

| | YoY Chg | 12-Mo. Forecast |
|--|---------|-----------------|
| 15.6% Vacancy Rate | ▲ | ▲ |
| -749K YTD Net Absorption, SF | ▼ | ▼ |
| \$28.43 Asking Rent, PSF | ▲ | ▲ |

(Overall, All Property Classes)

ECONOMIC INDICATORS Q2 2021

| | YoY Chg | 12-Mo. Forecast |
|--|---------|-----------------|
| 1.4M Tampa Bay MSA Employment | ▲ | ▲ |
| 4.6% Tampa Bay MSA Unemployment Rate | ▼ | ▼ |
| 5.9% U.S. Unemployment Rate | ▼ | ▼ |

Source: BLS. Numbers above are monthly figures, FL Dept. Economic OPP.

ECONOMY

The Tampa Bay region, which includes Hillsborough and Pinellas counties, had an unemployment rate of 4.6% in May 2021. This was 40 basis points (bps) lower than the state average and 860 bps lower than the region's rate from one year ago. The region had the second highest year-over-year (YOY) increase in nonagricultural jobs with 97,600 jobs added, a 7.6% increase, to 1.38 million. Office using employment sectors to gain jobs were Financial Activities, adding 3,000 positions, and Professional & Business Services with 27,400 jobs. Leisure and Hospitality recorded further signs of resurgence, adding 33,500 new positions YOY.

SUPPLY

Overall vacancy ended the quarter at 15.6%, an increase of 280 bps when compared to the same period last year. Class A vacancy rose by 520 bps YOY to 16.2%, with space in Class B assets increasing 50 bps to 16.3%. The bump in Class A vacancy was amplified by vacant sublease space in the market, specifically in the Westshore and I-75 Corridor. All 695,000 square feet (sf) of projects under construction were in Hillsborough County, with 1001 Water Street in the CBD, Midtown Two in Westshore, and an office building in the University of South Florida Research Park in the Northwest submarket expected to deliver by yearend. Midtown West, The Loft at Midtown, and SkyCenter One delivered 494,200 sf in the second quarter with considerable vacancies.

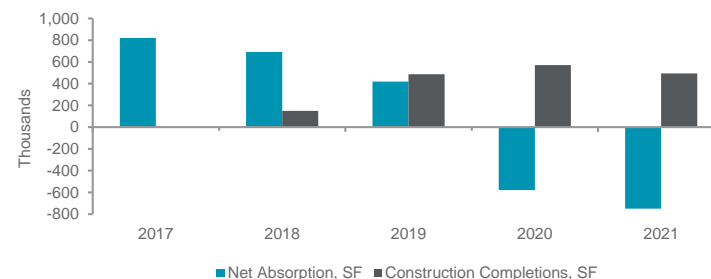
DEMAND

New leasing demand in the second quarter increased 6.0% from the previous quarter to approximately 603,000 sf. Year-to-date leasing activity totaled approximately 1.2 million sf, with Class A accounting for 41% and deals in Class B assets higher at 47%. Suburban submarkets outperformed the CBD submarkets, with 83% of leasing activity occurring outside of the financial districts. Absorption trended downwards, as Hillsborough county saw the most negative absorption in a single quarter since 2002 with -625,289 sf. The Tampa and St. Pete CBD submarkets both recorded positive absorption, with 40,339 and 5,617 sf, respectively.

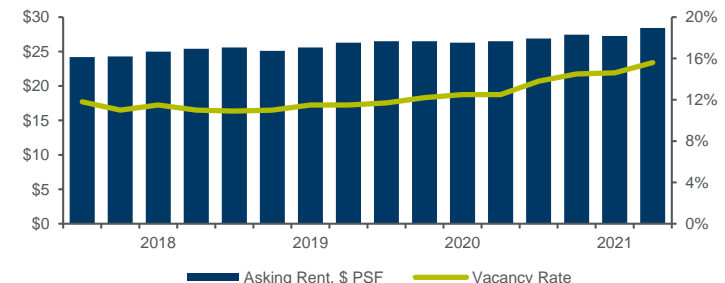
MARKET PRICING

Even as vacancy rates increased, both Hillsborough and Pinellas counties had growth in overall rents YOY, rising 6.0% to \$28.43 per square foot (psf) full service. For Class A assets, rents increased to \$31.80 psf, up \$1.58 YOY, the 5th quarter in a row where Tampa Bay rents were over \$30.00 psf. Overall rents in the Tampa CBD rose by 11.5% in the last 12 months, with a 6.5% increase for Class A buildings. Class B overall rental rates also increased, up 1.3% YOY to \$24.50 psf. The second quarter saw the Westshore submarket add nearly 386,000 sf of vacant space in part to new construction completions, and overall asking rents were the highest of any submarket at \$34.28. This was a 7.5% YOY increase, and 7.6% surge from the previous quarter.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

| SUBMARKET | INVENTORY (SF) | DIRECT VACANT (SF) | SUBLET VACANT (SF) | OVERALL VACANCY RATE | CURRENT QTR OVERALL NET ABSORPTION | YTD OVERALL ABSORPTION (SF) | YTD LEASING ACTIVITY (SF) | UNDER CNSTR (SF) | OVERALL AVG ASKING RENT (ALL CLASSES)* | OVERALL AVG ASKING RENT (CLASS A)* |
|-------------------------|-------------------|--------------------|--------------------|----------------------|------------------------------------|-----------------------------|---------------------------|------------------|--|------------------------------------|
| Tampa CBD | 6,563,568 | 736,277 | 82,621 | 12.5% | 40,339 | 51,531 | 166,663 | 375,000 | \$33.56 | \$36.47 |
| Tampa Non CBD | 26,332,114 | 3,879,668 | 790,009 | 17.7% | -665,628 | -643,085 | 731,856 | 320,000 | \$29.16 | \$32.69 |
| Hyde Park | 335,456 | 13,975 | 0 | 4.2% | 2,503 | 9,058 | 12,885 | 0 | \$33.64 | N/A |
| Northeast Area | 2,964,998 | 537,051 | 63,151 | 20.2% | -160,530 | -205,318 | 45,575 | 120,000 | \$26.25 | \$27.08 |
| Northwest Area | 4,402,202 | 562,598 | 165,256 | 16.5% | -64,013 | -84,456 | 191,069 | 0 | \$24.43 | \$26.41 |
| Southeast Area | 4,886,500 | 795,645 | 36,010 | 17.0% | -60,481 | 6,260 | 54,770 | 0 | \$23.43 | \$24.69 |
| Southwest Area | 306,381 | 35,831 | 1,666 | 12.2% | 2,824 | -2,777 | 14,324 | 0 | \$19.14 | N/A |
| Westshore | 13,242,549 | 1,931,428 | 523,926 | 18.5% | -385,931 | -365,852 | 413,233 | 200,000 | \$34.28 | \$38.72 |
| TAMPA TOTALS | 32,895,682 | 4,615,945 | 872,630 | 16.7% | -625,289 | -591,554 | 898,519 | 695,000 | \$29.84 | \$33.42 |
| St. Pete CBD | 2,094,745 | 108,747 | 35,199 | 6.9% | 5,617 | 17,229 | 36,453 | 0 | \$30.86 | \$31.31 |
| St. Pete Non CBD | 9,844,308 | 1,279,980 | 61,399 | 13.6% | -110,872 | -175,115 | 235,116 | 0 | \$22.83 | \$24.76 |
| Bayside | 1,379,729 | 208,102 | 2,502 | 15.3% | -32,225 | -34,485 | 25,560 | 0 | \$24.75 | \$25.25 |
| Clearwater Downtown | 663,725 | 41,380 | 0 | 6.2% | -1,397 | -1,397 | 0 | 0 | \$19.56 | \$18.00 |
| Countryside | 1,170,733 | 144,402 | 0 | 12.3% | 3,546 | -3,964 | 26,707 | 0 | \$21.30 | \$21.16 |
| Mid Pinellas/Gateway | 4,704,656 | 715,826 | 25,771 | 15.8% | -29,230 | -80,094 | 166,929 | 0 | \$23.52 | \$25.31 |
| North Pinellas | 1,103,200 | 76,004 | 33,126 | 9.9% | -45,213 | -51,632 | 10,898 | 0 | \$21.47 | \$23.74 |
| South St. Petersburg | 822,265 | 94,266 | 0 | 11.5% | -6,353 | -3,543 | 5,022 | 0 | \$19.17 | N/A |
| PINELLAS TOTALS | 11,939,053 | 1,388,727 | 96,598 | 12.4% | -105,255 | -157,886 | 271,569 | 0 | \$23.56 | \$25.81 |
| TAMPA BAY TOTALS | 44,834,735 | 6,004,672 | 969,228 | 15.6% | -730,544 | -749,440 | 1,170,088 | 695,000 | \$28.43 | \$31.80 |

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q2 2021

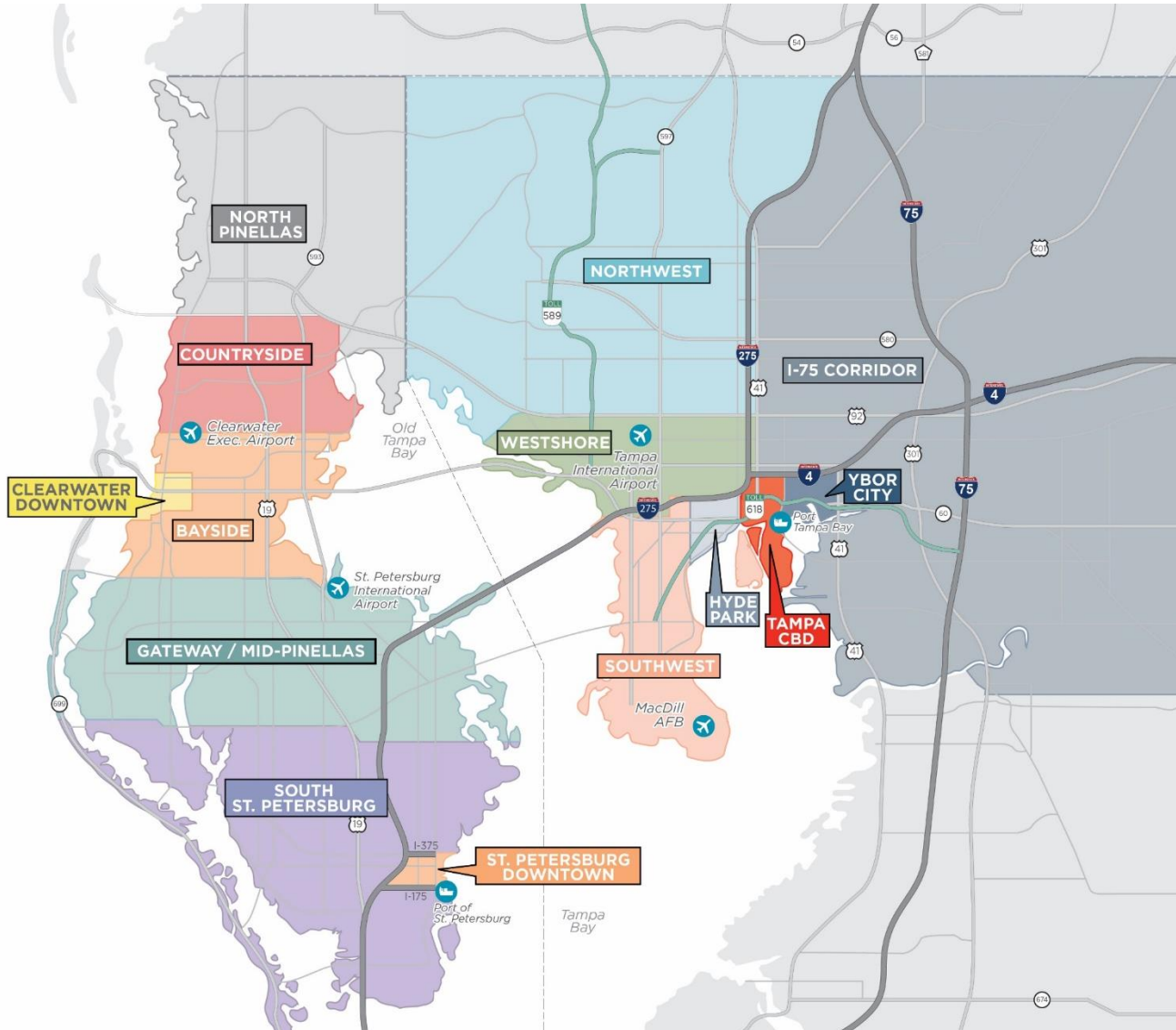
| PROPERTY | SUBMARKET | TENANT | RSF | TYPE |
|-------------------------------|----------------|-----------------------|---------|----------------|
| 6550 West Hillsborough Avenue | Northwest Area | ID.me Inc. | 103,072 | New |
| 600 N Westshore Blvd. | Westshore | Progressive Insurance | 55,107 | Renewal* |
| 5401 W Kennedy Blvd. | Westshore | Jacobs Engineering | 23,527 | Renewal* |
| 7725 Woodland Center Blvd. | Northwest Area | Quote Wizard | 22,115 | New (sublease) |

*Renewals are not included in leasing activity

TAMPA BAY

Office Q2 2021

OFFICE SUBMARKETS



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