

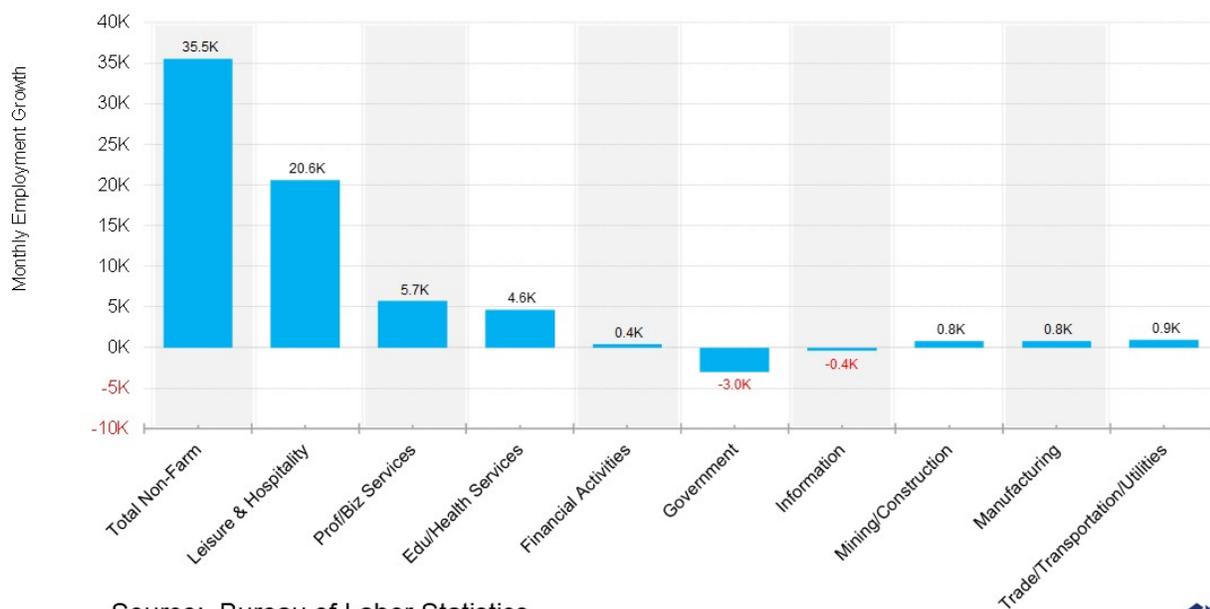


COSTAR INSIGHT

Tampa's Employment Market Bounces Back in May, Regains Nearly 25% of April Losses

After Losing Roughly 157,000 Jobs in April, Tampa Sees Net Gain of Approximately 36,000 in May

Tampa Job Growth By Employment Sector, Apr-May



Source: Bureau of Labor Statistics



By Brian Alford
CoStar Analytics



June 29, 2020 | 01:49 P.M.

In April, the Tampa region suffered horrific job losses of approximately 157,000, revised upward in the May report from an original estimate of 150,000, according to the Bureau of Labor Statistics (BLS). Most of these losses were concentrated in the high-risk job sectors of leisure and hospitality, health services and retail trade.

However, the economic recovery appears to have begun quicker than expected, as the May Bureau of Labor Statistics report estimated Tampa reversed approximately 36,000 of the

prior month's losses. Roughly two-thirds of the employment gains were in the volatile leisure and hospitality sector, which after leading the metropolitan area in job losses in April, posted the strongest May rebound.

Tampa's surprising May report echoed the national-level data, which stunned many economists and commercial real estate experts with a positive gain of 2.5 million jobs. The consensus expectation was for national May job losses to slow drastically from the April numbers, but still post millions of additional lost jobs.

The Tampa region has held up better than most U.S. markets during the pandemic and has posted among the lowest relative employment losses since mid-March. Despite an outsized reliance on tourism as a major booster for the local economy, Tampa has diversified its economy over the past two decades. This appears to have provided a cushion against severe job losses seen in tourism or manufacturing-dependent markets.

The virus outbreak in Tampa from March–May was relatively mild compared to many U.S. markets, which appears to have also played a major factor. This will be something to keep an eye on in coming weeks and months, as the Tampa region, and Florida as a whole, have seen spiking cases and rising percent-positive tests throughout June.

The commercial real estate markets have held up relatively well since the pandemic began in March. The [office sector](#) has had minimal impact to fundamentals and rent growth and the key office demand employment drivers, professional and business services and financial activities, regained over one-third of the April job losses in May.

The [industrial sector](#) saw minimal job losses, and actually saw increased activity during the first three months of the pandemic. Industrial leasing volume in April until June outperformed the prior three-month period and easily bested the three-month average during the same timeframe of each of the past three years.

Multifamily has been a mixed bag, though it has largely held up well. There was some initial asking rent loss in the [multifamily sector](#), though that quickly stabilized and is back on an upward trajectory. Some uncertainty remains on how it will hold up if the moratorium on evictions and CARES Act expire in July.

Retail is the sector perhaps most exposed. While the retail sector fundamentals and rent growth are still relatively healthy, reports abound of landlords struggling to collect rent payments. The increased cases are also proving challenging to many retail tenants and the State of Florida has reversed some reopening plans, including ordering all bars to immediately cease serving alcohol. We will continue to monitor retail data closely for signs of a weakening market.



IN YOUR MARKET

Skar Audio Signs Industrial Lease in St. Petersburg

Industrious Signs Lease at One Progress Plaza

Carollo Engineers Signs Office Lease at Bank of America Plaza

Chestnut Street Partners Acquires Clearwater Apartments

MDS Medical Leases Tampa Office Building

Local Investor Buys Apartment Portfolio in Lakeland

UBS Sells Tampa Office That Is Net Leased to Disney

Tampa Office Market Holding Up Well During Initial Months of Pandemic

Beachworld Residential Secures \$32.3 Million Refinance on Lake House Apartments
