



TAMPA OFFICE MARKET

Yardi® Matrix

Market Analysis

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Market Conditions Tighten



Tampa's low cost of living, the lowest among major Florida markets, combined with a steady population and employment growth, has been strengthening its expansion as a secondary market. With a long list of Fortune 500 companies including Clearwater's Tech Data and a growing pool of highly educated workers, the metro is turning into a hot spot for companies in tech and life sciences. Expansions and relocations have been putting pressure on developers, and the metro's new-supply pipeline is finally picking up after several years of low-level construction activity.

The office-using employment growth rate was flat as of July, trailing the national figure for the first time in six years, as several companies have closed offices since the beginning of the year, including Iron Bow Technology, T. Rowe Price and the Laser Spine Institute. The professional and business services sector led the way in growth, with 6,300 jobs added as of July, followed by financial activities with 4,600 added positions.

With no new projects delivered in the first eight months of the year, Tampa's office vacancy rate was 10.9% as of August. Some 1.7 million square feet were under construction in the metro as of August, with roughly 23% of that scheduled for completion by the end of the year. The largest project currently underway, Strategic Property Partners' 370,000-square-foot 1001 Water Street tower, is the first office property to be built in the urban core in more than 25 years.