

# Multifamily Metro Outlook:

## Tampa - Q2 2022

### Overview:

- One of the features that stands out in Tampa Bay is the metro's labor force, which is 6% larger than the pre-pandemic workforce. While recently the labor market is cooling after its exponential growth, Tampa continues to see historically low unemployment rates, at 2.9%.
- Delivered units continue to move at a breakneck pace of 2,070 units delivered to the metro this quarter. In turn, the vacancies increased from last quarter at 4.5%, 50 bps high than last quarter. Although this is below the national average of 4.8%, it appears demand is being met with the breakneck pace of delivered units which has caused a rise in vacancy for the past two quarters.
- With tight fundamentals, asking rent prices are still elevated more than the national average. In the second quarter of 2022, asking rent averaged \$1,670, and annual asking rent growth increased to 3.75%, 375 bps quarter over quarter.
- In line with trends seen across the rest of the country, most of this growth was seen among Class B properties, where rents were more than 28.0% higher than last year, although this is a decrease from the record high last quarter at 31.1%. Class A properties were not far behind, rents increased more than 26.9%, but offered higher concessions. Due to their exponential asking rent growth, Class B properties concessions have dropped from 7.0% to 2.4% over the past two quarters.

### Market Strengths:

- Tampa's older visitor profile is one of its strongest assets. Its tourism industry was partially protected during the pandemic because of its older visitor profile. In the future, Tampa's economy can be boosted by their older age demographics as they have higher incomes and non-employment related income.

### Market Weaknesses:

- Tampa is the financial services capital of Florida, with companies such as JP Morgan and City Group situated in the metro. The share of banks, investment firms, and financial technology companies in the metro equally puts it at risk with high inflation.
- Tampa's tourism is one of its strongest assets that was relatively protected from the pandemic because of its older visitor profile and lax COVID-19 policies. Like the financial sector, the industry is at risk due to consumers drawing back their spending with recession fears. Further, its older visitor profile are vulnerable to high inflation rates as many are on fixed income.

### Development:

- Development in Tampa continues to exceed the pace of larger metros like Chicago and San Francisco. More than 1,100 units were added to the pipeline, bringing the total to more than 13,900 units. Considering the volume of the development underway, it should hardly come as surprise that more than 3,600 units have been delivered to the metro the first two quarters of this year.
- Condo development in Tampa contributes slightly more than one fifth of the total units delivered to the metro since the beginning of 2016, with 580 units added this past quarter. Additionally, this past quarter alone more than 560 units were added to the pipeline, while only 150 units are underway.

### Outlook:

- Multifamily Outlook: Improving. Tampa's apartment market has been flashing some signs of easing, considering the flood of supply that has come online recently. However, high quality of life and moderate costs of living continue to fuel demand for the metro, and the unique combination of renters in Tampa's apartment market – which consists of just as many older residents as there are younger apartment age residents – means that long-term demographics can only point towards continued growth, which should keep the market steady even with the continued surge of new supply.
- Economic Environment: Stable. The unemployment rate in the metro has already come down below the national average, and lax restrictions statewide will ensure that the metro continues to make progressive economic strides. Thus, performance in the metro should continue to outperform its peers in the foreseeable future.

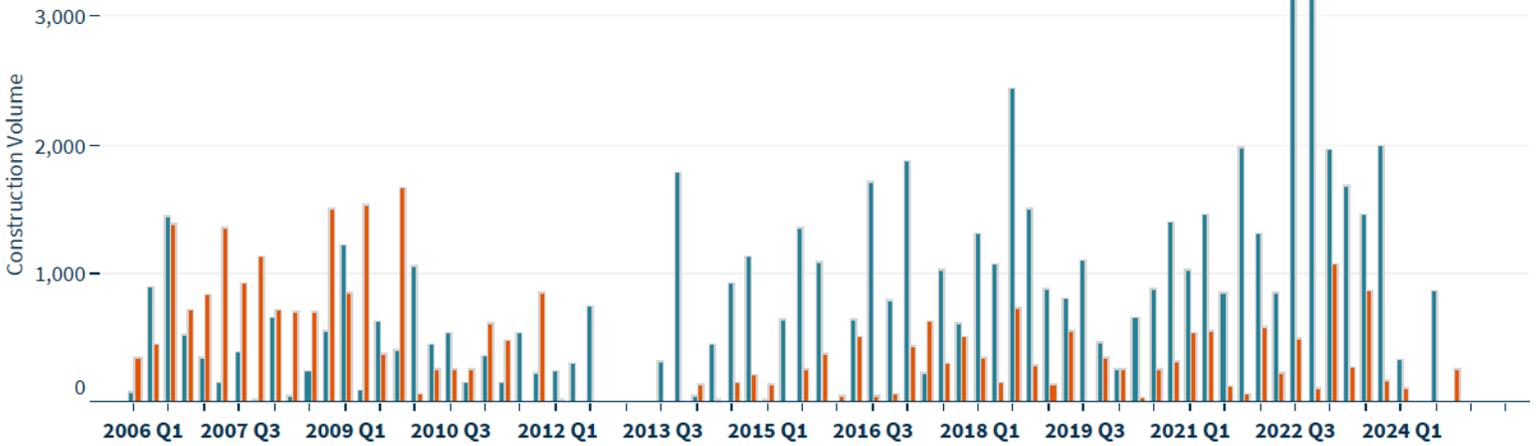
## Five Year Metro Area Growth Forecast

	Q4 2021	Q4 2026	Tampa (5-Year Annual Average Change)	National (5-Year Annual Average Change)
<b>Population</b>	3,250	3,407	0.95%	0.47%
<b>Households</b>	1,345	1,467	1.75%	0.90%
<b>Renting Cohort (Ages 20-34)</b>	602	605	0.11%	-0.30%
<b>Total Employment</b>	1,427	1,571	1.94%	1.08%
<b>Median Household Income</b>	\$56,669	\$67,063	3.43%	3.30%
<b>Median SF Home Price</b>	\$340,493	\$307,341	-2.03%	1.93%
<b>Net Migration</b>	34,049	39,508		

## SupplyTrack Pipeline

### Apartments & Condos/Townhomes: Units Completed and Underway

Apartments | Condos



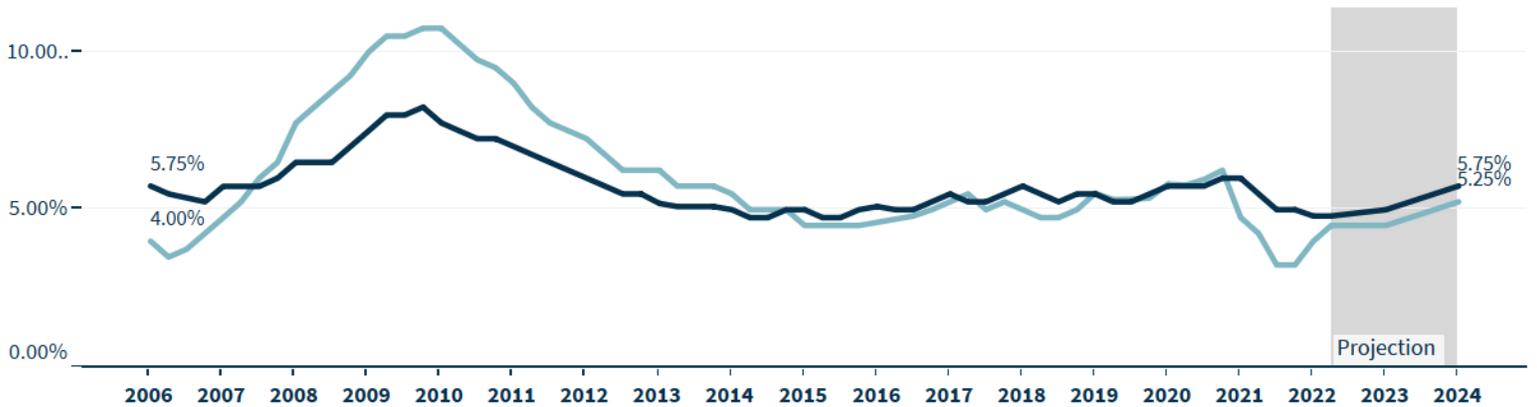
## Vacancy & Rent Composite Estimates

### Vacancy Rates

Tampa | National

Q2 2022 Vacancy Rate:

4.50%

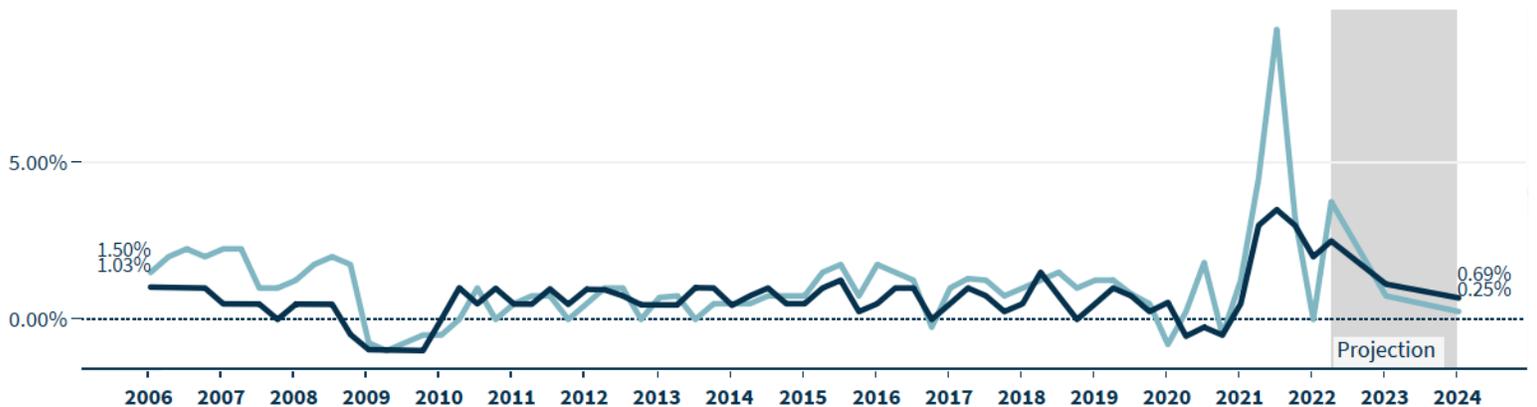


### Asking Rent Growth

Tampa | National

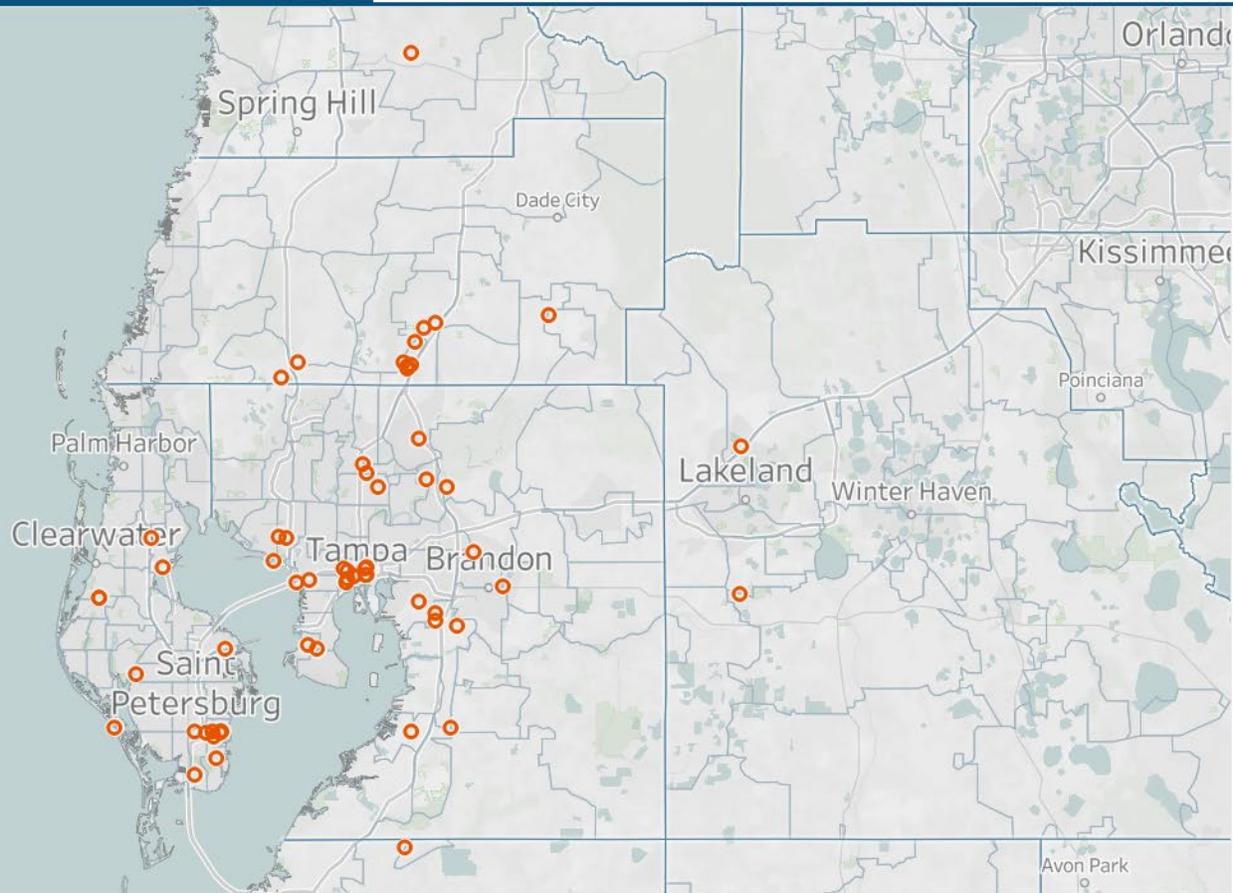
Q2 2022 Asking Rent:

\$1,670



Source: Multifamily Economics and Research

## Construction: Bidding & Underway



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<i><b>TWR Submarket Name</b></i>	<i><b>Apartments</b></i>	<i><b>Building Units</b></i>	<i><b>Building Area SF</b></i>
Brandon/Southeast Hillsborough County	8	2,275	2.42M
Carrollwood/Citrus Park	1	330	0.46M
Central Tampa	13	2,762	3.78M
Clearwater	2	678	0.81M
Egypt Lake/Lowry Park	2	168	0.20M
Largo/Seminole	2	329	0.28M
n/a	1	300	0.46M
New Tampa/East Pasco County	10	2,372	2.97M
North St. Petersburg	2	403	0.46M
Peninsula	2	555	0.67M
South St. Petersburg	10	2,163	2.44M
Temple Terrace	1	331	0.34M
Town and Country/Westchase	2	98	0.10M
University	3	472	0.41M
West Pasco County/Hernando County	2	713	0.86M
<b>Grand Total</b>	<b>61</b>	<b>13,949</b>	<b>16.67M</b>

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## Multifamily Economics and Market Research Team

Sophia Kaleem, Economic and Strategic Research - Economics – Associate

### Sources Used

- Moody's Economy.com
- REIS
- CoStar
- Real Capital Analytics
- RealPage
- Dodge Data and Analytics SupplyTrack Pipeline
- Axiometrics
- CBRE-Econometric Advisors
- Yardi

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