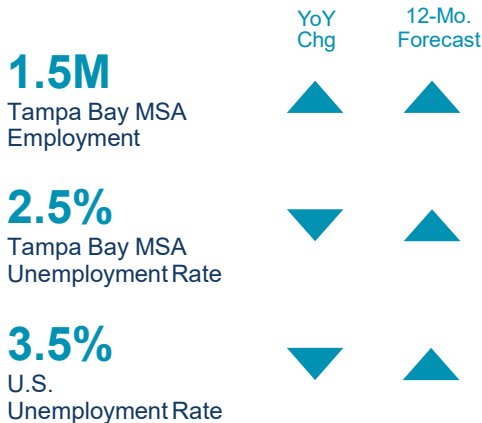


ECONOMIC INDICATORS Q1 2023



Source: BLS

ECONOMY

The labor market in the Tampa Bay region remained tight with an unemployment rate of 2.5% in March 2023. This was down 60 basis points (bps) year-over-year (YOY), and significantly lower than the national rate of 3.5%. The region continued to record a large influx of new residents and Hillsborough was the 8th fastest growing county in the country in 2022. Nonagricultural employment totaled 1,524,700, adding 68,700 jobs over the last year, a 4.7% increase.

SUPPLY

Tampa Bay's industrial market ended the first quarter with overall vacancy at 4.8%, down 20 bps from the previous quarter and below the five-year average of 5.4%. The Eastside and Westside submarkets both ended the quarter with all-time low vacancies, at 2.6% and 1.8%, respectively. South Tampa was the only submarket to report a quarter-over-quarter (QOQ) rise in vacancy, as it recorded its first vacancy in six quarters when Carvana gave back 60,000 square feet (sf) of sublease space. Nearly 1.5 million square feet (msf) delivered during the first quarter across Tampa Bay, highlighted by Lowes moving into its 1.2-msf build-to-suit in the Plant City submarket. Another 2.8 msf remained under construction, of which 51.4% was already pre-leased.

DEMAND

Tampa Bay leasing activity increased for the second consecutive quarter, ending the first quarter with 1.5 msf of new deals signed. The Eastside and Plant City submarkets dominated leasing activity, together accounting for over 74.4% of all new deals signed in Tampa Bay, as users targeted new construction in these locales. In Plant City, Tesla signed for 455,000 sf at Southern Oaks and Armstrong Relocation Services leased 57,000 sf at 2400 Police Center Drive while Ally Building Solutions and Norwegian Cruise Lines took a combined 112,350 sf at Grand Oaks 75 and a beverage manufacturer leased 68,000 sf at 301 Business Center in the Eastside submarket. Multiple warehouse/distribution (W/D) subleases vacated during the first quarter as companies reassessed their space needs post pandemic, but with vacancy still extremely tight these spaces should lease up quickly. This was proven when HIT Promotional Products inked deals at two Amazon subleases in the Gateway submarket totaling 159,000 sf. There were over 1.6 msf of tenant move-ins during the first quarter, led by large occupancies by Lowes, Chadwell Supply, and Peak Nutritional.

MARKET PRICING

As demand in Tampa Bay remained strong with a limited supply, landlords continued to push rents to all-time highs. Tampa Bay overall asking rents were \$8.55 per square foot (psf) triple net to end the first quarter, up 10.4% YOY. W/D product jumped 10.3% annually to \$7.42 psf, with the Airport submarket recording the highest rates at \$10.87 psf, up 11.4% over the same period. W/D rents should continue to increase throughout the year as new product with asking rates in the low to mid-teens delivers in the depleted Eastside, Westside, and Gateway submarkets.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q1 2023

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	YTD CONSTRUCTION COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Eastside	50,684,264	1,311,428	2.6%	259,531	638,017	1,935,358	0	\$8.75	\$14.29	\$7.88
Westside	13,261,201	244,638	1.8%	40,267	136,189	245,000	0	\$11.00	\$13.56	\$10.87
South Tampa	819,449	60,000	7.3%	-60,000	0	0	0	N/A	N/A	N/A
Plant City	17,032,225	2,817,803	16.5%	1,210,032	511,899	101,866	1,419,375	N/A	N/A	\$6.87
Hillsborough Totals	81,797,139	4,433,869	5.4%	1,449,830	1,286,105	2,282,224	1,419,375	\$9.30	\$14.01	\$7.19
Gateway/Mid-Pinellas	25,121,037	787,700	3.1%	129,426	232,657	561,178	77,868	\$8.06	\$12.41	\$10.83
North Pinellas	5,227,933	72,361	1.4%	12,826	11,390	0	0	\$10.50	\$11.36	\$6.80
South Pinellas	5,666,387	382,248	6.8%	-6,500	15,000	0	0	\$8.57	\$11.00	\$7.88
Pinellas Totals	36,015,357	1,242,309	3.5%	135,752	259,047	561,178	77,868	\$8.47	\$12.30	\$9.38
Tampa Bay Totals	117,812,496	5,676,178	4.8%	1,585,582	1,545,152	2,843,402	1,497,243	\$8.53	\$13.24	\$7.42

*Rental rates reflect weighted net asking \$psf/year

MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q1 2023

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
Southern Oaks - Building 1	Plant City	Tesla	455,154	New
3201 Gateway Centre Parkway	Gateway	Hit Promotional Products Inc	100,000	Sublease
Tampa Distribution Center - Building 6	Eastside	Feeding Tampa Bay	80,000	Renewal
Madison Industrial Park - Building C	Eastside	Accessories of Florida	80,000	Renewal
Grand Oaks 75 - Building IV	Eastside	Ally Building Solutions, LLC	68,057	New

*Renewals are not included in leasing activity

KEY SALE TRANSACTIONS Q1 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
6101 45th Street North	South Pinellas	Stonemont Stonepeak Partners LLC	114,334	\$63.4M \$555

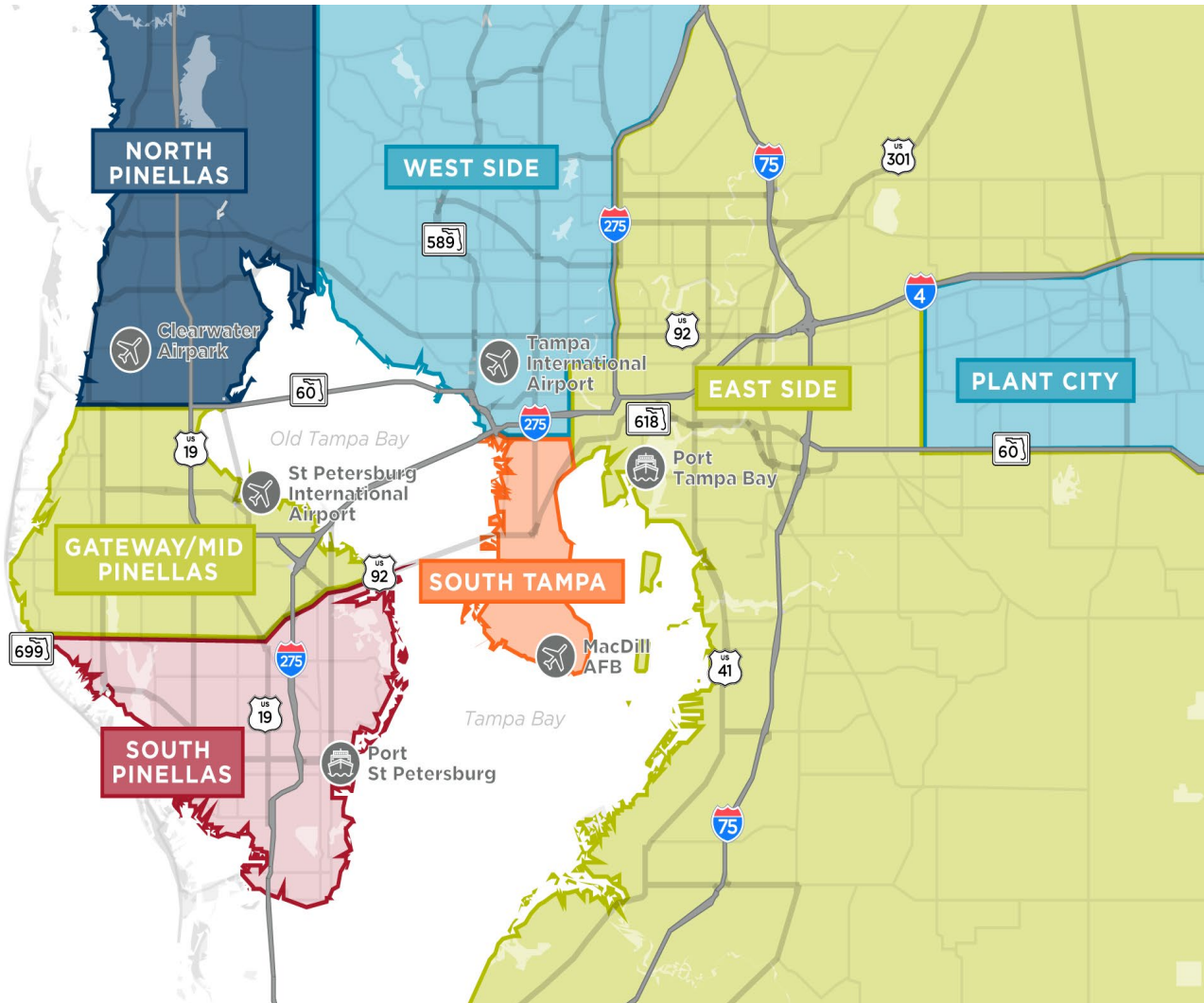
KEY CONSTRUCTION COMPLETIONS Q1 2023

PROPERTY	SUBMARKET	MAJOR TENANTS	SF	OWNER
Lowe's Warehouse	Plant City	Lowe's	1,204,632	Aspyre Properties, LLC
Central Florida Commerce Center - Building 5	Plant City	St. Martin America Inc.	214,743	Central Florida Development
4555 118th Avenue North	Gateway	Goodman Distribution, Inc	77,868	Chestnut Hill / Cabot Properties

TAMPA BAY

Industrial Q1 2023

INDUSTRIAL SUBMARKETS



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