

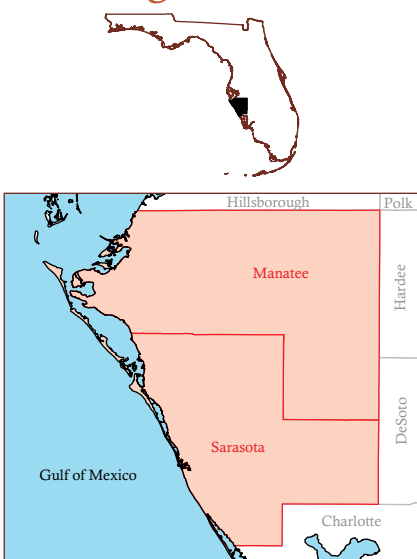


# North Port-Sarasota-Bradenton, Florida

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of October 1, 2013



## Housing Market Area



The North Port-Sarasota-Bradenton Housing Market Area (hereafter, the North Port HMA) is coterminous with the North Port-Sarasota-Bradenton Metropolitan Statistical Area on the Gulf Coast in central Florida. For purposes of this analysis, the HMA is divided into two submarkets: the Manatee submarket consists of Manatee County and includes the city of Bradenton, and the Sarasota submarket consists of Sarasota County and includes the cities of North Port, Sarasota, and Venice.

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## Summary

### Economy

Economic conditions in the North Port HMA continued to recover during the most recent 12 months after a period of contraction from 2006 through 2010. During the 12 months ending September 2013, nonfarm payrolls grew by 3,600 jobs, or 1.5 percent, compared with an increase of 5,600 jobs, or 2.4 percent, during the 12 months ending September 2012. Nonfarm payrolls are projected to increase an average of 1.5 percent annually during the 3-year forecast period. Table DP-1 at the end of this report provides employment data for the HMA.

### Sales Market

The sales housing market in the HMA is soft. During the 12 months ending September 2013, new and existing home sales increased 32 percent, to

17,500 homes. Demand is expected for 6,800 new homes during the forecast period (Table 1). The 1,130 homes currently under construction and a portion of the 65,000 other vacant units in the HMA that may reenter the market will likely satisfy some of the forecast demand.

### Rental Market

The rental housing market in the HMA is soft, with a 9.7-percent overall rental vacancy rate, down from the 15.3-percent rate recorded in April 2010. Market conditions began to improve in 2010 in both submarkets, because builders reduced production levels in response to soft markets. During the forecast period, demand is expected for 3,300 new rental units, of which 770 are currently under construction (Table 1).

**Table 1. Housing Demand in the North Port HMA,\* 3-Year Forecast, October 1, 2013, to October 1, 2016**

	North Port HMA*		Manatee Submarket		Sarasota Submarket	
	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units
Total demand	6,800	3,300	3,900	1,500	2,900	1,800
Under construction	1,130	770	700	650	430	120

\* North Port-Sarasota-Bradenton HMA.

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of October 1, 2013. A portion of the estimated 65,000 other vacant units in the HMA will likely satisfy some of the forecast demand.

Source: Estimates by analyst

# Economic Conditions

During the past 12 months, economic conditions in the North Port HMA continued the recovery that began during 2010. During the 12 months ending September 2013, nonfarm payrolls increased by 3,600 jobs, or 1.5 percent, to 247,600 compared with an increase of 5,600 jobs, or 2.4 percent, during the 12 months ending September 2012. By comparison, payrolls declined from 2006 through 2010 by an average of 10,700 jobs, or 4 percent, annually from a peak of 280,000 jobs. During this time, job losses occurred in every sector except education and health services; however, nearly 40 percent of the total losses were in the mining, logging, and construction sector. The

largest employers in the HMA are the Sarasota Memorial Health Care System, Publix Super Markets, Inc., and Bealls Inc., with 4,000, 2,325, and 1,925 employees, respectively (Table 2).

Net gains in the service-providing sectors more than offset net losses in the goods-producing sectors, during the 12 months ending September 2013. The professional and business services sector led job growth with the addition of 2,200 jobs, a 7.1-percent increase from the previous 12 months. The sector is the fourth largest in the HMA and accounts for 13.5 percent of nonfarm jobs. Corporate headquarters account for a portion of these jobs, which include Bealls Inc., Boar's Head Provisions Co., Inc., and Feld Entertainment® (Ringling Bros. and Barnum & Bailey® and Disney On Ice). In 2013, IRISS Inc., a window manufacturer, relocated its corporate headquarters from the United Kingdom to Bradenton. The company plans to expand employment by 25 jobs during the next 3 years. Figure 1 displays current nonfarm payroll jobs in the HMA by sector.

The wholesale and retail trade sector recorded the second greatest number of job gains in the HMA during the past 12 months. During the 12 months ending September 2013, the sector added 1,600 jobs, a 3.6-percent increase from the previous 12-month period (Table 3). Cocoplum Village Shops in the city of North Port, which staged its grand opening in November 2012, added 500 jobs. Construction of The Mall at University Town Center began in late 2012 and will be complete in late 2014. When complete, the mall will create more than 2,000 permanent jobs and be home to more than 100

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

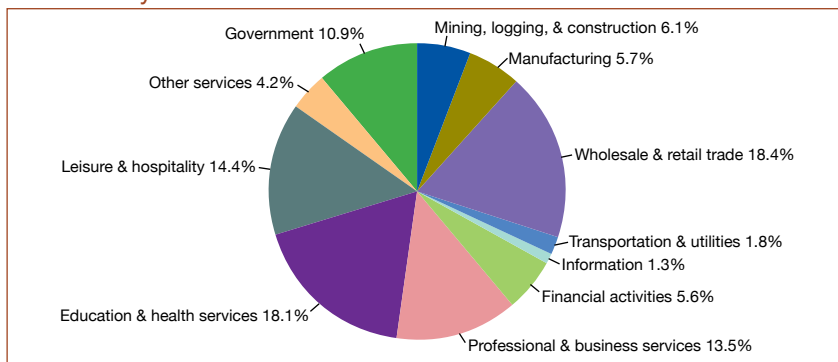
Name of Employer	Nonfarm Payroll Sector	Number of Employees
Sarasota Memorial Health Care System	Government	4,000
Publix Supermarkets, Inc.	Wholesale & retail trade	2,325
Bealls Inc.	Wholesale & retail trade	1,925
Manatee County Government	Government	1,575
Manatee Memorial Hospital	Education & health services	1,450
Tropicana Products, Inc.	Manufacturing	1,200
Manatee County Sheriff's Office	Government	1,150
Blake Medical Center	Education & health services	1,100
PGT Industries	Manufacturing	1,100
Sun Hydraulics Corporation	Manufacturing	700

\* North Port-Sarasota-Bradenton HMA.

Note: Excludes local school districts.

Sources: Bradenton Area Economic Development Corporation; Sarasota Economic Development Corporation; Sarasota Memorial Health Care System

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



\* North Port-Sarasota-Bradenton HMA.

Note: Based on 12-month averages through September 2013.

Source: U.S. Bureau of Labor Statistics

stores and restaurants, including Saks Fifth Avenue, Macy's, Dillard's, and The Cheesecake Factory.

During the 12 months ending September 2013, the leisure and hospitality sector added 400 jobs, a 1.1-percent increase from the previous 12-month period. Known as the "Arts Capital of

Florida," the HMA is home to The Venice Symphony, Florida West Coast Symphony Orchestra, The Sarasota Ballet, and The Sarasota Opera. The nonprofit arts and culture industry generated \$180 million in economic activity for the HMA during 2010 (Americans for the Arts). Tourism is a major contributor to the local economy, having an economic impact on the Manatee submarket of \$461 million in 2010 (Bradenton Area Convention and Visitors Bureau). Sports and ecotourism are expected to add to economic growth during the 3-year forecast period. Nathan Benderson Park is being developed to attract rowing competitions to the HMA, and is anticipated to create an annual economic impact of \$25 million for the local economy. The park will be complete in 2014 and will be the location of the 2017 World Rowing Championships. In 2012, sports tourism added \$42 million to the economy in the Sarasota submarket (Sarasota County). Figure 2 shows sector growth in the HMA, by percentage change, from 2000 to the current date.

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

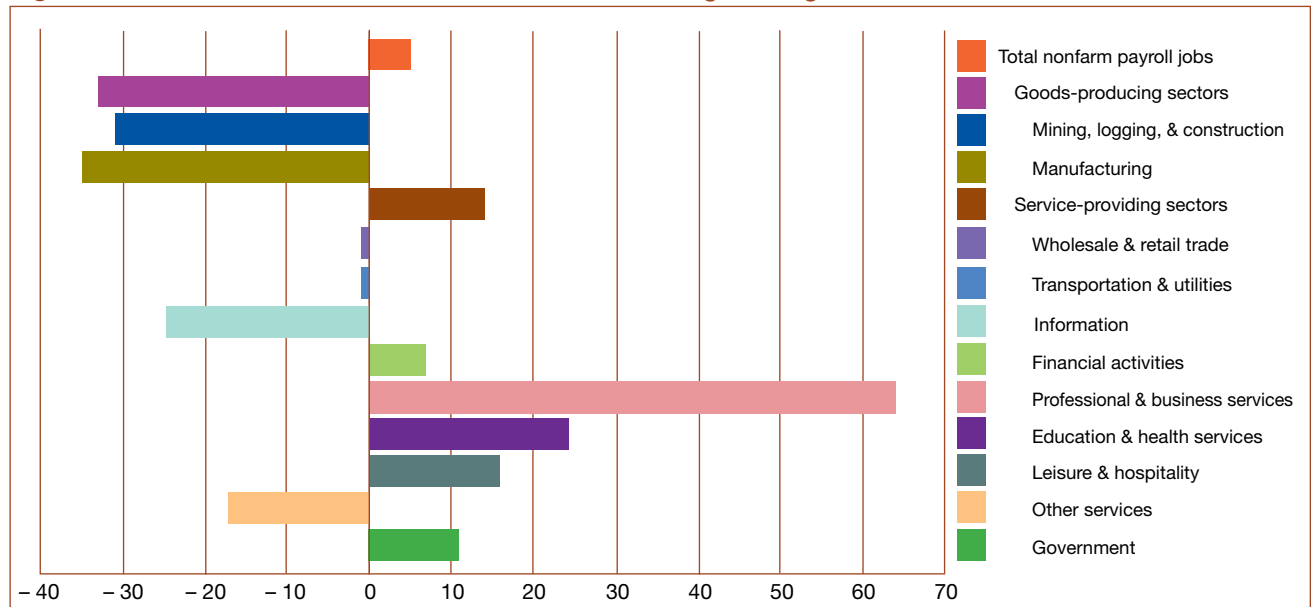
	12 Months Ending September 2012	12 Months Ending September 2013	Absolute Change	Percent Change
Total nonfarm payroll jobs	244,000	247,600	3,600	1.5
Goods-producing sectors	29,800	29,200	- 600	- 2.0
Mining, logging, & construction	15,400	15,100	- 300	- 1.9
Manufacturing	14,400	14,100	- 300	- 2.1
Service-providing sectors	214,200	218,400	4,200	2.0
Wholesale & retail trade	43,900	45,500	1,600	3.6
Transportation & utilities	4,300	4,400	100	2.3
Information	3,400	3,300	- 100	- 2.9
Financial activities	14,300	14,000	- 300	- 2.1
Professional & business services	31,200	33,400	2,200	7.1
Education & health services	44,800	44,900	100	0.2
Leisure & hospitality	35,300	35,700	400	1.1
Other services	10,400	10,400	0	0.0
Government	26,700	27,000	300	1.1

\* North Port-Sarasota-Bradenton HMA.

Notes: Based on 12-month averages through September 2012 and September 2013. Numbers may not add to totals because of rounding.

Source: U.S. Bureau of Labor Statistics

**Figure 2. Sector Growth in the North Port HMA,\* Percentage Change, 2000 to Current**



\* North Port-Sarasota-Bradenton HMA.

Note: Current is based on 12-month averages through September 2013.

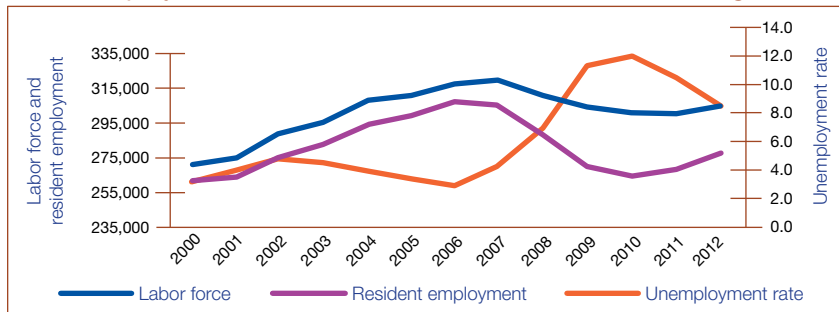
Source: U.S. Bureau of Labor Statistics

After recording average annual increases of 700 jobs, or 5.0 percent, in 2011 and 2012, the manufacturing sector reduced payrolls during the past 12 months. During the 12 months ending September 2013, the sector declined by 300 jobs, or 2.1 percent, compared with the number of jobs during the previous 12 months. Manufacturing sector payrolls declined from 2006 through 2010, by an average of 1,200 jobs annually, or 6.3 percent. Of the 10 largest employers in the HMA, 3 are in the manufacturing sector. The HMA is also home to several smaller, expanding manufacturing companies. Redi-2-DrinQ™ Group invested \$7 million in new facilities and equipment and plans to hire 25 new employees in the HMA during the next 3 years.

The decline in single-family and multi-family housing construction since 2007 has resulted in a significant decline in construction jobs in the HMA. The mining, logging, and construction sector declined by an average of 3,400 jobs annually from 2007 through 2011 and then increased by 400 jobs during 2012. During the 12 months ending September 2013, the mining, logging, and construction sector declined by 300 jobs, or 1.9 percent. During the same period, the unemployment rate in the HMA averaged 7.3 percent, down from 9.1 percent during the previous 12 months. Figure 3 shows trends in the labor force, resident employment, and unemployment rate from 2000 through 2012.

During the forecast period, nonfarm payrolls are expected to increase an average of 1.5 percent annually. Job growth is expected to remain steady during the first year of the forecast period and then to slow slightly in the second and third years as the local economy expands at a lower rate. Growth is expected to occur primarily in the service-providing sectors, with moderate increases in the goods-producing sectors.

**Figure 3.** Trends in Labor Force, Resident Employment, and Unemployment Rate in the North Port HMA,\* 2000 Through 2012



\* North Port-Sarasota-Bradenton HMA.  
Source: U.S. Bureau of Labor Statistics

## Population and Households

As of October 1, 2013, the estimated population of the North Port HMA was 736,300, reflecting an average annual increase of 9,725, or 1.4 percent, since April 1, 2010. Although economic activity has increased, population growth since 2010 has been less than the average annual

increase of 11,250 people, or 1.8 percent, recorded during the 2000s, as unemployed workers in the HMA fill new positions and limit the need for greater in-migration. Average annual net in-migration of 12,700 people during the 2000s and of 11,900 people since 2010 accounted for all the

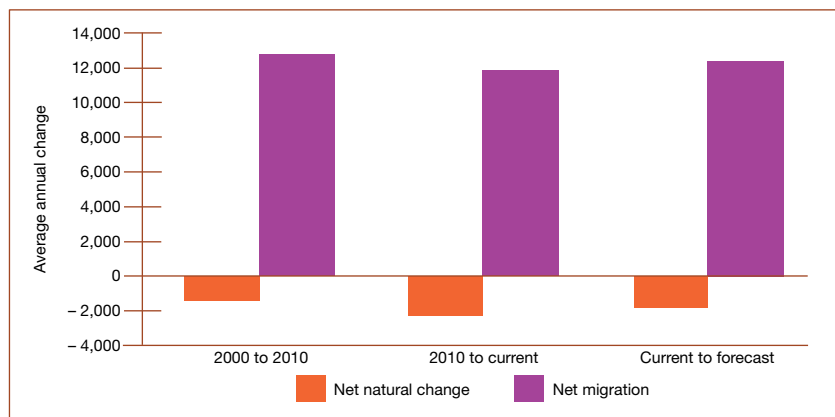
population increase during those periods (Figure 4). As the economy of the HMA continues to recover, the population growth rate is expected to continue at 1.4 percent, or 10,400 people, annually during the 3-year forecast period. The population of the HMA is expected to reach 767,500 by October 1, 2016. Tables DP-1 through DP-3, at the end of this report, provide information on the population growth in the HMA and in each submarket from 2000 to the current date.

The faster growing portion of the HMA is the Manatee submarket, the population of which has grown by an average of 5,850, or 1.8 percent, annually since 2010, to 343,300. During the 2000s, the population in the submarket increased by an average of 5,875, or 2.0 percent, annually. Net in-migration accounted for approximately 95 percent of the population increase in the submarket during the 2000s and virtually all of the population growth since 2010. The population of the Manatee submarket is expected to increase by 5,900, or 1.7 percent, annually, to 361,000, during the forecast period.

Since 2010, the population of the Sarasota submarket, which accounts for nearly 53 percent of the population in the HMA, has increased by an average of 3,875, or 1 percent, annually, to 393,000. A weaker economy since 2007 compared with that of the early 2000s has resulted in less average net in-migration, of 4,950 people annually. By contrast, from 2000 through 2006, the population increased at an average of 7,150, or 2.1 percent, annually, partly because of a greater average annual in-migration of 9,025, as more retirees moved to the HMA. The population of the Sarasota submarket is expected to increase by 4,500, or 1.1 percent, annually, to 406,500 by the forecast date. Although in-migration to the two submarkets is relatively similar, the older median age of residents in the Sarasota submarket contributed to a net natural decrease (resident births minus resident deaths), resulting in less population growth. As more families move into the Sarasota submarket, net natural decrease is expected to decline.

An estimated 326,150 households reside in the HMA. Although approximately 56 percent of these households are in the Sarasota submarket, nearly one-half of the increase in the number of households since 2000 has occurred in the Manatee submarket. Growth in the number of households, which has averaged 1.3 percent annually since 2010, is expected to continue at a similar pace during the forecast period. Figures 5 and 6 show the number of households by tenure in each of the submarkets from 2000 to the current date. From 2010 to the current date, the homeownership rate

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



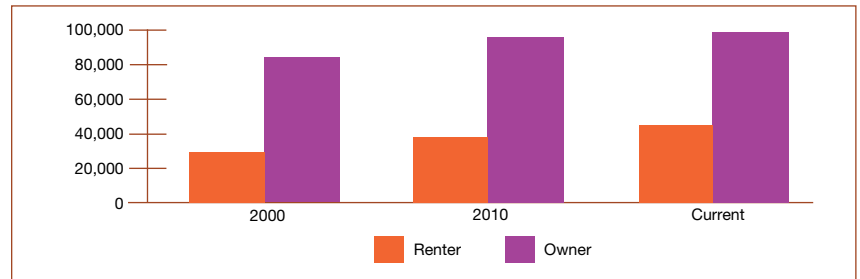
\* North Port-Sarasota-Bradenton HMA.

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

in the HMA decreased from 73.4 to 70.9 percent, with declines recorded in both submarkets. The number of households in the HMA is expected to grow by 4,325, or 1.3 percent,

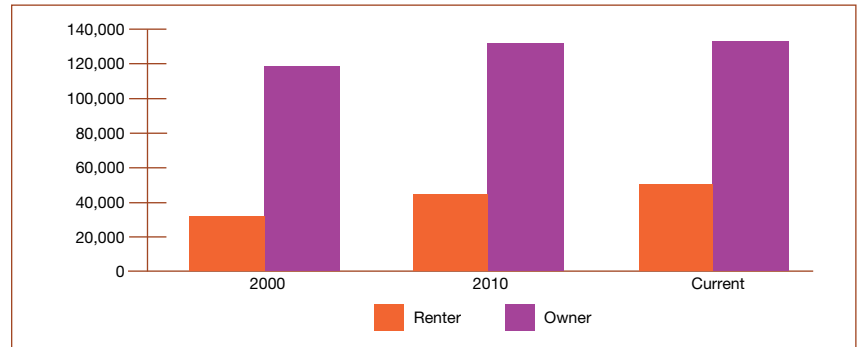
annually during the next 3 years to total 339,100. Figure 7 shows population and household trends in the HMA from 2000 to the forecast date.

**Figure 5.** Number of Households by Tenure in the Manatee Submarket, 2000 to Current



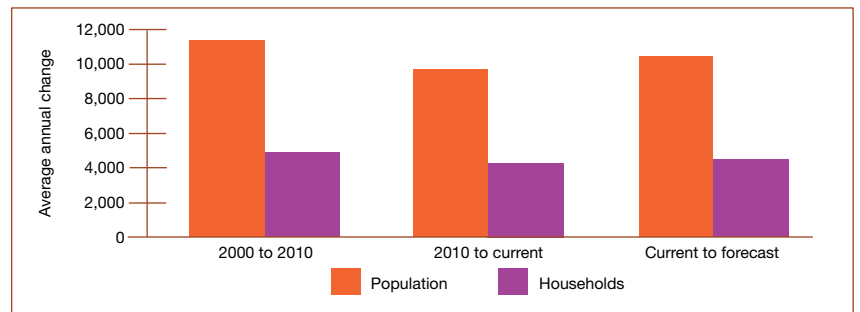
Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

**Figure 6.** Number of Households by Tenure in the Sarasota Submarket, 2000 to Current



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

**Figure 7.** Population and Household Growth in the North Port HMA,\* 2000 to Forecast



\* North Port-Sarasota-Bradenton HMA.

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

# Housing Market Trends

## Sales Market—Manatee Submarket

The sales housing market in the Manatee submarket is soft, with a 3.9-percent estimated vacancy rate, down from the 4.5-percent rate reported in the 2010 Census. The number of new and existing homes sold has increased since early 2012. During the 12 months ending September 2013, new and existing home sales totaled 7,750, a 40-percent increase compared with the number sold during the previous 12 months (Metrostudy, A Hanley Wood Company). The current sales activity remains much less than the peak of 12,100 homes sold during 2005 but much more than the average of 4,875 homes sold annually from 2007 through 2009.

During the 12 months ending September 2013, existing single-family home sales totaled 6,250, an increase of nearly 43 percent compared with the number sold during the previous 12 months. The current existing home sales activity is much less than the peak of 8,450 homes sold during 2005 but more than the average of 3,625 homes sold from 2006 through 2011. Existing home sales prices increased during the 12 months ending September 2013 for both regular and REO (Real Estate Owned) properties. The average sales price of an existing home in the submarket increased 14 percent, to \$245,100, compared with the average price of \$214,300 during the previous 12 months. Existing home sales prices have increased since 2012 after declining continuously from 2007 through 2011. The average sales price of an REO property increased 6 percent to \$144,100, during the 12 months ending September 2013, as the number of sales increased 26 percent, to 1,500 homes. REO sales accounted for approximately 26 percent of existing

sales in 2012, down from 30 and 36 percent in 2011 and 2010, respectively. As of September 2013, 10.5 percent of total home loans in the submarket were 90 or more days delinquent, were in foreclosure, or transitioned into REO, down significantly from 15.5 percent a year earlier (LPS Applied Analytics). The distressed mortgage rate in the submarket remains less than the state rate of 12.6 percent but much more than the national rate of 6.0 percent.

During the 12 months ending September 2013, new home sales activity increased 31 percent, to 1,500 homes sold, compared with 1,150 homes sold during the previous 12 months (Metrostudy, A Hanley Wood Company). New home sales declined by an average of 660 annually, from 3,650 in 2005 to 1,000 in 2009. As sales activity has increased since 2010, the average price of new homes sold has continued to increase, partly because higher priced homes comprise a greater percentage of homes sold in the submarket. During the 12 months ending September 2013, the average new home sales price increased to \$262,200, a 3-percent increase from the previous 12 months.

Single-family home construction activity, as measured by the number of single-family homes permitted, has increased in the submarket since 2011 but remains much less than the peak of 4,675 homes permitted in 2004. During the 12 months ending September 2013, the number of single-family homes permitted increased to 2,250, up 57 percent from 1,425 homes permitted during the same period a year earlier (preliminary data). Figure 8

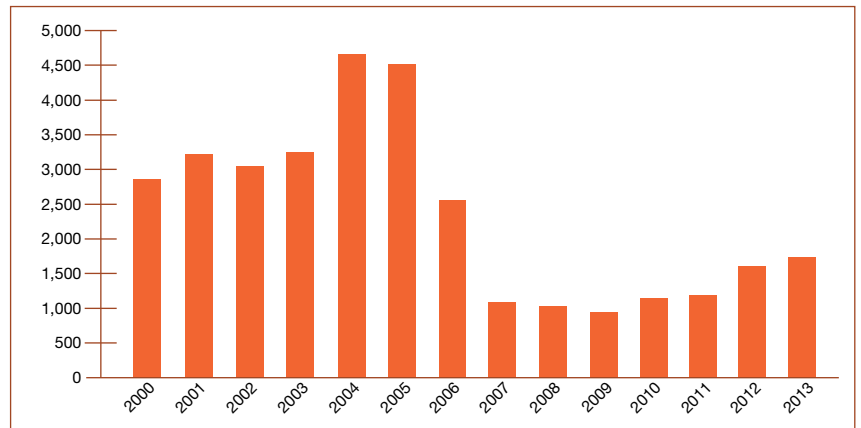
## Housing Market Trends

### Sales Market—Manatee Submarket *Continued*

shows the number of single-family homes permitted in the submarket from 2000 to the current date. Recent single-family construction activity has been concentrated in the Central Park communities at Lakewood Ranch in southeastern Manatee County. The community opened in 2008 with plans for 800 homes. The final phase of the community is expected to sell out in late 2014. New home prices start in the mid-\$100,000s for a 1,150-square-foot, two-bedroom home.

During the next 3 years, demand is estimated for 3,900 new market-rate homes in the submarket (Table 1). Most of the demand is expected for homes priced between \$150,000 and \$300,000. The 700 homes currently under construction and a portion of the 25,100 other vacant units in the submarket that may reenter the market will satisfy some of the forecast demand. Table 4 illustrates estimated demand for new market-rate sales housing in the submarket, by price range, during the 3-year forecast period.

**Figure 8.** Single-Family Homes Permitted in the Manatee Submarket, 2000 to 2013



*Notes: Includes townhomes. Includes data through September 2013.*

*Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst*

**Table 4.** Estimated Demand for New Market-Rate Sales Housing in the Manatee Submarket, October 1, 2013, to October 1, 2016

Price Range (\$)		Units of Demand	Percent of Total
From	To		
100,000	149,999	310	8.0
150,000	199,999	980	25.0
200,000	249,999	980	25.0
250,000	299,999	700	18.0
300,000	399,999	470	12.0
400,000	499,999	310	8.0
500,000	and higher	160	4.0

*Note: The 700 homes currently under construction and a portion of the estimated 25,100 other vacant units in the submarket will likely satisfy some of the forecast demand.*

*Source: Estimates by analyst*



## Rental Market—Manatee Submarket

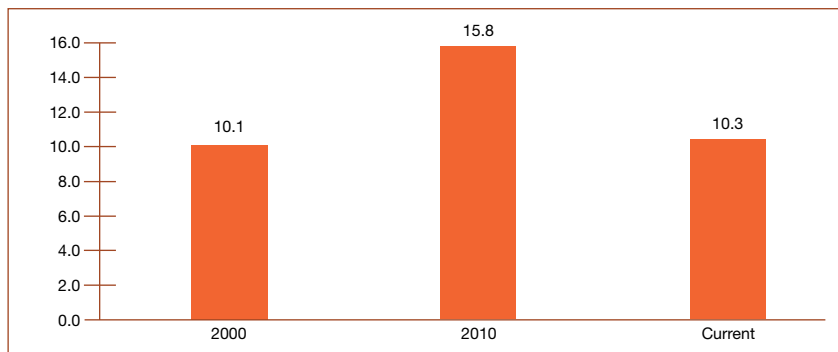
The rental housing market in the Manatee submarket is soft, with an estimated 10.3-percent overall rental vacancy rate, down from the 15.8-percent rate reported in the 2010 Census (Figure 9). Despite the soft overall rental market, the apartment market is tight. Traditional apartment buildings with five or more units comprise about 38 percent of the rental market, and single-family homes comprise 36 percent of the rental market. In response to the tightening apartment market, developers increased multifamily construction activity in the past 12 months.

The average apartment vacancy rate was 3.5 percent in the third quarter of 2013, down slightly from 5.6 percent in the third quarter of 2012 (MPF Research). Asking rents averaged \$790 for a one-bedroom unit, \$940 for a two-bedroom unit, and \$1,090 for a three-bedroom unit.

Multifamily construction activity, as measured by the number of multifamily units (including condominiums) permitted, increased during the past 12 months and nearly returned to the average annual rates recorded from 2000 through 2006, reflecting an increased preference for rental properties (Figure 10). During the 12 months ending September 2013, the number of multifamily units permitted increased to 1,150 compared with the 270 units permitted during the previous 12-month period (preliminary data). An average of 1,250 units were permitted annually from 2000 through 2006, and then an average of 340 units were permitted annually from 2007 through 2011. From 2000 through 2007, 41 percent of multifamily units permitted were owner units. Since 2008, only 13 percent of the multifamily units permitted have been owner units. The most recent multifamily development completed was Lost Creek at Lakewood Ranch. Construction of the 272-unit complex was completed in mid-2012. Asking rents at the project start at \$1,090 for a one-bedroom unit, \$1,305 for a two-bedroom unit, and \$1,615 for a three-bedroom unit. Units under construction include Ranch Lake Apartments, a 336-unit complex expected to open in Bradenton in January 2014. Asking rents at the project start at \$1,075 for a one-bedroom unit, \$1,175 for a two-bedroom unit, and \$1,525 for a three-bedroom unit.

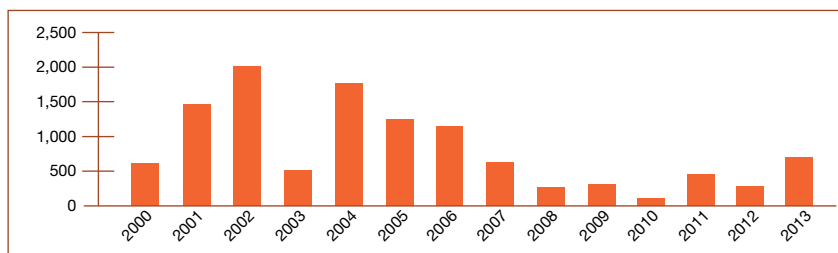
During the 3-year forecast period, demand is estimated for 1,500 new market-rate rental units in the submarket (Table 1). The 650 units currently under construction will meet a portion of this demand. Table 5 shows the estimated demand for new market-rate rental housing in the submarket by rent level and number of bedrooms.

**Figure 9.** Rental Vacancy Rates in the Manatee Submarket, 2000 to Current



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

**Figure 10.** Multifamily Units Permitted in the Manatee Submarket, 2000 to 2013



Notes: Excludes townhomes. Includes data through September 2013.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

## Housing Market Trends

Rental Market—Manatee Submarket *Continued*

**Table 5.** Estimated Demand for New Market-Rate Rental Housing in the Manatee Submarket, October 1, 2013, to October 1, 2016

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
735 to 934	15	550 to 749	35	610 to 809	75	730 to 929	40
935 to 1,134	15	750 to 949	130	810 to 1,009	310	930 to 1,129	150
		950 to 1,149	120	1,010 to 1,209	270	1,130 to 1,329	130
		1,150 to 1,349	50	1,210 to 1,409	110	1,330 to 1,529	40
						1,530 to 1,729	20
<b>Total</b>	<b>30</b>	<b>Total</b>	<b>330</b>	<b>Total</b>	<b>770</b>	<b>Total</b>	<b>380</b>

Notes: Numbers may not add to totals because of rounding. The 650 units currently under construction will likely satisfy some of the estimated demand.

Source: Estimates by analyst

## Sales Market—Sarasota Submarket

The sales housing market in the Sarasota submarket is balanced, with a 3.0-percent estimated vacancy rate, down from the 3.7-percent rate reported in the 2010 Census. During the 12 months ending September 2013, new and existing home sales totaled 9,750, a 26-percent increase compared with the number sold during the previous 12 months (Metrostudy, A Hanley Wood Company). Despite the recent increase, the current sales activity remains much less than the peak of 18,950 homes sold during 2005 but more than the average of 6,650 homes sold annually from 2006 through 2010.

During the 12 months ending September 2013, existing home sales totaled 8,950, a 24-percent increase compared with the number sold during the previous 12 months but a significant decrease from the average of 15,100 sold during 2005. From 2006 through 2011, existing home sales averaged 5,850 homes sold annually. Existing home sales prices increased during the 12 months ending September 2013, in part, because of increasing REO property prices and declines in the number of REO property sales. The current average sales price of an

existing home in the submarket increased nearly 17 percent, to \$264,200, compared with the average price during the previous 12 months. The average sales price of an REO property increased 15 percent to \$148,400, during the 12 months ending September 2013, as the number of sales declined 1 percent, to 1,625 homes. REO sales accounted for approximately 21 percent of existing sales in 2012, down from 28 and 34 percent in 2011 and 2010, respectively. As of September 2013, 11.1 percent of total home loans in the submarket were 90 or more days delinquent, were in foreclosure, or transitioned into REO, down from 15.3 percent a year earlier (LPS Applied Analytics).

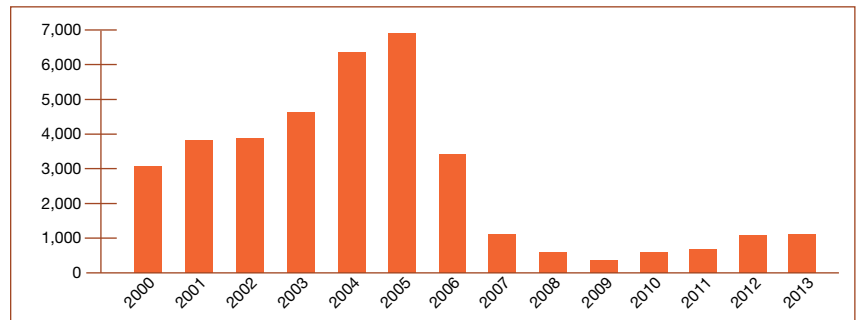
During the 12 months ending September 2013, new home sales increased nearly 42 percent, to 790 homes sold, compared with the 560 homes sold during the previous 12 months but decreased from the average of 2,850 new homes sold annually from 2005 through 2007. The average new home sales price increased to \$279,900, a 13-percent increase from the previous 12 months but 10 percent less than the average new home sales price of \$311,000 recorded from 2005 through 2007.

Single-family home construction activity, as measured by the number of single-family homes permitted, began to increase in the submarket in 2010. During the 12 months ending September 2013, the number of single-family homes permitted increased to 1,400, up nearly 53 percent from the 920 homes permitted during the same period a year earlier (preliminary data). From 2000 through 2007, an average of 4,150 homes were permitted annually, and then from 2008 through 2010, an average of 510 homes were permitted annually. Figure 11 shows the number of single-family homes permitted in the submarket from 2000 to the current date. Recent single-family construction

activity in the submarket has been concentrated in the cities of Venice and North Port, where the average new home sales price was much less than the average in the submarket.

During the next 3 years, demand is estimated for 2,900 new market-rate homes in the submarket (Table 1). The 430 homes under construction and a portion of the 39,900 other vacant units in the submarket that may reenter the market will satisfy some of the forecast demand. Table 6 illustrates estimated demand for new market-rate sales housing in the submarket, by price range, during the 3-year forecast period.

**Figure 11.** Single-Family Homes Permitted in the Sarasota Submarket, 2000 to 2013



Notes: Includes townhomes. Includes data through September 2013.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

**Table 6.** Estimated Demand for New Market-Rate Sales Housing in the Sarasota Submarket, October 1, 2013, to October 1, 2016

Price Range (\$)		Units of Demand	Percent of Total
From	To		
100,000	149,999	230	8.0
150,000	199,999	730	25.0
200,000	249,999	730	25.0
250,000	299,999	580	20.0
300,000	399,999	350	12.0
400,000	499,999	170	6.0
500,000	and higher	120	4.0

Note: The 430 homes currently under construction and a portion of the estimated 39,900 other vacant units in the submarket will likely satisfy some of the forecast demand.

Source: Estimates by analyst

## Rental Market—Sarasota Submarket

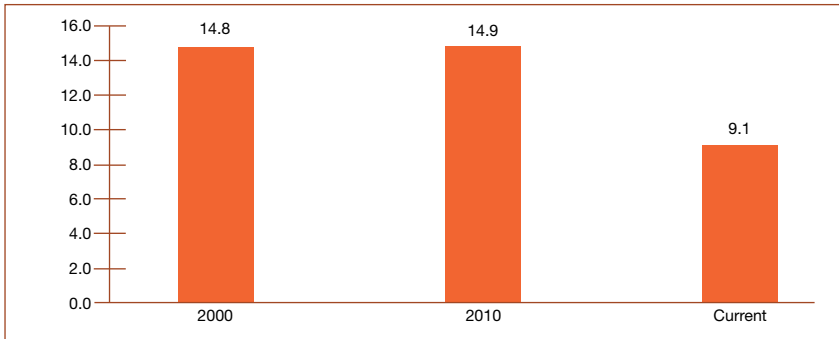
The rental housing market in the Sarasota submarket is soft, with an estimated 9.1-percent overall vacancy rate, down from the 14.9-percent rate reported in the 2010 Census (Figure 12). A reduction in multifamily construction activity since 2008 has contributed to a tight apartment market. During the third quarter of 2013, the average apartment vacancy rate was 3.2 percent, down from 3.8 percent during the third quarter of 2012 (MPF Research). Asking rents averaged \$820, \$1,000, and \$1,200 for one-, two-, and three-bedroom units, respectively.

Multifamily construction activity, as measured by the number of multifamily units (including condominiums)

permitted, has remained at a low level since 2008, because demand for new multifamily housing shifted toward the Manatee submarket. Construction activity in the Sarasota submarket has increased slightly since 2011 in response to households' increased preference for rental properties (Figure 13). During the 12 months ending September 2013, the number of multifamily units permitted increased to 250 units compared with the 75 units permitted during the previous 12-month period (preliminary data). An average of 1,350 units were permitted annually from 2000 through 2007, and then an average of 160 multifamily units were permitted annually from 2008 through 2012. From 2000 through 2007, 56 percent of multifamily units permitted were intended to be owner units. Since 2008, only 12 percent of the multifamily units permitted have been owner units. The most recent multifamily development completed was Rolling Green Apartments in the city of Sarasota. The 118-unit complex completed construction in late 2013. Asking rents at the project start at \$794 for a two-bedroom unit, \$874 for a three-bedroom unit, and \$985 for a four-bedroom unit.

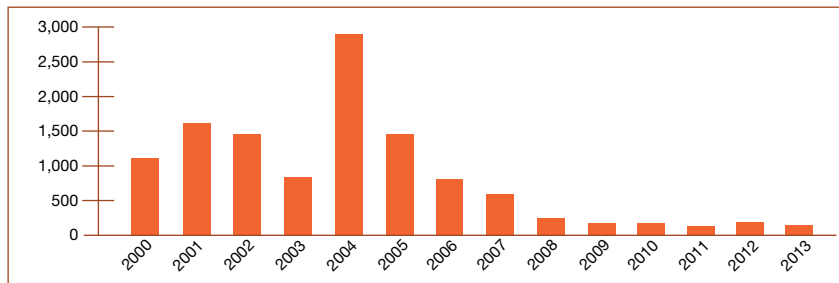
During the 3-year forecast period, demand is estimated for 1,800 new market-rate rental units in the submarket (Table 1). The 120 units currently under construction will meet a portion of this demand. Table 7 shows estimated demand for new market-rate rental housing in the submarket by rent level and number of bedrooms.

**Figure 12.** Rental Vacancy Rates in the Sarasota Submarket, 2000 to Current



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

**Figure 13.** Multifamily Units Permitted in the Sarasota Submarket, 2000 to 2013



Notes: Excludes townhomes. Includes data through September 2013.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

## Housing Market Trends

Rental Market—Sarasota Submarket *Continued*

**Table 7.** Estimated Demand for New Market-Rate Rental Housing in the Sarasota Submarket, October 1, 2013, to October 1, 2016

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
640 to 839	140	730 to 929	260	870 to 1,069	320
840 to 1,039	270	930 to 1,129	340	1,070 to 1,269	190
		1,130 to 1,329	150	1,270 to 1,469	130
<b>Total</b>	<b>410</b>	<b>Total</b>	<b>760</b>	<b>Total</b>	<b>630</b>

*Notes: Numbers may not add to totals because of rounding. The 120 units currently under construction will likely satisfy some of the estimated demand.*

*Source: Estimates by analyst*

## Data Profiles

**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	263,414	265,492	281,700	0.1	2.2
Unemployment rate	3.2%	12.0%	7.3%		
Nonfarm payroll jobs	235,200	237,100	247,600	0.1	1.6
Total population	589,959	702,281	736,300	1.8	1.4
Total households	262,397	311,475	326,150	1.7	1.3
Owner households	201,478	228,577	231,300	1.3	0.3
Percent owner	76.8%	73.4%	70.9%		
Renter households	60,919	82,898	94,850	3.1	3.9
Percent renter	23.2%	26.6%	29.1%		
Total housing units	320,595	401,103	409,400	2.3	0.6
Owner vacancy rate	2.2%	4.1%	3.4%		
Rental vacancy rate	12.6%	15.3%	9.7%		
Median Family Income	\$46,000	\$62,300	\$59,900	3.1	-1.3

\* North Port-Sarasota-Bradenton HMA.

*Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through September 2013. Median Family Incomes are for 1999, 2009, and 2012.*

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

**Table DP-2. Manatee Submarket Data Profile, 2000 to Current**

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total population	264,002	322,833	343,300	2.0	1.8
Total households	112,460	135,729	143,900	1.9	1.7
Owner households	82,947	96,818	99,350	1.6	0.7
Percent owner	73.8%	71.3%	69.0%		
Rental households	29,513	38,911	44,550	2.8	3.9
Percent renter	26.2%	28.7%	31.0%		
Total housing units	138,128	172,690	178,100	2.3	0.9
Owner vacancy rate	2.5%	4.5%	3.9%		
Rental vacancy rate	10.1%	15.8%	10.3%		

*Note: Numbers may not add to totals because of rounding.*

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

**Table DP-3. Sarasota Submarket Data Profile, 2000 to Current**

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total population	325,957	379,448	393,000	1.5	1.0
Total households	149,937	175,746	182,300	1.6	1.1
Owner households	118,531	131,759	132,000	1.1	0.1
Percent owner	79.1%	75.0%	72.4%		
Rental households	31,406	43,987	50,300	3.4	3.9
Percent renter	20.9%	25.0%	27.6%		
Total housing units	182,467	228,413	231,300	2.3	0.4
Owner vacancy rate	1.9%	3.7%	3.0%		
Rental vacancy rate	14.8%	14.9%	9.1%		

*Note: Numbers may not add to totals because of rounding.*

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

## Data Definitions and Sources

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2000: 4/1/2000—U.S. Decennial Census  
 2010: 4/1/2010—U.S. Decennial Census  
 Current date: 10/1/2013—Analyst’s estimates  
 Forecast period: 10/1/2013–10/1/2016—  
 Analyst’s estimates

The metropolitan statistical area definition in this report is based on 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 U.S. Department of Housing and Urban Development’s (HUD’s) analysis, 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 [www.huduser.org/publications/pdf/CMARtables\\_NorthPoint-Sarasota-BradentonFL\\_14.pdf](http://www.huduser.org/publications/pdf/CMARtables_NorthPoint-Sarasota-BradentonFL_14.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 HUD’s Economic and Market Analysis Division. 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  
[www.huduser.org/publications/econdev/mkt\\_analysis.html](http://www.huduser.org/publications/econdev/mkt_analysis.html).