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 January 1, 2024

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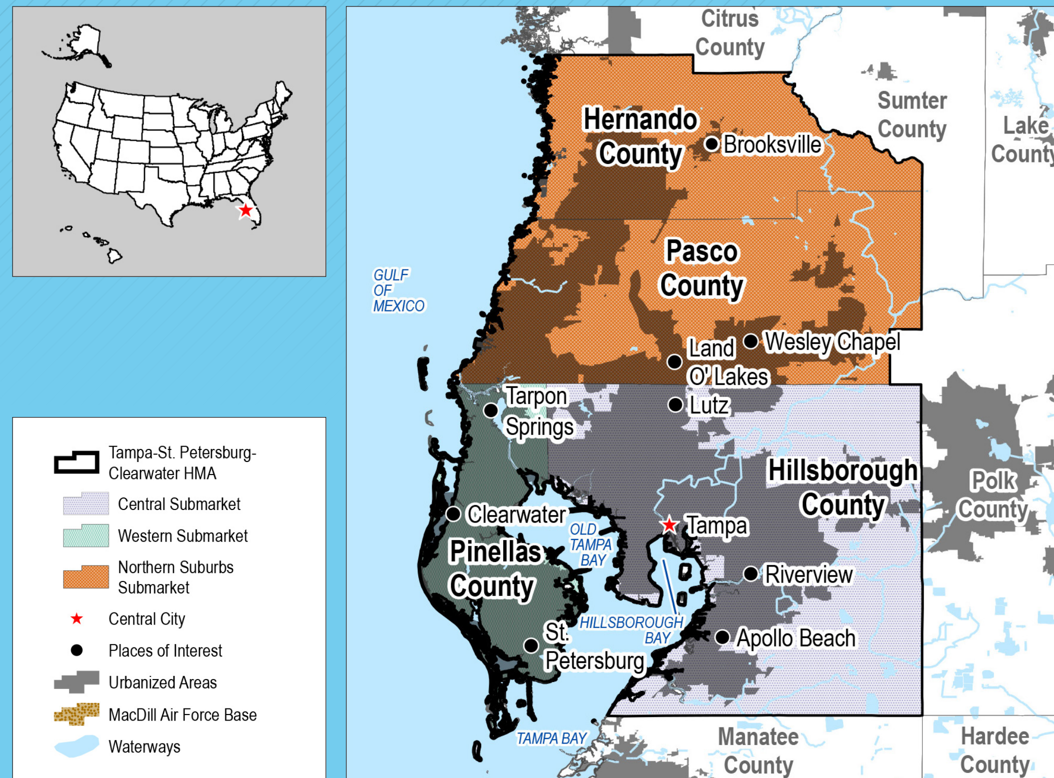
Executive Summary

Housing Market Area Description

The Tampa-St. Petersburg-Clearwater Housing Market Area (hereafter, Tampa HMA) is coterminous with the Tampa-St. Petersburg-Clearwater, FL Metropolitan Statistical Area (MSA). The HMA is defined as the counties of Hernando, Hillsborough, Pasco, and Pinellas and is on the central western shore of Florida. For purposes of this analysis, the HMA is divided into three submarkets: (1) the Central submarket, which is coterminous with Hillsborough County and includes the city of Tampa; (2) the Western submarket, which is coterminous with Pinellas County and includes the cities of St. Petersburg and Clearwater; and (3) the Northern Suburbs submarket, which consists of Hernando and Pasco Counties.

The current population of the HMA is estimated at 3.35 million.

The HMA is home to six colleges and universities, which, combined, enroll approximately 115,400 students (National Center for Educational Statistics). The largest of these schools is the University of South Florida, which had 15,850 employees and 48,750 students enrolled as of the fall semester of 2022.



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

Strong: During 2023, nonfarm payrolls averaged 1.53 million, representing an increase of 52,100 jobs, or 3.5 percent, compared with 2022.

Nonfarm payrolls in the Tampa HMA increased during the past 3 years, and the total number of jobs lost during March and April 2020 because of the COVID-19 global pandemic was fully recovered by 2021. During 2023, nonfarm payrolls were up in 9 of 11 sectors, led by the education and health services and the professional and business services sectors, which increased by 19,000 and 13,700 jobs, or 8.5 and 4.8 percent, respectively. During the 3-year forecast period, nonfarm payrolls are expected to increase an average of 2.9 percent annually.

Sales Market

Slightly Tight but Easing: In December 2023, the HMA had 3.4 months of available for-sale housing inventory, up from 2.9 months of inventory in December 2022.

The sales vacancy rate in the HMA is estimated at 1.9 percent as of January 1, 2024, down slightly from 2.1 percent in April 2020. During 2023, new and existing home sales declined 14 percent, and the average sales price of new and existing homes increased 6 percent to $450,700, which was an all-time high (Redfin, a national real estate brokerage). During the next 3 years, demand is estimated for 44,825 new homes; the 5,100 homes under construction will satisfy a portion of that demand. Approximately 46 and 43 percent of the demand for new homes in the HMA will be in the Central and Northern Suburbs submarkets, respectively.

Rental Market

Slightly Soft: The overall rental vacancy rate is estimated at 9.1 percent, up from 8.1 percent in 2020.

Conditions in the apartment market are also slightly soft compared with balanced conditions in 2020. As of the fourth quarter of 2023, the apartment vacancy rate in the HMA was 8.6 percent, up from 7.5 percent as of the fourth quarter of 2022, and the average apartment rent was down 1 percent to $1,755 (CoStar Group). During the forecast period, demand is estimated for 19,850 new rental units, with approximately 52 percent of the demand in the Central submarket. The 18,850 rental units under construction in the HMA will satisfy most of that demand.

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3-Year Housing Demand Forecast

	Sales Units				Rental Units			
	Tampa HMA Total	Central	Western	Northern Suburbs	Tampa HMA Total	Central	Western	Northern Suburbs
Total Demand	44,825	20,650	4,975	19,200	19,850	10,250	5,625	3,975
Under Construction	5,100	1,800	700	2,600	18,850	10,350	4,000	4,500

Notes: Total demand represents the estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of January 1, 2024. The forecast period is January 1, 2024, to January 1, 2027.
Source: Estimates by the analyst

Economic Conditions

Largest Sector: Professional and Business Services

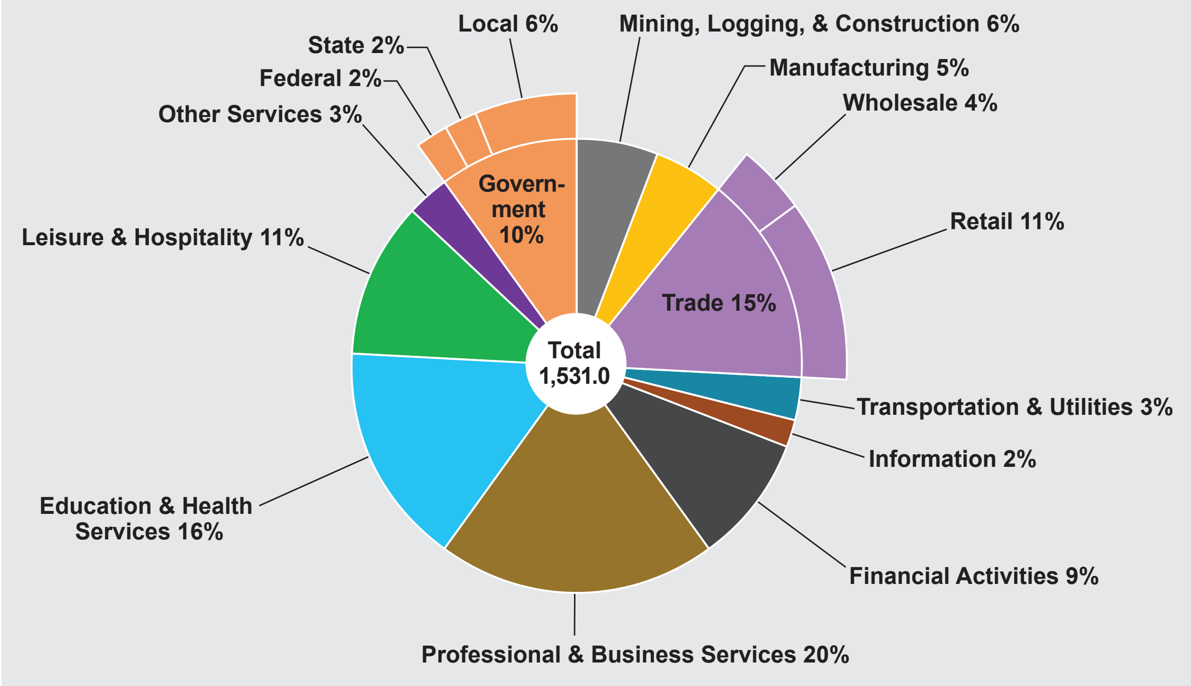
Nonfarm payrolls in the Tampa HMA increased during the past 3 years, compared with a significant decline during 2020.

Primary Local Economic Factors

The professional and business services sector is the largest job sector in the HMA, accounting for 20 percent of nonfarm payrolls (Figure 1). Since 2011, the sector has added the most jobs and has grown at the fastest pace in the HMA. During the 13-year period, nonfarm payrolls in the sector were up by an average of 9,900 jobs, or 4.4 percent, annually. The strong growth in the sector was partially due to businesses moving their headquarters to the HMA because of lower business costs, including more affordable office space. In recent years, Signode Industrial Group LLC and CrossBorder Solutions moved their corporate headquarters to the HMA, resulting in more than 300 new jobs being added.

The education and health services sector is the second largest sector in the HMA, accounting for approximately 16 percent of all nonfarm payrolls. The sector includes five of the nine largest employers in the HMA, including BayCare Health System, which is the largest employer in the HMA, with 29,400 employees (Table 1). In 2023, the economic impact of BayCare Health System

Figure 1. Share of Nonfarm Payroll Jobs in the Tampa-St. Petersburg-Clearwater 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 December 2023.
Source: U.S. Bureau of Labor Statistics

Table 1. Major Employers in the Tampa-St. Petersburg-Clearwater HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
BayCare Health System	Education & Health Services	29,400
Publix Super Markets, Inc.	Wholesale & Retail Trade	27,000
HCA Healthcare West Florida Division	Education & Health Services	18,000
University of South Florida	Government	15,850
MacDill Air Force Base	Government	15,000
AdventHealth West Florida	Education & Health Services	12,000
Citigroup Inc.	Financial Activities	7,625
Tampa General Hospital	Education & Health Services	7,550
H. Lee Moffitt Cancer Center & Research Institute, Inc.	Education & Health Services	6,700
Bloomin' Brands, Inc.	Leisure & Hospitality	6,200

Note: Excludes local school districts.
Sources: Tampa Bay Business Journal and University of South Florida

on the state of Florida totaled $9.95 billion, up 17 percent compared with the economic impact in 2020 (The Washington Economics Group).

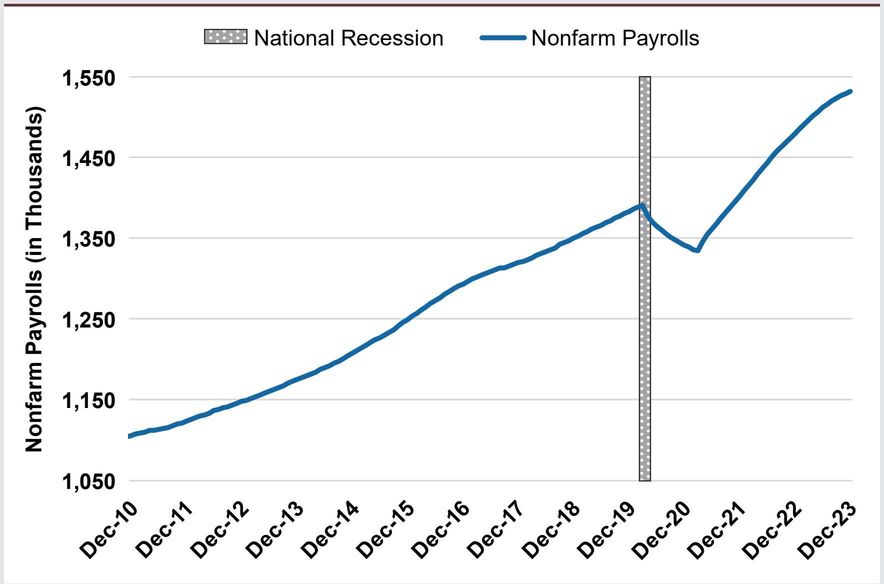
Higher education also contributes significantly to the local economy, although enrollment has been declining in recent years. The HMA is home to six colleges and universities, with approximately 115,400 students and 16,700 employees in 2022 (National Center for Educational Statistics). From 2018 through 2022, enrollment at these schools decreased an average of 2 percent annually, compared with an average annual 1-percent increase from 2010 through 2018. The largest of these schools is the University of South Florida, which has campuses in both Tampa and St. Petersburg. The campuses have a combined enrollment of 48,750 students and 15,850 employees, making the school the fourth largest employer in the HMA.

Economic Periods of Significance

Economic Recovery and Expansion: 2011 Through 2019

Following an average decline of 41,600 jobs, or 3.5 percent, annually from 2008 through 2010 that resulted from the Great Recession, the economy of the HMA recovered from 2011 through 2014 and expanded from 2015 through 2019. Job growth in the HMA was stronger than in the nation overall. During the 9-year period, nonfarm payrolls in the HMA rose by an average of 30,800 jobs, or 2.5 percent, annually, compared with an average annual 1.6-percent increase nationwide. Within the HMA, nonfarm payrolls increased or were unchanged in all sectors, led by the professional and business services sector, which increased by an average of 8,200 jobs, or 4.0 percent, annually. Additional significant gains were in the leisure and hospitality, the education and health services, and the wholesale and retail trade sectors, which increased annually by averages of 4,600, 4,400, and 3,300 jobs, or 3.3, 2.2, and 1.7 percent, respectively. Figure 2 shows the 12-month average nonfarm payrolls in the HMA since 2010.

Figure 2. 12-Month Average Nonfarm Payrolls in the Tampa-St. Petersburg-Clearwater HMA



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

Job Losses During the COVID-19 Pandemic: 2020

Interventions taken in mid-March 2020 to slow the spread of COVID-19, including social distancing and discouraging nonessential travel, caused nonfarm payrolls in the HMA to decline by 171,700 jobs, or 12.2 percent (not seasonally adjusted), during March and April 2020. Although the economy of the HMA started recovering in May 2020, the average level of nonfarm payrolls for the entire calendar year was below the average for the previous year. During 2020, the average level of nonfarm payrolls was down by 41,800 jobs, or 3.0 percent, compared with 2019. The most affected sectors were those heavily reliant on tourism and those dependent on in-person interaction.

During 2020, approximately 69 percent of the net jobs lost in the HMA were in the leisure and hospitality sector, which was down by 28,800 jobs, or 17.7 percent. Additional significant losses during 2020 were in the education and health services and the wholesale and retail trade sectors, which both decreased by 4,900 jobs, or 2.3 percent. Partially offsetting these losses were gains in the financial activities and the transportation and utilities sectors, which increased by 2,300 and 1,700 jobs, or 1.9 and 4.3 percent, respectively.

Strong Job Gains: 2021 and 2022

The economy in the HMA recovered during 2021, with nonfarm payrolls surpassing their previous peak, and continued to expand during 2022 when the restrictions to slow the spread of COVID-19 were completely phased out. Because the statewide restrictions were phased out faster than restrictions in the rest of the nation, job growth in the HMA was faster than the nation overall. During 2021 and 2022, nonfarm payrolls in the HMA increased by an average of 68,800 jobs, or 5.0 percent, annually. By comparison, nonfarm payrolls nationwide rose an average of 3.6 percent annually during the 2-year period. Within the HMA, approximately 49 percent of the net jobs added were in the professional and business services and the leisure and hospitality sectors, which increased annually by averages of 19,900 and 13,500 jobs, or 7.8 and 9.6 percent, respectively. ID.me, an online identity network company, opened a new office in the city of Tampa in 2021, resulting in approximately 550 new jobs being added in the professional and business services sector. In the leisure and hospitality sector, increasing tourism to the HMA, which had declined significantly during the early stages of the COVID-19 pandemic, partially contributed to gains. During 2022, the average occupancy rate at hotels was 71.5 percent, up significantly from the average rate of 49.9 percent during 2020 (CoStar Group).

Additional significant gains during 2021 and 2022 were in the wholesale and retail trade and the financial activities sectors, which increased by averages of 8,700 and 6,700 jobs, or 4.1 and 5.2 percent, annually, respectively. In the wholesale and retail trade sector, the increase was partially attributed to new, small-sized retail stores opening throughout the HMA. As of the fourth quarter of 2022, the vacancy rate of retail space in the HMA was 8.1 percent, down from the 9.3-percent rate as of the fourth quarter of 2020, which was the highest fourth quarter rate since 2017 (CoStar Group). The only sector to lose jobs was the government sector, which declined by an average of 1,500 jobs, or 0.9 percent, annually. All losses in the sector were in the local government and state government subsectors, which decreased by annual averages of 1,300 and 700 jobs, or 1.3 and 2.5 percent, respectively.

Current Conditions—Nonfarm Payrolls

Nonfarm payrolls continued to rise during 2023, and the rate of growth exceeded that of the nation. During 2023, nonfarm payrolls in the HMA increased by 52,100 jobs, or 3.5 percent (Table 2), compared with a 2.3-percent increase nationwide. As of 2023, the level of nonfarm payrolls in the HMA was 147,900 jobs, or 10.7 percent, above the level during 2019, which was the prepandemic peak. By comparison, nonfarm payrolls nationwide were 3.4 percent above the 2019 level.

During 2023, nonfarm payrolls in the HMA increased in 9 of 11 sectors, led by the education and health services sector, which was up by 19,000 jobs, or 8.5 percent. Approximately 32 percent of the increase in the sector was in the hospitals industry, which was up by 6,000 jobs, or 11.0 percent. Tampa General Hospital opened a new emergency department in 2023, which added approximately 100 jobs in the industry. Additional gains were in the professional and business services and the wholesale and retail trade sectors, which rose by 13,700 and 6,900 jobs, or 4.8 and 3.1 percent, respectively. Approximately 53 percent of the gain in the professional and business services sector was in the professional, scientific, and technical services industry, which includes many jobs that require an advanced education and provide comparatively high salaries. The industry increased by 7,300 jobs, or 5.4 percent. In the wholesale and retail trade sector, gains were in both the retail trade and the wholesale trade subsectors, which increased by 4,700 and 2,200 jobs, or 2.8 and 3.7 percent, respectively.

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

	12 Months Ending December 2022	12 Months Ending December 2023	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	**1,478.9**	**1,531.0**	**52.1**	**3.5**
Goods-Producing Sectors	163.8	170.4	6.6	4.0
Mining, Logging, & Construction	90.6	94.6	4.0	4.4
Manufacturing	73.3	75.8	2.5	3.4
Service-Providing Sectors	1,315.1	1,360.7	45.6	3.5
Wholesale & Retail Trade	225.5	232.5	7.0	3.1
Transportation & Utilities	50.3	51.2	0.9	1.8
Information	28.8	28.3	-0.5	-1.7
Financial Activities	139.2	136.4	-2.8	-2.0
Professional & Business Services	286.9	300.6	13.7	4.8
Education & Health Services	224.0	243.0	19.0	8.5
Leisure & Hospitality	160.9	165.1	4.2	2.6
Other Services	47.7	50.2	2.5	5.2
Government	151.9	153.6	1.7	1.1

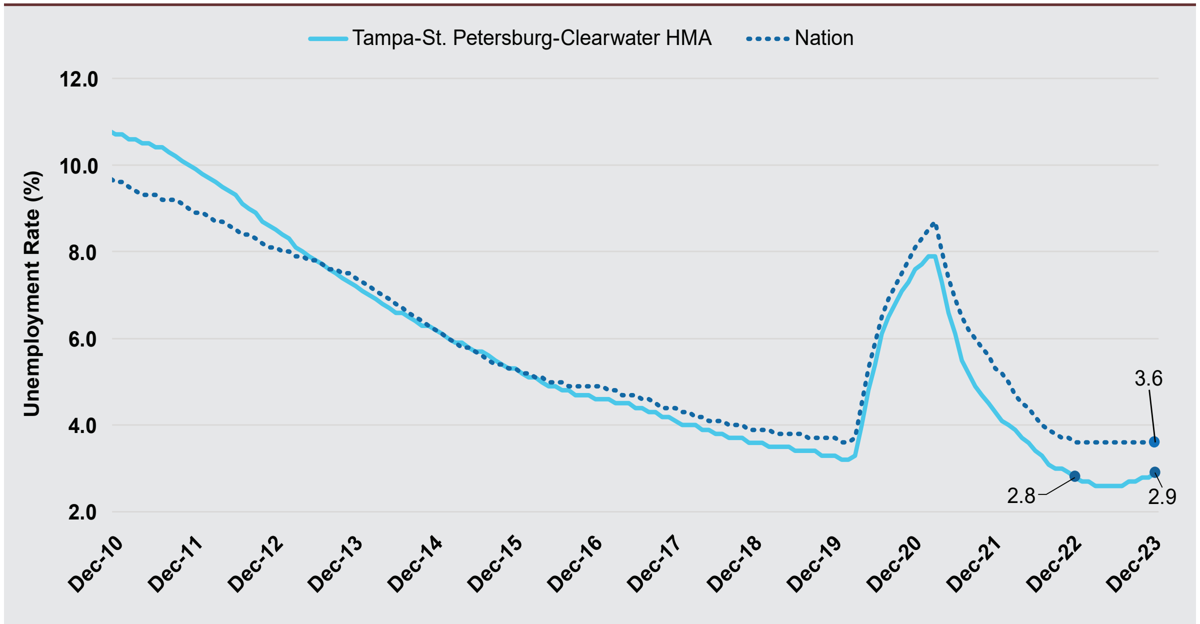
Notes: Based on 12-month averages through December 2022 and December 2023. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics

Partially offsetting these gains were losses in the financial activities and the information sectors, which declined by 2,800 and 500 jobs, or 2.0 and 1.7 percent, respectively. In the financial activities sector, the largest decline was in the finance and insurance industry, which was down by 3,700 jobs, or 5.3 percent. Advanced Marketing & Processing, Inc., an automobile insurance provider, laid off 75 employees in early 2023, which contributed to the decline in the industry. Additional losses in the financial activities sector were attributed to rising mortgage interest rates causing new and refinanced mortgage applications to decrease.

Current Conditions—Unemployment

The unemployment rate in the HMA increased slightly during the past year, compared with decreases during the previous 2 years. During 2023, the unemployment rate in the HMA averaged 2.9 percent, up from 2.8 percent in 2022 but down significantly from the 7.6-percent rate during 2020, which was the highest rate since 2013 (Figure 3). The unemployment rate rose during the past year because of a 4.0-percent increase in the labor force, which outpaced the 3.9-percent rise in resident employment. By comparison, during 2021 and 2022, resident employment increased an average of 5.9 percent annually, which was faster than the average annual 3.3-percent increase in the labor force. The current rate in the HMA is slightly higher than the 2.8-percent rate in Florida, but it is below the 3.6-percent national rate. In the Central, Western, and Northern Suburbs submarkets, the unemployment rates were 2.8, 2.7, and 3.3 percent, compared with rates of 2.8, 2.6, and 3.3 percent, respectively, a year ago.

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



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

Commuting Patterns

Most residents of the Tampa HMA work within the HMA. However, significant commuting between submarkets occurs, especially by residents of the Northern Suburbs submarket to the other submarkets. During 2021, approximately 78 percent of the working residents in the HMA, or approximately 1.06 million residents, worked within the HMA (U.S. Census Bureau, OnTheMap). In the Central and Western submarkets, approximately 64 and 63 percent of the working residents, or 409,700 and 265,300 residents, respectively, worked in the submarkets where they resided. In the Northern Suburbs submarket, on the other hand, only 34 percent of working residents, or 100,400 residents, worked in the submarket, whereas approximately 41 percent of the working residents in the Northern Suburbs submarket, or 120,700 residents, worked in either the Central submarket or the Western submarket.

Forecast

During the 3-year forecast period, the economy of the HMA is expected to continue to expand. Nonfarm payrolls are projected to increase an average of 2.9 percent annually during the next 3 years. Similar to recent trends, job growth is expected to be strongest in the professional and business services and the education and health services sectors. Additional gains are expected in the manufacturing sector, including approximately 600 new jobs that are expected to be created when Bauducco Foods opens a new production and distribution facility in the HMA by 2025.

Population and Households

Current Population: 3.35 Million

Population growth in the Tampa HMA has accelerated since 2020 because of higher levels of net in-migration.

Population Trends

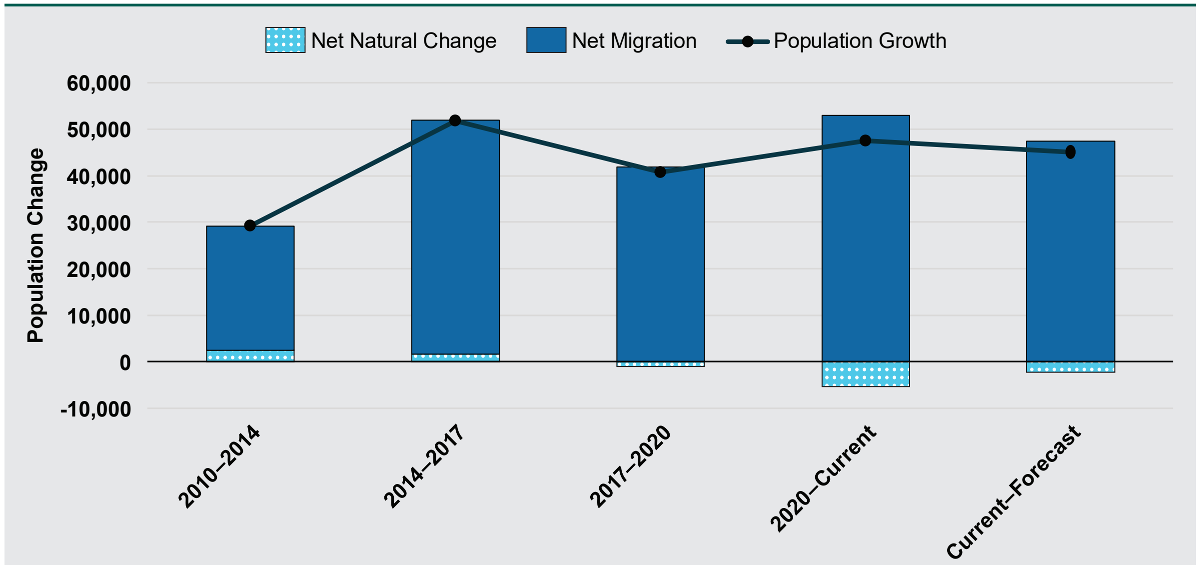
As of January 1, 2024, the population of the Tampa HMA is estimated at 3.35 million, representing an average annual increase of approximately 47,575, or 1.5 percent, since 2020, compared with an average annual gain of 39,200, or 1.3 percent, from 2010 to 2020 (Table 3). From 2010 to 2014, the population increased by an average of 29,200, or 1.0 percent, annually, and net in-migration averaged 26,800 people annually (U.S. Census Bureau decennial census count and population estimates as of July 1; Figure 4). In response to the economy of the HMA continuing to expand, with job growth exceeding the national rate, net in-migration increased to an average of 50,350 people annually from 2014 to 2017, causing population growth to accelerate to an average of 51,950 people, or 1.8 percent, annually. From 2017 to 2020 however, net in-migration slowed to an average of 41,950 people annually and population growth decelerated to an average of 40,750 people, or 1.3 percent, annually. The lower levels of net in-migration during this period were partially attributed to a reduction in international in-migration into the HMA in response to stricter international immigration policies nationwide. Since 2020, because of strong economic growth, net in-migration has risen to an average of 53,000 people annually, and population growth has accelerated to an average of 47,575 people, or 1.5 percent, annually.

Table 3. Tampa-St. Petersburg-Clearwater HMA Population and Household Quick Facts

		2020	Current	Forecast
Population Quick Facts	**Population**	3,175,275	3,353,700	3,489,000
	Average Annual Change	39,200	47,575	45,100
	Percentage Change	1.3	1.5	1.3
		2020	**Current**	**Forecast**
Household Quick Facts	**Households**	1,307,725	1,391,500	1,448,000
	Average Annual Change	15,675	22,350	18,800
	Percentage Change	1.3	1.7	1.3

Notes: Average annual changes and percentage changes are based on averages from 2010 to 2020, 2020 to current, and current to forecast. The forecast period is from the current date (January 1, 2024) to January 1, 2027.
Sources: 2010 and 2020—2010 Census and 2020 Census; current and forecast—estimates by the analyst

Figure 4. Components of Population Change in the Tampa-St. Petersburg-Clearwater HMA, 2010 Through the Forecast



Notes: Data displayed are average annual totals. The forecast period is from the current date (January 1, 2024) to January 1, 2027.
Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

Net Natural Change

Net natural change in the HMA was comparatively strong from 2010 to 2016, averaging 2,225 people annually before slowing thereafter, including net natural decline from 2017 to 2021. The decrease in net natural change was due to a combination of significant increases in resident deaths and decreases in resident births. During the period, resident deaths in the HMA rose by an average of 760, or 2.4 percent, annually, whereas resident births declined by an average of 440, or 1.4 percent, annually. From July 2020 to July 2021, net natural decline totaled 8,275 people, which was more than three times the total from July 2019 to July 2020 and was the highest level in more than 20 years. The stronger level of net natural decline during this period was largely due to COVID-19-related deaths. Since July 2021, however, as more residents received the COVID-19 vaccine, the number of deaths related to COVID-19 has decreased significantly, causing net natural decline to slow 48 percent to an estimated average of 4,275 people annually.

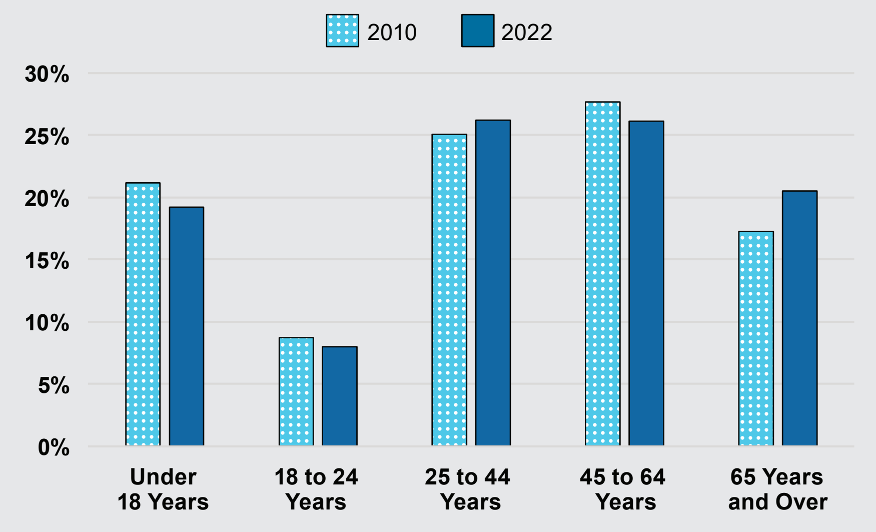
Age Cohort Trends

The Tampa HMA is a popular retirement destination largely because of its warm climate and lack of state income taxes. Because of this, strong growth has occurred in the population aged 65 years and older. From 2010 to 2022, that age cohort increased an average of 2.8 percent annually, compared with an average annual 1.1-percent rise in the population aged 64 years and younger (American Community Survey [ACS] 1-year data). In 2022, the population aged 65 years and older accounted for 20.5 percent of the total population in the HMA, up from 17.3 percent in 2010 (Figure 5), and the median age was 42.1 years, compared with 41.3 years in 2010. By comparison, 17.3 percent of the total population nationwide was aged 65 years and older in 2022, and the median age was 39.0 years.

Central Submarket

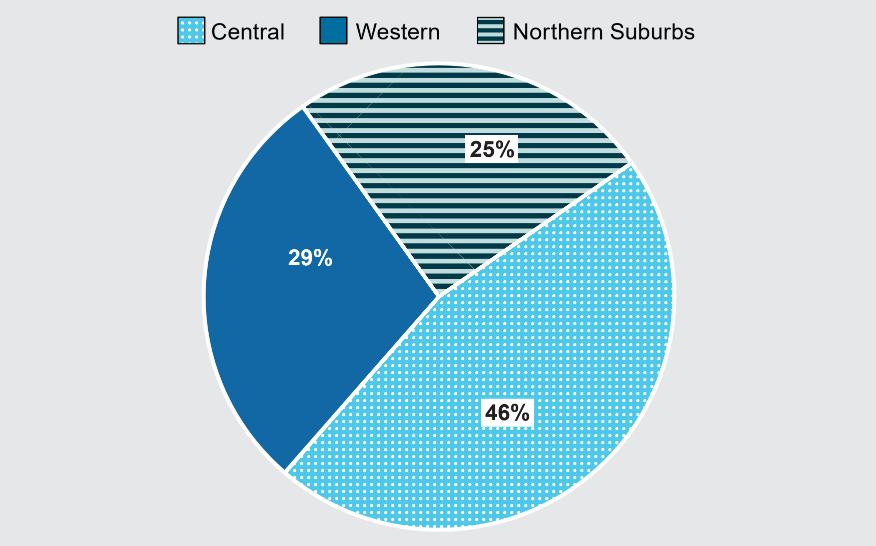
The population of the Central submarket as of January 1, 2024, is estimated at nearly 1.55 million, accounting for 46 percent of the total population in the HMA (Figure 6). Population growth trends in the submarket have generally

Figure 5. Population by Age Range in the Tampa-St. Petersburg-Clearwater HMA



Source: American Community Survey 1-year data

Figure 6. Current Population in the Tampa-St. Petersburg-Clearwater HMA, by Submarket



Source: Estimates by the analyst

matched those of the HMA, including migration trends. From 2010 to 2014, the population of the submarket increased by an average of 21,300, or 1.7 percent, annually, and net in-migration averaged 14,300 people annually. Net in-migration increased to an average of 20,400 people annually from 2014 to 2017, causing population growth to accelerate to an average of 27,300 people, or 2.0 percent, annually. From 2017 to 2020, the population continued to increase but at a slower pace of 21,100, or 1.5 percent, annually, mostly because of lower levels of net in-migration, which averaged 15,150 people annually. Since 2020, net in-migration has increased to an average of 18,800 people annually, and population growth has risen slightly to an average of 22,950 people, or 1.5 percent, annually.

Western Submarket

The population of the Western submarket is currently estimated at 965,900, accounting for 29 percent of the total population in the HMA. Population growth in the submarket has been slower than in the other submarkets, partially because of a lack of developable land, limiting housing development. From 2010 to 2014, the population of the Western submarket increased by an average of 3,250, or 0.4 percent, annually. The growth was due to net in-migration, which averaged 6,125 people annually and more than offset an average annual net natural decline of 2,875 people annually. From 2014 to 2017, population growth accelerated to an average of 8,025 people, or 0.9 percent, annually. That increase was due to net in-migration rising to an average of 11,300 people annually, which offset net natural decline that averaged 3,275 people annually. From 2017 to 2020, net in-migration decreased to an average of 6,100 people annually, and net natural decline increased to an average of 4,375 people annually. As a result, population growth slowed to an average of 1,725 people, or 0.2 percent, annually. Since 2020, the population has increased by an average of 1,825, or 0.2 percent, annually. Despite net in-migration rising to an average of 7,550 people annually, population growth was little changed compared with the 2017-to-2020 period because net natural decline accelerated to an average of 5,725 people annually.

Northern Suburbs Submarket

The population of the Northern Suburbs submarket is currently estimated at 841,800, accounting for 25 percent of the total population in the HMA. Population growth in the Northern Suburbs submarket has been the strongest among all submarkets in the HMA since 2015, primarily because it has attracted a larger portion of residents moving to the HMA for more affordable housing options, including recent developments near the city of Tampa. From 2010 to 2015, the population of the submarket increased by an average of 6,275, or 1.0 percent, annually, and net in-migration averaged 8,100 people annually. Net in-migration more than doubled to an average of 20,850 people annually from 2015 to 2020, causing population growth to accelerate to an average of 18,300 people, or 2.6 percent, annually. As in the rest of the HMA, net in-migration in the Northern Suburbs submarket has increased since 2020 to an average of 26,800 people annually, and population growth has accelerated to an average of 22,900 people, or 2.9 percent, annually.

Household Trends

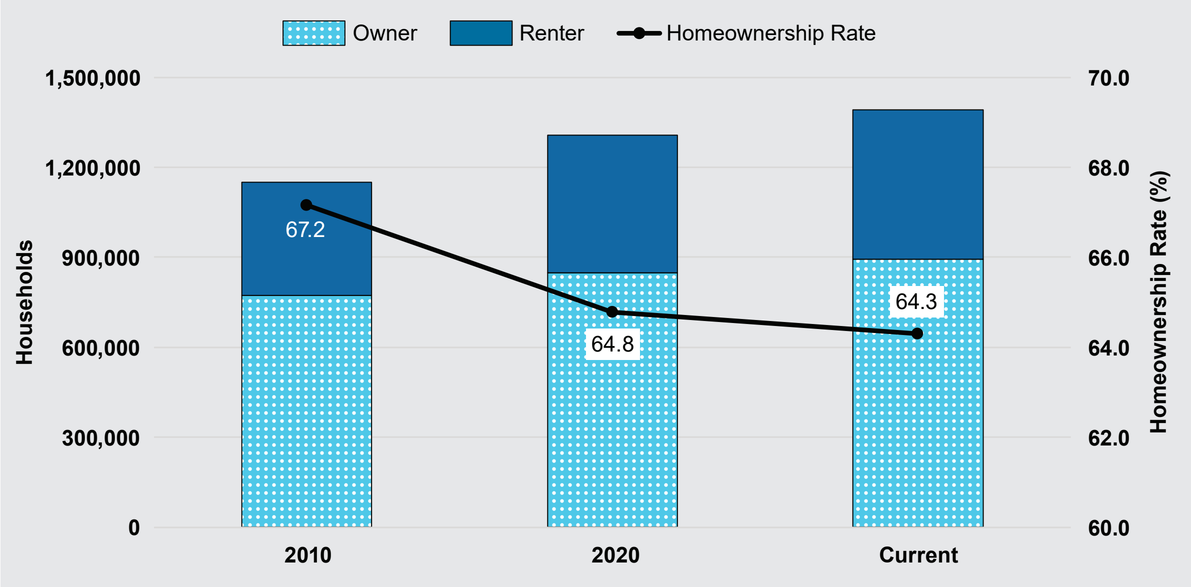
Household growth trends in the HMA and all submarkets were similar to population growth trends during the 2010s, but household growth has generally outpaced population growth since 2020, partly because of a faster rate of household formation. An estimated 1.39 million households currently reside in the HMA, and 600,100, 451,200, and 340,200 households reside in the Central, Western, and Northern Suburbs submarkets, respectively. Since 2020, the number of households in the HMA has increased by an average of 22,350, or 1.7 percent, annually, exceeding the 1.5-percent annual population growth. By comparison, from 2010 to 2020, the number of households increased by an average of 15,675, or 1.3 percent, annually, matching the rate of population growth. The number of households in the Central, Western, and Northern Suburbs submarkets have annually increased by averages of 10,700, 2,250, and 9,400, or 1.9, 0.5, and 3.0 percent, respectively, since 2020. By comparison, from 2010 to 2020, the number of households in the submarkets increased by annual averages of 8,600, 2,700, and 4,375 households, or 1.7, 0.6, and 1.6 percent, respectively.

Since 2020, the number of renter households in the HMA has increased an average of 2.0 percent annually, compared with an average annual 1.5-percent rise in owner households. Because of the faster growth rate of renter households, the homeownership rate in the HMA declined from 64.8 percent in 2020 to a current estimate of 64.3 percent (Figure 7). The homeownership rates in the Central and Western submarkets have declined since 2020, but the rate has increased slightly in the Northern Suburbs submarket. In the Central, Western, and Northern Suburbs submarkets, the homeownership rates are currently estimated at 58.2, 64.3, and 75.1 percent, compared with 59.0, 65.1, and 75.0 percent, respectively, in 2020.

Student Households

Of the six colleges and universities in the HMA, four offer on-campus housing. Approximately 63 percent of college students in the HMA, or 72,400 enrollees, attend one of these four schools. Enrollment at the four schools has been relatively unchanged since 2018, compared with an average annual 1-percent increase from 2010 through 2018. Approximately one-quarter of the students enrolled at these schools live on campus, primarily in dormitories. Of the remaining students, an estimated 95 percent reside in the HMA, and student households account for an estimated 3 percent of all renter households.

Figure 7. Households by Tenure and Homeownership Rate in the Tampa-St. Petersburg-Clearwater HMA



Note: The current date is January 1, 2024.
Sources: 2010 and 2020—2010 Census and 2020 Census; current—estimates by the analyst

Forecast

During the 3-year forecast period, the population of the HMA is expected to increase by an average of 45,100, or 1.3 percent, annually, reaching 3.49 million by January 1, 2027. Population growth is expected to be relatively steady during all 3 years of the forecast period. In the Central, Western, and Northern Suburbs submarkets, the populations are expected to increase by averages of 23,000, 3,700, and 18,400, or 1.5, 0.4, and 2.1 percent, respectively.

During the next 3 years, the number of households in the HMA is expected to increase at a similar pace as the population, up by an average of 18,800, or 1.3 percent, annually, reaching approximately 1.45 million households. In the Central, Western, and Northern Suburbs submarkets, households are estimated to increase by averages of 9,025, 2,500, and 7,275, or 1.5, 0.6, and 2.1 percent, annually to 627,200, 458,700, and 362,000 households, respectively.

Home Sales Market

Sales Market—Tampa HMA

Market Conditions: Slightly Tight but Easing

New and existing home sales in the Tampa HMA decreased significantly during the past 2 years, compared with a strong gain during 2021.

Current Conditions and Recent Trends

The sales housing market in the Tampa HMA is currently slightly tight. The vacancy rate is estimated at 1.9 percent (Table 4), down slightly from 2.1 percent in 2020 and significantly lower than the 3.5-percent rate in 2010. In December 2023, the HMA had 3.4 months of available for-sale housing inventory, up from 2.9 months of inventory in December 2022 and significantly higher than the 0.7-month of inventory in December 2021, when the market was tight (Redfin, a national real estate brokerage). Sales market conditions in the HMA tightened beginning in mid-2020 because of a significant reduction in the number of homes being listed for sale during the early stages of the COVID-19 pandemic. Conditions continued to tighten during late 2020 and all of 2021, largely because of a surge in homebuying demand in response to low mortgage interest rates. Mortgage interest rates have increased significantly during the past 2 years however, which has caused home sales to plummet and sales market conditions to ease. During 2023, the average interest rate for a 30-year fixed-rate mortgage was 6.8 percent, up from 5.3 percent during 2022 and more than double the average 3.0-percent rate during 2020 and 2021 (Freddie Mac). By comparison, from 2015 through 2019, the average annual rate ranged from 3.7 to 4.5 percent.

Table 4. Home Sales Quick Facts in the Tampa-St. Petersburg-Clearwater HMA

		Tampa-St. Petersburg-Clearwater HMA	Nation
Home Sales Quick Facts	**Vacancy Rate**	1.9%	NA
	Months of Inventory	3.4	2.8
	Total Home Sales	66,150	4,987,000
	1-Year Change	-14%	-16%
	New Home Sales Price	$557,000	$563,000
	1-Year Change	4%	1%
	Existing Home Sales Price	$449,900	$475,900
	1-Year Change	3%	1%
	Mortgage Delinquency Rate	1.2%	1.0%

NA = data not available.
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending December 2023; and months of inventory and mortgage delinquency data are as of December 2023. The current date is January 1, 2024.
Sources: Vacancy rate—estimates by the analyst; months of inventory and home sales and prices—Redfin, a national real estate brokerage; mortgage delinquency rates and national months of inventory—CoreLogic, Inc.

Seriously Delinquent Mortgages and Real Estate Owned Properties

In December 2023, 1.3 percent of home loans in the Tampa HMA were seriously delinquent or in real estate owned (REO) status, down slightly from 1.5 percent in December 2022 (CoreLogic, Inc.). The rate increased from 1.6 percent in March 2020 to 5.3 percent in August 2020 because the number of home loans that were 90 or more days delinquent more than tripled, largely because some households were unable to make mortgage payments because of rising unemployment rates. With the recovery of jobs and the declining unemployment rate, more households caught up on payments. As a result, the number of home loans that are 90 or more days delinquent has declined 75 percent since August 2020. The current rate of home loans that are seriously delinquent or in REO status in the HMA is equal to the 1.2-percent rate in Florida but slightly higher than the 1.0-percent rate in the nation.

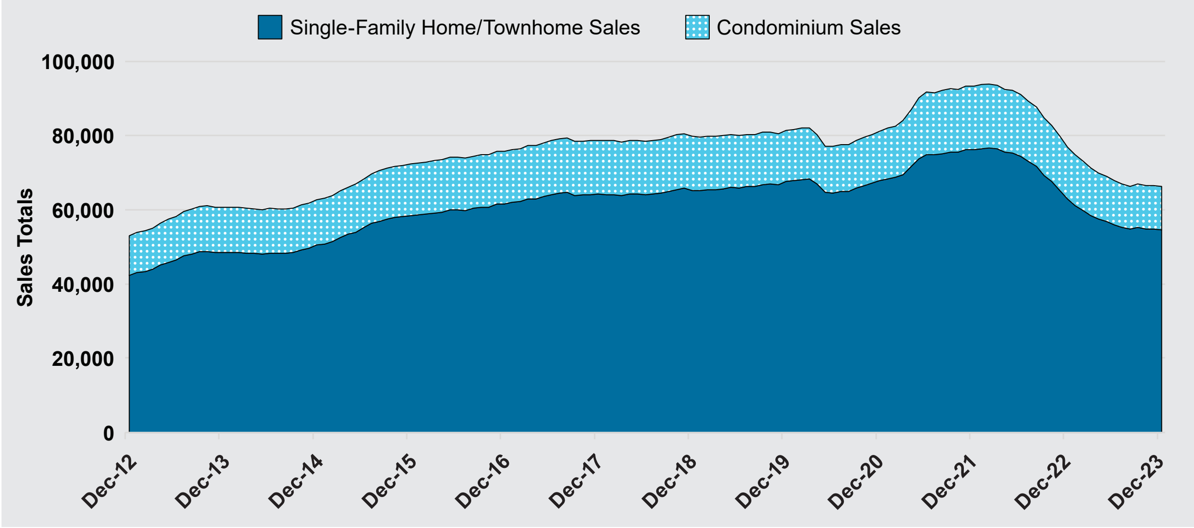
Home Sales

Because of rising interest rates, sales of new and existing homes have declined significantly during the past 2 years compared with a strong increase during 2021. During 2023, approximately 66,150 new and existing homes sold, representing a decrease of 10,750 homes, or 14 percent, compared with 2022, when home sales were down 18 percent compared with 2021 (Redfin, a national real estate brokerage). By comparison, during 2021, home sales were up 15 percent from a year earlier to 93,300 homes sold, which was an all-time peak. The current level of sales is the lowest since 2015, but it is 13 percent higher than the average of 58,800 homes sold annually from 2012 through 2014, when the local economy was still recovering from the effects of the Great Recession. Figure 8 shows the 12-month sales totals by unit type in the HMA since 2012, and Figure 9 shows the distribution of new and existing home sales by price range during 2023.

Home Sales Prices

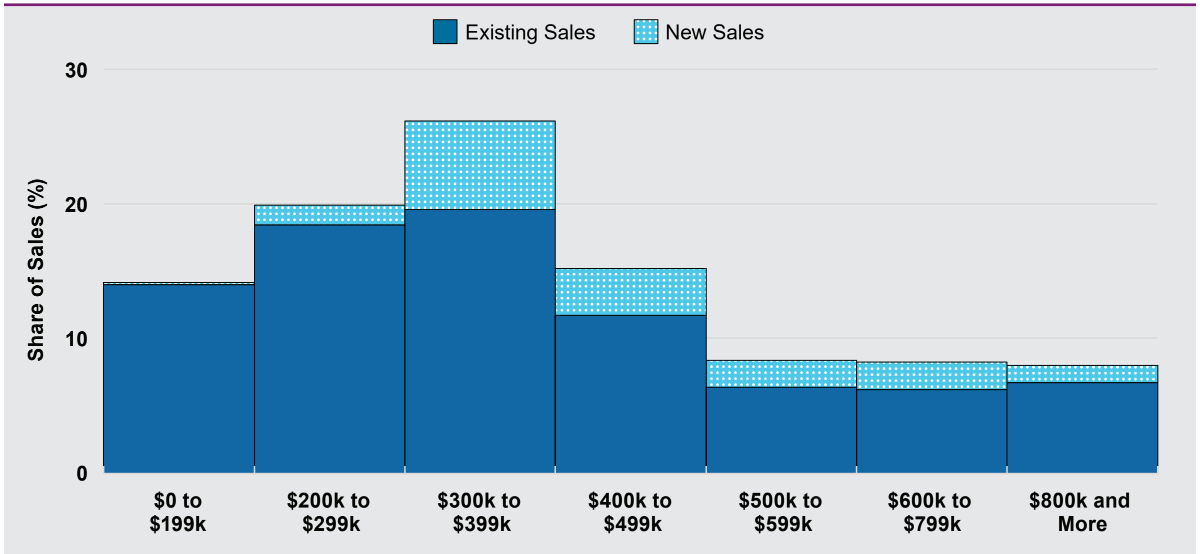
The average sales price of new and existing homes in the HMA has increased in each of the past 11 years, and the current price is at an all-time high. However, partly because of a decrease in competition for homes, price growth has slowed during the past year. During 2023, approximately 17 percent of all homes sold had a sales price that was above the original listing price, down significantly from 36 percent of all homes sold during the previous 2 years (Redfin, a national real estate brokerage). During the past year, the average sales price of new and existing homes increased 6 percent to $450,700. By comparison, during 2021 and 2022, the average sales price was up an average of 19 percent annually, compared with an average annual

Figure 8. 12-Month Sales Totals by Type in the Tampa-St. Petersburg-Clearwater HMA



Source: Redfin, a national real estate brokerage

Figure 9. Share of Overall Sales by Price Range During 2023 in the Tampa-St. Petersburg-Clearwater HMA



Note: New and existing sales include single-family homes, townhomes, and condominium units.
Source: Zonda

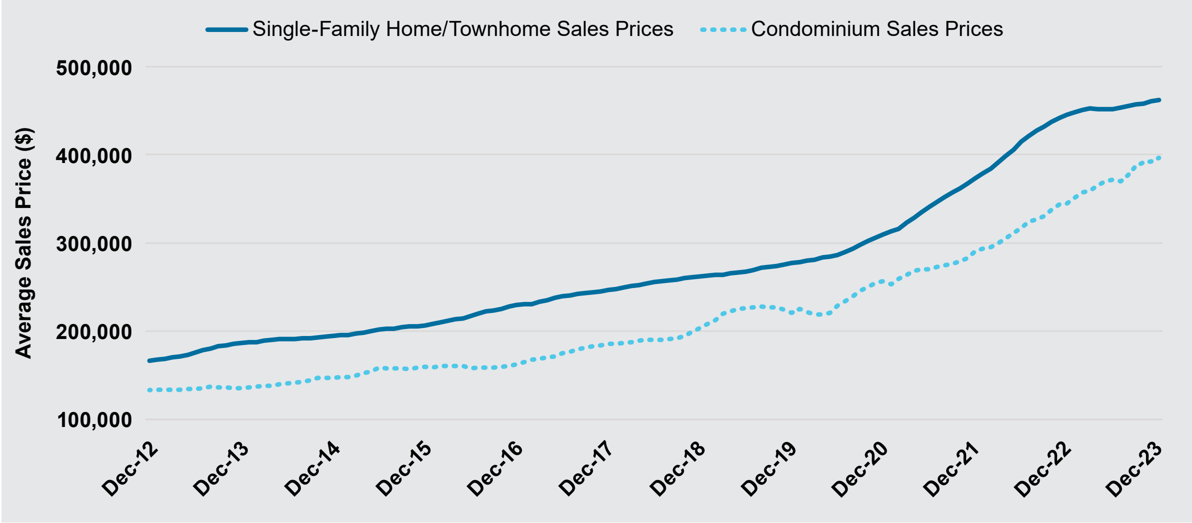
8-percent rise from 2015 through 2020. Figure 10 shows the average annual sales price by unit type in the HMA since 2012.

Housing Affordability

Homeownership in the HMA has generally become less affordable during the past decade, and the affordability of owning a home has been at record-low levels during the past 2 years. 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, decreased from 80.9 as of the fourth quarter of 2012 to 68.7 as of the fourth quarter of 2019 (Figure 11). That decrease was largely due to an average annual 9-percent increase in the median sales price that outpaced an average annual 2-percent rise in the median income (NAHB). During 2020 and 2021, the median sales price and median income increased at average rates of 20 and 4 percent annually, respectively, which caused the HOI to decline to 67.4 as of the fourth quarter of 2020 and further decrease to 53.7 as of the fourth quarter of 2021.

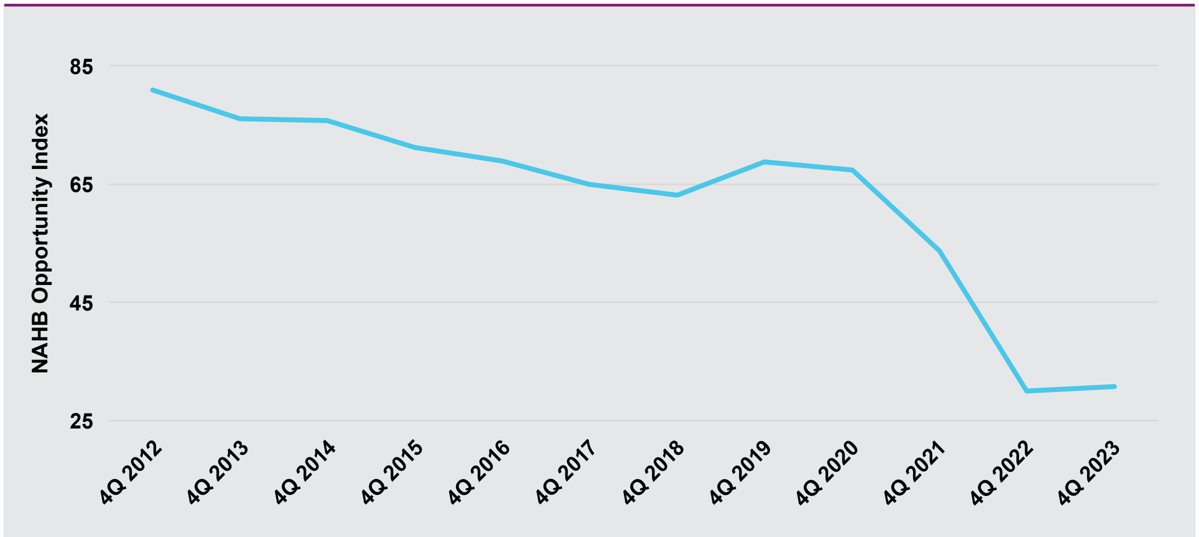
The HOI decreased significantly to 30.0 as of the fourth quarter of 2022 and stayed low at 30.7 as of the fourth quarter of 2023. Homeownership has been very unaffordable during the past 2 years. Although the average annual 11-percent increase in median income outpaced the average annual 6-percent rise in the median sales price,

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



Source: Redfin, a national real estate brokerage

Figure 11. Tampa-St. Petersburg-Clearwater HMA Housing Opportunity Index



4Q = fourth quarter. NAHB = National Association of Home Builders.
Source: NAHB/Wells Fargo

a substantial increase in the mortgage interest rate caused the monthly cost of owning a home to rise faster than monthly income. During 2023, the estimated monthly mortgage payment for the average-priced home sold in the HMA was $2,350, representing a 24-percent increase compared with 2022, when the monthly payment was up 58 percent compared with a year earlier (Redfin, a national real estate brokerage). As of the fourth quarter of 2023, 37 percent of metropolitan areas and metropolitan divisions in the nation were less affordable than the Tampa HMA. By comparison, as of the fourth quarters of 2022 and 2021, approximately 37 and 39 percent of all metropolitan areas and divisions, respectively, were less affordable than the HMA.

Forecast

During the 3-year forecast period, demand is estimated for 44,825 new single-family homes, townhomes, and condominiums (Table 5). The 5,100 sales units under construction will satisfy some of that demand. Demand is expected to be relatively low during the first year of the forecast period because of elevated mortgage interest rates. However, demand is expected to accelerate during the second and third years because mortgage rates are anticipated to decline.

Table 5. Demand for New Sales Units in the Tampa-St. Petersburg-Clearwater HMA During the Forecast Period

	Sales Units
Demand	44,825 Units
Under Construction	5,100 Units

Note: The forecast period is from January 1, 2024, to January 1, 2027.
Source: Estimates by the analyst

Sales Market—Central Submarket

Market Conditions: Slightly Tight but Easing

Sales market conditions in the Central submarket have eased during the past 2 years, compared with tightening conditions during the previous 2 years.

Current Conditions and Recent Trends

Sales market conditions in the Central submarket are currently slightly tight. The vacancy rate is estimated at 1.6 percent (Table 6), down from 2.0 percent in 2020. In December 2023, the submarket had 3.0 months of available for-sale housing inventory, up slightly from 2.8 months of inventory in December 2022 and significantly higher than the 0.7-month supply in December 2021 (Redfin, a national real estate brokerage). Sales market conditions in the submarket were balanced from 2010 through 2014. In response to higher levels of net in-migration, conditions transitioned to slightly tight by 2017, and conditions stayed slightly tight through 2019. As in the HMA, sales market conditions in

Table 6. Home Sales Quick Facts in the Central Submarket

		Central	Tampa-St. Petersburg-Clearwater HMA
Home Sales Quick Facts	**Vacancy Rate**	1.6%	1.9%
	Months of Inventory	3.0	3.4
	Total Home Sales	24,300	66,150
	1-Year Change	-18%	-14%
	New Home Sales Price	$619,900	$557,000
	1-Year Change	4%	4%
	Existing Home Sales Price	$467,500	$449,900
	1-Year Change	3%	3%
	Mortgage Delinquency Rate	1.3%	1.2%

Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending December 2023; and months of inventory and mortgage delinquency data are as of December 2023. The current date is January 1, 2024.
Sources: Vacancy rate—estimates by the analyst; months of inventory and home sales and prices—Redfin, a national real estate brokerage; mortgage delinquency rates—CoreLogic, Inc.

the submarket tightened during 2020 and 2021, but conditions have eased since 2022 in response to a significant reduction in home sales.

Seriously Delinquent Mortgages and Real Estate Owned Properties

Trends in the rate of seriously delinquent home loans and REO properties in the Central submarket have been similar to the trends in the HMA. In December 2023, 1.4 percent of home loans in the Central submarket were seriously delinquent or had transitioned into REO status, down from 1.7 percent in December 2022 (CoreLogic, Inc.). The rate increased from 1.7 percent in March 2020 to 5.8 percent in August 2020.

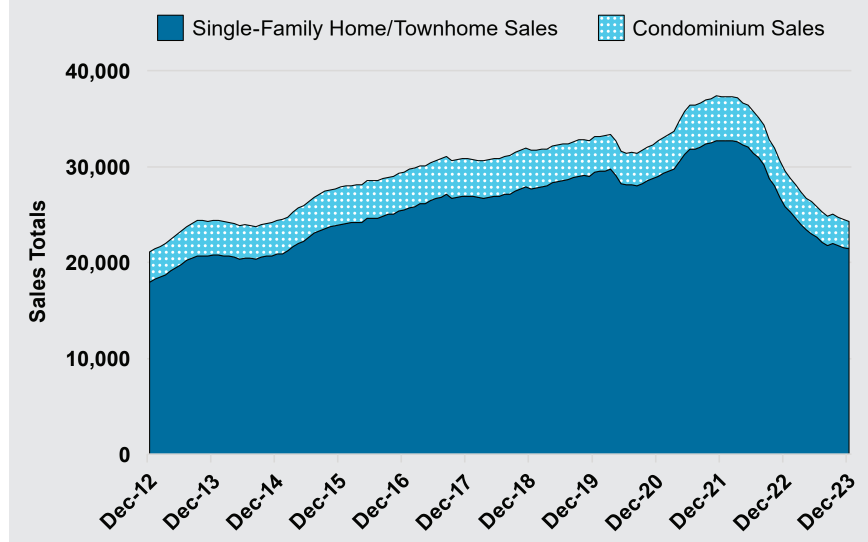
Single-Family Home and Townhome Sales

Sales of new and existing single-family homes and townhomes declined significantly during the past 2 years, compared with a strong increase during 2021. During 2023, approximately 21,400 new and existing single-family homes and townhomes were sold, representing a decrease of 4,400 homes, or 17 percent, compared with 2022, when home sales were down 21 percent compared with 2021 (Redfin, a national real estate brokerage). During 2021, home sales increased 13 percent, to 32,650 homes sold, which was an all-time peak, compared with an average annual 6-percent rise from 2015 through 2020. With the recent declines, the current level of sales is at its lowest level since 2015 and is 21 percent below the average of 27,100 homes sold annually from 2015 through 2020. Figure 12 shows the 12-month sales totals by unit type in the submarket since 2012, and Figure 13 shows the distribution of new and existing home sales by price range during 2023.

Condominium Sales

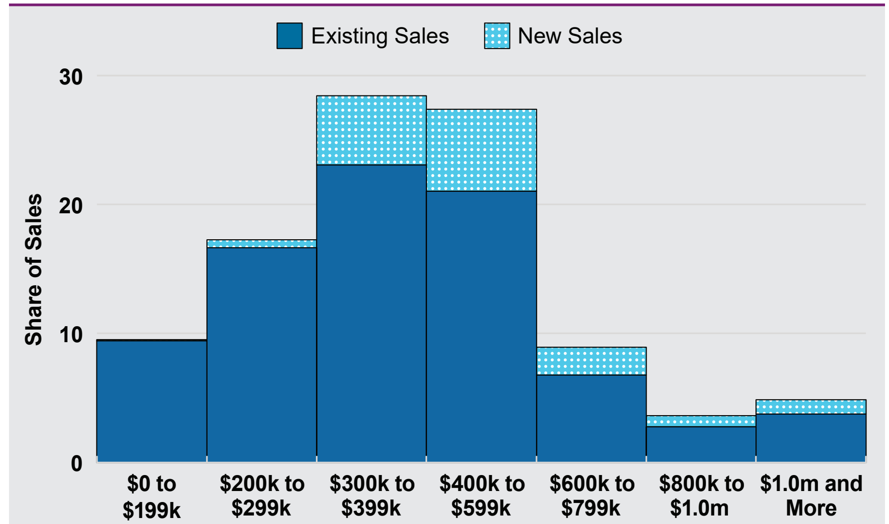
Sales of new and existing condominiums also decreased significantly during the past 2 years, following a surge during 2021, when condominium sales reached an all-time peak of 4,575. During 2023, approximately 2,900 new and existing condominiums were sold, representing a decrease of 840 units, or 22 percent, compared with 2022, when condominium sales were down 19 percent compared with a year earlier. During 2021, condominium sales

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



Source: Redfin, a national real estate brokerage

Figure 13. Share of Overall Sales by Price Range During 2023 in the Central Submarket



Note: New and existing sales include single-family homes, townhomes, and condominium units.
Source: Zonda

were up 25 percent, compared with an average annual 2-percent decline from 2017 through 2020. The current level of sales is at the lowest level in more than 10 years and is 37 percent below the peak during 2021.

Sales Prices

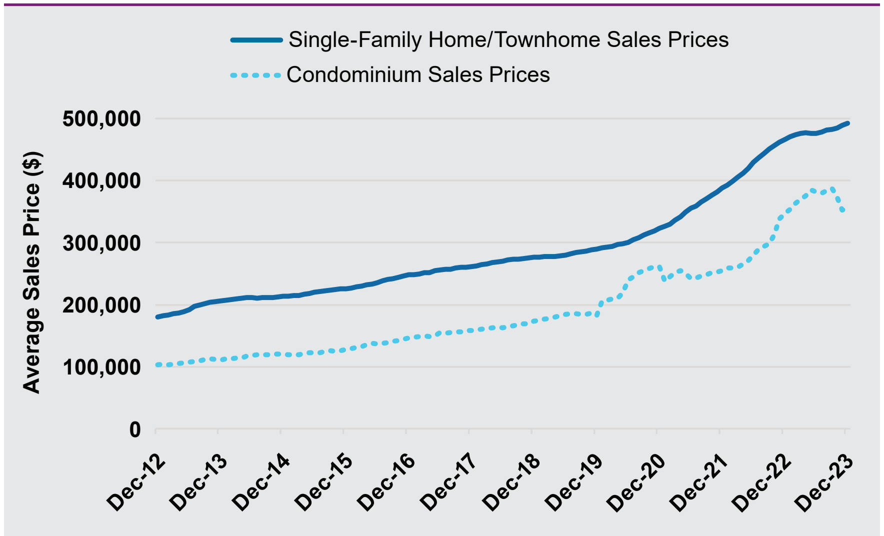
The average sales price of new and existing single-family homes and townhomes has increased each year since 2013, and the current price is at an all-time high. However, in response to easing sales market conditions, price growth has slowed during the past year, compared with a surge in the average sales price during the previous 3 years. During 2023, the average sales price of new and existing single-family homes and townhomes increased 6 percent to $491,700 (Redfin, a national real estate brokerage). By comparison, the average sales price was up an average of 17 percent annually from 2020 through 2022, following an average annual 7-percent increase from 2013 through 2019. Figure 14 shows the average annual sales price by unit type in the submarket since 2012.

During 2023, the average sales price of new and existing condominiums increased 3 percent to $355,800, compared with an average annual 24-percent increase from 2020 through 2022. The average price rose an average of 9 percent annually from 2013 through 2019. The slowdown in the average annual sales price of new and existing condominiums during the past year was due to a decline in the average price during the second half of 2023, which partially offset an increase during the first half of the year. As of the 6 months ending December 2023, the average sales price decline was down 13 percent compared with the 6 months ending December 2022. By comparison, as of the 6 months ending June 2023, the average price was up 19 percent from the same period a year earlier.

Sales Construction Activity

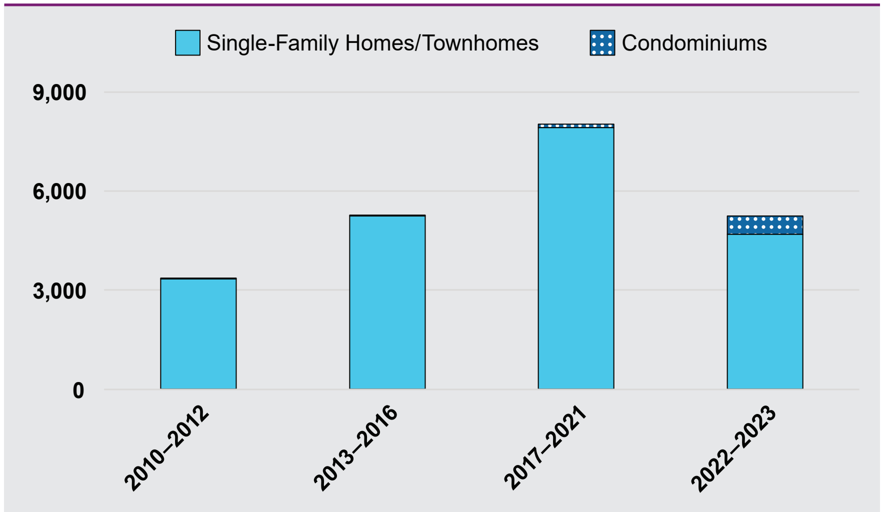
In response to a significant slowdown in home sales demand, sales construction activity, as measured by the number of single-family homes, townhomes, and condominiums permitted (see building permits), has slowed during the past 2 years. Since 2022, an average of 5,250 sales units have been permitted annually (Figure 15). Sales permitting activity during this period is down 35 percent compared with the average of 8,025 sales units permitted annually from 2017 through 2021, when sales construction activity surged in response

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



Source: Redfin, a national real estate brokerage

Figure 15. Annual Sales Permitting Activity in the Central Submarket



Sources: U.S. Census Bureau, Building Permits Survey; 2010–22—final data and estimates by the analyst; 2023—preliminary data and estimates by the analyst

to strong increases in home sales demand. By comparison, from 2013 through 2016, an average of 5,275 sales units were permitted annually, which was up 57 percent compared with the average of 3,350 sales units permitted annually from 2010 through 2012. During 2023, approximately 4,575 sales units were permitted (preliminary data, with adjustments by the analyst), down 23 percent compared with 2022, when permitting declined 17 percent compared with 2021. Since 2022, approximately 10 percent of all sales units permitted have been for condominiums, up significantly from 1 percent of all sales units from 2010 through 2021. The recent rise in condominium construction activity is largely attributed to increased demand for lower priced homes.

New Construction

Recent construction has occurred throughout the submarket and has mostly been for single-family homes and townhomes, although construction of condominium units has increased recently. Recent developments include Waterset, a single-family home community in the census-designated place of Apollo Beach. Approximately 29 percent of the 1,050 planned homes in this community have been completed since 2022, and the remaining homes are expected to be built within the next 3 to 5 years. Prices for the three-, four-, and five-bedroom homes in this community start at $400,000, $450,000, and $465,000, respectively. In the city of Tampa, 26 of the 48 planned townhomes in the Stillmont community are under construction, and the remaining townhomes are expected to be complete within the next year. Prices for the two- and three-bedroom townhomes in this community start at $376,000 and $401,000, respectively. Condominium construction activity includes the 22-story Altura Bayshore with 73 units, which is under construction in the city of Tampa on Hillsborough Bay. Prices for the three-bedroom, three-bathroom units in this community start at $1.97 million.

Forecast

During the 3-year forecast period, demand is estimated for 20,650 new single-family homes, townhomes, and condominiums (Table 7). The 1,800 sales units under construction will satisfy some of that demand. Just as with the HMA, demand is expected to be strongest during the second and third years of the forecast period.

Table 7. Demand for New Sales Units in the Central Submarket During the Forecast Period

	Sales Units
Demand	20,650 Units
Under Construction	1,800 Units

Note: The forecast period is from January 1, 2024, to January 1, 2027.
Source: Estimates by the analyst

Sales Market—Western Submarket

Market Conditions: Balanced

In December 2023, the Western submarket had 4.1 months of available for-sale housing inventory, up from 2.8 months of inventory in December 2022.

Current Conditions and Recent Trends

Sales market conditions in the Western submarket are currently balanced. The vacancy rate is estimated at 1.9 percent (Table 8), down slightly from 2.0 percent in 2020 and significantly lower than the 3.6-percent rate in 2010. In December 2023, the submarket had 4.1 months of available for-sale

Table 8. Home Sales Quick Facts in the Western Submarket

		Western	Tampa-St. Petersburg-Clearwater HMA
Home Sales Quick Facts	**Vacancy Rate**	1.9%	1.9%
	Months of Inventory	4.1	3.4
	Total Home Sales	21,600	66,150
	1-Year Change	-14%	-14%
	New Home Sales Price	$1,106,000	$557,000
	1-Year Change	42%	4%
	Existing Home Sales Price	$505,400	$449,900
	1-Year Change	5%	3%
	Mortgage Delinquency Rate	1.0%	1.2%

Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending December 2023; and months of inventory and mortgage delinquency data are as of December 2023. The current date is January 1, 2024.
Sources: Vacancy rate—estimates by the analyst; months of inventory and home sales and prices—Redfin, a national real estate brokerage; mortgage delinquency rates—CoreLogic, Inc.

housing inventory, up from 2.8 months of inventory in December 2022 and significantly higher than the 0.8-month supply in December 2021 (Redfin, a national real estate brokerage). Sales market conditions in the submarket were slightly soft from 2010 through 2014 but transitioned to balanced by 2017 in response to higher levels of net in-migration, and conditions remained balanced through 2019. As in the Central submarket, conditions in the Western submarket tightened significantly during 2020 and 2021 and eased during 2022 and 2023. The easing of the sales market, however, was more notable in the Western submarket, largely due to limited population growth and a surge in newly constructed sales units coming on line.

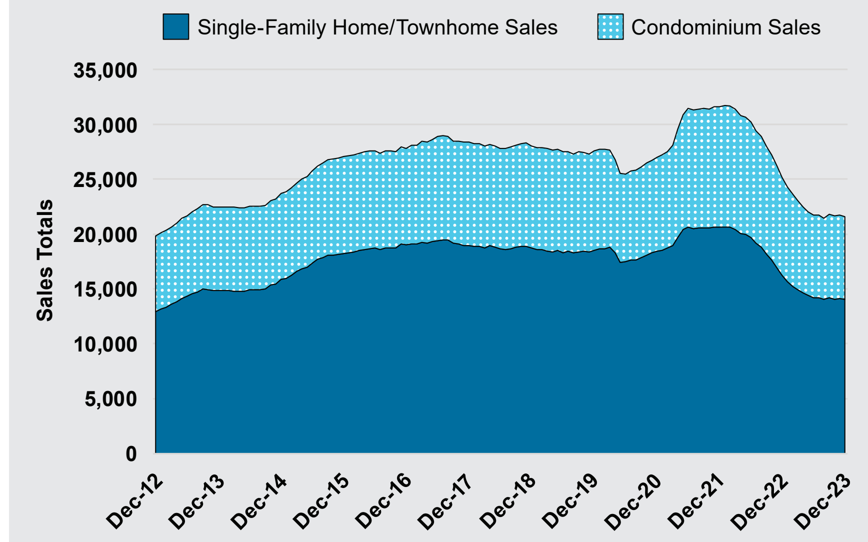
Seriously Delinquent Mortgages and Real Estate Owned Properties

The rate of seriously delinquent home loans and REO properties in the Western submarket is the lowest of the three submarkets and is equal to the national rate. In December 2023, 1.0 percent of home loans in the Western submarket were seriously delinquent or had transitioned into REO status, down slightly from 1.1 percent in December 2022 (CoreLogic, Inc.). The rate increased from 1.3 percent in March 2020 to 4.5 percent in August 2020.

Single-Family Home and Townhome Sales

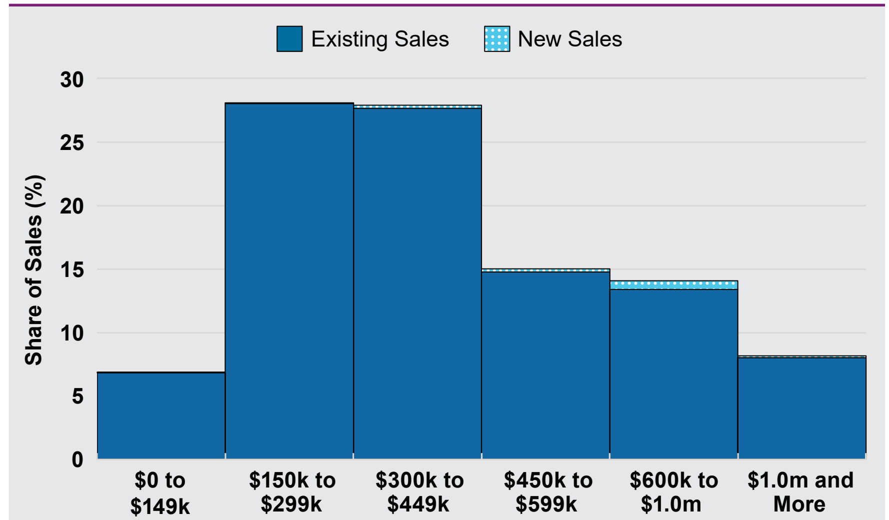
Sales of new and existing single-family homes and townhomes in the Western submarket have declined significantly during the past 2 years after reaching an all-time peak during 2021. During 2023, approximately 14,000 new and existing single-family homes and townhomes were sold in the Western submarket, representing a decrease of 2,225 homes, or 14 percent, compared with 2022, when home sales declined 21 percent compared with a year earlier (Redfin, a national real estate brokerage). By contrast, sales were up 12 percent in 2021 to 20,600. Home sales declined an average of 1 percent annually from 2017 through 2020, compared with an average annual 10-percent increase from 2013 through 2016. The current level of sales is at the lowest level since 2013 and is 21 percent below the average of 17,800 homes sold annually from 2013 through 2020. Figure 16 shows the 12-month sales totals by unit type in the submarket since 2012, and Figure 17 shows the distribution of new and existing home sales by price range during 2023.

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



Source: Redfin, a national real estate brokerage

Figure 17. Share of Overall Sales by Price Range During 2023 in the Western Submarket



Note: New and existing sales include single-family homes, townhomes, and condominium units.
Source: Zonda

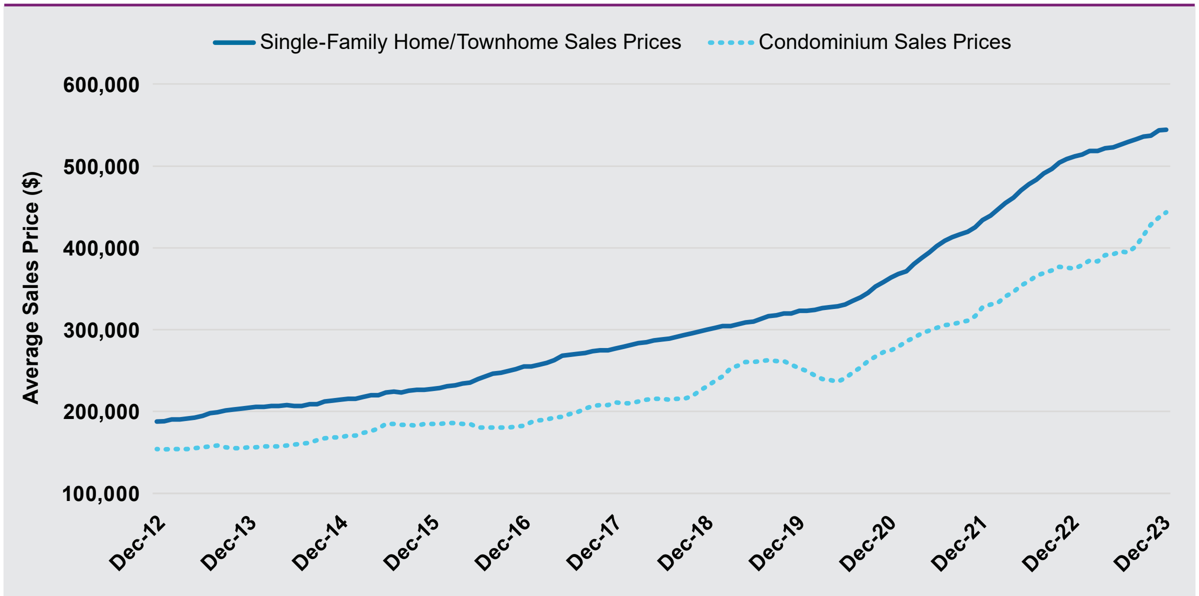
Condominium Sales

Sales of new and existing condominiums also declined rapidly during the past 2 years, compared with a strong increase during 2021. During 2023, approximately 7,575 new and existing condominiums were sold, representing a decrease of 1,300 units, or 15 percent, compared with 2022, when condominium sales were down 19 percent compared with 2021. The current level of sales is at the lowest level since 2013 and is 31 percent below the all-time peak of 11,000 units sold during 2021, when condominium sales were up 28 percent compared with 2020. Condominium sales declined an average of 1 percent annually from 2016 through 2020, compared with an average annual 9-percent increase from 2013 through 2015.

Sales Prices

Trends in the average sales price of new and existing single-family homes and townhomes in the Western submarket have been similar to trends in the Central submarket. During 2023, the average sales price of new and existing single-family homes and townhomes in the Western submarket increased 6 percent to $544,200 (Redfin, a national real estate brokerage). The average sales price was up an average of 16 percent annually from 2020 through 2022, compared with an average annual 8-percent increase from 2013 through 2019. Figure 18 shows the average annual sales price by unit type in the submarket since 2012.

Figure 18. 12-Month Average Sales Price by Type of Sale in the Western Submarket



Source: Redfin, a national real estate brokerage

The average sales price of new and existing condominiums has also generally increased during the past 10 years. However, unlike the average price of single-family homes and townhomes, the average sales price was up strongly during the past year, which is largely attributed to a significant number of higher priced newly constructed condominium units being sold. During 2023, the average sales price of new and existing condominiums increased 18 percent to $443,300, slightly stronger than the average annual 17-percent rise during the previous 2 years. By comparison, from 2015 through 2020, the average sales price increased an average of 9 percent annually.

Sales Construction Activity

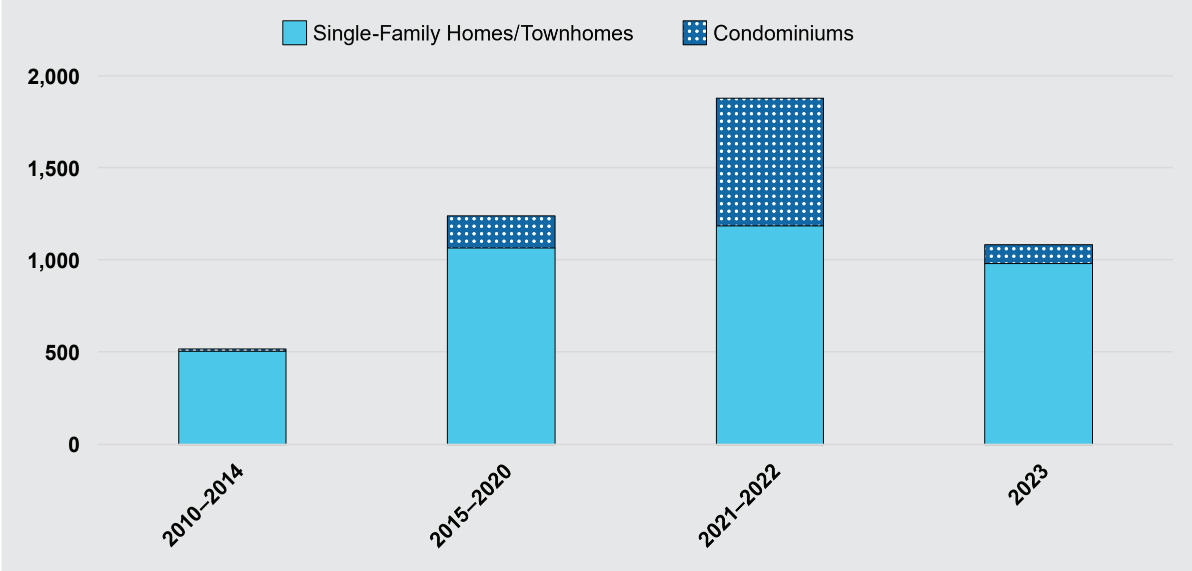
Sales construction activity in the Western submarket has slowed considerably during the past year, following strong construction activity during the previous 2 years. During 2023, approximately 1,075 sales units were permitted (preliminary data, with adjustments by the analyst), down 43 percent compared with the average of 1,875 sales units permitted annually during 2021 and 2022. Construction during 2021 and 2022 was up 50 percent from the average of 1,250 sales units permitted annually from 2015 through

2020 (Figure 19). Because developable land is relatively limited in the Western submarket, condominium construction has become a larger share of the sales construction market. Since 2019, approximately 26 percent of all sales units permitted have been for condominiums, a higher share compared with 15 percent from 2015 through 2018 and significantly more than the 2-percent share from 2010 through 2014.

New Construction

Recent construction has occurred throughout the Western submarket, including single-family homes, townhomes, and condominiums, although condominium construction has largely been concentrated in the city of St. Petersburg. Recent developments include Eagle Creek Estates, a single-family home community in the city of Tarpon Springs. All 50 homes in this community have been completed since 2022, and prices for the recently completed three-, four-, and five-bedroom homes start at $591,500, $616,500, and $641,500, respectively. In the city of St. Petersburg, construction is underway at the Alante townhome community. All 26 townhomes in this community are expected to be complete within the next year, and prices for these two- and three-bedroom townhomes start at $765,000 and $910,000, respectively. Construction of the 46-story Residences at 400 Central condominium community started in late 2023. When complete, by late 2024, the 301 units will overlook the Tampa Bay harbor; prices for the two- and three-bedroom units at this community start at $1.27 million and $1.70 million, respectively.

Figure 19. Annual Sales Permitting Activity in the Western Submarket



Sources: U.S. Census Bureau, Building Permits Survey; 2010–22—final data and estimates by the analyst; 2023—preliminary data and estimates by the analyst

Forecast

During the 3-year forecast period, demand is estimated for 4,975 new single-family homes, townhomes, and condominiums (Table 9). The 700 sales units under construction will satisfy some of that demand. As in the overall HMA, demand is expected to be strongest during the second and third years of the forecast period.

Table 9. Demand for New Sales Units in the Western Submarket During the Forecast Period

	Sales Units
Demand	4,975 Units
Under Construction	700 Units

Note: The forecast period is from January 1, 2024, to January 1, 2027.
Source: Estimates by the analyst

Sales Market—Northern Suburbs Submarket

Market Conditions: Slightly Tight but Easing

New and existing home sales in the Northern Suburbs submarket decreased significantly during the past 2 years, compared with a strong gain during 2021.

Current Conditions and Recent Trends

Sales market conditions in the Northern Suburbs submarket are currently slightly tight. The vacancy rate is estimated at 2.4 percent (Table 10), down slightly from 2.5 percent in 2020 and significantly lower than the 3.7-percent rate in 2010. In December 2023, the submarket had 3.4 months of available for-sale housing inventory, up from 2.9 months in December 2022 and much higher than the 0.7-month supply in December 2021 (Redfin, a national real estate brokerage). Sales market conditions in the submarket were slightly soft from 2010 through 2015, but conditions transitioned into balanced by 2019 because of strong net in-migration into the submarket. Just as with the other submarkets, conditions in the Northern Suburbs submarket tightened during 2020 and 2021 and have eased since 2022. As in the Western submarket, a surge in owner construction activity has occurred in the Northern Suburbs submarket in recent years. However, unlike the Western submarket, conditions in the Northern Suburbs submarket have stayed slightly tight, largely because of continued strong net in-migration into the submarket.

Table 10. Home Sales Quick Facts in the Northern Suburbs Submarket

		Northern Suburbs	Tampa-St. Petersburg-Clearwater HMA
Home Sales Quick Facts	**Vacancy Rate**	2.4%	1.9%
	Months of Inventory	3.4	3.4
	Total Home Sales	20,250	66,150
	1-Year Change	-9%	-14%
	New Home Sales Price	$424,500	$557,000
	1-Year Change	-3%	4%
	Existing Home Sales Price	$348,400	$449,900
	1-Year Change	-2%	3%
	Mortgage Delinquency Rate	1.4%	1.2%

Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending December 2023; and months of inventory and mortgage delinquency data are as of December 2023. The current date is January 1, 2024.
Sources: Vacancy rate—estimates by the analyst; months of inventory and home sales and prices—Redfin, a national real estate brokerage; mortgage delinquency rates—CoreLogic, Inc.

Seriously Delinquent Mortgages and Real Estate Owned Properties

The rate of seriously delinquent home loans and REO properties in the Northern Suburbs submarket is the highest of the three submarkets, but the trends in the submarket were similar to those of the other submarkets. In December 2023, 1.4 percent of home loans in the Northern Suburbs submarket were seriously delinquent or had transitioned into REO status, down slightly from 1.6 percent in December 2022 (CoreLogic, Inc.). The rate increased from 1.5 percent in March 2020 to 5.4 percent in August 2020.

Single-Family Home and Townhome Sales

Sales of new and existing single-family homes and townhomes in the Northern Suburbs submarket have slowed during the past 2 years. However, the decline has not been as severe as in the rest of the HMA, which is largely attributed to continued strong net in-migration into the submarket and more new home construction. During 2023, approximately 19,200 new and existing single-family homes and townhomes were sold in the submarket, representing a decrease of 1,550 homes, or 7 percent, compared with 2022, when sales were down 9 percent from a year earlier (Redfin, a national real estate brokerage). Home sales increased 12 percent during 2021, compared with an average annual 7-percent rise from 2015 through

2020. The current level of sales is down 16 percent from the all-time peak of 22,900 homes sold during 2021 but still up 8 percent from the average of 17,700 homes sold annually from 2014 through 2020. Figure 20 shows the 12-month sales totals by unit type in the submarket since 2012, and Figure 21 shows the distribution of new and existing home sales by price range during 2023.

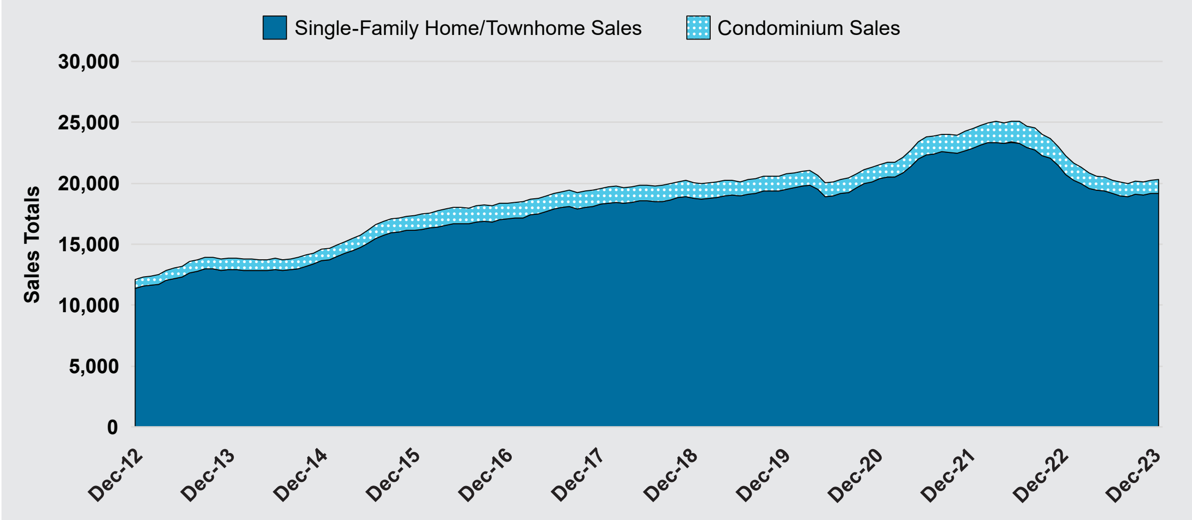
Condominium Sales

Sales of new and existing condominiums also decreased during the past 2 years, with the rate of decline accelerating significantly during the past year. During 2023, approximately 1,075 new and existing condominiums were sold, representing a decrease of 440 units, or 29 percent, compared with 2022, when condominium sales were down 4 percent compared with a year earlier. Condominium sales increased 33 percent during 2021, compared with an average annual 3-percent decline from 2018 through 2020. The current level of sales is at the lowest level since 2015 and is 12 percent below the average of 1,225 units sold annually from 2018 through 2020, before the surge during 2021.

Sales Prices

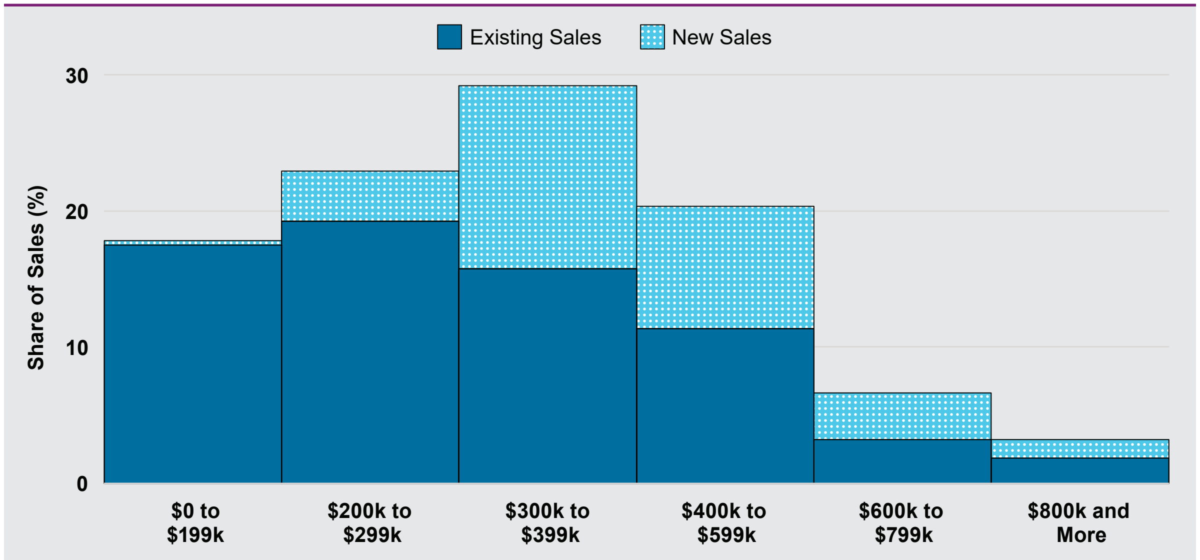
In contrast to the price gains in the rest of the HMA, the average sales price of new and existing single-family homes and townhomes in the Northern Suburbs submarket was relatively unchanged during the past year, which is partially attributed to higher priced new homes making

Figure 20. 12-Month Sales Totals by Type in the Northern Suburbs Submarket



Source: Redfin, a national real estate brokerage

Figure 21. Share of Sales by Price Range During 2023 in the Northern Suburbs Submarket

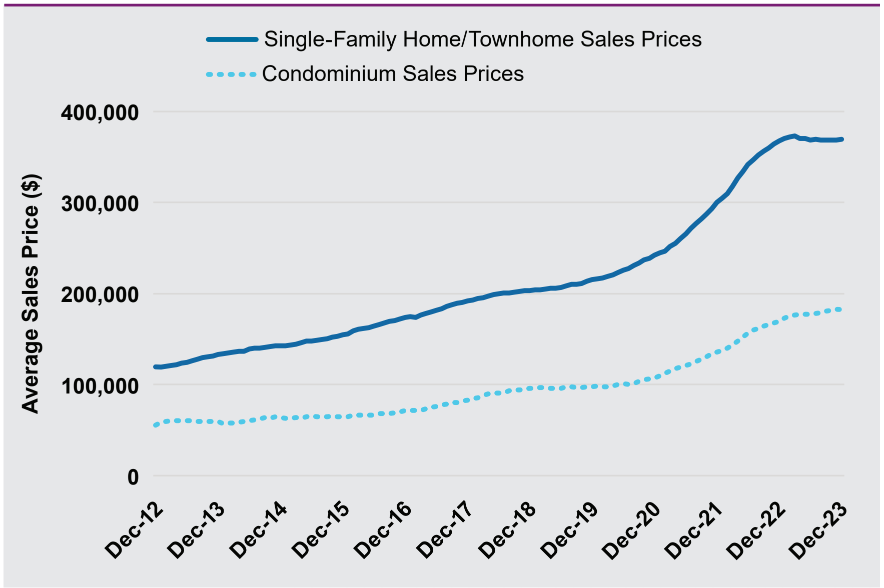


Note: New and existing sales include single-family homes, townhomes, and condominium units.
Source: Zonda

up a smaller portion of all sales. During 2023, the average sales price of new and existing single-family homes and townhomes was $369,000, up less than 1 percent compared with 2022 (Redfin, a national real estate brokerage). By comparison, during 2021 and 2022, the average sales price increased an average of 23 percent annually, stronger than the average annual 9-percent rise from 2013 through 2020. Figure 22 shows the average annual sales price by unit type in the submarket since 2012.

The average sales price of new and existing condominiums has increased in each of the past 10 years, although the rate of increase has slowed during the past year because of weaker demand, which is reflected in the significant decrease in the number of condominiums sold. During 2023, the average sales price of new and existing condominiums increased 7 percent to $182,500. By comparison, during 2021 and 2022, the average sales price increased an average of 26 percent annually, following an average annual 9-percent rise from 2013 through 2020.

Figure 22. 12-Month Average Sales Price by Type of Sale in the Northern Suburbs Submarket

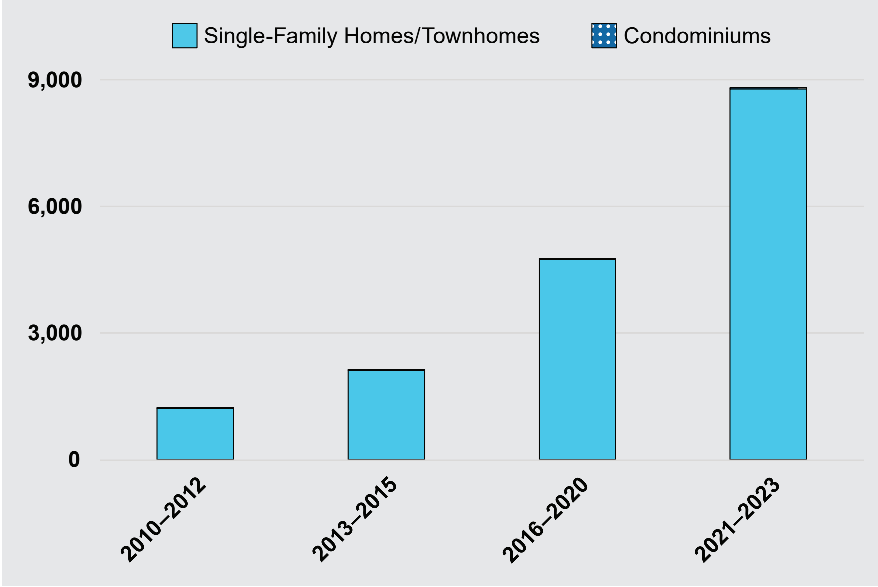


Source: Redfin, a national real estate brokerage

Sales Construction Activity

Sales construction activity in the Northern Suburbs submarket has been stronger than in the other submarkets in recent years, primarily because developable land is more abundant. In addition, the decline in sales permitting activity during the past year was not as significant as in the rest of the HMA, which allowed total home sales to stay elevated in the submarket. Since 2021, an average of 8,825 sales units have been permitted annually in the submarket (Figure 23). Permitting activity during this period is up 86 percent from the average of 4,750 sales units permitted annually from 2016 through 2020 and is more than four times the average of 2,150 sales units permitted annually from 2013 through 2015. During 2023, approximately 8,100 sales units were permitted annually, down 2 percent compared with 2022 (preliminary data, with adjustments by the analyst). Unlike in the rest of the HMA, condominium construction activity in the Northern Suburbs submarket

Figure 23. Annual Sales Permitting Activity in the Northern Suburbs Submarket



Sources: U.S. Census Bureau, Building Permits Survey; 2010–22—final data and estimates by the analyst; 2023—preliminary data and estimates by the analyst

has been extremely limited. Since 2010, less than 1 percent of all sales units permitted have been for condominiums, compared with 5 percent in the rest of the HMA.

New Construction

Recent construction activity has been primarily for single-family homes and was mostly concentrated in Pasco County. Recent developments include Westgate at Avalon Park, a single-family home and townhome community in the census-designated place of Wesley Chapel, Pasco County. More than one-half of the 990 single-family homes and townhomes in this community have been completed since 2021. Prices for the three-, four-, and five-bedroom single-family homes at this community start at $348,000, $406,000, and $466,000, respectively, and range from $300,000 to $326,000 for the three-bedroom, three-bathroom townhomes. Also in Pasco County is the Bexley single-family home community in the census-designated place of Land O' Lakes. Approximately 96 percent of the 850 homes in this community have been completed since 2019, and the remaining homes are expected to be complete within the next year. Prices for the recently completed three- and four-bedroom units in this community start at $450,500 and $595,000, respectively.

Forecast

During the 3-year forecast period, demand is estimated for 19,200 new single-family homes, townhomes, and condominiums (Table 11). The 2,600 homes under construction will satisfy some of that demand. Just as with the other submarkets, demand is expected to be strongest during the second and third years of the forecast period.

Table 11. Demand for New Sales Units in the Northern Suburbs Submarket During the Forecast Period

Sales Units	
Demand	19,200 Units
Under Construction	2,600 Units

Note: The forecast period is from January 1, 2024, to January 1, 2027.
Source: Estimates by the analyst

Rental Market

Rental Market—Tampa HMA

Market Conditions: Slightly Soft

Rental market conditions in the HMA have softened during the past 2 years, compared with tightening conditions during 2020 and 2021.

Current Conditions and Recent Trends

The rental housing market in the HMA is currently slightly soft. The overall vacancy rate is estimated at 9.1 percent, up from 8.1 percent in 2020 (Table 12) but down from 13.1 percent in 2010. In 2022, approximately 62 percent of all renter households lived in single-family homes, down slightly from 63 percent in 2021 (ACS 1-year data). In addition, 5 percent of renter households lived in structures with two to four units, down slightly from 6 percent in 2021. Multifamily buildings with five or more units, typically apartments, accounted for 23 percent of all occupied rental units in 2022, up from 21 percent in 2021.

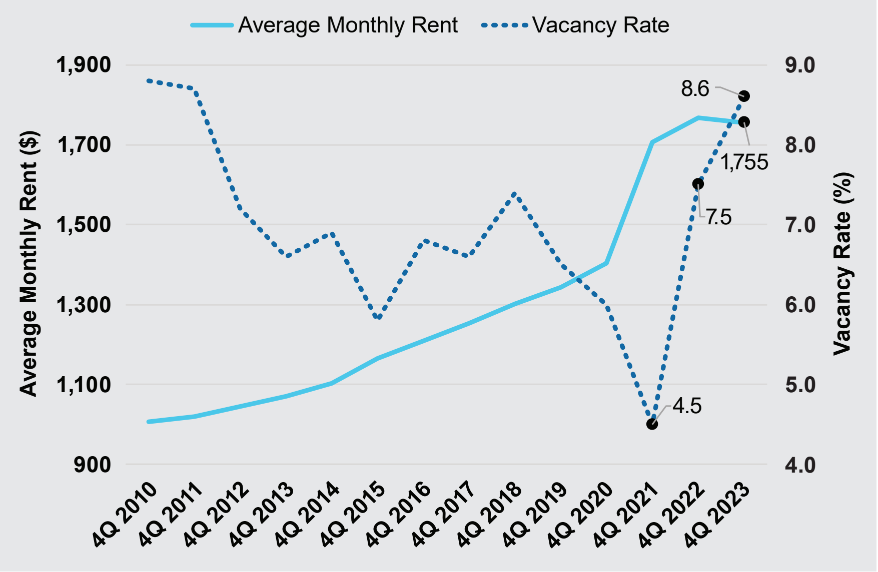
Table 12. Rental and Apartment Market Quick Facts in the Tampa-St. Petersburg-Clearwater HMA

		2020 (%)	Current (%)
Rental Market Quick Facts	Rental Vacancy Rate	8.1	9.1
		2021 (%)	2022 (%)
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	63	62
	Multifamily (2–4 Units)	6	5
	Multifamily (5+ Units)	21	23
	Other (Including Mobile Homes)	10	10
		4Q 2023	YoY Change
Apartment Market Quick Facts	Apartment Vacancy Rate	8.6%	1.1
	Average Rent	$1,755	-1%
	Studio	$1,456	0%
	One-Bedroom	$1,549	-1%
	Two-Bedroom	$1,861	-1%
	Three-Bedroom	$2,241	0%

4Q = fourth quarter. YoY = year-over-year.
Notes: The current date is January 1, 2024. Percentages may not add to 100 due to rounding.
Sources: 2020 vacancy rate—2020 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2021 and 2022 American Community Survey 1-year data; apartment data—CoStar Group

Conditions in the apartment market are also slightly soft compared with balanced conditions in 2020. As of the fourth quarter of 2023, the apartment vacancy rate in the HMA was 8.6 percent, up from 7.5 percent as of the fourth quarter of 2022 and significantly higher than the 4.5-percent rate as of the fourth quarter of 2021, which was the lowest fourth quarter rate in more than 20 years (CoStar Group; Figure 24). Apartment market conditions were generally balanced from 2012 through 2020, but conditions tightened during 2021, and the apartment vacancy rate decreased from 6.0 percent as of the fourth quarter of 2020 to 4.5 percent as of the fourth quarter of 2021. The decline in the vacancy rate during 2021 was due to a surge in absorption. During 2021, approximately 9,000 apartment units were absorbed in the HMA, more than double the average of 4,250 units absorbed annually from 2012 through 2020. Apartment market conditions in the HMA have softened during the past 2 years,

Figure 24. Apartment Rents and Vacancy Rates in the Tampa-St. Petersburg-Clearwater HMA



4Q = fourth quarter.
Note: The vacancy rates and average monthly rents are for market-rate and mixed (combined market-rate and affordable) general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
Source: CoStar Group

however. Absorption slowed significantly to an average of 2,875 units per year, and newly constructed market-rate apartment units coming on line rose to an average of 7,900 units completed annually since 2022, compared with an average of 6,100 units completed annually from 2018 through 2021.

In response to rising vacancy rates, the average apartment rent declined 1 percent to $1,755 as of the fourth quarter of 2023, compared with the fourth quarter of 2022, when the average rent increased 4 percent from the same period a year earlier. By comparison, as of the fourth quarter of 2021, the average rent rose 21 percent from the fourth quarter of 2020, largely because of the tightening of the apartment market. Rent growth during 2021 was much stronger than the average annual 4-percent growth rate from 2012 through 2020, when conditions were balanced.

Market conditions in the single-family rental market have also eased during the past 2 years. As of the fourth quarter of 2023, the stabilized vacancy rate of single-family rental homes in the HMA was 9.4 percent, up from 4.6 percent a year ago and more than two-and-a-half times the 3.6-percent rate as of the fourth quarter of 2021. As of the fourth quarter of 2023, the average rent of a single-family rental home was $2,222, up 1 percent from the fourth quarter of 2022, when the average rent rose 4 percent compared with the same period a year earlier.

Student Housing

An estimated 17,200 renter households are occupied by students attending colleges and universities in the HMA who reside off campus, accounting for approximately 3 percent of all renter households. Construction of privately owned off-campus student apartments has been strong in recent years, primarily in the Central submarket. Construction of Park Place Tampa near the University of South Florida campus in the city of Tampa was completed in mid-2023. The furnished units are rented by the bedroom, and rents are $1,295, $1,195, $1,165, and $1,100 per bedroom for two-, three-, four-, and five-bedroom units, respectively. The rents for studio and one-bedroom units are $1,675 and $1,875, respectively.

Forecast

During the 3-year forecast period, demand is estimated for 19,850 new rental units in the HMA (Table 13). Demand is expected to be steady during the forecast period. However, new supply should be targeted to come on line during the third year of the forecast period because the 18,850 units under construction will satisfy all demand during the first and second years.

Table 13. Demand for New Rental Units in the Tampa-St. Petersburg-Clearwater HMA During the Forecast Period

	Rental Units
Demand	19,850 Units
Under Construction	18,850 Units

Note: The forecast period is January 1, 2024, to January 1, 2027.
Source: Estimates by the analyst

Rental Market—Central Submarket

Market Conditions: Slightly Soft

Apartment market conditions in the Central submarket are slightly soft, compared with balanced conditions in 2020.

Current Conditions and Recent Trends

The rental market in the Central submarket is currently slightly soft. The overall vacancy rate is estimated at 8.5 percent, up from 7.1 percent in 2020 (Table 14) but down from 12.6 percent in 2010. The rental market was soft in 2010 but transitioned to balanced by 2014 in response to limited apartment construction activity, and conditions remained balanced through 2019. Conditions tightened during 2020 and 2021, partially attributed to state and federal eviction protection policies during the COVID-19 pandemic and economic assistance payments to renter households, which contributed to households forming at a faster pace. However, rental market conditions have softened since 2022, largely attributed to the lifting of eviction protections and the end of assistance payments. In 2022, approximately 64 percent of all renter households lived in single-family homes, down from 66 percent in 2021 (ACS 1-year data). In addition, 5 percent of renter households lived in structures with two to four units, down slightly from 6 percent in 2021. Multifamily buildings with five or more units accounted for 24 percent of all occupied rental units in 2022, up from 22 percent in 2021.

Conditions in the apartment market are also slightly soft compared with balanced conditions in 2020. As of the fourth quarter of 2023, the apartment vacancy rate was 8.2 percent, up from 7.9 percent as of the fourth quarter of 2022 and significantly higher than the 4.7-percent rate as of the fourth quarter of 2021, which was the lowest fourth quarter rate in more than 20 years (CoStar Group; Figure 25). By comparison, from 2012 through 2020, the fourth quarter vacancy rate ranged from 5.6 to 7.4 percent.

As of the fourth quarter of 2023, vacancy rates were up in four of seven CoStar Group-defined market areas (hereafter, market areas) that make up the Central submarket, led by the North Tampa and East Tampa market areas, where the vacancy rates were up 1.9 and 1.5 percentage points from a year ago to 8.4 and 4.7 percent, respectively. In the Downtown Tampa market area, the vacancy rate was 7.2 percent as of the fourth quarter of 2023, down from 11.6 percent a year ago. The decline in the vacancy rate in the market area was largely due to no new market-rate apartment units coming on line during the past year, compared with an average of 1,825 units being completed annually during the previous 2 years.

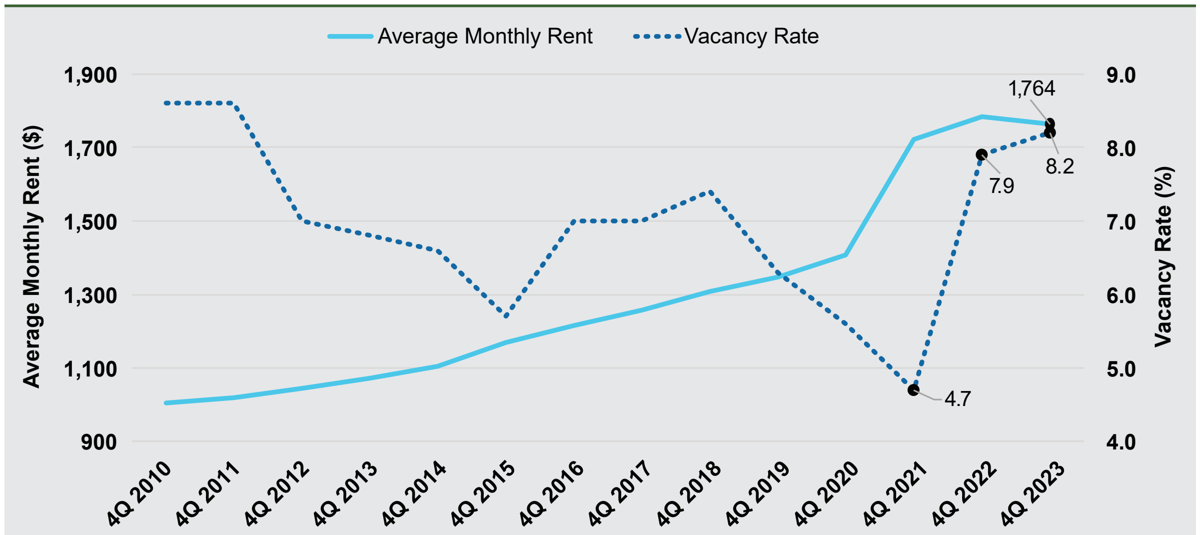
As in the HMA overall, the average apartment rent in the Central submarket declined during the past year. As of the fourth quarter of 2023,

Table 14. Rental and Apartment Market Quick Facts in the Central Submarket

Rental Market Quick Facts		2020 (%)	Current (%)
	Rental Vacancy Rate	7.1	8.5
		2021 (%)	2022 (%)
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	66	64
	Multifamily (2–4 Units)	6	5
	Multifamily (5+ Units)	22	24
	Other (Including Mobile Homes)	6	7
Apartment Market Quick Facts		4Q 2023	YoY Change
	Apartment Vacancy Rate	8.2%	0.3
	Average Rent	$1,764	-1%
	Studio	$1,469	1%
	One-Bedroom	$1,557	-2%
	Two-Bedroom	$1,884	-1%
	Three-Bedroom	$2,231	0%

4Q = fourth quarter. YoY = year-over-year.
Notes: The current date is January 1, 2024. Percentages may not add to 100 due to rounding.
Sources: 2020 vacancy rate—2020 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2021 and 2022 American Community Survey 1-year data; apartment data—CoStar Group

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



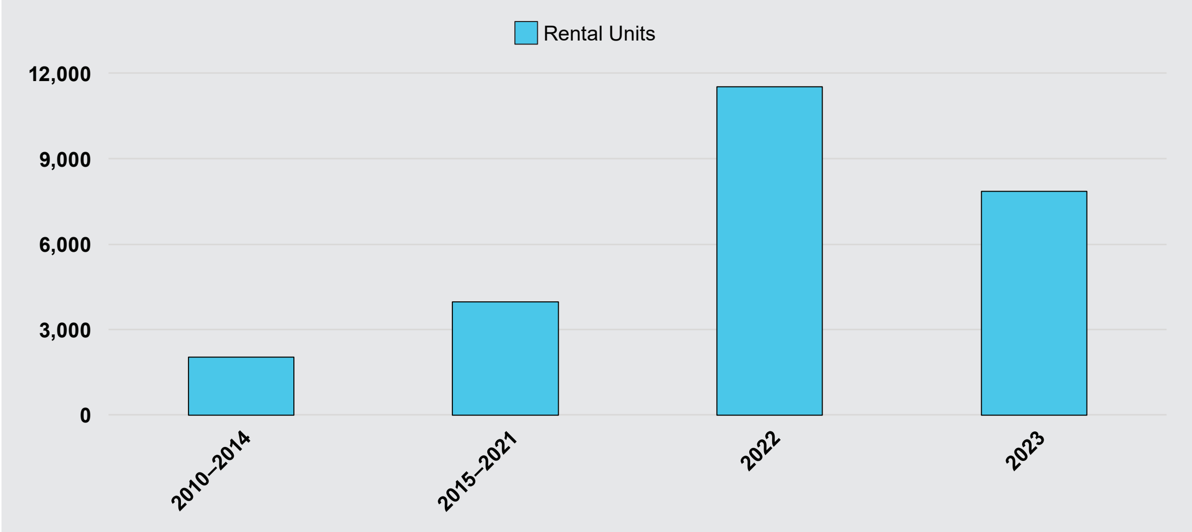
4Q = fourth quarter.
Note: The vacancy rates and average monthly rents are for market-rate and mixed (combined market-rate and affordable) general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
Source: CoStar Group

the average apartment rent in the submarket declined 1 percent to $1,764, compared with the fourth quarter of 2022, when the average rent was up 4 percent compared with the same period a year earlier. As of the fourth quarter of 2021, the average rent surged 22 percent from the fourth quarter of 2020, compared with an average 4-percent increase annually from 2012 through 2020. Average rents were down in five of seven market areas, led by the Southeast Tampa market area, where the average rent as of the fourth quarter of 2023 declined 2 percent to $1,752 from the fourth quarter of 2022. In the Downtown Tampa market area, the average rent as of the fourth quarter of 2023 decreased 1 percent to $2,422, which was the highest average rent in the submarket. The average rents increased in the East Tampa and South Tampa market areas, up 2 and 1 percent, respectively, from the fourth quarter of 2022.

Rental Construction Activity

In response to softening apartment market conditions, rental construction activity, as measured by the number of rental units permitted, has slowed during the past year, although the level of rental units permitted was still elevated. From 2010 through 2014, an average of 2,050 rental units were permitted annually (Figure 26). Rental permitting activity accelerated to an average of 3,975 rental units permitted annually from 2015 through 2021, primarily because of increased demand, with

Figure 26. Annual Rental Permitting Activity in the Central Submarket



Note: Includes apartments and units intended for rental occupancy.
Sources: U.S. Census Bureau, Building Permits Survey; 2010–22—final data and estimates by the analyst; 2023—preliminary data and estimates by the analyst

newly constructed apartment units being absorbed at a strong pace. Rental construction activity surged to an all-time peak of 11,500 rental units permitted during 2022, largely in response to tightening apartment conditions during the previous 2 years. During 2023, approximately 7,850 rental units were permitted (preliminary data, with adjustments by the analyst), down 32 percent compared with a year ago.

New Developments

Recent construction activity in the submarket has been strongest in the city of Tampa. Recent developments in the city include the 289-unit NOVEL Beach Park, which is in the West Tampa market area and was completed in late 2023. Rents for the studio, one-bedroom, two-bedroom, and three-bedroom units at this community start at $2,200, $2,575, $3,500, and $5,275, respectively. In the Downtown Tampa market area, the 393-unit Asher apartment community was completed in mid-2022, and the rents for the studio, one-bedroom, and two-bedroom units in this community start at $1,825, $2,375, and $3,975, respectively. The Parian Luxury Apartments, a 363-unit apartment community in the census-designated place of Riverview, was completed in mid-2023. Rents for the one-, two-, and three-bedroom units at this community start at $1,750, $2,125, and $2,850, respectively.

Forecast

During the 3-year forecast period, demand is estimated for 10,250 new rental units in the submarket (Table 15). As with the HMA, demand is expected to be relatively steady during each year of the forecast period. However, the 10,350 units already under construction will more than satisfy all demand for new rental units during the forecast period.

Table 15. Demand for New Rental Units in the Central Submarket During the Forecast Period

	Rental Units
Demand	10,250 Units
Under Construction	10,350 Units

Note: The forecast period is January 1, 2024, to January 1, 2027.
Source: Estimates by the analyst

Rental Market—Western Submarket

Market Conditions: Slightly Soft

> The overall rental vacancy rate in the Western submarket is estimated at 9.6 percent, up from 8.9 percent in 2020.

Current Conditions and Recent Trends

The rental market in the Western submarket is currently slightly soft. The overall vacancy rate is estimated at 9.6 percent, up from 8.9 percent in 2020 (Table 16) but down from 13.3 percent in 2010. The rental market was soft from 2010 through 2014 but transitioned to slightly soft by 2017 because of strong net in-migration, and conditions stayed slightly soft through 2019. Conditions in the Western submarket tightened during 2020 and 2021 but softened during 2022 and 2023. In 2022, approximately 52 percent of all renter households lived in single-family homes, down slightly from 53 percent in 2021 (ACS 1-year data). In addition, 7 percent of renter households lived in structures with two to four units, unchanged compared with 2021. Multifamily buildings with five or more units accounted for 32 percent of all occupied rental units in 2022, up from 30 percent in 2021.

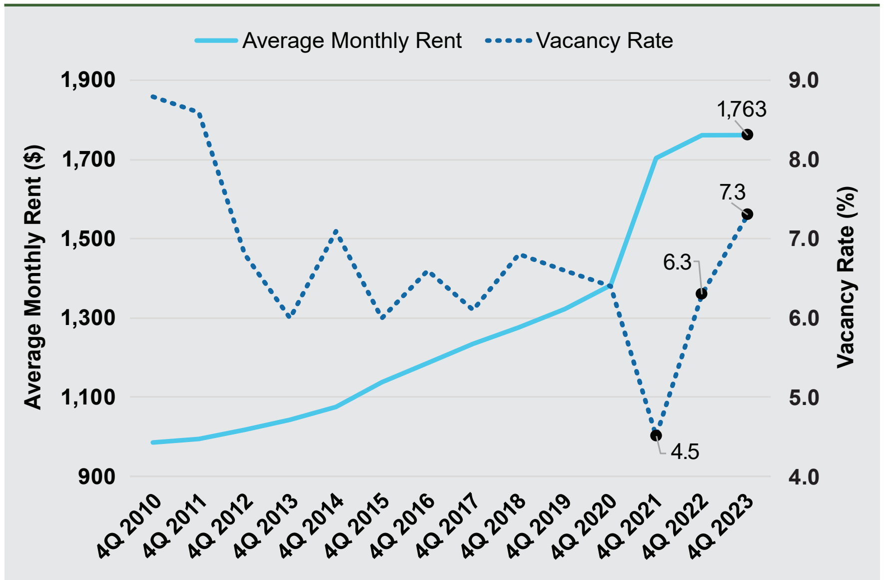
Table 16. Rental and Apartment Market Quick Facts in the Western Submarket

		2020 (%)	Current (%)
Rental Market Quick Facts	**Rental Vacancy Rate**	8.9	9.6
		2021 (%)	**2022 (%)**
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	53	52
	Multifamily (2–4 Units)	7	7
	Multifamily (5+ Units)	30	32
	Other (Including Mobile Homes)	10	9
		4Q 2023	**YoY Change**
Apartment Market Quick Facts	**Apartment Vacancy Rate**	7.3%	1.0
	Average Rent	$1,763	0%
	Studio	$1,472	-2%
	One-Bedroom	$1,567	0%
	Two-Bedroom	$1,886	0%
	Three-Bedroom	$2,284	0%

4Q = fourth quarter. YoY = year-over-year.
Notes: The current date is January 1, 2024. Percentages may not add to 100 due to rounding.
Sources: 2020 vacancy rate—2020 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2021 and 2022 American Community Survey 1-year data; apartment data—CoStar Group

Conditions were also slightly soft in the apartment market, unchanged compared with 2020. Apartment market conditions were generally slightly soft from 2012 through 2020, and the fourth quarter vacancy rate ranged from a low of 6.0 percent in 2013 to a high of 7.1 percent in 2014 (CoStar Group; Figure 27). During 2021, however, the vacancy rate declined to a 20-year low, reaching 4.5 percent as of the fourth quarter of 2021, due to a strong increase in absorption of apartment units. During 2021, approximately 2,975 apartment units were absorbed, up 24 percent from the 2,400 units absorbed during 2020 and nearly three times the average of 1,025 units absorbed annually from 2012 through 2019. Absorption has slowed to an average of 300 units annually during the past 2 years, however, which has contributed to the vacancy rate increasing to 6.3 and 7.3 percent as of the fourth quarters of 2022 and 2023, respectively.

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



4Q = fourth quarter.
Note: The vacancy rates and average monthly rents are for market-rate and mixed (combined market-rate and affordable) general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
Source: CoStar Group

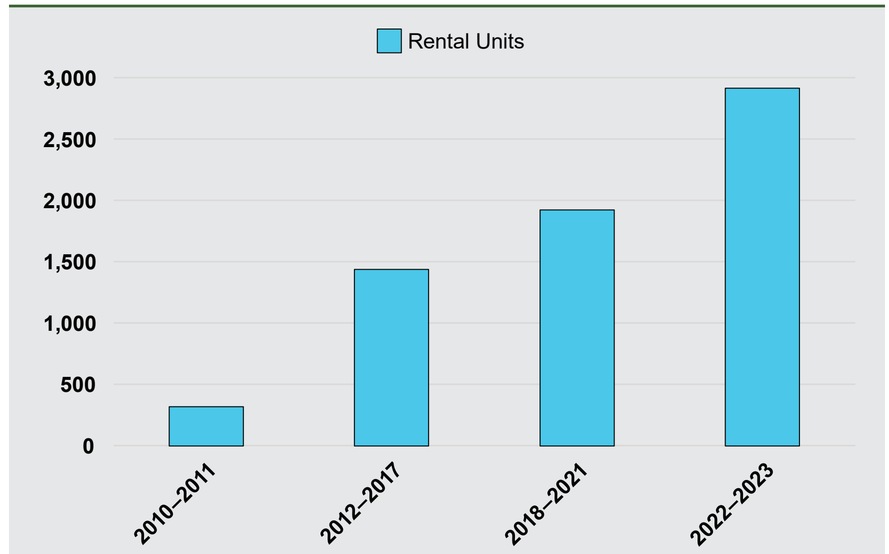
As of the fourth quarter of 2023, vacancy rates were up in all four of the market areas that make up the submarket, led by the South Pinellas and North Pinellas market areas, where the vacancy rates rose 1.9 and 1.8 percentage points to 9.1 and 7.1 percent, respectively. In the Downtown St. Petersburg market area, the vacancy rate was 5.9 percent as of the fourth quarter of 2023, up from 5.3 percent during the same quarter a year ago but down significantly from the 11.0 percent rate as of the fourth quarter of 2018, which was the highest fourth quarter rate since 2013. Conditions have softened the least in the Downtown St. Petersburg area during the past 2 years, partially because of a slowdown in the number of new apartment units coming on line. Since 2022, an average of approximately 310 new market-rate units have been completed each year in the market area, down 33 percent from the average of 460 units completed annually from 2014 through 2020.

As of the fourth quarter of 2023, the average apartment rent in the submarket was $1,763, relatively unchanged compared with the fourth quarter of 2022, when the average rent increased 3 percent compared with the fourth quarter of 2021. As of the fourth quarter of 2021, the average rent increased 23 percent from the same quarter a year earlier, compared with an average annual 4-percent increase from 2012 through 2020. Within the submarket, the average rent was up 2 percent in both the Downtown St. Petersburg and South Pinellas market areas to $2,266 and $1,622, respectively. The average rent was relatively unchanged at $1,656 in the North Pinellas market area and down 1 percent to $1,741 in the Central Pinellas market area.

Rental Construction Activity

In response to newly constructed apartment units being absorbed at a strong pace during 2021, rental construction activity in the submarket has been strong during the past 2 years. Since 2022, an average of 2,925 new rental units have been permitted annually (Figure 28). Permitting activity during this period is up

Figure 28. Annual Rental Permitting Activity in the Western Submarket



Note: Includes apartments and units intended for rental occupancy.
Sources: U.S. Census Bureau, Building Permits Survey; 2010–22—final data and estimates by the analyst; 2023—preliminary data and estimates by the analyst

52 percent compared with the average of 1,925 units permitted annually from 2018 through 2021 and is more than double the average of 1,450 units permitted annually from 2012 through 2017. During 2023, approximately 3,300 rental units were permitted, up 30 percent compared with a year ago (preliminary data, with adjustments by the analyst).

New Developments

Recent construction includes the 220-unit Evo apartment community, which is in the Downtown St. Petersburg market area and was completed in early 2023. Rents for the studio, one-bedroom, two-bedroom, and three-bedroom units at this community start at $2,225, $2,675, $3,250, and $5,375, respectively. The 330-unit Lake Maggiore Apartments, which is in the South Pinellas market area, was completed in late 2023, and rents for the one-, two-, and three-bedroom units at this community start at $1,625, $2,225, and $3,450, respectively. In the North Pinellas market area, the 396-unit Aventon Lana apartment community was completed in early 2023. Rents for the one-, two-, and three-bedroom units at this community start at $1,625, $2,400, and $2,900, respectively.

Forecast

During the 3-year forecast period, demand is estimated for 5,625 new rental units in the submarket (Table 17). As with the Central submarket, demand is expected to be relatively steady during each year of the forecast period. However, new supply should be planned to come online during the third year of the forecast period because the 4,000 units under construction will satisfy all demand during the first and second years.

Table 17. Demand for New Rental Units in the Western Submarket During the Forecast Period

	Rental Units
Demand	5,625 Units
Under Construction	4,000 Units

Note: The forecast period is January 1, 2024, to January 1, 2027.
Source: Estimates by the analyst

Rental Market—Northern Suburbs Submarket

Market Conditions: Soft

Rental market conditions in the Northern Suburbs submarket have softened during the past 2 years because of a strong increase in the number of new apartment units being completed.

Current Conditions and Recent Trends

The rental market in the Northern Suburbs submarket is currently soft. The overall vacancy rate is estimated at 10.2 percent, up from 9.3 percent in 2020 (Table 18) but down from 14.5 percent in 2010. The rental market was generally soft from 2010 through 2014, but conditions transitioned to balanced by 2017 in response to strong net in-migration. During 2018 and 2019, the rental market

Table 18. Rental and Apartment Market Quick Facts in the Northern Suburbs Submarket

		2020 (%)	Current (%)
Rental Market Quick Facts	**Rental Vacancy Rate**	9.3	10.2
		2021 (%)	**2022 (%)**
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	71	72
	Multifamily (2–4 Units)	3	3
	Multifamily (5+ Units)	8	8
	Other (Including Mobile Homes)	18	17

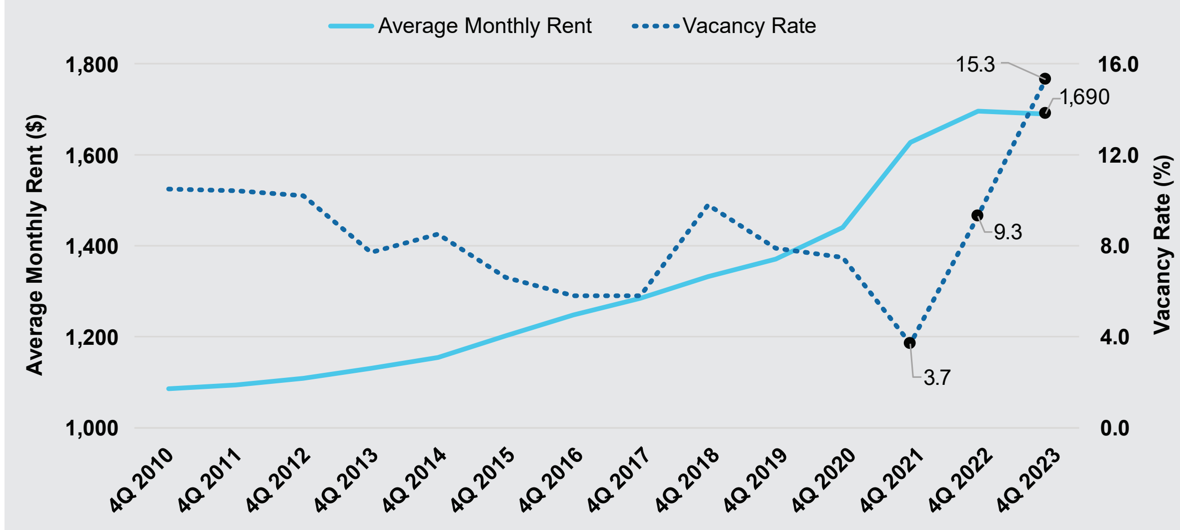
		4Q 2023	YoY Change
Apartment Market Quick Facts	**Apartment Vacancy Rate**	15.3%	6.0
	Average Rent	$1,688	0%
	Studio	$1,111	0%
	One-Bedroom	$1,439	-1%
	Two-Bedroom	$1,697	0%
	Three-Bedroom	$1,427	1%

4Q = fourth quarter. YoY = year-over-year.
Notes: The current date is January 1, 2024. Percentages may not add to 100 due to rounding.
Sources: 2020 vacancy rate—2020 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2021 and 2022 American Community Survey 1-year data; apartment data—CoStar Group

softened, largely because of a significant increase in the number of newly constructed apartment units coming online. Just as with the rest of the HMA, conditions in the Northern Suburbs submarket tightened during 2020 and 2021 but softened during 2022 and 2023. However, the softening of the rental market in the Northern Suburbs submarket was more severe than in the rest of the HMA, largely due to a surge in new apartment units coming online. Since 2022, an average of 2,525 new market-rate apartment units have been completed each year, more than double the average of 950 completed annually from 2018 through 2021. In 2022, approximately 72 percent of all renter households lived in single-family homes, up slightly from 71 percent in 2021 (ACS 1-year data). In addition, 3 percent of renter households lived in structures with two to four units, unchanged compared with 2021. Multifamily buildings with five or more units accounted for 8 percent of all occupied rental units in 2022, unchanged compared with 2021.

Conditions in the apartment market are also soft, easing from slightly soft conditions in 2020. As of the fourth quarter of 2023, the apartment vacancy rate in the submarket was 15.3 percent, up from 9.3 percent as of the fourth quarter of 2022 and well above the 3.7-percent rate as of the fourth quarter of 2021 (CoStar Group; Figure 29). By comparison, from 2013 through 2020, the fourth quarter vacancy rate ranged from 5.8 to 9.8 percent. In Pasco County, where

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



4Q = fourth quarter.
Note: The vacancy rates and average monthly rents are for market-rate and mixed (combined market-rate and affordable) general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
Source: CoStar Group

approximately 91 percent of all CoStar-sampled units are located, the vacancy rate increased from 9.3 percent as of the fourth quarter of 2022 to 15.0 percent as of the fourth quarter of 2023. In Hernando County, the vacancy rate was 17.6 percent as of the fourth quarter of 2023, up from 9.0 percent as of the fourth quarter of 2022.

As of the fourth quarter of 2023, the average apartment rent in the submarket was $1,690, relatively unchanged from the fourth quarter of 2022, when the average rent increased 4 percent compared with the fourth quarter of 2021. As of the fourth quarter of 2021, the average rent was up 13 percent, compared with an average annual 3-percent rise from 2013 through 2020. In Pasco County, the average rent was relatively unchanged at $1,700, whereas the average rent declined 1 percent to $1,567 in Hernando County.

Rental Construction Activity

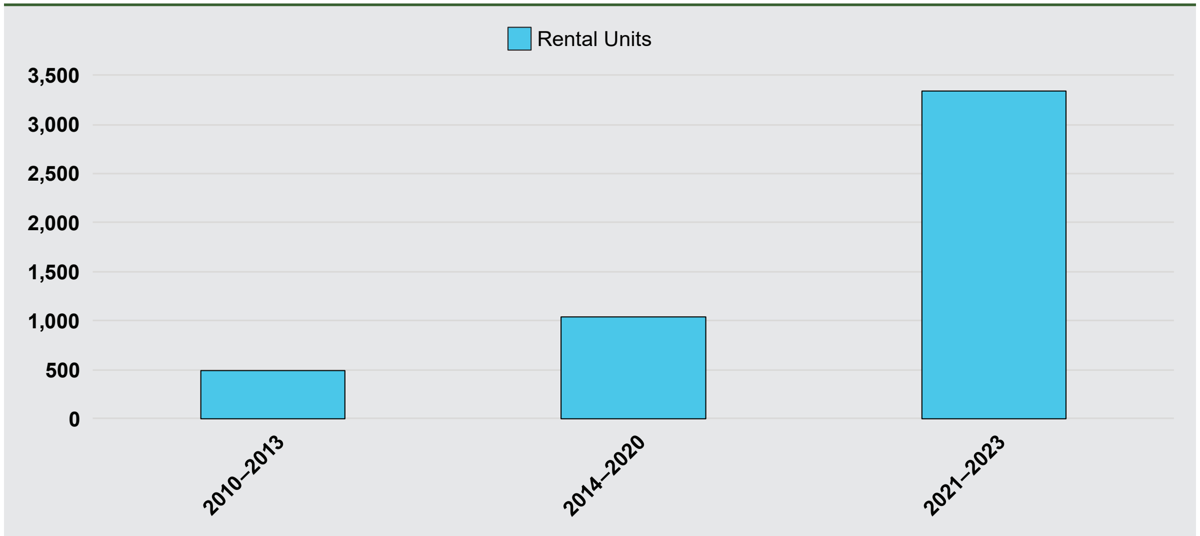
Demand for more affordable rental housing has increased in the HMA, and in the Northern Suburbs submarket, where average rents are lower, rental construction has surged during the past 3 years.

Since 2021, an average of 3,325 rental units have been permitted annually, more than three times the average of 1,025 rental units permitted annually from 2014 through 2020 and nearly seven times the average of 490 rental units permitted annually from 2010 through 2013 (Figure 30). During 2023, approximately 3,400 rental units were permitted, down 4 percent compared with a year ago (preliminary data, with adjustments by the analyst).

New Developments

Recent construction activity in the submarket has been strongest in Pasco County, especially in the southern portion of the county, which is closer to the Central submarket. Recent developments include the 300-unit Silversaw apartment community in the unincorporated community of Lutz in Pasco County, which was completed in mid-2023. Rents for the studio, one-bedroom, two-bedroom, and three-bedroom units at this community start at $1,575, $1,725, $2,150, and $2,900, respectively. Also in Pasco County is the 320-unit Story Wesley Chapel apartment community, which is in the census-designated place of Wesley Chapel and was completed in mid-2023. Rents for the studio, one-bedroom, two-bedroom, and three-bedroom units at this community start at $1,575, $1,600, $1,950, and $2,375, respectively. In Hernando County, the Authentix Suncoast apartment community in the city of Brooksville was completed in June 2023.

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



Note: Includes apartments and units intended for rental occupancy.
Sources: U.S. Census Bureau, Building Permits Survey; 2010–22—final data and estimates by the analyst; 2023—preliminary data and estimates by the analyst

The community has 264 units, and average rents for the studio, one-bedroom, two-bedroom, and three-bedroom units in this community are $1,350, $1,450, $1,825, and $2,150, respectively.

Forecast

During the 3-year forecast period, demand is estimated for 3,975 new rental units in the submarket (Table 19). As with the rest of the HMA, demand is expected to be relatively steady during each year of the forecast period. However, similar to the Central submarket, the 4,500 units currently under construction will more than satisfy all demand for new rental units during the forecast period.

Table 19. Demand for New Rental Units in the Northern Suburbs Submarket During the Forecast Period

	Rental Units
Demand	3,975 Units
Under Construction	4,500 Units

Note: The forecast period is January 1, 2024, to January 1, 2027.
Source: Estimates by the analyst

Terminology Definitions and Notes

A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
Apartment Vacancy Rate/ Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
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.
Forecast Period	1/1/2024–1/1/2027—Estimates by the analyst.
Great Recession	The Great Recession occurred nationally from December 2007 to June 2009.
Monthly Mortgage Payment	The estimated monthly mortgage payment was calculated using the average sales price and 30-year fixed-rate mortgage interest rate over the past 12 months, assuming a 20-percent down payment.
Home Sales/ Home Sales Prices	Includes single-family home, townhome, and condominium sales.

Net Natural Change	**Resident births minus resident deaths.**
Net Natural Decline	**Resident deaths are greater than resident births.**
Rental Market	**Includes apartments and other rental units, such as single-family, multifamily, and mobile homes.**
Seriously Delinquent Mortgages	**Mortgages 90 or more days delinquent or in foreclosure.**

B. Notes on Geography

1.	**The metropolitan statistical 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 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

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