MARKETBEAT

TAMPA BAY

OFFICE Q3 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
19.4% Vacancy Rate	▼	▼
502K YTD Net Absorption, SF	▼	▲
$31.34 Asking Rent, PSF	▲	▲

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.6M Tampa Employment	▲	▲
3.9% Tampa Unemployment Rate	▲	▲
4.3% U.S. Unemployment Rate	▲	▲

Source:BLS

ECONOMY

Tampa Bay's unemployment rate reached 3.9% in Q3, reflecting a 30-basis-point (bp) increase year-over-year (YOY). Despite this uptick, the region continued to outperform the national unemployment rate of 4.3%, underscoring the relative strength of the local labor market. Over the past 12 months, nonfarm employment expanded by 14,500 positions, a 0.9% increase from this time last year.

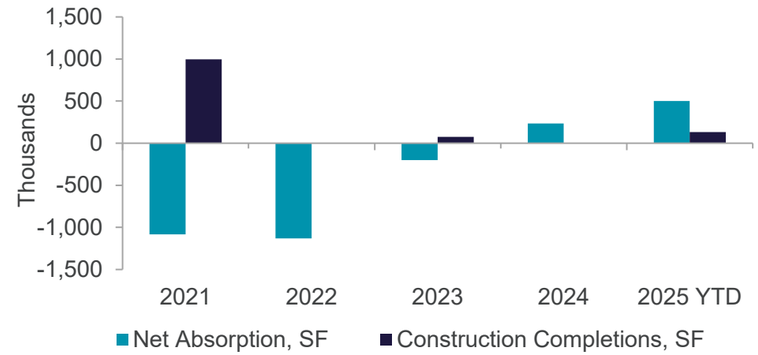
SUPPLY

The overall office vacancy rate decreased to 19.4% at the close of Q3, down 120 bps YOY to the lowest rate recorded since Q2 2022. Both Hillsborough and Pinellas Counties contributed to the improvement, with vacancies dropping to 20.0% (down 140 bps YOY) and 17.3% (down 110 bps YOY), respectively. The market-wide decrease in vacancy was primarily driven by tightening in Class A space, which fell 200 bps YOY to 18.6%. Class B product also posted a modest improvement, with vacancy declining 30 bps to 20.5%.

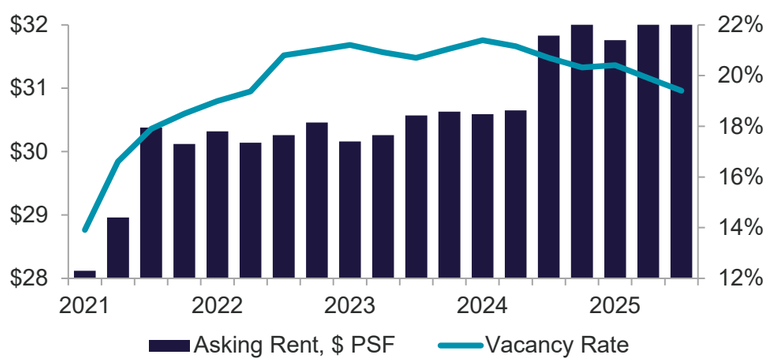
Development activity remained minimal in Q3 after Grow Financial Place broke ground in Ybor City's Gas Worx development in the second quarter. The 92,530-square-foot (sf) building will serve as Grow Financial's new headquarters following the sale of its previous location in the I-75 Corridor. Additionally, the delivery of Midtown East, the first Class A building to complete since 2021, added 131,790 sf of multi-tenant space to the Westshore submarket, 60.0% of which remains available following its second quarter delivery. Though this wave of new product and, a few notable move-outs, drove a sharp rise in vacancy in the Westshore submarket during Q2, vacancy improved in Q3, declining 150 bps quarter-over-quarter (QOQ) to 18.9%.

The Tampa Bay office market overall posted a strong quarter. Net absorption totaled nearly 203,000 sf — the second consecutive quarter of net occupancy gains, following slightly negative absorption in Q1. Major contributors included Geico's 65,071-sf occupancy at Corporate Oaks III and Immunologix absorbing 48,253 sf at Memorial Center I; both in the Westshore submarket. Additionally, Safepoint MGA Insurance occupied its 19,274-sf expansion space at Carrollwood Crossings 4010 in the Northwest submarket, and Diaz Fritz absorbed 7,657 sf at Registry Square in the Northeast.

SPACE DEMAND / DELIVERIES

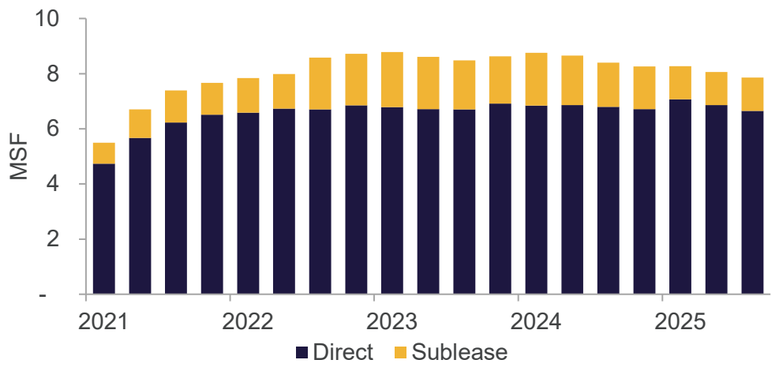


OVERALL VACANCY & ASKING RENT

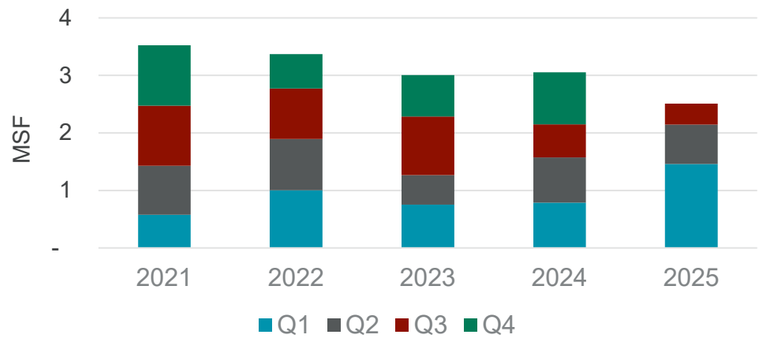


TAMPA BAY
OFFICE Q3 2025

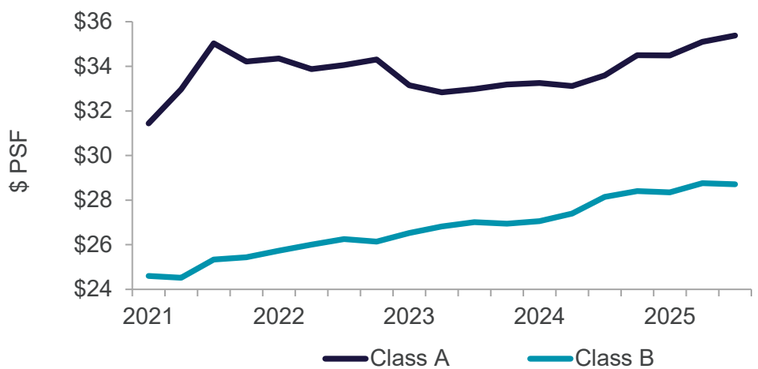
DIRECT VS. SUBLEASE VACANT SPACE



NEW LEASING ACTIVITY



DIRECT ASKING RENT COMPARISON



DEMAND

Leasing activity slowed in Q3 following the historic 1.5 million square feet (msf) recorded in Q1, with just 366,000 sf of new deals signed. This brought year-to-date (YTD) leasing volume to 2.5 msf, a 16.8% increase YOY. Hillsborough County captured the bulk of leasing activity, accounting for 71.9% of new deals signed YTD, up 7.7% from the same period one year ago. Pinellas County also showed notable growth, posting 704,000 sf in new leasing volume, a 49.2% YOY increase.

Despite limited availability of premium space, Class A product remained the preferred target for occupiers, representing 67.1% of leasing activity in 2025 YTD, totaling 1.7 msf. The recent delivery of Midtown East is expected to bolster Class A leasing in upcoming quarters, particularly in the Westshore submarket, which already led the region with 826,000 sf of new deals signed so far in 2025. That figure represents 32.9% of all leasing activity and highlights the submarket's continued appeal to companies. Westshore' s quarterly absorption netted 193,711 sf, a significant increase from the 121,000 sf of losses in Q2.

After a strong Q1, which included five leases over 100,000 sf, the third quarter marked a slowdown in large-block activity. Six deals over 20,000 sf were inked in Q2, while only one signed in Q3. The largest of the quarter was Beymark's 29,215-sf lease at Bushwood II in the Northwest submarket.

The Northwest and Bayside submarkets posted the most significant YOY increases in leasing activity, marking 198.2% and 158.7% rises, respectively.

MARKET PRICING

Direct asking rents continued their upward trend, reaching a new historical high of $32.26 per square foot (psf) in Q3 and reflecting a 3.3% YOY increase. Growth was led by Class A assets at $35.38 psf, which rose 5.4% YOY, and was driven by the delivery of Midtown East, where an influx of available space with asking rates around $62.00 psf helped lift the Class A Westshore submarket average 9.3% YOY to $44.12 psf, surpassing the $44.00 psf mark for the first time.

Landlords also continued to push rates in premium space across other submarkets due to improving market conditions. In the Tampa Central Business District (CBD), asking rates at Thousand & One reached $75.00 psf for available space, nearly $13.00 psf higher than the next highest rates at Midtown East. This helped increase Class A average rents in the Tampa CBD to $46.90 psf, also setting a new all-time high above the $46.00 psf mark.

Class B product also posted a modest rise, up 2.0% YOY to $28.71 psf. A key contributor was the I-75 Corridor, which recorded a sharp increase in demand over the past few quarters, pushing rates up 3.1% YOY to $26.52 psf.

OUTLOOK

- Strong leasing performance YTD reinforces Tampa Bay's position as a top-tier market for occupiers seeking quality office space.
- Developers will likely continue to proceed cautiously, with minimal new speculative construction anticipated unless supported healthy preleasing and anchor tenants.
- Asking rents are expected to remain elevated, particularly in Westshore and the Tampa CBD, where high-end inventory is commanding strong rates amid tightening conditions and limited large-block space options.
- Despite slower Q3 activity, healthy population and job growth in Tampa could office market stabilization over the medium term.

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Tampa CBD	**6,685,861**	**640,656**	**95,615**	**11.0%**	**-23,184**	**48,013**	**250,481**	**0**	**$44.59**	**$46.34**
Hyde Park	257,225	34,149	0	13.3%	-2,439	-13,341	7,053	0	$42.10	$52.00
I-75 Corridor	7,274,881	1,707,352	259,442	27.0%	11,029	154,334	274,415	0	$26.35	$26.18
Northwest	3,769,697	569,766	421,210	26.3%	12,464	192,642	445,569	0	$26.50	$27.92
Southwest	143,447	14,243	0	9.9%	-3,048	-1,616	3,099	0	$29.25	N/A
Westshore	12,408,913	2,077,114	262,604	18.9%	193,711	28,941	826,353	0	$37.36	$44.04
Ybor City	479,788	126,700	0	26.4%	0	0	0	92,530	$45.26	$42.00
Tampa Non-CBD Subtotals	**24,333,951**	**4,529,324**	**943,256**	**22.5%**	**211,717**	**360,960**	**1,556,489**	**92,530**	**$31.07**	**$34.43**
HILLSBOROUGH TOTALS	**31,019,812**	**5,169,980**	**1,038,871**	**20.0%**	**188,533**	**408,973**	**1,806,970**	**92,530**	**$32.60**	**$36.70**
St. Pete CBD	**1,737,549**	**157,825**	**0**	**9.1%**	**5,947**	**2,817**	**202,061**	**44,434**	**$39.96**	**$46.29**
Bayside	1,508,340	410,667	123,116	35.4%	8,957	4,456	140,705	0	$26.02	$26.47
Clearwater Downtown	478,049	63,846	0	13.4%	1,625	16,503	40,830	0	$21.41	$20.00
Countryside	847,358	140,344	0	16.6%	-16,512	-12,447	35,791	0	$24.81	$24.66
Mid Pinellas/Gateway	3,899,489	635,150	13,398	16.6%	7,582	76,378	251,303	0	$26.04	$27.30
North Pinellas	481,143	46,071	35,000	16.8%	10,800	9,938	25,219	0	$24.22	$24.60
South St. Petersburg	587,562	20,933	0	3.6%	-4,001	-4,335	8,085	0	$25.99	N/A
St. Pete Non-CBD Subtotals	**7,801,941**	**1,317,011**	**171,514**	**19.1%**	**8,451**	**90,493**	**501,933**	**0**	**$25.59**	**$26.32**
PINELLAS TOTALS	**9,539,490**	**1,474,836**	**171,514**	**17.3%**	**14,398**	**93,310**	**703,994**	**44,434**	**$26.51**	**$27.43**
TAMPA BAY TOTALS	**40,559,302**	**6,644,816**	**1,210,385**	**19.4%**	**202,931**	**502,283**	**2,510,964**	**136,964**	**$31.34**	**$34.31**

**Rental rates reflect full service asking*

KEY LEASE TRANSACTIONS Q3 2025

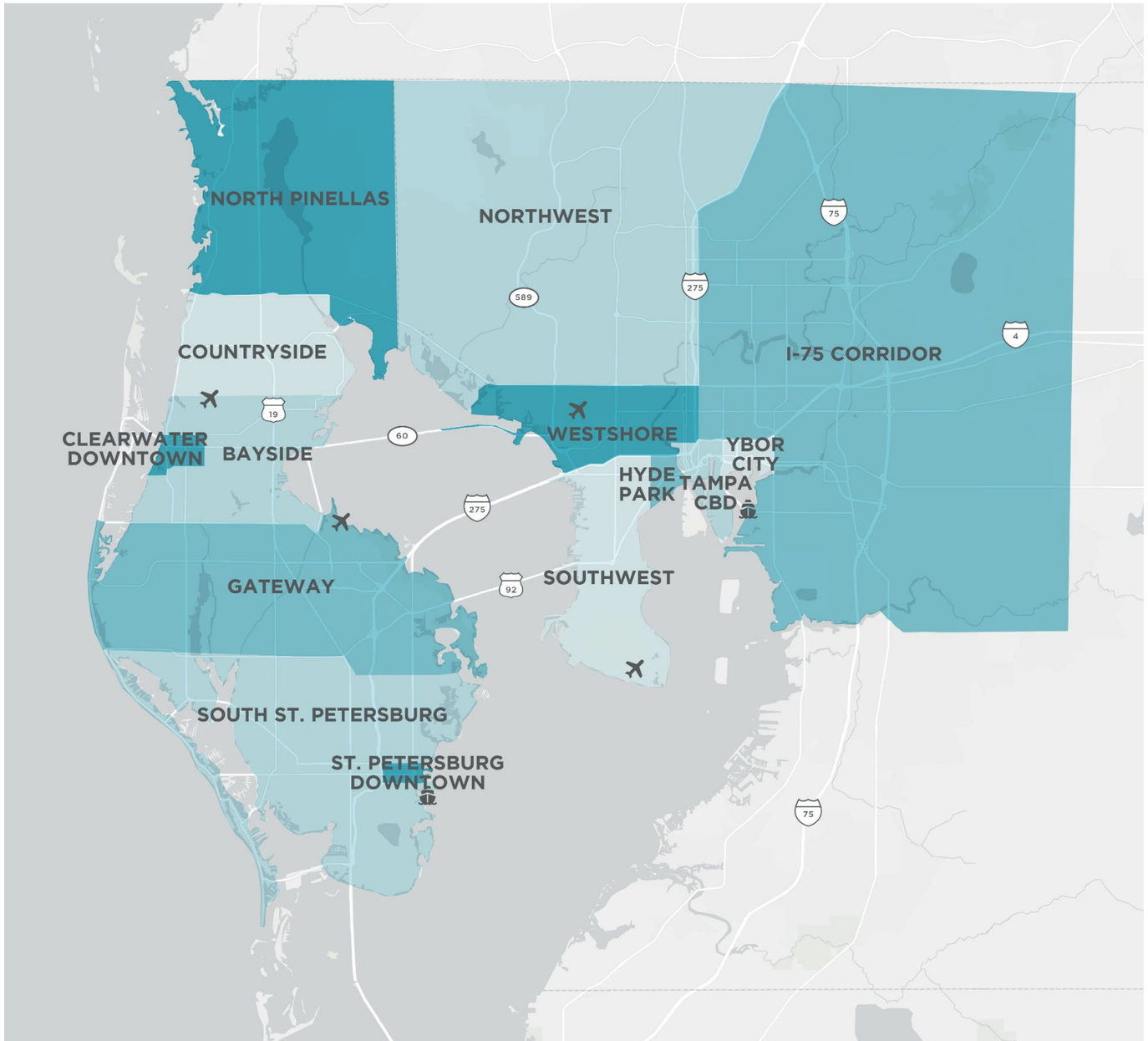
PROPERTY	SUBMARKET	TENANT	SF	TYPE
3450 Buschwood Park Drive	Northwest	Beymark	29,215	New Lease
10117 Princess Palm Avenue	I-75 Corridor	Meritage Homes of Florida	16,609	Renewal*
5404 Cypress Center Drive	Westshore	Invitation Homes	15,979	New Lease
601 Cleveland Street	Clearwater Downtown	Undisclosed	15,438	New Lease
100 N Tampa Street	Tampa CBD	Luks & Santaniello	15,256	Renewal*/Expansion

**Renewals not included in leasing statistics*

KEY SALE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
4900 Memorial Highway	Westshore	Net Lease Office Properties | Real Estate Value Advisors	182,668	$25.2M | $138
5830 142nd Avenue North	Mid Pinellas/Gateway	JMPR Properties, LLC | Florida Strategic Insurance	21,626	$3.8M | $176

OFFICE SUBMARKETS



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