

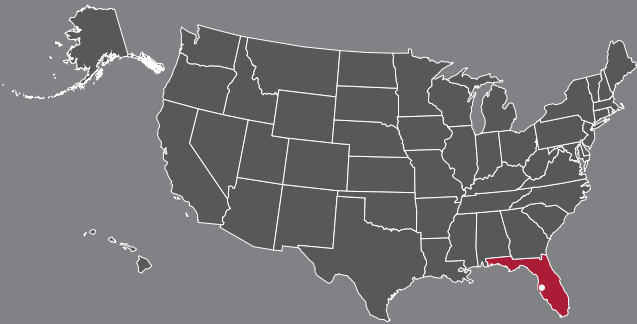
# HUD PD&R Housing Market Profiles

## Tampa-St. Petersburg-Clearwater, Florida



### Quick Facts About Tampa-St. Petersburg-Clearwater

- **Current sales market conditions: balanced**
- **Current rental market conditions: balanced**
- **Tampa is home to the third largest parade in the nation—the Gasparilla Parade of Pirates, held every January. The parade, which celebrates a mythical Spanish pirate who is said to have operated in Southwest Florida, moves through the streets of downtown Tampa and includes approximately 103 floats, 5 marching bands, and more than 50 distinct krewes.**



By Karen M. Ostrye | As of November 1, 2019

### Overview

The Tampa-St. Petersburg-Clearwater, FL Metropolitan Statistical Area (hereafter the Tampa metropolitan area) is on the western shore of Florida along the Gulf of Mexico and consists of Hernando, Hillsborough, Pasco, and Pinellas counties. A popular destination for tourists and retirees, the metropolitan area is one of the largest financial services and healthcare centers in the Florida Gulf Coast region.

- As of November 1, 2019, the estimated population of the Tampa metropolitan area is 3.21 million, an average annual increase of 44,650 people, or 1.5 percent, since 2010.
- Population growth averaged 30,500 people, or 1.1 percent, annually from 2010 to 2014. From 2014 to 2018, population growth averaged 57,400 people, or 1.9 percent, annually.
- Individuals, age 65 and older, have significantly contributed to recent population growth in the Tampa metropolitan area. The 65 and older age cohort represented 17 percent of the population in 2010 but accounted for 27 percent of the total population in 2018.
- Pinellas County represented 45 percent of the metropolitan area population in 2018 and, as of the 2010 Census, was the most densely populated county in the state of Florida. Residents, age 65 and older, grew from 21 percent of the population in Pinellas County in 2010, to 33 percent in 2018.



## Economic Conditions

Economic conditions in the Tampa metropolitan area remain strong, with nonfarm payrolls increasing every year since 2010. Total nonfarm payrolls increased by an average of 2.5 percent annually from 2010 through 2018 and in 2019 surpassed the pre-recession peak of 1.23 million jobs, which occurred in 2006. During the 3 months ending October 2019, nonfarm payrolls rose to an average of 1.39 million, an increase of 28,600 jobs, or 2.1 percent, from the 3 months ending October 2018.

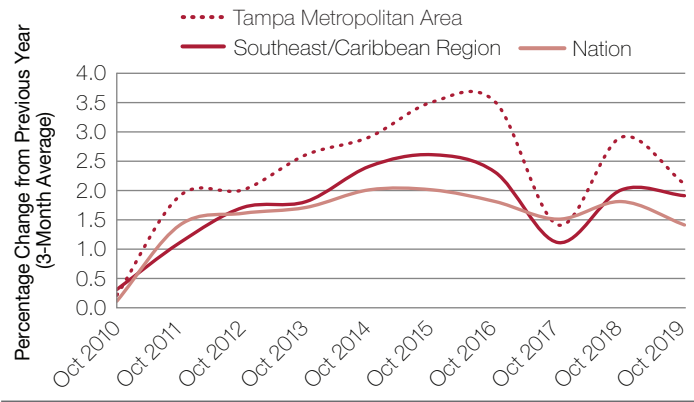
During the 3 months ending October 2019—

- The mining, logging, and construction sector added 5,200 jobs, a 6.5-percent increase compared with a year earlier, the highest percentage increase of any sector. This sector growth was due in part to an increase in homebuilding in the metropolitan area and work associated with the Water Street District in the city of Tampa where construction on a 20-story office building began in July 2019.
- The professional and business services sector added the most jobs of any sector, 8,500 jobs, or 3.5 percent. Some of the sector growth was attributed to the September 2019 opening of the Baker McKenzie global law firm in the city of Tampa, which is expected to support 300 jobs when fully staffed.
- The leisure and hospitality sector added 3,600 jobs, an increase of 2.3 percent compared with a year earlier. The Hard Rock Cafe Tampa expansion, in the Seminole Hard Rock Hotel & Casino in the city of Tampa, added 1,200 new permanent jobs to staff four new restaurants, a 562-room hotel, a spa, and an event space.

- The education and health services sector added 3,300 jobs, an increase of 1.6 percent. Some of those jobs are associated with staffing the recently completed James A. Haley Veterans' Hospital–South Hillsborough Outpatient Clinic. Located in the city of Riverview, the 65,000-square-foot facility is expected to serve 10,000 veterans in the southeastern part of the metropolitan area.
- The unemployment rate declined to 3.1 percent from 3.3 percent during the same period a year earlier. This is the lowest unemployment rate for the metropolitan area since 2000.

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**The Tampa metropolitan area added jobs at a faster rate than both the nation and the Southeast region for much of the period since 2010.**



Note: Nonfarm payroll job growth.  
Source: U.S. Bureau of Labor Statistics

**Payroll growth in the Tampa metropolitan area exceeded the national growth rate of 1.4 percent during the past year.**

	3 Months Ending		Year-Over-Year Change	
	October 2018 (Thousands)	October 2019 (Thousands)	Absolute (Thousands)	Percent
<b>Total Nonfarm Payrolls</b>	1,357.3	1,385.9	28.6	2.1
Goods-Producing Sectors	147.0	154.0	7.0	4.8
Mining, Logging, & Construction	79.4	84.6	5.2	6.5
Manufacturing	67.6	69.5	1.9	2.8
Service-Providing Sectors	1,210.3	1,231.8	21.5	1.8
Wholesale & Retail Trade	216.1	217.1	1.0	0.5
Transportation & Utilities	31.2	32.4	1.2	3.8
Information	25.6	25.3	-0.3	-1.2
Financial Activities	117.9	121.1	3.2	2.7
Professional & Business Services	244.8	253.3	8.5	3.5
Education & Health Services	212.3	215.6	3.3	1.6
Leisure & Hospitality	159.0	162.6	3.6	2.3
Other Services	47.0	48.0	1.0	2.1
Government	156.5	156.4	-0.1	-0.1
	<b>(Percent)</b>	<b>(Percent)</b>		
Unemployment Rate	3.3	3.1		

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



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### Largest Employers in the Tampa Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
BayCare Health System	Education & Health Services	28,400
HCA West Florida Division	Education & Health Services	18,800
MacDill Air Force Base	Government	18,000

Note: Excludes local school districts but includes military personnel.  
Source: Tampa Bay Economic Development Council

The Tampa metropolitan area is a major hub for financial services and healthcare on the gulf coast of Florida. The low cost of living, lack of state income tax, pleasant weather, and access to popular beaches have drawn many financial companies to the area. The financial activities sector accounts for 14,000

employees in the city of St. Petersburg alone, including approximately 5,000 workers at the headquarters of Raymond James Financial. USAA (United Services Automobile Association), Citibank, Depository Trust & Clearing Corporation (DTCC), and Willis Towers Watson have all expanded their presence in the city of Tampa during the past 5 years. The education and health services sector is the only sector in the metropolitan area that has added jobs each year since 2000, with growth expected to continue. The Innovation District in the city of St. Petersburg, a cluster of healthcare and marine life research facilities along Tampa Bay, added the \$95 million Johns Hopkins All Children's Research and Education Building in 2018. The new \$189 million USF (University of South Florida) Health Morsani College of Medicine and Heart Institute is expected to open January 2020 in the Water Street District in the city of Tampa.

### Sales Market Conditions

Sales housing market conditions in the Tampa metropolitan area are currently balanced. Home sales prices have increased consistently since the early 2010s, and new home sales price growth has accelerated notably during the past year due in part to low levels of for-sale inventory. There was a 2.6-month for-sale inventory of single-family homes available in the Tampa metropolitan area during October 2019, down from a 2.9-month supply a year ago, well below the 8.3-month supply during October 2013 (Greater Tampa Realtors®). During the 12 months ending September 2019, 93,850 new and existing homes—including single-family homes, townhomes, and condominiums—were sold, down 1 percent from the 94,350 homes sold during the previous 12-month period. Although home sales declined slightly in the metropolitan area during the past year, the number of sales was more than double the recent low of 46,800 homes sold during 2008. During the 12 months ending

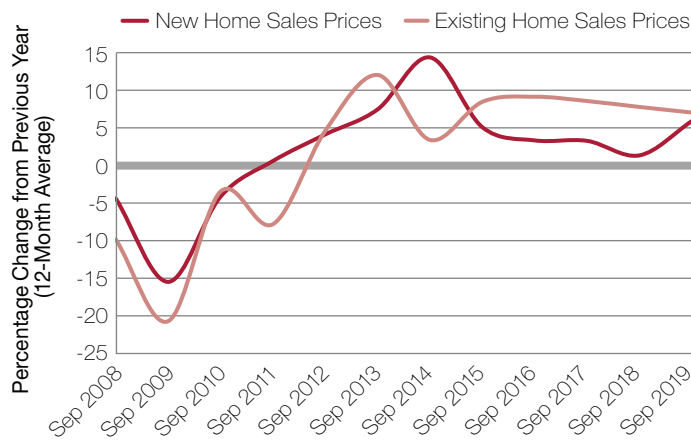
September 2019, the average sales price of new and existing homes increased 7 percent, to \$247,100, the same percentage increase as the previous 12-month period (CoreLogic, Inc., with adjustments by the analyst).

During the 12 months ending September 2019—

- New home sales totaled 12,100, up 6 percent from 11,450 new home sales a year ago. The average sales price for a new home was \$325,600, an increase of 6 percent from a year earlier.
- Existing home sales totaled 81,750, down 1 percent from the 82,900 homes sold during the previous 12-month period.
- The average sales price for existing homes was \$235,400, an increase of 7 percent from \$220,000 a year earlier and 80 percent higher than the recent low of \$130,600 in 2011.

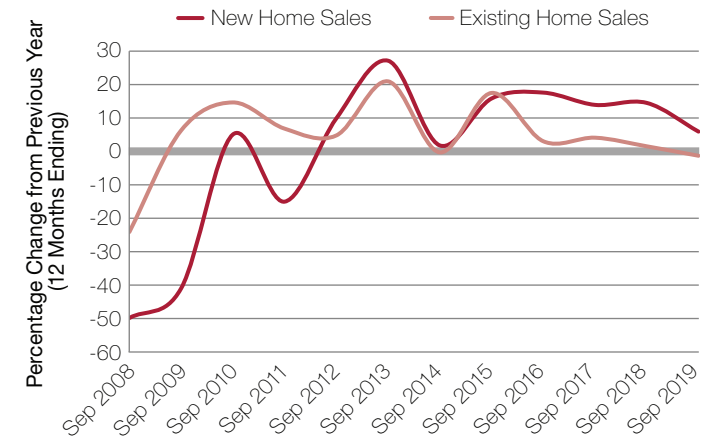
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### The rate of price growth for new homes accelerated in the Tampa metropolitan area during the past year.



Note: Prices include single-family homes, townhomes, and condominiums.  
Source: CoreLogic, Inc., with adjustments by the analyst

### Existing home sales in the Tampa metropolitan area declined modestly during the past year.



Note: Sales include single-family homes, townhomes, and condominiums.  
Source: CoreLogic, Inc., with adjustments by the analyst





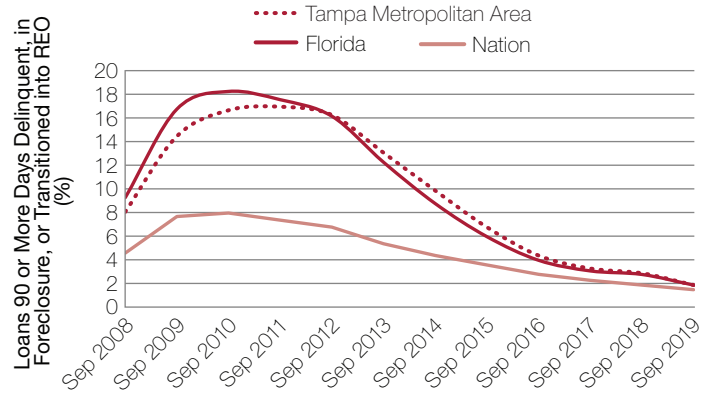
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- Real estate owned (REO) sales accounted for 3 percent of existing home sales, unchanged from a year earlier and well below the peak level of 23 percent in 2011.

Homebuilding (as measured by the number of single-family homes permitted) has trended sharply upward since the mid-2010s as distressed inventory has been absorbed. An average of 11,850 homes were permitted each year from 2015 through 2018, up from an average of 6,825 homes a year from 2012 through 2014. During the 12 months ending October 2019, 14,200 single-family homes were permitted in the metropolitan area, a 12-percent increase from 12,700 homes during the same period a year ago (preliminary data).

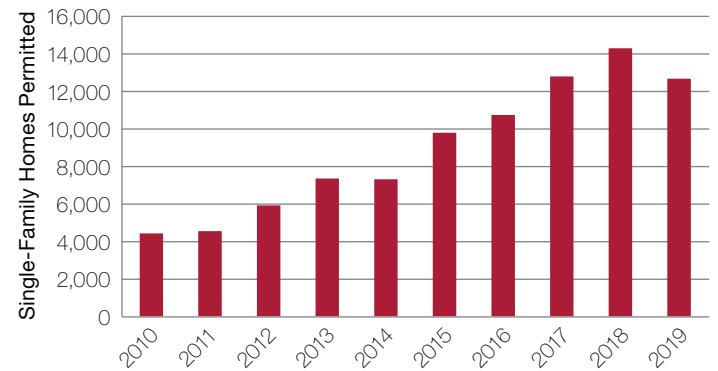
- More than one-fourth of all single-family homes permitted since 2018 were in Pasco County, which is north of Hillsborough and Pinellas Counties. Augmenting its close proximity to the city of Tampa, Pasco County has recently created incentives to attract new businesses, reducing the impact fees by 75 percent in 2018 to develop vacant land to encourage growth. Wesley Chapel, a fast-growing community located approximately 20 miles northeast of the city of Tampa, encompasses several new home developments, including Avalon Park West. When completed, the development will have 60 three- to four-bedroom homes, ranging from 1,676 to 2,254 square feet in size with prices ranging from \$250,000 to \$300,000.
- New homebuilding is progressing in Pinellas County as builders continue to infill and redevelop areas with convenient access to the economic centers of the metropolitan area. Bayside Terrace Oldsmar is a community of townhomes recently completed along Safety Harbor in the city of Oldsmar. Priced in the mid-\$400,000s, the 1,667-square-foot homes of the development are located off State Road 580, which leads to Tampa International Airport to the east and connects to southbound routes to the city of St. Petersburg. All but one of the 164 townhomes have sold.
- In Hillsborough County, current homebuilding activity is most prevalent in the city of Riverview, located southeast of the city of Tampa along Interstate 75. Ventana is a 280-home community, with prices ranging from \$213,000 to \$288,000 for three- to six-bedroom homes, ranging from 1,555 to 3,326 square feet.
- Hernando County, the northern-most county in the metropolitan area, accounts for 6 percent of the new homes currently under construction. In the city of Brooksville, 59

The rate of homes 90 or more days delinquent, in foreclosure, or recently transitioned to REO remains higher in the Tampa metropolitan area than in the nation, but the gap has narrowed significantly since the mid-2010s.



REO = real estate owned.  
Source: CoreLogic, Inc., with adjustments by the analyst

From 2015 through 2018, the number of single-family homes permitted grew each year in the Tampa metropolitan area.



Note: Includes preliminary data from January 2019 through October 2019.  
Source: U.S. Census Bureau, Building Permits Survey, with estimates by the analyst

of the 190 homes planned for Cascades at Southern Hills, a gated community with a pool and walking trail, have been sold. This community is restricted to residents age 55 and older, and offers 1,525 to 2,335 square foot, two-bedroom homes with prices ranging from \$232,900 to \$312,490.

## Apartment Market Conditions

The apartment market in the Tampa metropolitan area is currently balanced. Apartment market conditions were soft from 2008 through 2011, but strong renter household growth has generally put downward pressure on apartment vacancy rates since the

mid-2010s. During the third quarter of 2019, the apartment vacancy rate in the metropolitan area was 4.3 percent, up from 4.0 percent during the third quarter of 2018 because of many communities in lease-up (RealPage, Inc.).

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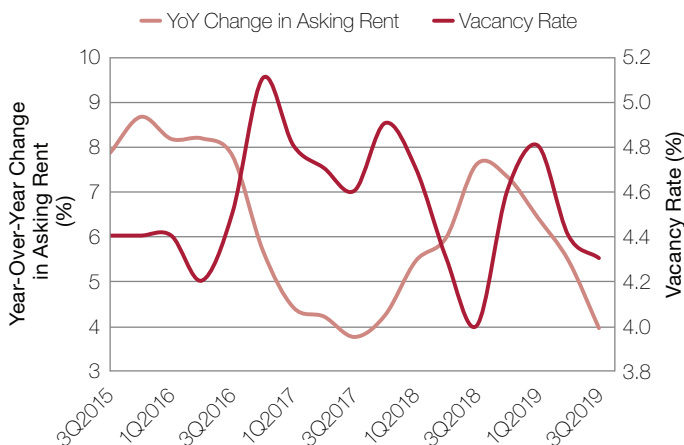
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During the third quarter of 2019—

- The average asking rent in the Tampa metropolitan area was \$1,238, a 4-percent increase from \$1,191 a year earlier. This is comparable to the increase in the average asking rent for the nation, which rose 5 percent to \$1,416 during the third quarter of 2019, up from \$1,354 a year ago.
- The RealPage, Inc.-defined Central Tampa market area, which includes the downtown employment center and some waterfront neighborhoods, had the highest average asking rent in the metropolitan area at \$1,839. The vacancy rate in the market area was 4.6 percent during the third quarter of 2019, down slightly from 4.7 percent the previous 12 months.
- The West Pasco County/Hernando County market area had the lowest vacancy rate of 3.0 percent, down from 3.5 percent a year earlier. Low vacancy rates have attracted developers to the market area in the northern part of the metropolitan area. Approximately 890 units are currently under construction in the market area.
- The North Pinellas County market area had the highest percentage increase in average asking rent, 5 percent, to \$1,317.

In response to job growth and strong rental demand, multifamily construction in the metropolitan area, as measured by the number of multifamily units permitted, increased significantly from 2012 through 2016. After slowing in 2017 and 2018, the number of multifamily units permitted more than doubled during the past year. During the 12 months ending October 2019, 8,600 multifamily units were permitted in the metropolitan area, up from 3,100 units during the previous 12 months.

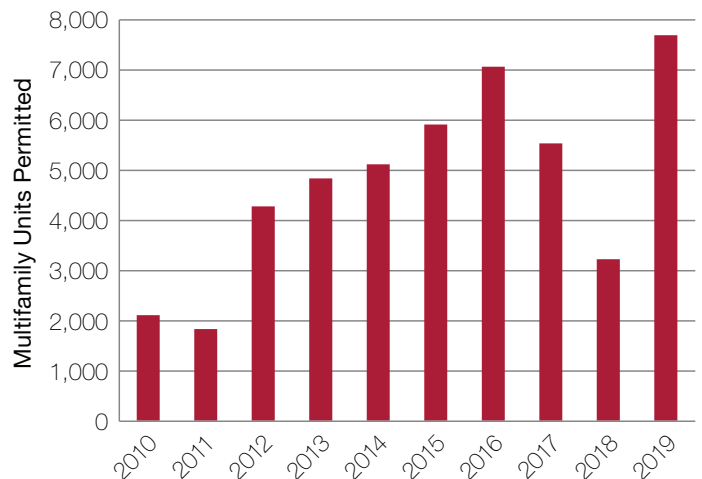
**Despite declining apartment vacancy rates, rent growth slowed in the Tampa metropolitan area during the past year.**



1Q = first quarter. 3Q = third quarter. YoY = year-over-year. Source: RealPage, Inc.

- As of November 1, 2019, an estimated 6,900 multifamily units were under construction in the metropolitan area, compared with 6,100 units a year ago.
- From 2012 through 2016, multifamily permitting increased by an average of 1,050 units, or 31 percent, annually, compared with a decline of 270 units, or 13 percent, in 2011. From 2017 through 2018, multifamily permitting declined an average of 33 percent.
- Development in southern Pinellas County accounts for 13 percent of the multifamily units under construction in the metropolitan area. The Sur Club Apartments is a 296-unit community under construction in the St. Petersburg Skyway Marina District, an emerging neighborhood around the St. Petersburg College–Allstate Center, Eckerd College, and Maximo Marina.
- Icon Central, a 369-unit luxury apartment property, is a mixed-use renovation of the 1926 Union Trust building and an example of the redevelopment and infilling that is taking place in downtown St. Petersburg. The property is currently in lease-up, with rents starting at \$1,730, \$1,844, \$2,655, and \$3,961 for studio, one-, two-, and three-bedroom units, respectively. Rents for the three-bedroom townhome units start at \$6,324.
- In Hillsborough County, the Water Street Tampa planned community encompasses 50 acres between the Ybor Channel and Hillsborough River in the Central Tampa market area. The newest addition to this community, 815 Water Street, includes 420 apartments and is expected to be completed in January of 2021. Rents have not yet been disclosed for these units.

**Multifamily permitting in the Tampa metropolitan area increased each year from 2012 through 2016.**



Note: Includes preliminary data from January 2019 through October 2019. Source: U.S. Census Bureau, Building Permits Survey, with estimates by the analyst

