

Pinellas County Office Insights

Office Leasing

Pinellas County is experiencing the greatest leasing demand from tenants in healthcare, legal, financial services, and technology. Landlords continue to compete for quality tenants by investing in capital improvements to their buildings and spaces.

Office Sales

Office sales continue to improve with strong sales activity in the National Investment Grade office products, Pinellas County is seeing an uptick in sales in the “tertiary” markets. Local business owners are cautiously taking advantage of the continued low interest rates and are making the decision to relocate.

Not sure where to begin? Let us help!

Outgrowing your current space or looking to relocate your business? From the initial site selection process to the final contract negotiations, we are with you every step of the way.

Market Summary

As a whole, Pinellas County’s office market ended 2019 with strong momentum as it moves into the new year. Positive, nationwide economic growth and a boost in Florida’s employment will continue to spark office activity. Tenants and buyers alike, noticed a steady increase in rental rates and asking prices and were eager to lock in these lower lease rates and “asking prices”.

By The Numbers

Average “asking” lease rates in Pinellas County increased 4.5%, year-to-date, on a full-service basis. The overall vacancy rate declined, on average, 0.6%. As inventory for class “A” spaces continues to decrease, be prepared to see an increase in asking rents among all office class types.

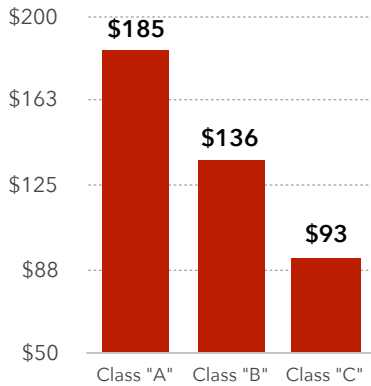
Office sales continued to improve with the average sales price of class “A” office property making its way above \$185 per square foot. Buyers are taking advantage of the lower interest rates and locking them in with a purchase of new property or refinancing their existing asset. As with lease rates, we would expect to see the asking price for office properties to continue to climb as inventory of quality product decreases.

What to expect moving forward

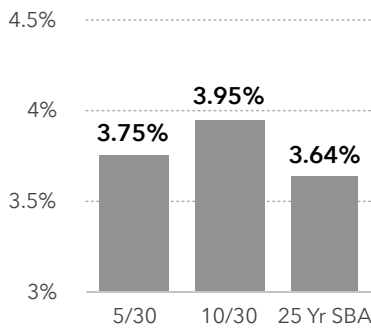
With historically low interest rates, we expect sale prices to continue climb as we start 2020. Tenants can expect to see an increase in lease rates as landlords continue to spend money on improvements to their properties in order to attract quality tenants.



**Average Office Sales
Price Per Sq. Ft.**



**Commercial
Mortgage Rates %**



Interest Rates & Lenders

Commercial mortgage rates are currently at historic lows. We continue to see a flow of money into the commercial market. As of December 2019, we saw the “all-in”, fixed rate SBA loans as low as 3.648% on a 25 year term for owner-user acquisitions. Many SBA loans only require 10% down. Lenders are offering 3.75% for 5 year fixed with a 30 year amortization and 3.95% on a 10 year fixed rate loan with a 30 year amortization for qualified buyers. If you are a business owner interested in selling your property, now might be the perfect time as your prospective buyers will have the benefit of the low rates lenders are offering. If you are a buyer previously on the fence, now is the time to get into a property with these historically low rates.

FREE Market Value Analysis

Cornerstone Commercial offers a free market value analysis to perspective clients. Looking to sell and want to know the market value of your property? Looking to

relocate and want to know what’s available in the market? We have a proven track record and are here to help you.

We can assist you with purchasing a new office property, scaling down, expanding into new lease space, or simply renegotiating new lease terms with your current landlord. At Cornerstone Commercial, we handle the Sales and Leasing process from start to finish so that you can focus on what really matters ...YOUR business!

Our Services

- **Tenant & Landlord Representation**
- **Buyer & Seller Representation**
- **Real Estate Investment**
- **Site Selection**

Pinellas County Submarket Comparison

Submarket	Inventory Square Feet	Direct Vacancy %	Qtrly Net Absorption	Avg. Class “A” Asking Rate - Full Service
North Pinellas	3,403,396	9.4%	14,516	\$20.43
Mid Pinellas / Gateway	5,215,143	13.8%	-2,375	\$26.12
St. Petersburg CBD	2,815,356	8.6%	-1,398	\$30.38
Totals	11,433,895	10.6%	10,743	\$25.64

Evan Jerome
Office Specialist
727-527-4602 ext. 103
Evan@CCRcommercial.com



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Cornerstone Commercial Realty, LLC
P.O. Box 16501
Clearwater, FL 33766
www.CCRcommercial.com

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