

Yardi® Matrix

MULTIFAMILY REPORT

Tampa's Curtailed Growth

Spring 2020

Rent Gains Soften Substantially

Investment Activity Decelerates

Leisure and Hospitality Sector Plunges

TAMPA MULTIFAMILY

Yardi® Matrix

COVID-19 Impact Begins to Emerge

Boosted by strong demographic and above-trend employment gains, Tampa was among the sturdiest rental markets in the U.S. when the coronavirus pandemic began to strengthen its grip on the country's economy. Slowed rent growth was among the first signs of stress. On a trailing three-month basis through April, rents advanced only 0.1%, to \$1,280.

In early 2019, employment growth in Tampa started to moderate. However, it continued to surpass the national rate, reaching 2.3% in the 12 months ending in March, 90 basis points above the U.S. figure. Leisure and hospitality was hit hardest by the COVID-19 crisis, but other sectors followed. The unemployment rate climbed to 4.3% in March— up 130 basis points from February— according to preliminary data from the U.S. Bureau of Labor Statistics. Meanwhile, construction was deemed essential during the statewide lockdown, and low traffic volumes helped large infrastructure projects move forward. The list includes the \$864 million Howard Frankland Bridge project and Tampa International Airport's \$150 million upgrade.

Roughly \$680 million in assets traded in the first four months of 2020, signaling a softening investor appetite. Deliveries also hit the brakes, with only 772 units coming online this year through April. Despite curbed economic activity, rent growth is expected to endure, as Tampa begins to reopen its economy.

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Contacts

Jeff Adler

Vice President & General Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(800) 303-615-3676

Jack Kern

Director of Research and Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Author

Laura Calugar

Senior Associate Editor

Recent Tampa Transactions

Nine15



City: Tampa, Fla.
Buyer: Blaze Partners
Purchase Price: \$120 MM
Price per Unit: \$331,492

Bainbridge at Westshore Marina



City: Tampa, Fla.
Buyer: Starlight Investments
Purchase Price: \$100 MM
Price per Unit: \$284,900

The Slade at Channelside



City: Tampa, Fla.
Buyer: UDR
Purchase Price: \$85 MM
Price per Unit: \$323,194

Dunedin Commons



City: Dunedin, Fla.
Buyer: Westdale Real Estate Investment & Management
Purchase Price: \$63 MM
Price per Unit: \$223,214