

HUD PD&R Housing Market Profiles

Tampa-St. Petersburg-Clearwater, Florida



Quick Facts About Tampa-St. Petersburg-Clearwater

Clearwater, Florida

By Karen M. Ostrye | As of April 1, 2021

- Current sales market conditions: tight
- Current apartment market conditions: balanced
- Tampa is home to Port Tampa Bay, the largest port in Florida.

Overview

The Tampa-St. Petersburg-Clearwater, FL Metropolitan Statistical Area (hereafter the Tampa metropolitan area) is located along the Gulf of Mexico on the west coast of Florida and consists of Hernando, Hillsborough, Pasco, and Pinellas Counties. Tourists and retirees are drawn to the warm, sunny climate, coupled with ample golf courses, beaches, and opportunities for boating and fishing.

- As of April 1, 2021, the population of the Tampa metropolitan area is estimated at 3.27 million, with an average annual increase of 44,650, or 1.5 percent, since 2010. Approximately 98 percent of this growth was the result of in-migration.
- Population growth averaged 57,750 people, or 1.9 percent, annually from 2015 to 2018 (Census Bureau population estimates as of July 1). From 2018 to 2020, population growth averaged 42,650 people, or 1.3 percent, annually.
- Individuals ages 65 years and older have contributed significantly to recent population growth in the Tampa metropolitan area. The age cohort represented 17 percent of the population in 2010 but accounted for 20 percent

continued on page 2



continued from page 1

of the total in 2019 (American Community Survey 1-year data). Hillsborough County, which includes the city of Tampa and represents the largest portion—46 percent—of the metropolitan area population, is also the youngest county, with a median age of 37.8 years in 2019, up slightly from 36.1 in 2010. The median age of the metropolitan area is 42.2, up from 41.3 in 2010.

- The fastest growing county in the Tampa metropolitan area is Pasco County, which is north of the cities of Tampa and

St. Petersburg and has grown 2.0 percent annually since April 2010. Population growth in Pasco County averaged 4,450 people, or 0.9 percent, annually from 2010 to 2014. From 2014 to 2020, population growth averaged 14,500 people, or 2.8 percent, annually. As Hillsborough and Pinellas Counties have become more densely populated, Pasco County has attracted commuters. The county government is encouraging investment by offering incentives such as low impact fees.

Economic Conditions

Nonfarm payrolls in the Tampa metropolitan area expanded every year from 2010 through 2019, surpassing the pre-Great Recession peak in 2015. The onset of the COVID-19 pandemic in early 2020 was accompanied by a decline in payrolls as businesses shut down because of an executive order put in place to avoid spreading COVID-19. In March and April of 2020, a total of 170,900 jobs were lost, representing 12 percent of all jobs in the metropolitan area. As of April 1, 2021, 77 percent of the jobs lost during the initial 2 months of the pandemic have been regained. During the first quarter of 2021, nonfarm payrolls averaged 1.36 million jobs, a decrease of 39,300 jobs, or 2.8 percent, from the first quarter of 2020. This decline can be compared with respective declines of 5.9 and 5.4 percent for the state and nation during the same period.

During the first quarter of 2021—

- The transportation and utilities sector added 1,300 jobs, or 3.1 percent, compared with a year earlier, the highest percentage increase of any sector. After steep losses in the air travel industry in 2020, some of the recent growth was due to jobs in air travel being regained. Tampa International Airport filled 185 positions in February, and 80 positions were added in March at Allegiant Air in the St. Petersburg-Clearwater Airport.
- The professional and business services sector added the most jobs of any sector, an increase of 4,800 jobs, or 1.9 percent. Some of the growth in the sector was attributed to the relocation of the headquarters of OPSWAT, Inc.—a

continued on page 3

All but four nonfarm payroll sectors declined in the Tampa metropolitan area on a year-over-year basis during the first quarter of 2021.

	3 Months Ending		Year-Over-Year Change	
	March 2020 (Thousands)	March 2021 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	1,404.0	1,364.7	-39.3	-2.8
Goods-Producing Sectors	153.7	152.9	-0.8	-0.5
Mining, Logging, & Construction	84.3	85.2	0.9	1.1
Manufacturing	69.3	67.6	-1.7	-2.5
Service-Providing Sectors	1,250.4	1,211.8	-38.6	-3.1
Wholesale & Retail Trade	213.4	210.9	-2.5	-1.2
Transportation & Utilities	41.5	42.8	1.3	3.1
Information	25.3	24.3	-1.0	-4.0
Financial Activities	124.2	126.3	2.1	1.7
Professional & Business Services	252.5	257.3	4.8	1.9
Education & Health Services	222.8	211.9	-10.9	-4.9
Leisure & Hospitality	162.3	137.0	-25.3	-15.6
Other Services	48.1	46.4	-1.7	-3.5
Government	160.4	155.0	-5.4	-3.4
Unemployment Rate	4.1%	4.5%		

Note: Numbers may not add to totals due to rounding.
Source: U.S. Bureau of Labor Statistics



continued from page 2

security firm that protects companies from cyber-attacks— to Tampa. This relocation began in January and is expected to add 100 jobs when fully staffed.

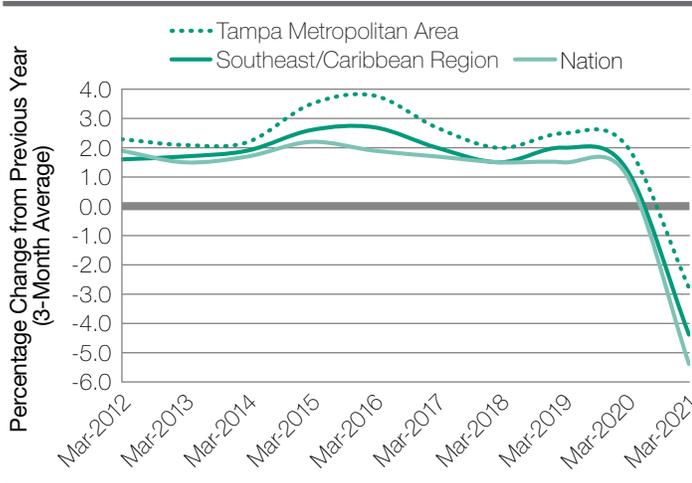
- The leisure and hospitality sector declined by 25,300 jobs, or 15.6 percent, compared with a year earlier, the most jobs of any sector. Some of those losses were because travel and tourism continue to be slow amid efforts to limit the spread of COVID-19 infection. The leisure and hospitality sector accounted for 10.0 percent of all jobs in the Tampa metropolitan area compared with 11.6 percent of jobs during the same period the previous year.
- The financial activities sector gained 2,100 jobs, or 1.7 percent. The Tampa metropolitan area is a center for financial services on the gulf coast of Florida.
- The education and health services sector declined by 10,900 jobs, or 4.9 percent, compared with a year earlier. Some of this decline can be attributed to hesitancy by patients to reschedule elective medical procedures that were initially prohibited in March 2020 to limit the possibility of patient exposure to COVID-19.
- The unemployment rate increased to 4.5 percent from 4.1 percent during the same period a year earlier. The unemployment rate for the state of Florida during the first quarter of 2021 was 4.9 percent, and the rate for the nation was 5.4 percent. The unemployment rate for the metropolitan area declined to a low of 3.0 percent in April of 2019, the lowest since 2000, but rose rapidly to 13.9 percent in April 2020 due to closures resulting from efforts to prevent the spread of COVID-19. By comparison, the respective rates for the state and nation were

2.9 percent and 3.3 percent in April 2019 and 13.9 percent and 14.4 percent in April 2020.

The Tampa metropolitan area is a major hub for transportation, warehousing, and distribution due to the presence of Port Tampa Bay, Tampa International Airport, St. Pete-Clearwater International Airport, and the proximity of Interstates 4 and 75, which facilitate the movement of goods internationally to Florida and beyond. The Interstate 4 corridor alone is home to more than 300 distribution centers. Tampa International Airport moved more than 492 million pounds of cargo in 2020, up from 437 million in 2019 (Tampa International Airport). Port Tampa Bay is the largest port in Florida and handled nearly 32.9 million tons of cargo from October 2019 through September 2020, compared with nearly 34.5 million during the previous 12-month period (Port Tampa Bay). Some of this reduction can be attributed to supply chain disruptions due to the pandemic. The port added twice-weekly container service across the Gulf of Mexico between Brownsville, Texas, and Tampa Bay in December 2020. This allows rapid movement of containers from northern Mexico and the southwestern portion of the United States.

In addition to facilitating the movement of goods, these ports and arteries also allow tourists to travel to the Tampa metropolitan area. The port was host to nearly 508,000 cruise passengers from October 2019 through September 2020, compared with nearly 1.15 million during the previous 12-month period. Due to the COVID-19 pandemic, the close confinement of passengers that occurs during pleasure cruises was not recommended by the Centers for Disease Control and Prevention. Pinellas County alone estimates the loss of tourist revenue from November 2019 through October 2020 to be more than \$2.3 billion (Visit St. Petersburg/Clearwater). St. Pete-Clearwater International Airport served nearly 1.39 million passengers in 2020, down from 2.29 million passengers in 2019. Tampa International Airport served 13.4 million passengers in 2020 compared with 22.3 million in 2019. This decline in passengers can be attributed to travelers avoiding air travel to mitigate the spread of COVID-19. Many airlines adjusted to less full planes by taking on more cargo to reduce the loss of revenue due to the pandemic.

During the past year, nonfarm payroll losses in the Tampa metropolitan area were lower than those in the region and the nation.



Source: U.S. Bureau of Labor Statistics

Largest Employers in the Tampa Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
BayCare Health System	Education & Health Services	29,000
HCA West Florida Division	Education & Health Services	18,500
University of South Florida	Government	16,000

Note: Excludes local school districts.

Source: Tampa Bay Economic Development Council



Sales Market Conditions

The sales housing market in the Tampa metropolitan area is currently tight. Home sales prices have increased consistently since the early 2010s, and new and existing home sales price growth has accelerated notably during the past year due in part to low levels of for-sale inventory. A 0.7-month inventory of for-sale single-family homes was available in the Tampa metropolitan area during March 2021, down from a 2.2-month supply a year ago, well below the 8.3-month supply during October 2013 (Greater Tampa Realtors®). During the 12 months ending March 2021, 89,200 new and existing homes—including single-family homes, townhomes, and condominiums—were sold, up less than 1 percent from the 88,800 homes sold during the previous 12-month period (Zonda). Although home sales increased only slightly in the metropolitan area during the past year, the sales price growth has been robust. During the 12 months ending March 2021, the average sales price of new and existing homes increased 15 percent, to \$307,600, compared with a 5-percent increase during the previous 12-month period. Conditions are tightest in Pinellas County, the most densely populated county in Florida as of the 2010 Census. Land for new development is limited. In Pasco County, new home sales have increased 30 percent from the previous year during the 12 months ending March 2021, and conditions are balanced because the county has more available land for new developments.

During the 12 months ending March 2021 —

- New home sales totaled 13,250 in the Tampa metropolitan area, up 8 percent from 12,250 new home sales a year ago.

During the past year, the number of existing homes sold has fallen and growth in new home sales has slowed in the Tampa metropolitan area.



Note: Sales are for single-family homes, townhomes, and condominiums. Source: Zonda

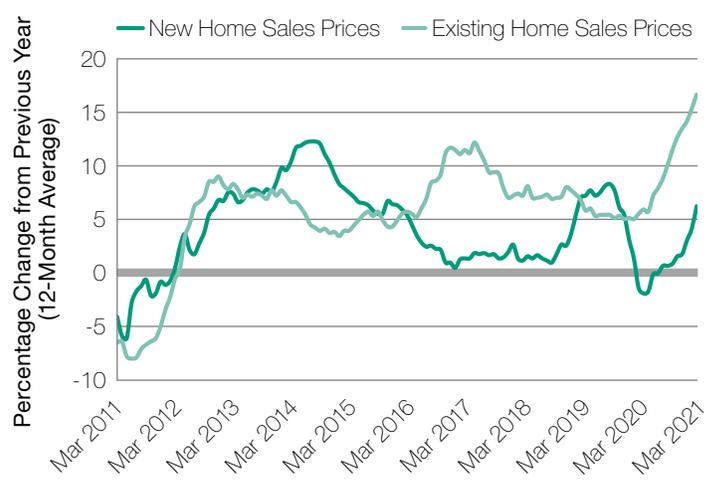
The average sales price for a new home was \$348,100, an increase of 6 percent from a year earlier. New home sales price growth was strongest in Hillsborough County, where the average price of a new home increased 10 percent from a year earlier to \$346,600.

- Existing home sales in the metropolitan area totaled 75,900, down 1 percent from the 76,600 homes sold during the previous 12-month period. Pasco County was the only county with an increase in existing sales, which grew 4 percent compared with the previous 12-month period to 14,650 homes.
- The average sales price of an existing home in the metropolitan area was \$300,600, an increase of 17 percent from \$257,500 a year earlier and more than double the recent low of \$147,400 in late 2011. Pinellas County had the strongest price growth, up 19 percent from a year earlier to \$340,600.
- Real estate owned (REO) sales accounted for 3 percent of existing home sales in the metropolitan area, down from 5 percent a year earlier and well below the peak level of 39 percent in mid-2011.

The rate of home loans that were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into REO status in the Tampa metropolitan area has increased recently due to pandemic-related job losses. During February 2021, the rate was 4.6 percent in the metropolitan area, up

continued on page 5

Since September 2020, the price growth of new and existing homes has accelerated in the Tampa metropolitan area.



Note: Prices are for single-family homes, townhomes, and condominiums. Source: Zonda



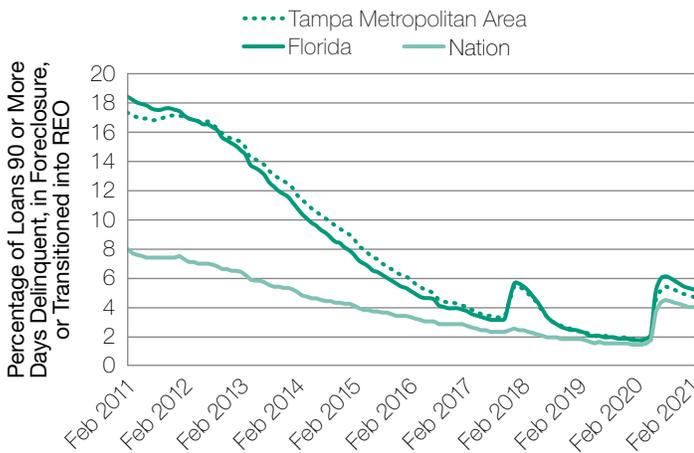
continued from page 4

from 1.7 percent a year earlier but still well below the peak of 17.3 percent in February of 2011 (CoreLogic, Inc.). By comparison, the respective rates for the state and nation were 1.6 and 1.3 percent during February 2020 and 5.1 and 3.9 percent during February 2021.

Homebuilding (as measured by the number of single-family homes permitted) has trended sharply upward since the mid-2010s. An average of 13,650 homes were permitted each year from 2016 through 2020, up from an average of 7,550 homes a year from 2012 through 2015. During the 12 months ending March 2021, 17,200 single-family homes were permitted in the metropolitan area, a 13-percent increase from 15,100 homes during the same period a year ago (preliminary data).

- More than one-half of the new homes built since 2015 were in Hillsborough County, home to many of the employment centers in the metropolitan area. Nearly all of the 72 homes at FloraBlu Estates in Seffner are sold. This community is northeast of Tampa and offers three- to four-bedroom homes ranging from 1,500 to 3,300 square feet with prices ranging from \$333,000 to \$417,000.

Since June 2020, the percentage of home loans 90 or more days delinquent, in foreclosure, or recently transitioned to REO status in the Tampa metropolitan area has fallen below the rate for the state but remains above that of the nation.



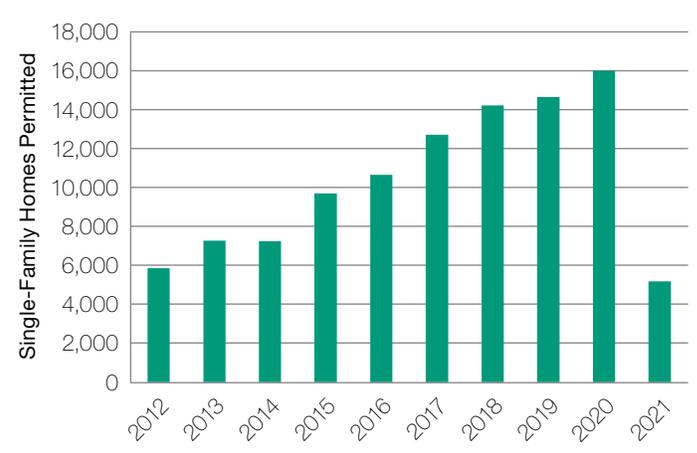
REO = real estate owned.
Source: CoreLogic, Inc.

Apartment Market Conditions

The apartment market in the Tampa metropolitan area is currently balanced. An upward trend in multifamily construction has accompanied strong renter household growth, but apartment vacancy rates have continued to fall since the mid-2010s. During the fourth quarter of 2020, the apartment

- Nearly 30 percent of all single-family homes permitted since 2015 were in Pasco County, which is north of Hillsborough and Pinellas Counties and convenient to the cities of St. Petersburg and Tampa. All homes are sold at Lakeside, a 21-home neighborhood in the community of Hudson with three-to-four-bedroom, 1,500-to-3,300-square foot homes starting in the mid-\$200,000s.
- New homebuilding in Pinellas County, mostly limited to infilling and redevelopment, represents about 8 percent of all single-family homes permitted since 2015 in the Tampa metropolitan area. The Walk at Indian Rocks Beach has sold 23 of the 32 luxury townhomes in this community across the street from the Gulf of Mexico. These three-bedroom, three-bathroom homes have one-car garages and range from 1,934 to 1,983 square feet. Prices start in the high \$700,000s.
- Hernando County, the northern-most county in the metropolitan area, accounts for 6 percent of the new homes built since 2015. About 80 of the 410 homes remain at Spring Ridge in Brooksville. These three-to-five-bedroom homes range from 1,400 to 2,200 square feet and start at \$234,000.

The number of single-family homes permitted in the Tampa metropolitan area has generally trended upward since 2012.



Note: Includes preliminary data from January 2020 through March 2021.
Source: U.S. Census Bureau, Building Permits Survey, with estimates by the analyst

vacancy rate in the metropolitan area was 4.2 percent, down from 4.6 percent during the fourth quarter of 2019 because leasing activity has been high after the slow period surrounding the pandemic shutdown (RealPage, Inc.).

continued on page 6



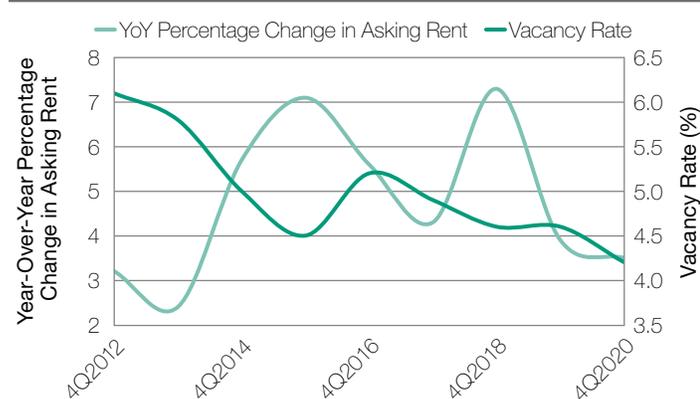
continued from page 5

During the fourth quarter of 2020—

- The average asking rent in the Tampa metropolitan area was \$1,286, a 4-percent increase from \$1,242 a year earlier. This contrasts with the average asking rent for the nation, which fell approximately 1 percent to \$1,410 from \$1,421 a year ago.
- The average asking rent in the RealPage, Inc.-defined North Pinellas County market area increased 8 percent to \$1,393, the highest percentage increase in the Tampa metropolitan area. Average rent increased by an average of 3 percent annually during the previous 5-year period, from 2015 through 2019. Some of the recent rent increase in this submarket can be attributed to the 670 higher priced Class A units that have been added in the past year.
- The Central Tampa market area, which includes the downtown employment center and some waterfront neighborhoods, had the highest average asking rent in the metropolitan area at \$1,816, which was slightly lower than \$1,819 a year ago. The vacancy rate in the market area was 5.3 percent, up slightly from 5.1 percent during the previous 12 months.
- The West Pasco County/Hernando County market area had the lowest vacancy rate of 2.0 percent, down from 3.3 percent a year earlier. Low vacancy rates have caused rents to increase 7 percent to \$1,062 from \$991 during the fourth quarter of 2019.

In response to job growth and strong rental demand, multifamily construction in the metropolitan area, as measured by the number of multifamily units permitted, increased significantly from 2012 through 2017. After slowing in 2018, the number of multifamily units permitted increased more than 50 percent during 2019. During the 12 months ending March 2021, 5,400 multifamily units were permitted in the metropolitan area, down 26 percent from 7,325 units during the previous 12 months (preliminary data).

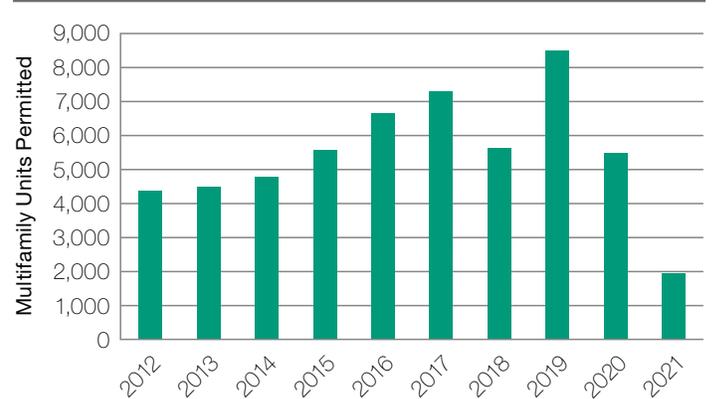
Since 2012, vacancy rates have generally trended downward, and rent growth has fluctuated in the Tampa metropolitan area.



4Q = fourth quarter. YoY = year-over-year. Source: RealPage, Inc.

- As of April 1, 2021, an estimated 8,625 multifamily units were under construction in the metropolitan area, compared with 7,950 units a year ago. Some of this increase can be attributed to slower construction due to interruptions surrounding pandemic mitigation measures.
- From 2012 through 2017, multifamily permitting increased by an average of 590 units, or 11 percent, annually, to 7,300 units permitted in 2017, before declining 23 percent in 2018 to 5,650 units permitted. After rising to 8,500 units in 2019, multifamily permitting fell to 5,500 units in 2020, partly due to high lumber prices, supply interruptions, and uncertainty surrounding the pandemic.
- Development in Pinellas County accounts for 23 percent of the multifamily units completed during the past year in the metropolitan area. Alta Gateway apartments is a 296-unit property now leasing in the city of Pinellas Park, which is in central Pinellas County, close to the main arteries to Tampa and St. Petersburg. The community offers studio, one-, two-, and three-bedroom apartments with rents ranging from \$1,499 to \$2,095.
- Nearly 30 percent of the multifamily units added in the past year were built in fast-growing Pasco County. Gables at Gulf View is a new community in Port Richey, north of St. Petersburg, along the Gulf of Mexico. The property is currently in lease-up, with rents starting at \$1,145, \$1,615, and \$1,885 for one-, two-, and three-bedroom units, respectively.
- In Hillsborough County, the Midtown neighborhood is located near Interstate 275 in the center of Tampa, with a walking trail surrounding a lake and easy access to nearby St. Petersburg. NOVEL Midtown Tampa has 390 studio to three-bedroom apartments with rents ranging from \$1,638 to \$4,473.

After peaking in 2019, the number of multifamily units permitted in the Tampa metropolitan area declined in 2020.



Note: Includes preliminary data from January 2020 through March 2021. Source: U.S. Census Bureau, Building Permits Survey, with estimates by the analyst

