3Q25

Tampa Office Market Overview

NEWMARK

Market Observations

Economy

- The unemployment rate rose by 28 basis points year over year to 3.8% and is now above the five-year average of 3.6%, signaling softening in the labor market despite its resilience.
- Job growth moderated to 1.0% year-over-year, a slowdown from recent peaks, but after dipping below the national average in June 2024, regional employment has since surpassed the national pace.
- Nine of the ten major employment sectors posted job gains over the past year, led by the education and healthcare industry, which recorded a robust 3.3% increase.
- In August 2025, office-using employment totaled 463,680 jobs, 0.6% below its all-time high yet 16% above 2019, underscoring its long-term growth trajectory.

Leasing Market Fundamentals

- Annual full-service asking rental rates reached $29.29/SF, reflecting a 1.7% increase year over year at the end of the third quarter of 2025.
- The vacancy rate stands at 15.5%, down 10 basis points quarter over quarter, driven by move-ins in the East Tampa Westshore and Pasco County submarkets.
- The development pipeline continues to be subdued with 164,656 SF currently under construction, representing just 0.3% of total market inventory.
- Leasing activity totaled 1.0 MSF for the quarter, marking the weakest third quarter performance since 2020. Activity year-to-date was 4.5 MSF, down 2.3% compared to the same period last year.

Major Transactions

- The quarter's largest deal was Eagle Analytical Services' 48,090 SF direct lease at University Center Business Park in East Tampa. The full-building lease is targeted for occupancy in May 2026.
- Three of the five largest lease transactions in the third quarter of 2025 occurred in the Westshore and East Tampa submarkets, indicating these districts' continued appeal to office users.
- New leases accounted for four of the five largest deals in the third quarter of 2025, underscoring that fresh demand continues to support occupancy gains.
- The smaller deals signed in the last two quarters of 2025, compared with first quarter, mean upcoming occupancies will provide only a modest boost to this year's net absorption.

Outlook

- Following the Fed's September rate cut and guidance for further easing, tenants may begin to firm multi-year space plans, with deferred requirements possibly returning in late 2025 and early 2026.
- Tampa's near-term absorption will hinge on a steady flow of smaller leases, as large deals will be rarer, keeping gains incremental.
- Tenants are anticipated to continue relinquishing underused space in older assets while expanding or renewing footprints in premier properties.
- In the near term, vacancies should edge lower, buoyed by restrained new supply and the scheduled move-ins of major tenants.

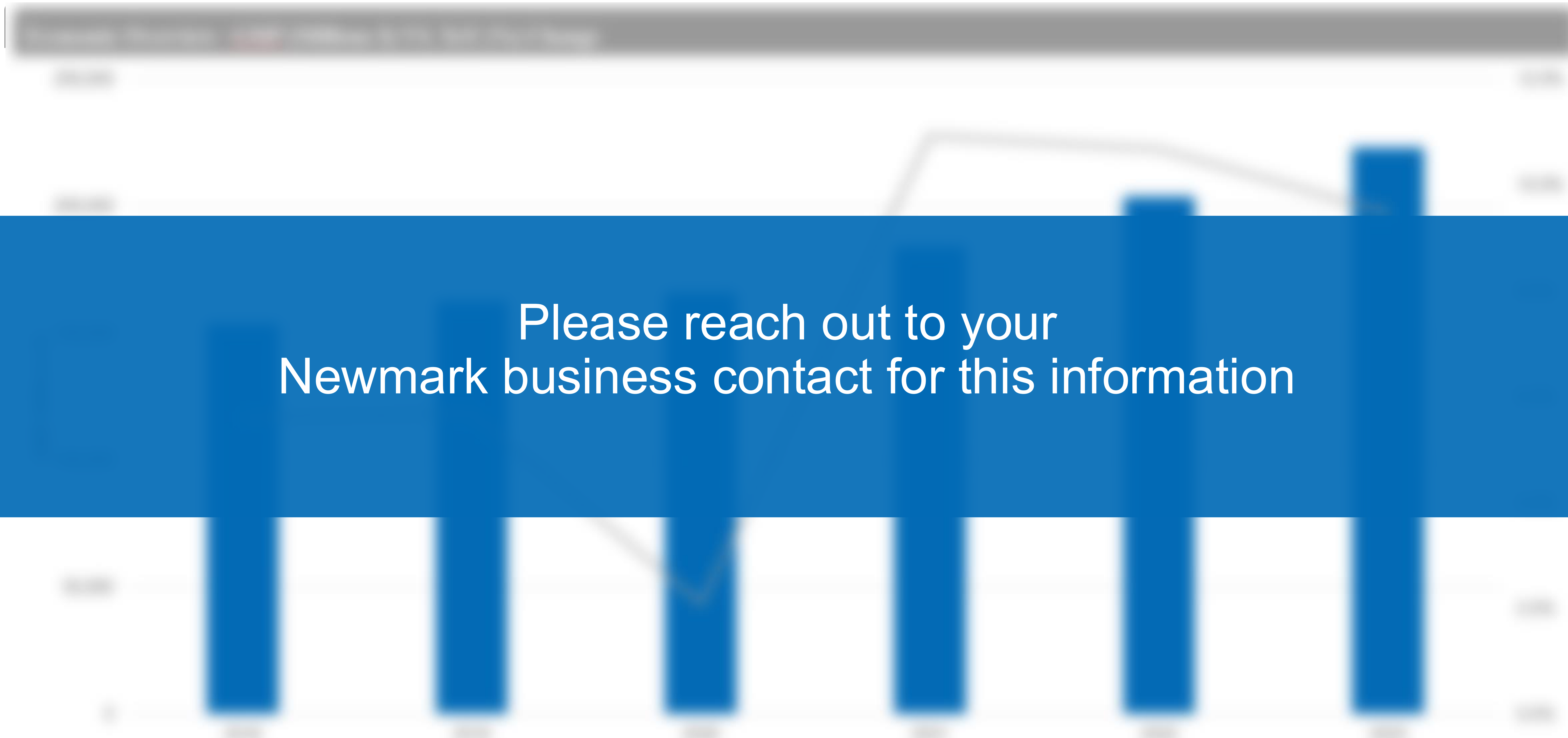
TABLE OF CONTENTS

3Q25

Economy

Tampa Gross Metropolitan Product

Gross metropolitan product continues to increase despite economic headwinds, albeit at a slower rate. In the first quarter of 2023, gross metropolitan product rose 9.5% year over year reach a new all-time high of roughly $223 billion.

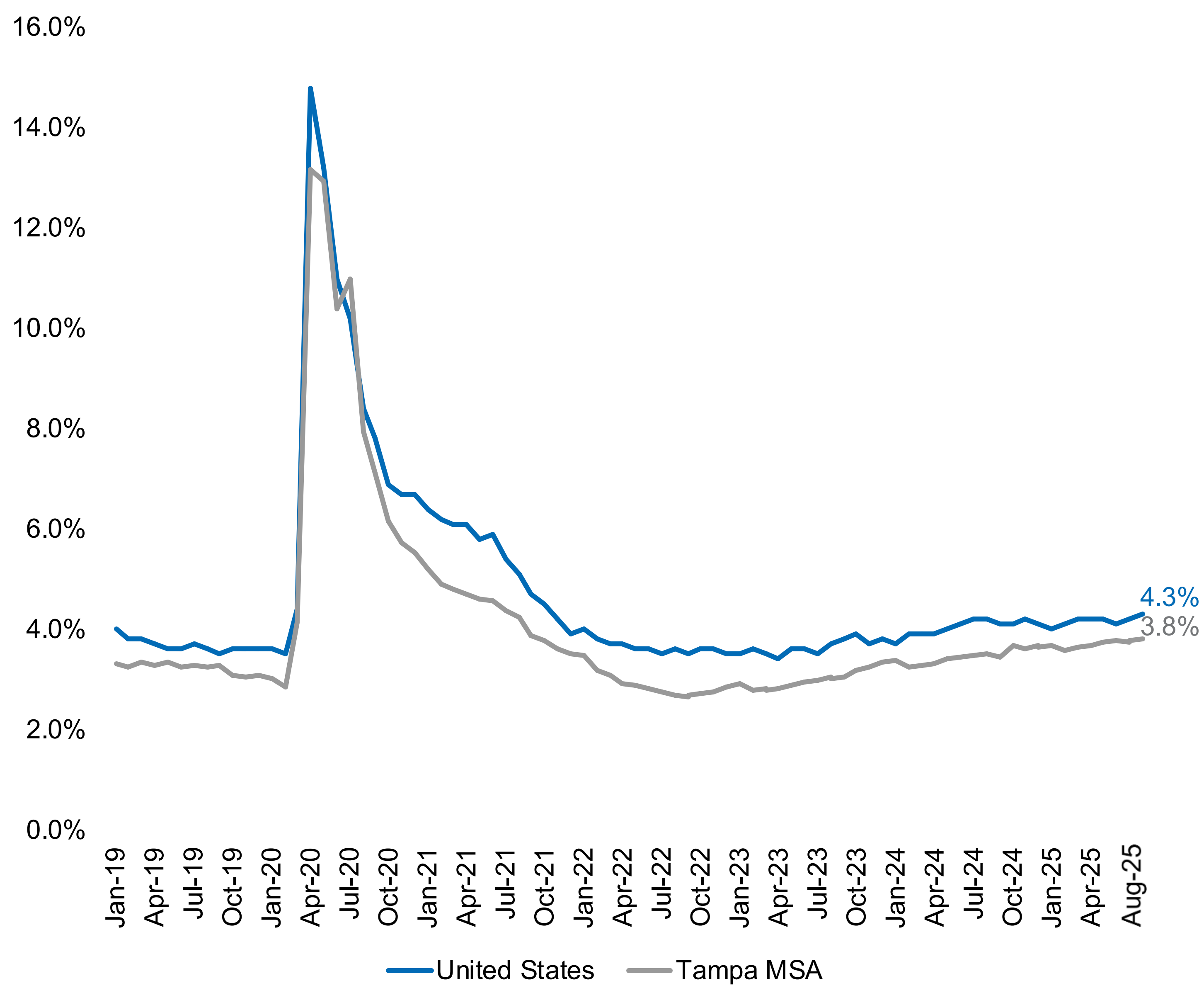


Source: JobsEQ

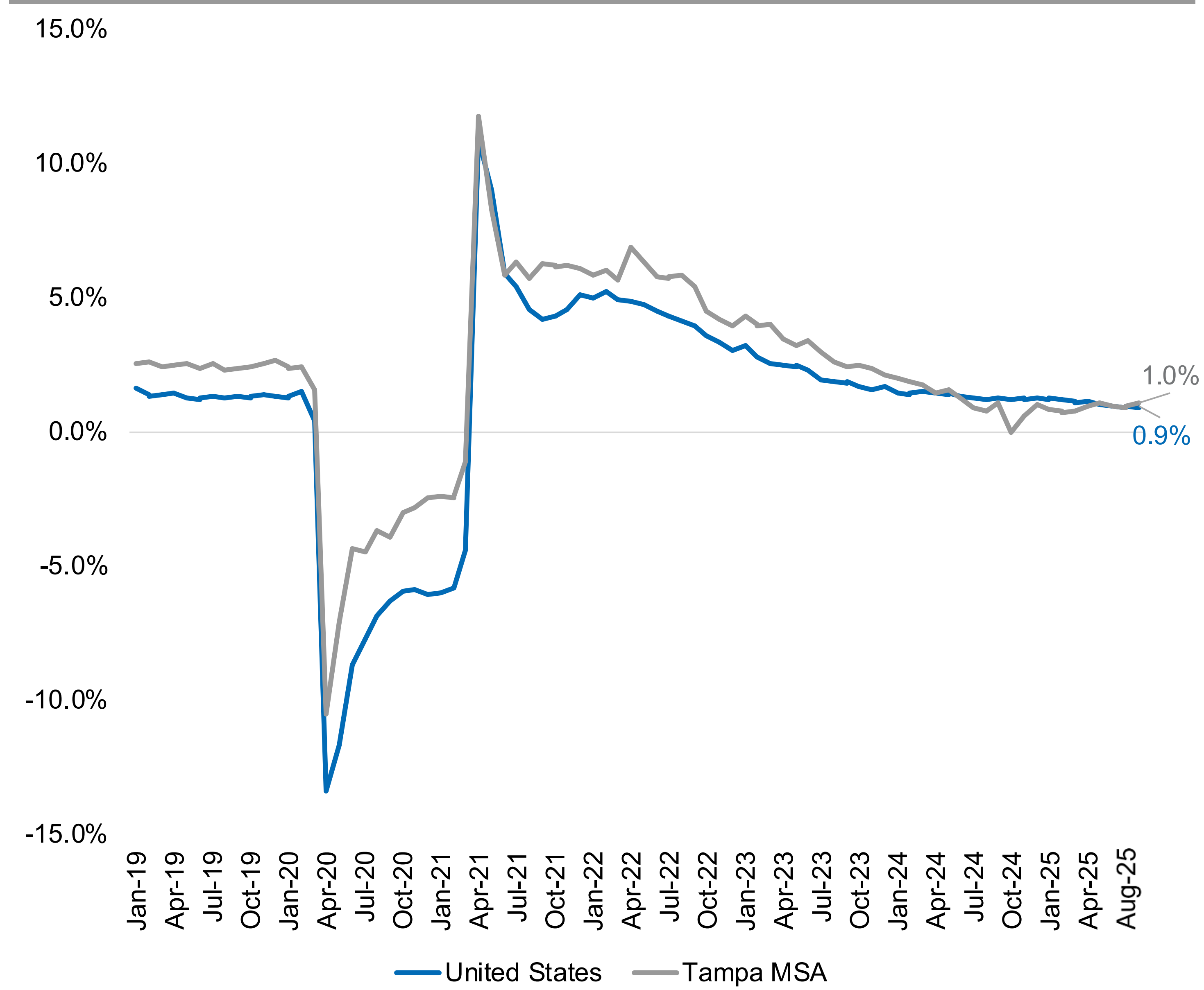
Mixed but Healthy as Employment Growth Edges Past Nation

Tampa has historically maintained an unemployment rate below the national average, while consistently outperforming in year-over-year employment growth. However, ongoing economic headwinds have begun to affect the local labor market. Tampa's labor signals are mixed but healthy. The unemployment rate ticked up 28 basis points even as job growth accelerated by 27 basis points, often a sign of an increase in the labor force participation rate. After dipping below the national average in June 2024, regional employment growth has, over the past year, rebounded slightly and surpassed the national pace, driven by gains in education and healthcare, mining and construction, and information sectors.

Unemployment Rate, Seasonally Adjusted



Nonfarm Payroll Employment, Seasonally Adjusted, 12-Month % Change

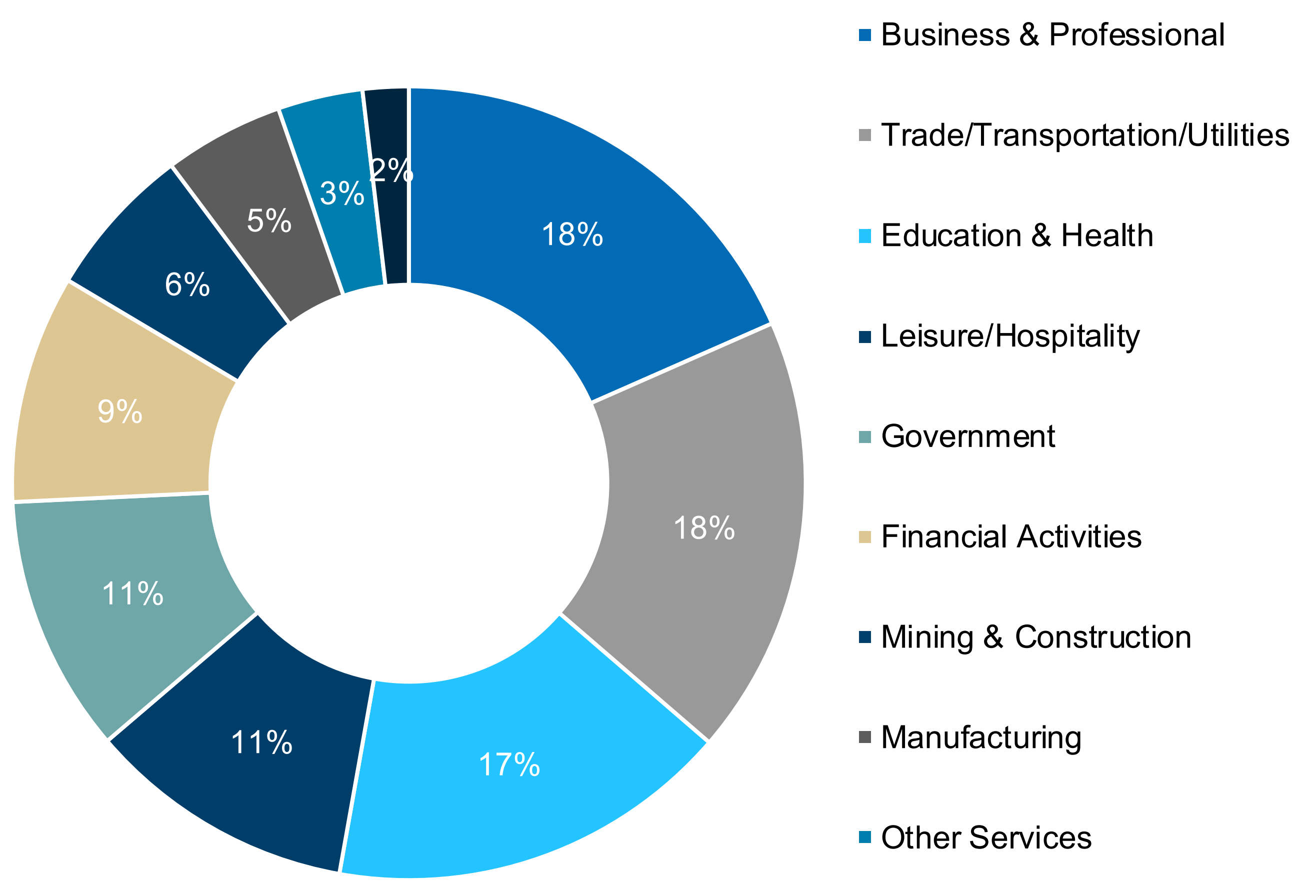


Source: U.S. Bureau of Labor Statistics, Tampa MSA

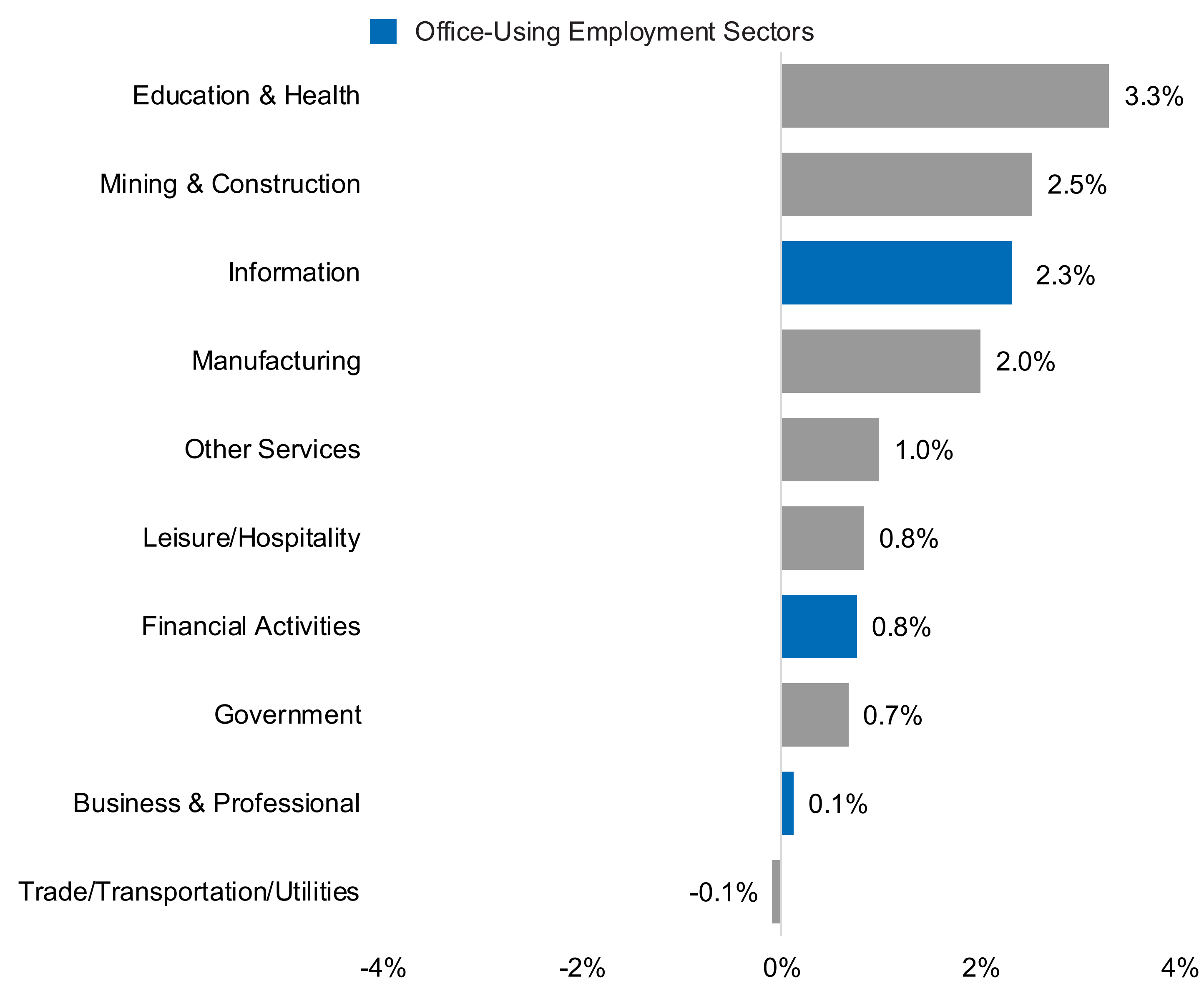
Most Employment Sectors Showed Gains

Tampa's two largest employment sectors collectively represent 36.4% of the metro's job base, with business and professional services, the primary office-using sector, accounting for the largest share at 18.4%. Nine of the ten major employment sectors posted job gains over the past 12-months, led by the education and healthcare industry, which recorded a robust 3.3% increase. Over the past year, key office-using industries - including professional services, finance and insurance, and information - have all posted employment gains. The steady expansion underscores the market's underlying resilience while highlighting a gradual shift toward more specialized, service-oriented occupiers.

Employment by Industry, August 2025



Employment Growth by Industry, 12-Month % Change, August 2025

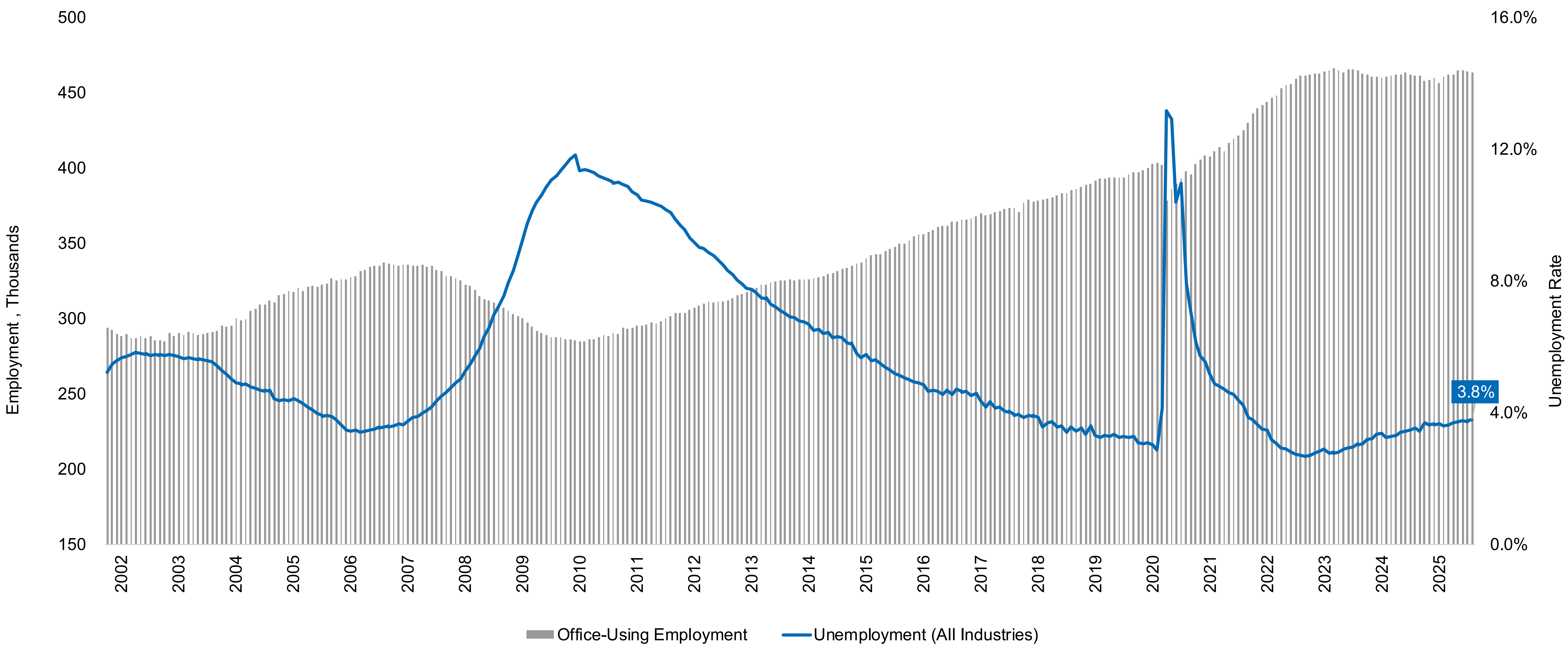


Source: U.S. Bureau of Labor Statistics, Tampa MSA

Office-Using Employment Up Year-Over-Year, but Still Just Below Peak

Office-using employment rose 0.4% year over year to 463,680 in August 2025. However, office-using employment is still 0.6% below the March 2023 peak. The unemployment rate is 3.8%, modestly above the 2019 pre-pandemic average of 3.2%. Despite recent softening, the relative durability of Tampa's office-using sectors has kept employment near historical highs, supporting steady office demand.

Office-Using Employment* and Unemployment Across All Industries



Source: U.S. Bureau of Labor Statistics, Tampa MSA

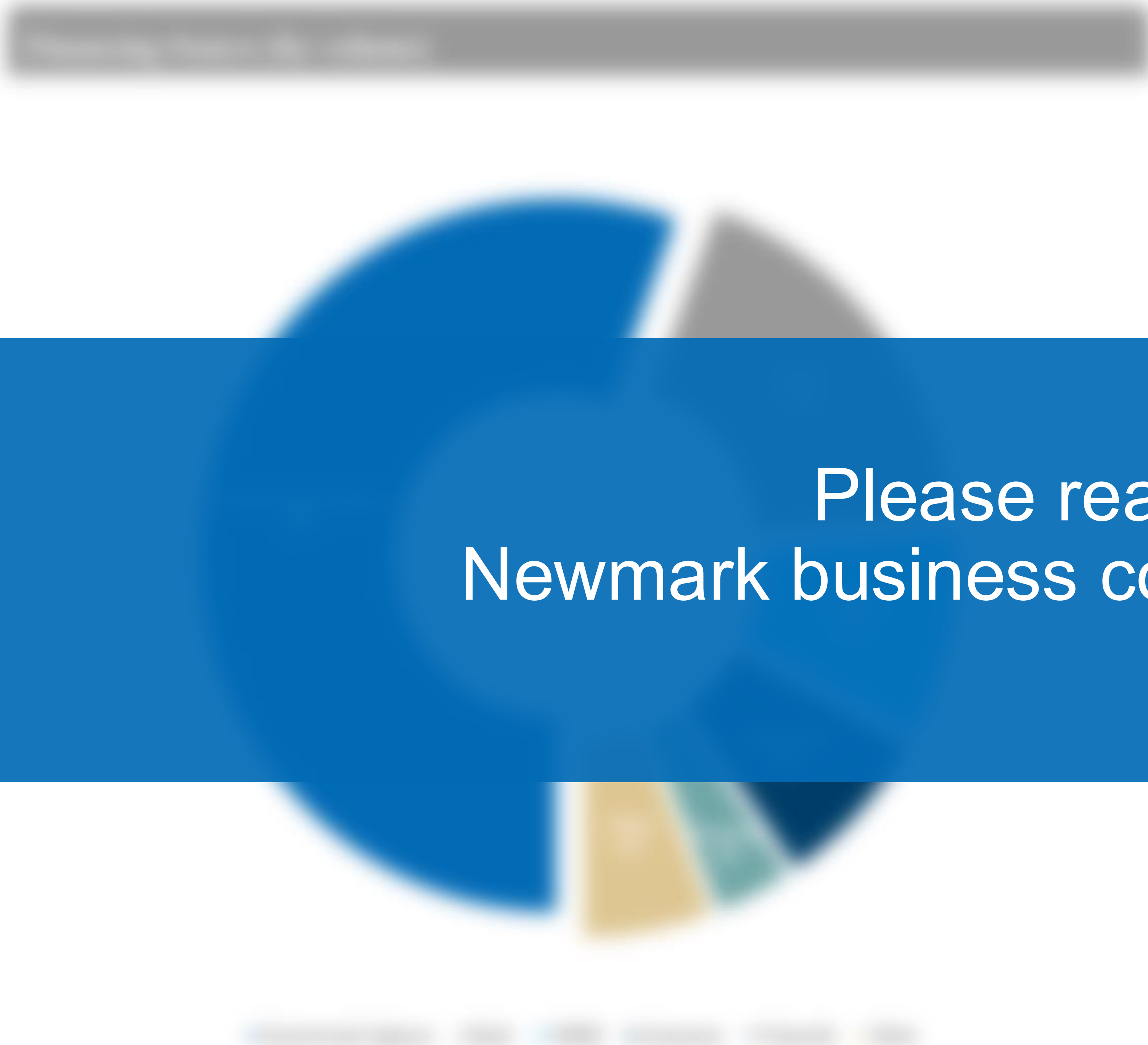
*Office-using employment includes employment in the following industry sectors: Professional & Business Services, Financial Activities and Information.

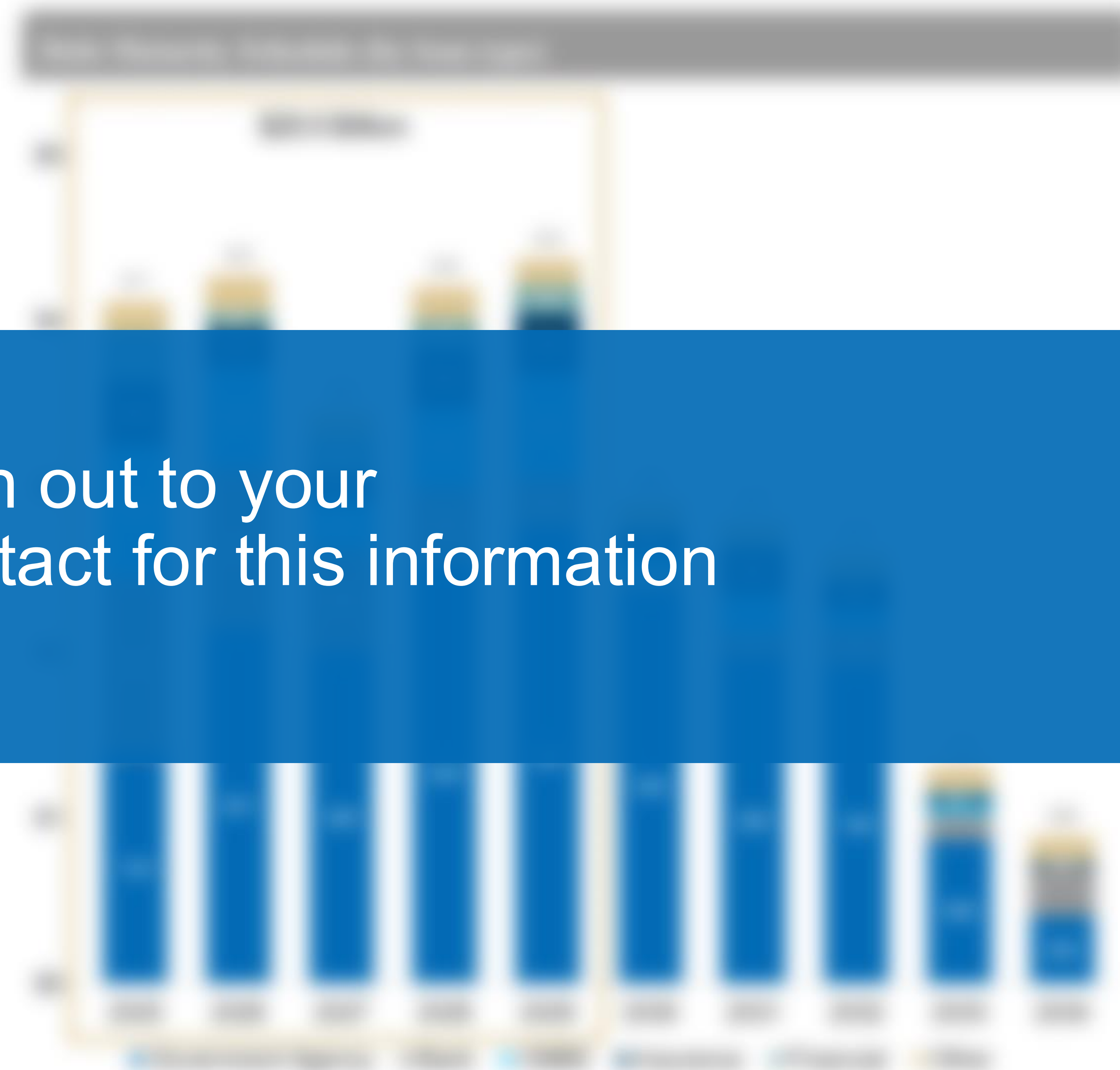
3Q25

Debt/Capital Markets

Higher Loan Volume Due in 2026, 2028 & 2029

Government agency and bank loans accounts for roughly 60.0% of the outstanding debt total volume. Maturities are heavily front-loaded, particularly among agency and bank lenders, with five-year volumes totaling $20.8 billion. This concentration of near-term debt amplifies refinancing risk, especially in a higher-rate environment where lenders remain highly selective.



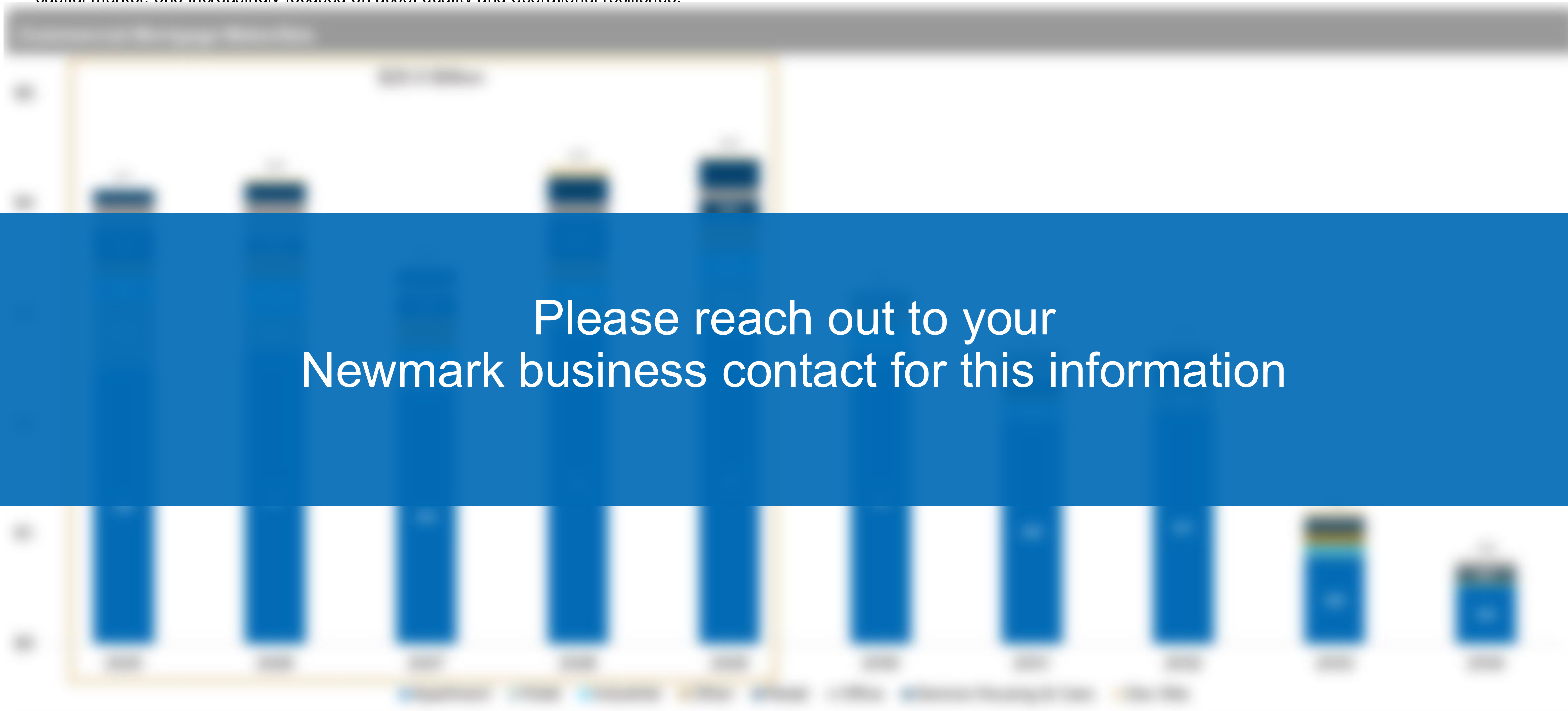


Please reach out to your
Newmark business contact for this information

Source: RCA, Newmark Research

Multifamily Maturities Particularly Elevated Through 2029, Office Not So Much

Office loans comprise just 4.4% of the $20.8 billion in maturities between 2025 and 2029, limiting broader exposure to the sector's ongoing challenges. By contrast, multifamily accounts for 65.2% of near-term maturities, but refinancing risks remain relatively manageable given the sector's stronger performance and continued lender appetite. This divergence highlights a more selective capital market, one increasingly focused on asset quality and operational resilience.



Source: RCA, Newmark Research

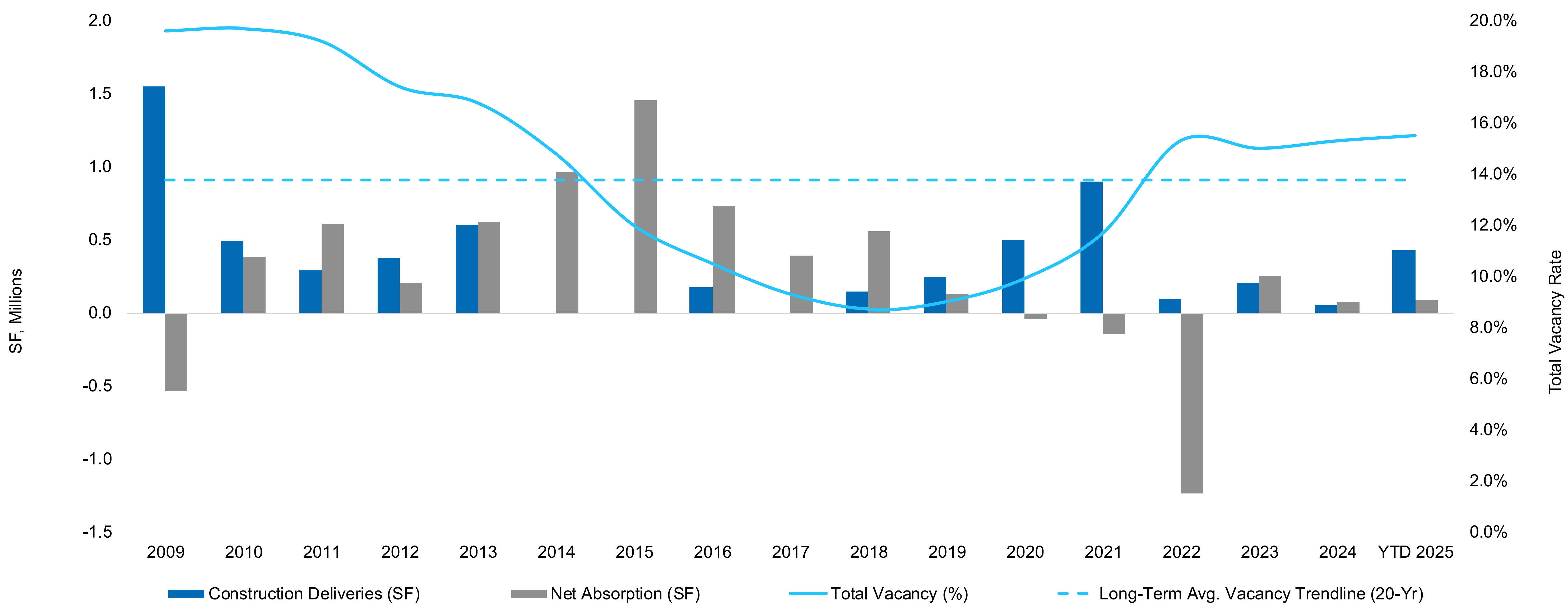
3Q25

Leasing Market Fundamentals

Vacancy Remains Stable Amid Light Pipeline and Normalizing Demand

Tampa's office vacancy closed at 15.5% in the third quarter of 2025, down 10 basis points from the prior quarter and up 10 basis points year over year - reinforcing a market that is treading water rather than retrenching. The quarter posted negative 23,496 SF of net absorption. Even so, year-to-date absorption remained positive at 91,027 SF, reflecting earlier move-ins that continue to offset midyear givebacks. No projects delivered in the third quarter of 2025, keeping year-to-date deliveries at 428,929 SF. Deliveries are below the 2021 peak, but the current pace is the highest in three years, adding some supply pressure just as tenant demand settles back to normal. Looking ahead, vacancy should remain flat, driven by demand from tenants backfilling second-generation space, rather than from large new companies entering the market.

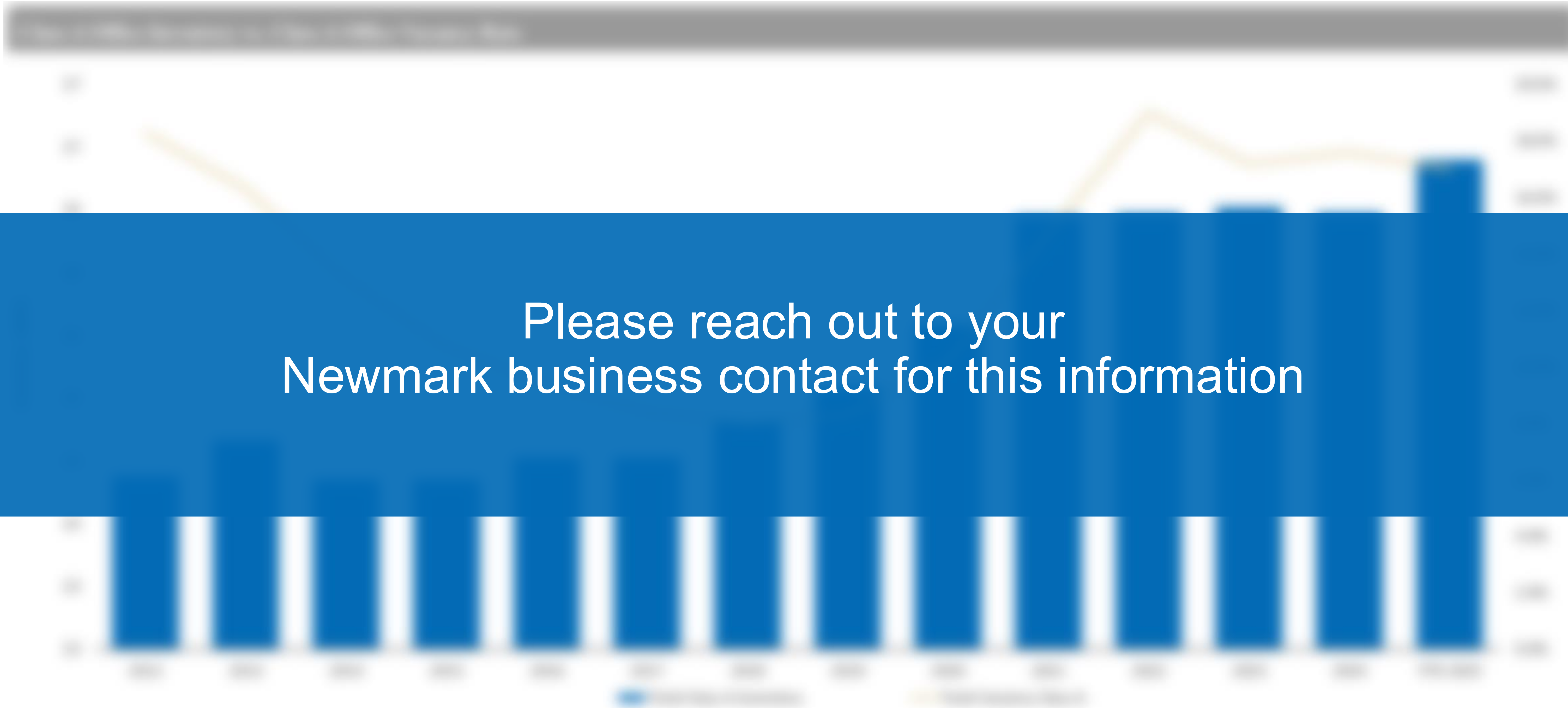
Historical Construction Deliveries, Net Absorption, and Vacancy



Source: Newmark Research, CoStar

Elevated but Improving: Class A Vacancy Declines as Tenants Favor Amenity-Rich Space

As of the third quarter of 2025, Tampa's Class A office inventory totaled 26.7 MSF, up 2.7% year over year. While demand has shifted toward slightly smaller footprints, tenants continue to prioritize high-quality, amenity-rich buildings. As a result, that flight to quality has begun to offset space rationalization, with the Class A vacancy rate closing the third quarter of 2025 at 16.9%, down 50 basis points quarter over quarter and 90 basis points year over year, but well above the 13-year historical average of 13.8%.

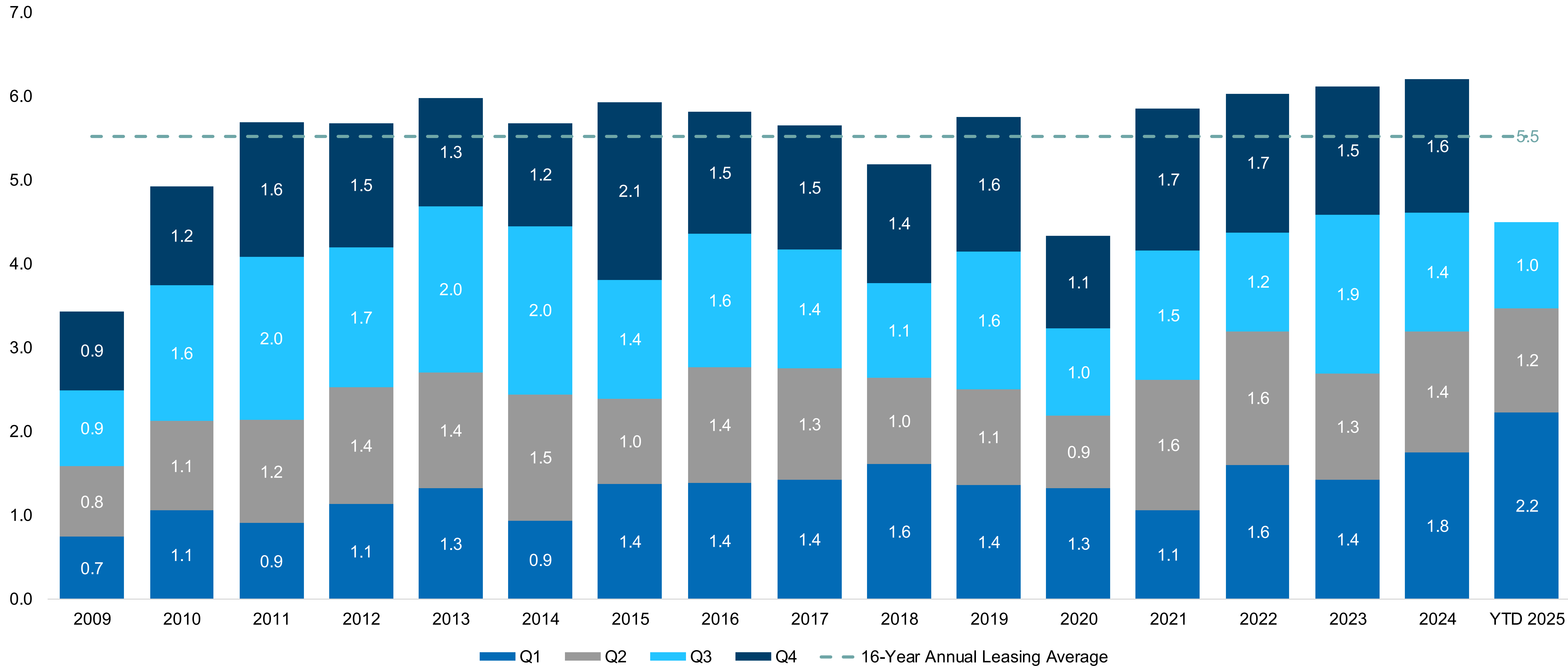


Source: Newmark Research, CoStar

Below-Average Third Quarter Leasing Puts 6.0 MSF Streak at Risk

Leasing activity totaled 1.0 MSF in third quarter 2025, well below the 16-year third-quarter average of 1.5 MSF. Year-to-date leasing reached 4.5 MSF, down 2.3% from the same period last year, putting Tampa's four-year streak of 6.0 MSF plus annual volume at risk without a strong fourth quarter. The average deal size fell again to 3,745 SF, a year-over-year decline of 454 SF, underscoring continued rightsizing and a tilt toward smaller requirements even as overall demand remains active.

Total Leasing Activity (msf)



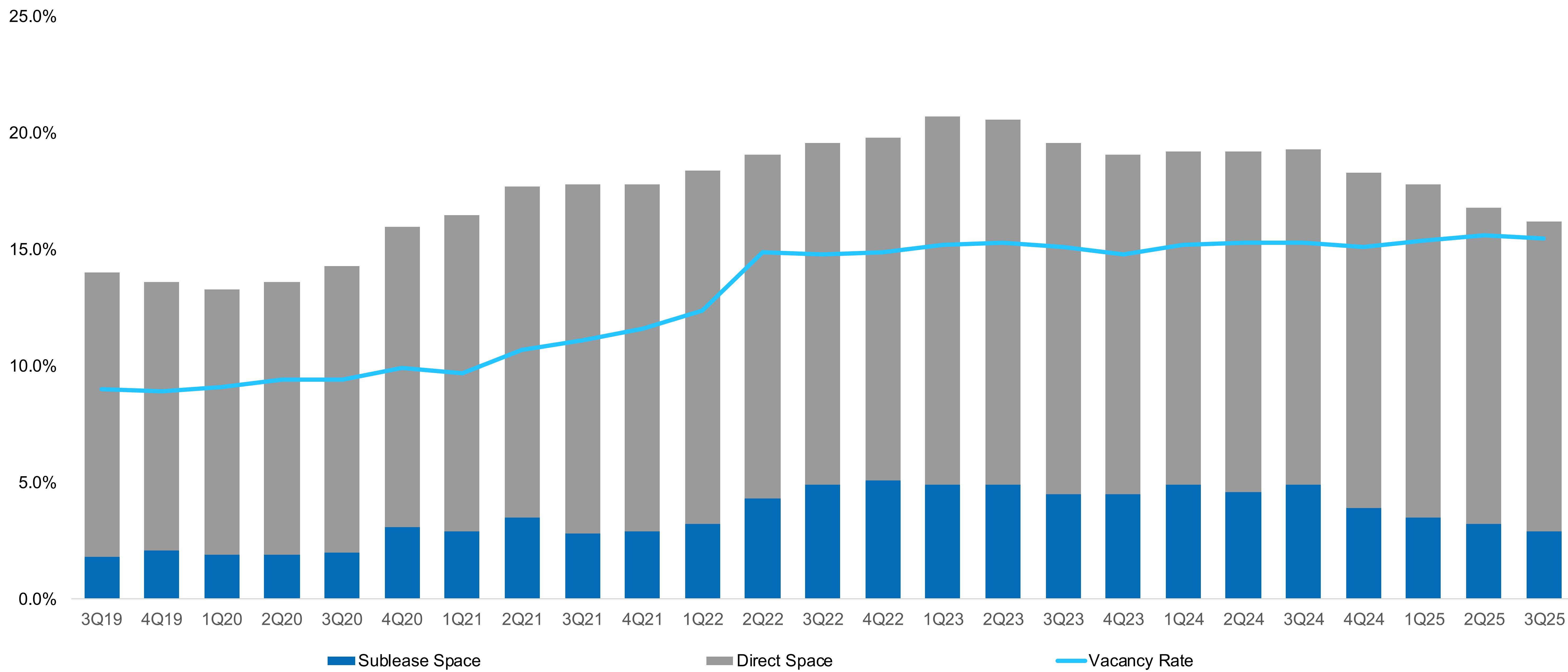
	Q1	Q2	Q3	Q4
2009	0.7	0.8	0.9	0.9
2010	1.1	1.1	1.6	1.2
2011	0.9	1.2	2.0	1.6
2012	1.1	1.4	1.7	1.5
2013	1.3	1.4	2.0	1.3
2014	0.9	1.5	2.0	1.2
2015	1.4	1.0	1.4	2.1
2016	1.4	1.4	1.6	1.5
2017	1.4	1.3	1.4	1.5
2018	1.6	1.0	1.1	1.4
2019	1.4	1.1	1.6	1.6
2020	1.3	0.9	1.0	1.1
2021	1.1	1.6	1.5	1.7
2022	1.6	1.6	1.2	1.7
2023	1.4	1.3	1.9	1.5
2024	1.8	1.4	1.4	1.6
YTD 2025	2.2	1.2	1.0	

Source: Newmark Research, CoStar

Sublease Retreat Continues, Yet Headline Vacancy Stalls

Tampa's sublease availability eased to 2.9% in the third quarter of 2025, down 30 basis points from the prior quarter and 220 basis points below its fourth-quarter 2024 peak. Direct availability also declined 30 basis points quarter over quarter. Combined, these improvements edged overall vacancy down 10 basis points quarter over quarter, though it remains 20 basis points higher year over year as space put on the market earlier is still being absorbed. Hence, tightening availability is beginning to stabilize vacancy, but a full recovery hinges on sustained tenant move-ins.

Available Space as Percent of Overall Market

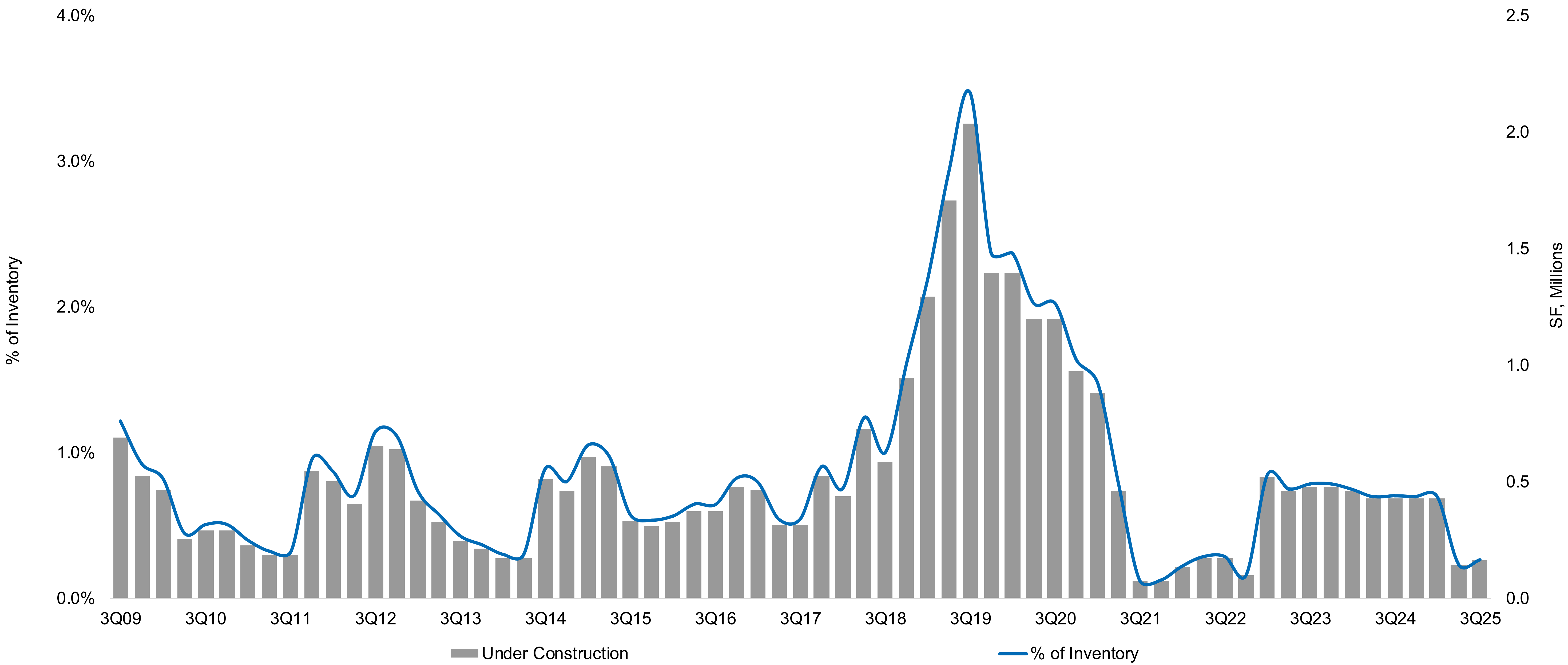


Source: Newmark Research, CoStar

Construction Activity Remains Muted, with Pipeline 0.3% of Inventory

In the third quarter of 2025 construction activity remains subdued. As of the third quarter of 2025, only 164,656 SF was underway - just 0.3% of total inventory. The pipeline ticked up slightly this quarter after a 17,000 SF project broke ground in the Sarasota submarket. Overall, development remains highly disciplined, limiting near-term oversupply risk and reinforcing the market's cautious approach to new office construction.

Office Under Construction and % of Inventory

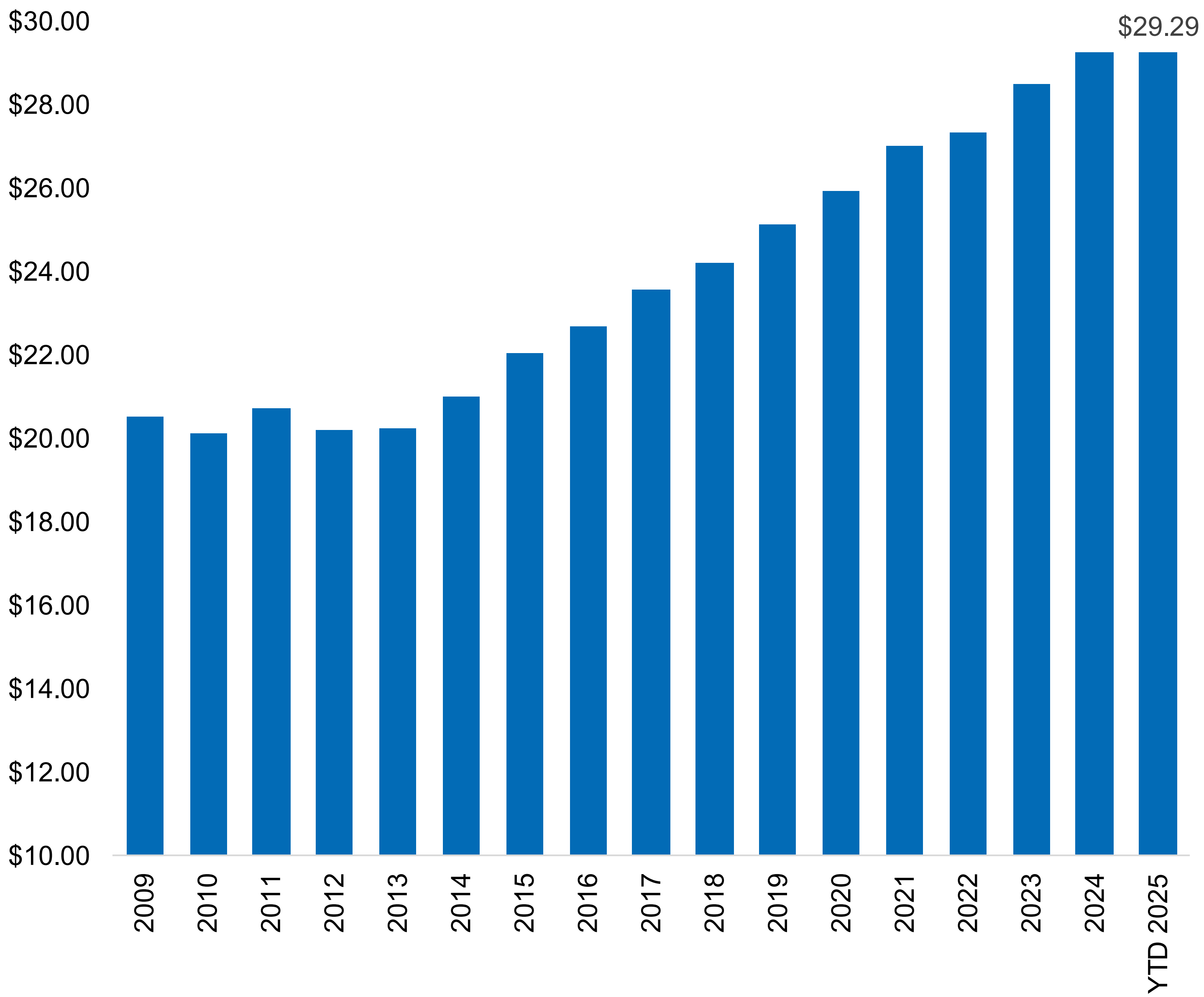


Source: Newmark Research, CoStar

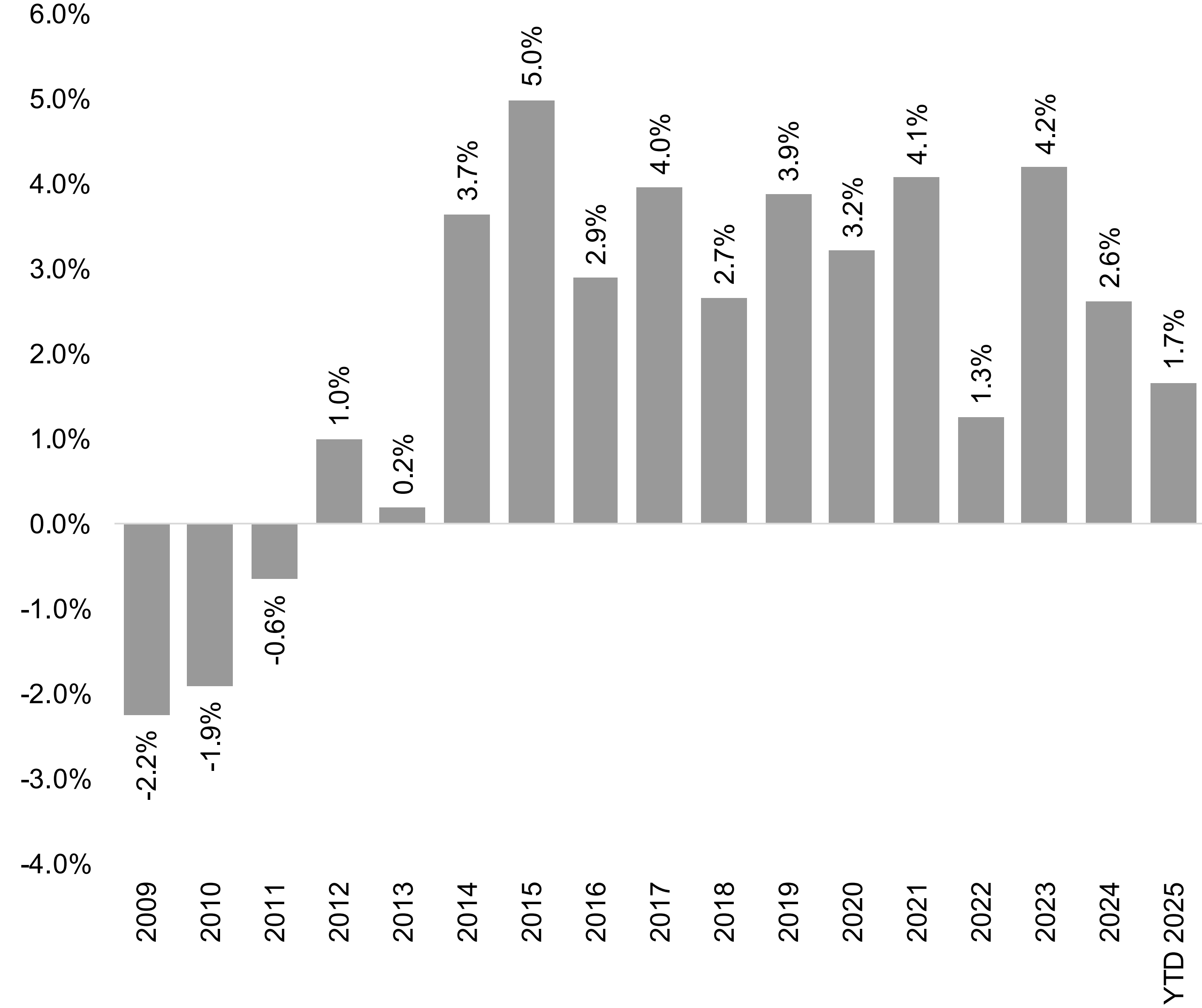
Rents Hold Steady as Growth Slows

Tampa's average asking rent reached $29.29/SF in the third quarter of 2025, up 1.7% year over year as the pace of growth has slowed since 2023. Beneath that modest gain, landlords are relying more on concessions, such as rental abatements, larger tenant improvement packages and longer free-rent periods, to support face rates amid selective demand. As a result, effective rent growth remains muted, with the strongest pricing concentrated in high-quality, amenity-rich assets while commodity space competes on terms.

Office Average Asking Rent, $/SF, FS



Year-over-Year Asking Rent Growth Rate

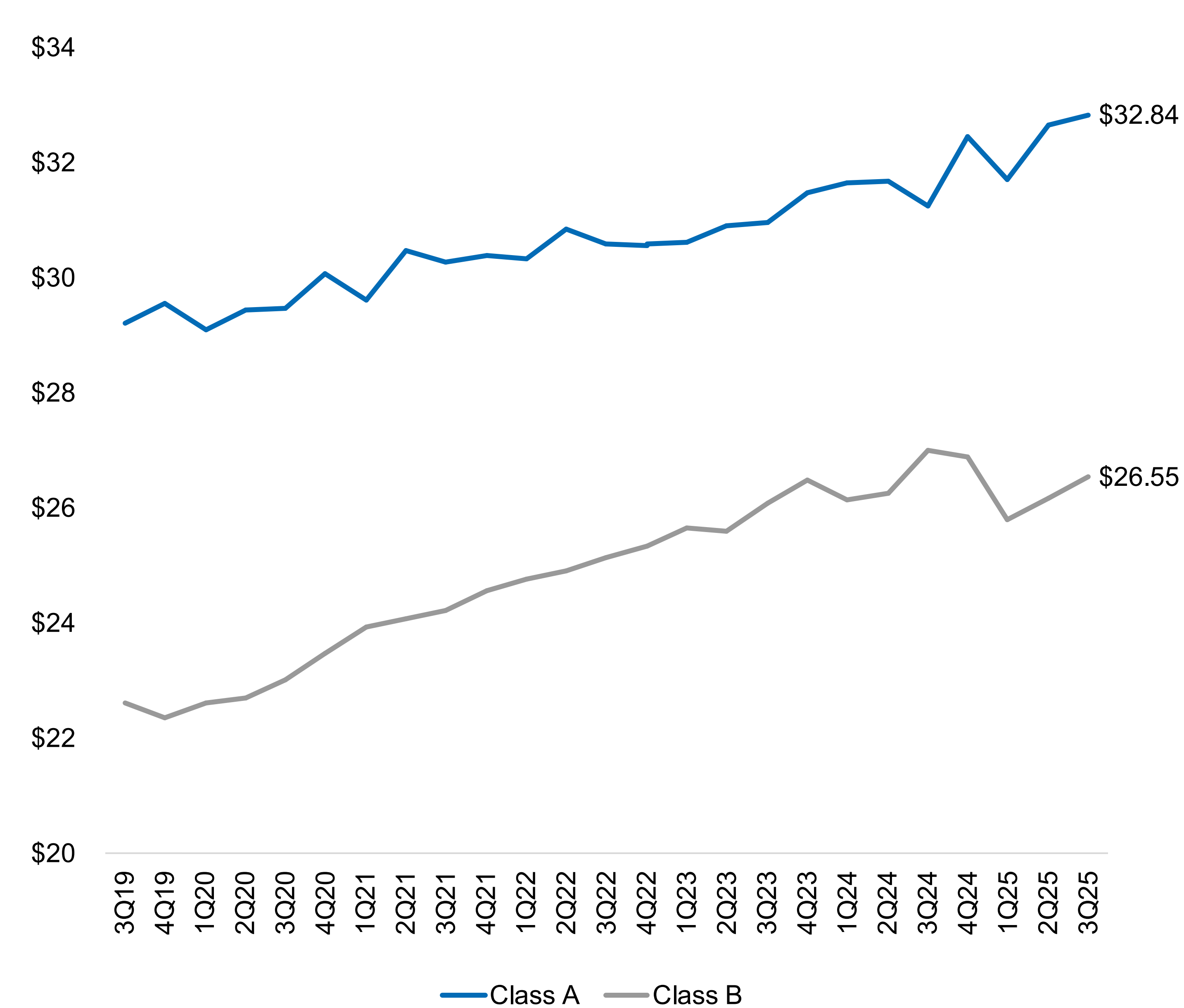


Source: Newmark Research, CoStar

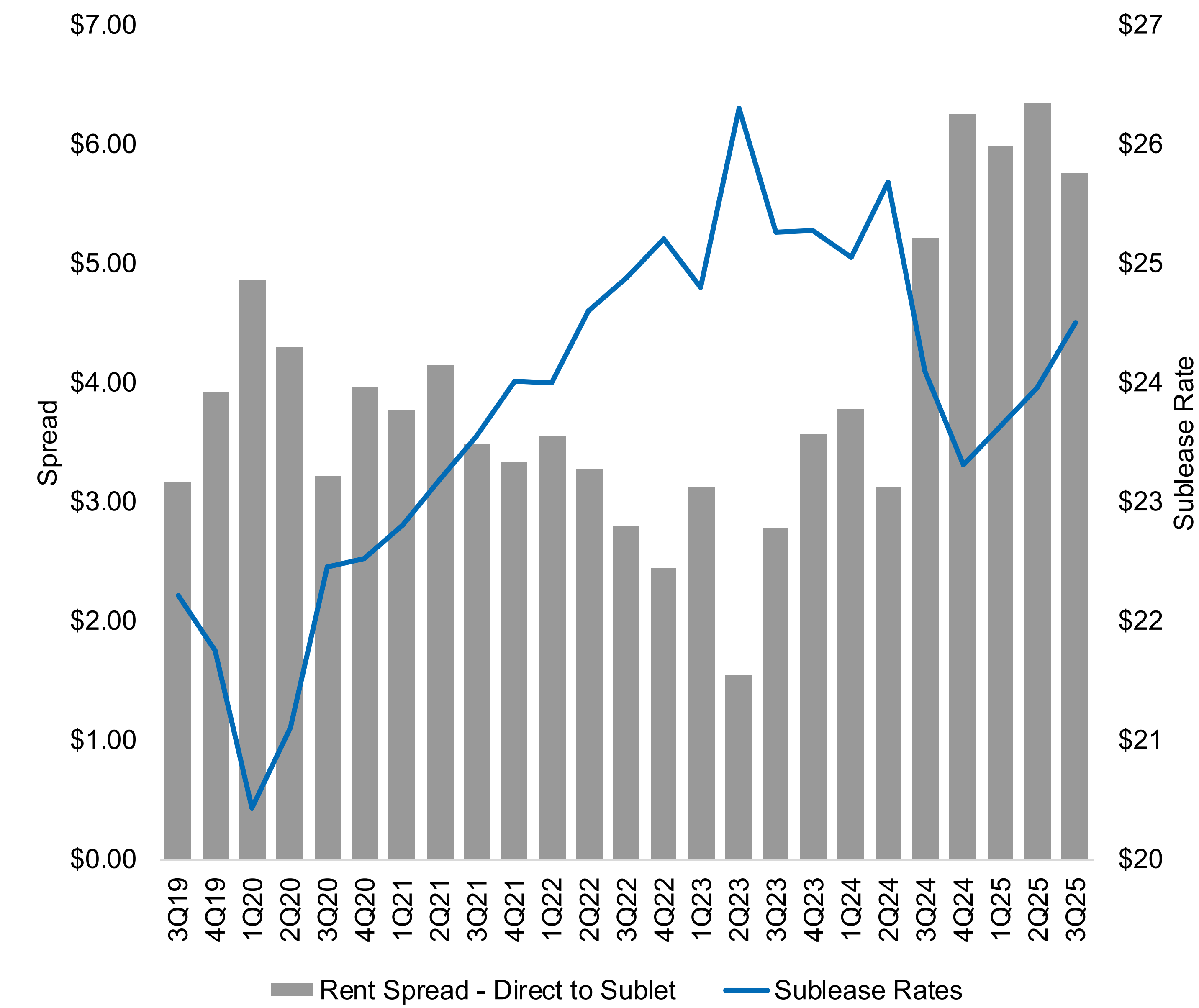
Premium for Quality Grows; Sublease Pricing Ticks Up

Class A asking rents reached a record $32.84/SF in third quarter of 2025, compared with $26.55/SF for Class B, a $6.29/SF premium that reinforces ongoing flight to quality. While the spread has narrowed by 12.6% since 2019, it has widened by 48.3% year over year, highlighting recent outperformance of top-tier assets even as earlier-cycle dynamics compressed the gap. Sublease rents averaged $24.51/SF, up 2.3% quarter over quarter and 1.7% year over year, indicating firmer pricing on secondary options as some tenants weigh value against amenities and efficiency.

Class A and Class B Combined Asking Rents



Sublease Rates



Source: Newmark Research, CoStar

Quality Preference Endures Despite Mixed Top Deals

Flight to quality remains intact, though third quarter's leaderboard was mixed: two of the five largest deals were in Class A assets and three in Class B. Year to date, Class A still dominates, accounting for 58.0% of leasing activity but only 43.0% of deal count - signaling that higher-quality buildings are capturing a disproportionate share of volume. Average Class A deal size was 6,920 SF versus 5,105 SF for the market overall, underscoring tenants' willingness to take larger blocks in amenity-rich, efficient space even as smaller requirements remain common elsewhere.

Notable 3Q25 Lease Transactions

Tenant	Building(s)	Submarket	Type	Square Feet
Eagle Analytical Services	University Center Business Park	East Tampa	Direct New	48,090
Eagle Analytical Services, a pharmaceutical testing and compliance firm, signed a new lease at 10441 University Center Dr. The company leased the entire building and is expected to occupy the building by May 2026.				
Beymark	Buschwood Office Park I & II	NW Hillsborough	Direct New	29,215
Beymark, a regional promotional marketing firm, signed a new lease at 3450 Buschwood Dr. The company leased 33.2% of the building and is expected to occupy a little later in the year. Beymark leased the space due to headcount growth and training space.				
Team Viewer	Midtown Tampa	Westshore	Direct New	26,389
Team Viewer, a German software development firm, signed a new lease at 3600 Midtown Dr. The company leased 6.2% of the building and is expected to occupy by February 2026. Team Viewer leased the space for talent access and amenities in Westshore, leveraging Class A space and airport proximity to scale Tampa area sales and support operations.				
Buchanan Ingersoll & Rooney	Truist Center	Tampa CBD	Renewal	26,267
Buchanan Ingersoll & Rooney, a national law the firm, renewed their lease at 401 E Jackson St, maintaining their presence on the 24th and 28th floors. The firm has been at the location since January 1997, remaining in proximity to the Hillsborough County Courthouse and the U.S. District Court.				
Invitation Homes	Cypress Center	Westshore	Direct New	15,979
Invitation Homes, the nation's largest home leasing and management company, signed a new lease at 5404 Cypress Center Dr. The company leased 10.4% of the building and is expected to occupy by February 2026.				

Source: Newmark Research, CoStar

Tampa Office Submarket Overview

Please reach out to your
Newmark business contact for this information

Source: Newmark Research

Tampa Office Submarket Overview—Class A

Please reach out to your
Newmark business contact for this information

Source: Newmark Research

Tampa Office Submarket Overview—Class B

Please reach out to your
Newmark business contact for this information

Source: Newmark Research

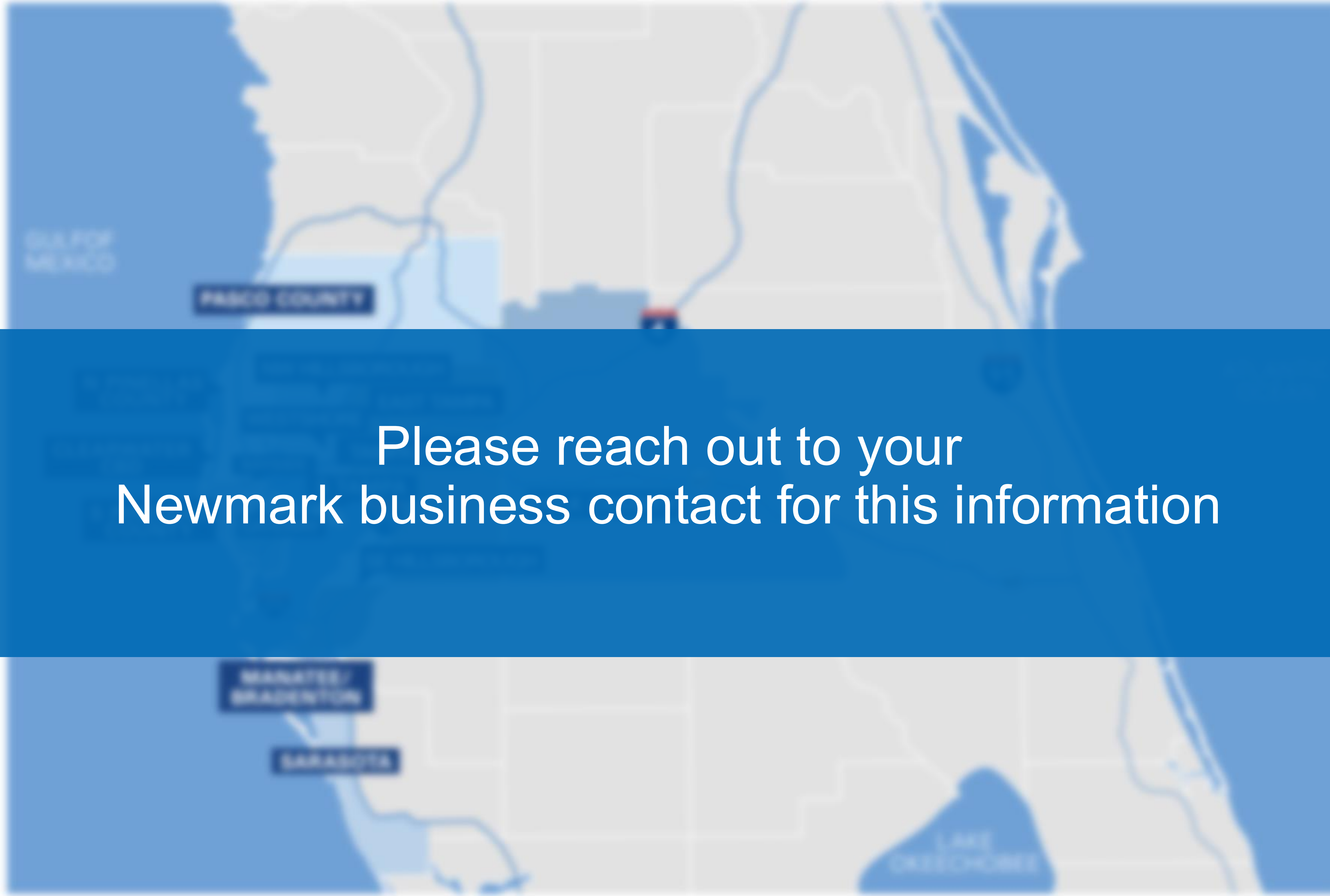
Tampa Office Market

Please reach out to your
Newmark business contact for this information

– Increasing demand for flexible and co-working spaces presents new business opportunities.

tenant expansions and weigh on investor sentiment.

Tampa Office Submarket Map



Please reach out to your
Newmark business contact for this information

Source: Newmark Research

3Q25 Central Florida Office Market Overview

Please reach out to your
Newmark business contact for this information

Source: Newmark Research; CoStar

For more information:

Jamil Harkness
Senior Research Analyst
Jamil.Harkness@nmrk.com

Kirsten Kempf
Senior Research Analyst
Kirsten.Kempf@nmrk.com

Neil Matthee
Research Manager
Neil.Matthee@nmrk.com

Tampa
4221 W Boy Scout Blvd
Suite 440
Tampa, FL 33607
t 813-639-1111

New York Headquarters
125 Park Ave.
New York, NY 10017
t 212-372-2000

nmrk.com

NEWMARK