

TPA— Q3 2022

INDUSTRIAL REPORT



MARKET AT A GLANCE

▼
FLEX VACANCY RATE
3.4 %

▼
LOGISTICS VACANCY
3.7 %

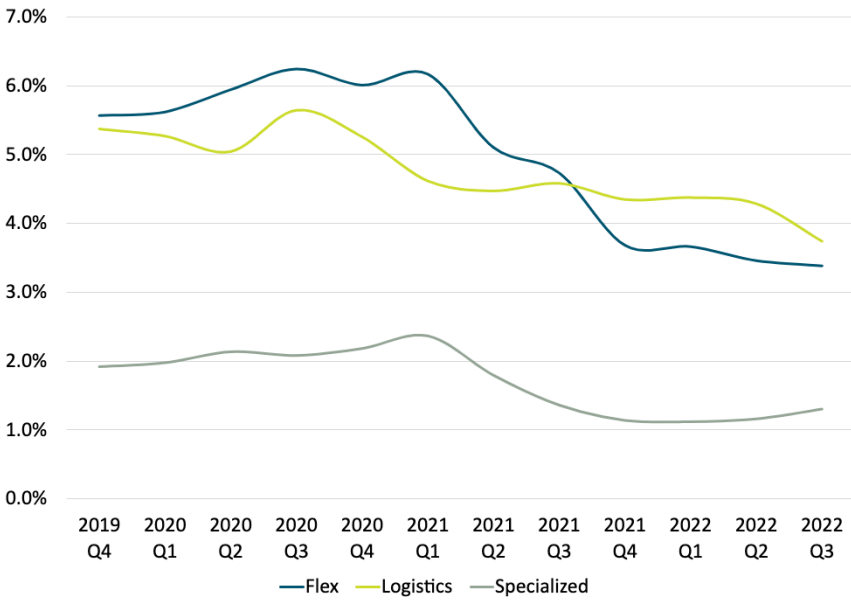
▲
SPECIALIZED VACANCY
1.3 %



—BRAD HUTTON
Director, Office & Industrial



VACANCY RATES BY TYPE



E-commerce trends have continued to increase the demand for industrial space in Q3 2022. As supply chain challenges persist, many retailers are finding an increased need for storage space in key locations like Tampa Bay, causing competition for industrial

space to intensify. As a result, the three main types of industrial space in the Tampa market saw an extremely low average vacancy rate of 2.8% in Q3, compared to a national average of 3.9%.

“Currently, we are seeing the strongest investor demand for front light and front park / rear load distribution centers, especially those with excess land. Well-located flex light industrial with outside storage capability is also becoming sought-after. Going forward, the primary challenge for the Tampa Bay industrial market will be its ability to keep up with demand, as supply chain challenges persist and well-located developable becomes scarcer.”

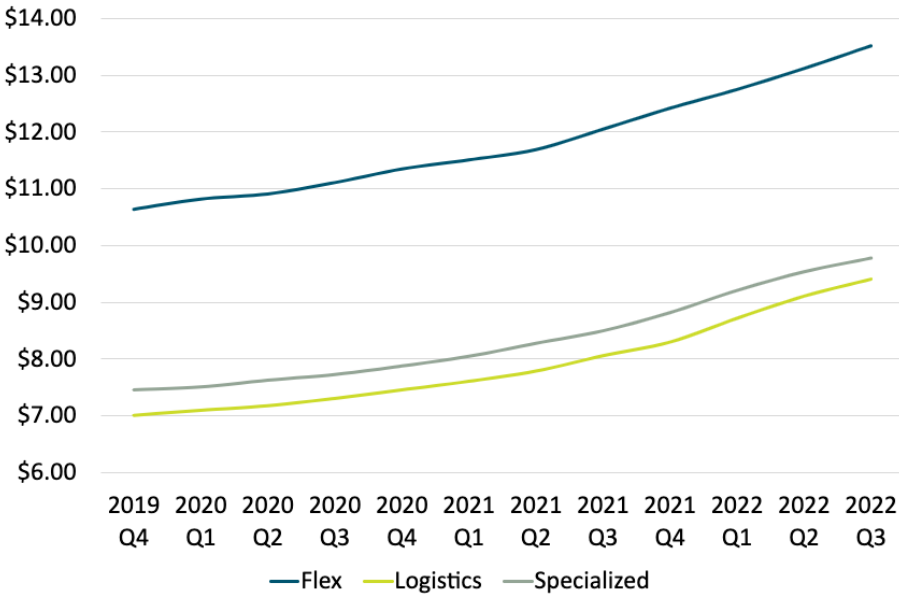


▲
FLEX RPSF
\$13.51

▲
LOGISTICS RPSF
\$9.40

▲
SPECIALIZED VACANCY
\$9.77

RENT PER
SQUARE FOOT



As competition for industrial space heats up in the Tampa market, rental rates have reached new highs. The average rent per square foot in Tampa increased 12.5% over the year and is currently around \$10.89.

We expect these rates to continue their upward trajectory and flatten out toward the end of 2022 and into early 2023.



—PAT KELLY

Regional Managing Director , Office & Industrial



“Tampa Bay’s robust population growth, vibrant single family development market coupled and strong consumer sales. will keep this market a national leader in industrial commercial real estate. The impressive metrics should assist greatly as the economy slows. The upside is that a slowdown will allow the housing market and associated material and labor challenges a chance to align themselves for a more predictable delivery timeline.”

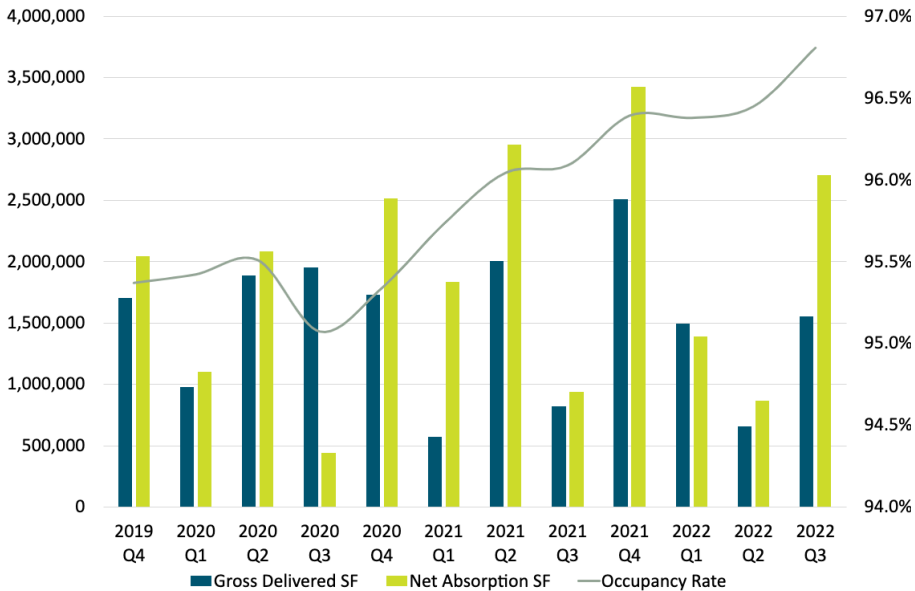


Q3 DELIVERED SF
1,547,836

ABSORBED SF
2,701,863

OCCUPANCY RATE
96.8%

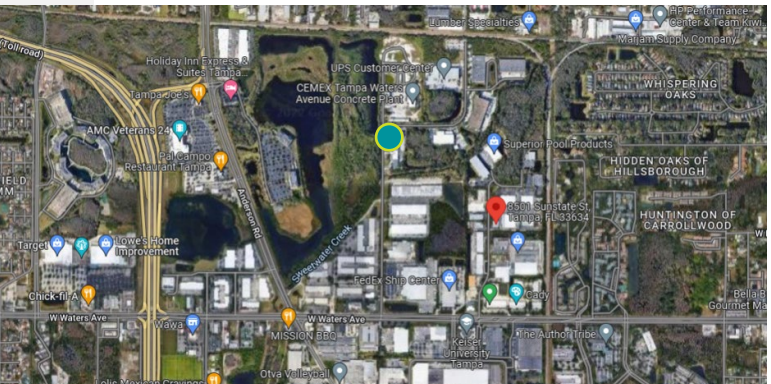
SUPPLY & DEMAND



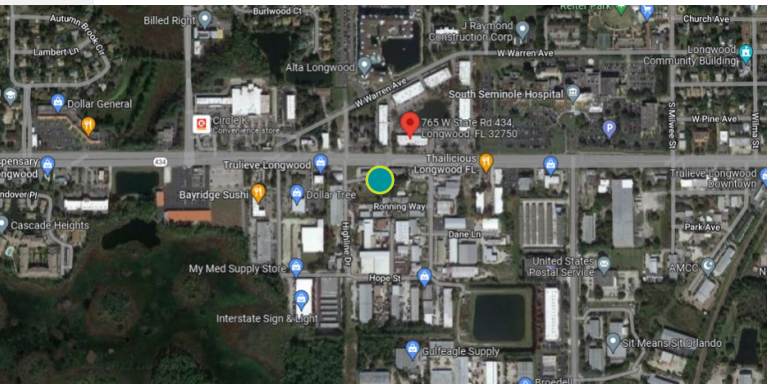
Q3 2022 saw was the biggest quarter of the year so far in terms of industrial deliveries and absorption. Over 1.5 million square feet of space was added to the market and over 2.5 million

square feet was absorbed. Occupancy rates are at a very healthy 96.8% and we expect this level of demand to continue throughout the year and into 2023.

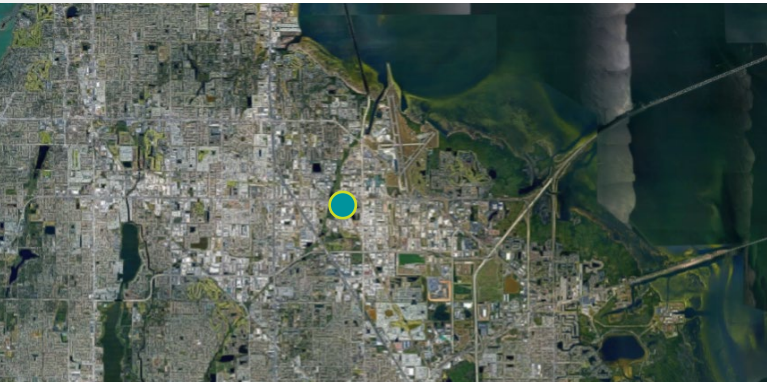
RECENT TRANSACTIONS



8501 SUNSTATE STREET
\$37,277,600
TAMPA, FL
174,831 SF
8501 SUNSTATE ST
OWNER THOR EQUITIES
SELLER REDSTONE INVESTMENTS



PARK WEST AT GATEWAY
BUSINESS CENTRE
\$24,500,000
PINELLAS PARK, FL
133,094 SF
3925 GATEWAY CENTRE BLVD
OWNER ADLER REAL ESTATE PARTNERS
SELLER GREG ZEIFMAN



5218 126TH AVENUE N
\$27,500,000
PINELLAS PARK, FL
134,488 SF
5218 126TH AVE
OWNER ZENITH / IP MORGAN
IOS INDUSTRIAL
OUTDOOR STORAGE
SELLER HSS PARTNERS

FLEX

Geography Name	Inventory SF	Vacancy Rate	Vacant Available SF	Gross Delivered SF	Net Absorption SF	Under Construction SF	Market Rent/ SF	Market Cap Rate
Downtown Tampa	500,153	1.2%	0	4,750	5,580	0	\$15.92	6.5%
Hernando County	85,175	7.0%	0	0	-5,989	0	\$10.78	7.6%
NE	511,975	0.2%	0	0	5,223	0	\$15.62	6.2%
North Pinellas	2,428,938	1.5%	0	1,040	-2,516	0	\$13.77	6.7%
NW Hillsborough	1,068,639	6.6%	0	0	-17,747	0	\$13.68	6.9%
Pasco County	774,101	5.1%	0	0	5,838	0	\$13.15	7.2%
SE Hillsborough	51,263	0.2%	0	0	-93	0	\$14.26	6.2%
South Pinellas	7,167,026	4.7%	0	4,546	-65,408	0	\$13.69	6.7%
SW Hillsborough	30,293	0.2%	0	0	-50	0	\$20.06	6.6%
Westshore	5,095,694	1.3%	0	0	45,259	0	\$13.55	6.9%

LOGISTICS

Geography Name	Inventory SF	Vacancy Rate	Vacant Available SF	Gross Delivered SF	Net Absorption SF	Under Construction SF	Market Rent/ SF	Market Cap Rate
Downtown Tampa	6,652,392	2.9%	N/A	N/A	-3,357	N/A	\$9.95	6.4%
Hernando County	3,638,291	6.7%	N/A	N/A	-207,329	N/A	\$9.43	6.5%
NE	1,401,676	0.2%	N/A	N/A	16,660	N/A	\$10.67	6.4%
North Pinellas	9,148,789	1.3%	N/A	10,161	-63,039	N/A	\$11.15	6.8%
NW Hillsborough	1,475,249	0.2%	N/A	10,000	7,214	N/A	\$14.17	6.5%
Pasco County	10,829,969	2.9%	N/A	10,170	18,087	N/A	\$9.93	7.2%
SE Hillsborough	3,501,963	0.2%	N/A	N/A	-7,185	N/A	\$7.35	5.8%
South Pinellas	30,852,013	3.2%	N/A	N/A	-99,757	N/A	\$10.42	6.9%
SW Hillsborough	2,175,409	31.4%	N/A	N/A	17,863	N/A	\$11.95	6.3%
Westshore	11,718,854	3.6%	N/A	104,255	-67,908	N/A	\$10.73	6.6%

SPECIALIZED

Geography Name	Inventory SF	Vacancy Rate	Vacant Available SF	Gross Delivered SF	Net Absorption SF	Under Construction SF	Market Rent/ SF	Market Cap Rate
Downtown Tampa	1,565,364	2.0%	0	0	-3,252	0	\$10.32	6.6%
Hernando County	655,137	0.2%	0	0	-1,273	0	\$10.30	6.8%
NE	125,387	0.2%	0	0	-235	0	\$16.38	7.1%
North Pinellas	2,530,925	1.0%	0	0	1,827	0	\$10.75	6.8%
NW Hillsborough	728,969	0.2%	0	0	-1384	0	\$13.81	5.8%
Pasco County	2,269,930	3.5%	0	0	5,835	0	\$10.12	6.6 %
SE Hillsborough	409,695	0.2%	0	0	-833	0	\$7.62	5.7%
South Pinellas	18,841,806	2.0%	0	0	-89,286	0	\$11.22	6.7%
SW Hillsborough	683,090	0.2%	0	0	-1,334	0	\$11.27	6.3%
Westshore	2,336,408	0.2%	0	0	-4,404	0	\$9.42	6.7%

CONCLUSION

Fundamentals across all multifamily asset classes remain strong, but we are starting to see rents increasing at a slower pace for the first time in years.

Rent and population growth will continue to move the market forward, but rising interest rates and a changing debt market will create headwinds for all types of multifamily assets in Tampa Bay through the end of the year.

With our comprehensive full-service platform and expertise in providing solutions through every stage of the market cycle, Franklin Street is uniquely positioned to advise clients in today's adjusting market.



MEET THE EXPERTS

OFFICE AND INDUSTRIAL

PAT KELLY

REGIONAL MANAGING DIRECTOR

OFFICE AND INDUSTRIAL

Pat.Kelly@FranklinSt.com

813.839.7300 x0349

BRAD HUTTON

DIRECTOR

OFFICE AND INDUSTRIAL

Brad.Hutton@FranklinSt.com

813.839.7300 x0636

CAPITAL ADVISORY

BEN MILLER

DIRECTOR, CAPITAL ADVISORY

Ben.Miller@FranklinSt.com

813.559.2005

CASEY SIGGINS

DIRECTOR, CAPITAL ADVISORY

Casey.Siggins@FranklinSt.com

813.397.1638

DAKOTA BROWN

SENIOR ASSOCIATE, CAPITAL ADVISORY

Dakota.Brown@FranklinSt.com

813.345.5860

DATA & RESEARCH

ANDREW CONDON

MANAGER, DATA & RESEARCH

Andrew.Condon@FranklinSt.com

813.839.7300 x 0421

IAN MAHONEY

RESEARCH ANALYST, DATA & RESEARCH

Ian.Mahoney@FranklinSt.com

813.839.7300 x 0867

CAPITAL ADVISORY | INSURANCE SERVICES | INVESTMENT SALES | PROJECT MANAGEMENT
LANDLORD REPRESENTATION | TENANT REPRESENTATION | PROPERTY MANAGEMENT

CONTACT RESEARCHANDMARKETING@FRANKLINST.COM
FOR MORE INFORMATION

