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Optimism beginning to slow for development in Tampa Bay

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Developers have begun to shift how they launch new projects to attempt to keep them on track.

Development in Tampa Bay is booming, but development leaders are beginning to see signs that a slowdown is ahead.

The Tampa Bay chapter of the American Institute of Architects surveyed 123 area architects for its 2023 Voice of Architecture

Economic Outlook. Because they are brought into projects in the earliest stages, the survey paints a picture of the future of development for the next three to five years in Tampa Bay.

Florida remains a strong market to develop in, said Jonathan Moore, principal of InVision Advisors and the 2023 chapter president of AIA Tampa Bay. The numbers in the survey indicate that Tampa Bay remains “development friendly,” which should act as a buffer from any sort of stagnation.

“We have a great group of very skilled general contractors in Tampa Bay,” Moore said. “I am optimistic. All indications are we will continue to see increases this year, it’s just less steep than prior years.”

Brian Robbins, project executive for DPR Construction, said much of the optimism reflected in the survey comes from the region's diverse economy. Unique commercial developments that are funded atypically, like Water Street Tampa, will more than likely remain steady, whereas markets like high-rise residential and multifamily will probably slow.

Robbins said the region's multiple health care systems will continue to expand to keep up with the steady influx of residents. He pointed to Moffitt Cancer Center’s Pasco development, where they are building “a nucleus of a life science park,” which he said attracts a wave of companies and accompanying development nearby.

Moore said there had been a “noticeable” number of reductions in multifamily and larger hospitality projects. But they in turn have seen a “huge increase” in institutional work — with both educational campuses and local governments.

The survey showed that 59% of area architects expect demand for architectural services locally to increase in 2023 – a decrease from last year’s predictions when 84% of the architects foresaw increased demand.

In 2022 88% of the surveyed architects believed that Tampa Bay’s development-related economy would be “excellent” or “good” in the next year. By 2023 that number had dropped to 73%. The respondents in the survey were primarily in Hillsborough and

Pinellas counties -- and 70% of the architects were either principals or managers.

Challenges like inflation, supply chain issues and labor shortages continue to remain an issue. Trey Korhn of Valley Bank said that those hurdles are “impacting the viability of projects,” which he said will lead to some projects being reduced in scope or delayed.

Developers have begun to shift how they launch new projects to attempt to keep them on track. Robbins said architects are being brought in immediately and the developer has asked to push forward the design of certain areas like the electrical switch gear and components so those can be ordered as quickly as possible, preventing months of delays.

“What’s most successful in today’s climate is to bring all the stakeholders together and collaborate as early into the project as you can,” Robbins said. “You get alignment on the budget and then work together with our network of trade partners, with the design team’s workload and with the owner’s desires to make sure things are in place to prevent as many delays as possible.”

A looming issue, Robbins said, is the lack of new office product in Pinellas County. Hillsborough has begun creating new products in the last few years, but Pinellas — specifically St. Petersburg — has quickly fallen behind. Moore said office development is “inevitable” and said the opportunity with the Historic Gas Plant may play a key role in addressing that need.

Robbins, Moore, Korhn and Rodney Riley, RSR Capital Advisors, spoke about the survey results at an event on Feb. 28. Kyle Parks of B2 Communications moderated the panel.



Breanne Williams

Reporter - *Tampa Bay Business Journal*

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