

# Housing Market Profile

Southeast/Caribbean • HUD Region IV



## Tampa-St. Petersburg-Clearwater, Florida

The Tampa-St. Petersburg-Clearwater metropolitan area, on the Gulf Coast in central Florida, comprises Hernando, Hillsborough, Pasco, and Pinellas Counties. The metropolitan area is home to MacDill Air Force Base (AFB), which has an annual economic impact on the region of \$2.8 billion, according to the 6th Comptroller Squadron. As of January 1, 2013, the population of the metropolitan area was estimated at 2.84 million, a 0.7-percent average annual increase since April 1, 2010, making the metropolitan area the second most populous in Florida after the Miami-Fort Lauderdale-Pompano Beach metropolitan area. The population increased at an average annual rate of nearly 13,550, or 0.5 percent, from July 2007 to July 2010 compared with a rate of nearly 51,350, or 2.0 percent, annually from July 2002 to July 2007. The largest employers in the area include Publix Super Markets, Inc., MacDill AFB, and BayCare Health System, with 22,500, 18,300, and 17,000 employees, respectively.

The economy in the metropolitan area continued to recover during the past 24 months, but it has still not reached the peak of 1.24 million jobs recorded in 2007. During the 12 months ending November 2012, nonfarm payrolls increased by 19,200 jobs, or 1.7 percent, to total 1.15 million compared with an increase of 19,500 jobs, or 1.8 percent, during the 12 months ending November 2011. From 2008 through 2010, nonfarm payrolls declined by an average of 40,800 jobs, or 3.4 percent, annually.

The professional and business services, leisure and hospitality, and education and health services sectors led job growth during the 12 months ending November 2012, adding 9,500, 7,200, and 5,600 jobs, increases of 5.1, 5.9, and 3.1 percent, respectively. The expansion of BayCare Health System contributed to the increased employment with the \$224 million St. Joseph's Hospital-North, which opened in 2010 and added 600 jobs. In October 2012, BayCare Health System began construction on St. Joseph's Hospital-South in Ruskin. The construction subsector experienced the largest job loss during the past 12 months, declining by 4,900 jobs, a 9.5-percent decrease from the previous 12-month period. Although single-family and multifamily construction increased during the past year, the increase did not translate into additional employment because builders are slow to rehire workers. The other

services and the transportation and utilities sectors recorded losses of 800 and 200 jobs, or 1.8 and 0.9 percent, respectively. The average unemployment rate decreased to 9 percent during the 12 months ending November 2012, down from 11 percent during the previous 12-month period.

Sales housing market conditions in the metropolitan area are currently soft. As of January 1, 2013, the estimated sales vacancy rate was 3.2 percent compared with the 3.5-percent rate recorded by the 2010 Census. According to the Greater Tampa Association of REALTORS®, during the 12 months ending November 2012, 23,200 existing homes sold, an increase of 580 homes, or 3 percent, compared with an increase of 2,650 homes, or 13 percent, during the 12 months ending November 2011. During the 12 months ending November 2012, the average sales price increased 11 percent, to approximately \$166,600 because of a decrease in distressed home sales. Based on data from Hanley Wood, LLC, REO (Real Estate Owned) home sales declined to 7,425 during the 12 months ending October 2012, a 30-percent decrease from the previous 12 months. According to LPS Applied Analytics, as of November 2012, 16.5 percent of mortgage loans in the metropolitan area were 90 or more days delinquent, were in foreclosure, or transitioned into REO, down slightly compared with the 16.9-percent rate recorded during November 2011. The area rates remain higher than the 16.2- and 7.2-percent rates reported for the state and nation, respectively, in November 2012. According to Hanley Wood, LLC, during the 12 months ending October 2012, new home sales increased 11 percent, to 3,225 homes sold, compared with the 2,900 homes sold during the previous 12-month period. The average sales price increased 11 percent, from \$221,200 to \$241,100, during the same period.

New single-family home construction activity, as measured by the number of homes permitted, increased during the past 12 months because of job gains and improving housing market conditions. According to preliminary data, during the 12 months ending November 2012, 5,775 homes were permitted, an increase of 1,175 homes, or 28 percent, from the same period a year earlier. The number of single-family homes permitted peaked in 2005 at 27,650 and declined every year until reaching a more-than-30-year low of 3,925 homes permitted in 2009. An average of 11,250 homes was permitted annually from 2005 through 2010. Waterset, one of the largest master-planned communities developed in the nation since 2007, opened in October 2012. When complete, the development will include 6,700 homes priced between \$160,000 and \$300,000.



The rental housing market in the metropolitan area is currently soft, but conditions improved significantly during the past 2 years. The overall rental vacancy rate is currently estimated at 10.3 percent, down from 13.1 percent in the 2010 Census. According to Real Data, the apartment vacancy rate was 6.5 percent in November 2012, down from 7.4 percent in November 2011 and 9.7 percent in November 2010. Approximately 9,650 apartments were absorbed during the past 3 years. Average rent increased to approximately \$875 in November 2012, a 4.5-percent increase from November 2011 and the highest rate of growth since 2006. MacDill AFB, which employs approximately 15,500 military members and 2,800 civilians, significantly affects the local rental market. The base houses an estimated 1,400 military members and their 1,500 dependents. The Tampa-South submarket, where MacDill AFB is located, had a 4.0-percent apartment vacancy rate in November 2012, down from 7.1 percent in November 2011. As of November 2012, the average rent was approximately \$1,125, up 8 percent from

the previous year. Nearly 980 new units are currently under construction in the Tampa-South submarket, representing 30 percent of all units under construction in the metropolitan area.

In response to an improving rental market, builders began to increase new multifamily construction activity, as measured by the number of units permitted. According to preliminary data, during the 12 months ending November 2012, approximately 4,400 multifamily units were permitted, which is four times as many units as were permitted during the previous 12-month period and is more units permitted than in any other year since 2008. According to Real Data, as of November 2012, 3,175 apartments were under construction in the Tampa area. Circle Bayshore, a \$68 million apartment complex currently under construction in south Tampa that will consist of 367 one-, two-, and three-bedroom units, is expected to be complete in the first quarter of 2014.