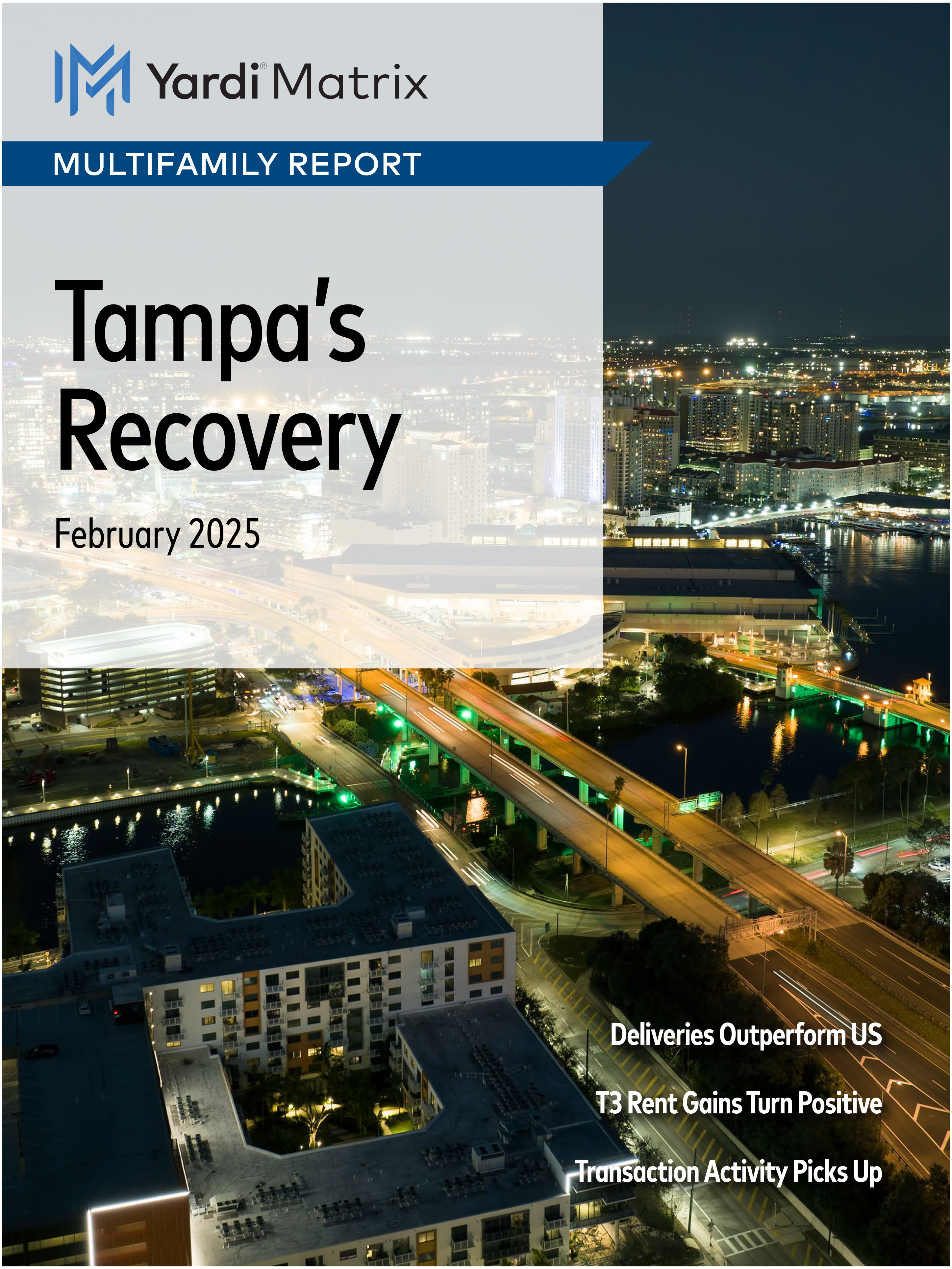
Yardi Matrix

MULTIFAMILY REPORT

Tampa's Recovery

February 2025



Deliveries Outperform US

T3 Rent Gains Turn Positive

Transaction Activity Picks Up

TAMPA MULTIFAMILY

Yardi Matrix

Tampa Market Holds Steady

Tampa's multifamily market closed 2024 with positive margins, as its fundamentals remained steady. The average advertised asking rent at the end of the year was $1,804, following a 0.2% increase on a trailing three-month basis through December, while the U.S. rate contracted 0.2%. Demand was also strong, as the occupancy rate in stabilized properties was up 30 basis points, to 94.5%, while the Lifestyle figure saw a 70-basis-point uptick, to 94.9%, at a time when deliveries were very high.

Tampa employment expanded 1.4% year-over-year as of November, the equivalent of 21,300 net jobs and 10 basis points above the U.S. figure. The area's unemployment figure stood at 3.8%, 40 basis points below the national average, according to preliminary data from the Bureau of Labor Statistics. Tampa's economy could get a boost from an expansion project at Tampa International Airport. Construction began on Airside D, a 600,000-square-foot terminal that's estimated to cost $1.5 billion and is slated for delivery in 2028.

With 11,129 units, accounting for 4.3% of existing stock delivered in 2024, Tampa outpaced the nation by 130 basis points. Transaction activity also increased from the previous year, as the metro registered $2 billion in assets changing hands in 2024, but was still behind the record numbers registered between 2021 and 2022, which registered an average of $4.9 billion in total sales.

Market Analysis | February 2025

Contacts

Jeff Adler
Vice President & General Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Ron Brock, Jr.
Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x14006

Doug Ressler
Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Madalina Pojoga
Associate Editor

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Recent Tampa Transactions

Henley Tampa Palms

City: Tampa, Fla.
Buyer: Continental Realty Corp.
Purchase Price: $82 MM
Price per Unit: $260,317

Charleston on 66

City: Largo, Fla.
Buyer: Eaton Vance Investment Managers
Purchase Price: $72 MM
Price per Unit: $279,070

Carrollwood Station

City: Tampa, Fla.
Buyer: TerraCap Management
Purchase Price: $50 MM
Price per Unit: $148,214

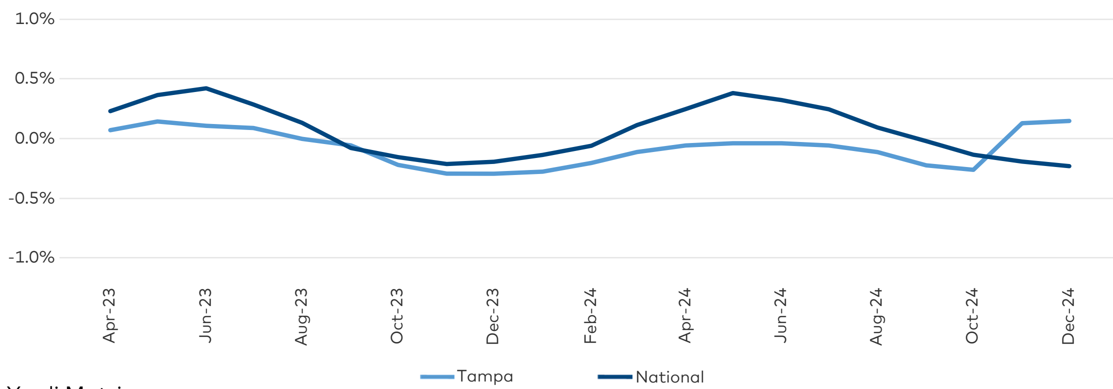
Citrus Grove

City: St. Petersburg, Fla.
Buyer: Lincoln Avenue Capital
Purchase Price: $17 MM
Price per Unit: $196,429

RENT TRENDS

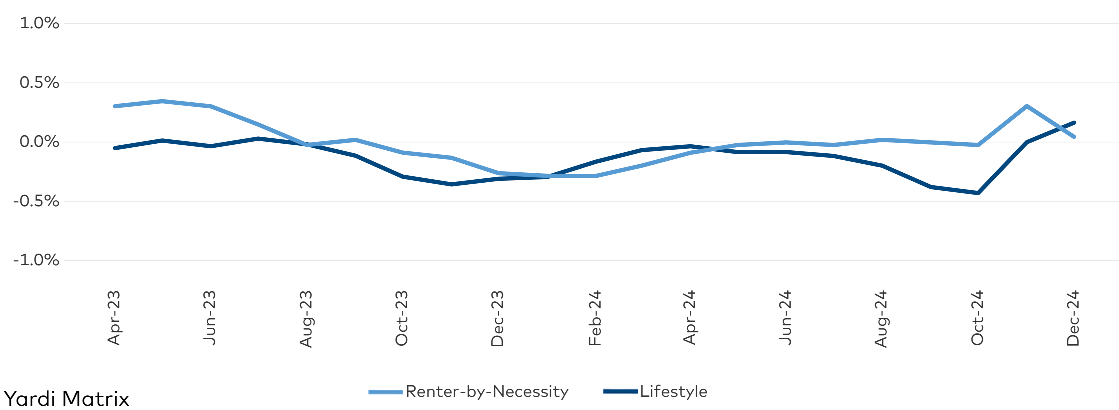
- Average advertised asking rents in metro Tampa ended 2024 in positive territory on a trailing three-month (T3) basis, expanding 0.2%, to $1,804. The rate rebounded from negative territory in October 2024. Meanwhile the U.S. growth rate contracted 0.2% during the same period.
- On a year-over-year basis, Tampa rents contracted 0.7% in 2024, as the number of deliveries expanded. This placed the metro in the bottom half of the top 30 metros tracked by Yardi Matrix, while its forecast projection for the past year stood at 3.5%.
- The Lifestyle segment saw a 0.2% increase, on a T3 basis, to $2,025. Meanwhile, working-class, Renter-by-Necessity assets remained flat, at $1,522. Over the past year, rent growth reached its peak in RBN apartments, up 0.3% in November.
- The metro's average overall occupancy rate in stabilized properties stood at 94.5% as of November, up 30 basis points year-over-year. Lifestyle rates also saw a 70-basis-point improvement, to 94.9%. Meanwhile, RBN figures were down 20 basis points, to 93.9%.
- Of the 58 submarkets tracked by Yardi Matrix, 21 saw contractions in advertised asking rents in December. Rates increased in two of the three most expensive submarkets: Tampa–Downtown (0.3% to $2,817) and St. Petersburg–Downtown (3.3% to $2,851). Meanwhile, rates fell 1.4% to $2,219 in Tampa–Airport.

Tampa vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

Tampa Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

ECONOMIC SNAPSHOT

- Tampa employment was up 1.4% year-over-year as of November, 10 basis points above the U.S. figure. Education and health services led growth, accounting for 6,900 of the total 21,300 net jobs added in the metro through the 12 months ending in November.
- Professional and business services (4,800 jobs) and mining, logging and construction (3,700) also recorded significant gains. The latter saw the largest increase, up 3.3% year-over-year. The leisure and hospitality sector was the only one to lose positions during the period, down 900 jobs.
- Tampa's unemployment rate stood at 3.8% as of November, 40 basis points below the U.S. figure, according to preliminary data from the Bureau of Labor Statistics. The metro's unemployment rate remains the highest among major metros in the state, 30 basis points above Orlando and 140 basis points above Miami. Florida's jobless figure stood at 3.4%.
- Construction began on Airside D at Tampa International Airport. The two-level, 600,000-square-foot terminal will include 16 gates for domestic and international flights and a mezzanine for two airline lounges. This is the airport's first new airside terminal in 20 years. The project has an estimated cost of $1.5 billion and is slated for completion in 2028.

Tampa Employment Share by Sector

		Current Employment	
Code	Employment Sector	(000)	% Share
65	Education and Health Services	295.3	15.8%
60	Professional and Business Services	337.5	18.1%
15	Mining, Logging and Construction	114.4	6.1%
40	Trade, Transportation and Utilities	369.7	19.8%
90	Government	196.9	10.6%
80	Other Services	63.7	3.4%
50	Information	32.4	1.7%
55	Financial Activities	162.5	8.7%
30	Manufacturing	96.2	5.2%
70	Leisure and Hospitality	196	10.5%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- The Tampa-St. Petersburg area added 48,236 residents in 2022, marking a 1.5% population growth rate, significantly outpacing the 0.4% national rate of growth.
- In the last decade ending in 2022, Tampa added almost half a million residents to its population.

Tampa vs. National Population

	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Tampa	3,097,859	3,152,928	3,146,074	3,194,310

Source: U.S. Census

SUPPLY

- Developers brought 11,129 units online in Tampa in 2024. That was the equivalent of 4.3% of existing stock, 130 basis points higher than the national figure. All but 11 properties that came online were Lifestyle assets. Since 2021, Tampa's deliveries have been expanding, reaching an average of 8,900 units completed each year.

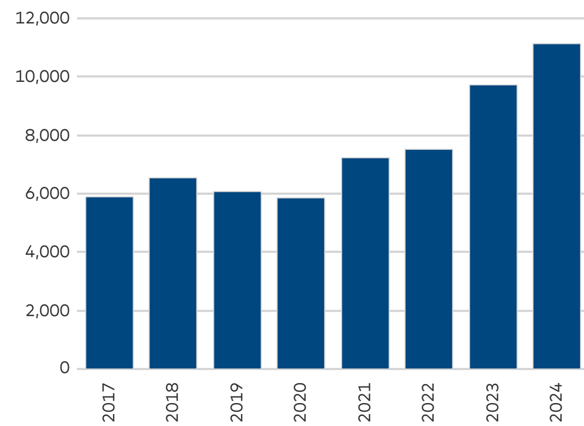
- Tampa's development pipeline was solid, with 20,369 units under construction by the end of 2024. Another 100,000 apartments were in the planning and permitting phases. The scale remained tilted toward upscale properties, with 77.8% of units located in Lifestyle projects. RBN and fully affordable units accounted for the remaining 22.2%.

- Mirroring nationwide financial concerns and lending difficulties, Tampa's development activity in 2024 did not remain unscathed. Work began on 7,611 units across 34 projects this past year, a significant reduction from the 12,077 units across 43 projects that developers began construction on in 2023.

- Seven submarkets had more than 1,000 units under construction by the end of 2024. Wesley Chapel was the busiest, with 2,222 units underway, followed by Davenport (2,073 units) and Brandon (1,770 units).

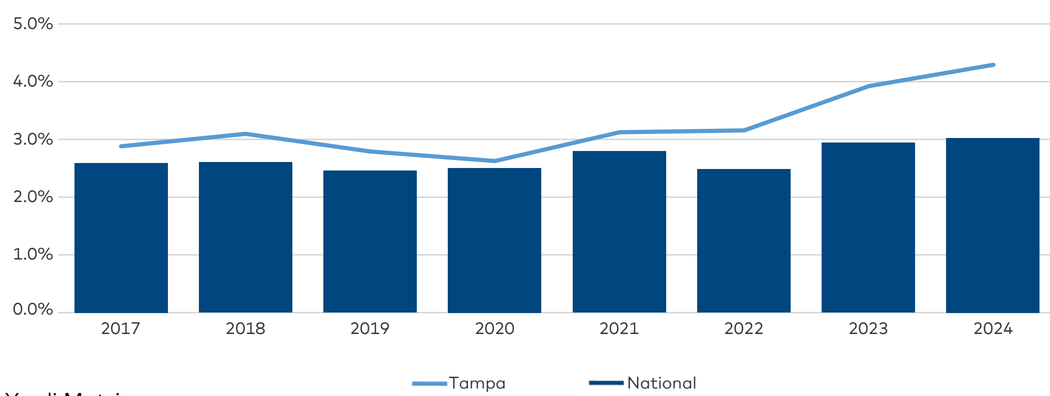
- The largest property underway is the 495-unit MAA Breakwater in the Tampa–Sun Bay South submarket. MAA started construction on the project in May 2023 and the property is slated for delivery this year. Mahaffey Apartment Group's 561-unit The Carlton at Lake Dexter was also Tampa's largest completed project.

Tampa Completions (as of December 2024)



Source: Yardi Matrix

Tampa vs. National Completions as a Percentage of Total Stock (as of December 2024)

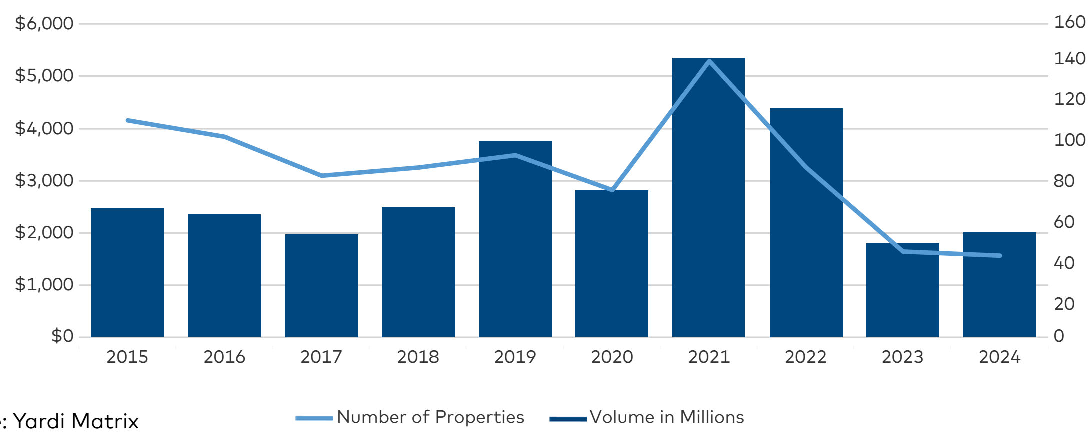


Source: Yardi Matrix

TRANSACTIONS

- Transaction activity in Tampa increased in 2024, totaling $2 billion. The total volume remained above the $1.8 billion in sales recorded in the previous year. Nevertheless, overall investment in the metro is still behind the volume registered between 2021 and 2022, which clocked in at $5.3 billion and $4.4 billion, respectively.
- Sales composition was tilted toward Lifestyle assets, accounting for 27 of the 44 properties that traded in 2024. As a result, the price per unit went up to $207,506, marking a $16,600 increase compared to 2023 and still higher than the $193,187 U.S. average.
- Seven submarkets tracked by Yardi Matrix crossed the $100 million mark. Tampa Palms–Pebble Creek led with $330 million, followed by Tampa–Sun Bay South ($221 million). Town 'n' Country rounded out the top three, with $172 million.

Tampa Sales Volume and Number of Properties Sold (as of December 2024)



Source: Yardi Matrix

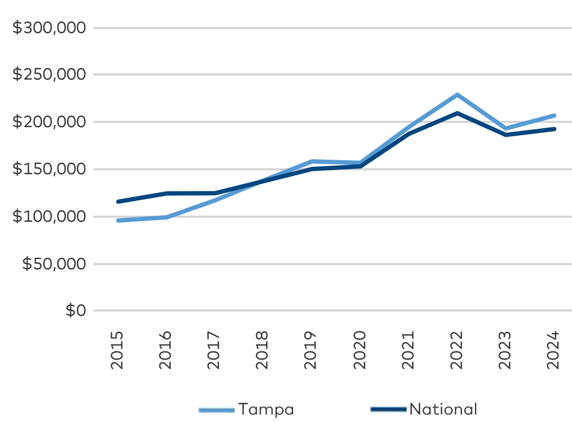
Top Submarkets for Transaction Volume[1]

Submarket	Volume ($MM)
Tampa Palms–Pebble Creek	330
Tampa–Sun Bay South	221
Town 'n' Country	172
University	172
Tampa–West	134
Clearwater–East	118
Brandon	102

Source: Yardi Matrix

[1] From January 2024 to December 2024

Tampa vs. National Sales Price per Unit



Source: Yardi Matrix

LISTICLE

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MULTI-HOUSING NEWS

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Yardi Matrix

Top 10 Markets for Multifamily Deliveries

By Tudor Scolca

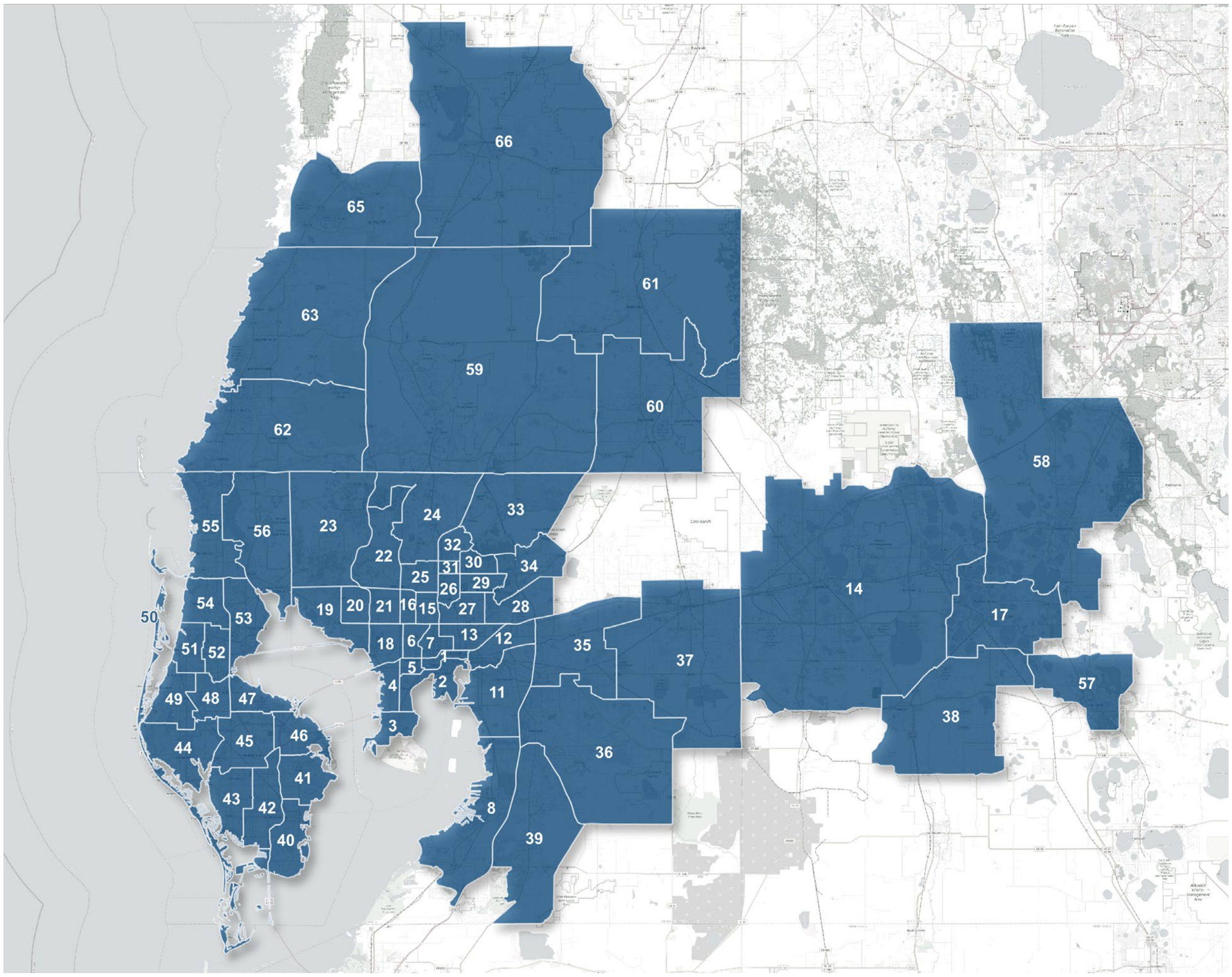
In 2024, developers completed more than 550,000 units, Yardi Matrix data shows. The top 10 metros for multifamily deliveries had a combined 204,333 units come online—more than a third of the national completion volume—a number that highlights how uneven supply growth trends have become. The large number of multifamily units under construction will ensure sustained growth this year, as well.

Rank	Metro	Units Delivered 2024	Construction Starts 2024	Units Delivered 2023
1	Dallas	33,276	18,836	26,025
2	Austin	25,217	11,682	18,571
3	Atlanta	23,596	13,646	23,586
4	Phoenix	21,504	17,718	17,104
5	Houston	21,283	9,116	18,168
6	Denver	18,248	6,678	12,140
7	Miami	16,507	9,988	17,502
8	Orlando	15,936	10,061	14,223
9	Charlotte	14,556	8,929	12,260
10	Tampa	14,210	7,335	10,979

Tampa, Fla.

Tampa rounded out the top 10 metros for multifamily construction. The third Florida metro on this list added 14,210 units in 64 projects in 2024, which was a 29.4% increase year-over-year. Developers remained consistently focused on the upscale segment, with 92.4% of completed units in Lifestyle assets—the largest share among these 10 metros. Altman Cos. completed one of the largest multifamily communities last year, the 449-unit Altis Grand Suncoast.

TAMPA SUBMARKETS



Area No.	Submarket
1	Downtown Tampa/Ybor City
2	Hyde Park/Davis Island
3	Gandy/Ballast Point
4	Sunset Park/Bayside
5	Oakford Park
6	Wellswood
7	Tampa Heights
8	Ruskin
11	Clair–Mel City
12	Orient Park
13	Highland Pines
14	Lakeland Highlands
15	Rivercrest
16	Egypt Lake
17	Winter Haven
18	Garver City
19	Rocky Creek
20	Town 'n' Country
21	Mullis City
22	Carrollwood Village
23	Westchase

Area No.	Submarket
24	Lake Magdalene
25	Forest Hills
26	Sulphur Springs
27	Del Rio/College Hill
28	Harney
29	Temple Terrace
30	University of South Florida
31	University Square
32	Livingston
33	Tampa Palms/Pebble Creek
34	Thonotosassa
35	Brandon/Seffner
36	Riverview/Valrico
37	Plant City
38	Bartow
39	Sun City Center
40	Downtown St. Petersburg
41	Upper St. Petersburg
42	Gulfport/Lealman
43	St. Pete Beach/Pasadena
44	Seminole/Indian Shores

Area No.	Submarket
45	Pinellas Park
46	Mainlands
47	Feather Sound/High Point
48	Largo
49	Belleair
50	Clearwater Beach
51	Clearwater
52	Coachman
53	Safety Harbor
54	Dunedin
55	Palm Harbor/Tarpon Springs
56	Oldsmar
57	Lake Wales
58	Davenport/Haines City
59	Land O'Lakes/Odessa
60	Zephyr Hills
61	Dade City
62	New Port Richey
63	Port Richey
65	Spring Hill
66	Brooksville

DEFINITIONS

Lifestyle households (renters by choice) have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

Renter-by-Necessity households span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students,* who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households,* composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households,* which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

To learn more about Yardi® Matrix and subscribing, please visit www.yardimatrix.com or call Ron Brock, Jr., at 480-663-1149 x14006.