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Tampa Commercial Real Estate Report on the Retail Sector in Sarasota-Manatee Counties

Executive Summary

The Sarasota-Manatee retail market is a tale of two complementary strengths: Sarasota's ultra-tight, high-rent environment and Manatee's robust transaction velocity. Sarasota boasts an extremely low 3.5% vacancy rate and premium asking rents of $290/SF, driven by intense demand and limited supply. Meanwhile, Manatee County has seen $146 million in sales volume over the past 12 months, with stable cap rates and appreciating property values across all retail types. Together, they form a resilient and dynamic market, attracting significant investor interest in everything from dominant regional malls like The Mall at University Town Center to strategic, high-value redevelopment sites near downtown Sarasota.

Market Overview

The combined Sarasota-Manatee retail market showcases exceptional fundamentals. Sarasota's market is defined by scarcity, with a vacancy rate of just 3.5% and average asking rents soaring to $290/SF, reflecting a 3.3% year-over-year increase. This intense competition for space signals a landlord-favorable environment. In Manatee County, the investment market is highly active, with 102 retail properties trading hands in the past year. While cap rates have held steady at 7.2%, the average price per square foot has appreciated across all retail categories, with general retail leading at over $250/SF. This indicates strong investor confidence and a healthy appetite for assets in the region, driven by long-term demographic growth and a resilient economic base.

Key Retail Market Indicators - Sarasota-Manatee Counties (2025)

Metric	Value
Sarasota Vacancy Rate	3.5%
Sarasota Avg. Asking Rent	$290 / SF
Sarasota YOY Rent Growth	3.3%
Manatee 12-Month Sales Volume	$146 Million
Manatee 12-Month Transactions	102 Deals
Manatee Avg. Cap Rate	7.2%
Manatee Avg. Price per SF	$204.57

Data sourced from publicly available information

Notable Market Trends

A dominant trend in the Sarasota-Manatee market is the strategic acquisition of adjacent properties to create large-scale redevelopment sites, as seen with the $7 million sale near Sarasota Memorial Hospital. This highlights a forward-looking approach by investors to capitalize on future mixed-use potential in prime locations. In Manatee, the stability of cap rates alongside rising prices per square foot indicates a healthy, appreciating market. Triple-net (NNN) investments are particularly sought after in Sarasota for their stable income streams. Across both counties, there is strong demand for well-located assets, from regional power centers like The Mall at UTC to neighborhood and strip centers, driven by both institutional and private capital.

Notable Transactions & Developments

Downtown Sarasota Redevelopment Assemblage

A significant $7 million transaction saw 5 Point Equity acquire a 13,000 SF retail building on a 1.35-acre lot at 1427 S Tamiami Trail. The buyer already owned the adjacent Baymont hotel, creating a combined 3.55-acre prime redevelopment site directly across from the expanding Sarasota Memorial Hospital. This assemblage, valued at over $15 million, is perfectly positioned for a future mixed-use development featuring a hotel, apartments, and retail, capitalizing on the immense growth of the hospital campus and its proximity to downtown Sarasota.

Manatee County Investment Velocity

Manatee County has demonstrated impressive investment velocity, with 102 retail properties trading for a total of $146 million over the past 12 months. This volume surpasses both the 5-year and 10-year averages. While cap rates have remained stable at 7.2%, the average price per square foot has increased across all retail property types, led by general retail at over $250/SF. This trend underscores strong investor confidence and the market's ability to support appreciating values.

Market Outlook

The outlook for the Sarasota-Manatee retail market is exceptionally positive. Sarasota's tight supply will continue to drive rent growth and maintain high property values, making it a prime target for long-term investors. Manatee County's active transaction market and stable cap rates offer more immediate opportunities for investors seeking to enter a healthy, appreciating market. The combined region benefits from strong demographic tailwinds, a diverse economy, and a reputation as a premier destination on Florida's Gulf Coast. We anticipate continued demand for well-located retail assets, with a growing emphasis on mixed-use redevelopment and strategic site assembly.