

Industrial Snapshot Q1 2016

Fort Myers/Naples, FL



CUSHMAN & WAKEFIELD

**COMMERCIAL PROPERTY
SOUTHWEST FLORIDA**

FORT MYERS/NAPLES OFFICE

Economic Indicators

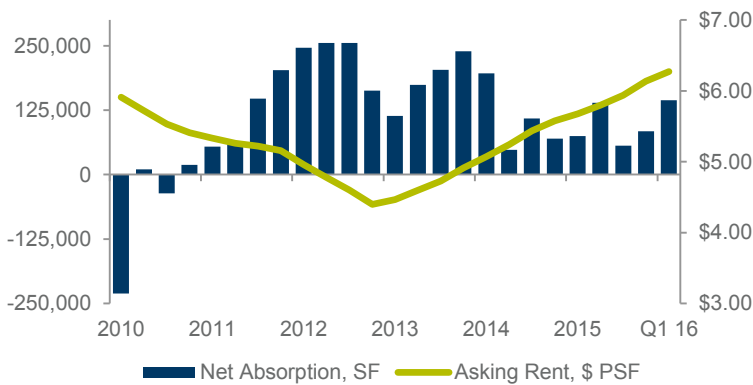
	Q1 15	Q1 16	12-Month Forecast
Lee Cty. Employment	241k	253k	▲
Lee Cty. Unemployment	5.4%	4.6%	▼
U.S. Unemployment	5.6%	4.9%	▼

Market Indicators (Overall, All Product Types)

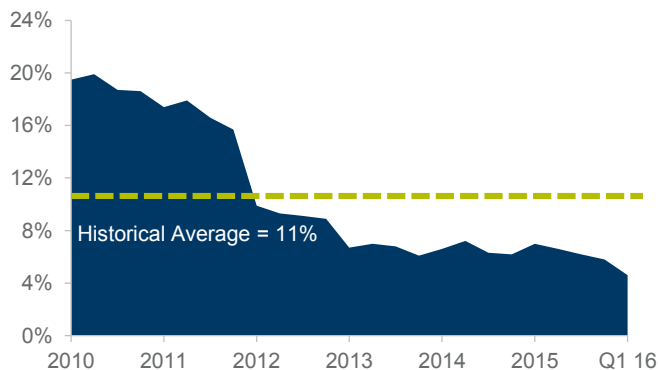
	Q1 15	Q1 16	12-Month Forecast
Overall Vacancy	7.0%	4.6%	▼
Net Absorption (sf)	-39K	202K	▼
Under Construction (sf)	0	242K	▲
Overall Average Asking Rent	\$5.83	\$6.36	▲

Net Absorption/Asking Rent

4Q TRAILING AVERAGE



Overall Vacancy



Economy

Southwest Florida's economy continued to exhibit strong growth associated with seasonal trends, with seasonally-adjusted unemployment rate for the five-county region falling to 4.8% in February, down from 5.1% in January 2016 and well below the 5.6% reported February 2015. Florida's unemployment rate declined to 4.9% in February, marking its lowest level in eight years. Long-run unemployment is projected through 2018. Employment in the region increased by 10,848 since January 2015, while the number of unemployed dropped by 4,443.

The seasonally adjusted tourist tax revenues for the three coastal counties continued to show gains over the prior year growing 6% in total from January 2015 to January 2016. Taxable sales collected increased 7% during that same time.

Market Overview

The industrial sector has experienced significant improvement in absorption and rental rates. Construction of high-quality industrial space is being developed on both a build-to-suit and single tenant basis. Fed Ex is constructing a 190,000-square-foot (sf) distribution center near RSW International Airport with completion set for early 2017. Along the Treeline and Alico corridors, parcels zoned for industrial are selling with new construction starts for later this year. Asking rental rates are increasing but not yet to a point where speculative development is feasible.

Outlook

The regional economy continues to improve and all indicators remain positive for the second quarter of 2016. Passenger activity in the three Southwest Florida airports rose in January 2016 by more than 9% to over 1.1 million passengers. Peak seasonal activity occurs in February through April with significantly lower activity in the summer months.

Southwest Florida's long-term trends continue to be mostly positive even though existing single family home sales decreased by 13% from February 2015 to February 2016. There were however substantial increases in median prices and area Realtors® remain positive. Positive population growth from 2014 to 2015 resulted in Cape Coral-Fort Myers ranking first in the nation with a 3.3% increase followed by Austin, TX (ranked second, 3%).

MARKETBEAT

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SUBMARKET	TOTAL BLDGS	INVENTORY	YTD LEASING ACTIVITY	YTD USER SALES ACTIVITY	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION	UNDER CNSTR	DIRECT WEIGHTED AVG. NET RENT (MF)	DIRECT WEIGHTED AVG. NET RENT (FLEX)	DIRECT WEIGHTED AVG. NET RENT (W/D)	DIRECT WEIGHTED AVG. NET RENT (ALL)
Bonita Springs	118	1,392,679	12,626	0	11.5%	(12,032)	0	\$12.00	\$8.00	\$9.00	\$9.27
Cape Coral	374	3,561,021	30,524	0	6.2%	33,243	0	\$7.92	N/A	\$7.46	\$6.95
City of Fort Myers	660	9,801,801	24,321	0	6.3%	70,807	0	\$5.03	\$8.28	\$5.32	\$5.47
Estero	3	14,242	0	0	0	1,057	0	N/A	N/A	\$7.00	\$7.00
Lehigh Acres	85	1,286,447	11,400	0	7.3%	7,288	0	\$8.34	\$6.00	\$6.25	\$6.28
North Fort Myers	77	990,900	0	0	4.9%	503	0	N/A	N/A	\$4.38	\$4.38
S Ft Myers/San Carlos	834	13,389,502	187,442	0	3.8%	102,564	223,943	\$5.27	\$7.46	\$5.99	\$6.05
LEE COUNTY SUBTOTAL	2,151	30,436,592	266,313	0	5.4%	203,430	223,943	\$5.53	\$7.46	\$5.86	\$6.00
East Naples	429	5,305,906	27,019	0	3.1%	1,691	0	\$8.47	\$7.98	\$9.19	\$8.48
Naples	10	58,902	0	0	0	0	0	\$15.00	N/A	N/A	\$15.00
North Naples	459	4,880,797	11,442	0	1.7%	(2,756)	18,410	\$6.67	\$13.28	\$9.52	\$10.83
COLLIER COUNTY SUBTOTAL	898	10,245,605	38,461	0	2.4%	(1,065)	18,410	\$10.04	\$11.99	\$9.41	\$9.90
TOTALS	3,049	40,682,197	304,774	0	5.8%	202,365	242,353	\$6.03	\$7.89	\$6.04	\$6.32

*Rental rates reflect asking \$psf/year

MF = Manufacturing W/D = Warehouse/Distribution

Key Lease Transactions Q1 2016

PROPERTY	SF	TENANT	PROPERTY TYPE	SUBMARKET
11891 Amedicus Ln.	38,165	Withheld	Warehouse	S. Ft. Myers/San Carlos
15834 Brothers Ct..	10,960	Withheld	Warehouse	S. Ft. Myers/San Carlos
4361 Corporate Square	10,568	Withheld	Warehouse	E. Naples
3811 Enterprise Ave.	10,000	Strata Stone Gallery, LLC	Flex Warehouse	E. Naples

Key Sales Transactions Q1 2016

PROPERTY	SF	SELLER/BUYER	PROPERTY TYPE	PRICE/\$ PSF	SUBMARKET
12801 Commerce Lakes Dr.	46,080	Oakes Commercial Properties/Intelliflex	Flex Condo	\$240,000 / \$5	S. Ft. Myers/San Carlos
1414 Rosemary Ln	32,000	Health Center for Better Living, LLC/Premier Storage Investors	Warehouse	\$3,325,000 / \$104	N. Naples

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