MARKETBEAT

TAMPA BAY

Multifamily Q2 2024

CUSHMAN & WAKEFIELD

	YoY Chg	12-Mo. Forecast
93.0% Stabilized Occupancy Rate	▼	▼
8,998 Units Under Construction	▼	▼
$1,817 Effective Rent, Per Unit	▼	▲

(Overall, All Property Classes)

ECONOMIC INDICATORS Q2 2024

	YoY Chg	12-Mo. Forecast
1.6M Tampa Bay Employment	▲	▲
3.4% Tampa Bay Unemployment Rate	▲	▲
$75,993 Tampa Bay Median Household Income	▲	▲

Source: BLS, Census Bureau

ECONOMY

Tampa Bay recorded significant population growth, with an increase of 30,300 residents year-over-year (YOY), bringing the total population closer to 3.4 million and making it the third largest metropolitan area in the Southeast. This surge in population contributed to the rise in nonfarm employment, up by 24,600 jobs over the past twelve months, marking a 1.6% increase YOY. Median household income had a notable rise of 3.9% YOY, reaching $75,993 by the end of Q2. Despite a slight uptick in the unemployment rate to 3.4%, which was up 60 basis points (bps) YOY, it remained below the national average of 4.1%.

SUPPLY & DEMAND

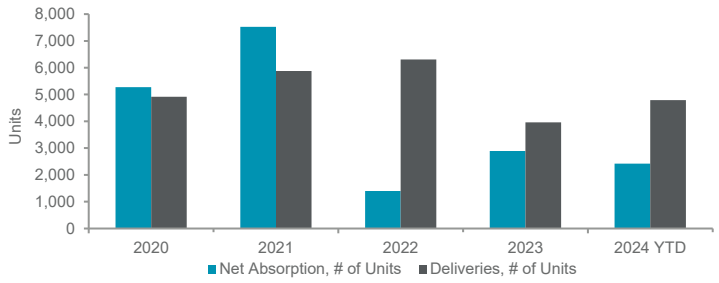
Nine multifamily buildings totaling 1,894 units were completed during Q2, combining with an already active Q1 for 4,457 apartments in 14 properties built year-to-date (YTD). This reflected a substantial 79.6% increase from the same time last year. Hillsborough County contributed to 78.2% of this year's total delivered units across the metro area. The Southeast Tampa and North Tampa submarkets together made up the majority of these deliveries, accounting for 65.4% of Hillsborough County's new product. Meanwhile, the Central Pinellas submarket delivered 588 units YTD which comprised of 60.6% of all deliveries in Pinellas County thus far this year. An additional 8,998 units remained under construction across 31 buildings throughout the market at the close of Q2, a 17.7% decrease YOY from one year ago.

There was positive absorption of 1,458 units in Q2, which represented the highest quarterly absorption in nearly three years. The Southeast Tampa submarket played a pivotal role, absorbing 39.9% of all units in Hillsborough County YTD. The Downtown St. Petersburg submarket led in Pinellas County, accounting for 50.4% of the total units absorbed this year. However, the stabilized occupancy rate, which excludes buildings still in their initial lease-up period or within 18 months of delivery dropped 70 bps YOY to 93.0% due to the influx of new properties entering the market in recent years. Five submarkets achieved or exceeded the national stabilized occupancy rate of 93.5%: East Tampa (95.5%), Northwest Tampa (94.5%), North Pinellas (94.4%), West Tampa (93.6%), and Central Pinellas (93.5%).

MARKET PRICING

Effective rents remained stable from the previous quarter, finishing Q2 at $1,817 per unit. This was a slight decrease of 1.9% YOY. Class A properties maintained significantly higher rents, reaching $2,216 per unit by the end of Q2, while Class B and C properties averaged $1,733 and $1,440 per unit respectively. This represents a 27.9% difference between Class A and B properties, both showing a 2.2% YOY decrease. Newly delivered properties continued to offer concessions like free rent and fee waivers while stabilized properties struggled to compete during lease renewals as tenants have more choices and are hunting for the best rates.

DEMAND / DELIVERIES



STABILIZED OCCUPANCY & EFFECTIVE RENT



*Source: CoStar, Moody's Analytics | *Criteria: End of 2Q24 Data, Excludes Affordable Only Rents, Includes Properties with 100+ Units in Hillsborough, Pinellas Counties*

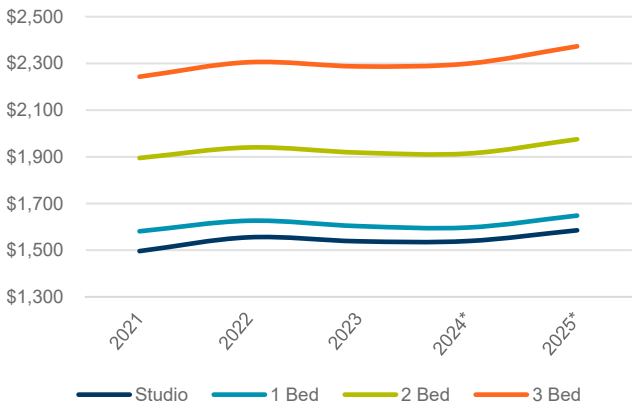
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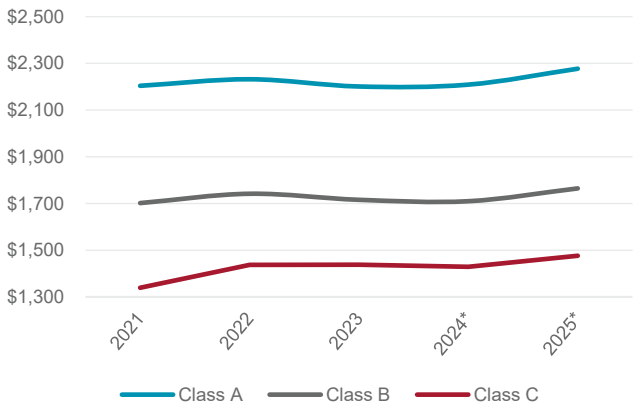
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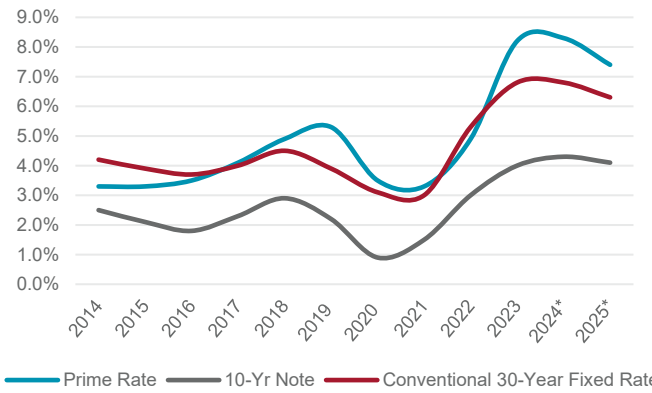
AVERAGE RENT PER UNIT BY BEDROOM



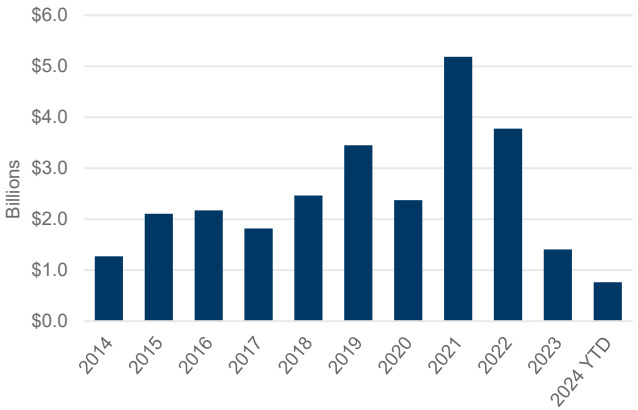
AVERAGE RENT PER UNIT BY CLASS



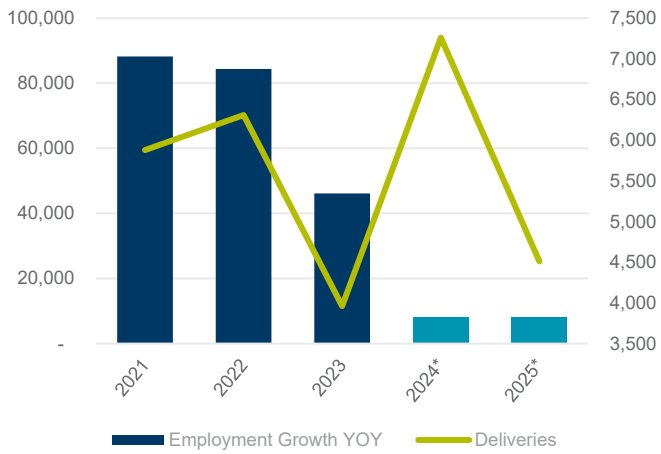
INTEREST RATES



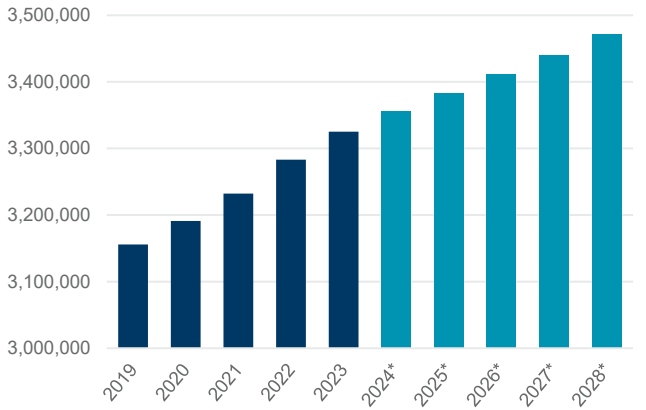
SALES TRANSACTION VOLUME



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	12,635	278	93.2%	581	2,608	$2,500
East Tampa	397	3	95.5%	0	470	$1,451
North Tampa	30,250	303	91.9%	1,027	0	$1,529
Northwest Tampa	16,993	149	94.5%	0	0	$1,654
South Tampa	9,366	241	92.4%	350	1,046	$2,149
Southeast Tampa	26,195	634	92.6%	1,251	2,142	$1,730
West Tampa	21,494	-18	93.6%	277	0	$1,773
Hillsborough County Total	**117,330**	**1,590**	**93.0%**	**3,486**	**6,266**	**$1,798**
Central Pinellas	28,222	140	93.5%	588	766	$1,820
Downtown St. Petersburg	5,888	283	91.1%	383	887	$2,591
North Pinellas	11,551	124	94.4%	0	264	$1,659
South Pinellas	8,908	15	90.8%	0	815	$1,755
Pinellas County Total	**54,569**	**562**	**93.0%**	**971**	**2,732**	**$1,858**
Tampa Bay Total	**171,899**	**2,152**	**93.0%**	**4,457**	**8,998**	**$1,817**

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)	20,077	1,167	92.5%	2,554	2,865	$1,680
Polk County (Lakeland)	24,228	1,066	93.1%	2,771	3,666	$1,558

** Not included in Tampa Bay stats*

KEY SALE TRANSACTIONS Q2 2024

PROPERTY	SUBMARKET	SELLER | BUYER	UNITS	PRICE | $ UNIT	YEAR BUILT
The Pointe on Westshore	South Tampa	Index Investment Group | American Landmark	444	$134.0M | $301,802	2021
Edge at 1702	South Tampa	CONTI Organization | Greystone & Co.Inc.	259	$83.0M | $320,398	2015
Windsor Highwoods Preserve	North Tampa	Axonic Properties | GID Investment Advisors	357	$64.0M | $179.244	1998

KEY PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	UNITS	DELIVERY	DEVELOPER | OWNER
MAA Breakwater	South Tampa	495	Q4 2024	Mid-America Apartment Communities, Inc.
Arya	South Pinellas	415	Q4 2025	Stock Development
Marina Club	South Pinellas	400	Q4 2024	Skanska USA Building, Inc.

Sources: CoStar, Moody's Analytics

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