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We are pleased to provide this market update for the Tampa Bay market

December 2025

Tampa Commercial Real Estate Report on the Retail Sector in Hernando County

Executive Summary

Hernando County is rapidly emerging as a high-growth frontier for retail real estate in the Tampa Bay MSA. Driven by a 15% population surge in just three years and significant infrastructure improvements, the county is attracting both national retailers and savvy investors. The announcement of a new Sprouts Farmers Market anchoring the Port Royal Marketplace development is a milestone event, signaling the market’s readiness for premium and specialty retail. With a healthy economic climate, affordable cost of living, and a business-friendly environment, Hernando County offers a compelling opportunity for investors looking to capitalize on the next wave of retail growth in Florida.

Market Overview

Hernando County’s retail market is characterized by robust growth and strong underlying fundamentals. The county has experienced a remarkable 15% population increase from 2020 to 2023, creating a rapidly expanding consumer base. This demographic boom, coupled with a decreasing unemployment rate (4.5% in early 2023), has fueled demand for retail, dining, and services. Infrastructure enhancements, including the expansion of the Veterans Expressway and upgrades to U.S. Highway 19, have improved connectivity to the broader Tampa Bay region, making the area more attractive to both businesses and residents. The market is seeing a shift towards more sophisticated retail offerings, with a notable increase in interest from national tenants and the development of mixed-use projects.

Key Retail Market Indicators - Hernando County (2025)

Metric	Value
Population Growth (2020-2023)	15%
Unemployment Rate (Early 2023)	4.5%
Key Infrastructure Projects	Veterans Expwy Expansion, US-19 Upgrades
Emerging Retail Sector	Premium/Specialty Grocery
Dominant Development Type	Mixed-Use, Grocery-Anchored

*Data sourced from publicly available information



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Notable Market Trends

The most significant trend in Hernando County is the arrival of premium and specialty retailers, exemplified by the new Sprouts Farmers Market. This signals a maturation of the market and its ability to support higher-end retail concepts. Another key trend is the success of mixed-use developments that combine retail, office, and residential components, creating vibrant, walkable community hubs. There is also strong demand for outparcel pads and space in established, grocery-anchored centers, indicating that both new development and existing retail properties are performing well. The county's strategic location and relative affordability continue to make it a prime target for retailers looking to expand their footprint in the Tampa Bay area.

Notable Transactions & Developments

Sprouts to Anchor Port Royal Marketplace

In a landmark deal for Hernando County, GBT Realty has announced that Sprouts Farmers Market will anchor the new Port Royal Marketplace in Spring Hill. The 23,000-square-foot specialty grocer will be the first of its kind in the market, representing a major milestone in the county's retail evolution. The development, located at the corner of Port Royal and Duplex Roads, will also include two 8,000-square-foot shop buildings and a 6,800-square-foot expansion pad. Construction is expected to begin in early 2026, with a planned opening in early 2027. This development is a clear indicator of the high level of confidence that national retailers have in the Hernando County market.



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Proven Success of Mixed-Use Concepts

The viability of new development in Hernando County was demonstrated by a recently completed mixed-use project in the heart of Spring Hill. The development, which combines retail, office, and residential units, was 90% leased within just six months of completion. Key tenants include a popular chain restaurant, a fitness center, and a co-working space, proving that there is strong demand for well-located, modern retail and commercial space in the area.

Market Outlook

The future of the Hernando County retail market is exceptionally bright. The combination of rapid population growth, ongoing infrastructure improvements, and a business-friendly environment has created a fertile ground for retail development and investment. The arrival of premium retailers like Sprouts is likely to act as a catalyst, attracting other national and regional tenants to the market. We expect to see continued growth in both rental rates and property values, particularly for well-located, grocery-anchored, and mixed-use properties. Hernando County is no longer just a bedroom community; it is transforming into a self-sustaining economic hub with a vibrant and growing retail sector.



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