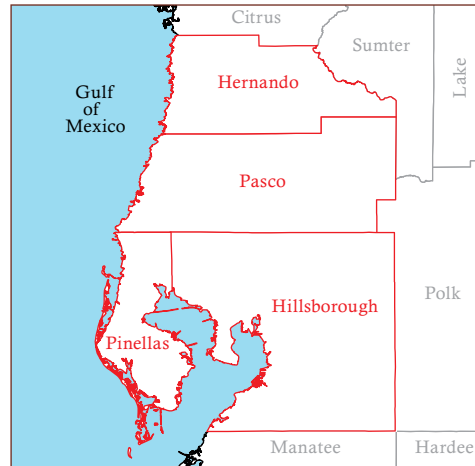
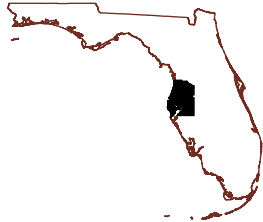




Tampa-St. Petersburg-Clearwater, Florida

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of December 1, 2012



Housing Market Area

The Tampa-St. Petersburg-Clearwater Housing Market Area (HMA) (hereafter, the Tampa HMA) consists of Hernando, Hillsborough, Pasco, and Pinellas Counties on the Gulf Coast in central Florida. For purposes of this analysis, the HMA is divided into three submarkets: the Hillsborough-Pinellas submarket, which includes Hillsborough and Pinellas Counties and the cities of Tampa, St. Petersburg, and Clearwater; the Pasco submarket, which is coterminous with Pasco County; and the Hernando submarket, which is coterminous with Hernando County.

Summary

Economy

Nonfarm payrolls in the Tampa HMA increased during the most recent 12 months, continuing a recovery that began in early 2011, following a decline that began in December 2007. During the 12 months ending November 2012, nonfarm payrolls grew by 19,200 jobs, or 1.7 percent, compared with an increase of 19,500 jobs, or 1.8 percent, during the 12 months end-

ing November 2011. Nonfarm payrolls are estimated to increase by an average annual rate of 1 percent during the forecast period. 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 currently soft, with an estimated 3.2-percent vacancy rate. During the 12 months ending November 2012, new and existing home sales increased 8 percent, to 38,600 homes (Hanley Wood, LLC). Demand is expected for 17,650 new homes, including 1,000 mobile homes, during the forecast period (Table 1). The 3,030 homes currently under construction and a portion of the 122,300 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 in the HMA is currently soft, with an estimated 10.3-percent overall rental vacancy rate, down from the 13.1-percent rate recorded in 2010. The rental housing market began to improve in 2011; however, increased apartment production levels in 2012 will likely result in a continued soft market. During the forecast period, demand is expected for 920 new rental units. The 4,275 units currently under construction will more than satisfy this demand (Table 1).

Market Details

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Table 1. Housing Demand in the Tampa HMA,* 3-Year Forecast, December 1, 2012, to December 1, 2015

	Tampa HMA*		Hillsborough-Pinellas Submarket		Pasco Submarket		Hernando Submarket	
	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units
Total demand	17,650	920	13,200	920	3,500	0	950	0
Under construction	3,030	4,275	2,325	4,025	630	250	75	0

*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 December 1, 2012. A portion of the estimated 122,300 other vacant units in the HMA will likely satisfy some of the forecast demand. Includes an estimated demand for 400 mobile homes in the Pasco submarket and 600 mobile homes in the Hernando submarket.

Source: Estimates by analyst

Economic Conditions

During the 12 months ending November 2012, economic conditions in the Tampa HMA continued the recovery that began in early 2011, following a decline that began in December 2007. During the 12 months ending November 2012, nonfarm payrolls increased by 19,200 jobs, or 1.7 percent, compared with an increase of 19,500 jobs, or 1.8 percent, during the 12 months

ending November 2011 (Table 2). By comparison, annual gains from 2003 through 2006 averaged 35,050 jobs, or 3 percent, led by the professional and business services and construction sectors. Then, from 2007 through 2010, nonfarm payrolls declined by an average of 30,800 jobs, or 2.6 percent, annually. Figure 1 displays sector growth change in the HMA from 2000 to the current date. The largest employers in the HMA are Publix Super Markets, Inc.; MacDill Air Force Base (AFB), and BayCare Health System, with 22,500, 18,300, and 17,000 employees, respectively (Table 3).

The 6th Comptroller Squadron Economic Impact Statement Fiscal Year 2010 reported that MacDill AFB had a \$2.9 billion impact on the economy. MacDill AFB employs 15,500 military personnel and 2,800 civilians and is the second largest employer in the area. In addition to the economic impact of MacDill AFB, more than 46,000 retired military members live in the HMA, providing highly skilled workers for area businesses. The

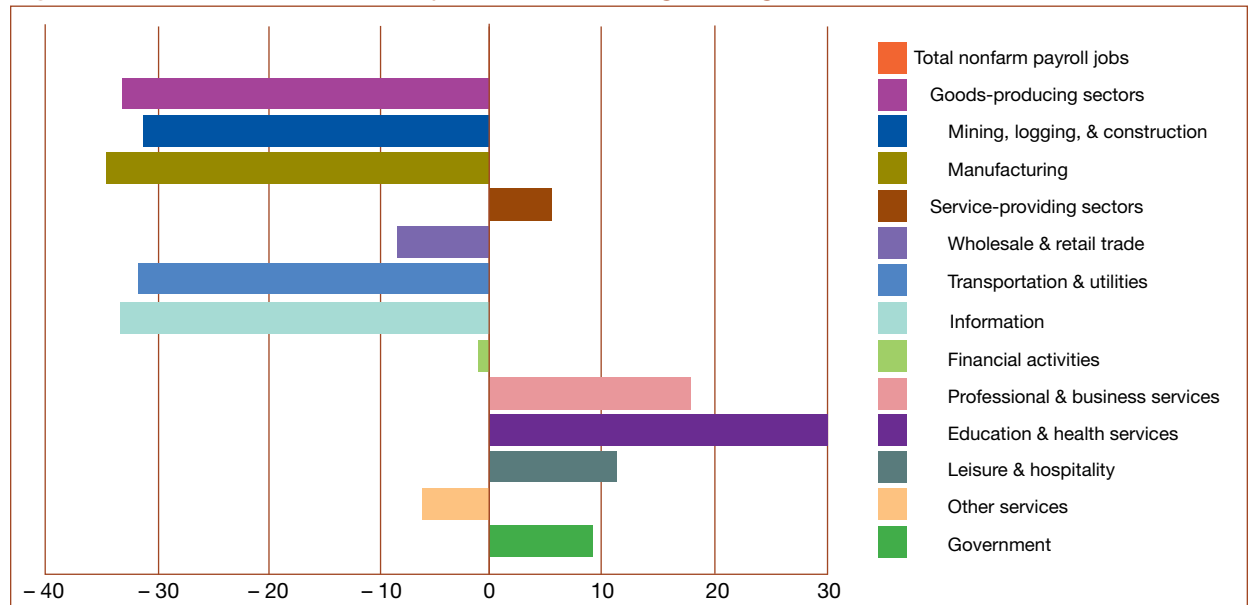
Table 2. 12-Month Average Nonfarm Payroll Jobs in the Tampa HMA,* by Sector

	12 Months Ending November 2011	12 Months Ending November 2012	Percent Change
Total nonfarm payroll jobs	1,130,300	1,149,500	1.7
Goods-producing sectors	111,100	105,900	-4.7
Mining, logging, & construction	52,000	47,100	-9.4
Manufacturing	59,100	58,800	-0.5
Service-providing sectors	1,019,200	1,043,600	2.4
Wholesale & retail trade	187,300	187,300	0.0
Transportation & utilities	25,500	25,300	-0.8
Information	25,700	26,000	1.2
Financial activities	90,600	92,100	1.7
Professional & business services	187,400	196,900	5.1
Education & health services	180,300	186,000	3.2
Leisure & hospitality	123,700	131,000	5.9
Other services	44,300	43,500	-1.8
Government	154,400	155,600	0.8

*Tampa-St. Petersburg-Clearwater HMA.

Notes: Based on 12-month averages through November 2011 and November 2012. Numbers may not add to totals because of rounding.

Source: U.S. Bureau of Labor Statistics

Figure 1. Sector Growth in the Tampa HMA,* Percentage Change, 2000 to Current

*Tampa-St. Petersburg-Clearwater HMA.

Note: Current is based on 12-month averages through November 2012.

Source: U.S. Bureau of Labor Statistics

Table 3. Major Employers in the Tampa HMA*

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Publix Super Markets Inc.	Wholesale & retail trade	22,500
MacDill Air Force Base	Government	18,300
BayCare Health System	Education & health services	17,000
Wal-Mart Stores, Inc.	Wholesale & retail trade	16,800
University of South Florida	Education & health services	16,400
Verizon Communications Inc.	Professional & business services	14,000
Hillsborough County Government	Government	11,000
Tampa International Airport	Transportation & utilities	7,500
TECO Energy	Transportation & utilities	4,900
JPMorgan Chase & Co.	Financial activities	4,700

*Tampa-St. Petersburg-Clearwater HMA.

Note: Excludes local school districts.

Sources: Tampa Hillsborough Economic Development Corporation; Pasco Economic Development Council; TampasTop10.com

military retirees in the HMA receive \$1 billion in pensions and transfers, which adds to the economic impact.

During the 12 months ending November 2012, net gains in the service-providing sectors more than offset net losses in the goods-producing sectors. The professional and business services sector, the largest sector in the HMA, led job growth with the addition of 9,500 jobs, a 5.1-percent

increase from the previous 12 months. Nearly 70 percent of all growth in the professional and business services sector during the past 12 months has been in the administrative and support services industry, driven primarily by the increased administrative requirements associated with the Affordable Care Act. The leisure and hospitality sector increased by 7,300 jobs, or 5.9 percent, during the 12 months ending November 2012. The food services industry accounts for 70 percent of those leisure and hospitality sector jobs and nearly 60 percent of the increase, a reflection of the improving economy. During the 12 months ending November 2012, the education and health services sector increased by 5,700 jobs, or 3.2 percent. BayCare Health System began constructing a \$225 million hospital, St. Joseph's-South, in October 2012. The new hospital is expected to create more than 600 jobs when it opens in 2015. Figure 2 displays current nonfarm payroll jobs in the HMA by sector.

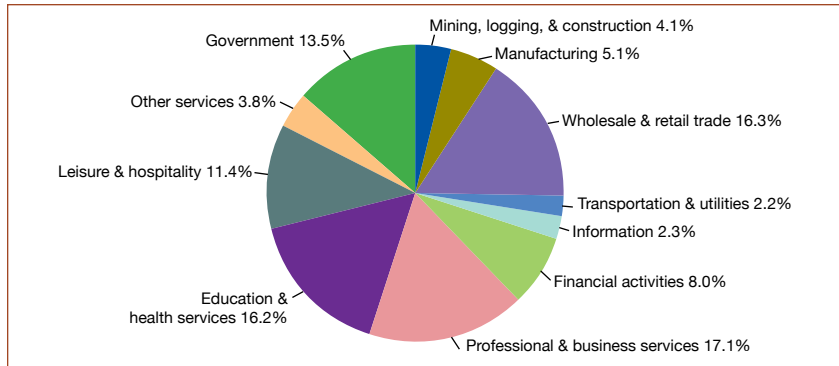
The financial activities sector, which includes JPMorgan Chase & Co., one of the largest employers in the HMA, represents 8 percent of total nonfarm payrolls in the HMA; by comparison, the sector represents 5.8 percent of all nonfarm jobs nationally. Although the financial activities sector currently accounts for 1 percent fewer jobs than it did in 2000, the sector added 1,500 jobs, an increase of 1.7 percent, during the 12 months ending November 2012. StreetLinks Lender Solutions, which opened a new facility in

Tampa and increased payrolls by 50 employees during 2012, plans to add an additional 250 employees during the next 3 years. Progressive Casualty Insurance Company expanded its payrolls in 2012 by nearly 400 jobs at the company's Riverview concierge claims center. In 2012, Private National Mortgage Acceptance Company, LLC, created approximately 100 jobs when it opened an office in Tampa.

As a result of reduced residential and commercial building activity and slow economic growth, the construction subsector has continued to reduce payrolls. During the 12 months ending November 2012, the subsector declined by 4,900 jobs, or 9.5 percent, compared with the number of jobs during the previous 12 months. Nonfarm payrolls in the construction subsector have declined by 50 percent from the peak of 93,700 jobs recorded in 2006. The unemployment rate in the HMA averaged 9 percent during the 12 months ending November 2012, down from 11 percent during the previous 12 months. Figure 3 shows trends in the labor force, resident employment, and the unemployment rate from 2000 to 2011.

During the forecast period, nonfarm payrolls are expected to increase by an average annual rate of 1 percent as the local economy continues to adjust to losses in the construction subsector and the other services sector. Job growth is expected to occur primarily in the service-providing sectors, including the professional and business services and the leisure and hospitality sectors.

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

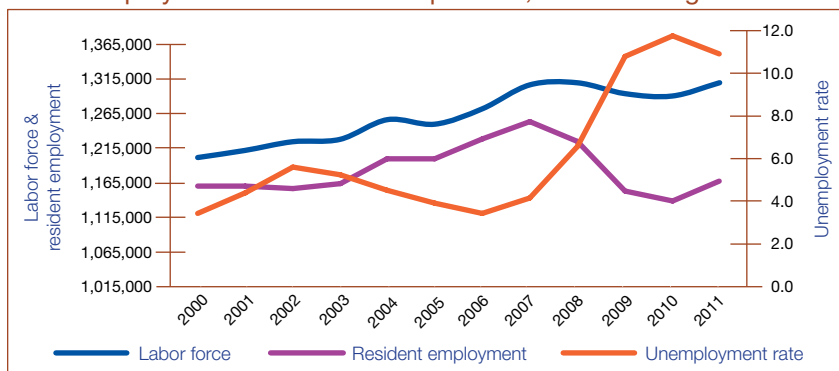


*Tampa-St. Petersburg-Clearwater HMA.

Note: Based on 12-month averages through November 2012.

Source: U.S. Bureau of Labor Statistics

Figure 3. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Tampa HMA,* 2000 Through 2011



*Tampa-St. Petersburg-Clearwater HMA.

Source: U.S. Bureau of Labor Statistics

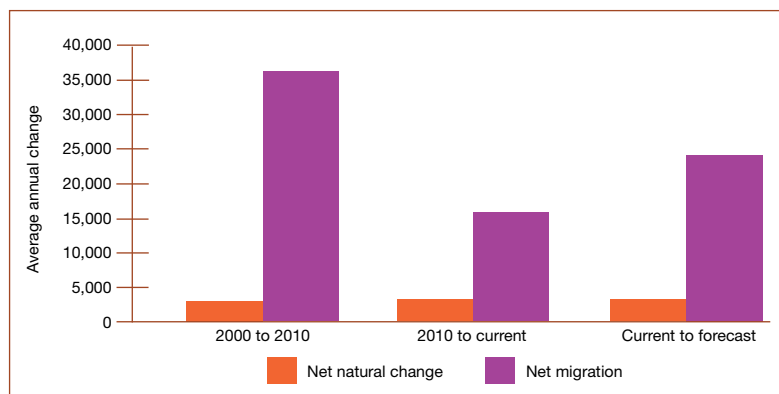
Population and Households

As of December 1, 2012, the population of the Tampa HMA was estimated to be 2.83 million, reflecting an average annual increase of 18,650, or 0.7 percent, since April 1, 2010. The recent recession and average annual decline of 30,800 nonfarm payrolls from 2007 through 2010 resulted in a slower average annual population growth rate of 0.4 percent from 2007 through April 1, 2010, compared with the average annual increase of 1.9 percent, or 48,400 people, recorded from 2000 to 2007. Net in-migration, which accounted for approximately 96 percent of the population increase from 2000 through 2007, has accounted for nearly 43 percent of the gain since 2007, or an average annual increase of 7,200 people (Figure 4). As the economy of the HMA continues to recover, the annual population growth rate is expected to increase slightly to 0.9 percent, or 27,000 people, during the 3-year forecast period. The population of the HMA is expected to reach 2.91 million by December 1, 2015. Tables DP-1 through DP-4 at the end of this report provide information on the population growth in the HMA and in each submarket from 2000 to the current date.

The fastest growing portion of the HMA is the Pasco submarket, which has grown by an average annual rate of 3,225, or 0.7 percent, since 2010, to 473,300. From 2000 through 2007, the population in the submarket increased by an average annual rate of 15,750, or 4 percent, and then slowed to 2,825, or 0.6 percent, annually from 2008 through 2009 as nonfarm payrolls in the area declined. Relative to the Hillsborough-Pinellas submarket, average home sales prices in the Pasco submarket along the county lines of Hillsborough and Pinellas were 15 percent lower, contributing to an average annual net in-migration of 16,100 people from 2000 through 2007, accounting for all of the population increase in the submarket, and offsetting a decrease of 1,050 people generated by average annual net natural change (resident births minus resident deaths). The population of the Pasco submarket is expected to increase annually by an average of 5,300, or 1.1 percent, to 489,200 during the forecast period.

Since 2010, the population of the Hillsborough-Pinellas submarket, which accounts for nearly 77 percent of the population in the HMA, has increased by an average annual rate of 14,700, or 0.7 percent, to 2.19 million. From 2000 through 2007, the population in the submarket increased by an average annual rate of 28,000, or 1.4 percent, and then slowed to 5,800, or 0.2 percent, annually from 2008 through 2009 as nonfarm payrolls declined in the area. An average annual net in-migration of 24,100 people from 2000 through 2007 accounted for 86 percent of the population increase in the submarket compared with an average annual increase of 3,900 people due to net natural

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



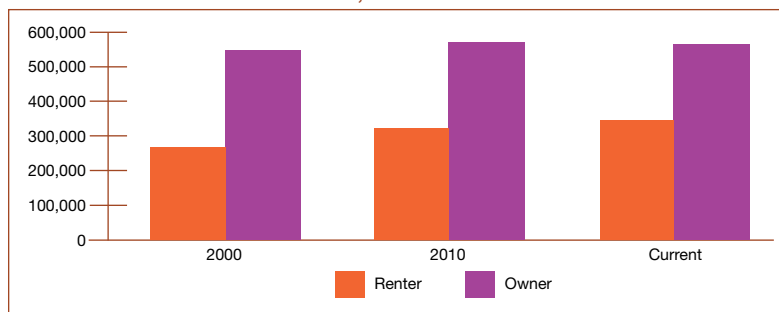
*Tampa-St. Petersburg-Clearwater HMA.

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

Population and Households *Continued*

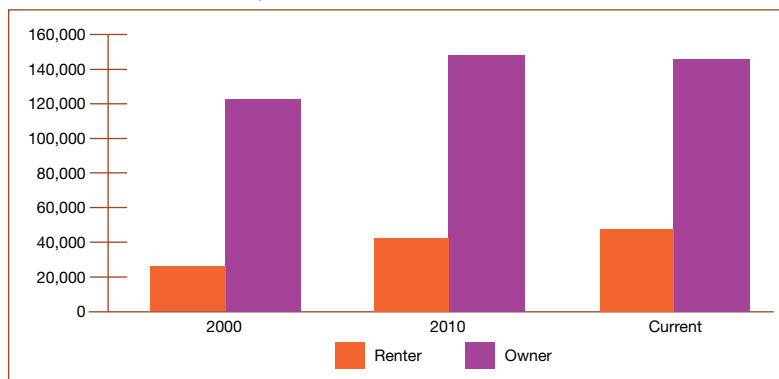
change during the same period. From 2007 to April 1, 2010, the average annual net in-migration slowed to 2,200 people. Since April 2010, improved nonfarm payrolls resulted in a net in-migration increase at an average annual rate of 20,075 people. The population of the Hillsborough-Pinellas submarket is expected to increase by an average of 20,350, or 0.9 percent, annually, to 2.25 million, during the forecast period.

Figure 5. Number of Households by Tenure in the Hillsborough-Pinellas Submarket, 2000 to Current



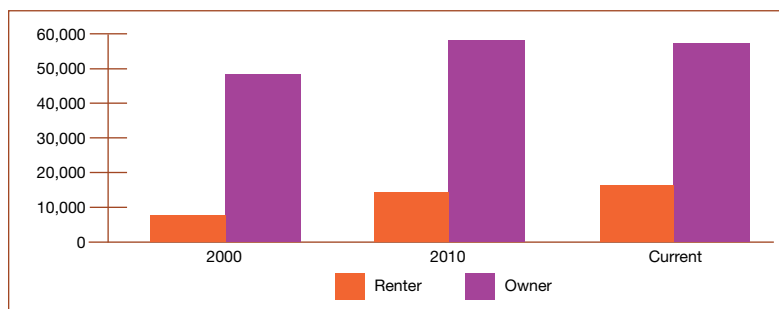
Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

Figure 6. Number of Households by Tenure in the Pasco Submarket, 2000 to Current



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

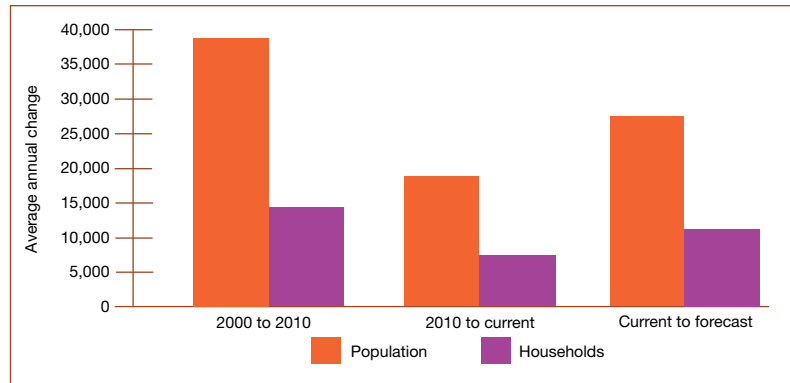
Figure 7. Number of Households by Tenure in the Hernando Submarket, 2000 to Current



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

From 2000 to 2008, the population in the submarket increased by an average annual rate of 5,000, or 3.4 percent, and then slowed to 740, or 0.4 percent, annually from 2008 to the current date. An average annual net in-migration of 5,925 people from 2000 to 2008 offset an average annual decrease of 870 people during the same period due to net natural change. From 2008 to the current date, the average annual net in-migration slowed to 980 people, because fewer retirees relocated to the area following the recent housing crisis. The population of the Hernando submarket is expected to increase by an average of 1,600, or 0.9 percent, annually, to 179,400, during the forecast period.

An estimated 1.17 million households currently reside in the HMA. Although approximately 77 percent of these households are in the Hillsborough-Pinellas submarket, only 66 percent of the increase in the number of households since 2000 has occurred in the Hillsborough-Pinellas submarket. During the same period, the Pasco and Hernando submarkets accounted for 25 and 9 percent of the increase, while representing 17 and 6 percent of the current households, respectively. Figures 5, 6, and 7 show the number of households by tenure in each submarket from 2000 to the current date. From 2010 to the current date, the homeownership rate in the HMA decreased from 67 to 65 percent, with declines recorded in all submarkets. The number of households in the HMA is expected to grow by 11,000, or 0.9 percent, annually during the next 3 years to total 1.2 million. Figure 8 shows population and household trends in the HMA from 2000 through the forecast period.

Figure 8. Population and Household Growth in the Tampa HMA,* 2000 to Forecast

*Tampa-St. Petersburg-Clearwater HMA.

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

Housing Market Trends

Sales Market—Hillsborough-Pinellas Submarket

The sales housing market in the Hillsborough-Pinellas submarket is soft, with a current estimated vacancy rate of 3.1 percent, down from the 3.4-percent rate recorded in 2010. During the 12 months ending November 2012, new and existing home sales, including single-family homes and townhomes, totaled 27,850, an increase of 8 percent compared with the number sold during the previous 12 months (Hanley Wood, LLC). The number of homes sold was more than the average annual level of 23,900 homes sold from 2008 through 2010 but considerably less than the peak of 70,100 homes sold in 2005.

During the 12 months ending November 2012, existing home sales totaled 24,750, an increase of 7 percent compared with the number sold during the previous 12 months. The current level of existing home sales is much less than the peak of 58,550

homes sold during 2005. From 2006 through 2010, an average annual level of 23,000 existing homes sold in the submarket. The average sales price of existing homes in the submarket has increased as the number of Real Estate Owned (REO) sales has declined. The average sales price of an existing home in the submarket increased nearly 7 percent, to \$184,300, during the 12 months ending November 2012 compared with the average sales price during the previous 12 months. Existing home sales prices declined each month from \$268,000 in late 2007 to \$172,100 in late 2011, with few exceptions. REO sales accounted for approximately 23 percent of existing sales during the 12 months ending November 2012, down from 36 percent during the previous 12 months. By comparison, less than 2 percent of existing sales in 2005 resulted from REO sales. The current average

Housing Market Trends

Sales Market—Hillsborough-Pinellas Submarket *Continued*

sales price of an REO home in the submarket increased 13 percent, to \$113,100, compared with the average sales price during the previous 12 months. As of November 2012, 16 percent of home loans in the submarket were 90 or more days delinquent, were in foreclosure, or transitioned into REO, down from 16.4 percent a year earlier (LPS Applied Analytics). The distressed rate in the submarket remains less than the state rate of 16.2 percent but is much higher than the national rate of 7.2 percent.

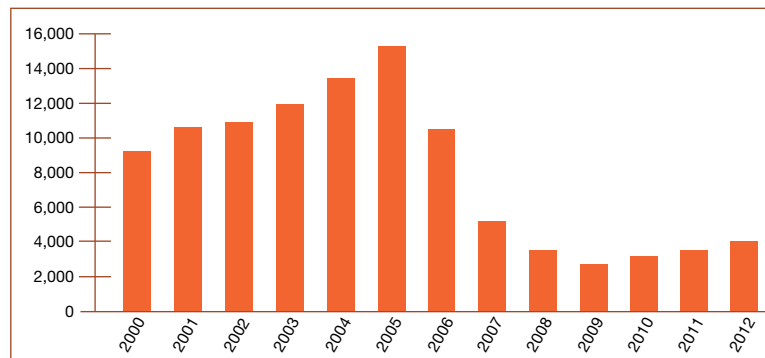
During the 12 months ending November 2012, new home sales increased 18 percent, to 3,100 homes sold, compared with the 2,650 homes sold during the previous 12 months; the number was virtually unchanged from the annual average of 3,075 new homes sold from 2008 through 2010. During the 12 months ending November 2012, the average new home sales price increased 9 percent, to \$235,800, compared with the price during the previous 12 months, but it was less than the annual average sales price of \$259,500 recorded from 2005 through 2010.

During the 2000s, in the Hillsborough-Pinellas submarket, condominiums accounted for 28 percent of multifamily

units permitted, or an average annual rate of 1,450 units. Since 2010, virtually no condominiums have been permitted in the submarket. During the 12 months ending November 2012, new condominium sales activity declined to 290 condominiums sold compared with 430 sold during the previous 12 months; new condominium sales are down significantly from the average of 3,475 sold from 2006 through 2008 (Hanley Wood, LLC). The average sales price of new condominiums increased by 11 percent during the 12 months ending November 2012, to \$329,900, up from \$297,100 during the previous 12 months. During the same period in 2012, the average existing condominium sales price increased 18 percent to \$142,000. During the 12 months ending November 2012, existing condominium sales decreased to 7,850 condominiums compared with 8,225 sold during the previous 12 months, and they were down from the average of 9,100 sold from 2005 through 2008.

Single-family home construction activity, as measured by the number of single-family homes permitted, increased in the submarket during the 12 months ending November 2012 relative to the previous 12 months. From 2007 through 2010, an annual average of 3,650 single-family homes were permitted as builders reduced construction activity in response to a decline in demand for new homes; single-family homebuilding peaked in 2005 when 15,150 homes were permitted. During the 12 months ending November 2012, the number of single-family homes permitted increased to 4,450, up 31 percent from 3,400 homes permitted during the same period a year earlier (preliminary data). Figure 9 shows the number of single-family building permits issued in the

Figure 9. Single-Family Building Permits Issued in the Hillsborough-Pinellas Submarket, 2000 to 2012



Notes: Includes townhomes. Includes data through November 2012.

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

Housing Market Trends

Sales Market—Hillsborough-Pinellas Submarket *Continued*

submarket from 2000 to the current date. Waterset, one of the largest master-planned communities developed in the nation since 2007, opened in October 2012. The master-planned community opened with home plans

between 1,600 and 3,200 square feet. When complete, the development will include 6,700 homes priced between \$160,000 and \$300,000.

During the next 3 years, demand is estimated for 13,200 new market-rate homes in the submarket (Table 1). Of that demand, 53 percent is expected to be for homes priced between \$150,000 and \$250,000. The 2,325 homes currently under construction and a portion of the 86,000 other vacant units in the submarket that may reenter the sales housing market will satisfy some of the forecast demand. Table 4 illustrates estimated demand for new market-rate sales housing in the submarket, by price range, during the forecast period.

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Hillsborough-Pinellas Submarket, December 1, 2012 to December 1, 2015

Price Range (\$)		Units of Demand	Percent of Total
From	To		
100,000	149,999	1,850	14.0
150,000	199,999	3,825	29.0
200,000	249,999	3,175	24.0
250,000	299,999	2,250	17.0
300,000	399,999	1,325	10.0
400,000	and higher	790	6.0

Notes: Numbers may not add to totals because of rounding. Some of the estimated demand will be satisfied by the 2,325 homes currently under construction. In addition, a portion of the estimated 86,000 other vacant units in the submarket will likely satisfy some of the forecast demand.

Source: Estimates by analyst

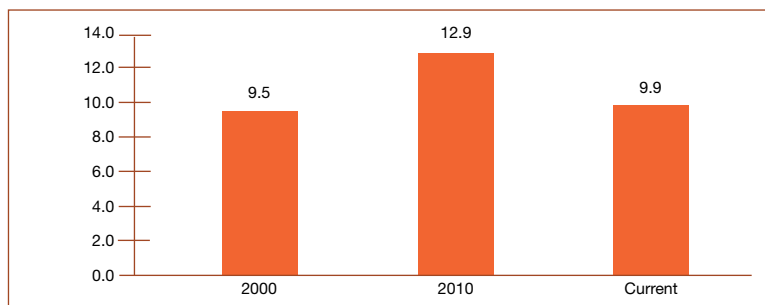
Rental Market—Hillsborough-Pinellas Submarket

The rental housing market in the Hillsborough-Pinellas submarket is soft, with an estimated overall vacancy rate of 9.9 percent, down from the 12.9-percent rate reported in 2010 (Figure 10). Despite significantly reduced multifamily construction during the past 3 years, the apartment market has remained soft because of the slow absorption of existing vacant units, although conditions are improving.

The average apartment vacancy rate was 6.8 percent in November 2012, down from 8.9 percent in November 2011, and apartments were offering concessions that averaged \$14 a month off the asking rent (ALN Systems, Inc.). The average apartment rent during November 2012 increased 4 percent, to \$860, compared with the average apartment rent in November 2011. Asking rents averaged \$730 for a one-bedroom unit, \$920 for a two-bedroom unit, and \$1,125 for a three-bedroom unit.

Currently, 15,500 military personnel are stationed at MacDill AFB, but only 1,400 live on base. The remaining military members reside throughout the metropolitan area and account for about 1 percent of the total households in the HMA. The area near MacDill AFB had a 4.0-percent apartment vacancy rate in November 2012, down from a 7.1-percent rate in November

Figure 10. Rental Vacancy Rates in the Hillsborough-Pinellas Submarket, 2000 to Current



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

Housing Market Trends

Rental Market—Hillsborough-Pinellas Submarket *Continued*

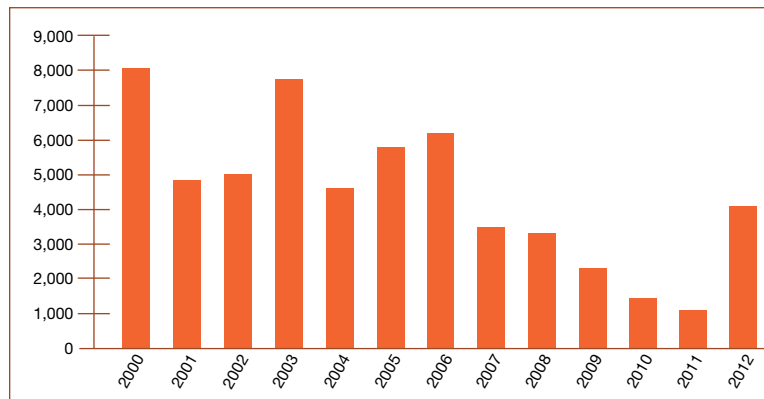
2011 (Real Data). As of November 2012, the average rent in the submarket was approximately \$1,125, up 8 percent from the previous year. The nearly 980 new units currently under construction near the base represent 30 percent of all units under construction in the HMA (Real Data).

Multifamily construction activity, as measured by the number of multifamily units permitted, declined in the submarket from 2008 through 2011 because the number of single-family homes entering the rental market increased. The percent of single-family rentals increased to 11 percent of the total housing inventory in 2010, up from 10 percent in 2008, which is an

increase of 12,600 homes. Multifamily construction activity increased during the past year in response to increasing rental demand (Figure 11). During the 12 months ending November 2012, the number of multifamily units permitted increased to 4,250 compared with the 1,550 units permitted during the previous 12-month period (preliminary data). From 2002 through 2008 and from 2009 through 2010, average annual levels of 5,150 and 1,875 units were permitted, respectively. Condominium permits from 2002 through 2008 and from 2009 through 2010 represented 29 and 1 percent of the multifamily permits, respectively. Circle Bayshore, a \$68 million apartment complex currently under construction in south Tampa, will consist of 367 one-, two-, and three-bedroom units; it is expected to be complete in the first quarter of 2014.

During the next 3 years, demand is estimated for 920 new market-rate rental units in the submarket (Table 5). This demand will be fully satisfied by the 4,025 units currently under construction (Table 1). No additional units should be constructed at this time to allow for these units and the current supply of vacant available units to be absorbed.

Figure 11. Multifamily Building Permits Issued in the Hillsborough-Pinellas Submarket, 2000 to 2012



Notes: Excludes townhomes. Includes data through November 2012.

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

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Hillsborough-Pinellas Submarket, December 1, 2012 to December 1, 2015

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
950 or more	10	580 to 779	95	650 to 849	90	670 to 869	35
		780 to 979	190	850 to 1,049	180	870 to 1,069	70
		980 to 1,179	60	1,050 to 1,249	55	1,070 to 1,269	20
		1,180 to 1,379	20	1,250 to 1,449	20	1,270 or more	10
		1,380 or more	20	1,450 or more	20		
Total	10	Total	390	Total	370	Total	140

Notes: Numbers may not add to totals because of rounding. The estimated demand will be satisfied by the 4,025 units currently under construction.

Source: Estimates by analyst

Sales Market—Pasco Submarket

The sales housing market in the Pasco submarket is soft, with a current estimated vacancy rate of 3.4 percent, improved from 3.6 percent recorded in 2010. During the 12 months ending November 2012, new and existing homes sales, including single-family homes and townhomes, totaled 7,750, a 7-percent increase compared with the number sold during the previous 12 months (Hanley Wood, LLC). During 2005, the level of sales activity peaked at 22,000 homes sold, then declined to an average annual level of 7,000 homes sold from 2008 through 2009.

During the 12 months ending November 2012, existing home sales totaled 6,825, an 8-percent increase compared with the number sold during the previous 12 months but significantly less than the annual average of 9,875 sold from 2005 through 2007. The current average sales price of an existing home in the submarket increased 5 percent, to \$126,600, compared with the average sales price during the previous 12 months; this price is down 28 percent from the average sales price of \$174,500 recorded from 2005 through 2010. During the 12 months ending November 2012, REO sales totaled 1,725, a 31-percent decrease compared with the number sold during the previous 12 months. During the 12 months ending November 2012, approximately 25 percent of total existing sales were the result of REO sales, down from 40 percent during the previous 12 months. As of November 2012, 19.1 percent of home loans in the submarket were 90 or more days delinquent, were in foreclosure, or transitioned into REO, unchanged from a year earlier (LPS Applied Analytics). The percentage of distressed loans and REO properties in the submarket remains higher than

the state rate of 16.2 percent and much higher than the national rate of 7.2 percent.

During the 12 months ending November 2012, the number of new home sales decreased 1 percent, to 925 homes sold, compared with the 940 homes sold during the previous 12 months. The average new home sales price increased to \$227,700, a 9-percent increase from the previous 12 months. By comparison, from 2005 through 2007, new homes sales averaged 5,850 homes sold annually, at an average sales price of \$265,800.

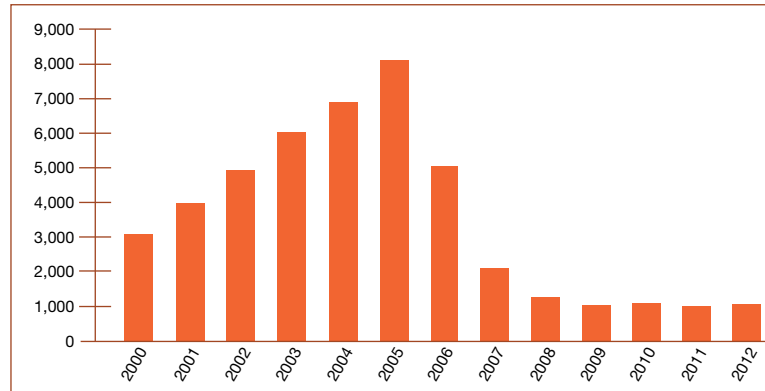
During the 2000s, in the Pasco submarket, condominiums accounted for 20 percent of multifamily units permitted, or an average of 260 units each year. Since 2010, no condominiums have been permitted in the submarket. During the 12 months ending November 2012, new condominium sales activity increased to 50 condominiums sold compared with 5 sold during the previous 12 months; the number of sales is down from the average of 150 sold from 2006 through 2008 (Hanley Wood, LLC). The average sales price of new condominiums increased by 39 percent during the 12 months ending November 2012, to \$175,000, up from \$126,300 during the previous 12 months. During the same period in 2012, the average existing condominium sales price increased 19 percent to \$70,650. During the 12 months ending November 2012, existing condominium sales activity increased to 640 condominiums sold compared with 480 sold during the previous 12 months, but it was down from the average of 770 sold from 2005 through 2007.

Housing Market Trends

Sales Market—Pasco Submarket Continued

Single-family home construction activity, as measured by the number of single-family homes permitted, began to increase in the submarket in 2010. During the 12 months ending

Figure 12. Single-Family Building Permits Issued in the Pasco Submarket, 2000 to 2012



Notes: Includes townhomes. Includes data through November 2012.

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

Table 6. Estimated Demand for New Market-Rate Sales Housing in the Pasco Submarket, December 1, 2012 to December 1, 2015

Price Range (\$)		Units of Demand	Percent of Total
From	To		
100,000	149,999	340	11.0
150,000	199,999	990	32.0
200,000	249,999	870	28.0
250,000	299,999	470	15.0
300,000	349,999	250	8.0
350,000	and higher	190	6.0

Note: The 630 homes currently under construction and a portion of the estimated 27,500 other vacant units in the submarket will likely satisfy some of the forecast demand.

Source: Estimates by analyst

November 2012, the number of single-family homes permitted increased to 1,125, up nearly 16 percent from the 980 homes permitted during the same period a year earlier (preliminary data). From 2003 through 2005, an average of 6,975 homes was permitted annually compared with 2,050 homes permitted from 2006 through 2010. Figure 12 shows single-family building permits issued in the submarket from 2000 to the current date. Connerton, a master-planned community located in Land O' Lakes sold 510 lots in 2012. Construction on the lots will begin in December 2012. When complete, the community will consist of 8,700 homes, with prices starting at \$200,000.

During the next 3 years, demand is estimated for 3,100 new market-rate homes and 400 mobile homes in the submarket (Table 1). Of the demand, 60 percent is expected for homes priced between \$150,000 and \$250,000. The 630 homes currently under construction and a portion of the 27,500 other vacant units in the submarket that may reenter the housing market will satisfy some of the forecast demand. Table 6 illustrates estimated demand for new market-rate sales housing in the submarket, by price range, during the forecast period.

Rental Market—Pasco Submarket

The rental housing market in the Pasco submarket is soft, with an estimated overall vacancy rate of 12.6 percent, down from the 15-percent rate reported in 2010 (Figure 13). Single-family homes represented 61 percent of the rental properties in the submarket in 2011, down from 65 percent in 2009 (American Community Survey). The apartment market is also soft. The

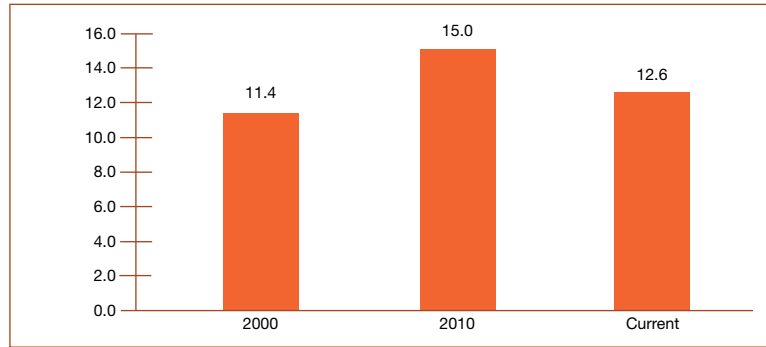
average apartment vacancy rate was 9.3 percent in November 2012, down from 15 percent in November 2011 (ALN Systems, Inc.). The average apartment rent during November 2012 decreased by 3 percent, to \$800, compared with the average apartment rent in November 2011. Apartments were offering concessions that averaged \$18 a month off the asking rent (ALN

Housing Market Trends

Rental Market—Pasco Submarket Continued

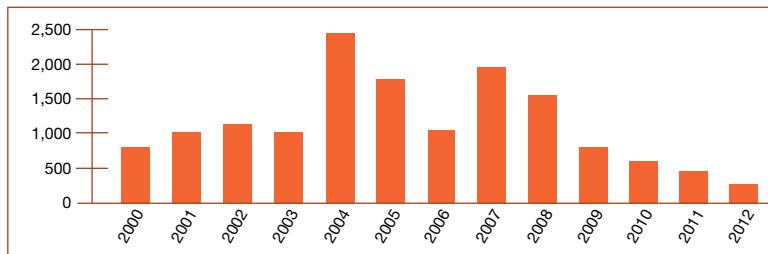
Systems, Inc.). Asking rents averaged \$680, \$850, and \$990 for one-, two-, and three-bedroom units, respectively.

Figure 13. Rental Vacancy Rates in the Pasco Submarket, 2000 to Current



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

Figure 14. Multifamily Building Permits Issued in the Pasco Submarket, 2000 to 2012



Notes: Excludes townhomes. Includes data through November 2012.

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

Multifamily construction activity, as measured by the number of multifamily units permitted, has declined significantly since 2008 (Figure 14). The number of multifamily units permitted during the 12 months ending November 2012 decreased to 170 compared with the 670 units permitted during the previous 12-month period (preliminary data). An average of 1,750 units was permitted annually from 2004 through 2008 compared with 700 units in 2009 and 2010. From 2002 through 2008, 21 percent of the multifamily units permitted were condominiums; however, no condominiums have been permitted in the submarket since 2009.

After accounting for the current supply of vacant available units and for the 250 units currently under construction, and to allow for the excess supply of vacant available units to be absorbed, no additional rental units should be constructed during the forecast period (Table 1). Additional units will prolong the current soft market conditions.

Sales Market—Hernando Submarket

The sales housing market in the Hernando submarket is soft, with a current estimated vacancy rate of 3.8 percent, down slightly from the 4.0-percent rate recorded in 2010. During the 12 months ending November 2012, new and existing homes sales, including single-family homes and townhomes, totaled 2,975, a 10-percent increase compared with the number sold during the previous 12 months (Hanley Wood, LLC). By comparison, new and existing homes sales peaked at 10,100 homes sold during 2005, and sales decreased to 3,150 homes sold from 2009 through 2010.

During the 12 months ending November 2012, existing home sales totaled 2,875, a 12-percent increase compared with the 2,575 sold during the previous 12 months, but the number of sales was significantly less than the average annual level of 3,825 sold from 2005 through 2008. The current average sales price of \$102,500 for an existing home in the submarket is 2 percent more than the average sales price during the previous 12 months. By comparison, from 2008 through 2010, existing home sales averaged 2,700 homes sold annually, at an average price of \$118,300. As

Housing Market Trends

Sales Market—Hernando Submarket Continued

of November 2012, 16.8 percent of all home loans in the submarket were 90 or more days delinquent, were in foreclosure, or transitioned into REO, down from 17.2 percent a year earlier (LPS Applied Analytics). The percentage of distressed loans and REO properties in the submarket remains higher than the state rate of 16.2 percent and much higher than the national rate of 7.2 percent.

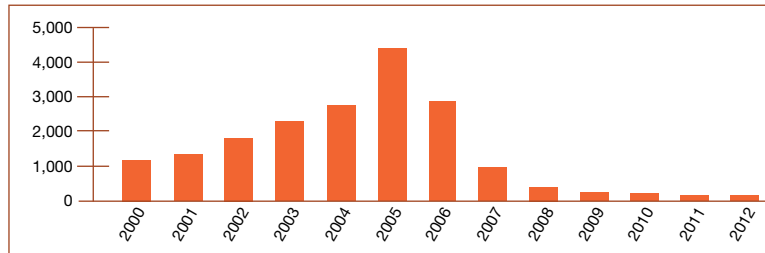
During the 12 months ending November 2012, new home sales decreased 19 percent, to 100 homes sold, compared with the number of new homes sold during the previous 12 months and down significantly from the av-

erage annual level of 2,000 homes sold from 2005 through 2007. The average new home sales price increased to \$164,800, a 17-percent increase from the previous 12 months. By comparison, from 2008 through 2010, new homes sales averaged 390 homes sold annually, at an average price of \$176,300.

Single-family home construction activity, as measured by the number of single-family homes permitted, began to increase in the submarket during the past 12 months. During the 12 months ending November 2012, the number of single-family homes permitted increased to 180, up 50 percent from the 120 homes permitted during the same period a year earlier (preliminary data). From 2004 through 2006, an average of 3,350 homes was permitted annually compared with the average annual level of 420 homes permitted from 2007 through 2010. Figure 15 shows single-family building permits issued in the submarket from 2000 to the current date.

During the next 3 years, demand is estimated for 350 new market-rate homes and 600 mobile homes in the submarket (Table 1). The 75 homes currently under construction and a portion of the 8,800 other vacant units in the submarket that may re-enter the market will satisfy some of the forecast demand. Table 7 illustrates estimated demand for new market-rate sales housing in the submarket, by price range, during the forecast period.

Figure 15. Single-Family Building Permits Issued in the Hernando Submarket, 2000 to 2012



Notes: Includes townhomes. Includes data through November 2012.
Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Table 7. Estimated Demand for New Market-Rate Sales Housing in the Hernando Submarket, December 1, 2012 to December 1, 2015

Price Range (\$)		Units of Demand	Percent of Total
From	To		
100,000	149,999	180	49.9
150,000	199,999	120	35.0
200,000	and higher	55	15.1

Note: The 75 homes currently under construction and a portion of the estimated 8,800 other vacant units in the submarket will likely satisfy some of the forecast demand.

Source: Estimates by analyst

Rental Market—Hernando Submarket

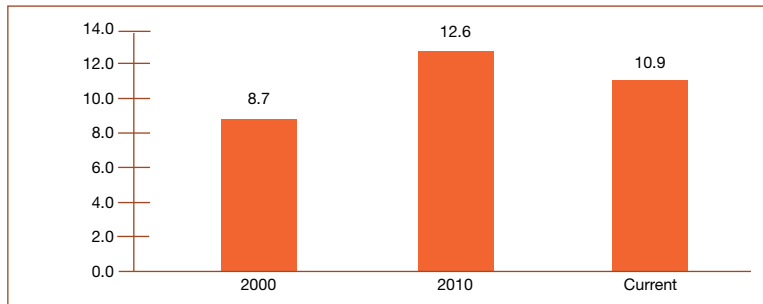
The rental housing market in the Hernando submarket is soft, with an estimated overall vacancy rate of 10.9 percent, down from the 12.6-percent rate reported in 2010 (Figure 16). Single-family homes represented 72 percent of the rental properties in the submarket in 2011, down from 81 percent in 2009 (American Community Survey). The apartment market is also slightly soft. In No-

vember 2012, the average apartment vacancy rate was 6.6 percent, down from the 7.1-percent rate recorded in November 2011 (ALN Systems, Inc.). Apartments were offering concessions that averaged \$33 a month off the asking rent (ALN Systems, Inc.). The average rent in the submarket was \$680, unchanged from a year ago.

Multifamily construction activity, as measured by the number of multifamily units permitted, has declined significantly since 2006 (Figure 17). No multifamily units were permitted during the 12 months ending November 2012 compared with the 330 units permitted during the previous 12-month period (preliminary data). An average of 75 units was permitted annually from 2006 through 2010. No significant market-rate projects have been completed in the submarket since 2009.

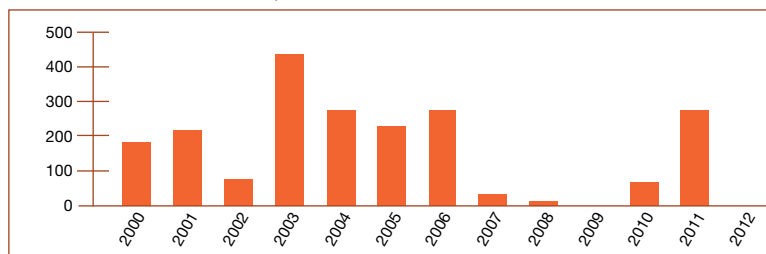
After accounting for the current supply of vacant available units, no additional units should be constructed in the submarket during the forecast period (Table 1). Any additional units at this time would prolong the existing soft market conditions. Builders should begin construction in year 3 of the forecast period for anticipated demand in year 4.

Figure 16. Rental Vacancy Rates in the Hernando Submarket, 2000 to Current



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

Figure 17. Multifamily Building Permits Issued in the Hernando Submarket, 2000 to 2012



Notes: Excludes townhomes. Includes data through November 2012.

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

Data Profiles

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	1,159,650	1,136,908	1,200,000	- 0.2	2.9
Unemployment rate	3.4%	11.8%	9.0%		
Nonfarm payroll jobs	1,148,100	1,112,000	1,149,000	- 0.3	1.7
Total population	2,395,997	2,783,243	2,833,000	1.5	0.7
Total households	1,009,316	1,151,263	1,171,000	1.3	0.6
Owner households	714,374	773,290	761,600	0.8	- 0.6
Percent owner	70.8%	67.2%	65.0%		
Renter households	294,942	377,973	409,200	2.5	3.0
Percent renter	29.2%	32.8%	35.0%		
Total housing units	1,143,979	1,353,158	1,365,000	1.7	0.3
Owner vacancy rate	2.2%	3.5%	3.2%		
Rental vacancy rate	9.7%	13.1%	10.3%		
Median Family Income	\$45,600	\$59,200	\$55,700	2.6	- 3.0

*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 November 2012. Median Family Incomes are for 1999, 2009, and 2010.

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

Table DP-2. Hillsborough-Pinellas Submarket Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total population	1,920,430	2,145,768	2,185,000	1.1	0.7
Total households	806,325	889,906	905,500	1.0	0.7
Owner households	544,861	569,277	560,800	0.4	- 0.6
Percent owner	67.6%	64.0%	61.9%		
Rental households	261,464	320,629	344,600	2.1	2.7
Percent renter	32.4%	36.0%	38.1%		
Total housing units	907,535	1,039,726	1,047,000	1.4	0.3
Owner vacancy rate	2.1%	3.4%	3.1%		
Rental vacancy rate	9.5%	12.9%	9.9%		

Note: Numbers may not add to totals because of rounding.

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

Table DP-3. Pasco Submarket Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total population	344,765	464,697	473,300	3.0	0.7
Total households	147,566	189,612	192,900	2.5	0.6
Owner households	121,543	146,239	144,400	1.9	- 0.5
Percent owner	82.4%	77.1%	74.8%		
Rental households	26,023	43,373	48,550	5.2	4.3
Percent renter	17.6%	22.9%	25.2%		
Total housing units	173,717	228,928	232,500	2.8	0.6
Owner vacancy rate	2.3%	3.6%	3.4%		
Rental vacancy rate	11.4%	15.0%	12.6%		

Note: Numbers may not add to totals because of rounding.

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

Table DP-4. Hernando Submarket Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total population	130,802	172,778	174,600	2.8	0.4
Total households	55,425	71,745	72,400	2.6	0.3
Owner households	47,970	57,774	56,400	1.9	-0.9
Percent owner	86.5%	80.5%	77.9%		
Rental households	7,455	13,971	16,000	6.5	5.2
Percent renter	13.5%	19.5%	22.1%		
Total housing units	62,727	84,504	85,400	3.0	0.4
Owner vacancy rate	2.4%	4.0%	3.8%		
Rental vacancy rate	8.7%	12.6%	10.9%		

Note: Numbers may not add to totals because of rounding.

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: 12/1/2012—Analyst’s estimates
 Forecast period: 12/1/2012–12/1/2015—
 Analyst’s estimates

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 www.huduser.org/publications/pdf/CMARtables_Tampa-StPetersburg-ClearwaterFL_13.pdf.

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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.org/publications/econdev/mkt_analysis.html.