

## NATIONAL NEWS

**MORE FOREIGN CAPITAL TO POUR INTO U.S. CRE SECTOR IN 2015.** Continuing a trend that has been a major theme for the U.S. commercial real estate industry in 2014, the vast majority of foreign investors plan to step up their acquisition activity stateside in the year ahead, according to the Association of Foreign Investors in Real Estate's (AFIRE) annual survey. The survey, completed in the fourth quarter, found that 90% of respondents planned to maintain the same level of investment in the U.S. properties that they had, or increase it. Through the first three quarters of 2014, the most recent periods for which data is available, cross-border investment for U.S. commercial real estate totalled approximately \$28.2 billion, according to Real Capital Analytics. Moving into 2015, foreign investors continue to view the U.S. as outranking other Western countries for stability, while also offering the best opportunities for capital appreciation. This puts the United States, in terms of attractiveness, ahead of European economies on the upswing, such as Spain, and emerging economies such as China and Brazil. In fact, New York City took the top spot this year as the most attractive global market for real estate investment, followed by London, San Francisco, Houston, Los Angeles and Washington D.C., as the most attractive markets. - National Real Estate Investor, 1/9/15

**ON A ROLL, U.S. OFFICE MARKET DEMAND EXPECTED TO STAY STRONG THROUGH 2016.** Tenants and investors show strong preference to new buildings in CBDs. With vacancies falling and rents rising in growing number of submarkets and slices within the U.S. office sector, demand for office space is expected to remain at post-recession highs for the next two years, according to CoStar Portfolio Strategy analyst recapping the office markets past year performance. "2014 was a great year for the office market," said Walter Page, director of office research, during CoStar's State of The U.S. Office Market 2014 Review and Forecast. "The keystone mark is that net absorption is up 42% from a year earlier. The fourth quarter in particular was very strong, with over 30 million square feet of net absorption. Net absorption of office space rose from 64 million square feet in 2013 to 91 million square feet last year, a 42% increase. Also, the amount of office space absorbed for the year was nearly double the level of new office space added to the market. Over the next two years CoStar expects absorption to be very similar to 2011, in the 90 million square foot range. - Randy Drummer, CoStar, 1/28/15

## TAMPA NEWS

**TIA RANKS NO. 2 IN NORTH AMERICA, NO. 5 IN WORLD FOR CUSTOMER SATISFACTION.** By now, the accolades have become routine. Airports Council International ranked Tampa International Airport No. 2 in North America in customer satisfaction, and fifth in the world for airports serving 15 million to 25 million passengers. The council's Airport Service Quality (ASQ) survey is an industry benchmark. Forty-three domestic airports participated in the survey, as well as more than 200 abroad. ASQ surveys a random selection of 1,200 Tampa International Airport passengers each quarter, measuring the airports performance across more than three dozen critical areas. TIA jumped from No. 3 to No. 2 in the domestic rankings, behind Indianapolis International Airport and just ahead of Jacksonville International. TIA held steady at No. 5 internationally, and was the highest ranked U.S. airport. It trailed Seoul Gimpo in South Korea, Wuhan and Hangzhou in China, and Cancun in Mexico. - Eric Snider, Tampa Bay Business Journal, 2/19/15

**TAMPA URBAN MARKET OVERVIEW.** Downtown Tampa quick facts provided by the Tampa Downtown Partnership.

### Highlights:

- 2,637 multifamily units planned and 889 units under construction
- Downtown employees 58,437
- Number of restaurants 134
- Hotels 12
- Museums and galleries 10
- Residents 6,784

## STATISTICS

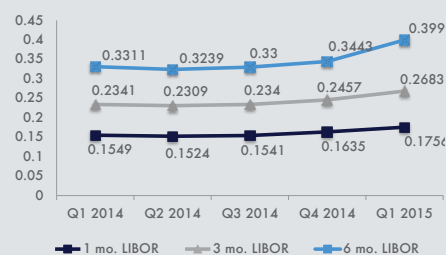
Market Tracker  
\*Arrows show current qtr trend

S&P 500  
+0.39% YTD

DOW Jones  
+0.33% YTD

Nasdaq  
+3.50% YTD

### Interest Rates



### Treasuries



	KEY RATES	US Q4	Tampa Q4	US Q1	Tampa Q1
▼	Unemployment Rate	5.6%	5.5%	5.7%	5.3%
<b>Vacancy Rates</b>					
▼	Class A Office	12.3%	11.5%	12.3%	10.9%
▼	Class B Office	11.5%	13.3%	11.4%	13.2%
▼	Industrial	7.2%	8.1%	7.0%	7.6%
▼	Retail	6.1%	6.3%	6.0%	6.3%
<b>Rental Rates</b>					
▲	Class A Office	\$28.68	\$24.24	\$28.75	\$24.66
▲	Class B Office	\$20.26	\$18.12	\$20.39	\$18.35
▲	Industrial	\$5.50	\$5.23	\$5.63	\$5.25
▲	Retail	\$14.90	\$13.73	\$14.96	\$13.75
<b>Net Absorption</b>					
▼	Office	37,525,641	700,854	15,396,516	323,448
◄	Industrial	81,036,183	961,345	49,591,517	1,389,309
▼	Retail	34,905,476	1,316,979	15,414,406	269,934

## REGIONAL NEWS

**ST. PETERSBURG RANKS NO. 1 MILLENNIAL DRAW IN FLORIDA.** For those who still think of St. Petersburg as luring retirees to hang out in "God's waiting room", the younger generation is poised to make its move. St. Petersburg has been singled out by a credit card promoter NerdWallet as the best city in Florida for drawing in millennials. Across the bay, Tampa was nipping at its heels as the third-most-attractive for those ages 20 to 34, while Clearwater came in No. 12. NerdWallet dissected conditions in 93 cities statewide based on four factors; number of jobs, salaries, rent and the number of other millennials living there. St. Petersburg top ranking was tied to "a thriving economy with the average payroll salary of \$47,471," or \$13,500 higher than then average among the cities studied, NerdWallet said. - Jeff Harrington, Tampa Bay Times, 1/28/15

**DEVELOPERS MOVING IN ON FLORIDA MOBILE HOME PARKS.** Not so long ago, Rainbow Court mobile home park was a peaceful pleasant community of senior citizens. Today it is a 'Mad Max', dystopian landscape of broken and abandoned trailers. Windows are shattered, some hammered over with plywood. Doors open to rooms stripped of everything that could be carted away. All is eerily quite but for the occasional shout of one man drunkenly accusing another of stealing what little is left. Soon, they and the few remaining residents will be gone too. Last year, a Dallas-based developer bought Rainbow Court and the neighboring Brightside Mobile Home Park in eastern Pasco County. The motive becomes obvious by looking just beyond their borders. Behind them is a Bealls and a Tractor Supply Co. Next door is a Walmart Supercenter. Across busy U.S. 301 sits a shopping plaza with Ross, Arby's and TJ Maxx. Once the trailers have been removed, the eight acres they have occupied for decades are planned to be home to an Aldi grocery and possibly a movie theater. It's a story playing out all over fast growing parts of Florida. Mobile home parks that once provided affordable shelter for thousands of retirees and working-class citizens are giving way to shopping centers and upscale housing. - Susan Taylor Martin, Tampa Bay Times, 3/27/15

## KEY TRANSACTIONS

RENTAL PROPERTY	Type	SF	TENANT	TRANSACTION	SUBMARKET
Tampa Oaks II	Office	20,884SF	Liberty Mutual	Lease	I-75 Corridor
Cypress Commons	Office	11,887SF	HCPCL, Inc	Lease	Westshore
3000 Medical Park	Office	11,185	Florida Cancer Specialists	Lease	N E Tampa
NNN SALE PROPERTY	\$/SF	SF	CAP RATE	PRICE	SUBMARKET
IHOP	2,806SF	\$598.72	6.17%	\$1,680,000	E. Busch Blvd
NAPA Auto Parts	7,200SF	\$131.92	7.44%	\$949,800	Land O'Lakes
KinderCare	10,340SF	\$336.07	7.14%	\$3,475,000	Pasco
Arby's	2,410SF	\$709.54	7.02%	\$1,710,000	SR 54 Pasco

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