

# Real Estate Market Update

NEWS OF SARASOTA COUNTY COMMERCIAL REAL ESTATE

## Real Estate Market Update

is published quarterly by  
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## Recession? Lending Practices Aren't to Blame

by John B. Harshman, Broker

One look at the stock market and we gasp, but look at other indicators and the economic picture is not so glum. Unemployment is still low, interest rates are very attractive and real estate sales are strong. Translation: no one is expecting this downturn to be a long one.

Why? We can partially thank corrected lending practices that followed the painful real estate crash of the late 1980s and early 1990s. Remember the huge number of bank-owned and RTC properties? Today's lenders are much more conservative and are not lending on speculative projects without significant pre-leasing.

Sound lending practices are helping us avoid the over-supply situation that prolonged the previous recession.

### Sampling of Sarasota Lease Rates:

Office Class "A": \$19 - \$30

Retail Downtown: \$12 - \$19

Industrial: \$ 5 - \$ 9

Flex Space: \$ 9 - \$15

### **Zoning Code Changes Affect Property Use, Value**

Be diligent about staying abreast of all zoning code changes that may affect your property. Changes that seem insignificant could limit the uses of your property and reduce its value. For example, CI zoning in the City of Sarasota no longer allows automotive repair as a "permitted use."

### **Rosemary District Makes Strides**

All are anxiously awaiting the Vengroff project on Central Avenue at 7<sup>th</sup> Street, Channel 40's new station, the Salvation Army facility and the completion of Wynnton Group's Renaissance of Sarasota. These projects are giving the Rosemary District a tremendous boost, and developers deserve credit for taking the risk. The neighborhood needs a few other doers to invest sweat and equity in the area.

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

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## Ritz Mania!

At \$550-plus per square foot, prices for residential condominiums associated with the Ritz-Carlton have everyone seeing stars. These awesome prices and the Ritz name seem to be elevating expectations of both property owners and real estate professionals.

Certainly there will be a wonderful domino effect from the Ritz, but keep your feet on the ground. The City of Sarasota's demographics are not changing much, and demographics are the driving force behind market prices. Population and income per capita remain about the same, and we have not seen an all-important influx of major employers to downtown.

While a few corporate headquarters have relocated to downtown, several have moved out. This factor alone will moderate any increases in office and retail rental rates. What a difference a corporate headquarters like Tropicana would have made!

## Tech Growth Computes to Different Space Needs

The number of computer-related businesses in Sarasota County grew 63.3 percent since 1995, compared to an overall business growth rate of 12.3 percent. Some of those start-ups are home-based, but many others are occupying office, retail and flex space in our market. These young tech companies tend to be more focused on price than image, making them a target for Class B-C office and out-of-the-mainstream locations.

The newness of the business and uncertainty about future space needs create a quandary for landlords and tenants in addressing expansion. Expansion of traditional companies tends to be more predictable, while high-tech companies may grow in unpredictable spurts.

# Properties for Sale or Lease

Contact Harshman & Company, Inc.  
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### 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.

### UNIVERSITY COMMONS OFFICE CTR.

Third floor of 75,381 sq. ft. building. I-75 visibility, ample parking and lake views. Occupancy July 2001.

### INDUSTRIAL FOR LEASE

■ 2239 15th St., 4,500 sq ft +/- office/warehouse, zoned ILW, \$2,812.50 per month

### COMMERCIAL PROPERTY FOR LEASE

- 1516 Main St., 2,500 sq. ft. +/-, storefront, \$2,500 per month triple net.
- 1505-1509 State St., 2 units, 1,210 sq. ft. +/- per unit, \$1,613.33 per month triple net.
- 1926-1928 Hillview St., 1,700 sq. ft. +/- building constructed in 1994. \$2,833 per month triple net.

### COMMERCIAL BUILDING FOR SALE

- Elk's Lodge, 2635 Fruitville Rd., 17,000 sq. ft. building on 4.2 acres, \$2,300,000
- 602-610 Pineapple Ave., 6,000 sq. ft. +/- building on 13,431 sq. ft. +/- of land, zoned C-CBD, \$871,500
- North Trail (NT) for Sale; Maple Leaf Motel including residence; 1312 N. Tamiami Trail and 1221 13th Street, 22,660 sq. ft., \$695,000

### COMMERCIAL LAND FOR SALE

- 1741-83 Snug Harbor Pl., 15,750 sq. ft. +/- zoned CI, \$150,000
- 2062 Fruitville Rd. & 220 Wallace Ave., adjacent parcels, 13,878 sq. ft. +/- zoned RMF-3, rezone potential to office, \$174,000

## SAMPLING OF COMMERCIAL TRANSACTIONS

■ **Steven Cochran and Cheryl Ann Cochran** purchased Davis Lumber at 1038 N. Orange Ave., zoned ILW from **Philip Davis** for \$460,000 on 4/20/01.

■ **Upman's Wrecker Service, Inc.** purchased the ILW-zoned, 21,000 sq. ft. vacant lot at 2160 Cornell St. from **William C. Tidmore and Robert A. Henry** for \$150,000 on 4/20/2001.

■ **Josif Joo** purchased the 12,000 sq. ft. vacant lot at 3000 N. Washington Blvd., zoned CI, from **Wilbert McNeil Jr.** for \$70,000 on 2/12/2001.

■ **James and Joanna Grace** purchased the 10,500 sq. ft. lot zoned RMF-5 at 1367 4th St., from **Daniel and Judith Ball** for \$78,500 on 2/07/2001.

■ **Mark T. Aldrich** purchased the C-CBD-zoned, 1,374 sq. ft., single-story residence/office building with 6,919 sq. ft. of land at 1622 Laurel Street from **Davidson Gliotti and Elaine Summers** for \$230,000 on 1/31/2001.

■ **35 So Beneva LLC** purchased the CN-zoned, 3,692 sq. ft., single-story building on 20,343 sq. ft. of land at 35 Beneva Rd. from **Doug Olson** for \$450,000 on 1/03/2001.

*Source: Sarasota County Property Appraiser and other reliable sources.*