

Commercial Quarterly



State of the Market

Sarasota, Manatee & Charlotte Counties

The tri-county commercial market posted strong market fundamentals through the second quarter of 2023 for all property types. During this quarter, retail and multi-family sales had the most sales volume by dollar amount for all the core commercial sectors in the area.

The retail sector is very active in Sarasota, Manatee and Charlotte counties. The average asking rent in the area continues to steadily increase, and the retail vacancy rates are at historic lows. In the past year, 630,000 square feet of retail space has been delivered, including the 200,000-plus-square-foot Creekside Commons neighborhood center in Parrish. Many of these recent deliveries include large grocers, mixed-use retail spaces and convenience stores with gas.

During the second quarter, the industrial space vacancy rate rose to 1.4%, due to the large amount of square footage from recent deliveries. Over 2 million square feet is currently under construction in the tri-county area, including a 378,000-square-foot logistics center in Charlotte County. The tri-county office sector continues to boast the lowest vacancy rates in Florida. Limited construction of new office space is a key factor in the low vacancy rate.

The Federal Reserve, in order to curtail inflationary conditions, has been began increasing interest rates since February 2022, with 10 consecutive rate increases to date. At the Federal Reserve's last meeting on June 14, 2023, the committee left the current interest unchanged. It is unclear how the increase will influence investors and trading in commercial real estate in our area. However, MS&C Commercial will continue to track the market and trends as interest rates are expected to climb throughout the rest of 2023 and into 2024.

MS&C Commercial is committed to the goals of our clients and those of the commercial real estate industry. We will continue to monitor market movements in our area.

For questions concerning your specific sector or business, please reach out to one of our highly skilled advisors.

SIGNIFICANT TRANSACTIONS

MS&C COMMERCIAL

Location	Sale/Lease	SF/Acreage	Type
6079 Clark Center Ave, Sarasota	Sale	5,000 SF	Industrial
3703-3715 US-19, Palmetto	Sale	4.8 Acres	Land
2580 University Parkway, Sarasota	Sale	3,566 SF	Office
1900 67th Ave E, Sarasota	Sale	8.46 Acres	Industrial
5550 S Sumter Blvd, North Port	Sale	20,750 SF	Specialty
717 East Venice Ave, Venice	Sale	7,604 SF	Retail
6151 Lake Osprey Drive, Unit 365, Sarasota	Lease	3,948 SF	Office
1924 S Osprey Ave, Unit 202, Sarasota	Lease	1,895 SF	Office

Manage your property with absolute confidence.

Our expert resources give you and your property the advantage

With leasing and management services provided by MS&C Commercial Property Management, you are assured a seamless process focusing heavily on tenant retention and aggressive marketing of vacant space. We utilize a variety of resources to retain your current tenants, fill vacant space and keep your properties operating in the black.

- Comprehensive sales and leasing program
- Active property feed to the most prominent search engines
- Experienced agents negotiating your sale or lease
- Monthly prospect and marketing reports


Please give Bob Smith at MSC Commercial Property Management a call today at 941.208.3965. You will be glad you did!




OFFICE

3.7% 
Overall vacancy rate

73,935 SF 
YTD net absorption

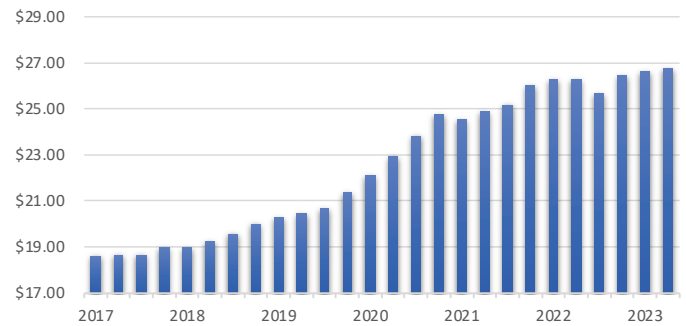
\$26.79 PSF 
Average asking rent (gross)

\$231.99 PSF 
Average sale price

RENTAL RATE TABLE

Average Asking Rent (Gross)	Q2 2022	Q2 2023	Year-Over-Year %
All Counties	\$26.25	\$26.79	2.06% ▲
Sarasota County	\$26.45	\$27.56	4.20% ▲
Manatee County	\$26.91	\$26.50	1.52% ▼
Charlotte County	\$17.35	\$17.10	1.44% ▼

OVERALL ASKING RENT, \$PSF (GROSS)



Arrows indicate changes from Q2 2022

Overall Vacancy Rate: Expressed as a percentage—it identifies the amount of New/Relet/Sublet space vacant divided by the existing Rentable Building Area.

Net Absorption: For existing buildings, the measure of total square feet occupied (indicated as a Move-In) less the total space vacated (indicated as a Move-Out) over a given period of time.


Average Asking Rent: Represents the dollar amount the lessor is asking for in order to lease their building/space/land.

Average Sale Price: The sale price divided by the rentable square feet of the building.

INDUSTRIAL

1.4% 
Overall vacancy rate

514,363 SF 
YTD net absorption

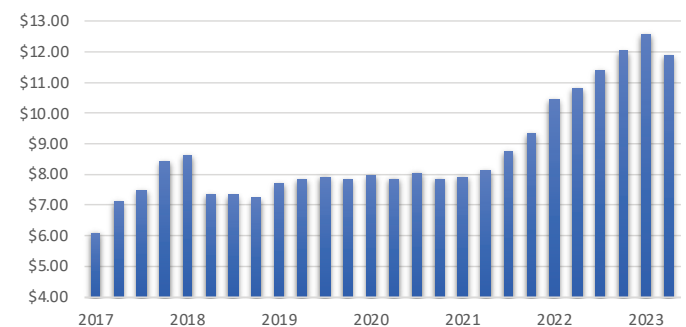
\$11.87 PSF 
Average asking rent (NNN)

\$155.94 PSF 
Average sale price

RENTAL RATE TABLE

Average Asking Rent (NNN)	Q2 2022	Q2 2023	Year-Over-Year %
All Counties	\$10.81	\$11.87	9.8% ▲
Sarasota County	\$11.48	\$14.02	22.1% ▲
Manatee County	\$10.63	\$11.03	3.8% ▲
Charlotte County	\$10.74	\$11.92	11% ▲

OVERALL ASKING RENT, \$PSF (GROSS)



RETAIL

3.8% 

Overall vacancy rate

198,762 ^{SF} 

YTD net absorption





\$20.05 ^{PSF} 

Average asking rent (NNN)




\$309.64 ^{PSF} 

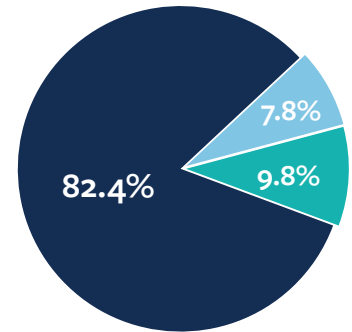
Average sale price

RENTAL RATE TABLE

Average Asking Rent (NNN)	Q2 2022	Q2 2023	Year-Over-Year %
All Counties	\$20.05	\$20.60	2.7% 
Sarasota County	\$20.18	\$20.99	4.0% 
Manatee County	\$22.02	\$21.89	0.6% 
Charlotte County	\$16.61	\$17.94	8.0% 

SPACE AVAILABILITY BY TYPE

-  Neighborhood & Community
-  Strip Center
-  Power & Regional Mall



Arrows indicate changes from Q2 2022

Overall Vacancy Rate: Expressed as a percentage—it identifies the amount of New/Relet/Sublet space vacant divided by the existing Rentable Building Area.

Net Absorption: For existing buildings, the measure of total square feet occupied (indicated as a Move-In) less the total space vacated (indicated as a Move-Out) over a given period of time.

Average Asking Rent: Represents the dollar amount the lessor is asking for in order to lease their building/space/land.

Average Sale Price: The sale price divided by the rentable square feet of the building.

LAND

The median price per square foot/acre of sold parcels for commercial-, industrial- and residential-zoned land in the past 12 months is below:

Commercial Land

\$12.57 Per Land SF/\$547,445 Per Acre

Industrial Land

\$5.43 Per Land SF/ \$236,486 Per Acre

Residential Land

\$2.00 Per Land SF/ \$87,120 Per Acre

*Median price per square foot/acre available for Manatee and Sarasota counties only.

*Sales include qualified real property transfer codes as defined by the Florida Department of Revenue under sections 193.144(2)(n) and 165.0995(1), F.S.

Data obtained from CoStar, MFCRE, Manatee County Property Appraiser, Sarasota County Property Appraiser.

MULTI-FAMILY

The demand for Multi-Family housing remains strong due to the low inventory in the housing market, and market conditions. The year-over-year increase in rent growth was 14% in the Tri-County area. New construction projects continue in the area, and there are currently over 6,100 units under construction. Based on recent sales in the area, the market price is approximately \$250,000/unit.

Vacancy Rate

11.2%

YTD Net Absorption

1,305

Average Effective Rent Per Unit

\$1,844

Michael Saunders & Company®

LICENSED REAL ESTATE BROKER



Our wide reach and deep knowledge in all areas of commercial real estate, as well as meaningful relationships across the US, lead to success in every space.

For all your commercial real estate needs — Think MS&C Commercial.



SALES | LEASING | PROPERTY MANAGEMENT | TENANT REPRESENTATION

Commercial Team

Scott Cietek, Director
Andrew Bakker
Spencer Brannen
Erik Carlson
Lee DeLieto Sr.
Lee DeLieto Jr.
Jennifer Dobreff
Terry Eastman
Kim Eger
Melinda Garrett
Amber Gasson
Susan Goldstein
Ben Graham
Daniela Kaskey
Roberta Kolton Cera
Will Martin
Eric Massey
Kevin McQuaid
Dan Page
Howard Sadwin
Larry Schaper
Tammy Shaw
Alex Steele

Christina Gustafson, Listing & Closing Coordinator

Bradenton Office

4400 Manatee Avenue West, Bradenton, FL 34209
Phone: 941.748.6300 | Fax: 941.749.5001

Downtown Sarasota Office

1605 Main Street, Suite 500, Sarasota, FL 34236
Phone: 941.957.3730 | Fax: 941.552.5216

Englewood Office

1200 S. McCall Road, Englewood, FL 34223 Phone:
941.473.7750 | Fax: 941.473.7751

Lakewood Ranch Office

8325 Lakewood Ranch Blvd., Bradenton, FL 34202
Phone: 941.907.9595 | Fax: 941.907.8802

Palmer Ranch Office

8660 S. Tamiami Trail, Sarasota, FL 34238
Phone: 941.966.8000 | Fax: 941.918.9392

Punta Gorda Office

101 Taylor Street, Punta Gorda, FL 33950
Phone: 941.639.0000 | Fax: 941.639.0101

Commercial Property Management

1605 Main Street, Suite 500, Sarasota, FL 34236
Phone: 941.208.3965 Fax: 941.951.6667
Bob Smith, Director of Commercial Property Management
Diane Conte, Administration Manager
Tony Fus, In-House Facility Technician



Scott Cietek

Director, Commercial Division

Scott Cietek oversees the day-to-day activities of his dedicated team of agents and staff, whose expertise in all classes of commercial properties and property management spans the Gulf Coast region.

Scott has over 30 years of experience in commercial and residential lending, real estate and economic and community development. A native of upstate New York, his experience includes running a mortgage division for Source One Mortgage/Citigroup and serving as VP of Economic Development for Schenectady Metroplex Development Authority.