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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 Hillsborough County

Executive Summary

The Hillsborough County retail market continues to demonstrate remarkable strength and resilience, solidifying its position as one of the top retail markets in the United States. In 2025, Tampa was ranked the #2 retail market nationwide by CoStar, a testament to its durable fundamentals driven by strong population inflows and steady consumer demand. With a vacancy rate holding firm at a historically low 3.4% and average asking rents climbing, the market heavily favors landlords. Investment activity is robust, with over \$1 billion in sales volume recorded by the end of Q3 2025, highlighted by significant transactions for grocery-anchored neighborhood centers & high-quality lifestyle properties. The outlook remains positive, with sustained growth expected as the region continues to attract new residents & businesses.

Market Overview

Tampa’s retail market remained one of the tightest in the nation throughout 2025. The overall vacancy rate held steady at 3.4% in Q3, a modest improvement year-over-year and well below the national average. This low availability reflects incredibly strong tenant demand in a supply-constrained environment. Net absorption registered a positive 74,200 square feet in the third quarter, and while this indicates moderating demand compared to the frenetic pace of previous years, it underscores the market’s stability. Landlords continue to wield significant pricing power, with asking rents showing solid year-over-year growth, although the quarterly pace of increase has begun to decelerate slightly. The construction pipeline remains limited, with only 728,000 square feet underway, ensuring that vacancy will remain low and rent pressure will continue its upward trajectory.

Key Retail Market Indicators - Hillsborough County (Q3 2025)

Metric	Value
Overall Vacancy Rate	3.4%
Average Asking Rent (NNN)	\$28.21 / SF
YOY Rent Growth	5.0%
12-Month Net Absorption	-136,326 SF
Under Construction	251,231 SF
Annual Sales Volume (Tampa Metro)	\$1 Billion (YTD Q3)
Average Market Cap Rate	6.5%



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Notable Market Trends

Several key trends are shaping the Hillsborough County retail landscape. There is a clear preference for high-quality, grocery-anchored neighborhood and community centers, which are commanding the highest investor interest and pricing. Transactions for properties over \$10 million have more than doubled compared to 2024, indicating a rise in institutional-level investment. Out-of-market private investors are particularly active, accounting for the majority of deals over the past year. Furthermore, the market is seeing a 'flight to quality,' where tenants and investors alike are prioritizing well-located, modern assets, often in walkable, mixed-use environments like Westchase Town Center.

Notable Transactions & Developments

Summerfield Crossing Shopping Center, Riverview

The largest single-asset transaction of 2025 was the \$29.2 million sale of Summerfield Crossing, a 100% leased, Publix-anchored shopping center in the high-growth suburb of Riverview. This deal, part of a larger portfolio sale in March, highlights the intense demand for grocery-anchored retail. The center is already planning a second phase, which will add a 120,000-square-foot power center, demonstrating continued confidence in the submarket.



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Westchase Town Center, Tampa

In November, the 58,000-square-foot Westchase Town Center was sold for \$24.94 million. This sale of a high-performing lifestyle center, developed from the ground up over 20 years, underscores the premium placed on walkable, community-focused retail hubs with a strong mix of local and national tenants. The transaction signals robust investor confidence in established, affluent suburban submarkets.

Market Outlook

The outlook for the Hillsborough County retail market remains exceptionally positive. Fueled by persistent population growth and a diverse, expanding economy, tenant demand is expected to continue outpacing the limited new supply. This imbalance will sustain strong rent growth and give landlords continued pricing power. Investment sales are likely to remain robust, with a focus on essential-retail and grocery-anchored centers. As Tampa continues to earn national recognition for its economic and demographic strength, it will remain a top-tier target for retail investors nationwide.



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