

Yardi® Matrix

Tampa's Bright Outlook

Multifamily Report Fall 2018

Rent Growth Accelerates Despite Heavy Supply

Migrant Millennials Fuel Apartment Demand

Property Values Climb to Cycle High

TAMPA MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2018

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Demand Keeps Up With Surging Supply

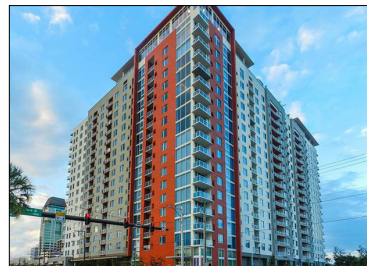
Population and employment gains fuel multifamily demand in Tampa–St. Petersburg, where low housing costs, a tax-friendly environment and a high quality of life continue to attract new residents and businesses.

Leisure and hospitality led employment growth by far, adding 14,100 jobs. Tourism revenue hit a new record in Hillsborough County in the year ending in September, which will likely continue as new hotel projects come online, including the 519-key JW Marriott within the 9 million-square-foot Water Street Tampa. Employment gains were also significant in education and health services (7,800 jobs) and trade, transportation and utilities (4,300), which is thriving following increased trade through the Panama Canal.

Multifamily deliveries hit a cycle peak in 2017, when roughly 5,400 units were completed, and continued at a strong pace in 2018. However, occupancy in stabilized properties recorded just a slight decrease of 20 basis points year-over-year, to 95.6% as of August, indicating strong apartment demand. Rent growth remained above the national average, at 5.2% as of September, while the average price per unit rose to a cycle peak of \$142,655. As the metro's population is projected to grow at a faster pace than the nation through 2020, we expect positive net absorption and above-average rent growth to continue in the foreseeable future.

Recent Tampa Transactions

Camden Pier District



City: St. Petersburg, Fla.
Buyer: Camden Property Trust
Purchase Price: \$126 MM
Price per Unit: \$352,793

The Cove



City: Tampa, Fla.
Buyer: Gamma Real Estate
Purchase Price: \$97 MM
Price per Unit: \$140,058

Avana Westchase



City: Tampa, Fla.
Buyer: Greystar
Purchase Price: \$82 MM
Price per Unit: \$205,000

Fusion 1560



City: St. Petersburg, Fla.
Buyer: TH Real Estate
Purchase Price: \$81 MM
Price per Unit: \$249,538