

www.valbridge.com

Year-End 2017

Southwest Florida

2240 Venetian Court
Naples, FL 34109
(239) 514-4646

In This Issue

- Current Statistics
 - Retail
 - Office
 - Industrial
 - Multifamily
- Cap Rates
- Commercial Sales
- Home Sale/Price Trends
- Building Permit Data
- Market Participant Survey Summary

Valbridge Property Advisors

is based in Naples, FL and is one of the largest commercial property valuation and advisory services firms in the U.S.

Valbridge has 200 MAIs, 70 office locations and 675+ staff across the nation. Each Valbridge office is led by an appraiser who holds the MAI designation of the Appraisal Institute.

Data Sources

- ❖ CoStar Group, Inc.
- ❖ PWC/Korpacz.
- ❖ Real Estate Research Corp.
- ❖ U.S Department of Housing and Urban Development
- ❖ Valbridge Property Advisors
- ❖ Florida Realtors®
- ❖ Regional Economic Research Institute-FGCU
- ❖ NABOR

Some figures are estimated due to variances between the reports.

Prepared by:

Kane French
Analyst
Valbridge Property Advisors |
Sarasota | Bradenton
kfrench@valbridge.com

Commercial Markets: Year-End 2017

RETAIL – SNAPSHOT

- The Manatee and Sarasota County Retail market experienced an improvement in market conditions in the fourth quarter. The vacancy rate in Manatee County decreased from 5.9% in the second quarter to 4.5% in the fourth quarter and Sarasota County remained at 3.9% from the second quarter to the fourth quarter.
- Year End Total Retail Net Absorption in the two counties is positive 271,584-sf with an average quoted rental rate of \$15.09 per square foot, a decrease from the mid-year rate of \$15.34 per square foot.
- Some of the notable 2017 deliveries include: the 50,000 square foot mixed-use space at 1500 State St in Sarasota County which is currently 97% occupied and the 44,000 square foot property at Rosemary Square in Sarasota which is 98% occupied.

Retail Data			
Market	Vacancy	YTD Net Absorption (sf)	Asking Rent
Manatee County	4.6%	197,423	\$12.83
Manatee County Outlying	3.0%	(1,519)	\$20.29
Sarasota County	3.8%	(68,398)	\$17.22
Sarasota County Outlying	4.5%	144,078	\$12.12

OFFICE – SNAPSHOT

- The Manatee and Sarasota Office market experienced a slight improvement in market conditions in the fourth quarter of 2017. The vacancy rate in Manatee County went from 5.4% in the second quarter to 4.7% in the current quarter and Sarasota County remained 5.9% from the second quarter to the last quarter of 2017.
- A notable delivery during 2017 is the 30,000 square foot Class A office building at 4081 Lakewood Ranch Blvd in Sarasota County. This property is currently 65% occupied by Centauri Insurance.
- The average quoted asking rental rate for available office space, all classes, was \$17.60 (full service) per square foot in Manatee County and \$21.14 (full service) in Sarasota County at the end of the last quarter of 2017.

Office Data			
Market	Vacancy	YTD Net Absorption (sf)	Asking Rent
Manatee County	4.7%	28,777	\$16.80
Manatee County Outlying	4.7%	6,107	\$22.43
Sarasota County	5.6%	102,860	\$21.32
Sarasota County Outlying	8.2%	(12,679)	\$19.32

INDUSTRIAL – SNAPSHOT

- The Manatee and Sarasota Industrial market experienced a slight decline in market conditions in the fourth quarter 2017. The vacancy rate in Manatee County went from 2.4% in the second quarter to 4.5% in the fourth quarter and Sarasota County went from 3.0% in the second quarter to 2.7% in the last quarter of 2017.
- A significant delivery in 2017 includes; the 100,000 square foot Building 5 in the Gatewood Corporate Center.
- Some notable under construction properties that will deliver in 2018 include: the 60,000 square foot Building 2 in the Gatewood Corporate Center, and the 42,700 square foot warehouse at 4715 Lena Rd in the Manatee County market.

Industrial-Flex Data			
Market	Vacancy	YTD Net Absorption (sf)	Asking Rent
Manatee County Ind	3.3%	23,317	\$8.91
Manatee County Outlying Ind	8.6%	(3,185)	\$11.85
Sarasota County Ind	3.8%	(15,280)	\$10.44
Sarasota County Outlying Ind	0.9%	38,621	\$10.55

www.valbridge.com

Year-End 2017

Page 2

Southwest Florida

2240 Venetian Court
Naples, FL 34109
(239) 514-4646

Valbridge Property Advisors Southwest Florida

provides real estate appraisals, business valuations, and consulting services ranging from within the South Florida area across the nation.

Our experienced staff includes designated members of the Appraisal Institute, National Association of Valuators and Analysts, NEBB Institute and Institute of Business Appraisers.

Appraisal Staff:

Geri F. Armalavage, MAI
Rick Armalavage, MAI
Jason Bennett
Chris DelPo, MAI
Kane French
Alex Garcia
Crystal Hyde
Gregory Lynch, MAI
Tom McDonald
Richard Pappalardo
Lynn Stocki
Ivis Olmo-Valle

To add a colleague to the distribution list, send the name, address, phone number and email address to David Lageman at:
southflorida@valbridge.com.

www.valbridge.com

Industrial-Warehouse Data			
Market	Vacancy	YTD Net Absorption (sf)	Asking Rent
Manatee County Ind	2.4%	284,550	\$8.36
Manatee County Outlying Ind	16.6%	12,800	\$10.20
Sarasota County Ind	2.8%	66,642	\$8.10
Sarasota County Outlying Ind	2.1%	91,017	\$8.10

MULTIFAMILY – SNAPSHOT

- Vacancy levels for most submarkets in Manatee and Sarasota Counties remains low.
- Rental rates show signs of steady improvement in both counties in average rent per month prices over a rolling 12 month period.

Apartment Data				
Market	Vacancy	Avg Rent / Mo	Avg Rent / SF	Rent Change 12 Mo.
Manatee County	93.5%	\$1,062	\$1.18	+1.72%
Manatee County Outlying	93.5%	\$1,387	\$1.26	+1.61%
Sarasota County	93.4%	\$1,364	\$1.55	+2.64%
Sarasota County Outlying	96.0%	\$1,039	\$1.11	+3.73%

Cap Rates – National

According to the **Real Estate Research Corporation (RERC)** "*Real Estate Report*" and **PwC** "*Real Estate Investor Survey*," cap rates have shown increases in the Retail Strip Center, Suburban Office, and Flex Industrial categories. No change was reported in the Warehouse space market when compared to the prior quarter on a national scale. There was a decrease in all other categories in the chart below. The rates shown below apply to modern Class A properties with occupancy by creditworthy tenants, good to excellent locations and/or contractual rent growth.

National Rates - RERC & PWC				
Property	Cap Rates			Change from Prior Qtr.
	Low	High	Average	
Retail Strip Center	5.50%	7.00%	6.00%	Decrease
Suburban Office	5.50%	7.00%	6.50%	Decrease
Flex Industrial	6.50%	7.30%	7.00%	Decrease
Warehouse	4.50%	7.00%	5.80%	No Change
Apartment	4.00%	6.00%	5.00%	Decrease
Average for All Properties	5.20%	6.86%	6.06%	Decrease

Single Family Home Sales & Prices

According to data gathered from Florida Realtors®, a total of 1,010 single-family homes were sold in the two coastal counties during November 2017. Median sale prices in the two counties continue to increase and are up over three percent in Manatee County and just under eight percent in Sarasota County from November 2016.

Single Family Home Sales & Median Sales Prices			
Manatee County			
	Nov-17	Nov-16	% Change
No. of Sales	461	429	+7.5%
Median Price	\$289,000	\$279,000	+3.6%
Sarasota County			
No. of Sales	549	568	-3.3%
Median Price	\$285,000	\$265,000	+7.5%

www.valbridge.com

Year-End 2017

Page 3

Southwest Florida

2240 Venetian Court
Naples, FL 34109
(239) 514-4646

In This Issue

- Current Statistics
 - Retail
 - Office
 - Industrial
 - Multifamily
- Cap Rates
- Commercial Sales
- Home Sale/Price Trends
- Building Permit Data
- Market Participant Survey Summary

Valbridge Property Advisors

is based in Naples, FL and is one of the largest commercial property valuation and advisory services firms in the U.S.

Valbridge has 200 MAIs, 70 office locations and 675+ staff across the nation. Each Valbridge office is led by an appraiser who holds the MAI designation of the Appraisal Institute.

Data Sources

- ❖ CoStar Group, Inc.
- ❖ PWC/Korpacz.
- ❖ Real Estate Research Corp.
- ❖ U.S Department of Housing and Urban Development
- ❖ Valbridge Property Advisors
- ❖ Florida Realtors®
- ❖ Regional Economic Research Institute-FGCU
- ❖ NABOR

Some figures are estimated due to variances between the reports.

www.valbridge.com

Single Family Building Permits

The two coastal counties long-term trends continue to be mixed after a few years of stabilization according to data gathered from the State of the Cities Data Systems (SOCDS). Single family building permits decreased over 18% in Manatee County, while Sarasota County had an increase of over 12% in November 2017, over a twelve month period.

Single Family Building Permits		
Manatee County		
Nov-17	Nov-16	% Change
200	246	-18.7%
Sarasota County		
Nov-17	Nov-16	% Change
229	203	+12.8%

Manatee & Sarasota Counties Market Participants Survey

Valbridge Property Advisors | Southwest Florida conducts a quarterly survey involving a variety of market participants in the Manatee and Sarasota County markets including brokers, investors, bankers, property/leasing managers, etc. Market participants are surveyed on their opinions of current market conditions for Industrial, Office, Retail, and Multi-Family markets in Manatee and Sarasota Counties.

The most recent survey conducted in January 2018, indicated participants believe the market to be Improving in most sectors in Manatee County and Sarasota Counties. The following table summarizes the responses.

Market Conditions	Manatee County	Sarasota County
Industrial	Improving	Strong
Office	Improving	Improving
Retail	Improving	Improving
Multi-Family	Improving to Strong	Strong

Sale Prices	Manatee County	Sarasota County
Industrial	Improving to Strong	Improving to Strong
Office	Improving	Improving
Retail	Improving	Improving
Multi-Family	Improving to Strong	Strong

Rental Rates	Manatee County	Sarasota County
Industrial	Improving	Improving to Strong
Office	Stagnant to Improving	Improving
Retail	Improving	Improving
Multi-Family	Strong	Strong

© Copyright 2018 Valbridge Property Advisors | Southwest Florida. ALL information herein was obtained from third parties. The accuracy of the data is not verified, warranted or guaranteed. For the exclusive use of Valbridge Property Advisors | Southwest Florida clients. Reproduction or distribution without consent is prohibited.