

Tampa Bay

Industrial

21Q3

The Tampa Bay industrial market demonstrated stronger fundamentals than comparable third quarter periods over the last three years as economic drivers strengthened and demand for industrial space showed no signs of slowing.

Valerie Tatum | Senior Research Associate, West and Central Florida

## Key Takeaways

- More than 2.3 million square feet of leases were signed during the third quarter which will result in future positive absorption.
- The steady delivery of industrial buildings, along with high demand, continued to drive asking rental rates, which increased 16.9% in the last two years, now ranging from \$5.50 - \$8.00 per square foot.
- East Tampa, the largest submarket dropped below a 6.0% vacancy rate for the second time in over three years, driven by 1.3M square feet of positive absorption.



# Tampa Bay Industrial 21Q3



## Executive Summary

The Tampa Bay metro area industrial market maintained consistent positive performance throughout the third quarter. At quarter's end, the overall vacancy rate of 4.8% held steady from the previous quarter and continues to remain among the lowest recorded rates in history. Year-to-date, the decline in vacancy was due to the absorption of approximately 4.7M sq. ft. of space occupied by tenants. Absorption increased by 35.2% over the first three-quarters of last year and was on par with pre-pandemic levels two years ago. Increased absorption was partly due to the high leasing velocity, especially in industrial space, which accounted for 80% of activity in the market.

During the quarter, just over one million square feet of industrial product was delivered to the market, bringing the year-to-date total to 2.4 million square feet. Over the past 10 years, new industrial development has accounted for just over 13% of the total market inventory. And with 7.4M sq. ft. under construction, a significant wave of completions over the next four quarters will soon be upon us, indicating strong confidence in the market's future.

Industrial sales, driven by a mix of private, institutional and owner-user sales, was up 24.7% from a year-to-date comparison to 2020, when investors paused due to the market's volatility because of the pandemic. Impressively, year-to-date investment sales were also 39.7% higher than the same time period in 2018, prior to the impacts of the pandemic.

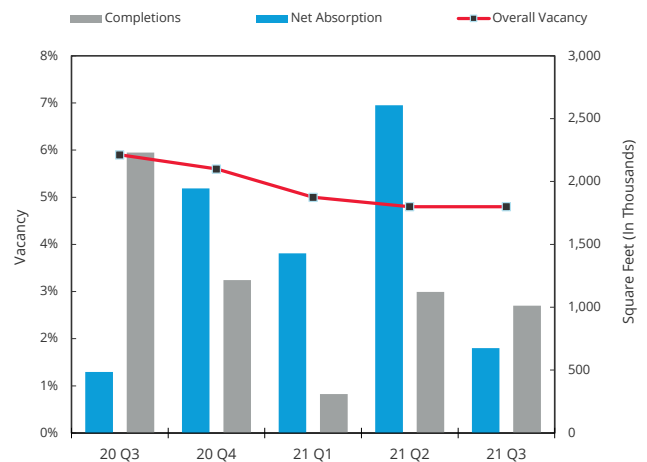
## Market Indicators



## Historic Comparison

	2020 Q3	2021 Q2	2021 Q3
<b>Total Inventory</b>	232,030,286	234,601,328	236,405,268
<b>New Supply</b>	2,230,053	1,121,447	7,350,843
<b>Net Absorption</b>	3,484,249	4,035,245	4,710,620
<b>Overall Vacancy</b>	5.9%	4.8%	4.8%
<b>Under Construction</b>	4,134,946	4,159,959	7,350,843

## Market Trends



Source: Colliers International, CoStar, Real Capital Analytics

## Recent Transactions



**Lease**  
6750 N. Bryan Dairy Road  
Mid-Pinellas | 315K SF



**Lease**  
1820 Massaro Boulevard  
East Side Tampa | 206K SF



**Lease**  
1770 Interstate Drive  
Polk | 100K SF



**Sale**  
Fowler Distribution Center  
East Side Tampa | \$84/SF

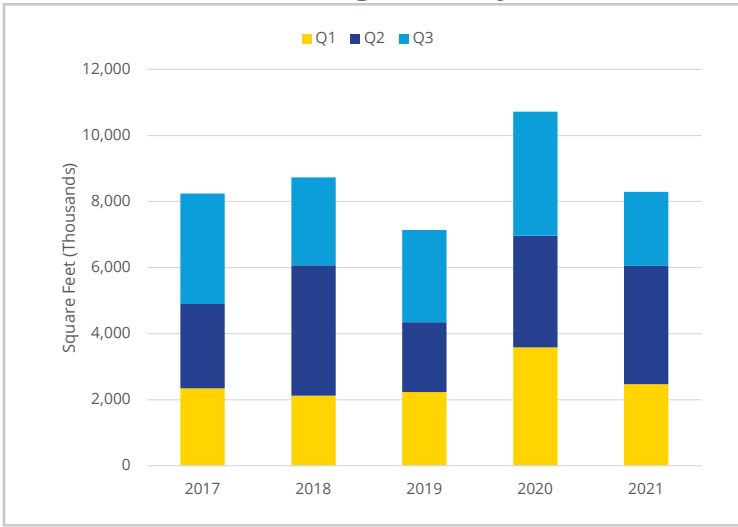


**Sale**  
4902 W. Waters Avenue  
Airport | \$133/SF

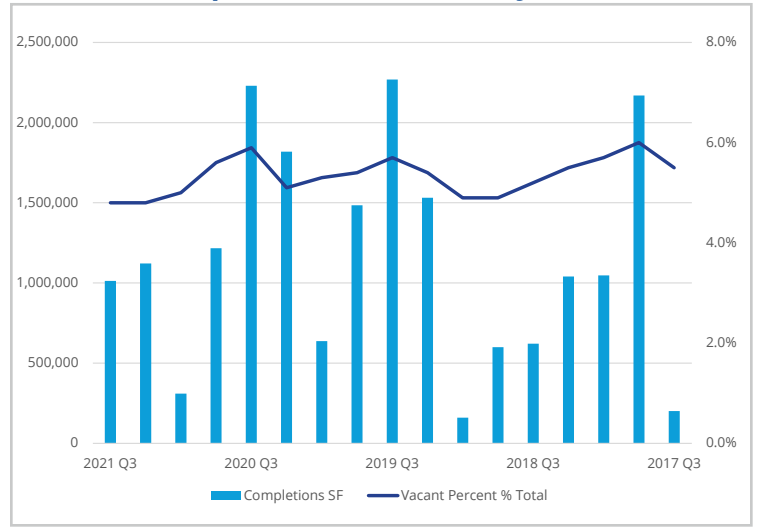


**Sale**  
Tampa Bay Times  
Industrial Campus  
South Pinellas | \$66/SF

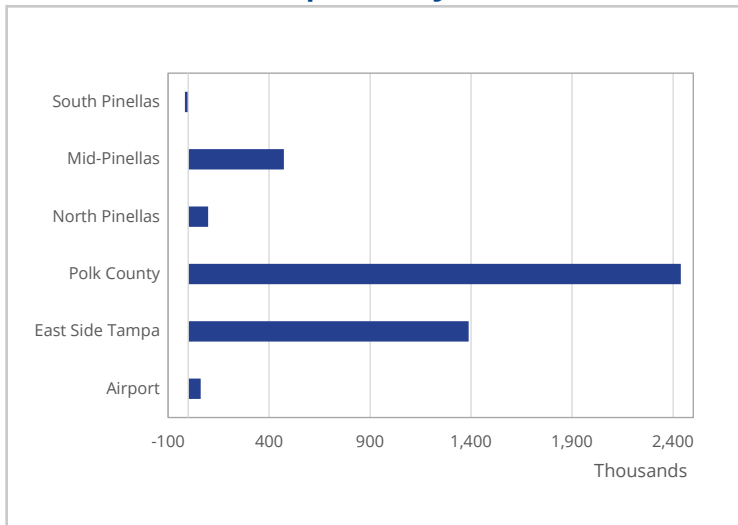
### Leasing Activity



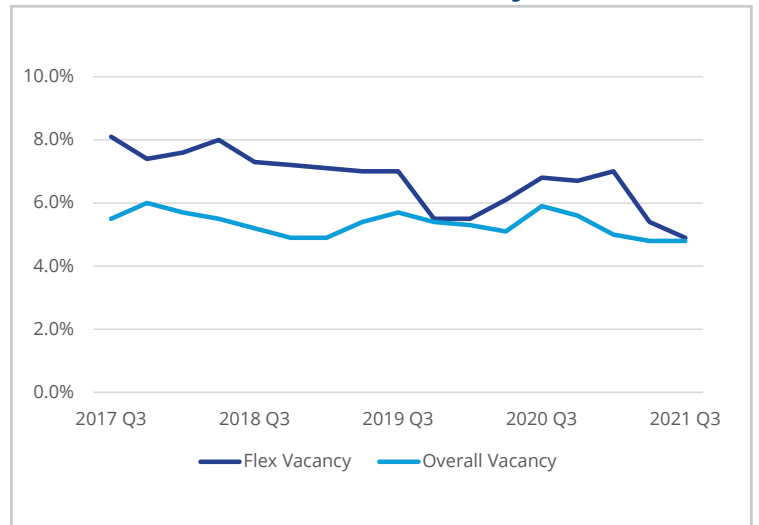
### Completions / Vacancy Rate



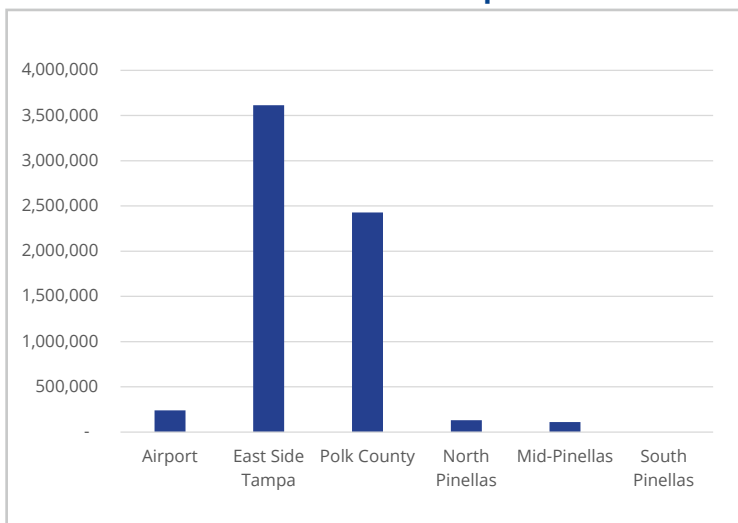
### Industrial Absorption by Submarket YTD



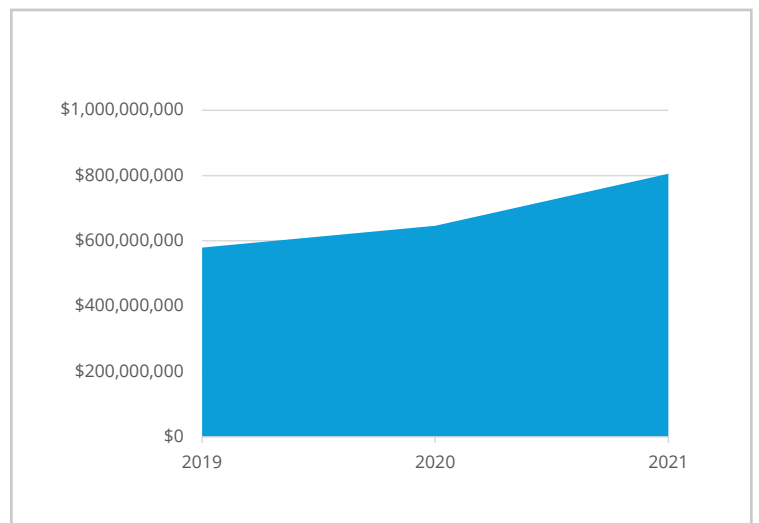
### Flex / Overall Vacancy Rate



### Under Construction Square Feet



### Historical Industrial Sales



## Submarket Breakdown

Submarket & Property Type	# of Buildings	Total Inventory SF	Direct Vacancy %	Total Vacancy %	Net Absorption Current Quarter SF	Net Absorption YTD SF	New Completions SF	Under Construction SF	Average Direct Asking Rate NNN
<b>Airport</b>									
Industrial	446	14,212,358	1.2%	1.5%	49,684	61,041	0	239,318	\$5.75 - \$8.00
Flex	188	5,685,887	4.1%	4.3%	75,914	213,156	0	0	\$10.75 - \$16.50
<b>Overall</b>	<b>634</b>	<b>19,898,245</b>	<b>2.0%</b>	<b>2.3%</b>	<b>125,598</b>	<b>306,525</b>	<b>0</b>	<b>239,318</b>	<b>\$8.50</b>
<b>East Side Tampa</b>									
Industrial	1,400	77,580,134	5.4%	5.5%	58,797	1,388,328	208,741	3,612,633	\$4.25 - \$8.25
Flex	181	6,225,496	5.3%	5.5%	-22,274	95,065	0	0	\$10.25 - \$15.00
<b>Overall</b>	<b>1,581</b>	<b>83,805,630</b>	<b>5.4%</b>	<b>5.5%</b>	<b>36,523</b>	<b>1,300,299</b>	<b>208,741</b>	<b>3,612,633</b>	<b>\$6.50</b>
<b>Polk County</b>									
Industrial	881	69,283,336	5.6%	5.8%	320,968	2,437,992	1,882,291	2,427,902	\$4.00 - \$7.00
Flex	60	2,373,360	3.4%	3.4%	10,550	19,884	0	0	\$6.00 - \$12.50
<b>Overall</b>	<b>941</b>	<b>71,656,696</b>	<b>5.5%</b>	<b>5.8%</b>	<b>331,518</b>	<b>2,414,876</b>	<b>1,882,291</b>	<b>2,427,902</b>	<b>\$5.50</b>
<b>North Pinellas</b>									
Industrial	325	8,315,325	0.6%	0.6%	58,931	98,194	0	130,000	\$6.50 - \$9.00
Flex	54	1,748,700	1.1%	1.4%	3,610	8,272	0	0	\$7.00 - \$12.00
<b>Overall</b>	<b>379</b>	<b>10,064,025</b>	<b>0.7%</b>	<b>0.8%</b>	<b>62,541</b>	<b>112,944</b>	<b>0</b>	<b>130,000</b>	<b>\$8.00</b>
<b>Mid-Pinellas</b>									
Industrial	1,020	34,059,894	3.8%	3.9%	105,877	473,145	0	110,170	\$5.50 - \$7.50
Flex	173	5,492,114	6.8%	7.0%	54,389	65,082	0	0	\$7.00 - \$12.00
<b>Overall</b>	<b>1,193</b>	<b>39,552,008</b>	<b>4.2%</b>	<b>4.4%</b>	<b>160,266</b>	<b>564,695</b>	<b>0</b>	<b>110,170</b>	<b>\$7.50</b>
<b>South Pinellas</b>									
Industrial	387	10,645,531	2.8%	2.8%	-33,771	-16,465	0	0	\$8.00 - \$10.00
Flex	31	783,133	1.6%	1.6%	-7,300	17,746	0	0	\$10.00 - \$12.00
<b>Overall</b>	<b>418</b>	<b>11,428,664</b>	<b>2.7%</b>	<b>2.7%</b>	<b>-41,071</b>	<b>11,281</b>	<b>0</b>	<b>0</b>	<b>\$9.75</b>



## Tampa Bay Overall Market

Quarter & Year	Buildings	Total Inventory SF	Direct Vacancy %	Total Vacancy %	Net Absorption Current Quarter SF	Net Absorption YTD SF	New Completions SF	Under Construction SF	Whse. Average Direct Asking Rate NNN	Flex Average Direct Asking Rate NNN
2021 Q3	5,146	236,405,268	4.6%	4.8%	675,375	4,710,620	1,013,032	7,350,843	\$6.25	\$11.25
2021 Q2	5,142	234,601,328	4.6%	4.8%	2,606,049	4,035,245	1,121,447	4,159,959	\$5.64	\$11.15
2021 Q1	5,138	233,557,881	4.8%	5.0%	1,429,196	1,429,196	309,539	5,885,823	\$5.48	\$11.18
2020 Q4	5,132	233,246,258	5.3%	5.6%	1,945,408	5,429,657	1,215,972	4,642,006	\$5.43	\$11.41
2020 Q3	5,120	232,030,286	5.7%	5.9%	485,137	3,484,249	2,230,053	4,134,946	\$5.34	\$10.85
2020 Q2	5,108	229,800,233	5.0%	5.1%	1,857,356	2,999,112	1,818,761	5,321,802	\$5.37	\$10.69
2020 Q1	5,103	227,981,472	5.0%	5.3%	1,141,756	1,141,756	636,744	5,983,319	\$5.44	\$10.12
2019 Q4	5,094	227,344,728	5.2%	5.4%	1,851,486	3,518,077	1,484,416	4,791,183	\$5.33	\$10.14
2019 Q3	5,088	225,860,312	5.4%	5.7%	1,156,484	1,666,591	2,268,815	4,541,896	\$5.34	\$9.93

## Significant Sales Activity

Address	Space Type	Size	Buyer	Sales Price	Submarket
Fowler Distribution Center	Industrial	379,880	Alliance Partners HSP	\$32,000,000 \$84/SF	East Side Tampa
4902 W. Waters Avenue	Industrial	239,762	Xebec	\$32,000,000 \$133/SF	Airport
Tampa Bay Times Industrial Campus	Industrial	316,082	Twenty Lake Holdings	\$21,000,000 \$66/SF	South Pinellas

## Significant Lease Activity

Address	Space Type	Size SF	Tenant	Lease Type	Submarket
6750 N. Bryan Dairy Road	Distribution	315,456	Hit Promotional Products	New	Mid-Pinellas
1820 Massaro Boulevard	Distribution	206,382	Gopher Resource	New	East Side Tampa
1770 Interstate Drive	Distribution	100,000	Ross Stores	New	Polk

**Bold** Denotes Colliers Represented Transaction

# 351 offices in 67 countries on 6 continents

United States: 115  
Canada: 41  
Latin America: 12  
Asia Pacific: 33  
EMEA: 78



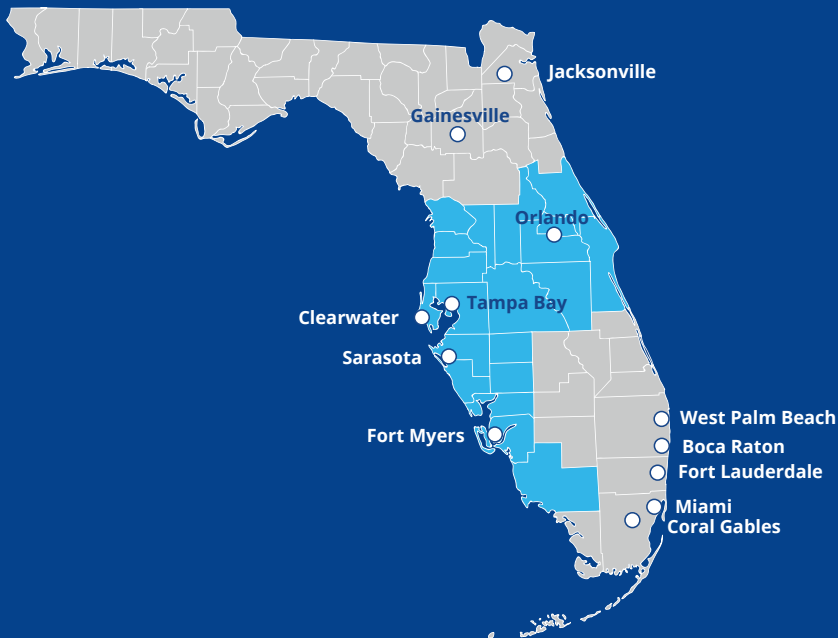
**\$3.3B**  
in revenue



**2B**  
square feet  
under management



**18,000 +**  
professionals and staff



## About Colliers

Colliers (NASDAQ, TSX: CIGI) is a leading diversified professional services and investment management company. With operations in 67 countries, our more than 15,000 enterprising professionals work collaboratively to provide expert advice to real estate occupiers, owners and investors. For more than 25 years, our experienced leadership with significant insider ownership has delivered compound annual investment returns of almost 20% for shareholders. With annualized revenues of \$3.0 billion (\$3.3 billion including affiliates) and \$40 billion of assets under management, we maximize the potential of property and accelerate the success of our clients and our people. Learn more at [corporate.colliers.com](http://corporate.colliers.com), Twitter @Colliers or LinkedIn.

Copyright © 2021 Colliers International Florida, LLC. The information contained herein has been obtained from sources deemed reliable. While every reasonable effort has been made to ensure its accuracy, we cannot guarantee it. No responsibility is assumed for any inaccuracies. Readers are encouraged to consult their professional advisors prior to acting on any of the material contained in this report.

## Market Contacts:

### Danny Rice

Executive Managing Director, Market Leader  
Central and West Florida  
[danny.rice@colliers.com](mailto:danny.rice@colliers.com)

### Valerie Tatum

Senior Research Associate  
Central and West Florida  
[valerie.tatum@colliers.com](mailto:valerie.tatum@colliers.com)

### Justin Frye, CPRC

Sr. GIS & Research Analyst  
Central and West Florida  
[justin.frye@colliers.com](mailto:justin.frye@colliers.com)

## Central and West Florida Regional Locations:

### Tampa Bay

4830 West Kennedy Boulevard  
Suite 300  
Tampa, FL 33609

### Orlando

255 South Orange Avenue  
Suite 1300  
Orlando, FL 32801

### Clearwater

311 Park Place Boulevard  
Suite 600  
Clearwater, FL 33759

### Ft. Myers

13241 University Drive  
Suite 101  
Fort Myers, FL 33907



[colliers.com/tampabay](http://colliers.com/tampabay)

+1 813 221 2290