

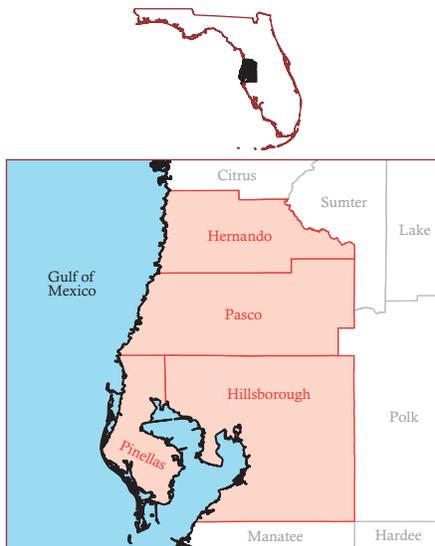


Tampa-St. Petersburg-Clearwater, Florida

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of April 1, 2015



Housing Market Area



The Tampa-St. Petersburg-Clearwater Housing Market Area (hereafter, the Tampa HMA), coterminous with the Tampa-St. Petersburg-Clearwater, FL Metropolitan Statistical Area (MSA), consists of Hernando, Hillsborough, Pasco, and Pinellas Counties on the Gulf Coast in central Florida. The HMA includes MacDill Air Force Base (AFB), the Port of Tampa, and the University of South Florida (USF), contributing a combined \$31.5 billion annually in economic impact to the HMA.

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Summary

Economy

Nonfarm payrolls in the Tampa HMA have increased since late 2010 but remain below 2006 and 2007 prerecession levels. During the 12 months ending March 2015, nonfarm payrolls totaled 1.22 million jobs, increasing by 33,000 jobs, or 2.8 percent, from the previous 12 months. The largest sector, wholesale and retail trade, led job growth, increasing by 7,500 jobs, or 3.8 percent. During the 3-year forecast period, nonfarm payrolls are expected to increase an average of 2.2 percent annually, exceeding prerecession levels by the second year. Table DP-1 at the end of this report provides employment data for the HMA.

Sales Market

The home sales market in the HMA is slightly soft, with an estimated 2.2-percent vacancy rate, down from 3.5 percent in April 2010. During the 12 months ending March 2015, new and existing home sales increased 3 percent, to 73,000 homes sold (CoreLogic, Inc., with adjustments by the analyst). Demand is expected for 26,200 new homes during the forecast period (Table 1). The 2,000 homes currently under construction and a portion of the 121,500 other vacant units in the

HMA that may reenter the housing market will satisfy some of the forecast demand.

Rental Market

The rental housing market is slightly soft, but conditions are improving in the HMA. The rental market vacancy rate is currently estimated at 8.6 percent, down from 13.1 percent in April 2010. The apartment rental market was balanced, with a vacancy rate of 4.8 percent, during the first quarter of 2015, down from 5.8 percent a year earlier (MPF Research). During the forecast period, demand is expected for 14,450 new rental units. The 6,350 units currently under construction will satisfy a portion of the demand (Table 1).

Table 1. Housing Demand in the Tampa HMA* During the Forecast Period

| | Tampa HMA* | |
|--------------------|-------------|--------------|
| | Sales Units | Rental Units |
| Total demand | 26,200 | 14,450 |
| Under construction | 2,000 | 6,350 |

* Tampa-St. Petersburg-Clearwater HMA.
 Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of April 1, 2015. A portion of the estimated 121,500 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is April 1, 2015, to April 1, 2018.
 Source: Estimates by analyst

Economic Conditions

Economic conditions in the Tampa HMA have continued to improve since late 2010. The HMA has not yet fully recovered from the 126,200 jobs lost from 2007 through 2010, but job growth continues to strengthen. During the 12 months ending March 2015, nonfarm payrolls increased by 33,000 jobs, or 2.8 percent, to 1.22 million jobs (Table 2) compared with an increase of 28,200 jobs, or 2.4 percent, during the previous 12 months. The unemployment rate in the HMA decreased to 5.8 percent during the 12 months ending March 2015 from 6.7 percent during the previous 12 months. The

unemployment rate is down from an average of 10.7 percent from 2009 through 2011 but remains higher than the average of 4.5 percent from 2000 through 2007. Figure 1 presents trends in the labor force, resident employment, and the unemployment rate from 2000 through 2014.

Since 2000, the economy of the HMA has expanded and contracted with the national economy, because the local economy depends heavily on trade through the Port of Tampa, tourism, financial activities, defense-related spending, and an influx of retirees into the HMA. As a result of the national economic recession of 2001, the Tampa HMA economy contracted, as measured by nonfarm payrolls, by an average of 9,400 jobs, or 0.8 percent, annually from 2001 through 2002. From 2003 through 2006, when the national economy expanded, the HMA added an average 25,800 jobs, or 2.2 percent, annually, led by the professional and business services sector and construction subsector, which increased by 9,700 and 6,000 jobs annually, respectively. The most recent national economic recession, which began in December 2007 and ended in June 2009, had a greater impact on the HMA, resulting in an average loss of 31,600 jobs, or 2.6 percent, annually from 2007 through 2010. The construction subsector and professional and business services sector declined the most during this period, declining by 10,300 and 5,900 jobs annually, respectively. From 2011 through 2014, nonfarm payrolls increased an average of 25,400 jobs, or 2.2 percent, annually, led by the professional and business services and wholesale and retail trade sectors, which increased by 7,100 and 4,700 jobs annually, respectively.

Table 2. 12-Month Average Nonfarm Payroll Jobs in the Tampa HMA,* by Sector

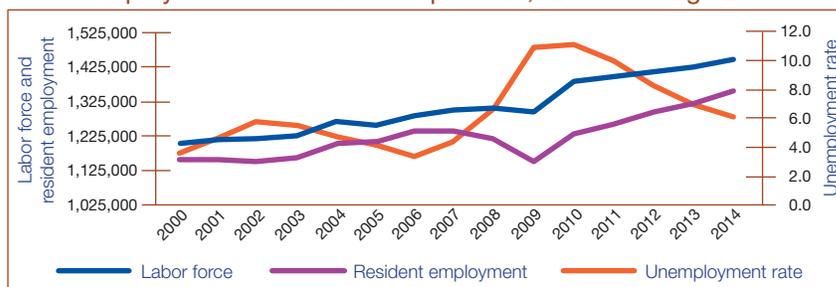
| | 12 Months Ending | | Absolute Change | Percent Change |
|----------------------------------|------------------|------------|-----------------|----------------|
| | March 2014 | March 2015 | | |
| Total nonfarm payroll jobs | 1,183,100 | 1,216,100 | 33,000 | 2.8 |
| Goods-producing sectors | 118,300 | 122,200 | 3,900 | 3.3 |
| Mining, logging, & construction | 57,900 | 60,900 | 3,000 | 5.2 |
| Manufacturing | 60,400 | 61,300 | 900 | 1.5 |
| Service-providing sectors | 1,064,800 | 1,093,900 | 29,100 | 2.7 |
| Wholesale & retail trade | 197,000 | 204,500 | 7,500 | 3.8 |
| Transportation & utilities | 27,600 | 28,900 | 1,300 | 4.7 |
| Information | 26,000 | 25,600 | - 400 | - 1.5 |
| Financial activities | 100,200 | 102,600 | 2,400 | 2.4 |
| Professional & business services | 199,400 | 203,200 | 3,800 | 1.9 |
| Education & health services | 185,300 | 190,500 | 5,200 | 2.8 |
| Leisure & hospitality | 134,300 | 141,000 | 6,700 | 5.0 |
| Other services | 42,900 | 44,300 | 1,400 | 3.3 |
| Government | 152,000 | 153,300 | 1,300 | 0.9 |

* Tampa-St. Petersburg-Clearwater HMA.

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through March 2014 and March 2015. Active duty uniformed military personnel are generally not included in nonfarm payroll survey data.

Source: U.S. Bureau of Labor Statistics

Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Tampa HMA,* 2000 Through 2014



* Tampa-St. Petersburg-Clearwater HMA.

Source: U.S. Bureau of Labor Statistics

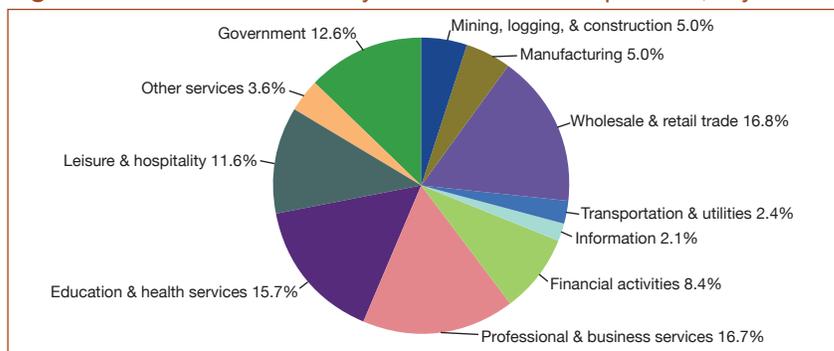
The wholesale and retail trade sector, which accounts for approximately 16.8 percent of nonfarm payrolls in the HMA (Figure 2), is the largest payroll sector and has been the second fastest growing sector since 2010. From 2004 through 2007, the sector added an average of 3,800 jobs, or 1.9 percent, annually to reach an average of 206,000 jobs during 2007. The sector lost 7,300 jobs, or 3.6 percent, annually from 2008 through 2010, a result of the national recession. During the 12 months ending March 2015, the wholesale and retail trade sector added the most jobs in the HMA, increasing by 7,500, or 3.8 percent, to 204,500 jobs, but it remains below the peak number of jobs in 2007. Most of the jobs in the sector have been added by standalone businesses throughout the HMA. Lakeland Park Center, a 210,000-square-foot retail space anchored by Dick's Sporting Goods, Ross Dress for Less, and PetSmart, opened in August 2014, with stores continuing to open through 2014, adding more than 200 jobs.

The Port of Tampa has been the economic base of the HMA since its founding in 1924. The port has an economic impact of \$15.1 billion annually on the HMA and supports nearly 14,800 direct jobs and 60,400 indirect and related jobs (The Local and Regional Economic Impacts of

The Port of Tampa, June 2013). In 2014, the port increased the transportation of containers by 10.7 percent from the previous year. The Port of Tampa, which is the closest deepwater port to the Panama Canal, is expected to benefit from the increased trade resulting from the expansion of the canal, which is anticipated to double the capacity of the canal when complete in 2016. In addition to supporting trade, the port is home to four cruise lines, which attracted 826,000 tourists to the HMA in 2013 (Florida Department of Transportation, Tampa Bay Cruise Study Pre-Feasibility).

The leisure and hospitality sector, driven by visitors to local beaches, professional sporting events, museums, multiple conventions and festivals, cruise lines, and the Lowry Park Zoo, accounts for 11.6 percent of nonfarm payroll jobs in the HMA. During the 12 months ending March 2015, the sector contributed the second largest increase to nonfarm payrolls, increasing by 6,700 jobs, or 5.0 percent. From 2000 through 2007, the leisure and hospitality sector added an average of 2,000 jobs, or 1.7 percent, annually. The national recession of 2007–2009 and subsequent Deepwater Horizon Oil spill in 2010 had an adverse impact on tourism in the HMA, resulting in an average decline in leisure and hospitality sector jobs of 3,600, or 2.8 percent, annually from 2008 through 2010. From 2011 through 2014, leisure and hospitality sector jobs have increased an average of 4,400 jobs, or 3.4 percent, annually. The city of Tampa hosted the 2015 NCAA Women's Final Four and will host the 2016 NCAA Frozen Four and the 2017 NCAA College Football Championship game, adding nonfarm payroll jobs to the tourism sector during the forecast period.

Figure 2. Current Nonfarm Payroll Jobs in the Tampa HMA,* by Sector



* Tampa-St. Petersburg-Clearwater HMA.

Note: Based on 12-month averages through March 2015.

Source: U.S. Bureau of Labor Statistics

To support increased tourism and travel, the Tampa International Airport began expansion in 2014 that will cost \$943 million and create 9,000 temporary construction jobs through completion in 2017. The project is expected to facilitate double the current traffic of nearly 17 million passengers each year and generate an additional \$630 million in tourism revenue to the HMA during the next 20 years.

The financial activities sector accounts for 8.4 percent of nonfarm payrolls in the HMA and includes 3 of the 10 largest employers in the HMA: WellCare, JPMorgan Chase & Co., and Citigroup, Inc., with 6,700, 5,100, and 4,300 employees, respectively. From 2000 through 2006, the financial activities sector added an average 1,900 jobs, or 1.9 percent, annually when lending increased, leading up to the housing crisis. The housing crisis resulted in a sharp decline in financial activities jobs in the HMA, declining by an average of 3,700 jobs, or 3.7 percent, annually from 2007 through 2010. During 2010, the sector averaged 89,400 jobs, the lowest level recorded since 1998. The sector has not returned to the 2006 peak of 104,200 jobs. During the 12 months ending March 2015, the sector increased by 2,400 jobs, or 2.4 percent, to 102,600 jobs. USAA, an insurance and banking company, began construction of a 430,000-square-foot facility that will be complete in late 2015 and that, by 2018, will provide the company room to add 1,000 jobs to the 2,400 current jobs in the HMA.

MacDill AFB, which employs 8,200 military personnel and 4,000 civilians, is the second largest employer in the HMA. The AFB has a \$2.9 billion impact on the local economy annually (The 6th Comptroller Squadron Economic Impact Statement Fiscal Year

2010). The base is home to the U.S. Central Command (CENTCOM) and U.S. Special Operations Command (SOCOM); both are essential central commands in the Global War on Terrorism, which reduces the risk of troop reduction on the base in the near future. In addition to the economic impact of MacDill AFB, more than 95,000 former military members live in the HMA, providing highly skilled workers for area businesses. The military retirees in the HMA receive \$2 billion in pensions and transfers, which adds to the economic impact. The presence of CENTCOM, SOCOM, and highly skilled former military members attract more than 2,300 federal defense contractors to the HMA to compete for the \$2.4 billion procurement budget of MacDill AFB. During the 12 months ending March 2015, the government sector increased by an average of 1,300 jobs, or 0.9 percent.

The city of Tampa, located in Hillsborough County, has a younger population than the national average population. The surrounding counties of Hernando, Pasco, and Pinellas boast an older population, however. The HMA is popular with retirees because of the warm yet mild weather and abundance of leisure and hospitality options. To accommodate the health needs of an older population, the education and health services sector has expanded since 2000. Two of the seven largest employers in the HMA are in the healthcare industry. BayCare Health Systems, the largest employer in the HMA, and Tampa General Hospital account for 22,900 and 6,400 jobs, respectively (Table 3). During the 12 months ending March 2015, the education and health services sector increased by an average 5,200 jobs, or 2.8 percent. The sector

Table 3. Major Employers in the Tampa HMA*

| Name of Employer | Nonfarm Payroll Sector | Number of Employees |
|-----------------------------|-----------------------------|---------------------|
| BayCare Health Systems | Education & health services | 22,900 |
| MacDill AFB | Government | 12,200 |
| Home Shopping Network, Inc. | Information | 10,550 |
| University of South Florida | Government | 9,000 |
| Tech Data Corp | Wholesale & retail trade | 6,900 |
| WellCare | Financial activities | 6,700 |
| Tampa General Hospital | Education & health services | 6,400 |
| Verizon Communications Inc. | Information | 6,000 |
| JPMorgan Chase & Co. | Financial activities | 5,100 |
| Citigroup, Inc. | Financial activities | 4,300 |

* Tampa-St. Petersburg-Clearwater HMA.

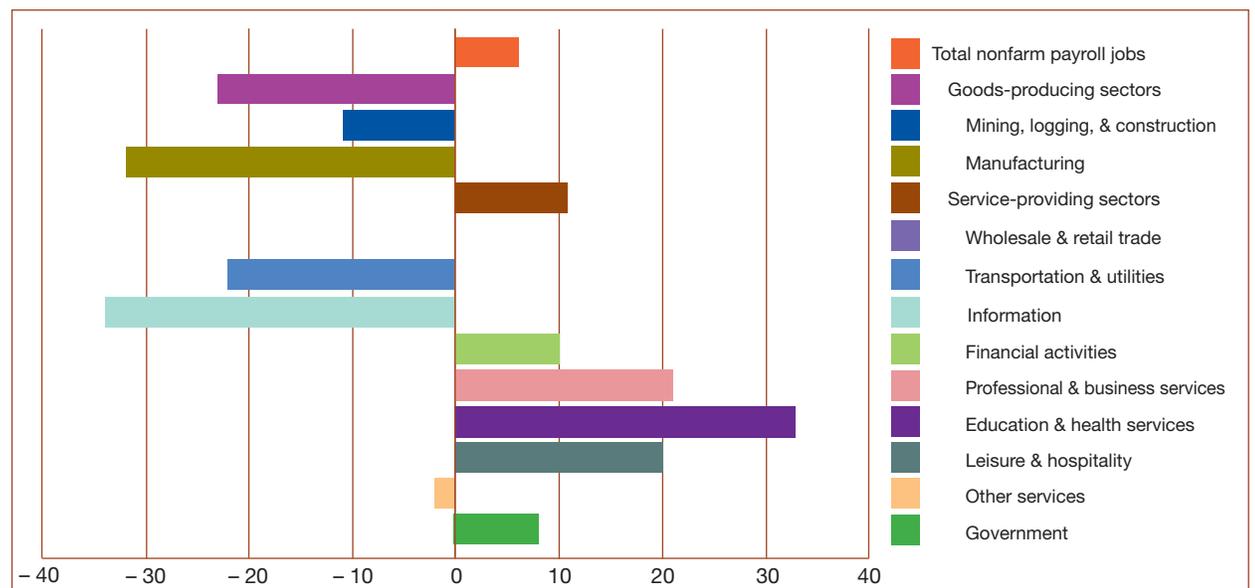
Notes: Excludes local school districts. Data for MacDill AFB include civilian and active duty uniformed military personnel; however, active duty military personnel are generally not included in nonfarm payroll survey data.

Sources: Tampa Bay Partnership; MacDill AFB

was the only nonfarm payroll sector in the HMA to post increases each year since 2000. Figure 3 illustrates sector growth in the HMA since 2000.

USF has an enrollment of 46,500 students in the HMA, with 41,900 attending the main campus in north Tampa and an additional 4,600 attending the St. Petersburg campus. The USF system, which includes USF, USF St. Petersburg, and USF Sarasota-Manatee, has an annual economic

impact of \$11.5 billion on the region (USF Strategic Plan 2013–2018). USF has increased enrollment by 0.5 percent annually during the past 5 years and projects 0.5-percent growth during the next 3 years. USF plans to relocate the Morsani College of Medicine into the downtown area, a \$153 million project that will be part of the redevelopment of Channelside District. Construction of the medical school is expected to begin in 2016 and be complete in 2018.

Figure 3. Sector Growth in the Tampa HMA,* Percentage Change, 2000 to Current

* Tampa-St. Petersburg-Clearwater HMA.

Notes: Current is based on 12-month averages through March 2015. During this period, jobs in the wholesale and retail trade sector showed no net change.

Source: U.S. Bureau of Labor Statistics

During the forecast period, nonfarm payrolls are expected to increase at a fairly constant rate during each year of the 3-year forecast period, averaging an increase of 27,600 jobs, or 2.2 percent, annually. Job growth is

expected in all sectors, with the greatest growth expected in the leisure and hospitality sector, the wholesale and retail trade sector, and the construction subsector.

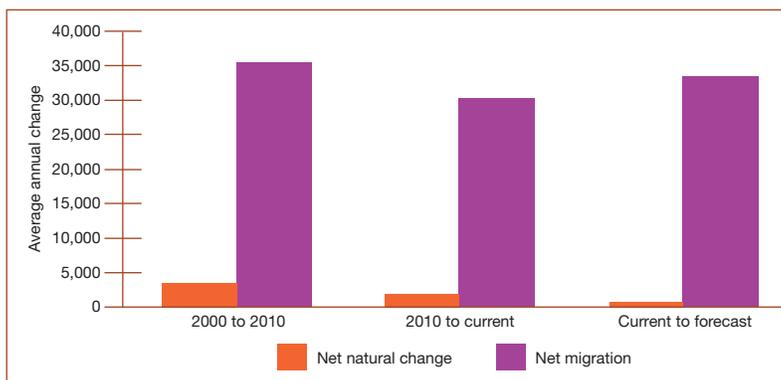
Population and Households

The current population of the Tampa HMA is an estimated 2.94 million, an average increase of 32,150, or 1.1 percent, annually since 2010. During this period, net in-migration of 30,400 people has accounted for 94 percent of the population growth and was mostly the result of strong job growth in the HMA and restored confidence in the housing market. The most populous county of the HMA is Hillsborough, with an estimated population of 1.33 million. The population of Hillsborough County comprises an estimated 45 percent of the HMA population. Since April 2010, the population of Hillsborough County has increased at an average annual rate of 1.7 percent compared

with an average increase of 0.7 percent annually in the remaining counties. The difference in population growth of Hillsborough County and the remaining counties in the HMA was the result of net natural change (resident births minus resident deaths). Hillsborough County attracts a younger population, which is reflected in an average net natural increase of 7,000 annually since 2010. By comparison, the remaining counties have an older population, which is reflected in a net natural decrease of 5,225 annually. The median age of the population in Hillsborough County was 36.6 years, compared with 48.8, 44.4, and 47.2 years in Hernando, Pasco, and Pinellas Counties, respectively, during 2013. Figure 4 shows the components of population change in the HMA from 2000 to the forecast date.

During the 2000s, population growth was greatest in the HMA from 2003 to 2006, when the population increased by an average of 56,750, or 2.2 percent, annually (Census Bureau July 1 estimates). Net in-migration of 53,800 people annually accounted for approximately 95 percent of the population increase during the same period. This period of high population growth coincided with the largest increase in nonfarm payroll jobs during the 2000s.

Figure 4. Components of Population Change in the Tampa HMA,* 2000 to Forecast



* Tampa-St. Petersburg-Clearwater HMA.

Notes: The current date is April 1, 2015. The forecast date is April 1, 2018.

Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

Population and Households *Continued*

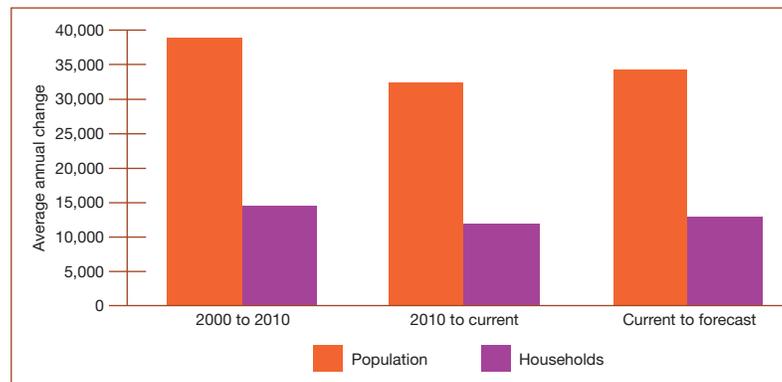
By comparison, the population increased by an average of 22,350, or 0.8 percent, annually from 2006 to 2010. During this period, net in-migration of 16,050 people annually comprised 72 percent of the population growth. In-migration slowed when the unemployment rate in the HMA reached 11.1 percent in 2010 and declining home prices discouraged retirees from moving to the area until the

housing market stabilized following the housing crisis that began in 2006.

During the 3-year forecast period, the population of the HMA is expected to increase by an average of 34,000, or 1.1 percent, annually (Figure 5). Job growth will continue to attract people to the HMA, resulting in net in-migration estimated at an average of 33,350 people annually, or 98 percent of expected population growth, during the forecast period.

The number of households in the HMA is currently estimated at 1.21 million, representing an average increase of 11,600 households, or 1.0 percent, annually since 2010. During the 2000s, the number of households increased at a slightly higher rate of 1.3 percent, or 14,200 households, annually. Since 2000, the population has increased at a slightly faster rate compared with household growth because of an increase in the average household size. As of April 1, 2015, owner households comprised 63.0 percent of households compared with 67.2 percent in April 2010. Tighter mortgage lending standards and an increased propensity to rent contributed to the decreased portion of owner households during the past 5 years. At the end of the 3-year forecast period, owner households are expected to comprise 61.5 percent of households in the HMA. Figure 6 shows the number of households in the HMA by tenure since 2000. During the forecast period, the number of households in the HMA is expected to increase by an average of 12,550, or 1.0 percent, annually.

Figure 5. Population and Household Growth in the Tampa HMA,* 2000 to Forecast

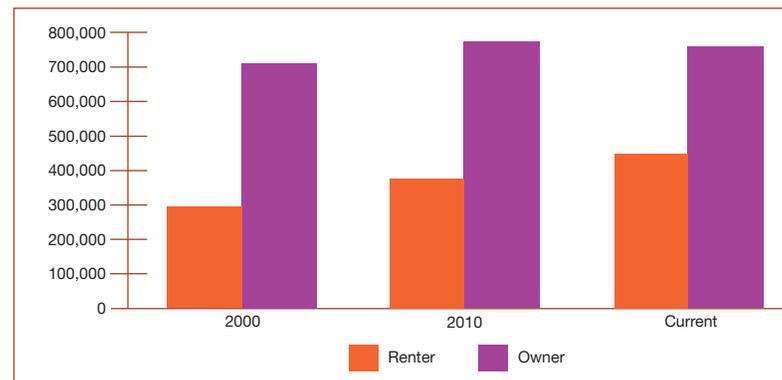


* Tampa-St. Petersburg-Clearwater HMA.

Notes: The current date is April 1, 2015. The forecast date is April 1, 2018.

Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

Figure 6. Number of Households by Tenure in the Tampa HMA,* 2000 to Current



* Tampa-St. Petersburg-Clearwater HMA.

Note: The current date is April 1, 2015.

Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

Housing Market Trends

Sales Market

Sales housing market conditions in the Tampa HMA are slightly soft, with an estimated vacancy rate of 2.2 percent, down from 3.5 percent in April 2010. As of April 1, 2015, single-family homes available for sale in the HMA represented 4.3 months of inventory, down from 4.9 months of inventory a year earlier and down significantly from 8 months of inventory on April 1, 2010 (Greater Tampa Association of Realtors®). Strong job growth and consequent net in-migration contributed to improving sales market conditions during the same period. During the 12 months ending March 2015, new and existing home sales in the HMA (including single-family homes, townhomes, and condominiums) increased by nearly 2,275 homes, or 3 percent, to 73,000 compared with sales during the previous 12 months, and the average sales price increased nearly 6 percent, to \$175,800 (CoreLogic, Inc., with adjustments by the analyst). New home sales totaled 6,325, down by 275 homes, or 4 percent, from a year earlier. The average new home sales price was \$276,900, up 8 percent during the same period. The number of existing home sales increased by 2,550, or 4 percent, to 66,650 sold compared with sales a year earlier, and the average sales price for an existing home increased 6 percent to \$166,200. Since 2000, new and existing home sales in the HMA were greatest from 2002 through 2006, averaging 119,700 annually. During 2007 and 2008, the number of home sales declined by an annual average of 38,700 and 14,950, or 39 and 24 percent, respectively, reflecting tighter mortgage lending standards, the national recession, and the economic downturn in the HMA. New and existing home sales in the

HMA have increased every year since 2009, averaging an annual increase of 4,575 homes sold, or 8 percent, from 2009 through 2014, to average 72,750 homes sold. New and existing home sales prices increased from 2000 through 2006, leading up to the national housing crisis, averaging an increase of more than 12 percent, annually. From 2007 through 2011, when in-migration and job growth were the weakest, the average price of new and existing home sales decreased more than 9 percent annually.

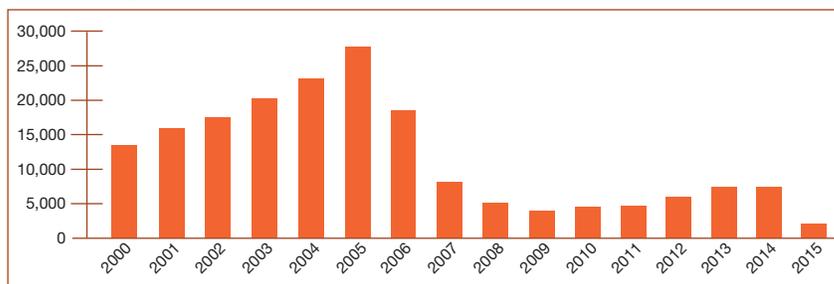
The adverse effects of the national housing crisis were worse in the HMA than in the nation as a whole. During January 2010, when the rate of home loans that were seriously delinquent (90 or more days delinquent or in foreclosure) or transitioned into real estate owned (REO) status peaked in the nation at 9.2 percent, the Tampa MSA ranked 19th highest out of 356 MSAs in the nation, at 17.1 percent (Black Knight Financial Services, Inc.). While the national rate declined 1.1 percentage points to 8.1 percent in January 2012, the rate in the Tampa MSA increased by 1.0 percentage point to a peak of 18.1 percent and ranked ninth highest in the nation. Since 2012, the rate of loans that were seriously delinquent or transitioned into REO status has declined in the HMA, but remains nearly double the national rate. In March 2015, 8.3 percent of mortgage loans in the HMA were seriously delinquent or transitioned into REO status, down from 11.1 percent a year earlier. By comparison, the national percentage of seriously delinquent loans and REO properties in March 2015 was 4.3 percent, down from 5.2 percent a year earlier. The

percentage of underwater mortgages in March 2015, which currently comprise an estimated 38 and 14 percent of total home loans in the HMA and nation, respectively, has improved from 70 and 29 percent in December 2011, when both the HMA and nation had the highest percentage of underwater mortgages (CoreLogic, Inc., with adjustments by the analyst). Distressed sales (REO sales and short sales) comprised an estimated 24 percent of total home sales in the HMA during the 12 months ending March 2015, down slightly from 25 percent a year earlier. By comparison, distressed sales accounted for 13 percent of total sales nationally, down from 17 percent a year earlier. Distressed sales, as a portion of total sales, peaked in both the HMA and the nation during the 12 months ending June 2011, each at 28 percent. Absentee-owner sales, which include primarily investment or second home purchases, comprised 31 percent of total sales in the HMA during the 12 months ending March 2015, unchanged from a year earlier, but up from an average of 24 percent from 2008 through 2010 (Metrostudy, A Hanley Wood Company). By comparison, absentee-owner sales accounted for 26 percent of total sales nationally, down slightly from 27 percent a year earlier.

Single-family homebuilding activity, as measured by the number of single-family homes permitted, increased by 530, or 8 percent, to an estimated 7,575 homes during the 12 months ending March 2015 compared with the number permitted a year earlier (preliminary data). An increase in the average home sales price together with a significant decline in inventory available for sale contributed to the increased homebuilding activity during this period. Since 2000, single-family homebuilding activity peaked from 2003 through 2006, when an average of 22,300 homes were permitted annually. Relaxed mortgage lending standards and relatively affordable home prices, combined with job and population growth, were the primary reasons for increased homebuilding during this period. Single-family home construction declined during 2006 by 9,650 homes, or 51 percent, to 18,300 homes and then each year from 2007 through 2009 by an average of 4,800 homes, or 40 percent, annually. A low of 3,925 homes were permitted during 2009 as a result of tighter lending standards and a contracting local economy. Single-family home construction activity totaled 7,325 homes during 2013, an average increase of 850 homes, or 17 percent annually, from 2010 through 2013, when relatively strong job growth and increased confidence in the sales market among homebuyers led to increased homebuilding. Figure 7 shows the number of single-family homes permitted in the Tampa HMA since 2000.

An estimated 2,000 single-family homes are under construction in the HMA. In Land O' Lakes, located in southern Pasco County, construction has begun at the Bexley Ranch residential community, which when

Figure 7. Single-Family Homes Permitted in the Tampa HMA,* 2000 to Current



* Tampa-St. Petersburg-Clearwater HMA.

Notes: Includes townhomes. Current includes data through March 2015.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

complete will include 12,000 homes on 5,000 acres. The first homes are expected to be available in late 2015. The first phase will consist of 1,200 single-family homes on 1,700 acres priced from \$200,000 to \$400,000; no completion date has been set. Starkey Ranch, a master-planned community in Odessa, in southern Pasco County, will begin construction in April 2015. The community will consist of 2,500 single-family homes and townhomes and 900,000 square feet of commercial

space when complete. Homes, ranging in size from 1,600 to 4,100 square feet, will be priced starting at \$250,000; no completion date has been set.

Demand is expected for 26,200 new homes in the HMA during the next 3 years (Table 1). New home sales demand is expected to increase, albeit slightly, during the second and third years of the forecast period, when population growth is expected to be stronger. The 2,000 homes currently under construction will meet part of the demand during the first year. A portion of the estimated 121,500 other vacant units in the HMA may reenter the sales market and satisfy some of the forecast demand. Demand is expected to be greatest for homes priced from \$200,000 to \$349,999. Table 4 shows estimated demand for new market-rate sales housing in the HMA by price range.

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Tampa HMA* During the Forecast Period

| Price Range (\$) | | Units of Demand | Percent of Total |
|------------------|------------|-----------------|------------------|
| From | To | | |
| 150,000 | 199,999 | 6,550 | 25.0 |
| 200,000 | 249,999 | 7,850 | 30.0 |
| 250,000 | 349,999 | 7,850 | 30.0 |
| 350,000 | 449,999 | 2,625 | 10.0 |
| 450,000 | and higher | 1,300 | 5.0 |

* Tampa-St. Petersburg-Clearwater HMA.

Notes: The 2,000 homes currently under construction and a portion of the estimated 121,500 other vacant units in the submarket will likely satisfy some of the forecast demand. The forecast period is April 1, 2015, to April 1, 2018.

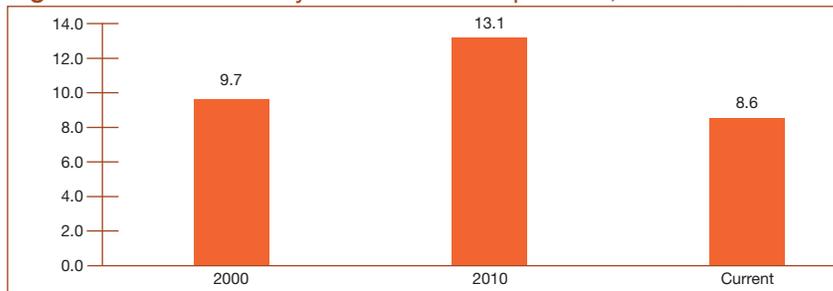
Source: Estimates by analyst

Rental Market

The rental housing market in the Tampa HMA is slightly soft, with an overall rental vacancy rate estimated at 8.6 percent. Rental market conditions have improved considerably since April 2010, when the rental vacancy rate was 13.1 percent (Figure 8). The apartment rental market is balanced and has improved significantly since

2010. During the first quarter of 2015, the average apartment vacancy rate in the HMA was 4.8 percent, down from 5.8 percent a year earlier and from 8.9 percent during the first quarter of 2010 (MPF Research). The average apartment rent was \$954 during the first quarter of 2015, up 7 percent compared with the average rent a year earlier. Improved rental market conditions during the past 2 years were partly the result of increased demand stemming from the stable and growing local economy, which drew residents to the HMA. From 2010 through 2012, tight mortgage lending standards that impeded potential homebuyers from purchasing homes contributed to improving rental market conditions in the HMA, resulting in the average

Figure 8. Rental Vacancy Rates in the Tampa HMA,* 2000 to Current



* Tampa-St. Petersburg-Clearwater HMA.

Note: The current date is April 1, 2015.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

apartment vacancy rate decreasing by 2.8 percentage points to 6.1 percent. Renter households currently account for 37.0 percent of all households in the HMA, up significantly from 29.2 percent in 2000. Single-family rental units currently comprise an estimated 35 percent of the HMA rental market compared with 26 percent in 2000.

MacDill AFB and the two largest universities in the HMA, USF and the University of Tampa, significantly influence the rental market. MacDill AFB, in Hillsborough County, provides housing for unmarried military personnel in four dormitories containing approximately 610 beds and provides approximately 570 privatized housing units for married military personnel and their families. The remaining personnel and family members, approximately 7,020 households, reside off base in the surrounding private housing market. The two largest universities in the HMA provide on-campus housing for approximately 7,025 students, or nearly 16 percent of the approximately 53,750 students enrolled as of the fall 2014 semester. The remaining students, including approximately 44,200 students at USF's Tampa and St. Petersburg campuses and 4,000 students at the University of Tampa, reside in the local housing market. Student households currently account for up to 12 percent of overall renter households in the HMA. In the Central Tampa MPF Research-defined area, which includes the neighborhood surrounding the University of Tampa, apartment market conditions are slightly soft with an average apartment vacancy rate estimated at 6.6 percent, up from 4.2 percent a year ago. In response to increased demand for rental units in the Central Tampa area, builders completed 2,000 apartment units

during the 12 months ending March 2015. During the same period, 1,550 apartment units were absorbed. Continued absorption is expected to result in balanced apartment market conditions in the Central Tampa area during the next year. In the University MPF Research-defined area, which includes the neighborhood surrounding USF's Tampa campus, apartment market conditions are balanced, with an average apartment vacancy rate estimated at 4.4 percent, down from 6.6 percent a year ago, when 320 new apartment units began leasing.

Multifamily construction activity, as measured by the number of multifamily units permitted, increased in the Tampa HMA by 700 units, or 16 percent, to 5,200 units during the 12 months ending March 2015 compared with the number permitted a year earlier. By comparison, construction from 2000 through 2006 averaged 7,150 units annually and then decreased to 3,925 units annually from 2007 through 2009, when population increase and in-migration were at their slowest during the past decade. In 2010 and 2011, an average of 1,975 units were permitted annually. Increased occupancy and rent levels, combined with expanding economies in the HMA and the nation, contributed to increased multifamily construction activity beginning in 2012, with 4,275 permits issued (Figure 9). Condominium construction has accounted for less than 3 percent of multifamily construction overall since 2010 compared with about 20 percent during the 2000s. Condominium construction peaked during 2005 and 2006, when an average of 2,675 condominium units, or 24 percent of total multifamily units, were permitted annually. Approximately 6,350 units are currently under construction in the HMA, and

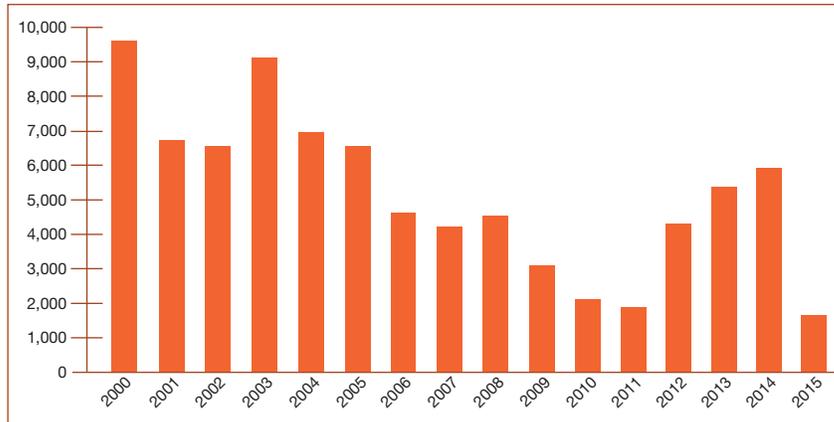
an additional 350 units are in the final planning stages and expected to be complete during the 3-year forecast period.

Hilltop Landings, a development under construction in Pasco County, is expected to add 69 apartment units by the spring of 2016. Proposed rents are \$638 for one-bedroom units, \$740 for two-bedroom units, \$969 for three-bedroom units, and \$1,148 for four-bedroom units. The Reed at Encore,

a 158-unit, senior, mixed-use development located just north of downtown Tampa, opened in December 2014.

The project is part of Encore, a 40-acre master planned urban redevelopment that will include 660 multifamily units when Tempo at Encore is complete in the spring of 2016. Proposed rents at the 203-unit Tempo at Encore will range from \$372 to \$755 for one-bedroom units and from \$402 to \$875 for two-bedroom units and will be \$1,160 for three-bedroom units and \$1,368 for four-bedroom units.

Figure 9. Multifamily Units Permitted in the Tampa HMA,* 2000 to Current



* Tampa-St. Petersburg-Clearwater HMA.

Notes: Excludes townhomes. Current includes data through March 2015.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

During the forecast period, demand is estimated for 14,450 new market-rate rental housing units (Table 1). During the first year, the 6,350 units already under construction will meet some of the demand. Demand will be higher in the second and third years of the forecast period because of increasing population and household growth. Rental housing demand is expected to be greatest for two-bedroom units at rents ranging from \$1,000 to \$1,599 (Table 5).

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Tampa HMA* During the Forecast Period

| Zero Bedrooms | | One Bedroom | | Two Bedrooms | | Three or More Bedrooms | |
|-------------------------|-----------------|-------------------------|-----------------|-------------------------|-----------------|-------------------------|-----------------|
| Monthly Gross Rent (\$) | Units of Demand | Monthly Gross Rent (\$) | Units of Demand | Monthly Gross Rent (\$) | Units of Demand | Monthly Gross Rent (\$) | Units of Demand |
| 825 to 1,024 | 110 | 850 to 1,049 | 1,125 | 1,000 to 1,199 | 1,300 | 1,150 to 1,349 | 380 |
| 1,025 to 1,224 | 110 | 1,050 to 1,249 | 1,700 | 1,200 to 1,399 | 1,950 | 1,350 to 1,549 | 560 |
| 1,225 to 1,424 | 110 | 1,250 to 1,449 | 1,700 | 1,400 to 1,599 | 1,950 | 1,550 to 1,749 | 560 |
| 1,425 to 1,624 | 85 | 1,450 to 1,649 | 850 | 1,600 to 1,799 | 980 | 1,750 to 1,949 | 280 |
| 1,625 or more | 20 | 1,650 or more | 280 | 1,800 or more | 330 | 1,950 or more | 95 |
| Total | 430 | Total | 5,625 | Total | 6,500 | Total | 1,875 |

* Tampa-St. Petersburg-Clearwater HMA.

Notes: Numbers may not add to totals because of rounding. The 6,350 units currently under construction will likely satisfy some of the estimated demand. The forecast period is April 1, 2015, to April 1, 2018.

Source: Estimates by analyst

Data Profile

Table DP-1. Tampa HMA* Data Profile, 2000 to Current

| | 2000 | 2010 | Current | Average Annual Change (%) | |
|---------------------------|-----------|-----------|-----------|---------------------------|-----------------|
| | | | | 2000 to 2010 | 2010 to Current |
| Total resident employment | 1,159,034 | 1,231,312 | 1,358,000 | 0.6 | 2.3 |
| Unemployment rate | 3.4% | 11.1% | 5.8% | | |
| Nonfarm payroll jobs | 1,147,800 | 1,106,000 | 1,216,000 | -0.4 | 2.3 |
| Total population | 2,395,997 | 2,783,243 | 2,944,000 | 1.5 | 1.1 |
| Total households | 1,009,316 | 1,151,263 | 1,209,300 | 1.3 | 1.0 |
| Owner households | 714,374 | 773,290 | 761,300 | 0.8 | -0.3 |
| Percent owner | 70.8% | 67.2% | 63.0% | | |
| Renter households | 294,942 | 377,973 | 448,000 | 2.5 | 3.5 |
| Percent renter | 29.2% | 32.8% | 37.0% | | |
| Total housing units | 1,143,979 | 1,353,158 | 1,390,000 | 1.7 | 0.5 |
| Owner vacancy rate | 2.2% | 3.5% | 2.2% | | |
| Rental vacancy rate | 9.7% | 13.1% | 8.6% | | |
| Median Family Income | \$45,600 | \$59,200 | \$56,800 | 2.6 | -1.0 |

* Tampa-St. Petersburg-Clearwater HMA.

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through March 2015. Median Family Incomes are for 1999, 2009, and 2013. The current date is April 1, 2015.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census
 2010: 4/1/2010—U.S. Decennial Census
 Current date: 4/1/2015—Analyst’s estimates
 Forecast period: 4/1/2015–4/1/2018—Analyst’s estimates

The Tampa-St. Petersburg-Clearwater, FL Metropolitan Statistical Area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated February 28, 2013.

Demand: The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

Other Vacant Units: In the U.S. Department of Housing and Urban Development’s (HUD’s) analysis, other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as “other” vacant by the Census Bureau.

Building Permits: Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures

are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.

For additional data pertaining to the housing market for this HMA, go to http://www.huduser.gov/publications/pdf/CMARtables_Tampa-St.Petersburg-ClearwaterFL_15.pdf.

Contact Information

T. Michael Miller, Economist
 Atlanta HUD Regional Office
 817-978-9418
timothy.m.miller@hud.gov

This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD’s Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to www.huduser.gov/portal/ushmc/chma_archive.html.