

MARKETBEAT

Fort Myers / Naples

Industrial Q3 2017



COMMERCIAL
PROPERTY
SOUTHWEST FLORIDA

FORT MYERS/NAPLES INDUSTRIAL

Economic Indicators

	Q3 16	Q3 17	12-Month Forecast
Lee County Employment	260k	260k	▲
Lee County Unemployment	4.6%	3.8%	▼
U.S. Unemployment	4.9%	4.4%	▼

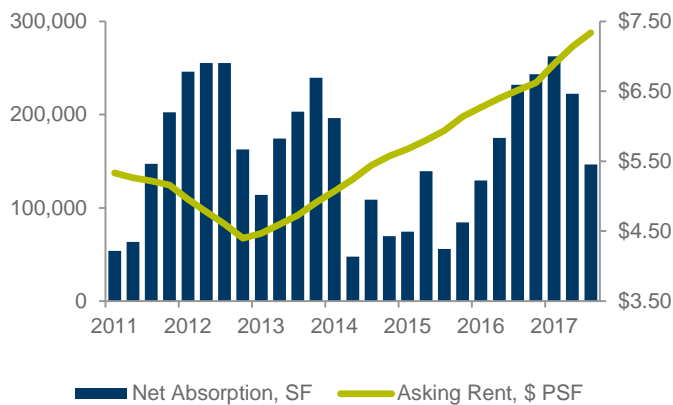
Market Indicators (Overall, All Property Types)

	Q3 16	Q3 17	12-Month Forecast
Vacancy	3.3%	1.8%	▼
YTD Net Absorption (sf)	766k	379k	▼
Under Construction (sf)	26k	393K	▲
Average Asking Rent*	\$6.72	\$7.50	▲

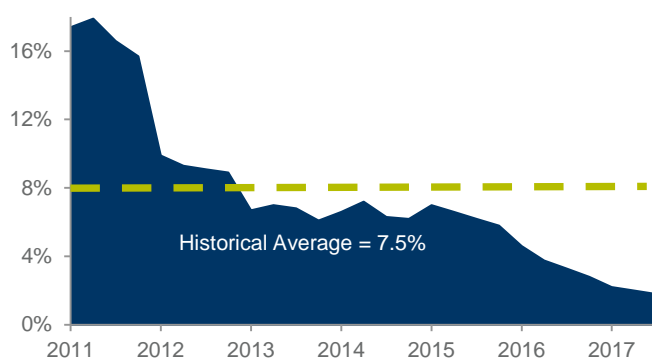
*Rental rates reflect net asking \$psf/year

Overall Net Absorption/Overall Asking Rent

4-QTR TRAILING AVERAGE



Overall Vacancy



Economy

Southwest Florida's regional economy exhibited strong growth for the third consecutive quarter in 2017. Positive trends include a 7% increase in tourist tax revenues, an increase in median home prices, and an increase in employment. Passenger activity at the Southwest Florida International Airport (RSW) increased 7% in the beginning of the third quarter 2017 compared to 2016. The vacancy rate also decreased from second quarter 2017.

Market Overview

Absorption in the industrial market reported negative for third quarter 2017. Total market vacancy declined to 1.8% at the close of the quarter. Leasing activity and available vacant space were both down from second quarter 2017. Another notable change for the quarter was manufacturing asking rents increased \$2.18 per square foot (psf) from second quarter 2017 to \$9.70 psf. The increase was almost \$3.39 psf higher from the rent recorded one year ago. Asking rents and construction activity increased from a year ago, while vacancy continued to decrease.

Available inventory in the Southwest Florida industrial market remained scarce. The demand for industrial space supports the need for new product in the market as evidenced with 393,360 square feet (sf) under construction as of third quarter. New industrial space of 350,000 sf will be added to future inventory with the acquisition of approximately 27 acres of land in south Lee County. A Baltimore-based company, Knott Realty Group, announced plans to develop on the site near the airport. The development-Meridian Center- will be off of Ben Hill Griffin Parkway and is expected to deliver summer 2018.

Outlook

The industrial sector in Southwest Florida remains a tight market. The elevated demand for space has caused an increase in new construction with additional projects on the way. The region boasts one of the lowest vacancy rates in the U.S. and as a result, corporations and investors from outside of Southwest Florida are acquiring property and developing new space.

MARKETBEAT

Fort Myers / Naples

Industrial Q3 2017



COMMERCIAL
PROPERTY
SOUTHWEST FLORIDA

SUBMARKET	TOTAL BLDGS	INVENTORY (SF)	YTD USER SALES ACTIVITY (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	DIRECT WEIGHTED AVG. NET RENT (MF)	DIRECT WEIGHTED AVG. NET RENT (FLEX)	DIRECT WEIGHTED AVG. NET RENT (W/D)
Bonita Springs	119	1,393,098	7,472	0.8%	16,108	0	\$14.83	\$11.00	\$9.84
Cape Coral	378	3,579,948	30,943	3.1%	12,807	0	\$7.97	\$5.39	\$8.52
City of Fort Myers	667	9,868,600	52,446	3.4%	135,806	104,000	N/A	\$9.09	\$6.34
Estero	4	17,292	0	6.1%	-1,057	0	N/A	N/A	\$8.50
Lehigh Acres	85	1,296,474	5,600	0.8%	12,823	0	\$8.34	\$6.00	\$8.00
North Fort Myers	79	1,304,454	5,250	0%	13,426	0	N/A	N/A	N/A
S. Fort Myers/San Carlos	849	13,984,752	140,111	1.6%	114,760	125,000	\$6.83	\$8.45	\$6.77
LEE COUNTY SUBTOTAL	2,181	31,444,618	241,822	2.2%	304,673	229,000	\$8.35	\$8.27	\$6.71
East Naples	435	5,387,236	37,140	1.0%	94,944	112,360	\$11.39	\$11.00	\$11.35
Naples	10	58,902	0	22.7%	-13,387	0	N/A	N/A	N/A
North Naples	462	4,953,886	32,223	0.7%	-7,508	52,000	\$12.42	\$13.55	\$14.37
COLLIER COUNTY SUBTOTAL	907	10,400,024	69,363	1.0%	74,049	164,360	\$11.80	\$12.89	\$12.60
FORT MYERS/NAPLES TOTALS	3,088	41,844,642	311,185	1.8%	378,722	393,360	\$9.70	\$8.42	\$7.10

*Rental rates reflect asking \$psf/year

OS = Office Service/Flex MF = Manufacturing W/D = Warehouse/Distribution

	TOTAL BLDGS	INVENTORY (SF)	YTD USER SALES ACTIVITY (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	YTD LEASING ACTIVITY (SF)	OVERALL WEIGHTED AVG. NET RENT
Warehouse/Distribution	2,137	28,366,025	207,607	1.4%	212,966	216,360	92,558	194,566	\$7.08
Manufacturing	509	7,772,672	56,355	2.4%	82,321	0	0	35,765	\$9.70
Flex	442	5,705,945	47,223	3.0%	83,435	177,000	13,395	84,763	\$8.42

Key Lease Transactions Q3 2017

PROPERTY	SF	TENANT	TRANSACTION TYPE	SUBMARKET
2098 A Elsa St.	11,600	Undisclosed	Lease	North Naples
71 Mid Cape Terr.	9,300	Cape Coral Indoor Athletics	Lease	Cape Coral
3079 Warehouse Rd.	7,500	Undisclosed	Lease	City of Ft. Myers
12100 Commerce Lakes Dr.	5,865	Undisclosed	Lease	S. Fort Myers/San Carlos
551 Owen Avenue North	5,512	Exclusive Cabinetry and Fine Woodworking	Lease	Lehigh

Key Sales Transactions Q3 2017

PROPERTY	SF	SELLER / BUYER	PRICE / \$PSF	SUBMARKET
2352 Bruner Lane (3 Properties)	60,411	Extra Closet Storage / Extra Closet Fort Myers, LLC	\$3,250,000 / \$54	S. Fort Myers/San Carlos
19440 S. Tamiami Trail	52,000	Manufacturer's Unlimited, Inc. / 19440 S. Tamiami Trail, LLC	\$3,075,000 / \$59	S. Fort Myers/San Carlos
28741 S. Cargo Ct.	30,532	CSPE012, LLC / Landreth Properties Bonita Springs, LLC	\$2,300,000 / \$75	Bonita Springs
557 Industrial Blvd. (2 Properties)	17,340	VGK Group, LLC / OG-1, LLC	\$2,300,000 / \$133	East Naples

About Cushman & Wakefield

Cushman & Wakefield is a leading global real estate services firm that helps clients transform the way people work, shop, and live. Our 43,000 employees in more than 60 countries help investors and occupiers optimize the value of their real estate by combining our global perspective and deep local knowledge with an impressive platform of real estate solutions. Cushman & Wakefield is among the largest commercial real estate services firms with revenue of \$5 billion across core services of agency leasing, asset services, capital markets, facility services (C&W Services), global occupier services, investment & asset management (DTZ Investors), project & development services, tenant representation, and valuation & advisory. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

Cushman & Wakefield | CPSWFL
5220 Summerlin Commons Blvd.
Suite 500
Fort Myers, FL 33907
cpswfl.com

For more information, contact:
Gary Tasman,
CEO/Principal Broker
Tel: +1 239 489 3600
gtsman@cpswfl.com

Copyright © 2017 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources considered to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy. Alliance firms are independently owned and operated.