

**BREVARD COUNTY  
COMMERCIAL REAL ESTATE  
MARKET OVERVIEW**

1st Quarter  
January-March 2017  
Apartments

PREPARED BY

TUTTLE-ARMFIELD-WAGNER APPRAISALS & RESEARCH



**TUTTLE ARMFIELD WAGNER**  
APPRAISAL & RESEARCH, INC.

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Dear Client,

This is our firm's 1st Quarter 2017 overview of the Brevard County Commercial Real estate market, specifically addressing occupancy levels of the Apartment sector. We hope it is an informative tool to assist you in staying apprised of current market trends. In the past, our report has covered several different property types. Over the next year we plan to release 1 new property type each quarter. For 2017, it is our goal that each successive quarterly release will add office, then industrial, and then retail.

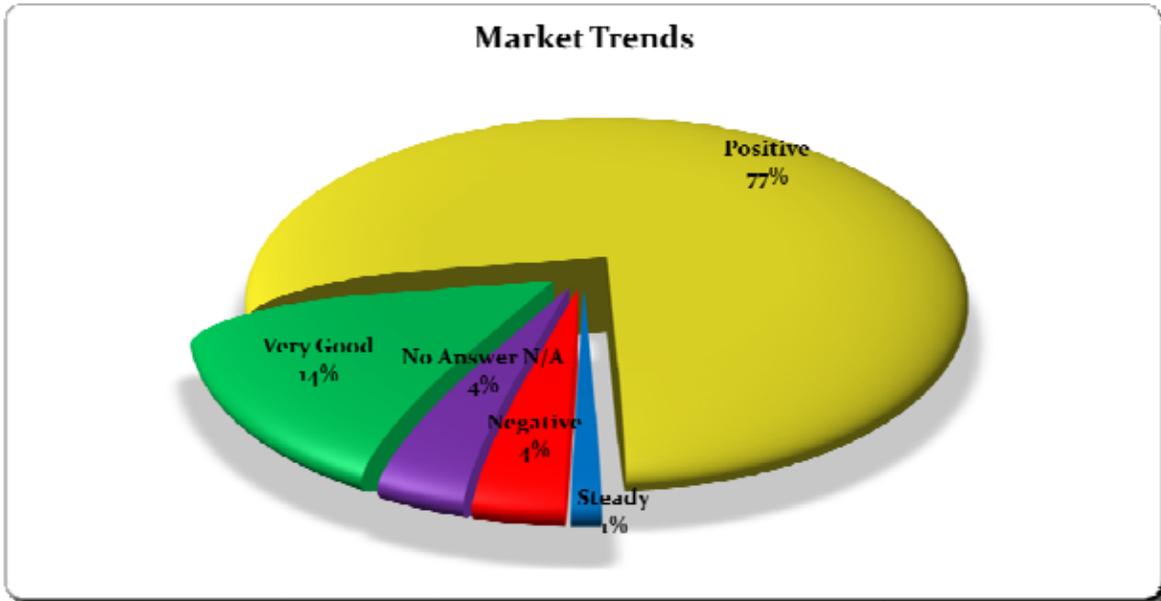
Regarding the health of the overall Brevard County market, we find it to be robust in nearly every property type and that strength appears to have a solid foundation. Certainly, all of us remember the last bull run and more importantly its collapse. But our observations lead us to believe there are several factors to this expansion that differentiate it from 2003-2006:

- Regarding new construction, of which we have appraised several developments, nearly all of our requests are for owner-occupancy. There are very few projects that have a speculative component to them, and those that do tend to have a majority owner-occupancy component. As a result, there is an end user for every project that has also been vetted by the lender for financial strength and with more stringent lending requirements. We believe this is a significant mitigation to the risk of overbuilding.
- Much of the growth in the market is being spurred by job growth and that appears to be in several different economic sectors. The construction market itself (residential & commercial) fueled much of the previous expansion's growth, whereas Florida's biggest categories of job growth since 2010 have been Professional and Business services, Leisure and Hospitality, and Education and Health Services. In Brevard County a number of manufacturing, engineering, and technology jobs have been spurred by aerospace and defense industries. This influx of employment creates a substantial foundation for real estate support in commercial and residential housing areas.
- The aggressive and frothy nature of the last expansion mixed with a large speculative element led many developers in 2004-2007 to plan projects on secondary/tertiary sites and often with an overreach in an attempt to maximize building square footage but sacrificing fundamentals such as exposure, utility, and density concerns. For example, a number of projects would put retail strip along the road and offices behind with no exposure. This overly aggressive design philosophy led to projects with inherent functional obsolescence, and in market weakness quickly plummeted in occupancy. This current expansion appears to place greater weight on traditional design practices that make projects successful.

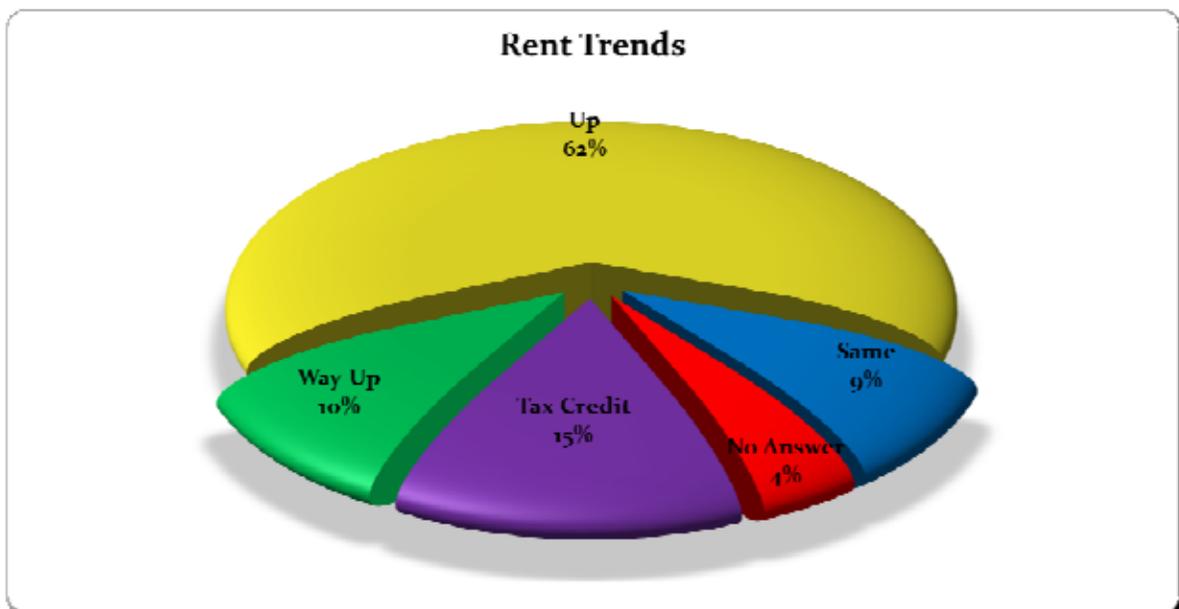
As a result, we see the upward trend in our market continuing for the foreseeable future, and forecast that these factors should provide an insulating factor to a macro slow-down when it eventually occurs.

For Brevard County, occupancy levels in the Apartment market for 1<sup>st</sup> Quarter are very strong; a result of high employment, rising single family home pricing, and limited MF supply additions. Our market has seen significant new single family residential housing construction, but very limited new apartment construction. This has boosted the occupancy of existing product and also spurred significant transaction activity at aggressive return rates.

For our Brevard County Market Occupancy Survey, we interviewed by phone the owners or property managers of nearly 70 apartment complexes, each with a minimum of 50 units, and representing a total sample size of over 12,000 units. While the report will document their reported occupancy, we additionally asked participants 2 questions on the direction of general market trends and rental rates. As one would expect in the current environment, over 90% of the responses were that the market is “Good” or “Very Good”.



On the directional trend of rental rates, 72% responded that rents are moving either Up or Way Up, and likely would have been higher but 15% of our surveyed market units participate in subsidized tax credits/fixed rates that limit increases.

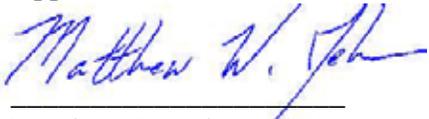


We would also like to announce that our office has moved. After spending over 30 years at our old location, we have officially moved into our new offices at **111 W. New Haven Avenue, Melbourne, FL 32901**. We welcome any of our clients to stop in and say hello. As an aside and for those involved in tenant negotiations, many recipients of this report may be curious on what the costs of moving may be for a typical professional office user. For our firm, which tracked all costs associated with the move itself and typically resulting costs related to the move (signage, marketing the move, etc.), it equated to a cost of approximately \$4.00 PSF or \$940 per employee. We did not include the cost of new office furniture in this figure, which was an additional \$3.25 PSF or \$770 per employee.

We hope the occupancy information included in this survey is beneficial to you and we hope to increase its utility each quarter by expanding the number of included properties. If you have questions or comments on either the survey provided or on an individual real property matter please feel free to contact me.

Sincerely,

Tuttle-Armfield-Wagner  
Appraisals & Research, Inc.



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Matthew W. Jehs, MAI  
Managing Director

## Apartment Overview

The Apartment category is comprised of complexes that consist of 50 or more units and are operated as rental projects. The following sampling provides a good indication of the occupancy levels for apartment complexes within the Brevard Market.

SOUTH COUNTY AREA					
Complex	Address	City	Total Units	Occupied Units	Occupancy
Arch Creek Run	173 Rachel St.	Melbourne	96	94	98%
Beachway Links	2201 Hampton Green Blvd	Melbourne	216	199	92%
Bridgewater Pointe	151 Eber Rd.	Melbourne	100	98	98%
Caribbean Isle	2848 Caribbean Isle Blvd.	Melbourne	376	367	98%
Courtyard on the Green	2700 Croton Rd	Melbourne	166	162	98%
Grand Oaks at the Lake	325 Lago Circle	Melbourne	300	297	99%
Harbor Village Apartments	150 E. University Blvd.	Melbourne	143	136	95%
Harbor Village Townhomes	220 E. University Blvd.	Melbourne	86	82	95%
Hickory Point	2700 Carlson Circle	Melbourne	216	215	100%
Lake in the Woods	4505 Lake Waterford Way	Melbourne	200	196	98%
Lake Pointe	2880 N. Wickham Rd.	Melbourne	312	303	97%
Lakeside at Greenboro	7670 Greenboro Dr.	Melbourne	232	227	98%
Landmark at Waverly Place	2601 Lake Washington Rd.	Melbourne	208	203	98%
Legacy at Hibiscus Park	1350 Tradition Cir.	Melbourne	218	205	94%
Manatee Cove	740 Carolin St.	Melbourne	192	188	98%
Meadowdale	248 E. University Blvd.	Melbourne	64	57	89%
Palm Harbor Villas	820 N. Wickham Rd.	Melbourne	114	109	96%
Plantation Club at Suntree	201 Plantation Club Dr.	Suntree	216	203	94%
Preserve at Longleaf	4465 Preserve Dr.	Melbourne	298	289	97%
Princeton Park	4800 Dairy Rd.	Melbourne	200	186	93%
Rivercrest	3320 Rivercrest Dr.	Melbourne	180	178	99%
The Savannahs	3051 Savannah Way	Melbourne	256	252	98%
Saratoga	3595 Misty Oak Dr.	Melbourne	210	198	94%
Stonewood Townhomes	325 E. University Blvd	Melbourne	103	98	95%
Veridian Apartments	2453 Central Park Dr.	Melbourne	120	117	98%
Via Tuscany	300 Tuscany Way	Suntree	280	266	95%
Wickham Club Apartments	2905 Kemblewick Dr.	Melbourne	132	130	98%
Wickham Village	500 N. Wickham Rd.	Melbourne	150	133	89%
Willowbrook Village	3061 Collegewood Dr.	Melbourne	56	56	100%
Windover Palms	320 Fitness Cir.	Melbourne	236	234	99%
Bottlebrush Rental Villas	1630 Bottlebrush Dr.	Palm Bay	100	100	100%
Harbor Bay	100 Larch Cir. NE	Palm Bay	236	232	98%
Harvard Condos	695 Short Hills Ln.	Palm Bay	92	85	92%
Harvard Apartments	1501 Harvard Cir.	Palm Bay	276	259	94%
Lighthouse Point	3350 Wedgewood Dr.	Palm Bay	270	263	97%
Madalyn Landing	500 Malabar Rd. SW	Palm Bay	304	289	95%
Malabar Cove	154 Daffodil Dr.	Palm Bay	148	146	99%
Palm Side	100 Interchange Dr.	Palm Bay	87	85	98%
The Pines	3016 Pinewood Dr. NE	Palm Bay	215	215	100%
The Vinings	1000 Palm Place Dr. NE	Palm Bay	320	256	80%
Woodlake Village	1000 Woodlake Dr. NE	Palm Bay	462	455	98%
<b>Totals</b>			<b>8,186</b>	<b>7,863</b>	<b>96%</b>

CENTRAL COUNTY AREA					
Complex	Address	City	Total Units	Occupied Units	Occupancy
Clear Pond Estates	811 Crestview Rd.	Cocoa	100	100	100%
Cocoa Lakes	100 Golden Ave.	Cocoa	50	50	100%
Oak Meadows	1605 Flower Mound Ln.	Cocoa	120	117	98%
River Park Apartments	1304 N. Fiske Blvd.	Cocoa	59	59	100%
Catalina Club	1005 Loring Dr.	Merritt Island	136	135	99%
Country Club Apartments	1155 N. Courtenay Pkwy	Merritt Island	240	235	98%
Courtenay Palms	700 N. Courtenay Pkwy.	Merritt Island	300	300	100%
Tropical Manor	1165 Jordon Rd.	Merritt Island	85	84	99%
Fountain Villa Apartments	1001 Cascade Cir.	Rockledge	132	128	97%
Mission Bay	1782 Mission Bay Cir.	Rockledge	360	350	97%
Southgate Ph1 & Ph2	3100 Southgate Dr.	Rockledge	195	193	99%
<b>Totals</b>			1,777	1,751	99%

NORTH COUNTY AREA					
Complex	Address	City	Total Units	Occupied Units	Occupancy
The Dolphins	915 South Park Ave.	Titusville	96	88	92%
Forest Park	501 Rock Pit Rd.	Titusville	68	66	97%
Heritage	1850 South Park Ave.	Titusville	56	55	98%
Morningside	1187 S. Park Ave.	Titusville	185	172	93%
Parkvillas	1021 S. Park Ave.	Titusville	160	152	95%
Palmetto Ridge Estates	882 Sprout Lane	Titusville	192	188	98%
Sunrise Apartments	3805 S. Hopkins Ave.	Titusville	97	93	96%
Timber Trace	728 Timber Trace Ln.	Titusville	204	199	98%
The Villager Apts	4700 Barna Ave.	Titusville	48	48	100%
Windover Oaks	1770 Windover Oaks Circle	Titusville	236	231	98%
Windover Woods	2605 Columbia Blvd.	Titusville	132	123	93%
<b>Totals</b>			1,474	1,415	96%
<b>Countywide Totals</b>			12,262	11,854	97%

BEACHSIDE AREA					
Complex	Address	City	Total Units	Occupied Units	Occupancy
Oceanside Village	207 Chandler St.	Cape Canaveral	180	180	100%
Palms East	211 Caroline St.	Cape Canaveral	216	216	100%
The Dunes	201 Harbour City Pkwy	Indian Harbour Bch	200	200	100%
Harbour Point Apartment	555 Rosewood Ct.	Indian Harbour Bch	74	74	100%
Shore View	50 Berkley St.	Satellite Beach	155	155	100%
<b>Totals</b>			825	825	100%

<b>Countywide Totals</b>			12,262	11,854	97%
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## COMPANY PROFILE

Tuttle-Armfield-Wagner Appraisal & Research, Inc. has been in the real estate appraisal and consulting business in Brevard County for 25 years. Matthew W. Jehs, MAI has been a commercial real estate appraiser for 16 years. Collectively, the firm appraises approximately 350-400 commercial properties and 4,000 residential homes every year, with the majority in Brevard County. Gary DiGiacomo is the firm's Residential Appraisal Manager, a Brevard County resident for 50 years and actively appraising in it for 30 years. He is qualified for all types of residential properties and is FHA certified.

The firm's concentration of real estate valuation work is focused on most property types prevalent in Brevard County and clients include banks, brokers and real estate agents, attorneys, CPA's, government agencies and individual property owners. In addition to providing Market Value appraisals, the firm also routinely provides analysis for establishing market rents, insurable value reports for condominiums and home owner associations, and expert witness testimony. We can also be reached through our website [www.t-a-w.com](http://www.t-a-w.com).