Sale date  | Building Size | Sale price   | Sale price psf | Seller                   |
|----------------------------------|--|------------|---------------|--------------|----------------|--------------------------|
| Nuveen                           | Gateway Lakes Industrial Park, Pioneer Park & Liberty Crenshaw Portfolio | Jan. 2022  | 535,326       | \$77,620,000 | \$145          | Prologis                 |
| AGS Properties Corp              | 13010 Bay Industrial Drive   | March 2022 | 112,000       | \$55,627,362 | \$497          | Duke Realty              |
| EQT Exeter                       | 5210 & 5316 South 16 <sup>th</sup> Avenue                                | Feb. 2022  | 368,470       | \$39,262,500 | \$107          | RealOp Investments       |
| High Street Logistics Properties | 900 & 902 North Chestnut Road  | Feb. 2022  | 299,241       | \$25,920,500 | \$87           | Native Development Group |
| Woodhill Real Estate             | Skyway Business Center Portfolio   | Feb. 2022  | 232,555       | \$12,500,000 | \$54           | Kennedy Investments      |

## Significant Construction Activity

| Property                             | Address                             | Delivery Date | Building Size | % Preleased | Developer                          | Submarket                    |
|--------------------------------------|-------------------------------------|---------------|---------------|-------------|------------------------------------|------------------------------|
| County Line Farms – Building 200     | 791 County Line Road                | March 2023    | 1,204,632     | 100         | Blue Steel Development             | Plant City/East Hillsborough |
| City Furniture Distribution Center   | South Frontage Road & Son Keen Road | July 2022     | 1,058,950     | 100         | ARCO/Murray Construction           | Plant City/East Hillsborough |
| Southern Oaks Business Park – Bldg 1 | 450 Charlie Taylor Road             | April 2022    | 727,610       | 0           | Sudler Real Estate                 | Plant City/East Hillsborough |
| I-4 Midway Logistics                 | 2451 County Line Road               | Sept. 2022    | 330,460       | 0           | Butters Construction & Development | Plant City/East Hillsborough |

# Industrial market stats by submarket

| By Submarket                   | Inventory (sf)     | Total %     | Vacancy     |             | Net Absorption |                | SF Under         | Average Asking Rent |               |                |
|--------------------------------|--------------------|-------------|-------------|-------------|----------------|----------------|------------------|---------------------|---------------|----------------|
|                                |                    |             | W / D       | Flex        | 1Q22           | YTD            | Construction     | Total               | W / D         | Flex           |
| Airport / Westshore            | 14,498,765         | 1.7%        | 1.7%        | 1.4%        | 70,244         | 70,244         | 875,254          | \$11.92             | \$14.28       | \$8.36         |
| Downtown Tampa                 | 7,641,957          | 2.9%        | 2.9%        | 2.0%        | 51,860         | 51,860         | 398,280          | \$4.27              | \$4.27        | -              |
| East Side                      | 48,788,550         | 4.3%        | 4.4%        | 3.4%        | -212,653       | -212,653       | 543,099          | \$6.58              | \$6.24        | \$12.44        |
| Lakeland / Polk County         | 42,025,492         | 8.4%        | 8.4%        | 5.9%        | 94,462         | 94,462         | 505,343          | \$5.45              | \$5.39        | \$9.12         |
| Mid-Pinellas / Gateway         | 32,688,295         | 2.3%        | 2.0%        | 4.5%        | 305,517        | 305,517        | 180,000          | \$8.30              | \$6.66        | \$11.32        |
| North Hillsborough             | 1,568,819          | 3.7%        | 0.0%        | 7.3%        | 2,400          | 2,400          | -                | \$12.71             | \$12.44       | \$12.88        |
| North Pinellas                 | 4,058,215          | 1.6%        | 1.1%        | 3.3%        | 40,500         | 40,500         | 150,000          | \$8.87              | \$12.12       | \$6.82         |
| Plant City / East Hillsborough | 18,353,713         | 9.1%        | 9.1%        | 1.8%        | -72,486        | -72,486        | 3,761,717        | \$5.48              | \$5.48        | -              |
| South Pinellas                 | 7,306,771          | 4.6%        | 4.8%        | 0.0%        | 25,256         | 25,256         | 40,000           | \$9.08              | \$9.08        | -              |
| South Tampa                    | 2,533,284          | 0.7%        | 0.8%        | 0.0%        | -18,500        | -18,500        | -                | \$6.54              | \$6.54        | -              |
| <b>Market Total</b>            | <b>179,463,861</b> | <b>5.0%</b> | <b>5.1%</b> | <b>3.5%</b> | <b>286,600</b> | <b>286,600</b> | <b>6,453,693</b> | <b>\$6.35</b>       | <b>\$5.98</b> | <b>\$10.87</b> |

# Industrial market stats by product type

| By Product Type          | Inventory (sf)     | Vacancy     | 1Q Absorption  | YTD Absorption | SF Under Construction | Available Sublease |
|--------------------------|--------------------|-------------|----------------|----------------|-----------------------|--------------------|
| Warehouse / Distribution | 164,385,922        | 5.1%        | 131,072        | 131,072        | 6,404,426             | 579,909            |
| Flex                     | 15,077,939         | 3.5%        | 155,528        | 155,528        | 49,267                | 102,169            |
| <b>Market Total</b>      | <b>179,463,861</b> | <b>5.0%</b> | <b>286,600</b> | <b>286,600</b> | <b>6,453,693</b>      | <b>682,078</b>     |

For more market insights  
and information visit  
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