Memorandum

To: Elizabeth Abernethy, Director,
Planning and Development Services
City of St. Petersburg

Date: October 2020

Project #: 66316.00

From: Neale Stralow, Senior Planner

Re: StPete2050 - Market Assessment Sources

This correspondence is provided at the request of City of St. Petersburg staff relating to the final Market Assessment reporting provided by Landwise Advisors, LLC dated January 24, 2020 in support of the StPete2050 project. The final submittal includes source references and responses to City staff provided comments. The following is a source listing for future use by City staff.

Slide # - Description	**Stated Sources**
Slide 5 – SWOT	Grow Smarter 2014 and update 2019 State of the City, 2019 StPete2050 Economic Development Roundtable, October 10, 2019
Slide 7 – Population	UF Bureau of Economic Research (BEBR) Southwest Florida Water Management District (SWFWMD) Pinellas County Metropolitan Planning Organization (MPO)
Slide 8 – Population	ESRI Business Analyst Online (BAO), 2019
Slide's 23 to 30 – Employment	US Census Bureau, 2017 Longitudinal Employer-Household Dynamics, OnTheMap
Slide 31 – Target Industries	St. Petersburg Economic and Workforce Development Department
Slide 32 – Travel Time To Work	US Census Bureau, 2013-2017 American Community Survey 5-year Estimates
Slide's 36 to 41 – Office Market Statistics	Avision, Young Tampa Bay Office Report, Q3 2019
Slide 42 – Office Downtown Tenant Mix	CoStar, St. Petersburg City Directories
Slide 43 to 47 – Project Employment Growth	Moody's 30-year forecast, Total No-Agricultural Employment, 2019

501 East Kennedy Blvd.
Suite 1010
Tampa, FL 33602-5200
P 813.327.5450

Memorandum

Slide 50 – Annual Population Growth	ESRI Business Analyst Online (BAO), 2019
Slide's 51 to 55 – Residential Demand	ESRI Business Analyst Online (BAO), 2019
Slide 56 – Residential Permit Trends	US Census
Slide 62 to 64 – Retail Market	CoStar, Retail Statistics Tampa/St. Petersburg Year-End 2017
Slide 68 to 69 – Hotel Market Statistics	Plascencia Group Florida Lodging Trends Report 2019

501 East Kennedy Blvd.
Suite 1010
Tampa, FL 33602-5200
P 813.327.5450

MARKET ASSESSMENT

January 24, 2020

Landwise Advisors, LLC

CONTENTS

SWOT ANALYSIS

STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS

The following SWOT analysis is drawn from The Grow Smarter analysis completed in 2014 and updated in 2019, the State of the City analysis completed in 2019, and the St. Pete 2050 Economic Development Roundtable held on October 10, 2019. The list of Strengths, Weaknesses, Opportunities, and Threats is not intended to be exhaustive but rather highlight the issues that appear with the most frequency and urgency in the discussions.

Strengths

- Vibrant downtown and waterfront as assets
- Growing young professionals' attraction
- Welcoming values and diversity of leadership
- Growing and renowned arts and cultural community with excellent supporting venues and special events
- Strong growth for geographically strained community
- Robust infill development citywide, including higher density infill housing
- Scale of city – Not too big, engaged community creates cohesiveness
- Growing knowledge-based economy
- Low taxes
- Capacity of existing infrastructure
- Healthy tourism and visitation spending
- Public parks and recreation and environmental assets
- Prioritization of sustainability and resiliency policies and actions
- Strong tax base growth and municipal financial status

Weaknesses

- Perception of crime
- Housing choice/availability impacted by affordability limitations
- Under performing public schools (individual schools) – Perception of public schools (generally)
- Unequal neighborhood reinvestment
- Limited and constrained land supply to accommodate additional growth

Opportunities

- Expansion of existing healthcare and marine sciences hub
- Political cohesiveness and collaboration
- Focus on equitable growth
- Expand upon housing density, particularly around transportation assets
- Address land use policy (institutional areas in particular)
- Tropicana Field redevelopment
- Differentiate from Tampa

Threats

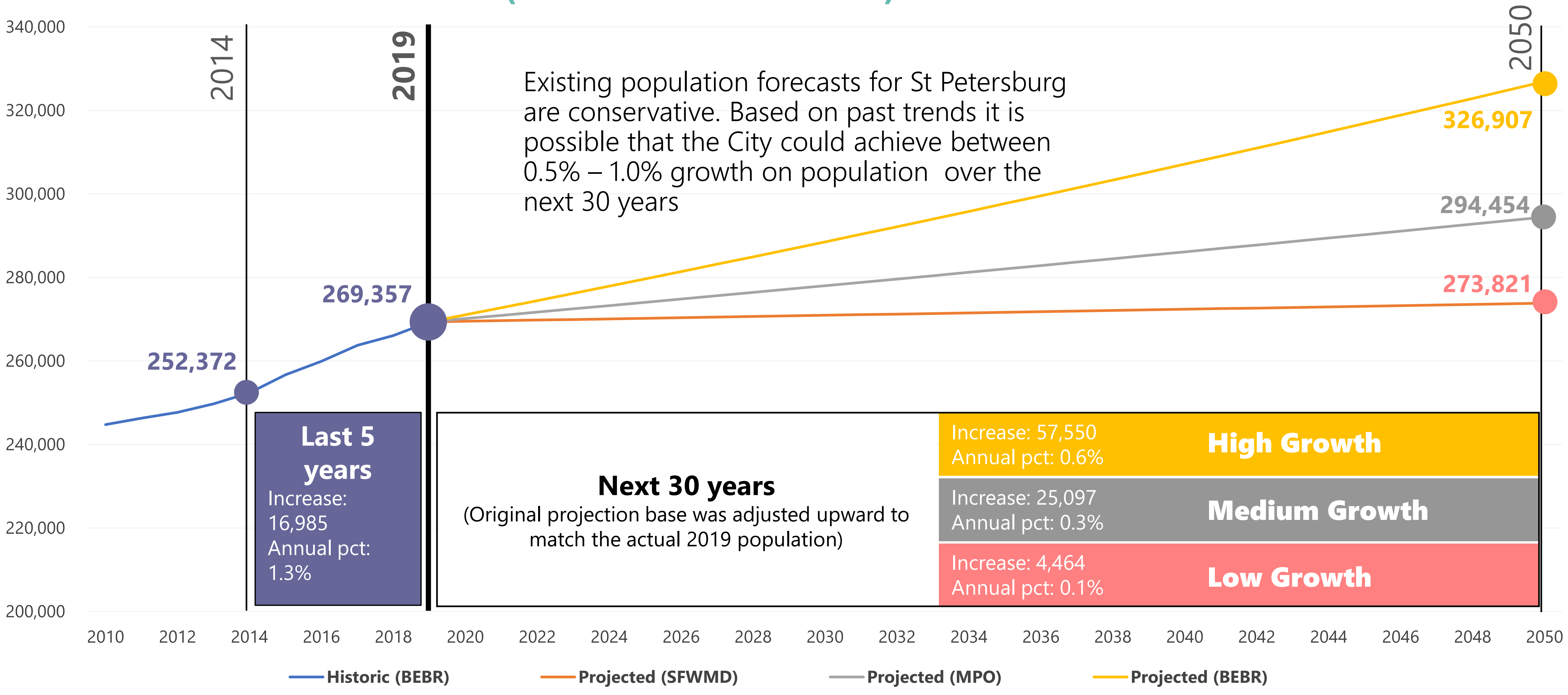
- Climate change - vulnerability to sea level rise and major storms
- Demographic trends – aging population & shrinking family size
- Flood insurance rates – CHHA
- Gentrification
- Transportation – limited mobility options and lack of transit investment
- Age/condition of underground infrastructure

Sources: 2019 State of the City, 2018 State of the Economy, 2014 Grow Smarter St. Pete, 10/10/2019 Economic Developer Roundtable Meeting.

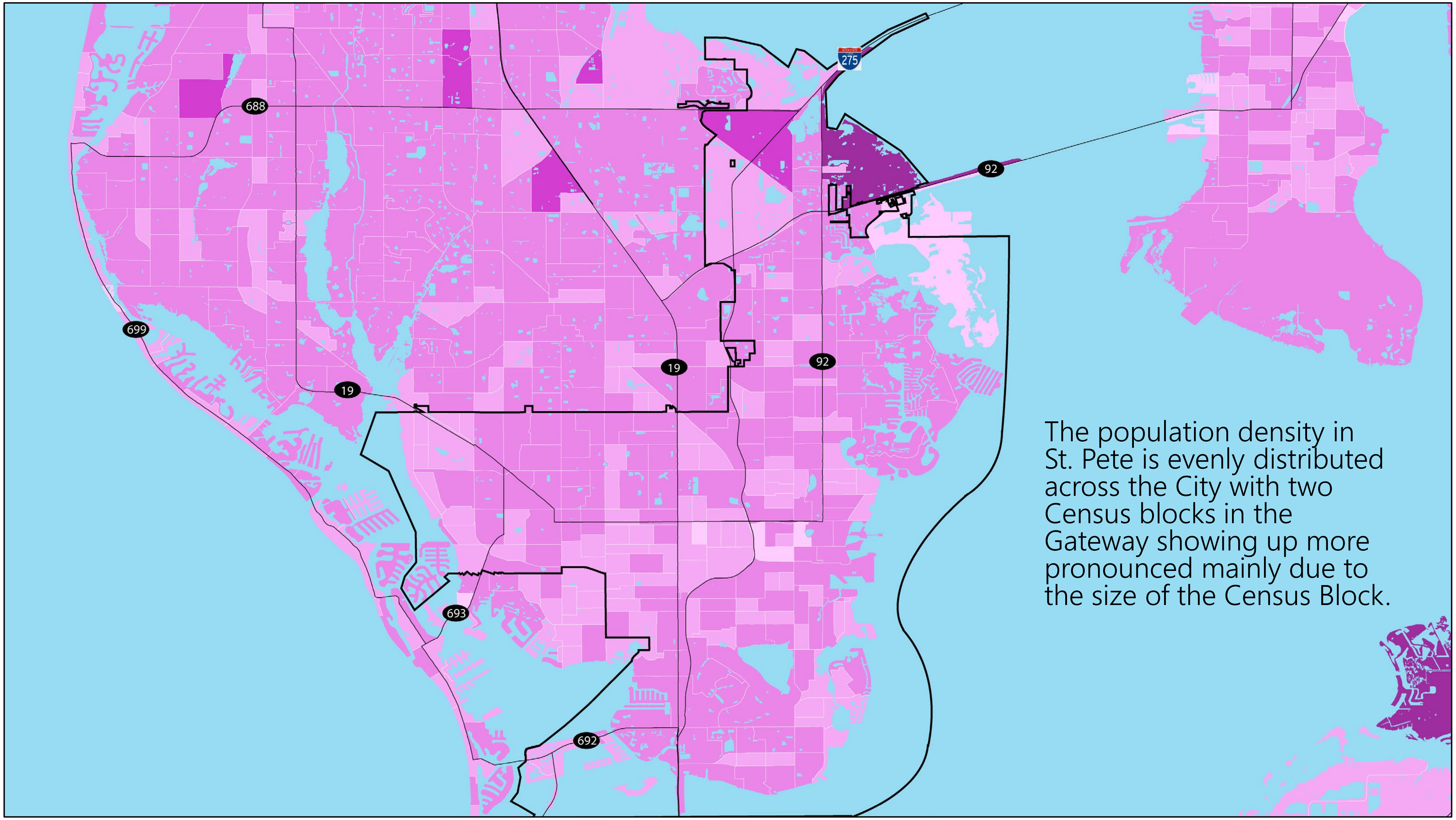
ECONOMIC CONTEXT

Population Growth and Demographic Makeup

PROJECTED POPULATION GROWTH (CITY OF ST. PETERSBURG)



Sources: UF Bureau of Economic and Business Research (BEBR), Southwest Florida Water Management District (SFWMD), Pinellas County Metropolitan Planning Organization (MPO)



The population density in St. Pete is evenly distributed across the City with two Census blocks in the Gateway showing up more pronounced mainly due to the size of the Census Block.

TOTAL POPULATION

- 5,000 – 7,000
- 3,000 – 5,000
- 1,000 – 3,000
- 500 – 1,000
- < 500 people per Census Block Group

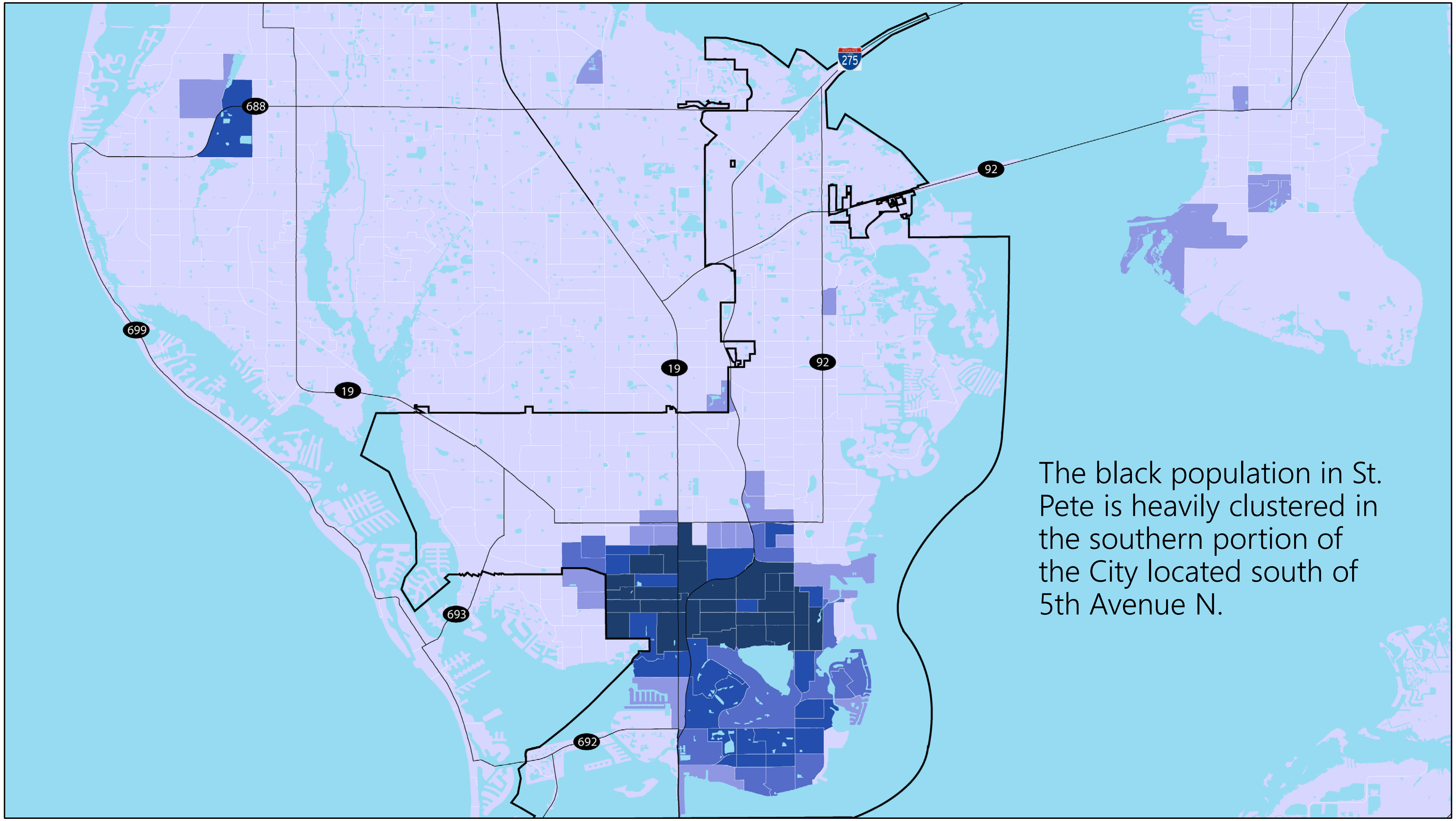
St. Petersburg:
263,815*

Pinellas County:
980,444

Tampa MSA:
3,160,627

* ESRI population estimate differs slightly from the BEBR estimate shown in previous slide

Source: 2019 ESRI BAO



The black population in St. Pete is heavily clustered in the southern portion of the City located south of 5th Avenue N.

% BLACK POPULATION

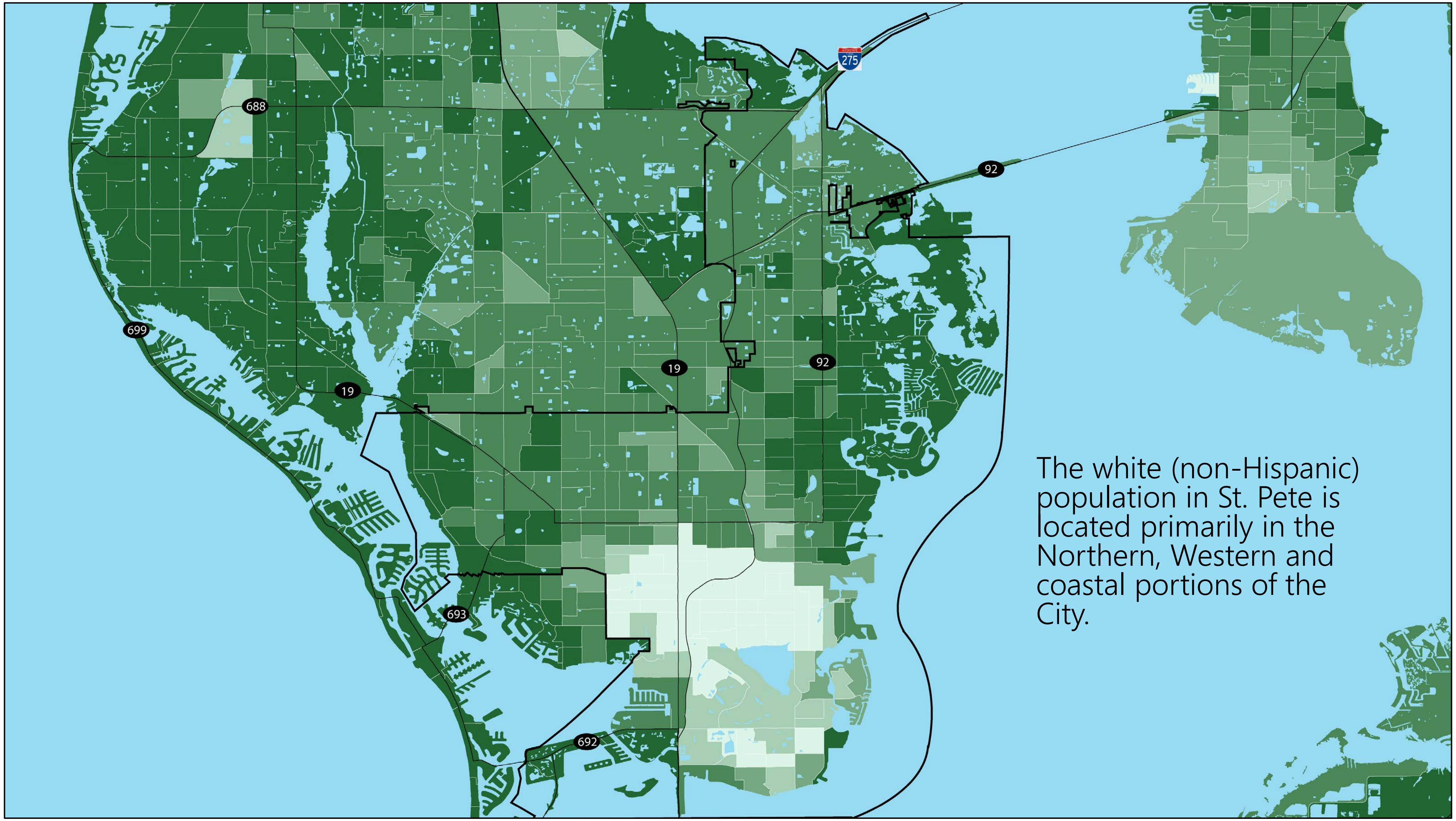
- 80 – 100%
- 60 – 80%
- 40 – 60%
- 20 – 40%
- 0 - 20%

St. Petersburg: 24.9%

Pinellas County: 10.9%

Tampa MSA: 12.7%

Source: 2019 ESRI BAO



The white (non-Hispanic) population in St. Pete is located primarily in the Northern, Western and coastal portions of the City.

% OF POPULATION THAT IS WHITE NON-HISPANIC

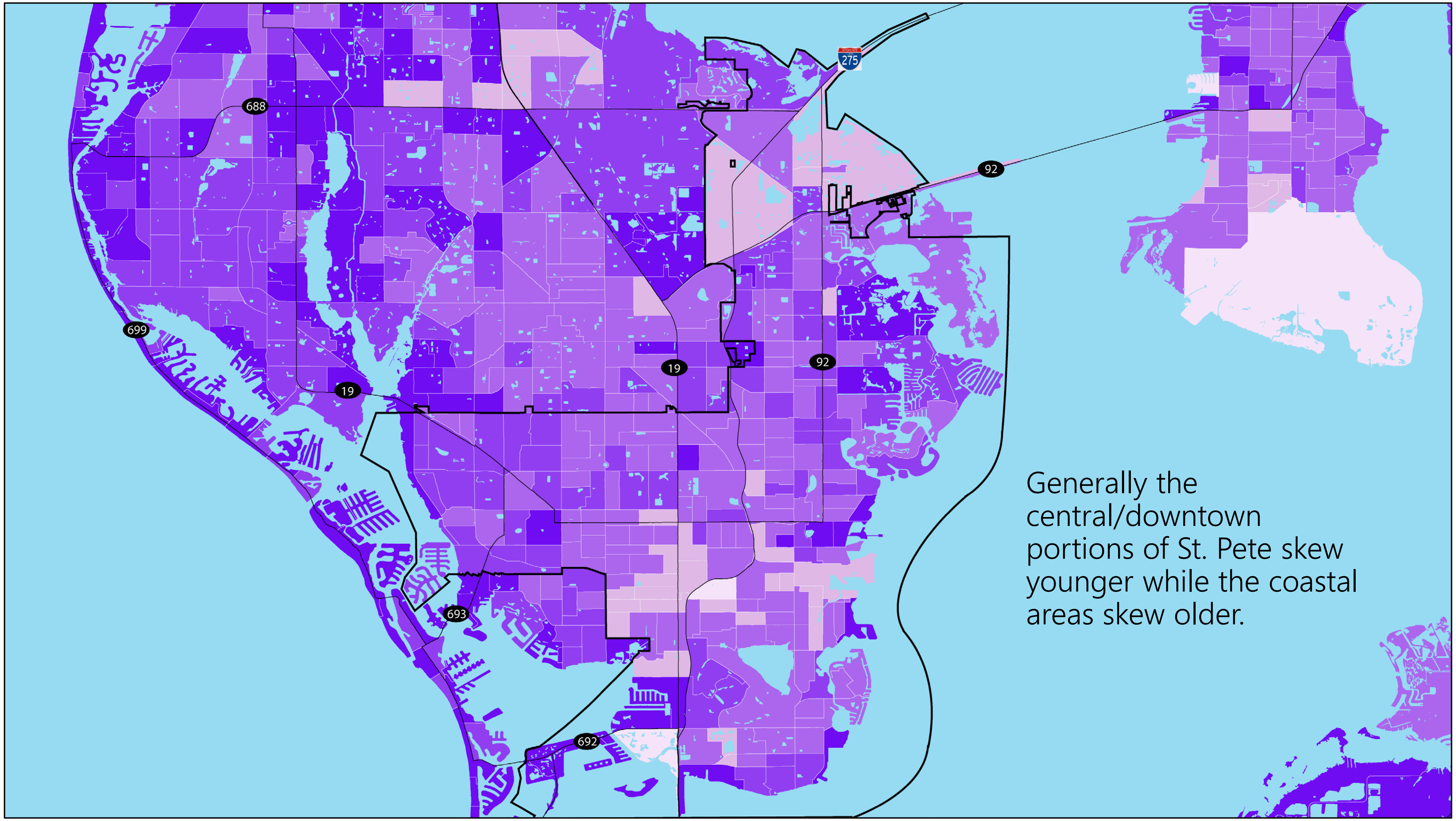
- 80 – 100%
- 60 – 80%
- 40 – 60%
- 20 – 40%
- 0 - 20%

St. Petersburg: 66.1%

Pinellas County: 79.8%

Tampa MSA: 75.7%

Source: 2019 ESRI BAO



MEDIAN AGE

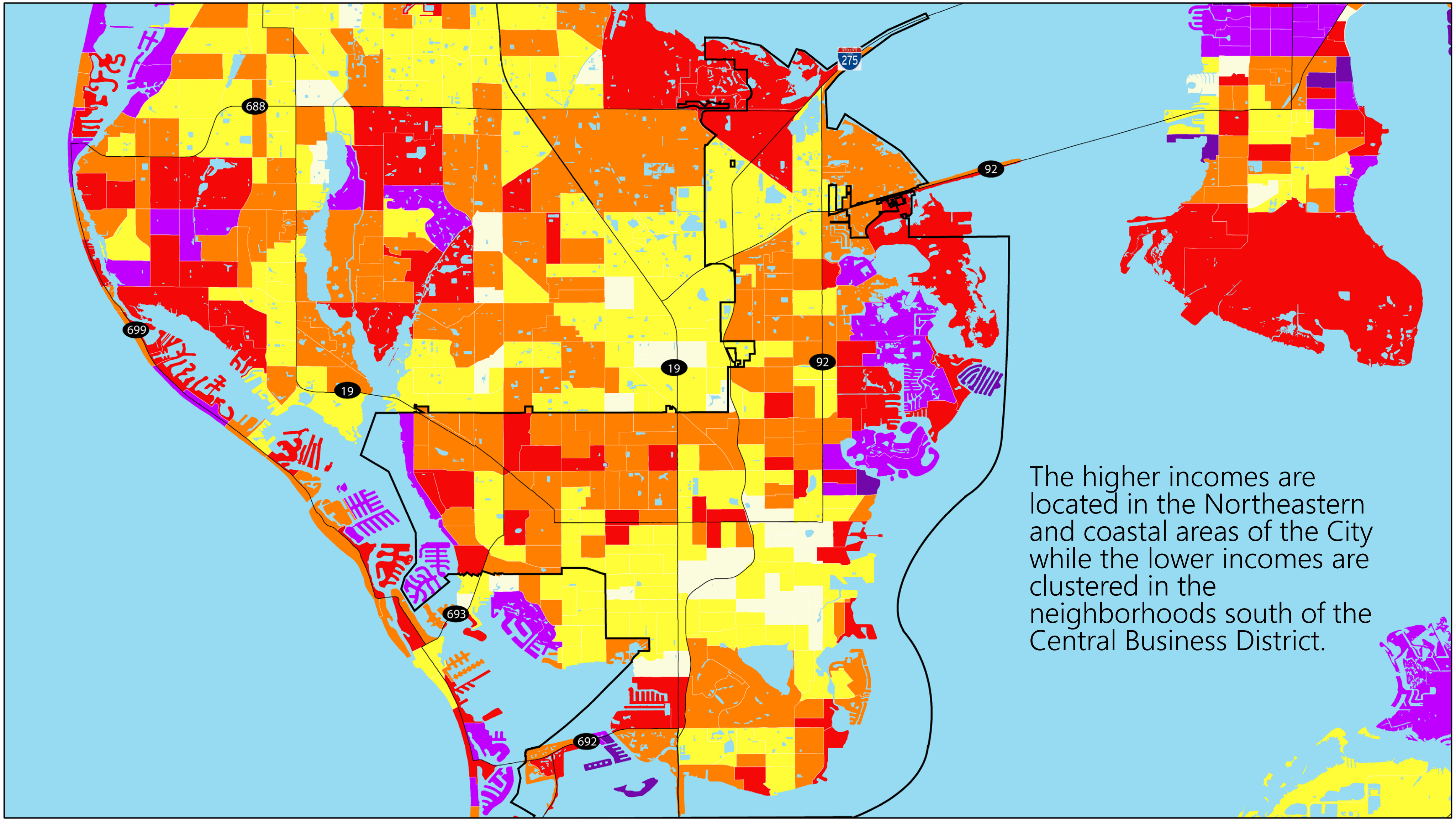
- > 55
- 45 – 55
- 35 – 45
- 25 – 35
- < 25 years old

St. Petersburg:
43.9

Pinellas County:
49.2

Tampa MSA:
43

Source: 2019 ESRI BAO



MEDIAN HOUSEHOLD INCOME

- > $150K
- $90 - $150K
- $70 - $90K
- $50 - $70K
- $30 - $50K
- < $30K

St. Petersburg:
$53,706

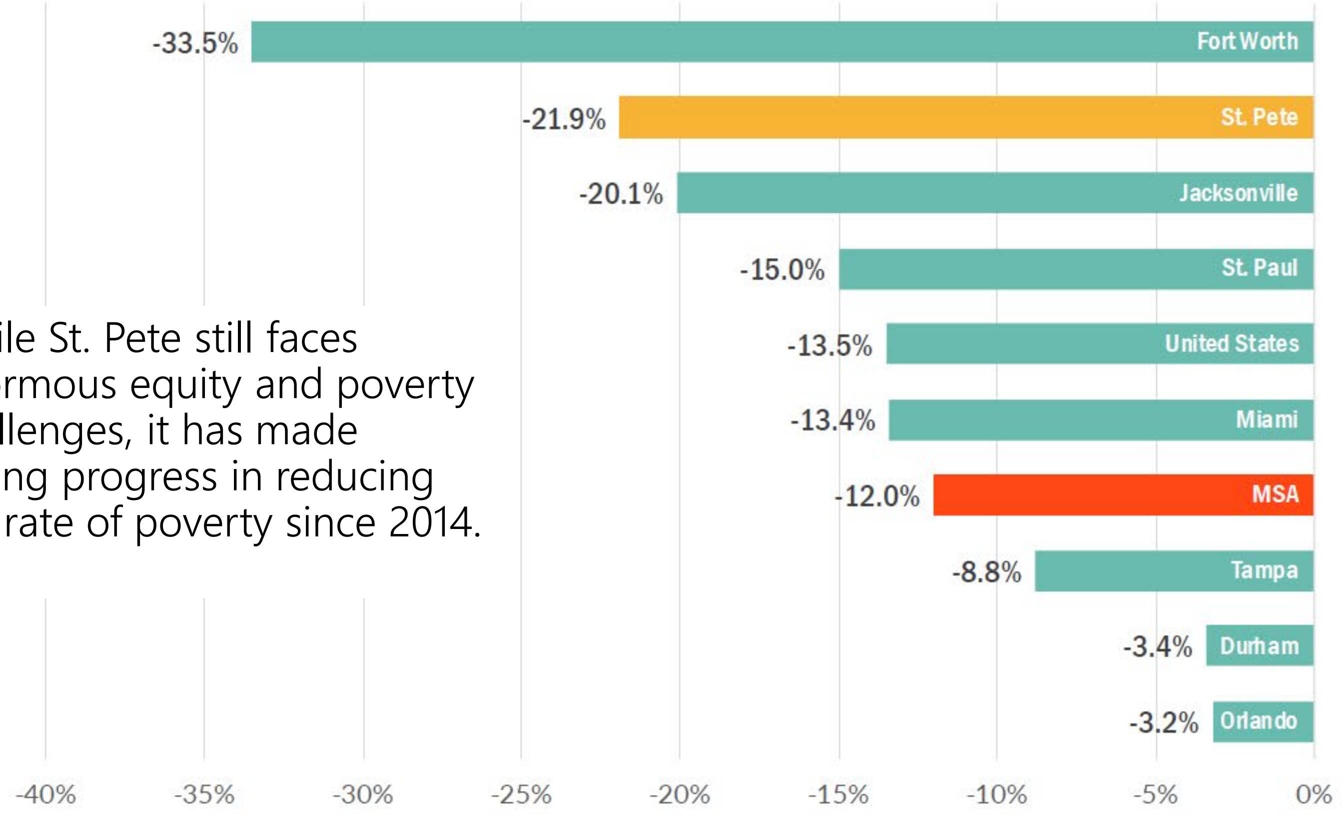
Pinellas County:
$53,083

Tampa MSA:
$53,970

Source: 2019 ESRI BAO

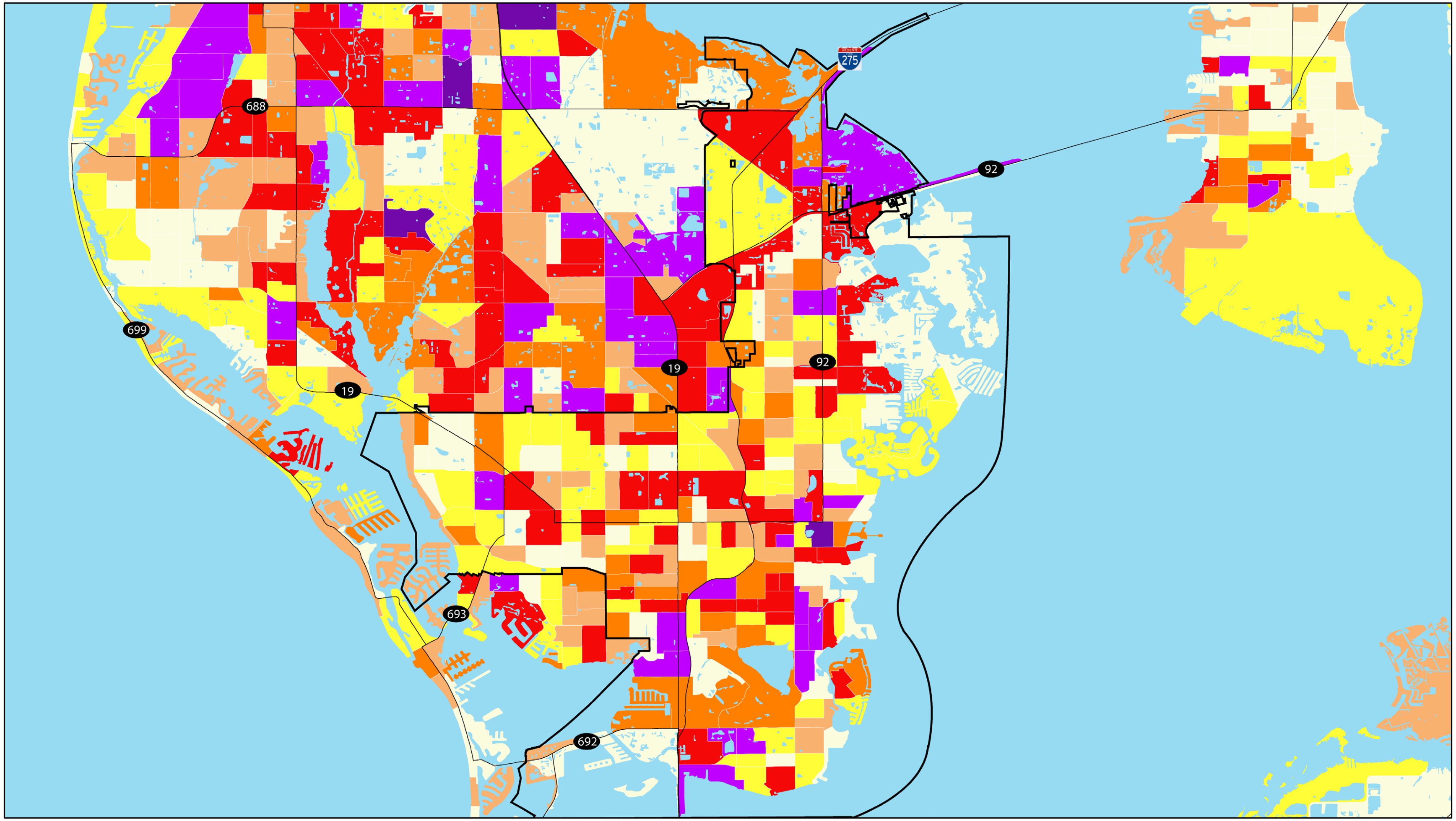
STATE OF THE ECONOMY 2018 – ST. PETE, FL

POVERTY RATE CHANGE (2014-2017)



While St. Pete still faces enormous equity and poverty challenges, it has made strong progress in reducing the rate of poverty since 2014.

Source: American Community Survey, 1 Year Estimates



HOUSEHOLDS BELOW THE POVERTY LEVEL

- > 300
- 150 – 300
- 100 – 100
- 75 – 100
- 50 – 75
- 25 – 50
- <25

Source: 2013-2017 American Community Survey 5-Year Estimates

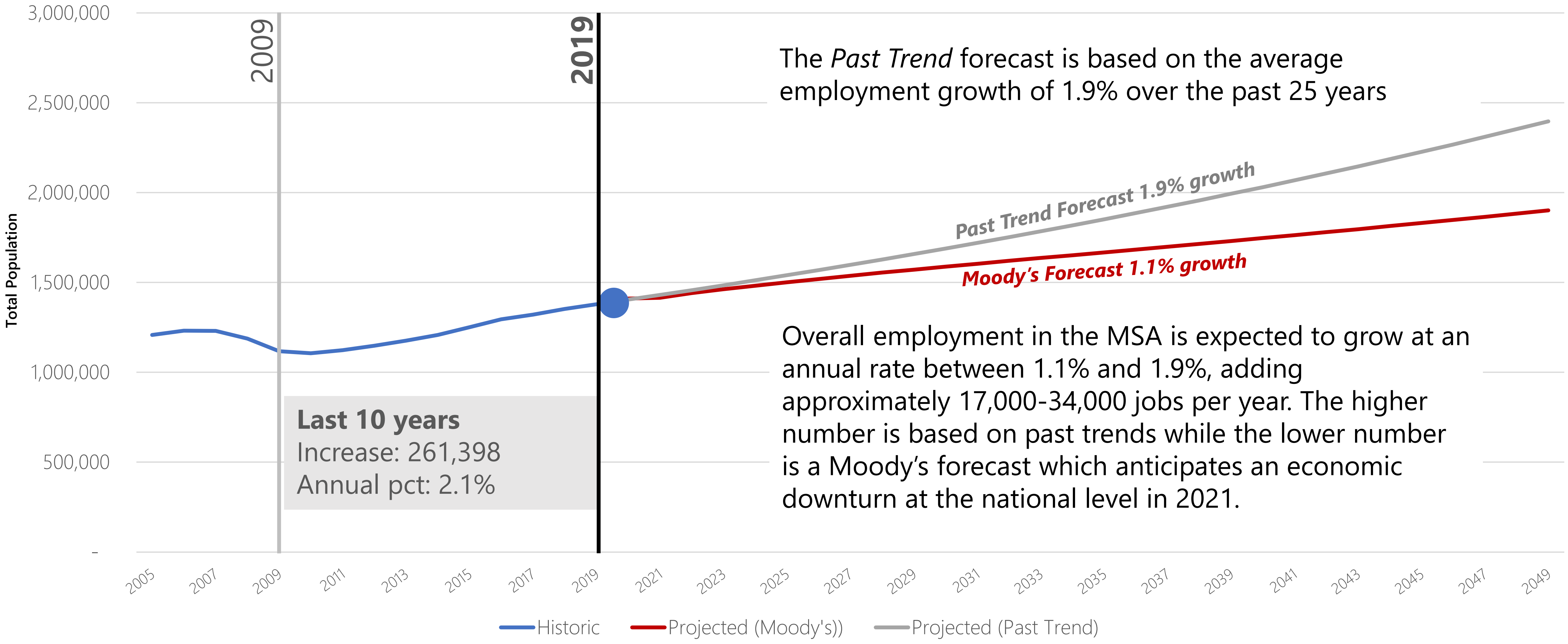
ECONOMIC AND DEMOGRAPHIC TRENDS

- Existing population forecasts for St Petersburg are conservative. Based on past trends it is possible that the City achieves between 0.5% – 1.0% growth in population over the next 30 years
- The population density in St. Pete is evenly distributed across the City with two Census blocks in the Gateway showing up more pronounced mainly due to the size of the Census Block
- The black population in St. Pete is heavily clustered in the southern portion of the City located south of 5th Avenue North.
- The white (non-Hispanic) population in St. Pete is located primarily in the Northern, Western and coastal portions of the City.
- Generally the central/downtown portions of St. Pete skew younger while the coastal areas skew older.
- The higher incomes are located in the Northeastern and coastal areas of the City while the lower incomes are clustered in the neighborhoods south of the Central Business District.
- While St. Pete still faces enormous equity and poverty challenges, it has made strong progress in reducing the rate of poverty since 2014.

ECONOMIC CONTEXT

Employment

PROJECTED EMPLOYMENT GROWTH - Tampa – St. Petersburg – Clearwater MSA



The *Past Trend* forecast is based on the average employment growth of 1.9% over the past 25 years

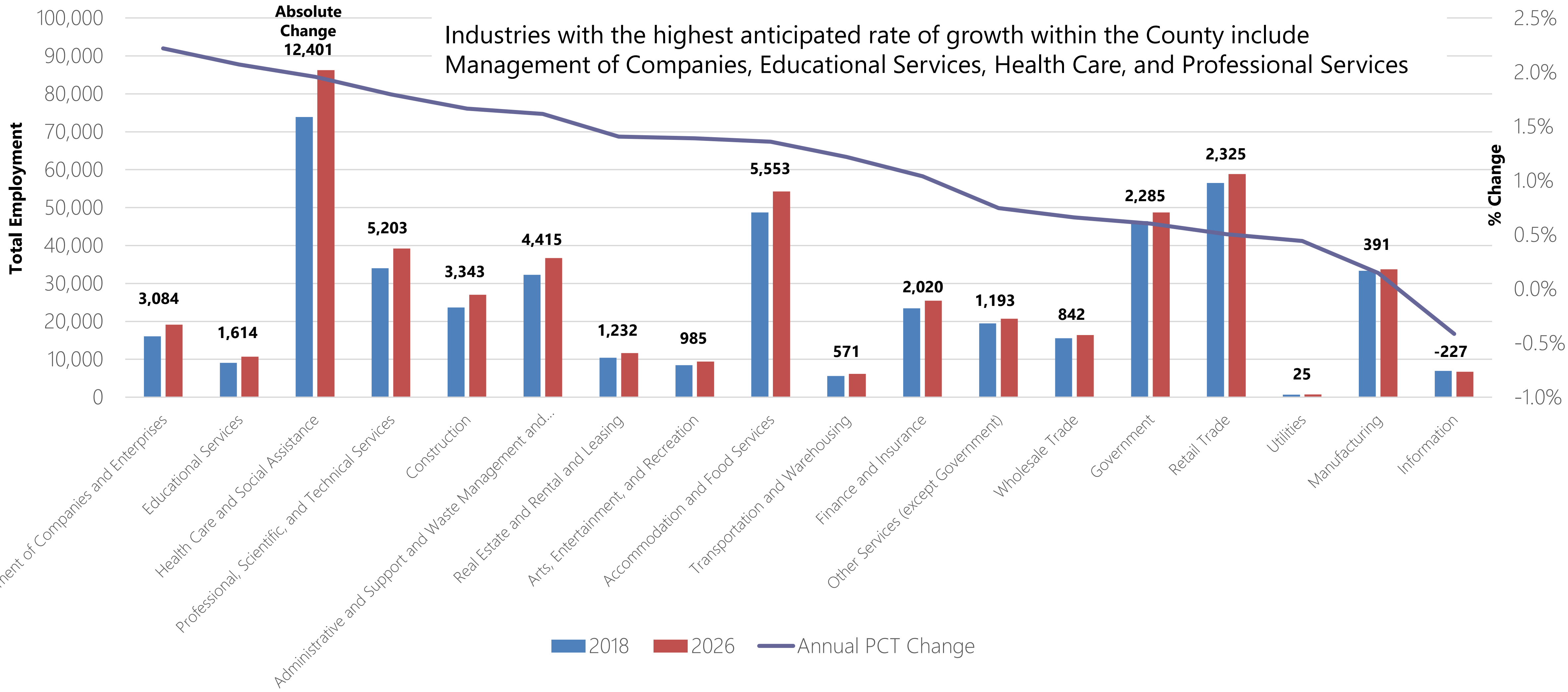
Overall employment in the MSA is expected to grow at an annual rate between 1.1% and 1.9%, adding approximately 17,000-34,000 jobs per year. The higher number is based on past trends while the lower number is a Moody's forecast which anticipates an economic downturn at the national level in 2021.

Source: 2019 Moody's 30-year forecast, Total Non-Agricultural Employment

EMPLOYMENT GROWTH BY NAICS SECTOR

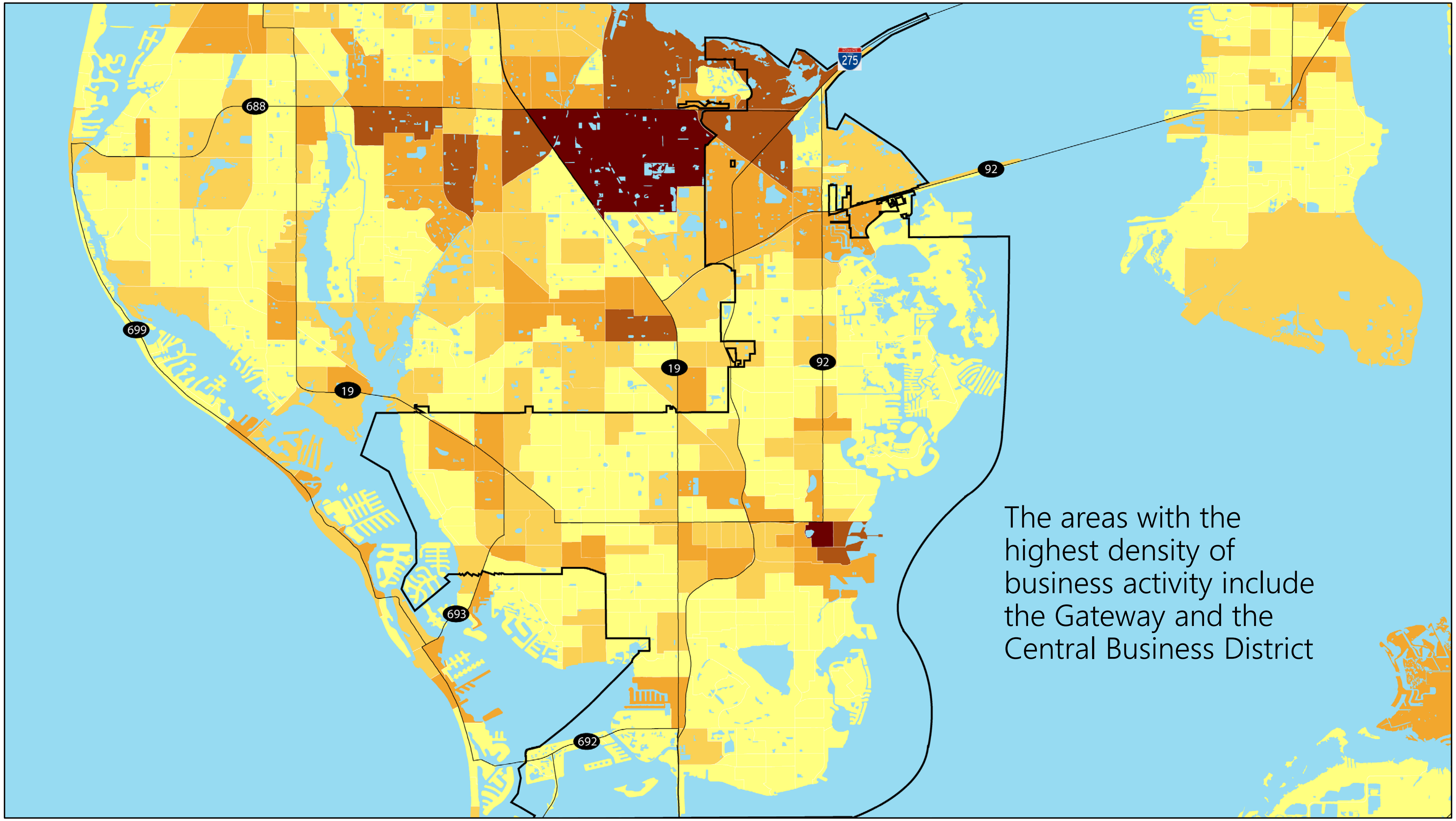
Pinellas County Workforce Development Area

Industries with the highest anticipated rate of growth within the County include Management of Companies, Educational Services, Health Care, and Professional Services



Source: FL Dept of Economic opportunity

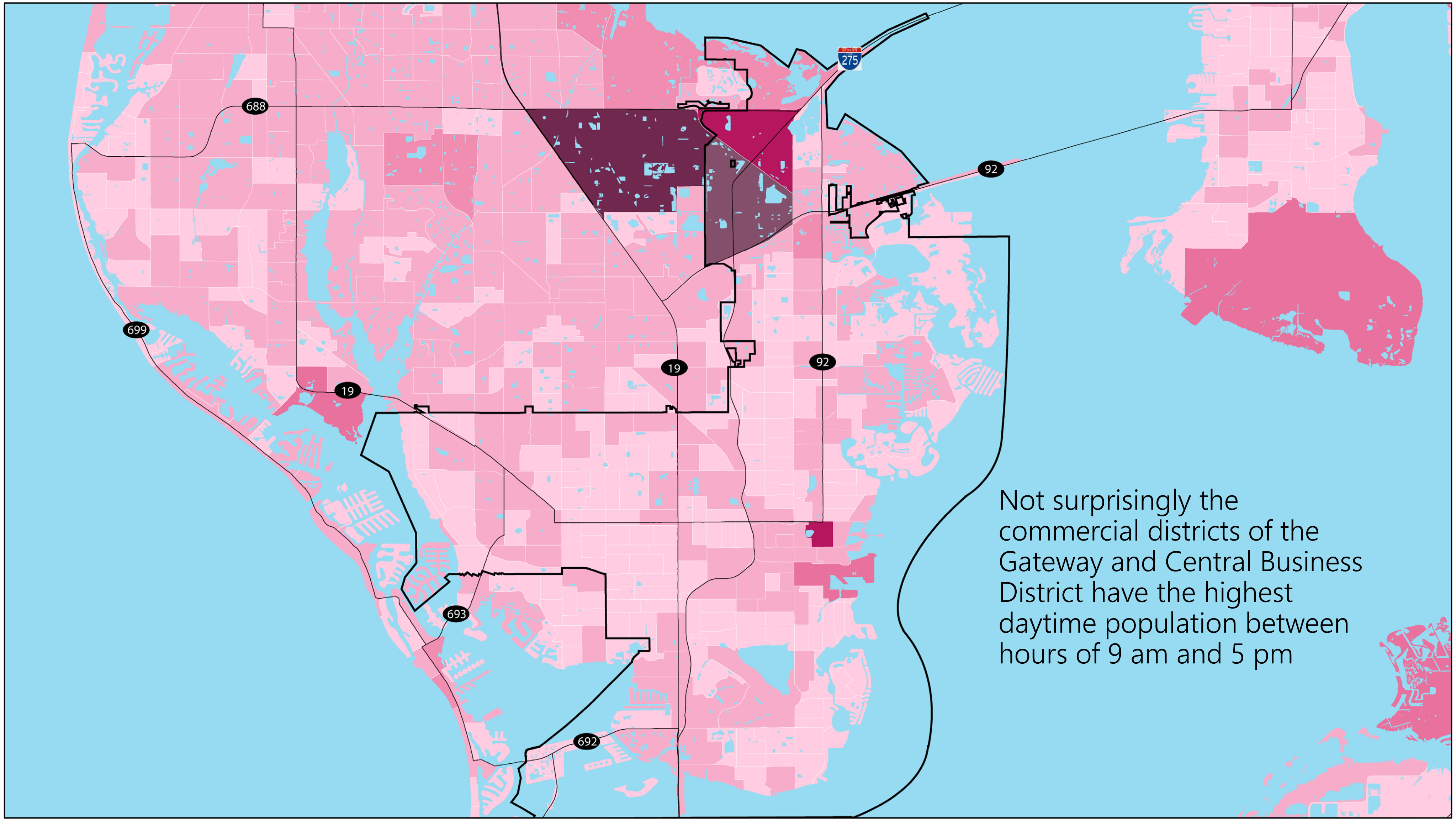
TOTAL BUSINESSES



> 500
300 – 500
100 – 300
50 – 100
< 50 per Census Block Group

Source: 2019 ESRI BAO

DAYTIME POPULATION

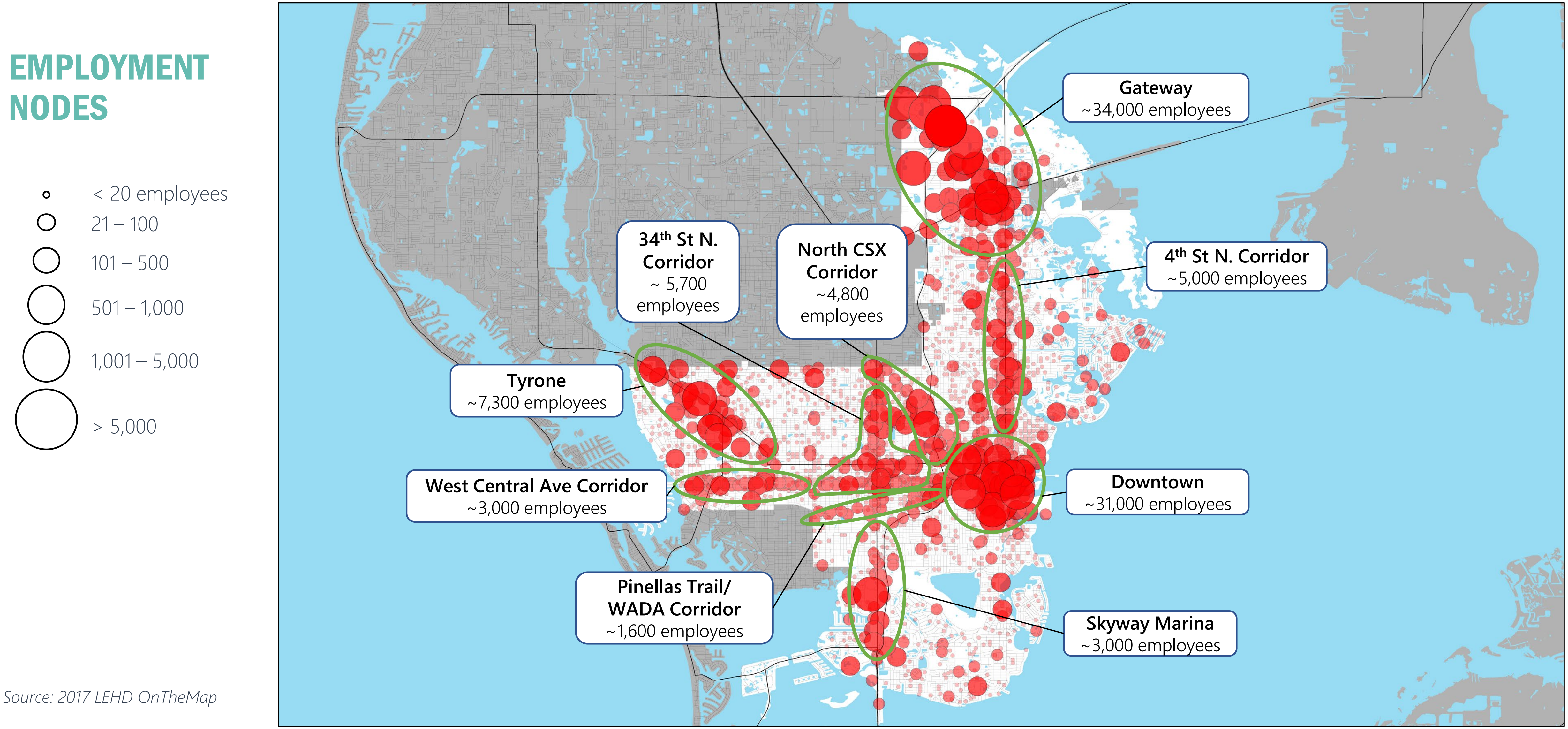


	20,000 – 25,000
	15,000 – 20,000
	10,000 – 15,000
	7,000 – 10,000
	5,000 – 7,000
	1,000 – 5,000
	<1,000 people

Not surprisingly the commercial districts of the Gateway and Central Business District have the highest daytime population between hours of 9 am and 5 pm

Source: 2019 ESRI BAO

EMPLOYMENT NODES



Source: 2017 LEHD OnTheMap

EMPLOYMENT BY INDUSTRY

The city of St. Petersburg accounts for a 29% share of Pinellas County's total employment.

The *Utilities*, *Information*, and *Finance/Insurance* industries hold a particularly strong share, accounting for over half of the County's employment in their respective sectors.

Retail Trade and *Health Care* are the two largest industries in both the County and City.

2019 EMPLOYMENT TOTALS

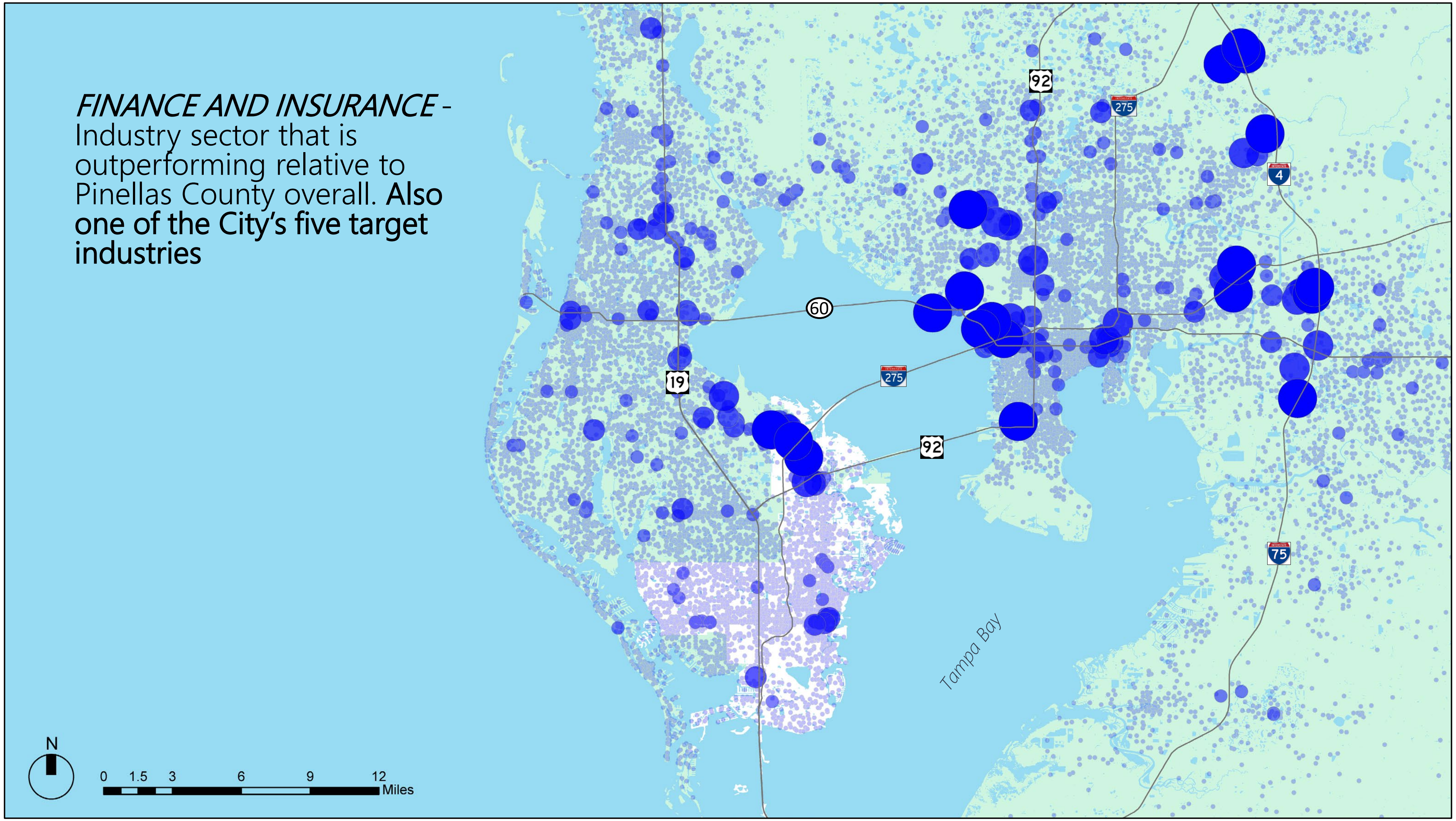
NAICS Code - Industry	St. Petersburg	Pinellas County	% of County
11 - Agriculture, Forestry, Fishing & Hunting	50	193	25.9%
21 - Mining	64	169	37.9%
22 - Utilities	1,632	2,232	73.1%
23 - Construction	3,128	22,279	14.0%
31-33 - Manufacturing	5,474	27,575	19.9%
42 - Wholesale Trade	3,690	18,772	19.7%
44-45 - Retail Trade	20,976	71,586	29.3%
48-49 - Transportation & Warehousing	1,256	7,379	17.0%
51 - Information	11,044	18,332	60.2%
52 - Finance & Insurance	14,026	27,330	51.3%
53 - Real Estate, Rental & Leasing	3,743	15,693	23.9%
54 - Professional, Scientific & Tech Services	9,394	34,009	27.6%
55 - Management of Companies & Enterprises	344	1,098	31.3%
56 - Administrative & Support & Waste Management & Remediation Services	2,689	12,166	22.1%
61 - Educational Services	7,484	23,199	32.3%
62 - Health Care & Social Assistance	20,647	69,199	29.8%
71 - Arts, Entertainment & Recreation	3,354	11,064	30.3%
72 - Accommodation & Food Services	10,753	49,751	21.6%
81 - Other Services (except Public Administration)	7,983	28,482	28.0%
92 - Public Administration	6,510	21,664	30.0%
	134,241	462,172	29.0%

Source: 2019 ESRI BAO

EMPLOYMENT NODES

Finance & Insurance

< 20 employees
21 – 100
101 – 500
501 – 1,000
1,001 – 5,000
> 5,000

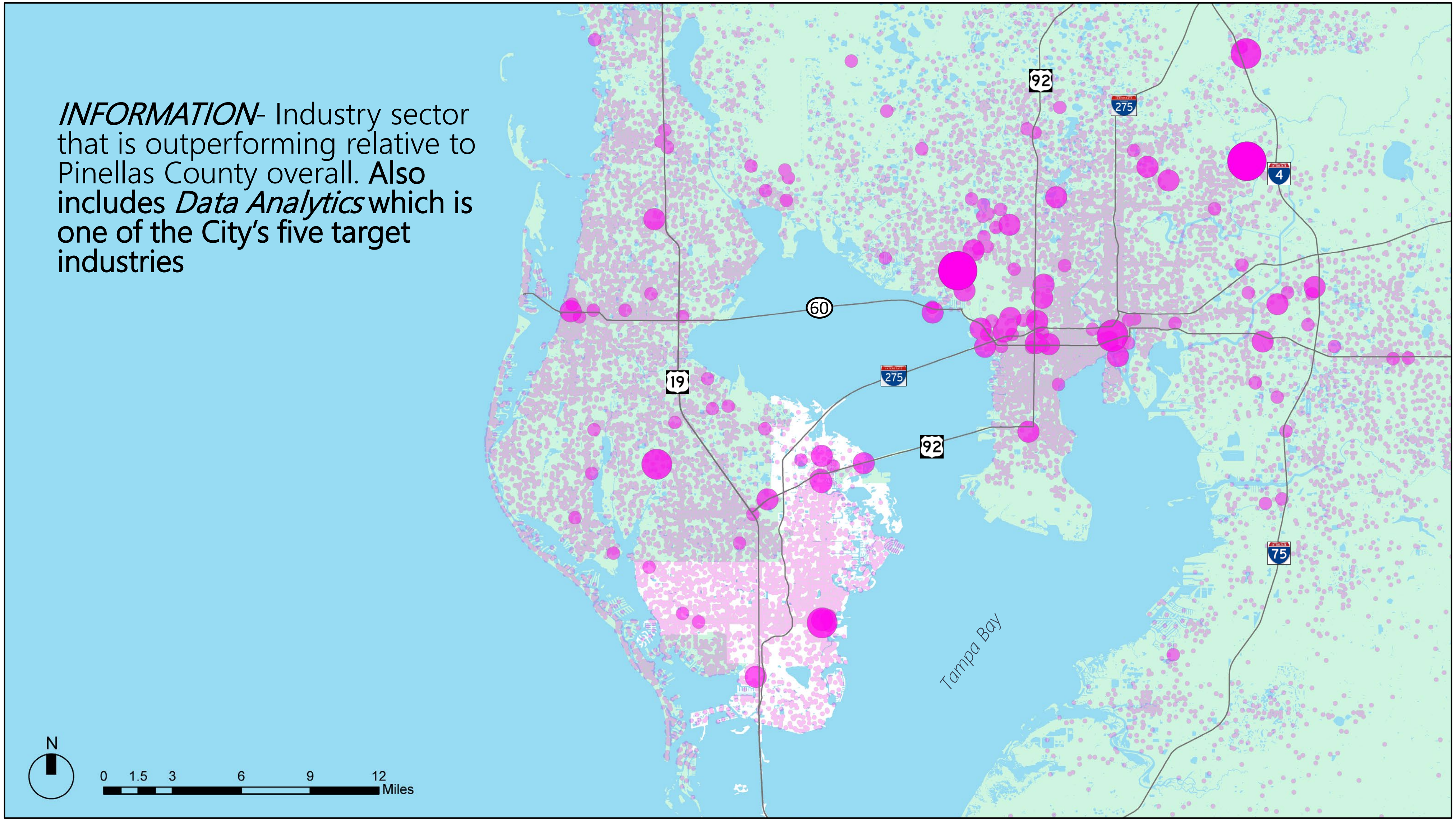


Source: 2017 LEHD OnTheMap

EMPLOYMENT NODES

Information

< 20 employees
21 – 100
101 – 500
501 – 1,000
1,001 – 5,000
> 5,000

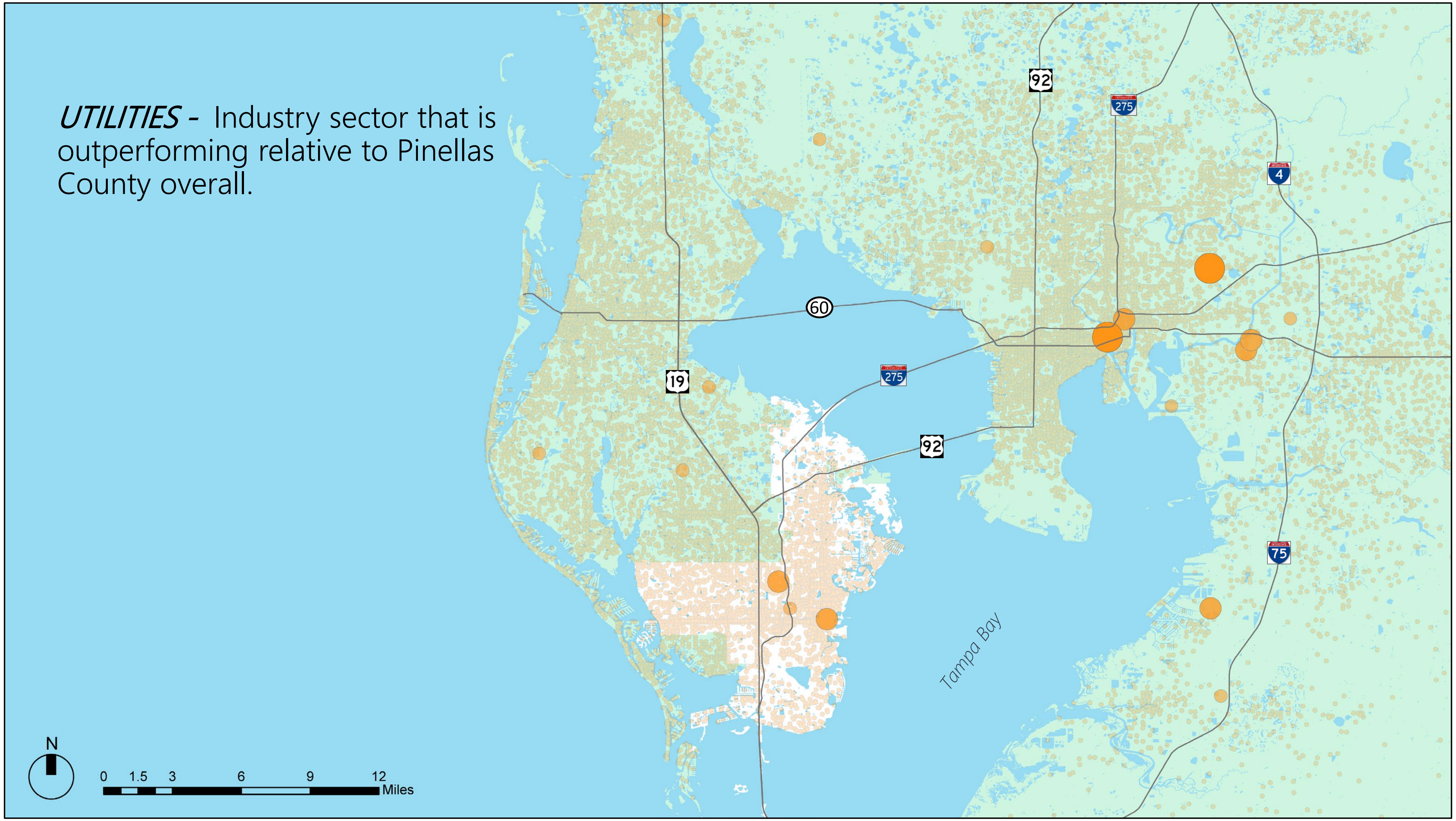


Source: 2017 LEHD OnTheMap

EMPLOYMENT NODES

Utilities

< 20 employees
21 – 100
101 – 500
501 – 1,000
1,001 – 5,000
> 5,000

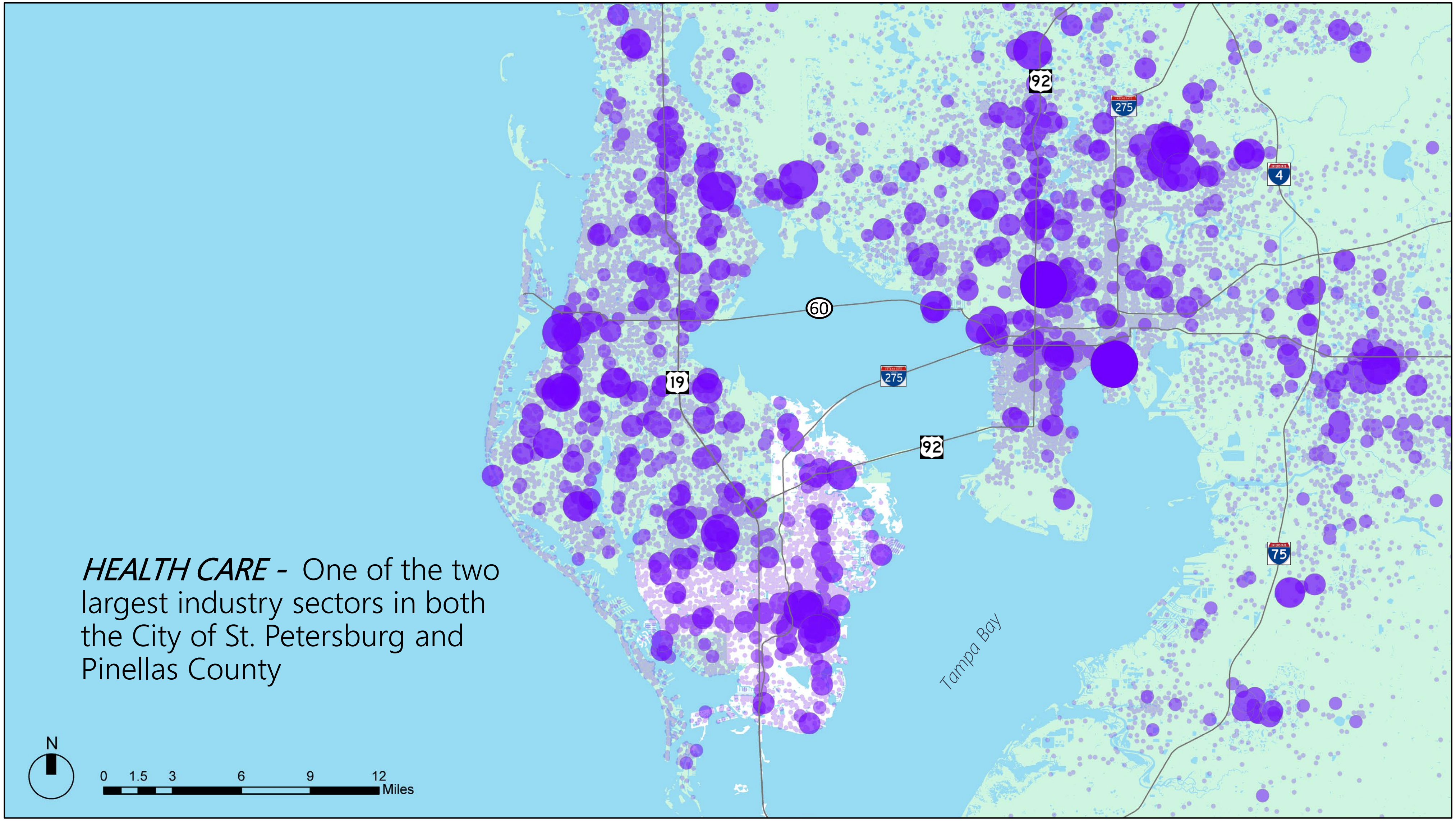


Source: 2017 LEHD OnTheMap

EMPLOYMENT NODES

Health Care & Social Assistance

< 20 employees
21 – 100
101 – 500
501 – 1,000
1,001 – 5,000
> 5,000



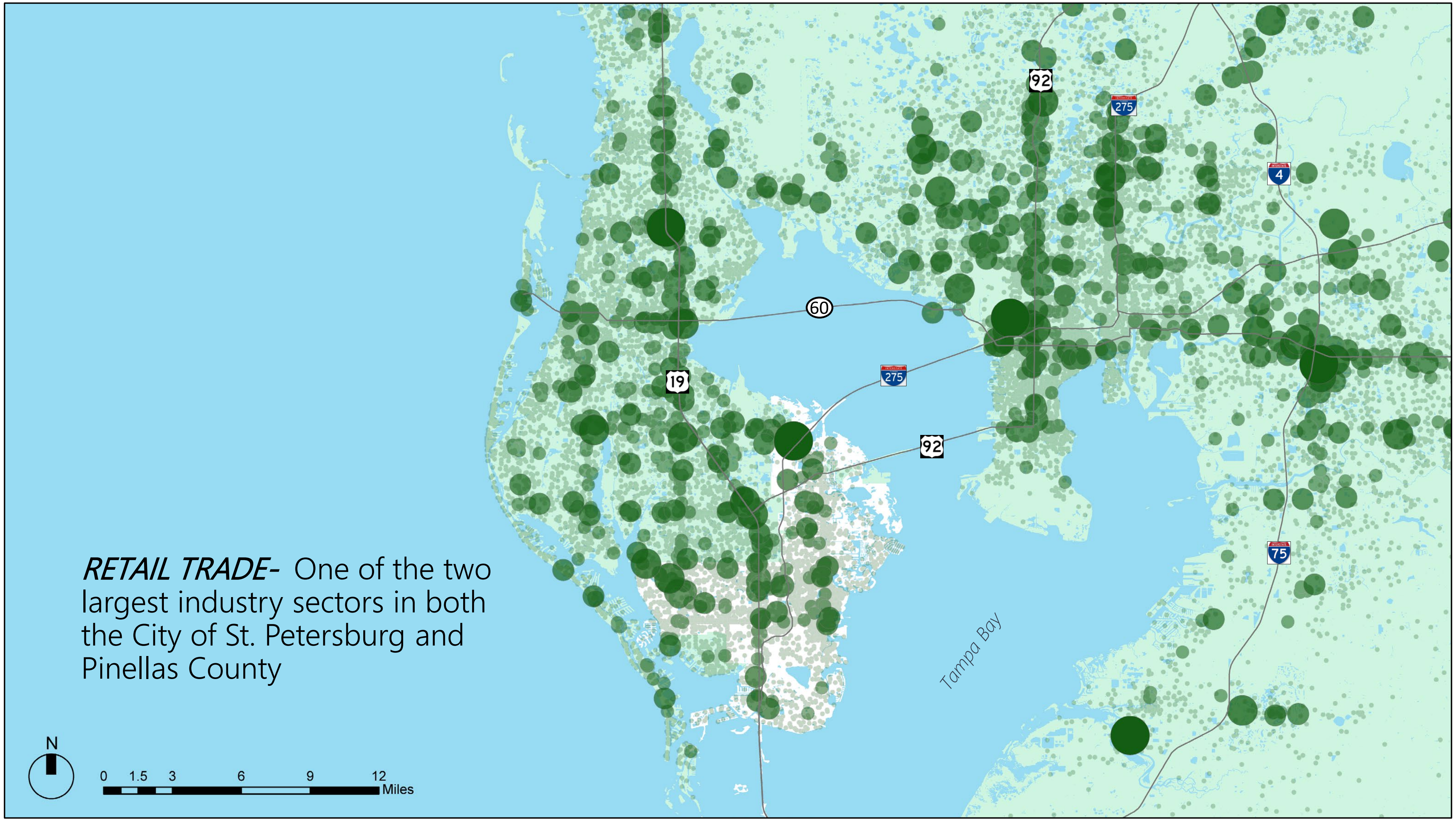
HEALTH CARE - One of the two largest industry sectors in both the City of St. Petersburg and Pinellas County

Source: 2017 LEHD OnTheMap

EMPLOYMENT NODES

Retail Trade

< 20 employees
21 – 100
101 – 500
501 – 1,000
1,001 – 5,000
> 5,000



Source: 2017 LEHD OnTheMap

EMPLOYMENT NODES

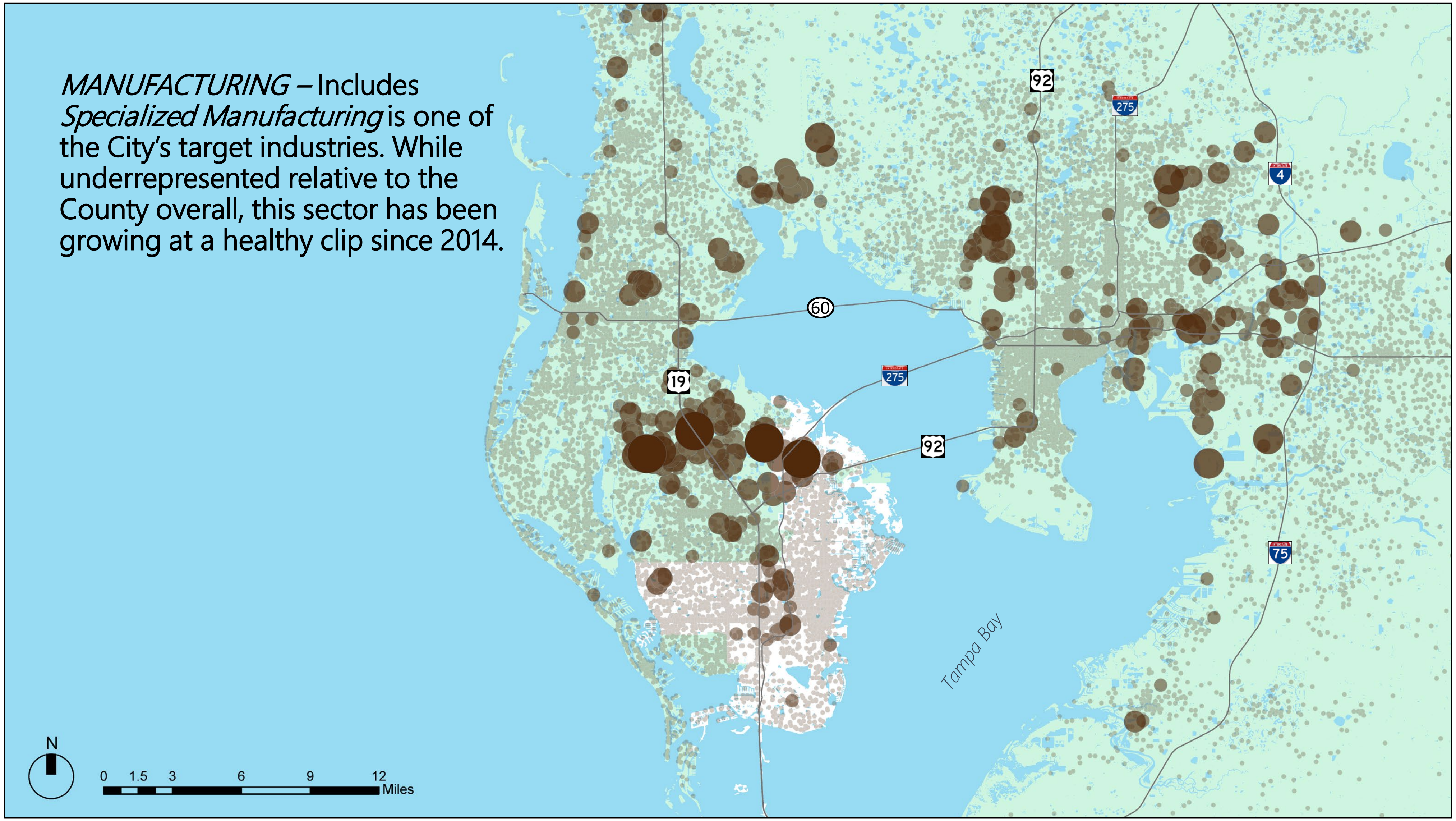
Manufacturing

< 20 employees
21 – 100
101 – 500
501 – 1,000
1,001 – 5,000
> 5,000

It is interesting to note the large cluster of manufacturing employment just northwest of the city, which stretches into the Gateway area.

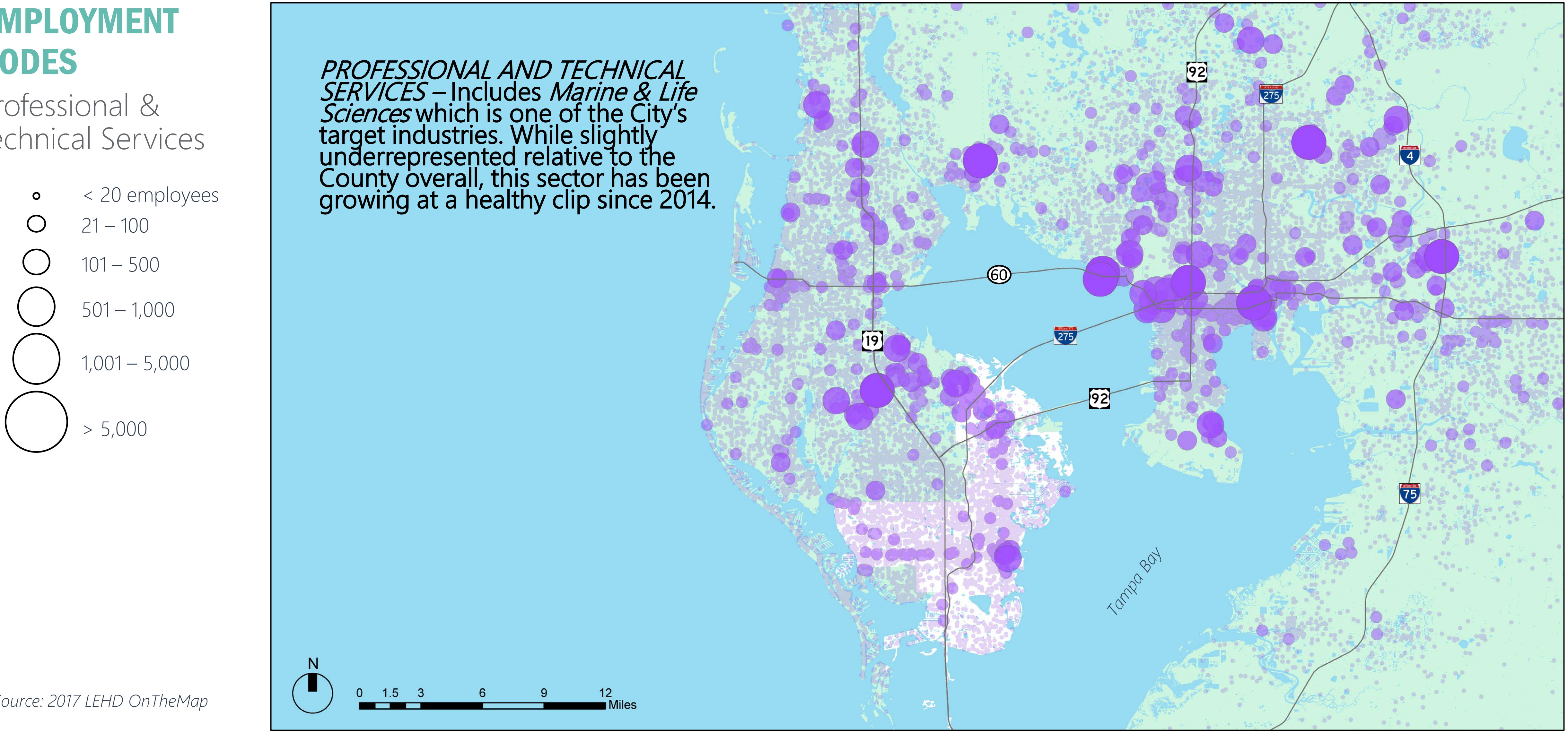
Source: 2017 LEHD OnTheMap

MANUFACTURING – Includes *Specialized Manufacturing* is one of the City's target industries. While underrepresented relative to the County overall, this sector has been growing at a healthy clip since 2014.



EMPLOYMENT NODES

Professional & Technical Services

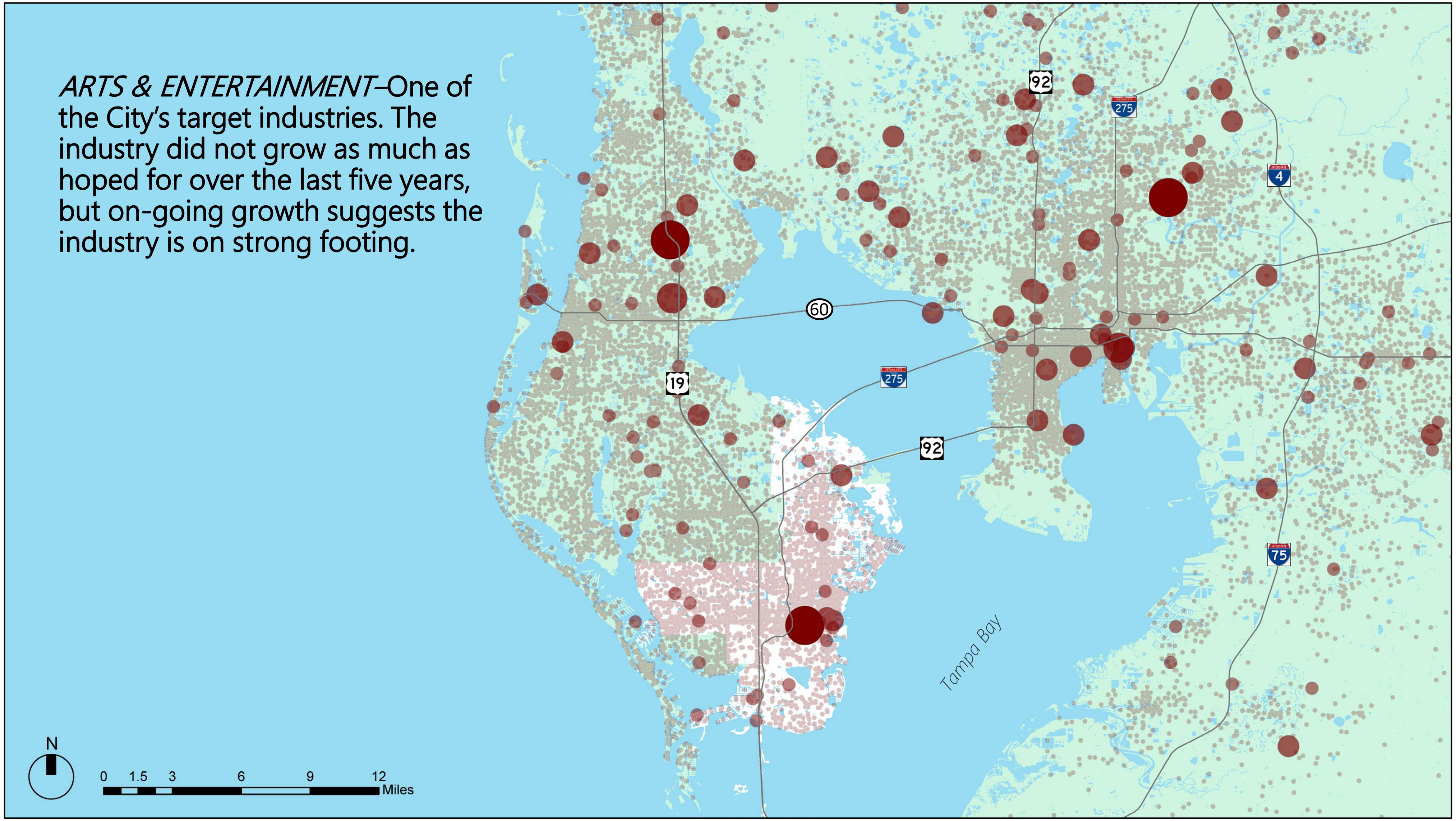


Source: 2017 LEHD OnTheMap

EMPLOYMENT NODES

Arts & Entertainment

< 20 employees
21 – 100
101 – 500
501 – 1,000
1,001 – 5,000
> 5,000

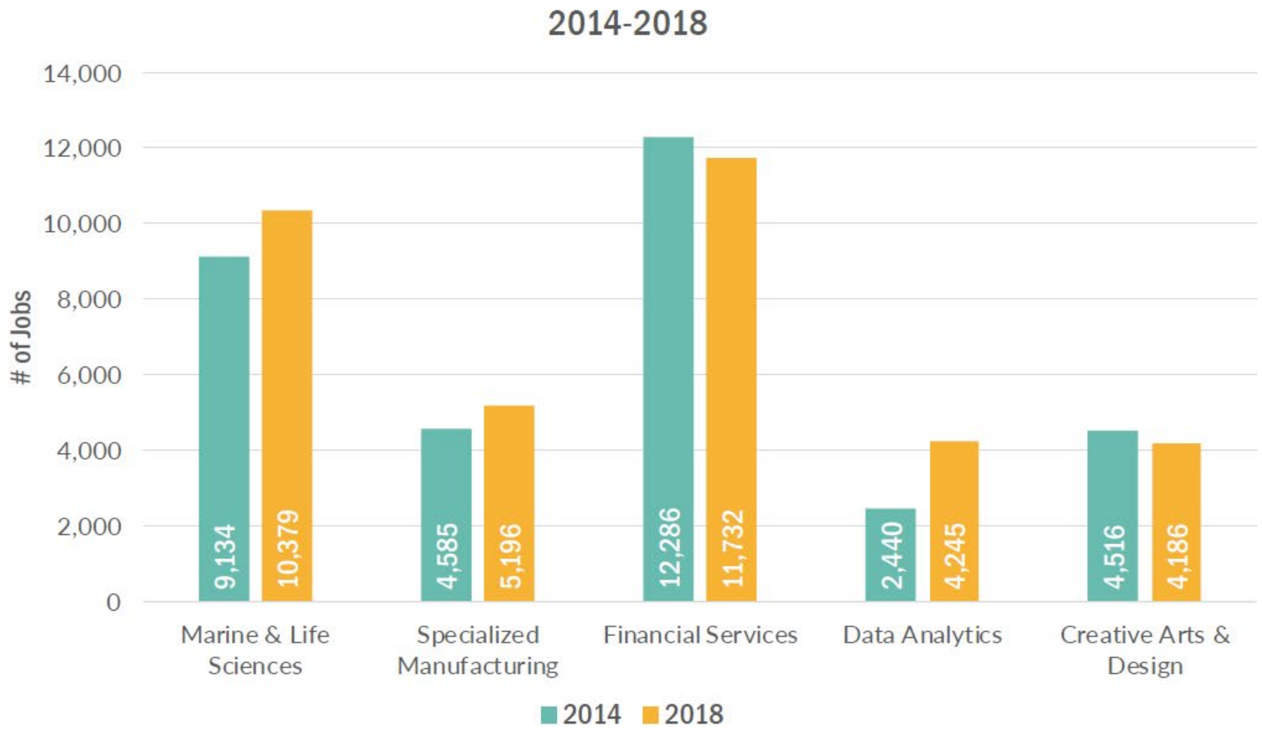


Source: 2017 LEHD OnTheMap

TARGET INDUSTRIES

STATE OF THE ECONOMY 2018 – ST. PETE, FL

GROW SMARTER INDUSTRIES: EMPLOYMENT



Source: St. Petersburg Economic and Workforce Development Department

Percent Change ('14-'18)

Data Analytics
79.3%

Specialized Manufacturing
13.6%

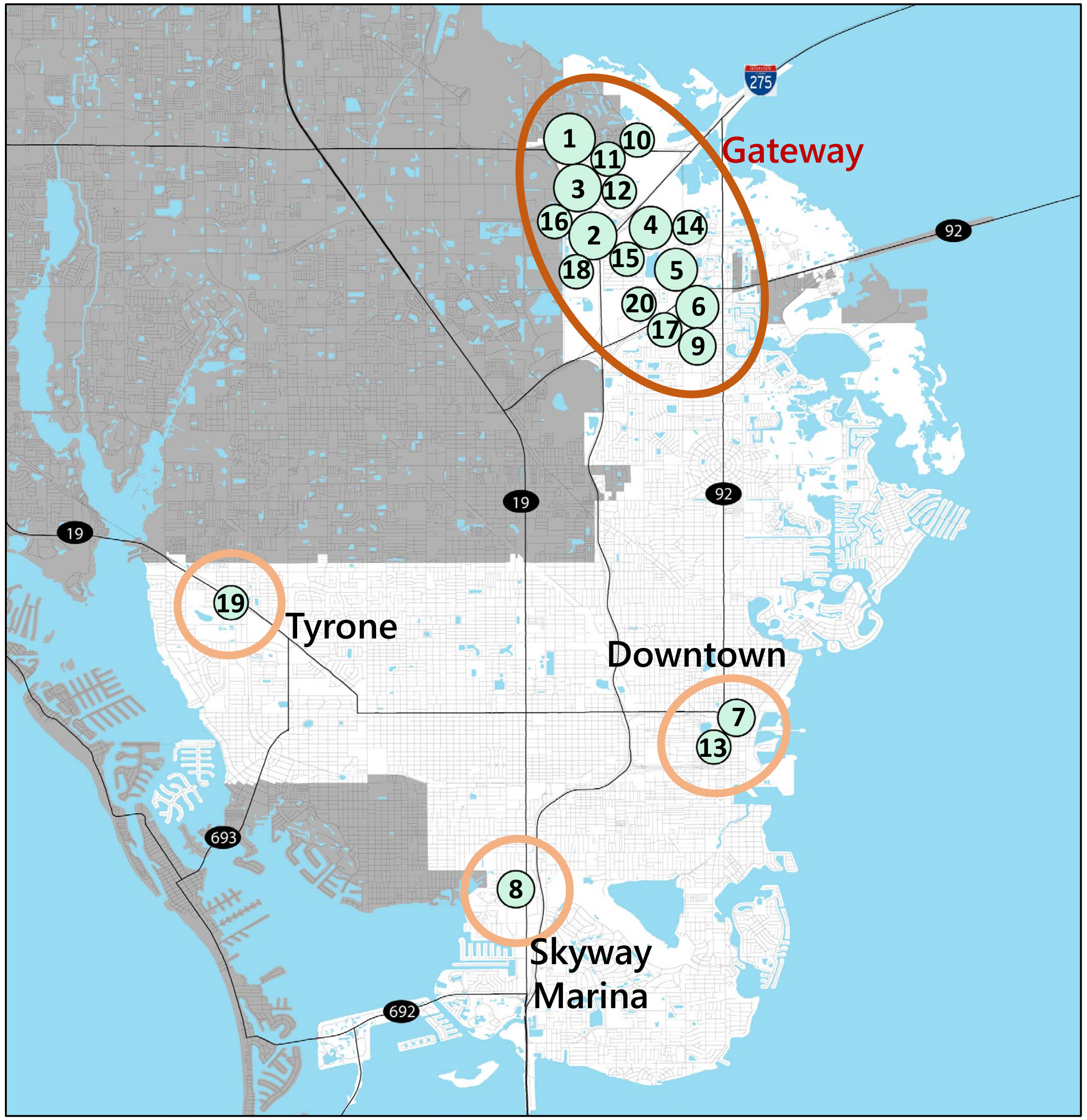
Marine & Life Sciences
12.2%

Creative Arts & Design
7.2%

Financial Services
4.2%

TOP 20 EMPLOYERS

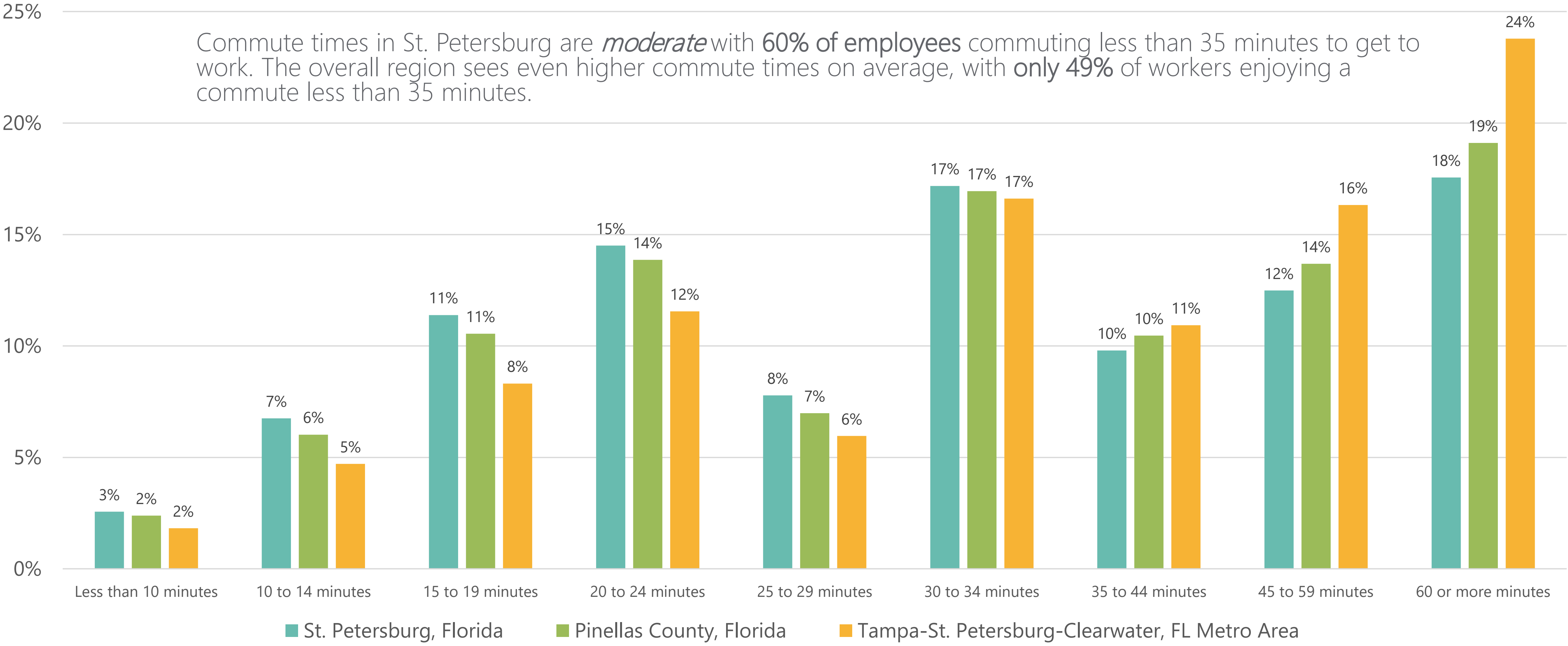
TOP AREA EMPLOYERS - NON GOVERNMENT		
EMPLOYER	**EMPLOYEES**	**NAICS**
1) Raymond James	4,000+	Finance and Insurance
2) HSN (Home Shopping Network)	2,000+	Retail Trade
3) Spectrum	2,000+	Information
4) Fidelity Information Services	1,500+	Finance and Insurance
5) Jabil	1,500+	Manufacturing
6) Valpak	1,500+	Professional, Scientific, and Technical Services
7) Duke Energy Florida	1,000+	Utilities
8) Ceridian Benefits Services	1,000+	Finance and Insurance
9) SKUlocal	1,000+	Professional, Scientific, and Technical Services
10) Franklin Templeton Investments	501-1,000	Finance and Insurance
11) Transamerica Life Insurance	501-1,000	Finance and Insurance
12) PSCU	501-1,000	Finance and Insurance
13) Times Publishing Company	501-1,000	Information
14) Power Design	501-1,000	Construction
15) Bankers Surety Service	501-1,000	Finance and Insurance
16) Catalent Pharma Solutions	501-1,000	Manufacturing
17) Compulink	501-1,000	Manufacturing
18) America II Electronics	501-1,000	Retail Trade
19) Parc Center Industries	300-500	Manufacturing
20) ComDesign	300-500	Other Services



Source: Pinellas County Economic Development

TRAVEL TIME TO WORK

Commute times in St. Petersburg are *moderate* with **60% of employees** commuting less than 35 minutes to get to work. The overall region sees even higher commute times on average, with **only 49%** of workers enjoying a commute less than 35 minutes.



Source: 2013-2017 American Community Survey 5-Year Estimates

EMPLOYMENT TRENDS

- Overall employment in the MSA is expected to grow at an annual rate between 1.1% and 1.9%, adding approximately 17,000-34,000 jobs per year.
- Industries with the highest anticipated rate of growth within the County include Management of Companies, Educational Services, Health Care, and Professional Services.
- The city of St. Petersburg accounts for a 29% share of Pinellas County's total employment, a share that is likely to grow over the coming decades.
- The Utilities, Information, and Finance/Insurance industries hold a particularly strong share, accounting for over half of the County's employment in their respective sectors.
- The City has made great progress over the last five years in growing the five target industries identified in the Grow Smarter plan in 2014.
- Commute times in St. Petersburg are moderate with 60% of employees commuting less than 35 minutes to get to work.

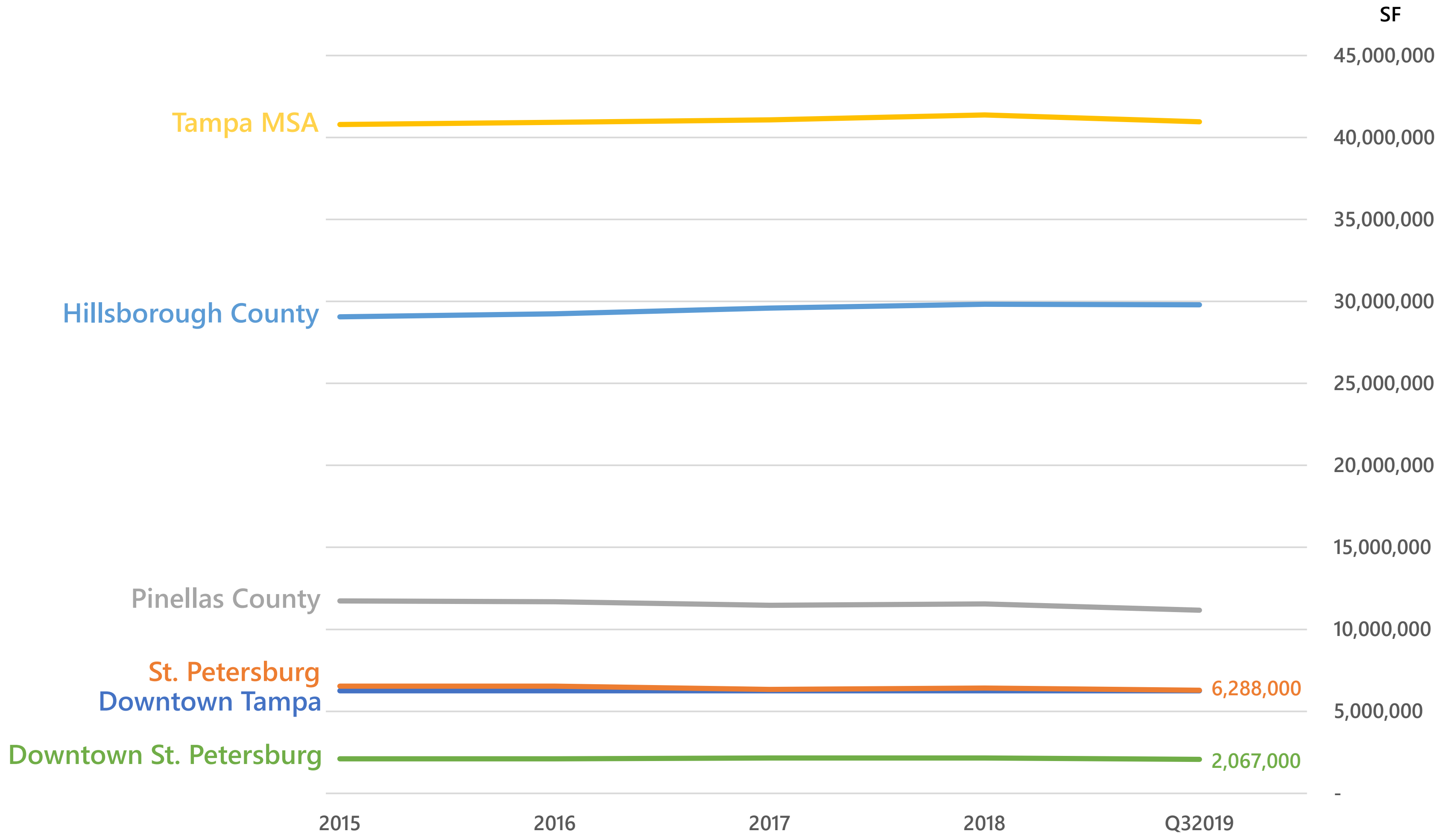
DEMAND BY LAND USE

Office

MARKET STATISTICS

	Submarket	Class A Inventory	Class B Inventory	Total Inventory	Class A Vacancy	Class B Vacancy	Total Vacancy	Class A Asking Rate	Class B Asking Rate	Avg Asking Rate (Full-Service gross)
Tampa Bay MSA		21,996,955	18,962,250	**40,959,205**	8.49%	13.68%	**10.89%**	$30.31	$22.39	$25.80
Hillsborough County	I-75 Corridor	2,744,201	4,017,708	**6,761,909**	15.58%	19.94%	**18.17%**	$25.77	$21.64	$23.38
	Northwest Tampa	1,319,180	2,934,774	**4,253,954**	1.06%	11.29%	**8.12%**	$24.87	$22.47	$22.57
	South Tampa	48,050	279,023	**327,073**	0.00%	1.66%	**1.41%**	-	$23.98	$23.98
	Tampa CBD	5,306,173	936,746	**6,242,919**	7.33%	3.38%	**6.74%**	$32.27	$22.93	$31.81
	Westshore	7,524,312	4,684,948	**12,209,260**	8.52%	13.59%	**10.46%**	$36.32	$26.84	$31.53
Pinellas County	Bayside	785,760	1,139,511	**1,925,271**	9.88%	20.30%	**16.04%**	$24.62	$21.24	$22.09
	Gateway	1,726,806	1,869,563	**3,596,369**	6.18%	14.26%	**10.38%**	$25.48	$19.40	$20.85
	Mid Pinellas	94,470	895,904	**990,374**	14.16%	18.63%	**18.20%**	$20.00	$17.92	$18.08
	North Pinellas	970,075	990,770	**1,960,845**	10.81%	5.35%	**8.05%**	$20.26	$20.34	$20.29
	South Pinellas	-	624,292	**624,292**	0.00%	7.97%	**7.97%**	-	$16.27	$16.27
	St Petersburg CBD	1,477,928	589,011	**2,066,939**	6.37%	3.53%	**5.56%**	$28.97	$24.61	$28.12

Source: Avison Young Tampa Bay Office Market Report, Q3 2019



TOTAL INVENTORY

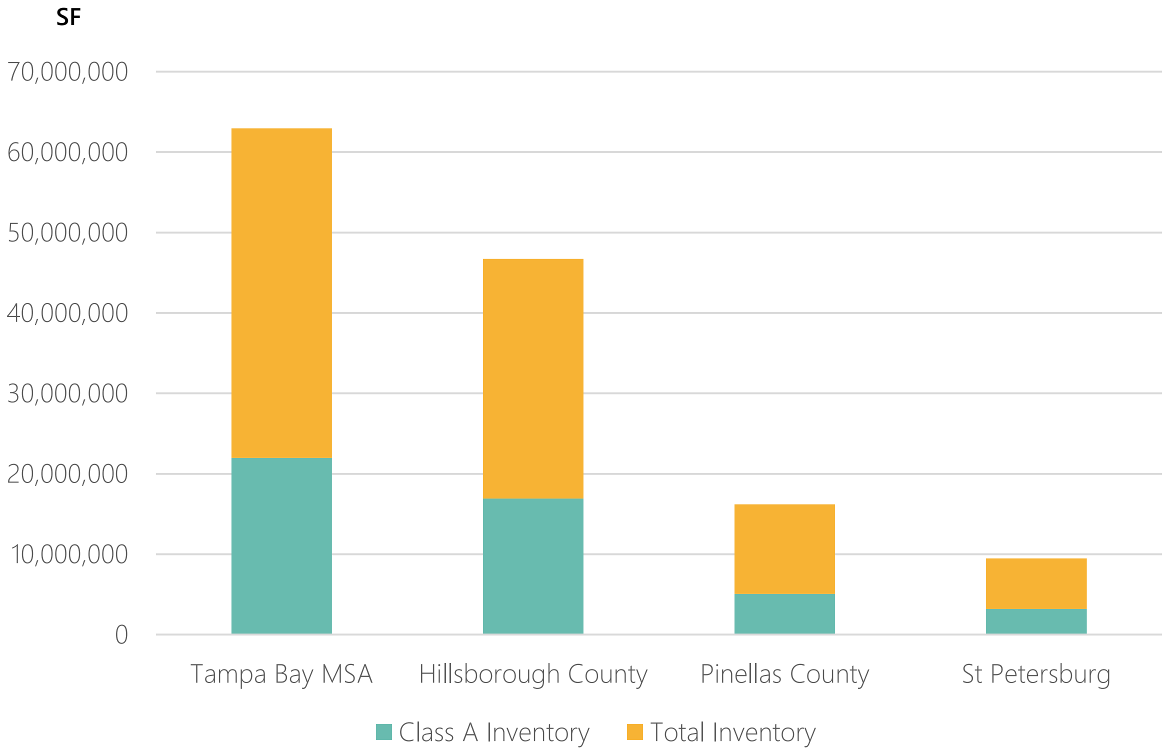
There is approximately 6.3 million sf of class A & B office space in St. Petersburg, with 33% of that (~2 million sf) located downtown.

Source: *Avison Young Tampa Bay Office Market Reports*

PINELLAS COUNTY

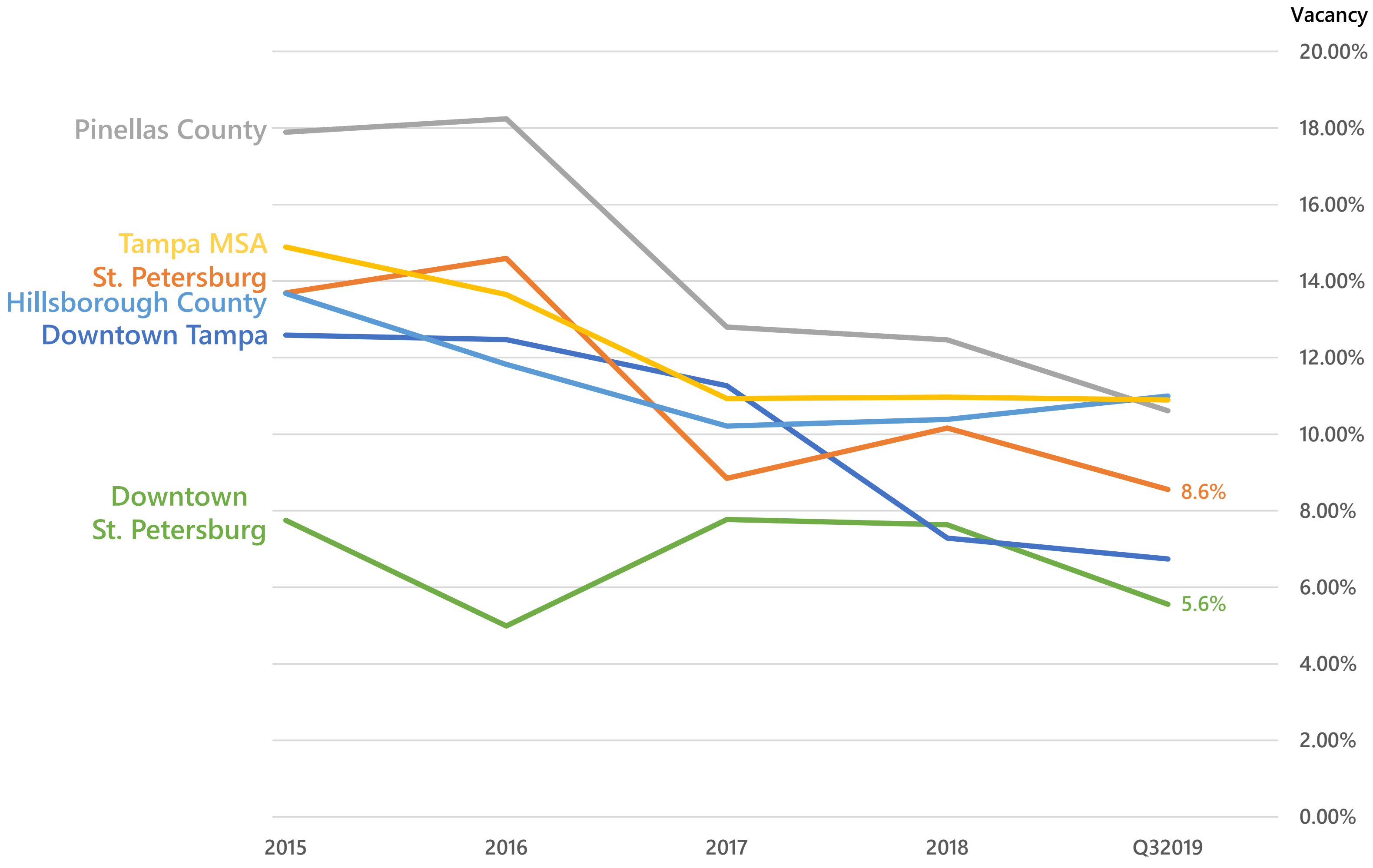
The city of St. Petersburg accounts for just over 50% of the Class A office space in Pinellas County.

REGIONAL



St. Petersburg represents a 15% share of the total Class A inventory in the MSA

Source: Avison Young Tampa Bay Office Market Report, Q3 2019



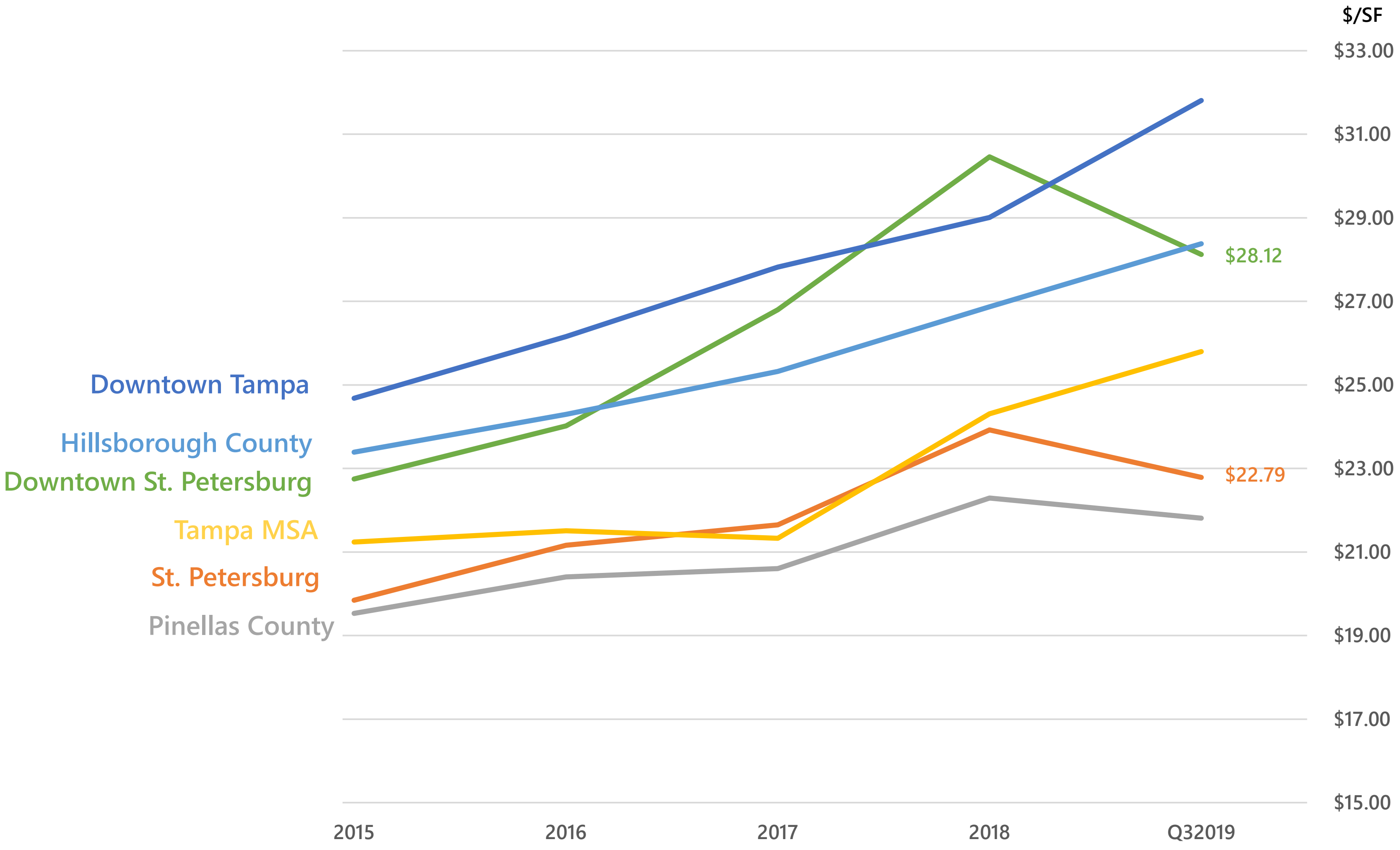
OVERALL VACANCY

The office market is very healthy in the Tampa region. Overall vacancy (all classes) has seen a steep decline across the region, with the Downtown St. Petersburg submarket continuing to see the lowest vacancy rates.

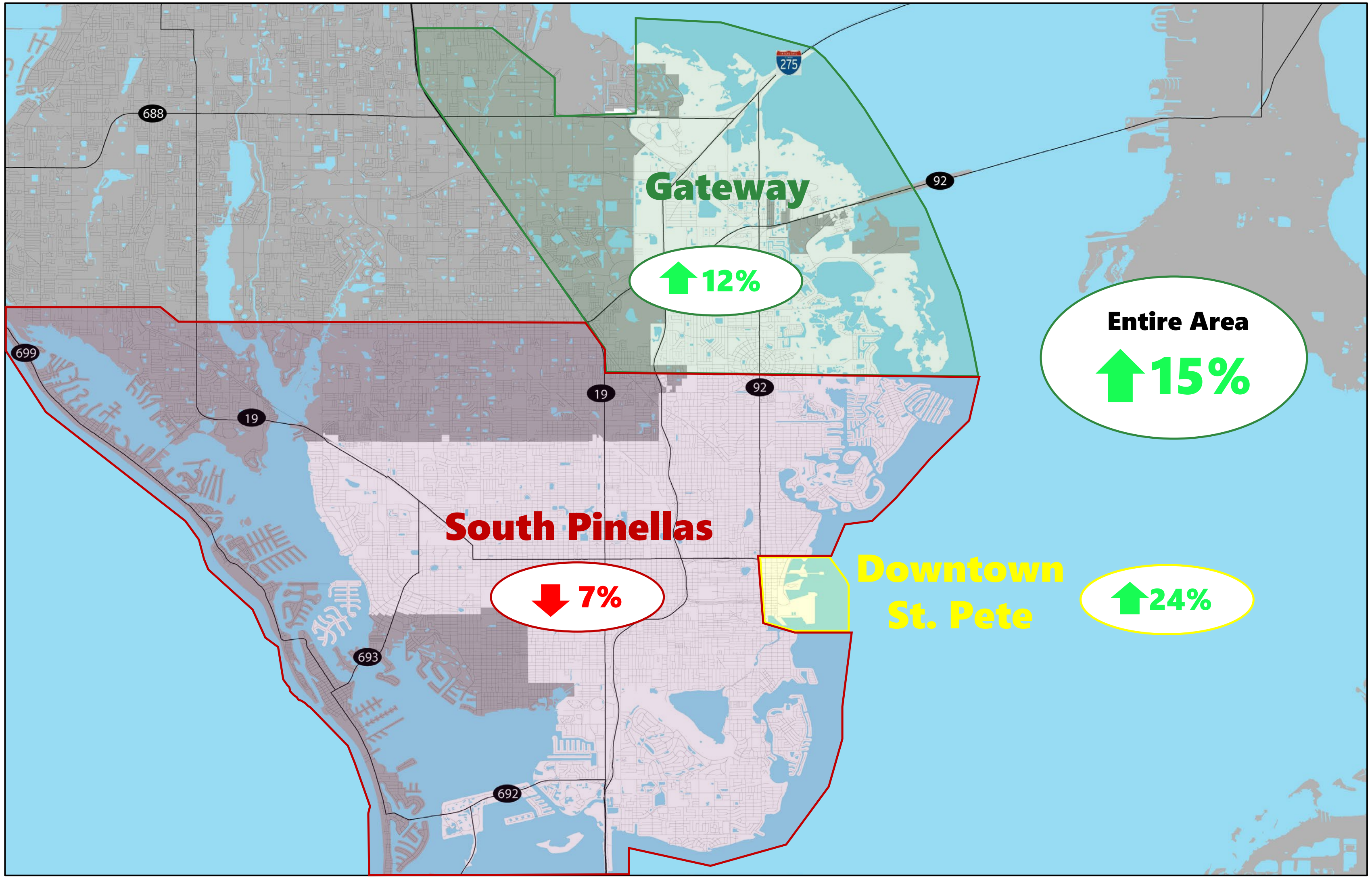
Source: Avison Young Tampa Bay Office Market Reports

OFFICE RENTS

Average asking rents (full-service gross for all classes). Rents have increased at a very strong rate over the past four years with Downtown St. Petersburg as one of the top performers.



Source: *Avison Young Tampa Bay Office Market Reports*

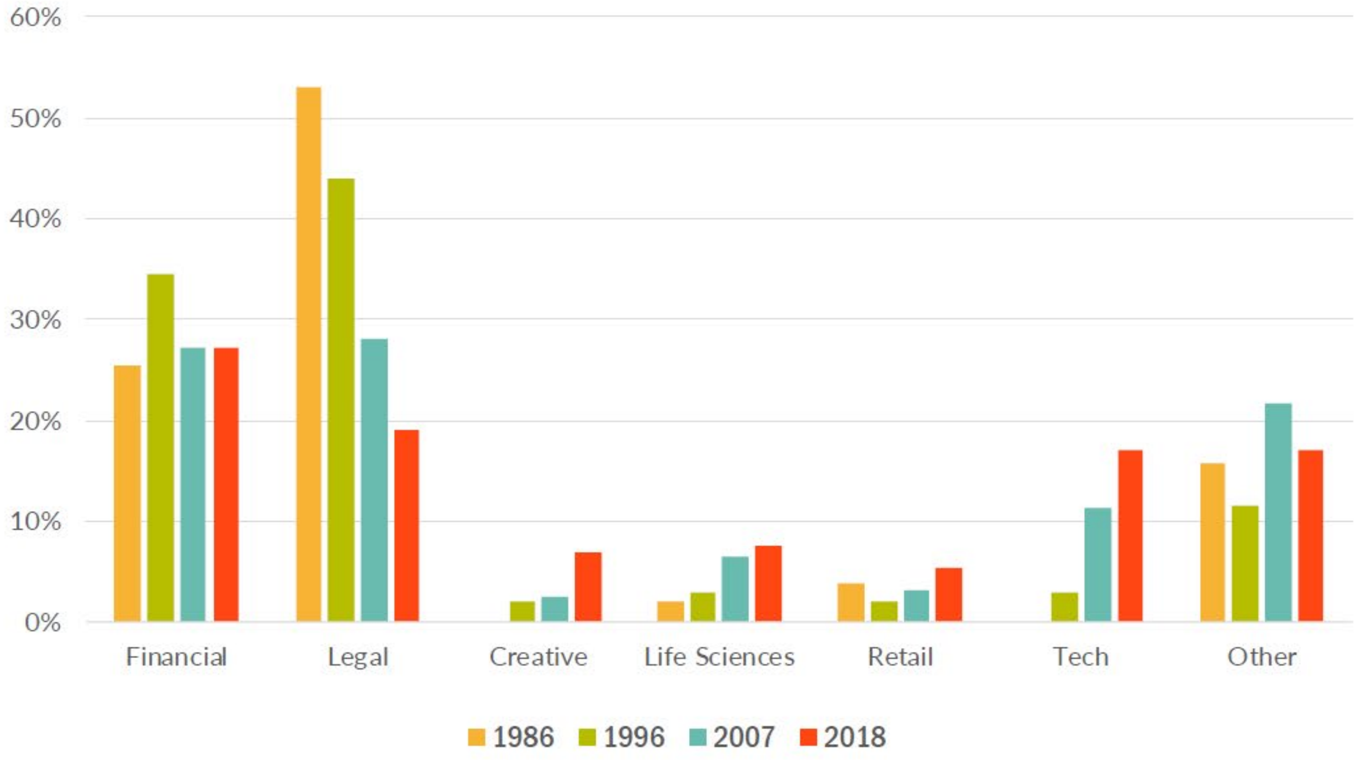


OFFICE RENTS

	2015	2019
Downtown	$22.75 /SF	$28.12 /SF
Gateway	$18.69	$20.85
South Pinellas	$17.53	$16.27
Entire Area	$19.85	$22.79

Source: Avison Young Tampa Bay Office Market Reports

DOWNTOWN TENANT MIX (1986-2018)



Source: CoStar; St. Petersburg City Directories

Takeaway

In 1986, financial and legal firms made up 78% of the total businesses downtown. Now they comprise 46% of downtown businesses.

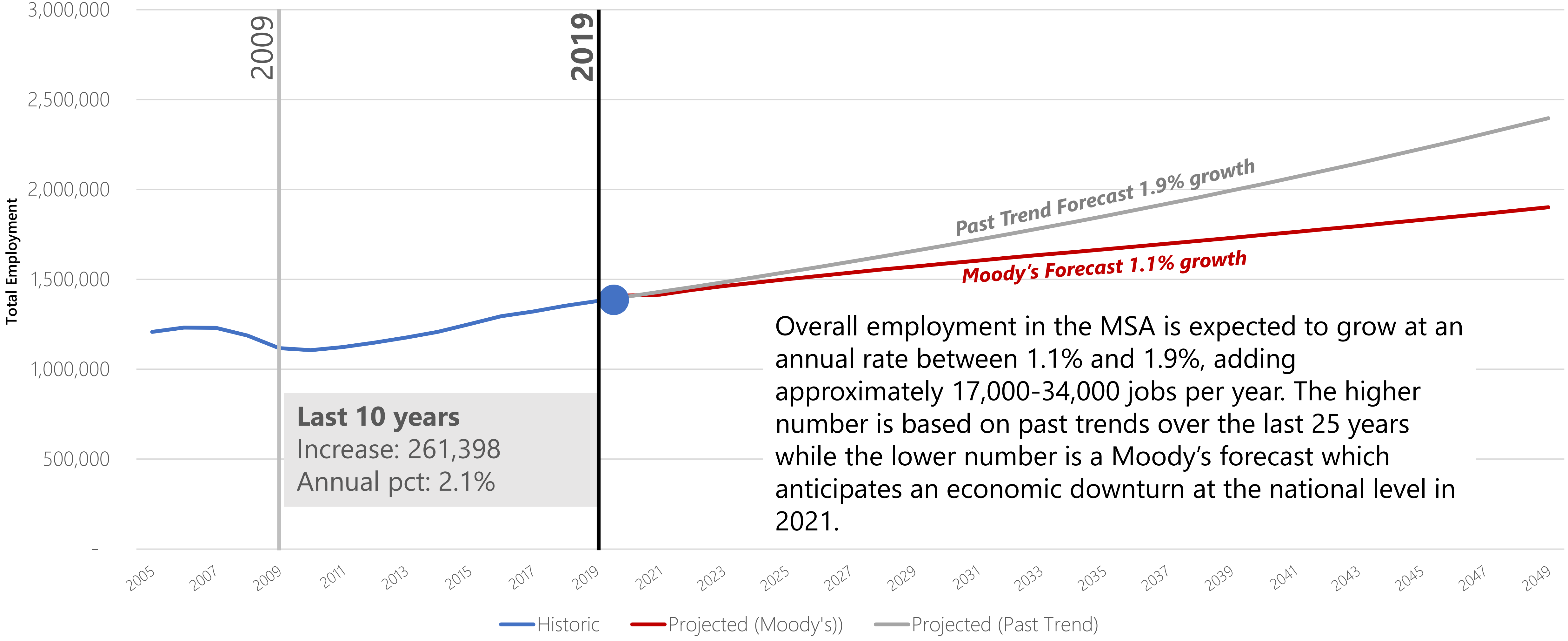
Creative, life sciences, retail and tech businesses have increased from 5.8% in 1986 to 36.7% in 2018.

Other includes professional services.

Buildings used in analysis:

- 200 Central
- First Central
- City Center
- Morgan Stanley Tower

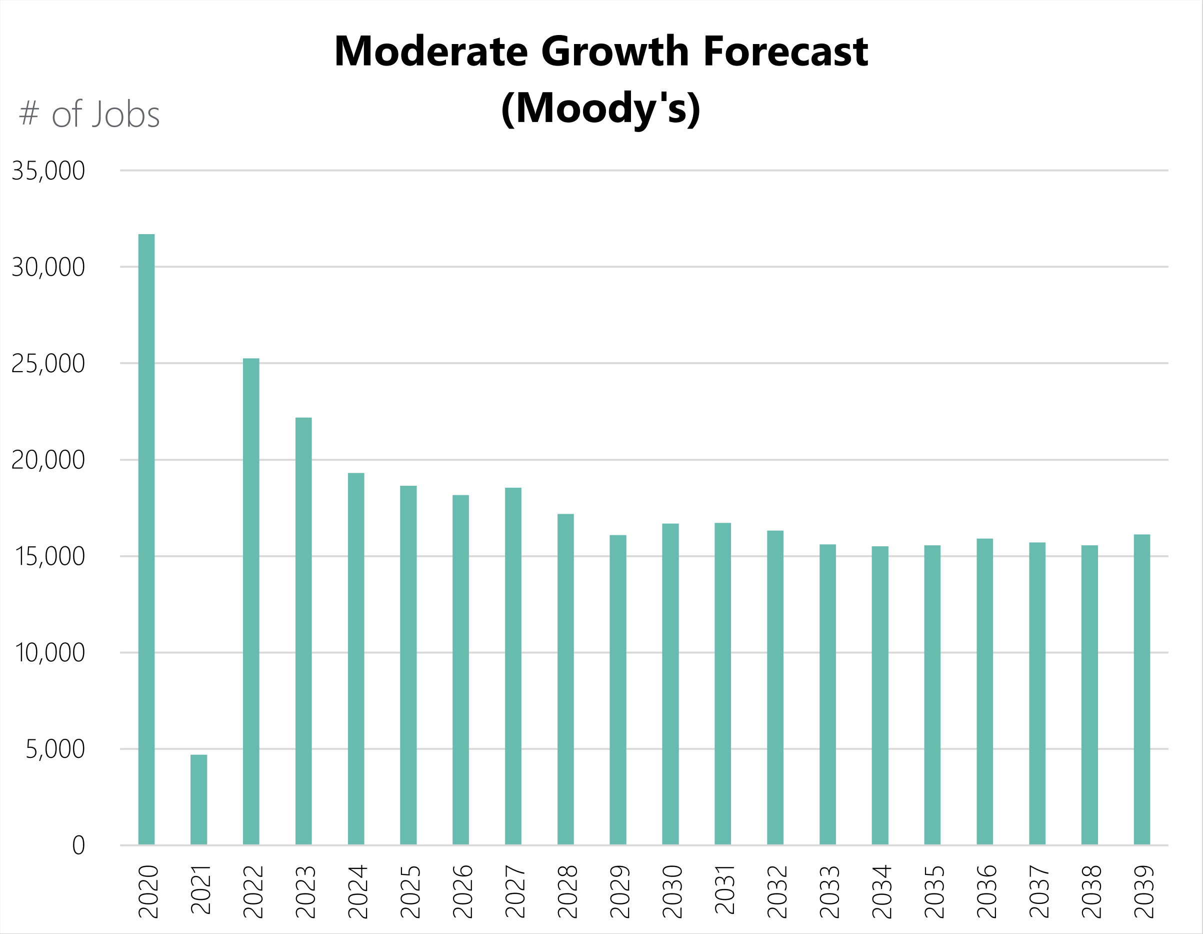
PROJECTED EMPLOYMENT GROWTH - Tampa – St. Petersburg – Clearwater MSA

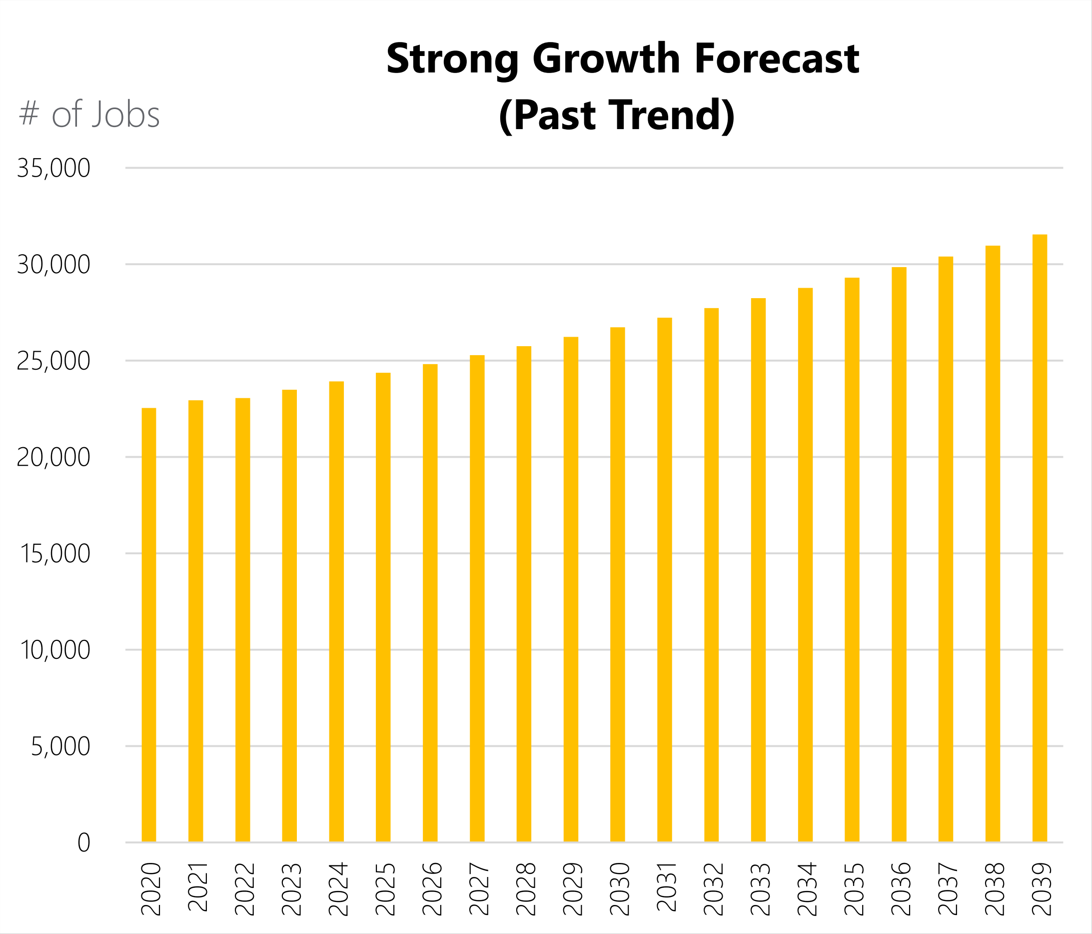


Overall employment in the MSA is expected to grow at an annual rate between 1.1% and 1.9%, adding approximately 17,000-34,000 jobs per year. The higher number is based on past trends over the last 25 years while the lower number is a Moody's forecast which anticipates an economic downturn at the national level in 2021.

Source: 2019 Moody's 30-year forecast, Total Non-Agricultural Employment

NET EMPLOYMENT GROWTH - Tampa – St. Petersburg – Clearwater MSA





Note: The dip in growth in 2021 is due to a projected economic downturn from Moody's

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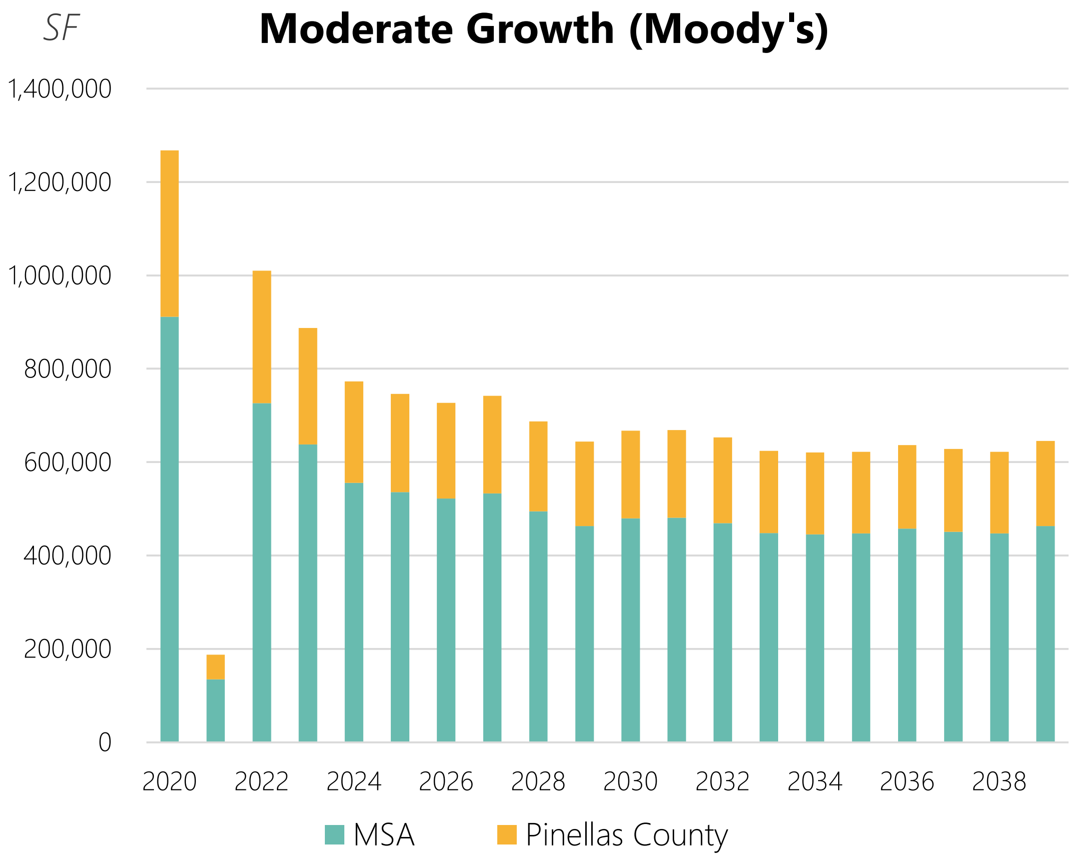
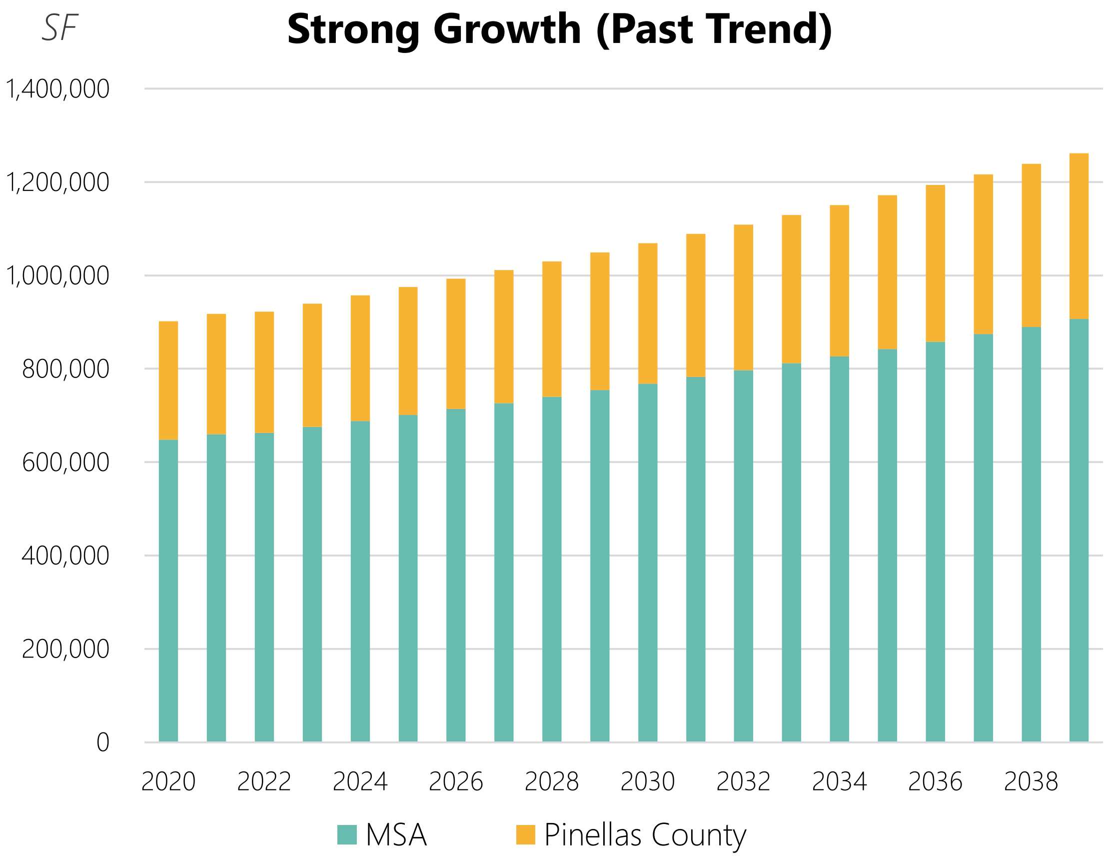
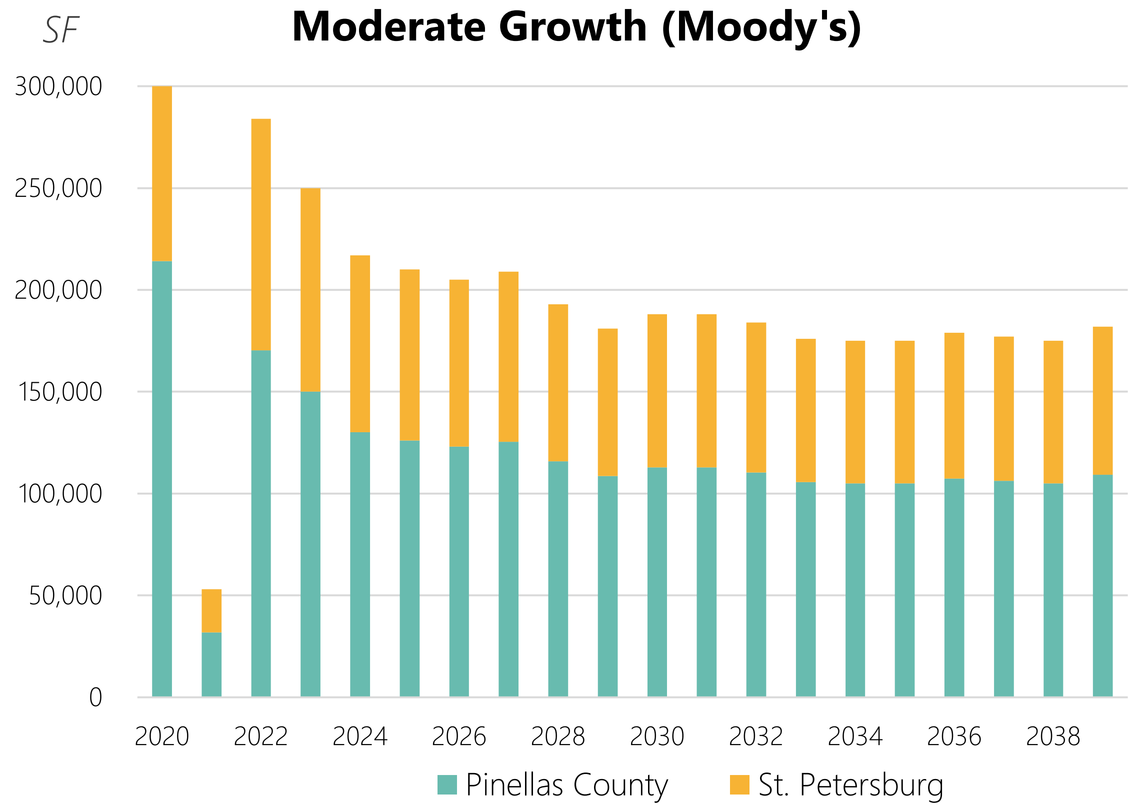
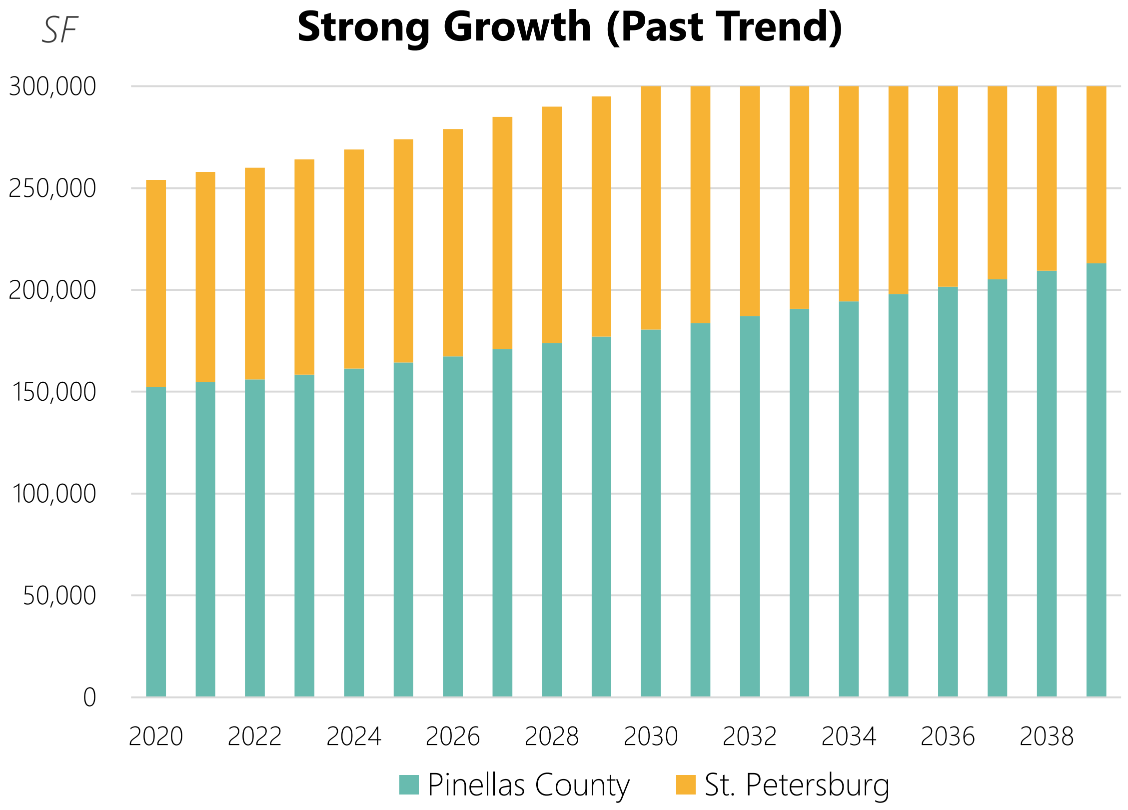
Assumes Pinellas County maintains its historic share and captures **28% of Tampa MSA office growth**



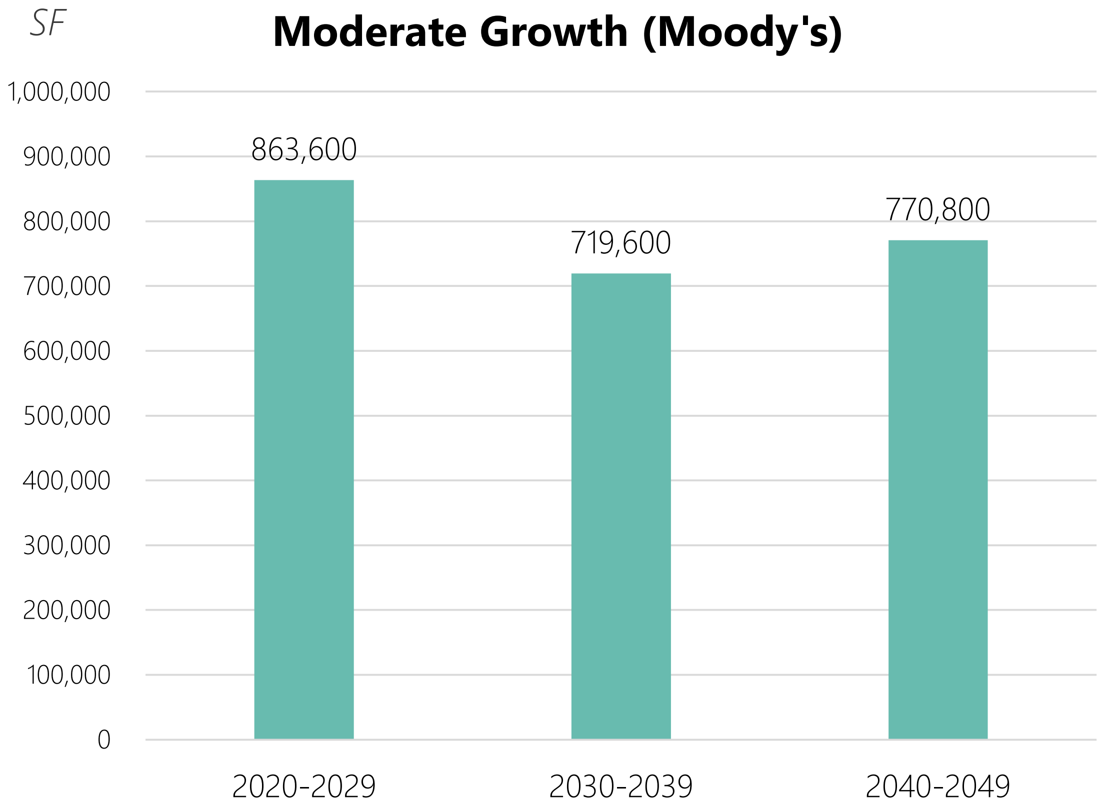


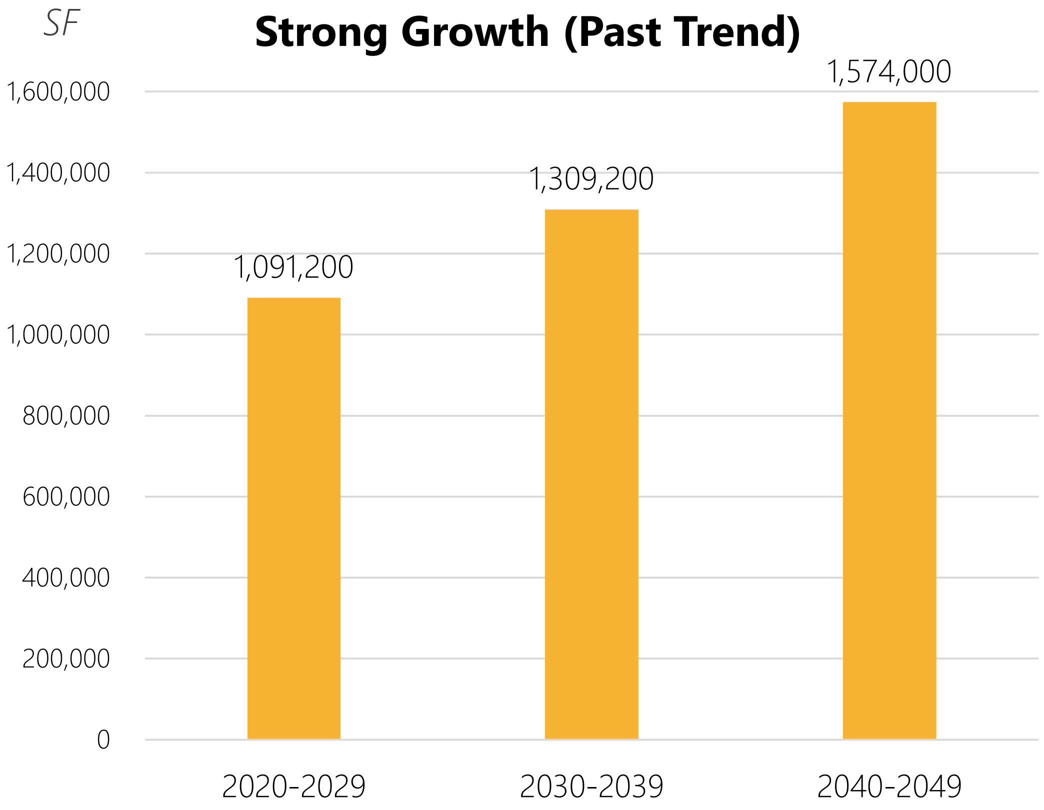
Assumes St. Petersburg captures **40% of Pinellas County office growth**





St. Petersburg 30-year demand for new office space



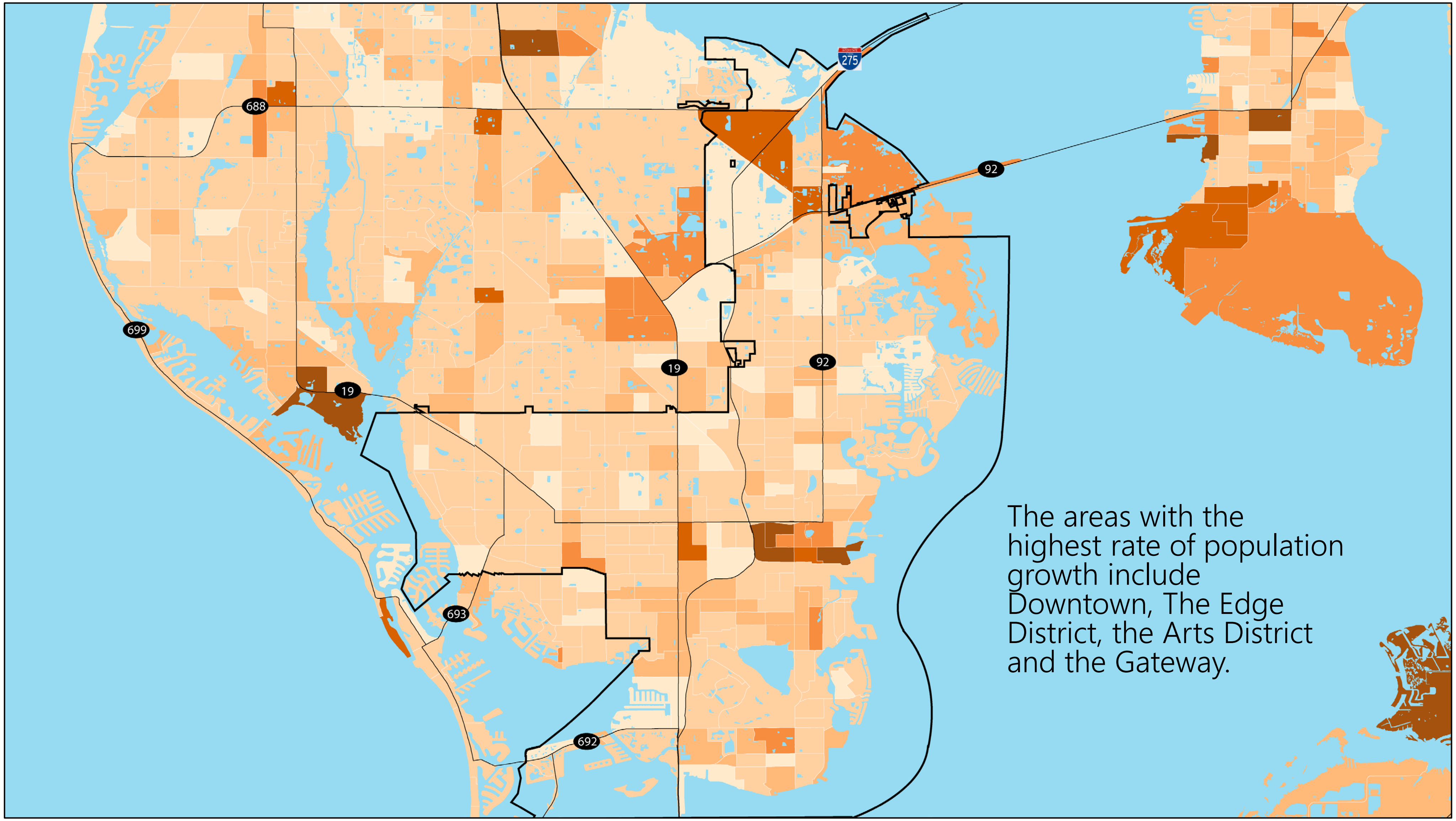


OFFICE DEMAND SUMMARY

- There is approximately 6.3 million sf of class A & B office space in St. Petersburg, with 33% of that (~2 million sf) located downtown.
- The office market is very healthy in the Tampa region. Overall vacancy (all classes) has seen a steep decline across the region, with the Downtown St. Petersburg submarket continuing to see the lowest vacancy rates.
- Average asking rents (full-service gross for all classes) have increased at a very strong rate over the past four years with Downtown St. Petersburg as one of the top performers.
- Office rents in the Central Business District have increased by a whopping 24% over the last five years.
- Conservatively assuming that St. Petersburg can capture 40% of all office growth with Pinellas County, the City should experience demand for 2.4M to 4.0M square feet of new office space over the next 30 years.

DEMAND BY LAND USE

Residential



ANNUAL POPULATION GROWTH

2010 - 2019

- > 5%
- 3 – 5%
- 2 – 3%
- 1 – 2%
- 0 – 1%
- < 0%

St. Petersburg:
0.8%

Pinellas County:
0.8%

Tampa MSA:
1.4%

Source: 2019 ESRI BAO

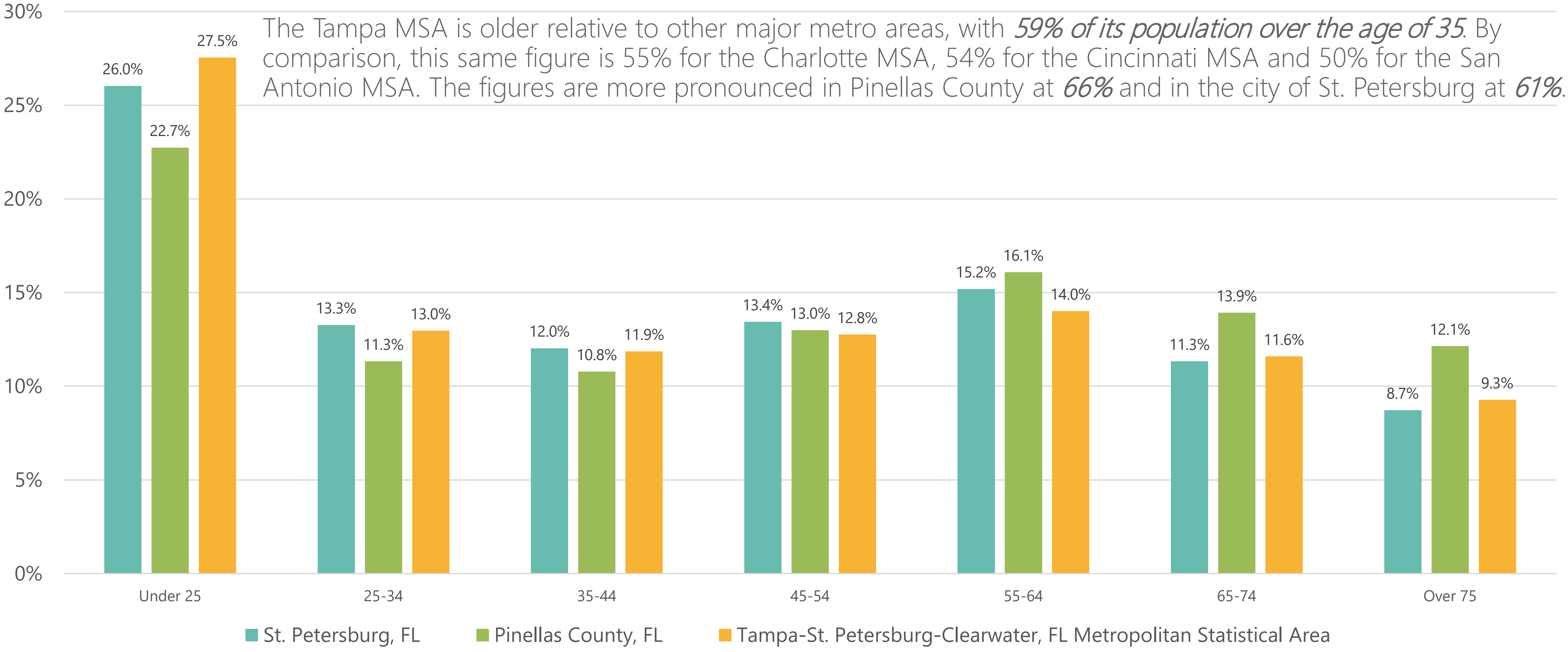
MARKET SEGMENT - St. Petersburg, FL

	Young Singles / Couples	Growing Families	Mature Families	Empty Nester / Pre-Retirees	Retirees
Income Range	Under 35	35-44	45-54	55-64	65-74
Less than $50,000	-2.58	-3.74	-5.52	-4.84	0
$50,000 - $99,999	2.65	0.99	-1.63	-0.2	5.4
Over $100,000	8.57	5.91	3.1	4.62	10.1
Total	**1.2**	**0.51**	**-1.57**	**-0.96**	**3.55**

The numbers shown above represent the ratio of *household growth share* to *total population share* for each group, indicating how fast each group is growing. St. Petersburg shows strong growth for young singles/couples and retirees above income levels of $50,000.

2019 AGE DISTRIBUTION

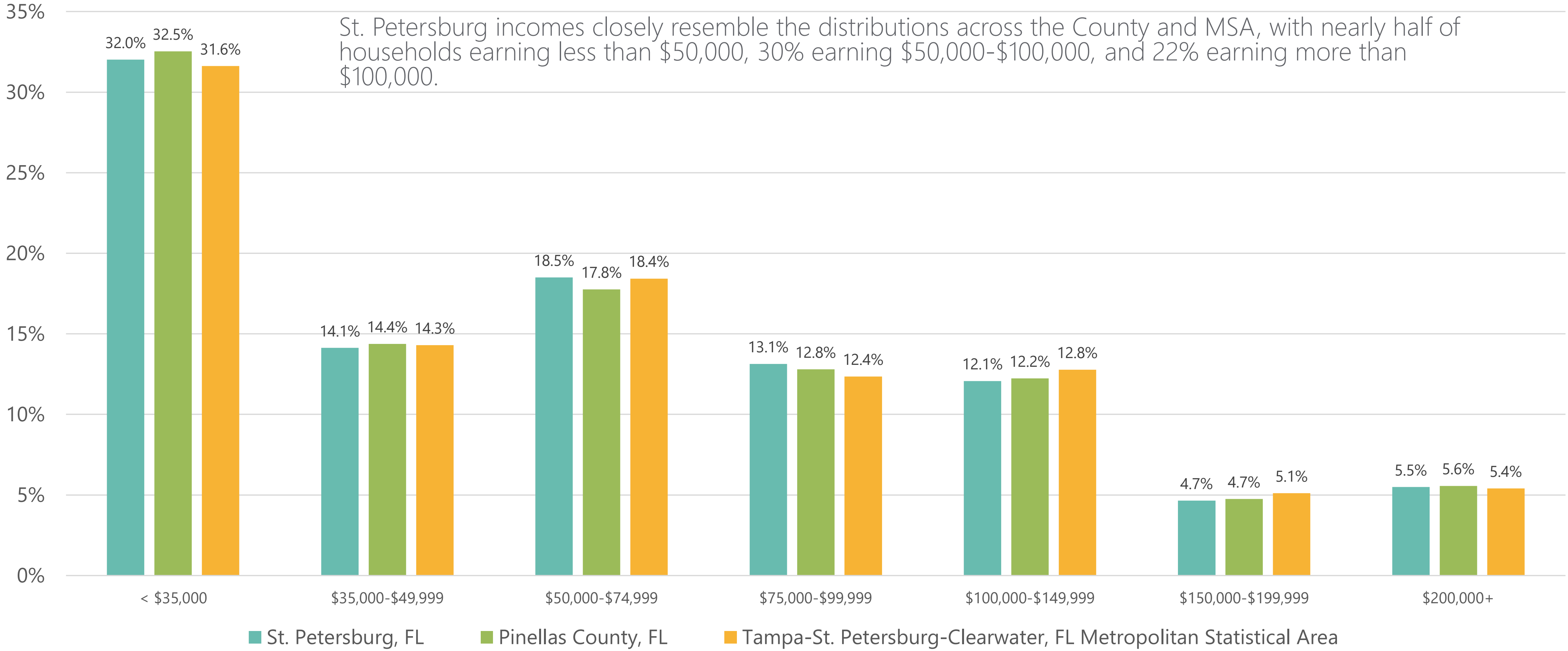
The Tampa MSA is older relative to other major metro areas, with *59% of its population over the age of 35*. By comparison, this same figure is 55% for the Charlotte MSA, 54% for the Cincinnati MSA and 50% for the San Antonio MSA. The figures are more pronounced in Pinellas County at *66%* and in the city of St. Petersburg at *61%*.



Source: 2019 ESRI BAO

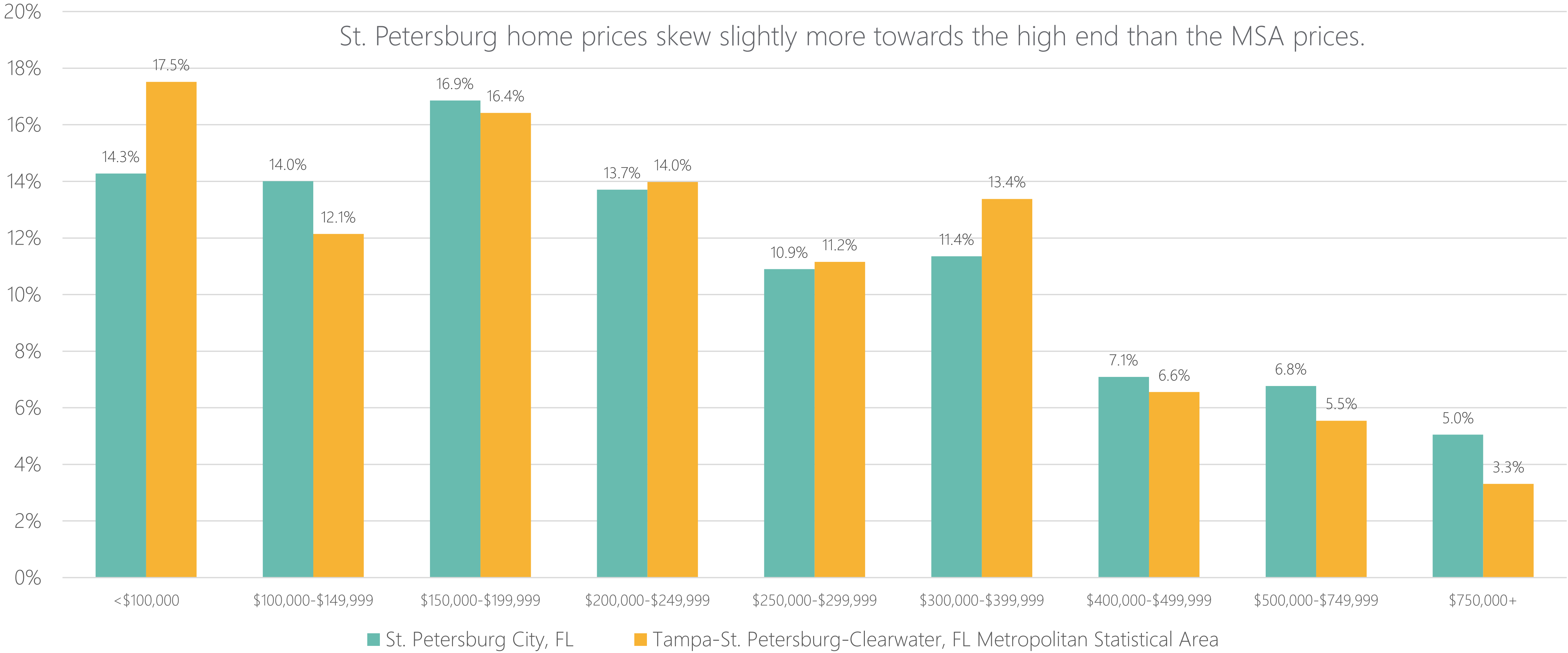
2019 HOUSEHOLD INCOME DISTRIBUTION

St. Petersburg incomes closely resemble the distributions across the County and MSA, with nearly half of households earning less than $50,000, 30% earning $50,000-$100,000, and 22% earning more than $100,000.



Source: 2019 ESRI BAO

2019 DISTRIBUTION OF HOME VALUES



Source: 2019 ESRI BAO

RESIDENTIAL DEMAND - St. Petersburg, FL

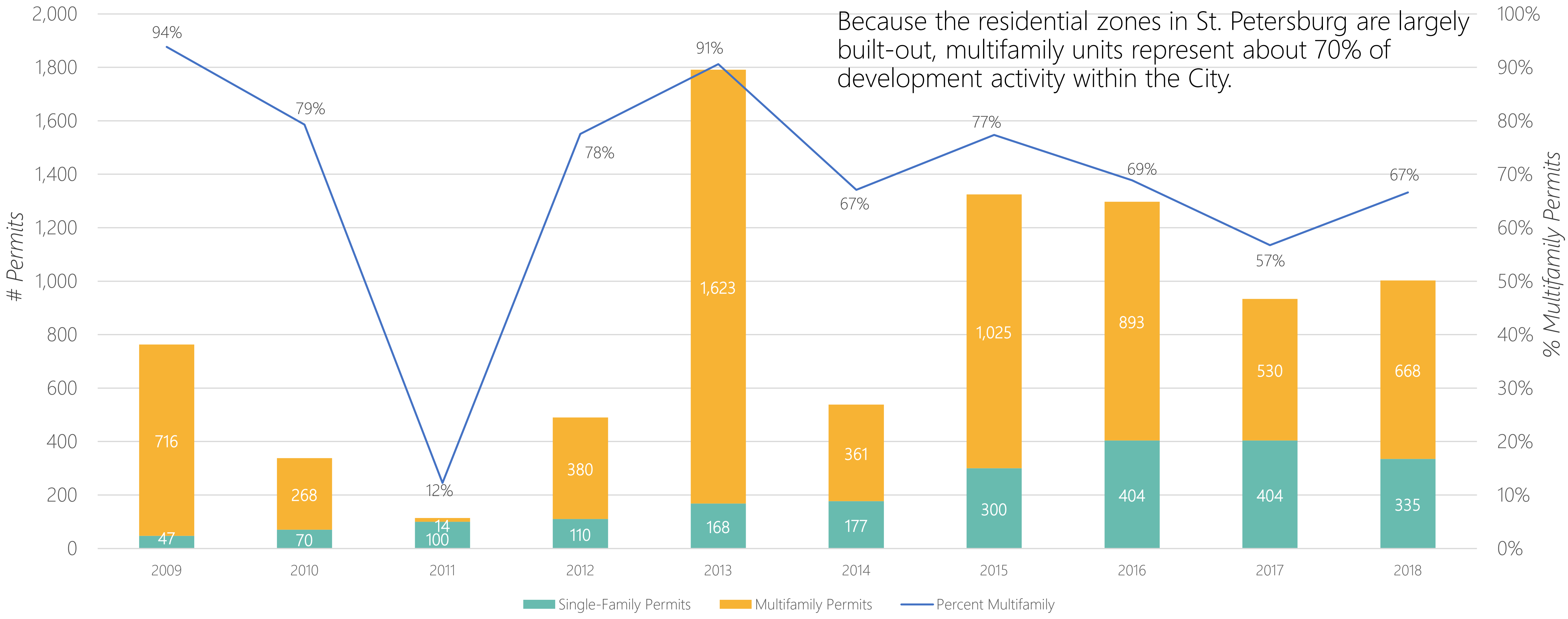
Household Income	Home Price	<25	25-34	35-44	45-54	55-64	65-74	75+
<$35k	<$125k	-2%	-9%	-8%	-13%	-17%	-3%	5%
$35-$50k	$125-$175k	0%	-1%	-2%	-4%	-4%	3%	4%
$50-$75k	$175-$260k	1%	2%	0%	-4%	-2%	7%	5%
$75-$100k	$260-$340k	1%	4%	3%	0%	1%	6%	5%
$100-$150k	$340-$500k	1%	7%	5%	3%	5%	6%	5%
$150-$200k	$500-$700k	0%	3%	4%	4%	4%	5%	3%
$200k+	$700k+	0%	2%	2%	2%	3%	4%	2%

Highest Demand
High Demand
Moderate Demand
Lower Demand
Lowest Demand

The numbers shown above represent the ratio of *household growth* to *total demand potential* for each group, indicating how fast demand is growing for each group. St. Petersburg shows strongest growth for homes priced above $340,000.

RESIDENTIAL PERMIT TRENDS – CITY OF ST. PETERSBURG

Because the residential zones in St. Petersburg are largely built-out, multifamily units represent about 70% of development activity within the City.



Source: US Census

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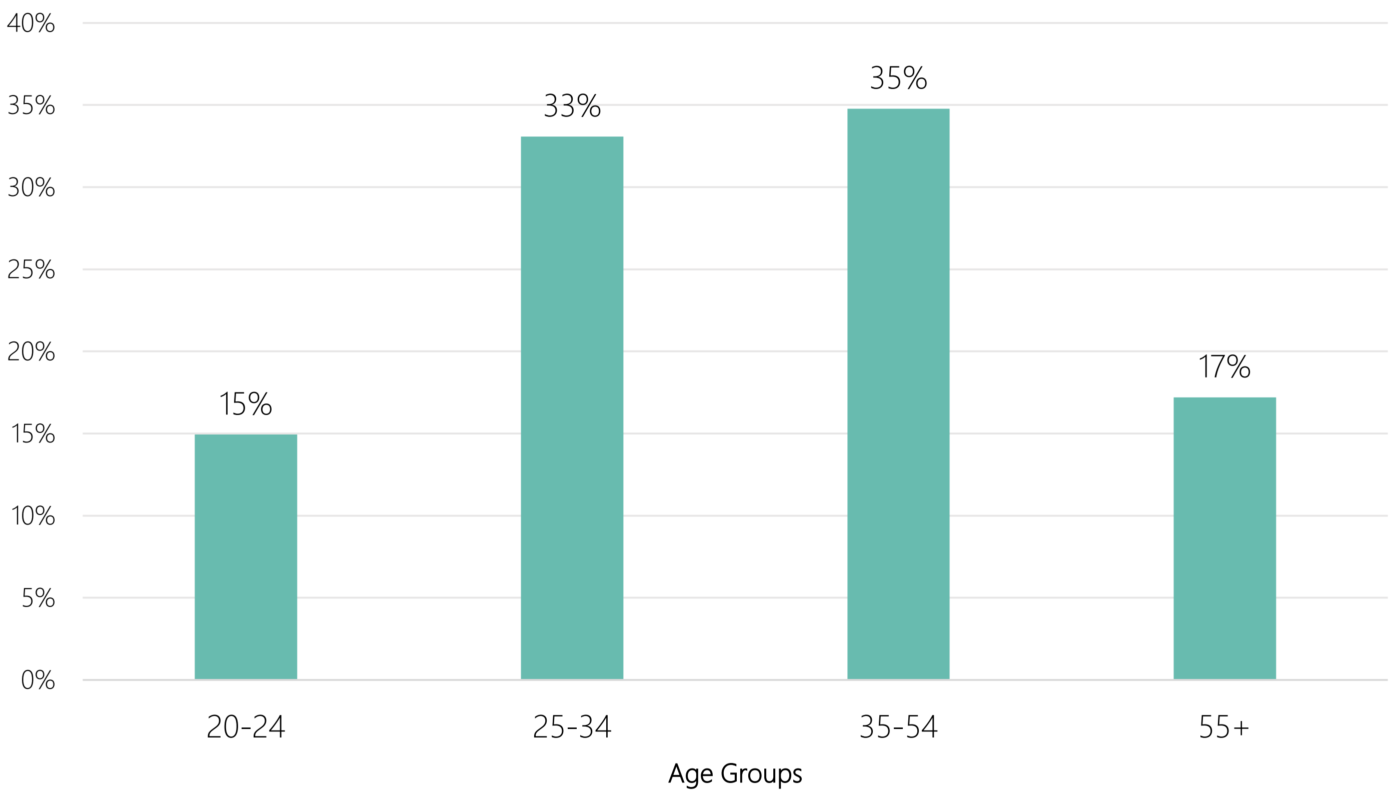
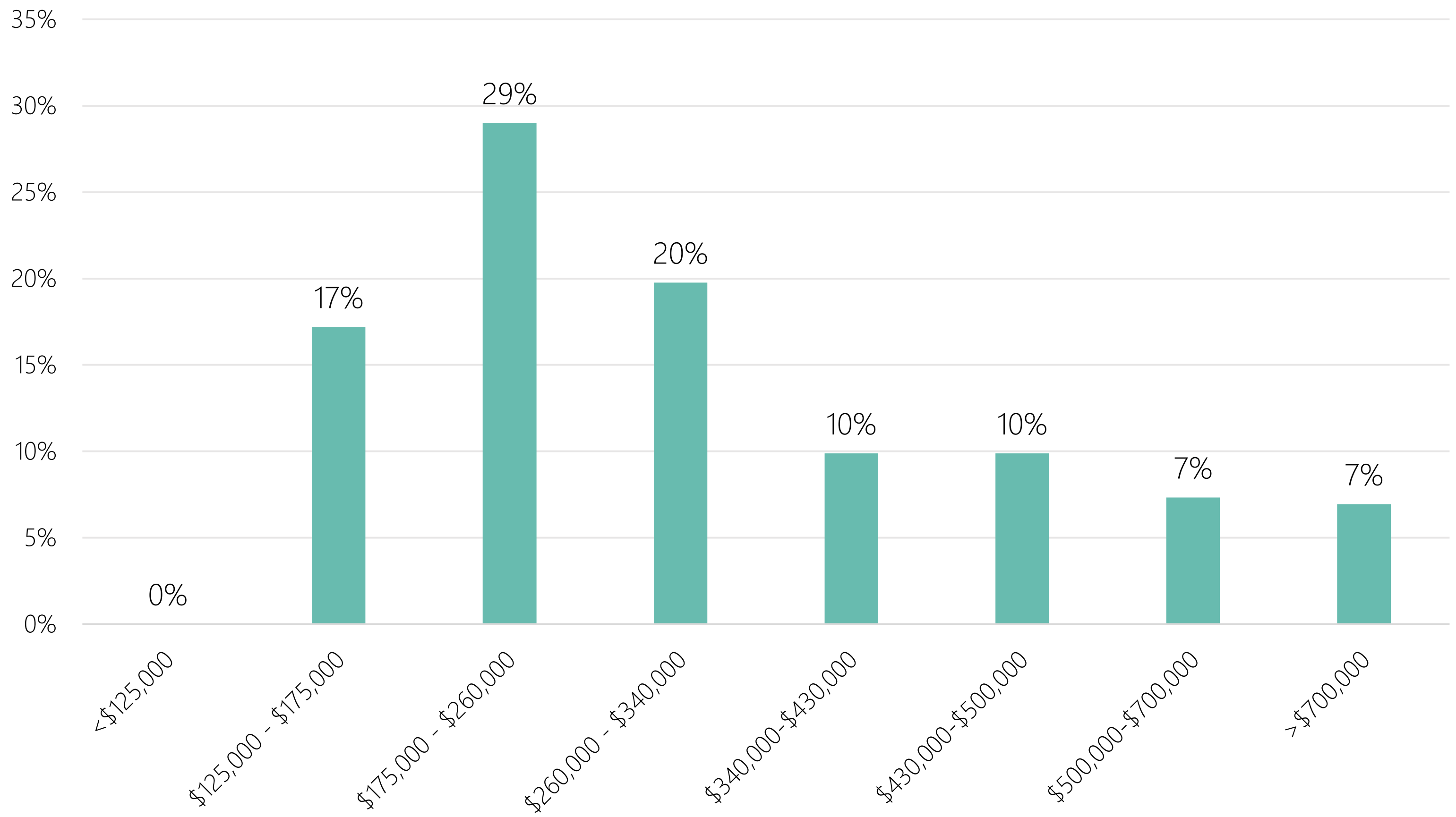
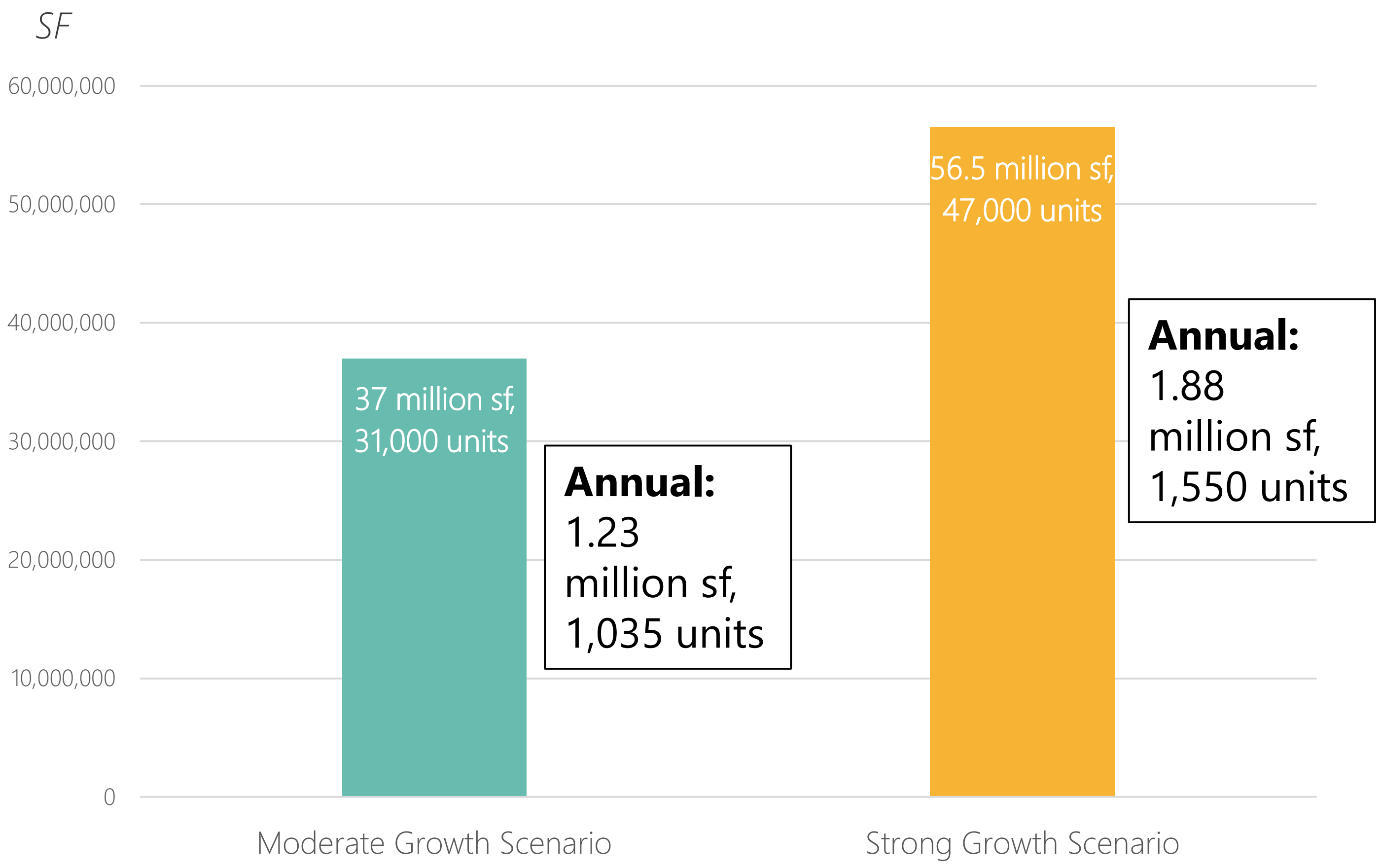
ANNUAL RENTAL DEMAND DISTRIBUTION - St. Petersburg, FL



ANNUAL FOR-SALE DEMAND DISTRIBUTION - St. Petersburg, FL



St. Petersburg 30-year demand for new Residential



RESIDENTIAL DEMAND SUMMARY

- The highest rate of population growth is occurring in key areas such as downtown, the edge district, the arts district and the gateway.
- The Tampa MSA is older relative to other major metro areas, with 59% of its population over the age of 35
- St. Petersburg incomes closely resemble the distributions across the County and MSA, with nearly half of households earning less than $50,000, 30% earning $50,000-$100,000, and 22% earning more than $100,000.
- Because the residential zones in St. Petersburg are largely built-out, multifamily units represent about 70% of development activity within the City.
- The deepest demand for housing is in the $175,000 - $340,000 price range but the fastest growing demand is for homes priced above $340,000
- Based on growth trends over the past ten years, St. Petersburg should experience demand for 31,000 to 47,000 units of new housing over the next 30 years.

DEMAND BY LAND USE

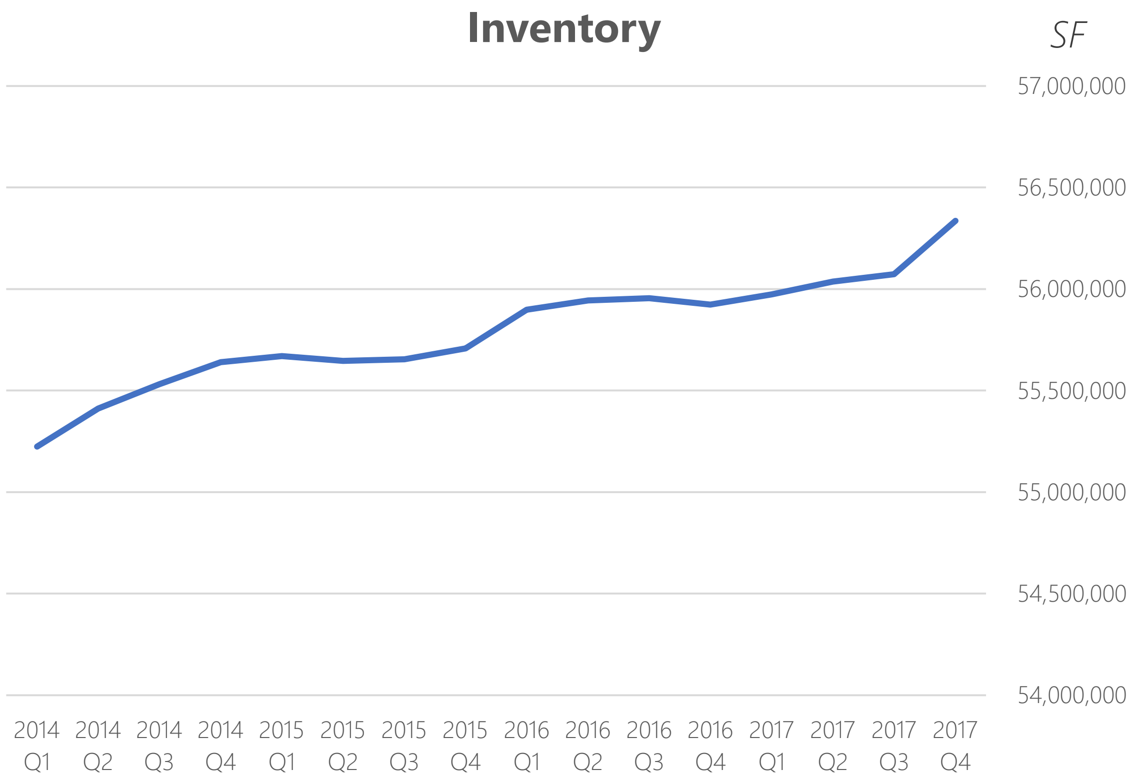
Retail

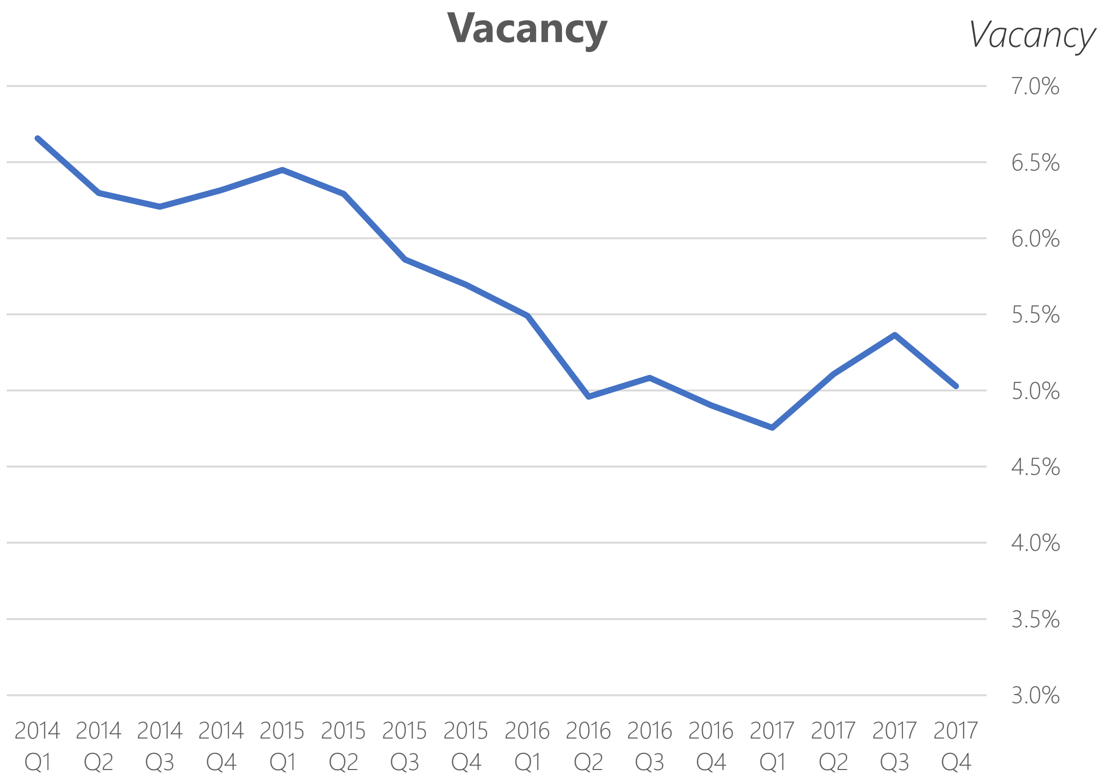
MARKET STATISTICS

	Submarket	Total GLA	Vacant SF	Vacancy %	Quoted Rates
St. Petersburg	Gateway	3,476,928	105,370	3.0%	$14.14
	South Pinellas	18,946,553	1,217,819	6.4%	$17.10
	St Petersburg CBD	1,835,856	56,342	3.1%	$30.69

CoStar reports approximately 24.2 million sf of existing retail located in St. Petersburg, with a vacancy rate of 5.7% and average asking rent of $17.70 (2017).

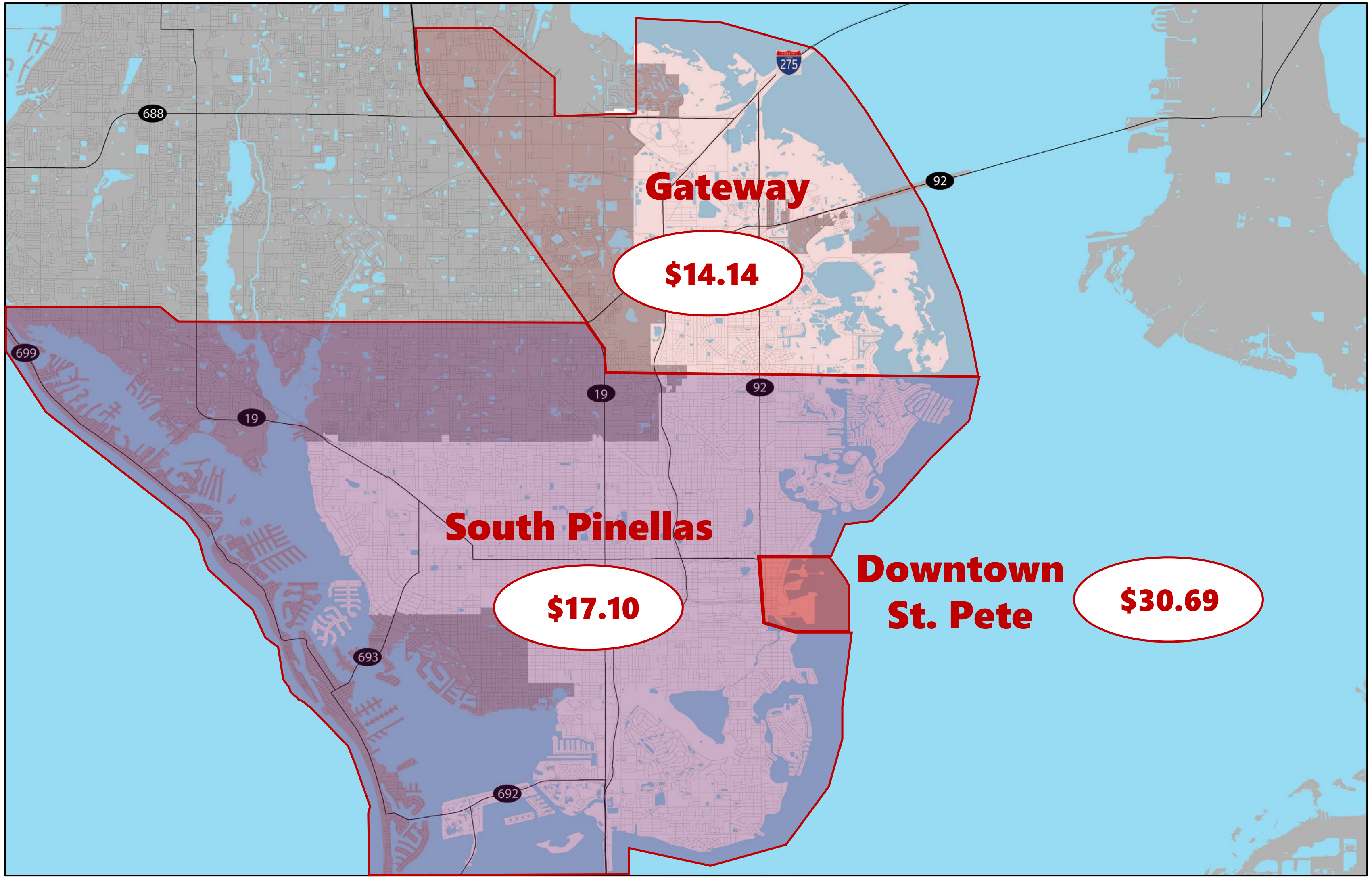
Source: CoStar Retail Statistics Tampa/St Petersburg Year-End 2017





Total retail square footage has continued to rise in St. Petersburg, with a falling vacancy rate. The current retail vacancy rate for St Pete is 5% which reflects a very healthy market.

Source: CoStar Retail Statistics Tampa/St Petersburg Year-End 2017

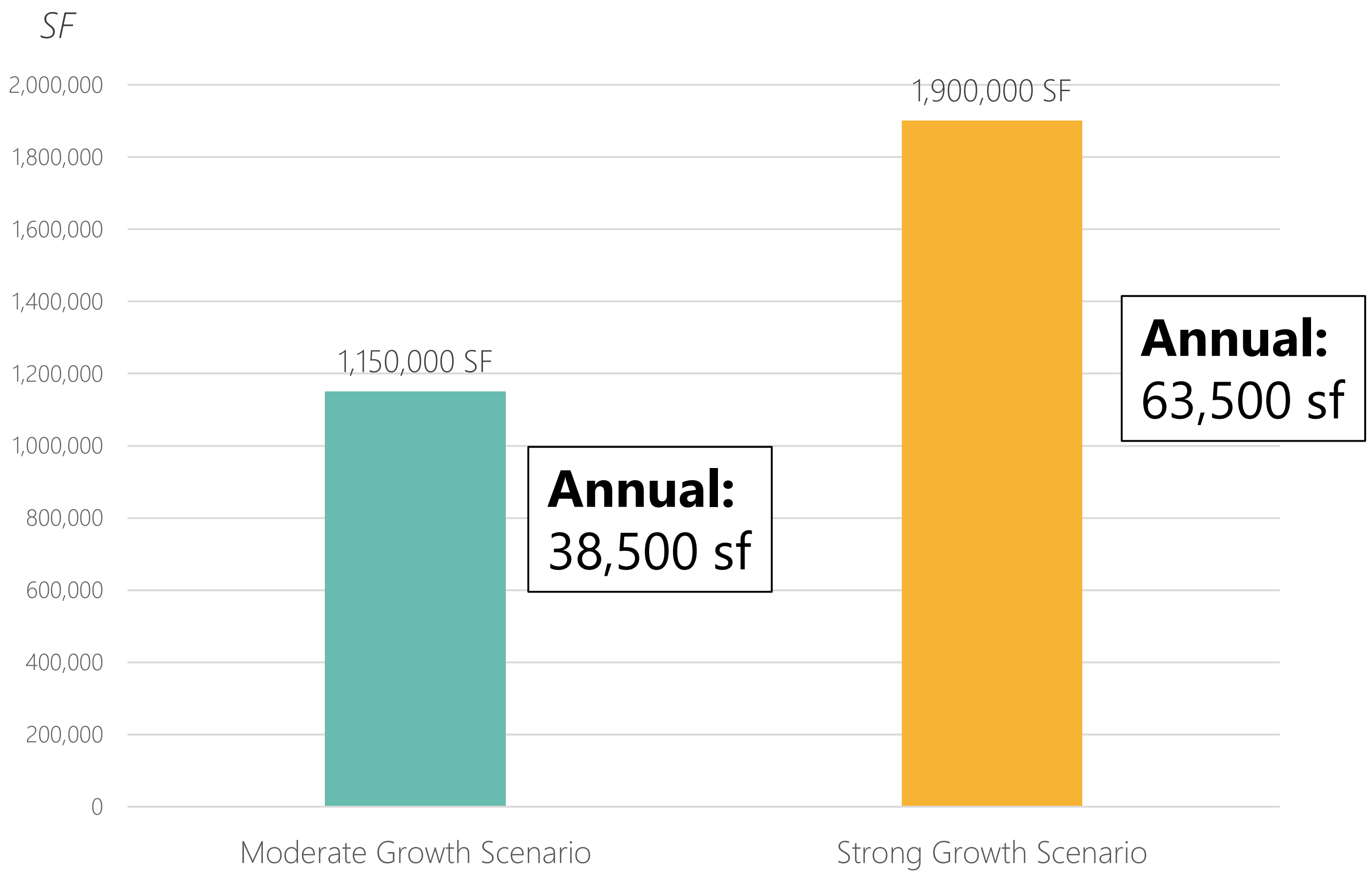


RETAIL RENTS

	2017
Downtown	$30.69/SF
South Pinellas	$17.10
Gateway	$14.14
Entire Area	$17.70

Source: CoStar Retail Statistics Tampa/St Petersburg Year-End 2017

St. Petersburg 30-year demand for new Retail



RETAIL DEMAND SUMMARY

- The retail market in St. Petersburg is strong with the Central business district enjoying low vacancy and high rents.
- Retail as a whole is facing a number of headwinds with the rise of online services such as Amazon, but authentic walkable retail districts (like the ones in Downtown St. Petersburg) are most likely to continue to attract retail expenditures and the highest quality tenants.
- A major challenge for Downtown St. Pete will be controlling rent growth within the most desirable retail districts to avoid increasing retail vacancies, displacing long time tenants, hurting the retail mix in the district.
- Future growth in retail square footage is likely to occur in major redevelopment zones such as the Tropicana Field redevelopment.
- Based on forecasted population and employment growth trends, St. Petersburg should experience demand for 1.15M to 1.9M square feet of new retail space over the next 30 years.

DEMAND BY LAND USE

Hotel

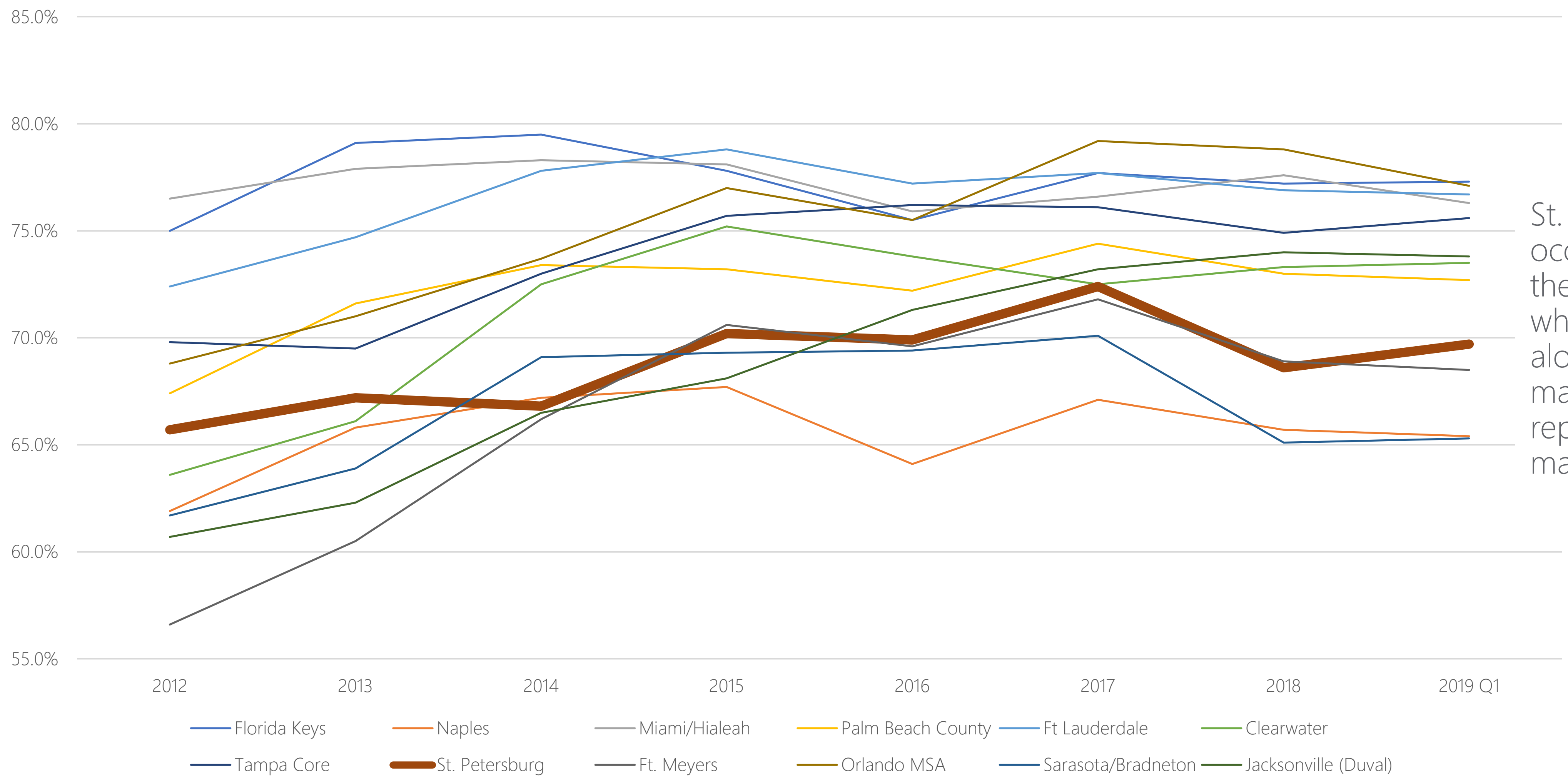
MARKET STATISTICS

	2010		2018	
Market	**Properties**	**Rooms**	**Properties**	**Rooms**
Miami/Hialeah	359	47,333	444	57,314
Sarasota/Bradenton	125	8,806	138	10,451
Florida Keys	162	8,793	170	9,588
West Palm Beach/Boca Raton	139	15,675	144	17,015
Orlando	481	118,895	513	128,143
Ft Lauderdale	282	29,931	282	32,107
Tampa/St Petersburg	**440**	**44,361**	**475**	**47,048**
Central Florida	460	37,123	467	38,807
Jacksonville	268	26,858	273	27,808
Melbourne/Titusville	85	9,063	85	9,236
Daytona Beach	178	13,588	179	13,578
Florida Panhandle	468	38,612	440	37,486
Ft Meyers	135	12,483	135	11,993

The supply of hotel rooms in the Tampa/St. Pete area has increased by a total of 6% (2,687 rooms) over the past eight years. This rate of growth is in the middle of the pack when compared to other major tourism markets in Florida.

Source: Plasencia Group Florida Lodging Trends Report 2019

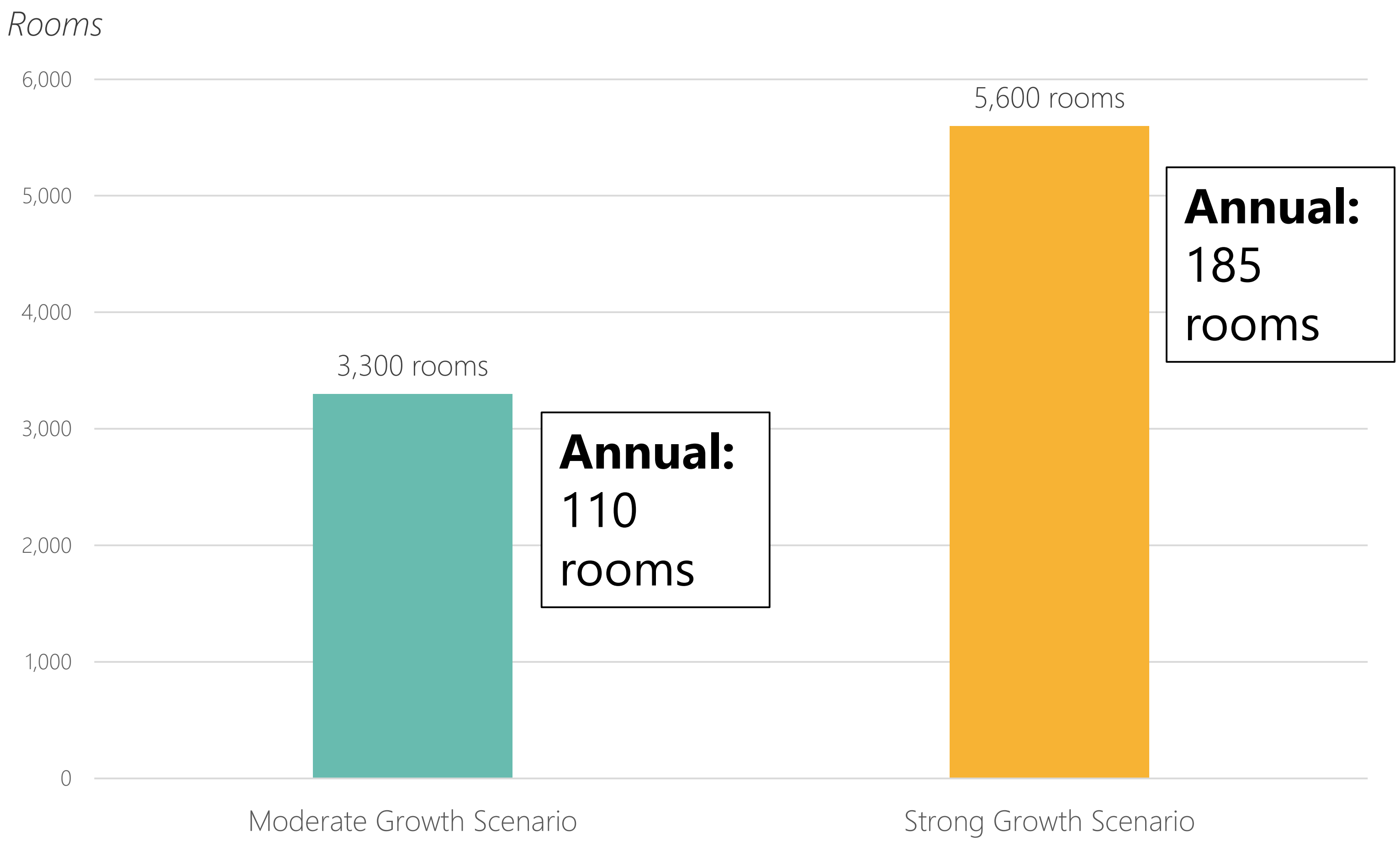
OCCUPANCY TRENDS



St. Petersburg occupancy levels are in the middle of the pack when compared alongside other Florida markets, but at 70% represent a healthy market.

Source: Plasencia Group Florida Lodging Trends Report 2019

St. Petersburg 30-year demand for new Hotel



FUTURE HOTEL DEVELOPMENT (UNDER CONSTRUCTION AND IN PLANNING) - St. Petersburg, FL

Hotel	Rooms
Galaxy Hotel	92
Tru by Hilton	132
AC by Marriott	172
400 Central	225
EDGE Boutique Hotel	135

~750 Rooms

Tru by Hilton – EDGE District

HOTEL DEMAND SUMMARY

- The hotel market in St. Petersburg is strong and has been able to absorb recent additions to the market without a substantial decline in occupancy.
- Tourism remains strong in St. Petersburg and will continue to drive demand for hotel rooms through St. Petersburg.
- Strong job growth will also create additional demand for room nights in locations convenient to major employment cores such as the Gateway and the Central Business District.
- The hotel segment has a large quantity of new supply planned for the downtown area. This supply may put downward pressure on occupancy levels so the market should be monitored for signs of stress over the next several years.
- Based on forecasted population and employment growth trends, St. Petersburg should experience demand for 3,300 to 5,600 of new hotel rooms over the next 30 years.

SUMMARY OF DEMAND FIGURES

SUMMARY OF DEMAND BY LAND USE

Land use	Total 30-year demand for new development	
	Moderate Growth Scenario	Strong Growth Scenario
Office	2,350,000 sf	4,000,000 sf
Residential	37,000,000 sf or 31,000 units	56,500,000 sf or 47,000 units
Retail	1,150,000 sf	1,900,000 sf
Hotel	1,650,000 sf or 3,300 rooms	2,800,000 sf or 5,600 rooms

Land use	Annualized demand for new development	
	Moderate Growth Scenario	Strong Growth Scenario
Office	78,500 sf	135,000 sf
Residential	1,230,000 sf or 1,035 units	1,880,000 sf or 1,550 units
Retail	38,500 sf	63,500 sf
Hotel	55,000 sf or 110 rooms	93,500 sf or 185 rooms

OPPORTUNITY AREAS

STATE OF THE ECONOMY 2018 – ST. PETE, FL

GROW SMARTER OPPORTUNITY SITES

Carillon Town Center, *300 Carillon Pkwy, St. Petersburg, FL 33716*

Raytheon, *1501 72nd Street N, St Petersburg, FL 33710*

Port Site, *601 8th Ave SE, St. Petersburg, FL 33701*

Innovation District Site, *11th Avenue S & 4th Street*

Red Apple Site, *400 Central Avenue, St. Petersburg, 33701*

800 Block, *155 8th Street S, St. Petersburg 33701*

Old Police Station, *1300 1st Avenue N, St. Petersburg 33705*

Tropicana Field, *1 Tropicana Drive, St. Petersburg, FL 33705*

Commerce Park, *700 22nd Street S, St. Petersburg 33712*

Tangerine Plaza, *1794 22nd Street S, St. Petersburg, 33712*

Phillips Site, *3000 34th St S, St Petersburg, 33711*

Former Kmart Site, *3951 34th Street S, St. Petersburg, 33711*

Skyway Mall, *1079 62nd Avenue S, St. Petersburg, 33705*