MARKETBEAT

# TAMPA BAY

RETAIL Q2 2025

CUSHMAN & WAKEFIELD

## MARKET FUNDAMENTALS

| | YOY Chg | Outlook |
|---|---|---|
| **77,900** Median HH Income | ▲ | ▲ |
| **1.1%** Population Growth | ▼ | ▲ |
| **3.7%** Unemployment Rate | ▲ | ▲ |

*Source: BLS*

## U.S. ECONOMIC INDICATORS

| | YOY Chg | Outlook |
|---|---|---|
| **1.4%** GDP Growth | ▼ | ▲ |
| **2.4%** Consumer Spending Growth | ▼ | ▲ |
| **2.0%** Retail Sales Growth | ▼ | – |

*Source: BEA, Census Bureau*

## SUPPLY AND DEMAND

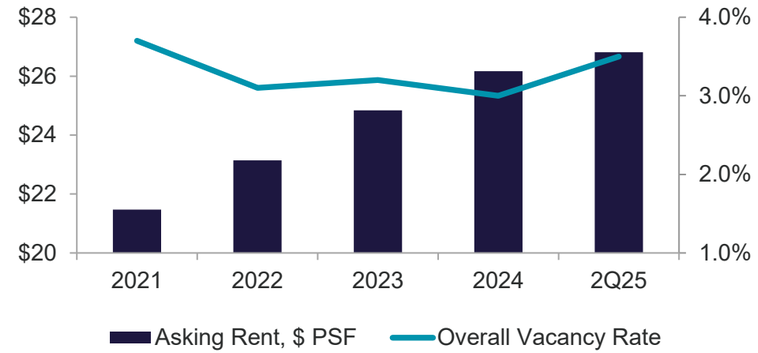
Retail availability in Tampa Bay remained limited through the first half of 2025, with vacancy inching up to 3.5%, still well below the national average of 4.3%. The market held under 4.0% since mid-2022, with core corridors like South Tampa and Westshore even tighter, hovering below 2.5%. Years of minimal speculative development constrained leasing volume, yet steady population growth and strong consumer spending supported ongoing tenant demand. National retailer bankruptcies added some space back to the market, but these vacancies were largely seen as rare opportunities in a supply-starved environment. While leasing activity moderated from its 2021 peak, well-located centers continued to record strong tenant interest, keeping fundamentals stable and spaces leasing quickly.

Construction activity slowed considerably, with just 560,000 square feet (sf) underway, down 60.0% from the previous year. Elevated construction costs, extended permitting timelines, and tighter lending standards contributed to the downturn, leaving most new development limited to build-to-suit (BTS) projects. As a result, tenants seeking large-format space, particularly those over 30,000 sf, often had to pursue ground-up options. Net absorption dipped into negative territory in Q2 2025, the first time 12-month rolling absorption posted a decline since early 2021, primarily driven by vacancy from recent store closures. However, absorption is expected to rebound as new BTS deliveries, including City Furniture's 145,000-sf lease in Pasco County, reached completion. Several major redevelopments, such as the 54-acre Westshore Plaza site and smaller projects like Britton Plaza and Hyde Park Village, offered future supply relief, though Tampa's pipeline remained predominantly BTS, keeping competition high and quality space in short supply.

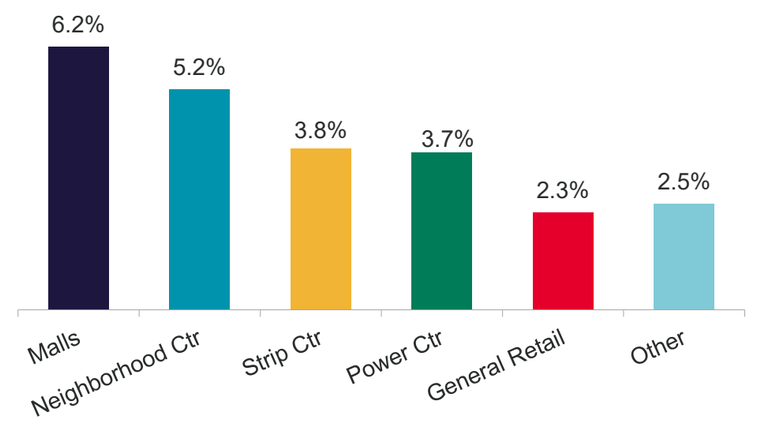
## PRICING

Average asking rent rose to $26.81 per square foot (psf) at the end of Q2, reflecting a 4.8% year-over-year (YOY) increase. The region has ranked among the top U.S. markets for rent growth over the past five years, with rates climbing nearly 35.0% during that time. Much of this momentum was driven by strong performance in malls and power centers, which posted YOY gains of 4.6% and 4.7%, respectively. Although recent bankruptcies brought new space to the market, many of the vacated units had been occupied by tenants with leases in place for a decade or more. This allowed landlords to reset pricing to current market levels, further supporting rental growth across the region.

## SPACE DEMAND / DELIVERIES




## VACANCY BY PRODUCT TYPE




*Source: CoStar*

# TAMPA BAY
## RETAIL Q2 2025

### INVESTMENT SALES

Tampa's retail investment market remained strong through midyear, with total sales reaching $555.1 million, a 20.2% YOY increase and the second-highest volume in Florida behind Miami. The average sale price climbed to a new high of $270 per square foot (psf), up from $259 psf the year prior, largely driven by investor appetite for smaller, single-tenant assets. Nearly 89.0% of deals closed below $5 million, underscoring the market's appeal to private and mid-sized investors. The largest transaction in the first half of the year was Morgan Automotive Group's $15.5 million acquisition of Ocean Honda in Port Richey, which traded at $333 psf before being rebranded. Pasco County led regional activity with $85.8 million in volume at an average of $243.40 psf, placing it among the top 10 submarkets in the state by total sales.

Cap rates varied significantly, ranging from 4.0% to 10.0% depending on asset quality, location, and tenant mix. Well-located retail properties remained in high demand due to Tampa's ongoing population growth, strong consumer fundamentals, and limited new supply. Investors also targeted retail properties near expanding residential nodes, particularly in Pasco and southern Hillsborough Counties, where household growth has outpaced regional averages. Many of the most competitive bids were for stabilized assets with long-term leases to national tenants, reflecting a flight to quality in a more cautious lending environment. As more than three-quarters of the current development pipeline was already preleased and vacancy levels hovered near historic lows, landlords maintained leverage to push rents higher, strengthening long-term net operating income growth and further solidifying Tampa's reputation as a premier retail investment destination in the Southeast.

### KEY SALES TRANSACTIONS 2025 YTD

| PROPERTY | SUBMARKET | SELLER / BUYER | SF | PRICE / $ PSF |
|---|---|---|---|---|
| Port Richey Honda | Pasco County | Victory Auto Group / Morgan Auto Group | 48,000 | $15.5M / $323 |
| 1502-1512 E 7th Ave | Downtown Tampa | Joel Brewer / Clark Associates | 28,000 | $15.0M / $536 |
| Rivian | Westshore | Landmark Equity / Auto Properties REIT | 25,000 | $13.1M / $523 |
| KOHL's | Pasco County | Swanson Development / NETSTREIT | 55,131 | $13.0M / $236 |
| Macy's Furniture-Village at Countryside Plaza | North Pinellas | Realty Financial / Baers Furniture | 65,536 | $12.2M / $185 |

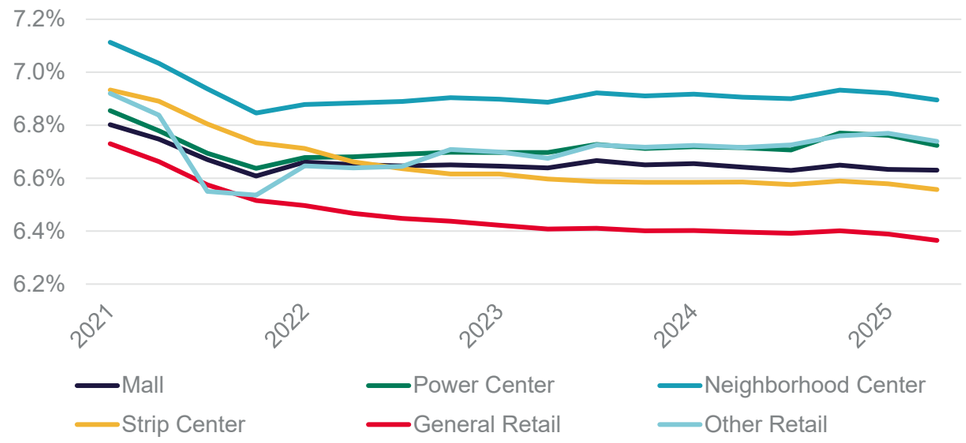
### KEY LEASE TRANSACTIONS 2025 YTD

| PROPERTY | SUBMARKET | TENANT | SF | TYPE |
|---|---|---|---|---|
| 16400 State Road 54 | Pasco County | The Chapel Church | 70,305 | New Lease |
| 4379 Wellbeing Way | Pasco County | YMCA | 49,319 | New Lease |
| Horizon Park | Westshore | H Mart | 47,068 | New Lease |
| The Shoppes at Park Place | South Pinellas | Pickleball Kingdom | 40,125 | New Lease |
| 6900 US Hwy 19 N | South Pinellas | EoS Fitness | 39,801 | New Lease |

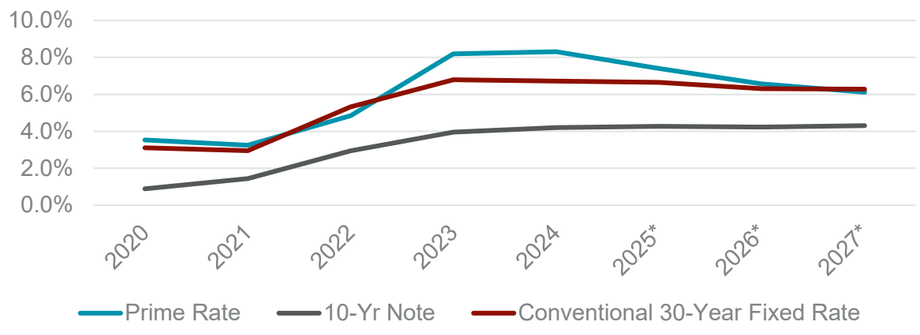
*Source: CoStar, Moody's Analytics*

### SALES VOLUME AND MARKET PRICE/SF


### CAP RATES BY PROPERTY TYPE




### INTEREST RATES




**Forecasted Data*

## MARKET STATISTICS

| SUBMARKET | INVENTORY (SF) | OVERALL VACANT (SF) | OVERALL VACANCY RATE | OVERALL AVG ASKING RENT (NNN) | YOY RENT GROWTH % | UNDER CNSTR (SF) | 12-MONTH ROLLING ABSORPTION |
|---|---|---|---|---|---|---|---|
| Downtown Tampa | 2,282,585 | 166,629 | 7.3% | $30.44 | 4.8% | 38,404 | -74,195 |
| East Tampa | 13,168,759 | 250,206 | 1.9% | $27.92 | 5.0% | 0 | -132,386 |
| Eastern Outlying | 8,603,589 | 189,279 | 2.2% | $25.12 | 5.0% | 0 | -5,105 |
| Northeast Tampa | 13,168,759 | 329,219 | 2.5% | $24.89 | 4.8% | 15,500 | -13,587 |
| Northwest Tampa | 20,192,098 | 585,571 | 2.9% | $27.53 | 5.1% | 5,335 | -82,433 |
| South Tampa | 6,321,004 | 139,062 | 2.2% | $32.99 | 4.9% | 38,882 | 91,867 |
| Southeast Hillsborough | 3,862,836 | 139,062 | 3.6% | $27.14 | 5.0% | 203,110 | 39,039 |
| Westshore | 9,305,923 | 120,977 | 1.3% | $38.94 | 4.9% | 0 | 40,474 |
| **HILLSBOROUGH COUNTY TOTAL** | **76,905,554** | **1,920,005** | **2.5%** | **$28.21** | **4.9%** | **301,231** | **-136,326** |
| Bayside | 3,336,086 | 133,443 | 4.0% | $27.74 | 4.9% | 0 | -26,205 |
| Downtown Clearwater | 1,404,668 | 43,545 | 3.1% | $22.73 | 3.3% | 0 | -16,819 |
| Downtown St Petersburg | 1,580,251 | 200,692 | 12.7% | $37.49 | 2.6% | 5,930 | 5,840 |
| Gateway | 3,511,669 | 172,072 | 4.9% | $25.04 | 5.4% | 0 | -55,177 |
| Mid-Pinellas | 12,115,259 | 460,380 | 3.8% | $24.56 | 4.7% | 0 | -21,072 |
| North Pinellas | 15,978,095 | 926,729 | 5.8% | $26.56 | 4.6% | 0 | -160,726 |
| South Pinellas | 20,016,514 | 700,578 | 3.5% | $27.46 | 4.3% | 103,350 | 9,227 |
| **PINELLAS COUNTY TOTAL** | **57,942,541** | **2,637,439** | **4.6%** | **$26.10** | **4.3%** | **109,280** | **-264,932** |
| Hernando County | 10,008,257 | 280,231 | 2.8% | $21.88 | 5.1% | 10,794 | 29,374 |
| Pasco County | 30,727,105 | 1,307,746 | 4.3% | $23.86 | 5.0% | 134,758 | 275,109 |
| **TAMPA TOTALS** | **175,583,457** | **6,145,421** | **3.5%** | **$26.81** | **4.8%** | **556,063** | **-96,775** |

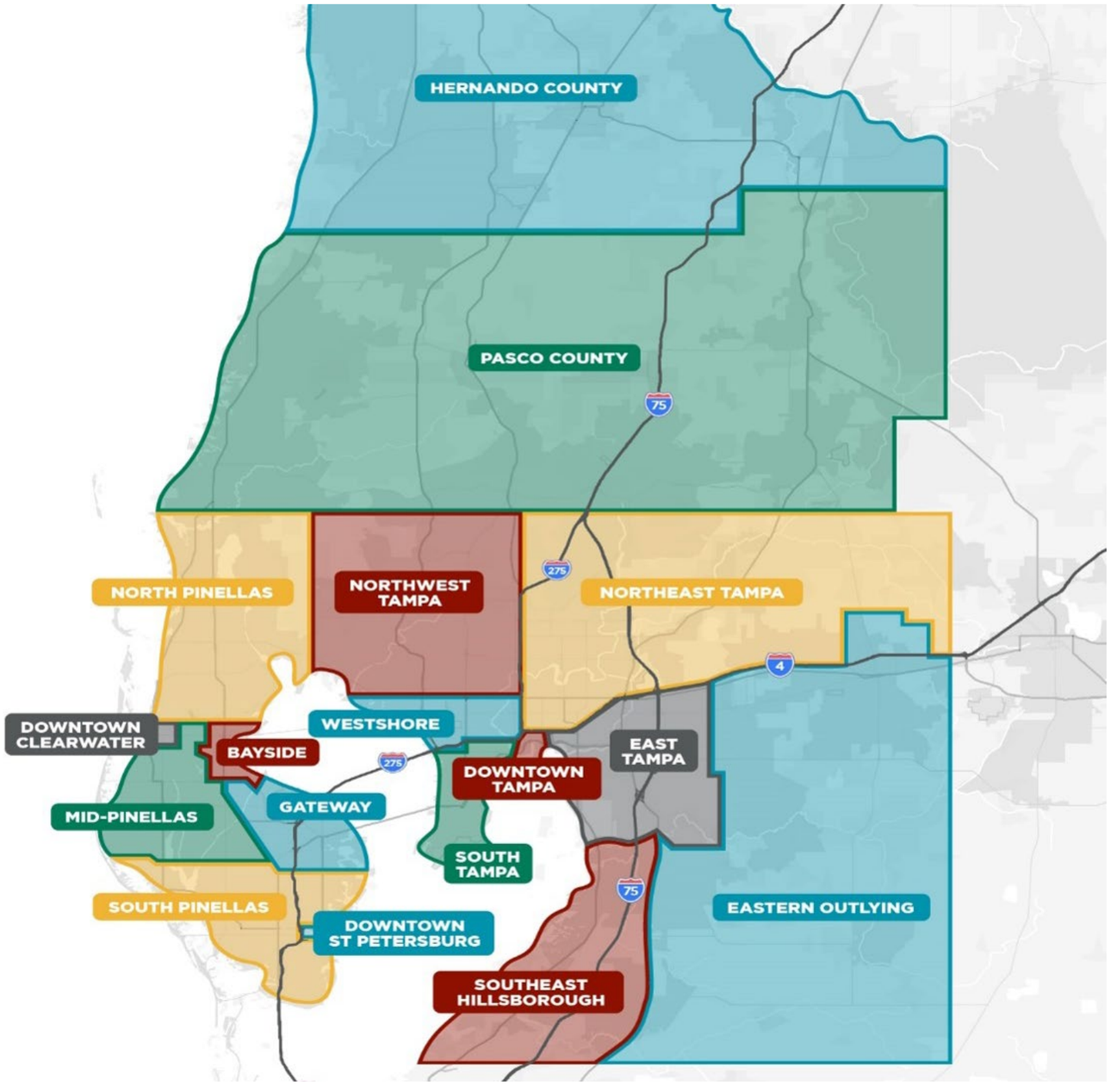
## MARKET STATISTICS BY PROPERTY TYPE

| PROPERTY TYPE | INVENTORY (SF) | OVERALL VACANT (SF) | OVERALL VACANCY RATE | OVERALL AVG ASKING RENT (NNN) | YOY RENT GROWTH % | UN4ER CNSTR (SF) | YTD ABSORPTION |
|---|---|---|---|---|---|---|---|
| Malls | 11,956,363 | 741,295 | 6.2% | $38.27 | 4.6% | 0 | 0 |
| Power Centers | 7,671,739 | 283,854 | 3.7% | $32.16 | 4.7% | 0 | -1,613 |
| Neighborhood Centers | 48,178,143 | 2,505,263 | 5.2% | $25.42 | 4.0% | 24,100 | -59,222 |
| Strip Centers | 14,282,945 | 542,752 | 3.8% | $25.17 | 3.3% | 72,497 | -25,069 |
| General Retail | 93,218,414 | 2,144,024 | 2.3% | $25.86 | 3.6% | 459,466 | 42,703 |
| Other | 275,853 | 6,896 | 2.5% | $32.82 | 3.7% | 0 | 0 |
| **TAMPA TOTALS** | **175,583,457** | **6,145,421** | **3.5%** | **$26.81** | **4.8%** | **556,063** | **-43,201** |



**Rental rates reflect full service asking*

## RETAIL SUBMARKETS




**RESEARCH**

**JOSH FAIRCLOTH**
*Research Manager*
Tel: +1 813 424 3220
Joshua.Faircloth@cushwake.com

**ERIC MESSER**
*Senior Research Manager*
Tel: +1 954 377 0519
Eric.Messer@cushwake.com

**TAMPA BAY RETAIL TEAM**

**Patrick Berman**
*Managing Director*
Patrick.Berman@cushwake.com

**Erin Hollar**
*Brokerage Coordinator*
Erin.Hollar@cushwake.com

## A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2024, the firm reported revenue of $9.4 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.