

Real Estate Market Update

NEWS OF SARASOTA COUNTY COMMERCIAL REAL ESTATE

Real Estate Market Update

is published quarterly by
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Forecast 2004!

by John B. Harshman, Broker

Can the market get any better? This question is on the minds of active real estate brokers. Well, maybe not too much better but expect 2004 to be another bright year for the real estate industry. Expect high market activity, low vacancies, quick sales and higher prices, all good news for sellers and landlords. Interest rates continue to drive the market, but in 2004 the Florida market will be energized by the favorable national economy and buoyed by an active tourist season. If you are buying this year, act quickly because others will be poised to seize your opportunity.

Interest Rates!

The historically low interest rates are often the topic of conversation as businesses count this blessing. History tells us that interest rates will increase and many pundits expect an increase by summer or fall. The good news is that rates will have to increase by 3-4 points before commercial real estate feels the weight and only gradual increases are expected.

Downtown Residential.

Downtown will continue to captivate the interest of the press as some of the high profile projects pierce the skyline. Residentially, downtown will offer many options from high-rise with water view to townhouses on high trafficked Fruitville Road. The top of the market is The Metropolitan. Located at Gulfstream Avenue and US 41, The Metropolitan is under construction and boasts of residential units starting at almost \$2 million. The majority of downtown residential units are priced from \$300,000 to \$700,000. The market depth is an unknown but seasoned speculators are betting on the depth. Market analysis tells us that over 70% of all downtown residential sales are secondary residences for seasonal visitors; the real concern is that this seasonal residential use may not support the year round stability of downtown.

*Information contained herein is
from reliable sources, but
accuracy is not guaranteed.*

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Looking for Retail?

Quick to follow residential development is commercial development. Look for a positive change in the downtown retail landscape as the surrounding residential develops. The downtown commercial property transactions are at an all time high and prices are setting new records. Recent single story retail and restaurant buildings have sold for as much as \$260 per square foot downtown and \$450 per square foot in Burns Court. Parking and positive year round foot traffic remain the challenge as downtown works to create an environment attractive to retailers willing to pay the rent required to support these sales prices.

Jobs Downtown.

Office buildings are often maligned and not recognized for their community benefits as houses for jobs and the source of year round customers for restaurants and retail. Even during the best markets office buildings are difficult to develop. Recall that in 1999 three office buildings were planned for downtown; none were developed. Downtown office vacancy has tightened to about 7% but at \$21-\$24 full service, rents are well below the \$32 full service rates required to support new construction.

In The Suburbs.

In Lakewood Ranch and Clark Road the hot real estate topic is absorption. Office and retail occupancy rates are increasing in both areas as tenants and owners move through the marketplace. A majority of the available suburban office and retail space is new construction and rates range from \$16-\$22 per square foot triple net. In 2004 expect these two areas to be hot spots for new construction as available product is absorbed.

Properties for Sale or Lease

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INDUSTRIAL SPACE FOR LEASE

■ 2239 15th St, Suite A, 2,250 sq. ft. office/warehouse, Zoned ILW, \$1,700 per month gross

INDUSTRIAL LAND FOR SALE

■ 7509 Pennsylvania Ave, 5.88 acres, Zoned PDI/WR (Manatee County), \$515,000

INDUSTRIAL BUILDING FOR SALE

■ 4380 Independence Court, 2,885 sq. ft. office, 5,915 sq. ft. warehouse/shop area on .54 acres, zoned I, \$560,000

SALE PENDING

COMMERCIAL LAND FOR SALE

■ 1741-83 Snug Harbor Pl., 15,750 sq. ft., zoned CI, \$150,000

■ 300 S. Pineapple Ave., 1,420 sq. ft. building on 15,609 sq. ft. C-CBD zoned land, \$1,200,000 "AS IS"

■ SW Corner of University Parkway and Old Bradenton Road, 1.828 net useable acres, zoned RMF-2, eligible for rezone to Office and Neighborhood Commercial use, \$355,000 **SALE PENDING**

■ 2635 Fruitville Rd., 3 acre office site, zoned for 41,000 square feet of office \$2,500,000

COMMERCIAL BUILDING FOR SALE

■ 1716 N. Tamiami Trail, Galaxy Motel, 4 buildings totaling 6,500 +/- sq. ft. including 3b/3b owner's residence located on 40,880 +/- sq. ft. of land, zoned NT, \$1,400,000

SAMPLING OF COMMERCIAL TRANSACTIONS

■ **Ringling School of Art & Design** purchased the 10,945 +/- sq. ft. building on 18,583 +/- sq. ft. of land zoned NT at 2836 N. Trail from **Martin Godbey** for \$1,000,000 on 12/24/03.

■ **13th Street Trust** purchased the 14,024 +/- sq. ft. of ILW-zoned land with two buildings totaling 8,290 +/- sq. ft. at 2171-2177 13th St. from **Glenn O. Bunnell, Trustee** for \$280,000 on 12/16/03.

■ **Meb Capital Inc.** purchased the 6,589 +/- sq. ft. restaurant building on 27,470 +/- sq. ft. land zoned NT at 4685 N. Trail from **Kenneth E. Neuhaus** for \$521,000 on 12/02/03.

■ **Meb Capital Inc.** purchased the 43,468 +/- sq. ft. Motel on 178,596 +/- sq. ft. of NT-zoned land at 4675 N. Trail from **Guran Associates** for \$3,100,000 on 11/21/03.

■ **Bartenschlager Holdings** purchased the 10,874 +/- sq. ft. building on 21,263 +/- sq. ft. of land zoned C-CBD at 1530 Dolphin St. from **Serbin Printing Inc.** on 12/01/03 for \$1,700,000.

■ **Anita Katzman** sold to **Florida Studio Theatre, Inc.** the 5,500 +/- sq. ft. former Theatre Works building on 29,130 +/- sq. ft. of TAD-zoned land at 1247 1st Street & Coconut Avenue on 10/29/03 for \$2,600,000.

Source: Sarasota County Property Appraiser and other reliable sources.