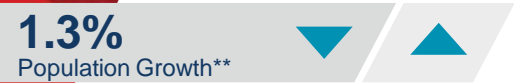


# SOUTHWEST FLORIDA



Retail Q2 2021



\*Numbers above are monthly figures, FL Dept. Economic OPP  
 \*\*Source: BLS, BOC, Moody's Analytics  
 (Economic Indicators are representative of specific county or MSA.)

### ECONOMIC OVERVIEW:

The retail sector in the Southwest Florida MSA which includes Charlotte, Lee, and Collier Counties continues to rebound as vaccines are distributed, stimulus payments are spent, and unemployment rates decrease. The nation's GDP growth rate year-over-year (YOY) is expected to have increased 13.2% which isn't surprising given it was recorded at -9.0% last year in the peak of the shutdown. The SWFL region has a larger share of retail jobs than the national level, attributed to net in-migration (1.3% YOY) supplementing retail trade payroll workers.

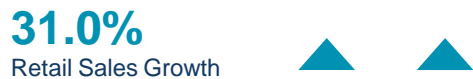
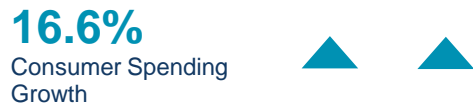
### SUPPLY AND DEMAND:

Cape Coral leads the pipeline with a 56,000 SF neighborhood center expected to be delivered in August 2021, which is 85.9% leased with leases signed by ALDI, Winn Dixie, and top tier national restaurants. Build-to-Suit construction with national credit tenants are taking advantage of the healthy demand for shopping centers of this type as the COVID-19 pandemic has shifted retail fundamentals with consumers migrating to suburban areas and spending more on groceries rather than restaurants and bars. However, restaurants that survived through the pandemic are bouncing back as the SWFL MSA had lax shutdown laws and vaccines are being pushed out, which is critical for the commercial real estate market. Overall vacancy rates have plummeted to pre COVID-19 levels with all retail product types recording availabilities well under 10% and positive overall net absorption for the 4<sup>th</sup> quarter in a row. Lifestyle centers have been the most resilient with only 1.2% of availability at the end of Q2 2021. Increasing consumption of retail will continue to support SWFL job growth, industrial demand, and new construction.

### PRICING:

Overall triple net rental rates for retail centers are growing at a healthy rate, with an increase of \$0.17 per-square-foot (psf) quarter-over-quarter (QOQ) but remaining the same YOY at \$15.87 psf. With most new construction being built-to-suit, rental rates are not expected to be significantly impacted by new construction in the near future as retail traffic increases. Average asking rental rates for retail spaces in Lee County are cheaper than Charlotte and Collier County, by 7.2% and 30% respectively. Collier County's average asking rents have decreased \$1.98 psf YOY but remain the highest in the market at \$20.27 psf.

### U.S. ECONOMIC INDICATORS Q2 2021

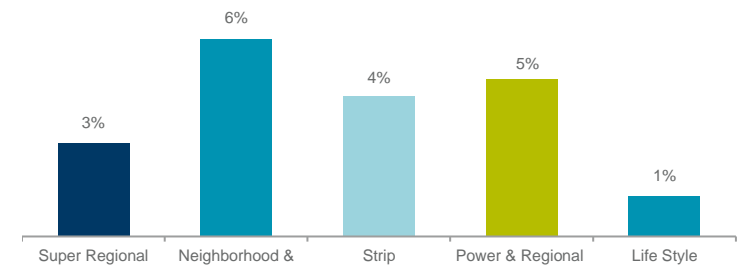


Source: BEA, Census Bureau

### OVERALL VACANCY & ASKING RENT



### AVAILABILITY BY PRODUCT TYPE



Source: CoStar

## SOUTHWEST FLORIDA



## Retail Q2 2021

## MARKET STATISTICS

COUNTY	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Charlotte	5,653,570	0	211,433	3.7%	30,429	50,588	0	\$14.92
Lee	28,133,480	0	1,449,618	5.2%	165,115	238,094	56,000	\$13.83
Collier	13,124,593	44,913	631,313	5.2%	118,351	165,209	0	\$20.27
<b>TOTALS</b>	<b>46,911,643</b>	<b>44,913</b>	<b>2,292,364</b>	<b>5.0%</b>	<b>313,895</b>	<b>453,891</b>	<b>56,000</b>	<b>\$15.87</b>

\*Source: CoStar Group. Rental rates reflect NNN asking \$psf/yr.

SHOPPING CENTER TYPE	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Malls	6,207,974	0	176,008	2.8%	63,852	62,017	0	\$21.00
Community & Neighborhood	28,024,707	7,788	1,636,402	5.9%	189,963	234,404	56,000	\$15.62
Power & Regional	4,086,681	37,125	153,643	4.7%	1,800	-6,205	0	\$18.51
Strip	7,472,321	0	313,055	4.2%	56,018	165,565	0	\$15.88
Lifestyle	1,119,960	0	13,256	1.2%	2,262	3,901	0	\$23.07

\*\*The above chart excludes Airport Retail, Outlet Centers and Theme/Festival Centers.

## KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	RSF	Asking Rent (NNN)	TYPE
10000-10020 Gulf Center Dr.	S. Fort Myers/San Carlos	At Home	99,825	Undisclosed	New Lease
4911 Rattlesnake Hammock Rd.	East Naples	Bravo Supermarkets	16,368	\$15.00	New Lease
6900 Daniels Pkwy	S. Fort Myers/San Carlos	Hope Chest	11,316	\$12.28	New Lease
5100 S. Cleveland Ave.	S. Fort Myers/San Carlos	Paradise Vintage Market	9,000	\$14.00 (MG – Effective)	New Lease
3853 S. Cleveland Ave.	City of Fort Myers	Undisclosed	7,400	\$12.00	New Lease
11601 S. Cleveland Ave.	S. Fort Myers/San Carlos	Eye Coaching & Consulting	7,120	\$9.56	New Lease

\*Renewals not included in leasing statistics

## KEY SALES TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	BUYER/SELLER	RSF	CAP RATE	PRICE/\$PSF
2336 Surfside Blvd.	Cape Coral	Investments Movar Corp. / Tabani Group, Inc.	117,566	9.3%	\$7M/ \$59.54
7211 Vanderbilt Beach Rd.	North Naples	III Star Investments Inc. / Private Seller	34,723		\$12M/ \$345.59
28441 S. Tamiami Trail	Bonita Springs	EE Properties Bonita LLC / Amos Financial, LLC	34,446	5.2%	\$5M/ \$145.15

# SOUTHWEST FLORIDA

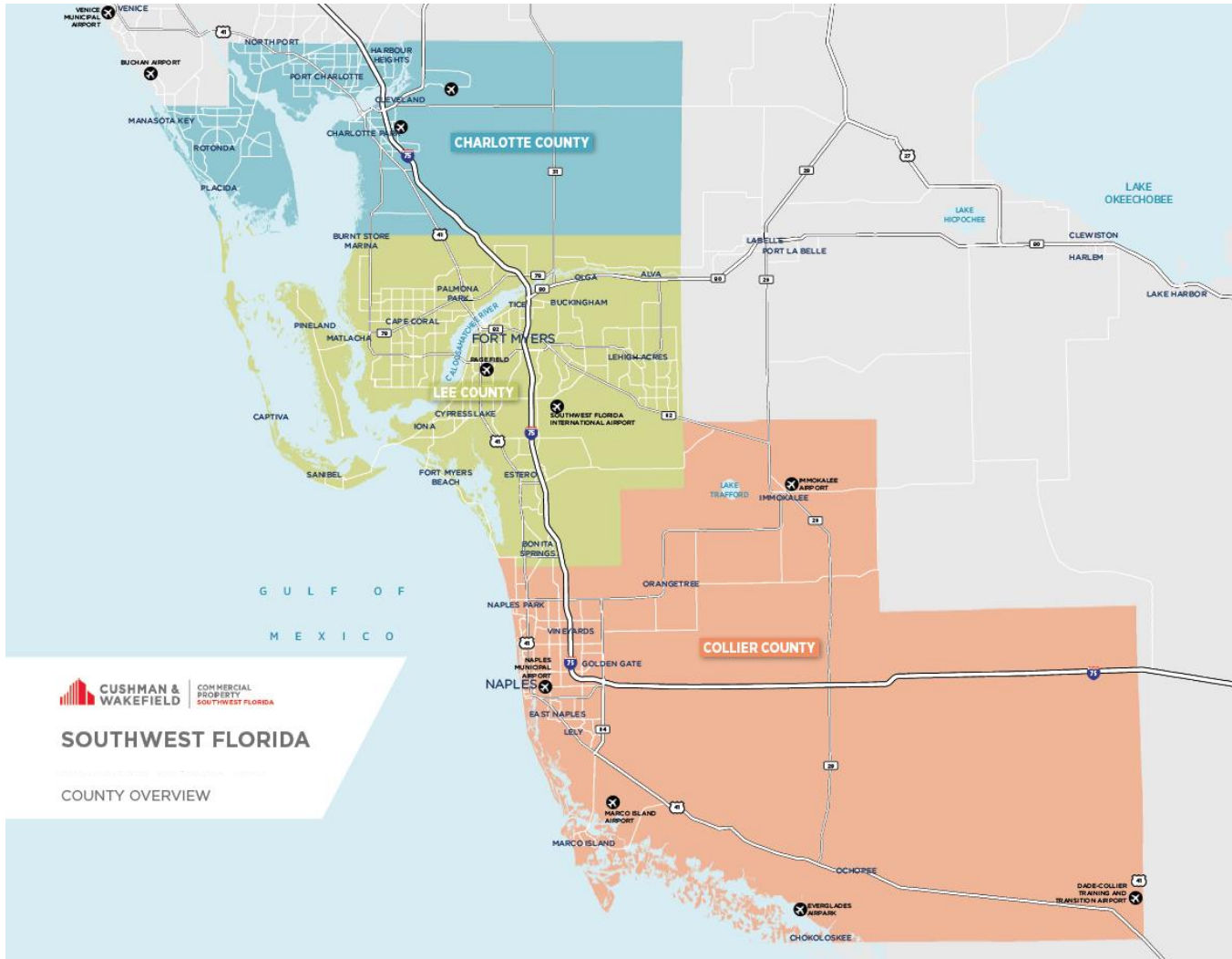
Retail Q2 2021



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SOUTHWEST FLORIDA**

## RETAIL SUBMARKETS



**SOUTHWEST FLORIDA**

COUNTY OVERVIEW

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