

Yardi® Matrix

Hot Tampa

Multifamily Report Summer 2019

Renter-by-Necessity Rates Rise 4.2%

Construction Surge Continues

Investment Activity Accelerates

TAMPA MULTIFAMILY

Market Analysis

Summer 2019

Contacts

Paul Fiorilla

Associate Director of Research
Paul.Fiorilla@Yardi.com
(800) 866-1124 x5764

Jack Kern

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

Author

Adriana Pop

Senior Associate Editor

Multifamily Sales Shift Up a Gear

Tampa's solid multifamily fundamentals continue to attract investors and developers to the market, where robust population and employment gains are sustaining steady rental demand.

Professional and business services (9,000 jobs) led employment gains in the 12 months ending in July, boosted by a growing tech and startup scene. Construction gained 5,800 jobs, as large projects get underway, including Strategic Property Partners' 1001 Water, Tampa's first downtown trophy office tower in more than 25 years. Strong tourism activity led to the creation of 5,600 jobs, while netting Hillsborough County a record \$673 million in taxable hotel sales last year. Tampa is also growing as a hub for life science and biotech firms, luring Sweden-based Vycellix to establish its U.S. base near the Moffitt Cancer Center.

Investors seeking higher acquisition yields than those across South Florida have pushed Tampa's multifamily sales volume above the \$2 billion mark every year since 2015. In 2019 through July, nearly \$2 billion in assets traded at an average per-unit price of \$145,295. More than 8,500 units were underway as of July, the bulk of them in Lifestyle projects. Demand, however, is bound to keep up, and we expect the average Tampa rent to advance 3.5% in 2019.

Recent Tampa Transactions

The Boot Ranch



City: Palm Harbor, Fla.
Buyer: Providence Real Estate
Purchase Price: \$80 MM
Price per Unit: \$185,185

Sole at Brandon



City: Riverview, Fla.
Buyer: Nuveen Real Estate
Purchase Price: \$78 MM
Price per Unit: \$211,749

The Marquis of Tampa



City: Tampa, Fla.
Buyer: Axonic Properties
Purchase Price: \$61 MM
Price per Unit: \$171,186

The Addison at Tampa Oaks



City: Temple Terrace, Fla.
Buyer: TM Real Estate Group
Purchase Price: \$54 MM
Price per Unit: \$207,061