

Real Estate Market Update

NEWS OF SARASOTA COUNTY COMMERCIAL REAL ESTATE

Real Estate Market Update

is published quarterly by
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Real Estate Bubble?

by John B. Harshman, Broker

Across the country, real estate has been the shining light in an otherwise lackluster economy. Historically low interest rates have created buying opportunities where none existed, and all market sectors are experiencing new highs in sales prices and activity. Many tenants are now buyers—creating demand and increasing prices to record levels reminiscent of the tech stock bubble. As long as interest rates remain low and stable the bubble should not deflate.

Projects, projects and more projects planned for downtown

The number of residential projects planned for downtown stuns even the most ardent supporters of development. The latest count is 30 projects totaling approximately 1,700 residential units. Prices on downtown condominium or townhouse units range from \$350 to \$660 per square foot. While pricing is

setting new record highs; unfortunately most of the buyers are not year round residents adding only seasonal infusion to the vibrancy of downtown.

Office rental market is stable

The latest market data indicates some stabilizing in the downtown office market. Vacancy in Class “A” office space increased to double digits over the past few years as the nation stepped through a recession. Today there is a glimpse of recovery as recent office surveys indicate downtown Class “A” office vacancy at just above 10%. However, vacancies have remained at an uncomfortable level long enough for some building owners to begin to offer rent concessions.

Hospitality taking it on the chin

9/11 and two lackluster tourist seasons have significantly impacted the hospitality industry. In a market like Sarasota that heavily relies on tourism and seasonal visitors, this hurts a lot.

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

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The impact is evidenced by the six restaurants in and around Main Street that have recently closed. Two new restaurants have opened. The net loss is not terrible, but indicative of the tough times in the hospitality industry.

Clark Road maturing;

New medical office centers and auto dealers are lining Clark Road. Businesses are attracted by the available zoning, easily flowing traffic and established residential buying power. Prices have increased significantly over the past few years with land selling now around the \$15-\$20 per square foot range and buildings over \$150 per sq. ft..

Industrial building sales reach new highs!

Not too long ago, industrial buildings in planned industrial parks sold for \$35 per square foot. Recent sales are in the \$70 per square foot range. This can be attributed mostly to interest rates, but once prices go up, they rarely retreat.

Office condos

The feverish buying market has tenants scrambling to buy office and industrial buildings, absorbing current product inventories. Developers are reacting by reviving office and industrial condos. While industrial condos are priced around \$100 per square foot, office condos sell for as high as \$240 per square foot for well located product.

Record sale price

The corner of Gulf Stream and US 41 sold for \$28.7 million or \$230 per square foot, a record sale price. Planned for this site are 128 condos.

Properties for Sale or Lease

**Contact Harshman & Company, Inc.
(941) 951-2002**

OFFICE SPACE FOR LEASE

■ 1567 Main Street, 5,200 sq. ft. office building with parking, \$16 per sq. ft. triple net

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

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

■ 2635 Fruitville Rd., 3 acre office site, \$2,500,000

DOWNTOWN PROPERTY FOR SALE

Ovo's Restaurant, 35 S Lemon Ave., 9,600 sq. ft. building with 2 tenants plus 6,700 sq. ft. Restaurant space. Beautiful building, \$2,300,000. (Price includes restaurant FF&E)

SAMPLING OF COMMERCIAL TRANSACTIONS

■ **JTW, LLC** purchased the 4,593 +/- sq. ft. Maple Leaf Motel and adjacent 1,472 +/- sq. ft. residence on 22,660 +/- sq. ft. of land zoned NT at 1312 N. Trail from **Anthony Perrotta** for \$677,500 on 08/20/03.

■ **Bay Mountain, LLC** purchased the 11,701 +/- sq. ft. storefront on 10,500 +/- sq. ft. of C-CBD-zoned land at 1508 Main St. from **Furman's, Inc.** for \$1,500,000 on 08/15/03.

■ **TKD 03, Inc.** purchased the 4,400 +/- sq. ft. office condo at 2050 Proctor Rd. from **RiverView Office Park, Inc.** for \$650,000 on 07/28/03.

■ **Planned Parenthood of SW & Central Florida, Inc.** purchased 15,860 +/- sq. ft. of CI-zoned vacant land at 736 Central Ave. from **John Kliver** for \$200,000 on 07/22/03.

■ **Russell Moore** purchased the 2,602 +/- sq. ft. building at 1519 Main St. from **L & L Sarasota** on 05/12/03 for \$400,000.

■ **Saunders Family** purchased the 37,378 +/- sq. ft. C-CBD-zoned parking lot at 495 S. Orange Ave. from **Verizon Florida, Inc.** on 05/06/03 for \$1,500,000.

■ **James E. & Marianne M. Wallace** purchased the 2,120 +/- sq. ft. building on 4,400 +/- sq. ft. of land zoned CG at 6540 Superior Ave. from **Loyal Order of Moose, Gulf Gate Lodge 608, Inc.** on 03/18/03 for \$260,000.

Source: Sarasota County Property Appraiser and other reliable sources.