

MARKETBEAT

Retail Snapshot Q4 2017

Fort Myers / Naples



COMMERCIAL
PROPERTY
SOUTHWEST FLORIDA

ECONOMIC INDICATORS

National

	Q4 16	Q4 17	12-Month Forecast**
GDP Growth	1.8%	2.3%*	▲
CPI Growth	1.8%	2.0%*	▲
Consumer Spending Growth	2.8%	2.6%*	▼
Retail Sales Growth	3.7%	4.3%*	▲

*Q3 values **Forecast by Cushman & Wakefield. Value represent year-over-year % change.

Regional

	Q4 16	Q4 17	12-Month Forecast**
Household Income	\$53,229	\$54,598	▲
Population Growth	3.4%	3.6%	▲
Unemployment	4.6%	3.3%	▼

Economy

Southwest Florida's regional economy showed overall positive growth for the fourth quarter 2017. The growth is consistent with seasonal activity extending on average from November to April. Positive signs of growth include a rebound in airport passenger activity, an increase in seasonally-adjusted tourist tax revenues, and a rise in single-family median home prices. Lee County's unemployment rate is below the national average of 4.1%, sitting at 3.3%. Negative trends include taxable sales decreased, as well as single-family home sales, and single-family building permits.

Market Overview

Vacancy rates for the fourth quarter 2017 remain low with rental rates increasing. Overall average asking rents (NNN) are higher now than a year ago in the fourth quarter of 2016.

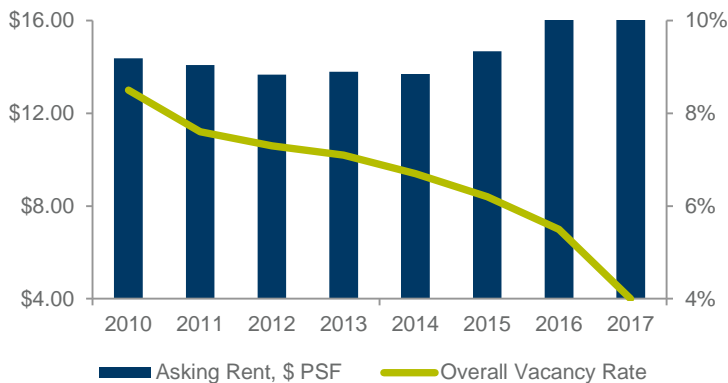
The S. Fort Myers/San Carlos submarket continues to have the largest inventory of retail in the trade area. It also has the highest amount of square footage of new construction. Demand for retail remains robust as new projects appear in the pipeline. Inventory is higher in the fourth quarter 2017 compared to a year ago in the fourth quarter of 2016. Absorption and construction activity is also higher than a year ago in 2016.

Progressively more national retailers and departments stores shut their doors-The Limited, Sears, Sam's Club-as they are forced to declare bankruptcy. eCommerce continues to affect the national retail trends. Retail sales are projected to continue to grow nationally however, in spite of the numerous strategic closures.

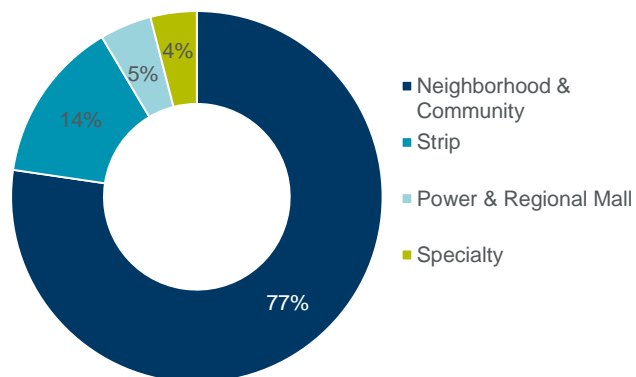
Outlook

The local outlook for Southwest Florida looks positive with national retail additions coming to the area including Whole Foods and Topgolf. The restaurant sector remains strong with investors looking to capitalize on the seasonal tourist industry in Southwest Florida. Consumer spending and confidence remains solid making Fort Myers/Naples an attractive area to local and national retail developers.

Rental Rate vs. Overall Vacancy



Availability by Type



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CUSHMAN & WAKEFIELD

**COMMERCIAL PROPERTY
SOUTHWEST FLORIDA**

SUBMARKET	TOTAL BLDGS	INVENTORY (SF)	OVERALL VACANCY RATE	OVERALL CURRENT NET ABSORPTION (SF)	OVERALL YTD NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVERAGE ASKING RENT (NNN)
South Fort Myers/San Carlos	1,000	16,746,741	3.9%	39,068	315,757	122,618	\$16.41
North Naples	545	10,923,223	2.6%	60,770	211,623	82,523	\$24.05
Cape Coral	789	9,117,039	4.6%	-34,838	96,119	0	\$13.51
City of Fort Myers	791	7,809,480	3.4%	53,060	162,093	0	\$12.19
East Naples	381	4,225,549	3.6%	116,164	123,069	15,000	\$16.26
TOTAL MARKET**	5,156	70,159,482	4.0%	351,685	1,304,973	465,430	\$16.52

*Rental rates reflect gross asking \$psf/year

**This table includes Southwest Florida's top five submarkets by inventory size. The total market line represents the overall market total and not just the total from the submarkets listed in the table.

FORT MYERS / NAPLES	TOTAL BLDGS	INVENTORY (SF)	OVERALL VACANCY RATE	OVERALL CURRENT NET ABSORPTION (SF)	OVERALL YTD NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVERAGE ASKING RENT (NNN)
Regional Mall	86	5,954,608	0.3%	-12,630	72,361	0	\$45.00
Neighborhood Center	445	14,466,755	6.5%	162,221	312,994	62,742	\$14.12
Power Center	65	3,246,519	2.6%	45,752	129,221	0	\$21.09
Community Center	225	10,028,651	8.0%	22,325	55,737	7,100	\$15.00
Strip Center	579	6,079,944	5.2%	-6,306	85,978	69,523	\$14.09
Lifestyle Center	32	1,291,556	2.6%	19,578	21,086	116,047	\$30.64
Specialty (Airport, Outlet, Themed)	13	705,467	12.8%	96,427	136,041	0	\$21.59

Key Lease Transactions Q4 17

PROPERTY	SF	TENANT	TRANSACTION TYPE	SUBMARKET
9360-9390 Dynasty Dr.	30,162	CircusTriX	New Lease	City of Fort Myers
3420 Tamiami Trl. E.	23,500	Undisclosed	New Lease	East Naples
4300 Tamiami Trl. N.	16,820	Mattress Firm	Renewal	North Naples
5020 S. Cleveland Ave.	12,000	Buffet City of Fort Myers	New Lease	S. Fort Myers/San Carlos
3833-3853 Cleveland Ave.	12,000	Undisclosed	New Lease	City of Fort Myers

Key Sales Transactions Q4 17

PROPERTY	SF	SELLER/BUYER	PRICE / \$PSF	SUBMARKET
14655 S. Tamiami Tr.	167,606	NJN, Inc. / Home Depot U.S.A, Inc.	\$8,000,000 / \$48	S. Fort Myers/San Carlos
5939-6029 Pine Ridge Rd. Ext.	126,895	Crow Holdings Capital-Real Estate / New Market Properties LLC	\$29,250,000 / \$230	North Naples
1410-1502 Del Prado Blvd.	80,196	Halstatt Partnership / Del Prado Retail Partners, LLC	\$7,125,000 / \$89	Cape Coral
2059-2160 McGregor Blvd. (2 Properties)	54,926	BRE Throne First Street Village LLC / Real Sub, LLC	\$12,000,000 / \$218	City of Fort Myers
8750 Gladiolus Dr.	47,039	C-III Asset Management, LLC / Professional Properties of Nevada, LLC & Professional Properties of Oklahoma, LLC	\$2,400,000 / \$51	S. Fort Myers/San Carlos

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