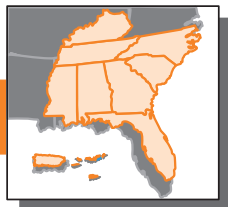


# Housing Market Profile



Southeast/Caribbean • HUD Region IV

## Tampa-St. Petersburg-Clearwater, Florida

The Tampa-St. Petersburg-Clearwater metropolitan area, located on the Gulf Coast in central Florida, comprises Hernando, Hillsborough, Pasco, and Pinellas Counties. Tampa, St. Petersburg, and Clearwater are the principal cities in the metropolitan area; Tampa is the third largest city in Florida. The metropolitan area is home to the University of South Florida (USF), the third largest employer in the area, with 15,100 employees and 44,400 students enrolled at the Tampa and St. Petersburg campuses. The USF System, which includes two additional campuses outside the metropolitan area, has an enrollment of more than 47,550 students and an annual economic impact of \$3.7 billion on the region, according to the USF System. As of July 1, 2011, the population of the metropolitan area was estimated at 2,806,000, the second most populous metropolitan area in Florida, with an annual 0.7-percent increase since April 1, 2010. Population growth has been slow since 2006 because of decreasing net in-migration resulting from the weak economy; the population has grown by an average of 0.8 percent annually, down from 2.2 percent annually during the previous 3 years.

The economy weakened during the past year, continuing a trend that began in 2006, but the job loss rate has slowed considerably. During the 12 months ending May 2011, nonfarm payrolls declined by 1,600 jobs, or 0.1 percent, from the previous 12-month period to total 1,118,000 compared with a decrease of 53,000 jobs, or 4.5 percent, during the 12 months ending May 2010. During the 3 months ending May 2011, nonfarm payrolls increased by 3,900 jobs, or 0.3 percent, compared with the average during the 3 months ending May 2010.

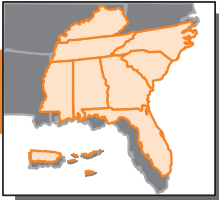
The professional and business services and education and health services sectors led job growth during the 12 months ending May 2011, adding 3,300 jobs each, increasing by 1.7 and 1.9 percent, respectively. Progressive Casualty Insurance Company contributed to this growth, adding 240 jobs in the Tampa area. The persistently soft housing market continued to affect the construction subsector and financial activities sector, which led job losses during the past 12 months. The construction subsector lost 4,000 jobs, a 7.3-percent decrease, and the financial activities sector declined by 2,400 jobs, or 2.7 percent, from the previous 12-month period. The average unemployment rate increased

slightly to 11.8 percent during the 12 months ending May 2011, from 11.6 percent during the previous 12-month period.

Sales housing market conditions in the metropolitan area are currently soft. Conditions improved during the past year as home sales increased, but the growth in total sales slowed from the previous year. According to the Greater Tampa Association of REALTORS®, 21,050 existing homes sold during the 12 months ending May 2011, an increase of 280 homes, or 1 percent, compared with an increase of 4,425 homes, or 27 percent, during the 12 months ending May 2010, which resulted from the now-expired homebuyer tax credit. During the 12 months ending May 2011, the average sales price declined by 6 percent to approximately \$152,700, the result of an increase in distressed home sales. According to LPS Applied Analytics, 17 percent of loans in the metropolitan area were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned) during May 2011, a rate unchanged compared with May 2010. According to Hanley Wood, LLC, new home sales declined by 10 percent during the past 12 months to 4,375 homes sold compared with 4,875 homes sold during the previous 12-month period. The average sales price declined by 6 percent, from \$224,800 to \$212,500, during the same period.

New single-family home construction activity, as measured by the number of permits issued, continued to decline during the past year because of job losses and soft housing market conditions. According to preliminary data, 4,225 homes were permitted during the 12 months ending May 2011, a decrease of 330 homes, or 7 percent, from the same period a year earlier. The number of single-family homes permitted peaked in 2005 at 27,650 and declined every year until reaching a historic low of 3,925 homes permitted in 2009. An average of 11,250 homes was permitted annually from 2005 through 2010.

The rental housing market in the metropolitan area is currently soft, but conditions improved significantly during the past 2 years. According to Real Data, the apartment vacancy rate was 7.5 percent in May 2011, down from 9 percent in May 2010 and a record high of 10 percent in May 2009. Approximately 7,175 apartment units were absorbed during the past 2 years, following 3 years of negative absorption. Average rent increased to approximately \$840 in May 2011, a 2 percent increase from May 2010, the highest growth since 2006. The USF Tampa campus, which enrolls approximately 40,450 students, significantly impacts the local rental market.



The campus houses an estimated 3,550 students; the remaining 36,900 students reside mainly in off-campus apartments, representing approximately 20 percent of renter households in Hillsborough County. According to Real Data, the Tampa-Northeast-1 submarket, where the USF Tampa campus is located, had an 8.8-percent apartment vacancy rate in May 2011, down significantly from 11.8 percent in May 2010. The average rent was approximately \$850, up 2 percent from the previous year.

Although the rental market is improving, new multifamily construction is still minimal. The significant number of condominiums and single-family homes that remain available for rent after overbuilding from 2003 through 2005 contribute to soft rental conditions.

According to preliminary data, approximately 1,875 multifamily units were permitted during the 12 months ending May 2011, a decline of 880, or 32 percent, from the previous 12-month period, which is fewer permits than in any other year in the past decade. During the past 3 years, an average of 3,225 multifamily units was permitted annually. According to Real Data, as of May 2011, 2,350 apartments were under construction in the Tampa area. Colonial Grand at Hampton Preserve, a \$58 million apartment complex currently under construction in north Tampa, will consist of 486 one-, two-, and three-bedroom units, with completion expected in the fourth quarter of 2012 and move-ins beginning October 2011.