TAMPA, FL
MULTIFAMILY REPORT

2024 | MID-YEAR

BERKADIA®

Jobs Added / Lost*

LAST 12 MONTHS

26,400

1.7%

Unemployment*

JUNE 2024

3.5%

60 BPS YOY

**Seasonally Adjusted*

TAMPA, FL

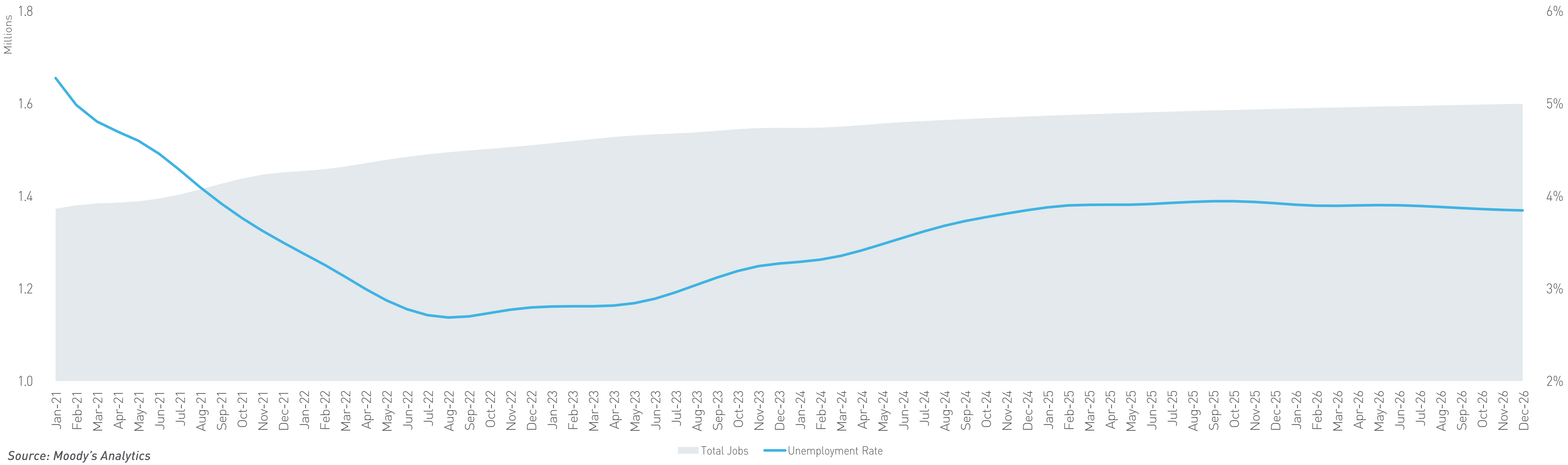
EMPLOYMENT

Named one of the best cities to start a business by USA Today, Tampa-St. Petersburg boasted an unemployment rate 70 basis points lower than the national average in June 2024. Over the past year, 26,400 net jobs were added to local payrolls, expanding employment 1.7%. The private education and healthcare sector added the most jobs to local payrolls over the past year, expanding by 9,100 employees. The influx of new jobs in this sector can be partially attributed to the rebound in hiring nurses across Florida. In 2022, registered nurse vacancies reached an all-time high of 21% across the state. After years of suffering from the lack of nurses, hospitals started hiring more nurses in 2023, bringing down registered nurse vacancies down to 13% by the end of the year. Investing in healthcare will be a continued trend in Tampa-St. Petersburg since Bayfront Healthcare St. Petersburg Institute Square broke ground earlier this year. The redevelopment will include two healthcare towers and a parking structure. The project is slated to open in 2025. The trade, transportation, and utilities sector added the second most jobs and trailed the private education and healthcare sector by nearly 4,000 jobs, expanding by 5,300 employees. The Port of Tampa mainly fuels this sector and reported more than 35 million tons of total cargo coming through in 2023, the most of any port in the state.

In the News

- $20M St. Pete tech hub project looks to deliver 1,200 new jobs
- Healthcare, education dominated Tampa job growth in 2023
- A nursing reboot: Jobs are on the rise in Florida

Employment Trends



Source: Moody's Analytics

2024 YEAR TO DATE

DELIVERIES
6,155 UNITS

ABSORPTION
4,916 UNITS

2024 TOTAL*

DELIVERIES
12,584 UNITS

ABSORPTION
9,729 UNITS

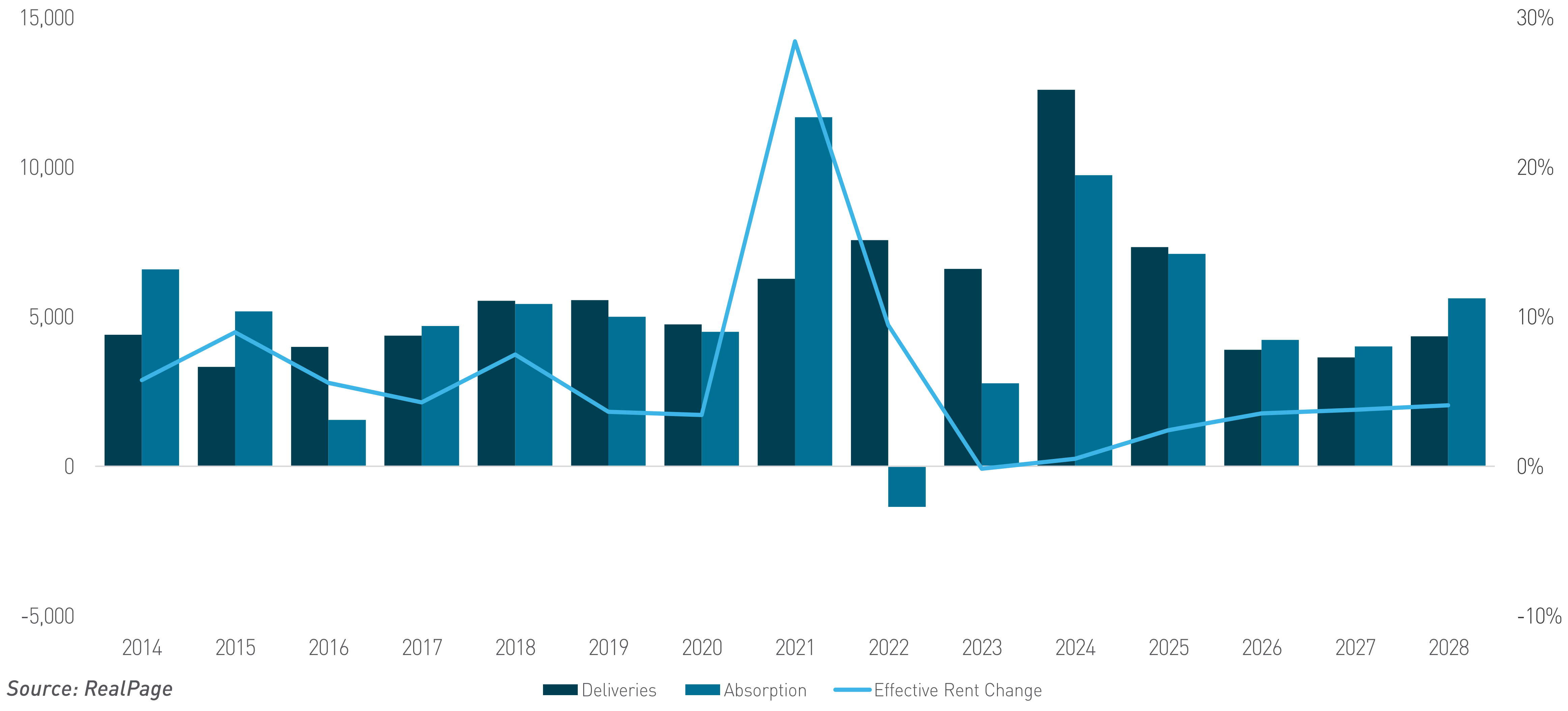
**Projected*

TAMPA, FL

DELIVERIES & ABSORPTION

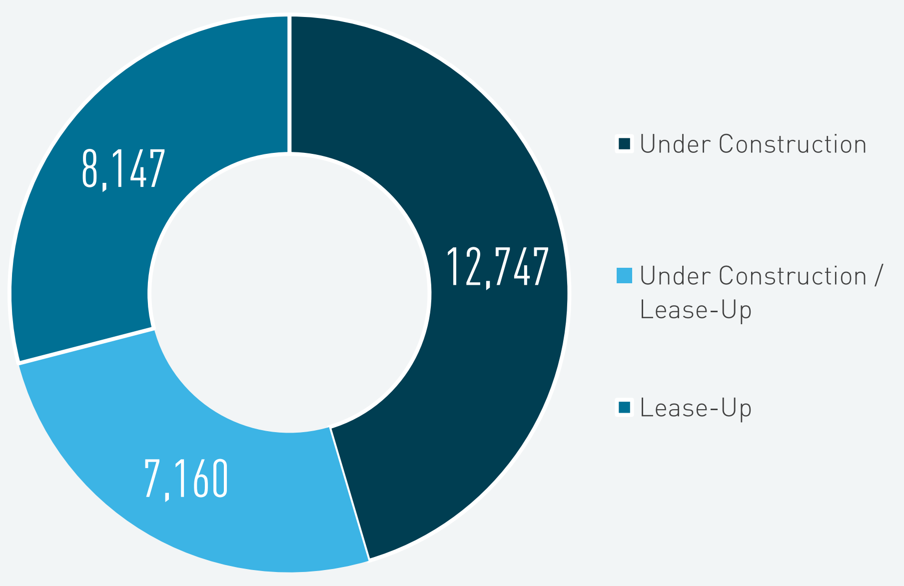
The Tampa-St. Petersburg multifamily market is on pace to perform strongly in 2024 as people continue to relocate to the area. The metro's population increased 1.0% in 2023 to make it one of the fastest growing by total people in the country. A significant contributor to the gains was robust in-migration as 47,500 more people moved to Tampa-St. Petersburg than left in 2023. These instant households created instant demand for housing as net absorption shifted positive last year. These trends are projected to continue in 2024 as annual net absorption is forecast to total more than 9,700 units in 2024, more than double the amount from one year prior. Facilitating leasing activity will be nearly 12,600 units set to come online in 2024, the most annual additions in the past decade. This will surpass the previous record year of 2022 by over 5,000 units. Similar to past years, the majority of apartment development and leasing activity is projected to be in the New Tampa/East Pasco County and the Brandon/Southeast Hillsborough County submarkets. These suburban areas offer more affordable rental rates than the market average while offering luxury amenities such as shopping, golfing, top-rated schools, and manicured parks. Beyond these submarkets, a combination of startup activity and commercial developments should shift leasing activity positive in the North St. Petersburg submarket this year.

Deliveries, Absorption, & Effective Rent Change

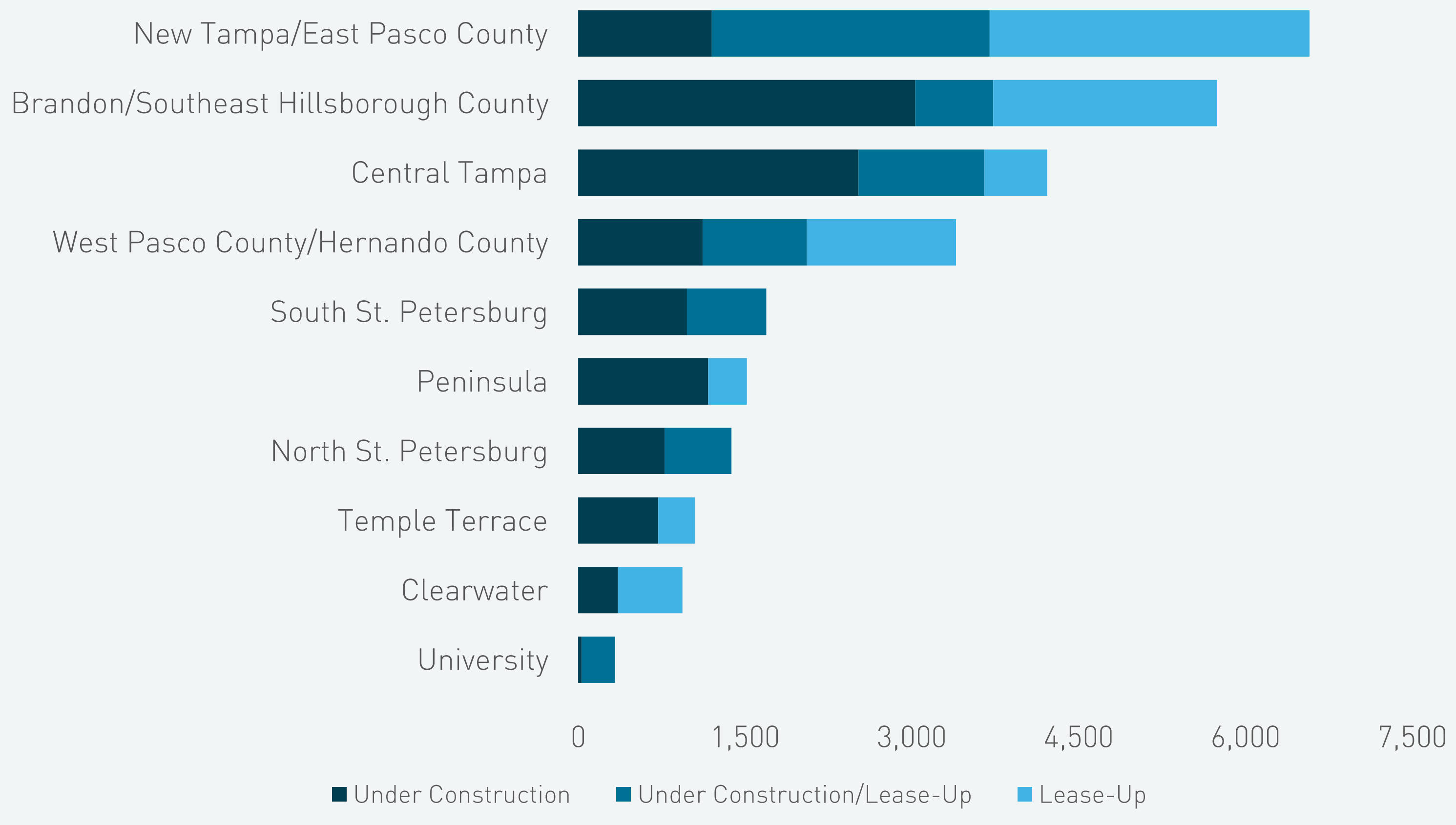


Source: RealPage

Market Pipeline



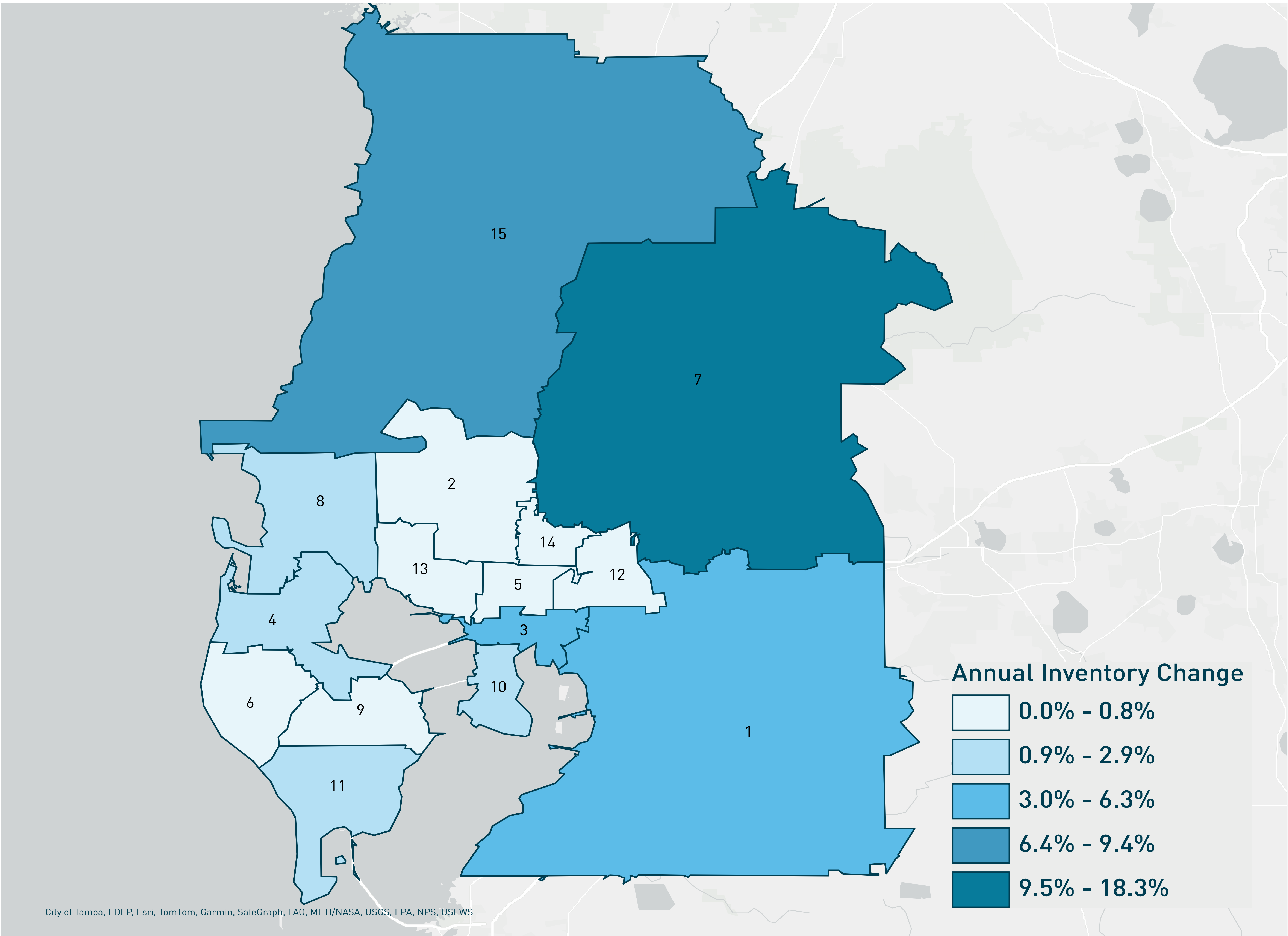
Top Submarket Pipelines



The suburban submarkets have had the lion's share of new development in Tampa-St. Petersburg. Most notably, the New Tampa/East Pasco County submarket added 3,563 units over the past year, expanding its inventory by 18.3%. This growth is staggering compared to the other submarkets in the metro. Multifamily developers targeted New Tampa/East Pasco County because the submarket is in high housing demand. In 2023, the submarket accounted for 66% of total net-absorption in the metro. Similarly, over 3,000 units are forecasted to be absorbed in New Tampa/East Pasco County in 2024. Demand is typically high here because it is home to the nicest suburban communities in the Tampa Bay area. These neighborhoods boast the high median household income and job opportunities in either healthcare or agriculture. Looking ahead, builders will continue to target this area. As of midyear 2024, the submarket has over 3,700 units that are under construction or in lease-up/under construction phase.

TAMPA, FL

SUBMARKET MID-YEAR 2024 ANNUAL INVENTORY CHANGE



SUBMARKET BOUNDARIES

1. Brandon / Southeast Hillsborough County
2. Carrollwood / Citrus Park
3. Central Tampa
4. Clearwater
5. Egypt Lake / Lowry Park
6. Largo / Seminole
7. New Tampa / East Pasco County
8. North Pinellas County
9. North St. Petersburg
10. Peninsula
11. South St. Petersburg
12. Temple Terrace
13. Town and Country / Westchase
14. University
15. West Pasco County / Hernando County

Effective Rent

Q2 2024

$1,810

1.6% YOY

Occupancy

Q2 2024

93.3%

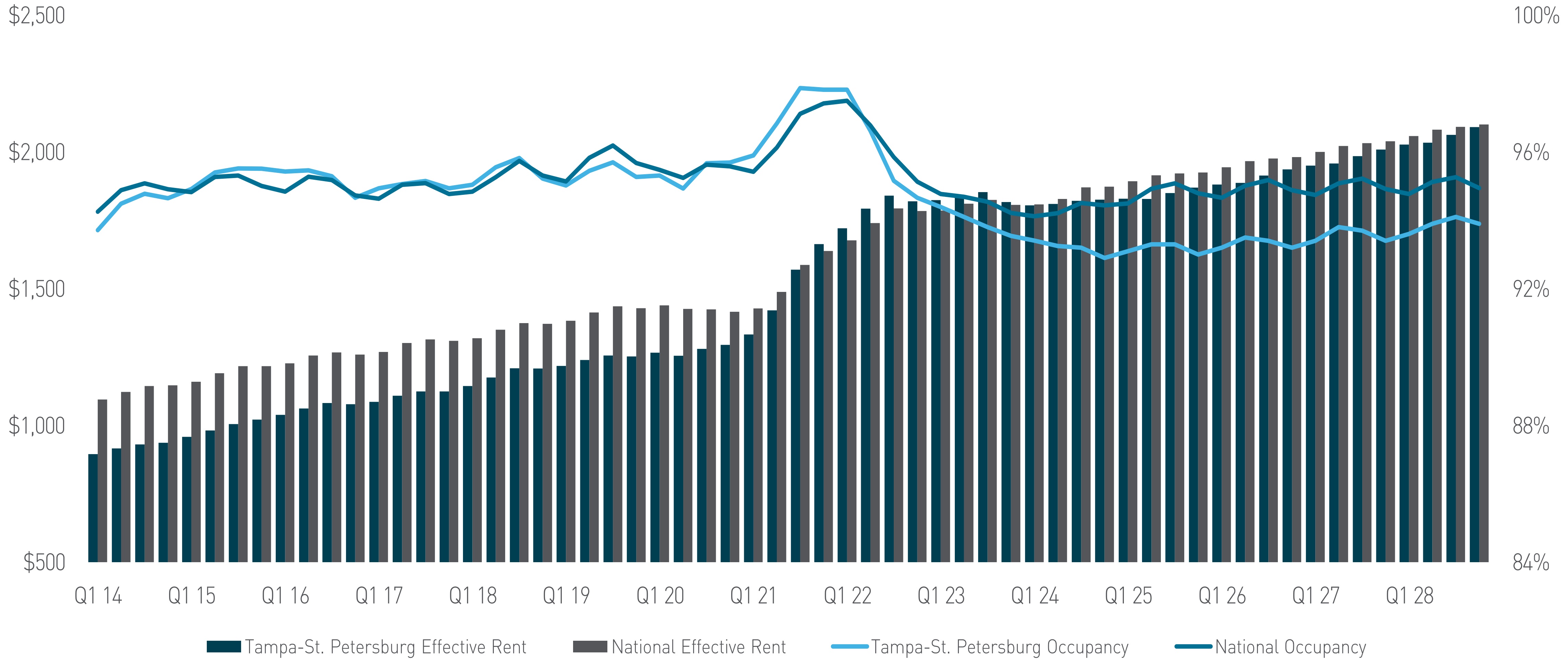
80 BPS YOY

TAMPA, FL

RENT & OCCUPANCY

Over the past few years, the Tampa-St. Petersburg multifamily market was one of the most robust in the nation in terms of rent growth. After the market posted annual effective rent increases that nearly reached 30% during 2022, Tampa-St. Petersburg's average effective rent growth normalized recently. Pressured by consistent inventory outpacing demand substantially over the past two years, the metro's effective rent dropped 1.6% in the last year to $1,810 per month during the second quarter of 2024. Similar to annual effective rent growth, the influx of units affected occupancy rates in the metro. At 93.3% in the second quarter of 2024, occupancy was down 80 basis points year over year. With the recent expansions in supply, the number of apartment operators who have started to offer concessions has increased. As of the second quarter of 2024, 33.8% of landlords offered concessions, up from 18.3% during the same time the previous year. Despite the metrowide dip in effective rent, Class A rents rose the most among all the asset classes in Tampa-St. Petersburg. Since mid-year 2023, luxury apartment rents increased 2.6%, reaching $2,512 per month. Submarkets with a high volume of Class A units felt this effect and saw increases in their rents. For example, the South St. Petersburg and the Peninsula submarkets, which have more waterfront properties than most of the other submarkets, both had effective rent increase 4.4% year over year.

Tampa vs. National Effective Rent & Occupancy



Source: RealPage *Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.*

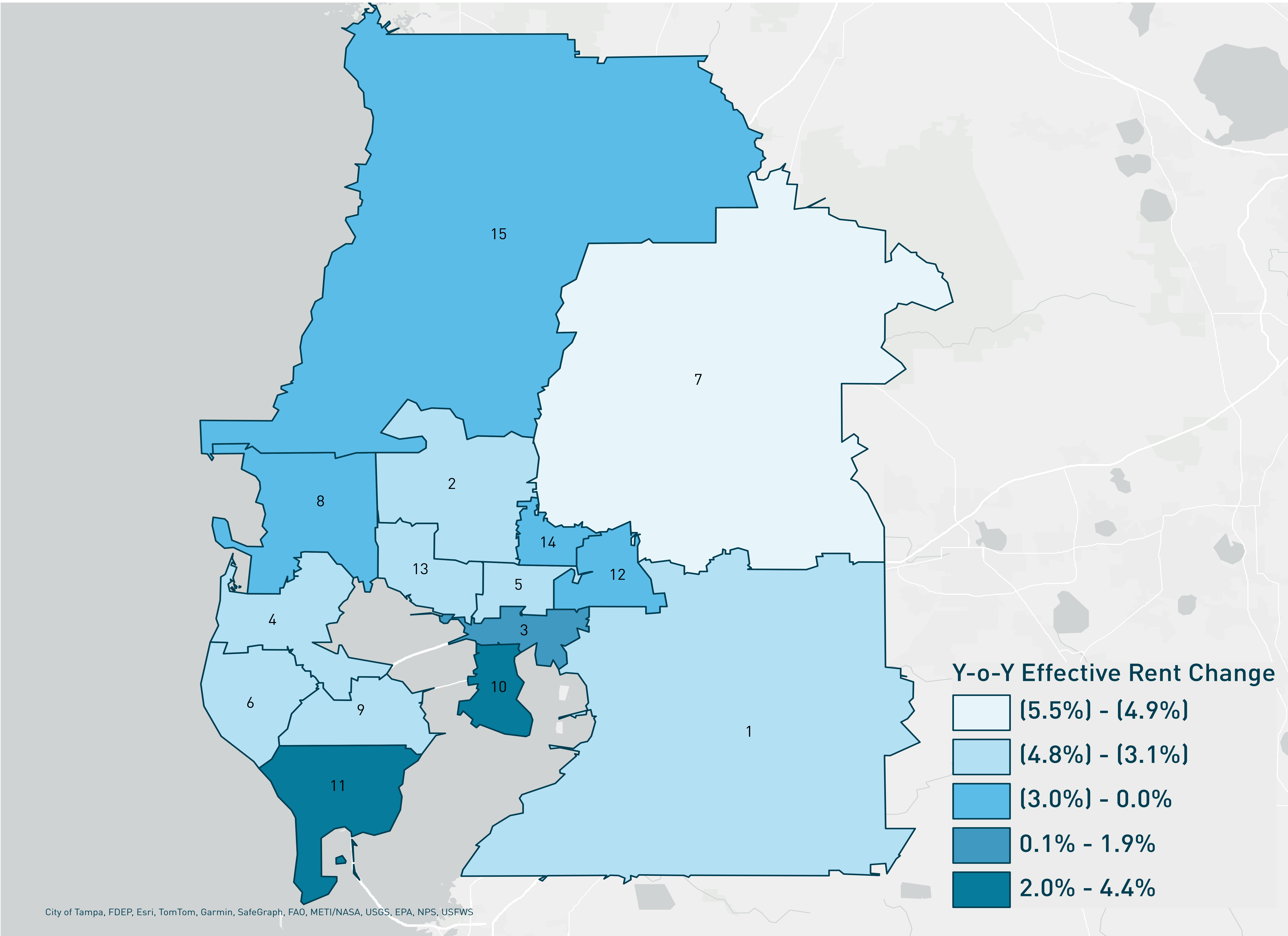
Submarket Performance

SUBMARKET NAME	Q2 2024 OCCUPANCY	YOY (BPS)	Q2 2024 EFFECTIVE RENT	YOY
Brandon/Southeast Hillsborough County	92.3%	-100	$1,726	-3.8%
Carrollwood/Citrus Park	93.3%	-60	$1,715	-3.1%
Central Tampa	93.6%	-70	$2,532	1.1%
Clearwater	94.1%	-20	$1,740	-3.7%
Egypt Lake/Lowry Park	94.0%	60	$1,520	-3.1%
Largo/Seminole	94.0%	-170	$1,679	-3.7%
New Tampa/East Pasco County	93.0%	-100	$1,728	-5.5%
North Pinellas County	94.0%	-150	$1,769	-2.7%
North St. Petersburg	93.4%	-40	$1,822	-3.5%
Peninsula	92.4%	-110	$1,915	4.4%
South St. Petersburg	93.1%	-90	$2,162	4.4%
Temple Terrace	92.1%	-230	$1,506	-2.0%
Town and County/Westchase	92.9%	-80	$1,791	-3.8%
University	93.3%	-80	$1,450	-0.7%
West Pasco County/Hernando County	94.5%	-110	$1,490	-0.5%

The South St. Petersburg effective rents increased 4.4% annually through the second quarter of 2024, one of only three submarkets to record a positive rent change over the past year. This is the second consecutive year that the South St. Petersburg submarket had this highest annual rent change. The submarket's growing effective rent and occupancy was underpinned by one of its major demand drivers, Downtown St. Petersburg. With the financial services industry is the largest employment sector in St. Petersburg, the submarket appeals to young professionals looking for high-paying white-collar jobs. Home to major employers such as IBM and Ceridian, and newly relocated start-up companies, South St. Petersburg has cemented itself as a tech hub. Meanwhile, the submarket also boasts some of the best beaches in the metro, allowing for Class A beachfront properties to support rent increases.

TAMPA, FL

SUBMARKET MID-YEAR 2024 ANNUAL RENT CHANGE



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TAMPA, FL

SALES

2024 Year to Date*

VOLUME $646.5M	**PRICE PER UNIT (AVG)** $215,617
TRANSACTIONS 18	**CAP RATE (AVG)** 5.3%

What's Trading?*

UNITS (AVG) 155	**YEAR BUILT (AVG)** 1990s
BUILDINGS (AVG) 6	**ACRES (AVG)** 8.37

Top Buyers*

BUYER	LOCATION
American Landmark	Tampa, FL
Greystone	New York, NY
Brookfield AM	Toronto, ONT
Hiltop Residential	Houston, TX
Blaze Capital Partners	Charleston, SC

Top Sellers*

SELLER	LOCATION
Index Estate	Stockholm, SE
Conti Capital	Dallas, TX
Starwood Capital	Miami Beach, FL
Rane Property Management	Amherst, NY
Milhaus	Indianapolis, IN

Source: MSCI Real Capital Analytics
**$2.5m+*

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Sources: RealPage; Moody's Analytics; Real Capital Analytics