

Beshears & Associates

Single Tenant Retail
Newsletter

October, 2005

ABOUT OUR FIRM

Single Tenant Retail Overview

In the latest edition of our market overview, we are reporting single-tenant retail sales throughout Hillsborough, Pinellas, Pasco, Polk, Orange, and Seminole Counties. These sales have occurred during 2005. Overall, we have tracked 62 single-tenant retail facilities. Specifically, these sales range in price from \$34.30 per square foot to \$659.30 per square foot, with an average sales price of \$281.62 per square foot. The overall capitalization rates range from 6.25 percent to 8.75 percent with a median capitalization rate of 7.00 percent and an average capitalization rate of 7.24 percent.

According to Marcus & Millichap's *Retail Research Report*, The Boulder Group's, *Net Lease Market Report*, PriceWaterhouseCoopers, and *Korpacz Real Estate Investor Survey*, drug stores and restaurants dominate the single-tenant retail market on a national level. Due to the abundance of capital seeking placement in real estate and the speculation that long term interest rates will likely rise in the near future, a deluge of net leased

assets has been offered for sale. According to the Boulder Group, between first and third quarters 2005, the availability of these property types has increased by 9.9 percent, while their values have increased 11.1 percent.

The Tampa Bay and Orlando markets are reflecting this national trend. Specifically, of the 62 sales we tracked, 41 sales were either drug stores or restaurants. These sales ranged from \$97.15 to \$659.30 per square foot, with an average price per square foot of \$302.59 and an average capitalization rate of 7.10 percent.

In summary, Tampa Bay's and Orlando's tremendous population and economic growth and its effect on retail assets continues to attract investors. Buying activity should remain strong throughout the remainder of 2005, positively impacting price per square foot values. Overall, the single-tenant retail market is strong and should remain strong throughout 2005.

Beshears & Associates is a commercial real estate appraisal firm specializing in Commercial Property Valuation, Petroleum Valuation, Consulting and Feasibility Studies. Our firm works throughout the state of Florida from our office on Florida's West Coast. Additionally, we produce a newsletter on the Apartment, Industrial, Office, Gas & Service Stations and Retail markets. Visit our web site for previous newsletters. If you have questions or would like to be added to our mailing list, please contact David W. Beshears, MAI.

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COMPARABLE SALES SUMMARY -PRICE PER SQUARE FOOT

	Min	Max	Avg	Median
Tampa Sales (only)	\$34.30	\$630.73	\$295.33	\$294.78
Orlando Sales (only)	\$85.62	\$659.30	\$249.37	\$236.19
Drug Store & Restaurant Sales (only)	\$97.15	\$659.30	\$294.05	\$302.59
Total	\$34.30	\$659.30	\$281.62	\$297.68

Meet Mike Nelson

Mike Nelson has focused on single tenant retail properties since joining Beshears & Associates in July, 2002. Mike graduated from The Florida State University with double majors in Real Estate and Spanish with a minor in Finance. Mike is an associate member of the Appraisal Institute and is currently working towards his MAI designation. Mike grew up in southeast Florida and Alaska. Mike returns to Alaska each summer to enjoy fishing, hiking and river rafting.



UPCOMING ISSUES:

- November— Convenience Stores & Service Stations
- December—Office (Over 20,000 SF)
- January —Apartments (Over 100 Units)

Name	City	Year Built	RSF	Sale Date	\$/RSF	Cap Rate
Tuffy Auto Center	Orlando	2005	4,523	Listing	281.62	6.50%
Walgreens	Dunedin	2005	14,820	Sep-05	330.90	6.25%
Tuffy Auto Center	Sarasota	2003	4,240	Sep-05	243.22	8.00%
Tuffy Auto Center	Wesley Chapel	2002	3,180	Sep-05	597.48	7.50%
Tuffy Auto Center	Orlando	1998	4,849	Sep-05	193.27	7.50%
CVS	Orlando	2004	13,813	Jun-05	375.00	
CVS	Bradenton	2000	14,768	Jun-05	346.52	6.83%
Golden Coral	Lakeland	1996	8,961	Jun-05	289.92	7.25%
Best Buy	Sanford	2005	30,767	Jun-05	307.15	6.99%
Walgreens	Orlando	1998	13,790	Jun-05	240.39	6.25%
Fast Food Restaurant	Tarpon Springs	1989	1,826	May-05	260.13	
CVS	Lakeland	1999	10,908	May-05	366.98	7.00%
Hops Restaurant	Port Richey	1995	5,230	May-05	286.81	
Hops Restaurant	Tampa	1954	6,362	May-05	290.79	
Hops Restaurant	Tampa	1998	5,969	May-05	318.31	
Hops Restaurant	Brandon	1995	3,648	May-05	534.54	
Hops Restaurant	Winter Park	1999	6,877	Apr-05	334.44	
CVS	Tampa	2003	13,813	Apr-05	364.44	
Burger King	Tampa	1986	3,510	Apr-05	249.29	
Hollywood Video	Tampa	1998	7,802	Apr-05	230.45	
Nelson's	Orlando	2001	6,800	Apr-05	205.88	
Orange Avenue	Orlando	1969	6,572	Apr-05	123.25	
Pizza Hut	Orlando	1988	2,442	Apr-05	255.94	
Bombay Bistro	Longwood	1985	2,443	Apr-05	235.37	
Walgreens	Dade City	1998	12,503	Mar-05	314.74	
Scotty's	Largo	1988	40,820	Mar-05	34.30	
Clancy's Steakhouse	Clearwater	1970	10,000	Mar-05	120.00	
Pioneer Title	New Port Richey	1956	3,562	Mar-05	294.78	
City Café	St. Petersburg	1970	2,560	Mar-05	312.50	
Aquatic Pools	St. Petersburg	1972	2,604	Mar-05	240.02	
Donovan's	Hudson	1983	4,003	Mar-05	131.15	
Leverock's	Bradenton	1990	17,769	Mar-05	225.11	
Sugar & Spice	Sarasota	1991	6,962	Mar-05	330.36	
Bistro at Island's End	Holmes Beach	1965	5,458	Mar-05	320.63	
Restaurant	Sarasota	1999	8,712	Mar-05	172.18	
Café of the Arts	Sarasota	1951	5,962	Mar-05	259.98	
Starbucks	Lakeland	1981	1,744	Mar-05	630.73	
KFC	Orlando	2003	3,285	Mar-05	236.19	
Pesos Mexican	Lakeland	1978	2,752	Mar-05	236.19	
Blockbuster	Lake Wales	2000	6,231	Mar-05	232.71	
Radio Active	Orlando	1969	7,300	Mar-05	85.62	
Walgreens	Tampa	1992	8,740	Feb-05	294.05	
Sweet Tomatoes	Tampa	1968	8,881	Feb-05	317.53	
Harley Davidson	Orlando	2002	33,578	Feb-05	135.80	
Rio Bravo	Brandon	1998	6,126	Feb-05	310.28	
Arby's	Bradenton	2003	3,398	Feb-05	456.15	
Metamorphosis	Sarasota	1925	1,774	Feb-05	310.03	
Bubba's Too	Bradenton	1953	3,504	Jan-05	145.55	
KFC	Casselberry	1969	1,578	Jan-05	253.49	
Lakeview Lounge	Orlando	1960	6,176	Jan-05	97.15	
La Palma	Lakeland	1985	4,548	Jan-05	175.90	
Movie Gallery	Palmetto	1950	5,688	Jan-05	162.62	8.50%
KFC	Orlando	2001	2,376	Jan-05	659.30	
Roadhouse Grill	Longwood	1996	10,596	Jan-05	220.84	8.00%
Rooms To Go	Altamonte Springs	1992	14,920	Jan-05	167.56	
Gold's Gym	Bradenton	1999	18,580	Jan-05	170.29	
CVS	Bradenton	2004	12,150	Jan-05	421.19	6.54%
MP Tennis	Tampa	1975	2,476	Jan-05	323.10	
Main Street	Pinellas Park	2004	3,800	Jan-05	331.58	6.82%
Kissin' Cuzzins	St. Petersburg	1976	5,836	Jan-05	287.87	
Eckerd	Largo	2003	13,824	Jan-05	397.49	8.75%
Coast of Florida Bank	Indain Shores	1977	2,849	Jan-05	263.25	
Minimum		1925	1,578		34.30	6.25%
Maximum		2005	40,820		659.30	8.75%
Median		1995	6,126		281.62	7.00%
Average		1987	8,250		297.68	7.24%

The above information has been obtained from sources believed reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee or representation about it. It is your responsibility to independently confirm its accuracy and completeness before relying on this information.

Source: Marcus & Millichap, Retail Research Report, The Boulder Group, Net Lease Market Report ; PriceWaterhouseCoopers, Korpacz Real Estate Investor Survey; Costar; Mike Nelson, Beshears & Associates 813-254-2885 x 201.