

# 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 maintains investor interest during economic downturn

*by John B. Harshman, Broker*

The fluctuating stock market pushes interest and confidence to real estate. The recession we have been experiencing and subsequent downturn in leasing have not clouded investors' vision. They recognize that the recent appreciation of real estate and stabilized vacancy rates are signs that the recession will be short-lived. Confidence in real estate as a sound investment is buoying real estate markets, and sellers are pressing for higher prices.

In almost every U.S. city, we have noted significant real estate value appreciation. Pent-up demand, aging Baby Boomers and the raging stock market of the 1990s are some of the reasons. Sarasota is clearly following suit. In the early 1990s buyers were few and far between for C-CBD-zoned vacant land at \$20 per square foot. Recent recorded sales have reached \$55 per square foot. St. Armand's retail building sales have now reached \$450 per square foot, compared to \$200-\$300 in 1990.

### Renovation proves costly

The purchase and renovation of the Federal Building is the highest sales price per square foot in Sarasota's downtown office category. While the final numbers are not in, the estimated purchase price plus renovation is \$3.8 million or almost \$400 per rentable square foot. Comparatively, the City Centre recently sold for approximately \$101 per rentable square foot.

### Climbing office vacancy rate generates good and bad news

The recession has impacted leasing in every sector. Downtown and I-75 office markets report vacancy rates of 10% and 19%. So why aren't real estate brokers in a panic? First, they remember the 1990 recession when vacancy rates were a dismal 30% across the board. Second, larger blocks of available space can actually be a plus for businesses with relocation and expansion plans.

**Information contained herein is  
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accuracy is not guaranteed.**

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## Costs of I-75 office vs. downtown office

Full-service rents in Class A buildings range from \$19 to \$22 along I-75. Downtown full-service rents in Class A buildings range from \$19 to \$24. Not much difference in price, so what factors weigh in on location decisions? I-75 offers easy access to employees from Tampa to Port Charlotte, high parking ratios and large office floor plates. Downtown offers the financial market, ambiance, close proximity to local residents and proximity to government and legal centers.

## Clark Road development a testament to sound planning

Sound planning by the county, developers and property owners has created an environment for quality commercial development along Clark Road. Unlike Bee Ridge Road with its narrow strip of commercially zoned land, Clark Road offers depth in zoning that provides area for parking, common access points and optimum traffic control. The benefits include smoother traffic flow, more jobs, better services to the community and a more stable tax base. Emerging along Clark Road these days are an auto dealership, surgical center and several office buildings.

## Critical mass the lost component of downtown

As our office vacancy increases and businesses are "right-sizing," our whole downtown feels the loss of those employees. Retailers and restaurants depend on the daytime office crowds to enliven their stores and bottom lines. While our condo market downtown is lively, often the condo buyer is an investor or part-time resident who lives here only in the winter months. The year-round stability of office users is the fuel that maintains downtown's vitality and generates the critical mass that will keep retailers and restaurateurs afloat off-season.

# Properties for Sale or Lease

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

### UNIVERSITY COMMONS OFFICE CTR.

22,000 RSF on third floor of 75,381 sq. ft. building. I-75 visibility, ample parking and lake views. Will divide

### INDUSTRIAL FOR SALE

- 8440 Florida St., off University Parkway, 105,624 sq. ft., Zoned LM, \$375,000
- 2183 and 1295 12th St., 2 buildings, 3,200 sq. ft. and 1,800 sq. ft. on 21,036 sq. ft. land, zoned ILW, \$299,000

### COMMERCIAL PROPERTY FOR LEASE

- 126 N Orange Ave., (2) 2,000 sq. ft. units on ground floor and (1) 1,600 sq. ft. Unit on 2nd floor, newly remodeled, zoned C-CBD, \$14/sq. ft. triple net

### COMMERCIAL BUILDING FOR SALE

- Elk's Lodge, 2635 Fruitville Rd., 17,000 sq. ft. building on 4.2 acres, \$2,300,000
- North Trail (NT) for Sale; Maple Leaf Motel; 1312 N Tamiami Trl. and 1221 13th St., 22,660 sq. ft., \$735,000
- 1122 14th St. W., Bradenton, 4,524 sq. ft. building on 14,100 sq. ft. of land, zoned C3-Heavy Commercial, \$225,000

### COMMERCIAL LAND FOR SALE

- 1741-83 Snug Harbor Pl., 15,750 sq. ft., zoned CI, \$150,000
- 2402 Fruitville Rd., 13,300 sq. ft., zoned OPB, \$225,000
- 300 S. Pineapple Ave., 1,420 sq. ft. building on 15,609 sq. ft. of land, zoned C-CBD, \$725,000
- 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
- Five Points Site, 40,588 sq. ft., zoned C-CBD, Proposed Future Zoning Urban Core Zone (T6), \$4,800,000

## SAMPLING OF COMMERCIAL TRANSACTIONS

- **Sanford A. Cohen** purchased +/- 13,878 sq. ft. of land zoned RMF-3 at 2062 Fruitville Rd. and 220 Wallace Ave., from **Susan M. Sloan, OD** and **Robert R. Rogers** for \$160,000 on 7/31/01.
- **JFB Hotel 1 LLC** purchased +/- 36,495 sq. ft. of vacant land at the Northeast corner of 6th Street and US 41 from **Sarasota Renaissance LP** for \$1,075,000 on 6/27/01.
- **Boca Bargoons of Sarasota** purchased the +/- 10,463-sq.-ft. building on +/- 13,200 sq. ft. of land zoned C-CBD at 130 N Orange Ave. from **John R. Wagner, Trustee** for \$650,000 on 6/15/2001.
- **Sarasota Chrysler-Plymouth LP** purchased the +/- 1,730-sq.-ft. building on +/- 7,500 sq. ft. of CG-zoned land at 1923 Baywood Dr. from **Margaret A. David** for \$200,000 on 5/14/01.
- **First & Central LLC** purchased +/- 80,500 sq. ft. of C-CBD-zoned vacant land located at 1400 2nd St. from **Murray J. Klauber** for \$3.5 Million or \$43.48 per sq. ft. on 5/10/01.
- **Jonathan Guarino** purchased the +/- 1,304-sq.- ft. Burns Ct. house on a +/- 3,541-sq.-ft. lot zoned C-CBD from **Ardinger Investments of Texas** for \$275,000 on 5/9/01.

Source: Sarasota County Property Appraiser and other reliable sources.