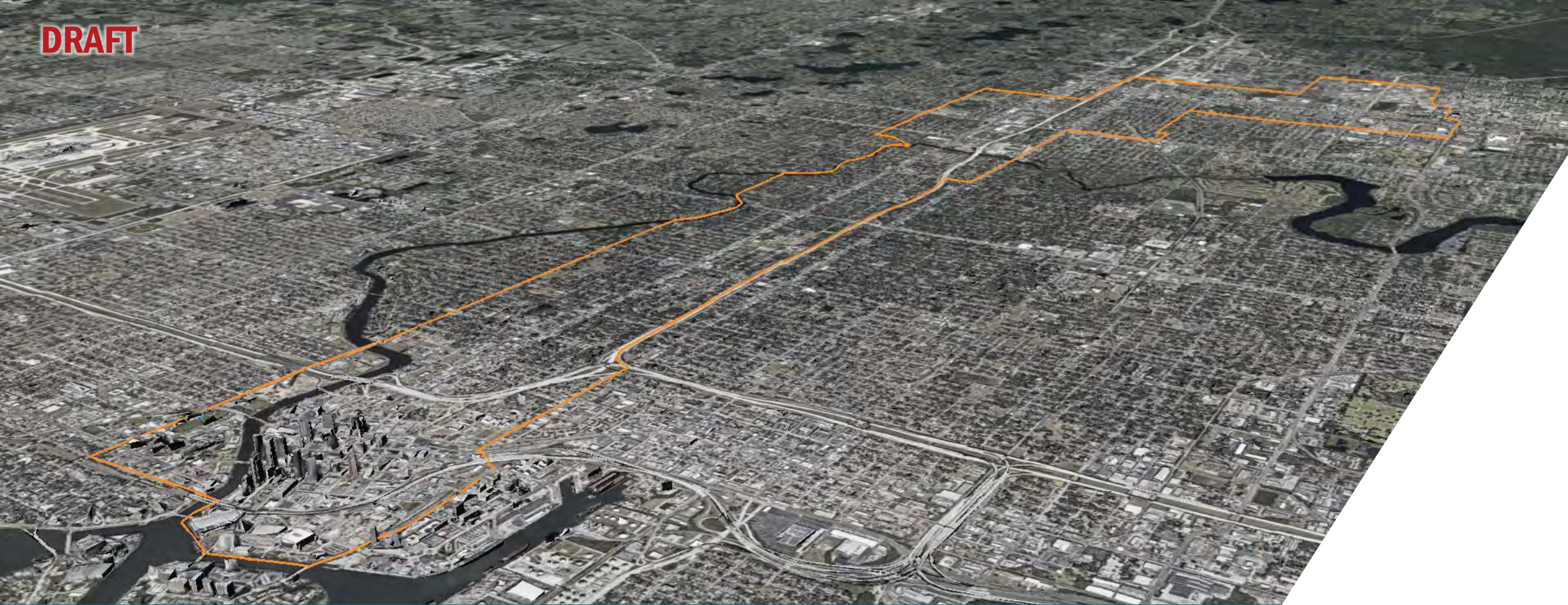


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TOD Pilot Program

Market Assessment

October 2020



VISION
ECONOMICS
STRATEGY
FINANCE
IMPLEMENTATION

Transformational Impact of Bus Rapid Transit (BRT)

Development potential changes following introduction of new transit. Evaluating performance prior to- and following a catalytic transit investment is used to quantify the potential impact of BRT.



NEW DELIVERIES



DEVELOPMENT
SHARE



DEVELOPMENT
DENSITY

Pre-BRT

Post-BRT

BRT INTRODUCED

Other Considerations

BRT success is typically driven by three key factors

1. BRT STANDARD



2. MARKET POTENTIAL



3. PUBLIC SECTOR ACTIONS/SUPPORT



Defining Market Potential

SB Friedman's market assessment designates subareas into three market typologies, based on their near-term market potential to catalyze private investment in transit-oriented development. Key market indicators and performance metrics evaluated include: rent and pricing trends, spatial distribution of recent investment, occupancy, and TOD-supportiveness. Relative market strength for each subarea is assessed by land use and synthesized into an overall market strength typology designation for each subarea.

WEAKER MARKET

Markets with limited development potential without public sector financial support in the near term. In weaker markets, there is limited new private investment, stagnating prices and relatively low demand for commercial uses. A key near term goal in these markets is often making essential businesses convenient to people in the community.

EMERGING MARKET






Emerging markets are often located on the periphery of stronger markets and benefit from that proximity via spillover effects and/or development is driven by key anchors. In these markets, there may be some investment occurring but increasing prices may require interventions to provide and/or preserve affordable housing and prevent displacement.

STRONGER MARKET

Strong markets are those with active development occurring without incentives. These markets have the highest price points, levels of new investment and these markets are able to provide essential services for nearby residents.

Approach

To assess varying market conditions in the subareas within the study area, SB Friedman assessed the market potential for:

-  Multifamily Residential
-  For-Sale Residential
-  Affordable Housing
-  Office
-  Retail

The resulting assessment of subarea market potential will inform place-based local strategies and help prioritize public and private investment in TOD.



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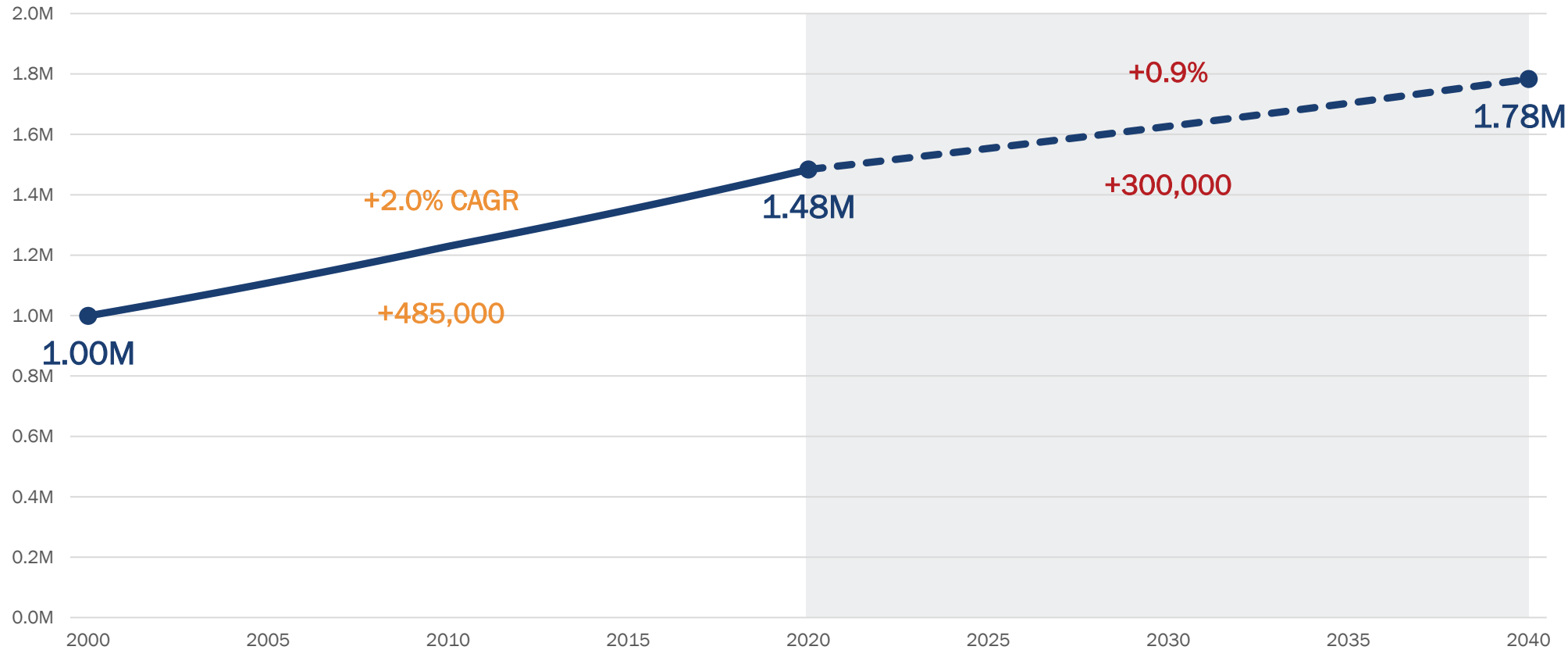


Context

Population Projections – Hillsborough County

Population growth throughout the County generates demand for new residential and retail development

Hillsborough County – Population Projections

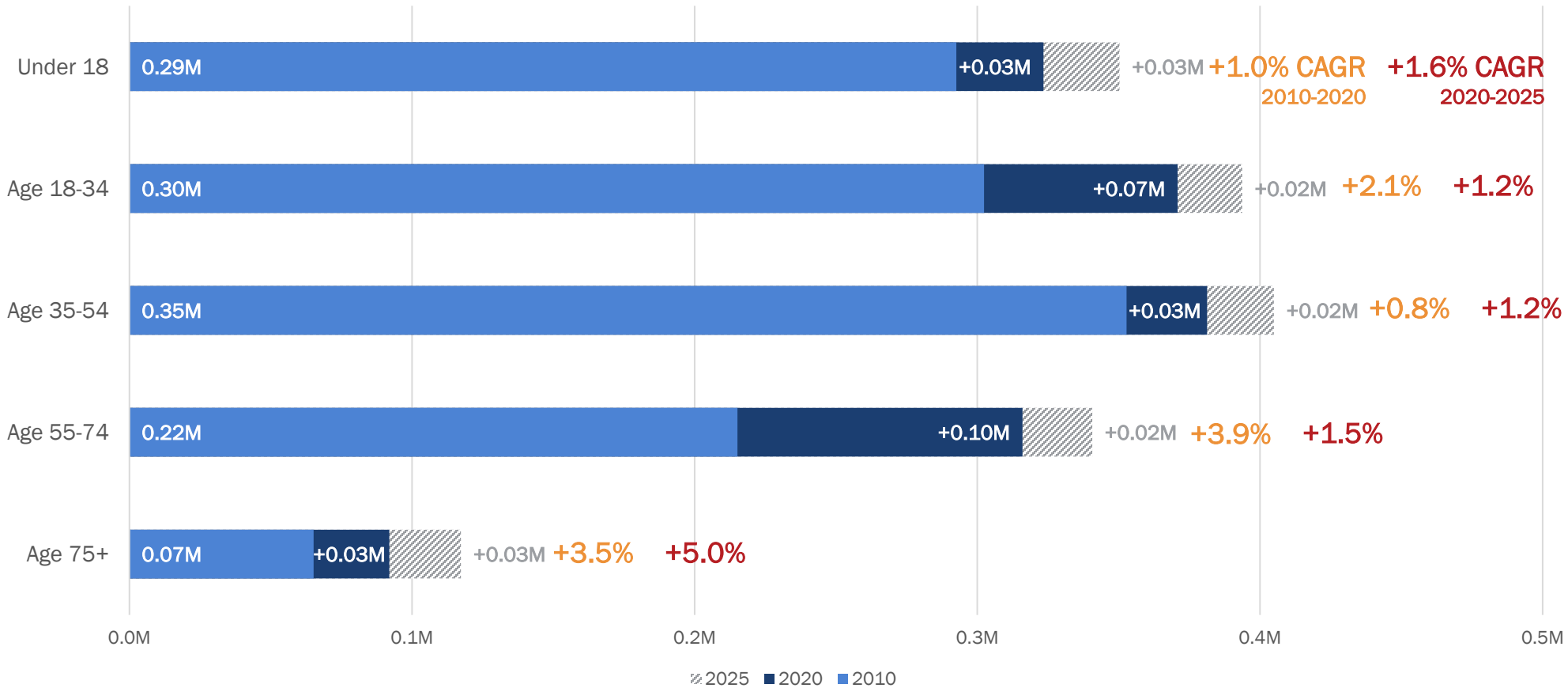


Hillsborough County experienced significant growth in population in the last 20 years. Population in the County increased by more approximately 485,000 people between 2000 and 2020. Projections from Hillsborough MPO indicate that population will continue to increase over the next 20 years, albeit at a slower Compound Annual Growth Rate (CAGR) of 0.95%.

Population Projections – Hillsborough County

Population growth throughout the County generates demand for new residential and retail development

Hillsborough County – Population Projections by Cohort



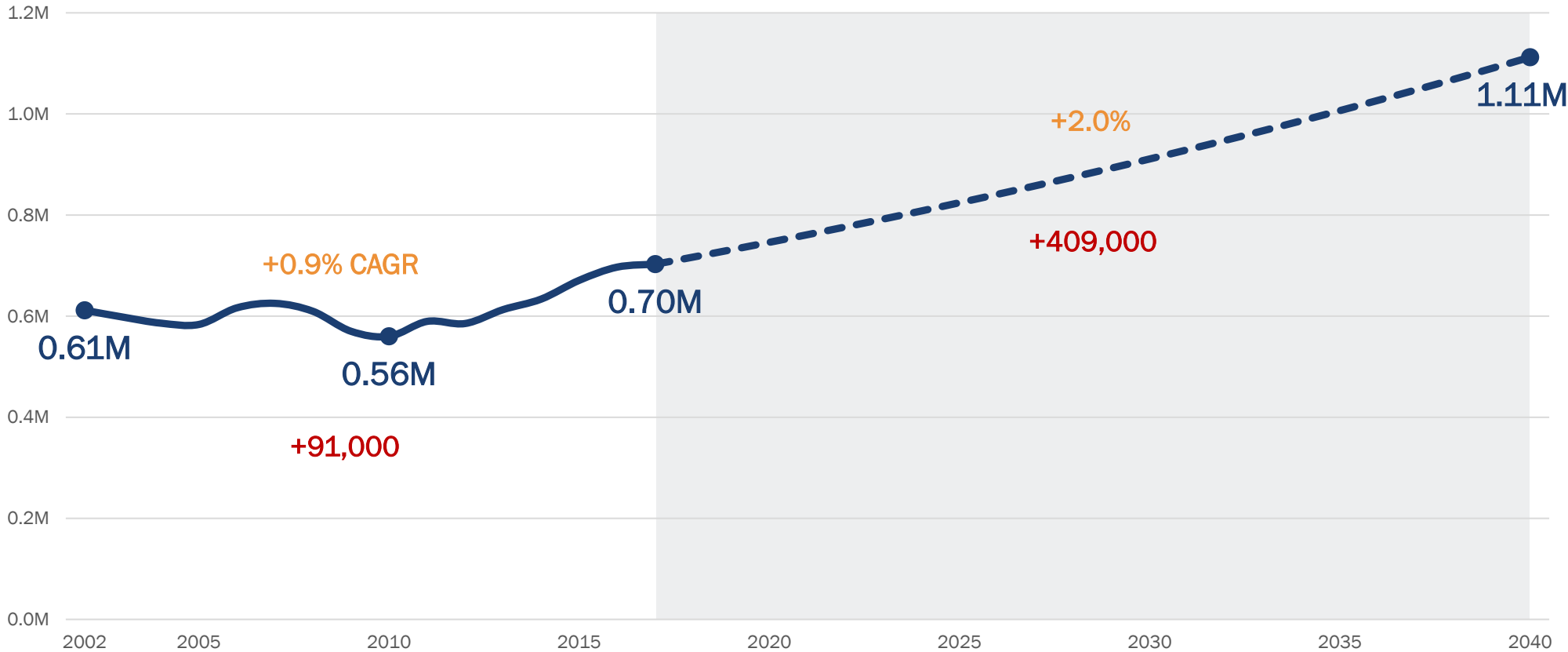
The largest population segment is the Family Years cohort, or those aged 35-54. However, this cohort had the lowest CAGR between 2010 and 2020 (0.8%).

Older age cohorts, “Empty Nesters” and “Seniors” (ages 55-74 and ages 75+, respectively), grew at the highest annual rates between 2010 and 2020 (3.9% and 3.5%). The Senior cohort is also forecasted to grow at the fastest annual rate over the next 5 years (5.0%).

Employment Projections – Hillsborough County

Employment growth throughout the County generates demand for new real estate development

Hillsborough County – Employment Projections



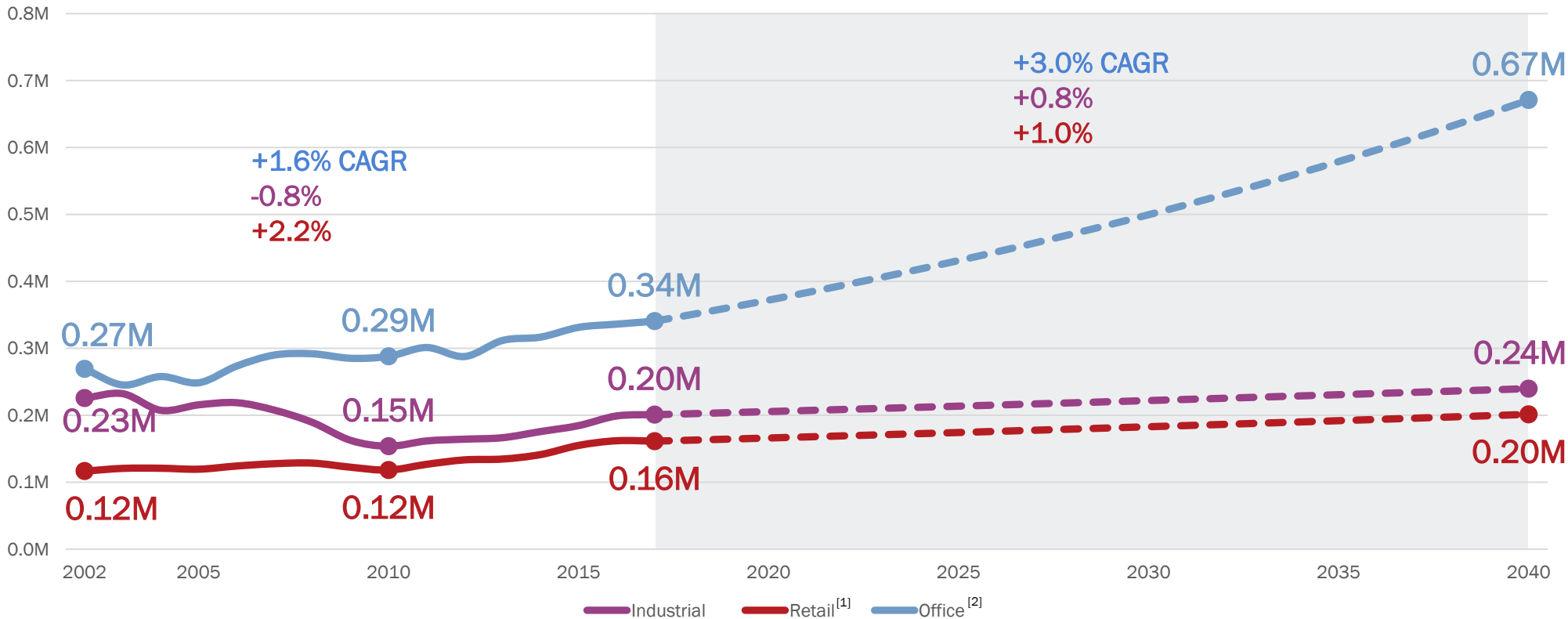
Hillsborough County experienced a loss in jobs during the Great Recession. However, the County has since recovered and employment exceeds pre-recession levels.

Employment in the County increased by nearly 100,000 workers between 2002 and 2017. Hillsborough MPO projects that employment is forecasted to increase over the next 20 years, growing at a CAGR of 2.0% and adding over 400,000 jobs.

Employment Projections – Hillsborough County

Employment growth throughout the County generates demand for new real estate development

Hillsborough County – Employment Projections by Sector



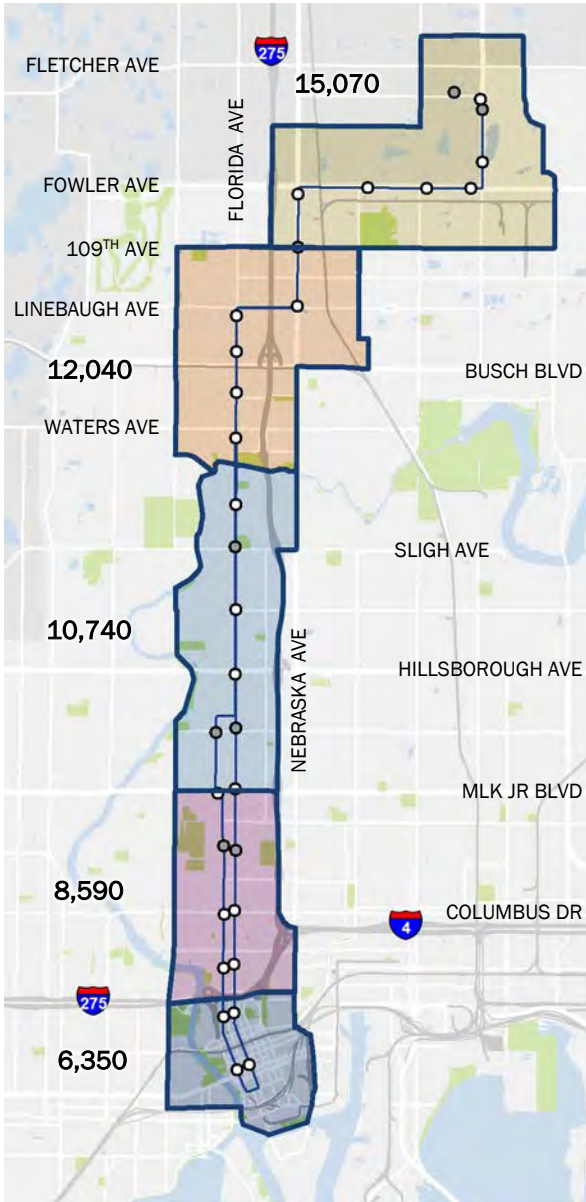
Office and retail jobs in Hillsborough County grew at a ±2.0% CAGR between 2002 and 2017, while industrial jobs declined at a CAGR of 0.8% over the same period.

Hillsborough MPO projects that retail and industrial employment is anticipated to grow by a CAGR of ±1% through 2040, adding approximately 40,000 jobs each. Office employment is projected to grow by a CAGR of 3.0% and add 330,000 jobs (or 80% of the total job growth).

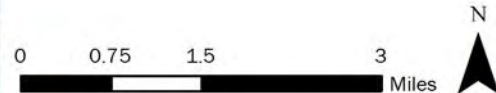
Source: Esri, Hillsborough MPO, LEHD, SB Friedman

[1] Hillsborough MPO classifies retail and restaurant jobs as the “Commercial” sector

[2] Hillsborough MPO classifies professional, medical and educational jobs as the “Service” sector



Study Area – Population by Subarea



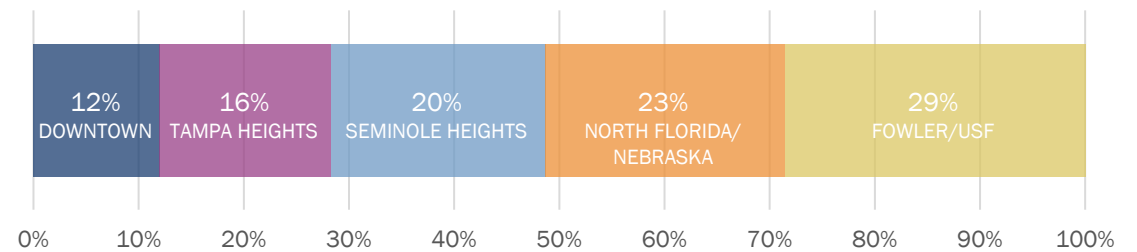
Source: Esri, SB Friedman

Transit for All Residents

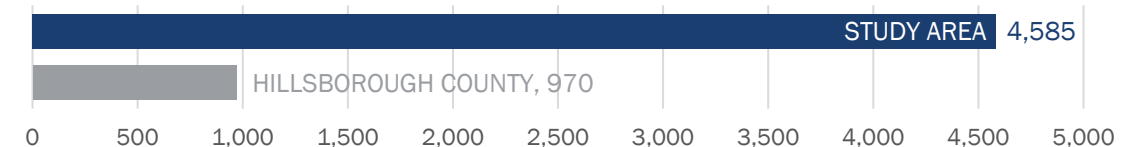
52,800 people live within the study area

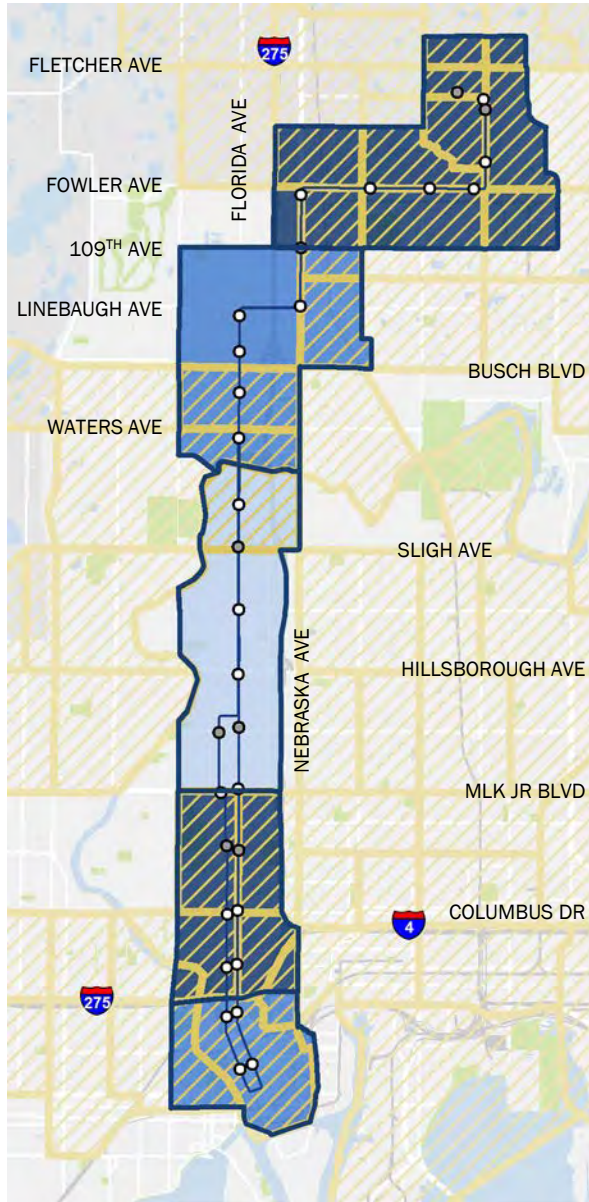
When planning for transit investment, it is important to consider how all residents could benefit from increased housing choices, employment, community amenities, and local services driven by improved transit access. Studies have shown that such investment increases the demand for housing and can drive up prices, leading to displacement. Households most likely to be displaced are those with lower incomes. These are the same households who would most benefit from increased access and lower costs for transportation. Understanding who lives within the study area and the various socioeconomic contexts is critical to ensure that no one gets left behind and that the benefits and burdens of transit-oriented development are equitable.

Percent of Total Study Area Population by Subarea (2020)



Residential Population Density - People Per Acre of Land (2020)





Study Area – Percent in Poverty

Percentage of Households At or Below Poverty Level

- Less than 20%
- 20% to 30%
- 30% and Greater

▨ Low-Income Census Tract ^[1]

[1] Census tracts where more than 20% of the population is below the poverty level.

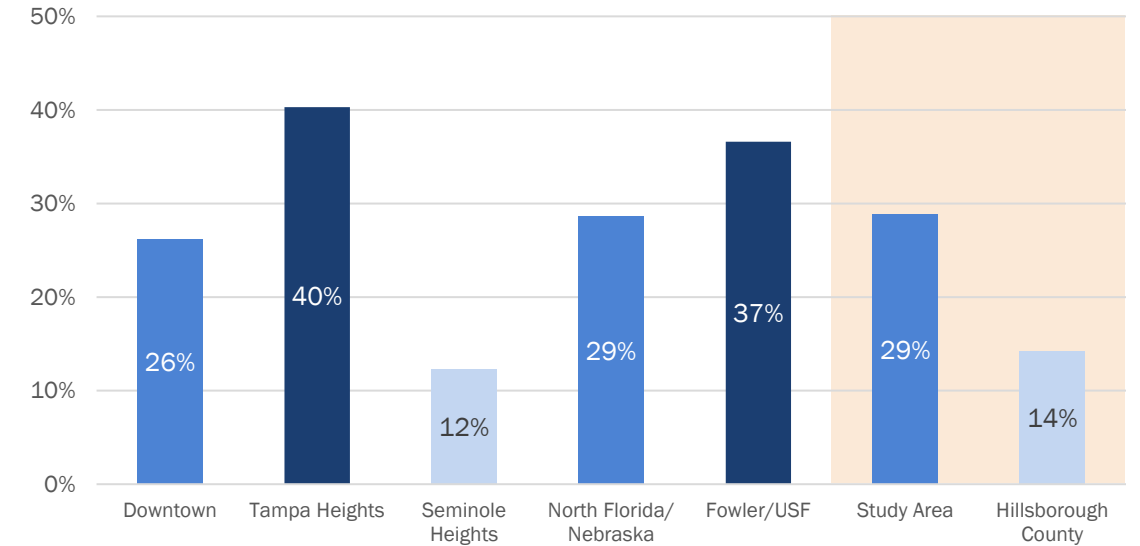
Income – Subarea Profile

Nearly one-third of households in the study area are low-income

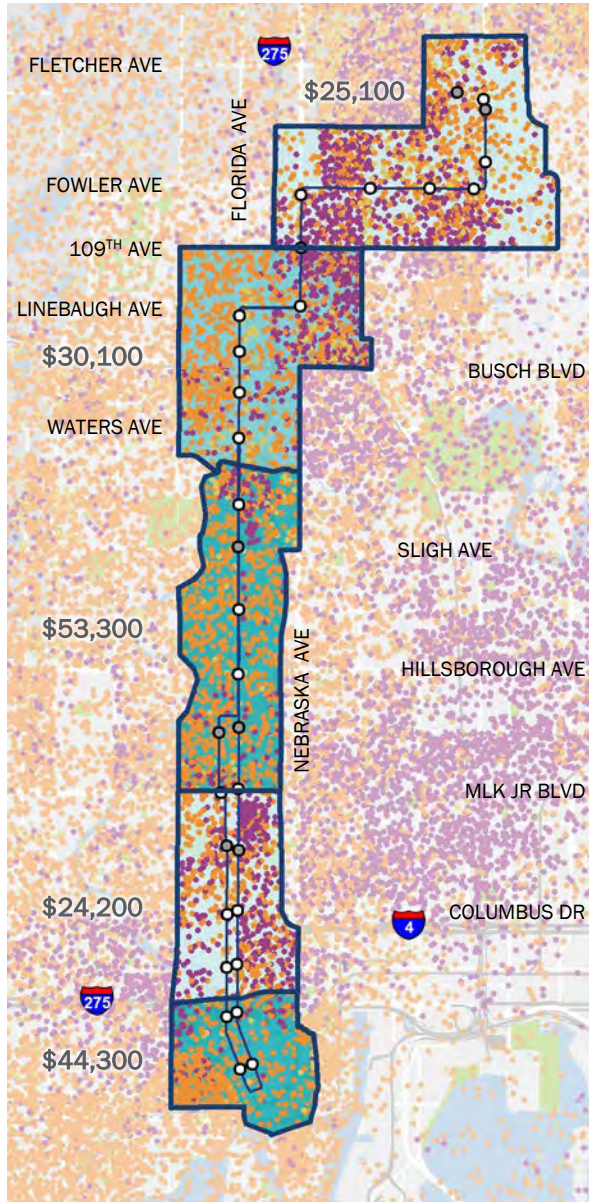
Areas are considered low-income if more than 20% of the households are in poverty, with incomes at or below the poverty line. Nearly 30% of households in the study area are low-income, compared to 14% of households in Hillsborough County.

Within the study area, four (4) of the five (5) subareas are low-income. Poverty levels in the Tampa Heights and Fowler/USF subareas exceed 40% and 30%, respectively. Poverty levels are lowest in the Seminole Heights subarea.

Households in Poverty by Subarea & Comparison Geographies (2018)



Source: ACS, Esri, Novogradac, SB Friedman



Study Area – Median Household Income & Race



Source: ACS, Esri, SB Friedman

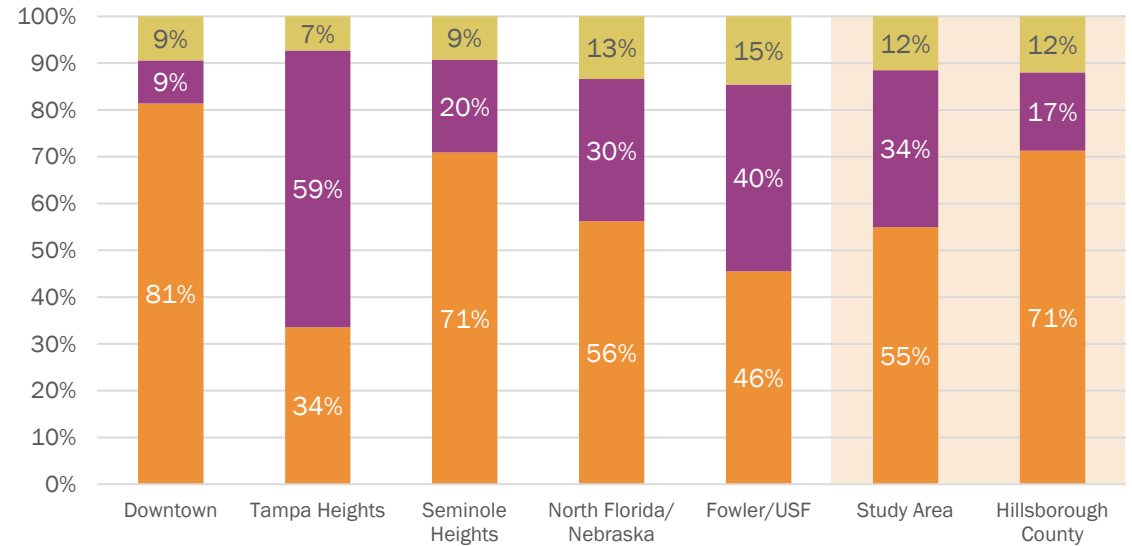
Race – Subarea Profile

The study area is home to a diverse population

The study area is more diverse than Hillsborough County. 34% and 26% of the study area population is Black and of Hispanic origin, respectively. The Black share of the study area population is twice the percentage in the County (17%).

The 2020 median household income (MHI) in Hillsborough County is \$69,200, which is over twice the MHI in the study area (\$31,400). The Tampa Heights and Fowler/USF subareas have the lowest MHIs within the study area; the Seminole Heights and Downtown Tampa subareas have the highest MHIs in the study area.

Race by Subarea & Comparison Geographies (2020)



Community-Focused Approach to Equitable TOD



Understand who will likely be most impacted by transit improvement. Elevate and prioritize the needs of current residents



Understand current market forces that can be leveraged or managed



Inform local strategies and prioritize public and private investment to support equitable outcomes

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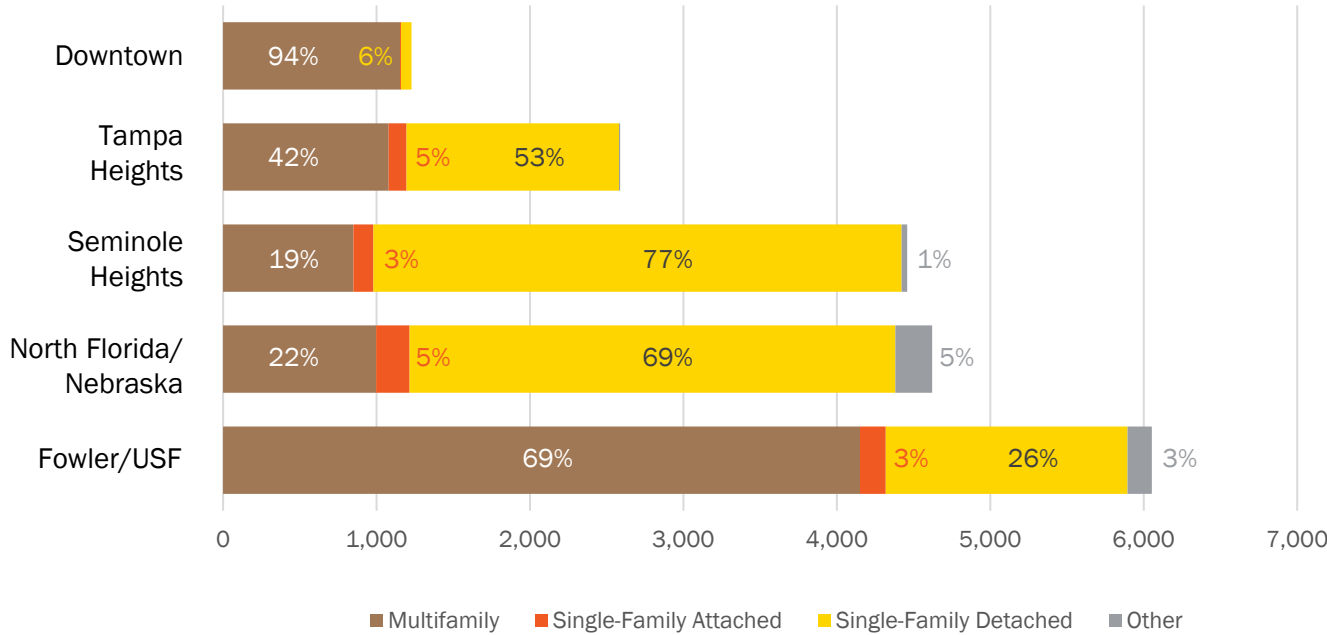


Residential Market Overview

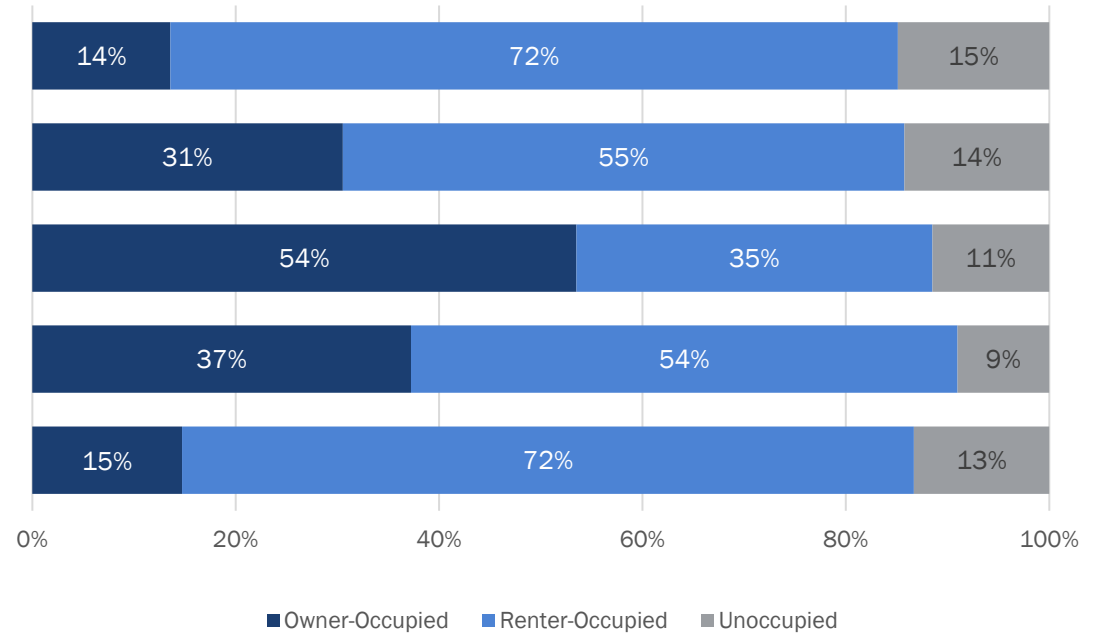
Residential Overview – Units by Subarea

There are approximately 21,600 residential units in the study area – 43% are multifamily and 57% are renter-occupied. The study area has a higher percentage of multifamily units and renters than the County as a whole. Within the study area, product mix and home ownership levels vary by subarea.

Occupied Housing Unit Type



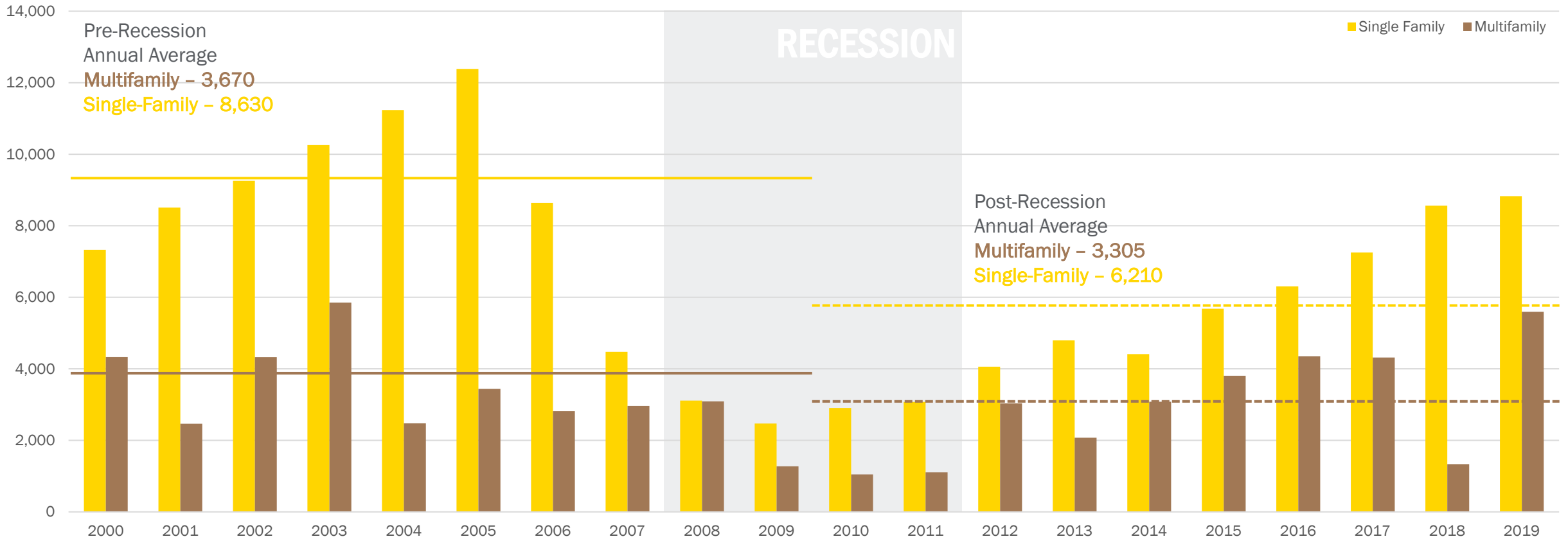
Housing Units by Tenure

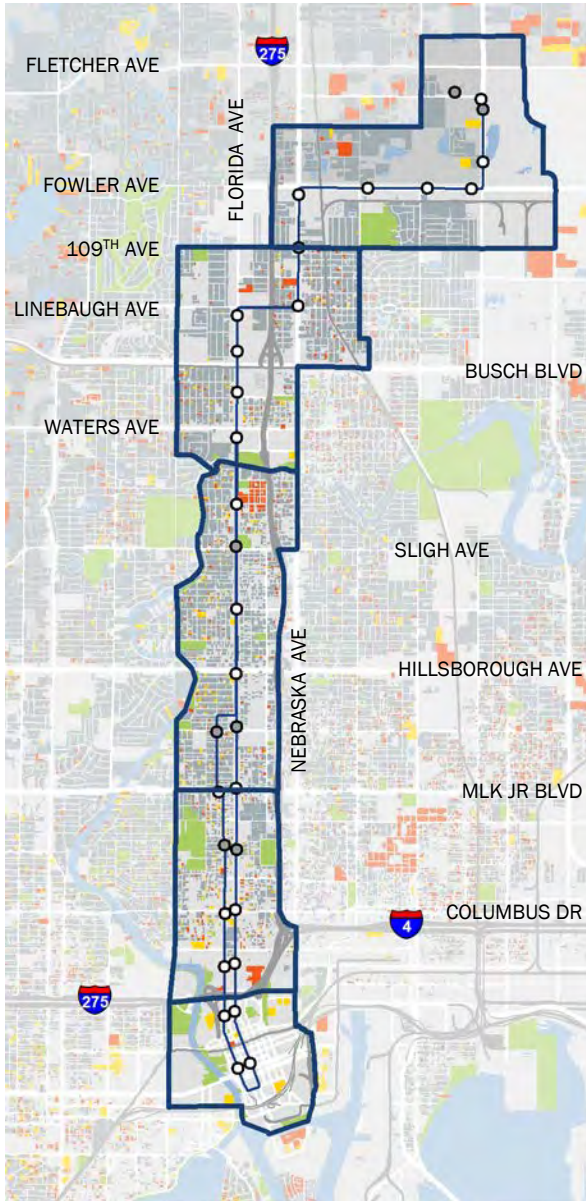


Residential Overview – County Building Permits

Annual permitting activity in Hillsborough County has not yet returned to pre-recession levels and will likely be impacted by the COVID-19 pandemic

Residential Building Permits for Hillsborough County





Study Area – Residential Parcels by Year Built

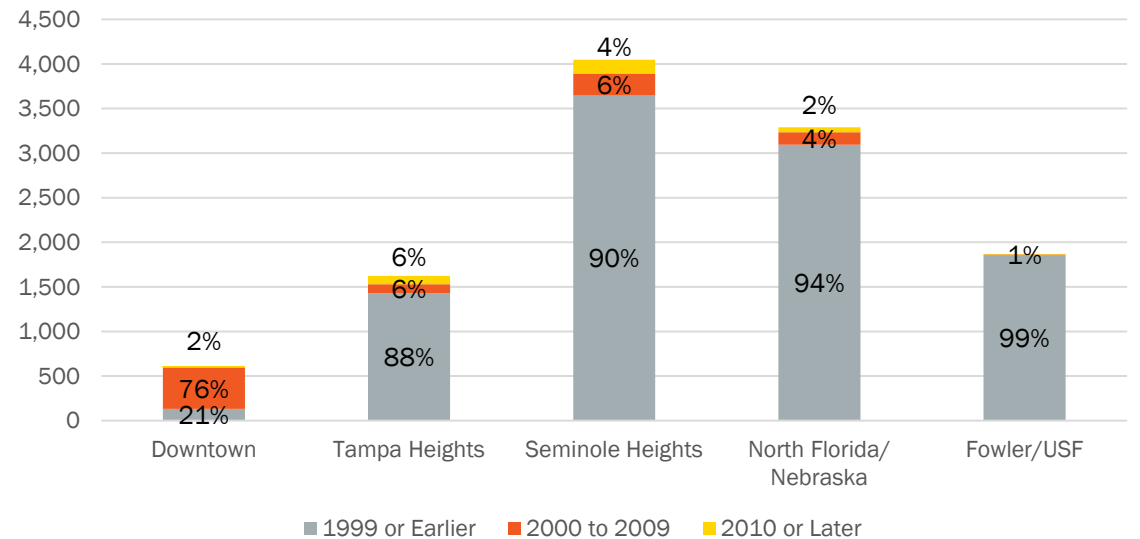
- Residential Structures**
- Built 1999 or Earlier
 - Built 2000 to 2009
 - Built 2010 to 2019

New Residential Investment

Residential structures in the study area are notably older than in the County

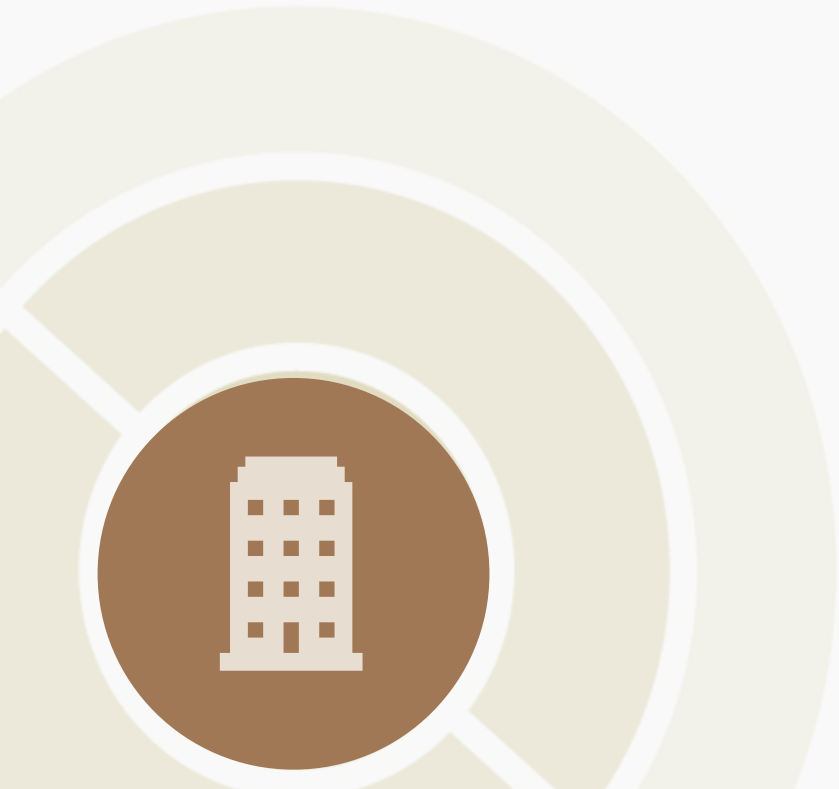
The study area is mostly built out, with nearly 40% of residential parcels developed before 1950 and nearly 90% of the parcels developed before 2000. Recent development in the study area has consisted of infill and teardowns/rebuilds. Several of the larger tracts that have been redeveloped were former Tampa Housing Authority (THA) sites. Pre-recession development was concentrated in the Downtown and Seminole Heights subareas. Since the recession, development has occurred in the Seminole Heights and Tampa Heights subareas. There has been very limited residential development since 2000 in the Fowler/USF subarea.

Year Residential Structure Built by Subarea (Residential Parcel Counts)

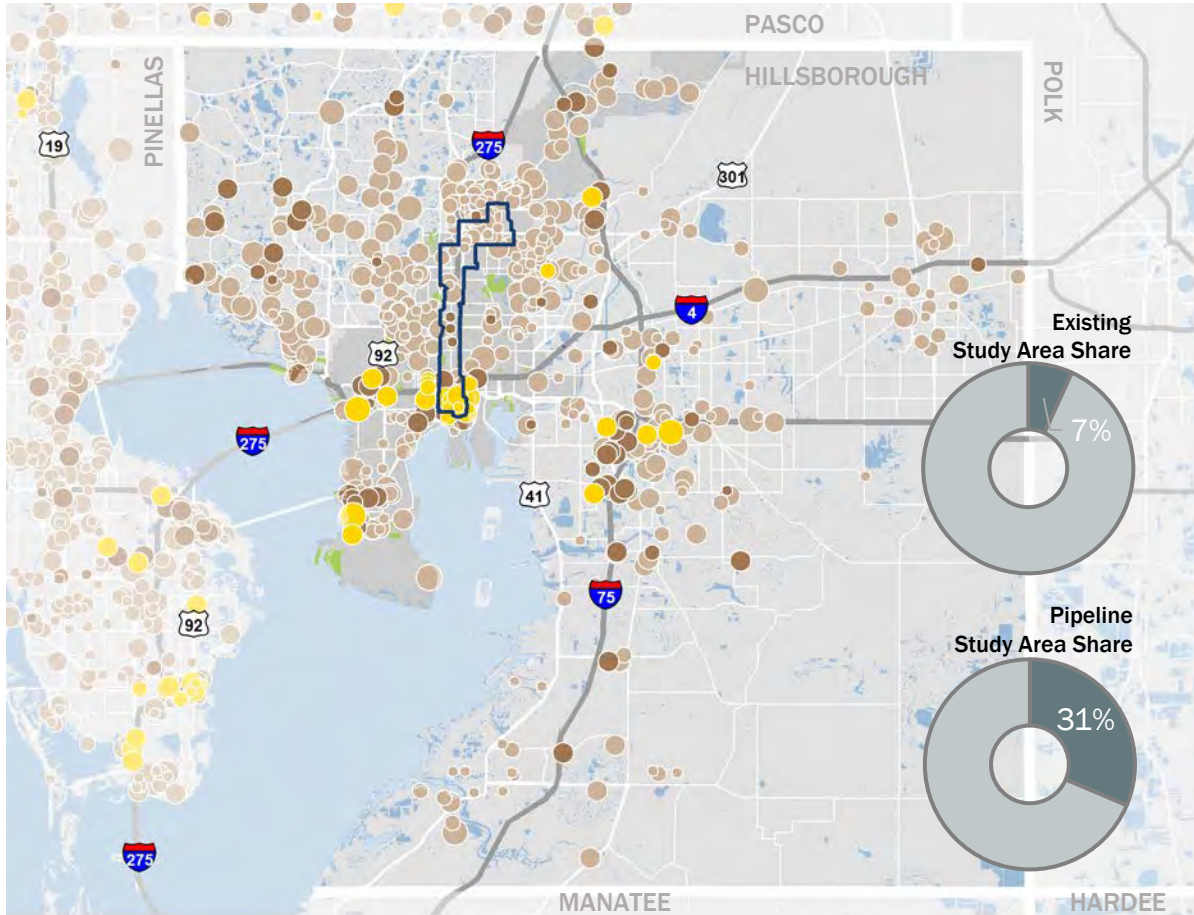


Source: Esri, HDR, Hillsborough County, SB Friedman

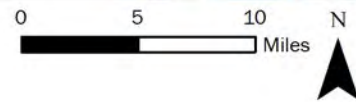
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Multifamily Market Assessment



Hillsborough County - Existing and Pipeline Multifamily Inventory



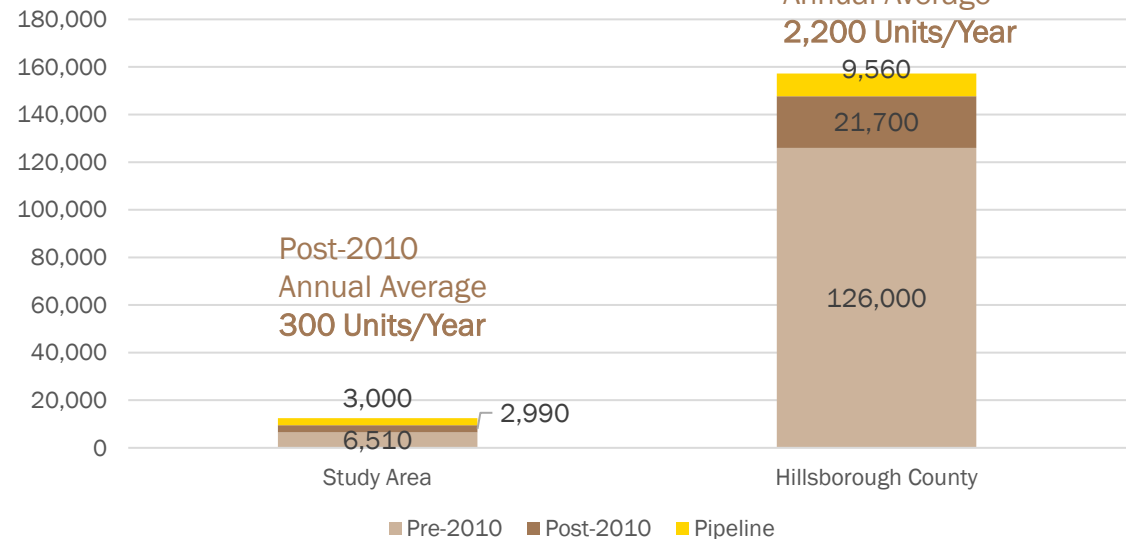
- Number of Units**
- More than 500 units
 - 200 to 500 units
 - 100 to 200 units
 - Less than 100 units
- Build Date**
- Built Before 2010
 - Built 2010 and After
 - Proposed or Under Construction

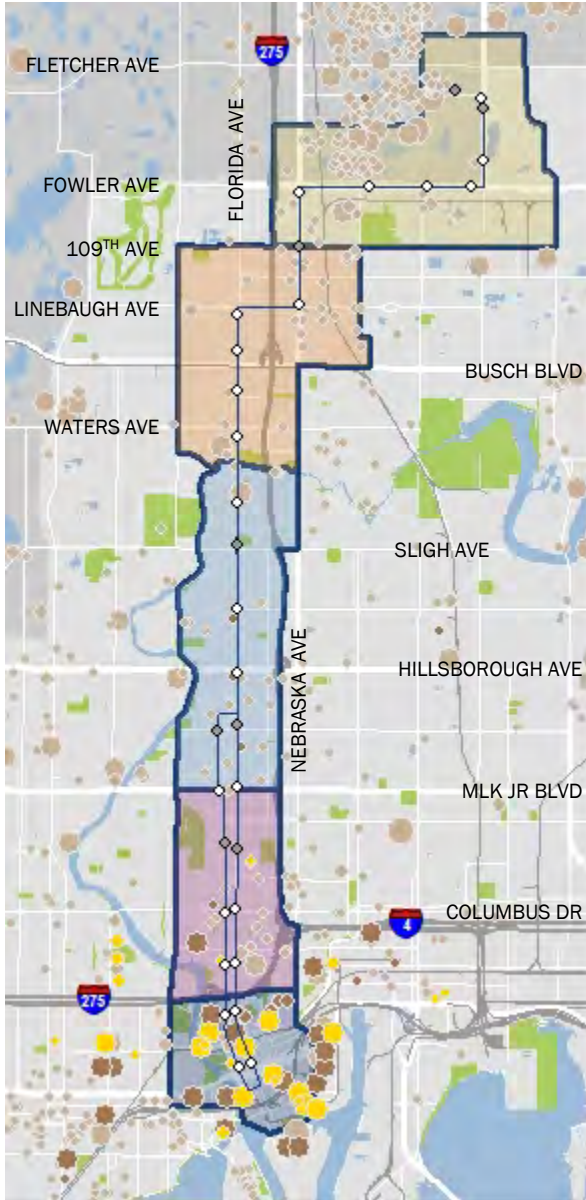
Multifamily – County Inventory

Location of recent development illustrates existing market momentum

Recent and pipeline multifamily development in the County has been primarily clustered in Downtown Tampa, South Tampa, Westshore, and Brandon. Approximately 7% of all existing apartments in the County is located in the study area. Since 2010, the study area has captured approximately 14% of the recent units delivered. The study area is anticipated to capture nearly one-third of pipeline units that are proposed and under construction, indicating the growing attractiveness of portions of the study area.

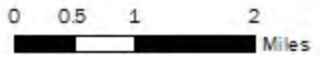
Existing and Pipeline Multifamily Inventory (Units)





Study Area - Existing and Pipeline Multifamily Inventory

- Number of Units**
- More than 500 units
 - 200 to 500 units
 - 100 to 200 units
 - Less than 100 units
- Construction Status**
- Built Before 2010
 - Built 2010 and After
 - Proposed or Under Construction



Source: CoStar, Esri, SB Friedman

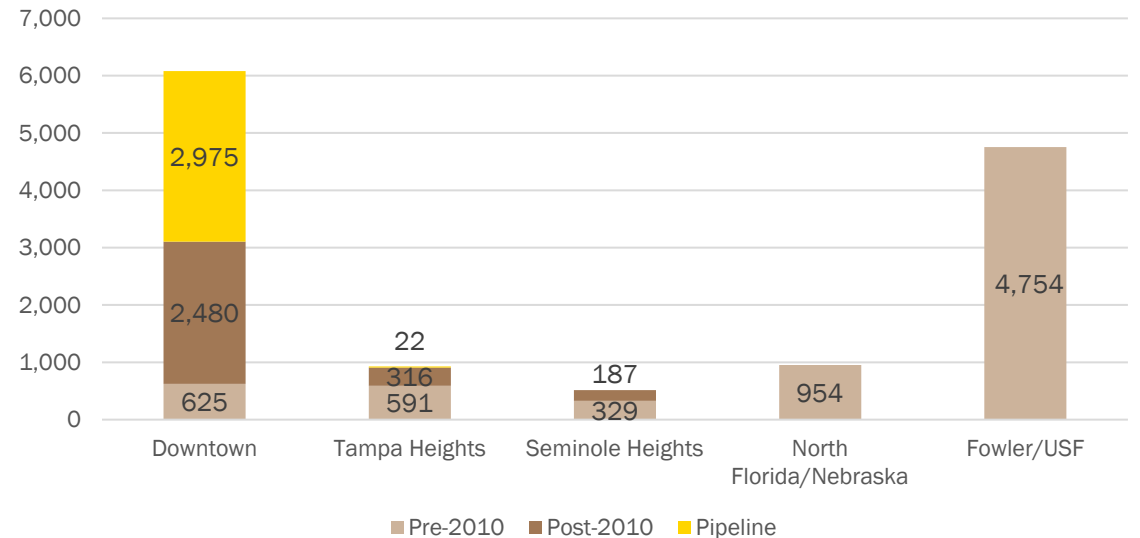
Multifamily – Subarea Inventory

Downtown Tampa has captured much of the recent & pipeline development

Approximately 83% of recent development and 99% of pipeline development in the study area is in the Downtown subarea. The subareas located immediately north of the Downtown subarea—Tampa Heights and Seminole Heights—have captured the remaining recent development activity.

There has been no traditional multifamily development in the North Florida/Nebraska or Fowler/USF subareas in the last ten years. Many of the parcels that have recently been developed around USF are purpose-built student housing (PBSH), which is not fully captured in the multifamily data sources/analysis. There may be interest in further development of PBSH in the Fowler/USF subarea; for example, PBSH has been proposed as part of the University Mall redevelopment.

Existing and Pipeline Multifamily Inventory (Units) by Subarea

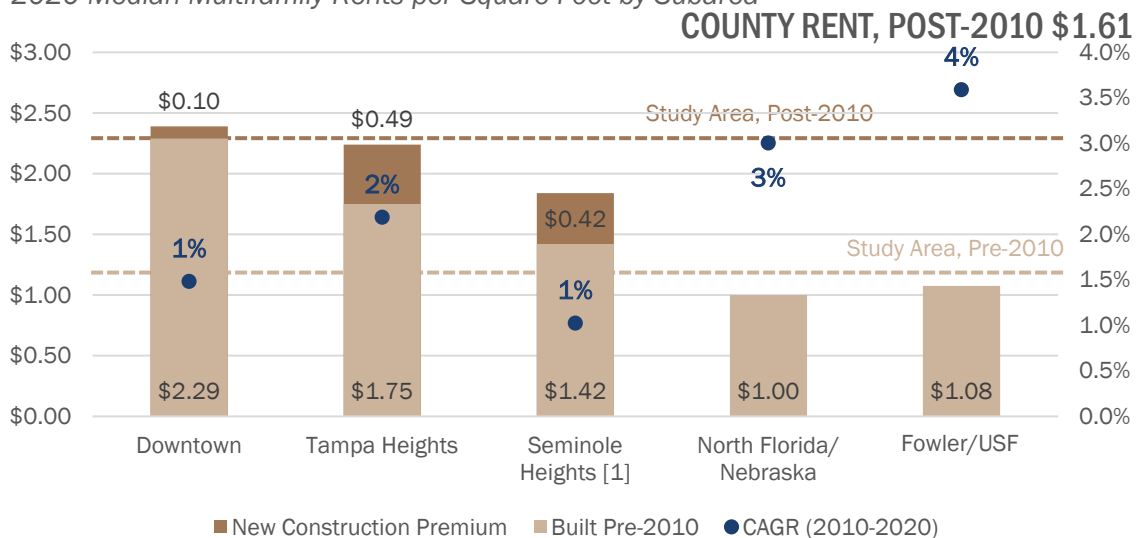


Multifamily – Subarea Market Performance Indicators

Newer development commands a rent premium

Overall rents are highest in the Downtown and Tampa Heights subareas. The highest rent premiums for new construction are in the Tampa Heights and Seminole Heights subareas. Typically, rents of approximately \$2.00/SF are required to support new construction with structured parking. Even without new deliveries, rents in the North Florida/Nebraska and Fowler/USF subareas have been increasing at compound annual growth rates (CAGR) of 3% and 4%, respectively. However, rents in these subareas remain relatively low and do not meet the \$2.00 per square foot rent threshold need to support new construction of highly TOD-supportive formats with structured parking. In the near term, rents may be temporarily depressed due to the COVID-19 pandemic as landlords lower rents to attract tenants.

2020 Median Multifamily Rents per Square Foot by Subarea

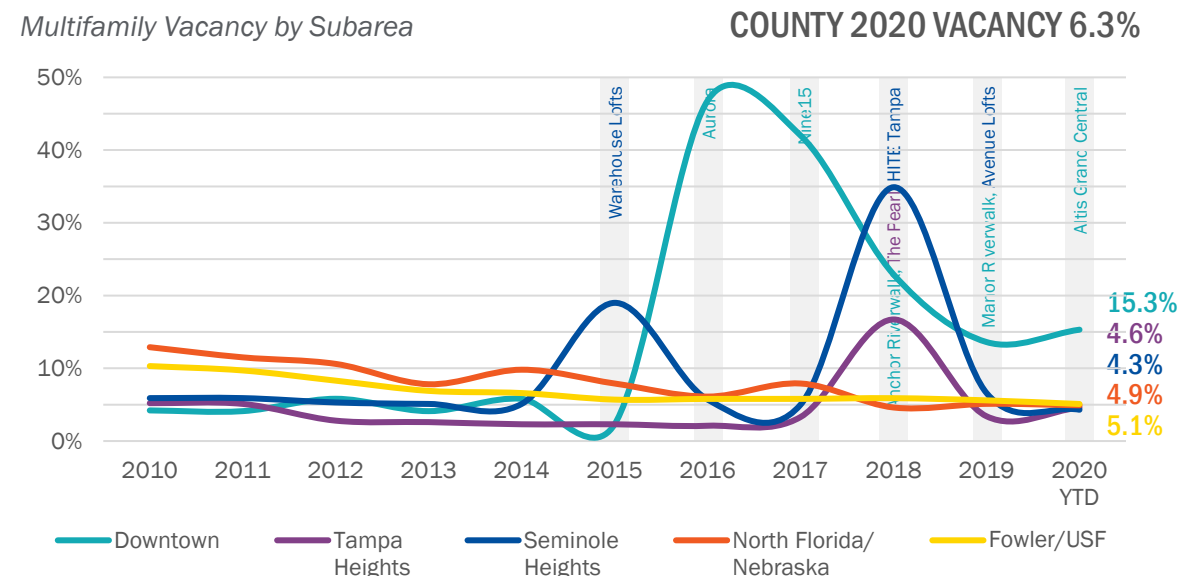


Vacancy trends demonstrate absorption of recently delivered product

Recent deliveries in the Downtown, Tampa Heights and Seminole Heights subareas have contributed to initial periods of high vacancy and subsequent periods of absorption. Current vacancy remains higher in the Downtown subarea for this reason, while recent deliveries in the Tampa Heights and the Seminole Heights subareas appear to have been fully absorbed, indicating strong demand for new product.

COVID-19 is anticipated to impact the multifamily market, particularly lower-rent units. Declines in rents or increases in vacancies are not yet reflected in available data as there have been national and statewide eviction bans in place. However, as these bans are lifted, there could be a decline in performance in the near term as hard struck residents are unable to make rent payments.

Multifamily Vacancy by Subarea



Source: CoStar, SB Friedman

[1] Due to limited project specific data, pre-2010 rent reflects overall rent for all product in the subarea

Multifamily – Prototypical TOD Development Profiles

TOD-supportive typologies are being delivered across the study area in context-sensitive densities



Prototypical TOD development profiles are characterized by higher densities, lower parking ratios and/or structured parking. Additional design considerations that fit the building to pedestrian environments include smaller sidewalk set-backs and first-floor retail.

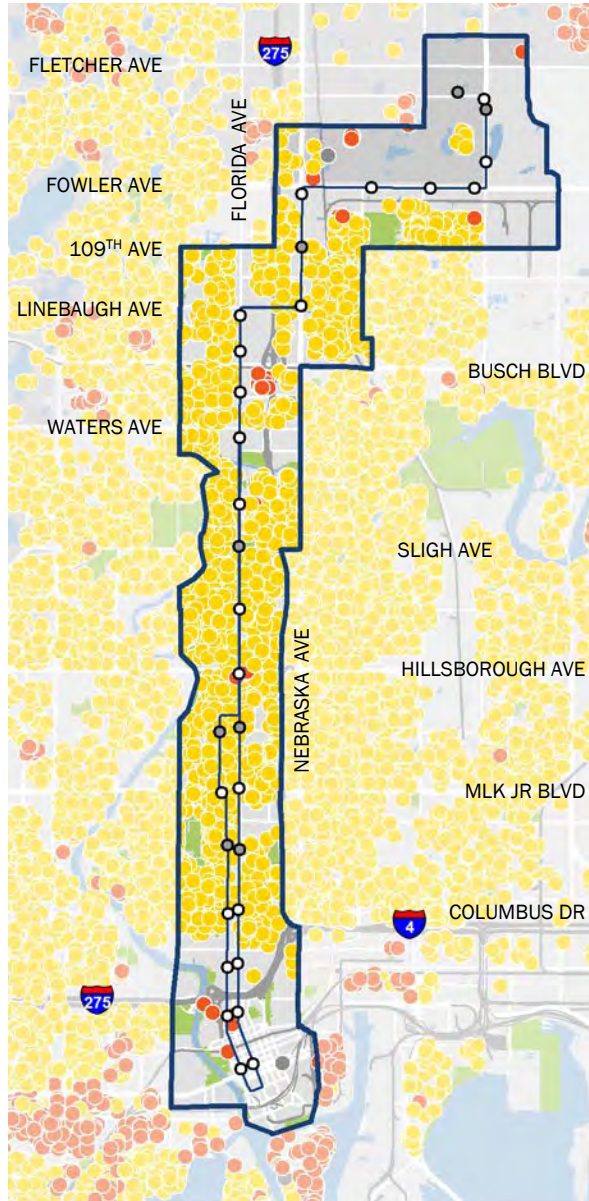
For multifamily development, high-rise projects, which are the densest and the most likely to have structured parking, are typically located downtown. Mid-rise projects, which can still support structured parking, have recently been delivered in the Tampa Heights and Seminole Heights subareas. Low-rise TOD projects, which will have a limited amount of surface parking in the back, can locate throughout the study area; however, this prototype best fits the current context in the North Florida/Nebraska and Fowler/USF subareas.

	HIGH-RISE	MID-RISE	LOW-RISE
Project Shown	Water Street Apartments	HITE Tampa	Warehouse Lofts
Subarea Location	Downtown	Tampa Heights, Seminole Heights	North Florida/Nebraska, Fowler/USF
Stories	10+	4 to 9	1 to 3
Units	200 to 500	50 to 400	10 to 50
FAR	4.5 to 9.0	1.0 to 3.0	1.0 to 3.0
Density (Units/Acre)	200 to 400	60 to 150	50 to 65
Avg. Unit Size (SF)	750 to 1,100	750 to 1,000	600 to 850
Parking Ratio Spaces/1,000 SF	1.0 to 1.5	1.5 to 2.5	Less than 1.0
Parking Format TOD-supportiveness	Yes	Yes	Depends

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For-Sale Residential Market Assessment



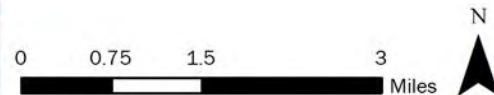


Study Area - Recent Home Sales

Home Sales (2016-2019^[1])

- SF Detached
- SF Attached
- Other

[1] Partial year data available for 2019



Source: Esri, MLS, SB Friedman

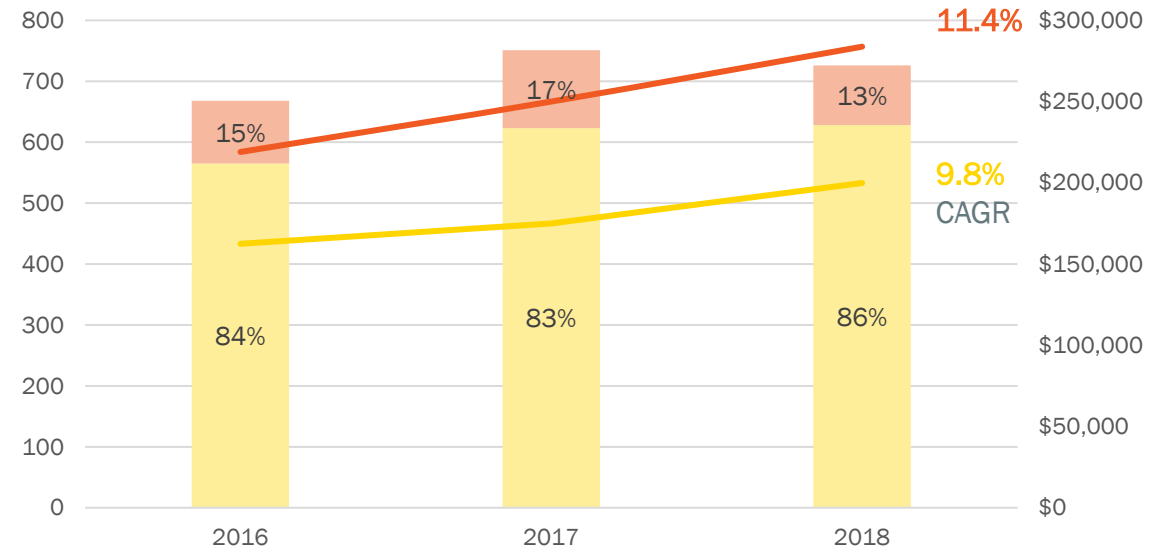
For-Sale – Recent Closings

Recent closings in the study area account for 3% of closings in the County

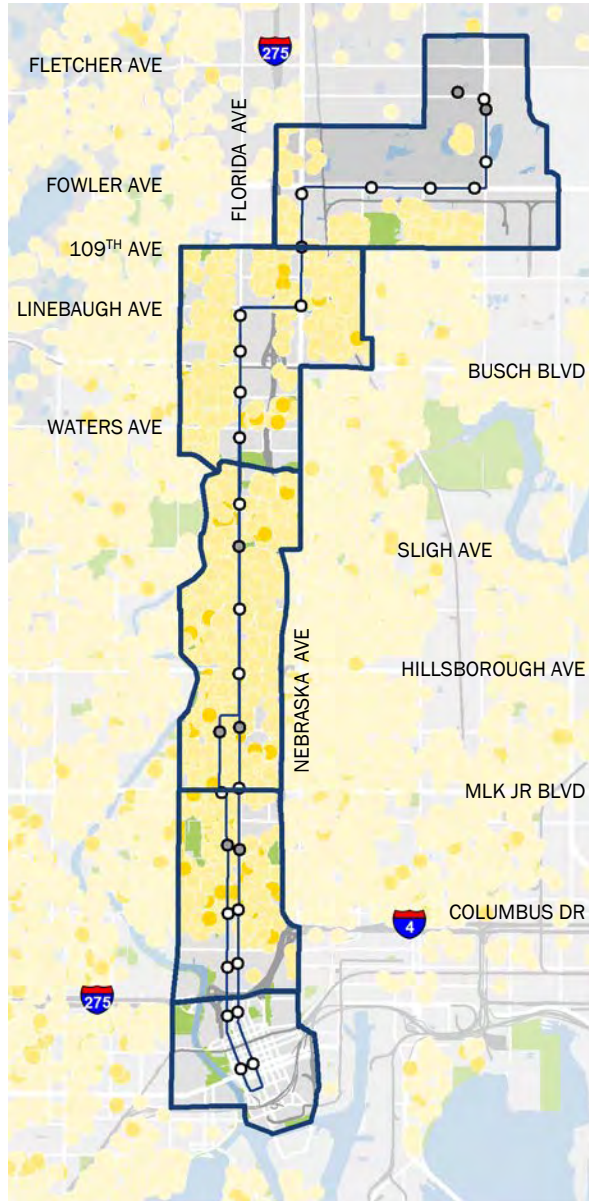
Between 2016 and 2018, there were approximately 2,080 home closings in the study area. Over the same period, annual for-sale closing activity in the study area was relatively consistent, with an average of 695 transactions per year.

Between 2016 and 2018, closing prices for single-family attached product grew at a slightly higher CAGR (11.4%) than single-family detached product (9.8%).

Study Area Single-Family Closing Activity & Median Sales Price by Year (2016-2018^[2])



[2] 2019 partial year data excluded



Study Area - Recent Single-Family Detached Home Sales

Detached Home Sales (2016-2019^[1])

- Built Before 2010
- Built 2010 and Later

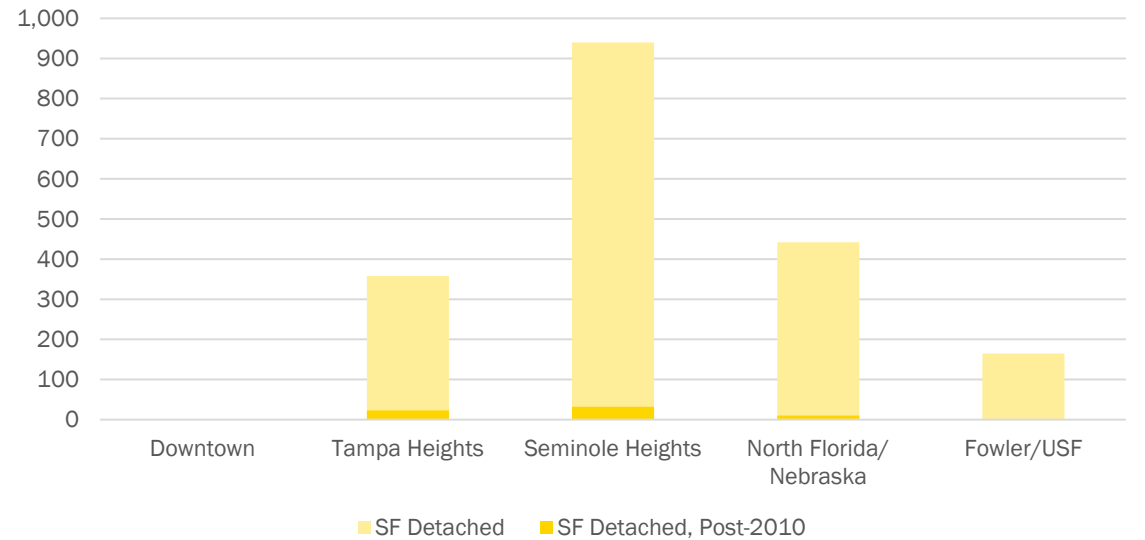
[1] Partial year data available for 2019

Single-Family Detached Sales

SF Detached sales in the study area are mostly resales of older product

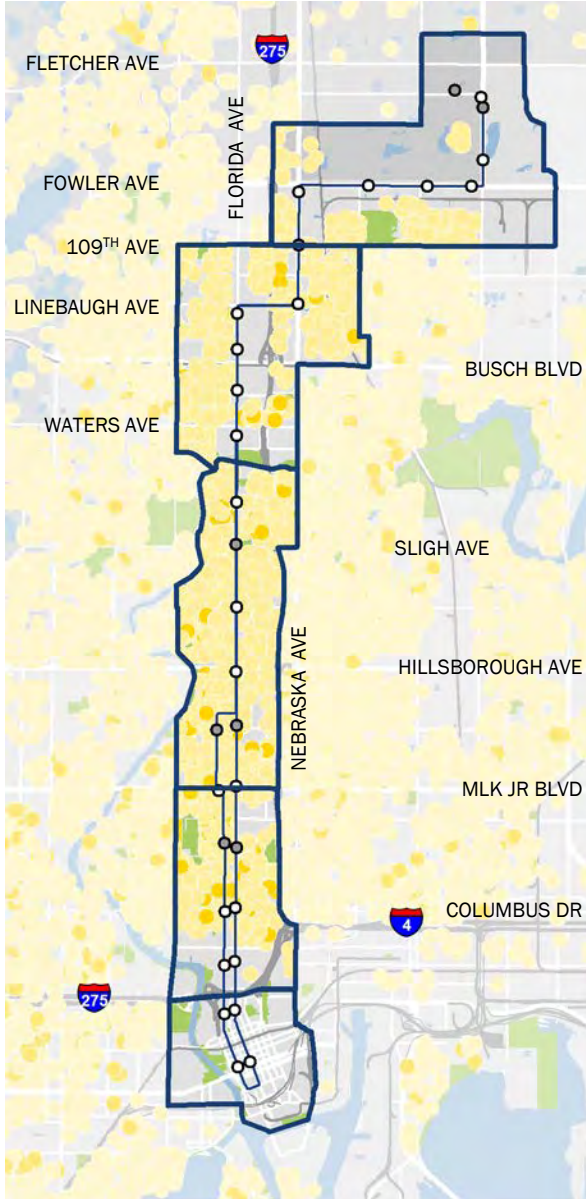
SF detached transactions have been concentrated in the Tampa Heights, Seminole Heights and North Florida/Nebraska subareas. Nearly the same number of transactions for SF detached product occurred in the Seminole Heights subarea between 2016 and 2019 as occurred across the other subareas combined. Over 7% of the SF detached units sold between 2016 and 2019 in the study area were built in 2010 or later. In the Tampa Heights and Seminole Heights subareas, over 11% and 8% of the SF detached units sold were built in 2010 or later.

Recent Single-Family Detached Sales by Subarea (2016-2019^[1])



[1] Partial year data available for 2019

Source: Esri, MLS, SB Friedman

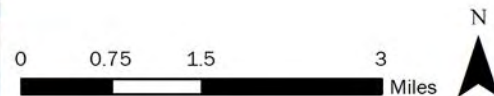


Study Area - Recent Single-Family Detached Home Sales

Detached Home Sales (2016-2019^[1])

- Built Before 2010
- Built 2010 and Later

[1] Partial year data available for 2019



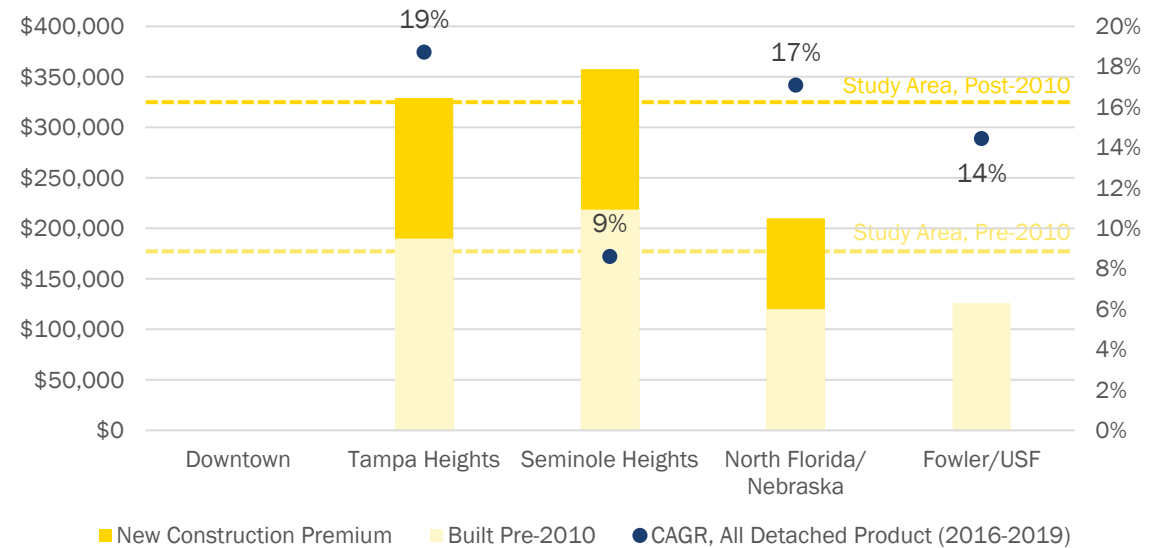
Source: Esri, MLS, SB Friedman

Single-Family Detached Values

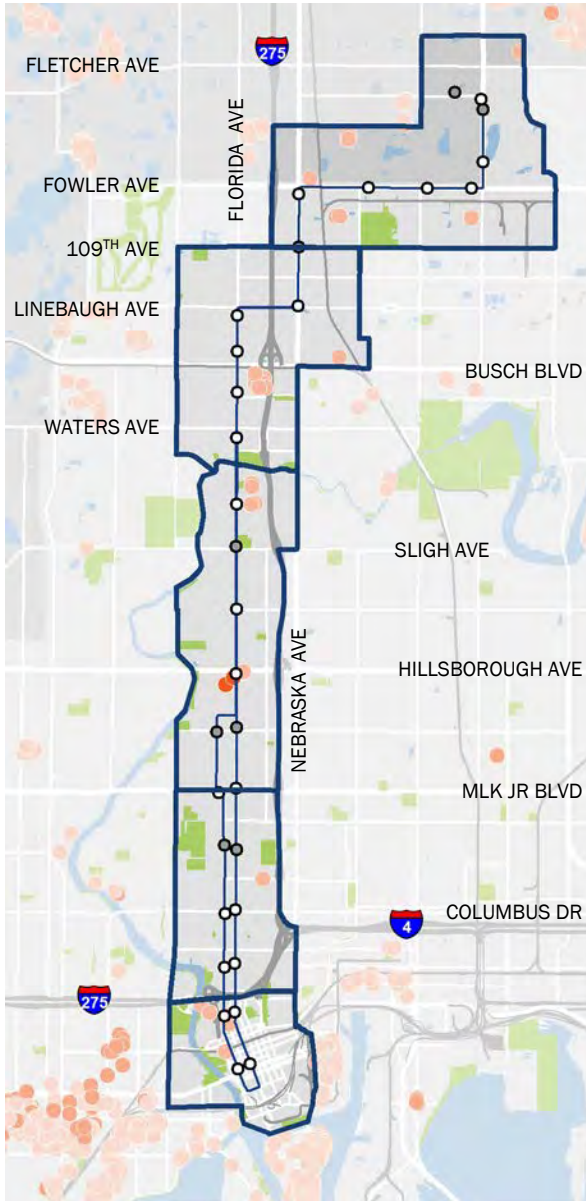
High CAGRs for SF detached sales prices indicate increasing values

Median closing prices are highest in the Tampa Heights and Seminole Heights subareas. These two subareas also have the largest premiums for new construction product (73% and 64%, respectively). The 2016-2019 CAGR for SF detached median sales prices in the Tampa Heights subarea was nearly 20%.

Single-Family Detached Median Closing Prices by Subarea (2016-2019^[1])



[1] Partial year data available for 2019



Study Area - Recent Single-Family Attached Home Sales

Attached Home Sales (2016-2019^[1])

- Built Before 2010
- Built 2010 and Later

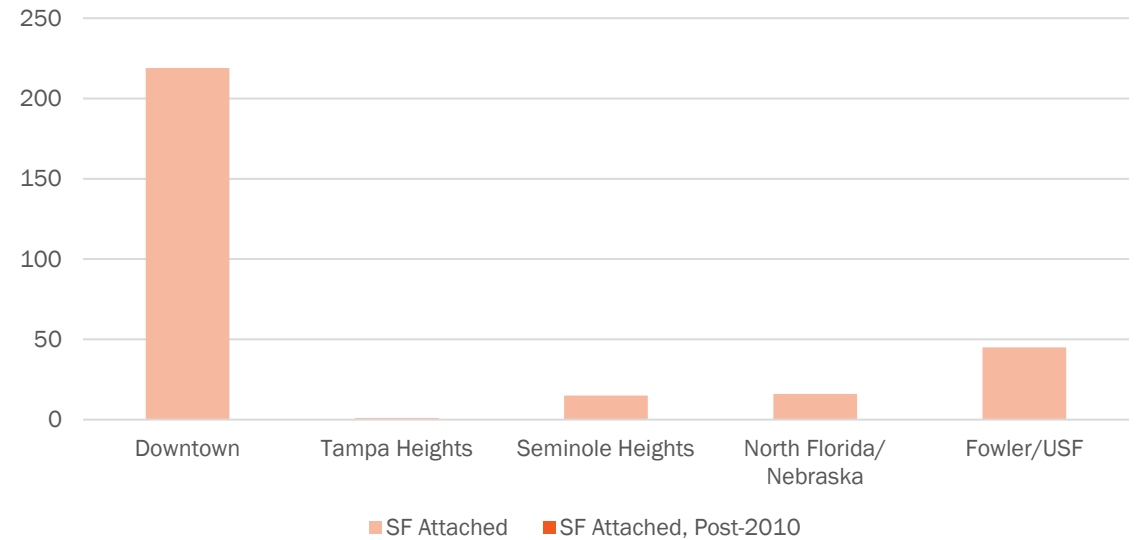
[1] Partial year data available for 2019

Single-Family Attached Sales

New construction SF attached units are limited in the study area

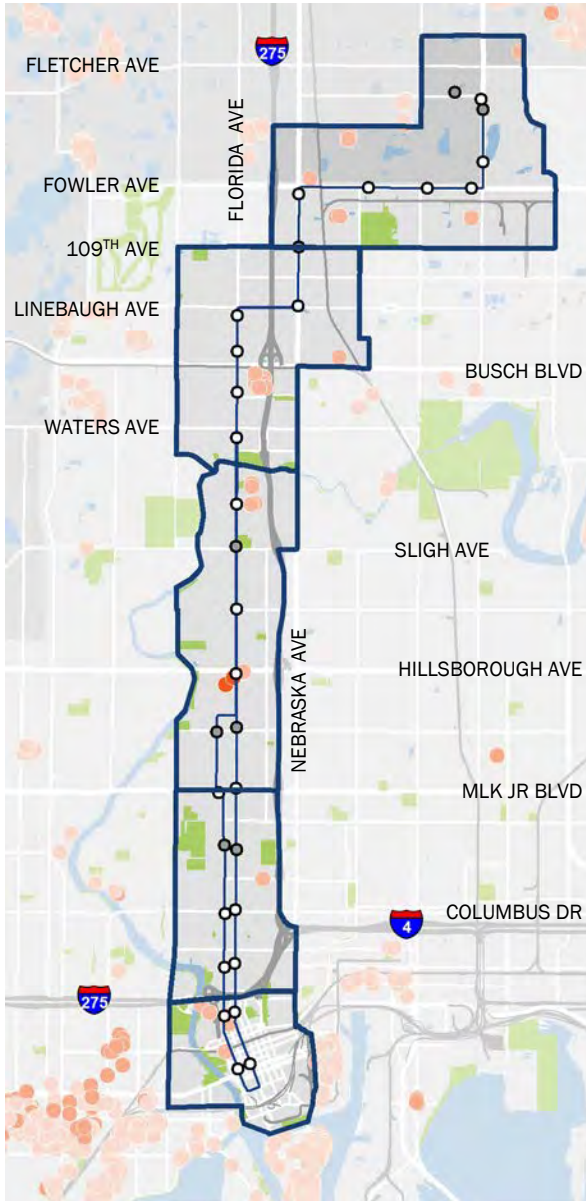
Recent transactions of attached product are concentrated in the Downtown subarea. The Fowler/USF subarea had the second most closings of any subarea. Only approximately 1% of the SF attached units sold between 2016 and 2019 were built in 2010 or later. SF attached units that were built in 2010 or later were only sold in the Seminole Heights subarea.

Recent Single-Family Attached Sales by Subarea (2016-2019^[1])



[1] Partial year data available for 2019

Source: Esri, MLS, SB Friedman

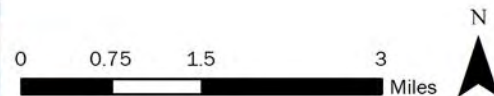


Study Area - Recent Single-Family Attached Home Sales

Attached Home Sales (2016-2019^[1])

- Built Before 2010
- Built 2010 and Later

[1] Partial year data available for 2019



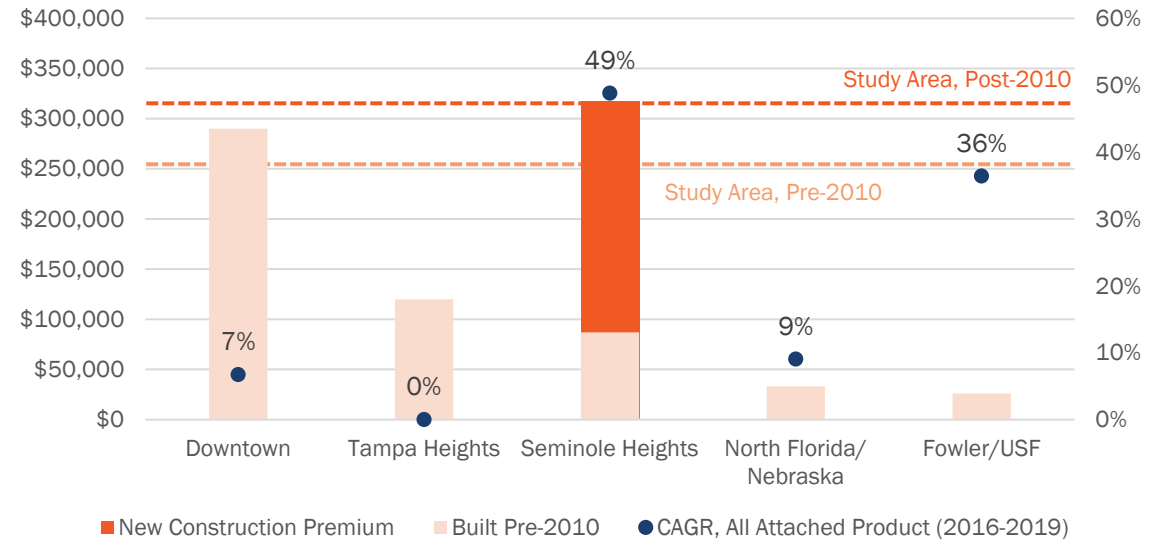
Source: Esri, MLS, SB Friedman

Single-Family Attached Values

SF attached sales price CAGRs indicate high premiums for new construction

The only new construction SF attached product in the study area was built in the Seminole Heights subarea. These units, built in 2010 or later, command a 265% premium over SF attached product built before 2010. Other than these newer units in Seminole Heights, the Downtown subarea is commanding the highest closing prices, with per unit prices approaching \$300,000.

Single-Family Attached Median Closing Prices by Subarea (2016-2019^[1])



[1] Partial year data available for 2019

For-Sale – Prototypical Development Profiles

TOD-supportive typologies are present to a limited extent in context-sensitive densities in the study area



Prototypical TOD profiles for for-sale residential product are best represented by single-family attached typologies: dense, high-rise and mid-rise condominium projects in the Downtown subarea and recent townhome deliveries in the Seminole Heights subarea.

	HIGH-RISE	MID-RISE	TOWNHOME
Project Shown	Skypoint Condos	Residences on Franklin Street	
Subarea Location	Downtown	Downtown	Seminole Heights
Stories	10+	3 to 9	1 to 2
Units	200 to 500	5 to 100	2 to 4
FAR	n/a	n/a	1.0 to 2.0
Density (Units/Acre)	200 to 400	20 to 150	10 to 20
Avg. Unit Size (SF)	750 to 1,200	n/a	1,500 to 2,000
Parking Ratio Spaces/1,000 SF	0.79	2.0	1.0
Parking Format TOD-supportiveness	Yes	Yes	Depends

DRAFT

Housing Affordability Assessment



Housing Affordability

Housing affordability is typically measured as a function of household income

A residential unit is considered affordable if no more than 30% of a household's income goes towards housing costs; or conversely, a household that spends more than 30% of its income on housing is deemed "cost burdened."



In their "2019 Rental Market Study," the Shimberg Center for Housing Studies identified a statewide deficit of approximately 548,000 units that are "affordable and available"^[1] to households with incomes at 60% of the Area Median Income (AMI) or less. They also determined that the number of cost burdened households in the state increased by nearly half a million households between 2000 and 2019.

In the Tampa/St. Petersburg metropolitan area, the Shimberg Center identified a deficit of approximately 82,000 units that are "affordable and available" for households all income thresholds at or below 60% AMI.

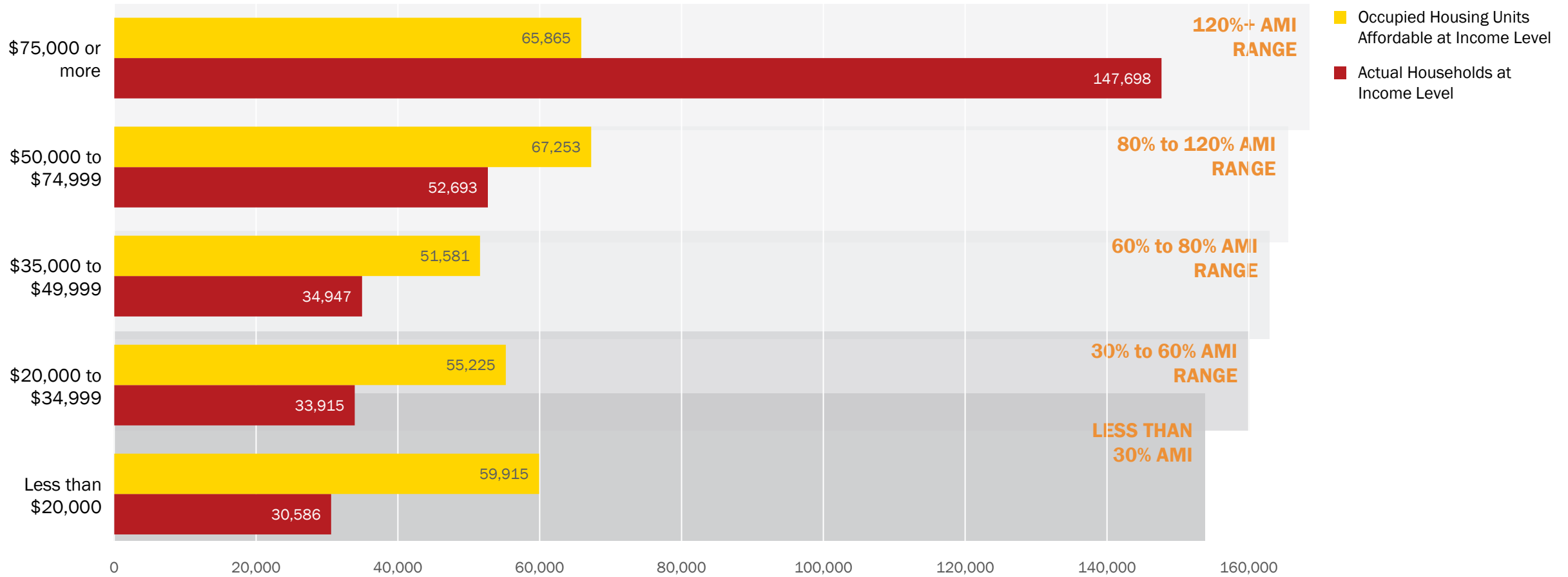
[1] "Affordable and available" units are affordable to a household at a particular income level and currently occupied by a household of the same income level

Source: ACS, HUD, SB Friedman, Shimberg Center for Housing Studies

Housing Affordability – Housing Balance (Owner-Occupied)

The supply of owner-occupied housing units exceeds actual households at most income levels; higher-income households appear to reside in units that would otherwise be affordable to lower-income households.

Hillsborough County – Owner-Occupied Housing Units and Households by Income Level

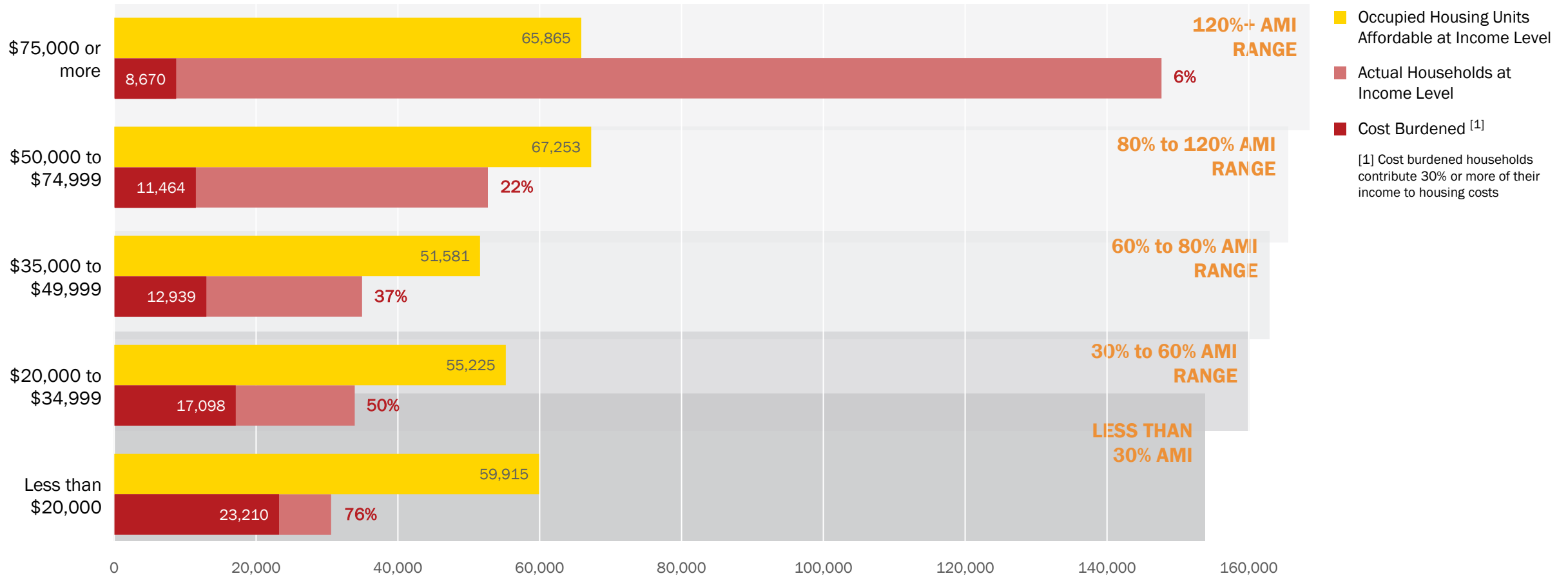


Source: ACS, SB Friedman, State of Florida

Housing Affordability – Cost Burden (Owner-Occupied)

The majority of owner-occupied households at or below 80% AMI or earning <\$50,000/year are cost-burdened due to the mismatch between supply and higher-income households living below their means.

Hillsborough County – Owner-Occupied & Cost-Burdened Housing Units and Households by Income Level

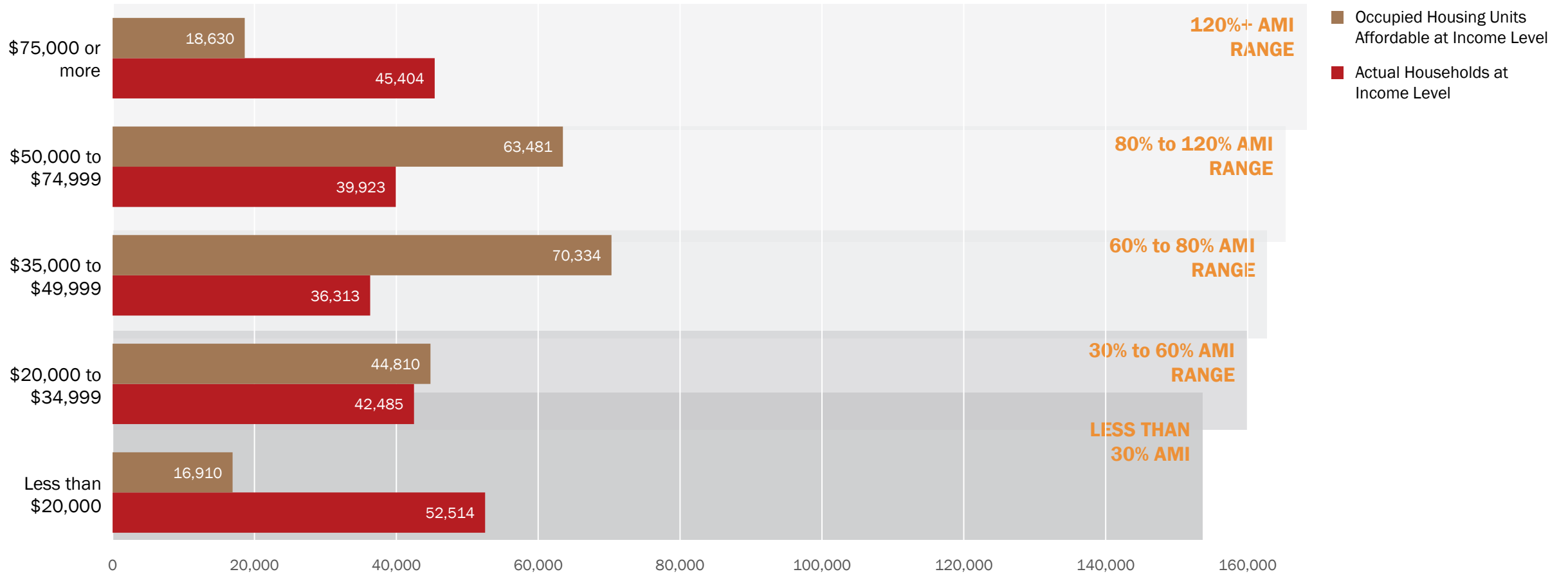


[1] Cost burdened households contribute 30% or more of their income to housing costs

Housing Affordability – Housing Balance (Renter-Occupied)

Renter households with incomes <\$20,000/year suffer as a result of the greatest housing imbalance, with actual households far exceeding the supply of occupied units. Higher-income renter households appear to reside in units that would otherwise be affordable to lower-income households.

Hillsborough County – Renter-Occupied Housing Units and Households by Income Level

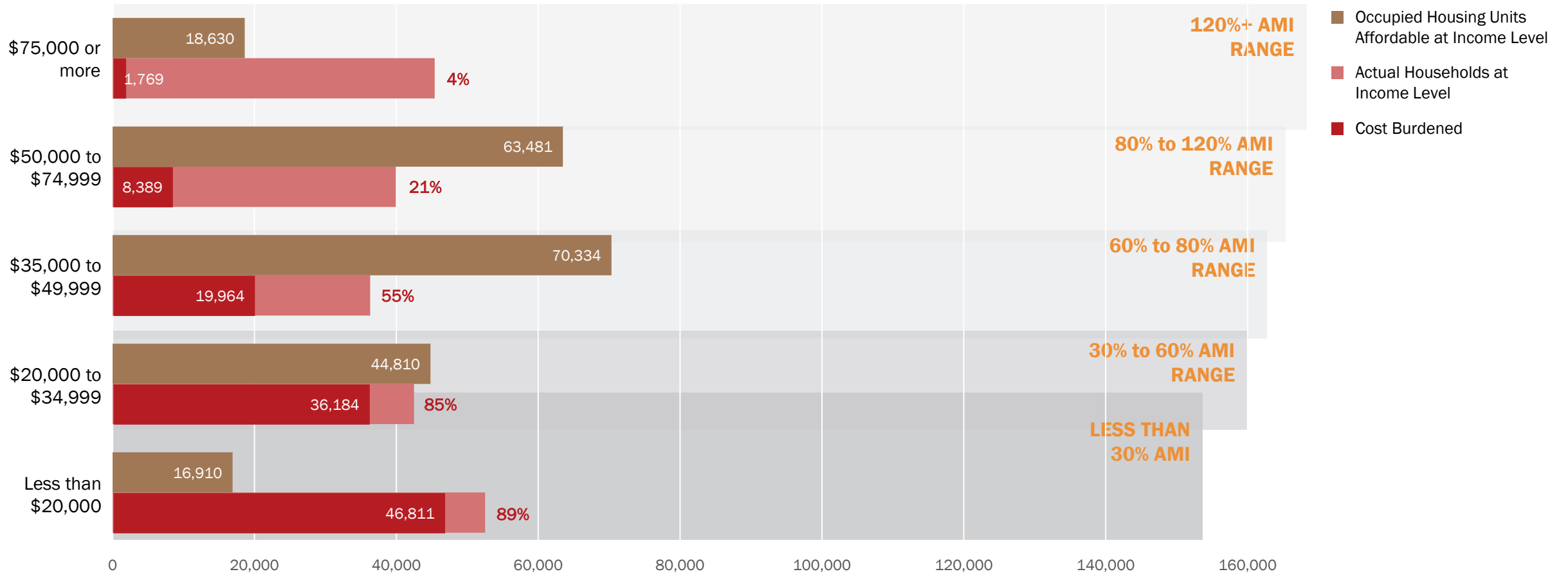


Source: ACS, SB Friedman, State of Florida

Housing Affordability – Cost Burden (Renter-Occupied)

The majority of renter households at or below 60% AMI and/or households earning <\$35,000/year are cost-burdened, due in part to both limited supply of housing units that are affordable to lower-income households and higher-income households living below their means.

Hillsborough County – Renter-Occupied & Cost-Burdened Housing Units and Households by Income Level



Source: ACS, SB Friedman, State of Florida

Housing Affordability – Defining Affordable Housing Units

Understanding the affordable rental market is critical to understanding market pressures for displacement as transit investments increase property values

There are two types of housing affordable to households with incomes at 60% AMI or less. Housing units with rents affordable to households greater than 60% AMI are **Higher Rent Units**.

1. Legally Restricted Affordable Housing (LRAH)

- Housing that is contractually obligated to serve lower-income households and populations for a defined time.
- Units are owned, operated and subsidized by various groups including federal, state and local governments and/or government-agencies, nonprofits, etc.
- Different LRAH funding programs target different income ranges. Federal programs typically subsidize units affordable to households earning less than 60% Area Median Income (AMI).
- The contractual obligations associated with these units can eventually expire and place residents of these units at risk of displacement.

2. Naturally Occurring Affordable Housing

- Privately-owned housing units with rents that are affordable to lower-income households and populations.
- Without contractual obligations to maintain affordability, as market conditions improve, landlords can choose to increase rents on NOAH units. Rent could increase to levels which may be unaffordable to current residents which in turn leads to displacement.



Housing Types	AMI Level
Legally Restricted Affordable Housing	
Public Housing, National Housing Trust Fund	<30% AMI
Low-Income Housing Tax Credit (LIHTC)	30-60% AMI
Naturally-Occurring Affordable Housing	<60% AMI
Higher Rent	60%+ AMI

Housing Affordability – Maximum Rent Thresholds

60% AMI is the renter income threshold that best reflects the affordability needs for Hillsborough County

Units were classified as affordable at 60% of AMI based on 2020 HUD rents limits. Affordable monthly rents for housing units vary by the number of bedrooms in each housing unit.

Income Limits - Tampa-St.Petersburg-Clearwater, FL MSA

Unit Size	Household Size	60% AMI ^[1] (2020)	Maximum Rent ^[1] (2020)
0 BR	1 person	\$29,600	\$740
1 BR	1-2 person	\$29,600 - \$33,800	\$792
2 BR	2-4 person	\$33,800 - \$42,200	\$950
3 BR	4-5 person	\$42,200 - \$45,600	\$1,097

\$69,200

Hillsborough County
2020 Median Household Income

[1] Maximum affordable rent calculated to be no more than 30% of monthly area median income

Housing Affordability – Existing Rental Inventory

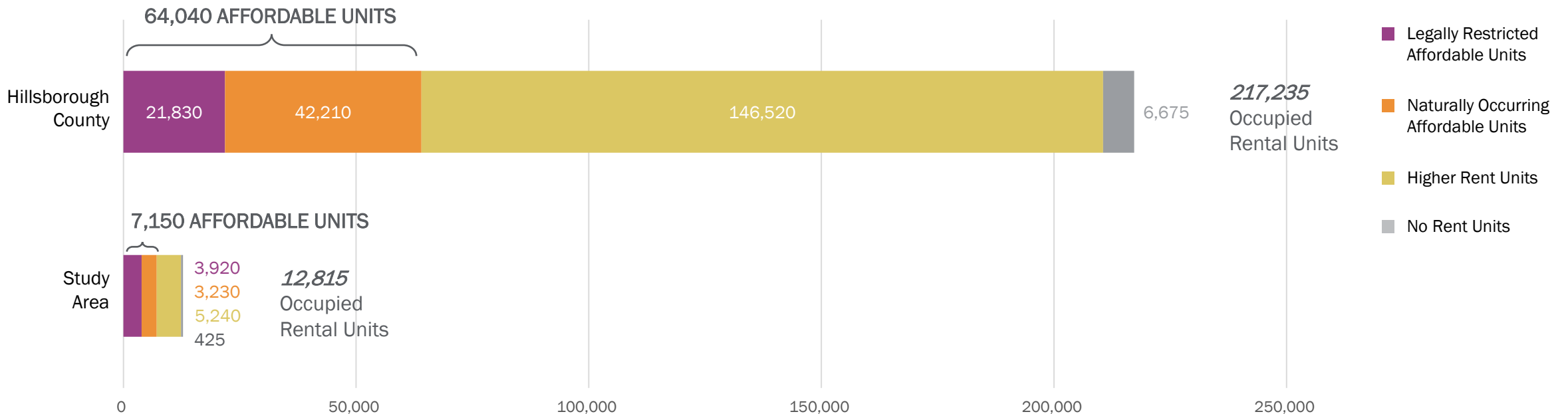
29% of rental units in the County and 56% in the study area are affordable at 60% AMI

The study area includes 6% of the total units in Hillsborough County and 11% of the total units affordable to households earning 60% of AMI or less in Hillsborough County. The study area’s share of affordable units includes 18% of the legally rent-restricted affordable housing (LRAH) units in the County and 8% of the naturally occurring affordable housing (NOAH) units in the County.

The sustained presence of LRAH and NOAH units is important for maintaining long-term affordability in the study area. NOAH units are at the greatest risk for displacement when new development occurs.

Within the study area, over half (56%) of the units are affordable; of these units, approximately 31% are LRAH, and 25% are NOAH.

Rental Unit Inventory by Affordability Level in Hillsborough County



Source: ACS, National Housing Preservation Database (NHPD), SB Friedman, State of Florida

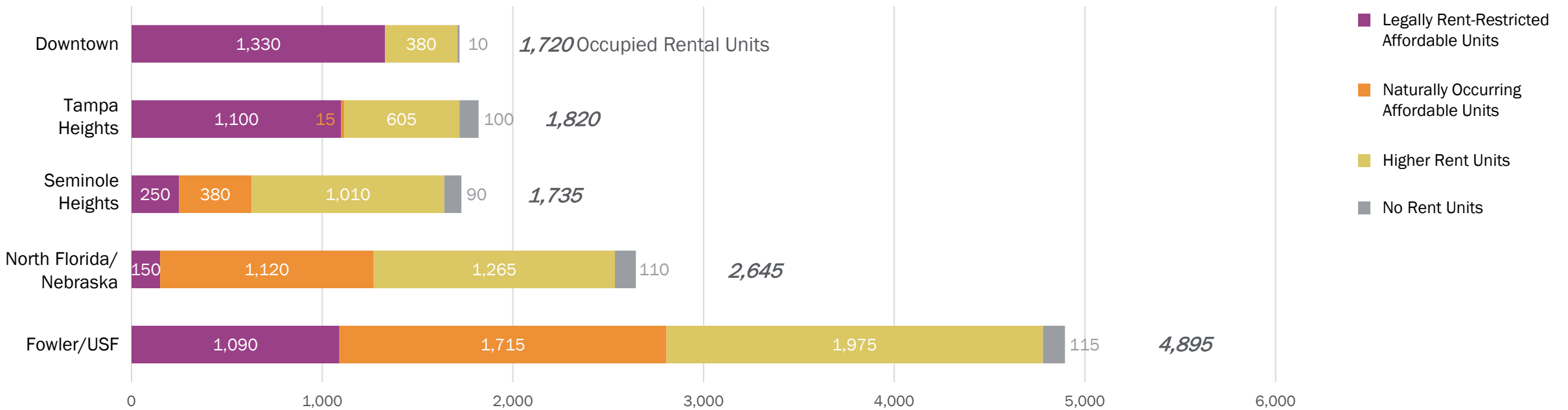
Housing Affordability – Rental Inventory by Subarea

Lower concentrations of LRAH and NOAH units reflect higher risk for displacement

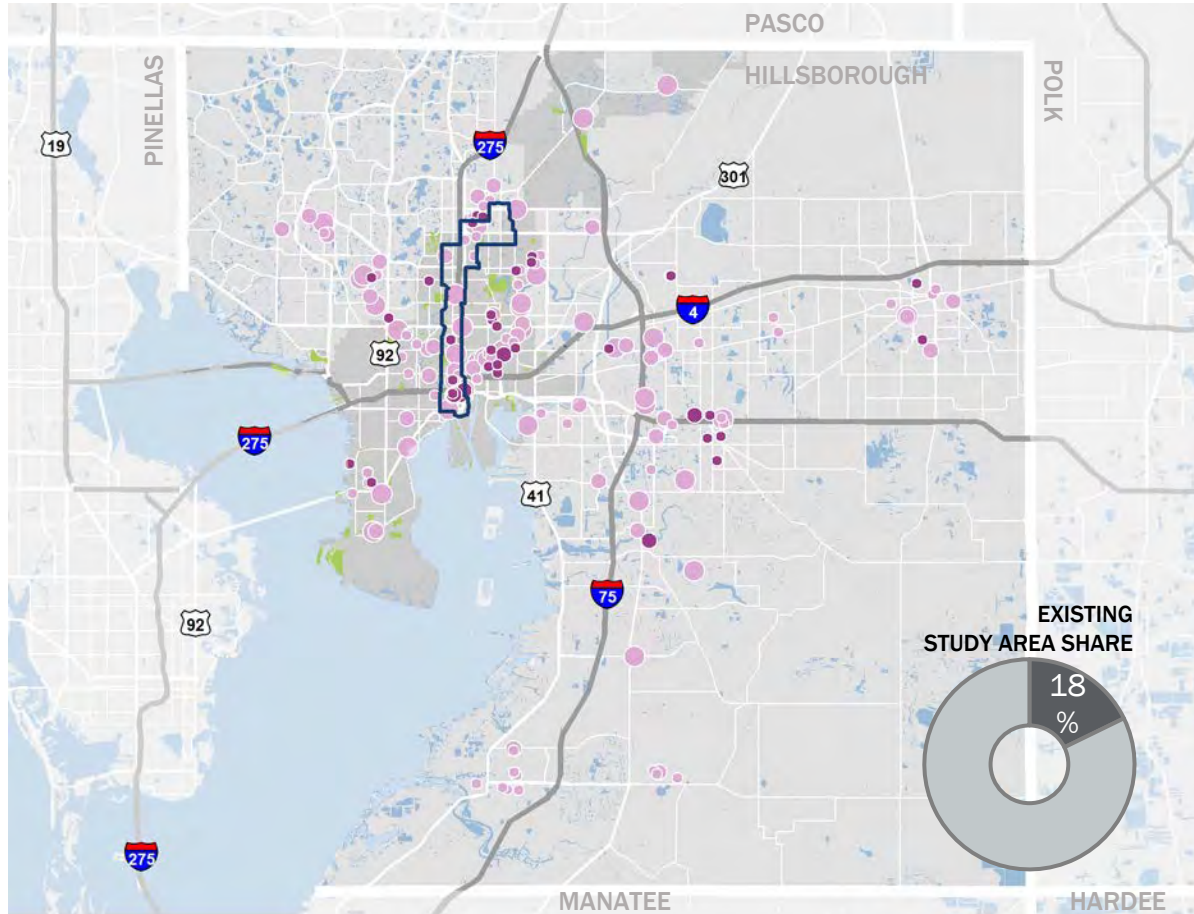
Nearly all the affordable units in the Downtown and Tampa Heights subareas are accounted for by LRAH product. NOAH units are concentrated in the other subareas within the study area. While NOAH accounts for nearly 20% of the occupied units across Hillsborough County, NOAH units

account for 23%, 44% and 37% of the occupied units in the Seminole Heights, North Florida/Nebraska and Fowler/USF subareas, respectively. Given the growth in rents and sale prices in the Seminole Heights subarea specifically, there is a higher risk of displacement.

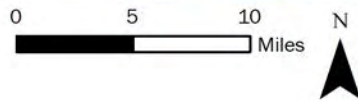
Rental Unit Inventory by Affordability Level by Subarea



Source: ACS, NHPD, SB Friedman, State of Florida



Hillsborough County - Existing LRAH Inventory



- Number of Units**
- More than 500 units
 - 200 to 500 units
 - 100 to 200 units
 - Less than 100 units
- Legend**
- Built Before 2010
 - Built 2010 and After

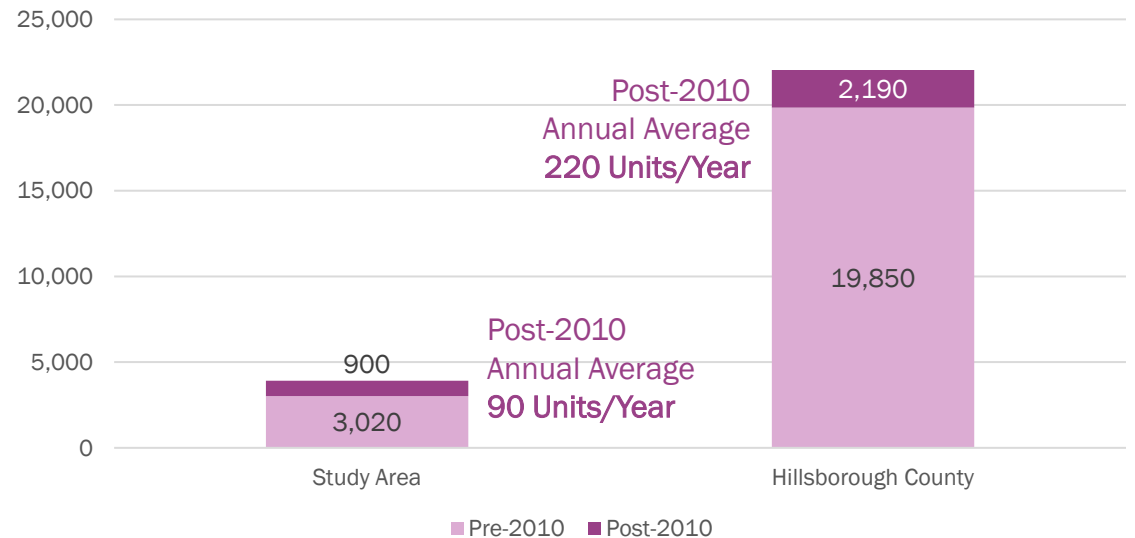
LRAH Inventory

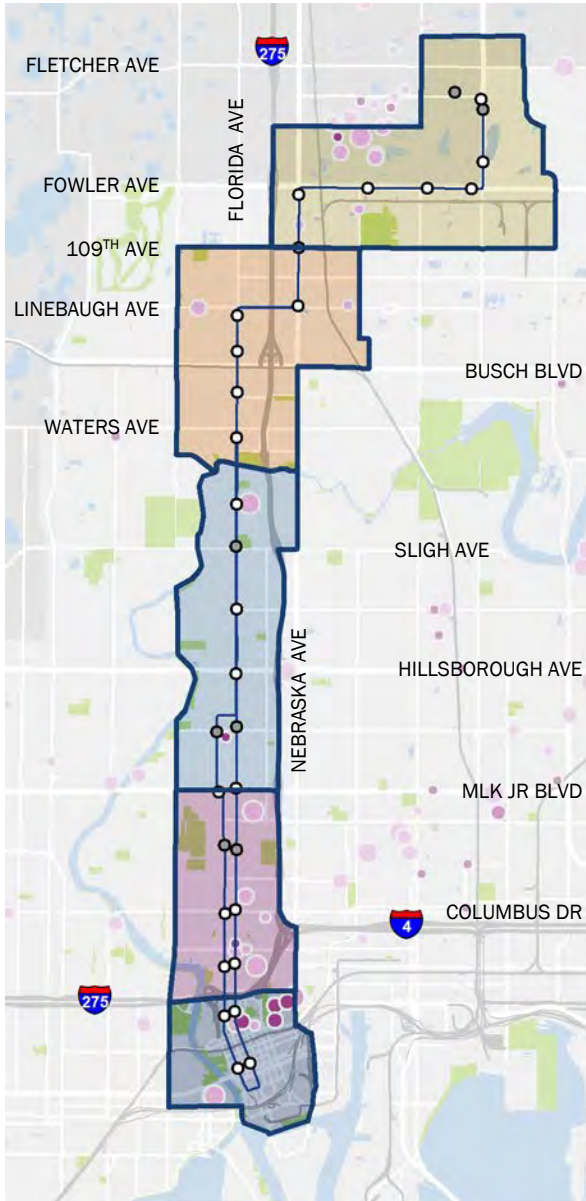
There are over 22,000 LRAH units in Hillsborough County

Recent LRAH projects have been concentrated in Downtown Tampa, East Tampa, North Tampa and Brandon. Nearly 20% of the existing LRAH units in the County are in the study area. However, the study area also captured over 40% of the LRAH units delivered in the last 10 years. Many of these units are associated with The Encore District, a THA project located in Downtown Tampa.

The LIHTC program is one of the main mechanisms used to create LRAH, as well as leverage additional funding sources. Of the nearly 14,400 LIHTC units delivered in the County since 2010, approximately 12% (or 1,700 units) were delivered in the study area as part of larger redevelopment projects.

Existing LRAH Inventory (Units)





Study Area - Existing LRAH Inventory

- Number of Units**
- More than 500 units
 - 200 to 500 units
 - 100 to 200 units
 - Less than 100 units
- Construction Date**
- Built Before 2010
 - Built 2010 and After



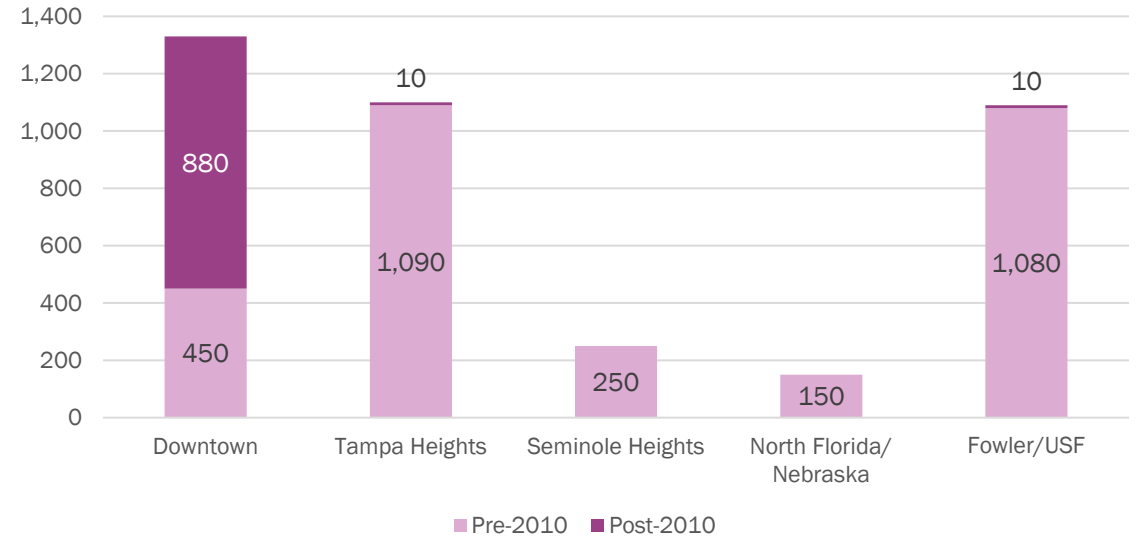
Source: Apartments.com, Esri, NHPD, SB Friedman

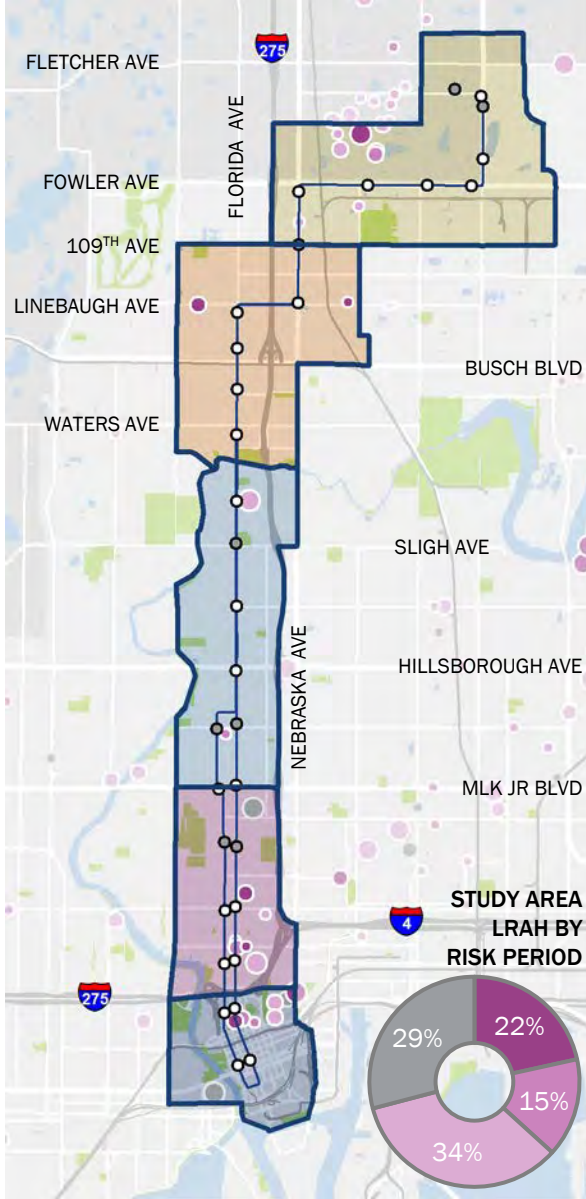
Affordable – LRAH Inventory

There are 3,920 LRAH units in the study area

Within the study area, LRAH is concentrated in the Downtown, Tampa Heights and Fowler/USF subareas. The Encore District accounts for 75% of the new construction LRAH product and half of the total inventory in the Downtown subarea, while much of the remaining product throughout the study area was built prior to 2010. Other large LRAH developments in the study area include Robles Park in the Tampa Heights subarea and Oaks at Riverview in the Seminole Heights subarea, both THA projects.

Existing LRAH Inventory by Subarea (Units)





Study Area – LRAH Inventory

- Number of Units**
- More than 500 units
 - 200 to 500 units
 - 100 to 200 units
 - Less than 100 units
- Risk Period**
- At-Risk 2024 or Earlier
 - At-Risk 2025 to 2029
 - At-Risk 2030 to 2039
 - Not At-Risk Before 2040

LRAH Inventory – At-Risk Units

Contractual obligations eventually expire and place LRAH units at risk

Over 20% of the LRAH units in the study area will be at risk of expiration in the next 5 years; another 15% will be at risk between 2025 and 2029. Combined, over 70% of the LRAH units in the study area are at risk to expire in the next 20 years. While the affordability levels of LRAH units are typically maintained by mission-driven/non-profit owners, for-profit entities may flip at-risk units to market rate upon the expiration of affordability requirements.

The level of at-risk LRAH units therefore could pose long term affordability issues for the study area. In the North Florida/Nebraska and Seminole Heights subareas, where there are fewer LRAH units, the risk for displacement appears to be the greatest. The risk of displacement also appears high in the Fowler/USF subarea, where all the LRAH units are at-risk of expiring in the next 20 years.

LRAH Inventory by Subarea and Risk Period (Units)



Source: Esri, NHPD, SB Friedman

Housing Affordability – Prototypical LRAH Development Profiles

TOD-supportive typologies are present to a limited extent in context-sensitive densities in the study area



Affordable TOD development profiles include mid-rise and low-rise multifamily configurations, in context-sensitive densities along the study area. In the Downtown, Tampa Heights and Seminole Heights subareas, affordable residential development does and can include structured parking and/or surface parking located behind the building(s).

There are not currently low-rise affordable residential TOD-supportive prototypes, as most include large parking lots and large-campus developments. However, low-rise TOD development can be implemented in context-sensitive ways in the North Florida/Nebraska and Fowler/USF subareas.

	MID-RISE	LOW-RISE
Project Shown	Tempo at Encore	Haley Park Apartments
Subarea Location	Downtown, Tampa Heights, Seminole Heights	North Florida/Nebraska, Fowler/USF
Stories	4-9	1-3
Units	50 to 250	50 to 150
FAR	1.0 to 3.0	0.5 to 2.0
Density (Units/Acre)	60 to 150	70 to 120
Avg. Unit Size (SF)	750 to 1,000	800 to 1,200
Parking Ratio Spaces/1,000 SF	0.50 to 2.0	1.5 to 2.5
Parking Format TOD-supportiveness	Yes	Depends

Residential – Key Considerations

The study area is positioned for additional residential development in the future



POPULATION GROWTH

New household formation and relocation drive demand for new housing. Housing typology and location preferences vary by age of the householder.



MIXED-USE ENVIRONMENT

Multifamily housing often locates near existing population, employment and activity centers and along transportation corridors. The study area is well-situated along a major regional interstate with strong connectivity to job centers.



MARKET RENTS

Market rents in some subareas are currently lower compared to "TOD-supportive" rent thresholds, indicating that portions of the study area may not currently command enough of a price premium to support denser development and structured parking.



RISK OF DISPLACEMENT

Increasing rents accelerated by transit investment poses a risk of displacement for households living naturally occurring affordable housing. Replacement of NOAH with new construction LRAH may not be possible. Preservation strategies may be required to maintain long-term affordability for both NOAH and LRAH.



COVID-19 IMPACTS

Job losses and economic instability could lead to increase in vacancies and lower revenues/NOI, depending on the timing of the eviction moratorium. Housing affordability issues could be exacerbated. New multifamily deliveries may be put on hold until after recovery.

Residential – Market Potential

Market potential for residential TOD development is strongest in the Downtown, Tampa Heights and Seminole Heights subareas

Downtown is the strongest subarea within the study area, with recent investment commanding higher prices.

The Tampa Heights and Seminole Heights subareas are considered emerging residential markets. Recently, investment has shifted north into the Tampa Heights and Seminole Heights subareas. New product has been fully absorbed and vacancy levels have returned to industry standards. In addition to premiums for new construction product, rents and home values are rising in these emerging markets for nearly all residential product. Given the low supply of naturally occurring affordable housing in Seminole Heights, there is high risk of displacement for rental units.

The North Florida/Nebraska and Fowler/USF subareas are weaker multifamily markets, which have seen limited recent investment, lower rents and vacancy, and higher supplies of existing affordable product; new, market-rate, TOD-supportive development is unlikely in these subareas.

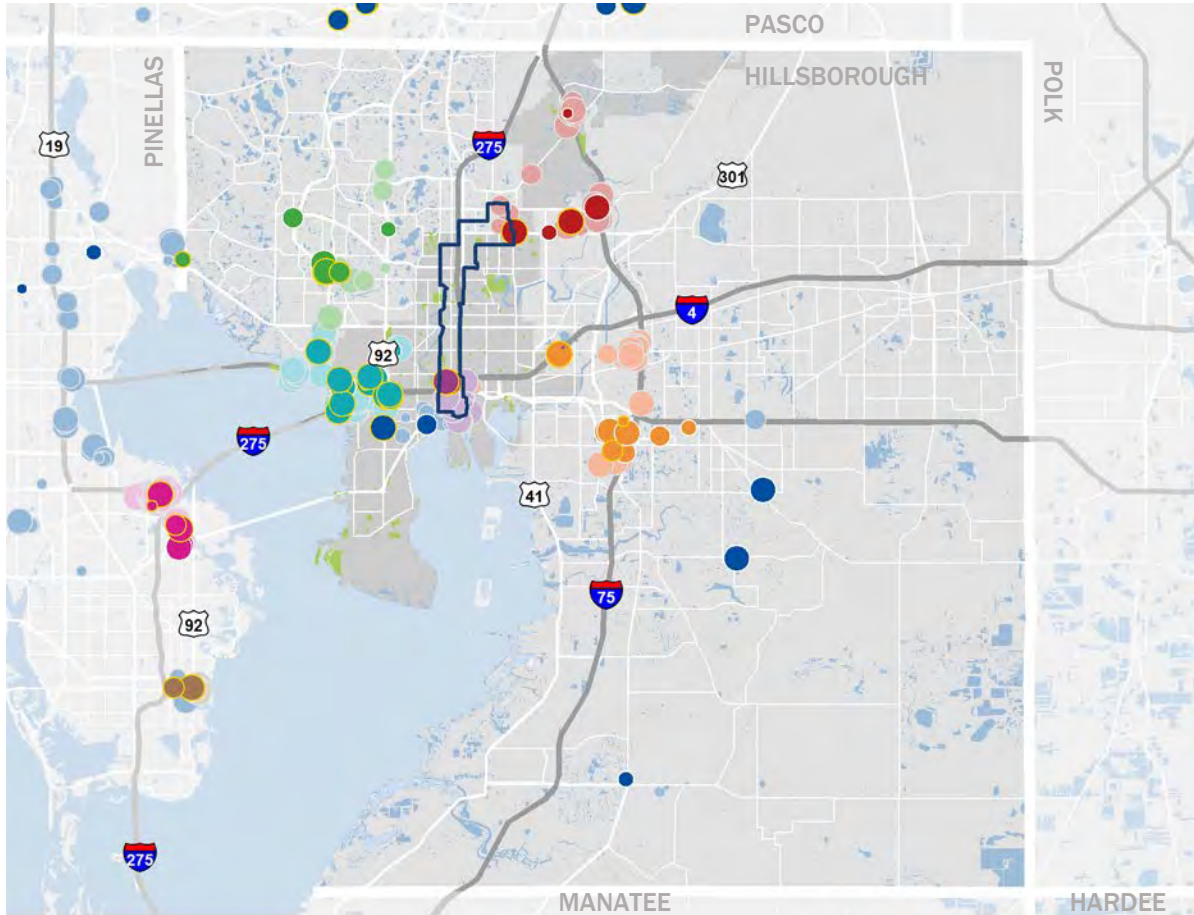
The presence and spatial distribution of LRAH and NOAH in the study area is critical to maintaining affordability. However, as contractual obligations expire and market conditions improve, tailored strategies for the various subareas will be required to ensure long-term affordability.

Subarea	Rents/Home Values	Vacancy	New Investment	Risk of Displacement	TOD-Readiness	Market Strength
Downtown	High Rents/ Home Values	High; Recent deliveries still being absorbed	High	High; Low supply of NOAH, higher prices	Existing TOD Cluster	Stronger
Tampa Heights	High; Significant new construction premium	Average	Limited; Market still being proven	High; Low supply of NOAH, increasing prices	Potential for TOD	Emerging
Seminole Heights	High; Significant new construction premium	Average	Limited; Market still being proven	Medium; Low supply of NOAH, LRAH units at-risk to expire, strong home ownership	Potential for TOD	Emerging
North Florida/ Nebraska	Average	Average	Low	Medium; High supply of NOAH, LRAH units at-risk to expire, prices stable	Limited Market Potential for TOD	Weaker
Fowler/USF	Low	Low	Low	Limited; High supply of NOAH, LRAH units at-risk to expire, lower prices	Limited Market Potential for TOD	Weaker

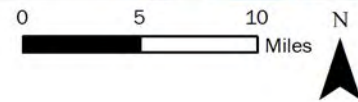
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Office Market Assessment





Tampa Region - Class A Office Inventory and Pipeline



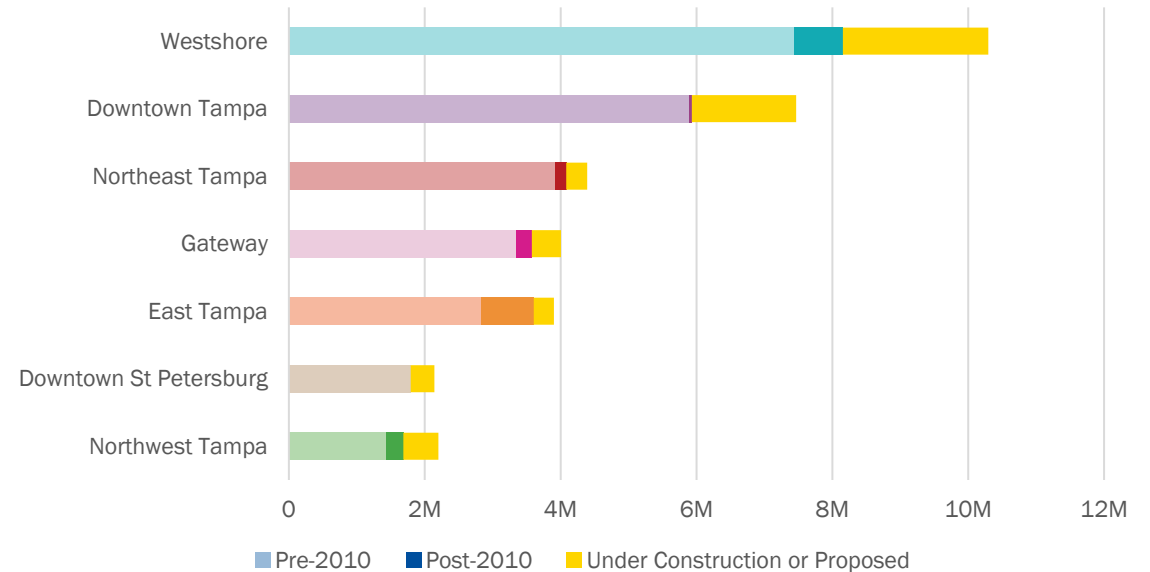
- Rentable Building Area (SF)**
- More than 400K
 - 200K to 400K
 - 100K to 200K
 - Less than 100K
- Construction Status**
- Built Before 2010
 - Built 2010 and After
 - Proposed or Under Construction

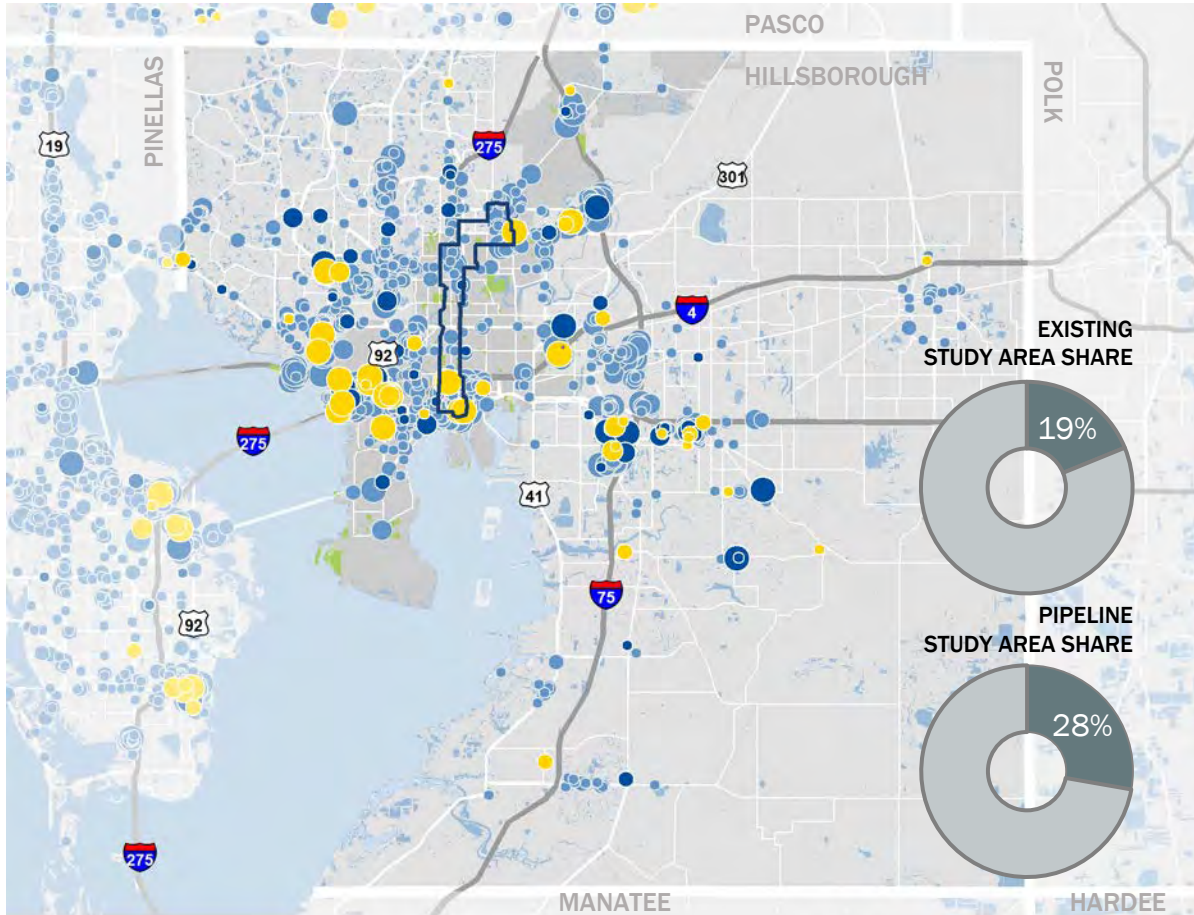
Office – Class A Inventory

Class A office space is clustered in seven major office submarkets

Despite limited construction in the last ten years, the region is experiencing renewed interest in office development. Square footage of proposed and under construction Class A projects exceeds the square footage built between 2010 and 2020 in almost every submarket. Regionally, urban submarkets are capturing the majority of proposed Class A office development.

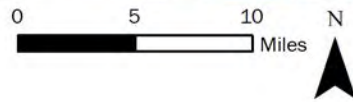
Tampa Region - Class A Office Inventory and Pipeline (SF)





Hillsborough County - Office Inventory

- Rentable Building Area (SF)**
- More than 400K
 - 200K to 400K
 - 100K to 200K
 - Less than 100K
- Construction Status**
- Built Before 2010
 - Built 2010 and After
 - Proposed or Under Construction

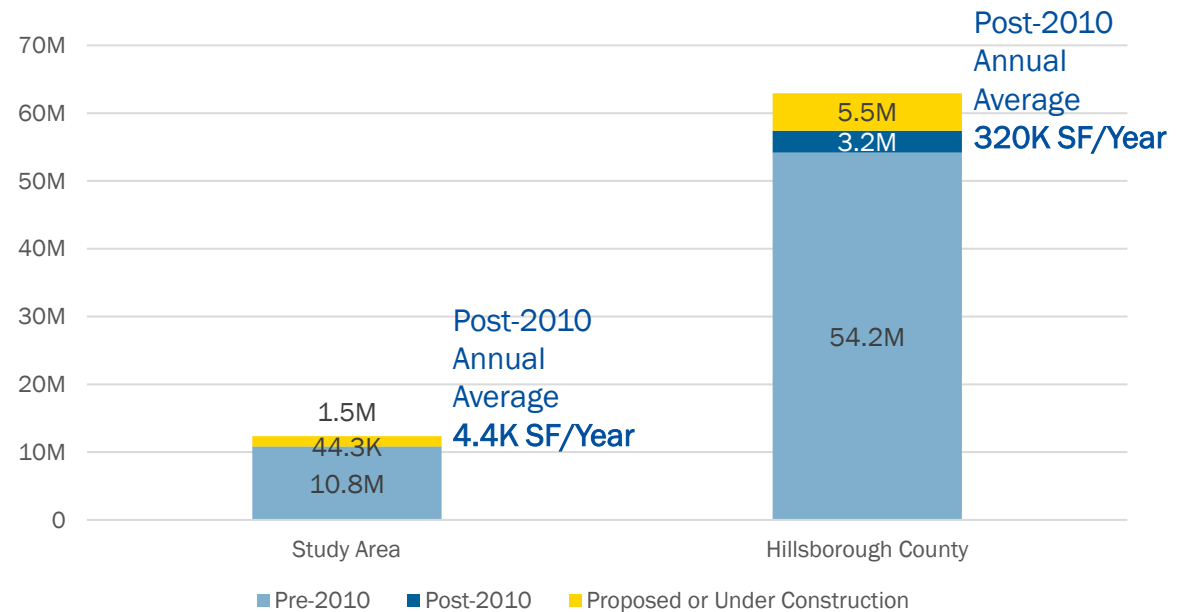


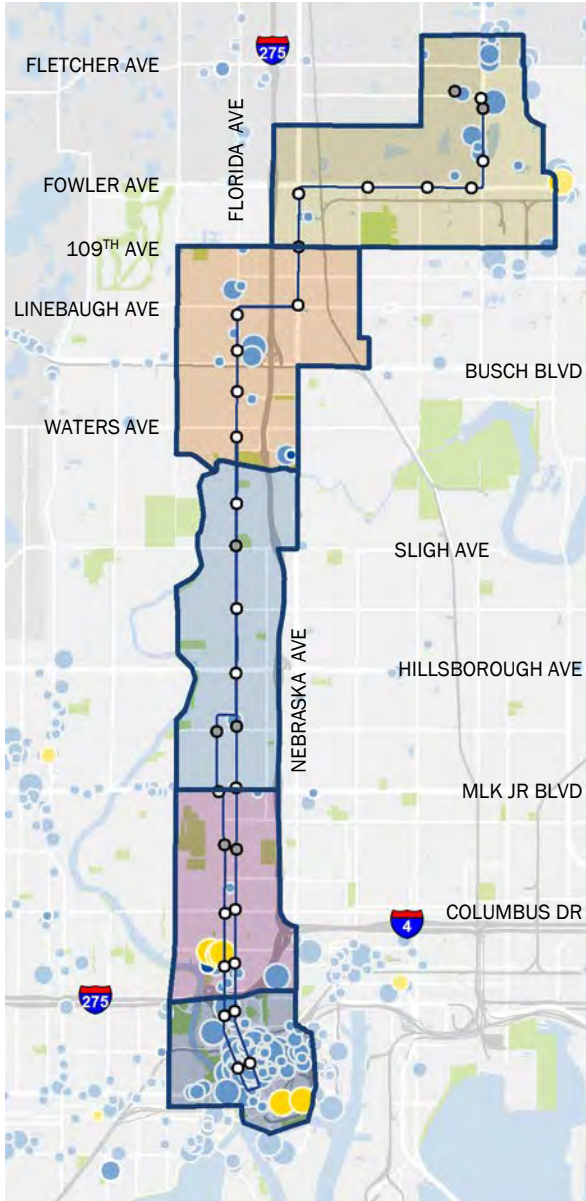
Office – County Inventory

Pipeline projects are increasing after a decade of limited construction

The study area is positioned at the heart of the Tampa regional office market. There has been limited office development between 2010 and 2020 within the study area, but over 1.5M SF is proposed or under construction. Currently the study area includes approximately 20% of the office space in the County. Thus, the 25% share of planned square footage within the study area is indicative of the increasing appeal of the study area for office development.

Office Inventory and Pipeline (SF)





Study Area - Existing and Pipeline Office Inventory



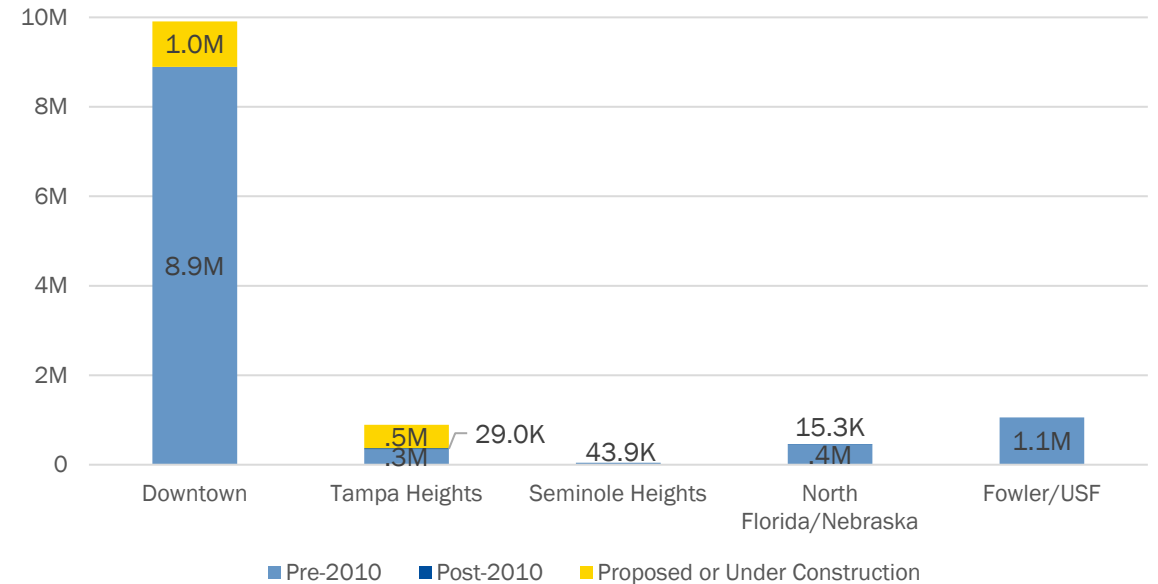
Source: CoStar, Esri, SB Friedman

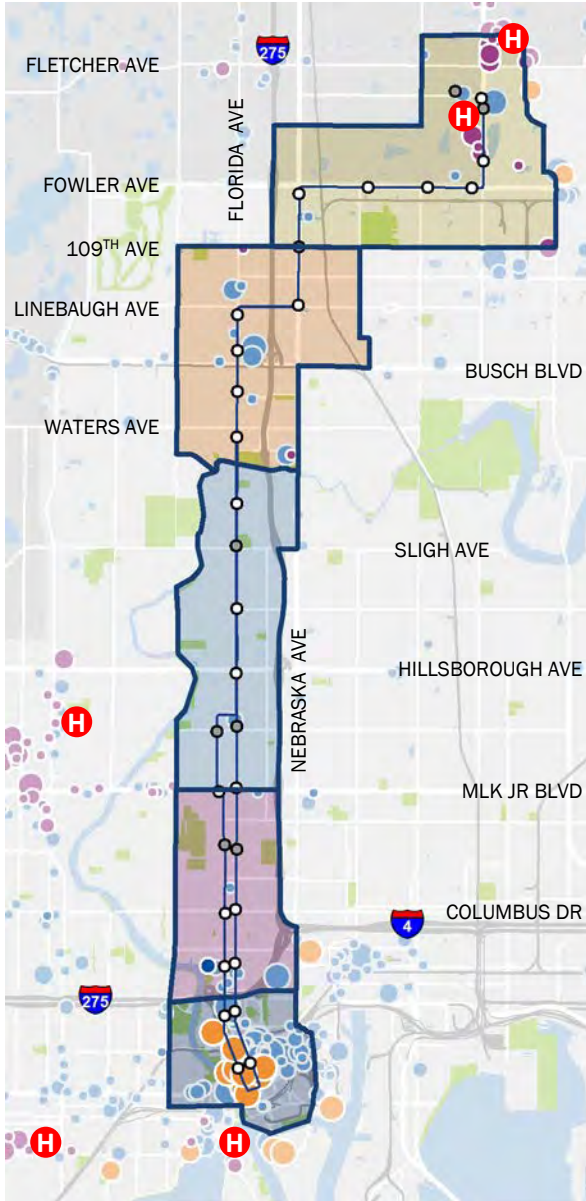
Office – Subarea Deliveries

The Downtown subarea comprises the largest office submarket

Most of the study area’s office space is located in the Downtown and Fowler/USF subareas, with few areas of concentrated office developments in between. Proposed office projects are centered in the Downtown subarea as part of the Water Street Development and as part of the Heights District redevelopment in the Tampa Heights subarea. The Fowler/USF subarea is also seeing interest in medical and professional office expansion through the emerging Innovation District being developed around the University Mall.

Office Inventory and Pipeline (SF) by Subarea





Study Area - Corporate and Medical Office Inventory

Rentable Building Area (SF)

- More than 400K
- 200K to 400K
- 100K to 200K
- Less than 100K
- Corporate
- Medical



Source: CoStar, Esri, SB Friedman

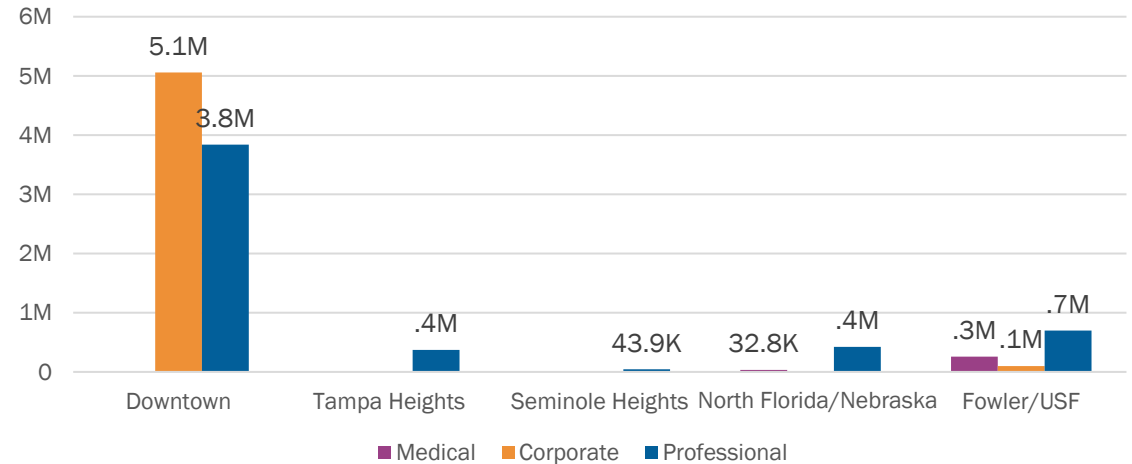
Office - Property Types

Medical and corporate office locations vary in the study area

Office uses vary throughout the study area. The Downtown subarea attracts higher-value corporate office while the Fowler/USF subarea attracts a significant share of medical office, driven by proximity to households and larger hospitals. The medical anchors include The James A Haley Veterans' Hospital, AdventHealth Tampa, Moffitt Cancer Center, Shriners Healthcare for Children, and the Morsani College of Medicine at USF.

While the media is quick to proclaim that the "office is dead" in light of evolving remote working policies due to COVID-19, the relevance of office space is likely to remain in the long term because personal interaction is still needed to ensure teamwork, cooperation and innovation. Once employees feel comfortable returning to the office, it is anticipated that there could be a shift back to traditional office environments. Shifting corporate employer preferences within the region indicate a shift from car-oriented, single-use business parks to walkable, vibrant and mixed-use places.

Medical, Corporate¹ and Professional Inventory by Subarea (SF)



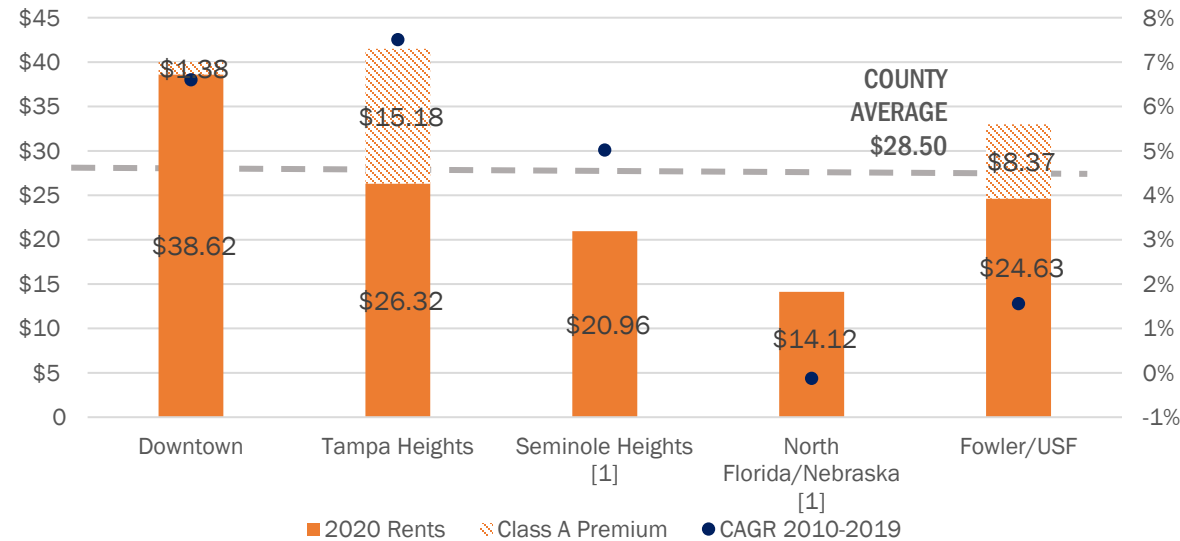
[1] Corporate office is defined as Class A office with RBA over 50K square feet

Office - Subarea Market Performance Indicators

Class A office commands a rent premium

The Downtown subarea commands the highest rents in the study area with the Tampa Heights and Fowler/USF subareas following. Since 2010, rents have increased significantly in the Tampa Heights and Downtown subareas while rents in the North Florida/Nebraska subarea have declined. Class A rents are as high as \$40/square foot in the Downtown and Tampa Heights subareas, and \$33/square foot in the Fowler/USF subarea. Class A price points are consistent with overall rents in the Downtown subarea, but much higher than average rents in the Tampa Heights and Fowler/USF subareas.

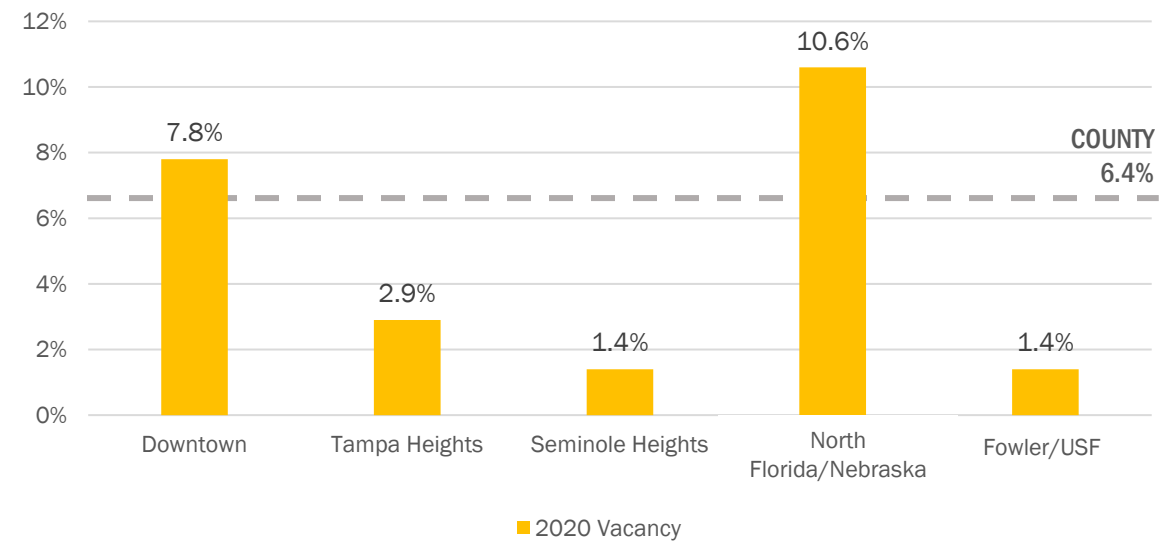
2020 Gross Rent per Square Foot by Subarea



Vacancy

Vacancy rates remain low across the study area with the exception of higher rates in the North Florida/Nebraska subarea. The Downtown subarea vacancy rates are slightly higher than the countywide average, but high rents and presence of several pipeline developments suggests the market is strong and inventory is being absorbed. Due to COVID-19, a delay in new leasing activity is anticipated to impact absorption and vacancy in the near term but is expected to rebound during recovery.

2020 Vacancy by Subarea



[1] 2019 data was used due to insufficient 2020 data
Source: CoStar, SB Friedman

Office – Prototypical TOD Development Profiles

High density office with mixed-use ground floors and medical office designed for pedestrian environments



Prototypical TOD developments are characterized by higher densities, lower parking ratios or structured parking, and design considerations that fit the building to pedestrian environments such as smaller sidewalk set-backs. Office buildings can also benefit from ground floor retail.

	HIGH-RISE	MID-RISE	MEDICAL
Project Shown	Water Street Tampa	Heights Union	Pediatric Health Choice (under construction)
Subarea Location	Downtown	Tampa Heights, Downtown	Outside of study area
Type	Corporate	Corporate or Mixed-use with ground floor retail	Medical
RBA	70,000 to 700,000	20,000 to 400,000	20,000 to 150,000
Land Area (Acres)	0.8 to 5	0.4 to 7	2 to 20
FAR	2.5 to 12.0	1.0 to 3.0	0.1 to 0.3
Stories	10+	3 to 10	1 to 4
Parking Ratio Spaces/1,000 SF	1 to 5	3 to 6	1 to 10
Parking Format TOD-supportiveness	Yes	Yes	Depends

Office – Key Considerations

The study area is positioned for additional office development in the future



EMPLOYMENT GROWTH

Growth in office employment sectors will drive future demand for office space within the County and study area. Hillsborough County is anticipated to continue to add jobs. Demand for new space will be impacted by corporate remote working policies and health concerns impacting the desire for more space per employee.




MIXED-USE ENVIRONMENT

Modern Class A office tenants often desire mixed-use, walkable centers and proximity to transit and transportation. Many pipeline projects in the County are in mixed-use master planned developments such as Water Street, Midtown, and Uptown.



MEDICAL AND PROFESSIONAL OFFICE

Medical and professional office cluster around existing hospitals and universities. The study area benefits greatly from having James A. Haley Veterans' Hospital, AdventHealth Tampa, University of South Florida, and University of Tampa.



COVID-19 IMPACTS

Delay in new leasing activity could impact absorption and vacancy in the near-term but is expected to rebound during recovery.

Office – Subarea Market Potential

The Downtown and Tampa Heights subareas lead in market strength for Class A, while the Fowler/USF subarea has opportunities for medical/innovation

The Downtown subarea is the strongest office market in the study area and one of the strongest markets in the region. The Downtown subarea provides a unique walkable, mixed-use office environment and is already producing TOD-supportive Class A office development.

The Tampa Heights and Fowler/USF subareas are emerging markets with specific advantages. The Heights District development has attracted recent Class A development and is leveraging its location on the periphery of downtown.

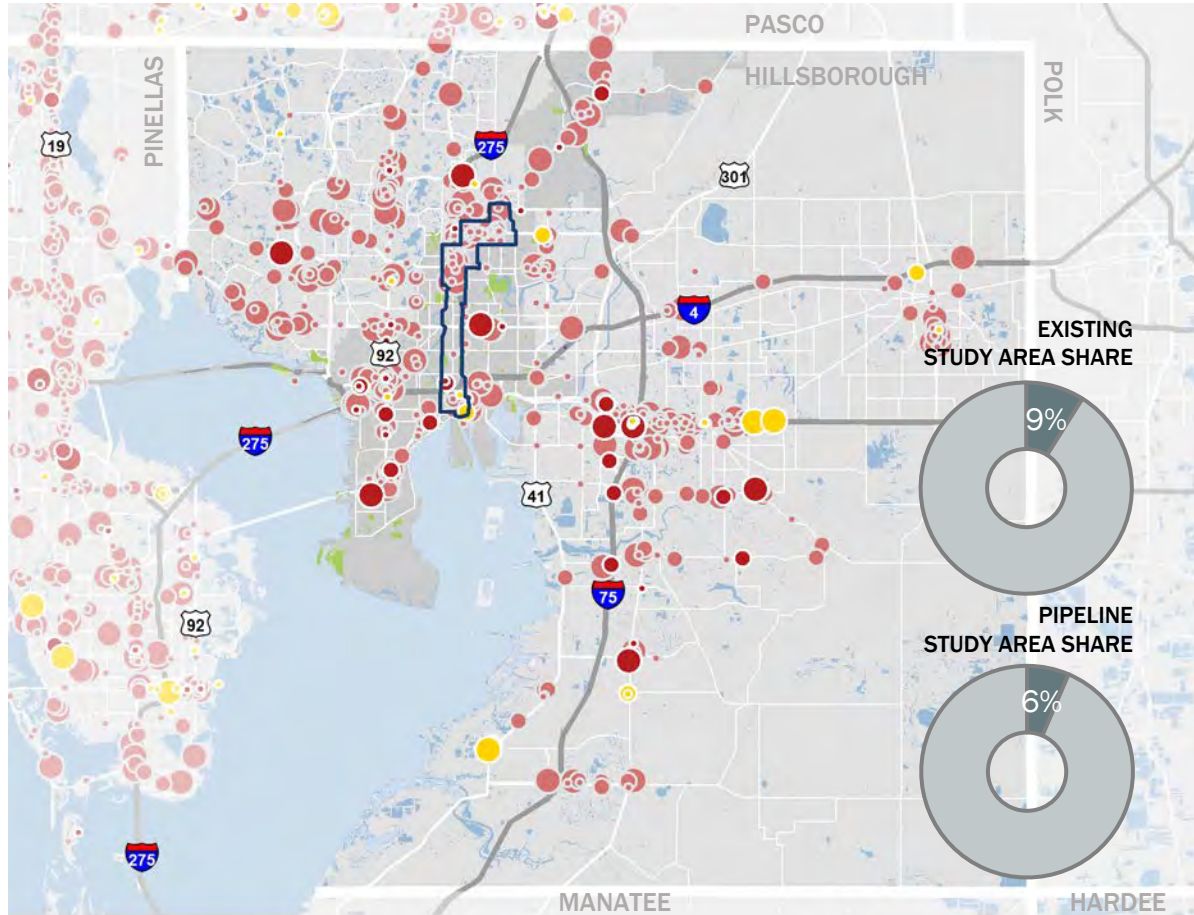
The Fowler/USF subarea has the opportunity to attract new medical and professional office development around nearby hospital and university anchors. Proximity to these institutions offers unique opportunities for synergistic development, as seen with the Uptown District proposal. However it appears that this development will likely need public support. Finally, the Seminole Heights and North Florida/Nebraska subareas are weaker and unlikely to attract new corporate or medical office development in the near term.

Subarea	Activity Center	Rents	Vacancy	New Investment	TOD-Readiness	Market Strength
Downtown	Corporate office	High	Average	Pipeline Development	Existing TOD subarea	Stronger
Tampa Heights		Average	Low	Pipeline Development	Some Potential for TOD	Emerging - Stronger
Seminole Heights		Low	Low	Limited	Limited Market Potential for TOD	Weaker
North Florida/Nebraska		Low	High	Limited	Limited Market Potential for TOD	Weaker
Fowler/USF	Medical office and innovation	Average	Low	Public Sector-Supported	Limited Market Potential for TOD	Emerging

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Retail Market Assessment





Hillsborough County, Retail Inventory



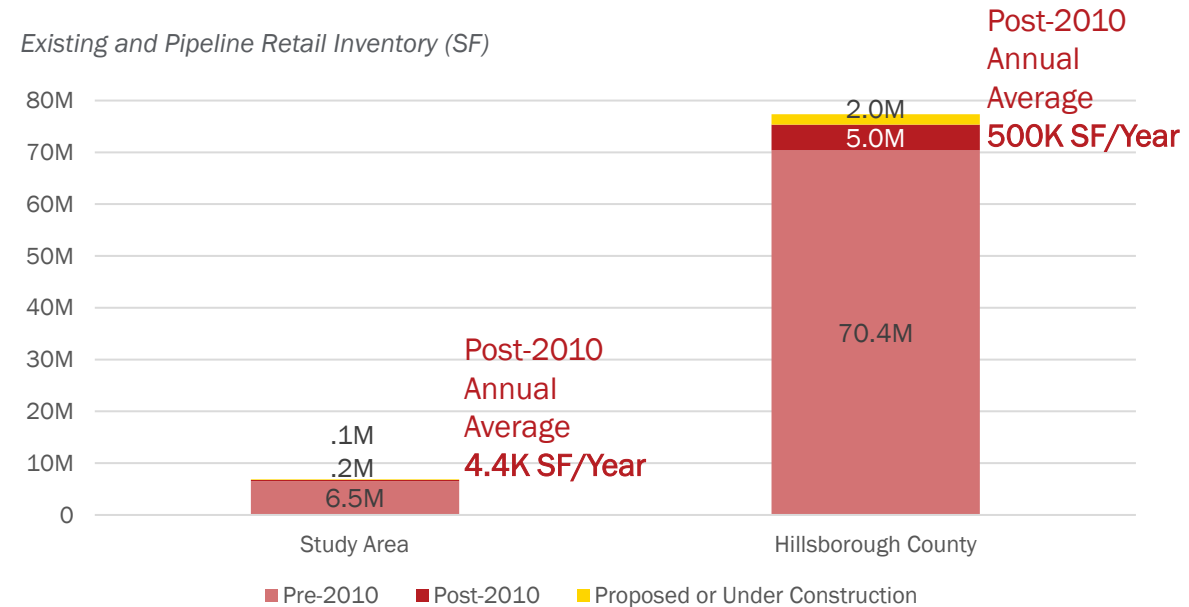
- Rentable Building Area (SF)
- More than 100K
 - 50K to 100K
 - 25K to 50K
- Built Before 2010
- Built 2010 and After
- Proposed or Under Construction

Retail, Existing & Pipeline

The study area includes 6.7M SF of retail space

Limited new retail space is proposed for the study area and the share of pipeline development locating in the study area is lower than the share of existing inventory. Recent retail development in the County has primarily located in Brandon and South Tampa where new residential development and developable land has led to proposals for or construction of several new big boxes.

Existing and Pipeline Retail Inventory (SF)



Retail - Typologies

Retail clusters can be categorized by size, scale, and number/type of anchors

REGIONAL RETAIL



REGIONAL OR SUPER-REGIONAL MALL

- Anchored by 2+ full-line department stores

~500,000-1,000,000+ SF



MASTER-PLANNED LIFESTYLE CENTER

- Upscale national-chain specialty stores
- Dining and entertainment focused

~250,000-500,000 SF



POWER CENTER

- 2+ category-dominant freestanding anchors of ~100,000+ SF
- General merchandise, home improvement

~250,000-750,00 SF

DOWNTOWN/ MAIN STREET

DOWNTOWN



- High-density employment center
- Diversity of uses
- Walkable pedestrian environment

SIZE VARIES

WALKABLE MAIN STREET



- Restaurants, food & beverage and small-scale services
- Walkable pedestrian environment

SIZE VARIES

NEIGHBORHOOD / STRIP RETAIL

COMMUNITY CENTER

- 1+ category-dominant freestanding anchors of ~100,000+ SF

OR

- 1+ grocer anchors of ~50,000+ SF and additional category dominant retailers

NEIGHBORHOOD CENTER



- 1+ grocer anchors of ~50,000 SF +
- Additional supporting retail

~75,000- 150,000 SF

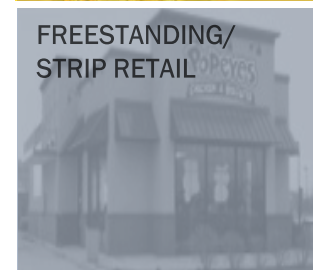
MIXED-USE GROUND FLOOR RETAIL



- Restaurants, food & beverage and small-scale services
- Upper floor office or residential

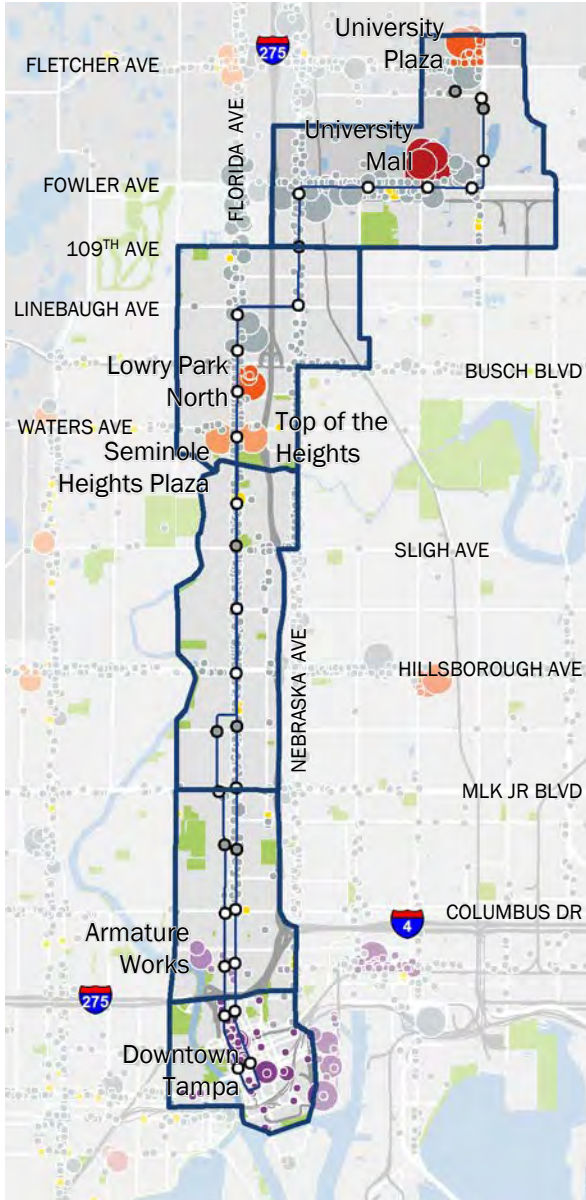
~3,000- 50,000 SF

FREESTANDING/ STRIP RETAIL



- Small convenience center with goods and services
- Limited trade area

~5,000- 150,000 SF



Study Area - Retail Typologies

- Regional Mall
- Downtown
- Main Street
- Community Center
- Neighborhood Center
- Mixed-Use

Rentable Building Area (SF)

- More than 100K
- 50K to 100K
- 25K to 50K
- Less than 25K



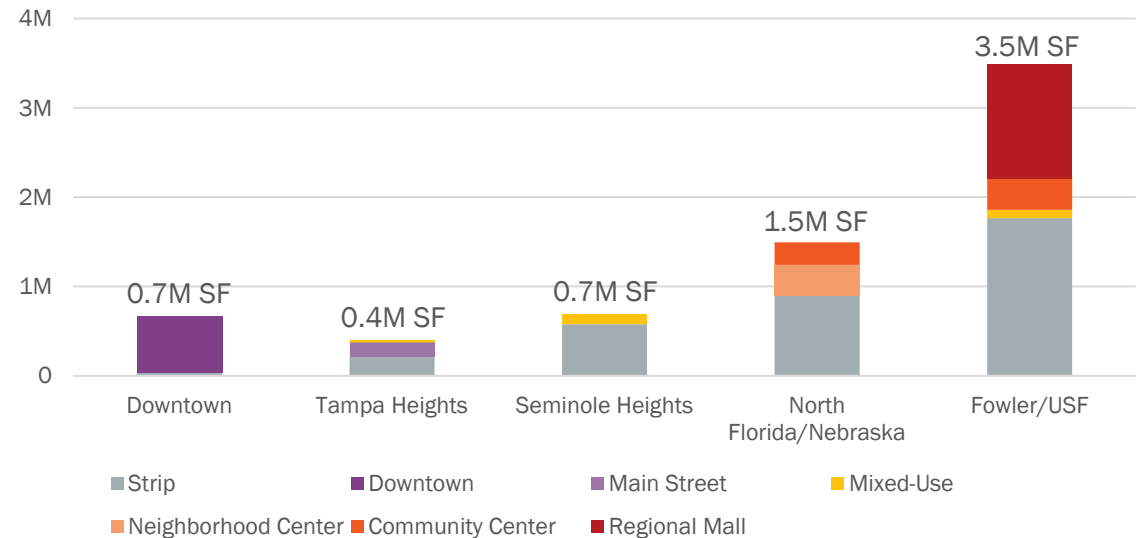
Source: CoStar, Esri, SB Friedman

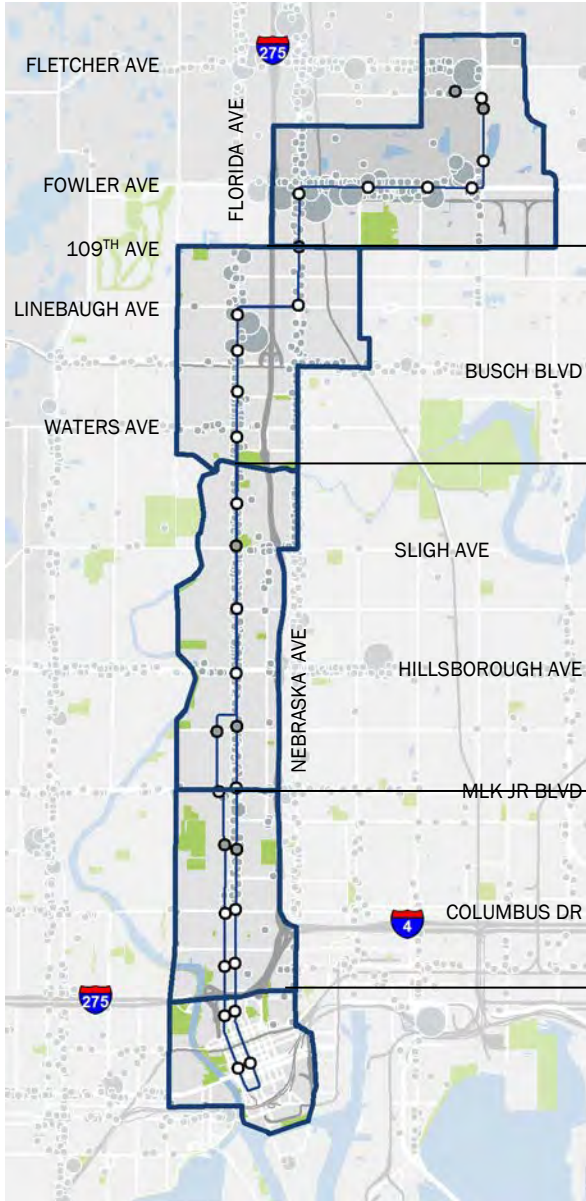
Retail - Subarea Typologies

Strip/Freestanding retail is the dominant typology of the study area

The study area includes a mix of retail typologies—anchored by downtown retail on the southern end of the study area and the University Mall on the north, with strip/freestanding retail in between. Pipeline development is concentrated in the Downtown subarea with 110,000 square feet proposed including 63,000 square feet around Water Street, while the Fowler/USF and Seminole Heights subareas each have one smaller project proposed under 15,000 SF.

Retail Inventory by Typology and Subarea (SF)





- Fast-food
- Restaurants
- Unanchored strip centers

- Fast-food
- Unanchored strip center

- Auto-repair/scrap yard
- Clusters of restaurants and breweries
- Smaller-scale retailers

- Auto-repair/scrap yard
- Fast-food and convenience stores

- Limited freestanding retail



Source: CoStar, Esri, SB Friedman

Retail – Freestanding/Strip

Roughly 57% of the study area’s retail square footage is strip/freestanding

Freestanding/Strip Typologies

UNANCHORED STRIP CENTER



FULL-SERVICE RESTAURANT



AUTO REPAIR/SCRAP YARD



FAST-FOOD



BREWERY



SMALLER-SCALE RETAIL

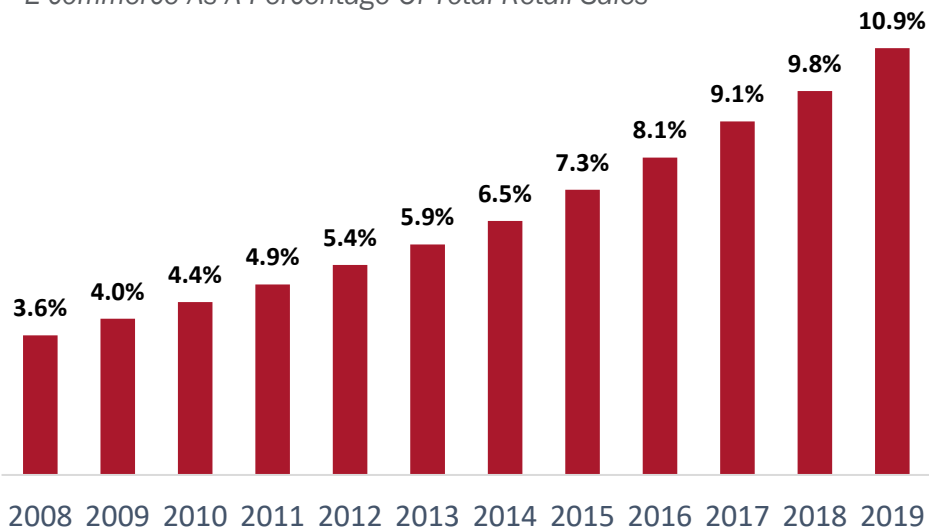


Retail - National Trends

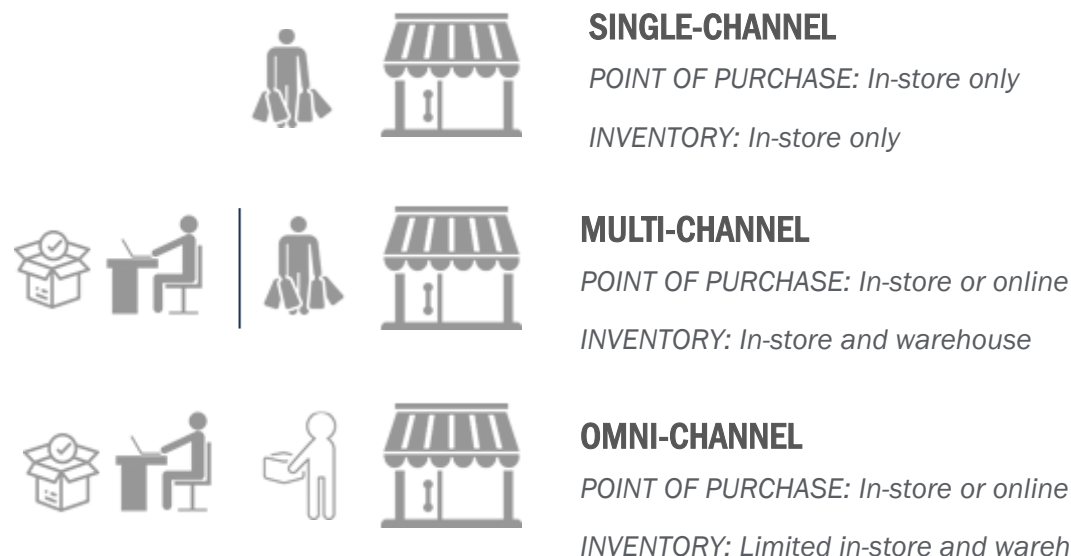
Growth in e-commerce and omni-channel retail has reduced demand for brick-and-mortar retail space

The rise of e-commerce has reduced in-store sales and challenged brick-and-mortar retail space, resulting in smaller footprints. Many businesses have adapted to changing consumer behavior by incorporating multi- and omni-channel sales strategies that bridge e-commerce and physical stores. Retailers stock a smaller inventory in-store because many buyers will only browse before ordering online to pick up in-store or ship to their home. Many retailers can use smaller footprints that lower their overhead and focus resources towards providing more novel retail experiences that bring shoppers in the door and acquaint them with products even if the final purchase is completed online and shipped to their home.

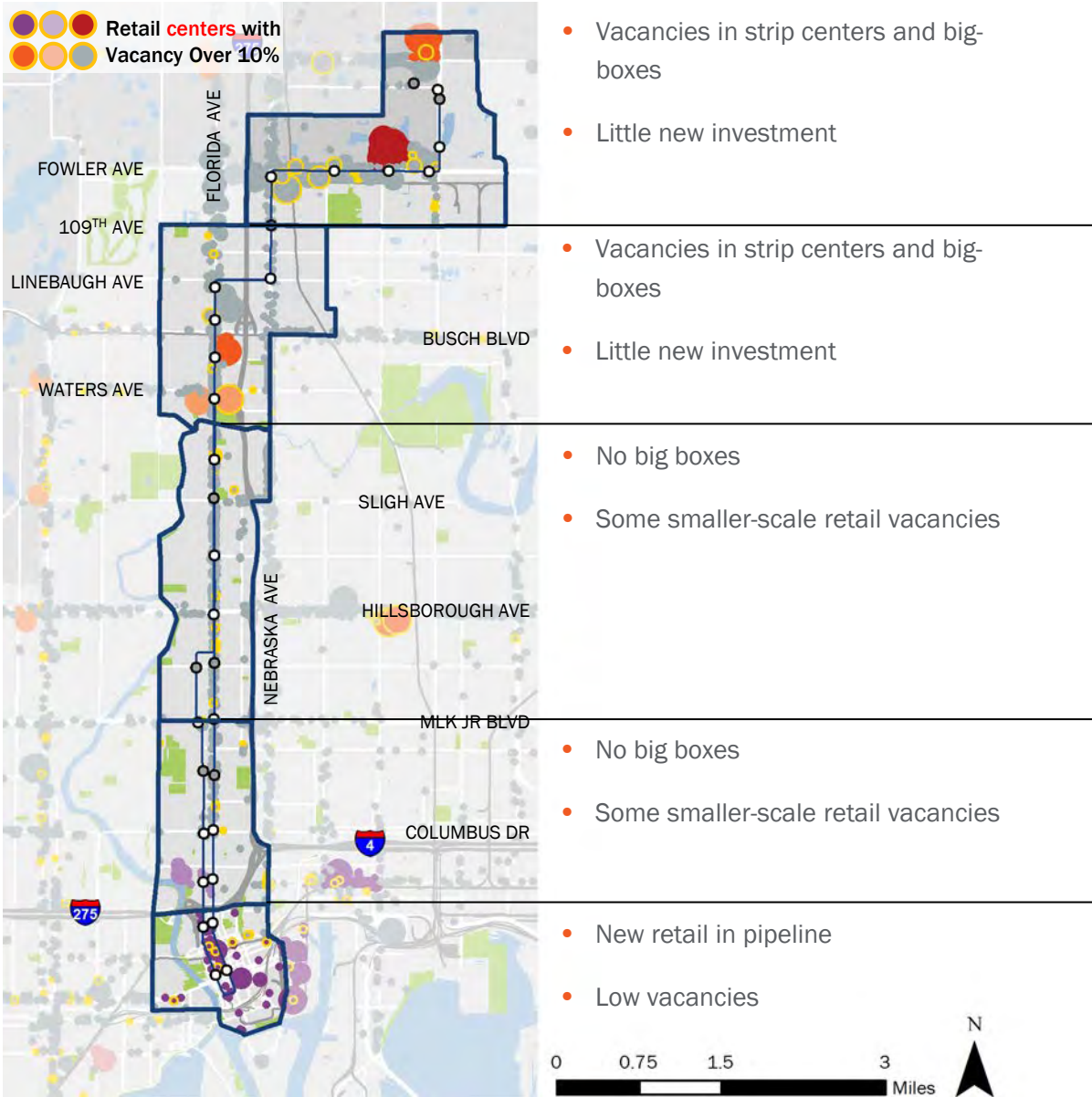
E-commerce As A Percentage Of Total Retail Sales



Retail Channels



Source: CNBC; US BLS; Estimated Quarterly U.S. Retail Sales (Not Adjusted): Total and E-commerce



Source: CoStar, Esri, SB Friedman

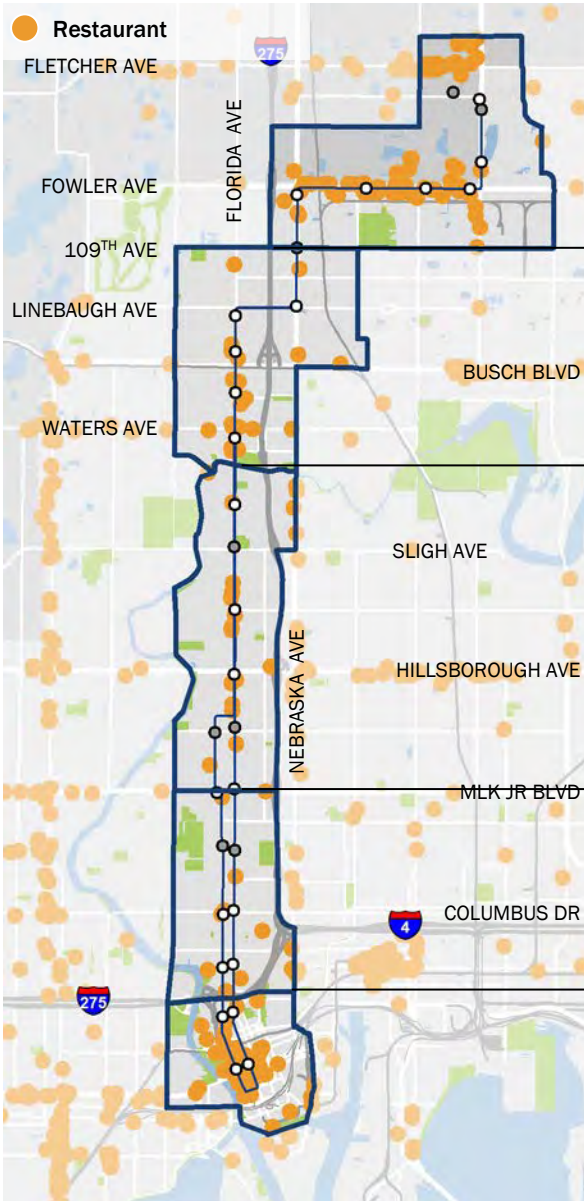
Downsizing Brick-and-Mortar

Big boxes going dark parallels national trend

In response to e-commerce growth, as well as health concerns related to COVID-19, retailers are rethinking store layouts and footprints. This is resulting in the closures of many big-box "category dominating", department stores and traditional retailers. This trend is evident throughout Hillsborough County and the region as many big-box stores have shuttered as consumer preferences shift. While overall vacancy is low throughout the study area, "big-box" vacancies are most prevalent in the Fowler/USF and North Florida/Nebraska subareas where several larger properties are showing above-average vacancy. As e-commerce is anticipated to grow and be accelerated by COVID-19, it could be challenging to attract retailers to fill larger vacant spaces. Thus, it will be necessary to consider alternative uses or redevelopment to reposition struggling retail centers.

Sample Recent Store Closings in Hillsborough County





LIMITED EXPERIENTIAL RETAIL

Large number of auto-oriented fast-food restaurants concentrated along Fowler and Fletcher Avenues

LIMITED EXPERIENTIAL RETAIL

Primarily, auto-oriented fast-food concentrated along N Florida Ave

EMERGING EXPERIENTIAL RETAIL

Two clusters of locally-owned restaurants along Florida Ave—between Minnehaha St and Henry Ave; between Hillsborough Blvd and MLK

EMERGING EXPERIENTIAL RETAIL

Clusters of locally-owned restaurants along Franklin just North of Downtown and at Armature Works in the Heights District

STRONG EXPERIENTIAL RETAIL

Attractive experiential environment and more is in the pipeline

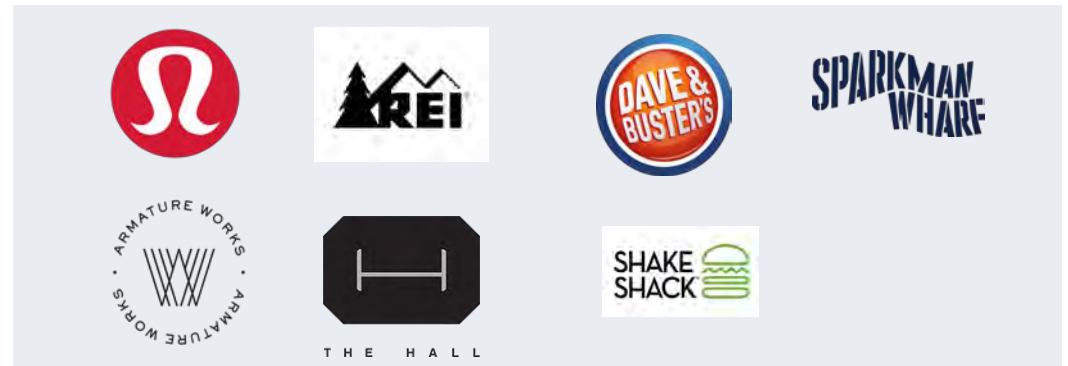
Source: Esri, InfoUSA, SB Friedman

Experiential Retail

Experiential retail is expanding nationally and locally

Experience-oriented retail, which is currently facing significant challenges related to COVID-19, is expected to recover post-pandemic. Experience-focused retail consists of higher-end lifestyle centers offering a mix of dining, entertainment and retail uses, often with a significant restaurant presence. Such retail may be found in new construction shopping centers or walkable downtown districts. This type of retail center reacts to consumer desires for unique experiences and entertainment. The Downtown subarea is a hub of business, culture, and tourism. New investment along Water Street will strengthen Downtown’s position as one of the region’s premier experiential retail districts. Newer restaurants and breweries in the Tampa Heights and Seminole Heights subareas are emerging experiential retail areas. Many retailers in the other subareas are national auto-oriented tenants that do not offer a unique experience and tend to be more convenience-focused.

Sample Experiential, Food & Beverage Retailers Expanding in Hillsborough County





STRONG CONVENIENCE-ORIENTED

- Power centers and community centers
- National and local grocery stores and pharmacies

STRONG CONVENIENCE-ORIENTED

- Community centers and neighborhood centers
- National and local grocery stores and pharmacies

WEAK CONVENIENCE-ORIENTED

- No large retail centers
- One national grocery store and no pharmacies

WEAK CONVENIENCE-ORIENTED

- No large retail centers
- No national grocery stores or pharmacies

EMERGING CONVENIENCE-ORIENTED

- Downtown retail with recent and pipeline development



Source: Esri, InfoUSA, SB Friedman

Essential/Convenience-oriented

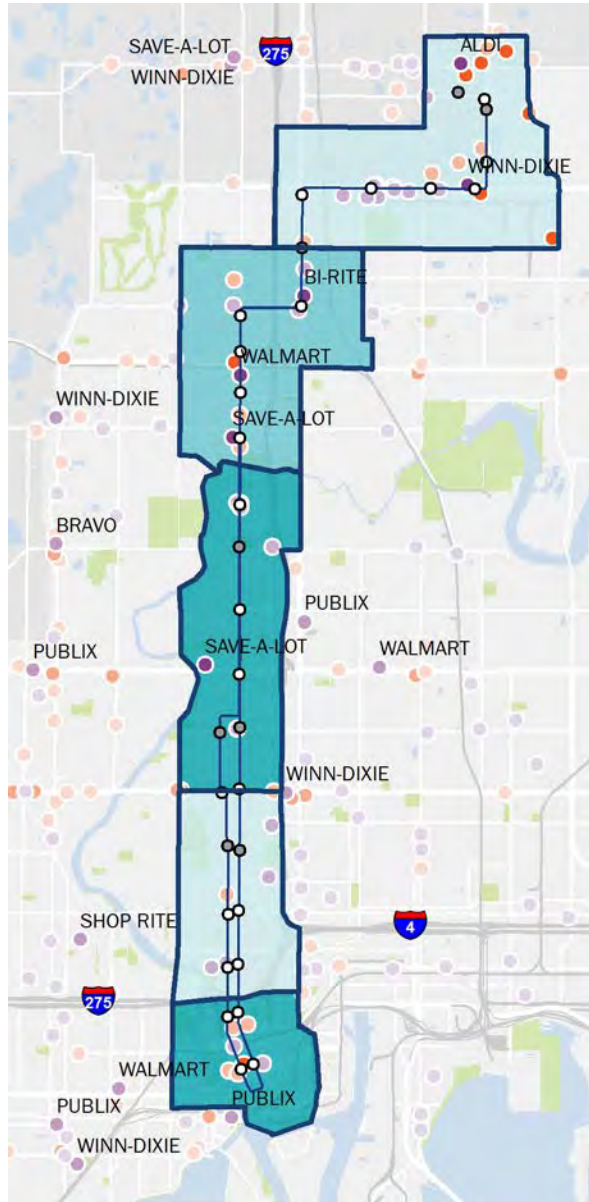
Larger retail centers provide more essential/convenience options

Convenience-oriented retail is located in power, community and neighborhood retail centers which provide convenient access to a range of goods and services, without as much concern for the ambience and experience. Typical tenants include: grocery, "med-tail" (dental, urgent care, weight loss, physical therapy), fast casual restaurants, fitness, personal services (nail/hair salons), and telecommunications.

Much of the North Florida/Nebraska and Fowler/USF subareas were developed for these retail centers with auto-oriented layouts and larger lot sizes that accommodate large building footprints and surface parking. These centers rely on greater visibility and accessibility, high traffic counts, ample parking and merchandise in line with consumer preferences.

Sample Convenience-oriented Retailers in Hillsborough County





Study Area – Grocery and Pharmacy Locations

- National Supermarket Retailer
 - Local/Specialty Grocery Retailer
 - National Pharmacy
 - Local Pharmacy
- Median Household Income**
- Less than 30% AMI
 - 30% AMI to 60% AMI
 - 60% AMI and Greater



Source: Esri, InfoUSA, SB Friedman

Retail Access and Equity

A significant number of residents are low-income and travel farther for food

A significant portion of households in the study area could benefit from better access to grocery stores. Access to supermarkets is better in the Fowler/USF and North Florida/Nebraska subareas. There are no full-service supermarkets within the Downtown or Tampa Heights subareas, and only one (Save-A-Lot) within the Seminole Heights subarea. Poor access to grocery stores in Tampa Heights is compounded by the low median income of the area. Lower income residents must travel farther to access full-service grocery stores than residents in higher-income areas.

Retail – TOD Typologies for New Construction

TOD-supportive retail formats can serve all scales of retail from neighborhood to regional-serving



	MASTER PLANNED	MIXED-USE	NEIGHBORHOOD STRIP
Project Shown	Midtown Tampa	Nine15	N 4 th St, St. Petersburg
Subarea Location	Westshore (outside study area)	Downtown	St. Petersburg (outside study area)
Retail Typology	Power center, mixed-use	Downtown, mixed use	Walkable main street
Typical Tenants	Restaurant, retail, entertainment	Restaurant, retail,	Restaurant, retail
Space footprint (Square feet)	1,000 to 50,000	1,000 to 20,000	1,000 to 20,000
Land Area (Acres)	22	1.3	0.8
FAR	0.4 to 5	1.0 to 9.0	0.2
Parking	Structured and surface	Structured or surface parking	Street and surface parking


Retail – Key Considerations

The study area is positioned for additional retail development in the future



LOCAL GROWTH

Local population, employment and tourism growth will continue to drive demand for retail development in the County.




CONSUMER SPENDING & E-COMMERCE

Continued growth in e-commerce and omni-channel retailing impacts demand for brick-and-mortar retail space. Current trends favor convenience-oriented services and experiential retail destinations embracing restaurants, entertainment and experiential store design.



MIXED-USE ENVIRONMENT

The study area has an abundance of traditional, auto-oriented retail, which may not meet the space or typology needs of new retail tenants. Over time, this retail will likely need to be redeveloped to accommodate dense, walkable environments. This new retail will take the form of master-planned mixed-use developments on a large scale and ground-floor mixed-use retail on a smaller, neighborhood scale.



COVID-19 IMPACTS

Declining brick-and-mortar retail demand and acceleration of e-commerce could lead to significant rise in vacancies. Large shopping center and mall owners may accelerate exit strategies. Post-recovery, restaurants, bars, and entertainment retail is expected to see a resurgence.

Retail – Subarea Market Potential

The Downtown subarea has the strongest retail market but the Tampa Heights and Seminole Heights subareas are emerging retail clusters

The Downtown subarea has the strongest market potential for TOD-supportive retail. Downtown leads in producing TOD retail development as its office developments produce ground-floor retail. Also, the entertainment and restaurant focus of retail in the downtown is anticipated to recover post-pandemic.

The Tampa Heights and Seminole Heights subareas are emerging retail areas. The Tampa Heights subarea has momentum building in walkable environments around Armature Works in the Heights District and Franklin Street while the Seminole Heights subarea is experiencing investment in its neighborhood retail strips along Florida Avenue with new breweries and restaurants that provide unique entertainment opportunities.

The North Florida/Nebraska and Fowler/USF subareas are considered weaker markets for providing TOD-supportive retail. While these shopping centers provide convenience shopping opportunities, these areas are challenged by relatively low level of investment and auto-centric building formats which are not as conducive to walkable environments.

Some restaurant and retail closings are anticipated as the pandemic continues. Near term success could be influenced by small business support. However, the locations that were previously strong retail hubs are anticipated to recover in the long term.

Subarea	Vacancy	New Investment	TOD-Readiness	Market Strength
Downtown	High (market is absorbing influx of new space)	Pipeline Development	Existing TOD cluster	Stronger
Tampa Heights	Normal	Recent Development	Potential for TOD	Emerging-Stronger
Seminole Heights	Low	Limited	Potential for TOD	Emerging
North Florida/Nebraska	Normal	Limited	Limited Market Potential for TOD	Weaker
Fowler/USF	Low	Limited	Limited Market Potential for TOD	Weaker

DRAFT

Market Potential by Subarea



Subarea Market Potential

The Downtown subarea has the greatest TOD potential while the Fowler/USF and North Florida/Nebraska subareas have less potential

Downtown is the strongest subarea with TOD projects in the pipeline for all land uses. This is a very active market and the prices, performance and development momentum all contribute to its strength.

The Tampa Heights subarea is experiencing new office, retail and residential development around Armature Works and Franklin Street. This area is poised for continued investment in the future.

While the office market potential is limited, the Seminole Heights subarea has potential for neighborhood-scale TOD, especially for residential and retail uses.

The North Florida/Nebraska subarea is characterized as a weaker market due to the relatively low levels of investment, low rents, and auto-centric formats that would dissuade TOD investment. If the market shifts in the northern subareas, there may be potential for redevelopment of larger retail sites with higher vacancies.

The Fowler/USF subarea has some potential for transit-supportive, mixed-use office projects with the redevelopment of the University Mall but would likely require public financial support as demonstrated by the Uptown District proposal.

Subarea	Residential	Office	Retail	TOD-Readiness	Overall Market Strength
Downtown	Stronger	Stronger	Stronger	Existing TOD Cluster	Stronger
Tampa Heights	Emerging	Emerging - Stronger	Emerging-Stronger	Potential for TOD	Emerging
Seminole Heights	Emerging	Weaker	Emerging	Potential for TOD	Emerging
North Florida/Nebraska	Weaker	Weaker	Weaker	Limited Market Potential for TOD	Weaker
Fowler/USF	Weaker	Emerging	Weaker	Limited Market Potential for TOD	Weaker