



TAMPA, FL

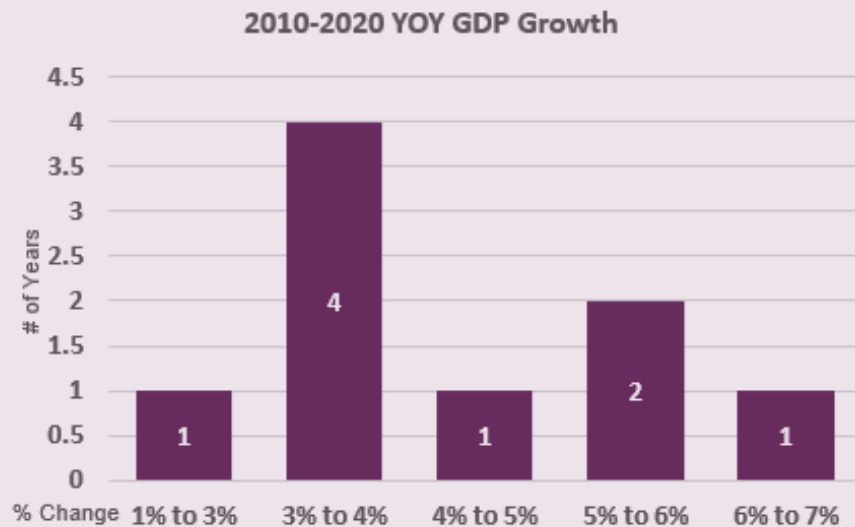
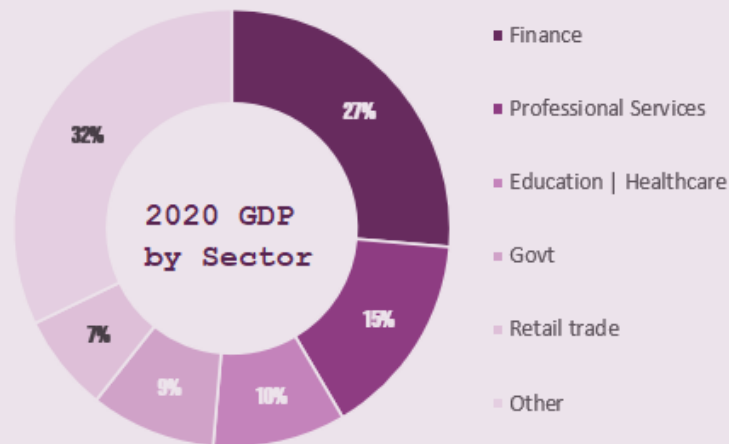
PLUM LENDING MARKET SPOTLIGHT



PLUM LENDING MARKET SPOTLIGHTS ARE INTENDED TO GIVE INVESTORS AND BORROWERS A DETAILED OVERVIEW OF THE INFORMATION THAT IS ALLOWING PLUM TO PLACE COMMERCIAL REAL ESTATE DEBT IN GROWING MARKETS

PLUM MARKET SPOTLIGHT - TAMPA, FL

- The Tampa-St. Petersburg-Clearwater MSA is home to over 3.2 million residents and is the 2nd largest metropolitan statistical area in Florida.
- Tampa is ranked in the top 5 nationally (along with Austin, Nashville, Raleigh, and Phoenix) for overall real estate prospects, according to the 2022 PWC Emerging Trends in Real Estate report.
- Multifamily rents across the metro have increased by over 35% from Q4 2019 to Q2 2022. Industrial rents have increased by 30% over the same period.
- TTM sales volume is at an all-time high across the industrial, retail, hospitality, and multifamily sectors.
- The population of the Tampa MSA increased 16% from 2010 to 2021, and median household income increased by 33%.
- The city of Tampa holds an AAA credit rating from Fitch.



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Commercial Real Estate Trends

Multifamily: Tampa has been one of the nation's strongest apartment markets over the past two years, with asking rents up over 35% since Q4 2019. Over the past twelve months, approximately 9,000 units have been delivered across the metro. Despite the surge in supply, the vacancy rate remains below 7%. For Class B and Class C properties, the vacancy rate is closer to 3%.

Hospitality: Tampa's hospitality industry returned to pre-pandemic levels in Q1 2021, led by leisure demand to the metro's beach communities. TTM RevPAR is approximately \$110 across the metro, modestly higher than the pre-pandemic peak of roughly \$95. Occupancy levels have yet to eclipse their pre-pandemic peak, so the increase in RevPAR is being driven by growth in ADR.

Industrial: The industrial market in Tampa has seen relentless tenant demand over the past few years, and demand continues to outpace supply. The vacancy rate is hovering around 3%, and with most of the existing construction pipeline being preleased, vacancies across the metro are expected to remain compressed. Industrial users in Tampa have access to three major interstate highways (I-4, I-75, and I-275), Port Tampa Bay, and two international airports.

Retail: Despite an array of macroeconomic headwinds, the retail market in Tampa has shown consistent strength. Market rent growth remained positive throughout the COVID pandemic, and asking rental rates are currently up approximately 7% year-over-year. The vacancy rate is at a historic low, below 4%. There do not appear to be any near-term supply headwinds for Tampa's retail sector, as the current construction pipeline represents less than 1% of supply.

Office: Tampa's office market has more available sublease space than the Miami-Fort Lauderdale-West Palm Beach MSA. Despite strong population growth and an influx of tech tenants to the city, the office market in Tampa will continue to see elevated vacancies in the near-term. On the bright side, rent growth remains positive, partially attributed to a steady rate of corporate relocation to the area.

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Sales Activity

Multifamily:

In May 2022, Novel Midtown Tampa sold for \$236,000,000, or approximately \$605,000 per unit. The 390-unit property was built in 2021 by Crescent Communities and was roughly 90% leased at the time of sale. The buyer was CBRE Investment Management. Rents at Novel Midtown range from \$1,850 to \$6,000.

In May 2022, Nine15 was purchased by Goldman Sachs for \$184,000,000, or approximately \$508,000 per unit. The 362-unit property was built in 2017 and previously sold for \$120,000,000 in Feb 2020. Blaze Partners held the asset for less than 3 years and generated a profit of \$64,000,000 (53% gain) on top of the cash flow received during the holding period.

Hospitality:

In March 2022, Wyndham Grand Clearwater Beach sold for \$170,000,000, or approximately \$495,000 per room. The property was built in 2017 and consisted of two oceanfront 15-story towers. The buyer was JEMB Realty.

In May 2022, Dolphin Beach Resort sold for \$84,200,000, or approximately \$486,000 per room. The property is located in St. Pete Beach and was constructed in 1965.

Office:

In May 2022, the 4-story office building located at 5525 W Gray St was purchased by Easterly Government Properties for \$70,400,000 (\$510/SF). The building is 100% occupied by the FBI on a lease that extends to 2040.

Industrial:

In March 2022, the 112,000 SF last-mile distribution center located at 13010 Bay Industrial Drive sold for approximately \$55,000,000 (\$495/SF). The building is 100% leased to Amazon.

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