



Tampa office market report

Q3 2022

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Office market trends

01

Sublease availability spikes to new all-time high

Throughout the third quarter, the Tampa Bay area experienced an increase of 700,000 square feet (sf) in office sublease availability, bringing the year-to-date total to 3.3 million square feet (msf). Most of the increase—556,200 rentable square feet—is attributed to Centene/Wellcare, which is marketing space in 16 buildings in the Northwest submarket—some of which has not been built out or occupied. The company has allowed its employees flexibility regarding return to office, resulting in the demand for a smaller footprint as employees come in on an as-needed basis.

02

Leasing activity is centralized in class A buildings

Tampa's office market fundamentals remain soft with a significant amount of availability, but class A properties continue to outperform the broader market. Subleasing activity has risen as many employers provide flexibility around return-to-office initiatives and explore ways to optimize and reconfigure space needs. The top leasing activity for the quarter resulted in about 300,000 sf of subleases signed in class A office properties throughout the Westshore submarket. Tenants are taking advantage of ready-to-go spaces and pricing discounts as sublease availability continues to grow.

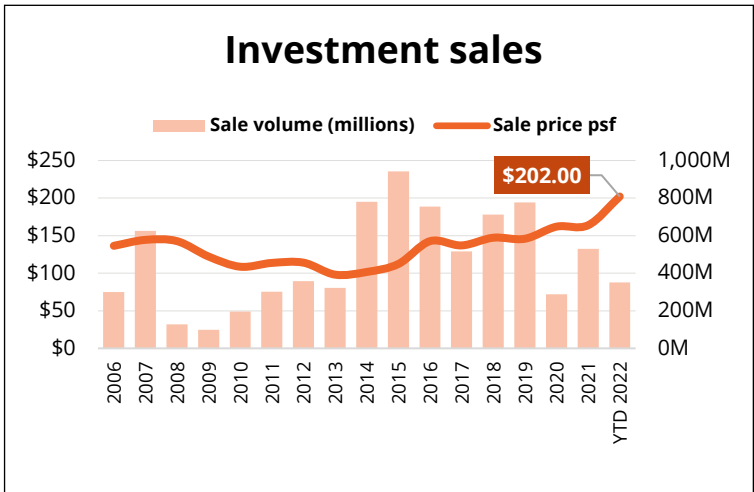
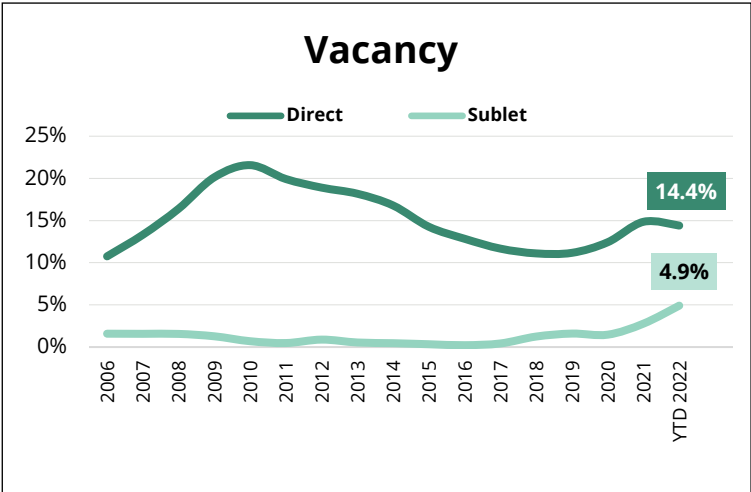
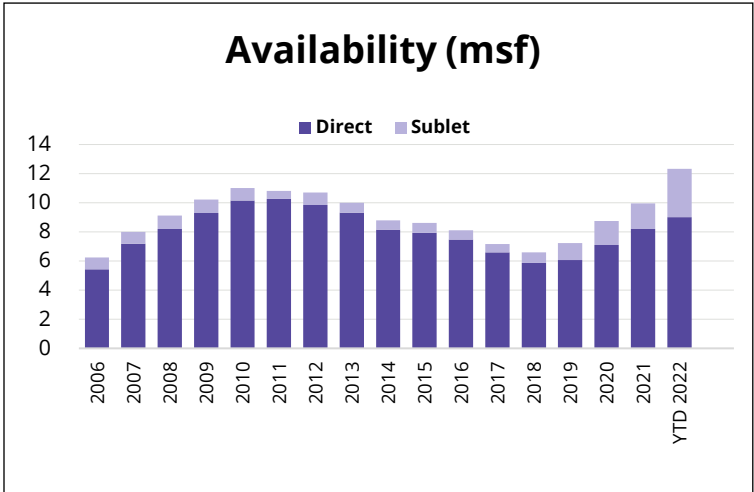
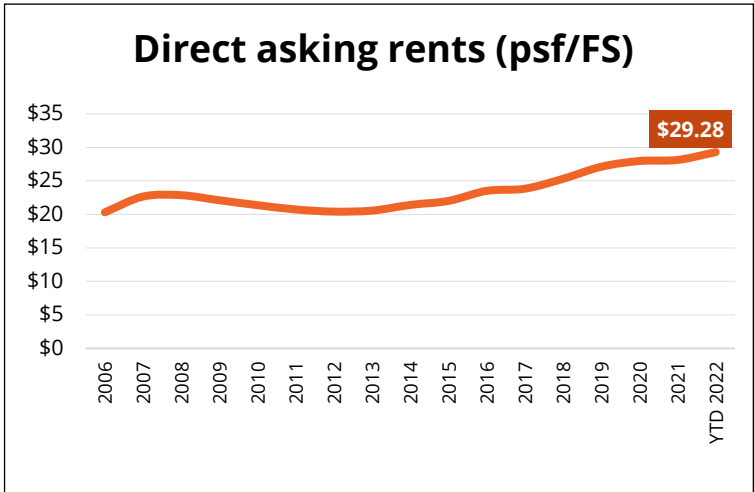
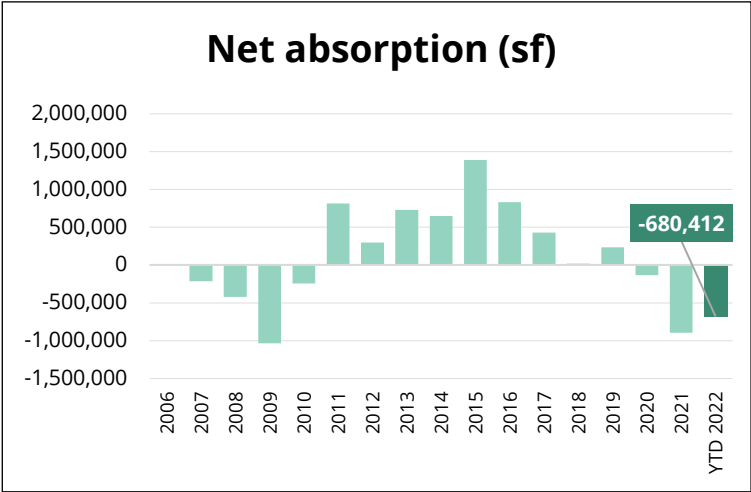
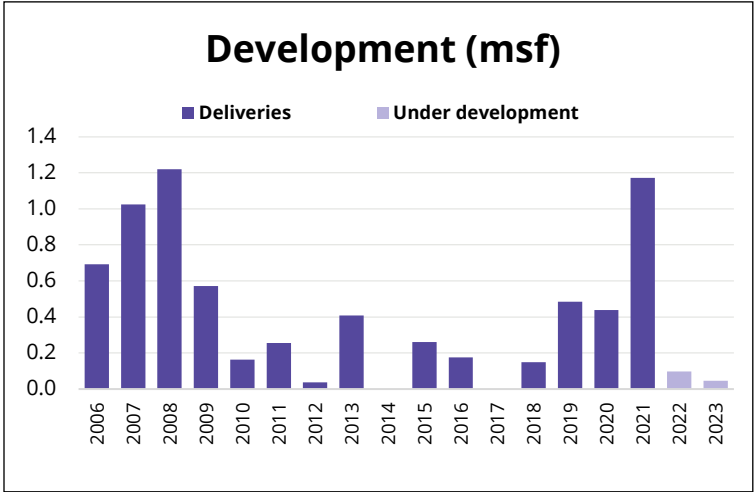
03

Return-to-office efforts fall short of expectations

Tampa's office market recovery, despite recent post-Labor Day pushes, continues to lag peer cities regarding return-to-work. As of the week following Labor Day, the weekly visitation rate from our proprietary Vitality Index sits at roughly 47%, which represents the highest rate since the onset of the pandemic in March 2020. While progress has been made, vacancies continue to register all-time highs, and trades continue to fall through due to rising interest rates and general uncertainty about the future of the economy.



Office market indicators



Office market activity

Recent leasing activity

Tenant name	Address	Sign date	Size (sf)	Transaction type	Lease type	Submarket
Shumaker, Loop & Kendrick, LLP	101 East Kennedy	Aug. 2022	60,739	Renewal	Direct	Tampa CBD
Mad Mobile	4050 West Boy Scout Boulevard	July 2022	53,272	New	Sublease	Westshore
Banyon Medical	3101 West Dr. Martin Luther King Jr. Boulevard	July 2022	40,267	New	Sublease	Westshore
Gale Healthcare	3101 West Dr. Martin Luther King Jr. Boulevard	July 2022	39,205	New	Sublease	Westshore
McNichols Company	2502 Nort Rocky Point Drive	Aug. 2022	32,075	Renewal	Direct	Westshore
Spot Logistics	4050 West Boy Scout Boulevard	June 2022	26,636	New	Sublease	Westshore
Arrive Logistics	4902 Eisenhower Boulevard	Aug. 2022	26,000	New	Sublease	Westshore

Recent sales activity

Buyer	Address	Sale date	Building Size (sf)	Sale price	Sale price psf	Seller
The Feil Organization	100 South Ashley Drive	Aug. 2022	393,649	\$120,000,000	\$305	Feldman Equities
JSB Capital Group	Veteran's Technology Center	July 2022	251,730	\$47,750,000	\$190	Avistone
Ally Capital Group	Bay Vista Gardens	Sept. 2022	135,221	\$18,000,000	\$133	Garnet Property Group

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 Construction	Average Asking Rent		
			Class A	Class B	3Q22	YTD		Total	Class A	Class B
St Petersburg CBD	2,467,611	5.1%	5.0%	5.3%	7,263	37,947	-	\$31.63	\$31.87	\$28.85
Tampa CBD	7,321,148	14.6%	14.7%	14.0%	70,512	356,351	-	\$39.22	\$40.25	\$28.52
Urban Subtotal	9,788,759	12.2%	12.5%	11.2%	77,775	394,298	-	\$37.27	\$38.09	\$28.60

By Submarket	Inventory (sf)	Total %	Class A	Class B	3Q22	YTD	Construction	Total	Class A	Class B
Bayside	1,974,254	17.6%	19.0%	16.0%	11,654	25,202	-	\$24.31	\$24.83	\$23.29
Gateway	4,061,013	25.7%	23.9%	27.5%	-73,406	-252,308	-	\$24.73	\$24.97	\$24.20
I-75 Corridor	8,824,276	23.7%	31.9%	16.5%	-208,274	-183,974	-	\$25.71	\$27.12	\$24.85
Mid-Pinellas	638,487	31.2%	31.7%	31.1%	-3,815	-84,467	-	\$21.80	\$26.00	\$20.50
North Pinellas	2,318,995	16.0%	11.8%	20.0%	-8,642	-47,826	-	\$23.25	\$22.85	\$23.49
Northwest Tampa	4,605,778	30.8%	29.5%	29.7%	-550,200	-672,188	75,000	\$27.14	\$32.41	\$22.65
South Pinellas	750,884	10.0%	12.2%	9.8%	-6,085	66,126	45,000	\$18.13	\$27.00	\$17.54
South Tampa	498,289	5.2%	0.0%	6.3%	-16,942	8,223	-	\$28.82	-	\$28.82
Westshore	13,568,408	17.3%	16.4%	18.8%	43,659	66,502	21,900	\$32.90	\$35.73	\$28.18
Suburban Subtotal	37,240,384	21.3%	21.6%	20.5%	-812,051	-1,074,710	141,900	\$27.79	\$30.23	\$25.04
Market Total	47,029,143	19.4%	18.8%	17.3%	-734,276	-680,412	141,900	\$29.27	\$32.12	\$25.15

Office market stats by class

By Class	Inventory (sf)	Vacancy	3Q Absorption	YTD Absorption	Construction	Available Sublease
Class A	26,360,311	19.0%	-201,169	-125,219	141,900	2,203,703
Class B	20,668,832	19.9%	-533,107	-555,193	-	1,100,038
Market Total	47,029,143	19.4%	-734,276	-680,412	141,900	3,303,741

For more market insights
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