MARKETBEAT

TAMPA BAY

Multifamily Q1 2024

CUSHMAN & WAKEFIELD

	YoY Chg	12-Mo. Forecast
92.9% Stabilized Occupancy Rate	▼	▼
10,954 Units Under Construction	▼	▼
$1,819 Effective Rent, Per Unit	▼	▲

(Overall, All Property Classes)

ECONOMIC INDICATORS Q1 2024

	YoY Chg	12-Mo. Forecast
1.5M Tampa Employment	▲	▲
3.2% Tampa Unemployment Rate	▲	▲
$75,200 Tampa Median Household Income	▲	▲

Source: BLS, Census Bureau

ECONOMY

Tampa Bay recorded significant growth, with a yearly increase of 32,300 residents, bringing the total population to over 3,345,000, making it the third largest metropolitan area in the Southeast. This surge in population drove nonfarm employment up by 29,600 jobs over the past twelve months, marking a 1.9% increase. Median household income had a notable rise of 4.3% year-over-year (YOY), reaching $75,200 by the end of Q1 2024. The sectors experiencing the most substantial growth over the past year were Education and Health Services (adding 11,900 jobs), Leisure and Hospitality (4,800 jobs), and Trade, Transportation, and Utilities (2,800 jobs). Despite a slight uptick in the unemployment rate to 3.2% YOY, which was 70 basis points higher than the previous year, it remained below the national average of 3.8%.

SUPPLY & DEMAND

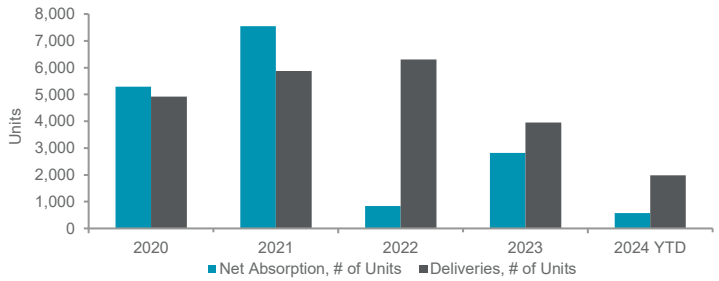
There were 1,982 units across six buildings that delivered during the first quarter, marking a 62.5% increase YOY, the highest quarterly delivery total since Q3 2022. All deliveries were concentrated in Hillsborough County, with the Southeast Tampa (899 units) and North Tampa (733 units) submarkets recording the highest activity. Additionally, 10,954 units were under construction by the end of Q1, with Downtown Tampa (3,116 units), Southeast Tampa (2,194 units), and Downtown St. Petersburg (1,474 units) leading in development.

Tampa Bay documented positive absorption of 580 units in Q1, more than double the occupancy gains recorded in Q4 2023. The Southeast Tampa submarket contributed the most to move ins, absorbing 240 units. However, due to the influx of new properties entering the market in recent years, the stabilized occupancy rate—which excludes buildings still in their initial lease-up period or within 18 months of delivery—dropped to 92.9% from 94.0% in Q1 2023. Nevertheless, six submarkets surpassed the national stabilized occupancy rate of 93.4% with East Tampa (95.7%), North Pinellas (94.5%), and Northwest Tampa (94.3%) performing the strongest.

MARKET PRICING

Effective rents recorded a YOY decrease of 1.5% in Q1, averaging $1,819 per unit, though there was a slight increase from the previous quarter. Downtown areas, revitalized in recent years, commanded the highest effective rents, with Downtown Tampa at $2,565 per unit and Downtown St. Petersburg at $2,692 per unit. Class A properties retained a considerable premium compared to other asset classes, boasting an asking effective rent of $2,240 per unit. This figure stands 29.7% higher than Class B and 55.6% higher than Class C buildings. However, lower-tier properties are poised for potentially stronger growth in the near future, having been less affected by oversupply compared to Class A assets.

DEMAND / DELIVERIES



STABILIZED OCCUPANCY & EFFECTIVE RENT



*Source: CoStar, Moody's Analytics | *Criteria: End of 1Q24 Data, Excludes Affordable Only Rents, Includes Hillsborough, Pinellas Counties*

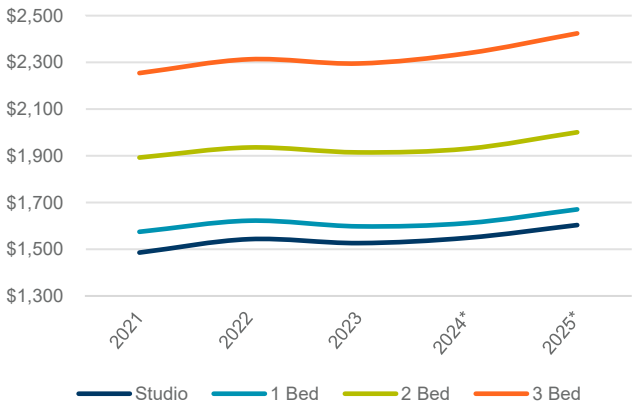
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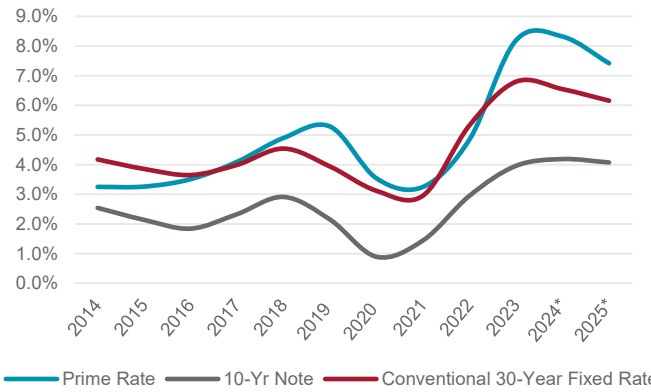
AVERAGE RENT PER UNIT BY BEDROOM



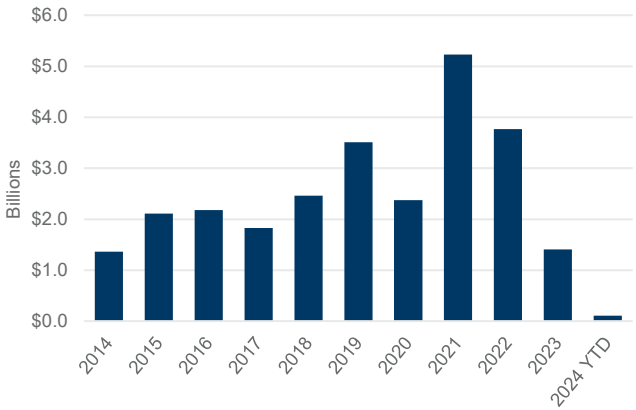
AVERAGE RENT PER UNIT BY CLASS



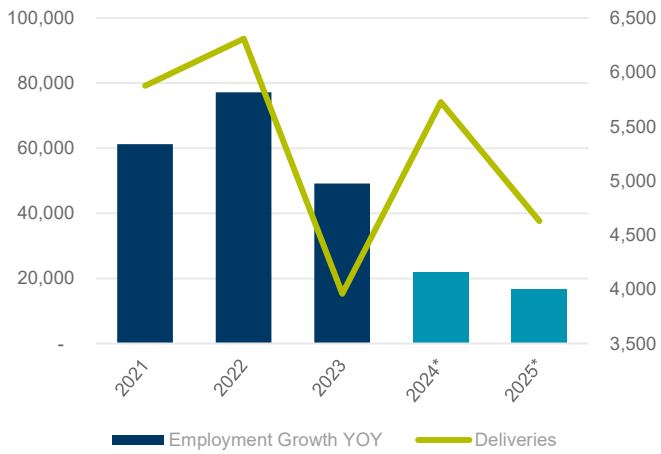
INTEREST RATES



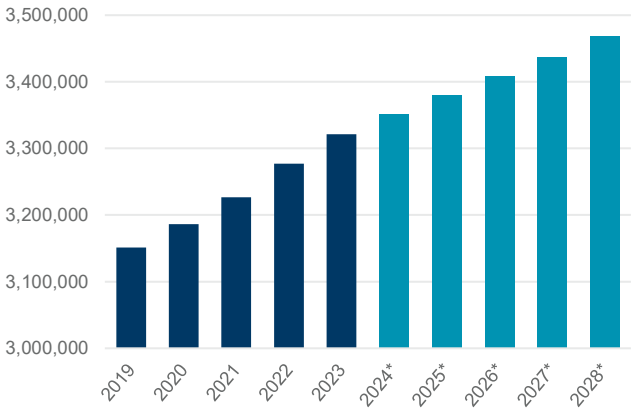
SALES TRANSACTION VOLUME



GROWTH IN JOBS VS UNITS DELIVERED



POPULATION



Source: CoStar, Moody's Analytics ** Forecasted data*



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MARKET STATISTICS

SUBMARKET	INVENTORY (UNITS)	YTD NET ABSORPTION (UNITS)	STABILIZED OCCUPANCY RATE	UNITS DELIVERED YTD	UNITS UNDER CONSTRUCTION	AVG EFFECTIVE RENT/UNIT
Downtown Tampa	12,412	18	93.3%	-	3,116	$2,565
East Tampa	397	4	95.7%	-	120	$1,463
North Tampa	29,872	22	91.3%	733	294	$1,528
Northwest Tampa	16,993	82	94.3%	-	-	$1,650
South Tampa	9,366	83	92.3%	350	1,046	$2,097
Southeast Tampa	25,843	238	92.3%	899	2,194	$1,732
West Tampa	22,118	-51	93.6%	-	277	$1,767
Hillsborough County Total	**117,001**	**396**	**92.7%**	**1,982**	**7,047**	**$1,799**
Central Pinellas	27,934	88	93.6%	-	1,354	$1,807
Downtown St. Petersburg	5,505	34	93.5%	-	1,474	$2,692
North Pinellas	11,551	89	94.5%	-	264	$1,704
South Pinellas	9,148	-27	91.2%	-	815	$1,705
Pinellas County Total	**54,138**	**184**	**93.2%**	**-**	**3,907**	**$1,863**
Tampa Bay Total	**171,139**	**580**	**92.9%**	**1,982**	**10,954**	**$1,819**

SECONDARY MARKETS*	INVENTORY (UNITS)	YTD NET ABSORPTION (UNITS)	STABILIZED OCCUPANCY RATE	UNITS DELIVERED YTD	UNITS UNDER CONSTRUCTION	AVG EFFECTIVE RENT/UNIT
Pasco County (Wesley Chapel)	19,279	511	92.9%	1,728	3,426	$1,688
Polk County (Lakeland)	22,178	221	92.7%	721	5,428	$1,562

** Not included in Tampa Bay stats*

KEY SALE TRANSACTIONS Q1 2024

PROPERTY	SUBMARKET	SELLER | BUYER	UNITS	PRICE | $ UNIT	YEAR BUILT
The Levi	Central Pinellas	Maifly Development | KRI Properties	102	$19.1M | $187,255	2023
Palmera Pointe	West Tampa	Luna Partnership One | Axonic Properties	246	$37.5M | $152,439	1974

KEY PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	UNITS	DELIVERY	DEVELOPER | OWNER
Modera St. Petersburg	Downtown St. Petersburg	383	Q2 2024	Mill Creek Residential
AER Apartments	Downtown Tampa	334	Q2 2024	American Land Ventures | Gazit Horizons
Marlowe Gateway	Central Pinellas	412	Q2 2024	Greystar Real Estate Partners

Sources: CoStar, Moody's Analytics

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