

Real Estate Market Update

NEWS OF SARASOTA COUNTY COMMERCIAL REAL ESTATE

Real Estate Market Update

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Harshman & Company, Inc.
Licensed Commercial
Real Estate Broker

Mailing address:
1575 Main Street
Sarasota, FL 34236

(941) 951-2002
FAX (941) 366-5818
service@harshmanrealestate.com

I-75 Office Market: Price Sensitive, Willing to Pay for Visibility

by John B. Harshman, Broker

The I-75 corridor has been the target of significant pent-up demand for office space, but potential users are still largely a cost-conscious crowd.

The 67,000-sq.-ft. first building at Gateway (Fruitville Road and I-75) was fully leased 90 days after completion. The second building is not faring as well. Meanwhile, at Cattleridge (Clark Road and I-75), low-rise, lower priced offices continue to appeal to the price-sensitive tenant.

Farther north at Lakewood Ranch, and a few minutes closer to the Tampa Bay region's sizeable labor pool, approximately 48,000 sq. ft. of office is available for lease in buildings that are either planned or under construction.

An exception to price sensitivity are tenants who seek the cache of interstate visibility. Their offices are easier to find, for one thing. In some cases, good business park design also provides opportunity for signage to be visible from the highway — a rare benefit considering Sarasota County's sign ordinance.

Industrial User Profile Evolves

Ten years ago, Sarasota County's typical industrial user required a building with 90% warehouse and approximately 10% air-conditioned office area.

Today demand is for 20% warehouse and 80% air-conditioned office/R&D space. We still have some straight warehouse users, but the profile of "industrial" businesses is changing with the times. Not surprisingly, so are their space needs.

South Manatee Achieves County's Vision

We have witnessed the transformation on the north side of University Parkway from rural pastures to suburban shopping and residential. Likewise, U.S. 301 in Manatee County has become a major employment center for both Sarasota and Manatee counties.

How did this happen? In the early 1980s, Manatee County government planned the area's future, installed necessary infrastructure and zoned

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the land for desired uses. Properly managed commercial growth reduces the tax burden on residential property owners because commercial properties consume fewer government services, such as emergency services and schools.

Directed vision with excellent implementation achieved the desired results, and residents of Manatee County now reap the tax benefits.

Downtown Master Plan

While many groups and individuals have concerns and objections to components of Sarasota's Downtown Master Plan, everyone wants redevelopment to be a success. The major component missing from Andres Duany's recommendations is an economic viability analysis. If the market won't support it, developers won't invest in it, and it won't happen.

Rosemary District Quietly Awaits Transformation

Road improvements to Coconut Avenue and North Tamiami Trail have been a difficult pill to swallow for many residents and business owners in the Rosemary District. Soon the dirt and confusion will be replaced by newly paved, landscaped and lighted streets. Safety, ease of travel and aesthetics will be improved.

Expect an increase in demand for properties in the Rosemary District, particularly with the advent of projects including the Salvation Army, Channel 40, The Renaissance of Sarasota, School of Arts and Sciences' expansion, and the Vengroff project on Central Avenue. Talk about a transformation!

Downtown Office Rate Update

Full-service rental rates for premier office space in downtown's "Class A" buildings exceed \$24 per rentable square foot, plus parking charges. Bargains are still available in the older buildings. As always, you get what you pay for.

Properties for Sale or Lease

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

FIVE POINTS TOWER

Class "A" office space for lease at Main Street and Central Avenue. Up to 140,000 sq. ft. available with parking and amenities. Ground floor retail space and office floors with views.

RENAISSANCE OF SARASOTA

US 41 and 6th St., 0.9+/- acre site for sale. Uses include hotel, retail or office space. \$1,100,000

INDUSTRIAL LAND FOR SALE

■ Industrial Court south of 14th Street, City of Sarasota. 42,253 sq. ft. +/- zoned I, \$75,000

INDUSTRIAL BUILDING FOR SALE

- 1326 Mango Ave., 1,536-sq.-ft. building, zoned I, \$190,000
- 1038 North Orange Ave. (Davis Lumber) 135' x 335' lot with multiple buildings, storage facilities and fenced yard. Zoned ILW Price \$550,000

COMMERCIAL PROPERTY FOR LEASE

- 1502 Main St., 2,200 sq. ft. +/-, storefront, \$2,200 per month triple net.
- 1516 Main St., 2,500 sq. ft. +/-, storefront, \$2,200 per month triple net.
- 130 N. Orange Ave. (Former DeSear's) 7,148-sq.-ft. showroom at \$7,148 per month. 1,400-sq.-ft. back area with separate entrance at \$700 per month. Zoned C-CBD with City of Sarasota water/sewer.

COMMERCIAL LAND FOR SALE

- 1741-83 Snug Harbor Pl., 15,750 sq. ft. +/- zoned CI, \$130,000
- Fruitville Rd. & Wallace Ave., 8,000 sq. ft. +/- zoned RMF-3, rezone potential, \$99,000
- U.S. 301 & 32nd St., 52,297 sq. ft. +/- Rezone potential to office use, \$225,000
- 3000 N. Washington Blvd., 12,000 sq. ft. +/- zoned CI, \$75,000

APARTMENT BUILDING FOR SALE

- 39-unit apartment complex, \$1,500,000.

SAMPLING OF COMMERCIAL TRANSACTIONS

■ **David L. Kaus** purchased the 13,300-sq.-ft. vacant lot at 2402-2406 Fruitville Rd., zoned RSF-2, from **Victor Calderon** for \$130,000 on 9/5/2000.

■ **The Salvation Army** purchased the 18,717- sq.-ft. lot zoned CI at 921 Lemon Ave. from **David Condon** for \$80,000 on 7/31/2000.

■ **Pineapple Office Center LLP** purchased the C-CBD-zoned, 8,263-sq.- ft., two-story office building with 4,950 sq. ft. of land at 40 S. Pineapple Ave. from **CPA Associates PA** for \$550,000 on 7/31/2000.

■ **Griffin Holding Co. IV Inc.** purchased the 10,350-sq.-ft. store with 11,500 sq. ft. of land at 1909 S. Osprey Ave. from **E.W. Morton Jr., Trustee**, for \$1,100,000 on 7/26/2000.

■ **Harvey Vengroff** purchased 35,326 sq. ft. of CI-zoned land bounded by Central Avenue, Seventh Street and Florida Avenue from **Adair J. & Florence Ford** for \$490,800 on 6/28/2000.

Source: Sarasota County Property Appraiser and other reliable sources.