



MULTIFAMILY REPORT

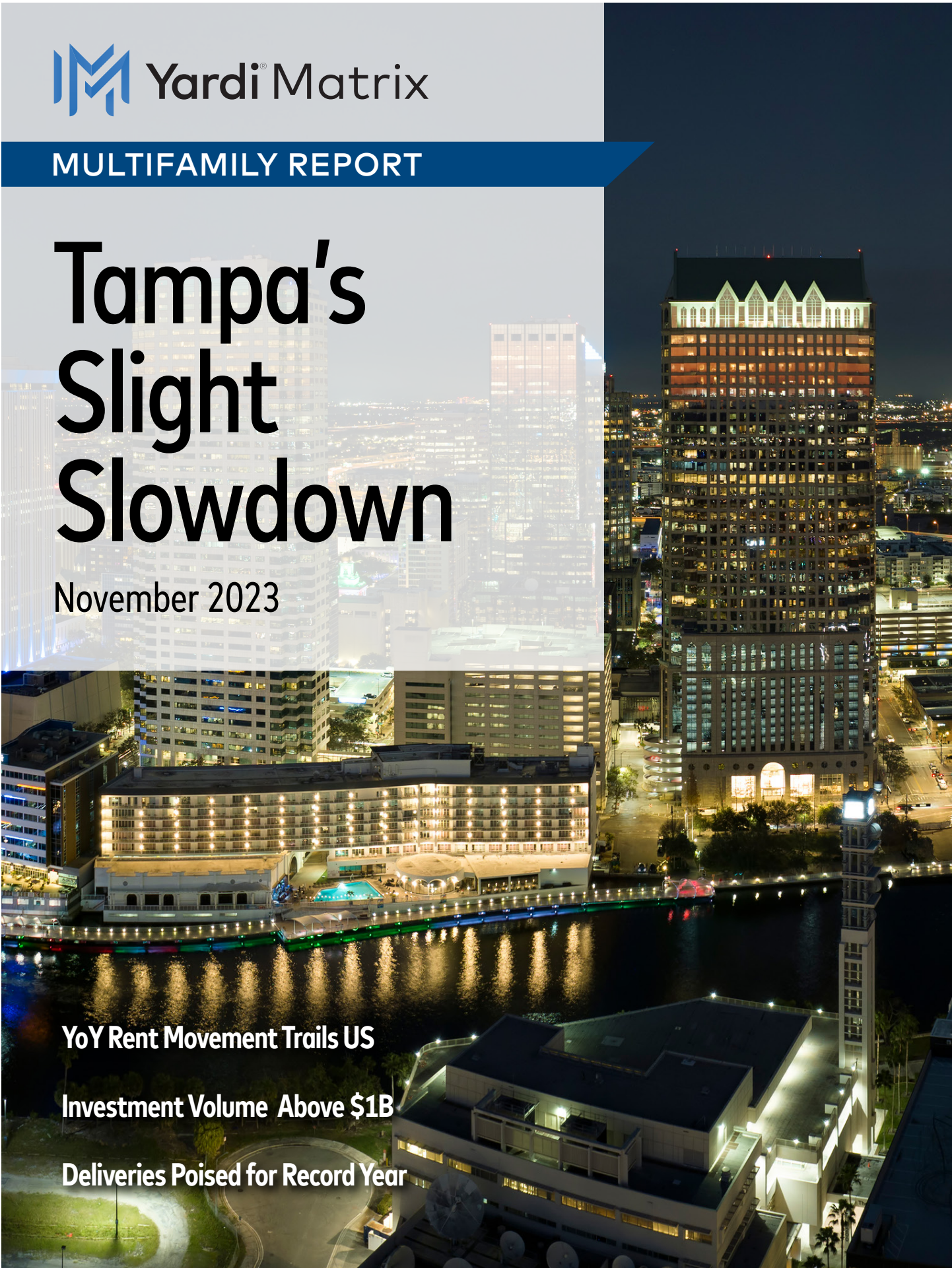
Tampa's Slight Slowdown

November 2023

YoY Rent Movement Trails US

Investment Volume Above \$1B

Deliveries Poised for Record Year



TAMPA MULTIFAMILY



Fundamentals Moderate, Remain Healthy

Tampa's multifamily fundamentals slowed down, but remained healthy amid persisting volatility. Short-term rent movement slid back into negative territory, down 0.1% on a trailing three-month basis, on par with the U.S. rate. Meanwhile, the occupancy rate in stabilized properties declined 40 basis points year-over-year through August, to 94.5%, which points to still healthy demand.

In the 12 months ending in July, Tampa's employment market added 58,400 jobs, for a 4.0% expansion, well ahead of the 2.6% U.S. figure. Tampa also outperformed the U.S. in unemployment levels, at 3.2% in August, while the nation stood at 3.8%, according to Bureau of Labor Statistics data. Despite the steady performance, two of Tampa's employment sectors lost positions—financial activities and information—for 4,000 jobs combined. Education and health services (23,800 jobs) and professional and business services (13,100 jobs) led growth. Both sectors point to a positive outlook, with the final phase of the Tampa Convention Center's renovation completed this summer and several hospital projects recently delivered or underway.

Developers delivered 6,774 units in 2023 through September and had another 17,697 under construction. Projects slated for completion by year-end could make 2023 the best year on record for deliveries. Meanwhile, investors traded \$1.2 billion in multifamily assets, for a price per unit that declined 15.8%, to \$196,372.

Market Analysis | November 2023

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Recent Tampa Transactions

Bell Lansbrook Village



City: Palm Harbor, Fla.
Buyer: Bell Partners
Purchase Price: \$194 MM
Price per Unit: \$267,559

Rowan Pointe



City: Pinellas Park, Fla.
Buyer: Praedium Group
Purchase Price: \$109 MM
Price per Unit: \$311,175

Azora at Cypress Ranch



City: Lutz, Fla.
Buyer: Carter-Haston
Purchase Price: \$96 MM
Price per Unit: \$290,030

Tessa Springs

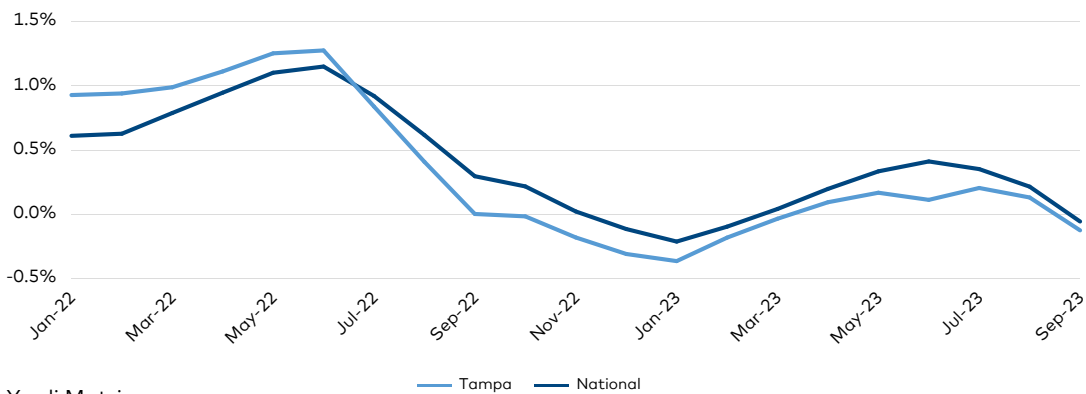


City: Thonotosassa, Fla.
Buyer: Praedium Group
Purchase Price: \$84 MM
Price per Unit: \$286,815

RENT TRENDS

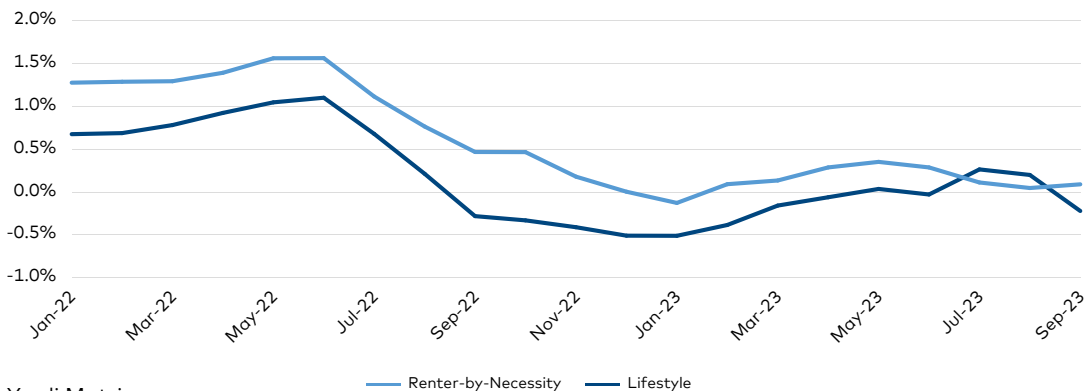
- ▶ On par with the national rate, Tampa rents declined 0.1% on a trailing three-month (T3) basis through September, to an average of \$1,805. The decline comes after six consecutive months of flat or rising performance. On a year-over-year basis, rents in the metro contracted 1.1%, while the U.S. rate decelerated to a 0.8% increase, to \$1,722.
- ▶ Renter-by-Necessity rates maintained a positive trend, up 0.1% on a T3 basis through September, to \$1,542, but Lifestyle figures slid 0.2%, to \$2,033. Meanwhile, the market showed healthy fundamentals, with the occupancy rate in stabilized properties down just 40 basis points year-over-year in August, to 94.5%. The 40-basis-point decline was uniform across asset classes, to 94.6% for RBN properties and 94.5% in Lifestyle.
- ▶ Rent movement was highly uneven across the map. While annual rent growth was negative in 23 of the 53 submarkets tracked by Yardi Matrix, in St. Petersburg-South, rates posted a substantial 11.2% increase, to \$1,653. Additionally, in Tampa's most expensive submarket—Downtown—rates rose 2.4%, to \$2,837. The next most-sought-after areas by average rent value were St. Petersburg-Downtown, at \$2,741, following a 1.9% year-over-year decrease, and Tampa Airport (-1.8% to \$2,289).
- ▶ Meanwhile, the single-family rental sector held on well. Rent growth marked a 0.4% year-over-year decrease in September, but occupancy gained 170 basis points year-over-year as of August.

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

- ▶ Tampa's employment market performance maintained its lead over the U.S., expanding 4.0%, or 58,400 jobs, in the 12 months ending in July, while the national average increased by 2.6%. Similarly, unemployment clocked in at 3.2% in August, outperforming the U.S. by 60 basis points. Despite an overall strong performance, the metro's jobless rate trailed the state (2.7%) and Miami (2.6%), was on par with Orlando, and outperformed Jacksonville by 10 basis points.
- ▶ Financial activities (-3,500 jobs) and information (-500 jobs) contracted in the 12 months ending in July. Meanwhile, growth was led by education and health services (23,800 jobs) and professional

and business services (13,100 jobs). The first is positioned for continued growth, supported by several projects that are underway or were recently delivered, including Tampa General Hospital's newest emergency department on Kennedy Boulevard and the Behavioral Health Hospital, a new project that broke ground this summer and is set to open in 2024. Also slated for completion next year is the new 282,000-square-foot AdventHealth Riverview Hospital.

- ▶ The final phase of the Tampa Convention Center's renovation and expansion was completed this summer and added 23,500 square feet of space and 18,000 square feet of waterfront rooms for flexible meeting and event space.

Tampa Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	282	15.8%
60	Professional and Business Services	339	19.0%
40	Trade, Transportation and Utilities	355	19.9%
70	Leisure and Hospitality	194	10.9%
15	Mining, Logging and Construction	110	6.2%
30	Manufacturing	96	5.4%
80	Other Services	57	3.2%
90	Government	170	9.5%
50	Information	31	1.7%
55	Financial Activities	153	8.6%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- ▶ Tampa-St. Petersburg-Clearwater added 36,129 residents in 2021, for a population increase of 1.1%, while the U.S. rate was up just 0.1%.
- ▶ Between the 2010 Census and 2021, Tampa's demographic expanded 15.5%, more than double the 7.3% U.S. average.

Tampa vs. National Population

	2018	2019	2020	2021
National	326,838,199	328,329,953	331,501,080	331,893,745
Tampa	3,158,674	3,200,120	3,183,385	3,219,514

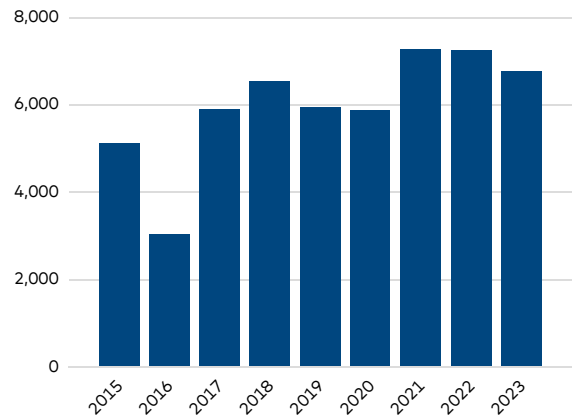
Source: U.S. Census

SUPPLY

- ▶ Following its two strongest years for deliveries this decade, Tampa’s multifamily inventory expanded by 6,774 units during the first three quarters of 2023, the equivalent of 2.8% of existing stock and nearly double the 1.5% U.S. average. Yardi Matrix anticipates that Tampa’s total volume of deliveries will climb to 10,833 by year-end, which would make 2023 the best year on record.
- ▶ The construction pipeline was also robust, with 17,697 units underway and another 83,000 in the planning and permitting stages. Strong immigration prompted developers to continue expanding the upscale segment, hence, nearly 90% of the pipeline comprised units in Lifestyle properties. About 7% of the projects under construction were units in fully affordable communities.
- ▶ Development activity continued to intensify in Tampa, reflected in the number of construction starts. Through September, 7,572 units across 30 properties broke ground in the metro, surpassing the volume registered during the same period last year—6,402 units across 31 properties.
- ▶ Three submarkets had more than 1,000 units under construction: Davenport (2,349 units), Wesley Chapel (1,792 units) and Downtown

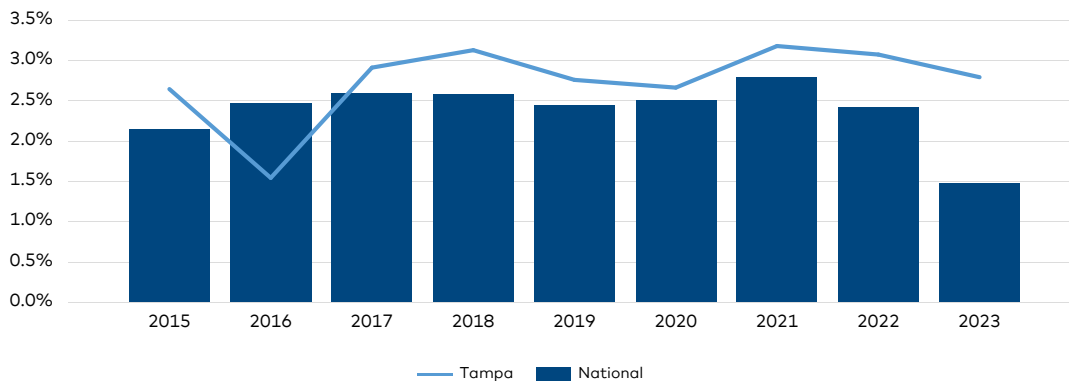
(1,465 units). The largest project delivered in 2023 through September was the 587-unit Corland Westshore in Tampa-Sun Bay South. The property’s initial \$69 million construction loan issued by Deutsche Bank in 2018 was recapitalized via a floating-rate CMBS loan in 2021, funded by Goldman Sachs, Société Générale and Bank of America, adding LivCor to the ownership group.

Tampa Completions (as of September 2023)



Source: Yardi Matrix

Tampa vs. National Completions as a Percentage of Total Stock (as of September 2023)

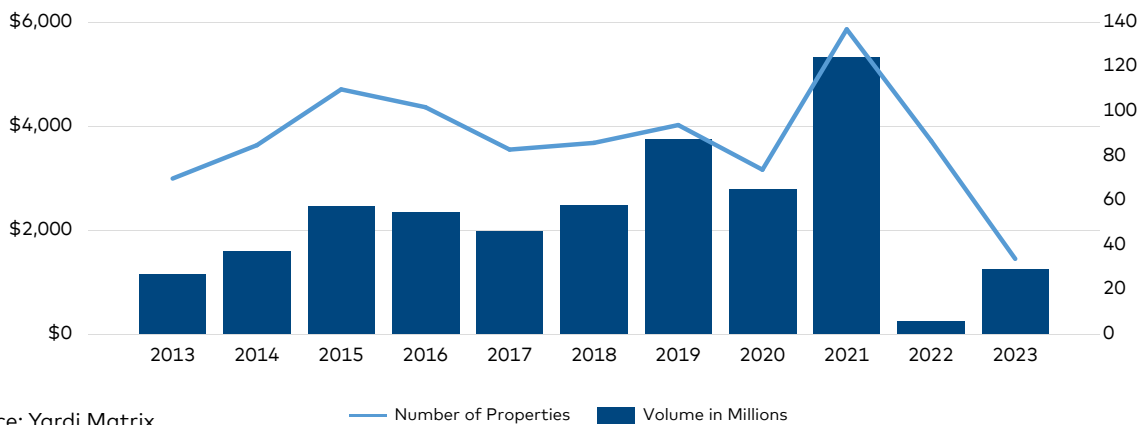


Source: Yardi Matrix

TRANSACTIONS

- ▶ In line with national trends, the investment landscape posted diminished activity in 2023 through September, with \$1.2 billion in multifamily assets trading in Tampa. During the corresponding period last year, the metro's transaction volume amounted to a substantial \$4.2 billion.
- ▶ Investor appetite was stronger for value-add opportunities, with nearly two-thirds of the trades involving RBN properties. Combined with the volatile financing landscape, the price per unit decreased by 15.8% year-over-year in September, to \$196,372, just slightly above the \$189,598 national average.
- ▶ The largest sale price recorded in Tampa in 2023 through September was \$194.2 million for Bell Lansbrook Village, a 726-unit property in the Oldsmar submarket. Bell Partners acquired it from Osso Capital for \$267,559 per unit, with aid from a \$142 million CMBS loan originated by Walker & Dunlop.

Tampa Sales Volume and Number of Properties Sold (as of September 2023)



Source: Yardi Matrix

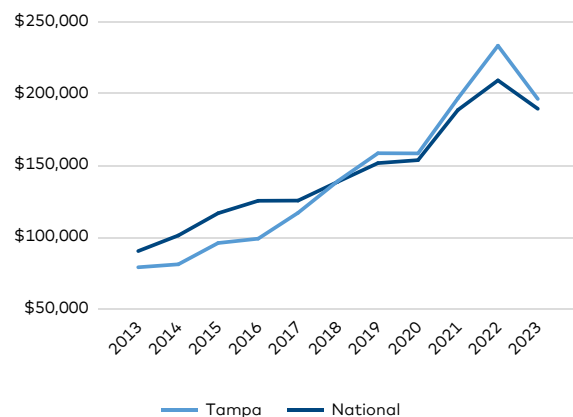
Top Submarkets for Transaction Volume¹

Submarket	Volume (\$MM)
Largo	269
Oldsmar	194
Land O'Lakes	194
Tampa - Sun Bay South	122
Pinellas Park	109
Lakeland	99
Palm River - Clair-Mel City	86

Source: Yardi Matrix

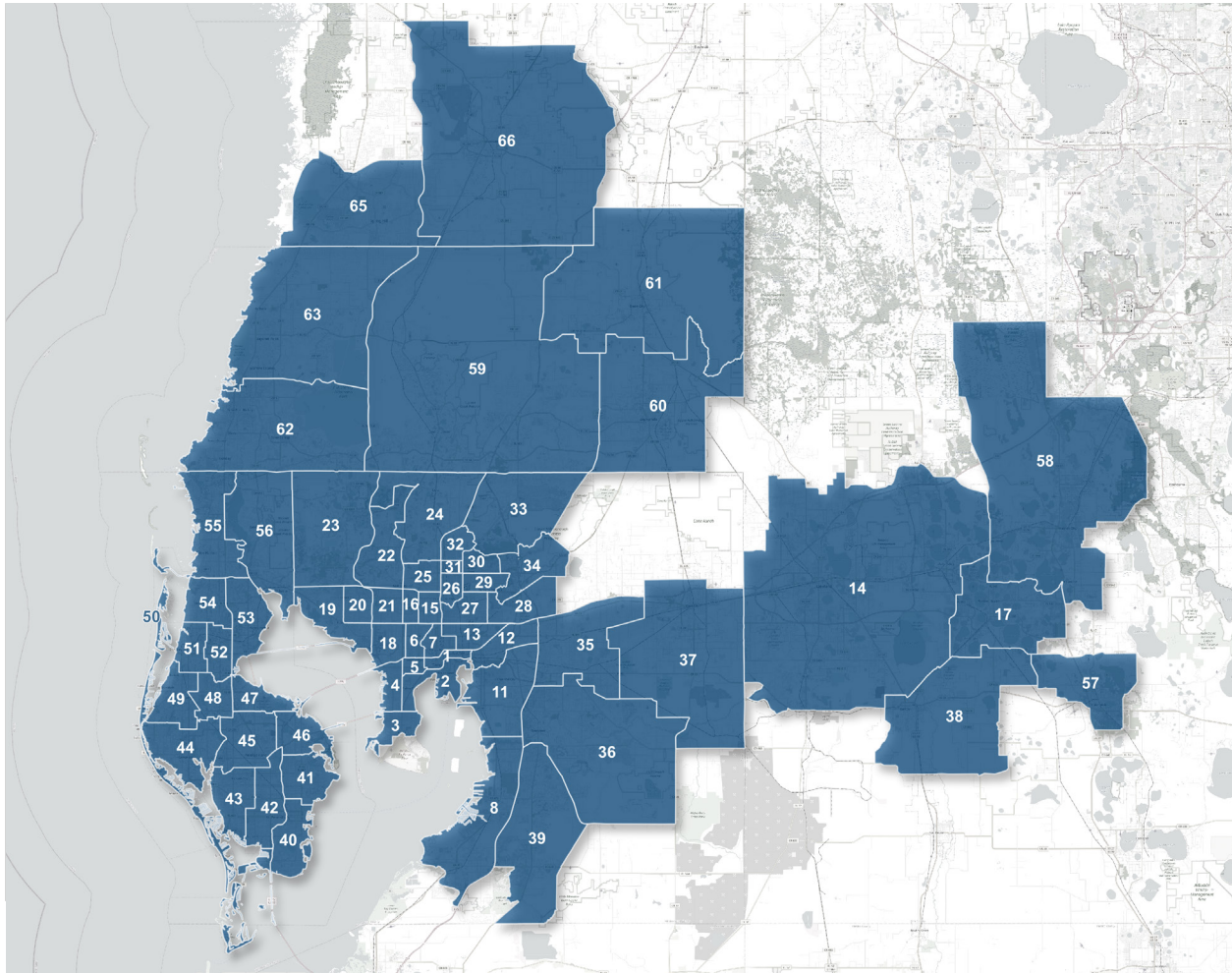
¹ From October 2022 to September 2023

Tampa vs. National Sales Price per Unit



Source: Yardi Matrix

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 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 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, 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.



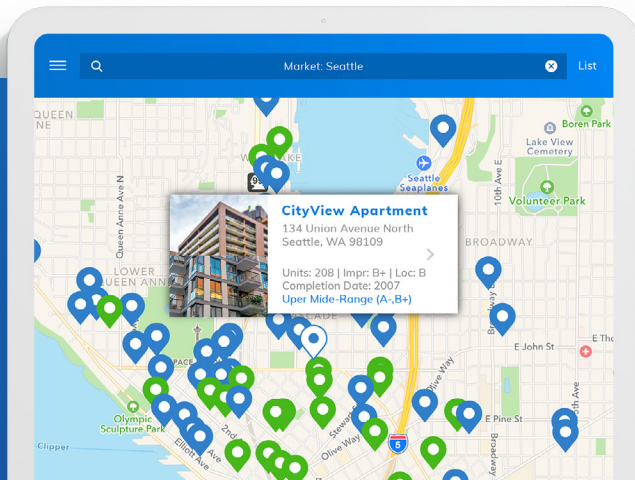
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with the industry's
leading data provider



MULTIFAMILY KEY FEATURES

- Pierce the LLC every time with true ownership and contact details
- Leverage improvement and location ratings, unit mix, occupancy and manager info
- Gain complete new supply pipeline information from concept to completion
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Access aggregated and anonymized residential revenue and expense comps



Yardi Matrix Multifamily
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