

Sarasota, Florida

Real Estate Overview 2023

Sarasota, Florida is a small city on Florida's gulf coast and not far from Tampa Bay.

The Circus City offers residents beautiful beaches, perfect weather (most of the year), and plenty to do. These, plus Florida's lack of income tax, make it one of America's top retirement destinations.

Yet it's got plenty more that attracts professionals, businesses, and more.

That's just a brief summary of the Sarasota real estate market's perks. Read our full report below to learn why Sarasota is a great city to grow your portfolio.



About Sarasota, Florida

In 1513, Spanish explorers landed in Tampa Bay — the same year Juan Ponce de León landed on Florida's east coast. Decades later, conquistador Hernando de Soto landed in Tampa Bay and explored the surrounding area, including what is now Sarasota.

Sarasota became a favorite seasonal spot for Cuban and American fishers. In 1821, after the US declared independence and fought the War of 1812, Florida became a US Territory and white settlers poured into the area. They called it Sara Sota because old Spanish maps had labeled the area Zara Zote. There are many theories about why it was called that, but historians don't have a consensus.

Florida seceded and joined the Confederacy in the American Civil War, but Sarasota played a small part as scholars deduced that the city was not entirely in favor of secession. It contributed a little over 100 men to the confederate cause.

Half a century later, Sarasota was finally incorporated in 1902 with 53 residents.

Railroads helped the city grow over the coming years, absorbing other small towns in the area. But the city didn't boom until after World War I when new people flooded the area seeking jobs and investment. It was one of the first cities hit by the Great Depression but began recovering in 1935. After World War II, Sarasota experienced *another* wave of growth that lasted through the rest of the century.

Today, Sarasota is known as one of America's top cities for retirees (you'll learn why later in this report). Another Sarasota claim to fame is the circus, thanks to the Ringling family settling on Sarasota as their winter headquarters for the Ringling Bros. and Barnum & Bailey Circus.

Also notable: In 2001, President George W. Bush was reading a book to schoolchildren at Emma E. Booker Elementary School in Sarasota when then-White House Chief of Staff Andrew Card informed him of the 9/11 terrorist attacks. You may have seen the famous photo of Bush receiving the news.

CITY STATISTICS

Population

53,786 (city proper)
859,760 (metro area)

Median Income

\$48,380 /capita
\$62,615 /household

Median Age

49 years

Area

14.7 sq. mi. (city proper)
1,298.8 sq. mi. (metro area)

Unemployment rate

2.7%
(October 2022)

GDP

\$44,746
(2021)

Major Industries

Tourism, Finance, Professional Services, Life Sciences, Cleantech, IT

Major Employers

Helios Technologies, PGT Innovations, Publix, Sarasota County Schools, Sarasota Memorial Health Care System, Tropicana Products

SARASOTA REAL ESTATE MARKET STATISTICS

27

Neighborhoods

2,284

Homes for sale
as of December 2022

\$535K

Median List
Price

\$464K

Median Sold
Price

\$314

Median Price per
Square Foot

~86.7%

Sale-to-List
Price Ratio

72

Median Days
on Market

\$2,249

Average Rent

19.2%

1-Year
Appreciation Rate

19.82% (List Price)

17.19% (Sale Price)
Price-To-Rent Ratio

7.5%

Rental Vacancy
Rate

1.8%

Homeowner Vacancy
Rate

Sarasota's most expensive neighborhoods are, as you'd expected, closest to the water and downtown Sarasota's amenities. For example, **Laurel Park** is just west of downtown and steps from the water, with a median home price of over [\\$1 million](#). Further northwest is the **Indian Beach Sapphire Shores/New College of Florida** neighborhood. It's right along the beach and has a [\\$942,090 median home price](#).

The more affordable Sarasota neighborhoods are further from the city center to the north and east. For example, one of the cheapest is **De Soto Acres**, several minutes north of downtown. It has a median home price of [\\$278,105](#). Another example to the southeast is **Grove Pointe**, with a median real estate price of [\\$308,607](#).

Sarasota has about [31,040 housing units](#). Here's a breakdown of the types available:

- 49% are single-unit structures, 47% are multi-unit structures, and 3% are mobile homes
- 77% are occupied, and 23% are vacant
- 43% are renter-occupied, and 57% are owner-occupied

Sarasota home values were trending gradually upwards until 2020, when rate cuts and massive migration to Florida sent them skyrocketing. They've declined slightly but remain far higher than almost any other time in history.

Here's how typical Sarasota-area home values have [increased over the years](#) (in terms of sale prices):

Year	Typical Home Value
December 2018	\$275,612
December 2019	\$279,812
December 2020	\$302,319
December 2021	\$409,537
December 2022	\$464,000

LOOKING FOR AN INVESTOR-FRIENDLY AGENT?

From accessing off-market deals, to building a team, to determining the right rental rates, buying properties in a new market can prove tough for any investor. That's why we launched Ernest Brokerage.

You no longer need in-depth expertise to invest in [some of the best real estate markets](#) in the United States. Working with Ernest's in-house brokerage team of investor-friendly real estate agents is the most efficient way to build a local team and grow your rental portfolio.

It's simple. Visit our website, pick your market, fill out the form, and a member of our team will get back to you within 24 hours

Get started here
TODAY!



AT-A-GLANCE PROS AND CONS TO INVESTING IN SARASOTA

When looking at any new real estate market, it's important to consider all aspects of Issues like the cost of living, quality of life, the economy, and local schools (among other factors) all play a part in your success within a market.

Below are a few benefits and drawbacks of investing in Sarasota real estate. The importance of each to you depends on your risk tolerance and investment strategy. Don't have an investment strategy yet? No worries - just [get in touch with our team](#) to put together a solid plan today.

Pros of Sarasota, Florida

- Strong Economy
- Low Unemployment
- Beautiful Climate and Location
- Plenty of Attractions
- Excellent for Retirees

Cons of Sarasota, Florida

- [High Cost of Living](#)
- Extremely Hot and Humid Summers
- Vulnerable to Hurricanes and Tropical Storms

FIVE REASONS TO INVEST IN SARASOTA REAL ESTATE

Leaning towards investing in the “Circus City?” Here are five compelling reasons to consider buying a Sarasota rental property:

1. Strong Economy and Tax-Friendliness
2. Climate, Location, and Tourism
3. A Buyer-Leaning Real Estate Market
4. Highly-Ranked Public Schools
5. Equitable Tenant-Landlord Laws





1.

STRONG ECONOMY AND TAX-FRIENDLINESS

Sarasota had a [2.7%](#) unemployment rate in October 2022. That's a full 1% below the national average of [3.7%](#). The Sarasota Herald-Tribune found that Sarasota-Bradenton's economic recovery from the pandemic was the [strongest of any mid-sized US metro area](#).

Some of this was because the state's economy largely remained open for much of the pandemic. Businesses could continue operating for the most part, and some relocated to the area.

But there's more to it than that. Florida has long been financially friendly to individuals and businesses alike. As a result, it has built the momentum necessary to attract businesses and help residents open their own. That trickles down to Sarasota.

Individual Taxes

Florida has no state income tax, bolstering Sarasota's status as a top retirement destination. Retirees can spend more of their hard-earned wealth in the local economy, creating jobs and fostering growth.

The Tax Foundation also [ranked Florida highly](#) for unemployment insurance taxes (3rd) and property taxes (12th). Even sales taxes came in at 21st, meaning Florida's more sales-tax-friendly than more than half of the country. Sarasota's [sales tax rate is 7%](#), just above Florida's 6%.

Finally, Florida has no inheritance, gift, or intangible personal property taxes. This offers yet another draw to retirees.

Corporate Taxes

Florida levies a flat corporate income/franchise tax of 5.50%. Given Florida's size, that's not too bad. There are no state payroll taxes, either. The Tax Foundation ranked Florida the [10th most business-tax-friendly state](#) in 2022.

In recent years, Florida temporarily [slashed corporate tax rates](#) in 2019-2021 when net income tax revenues exceeded projects.

That means if the economy keeps growing and Florida's tax base and revenues expand, businesses may experience such tax breaks in the future.

Remote Work

The tax-friendliness discussed earlier makes Florida a big beneficiary of remote work trends. Employees who work fully online can move to Sarasota to enjoy low taxes and great weather without losing their jobs.

If their employer is in a high cost-of-living area, they could earn a higher salary than they might otherwise earn in Sarasota. As a result, Sarasota can attract high-earning professionals who put their larger salaries into the local economy.

This works the other way, too. Businesses can relocate to Florida to hire out of Florida's growing population *and* hire remotely while enjoying Florida's business-friendliness. This is especially beneficial for startups who may hire remotely and need as low of startup costs as possible.

Overall, Sarasota's reaping plenty of rewards from remote work.

2.

CLIMATE, LOCATION, AND TOURISM



Sarasota sits on Florida's Gulf Coast, about an hour south of Tampa and St. Petersburg. The south end of Tampa Bay is about halfway there.

As a result, Sarasota offers excellent weather and plenty to do.

Climate and Weather

Thanks to this location, Sarasota has amazing weather most of the year. Humidity sits at [72%-76% year-round](#), making the summer months brutal. But Sarasota remains a favorite tourist destination year-round. It's especially popular in the winter when temperatures moderate. Temperatures rarely go below the mid-50s °F in January, the coldest month.

As a result, many wealthier individuals — so-called "snowbirds" — purchase a second property in Sarasota or rent a place to move to during the winters.

Beaches

And of course, the beaches play a big role here. Sarasota is mere minutes from miles of gorgeous white-sand beaches, such as Lido Beach and Siesta Key Beach.

Snowbirds, retirees, and vacationers alike love it here.

Art and Entertainment

There's more than beaches, though. When they aren't on the sand, tourists can check out places like:

- Big Cat Habitat and Gulf Coast Sanctuary
- Marie Selby Botanical Garden
- Mote Marine Laboratory and Aquarium
- St. Armands Circle (lots of shopping here)
- The John and Mable Ringling Museum of Art

And they can go sightseeing by taking a Siesta Key electric bike tour, a Sarasota Trolley Tour, or one of the area's many kayak tours.

Sarasota is the official winter headquarters for Ringling Bros. and Barnum & Bailey Circus, earning it the "Circus City" nickname. Just one more attraction for snowbirds to enjoy.

Residents can drive an hour north to either Tampa or St. Petersburg, where there's plenty more to experience.

There's far more to do in Sarasota and the surrounding area — too much to cover here.

The point is that there's an endless number of activities for tourists. Combine that with the perfect weather and beautiful beaches... and you have an excellent real estate market.

One Caveat: Hurricanes and Tropical Storms

Sarasota's location and climate make it vulnerable to hurricanes and tropical storms. The city narrowly avoided a direct hit from 2022's Hurricane Ian but still saw some damage. The southern portion of the country fared far worse.



3.

A BUYER-LEANING REAL ESTATE MARKET

In February 2022, the median time on market for Sarasota homes [was only 39 days](#). It has now almost doubled to 72 days. Median listing and sale prices are still up yearly but turned around and are now declining.

This data points to a clear cooling and shift towards buyers in the Sarasota market. In fact, Redfin gave it a [55 out of 100](#), placing it in the "Somewhat Competitive" category. Meanwhile, Realtor.com says the Sarasota market is "Balanced" but leaning towards buyers.

However, thanks to population growth discussed later, this market could shift back towards sellers soon.

That means you may have more leverage if you're looking to break into the Sarasota market right now and could reap the rewards over the next few years.



4.

HIGHLY-RANKED PUBLIC SCHOOLS

US News ranked Florida [#16 out of the 50 states](#) in terms of public schools in 2021. That's a fairly strong ranking on its own.

However, Sarasota County Schools in particular scored [#2 out of Florida's 67 school districts](#). It also landed at:

- #16 in terms of the best teachers
- #21 in terms of diversity

Zooming in, some of the top schools in Sarasota include Pine View School, Ashton Elementary School, Southside Elementary School, and Suncoast Polytechnical High School.

Sarasota clearly isn't just for retirees. It's also an excellent place for families seeking educational opportunities for their kids.



5.

EQUITABLE TENANT-LANDLORD LAWS

Restrictive landlord-tenant laws in either direction can harm real estate investment opportunities. If they favor the tenant too heavily, you'll have more difficulty investing and earning a profit.

However, if the laws favor *you* too much, tenants won't want to live in your market. Demand falls, and you may have to lower rents to accommodate.

Fortunately, Florida is one of the most landlord-friendly states in the US, thanks to a relative lack of detail in Florida landlord-tenant laws. These laws manage to balance the needs of both parties fairly well.

One of the most prominent examples is Florida's [ban on rent control](#) (barring extreme circumstances). That means you can charge a fair market rent in Sarasota

without worrying about rent control regulations hampering your income.

It is also easy to evict a tenant if need be in Florida. For example, if a tenant doesn't pay rent, all you must do is [provide written notice](#) of three days late on rent and give the tenant the option to pay the rent or leave.

Tenants have several legal protections, too. For instance, if you don't have a written lease, a tenant can [move out without reason](#) as long as they provide written notice.

Another example is the fact that landlords cannot bother their tenants by entering the property without warning. Exceptions exist if you need to conduct inspections or make repairs, but you must give reasonable notice of entry.

SARASOTA REAL ESTATE PREDICTIONS

No one, not even the Ernest team, can see the future. But based on our analysis of data and trends in Sarasota, we can make a few educated guesses about the future.

Here are three predictions we have for the Sarasota real estate market:

Sarasota's population will continue to grow.

Florida was one of the [fastest-growing states from 2010-2020](#). That trend continued over 2021-2022 as many moved from states like New York.

Remember that Florida is one of the most popular states for retirees — many surveys and studies find it the *top state* to spend your golden years. That's thanks to the weather, economy, and tax-friendliness.

Sarasota in particular is a popular retirement city in Florida, too. As the US population [continues to age](#), it's not out of the question to see long-term population growth in Sarasota.

Even if Sarasota proper becomes too expensive, people will simply relocate to surrounding cities and towns. This could be especially true of younger Sarasotans.

Businesses will flock to Sarasota.

Florida's economy held on fairly well through the pandemic since the state remained mostly open. The business-friend-

liness and decent tax environment only add to the attractiveness. Many of these benefits trickle down to popular cities like Sarasota.

Plus, Sarasota is a haven for wealthy retirees, evidenced by the income stats discussed earlier. Quite attractive to businesses.

As discussed, remote workers might relocate to Florida, including Sarasota, regardless of their employers' locations, for lifestyle and tax purposes. That spells even more opportunities for businesses.

The housing market will correct.

This applies to the entire country, but Sarasota stands out in this regard. The median days on the market has almost doubled from [39 days in March 2022 to 72 in November 2022](#). That's the highest since November 2020.

Sale prices are clearly trending downward, despite listing prices holding steady. That indicates buyers have more room to negotiate. Continued inflation, Federal Reserve rate hikes, and inflation fears will likely keep these trends going.

All this is to say that if you're looking to break into the Sarasota market, your time may have arrived. Or if you hold out a little longer, you might be able to score a better deal depending on the market's direction.

INVEST WITH EVERNEST

The lack of income tax, beaches, shopping, and entertainment make Florida popular among retirees and non-retirees alike. Businesses love the city too, thanks to Florida's business-friendly environment, economy, and the aforementioned affluent retirees. As Florida continues to welcome migrants from other states and Sarasota remains a buyer's market, now could be the time to invest.

But breaking into a new market is no easy decision. And even if you move forward with any market, there's a lot to do.

Building a trusted team helps you settle on a market, find the best deals, and close as quickly and painlessly as possible. The right team knows your market in and out

— having a firm grasp on market trends, the economy, neighborhoods, consumer attitudes, purchase and sale timing, interest rates, and more.

Evernest offers you all that with little to no work on your part. You get an "on-the-ground" team of market experts who know how to pick great properties and can help you avoid expensive mistakes. We work with you to nail down your goals and preferences, then look for the best deals and help you through every step of the closing process.

Plus, Evernest can offer you white-glove property management and in-house maintenance once you own the property. We do the hard stuff — you collect your rental income.

Ready to invest with our team?

[Let's talk.](#)

Are you an investor not just limited to Sarasota or Florida? You can invest in [some of the best real estate markets](#) in the United States by working with Evernest's in-house Brokerage team of investor-friendly Real Estate Agents. All you have to do is fill out this form and one of our agents will reach out within 24 hours.

*Make the best investments in the most attractive markets
with Evernest.....in good times and bad.*

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