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# Tampa Commercial Real Estate Report on the Industrial Real Estate Market in Sarasota County

## Executive Summary

The Sarasota County industrial market is currently in a period of normalization after years of rapid, pandemic-era growth. A significant increase in new construction has led to a sharp rise in vacancy rates, which now stand at 7.5%. Despite this, the market shows strong underlying fundamentals, with robust investment sales activity and resilient pricing. Major tenant relocations to new, state-of-the-art facilities are driving a modernization of the industrial landscape. This report provides a detailed analysis of the Sarasota market, covering vacancy, rental rates, construction, and key transactions that define its current state.

## Market Overview

Sarasota's industrial market is grappling with the effects of a major supply boom. Over the past three years, more than 4.6 million square feet of new industrial space has been completed, representing 5% of the total inventory. This has pushed the vacancy rate up by over 350 basis points in the last year to 7.5%. Consequently, net absorption has turned negative, with -200,000 square feet absorbed over the past 12 months. However, asking rents have remained firm, growing 3.7% year-over-year to $13.31 per square foot, and the investment market is exceptionally active, with sales volumes far exceeding pre-pandemic levels.

| Market Indicator | Sarasota County (Q3 2025) |
|---|---|
| Vacancy Rate | 7.5% |
| Asking Rent (PSF) | $13.31 |
| 12-Month Net Absorption | -200,000 SF |
| 12-Month Deliveries | 1.7M SF |

## Notable Trends

A key trend in the Sarasota market is the 'flight to quality,' where large tenants are vacating older facilities in favor of new, highly automated distribution centers. This is exemplified by United Natural Foods Inc. (UNFI) moving into a new 1 million-square-foot facility, leaving its former 760,000-square-foot space vacant and contributing significantly to negative absorption. Despite the rise in vacancy, investor confidence remains high, with sales prices averaging $140 per square foot and sales volumes reaching $391 million over the past year. The market is largely driven by smaller, local buyers, which has helped maintain price stability.

## Notable Transactions & Developments

### Sarasota Industrial Business Center Sale


In August 2025, the Sarasota Industrial Business Center, a five-building, 186,650-square-foot portfolio, was sold for $27.4 million to Buligo Capital, a global real estate investment firm. The sale, which equates to approximately $147 per square foot, highlights the strong investor demand for well-located industrial assets in Sarasota. The property was 85% occupied at the time of sale and is situated just two miles from the Sarasota-Bradenton International Airport.

### UNFI Distribution Center

United Natural Foods Inc. (UNFI) recently opened its new 1 million-square-foot Sarasota North Distribution Center. This state-of-the-art facility is the first in the company to utilize AI-enabled robotics and features advanced Goods-to-Person automation. While the opening of this modern facility represents a significant investment in the region, it also led to UNFI vacating its former 760,000-square-foot facility, a major factor in the market's recent negative absorption.

## Market Outlook

The Sarasota industrial market is expected to continue its normalization process. The current elevated vacancy provides opportunities for tenants, while the strong sales market indicates long-term confidence from investors. As the market absorbs the recent wave of new supply, we anticipate a stabilization of vacancy rates. The ongoing modernization of industrial stock, driven by new developments and tenant requirements for automation and efficiency, will continue to shape the market. Sarasota's strong demographic growth and diversified economy provide a solid foundation for a healthy and sustainable industrial real estate market in the long run.