



MULTIFAMILY REPORT

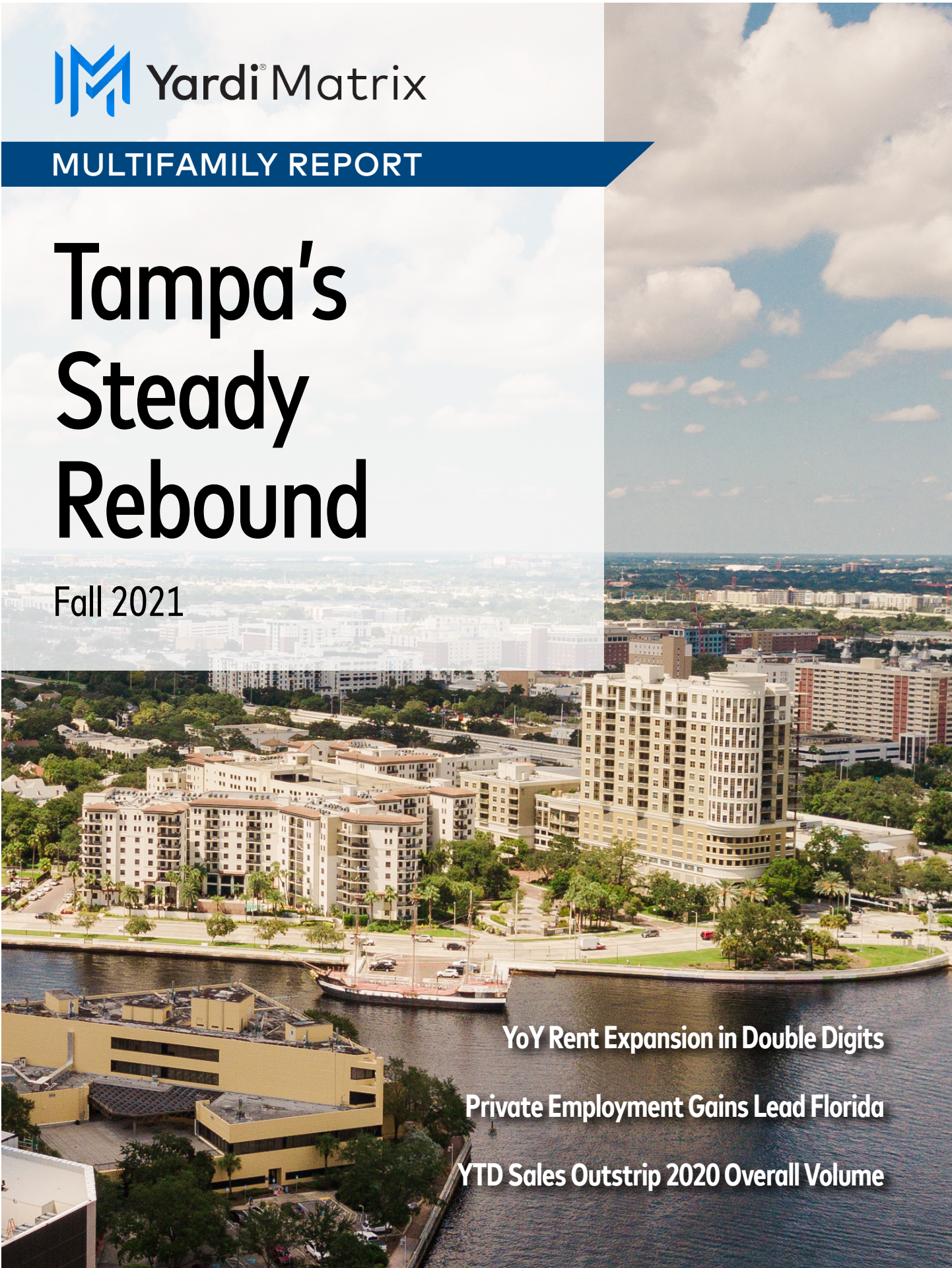
Tampa's Steady Rebound

Fall 2021

YoY Rent Expansion in Double Digits

Private Employment Gains Lead Florida

YTD Sales Outstrip 2020 Overall Volume



TAMPA MULTIFAMILY



Sustained Rent Growth Props Up Fundamentals

As Southwest and Florida markets continue to rule rent expansion, Tampa steadily maintains a leading position among such metros. As of September, rents in the metro increased by 2.7% to \$1,614 on a trailing three-month basis, above the \$1,558 national average. On a year-over-year basis, Tampa ranked second among metros where annual asking rent growth exceeded 20%—Tampa rents appreciated by 22.6% year-over-year as of September.

In the 12 months ending in July, Tampa gained 81,000 net jobs for a 3.9% expansion, 140 basis points above the U.S. rate. July marked the third-consecutive month of positive year-over-year job growth. Private sector employment increased by 72,400 jobs year-over-year as of August, equal to a 6.2% uptick—the Tampa area gained the highest number of private sector jobs among all metro areas, according to the Florida Department of Economic Opportunity. As of August, Florida had regained 974,300 of the total 1.3 million jobs lost from February to April 2020, the DEO reported.

Tampa had 18,847 units under construction as of September, 91% of which are aimed at high-income renters. Yardi Matrix expects 7,234 units to come online across the metro this year, exceeding both 2020 deliveries and the 6,536-unit decade high of 2019. Meanwhile, investment sales amounted to \$2.7 billion, more than double the sales volume recorded in the same interval last year.

Market Analysis | Fall 2021

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Recent Tampa Transactions

Anchor Riverwalk



City: Tampa, Fla.
Buyer: TA Realty
Purchase Price: \$157 MM
Price per Unit: \$398,477

Camden Central



City: St. Petersburg, Fla.
Buyer: Camden Property Trust
Purchase Price: \$150 MM
Price per Unit: \$406,667

The Retreat at Lakeland



City: Lakeland, Fla.
Buyer: Venterra Realty
Purchase Price: \$76 MM
Price per Unit: \$162,716

Stillwater Palms

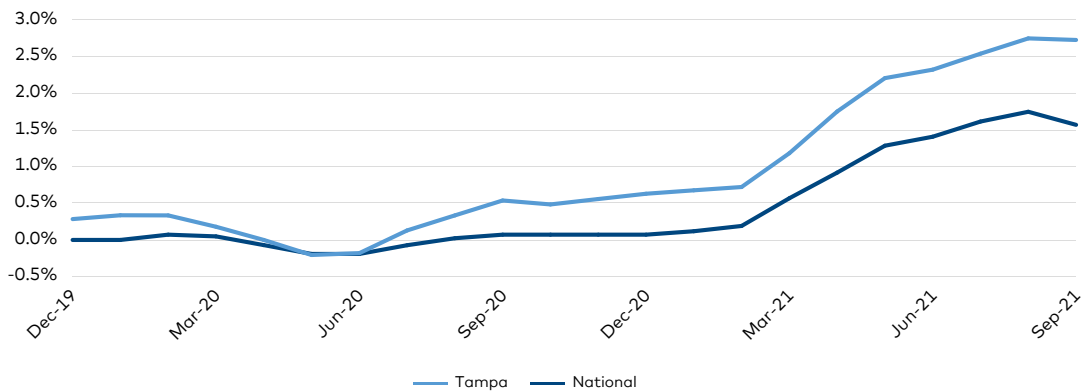


City: Palm Harbor, Fla.
Buyer: TruAmerica Multifamily
Purchase Price: \$67 MM
Price per Unit: \$169,557

RENT TRENDS

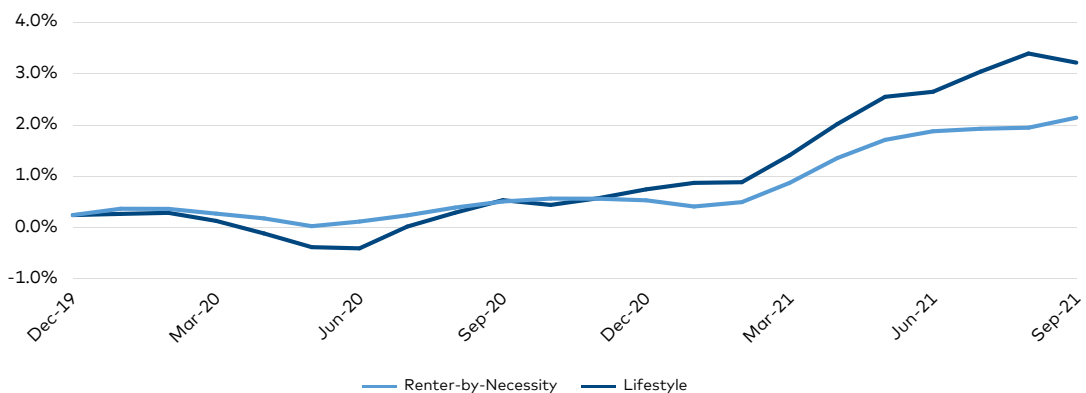
- ▶ Tampa rents increased by 2.7% on a trailing three-month (T3) basis as of September, marking the 15th-consecutive month for positive rent movement in the metro and 110 basis points ahead of the national rate. The average rent stood at \$1,614, above the \$1,558 U.S. average.
- ▶ Southwest and Florida metros continue to dominate rent growth—as of September, Tampa was among metros with annual asking rent expansion greater than 20%. Year-over-year, Tampa rents were up 22.6%.
- ▶ Lifestyle rent growth continues to outstrip working-class Renter-by-Necessity expansion in the metro. As of September, Lifestyle rents edged up by 3.2% to \$1,912, while RBN increased by 2.1%, to \$1,316.
- ▶ Similarly to conventional multifamily, Florida markets led single-family rent expansion. Year-over-year, Tampa rents were up by 38.8%, well above the 10.3% national rate. The average SFR rent in the metro was \$1,792, below the \$1,899 U.S. average.
- ▶ Carrollwood Village (36.2% to \$1,741), Sunset Park/Bayside (34.9% to \$1,745) and Gandy/Ballast Point (32.5% to \$1,920) had among the strongest year-over-year gains in the metro in the 12 months ending in September. Rates in Downtown Tampa/Ybor City—one of the most expensive submarkets—rose 24.5% to \$2,398.

Tampa vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

Tampa Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

ECONOMIC SNAPSHOT

- ▶ In the 12 months ending in July, Tampa gained 81,000 net jobs for a 3.9% expansion, 140 basis points above the U.S. rate. July marked the third-consecutive month of positive year-over-year job growth. In line with nationwide trends, leisure and hospitality led gains—the sector added 26,000 positions for a 17.6% increase. Professional and business services added 21,500 jobs, followed by trade, transportation and utilities, up 13,100 jobs.
- ▶ Private sector employment increased by 72,400 jobs year-over-year as of August, equal to a 6.2% uptick—the Tampa area gained the highest number of private sector jobs among all metro areas, according to the Florida Department of Economic

Opportunity. The Tampa area labor force expanded by 11,658 people year-over-year, up 7.3%. Leisure and hospitality, and professional and business services were major sources of hiring, adding a combined 45,500 jobs, the DEO reported.

- ▶ Unemployment stood at 5.0% in Florida and at 4.5% in metro Tampa as of August, according to data from the Bureau of Labor Statistics. Both figures were below the 5.2% national rate.
- ▶ As of August, Florida regained 974,300 of the total 1.3 million jobs lost from February to April 2020, according to the DEO.

Tampa Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
70	Leisure and Hospitality	173	10.7%
60	Professional and Business Services	300	18.5%
40	Trade, Transportation and Utilities	324	20.0%
80	Other Services	56	3.5%
65	Education and Health Services	248	15.3%
15	Mining, Logging and Construction	104	6.4%
55	Financial Activities	139	8.6%
30	Manufacturing	86	5.3%
50	Information	27	1.7%
90	Government	167	10.3%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- ▶ The metro gained 49,132 residents in 2020, for a 1.5% growth. Meanwhile, the nation added more than 1.1 million residents, for a 0.4% uptick.
- ▶ Over the past decade, Tampa's population expanded by 16.3%, well above the 6.5% national rate.

Tampa vs. National Population

	2017	2018	2019	2020
National	325,147,121	327,167,434	328,239,523	329,484,123
Tampa Metro	3,091,225	3,142,663	3,194,831	3,243,963

Sources: U.S. Census, Moody's Analytics

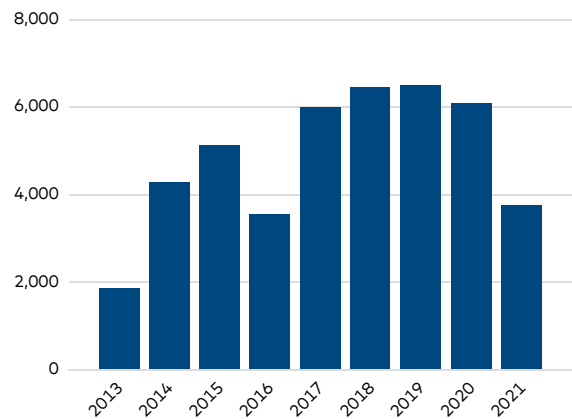
SUPPLY

- ▶ Tampa had 18,847 units under construction as of September, with the overwhelming majority (91%) aimed at high-income renters. Yardi Matrix expects 7,234 units to come online across the metro this year, exceeding both 2020 deliveries and the 6,536-unit decade high of 2019. As of September, Tampa had 45,000 units in the planning and permitting stages.
- ▶ Developers completed 3,767 apartments year-to-date through September, equal to 1.7% of total stock, 10 basis points above the U.S. figure. New deliveries largely favored the Lifestyle segment—91% of newly completed units were in upscale communities. Over the past decade, construction maintained a steady pace, with developers adding an average 4,990 units per year.
- ▶ Developers broke ground on 11,079 units across 40 properties in the 12 months ending in September. The figure marks an 89% jump compared to the one recorded in the previous 12 months, when developers broke ground on 5,853 units across 25 communities.
- ▶ As of September, Davenport/Haines City led development with 2,031 units underway across seven projects. University Square (1,986 units)

and Hyde Park/Davis Island (1,643 units) rounded out the top three.

- ▶ RD Management's 1,627-unit RITHM at Uptown in University Square was the largest development under construction in the metro as of September. The massive project is slated for completion in late 2023.

Tampa Completions (as of September 2021)



Source: Yardi Matrix

Tampa vs. National Completions as a Percentage of Total Stock (as of September 2021)



Source: Yardi Matrix

TRANSACTIONS

- ▶ Year-to-date through September, 76 assets totaling 18,661 units sold for \$2.7 billion, more than double the volume recorded in the same interval last year— \$1.3 billion. Overall, nearly \$2.7 billion in rental assets had traded in 2020. Since 2015, deal volume has consistently surpassed the \$2 billion threshold in metro Tampa, with investment sales peaking at \$3.8 billion in 2019.
- ▶ Of the 105 assets that sold in the 12 months ending in September, 52% are RBN, while 47% are Lifestyle, and the remainder are fully affordable assets. The average per-unit price stood at \$179,836, above the \$151,883 average recorded for the same time frame last year.
- ▶ Downtown St. Petersburg led transactions in the 12 months ending in September (\$389 million), followed by Land O'Lakes/Odessa (\$300 million) and Lake Magdalene (\$288 million).

Tampa Sales Volume and Number of Properties Sold (as of September 2021)



Source: Yardi Matrix

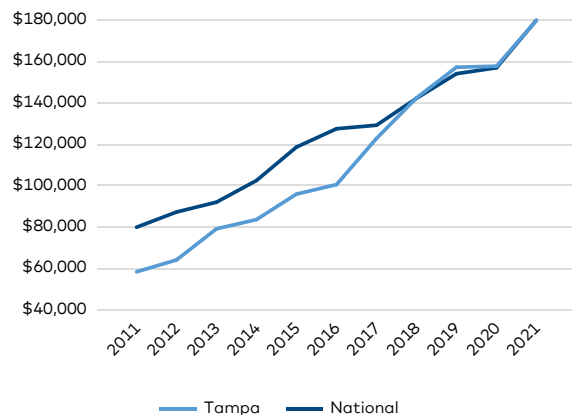
Top Submarkets for Transaction Volume¹

Submarket	Volume (\$MM)
Downtown St. Petersburg	389
Land O'Lakes/Odessa	300
Lake Magdalene	288
Safety Harbor	255
Downtown Tampa/Ybor City	215
Mainlands	145
Gandy/Ballast Point	144

Source: Yardi Matrix

¹ From October 2020 to September 2021

Tampa vs. National Sales Price per Unit



Source: Yardi Matrix



Close-Up on Florida Multifamily From Camden Property Trust

By Anca Gagiuc

Florida continues to act as a magnet for companies looking to relocate to more business-friendly markets. This in-migration of employers sustains a steady flow of residents, a combination that has accelerated the recovery of the state's multifamily fundamentals. Industry veteran Ed Malone, regional vice president with Camden Property Trust, provides an analysis of Florida's multifamily market since the onset of the health crisis.

Which parts of the state have posted the best performance since April 2020 throughout your portfolio?

Clearly, our revenue growth was muted in 2020, given the pandemic. But Tampa has consistently been the leader of our Florida markets with a 2.0 percent increase recorded in 2020, compared to relatively flat results for Orlando and South Florida.

For the first half of 2021, all our Florida markets met or exceeded Camden's overall same-property year-over-year portfolio revenue growth of 1.9 percent, with Tampa posting 6.5 percent, followed by South Florida at 4.3 percent and Orlando at 1.9 percent.

How has the health crisis affected rent collection?

In the early part of the pandemic, rent collections in South Florida lagged the overall portfolio due to the region's strong ties to tourism, retail and travel, which all suffered from the state's mandatory



shutdowns and shelter-in-place initiatives. Today, rent collections are quite good in all our Florida markets and are relatively in line with long-term trends.

Tampa has been among the top performers in rent growth. What's driving performance here?

Tampa traditionally has had less reliance on tourism, retail and travel, so it was a bit more insulated from the pandemic than Orlando or South Florida. The city is undergoing major revitalization and infrastructure work including development along the Riverfront and Marina District.

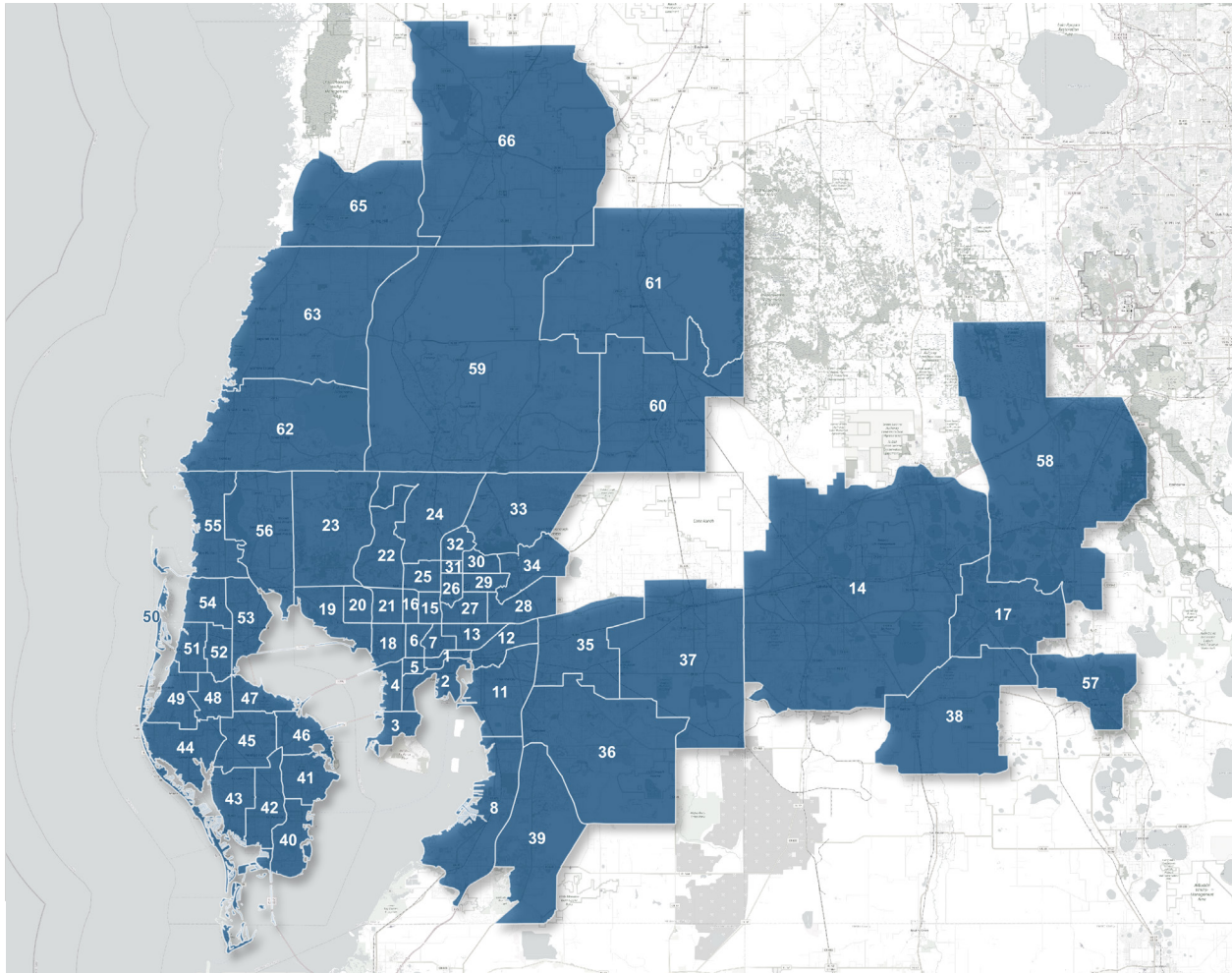
Tampa's positive press has also benefited from a well-known investor, Jeffrey Vinik (owner of the Tampa Bay Lightning and Strategic Partners), and his commitment to improving Tampa's profile has created a very pro-growth atmosphere both from a business and residential standpoint.

Please tell us more about Camden's sustainability/ESG principles and their impact on the company's investments.

Camden is committed to creating long-term value for our stakeholders and integrating sustainable practices into all aspects of our business. We strive to improve the energy efficiency of our existing assets, and we also seek to invest in green, eco-friendly properties through our development, acquisition and renovation/repositioning programs.

(Read the complete interview on multihousingnews.com.)

TAMPA SUBMARKETS



Area No.	Submarket
1	Downtown Tampa/Ybor City
2	Hyde Park/Davis Island
3	Gandy/Ballast Point
4	Sunset Park/Bayside
5	Oakford Park
6	Wellswood
7	Tampa Heights
8	Ruskin
11	Clair-Mel City
12	Orient Park
13	Highland Pines
14	Lakeland Highlands
15	Rivercrest
16	Egypt Lake
17	Winter Haven
18	Garver City
19	Rocky Creek
20	Town 'n' Country
21	Mullis City
22	Carrollwood Village
23	Westchase

Area No.	Submarket
24	Lake Magdalene
25	Forest Hills
26	Sulphur Springs
27	Del Rio/College Hill
28	Harney
29	Temple Terrace
30	University of South Florida
31	University Square
32	Livingston
33	Tampa Palms/Pebble Creek
34	Thonotosassa
35	Brandon/Seffner
36	Riverview/Valrico
37	Plant City
38	Bartow
39	Sun City Center
40	Downtown St. Petersburg
41	Upper St. Petersburg
42	Gulfport/Lealman
43	St. Pete Beach/Pasadena
44	Seminole/Indian Shores

Area No.	Submarket
45	Pinellas Park
46	Mainlands
47	Feather Sound/High Point
48	Largo
49	Belleair
50	Clearwater Beach
51	Clearwater
52	Coachman
53	Safety Harbor
54	Dunedin
55	Palm Harbor/Tarpon Springs
56	Oldsmar
57	Lake Wales
58	Davenport/Haines City
59	Land O' Lakes/Odessa
60	Zephyr Hills
61	Dade City
62	New Port Richey
63	Port Richey
65	Spring Hill
66	Brooksville

DEFINITIONS

Lifestyle households (renters by choice) have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

Renter-by-Necessity households span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students*, who also December span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households*, composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households*, which December barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, December extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

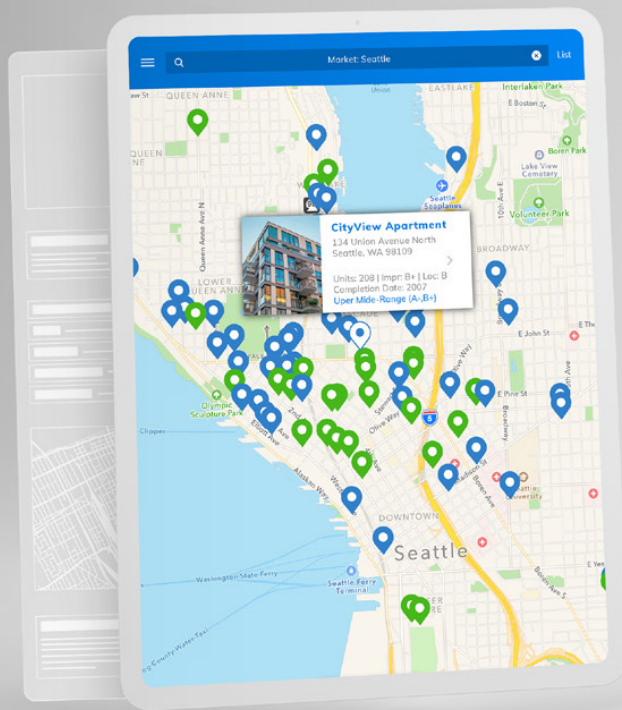
The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

To learn more about Yardi® Matrix and subscribing, please visit www.yardimatrix.com or call Ron Brock, Jr., at 480-663-1149 x2404.



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