

# SOUTHWEST FLORIDA



Retail Q4 2021

	YoY Chg	12-Mo. Forecast
Median HH Income** <b>\$66,300</b>	▼	▼
<b>1.8%</b> Population Growth**	▼	▲
<b>4.1%</b> Unemployment Rate*	▼	▼

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

## U.S. ECONOMIC INDICATORS Q4 2021

	YoY Chg	12-Mo. Forecast
<b>5.4%</b> GDP Growth	▲	▲
<b>11.3%</b> Consumer Spending Growth	▲	▲
<b>17.9%</b> Retail Sales Growth	▲	▲

Source: BEA, Census Bureau

## ECONOMIC OVERVIEW:

The retail landscape showed continued improvement in the Southwest Florida (SWFL) MSA, comprised of Charlotte, Lee, and Collier Counties. Retail foot traffic showed momentum as less stringent COVID-19 restrictions compared to other states and neighboring markets in Florida enabled strong recovery in tourism evidenced by tourist tax revenues up 62% year-over-year (YOY) along with a consumer spending boost of 24.5% from one year ago. Population remains in a growth cycle increasing 1.8% YOY with projected growth of 35.5% from 2020 to 2035, driving the economic development and retail revitalization in SWFL. Employee headcounts expanded by 27,200 from one year ago bringing unemployment to 4.1%, 20 basis points (bps) below the national level. The bounce back in tourism coupled with employment gains and robust population growth triggers tailwinds heading into 2022.

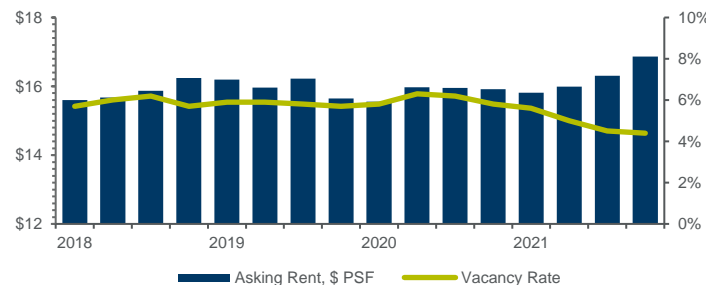
## SUPPLY AND DEMAND:

Despite strong demand for retail space, development has lacked due to the influx in capital being diverted to other asset classes. Development activity slowed again this year, continuing a five-year tapering pattern. Groundbreakings for the quarter were 96,500 square feet (sf) with lease agreements already in place for the bulk of the space, limiting supply addition impacts on vacancies. Deliveries this year slightly grew inventory .2% YOY supplementing a record low 4.9% vacancy rate, down 20 bps from the previous quarter and 160 bps from one year ago. Available space significantly shrunk quarter-over-quarter causing a subsequent dip in leasing activity this quarter, however, new lease deals in 2021 totaled over 1.6 million square feet, a 14% spike compared to 2020. This indicates strong demand momentum given inventories levels remained relatively flat and vacancies reaching sub five percent.

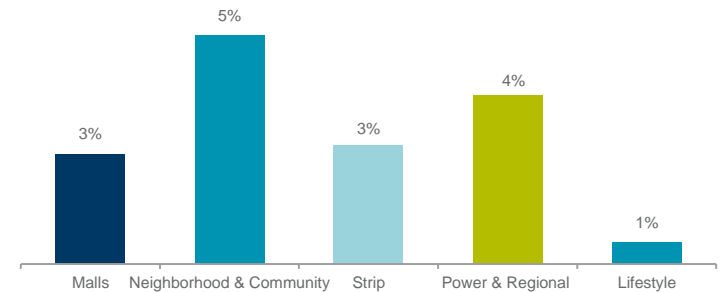
## PRICING:

The region experienced its third consecutive quarter of price hikes. Overall triple net retail rental rates jumped \$.93 per-square-foot (psf) from the previous quarter to \$17.24 psf, a \$1.32 escalation YOY. Slow development and minimal slated completions for next year coupled with strong demand, positive net absorption, and tight availability will continue forcing upward pressure on rates. In addition, the expectation of rising interest rates will fuel investor demand as a hedge against inflation causing a compression on levered yields. A boost in retail bidding competition will push cap rates lower while the cost of capital simultaneously rises.

## OVERALL VACANCY & ASKING RENT



## AVAILABILITY BY PRODUCT TYPE



Source: CoStar

# SOUTHWEST FLORIDA



## Retail Q4 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	5,654,084	0	156,240	2.8%	17,074	120,878	1,491	\$15.61
Lee	28,081,027	0	1,259,796	4.5%	75,874	483,388	95,040	\$14.83
Collier	13,413,641	41,463	608,964	4.8%	35,787	292,623	0	\$21.27
<b>TOTALS</b>	<b>47,148,752</b>	<b>41,463</b>	<b>2,025,000</b>	<b>4.0%</b>	<b>128,735</b>	<b>896,889</b>	<b>96,531</b>	<b>\$17.24</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	6,604,282	0	173,695	2.6%	18,140	75,869	0	\$21.00
Community & Neighborhood	28,123,665	4,338	1,510,337	5.4%	43,362	522,492	64,531	\$15.96
Power & Regional	4,067,388	37,125	124,309	4.0%	3,336	-203	0	\$22.27
Strip	7,515,897	0	208,165	2.8%	53,193	282,543	32,000	\$18.17
Lifestyle	1,614,766	0	8,494	0.5%	10,704	21,244	0	\$27.39

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

### KEY LEASE TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	TENANT	RSF	Asking Rent (NNN)	TYPE
3701-3755 Tamiami Trl E	East Naples	Sprouts Farmers Market	21,000	Undisclosed	New Lease
15201 N Cleveland Ave	Cape Coral	Undisclosed	10,000	\$15.00	New Lease
1311 NE Pine Island Rd	Cape Coral	Undisclosed	8,664	\$21.50	New Lease
4351-4383 Tamiami Trl N	North Naples	Kirklands	7,861	Undisclosed	New Lease
4221 Tamiami Trl E	East Naples	Undisclosed	7,500	\$9.00	New Lease

\*Renewals not included in leasing statistics

### KEY SALES TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	BUYER/SELLER	RSF	CAP RATE	PRICE/\$PSF
7205 Estero Blvd	S Ft Myers/San Carlos	Shaked Properties LLC / WCSJR II Corporation	72,233	Undisclosed	\$18.6M/ \$257.50
13550 Reflections Pkwy	S Ft Myers/San Carlos	Sina LLC / Letra Realty LLC + FLT Three LLC	25,790	7.21%	\$6.3M/ \$243.12
13260 Immokalee Rd	Outlying Collier County	Salma Holdings Inc / Pac of Collier Inc	23,132	Undisclosed	\$3M/ \$129.69

# SOUTHWEST FLORIDA

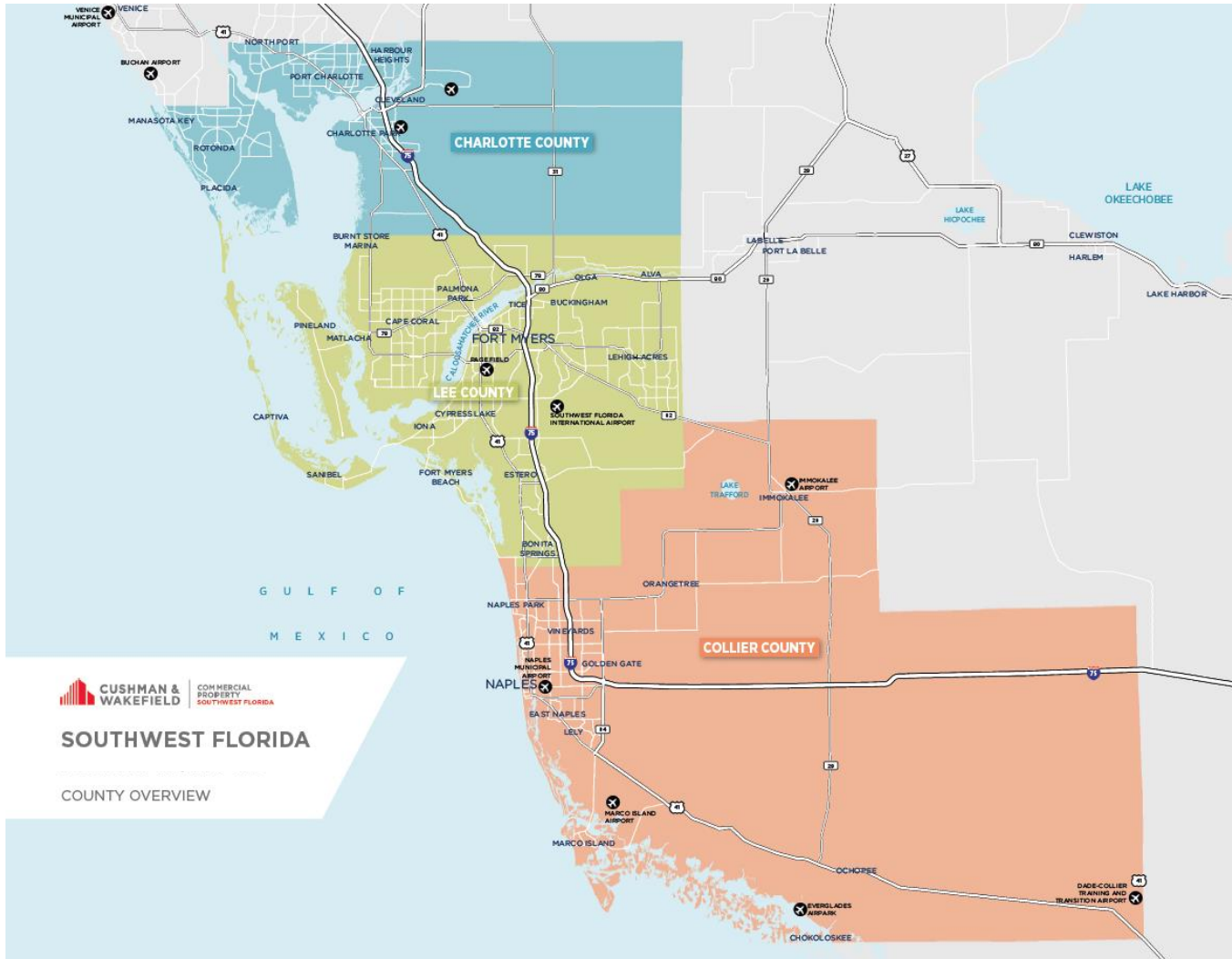
Retail Q4 2021



**CUSHMAN & WAKEFIELD**

**COMMERCIAL PROPERTY  
SOUTHWEST FLORIDA**

## RETAIL SUBMARKETS



**SOUTHWEST FLORIDA**

COUNTY OVERVIEW

### HANNA RAY

Research & Marketing Administrator

Tel: +1 239 489 3600

[hrray@cpswfl.com](mailto:hrray@cpswfl.com)

### GARY TASMAN

CEO & Principal Broker

Tel: +1 239 489 3600

[gtasman@cpswfl.com](mailto:gtasman@cpswfl.com)

## A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 53,000 employees in 400 offices and 60 countries. In 2019, the firm had revenue of \$8.8 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services.

*Independently Owned and Operated / A Member of the Cushman & Wakefield Alliance*

*©2022 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.*

[cushmanwakefield.com](http://cushmanwakefield.com)