



Tampa office market report

Q2 2022

**AVISON
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Office market trends

01

New Class A office inventory on the horizon in Westshore

Demand for office space has been largely concentrated on class A properties as companies continue to search for highly amenitized buildings that offer close proximity to retail in an effort to lure employees back to the office. Two Class A office buildings are slated to break ground this fall in Westshore totaling just under 700,000 sf. The Heights, a 280,000-sf, 15-story office building, will break ground in the third quarter and will deliver in 2024. Additionally, Midtown East, which is a 416,000-sf 16-story office building, is expected to break ground before the end of the year.

02

New-to-market tenancy bolsters confidence in Tampa's economy

It's no secret that Tampa is attracting top talent and companies of diverse industries from all over the world. Year-to-date, approximately 15 companies have announced plans to relocate their businesses to the Tampa area from places such as Canada, Washington, Arizona, Indiana, New York and Illinois. Hillsborough County's population is expected to grow 8.3% by 2026, which is faster expected growth than the state of Florida and the U.S. Some of the recent company transplants include CoinFlip, Sports Illustrated Resorts, AFC Logistics and Avanade, which will create hundreds of jobs for the Tampa Bay area.

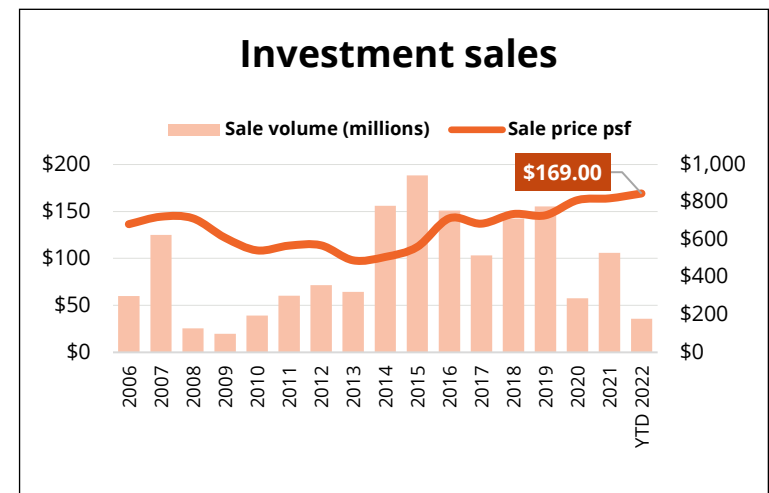
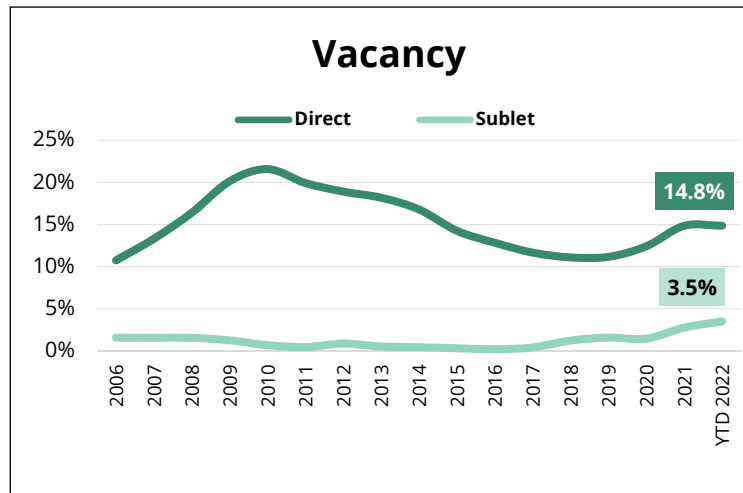
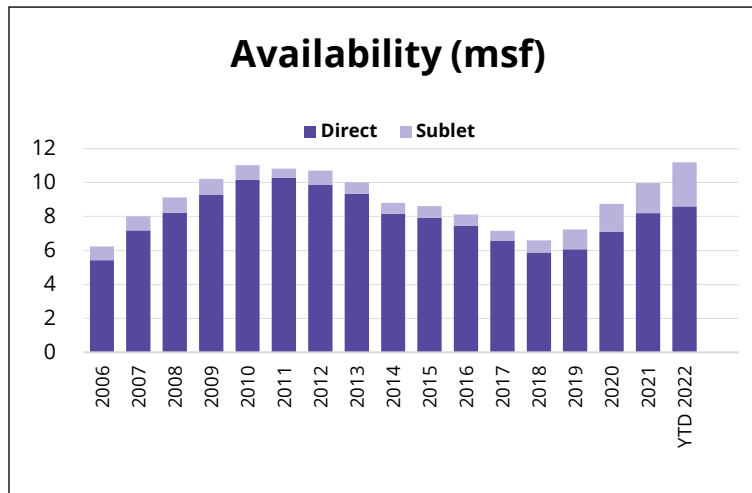
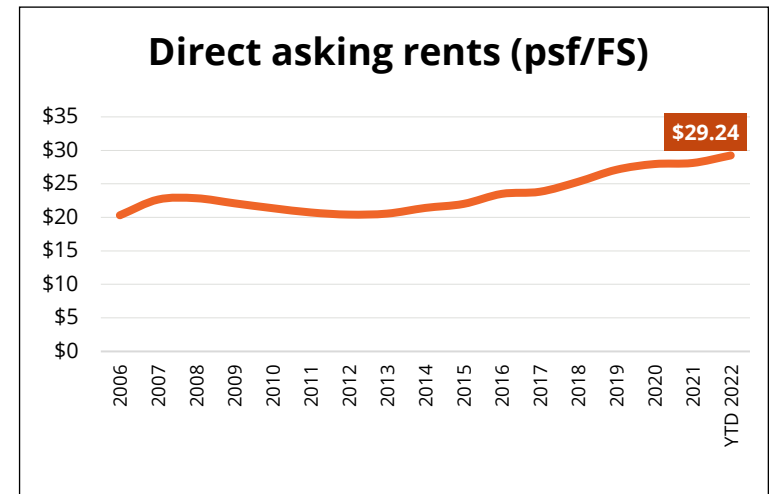
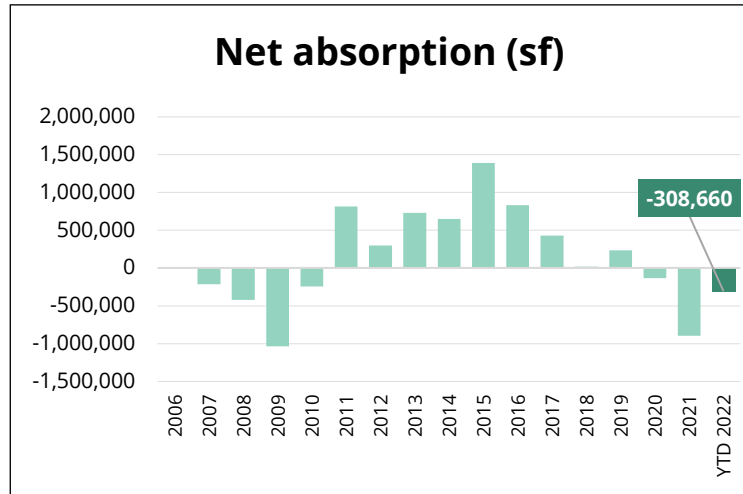
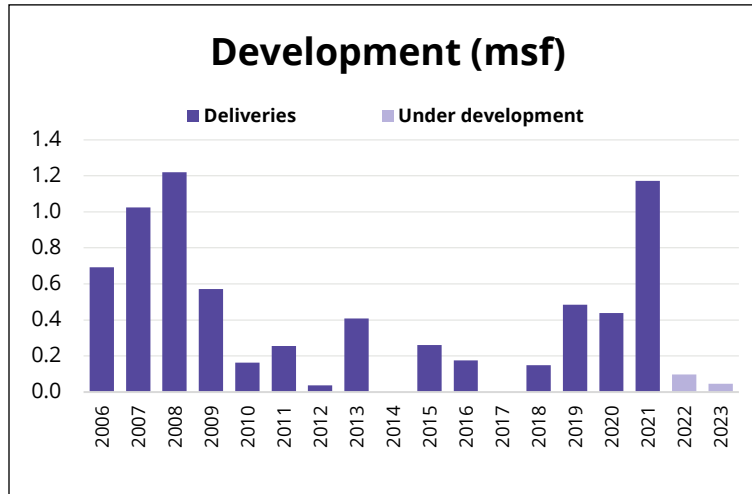
03

Workplace realignments are fueling sublease availability

Sublease availability is still growing as firms realign their real estate strategies. Current sublease availabilities increased by 40 basis points from the first quarter and 130 basis points year-over-year with about 2.6 msf of available sublease space. The largest sublease to hit the market in the second quarter was Ford Motor Credit Union after it vacated its 120,000-sf building in the I-75 Corridor submarket. PwC at MetWest Three and AAA at 8733 Henderson Road combined added roughly 155,000 sf of available sublease space in the second quarter.



Office market indicators



Office market activity

Recent leasing activity

Tenant name	Address	Sign date	Size (sf)	Transaction type	Lease type	Submarket
New York Life	8641 Henderson Road	June 2022	119,341	New	Direct	Northwest Tampa
Delta Airlines	5201 Kennedy Boulevard	April 2022	60,815	Renewal/Expansion	Direct	Westshore
Rapid7	615 Channelside Drive	April 2022	42,753	New	Direct	Tampa CBD
Cole, Scott & Kissane	500 North West Shore Boulevard	April 2022	42,500	New	Direct	Westshore
Gray Robinson	101 East Kennedy Boulevard	June 2022	32,313	New	Direct	Tampa CBD
Labcorp	5201 West Kennedy Boulevard	June 2022	24,317	Renewal	Direct	Westshore

Recent sales activity

Buyer	Address	Sale date	Building Size (sf)	Sale price	Sale price psf	Seller
Easterly Gov Properties	5525 West Gray Street	May 2022	138,000	\$70,350,000	\$510	Highwoods Properties
Taurus	9700 17 th Street	June 2022	230,542	\$49,392,289	\$214	Summit Realty Ventures
Gain Management	6550 West Hillsborough Avenue	May 2022	161,455	\$27,300,000	\$169	GTE Wireless
Sason Organization	4904 Eisenhower Boulevard	May 2022	96,491	\$14,225,000	\$147	TPG Real Estate
Woodfield Development	5415 Mariner Street & 5420 Bay Center Drive	May 2022	55,076	\$8,000,000	\$145	K&P Partners

Top projects under development

Property	Address	Delivery Date	Building Size (sf)	% Preleased	Developer	Submarket
10050 North Florida Avenue	10050 North Florida Avenue	Sept. 2022	75,000	33.3%	Xenia	Northwest Tampa
ARK Innovation	1101 4 th Street South	July 2023	45,000	100%	Bandes Construction	South Pinellas
1104 North Howard	1104 North Howard	July 2022	21,900	66.6%	ABC Capital Corporation	Westshore

Office market stats by submarket

By Submarket	Inventory (sf)	Total %	Vacancy		Net Absorption		SF Under	Average Asking Rent		
			Class A	Class B	2Q22	YTD	Construction	Total	Class A	Class B
St Petersburg CBD	2,445,375	5.4%	5.3%	5.7%	-3,310	-477	-	\$31.06	\$31.51	\$27.62
Tampa CBD	7,169,148	16.6%	16.5%	17.1%	-7,917	53,054	-	\$39.72	\$40.77	\$26.84
Urban Subtotal	9,614,523	13.8%	13.9%	13.3%	-11,227	52,577	-	\$37.46	\$38.43	\$27.11

By Submarket	Inventory (sf)	Total %	Class A	Class B	2Q22	YTD	Construction	Total	Class A	Class B
Bayside	2,005,324	18.2%	19.5%	16.8%	25,764	42,248	-	\$24.05	\$24.80	\$22.94
Gateway	4,061,013	21.7%	19.2%	24.3%	13,431	-115,917	-	\$24.92	\$25.12	\$24.48
I-75 Corridor	8,554,276	21.0%	28.2%	15.0%	-162,490	-146,720	-	\$24.77	\$27.21	\$22.59
Mid-Pinellas	638,487	16.4%	31.7%	13.8%	8,470	9,606	-	\$21.21	\$26.00	\$19.22
North Pinellas	2,283,205	16.0%	11.7%	20.3%	-25,008	-48,144	-	\$22.55	\$22.60	\$22.82
Northwest Tampa	4,402,350	18.8%	17.4%	19.6%	-5,710	-49,153	75,000	\$27.27	\$32.51	\$22.70
South Pinellas	750,884	15.9%	12.2%	16.4%	3,424	21,956	45,000	\$18.50	\$27.00	\$17.77
South Tampa	467,219	2.0%	0.0%	2.4%	7,810	22,911	-	\$22.65	-	\$22.65
Westshore	14,008,195	20.1%	20.0%	20.3%	119,783	-98,024	21,900	\$33.67	\$37.02	\$27.99
Suburban Subtotal	37,170,953	19.6%	20.8%	18.4%	-14,526	-361,237	141,900	\$27.59	\$30.61	\$24.04
Market Total	46,785,476	18.4%	18.8%	17.3%	-25,753	-308,660	141,900	\$29.24	\$32.52	\$24.15

Office market stats by class

By Class	Inventory (sf)	Vacancy	2Q Absorption	YTD Absorption	Construction	Available Sublease
Class A	26,501,227	18.8%	29,812	-68,643	141,900	1,962,337
Class B	20,284,249	17.3%	-55,565	-240,017	-	635,148
Market Total	46,785,476	18.4%	-25,753	-308,660	141,900	2,597,485

For more market insights
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