

	YoY Chg	12-Mo. Forecast
4.3% Vacancy Rate	▼	▼
1.1M YTD Absorption, SF	▲	▲
\$8.23 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

ECONOMY

The Tampa Bay region, which includes Hillsborough and Pinellas counties, had an unemployment rate of 2.3% in May 2022. This was 210 basis points (bps) lower than the region's rate from one year ago. Nonagricultural employment was 1.5 million, an increase of 68,700 jobs, or 5.0%, year-over-year (YOY). Industrial-using employment sectors gained jobs including Trade, Transportation & Utilities at 15,000 jobs, Construction with 2,000 jobs, and Manufacturing with 2,800 jobs added.

SUPPLY

Overall vacancy in the Tampa Bay industrial market remained tight at 4.3%, down 160 bps over the past twelve months. The vacancy rate was the same from the previous quarter, as user demand continued to outpace supply. Hillsborough and Pinellas counties both saw YOY declines in available space, down 80 bps and 340 bps respectively. Warehouse/distribution vacancy was the lowest since 2018 but could see a slight increase as new speculative construction delivers through the year. Office services/flex space continued to see increased demand, with vacancy falling 300 bps to 4.8%, 470 bps lower than the five-year average. Nearly 349,000 square feet (sf) of new inventory delivered during the second quarter, with another 5.4 million square feet (msf) under construction.

DEMAND

Through the first half of the year leasing activity saw a minor decrease from the same period in 2021, down 1%, due to the limited amount of supply available. This was extremely noticeable in Pinellas County where YOY leasing activity was down 51%, in part to vacancy reaching the lowest levels in the past fifteen years and limited land options for new development. User demand for warehouse/distribution space remained strong, accounting for 78% of new deals signed year-to-date (YTD). The Eastside submarket had the most activity during the second quarter, as multiple large users including FedEx, CIRCOR, and Ball signed new leases. Overall absorption eclipsed 1.1 msf and should continue to increase as tenants move into space through the year.

MARKET PRICING

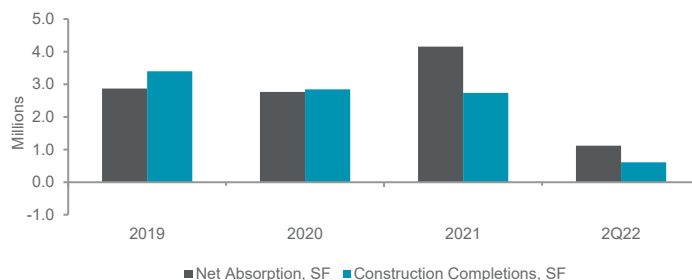
Inadequate supply and robust demand allowed landlords to raise rents to historic highs, with Tampa Bay industrial rents increasing 4% from the previous quarter and 20% YOY. Both Hillsborough and Pinellas counties saw significant YOY rental rate increases, 18% and 28% respectively. Warehouse/distribution rents were up 24% YOY to \$7.03 psf, with the Westside and North Pinellas submarkets averaging nearly \$10 psf. Manufacturing rents saw the largest YOY increase, up 69%, as only 1.4% of the total market supply was available. Rents should continue to reach record highs as new construction delivers through the year, adding premium asking rates to the market.

ECONOMIC INDICATORS Q2 2022

	YoY Chg	12-Mo. Forecast
1.5M Tampa Bay MSA Employment	▲	▲
2.3% Tampa Bay MSA Unemployment Rate	▼	▼
3.6% U.S. Unemployment Rate	▼	▼

Source: BLS, Numbers above are monthly figures, FL Dept. Economic OPP

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q2 2022

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Eastside	50,253,079	2,148,107	4.3%	286,387	1,698,530	1,054,203	321,832	N/A	\$13.16	\$6.88
Westside	13,070,338	525,243	4.0%	47,743	377,560	542,254	0	N/A	\$12.17	\$9.92
South Tampa	819,449	0	0.0%	0	0	0	0	N/A	N/A	N/A
Plant City	13,343,893	1,051,932	7.9%	513,431	1,683,157	3,603,397	189,000	N/A	N/A	\$5.58
Hillsborough Totals	77,486,759	3,725,282	4.8%	847,561	3,759,247	5,199,854	510,832	N/A	\$12.90	\$6.97
Gateway/Mid-Pinellas	24,776,279	668,755	2.7%	227,483	337,141	258,068	100,000	\$9.29	\$13.31	\$7.33
North Pinellas	5,097,156	73,220	1.4%	-35,895	142,060	130,000	0	\$12.56	\$10.88	\$9.95
South Pinellas	5,590,673	360,298	6.4%	81,091	116,421	0	0	\$8.95	\$10.91	\$6.75
Pinellas Totals	35,464,108	1,102,273	3.1%	272,679	595,622	388,068	100,000	\$9.10	\$12.98	\$7.42
Tampa Bay Totals	112,950,867	4,827,555	4.3%	1,120,240	4,354,869	5,587,922	610,832	\$9.10	\$12.94	\$7.03

*Rental rates reflect weighted net asking \$psf/year

MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
6708 Harney Road	Eastside	FedEx	308,237	New
8221 Eagle Palm Drive	Eastside	Fanatics	222,000	Renewal
12501 Telecom Drive	Eastside	CIRCOR Energy Tampa	150,500	New
5802 North 54th Street	Eastside	Ball	100,000	New
3501-3661 Fancy Farms Rd	Plant City	Builder's Hardware	99,549	New
5803 N 54th St	Eastside	Ball	56,000	New

*Renewals are not included in leasing activity

KEY SALE TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
7075 US Highway 41	Eastside	Seeried Properties PNC Realty Investors	402,156	\$103.1M \$256
12501 Telecom Drive	Eastside	CIRCOR International, Inc Equitable Real Estate Partners	150,500	\$20.5M \$136

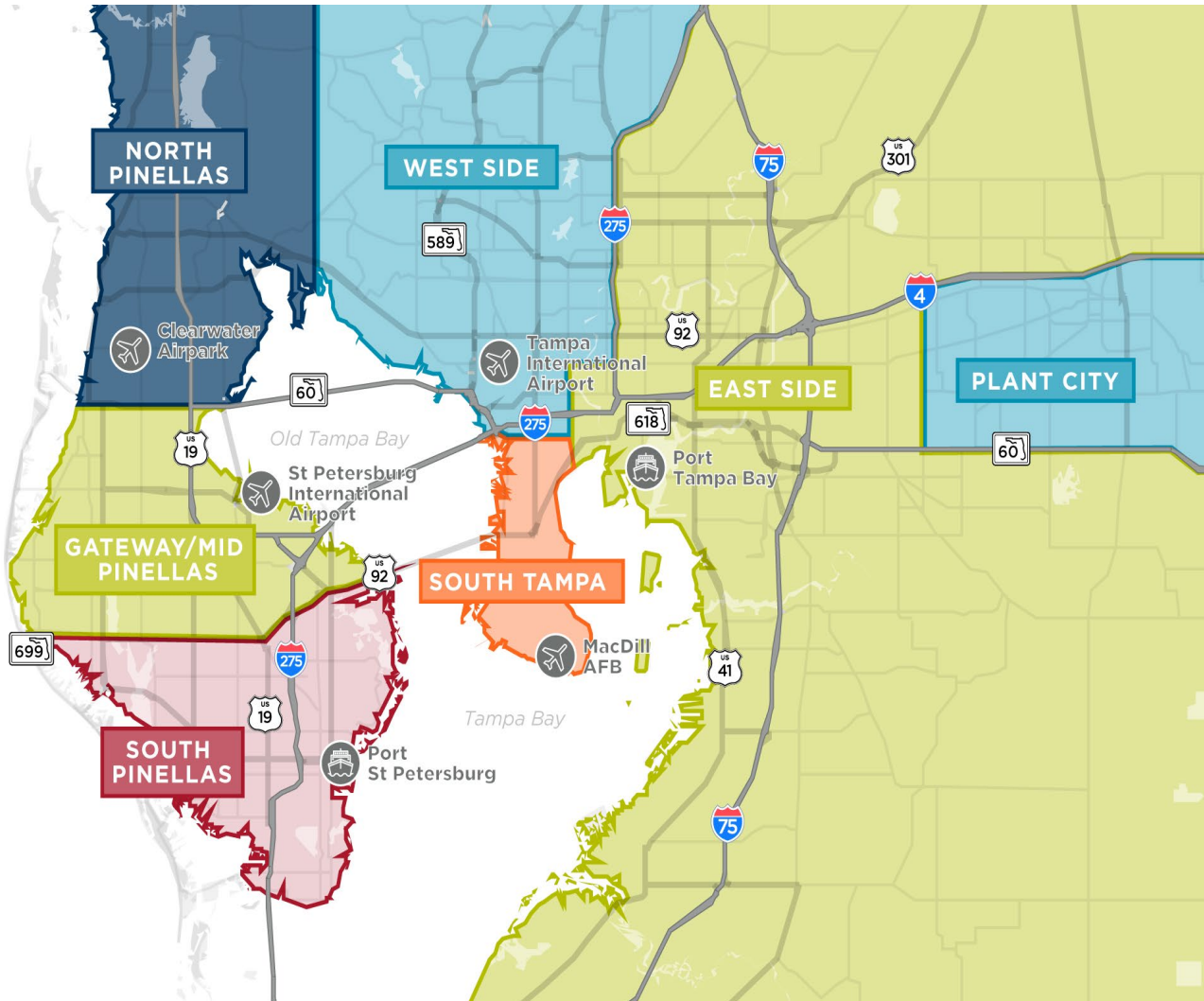
KEY CONSTRUCTION COMPLETIONS YTD 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
3002 Coronet Road	Plant City	Vacant	189,000	Ascentris, LLC Ascentris - Foundry Commercial
13010 Bay Industrial Dr.	Eastside	Amazon	112,000	AGS N/A
4405 Eagle Falls Place	Eastside	Atosa Catering	110,752	Becknell Industrial N/A
3201 Gateway Centre Pky	Gateway	Amazon	100,000	Z Asset Management N/A

TAMPA BAY

Industrial Q2 2022

INDUSTRIAL SUBMARKETS



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