

## Industrial Q3 2021

YoY Chg      12-Mo. Forecast

**1.8%**

Vacancy Rate



**224K**

Net Absorption, SF



**\$9.36**

Asking Rent, PSF



Overall, Net Asking Rent

### ECONOMIC INDICATORS Q3 2021

YoY Chg      12-Mo. Forecast

**430K**

Southwest Florida  
Employment



**4.4%**

Southwest Florida  
Unemployment Rate



**5.2%**

U.S.  
Unemployment Rate



Source: BLS

### ECONOMIC OVERVIEW:

The Southwest Florida (SWFL) MSA which includes Charlotte, Collier, & Lee Counties ended Q3 2021 with an unemployment rate of 4.4%, a 320-basis point (bps) decrease from the beginning of the COVID-19 pandemic. The industrial sector continues to experience virtually no impact from the pandemic, which can be attributed to one of the strongest population growths in the nation, boosting consumer goods spending and e-commerce sales, supporting demand for increased last-mile delivery warehousing. The 1.7% annual population growth has propelled trade and warehouse job sector growth, in turn also fueling industrial demand. The manufacturing industry witnessed a 4.5% job growth year-over-year (YOY), and natural resources, mining, and construction witnessed a 5.66% growth YOY.

### SUPPLY AND DEMAND:

There is 836,682 square feet (sf) currently under construction, a record breaking high since 2008, consisting mainly of warehouse and distribution space expected to be delivered in 2022. The S. Fort Myers/San Carlos submarket comprises the largest portion of these future deliveries (720,722 sf) given access to Interstate 75, lower land costs than Naples submarkets, and strategic proximity to US-41, Cape Coral, and Southwest Florida International Airport. Speculative projects account for 273,160 sf of the industrial construction, which is unlikely to put a strain on the market considering past success with pre-leasing, only 21,215 sf of deliveries this quarter, and overall market vacancy at a pre-pandemic low of 1.8%.

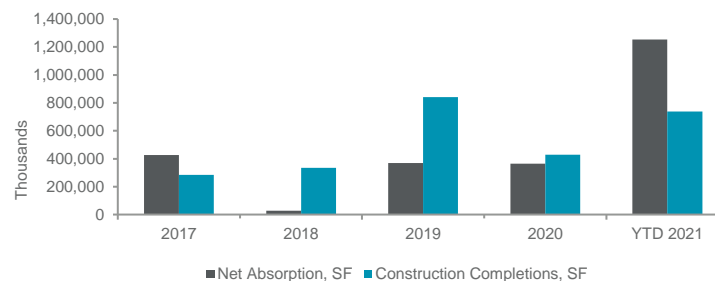
### PRICING:

Overall net average asking rents have reached a historic high at \$9.36 per square feet (psf) – In comparison, the overall net average nationally is at \$7.18 psf, and the south US region is at \$6.11 psf, peaking interest for investors and developers in the SWFL market. The tightening supply will increase rent for the remainder of the year and can be expected to cool down once the 800,000+ sf have been delivered. North Naples maintains the highest rents among submarkets at \$12.77 psf, up 7.5% over the past four quarters.

The outlook for 2021 remains positive with rent growth, increasing occupancy, and new supply.

Average investment sale price per sf has increased 9.9% quarter-over-quarter but could be peaking as cap rates have increased by ten bps over the past year.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



## Industrial Q3 2021

### MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Charlotte County	4,208,344	95,890	2.3%	-46,007	4,001	0	0	---	\$11.48	\$6.61
<b>CHARLOTTE COUNTY SUBMARKET TOTALS</b>	<b>4,208,344</b>	<b>95,890</b>	<b>2.3%</b>	<b>-46,007</b>	<b>4,001</b>	<b>0</b>	<b>0</b>	<b>---</b>	<b>\$11.48</b>	<b>\$6.61</b>
Bonita Springs	1,277,174	50,635	4.0%	-16,641	21,159	50,000	0	\$9.00	\$12.78	\$10.71
Cape Coral	3,234,723	42,367	1.3%	-3,157	84,347	5,000	0	---	\$10.61	\$9.87
Estero	17,292	---	---	---	0	0	0	---	\$10.00	---
City of Fort Myers	9,238,924	74,400	0.8%	18,849	163,342	20,000	0	\$9.56	---	\$8.84
South Fort Myers	13,481,475	344,378	2.6%	224,504	652,440	720,722	21,215	\$14.00	\$10.56	\$8.65
North Fort Myers	1,159,523	0	0.0%	28,219	34,472	0	0	---	---	\$7.91
Lehigh Acres	1,122,140	7,245	0.6%	3,000	105,000	0	0	---	---	\$9.44
The Islands	111,362	8,045	7.2%	-7,125	-7,125	0	0	---	---	---
<b>LEE COUNTY SUBMARKET TOTALS</b>	<b>29,642,613</b>	<b>527,070</b>	<b>2.4%</b>	<b>247,649</b>	<b>1,053,635</b>	<b>795,722</b>	<b>21,215</b>	<b>\$10.85</b>	<b>\$10.99</b>	<b>\$9.24</b>
East Naples	4,800,193	58,074	1.2%	45,158	203,611	7,800	0	---	\$10.00	\$9.75
North Naples	3,718,249	106,986	2.9%	-15,812	-21,204	0	0	\$12.87	\$18.00	\$12.67
Naples	46,200	---	---	---	---	0	0	---	---	---
Marco Island	82,180	---	---	---	---	0	0	---	---	---
Outlying Collier County	1,330,029	0	0.0%	-6,800	12,203	33,160	0	---	---	\$14.24
Golden Gate	85,987	---	---	---	---	0	0	---	---	---
<b>COLLIER COUNTY SUBMARKET TOTALS</b>	<b>10,062,838</b>	<b>165,060</b>	<b>1.4%</b>	<b>22,546</b>	<b>194,610</b>	<b>40,960</b>	<b>0</b>	<b>\$12.87</b>	<b>\$14.00</b>	<b>\$12.22</b>
<b>SOUTHWEST FLORIDA TOTALS</b>	<b>43,913,795</b>	<b>788,020</b>	<b>1.8%</b>	<b>224,188</b>	<b>1,252,246</b>	<b>836,682</b>	<b>21,215</b>	<b>\$11.40</b>	<b>\$10.80</b>	<b>\$9.11</b>

\*Rental rates reflect weighted net asking \$psf/year

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

### KEY LEASE TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
9131 Centerlinks Commerce Dr.	S Fort Myers/San Carlos	Premier Linen Services	50,020	New lease
14601 Jetport Loop	S Fort Myers/San Carlos	Clive Daniel Home Holdings	24,518	New lease
14651 Jetport Loop	S Fort Myers/San Carlos	X3 Performance & Physical Therapy	20,182	New lease

\*Renewals not included in leasing statistics

### KEY SALES TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
4075 Edison Ave.	City of Fort Myers	Coldwell Banker Commercial / Charles Lomangino	50,550	\$3.8M/\$75.17
3940 Prospect Ave.	East Naples	Falcon Capital Management / Robert Linekin	28,466	\$5.1M/\$180.22
16880 Gator Rd.	S. Fort Myers/San Carlos	Infinite Pool Services / Quikrete Holdings	22,296	\$3.5M/\$156.98

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