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

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

Executive Summary

The Pinellas County retail market presents a nuanced picture of stability and submarket-specific opportunity. As Florida's densest county, its retail landscape is mature and largely built-out, leading to higher overall vacancy compared to its neighbors but also creating pockets of intense demand. The overall county vacancy rate stands at 7.3%, with asking rents averaging $22.18 per square foot. However, these figures mask significant variations, from the extremely tight South Pinellas submarket (2.6% vacancy) to the high-rent, high-vacancy Downtown St. Petersburg core. Investment activity remains strong, particularly for well-located, unanchored strip centers near the county's popular beach communities, which are attracting significant interest from out-of-state private investors.

Market Overview

Unlike the explosive growth seen in other Tampa Bay counties, Pinellas County's retail market is characterized by its density and maturity. The overall vacancy rate of 7.3% is higher than Hillsborough's, reflecting a more balanced market. However, this equilibrium is not uniform. Core corridors in South Pinellas boast vacancy rates below 2.5%, creating a supply-starved environment where any available space is considered a rare opportunity. In contrast, Downtown St. Petersburg has a higher vacancy of 12.7%, but this is coupled with the highest average asking rents in the county at $37.68/SF, indicating a market for premium, high-exposure locations. The county saw positive net absorption of 81,849 SF year-to-date, with the Gateway-Mid Pinellas submarket leading leasing activity. The construction pipeline of 442,832 SF, while modest, is more active than in Hillsborough, suggesting targeted development in growth nodes.

Key Retail Market Indicators - Pinellas County (Q2 2025)

Metric	Value
Overall Vacancy Rate	7.3%
Average Asking Rent (NNN)	$22.18 / SF
YOY Rent Growth	3.8%
YTD Net Absorption	81,849 SF
Under Construction	442,832 SF
South Pinellas Vacancy	2.6%
Downtown St. Pete Rent	$37.68 / SF

*Data sourced from published market data

Information is from sources deemed reliable and opinions expressed are personal. Not responsible for errors & omissions. Please conduct due diligence before making an investment decision

Notable Market Trends

A primary trend in Pinellas is the strong demand for retail properties adjacent to the county's famed gulf beaches. These locations command premium pricing and attract significant investor interest, as seen in the sale of Belleair Bazaar. Out-of-state private investors, often utilizing 1031 exchanges, are a major force in the market, targeting both single-tenant assets and multi-tenant strip centers. There is a clear bifurcation in the market: high-demand, low-vacancy submarkets like South Pinellas versus higher-vacancy, high-rent urban cores like Downtown St. Petersburg. This creates distinct strategies for investors, from stable cash-flow plays to value-add opportunities in premium locations.

Notable Transactions & Developments

Belleair Bazaar, Belleair Bluffs

The standout transaction of 2025 was the $13 million sale of Belleair Bazaar, a 38,874-square-foot retail and office center. Located at the gateway to Belleair Beach, this 96% leased property was acquired by an Alabama-based investment firm. The sale, which represented a 67.7% appreciation for the seller since 2018, highlights the strong investor appetite for well-located, unanchored strip centers with a diverse tenant mix, including lead tenant Bonefish Grill.

O'Reilly Auto Parts, Seminole

In June, a recently renovated, single-tenant retail building occupied by O'Reilly Auto Parts in Seminole sold for nearly $7 million. The deal, completed as a 1031 exchange to a New Jersey-based private investor, underscores the continued appeal of single-tenant, net-leased assets with strong national credit tenants.

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Market Outlook

The outlook for the Pinellas County retail market is one of continued stability and targeted growth. While the overall vacancy rate is higher than in neighboring counties, the market's density and the scarcity of new development sites will protect property values and support steady rent growth, particularly in prime submarkets. Investor demand is expected to remain focused on beach-adjacent properties and grocery-anchored centers. The bifurcation between submarkets will persist, offering a range of opportunities for different investor profiles. As the most densely populated county in Florida, Pinellas will continue to be a fundamentally sound and resilient retail market.

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