

# TAMPA OFFICE MARKET

Yardi® Matrix

## Market Analysis

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## Slow But Steady Growth



Despite a significant slowdown in development and investment, Tampa's **office fundamentals remained healthy** in recent quarters. The metro's housing affordability and quality of life have produced steady population gains. Overall, job growth has been robust, with 35,000 new jobs over the past year, an increase of 2.3% in employment year-over-year through July. Although the segments with the highest gains are hospitality and education and health services (a combined 16,000 increase), office-using job growth has also been strong. The metro added 7,000 office-using jobs year-over-year, led by 5,100 jobs in financial services. Office-using employment now accounts for **28.1%** of the metro's employment pool.

Tampa's office **vacancy rate** was **11.6% as of July**. With development activity relatively weak, that rate should continue to shrink. The metro's growing **medical office sector** contributed to an uptick in office stock in some suburban submarkets. Following Landmark Healthcare Facilities' completion of a 128,000-square-foot building in East Tampa last year, Vision Properties delivered the 52,000-square-foot first phase of Brandon Gateway Medical in second quarter 2018.

The population growth has created some issues that need to be addressed. For example, Hillsborough County is in great need of infrastructure investments. A proposed **transportation referendum** would increase the county's sales tax from 7% to 8.5%, generating about \$280 million a year over the next three decades. Most of the revenue would be invested in road improvements.