

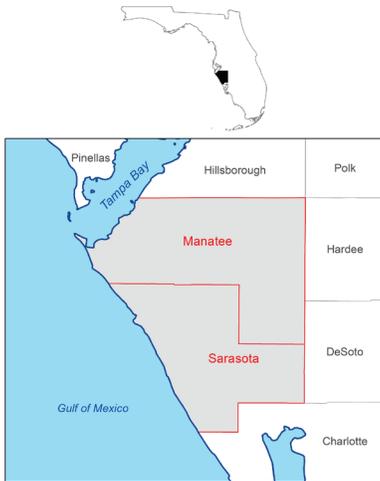


# North Port-Sarasota-Bradenton, Florida

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of April 1, 2018



## Housing Market Area



The North Port-Sarasota-Bradenton Housing Market Area (hereafter, North Port HMA) is coterminous with the North Port-Sarasota-Bradenton, FL Metropolitan Statistical Area and consists of Sarasota and Manatee Counties. The HMA, situated along the Gulf Coast in Central Florida, is a major destination for retirees and tourists because of its warm climate, world-famous beaches, abundance of golf courses, and a rich cultural arts scene with more than a dozen performing arts groups. The HMA is home to the Major League Baseball spring training facilities of the Baltimore Orioles and Pittsburgh Pirates and the future home to the Atlanta Braves spring training facilities.

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## Summary

### Economy

Economic conditions in the North Port HMA have strengthened since 2012, with current nonfarm payrolls above the previous peak in 2006 by more than 20,000 jobs. During the 12 months ending March 2018, nonfarm payrolls increased by 5,800 jobs, or 2.0 percent, to 302,100. During the 3-year forecast period, nonfarm payrolls are expected to increase an average of 3.1 percent annually. Table DP-1 at the end of this report provides additional employment data.

### Sales Market

The sales housing market in the HMA is balanced, with a vacancy rate currently estimated at 1.4 percent, down from 4.1 percent in April 2010. New and existing home sales totaled 30,650 during the 12 months ending March 2018,

up 450, or 1 percent, from the previous 12 months. During the forecast period, demand is estimated for 16,100 new homes (Table 1). The 2,325 homes currently under construction in the HMA will satisfy some of the demand.

### Rental Market

The rental housing market in the HMA is balanced, with a current estimated rental vacancy rate of 8.8 percent, down from 15.3 percent in April 2010. The apartment market is also balanced, with a vacancy rate of 5.3 percent during the first quarter of 2018, up from 3.7 percent a year earlier (Reis, Inc.). During the forecast period, demand is estimated for 5,700 market-rate rental units (Table 1). The 2,175 units currently under construction will meet a portion of that demand.

**Table 1.** Housing Demand in the North Port HMA\* During the Forecast Period

	North Port HMA*	
	Sales Units	Rental Units
Total demand	16,100	5,700
Under construction	2,325	2,175

\*North Port-Sarasota-Bradenton

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of April 1, 2018. The forecast period is April 1, 2018, to April 1, 2021.

Source: Estimates by analyst

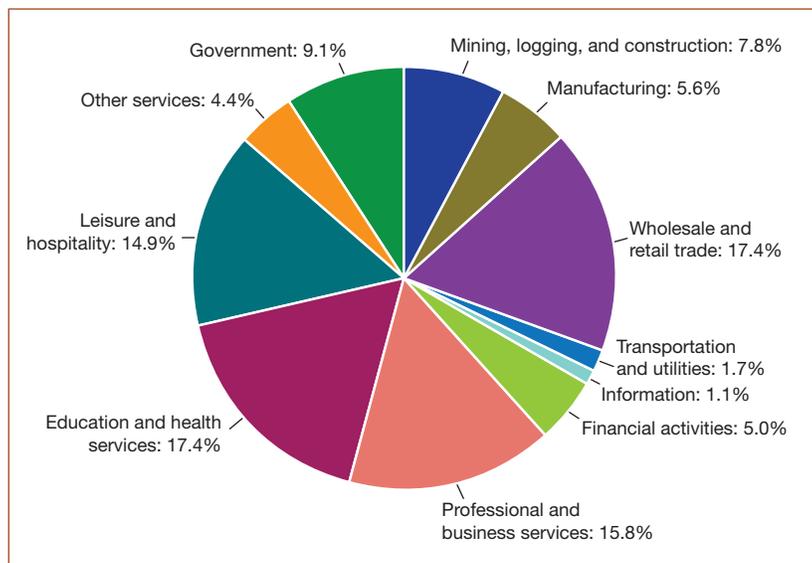
## Economic Conditions

Sarasota County, which was established as a county in 1921, was originally an agriculture community that produced sugar cane, citrus, and vegetables. Today, the economy of the HMA is more diverse with the wholesale and retail trade, the

education and health services, and the professional and business services sectors anchoring the area economy. Combined, these three sectors account for more than one-half of all jobs in the HMA (Figure 1). The two largest employers in the HMA are Sarasota Memorial Health Care System with 4,244 employees and Sarasota County Government with 3,533 employees (Table 2). During the 12 months ending March 2018, nonfarm payrolls increased by 5,800 jobs, or 2.0 percent, to 302,100 (Table 3). Job growth during this time occurred in all sectors except information and government. The economy of the North Port HMA has grown steadily since 2011, with nonfarm payroll increases averaging 8,900 jobs, or 3.4 percent, a year. The unemployment rate in the HMA is currently 3.7 percent, down from 4.4 percent a year earlier and a high of 11.5 percent in 2009 and 2010.

Following the national recession in the early 2000s, the HMA, along with most of the country, had a period of economic growth. From 2002 through 2006, nonfarm payrolls in the HMA increased by an average of 9,100 jobs, or 3.6 percent, annually, and the unemployment rate reached a low of 3.1 percent in 2006. Payroll growth was widespread during this period with most sectors adding jobs. The professional and business services sector was the fastest growing sector and added the most jobs during this period, increasing by an average of 3,400 jobs, or 12.3 percent, annually. The second fastest growing sector during this period was the mining, logging, and construction sector, which increased by an average of 2,000 jobs, or 8.0

**Figure 1.** Current Nonfarm Payroll Jobs in the North Port HMA\*, by Sector



\*North Port-Sarasota-Bradenton

Note: Based on 12-month averages through March 2018.

Source: U.S. Bureau of Labor Statistics

**Table 2.** Major Employers in the North Port HMA\*

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Sarasota Memorial Health Care System	Government	4,244
Sarasota County Government	Government	3,533
Publix Supermarkets	Wholesale and retail trade	2,793
PGT Industries	Wholesale and retail trade	2,079
Manatee County Government	Government	1,858
Beall's Inc.	Wholesale and retail trade	1,732
Venice Regional Medical Center	Education and health services	1,270
Manatee Memorial Hospital	Education and health services	1,200
Manatee County Sheriff's Department	Government	1,180
Tropicana Products, Inc.	Manufacturing	1,000

\*North Port-Sarasota-Bradenton

Note: Excludes local school districts.

Sources: Manatee and Sarasota County governments

**Table 3.** 12-Month Average Nonfarm Payroll Jobs in the North Port HMA\* by Sector

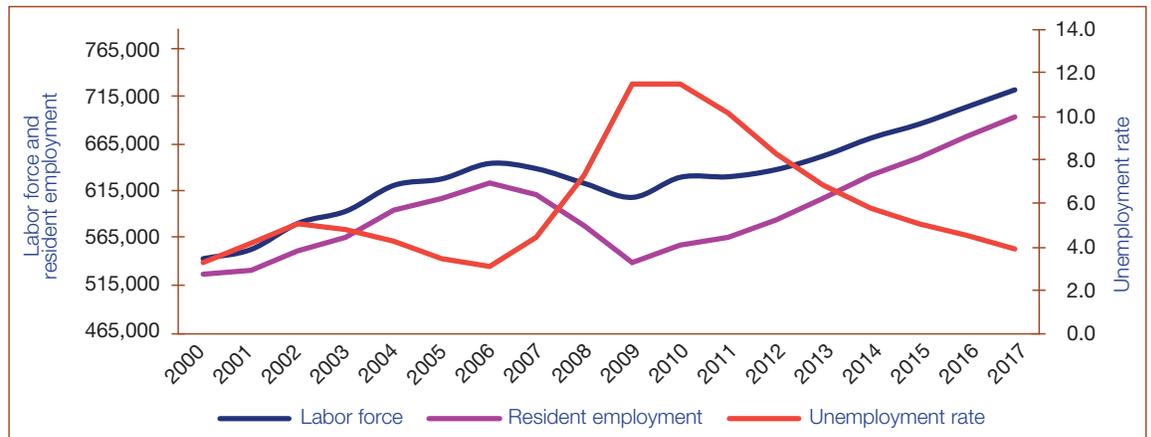
	12 Months Ending		Absolute Change	Percent Change
	March 2017	March 2018		
Total nonfarm payroll jobs	296,300	302,100	5,800	2.0
Goods-producing sectors	39,100	40,300	1,200	3.1
Mining, logging, and construction	22,400	23,500	1,100	4.9
Manufacturing	16,600	16,800	200	1.2
Service-providing sectors	257,200	261,800	4,600	1.8
Wholesale and retail trade	52,100	52,500	400	0.8
Transportation and utilities	5,100	5,200	100	2.0
Information	3,500	3,400	- 100	- 2.9
Financial activities	14,800	15,100	300	2.0
Professional and business services	45,900	47,700	1,800	3.9
Education and health services	52,000	52,500	500	1.0
Leisure and hospitality	43,400	44,900	1,500	3.5
Other services	13,000	13,200	200	1.5
Government	27,400	27,400	0	0.0

\*North Port-Sarasota-Bradenton

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through March 2017 and March 2018.

Source: U.S. Bureau of Labor Statistics

**Figure 2.** Trends in Labor Force, Resident Employment, and Unemployment Rate in the North Port HMA\*, 2000 Through 2017



\*North Port-Sarasota-Bradenton

Source: U.S. Bureau of Labor Statistics

percent, annually, largely because of a high level of single-family homebuilding activity. The education and health services sector grew by an average of 1,000 jobs, or 2.6 percent, annually, in part, because of increased demand for healthcare services caused by the in-migration of retirees. The manufacturing sector was the only sector during this period to decline, falling by an average of 300 jobs, or 1.3 percent, annually.

Economic growth in the North Port HMA slowed during the mid-to-late-2000s because of the Great Recession and housing crisis. As the home building industry contracted, payrolls in the mining, logging, and construction sector fell by an average of 4,200 jobs, or 16.9 percent, annually from 2007 through 2010. During this period, nonfarm payrolls decreased by an average of

10,700 jobs, or 4.1 percent, a year. The professional and business service sector, which was the fastest growing sector prior to the decline, lost 9,000 jobs during this period, an average annual decline of 2,200 jobs, or 6.4 percent. During the economic downturn, the unemployment rate rose to an average of 11.5 percent in 2009 and 2010 (Figure 2). Consumer spending was down, and the manufacturing sector declined by an average of 1,500 jobs, or 9.0 percent, annually. In 2008, boat maker Wellcraft Marine and Hydra-Sport announced it was closing its facility in Manatee County and laying off its final 225 workers. Despite slower immigration of retirees due to the economic slowdown, growth in the education and health services sector increased by an average of 900 jobs, or 2.0 percent, annually. In 2007, Manatee Memorial Hospital opened a 150,000-square-foot addition with an intensive care unit, surgical centers, and 104 new patient rooms.

As consumer spending began to increase and the national economy started to improve, the economy of the North Port HMA began to recover, and nonfarm payrolls started to rise. From 2011 through 2016, nonfarm payrolls increased by an average of 9,500 jobs, or 3.6 percent, annually, with all payroll sectors gaining jobs. During this period, the professional and business services and the wholesale and retail trade sectors added the most jobs, with respective increases of 2,600 and 1,800 jobs, or 7.3 and 3.9 percent, annually. In 2015, Expert Global Solutions, a global customer service organization, expanded to Sarasota County and added 350 jobs. The unemployment rate in the HMA declined to 4.5 percent by 2016.

During the 12 months ending March 2018, the professional and business services sector led job growth in the HMA, expanding to 47,700 jobs, an increase of 1,800 jobs, or 3.9 percent. This increase followed a gain of 3,100 jobs, or 7.2 percent, during the previous 12 months. The sector is the third largest employment sector in the HMA behind education and health services and wholesale and retail trade, accounting for 15.8 percent of nonfarm jobs. The HMA, with a tropical climate, sandy beaches, no individual income tax, and low state business taxes, is an attractive destination for company headquarters. Bealls Inc., a department store chain; Boar's Head Provision Co. Inc., a supplier of delicatessen meats, cheeses, and condiments; and Vengroff, Williams and Associates, a full services healthcare provider, are headquartered in the North Port HMA. In 2017, FloorForce, a software creation and digital marketing company, relocated its corporate headquarters from Boca Raton to the downtown Sarasota area. The company plans to add 72 jobs during the next 5 years.

The leisure and hospitality sector had the second largest number of job gains in the HMA during the past 12 months. During the 12 months ending March 2018, the sector added 1,500 jobs, a 3.5-percent increase from the previous year. The sector is the fourth largest sector in the HMA and accounts for 14.9 percent of nonfarm jobs. The HMA is a regional cultural arts center for central Florida with live theater, museums, ballet, opera, galleries and a circus. A study in 2015 noted the nonprofit arts and cultural arts industry in the North Port HMA employed approximately 8,700 people and contributed \$342 million annually in direct economic

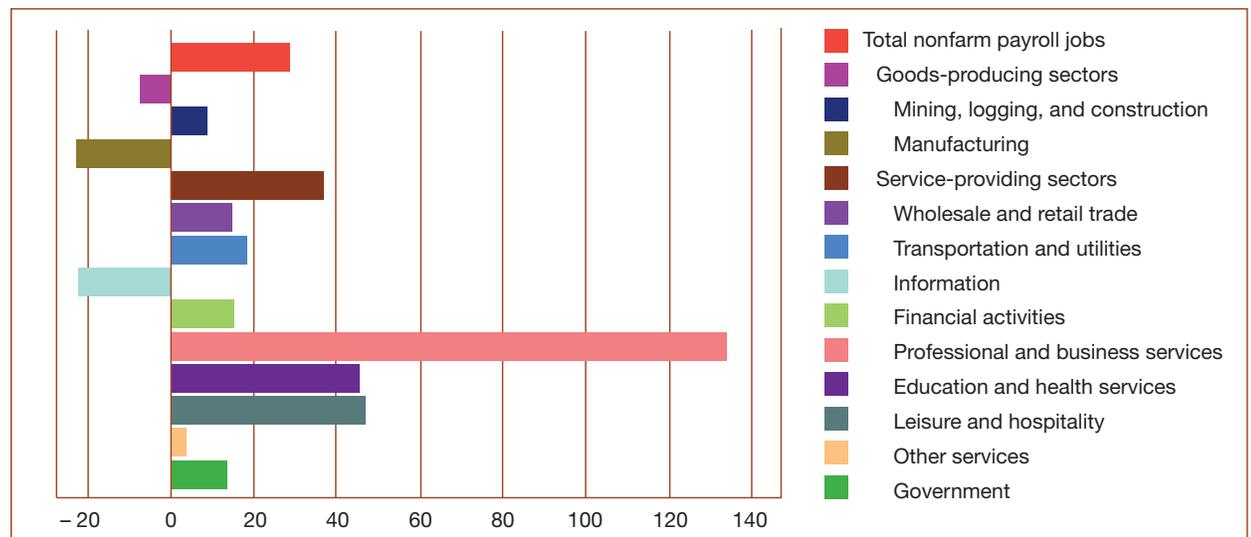
activity to the HMA (The Florida Department of State). Sports and eco-tourism are major contributors to the local economy and are expected to grow during the 3-year forecast period. The HMA is currently home to the spring training camps for the Pittsburgh Pirates and the Baltimore Orioles. The Atlanta Braves are currently building a new \$125 million spring training facility in the city of North Port to be open for 2019 spring training. The facility is expected to create 139 jobs and have an estimated \$1.7 billion economic impact during its 30-year lease (Stantec Inc.).

The mining, logging, and construction sector added the third largest number of jobs during the 12 months ending March 2018. The sector increased by 1,100 jobs, or 4.9 percent, to 23,500 jobs, the highest level since 2007. This increase followed a gain of 1,800 jobs, or 8.4 percent, a year earlier. Recent growth in this sector is attributable to increased construction of apartments, condominiums, and hotel rooms in the HMA. The Westin Sarasota,

a 255-room hotel opened in the fourth quarter of 2017 and the 163-room boutique Art Ovation Hotel opened in the first quarter 2018 in downtown Sarasota. Despite recent gains, payrolls in the goods-producing sectors, which includes the mining, logging, and construction and the manufacturing sectors, are 7 percent below the level from 2000 and 26 percent below the 2006 peak. Figure 3 shows nonfarm payroll changes by sector from 2000 to current.

During the 3-year forecast period, nonfarm payroll growth is expected to average 9,300 jobs, or 3.1 percent, a year. Growth in the economy is expected to be higher in the first year of the forecast period and moderate through the third year. Job growth is expected to remain strongest in the professional and business services, the leisure and hospitality, and the mining, logging, and construction sectors. In 2019, the Mote Marine Laboratory will begin construction on a new 110,000-square-foot aquarium to be near Interstate 75 in Sarasota County and is expected

**Figure 3. Sector Growth in the North Port HMA\*, Percentage Change, 2000 to Current**



\*North Port-Sarasota-Bradenton

Note: Current is based on 12-month averages through March 2018.

Source: U.S. Bureau of Labor Statistics

to generate more than 260 jobs and an estimated economic impact of \$28 million in the HMA. Currently, two hospitals are proposed for the city of Venice in the southern area of Sarasota

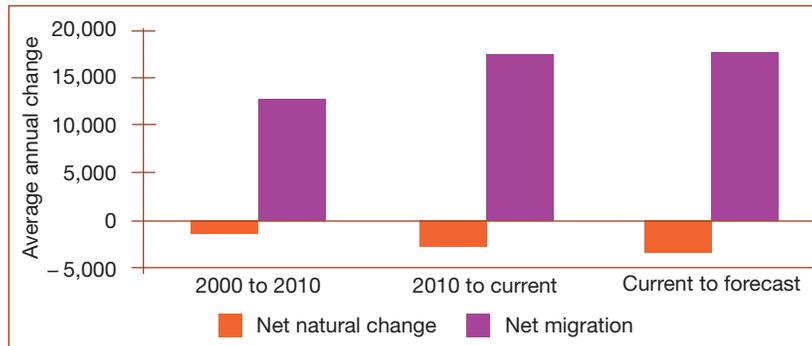
County. Venice Regional Bayfront Health is proposing a 210-bed facility and Sarasota Memorial Health Care System is proposing building a 110-bed facility.

## Population and Households

Population in the North Port HMA has risen steadily since 2010 in response to strong job growth during the period. As of April 1, 2018, the population is estimated to be 820,000, an average annual

increase of 14,700, or 2.0 percent, since 2010. By comparison, the population grew by 11,250, or 1.8 percent, annually from 2000 to 2010. All the population growth that has occurred in the HMA since 2000 has been the result of net in-migration (Figure 4). Because of its access to the Gulf of Mexico and warm weather, the HMA is a popular retirement location, with 39 percent of the population aged 60 or older, up from 34 percent in 2000. In 2016, the median age was 52.0 years, substantially higher than the median age of 37.9 years in the nation (2016 American Community Survey [ACS] 1-year data). North Port is the largest city in the HMA and the city of Sarasota is the cultural center, but the HMA does not have a major urban center. More than 75 percent of the population in the HMA resides in the unincorporated areas of Sarasota and Manatee Counties. The cities of North Port, Sarasota, and Bradenton, with populations of approximately 66,300, 57,000, and 56,500, combined account for almost 20 percent of the total HMA population. Figure 5 shows population and household growth in the HMA from 2000 to the forecast date.

**Figure 4.** Components of Population Change in the North Port HMA\*, 2000 to Forecast

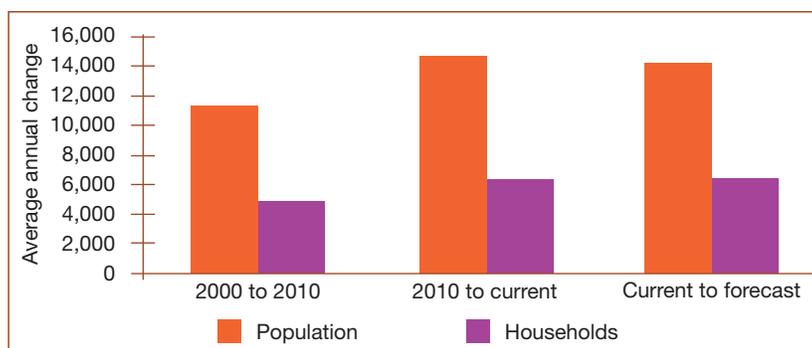


\*North Port-Sarasota-Bradenton

Notes: The current date is April 1, 2018. The forecast date is April 1, 2021.

Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

**Figure 5.** Population and Household Growth in the North Port HMA\*, 2000 to Forecast



\*North Port-Sarasota-Bradenton

Notes: The current date is April 1, 2018. The forecast date is April 1, 2021.

Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

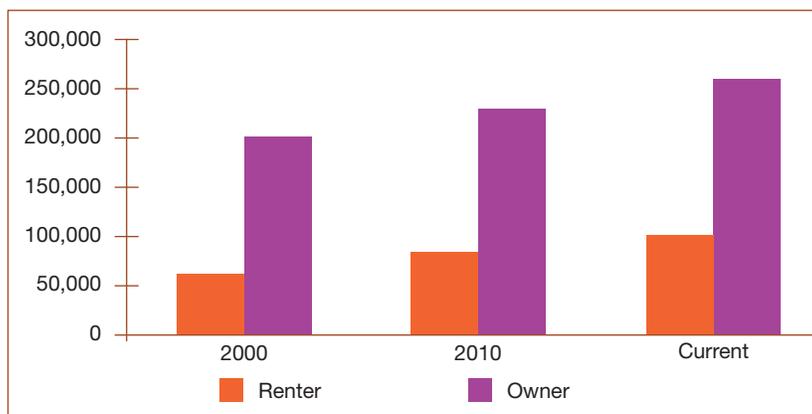
From 2000 to 2006, during the national housing boom, the HMA had a period of strong

population growth. Well-paying jobs in the construction and the health services industries attracted workers to the HMA, and net in-migration of retirees accelerated. During this period, the population increased by an average of 15,400, or 2.4 percent, annually, with net in-migration averaging 17,150 people a year. This period coincided with the beginning of the retirement of the baby boomers and, coupled with rising house prices throughout the nation, allowed people to sell their homes and retire to the HMA. From 2006 to 2010, population growth in the HMA slowed dramatically, to an average of 4,575 people, or 0.7 percent, annually. The economic downturn, along with the national housing crisis, led people to delay retirements and caused net in-migration to the HMA to slow to an average of 5,650 people a year. As the economy began to improve, so did the housing market, which led to retirees once again moving into the area. With payrolls in the construction industry increasing

and widespread job growth in most other payroll sectors, net in-migration to the HMA has risen to an average of 17,150 a year since 2010. During the next 3 years, the population of the North Port HMA is forecast to grow by an average of 14,150, or 1.7 percent, annually, and net in-migration is expected to account for all population growth with net natural change remaining negative.

Household growth in the HMA has followed a similar pattern to population growth, with higher rates in the early and mid-2000s that slowed in the late 2000s. The current number of households in the HMA is estimated at 361,100, an average increase of 6,200, or 1.9 percent, annually since 2010. From 2000 to 2010, the number of households increased from 262,397 to 311,475, an average annual increase of 4,900, or 1.7 percent. Renter households have accounted for approximately 28 percent of net household formations since 2010 compared with 23 percent during the 2000s. The homeownership rate in the HMA is currently estimated at 71.8 percent, down from 73.4 percent during 2010, while the homeownership rate for the United States in the first quarter of 2018 was 64.2 percent (U.S. Census Bureau). During the 3-year forecast period, the number of households is expected to increase by an average of 6,375, or 1.7 percent, annually. Figure 6 depicts the number of households by tenure from 2000 through the current date. Household growth is expected to be lower during the second and third years of the 3-year forecast period as economic growth moderates.

**Figure 6.** Number of Households by Tenure in the North Port HMA\*, 2000 to Current



\*North Port-Sarasota-Bradenton

Note: The current date is April 1, 2018.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

## Housing Market Trends

### Sales Market

The sales housing market in the North Port HMA is currently balanced with an estimated 1.4-percent vacancy rate, down from 4.1 percent in April 2010. Due to the expanding economy and increased net in-migration into the HMA, conditions are stable in the sales market. Single-family home construction levels have declined compared with the early-to-mid 2000s, which, coupled with the strong household growth, has contributed to the absorption of much of the excess inventory from foreclosures during the national recession. In 2017, the HMA had a 4.1-month supply of single-family homes available for sale, down from a 4.5-month supply a year earlier, while the supply of condominiums and townhomes declined to a 5.3 months supply from 5.5 months a year earlier. (Realtor® Association of Sarasota and Manatee).

The Great Recession and national housing crisis dramatically impacted the home sales market in the HMA. Total home sales in the HMA totaled 51,200 in 2005, the height of home sales, before declining by an average of 11,650, or 32 percent, annually to a low of 16,300 homes sold in 2008 (CoreLogic, Inc. with adjustments by analyst). Home sales in the HMA increased by an average of 2,150, or 10 percent, annually from 2009 through 2015, to a total of 31,300 homes sold. In 2016, home sales declined 4 percent due to low inventory of available homes to 29,950. Home sales during the 12 months ending March 2018, were 30,650, up more than 1 percent from the previous 12 months, compared with a 3-percent decrease during the

previous 12 months. New home sales accounted for approximately 16 percent of homes sales during the 12 months ending March 2018, up from a low of 9 percent during the 12 months ending March 2010 but still below the high of 23 percent in 2005. Distressed sales (real estate owned [REO] plus short sales) accounted for 3 percent of home sales during the 12 months ending March 2018, down from a high of 33 percent in March 2011.

Total home sales prices in the HMA followed a similar trend as total homes sales have rebounded with the improving economy. The average sales price for all homes was \$149,400 in 2000, a number that increased steadily for the next 7 years, by an average of \$24,250, or 11 percent, annually, to \$319,300 in 2007. As the local housing market downturn began, the average sales price for a home declined for the next 4 years, by an average of \$30,900, or 12 percent, annually, to a low of \$195,700 in 2011. As the economy began to improve, home sales price increases resumed. From 2012 through 2016, home sales prices increased by an average of \$19,700, or over 8 percent, annually to \$291,100. During the 12 months ending March 2018, the total sales price for all homes sold in the HMA was \$315,300, up nearly 8 percent from a year ago, and the same increase as during the previous 12 months. The total sales price is 1 percent below the peak of \$319,300 in 2007.

The Great Recession and housing market downturn had a significant effect on the sales market in the HMA, causing a dramatic increase in the number of seriously delinquent (90 or more days

**Housing Market Trends**  
Sales Market *Continued*

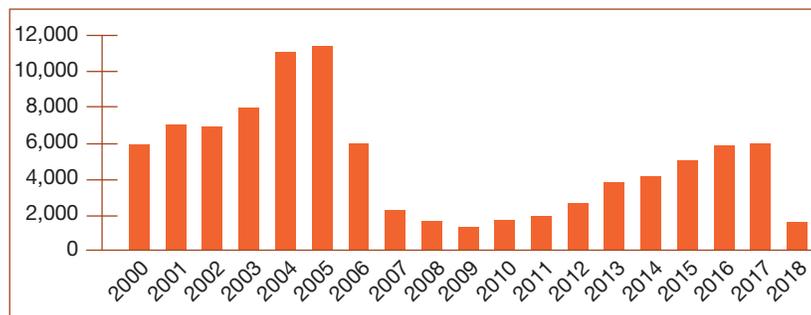
delinquent, or in foreclosure) and REO properties. As of March 2018, 3.3 percent of all home loans in the HMA were seriously delinquent or had transitioned into REO status, up from 2.2 percent a year earlier but below the average of 5.6 percent in March 2016. Seriously delinquent and REO loans in the HMA peaked in 2010 at 16.4 percent after rising from an average of 1.2 percent from 2000 through 2007, prior to the effects of the housing market downturn. By comparison, rates also peaked in 2010 in the state of Florida and the nation at 18.8 and 8.6 percent, respectively. In 2010, the average existing home sales price was \$197,400 and the average REO price was \$118,900. The current rate in the HMA is below the current average rate of 3.7 percent for the state of Florida, and above the current national average rate of 2.6 percent. In March 2018, the average existing home sales price was \$299,700 and the average REO price was \$217,300.

During the 12 months ending March 2018, approximately 6,050 single-family homes were permitted, an increase of approximately 180 homes, or 3 percent, compared with the number of single-family homes

permitted during the previous 12-month period (preliminary data and analyst estimates). From 2001 through 2005, homebuilding, as measured by the number of single-family homes permitted, increased by an average of 1,100 homes, or 14 percent, a year to 11,400 (Figure 7). Growth during this period was a result of elevated sales activity and rising prices throughout the early 2000s. In 2006, the number of homes permitted decreased by almost one-half from the previous year to 5,975. From 2006 through 2011, the number of homes permitted decreased to an average of approximately 1,600 a year with an annual low of 1,325 homes permitted in 2009. Following a 6-year decline, sales of single-family homes rebounded in 2012 and continue to grow in response to improving economic conditions and increased in-migration. From 2012 through 2017, the number of single-family homes permitted increased by an average of 690 homes a year to a high of approximately 6,000 in 2017, which is 28 percent below the average of 8,350 homes permitted annually from 2000 through 2005.

A popular area for development of single-family homes is the Lakewood Ranch master planned community in southern Manatee County and northern Sarasota County near the Interstate 75 corridor. Mallory Park at Lakewood Ranch is a 36-acre community that has one- and two-story homes with a community pool, sports courts, and a clubhouse. Home prices range from approximately \$241,000 for a three-bedroom, 1,600-square-foot house to \$475,000 for a five-bedroom, 3,900-square-foot home. The subdivision currently has 130 homes completed and is expected to have more than 430 homes

**Figure 7.** Single-Family Homes Permitted in the North Port HMA\*, 2000 to Current



\*North Port-Sarasota-Bradenton

Notes: Includes townhomes. Current includes data through March 2018.

Sources: U.S. Census Bureau, Building Permits Survey; 2000-2016 final data and 2017-2018 preliminary data; estimates by analyst

## Housing Market Trends

### Sales Market *Continued*

when fully built out in 2020. Arbor Lakes, a subdivision in the Palmer Ranch development, is built on 254 acres in Sarasota County 20 minutes south of downtown Sarasota. Home prices range from approximately \$352,900 for a three-bedroom, 2,055-square-foot house to \$578,700 for a five-bedroom, 4,450-square-foot home. This is the final phase of 78 homes in the development and, when built out in 2018, will feature 267 homes with higher-end amenities. In the downtown Sarasota area, condominiums are a popular option. The Mark is currently under construction and will have approximately 35,000 square feet of retail, 11,000 square feet of office space, and 157 condominium units. Currently, the property has presold 100 units and the complex is scheduled to be complete by fall 2019. The Mark will offer one-, two-, and three-bedroom plans that are priced from the mid-\$700,000s. Mirabella at Village Green is a master planned 55+ community in the west Bradenton area that has two- and three-bedroom homes with attached garages, a community pool, lawn maintenance, and a clubhouse in a gated community with monthly HOA fees. Home prices range from approximately \$325,400 for a two-bedroom, 1,500-square-

foot house to \$476,400 for a three-bedroom, 1,800-square-foot home. The development has 139 homes completed and is currently constructing the last 11 homes; it is expected to be fully built out by the end of the year.

During the 3-year forecast period, demand is expected for an estimated 16,100 new homes in the HMA as it is expected to continue to attract retirees. Demand is expected to be lower during the second and third years of the 3-year forecast period as economic and population growth moderates. The 2,325 homes currently under construction will meet part of the demand during the first year (Table 1). Demand will be greatest for new homes in the \$200,000-to-\$299,999 range (Table 4).

## Rental Market

The rental housing market (including single-family homes, mobile homes, and apartments) in the North Port HMA is currently balanced, with an overall estimated rental vacancy rate of 8.8 percent, down from 15.3 percent in April 2010 (Figure 8). The high vacancy rates in the HMA reflect the large number of vacation and other short-term rental properties that are captured in the available-for-rent data. Rental market conditions have improved since the late 2000s when the market was soft and vacancy rates were at their highest, in part because of relatively limited multifamily building activity coupled with an increase in renter household growth. Most of the renter household growth has been concentrated in the apartment communities, but single-family homes have made up a greater portion since 2010. In 2016, approximately 64 percent of rental units in the HMA were

**Table 4.** Estimated Demand for New Market-Rate Sales Housing in the North Port HMA\* During the Forecast Period

Price Range (\$)		Units of Demand	Percent of Total
From	To		
100,000	199,999	1,600	10.0
200,000	299,999	5,650	35.0
300,000	399,999	4,825	30.0
400,000	499,999	2,425	15.0
500,000	and higher	1,600	10.0

\*North Port-Sarasota-Bradenton

Notes: Numbers may not add to totals because of rounding. The 2,325 homes currently under construction in the HMA will likely satisfy some of the forecast demand.

Source: Estimates by analyst

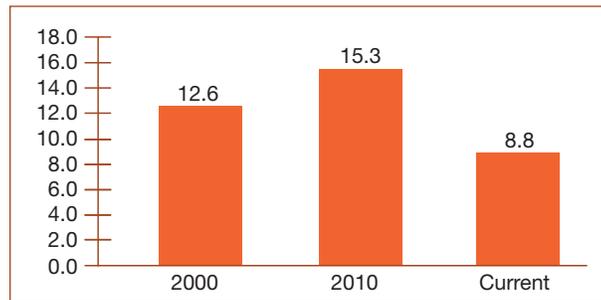
**Housing Market Trends**  
 Rental Market *Continued*

single-family homes or in buildings with four or fewer units while only 36 percent of rental units were in large buildings with five or more units (2016 and 2010 ACS 1-year data). By comparison, in 2010, approximately 40 percent of rental units were in buildings with five or more units.

The apartment market in the HMA is balanced in the first quarter of 2018 with a 5.3-percent vacancy rate. By comparison, market conditions were slightly tight a year earlier with a vacancy rate of 3.7 percent (Reis, Inc.). The average rent for an apartment during the first quarter of 2018 was \$1,159, a gain of \$54, or nearly 5 percent, from a year earlier. Many apartments constructed from 2004 through 2008 in the HMA were left unabsorbed during the economic downturn. The apartment vacancy rate peaked in 2009, at 11.3 percent, and the average rent declined an average of 2 percent annually from 2007 through 2009, to \$860. Builders responded to soft market conditions by reducing multifamily construction activity to historically low levels and, as economic conditions improved and previously vacant units were absorbed, the apartment vacancy rate fell to a low of 3.7 percent in the first quarter of 2017. From 2010 through 2014, rent growth averaged 3 percent annually before accelerating to an average of 6 percent a year from 2015 through 2017 as the demand for apartments increased and market conditions tightened.

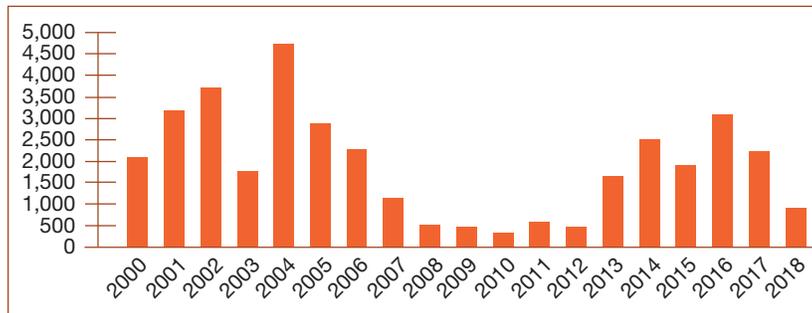
Multifamily permitting has increased since the Great Recession but is below the level of permitting during the early and mid-2000s. From 2000 through 2006, multifamily construction activity, as measured by the number of multifamily units permitted, averaged 2,925 units a year before dropping to 1,100 units in 2007, when market conditions began to soften. From 2007 through 2012, when economic conditions remained generally weak, the HMA averaged 800 units permitted per year. As the HMA began to recover from the

**Figure 8.** Rental Vacancy Rates in the North Port HMA\*, 2000 to Current



\*North Port-Sarasota-Bradenton  
 Note: The current date is April 1, 2018.  
 Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

**Figure 9.** Multi-Family Homes Permitted in the North Port HMA\*, 2000 to Current



\*North Port-Sarasota-Bradenton  
 Notes: Excludes townhomes. Current includes data through March 2018.  
 Sources: U.S. Census Bureau, Building Permits Survey; 2000-2016 final data and 2017-2018 preliminary data; estimates by analyst

## Housing Market Trends

### Rental Market *Continued*

Great Recession and demand for rental units grew, multifamily permitting also increased. From 2013 through 2016, multifamily permitting increased to an average of 1,900 a year. During the 12 months ending March 2018, approximately 2,375 multifamily units were permitted, down slightly from 2,450 units during the previous 12 months (preliminary data). Figure 9 shows the number of multifamily units permitted in the HMA from 2000 through the current date.

The downtown market in the city of Sarasota has been very active with many developments recently built and more planned for the future. The 180-unit The Desota, in downtown Sarasota, was completed in July 2017 with one-, two-, and three-bedroom rents starting at \$1,925, \$2,875, and \$6,950, respectively, and includes a ground floor lounge and retail area. The North Port HMA is a popular retirement destination and features the Stone River Retirement Community, a 130-unit, luxury senior retirement community that was completed in October 2017 with studio, one-, two-, and three-bedroom units with rents starting at \$2,900 for studios up to \$4,650 for three-

bedroom units. The senior living community is west of Interstate 75 in Manatee County convenient to golf courses and shopping. In addition, Oasis at Sarasota is a 324-unit luxury apartment development that is currently under construction and will consist of one-, two-, and three-bedroom units. Construction on the project is scheduled to be complete in April 2019 but rents have not been announced. The 235-unit Preserve at Riverwalk in the city of Bradenton was completed in 2017 with one-, two-, and three-bedroom rents starting at \$1,125, \$1,425, and \$1,625, respectively, and includes outdoor grills and a heated pool.

During the 3-year forecast period, demand is estimated for 5,700 new market-rate rental units (Table 1), with demand peaking in the first year and tapering off in the second and third years as economic growth and net in-migration moderate. The 2,175 units currently under construction will meet all the rental housing demand during the first year and part of the second year of the forecast period. Table 5 shows the forecast demand for new market-rate rental housing in the HMA by rent level and number of bedrooms.

**Table 5.** Estimated Demand for New Market-Rate Rental Housing in the North Port HMA\* During the Forecast Period

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Rent (\$)	Units of Demand	Monthly Rent (\$)	Units of Demand	Monthly Rent (\$)	Units of Demand	Monthly Rent (\$)	Units of Demand
850 to 1,049	200	1,025 to 1,224	740	1,175 to 1,374	870	1,475 to 1,674	340
1,050 to 1,249	170	1,225 to 1,424	600	1,375 to 1,574	710	1,675 to 1,874	290
1,250 to 1,449	110	1,425 to 1,624	420	1,575 to 1,774	460	1,875 to 2,074	130
1,450 or more	85	1,625 or more	240	1,775 or more	250	2,075 or more	95
<b>Total</b>	<b>570</b>	<b>Total</b>	<b>2,000</b>	<b>Total</b>	<b>2,275</b>	<b>Total</b>	<b>860</b>

\* North Port-Sarasota-Bradenton

Notes: Numbers may not add to totals because of rounding. Monthly rent does not include utilities or concessions. The 2,175 units currently under construction will likely satisfy some of the estimated demand. The forecast period is April 1, 2018, to April 1, 2021.

Source: Estimates by analyst

## Data Profile

**Table DP-1.** North Port HMA\* Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	526,544	557,150	698,100	0.6	3.2
Unemployment rate	3.2%	11.5%	3.7%		
Total nonfarm payroll jobs	235,300	237,300	302,100	0.1	3.4
Total population	589,959	702,281	820,000	1.8	2.0
Total households	262,397	311,475	361,100	1.7	1.9
Owner households	201,478	228,577	259,400	1.3	1.6
Percent owner	76.8%	73.4%	71.8%		
Renter households	60,919	82,898	101,700	3.1	2.6
Percent renter	23.2%	26.6%	28.2%		
Total housing units	320,595	401,103	441,000	2.3	1.2
Sales vacancy rate	2.2%	4.1%	1.4%		
Rental vacancy rate	12.6%	15.3%	8.8%		
Median Family Income	\$40,694	\$48,679	\$53,625	1.8	1.4

\*North Port-Sarasota-Bradenton

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through March 2018. Median Family Incomes are for 1999, 2009, and 2016. The current date is April 1, 2018.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

## Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census

2010: 4/1/2010—U.S. Decennial Census

Current date: 4/1/2018—Estimates by the analyst

Forecast period: 4/1/2018–4/1/2021—Estimates by the analyst

The metropolitan statistical area, definition noted in this report is based upon the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated February 28, 2013.

**Demand:** The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

**Other Vacant Units:** In this analysis conducted by the U.S. Department of Housing and Urban Development (HUD), other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as “other” vacant by the Census Bureau.

**Building Permits:** Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are

not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.

For additional data pertaining to the housing market for this HMA, go to [huduser.gov/publications/pdf/CMARtables\\_NorthPortFL\\_18.pdf](http://huduser.gov/publications/pdf/CMARtables_NorthPortFL_18.pdf).

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This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to [huduser.gov/portal/ushmc/chma\\_archive.html](http://huduser.gov/portal/ushmc/chma_archive.html).