



TAMPA BAY LAND MARKET OVERVIEW

QUARTERLY REPORT

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The following represents excerpts from economic and real estate journals, notes from conventions, seminars and other meetings I attended, along with personal opinions of my own and others that affect the land market in the Tampa Bay Region. Previous Market Overviews can be found at www.cushwakelandfl.com/tampa.

ERHARDT'S QUICK LOOK AT THE LAND MARKET

- Multifamily land – Same as the last 17 quarters, rental continues to be very active. For sale townhomes and condominiums are under contract or construction in urban and suburban markets, and are gaining momentum as entry level new construction product. Suburban is picking up because infill has little or no A sites remaining.
- Single Family – As for the last 24 quarters, builders and developers are closing and making offers on A and B locations. Starting to see some land buys outside the A/B market. This can provide entry level product.
- Retail – Mainly tenant driven. Outparcel subdivisions and unanchored strips are starting in A locations. Health, wellness, fitness and beauty tenants are close to 50% of local space in new grocery anchored centers.
- Industrial – New developers continue to contract and close land positions in Tampa, Lakeland and Plant City.
- Office – Same as last 13 quarters, users and B-T-S only, but I believe we are getting close to a spec building. Medical office building construction is active.
- Hospitality – Same as the last eight quarters, development activity continues. Major franchisors are creating new brands.
- Bank Deals – Not a factor.
- Agricultural Land – Active, but prices have leveled out for all but citrus, which declining because of greening. More buyers than sellers. Big deals in the works.
- Cycle – I'm still predicting the overall Tampa Bay land cycle has five to six years left, with solid growth for the next three years.





THE BIG PICTURE

Building in Tampa hits record \$2.4 Billion, The Tampa Tribune, October 10, 2015

Through the 2015 financial year, ending September 30, 2015, Tampa gave permits for \$2.4 billion in development, a record for the city and up 20% from about \$2 billion in 2014. It is the second straight year that the value of development has topped the previous record, set in 2007 before the real estate crash that triggered the recession.

The city's construction service department issued 16,855 permits for residential projects in 2015 and 6,306 for commercial properties, city officials said.

Tampa Aviation Authority and Tampa Port Authority have big plans

Port Authority for Tampa Bay owns 45 waterfront acres, north of the Aquarium in the Channelside District of downtown Tampa. They are proposing a mixed use project with a private investment of \$1.5 billion, totaling over 9,000,000 sf of development. This represents a 4.6 floor area ratio (FAR).

The vision is for four, separate but connected projects. The first is terminal 3, going north is a park with two residential towers, with 70 stories. Contiguous to that is the residential / office / retail section, followed by the marina district. For additional information, please click the following links:

http://flyers.cushmanwakefield.com/flyers/Vinik_Channelside_100215.pdf

<http://www.tampaport.com/real-estate/channel-district-vision.aspx>



Tampa International Airport

International Airport will spend close to \$1 billion from now through 2018 adding the following projects: Consolidated rental car center, 1.3 mile automated people mover connecting the rental center to the main terminal, and 2,400 parking places to long term parking.

The Aviation Authority is also opening up seven perimeter parcels to development, totaling 174.9 acres. For further information please click this link:

<http://www.tampaairport.com/MasterPlan>

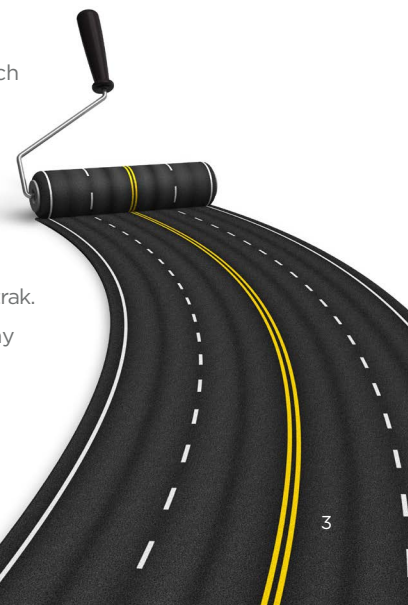
Florida Department of Transportation

Florida Department of Transportation (FDOT) is proposing a Tampa to Jacksonville corridor.

- Four out of five people moving to Florida in the next 50 years will settle somewhere between Tampa and Jacksonville.
- Five transportation corridors are being proposed. Two will connect to Tampa.
- The Tampa to northeast corridor encompasses the following:
 - 18 counties.
 - 80 cities.
 - 10,115 square miles of land, which is 6,473,600 acres.
 - 1.5 million people.
 - 2.1 million jobs.
 - Eight inner city bus stations.
 - Three deep water ports.
 - 80 miles of passenger rail on Amtrak.
 - 3,310 miles on the state highway system.
 - 1,229 miles of freight rail.

For more information, please visit:

www.dot.state.fl.us/planning/policy/corridors/



“Florida added 15,700 jobs during September”

Florida adds 15,700 jobs in September, Herald Tribune, October 7, 2015, www.heraldtribune.com

Florida added 15,700 private sector jobs during September, a slight improvement from August's 15,100, according to a survey released Wednesday.

The Sunshine State had added 13,700 private-sector jobs in July and 21,400 jobs in June, according to previous reports from human resources firm and payroll processor ADP and economists at Moody's Analytics Inc.

Though the state's job growth was slower than in previous months, Florida still outpaced every other state, except California, which saw 35,100 positions added in September.

The bulk of the new Florida jobs were service-providing, at 12,100. New goods-producing jobs totaled 3,600.

Florida's construction industry added 3,000 positions, while professional business services added 3,100. Trade, transportation and utilities added 2,400, and manufacturing increased by 600 jobs.

Texas was behind Florida, with 14,300 new jobs.

“By 2020 Millennials will compose nearly 50% of the work force”

Millennial Facts and Figures from Builder Magazine, August 5, 2015

1. 50% are renters.
2. 78.6 million are considered generation Y.
3. 21% live with their parents or other relative.
4. 26% are currently homeowners.
5. 14% live with three generations of family members.
6. 36% consider themselves suburbanites.
7. 76% live on their own.
8. 70% plan to buy a home by 2020.
9. 38% never had student debt.

Millennials impact on real estate

Strategic Advantage – Real Estate Insights, Forecasts & Strategies, Editor: Christopher Lee, CEL & Associates, Inc.

1. Peak purchasing power of millennials is decades away.
2. By 2020, millennials will compose nearly 50% of the work force.
3. Millennials are undaunted, confident, resilient, instinctive and patient.
4. Their civic and social rally cry will be “for the public good”, and their enthusiasm to make a difference will be the engine of prosperity for years to come.

5. The impact of millennials on institutions, corporations, government, lifestyles and real estate will be transforming and significant.
 - a. Millennials will not tolerate companies that are self absorbed, self directed, or who benefit personally or are perceived as greedy or narcissistic.
 - b. Retailers who do not utilize and support environmental or “green” business practices will be avoided.
 - c. Office buildings not certified as “green” will be avoided.
 - d. Companies will need to seek more EQ (Emotional Quotient) than IQ (Intelligence Quotient) and factors within this employee group.
 - e. Company loyalty is out. 54% of millennials envision six or more employers during their working life.
 - f. Millennials and the boom ahead – Millennials are achievers and will complete the unfinished agenda of the Boomer parents in the 2030's.
 - g. In the 2030 decade, the real estate industry will experience a boom time that has not been experienced since the 1950's and the early 1980's.
 - h. In the 2020's, millennials will “get real” as they get older and create solutions for the world that they are going to command in which they live.

Millennials and Housing

- Millennials are delaying marriage, delaying the start of a family, delaying major expenditures, not buying homes and not saving.
- These entry level millennials are and will continue to be renters for a significant period.
- Millennials will sacrifice size for location and will pay more for amenities and services that enable them to capture time lost by working or in transit.

Millennials and Retail

- Millennials prefer to interact with brands through digital channels. They are in charge of the retail experience rather than the product.
- By 2018, 11% of total retail sales will be on line.
- Owners of retail real estate must revitalize, re-think, re-develop, re-position and re-program their way of doing things dramatically or suffer the consequences.
- By 2020, Millennials are expected to spend \$1.4 trillion annually.

Millennials and Office Space

- The office of the future, staffed by Millennials will be used as a tool for growth and performance, not a place to rest, store paper files or meet with others.
- Digital hubs and co-working space will be commonplace.

What's Ahead

- The ascent of Millennials will parallel the descent of baby boomers.
- Millennials will be the next controlling political class.
- Look out for Generation Z. Now barely 18 years old, Gen Z are “screen addicts with the attention span of a gnat,” according to researcher, Jeremy Finch.
- By 2020, Generation Z will account for 40% of all consumers.

For the full report, please click:

http://flyers.cushmanwakefield.com/flyers/Strategic_Advantage.pdf

Associated Industries of Florida, Annual Conference, August 25-27, 2015

Notes:

- Proposed Legislation for 2016 Session:
 - Eliminate sales tax on triple net and commercial leases
 - Eliminate the certificate of need for new hospitals
 - Prevent Army Corp of Engineers from a jurisdictional land grab where new laws will allow them to have jurisdiction over wetlands under the surface
- State of Florida
 - Carlos Lopez-Cantera, Lieutenant Governor, stated that the state of Florida's ratio of state employees to capita is the most efficient in the United States.

ULI Update Breakfast - What's new in the Westshore district? September 3, 2015

- Between 2014 and delivery to be made in 2016, there will be 1,841 new apartment units. Developers are Mill Creek, Northwood Ravin, Crescent Communities, Richman Group and Lincoln Property Company.
- Hospitality - Under construction is a Hampton Inn and Suites and a Fairfield Inn and Suites.

What is Westshore

		% of County Total
Land Area (boundaries are north - Hillsborough Avenue; east - Himes Avenue; south - Kennedy Blvd.; west - Rocky Point)	7,650 Acres	1%
Commercial Office Space	12.75 million square feet	40%
The Region's Innkeeper	7,221 Hotel Rooms	36%
World Class Shopping	6 million square feet	15%
Employment	93,123	17%
Population	13,810	1%
Restaurants to suite any taste	200+ Restaurants	

For more information, please click this link:

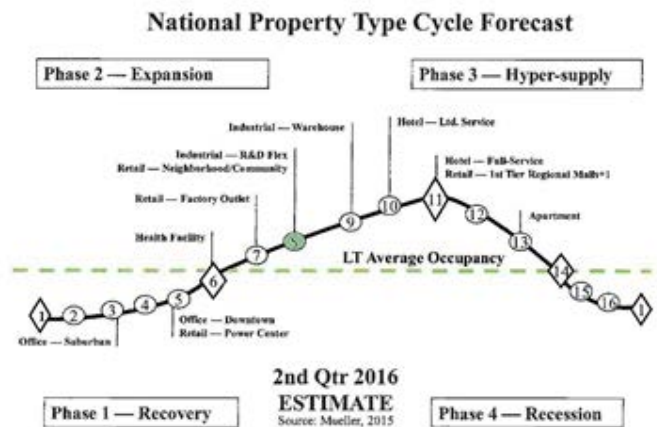
http://flyers.cushmanwakefield.com/flyers/StimULI_Westshore_Presentation.pdf

Dividend Capital Research Cycle Monitor - Real Estate Market Cycles, August 2015, www.dividendcapital.com, 866-324-7348

Physical Market Cycle Analysis of All Five Major Property Types in More Than 50 MSAs.

Inflation continues to remain low, interest rates continue to remain low and many economists are now revising their forecasts to low growth, low inflation and low interest rates as the new normal. World events like the default in Greece or the China Currency devaluation have not caused a financial market upset. In addition, consumer and business confidence are positive, but moderate. All this translates into continued moderate demand growth for real estate.

- Office occupancies improved 0.2% in Q2-2015, and rents grew 1.1% for the quarter and 4.0% annually.
- Industrial occupancies improved 0.1% in Q2-2015, and rents grew 1.6% for the quarter and 5.5% annually.
- Apartment occupancies declined 0.4% in Q2-2015, but rents grew 1.6% for the quarter and 3.9% annually.
- Retail occupancy improved 0.1% Q2-2015, and rents grew 1.0% for the quarter and 2.6% annually.
- Hotel occupancies improved 0.3% in Q2-2015, and room rates grew 1.3% for the quarter and improved 3.7% annually.



Erhardt Comment:

It is my belief that the Tampa Bay area, because of the population growth and job growth, we are currently enjoying, and will enjoy for the next three to five years, we are in a better position than other markets. Real estate is local.

Office Market Cycle Analysis

The national office market occupancy level improved 0.2% in Q2-2015, and was up 0.6% year over year. More than 16 million square feet were absorbed in Q2-2015 with only 8.9 million of new completions nationally. Top market improvements were Dallas and Nashville, while markets with negative absorption included Houston and Washington, D.C. New construction is now at about 70% of the pre-recession peak. Absorption continues to be slow with the low square feet per employee ratio as the new norm when hiring millennials. Average national rents were up 1.1% in Q2-2015 and rents were up 4.0% year over year.

For the first time, Tampa is at level four of the recovery cycle. Ahead of Tampa are Jacksonville, Miami, Orlando, Palm Beach, Charlotte, Raleigh Durham and Nashville. Behind Tampa are Ft. Lauderdale, Richmond and Wilmington.

Industrial Market Cycle Analysis

Industrial occupancies improved 0.1% in Q2-2015, and were up 0.6% year over year. Absorption of almost 58 million square feet was the second highest since 2000 and occupancy is now at 2001 levels. A number of local warehouse markets saw improved occupancies from their strong employment growth driving consumer demand. New construction continues at reasonable levels that are well below previous cycle peaks in most markets. Only ten industrial markets have not moved into the growth phase of the cycle yet. The industrial national average rent index increased 1.6% in Q2-2015 and was up 5.5% year over year. Industrial is outperforming all other property types.

Tampa has moved up another level to level eight in the expansion phase. With Tampa is Raleigh Durham. Ahead of Tampa are Charlotte, Nashville, Miami and Palm Beach. Behind Tampa are Atlanta, Ft. Lauderdale, Orlando, Jacksonville and Richmond.

Apartment Market Cycle Analysis

The national apartment occupancy average improved 0.4% in Q2-2015, and was up 0.2% year over year. This is a small reversal in occupancy decline from the previous quarters, due to higher than expected demand. While we have expected rental demand to continue to grow at a strong rate, it appears that this additional boost in rental demand has come from the decline in homeownership which has sunk to 63.5% from a peak of 69% in 2006. The older end of the millennial generation has delayed both the marriage and home buying decision. Many markets reversed their previous trend and moved back up to their peak occupancy levels. Average national apartment rent growth was up 1.6% in Q2-2015 and was up 3.9% year over year.

Tampa is at level 13 in the hyper supply phase of rent growth positive but declining. With Tampa is Nashville. Ahead of Tampa is Norfolk. Behind Tampa are Palm Beach, Raleigh Durham, Atlanta, Charlotte, Orlando, Ft. Lauderdale, Jacksonville and Miami.

Retail Market Cycle Analysis

Retail occupancies were up 0.1% in Q2-2015, but were up 0.4% year over year. Retail sales have been good, but not great in 2015 so far with national chains having the biggest demand for new space. Malls and grocery anchored centers continue to outperform other retail venues. Restaurants and brew pubs have created strong space demand in cities that millennials prefer to live in. In addition, states where recreational marijuana has been legalized has seen older unoccupied retail space come alive. National average retail rents increased 1.0% in Q2-2015 and were up 2.6% year over year.

Tampa is at level 8 in the expansion phase. With Tampa is Orlando. Ahead of Tampa are Miami and Raleigh Durham. Behind Tampa are Nashville, Palm Beach, Jacksonville, Memphis, Atlanta and Charlotte.

Hotel Market Cycle Analysis

Hotel occupancies increased an average of 0.3% in Q2-2015, and were up 2.1% year over year. The strong economy has continued to support room demand, but a new technology development is threatening traditional hotel demand. The bed and breakfast website, Airbnb.com, has allowed homeowners to rent rooms to visitors at substantial discounts to hotel rates. This may be another example of disruptive technology changing a business model. Hotels and cities are fighting back as cities lose room tax revenue and many localities have ordinances against renting for terms less than one month. Resulting in unhappy neighbors turning in Airbnb landlords to city tax collectors. National average hotel room rates increased 1.3% in Q2-2015 and were up 3.7% year over year.

For the fourth quarter, Tampa is at level 10, one level away from peak. With Tampa are Charlotte, Ft. Lauderdale, Nashville and Orlando. Ahead of Tampa are Miami and Palm Beach. Behind Tampa are Atlanta, Jacksonville, Memphis and Raleigh Durham.



TAMPA BAY RETAIL MARKET OVERVIEW

NAIOP Broker Update, September 24, 2015

- Ron Wheeler, President of The Sembler Company, stated that in a review of the in line shop space leasing in 15 grocery anchored centers primarily in Florida and Georgia, from 2009 to 2015 the health, beauty, wellness and fitness category of tenants increased from 20% to 33% of space leased.
- In newly built centers, this category increased to about 50%. Restaurants remained consistent at about 33% of tenancy.

ICSC State Meeting, August 30-September 2, 2015, Orlando, Florida

Retail report by JLL, Tampa / St. Petersburg

Submarket activity

Submarket	Inventory	Occupancy			Asking Rent		
		YE14	MY15	Change	YE14	MY15	Change
Bayside	1,201,550	95.7%	99.9%	4.2%	\$13.48	\$11.43	-15.2%
Cleawater CBD	533,322	94.8%	99.9%	5.3%	\$13.70	\$14.24	4.0%
East Tampa	5,838,585	94.2%	99.9%	5.7%	\$18.28	\$15.84	-2.7%
Gateway	1,587,831	95.5%	99.9%	4.4%	\$15.15	\$12.81	-15.4%
Hernando County	4,711,034	90.7%	99.9%	9.2%	\$10.73	\$10.95	2.1%
Mid-Pinellas	8,280,953	90.7%	99.9%	9.2%	\$13.95	\$14.29	2.4%
North Pinellas	7,897,488	90.1%	99.9%	9.8%	\$14.31	\$14.05	-1.8%
Northeast Tampa	5,801,661	93.8%	99.9%	6.0%	\$12.74	\$13.55	6.3%
Northwest Tampa	9,818,620	92.8%	99.9%	7.1%	\$13.58	\$13.44	-1.0%
Pasco County	11,129,914	88.2%	99.9%	11.6%	\$13.85	\$13.42	-3.1%
South Pinellas	7,302,142	88.8%	99.9%	11.1%	\$14.07	\$14.39	2.2%
South Tampa	1,548,788	90.8%	99.9%	9.1%	\$11.36	\$12.09	6.4%
St Petersburg CBD	232,801	88.0%	100.0%	12.0%	\$12.00	\$11.38	-5.1%
Tampa CBD	299,734	58.7%	99.8%	42.9%	-	-	-
Westshore	2,434,258	92.1%	99.9%	7.8%	\$16.24	\$16.08	-1.0%
Tampa Market Total	66,198,681	90.6%	90.8%	0.1%	\$13.46	\$13.64	1.3%

- Tampa is the second largest Metro in Florida and the 18th largest in the United States.
- The strengthening environment now employs more individuals than it did before the recession and maintains an average income 12.1% higher than the national average, with an average annual income of \$57,202.
- Average occupancy is 90.8%. This is down 4.2% from the peak of Q1-2006, and up 2.3% from the bottom of the recession, which was Q2-2010.
- Asking rent is up 1.3% over last year at \$13.64. This is \$2.72 from peak, which was Q3-2008 and up \$0.23 from the bottom of the recession, which was Q2-2014.



TAMPA BAY SINGLE FAMILY MARKET OVERVIEW

The salary you must earn to buy a home, www.HSH.com, Tampa

Cities	30-Year Fixed Mortgage Rate	% Change from IQ15	Median Home Price	% Change from IQ15	Monthly Payment (PITI)	Salary Needed
Tampa	4.04%	0.13%	\$175,000	+12.18	\$968.06	\$41,488.22
Orlando	3.99%	0.13%	\$198,000	+6.45	\$1,080.35	\$46,300.92
Miami	4.00%	0.13%	\$289,900	+7.73	\$1,476.76	\$63,289.86
New York City	3.97%	0.07%	\$410,400	+6.60	\$2,117.50	\$90,750.14
San Francisco	3.95%	0.07%	\$841,600	+12.47	\$3,684.61	\$157,912.06

Excerpts from Building for the Future, produced by MetroStudy

Factors that affect home buying behavior:

- Age
- Children
- Income
- Cost of living
- Urbanicity
- Homeownership
- Understand the consumer groups
- Entry level
- Feature and location
- Simple life
- Family life
- Elite
- Active Adult Entry Level
- Active Adult Feature and location
- Active Adult Elite
- Use the crystal ball of demand forecasts
 - Just because some Consumer Groups are buying today, does not mean they will buy tomorrow.
 - Cater to the behaviors that consumers are aging into, not where they have been.

MetroStudy Q2-2015, Tampa Bay Market

- Projected population growth for Florida is 6%, second only to Texas.
- Q2-2015 was very strong.
- Pasco's market share is rising from 24% to 29%.
- MetroStudy is projecting a 30% to 40% increase in starts over the next two years.

Tampa Housing Market

- Q2-2015 closings up 23% from Q3-2014.
- Annual starts up 14.2%.
- Q2-2014 through Q2-2015 starts:
 - Hillsborough County - 3,858
 - Pasco County - 1,934
 - Pinellas County - 498
 - Hernando County - 194
 - South Hillsborough County - 2,148
 - South Brandon - 718
 - Central Pasco / New Tampa - 798
 - Southwest Pasco (Trinity) - 571
- 61% of activity is in 96 subdivision.

Top 10 Communities by Annual Starts

Rank	Community	Annual Starts
1	Magnolia Park	197
2	Waterset	193
3	Long Lake Ranch	187
4	Valencia Lakes	183
5	Wiregrass	171
6	Sun City Center	163
7	Concord Station	151
8	Hawks Point	151
9	FishHawk Ranch	146
10	South Fork	145

Erhardt Comment:

Please note that Lakewood Ranch's annualized starts were 491 and in the West Villages, in South Sarasota County, starts were 404.

Tampa Lot Supply by Market

- Hillsborough County - 29.2 months
- Pinellas County - 32.9 months
- Pasco County - 40.8 months
- Hernando County - 258 months
- Citrus County - 1,230 months

Single Family Rental Survey: Conditions Tighten Even Further

Demand for single family rentals remained extremely strong in August, allowing for acceleration in rent growth and a 50 basis point sequential increase in occupancy to 96.3%, despite higher turnover. The strength speaks to the favorable underlying renter demand and also to the tight housing market, with rising rents and home prices. We believe single family rental owners should continue to benefit from the substantial demand supply imbalance in the key rental markets, as strong demand continues to outpace limited available inventory. Among the single family REITs, we favor Buy-rated SWAY, with our fair value target of \$30 implying a 20% to 30% return over the next one to two years, highest among the group. Additionally, we view the expected merger with Colony American Homes positively, as the transaction brings increased scale, better market exposure and an internalization of the management.

National Association of Home Builders - Builder Confidence Continues to Rise

Builder confidence in the market for newly constructed single family homes continued at a steady rise in September with a one point increase to 62 on the NAHB/Wells Fargo Housing Market Index. It is the highest reading since October 2005.



TAMPA HOTEL MARKET OVERVIEW

January - August 2015, Hillsborough County Hospitality Statistics

- Occupancy rates - 75.2%, up 4.5%
- Room Rates - ADR \$108.15, up 2.8%
- Room Expenditures - RevPAR \$81.38, up 12.7%
- Market Growth - Supply - 5,226,536, flat
- Demand - 3,932,757, up 4.3%
- Revenue - \$425,312,196, up 12%

Hillsborough County Hotel / Motel Association Trends and Forecasting Forum, July 30, 2015

Notes I took:

- Most of our visitors come from Canada, Brazil, England, Germany and Mexico.
- March is the best month and September is the worst.
- As many international passengers came to Tampa International Airport as Orlando.
- Between July 30th and year end, the Tampa Bay area will have 210 meetings.
- Pinellas County is adding 2,000 rooms with 1,000 on Clearwater Beach.
- Hillsborough County has four hotels, totaling 746 rooms under construction; 11 in planning, totaling 1,232 rooms; and nine with 1,498 in early planning.
- It was predicted that there will be more unbranded hotels being built, appealing to millennials.

Lou Plasencia, of Plasencia Group, mentioned the following new hotels:

1. Rocky Point – Curio.
2. Hampton Inn at Avion Park, south of Tampa International Airport.



3. Tampa International Airport is moving the Marriott.
4. Vinik Downtown Tampa will build a new, 450 room hotel, no flag announced.
5. Downtown Tampa will have a new Lifestyle Hotel between 150 and 180 rooms.
6. Ybor City – two hotels, one across from the Columbia Restaurant and one on 7th Avenue and 16th Street.

He also pointed out a need for a full service hotel by Busch Gardens and USF and near the Tampa Fairgrounds and Hard Rock Casino.

Tom Corcoran, CEO of Velcor Lodging Trust, a hotel REIT, September 16, 2015, REIC Meeting

- Mr. Corcoran stated that the supply increase for hotel rooms in 2015 will be 1.2% compared to the normal 3%.
- 40% to 50% of room nights are repeat customers.
- He does not feel threatened by AirBnB until they start doing single night rentals.



TAMPA BAY MULTIFAMILY MARKET OVERVIEW

Market Update Tampa Bay Multifamily Market – Q3-2015, Triad Research & Consulting, Inc., www.triadresearch.net, Michael Slater, President, 813-908-8844

- Construction slowing.
- Rent growth still strong.
- Sites harder to find.

For entire update, please click this link:

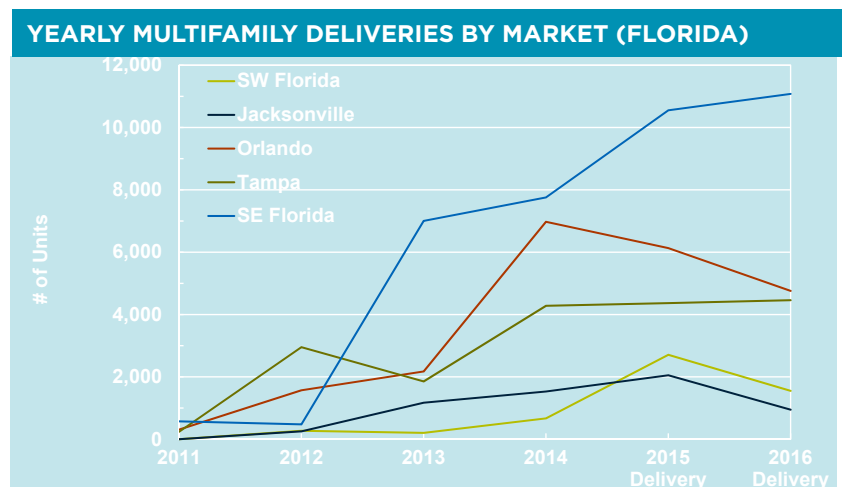
http://flyers.cushmanwakefield.com/flyers/MARKET_UPDATE_3rd_QUARTER_2015_Triad.pdf

Cushman & Wakefield Florida Market Overview, Q3-2015, Florida Multifamily Advisory Group

- Vacancy steady at 4.75% - 5.5%.
- Deliveries 2015 -3,905
- 2016 – 4,459

Please click link for the full report:

http://flyers.cushmanwakefield.com/flyers/FL_MAG_FL_Market_Overview_3Q2015.pdf



Source: http://flyers.cushmanwakefield.com/flyers/FL_MAG_FL_Market_Overview_3Q2015.pdf

AXIOMETRICS, INC., September 1, 2015

Below is a national perspective of multifamily permitting, which reflects Tampa is down 14.1% compared to July 2015 trailing 12 month permits

MSA/State	Multifamily Permitting					Annual Job Gain (000) and Growth (%)							
	Trailing 12 Month Ending				Change	Annual Absolute Change				Annual Relative Change			
	Jul-12	Jul-13	Jul-14	Jul-15	7/15 vs	Jul-12	Jul-13	Jul-14	Jul-15	Jul-12	Jul-13	Jul-14	Jul-15
Los Angeles	9,162	8,282	11,804	15,885	34.6%	99.3	128.1	79.0	107.9	2.6%	3.2%	1.9%	2.6%
San Jose	4,128	4,525	5,242	7,013	12.4%	36.8	37.7	41.1	61.6	4.2%	4.1%	4.3%	6.2%
Anaheim	2,573	4,892	4,205	6,716	59.7%	34.8	41.0	32.3	49.6	2.5%	2.9%	2.2%	3.3%
San Diego	3,054	4,049	5,274	4,658	-11.7%	36.6	35.0	29.7	48.2	3.0%	2.7%	2.3%	3.6%
San Francisco	2,602	4,151	4,817	4,225	-8.5%	46.7	39.1	46.6	44.6	5.3%	4.2%	4.8%	4.4%
Riverside	1,689	2,324	1,947	3,105	59.5%	30.9	51.0	54.7	50.3	2.7%	4.4%	4.5%	4.0%
Oakland	1,959	1,822	1,973	3,026	53.4%	27.6	35.4	28.2	23.2	2.8%	3.5%	2.7%	2.2%
Sacramento	394	798	464	691	48.9%	22.3	20.8	25.3	25.4	2.7%	2.5%	2.9%	3.0%
Oxnard	323	293	754	632	-16.2%	3.9	6.0	7.1	3.1	1.4%	2.2%	2.5%	1.1%
Washington, DC	7,663	8,361	9,427	9,513	0.9%	21.2	25.1	11.2	60.4	0.9%	1.0%	0.4%	2.4%
Baltimore	2,634	2,035	1,952	3,466	77.6%	18.6	18.9	14.4	41.2	1.4%	1.4%	1.1%	3.1%
Silver Spring	1,963	2,514	3,674	987	-73.1%	4.6	4.4	2.6	13.4	0.8%	0.8%	0.5%	2.3%
Miami	2,069	6,862	6,326	8,951	41.5%	22.8	25.5	30.9	27.7	2.3%	2.5%	3.0%	2.6%
Orlando	2,380	6,712	4,616	6,991	51.5%	24.2	36.2	45.0	45.3	2.4%	3.6%	4.0%	4.1%
Tampa	2,267	5,282	5,417	4,653	-14.1%	24.7	30.5	33.2	31.8	2.2%	2.7%	2.9%	2.7%
Fort Lauderdale	1,979	2,719	1,888	2,035	2.4%	16.1	21.1	23.5	25.7	2.3%	2.9%	3.2%	3.4%
West Palm Beach	2,463	1,930	2,037	1,873	-8.1%	11.9	19.8	21.8	16.5	2.4%	3.8%	4.1%	3.0%
Jacksonville	1,132	2,406	1,475	1,619	9.8%	9.6	15.5	14.2	19.6	1.7%	2.6%	2.4%	3.2%
Houston	10,766	15,723	20,553	26,486	28.9%	102.1	103.5	97.5	64.6	3.8%	3.8%	3.5%	2.2%
Dallas	11,383	11,380	16,743	16,680	-0.4%	44.2	71.1	87.9	94.3	2.1%	3.3%	4.0%	4.1%
Austin	7,907	11,651	9,159	9,243	0.9%	31.0	42.5	37.6	32.5	3.9%	5.1%	4.3%	3.6%
Fort Worth	2,583	3,224	3,401	2,559	-24.8%	21.9	27.1	22.2	27.4	2.4%	2.9%	2.3%	2.8%
San Antonio	3,315	1,877	4,005	1,661	-58.0%	20.1	32.0	29.5	30.7	2.3%	3.8%	3.2%	3.2%
New York	12,742	19,969	29,035	59,462	104.8%	82.9	139.8	167.5	135.4	1.3%	2.2%	2.5%	2.1%
Seattle	6,207	8,370	11,368	14,115	24.2%	35.8	44.4	48.8	56.3	2.5%	3.0%	3.2%	3.6%
Atlanta	4,601	7,466	9,298	9,773	5.1%	37.3	58.4	93.6	85.0	1.6%	2.5%	4.1%	3.4%
Boston	3,661	6,507	6,170	7,982	29.4%	40.5	46.8	44.9	57.9	1.8%	1.9%	1.8%	2.2%
Denver	5,657	8,380	7,371	7,306	-0.9%	37.2	46.3	47.0	40.2	3.1%	3.7%	3.6%	3.0%
Charlotte	3,892	4,489	6,192	7,043	13.7%	27.9	25.1	39.3	37.9	2.9%	2.6%	3.9%	3.6%
Newark	2,301	3,124	4,886	6,369	30.4%	8.7	2.4	20.7	9.4	0.8%	0.2%	1.8%	0.8%
Phoenix	1,853	5,214	7,057	8,182	-12.4%	41.5	54.3	37.9	59.2	2.5%	3.2%	2.2%	3.3%
Nashville	2,587	3,555	4,037	5,727	41.9%	26.1	30.0	29.8	31.2	3.3%	3.7%	3.6%	3.6%
Chicago	3,241	3,575	5,984	5,716	-4.2%	48.0	81.8	50.0	56.2	1.4%	1.8%	1.4%	1.6%
Portland	2,398	5,541	6,005	5,562	-7.4%	21.6	23.9	31.6	41.0	2.2%	2.4%	3.0%	3.8%
Raleigh	3,003	5,998	3,280	4,556	38.9%	17.2	11.5	24.3	12.9	3.4%	2.2%	4.5%	2.3%
Minneapolis	2,999	5,493	5,275	4,065	-22.9%	34.5	36.8	52.7	40.3	1.9%	2.0%	2.8%	2.1%
Las Vegas	914	1,103	2,158	3,308	53.3%	14.2	26.3	30.7	29.5	1.8%	3.2%	3.8%	3.4%
Kansas City	793	2,482	3,716	3,168	-14.8%	12.6	10.7	22.6	23.2	1.3%	1.1%	2.3%	2.3%
Salt Lake City	1,021	1,029	2,497	2,811	13.0%	20.0	18.5	14.1	26.6	3.4%	3.0%	2.2%	4.4%
Indianapolis	845	1,364	3,412	2,713	-20.5%	22.8	17.1	22.0	30.8	2.5%	1.8%	2.3%	3.1%
National	236,879	311,938	356,648	430,645	20.7%	2,177.0	2,376.8	2,769.9	2,953.0	1.7%	1.9%	2.6%	2.1%

Source: U.S. Bureau of the Census, U.S. Bureau of Labor Statistics



TAMPA OFFICE MARKET OVERVIEW

Cushman & Wakefield Market Overview - Tampa

- Westshore Office Overview:** Overall vacancy at the end of 3rd quarter 2015 is 10.1% compared to 13.5% last year and 11.5% last quarter. Class A is at 8.9% compared to 12.4% last year and 10.9% last quarter.
- I-75 Office Overview:** Overall vacancy at the end of the 3rd quarter 2015 is at 17.5% compared to 20.0% a year ago and 19.0% last quarter. Class A is at 17.9% compared to 22.1% a year ago and 20.6% last quarter.
- Tampa Central Business District:** Overall vacancy at the end of the 3rd quarter 2015 is at 10.5% compared to 13.9% a year ago and 12.0% last quarter. Class A is at 8.7% compared to 11.5% a year ago and 9.5% last quarter.

Erhardt Comment:

I continue to believe we will see construction start on two office projects by the end of the year. My guess is that it will be Vinik building in downtown Tampa and Highwoods building at Independence Park in Westshore.



TAMPA INDUSTRIAL MARKET OVERVIEW

Our Perception of the Market, Julia Rettig, Director, Industrial Brokerage, Cushman & Wakefield of Florida, Inc.

Industrial developers and users who are expanding have been jockeying for land positions in Tampa & Lakeland as the lack of construction ready sites and available parcels remained limited in the area. In some cases, more complicated infill opportunities and redevelopment zones have become solid alternatives in this tight market.

As of October 1st, there were only three class A spaces over 50,000 square feet available in the East Tampa submarket all of which were under LOI's or had leases out for signature.

Cabot Crosstown was the most recent speculative delivery to the submarket and was fully leased to Coca-Cola less than eight months after the certificate of occupancy was issued.

The East Tampa submarket has decidedly moved towards a landlord market where the norm will be increasing asking rental rates and a reduction in concessions. It is expected that new development and build-to-suit projects will be announced in the fourth quarter as absorption numbers could hit record levels.

Cushman & Wakefield Market Overview – Tampa

- **West Tampa Industrial Overview:**

The overall vacancy at the end of the 3rd quarter, 2015 is 5.8% compared to 6.0% a year ago and 7.3% last quarter. Warehouse distribution is at 4.2% vacancy compared to 3.7% a year ago and 6.0% last quarter. Office Service Center is at 10.8% vacancy compared to 12.7% a year ago and 11.8% last quarter.

- **East Tampa Industrial Overview:**

The overall vacancy at the end of the 3rd quarter 2015 was 7.8% compared to 7.8% a year ago and 9.0% last quarter. Warehouse distribution is at 8.0% vacancy compared to 7.9% a year ago and 9.3% last quarter. Office Service Center is at 15.2% vacancy compared to 12.7% last year and 15.7% last quarter.

- **Plant City Industrial Market Overview:**

The overall vacancy at the end of the 3rd quarter 2015 was 3.0% vacancy compared to 3.2% a year ago and 3.2% last quarter. Warehouse distribution is at 4.2% vacancy compared to 4.4% a year ago and 4.3% last quarter.

- **Lakeland Industrial Market Overview:**

The overall vacancy at the end of the 2nd quarter 2015 was 4.1% vacancy compared to 4.4% a year ago and 3.3% last quarter. Warehouse distribution is at 5.0% vacancy compared to 5.2% a year ago and 3.7% last quarter. Service center is at 15.7% compared to 18.5% a year ago and 17.2% last quarter.

Erhardt Comment:

Plant City and Lakeland are hot.

HPA Architects, July 20, 2015, Clear Heights Beyond 36', www.HPARCHS.com

- Our conclusion is there is a good case for 40' clear, when e-commerce models our forefront, but a less compelling case in conventional distribution.
- Terms of the actual pallet stacking dimensions – There is some increase in capacity moving from 36' clear to 40' clear, but is generally less dramatic than increase that can be gained going from 32' clear to 36' clear.
- If a building is to be marketed for an e-commerce user, that wants to use two levels of working pick platforms, then 40' clear is the best solution.

Please click link for the full report:

http://flyers.cushmanwakefield.com/flyers/HPArchs_100515.pdf



LAND SALES

Single Family

1. GL Homes purchased 346.9 acres in South Lee County in Bonita Springs for 1,200 units, for \$56,000/unit, not developed.
2. Cardel Homes purchased nine lots in Lakewood Ranch, Manatee County, for \$172,645/per developed lot.
3. Neal Signature Homes purchased eight lots in Lakewood Ranch, Manatee County, for \$130,000/per developed lot.
4. Standard Pacific Homes purchased 12 lots in the Trinity subdivision in southwestern Pasco County, for \$92,142/per developed lot.
5. K Hovnanian purchased 63 lots at the Reserve at Lake LeClare in northwest Hillsborough County for \$162,698/per developed lot.
6. Meritage Homes purchased six lots at the Mariposa subdivision, Hillsborough County, for \$94,428/per developed lot.

Industrial

1. Evolution Properties purchased 4.2 acres in the Trinity area of West Pasco County for \$7.11/sf. They will be doing a build to suit for Nicopure Labs, the maker of Halo e-cigarettes.
2. Osypka Properties purchased seven acres in the same business park for \$6.23/psf, developed. They will be building an 80,000 sf office building for a medical device company, Oscor. This represents a land cost per building foot of \$23.75.

Multifamily

1. Arlington Properties purchased a multifamily site at the northeast quadrant of North Dale Mabry and Idlewild Blvd. in northwest Hillsborough County, zoned for 177 units at \$22,598/per unit. The intended use is rental apartments.
2. Carter, an Atlanta developer, purchased a 44,100 sf block in downtown Tampa to build 362 apartment units and 8,000 sf of retail in a 23 story apartment tower for \$145.12/per land foot and \$17,679/per apartment unit.
3. SoHo Capital purchased 6.3 acres contiguous to the 40 acres they already own, fronting on the Hillsborough River, north of downtown Tampa, for \$12.75/sf. The Heights project is entitled for 1,600 residential units, 400,000 sf of office and 200,000 sf of retail. SoHo plans on breaking ground on a 317 unit apartment building in the near future.
4. Pollack Shores Real Estate Group purchased 2.8 acres in the SoHo section of Tampa, west of downtown Tampa, for \$35.85/per land foot, and \$16,423/per unit. They are planning 274 units. This is 95 units per acre.
5. Bainbridge Companies purchased three acres in Ybor City, northeast of downtown Tampa, Hillsborough County, for a 240 unit rental project. The price reflected \$33.87/per land foot and \$17,708/per unit. The project is being built at 83 units per acre.
6. Homes by Towne purchased 41.16 acres in Lakewood Ranch, Manatee County, for \$3.31/per land foot and \$16,500/per unit, semi-developed.

7. Sarasota Rosemary Apartments, LLC (Forge Capital Partners) purchased 2.2 acres at 1401 Fruitville Road, downtown Sarasota (Sarasota County) for \$7.31/per land foot and \$25,370/per unit. This represents a density of 81.4 units per acre.

Agricultural

1. Mosaic Fertilizer purchased 232.06 acres in eastern Manatee County for \$7,112/per gross acre. Mosaic is a fertilizer mining and processing company.
2. SPP Land, LLC purchased 12,756 acres of timber land in Lafayette County in north Florida for \$1,150/per acre.

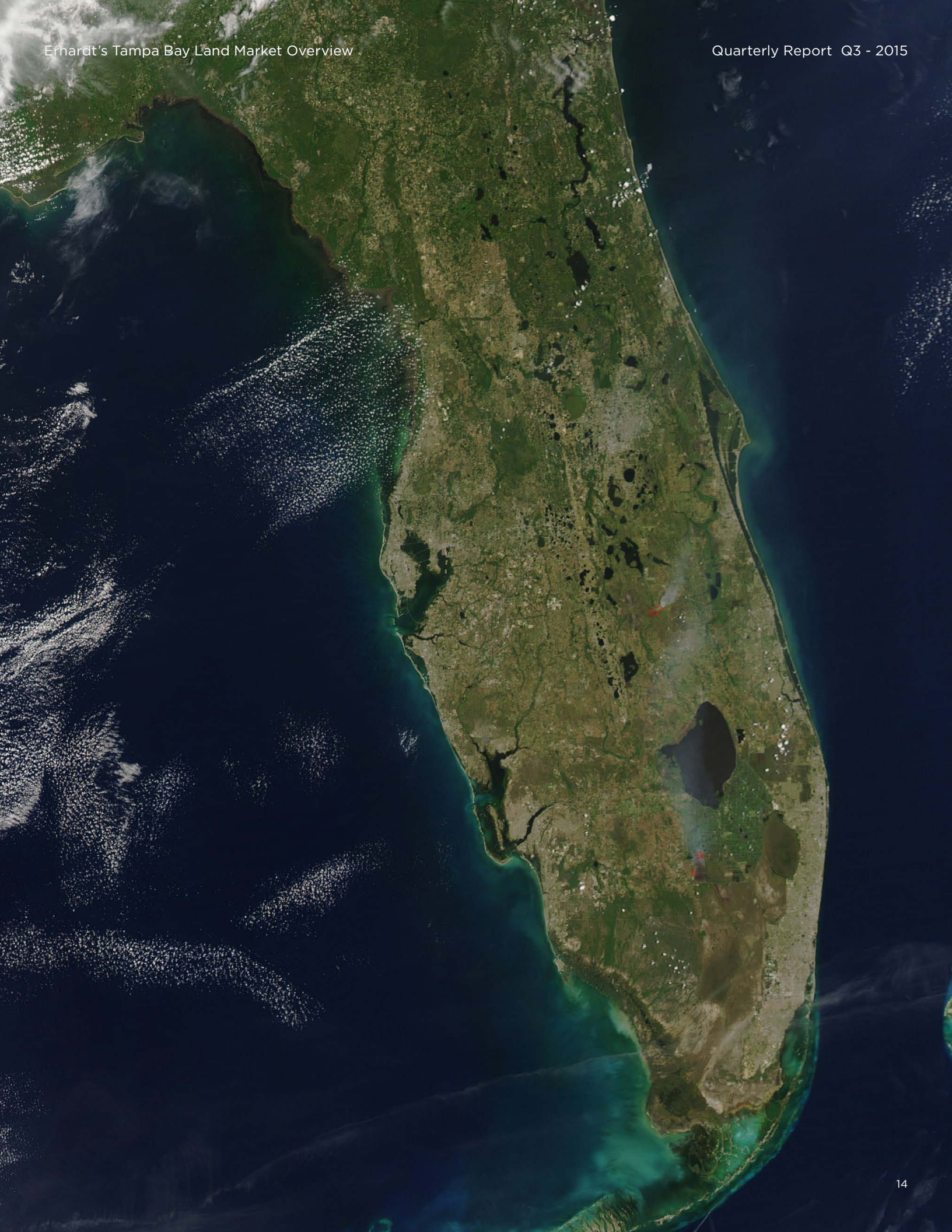
Retail

1. Chicken Dinner, LLC purchased an outparcel on Gulf to Bay Blvd. in Clearwater, Florida (Pinellas County) for \$1,500,000.
2. Urgent Care Developers purchased an outparcel from Target Corp. at 1201 Bruce B. Downs Blvd., Wesley Chapel (Pasco County), Florida for \$825,000.
3. Racetrack Petroleum purchased an outparcel at 6005 E. S.R. 70, Bradenton (Manatee County), for \$1,750,000.
4. Florida Hospital North Pinellas purchased a 3.75 acre parcel at 34106 U.S. Highway 19 North, Palm Harbor (Pinellas County), Florida for \$21.42/psf, developed.

Institutional

1. St. John's Episcopal Church purchased approximately one acre, just west of downtown Tampa, for the expansion of their school, for \$86.00/psf.





Notes:

This report has been prepared solely for information purposes. It does not purport to be a complete description of the markets or developments contained in this material. The information on which this report is based has been obtained from sources we believe to be reliable, but we have not independently verified such information and we do not guarantee that the information is accurate or complete.

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About Cushman & Wakefield

Cushman & Wakefield is a global leader in commercial real estate services, helping clients transform the way people work, shop, and live. The firm's 43,000 employees in more than 60 countries provide deep local and global insights that create significant value for occupiers and investors around the world. Cushman & Wakefield is among the largest commercial real estate services firms in the world with revenues of \$5 billion across core services of agency leasing, asset services, capital markets, facilities services (branded C&W Services), global occupier services, investment management (branded DTZ Investors), tenant representation and valuations & advisory. To learn more, visit www.cushmanwakefield.com or follow @Cushwake on Twitter.

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