COMPREHENSIVE HOUSING MARKET ANALYSIS

Tampa-St. Petersburg-Clearwater, Florida

U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

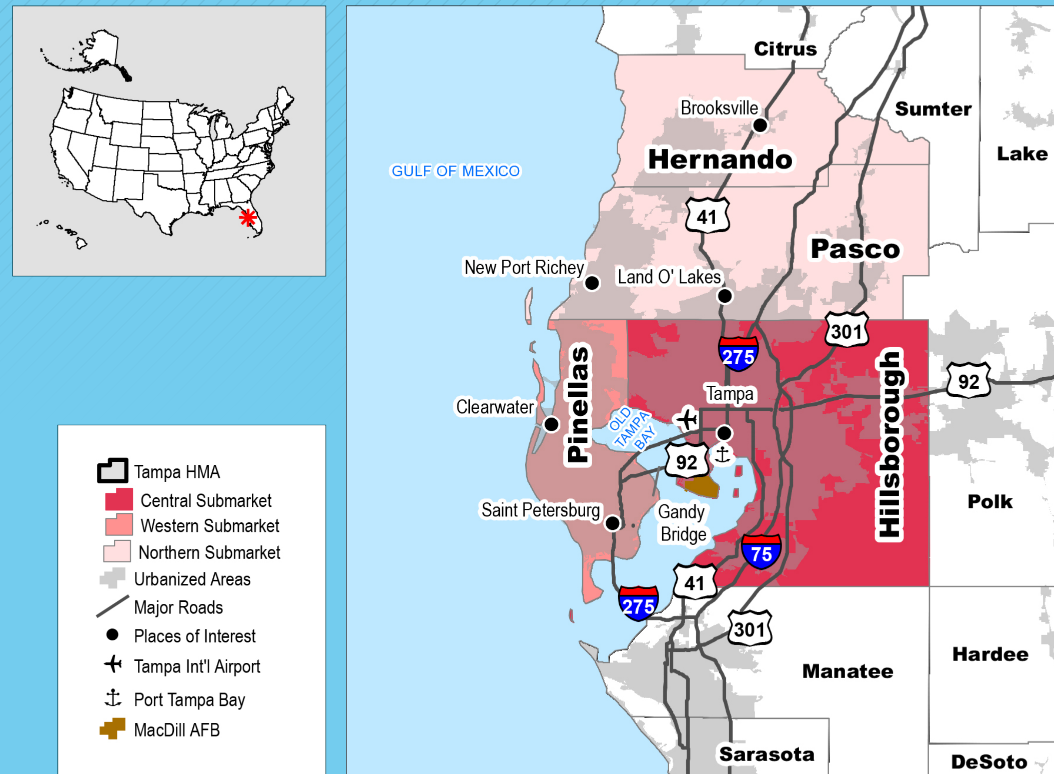
As of December 1, 2021

Executive Summary

Housing Market Area Description

The Tampa-St. Petersburg-Clearwater Housing Market Area (hereafter, Tampa HMA) is on the central western shore of Florida. For the purposes of this analysis, the HMA includes four counties, which are divided into three submarkets. The Central submarket is defined as Hillsborough County and includes the principal city of Tampa. The Western submarket consists of Pinellas County, including the cities of St. Petersburg and Clearwater. The Northern Suburbs submarket includes Hernando and Pasco Counties.

The current population of the HMA is estimated at 3.24 million.



Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's Market-at-a-Glance tool.
Additional data for the HMA can be found in this report's supplemental tables.
For information on HUD-supported activity in this area, see the Community Assessment Reporting Tool.

Market Qualifiers

Economy

Moderate, but Improving: During the 12 months ending November 2021, nonfarm payrolls in the Tampa HMA were higher than pre-COVID-19 levels; however, some sectors have yet to recover from 2020 job losses.

Economic conditions strengthened in the Tampa HMA during the past year after the downturn in 2020 caused by the COVID-19 pandemic. Prior to job losses incurred in 2020, the economy in the HMA had been in a prolonged period of strong job growth during the 2010s. During the 12 months ending November 2021, nonfarm payrolls increased 3.1 percent to an average of 1.39 million. The most significant job gains were in the professional and business services and leisure and hospitality sectors, which increased 6.9 and 7.1 percent, respectively. Nonfarm payroll growth in the HMA is expected to average 2.2 percent annually during the 3-year forecast period. Strong growth during the first year is expected to moderate slightly in the second and third years as payrolls in all sectors surpass prepandemic levels.

Sales Market

Tight: The Tampa HMA had a 0.8-month supply of available inventory during November 2021, down from a 1.3-month supply during November 2020 (Greater Tampa REALTORS®).

The sales vacancy rate in the HMA is estimated at 1.2 percent as of December 1, 2021, down from 3.5 percent during April 2010. During the 12 months ending November 2021, approximately 109,300 homes sold, up 16 percent from the previous 12 months, while the average sales price increased 19 percent to $326,100 (CoreLogic, Inc. with adjustments by the analyst). Demand is expected for 52,400 new homes during the forecast period. The 9,200 homes currently under construction will meet some of that demand.

Rental Market

Slightly Tight: The apartment market vacancy rate was 4.5 percent during the third quarter of 2021, down from 6.6 percent a year ago (CoStar Group).

Rental housing market conditions in the HMA are currently slightly tight, despite the addition of a large number of units during the past year. The overall rental vacancy rate is estimated at 7.3 percent, significantly below the 13.1-percent rate in April 2010. The average apartment rent in the HMA was $1,634 during third quarter of 2021, up 24 percent from a year ago (CoStar Group). During the forecast period, demand is expected for 23,600 new rental units in the HMA. The approximately 11,550 rental units currently under construction will satisfy most of the demand during the next 2 years.

TABLE OF CONTENTS

Economic Conditions 4
Population and Households 9
Home Sales Market 14
Rental Market 26
Terminology Definitions and Notes 35

3-Year Housing Demand Forecast

	Sales Units				Rental Units			
	Tampa HMA Total	Central Submarket	Western Submarket	Northern Suburbs Submarket	Tampa HMA Total	Central Submarket	Western Submarket	Northern Suburbs Submarket
Total Demand	52,400	26,800	3,850	21,750	23,600	12,500	6,400	4,700
Under Construction	9,200	3,350	750	5,100	11,550	7,600	2,175	1,775

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, 2021. The forecast period is December 1, 2021, to December 1, 2024.
Source: Estimates by the analyst

Economic Conditions

Largest Sector: Professional and Business Services

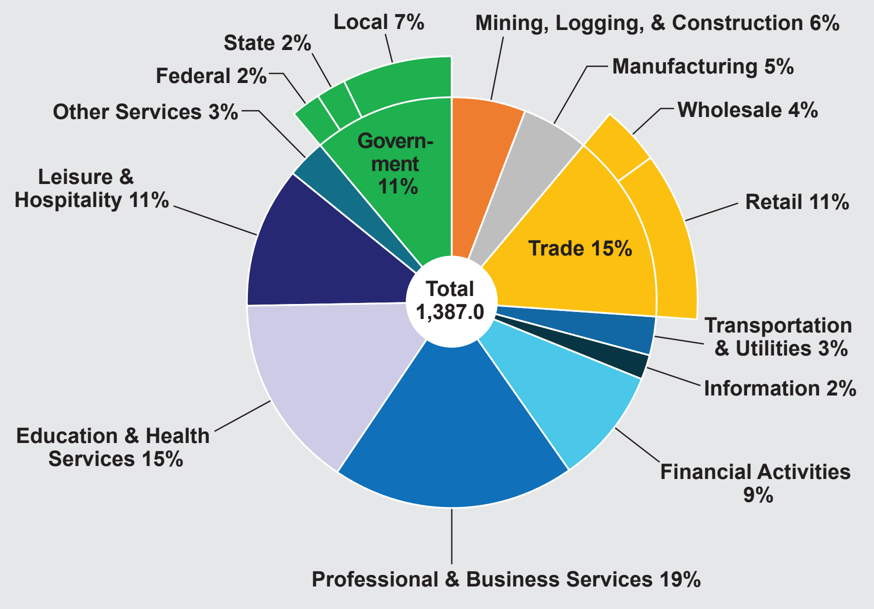
The Tampa HMA is home to 20 corporate headquarters, 8 of which are occupied by companies on the Fortune 500 list; these facilities contribute jobs to the professional and business services sector, which accounts for 19 percent of all nonfarm payrolls.

Primary Local Economic Factors

The Tampa HMA is a popular retirement area and a national destination for tourism with a growing port, many healthcare facilities, and a large government presence. The HMA is a regional hub for the financial planning and insurance industries, with companies such as Raymond James Financial, Inc., United Insurance Holdings Corp., and Bankers Insurance Group headquartered in St. Petersburg. United Services Automobile Association (USAA), Citigroup Inc., Depository Trust & Clearing Corporation (DTCC), and Willis Towers Watson Public Limited Company have a strong presence in the city of Tampa. The large population of retirees in the HMA contributes to strong demand for healthcare services. The education and health services sector is the second largest sector in the HMA, accounting for 15 percent of total nonfarm payrolls during the most recent 12 months (Figure 1). From 2001 through 2019, jobs in the education and health services sector increased at the second fastest rate of any sector in the HMA, with job growth of more than 50 percent (Figure 2). The sector includes BayCare Health System, and HCA Healthcare West Florida Division, which are the two largest private employers in the HMA, with 28,350 and 18,000 employees, respectively (Table 1). The H. Lee Moffitt Cancer Center & Research Institute, Inc. is the only National Cancer Institute (NCI)-designated Comprehensive Cancer Center in Florida, and it attracts patients from around the state.

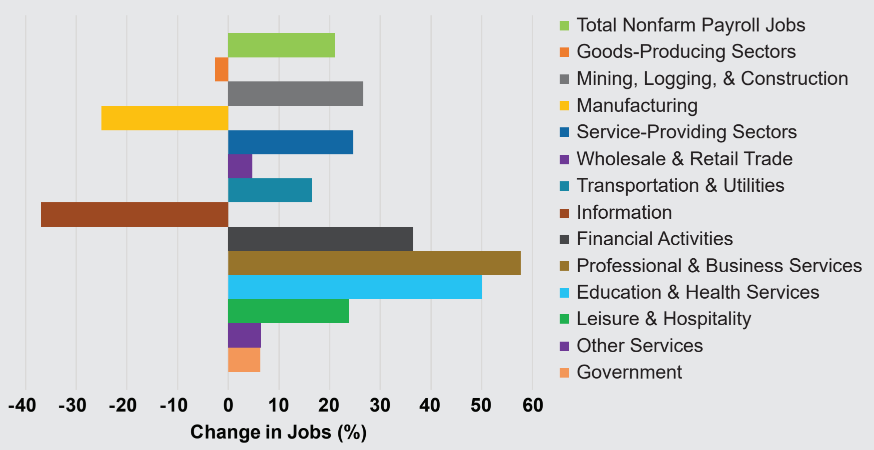
Port Tampa Bay is the largest port in the state of Florida and has an economic impact of $18 billion in the Central Florida Region (Port Tampa Bay). The port handles 32 million tons of cargo per year and is expected to expand capacity with $380 million in infrastructure improvements during the next 5 years. The port is also a busy cruise destination, with more than 1 million passengers in 2019. Prior to the COVID-19 pandemic, the leisure and hospitality sector was

Figure 1. Share of Nonfarm Payroll Jobs in the Tampa HMA, by Sector



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through November 2021.
Source: U.S. Bureau of Labor Statistics

Figure 2. Sector Growth in the Tampa HMA, 2001 to Current



Source: U.S. Bureau of Labor Statistics

among the fastest growing sectors in the HMA because of amenities such as Busch Gardens, historic Ybor City, and myriad beaches. The HMA received more than 24.5 million visitors in 2019 (Florida Trend).

MacDill Air Force Base (AFB), with more than 30,000 military and civilian personnel, is important to the local economy, with an economic impact of $3.9 billion in fiscal year 2019 (October 1, 2018 to September 30, 2019; MacDill AFB 2019 Economic Impact Statement). The HMA, which is home to the University of South Florida (USF), with nearly 50,000 students, and The University of Tampa, with more than 10,000 students, is also a center for higher education.

Current Conditions—Nonfarm Payrolls

After adding jobs at a strong rate for much of the 2010s, economic conditions in the Tampa HMA weakened during 2020 because of the effects of the COVID-19 pandemic. While some sectors have struggled to recover from the 2020 downturn, total nonfarm payrolls in the HMA currently exceed the prepandemic high. Many jobs were added in the Tampa HMA because of companies relocating to the area so that their employees can take advantage of the low cost of living, warm weather, and beaches. In the past year, 12 companies relocated to the city of Tampa, and 94 new companies either moved to the city of St. Petersburg or announced plans to relocate there. During the 12 months ending November 2021, nonfarm payrolls in the HMA increased by 41,800 jobs, or 3.1 percent, compared with an increase of 1.8 percent for the nation (Table 2). Job gains in the HMA were strong in the professional and business services sector, which increased by 17,000, or 6.9 percent. This sector rebounded quickly from the 2020 downturn and is now 8 percent above prepandemic

Table 1. Major Employers in the Tampa HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
BayCare Health System	Education & Health Services	28,350
HCA Healthcare West Florida Division	Education & Health Services	18,000
University of South Florida	Government	16,300
AdventHealth West Florida Division	Education & Health Services	12,000
Citigroup Inc.	Financial Activities	8,400
Tampa General Hospital	Education & Health Services	8,000
H. Lee Moffitt Cancer Center & Research Institute, Inc.	Education & Health Services	6,000
MacDill Air Force Base	Government	6,000
WellCare Health Plans, Inc.	Financial Activities	6,000
JPMorgan Chase & Co.	Financial Activities	5,700

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

Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Tampa HMA, by Sector

	12 Months Ending November 2020	12 Months Ending November 2021	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	**1,345.2**	**1,387.0**	**41.8**	**3.1**
Goods-Producing Sectors	150.7	154.1	3.4	2.3
Mining, Logging, & Construction	83.6	86.6	3.0	3.6
Manufacturing	67.1	67.5	0.4	0.6
Service-Providing Sectors	1,194.5	1,232.9	38.4	3.2
Wholesale & Retail Trade	207.9	213.6	5.7	2.7
Transportation & Utilities	41.1	43.1	2.0	4.9
Information	24.3	24.5	0.2	0.8
Financial Activities	123.8	127.1	3.3	2.7
Professional & Business Services	247.8	264.8	17.0	6.9
Education & Health Services	213.8	214.5	0.7	0.3
Leisure & Hospitality	136.2	145.9	9.7	7.1
Other Services	44.1	48.0	3.9	8.8
Government	155.7	151.6	-4.1	-2.6

Notes: Based on 12-month averages through November 2020 and November 2021. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics

levels. Some of the gains in the professional and business services sector can be attributed to computer systems design and technical consulting firms that have recently moved into the HMA. These firms include CitrusAd, OPSWAT, Inc., and Genesis Systems, which added 65, 100, and 125 jobs in the HMA, respectively, since 2020.

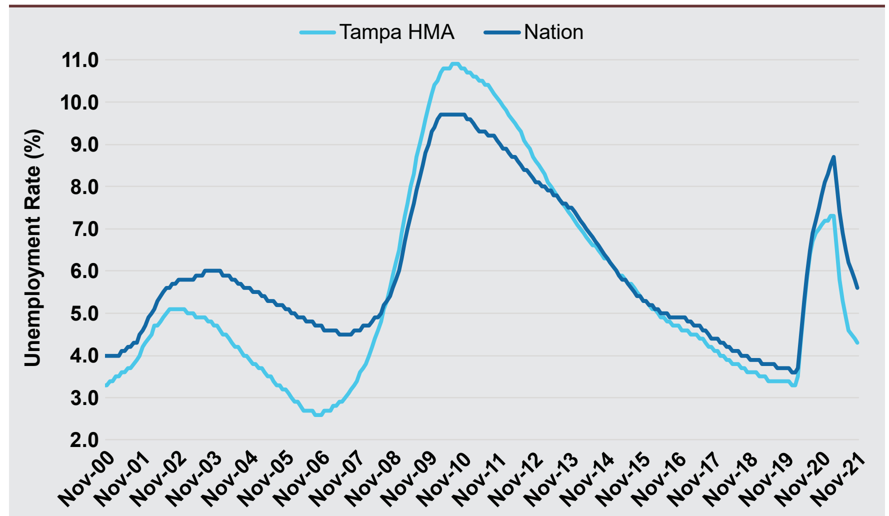
The leisure and hospitality sector increased by 9,700 jobs, or 7.1 percent, during the 12 months ending November 2021, compared with a loss of 26,300 jobs, or 16.2 percent, during the previous year. The sector has mostly rebounded after being heavily impacted by efforts to combat the spread of COVID-19, and as of November 2021, it had regained 62,200 jobs, or 86 percent, of the 72,400 jobs lost during March and April 2020 (monthly data; not seasonally adjusted). Although tourism was strongly impacted by the COVID-19 pandemic, the Tampa HMA was the busiest travel destination in the nation in 2020 (CoStar Group). The Tampa International Airport transported more than 22.3 million passengers during the 12 months ending November 2019, prior to the pandemic. During the 12 months ending November 2021, the number of passengers transported was 17.1 million, up from 11.4 million the previous year but still 23 percent below the pre-pandemic level.

The education and health services sector added 700 jobs, or 0.3 percent, during the most recent 12 months, although nonfarm payrolls in the sector remain below the prepandemic high. In March 2020, elective medical procedures were prohibited to contain the spread of COVID-19. Despite the lifting of this ban in April 2020, patients have been hesitant to reschedule and risk exposure to the virus. As of November 2021, the education and health services sector has regained 19,100 jobs, or 88 percent, of the 21,600 jobs lost during March and April 2020 (monthly data; not seasonally adjusted). The only sector in the HMA that lost jobs during the 12 months ending November 2021 was the government sector; this was due to declines in state and local payrolls, particularly state government jobs associated with USF. Enrollment at USF declined by 2,300 students, or nearly 5 percent, from fall 2019 to 2020, and employment declined 4 percent. Despite an increase of 1,235 students during the fall of 2021, enrollment remains 2 percent below the fall 2019 level. Employment at the university is less than 1 percent below prepandemic level.

Unemployment Rate Trends

After climbing to a peak of 10.9 percent during 2010, in the wake of the Great Recession, the unemployment rate in the Tampa HMA trended downward from 2010 through 2019. The unemployment rate climbed again, to 7.2 percent during 2020, because of shutdowns in response to the COVID-19 pandemic. When the HMA started to recover from the 2020 recession, the unemployment rate declined again. During the 12 months ending November 2021, the unemployment rate was 4.3 percent, down from 7.1 percent during the 12 months ending November 2020. By comparison, the unemployment rate for the nation was 5.6 percent during the 12 months ending November 2021, down from 7.8 percent during the previous 12 months (Figure 3).

Figure 3. 12-Month Average Unemployment Rate in the Tampa HMA and the Nation



Note: Based on the 12-month moving average.
Source: U.S. Bureau of Labor Statistics

Economic Periods of Significance

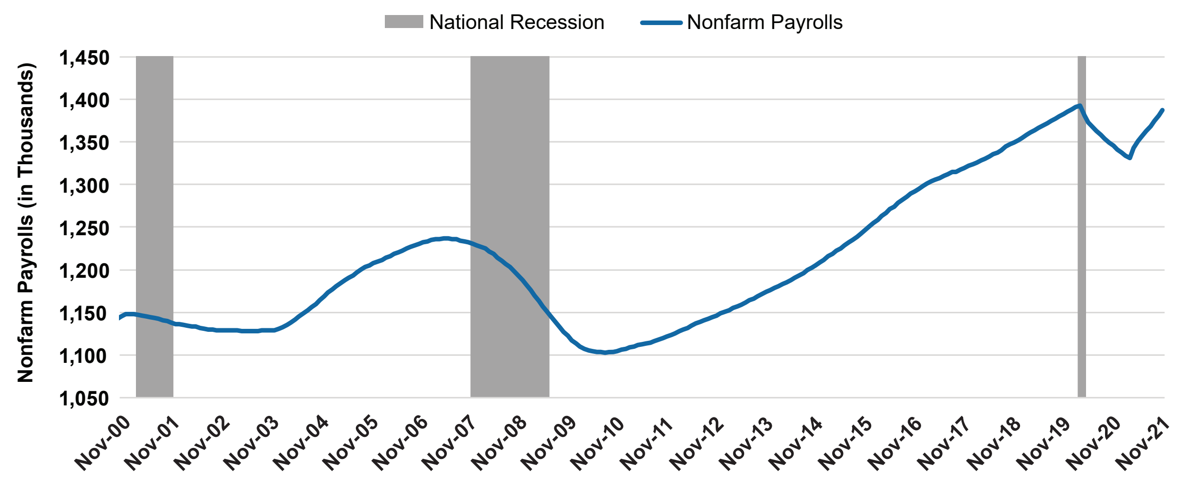
2000 Through 2006

The Tampa HMA was impacted by the national recession of 2001, and nonfarm payrolls in the HMA decreased by an average of 9,400 jobs, or 0.8 percent, annually during 2001 and 2002, led by losses in the manufacturing and the wholesale and retail trade sectors, which declined by averages of 4,800 and 4,000 jobs, or 5.4 and 2.0 percent, respectively. (Figure 4). The economy expanded from 2003 through 2006, adding an average of 25,800 jobs, or 2.2 percent, annually. Nearly a quarter of the job growth during that period can be attributed to the mining, logging and construction sector, which added 6,100 jobs, or 7.7 percent, annually, The professional and business services, the education and health services, and the financial activities sectors accounted for 80 percent of job growth in the service-providing sectors in the HMA from 2003 through 2006, increasing by averages of 9,800, 3,900, and 2,600 jobs, or 5.6, 2.5, and 2.6 percent, each year, respectively.

2007 Through 2010

With the onset of the housing crisis and subsequent recession, nonfarm payrolls in the HMA declined by an average of 31,600 jobs, or 2.7 percent, annually from 2007 through 2010. The mining, logging, and construction, and the professional and business services sectors led the losses in the HMA during the period, declining by averages of 10,400 and 5,900 jobs, or 13.5 and 3.1 percent, each year,

Figure 4. 12-Month Average Nonfarm Payrolls in the Tampa HMA



Note: 12-month moving average.
Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

respectively. As demand for new homes and offices fell, construction workers were laid off. Layoffs at real estate financing and leasing companies, such as Xerox Capital Services, LLC in the city of St. Petersburg, which laid off 290 workers in 2007, contributed to job losses in the financial activities sector during the period, which averaged 3,700 jobs, or 3.8 percent, annually.

2011 Through 2019

The subsequent period of economic recovery and expansion was robust in the HMA, and by 2015, nonfarm payrolls surpassed the previous high level during 2006. From 2011 through 2019, nonfarm payrolls in the HMA increased at an average annual rate of 2.5 percent. By comparison, job growth for the nation averaged 1.6 percent a year from 2011 through 2019. During the period, the HMA benefitted significantly from gains in the professional and business services, the leisure and hospitality, and the financial services sectors, which increased by averages of 8,200, 4,600, and 3,600 jobs, or 4.0, 3.3, and 3.5 percent, each year, respectively. Growth in the leisure and hospitality sector included a $720 million expansion, with 1,200 new jobs, at the Seminole Hard Rock Hotel and Casino in 2019. An average annual gain of 4,500 jobs, or 2.3 percent, in the education and health services sector from 2011 through 2019 can be attributed in part to the $95 million

Johns Hopkins All Children's Hospital Research and Education Building, which opened in 2018. The mining, logging, and construction sector added an average of 3,200 jobs, or 5.0 percent, annually during the period. That growth in job numbers was partly due to a significant increase in residential construction following historic lows during the Great Recession. The sector also benefitted from large commercial developments, such as the $943 million Tampa International Airport expansion, which began in 2014, and the $153 million Morsani College of Medicine at USF, which began construction in 2019.

Commuting Patterns

The Central submarket includes much of the economic core of the HMA and currently accounts for an estimated 54.1 percent of all nonfarm payrolls (Table 3). Despite the higher concentration of jobs being in the Central submarket, most workers in the HMA do not commute far from where they live. From 2011 to 2015, the majority of working residents in each of the three submarkets lived and worked in the same submarket (Table 4). The Central submarket had the greatest share of working residents with jobs in the submarket where they lived, at 87 percent. The Northern Suburbs submarket had the greatest share of residents working outside of the submarket where they lived at 38 percent, with the majority of those commuting to the Central submarket.

Forecast

During the 3-year forecast period, nonfarm payroll growth in the HMA is expected to average 2.2 percent annually. Job gains are expected to be particularly strong during the first year of the forecast period but moderate in the second and third years as all sectors fully recover from the impact of the COVID-19 pandemic. Growth is expected to be notably strong in the professional and business services and financial activities sectors. International Data Corporation (IDC) is expanding operations in the HMA and plans to add 125 jobs in the forecast period. QuoteWizard, an insurance company, plans to create approximately 500 new jobs during the forecast period. The San Francisco-based financial technology company, FastAF Technologies, Inc., which opened a new facility in the city of Tampa in 2021, is expected to invest a total of $10 million to establish Tampa as an eastern hub, including plans to create approximately 500 new jobs during the next 3 years.

Table 3. Current Estimated Percent Share of Nonfarm Payrolls in the Tampa HMA, by Submarket

Central Submarket	54.1
Western Submarket	33.2
Northern Suburbs Submarket	12.7

Source: U.S. Bureau of Labor Statistics, estimates by the analyst

Table 4. Jobs by Place of Worker Residence in the Tampa HMA

Location of Primary Job		Worker Residence		
		Central Submarket (%)	Western Submarket (%)	Northern Suburbs Submarket (%)
	Central Submarket	87	10	24
	Western Submarket	6	86	10
	Northern Suburbs Submarket	2	1	61
	Outside the HMA	5	2	4

Note: Columns may not add to 100 percent due to rounding.
Source: 2015 U.S. Census Journey to Work

Population and Households

Current Population: 3.24 Million

Strong economic growth in the Tampa HMA during much of the period since the mid-2010s has contributed to relatively high levels of net in-migration and population growth.

Population Trends

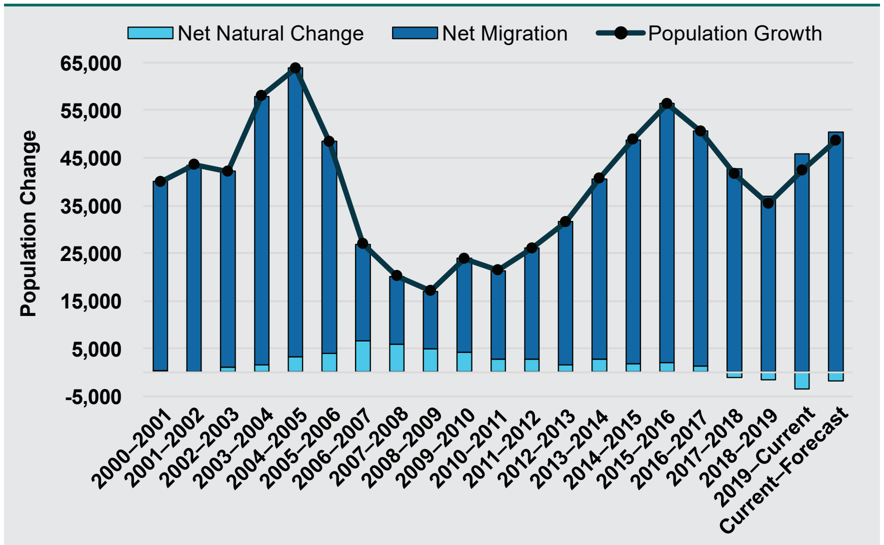
As of December 1, 2021, the population of the HMA is estimated at 3.24 million (Table 5), reflecting an average annual increase of 40,600, or 1.3 percent, since 2017. The Tampa HMA currently accounts for an estimated 15.0 percent of the statewide population of Florida, up slightly from 14.8 percent in 2010. Net in-migration averaged 50,350 people a year from 2014 to 2017, which accounted for 97 percent of the total population growth. Since 2017, net in-migration has averaged 43,200 and was offset by an average net natural decline of 2,600, annually (Figure 5). The population of the HMA increased by an average of 56,750, or 2.2 percent, a year during the period of economic expansion from 2003 to 2006, when net in-migration averaged 53,850 people annually. By comparison, population growth averaged only 21,850, or 0.8 percent, annually, from 2006 to 2011, when weak economic conditions constrained net in-migration to an average of only 17,050 people a year. As the economic conditions strengthened, from 2011 to 2014, and net in-migration increased an average of 30,450, population growth rose to an average of 32,750, or 1.2 percent, annually.

Table 5. Tampa HMA Population and Household Quick Facts

		2010	Current	Forecast
Population Quick Facts	Population	2,783,243	3,242,000	3,388,000
	Average Annual Change	38,700	39,350	48,550
	Percentage Change	1.5	1.3	1.5
		2010	Current	Forecast
Household Quick Facts	Households	1,151,263	1,333,000	1,392,000
	Average Annual Change	14,200	15,600	19,550
	Percentage Change	1.3	1.3	1.4

Notes: Average annual changes and percentage changes are based on averages from 2000 to 2010, 2010 to current, and current to forecast. The forecast period is from the current date (December 1, 2021) to December 1, 2024.
Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by the analyst

Figure 5. Components of Population Change in the Tampa HMA, 2000 Through the Forecast



Notes: Data displayed are average annual totals. The forecast period is from the current date (December 1, 2021) to December 1, 2024.
Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

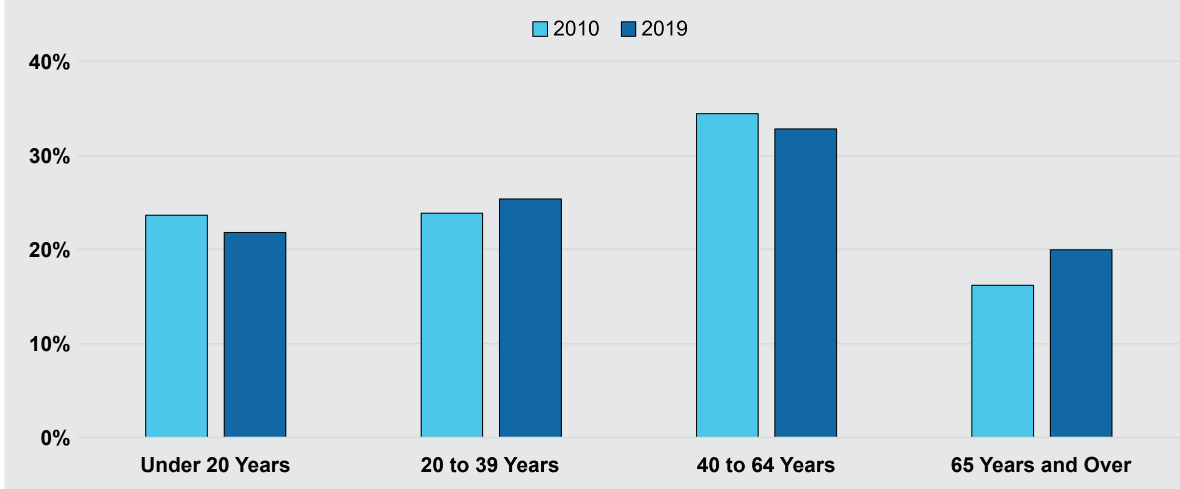
Age Cohort Trends

Due in part to a significant number of retirees, the population in the Tampa HMA is older than that of the nation. Approximately 20 percent of the population of the HMA is aged 65 or older, compared with 16 percent nationally (Figure 6). This cohort, which is up from 16 percent of the HMA population in 2010, is the fastest growing age group, contributing to a higher median age, which was 42.2 in 2019, compared with 38.5 nationally (American Community Survey [ACS] 1-year estimates). The share of the HMA population from 20 to 39 years old, which increased from 24 percent in 2010 to 25 percent in 2019, remained lower than the national average of 27 percent in 2019.

Migration Trends

Since the mid-2010s, strong job growth in the HMA has contributed to significant net in-migration, particularly from outside the state of Florida (Table 6). Residents who relocated from outside of the state accounted for approximately 76 percent, or 109,978, of the 144,156 domestic in-migrants to the HMA from 2015 to 2019; those leaving the state accounted for 60 percent, or 70,425, of the domestic out-migrants (U.S. Census Bureau Migration Flows). In combination, these figures resulted in an overall net in-flow of residents from outside of Florida of 39,553. Residents who relocated from metropolitan areas within Florida (but outside of the HMA) accounted for 24 percent of all domestic in-migration. The greatest number of people moving to the HMA from inside the state were from the Miami-Fort Lauderdale-Pompano Beach, FL Metropolitan Statistical Area (MSA), and the greatest number from outside the state came from New York-Newark-Jersey City, NY-NJ-PA MSA, each representing approximately 6 percent of net domestic in-migration. During the same period, people relocating from outside the United States accounted for approximately 14 percent of all in-migration to the HMA.

Figure 6. Population by Age Range in the Tampa HMA



Source: 2010 and 2019 American Community Survey, 1-year data

Table 6. Migration Flows in the Tampa HMA: 2015–2019

Into the HMA	
Remainder of Florida	34,178
Remainder of United States	109,978
Outside of United States	22,902
Out of the HMA	
Remainder of Florida	46,226
Remainder of United States	70,425
Outside of United States	NA

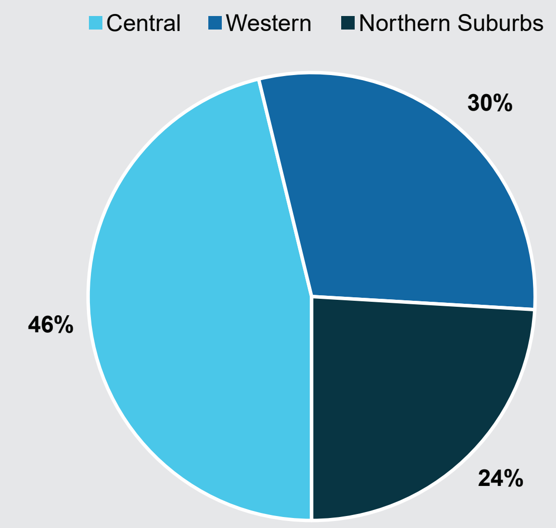
NA = data not available.
Source: U.S. Census Bureau Migration Flows, 2015–2019 American Community Survey, 5-year data

Population by Geography

Central Submarket

As of December 1, 2021, the population of the Central submarket is estimated at nearly 1.50 million, or 46 percent of the total population of the HMA (Figure 7). Job growth in the submarket resulted in high levels of net in-migration to the submarket in the mid-2000s, but during the Great Recession and the years following, in-migration slowed. Population growth in the submarket averaged 16,150, or 1.3 percent, annually from 2006 to 2011, when net in-migration averaged 7,975 people a year, considerably lower than average net in-migration of 24,100 people a year during the previous 3 years when the economy was expanding. From 2011 to 2016, population growth in the submarket accelerated to 24,600, or 1.9 percent, annually, and net in-migration rose to an average of 17,700 people a year when the local economy expanded, much lower than during the previous economic expansion. Since 2016, an average annual net in-migration of 16,900 people has led to slightly slower population growth of 22,550, or 1.6 percent, annually.

Figure 7. Current Population in the Tampa HMA, by Submarket



Source: Estimates by the analyst

Western Submarket

The Western submarket consists mainly of a peninsula with abundant beaches that attract retirees. The submarket has the oldest population in the HMA, with a median age in 2019 of 48.9, compared with 42.2 for the entire HMA, and recent population growth has been relatively slow, moderated by net natural decline. As of December 1, 2021, the population of the submarket is estimated at 964,200, or 30 percent of the total population of the HMA. Population growth in the submarket has averaged 4,750, or 0.5 percent, annually since 2012, up from an average of 750, or 0.1 percent, a year from 2008 to 2012. The recent increase in the population growth rate is because of a higher rate of net in-migration, which has averaged 8,725 people a year since 2012, up from an average of 3,375 from 2008 to 2012, when economic conditions in the HMA were weak. During the housing crisis leading up to the Great Recession, from 2006 to 2008, the population declined by an average of 3,850, or 0.4 percent, in the submarket, because net out-migration of 2,025 was coupled with net natural decline of 1,825.

Northern Suburbs Submarket

The Northern Suburbs submarket has had the fastest rate of population growth in the HMA since 2000, due in part to an average home sales price that is approximately 24 and 29 percent lower, respectively, than the Central and Western submarkets. From 2007 to 2013, the period surrounding the Great Recession, the population of the submarket increased by an average of 3,950, or 0.6 percent, annually, with net in-migration that averaged 5,325 people a year, whereas net in-migration averaged 24,800 people a year during the job growth period from 2002 to 2007. The population of the submarket is estimated at 780,500 as of December 1, 2021, with an average annual increase of 15,850, or 2.3 percent, since 2013. Net in-migration has averaged 18,350 people a year in the submarket since 2013 and has been partially offset by annual net natural decline of 2,500.

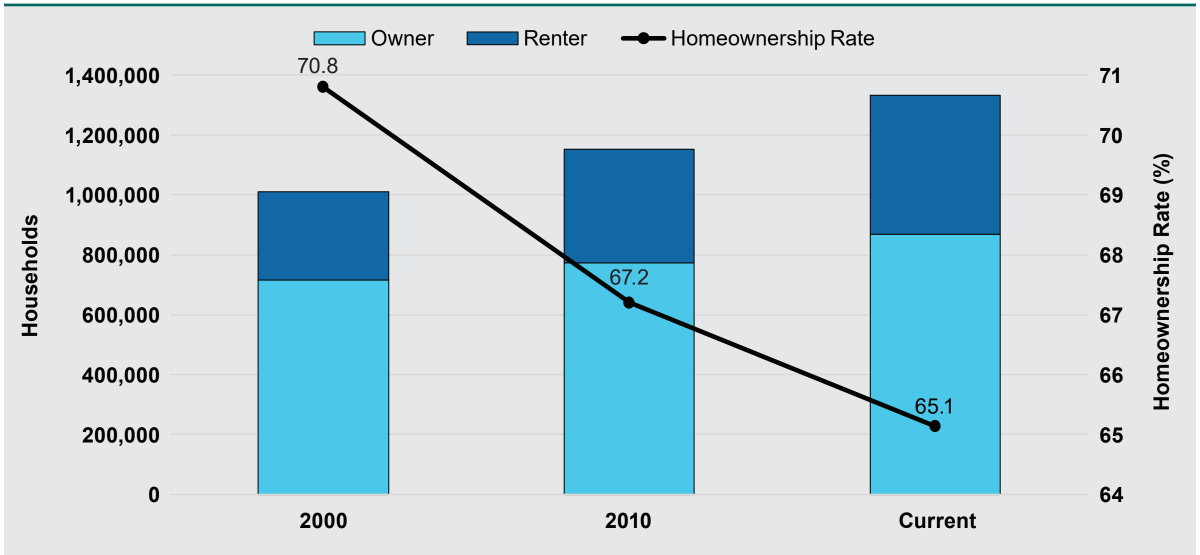
Household Trends

Household growth has generally mirrored population growth in the Tampa HMA since 2000. The number of households in the HMA is currently estimated at 1.33 million, an average annual increase of 15,600, or 1.3 percent, from 1.15 million households in 2010, similar to the growth rate during the 2000s. There are currently an estimated 574,800 households in the Central submarket, an average annual increase of 1.7 percent since 2010. As of December 1, 2021, the average household size in the Central submarket is estimated at 2.55, higher than the HMA household size of 2.39, because this submarket has a larger number of families than the other two submarkets. The number of households in the Western submarket is currently estimated at 444,100, reflecting an average increase of 0.6 percent annually since 2010. Households in the Western submarket are smaller because retirees tend to have no children in the household. As of December 1, 2021, the average household size in the Western submarket is estimated at 2.13, down from 2.16 in 2010—below the average of the HMA and well below the national average of 2.61 (2019 ACS 1-year estimates). The number of households in the Northern Suburbs submarket is currently estimated at 314,400, reflecting an average annual increase of 1.6 percent since 2010. As of December 1, 2021, the average household size in the Northern Suburbs submarket is estimated at 2.45, up from 2.41 in 2010, because this submarket has drawn families as relatively affordable residential development has increased.

Households by Tenure

After the housing crisis in the late 2000s, mortgage requirements tightened, and renter household growth exceeded owner household growth in the Tampa HMA for much of the 2010s. Since 2010, the number of renter households in the HMA is estimated to have risen an average of 1.8 percent annually, as compared with an average annual rate of 1.0 percent for owner households. As a result, the homeownership rate in the HMA is currently estimated at 65.1 percent, down from 67.2 percent in 2010 (Figure 8). The Central submarket has the lowest homeownership rate, at 60.1 percent, down from 60.9 percent in 2010. Homeownership is more common in both the Northern Suburbs submarket, where home sales prices are lowest, and the Western submarket, which has the highest median family income in the HMA. In the Northern Suburbs submarket, the homeownership rate is estimated to have declined from 78.1 percent in 2010 to 75.7 percent as of December 1, 2021. The homeownership rate in the Western submarket is currently estimated at 64.2 percent, down from 67.4 percent in 2010.

Figure 8. Households by Tenure and Homeownership Rate in the Tampa HMA



Note: The current date is December 1, 2021.
Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by the analyst

Forecast

During the next 3 years, population growth in the HMA is expected to average 48,550, or 1.5 percent, annually, with net in-migration increasing as economic conditions in the HMA strengthen. The fastest population growth, an average annual rate of 2.3 percent, is expected in the Northern Suburbs submarket, with respective rates of 1.7 and 0.4 percent, annually, in the Central and Western submarkets. Household growth in the HMA is expected to average 1.5 percent annually, with rates of 2.2, 1.7, and 0.5 percent a year in the Northern Suburbs, Central, and Western submarkets, respectively. The homeownership rate in the HMA is expected to decline modestly to 64.9 percent.

Home Sales Market

Sales Market—Tampa HMA

Market Conditions: Tight

Increasing population, coupled with a decline in both homebuilding and the supply of for-sale existing homes, have contributed to tight sales housing market conditions in the Tampa HMA.

Current Conditions

Recent trends, such as increased teleworking and historically low mortgage interest rates, strengthened the demand for sales housing in the HMA during the past year. Sales market conditions in the HMA are currently tight, with an estimated vacancy rate of 1.2 percent as of December 1, 2021, down from the 3.5-percent rate during April 2010 (Table 7). The inventory of available homes in the HMA was at the lowest level in more than a decade, with a 0.8-month supply during November 2021, down from a 1.3-month supply during November 2020 and well below the November high of an 11.7-month supply during 2010 (Greater Tampa REALTORS®).

Home Sales

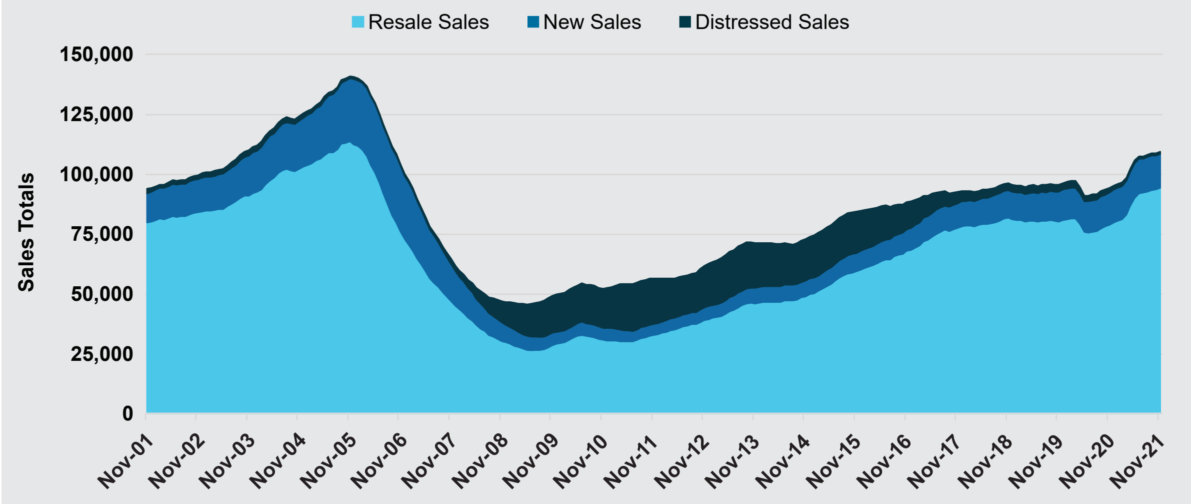
Home sales in the HMA increased during much of the 2010s as economic conditions strengthened (Figure 9). The annual number of homes sold in the HMA peaked at 140,550 in 2005 but declined an average of 31 percent annually to a low of 46,750 in 2008 (CoreLogic, Inc. with adjustments by the analyst). Total home sales in the HMA increased an average of 7 percent annually from 2009 through 2019. Home sales declined 1 percent during 2020 because of the impact of the COVID-19 pandemic. During the 12 months ending November 2021, 109,300 homes sold in the HMA, up 16 percent from 94,300 during the 12 months ending November 2020.

Table 7. Home Sales Quick Facts in the Tampa HMA

		Tampa HMA	Nation
Home Sales Quick Facts	**Vacancy Rate**	1.2%	NA
	Months of Inventory	0.8	2.0
	Total Home Sales	109,300	7,234,000
	1-Year Change	16%	9%
	New Home Sales Price	$366,600	$421,100
	1-Year Change	10%	9%
	Existing Home Sales Price	$319,800	$373,600
	1-Year Change	21%	19%
	Mortgage Delinquency Rate	2.4%	2.1%

NA = data not available.
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending November 2021; and months of inventory and mortgage delinquency data are as of November 2021. The current date is December 1, 2021.
Sources: Vacancy rate—estimates by the analyst; months of inventory—CoreLogic, Inc., Hernando County Association of REALTORS®, Pinellas REALTOR® Organization, and Greater Tampa REALTORS®, with adjustments by the analyst; home sales and prices—CoreLogic, Inc.

Figure 9. 12-Month Sales Totals by Type in the Tampa HMA



Distressed Sales = short sales and real estate owned sales.
Source: CoreLogic, Inc., with adjustments by the analyst

Distressed Sales

Prior to the housing crisis, the number of distressed sales in the HMA averaged 1,175 a year from 2004 through 2006, representing 1 percent of existing home sales. Those figures rose during each of the next 5 years, however, reaching 18,700 homes and 36 percent of all existing home sales during 2011. Distressed sales remained elevated through 2016 but subsequently declined during each of the next 4 years to 1,850 homes, or 2 percent of existing home sales during 2020. During the 12 months ending November 2021, the number of distressed sales totaled 810, or 1 percent of existing home sales, down from 1,975, or 2 percent of existing home sales, during the previous 12 months.

Seriously Delinquent Mortgages

The impact of the foreclosure crisis during the late 2000s and early 2010s was more severe in the HMA than for the nation. The rate of seriously delinquent mortgages and REO properties in the HMA was greater than 10 percent from 2009 through mid-2014, peaking at 17.3 percent of all home loans during February 2011, more than double the peak rate of 8.6 percent for the nation during February 2010. The rate declined in the HMA during much of the late 2010s, but it increased briefly during 2020 because of the impact of the COVID-19 pandemic. During the recent peak in August 2020, the rate of seriously delinquent mortgages and REO properties in the HMA was 5.3 percent, up from 1.6 percent during March 2020 in the early stage of the pandemic. By comparison, the national peak rate was 4.4 percent during August 2020, up from 1.3 percent in March 2020. The rate in the HMA during November 2021 was 2.4 percent, down from 4.9 percent in November of 2020 but above the national rate of 2.1 percent.

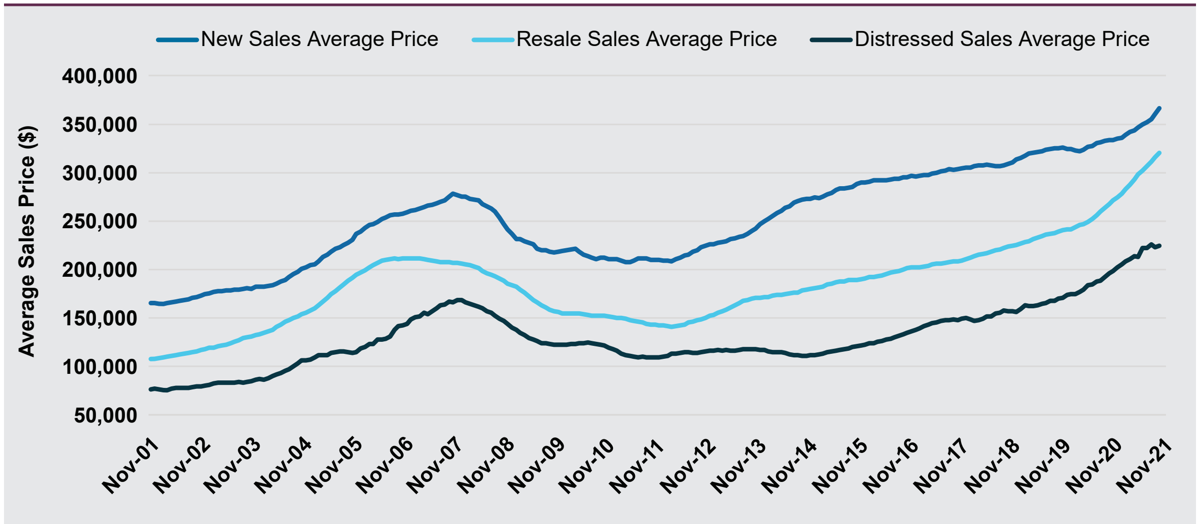
Home Sale Prices

The average home sales price in the HMA has increased since the early 2010s. After declining an average of 9 percent annually from a peak of $223,300 during 2006 to a low of $136,800 during 2011, the average home price in the HMA rose an average of 8 percent annually from 2012 through 2020, surpassing the prerecession high by 2018. In the aftermath of the recession caused by the COVID-19 pandemic, sales price growth has accelerated as for-sale inventory has declined. During the 12 months ending November 2021, the average home price in the HMA was $326,100, up 19 percent from $274,700 during the 12 months ending November 2020 (Figure 10).

Sales Construction

As measured by the number of single-family homes, townhomes, and condominiums (hereafter, homes) permitted, sales construction in the HMA increased during the late 2010s after a sustained period of low

Figure 10. 12-Month Average Sales Price by Type of Sale in the Tampa HMA



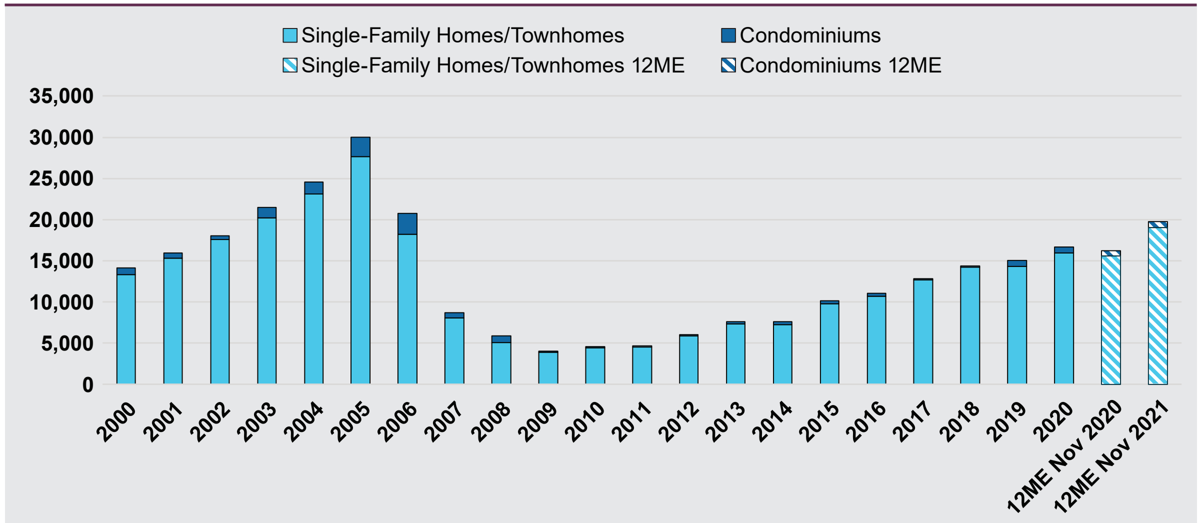
Distressed Sales = short sales and real estate owned sales.
Source: CoreLogic, Inc., with adjustments by the analyst

activity in the wake of the Great Recession (Figure 11). The number of homes permitted rose to a high of 30,000 homes in 2005 before falling by an average of 40 percent annually from 2006 through 2009 to a low of 3,950 homes in 2009. Developers were cautious during the early 2010s, due in part to double-digit foreclosure rates, and an average of 6,025 homes were permitted each year from 2010 through 2014. From 2015 through 2020, however, the number of homes permitted rose an average of 14 percent a year. During the 12 months ending November 2021, 19,800 homes were permitted in the HMA, up 22 percent from 16,200 during the previous 12 months (preliminary data and estimates by the analyst). Since 2010, the majority of homes in the HMA, 60 percent, were permitted in the Central submarket because the greatest number of jobs are there, compared with respective rates of 31 and 9 percent in the Northern Suburbs and Western submarkets. Although approximately one-third of all jobs in the HMA are in the Western submarket, construction has been limited there because space is limited in this densely populated peninsula.

Housing Affordability: Sales

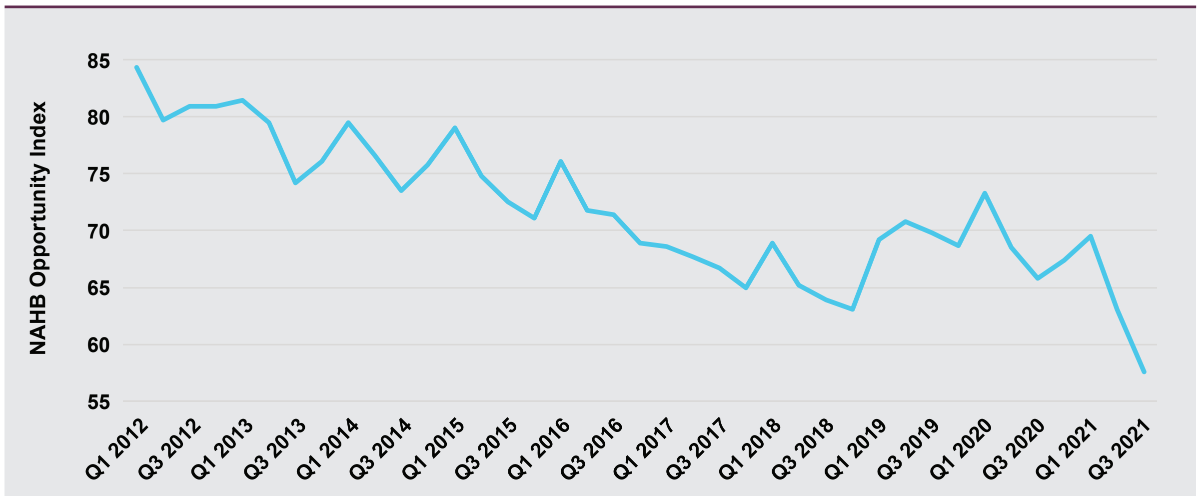
The National Association of Home Builders (NAHB)/ Wells Fargo Housing Opportunity Index (HOI) for the HMA, which represents the share of homes sold that would have been affordable to a family earning the local median income, was 57.6 during the third quarter of 2021, down from 65.8 during the third quarter of 2020 (Figure 12). According to

Figure 11. Annual Sales Permitting Activity in the Tampa HMA



12ME = 12 months ending.
Sources: U.S. Census Bureau, Building Permits Survey; 2000–2020 final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Figure 12. Tampa HMA Housing Opportunity Index



NAHB = National Association of Home Builders. Q1 = first quarter. Q3 = third quarter.
Sources: NAHB; Wells Fargo

the HOI, 147, or 62 percent, of the 237 ranked metropolitan areas in the nation were more affordable than the Tampa HMA during the third quarter of 2021. By comparison, 107, or 45 percent, were more affordable than the Tampa HMA during the third quarter of 2012. The change in affordability can be attributed in part to the declining number of distressed sales following the Great Recession. The median home sales price in the HMA has increased a total of 164 percent since the third quarter of 2012, as compared to an increase of only 29 percent for the median income during the same period.

Forecast

During the 3-year forecast period, demand is expected for an estimated 52,400 new homes in the HMA (Table 8). Demand for new homes in the HMA is expected to slow after the first year of the forecast period as job growth moderates. The 9,200 new homes currently under construction will meet some of the forecast demand in the HMA in the first year.

Table 8. Demand for New Sales Units in the Tampa HMA During the Forecast Period

Sales Units	
Demand	52,400 Units
Under Construction	9,200 Units

Note: The forecast period is from December 1, 2021, to December 1, 2024.
Source: Estimates by the analyst

Sales Market—Central Submarket

Market Conditions: Tight

Home sales in the Central submarket have trended upward for the past decade, although new home construction has remained relatively low, resulting in tight sales market conditions in the Central submarket.

Current Conditions

As of December 1, 2021, the overall sales vacancy rate in the Central submarket was estimated at 1.2 percent, less than one-half the 3.2-percent rate during April 2010 (Table 9). The inventory of available homes in the submarket in November 2021 was a 0.8-month supply, down from a 1.2-month supply during November 2020 and considerably less than the November high of 11.7 months during 2010 (Greater Tampa REALTORS®).

Home Sales Trends

After declining in the Central submarket during the late-2000s, new and existing home sales (hereafter, total home sales) have increased since the early-2010s because economic conditions strengthened (Figure 13). After peaking at 54,900 in 2005, the number of homes sold in the submarket declined an average of 31 percent annually during the next 3 years to a low of only 18,350 in 2008 (CoreLogic, Inc. with adjustments by the analyst). Total home sales subsequently increased an average of 9 percent a year to 28,900 in 2013. The number of homes sold continued to increase, with average gains of 5 percent in each of the next 6 years, and totaled 38,550 homes in 2019.

Table 9. Home Sales Quick Facts in the Central Submarket

		Central Submarket	Tampa HMA
Home Sales Quick Facts	**Vacancy Rate**	1.2%	1.2%
	Months of Inventory	0.8	0.8
	Total Home Sales	44,200	109,300
	1-Year Change	17%	16%
	New Home Sales Price	$365,800	$366,600
	1-Year Change	12%	10%
	Existing Home Sales Price	$340,800	$319,800
	1-Year Change	20%	21%
	Mortgage Delinquency Rate	2.7%	2.4%

Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending November 2021; and months of inventory and mortgage delinquency data are as of November 2021. The current date is December 1, 2021.
Sources: Vacancy rate—estimates by the analyst; months of inventory—CoreLogic, Inc., Hernando County Association of REALTORS®, Pinellas REALTOR® Organization, and Greater Tampa REALTORS®, with adjustments by the analyst; home sales and prices—CoreLogic, Inc.

During the 12 months ending November 2021, 44,150 homes were sold in the submarket, up 17 percent from 37,850 during the previous year.

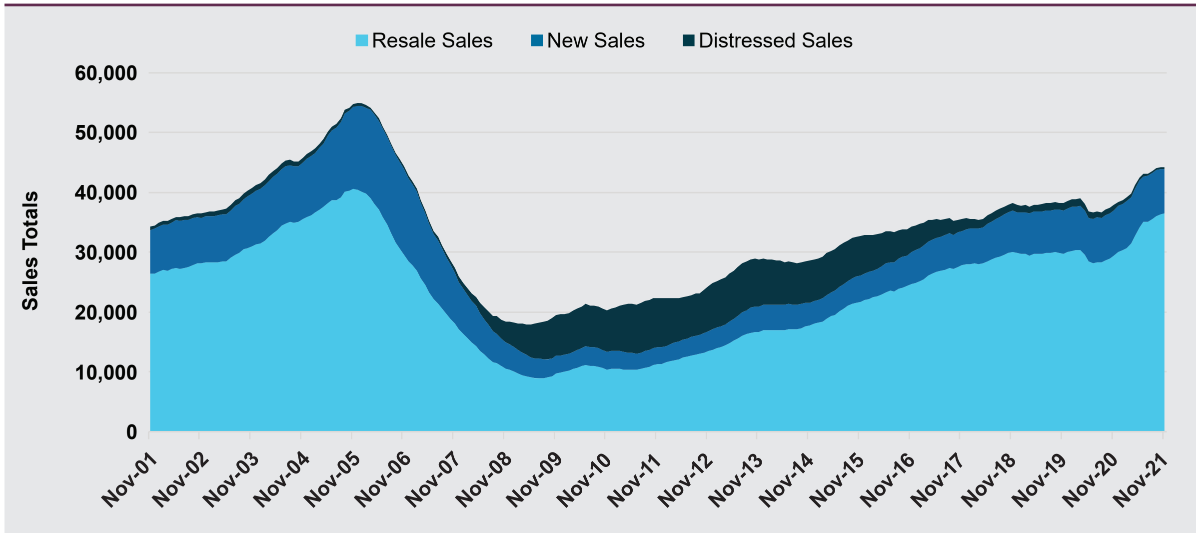
Distressed Sales

Prior to the housing crisis during the late 2000s, the number of distressed sales in the Central submarket averaged 690 a year from 2001 through 2007, which represented an average of 2 percent of existing home sales. Distressed sales increased during the next 4 years, peaking at 8,125 homes sold and accounting for 42 percent of all existing home sales during 2011 before trending downward for the next 8 years to 1,200 homes, or 4 percent of existing home sales, during 2019. During the 12 months ending November 2021, the number of distressed sales totaled 310, down from 830 during the previous 12 months, and accounting for 1 percent of existing home sales.

Seriously Delinquent Mortgages

The Great Recession and the subsequent foreclosure crisis was more significant in the Central submarket than in the overall HMA. The rate of seriously delinquent mortgages and REO properties in the submarket peaked at 18.2 percent in February 2011, higher than the 17.3-percent peak for the HMA. The rate declined in the submarket at a similar pace to the HMA as a whole during much of the 2010s and has been below 10.0 percent since mid-2014. As of November 2021, the rate of seriously delinquent mortgages and REO properties in the submarket was 2.7 percent, down from 5.4 percent during November 2020.

Figure 13. 12-Month Sales Totals by Type in the Central Submarket



Distressed Sales = short sales and real estate owned sales.
Source: CoreLogic, Inc., with adjustments by the analyst

Home Sales Price Trends

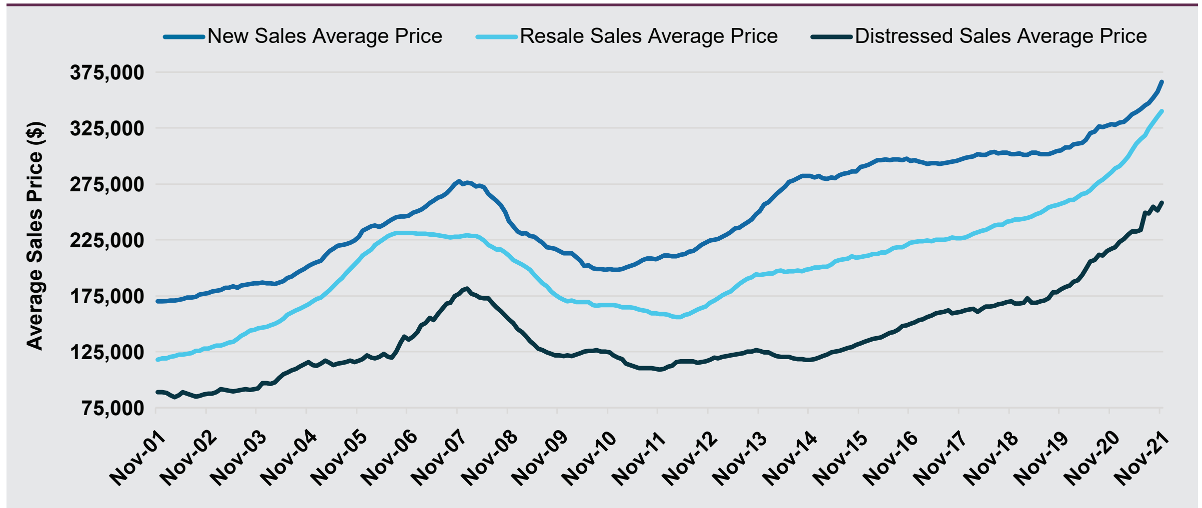
The average home sales price in the submarket has increased each year since 2012 as the HMA economy expanded and for-sale inventory declined. After reaching a high of $241,300 in 2007, the average home price in the submarket declined an average of 12 percent annually to a low of $147,100 in 2011. The high share of REO sales, which sold for an average of only $87,100 in 2011, contributed to the declining average home price during the period. The average home price increased an average of 8 percent annually from 2012 through 2020, surpassing the prerecession high during 2018. During the 12 months ending November 2021, the average home price in the submarket was $344,100, up 18 percent from $291,300 during November 2021 (Figure 14).

Sales Construction

Sales construction in the Central submarket, as measured by the number of single-family homes, townhomes, and condominiums permitted, has been increasing since 2015 but is below the historically high levels of the mid-2000s (Figure 15). An average of 12,150 homes were permitted annually from 2003 through 2005. Sales construction subsequently fell an average of 35 percent annually to a low of 2,475 in 2009. Sales construction rose in 2010 and began a decade-long increase in homes permitted that averaged 14 percent annually. During the 12 months ending November 2021, 8,000 homes were permitted in the submarket, an 11-percent decrease from the previous 12 months (preliminary data and estimates by the analyst). Recent new home development has been strong in the eastern part of the submarket. The Manors in Medley at Southshore Bay is a 155-home active adult community for residents aged 55 years or older in the community of Wimauma, near Route 301 and approximately 30 miles southeast of Tampa. These two-bedroom homes start at $345,000, and 30 of the 155 homes remain to be sold. Shell Cove, which is expected to include 3,000 combined single-family homes, townhomes, and condominiums, is approximately 30 miles southeast of downtown Tampa in the community of Ruskin. Sales at the development began in 2020, with prices currently ranging from the low-$300,000s to the high-$400,000s.

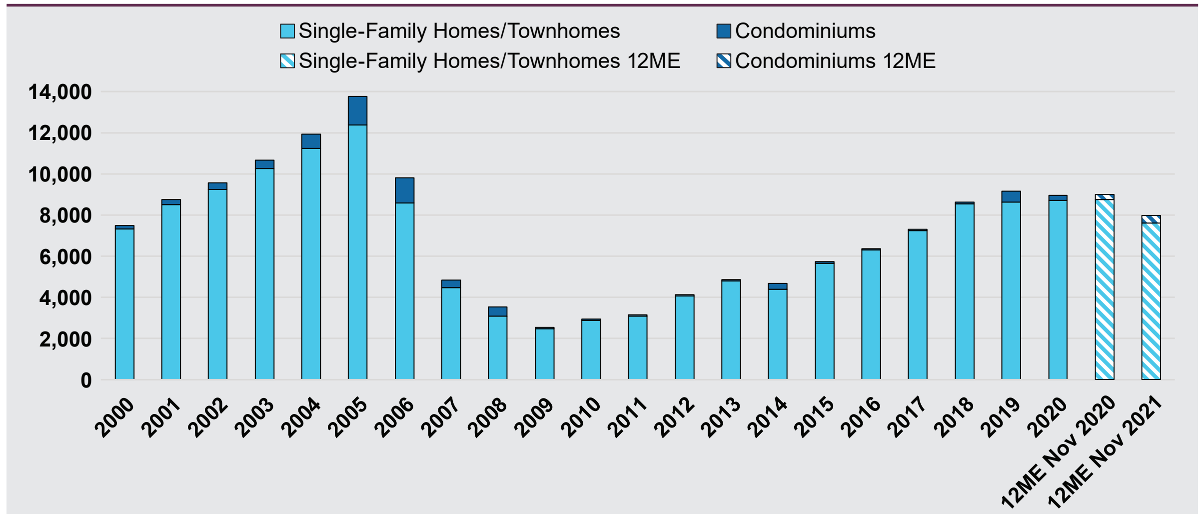
Condominium construction, which accounted for an estimated 9 percent of all sales units permitted in the submarket from 2004 through 2006, declined significantly during the late 2000s and early 2010s. Condominiums accounted for fewer than 50 sales units permitted annually from 2009 through 2017. During the past 3 years, for-sale construction in the submarket has included multiple luxury condominium developments in and around Tampa. Condominiums represented about 3 percent of all for-sale units permitted in the submarket from 2018 through 2020.

Figure 14. 12-Month Average Sales Price by Type of Sale in the Central Submarket



Distressed Sales = short sales and real estate owned sales.
Source: CoreLogic, Inc., with adjustments by the analyst

Figure 15. Annual Sales Permitting Activity in the Central Submarket



12ME = 12 months ending.
Sources: U.S. Census Bureau, Building Permits Survey; 2000–2020 final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

In the new Westshore Marina District of south Tampa on Old Tampa Bay, construction has started at the Marina Pointe, a 17-story high-rise tower that will include 120 condominium units, with prices starting at $700,000, which are expected to be complete in 2022.

Forecast

During the forecast period, demand is expected for an estimated 26,800 new sales units in the submarket, accounting for more than one-half of the estimated demand for new homes in the HMA (Table 10). The 3,350 new homes currently under construction in the submarket, representing 36 percent of the homes currently under construction in the HMA, will meet some of the forecast demand during the first year.

Table 10. Demand for New Sales Units in the Central Submarket During the Forecast Period

	Sales Units
Demand	26,800 Units
Under Construction	3,350 Units

Note: The forecast period is from December 1, 2021, to December 1, 2024.
Source: Estimates by the analyst

Sales Market—Western Submarket

Market Conditions: Tight

Sales housing market conditions in the Western submarket are currently tight because homebuilding has remained relatively subdued since 2006.

Current Conditions

As of December 1, 2021, the overall sales vacancy rate in the Western submarket was 1.2 percent (Table 11). The inventory of homes available for sale in the submarket in November 2021 was an 0.8-month supply, down from a 1.4-month supply during November 2020 (Pinellas REALTOR® Organization).

Table 11. Home Sales Quick Facts in the Western Submarket

		Western Submarket	Tampa HMA
Home Sales Quick Facts	**Vacancy Rate**	1.2%	1.2%
	Months of Inventory	0.8	0.8
	Total Home Sales	33,000	109,300
	1-Year Change	17%	16%
	New Home Sales Price	$509,400	$366,600
	1-Year Change	5%	10%
	Existing Home Sales Price	$363,100	$319,800
	1-Year Change	18%	21%
	Mortgage Delinquency Rate	1.9%	2.4%

Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending November 2021; and months of inventory and mortgage delinquency data are as of November 2021. The current date is December 1, 2021.
Sources: Vacancy rate—estimates by the analyst; months of inventory—CoreLogic, Inc., Hernando County Association of REALTORS®, Pinellas REALTOR® Organization, and Greater Tampa REALTORS®, with adjustments by the analyst; home sales and prices—CoreLogic, Inc.

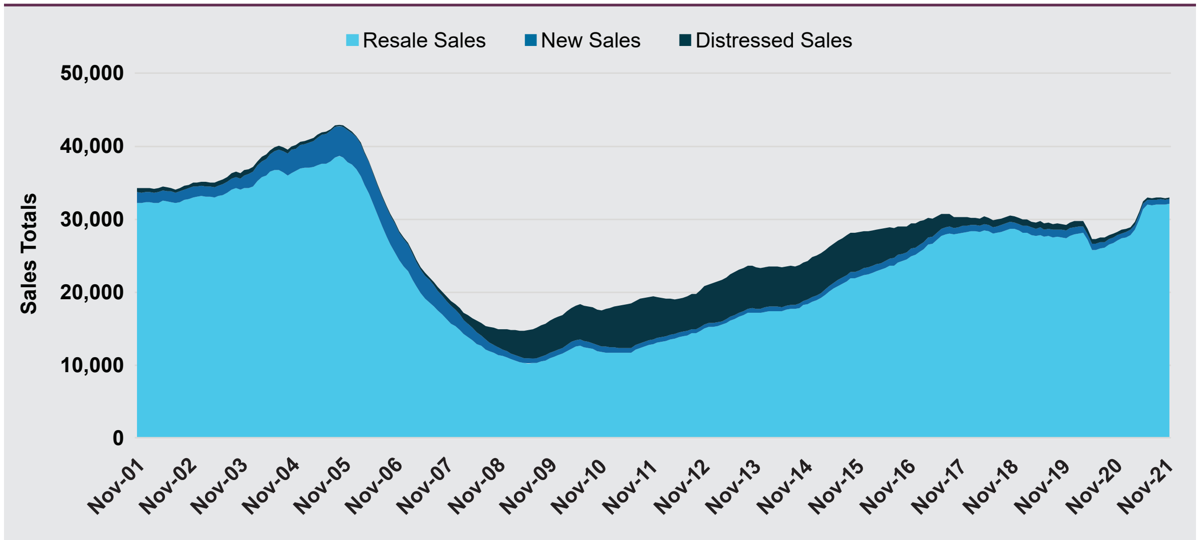
Home Sales Trends

Total home sales in the Western submarket increased during much of the 2010s as economic conditions in the HMA strengthened. Home sales in the submarket moderated during the past year, however, partly because of the decline in for-sale inventory. The number of homes sold in the submarket peaked at 42,400 in 2005 but declined an average of 29 percent annually to a low of only 14,950 in 2008 (CoreLogic, Inc., with adjustments by the analyst). A high number of REO sales, which accounted for more than 10 percent of existing sales from 2009 through 2016, contributed to sales growth in the submarket during the period. Total home sales remained fairly stable from 2017 until the onset of the COVID-19 pandemic, which caused a brief decline in home sales, followed by a subsequent surge in 2020. During the 12 months ending November 2021, 33,000 homes sold in the submarket, up 17 percent from the pandemic-related 3-percent decline during the 12 months ending November 2020 (Figure 16).

Distressed Sales

The number of distressed sales in the Western submarket averaged 770 a year from 2001 through 2008, which accounted for 3 percent of existing home sales. From 2009 through 2011, the number of distressed sales in the submarket averaged 5,100 a year and accounted for an average of 34 percent of existing home sales. The number of distressed sales declined an average of 22 percent annually during the next 8 years to 800 in 2019, which represented 3 percent of existing home sales. During the 12 months ending November 2021, the number of distressed sales totaled 230, or 1 percent of all existing sales, down from 490 during the previous 12 months, when distressed sales accounted for 2 percent of all existing home sales.

Figure 16. 12-Month Sales Totals by Type in the Western Submarket



Distressed Sales = short sales and real estate owned sales.
Source: CoreLogic, Inc., with adjustments by the analyst

Seriously Delinquent Mortgages

The impact of the foreclosure crisis during the late 2000s and early 2010s was less severe in the Western submarket, when compared with the rest of the HMA, but more severe than the nation. The rate of seriously delinquent mortgages and REO properties peaked at 15.6 percent during February 2011, lower than the 17.3-percent peak for the HMA but well above the 8.6-percent peak rate for the nation. The rate in the submarket declined throughout the late-2010s, however, and is currently below both the rate for the HMA as a whole and the nation. As of November 2021, the rate of seriously delinquent mortgages and REO properties in the submarket was 1.9 percent, down from 4.1 percent during November 2020 and below the 2.4-percent rate for the HMA and the 2.1-percent rate for the nation.

Home Sales Price Trends

After reaching a high of $242,200 in 2007, the average home sales price in the Western submarket declined an average of 11 percent annually to a low of $152,800 in 2011. That decline occurred because the economy had weakened, and a large number of seriously delinquent and REO properties had entered the market. The average home sales price in the submarket increased an average of 8 percent a year from 2012 through 2020 to $316,200. During the 12 months ending November 2021, the average home sales price in the submarket was $366,100, up 17 percent from $312,000 during the 12 months ending November 2020 (Figure 17).

Sales Construction

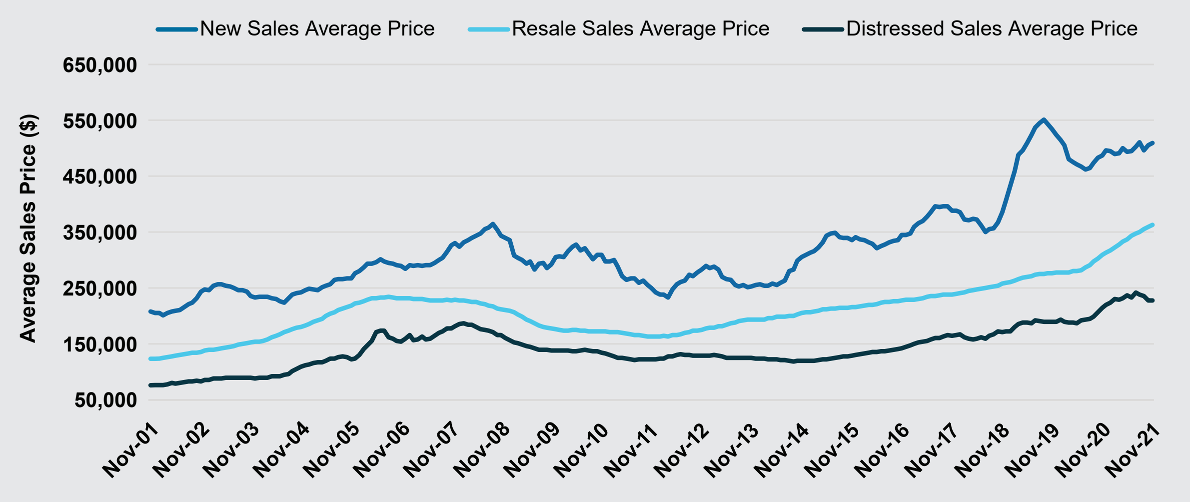
As measured by the number of single-family homes, townhomes, and condominiums permitted, sales construction in the Western submarket has trended upwards since the mid-2010s but remained below the historically high levels of the early and mid-2000s (Figure 18). An average of 3,025 homes were permitted annually from 2003 through 2005. From 2006 through 2009, the number of homes permitted declined an average of 48 percent, annually, to a low of only 260 homes in 2009 during the Great Recession. Sales construction rose an average of 23 percent annually for the next 5 years but averaged only 570 annually from 2010 through 2014. An average of 1,225 homes were permitted annually from 2015 through 2020 as the economy expanded. During the 12 months ending November 2021, 1,450 homes were permitted in the submarket, a 28-percent increase from the 12 months ending November 2020 (preliminary data and estimates by the analyst).

As a peninsula, the Western submarket is densely populated, and recent new home construction has generally been limited to infill in areas with convenient access to the cities of St. Petersburg and Tampa and nearby beaches. Shoreline St. Petersburg is the latest of several townhome communities near the junction of the Gandy Bridge leading into the city of Tampa and State Route 92 leading into downtown St. Petersburg. This development is under construction and will have 53 three-bedroom townhomes with prices starting at $400,000.

Forecast

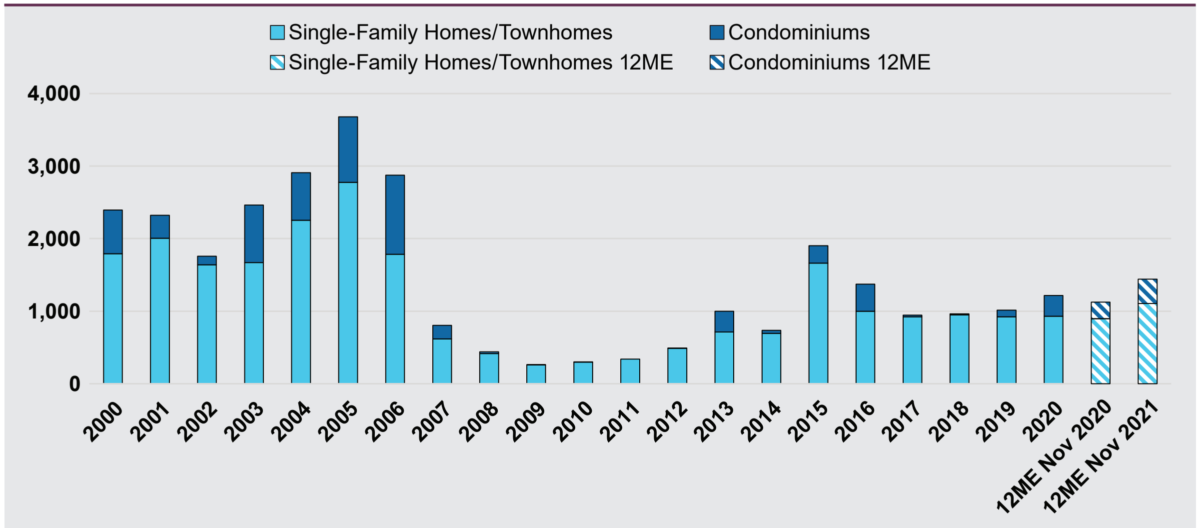
During the forecast period, demand is expected for an estimated 3,850 new sales units in the submarket, accounting for 7 percent of the

Figure 17. 12-Month Average Sales Price by Type of Sale in the Western Submarket



Distressed Sales = short sales and real estate owned sales.
Source: CoreLogic, Inc., with adjustments by the analyst

Figure 18. Annual Sales Permitting Activity in the Western Submarket



12ME = 12 months ending.
Sources: U.S. Census Bureau, Building Permits Survey; 2000–2020 final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

estimated demand for new homes in the HMA (Table 12). Demand for new homes in the submarket is expected to be relatively consistent during the forecast period. The 750 new homes currently under construction in the submarket, which represent 8 percent of the homes currently under construction in the HMA, will meet some of the forecast demand during the first year.

Table 12. Demand for New Sales Units in the Western Submarket During the Forecast Period

	Sales Units
Demand	3,850 Units
Under Construction	750 Units

Note: The forecast period is from December 1, 2021, to December 1, 2024.
Source: Estimates by the analyst

Sales Market—Northern Suburbs Submarket

Market Conditions: Tight

Population growth in the Northern Suburbs submarket, particularly associated with net in-migration by homebuyers relocating from the core employment centers of the HMA, has generally outpaced growth in the supply of for-sale housing since the early 2010s.

Current Conditions

The overall sales vacancy rate in the Northern Suburbs submarket was estimated at 1.2 percent as of December 1, 2021, down from 3.7 percent during April 2010 (Table 13). The sales market is tight despite a recent uptick in home construction. The inventory of available homes in the submarket in November 2021 was a 0.9-month supply, down from a 1.2-month supply a year ago (Greater Tampa REALTORS®, Hernando County Association of REALTORS®).

Home Sales Trends

Total home sales have generally trended upwards in the Northern Suburbs submarket since the early 2010s because of strong job growth in the HMA

Table 13. Home Sales Quick Facts in the Northern Suburbs Submarket

		Northern Suburbs Submarket	Tampa HMA
Home Sales Quick Facts	**Vacancy Rate**	1.2%	1.2%
	Months of Inventory	0.9	0.8
	Total Home Sales	32,200	109,300
	1-Year Change	14%	16%
	New Home Sales Price	$352,400	$366,600
	1-Year Change	11%	10%
	Existing Home Sales Price	$237,700	$319,800
	1-Year Change	23%	21%
	Mortgage Delinquency Rate	2.6%	2.4%

Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending November 2021; and months of inventory and mortgage delinquency data are as of November 2021. The current date is December 1, 2021.
Sources: Vacancy rate—estimates by the analyst; months of inventory—CoreLogic, Inc., Hernando County Association of REALTORS®, Pinellas REALTOR® Organization, and Greater Tampa REALTORS®, with adjustments by the analyst; home sales and prices—CoreLogic, Inc.

during much of the period. After an annual peak of 43,250 in 2005, the number of homes sold in the submarket declined an average of 32 percent during each of the next 3 years to a low of 13,450 in 2008 (CoreLogic, Inc., with adjustments by the analyst). Total home sales subsequently increased an average of 6 percent annually during the next 12 years to 28,450 during 2020. A total of 32,150 homes were sold in the submarket during the 12 months ending November 2021, a 14-percent increase from 28,200 during the 12 months ending November 2020 (Figure 19).

Distressed Sales

Distressed sales in the Northern Suburbs submarket rose each year, from 210 sales, or less than 1 percent of existing home sales during 2005, to 4,925, or 36 percent of existing home sales in 2011. From 2012 through 2019, however, the number of distressed sales declined an average of 19 percent a year. During the 12 months ending November 2021, the number of distressed sales totaled 280, or 1 percent of existing home sales, down from 660 during the previous 12 months when distressed sales accounted for 3 percent of existing home sales.

Seriously Delinquent Mortgages

The rate of seriously delinquent mortgages and REO properties in the Northern Suburbs peaked during December 2011, with the 19.3-percent rate in Pasco County higher than both the peak rate in Hernando County (17.4 percent) and the HMA (17.3 percent). The rate declined rapidly in the submarket during much of the 2010s, but it increased during 2020 because of job losses due to the pandemic. As of November 2021, the rate of seriously delinquent mortgages and REO properties in the submarket was 2.5 percent, down from 5.2 percent during November 2020.

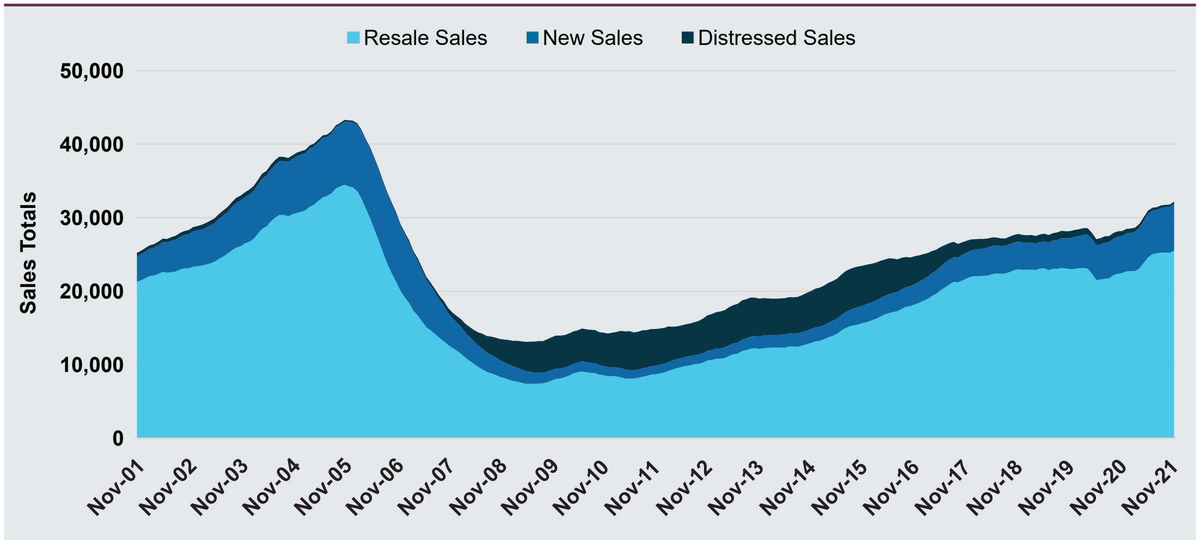
Home Sales Price Trends

The average home sales price in the Northern Suburbs submarket declined 12 percent annually from $191,600 during 2006 to $100,300 during 2011. From 2012 through 2019, the average home price in the submarket rose an average of 8 percent annually, surpassing the prerecession high in 2019. During the 12 months ending November 2021, the average home price in the submarket was $260,800, up 21 percent from $215,800 during November 2020 (Figure 20).

Sales Construction

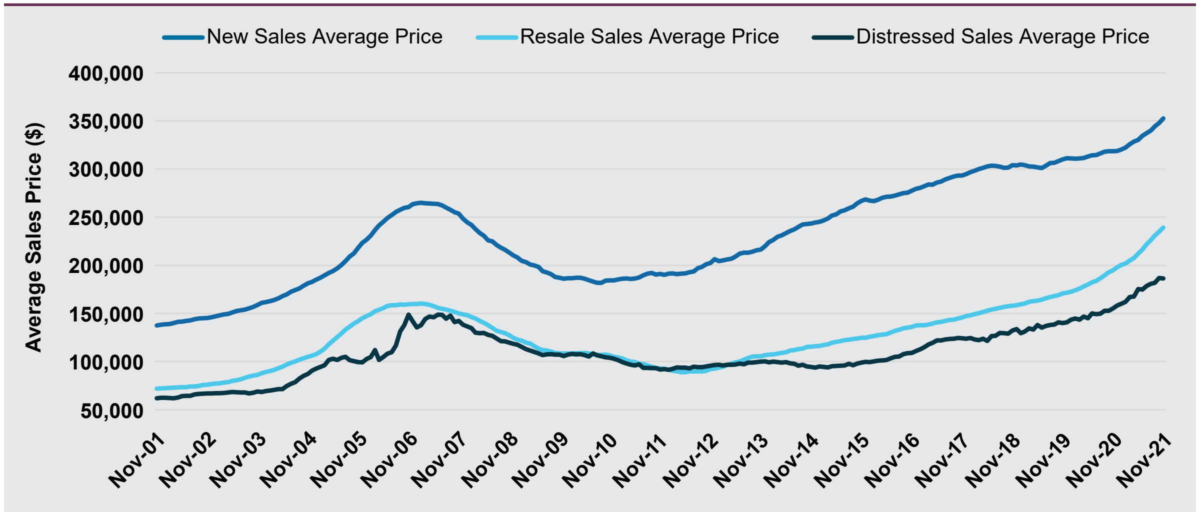
Sales construction in the Northern Suburbs submarket, as measured by the number of single-family homes, townhomes, and condominiums

Figure 19. 12-Month Sales Totals by Type in the Northern Suburbs Submarket



Distressed Sales = short sales and real estate owned sales.
Source: CoreLogic, Inc., with adjustments by the analyst

Figure 20. 12-Month Average Sales Price by Type of Sale in the Northern Suburbs Submarket

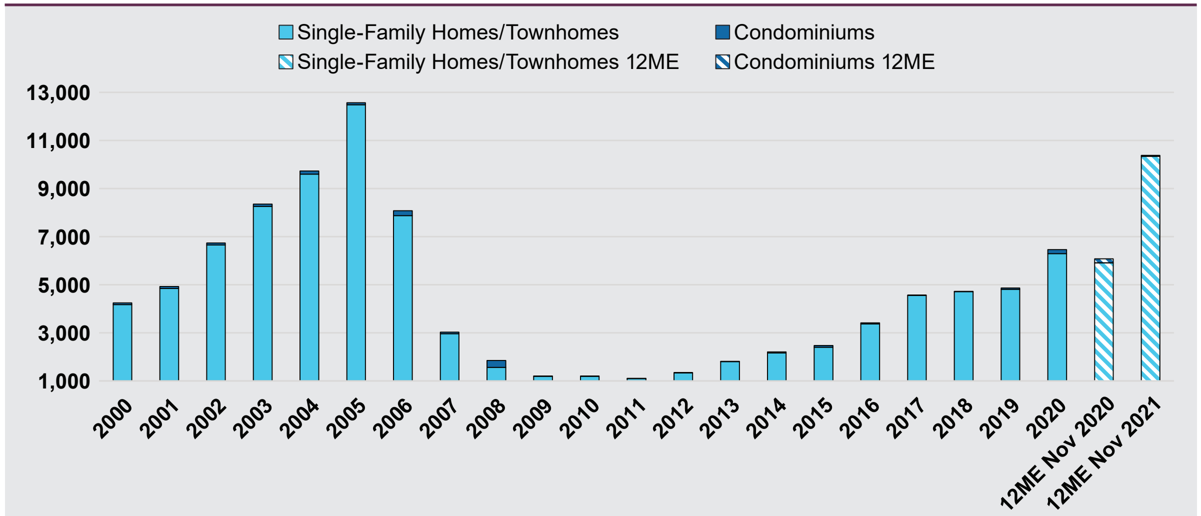


Distressed Sales = short sales and real estate owned sales.
Source: CoreLogic, Inc., with adjustments by the analyst

permitted, has increased since the early 2010s after decreasing sharply during the housing market crisis in the late 2000s (Figure 21). The number of homes permitted increased an average of 24 percent annually from 2001 through 2005 to a peak of 12,550 units before declining an average of 33 percent annually from 2006 through 2011 to a low of 1,100. From 2012 through 2019, however, the number of homes permitted rose an average of 22 percent a year. During the 12 months ending November 2021, 10,350 homes were permitted in the submarket, up 70 percent from 6,075 homes during the previous 12 months (preliminary data with estimates by the analyst).

Recent new home construction in the submarket has generally been clustered around commuting arteries leading to employment centers in the HMA and near amenities such as golf courses and beaches. Pasco County has accounted for approximately 82 percent of all new homes permitted in the submarket since the start of 2016. River's Edge is a gated community of luxury homes in the first phase of construction, with 19 homes sold of the 60 homes planned. These three- to seven-bedroom, three- to six-bathroom homes, on large lots, start at $600,000 and are located just east of Interstate 75, approximately 10 miles from the Interstate 275 interchange. About 18 percent of new home construction in the submarket has occurred in Hernando County. Hernando Oaks, a community which borders a golf course near US Highway 41 in the city of Brooksville, began construction in 2004 but halted development during the housing crisis. Currently, 47 homes are under construction, with plans to develop an additional 500 lots, which will more than double the size of the 408-home community. Prices for these three- to four-bedroom, two-bathroom homes start at $275,000.

Figure 21. Annual Sales Permitting Activity in the Northern Suburbs Submarket



12ME = 12 months ending.
Sources: U.S. Census Bureau, Building Permits Survey; 2000–2020 final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Forecast

During the forecast period, demand is expected for an estimated 21,750 new sales units in the submarket, accounting for 42 percent of the estimated demand for new homes in the HMA (Table 14). The 5,100 new homes currently under construction in the submarket, which represent 55 percent of the homes currently under construction in the HMA, will meet some of the forecast demand during the first year. Demand for new homes in the submarket is expected to be greatest in the first year of the forecast period, when job and population growth will be strongest.

Table 14. Demand for New Sales Units in the Northern Suburbs Submarket During the Forecast Period

	Sales Units
Demand	21,750 Units
Under Construction	5,100 Units

Note: The forecast period is from December 1, 2021, to December 1, 2024.
Source: Estimates by the analyst

Rental Market

Rental Market—Tampa HMA

Market Conditions: Slightly Tight

Strong renter household growth since the early 2010s has contributed to declining rental vacancy rates, despite an increase in apartment construction during the past several years.

Current Conditions and Recent Trends

The rental housing market in the Tampa HMA—including apartment units, single-family homes, townhomes, and condominiums for rent—is currently slightly tight. The overall rental vacancy rate in the HMA is currently estimated at 7.3 percent, down from 13.1 percent in April 2010. (Table 15). Strong net in-migration, relatively low rental construction during the Great Recession, and increased renter household growth contributed to declining vacancy rates and rising rents during much of the 2010s. Single-family homes, which accounted for 25.9 percent of occupied rental units in the HMA in 2010, accounted for approximately 33.0 percent of all occupied rental units in 2019 (ACS 1-year estimates).

Table 15. Rental and Apartment Market Quick Facts in the Tampa HMA

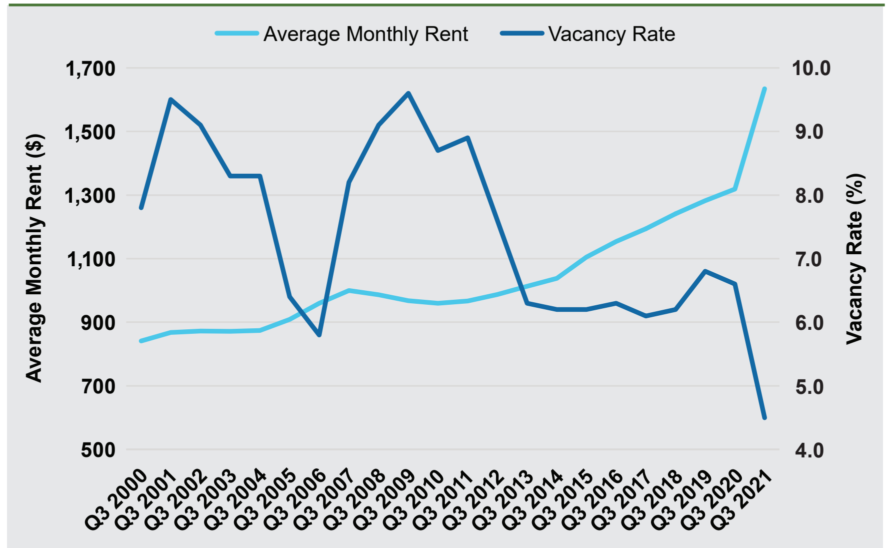
		2010 (%)	Current (%)
Rental Market Quick Facts	Rental Vacancy Rate	13.1	7.3
		2010 (%)	2019 (%)
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	25.9	33.0
	Multifamily (2–4 Units)	17.9	12.1
	Multifamily (5+ Units)	49.0	48.2
	Other (Including Mobile Homes)	7.3	6.7
Apartment Market Quick Facts		Q3 2021	YoY Change
	Apartment Vacancy Rate	4.5	-2.1
	Average Rent	$1,634	24%

Q3 = third quarter. YoY= year-over-year.
Notes: The current date is December 1, 2021. Percentages may not add to 100 due to rounding.
Sources: 2010 vacancy rate—2010 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2019 American Community Survey, 1-year data; apartment data—CoStar Group

Apartment Market Conditions

The apartment market in the HMA is tight, with a vacancy rate of 4.5 percent during the third quarter of 2021, down from 6.6 percent during the third quarter of 2020 (CoStar Group). The apartment vacancy rate declined during the past year due to an increase in renter households, despite a significant increase in apartment completions, particularly in and around the downtowns of Tampa and St. Petersburg. Rent growth in the HMA accelerated during the past year after moderating during the late 2010s. The average rent in the HMA was $1,634 during the third quarter of 2021, up 24 percent from a year ago, whereas the average rent for the nation increased 11 percent to $1,528. By comparison, the average rent in the HMA rose an average of 4 percent annually from the third quarter of 2014 to the third quarter of 2020 (Figure 22), while the average rent for the nation increased by an average annual rate of 3 percent.

Figure 22. Apartment Rents and Vacancy Rates in the Tampa HMA



Q3 = third quarter.
Source: CoStar Group

Senior Apartment Market Conditions

The portion of renters aged 60 years and older in the HMA has grown from 21 percent in 2010 to 24 percent of all renters in 2019 (ACS 1-year estimates). Despite the growth in senior renters, construction of rental housing designed for seniors has declined in the HMA. About 8 percent of all rental units permitted in the past 5 years in the HMA were intended for residents aged 62 years and older, compared with 12 percent during the previous 5 years. As a result, the vacancy rate for apartments intended for senior occupancy has declined from 3.6 percent during the third quarter of 2020 to 1.7 percent during the third quarter of 2021. Rent growth for apartments intended for residents aged 62 years and older has been slower than rent growth for overall apartment market rents in the HMA. The average rent for apartments intended for senior occupancy increased 5 percent, from $1,261 during the third quarter of 2020 to $1,329 during the third quarter of 2021.

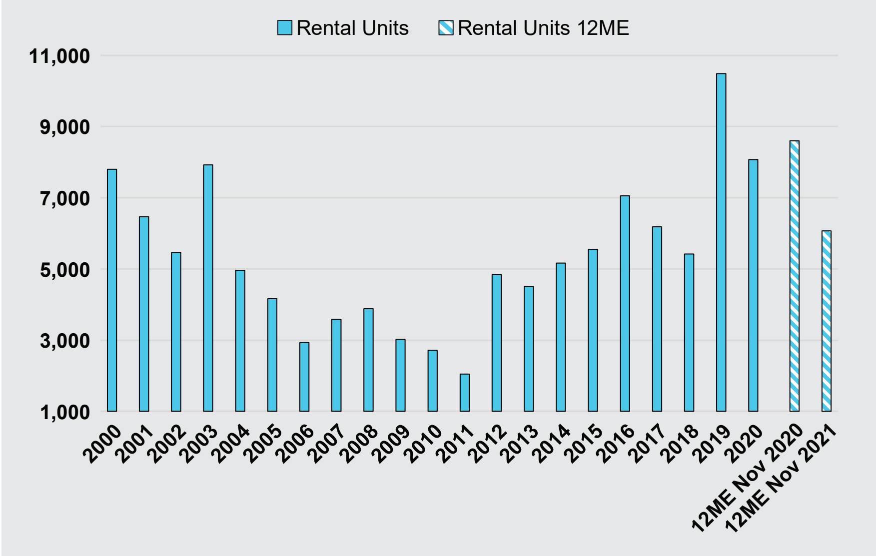
Rental Construction

As measured by the number of units permitted, rental construction in the Tampa HMA trended upwards starting in the mid-2010s until peaking during 2019 with nearly 10,500 units permitted. From 2012 through 2019, an average of 6,150 rental units were permitted in the HMA, up from an average of 3,025 units annually from 2006 through 2011, and slightly higher than 6,125 units a year from 2000 through 2005 (Figure 23). During the 12 months ending November 2021, 6,075 rental units were permitted in the HMA, down 29 percent from 8,600 units during the previous 12 months (preliminary data and estimates by the analyst). Since 2010, 58 percent of all rental units permitted in the HMA were in the Central submarket, compared with 26 and 16 percent for the Western and Northern Suburbs submarkets, respectively.

Housing Affordability: Rental

Income increases surpassed rent growth during the economic expansion following the Great Recession and contributed to rising rental affordability in the HMA; however, in 2019, rent growth began to accelerate and outpace

Figure 23. Annual Rental Permitting Activity in the Tampa HMA



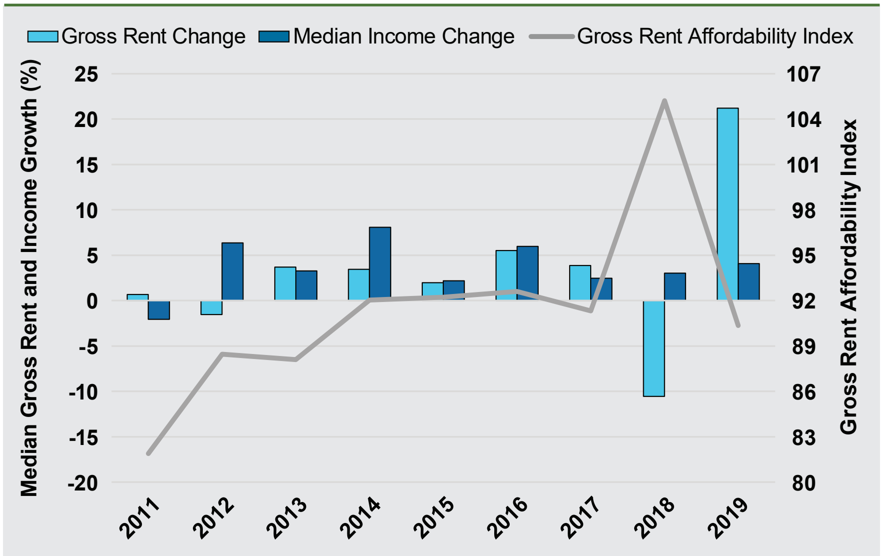
12ME = 12 months ending.
Note: Includes apartments and units intended for rental occupancy.
Sources: U.S. Census Bureau, Building Permits Survey; 2000–2020 final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

wage gains. As a result, the HUD Rental Affordability Index, a measure of median renter household income relative to qualifying income for the median-priced rental unit, has started to decline. The index fell from 105.2 during 2018 to 90.3 during 2019 (latest data available), compared with 81.9 in 2011 (Figure 24). Rental affordability in the Tampa HMA is expected to have declined further since 2019 because rent growth has been very strong in the intervening period.

Forecast

During the forecast period, demand is expected for an estimated 23,600 rental units in the HMA and is expected to be relatively stable during the forecast period (Table 16). The 11,550 units currently under construction are expected to satisfy some of the rental demand during the next 2 years.

Figure 24. Tampa HMA Gross Rent Affordability Index



MSA = metropolitan statistical area.
Notes: Rental affordability is for the larger Tampa MSA. The Gross Rent Affordability Index differs from the HUD Rental Affordability Index published on the U.S. Housing Market Conditions website in that it is based on combined rent and utilities expenditure.
Source: American Community Survey, 1-year data

Table 16. Demand for New Rental Units in the Tampa HMA During the Forecast Period

	Rental Units
Demand	23,600 Units
Under Construction	11,550 Units

Note: The forecast period is December 1, 2021, to December 1, 2024.
Source: Estimates by the analyst

Rental Market—Central Submarket

Market Conditions: Slightly Tight

The apartment vacancy rate in the Central submarket fell to 4.7 percent during the third quarter of 2021 from 6.6 percent a year earlier, despite more than 1,400 new apartment units entering the rental market.

Rental Market Conditions and Recent Trends

As of December 1, 2021, the overall rental vacancy rate in the Central submarket is estimated at 8.3 percent, down from 12.6 percent in April 2010 (Table 17). Single-family homes, which accounted for 22.4 percent of occupied rental units in the submarket in 2010, increased to 31.5 percent of all occupied rental units in 2019 (ACS 1-year estimates). The increased share of single-family rentals came partly from older homes being converted from sales units to the rental market.

Table 17. Rental and Apartment Market Quick Facts in the Central Submarket

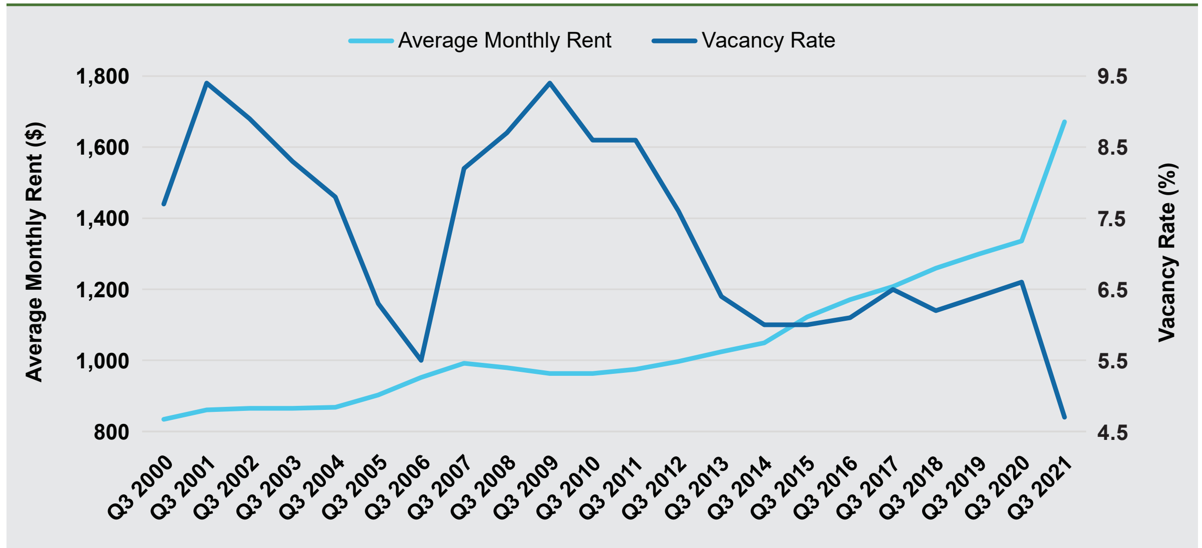
Rental Market Quick Facts		2010 (%)	Current (%)
	Rental Vacancy Rate	12.6	8.3
		2010 (%)	2019 (%)
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	22.4	31.5
	Multifamily (2–4 Units)	17.3	11.0
	Multifamily (5+ Units)	53.2	51.4
	Other (Including Mobile Homes)	7.2	6.1
Apartment Market Quick Facts		Q3 2021	YoY Change
	Apartment Vacancy Rate	4.7	-1.9
	Average Rent	$1,671	25%

Q3 = third quarter. YoY= year-over-year.
Notes: The current date is December 1, 2021. Percentages may not add to 100 due to rounding.
Sources: 2010 vacancy rate—2010 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2019 American Community Survey, 1-year data; apartment data—CoStar Group

Apartment Market Conditions

The apartment market in the Central submarket is tight, despite a relatively high number of units entering lease-up during the past year, because of strong renter household growth. The apartment vacancy rate in the submarket was 4.7 percent during the third quarter of 2021, down from 6.6 percent a year ago (CoStar Group). The Downtown Tampa-Hyde Park market area had a slightly higher vacancy rate of 5.8 percent during the third quarter of 2021 because more than one-half of all the rental units added to the HMA in the past 2 years have been built in this area. The Interstate-75 market area, which surrounds the Interstate-75 corridor east of Tampa, and the Interstate-275 market area, which is near the communities of Lutz and New Tampa, had vacancy rates of 3.7 and 3.4 percent, respectively, because fewer units were recently added in these areas. The average rent in the Central submarket rose sharply during the past year after moderate growth during the mid-to-late 2010s. The average apartment rent in the submarket increased an average of 4 percent annually, from $1,039 during the third quarter of 2014 to $1,336 during the third quarter of 2020 (Figure 25). During the third quarter of 2021, the average rent in the submarket was estimated at $1,671, up 25 percent from a year ago. The average rent was $2,140 in the Downtown Tampa-Hyde Park market area during the third quarter of 2021, up 20 percent from the previous year, partly because many newer units have higher rents. During the third quarter of 2021,

Figure 25. Apartment Rents and Vacancy Rates in the Central Submarket



Q3 = third quarter.
Source: CoStar Group

average rent in the Interstate-75 market area and in the Interstate-275 market area increased 27 and 29 percent to $1,630 and $1,890, respectively.

Rental Construction

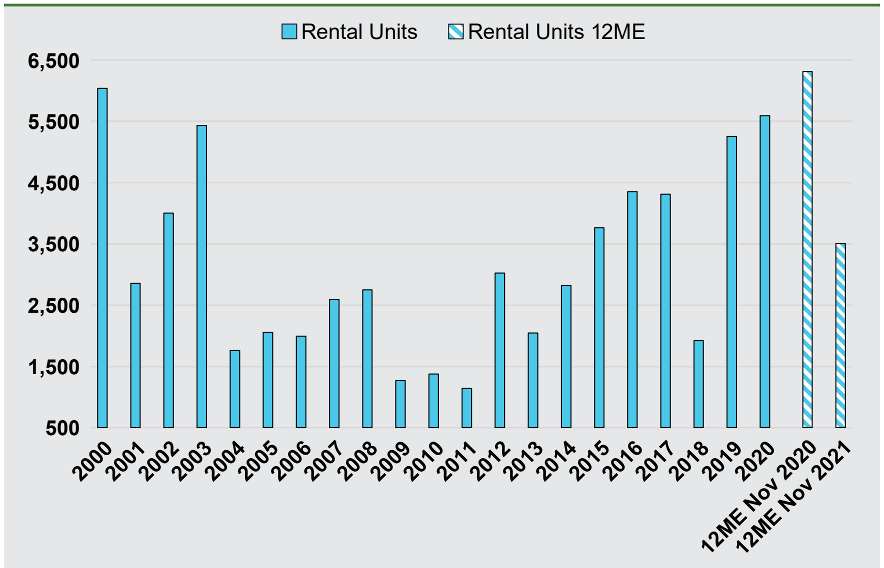
Rental construction in the Central submarket, as measured by the number of rental units permitted, has generally been higher since 2010 than during the 2000s (Figure 26). An average of 3,750 units were permitted each year from 2013 through 2020, more than double the average of 1,700 units permitted each year from 2009 through 2012 and higher than the 3,275 units permitted each year from 2000 through 2008. Rental permitting peaked with approximately 6,300 rental units permitted in the submarket during the 12 months ending November 2020, followed by a 44-percent decline to 3,500 units during the 12 months ending November 2021 (preliminary data and estimates by the analyst).

The Central submarket area has accounted for more than one-half of the rental units completed in the HMA since the start of 2018. Recent rental construction in the submarket has been particularly prevalent in and around downtown Tampa, where several properties are currently leasing, including The Foundry NoHo, a 218-unit apartment property in downtown Tampa where rents for one-bedroom apartments currently range from $1,900 to $2,000 a month. The Pointe on Westshore, a 402-unit development south of the Westshore Marina District, was completed in late 2021, with rents currently ranging from $1,800 to $2,125 for one-bedroom units, from $2,450 to $2,700 for two-bedroom units, and from $2,850 to $3,125 for three-bedroom units.

Forecast

During the forecast period, demand is expected for an estimated 12,500 rental units in the submarket, accounting for 53 percent of the estimated demand for new rental units in the HMA (Table 18). Demand for new rental units in the submarket is expected to be relatively stable during the forecast period. The 7,600 units that represent 66 percent of the units currently under construction in the HMA are expected to satisfy most of the rental demand in the submarket during the next 2 years.

Figure 26. Annual Rental Permitting Activity in the Central Submarket



12ME = 12 months ending.
Note: Includes apartments and units intended for rental occupancy.
Sources: U.S. Census Bureau, Building Permits Survey; 2000–2020 final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Table 18. Demand for New Rental Units in the Central Submarket During the Forecast Period

Rental Units	
Demand	12,500 Units
Under Construction	7,600 Units

Note: The forecast period is December 1, 2021, to December 1, 2024.
Source: Estimates by the analyst

Rental Market—Western Submarket

Market Conditions: Slightly Tight

Renter household growth has largely exceeded rising levels of apartment construction in the Western submarket during much of the period since the mid-2010s.

Rental Market Conditions and Recent Trends

The overall rental market in the Western submarket is currently slightly tight. As of December 1, 2021, the overall rental vacancy rate is estimated at 5.8 percent, down from 13.3 percent in April 2010 (Table 19). Since 2010, the conversion of single-family homes to rental use following the housing crisis and increased apartment construction have been outpaced by increased demand for rental housing in the submarket. Single-family homes, which accounted for 25.5 percent of occupied rental units in the submarket in 2010, were estimated to account for approximately 26.7 percent of all occupied rental units in 2019, and the portion of rental communities with five or more units increased from 51.6 percent to 53.6 percent during the same period (ACS 1-year estimates).

Apartment Market Conditions

The apartment market in the Western submarket is tight. During the third quarter of 2021, the apartment vacancy rate was 3.9 percent, down from the 6.3-percent rate a year ago (CoStar Group). During the third quarter of 2021, the vacancy rate was 2.6 percent in the Downtown St. Petersburg market area and 3.3 percent in the Clearwater market area. The apartment vacancy rate in the South St. Petersburg market area is much higher, at 8.1 percent, which is partly attributable to new units currently in lease-up. The average apartment rent in the Western submarket increased to $1,600 during third quarter of 2021, a 23-percent increase from the previous year, after increasing an average of 3 percent annually, from $960 during the third quarter of 2010 to $1,300 during the third quarter of 2020 (Figure 27). During the third quarter of 2021, average rent in the Downtown St. Petersburg market area increased 22 percent from the previous year to $1,525, compared with rent growth of 12 and 17 percent to $1,180 and $1,300 in the Clearwater and South St. Petersburg market areas, respectively.

Rental Construction

As measured by the number of rental units permitted, rental construction in the Western submarket has been at high levels since the early 2010s when developers began to respond to declining vacancy rates (Figure 28). An average of 1,775 units was permitted each year from 2012 through 2019, up significantly from both the average of 400 units permitted each year from 2006 through 2011 and the average of 990 units permitted each year from 2000 through 2005. Approximately 1,300 rental units were permitted in the submarket during the 12 months ending November 2021, up 4 percent from 1,250 units during the previous 12 months (preliminary data and estimates by the analyst).

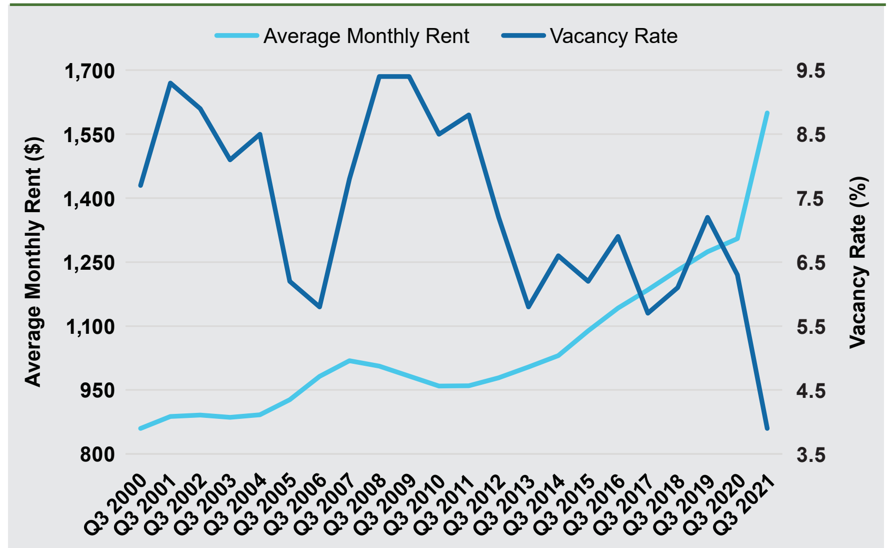
Recent rental construction in the submarket has been particularly notable in the cities of St. Petersburg and Clearwater, which accounted for approximately 50 and 23 percent, respectively, of the new apartment units completed in the submarket since 2018. Marina Walk, a 300-unit community in the Skyway Marina District in south St. Petersburg, is currently under construction and expected to begin leasing in early 2022, with rents ranging from $1,675 to $1,725 for one-bedroom units and starting at $2,150 for two-bedroom units. Recently completed properties in the submarket include Cortland Bayside, a 361-unit property in the city of Clearwater, which began leasing in mid-2021. Rents at the property currently range from $1,975 to

Table 19. Rental and Apartment Market Quick Facts in the Western Submarket

		2010 (%)	Current (%)
Rental Market Quick Facts	Rental Vacancy Rate	13.3	5.8
		2010 (%)	2019 (%)
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	25.5	26.7
	Multifamily (2–4 Units)	19.2	16.4
	Multifamily (5+ Units)	51.6	53.6
	Other (Including Mobile Homes)	3.6	3.2
Apartment Market Quick Facts		Q3 2021	YoY Change
	Apartment Vacancy Rate	3.9	-2.4
	Average Rent	$1,600	23%

Q3 = third quarter. YoY= year-over-year.
Notes: The current date is December 1, 2021. Percentages may not add to 100 due to rounding.
Sources: 2010 vacancy rate—2010 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2019 American Community Survey, 1-year data; apartment data—CoStar Group

Figure 27. Apartment Rents and Vacancy Rates in the Western Submarket



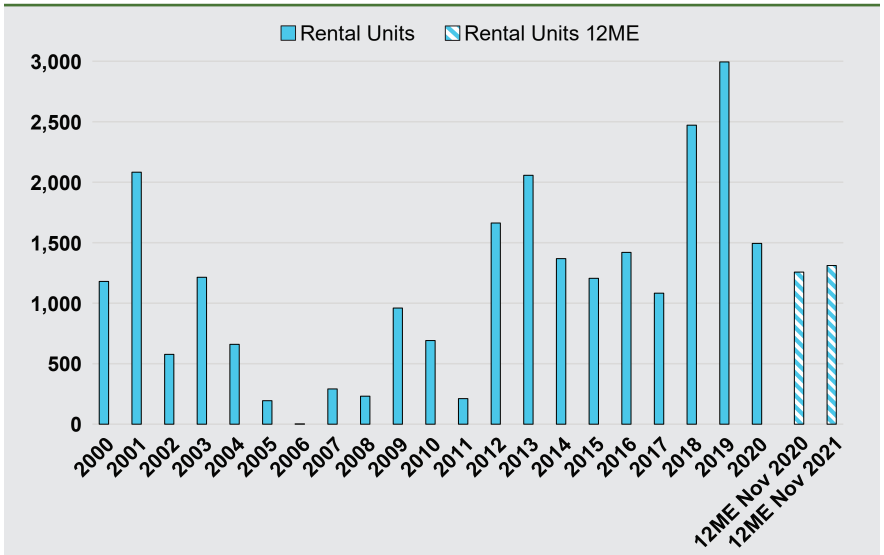
Q3 = third quarter.
Source: CoStar Group

$2,000 for one-bedroom units, from $2,775 to $2,800 for two-bedroom units, and from $3,000 to $3,250 for three-bedroom units. For residents ages 62 and older, the Jordan Park redevelopment currently under construction in the city of St. Petersburg will have 60 income-restricted units for senior residents and is expected to be complete in the fall of 2022.

Forecast

Demand is expected for an estimated 6,400 rental units in the submarket during the forecast period (Table 20), which accounts for 27 percent of the estimated demand for new rental units in the HMA. Demand for new rental units in the submarket is expected to remain relatively consistent during the forecast period. The 2,175 units currently under construction, which represent 19 percent of the units currently under construction in the HMA, are expected to satisfy all of the rental demand in the submarket during the first year.

Figure 28. Annual Rental Permitting Activity in the Western Submarket



12ME = 12 months ending.
Note: Includes apartments and units intended for rental occupancy.
Sources: U.S. Census Bureau, Building Permits Survey; 2000–2020 final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Table 20. Demand for New Rental Units in the Western Submarket During the Forecast Period

Rental Units	
Demand	6,400 Units
Under Construction	2,175 Units

Note: The forecast period is December 1, 2021, to December 1, 2024.
Source: Estimates by the analyst

Rental Market—Northern Suburbs Submarket

Market Conditions: Balanced

Despite relatively high levels of new rental construction, the apartment vacancy rate in the Northern Suburbs submarket has decreased during 4 of the past 5 years because of strong renter household growth.

Rental Market Conditions and Recent Trends

The overall rental market in the Northern Suburbs submarket is currently slightly tight. The overall rental vacancy rate is estimated at 7.5 percent as of December 1, 2021, down from 14.5 percent in April 2010 (Table 21). More single-family homes and fewer large apartment communities are available for rent in this outlying submarket. Single-family homes, which accounted for 41.7 percent of occupied rental units in the submarket in 2010, were estimated to account for 49.1 percent of all occupied rental units in 2019, compared with 33.0 percent for the HMA as a whole (ACS 1-year estimates). Structures with 50 or more units represented 6.2 percent of the occupied rental units in the submarket, compared with respective rates of 16.7 and 16.2 percent for the Central and Western submarkets.

Apartment Market Conditions

The apartment market in the Northern Suburbs submarket is tight. During the third quarter of 2021, the apartment vacancy rate was 3.1 percent, down from both the 4.7-percent rate a year ago and the peak 11.3-percent rate during the third quarter of 2009 (CoStar Group). Apartment vacancy rates are generally higher in the southernmost part of the submarket, particularly in areas near the employment centers of Tampa and St. Petersburg, where apartment construction has been concentrated. The 3.4-percent vacancy rate during the third quarter of 2021 in Pasco County, which has accounted for much of the recent apartment construction in the submarket, was down from 5.3 percent a year ago but more than double the rate in Hernando County, which rose slightly to 1.6 percent from 1.5 percent during the third quarter of 2020.

The average apartment rent in the Northern Suburbs submarket decreased an average of 1 percent, annually, from $876 during the third quarter of 2008 to $852 during the third quarter of 2011, a period that included the Great Recession, but it increased an average of 3 percent during the next 9 years to $1,120 during the third quarter of 2020 (Figure 29). During the third quarter of 2021, the average rent in the submarket was estimated at $1,317, up 18 percent from a year ago. Rents in the submarket are generally correlated with ease of access to jobs in the economic core of the HMA. The lowest average rent in the submarket during the third quarter of 2021, $935, was in Hernando County, which is located approximately 50 miles north of downtown Tampa, whereas the highest average rent, $1,397, was in Pasco County, approximately 20 miles north of the city of Tampa.

Rental Construction

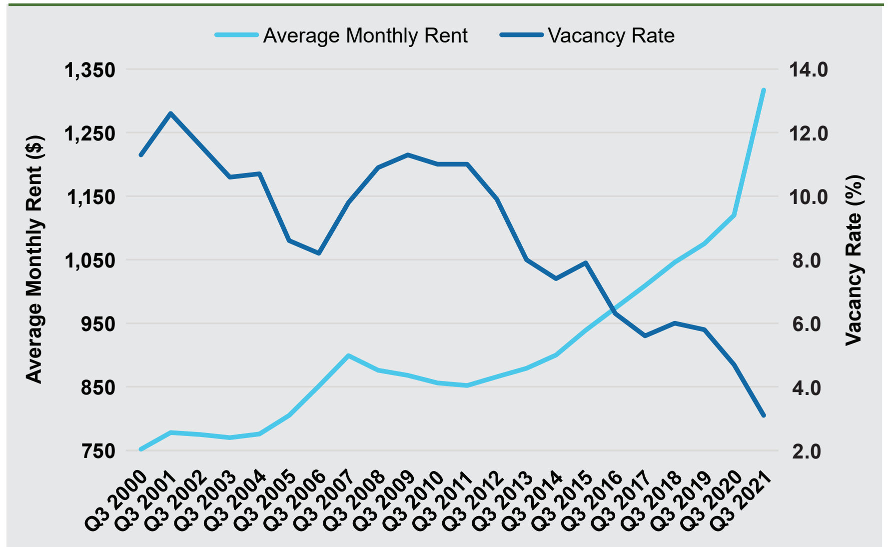
Developers have responded to the general trend of rent growth and declining apartment vacancy rates in the Northern Suburbs submarket with increased rental construction, as measured by the number of rental units permitted, since the mid-2010s (Figure 30). An average of 1,350 units were permitted each year from 2016 through 2019, up from the average of 680 units permitted each year from 2006 through 2015 but slightly lower than the average of 1,450 units permitted each year from 2000 through 2005. Approximately 1,250 rental units were permitted in the submarket during the 12 months ending November 2021, up 22 percent from 1,050 units during the 12 months ending November 2020 (preliminary data, with estimates by the analyst).

Table 21. Rental and Apartment Market Quick Facts in the Northern Suburbs Submarket

Rental Market Quick Facts		2010 (%)	Current (%)
	Rental Vacancy Rate	14.5	7.5
		2010 (%)	2019 (%)
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	41.7	49.1
	Multifamily (2–4 Units)	15.4	7.9
	Multifamily (5+ Units)	22.1	28.2
	Other (Including Mobile Homes)	20.1	0.1
Apartment Market Quick Facts		Q3 2021	YoY Change
	Apartment Vacancy Rate	3.1	-1.6
	Average Rent	$1,317	17.5%

Q3 = third quarter. YoY= year-over-year.
Notes: The current date is December 1, 2021. Percentages may not add to 100 due to rounding.
Sources: 2010 vacancy rate—2010 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2019 American Community Survey, 1-year data; apartment data—CoStar Group

Figure 29. Apartment Rents and Vacancy Rates in the Northern Suburbs Submarket



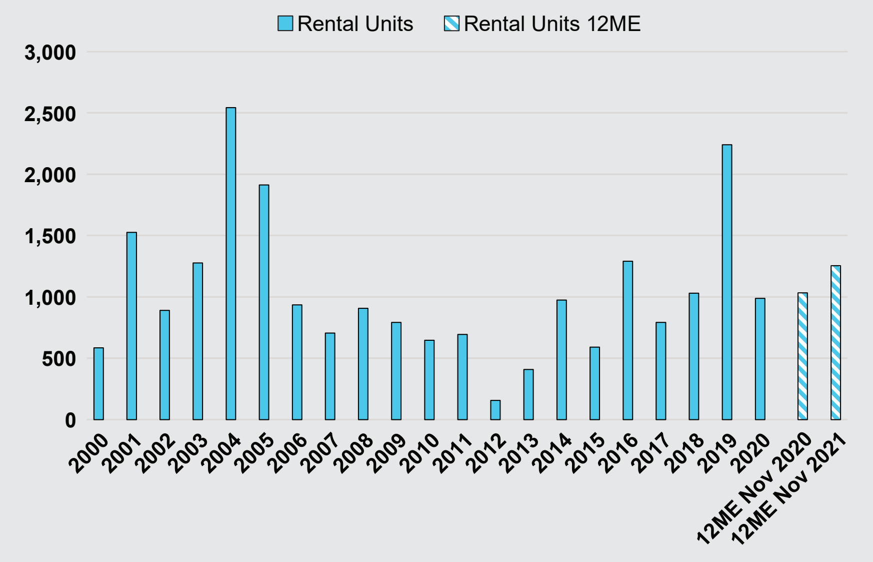
Q3 = third quarter.
Source: CoStar Group

Pasco County has accounted for an estimated 87 percent of the rental units completed in the Northern Suburbs submarket since 2017. Development has been particularly robust in and around the cities of Land O' Lakes, located along Interstate 75 approximately 10 miles north of Interstate 275 near Tampa, and the city of New Port Richey, which is located along the Gulf of Mexico, approximately 40 miles north of St. Petersburg. Recent developments in the submarket include the 312-unit Gables at Gulf View in the city of New Port Richey. Rents at the property, which was completed in 2020, currently range from $1,190 to $2,000 for one- to three-bedroom units. In the city of Land O' Lakes, Bainbridge Sunlake, a 268-unit apartment community, is currently leasing, with rents ranging from $1,775 to $2,060 for one-to-three-bedroom units. To meet the demand for the growing senior population, recent multifamily construction has included some age-restricted developments; for example, Blue Heron, which was completed in the community of Wesley Chapel in 2020, consists of 213 units intended for senior residents with memory care, assisted living, and skilled nursing available.

Forecast

Demand is expected for an estimated 4,700 rental units in the submarket during the forecast period (Table 22), which accounts for 20 percent of the estimated demand for new rental units in the HMA. The 1,775 units currently under construction represent 15 percent of the units currently under construction in the HMA and are expected to satisfy all of the rental demand in the submarket during the first year.

Figure 30. Annual Rental Permitting Activity in the Northern Suburbs Submarket



12ME = 12 months ending.
Note: Includes apartments and units intended for rental occupancy.
Sources: U.S. Census Bureau, Building Permits Survey; 2000–2020 final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Table 22. Demand for New Rental Units in the Northern Suburbs Submarket During the Forecast Period

	Rental Units
Demand	4,700 Units
Under Construction	1,775 Units

Note: The forecast period is December 1, 2021, to December 1, 2024.
Source: Estimates by the analyst

Terminology Definitions and Notes

A. Definitions

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.
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.
Distressed Sales	Short sales and real estate owned (REO) sales.
Existing Home Sales	Include resale sales, short sales, and REO sales.
Forecast Period	12/1/2021–12/1/2024—Estimates by the analyst.
Home Sales/ Home Sales Prices	Includes single-family, townhome, and condominium sales.
Net Natural Increase/ Decline	Resident births minus resident deaths.
Rental Market/ Rental Vacancy Rate	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.

Seriously Delinquent Mortgages	Mortgages 90+ 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.

C. Additional Notes

1.	The National Association of Homebuilders (NAHB) Housing Opportunity Index represents the share of homes sold in the HMA that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria.
2.	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.
3.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. 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.

D. Photo/Map Credits

Cover Photo	Adobe Stock

Contact Information

Karen M. Ostrye, Economist
Atlanta HUD Regional Office
678-732-2233
karen.m.ostrye@hud.gov