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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 Office Sector in Pinellas County

Executive Summary

The Pinellas County office market is characterized by its maturity, stability, and tightening supply, particularly in the St. Petersburg CBD. While overall vacancy is lower than Hillsborough County, negative absorption in Q3 and a struggling Gateway submarket highlight a nuanced market. Investor focus is on value-add opportunities in well-located, established assets.

Market Overview

Pinellas County presents a mature and stable office market with dynamics distinct from its Hillsborough counterpart. The county benefits from a lower overall vacancy rate and a particularly tight St. Petersburg CBD, which is commanding premium rents. However, the market experienced negative net absorption in the third quarter, and the lack of new construction, combined with a shrinking supply of available space, presents both challenges for tenants and opportunities for landlords.

Key Market Indicators - Q3 2025

Metric	Pinellas County	Hillsborough County
Overall Vacancy Rate	14.8%	18.7%
Q3 Net Absorption (SF)	-101,341	+100,272
YTD Net Absorption (SF)	85,223	416,375
Average Asking Rent (FS)	$31.54	$32.66
St. Pete CBD Asking Rent	$37.68	N/A
Under Construction (SF)	0	62,530

*Data sourced from publicly available information

Notable Trends

Shrinking Supply in St. Pete: The St. Petersburg office market is experiencing a shrinking supply of available space, which could complicate efforts for new businesses to enter the market but provides existing landlords with significant pricing power.

Value-Add Investment: The sale of Tyrone Tower, a 44-year-old building that sold after a price reduction, exemplifies the investor appetite for value-add opportunities in established commercial districts. The buyer, a local family office, signals strong local confidence.

Submarket Performance Divergence: The St. Pete CBD is a premium market with high rents and low vacancy, while the Pinellas Gateway submarket is struggling with a vacancy rate over 33%, creating a tale of two markets within the county.

Notable Transactions & Developments

Tyrone Tower, a five-story office building in St. Petersburg, recently sold for $8.75 million.

Tyrone Tower Sale: In December 2025, the 72,075 SF Tyrone Tower in a busy St. Petersburg commercial district was sold for $8.75 million to a local family office, Posterity Real Estate Holdings. The seller, Kennedy Investments, had purchased the property in 2018 for $2.85 million, realizing a significant gain.

HSN Campus Sale: Home Shopping Network sold off two of its industrial/warehouse properties in the Gateway area for a combined $9.565 million, signaling a major corporate transition and repositioning opportunity in that submarket.

Market Outlook

The Pinellas County office market is expected to remain stable, with the tight supply in prime submarkets like the St. Petersburg CBD continuing to drive rent growth. The lack of new construction will put upward pressure on rents for existing quality spaces. We anticipate continued investor interest in value-add opportunities, particularly for well-located assets that can be repositioned to meet modern tenant demands. The divergence between strong and weak submarkets will likely continue, requiring a nuanced approach to investment and leasing strategies.