
Section 6

Residential and Commercial Development

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6.1 Residential Development

Residential building permits issued in Leon County declined sharply again in 2008. The number of detached single-family home permits fell 44%, attached single-family (townhomes) permits fell 65% and multi-family permits were off 74% in comparison with 2007 levels. The year 2008 saw the fewest permits issued for new construction of single-family units (detached and attached) in a year in Leon County since 1975. In the 20 year period 1986-2005, on average there were 1,322 permits issued for single-family detached homes. For the most recent three year period (2006-2008) the average dipped to 702 per year.

Figure 6-1
Residential Building Permits Issued By Type in Leon County
(1985-2008)

Year	Detached Single- Family	Attached Single- Family	Multi-Family	Constructed Units Permitted	Mobile Homes*	Total Housing Units Permitted
1985	992	97	54	1,143	540	1,683
1986	1,271	286	280	1,837	661	2,498
1987	1,366	375	860	2,601	611	3,212
1988	1,439	363	781	2,583	540	3,123
1989	1,743	410	1,261	3,414	658	4,072
1990	1,346	393	1,136	2,875	542	3,417
1991	1,215	152	298	1,665	480	2,145
1992	1,359	284	441	2,084	480	2,564
1993	1,373	269	381	2,023	530	2,553
1994	1,437	188	476	2,101	556	2,657
1995	1,261	302	1,268	2,831	716	3,547
1996	1,256	257	441	1,954	584	2,538
1997	1,109	259	837	2,205	649	2,854
1998	1,012	166	534	1,712	606	2,318
1999	1,245	162	654	2,061	443	2,504
2000	1,154	123	782	2,059	430	2,489
2001	1,127	258	962	2,347	349	2,696
2002	1,436	97	1,375	2,908	259	3,167
2003	1,456	254	1,197	2,907	306	3,213
2004	1,276	184	1,492	2,952	239	3,191
2005	1,552	392	1,411	3,355	152	3,507
2006	926	354	659	1,939	132	2,071
2007	756	357	1,041	2,154	175	2,329
2008	425	124	267	816	113	929

*Mobile home figures do not include permits issued within mobile home parks

Sources: Permit Enforcement Tracking System, Leon County Department of Growth and Environmental Management, City of Tallahassee Growth Management Department

6.2 Housing Unit Inventory/Vacancy Rates

There are an estimated 122,761 residential housing units in Leon County as of 2008, approximately 68% located within the Tallahassee City Limits and 32% in unincorporated Leon County.

Figure 6-2
Housing Unit Inventory (1970-2035)

Year	City of Tallahassee	Unincorporated Leon County	Leon County
1970	23,236	9,337	32,573
1980	33,677	25,543	59,220
1990	55,221	26,104	81,325
2000	68,417	35,557	103,974
2008	83,288	39,473	122,761
2015	87,619	40,840	128,459
2020	92,395	42,385	134,780
2025	96,985	43,850	140,835
2030	101,246	45,192	146,438
2035	105,180	46,453	151,633

Sources: U.S. Department of Commerce, Bureau of the Census (1970-2000), Tallahassee-Leon County Planning Department Estimates and Projections (2008-2035)

Figure 6-3
Residential Vacancy Rates (1970-2000)

Year	City of Tallahassee	Unincorporated Leon County	Leon County
1970	5.0%	4.2%	4.7%
1980	8.5%	8.9%	8.6%
1990	8.7%	6.6%	8.0%
2000	7.6%	6.3%	7.2%

Note: Vacancy rates are as of April 1st of each year for all housing types
Source: U.S. Department of Commerce, Bureau of the Census

6.3 Commercial Development

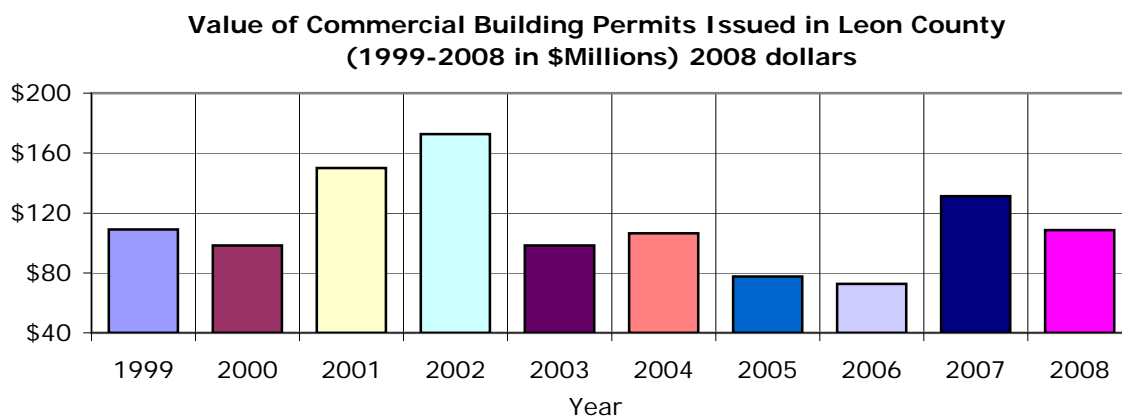
The value of commercial permits issued in 2008 were down 14% when compared to 2007 levels. Two of the three largest commercial permits for new construction (by valuation of the permit) issued in 2008 were for office buildings: Cornerview Office Building at Summit East (\$10 million, 86,000 sf and Capital City Bank's Trust Building, \$7.6 million, 38,552 sf). The second largest commercial permit was issued for the 162-room Floridan Hotel downtown. Retail accounted for approximately 25% of the value of new construction permits in 2008, led by a \$7.2 million, 101,760 sf Wal Mart on North Monroe and a \$4.5 million, 69,013 sf Sportsman's Warehouse at Fallschase NOTE: There were three office buildings permitted within the State of Florida's Capital Circle Office Complex totaling \$81.1 million and 466,569 sf. These figures are not included in this compilation of commercial permits but rather contained within the value of new public buildings.

Figure 6-4
Commercial Building Permits Issued in Leon County (1999-2008)

Year	Number of Permits	Value of Permits (\$Millions)	Permit Value in 2008 Dollars (\$Millions)
1999	144	\$84.3	\$108.9
2000	119	\$78.7	\$98.4
2001	140	\$123.5	\$150.1
2002	129	\$144.3	\$172.7
2003	104	\$84.1	\$98.4
2004	106	\$93.4	\$106.5
2005	98	\$70.5	\$77.7
2006	109	\$68.0	\$72.6
2007	83	\$126.4	\$131.3
2008	88	\$108.5	\$108.5

Sources: Permit Enforcement Tracking System, Leon County Department of Growth and Environmental Management, City of Tallahassee Growth Management Department

Figure 6-5
Value of Commercial Building Permits Issued (1999-2008)



Sources: Permit Enforcement Tracking System, Leon County Department of Growth and Environmental Management, City of Tallahassee Growth Management Department

6.4 Urban Service Area Development

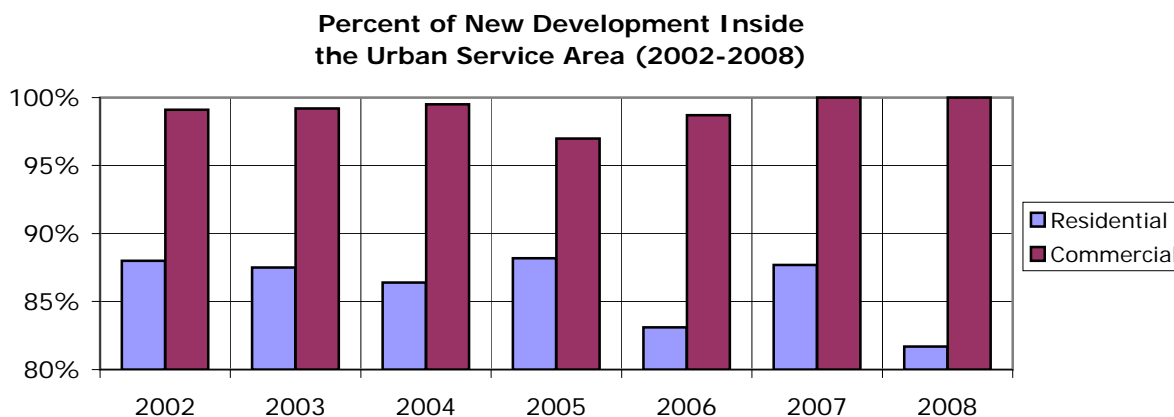
The principal growth management strategy of the Tallahassee-Leon County Comprehensive Plan is the Urban Service Area (USA) concept. At approximately 161 square miles, the USA is the compact area in which urban infrastructure is presently available or anticipated to be furnished within the planning horizon, which is the year 2020. The USA includes the City of Tallahassee, its urban environs, and the surrounding area. The percentage of new residential development permitted within the USA in 2008 was 81.7%.

Figure 6-6
Percent of New Development Inside the Urban Service Area*

Year	Residential	Commercial
2002	88.0%	99.1%
2003	87.5%	99.2%
2004	86.4%	99.5%
2005	88.2%	97.0%
2006	83.1%	98.7%
2007	87.7%	100.0%
2008	81.7%	100.0%

*Note: Residential Development measured in units constructed, commercial development, sq. ft. constructed
 Mobile home units permitted within mobile home parks are not included in residential unit totals
 Sources: Permit Enforcement Tracking System, Leon County Department of Growth and Environmental Management, City of Tallahassee Growth Management Department*

Figure 6-7
New Development Inside the Urban Service Area (2002-2008)



Sources: Permit Enforcement Tracking System, Leon County Department of Growth and Environmental Management, City of Tallahassee Growth Management Department

6.5 Office Market Summary

The total Tallahassee/Leon County office market consists of approximately 6.6 million square feet of privately owned office space. In addition, the State of Florida owns and occupies approximately 4.5 million square feet. The overall office vacancy rate in Leon County decreased in 2009 to 8.8% (from 9.7% in 2008).

Figure 6-8
Office Market Survey (First Quarter 2009)

Market	Number of Properties	Square Feet Surveyed	Square Feet Vacant	Percent Vacant	Asking Rents*
Downtown	17	957,205	63,316	6.6%	\$18.00-\$34.00**
Northeast	64	1,772,167	231,335	13.1%	\$18.00-\$25.00
Northwest/West	18	1,291,274	45,237	3.5%	\$15.00-\$19.50
Southeast	28	2,645,315	246,109	9.3%	\$14.00-\$18.50
Total	127	6,665,961	585,997	8.8%	\$14.00-\$34.00

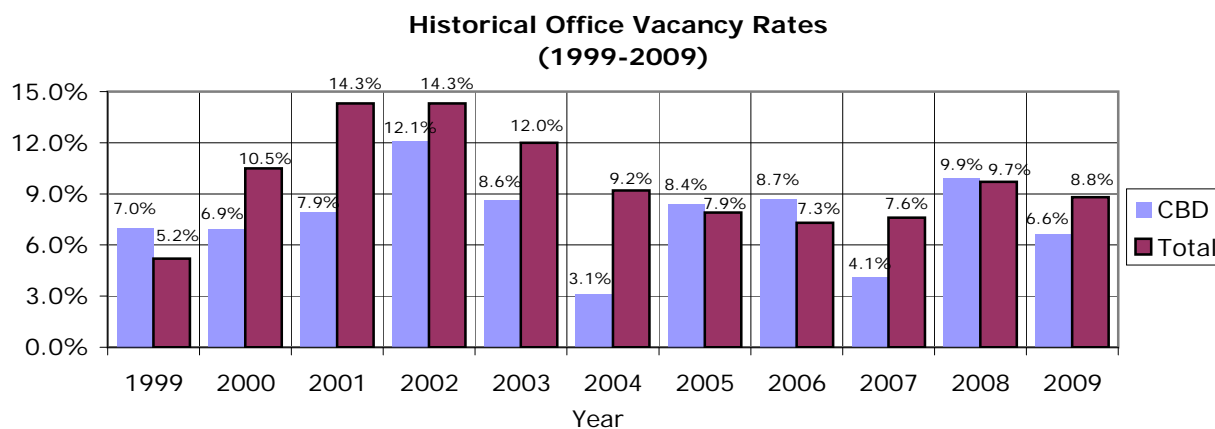
*All rents adjusted to full service (operating expenses include utilities and janitorial)

**Downtown CBD (Central Business District)

Note: Survey consists of buildings 10,000 sq. ft. and larger.

Source: Chip Hartung, Coldwell Banker Hartung and Noblin, Inc.

Figure 6-9
Historical Office Vacancy Rates (1999-2009)



Source: Chip Hartung, Coldwell Banker Hartung and Noblin, Inc.

6.6 Apartment Market Summary

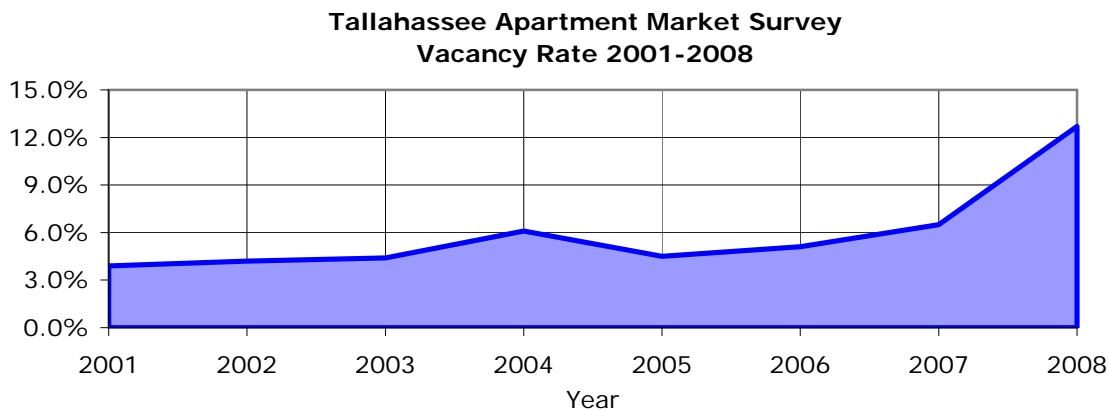
The apartment vacancy rate in Tallahassee jumped from 6.5% in September 2007 to 12.7% in September 2008. The average monthly rent has now reached \$900 with the average one bedroom renting for just under \$650 per month and the average four bedroom renting for slightly more than \$1,650 per month. More units were delivered in 2008 than in any year in nearly a decade, increasing the overall market supply by 6%.

Figure 6-10
Apartment Market Survey (2001-2008)

	Sept. 2001	Sept. 2002	Sept. 2003	Sept. 2004	Sept. 2005	Sept. 2006	Sept. 2007	Sept. 2008
Total Units Surveyed	15,775	16,433	17,401	18,206	18,000	18,560	17,722	18,348
Vacant Units	608	695	764	1,102	817	943	1,149	2,328
Vacancy Rate	3.9%	4.2%	4.4%	6.1%	4.5%	5.1%	6.5%	12.7%
Average Sq. Ft. Range	850- 900	900- 950	950- 1,000	950- 1,000	1,000- 1,050	950- 1,000	950- 1,000	1,000- 1,050
Average Rent per Month Range	\$600- \$650	\$700- \$750	\$750- \$800	\$750- \$800	\$800- \$850	\$850- \$900	\$850- \$900	\$900- \$950

Note: Survey includes communities with 40 or more units, public and Section 8 housing is excluded. Thirteen communities that fit the above criteria, approx. 1,000 units that did not participate in the survey.
Source: Real Data, 2008 Tallahassee Apartment Index, www.apindex.com, October 2008

Figure 6-11
Apartment Market Vacancy Rate (2001-2008)



Source: Real Data, 2007 Tallahassee Apartment Index, www.apindex.com, October 2008

6.7 Industrial Market Summary

The overall industrial vacancy rate in Leon County was 10.9% in 2008, up from 7.8% in 2006 according to a Coldwell Banker Hartung and Noblin, Inc. survey of major industrial areas within Leon County conducted in June 2008. Approximately 60% of the total industrial space and 75% of the total vacant space located within major industrial areas is located in the Northwest.

Figure 6-12
Industrial Market Survey (June 2008)

Market	Park/Area	Number of Buildings	Total Square Feet	Total Square Feet Available	Vacancy Rate
Northwest	Tallahassee Industrial Park	74	1,237,950	98,150	7.9%
	Commonwealth Center	12	658,530	59,400	9.0%
	Lakewood Business Park	50	557,530	112,600	20.2%
	Northwest Passage	13	155,075	15,500	10.0%
	Huntley Park	4	70,000	49,500	70.7%
	The Heritage	4	62,000	31,200	50.3%
	Capital Oaks Commerce	5	46,880	0	0.0%
	Oak Valley Warehouse	4	35,451	26,800	75.6%
	Northwest Commons	2	33,000	14,500	43.9%
	Tower Corners	3	26,800	12,900	48.1%
	Bainbridge Oaks	3	21,000	4,000	19.0%
NORTHWEST TOTAL		174	2,904,216	424,550	14.6%
Southwest	Yulee Industrial Park	28	788,940	0	0.0%
	Hamilton Park	11	278,550	37,500	13.5%
	Airport Industrial Park	17	144,300	5,000	3.5%
	Southwest Industrial Park	4	120,000	0	0.0%
	SOUTHWEST TOTAL	60	1,331,790	42,500	3.2%
East	Industrial Plaza	26	405,400	15,000	3.7%
	Weems Industrial	9	101,060	0	0.0%
	EAST TOTAL	35	506,460	15,000	3.0%
South	Four Points	11	173,100	47,100	27.2%
	Palmer Industrial	8	88,000	17,900	20.3%
	SOUTH TOTAL	19	261,100	65,000	24.9%
TOTAL LEON COUNTY		288	5,003,566	547,050	10.9%

Note: Survey is focused on major industrial areas of Leon County and does not include all warehouse product.

Source: Coldwell Banker Hartung and Noblin, Inc.

6.8 Median Residential Sale Prices

The median sales price of a detached single-family home in Leon County increased 1.9% per quarter on average between first quarter 2003 and fourth quarter 2007. Over the past year, (fourth quarter 2007 to fourth quarter 2008) the median sales price decreased on average 6.0% per quarter.

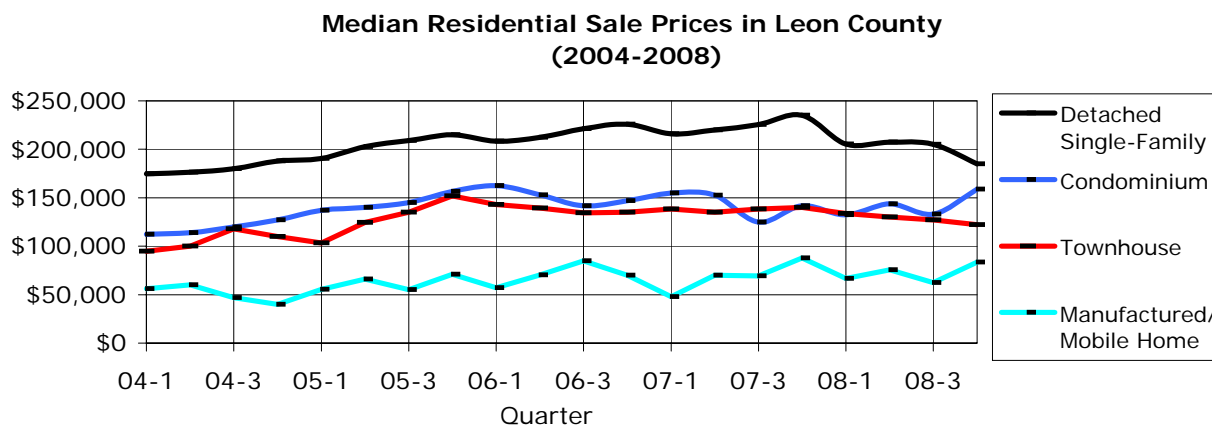
Figure 6-13
Median Residential Sale Prices in Leon County (2004-2008)

Quarter	Detached Single-Family	Condominium	Townhouse	Manufactured/Mobile Home
2004-1	\$174,661	\$112,400	\$94,800	\$56,000
2004-2	\$176,200	\$114,100	\$100,000	\$60,000
2004-3	\$179,900	\$120,000	\$118,000	\$46,950
2004-4	\$187,790	\$126,995	\$110,000	\$40,075
2005-1	\$190,450	\$136,945	\$103,450	\$55,500
2005-2	\$202,900	\$140,000	\$124,650	\$66,000
2005-3	\$209,000	\$144,900	\$135,000	\$55,000
2005-4	\$215,000	\$156,450	\$152,000	\$71,000
2006-1	\$208,500	\$162,500	\$142,900	\$57,000
2006-2	\$212,500	\$153,000	\$139,450	\$70,500
2006-3	\$221,230	\$141,750	\$134,500	\$85,000
2006-4	\$225,837	\$146,900	\$135,000	\$70,000
2007-1	\$216,000	\$155,000	\$138,500	\$47,800
2007-2	\$219,900	\$152,500	\$135,000	\$69,900
2007-3	\$225,450	\$124,900	\$138,250	\$69,450
2007-4	\$235,000	\$141,750	\$140,000	\$87,750
2008-1	\$205,500	\$132,500	\$133,650	\$66,700
2008-2	\$207,250	\$143,500	\$130,000	\$75,500
2008-3	\$205,000	\$133,000	\$127,000	\$62,400
2008-4	\$185,000	\$158,900	\$122,200	\$83,500

Note: MLS Closed Sales includes only homes sold in Leon County by a Realtor in MLS

Source: Tallahassee Board of Realtors, Market Trends & Research

Figure 6-14
Median Residential Sale Prices in Leon County (2004-2008)



Note: MLS Closed Sales includes only homes sold in Leon County by a Realtor in MLS

Source: Tallahassee Board of Realtors, Market Trends & Research