

HUD PD&R Housing Market Profiles

Tampa-St. Petersburg-Clearwater, Florida



Quick Facts About Tampa-St. Petersburg-Clearwater

- **Current sales market conditions: slightly soft.**
- **Current apartment market conditions: balanced.**
- **The metropolitan area is home to the main campus of the University of South Florida (USF), which has a regional economic impact of \$11.5 billion annually (USF Strategic Plan 2013–2018).**



By T. Michael Miller | As of May 1, 2015

Overview

The Tampa-St. Petersburg-Clearwater (hereafter, Tampa) metropolitan area consists of Hernando, Hillsborough, Pasco, and Pinellas Counties on the Gulf Coast in central Florida. The metropolitan area includes the Port of Tampa, the busiest port in Florida, moving nearly 40 million tons of cargo per year and resulting in a \$15.1 billion economic impact on the metropolitan area (Port of Tampa Economic Impact Study 2013, Martin Associates).

- As of May 1, 2015, the estimated population of the metropolitan area was 2.95 million, an average increase of 32,300, or 1.1 percent, annually since April 2010.
- During the 2000s, population growth peaked at 56,750 people, or 2.2 percent, annually from July 2003 to July 2006, when economic conditions were the strongest. From July 2006 to July 2010, when the economy was the weakest, the population growth rate slowed to an average of 0.8 percent, or 22,350 people, annually.
- Net in-migration has accounted for nearly 95 percent of the total population growth since April 2010 compared with 72 percent from July 2006 to July 2010, primarily a result of a stronger economy.



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Service-providing sectors accounted for more than 90 percent of the job growth in the Tampa area during the past 12 months.

	3 Months Ending		Year-Over-Year Change	
	April 2014 (thousands)	April 2015 (thousands)	Absolute (thousands)	Percent
Total nonfarm payrolls	1,199.7	1,236.1	36.4	3.0
Goods-producing sectors	119.9	122.3	2.4	2.0
Mining, logging, and construction	59.1	60.9	1.8	3.0
Manufacturing	60.8	61.4	0.6	1.0
Service-providing sectors	1,079.8	1,113.8	34.0	3.1
Wholesale and retail trade	200.0	206.5	6.5	3.3
Transportation and utilities	28.2	29.2	1.0	3.5
Information	25.5	25.5	0.0	0.0
Financial activities	100.9	102.3	1.4	1.4
Professional and business services	200.6	203.6	3.0	1.5
Education and health services	187.5	196.1	8.6	4.6
Leisure and hospitality	138.3	148.6	10.3	7.4
Other services	43.7	44.5	0.8	1.8
Government	155.1	157.4	2.3	1.5
	(percent)	(percent)		
Unemployment rate	6.2	5.3		

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

Economic Conditions

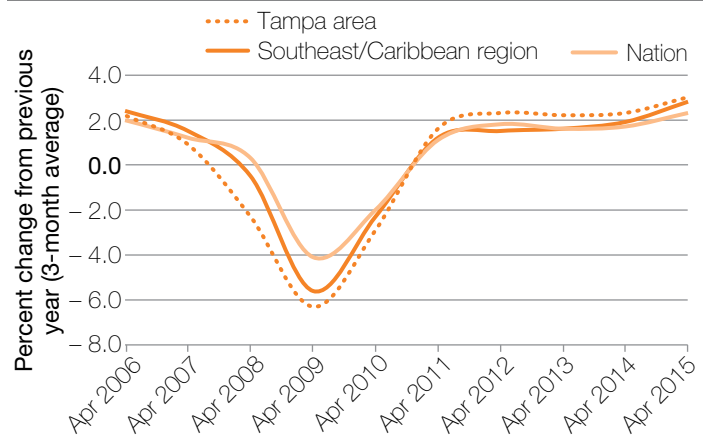
Nonfarm payrolls in the Tampa metropolitan area have increased since 2011, reversing job losses during the previous 4 years; however, nonfarm payrolls remain below the peak level reached in 2006.

During the 3 months ending April 2015—

- Nonfarm payrolls increased by 36,400 jobs, or 3.0 percent, from the 3 months ending April 2014 to an average of 1.24 million jobs compared with the increase of 27,500 jobs, or 2.3 percent, from the 3 months ending April 2013 to the 3 months ending April 2014.
- The leisure and hospitality, education and health services, and wholesale and retail trade sectors led growth with increases of 10,300, 8,600, and 6,500 jobs, or 7.4, 4.6, and 3.3 percent, respectively, accounting for 70 percent of nonfarm payroll growth, partly because of an increase in in-migration of retirees to the area.
- The wholesale and retail trade sector, with 206,500 jobs, is the largest sector with approximately 17 percent of nonfarm payrolls in the metropolitan area and has been the second fastest growing sector since 2010.
- The unemployment rate decreased to its lowest rate since 2007, averaging 5.3 percent, down from 6.2 percent a year earlier.

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Nonfarm payroll growth in the Tampa area has out-paced growth in the Southeast/Caribbean region and the nation since 2011.



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

Largest employers in the Tampa area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
BayCare Health System	Education and health services	22,900
MacDill Air Force Base (AFB)	Government	12,200
Home Shopping Network, Inc.	Information	10,550

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



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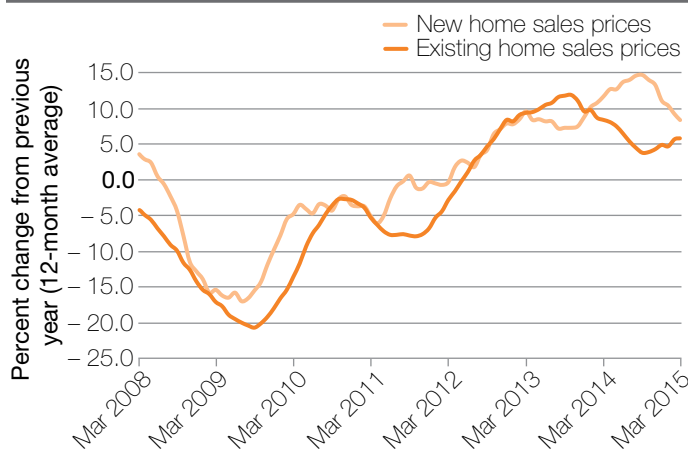
USF has an enrollment of 46,500 students in the metropolitan area, with 41,900 attending the main campus in north Tampa and an additional 4,600 attending the St. Petersburg campus. The USF system, which includes USF, USF St. Petersburg, and USF Sarasota-Manatee, has an annual economic impact of \$11.5 billion on the region (USF Strategic Plan 2013–2018). USF is the fourth largest employer in the metropolitan area, with 9,000 employees. MacDill Air Force Base (AFB) employs 8,200 military personnel and 4,000

civilians and is the second largest employer in the metropolitan area. The AFB has a \$2.9 billion impact on the local economy annually (The 6th Comptroller Squadron Economic Impact Statement, Fiscal Year 2010). More than 95,000 former military members live in the metropolitan area, providing highly skilled workers for area businesses. The military retirees in the metropolitan area receive \$2 billion in pensions and transfers, which adds to the economic impact.

Sales Market Conditions

Sales housing market conditions are slightly soft but improving in the Tampa metropolitan area. The estimated sales vacancy rate is currently 2.2 percent, down from 3.5 percent in April 2010. During April 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 (Greater Tampa Association of Realtors®). As of April 2015, 8.2 percent of home loans in the metropolitan area were seriously delinquent (90 or more days delinquent or in foreclosure) or transitioned into real estate owned (REO) status, down from 10.7 percent a year earlier (Black Knight Financial Services, Inc.). The rate of home loans that were seriously delinquent or transitioned into REO status peaked in January 2012, at 18.1 percent. As loan delinquencies continued to improve, so did the share of underwater mortgages. Underwater mortgages comprised 36 percent of all home loans in the metropolitan area as of April 2015 compared with approximately 44 percent a year ago (CoreLogic, Inc.). The percentage of underwater loans peaked at 70 percent in December 2011, when the sales market was softer.

The average price of new and existing homes sold in the Tampa area increased during the past 36 months.



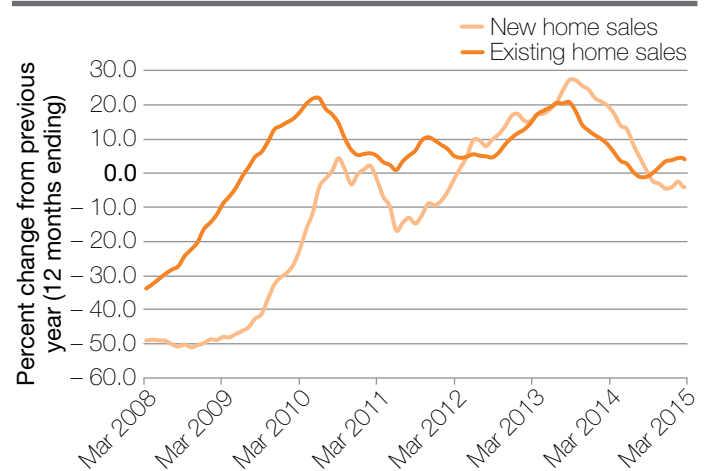
Note: Includes single-family homes, townhomes, and condominiums. Source: CoreLogic, Inc., with adjustments by the analyst

During the 12 months ending March 2015—

- Sales of existing homes totaled 66,650, up 4 percent from a year earlier; existing home sales increased an average of 11 percent annually from the end of 2009 through 2013, while the housing market recovered (CoreLogic, Inc., with adjustments by the analyst).
- The average sales price of an existing home increased 6 percent, to \$166,200, compared with an average increase of 9 percent annually from 2012 through 2013.
- Approximately 26 percent of existing home sales were distressed home sales (REO sales and short sales), down slightly from 28 percent a year earlier and the peak of 40 percent during the 12 months ending May 2011.
- New home sales decreased 4 percent, to 6,325 homes, from a year earlier; new home sales increased an average of nearly 21 percent annually from 2012 through 2013.
- The average sales price for a new home increased 8 percent, to \$276,900. The average new home sales price increased an average of about 8 percent annually from 2012 through 2013.

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New and existing home sales in the Tampa area slowed during the past year after 2 years of strong growth.



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

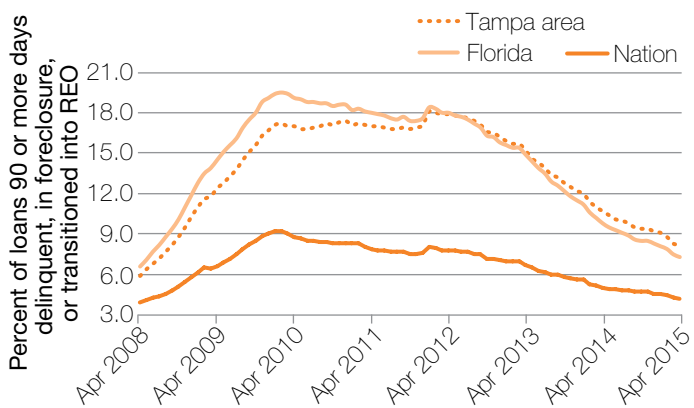


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A modest decrease in the number of new homes sold in the metropolitan area during the 12 months ending March 2015 coincided with a slight decrease in single-family construction activity during 2014, as measured by the number of homes permitted.

- During the 3 months ending April 2015, the number of single-family homes permitted increased 25 percent, to 2,200, from a year earlier (preliminary data). By comparison, single-family home permitting decreased an average of 13 percent during the 3 months ending April 2014 from a year earlier.

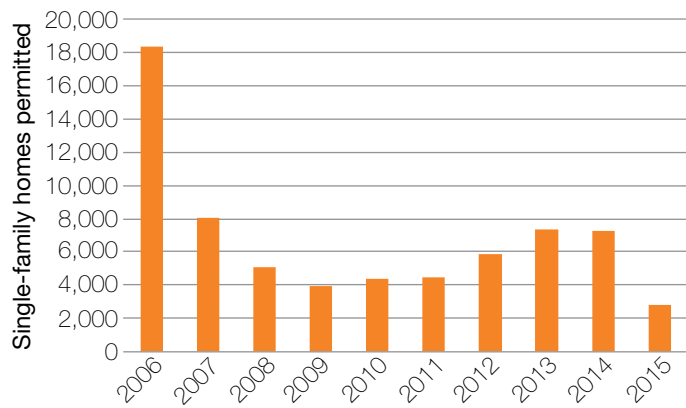
The percentage of seriously delinquent home loans and REO properties in the Tampa area has exceeded the level in Florida since 2012.



REO = real estate owned.
Source: Black Knight Financial Services, Inc.

- Bexley Ranch residential community is currently under construction in the city of Land O' Lakes, in southern Pasco County. The first phase will consist of 1,200 single-family homes 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, construction started in April 2015. The community will consist of 2,500 single-family homes and townhomes ranging in size from 1,600 to 4,100 square feet, with sales prices starting at \$250,000; no completion date has been set.

Permitting of single-family homes decreased slightly in the Tampa area during 2014 after increasing each year since 2009.



Note: Includes preliminary data from January 2015 through April 2015.
Source: U.S. Census Bureau, Building Permits Survey

Apartment Market Conditions

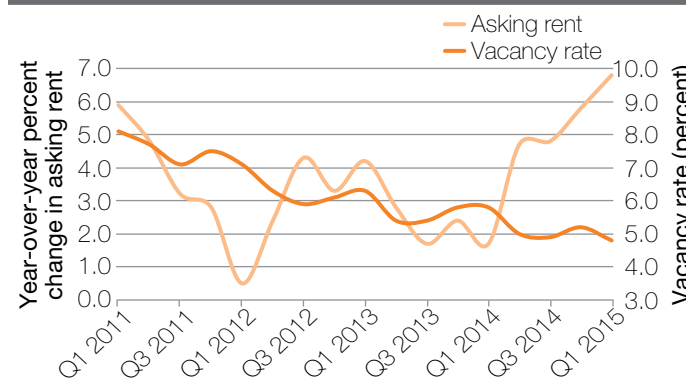
Apartment market conditions in the Tampa metropolitan area are balanced. An expanding economy, increased propensity to rent, and increased in-migration have contributed to balanced apartment market conditions since mid-2012.

- During the first quarter of 2015, the apartment vacancy rate was 4.8 percent, down from 5.8 percent a year earlier, and the average rent increased 7 percent, to \$954 (MPF Research).
- Vacancy rates continue to decline as strong rental demand continues to outpace new supply. Apartment absorption of 21,850 units since 2010 has exceeded the 13,300 apartment units added in the metropolitan area during the same period, resulting in balanced apartment conditions since mid-2012.
- The average rents were \$810, \$995, and \$1,261 for one-, two-, and three-bedroom apartments, respectively, during the first quarter of 2015.

- USF and the University of Tampa house a combined 7,025 students on campus. An estimated 46,750 additional university students live off campus.

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Average rents continued to rise and vacancy rates to decline despite increased multifamily construction activity.



Source: MPF Research

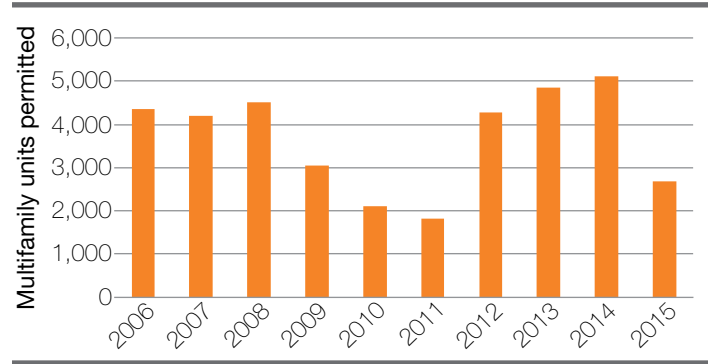


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Multifamily construction activity, as measured by the number of units permitted, increased during the 12 months ending April 2015 as builders responded to increased rental housing demand. During the 12 months ending April 2015, 5,425 multifamily units were permitted, up 10 percent compared with 4,925 units permitted during the previous 12 months (preliminary data).

- Multifamily permitting activity averaged 1,975 units annually from 2010 through 2011 and then more than doubled to average 4,550 units annually from 2012 through 2013.
- Construction is currently under way at the 69-unit Hilltop Landings apartment development in Pasco County. Hilltop Landings is expected to be complete in early 2016 with monthly asking rents of \$638, \$740, and \$969 for one-, two-, and three-bedroom units, respectively.
- The 203-unit Tempo at ENCORE!, currently under construction in downtown Tampa, is expected to open in early 2016. The project will complete ENCORE!—the 660-unit, 40-acre, master-planned urban redevelopment. Monthly rents at 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.

During the past 12 months, multifamily permitting in the Tampa area reached its highest level since 2005.



Note: Includes preliminary data from January 2015 through April 2015.
Source: U.S. Census Bureau, Building Permits Survey

