

HUD PD&R Housing Market Profiles

Tampa-St. Petersburg-Clearwater, Florida

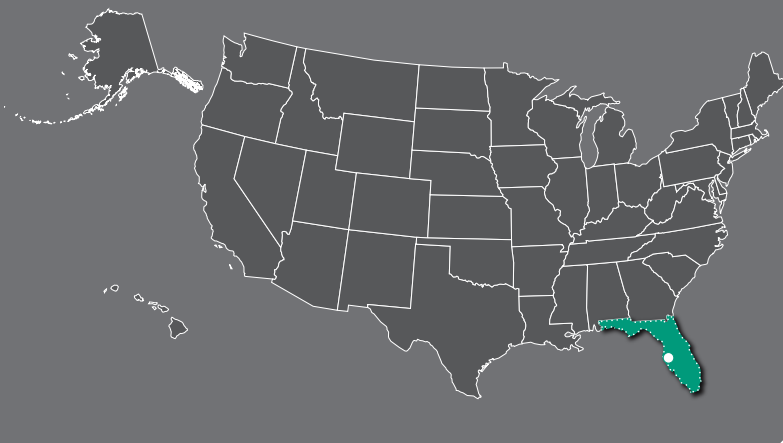


Quick Facts About Tampa-St. Petersburg-Clearwater, Florida

Tampa, Florida

By [Joseph Shinn](#) | As of March 1, 2024

- Current sales market conditions: slightly tight but easing
- Current apartment market conditions: slightly soft
- Education and health services is the second largest job sector, accounting for 16 percent of all nonfarm payrolls. Two of the three largest employers are in the sector, including the largest, BayCare Health System, with 29,400 employees.



Overview

The Tampa-St. Petersburg-Clearwater, FL Metropolitan Statistical Area (hereafter, Tampa metropolitan area) is on the central western shore of Florida and consists of Hernando, Hillsborough, Pasco, and Pinellas Counties. By September 2021, the economy of the metropolitan area had fully recovered all jobs lost from the COVID-19 global pandemic during March and April 2020 (not seasonally adjusted), and nonfarm payrolls are currently 9.9 percent above prepandemic levels. As of the 3 months ending February 2024, nonfarm payrolls in the metropolitan area were up in 9 of 11 sectors compared with the 3 months ending February 2023, with 36 percent of the net job gains in the education and health services sector.

- As of March 1, 2024, the population of the metropolitan area is estimated at 3.36 million, representing an average increase of 47,550, or 1.5 percent, annually since 2020 (U.S. Census Bureau decennial census count). Previously, from 2017 to 2020, the population increased by an average of 40,750, or 1.3 percent, annually.
- Since 2020, net in-migration to the metropolitan area has averaged 53,000 people annually compared with 41,950

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people a year from 2017 to 2020. The stronger net in-migration in recent years is largely due to the economy of the metropolitan area expanding at a faster pace than the nation overall.

- As of July 1, 2023, the population of Pasco County was 632,996, representing an average annual increase of 21,900,

or 3.7 percent, annually since 2020, strengthening from an average annual 2.7-percent rise from 2017 to 2020 (Census Bureau decennial census count; population estimates as of July 1). Population growth in the metropolitan area has been strongest in Pasco County, especially in recent years, primarily because it has attracted residents seeking more affordable housing options.

Economic Conditions

Nonfarm payrolls in the Tampa metropolitan area increased strongly during the past 3 years, and the total number of jobs lost during March and April 2020 from the COVID-19 global pandemic was fully recovered by September 2021 (not seasonally adjusted). As of the 3 months ending February 2024, the level of nonfarm payrolls in the metropolitan area was 139,700 jobs, or 9.9 percent, above the level as of the 3 months ending February 2020. By comparison, nonfarm payrolls nationwide as of the 3 months ending February 2024 were 3.6 percent above the level during the same period in 2020.

As of the 3 months ending February 2024—

- Nonfarm payrolls in the metropolitan area averaged 1.55 million jobs, representing an increase of 33,700 jobs, or 2.2 percent, from the 3 months ending February 2023. Year-over-year job growth averaged 5.0 percent during the previous 2 years.
- The largest gain was in the education and health services sector, which increased by 12,300 jobs, or 5.3 percent,

compared with the 3 months ending February 2023, with 41 percent of the increase in the hospitals industry, which was up by 5,000 jobs, or 8.5 percent. Tampa General Hospital opened a new emergency department in 2023, adding approximately 100 jobs.

- Additional significant gains were in the leisure and hospitality, the wholesale and retail trade, and the government sectors, which were up by 4,800, 3,900, and 3,500 jobs, or 2.9, 1.7, and 2.2 percent, respectively. Losses in the information and the professional and business services sectors—which declined by 100 jobs each, or 0.3 and less than 0.1 percent, respectively—slightly offset these gains.
- The unemployment rate in the metropolitan area was 3.2 percent, up from the 2.5-percent rate a year ago, due to a 1.6-percent increase in the labor force, which outpaced the 0.8-percent rise in resident employment. The current rate in the metropolitan area is higher than the 3.0-percent rate in Florida but lower than the national rate of 3.9 percent.

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Nonfarm payrolls in the Tampa metropolitan area were up in most sectors as of the 3 months ending February 2024.

	3 Months Ending		Year-Over-Year Change	
	February 2023 (Thousands)	February 2024 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	1,516.2	1,549.9	33.7	2.2
Goods-Producing Sectors	165.3	169.9	4.6	2.8
Mining, Logging, & Construction	91.2	93.6	2.4	2.6
Manufacturing	74.2	76.3	2.1	2.8
Service-Providing Sectors	1,350.9	1,380.0	29.1	2.2
Wholesale & Retail Trade	227.1	231.0	3.9	1.7
Transportation & Utilities	52.5	53.2	0.7	1.3
Information	29.6	29.5	-0.1	-0.3
Financial Activities	142.1	144.8	2.7	1.9
Professional & Business Services	291.7	291.6	-0.1	0.0
Education & Health Services	233.8	246.1	12.3	5.3
Leisure & Hospitality	164.5	169.3	4.8	2.9
Other Services	53.6	55.0	1.4	2.6
Government	156.0	159.5	3.5	2.2
Unemployment Rate	2.5%	3.2%		

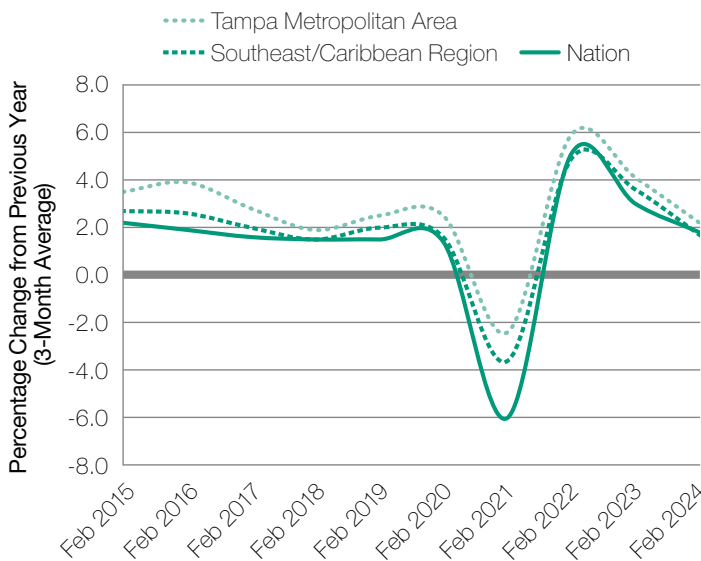
Note: Numbers may not add to totals due to rounding.

Source: U.S. Bureau of Labor Statistics



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Nonfarm payrolls in the Tampa metropolitan area increased during the past 3 years, although the rate of growth slowed each year.



Source: U.S. Bureau of Labor Statistics

Higher education contributes significantly to the local economy, although enrollment has been declining in recent years. The metropolitan area is home to six colleges and universities, which combined, had approximately 115,400 students and 16,700 employees, excluding student workers, in 2022 (National Center for Educational Statistics). From 2018 through 2022, enrollment at these schools decreased an average of 2 percent annually compared with an average annual 1-percent increase from 2010 through 2018. The University of South Florida, which has campuses in the cities of Tampa and St. Petersburg, is the largest of these schools. The campuses have a combined 9,175 employees and 48,750 enrolled students.

Largest Employers in the Tampa Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
BayCare Health System	Education & Health Services	29,400
Publix Super Markets, Inc.	Wholesale & Retail Trade	27,000
HCA Healthcare West Florida Division	Education & Health Services	18,000

Note: Excludes local school districts.

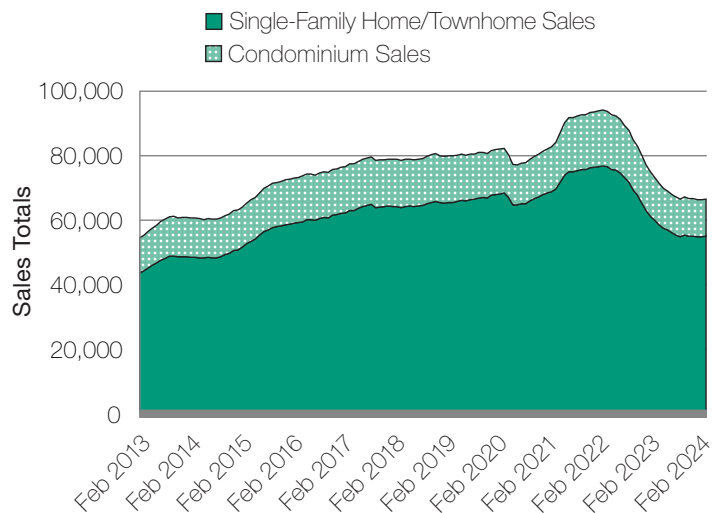
Source: Tampa Bay Business Journal

Sales Market Conditions

The sales housing market in the Tampa metropolitan area is slightly tight but easing. In February 2024, the metropolitan area had a 3.3-month supply of available for-sale housing, up from 2.6 months in February 2023, and the homes that sold were on the market an average of 47 days, representing a 9-percent increase from 43 days a year ago (Redfin, a national real estate brokerage). Sales market conditions eased, and home sales decreased significantly during the past 2 years because of a sharp increase in mortgage interest rates. During 2023, the interest rate of a 30-year, fixed-rate mortgage averaged 6.8 percent, up from 5.3 percent during 2022 and significantly higher than the average 3.1-percent rate during 2020 and 2021 (Freddie Mac).

During the 12 months ending February 2024, approximately 66,300 new and existing single-family homes, townhomes, and condominiums sold, representing a decrease of 6,725 homes, or 9 percent, compared with the 12 months ending February 2023, when home sales were down 22 percent from the same period a year earlier (Redfin, a national real estate brokerage). By comparison, home sales increased 15 percent during 2021, reaching an all-time peak of 93,300 homes sold. The average sales price of new and existing homes in the metropolitan area increased in each of the past 11 years. However, price growth has slowed during the past year, partly due to a decrease in competition for homes. During the 12 months ending February 2024, 17 percent of all homes sold at a price above the original listing price, down significantly from 37 percent of all homes

Sales of single-family homes, townhomes, and condominiums in the Tampa metropolitan area decreased significantly during the past 2 years.



Note: Includes new and existing home sales.

Source: Redfin, a national real estate brokerage

sold during the previous 2 years. During the past year, the average sales price of new and existing homes increased 4 percent to \$451,500. During 2021 and 2022, the average sales price was up an average of 19 percent annually compared with an average annual 8-percent rise from 2013 through 2020.

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During the 12 months ending February 2024—

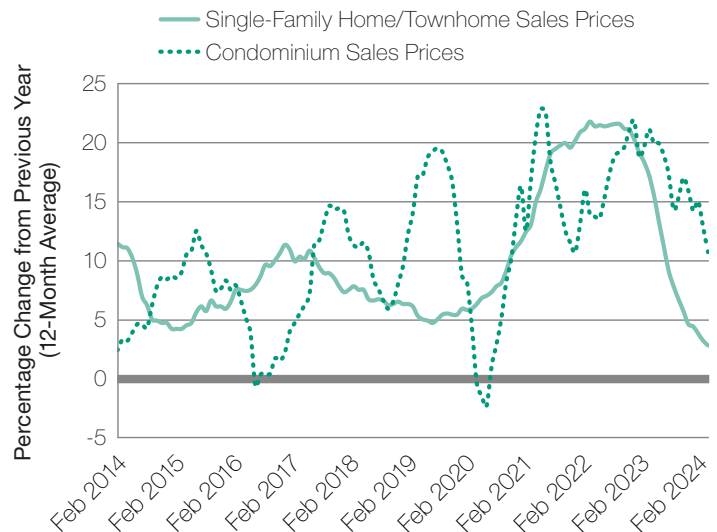
- Sales of new and existing single-family homes and townhomes in the metropolitan area totaled approximately 54,900 homes, representing a decrease of 4,900 homes, or 8 percent, compared with the 12 months ending February 2023 (Redfin, a national real estate brokerage). Home sales have declined an average of 14 percent annually since 2022, following a 12-percent increase during 2021.
- The average sales price of new and existing single-family homes and townhomes increased 3 percent to \$463,200. The average sales price was up an average of 20 percent annually during 2021 and 2022 compared with an average annual 8-percent increase from 2013 through 2020.
- Sales of new and existing condominiums totaled approximately 11,400 units, down by 1,825 units, or 14 percent, compared with a 24-percent decline a year ago. During 2021, condominium sales increased 28 percent year over year to an all-time peak of 17,150 units sold.
- The average sales price of new and existing condominiums increased 11 percent to \$395,400. The average sales price has increased an average of 15 percent annually since 2020 compared with an average annual 9-percent rise from 2014 through 2019, and during the past 10 years, the average price nearly tripled.

In January 2024, 1.2 percent of home loans in the metropolitan area were seriously delinquent or in real estate owned (REO) status, down from 1.5 percent in January 2023 (CoreLogic, Inc.). The rate increased from a prepandemic low of 1.6 percent in March 2020 to 5.3 percent in August 2020, when the number of home loans that were 90 or more days delinquent more than tripled because many homeowners were unable to make mortgage payments due to rising unemployment. With the recovery of jobs and declining unemployment, more households caught up on payments, and the number of home loans that are 90 or more days delinquent has declined 79 percent since August 2020. The current rate of home loans that are seriously delinquent or in REO status in the metropolitan area is equal to the 1.2-percent rate in Florida but slightly higher than the 1.0-percent rate in the nation.

Single-family construction activity in the metropolitan area, as measured by the number of homes permitted, increased during the past year, partly because the inventory of for-sale existing homes has been relatively low.

- During the 12 months ending February 2024, single-family construction activity in the metropolitan area totaled 15,750 homes permitted, representing an increase of 1,100 homes,

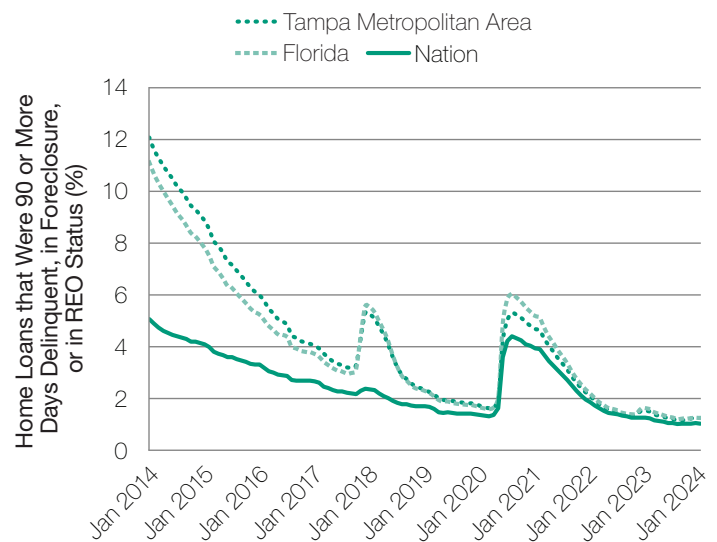
The average sales prices of single-family homes, townhomes, and condominiums in the Tampa metropolitan area have generally risen since 2013, although the rates of increase slowed during the past year.



Note: Includes new and existing home sales.

Source: Redfin, a national real estate brokerage

The rate of seriously delinquent mortgages and REO properties in the Tampa metropolitan area increased significantly from April through August 2020 but has generally declined since September 2020.



REO = real estate owned.

Source: CoreLogic, Inc.

or 8 percent, compared with the 12 months ending February 2023 (preliminary data, with adjustments by the analyst).

- During 2022 and 2023, an average of approximately 15,250 homes were permitted annually, down 21 percent from

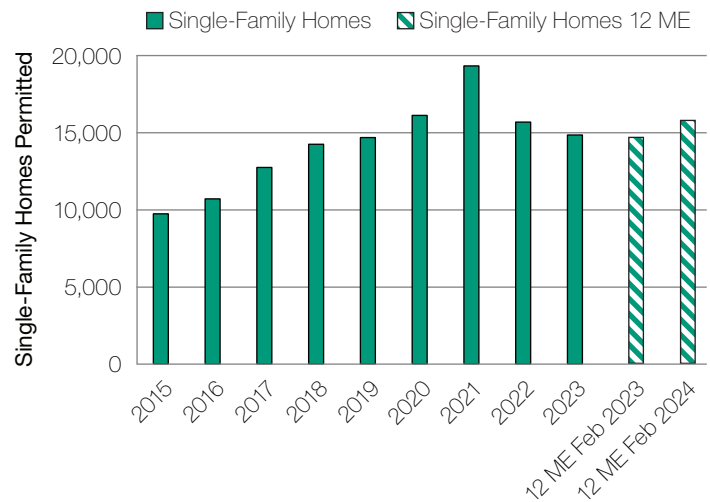
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the 15-year peak of 19,300 homes permitted during 2021 but up 2 percent compared with the average of 15,000 homes permitted annually from 2018 through 2020. Since 2021, approximately 47 percent of all single-family homes permitted in the metropolitan area were in Pasco County, up from 29 percent from 2018 through 2020; the recent increase in homebuilding activity in Pasco County is largely attributed to more people moving into the county because of relatively more affordable housing.

- Since 2020, an average of approximately 830 condominiums have been permitted annually, more than triple the average of 250 permitted annually from 2015 through 2019. Construction of the 46-story Residences at 400 Central in St. Petersburg, overlooking the Tampa Bay harbor, started in late 2023; prices for the 301 two- and three-bedroom condominiums start at \$1.27 and \$1.70 million, respectively.

Single-family homebuilding activity in the Tampa metropolitan area increased during the past year.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2015–22—final data; 2023 and past 24 months of data—preliminary data and estimates by the analyst

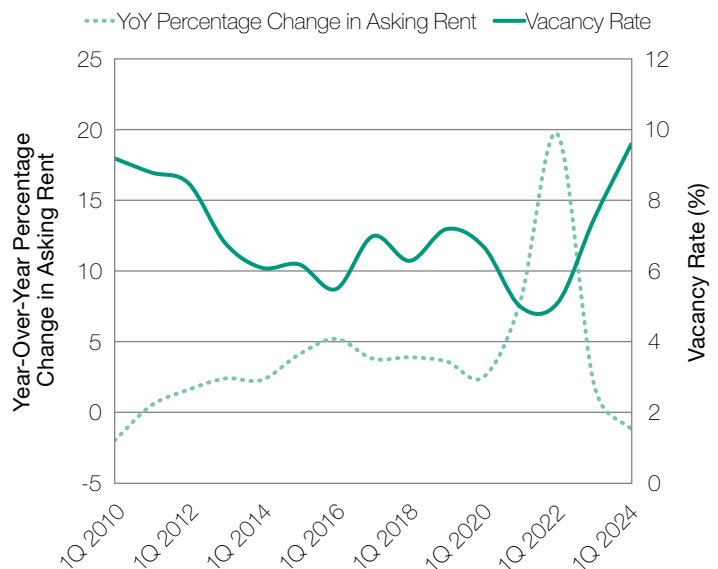
Apartment Market Conditions

Apartment market conditions in the Tampa metropolitan area are currently slightly soft compared with balanced conditions in 2020. The apartment market tightened during 2021 but then softened because high levels of new apartment completions outpaced apartment unit absorption. Since 2022, an average of approximately 8,650 new apartment units have been completed annually compared with an average of 3,000 units absorbed annually (CoStar Group).

As of the first quarter of 2024—

- The apartment vacancy rate in the metropolitan area was 9.6 percent, up from 7.5 percent as of the first quarter of 2023 and significantly higher than the 5.0-percent rate as of the first quarter of 2021, which was the lowest first quarter vacancy rate in more than 20 years (CoStar Group). By comparison, from 2013 through 2020, when conditions were generally balanced, the first quarter vacancy rate ranged from 5.5 to 7.2 percent.
- Vacancy rates were up compared with a year ago in 11 of the 13 CoStar Group-defined market areas (hereafter, market areas) that make up the metropolitan area, led by the Pasco County and Hernando County market areas, where the vacancy rates rose 9.1 and 3.9 percentage points to 18.1 and 15.2 percent, respectively. In the Downtown Tampa and Downtown St. Petersburg market areas, the

During the past year, the apartment vacancy rate increased in the Tampa metropolitan area, and rent growth slowed.



1Q = first quarter. YoY = year-over-year.

Source: CoStar Group

vacancy rates declined 2.6 and 1.6 percentage points to 7.2 and 6.5 percent, respectively, because of a limited number of new apartment units completed during the past year.

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- Due to rising vacancy rates, the average apartment rent in the metropolitan area declined 1 percent to \$1,772 compared with the first quarter of 2023, when the average rent increased 2 percent from a year earlier. By comparison, as of the first quarter of 2022, the average rent rose 20 percent from the first quarter of 2021.
- Average apartment rents were down or unchanged in 10 of 13 market areas, led by 3-percent declines in the Southeast Tampa and Northwest Tampa market areas to \$1,751 and \$1,653, respectively. The average rents increased 1 percent each in the Downtown Tampa, North Pinellas, and East Tampa market areas to \$2,561, \$1,690, and \$1,477, respectively.

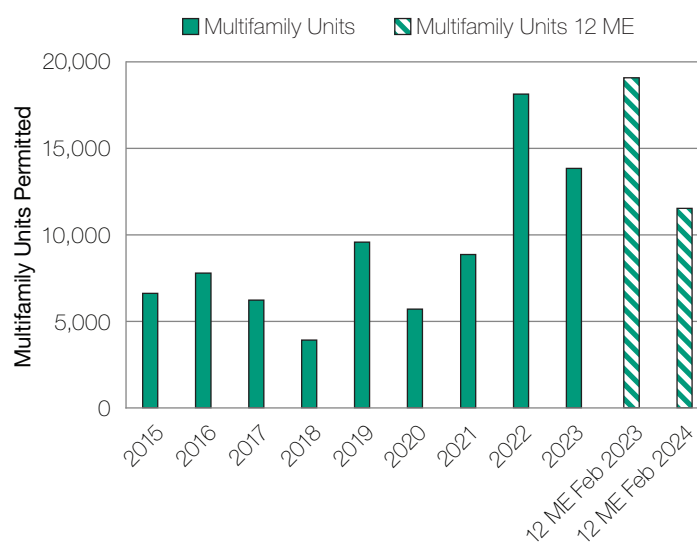
In response to rising apartment vacancy rates, multifamily building activity, as measured by the number of multifamily units permitted, declined significantly during the past year.

- During the 12 months ending February 2024, 11,500 multifamily units were permitted, down by 7,550 units, or 40 percent, compared with the 12 months ending February 2023 (preliminary data, with adjustments by the analyst). During 2022, approximately 18,100 multifamily units were permitted, more than double the average of 8,025 units permitted annually from 2019 through 2021 and nearly triple the average of 6,125 units permitted annually from 2015 through 2018.
- Since 2020, an estimated 93 percent of all multifamily permitting has been for apartments, down from 96 percent of multifamily units permitted from 2015 through 2019.
- Recent apartment construction included the 300-unit Silversaw apartment community in Pasco County, which was completed in mid-2023; rents for the studio, one-bedroom, two-bedroom, and three-bedroom units start

at \$1,575, \$1,600, \$1,950, and \$2,375, respectively. In the city of Tampa, the 289-unit NOVEL Beach Park apartment community was completed in late 2023; rents for the studio, one-bedroom, two-bedroom, and three-bedroom units start at \$2,200, \$2,575, \$3,500, and \$5,275, respectively.

- Since 2018, an average of approximately 330 single-family homes have been built for rent compared with an average of less than 5 homes per year from 2010 through 2017 (CoStar Group). The 104 single-family homes at Hidden Creek in Pasco County were completed in early 2024, and rents for the three- and four-bedroom homes start at \$1,900 and \$2,675, respectively.

Multifamily building activity in the Tampa metropolitan area decreased significantly during the past year.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2015–22—final data; 2023 and past 24 months of data—preliminary data and estimates by the analyst

Terminology Definitions and Notes

A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic area.
Apartment Vacancy Rate/Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
Building Permits	Building permits do not necessarily reflect all residential building activity. 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.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

B. Notes on Geography

1.	The 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 April 10, 2018.
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