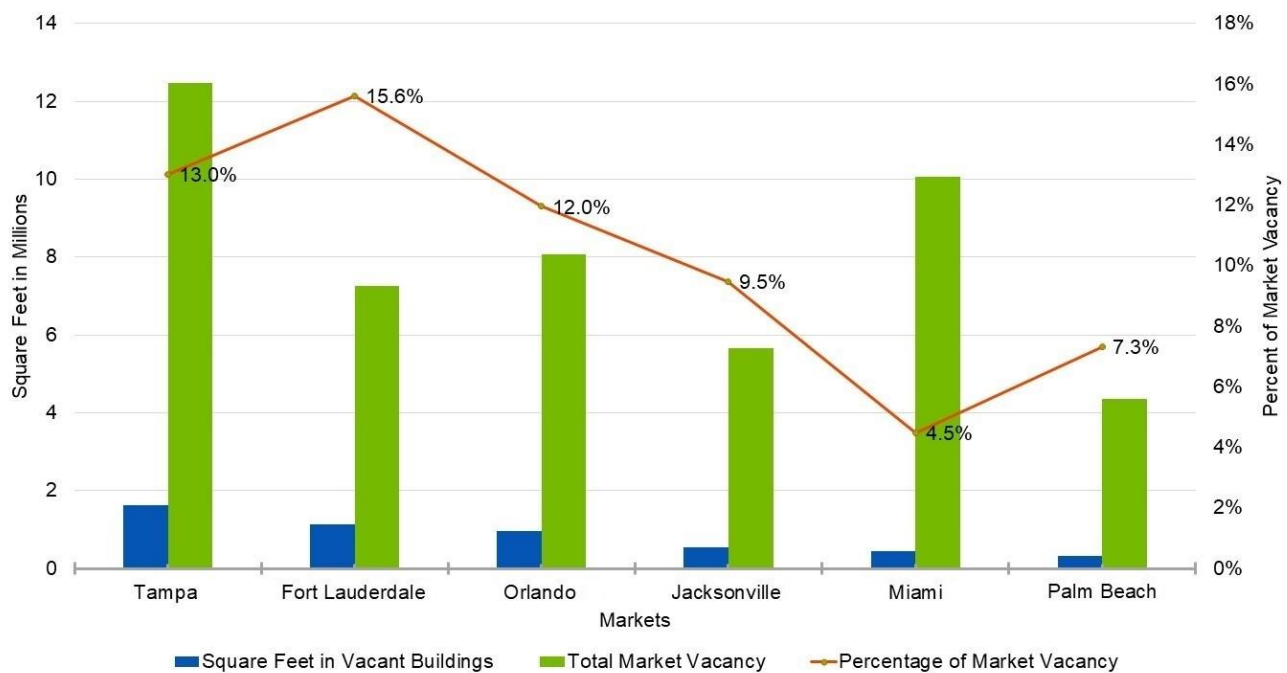


## COSTAR INSIGHT

# Tampa Leads Sunshine State With Nearly 90 Vacant Office Buildings

Sublease Availability Across Florida Puts Upward Pressure on Vacancy Rates

## Tampa Leads the State in Vacancy and Vacant Buildings



Source: CoStar, March 2023



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Tampa's office market has 89 completely vacant buildings amounting to roughly 1.6 million square feet, or 13% of the market's total vacancy in March. Over the past three years, [the Tampa office market](#) has been acutely affected by tenants relocating, downsizing or consolidating operations.

In addition, the market has swelled with a record level of sublease availability, surpassing 3.6 million square feet. Contributing to the historic amount of sublease space

is the number of entire buildings up for sublease here. Currently, there are 16 buildings totaling over 1.1 million square feet that are completely available for sublease in Tampa — though in most cases landlords are still collecting rent while the tenant markets its available space.

In South Florida, [the Fort Lauderdale office market](#) has 45 buildings totaling 1.1 million square feet that are completely vacant, accounting for 15.6% of that market's total vacant space. Tampa and Fort Lauderdale have experienced similar trajectories throughout the past three years, with Fort Lauderdale also reaching a seven-year high in vacancy and near historical levels of sublease space.

At the close of last year, Tampa's vacancy rate reached its highest level since the onset of the pandemic, at 9.2%, and is still rising so far in 2023. That year-end vacancy rate was the third-highest in Florida, behind Fort Lauderdale's 10.3% and [the Miami office market](#) at 9.5%.

In Tampa's suburban locations including the east Tampa and Gateway areas, where buildings are largely tenanted by back-office operations in aging corporate parks, just 12 empty buildings account for more than 50% of the market's 1.6 million square feet of vacant office properties.

Of the 89 vacant buildings located across greater Tampa, seven are larger than 100,000 square feet, a metric that also leads the state. Former tenants of these larger office buildings include big employers in the market.

The single largest vacant building in the market is The Lakeview Center in east Tampa. Healthplan Services/WiPro vacated the 187,129-square-foot property in mid-2022 after leasing 115,000 square feet at [Independence Park I](#) in the more centrally located Westshore area.

Another local example of the flight-to-quality and downsizing trend was KForce vacating its 128,000-square-foot corporate headquarters in Ybor City. The publicly held technology and staffing services firm moved to the newly built [Midtown West](#) office

tower owned by the Bromley Cos. and Highwoods Cos. KForce occupies just 22,232 square feet there.

It is likely that most of these larger buildings will sit on the market for some time. Demand has waned over the past 12 months, and that trend is projected to continue given current economic headwinds. In addition, many new office leases signed in the market are under 10,000 square feet, and the pool of tenants looking to occupy over 100,000 square feet, or even half that amount, is quite shallow.

However, tenants looking for space in Tampa have never had more options, especially in suburban markets like east Tampa and Gateway, where multiple landlords could be competing for the same occupant, allowing businesses to achieve more favorable deal terms.

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