MS&C Commercial Quarterly

1st Quarter 2019

Michael Saunders & Company®
LICENSED REAL ESTATE BROKER

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 and the Orlando market.

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.

State of the Market

Manatee, Charlotte & Sarasota Counties

The tri-county area commercial market began the year trending positive with strong market fundamentals for all property types. Looking back at the quarter, one of the largest commercial sales in the market involved a downtown Sarasota retail property. New York Life Real Estate Investors acquired The Shoppes at Sarasota Row, a 59,341-square foot fully leased shopping center, for $24.6 million. The 3.9-acre property is anchored by Whole Foods and includes the only Starbucks in downtown. As we move into the second quarter of 2019, the continued expansion of the area driven by the steady population growth will see an influx of new hotels, retail stores and condominiums materialize. Read on for more of the latest in the region's commercial real estate market.

SIGNIFICANT TRANSACTIONS MS&C Commercial • Q1 2019

Location	Sale/Lease	SQ FT or ACREAGE	Type
5045 Fruitville Rd, Sarasota	Sale	32,314 SF	Retail/Investment
2044 79th St NW, Bradenton	Sale	1 Acre	Vacant Land
3303 Bahia Vista Street, Sarasota	Sale	8,180 SF	Office
20 North Lemon Ave, Sarasota	Lease	1,600 SF	Retail
435 Commercial Court, Suite #300, Venice	Lease	5,554 SF	Medial Office
1560 East 12th Street, Palmetto	Lease	9,940 SF	Industrial
7201 East 15th Street, Sarasota	Sale	7.52 +/- Acres	Industrial
1878 Mayo Drive, Tavares Lake	Sale	6,515 SF	Medial Office
4204 West 20th Street, Suite #4022 & #4026	Lease	1,400 SF	Office
2811 Tamiami Trail, Units D, E, F, Port Charlotte	Lease	2,824 SF	Office

Manage Your Property with Absolute Confidence

MS&C Commercial PROPERTY MANAGEMENT

OUR EXPERT RESOURCES GIVE YOU AND YOUR PROPERTY THE ADVANTAGE

By employing MSC Commercial Property Management to provide both leasing and management services, you are assured a seamless process that focuses heavily on tenant retention and aggressive marketing of vacant space. Utilizing a variety of resources to retain your current tenants, fill vacant spaces and keep your properties operating in the black.

Comprehensive sales and leasing program

Active 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 941.363.6402. You will be glad you did!

COMMERCIAL TRENDS & REPORTS

8.3% UP
OVERALL AVAILABILITY RATE

7,310 SF DOWN
YTD NET ABSORPTION

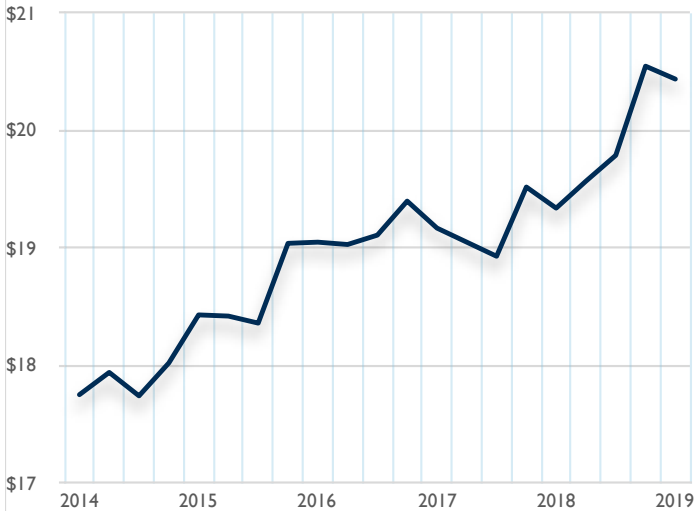
$20.44 PSF UP
AVERAGE ASKING RENT (GROSS)

Arrows indicate change from previous year.

RENTAL RATE TABLE

Average Asking Rent (Gross)	Q1 18	Q1 19	Year-Over-Year %
All Classes	$19.34	$20.44	5.7% ▲
Class A	$23.63	$26.27	11.2% ▲
Class B	$19.74	$20.49	3.8% ▲
Class C	$17.11	$17.90	4.6% ▲

OVERALL ASKING RENT, $ PSF (Gross)



3.0% UP
OVERALL VACANCY RATE

30,803 SF DOWN
YTD NET ABSORPTION

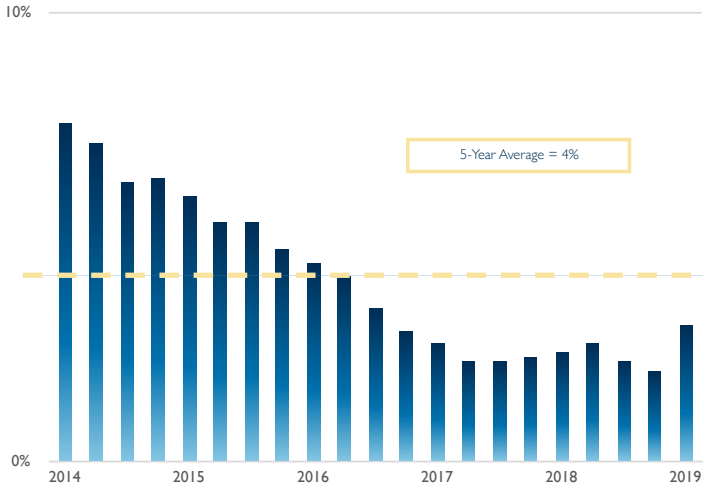
$7.77 PSF DOWN
AVERAGE ASKING RENT (NNN)

Arrows indicate change from previous year.

VACANCY RATE TABLE

Overall Vacancy Rate	Q1 18	Q1 19	Year-Over-Year %
All Asset Types	2.4%	3.0%	0.6% ▲
Warehouse/ Distribution	2.1%	2.8%	0.7% ▲
Manufacturing	0.4%	0.4%	0.0% ◆
Flex	4.0%	4.3%	0.3% ▲

OVERALL VACANCY RATE



MS&C Commercial

5.3% UP
OVERALL VACANCY RATE

26,743 SF DOWN
YTD NET ABSORPTION

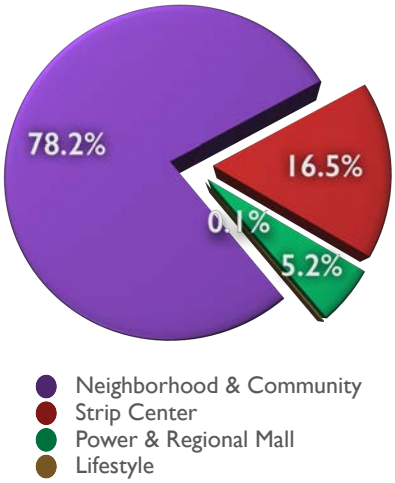
$14.46 PSF UP
AVERAGE ASKING RENT (NNN)

Arrows indicate change from previous year.

RENTAL RATE TABLE

Average Asking Rent (NNN)	Q1 18	Q1 19	Year-Over-Year %
All Counties	$13.64	$14.46	6.0% ▲
Sarasota County	$14.51	$13.68	5.7% ▼
Manatee County	$12.61	$15.81	25.4% ▲
Charlotte County	$13.72	$14.15	3.1% ▲

SPACE AVAILABILITY BY TYPE



Land

The median price per square foot/acre of sold parcels for Commercial, Industrial, and Residential zoned land from the past four quarters are below:

Commercial Land:
$4.29 Per Land SF/$186,681 Per Acre

Industrial Land:
$3.13 Per Land SF/$136,333 Per Acre

Residential Land:
$1.16 Per Land SF/$54,525 Per Acre

Multi-Family

The tri-county area is currently undergoing an unprecedented supply wave. Over 6,000 units have been delivered over the past five years. 2,000+ units are under construction.

Occupancy Rate:
93.8%

YTD Net Absorption:
326 Units

Average Effective Rent Per Unit:
$1,240

Economy

The labor force in the tri-county area continued to grow by adding 3,500 jobs over the year.

Economic Indicators	Q1 18	Q1 19
Tri-County Total Nonfarm Employment	358,600	362,100
Tri-County Unemployment Rate	3.5%	3.4%
Florida Unemployment Rate	3.8%	3.4%
U.S. Unemployment Rate	4.4%	4.1%

MS&C Commercial

SUCCESS IN EVERY SPACE

OFFICE | INDUSTRIAL | RETAIL | MULTIFAMILY | LAND | INVESTMENT

Our wide reach and deep knowledge in all areas of commercial real estate—as well as meaningful relationships right here in the business community—leads to sales success in every space. **For all your commercial real estate needs, think MS&C Commercial.**

SALES | LEASING | PROPERTY MANAGEMENT | TENANT REPRESENTATION

COMMERCIAL TEAM

Michael Saunders, CEO & Founder, Michael Saunders & Company
Scott Cietek, Director
Benjamin Bakker
Gail Bowden
Michael Curtin
Dennis Dahm
Lee De Lieto, Sr., MBA
Lee De Lieto, Jr., P.A., Broker-Associate
Susan Goldstein, MBA, CCIM
Ben Graham
Daniela Kaskey
Roberta Kolton Cera
Steven Larkin
Gary Marshall
Will Martin
Eric Massey, Broker-Associate
Robert Moffatt
Molly O'Brien
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Erin Reid
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